
Sorenson Best Paper Award Recipient
**MARKETING TO FEMALE BUSINESS
TRAVELLERS**

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ABSTRACT

Business passengers are the most profitable segment of the market for airline industry. Airlines have put an enormous amount of effort into improving the quality of service offered to business travellers. However, a fast growing sub-segment of the market, female business passengers, appears not to be receiving any special attention from airline product planners. In the U.S. it was predicted that female travellers will represent 50 percent of the business travel market by the turn of the century (Equality, 1996). Such growth in this segment of the market raises a few questions. Do airlines view this sub-segment valuable enough to divert special effort to meet the passenger requirement? Do the requirements of female business travellers differ from those of male business travellers? Does the airline industry meet the travel needs of this sub-segment of the market? How can airlines increase their share of such a growing sub-segment of the market? To address these questions surveys of both airlines and female business travellers in Europe and the U.S. were carried out. The findings indicate that the airlines view the growth of this sub-segment as important. However, only a few carriers have devoted resources to address female business travel needs. Although the needs of the female business travellers are in many ways similar to those of the male business traveller, there are differences in certain areas such as concerns over airport security, advice on safety and better washrooms. Clearly these requirements must be accommodated if airlines wish to increasingly attract this growing sub-segment of the market.

INTRODUCTION

For the majority of scheduled carriers, revenues earned from business class passengers represent a significant amount of income and create a significant proportion of profits earned. Therefore, in order to maintain

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competitive advantage, it is vital that airlines continuously address the requirements of the business class passenger and update their related market intelligence.

As can be seen on Table 1, it is only the business class cabin that tends to generate profit for airlines. However the revenue generated from first and economy class do not cover the associated costs, as the actual load factor in both cabins are below the load factor required in order to break-even. This is not to say that all airlines are facing the same situation but it illustrates that on average business class cabin is the profitable side of airline operations.

Table 1. Passenger Results by Class of Service, 1997

		<i>First Class</i>	<i>Business Class</i>	<i>Economy Class</i>
Passenger load factor achieved	%	40.80	54.30	76.20
Operating expenses per ASK	USc	13.87	9.74	05.18
Yield per RPK	USc	24.61	21.62	06.63
Load factor to cover expenses	%	56.40	43.80	78.20

Note: Available Seat Kilometre (ASK); Revenue Passenger Kilometre (RPK); U.S. currency (USc).

Source: IATA Airline Economic Task Force, 1998

However, the business class passenger is no longer a one segment issue. It is the growth and gradual establishment of a specific sub-sector of business class—the female business flyer that requires special attention. Traditionally being viewed as an employee working in the less elevated ranks of corporate life, the female is now starting to break through into higher managerial positions. This development has led to some sectors, typically those that have focused on the male business traveller, adjusting to a tremendous growth in the numbers of female business travellers. The hotel industry, for instance, can be viewed as one such sector, which has realised the need to adapt the services and facilities offered, in order to better accommodate its new customers.

In the U.S. it was predicted that female travellers will represent 50 percent of the business travel market by the turn of the century. In the U.K. women represent 30 to 40 percent of business travellers. This is a dramatic increase since 1980 when they accounted for only four percent (Equality, 1996). Travel Weekly (1999) reported that a study by Travel Research Centre, indicated that the percentage of female business travellers on long haul routes from France and Germany has increased from six percent in 1989 to 22 percent and 26 percent, respectively, in 1999. Such trends in the growth of the female business travellers market raises several questions.

- Do airlines realise the potential of female business travellers market?
- Do airlines offer any specific services targeted at the travel needs of female passengers?
- What are female business travellers' needs?
- Are there opportunities for airlines to capture market share by improving the business travel experience for women?

It is the aim of this paper to address the above questions by carrying out a survey of both airlines and female business travellers in the U.S. and Europe. The reason for this specific geographical focus lies primarily in the fact that these are already acknowledged as having the main growth markets in the sector (Equality, 1996).

FEMALE BUSINESS TRAVELLERS

The growth in the number of business women could provide a clear explanation for the growth in female business travellers. It is evident that as the percentage of women in the labour force continues to increase, it is more likely that they will reach a level within the company at which business travel becomes more frequent. Compounding this, is an increase in the number of females taking up business related courses at the level of higher education.

