

Airlines

Bookings: sales accelerate with domestic close to peak holiday levels

Industry Overview

Sales accelerate with domestic close to peak holiday

System net sales increased +3.4% year-over-year for the week ending 2/18 compared to +0.5% last week. Sales crossed above the trailing 4-week average of +1.5% this week, and better than the January trend of +2.1%. Domestic sales outperformed with growth close to levels seen during the peak holiday weeks in December.

Domestic driving this week's strength

Domestic sales increased +10.3% (vs +5.8% last week), well ahead of the 4-week average of +6.6% and in line with the low-double digit growth seen throughout December. Meanwhile, international sales fell -2.1% (vs -3.7% last week), slightly ahead of the 4-week average of -2.7%. Volume growth was strong this week at +15.0%, with domestic continuing to lead international at +17.5% and +11.2%, respectively. Pricing softened to down -10.1%, led by international at -11.9% while domestic's decline was more modest at -6.2%.

Leisure sales remain soft, but domestic holding strong

Leisure sales fell -3.7% in the eighth consecutive negative week despite modestly accelerating from last week's -4.1%. Domestic leisure sales were strong at +6.8% on 12.5% higher volumes despite softer pricing at -5.1%. Conversely, international sales modestly decelerated to -16.0% as normalization from 2023 international strength continues. International volumes fell to -1.4% while pricing was far weaker at -14.8%.

Exhibit 1: Latest airline booking trends YoY

System net sales rose +3.4% vs 2023

	Trailing 4-weeks ending				Latest Week 2/18/2024	Quarterly	
	11/12/2023	12/10/2023	1/7/2024	2/4/2024		4Q23	1Q24 to date
System Sales	-4.6%	5.7%	3.5%	2.2%	3.4%	1.3%	1.8%
System Volumes	5.3%	8.4%	4.8%	5.6%	15.0%	7.2%	6.0%
System Price	-9.8%	-2.6%	-2.5%	-3.3%	-10.1%	-5.2%	-3.6%
Domestic Sales	0.6%	9.2%	5.4%	6.6%	10.3%	3.8%	6.7%
International Sales	-9.5%	2.5%	1.9%	-1.4%	-2.1%	-1.0%	-2.1%
Large Corporate Sales	-9.5%	3.3%	0.3%	-0.1%	5.8%	-3.0%	0.3%
Leisure Sales	-4.7%	0.4%	-2.4%	-2.6%	-3.7%	-3.7%	-3.2%
Domestic Price	-4.2%	2.4%	3.3%	1.2%	-6.2%	-1.2%	0.6%
International Price	-14.5%	-7.8%	-6.8%	-7.1%	-11.9%	-9.9%	-6.9%

Source: ARC

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Website traffic accelerates vs last week

US airlines' trailing 7-day average daily website visits were +3% higher for the week ending 2/20 compared to the week ending 2/13. Visits to most websites accelerated, with the exception of Alaska, Hawaiian, JetBlue and United which decelerated.

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Equity
United States
Airlines

Andrew G. Didora, CFA
Research Analyst
BofAS
+1 646 855 2924
andrew.didora@bofa.com

Samuel Clough
Research Analyst
BofAS
+1 646 855 5193
samuel.clough@bofa.com

Monthly and Quarterly ARC trends

Exhibit 2: Latest booking trends and quarterly comparison

1Q24 net sales to date are +1.8%, ahead of 4Q23

	10/15/2023	Trailing 4-weeks ending				Latest Week	Quarterly		1Q24 to date
		11/12/2023	12/10/2023	1/7/2024	2/4/2024	2/18/2024	3Q23	4Q23	
System:									
System Sales	-0.2%	-4.6%	5.7%	3.5%	2.2%	3.4%	7.1%	1.3%	1.8%
System Volumes	3.5%	5.3%	8.4%	4.8%	5.6%	15.0%	8.8%	7.2%	6.0%
System Price	-3.6%	-9.8%	-2.6%	-2.5%	-3.3%	-10.1%	-1.5%	-5.2%	-3.6%
Domestic:									
Domestic Sales	-1.8%	0.6%	9.2%	5.4%	6.6%	10.3%	2.4%	3.8%	6.7%
Domestic Volumes	1.7%	5.0%	6.7%	2.1%	5.3%	17.5%	5.5%	5.3%	6.5%
Domestic Price	-3.4%	-4.2%	2.4%	3.3%	1.2%	-6.2%	-3.0%	-1.2%	0.6%
International:									
International Sales	1.4%	-9.5%	2.5%	1.9%	-1.4%	-2.1%	11.6%	-1.0%	-2.1%
International Volumes	7.1%	5.8%	11.3%	9.3%	6.1%	11.2%	14.8%	10.4%	5.4%
International Price	-5.3%	-14.5%	-7.8%	-6.8%	-7.1%	-11.9%	-2.8%	-9.9%	-6.9%
Large Corporate:									
Large Corporate Sales	-7.0%	-9.5%	3.3%	0.3%	-0.1%	5.8%	-0.5%	-3.0%	0.3%
Large Corporate Volumes	-6.1%	-6.0%	-1.5%	-3.8%	-0.5%	15.0%	-0.4%	-2.7%	0.7%
Large Corporate Price	-1.0%	-3.7%	4.9%	4.2%	0.4%	-8.0%	-0.2%	0.2%	0.3%
SME Corporate:									
SME Corporate Sales	5.0%	-2.6%	8.4%	7.0%	4.5%	5.0%	13.1%	4.5%	4.1%
SME Corporate Volumes	9.0%	8.7%	13.3%	10.9%	9.4%	18.9%	15.0%	12.6%	9.6%
SME Corporate Price	-3.6%	-10.4%	-4.4%	-3.4%	-4.5%	-11.7%	-1.7%	-6.8%	-4.7%
Leisure:									
Leisure Sales	-7.9%	-4.7%	0.4%	-2.4%	-2.6%	-3.7%	-1.3%	-3.7%	-3.2%
Leisure Volumes	-1.0%	6.8%	4.1%	-0.5%	1.5%	7.7%	3.0%	2.7%	1.9%
Leisure Price	-7.0%	-10.3%	-3.6%	-1.9%	-4.0%	-10.6%	-4.2%	-6.0%	-4.9%

