

Airlines

Bookings: Data solid but influenced by Christmas timing

Industry Overview

Christmas Day shifts to different week

Historically, the weeks around holidays have been volatile given the way agencies report sales. This week's data does not have a clean comp as Christmas Day was in the comp in 2022 but shifted to next week in 2023. We find that averaging the weeks around holidays provide a better trend and we will do so in subsequent issues. In the latest week, system net sales rose 16.2% year-over-year for the week ending 12/24, compared to +6.5% for the week ending 12/17. The holiday shift allowed volumes to remain strong while pricing continued to decelerate, down -8.3% year-over-year, compared to -1.4% last week.

Channel data also reflects calendar shift

Domestic and international sales each accelerated versus recent weeks, with domestic sales continuing to see strength over international at +19.1% and +14.1%, respectively. International volumes outperformed at +32.3% compared to domestic at +22.9%, while seeing a stronger pricing deceleration, down -13.7% compared to domestic down -3.2%. This week's domestic pricing saw only the second negative datapoint since early November, however, this was also likely influenced by the holiday shift.

Exhibit 1: Latest airline booking trends YoY

System net sales rose +16.2% vs 2022

	Trailing 4-weeks ending				Latest Week	Quarterly 4Q23	
	9/17/2023	10/15/2023	11/12/2023	12/10/2023	12/24/2023	3Q23	to date
System Sales	4.4%	-0.2%	-4.0%	5.5%	16.2%	7.1%	1.8%
System Volumes	6.7%	3.6%	7.5%	8.3%	26.6%	8.8%	8.0%
System Price	-2.2%	-3.6%	-9.8%	-2.6%	-8.3%	-1.5%	-5.4%
Domestic Sales	0.3%	-1.8%	1.1%	9.1%	19.1%	2.4%	4.8%
International Sales	8.3%	1.4%	-8.9%	2.4%	14.1%	11.6%	-0.8%
Large Corporate Sales	-3.0%	-7.0%	-9.0%	3.2%	14.6%	-0.5%	-2.2%
Leisure Sales	-5.3%	-7.9%	-4.7%	0.4%	5.3%	-1.3%	-3.0%
Domestic Price	-3.9%	-3.4%	-4.6%	2.4%	-3.2%	-3.0%	-1.3%
International Price	-2.6%	-5.4%	-14.9%	-7.9%	-13.7%	-2.8%	-10.0%

Source: ARC

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Website traffic decelerates vs last week

US airlines' trailing 7-day average daily website visits were -28% lower for the week ending 12/27 compared to the week ending 12/20. Visits to most websites decelerated, with the exception of Hawaiian which accelerated.

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Timestamp: 02 January 2024 05:00AM EST

Monthly and Quarterly ARC trends

Exhibit 2: Latest booking trends and quarterly comparison

4Q23 net sales to date are +1.8% 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	12/24/2023	1Q23	2Q23	3Q23	4Q23 to date
System:										
System Sales	10.6%	4.4%	-0.2%	-4.0%	5.5%	16.2%	73.1%	6.7%	7.1%	1.8%
System Volumes	9.6%	6.7%	3.6%	7.5%	8.3%	26.6%	19.8%	5.9%	8.8%	8.0%
System Price	0.9%	-2.2%	-3.6%	-9.8%	-2.6%	-8.3%	43.0%	0.8%	-1.5%	-5.4%
Domestic:										
Domestic Sales	5.9%	0.3%	-1.8%	1.1%	9.1%	19.1%	41.9%	-6.2%	2.4%	4.8%
Domestic Volumes	6.2%	4.3%	1.7%	7.0%	6.6%	22.9%	9.4%	0.9%	5.5%	6.5%
Domestic Price	-0.2%	-3.9%	-3.4%	-4.6%	2.4%	-3.2%	28.7%	-7.0%	-3.0%	-1.3%
International:										
International Sales	15.0%	8.3%	1.4%	-8.9%	2.4%	14.1%	112.8%	20.5%	11.6%	-0.8%
International Volumes	16.1%	11.3%	7.2%	8.6%	11.2%	32.3%	41.2%	15.1%	14.8%	10.7%
International Price	-1.0%	-2.6%	-5.4%	-14.9%	-7.9%	-13.7%	48.5%	4.5%	-2.8%	-10.0%
Large Corporate:										
Large Corporate Sales	2.0%	-3.0%	-7.0%	-9.0%	3.2%	14.6%	91.2%	2.0%	-0.5%	-2.2%
Large Corporate Volumes	0.5%	-1.8%	-6.1%	-4.1%	-1.6%	25.2%	37.0%	2.7%	-0.4%	-1.3%
Large Corporate Price	1.5%	-1.2%	-1.0%	-3.9%	4.8%	-8.5%	37.0%	-0.7%	-0.2%	-0.4%
SME Corporate:										
SME Corporate Sales	17.2%	10.7%	5.0%	-2.0%	8.2%	20.6%	89.0%	14.3%	13.1%	5.0%
SME Corporate Volumes	16.7%	13.3%	9.0%	11.4%	13.4%	36.4%	33.3%	13.5%	15.0%	13.2%
SME Corporate Price	0.5%	-2.3%	-3.6%	-10.9%	-4.5%	-11.6%	40.5%	0.7%	-1.7%	-6.8%
Leisure:										
Leisure Sales	1.5%	-5.3%	-7.9%	-4.7%	0.4%	5.3%	32.2%	-7.1%	-1.3%	-3.0%
Leisure Volumes	2.6%	0.0%	-1.0%	6.8%	4.1%	10.5%	-3.4%	-4.2%	3.0%	3.6%
Leisure Price	-1.1%	-5.3%	-7.0%	-10.3%	-3.6%	-4.6%	35.6%	-2.9%	-4.2%	-6.2%

