



Air Cargo Terminal Users Survey 2008

- Summary Report -

Prepared By
Consumer Search



on Behalf of
Airport Authority Hong Kong





I. BACKGROUND

To evaluate the satisfaction levels among air cargo terminal users of Asia Airfreight Terminal (AAT) and Hong Kong Air Cargo Terminals Limited (Hactl), a study was commenced in July 2008 by Consumer Search on behalf of Airport Authority Hong Kong (AAHK).

II. SURVEY OBJECTIVES

- To assess the satisfaction level of cargo terminal users on the existing services and facilities, and to suggest service areas for improvement;
- To better understand the needs of different types of customers; and
- To compare with previous study results to assess any perceived improvements in cargo terminal services provision over time

III. METHODOLOGY

Fieldwork Date	7 July – 8 August 2008
Target Respondents	Operation Managers of Airlines, Freight Forwarders and Truckers, or persons in similar job functions working in back offices; Freight Forwarders and Truckers staff working at CTOs' operational area.
Web surveys	Respondents working in back office
Telephone Interviews	Respondents working in back office
Face-to-face Interviews	Respondents working at CTOs' operational area



The effective sample composition was as follows:

	TOTAL	Airlines	Freight Forwarders	Truckers
Telephone interviews	228	62	132	34
On-site interviews	138	-	37	101
Web Surveys	14	8	5	1
TOTAL	380	70	174	136

The three respondents groups were invited to rate the relevant service areas, according to the following table:

	Airlines	Forwarders	Truckers
- Cargo Terminal Services	✓	-	-
- Facilities	✓	-	-
- Transshipment	✓	-	-
- Cargo Security	✓	✓	-
- Cargo Protection	✓	✓	-
- Use of IT	✓	✓	✓
- Safety	✓	✓	✓
- Customer Services	✓	✓	✓
- Import	-	✓	✓
- Export	-	✓	✓



IV. NOTES

This survey was not aimed at comparing the two CTOs in any way, as they are different in size, facilities and customer base to be compared objectively.

Rating Scale: A 10-point rating scale was used to represent the importance and satisfaction level of the surveyed items, where

7-10 points:	important/ satisfied
5-6 points:	average/ acceptable
1-4 points:	unimportant/ dissatisfied

Differences between importance and satisfaction scores by customer groups in comparison with previous year would be shown in points (e.g. +0.3 point) and percentages (e.g. +5.0%).



Customer Value of Service Areas



Customer Value of Service Areas - Overall

Range:

8.4 to 9.0

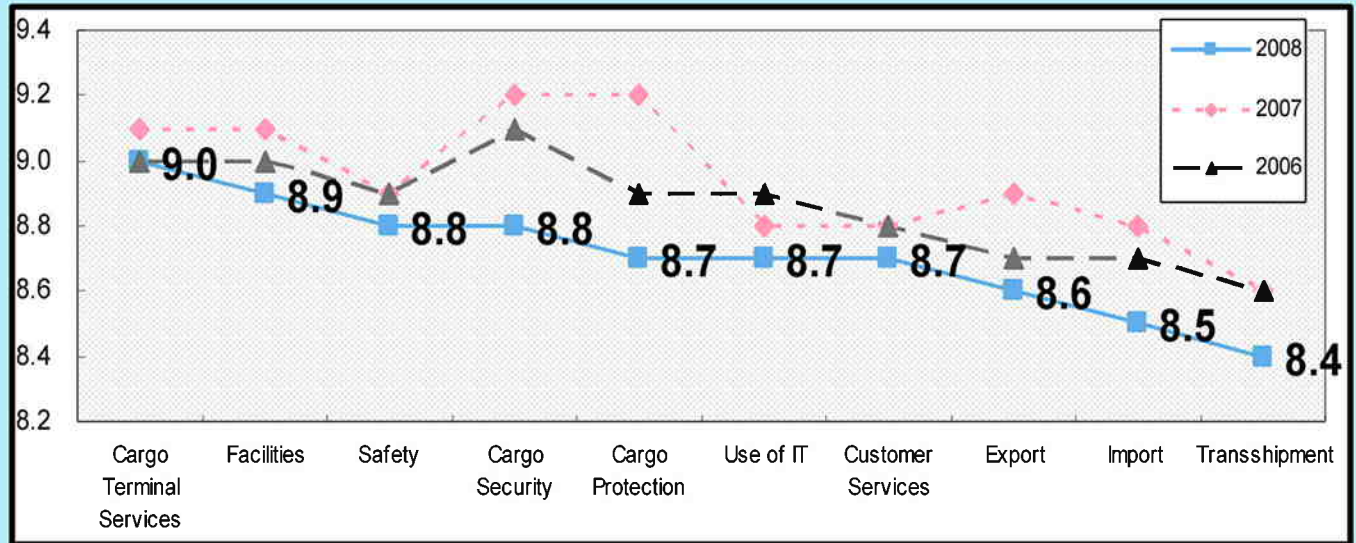
Most Important:

Cargo Terminal Services (9.0)

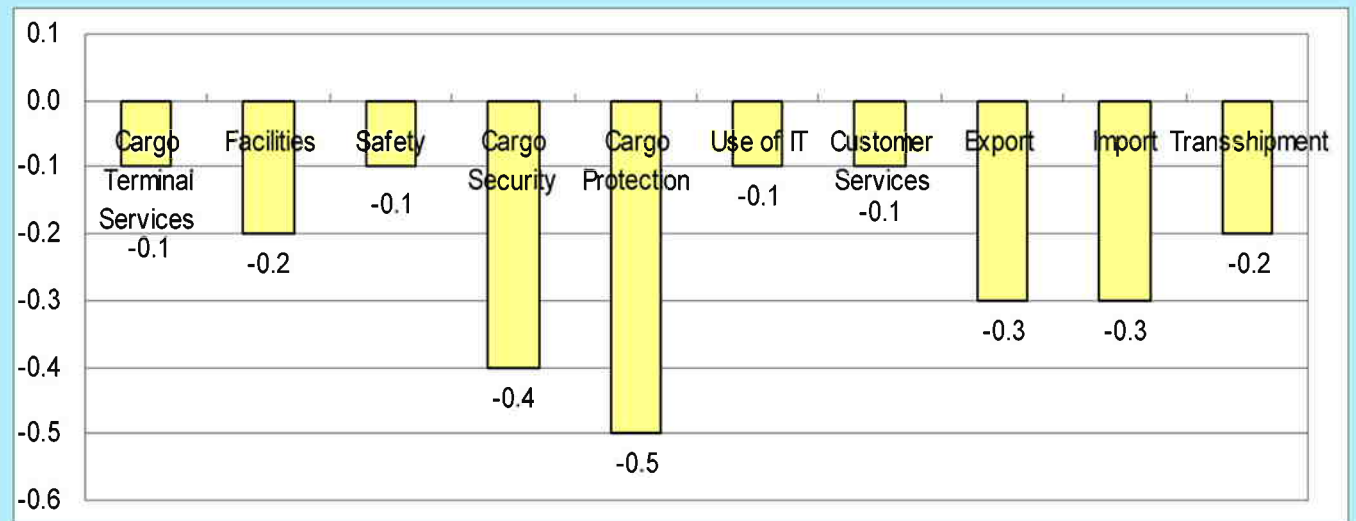
Most Significant Change:

Cargo Protection (-0.5)

Perceived Importance
Decrease in all areas



Customer value of service areas – 2006 to 2008 (Overall)



Change in customer value 2008 vs.2007 (Overall)



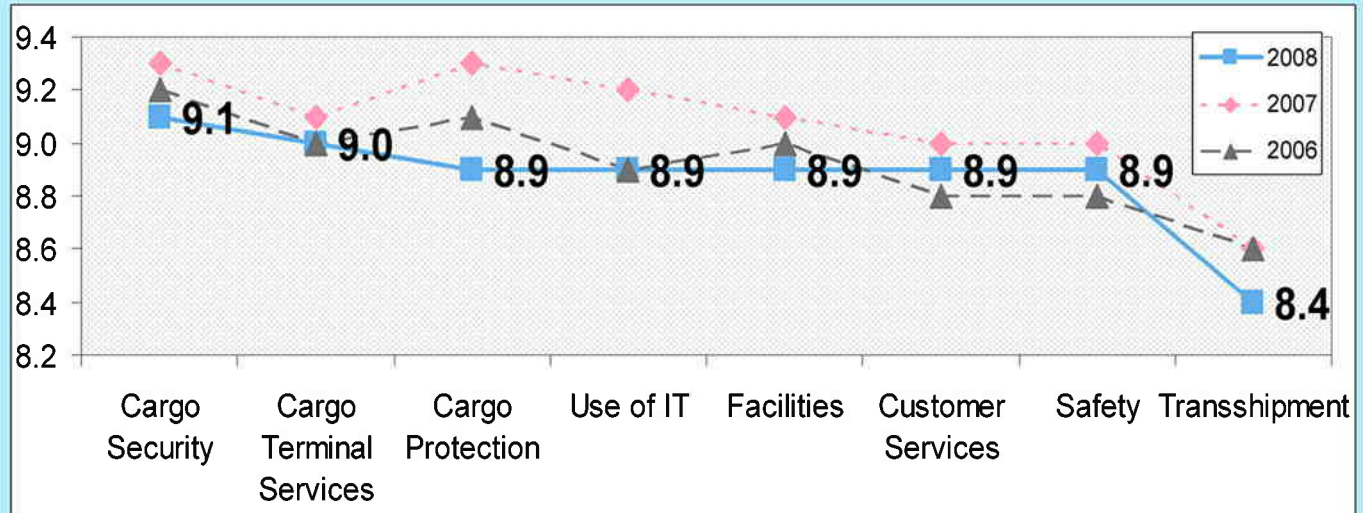
Customer Value of Service Areas - Airlines

Range:
8.4 to 9.1

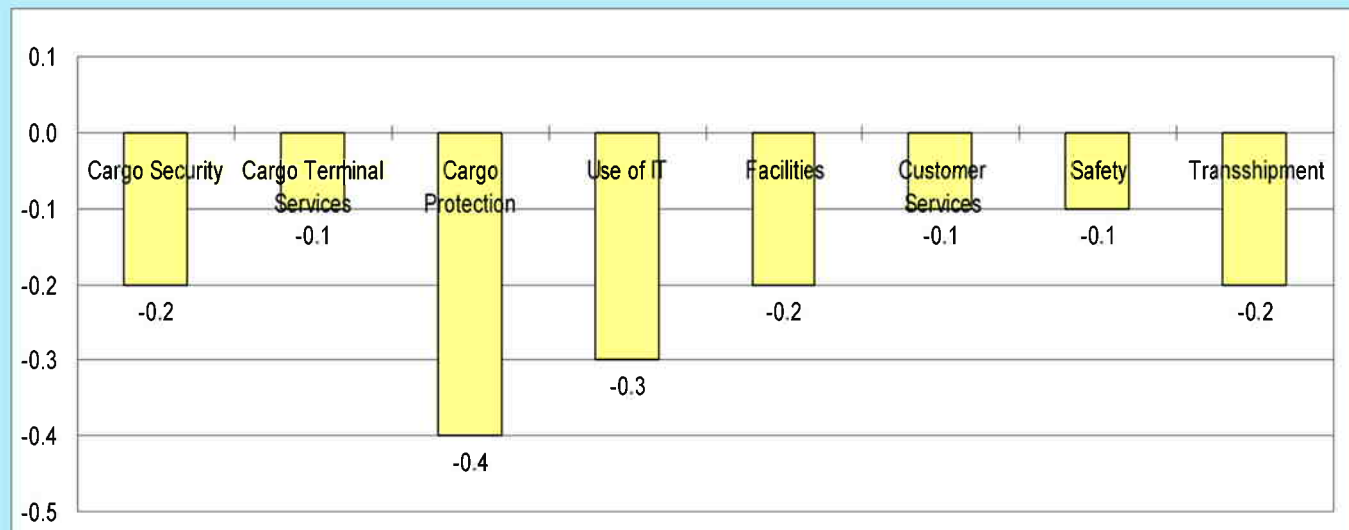
Most Important:
“Cargo Security”
(9.1)

Most Significant Change:
“Cargo Protection”
(-0.4)

Perceived importance
Decrease in all areas



Customer value of service areas – 2006 to 2008 (Airlines)



Change in customer value 2008 vs.2007 (Airlines)



