

Network Planning

Decision Drivers and Influencing the Outcome

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How Does an Airline Grow?

1

Find new markets

- Served by others but not me
- No service at all



2

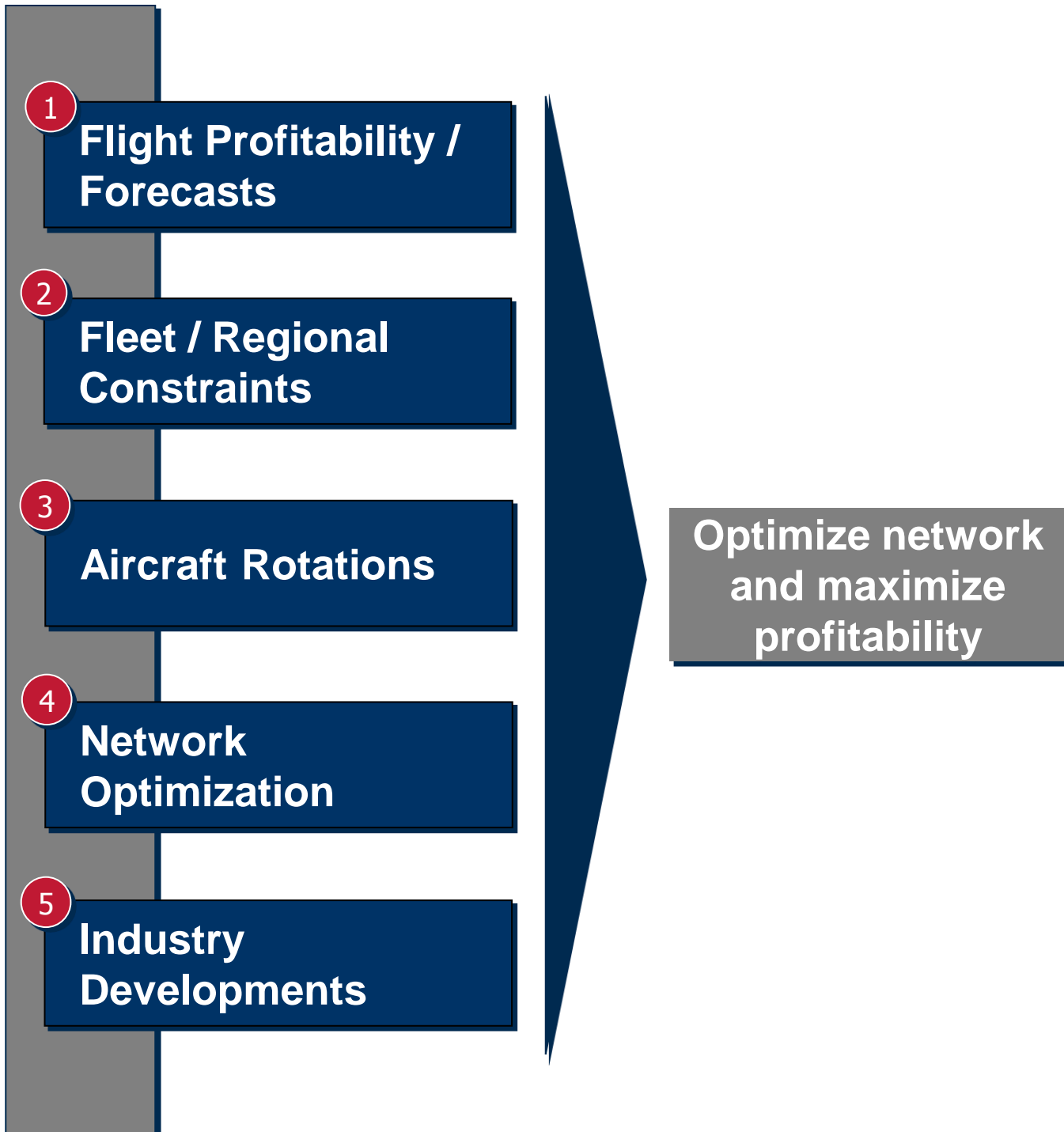
Move share in existing markets

- Add frequencies
