

RTA REGIONAL
BUSINESS
LEADERSHIP
**2021 RTA
TRANSPORTATION
BREAKFAST**

Presented by



THE FUTURE OF BUSINESS TRAVEL AND RDU

Friday, July 9, 2021

8 a.m. – 9:30 a.m.

The Umstead Hotel and Spa



**@RTATriangle
#RTAbfast21**

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NATIONAL LANDSCAPE OF BUSINESS TRAVEL



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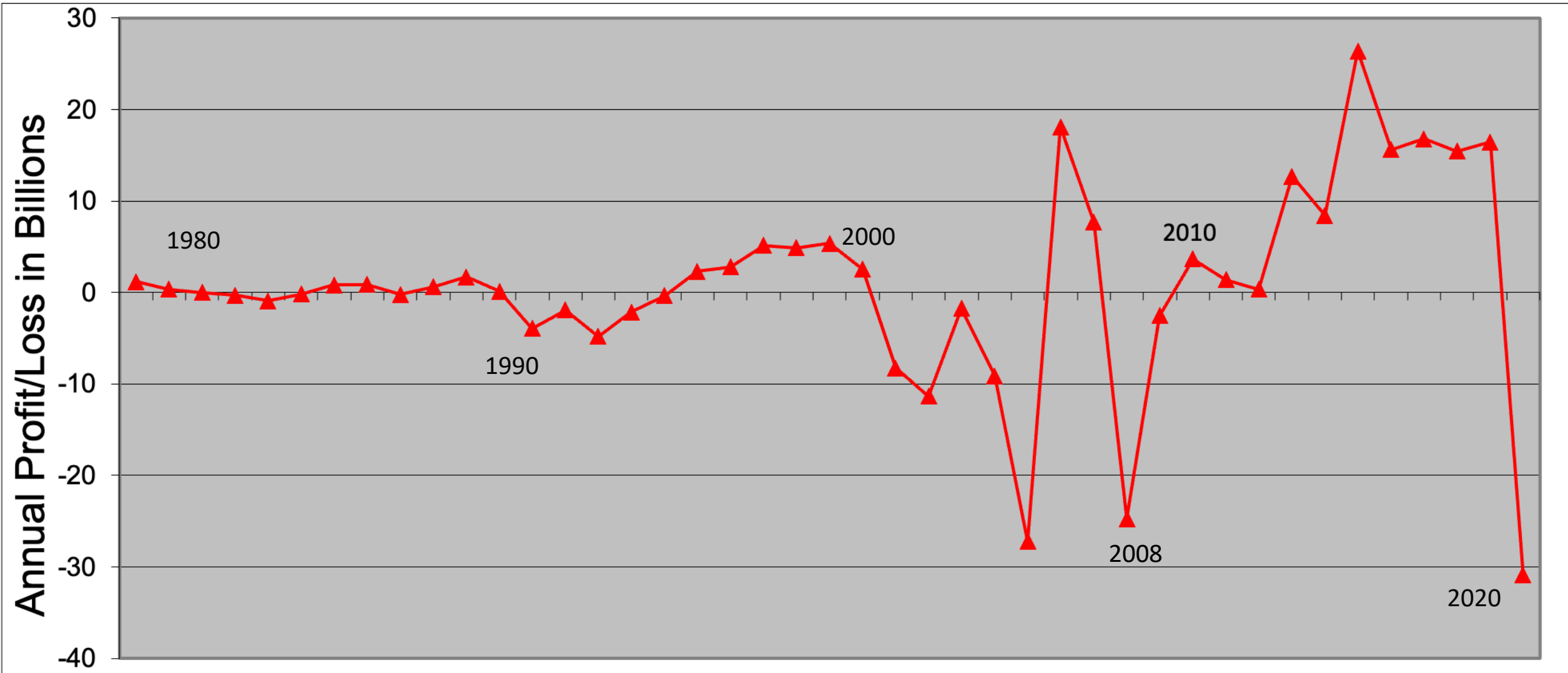
The Future of Business Travel & RDU

What's Ahead for Airports & Airlines



Scott McCartney
THE WALL STREET JOURNAL.