Customer Value of Service Areas – Freight Forwarders

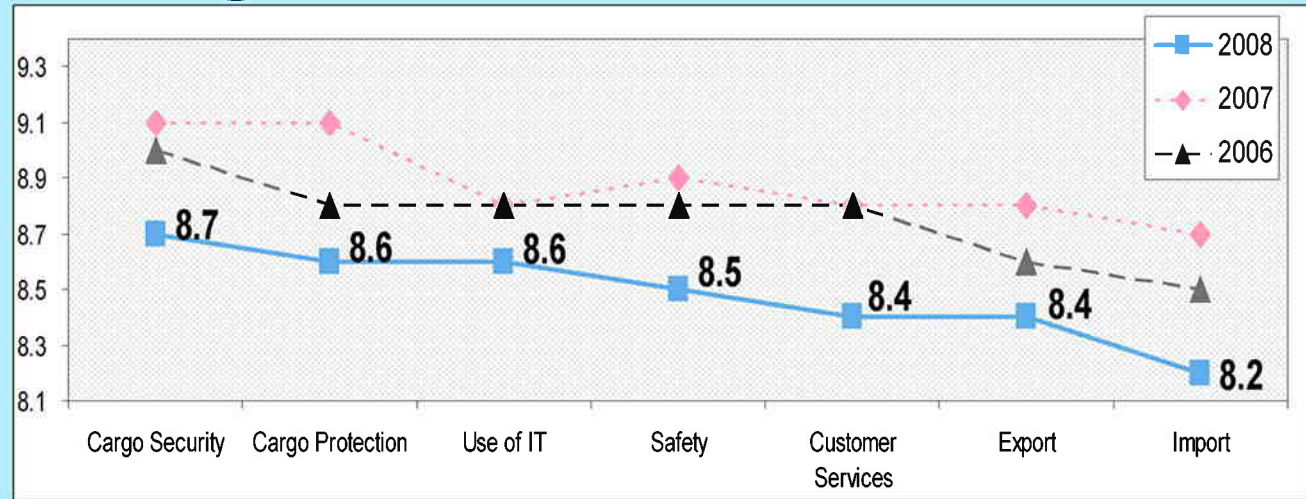
Range:
8.2 to 8.7

Most Important:
“Cargo Security” (8.7)

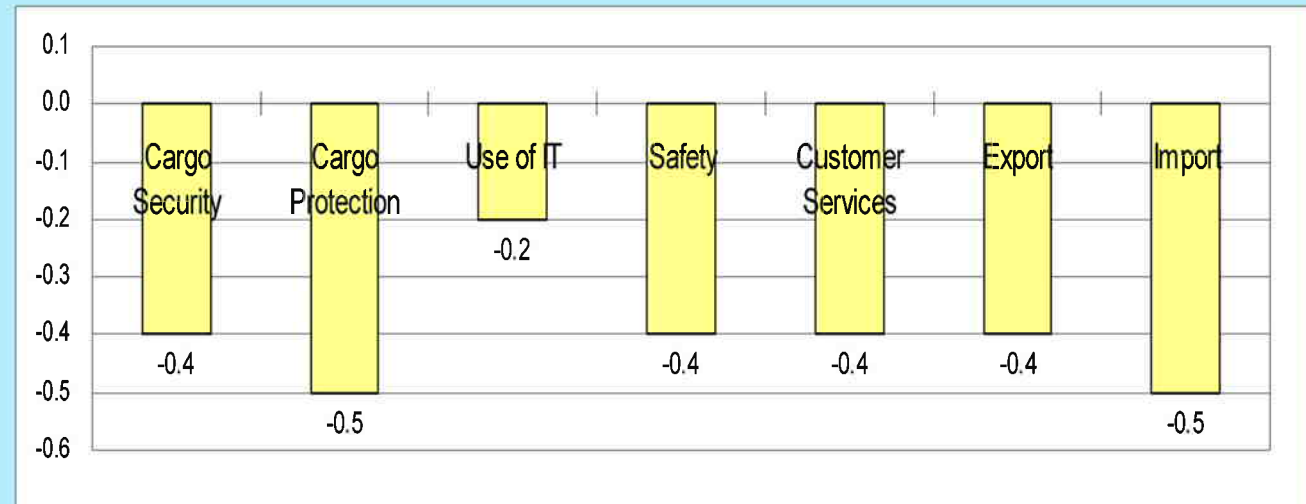
Most Significant change:
“Cargo Protection” & “Import” (-0.5)

Perceived importance

- Decrease in all areas
- The lowest among 3 groups of respondents



Customer value of service areas – 2006 to 2008 (Forwarders)



Change in customer value 2008 vs.2007 (Forwarders)



Customer Value of Service Areas - Truckers

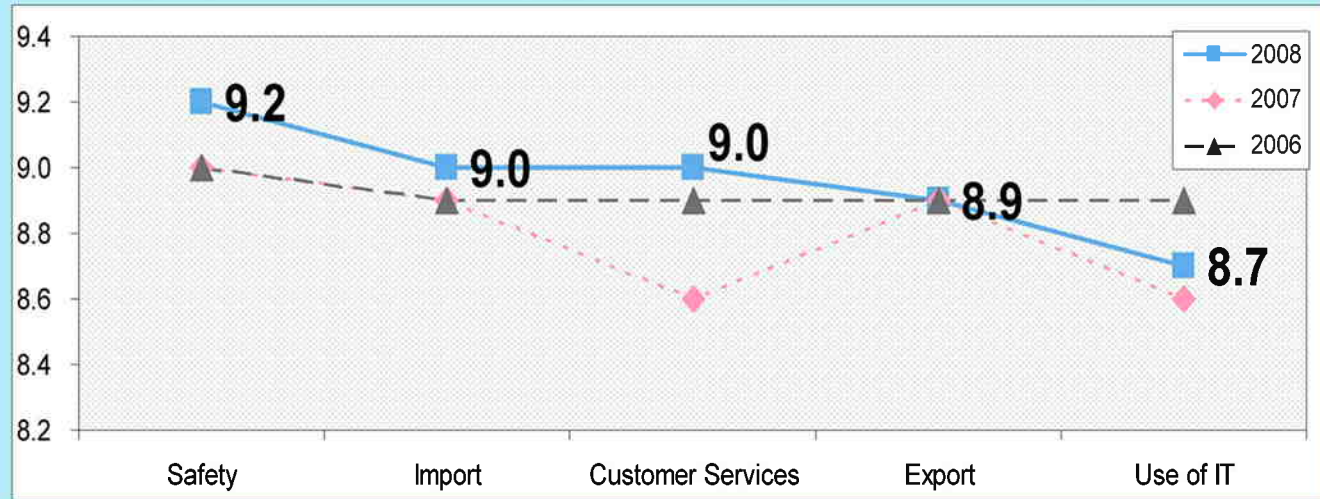
Range:
8.7 to 9.2

Most Important:
“Safety” (9.2)

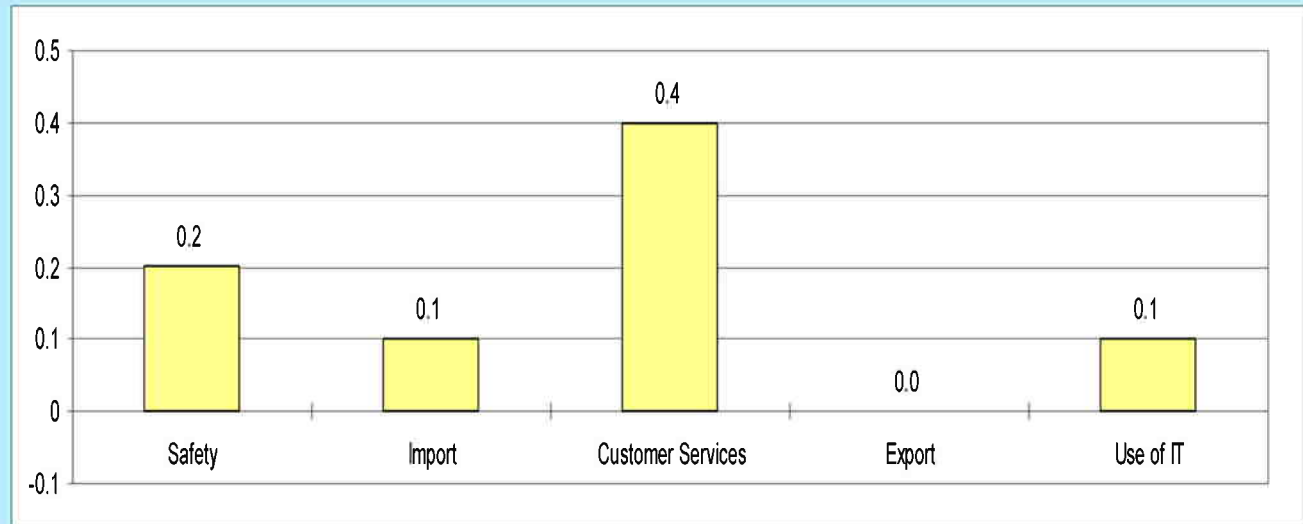
Most Significant Changes:
“Customer Services” (+0.4)

Perceived importance

- The only group with increase in perceived importance
- The highest among 3 groups of respondents



Customer value of service areas – 2006 to 2008 (Truckers)



Change in customer value 2008 vs.2007 (Truckers)



Overall Satisfaction with AAT



Overall Satisfaction with AAT

- Satisfaction levels of Airlines and Forwarders dropped when compared with last year
- Same as 2007, Airlines were the most satisfied group (8.1 points), whereas Forwarders were the least satisfied group (7.6 points)

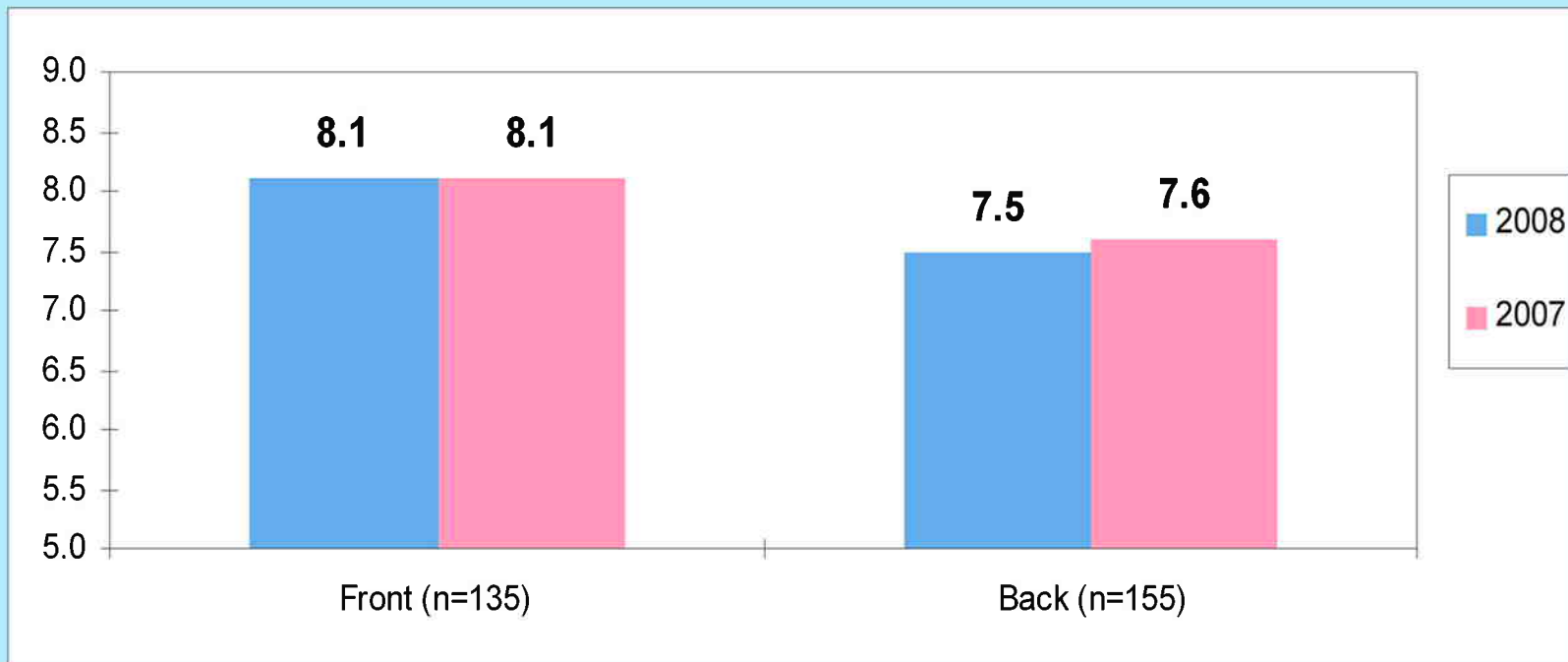


Overall satisfaction by customer group



Overall Satisfaction with AAT - Frontline vs. Back Office

- Frontline staff rated the same in overall satisfaction (8.1 points) as last year
- Back office staff rated slightly lower (by 0.1 point) than 2007



