



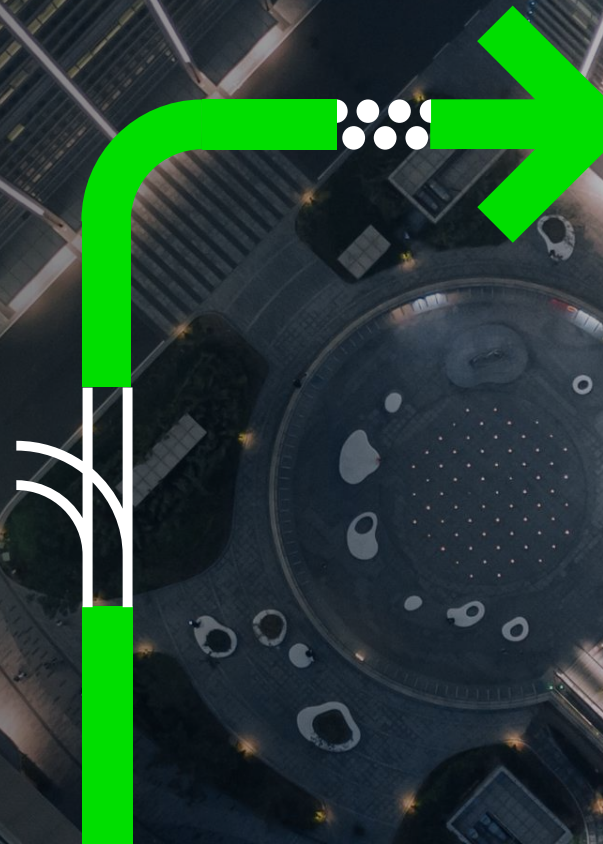
AMERICAS

Quarterly Trends Report

Q3-2021

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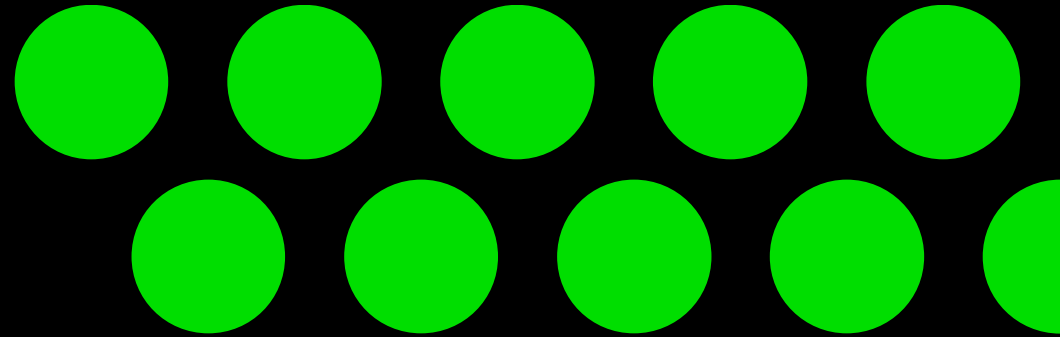
About the Report

This FCM Consulting quarterly report uses global data sourced from FCM corporate bookings for travel during July to September 2021 (Q3-2021), Cirium aviation data as at 12 October 2021 and Vaccine data sourced through Our World In Data as at 12 October 2021.

The average room rates (ARR) quoted for accommodation is the average booked rates. Variations in rates booked are a reflection of border restrictions, supply and demand, corporate booking lead times and subtle variations in exchange rates. Unless otherwise stated US\$ is used.

