

MARKETING AN INTERNATIONAL AIRPORT

Susan M. Baer

Port Authority of New York and New Jersey

MS. BAER: My division is responsible for sign standards, and we had a lot to do with moving us back to dynamic signs at Newark Airport. We also do retail and food evaluations, as well as customer satisfaction surveys. We are also responsible for directories. So, I know a good deal about the host businesses at our airports.

Let me go quickly through our marketing program — a very short version of it. International passengers are extraordinarily important to us. Unlike many airports, we have air service that is provided by an unusually large number of carriers. This presents us with many unusual challenges, but it also presents a lot of opportunities. Twenty-five percent of all international seats departing from a U.S. airport depart from a Port Authority of New York and New Jersey airport. So you can see this represents a considerable challenge. When you look at the trans-Atlantic seat share, the number grows even larger. We've been doing this for a long time since trans-Atlantic traffic has historically been a growing entity. Our share represents 43% of the total. At our airports you can see that international traffic is very significant. At JFK, we have more international than domestic passengers.

Let's not forget cargo. Today we have really focused on all the air passenger issues, yet cargo represents enormous revenues for us, as well as using much of our total capacity, particularly at Kennedy. Kennedy and Narita keep taking turns as the world's busiest cargo facility. Last year it was Kennedy once again. Cargo is a very important sector of our operations as well as our marketing business.

It is evident that international traffic is really important to us. We were among the first "victims" of increased international air traffic to cities. This has been repeated all over the United States and, although our market share has declined over time, our volume of traffic has grown.

From a planning perspective, we decided that we needed to start marketing our airports, both domestically and internationally, and we have done so — primarily through tour operators, travel agents, and corporate travel arrangers. We use all the various travel intermediaries to promote travel to our region. If you think about our market and about 72 million annual air passengers and you consider where they're coming from — different carriers from all over the world — I'm not

sure how we would or could target *individual* air travelers even if we had a budget for it, which we don't.

The strategy is to provide these people with high quality information about our airports. Our marketing publication has been around about ten years and it is something we are very proud of. The designers originally had control and it was getting increasingly elegant, but I wasn't convinced that it was getting increasingly useful. We actually did focus groups in a couple of cities outside of New York, and talked to professional travel people and asked them, "What do you want to see in the book? What would be useful?" They gave us a wealth of terrific information, which we've incorporated into our publication. Examples are: pages that are easy to Xerox and can be easily faxed, and a minimum of color pictures — just the things that they wanted. They don't need the updates about our construction program. Their interest focuses on how the information affects each one of their passengers passing through the airport.

We print it twice-yearly in English, and annually in German, French, Spanish, and Japanese. Although the English versions are produced 100,000 at a time, the last printing was so popular that we actually ran out. We even advertise it in travel publications. We have trade development offices internationally, and we use them to do a lot of the overseas distribution. Also, the airlines like it a lot. They give it to their reservation agents around the world, and they've been requesting the latest edition in very large numbers. We also use this publication as part of our gateway program.

The gateway program is another thing that we've been doing for some time, and we've modified and improved it as we've gone along. In cooperation with airlines, we go to Europe and Asia at least once a year, sometimes even more often. We now have small gateway presentations that we do more frequently. The big events are done in cooperation with an airline and they provide some of the funds or services such as our transportation and materials. We hold major events with travel agents, plus tour-operator luncheons and press events. We provide considerable information and distribute prizes donated by the airline. We promote our airports!

We also promote our entire region and it's the only opportunity for the region to be promoted as such. The

rest of the time, New York has its own program and New Jersey has a smaller one. However, through the gateway program we actually go and promote them both as one entity with the tourism people, and it's very well received.

We discovered over time that we needed more product to market. About eight years ago we found that no tour operator was packaging a short stay in New York during travelers' stop-overs. This is the kind of visit that somebody would make on the way to or from another destination in the United States. So we packaged a stop-over program and, although it is now handled by tour operators, we continue to market it. We provide a discount bonus book that every stop-over passenger receives. We've worked extensively with the airlines to eliminate penalties or extra charges for a stay-over in New York. The program has attractive features such as a day or two at Atlantic City, visits to discount shopping centers, and time in New York City. It also has good hotel packages which work very well for unescorted travelers. We strongly promote this program. We place ads appealing to travel agents in travel trade publications. These ads encourage agents to sell the stop-over packages as an added service to clients.

