

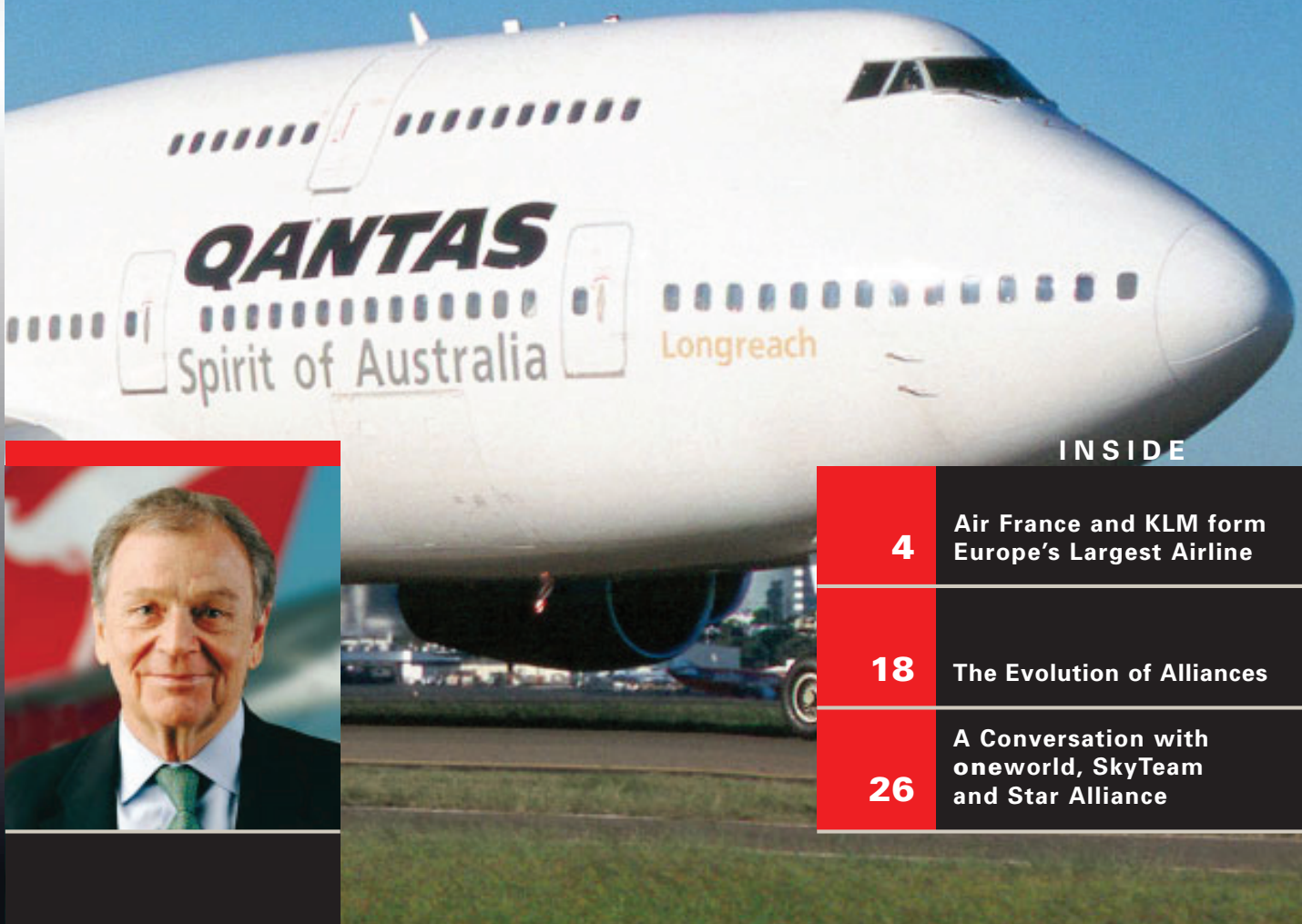
# ascend

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AN ALLIED FRONT

*A conversation with ...*

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# Britain's Best

*Eastern Airways, a successful regional carrier based in the United Kingdom, sets*



