

Airlines

Bookings: sales fall for first time since start of year

Industry Overview

Presidents' Day week brings first down week of 2024

During the Presidents' Day week, system net sales fell -1.0% year-over-year for the week ending 2/25 compared to +3.4% last week in the first down week since the beginning of the year. Sales fell below the trailing 4-week average of +0.7% after being above last week. Domestic sales continue to outperform despite decelerating more than international this week, and with our ARC subscription coming to an end soon, we will not be able to see how airline bookings trend into the Easter holiday period.

Domestic continues to lead the way

Domestic sales increased +2.4% (vs +10.3% last week), below the 4-week average of +5.5%. International sales fell -4.0% (vs -2.1% last week), slightly below the 4-week average of -3.3%. Volume growth favored international this week at -1.6%, leading domestic at -3.8%. Pricing strengthened for the first time since late January to +1.9%, led by domestic at +6.4% while international saw the strongest pricing since early January at -2.4% year-over-year.

Large corporate lagging SME despite strong comp to 2019

Despite positive corporate demand commentary we have heard from airlines of late, large corporate sales were -4.3% this week, with this week's sales 80% recovered to 2019 with strong pricing growth at +11.1% offsetting weak volume growth of -13.9%. SME net sales were stronger at +0.7% with pricing's +1.9% lagging large corporate while volumes were stronger despite seeing the weakest datapoint of the year at -1.2%.

Exhibit 1: Latest airline booking trends YoY

System net sales rose -1.0% vs 2023

	Trailing 4-weeks ending				Latest Week	Quarterly	
	11/12/2023	12/10/2023	1/7/2024	2/4/2024	2/25/2024	4Q23	1Q24 to date
System Sales	-4.6%	5.7%	3.5%	2.2%	-1.0%	1.3%	1.5%
System Volumes	5.3%	8.4%	4.8%	5.6%	-2.9%	7.2%	4.9%
System Price	-9.8%	-2.6%	-2.5%	-3.3%	1.9%	-5.2%	-2.9%
Domestic Sales	0.6%	9.2%	5.4%	6.6%	2.4%	3.8%	6.1%
International Sales	-9.5%	2.5%	1.9%	-1.4%	-4.0%	-1.0%	-2.4%
Large Corporate Sales	-9.5%	3.3%	0.3%	-0.1%	-4.3%	-3.0%	-0.3%
Leisure Sales	-4.7%	0.4%	-2.4%	-2.6%	-3.4%	-3.7%	-3.3%
Domestic Price	-4.2%	2.4%	3.3%	1.2%	6.4%	-1.2%	1.3%
International Price	-14.5%	-7.8%	-6.8%	-7.1%	-2.4%	-9.9%	-6.3%

Source: ARC

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Website traffic decelerates vs last week

US airlines' trailing 7-day average daily website visits were -4% lower for the week ending 2/27 compared to the week ending 2/20. Visits to most websites decelerated, with the exception of Southwest, Frontier and Hawaiian which accelerated.

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Monthly and Quarterly ARC trends

Exhibit 2: Latest booking trends and quarterly comparison

1Q24 net sales to date are +1.5%, ahead of 4Q23

	10/15/2023	Trailing 4-weeks ending				Latest Week	Quarterly		
		11/12/2023	12/10/2023	1/7/2024	2/4/2024	2/25/2024	3Q23	4Q23	1Q24 to date
System:									
System Sales	-0.2%	-4.6%	5.7%	3.5%	2.2%	-1.0%	7.1%	1.3%	1.5%
System Volumes	3.5%	5.3%	8.4%	4.8%	5.6%	-2.9%	8.8%	7.2%	4.9%
System Price	-3.6%	-9.8%	-2.6%	-2.5%	-3.3%	1.9%	-1.5%	-5.2%	-2.9%
Domestic:									
Domestic Sales	-1.8%	0.6%	9.2%	5.4%	6.6%	2.4%	2.4%	3.8%	6.1%
Domestic Volumes	1.7%	5.0%	6.7%	2.1%	5.3%	-3.8%	5.5%	5.3%	5.2%
Domestic Price	-3.4%	-4.2%	2.4%	3.3%	1.2%	6.4%	-3.0%	-1.2%	1.3%
International:									
International Sales	1.4%	-9.5%	2.5%	1.9%	-1.4%	-4.0%	11.6%	-1.0%	-2.4%
International Volumes	7.1%	5.8%	11.3%	9.3%	6.1%	-1.6%	14.8%	10.4%	4.5%
International Price	-5.3%	-14.5%	-7.8%	-6.8%	-7.1%	-2.4%	-2.8%	-9.9%	-6.3%
Large Corporate:									
Large Corporate Sales	-7.0%	-9.5%	3.3%	0.3%	-0.1%	-4.3%	-0.5%	-3.0%	-0.3%
Large Corporate Volumes	-6.1%	-6.0%	-1.5%	-3.8%	-0.5%	-13.9%	-0.4%	-2.7%	-1.1%
Large Corporate Price	-1.0%	-3.7%	4.9%	4.2%	0.4%	11.1%	-0.2%	0.2%	1.6%
SME Corporate:									
SME Corporate Sales	5.0%	-2.6%	8.4%	7.0%	4.5%	0.7%	13.1%	4.5%	3.7%
SME Corporate Volumes	9.0%	8.7%	13.3%	10.9%	9.4%	-1.2%	15.0%	12.6%	8.3%
SME Corporate Price	-3.6%	-10.4%	-4.4%	-3.4%	-4.5%	1.9%	-1.7%	-6.8%	-3.9%
Leisure:									
Leisure Sales	-7.9%	-4.7%	0.4%	-2.4%	-2.6%	-3.4%	-1.3%	-3.7%	-3.3%
Leisure Volumes	-1.0%	6.8%	4.1%	-0.5%	1.5%	-1.1%	3.0%	2.7%	1.6%
Leisure Price	-7.0%	-10.3%	-3.6%	-1.9%	-4.0%	-2.3%	-4.2%	-6.0%	-4.6%