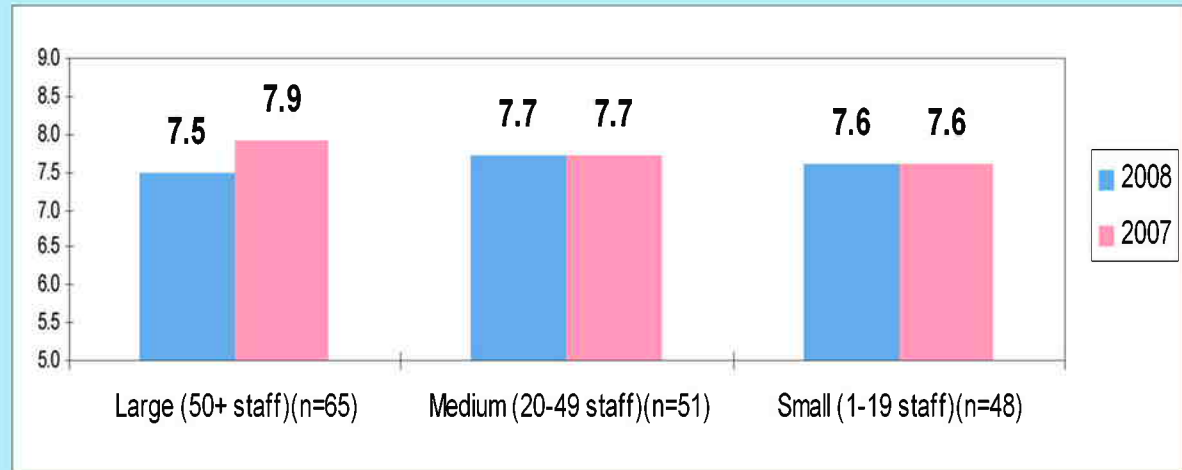
Overall satisfaction by frontline and back office



Overall Satisfaction with AAT - Freight Forwarders by company size

By manpower

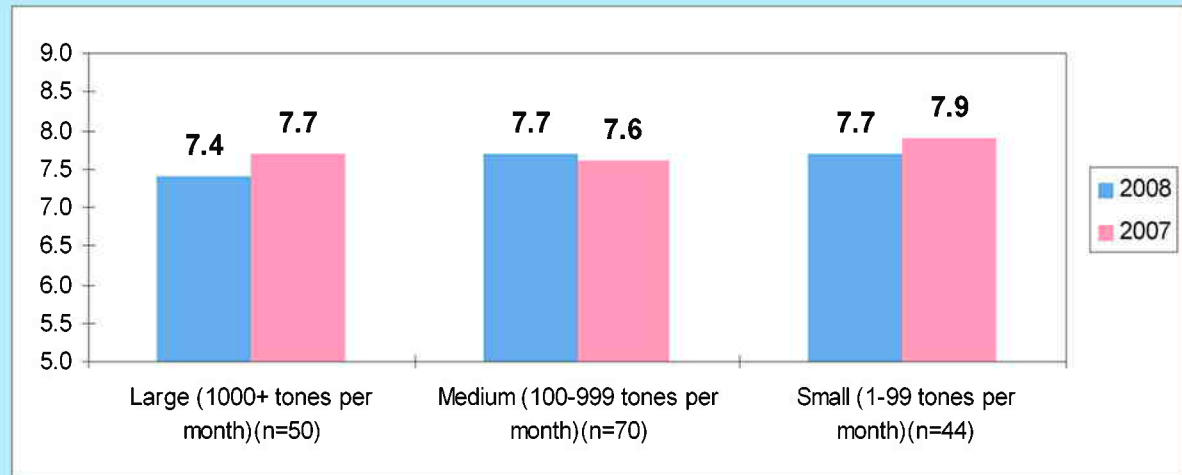
- Medium and Small Forwarders' satisfaction remained unchanged (7.7 and 7.6 respectively), while that of Large Forwarders declined
- Medium Forwarders were the most satisfied group



Overall satisfaction by company size – by manpower

By tonnage handled

- Medium and Small Forwarders were equally satisfied (7.7) this year
- Large and Small Forwarders' satisfaction declined by 0.3 and 0.2 point respectively



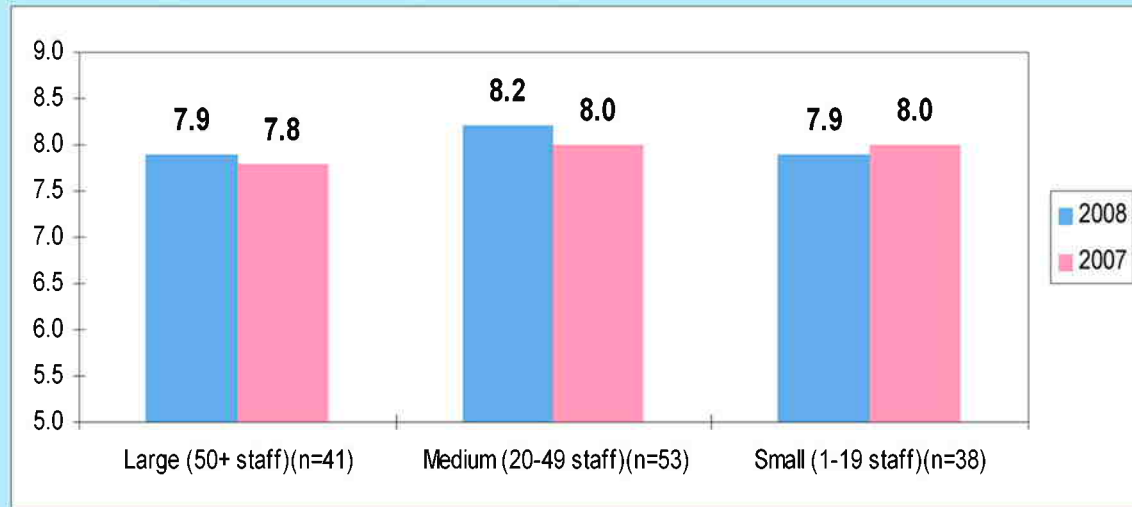
Overall satisfaction by company size – by tonnage handled



Overall Satisfaction with AAT - Truckers by company size

By manpower

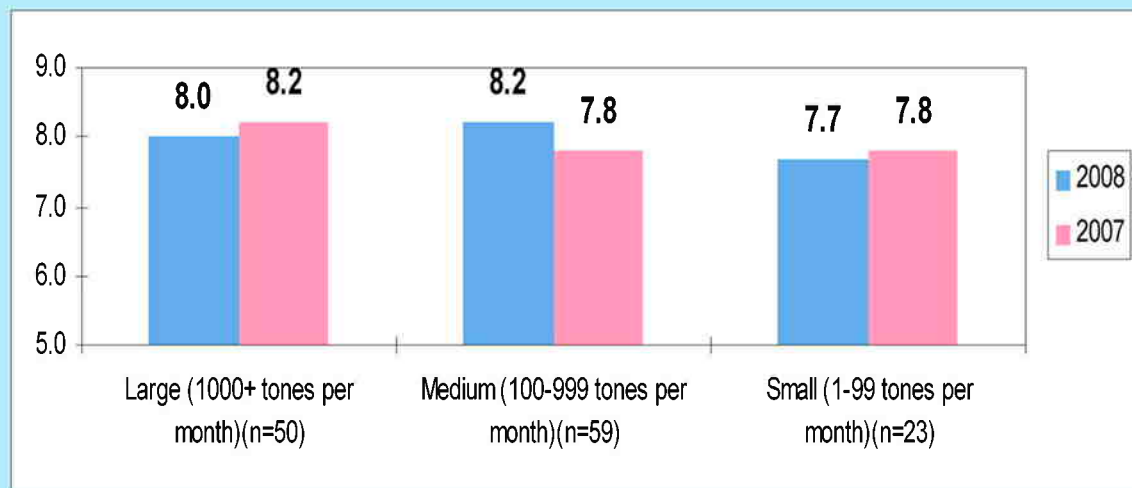
- Medium Truckers were the most satisfied with an improvement of 0.2 point compared with last year
- Large and Small Truckers rated the same level of 7.9 points this year



Overall satisfaction by company size - by manpower

By tonnage handled

- Medium Truckers increased by 0.4 point in overall satisfaction; they are also the most satisfied
- Satisfaction of Large and Small Truckers declined by 0.2 and 0.1 point



Overall satisfaction by company size - by tonnage handled

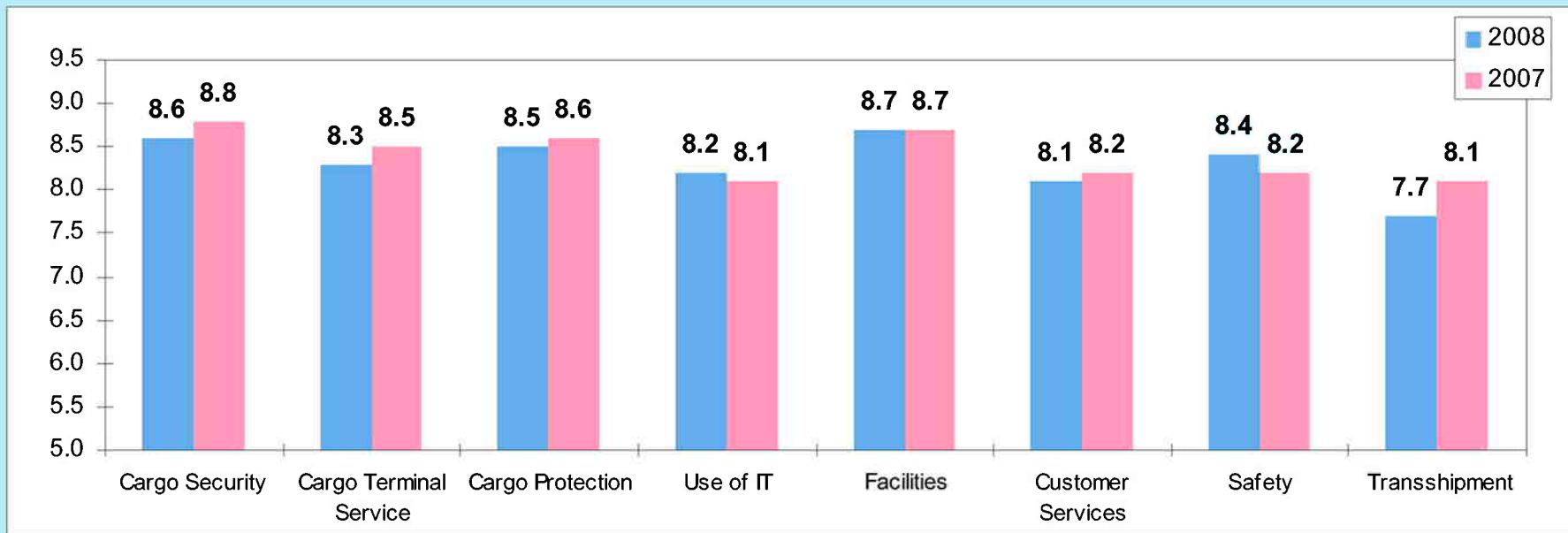


Satisfaction by Service Area of AAT



Satisfaction by Service Area of AAT - Airlines

- Facilities was the most satisfying service area (8.7 points)
- Transshipment was the area with the most decline (-0.4 point) and was also the least satisfying area (7.7 points)
- Use of IT (+0.1 point) and Safety (+0.2 point) were the two areas where improvements of satisfaction were observed

