

กระแสนิยมธุรกิจสายการบินต้นทุนต่ำ
ในประเทศสหรัฐอเมริกา
Budget Airline Trends in the United States

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บทคัดย่อ

ในปัจจุบันสายการบินต้นทุนต่ำกำลังเป็นที่สนใจของสาธารณชน สาเหตุเนื่องมาจากราคาตั๋วโดยสารที่มีราคาสมเหตุสมผลและรายการส่งเสริมการขายที่น่าสนใจ บทความวิชาการฉบับนี้มีจุดประสงค์เพื่อจะเผยแพร่ความรู้เกี่ยวกับการใช้กลยุทธ์ทางการตลาดและการบริการเพื่อดึงดูดความสนใจของผู้บริโภคในประเทศสหรัฐอเมริกา ตัวอย่างเช่น การให้บริการเส้นทางบินสู่สนามบินหลักตามเมืองใหญ่ๆ, รายการสะสมไมล์เพื่อเป็นรางวัล, การขยายเส้นทางการบินสู่ระดับนานาชาติ รวมไปถึงการนำเสนอตัวเลือกทางการบริการบนเครื่องบินที่มากขึ้นเพื่ออำนวยความสะดวกสบายแก่ลูกค้า เช่น พื้นที่ที่กว้างขึ้นในการยืดขา, ของคืบเคี้ยวและเครื่องดื่ม ยิ่งไปกว่านั้น หนึ่งในกระแสนิยมในธุรกิจสายการบินต้นทุนต่ำ ได้แก่ การเปิดตลาดใหม่ ซึ่งได้พุ่งเป้าไปยังตลาดนักธุรกิจ นอกจากนี้กระแสนี้เป็นที่นิยมในวงการธุรกิจสายการบินต้นทุนต่ำในสหรัฐอเมริกาได้รวมไปถึงการให้บริการบนโลกไซเบอร์อันได้แก่ เว็บไซต์ของสายการบินที่มีบริการต่างๆทางการท่องเที่ยวเพื่ออำนวยความสะดวกให้กับผู้บริโภค ทำให้ผู้บริโภคสามารถทำธุรกรรมต่างๆที่เกี่ยวกับการท่องเที่ยวโดยไม่ต้องเสียเวลาเข้าไปยังหน้าเว็บไซต์ต่างๆหลายแห่ง ทุกธุรกรรมสามารถเสร็จสิ้นได้ในหน้าโฮมเพจของสายการบิน

คำสำคัญ : สายการบินต้นทุนต่ำ, สายการบินแบบประหยัด, สายการบินในสหรัฐอเมริกา

Abstract

Nowadays budget airline trend is in the public interest, because of its reasonable fare and attractive promotion. This academic article aims to reveal marketing and service strategies and trends of low cost airlines; which used to appeal the consumers in the US, such as, landing at major airport, attractive loyalty program, serving international market, and extending service option (more leg room and premium snacks and beverage). Moreover one of the interesting trends in the low cost airlines business is targeting to the new market which is business people; the low cost airline trends in the US also govern the cyber service, such as sophisticated website which provides variety tourism tools for the consumers' convenience; so the consumers can complete their tourism business without visiting tremendous website, but just low cost airline homepage.

Key Words : Low cost airline, low cost carrier, Airline in US

Introduction

According to the Travel Industry Dictionary (2007) a low cost carrier is (LCC) an airline that is categorized primarily by low fares and also by a focus on reducing operating costs. In addition, LCC can also be defined as an airline which operates on relatively short distances in a certain region without offering additional services (Uherek, 2006).

The low-cost revolution has given new markets for air transportation ever. Because of an affordable ticket, airline consumers cannot be narrowed to only business travelers or people with above average income. They are increasingly heterogeneous (Euromonitor International, 2009). The target audience of an airline industry is not limited to only on a specific group of people. This affects the growth of low cost airlines which have a significant effect on airline industry consumption, especially in the US (Ito, Lee, 2003).

