

Airlines

Bookings: sales in-line with trend as volumes slow

Industry Overview

Sales in-line with the recent trend as volumes slow

System net sales increased +0.7% year-over-year for the week ending 1/21 compared to +6.5% last week. Sales were in-line with the recent trend, just slightly below the rolling 4-week average of +0.8%. Volumes saw their first negative datapoint since the recovery began, outside of weeks seeing holiday volatility, down -1.3% while pricing, by contrast, turned positive for the first time since early August.

Domestic continuing to lead international

Domestic sales rose +3.7%, decelerating from last week at +12.6% while international sales turned negative at -1.7%, decelerating from +1.4% last week. International volumes outperformed domestic however, at +0.8% and -2.7% respectively, while domestic pricing continues to outperform, +6.5% compared to international at -2.5%.

Corporate strength continues to build

As we have been hearing from a number of airlines throughout earnings season, corporate demand has been showing promising trends leading into 2024. This week, large corporate sales were -1.0% YoY, on volumes down -9.7% while pricing rose +9.6%. This week, corporate sales were over 75% recovered to 2019 levels with volumes nearly 80% recovered.

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Equity
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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

Exhibit 1: Latest airline booking trends YoY

System net sales rose +0.7% vs 2023

	Trailing 4-weeks ending				Latest Week	Quarterly	
	10/15/2023	11/12/2023	12/10/2023	1/7/2024	1/21/2024	4Q23	1Q24 to date
System Sales	-0.2%	-4.0%	5.5%	4.0%	0.7%	1.3%	2.3%
System Volumes	3.6%	7.5%	8.3%	7.0%	-1.3%	7.2%	4.4%
System Price	-3.6%	-9.8%	-2.6%	-2.5%	2.1%	-5.2%	-1.6%
Domestic Sales	-1.8%	1.1%	9.1%	5.8%	3.7%	3.8%	6.5%
International Sales	1.4%	-8.9%	2.4%	2.5%	-1.7%	-1.0%	-1.4%
Large Corporate Sales	-7.0%	-9.0%	3.2%	0.4%	-1.0%	-3.0%	0.4%
Leisure Sales	-7.9%	-4.7%	0.4%	-2.4%	-2.9%	-3.7%	-3.1%
Domestic Price	-3.4%	-4.6%	2.4%	2.2%	6.5%	-1.2%	2.5%
International Price	-5.4%	-14.9%	-7.9%	-8.0%	-2.5%	-9.9%	-5.1%

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 1/16 compared to the week ending 1/9. Visits to most websites accelerated, with the exception of Spirit, JetBlue, American, and Frontier, each of which decelerated.

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Timestamp: 29 January 2024 05:00AM EST

Monthly and Quarterly ARC trends

Exhibit 2: Latest booking trends and quarterly comparison

1Q24 net sales to date are +2.3%, ahead of 4Q23

	Trailing 4-weeks ending					Latest Week	Quarterly		1Q24 to date
	9/17/2023	10/15/2023	11/12/2023	12/10/2023	1/7/2024	1/21/2024	3Q23	4Q23	
System:									
System Sales	4.4%	-0.2%	-4.0%	5.5%	4.0%	0.7%	7.1%	1.3%	2.3%
System Volumes	6.7%	3.6%	7.5%	8.3%	7.0%	-1.3%	8.8%	7.2%	4.4%
System Price	-2.2%	-3.6%	-9.8%	-2.6%	-2.5%	2.1%	-1.5%	-5.2%	-1.6%
Domestic:									
Domestic Sales	0.3%	-1.8%	1.1%	9.1%	5.8%	3.7%	2.4%	3.8%	6.5%
Domestic Volumes	4.3%	1.7%	7.0%	6.6%	3.8%	-2.7%	5.5%	5.3%	4.6%
Domestic Price	-3.9%	-3.4%	-4.6%	2.4%	2.2%	6.5%	-3.0%	-1.2%	2.5%
International:									
International Sales	8.3%	1.4%	-8.9%	2.4%	2.5%	-1.7%	11.6%	-1.0%	-1.4%
International Volumes	11.3%	7.2%	8.6%	11.2%	11.9%	0.8%	14.8%	10.4%	4.2%
International Price	-2.6%	-5.4%	-14.9%	-7.9%	-8.0%	-2.5%	-2.8%	-9.9%	-5.1%
Large Corporate:									
Large Corporate Sales	-3.0%	-7.0%	-9.0%	3.2%	0.4%	-1.0%	-0.5%	-3.0%	0.4%
Large Corporate Volumes	-1.8%	-6.1%	-4.1%	-1.6%	-1.2%	-9.7%	-0.4%	-2.7%	-1.1%
Large Corporate Price	-1.2%	-1.0%	-3.9%	4.8%	2.7%	9.6%	-0.2%	0.2%	2.8%
SME Corporate:									
SME Corporate Sales	10.7%	5.0%	-2.0%	8.2%	7.5%	2.6%	13.1%	4.5%	4.8%
SME Corporate Volumes	13.3%	9.0%	11.4%	13.4%	13.5%	1.7%	15.0%	12.6%	8.2%
SME Corporate Price	-2.3%	-3.6%	-10.9%	-4.5%	-4.7%	0.9%	-1.7%	-6.8%	-2.6%
Leisure:									
Leisure Sales	-5.3%	-7.9%	-4.7%	0.4%	-2.4%	-2.9%	-1.3%	-3.7%	-3.1%
Leisure Volumes	0.0%	-1.0%	6.8%	4.1%	-0.5%	-2.8%	3.0%	2.7%	0.3%
Leisure Price	-5.3%	-7.0%	-10.3%	-3.6%	-1.9%	-0.1%	-4.2%	-6.0%	-3.1%

