



ANCILLARY REVENUE REPORT SERIES FOR 2014

VIP for a Fee: Airport Services Designed for High Value Customers

Airlines generate ancillary revenue
with extra pampering and perks

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Issued February 4, 2014

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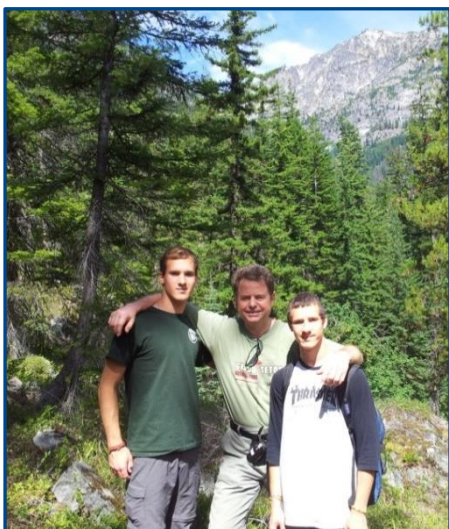


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Issued by IdeaWorksCompany.com LLC
Shorewood, Wisconsin, USA
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Jay, with sons Anton and Aleksei, on the North Fork Trail in North Cascades National Park in Washington.

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Eric, at his favorite summer retreat, Steens Mountain, Oregon.

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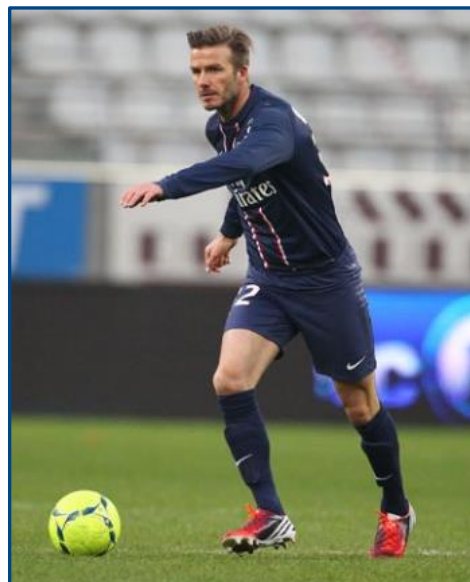
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VIP for a Fee: Airport Services Designed for High Value Customers

Board it like Beckham

“Let me tell you about the very rich. They are different from you and me,” is a timeless observation offered by F. Scott Fitzgerald in his story named *The Rich Boy*. Very frequent fliers earn their perks and program status by remaining vigorously loyal to specific airline brands. The wealthy can avoid all the mileage fuss and simply open their wallets for more pampering. At the highest level of service and status, airlines will meet and greet passengers at the curb, provide private screening, and whisk them to planeside in a sedan car on the ramp. This level of service normally eludes “you and me” but is now within the grasp of anyone with the swipe of a credit card. This report reviews how airlines all over the world now sell extra pampering to passengers for a profit.



David Beckham opts for a private-entrance lounge and sedan car transfer to flights when passing through London.

Photo credit: Paris Saint-Germain

Global celebrity and footballer David Beckham doesn't fly like the rest of us. He may sit “up front” on the same flight, but he takes a very different path when he navigates the airport. Mr. Beckham departs London Heathrow from the discreet Windsor Suite entrance at the southwest corner of Terminal 5.¹ Once inside, he's directed to a private lounge room where Her Majesty's immigration agent quietly checks his passport. He never touches his baggage until he arrives at his destination. When he wants to board the flight, he is screened without delay. Then it's a quick sedan car trip on the ramp direct to the aircraft. He hops up the stairs in view of a planeload of admiring fans and jealous passengers.

You too can board it like Beckham if you are willing to part with a cool £1,500 (\$2,477). That's what Heathrow Airport charges for its “Heathrow by Invitation” service for 1 to 6 guests. The service may be booked by any premium class passenger and is available for arrivals, departures, and flight transfers.

¹ “The Beckhams receive the Royal treatment” article dated 18 December 2010 in the Mirror.

VIP status was once only earned, now it's also paid

VIP status has traditionally been limited to persons of great influence or prestige. The casino business had a significant impact on the definition as they designated high rollers as VIPs. Within the industry these big spenders are known as “whales” and casinos will do practically anything to win their loyalty. Suddenly being a VIP was not limited to celebrities, royalty, and prime ministers . . . all you had to do was spend a lot of money.

