

Airline Segment

INTRODUCTION



CROOWY AIRLINE TRAINING
Leonie Godard



Global Airline Base Market Conditions 2022

- 100,000 rooms daily total market volume 5000 Airlines
 - 36.5 Mill room annually
 - \$ 3 Billion revenue
- 20,000 rooms daily from top 50 airlines
 - 7.3 Mio rooms annually
 - \$ 600 Mill

Only **scheduled** airlines, charter, cargo, private jet



Germany Airline Base Market Conditions 2022

- 1.240.217 Mill rooms annually
- 3.398 rooms per day
- \$ 74.413.071 Mill total market volume

Only **scheduled** airlines, charter, cargo, private jet



Frankfurt Airline Base Market Conditions 2022

- 344.195 Million rooms annually
- 943 rooms per day
- \$ 20.651.700 Mill total market volume

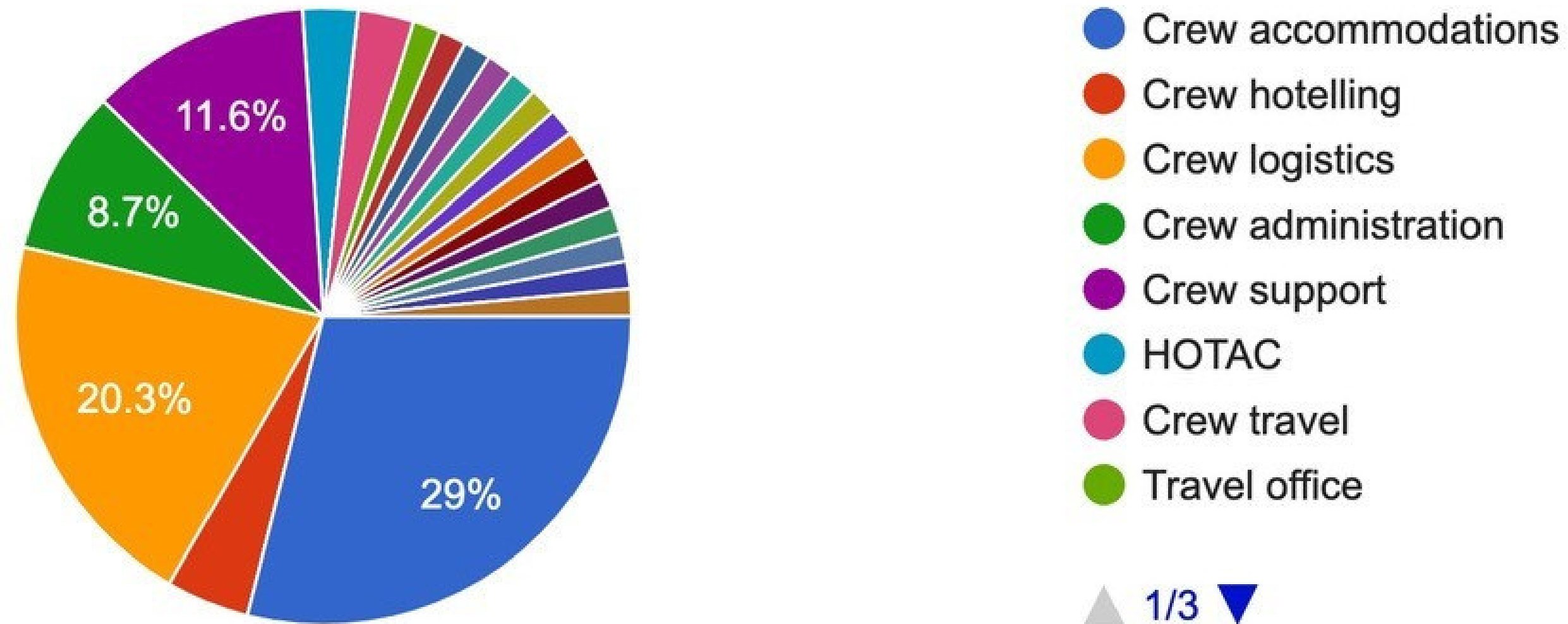
Only **scheduled** airlines, charter, cargo, private jet



