

LOW-COST AIRLINES IMPACT THE BUSINESS TRAVEL MARKET



The rapid development of the air transport market has a direct impact on business travel - especially in connection with the expansion of low-cost airlines.

David Jarach, CEO of diciottofebbraio Aviation Advisory, has identified four key trends that will influence the air transport market in the course of this year related mainly to the new role of the low-cost carriers.

First of all, **the launch of long-haul flights by no-frills airlines**. The development, says Jarach, will be specifically on routes from Europe to the United States and Asia. This increased availability of flights should greatly affect the prices of transport, including long range, and expand the number of business travelers.

Another trend that started in Italy is the repositioning of low cost flights to major airports. The route to Fiumicino that has characterized the end of 2013, with a number of routes put in place for this year by a large number of no-frills players, is only the most prominent example.

The location in major airports is more evidently a very wide introduction into the business market, which requires point-to-point connections with major airports. Among the changes taking place, according to Jarach, will be an even greater harmony between business models, which tend to become more similar between low-fare and major operators.

The no-frills airlines, in fact, tend to introduce ancillary services that make them similar to traditional companies, while on the other hand, the majors do not disdain agreements and links with low cost of ownership.

Finally, the loss of importance of the regional carriers, which are gradually being replaced by low-cost airlines on routes within the continent and, on the other front, the predominance of the skies by Mid-Eastern airlines, which have opened new routes to link Europe and Asia. The combination of these factors is in fact transforming business travel, with greater variety of business opportunities for companies.

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