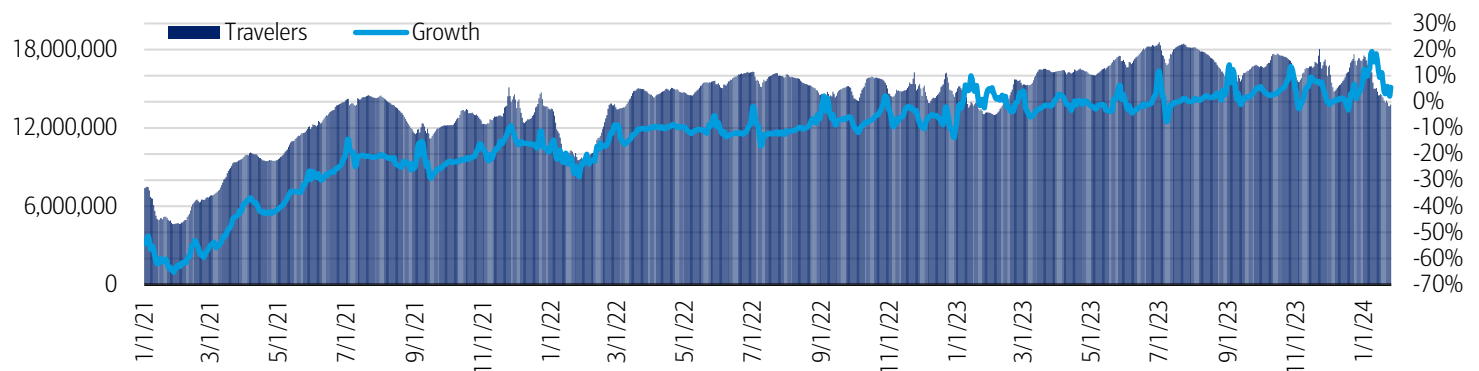
Source: ARC

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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



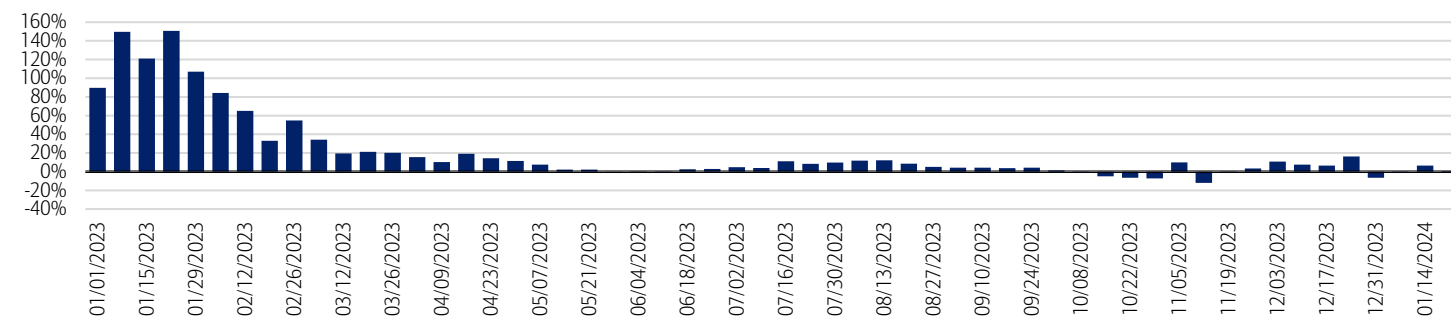
Source: www.tsa.gov

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Recent growth trends year-over-year

Exhibit 3: Consolidated net sales growth

Consolidated net sales were 0% (vs +7% last week)

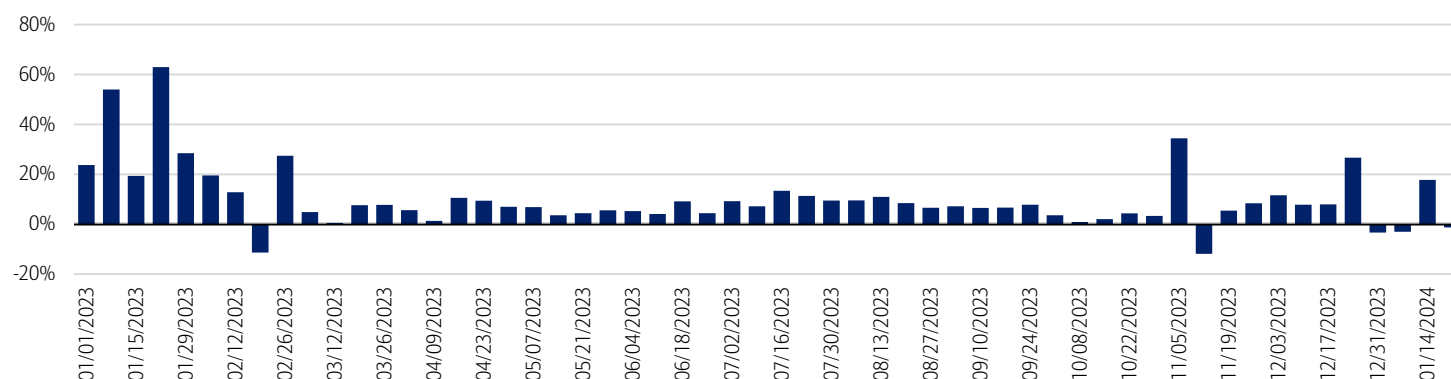


Source: ARC

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Exhibit 4: Consolidated tickets sold

Consolidated ticket volumes were -1% YoY (vs +18% last week)

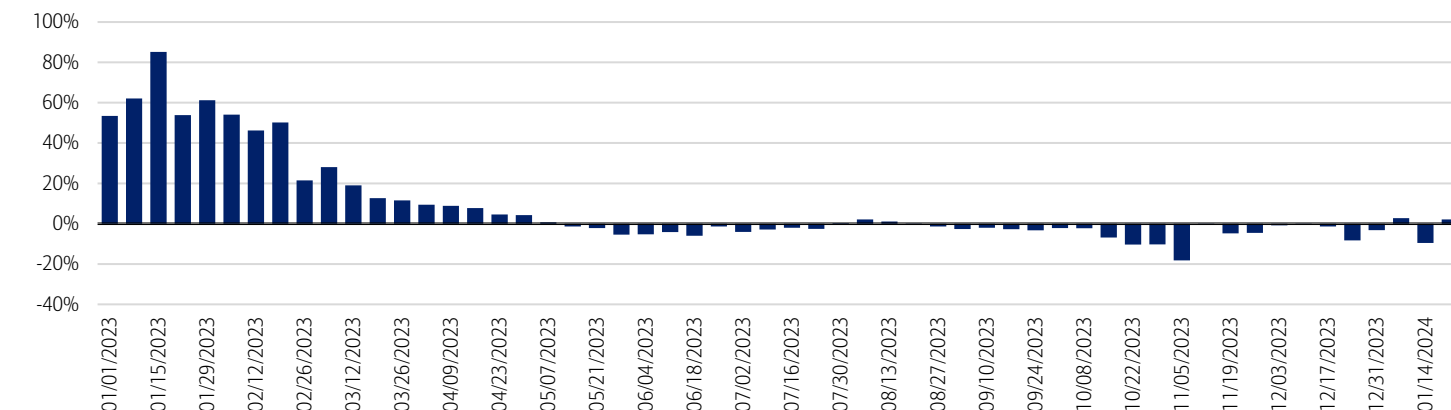


Source: ARC

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Exhibit 5: Consolidated ticket price

