

Airport Marketing within a highly critical environment



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➔ **Defining Airport Marketing**

➔ **Airport Marketing: an Integrated Approach for the achievement of Company's objectives**

➔ **Service Quality Monitoring System & Business Intelligence Tools**

➔ **Airline Marketing & Development : the Aeronautical Strategy formation & continuous update**

Defining Airport Marketing ...



Airport Marketing is the function by which, in line with the Corporate Strategy, the airport can **interact** with its target groups, **identify** and **address** each group's needs, in order to **stimulate** and **accelerate** its growth resulting in more aviation and non - aviation revenues

...and how can it reflect the Company's Objectives?



Aeronautical



Non-Aeronautical



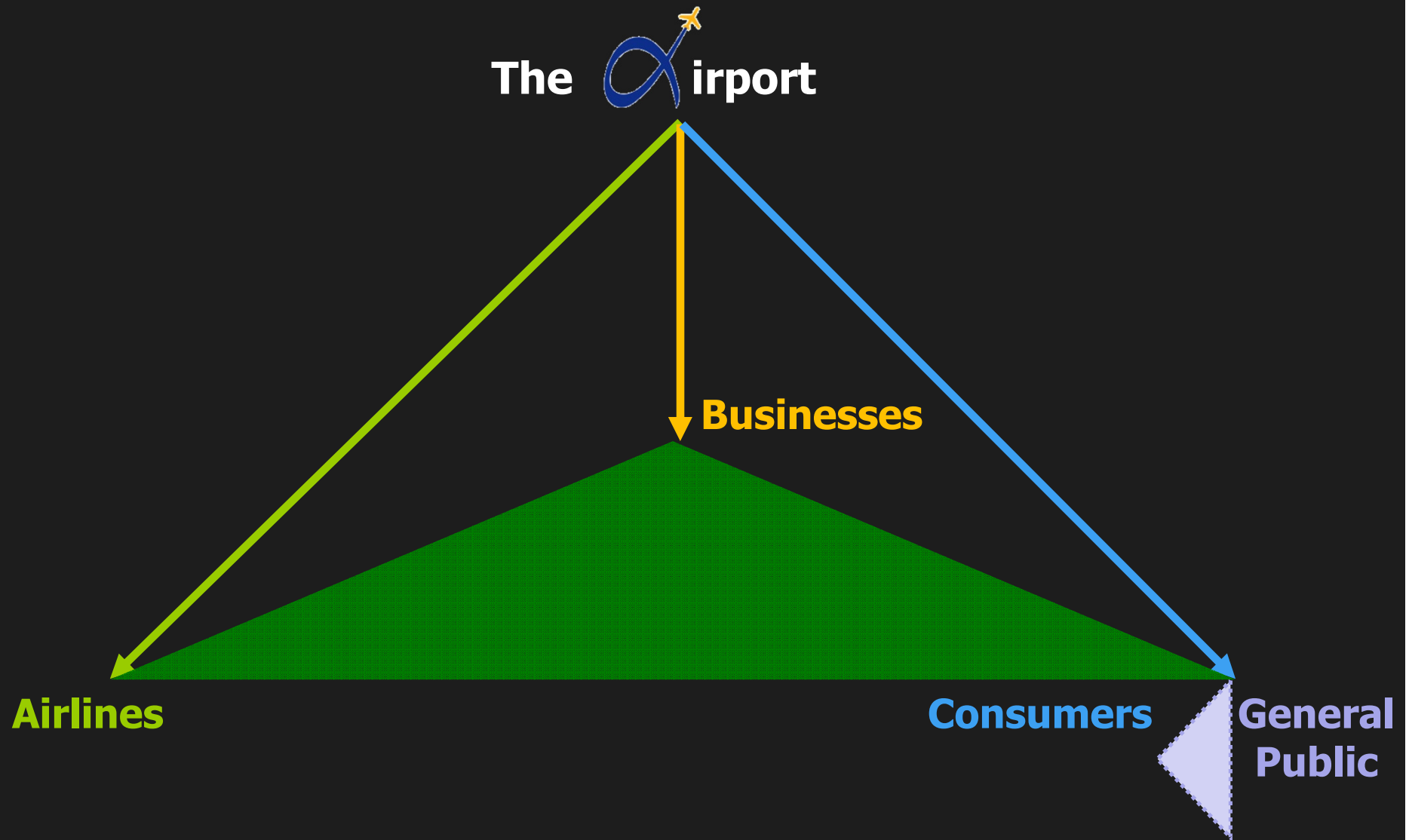
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Airport's active role