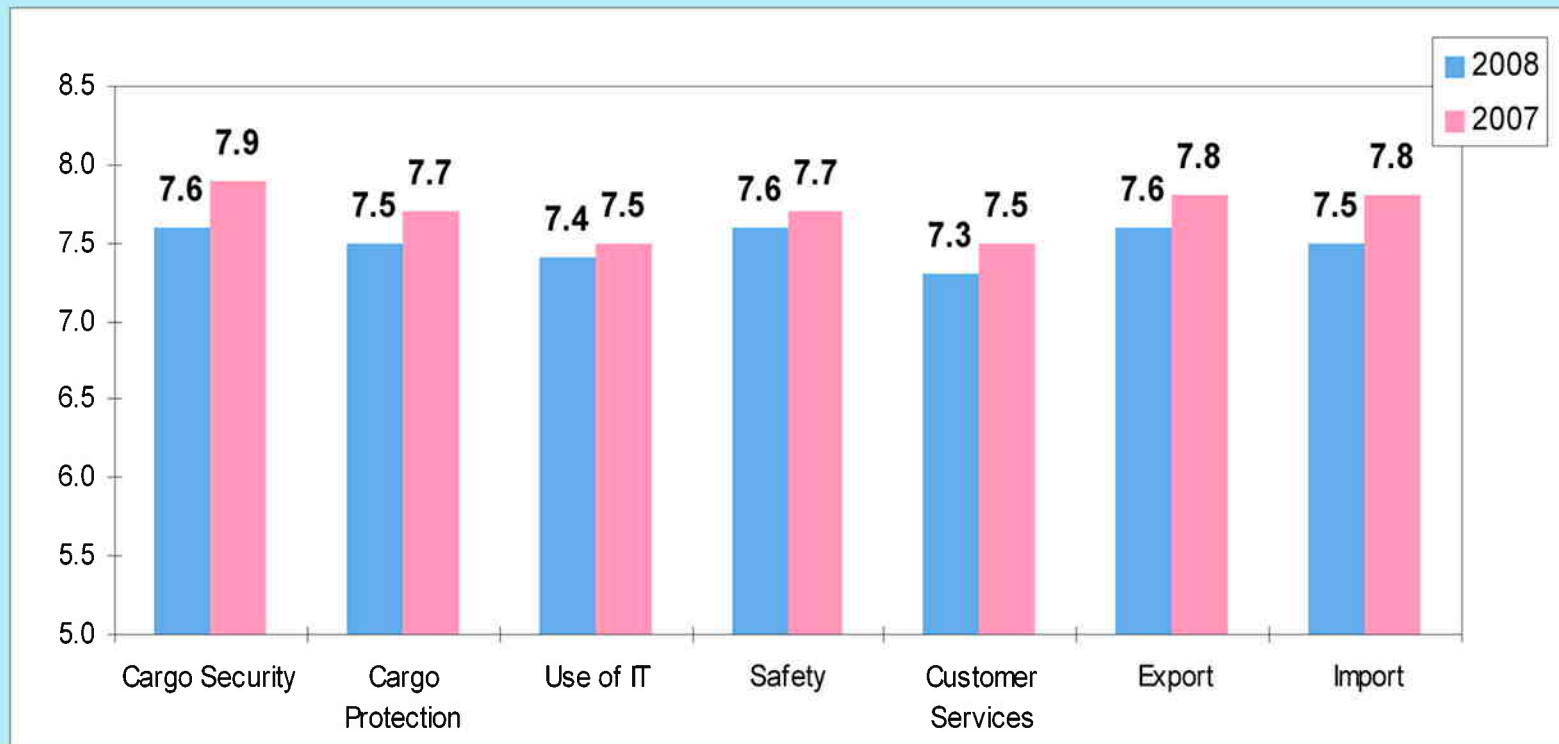


Satisfaction level by service areas – 2008 vs. 2007 (Airlines)



Satisfaction by Service Area of AAT - Freight Forwarders

- Cargo Security, Export and Safety (7.6 points) were the most satisfied service areas
- Cargo Security and Import showed the largest decline of satisfaction (-0.3 point)





Satisfaction by Service Area of AAT - Truckers

- Safety (+0.2 point) was the only improved service area
- Import and Use of IT (-0.3 point) declined in satisfaction levels when compared with the results of 2007

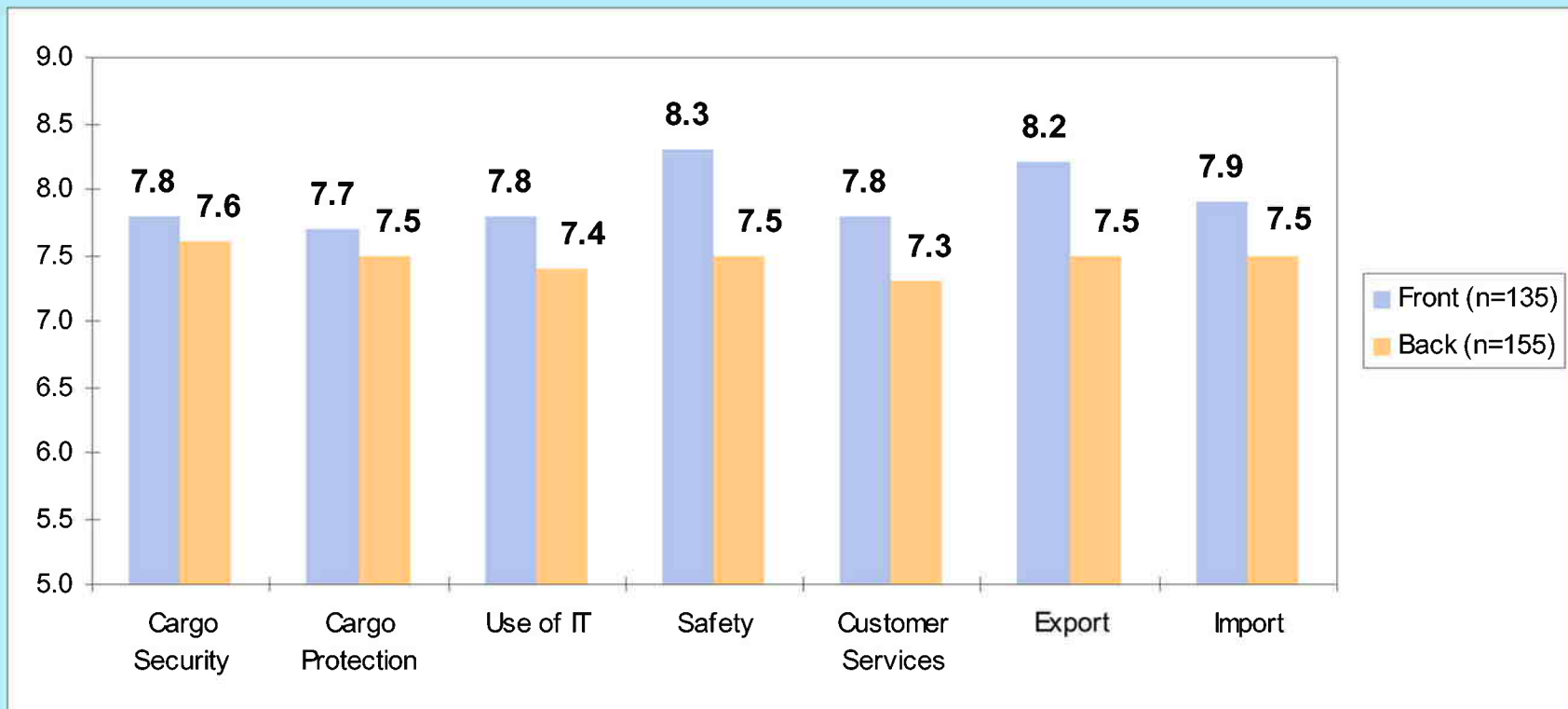


Satisfaction level by service areas – 2008 vs. 2007 (Truckers)



Satisfaction by Service Area of AAT – Frontline vs. Back Office

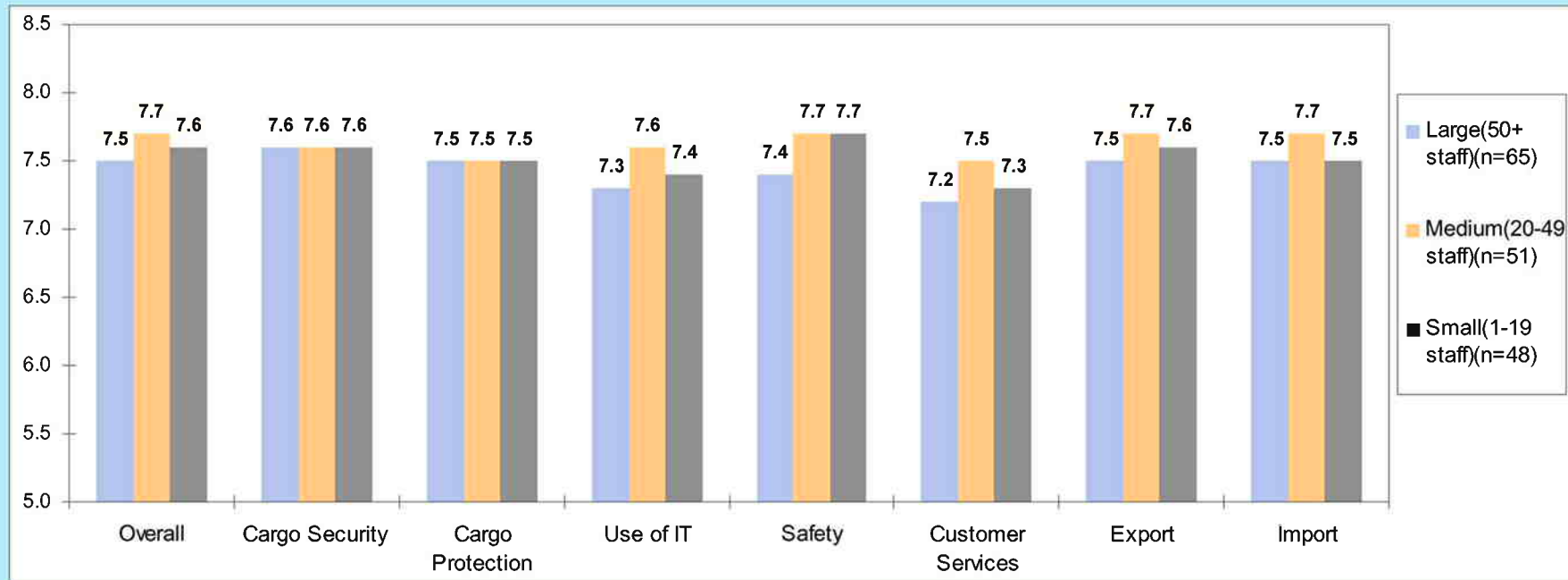
- Frontline staff was more satisfied than Back office staff in all service areas
- Large discrepancies between two groups were observed in Safety (+0.8 point) and Export (+0.7 point)





Satisfaction by Service Area of AAT – Freight Forwarders by company size (by manpower)

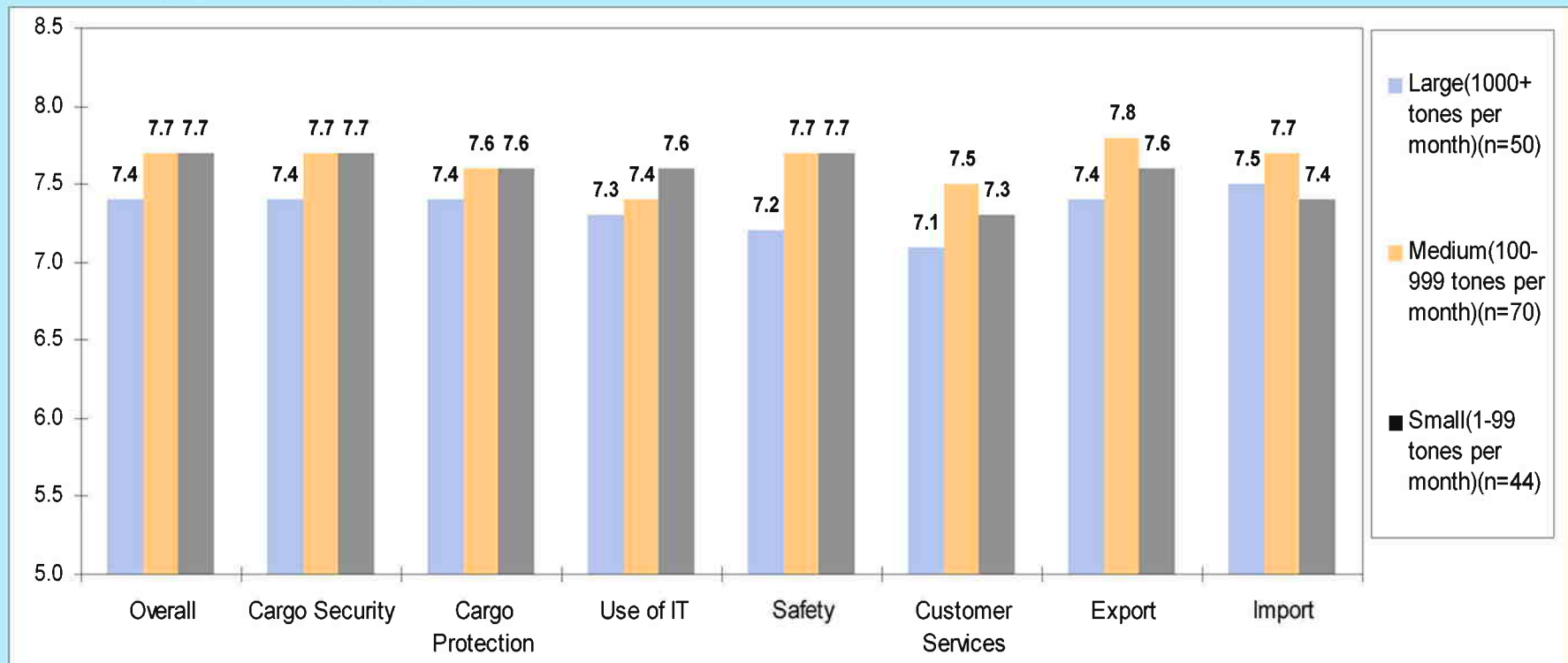
- In general, Medium Forwarders were the most satisfied group in overall satisfaction
- By service area, Medium Forwarders were more satisfied in Import, Export, Customer Service, and Use of IT than others





