

NWAAAE Annual Conference

Air Tourism Development

InterVISTAS

strategic
transportation
& tourism
solutions



Mark Haneke

Vice President, Network &
Strategic Planning

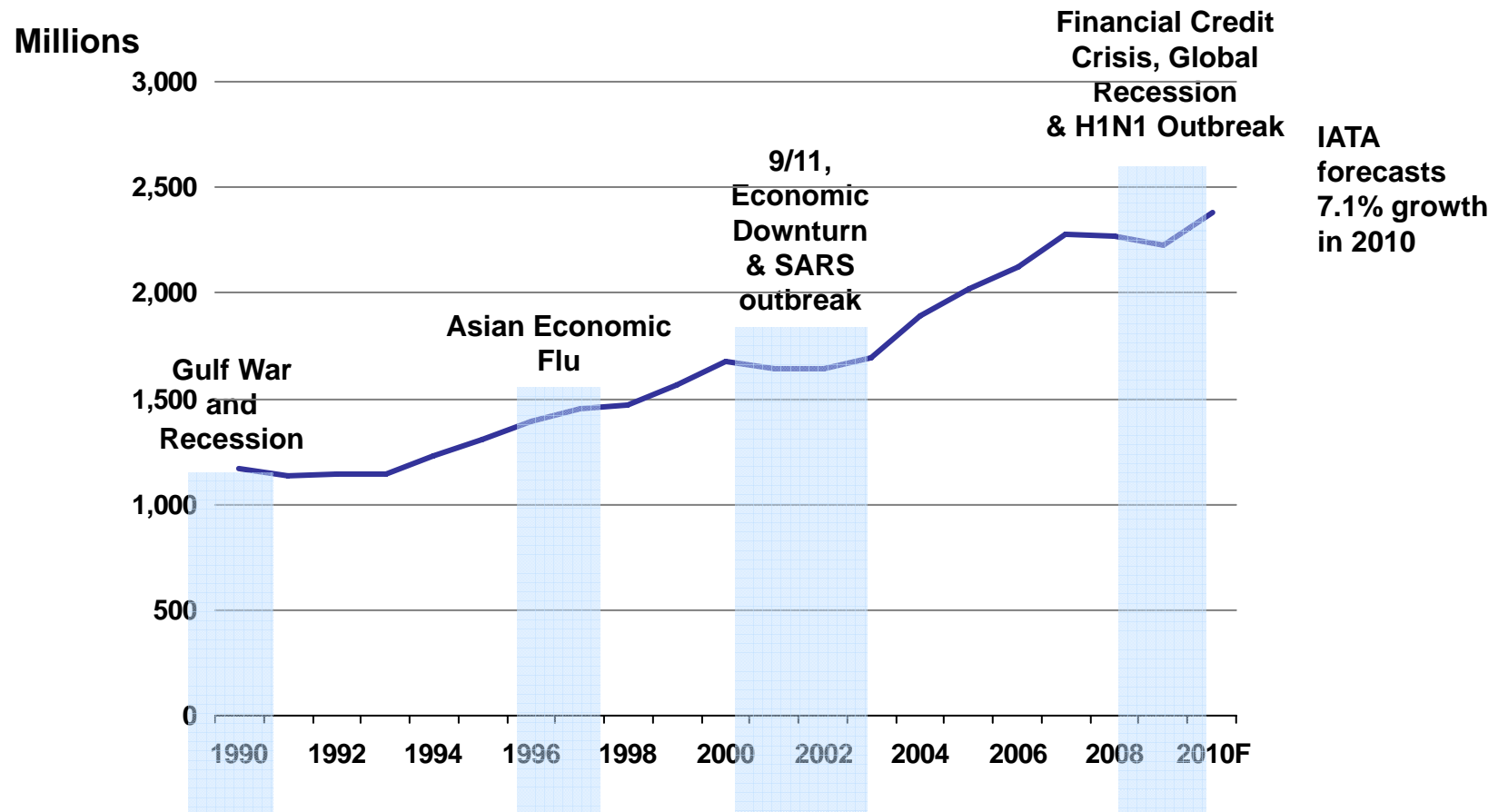
Inter VISTAS Consulting

September 3, 2010



