

THE FUNDAMENTALS OF ROUTE DEVELOPMENT

MARKETING TO AIRLINES AND THE “PERFECT” PRESENTATION

MODULE 9

AIRLINE FEEDBACK



“A profit/loss assessment is least important because the airline will calculate this on its own, using internal data; the airport or consultant's data will not be as accurate, so it's better for the airport to focus on and share other data about its market that is not generally available to the airline route planner.”

“Legal aspects of international operations, e.g. intergovernmental air traffic agreements”. Its helpful if Airports can influence this process positively

“When an airport proposes a new route to a city that is not one of the airline's hubs, it usually means they have not done their homework”.

“A crystal clear understanding of our business is not required, but should be inherent in the nature of business proposals - i.e. do not suggest something which based on information reasonably available to the public would not be in scope.”

“Knowing if there are incentive funds available to support new routes (how much and in what form) is helpful”.

“Airports need to understand better airlines' different business models and suitability to the routes they are proposing”.

“Continue to approach in a collaborative effort along with ways in minimize startup costs”

“Work as a destination rather than individual entities in a location”.

“Understand our priorities - ideally get a pretty good idea from publicly available sources/consultants. Reach out to us in advance for quick pointers on our priorities pre-meeting. Present clear succinct information to us. We need sustainable long term cost base which includes certainty from our airport partners and rewards ongoing growth with declining year on year costs”.

“Airports need to understand the small profit margins airlines obtain and how these margins are placed under severe pressure with a slight increase in costs” .

The collaboration expectation.....

“The best places that we work with, are those where all stakeholders work together as a destination, rather than individual entities from the same location.” – Emirates CARGO

To the airline this means:

Joint Planning • Data/Market Insight • Route Support • Traffic Delivery

“Perfect Presentations” Are about...





Numbers

- How big is the market today?
- Which airlines are carrying the traffic?
- How much is direct vs. indirect?
- Through which hubs are the indirect pax being travelling?



Address how route will be supported to ensure passenger traffic is realised and if necessary to move opportunity up the ranking of choices for the airline

Route incentive programmes

Stakeholder support

Operational support



Listening



Conciseness





Being remembered

Example questions:

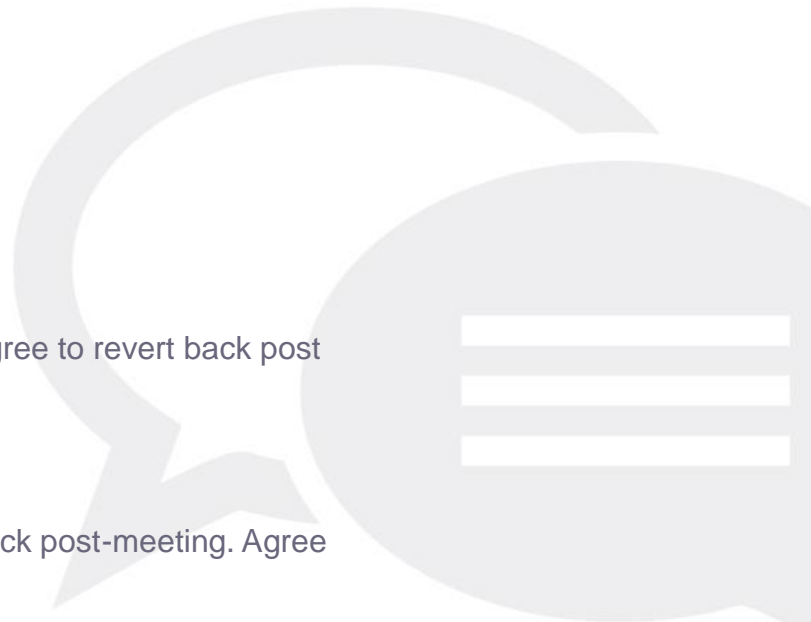
- How does the opportunity sound to you?
- What would it need to look like to be seriously considered?
- What needs to be done next to move the opportunity forward?

Establish objections (reasons why they wouldn't operate the route)

- E.g. low yield. Counter through examples, comparison stories, or agree to revert back post meeting.

Establish obstacles (reasons why they can't operate the route)

- E.g. bi-lateral restriction. Agree action plan to address and revert back post-meeting. Agree position with airline assuming obstacles are removed in the future.
- Ask for agreement of next steps. How can this opportunity be moved forward?



