

GLOBAL TRAVELLER

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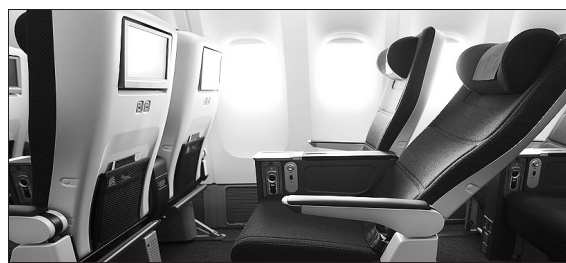
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Front page picture: London's Savoy Hotel opens its doors again

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Business travellers are on the move again and are turning up at five-star hotels, writes **Roger Blitz**

The Savoy Hotel in London looks like it has timed its restoration work to perfection. There is never a great time to close luxury hotels for an extensive refit, but if you have to do it, try to synchronise it as closely as possible to the worst recession in living memory.

It is almost three years since the Savoy closed its doors for work that has cost its owners, Prince Alwaleed Bin Talal of Saudi Arabia and HBOS, £220m. Completion of the work is more than a year behind schedule and at least £100m over budget. Every week the hotel was dark represented £500,000 in lost bookings.

But at least the Savoy has missed the hammer blows inflicted on the luxury hotels market these past two years.

"In London, the past few months have seen both rate and occupancy grow from domestic and international markets," says Chris Cahill, president of Fairmont Hotels & Resorts, which has managed the hotel since 2005. "In many respects, this is an opportune time for us to reopen the doors to the Savoy."

While one fewer luxury hotel may have helped its London competitors during the downturn, this has been a miserable time for anyone to be selling rooms in five-star hotels.

InterContinental Hotels says the industry as a whole has been suffering, but those at the luxury end of the market have borne the worst of it. "9/11 was much less severe than this has been," says Richard Solomons, IHG finance director.

"This has been longer and deeper. The fact that we are more skewed to mid-scale franchises than upscale and luxury means we don't fall and rise as fast," he says.

Hervé Humler, president and chief operating officer of Ritz-Carlton, agrees. "There was a big drop, especially in America," he says.

Room rates across the luxury hotel sector fell by about 25 per cent in the depth of the downturn. Barack Obama, the US president, delivered a blow to the sector's solar plexus when he questioned the wisdom and morality of corporate travel budgets, an impact that became known as "the AIG effect".

It would be misguided to suggest the business traveller has returned with his or her corporate credit card in full working order, but the



Back in business: the Beauford Bar at the Savoy, where refurbishment has taken three years

Road to recovery starts at the top

luxury hotel market has reason to feel in better mood. As the Savoy prepared for its reopening, luxury hotels are noticing that business travellers are on the move again.

"Worldwide, the luxury hotel market is seeing signs of recovery as business, meetings and leisure travel picks up," says Mr Cahill.

Robert Milburn, head of UK hospitality and leisure at PwC, said in his September forecast for the London market that big spenders were returning to the capital's grand hotels. "The improving economic conditions are stimulating revival in both corporate group and transient business travel. This should reduce the proportion of discounted rooms and have a positive impact on rates," he said.

"Some of the big hotel groups are also seeing the re-emergence of the high-end corporate traveller. Perhaps the return of that grand dame of London hotels, the Savoy, and the re-opening of other luxury hotels this year and next, herald a new luxurious golden age for London."

The problem for those at the luxury end is that the journey back to recovery is a long one. "If you've got a luxury and upscale business, you will have fallen a long way and you have to come back a long way," says Mr Solomons.

Stewart Harvey of Hogg Robinson Group, the travel management company, says: "Hoteliers in the luxury sector have in general been holding out for higher rates at the expense of lower occupancy levels, as they are conscious that any significant rate reduction has an adverse effect on service levels, potentially resulting in damage to a hotel's reputation for quality and standards," he says.