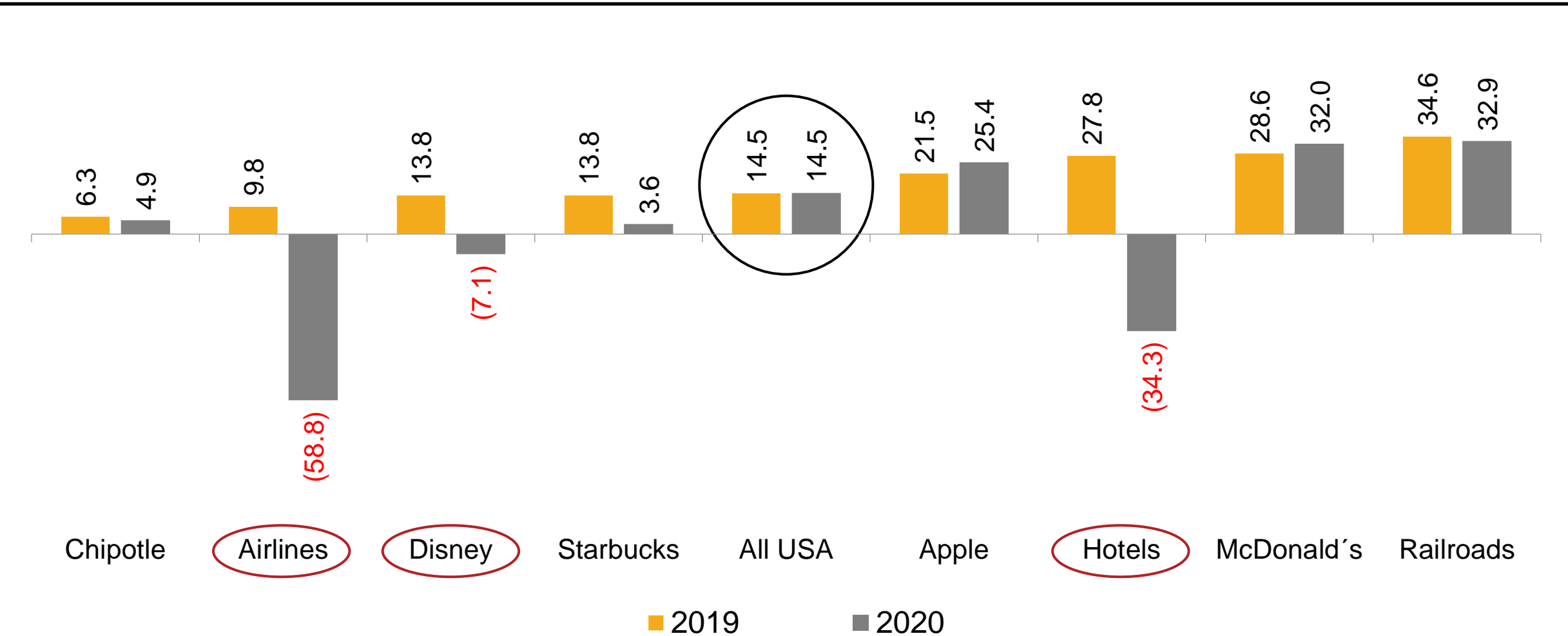
U.S. Airline Industry Profits (Hah!)