Global Air Passenger Traffic Growth

Total Passengers



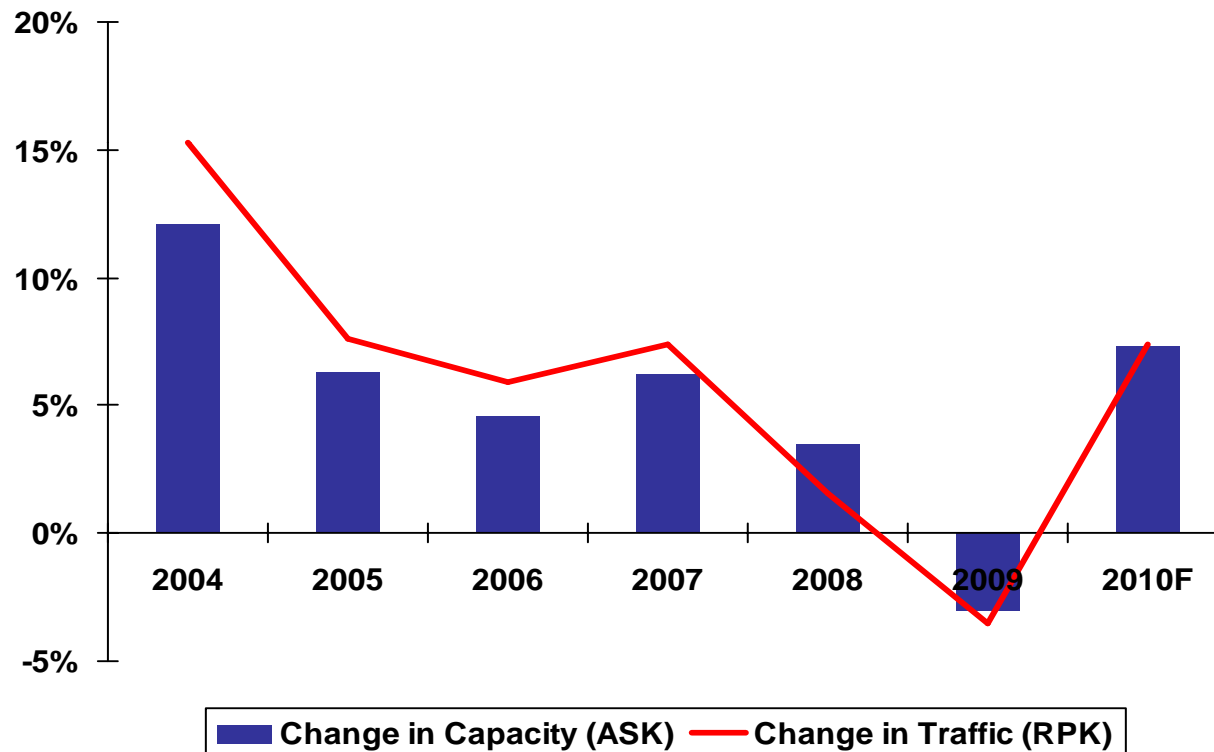
Source: International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA).



Global Traffic & Capacity Growth

Global Air Carriers' Traffic & Capacity

Year over Year Change (%)

