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Baum, T. (2006) Low cost air travel: social inclusion or social exclusion? Tourism, Culture and Communication, 7 (1). ISSN 1098-304X

LOW COST AIR TRAVEL : SOCIAL INCLUSION OR SOCIAL EXCLUSION?

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Issues of social inclusiveness are important considerations in the context of the tourism and leisure industries. Recent trends and developments within the transport sector, particularly air travel, have served to lower prices significantly for all consumers and to create both considerable popular awareness of modes of low cost travel (Calder, 2002) as well as impacting upon behaviour in specific travel markets (Sigala et al, 2002). In terms of access, this trend should, in theory, create greater opportunity for those who, traditionally, may have been unable to afford the cost of such travel. Access issues in low cost air travel are highly topical in a general sense as the recent UK court ruling with respect to wheelchair provision at London Stansted Airport illustrates (BBC, 2004). This paper sets out to examine whether this conclusion is, in fact, representative of reality. The context of the research which prompts this discussion is to consider low cost air travel and how issues of social inclusion play within this emerging tourism sector, particularly, but not exclusively, through reference to electronic barriers to access, known as the digital divide. This paper reports preliminary findings from research into social access relative to the key operating features of low cost airlines (LCAs).

The digital divide

The phrase "digital divide" has been applied to the gap that exists in most countries between those with ready access to the tools of information and communication technologies, and the knowledge that they provide access to, and those without such access of skills. This may be because of socio-economic factors, geographical factors, educational, attitudinal and generational, or it may be through physical disabilities (Servon, 2002). However, there is an equally important digital divide that also deserves attention, and that is the gap between the state of ICTs, and the levels of access and utilisation of the Internet in developed nations and the situation in less developed countries. Thus, technologies do not in themselves solve social and economic discrepancies within societies, but they can often exacerbate them. Quay (2001) notes that the digital divide is not just an issues of access but relates to those who are able to use the internet to improve the quality of their lives and those who do not. This perspective is supported by Servon (2002). This issue is of particular pertinence in the context of this proposal.

The importance of the digital divide is reflected in the numerous and different policies and efforts to close the ICT gap. In most Western nations government policies are developing (Selwyn, 2002), which attempt to ensure that all citizens have the opportunity to access and effectively use ICT in order to enable them to participate fully in educational, social and economic activities and demographic processes, which make use

of these technologies. At an international and supranational level, global summits (UNESCO, UN ECOSOC), dedicated academic journals, conferences and divisions of associations (IFIP, EEE, the Electronic Journal of IS in Developing Countries) are been established in an effort to address the global digital divide. Civic leaders, lawmakers and educators have expressed concern that the widening gap in the digital divide could eventually lead to a two tier economy with an underclass permanently assigned to low-skill occupations with low incomes. It can be argued that, although the Internet has dismantled geographical barriers, it has created others.

Overall, as the term implies, the digital divide focuses on the higher end of ICT involving the electronic transfer of information using digital formats, particularly the Internet, and it describes the perceived disadvantage of those who either are unable or do not choose to make use of these technologies in their daily life. The phenomenon of the digital divide is evident at a local, regional, national and global scale.

A number of research and policy papers addressing the issue of the digital divide identify specific groups of people as being especially disadvantaged in their uptake of ICTs. These include: people on low incomes, people with few educational qualifications or with low literacy levels, the unemployed, elderly people or young elders, people in isolated or rural areas, people with disabilities, sole parents, women and girls. Because they are often already disadvantaged in terms of education, income and health status, and also because of their profound cultural differences from the dominant Western cultures of the developed world, many indigenous people, and some migrant and minority groups are identified as having a very low uptake of ICT. For example, targeted programmes are being developed for enabling Afro-Americans, Latinos and Indian nations in the USA and Maori people in New Zealand to overcome disadvantages eliminating them to grasp the benefits of the digital revolution.

Socio-economic differences may have been overstressed as the major reason of the digital divide. For example, there is considerable debate about the cultural, gender and race gap in the use of the Internet and the proportion of users with lower education and income (Foley, Alfonso and Ghani, 2002; Schmitt and Wadsworth, 2002). However, further research in a wider variety of minority groups into attitudes and barriers preventing use of the Internet is necessary before socio-economic reasons alone are assumed to be the major barrier to participation in the information age (Quay, 2001). This current study aims to contribute to this debate.

