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REVITALIZATION OF THE SEASONAL CHARTER PASSENGERS SEGMENT IN PERSONAL AIR TRANSPORT

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Abstract

The research focuses on charter passengers and their seasonal impact on charter air transportation. The relevance of the topic is supported by the events that occurred at airports during the summer season. The empirical part of the research is addressed through a questionnaire survey, which examines the behaviour of passengers who use charter air transportation, especially during the summer vacation season. In the final part of the article conclusions of the research are presented. The result of the practical part of the research is the summarization of data obtained from the questionnaire.

Keywords

charter traffic, passenger, seasonal impact

1. INTRODUCTION

Demand for air travel vacations is on the rise. The summer season of 2022 was the first sign of recovery for the aviation industry after a two-year crisis. During the Covid-19 pandemic, the entire airline industry was forced to lay off employees in all positions. Many of these jobs remained vacant even during the slow return of air travel to its former state. This was confirmed by the situation at airports during the summer season of 2022, when most airports suffered from a shortage of ground staff. In the summer of 2022, aviation began to revive again. However, the newly created jobs were difficult to fill, as there was a shortage of qualified personnel at the time for this type of work.

2. IDENTIFICATION OF PASSENGER BEHAVIOR IN AIR TRANSPORT

2.1. Charter Air Carrier

Some holidays destinations are far away from the main cities, and the time and cost of reaching them are unacceptable for tourists. Traditional carriers did not serve these destinations, which led to the emergence of charter carriers offering cheap flights to new vacation destinations. They are characterized by their flight schedules, which are not fixed or published [1].

2.1.1. History

Charter carriers were the main driver of leisure air transportation until the early 1990s. The seasonal or occasional nature of transport suited passengers who used this type of transport. Airlines behaved in many respects like low-cost carriers, emphasizing cost reductions through dense seating configurations, high load factors, use of secondary airports, or basic on-board service. All these factors led to low costs, allowing charter carriers to offer a satisfactory price for holiday travellers. After the 1990s, business models began to differentiate more. Traditional carriers focused on stable network coverage, low-cost carriers on point-to-point connections, and charter carriers were somewhere in the middle of these two models. However, strict model differentiation did not last long, and the defining elements of each group began to overlap.

The offered capacity by charter airlines corresponds to the demand, even despite high seasonality. They only fly at times or days when required by the customer, i.e., the tour operator. A tour operator is an entity that puts together tours and sells them to travel agencies or consumers. Travel agencies sell tours that were previously created by tour operators for consumers. When it's off-season, there's no reason to offer flights that wouldn't be occupied. Similarly, there's no reason to offer high flight frequencies during the day just to keep up with the competition. All flights are operated because the capacity was previously leased by one or more tour operators. This ensures a high load factor (percentage expression of the occupied aircraft capacity). Most of the capacity is sold to large tour operators.

The trend in charter aviation is to charge for individual parts of services rather than offering them together as a complete package. This offers passengers greater flexibility, whether in relation to the flight, accommodation, or travel duration. The goal is to offer a wide range of products from which passengers can choose any combination. This gives them the opportunity to compete with low-cost carriers, who, like charter airlines, focus on the price-sensitive segment of the market. These are passengers who have their own accommodation, students, or so-called backpackers.

2.1.2. Charter Passenger

For the purpose of this article, it is necessary to define who a charter passenger is. The profile of charter passengers is different from that of low-cost and traditional network airline passengers. In reference [2], charter passengers were compared to low-cost and traditional airline passengers. According to the research, these passenger groups are not related to each other. Based on the variables, it was found that low-cost and traditional airline passengers are actually opposite groups of passengers. The study shows that charter passengers are more likely to be young people traveling in pairs, but not in large groups. The average income of this type of passenger is higher than in the other groups mentioned above, as there are fewer students and unemployed people. People most commonly choose charter airlines when they want to travel to more distant places outside Europe, especially to Latin America and exotic destinations in Asia for Europeans. If one of these destinations is the goal of these passengers, the probability of them choosing a charter airline for their transportation is 50% higher than for other types of airlines.

