

TURKISH LOW-COST AIRLINE PUSHES TICKET PRICES DOWN



Following the addition of Sochi and Moscow to its list of routes, Turkish Low-Coster Pegasus Airlines has compelled other competitors in the market to lower their fares. This was the statement issued by Guliz Ozturk the director of Pegasus Airlines.

Ozturk stated that tickets that were previously sold at \$400 by the Turkish and Aeroflot airlines have dropped considerably to \$300 on their Istanbul-Moscow flights. According to Ozturk, these commercial airlines are trying to curtail their prices to \$233, which is Pegasus' offer on Moscow-Istanbul flights. Pegasus also offers advance tickets from \$83.99.

Since Russia's Air Code requires that passengers are treated to free luggage transportation services and meals, Pegasus does not burden its passengers by passing this cost on to them. Instead, they place such charges on other services such as insurance, extra luggage and seat selection. Operating on a model that is inexpensive to maintain, passengers who board Pegasus airplanes with luggage weighing up to 20kg face no additional costs. Therefore, the Air Code that other competitors had cited earlier as hindrance in the market does not bother Pegasus.

Though Pegasus faced opposition from Russian authorities regarding its new routes, the food policy did not raise any problems. It was hard to convince them to allow Pegasus to land in Moscow. And eventually when they did agree to such routes, they insisted that Pegasus had to operate only three flights weekly even though it has been commissioned to operate 7.

Ozturk urged the Russian government to liberalize its air sector to take advantage of the growing traffic between Russia and Turkey. Talking to Moscow Times, Ozturk added that greater freedom in this sector would help the airlines involved reach greater heights. Currently there are three flights that Turkish low-cost airline operates on a weekly basis between Russia's Domodedovo and Istanbul's Sabiha Gokcen airports with its maiden flight taking off on October 8th. Days later, Sochi-Trabzon flight was added with ticket prices starting at \$27.

Apart from Sochi and Moscow flights, Pegasus also operates other routes. Since August 31st 2009, Istanbul and Krasnodar flights have been in operation with 252,111 passengers ferried on this route. Omsk and Istanbul flights launched back in June 2012 average a seat capacity of 63%. This is 20% lower than Krasnodar's seat occupancy rate.

According to Ozturk, Pegasus did not really think much of Omsk and Krasnodar cities but only used them because the authorities assigned them. **Altogether, he says that the future looks bright for Pegasus Airlines mostly because their Moscow seat occupancy rate is expected to hit 93%.** On its Moscow-Istanbul flights, Pegasus hopes to hit the 50,000+ passenger mark per annum.

Daniel Burkard the Domodedovo airport manager is pleased with Pegasus flights that land at the airport. He reiterates that since more and more Russians are taking vacations in Turkey, the Turkish market is growing faster than the Russia market. With 2.5 million Russian tourists heading to Turkey, the Federal Tourism Agency has cited such growth as stemming from the visa-free regulation the two countries have.

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