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Hong Kong (2 pages)

Survey reveals Hong Kong's demand for LCCs

Near 70 per cent of Hong Kong residents surveyed recently said they intended to travel on a low cost carrier (LCC) in the next 12 months despite LCCs only representing six per cent of all flights into and out of Hong Kong International Airport.

The research, conducted by the Public Opinion Programme at the University of Hong Kong (HKUPOP) on behalf of Jetstar Hong Kong, also confirmed the ongoing appetite from local residents for more low cost travel with 84 per cent saying they would welcome more LCCs to the market.

Key findings of the research:

- 79% of Hong Kong people said they will fly more if the fares are lower
- 81% of people said they would spend more on hotels and activities if they saved on their airfare
- 84% welcome more home-based LCC airlines
- Nearly 70% of Hong Kong people said they intend to travel on an LCC in the next 12 months

Jetstar Hong Kong CEO Edward Lau said the research indicated strong flow on benefits of more low cost carrier travel with 81 per cent of respondents saying they would spend more on their hotel and holiday activity if they could save on the airfare.

“By making air travel more accessible to more people, not only will we see more people travelling more often, but we will see people spending more money at their destination including those visiting Hong Kong,” Mr Lau said.

“This provides new opportunities for the broader tourism industry including hotels, rental car companies and tourist attractions at the destinations where LCCs fly,” he said.

Mr Lau said listening to what Hong Kong consumers want was an important part of preparations to establish the airline's low cost operations.

“This latest research reaffirms the strong demand in Hong Kong for low cost travel,” he said.

“Tokyo, Singapore, Bangkok, Shanghai and Seoul all have home grown LCCs – now Hong Kong consumers are saying it is their turn with nearly 80 per cent saying they would travel more if the fares were lower.

“Since announcing Jetstar Hong Kong last year, we have seen our competitive landscape respond.

“Jetstar Hong Kong will be the instigator of positive change, driving down fares and making air travel more accessible to more people with our successful, proven, low cost carrier model.”

Jetstar Hong Kong* expects to contribute up to HK\$8 billion to the Hong Kong economy per annum when the carrier is fully operational and will generate more than 1000 direct and indirect jobs.

About HKUPOP and the research

This research was conducted by HKUPOP who completed more than 1,000 interviews over the period 22nd to 29th July 2013 amongst respondents over the age of 18 in Hong Kong.

Established in 1991, The Public Opinion Programme of The University of Hong Kong (HKUPOP) specialises in collecting and studying public opinion in Hong Kong. Under the leadership of Dr. Robert T. Y. Chung, Director of the programme, POP has conducted more than 1,500 independent surveys, covering media development, electoral studies, policy issues, and youth studies.

About Jetstar Hong Kong

Jetstar Hong Kong will be a low fares carrier based in and operated from Hong Kong*. It is a venture between Jetstar International Group Holdings Limited (parent company is Qantas Airways Limited), Eastern Air Overseas (Hong Kong) Corporation Limited (parent company is China Eastern Airlines Corporation Limited) and Go Harvest Investments Limited (parent company is Shun Tak Holdings Ltd). Subject to regulatory approval, Jetstar Hong Kong plans to fly short haul services to Greater China, Japan, South Korea and Southeast Asia. It will operate a fleet of A320 aircraft configured for 180 passengers and is expected to grow to 18 aircraft by 2015.

About Jetstar Group

The Jetstar Group is Asia Pacific's fastest growing and largest low fares network by revenue. It is made up of Jetstar Airways (subsidiary of the Qantas Group) in Australia and New Zealand, Jetstar Asia in Singapore, Jetstar Pacific in Vietnam, Jetstar Japan in Japan and Jetstar Hong Kong (subject to regulatory approval). Jetstar branded carriers operate more than 3,500 flights each week to 62 destinations across 16 countries and territories. The Jetstar Group has carried more than 100 million passengers since it started flying in 2004. Jetstar branded airlines operate a fleet of more than 100 aircraft.

** Jetstar Hong Kong is subject to regulatory approval*