More specifically, main objective of AIA's Strategy has always been to:



Grow profitably beyond macroeconomic trends, via three strategic directions:

1. Value for money services

2. Accelerating profitable growth

3. Optimising airport pricing

A new set of challenges drives the discussion on the Company's Strategy, the main strategic directions remaining valid so far...



I. Offering Value for Money Services ▶ maintain under cost optimization

II. Accelerate Profitable Growth ▶ defending volumes and protecting margins

III. Optimizing airport pricing ▶ airport charges development and enhancement of the existing Incentives' Scheme foregoing short-term profit maximization in favor of long-term development

Introducing the Airport **ABC**-Marketing...



The Airport

a 2 A

Airlines

- ☑ **Maintain current network**
- ☑ **Improve network connectivity**
- ☑ **Attract alternative traffic**

a 2 B

Businesses

- ☑ **Promote business opportunities at the airport**
- ☑ **Attract new partners and customers**
- ☑ **Market the ancillary services and facilities of the airport**

a 2 C

Consumers

- ☑ **Build Brand equity**
- ☑ **Promote the airport's services and facilities**
- ☑ **Increase passenger penetration & encourage passenger spending**
- ☑ **Monitor and ensure passenger satisfaction**

...in order to address AIA's target groups' needs...



The Users

- ✓ Airlines
- ✓ Passengers
- ✓ Visitors
- ✓ Business partners



**Marketing &
Communication
Strategy**

The Non-Users

- ✓ Greek Public
- ✓ International Public
- ✓ Local Communities
- ✓ Shareholders
- ✓ State Authorities
- ✓ Financial Institutions
- ✓ Media



**Corporate
Communication
Strategy**

AIA

- ✓ AIA Employees
- ✓ AIA Community



**Internal Comm. Policy
&
Corporate
Comm. Strategy**

...in line with AIA's positioning...



"Caring for more..."



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Quality Monitoring crucial for AIA's "value for money" strategy



**Service Quality Monitoring is among top business objectives
and related KPIs are included in AIA's Scorecard**

Customized Monitoring based on operational measurements and satisfaction surveys



	 2 A	 2 B	 2 C	 2 General Public
Operational Monitoring	 Operational Performance Monitoring	 Service Performance Measurement System  Ground handling SLA's  Outsourced Consumer Services SLA's	 Service Performance Monitoring	
Perception Monitoring	 Airlines Satisfaction Survey	 B2B Satisfaction Survey	 Passenger Survey  Quality Monitor  ASQ Benchmarking  Mystery Shopping  Pax Comments	 Airport Image Study  Local Communities survey  "We listen" telephone line

Airlines' Monitoring Tools leading to improved airport performance



operational
monitoring

→ Operational Performance Monitoring

Monthly reporting of operational elements, e.g. punctuality, facility utilization, load factor performance, critical airport operations

perception
monitoring

→ Airlines Satisfaction Survey

Annual monitoring of airlines satisfaction with AIA's units, e.g. operations, security, finance, IT&T, commercial (sample size: 120 airline representatives)

Business Partners' Monitoring Tools ensuring high-quality services



2 B

operational monitoring

- **Service Performance Measurement System (15 contracts)**
- **Ground handling SLA's (3 contracts)¹**
- **Outsourced Consumer Services SLA's (5 contracts)²**

Monthly reporting of each partner performance vs. agreed service levels affecting passenger satisfaction

perception monitoring

- **B2B Satisfaction Survey**

Satisfaction surveys addressed to main business partners (under development)

Groundhandling SLAs: Aegean, Goldair, Swissport

Outsourced SLAs: Goldair, Olympic Airways Services, Olympic Handling, Swissport, CPS

Service Performance Measurement System: monitoring performance vs. contractually agreed services



**Service Performance Measurement System (15 contracts)¹
Engineering, IT, Baggage, Environmental, Cleaning etc.**

SPMS : performance evaluation tool for service contracts, custom developed for each contract, in order to ensure the attainment of agreed service level.