2.2. Methodology

Research in this paper is conducted through a questionnaire survey. The first questionnaire is addressed to charter passengers. By analysing the results of the questionnaire, we will synthesize the findings and identify recommendations for the research subjects. The target group consists of respondents who travel on vacation by air transportation. The questionnaire is processed using a quantitative method of data collection. Quantitative research works with numerical data. It measures, determines the frequency, range, or intensity of phenomena, and identifies their quantitative characteristics. The questionnaire was created using an online form through the Google Forms platform. The distribution of the questionnaire also took place online, via a link. In travel groups on Facebook, members of the group chose whether to participate in the survey by filling out the questionnaire after reading the invitation. The questionnaire consists of questions focused on experiences with air travel and possible choices of respondents related to air transportation and travel agencies.

The second questionnaire is focusing on travel agencies. In this part a qualitative method of data collection is used.

3. IMPACT OF AIRCRAFT AND PASSENGER GROUND HANDLING ON PERSONAL TRANSPORTATION

Personal air travel during the summer vacation season of 2022 was marked by strikes. They affected both the personnel at airports and the airline staff of individual airlines. In the summer of 2022, traveling in Europe was several times longer due to staff strikes on a daily occurrence. The series of strikes were initiated by Brussels Airlines employees on June 23. The following day, Ryanair workers from Italy, Portugal, and Belgium joined in. In Spain, the same airline's employees went on strike at the beginning of July, when another 12 strike days were announced for the entire month. At Paris Charles de Gaulle Airport, flights were cancelled due to striking firefighters and Air France pilots. The July strikes also affected Lufthansa, easyJet, and Scandinavian Airlines.

3.1. Reasons for strikes

3.1.1. <u>Covid-19</u>

The first cause of strikes is the global Covid-19 pandemic. After a series of lockdowns in early 2020 and the subsequent overall collapse of air travel, the entire airline industry was heavily impacted. Passengers were afraid to leave their homes or had great difficulty traveling due to restrictions. With a reduced number of flights, the number of required pilots also decreased. To survive, airlines offered pilots early retirement, voluntary departures, or unpaid leave to reduce wages. During the summer season, there was an increased demand for flights due to the easing of pandemic restrictions. However, airlines did not have their pre-pandemic levels of employees. Many pilots who were laid off did not return to their positions. The aviation personnel agency Goose Recruitment conducted a survey that found 43% of 2,600 pilots are doing jobs they were not trained for. 30% of pilots are unemployed, 17% are on leave, and the remaining 10% work in non-flying positions. A survey of unemployed pilots found that 84% of them lost their jobs due to the Covid-19 pandemic. [3]

3.1.2. <u>Aviation Industry</u>

The aviation industry has faced not only a shortage of pilots, but especially of trained personnel. Cabin crew, technical staff, and airport workers are hiding behind roughly 191,000 laid-off employees during the pandemic in Europe. This has put greater pressure on the remaining employees, who have had to handle greater workloads while their wages are being reduced. This has resulted in countless strikes targeting recruitment of new employees, among other things. Aviation is specific in its high demands on personnel qualifications. Specialized, time-consuming training and education are needed to ensure a qualified workforce. [3]

Although each airport had individual problems, the common feature was the inability to increase the number of employees to the level necessary to handle the intake of passengers. According to [4], the shortage of staff at airports is caused by:

- exhaustion of airport and ground handling resources due to the Covid-19 pandemic,
- tight labour market in Europe,
- training and security clearance requirements.

Airports and ground handling are emerging from the COVID-19 crisis with exhausted financial resources, as they were forced to lay off employees due to the decline in air traffic in 2020 and 2021. Jobs in security and ground handling are low-paid and involve working shifts 7 days a week, making it difficult to recruit new employees in times of inflation.

3.1.3. <u>Security checks</u>

Another factor is the training and security clearance requirements that make it difficult to quickly supply new staff. The time between staff recruitment and actual deployment can be up to 16 weeks [5]. Security clearances in France can slow down the recruitment of new employees by up to 5 months [6]. Airports require faster security clearance of airport and ground handling staff by competent authorities. However, the speed of verification depends not only on the authority, but also involves a number of other entities. Requirements for security checks of employees are becoming stricter. Standard security clearances are repeated at regular intervals of no more than 3 years (compared to the original 5 years). An increased security check is required within 12 months. This has further negative implications for airport staff in the security section, where increased security clearance is mandatory.

