# Aviation: Switzerland is becoming the Mecca of low-cost airlines

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# Switzerland is becoming the Mecca of low-cost airlines

Low-cost airlines are taking Switzerland by storm. At the airports in Basle and Geneva, around 30 percent of all passengers are already boarding cheap flights. In European travel, the airline Swiss is responding to competition from budget airlines by offering rock-bottom prices. By Lorenzo Vasella



easyJet and other low-cost airlines are making life difficult for Swiss.

Never in the history of civil aviation has it been so cheap to fly. If you book early you can jet all around Europe at absolutely rock-bottom prices - all thanks to low-cost airlines. From Switzerland, aeroplanes run by easyJet and Helvetic Airways alone fly to more than 50 holiday and business destinations. Five years ago there were scarcely a dozen. The number of budget airlines that are flying from bases abroad to Swiss airports is also on the increase.

Low-cost airlines have two events in particular to thank for this dramatic upturn. The first was the grounding of Swissair in October 2001 – this created a void in the Swiss airspace. Swiss International Airlines, the successor to the stranded pride of the nation, has withdrawn from many locations. The vacuum is being

filled by budget airlines. The second event was the Bilateral Air Transport Agreement between Switzerland and the European Union, which came into force in June 2002 and immediately enabled foreign companies to fly from Switzerland not only to their native countries but to others as well.

The EuroAirport in Basle/Mulhouse is benefiting tremendously from this up-and-coming sector. Almost 30 percent of its 3.3 million passengers flew with a low-cost airline in the past year. The latter are described by airport spokesperson Vivienne Gaskell as "one part of the overall strategy." She states that low-cost airlines are an "important growth driver" for the EuroAirport and that, in 2005 alone, passenger numbers rose by 30 percent. As a result, the trinational airport is once again approaching the

peak figures recorded before Swissair was grounded, when 3.8 million passengers would fly out of Basle. easyJet in particular is contributing to this meteoric growth. This budget airline from England has stationed three of its orange planes at the EuroAirport since 2004, with another set to join them in the spring.

The industry leader also runs a hub at Geneva International Airport. There, as many as 35 percent of the airport's ten million passengers take the low-cost option. The Genevans have even allocated air travel discounters their own special terminal, which only provides a basic essential service, so that the airport tax can be forced down to less than CHF 20 per passenger. Spokesman Philippe Roy indicated that Geneva International Airport also has plans to renovate the current charter building, which dates back to 1949, but the project is currently being blocked by Air France.

Traditional airlines like Swiss fear competition from the budget airlines. Swiss, Switzerland's largest carrier – now a subsidiary of Germany's Lufthansa – is no longer safe even in its own home, Zurich-Kloten Airport. While it succeeded in expelling easyJet to the Rhine two years ago, Helvetic Airways already serves around 20 destinations from Zurich, with a further five due to be added in the spring. Swiss responded with a new tariff structure. Like its competitors from the budget segment, it now offers flexible prices: the earlier you book, the cheaper your flight. Swiss tickets are now available on special offer for under CHF 100.

Will this strategy work for Swiss? Aviation expert Sepp Moser has his doubts. In his view, unlike the low-cost airlines, Swiss will lose money on these low prices because "carriers like easyJet fly with far lower costs than traditional airlines as they limit themselves to supplying just the basic product – transport from A to B." Swiss spokesman Dominik Werner, however, is able to see a positive side to the competition from budget airlines: "The low-cost airlines attract a clientele that would never have flown before." And these people too may decide they want more comfort at some point.

# MONEY OR NATIONAL PRIDE?

- Traditionally, the sight of tail-fins bearing the Swiss cross at airports abroad would always make the hearts of Swiss travellers beat faster. It seemed that here was a piece of home within their grasp. But what about now? Do Swiss people still care whether or not they fly with a Swiss airline, or are they more interested in saving money? "Swiss Review" decided to get to the root of the matter with the help of a survey conducted by the industry magazine "Schweizer Touristik" (ST).
- Every summer for more than a decade now, the ST has been interviewing over 1,000 package holidaymakers at Zurich airport about their travel habits, with questions including the cost of the journey and the choice of airline. The survey reveals that price has always played an important role. One point of note, however, is that in 2001,
- prior to the grounding of Swissair, more than 20 percent of interviewees said that they did not pay particular attention to the price. Two years later and this figure had fallen to just under seven percent. Last year, again almost twelve percent said that they regarded the price as "not important".
- While price sensitivity has increased since the grounding, choice of airline has become less important. In 2000, a good 50 percent of all those surveyed still looked at the tail-fin. Five years later, only 37.5 percent still felt that it was important which airline carried them to their destination. It is therefore apparent that Swiss air passengers are tending more and more to switch their attention from the service provider to their wallets. LOV