

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

## *Airlines*

### *More Airlines are Making More on Those Ancillary Fees*

All those fees for services and amenities that used to be included in your airline ticket—baggage (although Southwest Airlines lets you check two bags free and your first checked bag is free with JetBlue Airways), seat assignments, meals, in-flight entertainment—are adding up. The number of airlines charging those fees increased from 23 to 47 last year, according to an annual study by Amadeus, a major global distribution system. Fee revenues were up 38 percent to \$21.46 billion. And for a few airlines, ancillary fee revenue now generates nearly 30 percent of their revenue. Topping that list: vacation carrier Allegiant Air, 29.2 percent; Spirit Airlines, 22.1 percent. (Source: Amadeus press release).

### *What Bothers Air Travelers Most? Fees and Discomfort*

All those ancillary fees and lack of comfort are sore points with air travel consumers and it's why some people are traveling less, according to a Consumer Reports survey. Eight of ten major airlines got low grades on seat comfort and several others got low marks for cabin crew service, cleanliness and in-flight entertainment. Two exceptions: Southwest Airlines and JetBlue Airways. Southwest got top marks for check-in and cabin crew; JetBlue scored tops on seating comfort. US Airways scored lowest overall and got the worst marks for cabin crew service. Flyers were also unhappy about service fees—40 percent of those who say they're flying less blame fees. The fewer fees airlines charged, the happier passengers were with them—and, interestingly enough, both Southwest and JetBlue go easy on baggage fees. (Source: Consumer Reports press release).

### *More People Will Take to the Skies This Summer*

The Air Transport Association of America is projecting that about 1.5 percent more people will fly this summer than did last year, to the tune of 2.24 million people in the air every day. The ATA predicts that 206.2 million passengers will fly between June and August. That is well below the pre-recessionary high of 217.6 million in the summer of 2007. (Source: ATA press release).

### *Airfares Rise in Fourth Quarter 2010*

Average domestic airfares rose to \$337 in the fourth quarter of 2010, up 5.2 percent from the average fare of \$320 in the fourth quarter of 2009, according to the U.S. Department of Transportation. Newark-Liberty, NJ, had the highest average fare, \$461, while Atlantic City, NJ, had the lowest, \$156. Despite that increase, airlines are correct in saying that, long-term, fares are staying low. The DOT calculates that in 1995 dollars, the average airfare in the fourth quarter of 2010 was \$236, compared to \$288 in 1995 and \$300 in 2000. Adjusting for inflation in 1995 dollars, fares in 2010 averaged \$235, up 6.7 percent from 2009 but down 21.6 percent from the inflation-adjusted high of \$300 in 2000. (Source: DOT press release).

### *Tarmac Delays Keep Decreasing*

There is some good news for flyers. March was the fourth month out of the last six that the nation's airlines reported no tarmac delays of more than three hours, according to the Air Travel Consumer Report just released by the U.S. Department of Transportation (DOT). A year ago, in March 2010, the carriers reported 25 tarmac delays longer than three hours. Carriers also reported a decrease in the rate of canceled flights in March compared to a year earlier. (Source: DOT press release).

## *Hotels*

### *Hotel Occupancies, Rates Expected to Go Up*

Increasing demand, lagging new construction and an economic recovery that should pick up for the second half of the year bodes well for hotels and means travelers will face slightly fuller hotels and modest price increases, according to consulting company PwC. According to Macroeconomic Advisors, the economic growth that slowed somewhat for the first part of year should gain traction in the second half of the year. That, combined with still-subdued hotel development, means U.S. hotel occupancy should average 59.8 percent this year; rates should increase 3.7 percent this year and 5.5 percent in 2012. (Source: PwC press release).

### *Some Markets See Major Occupancy Increases*

Among the top 25 hotel markets in the U.S., five are seeing year-over-year hotel occupancy increases in the double digits. Houston is up 14.8 percent to 65.1 percent; Nashville is up 11.2 percent to 65.4 percent; Norfolk – Virginia Beach is up 10.8 percent to 59.2 percent; Orlando is up 10.8 percent to 76.4 percent and Minneapolis-St. Paul is up 10 percent to 64.1 percent, according to the hotel consulting company STR. (Source: STR press release).

### *Easter, World Events Cause Temporary Lull for Business Travel*

The double-digit growth that business travel had seen earlier this year slowed in April, due primarily to the Easter holiday and world events. These included the earthquakes in Japan and New Zealand and simmering tensions in North Africa and the Middle East. But Pegasus Solutions, the world's biggest processor of hotel transactions, calls this just a temporary slowdown. "The fundamentals driving corporate travel recovery – overall economies, corporate earnings, business trips and meetings/conference travel – are improving and increasing, while pent-up consumer demand and slow room supply growth portend a better summer travel season than last year's," said Mike Kistner, CEO of Pegasus. (Source: Pegasus press release).



## *Spotlight On.....*

### *Sleeping With Your Smartphone*

*Smartphones and similar handhelds have become so integral to their users' lives that more than 60 percent of mobile workers sleep with their smartphone, according to a the quarterly Mobile Workforce Report produced by iPass, which provides enterprise mobility services. Ninety-one percent of mobile workers check their smartphones even during off hours, 30 percent check them every six to 12 minutes, even when they're technically off duty. All of this takes its toll.*

- *The average mobile worker works 240 hours a year longer than the general population*
- *Thirty-eight percent of mobile workers wake up at night to check their smartphone*
- *Thirty-five percent check email in the morning before getting dressed or eating breakfast.*
- *Twenty-nine percent report that their mobile technology use causes friction with their spouse or partner.*

*(Source: iPass press release).*

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