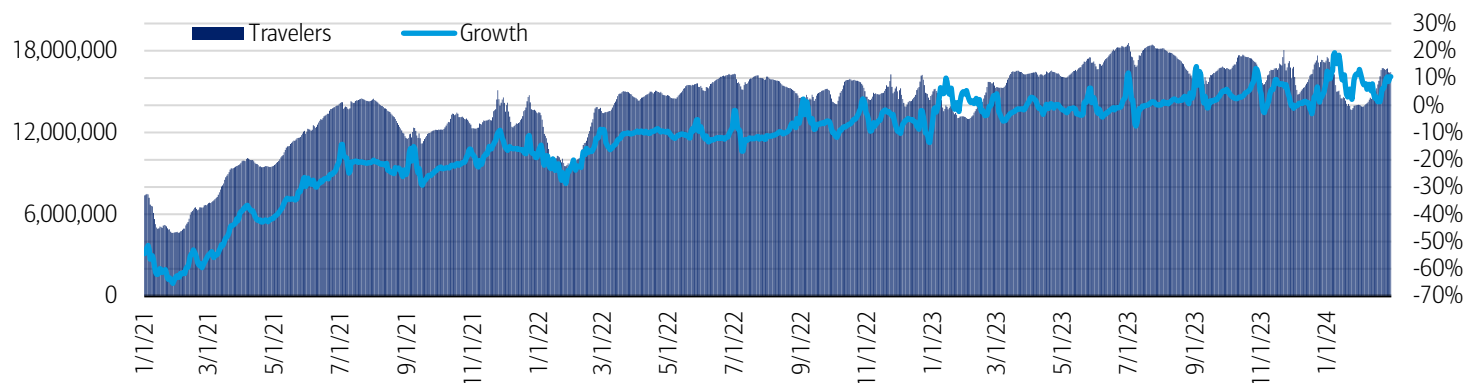
Source: ARC

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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 111% of 2019 levels



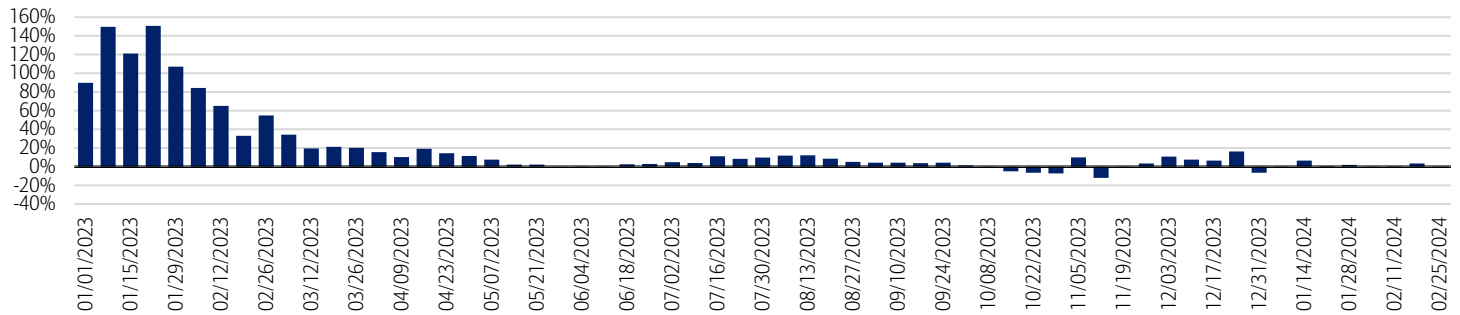
Source: www.tsa.gov

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Recent growth trends year-over-year

Exhibit 3: Consolidated net sales growth

Consolidated net sales were -1% YoY (vs +3% last week)

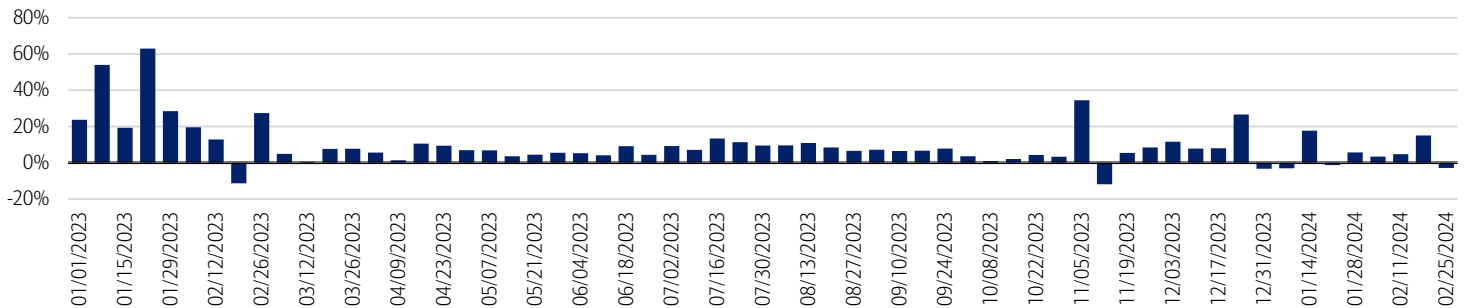


Source: ARC

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Exhibit 4: Consolidated tickets sold

Consolidated ticket volumes were -3% YoY (vs +15% last week)

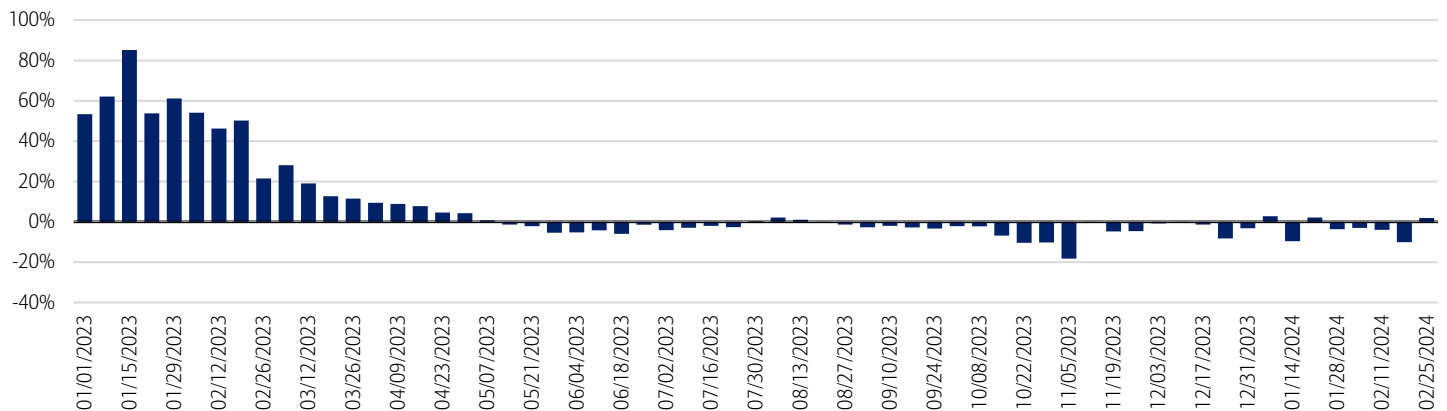


Source: ARC

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Exhibit 5: Consolidated ticket price