Cumulative profit in 42 years of deregulation: \$41 billion

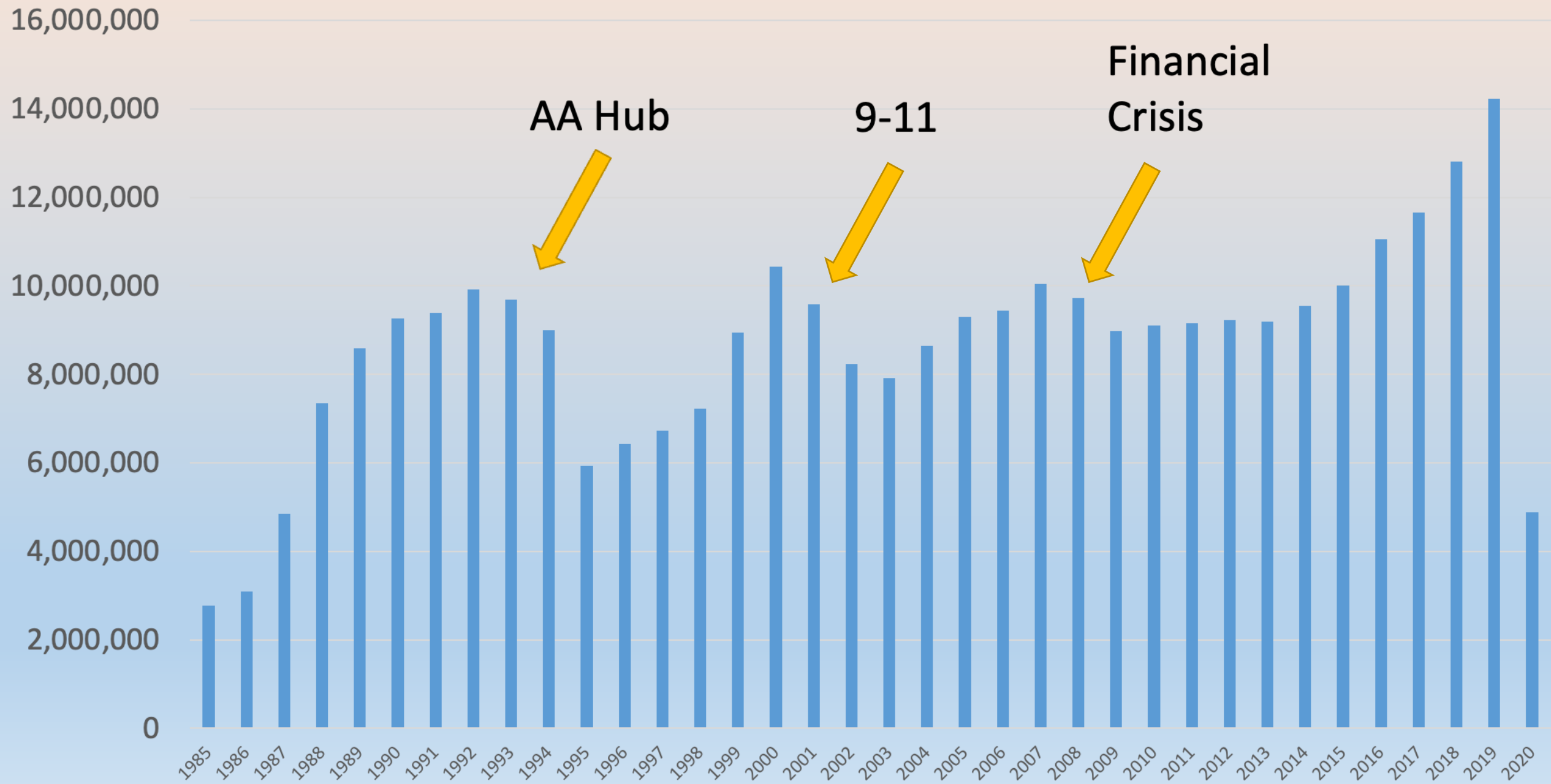
In 2020, Travel-Sector Profitability Took a Massive Hit; Overall Corporate Profitability Was Flat

Pre-Tax Profit Margin (% of Operating Revenues)