Airline managers were watching and thought the idea of VIP status could be applied to their top fliers. American Airlines introduced its first elite tier to its AAdvantage program in 1982.² Members only had to accrue a modest 25,000 flight miles to receive gold status. The seed was thus planted and soon every major frequent flier program would apply an array of precious metals, rare jewels, and boardroom phrases as brand names to the services provided to VIP members.

The idea was a stunning success. Michael O’Leary, the CEO of Ryanair, believes consumers will “crawl naked over broken glass to get low fares.”³ It’s a pity he doesn’t believe in loyalty marketing, as experience shows elite members consider similar extremes in their pursuit of miles and points. American’s elite members, representing less than 5 percent of program membership, contributed 26 percent of the carrier’s passenger revenue in 2008.⁴ VIP treatment, such as early boarding, bonus miles, fast track screening, and first class upgrades, has proven to produce the revenue payback eagerly desired by airline management.

Airlines now realize mileage alone is not the only method to measure the value of a customer. Elite status qualification can now include minimum requirements for flight segments and even airfare spending. Delta Air Lines has established a complex set of hurdles involving miles, segments, and spending to qualify SkyMiles members for elite status. Kudos to Delta for emphasizing revenue, but the carrier’s labyrinth of methods confuses many consumers. Look for more airlines to simply use pay-as-you-go, also known as a la carte, methods to also seduce more revenue from those willing to buy more perks.

This dual track approach relies upon traditional methods to reward elite status benefits to very frequent fliers. But it also allows consumers to buy the package of goodies once reserved for gold and platinum travelers. It’s a mercenary approach born of tough economic times in the airline industry. The consumers most attracted to the second method include high value customers, called “HVCs” in the jargon of the industry.

These consumers don’t wait for freebies; they have the income or decision-making authority to buy what they want from a carrier’s premium service buffet. HVCs are not necessarily frequent travelers, but when they travel, they are willing to pay a higher price for the best service. Some HVCs are simply designated as such by airline management with a note in the booking. More often, they represent big spenders who are catching the attention of airline management all over the world.

² “AA Technology Highlights” at the AA.com website reviewed February 2014.

³ “Low-fare airlines celebrate in high stylee.

⁴ 2007 Investment Conference presentation by Dan Garton, EVP of Marketing on 8 March 2007.

IdeaWorksCompany offers the following definition of high value customers:

High Value Customers (HVC) Defined

Passengers motivated to purchase premium services that generate top margins for an airline. They book high yield fares, don't hesitate to buy a la carte services, and are not constrained by company travel policies. These customers have a high expectation for luxury, comfort and personal service because they have a high level of disposable income.

The definition can be further quantified to stipulate these customers pay the top 5 percent of premium-class yields. Frequency of travel is not a factor, as the airline happily makes plenty of money for each trip these consumers take. In common parlance, these travelers "put their money where their mouth is."

Fortunately, though, while the a la carte services and airlines described in this report may focus on HVCs, the market for VIP airport services is broader. Some of the airlines promote the promise of extra pampering to a wide array of passengers, such as moms traveling alone with kids, elderly parents, and even minor celebrities. The airline industry is not unique in this regard; hotels, nightclubs, cruise lines, and theme parks also have products that provide more to those willing to pay a premium.

Universal Studios provides star quality pampering

Nearly 6 million guests visited Universal Studios in Hollywood during 2012.⁵ You can pay \$84 and join the masses as they queue up for the studio tour mobile, the Jurassic Park ride, and the Shrek 4-D adventure. Or instantly become a high value customer by plunking down \$349 per person for the "VIP Experience."



VIP Experience guests don't just see the backlot . . . they get to walk studio streets and explore.
Photo credit: Universal Studios.

For these high value customers, Universal delivers exclusive access, personal pampering, and taste treats. Guests begin the day with valet parking and enter the park through a private entrance, and enjoy a continental breakfast. The usual studio tour yields to a guided experience through the studio backlot, working movie and television program sets, and concludes in the enormous prop warehouse.

Universal includes a gourmet luncheon in its VIP dining room and provides front of line access for every ride in the park. Customer comments posted at TripAdvisor are

overwhelmingly positive and highlight the personal service, exclusive movie set access, and no waiting line policy. When a family of four pays \$1,396 for a day at the park, they certainly meet the qualification of being high value customers. Assuming an average of 200 guests per day, the VIP Experience can deliver revenue in excess of \$25 million per year. It's good business for Universal Studios and well worth the significant investment made to develop the product.