Satisfaction by Service Area of AAT – Freight Forwarders by company size (by tonnage handled)

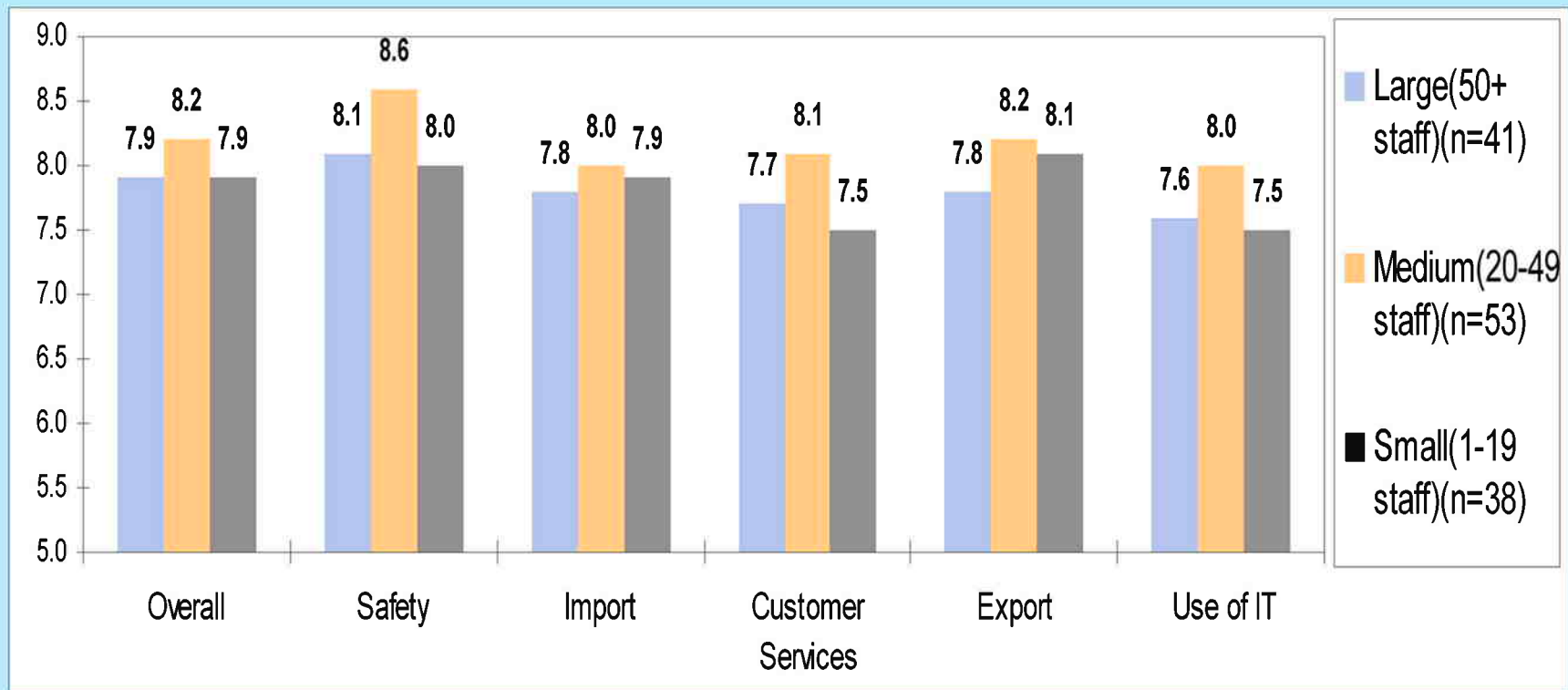
- Overall, Medium and Small Forwarders (7.7 points) were more satisfied than Large Forwarders (7.4 points)
- Medium Forwarders were more satisfied with Import, Export, Customer Services than others





Satisfaction by Service Area of AAT – Truckers by company size (by manpower)

- Medium Truckers were the most satisfied group in all service areas and in overall rating (ranging from 8.0 to 8.6 points)
- Small Truckers were more contented with AAT in Export and Import than Large Truckers

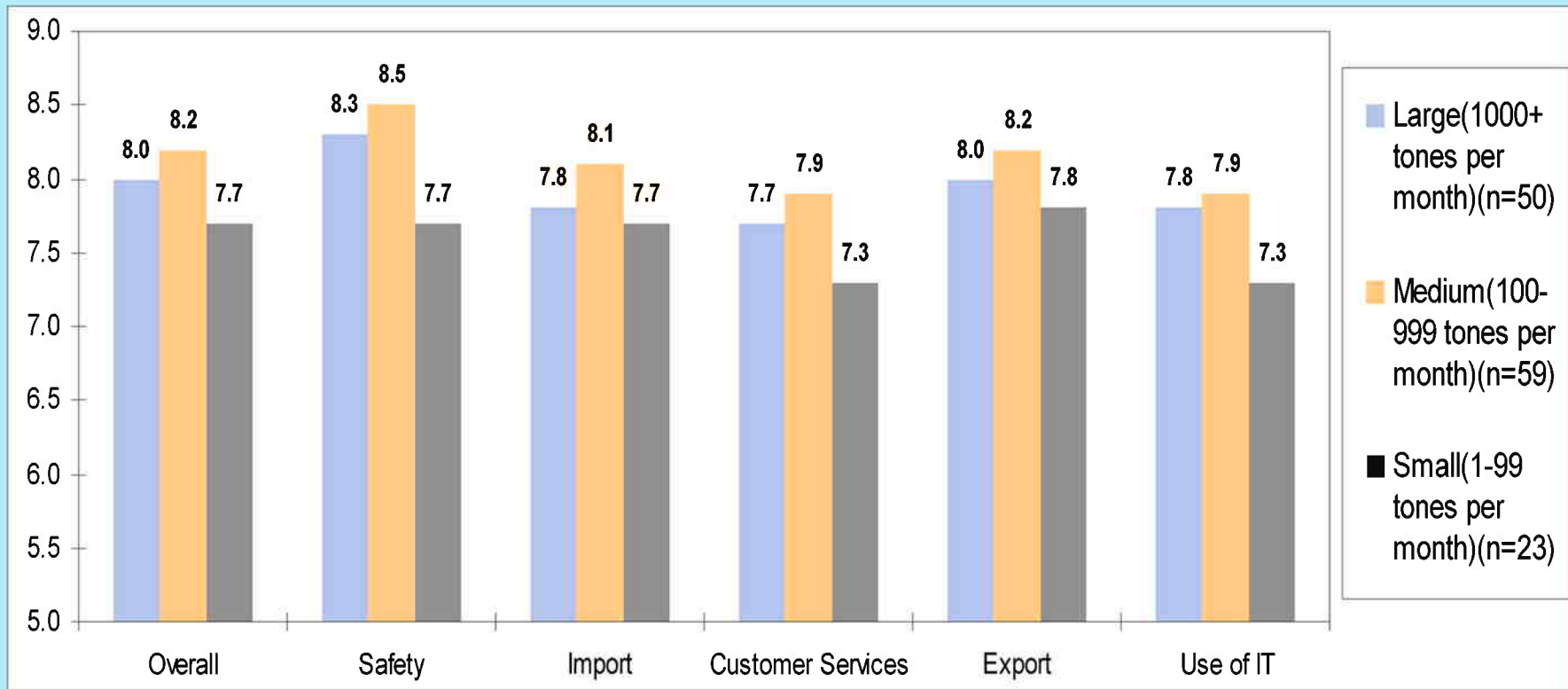


Satisfaction level by service areas – by manpower (Truckers)



Satisfaction by Service Area of AAT – Truckers by company size (by tonnage handled)

- Medium Truckers were the most satisfied group in all service areas and in overall rating (7.9 to 8.5 points)
- Large and Medium Truckers were particularly satisfied with Safety (8.3 and 8.5 points respectively)



Satisfaction level by service areas – by tonnage handled (Truckers)

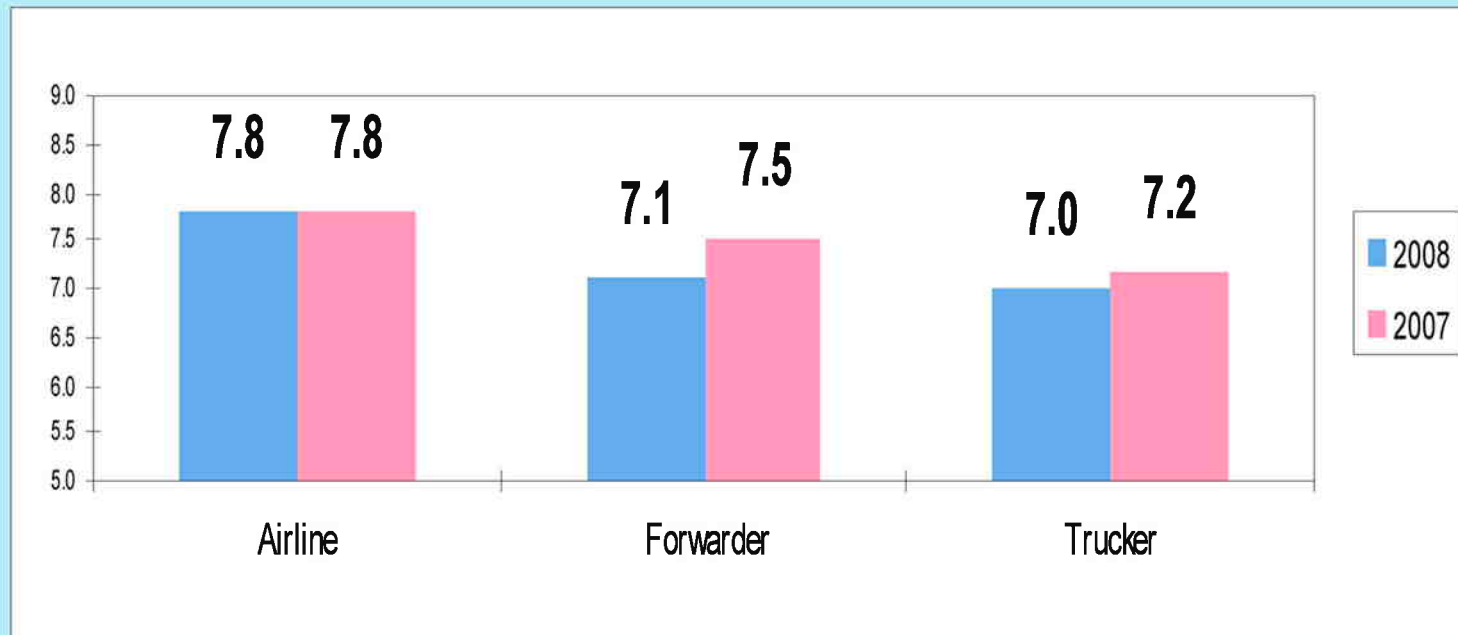


Overall Satisfaction with Hactl



Overall Satisfaction with Hactl

- The overall satisfaction of Forwarders and Truckers decreased by 0.4 point (5.3%) and 0.2 point (2.8%) respectively
- Airlines' satisfaction level was the same as in 2007

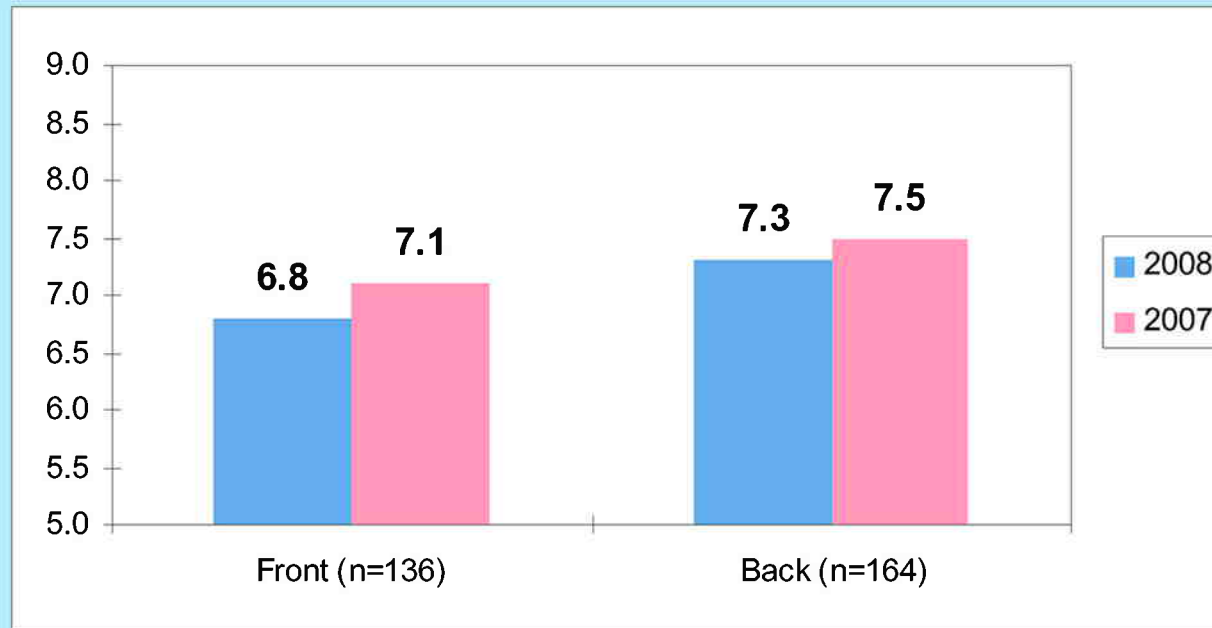


Overall satisfaction by customer group



Overall Satisfaction with Hactl – Frontline Staff vs. Back office Staff

- Both groups showed declines in overall satisfaction comparing to 2007
- Back office staff was more satisfied than those in frontline by 0.5 point (7.4%)