Travel and social inclusion

The history of travel and tourism in the UK is one that represents widening access and inclusiveness. From its early development in the 18th century, our tourism industry has catered for an increasingly wider customer base, supported by favourable changes in paid holiday entitlements, by increasing economic prosperity and by transport systems which made travel accessible to (almost) all. The development of the major seaside resorts and their heydays from the late 19th century to the mid 1950s represents a clear picture of widening access and inclusion. Likewise, the growth of low cost charters and package holidays to the sun have, over the 50 years since Vladimir Raitz's pioneering efforts, become accessible and affordable to the majority of the British public. The recent revolution in air transport through the growth in low cost airlines, access to new distribution technologies and the combined consequences of these developments for the way in which traditional transport providers (especially in the airline sector) do business, can be seen as the latest stage in this process of widening access to travel and tourism in this country.

The low cost airline revolution

The initial evidence seems to point towards confirmation that low cost does, indeed, widen access and create opportunities for travel. Low cost airlines (LCAs), in particular Ryanair and easyJet, report major increases in passenger numbers year on year while, at the same time, a growing number of new operators in this segment of the market have emerged in both the UK and elsewhere in Europe. The headline fares offered by all airlines within the short-haul sector in the UK and Europe have plummeted over the past 10 years since the advent of the easyJet and Ryanair models and we are all familiar with advertisements offering "100,000 seats at 1p" and the ensuing debate within the press as to whether such good value really exists within the marketplace. Average fares charged by the low cost airlines in 2003 vary but start at a figure of less than £40 in the case of Ryanair and this certainly supports the view that air travel now costs less in real terms than at any time in its history. The knock-on effects on "traditional" airlines is also evident with some throwing in the towel (Sabena) and others playing the LCAs at their own game, adopting their operating models and offering single fares as low as £8 (for example, BA and Aer Lingus). The impact of the LCA revolution has not just been on the airline sector, with the LCA challenge forcing train, bus and ferry companies to compete on price and to lower their headline fares.

Low-cost air travel is a phenomenon that has revolutionised how we travel, where we go and the way in which airlines do business in the UK and Europe. As a business model, low-cost air travel owes its origins to airline deregulation in the United\States in the early 1980s, particularly through the approach of Southwest Airlines. Europe followed suit in the late 1980s and 1990s, initially in Ireland and the UK and subsequently elsewhere within the European Union. It is a model that has subsequently spread to Australia and south-east Asia.

The impact of low cost air travel is by no means confined to the low cost carriers themselves and their customers. The impact of their success has been felt across sort-haul air travel in Europe and has led to major re-structuring of the marketing, operations, pricing and services of major traditional airlines such as British Airways and charter carriers such as MyTravel. British Airways early response was to establish Go (subsequently sold) as a low cost operation while both KLM (buzz) and bmi British Midland (bmibaby) have followed suit. Interestingly, there are moves afoot for the low cost model to be applied to trans-Atlantic routes in the near future. At a destination level, low cost airlines, particularly Ryanair, have created opportunity for tourism development in towns and cities traditionally regarded as "off the beaten track" in terms of air access – locations such as Tours and Carcassone in France; Lubeck in Germany; and Newquay in England have experienced opportunities to develop new tourism sectors or to extend and diversify their existing markets and seasons.

Leading low-cost carriers are now among the most profitable airlines operating in Europe, notably easyJet and Ryanair which have both been successful in competing with traditional airlines in both leisure and business markets (Sigala et al, 2002). Low cost carriers have successfully courted publicity and have been able to create attention for their destinations and prices to great effect. As brand concepts, they have developed far more effectively and rapidly than has historically been the case in the airline sector.