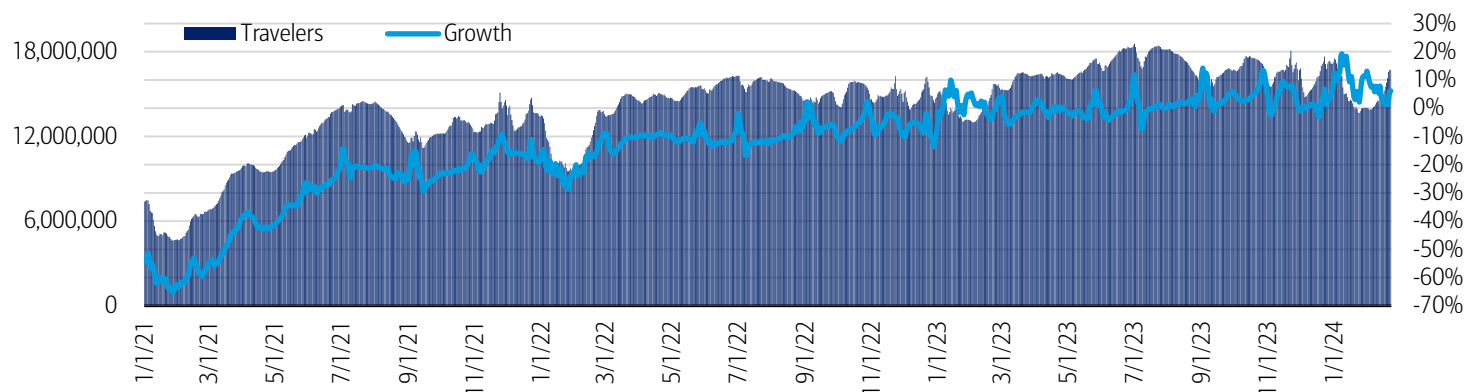
Source: ARC

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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 106% of 2019 levels



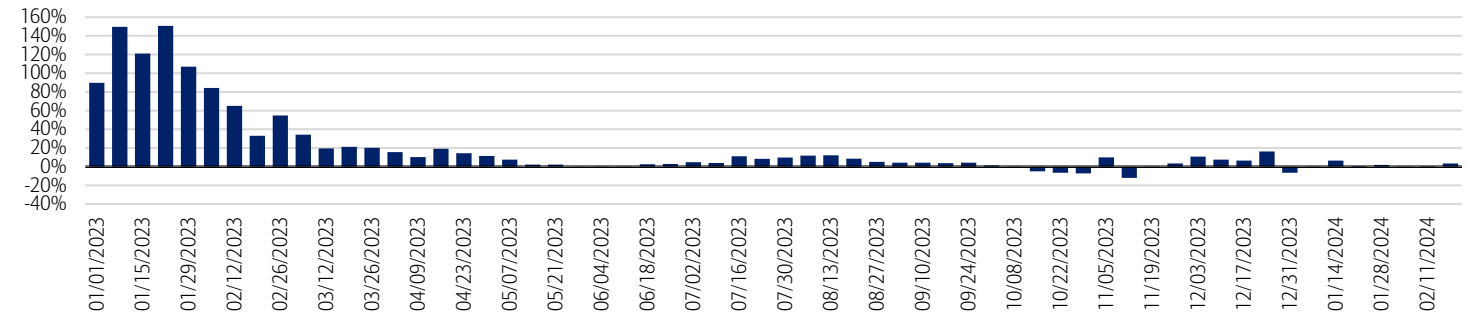
Source: www.tsa.gov

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Recent growth trends year-over-year

Exhibit 3: Consolidated net sales growth

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

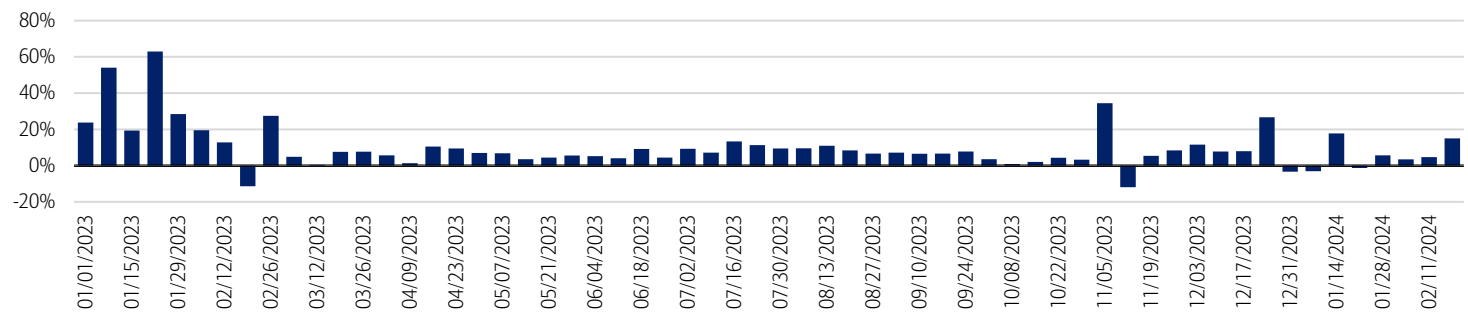


Source: ARC

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Exhibit 4: Consolidated tickets sold

Consolidated ticket volumes were +15% YoY (vs +5% last week)