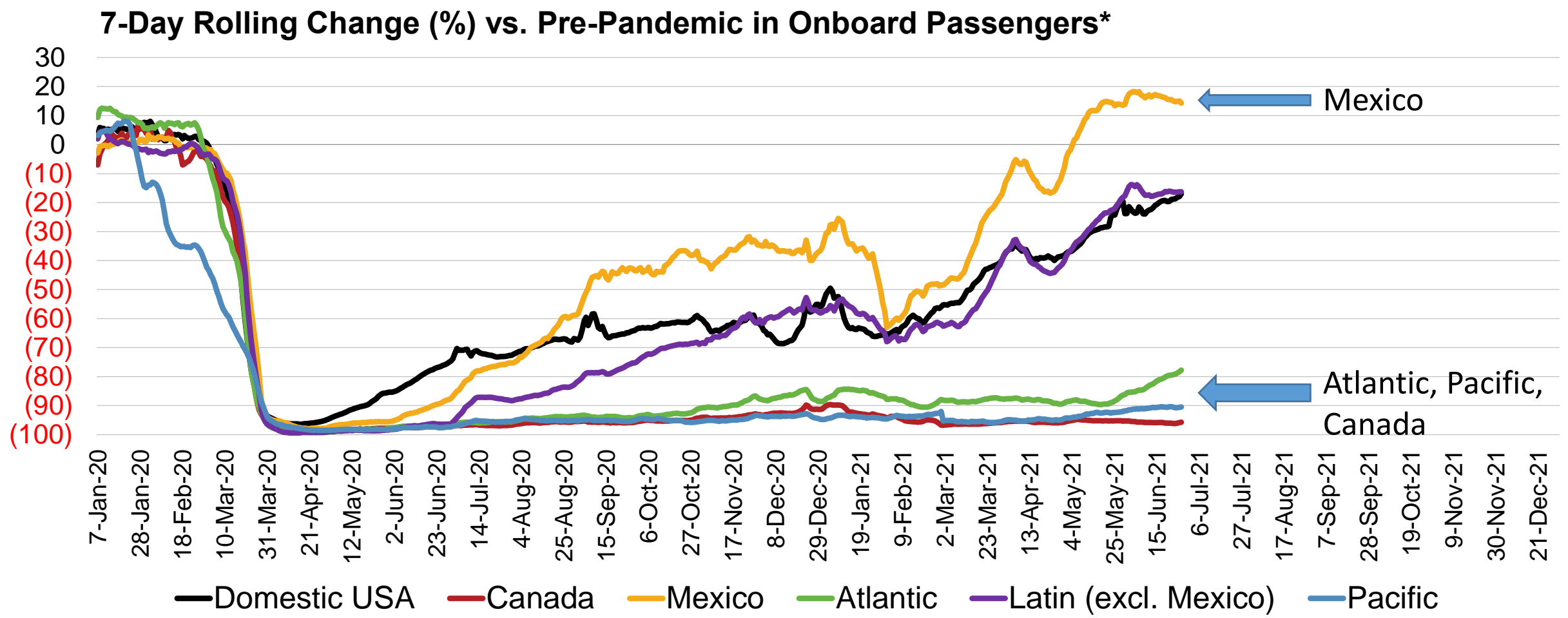
Source: Company SEC filings Note: Airlines = Alaska/Allegiant/American/Delta/Hawaiian/JetBlue/Southwest/Spirit/United; Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Railroads = CSX/Norfolk Southern/Union Pacific

RDU Passenger Enplanements 1985-2020



In Most Recent Week, U.S. Airline Passenger Volumes Were 21% Below Pre-Pandemic Levels

Domestic Air Travel Down 17%, International Air Travel Down 45%



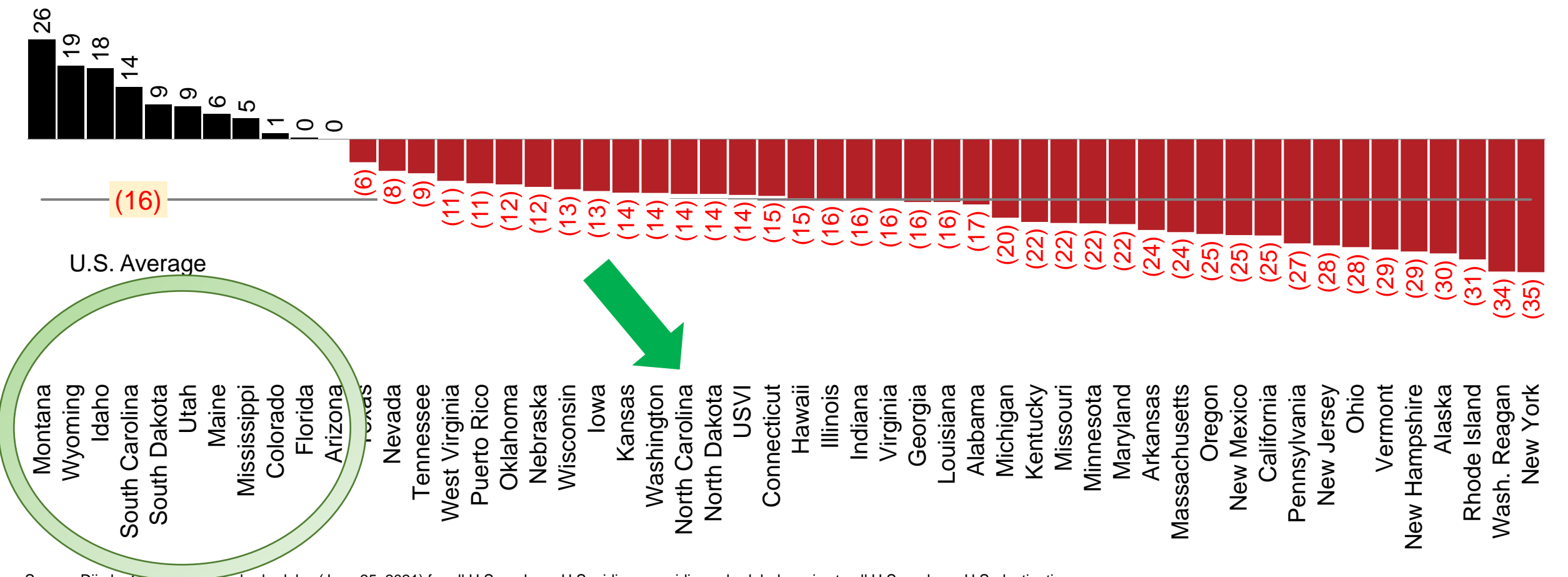
Source: A4A member passenger airlines and branded code share partners