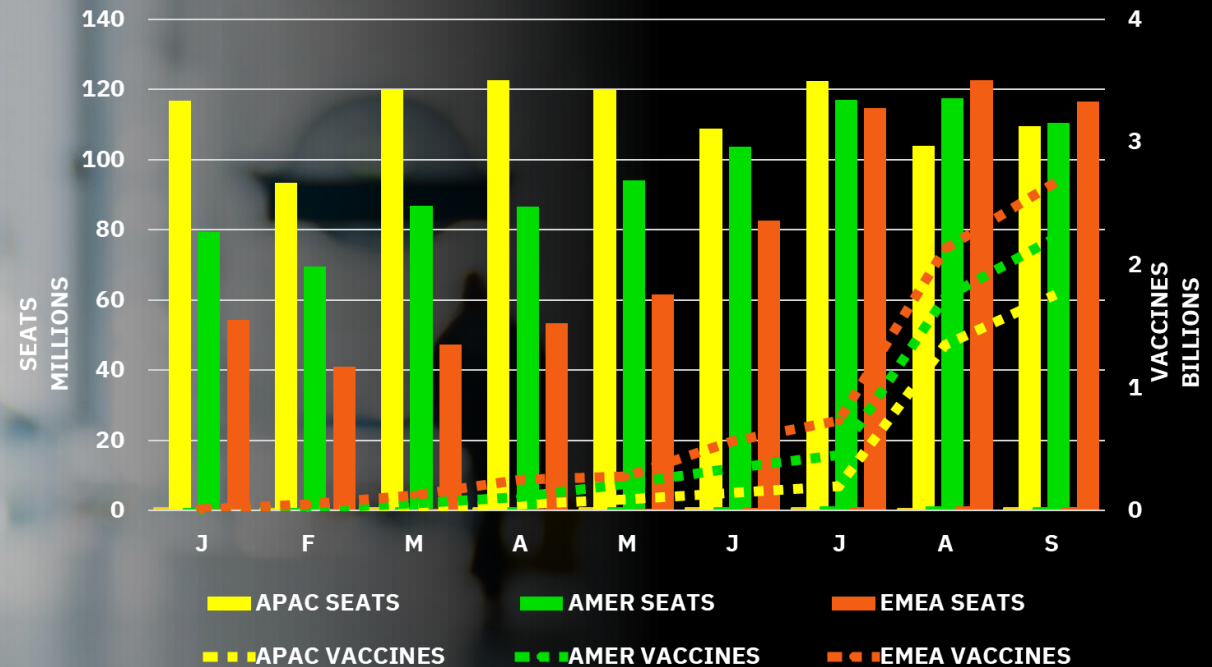
Q3

AMERICAS Accommodation, Aviation & Ground Transport



48% of global population have received at least **One Vaccination**

2021 RECOVERY
SEATS OFFERED & VACCINES





AMERICAS - Accommodation Q3-2021



RECOVERY

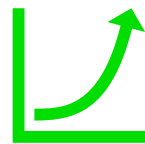
2021 occupancy reached its peak in July across the Americas. Overall Q3-2021 saw 62% occupancy in **US** hotels, 53% in **Canada**, and 42% in **Latin America**.

Whilst strong the occupancy levels are trending -18% lower than 2019.

During Q3-2021, 59% of bookings in the **US** and **Canada** were made within 7 days of arrival, while in **Latin America** 68%.

The largest share of rate types booked in this time period were corporate negotiated.¹

For the region demand is +29% and ARR is +17% compared to 2020, whilst overall -8% lower than 2019.²



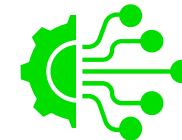
RATE GROWTH

With a strong northern hemisphere summer, the forecast for % of 2019 RevPAR has increased to 68% for the full year 2021. Full recovery is anticipated to occur gradually through 2025.

ARRs increased +10% over Q2-2021, and forecasts indicate rates returning to 2019 levels will be by the end of 2022.

Some major **US** markets are seeing increased rates in Q3-2021 compared to 2019, such as Boston +7%, NYC +1.5%, Las Vegas +18%, and Charlotte +2.3%.

Canada rates are much lower than 2019, due to longer lockdowns.⁴



RETURN TO TRAVEL

Consumer sentiment for travel has hit its highest rates since the start of COVID. There has been an 800% increase in searches for “can I travel”.³

Travelers are twice as likely to try new brands and experiences as a result of the COVID, which is particularly important as corporate travel begins to return with a focus on **Sustainability, Wellness & Cost Savings**.

In response to this, 2022 corporate hotel contracts are seeing an average of 86% compliance rate to health & hygiene protocols and 97% are putting sustainability goals in place.⁴

