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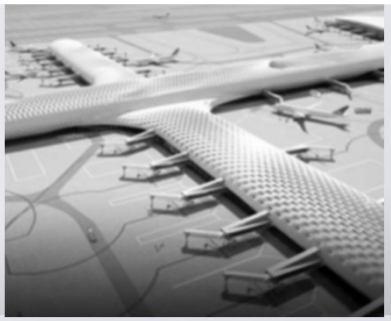
Airport Development



New marketing strategies for airports

Heather Jones

AIRDEV Seminar
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INSTITUTO SUPERIOR TÉCNICO

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Outline

Introduction

What is marketing?

Marketing frameworks

Four P's Framework

Non-aeronautical business units

Marketing Strategy Tactics

Next Steps

Questions

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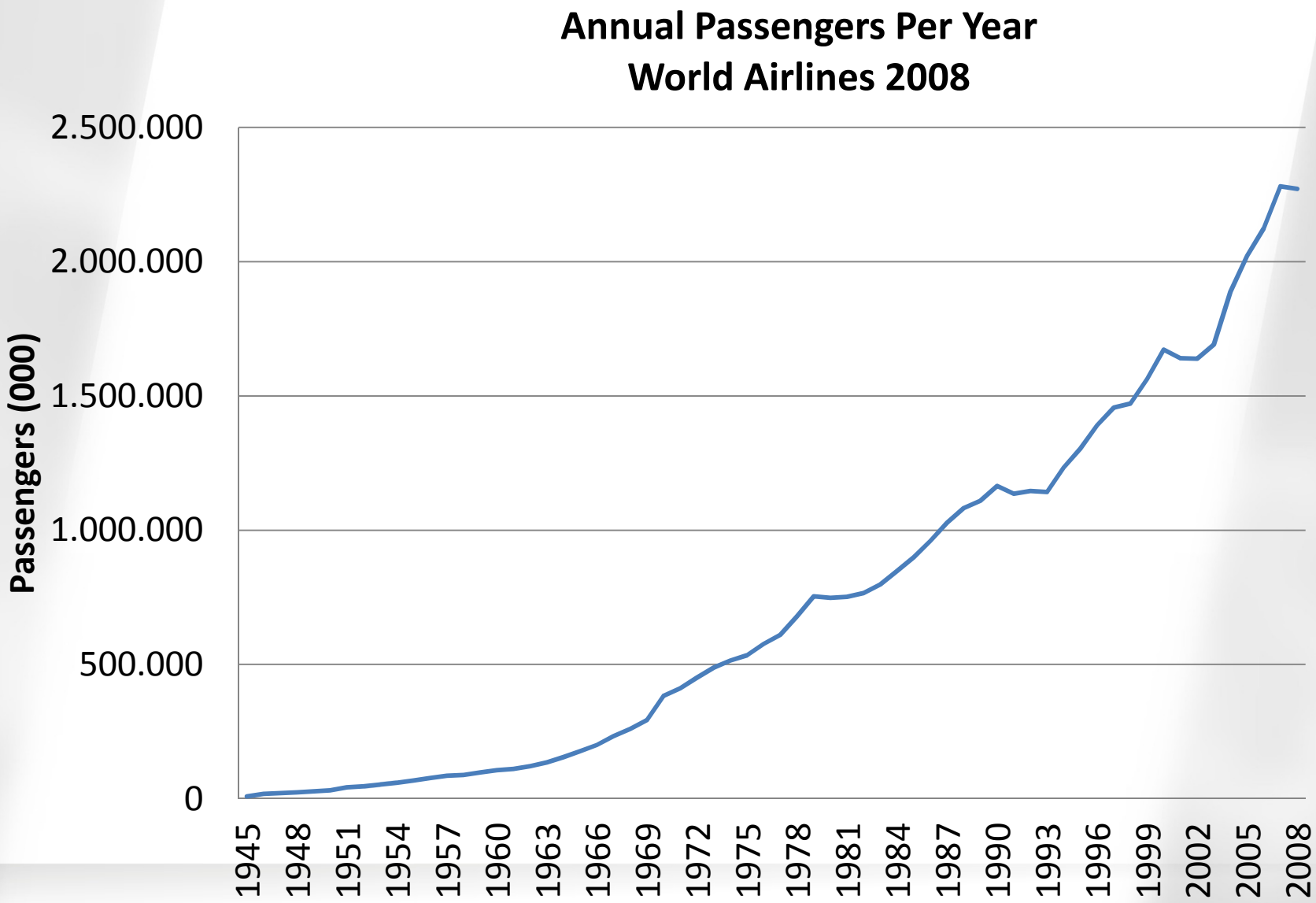

Airport Marketing Timeline

What is marketing?

"A coordinated, integrated, and formal process of managing the marketing mix in relation to a clear set of measurable objectives. Furthermore, this process is captured in a formal document or plan" (Coviello, Brodie and Munro 2000).

