

Airlines

Bookings: holiday volatility continues

Industry Overview

Holiday volatility continues

System net sales were -6.4% year-over-year for the week ending 12/31 compared to +16.2% last week. Holiday volatility continues given timing and the way agencies report data. Over the last 2 weeks, net sales have increased +5% compared to the prior trend of up in the mid- to high-single digits. On the week, volumes fell -3.4% compared to +26.6% last week, while pricing was -3.2% vs -8.3% last week.

International slightly outpaces domestic at end of 2023

International net sales fell -3.7% while the two-week average was more favorable at +5.6%. Meanwhile, domestic net sales fell -9.8% with the two-week average at +4.2%, slightly trailing international for the first time since mid-October. International volumes exceeded domestic on the two-week average, up +18.0% and +5.0%, respectively, while domestic pricing was stronger at -1.6% on a two-week average compared to international at -11.9%.

Exhibit 1: Latest airline booking trends YoY

System net sales fell -6.4% vs 2022

	Trailing 4-weeks ending				Latest Week 12/31/2023	Quarterly 4Q23 to date	
	9/17/2023	10/15/2023	11/12/2023	12/10/2023		3Q23	date
System Sales	4.4%	-0.2%	-4.0%	5.5%	-6.4%	7.1%	1.3%
System Volumes	6.7%	3.6%	7.5%	8.3%	-3.4%	8.8%	7.2%
System Price	-2.2%	-3.6%	-9.8%	-2.6%	-3.2%	-1.5%	-5.2%
Domestic Sales	0.3%	-1.8%	1.1%	9.1%	-9.8%	2.4%	3.8%
International Sales	8.3%	1.4%	-8.9%	2.4%	-3.7%	11.6%	-1.0%
Large Corporate Sales	-3.0%	-7.0%	-9.0%	3.2%	-13.9%	-0.5%	-3.0%
Leisure Sales	-5.3%	-7.9%	-4.7%	0.4%	-11.8%	-1.3%	-3.7%
Domestic Price	-3.9%	-3.4%	-4.6%	2.4%	0.2%	-3.0%	-1.2%
International Price	-2.6%	-5.4%	-14.9%	-7.9%	-9.5%	-2.8%	-9.9%

Source: ARC

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Website traffic accelerates vs last week

US airlines' trailing 7-day average daily website visits were +2% higher for the week ending 1/2 compared to the week ending 12/27. Visits to most websites accelerated, with the exception of Southwest, Spirit and Frontier, each of which decelerated.

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Timestamp: 08 January 2024 05:00AM EST

Monthly and Quarterly ARC trends

Exhibit 2: Latest booking trends and quarterly comparison

4Q23 net sales were +1.3% YoY, below 3Q23

	Trailing 4-weeks ending					Latest Week	Quarterly			
	8/20/2023	9/17/2023	10/15/2023	11/12/2023	12/10/2023	12/31/2023	1Q23	2Q23	3Q23	4Q23 to date
System:										
System Sales	10.6%	4.4%	-0.2%	-4.0%	5.5%	-6.4%	73.1%	6.7%	7.1%	1.3%
System Volumes	9.6%	6.7%	3.6%	7.5%	8.3%	-3.4%	19.8%	5.9%	8.8%	7.2%
System Price	0.9%	-2.2%	-3.6%	-9.8%	-2.6%	-3.2%	43.0%	0.8%	-1.5%	-5.2%
Domestic:										
Domestic Sales	5.9%	0.3%	-1.8%	1.1%	9.1%	-9.8%	41.9%	-6.2%	2.4%	3.8%
Domestic Volumes	6.2%	4.3%	1.7%	7.0%	6.6%	-10.0%	9.4%	0.9%	5.5%	5.3%
Domestic Price	-0.2%	-3.9%	-3.4%	-4.6%	2.4%	0.2%	28.7%	-7.0%	-3.0%	-1.2%
International:										
International Sales	15.0%	8.3%	1.4%	-8.9%	2.4%	-3.7%	112.8%	20.5%	11.6%	-1.0%
International Volumes	16.1%	11.3%	7.2%	8.6%	11.2%	6.5%	41.2%	15.1%	14.8%	10.4%
International Price	-1.0%	-2.6%	-5.4%	-14.9%	-7.9%	-9.5%	48.5%	4.5%	-2.8%	-9.9%
Large Corporate:										
Large Corporate Sales	2.0%	-3.0%	-7.0%	-9.0%	3.2%	-13.9%	91.2%	2.0%	-0.5%	-3.0%
Large Corporate Volumes	0.5%	-1.8%	-6.1%	-4.1%	-1.6%	-19.7%	37.0%	2.7%	-0.4%	-2.7%
Large Corporate Price	1.5%	-1.2%	-1.0%	-3.9%	4.8%	7.2%	37.0%	-0.7%	-0.2%	0.2%
SME Corporate:										
SME Corporate Sales	17.2%	10.7%	5.0%	-2.0%	8.2%	-1.9%	89.0%	14.3%	13.1%	4.5%
SME Corporate Volumes	16.7%	13.3%	9.0%	11.4%	13.4%	4.2%	33.3%	13.5%	15.0%	12.6%
SME Corporate Price	0.5%	-2.3%	-3.6%	-10.9%	-4.5%	-5.9%	40.5%	0.7%	-1.7%	-6.8%
Leisure:										
Leisure Sales	1.5%	-5.3%	-7.9%	-4.7%	0.4%	-11.8%	32.2%	-7.1%	-1.3%	-3.7%
Leisure Volumes	2.6%	0.0%	-1.0%	6.8%	4.1%	-9.4%	-3.4%	-4.2%	3.0%	2.7%
Leisure Price	-1.1%	-5.3%	-7.0%	-10.3%	-3.6%	-2.7%	35.6%	-2.9%	-4.2%	-6.0%