This research is going to explore the trends of LCCs in the US where nowadays competition becomes more and more crucial, in the price cuts, more alternative destinations being offered and a policy of bags fly free. LCCs tend to have an important role in the airline industry not less than the well-known brand names, because of

their reasonable fare and satisfactory service. According to Shumsky(2006), LCCs have consecutively earned market share increasingly from 4% in 1992 to 15% in 2004. In addition, LCCs tend to have a potential to grow and gain more popularity as one may see from a large number of LCCs which were established recently. Moreover, it is not surprising that each LCC seems to launch a better offer every day; this is a result of a crucial competition in this industry which reinforces the airlines to continuously improve their service strategies.

LCCs gain popularity more and more each day because of the reasonable fare and satisfactory service. This research will address the trends of LCCs nowadays: the competition to outdo each other and the major brands, and the improvement of service strategies and the way they are marketing.

Research questions

In the crucial competition in LCCs market, what are the marketing strategies and promotion that have been used by the LCCs in America?

Are the service strategies of the LCCs effective, if so what are the service strategies which LCCs in the America using nowadays?

Methodology

This research employs a qualitative approach; therefore a method of inquiry is conducted in a form of observation and collecting information via book, magazine, leaflet, brochure, TV advertisement and internet. The research aims to gather an overall picture of LCCs trends in America and the reasons that govern such trends. The research investigates what are the considerate point which LCCs emphasize nowadays in the US.

Literature Reviews

History of budget airlines in the US

Southwest Airlines

According to Budgetairlineguide (n.d.), the first budget airline in the US was Southwest Airlines which began in Dallas, Texas in 1971. The founders- Rollin King and Herb Kelleher – established the airline under the belief that if you get your passengers to their destinations on time, at the lowest possible fares, and make them have a good time during their flight with friendliness and warmth, they will fly your airline (Southwest, 2009).

Southwestairlineswasincorporated in Texas and started to provide customer service on June 18, 1971, with three Boeing 737 aircraft serving three cities in Texas - Houston, Dallas, and San Antonio(Southwest, 2009). Later, it started

to return a profit in 1973 (Budgetairline guide,n.d.). Nowadays Southwest is one of the largest airlines in the US and operates more than 3,300 flights a day. They fly to 67 cities in 34 states.For example, San Francisco (SFO), Los Angeles(LAX) and Providence(PVD). Moreover they have over 500 Boeing and 737 aircrafts with an average age of approximately nine years (Southwest, 2009).

JetBlue

David Neeleman, the chairman, established JetBlue in February 1999. At the beginning the founders named the brand under the name NewAir. Several of JetBlue executives, including Neeleman, are former Southwest employees. Therefore, JetBlue started by following the Southwest philosophy, for example, offering low-cost fare. On the other hand, JetBlue attempted to distinguish itself by its amenities, such as in-flight entertainment (Aviation Explorer, n.d.). At that time, they had 75 new A320 aircrafts which would offer 24 channels of live satellite television at every seat, a first for the airline industry (Jetblue Airways, 2009).

Its headquarter was located in the Forest Hills neighborhood of the borough of Queens in New York City. Its home airport is John F. Kennedy

International Airport (JFK) (Aviation Explorer, n.d.). In 2008, JetBlue moved their home to Terminal 5 in JFK airport (Jetblue Airways, 2009). Terminal 5 is a passenger - friendly airport which changes the face of how we conceptualize an airport. It provides free Wi-Fi, customer service zones in every concourse, food ordering capability at the gates, and a visual paging system for a quieter terminal and bold colors (NYC, 2009).

JetBlue flies 53 destination in 6 countries, for example, New York (JFK), Austin (AUS) and Los Angeles (LAX) (JetBlue, 2009). According to the continuous profit record, in 2004 JetBlue started to provide the first international route from New York City to the Dominican Republic, and in 2009 JetBlue started to offer routes to Central America and South America (Aviation Explorer, n.d.). In December 2007, Jetblue possessed 132 airplanes with approximately age was 3.2 years (Aviation Explorer, n.d.).