¹ Amadeus

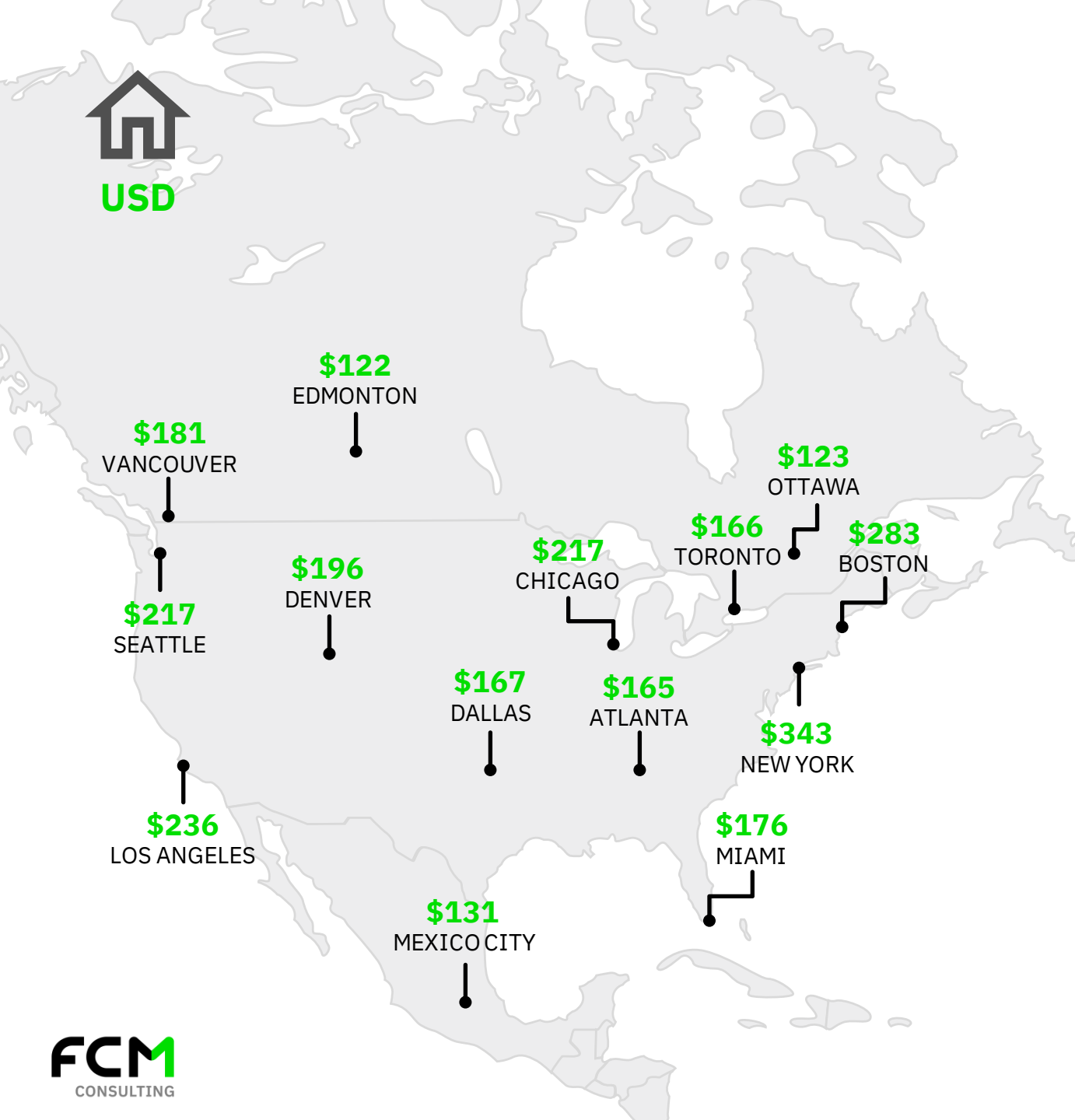
² Lodging Analytics Research

³ Google Analytics

⁴ FCM Consulting Accommodation Survey & Analytics



USD



NORTH AMERICA Accommodation Q3-2021

Corporate Rates

Average Rate Paid % Var.