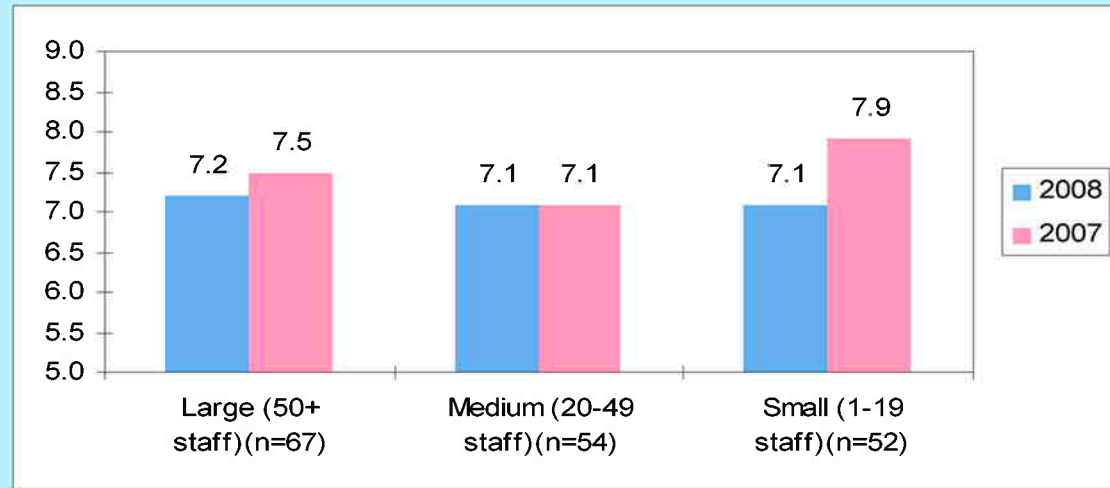
Overall satisfaction by frontline and back office



Overall Satisfaction with Hactl – Freight Forwarders by company size

By manpower

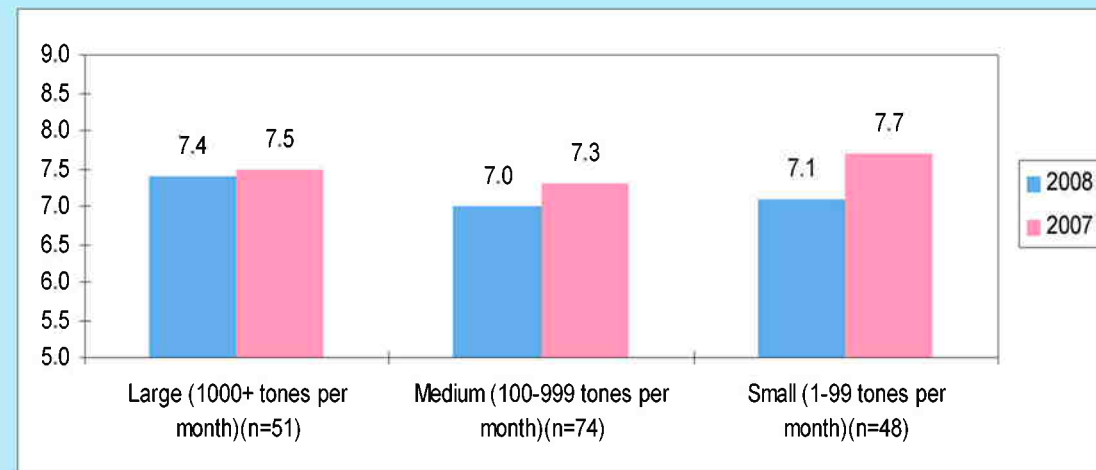
- Satisfaction levels across all Forwarder groups were similar
- The satisfaction level of Small Forwarders decreased significantly from 7.9 to 7.1 (-10.1%)



Overall satisfaction by company size – by manpower

By tonnage handled

- Large Forwarders became the most satisfied group (7.4 points) this year
- Decrease in satisfaction level of Small Forwarders was also the largest (-0.6 or -7.8%)



Overall satisfaction by company size – by tonnage handled



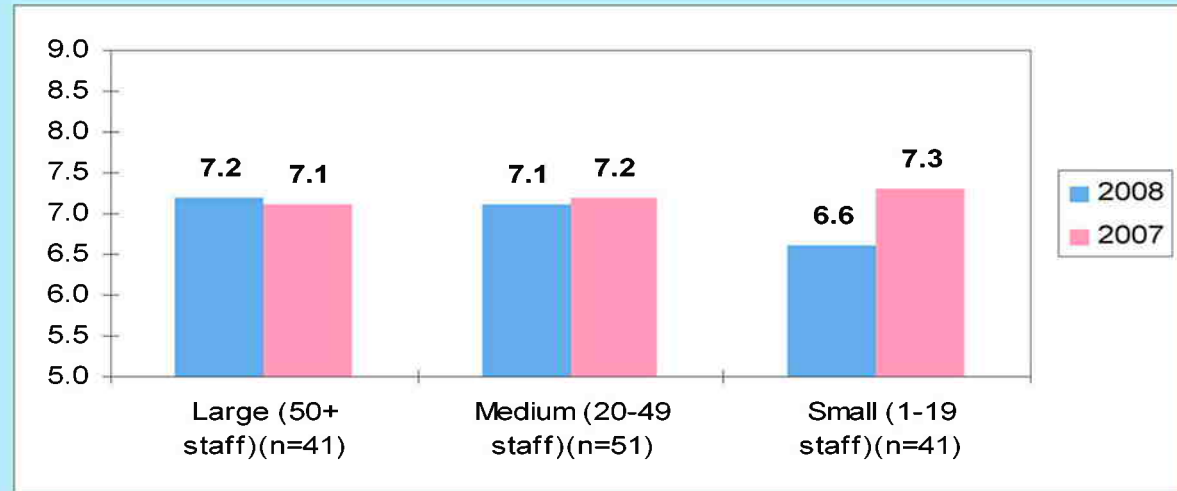
Overall Satisfaction with Hactl – Truckers by company size

By manpower

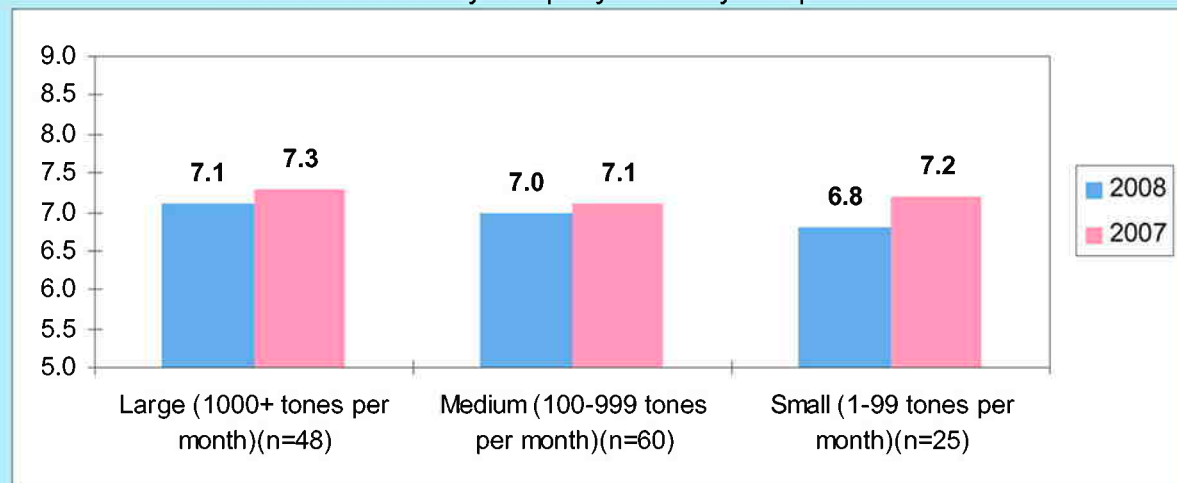
- Large Truckers slightly increased their satisfaction by 0.1 point
- Small Truckers had a significant decrease by 0.7 point (-9.6%)

By tonnage handled

- Large Truckers was the most satisfied group (7.1 points) this year
- The decrease in the satisfaction of Small Truckers was also the largest (-0.4 or -5.6%)



Overall satisfaction by company size – by manpower



Overall satisfaction by company size – by tonnage handled



Satisfaction by Service Area of Hactl



Satisfaction by Service Area of Hactl - Airlines

- Cargo Terminal Service (+0.2 or +2.6%) and Customer Services (+0.2 or +2.6%) were the service areas with higher rates of improvement, amongst others
- The most deteriorating area was Cargo Security (-4.8%)
- Facilities (8.0 points) was the most satisfying service area rated by Airlines this year

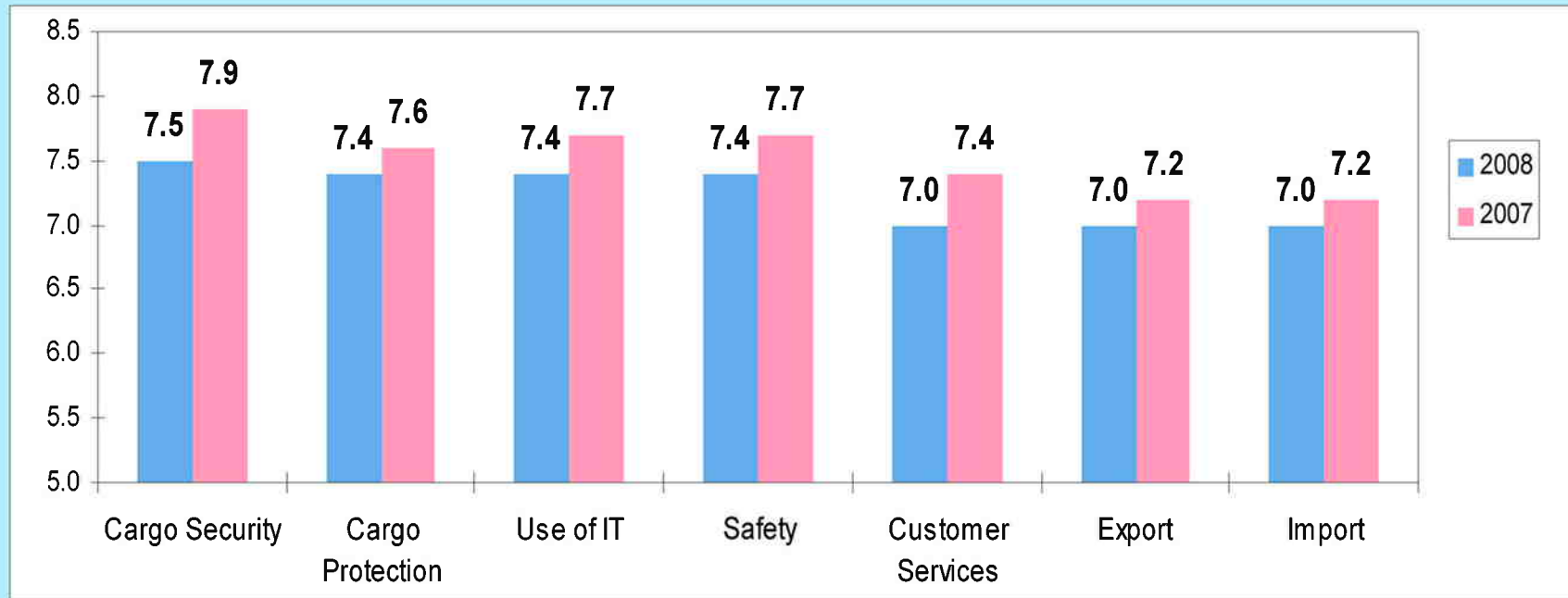


Satisfaction level by service areas – 2008 vs. 2007 (Airlines)



