



**Item:** Fast Lane News #34 in 2024 (Issue # 234 since 2020) On August 24, 2024, I'm writing from our offices in beautiful Oldsmar, Florida along the shores of Tampa Bay & the Gulf of Mexico

**To:** Our Fast Lane Travel Family in Australia, Canada, Dubai, Europe, Iceland, Israel, Japan, New Zealand,

Singapore, South Africa and in the USA!

**Subjects:** DL 116, 50<sup>th</sup> Anniversary; Discount Airlines Upgrades; 2025 Survey Results; Final Thoughts:



## **I. On Friday, August 30<sup>th</sup> I'll be on DL 116 from ATL – STR**

(Stuttgart) to conduct both of the **50<sup>th</sup> Anniversary**

**PORSCHE Tours** and the

last **PCA TREFFEN** to

Stuttgart this year. I'm

planning to return to the US

on October 5<sup>th</sup>. Both 50<sup>th</sup>

trips have been carefully

planned for well over a year

now. The effort that goes

into these celebrations is

Herculean. We are "on

deck" right now 24/7. Consider juggling European holidays; fitting the

schedules of the museum open days; availability of guides; assuring

sufficient PORSCHE rentals; hotel space availability; avoiding key

restaurants' "Ruhetage"; purchasing impossible-to-get opera tickets in

Vienna; parking in places where there is none; mountain pass closings;

securing the correct Austrian Autobahn Vignettes; reserving new venues like

PORSCHE Traum Werk; inviting key PORSCHE Executives and other

dignitaries in various cities; and, most importantly, making 100% sure that all

participants' requests and desires are well taken care of. The **Good News:**

The Fast Lane Team got it done. Thank you very much. Of course, there

always a chance of a glitch or two? Probably. But not to worry – In June I

returned from my 235<sup>th</sup> PORSCHE Trip. This is not our first rodeo.





It'll be a wonderful once-in-a-lifetime experience sharing with you the history, beauty, cuisine and locals you'll meet. See you in Stuttgart.





## II. Battling for Budget Bookings, Discount Airlines Offer “Poor Man’s” First Class.

Spirit and Frontier bundle amenities such as alcohol, Wi-Fi and bigger seats as they weather financial turbulence

Source: WBy [Victor Stefanescu](#) Aug. 18, 2024, 5:30 am ET



Spirit Airlines jetliners at Las Vegas International Airport. Photo: Mike Blake/Reuters

In-flight Wi-Fi, extra legroom and a drink: Budget airlines are taking a page from big carriers’ playbooks. [Spirit Airlines](#) built their business on cheap fares with few frills and added charges for everything from seat choice to water. They are now introducing [bundle deals](#) that include amenities such as checked bags, booze and priority boarding, with executives seeing an opportunity to sell a more premium experience without abandoning their low-cost status.

They are targeting fliers like Wayne Rutman, whose Elite Diamond status on Frontier offers him access to what he calls “poor man’s first class”: a spot with more legroom next to a blocked middle seat.

“You’re only going to fly them if you’re either foolish or want to save money,” said Rutman, a retired lawyer who also has frequent-flier status on a larger airline. He said he is “willing to suffer a little bit for that ginormous price gap” between Frontier and the bigger airlines.

Frontier and Spirit are battling a glut of domestic airline seats, shifting passenger preferences and bruising competition. Larger carriers [have grown more adept](#) at using the basic economy fares they rolled out years ago as a competitive weapon against budget rivals.

Both Frontier and Spirit are feeling financial pressure. Spirit is trying to forge its own path after a [failed merger](#) with [JetBlue](#) and is negotiating with creditors over near-term debt. It has only posted a net quarterly profit once since the start of the Covid-19 pandemic.

Frontier announced last week it turned a net quarterly profit for the first time in a year, though its shares on Monday fell to their lowest level ever as analysts expect the company to lose money again this quarter.



Photo: Joe Raedle/Getty Images

Spirit's CEO says the airline's new, premium options 'allow guests to choose an elevated experience at an affordable price.'

This year, Spirit shares have dropped 82.5% and Frontier stock has fallen 37.9%, compared with a 26.0% decline in the NYSE Arca Airline Index.