Q3-2021 vs

Q2-2021
Q3-2019

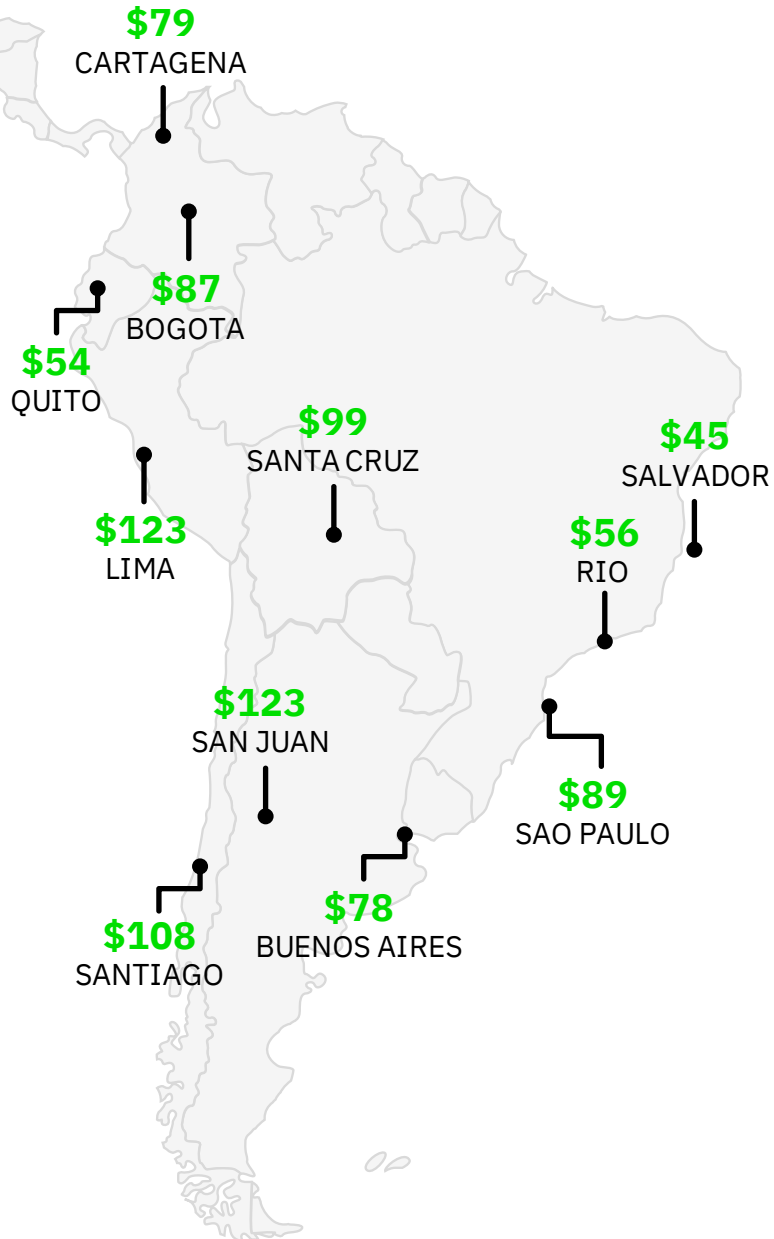
↑ 14.3%
↓ 12.7%

Q3-2021
vs Q3-2019

BOSTON	↑ 7.2%
LOS ANGELES	↓ 12.3%
NEW YORK	↑ 1.5%
SEATTLE	↓ 15.1%
TORONTO	↓ 16.4%
VANCOUVER	↓ 33.2%



USD



LATAM Accommodation Q3-2021

Corporate Rates

Average Rate Paid % Var.

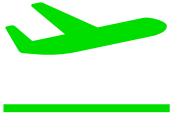
Q3-2021 vs Q2-2021 ↑ 9.3%
Q3-2019 ↓ 33.9%

Q3-2021
vs Q3-2019

BOGOTA ↓ 23.7%
BUENOS AIRES ↓ 48.9%
LIMA ↓ 29.7%
RIO DE JANEIRO ↓ 51.5%
SANTIAGO ↓ 32.2%
SAO PAULO ↓ 25.7%



AMERICAS - Aviation Q3-2021



CAPACITY GROWTH

From Q2 to Q3-2021 seat volumes grew across the board: **Caribbean** +19%, **North America** +19%, **Central America** +29%, **South America** +43.

And as travel restrictions eased seat capacity quickly expanded for **Air Canada** +170% and **WestJet** +341% from Q2 to Q3.

All major US airlines grew moderately averaging +14%, whilst **United Airlines** added +38% seats compared to Q2-2021. In LATAM Azul seats grew +40%, Latam +72% and Gol +77% from Q2 to Q3.



INCREASING DEMAND

IATA predicts global airline net losses of \$52 billion for 2021 and \$12 billion in 2022.²

Airlines in North America are expected to return to profitability in 2022 due to strong domestic and regional demand. Latin American airlines are expected to have a \$3.7 billion net loss in 2022.²

COVID vaccination rates are rising and fatality rates are falling for **US**, **Brazil**, **Canada** and **Mexico** in recent weeks.¹

FCM Americas data shows a +56% increase in business travelers in Q3-2021 compared to Q2-2021, with most gains attributed to domestic growth in the **US** and **Canada**.



TRAVEL CORRIDORS

Recent news of easing travel restrictions such as: the US and Canada opening, UK reduced testing, and the expansion of Singapore VTL's (Vaccinated Travel Lanes) to include US and Canada are positive signs.²

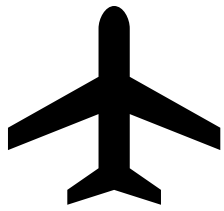
Government regulations remain fluid with sudden changes to travel corridors and entry regulations as fully vaccinated travelers grow week-to-week. Lockdowns, at this point, should be an exception if implemented at all.

At present there is no airline or governmental standard for digital COVID passports.