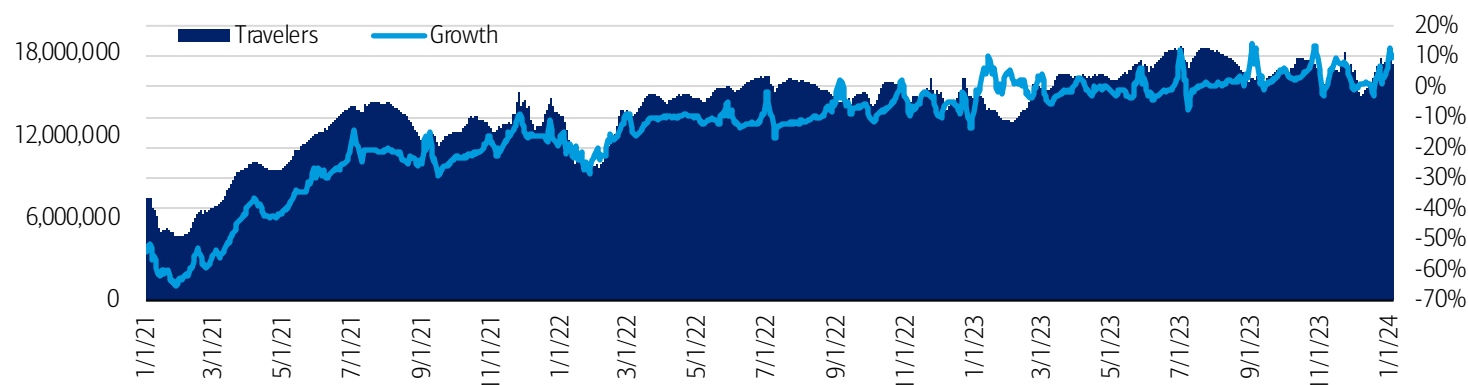
Source: ARC

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TSA throughput and bookings by month

Chart 1: TSA trailing 7-day throughput vs 2019

TSA trailing 7-day throughput is 110% of 2019 levels



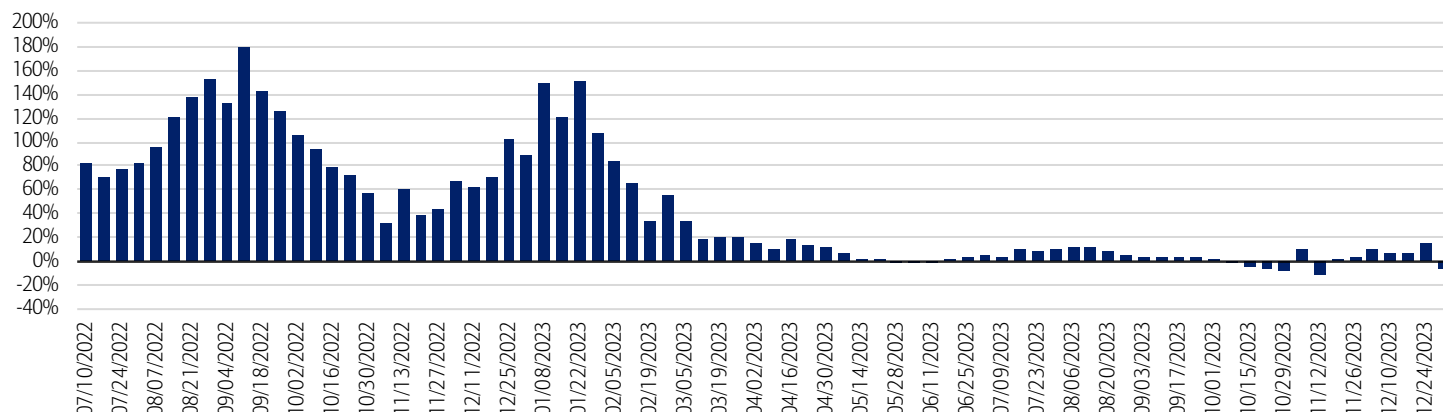
Source: www.tsa.gov

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Recent growth trends year-over-year

Chart 2: Consolidated net sales growth

Consolidated net sales were -6% YoY (vs +16% last week)

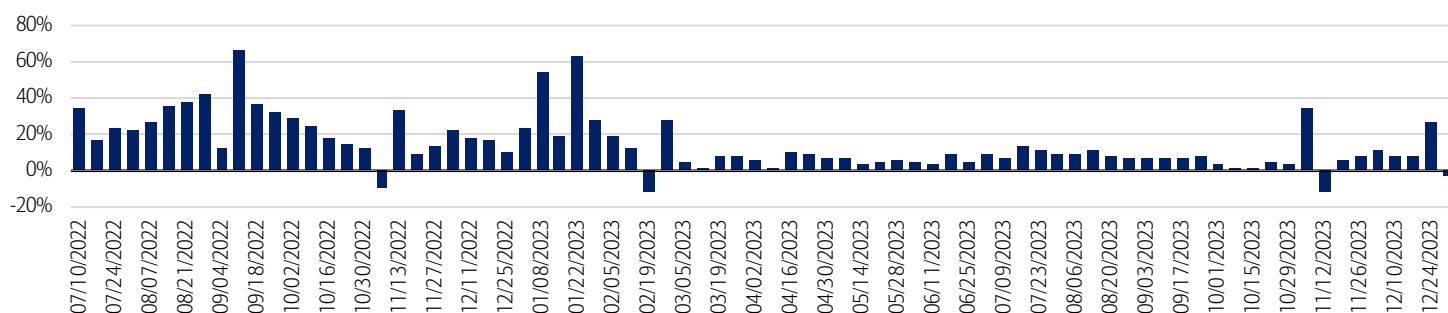


Source: ARC

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Exhibit 3: Consolidated tickets sold

Consolidated ticket volumes were -3% YoY (vs +27% last week)

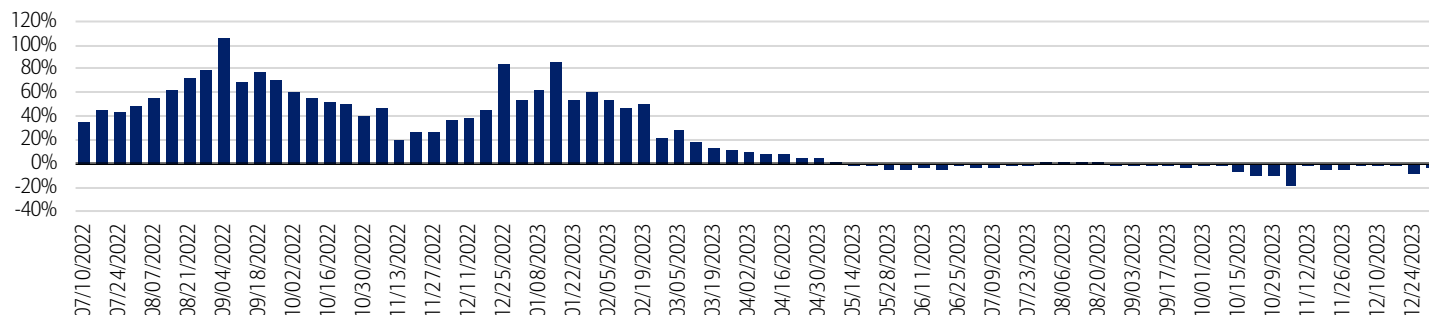


Source: ARC

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Exhibit 4: Consolidated ticket price