Spirit Chief Executive Ted Christie said on a recent investor call that the airline is committed to its low-cost status. Barry Biffle, Frontier's CEO, said in an interview that the bundle model gives passengers the total price upfront, aimed at changing their perception that the airline is "a nickel and dime." Saver fare Budget airlines have long embraced their lowest-in-the-business ticket prices and bare-bones tradition. Frontier's stock market ticker, ULCC, shares the same initials as "ultra-low-cost carrier." Spirit's is SAVE. In the late 2000s, Spirit considered making its flight attendants [sport a Bud Light ad](#) on their uniforms to offset costs to customers.

Spirit's marketing has also leaned into offbeat humor. In a 2014 commercial, it responded to Spirit-bashing social-media posts in a song that included lyrics "It's a cheap seat, for a cheap ass. Flying lighter saves on gas." John Ryan, a 17-year-old travel writer in Las Vegas, regularly flies on Spirit. While the staff is friendly, he said, if a flight is delayed or canceled, "you're pretty much out of luck." Spirit offers to rebook passengers on another Spirit flight if flights are canceled or significantly delayed and covers various expenses if the disruption was in its control.



Photo: David Paul Morris/Bloomberg News



Spirit is trying to forge its own path after a failed merger with JetBlue. For years, the minimalist strategy paid off for Spirit and Frontier. In 2019, before airports emptied at the onset of the pandemic, both airlines boasted annual net profits in the hundreds of millions.

As [travelers crowded back into airports](#) over the past few years, legacy airlines have sought to cater to a range of budgets. With bigger planes outfitted with more premium seats, airlines such as United, Delta and American can better afford to sell some rows at prices that are competitive with the cheap fares that discounters offer.

United, which is upsizing its planes, is betting that its seat-back screens, in-seat power outlets and frequent-flier program can sell basic economy tickets that don't include a carry-on bag.

"When United offers basic fares for sale at competitive rates, we believe customers will always choose United first," United Chief Commercial Officer Andrew Nocella said on an investor call last month. With the number of available seats dwarfing demand due to airlines adding capacity too quickly, competition is fierce, capping the fares that carriers can charge. While all airlines face rising costs, budget airlines, with their bargain-seeking customers, have a particularly tough time raising fares to cover expensive new labor contracts and fluctuating fuel prices.

Spirit's Christie said on the investor call earlier this month that intense competition to win price-sensitive leisure travelers made the time right for Spirit to introduce new, premium options that "allow guests to choose an elevated experience at an affordable price."

Biffle said industry seat capacity needs to decrease for Frontier to completely restore profit margins. "The model's not broken," Biffle said of the ultra-low-cost airline industry.



Photo: David Zalubowski/Associated Press

Frontier Airlines shares on Monday fell to their lowest level ever. Frontier fliers traveling nonstop from Los Angeles to Denver on certain dates can now pay an extra \$99 for its Business Bundle: checked bags, an extra-legroom seat with no middle-chair neighbor, and more. The price is cheaper on other flights, such as a nonstop from Cincinnati to Orlando, Fla., where the bundle goes for \$69.

Spirit has previously offered a “big front seat,” and charged for it—an option some observers have held is one of the best travels deals out there. Starting this month, the airline will package that option with snacks, drinks, Wi-Fi and more. The “Go Big” bundle goes for \$200 on a flight from Chicago to Orlando in mid-September.

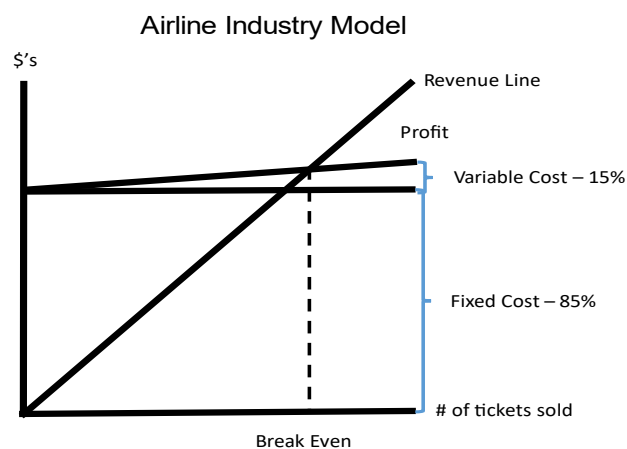
University of Miami marketing professor Uzma Khan said the bundle deals can reduce the “pain of payment” that can pile up in an a la carte system—a model that ultra low-cost airlines helped pioneer.

