

Airlines

Bookings: sales strong as holiday volatility passes

Industry Overview

Sales strong as holiday volatility passes

System net sales increased +6.5% year-over-year for the week ending 1/14 compared to -0.4% last week. The data appears to be reverting to normal after several weeks of volatility due to holiday timing. On a rolling 4-week basis, net sales are up +3.7% compared to +5.7% in mid-December with domestic stronger than international, but international sales have certainly improved compared to November/December.

Domestic still leads but international is improving

Domestic sales rose +12.6% while international sales increased +1.4% during the most recent week. On a trailing 4-week basis, domestic sales are up +6.5% compared to +9.2% in mid-December, and international sales are up slightly now compared to down low single digits throughout most of November and December.

Corporate volumes building off weak end of 2023

Large corporate volumes (as measured by mega travel agency data) have recovered off a weak end to 2023, confirming commentary from Delta on its earnings call. On a trailing 4-week basis, total large corporate volumes are now nearly 80% of 2019 compared to 70-75% recovered during the last two months of 2023. While better than levels seen at the end of last year, large corporate volumes have yet to exceed 80% recovered for any meaningful period in the post-pandemic recovery. On the other hand, leisure volumes have remained relatively steady the last several months.

Exhibit 1: Latest airline booking trends YoY

System net sales rose +6.5% vs 2023

	Trailing 4-weeks ending				Latest Week	Quarterly	
	10/15/2023	11/12/2023	12/10/2023	1/7/2024	1/14/2024	4Q23	1Q24 to date
System Sales	-0.2%	-4.0%	5.5%	4.0%	6.5%	1.3%	3.0%
System Volumes	3.6%	7.5%	8.3%	7.0%	17.7%	7.2%	7.3%
System Price	-3.6%	-9.8%	-2.6%	-2.5%	-9.6%	-5.2%	-3.4%
Domestic Sales	-1.8%	1.1%	9.1%	5.8%	12.6%	3.8%	8.0%
International Sales	1.4%	-8.9%	2.4%	2.5%	1.4%	-1.0%	-1.2%
Large Corporate Sales	-7.0%	-9.0%	3.2%	0.4%	6.0%	-3.0%	1.2%
Leisure Sales	-7.9%	-4.7%	0.4%	-2.4%	-1.5%	-3.7%	-3.1%
Domestic Price	-3.4%	-4.6%	2.4%	2.2%	-5.8%	-1.2%	0.5%
International Price	-5.4%	-14.9%	-7.9%	-8.0%	-11.6%	-9.9%	-6.3%

Source: ARC

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Website traffic accelerates vs last week

US airlines' trailing 7-day average daily website visits were +9% higher for the week ending 1/16 compared to the week ending 1/9. Visits to most websites accelerated, with the exception of Allegiant which decelerated.

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Monthly and Quarterly ARC trends

Exhibit 2: Latest booking trends and quarterly comparison

1Q24 net sales to date are +3.0%, below 4Q23

	9/17/2023	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	1/14/2024	3Q23	4Q23	
System:									
System Sales	4.4%	-0.2%	-4.0%	5.5%	4.0%	6.5%	7.1%	1.3%	3.0%
System Volumes	6.7%	3.6%	7.5%	8.3%	7.0%	17.7%	8.8%	7.2%	7.3%
System Price	-2.2%	-3.6%	-9.8%	-2.6%	-2.5%	-9.6%	-1.5%	-5.2%	-3.4%
Domestic:									
Domestic Sales	0.3%	-1.8%	1.1%	9.1%	5.8%	12.6%	2.4%	3.8%	8.0%
Domestic Volumes	4.3%	1.7%	7.0%	6.6%	3.8%	19.6%	5.5%	5.3%	8.2%
Domestic Price	-3.9%	-3.4%	-4.6%	2.4%	2.2%	-5.8%	-3.0%	-1.2%	0.5%
International:									
International Sales	8.3%	1.4%	-8.9%	2.4%	2.5%	1.4%	11.6%	-1.0%	-1.2%
International Volumes	11.3%	7.2%	8.6%	11.2%	11.9%	14.8%	14.8%	10.4%	5.9%
International Price	-2.6%	-5.4%	-14.9%	-7.9%	-8.0%	-11.6%	-2.8%	-9.9%	-6.3%
Large Corporate:									
Large Corporate Sales	-3.0%	-7.0%	-9.0%	3.2%	0.4%	6.0%	-0.5%	-3.0%	1.2%
Large Corporate Volumes	-1.8%	-6.1%	-4.1%	-1.6%	-1.2%	17.5%	-0.4%	-2.7%	3.1%
Large Corporate Price	-1.2%	-1.0%	-3.9%	4.8%	2.7%	-9.8%	-0.2%	0.2%	-0.6%
SME Corporate:									
SME Corporate Sales	10.7%	5.0%	-2.0%	8.2%	7.5%	9.3%	13.1%	4.5%	5.9%
SME Corporate Volumes	13.3%	9.0%	11.4%	13.4%	13.5%	22.8%	15.0%	12.6%	11.4%
SME Corporate Price	-2.3%	-3.6%	-10.9%	-4.5%	-4.7%	-11.0%	-1.7%	-6.8%	-4.3%
Leisure:									
Leisure Sales	-5.3%	-7.9%	-4.7%	0.4%	-2.4%	-1.5%	-1.3%	-3.7%	-3.1%
Leisure Volumes	0.0%	-1.0%	6.8%	4.1%	-0.5%	8.4%	3.0%	2.7%	1.9%
Leisure Price	-5.3%	-7.0%	-10.3%	-3.6%	-1.9%	-9.1%	-4.2%	-6.0%	-4.7%