Satisfaction by Service Area of Hactl – Freight Forwarders

- All service areas were rated lower than those in 2007
- Cargo Security (7.5 points) was the most satisfying area while Customer Services, Export and Import (7.0 points) were the least satisfying
- Customer Services (-0.4 or -5.4%) and Cargo Security (-0.4 or -5.1%) were also the most deteriorating areas as compared with 2007 results

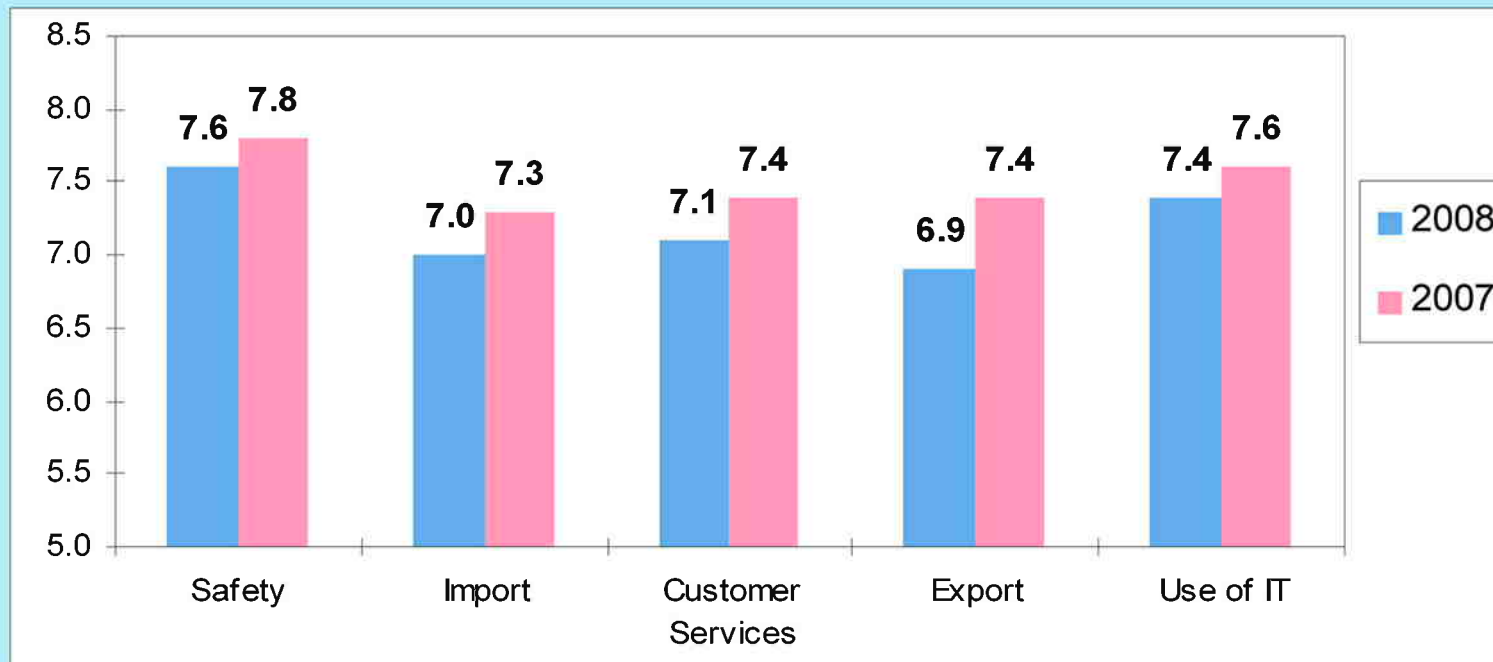


Satisfaction level by service areas – 2008 vs. 2007 (Forwarders)



Satisfaction by Service Area of Hactl - Truckers

- All service areas were rated lower than those in last year
- The largest decline in satisfaction level was found in Export (-0.5 or -6.8%)
- Same as in last year, Safety (7.6 points) was the most satisfying area



Satisfaction level by service areas – 2008 vs. 2007 (Truckers)



Satisfaction by Service Area of Hactl – Frontline Staff vs. Back Office Staff

- Import (7.0 points) and Export (6.9 points) were rated the same by both Frontline and Back office staff
- Except for Import and Export, Back office staff was generally more satisfied than Frontline staff

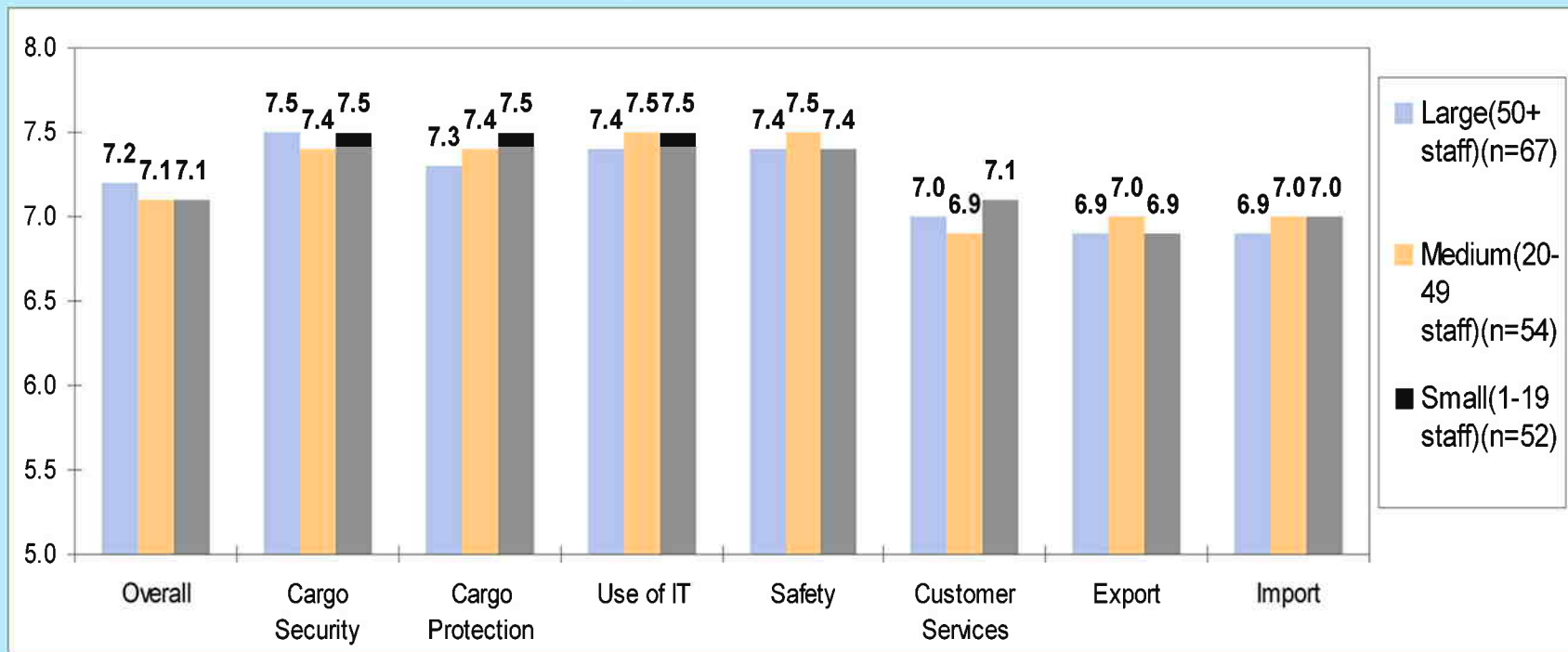


Satisfaction level by service areas – Frontline vs. back office



Satisfaction by Service Area of Hactl – Freight Forwarders by company size (by Manpower)

- There was no significant difference among the three Freight Forwarder groups.
- Large Forwarders were slightly more satisfied (7.2 points) than Medium and Small Forwarders (7.1 points) in overall satisfaction

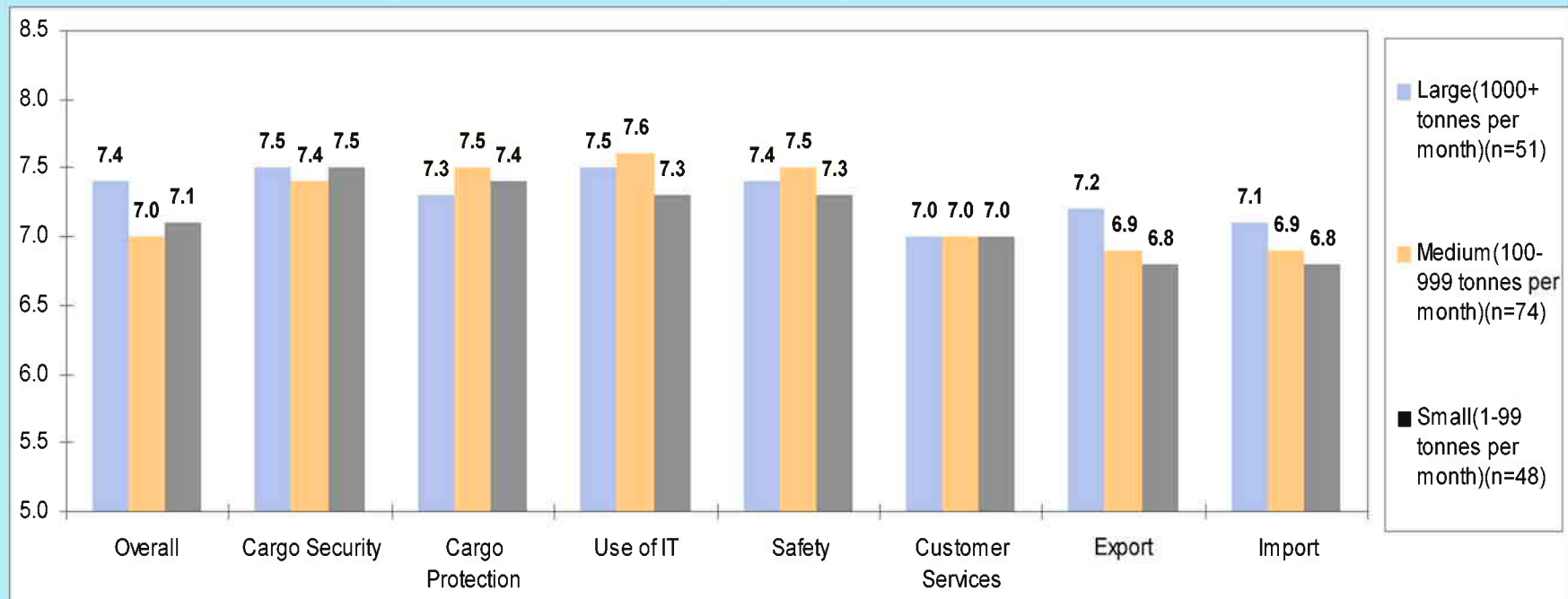


Satisfaction level by service areas – by manpower (Forwarders)



Satisfaction by Service Area of Hactl – Freight Forwarders by company size (by tonnage handled)

- Large Forwarders rated higher in overall satisfaction (7.4 points), and in the areas of Import (7.1 points) and Export (7.2 points)
- Medium Forwarders were more satisfied with Use of IT (7.6 points), Cargo Protection (7.5 points) and Safety (7.5 points)