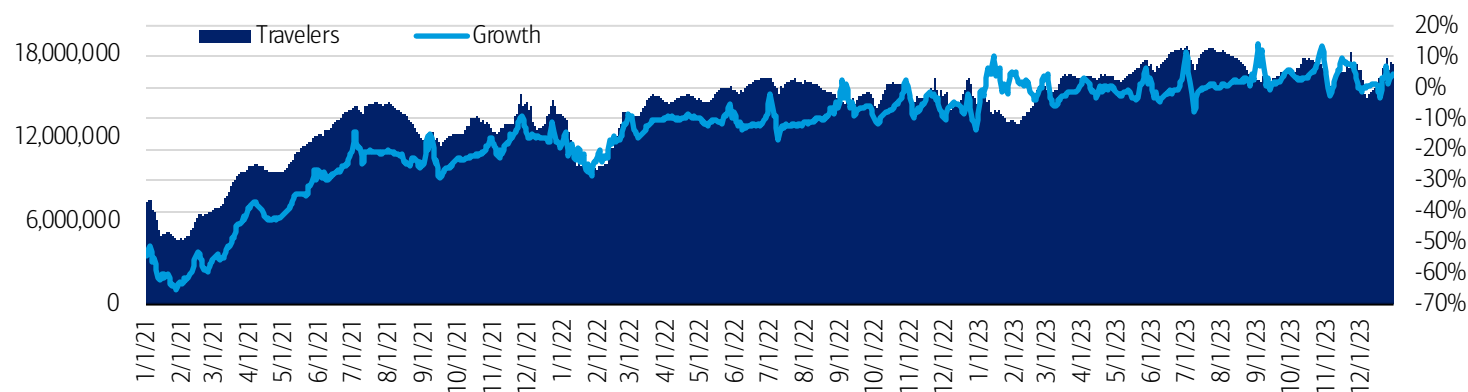
Source: ARC

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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 103% of 2019 levels



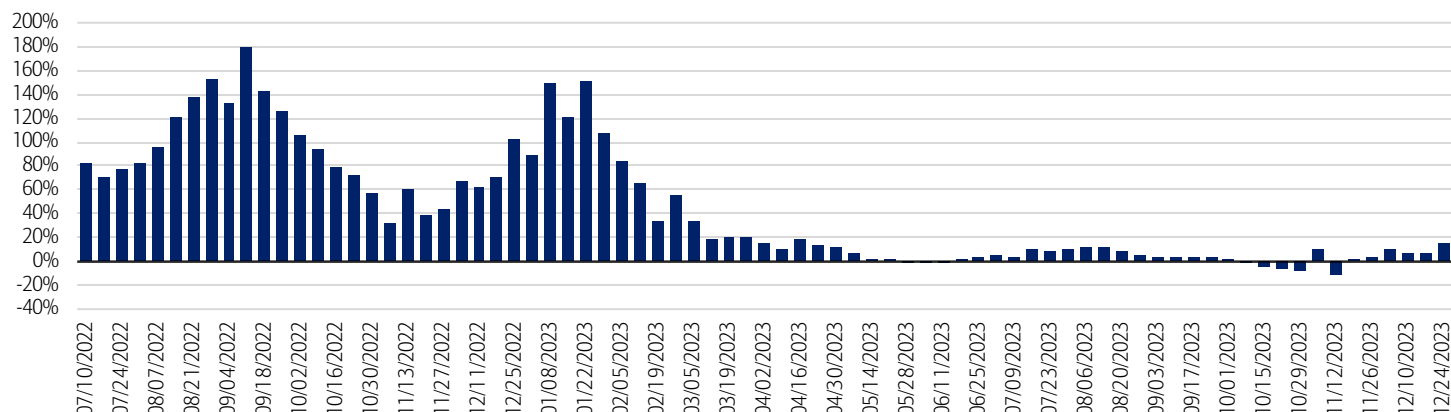
Source: www.tsa.gov

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Recent growth trends year-over-year

Chart 2: Consolidated net sales growth

Consolidated net sales were +16% YoY (vs +7% last week)

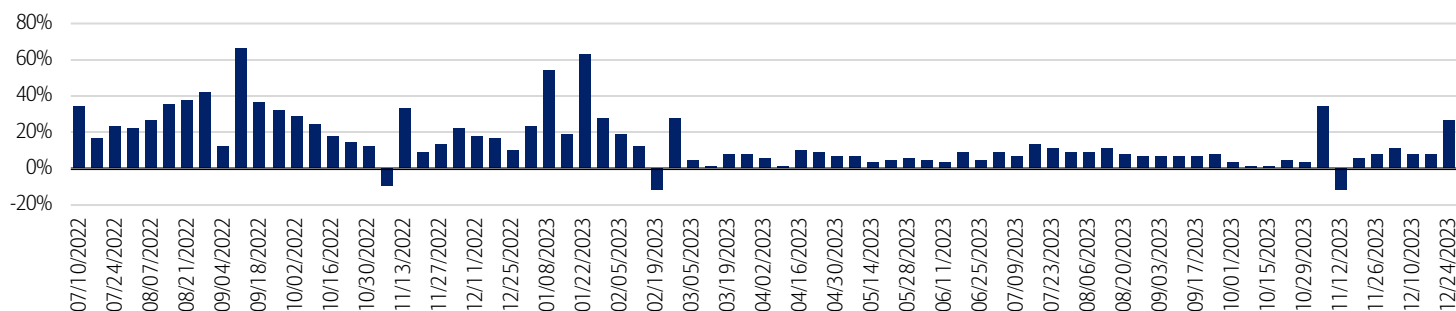


Source: ARC

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Exhibit 3: Consolidated tickets sold

Consolidated ticket volumes were +27% YoY (vs +8% last week)

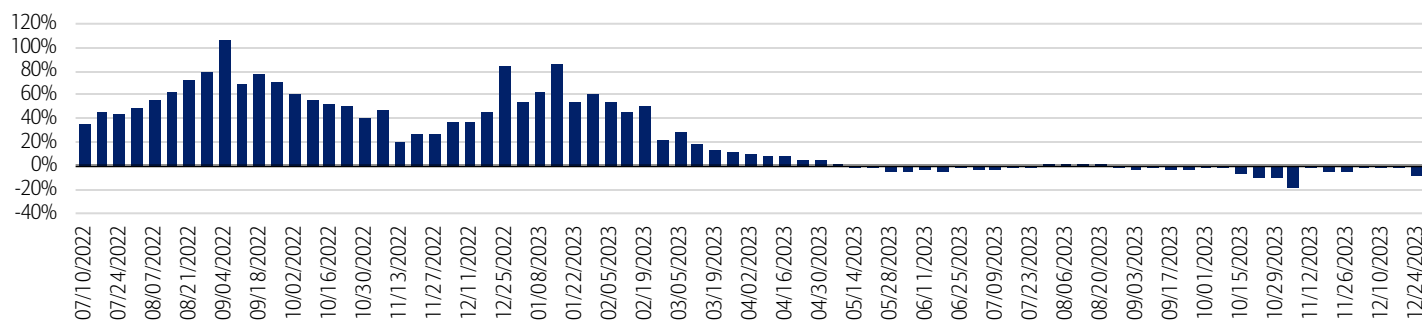


Source: ARC

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Exhibit 3: Consolidated ticket price