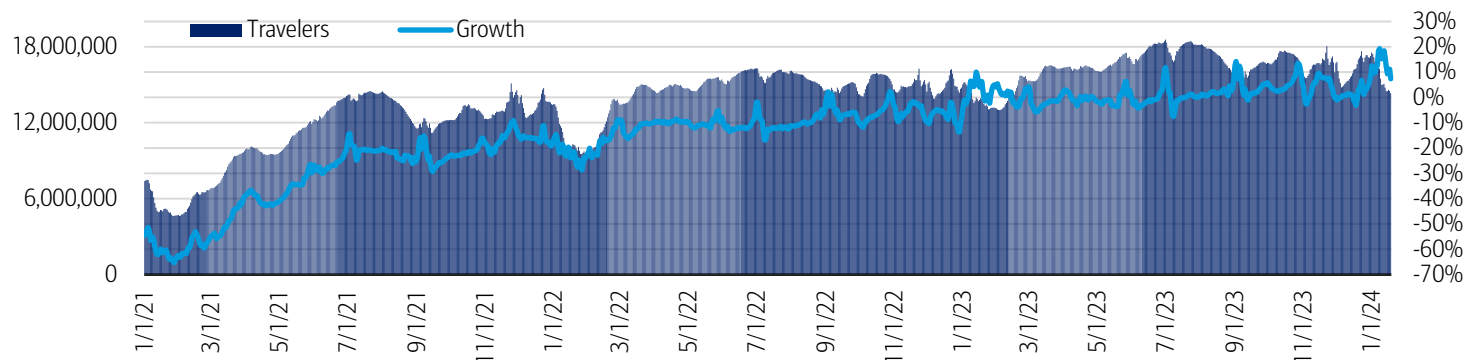
Source: ARC

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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 107% of 2019 levels



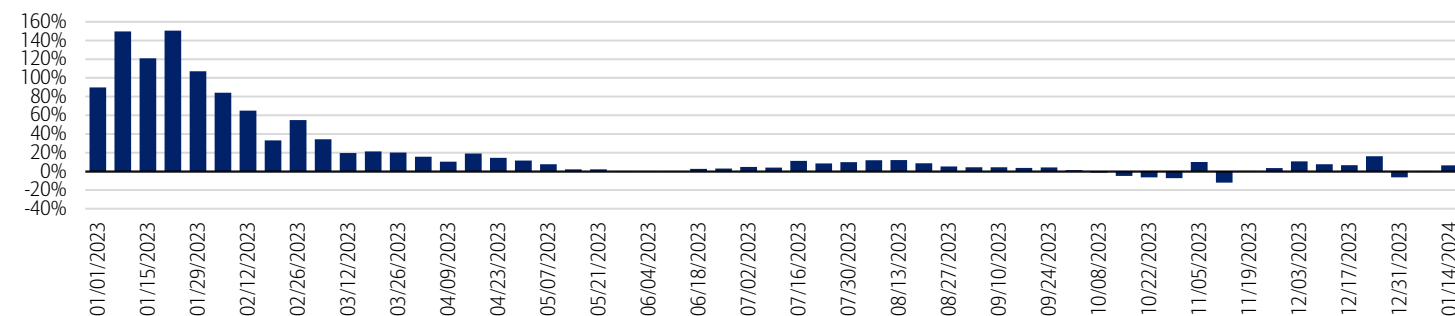
Source: www.tsa.gov

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Recent growth trends year-over-year

Exhibit 3: Consolidated net sales growth

Consolidated net sales were +6.5% (vs 0% last week)

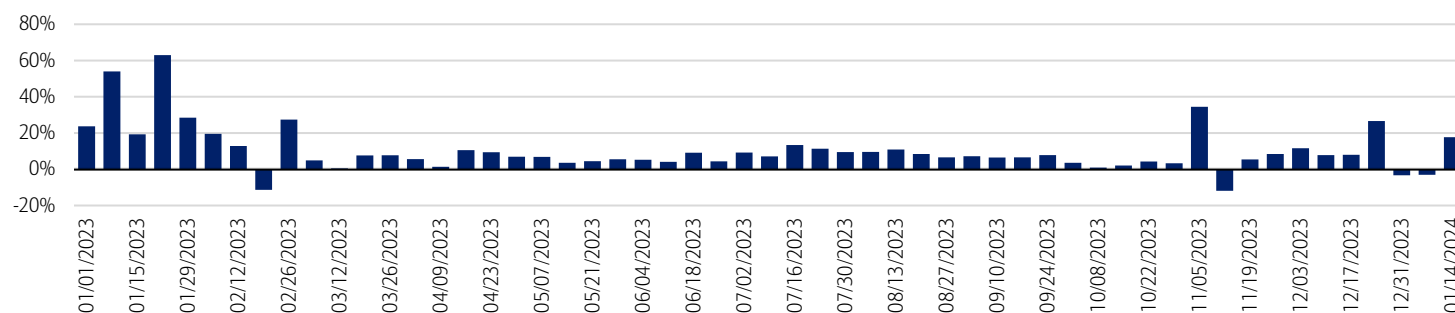


Source: ARC

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Exhibit 4: Consolidated tickets sold

Consolidated ticket volumes were +18% YoY (vs -3% last week)

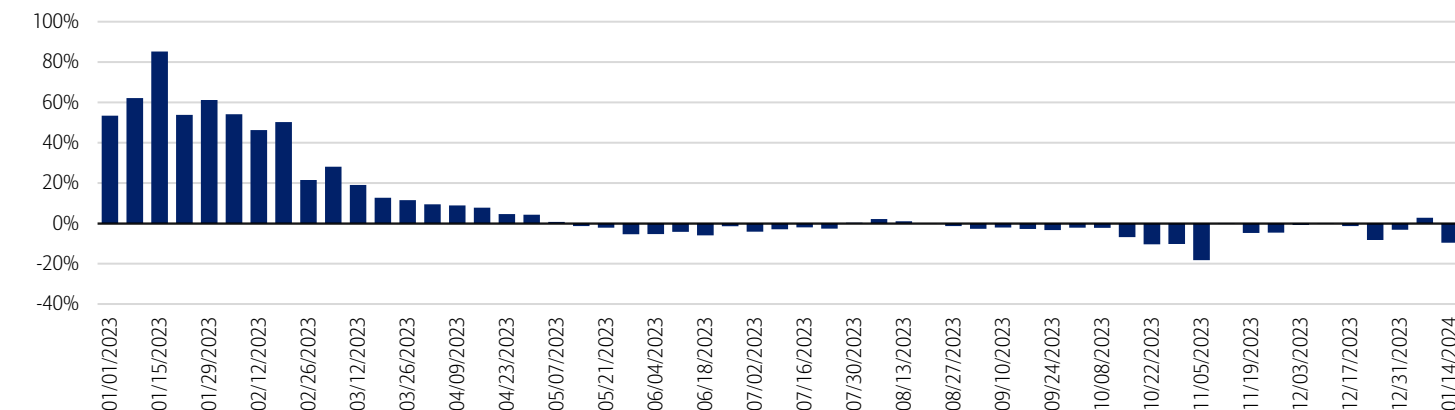


Source: ARC

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Exhibit 5: Consolidated ticket price