Consolidated ticket prices were +2% YoY (vs -10% last week)

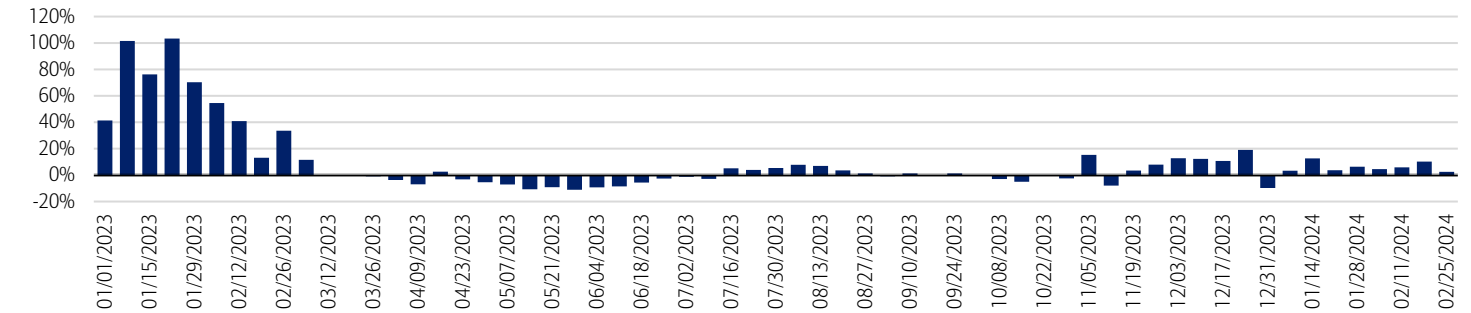


Source: ARC

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Exhibit 6: Consolidated domestic sales growth

Consolidated domestic sales were +2% YoY (vs +10% last week)

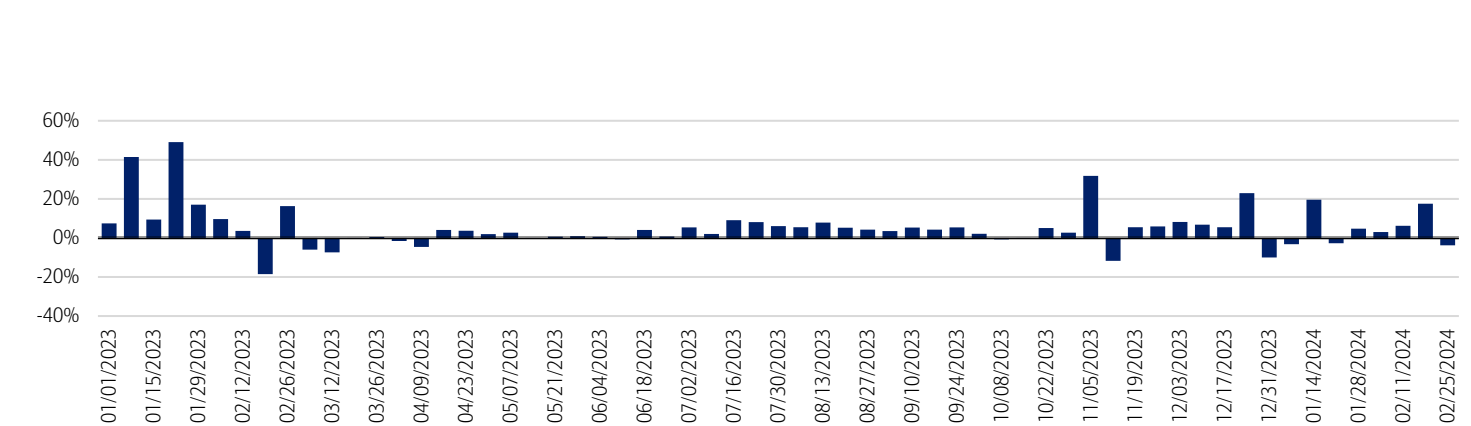


Source: ARC

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Exhibit 7: Consolidated domestic tickets sold

Domestic ticket volumes were -4% YoY (vs -18% last week)

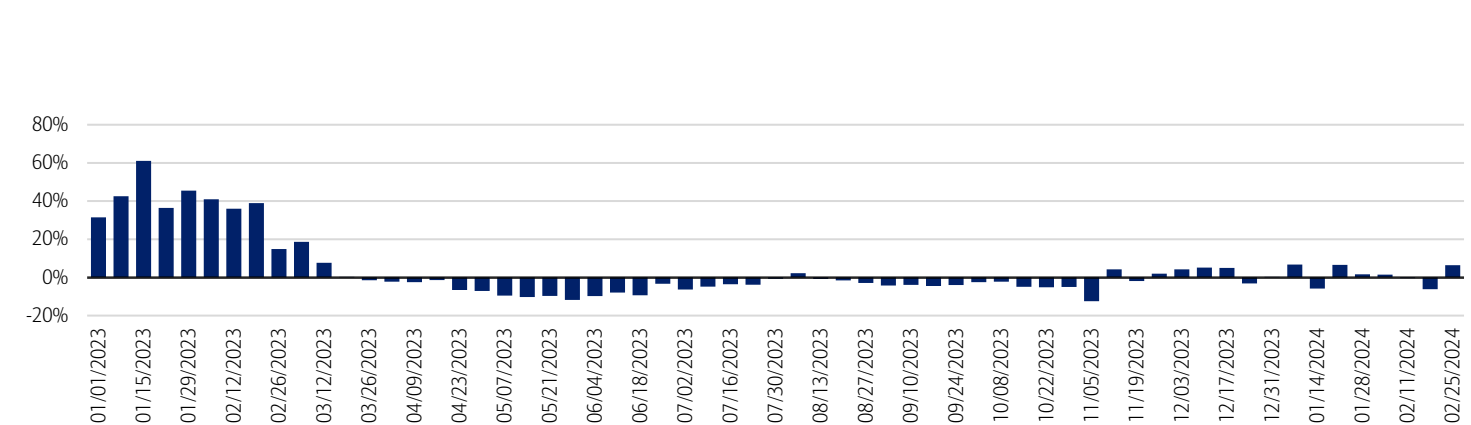


Source: ARC

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Exhibit 8: Consolidated domestic ticket price