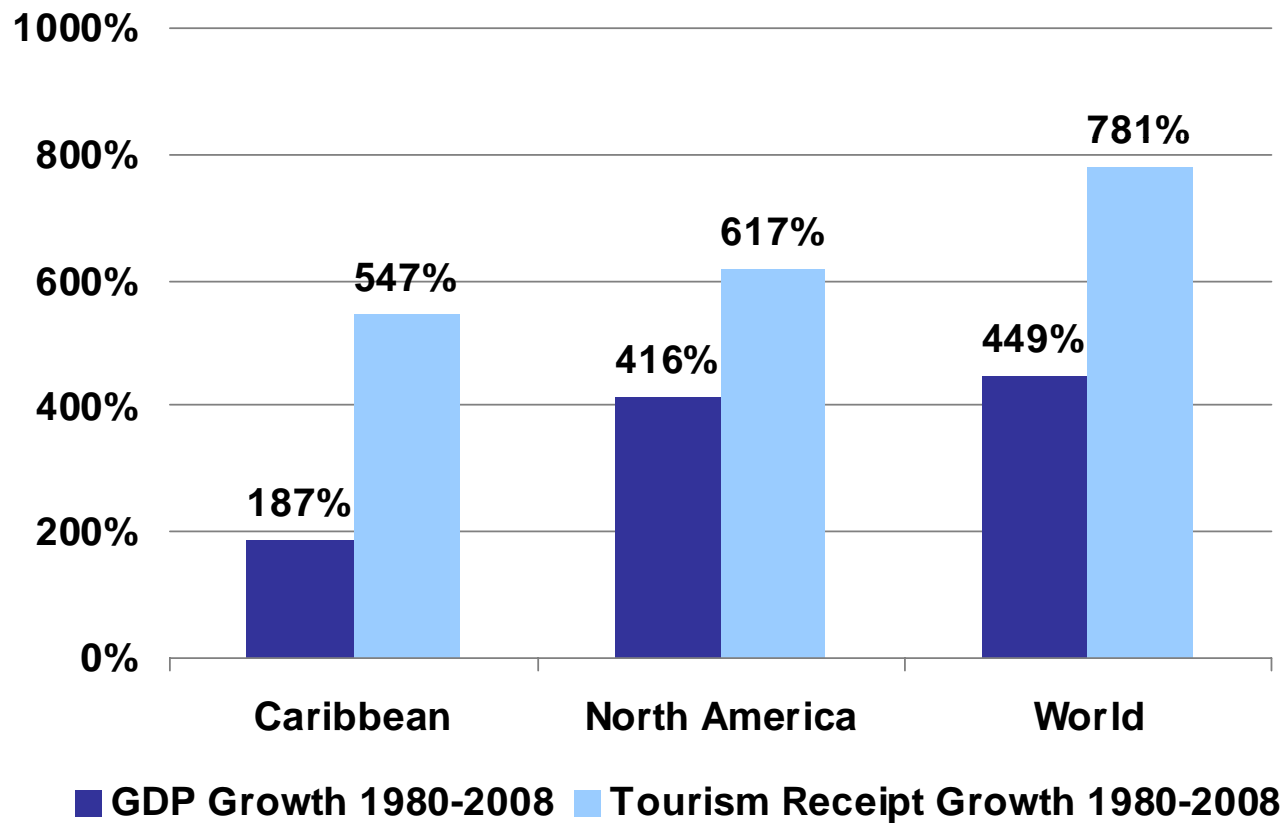


Source: International Air Transport Association (IATA).