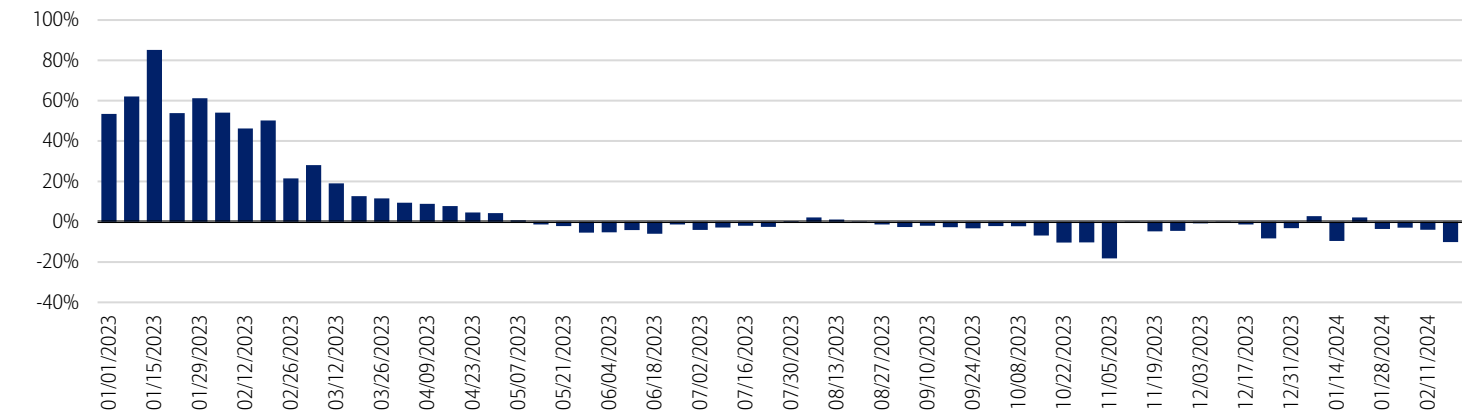


Source: ARC

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Exhibit 5: Consolidated ticket price

Consolidated ticket prices were -10% YoY (vs -4% last week)

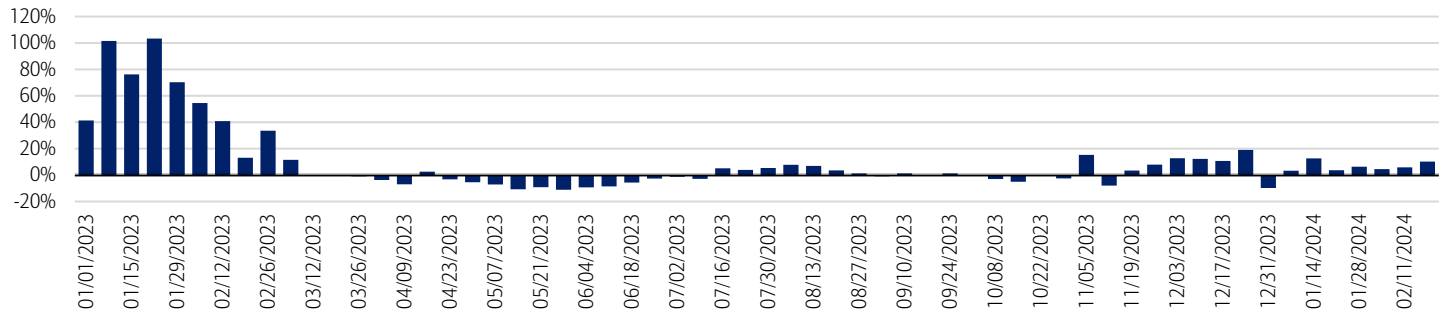


Source: ARC

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Exhibit 6: Consolidated domestic sales growth

Consolidated domestic sales were +10% YoY (vs +6% last week)

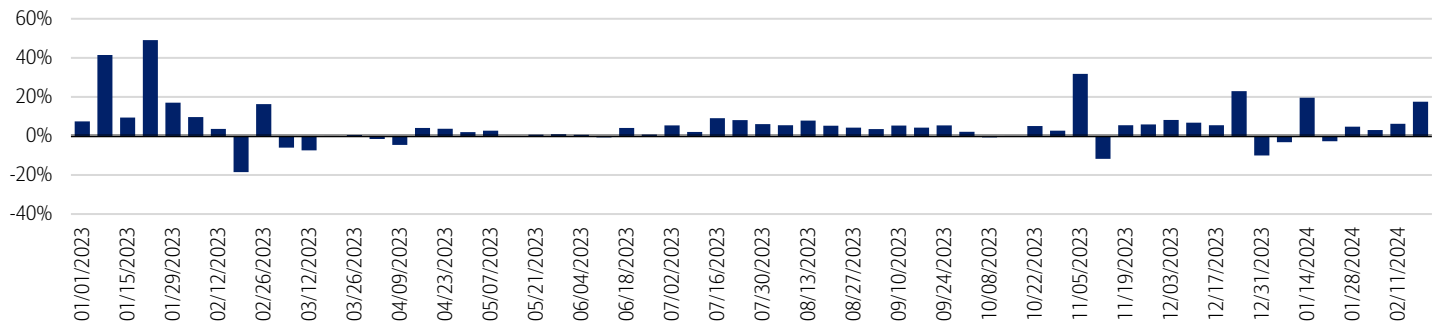


Source: ARC

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Exhibit 7: Consolidated domestic tickets sold

Domestic ticket volumes were +18% YoY (vs +6% last week)

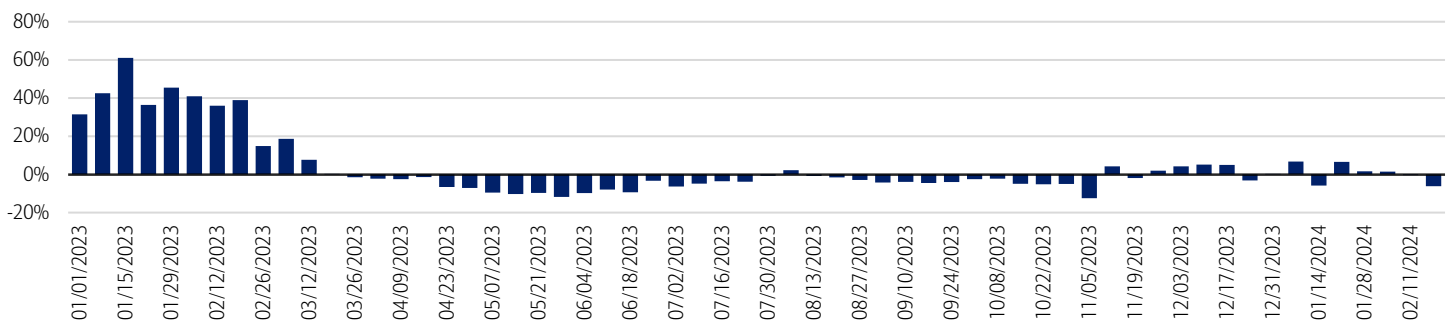


Source: ARC

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Exhibit 8: Consolidated domestic ticket price