Still, the market is definitely coming back, including group bookings, says Mr

It would be misguided to suggest travellers are back with credit cards in full working order

Humler. "We're not yet to where we were in 2007, but we hope that by the end of the next year we'll be able to meet rate and occupancy levels of 2007," he says.

"People still buy with the mentality of 2008 and 2009. They still come to the hotel and ask 'Do you have a discount?' and so on. However, because of the group market coming back, because of the leisure coming back, you create some pressure and you have less availability."

He notes with some satisfaction that, during the summer, Michelle Obama was a guest with one of her children for nearly a week at Villa Padierna, a Ritz-Carlton resort in Marbella – a trip that was not without its critics back in the US.

"I say, OK, now she's back and the government's setting the pace, then it's fine to get back to Ritz-Carlton and to a luxury hotel," says Mr Humler.

The Association of Corporate Travel Executives says nearly two-thirds of European and US members believe their employees will travel more next year than in the past two years. But this may reflect travelling more frequently rather than spending more per trip.

Only the few may be lucky enough to pitch up at the Savoy. Room rates start at £350 per person per night.

Mr Cahill admits the restoration work has taken longer than expected. "The long-term view of the owners was that there is only one Savoy and the restoration needed to do it justice," he says.

"Our goal from the start was to offer a luxury product that would remain competitive, which meant a large-scale project that had to be done right." Like most things associated with the Savoy, the timing of its reopening is immaculate.

Classy hotelier gives way on loyalty points

CEO Interview Hervé Humler

Roger Blitz talks to Ritz-Carlton's boss about his guests

If there is one thing that Hervé Humler has learnt in his 35 years in the hospitality business, it is that you give the customer what he or she wants.

It may be an age-old truism, but when it comes from the vastly experienced and recently installed president and chief operations officer of Ritz-Carlton, it just sounds that bit more relevant.

"You have to listen to your customer," says the Frenchman, raised in Africa by much-travelled parents who worked in the military. "I have listened to them for years. They say, 'you need a spa', 'you need to change the style of your hotel', 'you have to make it more ornamental', 'I don't want to wear a tie'. And so on."

Ritz-Carlton has been listening to the customer with keener interest than usual in recent months and has acted on it. Last month, it introduced what the Marriott-owned luxury brand has resisted for years – a loyalty points system.

These programmes may appear ubiquitous to the business traveller, but it amounts to something when a brand such as Ritz-Carlton joins the rest of the industry down this well-trodden path.

Ritz-Carlton has been doing luxury since Mr Humler and four others got together in 1983 to start up a new company called Monarch Hotels and discovered the Ritz-Carlton in Boston was for sale. "It was a traditional hotel," recalls Mr Humler. "I looked at the menus. There was a chicken salad that was served on a half-pineapple, and 75 per cent was mayonnaise and 25 per cent was chicken. And in fact that's the first item I changed on the menu. I'm telling you. There were so

many complaints. 'Why are you changing? You're changing everything,' they said."

Mr Humler, who is also responsible for Marriott's Bulgari Hotels & Resorts, has painstakingly built Ritz-Carlton's reputation for service. The 35,000 staff are called "ladies and gentlemen", because "they behave, they talk, they dress like ladies and gentlemen. That's the motto of the company".

At every Ritz-Carlton hotel, the staff will gather at the beginning of each shift to be reminded of these values. "I'm not in the business to sell rooms," says Mr Humler. "I'm not in the business to sell food and beverage, I'm in the business to give service, and if I give service to people, obviously I will sell rooms and food and beverage."

So it is a sobering thought that a brand with such an illustrious name has concluded that, well, maybe service is not quite enough on its own to generate guest loyalty.

Mr Humler admits that the loyalty-points notion might appear to be foreign to the Ritz-Carlton philosophy. "Ten years ago, if you signed with a bank, they gave you an accessory for your mum or for your kitchen," says Mr



'Why do you see Coca-Cola advertise every day? If you don't see it, they're going to use Pepsi'

Humler. "I said, 'I'm not going to do that. We're going to give you service, and so on. But I did have to listen to the customer.'"