Domestic ticket prices were +6% YoY (vs -6% last week)

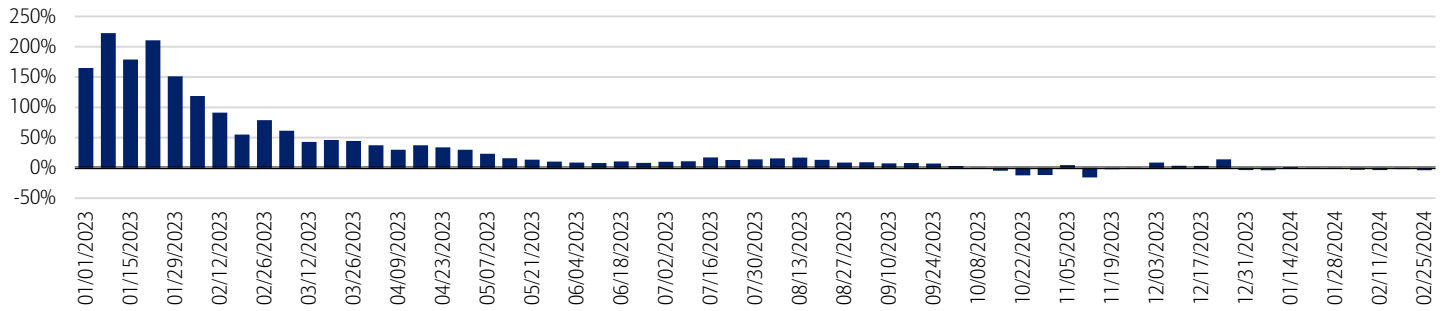


Source: ARC

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Exhibit 9: Consolidated international sales growth

International net sales were -4% YoY (vs -2% last week)

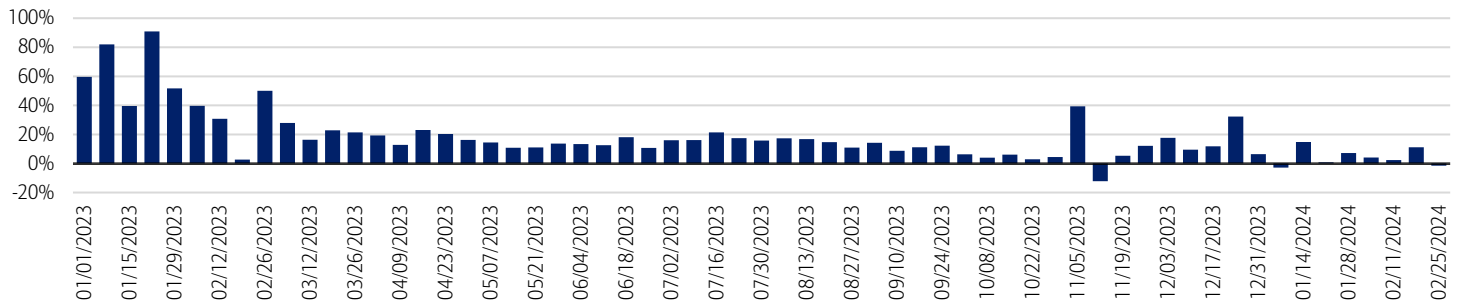


Source: ARC

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Exhibit 10: Consolidated international tickets sold

International ticket volumes were -2% YoY (vs +11% last week)

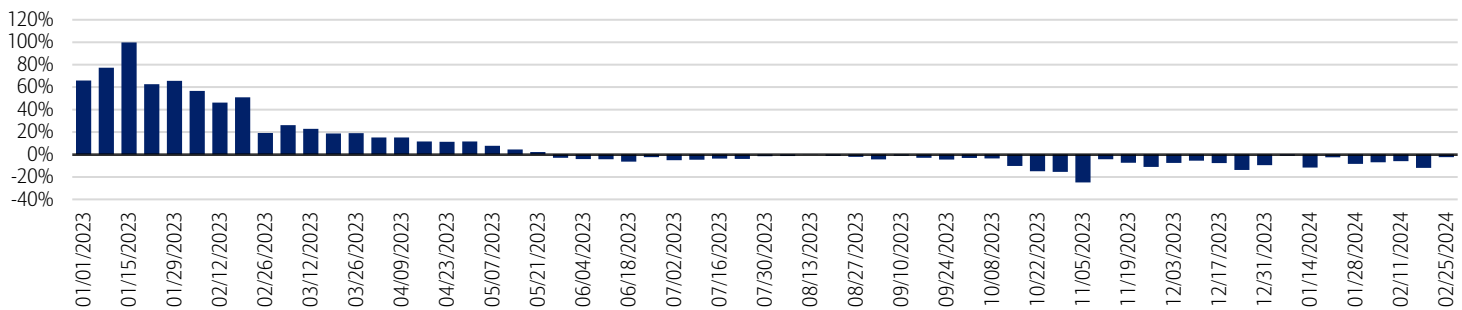


Source: ARC

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Exhibit 11: Consolidated international ticket price

International ticket prices were -2% YoY (vs -12% last week)