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

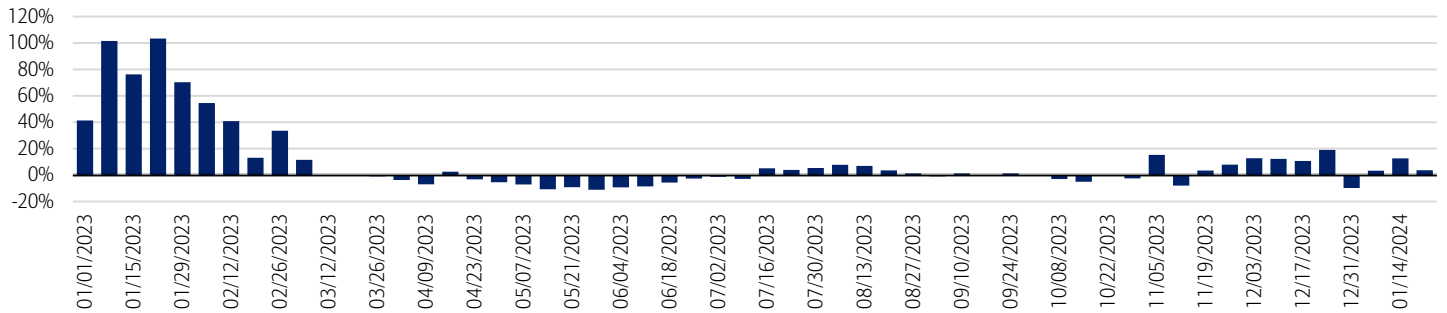


Source: ARC

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Exhibit 6: Consolidated domestic sales growth

Consolidated domestic sales were +4% YoY (vs +13% last week)

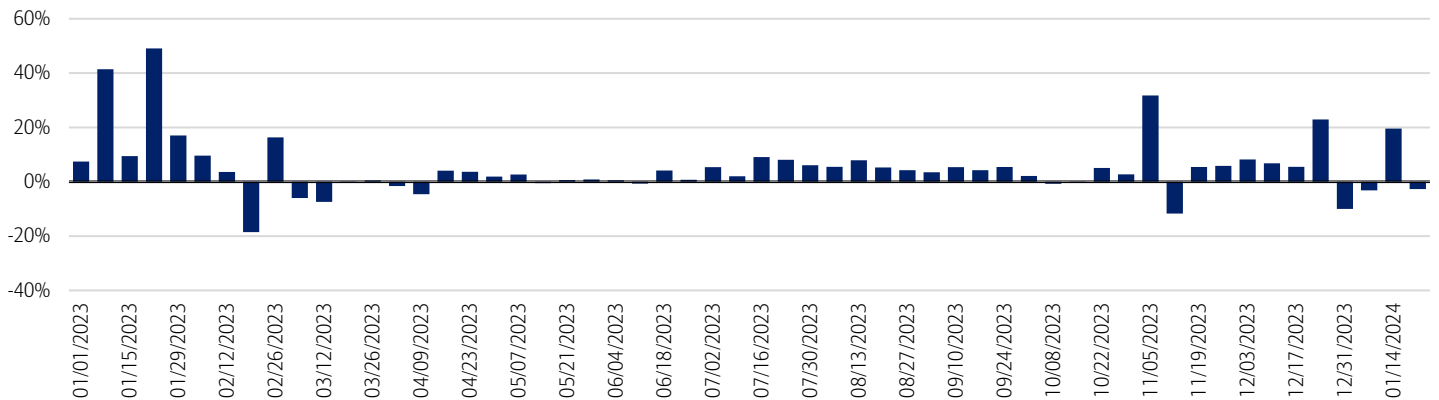


Source: ARC

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Exhibit 7: Consolidated domestic tickets sold

Domestic ticket volumes were -3% YoY (vs +20% last week)

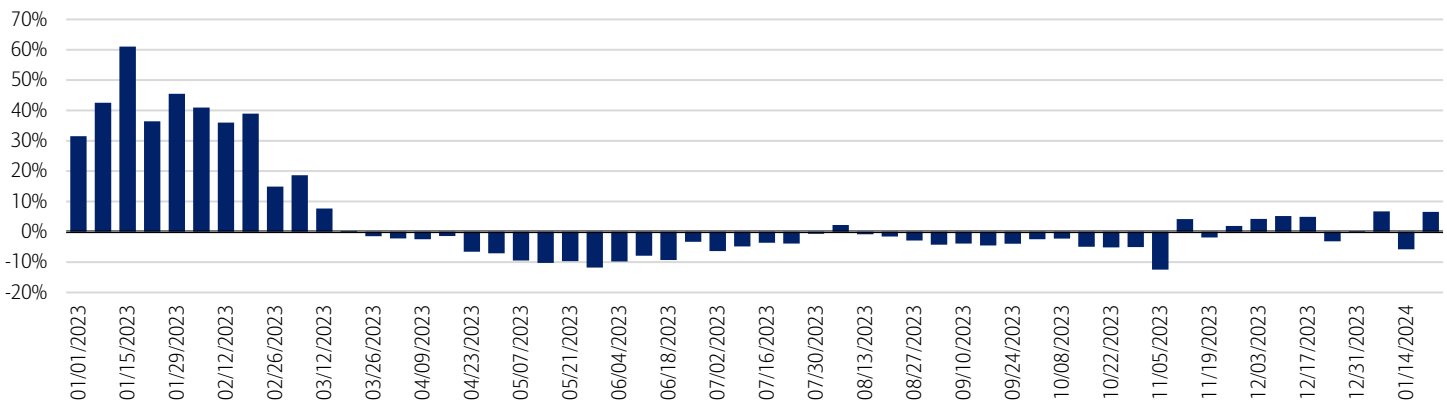


Source: ARC

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Exhibit 8: Consolidated domestic ticket price