Frontier’s Biffle said fliers have purchased Frontier’s premium bundles,

and he has seen encouraging signs that the options will attract new passengers. “It shows customers of legacy airlines that they can get the options they want at a ULCC, but at a much lower price,” Biffle said. Spirit executives have said that the changes should bring new customers to the airline, though they may take time to adopt the changes. Spirit’s Christie said during the investor call that he didn’t expect his airline to serve as the first choice for business travelers.

Rob Britton, a former American Airlines executive who now teaches at Georgetown University, said budget carriers are “under siege, and you see that in their financial results.” Appealing to premium travelers, he said, will be an enormous challenge as customers will say, “sounds like the same old yellow airplanes,” he said, referring to Spirit’s trademark livery.

**My Comment:** Background - for fourteen years I had the privilege of being appointed as a Director on the Board of a listed airline: World Air Ways, the first low-cost long-haul airline in the US. We had a fleet of wide-body DC-10’s and L-1011’s. The airline business is THE highest fixed cost business in the world. You publish a schedule, then the mortgage payments on planes; required maintenance; fuel; landing fees; airport charges; unionized labor: pilots, cabin crew, ground staff; are all fixed. The only variable is the number of meals you board and the distribution cost. So, you constantly must balance the stream of fixed costs flowing out the door with the number of customers, to at least break even. Once you’re to the right of breakeven point you are very profitable.





Airlines have tried various pricing models over the years. For example, how do you balance offering deep discount fares the day of departure to reach breakeven, without upsetting the customers who booked a month ago? Yet the last-minute bookers make or break your ability to stay in business. You get the picture.

p.s.: I have maintained my membership in the prestigious Wings Club in New York to maintain my airline friends' contacts <https://wingsclub.org/history/>

### III. Fast Lane Travel 2025 Preliminary Survey Results:

We have received 568 responses to date. More are trickling in – thank you very much. So far the tabulated winners are:

1. Choice: Colorado Rocky Mountain High and Dolomites & Alps are pretty even with 286 and 229.
2. Choice: Amazing Hidden Austria; and Fall Fest Plus (Lake Como) are also pretty even with 263 and 175.

We have “done” the **Rockies** multiple times and I love that trip. The Photo Rally is a hoot. It also has been a favorite for our friends from Australia and New Zealand. The **Dolomites** this year will be amazing since we have added new routings and some “Band of Brothers” features. **Amazing Hidden Austria** will immerse you in the local culture and take you to spectacular places that American Tourists never get to see. Of course, the **Fall PORSCHE Fest Plus** (formerly Treffen) with **Lake Como** and our **James Bond Photo Rally** is an all-time favorite.



The planned dates are:

					2025 Fast Lane Trips Planning & Forecast
SUN	18-May	THU	22-May	<b>STR</b>	Fast Lane Spring PORSCHE Fest
SUN	18-May	TUE	27-May	<b>STP</b>	Fast Lane Spring PORSCHE Fest <b>PLUS</b>
FRI	30-May	TUE	10-Jun	<b>AMA</b>	Amazing Hidden Austria
SUN	15-Jun	TUE	24-Jun	<b>FAA</b>	Fast Lane Adrenaline Adventure
MON	23-Jun	TUE	1-Jul	<b>LEM</b>	2025 LeMans Race
THU	10-Jul	FRI	18-Jul	<b>COM</b>	Colorado Rocky Mountain High
SUN	31-Aug	SAT	13-Sep	<b>FDA</b>	Fast Lane Dolomites & Alps Exclusive PORSCHE Tour
TUE	16-Sep	SUN	21-Sep	<b>FTR</b>	Fast Lane Fall PORSCHE Fest
TUE	16-Sep	WED	24-Sep	<b>FTP</b>	Fast Lane Fall PORSCHE Fest <b>PLUS</b>
TUE	30-Sep	SUN	12-Oct	<b>TPF</b>	Tuscany PORSCHE Fest
THU	23-Oct	THU	30-Oct	<b>SMR</b>	58th Dawsonville, GA Moonshine Festival
FRI	5-Dec	FRI	12-Dec	<b>CHR</b>	Christmas in Vienna, Austria



#### **IV. My Final Thoughts: THE "TWO-COW THEORY" OF WHAT MAKES.....**

Source: Eddy Yates our awesome 24-Trips Fast Lane Alumni!

A CHRISTIAN:

You have two cows. You keep one and give one to your neighbor.

