Sir Freddie Laker visits prospective customers at Victoria Station. He hopes to banish this kind of scene with his current application to the CAA for advance sales of Skytrain tickets

This particular example shows the change which has taken place in airline thinking over the past two years. Special provision is being made for the low-fare market, but carriers are anxious to hold on to their traditional moneyspinners: first-class and full-fare economy passengers. B.CAL is adamant that the first and executive cabins will not be filled with travellers paying low fares. This is an important marketing point, because there were instances during last summer's chaos in central London when harassed airlines, anxious to move on the queues of standby hopefuls outside their town centre terminals, placed these travellers in empty first-class seats. The effect of sitting a dishevelled standby passenger next to a film star or a company chairman can only be guessed at.

Three-class services have spread rapidly this winter as airlines have struggled to reconcile the demand for cheap travel with the needs of business travellers. To date, British Airways, Pan Am, Delta and Lufthansa have introduced three-class services across the Atlantic. TWA's three-class service was abandoned two months after introduction (see Flight for December 30, page 2300), partly because of difficulties in separating full-fare from discount passengers in narrow-body cabins.

The essential selling feature of three-class services is an improvement in facilities over the old economy class. Passengers who pay the full economy fare are treated to free drinks and headsets for in-flight movies, exotic meals, faster check-in at the airport and, occasionally, use of first-class lounges at the terminal. It is ironic that the low-fare revolution is also bringing improved service to the high farepayer.

Returning to low fares proper, no study of the subject is complete without mention of Sir Freddie Laker's Skytrain service to New York and Los Angeles. Whether Skytrain is the shape of things to come in low-cost air travel is debatable, but it certainly caused the scheduled carriers to behave like headless chickens when it started in October 1977. Transatlantic standby fares were a response to Laker, and their promotion by the airlines, plus the massive newspaper coverage devoted to Skytrain, built up enormous public expectations that unlimited cheap travel was there for the asking. Sadly, the truth was rather different. The facts became apparent at the end of last summer, when first Heathrow Airport and then the central London terminals of major transatlantic carriers became choked with standby passengers hoping to get a cheap flight. The Skytrain encampments outside Laker's sales offices at Gatwick and Victoria Station have passed into legend. The scheduled airlines were completely unable to cope with demand for those two or three weeks.

This experience illustrates Alastair Pugh's point that the introduction of low fares threatens to exaggerate demand peaks. Standbys were introduced to take the steam out of Skytrain, but the only major investment associated with their debut was in advertising. Capacity could not be increased sharply to cope with the sudden, unexpected rush of travellers, and the rest is history. In retrospect, it seems that scheduled carriers lost their Skytrain

After all, the Laker service had no more than two DC-10s of capacity when it started—hardly a threat to the scheduled services offered by other carriers.

The fact that even Skytrain is only oversubscribed for very limited periods indicates that it caters for a specialised segment of the market. Sir Freddie seems to realise that the tone and recent moves show that he is trying to broaden the appeal of his service. Recent Laker Airways newspaper advertisements for Skytrain have been aimed specifically at business travellers. The airline is currently awaiting approval for plans to sell Skytrain tickets in advance (see Flight for December 16, page 2157), so that travellers who are too far down the queue to buy a ticket for the day's flights will be offered a flight the following day. The idea is to get the business traveller to book in advance, and to watch his diaries. This change is designed to make sure that prospective Skytrain travellers do not have to queue for more than one day to get a seat, although they still cannot choose the day they travel. Clearly, business travellers will not be attracted to Skytrain if they have to wait days for a ticket.

Skytrain to New York has been an undoubted success, having achieved a 100 per cent load factor for the whole of 1978, although Sir Freddie declines to say how much profit has been generated since the service started. The Los Angeles service has got off to a slower start since its inception last September. The break-even load factor is 63 per cent, compared with the 40 per cent being achieved during the first few months of operation. Sir Freddie says that a loss of £2.5 million was budgeted for on Los Angeles Skytrain for the financial year to March 1979, which covers just six months of operations. Laker is currently combining New York and Los Angeles Skytrain flights during the low season; if a day's bookings do not justify separate flights, then both sets of passengers are carried to New York, with the aircraft continuing to Los Angeles. This arrangement is convenient because Laker's DC-10-10s have not enough stage length through London to return on the LA trip. The combined flights make no difference to the West Coast journey time, and the costs saved should reduce the expected deficit. This shows that Skytrain is not a licence to print money, and Sir Freddie is likely to remain alone in providing this type of service until the airline world is really sure that it pays.

Watching the contest between Laker and the established airlines can easily lead the casual observer to forget that there are other types of low-fare operator on the North Atlantic. Despite the reported fall in charter passengers during last summer's travel boom, some operators are doing very well for themselves.

One leading British user of cheap air transport is Jetsave, organiser of transatlantic inclusive tours and advance-booking charters. Although Jetsave is not an airline, its impact on transatlantic air travel is significant: at the peak of next summer's holiday season the company expects to run 53 flights per week. Jetsave has recently chartered wide-body capacity to the tune of $110 million, covering a three-year dedicated charter of a DC-10-30 flying for British Air. Reg Pycroft, Jetsave's chairman and managing director, sees tremendous growth potential in the transatlantic travel market and thinks that it will develop among similar lines to the Mediterranean. Pycroft, an ex-British Eagle executive, founded Jetsave in 1972. The operation was responsible for