Domestic ticket prices were -6% YoY (vs 0% last week)

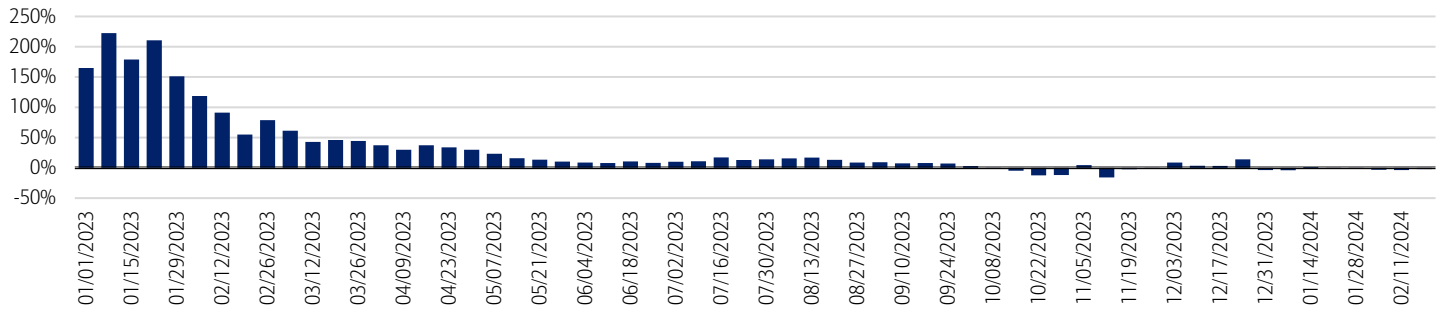


Source: ARC

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Exhibit 9: Consolidated international sales growth

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

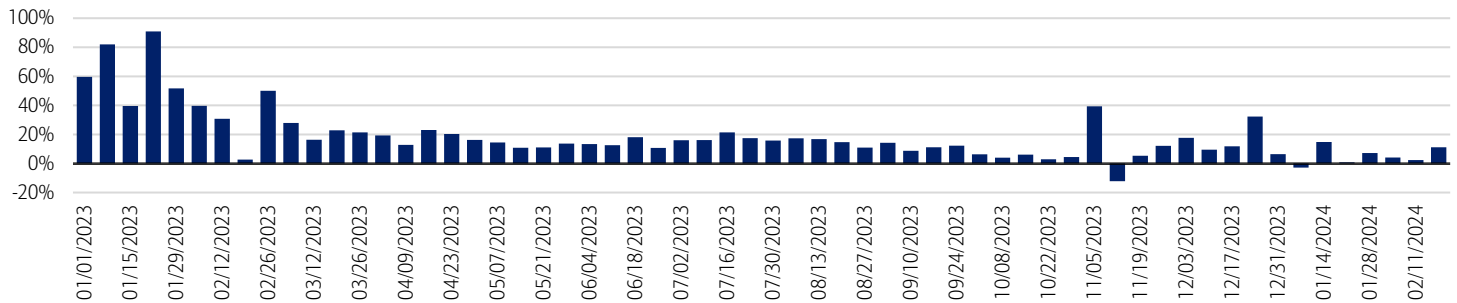


Source: ARC

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Exhibit 10: Consolidated international tickets sold

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

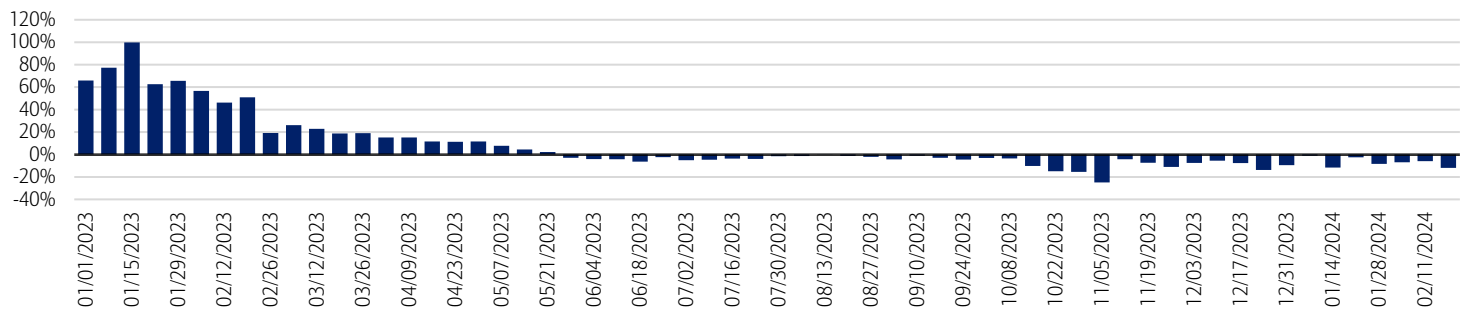


Source: ARC

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Exhibit 11: Consolidated international ticket price

International ticket prices were -12% YoY (vs -6% last week)