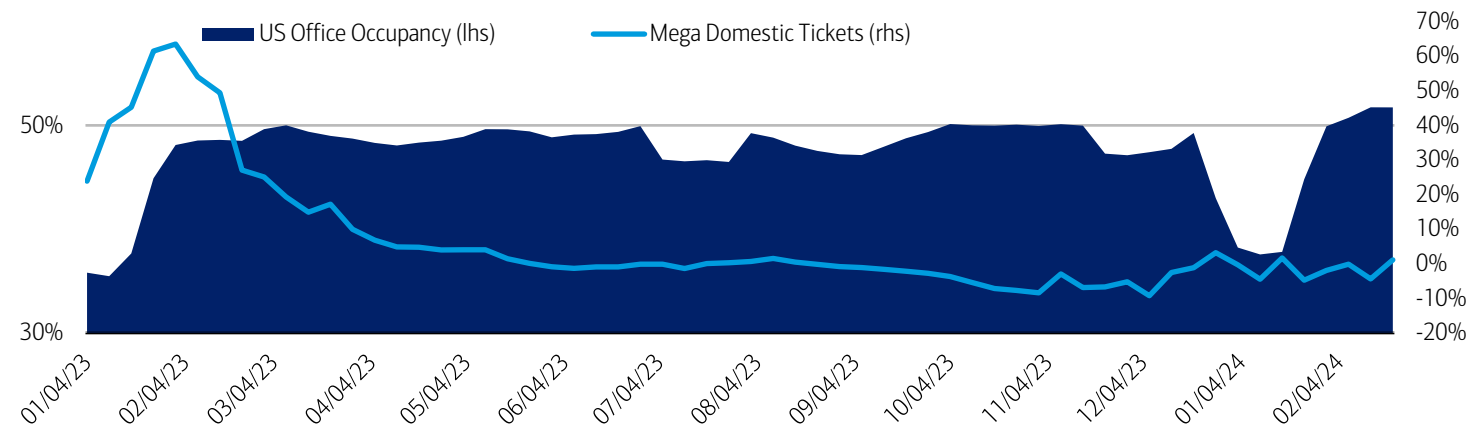
Source: ARC

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US Office Occupancy & Corporate Trends

Exhibit 12: 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

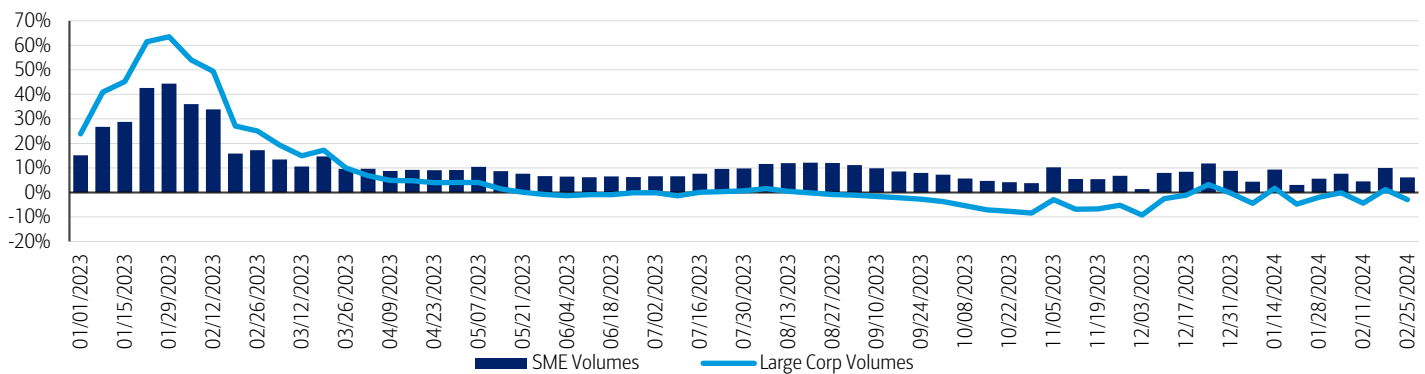


Source: ARC, Kastle Systems

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Exhibit 13: 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 -2.9% YoY compared to SME volumes of +6.1% YoY

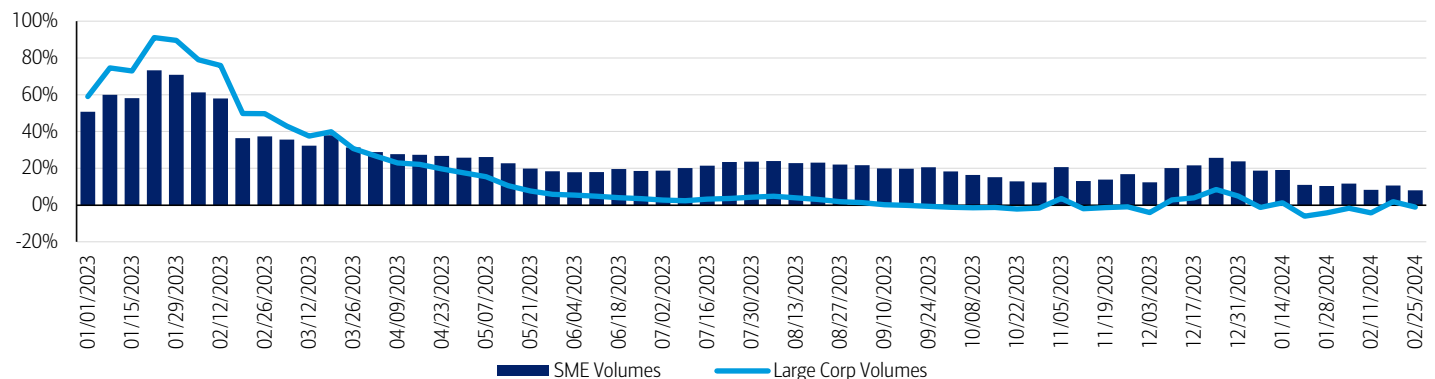


Source: ARC

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Exhibit 14: 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 -1.1% YoY compared to SME volumes +8.0% YoY



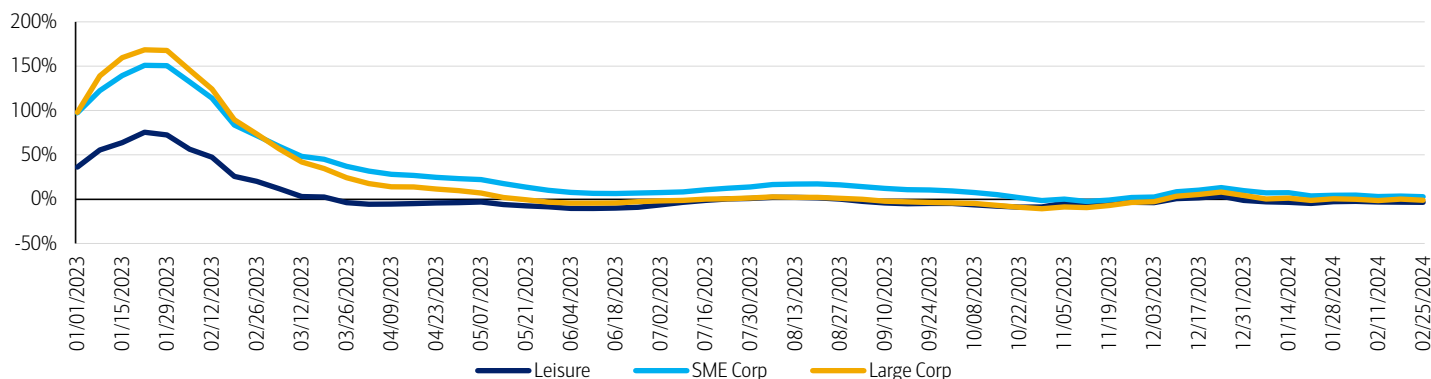
Source: ARC

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Corporate and leisure year-over-year

