



Plane Talk

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June – July 2009

Media Owners



The tender process is about to commence for BAA's various airport advertising concessions. Interested parties will now register their interest in all or part of the BAA media portfolio across: Heathrow including Heathrow Express, Gatwick (whilst it still has it), Stansted, Aberdeen, Glasgow and Edinburgh. JC Decaux's present media concession will finish at the end of April 2010. Watch this space for announcements between now and December 2009.

Meanwhile, both EYE Corp and JCDecaux have invested in research exercises recently and both unveiled the results of their endeavours in July. Despite the ability to target a high net worth, captive, diverse and intelligent audience, airport advertising has always lacked hard research to back it up, simply because it is very hard to measure eye engagement. Step forward Eyetracker from Decaux and Eye Tracking from EYE. Both media owners have invested time, money and technology to prove that airport advertising really does work.



In the case of EYE, their initial Singapore study from last year was rolled out to Manchester fitting real passengers with glasses tracking their pupil movements as they make their journeys through the airports. Interesting results from both airports were achieved with strikingly similar results which included finding business and leisure travellers have similar viewing habits and that most passengers look at the same panel at least twice. 'The study has raised the accountability of airport media significantly' said Stephanie Gibson (Marketing Manager at EYE UK).

JCDecaux Airport

JC Decaux unveiled their research focusing more on digital media analysis of eye tracking movements. Using technology originally designed for the defence industry to pinpoint where passengers actually look, the research was carried out on the digital airport panels (DAPS) at London Heathrow T5 and concluded that the sample Eyetracker passengers produced 1,985 unique impacts, nearly 100 per person. The research also found that movement on the digital creative is crucial for maximum impact.

A recent analysis of airport media owner websites has shone a favourable light on Media Frankfurt. Their website is a great resource for media agencies, providing a wealth of information, availability, fantastic photos and even winter season special media promotions with the tag line 'it is never too early to start preparing for Christmas'.



Lastly, a heart-warming story on One Water and their exhibition space in Terminal 5 at Heathrow. One Water, a company that donates all of its profits to installing PlayPumps in developing countries, has been sold in WDF outlets since 2006. The exhibition stand allows passengers to donate money to the organisation or simply reminds them to buy a bottle when they pass through Duty Free. They may also donate via text message. One Water has so far set up over 300 PlayPumps across the countries it supports and continues to benefit the lives of 640,000 people. May the exhibition space in T5 continue to promote its fantastic work for a long time to come.

Airlines

As Ryanair are now officially the world's number one carrier of scheduled international passengers (57.6m in 2008), British Airways (with 29.054m) is struggling along with many other flag carriers are in the present time, it aims to cut 3,700 jobs to combat its problems and is currently losing a staggering £3 million per day. Other legacy carriers such as KLM-Air France and Lufthansa are making similar cuts and losses. Lufthansa are hoping to shed 20% of their staff in the medium term, which is even than BA.



The launch of BA's new all-business class flight from London City to New York in the autumn, might face more problems than anticipated. Less business to business flights between the 2 financial capitals are being taken, for well publicised reasons. It remains to be seen if BA can manage to find even 32 passengers every day to fill this particular flight, which will carry the BA001 and BA002 numbers formerly used for Concorde.

Staying with the London City – New York JFK route, it has been disclosed that the aircraft will have to stop to refuel at Shannon airport on its outbound journey. However, this will mean passengers will benefit from pre-clearance of US immigration and will not have to queue on entry. The return leg is non-stop to London which should offset any annoyance from impatient executives.

Virgin Atlantic now competes with BA on 8 out of the 10 most popular routes to the US. At present, overall, the airline's transatlantic flight demand has held up but a purely business focus may have lasting implications.



Worryingly, fears for the business travel market, not just for BA, are backed up by the figures being released on premium travel this month. May saw a 23.6% slump year on year overall and sustains the drop experienced every month for a calendar year.



At the low cost end of the spectrum, Ryanair has announced it is reducing its flights from Stansted. They have blamed the cuts on higher charges from the airport and will mean a 40% decrease in winter scheduling and 30% on summer. The younger demographics will be affected due to the heavy reliance on these services for cheap and cheerful breaks to European destinations.

Airports & The Aviation Industry

Despite the putative sale of Gatwick, BAA is still appealing against the Competition Commission's decision on the grounds that there was bias within the panel. The tribunal will be on 19th October and will see various submissions from parties involved. Ryanair and other interested parties will make statements.

ferrovial

If the sale of Gatwick founders, it could be taken out of BAA's hands by the government who would simply sell it to the highest bidder. The last bidder, a consortium headed by Manchester Airports Group, has now had its final offer of £1.4 billion refused.



Passenger figures at BAA airports (inclusive of the soon to be sold Gatwick) are reportedly down 5.9% for the month of June from last year. Despite a loss however, long haul flights are almost flat on last year, having dropped just 0.2%.



Airports & The Aviation Industry cont.

In the Middle East, Abu Dhabi is beginning to become *the* hub for the UAE and proving much more of a competitor to Dubai than previously thought. The airport has reported an 8.1% increase in traffic in the first half of 2009. The new Terminal 3, created solely for the national carrier Etihad, has added to the appeal of the airport and brought it in line with its counterpart in Dubai. The number of connections through the airport has increased dramatically and it is now a great stopping point for passengers looking to travel to the Far East or rest of Asia.



Full year passenger figures for 2008 have just been released by ACI and an analysis of these will be done for next month's issue, which is likely to look a little different, following an editorial review during August.

Passenger figures for the first quarter of 2009 have been released and show a worldwide decline overall of 8.7% (Europe -12%, North America - 11%, Asia Pacific -3.5%). International passengers are down worldwide by 9.9% (-12% in Europe, -8.5% in North America, and - 9.5% in Asia Pacific). By contrast the Middle East grew by 1.5%. In analysing these figures, it is possible to conclude that they represent the bottom of the current downturn. As well as the effects of the global recession, February had no extra leap year day and Easter was in the 2nd quarter, as opposed to the 1st quarter in 2008, both of which impact severely on passenger throughput.

The Chinese market has seen growth of 13.5% in the period, driven primarily by domestic travel. Out of the top 10 airports reporting the biggest year-on-year growth in Q1, 7 are in China. Out of the top 20 airports worldwide, international traffic grew in only one market, namely Dubai.

However, preliminary results for April point to a softening of the general decline and in May, 40% of European airports are set to report traffic growth.



Terminal
Terminal 3



Ankomsthal
Arrival hall

