



# Value Added

Can budget airlines provide a competitive product for business travelers? BY LAURA DAILY

As mainline carriers withdraw from shorter routes to cut costs, discount carriers step in. Business travelers, accustomed to the amenities that come with frequent-flyer elite status, face a conundrum. Do they stick with their airline alliance and possibly face higher ticket prices, fewer nonstops and inconvenient flight schedules, or join the masses and embrace no-frills air travel?

Houston-based Kristie England, general manager, Universal Travel, offers her clients a low-cost carrier “if it meets the client’s needs. Not only are budget airlines a good value for the cost-conscious, but many operate efficiently, offer flexibility for changes and cancellations and fly into airports abandoned by the big carriers,” she says.

Those are many of the reasons business travelers look to carriers such as Flybe, Ryanair and easyJet when moving around Europe. “Low cost doesn’t have to mean cheap and nasty; it’s about how you treat people,”



**EUROPEAN CONNECTIONS:** Ryanair (top) and easyJet (bottom) are popular carriers among business travelers moving around Europe.

PHOTOS: © JIRI SENOHRABEK | DREAMSTIME.COM, © PCRUCIATTI | DREAMSTIME.COM

says Paul Simmons, chief commercial officer, Flybe. “Everyone is raising their game in Europe, recognizing you have to stay attractive and actively court the traveler.”

For Flybe, which boasts that 50 percent of its passengers are business travelers, that means interline agreements with American Airlines, Delta Air Lines, Etihad Airways and United Airlines and codesharing with Cathay Pacific, among others. Tickets can be purchased through travel agents and, while a “Just Fly” fare is bare bones, the “Get More” and “All In” options add perks such as lounge access, security fast track and in-flight food and beverage credits.

Though it built its success on low fares, Ryanair was once known more for its outrageous and headline-grabbing cost-saving “ideas.” (Remember the notion of coin-operated lavatories?) The airline can now lay claim to Europe’s biggest route network, connecting 189 destinations in 30 countries, and is actively courting the business traveler.

Last year, it introduced Ryanair Business Plus, a tailored suite of services. Starting at €69.99, or about \$75 (added on to any fare, even one for €9, or about \$9.60), it gives passengers the flexibility of ticket changes, a 40-pound checked bag allowance, free airport check-in, fast-track airport security at select airports, priority boarding and premium seats. So keen is the airline to capture the American market, it launched a U.S. website so travelers can book in dollars.

“The modern-day business traveler doesn’t care about cheap Champagne and the blue curtain,” says Robin Kiely, spokesperson, Ryanair. “As flag carriers have cut back on short hauls, we have jumped in.” Business travelers like what they

see. With low fares, 25-minute turnarounds, punctuality (90 percent of flights are on time) and few cancellations, Ryanair has grown its business traveler share to 27 percent.

Even more important to business travelers, many low-cost carriers offer high-frequency, business-friendly schedules between major cities and get you into the right airport, such as London City instead of Gatwick Airport, to cut down on travel time. Often, business can be completed in a day with no need for an overnight stay.

According to Anthony Drury, director, head of business, easyJet, one in five of the airline’s 65 million annual passengers is flying on business. The airline covers 741 routes across Europe, the Middle East, North Africa and Russia. Once business travelers try the airline, about 62 percent fly easyJet again. Drury attributes the retention rate to fares up to 40 percent cheaper than legacy carriers; flights to more of the major airports on the top 100 European routes; punctuality; and FLEXI Fares offering unlimited date changes, checked luggage, up-front seat selection, airport bag drop, fast-track security and speedy boarding. “EasyJet is helping make business travel easy and affordable for everyone,” he says.

Does the à la carte system appeal? To budget-conscious business travelers, yes. Juan María Solare, a pianist in Bremen, Germany, says Ryanair made it possible for him to work and perform. “I can fly to London, Seville, Graz or Madrid to give concerts or do recordings because I can keep flight costs under

#### SOARING BUSINESS:

*A Flybe plane takes off.*

PHOTO: © FLYBE



€100, sometimes €60,” he says. “I don’t need extra services or any luxury in a one-hour flight, as long as it takes me safely to my destination. And, for me, it doesn’t make sense to pay twice the amount to have some juice and a free newspaper.”