3.1.4. War in Ukraine

Another significant factor behind the summer strikes is the ongoing Russian-Ukrainian conflict since February 24, 2022. Due to the current dispute, around 90 European commercial flights have to fly around Russian airspace each day for safety reasons. Commercial flights are also not allowed to operate in the airspace of Ukraine, Belarus, and Moldova for security reasons. Flights that would normally pass over these countries must now fly longer distances, consume more fuel, and incur higher costs to reach the same destination. IATA has issued a statement predicting a deepening of airline losses due to the increase in fuel prices caused by the war in Ukraine. Fuel costs are the biggest operational expense for airlines. The rise in fuel prices affects the amount of money that airlines have to pay for fuel, leaving less money to pay their employees. [3]

3.1.5. Rules for slots

On July 12, the European Commission proposed that the slot utilization rate should be 80%. Each slot at an airport, a reserved space for a particular airline, is retained by the airline if it uses it for at least 80% of the time. It is in the airlines' interest to keep their slots. In order to do so, smaller aircraft or so-called ghost flights were dispatched. These ghost flights were exclusively used to maintain slots using empty planes. During the pandemic, slot utilization was reduced to 64%.

The turn of the year 2022 and 2023 was again challenging for air travel. In October, the Heathrow Airport management increased the daily passenger limit and it should not be restricted even in the summer of 2023. Employees of this airport also protested in November before the World Cup held in Qatar. British Airways announced in August that it will reduce the number of flights in the winter schedule by 8%, affecting approximately 10,000 flights. Schiphol Airport reduced the number of passengers per day by about one-fifth until March 2023. This measure should contribute to solving the shortage of security workers. It is difficult to find workers for mostly mentally demanding work at airports relatively far from cities. During the beginning of 2023, companies should learn from the previous summer and ensure qualified personnel for the summer season. Schiphol Airport agreed to pay an additional 5.25 € per hour to 15,000 cleaners, baggage handlers, and security personnel during the summer. Salary conditions could be one of the motivating factors for recruiting new employees. [3]

4. ISSUE ADDRESSED FROM THE PERSPECTIVE OF TRAVEL AGENCIES

4.1. Package holidays

From the mid-20th century to the beginning of the 21st century, package holidays were the main form of holiday booking. However, independent travel became more popular than all-inclusive holidays. Just when people thought package holidays were a thing of the past, the trend of booking flights and accommodation with the same provider returned. Booking a package holiday is a very convenient form of travel purchasing because you can buy flights and accommodation from the same provider. The expansion of internet usage also had an impact on the travel agency industry. It saves time on purchasing because customers do not have to visit a travel agency office and can reserve services at any time, regardless of business hours. Direct online reservation allows for immediate receipt of confirmation and travel vouchers. Many websites and applications store credit card information, which also contributes to time savings and allows customers an easy reservation and payment process.

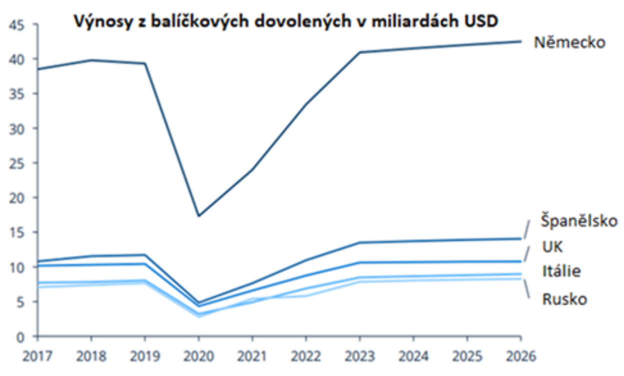

Figure 1 - Europe Package Holiday Revenue.

On the European market with package holidays, Germany clearly dominates. Given the growing interest in remote destinations all over the world, it is expected that providers of package holidays will continue to prosper due to this tourist behaviour trend. A total of 580 respondents from the travel group "EGYPT holidays - tips and advice for everyone!" completed the questionnaire. This group on the social network Facebook was selected based on two assumptions. Members travel or plan to travel to this destination, and therefore use air transport. Another assumption is that people will travel to this area more with travel agencies than on their own. The first part of the questionnaire gathered information about the respondents. This information includes gender, age, and information about who they usually travel with - whether alone, as a couple, or with children and family. The next part of the questionnaire focuses on travellers' preferences when purchasing vacations. The following section examines if respondents were influenced by delays and strikes at airports when traveling by air. Out of the total number of respondents, 488 were women and 92 were men. The majority of respondents were in the age range of 36 to 50 years, and the fewest were in the age range of 27 to 35 years.

