

# VLM Airlines not low cost but low time

By Jasper Spruit

## History

In May 1993 VLM Airlines (Vlaamse Luchtvaartmaatschappij: "Flemish Airlines") opened its first scheduled service from Antwerp (Belgium) to London City Airport. From the start the airline grew steady and showed a very stable expansion. In November 1998 the airline opened a Luxembourg – London City Airport service. With this network expansion VLM Airlines became the first to operate a connection between prominent financial centres in Europe. The project met with immediate approval in the financial industry. The route was commercialised together with Luxair.

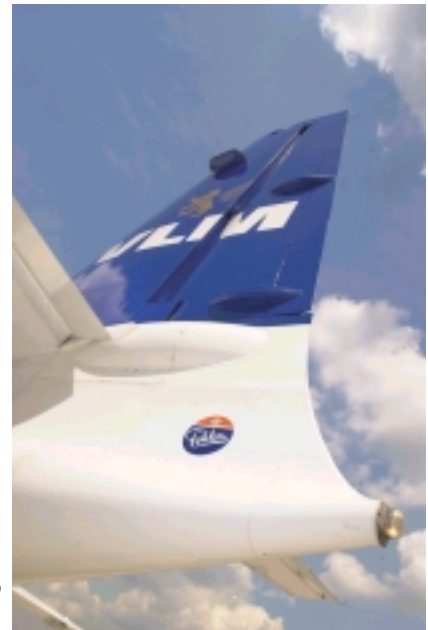
In 2000 the company opened its charter department. Currently around 25,000 charter passengers are carried per year. The department and thus the importance of the charter operations is still growing. Also Feyenoord (winner of the Uefa Cup 2002) uses the VLM charter operations. With the start of two more services from Rotterdam Airport (The Netherlands) (to Milan Malpensa and Hamburg Airport) and the increase of the number of service to London City Airport to 7 rotations a day, the airline strengthened its position in The Netherlands. With its fleet of 10 Fokker 50 aircrafts (between 5 and 10 years young), the airline carried 357,716 passengers on

board its scheduled flights in 2002, up 11.7% from 2001 and setting a record in the ten years of the airline's existence.

## The Company

As from the beginning of the airline VLM, grew very steady and stable and became the number one carrier on London City Airport and a very important customer of Rotterdam Airport. The main customer focus of VLM Airlines is the passenger travelling for business purposes. The airline connects (business) regions with low travel times. This implicates that VLM does not fulfil a feeder role for a major carrier. In fact the airline prefers routes where is no competition from the major carriers.

Because of the use of regional airports short check-in times, a higher personal service level, less congestion and thus shorter travel distances (in time compared to other airlines) can be offered. Because of the profits of regional aviation more and more passengers with leisure purposes are using VLM Airlines. In the table below one of the major pros is shown, the very short check-in times for VLM Airlines on the different airports.



Latest check-in times in minutes vary per airport:

Antwerp	20
Brussels	30
Guernsey	20
Hamburg	40
Jersey	20
London City	20
Luxembourg	20
Manchester T1	30
Manchester T3	20
Milan MXP	30
Rotterdam	20

Because of its believe in the right value for money and the ability of the airline to offer a reliable product VLM is able to work with other well known airlines. Currently the airline has code share agreements with AZZURRA Air (Rotterdam - Milan Malpensa route) and Virgin Express (Brussels – London City route).

In the 'Regionals Ranking' of Airline Business (November 2003) VLM is listed on number 48. A good performance if you look at the other airlines which are listed above VLM and the net result received. Number one of the list, SN Brussels Airlines (the other Belgian airline) and VLM partner AZZURRA Air are also shown.

Ranking	Group / Airline	Country	Revenue Million US\$	Operating result 2002 (2001)	Operating margin 2002 (2001)	Net result 2002 (2001)	Year end
1	American Eagle	USA	1,384	-32.9 (-215.8)	-2.4% (-15.1%)	-182.6 (-188.6)	Dec 02
14	SN Brussels Airlines	Belgium	442	-97.4 (-47.1)	-22.0% (-27.9%)	-35.0 (-185.7)	Dec 02
37	AZZURRA Air	Italy	115	-17.7 (0.2)	-15.4% (0.1%)	-20.5 (-3.6)	Dec 02
48	VLM Airlines	Belgium	58	1.2 (1.1)	2.1% (2.3%)	0.4 (1.3)	Dec 02



Three VLM Fokker F50 at Rotterdam Airport

### VLM Today

VLM Airlines sees importance in the development of good relationships with the management of the used airports. The airports, which have scheduled VLM services, are shown in the table above. The co-operation of the airline with the airports it serves is tremendous. For example the low-cost airlines, which are expanding tremendously nowadays, do not invest in markets and will not co-operate with the airport in order to develop the most right product for the different market. VLM Airlines believes in strong airline – airport relations. On several airports VLM Airlines has stations (own management and staff). Stations of the airline with own staff are in: Antwerp (home base), London City Airport, Luxembourg, Manchester and Rotterdam Airport. VLM also believes in a good relationship with the agents and instead of the industrial trend still offers good booking fees.

More information:  
[www.flyvlm.com](http://www.flyvlm.com)

### VLM Tomorrow

Because of the confidence in the own product the airline is not afraid for the competition of low-cost airlines. Central in the VLM operation is London City Airport. The runway of this airport is not suitable for the planes (Boeing 737 series) generally used by low-cost airlines. And for example the Rotterdam – London route is offered 7 times daily, this cannot be achieved by a low-cost airline. For the passenger travelling for business purposes (time conscious) is this VLM service the most accurate connection between The Netherlands and London. Last



In the departure lounge at Rotterdam Airport

summer a research of a student of the International School for Tourism and Transport (The Netherlands) showed that VLM offers the fastest connection between Belgium and The Netherlands and London (other airlines in the survey: British Airways, BMI, Easyjet, KLM Cityhopper, Lufthansa, Ryanair and SN Brussels Airlines). Via Rotterdam Airport the travel time was (measured from time of departure to time of arrival) 114 minutes.

In a time of cost cutting actions for the major airlines VLM is developing its own frequent flyer programme. With this programme it will reward its loyal customers and attract new customers.

Taken the development of hub-bypassing, based on the pros of regional aviation as for example short check-in times, shorter walking distances, cheaper parking, environmental friendly planes and better possible service due to smaller airports and the offered service by this airline the future of VLM Airlines seems to be promising.

In the future more will be heard from VLM Airlines.

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