Crew Accommodation or

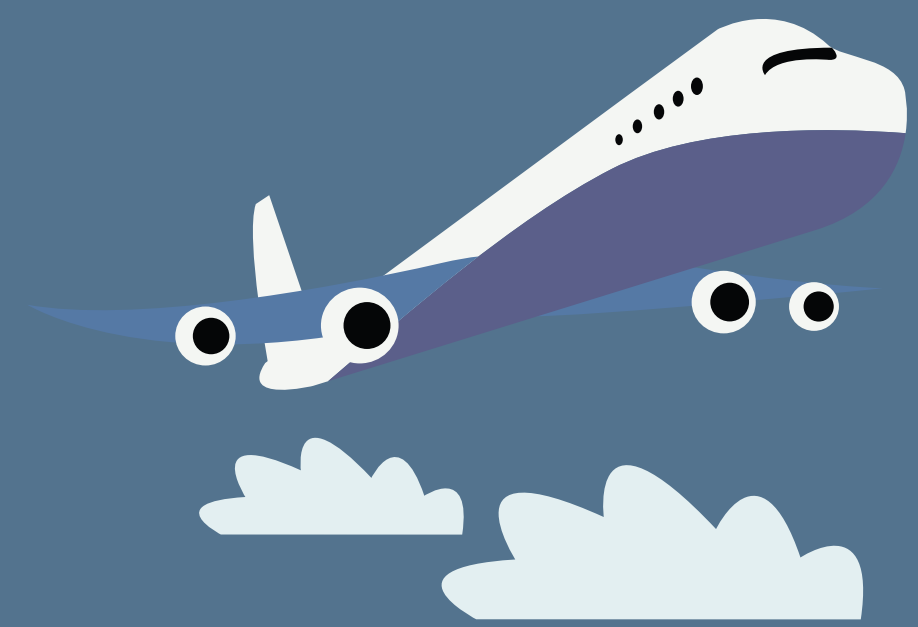
What do you call the function of booking hotels and transportation for scheduled crew overnights?

69 responses



INTRODUCTION

How do hotels work with airlines?



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Importance to your hotel

Aircrew base business supports long-term, forecasted business and assures cash flow whilst allowing hotels to better yield on remaining inventory

Aircrew business leads to additional sources of year-round airline related business including:

cargo ✦ corporate ✦ distressed passengers ✦ group business ✦ leisure ✦ meetings ✦ events business
training ✦ charter ✦ private jet ✦ marketing cooperation

Aircrew business can also result in additional incremental revenue through onside F&B outlets



- 01 Airline corporate business:** Any travel relating to the airlines corporate travel needs, for example, traveling for business meetings, trainings and paid by the airline.
- 02 Airline group business:** Travel relating to airline corporate group business with 10 plus travelers. Paid for by the airline.
- 03 Airline leisure travel:** Any business relating to airline staff leisure/ personal travel, outside of business travel and paid for by the airline staff member.
- 04 Airline training accommodation:** Airline staff who require accommodation for training needs. Usually in major hubs, and for attack training requirements at any airport or major airline training facilities.
- 05 Crew layover:** A period of rest awaiting for Aircrew waiting for the next flight operation.
- 06 Distressed passenger:** The industry name for airline customers who are stranded in an airport overnight having to be accommodated at surrounding hotels .

Hint:

local relationships with airline representatives results in increased revenue with meetings and events and corporate business.

- station managers
- airport based regional or local director of sales
- CEO VP Level staff based in the major hub cities for the relevant airlines
- Airline Sales to serve our common customers

Value

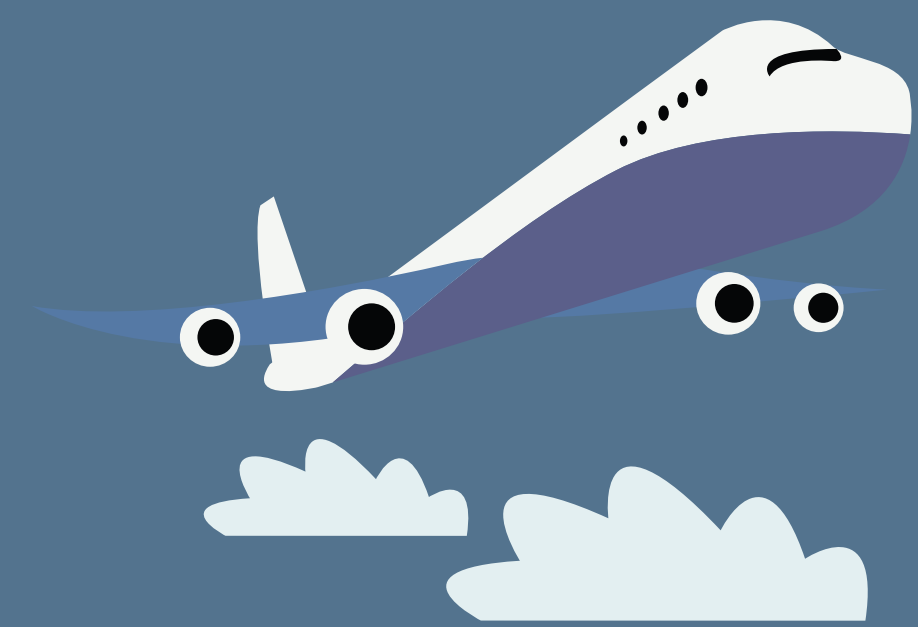
Determining the estimated value of the crew agreement is critical.