The low cost airline revolution is not just about cheap fares. The LCAs in the UK have demonstrated a new way in which to do business within the airline sector, bringing air travel to the community in a practical sense by using secondary locations away from the main hub airports (Blackpool, Coventry, Liverpool, Prestwick, Luton) and, indeed, creating a totally new populist airport ethos at Stansted. We now have access to a far wider range of destinations, from local airports, without the hassle and uncertainty of travelling through the main hubs. As examples, Liverpool, through easyJet and Ryanair, offer thirteen UK and European destinations to the local market; Flybe serve 19 locations from Southampton; and the largest provider, Stansted, offers close to 90 destinations through Ryanair and easyJet alone. In pursuing this strategy, LCAs have supported the government's air transport strategy and given some relief to hard pressed mainstream airports, especially in the south-east. LCAs have also opened up new destinations in Europe and, indeed, in the UK (Newquay) as places wherit is possible to fly for short breaks (and from where Norwegians, Swedes etc. can visit UK locations) with the addition of local benefits such as job creation and year round visitation. LCAs have thus brought air transport to the people, making it less intimidating and closer to our front door. Through pricing, through accessibility and by stripping away some of the pomp and mystique of air travel, LCAs have contributed to what might be called the "casualisation" of travel, something we buy on the spur of the moment, influenced by current value offers and intensive advertising.

LCAs and their operating features

The operating features of low cost airlines contribute significantly to the success of their business model. These features include (Baum, 1997; Pender and Baum, 2000):

- elimination of multi-class on-board service
- elimination of complementary catering, drinks and entertainment
- free seating on-board
- use of secondary airports
- direct booking internet (upwards of 90%) without use of travel intermediaries
- no inter-lining between flights and between airlines
- high aircraft utilisation through rapid on-ground turn round

Proposals by airlines such as Ryanair take this change in service delivery considerably further. According to a recent press report, Ryanair has ordered such "luxury" fittings such as head rests, seat pockets, window blinds and reclining seats to be removed from a recently-ordered batch of aircraft, and is also considering asking passengers to carry their own luggage on board to further cut costs. The airline says that cutting out baggage handling in this way could cut costs by up to one fifth. Ryanair chief executive Michael O'Leary reportedly told *The Sunday Times*: "Think about it: people are happy to carry a bag on to buses so why not on to airlines. It could be revolutionary. Most of the space in airports is devoted to baggage handling. It is not just a question of staff. It would mean smaller airports, simpler facilities and lower charges." (travelmole.com, 2004)

LCAs and access

There can be little debate that low cost air travel (by newer airlines but also within the traditional airline sector) has created opportunity to travel for millions of people in this country, both within established travel contexts (business, main holiday, VFR) but also as part of casualised, spontaneous travel behaviour. Are we justified, therefore, in arguing that low cost travel models as they operate today, enhance access and support social inclusion?

It is worthwhile looking further at some of the operating features of airlines, particularly LCAs, and considering these in terms of access and inclusion. Data for this analysis was generated through a pilot telephone survey of 100 householders in Glasgow, selected for comparative purposes from two areas of the city identified as the high and low income on the basis of postcodes.
- Low cost LCA travel is most readily accessible via Internet booking and close to 90% of all bookings are now taken via this channel. In order to secure best value tickets and advanced bookings, e-booking is essential. Traditional airlines, while offering alternative distribution routes (telephone, travel agents), likewise give preferential rates to on-line bookings. Therefore, access to the lowest fares within the airline sector depends upon access to and confidence with the Internet. Currently, something over 50% of adults in the UK have access to the Internet at home and a further group have access via local libraries and other facilities so that between 55% and 60% of the adult population have regular internet access. Within these figures, however, females, the elderly, the unemployed and those at the lower end of the income spectrum are significantly less likely to have such access, existing as they do on the "wrong" side of the digital divide. In the study carried out in Glasgow into low cost travel and participation across a range of

social and demographic variables, respondents in these three categories were much less likely to have used LCAs than males, younger adults and those from more affluent backgrounds.

- Payment for Internet (and, indeed, telephone) booking with low cost and other airlines must be through use of a credit card. Cash, cheque and other forms of payment are not accepted. Approximately 85% of the adult population in the UK hold "plastic" cards of one form or another, although this figure is lower for women, the unemployed and the elderly. However, the biggest variance is to be found among low income groups where access to "plastic" is available to about 30% of that population group. The Glasgow study identified consumer inability to pay because of a lack of access to accepted credit cards as a major barrier to LCA use. There is also a strong sense of concern with respect to security and credit card payments via the Internet among consumers who have limited experience in e-purchasing.

