

NO-FRILLS BUSINESS TRAVEL

The introduction of low-cost carriers (LCCs) to the Singapore aviation market has presented business travellers with an affordable alternative means of air transport. Is this form of travel really good for business?

Low-cost carriers (LCCs) or budget airlines, have traditionally catered to the budget conscious leisure crowd looking for short getaways in the region. Since joining Singapore's aviation scene, the LCC sector has seen a jump in growth. Travellers are opting for more competitively priced travel options, albeit less luxurious. The recent recession has made this form of air travel attractive also for the business travellers, particularly those from small and medium enterprises (SMEs).

While SMEs' operational overheads are a lot smaller than those of multinational corporations (MNCs), SMEs are always looking to keep costs low, in order to stay competitive. With flight times of no more than two hours, business travellers are willing to forgo inflight amenities such as meals and luggage space in exchange for a lower-priced ticket.

Bridging Skies meets with four business travellers, Wesley Loh, a local photographer and owner of Memphis West Pictures; April Lee, a film producer at local film productions firm Third Floor Pictures; James Tan, a business development manager at local exhibition stands company Skyline; and Khim Yap, General Manager of local publication company Paperclip Communications, as they share with us their thoughts on business budget travel.

What made you choose to fly budget for business instead of Full-service Carriers (FSCs)?

April Lee, Third Floor Pictures: The extremely competitive pricing is a big plus for me.

Khim Yap, Paperclip Communications: Since our destination was less than two hours away, we felt there was no need to spend on amenities such as in-flight movies — the short flight duration would not enable us to enjoy it.

Wesley Loh, Memphis West Pictures: Actually, our client was the one who chose to fly us on a budget airline. Since the distance was short and the flight time was less than two hours, I didn't bother to request for an FSC.

James Tan, Skyline: Cost concerns are the main reason for me. I prioritise cutting down on business expenses whenever possible, and I'm willing to sacrifice momentary comfort on shorter trips throughout the region. I would however, fly FSCs on trips to farther destinations such as Europe and USA.

How much cost savings have been realised since flying budget for business?

KY: Percentage wise, I would say about 30 per cent of our usual travel budget.

JT: On average, I save SGD\$200 per flight. In total, I have saved approximately SGD\$2,000 to date.

How do you feel about a la carte pricing – has this worked towards or against your advantage?

AL: I have no problems with a la carte pricing as it creates a transparency in pricing that allows me to pick and purchase according to my travel needs and the length of my journey.

KY: The advantage is that you don't pay for something unnecessary, like a movie that you will only watch three-quarters of. And given a choice, I think most staff would prefer the company to spend on better hotel accommodation as opposed to a better airline.

WL: I like the fact that meals are part of a la carte pricing. This is good as airline food is generally not great and I can do without paying for it.

JT: I have not taken much advantage of the offerings, but generally I would prefer not to have a la carte pricing. I don't see the element of choice as being a key benefit, because to me it's as good as a hidden cost. As a businessman, I much prefer upfront all-inclusive packages in all my consumer habits.

What in your opinion are some of the benefits of travelling budget when going on your business trips?

AL: LCCs make it more affordable for SMEs. As such, they are more willing to send their employees on overseas trips for work — be it attending conferences, trade fairs, relevant exhibitions or company retreats. All these purposes are vital to the company's and their employees' growth in today's knowledge-based economies.

WL: My clients like it since the cost is so low. This is good for their budgets and as a result, there's a higher chance for repeat business.

JT: My company benefits mainly from the cost savings. I do not feel there are any other significant benefits.

What are some constraints you face when flying budget on business?

AL: The limited flight routes LCCs fly on make it difficult to save on cost when it comes to travelling to certain regional destinations. As such, I have little choice but to fly on FSCs in order to get there.

KY: Flying budget can be a problem for business travellers due to the strict baggage allowances, cramped seats, inconvenient flight times and poor food choices.

WL: As a photographer, the lack of punctuality is a big drawback — some LCCs are perpetually never on time. We end up having to work it into the schedule by flying in the night before the shoot. Also, luggage constraints becomes a big issue when checking in as there are times when we have to lug heavy lighting equipment for the assignment.

JT: Happily, my luggage needs are minimal when travelling, since most of my needed equipment and materials travel by freight, or is obtained within the borders of the visited country. Punctuality is also not pressing because so far, I have not travelled to my budget destinations with a strict arrival time to adhere to.

Are there any areas in which you would like budget airlines to improve on?

AL: I am generally happy with the level of service of LCCs that I fly with, although I am aware of unfavourable reports of some budget airlines and will avoid them. More flight routes and better connectivity will be great though!

KY: I think that LCCs must take service standards into consideration, other than competitive pricing. I've had terrible experiences where flight attendants were generally indifferent when it comes to our requests. FSCs definitely still have the upper hand when it comes to attending to the comfort of the customer.

WL: Having a flexible luggage allowance policy would be great, but most importantly, LCCs have to improve on punctuality — it is especially hard to plan trips properly because of tardy flight times.

JT: My personal preference would be for better toilet facilities, and of course not need to pay for them like what Ryanair has imposed on their passengers! Also, the cabin crew should have more friendly attitudes towards passengers with special needs.

Since the recession, LCCs have been popular with business travellers like yourself. Do you think this is a trend that is here to stay?

AL: Yes, I think it is a trend to stay. I feel it gives SMEs viable means to expand and grow, and I will definitely continue flying LCCs for shorter business trips.

KY: Definitely — I think with the standards of LCCs rising and with more people flying budget these days, the stigma attached to LCCs has certainly diminished. There's a good possibility that LCCs will play an even bigger role in the future for our company.

WL:Yes — the low cost says it all!

JT:I think that as long as the LCC business model remains sustainable and no better alternative appears on the market, business travellers such as myself will continue to use their services.

What would be one aspect of air travel you will not compromise on?

AL:Definitely safety, reliability and accountability. The last thing we want is last-minute cancellations and delays to affect our business trips.

KY:For me, it will probably be safety. If the airline has a poor safety record, no matter how good a deal it is, I would not consider it.

WL:I will not tolerate bad service. I will avoid a budget airline permanently if they have rude in-flight staff. That said, most budget airline staff are courteous.

JT:I would say safety. Not just in terms of whether the plane parts and engines are properly maintained, but also its onboard conditions. For example, seat placements, narrow aisles and interior design and structure can generally be improved further.

Going forward, what would you like the LCCs to do that can help maintain a competitive edge over its peers and FSCs and also keep you flying with them?

AL: Have more flights going to more destinations. The flight routes currently offered by budget airlines are still very limited.

KY: I think airlines such as Jetstar are doing a great job and they will definitely be a strong threat to FSCs that are not significantly better. With consistent service and low ticket prices, budget airlines can make for a much better proposition when compared to FSCs who may only be marginally better.

WL: Service is definitely an aspect that can be improved on. Flexible luggage limit would also help. A good example is when friends have booked the same flight but with different timings — common sense will tell you that it's possible to combine luggage weight limits.

JT: If they can find a way to create more customer value while still offering the same cost comparisons, FSCs would really have to worry. Being a budget airline does not have to equate to budget customer service. Customer care costs nothing except staff training and screening, and even this can be worked into existing staff training programmes. If an LCC becomes known for good service even at budget rates, it can be something to leverage on and create positive PR.