Consolidated ticket prices were -8% YoY (vs -1% last week)

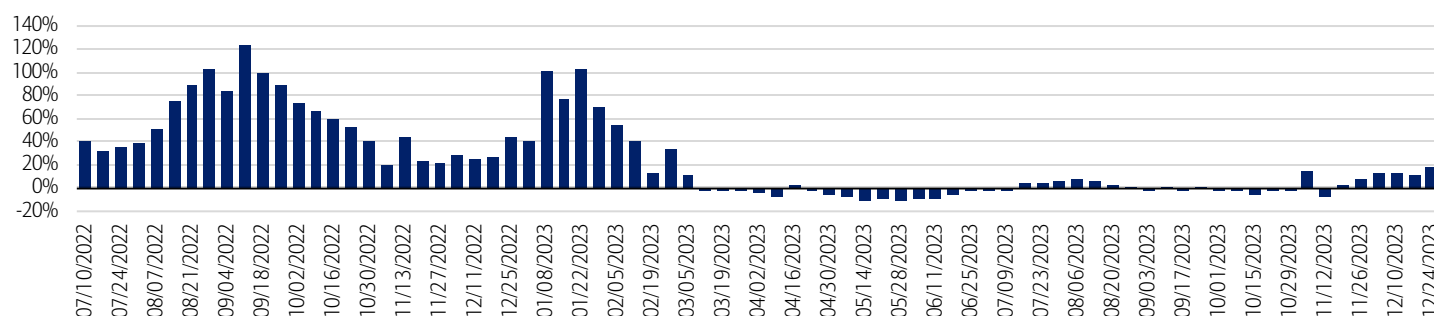


Source: ARC

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Exhibit 4: Consolidated domestic sales growth

Domestic sales were +19% YoY (vs +11% last week)

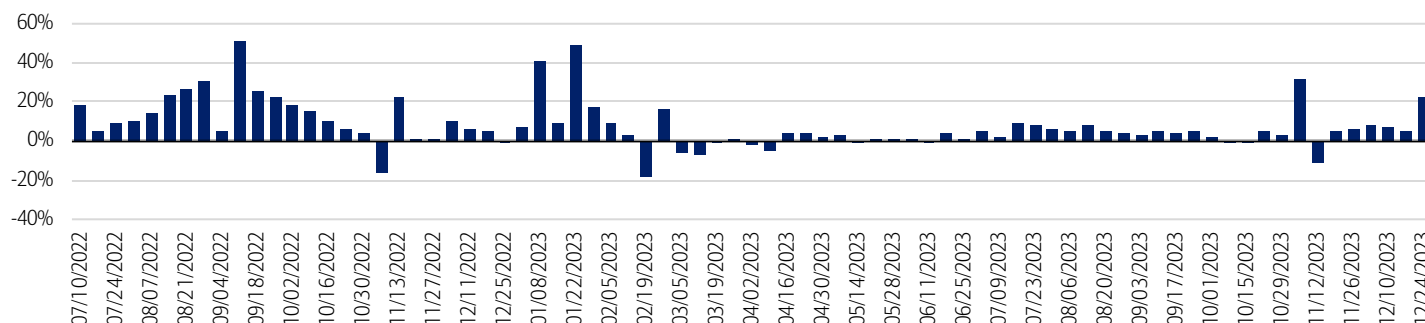


Source: ARC

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Exhibit 5: Consolidated domestic tickets sold

Domestic ticket volumes were +23% YoY (vs +6% last week)

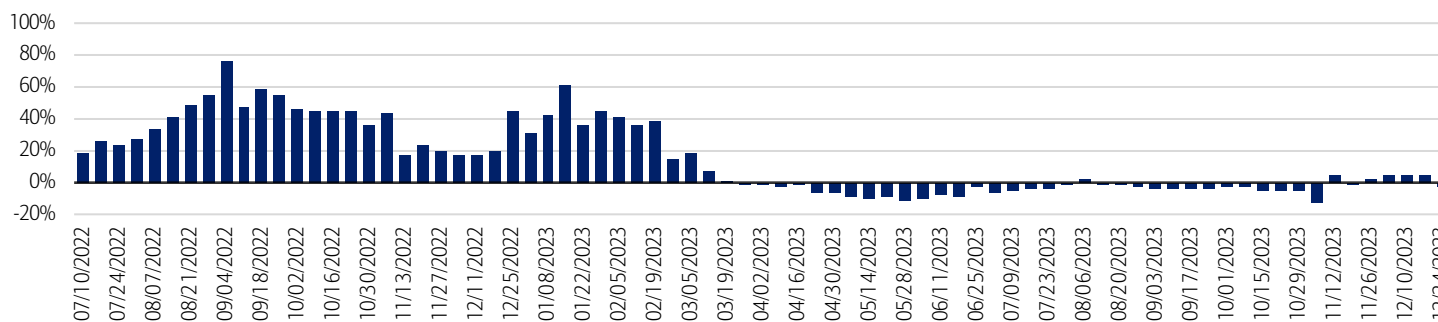


Source: ARC

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Exhibit 6: Consolidated domestic ticket price

Domestic ticket prices were -3% YoY (vs +5% last week)

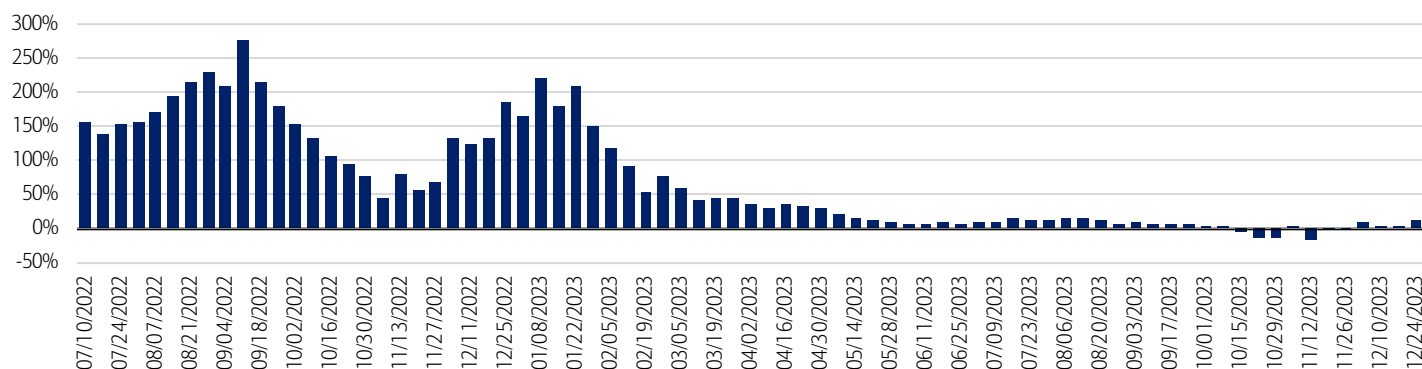


Source: ARC

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Chart 4: Consolidated international sales growth