Domestic ticket prices were +7% YoY (vs -6% last week)

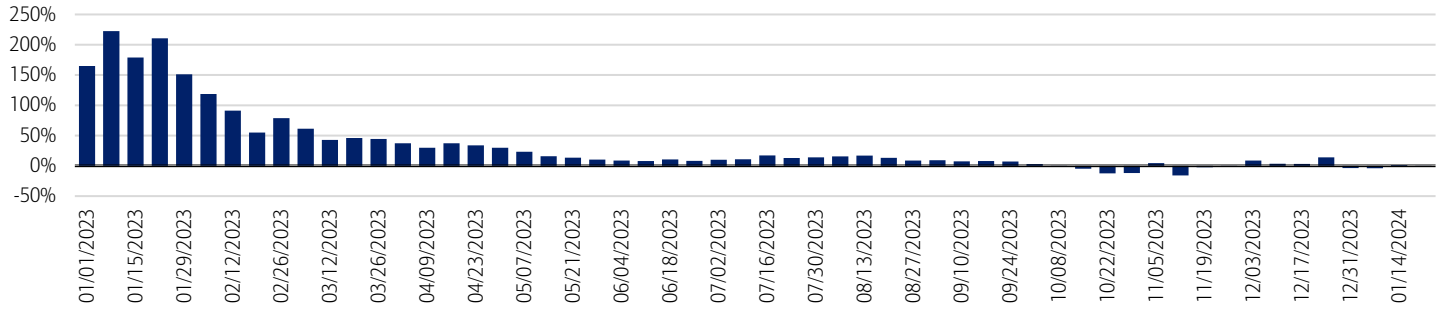


Source: ARC

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Exhibit 9: Consolidated international sales growth

International net sales were -2% YoY (vs +1% last week)

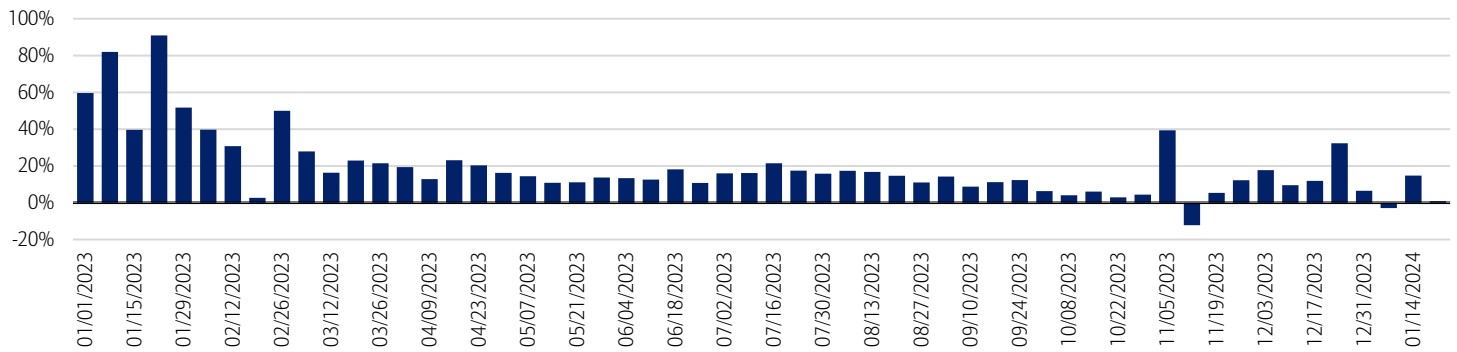


Source: ARC

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Exhibit 10: Consolidated international tickets sold

International ticket volumes were +1% YoY (vs +15% last week)

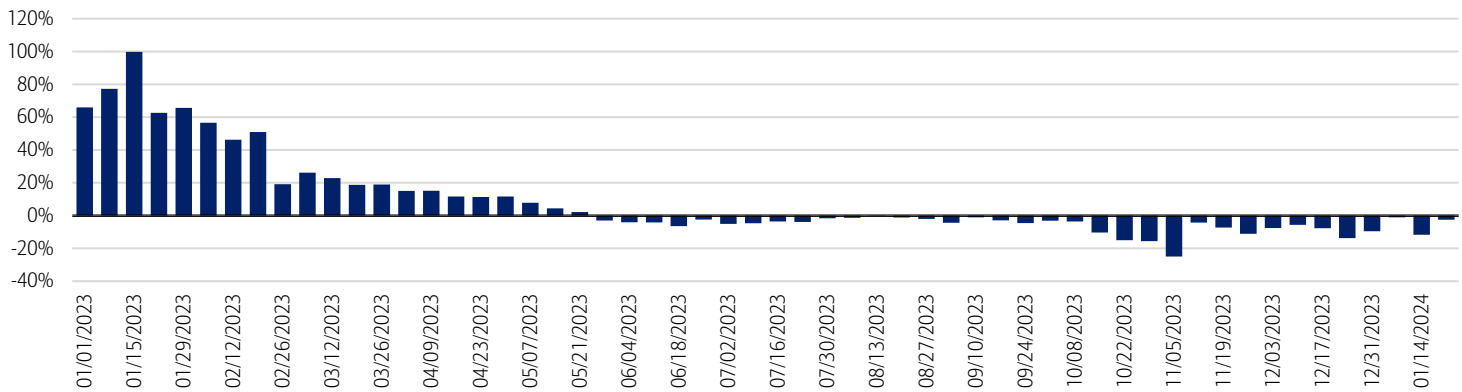


Source: ARC

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Exhibit 11: Consolidated international ticket price

International ticket prices were -3% YoY (vs -12% last week)