Key elements:

- ✓ **Monitoring process (inspection- or systems- based)**
- ✓ **Evaluation criteria (critical performance parameters)**
- ✓ **Incidents of non-conformance against the service level**
- ✓ **Contractor Performance Index (CPI) : percentile evaluation of performance (monthly) vs. agreed thresholds**

SPMSs in place : ENC lots 1,2 TES lots 1,2,3,4,5 IWTF, Cleaning, Landscape, Employee Restaurant, Parking curbside, Baggage Trolleys, ITT PC Services, BHS

A set of highly sophisticated, business-intelligence tools addressed to Consumers...



ception · monitoring

→ **Passenger Survey (Corporate KPI)**

24/7 monitoring among 40,000 passengers regarding "Overall Passenger Satisfaction"

→ **Quality Monitor Survey**

24/7 monitoring among 7,000 passengers, assessing all services & facilities

→ **ACI/ASQ Benchmarking**

Monthly monitoring of AIA's positioning amongst top international airports through 2,200 departing passengers organised by ACI

→ **Mystery Shopping**

Qualitative monitor via 8 mystery visits per service/ facility, recording "real customer experience" (4 waves per annum)

→ **Pax Comment Management**

Quarterly reporting of direct passengers feedback deriving from their experience at the airport (5,000 distinct comments annually)

Identifying General Public's perception...



2 General Public

perception · monitoring

→ Airport's Image Study

Annual monitor of Greek residents perception regarding airport 's image (1,500 Greek residents)

→ Local Communities Survey

Biannual monitor of airport's image as perceived by local communities (1,000 Messoghia inhabitants)

→ "We listen" telephone line

Monitoring & handling of local residents aircraft-noise related complaints and information requests (2009: 91 complaints)



Demographic & travelling profile



**Airport, Airlines' &
other external partners**
Define target groups

**Route development information/ Pax
travelling pattern**



Airlines
Support new routes
& additional frequencies

Tourism information



**Ministry of Tourism
other tourism institutions**
Estimation of tourists &
investigation of characteristics

Purchasing behaviour & needs



Airport & external partners
Optimise airport's
commercial product

Performance indicators



Airport & concessionaires
Ensure high level of
passenger satisfaction



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The approach



AIA's Airline Marketing & Development function is heavily focused on the Aeronautical Strategy formation as well as the risk-sharing philosophy and excellent customer service, promoting the Airport to Airlines and the Airlines to Passengers

... with specific action strategies and using a **Dynamic Marketing Approach**



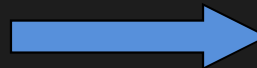
I. Offering Value for Money Services	II. Accelerating Profitable Growth	III. Optimising the Airport's Pricing
<ul style="list-style-type: none"> a. State-of-the-art infrastructure b. Ample capacity c. Competitive and high quality services 	<ul style="list-style-type: none"> a. Home-based and Network Airline Development Strategy b. Low Cost Carrier Strategy c. Regional Gateway Strategy 	<ul style="list-style-type: none"> a. Airport Charges Development b. Extensive Incentive Scheme
<p>AIA acts as the "Active Infrastructure Manager"</p>	<p>Aiming to attract new airlines, add new destinations, increase flight frequencies in the specific segments</p>	<p>Overall objective of aeronautical cost recovery and profit maximisation</p>

II.a. Home-Based & Network Airlines' strategy aims at supporting the development and expansion of our key customers by encouraging them to maintain existing routes and introduce new ones



