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THE PILOT

A CONVERSATION WITH
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VIRGIN AMERICA'S

PASSIONATE START

■ By Russ Perkins | *Ascend* Contributor

Virgin America has entered the U.S. domestic-airline picture with plenty of enthusiasm as well as innovative technology — making for an impressive start to what could turn out to be a long, successful and highly influential business run.



Sir Richard Branson, chairman of the British-based Virgin Group, has spent a lifetime approaching business in his own inimitable fashion — founding and operating hugely successful companies in music and entertainment as well as global transportation.

And the primary unifying factor among Branson’s innumerable business ventures is that they usually work: Their essential features connect with customers, resulting in steady growth and sometimes-smashing success.

One of the Virgin Group’s well-known companies is Virgin Atlantic Airways, which has been operating since the mid-1980s featuring passenger-pleasing amenities combined with a low-cost business model that has made Virgin Atlantic one of the top choices for veteran flyers on the airline’s European and trans-Atlantic routes.

The Virgin Group also operates or maintains considerable investments in several other airlines, including Virgin Blue in Australia and Virgin Nigeria on the African continent.

Now the Virgin brand has been affixed to a new U.S. domestic airline: Virgin America Inc.

And judging by the Virgin America business plan as well as the airline’s performance since its August 2007 first flight, there’s every reason to believe Virgin America has what it takes to extend the pattern of success that business analysts customarily associate with many of the other innovatively oriented Virgin-branded enterprises.

Indeed, “innovation” might well be Virgin America’s middle name — with its innovative use of technology and passenger-comfort features that give the airline a unique feel in the domestic-U.S. air-travel market.

As a matter of fact, it required quite a bit

America has already built an expanding flight schedule — flying from San Francisco to transcontinental destinations New York and Washington, D.C., and also within the greater Pacific Coast region to Los Angeles and San Diego, California; Las Vegas, Nevada; and

HIGHLIGHT

Indeed, “innovation” might well be Virgin America’s middle name — with its innovative use of technology and passenger-comfort features that give the airline a unique feel in the domestic-U.S. air-travel market.

of innovation just to get Virgin America off the ground, due to strict legal specifications that limit U.S. domestic carriers to foreign ownership no greater than 25 percent.

The Virgin Group is now a minority share investor with U.S. investors holding a majority stake and a U.S. controlled board of directors. Virgin America now licenses the Virgin brand for marketing and public relations.

From its headquarters city and primary base in San Francisco, California, Virgin

Seattle, Washington. And many other highly desirable U.S. destinations are in the works.

But routes are not what make Virgin America unique. Neither — on the surface, anyway — are Virgin America’s Airbus A319 and A320 aircraft; however, the wealth of technology inside those aircraft is another story.

What really makes Virgin America unique — besides the obvious spirit, enthusiasm and general excitement of its employees, who seem to grasp that they’re part of something



Photo courtesy of Virgin America

All Virgin America first-class seats and two out of every three seat groupings in the carrier’s main cabin are equipped with adaptor-free 110-volt outlets.



Photo courtesy of Virgin America

Virgin America's first-class cabin sports posh, spacious leather seats that include a massage function and international-grade 55-inch seat pitch.

Basically, Virgin America started from scratch, carefully and assiduously studying the industry and trying to answer two key questions: What do people like about flying? And what don't they like?

This fundamental beginning was all in keeping with Virgin America's mission statement — not commonly a business's ultimate rallying point, but in this case the very reason for Virgin America's existence: "We want to create an airline people will love."

From that basis, Virgin America set out to assure that in the 21st-century world of airlines, it is truly a different animal, purchasing the brand-new, state-of-the-art Airbus aircraft, then leveraging technology in the planes themselves to assure a totally unique passenger experience.

The technology that Virgin America is leveraging includes staged, variable mood lighting with soft tones in color and brightness that change during the flight with conditions outside the aircraft as well as with the time of day.

Overall, the result is a calm, sophisticated environment designed for relaxation and entertainment. And the ultimate benefit is embodied in more-relaxed passengers who, theoretically at least, should arrive at their destination more rested and less stressed out by the flight, no matter how long.