A SOCIALIST:

You have two cows. The government takes one and gives it to your neighbor.

A REPUBLICAN:

You have two cows. Your neighbor has none. So what?

A DEMOCRAT:

You have two cows. Your neighbor has none. You feel guilty for being successful. You vote people into office who tax your cows, forcing you to sell one to raise money to pay the tax. The people you voted for then take the tax money and buy a cow and give it to your neighbor. You feel righteous.

A COMMUNIST:

You have two cows. The government seizes both and provides you with rationing coupons so you can get some milk.

A FASCIST:

You have two cows. The government seizes both and sells you the milk. You join the underground and start a campaign of sabotage.

DEMOCRACY, AMERICAN STYLE:

You have two cows. The government taxes you to the point you have to sell both to support a man in a foreign country who has only one cow, which was a gift from your government.

CAPITALISM, AMERICAN STYLE:

You have two cows. You sell one, buy a bull, and build a herd of cows.



#### BUREAUCRACY, AMERICAN STYLE:

You have two cows. The government takes them both shoots one, milks the other, pays you for the milk, then pours the milk down the drain.

#### AN AMERICAN CORPORATION:

You have two cows. You sell one and force the other to produce the milk of four cows. You are surprised when the cow drops dead.

#### A FRENCH CORPORATION:

You have two cows. You go on strike because you want three cows.

#### A JAPANESE CORPORATION:

You have two cows. You redesign them so they are one-tenth the size of an ordinary cow and produce twenty times the milk.

#### A GERMAN CORPORATION:

You have two cows. You reengineer them so they live for 100 years, eat once a month, and milk themselves.

#### AN ITALIAN CORPORATION:

You have two cows, but you don't know where they are. You break for lunch.

#### A RUSSIAN CORPORATION:

You have two cows. You count them and learn you have five cows. You count them again and learn you have 42 cows. You count them again and learn you have 12 cows. You stop counting cows and open another bottle of vodka.

#### A MEXICAN CORPORATION:

You think you have two cows, but you don't know what a cow looks like. You take a nap.

#### A SWISS CORPORATION:

You have 5000 cows, none of which belongs to you. You charge for storing them for others.

A BRAZILIAN CORPORATION:

You have two cows. You enter into a partnership with an American corporation. Soon you have 1000 cows, and the American corporation declares bankruptcy.

AN INDIAN CORPORATION:

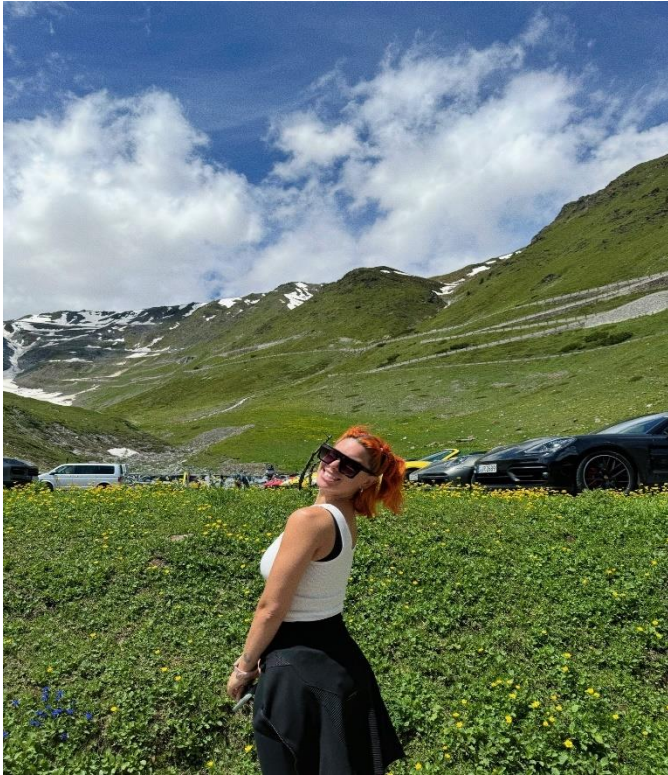
You have two cows. You worship them.

## V. SOME OF MY HAPPY MEMORIES













**Please stay healthy and stay young; be happy and take good care of yourself..... Let's look forward to the great times we will have together again on one of our fabulous PORSCHE Tours this year and let's look forward to 2025. I will see you soon in Stuttgart. Can't wait. - Peter**