Virgin America

Virgin America is the newest budget airline in the US; it was created by Sir Richard Branson. He announced his plan to create the airline in early 2004 and chose San Francisco to be the airline's hub. Virgin America was

supposed to be launched in 2005. However the US economy was falling which made it difficult for the airline to get financing ; fortunately the airline finally got the finance in December 2005. The difficulty in pioneering this airline does not end yet. After the airline submitted the paperwork to the Department of Transportation (DOT) to ask for the allowance to fly, the airline was denied. Because of the large opposition against Virgin America from preexisting airlines which influenced US DOT to deny Virgin's application, it had to be restructured dramatically. Finally it obtained the certification from the Department of Transportation in March 2007. In August 2007 Virgin America had its first flight from New York to San Francisco (Konko,2008).

Virgin America currently has 28 airplanes which serve nine destinations including ; San Francisco(SFO), New York (JFK), Los Angeles(LAX), San Diego(SAN), Las Vegas (LAS), and Washington(IAD), Boston(BOS) and Orange County(SNA) (Anonymous, 2009).

Spirit Airlines

When Spirit Airlines was established in 1980, it was known as Charter One. At the beginning, it was just a charter tour operator providing travel packages to entertainment destinations, such as

Atlantic City and Las Vegas. In 1990, it started to schedule service from Boston and Providence to Atlantic City. In May, 1992 Charter One brought jet equipment into the fleet, changed its name to Spirit Airlines and operated a first service flight from Detroit to Atlantic City (Spirit Airlines, 2009).

Spirit Airlines has a base in Detroit.

It provides flights to 40 destination including North America, Central America, South America and US territories with its 28 airplanes. The examples of the destinations the airlines serves are Atlanta (ATL), Tampa (TPA), Santo Domingo, Dominican Republic (SDQ), Kingston, Jamaica (KIN) and Panama City, Panama (PTY) (Spirit Airlines, 2009).

Frontier Airlines

Frontier Airlines is a low cost airline which has a headquarter in Denver, Colorado. It was Denver's hometown carrier for 40 years before it was purchased in 1986. Frontier Airlines currently offers route to more than 50 destinations in the US, Mexico and Costa Rica by its 49 airplanes. The examples of its destinations are Saint Louis (STL), San Diego (SAN), San Jose J. Santamaria, CR (SJO) and Cancun, MX (CUN) (Frontier Airlines, 2009).

Airtran Airways

Airtran Airways was established after ValuJet Airlines, Inc. announced the acquisition of Airways Corporation, Inc. in 1997. It is a low-fare airline which differentiates itself from other budget airlines by declaring that it focuses on business traveller groups (Airtran airways, 2009). Even though it is a low cost airline, it offers business class with XM Satellite Radio, easy fit overhead bins and assigned seats. It currently provides flights to 70 destinations by its 138 airplanes with age average at 4.9 years. The examples of the destinations are Boston, MA (BOS), Detroit, MI (DTW) and Philadelphia, PA (PHL) (Airtran Airways, 2009).

Song Airlines

Song Airlines was founded in 2003 by Delta Airlines, in order to battle in budget airlines competition to key leisure markets in Florida and California. They served 14 US city destinations and continuously added plenty of in-flight entertainment, including digital TV, on demand programming, Mp3, and even interactive games (Maynard, 2005).

Song was the counterattack for Delta to Jetblue because Jetblue started to offer flights from New York to Florida in 2000, which was one of Delta's most profitable routes. Song is operated

by Delta which is one of the main airlines in the US. It ceased its operation in 2006 after Delta filed for Chapter 11 bankruptcy protection. Later, Delta turned Song's 48 Boeing 757 planes, which offer one class of service, into two-class airplanes, with first class and coach seats. Moreover, Delta implemented some of Song's trendy features on Delta flights, for example, drink design by celebrity bar owner Rande Gerber and snacks from Dylan's Candy Bar in Manhattan (Maynard, 2005).

Ted Airlines

Ted was one of two airline divisional brands of United Airlines. It was founded to compete effectively in the low cost airline market. Its name, Ted, came from the last three letters of United. It was founded in 2003 and its first service began in 2004 in Denver, a United hub, to compete with Frontier Airlines (Aviation Explorer, n.d.).