"Marketing Mix" (Borden 1984) "elements of the mix and the forces that bear on the mix".

"Marketing deals with identifying and meeting human and social needs. One of the shortest definitions of marketing is "meeting needs profitably."" (Kotler and Keller 2006).

What is marketing?

"Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders." (American Marketing Association 2011b).

(Airport) "Fundamental step for establishing new "rules of conduct" and later implementing them in a consistent way" (Jarach 2005a).

"Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably" (Shaw 2007).

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Marketing frameworks

TDIN	Holistic	Four C's	Four P's
• Transaction • Database • Interaction • Networking	• Relationship • Integrated • Internal • Social Responsibility	• Concept • Cost • Communication • Channel	• Product • Price • Promotion • Physical Distribution

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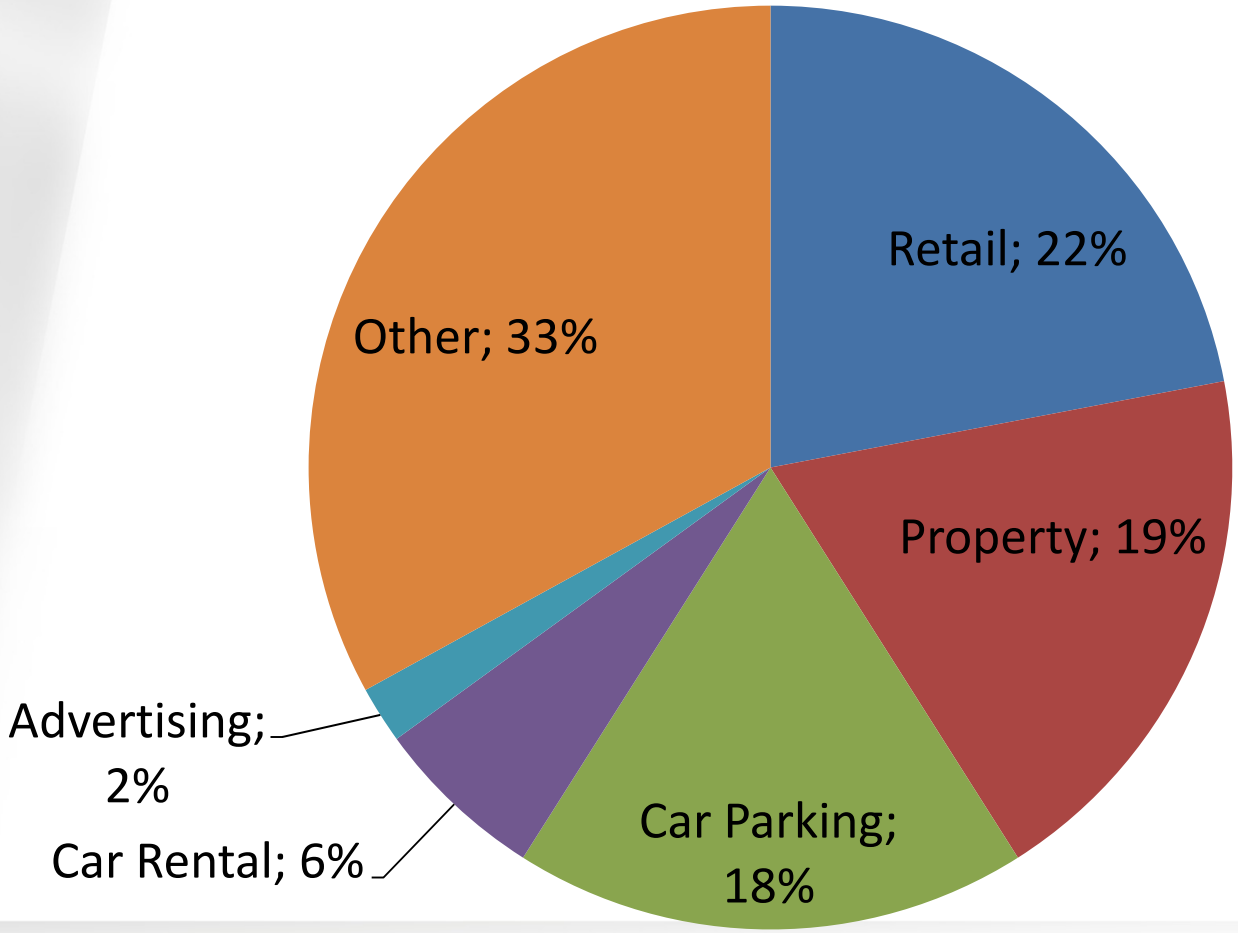
		Primary Hub	Secondary Hub	Regional/ Business	Low Cost	Cargo
Product	**Location**	Close to city	More remote to city	Regional tends to remote, Business close to city	More remote to city	Varies but tends to be more remote
	Flight Frequency	Higher	Medium	Lower	Higher	Higher
	Level Non-Stop Flights	Higher	Lower	Varies	Higher	Higher
	P-to-P/ Connecting	Enables connecting	Point to point	Varies	Point to point	Point to point
	Fare	Higher	Lower	Varies	Lowest	NA
	Retail Prominence	High	Lower	Lower	Lower	None
	Capacity	Constrained	Available	Available	Varies, tends to available	Varies
	Congestion	Congested	Uncongested	Uncongested	Varies, more uncongested	NA
	Operating Hours	Night curfew	24 hours	Varies	Varies	24 hours
	Quotas	Yes	No	Varies	No	No
	Service Level	Higher	Lower	Lower	Lower	NA