Consolidated ticket prices were -3% YoY (vs -8% last week)



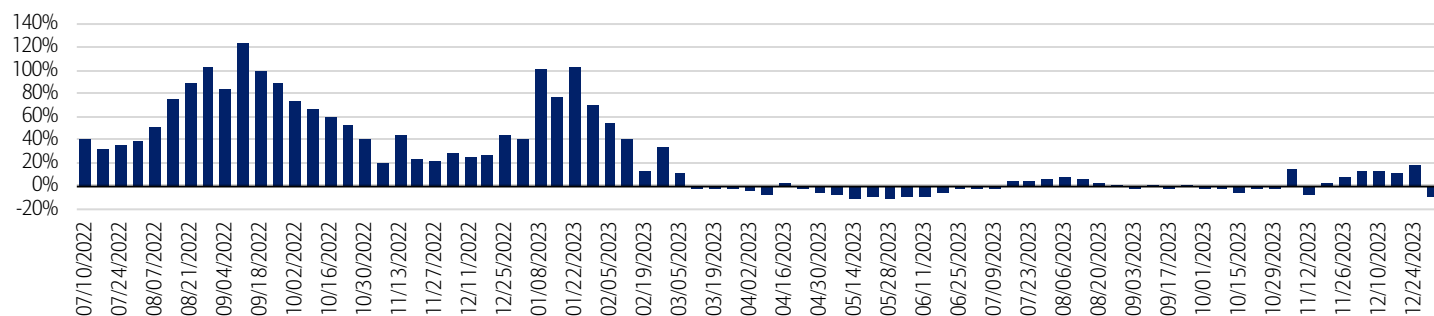
Source: ARC

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Exhibit 5: Consolidated domestic sales growth

Domestic sales were -10% YoY (vs +19% last week)

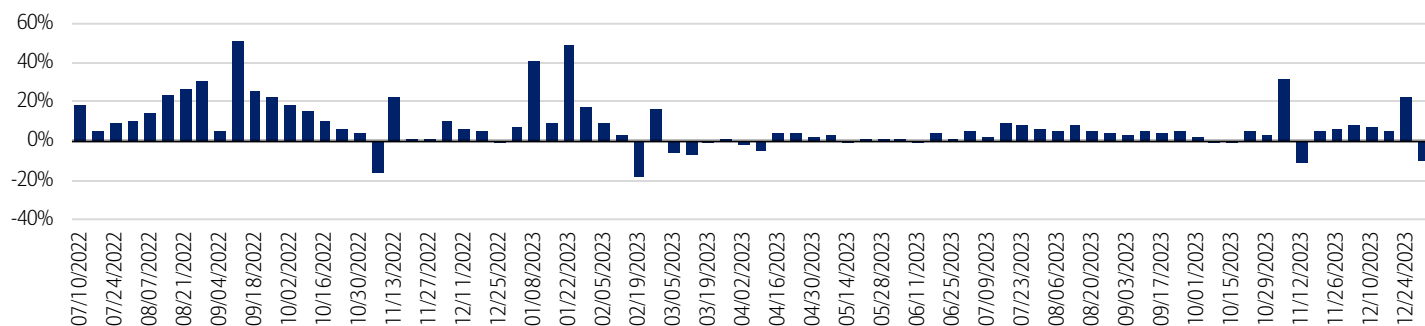


Source: ARC

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Exhibit 6: Consolidated domestic tickets sold

Domestic ticket volumes were -10% YoY (vs +23% last week)

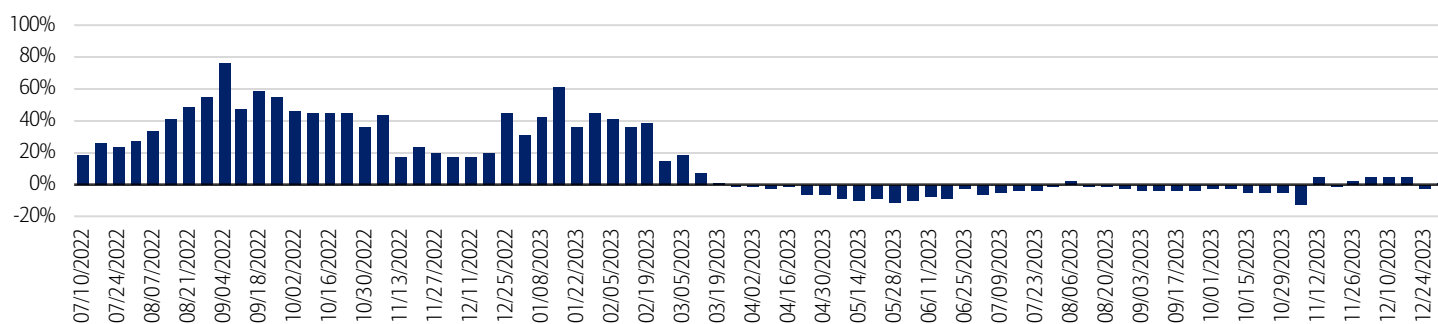


Source: ARC

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Exhibit 7: Consolidated domestic ticket price

Domestic ticket prices were 0% YoY (vs -3% last week)