The airline is equipped with 57 Airbus A320 aircraft. It was all economy configuration which aimed to give a way to United to compete with other low cost airlines, such as Frontier and Southwest. However, Ted was not an actually certified airline, but a brand name applied to differentiate the all-economy service from United mainline

flights. That was why all Ted flights were operated by United Airlines crew flying under the United Airlines operating certificate (Aviation Explorer, n.d.).

However, in June 2008 United announced the plan to shut down Ted Airlines and reconfigure Ted's fleet of 57 Airbus 320s with first-class seats and rebrand them as United planes starting in spring 2009 (Beirne, 2008).

USA 3000 Airlines

USA3000 Airlines was founded by the Apple Leisure group, which has experience of almost 40 years in managing a vacation company (Apple Leisure Group, 2009). The airline was founded in 2001. Its headquarter is located at Newtown Square in Pennsylvania. The airline provides more than 25 destinations, including the Midwest, East Coast, Florida, Mexico and the Caribbean with its eight Airbus 320-214s. The example of the destinations are Baltimore (BWI), Cancun (CUN), Bermuda (BDA), Cleveland (CLE), Philadelphia (PHL) and Puerto Vallarta (PVR) (USA3000, 2009).

Their Services and Promotions

During the current economic recession (Amadeo, 2009) where payroll employment continued to decline, and the unemployment rate continued to

trend up (U.S. Bureau of Labor Statistics, 2009), the consumer spending rate has declined (Marquit, 2009). Apparently this incident affects business including the airline industry where they have to come up with the most attractive promotions and strategies to appeal to the customers.

Southwest Airlines- Besides their variety of travel product- rental cars, hotels and vacation packages- which they provide via website to accommodate customers' needs, they also provide many interesting promotions : Fly for less-the promotion which gives customers a discount when they make an advanced booking 14 days before flying; Bags fly free – Southwest Airlines does not charge for first and second checked bag; Rapid Rewards- Like the other airlines which attempt to create loyalty by rewarding customers who fly more with them, Southwest Airlines allows customers who took just 8 roundtrips (or after earning 16 credits) in 24 consecutive months, to automatically get a standard flight free.(Or they can earn the award through their partners such as American Express, Alamo, Budget, Hertz, Best Western, Hyatt or Marriott); Friends Fly, Stay and Ski Free- a person who accompanies the host customer flies free and both of them will get one night free and a day free of skiing for

indicated destinations with a required booking period(Southwest, 2009).

Southwest not only launches attractive promotions, they attempt to catch up with the technology world. Nowadays, there are popular search engines, such as Google, Yahoo and Bing(Parr, 2009). Southwest came up with a similar feature called Ding, the program which will bring discounts directly to the customer's desktop, and allow customers to choose up to 10 airports and get live updates from their cities. The only requirement is just requiring customers to download the program on their computer (Southwest, 2009).

Jetblue is another budget airline which provides travel products alternatives in its website for the consumer's convenience. It has flight, vacation package, cars and cruise booking available online. Moreover, Jetblue also applies a bag-fly-free policy; but it allows just for the first bag. Therefore, this promotion is called first bag free (Jetblue home,2009).

Like other airlines which try to create customer loyalty, Jetblue encourages customers to apply the Jetblue card from American Express which will be beneficial to the customers immediately when they have an account. They will get \$50 back

on their first flight purchase on the JetBlue website; receive 50 TrueBlue points with their first purchase (when TrueBlue points are earned to a certain level, customers will get some special offer from the airline, such as a discount for a restaurant, flight or hotel). Trueblue points can be earned every time the customers fly (Jetblue home, 2009).

Jetblue emphasizes the customers' experience while they fly. That is why Jetblue has provided plenty of entertainment options for the customers: 36 channels of direct tv free; 100 channels of XM radio free; wireless onboard free (on Jetblue's betablue aircraft) unlimited snacks free ; this includes the coffee from Dunkin Donuts and its signature snacks – Terra blues chips. Moreover, Jetblue is willing to help overnight-fly passengers to have a smooth flight and good sleep; the airlines offers a Shut-Eye service. On this service, customers are enticed to sleep with the help of a complimentary snooze kit containing an eyeshade and ear plugs (Jetblue home, 2009).

