Dear Member,

This note provides a summary of the responses to the questions in the recent survey on air links, carried out in conjunction with the Chamber of Commerce, GIBA and CGi. The survey results data will be available here until 1st June 2021, if you would like to review them more closely.

There were 411 responses to the survey across all the business groups' members, and also from the general public (for a breakdown of all respondents, please refer to the endnote). We'd like to thank all of our members who took the time to complete this questionnaire, as these responses will help shape airlines' offerings and schedules once air travel is able to resume.

**Expected changes in the amount of business air travel post-Covid, and breakdown between UK, intra-CI and international travel**

Respondents' expectations for the amount of air travel they will undertake (and broadly the mix of trips to/from the UK, within the Channel Islands, or internationally) were as follows:

| | **1-3x a year or less** | **1-2x a quarter** | **More than 2x a quarter** | *Total by weighted average of responses* |
|---|---|---|---|---|
| UK trip with overnight stay | 24% | 37% | 39% | *8.6* |
| UK day return | 42% | 29% | 29% | *8.0* |
| CI day return | 73% | 14% | 13% | *4.6* |
| International trip | 65% | 28% | 7% | *4.3* |
| CI trip with overnight stay | 82% | 10% | 8% | *3.5* |

Comments by respondents indicate the complexity of factors which will affect the amount of air travel seen post-Covid is considerable. Issues include continuing concerns over health risk, increased inconveniences for travellers, and greater use of remote technology as an alternative to business travel.

Other feedback indicates there may be a degree of pent-up demand in the very short term once restrictions are behind us, a potential degree of reduction in business travel in the period after that, and then renewed growth in frequency of travel but at an unknown pace all seem potentially part of the post-Covid air travel outlook.

The data on expected changes to the amount of future travel does not provide a conclusive picture. The majority of respondents (some 65%) gave no specific comment on the degree of change in the amount of business travel they expect to undertake compared to pre-Covid.

Some 25% of respondents provided comments which anticipate less travel in future than prior to Covid. Comments by 6% of respondents cited greater use of online communication methods as the main driver. Almost as many comments referenced an expectation of continuing inconveniences relating to Covid (such as longer security measures at airports, a need for vaccine certificates to be able to travel, or a continuing requirement to wear masks), but not all of those responses suggested it would lead to their travelling less.

**Reliability, frequency of schedule and competitive pricing**

This year's survey was carried out at a time of very limited air travel, which may have had some influence on the views reflected in the results. Noting that background, the hierarchy of business needs indicated by respondents in relation to the key issues of reliability, frequency of schedule and competitive pricing are summarised as follows:

| | | Lower importance | Moderate importance | Greater importance |
|---|---|---|---|---|
| 1st | Reliability | 1% | 3% | 96% |
| 2nd | Early morning and evening flights for day return schedules | 8% | 15% | 77% |
| 3rd | Competitive pricing | 8% | 36% | 56% |
| 4th | Choice of 1-2 daytime flights in addition to early morning and evening | 21% | 39% | 40% |
| 5th | Through ticketing for flight connections | 28% | 35% | 37% |
| 6th | Choice of 3-4 daytime flights in addition to early morning and evening | 47% | 34% | 19% |

The survey results indicate a primary need from the business community for reliable, early morning and evening flights with competitive fares on the key routes. Additional daytime flights and through ticketing are appreciated and important to a meaningful minority of the business community. However, the results suggest that, from a business perspective, reliability of service is paramount and competitive fares should be prioritised over frequency of service beyond the key early morning and evening services.

