



### Freddie Laker

Sir Freddie Laker died last month; he was 83. After he formed his own airline, Laker Airways, which initially operated cheap charter flights from the UK to holiday destinations, he launched the London-New York 'Skytrain' in 1977 at extraordinarily-low prices.

Although many believe he did not pioneer today's so-called 'low-fare airlines', we believe he did – even if there are operational differences between his and today's LFAs.

His Laker Airways operation was low-cost, and so his fares were low (about US\$200 London-Hong Kong one-way, although this was a launch offer). And he once told us (then repeating later in a route-licensing hearing) that he would find his passengers everywhere – including looking under bushes. And he did; the London-Hong Kong passenger total doubled in the first year of competition; before it was a British Airways monopoly.

Earlier, he had done similar on London-New York. The route made profits for the airline in the first year – despite (or, of course, because of) those low fares. And the number of LON-NYC passengers increased 30% that year – remarkable for what is the world's most mature medium-haul route.

And he opened up the public's eyes to the possibility of flying London-New York with prices that most people in normal economic activity – such as secretaries, factory workers – could pay. No longer, and since then, was scheduled air travel a preserve of the relatively privileged.

His venture was destroyed by a cabal of traditional airline competitors and their partners, such as aircraft manufacturers. After his company closed – it would be fair to say it was driven out of business – he left the UK, disillusioned.

Later, he formed Laker Airways in the Bahamas – but this was different from his UK-based operation, was essentially a short-hop airline, and

not his type of business.

He was friends with Richard Branson, who formed Virgin Atlantic, and who told us of his admiration for Laker and what he did for the airline business. But this never led to any professional link between the two men. Indeed, both being extroverts, that most likely would not have worked.

### New Carlson controllers

Two senior appointments at Carlson Hotels Worldwide shows that it is continuing with its odd structure for management control of its substantial portfolio – five hotel brands, with 922 hotels in 69 countries.

Bjorn Gullaksen, who was EVP for a Carlson division that it calls Full Service Hotels, is now EVP for another division that is called Managed Hotels & Resorts. And Nancy Johnson, who was EVP of another category – Select Service Hotels (whatever that means) – is now EVP of FSH.

Carlson's FSHs comprise the Regent, Radisson, and Park Plaza Hotel brands. Its SSHs comprise Country Inn and Park Inn – which we think will one day be one. And MH&R are, mostly, those hotels that Carlson manages rather than franchises.

We believe brand control would be better. For instance, with MH&R Gullaksen controls 29 hotels under the brands of Radisson, Park Plaza, and Country Inn. And Nancy Johnson is also responsible for the same Radisson and Park Plaza hotels in Gullaksen's 'portfolio'. In other words, two EVPs in the same company responsible for some of the same hotels.

Gullaksen has been longterm Carlson executive (and is from the part of Europe from which the late-founder of Carlson came), and so seems unlikely to challenge such structures. Johnson has been with Carlson for a shorter time, and may indeed have more confidence to make changes – not least because the Carlson group, built by a chauvinist male, is now run by his daughter, and has become

dominated by female executives.

For instance, both Gullaksen and Johnson report to Yvonne La Penotiere, president of Carlson Hotels Worldwide for The Americas. In fact, we believe these moves put Johnson level with Gullaksen in terms of hierarchy, if not slightly ahead.

### Briefs

- **Fiona Jeffery** has been promoted from Group Exhibition Director to Managing Director of World Travel Market.

"The new title reflects the importance of World Travel Market," said Reed Travel Exhibitions chairman Tom Nutley.

As part of her new role, Jeffery wants to expand the World Travel Market brand. "I want to harness the business effectiveness of World Travel Market for the direct benefit all our customers throughout the year, not just during the four days of the event," she said.

- **Adrian Zecha**, founder of Aman Resorts, plans to open his fourth little resort in Bhutan this month. And probably the next two – and the last two – later this year.

Meanwhile, he visited Montenegro five times in 2005. Still no announcement, but one is expected soon.

- **Scott Morrison**, head of Australia's NTO, says "In 1984, when we first went on TV in the US with the Hogan campaign, we could reach 65% of Americans with a prime time advertisement.

Today, even the top prime time network shows are lucky to reach 10% of Americans. And the audience watching is wielding their TiVo to block the ads."

"Technology, in forms as varied as the internet, cable television and cell phones, now put the power of the editor into the hands of the public. We now have to break with the old paradigm of a traditional marketing mix and get very creative, very fast."