International net sales were +14% YoY (vs +3% last week)

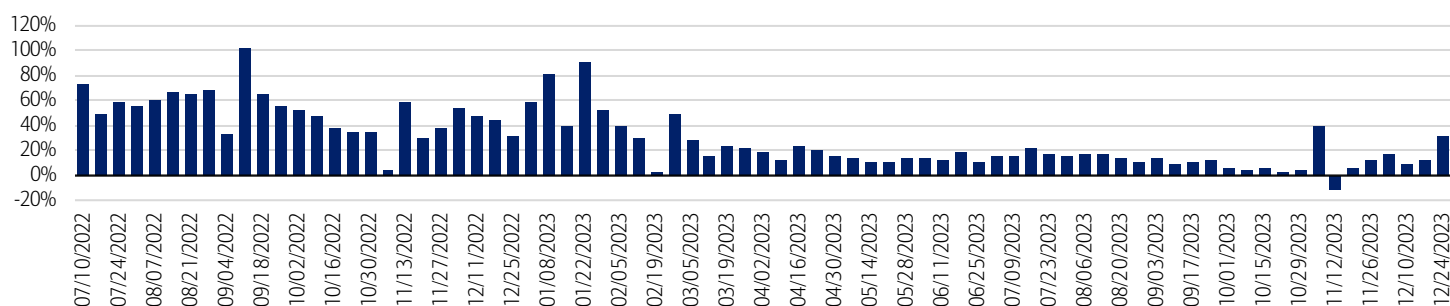


Source: ARC

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Exhibit 7: Consolidated international tickets sold

International ticket volumes were +32% YoY (vs +12% last week)

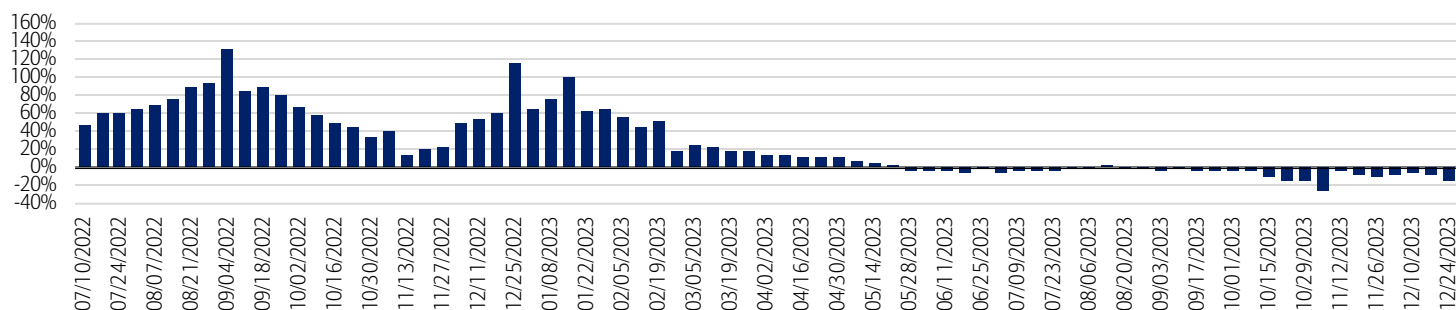


Source: ARC

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Exhibit 8: Consolidated international ticket price

International ticket prices were -14% YoY (vs -8% last week)



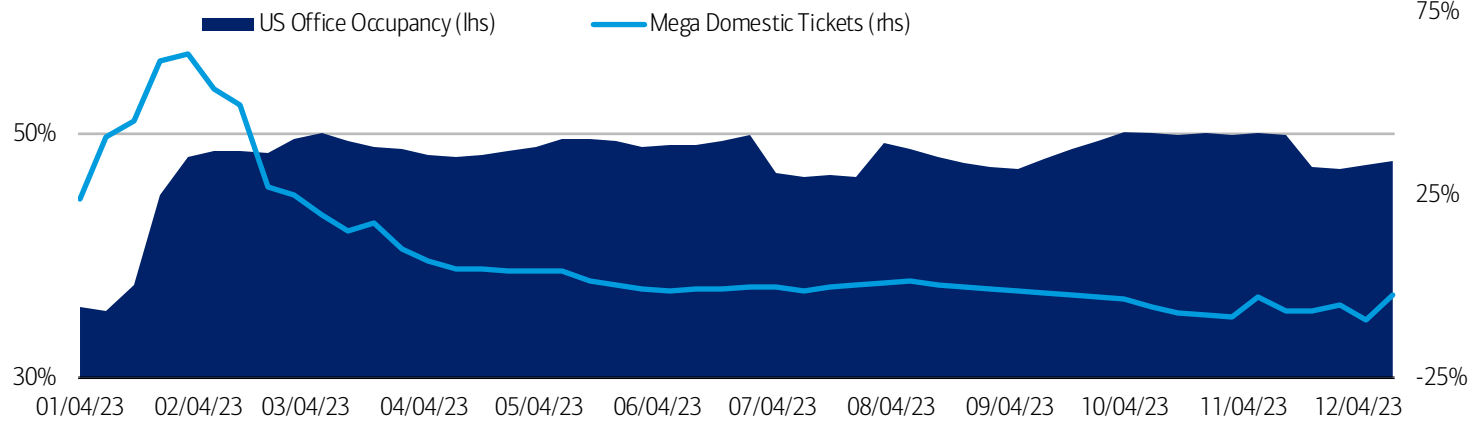
Source: ARC

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US Office Occupancy & Corporate Trends

