

## Travelers stay put if fares are unfair

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The go-go summer is turning into a so-so fall for airlines.

Continental, US Airways, Southwest and AirTran warned this month that they weren't hitting growth projections for revenue collected for each seat flown 1 mile, a key indicator for financial health.

The news was a jolt for the industry, which was enjoying strong demand for travel even as ticket prices remained high.

There were plenty of explanations tossed around. Maybe fliers were frightened by the terrorist bombing plot in London last month or turned off by new security rules, airlines suggested.

Here's the one airline executives fear most: Ticket prices have risen so high now that customers are starting to stay home. Especially coveted business travelers.

Business fares last week were up 17 percent from a year earlier, according to Harrell Associates, a New York travel consulting firm that tracks air fares for travel management companies and other clients.

Harrell compares a sampling of published coach-class fares in about one-third of the busiest 1,000 domestic routes each week. Tampa topped the list of 19 cities last week for the biggest increase in business fares: 37 percent.

On Sept. 11, the lowest one-way business fare between Tampa and Washington's Reagan National Airport on US Airways was \$449. That's a whopping 259 percent increase over the same week last year.

Here's another eye-popper: The cheapest one-way business fare between Tampa and Atlanta was \$704, a 49 percent jump from last year. Admittedly, these kinds of tickets aren't for most customers.

Business travelers buy them for last-minute trips. They are fully refundable and don't require an overnight stay. Delta says fewer than 5 percent of its customers choose such unrestricted tickets.

You might recall it was Delta that shook up the airline industry in January 2005 by cutting top fares by as much as 50 percent.

The carrier announced that no domestic fare would be higher than \$499 one-way in coach. Delta called the program "SimpliFares." Competitors grudgingly matched the fares.

While the move would initially cost Delta money, executives said, the consistently lower fares would eventually attract more business travelers tired of getting gouged.

Six months later, the cap melted like an ice cream cone in the Florida summer. Blaming skyrocketing fuels costs, Delta raised its top fare to \$599 and, again, other major carriers followed suit.

Now, Delta's cheapest unrestricted domestic coach seat costs \$704 one-way, the price of that Tampa-Atlanta fare last week.

Meanwhile, leisure fares for fall are getting cheaper. The average nationwide fare last week was \$97 one-way, or 8 percent less than the same week in 2005, according to the **Harrell** survey.

Deals abounded for Tampa Bay travelers willing to book tickets well in advance and pay penalties for changing their flight. Philadelphia for \$49, New York (okay, Newark) for \$59, Washington, D.C., for \$64.

You can almost hear business travelers grinding their teeth.

It's not that they expect to get the bargain-basement prices. They resent the growing gap between what they pay and what the guy in the next seat pays for the same no-frills experience in the back of the plane.

Conventional wisdom dictates that while you can sell more tickets to leisure passengers by cutting the price, that doesn't work for business travelers.

Salespeople and executives won't make an extra trip because they get a good deal, the thinking goes. Besides, either the company or their client is picking up the tab.

Nonsense, says Joe Brancatelli, a veteran travel writer who runs joesentme.com, his business travel Web site.

"It assumes business travelers are stupid and don't care what they pay," he says. "Most understand that every dime they pay comes out of their travel budget or maybe even their bonus."

Give them a reasonable and consistent business fare, says Brancatelli, and they'll gladly pay more than the guy in the Hawaiian print shirt and flip-flops.

Most business travelers Kevin Mitchell knows shrug off stratospheric walk-up fares.

They plan trips farther ahead to get cheaper tickets or pick discount carriers for last-minute travel, said Mitchell of the Business Travel Coalition, which represents companies that buy large volumes of airline tickets.

"You see airlines put up some eye-popping fares," he says "It's disheartening they don't understand people resent it and don't buy it."

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