

# Salina Airport Authority Board of Directors Study Session

October 24, 2018



**SALINA AIRPORT AUTHORITY STUDY SESSION**  
**Hangar H600, Second Floor Conference Room**  
**2720 Arnold Court**  
**October 24, 2018 – 4:00 PM**

**AGENDA**

1. Call to order. (Weisel)
2. Recognition of guests. (Weisel)
3. Review of air service development from January 2017 to October 2018 (Rogers)
4. United jet service (operated by SkyWest Airlines) to Denver and Chicago six-month review by Gary Foss, managing partner, The ArkStar Group. (Rogers)
5. Review of joint City, County, Airport Authority, SkyWest and Chamber marketing efforts. (Rogers)
6. Next steps discussion. (Weisel)

**Adjournment** (Weisel)

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the slide, creating a modern, dynamic feel.

# Review of Air Service Development from January 2017 to December 2018

Tim Rogers, A.A.E.

# United Jet Service (operated by SkyWest Airlines) to Denver and Chicago six-month review

Tim Rogers, A.A.E.

# SLN

**Salina Regional Airport**  
Airport Authority Board of Directors  
*October 24, 2018*

## Salina to Here



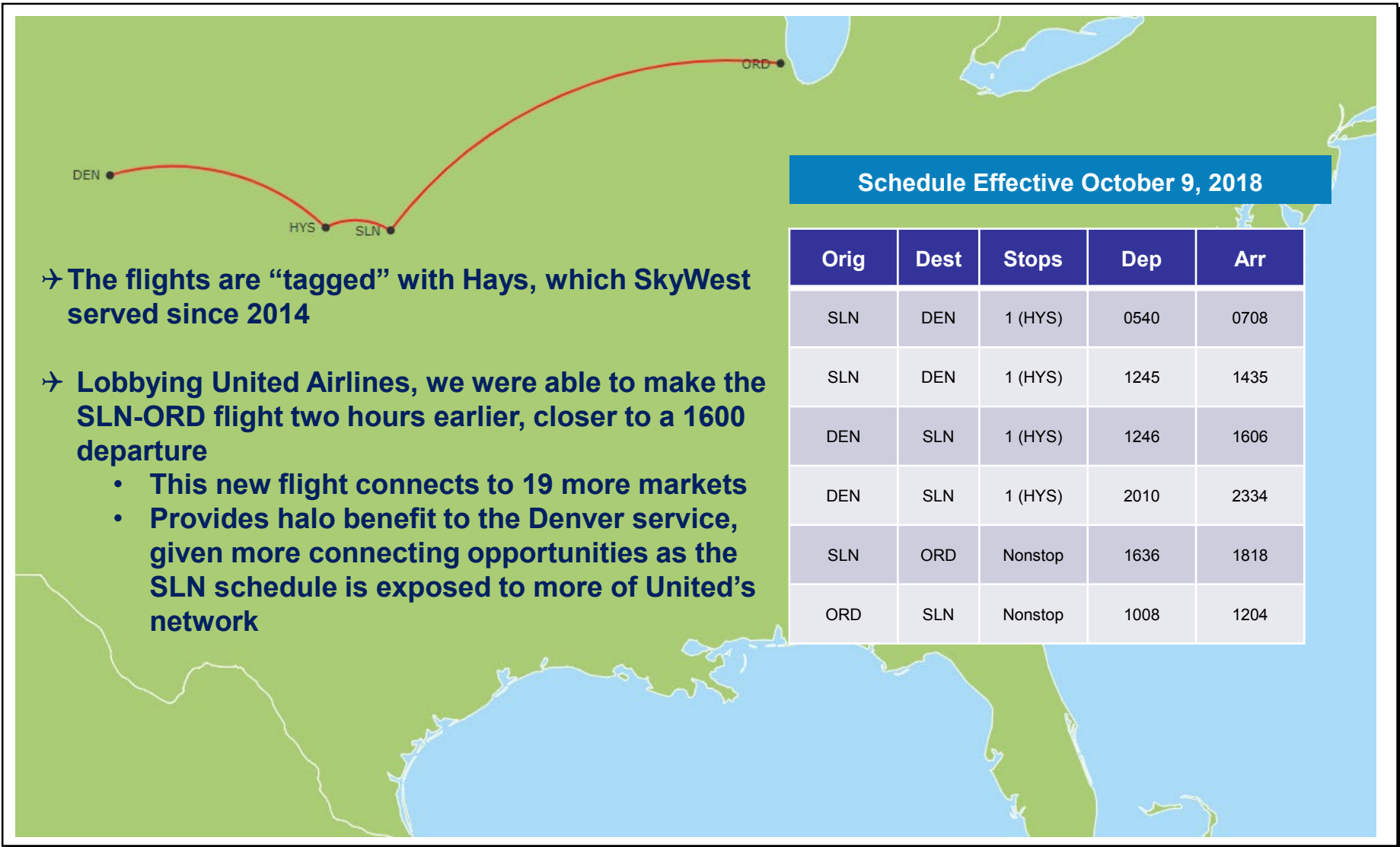
**UNITED** 

*Operated by SkyWest Airlines*

*Fly*  
**SLN**Airport

*Fly*  
**SLN**Airport

**In November, 2018, the city of Salina filed a letter of support for SkyWest Regional Jets with the US Department of Transportation to operate Essential Air Service at SLN and started a lobbying effort. RJ service launched April 9, 2018**



