

LESSON 1

TRAVELING IN THE 21ST CENTURY

KEY POINT AIRLINES

Consider the following:

Do you travel on low cost airlines?

What is your favorite airline?

Are the tickets expensive?

Do you get food and movies?

DEFINITION:

No frills travel (Expression): Inexpensive transportation.

Low cost travel. No extras.

Airlines are quickly transforming through hyper competition and a very aggressive travel market which is cutting into profit margins. Low cost airlines known as no frills are pushing established airlines towards bankruptcy. Easy Jet and Ryanair serve the local market in Europe and at the Ryanair Annual General Meeting this year they announced good results. Where will this all end?



Time 60 Minutes

Vocabulary Builder Travel Vocabulary

Grammar Builder little, a little few, a few

Objectives Travel vocabulary and expressions.

Review Irregular verbs

VOCABULARY AND EXPRESSION BUILDERS

Transformed: When something or someone changes.

The project was transformed when the new manager arrived.

Hyper competition: The auto sector has many companies doing the same thing.

There is hyper competition in the auto manufacturing sector.

Frills: There are no extras on the low-cost airline. There were no frills in the discount hotel.

Profit margins: The difference between costs and revenue is the profit.

The profit margin decreased when the dollar went down.

Local flights: The airline flies nationally. It is a regional airline.

Local flights do not leave the country.

Boarding: To get on an airplane is to board. The boarding call was announced.

Value: The benefit of the services or goods is the value.

There is value in learning another language.

Bankruptcy: When a company is no longer able to function.

The company went bankrupt.

CEO: Sally is the Chief Executive Officer in the company.

She became CEO last year.

Legacy: To leave a mark in an historical way. The CEO left a legacy.

AGM: An Annual General Meeting. The AGM is every year in June.

Refund: To give back.

They got a refund because the product was bad.

SENTENCE BUILDERS

Read each sentence out loud several times.

1. There is hyper competition with no frills travel.
2. The CEO of Ryanair announced good results at the AGM.
3. The low-cost airline offers refunds on delayed flights.
4. The airline industry was slow to adjust to the transformed industry.
5. Business class revenues are increasing the profit margin.

COMPREHENSION BUILDERS

Discount Air Travel

The Traveler Magazine
Brad Johnson



No Frills Travel

Over the past decade the aviation industry has completely transformed the way it does business. The 90s saw hyper competition which reduced airline's profit margins and began to reduce frills being offered on standard carrier economy class service. Second class once offered services including free drinks and meals on local flights. These extras are a thing of the past. Today passengers should have a good meal before boarding.

Discount airlines such as Ryanair and EasyJet in Europe, Kingfisher Airlines in Asia and in the USA, South West Airlines, are all offering discount trips around the USA, Asia and Europe. The winner is the consumer. Ryanair CEO, Tom O'Leary, spoke at the AGM about passenger value and the incredible savings for those who are willing to fly with no frills. "We do not refund tickets or give out any hotel coupons to our customers if our flights are delayed. We also weigh passenger's baggage and charge for excess kilograms, but in return we offer the cheapest form of transportation by selling trips for as low as 10 euros plus tax within Europe."

"Larger airlines, also known as legacy carriers, have been slow to adjust to the competition which, as a result, took several airlines into bankruptcy last year" said James Spaulding, who is regarded as the world expert in the aviation sector. "The business model is changing and airlines are not able to rely on business class revenues alone. It seems as though they are not able to get a handle on the situation."

Brad Johnson
The Traveler Magazine
(London)

QUESTIONS

- 1) The airline industry has transformed because _____.
 - a. of low cost competition
 - b. of lower profit margins
 - c. of business class travel
- 2) Profit margins are decreasing on local flights because _____.
 - a. costs are increasing
 - b. there is competition
 - c. airlines cannot get a handle on the situation
- 3) It is recommended that you _____ before boarding.
 - a. have lunch
 - b. get a free drink
 - c. get a refund
- 4) Legacy carriers have been slow to adjust and as a consequence _____.
 - a. some went bankrupt last year
 - b. business class clients have suffered
 - c. passengers get a refund

TECHNIQUE BUILDERS (Using a few, few, a little, or little.)

Remember that there are two types of nouns.

1. Count nouns:

Examples

consumer(s), customer(s), ticket(s), expert(s), coupon(s)

2. Non-count nouns:

Examples

competition, savings, baggage, luggage, margins, transportation, revenue

Using a **few, few, a little, or little**

If you use a count noun use:

Few: not many

A few: some

If you use a non-count noun use:

Little: not much

A little: some

Structure

few / count

Means not many

a few/ non-count

Means some

little/ count noun

Means not much

a little/ count noun

Mean some

Examples

I have a few Euros.

I need some money.

I have few ideas for the project.

I have little need for a cell phone.

EXERCISES

Use a few, few, a little, or little in the following sentences.

1. The aviation industry had to transform _____ rules to meet the needs of the market. Some of them did not conform with regulations.

EXERCISES

2. Except for a few airlines, _____ were prepared for the hyper competition of the 90s.
3. You have to pay _____ money for frills on discount airlines. It is not much but it can be a problem if you have no small change.
4. After expenses, there was _____ money left for the profit margin. It was around 1.5% of gross revenue.
5. There are _____ local flights and most are with discount airlines. Some are with Ryanair and some with Easy Jet.
6. There was _____ time left for boarding. They were closing the gate.
7. There is _____ value in low cost airlines, except for the price. The cost of the ticket is all of the value.
8. They had _____ opportunities to avoid bankruptcy. In fact, it was impossible to avoid.
9. The legacy airline had _____ time to adjust to the market change. They used the time well to change their business model.
10. The CEO worked _____ on his presentation before the trip.
11. The AGM had _____ time to present its strategy. The meeting was in a few hours and the shareholders were angry.
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