

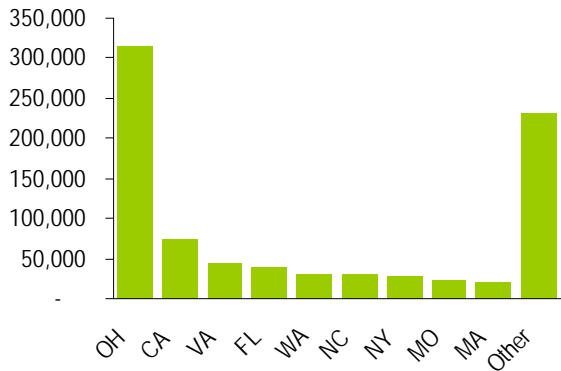
TRAVELTRENDS™

Monthly travel insights from Compete

By Gregory Saks

SKYBUS AIRLINES: CAN \$10 FARES CAUSE A FLYING FRENZY?

Visitors to Skybus.com by state of Residence
(May 2007)



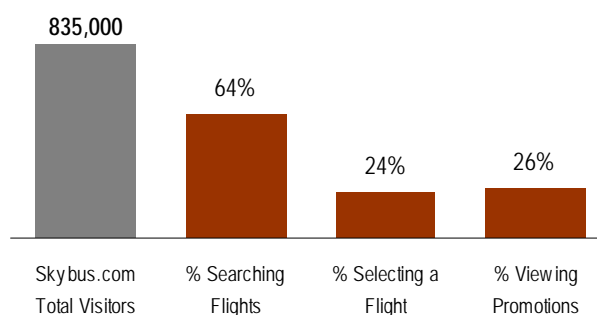
Skybus Airlines, a new low-cost-carrier in the US market, began flying on May 22nd. As part of their business model, Skybus has committed to having at least ten \$10 seats available on each of its flights. The airline is launching with routes from its home of Columbus, Ohio to Los Angeles, Ft. Lauderdale, Seattle and others. To keep down costs, add-ons such as checking baggage, priority boarding, and food/beverages are subject to additional fees.

Skybus attracted over 800,000 U.S. unique visitors in May 2007, a 120% increase from April. Awareness of Skybus has flourished in the markets the carrier serves. A Skybus.com visitor cross-section by state indicates activity in locations where Skybus flies: Ohio accounts for nearly 40% of skybus.com's traffic, followed by California (9%), Virginia (5%) and Florida (5%). The distribution shows an effective initial marketing push by the carrier.

Skybus' \$10 fares have succeeded in attracting budget travel seekers. Over a quarter of visitors to the site are clicking to learn about \$10 fares and other promotions. In addition to promotional activity, engagement into the site's booking funnel is strong, with 64% of visitors performing a search and 24% actually selecting a flight from the results. These figures rival many established airline websites.

Breaking into the U.S. airline industry is no small feat, and Skybus has demonstrated a strong first few steps, helped by the interest surrounding its \$10 ticket offer. Ohio residents in particular are flocking to the Skybus website in the hopes of finding one of the cheap fares. While the routes serviced by Skybus remain limited, and only a few seats are available at the highly discounted rates, other carriers will need to pay close attention to how consumers respond to this new entrant.

Visitor Interaction with the Skybus Site
(May 2007)



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Compete's Travel practice researches the entire online consideration and booking process for consumers, offering an unmatched level of insight into how travelers engage, cross-shop, and convert across all agency and supplier destinations.

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