¹ A4A / ARC / NY Times / Johns Hopkins University

² IATA

[^] FCM Consulting data (market dependent) and CIRIUM data as of October 12th 2021



AMERICAS - Aviation Q3-2021



CORPORATE TRAVEL

ARC reports increasing weekly tickets sold by US travel agencies in recent weeks. The business travel segment is -56% below 2019. ¹

Q3-2021 Airfares ⁴

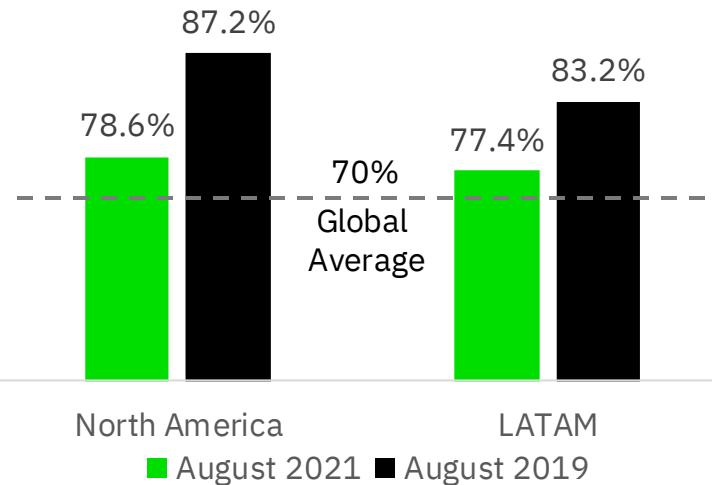
- Domestic -12.7% vs Q3-2019
- International -8.6% vs Q3 2019

We Forecast **2019 Pricing Returns** ⁴

- Q1-2022 for Domestic
- Q3-2022 for International



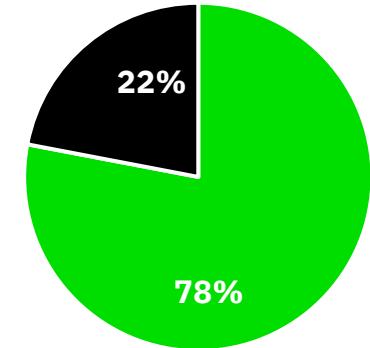
SEAT LOAD FACTOR²



Flights remain relatively full even with significant capacity being added.



EMPLOYEES WILLINGNESS FOR BUSINESS TRAVEL³



■ Very Willing or Willing ■ Other

October's "willingness to travel" score is up 9% from the previous month. ³

¹ A4A / ARC / NY Times

² IATA

³ GBTA Global October 2021 member poll & corporate booking technology report

⁴ FCM Consulting data (market dependent)