→ The flights are “tagged” with Hays, which SkyWest served since 2014

→ Lobbying United Airlines, we were able to make the SLN-ORD flight two hours earlier, closer to a 1600 departure

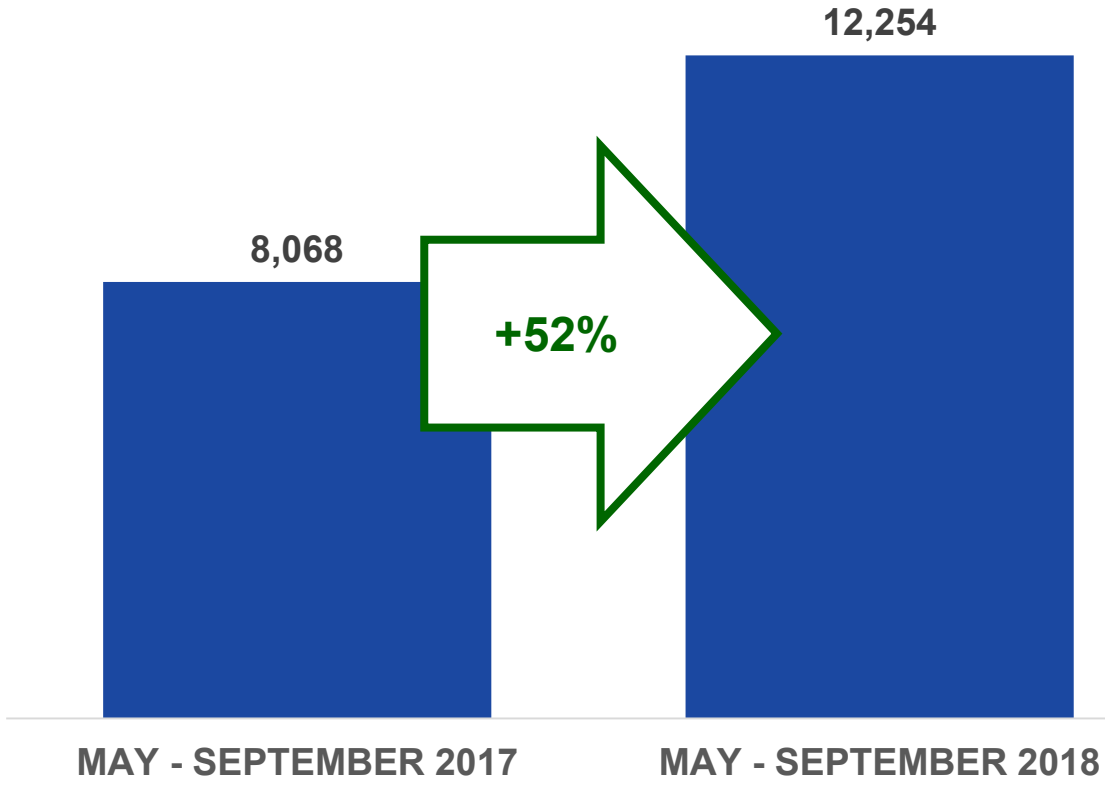
- This new flight connects to 19 more markets
- Provides halo benefit to the Denver service, given more connecting opportunities as the SLN schedule is exposed to more of United’s network

**Schedule Effective October 9, 2018**

Orig	Dest	Stops	Dep	Arr
SLN	DEN	1 (HYS)	0540	0708
SLN	DEN	1 (HYS)	1245	1435
DEN	SLN	1 (HYS)	1246	1606
DEN	SLN	1 (HYS)	2010	2334
SLN	ORD	Nonstop	1636	1818
ORD	SLN	Nonstop	1008	1204

**Showing the power of jet service, in the first five full months of service, SkyWest RJs out boarded the previous Great Lake's prop service by 52% Y/Y**