* Onboard ("segment") passengers; "pre-pandemic" precedes March 1, 2020

For Jul-Sep, U.S. Airports Are Averaging a 16% Decline in Flights vs. Pre-Pandemic Levels

Eleven States Are Exceeding 2019 Levels; New York/DC/Rhode Island Seeing Largest Cuts

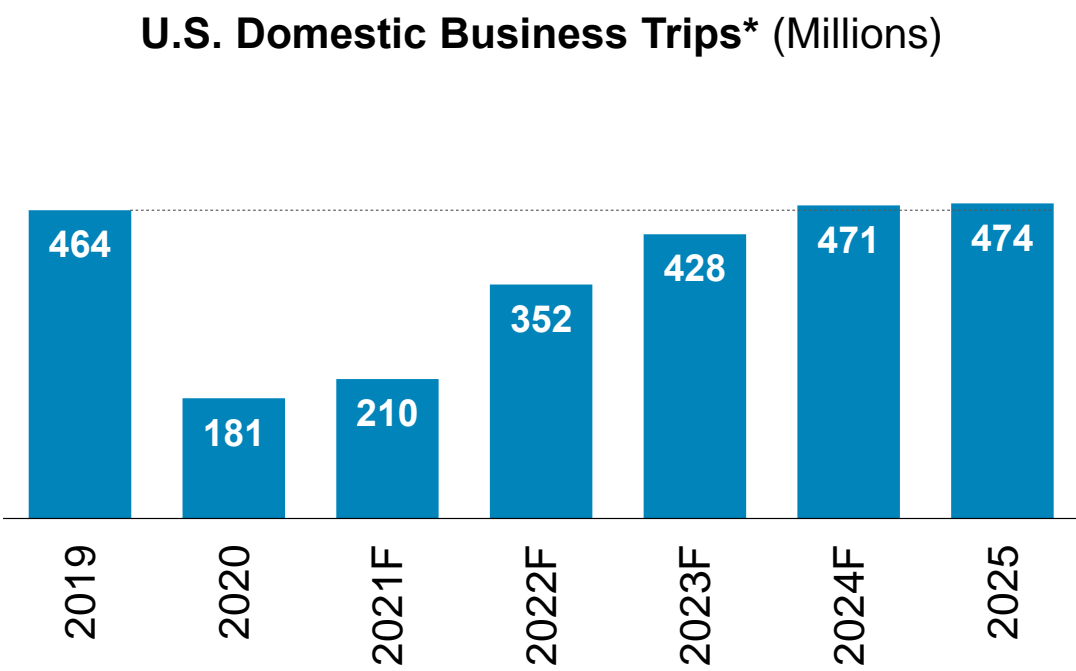
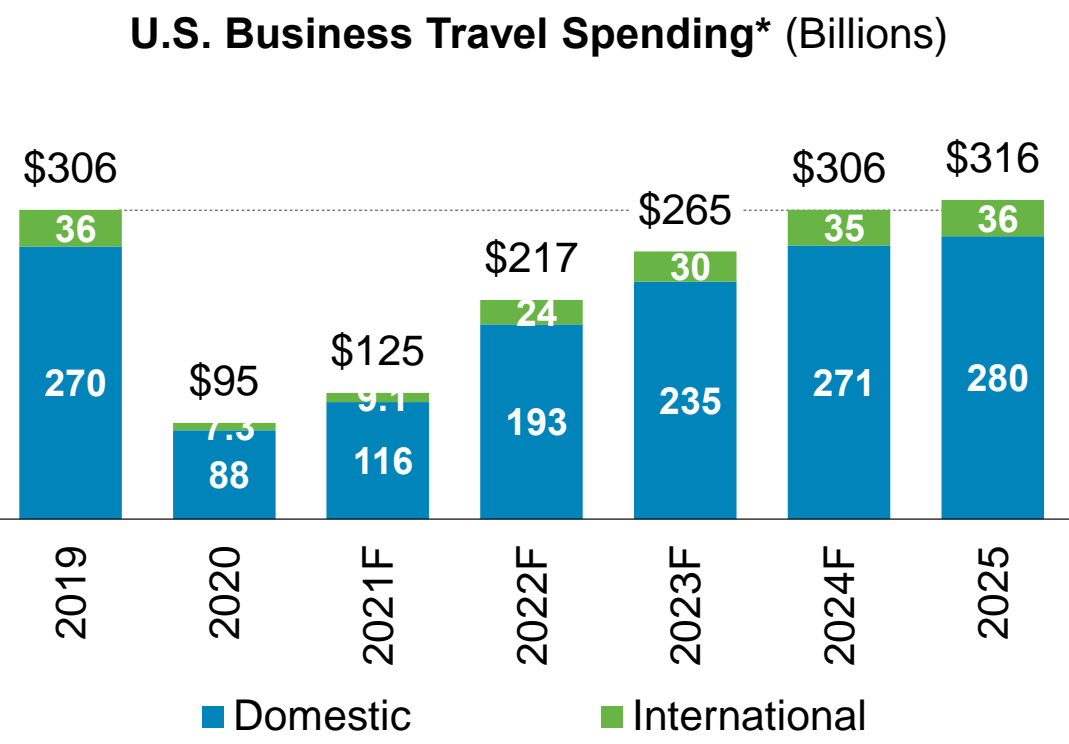
% Change in U.S. Outbound Scheduled Passenger Flights: 3Q21 vs. 3Q19