⁵ 2012 Global Attractions Attendance Report by the Themed Entertainment Association (TEA).

Shocking news – offer a better product and people will pay for it

There are always customers happy to pay a premium for a better experience. It's a philosophy that often eludes the airline industry. Airline management teams constantly fight the urge to spend more on premium class services. With significant portions of business and first class passengers traveling on elite status or full fare upgrades, there's often disbelief passengers will pay for a premium cabin upgrade. The result is a habitual urge by airline executives to skimp on product quality and cut costs. This keeps many airline brands outside the decision set of high value customers who seek luxury, comfort, and personal service.

These consumers will pay more for the best – but they are not fools. For example, a high value customer booked a \$290 roundtrip economy class ticket for a 2 hour flight between Chicago and Providence on United Airlines. Economy class was chosen because the first class experience provided by the regional jet did not provide value for money paid. The airline didn't help its efforts when it emailed a \$1,749 last minute upgrade offer. You read that correctly . . . a nearly 600 percent premium on the fare paid. It's an offer that can only insult a consumer's intelligence. This same consumer routinely buys roundtrip business class fares on British Airways for leisure travel to London. The premium service provided by that airline meets his expectations and he is willing to pay a substantial increment over economy class fares.

American Airlines has learned the benefits derived from creating services that appeal to high value customers. The airline was a careful innovator when it quietly introduced a VIP for a fee service at Kennedy Airport in 2007.⁶ American's Five Star Service is similar to that enjoyed by David Beckham at London Heathrow. It's a personalized one-on-one airport service that stretches from curbside to the aircraft door. Meet and assist services are provided for departures, transfers, and arrivals. Expedited check-in, screening, and boarding are included as is Admiral's Club lounge access. Flight progress is monitored for individual passengers and re-accommodation is made if delays occur; new boarding passes are handed to the guest without any need to queue. The personal representative even escorts guests through immigration and customs for international arrivals.



American's Five Star Service has grown to include 14 airports worldwide. Pricing once started at \$125 per person at Miami, Kennedy, and New York LaGuardia airports and the service was available to all passengers. As of 2014, the lowest pricing is \$250 per passenger and the service has been restricted to those booked in business and first class cabins. In other words, the starting price doubled and the pool of qualifying customers has been deliberately reduced. Back in 2011 a representative of the airline commented, "Five Star has been hugely popular in the U.S. since it was introduced . . ." ⁷ These developments indicate the service has been a commercial success; the airline has been compelled to double the price and restrict access to premium class travelers. The idea is becoming popular worldwide; IdeaWorksCompany identified ten other airlines globally that provide similar VIP airport services for a fee.

⁶ Five Star Service Fact Sheet, American Airlines News section at AA.com, reviewed February 2014.

⁷ Member News dated 05 December 2011 at BritishAmericanBusiness.com.

From Air Asia to Virgin Atlantic, eleven carriers offer VIP airport services

IdeaWorksCompany reviewed websites for airlines all over the world and searched news articles to determine which airlines sell VIP airport services. Some airlines, such as Air France, American and Etihad, place easy-to-find information on their home pages. On the opposite end of the spectrum is Delta's VIP Select service. It operates in stealth mode and exposure appears limited to direct corporate sales activity and the occasional published article. Even the search function at Delta.com returns no matching results when "VIP Select" is entered.

The majority of the programs are designed to appeal to high value customers with one-on-one service, and airport lounge access. Delta even delivers ramp-level transfer in a Porsche automobile. Hawaiian's iconic lei greeting is clearly designed for arriving tourists, while Lufthansa's Guide Service seeks to provide equal appeal to any traveler requiring a little more guidance through the airport process. All of the airport services listed in the following matrix would benefit time-pressed executives, elderly parents, and single parents traveling with an armload of kids, diapers, and toys. Some are only offered at a single hub location such as Etihad and LOT Polish with American being the most prolific with 14 global locations.