Consolidated ticket prices were -10% YoY (vs +3% last week)

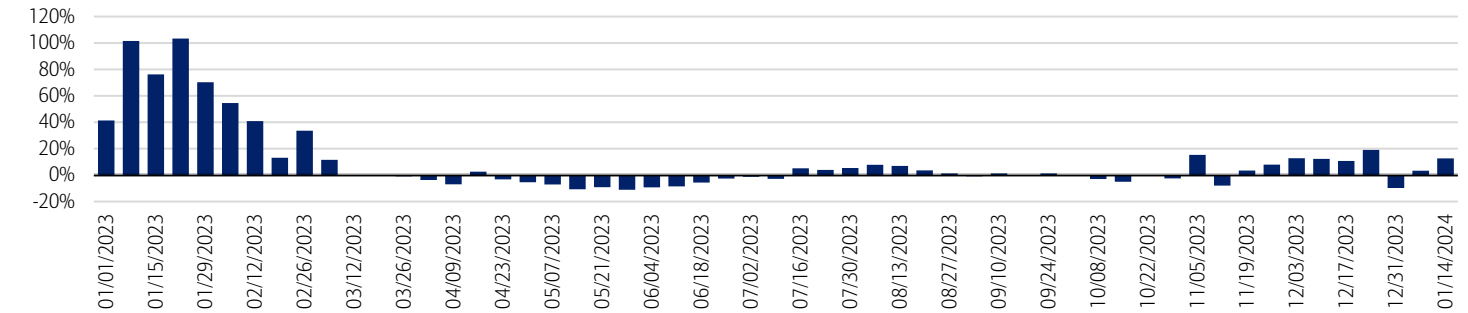


Source: ARC

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Exhibit 6: Consolidated domestic sales growth

Consolidated domestic sales were +13% YoY (vs +3% last week)

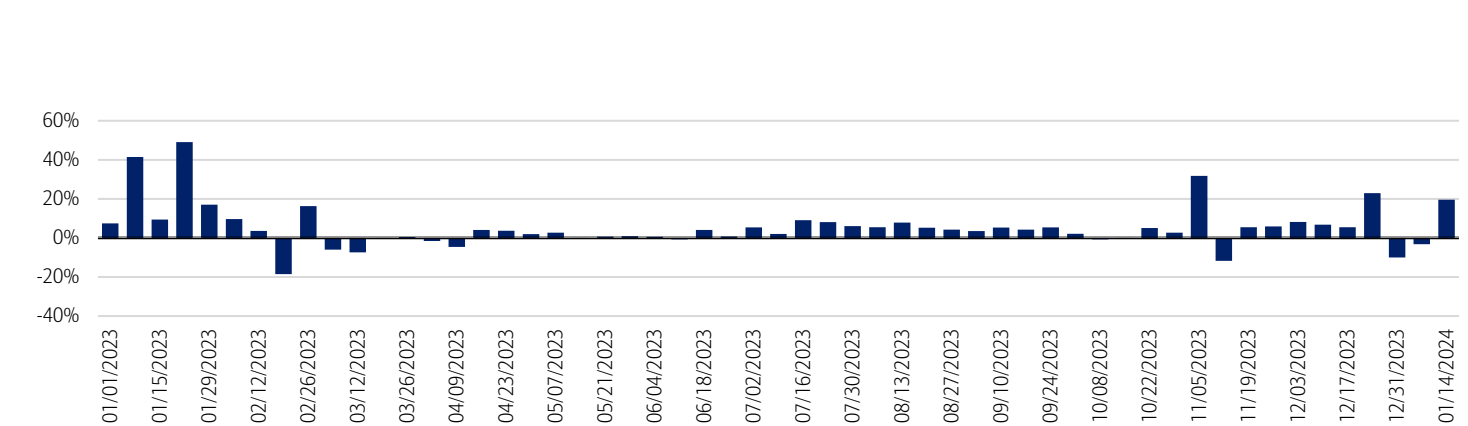


Source: ARC

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Exhibit 7: Consolidated domestic tickets sold

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

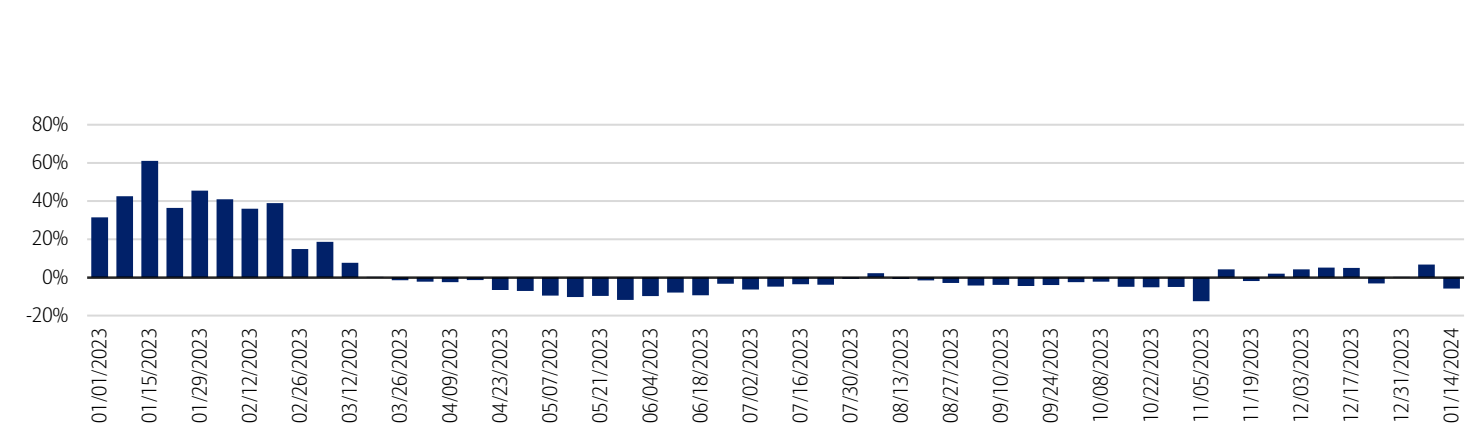


Source: ARC

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Exhibit 8: Consolidated domestic ticket price