San Diego-based Timothy Trudeau, CEO, Syntax Creative, a music distribution company, agrees. Trudeau travels two weeks of every month almost exclusively on Southwest Airlines. “I’ve found that their pricing and Rapid Rewards plan work well for me,” he says. “I’m not flying to be pampered; for that, I check into a nice hotel. Instead, I squeeze into a window seat, put on my headphones, use the in-flight WiFi and get my work done. Even a four-hour flight from San Diego to Nashville passes quickly.” Trudeau calls Southwest a “no-nonsense” airline with good customer service. And if he needs to alter his flights, there’s never a problem.

But there is a line in the sand for many U.S. business travelers. For example, Frontier Airlines switched to an ultra-low-cost carrier model in April 2014, characterized by stripped-down economy-fare tickets and à la carte service offerings. It even opted out of the TSA’s PreCheck, so passengers can’t bypass long security lines. The pushback has been incremental but growing as once-loyal business customers seek other options.

According to Paul Berry, spokesperson for ultra-low-cost Spirit Airlines, “We don’t cater to the corporate business traveler. Our main customer is the person who purchases their own tickets and price is their No. 1 factor in choosing an airline — in most cases the leisure traveler looking to save money.”

Spirit’s fares average 40 percent lower than those at other airlines. “Our fare covers your seat and a personal item that fits under your seat,” adds Berry. Anything else costs extra. Even after you add on checked and carry-on baggage fees and other charges, Spirit’s total price is still 35 percent lower, on average, than other airlines’ total price for similar routes, he says.

Spirit doesn’t have a first or business class, but for \$25 you can upgrade to a business-class-sized seat with extra legroom. If you pay for a carry-on bag to go in the overhead bin, you are guaranteed space in the bin. Says Berry, “There is one type of business traveler that does enjoy flying Spirit — and we have a lot of them — they are the people who own their own small businesses and pay for their own tickets.”

Regardless of where they fly, business travelers are likely to find a proliferation of competitive low-cost options. In Europe, Ryanair, easyJet and Flybe are among the largest, but also gaining ground are niche airlines with more limited route systems

#### **COST-CONSCIOUS:**

*Southwest Airlines  
Boeing 737*

PHOTO: © DREAMSNJB |  
DREAMSTIME







such as airberlin, Condor Airlines, Vueling Airlines, Transavia Airlines, Germanwings and WIZZ Air. AirAsia has a sizable market share in the Far East. Flydubai operates more than 1,200 flights per week across the Middle East, Gulf, Africa and Europe.

One of Kristie England's clients travels to mainland China for business three times a year. While he flies a mainline carrier internationally, she books him on Hong Kong Express to get around China. "The service is good. The flights are reliable, and they fly the routes he wants," she explains.

Though it seems like a no-brainer to fly a low-cost carrier if you want to save money, value is in the eye of the beholder. Tickets are usually nonrefundable and non-changeable (Southwest being the exception). If you cancel your flight, too bad. About half the low-cost airlines take only online bookings, not through a travel agent or by phone, so there may be no one to talk to if you have an issue. Unless you purchase a higher-priced fare or "package," expect to pay extra for seats, carry-on and checked luggage, food and beverages or in-flight entertainment (if it is even available).

Budget carriers, especially in Europe, may use secondary or obscure airports that require long, sometimes costly, transfers into the city center. For the most part, few have interline agreements, so you can't check your luggage through to your final destination if you are changing carriers in mid-travel. Not that you want to connect with another airline, as most point-to-point budget carriers operate schedules that aren't in sync with the big boys.

"Check out who operates in the market to which you are traveling. There are dozens of new options, so many that travelers haven't heard of," advises England. "If the route, market and price work, I can't see why you wouldn't use them."

Perhaps Ryanair's Kiely best sums it up: "Low-cost carriers are the way forward and are only going to grow," he says. "On a long haul, luxury counts, but not when the flight is shorter than the commute to the airport."

**ASIAN EXPANSION:** Boarding an AirAsia airplane at Don Muang International Airport, Bangkok

PHOTO: © MIRKO VITALI | DREAMSTIME.COM

#### **AirAsia**

airasia.com

#### **airberlin**

airberlin.com

#### **Condor Airlines**

condor.com

#### **easyJet**

easyjet.com

#### **Flybe**

flybe.com

#### **flydubai**

flydubai.com

#### **Frontier Airlines**

flyfrontier.com

#### **Germanwings**

germanwings.com

#### **Hong Kong Express Airways**

hkexpress.com

#### **Ryanair**

ryanair.com

#### **Southwest Airlines**

southwest.com

#### **Spirit Airlines**

spirit.com

#### **Transavia Airlines**

transavia.com

#### **Vueling Airlines**

vueling.com

#### **WIZZ Air**

wizzair.com