Fundamental changes in the industrialised world during the past twenty years has encouraged more women to enter the labour force. In the 1950s in the United Kingdom, for instance, women only made up one-third of the labour force. However, in the 1990s this proportion has risen to around one-half (Hansard Society Report, 1990).

Goffee and Scase (1985) believe that there are two major phenomena that account for this dramatic shift. The first has to do with demographic changes. As women now tend to live longer, marry later and have fewer children, they are increasingly able to take up work. The second is possibly more fundamental. This has to do with the restructuring of women's psychological expectations, shifting their motivations and self-identities from one which has previously been marriage-related to one which is far more work-related. Research in this area has shown that the percentage of women engaged in professional occupations has leapt from 16 percent in 1991 to 20 percent in 1997 (Webb, 1998). In addition, female membership of the Institute of Directors has risen by 60 percent since 1994.

In addition to the evidence of the increase in the number of business women as a whole, further statistics are available to support the growth in female business travellers activity. As can be seen from Table 2 there has

been a growth in the number of female business travellers using the London Airports (Heathrow, Gatwick and Stansted) between 1983 and 1996.

Table 2. Percentage of Female Business Travellers, 1983-1996

<i>Airport</i>	<i>1983</i>	<i>1987</i>	<i>1993</i>	<i>1996</i>	<i>%increase 1983-96</i>
Heathrow	12%	14%	15%	20%	66%
Gatwick	15%	19%	20%	20%	33%
Stansted	13%	16%	13%	16%	23%

Source: CAA, 1996

It appears that a number of airlines have recognised the growth in female business travellers market and have started a few initiatives. Some examples are provided below.

In terms of offering safety advice, Delta airlines have designed an executive women's travel page on their website. This provides general advice on safety issues relevant to the female, but is not destination specific.

Research undertaken by United Airlines indicated that female business travelers are sometimes mistaken to be leisure flyers and are not treated in the same manner as male business flyers. Based on their findings, their flight attendants are trained with the emphasis on the importance of treating female business flyers with the same degree of respect and value as their male business passenger counterparts (United Airlines, 1998).

In a study commissioned by Midway, it was found that women tended to spend three times longer in the bathroom than men. Every aircraft in the Midway fleet now has a women's only restroom and a unisex lavatory. The restroom has a carpeted floor, a full-length mirror, flowers and automated sanitary toilet seat covers. Japan Airlines (JAL) decided to introduce their 'Ladies Elegance Rooms' on its domestic fleet in 1996. As a result of their findings that 35 percent of their domestic passengers are female, JAL introduced separate restrooms which have additional features such as an extra back mirror and a range of cosmetics (Kahn, 1997).

The Hotel Industry Experience

The hotel industry has already noted and reacted to the changing structure of the business travellers. Previously the male business traveller was the prime customer for whom most of the facilities and services were provided. However, with the steady growth in the number of female business travellers, many hotel chains have found it necessary to re-market themselves by offering a more personalised service as well as additional

facilities. This is in order to better accommodate the female who, it has been discovered, has different wants and needs compared to the male.

One area of prime importance to the female is her personal safety. In a survey of women frequent travellers by Chambers Travel (Bevan, 1996), it was found that 95 percent of its respondents stressed safety as being highly significant. Research commissioned by Barclaycard revealed that car parks were singled out by many women as places in need of safety improvements (Chetwynd, 1998). Some hotels such as the Renaissance and Choice groups both reserve spaces near the hotel entrance for women. Copthorne has a policy of escorting female travellers to and from its less well-lit car parks.

Several hotels in Tokyo have dedicated check-in desks for female business travellers and include amenities in rooms which are more suited to women. They also have tried to alleviate female's concern over security in hotels by offering women rooms nearer the lift so that they do not need to walk through long hotel corridors. A survey by Swallow hotel group, on the more important considerations for female travellers, has led them to devise a women's charter (Travel Trade Gazette, 1998). As a result of various surveys on female business travellers by the hotel industry, an independent hotel booking agency, Expotel, recently launched the "Woman Aware Initiative." Based on their scheme hotels are classed as "Woman Aware Hotels" if they meet certain criteria based on the survey of 1,000 female business travellers carried out by the agency (Anderson, 1999).

RESEARCH METHODOLOGY

In order to address the questions raised in the introductory section, two types of surveys were carried out.

One was a supply side survey that consisted of a postal questionnaire survey of 44 airlines in North America and Europe with a 33 percent response rate. The airlines included in the survey were all major scheduled carriers with business class operation.

