



Airline Business Trips Could Drop 36% as Corporate Travelers Embrace Technology

Airlines can recover the revenue loss by prioritizing leisure travel and ancillary revenue, along with modifying cabin seating strategy.

Dublin, Ireland & Shorewood, Wisconsin, Wednesday, 1 December, 2020: Business travel is likely to stay depressed as the airline industry begins its recovery from the pandemic. That's the conclusion of a new report based upon a first-ever approach of assessing business travel by trip purpose, rather than industry category. **The Journey Ahead: How the Pandemic and Technology Will Change Airline Business Travel** is sponsored by global travel tech provider CarTrawler and was released today. The IdeaWorksCompany analysis estimates the frequency of different types of airline trips, predicts how that will change, and offers insights into how airlines can maximize new revenue in the future.

Key findings from the report:

- Analysis reveals a potential overall loss of airline business trips ranging from a low of 19% to a high of 36%.
- Travel for "sales activity and securing clients" is the largest category of business air travel (25% of the total); it's projected to show a modest loss ranging from zero up to 20%.
- Intra-company meetings comprise 20% of all business air trips, and are projected to decrease up to 60%.
- Business travel booked by US corporate travel agents had a 95% year-over-year plunge in transaction value at the beginning of the pandemic in March 2020; this slightly improved to an 85% drop by November 2020.
- Airlines can recover the revenue loss by:
 - Enhancing leisure travel retail efforts;
 - Boosting ancillary revenue;
 - Reducing lie-flat seat capacity; and
 - Adding premium economy seating.

Aileen McCormack, Chief Commercial Officer at CarTrawler, said: "With huge flux in the business air travel segment, and indeed the sector as a whole, it is clear that airlines must adapt to meet consumers' needs otherwise they will be left behind by their competitors. The good news is that an innovative plan encompassing an added focus on leisure travel, ancillary revenue, and seating strategy will offset airlines' business travel losses and ensure that carriers are well placed to emerge stronger and leaner once the pandemic is over."

The report includes a 6-point checklist advising airlines how to transform their companies to meet the challenge. The full report is available to view at <https://ideaworkscompany.com/reports/>

About CarTrawler: CarTrawler is the leading B2B provider of car rental and mobility solutions to the global travel industry. We bring opportunities to life through an online marketplace connecting our partners, customers and mobility suppliers. CarTrawler's end-to-end technology platform expands our airline and travel partners' offering to their customers, creating substantial ancillary revenue opportunities. We provide unrivalled breadth and depth of content worldwide, including car rental, private airport transfer and ride-hailing services. CarTrawler creates innovative, data-led solutions for some of the largest travel brands in the world, including American Express, Alaska Airlines, easyJet, eDreams ODIGEO, Hotels.com, KLM, TravelStart and Emirates. As a B2B company we focus solely on helping our airline and travel partners build their brands, not our own. CarTrawler was established in 2004. Our headquarters are in Dublin, Ireland, with an office in New York. For more information visit www.cartrawler.com.

About IdeaWorksCompany: IdeaWorksCompany boosts airline profits through innovations in ancillary revenue, a la carte pricing, and loyalty marketing. The firm was founded in 1996 and has an international client list of airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany enjoys a reputation as a global resource for ancillary revenue strategy, on-site executive workshops, and research reports. Learn more at IdeaWorksCompany.com.

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