Airline VIP a la Carte Service				
Airlines offering fee-based meet & greet airport services.				
Airline & VIP Brand	Service Description	Pricing	Airports	Ordering Information
Air Asia <i>Red Carpet</i>	Service only available for departures. Priority check-in, baggage handling, and boarding, lounge access, fast track immigration and screening, and electric cart transfer to gate. Services provided vary by airport.	Per person prices vary by location. Kuala Lumpur is RM 150 (\$45) up to one hour before flight and RM 125 (\$37) when booked 4 or more hours before flight. Other cities range from \$15 to \$55 (equivalent in local currency).	7 total. Departures from Kuala Lumpur, Kuching, Kota Kinabalu, Penang, Johor Bahru, Singapore, Bali and Jakarta.	Red Carpet service is available online at AirAsia.com in "Manage My Booking" 4+ hours before departure. Service may also be arranged at the airport at least one hour before departure.
Air France <i>Personalized Services at the Airport</i>	Personal escort for arrivals, departures, and connections. Provides access to fast track security and immigration. Services offered in French and English, plus 10 more languages at Paris CDG.	For first person €150 (\$203) at CDG and €120 (\$163) at other airports. 2-4 persons at CDG €20 (\$27) each and €10 (\$14) at others. Options include 1) private car or motorcycle taxi from €80 (\$108) per person and 2) baggage pick up or delivery for €65 (\$88) 1-5 pieces. 400 Flying Blue miles for each booking.	4 total. Bordeaux, Nice, Paris Charles de Gaulle (CDG) and Paris Orly.	Call the sales team in Paris at 33 1 72 95 00 77 (phone hours limited and closed Sunday). CDG advance notice of 1.5 to 2 hours. For other airports 48 hour minimum advance booking.

Airline & VIP Brand	Service Description	Pricing	Airports	Ordering Information
American <i>5 Star Service</i>	Limited to first and business class travelers. Personal escort for arrivals, departures, and connections. Provides access to priority check-in, fast track security and immigration, access to Admiral's Club, assistance at gate, and active flight monitoring and rebooking assistance. Airport agent will coordinate with traveler's car service.	For first person: \$250 at US airports, \$300 outside the US. All locations: \$75 for each additional adult and \$50 for children age 17 years and younger.	14 total. USA: Boston, Chicago, DFW, Los Angeles LAX, Miami, New York JFK, New York LGA, San Francisco, and Washington Reagan. Outside USA: Buenos Aires, London LHR, Milan, Tokyo Narita, and Sao Paulo.	Call 877-578-2702 for availability and booking or email to FiveStar.Service@aa.com . Phone hours are 7 days a week, 5 a.m. to midnight Central time. Reservations must be made at least 24 hours in advance for US locations and 48 hours in advance for locations outside the US.
Delta <i>VIP Select</i>	Personal escort for arrivals, departures, and connections. Provides access to priority check-in, fast track security, access to Delta SkyClub, discreet boarding at traveler's preferred time, and 24/7 flight monitoring and rebooking assistance. Name and phone number of airport agent provided 72 hours or less before departure.	Pricing varies by location. Atlanta: one person \$350, two people \$425. JFK, LAX & SFO one person: \$125, two people \$200. For all locations, each additional person \$125. Atlanta, JFK, and LAX pricing include ramp level transfer to aircraft via Porsche automobile (or other vehicle).	4 total. Atlanta, Los Angeles LAX, New York JFK, and San Francisco.	Call VIP Select at 855-235-9847 for availability and booking, or email VIPselect@Delta.com . 24 hour advance notice requested. Most declines occur when requests are made less than 24 hours. Call center support provided daily 5 a.m. to midnight (Eastern time).
Emirates <i>Marhaba</i>	Personal escort for arrivals, departures, and connections. Bronze, Silver, and Gold levels define the extent of personal service. Gold provides escort during the entire airport journey (curb to jet), electric cart transfer, baggage porter, and lounge access.	Prices vary by service level and airport terminal. Prices per passenger: bronze \$25 to \$27, silver \$31 to \$44, gold \$56 to \$89. Dubai transfer service \$44. Flowers and chauffeur may be booked at additional cost.	2 total. Dubai and Bahrain. Services are provided by Marhaba, which is owned by Emirates.	Call Marhaba at 971 4 389 8989 or book online at MarhabaServices.com at least 24 hours before departure to avoid additional fees. Call center support provided daily, 24 hours.