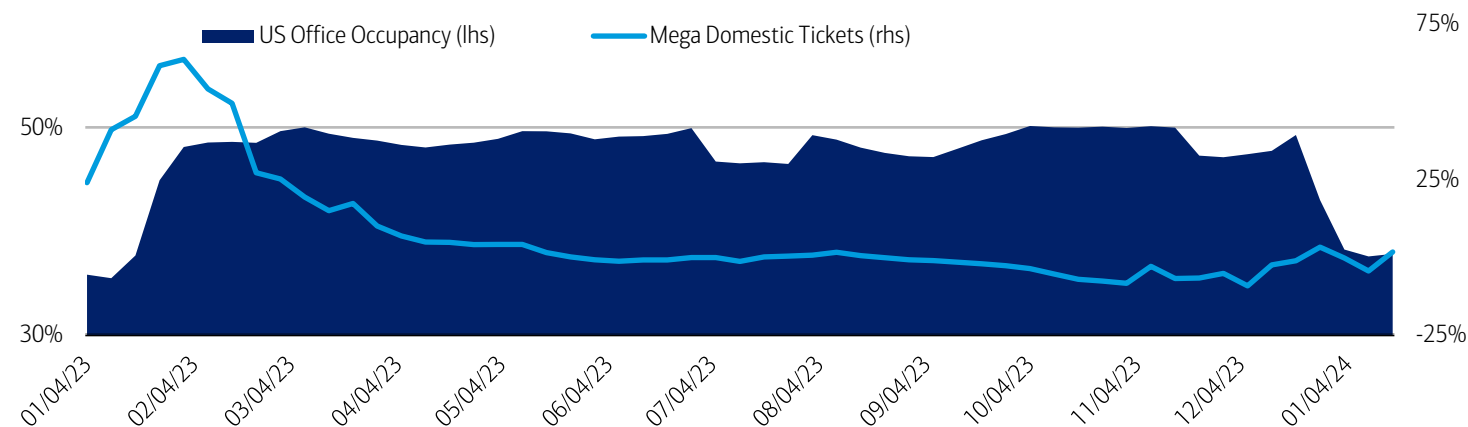
Source: ARC

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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

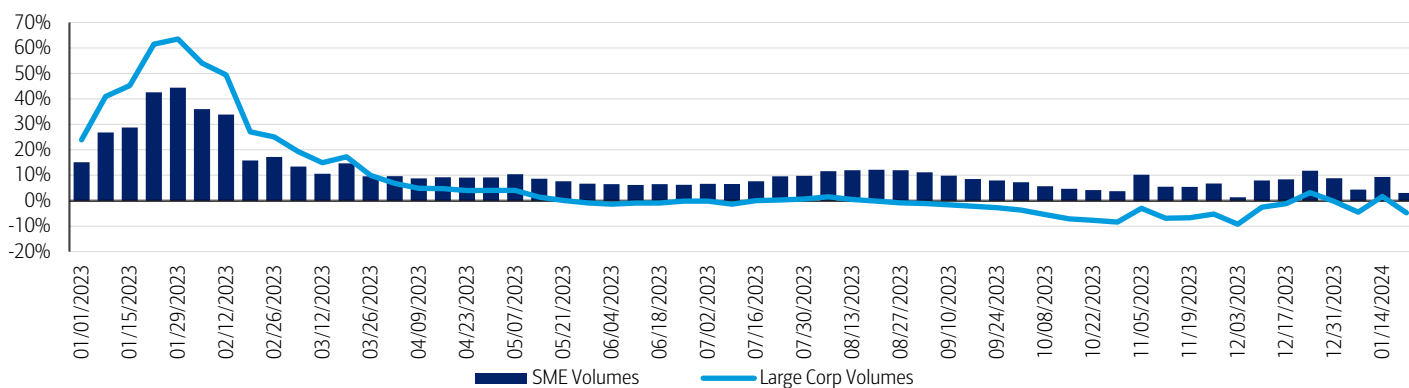


Source: ARC, Kastle Systems

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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 +1.7% YoY compared to SME volumes of +9.3% YoY

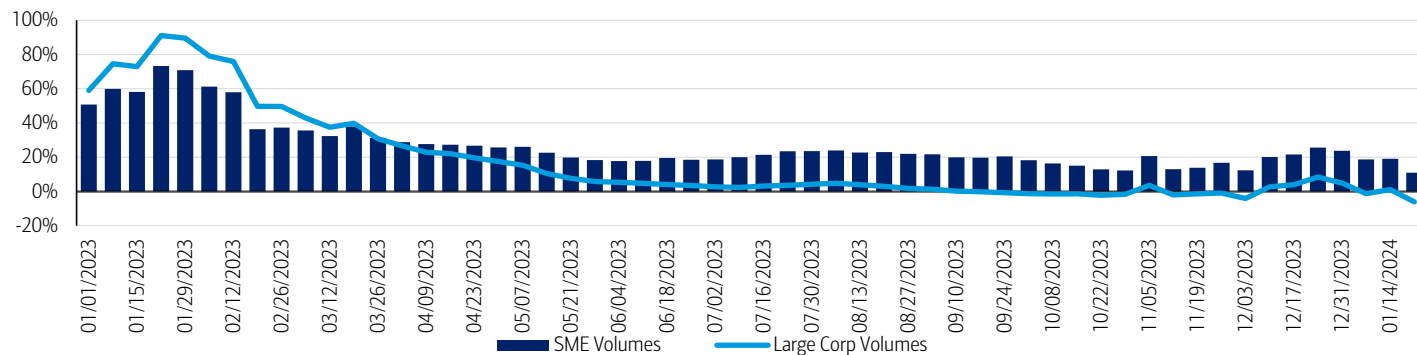


Source: ARC

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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 +1.2% YoY compared to SME volumes +19.1% YoY



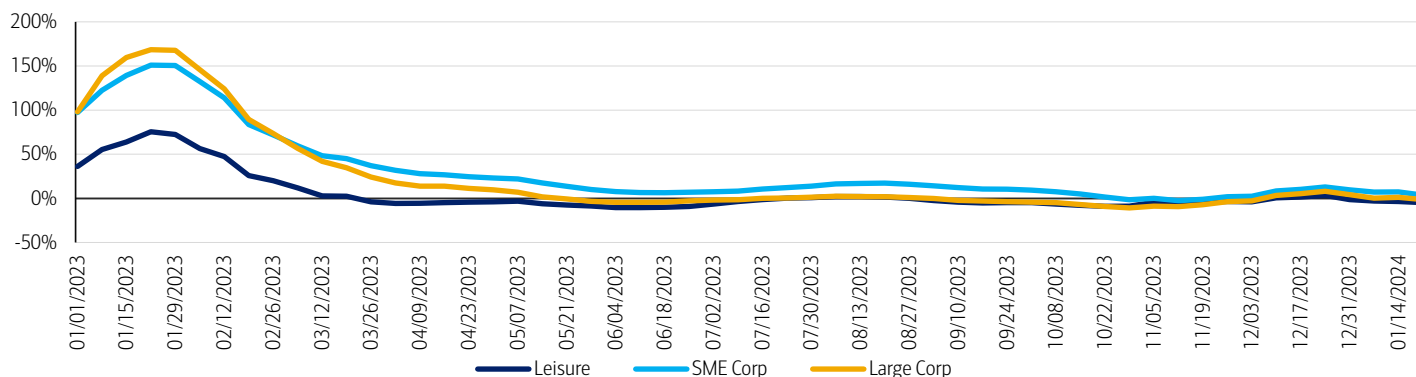
Source: ARC

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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 +3.7%; leisure -4.8%; large corporate -1.4% YoY