Tourism Growth

Growth of World Tourism GDP Relative to World GDP Growth



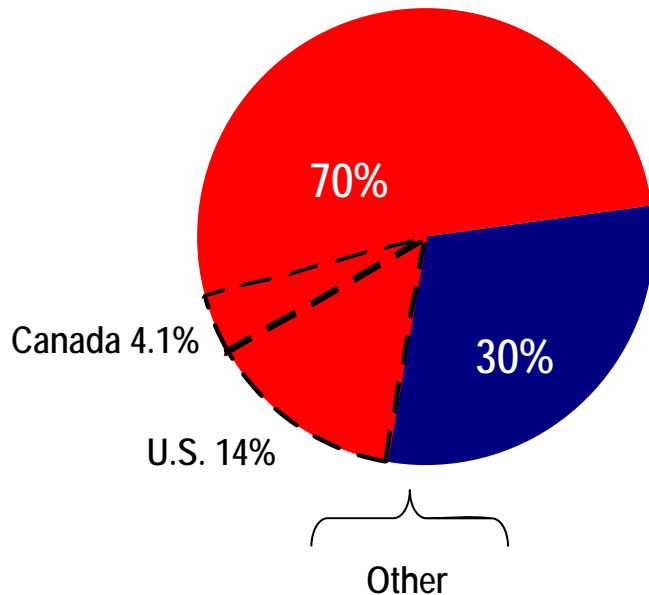


Changing Source Markets

International Tourism Expenditures

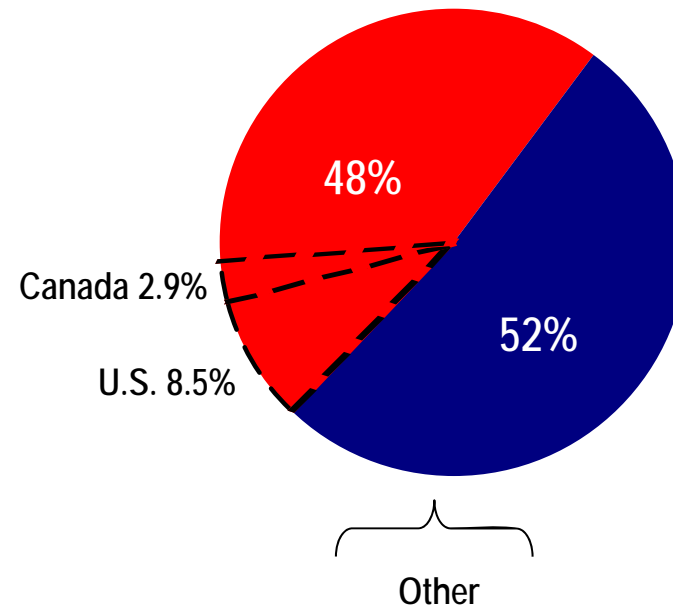
Top 10 Origin Markets - 1990

United States, Germany, Japan, United Kingdom, Italy, France, Canada, Austria, Netherlands, Sweden



Top 10 Origin Markets - 2008

Germany, United States, United Kingdom, France, China, Italy, Japan, Canada, Russia, Netherlands