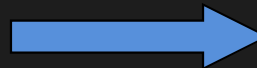
Home based carriers

- ✓ New Routes
- ✓ Additional Frequencies
- ✓ Maintaining Routes



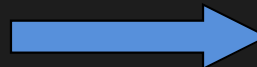
Network carriers

- ✓ Additional Frequencies
- ✓ Alliance Support



Long haul carriers

- ✓ New Routes
- ✓ Additional Frequencies



✓ Optimisation of MTB
Operation

✓ Client Service

✓ Developmental & Risk –
Sharing Incentive Policy

✓ Extensive Marketing
Support

✓ Marketing Consulting

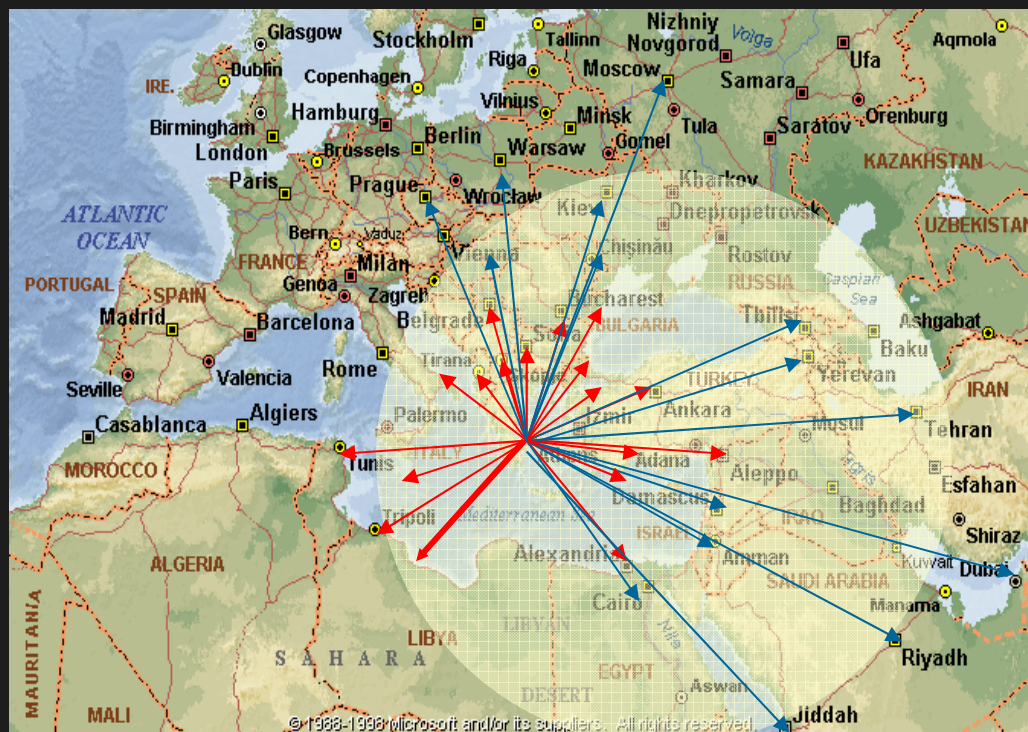
Major prerequisite for the development of a solid Home-Based Strategy:

The existence of a strong home carrier with long-term, developmental plans

II.b. Regional Gateway Strategy aims at further accelerating traffic to/from the regions of Eastern Europe, the Balkans, M.East & N.Africa



Successful regional expansion, growing faster than the total airport's average (+7%) and representing more than 28% of the international passenger traffic



- ✓ Upgrade transfer product
- ✓ Bilateral ASAs facilitation
- ✓ Enhanced incentive Policy
- ✓ Extensive marketing support

Major *constraint* for the development of a Regional Gateway Strategy: The absence of a strong home-based carrier

II.c. The LCCs Strategy focused on the development of AIA as a successful airport for LCCs , opting between the Base-Spoke and the Base-Base Strategy