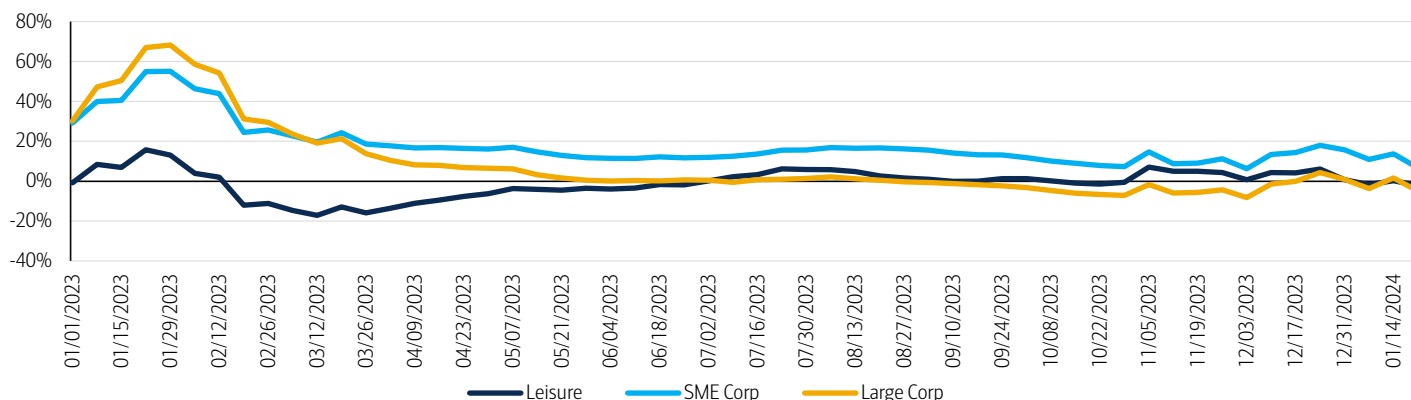


Source: ARC

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

SME corporate tickets sold +6.6%; leisure -2.2%; large corporate -5.0% YoY

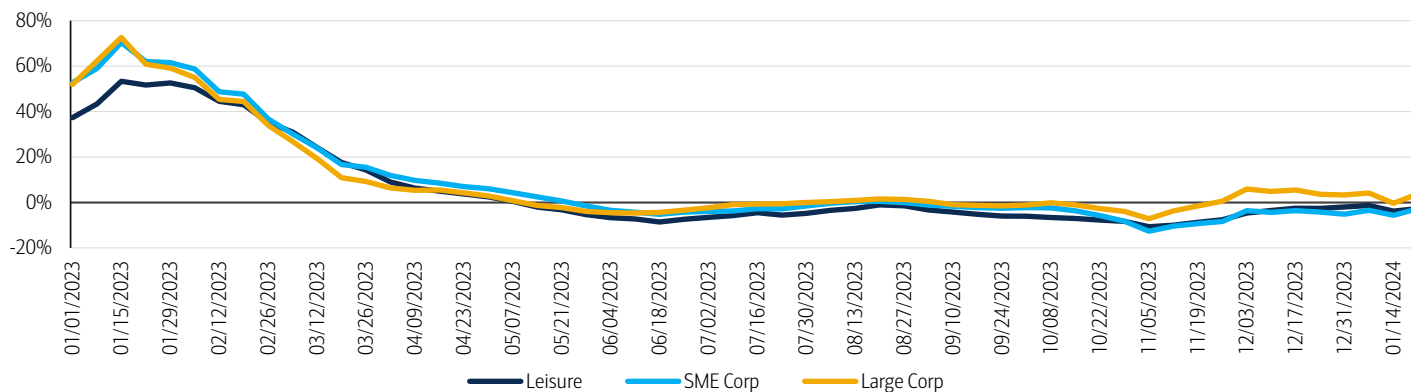


Source: ARC

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

SME corporate pricing -2.8% YoY; leisure -2.7% YoY; large corporate +3.8% YoY

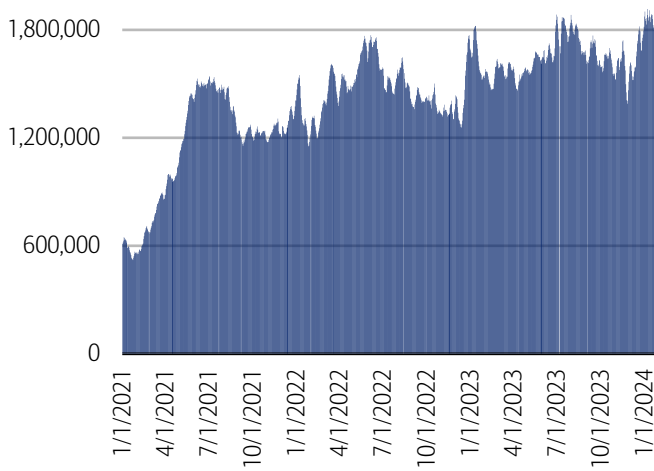


Source: ARC

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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