- a) Forecasted annual revenue and the number of contracted years
- b) Determining if the crew rate is fixed for the duration of the term, or if it allows for seasonal fluctuations, or annual adjustments?
- c) Identifying any blackout dates where the crew rate is not available



INTRODUCTION

Who are your airline clients?

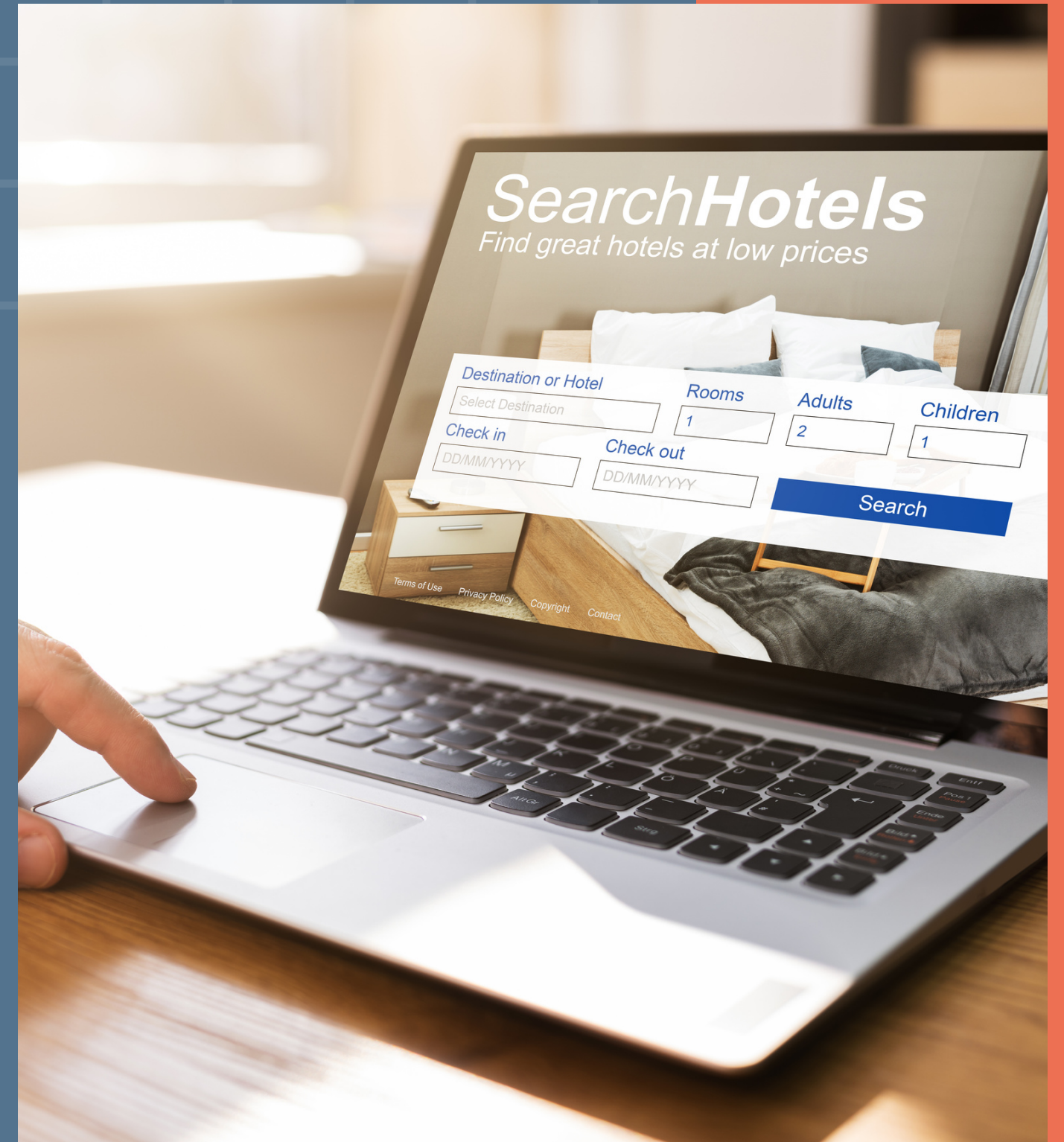


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Airline Clients

- 50% of B2B Buyers are now of the millennial age or younger
- B2B buyers complete 62% of their buying process without ever talking to a salesperson of a hotel or third party only.
- They have access to relevant information about hotel products, rates, competition and peers.





- research their hotels via booking.com and HRS
- rally their own buying committee
- orchestrate larger conversations to make big purchases
- focus on sustainability is a VERY crucial procurement factor