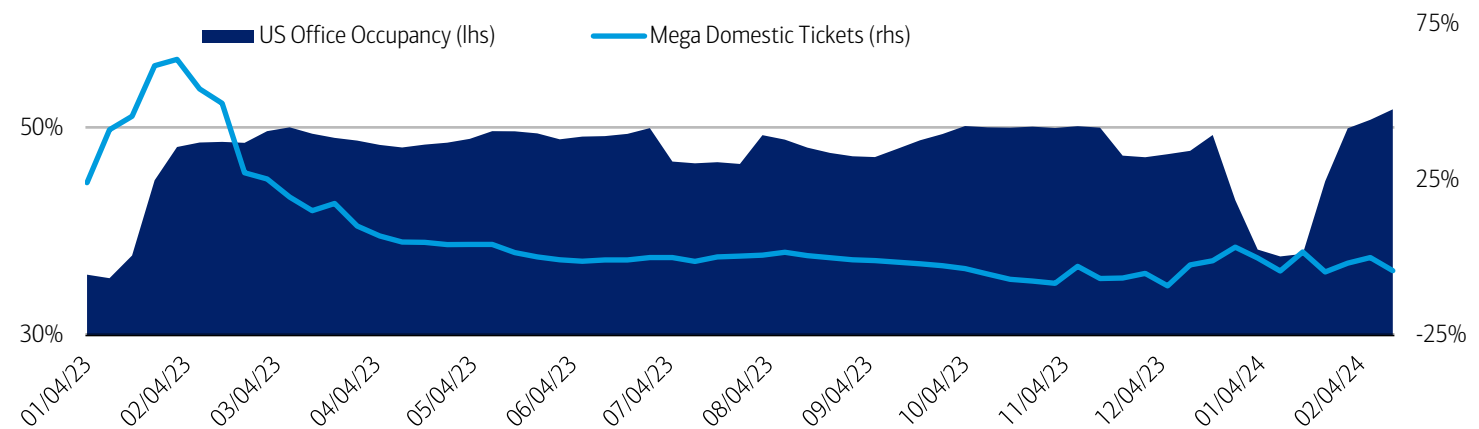
Source: ARC

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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

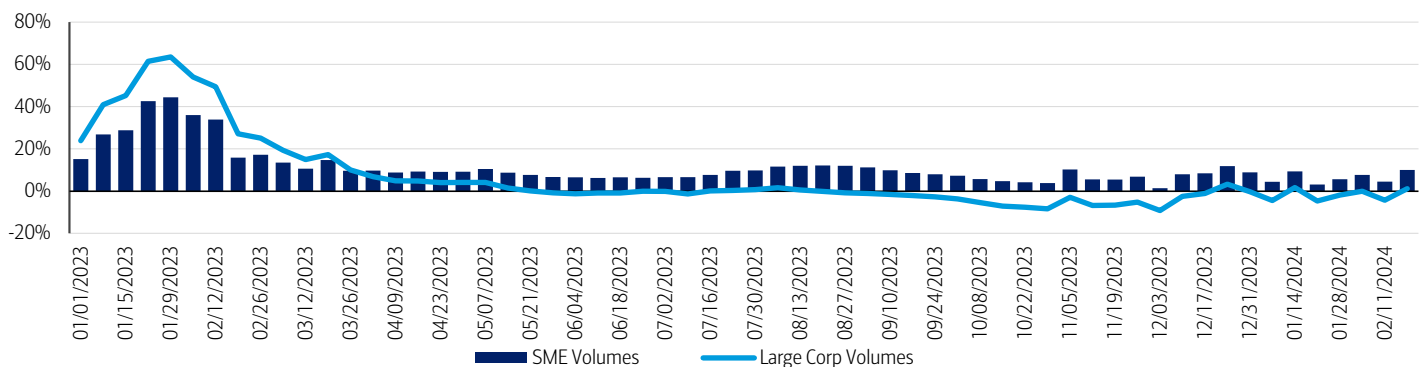


Source: ARC, Kastle Systems

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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 +1.1% YoY compared to SME volumes of +10.0% YoY

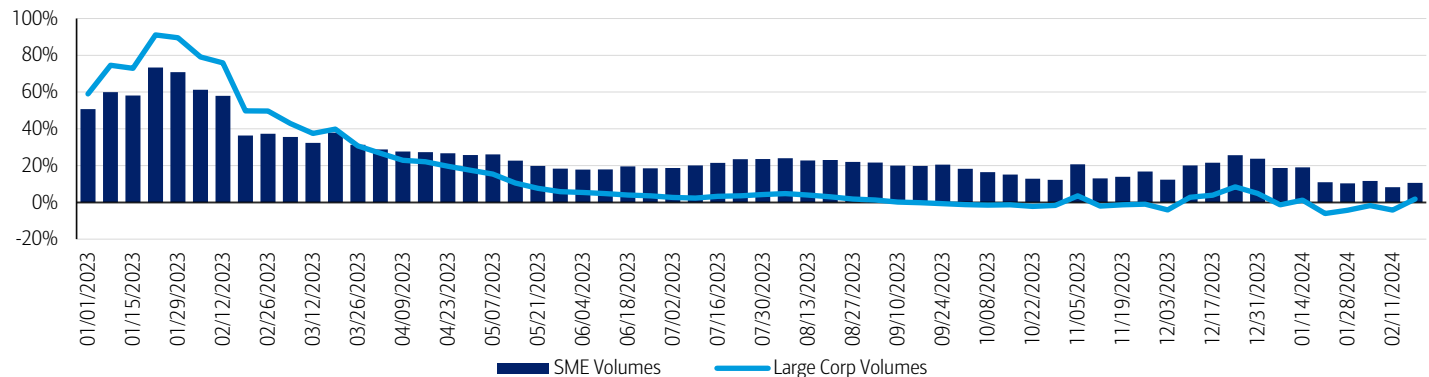


Source: ARC

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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 +1.8% YoY compared to SME volumes +10.6% YoY



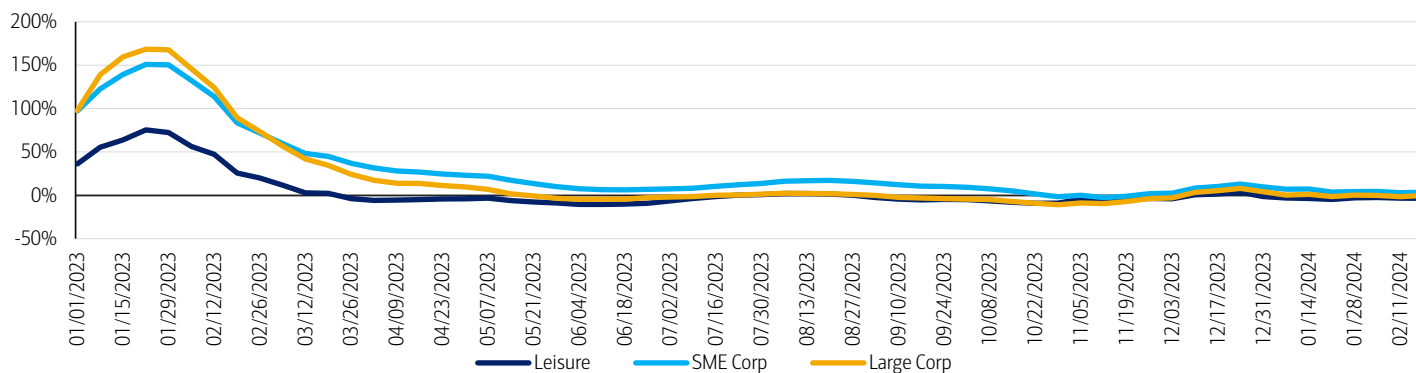
Source: ARC

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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 +3.5%; leisure -3.4%; large corporate -0.1% YoY