In fact, Ritz-Carlton listened to focus groups which told it pointedly that its competitors were

doing it. "I have no choice," he says. "This is not a substitute for the Ritz-Carlton service. But certainly it can enhance guest loyalty."

"That customer says, 'I'm not loyal to anybody, but if you organise me, you get my business, and I'm not one of the people who is asking for a special room rate'."

The focus groups told Ritz-Carlton to make its loyalty points scheme different. So, along with the airline points are "lifestyle partners" such as Abercrombie & Kent, National Geographic Expedition, Vera Wang and Neiman Marcus, plus yacht and cruise line options.

Mr Humler has other challenges. Ritz-Carlton has 76 hotels in its portfolio and another 23 in development in the next three years, focused on north Africa, the Middle East and south-east Asia.

It is soon to open the tallest hotel in the world, in Hong Kong, which will occupy floors 102 to 118 of an office building.

Development of hotels is one of those items on the business traveller's wishlist.

"They want us to have more hotels in Europe," says Mr Humler, sitting in a bar of a rival hotel brand, the Mandarin Oriental in Knightsbridge, London – a city without a Ritz-Carlton hotel.

"What they're saying, and we know it too, is a simple thing. Why do you see Coca-Cola advertise every day? Because if you don't see Coca-Cola advertise every day, they're going to use Pepsi. It's the same thing: if I don't have enough hotels in some markets, what they're going to use is the competition. And after that, they won't come back to me."

Winning customer loyalty may be about service, points systems or developing new hotels – or all three at the same time. Or it may be about something else entirely.

Whatever the magic formula, Hervé Humler will keep on working at it.



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Where to go for your ancient Aztec recipes, schnitzel and beer

Business Hubs

FT writers provide top tips on where to stay and what to do in Mexico City and Frankfurt

Mexico City

How to get there

Almost all visitors to Mexico City arrive at the international airport, which is surprisingly close to most hotels. Buy a ticket for an authorised taxi before heading to the rank. Typically, this will cost you 172 pesos – though fares are based on zones, so you could pay a little more or less depending on your destination. A trip to the historic centre can take as little as 15 minutes. However, traffic – which you will see a lot of during your stay – can easily turn that into one hour, depending on the time of day.

Where to stay

Like most large cities in Latin America, there is a wealth of hotels to choose from. That said, stay as close to where you will be doing most of your business as possible. If you have the bulk of your meetings in the downtown area, choose the Hilton Centro Historico, where the rooms are modern and spacious, and the views stunning. One night can

cost as little as \$150, depending on the day and where you book.

If you are in Santa Fé, the newest business district, stay at the minimalist Hotel Distrito Capital, part of the Habita hotel group. A standard room will cost you \$235 during the week, and \$130 at weekends. And if you are going to be spending a lot of time in the Polanco district, stay at the Camino Real. Not necessarily the best hotel, it is, at least, hyper-Mexican thanks to Ricardo Legorreta, its inspired architect. Have a drink in the lobby bar, which is located on a glass floor over a pool.

Where to eat

No visit to the city would be complete without visiting El Cardenal, a reasonably noisy,



Mexico City's cathedral by day (below left) and Frankfurt's River Main by night (right)

open-plan restaurant off the lobby of the historic centre's Hilton Hotel. This is your chance to sample some of the ancient Aztec recipes involving worms from the maguay succulent plant and escamoles, which are ant larvae. The Oaxacan-style stuffed chillies are also excellent. A second obligatory lunchtime venue is Contramar in the increasingly trendy but still-cool Roma Norte district. The crowd here is younger, more arty, but also more private-sector. People come because the restaurant buzzes, the service is among the best in the city and the seafood is fabulous. Pujol in the Polanco district is an excellent option for dinner. Chef Enrique Olvera takes Mexican cuisine and gives it a 21st century feel. The service is excellent and the wine list limited but good. The menu changes frequently, so it is always worth returning.