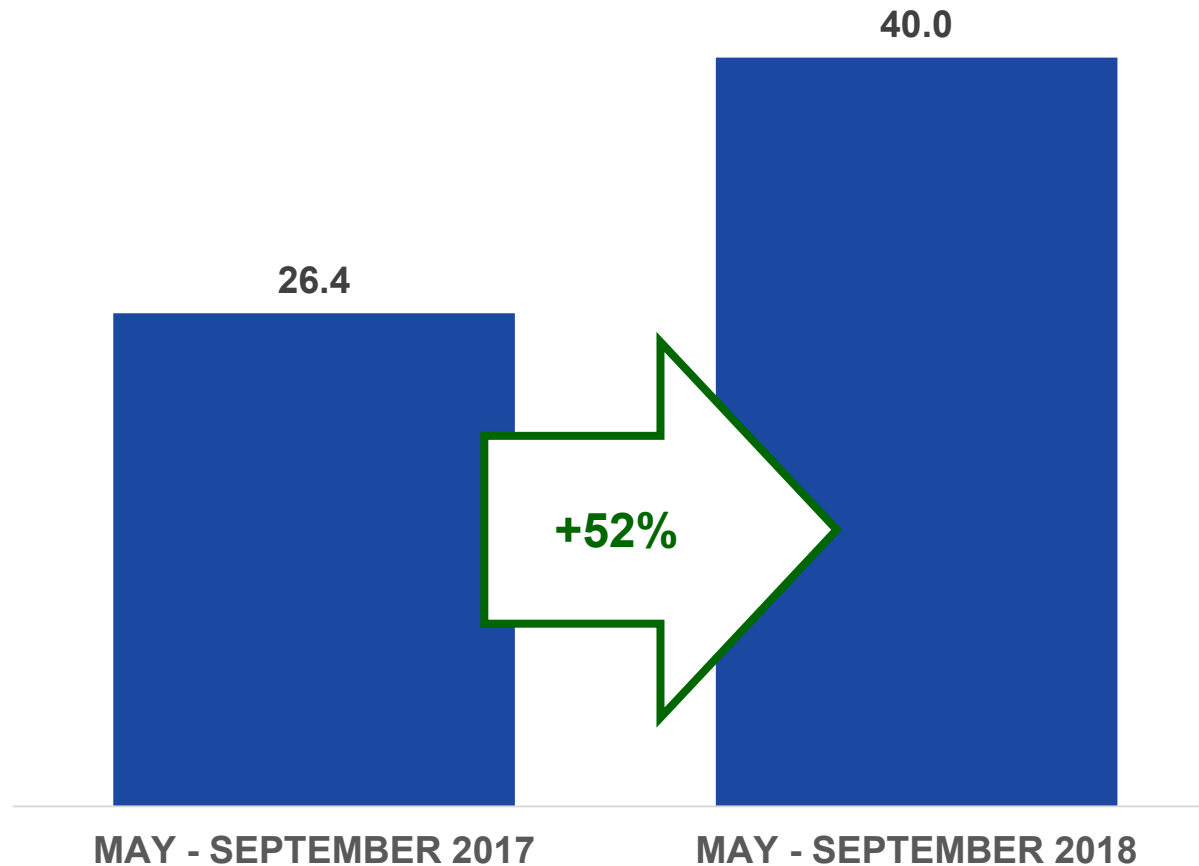
**Total Roundtrip Enplanements:  
May – September 2018 vs May - September 2017**



*2018 Data from SkyWest  
2017 Data from DOT*

# On a Daily Basis, SLN averaged 40 enplanements for the five month period this year, versus 26 last year

Average Daily Enplanements (calculated from roundtrip)  
May – September 2018 vs May - September 2017

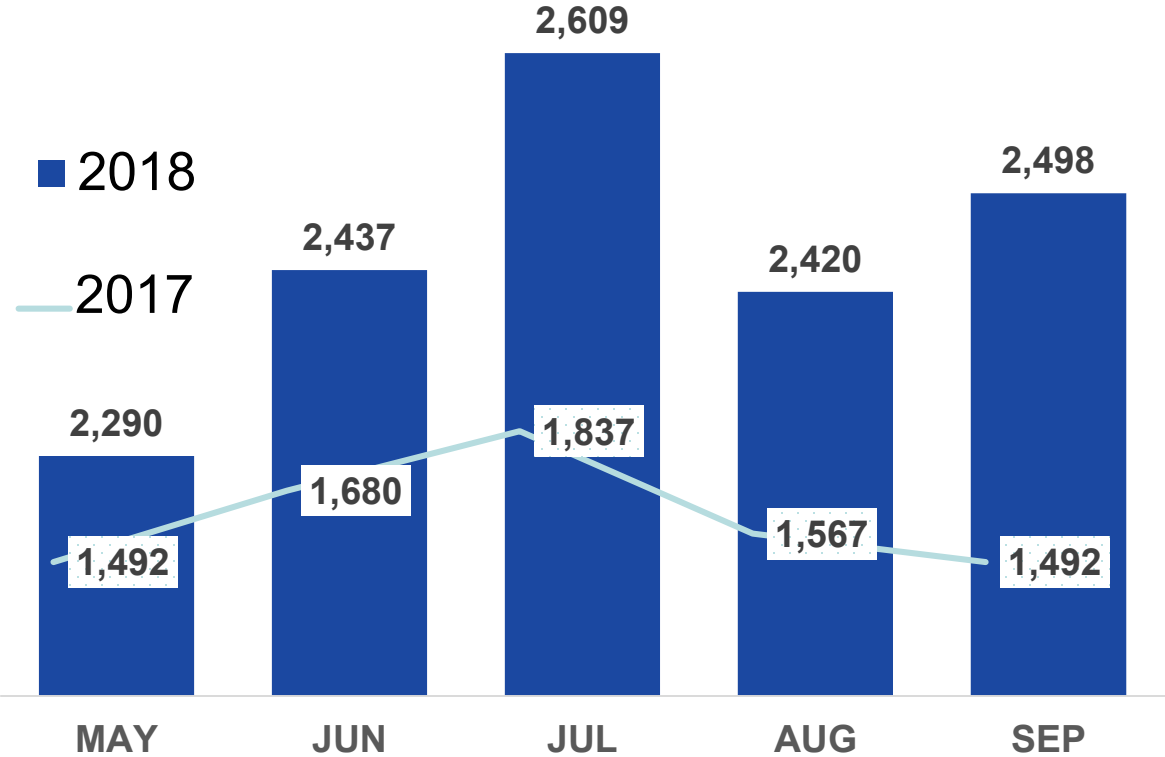




The recent trend indicates that enplanements are ramping up as awareness of the service grows

