

Business Travel Footnotes

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AIRLINES

Aviation, Past and Future, Viewed Through the Prism of 9/11

What's the state of the airline industry a decade after 9/11? Airlines today are leaner and more resilient than they've ever been, according to the International Air Transport Association's just released "The Impact of September 11 on Aviation." Airline revenues this year will be nearly double what they were in 2001 and they're flying one billion more passengers than they did a decade ago. Still, 9/11 cost airlines about three years of growth and profit margins remain slim. The report's main focus, however, was less on the past and more on the future. It looked specifically at how to improve the check-in experience, turning it from an obstacle course to a more streamlined experience. The goal is to use data the airlines already have to judge the risk travelers present and allocate security resources toward screening and checking high-risk passengers. Scans of passengers' passports or tickets would send them to one of three different lanes. Most travelers would simply stroll through a checkpoint that can detect metal and other dangerous substances—without having to stop, unpack or strip. They'd establish their identities through a biometric measure such as an iris scan. IATA says the capability to achieve some of this exists today, while it will take three to seven years to develop the technology to do it all. Some countries are already developing "known traveler" projects to begin such risk assessment. IATA's "Checkpoint of the Future" is an example of an industry-wide effort to maintain security without making it an impediment to travel. (Source: IATA report)

Airline Security Still Needs Work

Despite a decade of work, airline security screening still falls short in critical ways when it comes to detecting terrorists, according to a new report co-authored by Thomas Kean and Lee Hamilton, co-chairs of the Bipartisan Policy Center's National Security Preparedness Group (NSPG), the successor to the 9/11 Commission. The report, "The Status of the 9/11 Security Recommendations," points to the Government Accountability Office's criticism of the way the Transportation Security Administration and the Department of Homeland Security have explained their technology program requirements. Ill-defined requirements make it hard for the private sector to design cost-effective screening equipment. On top of that, the GAO said the TSA hasn't incorporated cost and benefit information in making technology purchasing decisions—wasting "significant amounts of money." The U.S. is safer and more secure than it was a decade ago, but it has not achieved the security level that it could have. "We have done much," the report's authors write, "but there is much more to do." (Source: NSPG)

Stiffer Airline Consumer Protection Laws Now in Effect

It's official. The new Department of Transportation rules designed to give airline passengers more protections are in effect. That means airlines now have to refund your baggage fees if they lose your bags. If you're bumped from a flight, they now have to pay double what they used to for that inconvenience. The ban on lengthy tarmac delays now covers international carriers as well as domestic carriers. There's more to come. In January, airlines will have to let you hold a reservation without payment or cancel a fare without penalty within 24 hours of booking that fare. (Source: DOT)

Air Traffic is Up, But Could Falter as Year Progresses

Air traffic was up 5.9 percent in July over the previous year, bucking the trend for a gloomy economic outlook, according to the International Air Transport Association. Growth was stronger for international travel than domestic. IATA expects growth overall to slow later in the year, reflecting a drop in business and consumer confidence. (Source: IATA)

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HOTELS

Americans Rank Cleanliness over Security

Cleanliness comes first for Americans when picking hotel rooms. Forty-three percent of those queried in a study done for the Chubb Group of Insurance Companies said cleanliness was the most important factor in selecting hotels as opposed to 11 percent who put security first. The survey also showed that 84 percent of Americans would not refrain from traveling for business on Sept. 11, 2011, with one in five concerned about flying on Sept. 11. Only 16 percent were worried about flying on a national holiday. (Source: Chubb press release)

Guest Satisfaction with Hotels Continues to Rise

Guest satisfaction with hotels continues to rise. Most industry segments reported higher scores, according to the latest quarterly Market Metrix Hospitality Index. Upper midscale hotels increased the most, by one point, to a score of 84, and luxury hotels increased by .9 of a point, to 89.4. More people are now selecting hotels because of their loyalty programs, which have improved benefits and are more guest friendly. The top three reasons for choosing a hotel are: location, price and past experience. (Source: Market Metrix)



Spotlight on: Increased Spending on Business Travel

Global business travel spending around the world increased 8.4 percent in 2010, after falling 7.8 percent in 2009, and is projected to grow 9.2 percent this year to just over \$1 trillion, according to a study by the Global Business Travel Association Foundation, the research arm of the Global Business Travel Association. The recovery is happening, according to Michael McCormick, executive director and COO of the GBTA, but not as quickly as most of us would like. He said that all signs point toward continued growth, albeit at paces that vary by region.

- *Growth in BRIC countries (Brazil, Russia, India and China) is projected to grow two to three times faster than in developed economies like the U.S., France, Germany and the U.K.*
- *Projected compound annual growth in business travel spending for 2011 through 2015 will be 11.2 percent for China, 5.4 percent for the U.K., 10.8 percent for India, 3.8 percent for the U.S., 7.1 percent for Russia, 3.3 percent for France, 7 percent for Brazil and 2.9 percent for Germany.*
- *The GBTA's Business Travel Index, based on total business travel spending, hit 133 in 2010 and is forecast to grow to 145 this year. It should reach 193 by 2015. The U.S. BTI was 109 in 2010 and in China, India and the U.K. it was 286, 197 and 95, respectively.*

(Source: Global Business Travel Association)

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Conlin Travel is committed to providing you with useful information on the latest developments in the travel industry. The preceding information has been compiled from a variety of sources and is updated monthly.

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