- Carbon offset will be measured against rate offers

Importance to the airline: Crew Accommodation

- different laws and regulations concerning necessary rest times for crew members
- risk of flight operations
- substantial financial risk.



How to pitch your property

- Provide your most competitive rate at first pitch based on what you can live with for the duration of the contract.
- Provide a range and room block for consideration at the time of your submission to ensure your bid is included with full detail.
- Evaluate your aircrew capacity ahead of time.
- Be sure to identify in your unique selling points of your property.
- It is instrumental for your property to know the value proposition of neighboring properties.



Challenges faced by the hotels

CREW TENDERS

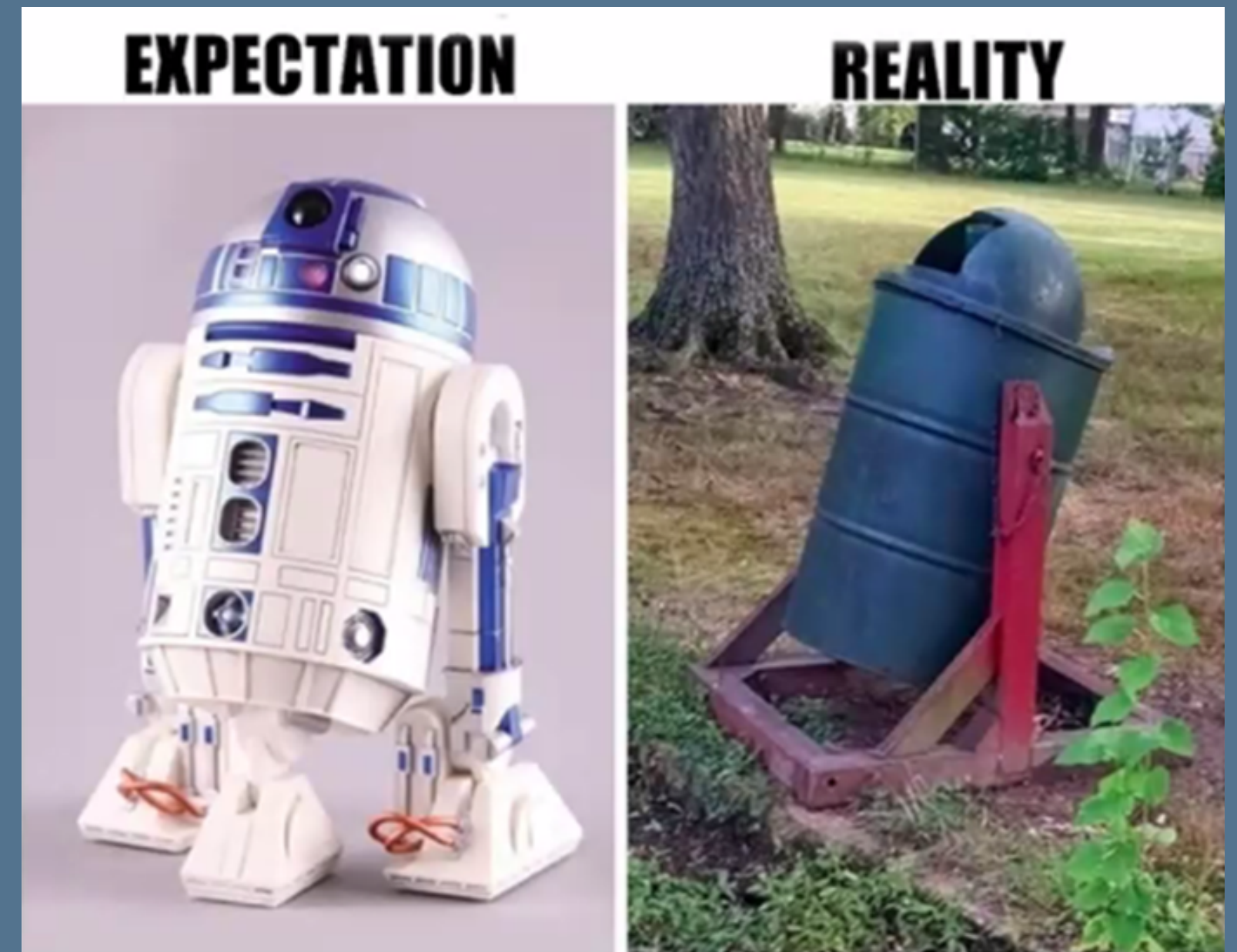
Does the complexity, the rigid conditions and the low conversion chance justify the effort?