What to do

If you only have time for one thing in Mexico City, go to the Zócalo in the city's historic centre, and marvel at one of the largest plazas in Latin America. You can visit the impressive cathedral at one end, and the National Palace on one side, which houses the finance ministry as well as the most impressive murals by Diego Rivera, the famed Mexican artist. It is free to get in, but hire one of the official



guides to take you through the detailed references of the murals inside.

Next door are the ruins of the Templo Mayor, one of the main temples of the Aztecs. There is also a museum, which helps unravel a lot of the context and history of the temple and its place in Tenochtitlán, the Aztecs' ancient capital, which Mexico City now occupies.

After that, start the evening with a visit to the rooftop terrace of the Majestic Hotel, spectacularly located on the corner of the Zócalo. From here, sip a straight Herradura reposado tequila – ordering margaritas is considered deeply effeminate – and watch the evening sun melt away from the square that has been a meeting place for Mexicans since Aztec times.

Adam Thomson

Frankfurt

How to get there

A stopover in Frankfurt might not be everyone's dream travel scenario. Even within Germany, the country's financial capital has a reputation for dullness. But with expectations so low, a stay here can only be a pleasant surprise.

A big advantage is the airport's proximity to the city centre – a 15 minute taxi ride or roughly the same on the S-Bahn railway (although the ticket machines are famously confusing for outsiders and it is easy to overpay).

Where to stay

The grand Frankfurter Hof has a prime location at the heart of the financial district and near the European Central Bank. But the

Villa Kennedy, off the south bank of the river Main, is swankier. For something a bit different, there is the Radisson Blu near the exhibition centre; its circular blue building has become a city landmark. There are also many boutique hotels, such as the Bristol near the main railway station.

Where to eat

Traditional German fare – sausages, schnitzel, fried potatoes and beer – can be found in the centre of the city at the Klosterhof or, for those with time to head into the surrounding Taunus hills, at the Brauhaus in Oberursel.

Back in the city, Meyer's offers modern German cooking. Meanwhile, French cuisine meets Germany at Knoblauch (garlic), which is a five-minute walk from Alte Oper – as with Frankfurt

itself, do not be put off by the unassuming exterior.

What to do

The centre boasts a small, reconstructed "old town", where most tourists head. For those in need of retail therapy, the city centre is also home to one of Germany's most successful shopping centres – on Saturdays the crowds pack into the MyZeil shopping mall, which opened in the depths of last year's recession.

A traveller with a few hours to spare might, however, prefer to cross the river Main to try the galleries along the Museum mile, which include the Stadel art gallery.

Frankfurt's cultural attractions also include an opera house (the Oper Frankfurt) and, confusingly, an Alte Oper, a venue for less highbrow concerts and performances.

Ralph Atkins

Everyone must know his place

Business etiquette

Joe Leahy reports on the minefield of manners in Mumbai

Ratan Tata, the name of the statesman-like chairman of India's Tata Group, the country's biggest conglomerate, is not usually difficult for westerners to pronounce. But at an Indian-Italian business forum in Mumbai last year, Mr Tata's name proved too much of a mouthful for Claudio Scajola, Rome's former industry minister.

When the time came to call Mr Tata on stage to receive the Order of Merit of the Italian Republic for his services to industry (the Indian industrialist sits on the board of Fiat), Mr Scajola stumbled over his name to the embarrassment of all present.

He swallowed a syllable and omitted the honorific "Shri" – "Mr" – a mark of respect that is compulsory when announcing the name of a VIP of Mr Tata's stature at such events in India.

In a less hierarchical business world, Mr Scajola's gaffe might have passed unnoticed. But India's culture is very different from that of the west, something that many visiting foreign businesspeople and dignitaries underestimate at their cost.