5. QUESTIONNAIRE SURVEY

A total of 580 respondents from the travel group "EGYPT holidays - tips and advice for everyone!" completed the questionnaire. This group on the social network Facebook was selected based on two assumptions. Members travel or plan to travel to this destination, and therefore use air transport. Another assumption is that people will travel to this area more with travel agencies than on their own. The first part of the questionnaire gathered information about the respondents. This information includes gender, age, and information about who they usually travel with - whether alone, as a couple, or with children and family. The next part of the questionnaire focuses on travellers' preferences when purchasing vacations. The following section examines if respondents were influenced by delays and strikes at airports when traveling by air. Out of the total number of respondents, 488 were women and 92 were men. The majority of respondents were in the age range of 36 to 50 years, and the fewest were in the age range of 27 to 35 years.

5.1. *Conclusions from the travel survey*

- The type of vacation (active or passive) is correlated with age. As age increases, the number of active vacations decreases and vice versa.
- The average amount respondents are willing to spend on air travel is between 15,000 and 30,000 CZK per person.
- There was no significant difference in the timing of air travel purchases between 2019 and 2023.
- 61% of respondents most often purchase tickets through travel agencies.
- Among the factors examined, COVID-19 and the availability of refreshments on the flight have the least impact on air travel purchases, while price has the greatest impact.
- 90% of respondents' flights were not affected by strikes in 2022.
- The average delay time for respondents affected by strikes in 2022 was 7.5 hours.
- Respondents are willing to sacrifice 2 hours and 24 minutes of travel time to get to the airport from their place of residence.
- When traveling for more than 7 hours and 8 minutes, respondents choose to travel by plane over other modes of transportation.
- The main reason for choosing a vacation with a travel agency is a feeling of security when traveling to riskier destinations.
- Passengers are most susceptible to waiting for baggage claim. The average maximum waiting time during the transportation process at the airport is recorded in table 1.

Table 1 - Average tolerated max waiting time.

Phase	Waiting time
Waiting in gate	54 minutes
Waiting for check-in	43 minutes
Luggage claim	25 minutes

5.2. *Conclusions from the survey of travel agencies*

Both companies observe a positive trend in the field of tourism in 2023. Koala Tours and Čedok report that demand is returning to pre-pandemic levels. Čedok has recorded a significant increase in demand and expects an excellent season if the situation with the pandemic or other global events remains stable. The demand for summer holidays in both travel agencies is already comparable to 2019. "Travel is booming like before the pandemic. At least that is confirmed by sales and economic results data for 2022 and the interest in first-minute trips for this season." [7].

Both surveyed companies report that they have not changed their sales strategy compared to last summer. The pandemic contributed to high online sales. However, customers are returning to direct contact with travel agencies. Thanks to this fact, Čedok, with its current 40 branches, can open new branches in Slovakia. Both companies plan and purchase the necessary capacity of airplanes and accommodation well in advance for the upcoming season.

6. AUTHOR'S EVALUATION

This chapter provides structured recommendations for airports and travel agencies.

Airports and ground handling are trying to overcome current challenges. Although there is no quick solution, there are steps that could help reduce operational disruption.

- Acquire new employees.
- Ensure faster approval of security checks for airport and ground handling personnel.
- Adjusting airline schedules to reduce traffic peaks and quickly return unused slots back to the slot pool.
- Not to allow further liberalization of ground handling.

For decades, ground handling companies have used a variety of operating procedures. It is necessary to enforce a solid legal framework that guarantees minimum service quality and supports and recognizes the skills of ground handling workers through initiatives such as widely recognized training passports. IATA is trying to standardize this through the IATA Ground Operations Manual (IGOM) and the IATA Safety Audit for Ground Operations (ISAGO) [8]. IGOM and ISAGO complement each other in harmonizing ground handling. The goal of both programs is to reduce risks, prevent damage to ground equipment, and enable standardized and sustainable operations. Setting an upper limit on the number of ground handling providers based on the size of the market or airport would also help solve social and operational problems [9].