The other was a demand side survey that included a postal survey of 175 female business travellers resident in North America and Europe. The potential respondents were contacted through personal contacts and "Women in Business," which is a club whose members are business women. In addition to the postal survey, interviews with 15 female business travellers in executive lounges at London Heathrow airport were carried out. The reason for the face-to-face interviews was to gauge female business passengers needs while they were actually travelling. Therefore, a total of 190 female business travellers were surveyed with a 34 percent response rate.

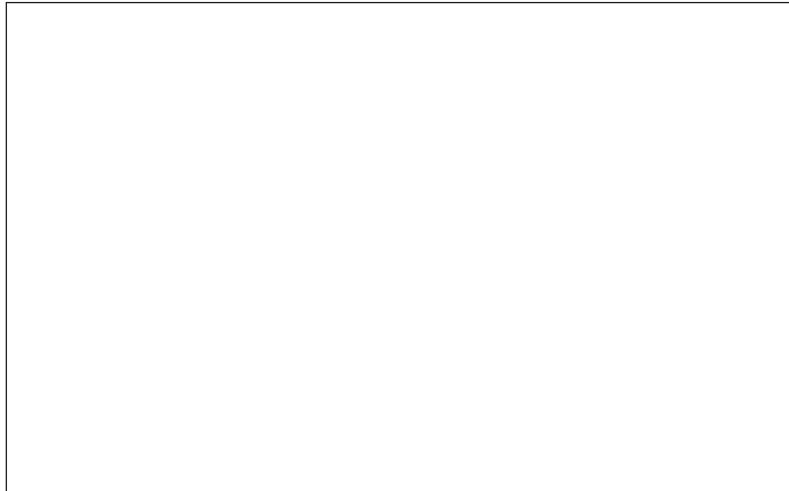
The Airline Survey

A primary objective of the airline supply side survey was to obtain information from airlines based in Europe and North America about their current and future marketing activity aimed at the female business travellers. With this objective in mind, the survey was designed to obtain information in the following general question areas.

- On average, what percentage of 'Business Class' passengers are female, for both short haul and long haul flights?
- Is the female business traveller becoming an important market for airlines? If so, can airlines forecast the growth of this segment?
- Do airlines currently focus specific services on the female business travellers? If so, what are they?

Questionnaires were sent to 44 airlines based in U.S. and Europe. An above-average response rate of 33 percent was achieved.

In contrast to the non-U.S. airlines, the respondent U.S. carriers indicated an above-average percentages of females, over 20 percent and 24 percent, using their business class services on both short and long haul routes, respectively. This may suggest a greater acceptance of women in the higher ranks of corporate institutions in the U.S. business environment. It appears that on average 28 percent of business passengers of respondents airlines operating from the U.S. are female. The corresponding figure for the European carriers is 22 percent, as shown below.

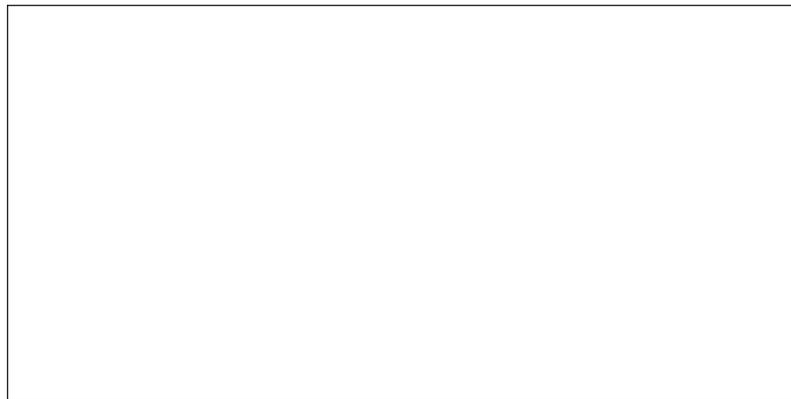


The survey results also indicated an overwhelming proportion of respondent airlines (80 percent) believe that the female business travel market is valuable and is transforming into a new prominent segment within business class.

Having received such a positive response, it was intriguing to gain further insight into the significance of this segment by asking the airlines whether they had forecast the percentage growth in the number of female business travellers by the turn of century.