Exhibit 9: 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

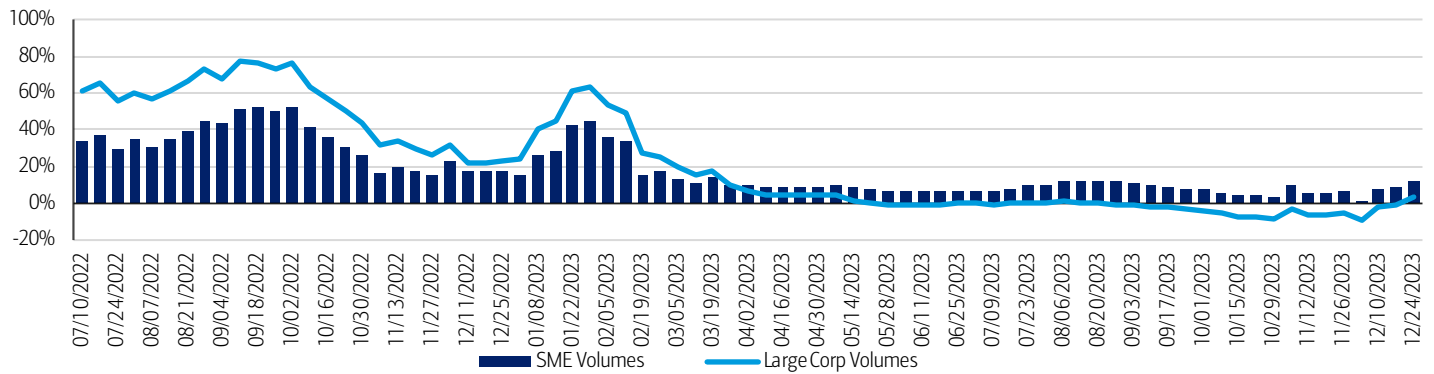


Source: ARC, Kastle Systems

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Exhibit 10: 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 +3.2% YoY compared to SME volumes of +11.8% YoY

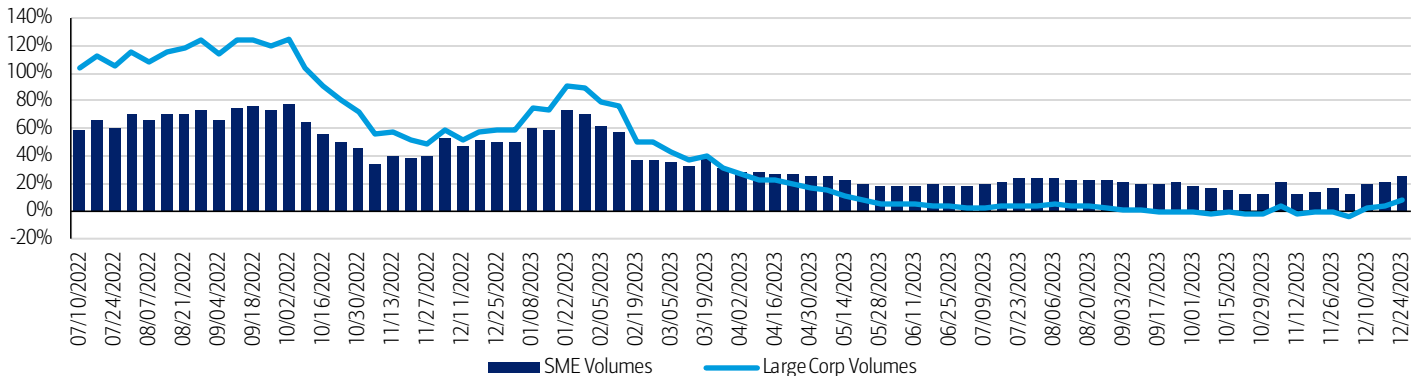


Source: ARC

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Chart 5: 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 +8.5% YoY compared to SME volumes +25.7% YoY



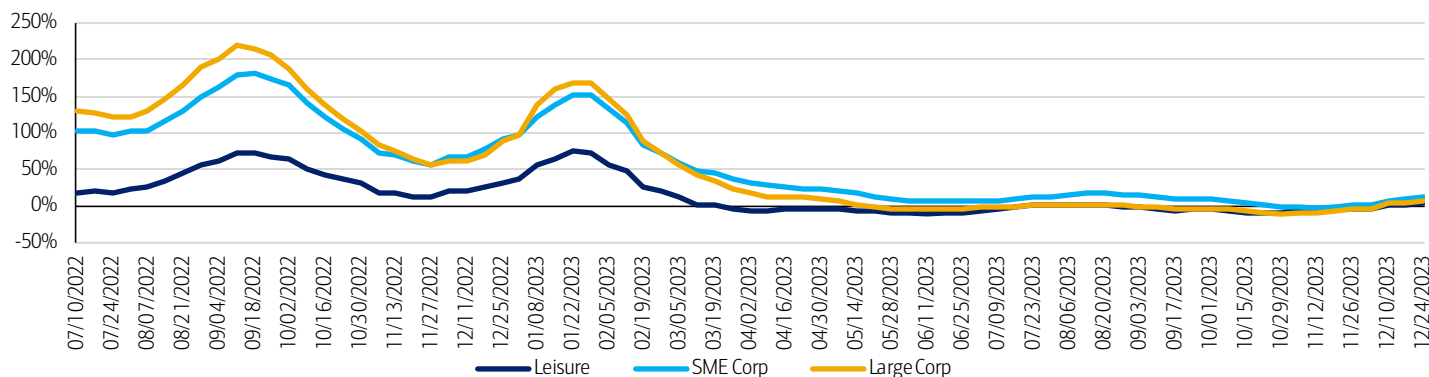
Source: ARC

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Corporate and leisure year-over-year

Exhibit 11: Corporate vs leisure sales net sales growth (Trailing 4-week)

