

December 19, 2021

By Joe Taschler

Airlines Now Competing With Other Leisure Activities, Consultant Says

The ongoing COVID-19 pandemic means 2022 will likely be another year of upheaval in the airline business, according to a report issued by IdeaWorks, a Shorewood-based air travel consultancy.

The report was issued in late November by IdeaWorks in conjunction with Dublin, Ireland-based CarTrawler, a global provider of technology solutions for the travel industry. The airline industry must adapt if it expects to resemble what it did prior to COVID, said Jay Sorensen, IdeaWorks president.

"During the 20 months of the pandemic, people have developed different spending habits that don't involve travel," Sorensen said. "Those spending habits are going to be very sticky. Just because the pandemic eases doesn't mean that those consumers will leap back into spending money on travel.

"This is especially true if travel remains as difficult and inconvenient as it is now." The situation mostly applies to international travel, he said.

Still, the competition for airlines these days is more than simply competing against one another. "Prior to the pandemic, we assumed the travel industry was an artesian well ... forever nourishing an ever-growing supply of planes and hotels," Sorensen wrote in the report. "The pandemic has taught us that competition does exist for the air travel spending by leisure and business travelers."

Even if that competition is coming from a bass boat.

"For those leisure travelers seeking fun, the purchase of a fishing boat or cottage, or spending more money at local restaurants, can provide long-lasting enjoyment," Sorensen said.

The competition from technology is well-documented. "For business travelers, there are plenty of occasions when a Zoom call provides a proxy for a business trip," Sorensen said.

That means airlines will have to work even harder to persuade many people to return to the skies. Airlines "have competition now for the discretionary spending of leisure travelers and the annual budgets of corporations," Sorensen said in the report. "Woe be to the airline executives — and frontline employees — who forget this."

During the coming year, "airlines will face moments ... that define whether they continue to struggle or return as robust providers of service to leisure and business travelers," Sorensen said in the report.

Airlines must "work harder to become convenient and predictable partners in the lives of (their) customers again," he added. "The process begins with accepting that changes have occurred."

International travel is likely to continue to be difficult, as countries close their borders in response to outbreaks of COVID variants.

"I think 2022, for cross-border travel, is going to be difficult," Sorensen said, especially for places where border crossings can be a hassle.

"In the U.S., we're lucky," he added. "We have an entire giant country to roam around in."