



Airlines

Upgrading Inflight Wi Fi

Inflight Wi-Fi junkies know that when a lot of their fellow passengers are online, service speed plummets. Some research indicates just having 10% of passengers online can hurt internet speeds. But airlines are moving from air-to-ground to satellite technology to improve the inflight experience. Southwest Airlines has quietly installed satellite-based Wi Fi on more than 400 of its aircraft—about 75% of its fleet—and is adding movies and on-demand TV shows. Jet Blue Airways has begun the installation and certification process for its satellite Wi Fi this month. And United Airlines has started offering satellite-based Wi Fi on some of its international wide-body aircraft. It is also offering it on two aircraft flying domestic routes and is charging more for the satellite service. United offers Wi Fi on about 20 of its aircraft now and expects most of its fleet to have satellite Wi Fi by 2015. (Source: press releases and industry interviews)

Southwest Introduces Early Boarding Option

Southwest Airlines has introduced a fourth way for passengers to improve their boarding position with its new \$40 early boarding option. Southwest does not assign seats but boards its passengers by groups—A, B and C. However, Business Select passengers always have the coveted A1-15 boarding slots. Now, when those are available, ticket agents can sell them for \$40 to other travelers, 45 minutes before the flight departs. Southwest passengers have other ways of getting a better chance at getting the seat they want. For \$10, they can buy EarlyBird boarding, which automatically checks passengers in 36 hours before departure, 12 hours before general boarding becomes available. The earlier you check in, the better your boarding position, so travelers can also move up in the boarding line by checking 23 hours and 59 minutes before their departure. (Source: interviews)

Changing Airline Fees

Having trouble keeping up with all the different fees airlines charge? Well, it's not surprising, given the fact that airlines changed those fees more than 50 times last year, according to Travel Nerd, which developed an airline fee comparison and shopping tool. More than half of the fee changes were for baggage, but a significant number of fee changes were for services such as selecting seats, priority boarding or changing tickets. It found that ultra-low-cost carriers Spirit Airlines and Allegiant Air accounted for 18 of the fee changes. (Source: Travel Nerd)

FAA Studies Use of Portable Electronics In Flight

The Federal Aviation Administration is studying the use of portable electronics in flight, considering whether or not to let passengers keep their devices on during takeoff and landing. The question is whether or not electromagnetic interference from devices poses a safety threat to aircraft navigation or communication systems. There are other concerns—such as whether handhelds could become projectiles during an aborted landing. The group is not looking at cell phone use because that falls under the authority of the Federal Communications Commission. (Source: FAA press release)

Third Quarter Domestic Airfares Up 1.8%

Third quarter domestic airfares were up 1.8% over a year earlier according to the Department of Transportation's latest figures. Not adjusted for inflation, the \$367 third-quarter fare is the fifth highest since the DOT started tracking fares in 1995. However, third-quarter 2012 fares were \$243 in 1995 dollars, down 18.1% from the average fare of \$297 in 2000, the inflation-adjusted high for any third quarter. (Source: DOT)

Hotels

Hotel Revenue and Occupancy Keep Growing

Hotel consulting group TravelClick says that North American hotels should continue to see occupancy and rates grow, although rates are going up faster than occupancy levels. Occupancies are up 2% over a year ago, while average daily rate (ADR) is up nearly 5%. Group travel is driving occupancy increases; it is up 2%. Leisure demand is up 3.9%, while business demand is down 2.5%

Separately, Pegasus Solutions, the biggest processor of hotel electronic transactions, said that leisure travel continued to outpace 2011 in the fourth quarter of 2012. And corporate bookings rose to match those of December 2011, something that happened in only three other months in 2012, according to Pegasus. It projects continued growth in both leisure and business bookings. (Source: Travel Click, Pegasus press releases)

Car and Rail

Amtrak Looking 220 mph Trains in Northeast, California

Amtrak and the California High-Speed Rail Authority are looking for proven High Speed Rail trains that are in service now that could travel at speeds of up to 220 mph. It would operate these trains in the Northeast Corridor and in California's developing High Speed Rail corridor. California has set a goal of three-hour train trips between Los Angeles and San Francisco by 2029. The system would eventually extend to Sacramento and San Diego, covering 800 miles. Amtrak wants to add to its high-speed Acela service on the Northeast Corridor, which has seen record-setting ridership over the last decade. (Source: Amtrak press release)



Spotlight On...

Rosier Business Travel Outlook

Business travel spending slowed at the end of 2012, mostly because companies postponed investment decisions while they awaited the outcome of the presidential elections and resolution of the fiscal cliff crisis, according to the Global Business Travel Association's BTI Index, a business travel index. But the forecast for this year is more positive, with one caveat: that economic and political uncertainty continue to ease.

- *U.S. business travel spending is expected to increase 4.6% to \$266.7 billion in 2013*
- *Trip volume will decrease slightly by 1.1% to 431.8 million person trips*
- *International outbound travel spending will increase 5.9%*
- *Group travel spending will increase 5.2%*
- *Price inflation will be modest, meaning companies will spend more real dollars on business trips.*

In 2012, the GBTA estimated that U.S. business travel spending grew 1.6% to \$254.9 billion, while trips decreased 1.9% to 436.5 million person trips. Source: Global Business Travel Association BTI Outlook

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.