AMERICAS Aviation Q3-2021



NORTH AMERICA

Seats offered where North America is the destination

Q3-2019 **353M**

Q3-2021 **288M**



Q4-2021
299M

↑ 4% on
Q3-2021

LATAM

Seats offered where LATAM is the destination

Q3-2019 **87.4M**

Q2-2021 **56.3M**

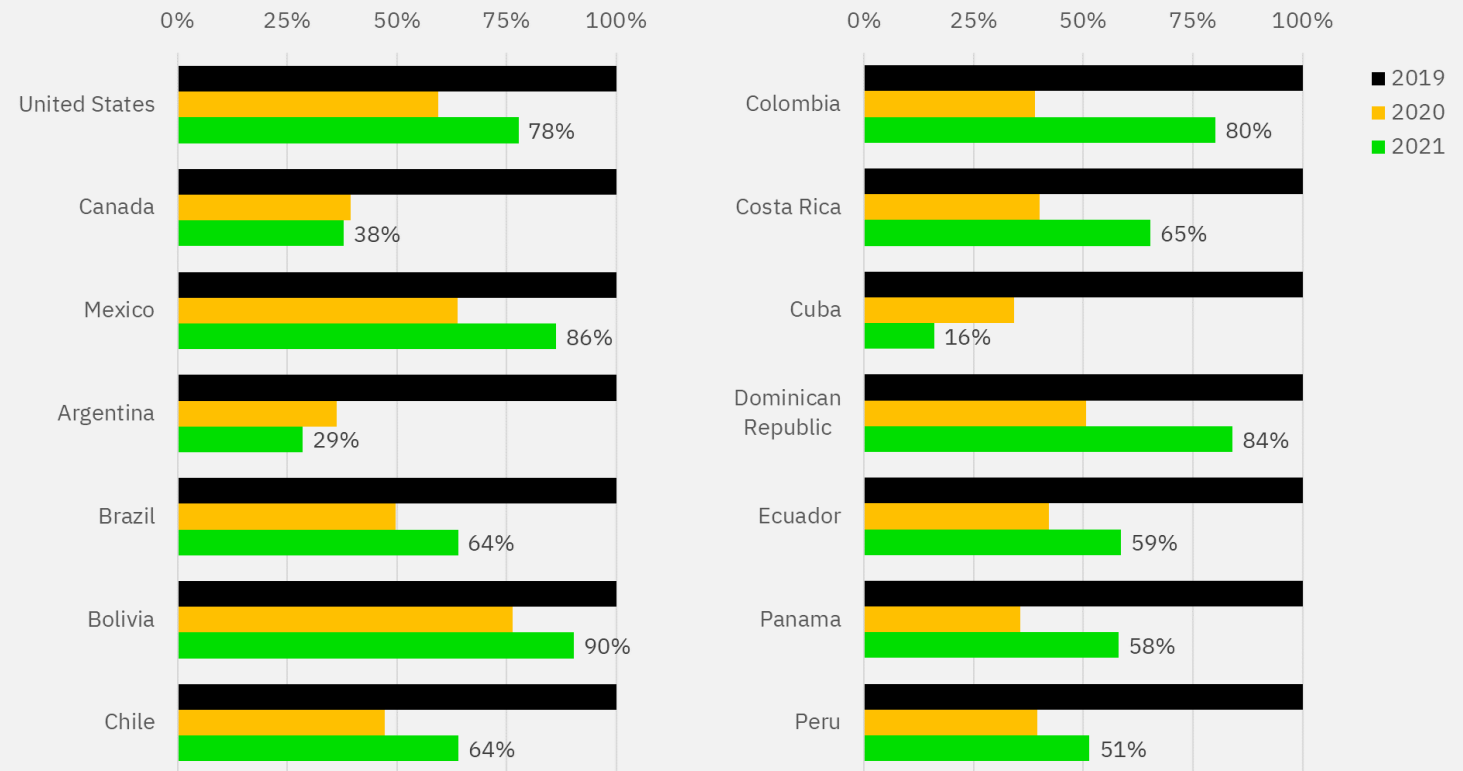


Q4 2021
68.8M

↑ 22% on
Q3-2021

RETURN TO TRAVEL

Top Destination Travel in Region by Seats Offered



FCM Consulting Analytics

^ Source Data – Cirium as of 12 October 2021. Long range aviation forecasts subject to change

AMERICAS Aviation Q3-2021



TOP CORPORATE DESTINATIONS

Seats & Flights offered

Within the US, major corporate markets see capacity increases to the highest levels since the start of COVID. This is driven by the easing of travel restrictions and business travel confidence increasing.

Seat capacity between the US and Mexico, and also the Dominican Republic are above 2019 levels, driven by leisure travel demand.

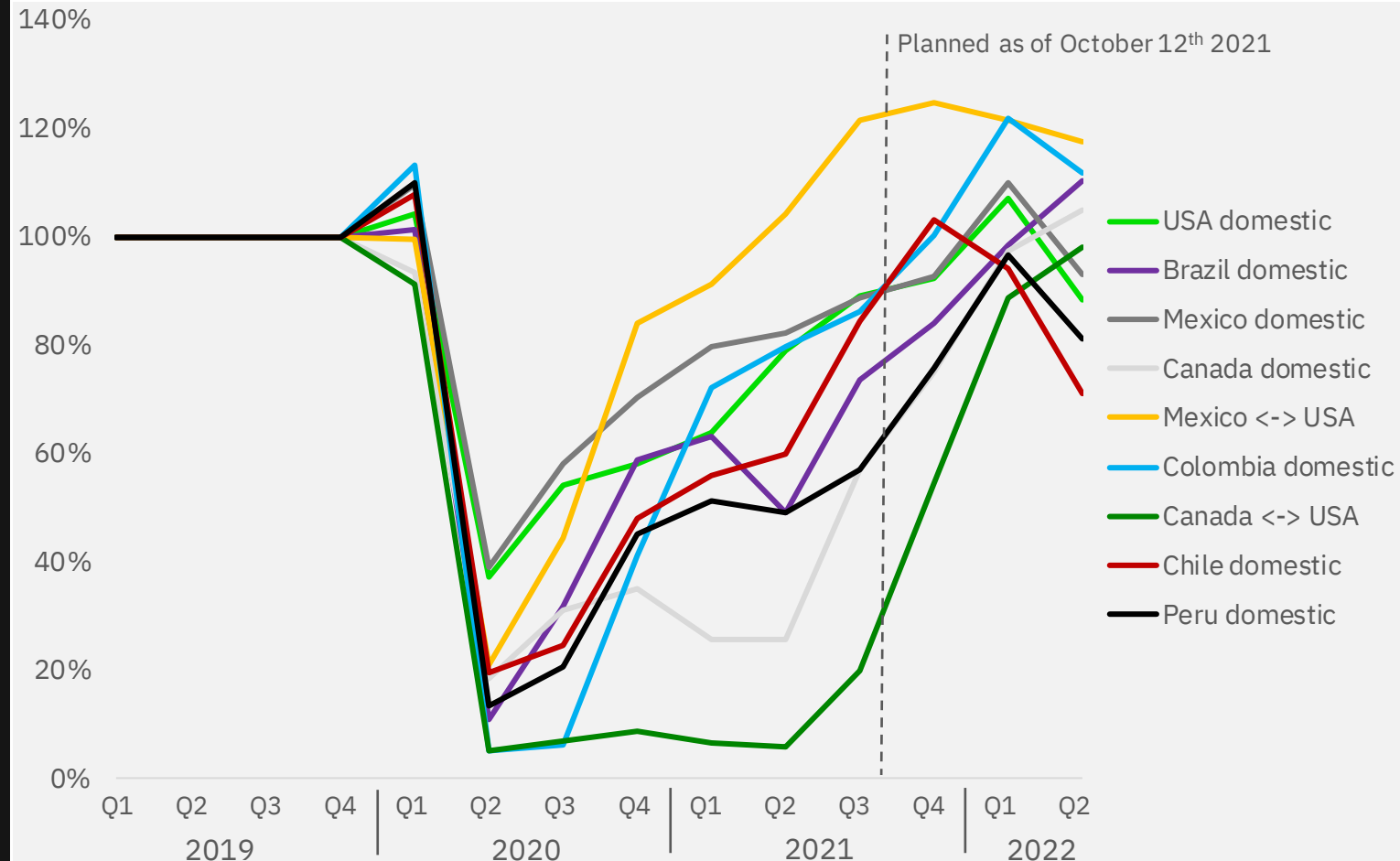
The outlook is encouraging with further increases planned for Q4-2021.