The airline also sells some items onboard: pillow and blanket travel kit for \$7 with which customers will also get a \$5 off coupon at Bed Bath & Beyond; even more leg room seat which charges \$10 more for more legroom seats at the front of the

aircraft; Plus TV and movie which is available for \$6 on all medium and long haul flights (now free on all flights outside of the continental U.S.) (Jetblue home, 2009).

Most of the low cost airlines focus the market on leisure travellers and budget-conscious consumers. Virgin America bucks the trend as one may see from the feature of the airplanes and service which are designed to appeal specifically to business travelers: lighting phase, 9-inch video touchscreen with a full qwerty keyboard; 110-volt electrical power outlets; USB and RJ-45 Ethernet jacks at every seat in the airplane (Grossman, 2009). This airline has first-class seats in an exclusive cabin of just 8 seats. The seats have a 55 inch pitch and also have a built in massage function. The airlines relies heavily on online marketing channels to reach prospective business travelers (Virgin America, 2009).

Virgin America is the first airline which provides lighting phases that change throughout the flight. The light reflects the crossing of the time when the passengers are in flight including day, twilight, after dusk, early evening, night, sleep, slow revive, arise and dawn. The phased mood lighting was designed to inspire feelings of calm and relaxation when customers are on board. Virgin

America also provides entertainment on the airplanes. The airlines equipped a 9-inch integrated touch screen at every seat. They are installed by a program called Red, the entertainment system which allows the passengers to watch satellite TV supplied by Dish network, watch over 25 pay-per-view Hollywood movies, create the passenger's own playlist from over 3,000 MP3s available, listen to 20 streaming radio channels, chat with fellow passengers by using seat-to-seat chat service and order fresh food from the screen. The airline has an Elevate program which was created to build loyalty. When customers join the program, they will earn points every time they book a flight. The points can be used for free travel. Moreover, the airlines also cooperates with Visa credit card which allows customers to collect points every time they swipe the card (Virgin America, 2009).

Spirit Airlines recently presented an interesting message on its website: Welcome to Spiritair.com ,where \$100 sodas do not fly. The airline tries to communicate to the customers that many airlines offer a complimentary in-flight beverage which makes their fare more than \$100 higher than Spirit Airlines. Spirit Airlines has an idea to offer the customers the lowest fare possible. That is why Spirit Airlines does

not serve soda onboard, but it will allow the customers to decide whether when they want to pay more for optional service (Spirit Airline, 2009).

It is another airline which provides alternative travel service for customers on its website, for example, hotel booking discount, car rentals, cruises and travel package. Besides, Spirit Airlines encourages customers to do the activity online. For example, to cancel or change the itinerary or check a bag, the customers will save \$10 more when they make the cancellation or change the itinerary online. (However, not every booking can be canceled or changed, as the airlines has two types of air fares: non-refundable and refundable.) When customers check their bag online, their first bag will cost \$19 ; when they check at the airport, it will cost \$25 (Spirit Airline, 2009).

Free spirit is the customer loyalty created program. It encourages customers to become frequent flyers. Customers can earn points and use them with the airline or even with its partners; the customers also can earn points with Master card which is its credit card partner. The \$9 Fare Club is a program that encourages customers to fly more with Spirit and also entices the customers to bring friends and family to fly with the airline. A one- year

membership for this program is \$39.95. This program will send the customers an exclusive access to airlines sales fares, which are sometime as low as \$0.01. \$9 Fare Club members will always receive the lowest fares at the time of booking, and receive their member discount on all flights at the time of booking. Furthermore, friends and family will get the discount when they travel on the same itinerary with the customers (Spirit Airline, 2009).

The Big Front Seat is the service provided by the airline which offers five inches of extra legroom and no middle seat, plus priority boarding, which gets the customers on and off the plane first. This service is available starting at \$35 (Spirit Airline, 2009).