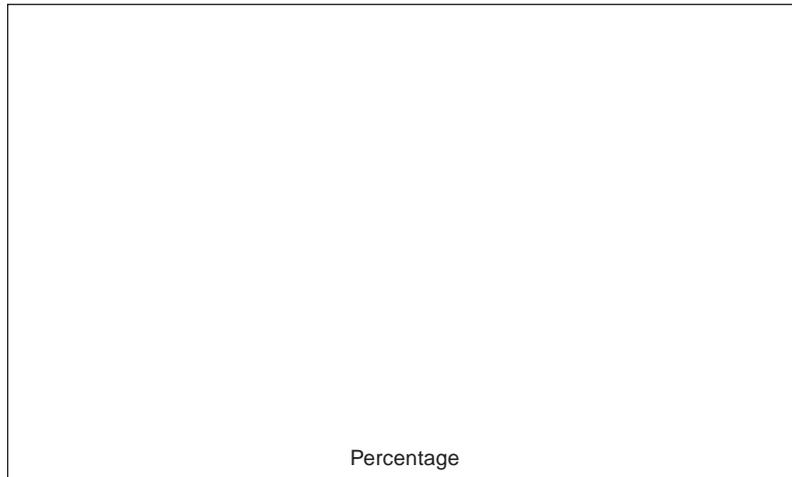
Only half of the respondent airlines indicated that they had projected the short term growth of female business travellers segment. The results indicate a plausible average growth figure of 10 percent over the next two years.

Considering that 80 percent of all respondents view the growing female business travellers market as important, it was interesting to see whether airlines are already focusing some of their attention on the female business travellers by offering specific services and facilities for the female flyer, or if they intend to do so in the future. Clearly, very little is being offered at present as only 7 percent of carriers stated that they are currently dedicating some of their resources to the female business travellers. However, what is encouraging is that more airlines indicated an intention to do so in the future (see Figure 2).



The results in relation to current services offered specifically to female business travellers is illustrated in Figure 3.

In summary, the respondent airlines gave a clear indication that they view the growth of female business travellers as important for their airline. However, it appears that the majority of airlines have not yet devoted any resources or formulated any policies to address any possible requirement of female travellers. A few airlines have begun to take notice of the growing



female travellers market by offering special services to them.

A number of larger global airlines drew attention to the fact that, even though they were currently not offering any specific services for the female business travellers, they may well decide to do so in the future. Having identified the frequent business women traveller as a key new market, a few implied that they were now in the information gathering stage and are currently trying to identify new products for the female business travellers market.

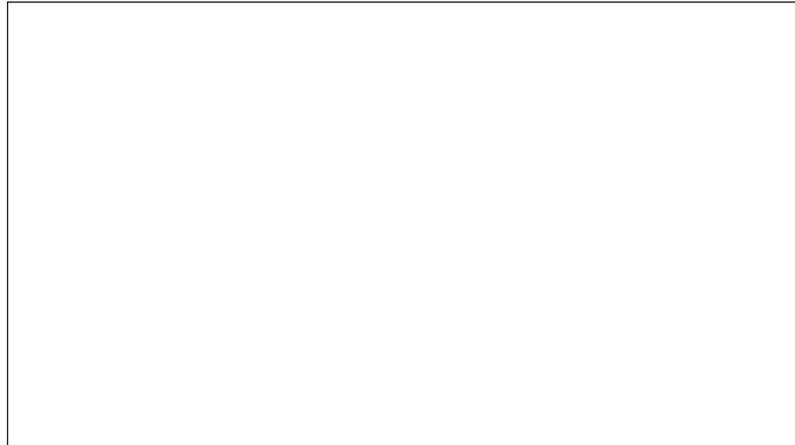
Female Business Travellers Survey

A total of 175 questionnaires were sent to female business travellers in North America and Europe. In addition to that 15 face-to-face interviews with female business travellers were made possible by permission of two airlines, in their executive lounges at London Heathrow airport. The results that are presented in this section are based upon a sample of 50 female business travellers who participated in the questionnaire survey and 15 face-to-face interviews. Although this is a relatively small sample, it highlights several issues which could be of interest to marketing and product development managers in the airlines industry.