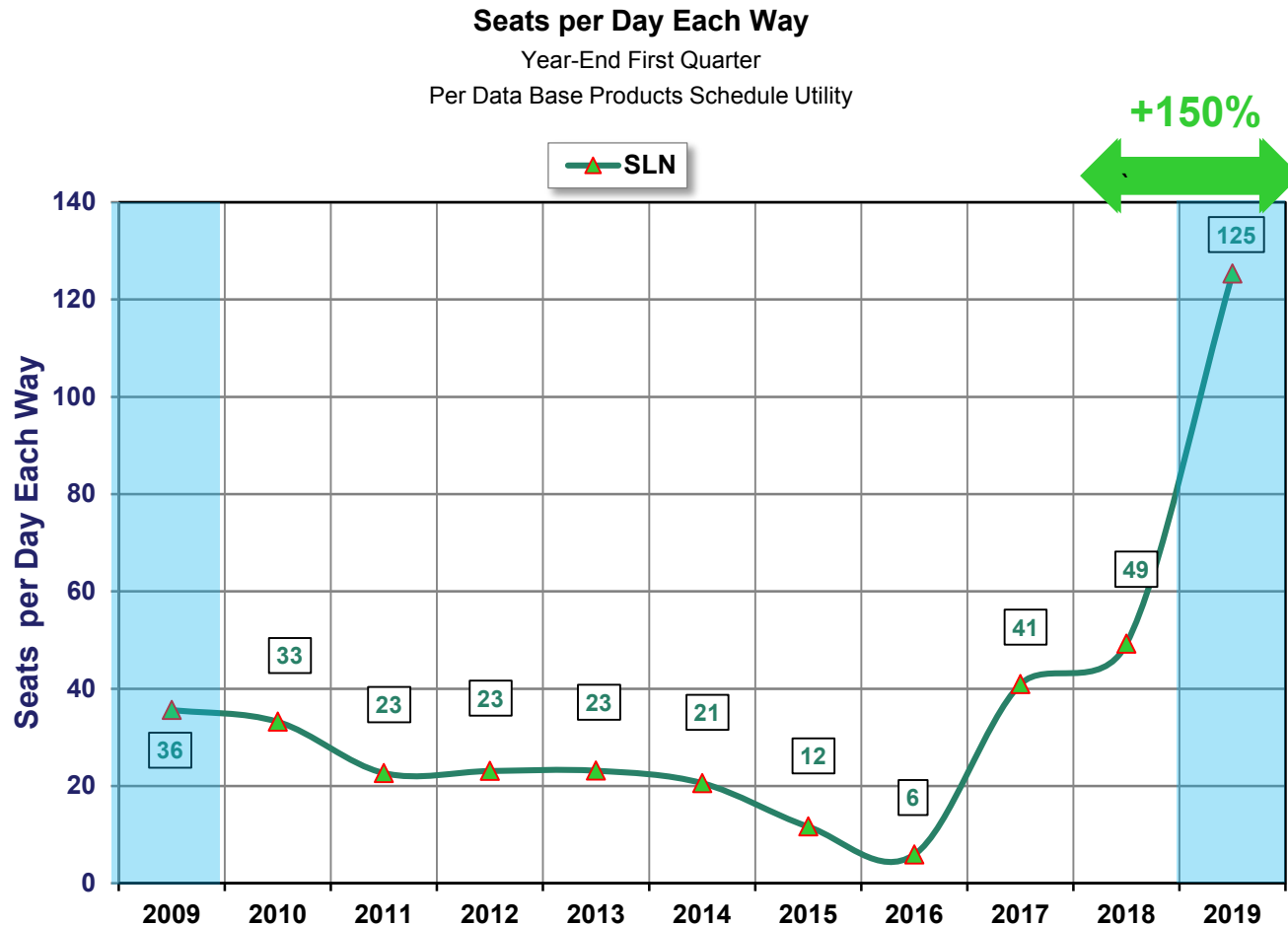
→ Total SLN Enplanements Roundtrip By Month

Total Roundtrip Enplanements by Month:  
May – September



# In spite of the significant yr/yr traffic gain, we are still in the ramp up mode as the RJ's brought a 150% gain in seats to SLN on a full year basis

→ The three network carriers - - United Airlines, American Airlines and Delta Airlines - - rely upon airports to market their individual routes, while they provide broader network marketing support



# As we begin to ramp up, traffic is heavily concentrated in the Chicago and Denver markets, with seven out of ten passengers traveling locally

- This is to be expected until awareness of connecting opportunities grows
- At steady state, we would expect a 40% / 60% split between local and connecting passengers, underscoring the significant growth opportunity on existing service
- Los Angeles, Seattle, San Diego and San Francisco are top connecting “Catchment Area” markets where customers are availing themselves of the service

**August 2018 Flown Top Connecting Markets and Percentage of Whole**

SLN		
Destination	Segment	%
DEN	DEN	38.29%
ORD	ORD	34.24%
LAX	DEN	1.09%
SEA	DEN	1.05%
SAN	DEN	0.97%
BDL	ORD	0.75%
GEG	DEN	0.75%
SFO	DEN	0.75%
TYS	ORD	0.71%
SMF	DEN	0.64%
SLC	DEN	0.60%
BOS	ORD	0.56%
PDX	DEN	0.56%
DCA	ORD	0.52%
IND	ORD	0.52%

