

We are here to help

The CTO's mission is to provide to and through its members, the services and information needed for the development of sustainable tourism for the economic and social benefit of the Caribbean people.

ADVOCACY

CTO provides a wide range of advisory services to international institutions, national governments and public and private sector organizations.

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AVIATION TASK FORCE

A Guide To Destination Airline Negotiations



*Leading Sustainable Tourism—
One Sea, One Voice, One Caribbean*



INTRODUCTION

A number of our member states have indicated the need for assistance in an approach to negotiating airline service from a destination perspective. Whilst air transport is integral to the continued growth and development of tourism in our region and certainly in all archipelagos, we acknowledge this mode of transport is not specific to tourism and that it plays a major role in the movement of people in general and that of goods.

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 as negotiating for air service is one of the most important acts undertaken by tourism officials and should not be taken lightly, neither should it be done in isolation.

This is not intended as the ultimate guide but if followed offers a measure of confidence in the process.

It has long been agreed that the path to successful negotiations is the act of preparing. 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.

PREPARATION

Destination Data Requirements:

- ◆ Be clear on your objectives in looking at airline negotiations e.g. looking for new, restoring or expanding 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 social partner input 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? 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 (if made public).
- ◆ Be aware of your competition in the region as well as outside of the region.
NB: Airlines shift aircraft from one part of the globe to another based on changing market conditions.
- ◆ 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!