+138K

ADDITIONAL
FLIGHTS
IN Q4-2021

Route Categories in % of 2019 – seats offered (North and Latin America origin)



FCM Consulting Analytics

^ Source Data – Cirium as of 12 October 2021. Long range aviation forecasts subject to change



AMERICAS – Ground Transport Q3-2021



INDUSTRY

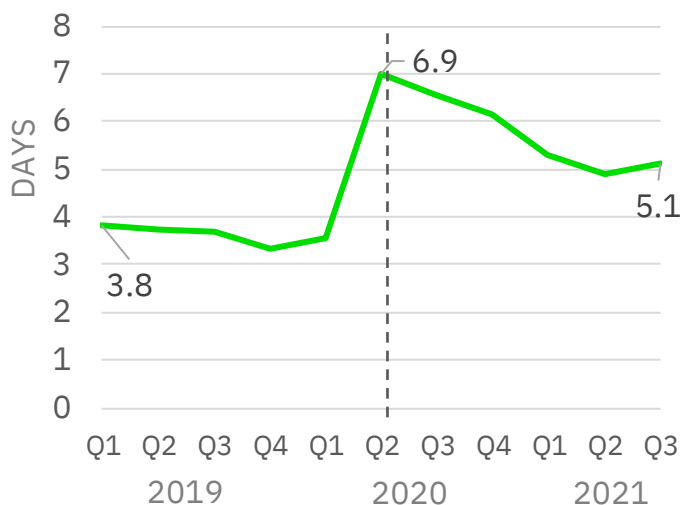
The average length of car rental bookings has increased as business travelers avoid air and rail travel.²

As a result of longer rental periods and fewer available vehicles, there are shortages in popular destinations such as Florida and Las Vegas. As more of the travelers becomes vaccinated and the holidays approach, we expect to see these shortages increase.

According to JD Power, traveler satisfaction with car rentals decreased in 2021, a reversal after years of steady increases. This is due to fewer staff, lower vehicle availability, and higher rates.³



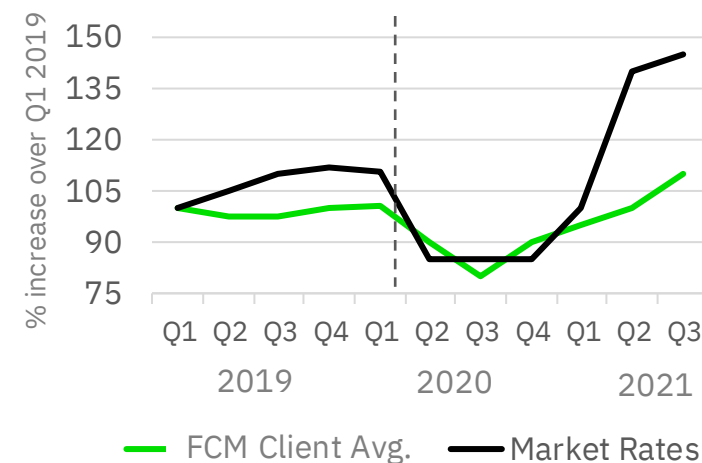
LENGTH OF RENTAL²



The average length of rental has remained 40%+ higher than pre-pandemic averages.