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

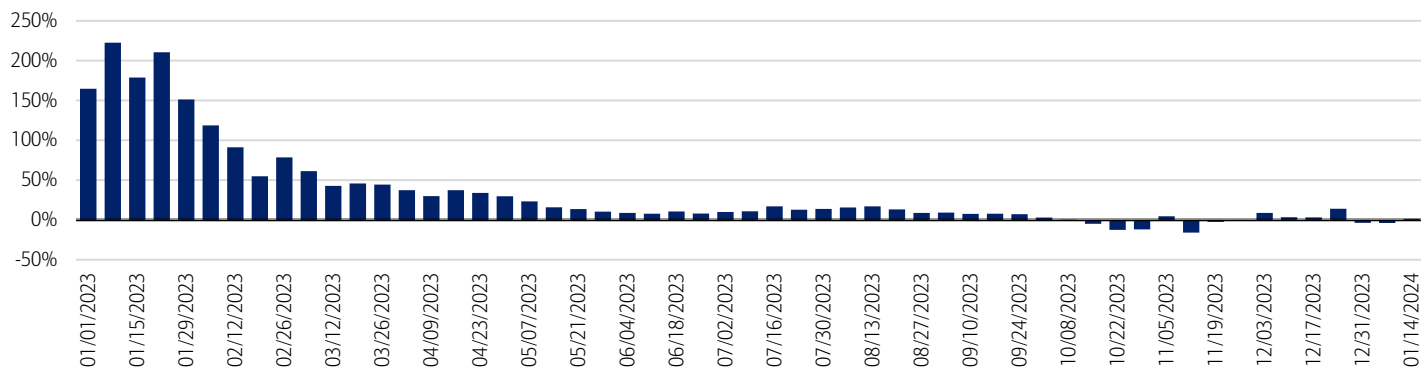


Source: ARC

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Chart 2: Consolidated international sales growth

International net sales were +1% YoY (vs -4% last week)

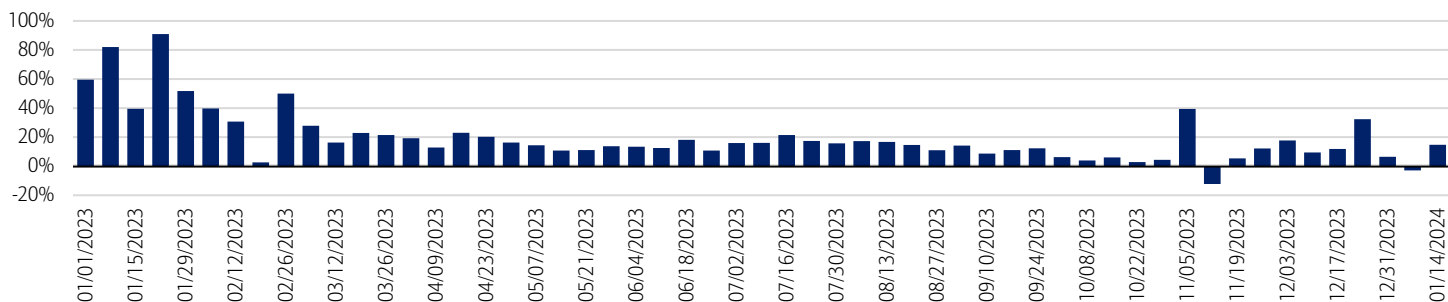


Source: ARC

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Exhibit 9: Consolidated international tickets sold

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

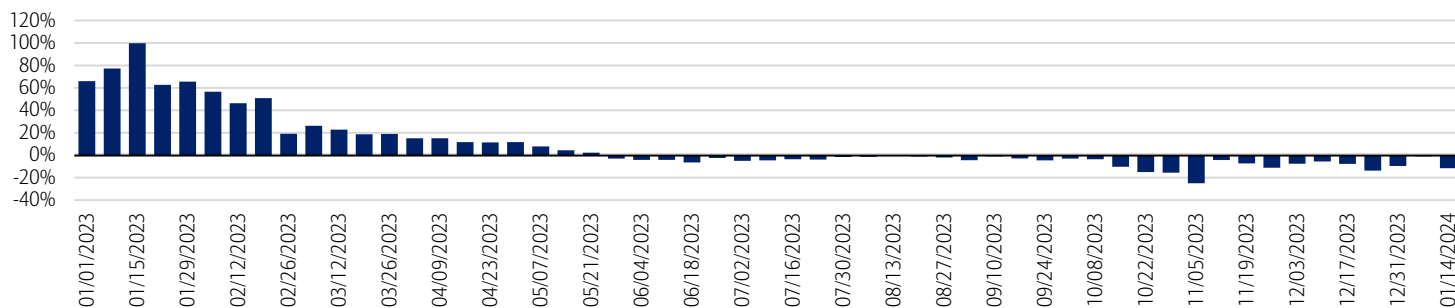


Source: ARC

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Exhibit 10: Consolidated international ticket price

International ticket prices were -12% YoY (vs -1% last week)