Photos courtesy of Eastern Airways

■ By Marcus Pearson | *Ascend* Contributor

**A**sk most passengers traveling through London's Heathrow or Gatwick airports about Eastern Airways, and it's likely they haven't yet heard of the growing regional carrier based at England's Humberside Airport. Indeed, you might find the same is true among travelers at some regional airports throughout the United Kingdom. But ask one of the growing number of passengers who've flown Eastern, and they'll tell you that it might be the best kept secret among U.K.-based airlines.

Although the airline actively promotes itself through its Web site, advertisements in



regional press and *Spectator* magazine, radio spots, and contests and promotions, the airline also benefits from word of mouth testimonials from its growing legion of converts.

"Many of our passengers fly with us on a regular basis, and if we deliver good service then they are keen to recommend us to their friends and colleagues," said Bryan Huxford, Eastern's chairman.





# Kept Secret?

*itself apart by providing customer amenities and keeping service at its core.*



“Eastern Airways is all about service. It’s important we recognize that the passenger is a person and not a number.”  
— *Richard Lake, chief executive officer, Eastern Airways*

His business partner agreed. “That’s the best marketing campaign I could hope for,”

said Richard Lake, chief executive officer of the airline.

The up-and-coming airline anticipates carrying nearly 500,000 passengers this year on its 650 weekly flights, and it has developed a loyal following because it incorporates a different mindset from many other “new-generation” airlines.

When Lake and Huxford, longtime business partners, reorganized the airline in 1997, they could have followed the path of most new start-ups and adopted a variation of the low-cost model. But they choose a slightly different route.

The joint owners said they have a passion about customer service that is rare in these days when the low-cost carrier is king. And their view is reflected in everything Eastern does, from its onboard amenities to its outstanding operational performance. It all comes back to putting the passenger first.

The experience of an Eastern Airways flight might shock those who’ve grown accustomed to bare-bones service on domestic flights. The amenities on Eastern include free snacks and refreshments on all flights and a glass of champagne on even some of the airline’s shortest flights. Eastern also offers

some of the same benefits as larger carriers such as fast-track processing at Leeds Bradford and Southampton. The airline's charter service offers customers added features such as VIP meals, hot towels and a full bar. The airline will even brand the aircraft with the chartering company's identity if desired.

But all the steps Eastern takes have the same underlying motivation — to add value to the customer.

"If it doesn't add value, then why do it?" Lake asked. "Eastern Airways is all about service. It's important we recognize that the passenger is a person and not a number."

Huxford and Lake, having experienced first-hand what they described as "the bitterness of bad service" on other airlines, wanted Eastern to stand apart.

The airline's service provides a value to customers that they are willing to pay for, Lake and Huxford said. The airline sets its fares so that it can "charge appropriately for the job," Lake said, enabling the airline to provide increased service, yet without overcharging.

The airline's point-to-point network, which links most of the regions of the United Kingdom, enables businesspeople to "create their business" throughout the country, said Lake, who was a former merchant navy officer, mining engineer and film producer before he took on the task of running an airline. The revamped Eastern began with a single route between Humberside and Aberdeen. The airline next added a route between Aberdeen and Norwich and then Aberdeen and East Midlands. In March 2003, the airline rapidly

Photo courtesy of Eastern Airways



**"Many of our passengers fly with us on a regular basis, and if we deliver good service, then they are keen to recommend us to their friends and colleagues."**

— *Bryan Huxford, Chairman, Eastern Airways*

expanded again, taking over seven routes from British Airways Citiexpress. Today, it serves 17 destinations throughout the United Kingdom.