Airline & VIP Brand	Service Description	Pricing	Airports	Ordering Information
Etihad <i>Meet & Greet</i>	Personal escort for arrivals, departures, and connections. Silver and Gold levels define the extent of personal service. For example Gold provides escort during the entire airport journey (curb to jet), fast track immigration, premium lounge access, and arrival baggage porter.	Prices vary by service level. Prices per passenger: Arrivals Silver \$27, Arrivals Gold \$55, Transit Gold \$89, Departure Gold \$68.	Only Abu Dhabi.	Must be booked at EtihadAirways.com least 48 hours before arrival (firm time requirement). Questions may be directed to meetme@etihad.ae.
Hawaiian <i>Lei Greeting</i>	Service only available for arrivals. Fresh flower lei greeting for all passengers on flight who have purchased service. Escort of travelers to ground transport. Package type defines services. For example, Waikiki (Honolulu) package A adds baggage porter service, hotel transfer, and arrival breakfast.	Prices vary by service level and island. For example, Waikiki (Honolulu) package A is \$42.50 to \$43.50 per person. Basic packages (no hotel transfer) for all islands range from \$15 to \$16.50.	4 total. Honolulu, Kahului, Kona, and Lihue	May be booked at HawaiiTourSales.com or by calling 877-589-5568 during daytime hours (7 am to 5 pm Hawaii time). Must be booked at least 24 hours before arrival.
LOT Polish <i>Meet & Greet</i>	Service only available for departures. Baggage porter from the curb, priority check-in, escort to the gate, and priority boarding.	One person PLN 120 (\$38), family (maximum 2 adults + children aged up to 15) PLN 200 (\$64), and group of 5 persons PLN 230 (\$74), each additional pass. PLN 75 (\$24).	Only Warsaw.	May be booked at AirKiosk.LOT.com and by calling +48 723 693 879. Must be booked at least 24 hours before departure. Call center open 5 a.m. to 11 p.m. (Warsaw).
Lufthansa <i>Guide Service</i>	Personal escort for arrivals, departures, and connections. Services offered in Frankfurt with 51 languages and 33 in Munich. Guide accompanies passenger to check-in, gates and baggage claim, restaurants, hotels, car hire and other desired locations in terminals.	1 to 5 passengers €75 (\$102), 6 to 20 passengers €150 (\$203). Standard languages are English and German. Other languages are available at a surcharge of €30 (\$41). Larger group pricing is also available.	2 total. Frankfurt and Munich.	May be booked by calling the Lufthansa Service Center at +49 18 05 83 84 26 and at Lufthansa ticketing and sales offices. Booking should occur 4 days in advance; booking 2-3 days in advance costs extra €25 (\$34). Call center support provided daily, 24 hours.

Airline & VIP Brand	Service Description	Pricing	Airports	Ordering Information
Qatar Al Maha	Personal escort for arrivals, departures, and connections. Silver, Gold, Platinum, and Elite levels define the extent of personal service. For example Platinum provides baggage porter, fast track screening and immigration, and lounge access.	Prices vary by service level. Base prices are QAR 200 (\$55), Platinum departure QAR 500 (\$137) and Platinum arrival 260 (\$71). Elite departure and arrival service is QAR 1,500 (\$412) and uses the private terminal and ramp level transfer via a BMW 7 Series automobile.	Only Doha.	May be booked at Al-MahaServices.com or by calling 974 4465 6672. Call center support provided daily, 24 hours. Requests received 24 hours before departure are automatically confirmed.
Virgin Atlantic Guest List	Personal escort for arrivals and departures. Service includes chauffeur driven car, priority-tagged baggage, lounge access, fast track screening and immigration at Boston, London LGW, San Francisco, and Washington. Upper Class Wing fast track and check-in at London LHR.	Prices vary by number of car journeys booked. One person with 1 car journey is £240 / \$384, 2 car journeys £400 / \$640, 3 car journeys £640 / \$1,024, and 4 car journeys £800 / \$1,280. Note, 4 car journeys = pick up and delivery at both ends of a roundtrip journey. Bonus of 5,000 Flying Club miles for each booking.	7 total. Boston, London LGW, London LHR, Newark, New York JFK, San Francisco and Washington.	May be booked by calling Guest List at 0844 874 7747 (UK) or 800 862 8621 (US). Flight must be booked at least 21 days before departure to qualify; after that, Guest List must be booked a minimum of 48 hours before departure. Call center support provided daily, 24 hours.

Sources: Airline websites checked February 2014 and direct queries with carrier representatives.