**September 2017 “True Market” study of Traffic from the Catchment Area Using All Airports**

TRUE MARKET	RANK	PDEW
IAH	1	19.6
LAX	2	16.6
DEN	3	16.5
ORD	4	13.4
PHX	5	13.2
LAS	6	11.6
ATL	7	11.2
SAN	8	11.0
SEA	9	10.9
PDX	10	8.5
SFO	11	6.4
BWI	12	4.7
CUN	13	4.3
ANC	14	4.3
OAK	15	3.9

Looking ahead, advanced bookings indicate that Salina Regional Airport has a 11% traffic premium over the Hays Regional Airport, even though Hays launched their SkyWest RJ service four years ago

SALINA PASSENGER COUNT (TOTAL ROUND-TRIP)				
MARKET	DATE	DATE	DATE	TOTAL
-	Oct-18	Nov-18	Dec-18	-
SLN-DEN	1,219	638	230	2,087
SLN-ORD	1,047	623	180	1,850
<b>TOTAL</b>	<b>2,266</b>	<b>1,261</b>	<b>410</b>	<b>3,937</b>

HAYS PASSENGER COUNT (TOTAL ROUND-TRIP)				
MARKET	DATE	DATE	DATE	TOTAL
-	Oct-18	Nov-18	Dec-18	-
HYS-DEN	1,627	914	444	2,985
HYS-ORD	338	144	77	559
<b>TOTAL</b>	<b>1,965</b>	<b>1,058</b>	<b>521</b>	<b>3,544</b>

CHANGE				
MARKET	%	%	%	%
-	OCT	NOV	DEC	TOTAL
DEN	-25.1	-30.2	-48.2	-30.1
ORD	209.8	332.6	133.8	230.9
<b>TOTAL</b>	<b>15.3</b>	<b>19.2</b>	<b>-21.3</b>	<b>11.1</b>

→ SLN has a smaller deficit to Denver, where Hays has nonstop service than the premium it has to Chicago

Data from SkyWest

**The Salina Regional Airport has supported the new jet service with marketing centered on six areas: Air Fares; Corporate Sales of United products; Community Engagement; University programs Media and Reporting**

Initiative	
<b>Fares</b>	<ul style="list-style-type: none"> <li>*Special \$89 fare to Denver and Chicago in support of the media campaign</li> <li>*Connecting fares adjusted to be pegged closer to ICT</li> </ul>
<b>Corporate Sales of United Airlines Products</b>	<ul style="list-style-type: none"> <li>*Over 35 companies and organizations in the Catchment area called on</li> <li>*United Perks Plus corporate program sign-ups</li> <li>*United Airlines Mileage Plus Frequent Flyer Match for individual top travelers</li> <li>*Presentations to various community organizations to include Chamber of Commerce and Salina Rotary Club</li> </ul>
<b>Community Engagement</b>	<ul style="list-style-type: none"> <li>*Engagement of the Salina Chamber of Commerce and Economic Development in outreach promoting SLN and United</li> <li>*Area hotels are distributing information to out of town travelers</li> </ul>
<b>University and Educational Institutions</b>	<ul style="list-style-type: none"> <li>*United PerksPlus program</li> <li>*United Meetings discount program</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>*Designed, created and implemented two broad-based marketing campaign focused on product (RJs and United products) and Scope of Service reaching 1.7M impressions</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>*Monthly reporting SLN production, advanced bookings and top markets. Benchmarks for neighboring airport production is reviewed</li> </ul>

## We have encouraged United Airlines to make adjustments to connecting fares from SLN, competitive with Manhattan (MHK) and closer to Wichita (ICT)

### Lowest Fares Available for Travel 11.07.18 Outbound Returning 11.14.18 As of 09.20.18

MARKET	SLN	MHK/AA	CHANGE	SLN	HYS	CHANGE	SLN	ICT/UA*	CHANGE
IAH	359	338	21	359	418	-59	359	317	42
LAX	263	246	17	263	486	-223	263	224	39
DEN	192	308	-116	192	178	14	192	269	-77
ORD	190	237	-47	190	257	-67	190	335	-145
PHX	343	380	-37	343	446	-103	343	194	149
LAS	277	316	-39	277	446	-169	277	239	38
ATL	394	286	108	394	446	-52	394	255	139
SAN	303	296	7	303	486	-183	303	244	59
SEA	279	316	-37	279	486	-207	279	217	62
PDX	287	326	-39	287	486	-199	287	290	-3
SFO	401	354	47	401	486	-85	401	244	157
BWI	297	316	-19	297	486	-189	297	244	53
CUN	443	975	-532	443	547	-104	443	459	-16
ANC	-	544	-	-	-	-	-	567	-
OAK	719	336	383	719	825	-106	719	792	-73
MSY	345	286	59	345	446	-101	345	194	151
TUS	361	316	45	361	446	-85	361	278	83
OGG	745	848	-103	745	739	6	745	708	37
SLC	347	316	31	347	418	-71	347	275	72
IND	361	266	95	361	418	-57	361	194	167
DTW	247	256	-9	247	446	-199	247	272	-25


To broaden awareness of the new jet service, a special \$89 fare was negotiated to both Denver and Chicago and promoted heavily during the month of August


**Salina to Denver**  
**\$89\***  
 one way

---

**Salina to Chicago (O'Hare)**  
**\$89\***  
 one way

[BOOK NOW](#)

**UNITED**  .com  
 Operated by SkyWest Airlines



\*Standard Economy Fare. Book by 8/29/18 for travel through 11/14/18 14 day Advance Purchase and Other Restrictions apply.

