

It Just Isn't Fair Fare

Observations by Alan Sadowsky

Just when you thought it was safe to go back into the business, SABRE drops the bombshell that it's moving off of TPF and onto a Compaq server farm running 4000 processors. Well once the dust settled, the specifics of the announcement became a bit clearer. What we're now being told is that the PSS (reservations) side of the house is safe for the moment, as "the move" only affects the TPF Fare Quote system.

Now those of you who have read my column in the past know that on occasion, I've found it necessary to voice what some might call "a reflective, yet refreshingly subtle alternative viewpoint". In other cases, my emotions may have overcome my high standards of civility and decorum, resulting in a momentary lapse of etiquette. Well hold onto your boarding passes folks. We're about to break new ground.

Do I have a problem with the SABRE/Compaq announcement? You bet I do, and it's got nothing to do with SABRE or TPF. You see, the real problem we have here is Fare Quote and the greasy bean counters at every airline whose sole purpose in life is to squeeze that extra nickel out the every passenger's pocket. The technical folks at SABRE are only trying to solve a problem. Unfortunately, the problem isn't a technical one.

Before moving into data processing, I spent almost 13 years working in the travel business. Back in those days, there were two classes of service: "F" (First Class) and "Y" (Coach). Quoting a fare and writing a ticket was simple. As the airlines began to grasp the concept of promotional fares, we were slowly introduced to the 14, 21, and 30-day excursion fares. This turned out to be a marketing windfall for the airlines, and resulted in more business for travel agents. When American Airlines announced its "Super Saver" fares in the late 70's, it opened the floodgates of competitive confusion for the traveling public, and spawned the horror we know today as The Fare Quote System. Protests by those concerned about the monster that

had been unleashed were quickly drowned out by the sound of dollar bills and credit cards being slammed down on ticket counters all over the country. The few voices that tried to rise above the din were ultimately silenced by deregulation, and the beast has been running unchecked these past 20+ years.

To give you a better feel for just how bad the problem is, I recently got on ORBITZ.COM to check the fare on a Boston to Los Angeles trip, and Orbitz proudly boasted "We're searching over 450 airlines and more than 2 billion fares to find you the best available fare." Can you believe it? More than 2 billion fares! The end result of my query was a choice between 15 - yes, fifteen different coach fares between BOS and LAX. And the reason for so many delightful choices? Fare Rules. Let's be honest, what good are the fares without the rules governing their use? Now here's where the airlines have really gotten creative. I can't promise you that this actually happened, but it's not entirely out of the realm of possibility.

Suppose that the geniuses in the "segment pricing" department were sitting around one afternoon arguing about how far people would go to save money. Would they fly after midnight if it were \$20.00 less? Would they tolerate a 3-hour layover in Metamucil, New Mexico to save \$50.00 on a companion ticket? Would they gamble on a flight that only operated on schedule 6 percent of the time, in order to get 500 extra frequent flyer miles? Well as you can imagine, the only way to settle the argument was to implement the rules, and see what would happen. Imagine the surprise when people started buying these tickets. Now imagine the unrestrained power that the airlines realized they had, and it's easy to see how SABRE might be struggling with a database of over 2 billion fares. Former Secretary of the Navy, John Lehman once said, "Power corrupts. Absolute power is kind of neat." Can you imagine 2 stuffed shirts sitting in a conference room, utterly drunk with power?

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SS1: *“How about 50% off if you book a month in advance, don’t check any luggage, change planes at least once, and wear clown make-up on the flight?”*

SS2: *“What’s with the clown make-up?”*

SS1: *“It might help when we seat you in front of the screaming baby, and right next to the hyperactive 4 year old with the upset stomach.”*

While I’m no expert in the field of segment pricing, it does seem to me that there is a formula on the books somewhere that basically says, the cost of flying a passenger from point A to point B is x-amount of dollars a mile. Period. I’m certain that it takes into account all of the airline’s operational expenses (fuel, salaries, insurance, in-flight service, ticketing costs, administrative time, computer time, and the like), then adds in a reasonable profit margin, divides that amount by the number of miles to be flown, and ends up with a per-mile cost for each passenger. Even if I’m not even close in my analysis, you can’t dispute the fact that there is a pre-determined dollar amount for each segment seat, which the airline has to charge in order to operate that flight at a profit. And so the question begs to be asked. On any given flight, on any given day, why is the person sitting next you paying a different fare? No matter if it’s more, or less than what you’ve paid — it should be exactly the same price. There is no reason for any differences in airline fares other than greed.

While we’re on the subject of greed, I would like someone to explain the concept of non-refundable tickets to me. If I buy a promotional fare ticket from the airlines, I have no opportunity to obtain a refund if I cancel my plans... no way, too late, very sorry, tough luck, bye-bye, adios, get lost! On the other hand, if I purchase a “full fare” ticket, I can cancel my trip any time I want, and get every cent back from the airline. Even better, every coveted full fare ticket comes with a magical spell that allows you to change your reservation as often as you like, at no additional cost. Just try that with one of those “bargain-brand” tickets, and

you’ll be coughing over a cool \$100 per ticket. Pity the family of 4 on their way to Disneyland.

At what point in time did it become so costly to run a reservation system that a customer now has to pay one hundred dollars to switch from his 8:00am flight to an 11:00am flight on the same day? There aren’t very many people who will read this editorial that are not aware of the fact that changing this customer’s reservation entails a minimum of keystrokes, and certainly no more than 1-2 minutes of total talk-time. It’s presumptuous, it’s unconscionable, and it’s just not right. We would certainly never permit it to happen in any other situation...

“Sorry Mrs. Williams, it looks like it’s false labor. I think we’ve got another day or two until the blessed event. You can pay your late fee to the receptionist on the way out.”

... and you can bet your next paycheck that the airlines would never stand for a reciprocal payout when their finely tuned machine ground to a halt...

“Folks, our departure is going to be delayed a good two-and-a-half hours for reasons I couldn’t even begin to explain to you. We’re going to give every one of you a crisp, new, one hundred dollar bill for the inconvenience, and another hundred dollars if we’re forced to extend that delay any longer.”

It’s time for the airlines to get their feet back on the ground. The problem that SABRE (and every other airline) is trying to solve is not rooted in the limitations of TPF, nor is it likely to be fixed by the alleged capabilities of the Compaq Himalaya servers. The problem is rooted in a pricing system that fosters confusion and complexity for the consumer, just for the sake of profit.

It’s time to get back to basics, and to simplify the entire process of traveling by plane. To spend \$100 million on a Band-Aid for a self-inflicted wound is simply irresponsible. To perpetrate TPF as the basis for the problem is immoral, and to deny the realities of the situation is customer service at it’s absolute worst.