

**Summary:**

# **2005 Norwegian Air Travel Survey**

## **The survey**

This report presents results from the 2005 Norwegian Air Travel Survey (ATS). Since 1972, Avinor (formerly Norwegian Civil Aviation Administration) has regularly conducted travel surveys at Norwegian airports. The surveys gather information on the passengers and the journey they made, such as start/end points, trip purpose, transport use to the airport, duration of journey, background variables (age, gender, occupation), and other. The data are used for a number of different purposes, including forecasts, airport management, route planning, and general market analyses.

The focus of the 2005 ATS is on international air traffic. Eight airports in Norway provide international scheduled services, and data were collected at these airports in the period January to December 2005. Hence, the survey covers all international routes from Norway, and all airlines operating international services at Norwegian airports are included in the survey. In addition, interviews were made with passengers travelling on main domestic routes from Oslo Airport Gardermoen.

Questionnaires were handed out to passengers at sampled flights. The respondents were asked to fill in the questionnaire and return it to the administrator before boarding the plane. The final data file includes information from 68,057 passengers on international flights, and from 23,524 passengers travelling on domestic routes. The data are calibrated so as to represent the total traffic in the 12-month period from January 2005 to December 2005.

## **General overview**

It is only in recent years that air passengers have experienced the full impact of the deregulation of the airline industry that took place in the 1990s. Air traffic is in an expansive phase, characterized by lower fares, changing price structures, growing use of online services for information and ticket purchases, and opening of new routes targeted towards holiday and leisure travel. Moreover, the expansion of the low-cost airlines has had a considerable impact on traditional network airlines and their customer profiles.

Air travel represented six percent of the total volume of passenger traffic in Norway in 2005. With respect to long-distance travel, airlines are now the most important means of transport for both domestic and international travel. According to the 2001 Norwegian National Travel Survey, 42 percent of all domestic trips exceeding 300 km were taken by air, and it is likely that the

percentage is even higher today. Over nine million domestic air trips took place in Norway in 2005, transfer not included.

There has been a strong increase in traffic volume on scheduled international flights to/from Norway. Whereas 9.5 million passengers travelled on international flights in 2003, the figure had risen to nearly 11.8 million two years later. These figures include both scheduled and charter flights, but not transfers. The difference between scheduled traffic and charter traffic is gradually disappearing due, among other things, to the steady rise in the availability of scheduled air services to places previously accessible directly only by charter flights.

By travel frequency, we mean the number of trips taken in a specific area divided by the population of that area. For Norway, the international travel frequency in 2005 was 1.3; this means that residents of Norway averaged 1.3 individual trips (counting each way separately) per person that year. Residents of the Oslo and Akershus counties travel most, while residents of northern Norway make the fewest international trips.

By customer base, we mean the total number of all persons who have taken at least one trip by air in the course of one specific year. The customer base for international scheduled flights in 2005 was 2.5 million persons, of which 1.4 million were domiciled in Norway. The corresponding customer base in 2003 was 2 million, of which 1.1 million were domiciled in Norway. Thus, in the course of two years, the number of Norwegian residents taking international flights at least once a year increased by 300,000.

### **Domestic air traffic from OSL**

Since 2003, SAS Braathens has consolidated its domestic operations, while the airline Norwegian has gradually expanded its services and increased its overall market share. SAS Braathens is still the biggest domestic airline, with 76 percent of the market comprising the main scheduled flights out of Oslo. Norwegian had 24 percent of this traffic in 2005. These market shares are an accurate reflection of the available capacity.

Bergen and Trondheim are the two biggest destinations for air traffic from Oslo, at nearly 1.4 million one-way passengers (counting each way separately) each. Stavanger had nearly 1.1 million one-way passengers, with Tromsø and Bodø following in fourth and fifth place at 690,000 and 520,000 one-way passengers respectively. Since 2003, traffic has increased most to Bodø and Evenes, where Norwegian has scheduled new flights and the decrease in fares has been greatest.

No significant changes in purpose of travel or in the passengers' gender or age have taken place since 2003. Leisure trips still comprise 48 percent of the market. The percentage represented by the oil industry shows an increase (from 15 to 21 percent of business-related trips).

Fares have dropped seven percent since 2003. Fare reductions have primarily taken place in the business market. Business fares have dropped by 12 percent, while fares in the leisure market have remained virtually unchanged.

## **International air traffic to and from Norway**

Between 2003 and 2005, international air traffic rose by 2.3 million passengers. Just under 80 percent of this increase came in the leisure market. Leisure trips now comprise 60 percent of all international air travel to and from Norway, whereas the figure was 56 percent for 2003 and 40 percent for 1998. Norwegians account for 80 percent of the growth in the leisure market, while foreign residents account for the increase in the business market.

London is the biggest destination for international traffic if all three airports are taken together (Heathrow, Gatwick and Stansted), followed by Copenhagen and Stockholm. These three cities are the final destination for 27 percent of all international passengers from Norway. Among new destinations, Prague warrants mention, having seen a formidable growth in air traffic in the past two years. Prague is now the seventh most popular destination for passengers leaving Norway, largely because there are now three airlines offering direct flights from Norway to Prague.

A number of new flights to cities abroad have started up in the past few years, but 36 per cent of the passengers still cannot reach their final destination on a direct flight from Norway. As previously, Copenhagen, London and Amsterdam are the biggest international air traffic hubs for flights to and from Norway. However, the growing number of direct flights from Norway has diminished Copenhagen's role as a hub.

Fares have been reduced substantially in recent years, and the reductions are consistently greatest in the business market. For example, a business traveller whose final destination was Amsterdam paid 16 percent less for a ticket in 2005 than in 2003, while the decrease in the average fare for a leisure traveller was seven percent.