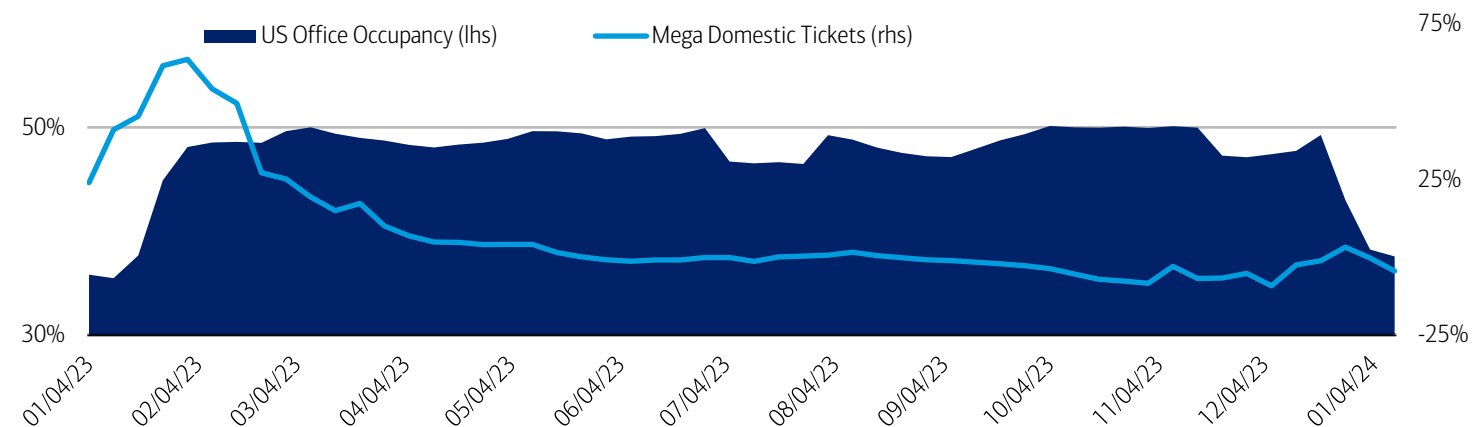
Source: ARC

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US Office Occupancy & Corporate Trends

Exhibit 11: 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

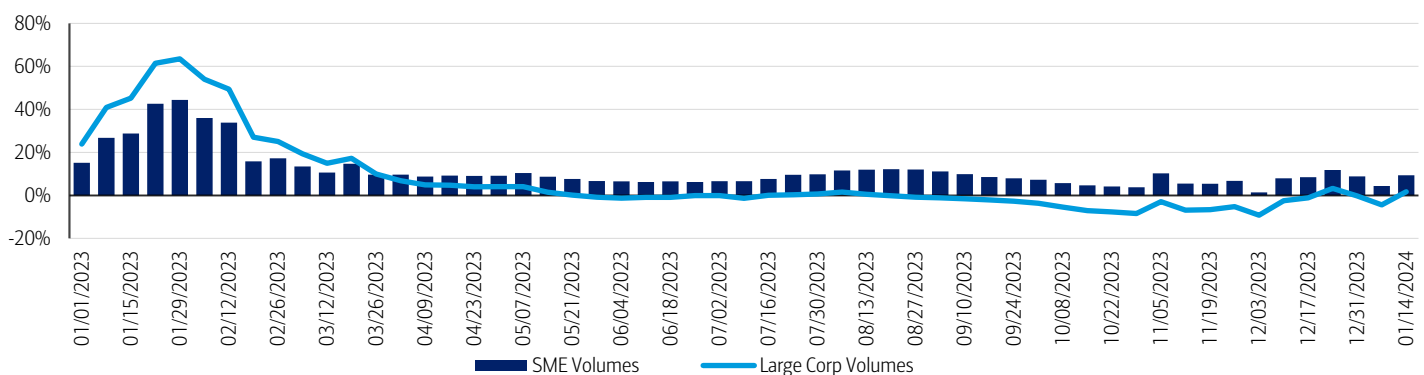


Source: ARC, Kastle Systems

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Exhibit 12: 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

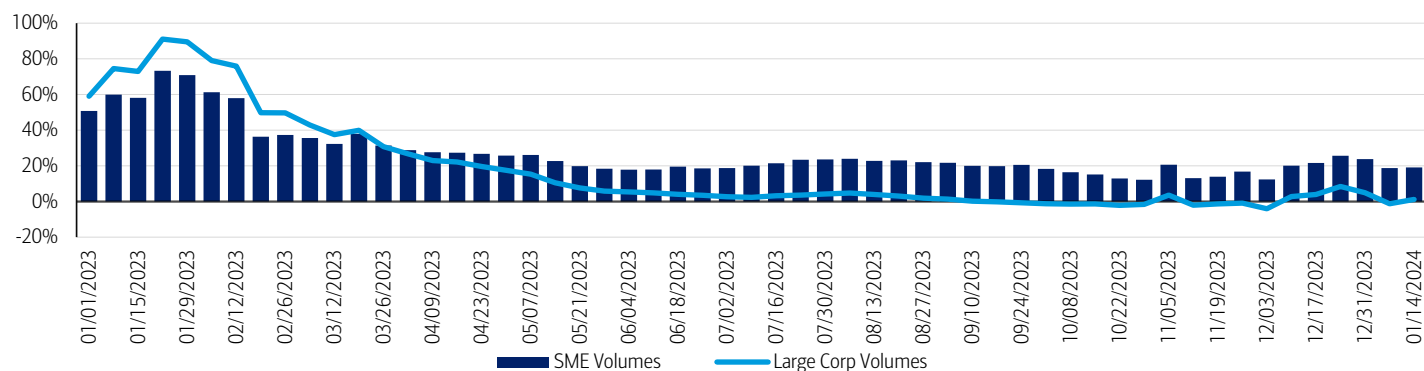


Source: ARC

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Exhibit 13: 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



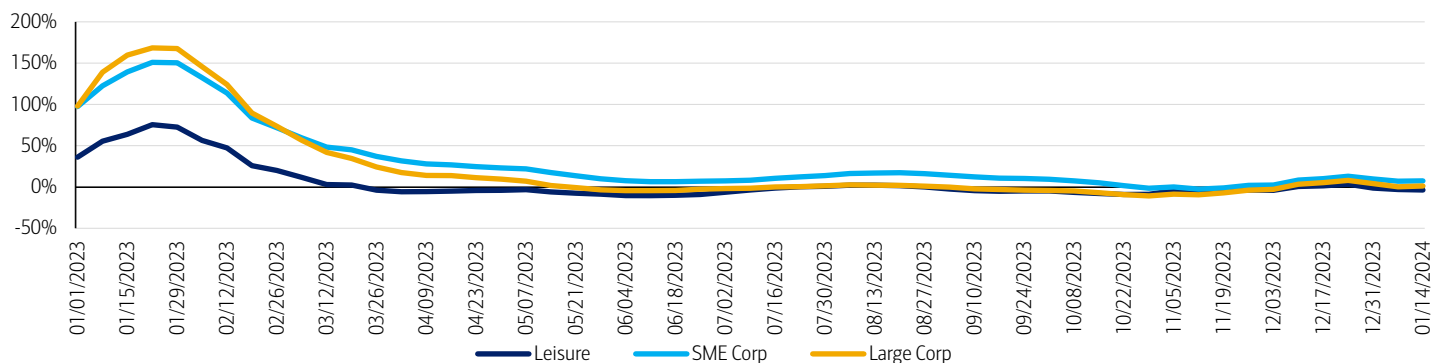
Source: ARC

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Corporate and leisure year-over-year