**Salina to Denver**  
**\$89\***  
 one way

[BOOK NOW](#)

**Salina to Chicago (O'Hare)**

**UNITED**  .com  
 Operated by SkyWest Airlines

\*Standard Economy Fare. Book by 8/29/18 for travel through 11/14/18. 14 day Advance Purchase and Other Restrictions apply. 

**Salina to Denver**  
**\$89\*** one way

---

**Salina to Chicago (O'Hare)**  
**\$89\*** one way

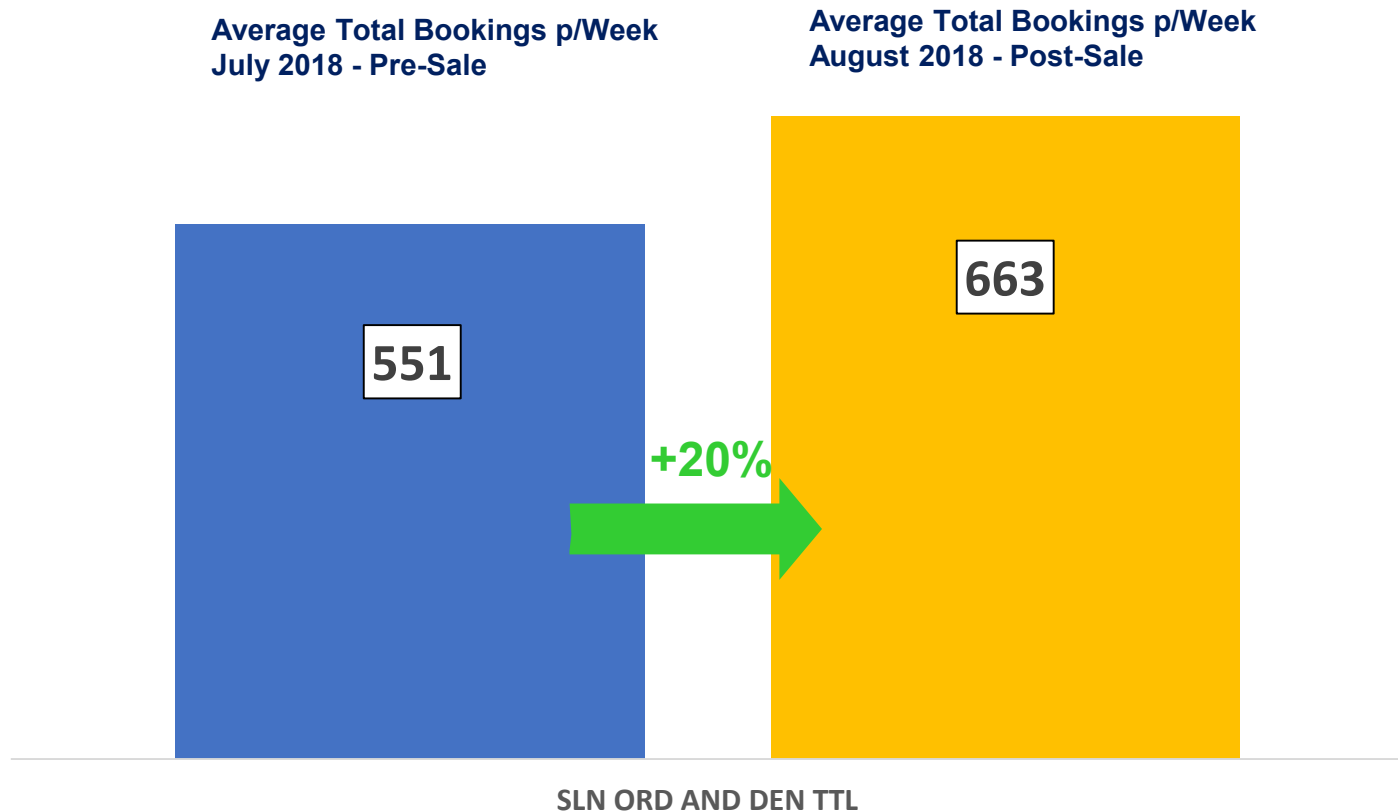
[BOOK NOW](#) 

**UNITED**  .com  
 Operated by SkyWest Airlines

\*Standard Economy Fare. Book by 8/29/18 for travel through 11/14/18. 14 day Advance Purchase and Other Restrictions apply.

# In spite of July historically being a stronger travel and booking month for the industry than August, month over month bookings increased over 20% with the campaign focused on the Chicago and Denver hubs

→ The Chicago market was up 14% mo/mo, while the Denver market was up 26% given the sale



Data from SkyWest Analysis



The \$89 campaign is part of a broader media campaign which has recorded 1.7 million impressions since service launch. Seeing multiple impressions across various mediums increases recall and improves buying behavior



# Go West

United jets to Denver from Salina!  
Great connections to Las Vegas, Los Angeles and San Francisco.

[BOOK NOW](#)



Operated by SkyWest Airlines

# Go West



United jets to Denver from Salina!  
Great connections to Las Vegas, Los Angeles and San Francisco.

[BOOK NOW](#)



Operated by SkyWest Airlines

# Salina to Here



United jets from Salina to Chicago, Denver and to over 110 cities.