Dynamic LCC evolution, growing by more than 20% per year

The Base-Spoke (BS) Approach

- ✓ No customised operational concept for LCCs
- ✓ Generic Incentive Policy
- ✓ Marketing Support

The Impact

- ✓ No impact on AIA's operational processes or infrastructure
- ✓ Slower traffic development than other mixed mode airports with LCC bases
- ✓ No real effect on other carriers
- ✓ Higher increase of LCC traffic than rest of carriers
- ✓ Development only on international traffic

The Base-Base (BB) Approach

- ✓ STB utilisation for a new attractive product with a reduced cost structure for all users
- ✓ Differentiated Pricing/Incentives Policy
- ✓ Marketing support

The Impact

- ✓ Development of LCC mini base with domestic and international flights
- ✓ New AIA operational processes and change of infrastructure use
- ✓ Possible reaction from home-based carriers
- ✓ Possible downgrading of corporate value

III. Optimising Airport Pricing consists of a. the airport charges development and b. the existing Incentives Scheme offered to airlines



a. Airport Charges Development:

- ✓ **AIA maintains in 2012 for the 4th consecutive year all its charges unchanged without any inflationary adjustments**
- ✓ **Inline with the results of the May 2011 McKinsey Study no horizontal charges decreases are foreseen given that they construe negative business cases for the Airport Company**



**Foregoing short-term profit maximization
in favour of long-term development**

b. The existing Incentive Scheme offered to airlines is one of the Strongest Incentives Portfolio globally...



- ✈ AIA is offering strong discounts on Parking & Landing charges of the airport (fixed costs for the airlines) up to 100% and for max. 5-year period
- ✈ AIA's incentive cover all possible new developments
- ✈ Additional discounts offered on Centralized Infrastructure charges

AIA Incentives		Discounts on:					
		Landing & Parking Charges					Centralized Infra-structure
		Yr.1	Yr.2	Yr.3	Yr.4	Yr.5	Yr.1
		New Long-haul routes	100%	100%	100%	75%	50%
New Int'l destinations		100%	75%	50%	25%	15%	40%
Additional Long Haul frequencies		100%	50%				20%
Other Additional frequencies		50%	50%	25%	15%	10%	20%
New seasonal frequencies		50%	25%				
Thin routes		25%					
Growth Incentive (3 Int'l Routes within a Year)		100%	100%	New or Add. Routes Incentive			40%
5 th Freedom Traffic Rights		100%	100%	100%	75%	75%	40%

It is, therefore, considered essential to complement the existing market incentives with a set of additional measures for the S.2012 period



- ✓ **The New Incentives will be temporary and targeted, aiming at stopping, at the extent possible, further traffic losses vs. 2011 and reversing the double-digit decline observed in the 1st Q2012,**

via :

- ✈ **Sustaining the same number of flights vs. the previous summer period**
- ✈ **Defending transfer traffic levels**
- ✈ **Capitalizing on the potential of niche-market opportunities**



Aim to contain traffic losses above projected GDP

IV. Niche Markets' Incentive aims at generating additional traffic volumes during a dire period for ATH without jeopardizing the existing markets



- **Countering against increase of direct operations between regional airports and international destinations**
- **Targeting non main-stream markets where there is no direct competition**
- **Offering highly competitive pricing for a certain period of time**

A list of indicative cities and regions include a wide range of destinations in Europe representing a market of approximately 300 million passengers...



Besides the Aeronautical Strategy formation, promoting Airport to Airlines...