Support Information

To answer questions, not to be presented



Catchment Size

Airlines take little notice of catchment since most airports overstate it.

Include **ONLY** if needed to illustrate that current traffic is understated due to leakage, as airlines use traffic data to assess market size, not catchment.

If being shown, needs to be realistic and consist of population for whom our airport is the most accessible for travel to their destination.

Catchment areas can vary by destination depending on the routes served by competing airports in the region. Show catchment area as it relates to the airline/route being targeted.

Compare to catchment areas of competing airports

Catchment Characteristics

Key information about the strength of the catchment, for example:

- GDP Growth/Economic Performance/Investment information
- Hotel stock/development information
- Diaspora information
- Corporate information if relevant: e.g. Fortune 500 companies in the area with travel requirements relevant to the airline



Current Air Service Network

Background Information Only

Include **ONLY** if airport is not known to the airline.

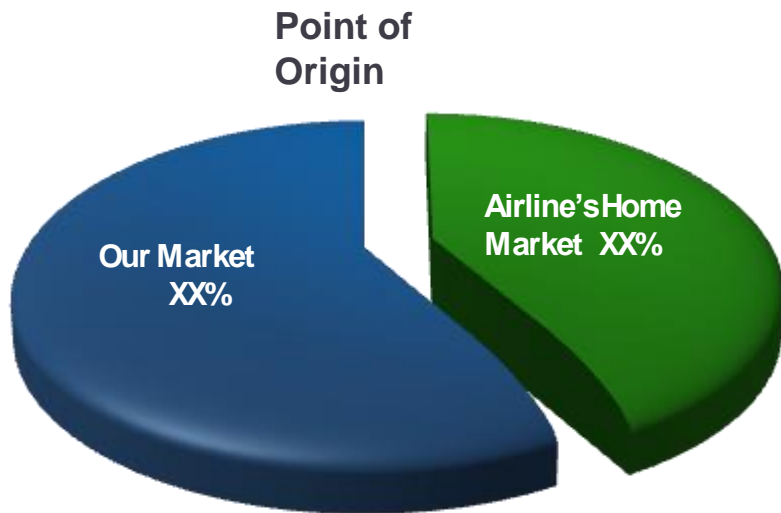
Provides airline with some perspective about the destination's potential

Identifies for the airline if there is existing service to markets that are comparable to their home market.

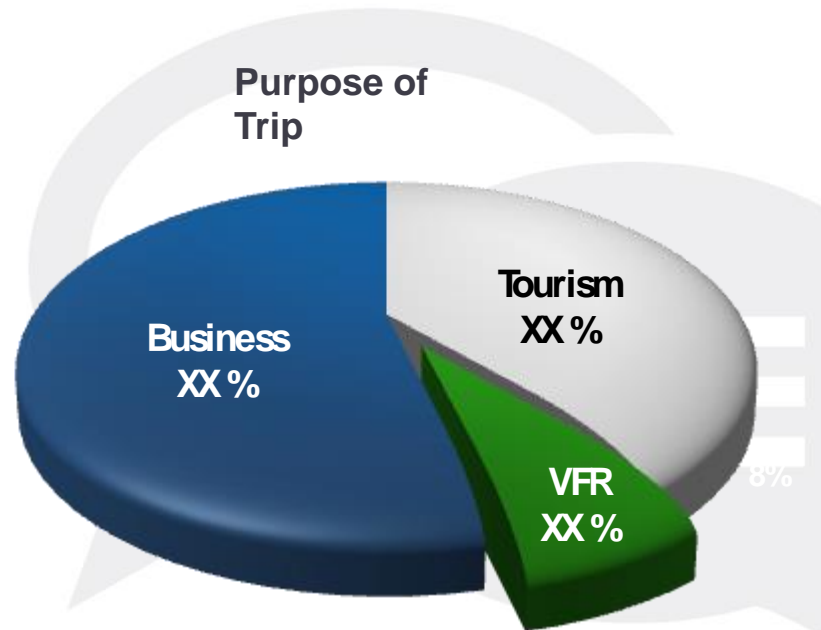
Identifies for the airline a potential connecting network that they could access.



Point of Origin and Purpose of Trip Info



Useful to an airline to know if this airport is primarily a destination vs. origin market.



Provides insight into yield potential, and level of tour operator involvement required.

Fees and charges

Key is comparison with alternate choices for airline

Compare airport fees and charges with competitors for proposed aircraft

