



An introduction to Destination Airline Negotiations – Key Considerations

Prepared by the CTO Aviation Task Force

Efficient air transport is integral to the continued growth and development of tourism in our region and certainly in all archipelagos. We, of course, must acknowledge that it also plays a major role in the movement of people and goods in general, therefore contributing to wider economic development.

More and more, destinations need to question the frequency and reliability of flights and the type of aircraft to be used, bearing in mind that airlines shift aircraft depending on if market conditions are desirable.

This guide is a simple outline of general tourism negotiation requirements. Its use is broad-based and is intended primarily for tourism officials that interface with airlines. It is not intended as the ultimate guide but if followed can offer a measure of support in the preparation process.

The path to successful negotiations begins with preparation!

Tourism officials need to ensure that they have the relevant information to hand on both their tourism product, as well as, on the potential airline partners. Always be analytical and objective.

Destination Data Requirements

- **Be clear** on your objectives before entering into airline negotiations e.g. Are you looking for new service? Are you hoping to restore a service? Are you seeking to expand an existing service?
- **Be well versed** in your destination's performance data - arrivals, generating markets, travel patterns, key markets and potential opportunities.
- **Research your best options** for airline partners, by market, based on data.
- **Select the best airline option** based on your destination data.
- **Discuss plans with your internal partners** ensuring that you include your civil aviation experts.
- **Ensure that you have had input** from public sector and private sector stakeholders to determine the growth potential of your tourism sector.
 - Are any of your hotels expanding?
 - Are there new entrants in the sector?
 - Have any large international brand chains been established?
 - Are you forecasting growth and from where? This gives leverage if there is increased demand for your destination.

Airline Data Requirements

- **Compile a profile on each airline partner** that has been identified based on your destination data - flight capacity in your region, pending consolidation with other airlines, negotiating style, etc.
- **Be aware of your competition** in the region as well as outside of the region.
- **Keep up-to-date** on new service in your area by your potential partners.
- **Be aware of the financial status** of the airlines under consideration as partners.
- **Be clear** on whether, as is now the practice, the airline partner expects the destination to take risk on the flights in terms of a revenue guarantee.
- **Determine** your 'walk away' point specific to the airline's demands.

Let Them Know Why They Should Want To Work With You!

For more information about the CTO Aviation Task Force, please visit <http://www.onecaribbean.org/our-work/advocacy/aviation-task-force/>

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