Frontier Airlines is another airline which presents all of the travel package for the customers. In its website, it offers a hotel, car rental and cruise searching and booking service. It also encourages the customers to earn miles with them via EarlyReturns program; if the customers fly more with the airline, they gain benefits: free Direct TV service on all Airbus flights; priority check-in and boarding; preferred seating assignments; priority lines at most airport security checkpoints; pre-reserved exit row seats for extra legroom (Frontier Airlines, 2009).

Furthermore, the airline cooperates with many partners such as Midwest Airlines, Airtran Airways, Hertz, Super Shuttle, Marriott and Master card. As a result, the customers can earn miles with the airlines when they use the service from the airlines' partners (Frontier Airlines, 2009).

Airtran Airways provides a vacation booking service for the customers including hotels, car rental and cruises. Because the airline has a partnership with Universal Studio, Walt Disney World & Resort in Florida, the website can provide the customers with special discounts from them. For example, save \$25 for adult for an advance purchase in Universal Studio (Airtran Airways, 2009).

The airlines offers a variety of hot and cold beverages on all of its flights, including a wide selection of Coca-Cola products. Moreover, the airline has a premium and alcohol beverage available. Premium beverages are Fuze tropical punch, Fuze refresh peach and mango, Smart water, Icelandic glacial water and lily coffee; they are all complimentary in business class and may be purchased in the main cabin for \$3. For alcoholic beverages there is a complimentary drink in business class. In the main cabin, beer may be purchased for \$5, and wine, cocktails, and spirits may be purchased for \$6.

Moreover, the airlines provides free Internet access to the passengers with the Gogo in-flight Internet service, XM Satellite Radio in every seat and every flight and an in-flight magazine – Go. This magazine provides engaging articles, essential product information, vacation ideas, and an extensive business section. (Airtran Airways, 2009).

A+ is an airline loyalty program.

The customers can earn points every time they fly or even every time they use the airlines' partners service : Frontier Airlines, Hertz, A+ Visa card and Netflix (DVD rental). The customers will gain many benefits, such as business-class upgrade and business-class ticket (Airtran Airways, 2009).

Another interesting promotion of Airtran is Airtran U program. The airline allows anyone between the ages of 18 and 22 to fly standby for just \$69 per segment and \$99 for long-haul segments. The passengers are allowed to carry an infant under two years of age in their arms at no additional charge (Airtran Airways, 2009).

USA 3000 Airlines provides an in-flight entertainment service, such as music and movie. For meal service, the airline offers the customers Postcard Picnic Box. The meal comes in a green box (healthy choice), orange box, red box and blue box. All are available at

\$7. In addition, another lovely service of the airline is giving a certificate to young fliers with their first flight. These are available onboard for children in celebration of that first flight (USA3000, 2009).

Why are budget airlines so cheap?

As this research mentioned earlier, a budget airline is an alternative for average people to fly. But does the budget airline manage to be so cheap? They sometimes offer an inexpensive ticket price, only \$5 per trip. How can they do that?

The answer is simple. They cut costs- any unnecessary expenses, for example, food and beverage, fuel and airport fee. One of the most important ways for a budget airline to save money is through fuel hedging (Grabianowski, 2008). Southwest airlines paid \$3.5 billion below the industry average for jet fuel by using aggressive fuel hedging in 1991 to 2008 (Reed, 2008). However, in 2009 Southwest declared a third -quarter net loss of \$16 million because of its employee buyout program and fuel hedging portfolio (Reuters, 2009). Because hedging is a gamble against the future price of jet fuel, if fuel prices double in 12 months, the airline would be buying fuel at last year's cheaper rate.

However, if prices drop, the airline is stuck paying their locked in higher rate, like Southwest is suffering now.

Another way to cut costs is to use only a single type of airplane. This will help the company save the cost of pilot and mechanic training. Moreover, this helps save repair and maintenance costs because the airlines can stock only parts of the single type model (Grabianowski, 2008).

Cheaper airport fees are one of the good ways to lower the company expenses. That is why the budget airlines choose to land at the small airport or in a small city. A major airport is in high demand for airlines, so the airport fees are more expensive. On the other hand, the smaller airport is less popular, but it still serves the basic function; it allows airplanes to take off and land. The budget airlines undoubtedly choose to land in small airport (Grabianowski, 2008).