We've sought also to strengthen our ties to the travel industry with tour package assistance brochures. We have a six-year-old program wherein we actually provide brochures to tour promoters and tour agents. The majority of travelers coming from Europe and Asia go through tour operators; very few book their own seats. So we work directly with the agents to make all the features of our stop-over programs readily available. We pay for the cost of printing some of our information and we provide the photos and the material to put in their tour books. Currently, we assist over 30 tour operators located in most of the major markets. Collectively they're distributing about \$4 million in materials, including a New York-New Jersey tour package. So once again it isn't enough to have great airports and a great destination, you've got to work at creating a marketable product.

The other thing we market, as I mentioned before, is air cargo. We have an air cargo guide, similar to the airport guide for travel agents. This is distributed to forwarders, shippers, and the decision makers who determine the routing of air cargo. Emphasis is on our high quality and speed of air cargo service and the massive lift-in and -out of our airports, as well as the broad range of ground and specialized support services available to airlines and brokers who operate in our region. This guide is printed 100,000 at a time.

We also do a "quick caller," which is a detailed listing of air freight-related services. This is a cooperative effort

done with a private publisher. In addition, we have an in-house magazine covering sea and air cargo, with a special air cargo edition which has a monthly circulation of about 40,000. We also do air-cargo ads. There is one which talks about the electronic data interface and the network of connections that we have to our airports. We also heavily promote our excellent connections to our airports as the Port Authority runs tunnels, bridges, bus terminals, and other related facilities.

Since deregulation, airports can no longer sit back and expect business to come to them. We've found that the key to success in our program is working closely with industry partners to extend our promotional reach. We're doing this domestically as well as internationally through a cooperative program — right now we're working with two airlines and we're always ready to talk with anyone else. We support them by producing videos for them and setting up events with them because we both share pieces of this market and we both have tremendous investments in facilities. So we're seeing a willingness on the part of the airlines to cooperate in promoting our airports.

QUESTION:

— How do you go about looking at airlines and cooperative programs?

MS. BAER: The international cooperative program, which we call the gateway program, has evolved over time, and the airlines that use our airports are aware of it. So they'll often come to us and say, "Gee, we'd really like to be next." We just did something with Delta Airlines in Frankfurt, and Lufthansa said, "Hey, what about us? We want it." We said, "Great. We'll do one with you, too." It's basically open to any and all.

Here is the way it works. There is always a team leader, and that individual varies. I conducted one in Asia last fall and I just completed one in Europe. We did the one in Europe with Delta Airlines in Frankfurt. Delta flew the team, consisting of a team leader, support person, audio-visual person, a huge amount of audiovisual equipment, and a tourism person from New York and New Jersey, to Frankfurt, and set this up in a venue that we paid for. Delta had already made all the contacts with travel agents and we had 300 agents for the event. We held a press luncheon, arranged by our press person for about 12 reporters. Everyone had ample opportunity to ask questions and discuss issues, and there were many questions. I discussed the redevelopment programs at the three New York airports. It's important for us to get the message out — about what we're doing to improve our airports — and we did this at the press event.

That night we invited the 300-plus travel agents to an hour-long seminar with slides, describing attractions in our New York, New Jersey region. We presented a video about the airport improvements. The video briefs our customers on what to expect when they arrive at our airports. We cover Immigration, Customs, what they're going to confront, ground transportation, an anti-hustling message, and all those kinds of essentials. Afterwards we offered an American buffet as interpreted by German cooks, which was very interesting. We then held a drawing for free tickets provided by Delta Airlines—the drawing provides the incentive to stay for the entire event—and some tickets were given away. The airline provided tickets; we provided the land package.

We then packed up and flew to London, where we repeated the program with the addition of a tour-operator luncheon and a press breakfast. Then we returned to New York.

That's how it works. It's very intense. We meet a lot of people. We try to contact all the major tour operators with whom we have a relationship. We try to do some press events so that we get some good local press, which helps all of us. We also try to get directly to the travel agent because you find, particularly internationally, that travel agents are very key players in affecting travel decisions.

We have a strong advantage. New York is the first destination for many foreign travelers.