THIRD PARTY PROVIDERS

cost you money in lost revenue.

The current market conditions:

- Aggressive 3rd parties
- High commission structure
- Untransparent contracting
- Long manual, time & cost intense sourcing processes
- Increasing limited direct relationships
- Conversion ratio low
- Very limited market data
- Focus on “managed” legacy airlines



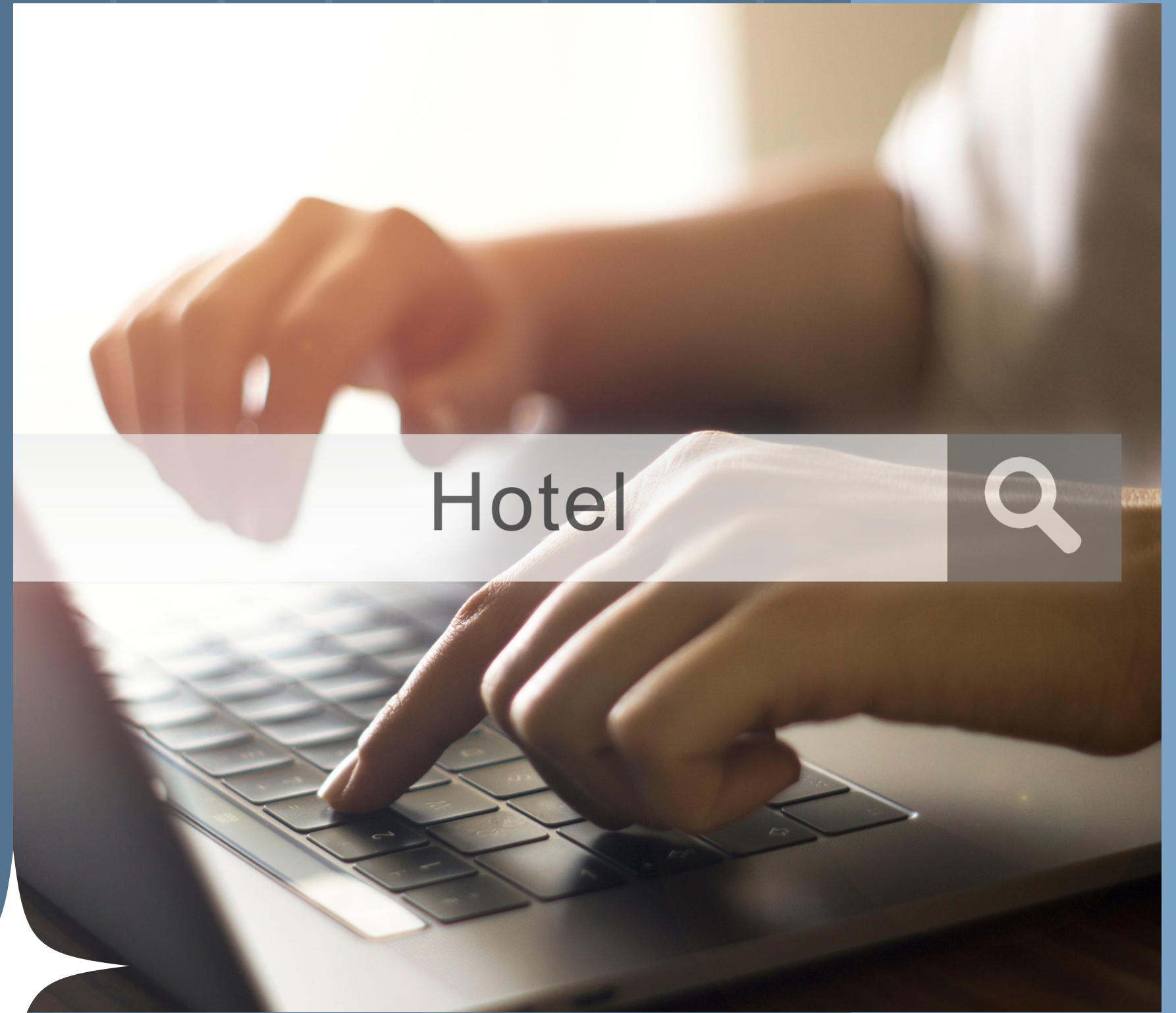
The 3P problem

- hefty amount of revenue goes from your hotel pocket to third party providers
- Hotels and airlines give big brokers room to do business