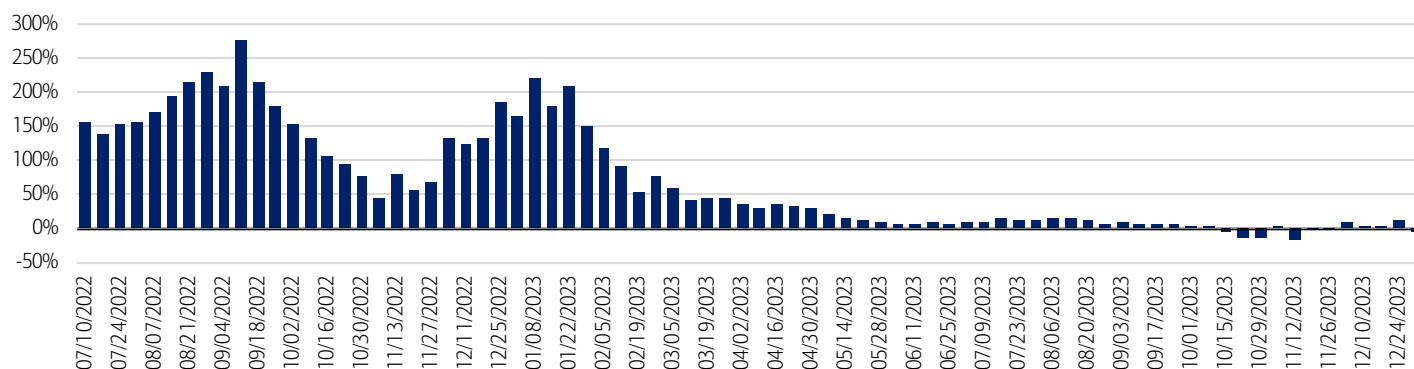


Source: ARC

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Chart 3: Consolidated international sales growth

International net sales were -4% YoY (vs +14% last week)

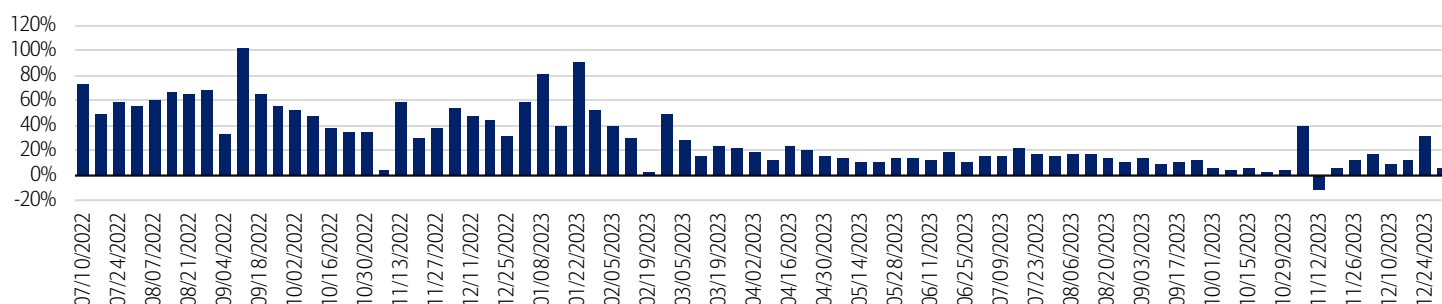


Source: ARC

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Exhibit 8: Consolidated international tickets sold

International ticket volumes were +7% YoY (vs +32% last week)

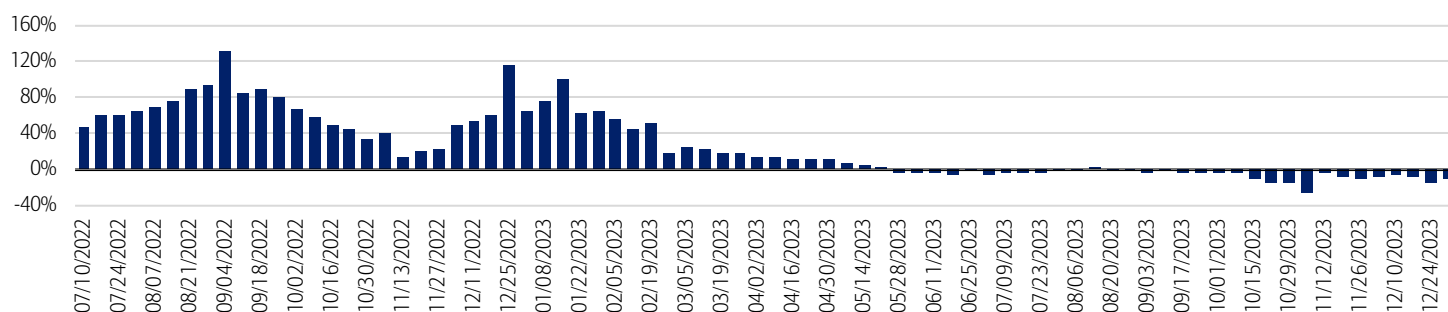


Source: ARC

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Exhibit 9: Consolidated international ticket price

International ticket prices were -10% YoY (vs -14% last week)



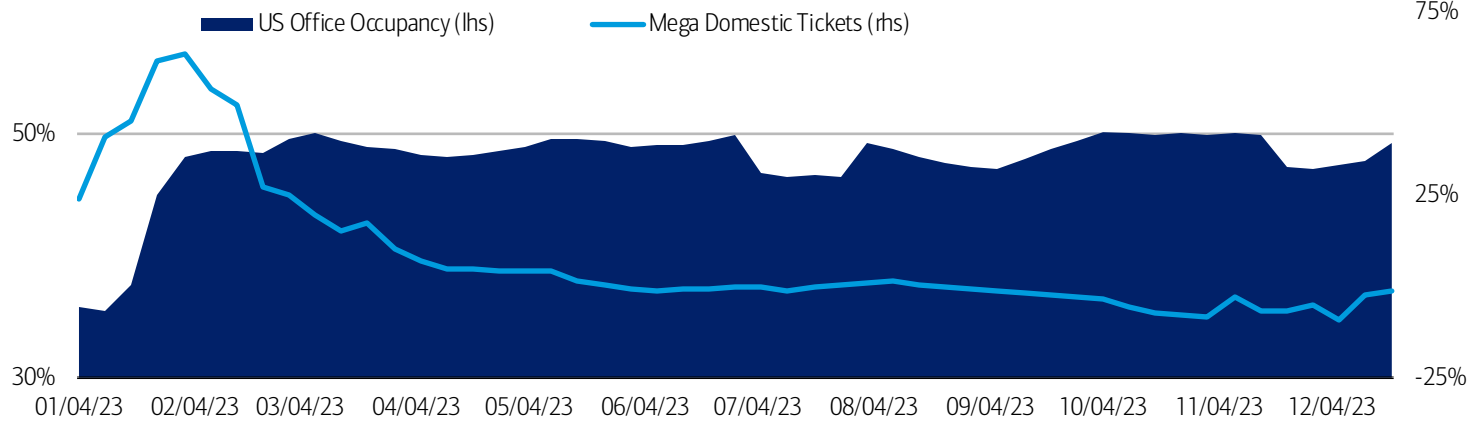
Source: ARC

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US Office Occupancy & Corporate Trends