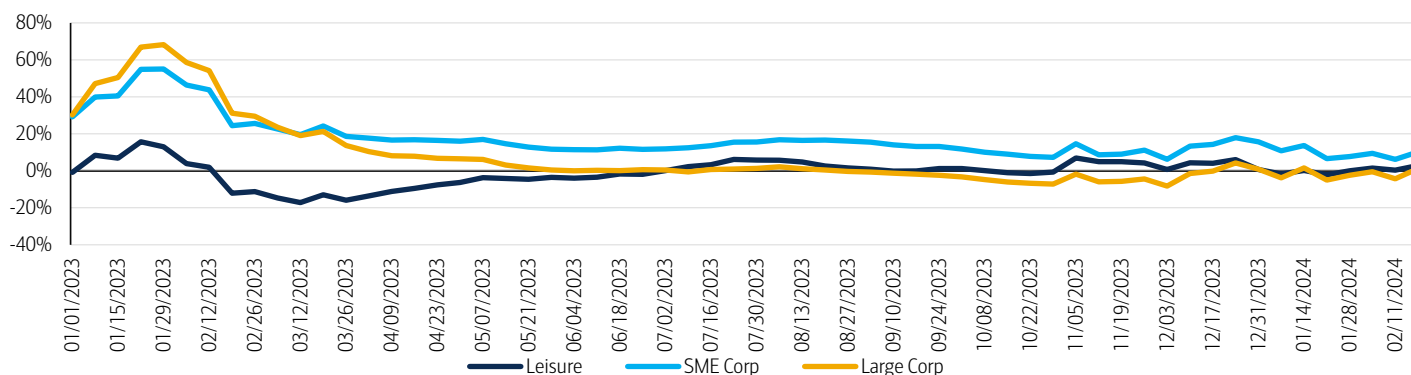


Source: ARC

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

SME corporate tickets sold +10.3%; leisure +2.9%; large corporate +1.3% YoY

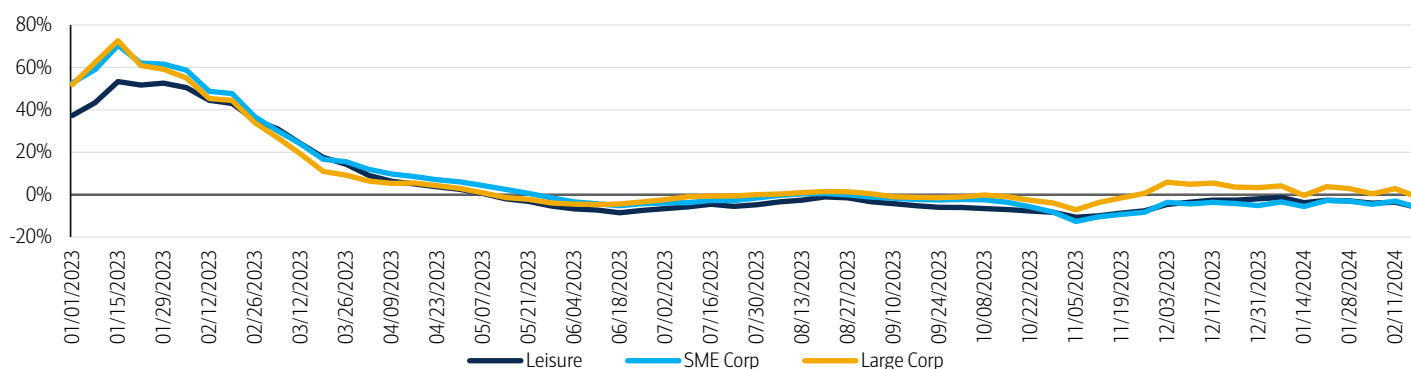


Source: ARC

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

SME corporate pricing -6.1% YoY; leisure -6.1% YoY; large corporate -1.3% YoY

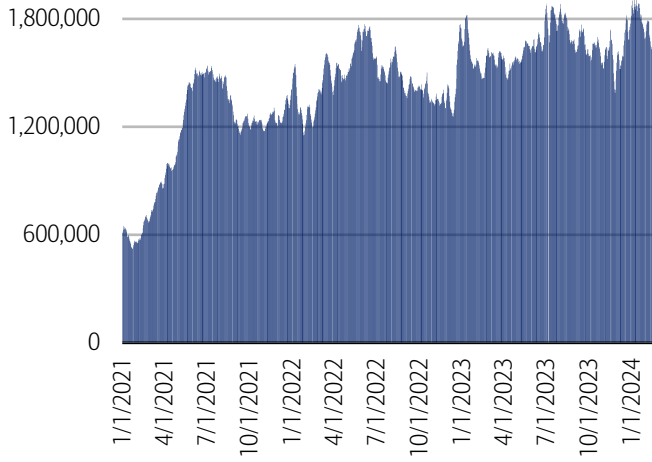


Source: ARC

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Exhibit 18: Delta trailing 7-day website visits

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

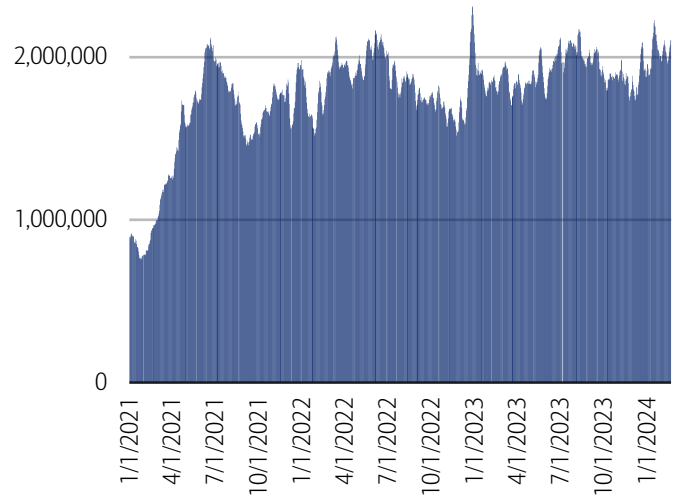


Source: SimilarWeb, www.similarweb.com

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Exhibit 19: American trailing 7-day website visits

