AIRLINES HEAVILY INVEST IN TECHNOLOGY

The SITA 2024 Air Transport IT Insights report highlights that investment in airline information technology has reached its highest level since 2019, fueled by record revenue for airlines and a rise in passenger numbers. For 2024, airline IT spending is estimated to be $37 billion, an increase from $35 billion in 2023. As a percentage of revenue, IT spending rose two percentage points to 3.8%, recovering from a decline from 4.1% in 2022 to 3.6% in 2023.

Additionally, the report indicates that 72% of IT executives at the top 379 passenger airlines anticipate further increases in technology spending in 2025. **Respondents identified cybersecurity, data analysis and sharing, and passenger management as the primary areas where they plan to invest in technology.**

Regarding operational priorities, 55% of airline IT professionals cited airline and Operations Control Center systems as the top three investment areas, followed by IT infrastructure at 42% and cloud services at 31%.

Over the next 12 months, respondents indicated that their primary investment focus will be on maximizing the value derived from data. The top two spending priorities are generative artificial intelligence at 56% and business intelligence software at 48%.

As the report highlights, airlines want to solidify their digital transformation strategies. This aims to create a strong foundation for technological innovations such as AI.

Confirming this trend, British Airways recently updated its two-year, £7 billion transformation plan, which allocates £100 million specifically for automation, AI, and machine learning initiatives.

Southwest Airlines has allocated $1.7 billion to invest in technology in 2024, focusing on upgrades, maintenance, and cloud migration.

Regarding their AI initiatives, a quarter of airlines reported collecting and integrating data using AI. Additionally, 42% are examining ways to organize their data to support AI projects, while 25% have begun training AI systems on their data.

According to the report, AI's primary application in the airline industry is improving internal operational efficiencies.

IT professionals have identified their primary challenges in the industry. According to the data, **31% of respondents highlighted the need for agile and flexible work structures, while 30% pointed to cyber threats as a significant concern.** Additionally, 23% of professionals mentioned the importance of utilizing data to enhance operational efficiency, and another 23% referred to the challenges related to data maturity.

The report also revealed an increase in airlines implementing a single token solution, rising from 17% to 24%. While the adoption of biometric technologies has remained stable, it is noteworthy that 75% of airlines plan to implement biometrics by 2027.

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