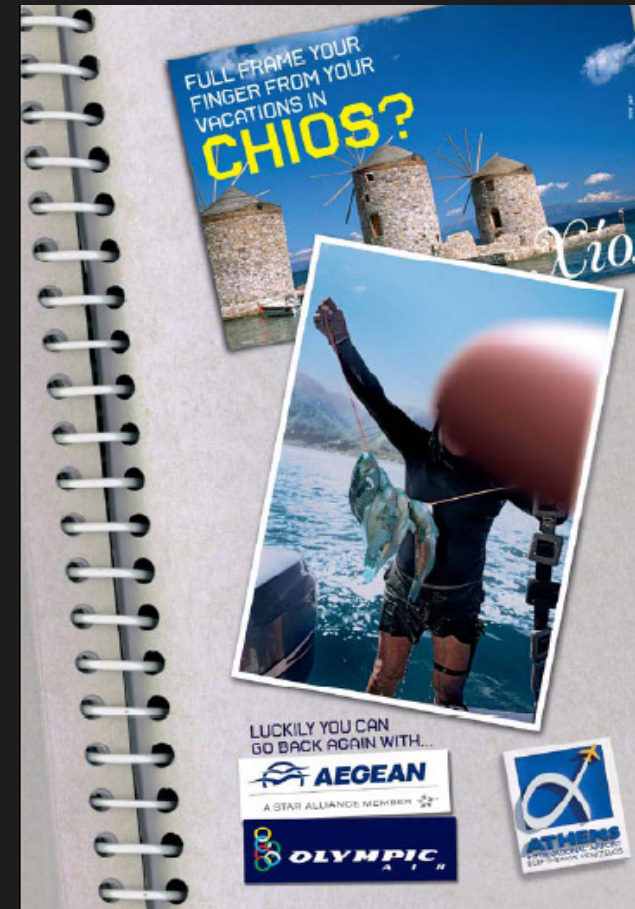
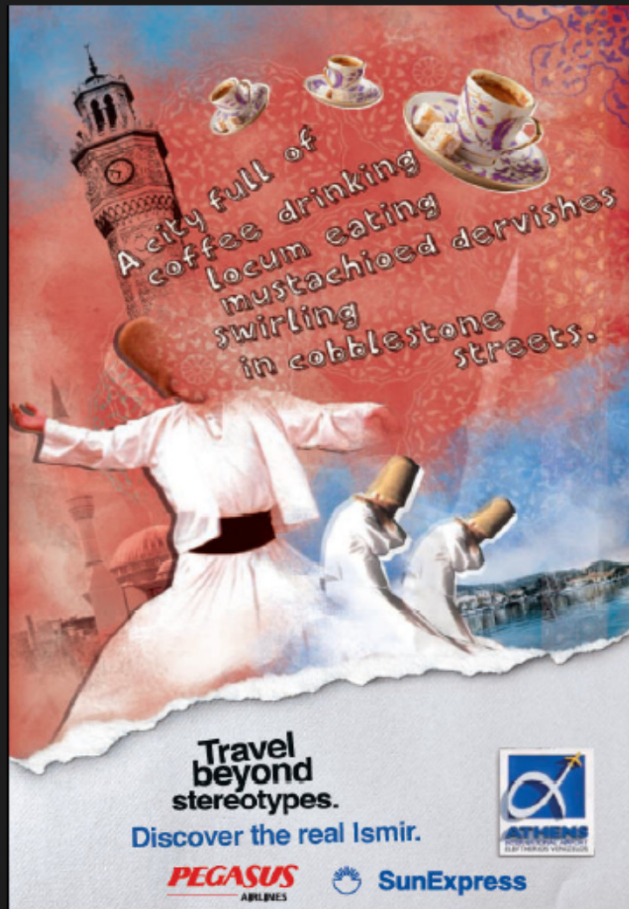
- ✓ **AIA's communication strategy to airlines**
- ✓ **AIA's advertising campaign to airlines**
- ✓ **Contract agreements with international media for AIA promotion**
- ✓ **Implementation of AIA's advertising campaign to international media**
- ✓ **Tactical e-newsletters & e-videos**
- ✓ **Airline Marketing Workshop**
- ✓ **e-Reportair – 4 issues/year**
- ✓ **Continuous update of "we deliver" section at AIA's site**
- ✓ **Organisation of airlines' trade/social events**
- ✓ **Special promo activities in the frame of AIA's participation at IATA Slot and Routes Conferences**