Exhibit 14: Corporate vs leisure sales net sales growth (Trailing 4-week)

SME corporate net sales +7.3%; leisure -3.6%; large corporate +1.2% YoY

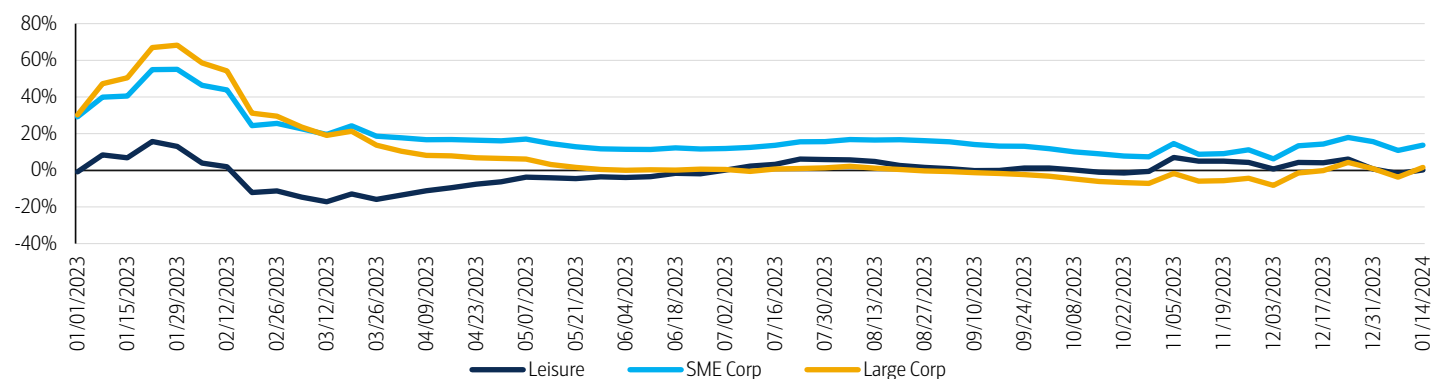


Source: ARC

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Exhibit 15: Corporate vs leisure tickets sold (Trailing 4-week)

SME corporate tickets sold +13.7%; leisure +0.2%; large corporate +1.6% YoY

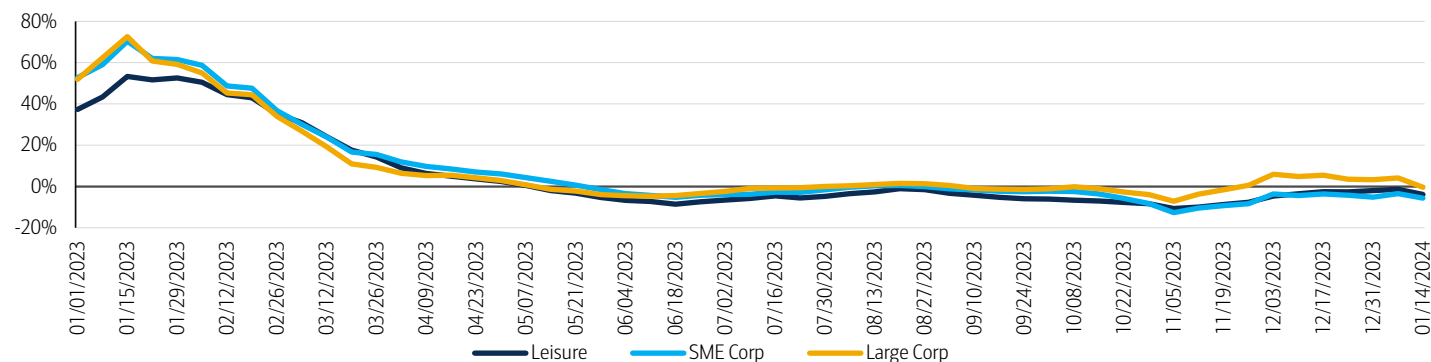


Source: ARC

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Exhibit 16: Corporate vs leisure ticket price (Trailing 4-week)

SME corporate pricing -5.6% YoY; leisure -3.8% YoY; large corporate -0.4% YoY

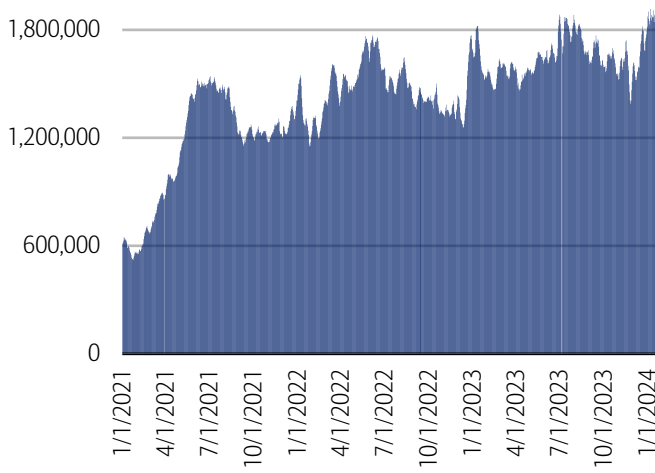


Source: ARC

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Exhibit 17: Delta trailing 7-day website visits

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

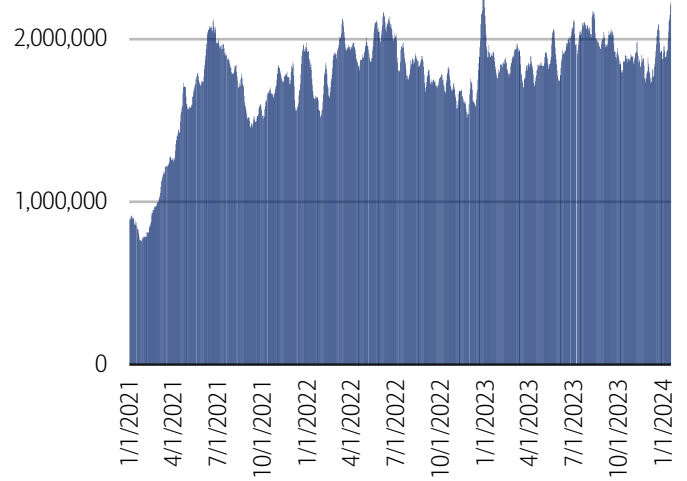


Source: SimilarWeb, www.similarweb.com

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Exhibit 18: American trailing 7-day website visits