Exhibit 15: Corporate vs leisure sales net sales growth (Trailing 4-week)

SME corporate net sales +2.7%; leisure -3.6%; large corporate -1.3% YoY

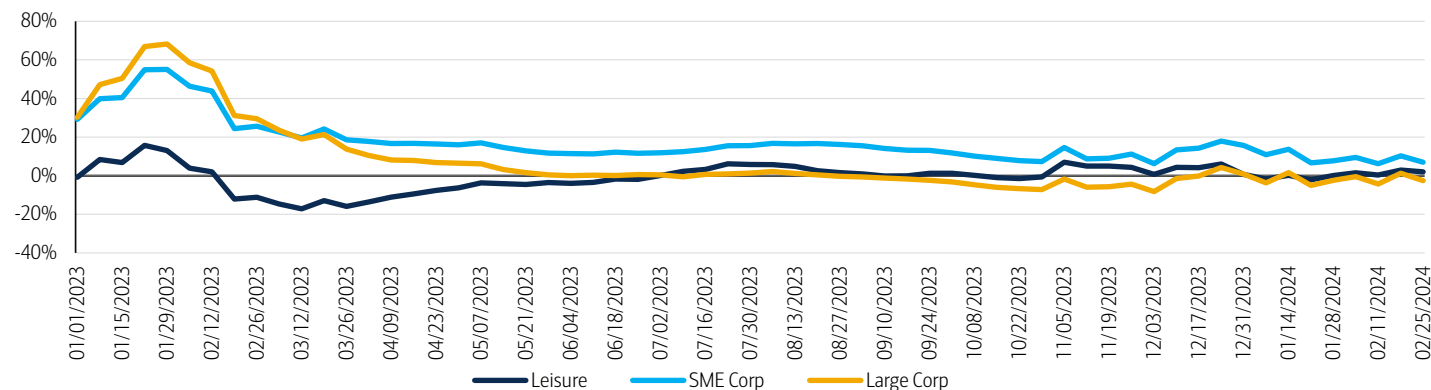


Source: ARC

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Exhibit 16: Corporate vs leisure tickets sold (Trailing 4-week)

SME corporate tickets sold +7.0%; leisure +2.0%; large corporate -2.6% YoY

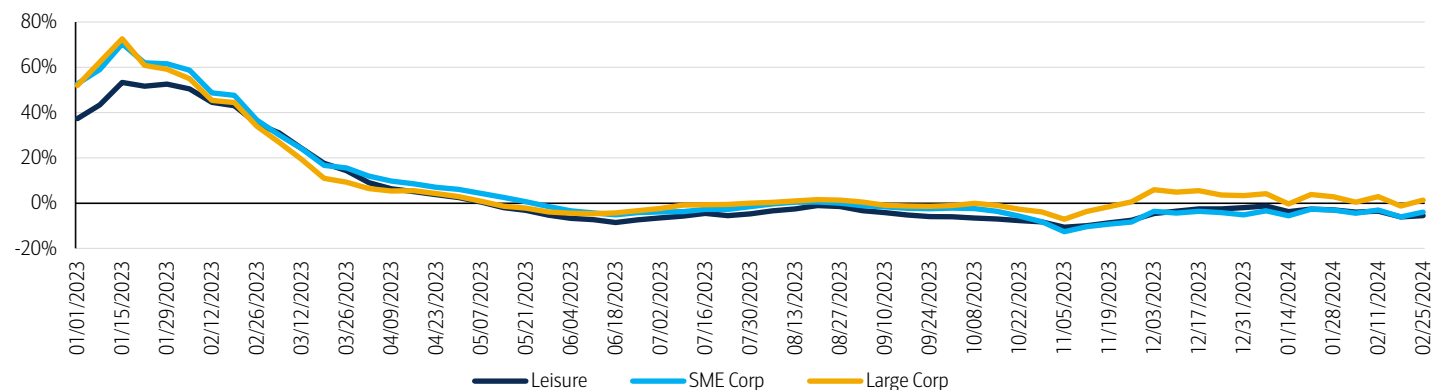


Source: ARC

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Exhibit 17: Corporate vs leisure ticket price (Trailing 4-week)

SME corporate pricing +0.9% YoY; leisure -5.5% YoY; large corporate +1.3% YoY

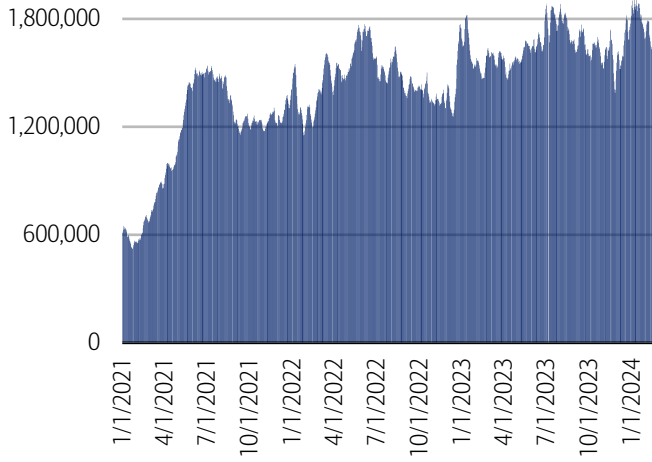


Source: ARC

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Exhibit 18: Delta trailing 7-day website visits

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

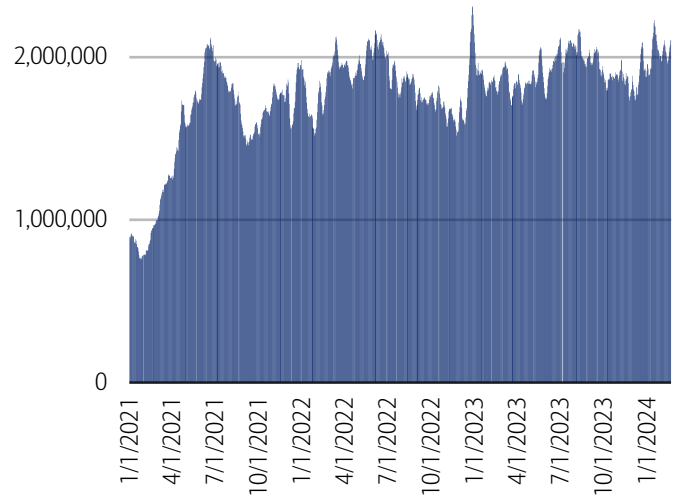


Source: SimilarWeb, www.similarweb.com

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Exhibit 19: American trailing 7-day website visits