**...as well as Airlines to Passengers are
fundamental tools...**

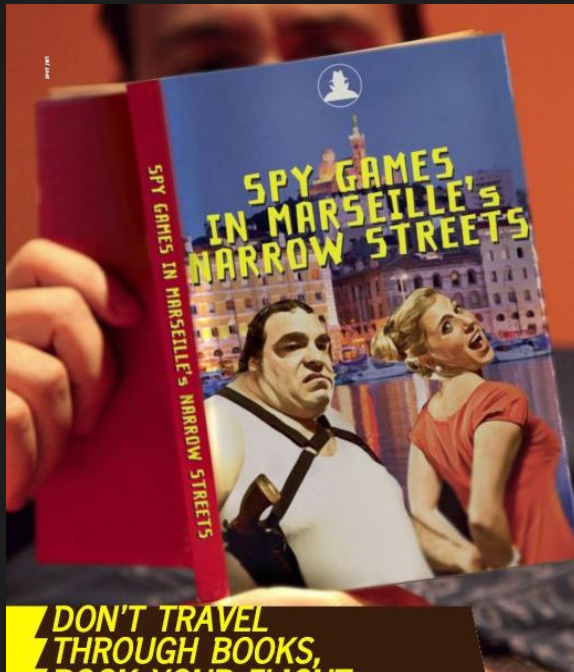


- ✓ **Contract agreements with local media for airlines' promotion**
- ✓ **Implementation of airlines' advertising campaigns at local media incl. airport's advertising positions and internet site**
- ✓ **Ticket Offer Campaign – 2 waves/year**
- ✓ **Destination Campaign – 4 waves/year**
- ✓ **Organization of airline inaugural events**
- ✓ **e-booking / e-check in functions at AIA's site**
and
- ✓ **2board magazine – 4 issues/year**


Promoting Airlines to Passengers Destination Campaigns 2010





Promoting Airlines to Passengers Destination Campaign 2011




**DON'T TRAVEL
THROUGH BOOKS,
BOOK YOUR FLIGHT
TO MARSEILLE NOW!**

AIRFRANCE 







**DON'T TRAVEL
THROUGH BOOKS,
BOOK YOUR FLIGHT
TO PRAGUE NOW!**


 CZECH AIRLINES 





**DON'T TRAVEL
THROUGH BOOKS,
BOOK YOUR FLIGHT
TO MALTA NOW!**

 AIR MALTA



2board: AIA's official magazine



B2B Print Campaign 2010



we deliver!



we deliver!



we deliver!



B2B Print Campaign 2011



Info gate



URL: www.aia.gr/igate

The Integrated Marketing Strategy having contributed to AIA's award with significant Distinctions in all aspects of the airport business



- ✓ "Company of the Year-Transportation" The Stevies Awards (October'11)
 - ✓ "European Airport of the Year" ITM Award (March'11)
 - ✓ "Conde Nast Traveller" magazine award for the high level of airport services (July'10)
 - ✓ "Air Cargo Award of Excellence" for the high level of cargo services (Mar'10)
 - ✓ "Superbrands" Award – "Golden Sun" (Mar'08 – Mar'10)
 - ✓ "GreenBuilding Award for saving energy (May'08)
 - ✓ ATRS 2006 European Efficiency Excellence Award (May'06)
 - ✓ Best Cargo Airport 2006 (Apr'06)
- 
- ✓ Aerospace Industry Awards 2005 (Jun'05)
 - ✓ GreenLight E.C. Award (Nov'04)
 - ✓ Airport Service Excellence Award 2003/2004 - IATA/ACI (Jun'04, Jun'05)
 - ✓ E.FQ.M "Committed to Excellence" Award (Apr'03, Jun'04)
 - ✓ European Airport of the year 2004" ITM Award (Dec'03)
 - ✓ IATA Eagle Award 2003 (Jun'03)

...and top Marketing Awards



✓ In the last 7 years, AIA has been honoured with 10 ROUTES airport marketing distinctions, being...

the only airport in the world with such a record



✓ OAG Airport Marketing Awards

(Sep'05, Oct'06, Oct'07, Oct'08, May'09, Sep'09, May'10, Sep'10, May'11, Oct'11)