"Hierarchy is important. Everyone should know their place, even in very modern companies," says Lina Bilkha, who heads Futureoergs, a Mumbai-based human resources and business solutions company she co-founded.

In spite of being an English-speaking country whose entrepreneurs often attend university or business schools overseas and follow international business and accounting prac-



Ratan Tata receives an award from Claudio Scajola

tices, India's corporate culture can be startlingly different from the uninitiated.

The well-prepared can enjoy long-lasting and profitable relationships in the world's second-fastest growing large economy, while the more hapless may find themselves boarding a flight home the evening of the day of arrival.

The first priority is to establish what kind of counterpart you will be meeting. If the company is a multinational, the senior managers will normally be upper class Indians with an overseas education. Their mannerisms will be more familiar. Hierarchy, however, is still important.

If the company is a multinational, a large conglomerate or a private bank, the

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Security marathon makes airline dining more important than ever

Business class

Jill James reports on efforts to keep the customer satisfied

Airline food. Two words that are guaranteed to cause heated debate among frequent fliers. But there is another phrase that strikes even more deeply at passenger hearts and stomachs: "No food is being served on this flight."

A few years ago, British Airways was reminded of the value passengers place on a good food service when it fell out with its

catering partner, Gate Gourmet.

Hungry travellers let BA know exactly what they thought of their deprivations.

Today, airport security processes have made catering arguably an even more important component of an airline's appeal, particularly true when a long journey to the airport is followed by a two-hour security marathon.

Even if you are one of the lucky few to have lounge access and business- or first-class seats, you will almost certainly be ready for something to eat an hour into your flight. This may not appear to be so crucial on short-haul trips,

but if you are changing flights it can be a very necessary service, especially for time-short business travellers.

Most long-haul flights still tend to offer a full food service. But on short-haul within Europe, complimentary meals have been fast disappearing. Even on long-haul they appear to be getting smaller, or perhaps one should say lighter.

Airline meals have come a long way, however, in the past few years both in terms of what they offer and the quality of what is served.

Of course, it will always depend on the airline and savvy travellers will know where to find the best in-

flight food. But a glance at any number of airlines will reveal a raft of top chefs and food "designers" keen to improve what is on the passenger's plate.

Singapore Airlines has an international culinary panel that reads like a *Who's Who* of chefs. Lufthansa has similarly impressive chefs and advisers. Air France can call on Guy Martin. Neil Perry has had a long association with Qantas, and so on.

Gone are the days of very limited meal options on long-haul flights. Top international airlines – and even many non-global carriers – produce plenty of choice for passengers with restrictive diets.

There are medical diets, peanut-free, non-lactose, gluten-free, vegetarian and vegan meals and infant and baby meals. There are religious diets, such as Kosher, Halal, Hindu, Buddhist and Jain. There are cultural choices, such as French, Italian, Chinese or Indian.

British Airways constantly reviews the food it serves and focuses on seasonal menus using quality ingredients, from local suppliers where possible. It tries to offer dishes that complement the route and the season. However, it has found that curries are always popular with British customers, as are traditional English breakfasts. BA has recently intro-

duced a Dorchester Afternoon Tea in its first-class cabins and says its Roast-inspired meals on the London City to JFK route have received really great "feedback". Roast, incidentally, is a London restaurant of some note.

BA says its first-class offering is focused on "eating what you want, when you want – the service is tailored to the guest. Club class offers a more structured meal service, to suit the needs of those travellers. We also supply high quality meals for our World Traveller and World Traveller Plus customers".

Virgin Atlantic says it offers a less formal approach. "We offer modern British cuisine with a

a Virgin Mary soup in upper class, served with a vodka shot and celery on the side. In economy, our sausage and mash or great British curries are always well received."

Huge investments in catering have been made by all the big carriers. Consider these figures when you next eat on Emirates, an airline that has some of the best catered lounges and flights in the world.