- Operate larger aircraft



1% of U.S. industry revenue share >\$1 billion

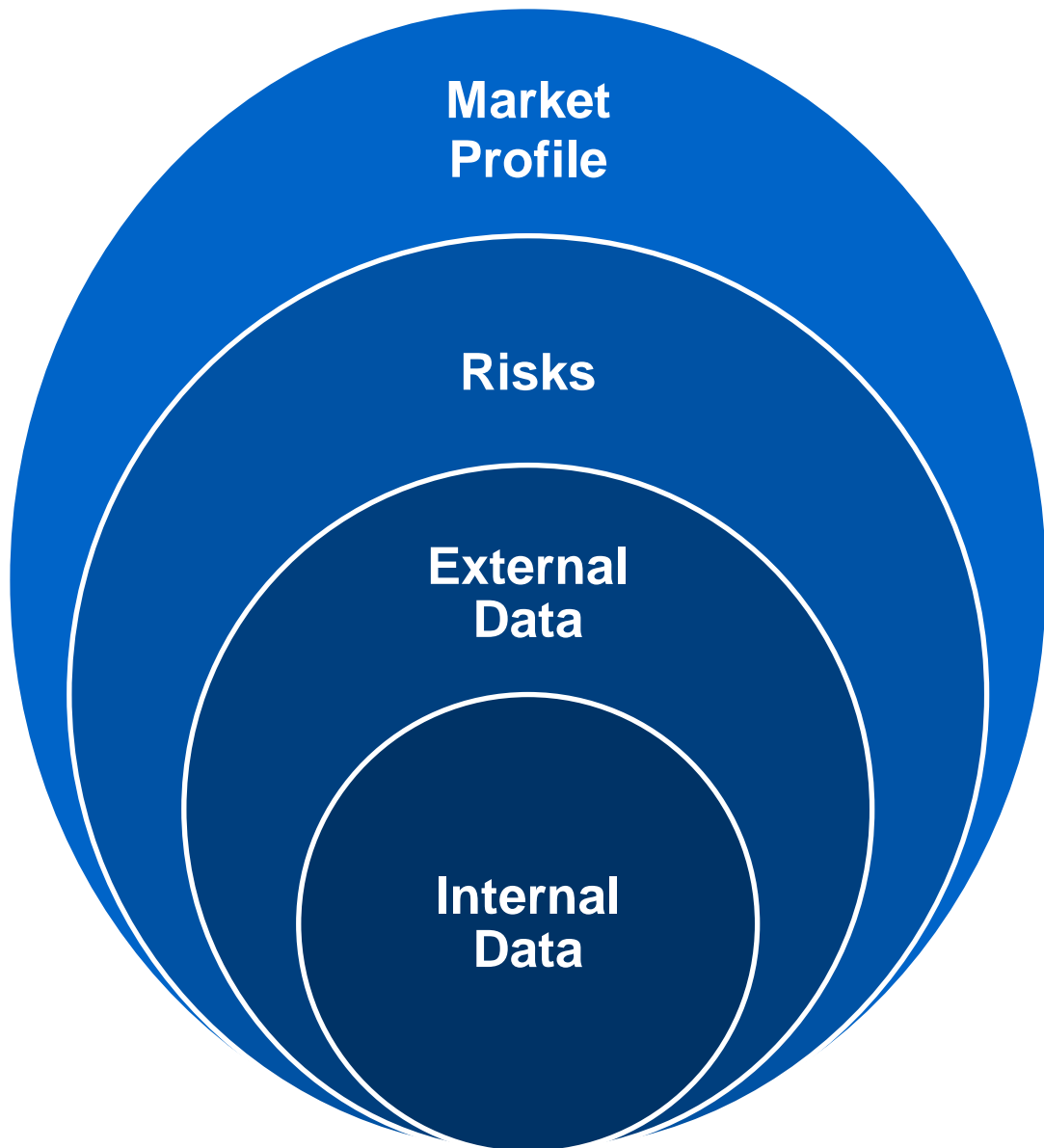
Market Selection and Schedule Drivers



Flight Profitability and Forecasts

Start with a
wealth of data...

...determine what
market to forecast



Is the Market Assessment Positive?