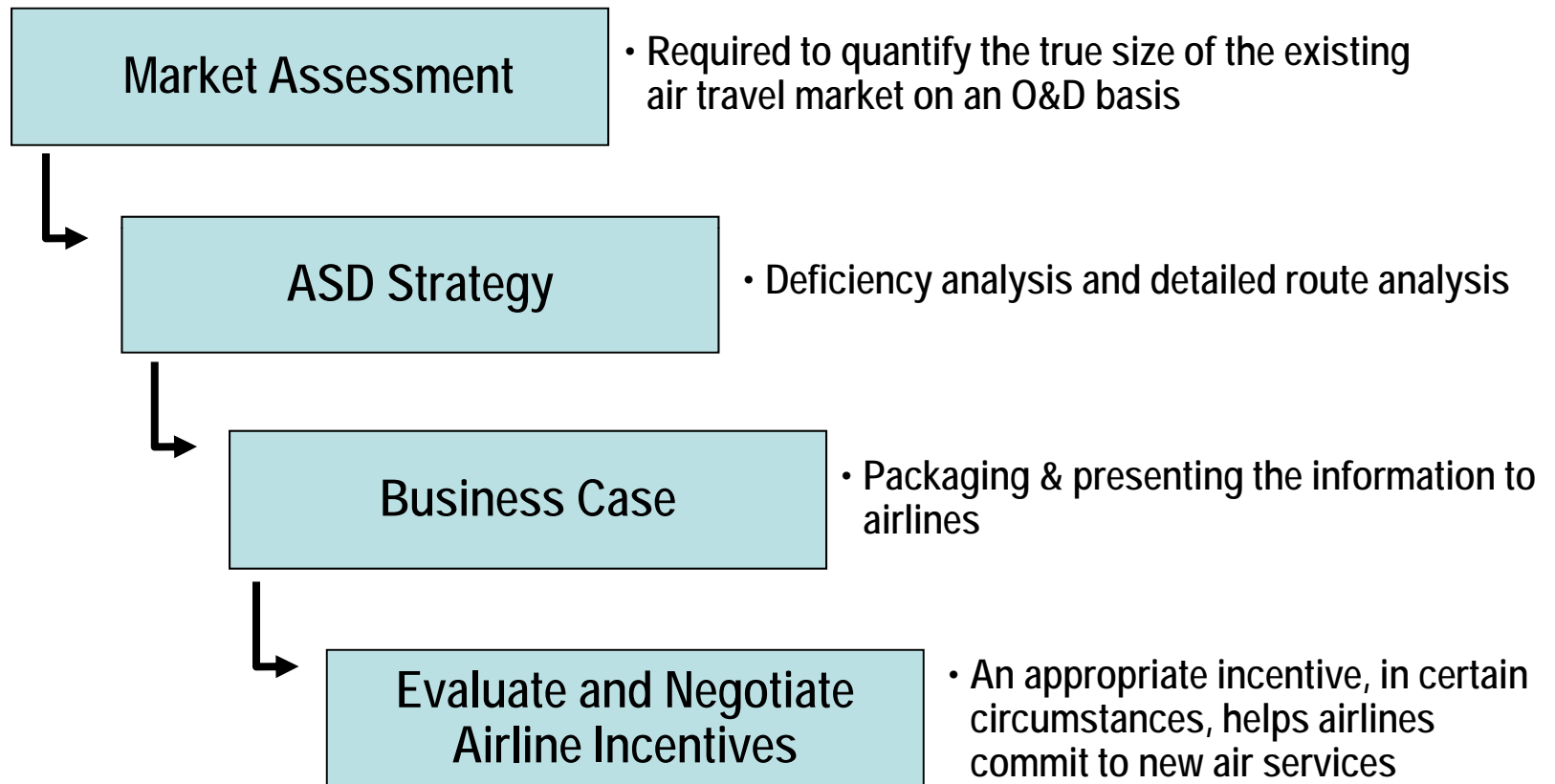


Source: World Tourism Organization (UNWTO).

Notes: Markets are listed in descending order by tourism expenditures for 1990 and 2008.