At Dubai International Airport, Emirates Flight Catering, or EKFC, provides inflight

hint of fun – such as our mini cupcakes which are part of the upper class afternoon tea.

"Also, recently we offered



Dishy: chefs are keen to improve in-flight fare

Emirates Flight Catering, or EKFC, provides inflight

food and support services for more than 100 airlines from every corner of the globe.

It can produce 115,000 meals a day at a \$120m facility that is one of the world's most modern. It employs more than 5,000 and recruits chefs experienced in every culinary tradition.

EKFC, which is 90 per cent owned by Emirates Group, serves numerous other carriers, including American Airlines, Air France and Virgin Atlantic.

In terms of trends, Emirates says: "We do see a constant demand for dishes that represent our home in the Middle East such as mezze or biriyani. Lighter,

low-calorie meals or vegetarian options are becoming much more mainstream."

Emirates says it tries to make its first-class dining experience worthy of the world's finest restaurants. That is almost an impossibility given the palate-deadening effects of cabin conditioning systems.

But on the Brisbane-to-Singapore route, for example, as you tuck into braised beef rib followed by fresh, stir-fried lobster in black bean sauce, you cannot help but think that Emirates is one of a number of top carriers that is trying to make a difference.

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culture tends to be much more conservative. Hierarchy will be supreme and the chairman will be regarded "almost as a god". No decision-making is possible without his or her approval.

At a lower level are mid- and small-sized companies, state-owned companies, and the informal sector of micro-entrepreneurs whose managers can vary widely in their education, English and business practices.

Hierarchy, however, forms a common thread through each category. This can be advantageous to the foreign partner – no one can get things done faster than a decisive autocrat. But it can be fatal if the relationship with the boss of the opposite side gets off on the wrong footing.

This is why for Indians the relationship is everything. The foreign business delegation flying into the country will usually find that the first meeting centres mostly on small talk, as the Indian side seeks to build a rapport that will form the basis of the future partnership. Trying to talk business immediately is considered rude, says Ms Bilkha.

At the second and third meetings, however, the Indian side may become more aggressive, even highly emotional. This is usually a negotiating tactic. Emotion is part of haggling in India – the poker-faced westerner may be seen as indifferent or even weak.

It is vital not to be deterred by these displays. Ms Bilkha recalls how one western delegation she advised was surprised when the Indian side walked out of negotiations. Had they not known better, the western businessmen would have flown home there and then. But they attended the next round of talks the following morning and found their Indian counterparts cheerful and ready to continue as though nothing had happened.

Among the important "dos and don'ts" in India: Do not voluntarily raise sensitive or negative local issues, such as India's caste system, when engaging in small talk. Build extra time into the schedule to account for "Indian stretchable time" – poor infrastructure and a more relaxed attitude to time mean that punctuality is not a strong point.

Opening gifts in front of the giver is considered rude, do not use the left hand for exchanging cards, and dress conservatively. Be prepared for differences between Indian English and international English. Foreign multinational executives visiting Indian branch offices should not be overly familiar with junior colleagues in a back-slapping kind of way.

Overall, preparation, common sense and patience should be enough. Do not, for instance, go to a ceremony without first rehearsing aloud the names of the local VIPs you will have to read out there. Foreign names can be difficult to pronounce. Ask Mr Scajola.



Cushy number: the new premium economy cabins feel roomier because the cushioning is thinner and the design more accommodating

Long-awaited upgrade rolls out

Big Story

Pilita Clark reports on British Airways' plan to modernise the cabins of its fleet

Something strange happened at British Airways a few weeks ago.

After more than a year of struggling with record financial losses, cabin crew walkouts and volcanic ash chaos, it found something else to talk about: a big new jet with brand new seating.

The aeroplane is the first of six new Boeing 777-300 widebody jets that BA started flying in September, its first new long-distance aircraft in 11 years.