		Primary Hub	Secondary Hub	Regional/ Business	Low Cost	Cargo
Price	**Fees to Airlines**	Higher	Lower	Lower	Lowest	NA
Promotion	**Level of Importance**	Lower	Higher	Higher	Higher	NA
	Areas of Promotion	Facilities to connecting traffic	Awareness to airlines and passengers	Closeness to city (business) or proximity to several areas (regional)	Low fares, destinations, low costs for airlines	Location, connectivity to other modes, tax free zone
Physical Distribution	**Level of Importance**	High	High	High	Highest	Higher

Source of Non-Aeronautical Revenue 2006



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Marketing Strategy Tactics

Marketing Support System Plan
Service Quality
Branding
Consumer Marketing
Airline Marketing

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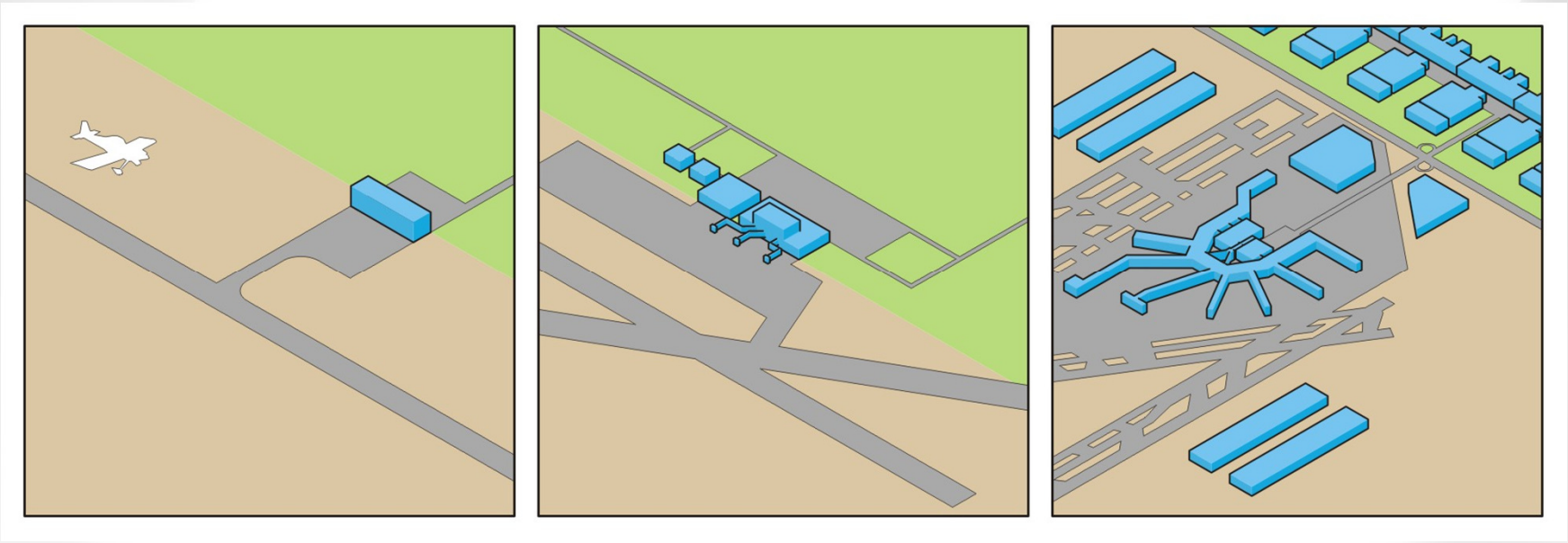
Marketing Strategy Tactics

Airline Marketing

- Modify facilities or services
- Promote a recognized brand
- Target airlines for new or existing routes
- Provide and present market research
- Lobby for the removal of obstacles
- Use strategic marketing partnerships
- Offer flexibility on pricing
- Develop joint advertising or promotions
- Provide travel planning support to passengers
- Improve management processes

Airport Evolution



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Next Steps

Further refine aeronautical four P's framework

Develop framework for non-aeronautical business units

Continue to collect marketing strategy tactics and market research tools

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Questions?

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