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

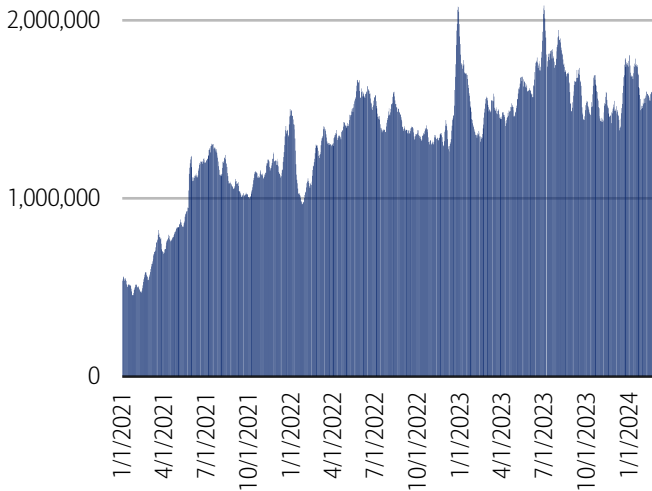


Source: SimilarWeb, www.similarweb.com

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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

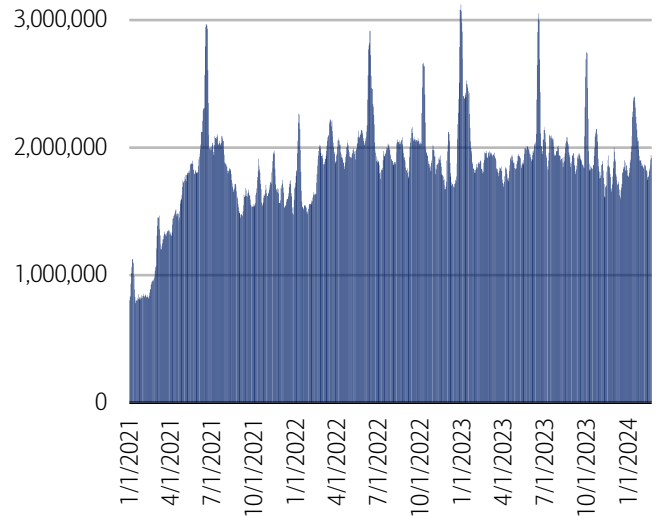


Source: SimilarWeb, www.similarweb.com

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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

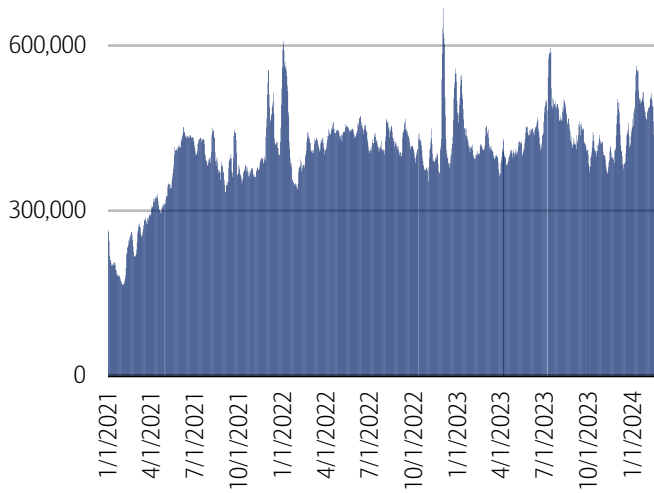


Source: SimilarWeb, www.similarweb.com

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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

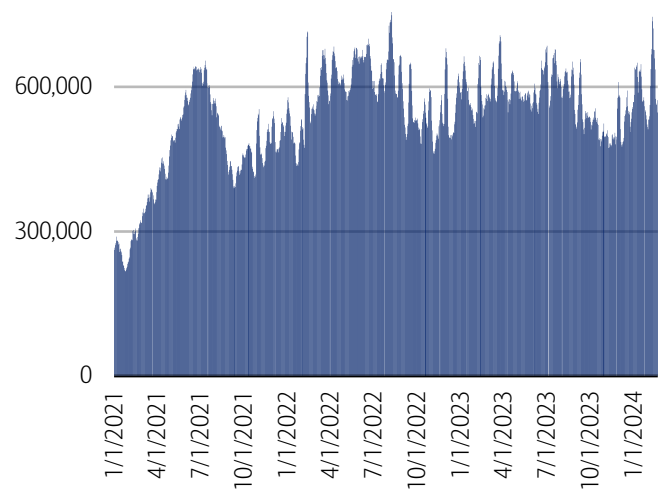


Source: SimilarWeb, www.similarweb.com

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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

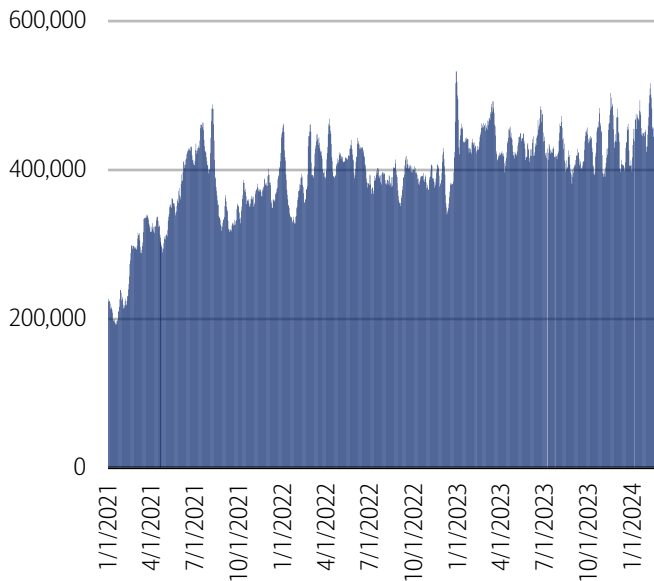


Source: SimilarWeb, www.similarweb.com

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Chart 3: Spirit Airlines trailing 7-day website visits