It is also the first with the airline's new seating and video services in all four classes – first, business, economy and its slightly roomier (and pricier) cousin, premium economy.

That makes a welcome addition to an airline where turning right instead of left when boarding has become an increasingly depressing experience.

BA brought in new business class seats nearly four years ago, having introduced fully flat business class beds in 1996.

Since the beginning of this year, it has been rolling out its new first class seating, where passengers can drift off in large flat beds with quilted mattresses and 400-thread Egyptian cotton

duvets after tucking into foie gras and 2003 premier grand cru wine.

Eleven aircraft have the new first class seats, which will eventually go into 75 jets.

But down the back in economy and premium economy, there has been nothing so exciting.

BA was among the first to bring in premium economy seating, in 2000.

But it has not upgraded either class since, leaving some of its rivals to gain a competitive edge. "They fell behind," says Tom Otley, editor of Business Traveller magazine, adding this can make a difference to passengers, especially in premium economy where a seat can cost more than twice as much as one in economy, depending on the route.

"Premium economy is where business travellers or premium leisure people do expect quite a lot because they are paying quite a lot for what is essentially a couple of inches extra legroom," he says.

This has not helped BA's competitive standing, say some analysts.

"They inevitably lost market share," says Chris Tarry of the CTAIRA aviation consultancy. "But as much because of capacity and price as the changes in travel patterns."

So what do the new economy and premium economy cabins look like?

The seats themselves are only a bit wider and recline only slightly further than the old ones.

There is technically the same amount of legroom too, but they feel roomier because the cushioning is thinner and the design more accommodating.

The pillows are new. So are the fleece blankets.

But the biggest improvement is the new inflight entertainment system. The screens are more than a third bigger in economy than the old ones, and 60 per cent larger in premium economy, which is a big improvement.

It also has twice as many films than the old one and software that lets you play computer games with other passengers.

It will be a relief to be able to talk about something more positive after an especially trying year

Every seat has access to power sockets and UBS computer ports, so mobile phones and laptops can be charged en route.

And, thankfully, BA has resisted the temptation to which some of its rivals have succumbed and kept the number of economy seats in each row to nine, not 10 across.

So far so good. But there is a catch. Most BA passengers will be lucky to see the new seats in the immediate future.

Of the 123 aeroplanes in BA's long-distance fleet, the six new

777-300s will get the new cabins, but so far they are being used on flights to Mumbai, Chicago, Dubai and New Delhi.

BA's 18 older 777-200 aircraft will also get new seats, so their very dated in-flight video systems can be modernised.

For the rest of the fleet, a BA representative says there is a "rolling programme" to refresh premium economy and economy seats with new cushioning and covers, and the airline is working with suppliers to upgrade its entertainment systems.

But this will clearly take time. Even so, for British Airways, it will be a relief to be able to talk about something more positive after an especially trying year.

The airline made a pre-tax loss of £531m in the year to the end of March, and a £401m loss the year before that.

It says it is on track to break even this year, and it is hoping for more good news in other parts of the business.

It is on track to complete a merger with Spain's Iberia before the end of the year.

After years of trying, it has also gained regulatory approval to deepen its transatlantic alliance with Iberia and American Airlines.

The cabin crew strife has subsided and Iceland's tongue-twister of a volcano has stayed quiet.

As every airline executive knows, trouble is rarely far away in the aviation business. But for the moment at least, BA can enjoy a lull in proceedings.

Fairway is the perfect place for a sales pitch

Golf events

Jill James on the resorts that are reporting an upturn in business

Golf events are corporate favourites. As entertainment budgets come under intense scrutiny, you might think that golf would be among the first things for the axe. But you would be wrong.

Companies prepared to spend anything from £5,000 to £20,000 on a golf day will always have worthwhile business objectives.

In addition, golf resorts and golf hotels are increasingly keen to impress meetings and convention planners with their facilities and convenience. It could be argued that at least as much business is done on the course – or in the golf resort meetings room – as in the boardroom.