Air Service Development



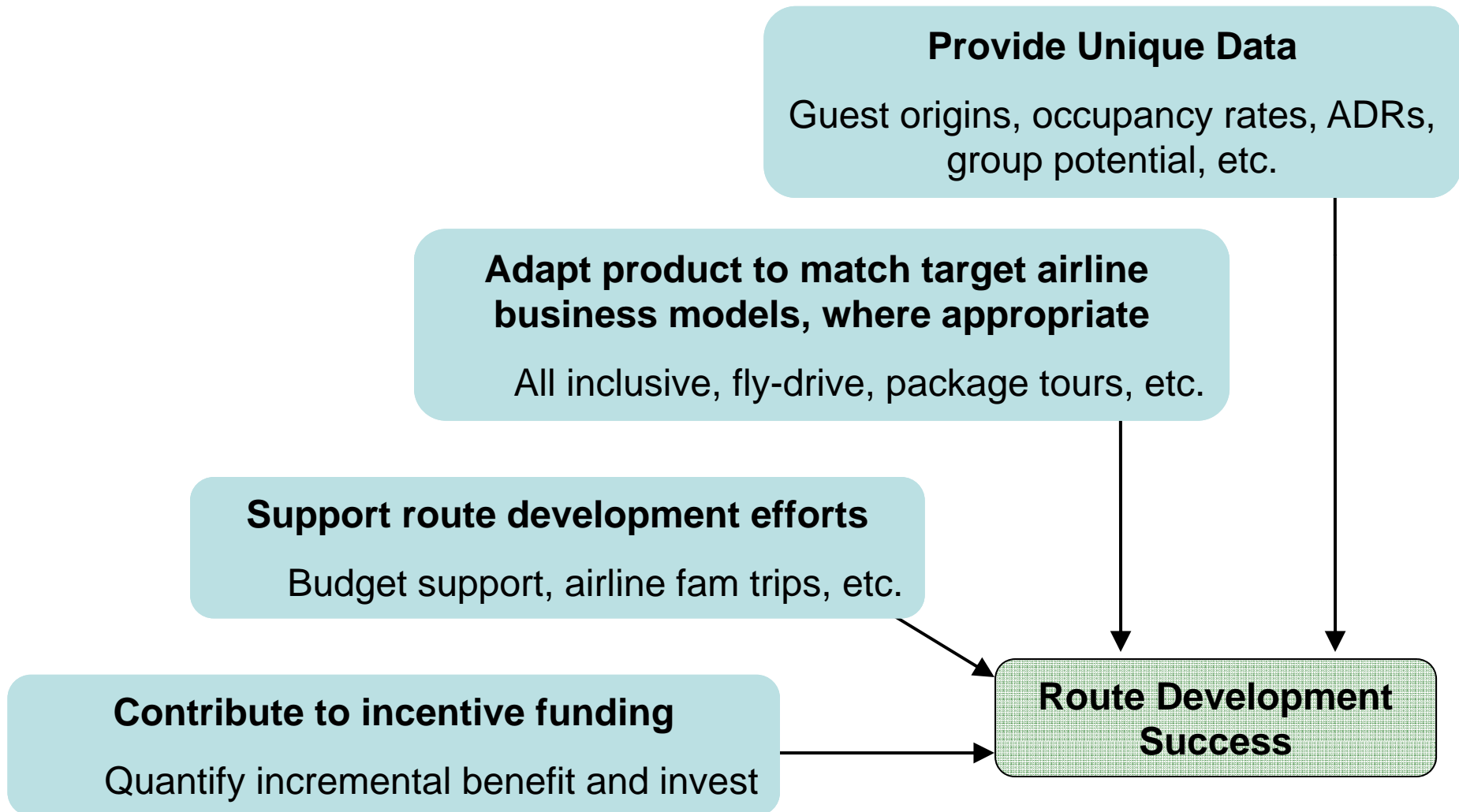


Airline Perspective

- **New routes are a risk to an airline**
 - Airlines are more confident in forecasting results on existing markets
- **Airline questions for new routes:**
 - How much can I stimulate the market?
 - How will the competition react?
 - How much market share will I achieve?
 - What will be the connectivity contribution?
 - Will the new route be a financial success?
- **Tourism Stakeholders can answer these questions and reduce uncertainty and risk**



