



Airlines

JetBlue Adds Premium Service

JetBlue Airways has announced the pricing for its new premium service, Mint, which it will offer on transcontinental flights starting next June. Fares will range from \$599 to \$999 each way, plus tax, said the airline's CEO Dave Barger. He said that current fares for premium service are approximately \$1,800 one way. Mint will feature 16 lie-flat beds on flights from New York to Los Angeles and San Francisco. Four of those beds will be private suites. It is also revamping its economy section, which it is labeling "Core." Core will have newly designed seats, bigger flat screen TVs, in-seat power and will be rolled out fleet wide. Jet Blue is also introducing in-flight Wi-Fi, which it is calling Fly-Fi. It will start introducing that on flights in December, installing it first on its new A321 aircraft. Barger said that Fly-Fi will deliver as much bandwidth to a single seat as most other carriers deliver to an entire plane. (Source: press conference, interview).

Republic Sells Frontier Airlines

Republic Airways has agreed to sell Frontier Airline to Indigo Partners LLC, a private equity firm specializing in aviation. It was an investor in Singapore-based Tiger Airways and Spirit Airlines and is now an investor in Wizz Air Holdings, an ultra low-cost carrier in Central and Eastern Europe and in Mexico's Volaris Airlines, also an ULLC. The transaction still has to be okayed by the Association of Flight Attendants and FAPInvest LLC. William Franke, co-founder and managing partner of Indigo, said that Indigo would continue to work on turning Frontier into an ULCC. (Source: press releases).

Airlines Get More Creative With Ancillary Services

Airlines are getting more creative with the way they package ancillary services. Delta Air Lines has introduced the Smart Travel Pack, which is available through Jan. 5 and is available only to SkyMiles members. For \$199, SkyMiles members get free bag check, priority boarding, access to select seats and discounts on Economy Comfort seats. They get these extra benefits not only for themselves but for up to 7 companions traveling with them on the same reservation. Many of these same benefits are available for free for elite SkyMiles members. Other airlines are working on this sort of dynamic bundling, as well, according to Jim Davidson, CEO of Farelogix, which provides airlines with technology to do such bundling. Airlines may be able to offer mix-and-match ancillary packaging. (Source: press releases, industry interviews.)

Passenger Demand Keeps Going Up

The International Air Transport Association's latest figures show that the growth in passenger demand is staying strong globally and U.S. airlines are reporting highest load factors of all regions. Total revenue passenger kilometers rose 6.8% in August. Capacity increases lagged demand, pushing load factors to match the record high of 83.4% set in 2011. North American carriers saw demand increasing 5.1%, double the year-to-date increase of 2.7%. North American load factors were 88.1%, the highest of any region. Asia Pacific carriers saw the biggest traffic increase, 8.6%. European carrier's international traffic climbed 5.4%. IATA credited this to rising business and consumer confidence. (Source: IATA press release).

Airline Ancillary Revenue Soars

Airline ancillary revenues totaled \$27.1 billion in 2012, according to the IdeaWorks Company. IdeaWork's first report on ancillaries found that 23 airlines collected \$2.45 billion for ancillaries in 2008. Airlines report these revenues in different ways, but the latest report found 53 airlines that disclosed revenue from frequent flier miles sold to partners, bag fees, car rental commissions, onboard food sales and other services and products. (Source: IdeaWorks press release).

Hotels

Hotels Offer Flexible Workspace

Marriott International and Westin Hotels & Resorts are offering workspace to workers. Marriott now offers its Workspace on Demand program at select hotels in northern and southern California, the Washington, D.C., metro area, the New York metro area, Chicago, Dallas and other markets. Westin is rolling out Tangent, its flexible workspace program, to 40 hotels worldwide, from Boston to Bali. (Source: Marriott and Westin press releases).

Car and Rail

Single Vehicle Car Rental Company Expands to LAX

Silvercar, a car rental company that rents only silver Audi A4s, will begin operating out of Los Angeles International next month. It will charge \$59 per day on weekends and \$89 a day on weekdays. It has a parking lot less than a mile from LAX. Silvercar launched in January at Dallas-Fort Worth and has since added locations in Austin, Houston and San Francisco. It does not use airport counters. Instead, customers book their cars and call for transportation to the vehicles' parking lots using a smartphone app. Customers use the app to inspect the vehicle and unlock it. (Source: Silvercar.com).



Spotlight On...

Government Shutdown

The Global Business Travel Association criticized the government shutdown, citing the vulnerability of business travel. Michael McCormick, executive director and COO of the GBTA, said that the shutdown hit just as business travel was about to surpass pre-recession levels. He said that every business trip canceled results in permanently lost industry revenue, decreased future employment and lost economic benefits to the country. McCormick cited some of the benefits and expected returns on business travel and what the shutdown's impact will be on them

- Each international business trip increases U.S. merchandise exports to the visited country by \$36,000 per year.*
- Each overseas traveler spends approximately \$5,000 when they visit.*
- The inability to issue passports and visas will result in canceled business trips and lost business opportunities.*
- During the 1996 shutdown, hundreds of thousands of passports went unissued and tens of thousands of visas went unprocessed.*
- An extended shutdown will cause overseas business to lose confidence and put U.S. investment plans on hold.*

McCormick said that like sequestration, the standoff is using business travel as a bargaining chip. "This self-destructive government shutdown will result in lost productivity, business opportunities and lost revenue," he said.

Source: GBTA

Springdale Travel is committed to providing you with useful information on the latest developments in the travel industry. The above information has been compiled from a variety of sources and is updated monthly.