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

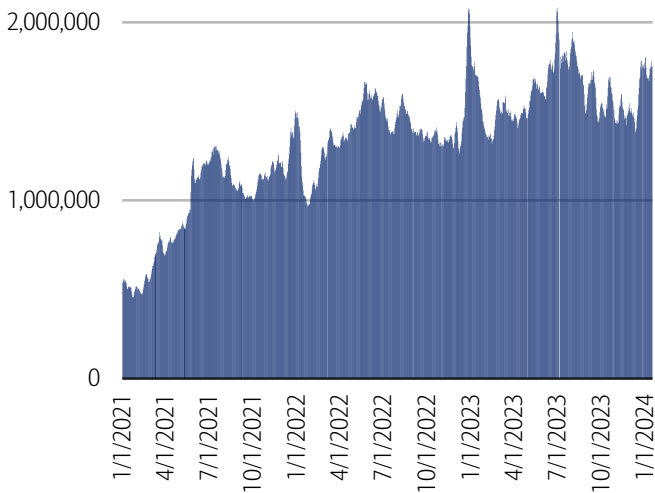


Source: SimilarWeb, www.similarweb.com

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Exhibit 19: United trailing 7-day website visits

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

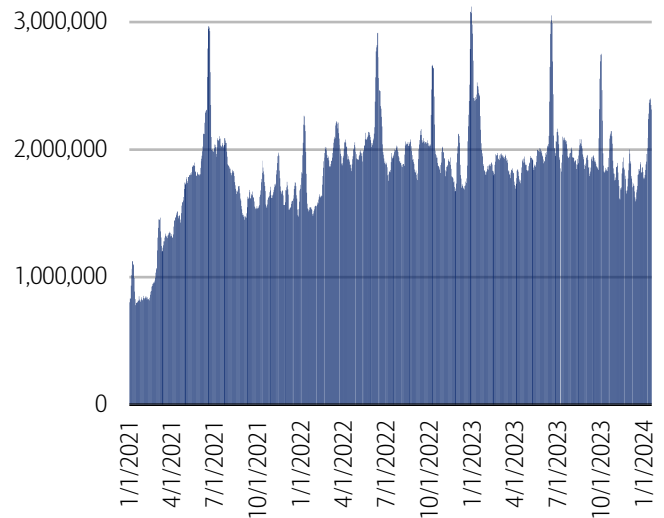


Source: SimilarWeb, www.similarweb.com

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Exhibit 20: Southwest trailing 7-day website visits

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

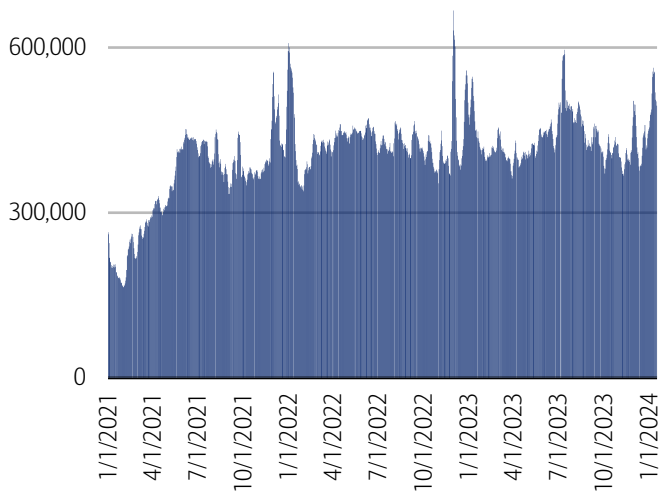


Source: SimilarWeb, www.similarweb.com

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Exhibit 21: Alaska trailing 7-day website visits

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

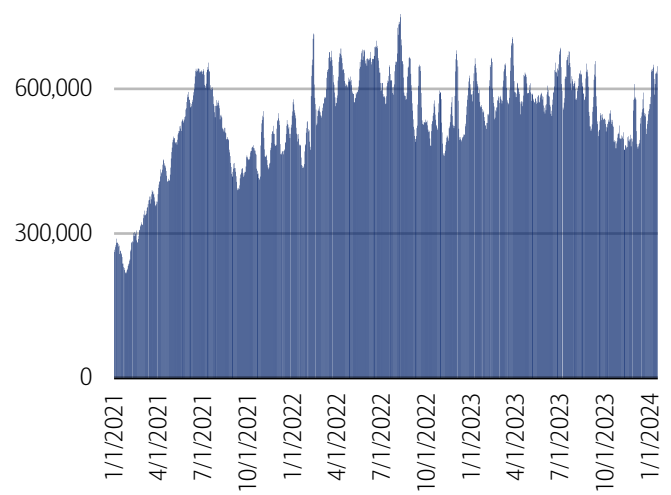


Source: SimilarWeb, www.similarweb.com

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Chart 3: JetBlue trailing 7-day website visits

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

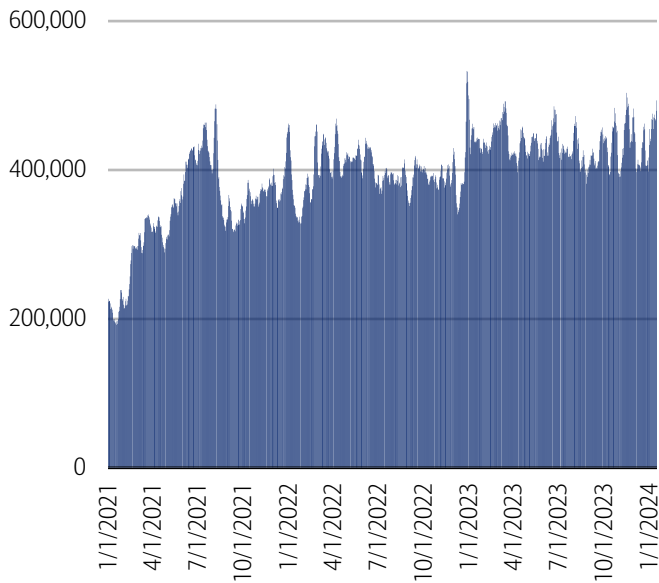


Source: SimilarWeb, www.similarweb.com

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Chart 4: Spirit Airlines trailing 7-day website visits