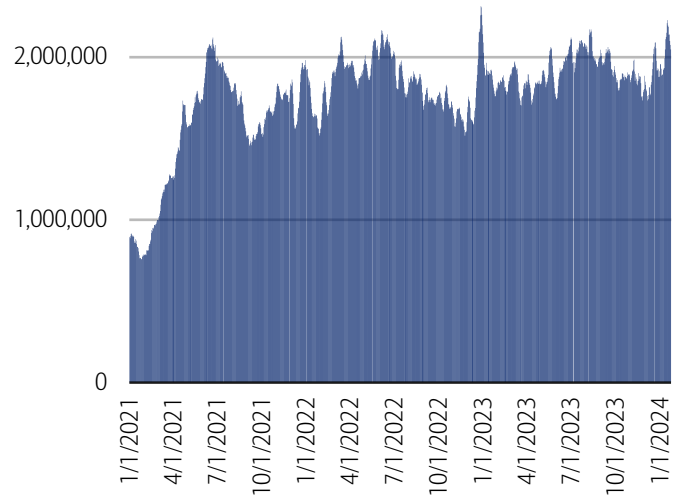


Source: SimilarWeb, www.similarweb.com

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Exhibit 19: American trailing 7-day website visits

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

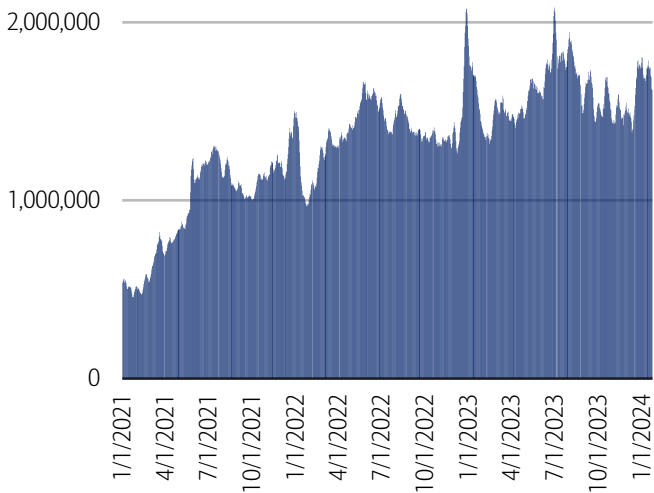


Source: SimilarWeb, www.similarweb.com

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Exhibit 20: United trailing 7-day website visits

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

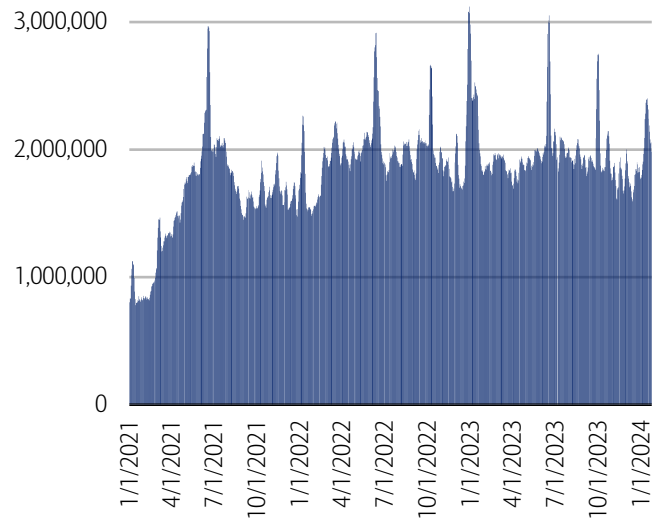


Source: SimilarWeb, www.similarweb.com

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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

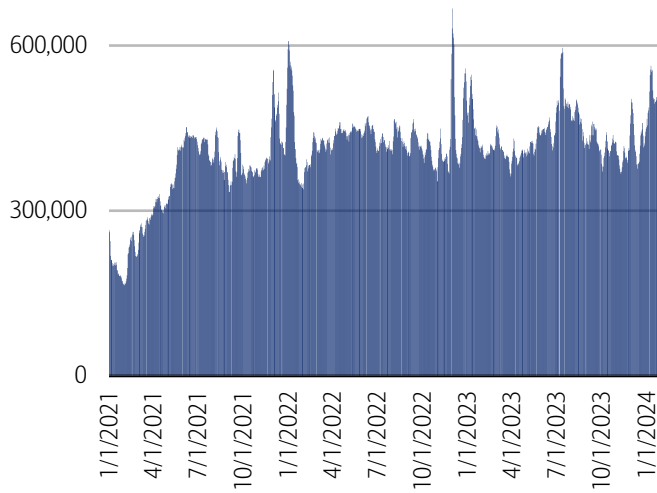


Source: SimilarWeb, www.similarweb.com

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Exhibit 22: Alaska trailing 7-day website visits

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

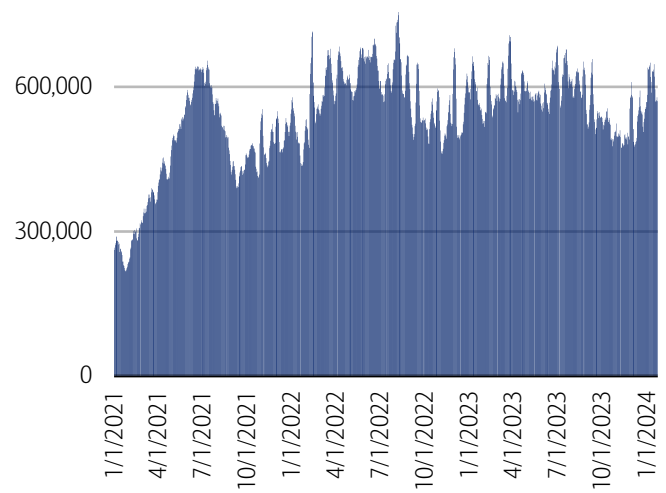


Source: SimilarWeb, www.similarweb.com

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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

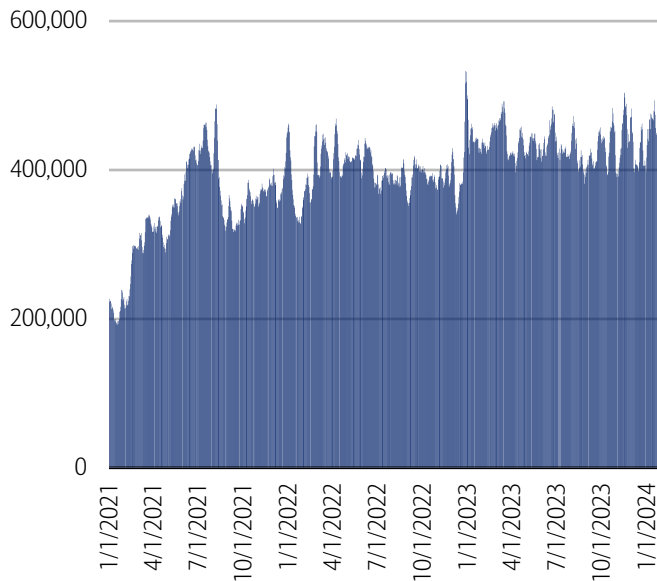


Source: SimilarWeb, www.similarweb.com

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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