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

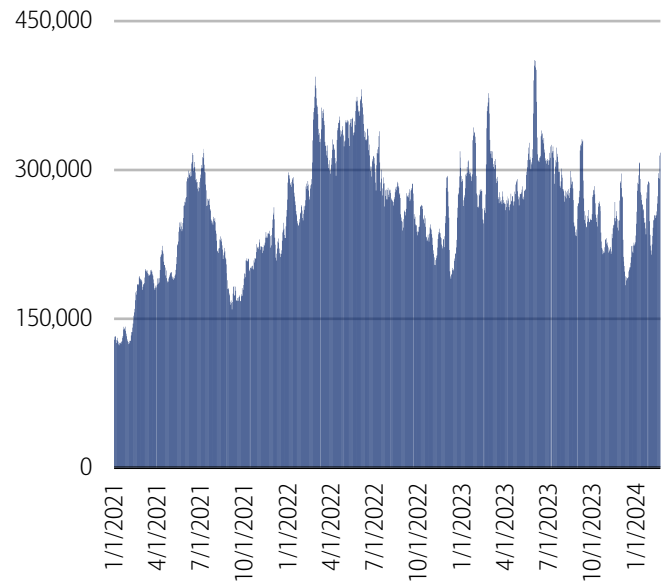


Source: SimilarWeb, www.similarweb.com

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Exhibit 23: Allegiant trailing 7-day website visits

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

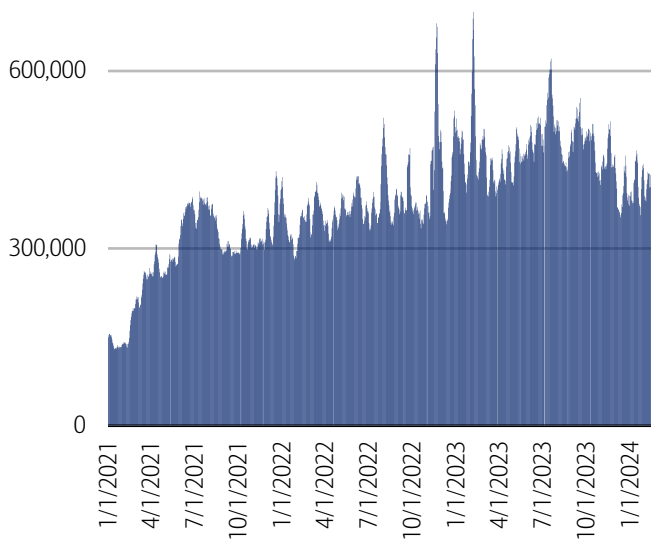


Source: SimilarWeb, www.similarweb.com

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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

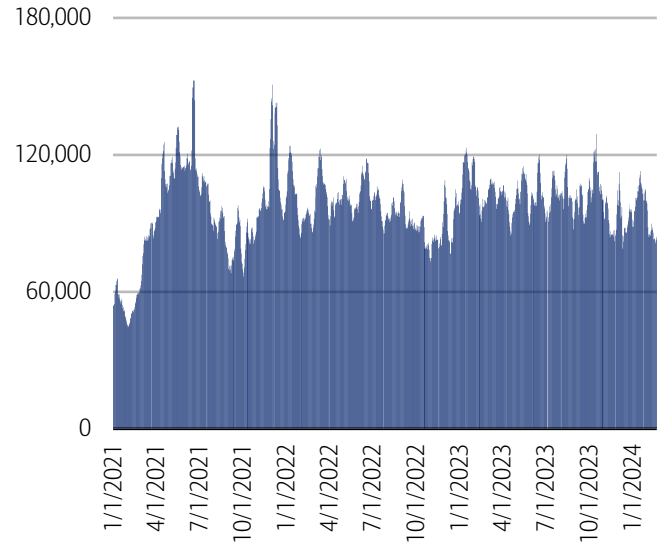


Source: SimilarWeb, www.similarweb.com

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Exhibit 25: Hawaiian Airlines trailing 7-day website visits

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

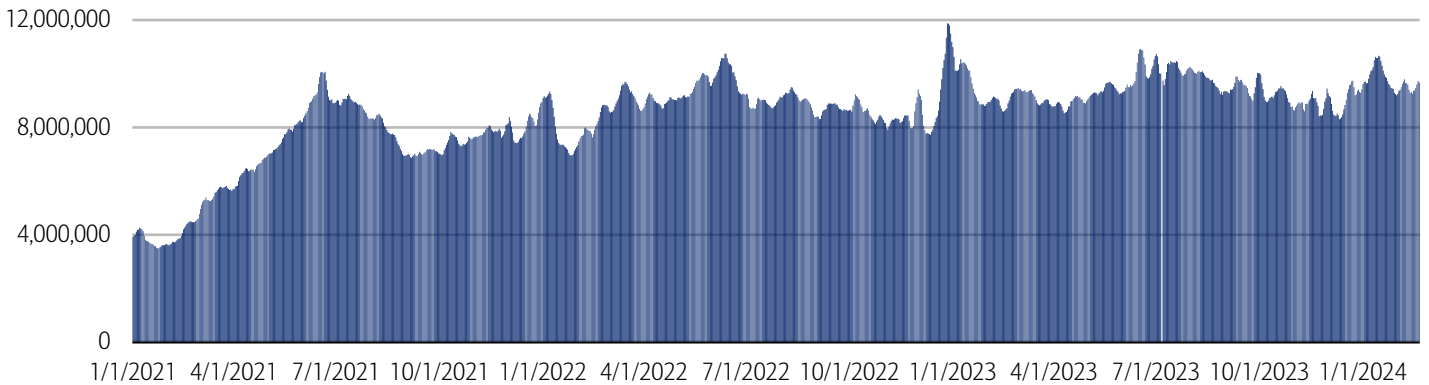


Source: SimilarWeb, www.similarweb.com

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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 +3% higher this week vs last week



Source: SimilarWeb, www.similarweb.com

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