New York Times

February 10, 2014

Flying Like a Rock Star, but It's Not Cheap

By Joe Sharkey

This article is based upon a report issued by IdeaWorksCompany.

I HAVE had my complaints about air travel. However, I'm not sure that these are going to be addressed by buying a service that includes "bypassing the main terminals and other passengers" to be "whisked by luxury limousine" across the tarmac to the side of my airplane.

But according to the promotions for Heathrow Airport's V.I.P. Service, you or I may actually purchase this exalted level of service at the London airport, joining "the world's most discerning passengers," for a mere 1,500 pounds, about \$2,500, before tax, every time you use the service.

In my own definition of discerning passenger, all I require is a sensibly priced seat that doesn't jam my knees aboard an airplane where the bathrooms, bins and entertainment systems work, on a safely operated flight that will arrive at a place that's reasonably close to where I ultimately wish to be (hopefully sometime the same day).

Call me a piker. Frankly, being whisked by vehicle across the tarmac to the foot of the airplane stairs sounds to me a lot like being luggage — but hey, the tarmac-whisking is only a part of Heathrow's V.I.P. Service, which includes a private lounge where you can mingle with the others among the discerning till a "V.I.P. Liaison" escorts you through security and to the airplane where said escort "will present you to the airline."

Yes, we may laugh. But the fact is, airlines and airports all over the world are profitably selling such exclusive services — which used to be quietly provided just for heads of state, diplomats and major celebrities — to the flying public.

Here's what's going on. For several years, airlines have been raising additional revenue by putting price tags on things that used to be included in the fare (checked bags, for example, or pillows), or offered as loyalty-program perks to elite fliers. In 2013, such extra charges yielded global airlines \$42.6 billion in additional revenue, according to estimates by IdeaWorksCompany, a consulting firm that specializes in ancillary revenue for airlines.

In recent years, airlines and even airports have wrung money from even more perks and created fancy ones to sell. One result is a swell of dissatisfaction with elite-status mileage programs among airlines' most loyal customers. Last week, IdeaWorksCompany issued a fascinating report, "V.I.P. for a Fee," which describes the various V.I.P. services airlines offer at airports. The services often include airport curbside-to-plane personal escorts, priority check-in and even fripperies, such as being driven to the airplane by limousine. (By the way, that usually requires the fancy-pants passenger to climb steep stairs from the tarmac to the airplane.)

Jay Sorensen, the president of IdeaWorksCompany, said that this marketing was "a way for an airline to reach deeper into the pockets of people who are willing to pay more for a higher level of service." Those people are typically high-spending travelers who are not beholden to strict company travel and preferred-airline policies, "a small portion of the marketplace," Mr. Sorensen said.

He said V.I.P. services that used to be provided quietly are now being openly marketed because: "Airlines are realizing that they can actually sell this. And we're going to see more and more of that, because it works."

The revenue is immediately seen by airline executives and investors on airline income statements, while the benefit of spending money on the perks of elite loyalty programs isn't as apparent, he said.

The successful marketing of the V.I.P. services "has alerted airline executives to the possibility that: Hey, we don't have to give all these things away for free. We can actually generate profits from selling them, as opposed to bundling them as some sort of elite-status perk," Mr. Sorensen said.

To me, this highlights a disconcerting trend toward imposing almost-medieval degrees of social stratification on air travel. This trend can be most easily witnessed in that absurd routine you see at airport boarding gates, where the agent invites premium and elite passengers to board along a blue or red carpet and then quickly closes that lane off with a rope and directs the nonprivileged to walk on a gray-carpeted lane next to it.

But that's only the stuff most of us see. For the right price, there's a whole new level of privileged service at the airport — not to be confused with the spectacular levels of inflight service (private compartments, bathrooms with showers, sumptuous beds, haute cuisine) being marketed by international airlines in first-class and business-class cabins, all unseen by coach passengers shoehorned in the back into 10-across rows.

While continuing to sell basic coach travel at basic fares, airlines are focusing more on higher-value customers, including those who spend a lot using the airline-branded credit card and those who will pay a lot to be treated like V.I.P.s.

"It's a caste system," said Ralph Nader, the consumer activist. "It's all part of stratifying the consumer, which the computer makes possible. And they're going to keep doing this. They will appeal more and more to the top 10 percent that doesn't care about cost."

As Mr. Sorensen said, "There's no easier way to profit from a customer relationship than to establish the relationship with someone who can actually open up their wallet and decide what they're going to buy and who they're going to buy it from."