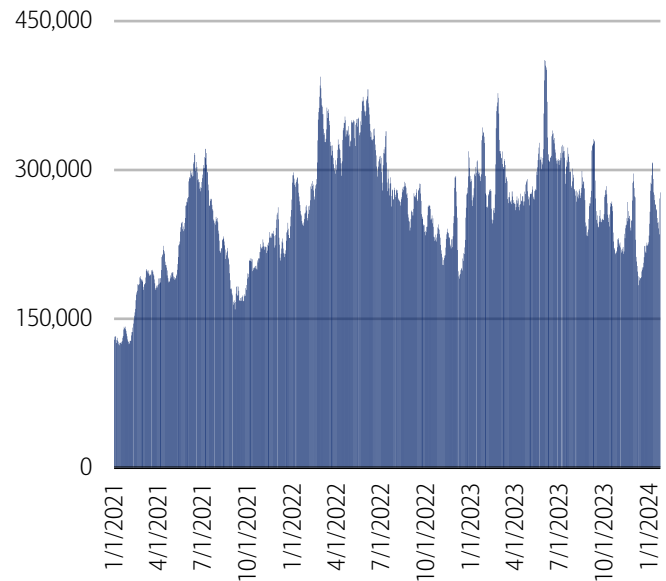


Source: SimilarWeb, www.similarweb.com

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Exhibit 23: Allegiant trailing 7-day website visits

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

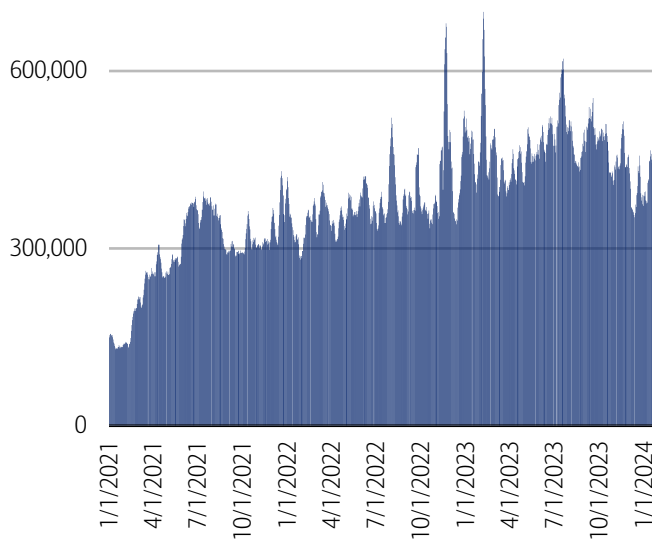


Source: SimilarWeb, www.similarweb.com

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Exhibit 24: Frontier Airlines trailing 7-day website visits

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

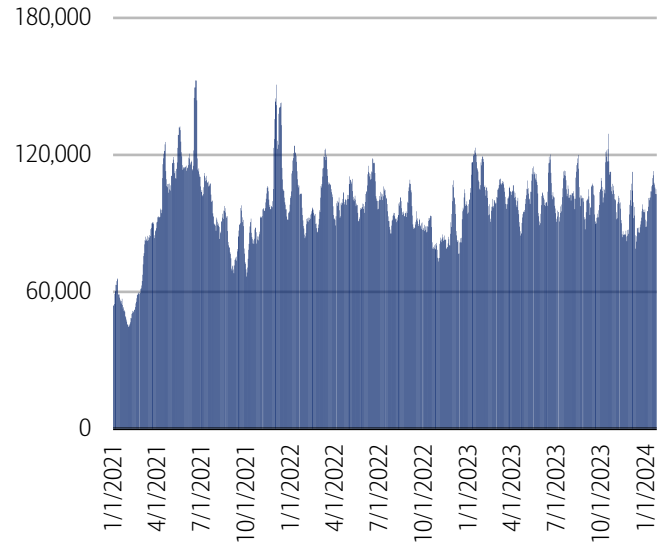


Source: SimilarWeb, www.similarweb.com

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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

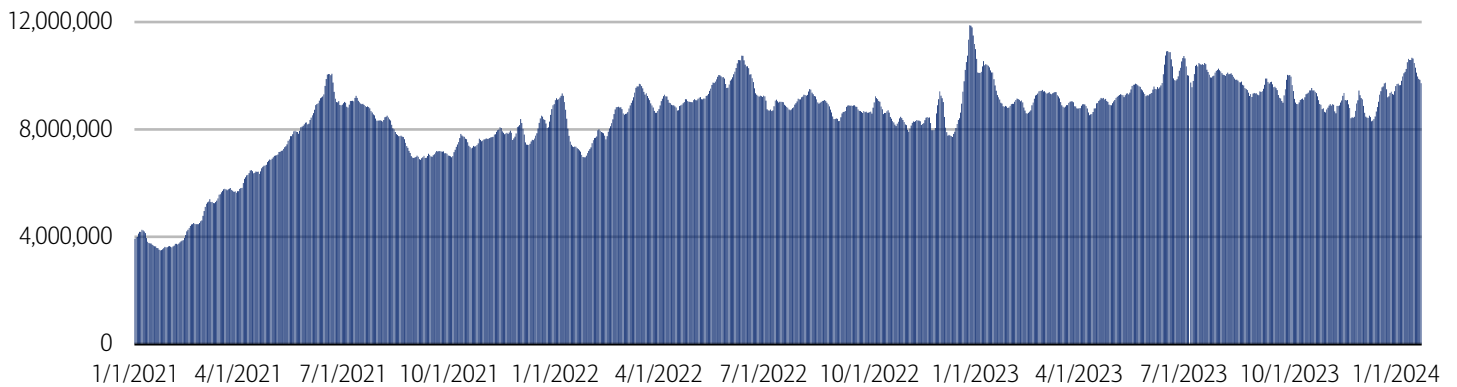


Source: SimilarWeb, www.similarweb.com

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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 +2% higher this week vs last week



Source: SimilarWeb, www.similarweb.com

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