Discussion

This research determined to study the trends of the budget airlines industry nowadays. From the information in the review of literature, one may see that there are many interesting promotion, service strategies and marketing. The discussion will list that now the trends in this industry are :

1. Landing at major airport. From the review of literature, the budget airlines normally prefer to land to at the small airport or small city because they want to save the cost of the expensive airport fees. However, nowadays there are many budget airlines that offer customers landing at the major airports. Virgin America flies from Los Angeles and San Francisco International Airport to Boston Logan and New York JFK. Jetblue even built its new home at JFK airport in New York. Southwest Airlines also joins the primary airports trend, for example, Boston Logan, Denver, Milwaukee, Minneapolis, Philadelphia, Pittsburgh and Washington Dulles Airport. Interestingly, Airtran places a totally different strategy. It offers customers even more landing at smaller cities, for example, Allentown and Harrisburg (Pa.), Asheville (N.C.) and Branson (Mo.)(Grossman, 2009).

2. Target to business traveler. The budget airlines apparently explore the new market, which is a business traveler. Many budget airlines currently offer business class for the customers. Virgin America is open about targeting business travelers as it features the airplanes and service to appeal specifically to business travelers. Southwest, Spirit, Frontier and Airtran also offer business class seats. Southwest

Airlines does not only provide a business seat, but also recently changed its unreserved seat policy to facilitate priority boarding for full-fare and very frequent flyers, to provide more convenient service for business travelers (Grossman, 2009). These airlines are not only modifying their products and services to attract business people, they also add more and more major airports to be their destinations; this is also another attractive point for the business traveler.

3. Attractive loyalty program. All the budget airlines listed in literature reviews have a customer loyalty program. The program supports the customers who fly more frequently with the same airline. Moreover, the airlines have an excellent strategy to encourage customers to earn miles. Because they understand that not everyone flies frequently, they cooperate with the other companies creating more potential that customers will use their service more frequently. Most of those companies are credit card companies, such as American Express, Mastercard and Visa. They allow travellers to earn mile with particular airlines every time the travellers swipe the cards. The benefits that customers earn from the program are seductive. They can fly free, have a priority on boarding, check

their luggage free of charge or even get a free vacation package.

4. Serving international market.

Nowadays the budget airlines destinations tend not to be limited only to one country. They also fly abroad including Central America, South America and US territories. JetBlue offers routes to Central America and South America. Spirit also flies abroad to Dominican Republic (SDQ), Kingston, Jamaica (KIN) and Panama City, Panama (PTY) etc., while Frontier offers routes to Mexico and Costa Rica.

5. Service becomes more important.

During the recession crisis, the budget airlines need to make their business survive by utilizing every possible strategy. These include the service. The literature reviews list the great variety of service provided by the airlines. The airlines attempt to provide customers with better service. There are many items and service choices for the customers, so customers can pay extra for something they need. The examples of the extra services are more leg room seat, premium snacks and beverage, entertainment services and the light phase offered by Virgin America which allows customers to have a better sleep.

6. More sophisticated website.

Apparently, many budget airlines websites nowadays do not provide

only the information about their service, but also provide a full service of traveling tools : hotel booking, car rentals, vacation packages and cruises.

Southwest, Jetblue, Spirit, Frontier and Airtran all provide a full-service booking of the traveling tools in their website.

Conclusion

When air travel was originally introduced, it was very rare and expensive. Therefore, it was restricted only for the wealthy people. However, the emergence of the budget airlines allows the ordinary people to fly, and it becomes more and more popular. They offer inexpensive fares. They expand reaches to both the big cities and small cities. They fly both domestically and

internationally. Their services are not less than the brandname airlines. These are some of the reasons why the budget airlines currently have become hugely popular.

Trends are something that come and go. According to the trends listed in this research, there are so many inovations in budget airlines nowadays, but there is one interesting point among those trends- improvement. Budget airlines are improving themselves every day, and it seems like they will never stop improving. They stepped into the international market. They offer more destinations in big cities. They expand their target to the business travellers.They develop their in-flight technology. Therefore, there is no wonder why they are so successful.

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