Source: Diio by Cirium published schedules (June 25, 2021) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

The U.S. Travel Association Projects U.S. Business Travel to Return to 2019 Levels in 2024

“Lingering COVID restrictions and a patchwork approach to reopening across the country will prevent the economically crucial business travel segment from recovering until at least 2024... Travel overall is by far the U.S. industry hardest hit by the ongoing fallout of the COVID-19 pandemic.” (U.S. Travel Association, June 2021)

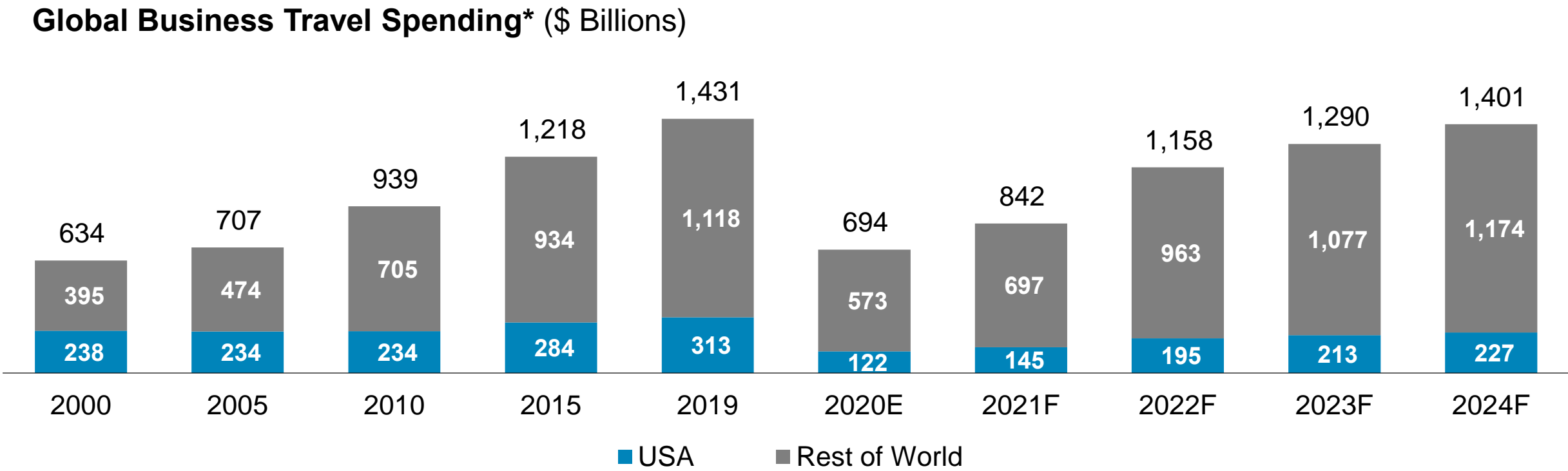


Source: U.S. Travel Association and Tourism Economics (June 15, 2021) * Includes air and non-air travel