FCM CLIENTS v. MARKET¹



Contracts with preferred suppliers have insulated companies from extreme market increases. However, low availability from preferred suppliers result in higher overall ADR, even for companies with contracts.



AMERICAS – Ground Transport Q3-2021

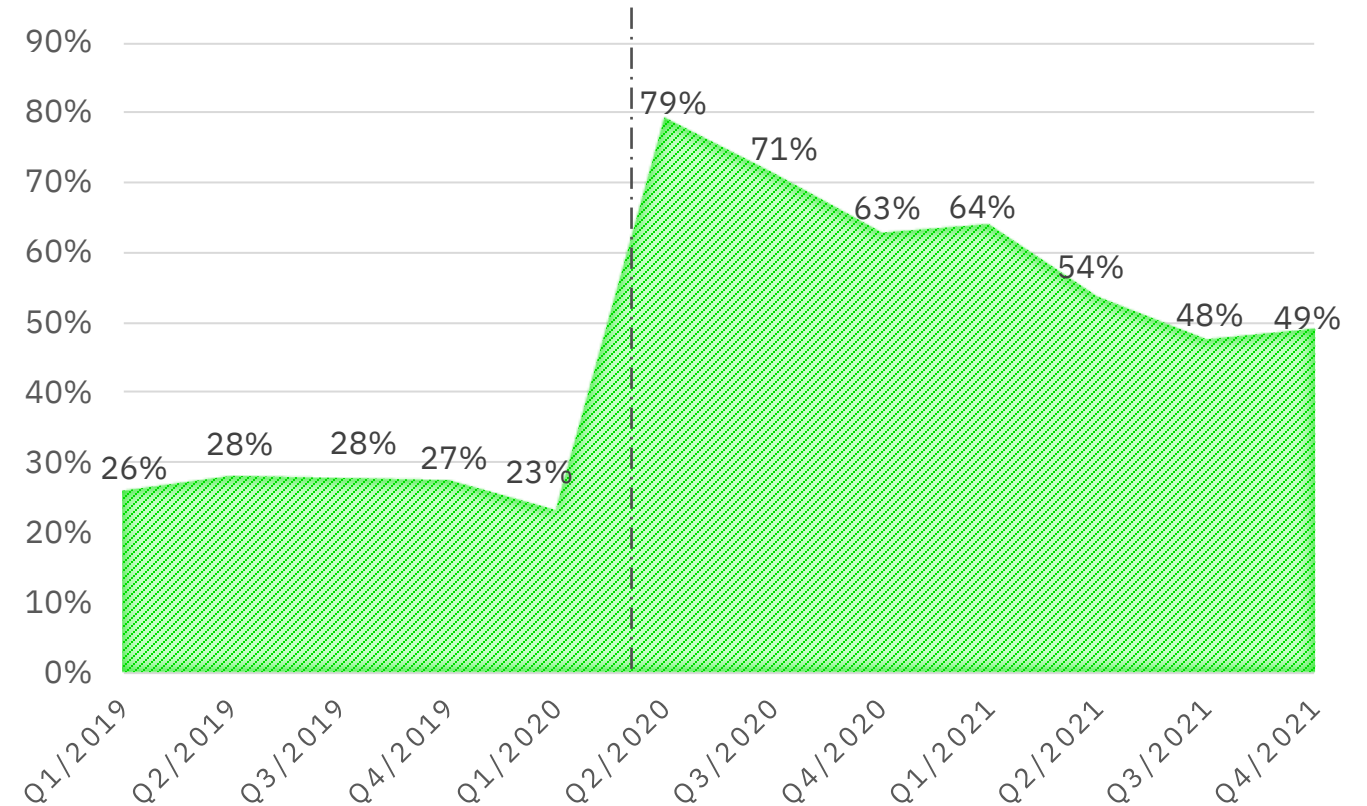
DRIVING INSTEAD OF FLYING

Pre-COVID, FCM clients averaged one car booking for every four airline bookings (1:4). This indicated that most "business trips" booked through the TMC had an air component.

Since COVID, that ratio has changed to one car booking for every *TWO* air bookings (1:2), highlighting travelers' preference for car travel over air or rail travel.

Since car bookings are more likely to be booked direct with suppliers, that ratio may now be closer to 1:1.

CAR BOOKINGS AS % OF AIR TICKETS



^ Source Data – FCM reservation data

More Information

FCM Consulting

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