

Day Two of the Summit: DFW makes a case for hub airports



Sean Donohue, CEO, Dallas Fort Worth International Airport, brings to light the spirit of travel

As part of its View from the Top series, Summit of the Americas featured Sean Donohue, CEO, Dallas Fort Worth International Airport (DFW). Hosted by Dermot Davitt, President & Co-Owner, Moodie The Davitt Report, the 30-minute interview took place this morning in the event's Knowledge Hub.

Referring to the COVID-19 pandemic as the single biggest disruption to the aviation industry in modern history, Donohue maintained an optimistic outlook of the return of travel. Considering the decline of COVID-19 cases and the distribution of the vaccine, DFW is expecting to return to 80% of summer 2019 passenger traffic at the domestic level in the coming months. In the short-term, it's agreed that this first phase of recovery will be primarily made up of leisure travel and serve as a result of pent-up demand.

DFW support & approval

Following the outbreak in early 2020, DFW was one of the first airports in the USA to eliminate the Minimum Annual Guaranteed Concession Fee. A highlight of the webinar, Donohue covered DFW's progressive approach and commitment to its concession business partners. Planning and decision-making in six-month increments, the DFW Airport Board recently approved continued support until September 2021. To provide certainty, the airport added a two-year term to all related contracts and dedicated \$120 million (USD) of financial support. With two-thirds of its concession partners remaining open since July - August 2020, Donohue notes it's important that each of DFW's concessionaires is positioned to adequately serve customers when they return to pre-pandemic levels. The airport board promises to continue supporting all of its business partners until recovery is full effect.

Sanitization & accreditation

Welcoming approximately 150K passengers on a daily basis last summer, the airport prioritized

sanitization programs and invested in ultra-violet technology to reduce the spread of COVID-19. Donohue says that the combination of tech innovations and “old-fashioned” janitorial duties have increased consumer confidence. Along with contactless payment and biometric boarding, DFW implemented a team of 150 workers in visible uniform to clean high-touch areas. Commending the DFW staff for its dedication, resilience and flexibility, he points out that DFW was also one of the first airports to earn GBAC STAR accreditation.

Hub vs. point-to-point travel

Looking ahead to the dynamics that will shape the future of the industry, Donohue touches on the current debate of hub travel vs. point-to-point travel. Although he understands the premise that hub travel will suffer because passengers will prefer to avoid further contact and additional travel time, Donohue doesn't agree with this.

“[Historically, customer behavior is primarily driven by price and I don't see this changing. If you can connect through DFW at a reduced cost than most people will choose the connection.

Over the last several years, airlines have started to offer more secondary non-stop international flights to destinations that didn't previously offer non-stop service. The only way the economics of these flights work is by travelers paying a revenue premium to book a non-stop flight. I don't think customers will be willing to pay this premium, as we all recover economically in different phases. Therefore, I believe hub airports will become even stronger than before,]” he explains.

Quicker recovery

Additionally, Donohue comments moving forward airlines will be risk-averse; during challenging times they look to their points of strength. Along with experiencing a strong recovery, he believes DFW and other hub airports with robust carrier service will recover more quickly.

Described as an incredible economic engine, Donohue says that travel and tourism account for 10% of global GDP and people from all over the world desire to experience the connection that is provided by travel. “[At the end of the day, the spirit of travel combined with the economic impact is going to carry recovery. We're a resilient bunch in this industry, which is why I'm optimistic about its future,]” he concludes.