

Newly Merged Airline Ends Coach Class Service

<http://slightlyeastofnew.com/2013/05/27/newly-merged-airline-ends-coach-class-service/>

ATLANTA, Georgia — May 27, 2018 — (NYSE:DUA) — DeltaUnited-American (DU-A), the country's premier global airline, announced today that it is ending coach class service and retiring routes and aircraft that serve the coach market. In conjunction with the move, the airline rolled out a new ultra-premium "Imperial Class," designed for customers who own smaller jets, are awaiting delivery of their own intercontinental jets, or who appreciate the elevated level of door-to-door service, amenities, and attention to detail that a big airline can provide.

The airline noted that although all-business airlines like Eos and Silverjet have been tried before, but none successfully, the economic climate today is different. DU-A has no problem, for example, selling business-class seats for five times the price of coach, even though the seats only occupy four times the floor space. Competitors like Lufthansa and British Airways profitably operate limited numbers of all-business class flights, and this move is seen as the next logical step.

DU-A's new "Imperial Class" will occupy the front section of larger aircraft, including Boeing 777s and 747s and the upper level of Airbus A380s, and the airline will study the feasibility of the service on their Boeing 787 Dreamliners and Airbus A350s. In addition to transportation by helicopter (where available), Rolls Royce, Bentleys, and Aston Martins to special boarding terminals with "transparent" security checks, the new class will feature staterooms, as is now common on Asian A380s, but with extra amenities including jacuzzi tubs, salons with yoga and massage rooms, and uniquely, a ratio of one flight attendant per Imperial Suite.

"Imperial clients will be able to select their attendant online or through our video concierge service," noted DU-A Executive Vice President of Marketing and Client Services, Capt. Katherine "Buzzy" O'Leary. "Our staterooms will have effective soundproofing, something lacking on Emirates and Singapore." Discrete

lightweight carbon fibre walls will separate the Imperial zone from ordinary business class.

“We designed Imperial Class to appeal to the growing number of discerning clients who appreciate the opportunity to show the world what their intelligence and hard work have produced,” she elaborated. “Business class is for high achievers on their way up. I see their work lights on all night,” she explained, “while Imperial is for people who have already made it.”

When asked about domestic service, where there may not be enough customers to justify converting to all business class, she confirmed that the airline plans to stop flying those routes. “Coach just got to be more trouble than it’s worth,” explained Capt. O’Leary. “Coach passengers always buy the cheapest fares, but they still expect to be treated like royalty. I tell you, though, did you ever see the coach section of a 777 after a 12-hour flight? And those toilets! Our business class clients complain about even being on the same plane with those people, and who can blame them?”

“We’ll let Greyhound or Southwest worry about coach,” insisted Capt. O’Leary. Commenting on losing the smaller markets now served by DU-A, she suggested that “Imperials who live in Des Moines can fly their LearJets into O’Hare where our Rolls will pick them up planeside for the flight to Paris.”

Richard Hamlin, who follows airlines for the securities firm Curtis Langley, estimated that the move would initially reduce revenue by some 25-30% but could easily double the bottom line. Achieving these results, however, will require substantial savings, primarily from headcount efficiencies. “They’re going to have to be vigilant,” he observed, “but the mergers that built DU-A have already structured their senior management bonuses to incentivize the level of savings they’ll need.” Imperial Class has huge upside potential for revenue enhancement, he concluded. “For this elite segment of the market, price is not only no object, price is the object.” Curtis Langley has upgraded the airline from “hold” to “buy.”

DU-A unveiled a new corporate motto to complement these initiatives: The romance of air travel for those who can appreciate it.

Inspired by “[Sorry Virgin - Sex and air travel just don’t mix](http://www.guardiannews.com/commentisfree/2013/may/21/virgin-air-travel-sex-dont-mix),” by Natalie Cox, *The Guardian*, “Comment is Free,” 21 May 2013 <http://www.guardiannews.com/commentisfree/2013/may/21/virgin-air-travel-sex-dont-mix>

Chet Richards, now retired and living near Hilton Head Island in South Carolina, is a Million Miler on Delta and close to that on Lufthansa. His family is from the South and his father was career Army, so, as he puts it, “we were flying Delta back when they used to stop along the way to dust a few crops.” He still has great affection for the airline, but can read the writing on the wall. The vision related in this news release came to him in a dream and appeared in his blog, *Slightly East of New*, on May 27, 2013.