

A BUSINESS TRAVEL UPDATE FROM **SPRINGDALE TRAVEL** 958 MONTLIMAR DRIVE, MOBILE, ALABAMA 36609 800-874-0550

## *Airlines*

### *U.S. Carriers Outperform Other Airlines*

Times are still tough for airlines—their profits were down 60 percent worldwide for the fourth quarter of last year, according to the International Air Transport Association's Airlines Financial Monitor for January and February. *But*, North American carriers' profits more than tripled thanks to their continued discipline in controlling capacity. Other bright signs for the industry—air travel was up 5.7 percent in January 2012 over 2011. On the down side, fuel prices were 14 percent higher than a year ago, as Iran threatened to squeeze oil supplies. And that pushed fares higher. (Source: IATA report).

### *PwC Gives Airlines Advice on How to Improve Customer Service*

Everyone loves to complain on airlines and to help the industry combat that, PwC has laid out a roadmap for airlines to help them improve their customer service. PwC says that you, airline passengers, want transparency and airlines that deliver personalized service and can adapt to your changing needs. If airlines deliver that, they've got a tighter connection with you and will be able to keep you as a customer. Airlines with a crystal clear understanding of what you want and that successfully give you that will be able to care more, says PwC. It has broken services down categories. In customers' "nice to have" category, that are also a chance for airlines to make money, are options such as seat comfort. "Must-haves" are things like on-time arrival. "Wild cards" are the ability to fix things fast or provide upgrades and these can have a high economic return for airlines. PwC gives a thumbs down on additional fees and flight delays. PwC says airlines shouldn't "nickel-and-dime," 65 percent of travelers prefer all-inclusive over a la carte. Perks and rewards should give you, the business traveler, convenience. Eighteen percent of you are willing to pay more for priority boarding. Finally, airlines need brand ambassadors. Two out of ten leisure travelers who have a bad airline experience never stop talking about it. Airlines need to generate a positive buzz through face-to-face encounters as well as by monitoring social media to look for ways to engage customers and nip problems in the bud. (Source: PwC press release).

### *Business Travel Group Lobbies Senate to Support Open Fuel Standards Amendment*

The Business Travel Coalition, a business travel advocacy group, is lobbying the Senate to support the Open Fuels Standard amendment to the pending transportation bill. The amendment would require new cars to come off the assembly line equipped to handle non-petroleum fuels, including liquid, gas or electricity. The BTC says that this Open Fuels Standard is the simplest and least expense approach to making oil less strategically important. Oil prices can spike—sometimes for obvious reasons, but sometimes for unclear reasons—causing serious harm to aviation, travel and tourism industries. The BTC says that whenever the price of oil goes above \$100 a barrel, the U.S. sends \$400 million overseas for oil. The BTC says that too much of that money ends up in the hands of "oligarchs, autocrats, dictators and at times, terrorists." Separately, airlines are also pursuing biofuel options. (Source: BTC press release).

### *Global Air Passenger Traffic Keeps Growing*

If air traffic is an economic harbinger, the latest air traffic numbers from the International Air Traffic Association bode well for the future. January traffic was up 5.7 percent over the previous January and, while freight was down slightly, its numbers are stabilizing. The January numbers were even better than December numbers, which showed traffic up 5.6 percent over December 2011. (Source: IATA press release).

## Hotels

### *Leisure Travel Finally Passes Business Travel in Driving Increasing Hotel Business*

Business travel was the main economic driver behind the growth in transient bookings last year, according to TravelClick's February Perspective. Transient business demand is up by 3.9 percent. But, leisure demand is now up more, 5.8 percent. It's too early to tell if this momentum will continue, but it's still encouraging, according to TravelClick. Hotels still have to make up for lost ground due to the recession but 2012 could see average daily rates start to approach pre-recession levels. TravelClick provides hotel distribution, marketing and data services. (Source: TravelClick press release)

### *U.S. Hotels are Bullish About 2012*

A TripAdvisor industry index shows that U.S. hotel owners and managers are optimistic about an economic recovery with 65 percent optimistic about a recovery as opposed to 38 percent of their peer globally. That reflects data showing that a third of U.S. travelers expect to increase their travel spending this year, according to Christine Petersen, president of TripAdvisor for Business. Fifty-nine percent of U.S. hoteliers plan to offer discounts on rooms. (Source: TripAdvisor press release).



## Spotlight On.....

### *Aviation Safety Keeps Getting Better*

*Flying keeps getting safer and safer, according to the latest International Air Transport Association figures. IATA said that the accident rate for 2011 was the lowest in aviation history. The previous low was in 2010. Aviation measures accident rates by hull losses per million flights and last year's rate was .37, or one accident for every 2.7 million flights. This was 39 percent better than 2010, when the rate was .61 or one accident for every 1.6 million flights. IATA defines a hull loss as an accident in which an aircraft is destroyed or too damaged to be worth repairing. This means 2.8 billion people flew safely on 38 million flights. Other figures:*

- *2011 saw 11 hull loss accidents compared to 17 in 2010*
- *There were 92 total accidents, down from 94 in 2010*
- *There were five fatal hull loss accidents, down from 8 in 2010*
- *There were 22 fatal accidents, down from 23 in 2010*
- *There were 486 fatalities compared to 786 in 2010*
- *Airlines in the Asia-Pacific, North America, Europe and North Asia performed better than the global average*
- *Latin America and the Caribbean did better, but are still nearly 3.5 times worse than the global average*
- *Africa improved but was the worst-performing region in the industry*

*(Source: IATA press release)*

*Springdale Travel is committed to providing you with useful information on the latest developments in the travel industry. The above information has been compiled from a variety of sources and is updated monthly.*