

February 7, 2014

Airlines offer increasing number of a la carte VIP perks, for a fee of course

By Douglas Rogers

This article is based upon a report issued by IdeaWorksCompany.

These days, it seems, the only ones who can still travel in anything approaching ease and civilized comfort are celebrities, the super-rich and the frequent flyers of Gold and Premium class. The rest of us are like so many head of livestock in cattle class.

But an increasing number of major airlines do, in fact, offer ways for Joe and Jane Public to travel like VIPs – and they don't have to be frequent flyers or part of the Pitt-Jolie entourage to do so.

A new report, VIP for a Fee: Airport Services Designed for High Value Customers, outlines how many international airlines now offer an a la carte menu of perks — everything from personal escorts at check-in and fast-track security screening to getting a luxury car ride right to the ramp of the aircraft — all for as little as \$125. That's almost the cost of your baggage check and a stale sandwich.

"It came as a surprise to us how much is on offer," says Jay Sorensen, president of IdeaWorksCompany, which researched and compiled the report. "Many airlines have held back on offering these additions, as they did not want to upset their frequent flyers. Now there is much less emphasis on elites."

"VIP treatment, such as early boarding, bonus miles, fast-track screening and first-class upgrades, has proven to produce the revenue payback eagerly desired by airline management," Sorenson adds. "Mileage alone is not the only method to measure the value of a customer."

The new range of VIP packages partly follows the lead of fast-track security programs like Global Entry, the U.S. Customs and Border Protection program that allows expedited clearance for pre-approved travelers upon arrival in the U.S., and TSA PreCheck, the Department of Homeland Security program that allows low-risk travelers faster and more efficient screening at participating U.S. airports.

So what kinds of VIP perks are airlines offering, and at what prices?

In 2007 American Airlines started a VIP service – American 5 Star Service – at JFK Airport in New York, open at the time to any passenger for a \$125 fee. Services included priority check-in; expedited security, immigration, and boarding; access to the Admiral's Club lounge and a personal representative to escort guests through immigration and customs at international arrivals. The service was so popular that AA has increased the price to \$250 for domestic flights (for the first traveler) and \$300 for international flights, and has limited it to business and first-class ticket holders. It is now offered at 14 airports, including Boston, Miami, Los Angeles International, Buenos Aires, London Heathrow, Milan, Tokyo and Sao Paulo.

If \$250 and a minimum business class ticket seem steep, consider Delta's VIP Select. While the fast-tracking, personal escort service and lounge access (in Delta SkyClub) are similar to those offered by AA, Delta also includes "discreet boarding at travelers' preferred time," and – at least at Atlanta, JFK and LAX – ramp-level transfer to the aircraft . . . in a Porsche! The service is available to all passengers, with prices varying according to airport. JFK, LAX and SFO are a bargain at \$125 for one person (\$200 for two), while you pay a steeper rate (\$350 for one, \$425 for two) at Atlanta.

International airlines are getting in on the game, too. Lufthansa's Guide Service provides a personal escort to accompany passengers to check-in, baggage claim, restaurants, hotels, car-rental and other desired locations in terminals. Ideal for elderly travelers and passengers with kids, it's offered in 51 languages at Frankfurt and 33 in Munich.

The always excellent Emirates and Etihad airlines of the United Arab Emirates have various perks on their respective Marhaba and Meet & Greet plans, divided into Bronze, Silver and Gold levels. Go for Gold (at \$56 to \$89 in Dubai) and you get an escort during your entire airport journey from curb to jet, with services such as electric cart transfer, a baggage porter and lounge access.

But if so many VIP services are available for ordinary travelers, why are consumers largely unaware that the programs exist?

One reason is that while most VIP packages can be booked online or via call centers, airline websites do not promote their programs well. It takes some time to find mention of AA's 5 Star Service on their website, and it's almost impossible to locate news of Delta's VIP Select or how to book it. Some call centers – Air France's, for example – are not even open 24 hours a day.

Moreover, in an age of heightened security, many packages come with restrictions and caveats. Virgin Atlantic's Guest List service (chauffeur-driven car, priority-tagged baggage and more) can be added only to flight reservations that have been made 21 days before departure, and passengers must give at least 48-hours' notice before booking it. Other services, meanwhile, are available only on departure, not arrival.

"We are seeing a democratization of travel as airlines see the possibility of additional revenue," says Henry H. Harteveldt, travel industry analyst at Hudson Crossing. "But airlines need to get a lot better at retailing and marketing them."

According to Harteveldt, three out of four travelers in the U.S. say the quality of an airport's amenities and an airline's service matter to them.

Put John Malone, a real estate developer in Northern Virginia, in that group.

"I think airlines make the mistake of thinking because many of us want cheap flights, we want a cheap experience," he said. "That's not the case. We want to pay a fair price for flights – and get good service."

Malone says he flies five or six times a year, sometimes with his wife and two kids, but that "aside from being asked at check-in if I want to pay more for more legroom, I've never been aware of a personal meet-and-greet service or paying to get fast-tracked through security."

Asked whether he would upgrade for a VIP service, he said he would if he was flying with his kids, aged 6 and 4.

"That would be a lot less stressful," he said. "But if I was flying on my own, I might just save the money for beer at the other end."