[BOOK NOW](#)



Operated by SkyWest Airlines

# Salina to Here



United jets from Salina to Chicago, Denver and to over 110 cities.

[BOOK NOW](#)



Operated by SkyWest Airlines


# The campaign has featured Native Digital ads

The screenshot shows the Food Network website interface. At the top, there are navigation links for 'Recipes', 'Healthy', 'Party Food', 'Halloween', 'Chopped', 'Halloween Wars', and 'Full Episodes'. A search bar is present with the text 'Find Recipes, Videos and More'. The main content area features a large video player for 'Chicken and Dumplings' with a 'CONTINUE' button. Below the video, there is a 'WHAT'S COOKING' section with links to 'Fall Weeknight Dinners', 'Cozy Slow Cooker Meals', and 'Top Halloween Recipes'. A 'Go West' advertisement is displayed on the right side of the page, featuring the text 'United jets to Denver from Salina! Great connections to Las Vegas, Los Angeles and San Francisco. BOOK NOW' and the United logo.

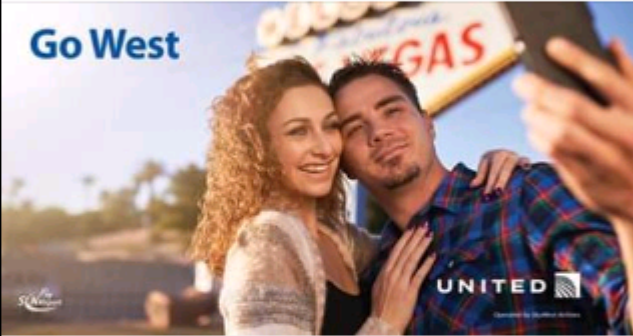
The screenshot shows the CNN website interface. At the top, there are navigation links for 'U.S.', 'Crime + Justice', 'Energy + Environment', 'Extreme Weather', 'Space + Science', and 'Live TV'. The main content area features several news articles, including 'Former baseball star evicted from apartment', 'Former dentist sentenced to life without parole', and '900-pound bear wanders into residential area'. A 'Go West' advertisement is displayed on the right side of the page, featuring the text 'United jets to Denver from Salina! Great connections to Las Vegas, Los Angeles and San Francisco. BOOK NOW' and the United logo. A 'CNN Business Before the Bell' advertisement is also visible at the bottom right.

The screenshot shows the ESPN website interface. At the top, there are navigation links for 'NBA', 'MLB', 'NFL', 'NCAAF', 'Soccer', and 'NHL'. The main content area features several sports news articles, including 'Barnwell: Flaws for contenders -- Who's team', 'Week 7 takeaways: Falcons falling apart', and 'Let's overreact to NFL Week 7: Jaguars should trade for a QB?'. A 'Go West' advertisement is displayed on the right side of the page, featuring the text 'United jets to Denver from Salina! Great connections to Las Vegas, Los Angeles and San Francisco. BOOK NOW' and the United logo. A 'Fantasy' advertisement is also visible at the bottom right.

# Facebook, where Click-Throughs are over four times the industry standard - - 4.28% v. 0.90%

 **Salina Airport Authority** Sponsored · 🌐

United offers daily jet service from the Salina Regional Airport to Los Angeles, San Francisco, San Diego and Las Vegas. Book today at [United.com](https://United.com)



salinaairport.com  
**Your Connection West Bound and Beyond** ➔ [BOOK NOW](#)

👍 15      7 Shares

👍 Like    💬 Comment    ➦ Share

[Refresh preview](#) • [Report a problem with this preview](#)

 **Salina Airport Authority** Sponsored · 🌐

United offers daily jet service from the Salina Regional Airport to Chicago and Denver with convenient connections and great fares to over 110 cities. Book today at [United.com](https://United.com)



salinaairport.com  
**Fly Salina to Chicago, Denver and Beyond** ➔ [BOOK NOW](#)

👍 Like    💬 Comment    ➦ Share

[Refresh preview](#) • [Report a problem with this preview](#)

# Press and Pandora Radio...



**UNITED** .com  
Operated by SkyWest Airlines

## Connections Everywhere.

Book our new jet service out of Hays Regional Airport at [united.com](http://united.com)