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

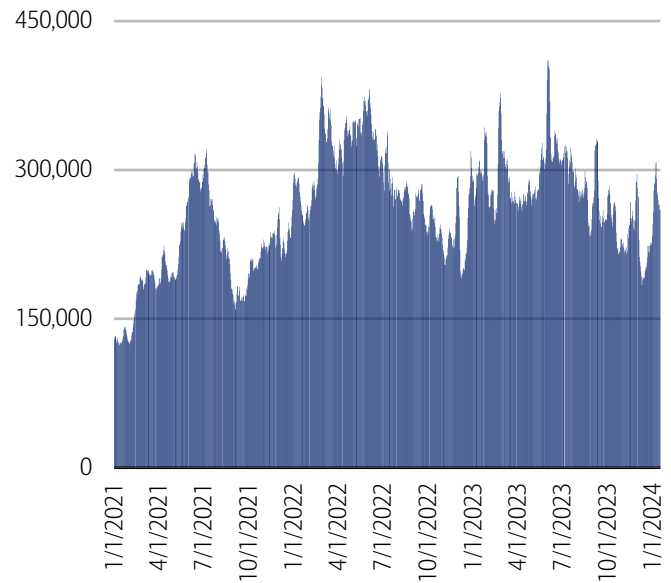


Source: SimilarWeb, www.similarweb.com

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Exhibit 22: Allegiant trailing 7-day website visits

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

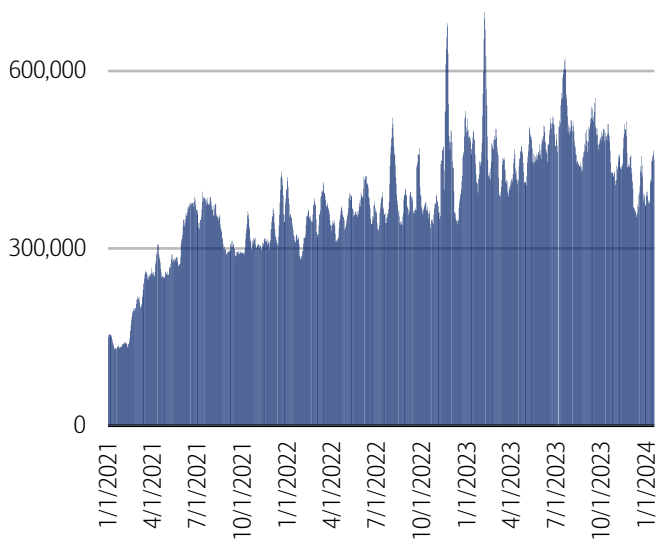


Source: SimilarWeb, www.similarweb.com

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Exhibit 23: Frontier Airlines trailing 7-day website visits

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

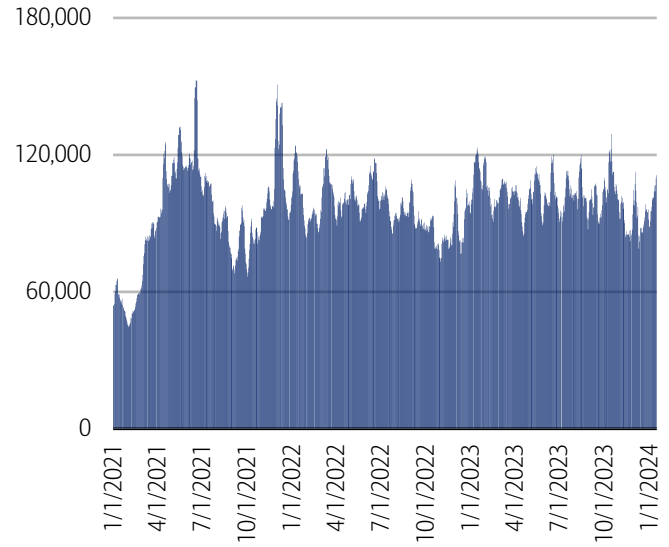


Source: SimilarWeb, www.similarweb.com

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Exhibit 24: Hawaiian Airlines trailing 7-day website visits

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

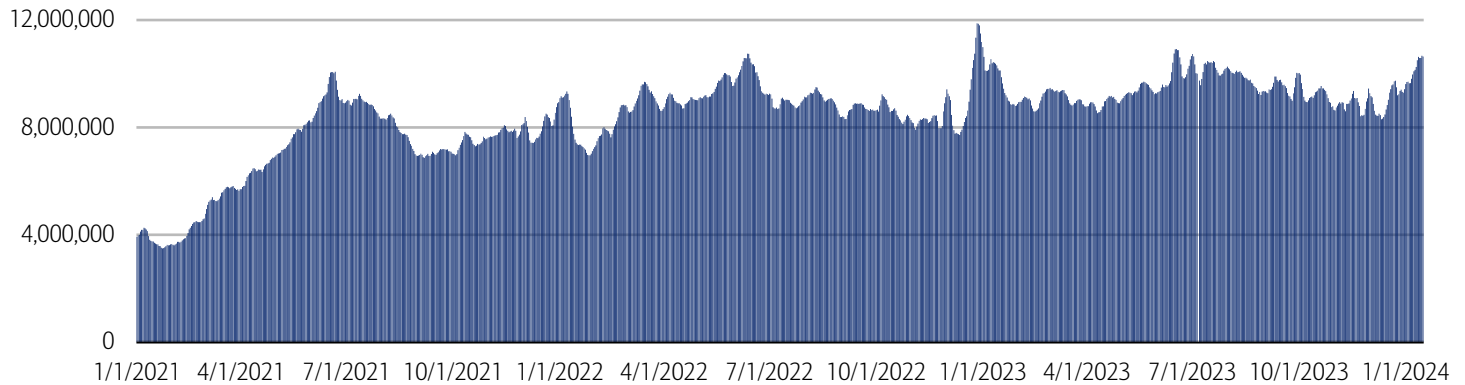


Source: SimilarWeb, www.similarweb.com

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Exhibit 25: Total website visits across major airlines for trailing 7-days

US airlines' trailing 7-day average daily website visits were +9% higher this week vs last week



Source: SimilarWeb, www.similarweb.com

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