Exhibit 10: Office occupancy versus domestic bookings through mega corporate channels

We have found corporate travel to be linked to office occupancy levels over the course of the recovery

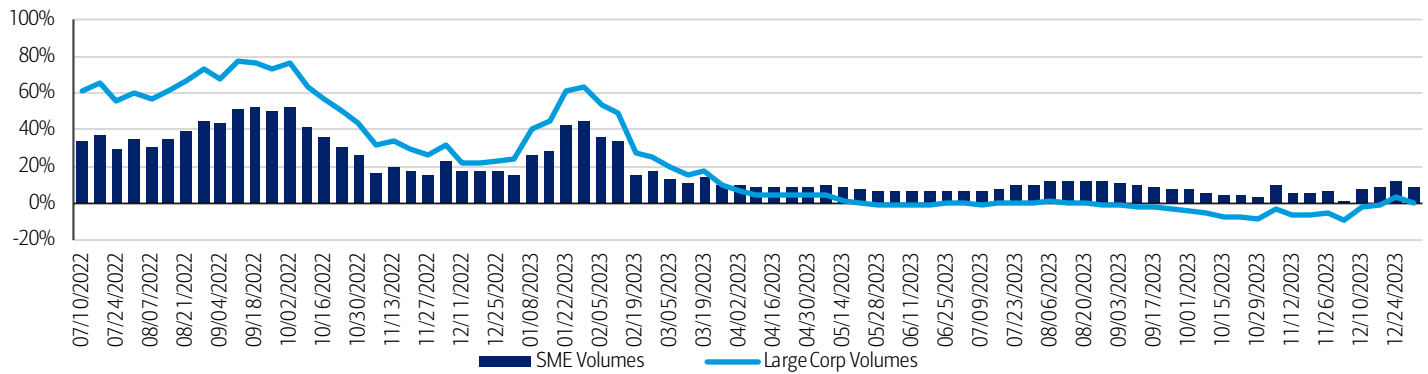


Source: ARC, Kastle Systems

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Exhibit 11: Domestic bookings through large corporate vs small/medium corporate channels (Trailing 4-week YoY)

Domestic large corporate booking volumes on a trailing 4-week basis were -0.3% YoY compared to SME volumes of +8.8% YoY

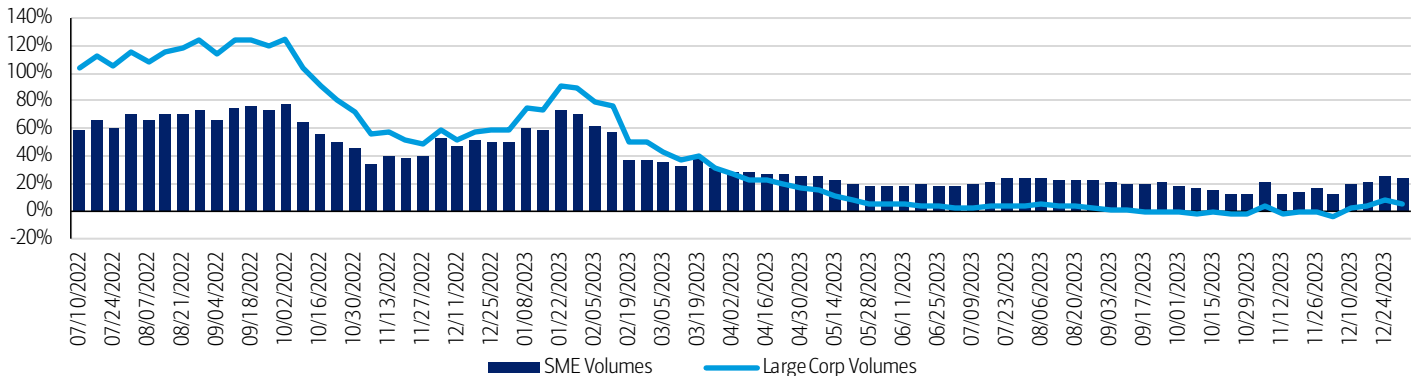


Source: ARC

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Chart 4: International bookings through large corporate vs small/medium corporate channels (Trailing 4-week YoY)

International large corporate booking volumes on a trailing 4-week basis were +4.9% YoY compared to SME volumes +23.7% YoY



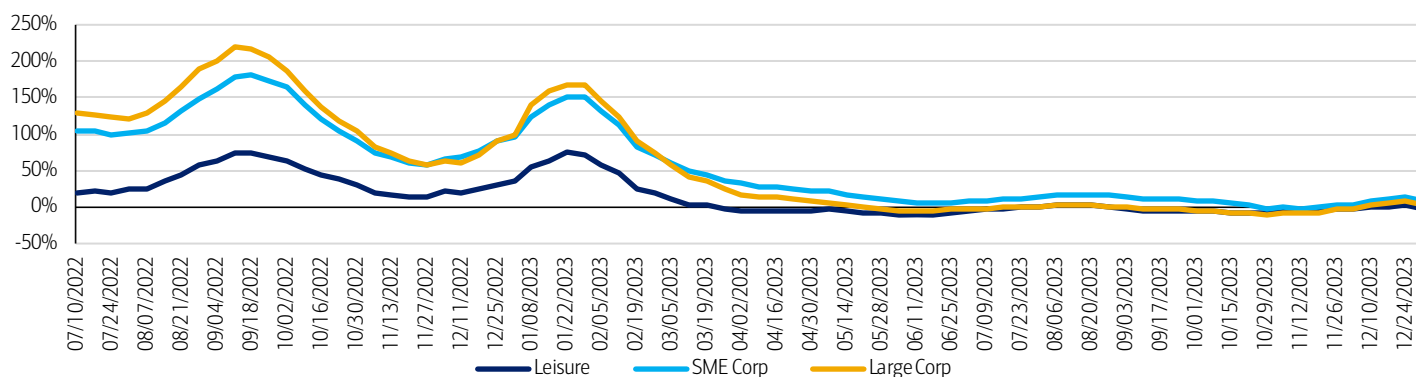
Source: ARC

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Corporate and leisure year-over-year

Exhibit 12: Corporate vs leisure sales net sales growth (Trailing 4-week)