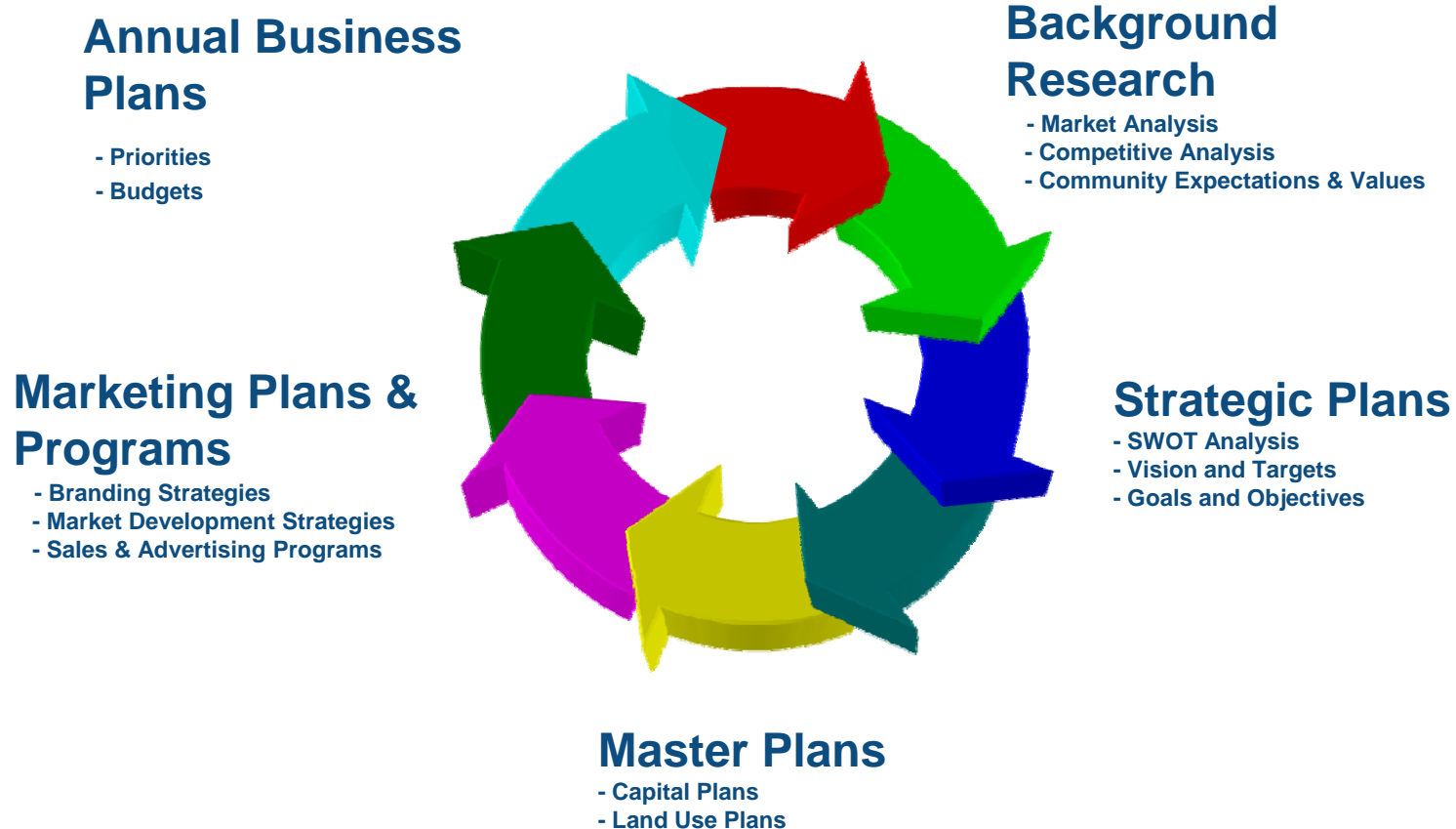
Tourism Stakeholder Involvement





Strategic Approach

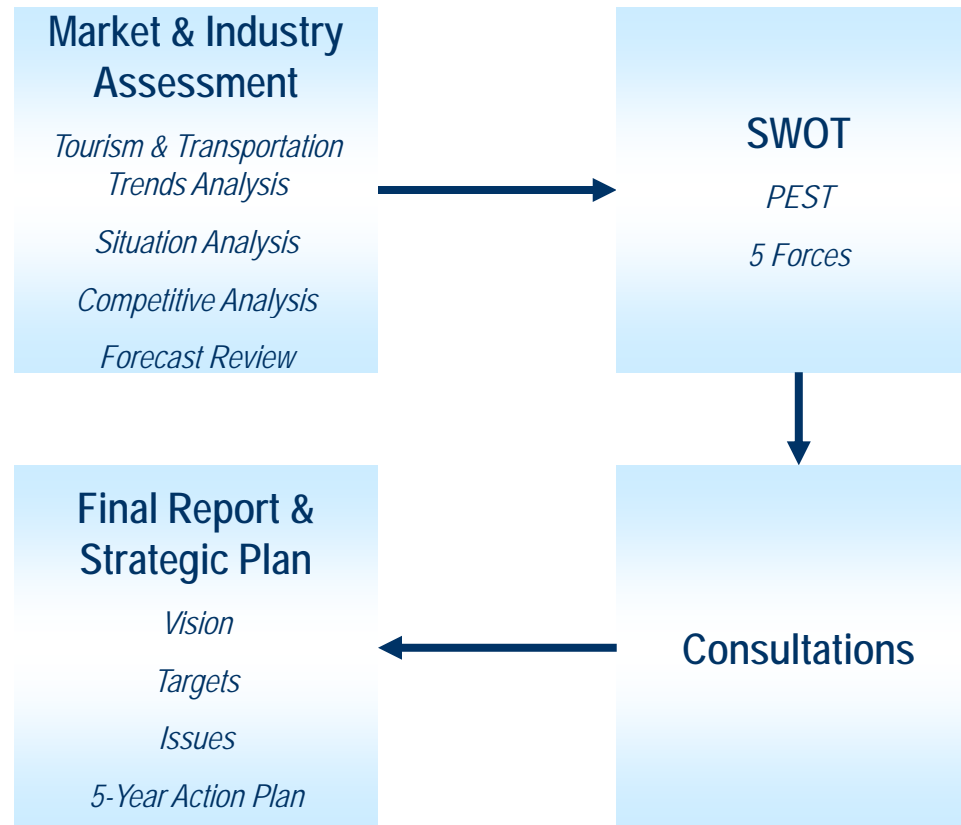
- An ASD program is more effective when implemented as part of a larger Strategic Plan





Tourism Strategic Plan

- **Creating a Strategic Plan provides a roadmap to achieve Stakeholder objectives**