Virgin America's Web site states that "we started with the things everybody likes" — then

very different — is the Virgin America passenger experience.

The company's marketing philosophy revolves around the concept that even though U.S. traveling customers have a number of choices from which to select when flying transcontinental or shorter routes, a new airline such as Virgin America might realize immense potential if it is able

to do things just a little differently — just a little better.

To that end, Virgin America first focused its efforts on hiring precisely the right type of person to work for the brand; a person capable of looking at things from the passenger's perspective and making sure the airline provides an experience that will bring passengers back for more.



Photo courtesy of Virgin America

In its main cabin, Virgin America's all-leather seats include 9-inch-wide screens as well as the handset for entertainment-system game controls and full keyboard.



notes such things as, “Everybody likes plugs at their seats,” referring to the aircraft’s adaptor-free 110-volt outlets, which are located at all seats in first class and at two out of every three seat groupings in the main cabin.

But Virgin America’s passenger-pleasing technology also includes a colossal, multifaceted entertainment system that plays on a 9-inch-wide screen for each individual seat in both first class and the main cabin.

Passengers can test their skills playing popular, full-feature video games or select from 25 or more high-demand, late-release Hollywood movies.

And Virgin America’s passengers can also listen to an extremely broad range (in the thousands) of MP3 music tracks, watch live television, listen to live radio, shop, order food and drink when they want it during the flight, even communicate with one another.

And in the near future, Virgin America also intends to offer in-flight broadband Internet access.

In short, Virgin America plans to stop at nothing to assure that its passengers are able to enjoy the latest entertainment and ongoing-business opportunities that developing

technology can possibly deliver on a commercial aircraft.

And Virgin America’s amenities don’t end there. The airline is also attempting to take cushy passenger comfort to new levels.

In addition to the positive effects of its unique in-plane mood lighting, Virgin America wants its passengers to arrive at their destination refreshed rather than flustered and harried; therefore, its aircraft seats have been designed for extra comfort.

In first class, Virgin America passengers get to cozy up in plush, oversized off-white leather seats, with built-in massage function and international-grade 55-inch seat pitch. Each first-class seat has an electronic seat-recline control, footrest and lumbar support. And each seat also features a handset with entertainment-system game controls and full keyboard.

Seats in the main cabin are luxurious black leather with soft lumbar support and a generous recline.

Each main-cabin seat also includes the handset for entertainment-system game controls and full keyboard as well as the aforementioned 9-inch-wide screen that is standard equipment in both first class and the main cabin, essentially

dwarfing comparable individual-seat equipment in the main cabins of other U.S. domestic airlines.

Once again: The primary idea guiding the Virgin America approach is to center the entire flying experience on the customer and to lavish passengers with in-flight technology and options they may never have previously imagined.

So far, the Virgin America philosophy seems to be working. Some might even say it’s like the days of yore, when flying was so much fun that passengers — to a certain extent, at least — almost hated for a flight to end.

Or perhaps it was never quite that much fun. But Virgin America is trying mightily to make it more fun now. And one of the best gauges of its ultimate success will likely be how fast various competitors among U.S. domestic airlines begin to copy many of Virgin America’s technological and passenger-comfort ideas as their very own. **F**

Russ Perkins is a sales director for Sabre Holdings®. He can be contacted at russ.perkins@sabre.com.

+count it up

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The percentage in wasted aviation fuel, as a result of inefficient infrastructure and operations, according to the International Air Transport Association. This represents more than 100 million tons of CO₂ per year.

83

The percentage of airline ticket sales that are paid for with a credit card, according to Edgar, Dunn & Company.

500

The amount in U.S. dollars of the estimated average airline fare, according to Edgar, Dunn & Company.

12.50

The estimated average fare in U.S. dollars that is paid to merchant bank, according to Edgar, Dunn & Company.

315 million

The amount in U.S. dollars IATA’s fuel efficiency efforts saved airlines in the Middle East and North Africa last year, according to the International Air Transport Association.

1.5 billion

The estimated annual cost in U.S. dollars that airlines are charged for accepting payments by credit card, according to Edgar, Dunn & Company.