SME corporate net sales +9.7%; leisure -1.3%; large corporate +4.2% YoY

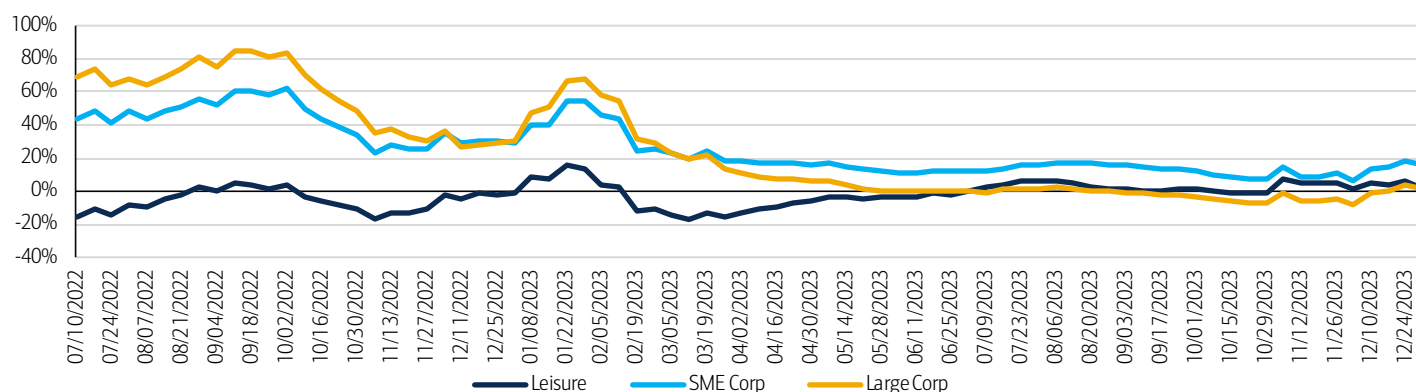


Source: ARC

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Exhibit 13: Corporate vs leisure tickets sold (Trailing 4-week)

SME corporate tickets sold +15.7%; leisure +0.7%; large corporate +0.9% YoY

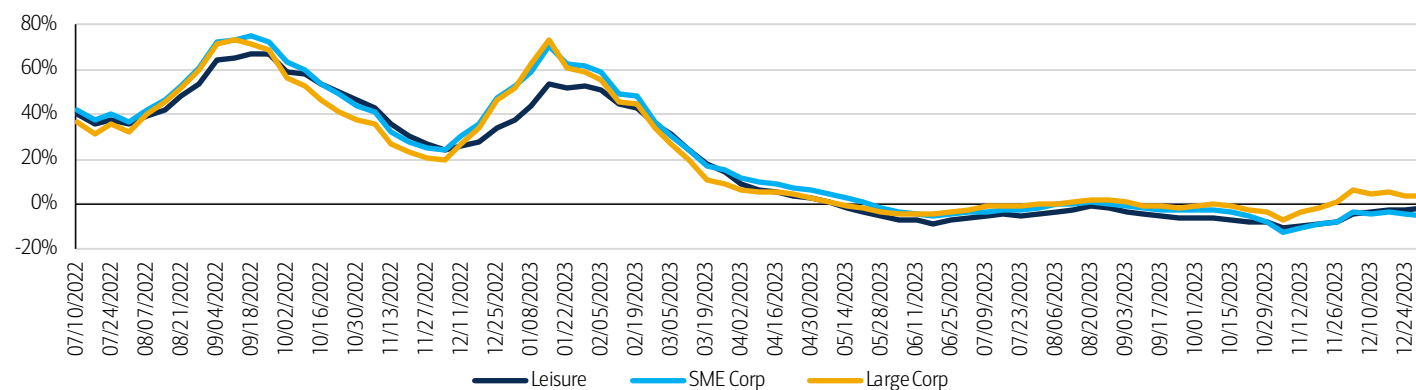


Source: ARC

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Exhibit 14: Corporate vs leisure ticket price (Trailing 4-week)

SME corporate pricing -5.2% YoY; leisure -2.0% YoY; large corporate +3.3% YoY

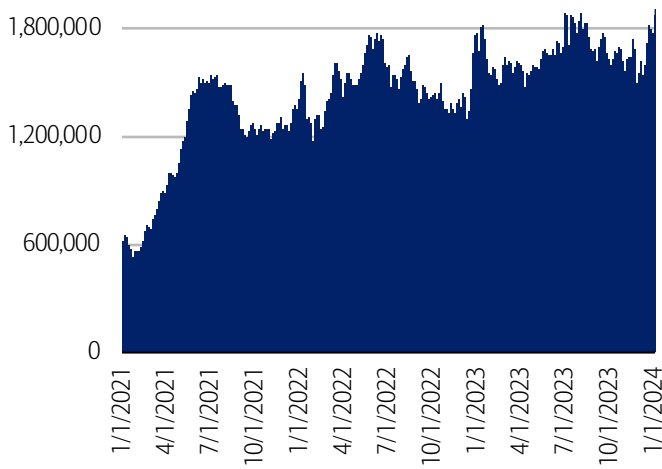


Source: ARC

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Exhibit 15: Delta trailing 7-day website visits

Daily visit growth to delta.com was higher this week vs last week

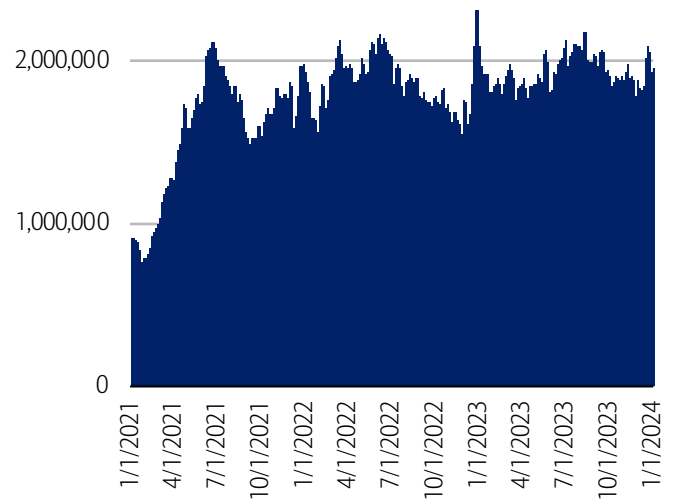


Source: SimilarWeb, www.similarweb.com

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Exhibit 16: American trailing 7-day website visits