Lufthansa implemented its Guide Service in 2005 to serve a range of customers, such as those without German or/and English language skills, inexperienced travelers, families, groups, VIPs/status customers, and seniors.⁸ Services at Frankfurt and Munich are provided by Lufthansa and contracted airport handling staff. The program features the largest array of language support and is perfect for travelers who are unfamiliar with airport processes.



Oversized placards are used to identify Lufthansa Guide Service for arriving passengers.
Image: Lufthansa Group website

⁸ Information provided by Passenger Experience Design contact at Lufthansa Airlines, December 2013.

The big three Arab growth airlines – Emirates, Etihad, and Qatar – share a dedication to promoting VIP airport services to high value customers. They’ve also chosen the same service branding associated with elite travel perks . . . silver, gold, and platinum. Their services are designed to deliver the key troika of attributes: luxury, comfort and personal service. One-on-one service, fast track, lounges, private terminals, and luxury automobile transfers are features provided at price points ranging from \$25 to \$412 per person. Even here, the pricing could be considered modest, with Gold service on Emirates starting at \$56 which includes escort during the entire airport journey (curb to jet), electric cart transfer, baggage porter, and lounge access.

Emirates and Qatar provide VIP airport services through subsidiaries. Emirates launched Marhaba in 1991 through its Dnata ground handling company.⁹ Services are available to all passengers at Dubai without regard to their choice of airline. Marhaba discloses it serves nearly 1 million passengers annually.¹⁰ This includes travelers who book services at MarhabaServices.com and a portion may represent guests served through contracts with individual airlines. Based upon a review of published prices, IdeaWorksCompany estimates Marhaba generates average revenue of \$40 per guest. When multiplied by one million guests, this activity generates \$40 million annually.



Marhaba introduced new uniforms for customer service staff in 2012.
Image: Marhaba Services

Bookings for Marhaba/Emirates services may be made online or through a 24-hour call center. The online booking system allows customers to add extras such as lounge access, porter service, protective padding for baby strollers, and even floral bouquets. However, the system is not designed for first-time novice customers. For example, it allows lounge access to be added to service packages that already include lounge access. The protective padding service, while innovative, fails to adequately describe the requirement for a roundtrip booking and rental deposit. Undoubtedly any errors are detected when the booking is processed by staff, but logic should be built into the system to accurately reflect pricing during the booking process.

Travelers seek simplicity not complexity

Complexity can be a nagging issue for customers and airlines often forget the advantage of simplicity. Al Maha is the brand for VIP airport services sold by Qatar Airways. It features a confusing array of service descriptors to describe the various levels of service available. Silver, Gold, Platinum, Platinum Plus, Elite and Al Maha are used to describe arrival, departure, and transit services. However, it’s not as easy as that. For example, Gold and Platinum Plus are available for arrivals . . . but not departures. Silver departures share the same price as Gold arrivals . . . This overly complex branding effort will be lost on most consumers.

⁹ Review of MarhabaServices.com and Emirates annual report, January 2014.

¹⁰ “Our Story” page at MarhabaServices.com reviewed January 2014.

Booking terms and conditions can also pose problems. Virgin Atlantic seems conflicted in its desire to promote its Guest List service. The VIP airport experience can only be added to reservations that are booked 21 days before departure.¹¹ After that hurdle is passed, the customer must then provide a minimum 48-hour notice before booking the actual Guest List service.

These rules involve the customer in a battle that undoubtedly exists within the organization. One group wants to tap new ancillary revenue by making the airport-based perks associated with the Upper Class premium cabin available on an a la carte basis, while another wants to preserve the service distinctions of the Upper Class product. The apparent compromise is to erect a 21-day barrier to prevent late booking economy class business fliers from enjoying fast track screening, lounge access, and chauffeured cars. While it may satisfy an internal debate, the outcome only confuses and frustrates travelers.

It's no secret that high value customers expect immediate access to personal service. Call center staffing should be available on a 24-7 continuous schedule. Anything less for a global airline is not acceptable. Air France violates this best practice with a service center schedule that varies by day of the week and no support provided on Sundays.¹² Travelers must calculate local time in France before contacting VIP airport services . . . that's not very VIP friendly. In addition, the advance booking window is overly complex with some itineraries requiring 90 minutes, or 120 minutes, and even 48 hours.

The carrier also advises in its text heavy terms and conditions that travelers may relinquish one-on-one service if they miss the agreed upon meeting time by more than 5 minutes.¹³ If 15 minutes late, Air France will consider the customer a "no show." It's the type of fine print that high value customers pay a premium to avoid.

