



Educational Travel Consortium
At the crossroads of lifelong learning and travel

2017 Annual Global Gathering

Air Session - Reference Sheet

TOP AIRLINE TRENDS 2016

- **Commercial Flights to Cuba** – began fall 2016
- **Airline Product Diversification** – new low cost no frills fares introduced to the market, as the larger US airlines seek to compete with low budget carriers. High-end leisure fares also introduced to entice business / first class clients....the products continue to flood market from paying for early check in, to paying for seat assignment, to paying for water on board aircraft! What is next!!
- **Pilot Shortages** – especially impacting US domestic regional and low cost carriers

OTHER AIRLINE TRENDS

Airline Alliances

Airlines, like politicians and countries, create strategic “alliances” where they agree to partner together to create everything from code share agreements to combining routings and fares, sharing mileage accrual within frequent flyer programs, sharing lounge access at airports, to positioning of co-locations within airport terminals.

Star Alliance: UA, SA, AC, US, TP...see www.staralliance.com

Sky Team: DL, AF, KL, AZ, KE....see www.skyteam.com

One World: AA, LA, IB, BA, LA, QF...see www.oneworld.com

Airline Seating

Airlines have been busy retrofitting their aircraft to create new expanded premium seats within cabins. To increase the sales of these premium and mid-premium seats, economy seats are fit into tighter spaces and are often only available for pre-assignment in higher price categories.

Business/First Class Seating -- Most all international flights now offer “lie flat” beds – These “beds” can vary widely, so it’s important to inquire specifically about the features and amenities at time of booking.

Premium Economy -- Many international flights offer premium economy cabins, which are priced between economy and business and offer fewer amenities than first or business but more space, better food etc. than economy. Most of these seats are considered add on or auxiliary purchases.

Fare Trends

Airlines began the practice of creating fare “families” – which is bundling a seat price plus other ancillary products. Many are branded with names like “Smart Travel Pack” (DL) or “Choice Essential” (AA). For a single price, bundles offer a seat plus other conveniences like priority boarding, Wi-Fi, free checked bags and other extras. Every airline offers something slightly different so check airlines website for the most up to date information.

The number and type of fares offered continues to diversify. Some tickets are flexible and allow for changes, pre-seat assignments, checked luggage, and other amenities. Others are incredibly restrictive, offering no extras, refunds, or seats. It is extremely important for agents to be aware of these fare subtitles and help clients select the best type of ticket for their trip.

Airlines continue to use yield management to maximize profit during holiday travel seasons. It is important to know when to book these tickets and how to set up expectations for travel cost during these periods.

AIR INDUSTRY INFORMATION

- **New Mergers** – Virgin America will be merging with Alaska Air soon
- **New Routes** – over 3000 new airline routes opened up in 2016, with the highest percentage of these from international airlines flying new routes TO various US airports
- **Continued Growth of Low Cost Carriers** – Norwegian Airlines began flying many flights to/from USA to many European cities including new flights from the USA to Caribbean. Ryan Air growing rapidly in Europe, competing well against large European carriers.
- **Continued Growth of Gulf and Asian Carriers** – including Emirates, Etihad, Qatar, Korean, Air China, Asiana, China Eastern and others
- **Iconic original jumbo jet Boeing 747** – is starting to phase out, being replaced by more fuel efficient longer haul large jets including the A380 and the Boeing 787 “Dreamliner”
- **Longer Routes** – many of the new longer haul aircraft can fly longer distances – with world longest route to fly between New Zealand and Qatar by Qatar Airlines (beating Emirates by only a few minutes who now flies the “ultra long” route between Dubai and New Zealand).
- **Trusted Traveler Programs** - How we get through security is changing. Two popular programs are Transportation Security Administration (TSA) Pre-Check program and Customer and Board Protections (CBP) Global Entry program.
 - **TSA Pre-Check:** This TSA expedited airport security screening program allows for less intrusive security checks and shorter security processing times. TSA Pre✓™ allows pre-approved, low-risk travelers the opportunity to apply for expedited screening at participating U.S. airports. Current cost is \$85. See www.tsa.gov/tsa-precheck
 - **Global Entry:** Global Entry allows for expedited customer and immigration clearance for pre-approved, low-risk travelers upon arrival into United States. Current cost \$100. Program allows travelers to enter US using automated kiosks that are located at select airports. See: www.globalentry.gov/

AIR TIPS - PLANNER/TOUR OPERATOR

In an effort to provide the best overall group experience for your customers that is also good value and offers your customers an air experience that is the best it can be – here are a few things to be mindful of when planning and booking air within your programs:

- Be flexible in your travel plans – the best prices may be available only on certain dates or even seasons
- Work with multiple airlines to secure competitive pricing
- Be mindful of new airline routes opening up all the time – the same old routing may not be the best anymore
- Technology – make sure to provide electronic and online access to your customers.
- Baggage – this is a very important area for consumer – make certain your disclosures are complete and in line with DOT and factor in cost of baggage when making a selection of routing and fares for your clients. Look for the hidden costs.
- Advanced Seat Reservations – make certain you review the terms provide by the airline regarding advanced seat reservations. Often a group fare or other special fare, may not allow for seating until 24 hours prior to travel.
- Be aware of many ancillary fees and options for your clients – visit the airline websites as these are changing regularly
- Tour Operator and Planners – talk together and look at ways to secure best pricing from the airlines
- Consider travel insurance and make certain it includes air
- When selecting a routing, consider nonstop routing even if it cost a little more - **convenience often trumps cost**
- Mitigate problems caused by unexpected disruptions, consider flying a day earlier/ahead of your group tour – with decreased available capacity, flights are often full therefore it is more difficult than ever, to deal with weather and other unavoidable delays enroute to a program!

Be an educated and informed air traveler!

Information gathered by:

ROAD SCHOLAR