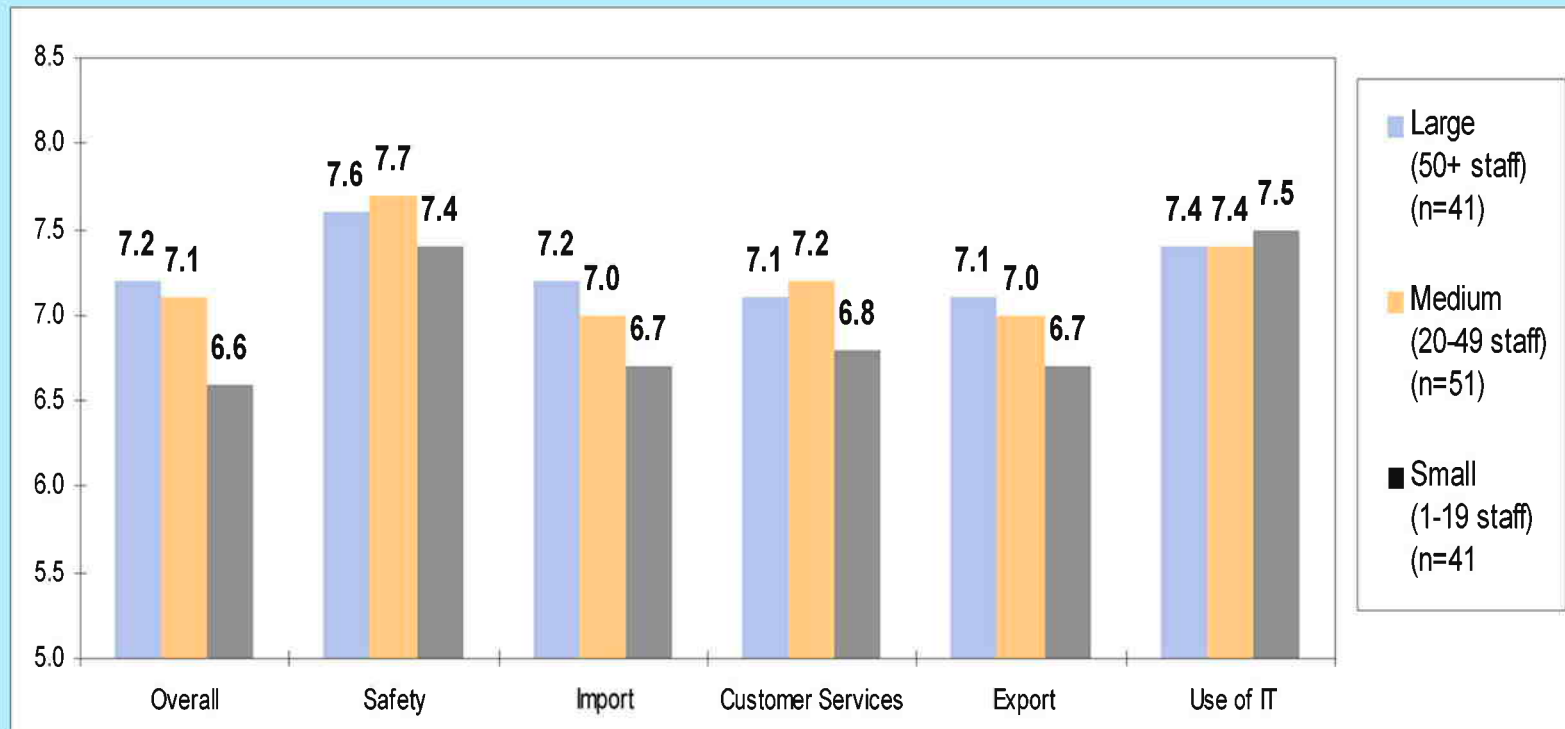


Satisfaction level by service areas – by tonnage handled (Forwarders)



Satisfaction by Service Area of Hactl – Truckers by company size (by manpower)

- Except for the Use of IT, Small Truckers were less satisfied in other service areas and the overall satisfaction of Hactl

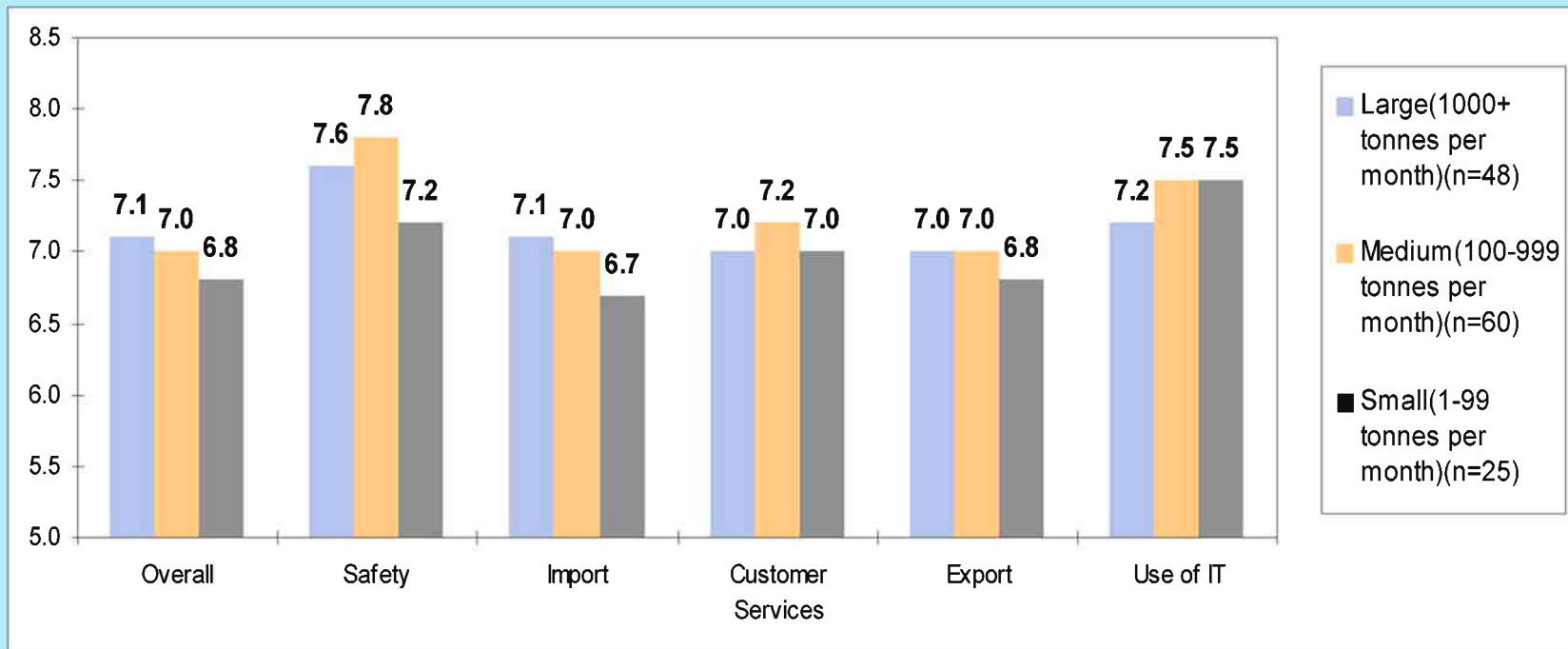


Satisfaction level by service areas – by manpower (Truckers)



Satisfaction by Service Area of HACTL – Truckers by company size (by tonnage handled)

- Overall, Large Truckers were the most satisfied (7.1 points)
- Small Truckers were the least satisfied and their ratings on Safety (7.2) and Import (6.7) were considerably lower than the ratings given by other groups



Satisfaction level by service areas – by tonnage handled (Truckers)



Awareness of Performance Standards

The Industry's Performance Standards

Respondents' Awareness – Results in 2008

	% of respondents aware of the standard (%)	Target (min)	Mean of the perceived standard (min)
<u>Import:</u>			
The queuing time at the car park/truck control office (after getting SRF) to truck dock assigned	21.9	30	53.3
<u>Export:</u>			
The queuing time from entering the check booth/entrance to truck dock assigned	17.1	30	53.2
The waiting time of consignor/shipper/trucker after submitting SRF at the import collection points, to receiving the first piece of cargo	21.9	30	63.5
The waiting time of consignee/shipper/trucker, after registering at the CTO reception points, to being served for the first piece of cargo	12.6	15	57.0
The waiting time of a truck after submitting URF at the ULD collection points, to receiving the first empty ULD	10.6	30	63.4

Comparison of Respondents' Awareness

- The awareness of the performance standards was low. Only 10.6% to 21.9% of the respondents were aware of the standards. The results were worse than those of last year when the awareness rates were from 22.9% to 39.2%.
- “The waiting time of a truck after submitting URF at the ULD collection points, to receiving the first empty ULD” was the standard least known to respondents. Only 10.6% of respondents knew about it.
- The perceived service times were much longer than the agreed standard, with the largest discrepancy of 42 minutes.
- Back-office respondents were more aware of the performance standards than frontline respondents.



Conclusions - General

- Customer value of service areas**

Group of respondents	In comparison with 2007 results	Most important service area
Airlines	Decreased in general	Cargo Security
Freight Forwarders	Decreased in general	Cargo Security
Truckers	Increased in general	Safety

- Awareness of performance standards**

- The awareness of the five performance standards were very low (from 10.6% to 21.9%), even lower than the results in 2007.

- Respondents' perceived performance standards**

- Perceived standards of the respondents were much longer than the industry's standards.

Conclusions - AAT

4. Findings of the satisfaction of different respondent groups by service area are summarized as follows:

	Airlines	Forwarders	Truckers
Most satisfying	Facilities (8.7)	Cargo Security, Export and Safety (7.6)	Safety (8.3)
Most improved	Safety (+0.2 or +2.4%)	-	Safety (+0.2 or +2.5%)
Least satisfying	Transshipment (7.7)	Customer Service (7.3)	Use of IT (7.7)
Most declined	Transshipment (-0.4 or -4.9%)	Import (-0.3 or -3.8%)	Use of IT (-0.3 or -3.8%)
Largest gap between perceived importance and satisfaction	Customer Service (0.8 or 9.0%)	Use of IT (1.2 or 14.0%)	Customer Service (1.2 or 13.3%)



Recommendations for improvement - AAT

Service area	Commented from Respondents	Specific recommendation
Customer Services	<ul style="list-style-type: none"> The least satisfying area - by Freight Forwarders The area with the biggest gap between importance and satisfaction – by Freight Forwarders and Truckers 	<ul style="list-style-type: none"> To allocate more staff for responding to enquiries To provide training to staff for handling customer enquiries
Transshipment	<ul style="list-style-type: none"> The least satisfying area - by Airlines The most declined area of satisfaction - by Airlines 	<ul style="list-style-type: none"> To explore ways to strengthen the protocol between CTOs regarding transferring goods. This should be done with consultation of Airlines
Use of IT	<ul style="list-style-type: none"> The least satisfying area – by Truckers The most declined area of satisfaction - by Truckers The area with largest gap between importance and satisfaction – by Freight Forwarders 	<ul style="list-style-type: none"> To enhance the system for facilitating cargo tracking through IT To provide orientation sessions for users
Import	<ul style="list-style-type: none"> The most declined area of satisfaction - by Freight Forwarders and Truckers 	<ul style="list-style-type: none"> To allocate more manpower at truck docks for handling import goods To streamline the work flow for shortening the waiting time of users

Conclusions - Hactl

1. The overall satisfaction with Hactl was declined in general. Hactl could only keep Airlines' satisfaction as the same level as in last year.
2. Airlines were still the most satisfied group (7.8) while Truckers were still the least (7.0).
3. The satisfaction level of Freight Forwarders decreased significantly by 0.4 or 5.3%.

Conclusions - Hactl

4. Findings of the satisfaction of different respondent groups by service area are summarized as follow:

	Airlines	Forwarders	Truckers
Most satisfying	Facilities (8.0)	Cargo Security (7.5)	Safety (7.6)
Most improved	Customer Services (+0.2 or +2.6%)	-	-
Least satisfying	Transshipment (7.5)	Customer Services/Import/Export (7.0)	Export (6.9)
Most declined	Cargo Security (-0.4 or -4.8%)	Customer Service (-0.4 or -5.4%)	Export (-0.5 or -6.8%)
Largest gap between perceived importance and satisfaction	Cargo Terminal Services (1.2 or 13.3%)	Customer Service/Export (1.4 or 16.7%)	Import (2.0 or 22.5%)



Recommendations for improvement - Hactl

Service area	Comments from Respondents	Specific recommendation
Import/Export	<ul style="list-style-type: none"> The least satisfying areas “Export” - by Truckers The most declined area of the satisfaction “Export” - by Truckers The biggest gap between importance and satisfaction “Export” – by Freight Forwarders; Import” – by Truckers 	<ul style="list-style-type: none"> To allocate more manpower at the truck dock area To consider ways to retain experienced staff members Training should be enhanced so that staff can handle large amount of workload and deal with contingencies To adopt quicker and more effective remedial measures for incidental system failure It is expected that the above can in turn reduce the total waiting time of users in Import and Export services
Customer Services	<ul style="list-style-type: none"> The least satisfying area, the most declined area of the satisfaction and the biggest gap between importance and satisfaction by Freight Forwarders 	<ul style="list-style-type: none"> To train the staff on courtesy and telephone manner To allocate more manpower to answer the hotlines The enquirers should be well informed of the follow-up actions of each enquiry and delay should be avoided
Transshipment	<ul style="list-style-type: none"> The least satisfying area – by Airlines, though it was the least important area perceived by Airlines. 	<ul style="list-style-type: none"> To explore the strengthening the protocol between CTOs regarding transferring goods in between in consultation with Airlines
Cargo Security	<ul style="list-style-type: none"> The most declined area of the satisfaction - by Airlines 	<ul style="list-style-type: none"> To review and improve the procedure of cargo damages/ cargo loss handling To inform the customers about the result of investigation on damage / loss the soonest possible