Design and deliver experiences to satisfy high value customers.

Universal Studios and its VIP Experience provide a lesson for the airline industry. Universal made a significant investment in facilities, training, and branding for a program that appeals to perhaps no more than 2 percent of its Hollywood theme park and studio visitors. It has all the metrics of being a commercial success; commentary at TripAdvisor.com indicates it's a hit with visitors. Likewise, Heathrow by Invitation gets high marks from its high value and celebrity customers. After all it once was operated by the UK's Foreign Service and reserved for royalty, heads of state, and guests of the government.

But none of the airlines listed in this report deliver VIP airport services that solidly hit the mark for high value customers. Many of the airlines include features that deliver comfort and convenience with expedited check-in, fast track access, and airport lounge visits. A few even touch the point of luxury with ramp level transfers via high-end automobiles. But personal service and online efficiency seem to be lacking across the board. 24-hour call center coverage is not universal and online booking capabilities are nonexistent or problematic.

¹¹ Guest List terms and conditions at VirginAtlantic.com reviewed January 2014 and call center contact made during January 2014 to clarify policy.

¹² "Personalized services at the airport" page reviewed January 2014 at the Air France website.

¹³ "General Conditions of Sale – Personalized Services at the Airport (version 28/06/2013)" reviewed January 2014 at the Air France website.

Airlines are now providing more public exposure for these services and this can explain some of the rough edges. However, these services have been around for more than 20 years, which makes anything less than service excellence difficult to comprehend. It's a challenge for the farflung empires of global airlines to muster the ability to deliver luxury, comfort, and personal service that meets a platinum standard. There always seems to be vast opportunity for service gaps that don't plague the true luxury travel brands such as Peninsula Hotels, Orient-Express, and Crystal Cruises. Bespoke luxury is not a phrase anyone can apply to even the best airlines.

9 Tips to Maximize Success with VIP Airport Services

- Introduce services quietly to test concepts, pricing levels, and service capabilities.
- Lavish high value customers with one-on-one service, privileged facility access, and confidentiality.
- Don't overwhelm the product offer with a multitude of packages and price points.
- Simplicity of design ensures better customer comprehension and consistent service delivery.
- Invest capital to create unique experiences and to justify a price premium.
- Keep policies simple such as 7 day, 24-hour call center coverage, 24-hour advance booking requirement, and availability to all customers including economy class.
- Provide online booking capabilities with a customer friendly user interface.
- Hand pick agents at each airport location by seeking those who would qualify to be a hotel concierge.
- Provide frequent flier program linkage with point accrual and reward redemption.

Customer demand for VIP airport services represents a desire to enhance the civility of air travel. For some, it's a fee paid for increased peace of mind for moms traveling alone with kids or elderly parents. But the best profit margins are realized from products designed for high value customers, who also happen to be discerning and demanding. There are good profits available to airlines that become proficient in this category. In addition to ancillary revenue, the status of being a provider of a la carte luxury lifts the reputation of the entire brand. As F. Scott Fitzgerald observed, the rich are very different, but they do share something with every consumer on the planet . . . all remain loyal to companies that satisfy their needs. The happy bit about the rich is they are willing to pay extra for it.

Branded Fares and Ancillary Revenue now fly high at SATA International with help from IdeaWorksCompany



“Jay Sorensen did a fantastic job for SATA.

Managers and board members attended his workshops to learn new trends for ancillaries and customer buying concepts. We obtained a new vision about the changing needs of our customers. IdeaWorksCompany helped us learn how to empower consumers by allowing them to choose the products and services that best suit their needs as travelers. As a consequence, we were able to launch our Branded Fares product.”

António Gomes de Menezes-Grupo
SATA Chairman

SATA International is the airline of the Azores with flights throughout this mid-Atlantic collection of islands, and service extending to North America and Europe. The airline selected IdeaWorksCompany to guide design of a strategy to meet the challenges of low fare competition from Europe, rising operating costs on long haul flights, and consumers seeking best value.

IdeaWorksCompany provided on-site knowledge-building through its Master Class Workshops program. This was followed by a custom-designed strategic plan that identified which ancillary revenue activities would maximize revenue, add value for consumers, and be quickly deployable.

Seek your ancillary revenue bliss with guidance from IdeaWorksCompany.

Reach Jay Sorensen direct at Jay@IdeaWorksCompany.com