Daily visit growth to aa.com was higher this week vs last week

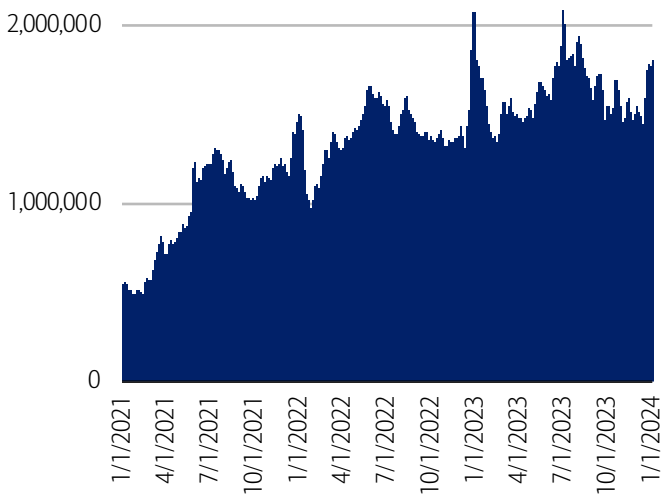


Source: SimilarWeb, www.similarweb.com

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Exhibit 17: United trailing 7-day website visits

Daily visit growth to united.com was higher this week vs last week

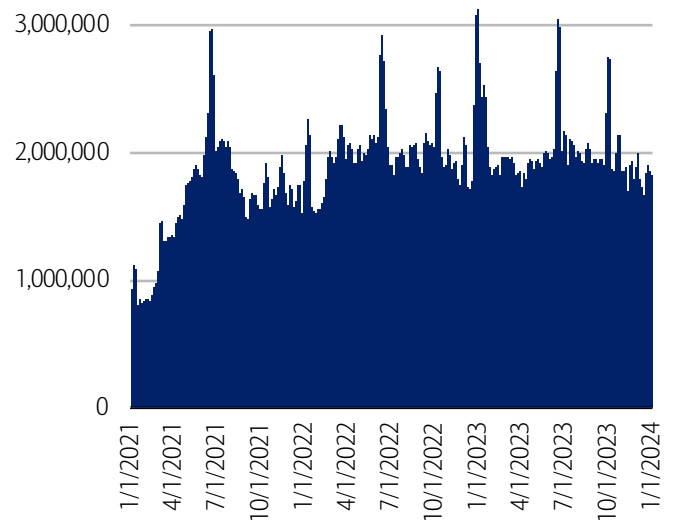


Source: SimilarWeb, www.similarweb.com

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Exhibit 18: Southwest trailing 7-day website visits

Daily visit growth to southwest.com was lower this week vs last week

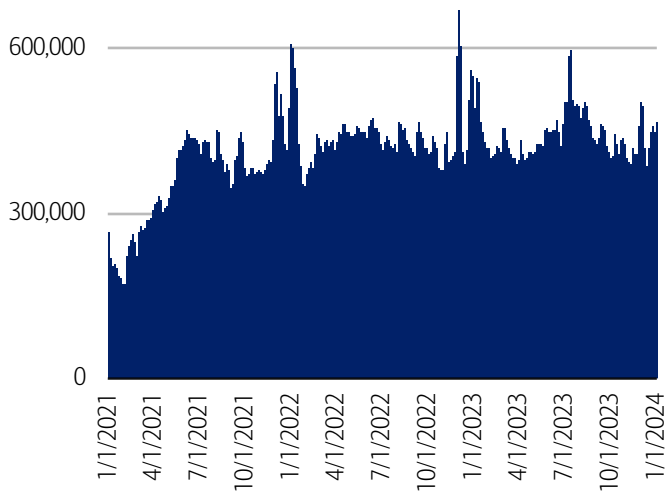


Source: SimilarWeb, www.similarweb.com

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Exhibit 19: Alaska trailing 7-day website visits

Daily visit growth to alaskaair.com was higher this week vs last week

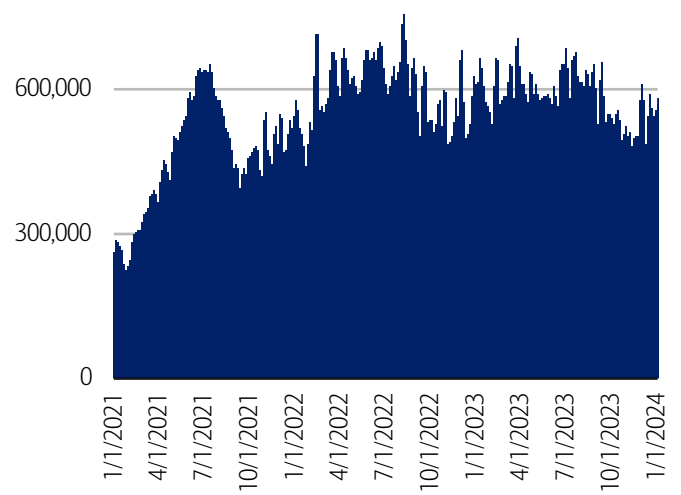


Source: SimilarWeb, www.similarweb.com

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Chart 5: JetBlue trailing 7-day website visits

Daily visit growth to jetblue.com was higher this week vs last week

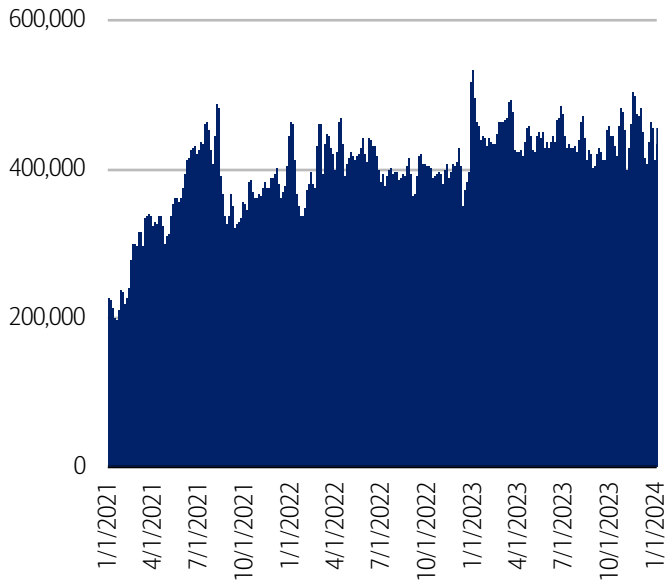


Source: SimilarWeb, www.similarweb.com

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Chart 6: Spirit Airlines trailing 7-day website visits