One company that has seen the benefits of doing business on the golf course first-hand is Cardiff-based IT specialist, Certus IT.

Paul Brown, business development director, says: "We view the high-end networking you can have by spending four to five hours on a golf course with a good contact as invaluable."

"Just recently, we landed a three-year, £200,000 contract with Fifth Dimension Systems, the number one Sage partner in the UK, which is enabling us to expand our operations from Cardiff to opening satellite offices in Camberley, Leeds and Southampton," he says.

"It has given us the boost we need to start to realise our long-term ambitions of becoming a big regional IT consultancy. The catalyst for these discussions came about after a few rounds on the fairway. You simply can't put a price on it."

Many companies use single day golf events to entertain old clients or to woo new ones. And – given that an average game for four will take four hours, usually in magnificent scenery and often with top class

food and drink served in excellent facilities – it provides the perfect opportunity for a sales pitch.

This year's Ryder Cup has been a marketing boon for Wales. For a tiny country to host the world's third biggest sporting event, is some deal. And Wales tourism, meetings and convention bosses are trying their hardest to cash in, albeit on the slimmest of resources. "Interest in doing business on the fairway is greater than ever," says Roger Pride, director of marketing at the Welsh assembly.

"Naturally, The Twenty Ten course at The Celtic Manor Resort in Newport is a popular choice with corporates, who were keen to try out the course before the best golfers from Europe and the US went head to head this month.

However, with 189 courses to choose from, 22 of which are links, businesses soon realise that they are spoilt for choice when selecting a potential course in Wales.

"Venues recognise the natural links between business and golf and are upgrading their facilities to ensure they can offer a complete package. Together with The Celtic Manor Resort which combines a £20m golf clubhouse with a 400-bed five-star spa hotel and more than 30 meeting rooms, The Vale Resort in the Vale of Glamorgan has opened a £1m state-of-the-art conference facility, while the Marriott St Pierre Hotel & Country Club in Chepstow has spent £1.8m remodelling its two golf courses as part of a wider £7m refurbishment of its facilities."

Stephen Walker, director of sales and marketing at Turnberry, the luxury resort in Ayrshire, Scotland, says: "This year, we have been seeing an encouraging upturn in inquiries for corporate golf days, reflecting that businesses are starting to feel more confident again, both financially and in terms of perception, as things pick up economically."

"Turnberry has had one big international event return this year and we



Tee time: at least as much business is done on the course – or in golf resorts' meeting rooms – as in the boardroom

alamy

"Venues recognise the natural links between business and golf and are upgrading facilities"

hope that 2011 brings a return to previous levels of corporate golf days for us."

All this commercial activity has not gone unnoticed in continental Europe. One country that is keen to tap in to more golf-related business is France, which wants to host the Ryder Cup in 2018. The French will be up against rival bids from Germany, Spain, Portugal and the Netherlands.

Thomas Levet will be one of the big-name French golfers to back his country's bid. Like most of France's top players he is eager to talk about his country's golfing riches. In tandem

with his efforts, astute tourism and meetings and convention bosses from several French towns and cities are keen to promote the business traveller angle.

Biarritz in the south-west is a good example. Rich in terms of golf and meeting facilities, the self-styled queen of greens – it has 10 courses within a 30-mile radius – benefits from being a compact city with an easy affluence that sits well with executive travellers.

Biarritz has three congress centres, an exhibition hall of 900 sq m, four auditoriums with 230-1,400 seats – and its break-out room is

a 6km stretch of fine sand. Although it is thought of as pricey, it says costs are as competitive as any upmarket destination in the eurozone. And its experience as an established resort used to business clients appeals to meeting planners who need know-how on their list of tick boxes.

With courses virtually in the town itself and with the airport only 3km from the centre, it is also a destination that allows business users to maximise their time in the resort.

It is a model that many other French cities would hope to emulate.

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