- "Best value" LCA travel demand flexibility within travellers' lifestyles in terms of when to travel, in other words control over both short-term leave and longer holiday entitlements. In order to avail of the best fares, consumers need to be able to travel outside of main demand periods (school holidays, weekends etc.) and, frequently, to be able to make travel decisions at very short notice. Such discretion and control over time is available to those who have few other formal commitments (those who are retired, the unemployed without school age children). It is also more likely to be an option for those in employment who are in higher income brackets and are in some areas of "while collar" or professional employment. The consumer survey of travel in Glasgow pointed to inflexible leave arrangements as a major barrier to "spontaneous" travel decision-making.

- LCA do not offer connecting flights within their own networks nor do they interline with other airlines at intermediate destinations. Flying from, for example, Newquay to Oslo with Ryanair via Stansted involves risk and uncertainty and, therefore, acceptance that, should there be delays, additional costs may have to be covered by the passenger. This level of uncertainty is likely to be unacceptable to those less familiar with travel, operating to inflexible schedules or unable to accept the financial uncertainty involved in this travel model.

- Until recently, the route maps of most major LCAs did not include the traditional "sun, sea and sand" vacation destinations that are popular within family and "mass market" tourism in the UK. The destination profile of operators such as Ryanair and easyJet includes a range of cities and towns in northern and western Europe which, substantially, fall outside of mainstream longer holiday destinations. Therefore, LCA's have not offered route options that appeal to travellers restricted to main family holiday choices. This situation is gradually changing, with an expansion of route options to destinations in Spain and the advent of new LCAs such as Globespan and Air Scotland with a focus on sun routes in Europe. As a result, our study in Glasgow identified a lack of interest in

the destinations on offer as a purchase deterrent among lower income respondents to the survey.

In addition to the impact of these operating characteristics of LCAs, it is also worth noting that, generally, LCAs do not work with the travel trade to offer packages that are competitive in the traditional holiday market. Consequently, consumers generally need to make their own accommodation and local transfer arrangements at the destination prior to travel. This may involve Internet access or a general familiarity with the geography and language of the destination. Self-packaging can be challenging to people unfamiliar with travel and can also be relatively costly if not managed effectively. Again, this was perceived to be a barrier to the use of LCAs on some routes by some Glasgow consumers.

Implications

The implications of this analysis are that low cost does not necessarily facilitate social access when it comes to air travel. In order to generate maximum operational efficiency, airlines (both LCAs and traditional) have put in place distribution systems that require access to the Internet and the ability to pay by means of credit cards. These requirements effectively exclude a significant section of the community who do not have the means or skills to operate within these conditions. Furthermore, lack of flexibility within the working lifestyle of many people within non-professional employment mitigates against them in availing of the lowest prices on offer or the spontaneous purchase of special offers. Finally, the range of destinations on offer and a lack of inclusive packaging make LCA options less attractive to mainstream holiday makers than to those with more specialist interests.

The main beneficiaries of the low cost air travel revolution, therefore, are those groups who are able to meet the above conditions in terms of booking, payment and flexibility demanded by airlines, low cost and traditional. These groups, primarily, consist of experienced travellers, middle class in terms of income and travel interests. They are, arguably, travellers who are already socially included in terms of travel opportunity and choice and already are the main beneficiaries of air travel's VAT exempt status and other subsidies through various national and local/ regional government initiatives. Low cost travel, therefore, does not significantly contribute to the social inclusion of those who, otherwise, might not be able avail of air travel on grounds of cost. They remain excluded from the opportunities which such travel affords.

As new destinations and regions consider the establishment of LCAs or links to existing LCA networks, the findings of this preliminary study are of relevance. In Singapore, for example, the establishment of Tiger Airways (Channelnewsasia, 2003) poses questions about the type of in-bound and outbound markets that will avail of its services, questions of concern to tour operators, travel agents and tourism planners in destinations throughout the region. The findings of this study may be of relevance to thinking in this region.

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