Recovery of *Global Business Travel Spending* Projected to Take Five Years

GBTA Projects Spending in the U.S. to Reach Just 73% of 2019 Levels by 2024

“We expect Europe and North America to lag, recovering to only 75% to 85% of pre-pandemic spend by 2024.” (Global Business Travel Association, Feb. 2, 2021)



Source: GBTA BTI™ Outlook—Annual Global Report & Forecast (January 2021) * Includes air and non-air spending on travel and related activities

Airline Guys Business Travel Research

Business Trip Purpose

Sales and Securing Clients

Customer Support

Conventions & Trade Shows

Professional Services –

Clients & Research

Technical Support

Intra-Company Meetings

Commuters by Air

Airline Guys Business Travel Research

Business Trip Purpose

Percent of Trips

Sales and Securing Clients	25%
Customer Support	10%
Conventions & Trade Shows	20%
Professional Services – Clients & Research	10%
Technical Support	10%
Intra-Company Meetings	20%
Commuters by Air	5%

Airline Guys Business Travel Research

Business Trip Purpose

Potential Loss

Sales and Securing Clients	0% - 20%
Customer Support	20% - 30%
Conventions & Trade Shows	10% - 20%
Professional Services – Clients & Research	30% - 50%
Technical Support	20% - 40%
Intra-Company Meetings	40% - 60%
Commuters by Air	40% - 60%

Airline Guys Business Travel Research

Bottom Line

Overall Loss: 19% - 36%

business trip loss due to technology

The U.S. Cities Where Airlines See the Most Growth

Austin, Boston and Raleigh-Durham are among the mini-hubs the major carriers will be fighting over this year, to the benefit of air passengers (April 28, 2021)

Airlines Chasing Business Travelers

- Delta concentrating on Austin, Raleigh-Durham and Boston
- JetBlue up to 10 cities from 3 in June
- American adding flights
- Point-to-point, not to hubs
- July scheduled flights still 35% lower than 2019***

Which One is LaGuardia?



2019 – Airport Rankings

The Wall Street Journal ranks
Raleigh-Durham in the Middle of the Pack
Among 20 Mid-Size U.S. Airports

RANK	AIRPORT	RELIABILITY	VALUE	CONVENIENCE
12	Raleigh-Durham (RDU)	#17 of 20	#3 of 20	#7 of 20

Worst scores in delays, cancellations, taxi time, average fare, Wi-Fi speeds, Yelp restaurant reviews, walking distance
Best scores in airline market share (competitive), parking cost, WSJ reader satisfaction, TSA wait times



2019 – Airport Rankings

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Raleigh-Durham International

Reliability		Value	
On-time arrival %	77.00% (19)	Avg. domestic fare	\$356.15 (15)
Avg. arrival delays	62:13 (16)	Airline market share	19.80% (1)
Flight cancellation %	2.99% (18)	On-site parking	\$6.50 (1)
Avg. taxi time	18:05 (17)	Car-rental taxes	30.72% (11)
TSA screening time	4:45 (5)	UberX to city center	\$25.70 (15)

Convenience	
Wi-Fi speeds	24.8 Mbps (15)
Yelp restaurant rating	2.69 (15)
Max. walking dist.	2,337ft (15)
Nonstop destinations	62 (13)
WSJ reader satisfaction	3.25 (3)

[illegible]INSIDE
EXPANSION

As demand keeps climbing, airport execs wonder how much growth is too much. **R3**

AIRPORT RANKINGS

For large airports,
turn to pages **R4-5**
For midsize airports,
turn to **R8**

RIDE-SHARING

Families are trying to get creative to untie the knots at pickup and drop-off times around the country. **R2**

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Cooking classes
Cuisine
Offering options
get involved
more local
utes, bro
favorites: 8





Questions?

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