



DOES ALL-BUSINESS CLASS HAVE A FUTURE?

News / Airlines



An all-business class airliner is still a relatively novel idea.

It's also a fairly specialized niche that several companies have tried and failed to occupy in recent years. US carriers MAXjet, EOS and their UK rival Silverjet all disappeared within a matter of months between 2007 and 2008, when fuel prices rocketed and the poorly-hedged airlines found themselves financially crippled.

In the past month, two airlines have announced they plan to pull out of such services. So what's the future for similar services?

SAS, which wet-leased a PrivatAir Boeing 737 with just 44 seats on the Stavanger-Houston run from August 2014, had clear reasons for shutting down the route: Stavanger is the Norwegian center for North Sea oil and gas exploration. Houston-based companies have major interests there and many senior executives and engineers from the hydrocarbon industry used the service. However, with the huge slump in oil prices, oil companies have been pulling in their horns and passenger numbers have dropped sharply.

"The oil route came out of creative and constructive product development between SAS and our core clients in the oil industry," said Eivind Roald, SAS's executive vice-president, commercial.

“We have done all we can to make it viable, however, we have had to accept that the downturn in the industry unfortunately is also impacting us.”

Qatar Airways has not yet spoken publicly on why it will be halting its 40-seat all-business Airbus A319 service between Doha and London Heathrow, which began in May 2014. However, AirwaysNews understands that the decision was taken not because of poor load factors but because Qatar Airways realized it could make more money by up-gauging its equipment on the route. Operating the relatively small Airbus into Heathrow was not the best use of a valuable slot at the London hub. In fact, the larger aircraft that will replace it – a decision on type is expected within the next week – will provide at least as many, if not more, seats at the front of the aircraft.

London hosts two other all-business class services: British Airways operates two daily Airbus A318 services from London City Airport to New York JFK, while French carrier La Compagnie began services earlier this year from London Luton to Newark, having already operated Paris Charles De Gaulle-New York JFK.

The BA service has become well-known (and has featured in Airways News in detail). It has the advantage of operating from a city airport just two miles from London’s Docklands financial district, many of whose companies have dozens of highly-paid executives whose business takes them across The Pond – frequently at very short notice.

Although the A318’s take-off weight is limited from the short London City runway and it needs to top up its tanks en route to JFK, BA has turned this into a positive by stopping at Shannon, in the Irish Republic. Shannon has a US immigration pre-clearance facility. This means that passengers can clear formalities while the aircraft is being refueled and effectively arrive in New York as domestic traffic, avoiding the often long queues at JFK’s passport and customs desks.

Saj Ahmad, chief analyst at the UK’s Strategic Aero Research, says that BA has closely targeted high-powered executives on both sides of the Atlantic for the A318 service; it has the advantage of flying between airports that are close to their respective city centers and has no real rivals. “As far as I’m aware, load factor is 80-90%, depending on time of year,” he said.

He has more doubts about La Compagnie’s service. Eyebrows were raised when the French carrier announced it would fly from Luton, an airport best-known for being the headquarters of low-cost carrier easyJet and one whose image is relatively down-market. Some 35 miles northwest of central London, it has a fast rail service from the capital, but not one that connects directly to the airport – a shuttle bus or taxi is needed to complete the trip.

La Compagnie operates Boeing 757-200s – “As great as it was in its heyday, it’s not the machine of choice for long-haul routes,” comments Ahmad, who also has doubts about travelers having to schlep relatively long distances from Luton and Newark to their respective city centers.

According to La Compagnie’s founder and CEO Frantz Yvelin, however, Luton has turned out to be an asset. Having evaluated all London’s airports except Heathrow, he chose Luton because “It’s a quick airport to pass through, which is very important to our customers,” he told Airways News. “Check-in to lounge takes approximately seven minutes, and lounge to gate about the same. The airport also worked with us to ensure the airport experience was prioritized for our customers with a dedicated check-in, fast-track security and upgrading of the business-class lounge facility.”

Getting to the aircraft from a central London office, “we are just as quick or even quicker than flying from LHR,” he says.

Passenger feedback about the airport has been “mainly positive,” with that experience likely to be enhanced by an ongoing upgrade of airport facilities.

Load factors reached about 60% within a few weeks of starting operations with a five-days-a-week service. “We are very happy with the route figures for now, which are very promising. And we are of course looking at continuing our ramp-up and to increase our frequencies up to a 6/7 basis over 2016.”

Compared to SAS and Qatar’s routes, he noted that La Compagnie was operating transatlantic from both London and Paris to New York, the busiest long-haul route in the world.

Get the route right, it appears, and all-business class can still work.

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