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

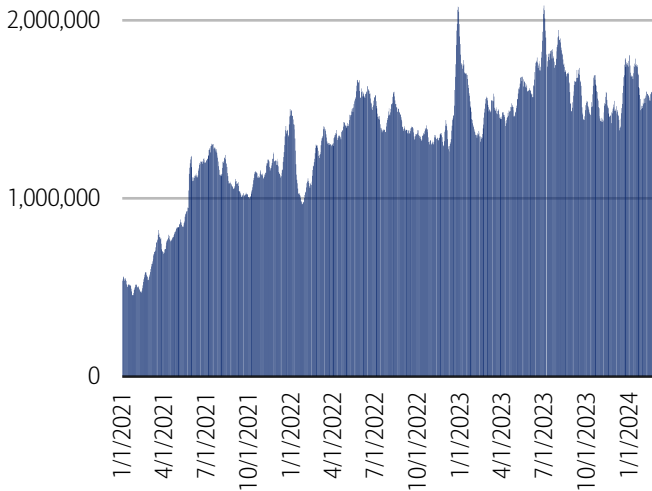


Source: SimilarWeb, www.similarweb.com

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Exhibit 20: United trailing 7-day website visits

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

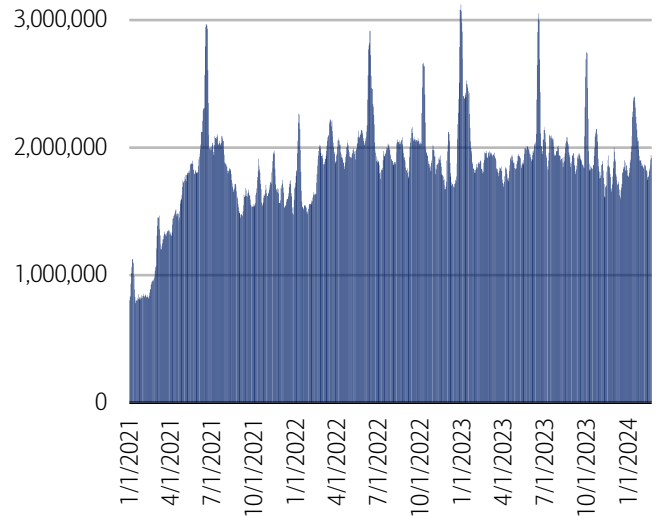


Source: SimilarWeb, www.similarweb.com

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Exhibit 21: Southwest trailing 7-day website visits

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

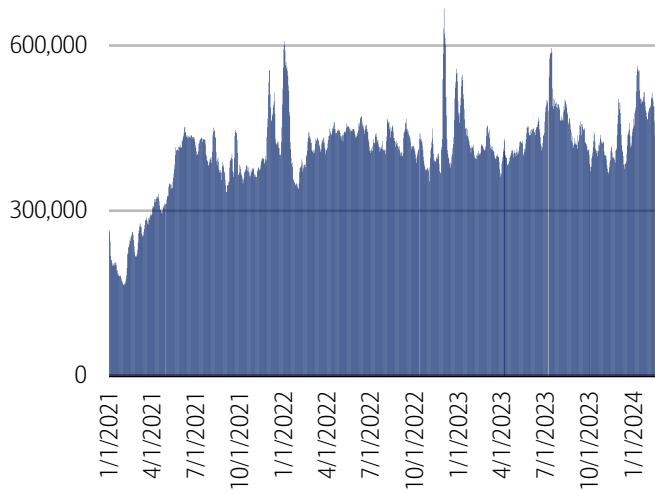


Source: SimilarWeb, www.similarweb.com

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Exhibit 22: Alaska trailing 7-day website visits

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

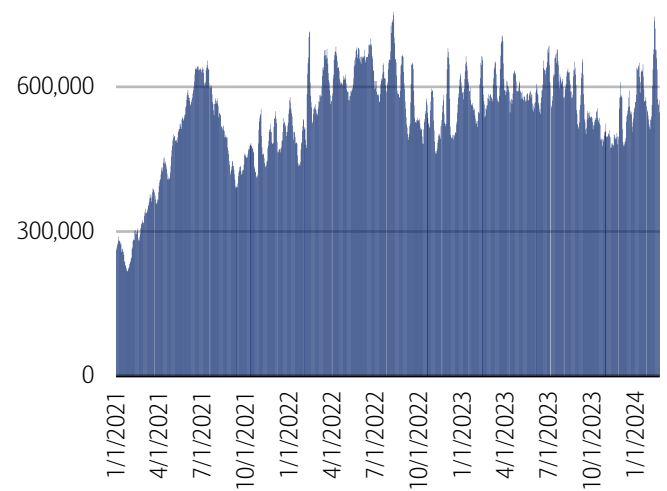


Source: SimilarWeb, www.similarweb.com

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Chart 2: JetBlue trailing 7-day website visits

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

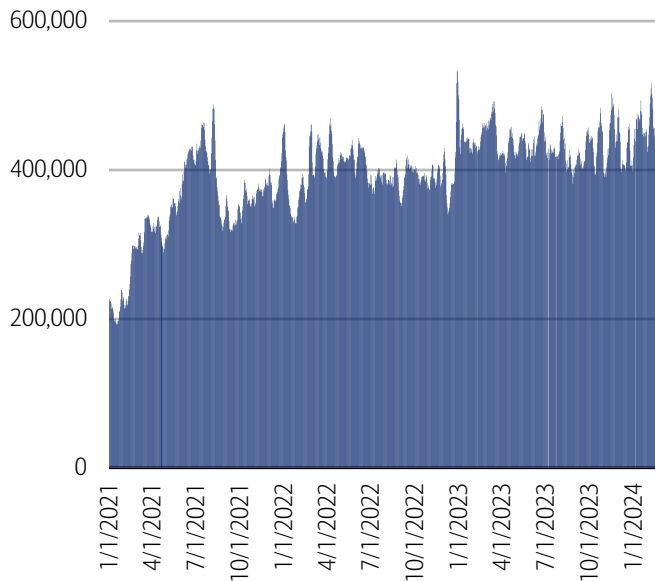


Source: SimilarWeb, www.similarweb.com

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Chart 3: Spirit Airlines trailing 7-day website visits

