

OBSERVATION

CATHAY MEETS THE CHALLENGE OF CHANGE

The January 2000 issue of Cathay Pacific's Discovery Magazine has very good advice in its article, *'Fitness in Flight'*.

Page 13, Column 2 states: *'We suggest you eat a light, well-balanced meal before flying, and where possible, eat lightly during the flight ...'*

It is excellent advice because one could leave a Cathay Pacific, long-distance flight very hungry unless one loads up on food, prior to take-off.

The entire Discovery Magazine article is aimed at ameliorating the health of those who suffer the effects of flying over long distances.

Cathay Pacific is going all out to assist long-distance travelers by making certain that their in-flight meals are very light, so light in fact that many passengers are eating prior to boarding flights, or bringing their own food in order not to have to eat the airline's meager offerings.

Cathay Pacific is promoting the *'One World'* airline alliance. This is an alliance, comprising Cathay Pacific Airways Ltd, American Airlines, British Airways, Canadian Airlines, Finnair, Iberia, and Qantas.

With this alliance of airlines, of course, cost-cutting measures and economies of scale are being achieved in fast order.

The clear downgrading of the quality and variety of food, served on board Cathay Pacific flights, has already been reported (see TARGET Intelligence Report, Volume II, Number 2, dated January 5, 2000), but it, now, appears very clearly that this airline, once considered among the best in the world, has embarked on quite a number of other measures in an effort to boost the Bottom Line.

The back-room boys of Cathay Pacific are doing a bang-up job, and their efforts should result in big profits for the airline.

But there is a cost, of course, and that cost could well mean a loss of identity for Cathay Pacific as it gets lost in the shuffle, along with its alliance partners.

It, also, means that there shall be one standard; and, this standard is among the lowest in Cathay Pacific's history, in this observer's opinion.

Food is one thing, which has been covered by TARGET, ad nauseam, but when poor, in-flight service is coupled with mediocre food, some of which is completely inedible, then it is clear that the airline is embarking on a course, which is likely to lead to loyal passengers to start to consider other airlines as alternative carriers.

A major problem, as TARGET sees it, is that, with the alliance of certain international airlines, those people who have to fly on certain, long-distance routes, those routes where Landing Rights are controlled by an alliance member, there really is little choice.

Some people may be tempted to suggest that the alliance is leading to a virtual, de facto monopoly, and the traveling public is being forced to pay the fixed price of the alliance.

The alliance of international airlines could well lead to price-fixing among alliance members, along with a downgrading of in-flight services and amenities – which has, already, got under way.

It was announced, recently, that Cathay Pacific has stopped supplying magazines to economy-class passengers, with a spokesman for Cathay Pacific, stating that economy class passengers don't read magazines, in any event, preferring to watch television, instead.

Tell that to the marines because, today, nearly every economy class passenger, who is able to read, carries his own reading material, or quickly scoops up free newspapers, left on trolleys as they board the plane.

Also, with regard to in-flight video entertainment, it appears that Cathay Pacific is becoming a haven for those people who like to view the old favourites, dating back 20 years and more. And even the so-called new movies are at least 5 years old.

Times change, to be sure, and Cathay Pacific is rising (or should that read, falling?) to the challenge of change.

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