Connections at Chicago O'Hare		Connections at Denver International	
Allentown	Indianapolis	Albuquerque	Medford
Albany	Jackson	Amarillo	Milwaukee
Atlanta	Jacksonville	Aspen	Moline
Appleton	Las Vegas	Atlanta	Madison
Asheville	Los Angeles	Austin	Missoula
Wilkes-Barre / Scranton	Lexington	Wilkes-Barre Scranton	Minneapolis
Hartford	New York / LaGuardia	Scotts Bluff	New Orleans
Birmingham	Little Rock	Bakersfield	Montrose
Nashville	Lincoln	Birmingham	Montrose
Boston	Saginaw	Billings	Tokyo
Burlington	Kansas City	Bismark	Oklahoma City
Buffalo	Orlando	Nashville	Omaha
Baltimore	Harrisburg	Bosse	Ontario
Columbia SC	Memphis	Boston	Chicago
Akron / Canton	Manchester	Burbank	Portland
Chattanooga	Miami	Baltimore	Philadelphia
Charlottesville	Milwaukee	Bozeman	Phoenix
Charleston	Moline	Cedar Rapids	Pittsburg
Cedar Rapids	Madison	Cleveland	Pasco, WA
Cleveland	Minneapolis	Charlotte	Palm Springs
Charlotte	Oklahoma City	Charlotte	Rapid City
Columbus	Omaha	Columbus	Redmond
Champaign-Urbana	Chicago	Colorado Springs	Raleigh / Durham
Columbia MO	Norfolk	Corpus Christi	Richmond
Charlestown	Philadelphia	Cincinnati	Richmond
Cincinnati	Peoria	Dayton	Reno
Central Wisconsin	Peotriburg	Washington Reagan	San Antonio
Dayton	Providence	Dallas Ft Worth	Santa Barbara
Washington Reagan	Portland	Dickinson	San Diego
Dallas Ft Worth	Raleigh / Durham	Durango	San Antonio
Duluth	Richmond	Des Moines	San Luis Obispo
Des Moines	Roanoke	Detroit	Seattle
Detroit	Rochester	Eau Claire	San Francisco
Eau Claire	Savannah	El Paso	Shrewsport
Erie	Hilton Head	Eugene	San Jose
Evansville	South Bend	Newark	Salt Lake City
Newark	University Park	Fargo	Sacramento
Fargo	Louisville	Fresno	Orange County
Fresno	Seattle	FT Lauderdale	St Louis
FT Lauderdale	San Francisco	Sioux Falls	Tampa
Flint	Springfield	Spokane	Tulsa
Sioux Falls	St Louis	Grand Junction	Tucson
FT Wayne	Syracuse	Grand Rapids	Knoxville
Green Bay	Tampa	Great Falls	Northwest, AR
Grand Rapids	Tulsa	Huntsville	Winnipeg
Sao Paulo	Traverse City	Washington Dulles	Montreal
Greensboro	Knoxville	Idaho Falls	Vancouver
Greenville	Quincy	Indianapolis	Calgary
White Plains	Northwest, AR	Williston	Toronto
Houston	Ottawa	Jacksonville	
New York / JFK	Montreal	Laramie	
	Toronto	Los Angeles	
		Lubbock	
		New York / La Guardia	
		Little Rock	
		Micland Odessa	
		Kansas City	
		Orlando	
		Memphis	




Carrier 10:59 AM

Adele Radio

ADVERTISEMENT

**UNITED** .com  
Operated by SkyWest Airlines

## Salina to Denver, Chicago and beyond.

[BOOK NOW](#)

Advertisement

Your station will be right back... [Why Ads?](#)

0:04 -0:10



## And Out-of-Home (OOH or Billboards), located on I-70 and I-135



## **SkyWest management is impressed with the intense marketing effort and bullish on the route's prospects**

→ **Quote from Greg Atkin, managing director business development, SkyWest Holdings and member of the founding family of the airline:**

*“SkyWest is very happy with both the promotional efforts as well as the community interest in the service. Bookings are ramping up! We are glad to be in Salina!!!”*

→ **Greg has indicated that he would like to see the Hays and Salina tags separated so that both communities have their own non-stop service to Chicago and Denver when traffic on the flights reaches the appropriate critical mass**

## Three other initiatives are in the works: Expanded community engagement; university programs and pilot recruitment

Initiative	
<b>Community Engagement</b>	*Soliciting the assistance of SLN Catchment area Chambers of Commerce and Convention and Visitors bureaus to promote United products that would add value to their membership and support SLN
<b>University and Educational Institutions</b>	*Workshop on United products under discussion for independent universities, highlighting United's PerksPlus corporate program, MileagePlus, United Meetings discount program and connections which can be made. Ideally a volume based discount for the group can be negotiated
<b>Pilot Recruitment</b>	K-State Polytechnic operates a pilot flight school as part of their aviation department. As the university is interested in growing this program, we are working to see if there is a scenario where they can expand their relationship with SkyWest and make SkyWest the partner of preference

## Findings

- **Salina is community minded and people want to use the airport, if you give them a reason**
  - **The new Chicago service provides a halo benefit to Denver and helps remove the obstacle of single hub service cancelling without back-up**
  - **Fares have got to be continually monitored for reasonableness relative to other airports**
  - **SLN's customer orientation helps**
    - **Because of size and focus provides a level of service that customers will not get at other airports**
      - **Cleanliness, charging stations, fresh food free parking**
  
- **SkyWest excellent operating performance provides an advantage that can be marketed**
  - **There are no cancellations due to the pilot shortage as with previous operators**
  - **SkyWest stages a crew overnight at SLN to ensure a fresh crew is available for the morning departure**
  - **Schilling Aviation provides on-field maintenance support**
  - **TSA has added staff to support good dependability on the larger planes**



## Findings

- **There was little knowledge of United products and the potential value-added to corporations and other institutions prior to jet launch**
  - **Awareness is ramping up given our efforts**

# Review of joint City, County, Airport Authority, SkyWest and Chamber Marketing Efforts

Tim Rogers, A.A.E.

# Fly SLN Marketing

## Print

- Salina Journal
- McPherson Sentential
- Chamber publications
- Reporting Points

## OOH- Billboards

- I-70
- I-135
- Beloit

## Radio

- Eagle
- Rocking M

## AMC-10

- 30 second spot

## TPEC

- Website
- Concourse ads
- Ohio St. Marquee

## Social Media

- Native Digital
- Pandora
- Facebook

## Video Blogs

# Next Steps Discussion

Tim Rogers, A.A.E.