The Characteristics of Female Business Traveller

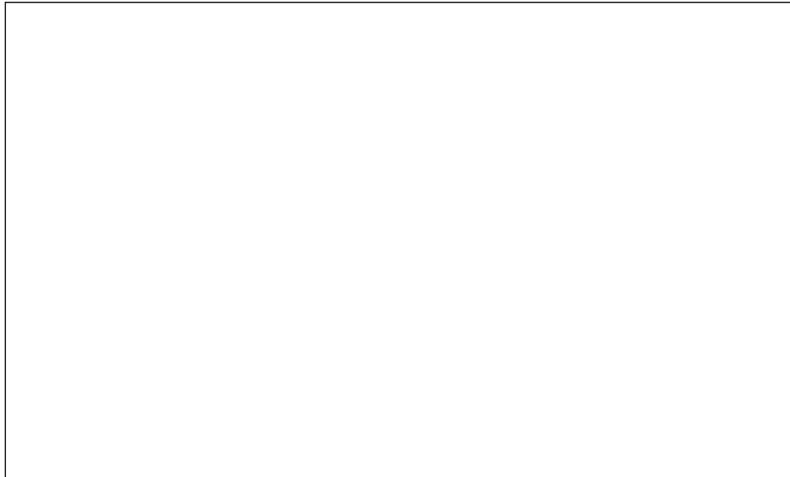
Based on the surveyed sample a large proportion of the female business travellers are between 25 and 49 years of age (see Figure 4). These results are supported by a survey undertaken by Plog Research, Inc. (1996) that the percentage of female business travellers is higher in the younger age

groups. In addition, their research identified an interesting correlation between age and future travel plans. This stated that 31 percent of those under the age of 44 plan to travel more in the future, while only 23 percent of travellers over the age of 55 share that expectation. This indicates, therefore, that as the female business travellers of today tend to be young, it can be expected that they will travel even more on business in the future.



A large proportion of female business travellers (67 percent) are employed by a company as opposed to being independent or self-employed. Clearly, as illustrated in Figure 5, there is a tendency for female business travellers to be in a position of authority. Indeed, this accounts for over one-third of all females questioned. Some 27 percent of the respondents stated that they are either a director or a vice president of a company. However, there are still only a handful of females who are at the head of companies with only 12 percent working as Chief Executive Officer or Managing Director. This could be interpreted as suggesting that the female is becoming more business orientated. As stated in the introductory part of this paper the most popular university courses amongst females in the U.K., as well as in America, are those relating to business and financial issues (Office for National Statistics, UK, 1988-1995 and U.S. Department of Education, 1996). Ultimately, this may have the effect of steering even more females into a business environment, where flying may become increasingly a necessity.

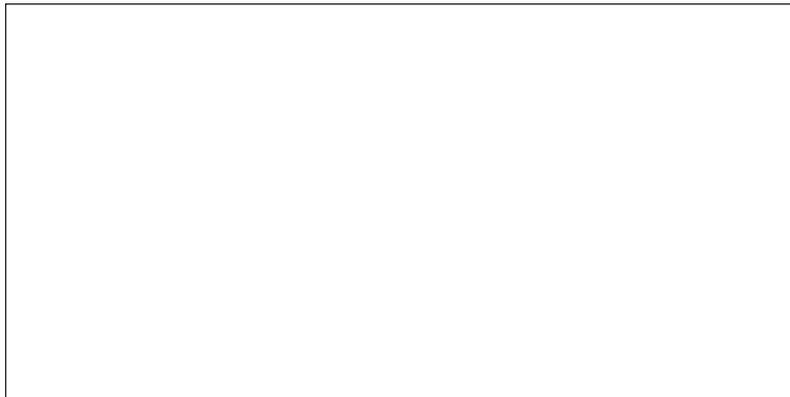
Only 4 percent of respondents earn less than US\$20,000 per year while nearly two-thirds claimed that they earn an annual income between US\$40,000 and US\$80,000. Four percent received US\$80,000 to US\$100,000 a year, while 13 percent stated that they earn above



US\$100,000 a year. This illustrates that although the females represent a smaller proportion business travellers market the majority has senior position with a relatively high income compared to average earnings in U.S. and Europe.

Nearly one-half of the respondents fly over 10 times a year on business purposes, with around 20 percent flying over 20 times per annum (see Figure 6). Considering that at present the female business travellers only makes up around 20 percent of the whole business travel segment, those female business passengers travelling more than 20 times a year represent only a very small proportion of the overall business travel market.

