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## **More than one-third of all airline business trips could disappear after COVID**

By Mitra Sorrells

*This article is based upon a report issued by IdeaWorksCompany.*

A new report produced by IdeaWorksCompany and sponsored by CarTrawler predicts airline travel for business purposes will be permanently down at least 19% and as much as 36% compared to pre-pandemic levels, as a portion of trips are replaced by technology.

The Journey Ahead: How the Pandemic and Technology Will Change Airline Business Travel breaks down the reasons for business travel into seven categories, ranging from customer-focused activities such as “sales and securing clients” and “conventions and trade shows” to internally focused activities such as “intra-company meetings” and “technical support.” The report says the division between customer and internal purposes is 65% and 35%, respectively.

Using input from industry experts and existing reports, the analysis says travel for sales and securing clients is the largest category of business air travel, accounting for about 25% of all trips pre-pandemic. That category could see no permanent change up to a decline of 20%.

“Business development will stay consistent with pre-pandemic levels with 80 to 100% of trips kept because ‘being there’ remains an important attribute for sales,” the report states.

Intra-company meetings comprise 20% of all business air trips and are projected to decrease at least 40% and up to 60%. Attendance at convention and trade shows, also accounting for 20% of all business air trips, is expected to decline at least 10% and up to 20%.

The report says airlines should recognize 2021 will be a bigger challenge financially than 2020: “The airline industry nearly had a full quarter of normal operations before the pandemic arrived in mid-March 2020. This brief period provided a smidgen of economic fuel for the remaining months. That same early boost won’t occur in 2021,” it states.

The report suggests airlines can replace some of the revenue that will be permanently lost from a decline in business travel by doing things such as enhancing leisure travel retail efforts, boosting ancillary revenue, reducing lie-flat seat capacity and adding premium economy seating.

“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,” says Aileen McCormack, chief commercial officer at CarTrawler.

“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.”