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system as the airline industry faces another rough patch.

Oct. 17, 2022



Credit: Stephen M. Keller, Southwest Airlines Co.

By Kyle Arnold, The Dallas Morning News (via TNS).

Southwest Airlines is trying to lure small and medium businesses into its travel system as the airline industry faces another rough patch.

Southwest Airlines rolled out a referral program for small and medium-sized businesses Monday, giving 25,000 rewards points per company for funneling other

firms into the airlines' managed travel system.

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could lose the company completely."

About 14% of companies still have lockdowns on air travel coming out of the COVID-19 pandemic, according to the Global Business Travel Association. That number recovered quickly in 2021 as travel resumed after travel restrictions dropped but has leveled off this year.

Corporate air travel purchases are still down about 25% from 2019, according to ticket-data service ARC, a number that has stagnated as companies now face economic headwinds on top of pandemic recovery setbacks.

Southwest has long bragged that small and medium businesses are major customers even if the data doesn't reflect it. Smaller customers are unlikely to show up on data because their tickets are bought outside of managed corporate sales platforms.

Last year, Southwest made a major push to get in front of large corporate travel managers by getting into the global distribution system for Southlake-based Sabre, the biggest such platform in the world for corporate travel.

Those types of systems are essential for airlines because corporate travel managers tend to use them first to book travel.

Harvey said Southwest has pumped up its corporate sales team to about 250 people from just 20 a few years ago. But, Harvey said, small and medium businesses are often buying tickets ad hoc, using airline websites or third-party sites.

"We don't necessarily have dedicated account managers assigned to some of those small businesses," he said.

Southwest has topped out the new referral program at 125,000 reward points, which would be worth about \$1,875, according to Nerdwallet's airline mile estimates. Those

miles don't go as far as they used to since Southwest's mile redemptions are based on

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