The majority of respondents (73 percent) indicated that they are the primary decision-maker regarding the choice of airline. The class to be



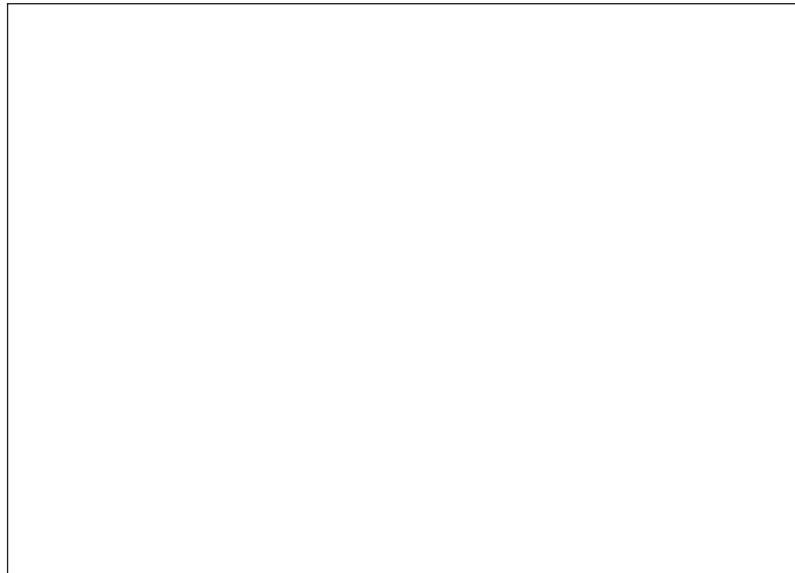
flown is usually dependent on travel policy, with the duration of trip being the deciding factor.

The Female Business Travellers' Requirements

Having identified female business travellers' characteristics in the previous section, in this part of the study female business travellers attitudes in relation to airline services are discussed. The survey obtained information in the following general questions areas.

- What factors are important when choosing an airline?
- How does the female business traveller feel about the level of service she is offered in comparison to their male counterparts?
- What are the particular requirements of the female when travelling on business?

The results of the survey indicates that the majority of female business travellers are loyal airline customers, as 62 percent of respondents stated, they fly with their most preferred airline when possible. The importance of the main factors which affects their choice of airline is shown in Figure 7.



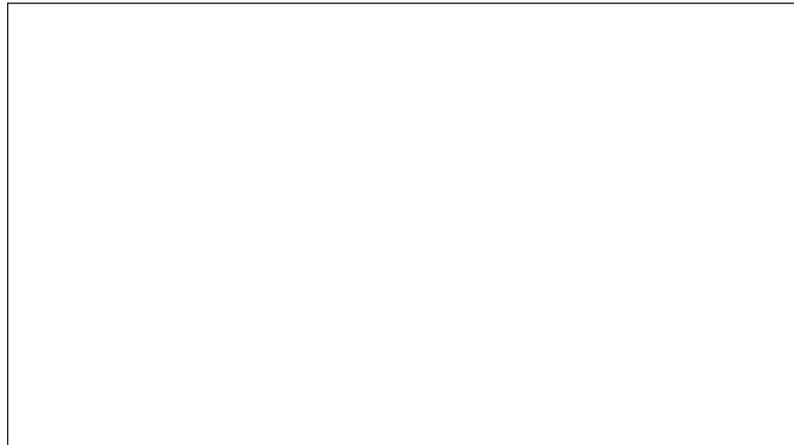
As would be expected, it is the frequency of an airline's flights that are seen as most important. This provides for a certain flexibility when travelling. Comparing this results with those of OAG Business Travel

Survey (1998)¹ it appears that female business travellers are more price conscious than their male counterparts.

A large proportion of female business travellers appears to be happy with the level of service they receive from airlines, in comparison with those received by their male counterparts. However, the 21 percent of respondents who claim to be treated unequally state that it is the airline staff who are most commonly responsible for this. They believe that airline staff is male orientated, mentioning that "Airline staff always take a male as serious business, but not the female." It is not just flight attendants who are seen as causing this situation though. Ground staff, especially female ground staff, are implicated too.

Although the majority of female business travellers are happy with the service they receive from airlines, nearly 40 percent believed that female business travellers have different travel needs compared to male business travellers (see Figure 8). Despite that, it is apparent that the majority of respondents (85 percent) do not wish airlines to offer them a separate female business travellers service policy. This could be that a separate service policy would tend to offend because it could be interpreted as being patronising. Indeed, the majority of female business flyers want to be treated in the same manner as the male traveller.