= loss of **direct relationships, transparency, and independence.**



It is time for a structural revolution in this non-transparent market.

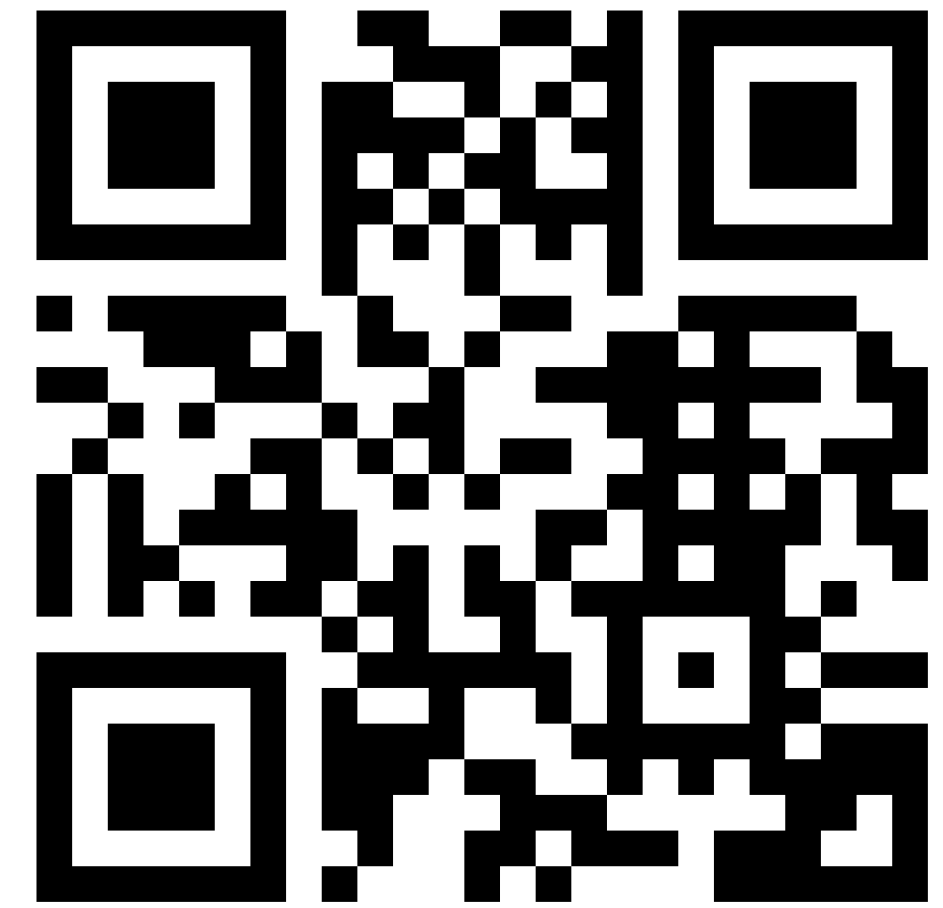


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- Determine your crew need for your property
- Research your market with opportunities on Croowy
- You are presented to the airlines continuously



AIRLINE & HOTEL FORUM

Steigenberger Airport Hotel in Frankfurt

23. Jan 2023 / 09.00 - 17.30 Uhr

[Ticket](#)