SME corporate net sales +13.0%; leisure +3.3%; large corporate +8.0% YoY

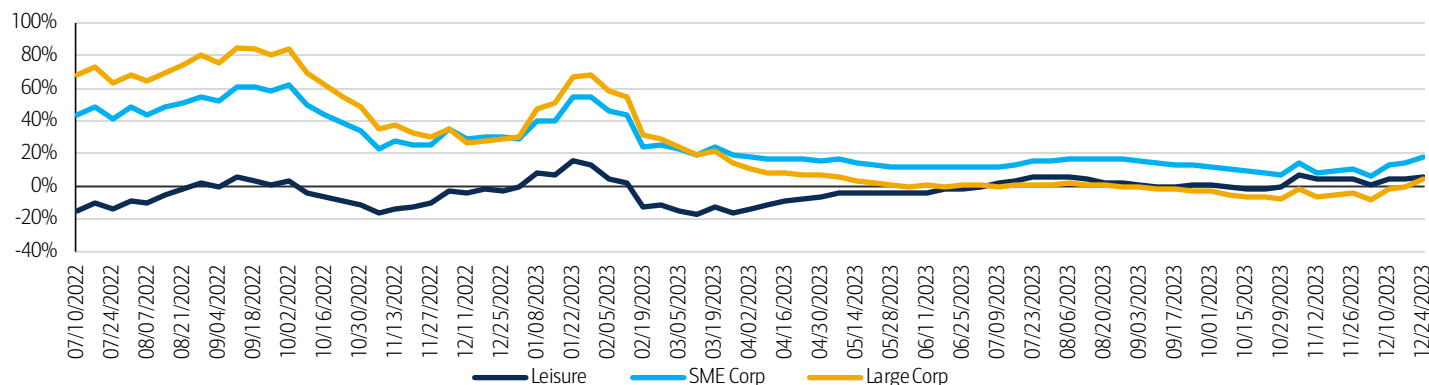


Source: ARC

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Exhibit 12: Corporate vs leisure tickets sold (Trailing 4-week)

SME corporate tickets sold +17.9%; leisure +6.1%; large corporate +4.3% YoY

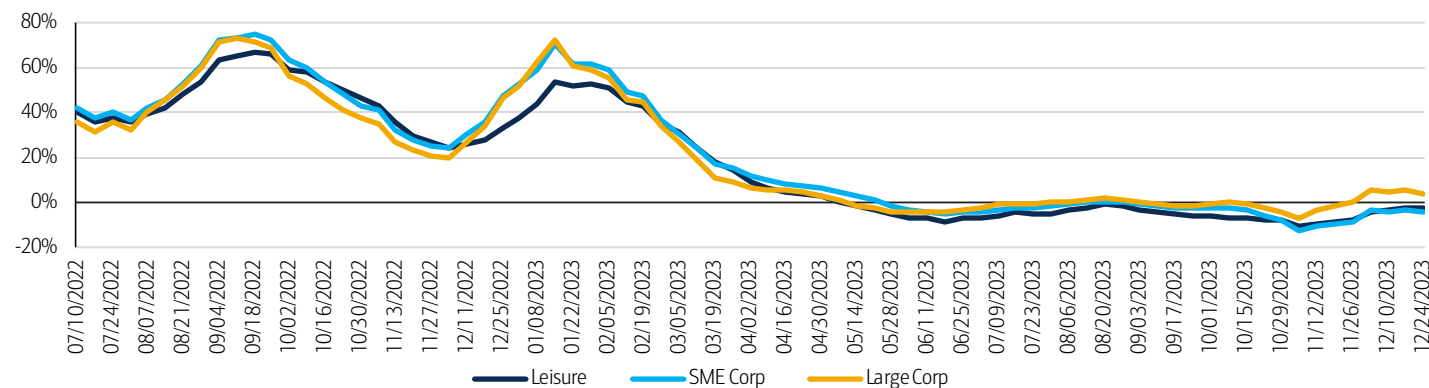


Source: ARC

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Exhibit 13: Corporate vs leisure ticket price (Trailing 4-week)

SME corporate pricing -4.2% YoY; leisure -2.6% YoY; large corporate +3.6% YoY

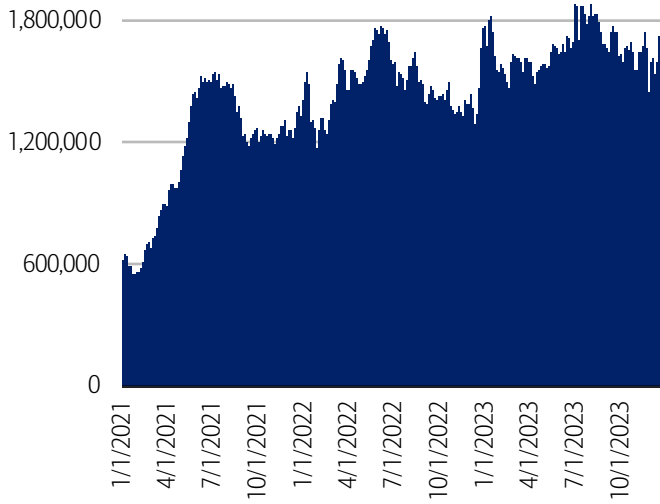


Source: ARC

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Exhibit 14: Delta trailing 7-day website visits

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

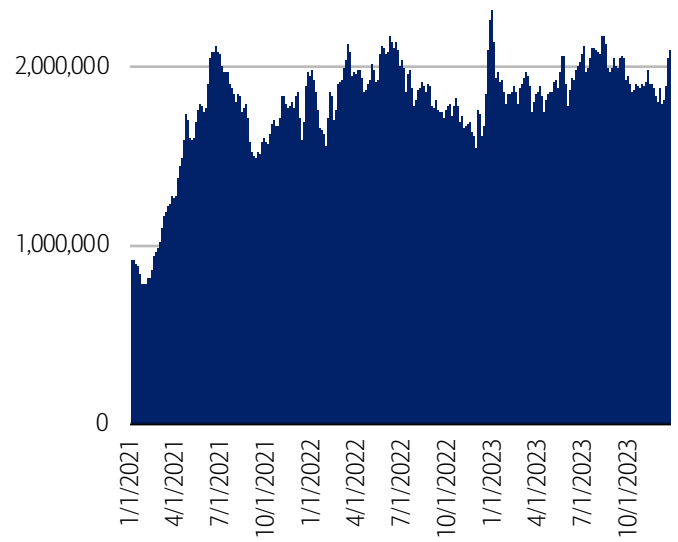


Source: SimilarWeb, www.similarweb.com

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Exhibit 15: American trailing 7-day website visits