Of the factors important to female business travellers, airport security appears to be a very important requirement to a large proportion of



¹OAG survey (1998) indicated that factors influencing business passengers choice of airline, in terms of priority, are: most convenient schedules; reputation for safety; punctuality; comfort; FFP; efficient check-in; advance seat allocation; friendly cabin staff; cheap fares; lounges; food and drink.

respondents. It once again underlines the fact that safety is the biggest concern for female travellers. Many hotel chains have begun to address this area by installing surveillance cameras in their car parks, or by accompanying female customers to their vehicles. The Total Research Corporation (1998) also found airport security to be of prime concern. They conclude that it is not security on the aircraft that is the problem, but rather when female business travellers arrive at their destination airport. Many complain of arriving late and finding that security is lax and transport non-existent. They feel that it is the airline's responsibility to provide proper security until they leave the airport premises.

Respondents have stated a preference for female washrooms on long haul flights. These could provide the passenger with a washbasin and large mirrors in a room designed for changing. Japanese Air Lines have installed these on their domestic aircraft and this has been found to be very successful.

Safety advice is also very important to nearly 40 percent of respondents. However, what safety advice entails is unclear. Some qualitative answers include advice on what public transport to use in order to get to certain areas in a safe way, where and where not to go in a city, safe areas to walk in, and taxi companies to use. Concern about female safety should be treated as being of vital importance by airlines. One suggestion put forward by a respondent was that passengers be offered destination-specific information pamphlets during the flight which would include advice about



the aspects discussed above. Not only would this be an added service, but by treating safety as a serious issue, the airline's image would also be enhanced.

Suitable amenity packs, assistance with luggage, friendly airline staff and more personal input to seat allocation is also important to over one-quarter of the respondents. As discussed in the airline survey, only four respondent airlines claim to offer female amenity packs.

In relation to airline staff, female business travellers are not looking for special treatment, but as one respondent stated, "just 'equal' treatment by the attendants would be a step forward." In light of the fact that 70 percent of respondents tend to choose their own airlines, a small improvement in staff attitude could conceivably make a large difference to female business flyers loyalty.

While separate female business travellers seating areas in either an executive lounge or on board an aircraft would not be very popular, a more personal input into seat allocation would be welcome. It is evident that for short haul flights female business travellers are not very concerned about whom they sit next to, but when flying long haul they would prefer to be seated next to another female. In anticipation of sleeper cabins that may be introduced on long haul aircraft in the future, it was interesting to ask the question whether female business travellers would be happy to share a cabin with another male passenger. It has become clear that 85 percent would find this unacceptable. In addition, more than 60 percent stated that they would not be prepared to pay extra in order to have a private cabin. The majority of female business passengers would, therefore, see such facilities as complementary.

CONCLUSIONS

Female business travellers are becoming an important and growing sub-segment of business passenger market. Almost 28 percent and 22 percent of the U.S. and European airlines business passengers are female. The majority of respondent airlines recognise the potential of female business travellers market but have not yet developed any specific policy geared towards female travellers. Only a few airlines (7 percent of respondents) have started to take notice of this segment of market by offering female specific services.

The hotel industry appears to be ahead of airline industry as many major hotels have already formulated policies targeted at satisfying female travel needs.

The survey of female business travellers, 50 postal questionnaire surveys and 15 face-to-face interviews, clearly indicated that while they are

generally happy with airline services (nearly 80 percent), they would like to see some improvements in certain areas. These included improvement in advice on safety, security at airport, better washrooms on board an aircraft, provision of female amenity packs and assistance with luggage. Security at airports appears to be one of their prime concern.

The majority (82 percent of respondents) do not wish to be treated differently by airline employees but would like to be treated in the same manner as male business travellers. It appears that satisfying such a requirement does not require large financial investments. Instead, an airline's staff must be trained to be more attuned to a female's special needs, and realise not all female travellers are leisure passengers or are male business passengers companions.

Considering that female business travellers tend to be young, have management positions and are loyal to their favourite airlines, they are expected to travel more and for a long period on business in the future. Any airline showing interest in their travel requirements will certainly position itself in female business travellers' minds as service orientated and caring. Clearly, such positioning would have a positive impact on market share and profit.

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