

# Budget *or* bust

**Budget airlines soaring in popularity even with limited services**

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**Fact: More air travellers than ever before are flying budget.**

It all started in 2003 when Indonesia's Lion Air began flying to Singapore. In 2006, only 8 per cent of passenger traffic – or 2.7 million people – at Changi Airport flew on budget airlines.

This proportion rose to 28 per cent, or 13.5 million people last year.

Changi Airport is now served by 16 budget carriers from half a dozen countries.

The four main budget players here – Jetstar Asia, AirAsia, Tigerair and Scoot – say demand is growing.

Tigerair, for example, saw an increase of 800,000 passengers in the 12 months to last month compared with the same period a year earlier.

Scoot, which operated its first flight in June last year, has been increasing the destinations it flies to. It now flies to 12 cities in Asia and Australia.

Why the demand?  
**Mirroring the trend worldwide, some passengers are saving by taking budget flights, spending the money on food and shopping instead.**

Says Mr Andrew Wong, 36, a public relations consultant: "The price difference between flying on a budget airline and a full-service carrier can be significant."

For example, when he went on a work trip to Malaysia two months ago, he took a Jetstar flight to Kuala Lumpur. He says: "I paid only about \$100. If I took a full-carrier, it would have cost at least \$300. It just doesn't make sense to spend that type of money for a 45-minute long flight."

Says housewife Sun Lai, 47, who visits Macau once or twice a year on Tigerair: "I pay about \$300 for a two-way flight. I would have to pay twice as much on a full-service carrier."

"I can use the extra money to eat better food, like in restaurants, or buy more souvenirs."

Says Assistant Professor Terence Fan from the Lee Kong Chian School of Business at Singapore Management University: "Their lower prices attract those who want to save money while travelling, and those who would otherwise not travel at all."

Dr Fan, who has studied the growth of budget airlines in Asia, explains: "The popularity of budget airlines looks set to grow further as there's still some potential in the market for short-haul flights – many Asian cities are located quite close together."

But in the long-haul market, budget airlines might grow more slowly.

"The people who travel those distances can usually afford to pay more for full-service carriers," he says.

But the effect of budget carriers is undeniable, even to travel agencies like Chan Brothers Travel.

About 20 per cent of its travellers to Asian destinations now fly budget carriers, says its marketing communications manager, Ms Jane Chang.

But overall, 95 per cent of its travellers still prefer full-service carriers as they allow more flexibility in travel plans.

Says Ms Chang: "During regular periods, budget carrier fares may differ only marginally from full-service carriers."

Mr Gary Ho, a senior lecturer in aviation management and services at Temasek Polytechnic, explains that budget airlines can offer low fares because of their frugality and cost-conscious methods.

For example, they might cancel a flight rather than fly with a near-empty plane, resulting in sudden flight changes.

He notes that many passengers expect budget carriers to "swing into action" like full-service carriers when things don't go according to plan.

"Budget carriers just cannot do that. They are very, very lean. When something goes wrong, they probably have only one person to assist all 180 passengers," he says.

A 41-year-old man, who declined to be named, met with such an experience in 2008.

His flight was rescheduled to an earlier time, and left without him.

Says the businessman, who travels twice a month on business: "I learnt of the change only when I arrived at the airport."

"I ended up booking a flight on a full-service carrier because I had a business meeting the next morning." Since then, he has flown on a budget airline only once.

He says: "They are just too risky. You never know if the flight will be cancelled, delayed or brought forward."

"There is little commitment on the flight schedules, which is bad for business travellers like me."

## HOW BUDGET AIRLINES MEASURE UP

	 Jetstar Asia	 Scoot	 Tigerair Singapore	 AirAsia
NUMBER OF FLIGHTS	600 flights weekly (including Valuair)	98 flights weekly	476 flights weekly	319 flights weekly
NUMBER OF DESTINATIONS	21 from Singapore (including Valuair)	12 from Singapore	About 40 from Singapore	16 from Singapore
ONLINE CHECK-IN	Yes	No	Yes	Yes
NUMBER OF AIRCRAFT	19	6	24	142
MODEL	Airbus A320	Boeing 777-200	Airbus A320	Airbus A320
INDIVIDUAL CAPACITY	180 passengers	402 passengers on five aircraft, 323 on the sixth	180 passengers	180 passengers
SEAT CONFIGURATION	3-3	3-4-3 in economy, 2-4-2 in business class	3-3	3-3
<b>ON AN ECONOMY FLIGHT:</b>				
PAY FOR CHECKED BAGGAGE	Yes, from \$16 for 15kg	Yes, from \$18 for 15kg	Yes, from \$30 for 15kg	Yes, from \$18 for 20kg
CARRY-ON BAGGAGE	Up to 10kg	Up to 7kg, (additional 3kg allowance if backpack, laptop bag or tote bag)	Up to 10kg	Up to 7kg (can bring another laptop bag or handbag)
ALLOCATED SEATS	Yes	Yes	Yes	Yes
SEAT WIDTH	45.4cm	48.3cm	46cm	45.7cm
SEAT PITCH	71.1cm	78.7cm	72.5cm	73.6cm
PRIORITY BOARDING	For business class passengers, the elderly, those travelling with children, or those who need special assistance	For business class passengers, those with special needs	Customers buying tickets with Standard Chartered Tigerair Platinum Credit Card, NTUC members who book through the members' portal. Can also be purchased for \$6	For passengers who purchased 'hot' seats, a red carpet service or hi-flyer service. Also available for guests above 65 and those requiring special assistance.
EXTRAS	Window/aisle seats, seats with extra leg room	Early check-in, window/aisle seats, front row seats, seats next to your friends, comfort kit (includes woven fleece blanket, eye mask, neck pillow)	Dedicated check-in counter, access to premier lounge, priority boarding	Emergency exit row seats, seats with extra leg room, priority boarding
BRING YOUR OWN FOOD ONBOARD	Yes	No, unless dietary requirements cannot be fulfilled from the menu options	No	No
PRICE OF ONE CAN OF COKE	\$4	\$4	\$4	RM6 (\$\$2.35)
CHEAPEST ITEM ON ONBOARD MENU	Camel mixed snacks (\$3)	An egg (\$2)	Campbell's soup with crackers (\$3)	Mineral water RM3 (\$\$1.20)