When it re-launched, Eastern began with a single Fairchild Metro 23 turboprop. In

1999, the airline added an 18-seat Jetstream 32 and a nine-seat Jetstream 31. In the following years, the airline continued to add to its fleet. Today, Eastern Airways operates a fleet of 22 aircraft — a mixture of Jetstream 31, Jetstream 41, Embraer ERJ145 and Saab 2000. Eastern's strategy of developing routes other carriers have ceased to operate works because the airline initially substitutes smaller, "right-sized" aircraft and then grows frequency.

"We are always looking for opportunities for new routes and new frequencies," Huxford said. "But this is done after a careful consideration of the suitability of the aircraft to the route."

Even with its focus on service, Eastern, which maintained profitability during the industry downturn of the past few years, still manages to control costs. For its 2002 fiscal year, the airline reported profits of £2.2 million (US\$4 million) on revenues of £47 million (US\$86 million), an increase of nearly 125 percent over the previous year's profit of £984,000 (US\$1.8 million).

Eastern uses a number of methods to contain costs — for example, stockpiling inventory of spare parts because it can buy them in bulk at significant discounts. All this adds up to a carefully managed approach that Huxford and Lake believe drives their business forward. The airline, which utilizes the *SabreSonic™ Passenger Solutions* for its reservations functions, also relies on information technology to help contain costs and operate more efficiently. The

## THE HIGH • LEVEL view

News Briefs from Around the Globe

### Who

Continental Airlines

### What

Implemented the *Sabre® Group Management Tool*, a new system to help airlines automate the agency group booking process. The system automates the sale and management of group or block airline reservations, increasing efficiencies for both

agencies and airlines and enhancing carriers' inventory control.

### Why

"In order to reduce costs, we needed to eliminate manual processes and increase the efficiency of our group desk and reservations department," said John C. Slater, managing director of distribution planning for Continental Airlines. "In addition, we wanted to


improve revenues by minimizing spoiled inventory, so we needed a system that automates the sale of group or block space while providing inventory control. We've found that Sabre Travel Network's *Group Management Tool* does both. Not only does it automate the process, but it returns all unsold inventory to us at a predefined time based on our uniquely defined business requirements." 



Photo courtesy of Eastern Airways

Placing a strong emphasis on service excellence, Eastern Airways has successfully balanced exceptional customer amenities with reasonable fares, resulting in a rapidly growing customer base and continued profitability.

airline, which operates entirely in a ticketless environment, is looking to add additional features, such as installing self-service kiosks.

Providing welcome amenities and serving routes no one else does leads to one thing — when you talk to Eastern’s passengers, they like to think of the airline as their little secret, almost like a club that they invite good friends to join, said Huxford, who had been associated with the airline since 1973 after coming

from the retail sector of the electrical and domestic appliance field.

One thing is clear, as Eastern continues to thrive and profit in today’s volatile airline industry, it is unlikely to remain a secret for much longer. Last year saw the airline awarded the 2003-2004 Airline of the Year Silver Award. In accepting the award, Huxford said, “This is about our team — all 350 of them — who’ve made our growth possible with their dedication, enthusiasm and

commitment. It also shows that an airline can be a success as a niche player offering quality business services.”

As Eastern continues to grow and gain recognition, it has positioned itself to become the niche player that everyone is watching. **E**

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## THE HIGH • LEVEL view

News Briefs from Around the Globe

### Who

Mexicana Airlines

### What

Selected the *Sabre® TransVision®* traffic flow analyzer and the *Sabre® WiseVision™* sales expansion system to maximize cost-savings opportunities, gain market share, improve schedules and optimize commissions disbursements to travel agencies.

### Why

“Providing employees with systems that offer more efficient ways of detecting market trends and changes has helped Mexicana make wiser decisions,” said Sergio Allard, executive vice president of sales and marketing for Mexicana. “By using the *TransVision* analyzer and the *WiseVision* system, we

now have reliable numbers, giving our sales representatives greater negotiation power. With these systems, Mexicana has increased overall confidence in the business decisions we make and has allowed Mexicana to negotiate new commission agreements with agencies, track their performance and greatly increase sales representative efficiency.” **E**