Daily visit growth to spirit.com was lower this week vs last week

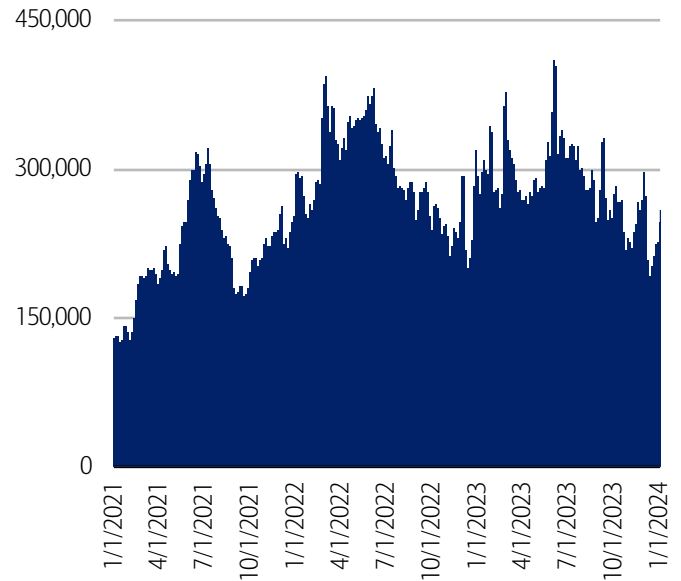


Source: SimilarWeb, www.similarweb.com

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Exhibit 20: Allegiant trailing 7-day website visits

Daily visit growth to allegiantair.com was higher this week vs last week

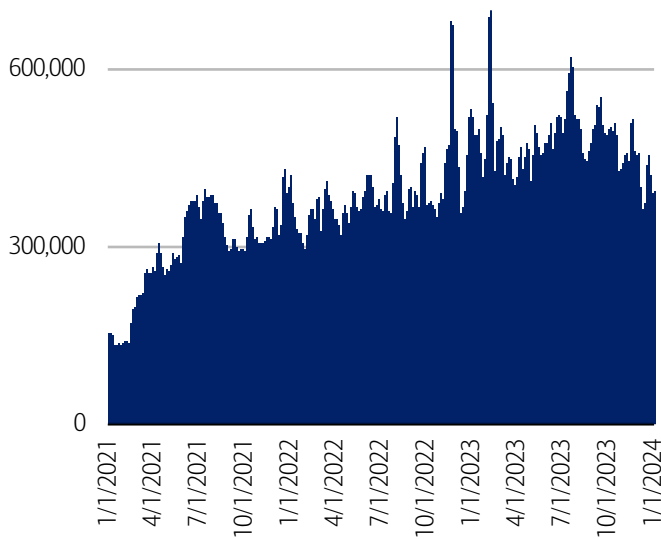


Source: SimilarWeb, www.similarweb.com

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Exhibit 21: Frontier Airlines trailing 7-day website visits

Daily visit growth to flyfrontier.com was lower this week vs last week

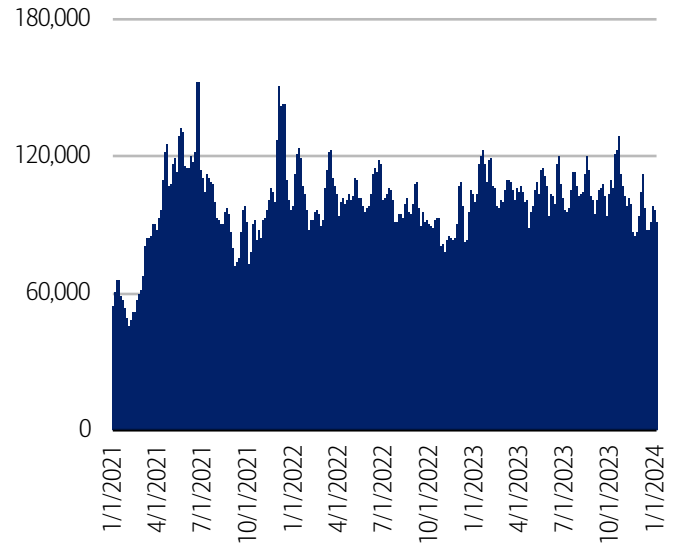


Source: SimilarWeb, www.similarweb.com

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Exhibit 22: Hawaiian Airlines trailing 7-day website visits

Daily visit growth to hawaiianairlines.com was flat this week vs last week

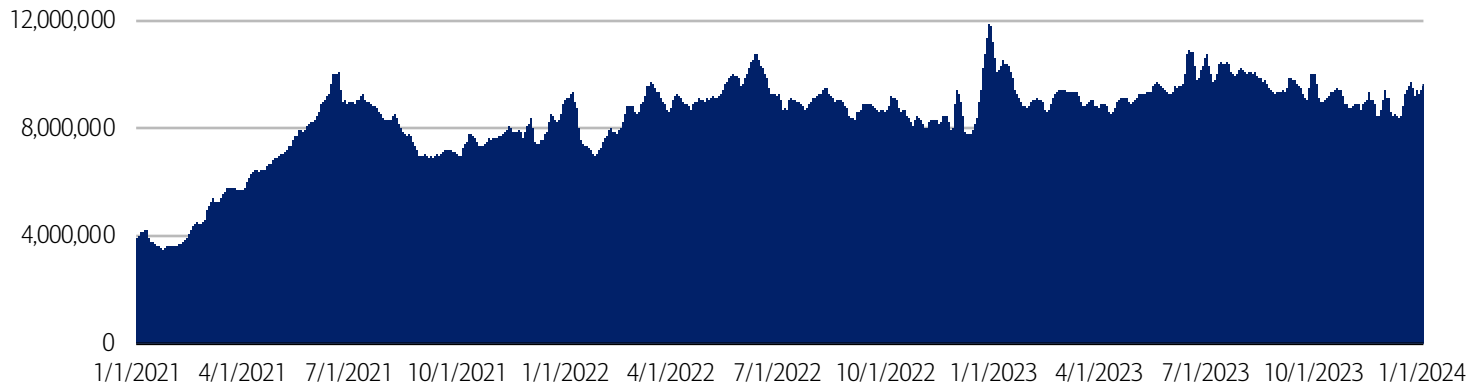


Source: SimilarWeb, www.similarweb.com

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Exhibit 23: Total website visits across major airlines for trailing 7-days

US airlines' trailing 7-day average daily website visits were +2% higher this week vs last week



Source: SimilarWeb, www.similarweb.com

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^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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