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

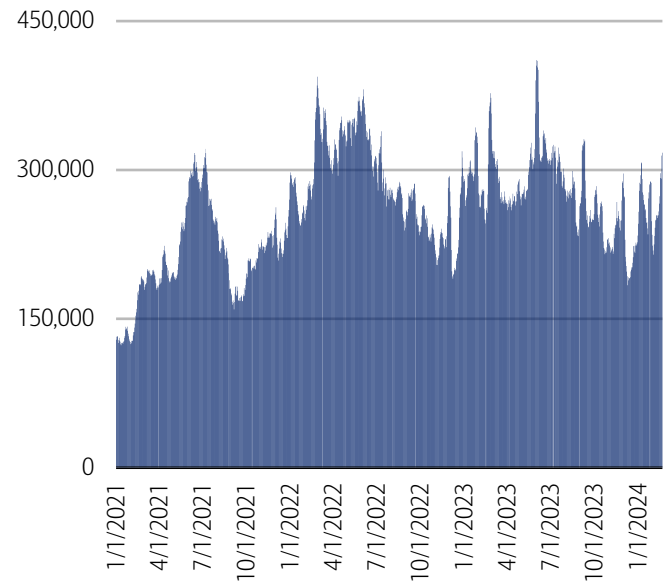


Source: SimilarWeb, www.similarweb.com

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Exhibit 23: Allegiant trailing 7-day website visits

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

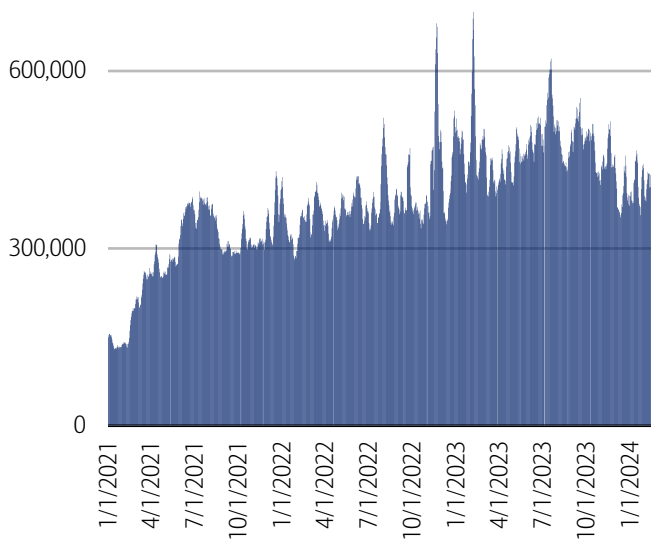


Source: SimilarWeb, www.similarweb.com

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Exhibit 24: Frontier Airlines trailing 7-day website visits

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

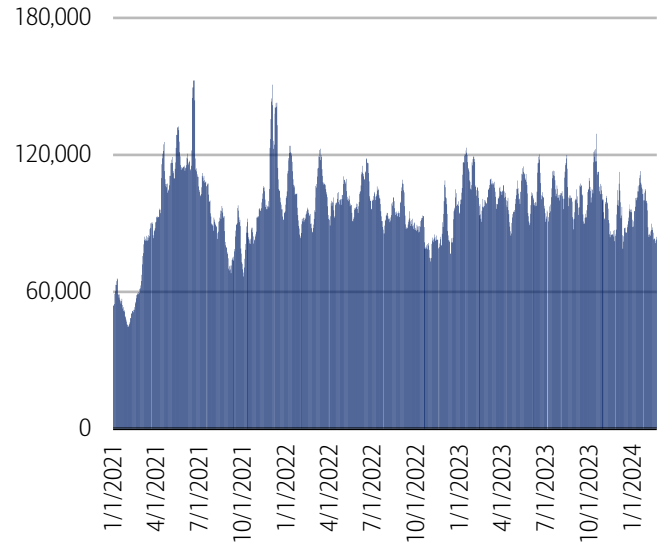


Source: SimilarWeb, www.similarweb.com

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Exhibit 25: Hawaiian Airlines trailing 7-day website visits

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

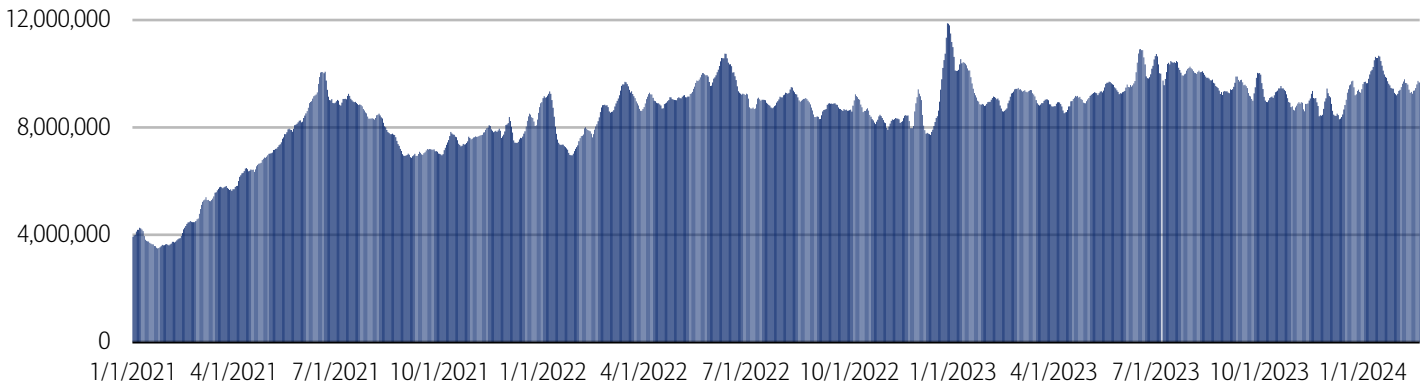


Source: SimilarWeb, www.similarweb.com

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Exhibit 26: Total website visits across major airlines for trailing 7-days

US airlines' trailing 7-day average daily website visits were -4% lower this week vs last week



Source: SimilarWeb, www.similarweb.com

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