**Key routes: respondents' views on the most useful UK airports for travel to/from the UK or for international connections**

Identifying the key routes for business travel was the focus of much of the survey. Question 2 sought to understand the business community's views on five London-related routes (Gatwick, Heathrow, London City, Southampton and Stansted) for different travel requirements. The top three airports indicated by the responses for each of the different travel needs were as follows:

| | | % Respondents |
|---|---|---|
| For travel to/from London | | |
| 1st | Gatwick | **79%** |
| 2nd | London City | **41%** |
| 3rd | Heathrow | 36% |
| | | |
| For Flight Connections | | |
| 1st | Heathrow | **68%** |
| 2nd | Gatwick | **50%** |
| 3rd | Southampton | 14% |
| | | |
| For other UK travel | | |
| 1st | Southampton | **47%** |
| 2nd | Gatwick | **29%** |
| 3rd | Heathrow | 18% |
| | | |

These results show that, of the airports being served immediately pre-Covid, Gatwick and Southampton are considered to have important roles - and those roles are quite significantly differentiated. The results suggest that both airports will continue to have an important role to play in the island's future air links. The results also show a continuing interest among respondents for Heathrow and London City routes. Again, the differentiation in the roles is visible. The survey confirms that Heathrow is considered important both for international connections and as a key enabler for travel to and from London, while London City is predominantly seen as a route for travel to/from the City of London.

The results support the idea that a coordinated schedule across Gatwick, Heathrow, London City and Southampton might most effectively serve the business community's varied requirements for air travel. In these considerations, ease of access to the island for business visitors from the UK and further afield is an important additional factor. This is not necessarily fully captured by the survey, where responses are naturally weighted more to how those living in Guernsey experience our air travel needs. The specific impact of tourist requirements is also less represented in the results, as the majority of respondents to the survey were from the financial and professional services sectors.

**Other airports**

The other area of focus in the survey was the business community's need for air services to airports other than the London airports, Southampton and Jersey. The results in this regard are as follows:

| | % respondents expressing a need for | | | |
|---|---|---|---|---|
| | Services at least 2-3 times a week | Services at least daily | Services twice daily | *Weighted average* |
| Manchester | 57% | 39% | 23% | *7.0* |
| Dublin | 46% | 14% | 4% | *5.8* |
| Birmingham | 37% | 22% | 9% | *5.0* |
| Exeter | 34% | 18% | 6% | *4.8* |
| Bristol | 34% | 17% | 5% | *4.7* |
| Rennes | 32% | 9% | 4% | *4.3* |
| Stansted | 27% | 15% | 8% | *4.2* |
| East Midlands | 27% | 12% | 5% | *3.5* |
| Newcastle | 13% | 4% | 1% | *2.1* |

The results indicate the role of Manchester as a key regional connection, with significantly higher level of interest than for the other destinations listed.

Of new destinations, Dublin stood out as being of interest, while there were also a number of comments about a potential Scottish service.

Comments by 10% of respondents noted a degree of interest in European destinations, however there was not a large expression of interest in any one destination. The most cited (3% of respondents in each case) were Amsterdam, Paris and Zurich/Geneva.

The results show the business community is interested in access to a broad range of destinations beyond London, Southampton and Jersey, potentially even if those services are not available every day. This perhaps ties in with another theme in the comments made in Question 1, which suggest that, for some respondents, there will be fewer business trips being made, but for a longer duration.

**Thank you for participating**

We are very grateful to members who participated in this survey on air links. The survey data and comments provided will support business group engagement with government and airlines as "normal" travel post-Covid resumes. There was a wide range of responses to the questions on future air travel needs, but it was clear that access to sustainable and competitively priced air connectivity will remain of central importance to the island's business community. Given the importance of air connectivity, we will continue to advocate that air links remain a core part of the government's policy agenda.

Endnote:

The breakdown of responses by type of business is summarised in the list below. Some responses indicated their business involvement under more than one heading:

| | |
|---|---|
| Financial services | 58% |
| Professional, administration and IT services | 24% |
| Hospitality and tourism | 5% |
| Retail, wholesale and repairs | 4% |
| Construction | 3% |
| Business with > 20 employees | 25% |
| Business with < 20 employees | 19% |
| Non-executive | 12% |
| Sole trader | 6% |
| Primary business activity not in Guernsey | 5% |
| Other | 10% |

The 41 responses indicating "Other" covered a wide range, including several from each of the utilities, health services and telecommunications sectors.