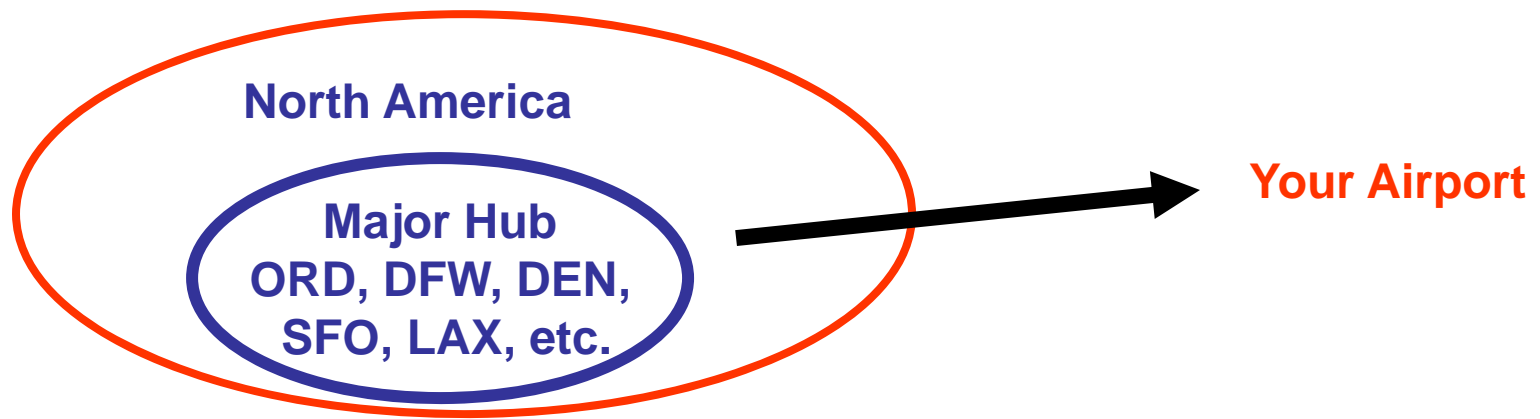
Tourism Market Update

- **Demographic shifts**
- **Shorter trips**
- **Combined business with leisure**
- **Green Travel and Fair Travel**
- **Internet usage**
- **Fierce competition from established and new destinations**
- **Social networking**



How can we use Tourism Data for our Benefit?

- Can bolster the need for inbound hub connections from various parts of North America/the world into your market.
- To help support cause for new Tourism partnerships (hotels, convention bureaus, etc.)





What types of Tourism Data can be Collected?

- **Length of Stay**
- **Coupled journeys**
- **Purpose of Visit**
- **Average Revenue Spent during Visit**
- **Region of origination**
- **Available Hotel Rooms**
- **Occupancy Rates**
- **National Tourism Budgets**



Tourism Data – Good and Bad

- **Positive Tourism figures could be validated when analyzing your market sizes.**
 - **Assists in building new capacity and frequency**
 - **New carriers in market would perhaps build competition in growing inbound market.**
- **Regions with poor inbound growth could be a target for renewed marketing**
 - **“Destination A used to be a top market for my airport – how can I partner with the right stakeholders to reverse trends?”**



Tourism Data supports your overall market appeal – which supports ASD efforts

- **Quality of Product**
- **Better Estimate Market Size and helps benchmark market awareness.**
- **Understand Revenue tied to Visitors**
 - **Average visitor spend, average fare paid**
- **Package Awareness**
- **Attractions (Alternative or Exotic Travel)**
- **Language/Cultural Issues**
- **Understanding why People allow customization of air services**
 - **Saturday/Sunday services for Cruise markets, Developing regional destinations close to tourist destinations**
- **Understanding visitor spend and characteristics allows the economic impact of new visitors to be calculated,**
 - **Develops stakeholder support from other tourism entities for incentives.**



Case Study: Puerto Rico Tourism Company

- **Issue:** Following 9/11, Puerto Rico lost air service due to direct flights to outlying islands in the Eastern Caribbean
- **Solution:** As part of a comprehensive Tourism Strategic Plan, an Air Access Committee was created, including key stakeholders which met quarterly to monitor and attract additional air service to Puerto Rico
- **Result:** Airlift seat capacity to Puerto Rico increased over 10% between 2002 and 2004. All stakeholders benefitted





Case Study: San Antonio

- **Issue:** San Antonio lacked sufficient nonstop capacity in several key business markets
- **Solution:** Formation of a Blue Ribbon Panel to foster interaction with key business community stakeholders
- **Result:** AirTran selected SAT over AUS for their market entry into Central Texas in June 2008. Local SAT-ATL traffic increased 30% yr/yr for YE2Q2009. Continued involvement by Panel members at key airline headquarters meetings during past two years.





Case Study: Comox, BC (YQQ)

- Issue: YQQ's joint civilian/military airfield was largely underutilized
- Solution: Westjet launched nonstop service to Calgary (YYC) in March 2001
- Result: Passenger traffic doubled within two years and quadrupled within seven years (2007 vs 2000). Nonstop service to Edmonton added.



Thank You

InterVISTAS

strategic
transportation
& tourism
solutions



Mark Haneke

Vice President, Network &
Strategic Planning