- Airports should focus on the time-consuming processes in transportation.
- Introduction of modern technologies. New technologies will make travel easier or shorter for passengers. Airports will be relieved of the need to search for qualified personnel. The adoption of digital technologies is also recommended by ICAO.

E-tag

This is used for electronic labelling of baggage in air transport. E-tag is a small electronic device that attaches to luggage and contains information about the flight and passenger. E-tagging simplifies the check-in process and improves baggage tracking in air transport.

eGate

These are modern self-service gates that work on the principle of reading biometric data. Document recognition, face or fingerprint recognition technology is used to identify and compare with passport information. Passengers will spend less time on customs/immigration/passport control, which, as the data show, is desirable. Waiting times will be reduced and passengers can complete the control process in a few seconds.

For travel agencies, certain recommendations have emerged for securing the next season based on both questionnaires.

- Focus on flights outside traffic peaks. As we found out from the questionnaire, charter flights in our sample of respondents were not significantly affected by airport strikes. Nevertheless, travel agencies should aim for flights outside peak hours, when there is the greatest likelihood of a smooth process without unwanted delays.
- Utilize regional airports.
- Flexibility of charter carriers.
- Work on the online environment. Despite the post-pandemic return of travel agencies to direct customer contact and opening new branches, it is necessary to continue intensive work on online options for purchasing trips. Travel agencies should take advantage of the majority interest in online purchases, for example, by creating mobile applications for smartphones. Applications for booking trips, notifications of special offers, or easy display of recently searched options are already being used by Čedok. CK Blue Style offers an application focused more on the actual travel experience for customers.
- Emphasis on capacity planning for airlines and tour operators.

According to our findings, a large portion of charter flight capacity will be sold with a greater lead time than in the past two years. Despite the significant interest in first-minute purchases, we do not believe that this trend will eliminate the possibility of last-minute vacation purchases. Last-minute sales are an integral part of the sales strategy of travel agents and agencies. It is important to have agreements with airports to ensure capacity for passenger handling and ground handling. These agreements with airports could prevent long waits and delays in the air travel process.

7. CONCLUSION

The research provides a summary of the situation at airports during the summer vacation season. Recommendations are drawn based on the questionnaires addressed to passengers and travel agencies.

The 2022 season was very turbulent regarding the events at the airports. Airports and ground handling providers struggled with two main problems: a shortage of available staff and insufficient attractiveness of job positions for new applicants. As a result of the Covid-19 pandemic, airports and ground handling providers had to lay off employees during 2020 and 2021.

For the purposes of the thesis, a questionnaire was completed by 580 leisure travellers. Thanks to the large number of respondents, we are working with a relatively large sample of responses, which have a high informative value and can be a valuable source of opinions of leisure travellers. The application of the results is possible not only for travel agencies but also for airports. However, airports must take into account the segment of travellers for whom the questionnaire was intended. The time sensitivity of regular transport travellers will be different due to a different type of travel. Business travellers are more sensitive to departure time and less to price than other travellers.

Unfortunately, the results of the questionnaire were not as comprehensive for travel agencies. We therefore analysed responses from two travel agencies, one Slovak and one Czech. The answers of both agencies did not differ fundamentally. Demand is at least at pre-Covid standards, and this season should be even better according to initial sales.

The aim of the research was to define recommendations for travel agencies and airports. The main recommendation is to increase the use of modern technologies, both from the perspective of airports - eGates, E-tag, and from the perspective of travel agencies - focusing on online sales. Another recommendation is to pay attention to the harmonization of ground handling procedures. The key factor for the next season is employees. Ensuring qualified staff well in advance is essential at this stage.

Another goal was to identify problems at airports that led to strikes in 2022. The main reason was the consequences of the Covid-19 pandemic. Lengthy security checks are a significant obstacle to quickly recruiting new employees.

Although we found out from the survey that strikes did not have a significant impact on charter air transport (i.e., air transport with travel agencies), it is necessary to emphasize that strikes were not only a matter of the summer season, but also of the beginning of 2023, and are likely to continue in the following months. Rising living costs and overloaded employees are still a very relevant and persistent issue. Dissatisfaction among employees in the European airport environment and ground handling staff stems from inadequate payment conditions, workload, and high inflation. Nevertheless, travel agencies, airlines, and airports expect an extremely successful season that will undoubtedly bring the expected profits and renewed interest from travellers, whether within travel agencies or airlines.

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