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

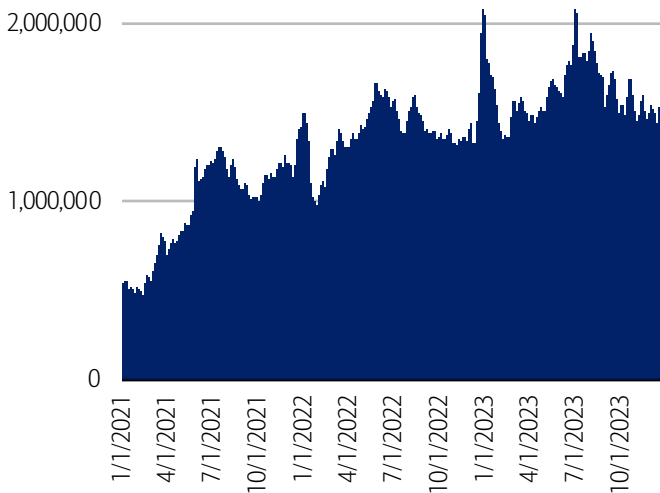


Source: SimilarWeb, www.similarweb.com

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Exhibit 16: United trailing 7-day website visits

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

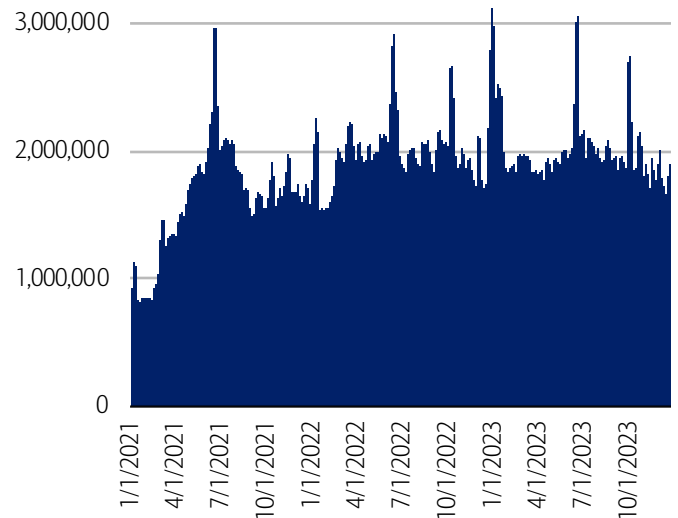


Source: SimilarWeb, www.similarweb.com

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Exhibit 17: Southwest trailing 7-day website visits

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

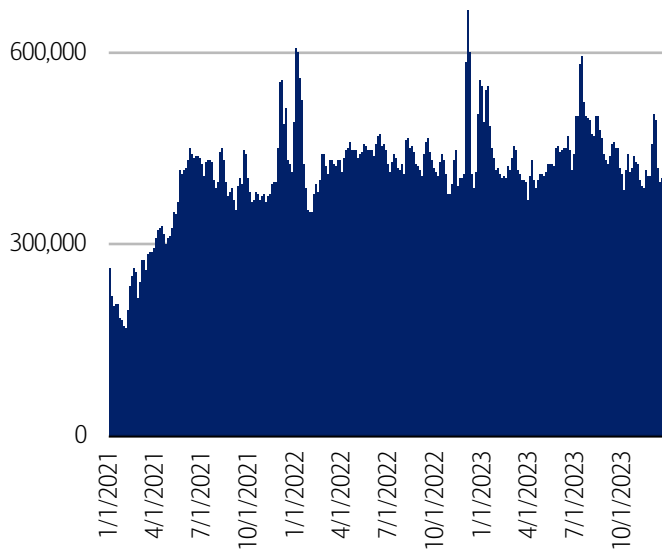


Source: SimilarWeb, www.similarweb.com

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Exhibit 18: Alaska trailing 7-day website visits

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

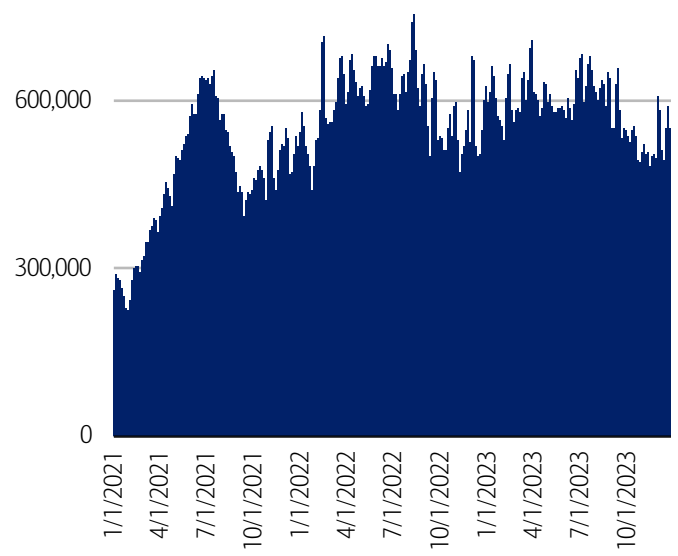


Source: SimilarWeb, www.similarweb.com

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Chart 6: JetBlue trailing 7-day website visits

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

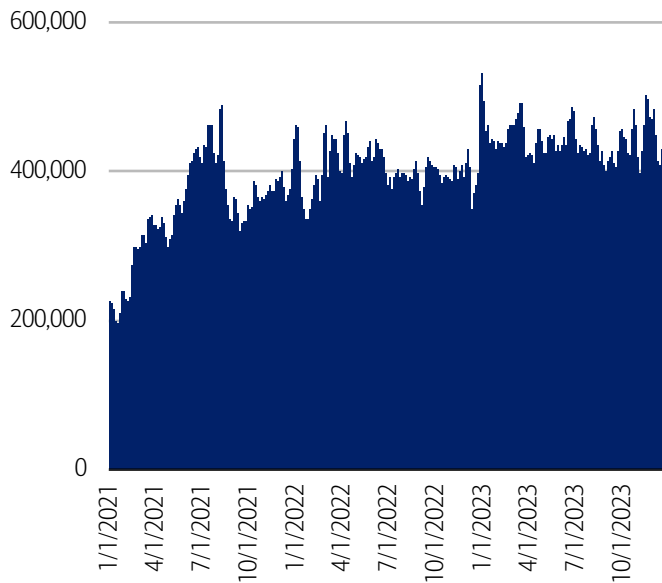


Source: SimilarWeb, www.similarweb.com

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Chart 7: Spirit Airlines trailing 7-day website visits

