

Business Travel



It was designed as an upgrade from cattle class but it is appealing to those downgrading from the front end, writes **Chris Tolhurst.**



Premium economy gets them coming and going

Airlines have shown an auspicious sense of timing in the past 12 months, with many rolling out premium economy cabins just as the world economic slowdown hit.

Different airlines give it different names, but premium economy is an intermediate option for passengers who want more space and attention than that offered in the economy cabin, but who do not wish to pay for business class.

Qantas's premium economy, for instance, is a significant step up from economy, particularly on its A380 planes where the 32-seat premium cabin is on the upper deck and has a two-three-two seat configuration. Each seat is about 19.5 inches wide (46.8cm but seat dimensions are quoted in inches in airlines) with a 9-inch seat recline and up to a 42-inch seat pitch, and come with a larger video monitor than in economy, a noise-cancelling headset port and computer and internet connections.

Although carriers say premium economy has been developed with only their leisure passengers in mind, international business travellers are flying in the new cabin as their cost-conscious employers cut travel spending.

Max Najar, head of the Adelaide-based corporate travel agency Axis Travel, says some

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companies with large yearly travel expenditure are tightening travel rules so that employees fly in premium economy rather than business class.

He says some travel policies, which once specified that an employee was permitted a business class seat on flights of six hours or more, have been changed. They now specify that travellers should fly premium economy on flights of between four and eight hours, business class on sectors of between eight and 12 hours and first-class when a flight exceeds 12 hours.

"The premium economy fare to London is not too bad — it's between \$4500 and \$5500," says Najar. "A lot of times business travellers can't afford to pay \$8000, \$9000 or \$10,000 or \$11,000 for business class. I don't think hardcore first-class travellers will move to business class because of the economic slowdown — they will stay in first class. But certainly those who have been paying out for business class will consider the premium economy cabin."

Qantas general manager for product and service Vanessa Hudson says the customer response to premium economy has been extremely positive.

"Our customers are particularly satisfied with key elements of the premium economy service such as

the cabin environment, in-flight entertainment and the food and beverage service," Hudson says.

"We introduced the premium economy cabin to target economy passengers looking for a step up with more room and enhanced services, but who do not require the full business cabin service. This demographic has responded well to the cabin. We have also had a very positive response from more senior travellers and retirees aged 50-plus."

Commercial aviation is today in the grip of "class creep". Business class on many carriers is now of the standard of the first class cabin offered in the 1980s, while first class has broken into new standards of luxury.

Najar advises his clients to determine the classes of travel employees get to use by asking whether a business flyer needs to get to a destination refreshed or not.

He says one of the problems with the premium economy cabin is that it is not yet a consistent product across airlines. Unlike economy, business and first class, which have strong consumer identities and comparable levels of service, Najar says the product inclusions in premium economy are erratic.

He says some carriers' baggage allowance is 25 kilograms and some allow more than 30 kilograms, while the amount of legroom offered in premium economy and the use of dedicated check-in counters varies.

King says some airlines have introduced premium economy only to drop the cabin a few months later. He says the cabin becomes "more marginal" in a smaller aircraft where it is tempting for airline staff not to close the curtain between cabins and maintain premium economy as a separate cabin.

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