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

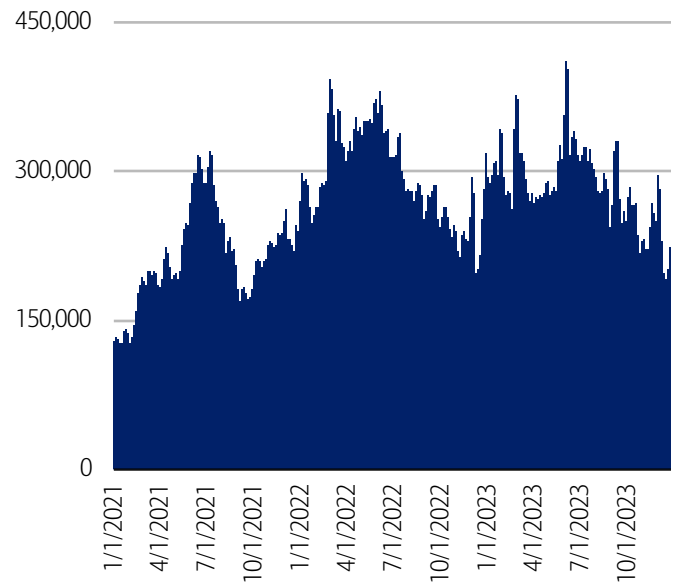


Source: SimilarWeb, www.similarweb.com

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Exhibit 19: Allegiant trailing 7-day website visits

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

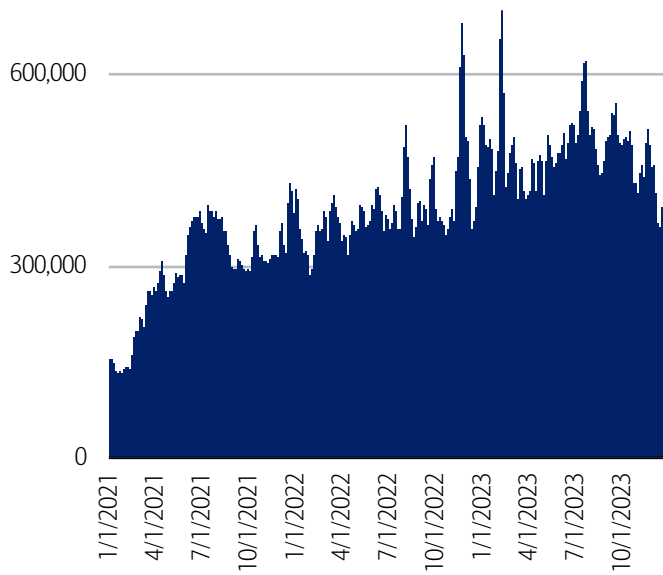


Source: SimilarWeb, www.similarweb.com

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Exhibit 20: Frontier Airlines trailing 7-day website visits

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

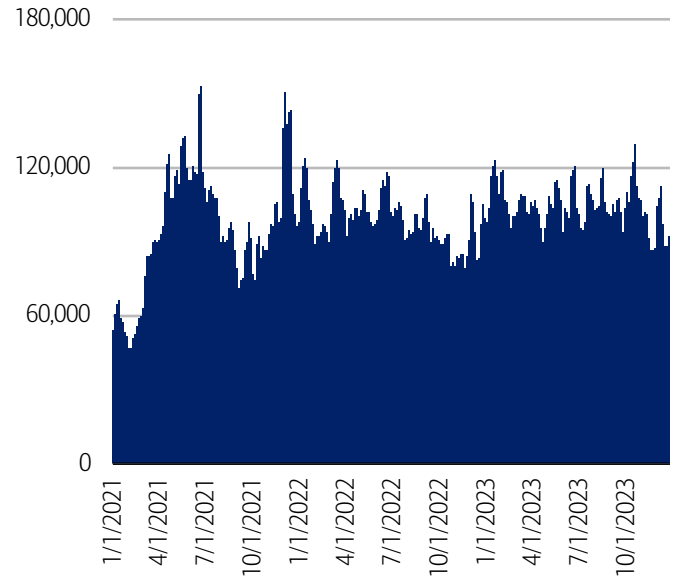


Source: SimilarWeb, www.similarweb.com

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Exhibit 21: Hawaiian Airlines trailing 7-day website visits

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

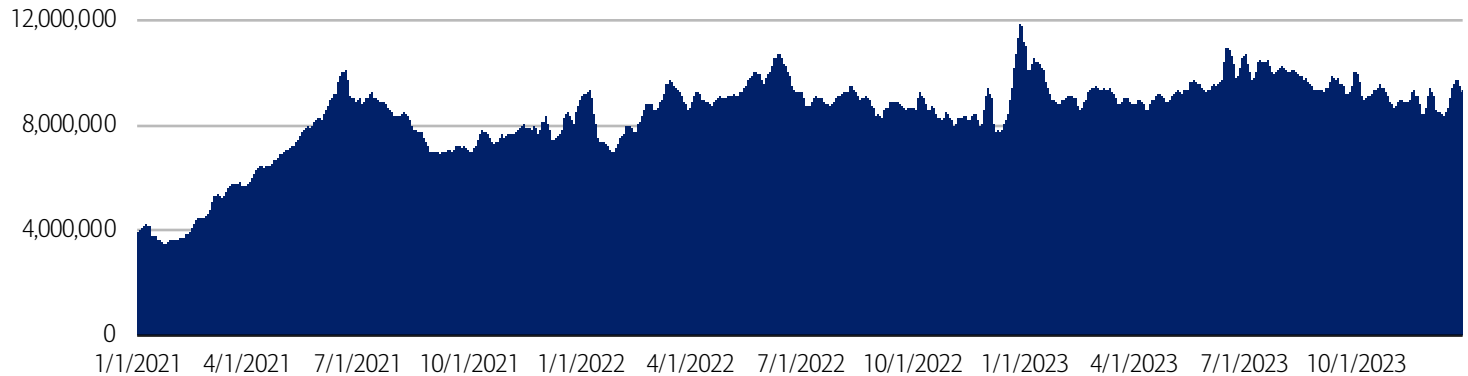


Source: SimilarWeb, www.similarweb.com

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Exhibit 22: Total website visits across major airlines for trailing 7-days

US airlines' trailing 7-day average daily website visits were +28% lower this week vs last week



Source: SimilarWeb, www.similarweb.com

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Underperform	N/A	≥ 20%

^{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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