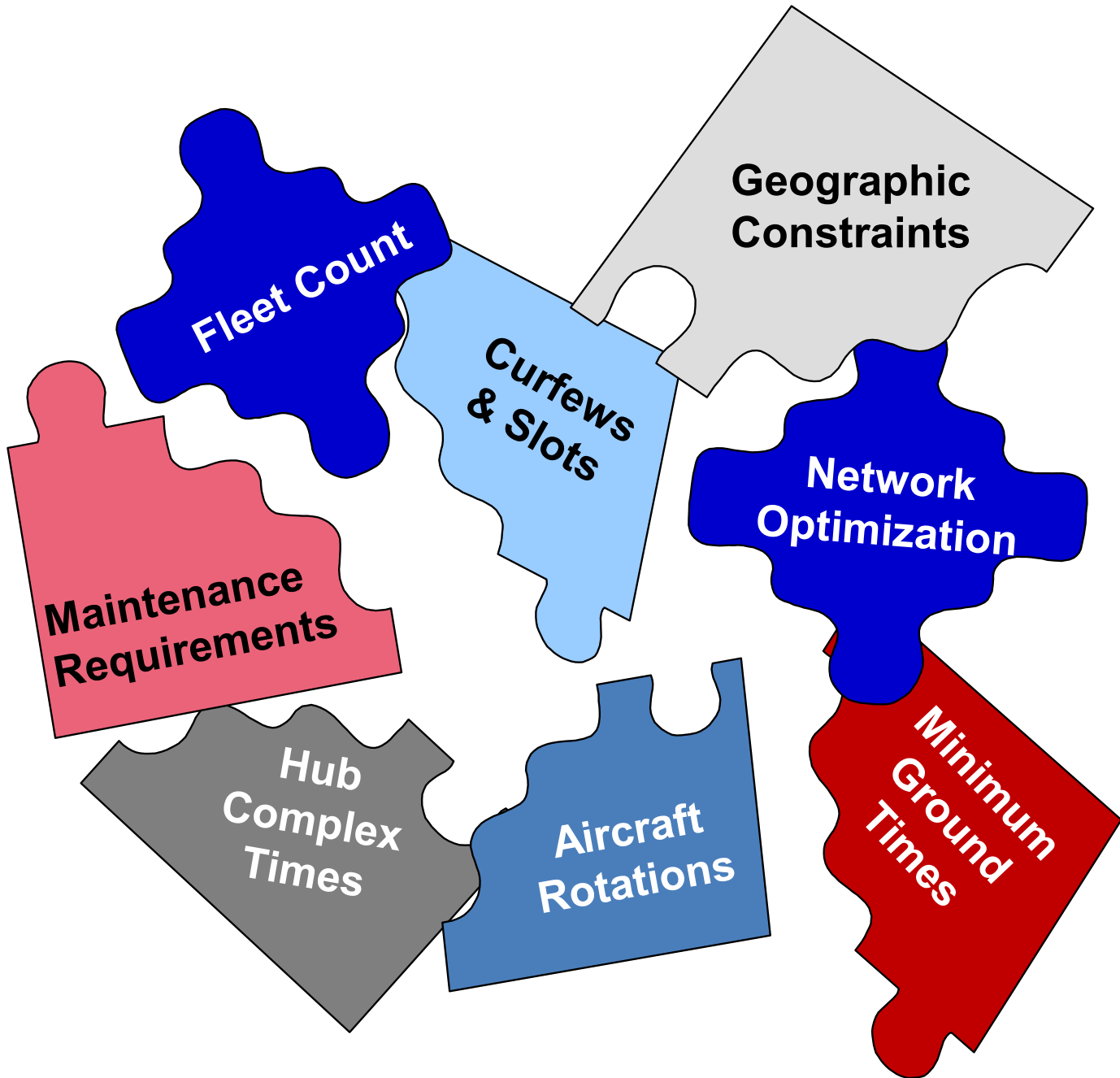
Profitability is the main criteria for assessing a route, though other factors are weighed



- **3-Month Landing Fee Abatement**
- **Newsletter Publications**
- **If you fly it, they will come...**

- **Forecasted Performance**
- **Historical Demand**
- **Economic Growth**
- **Competitive Position**
- **Passenger Profile**
- **Sales Agreements**
- **Community/Airport Partnership**

Operational Constraints Are Considered

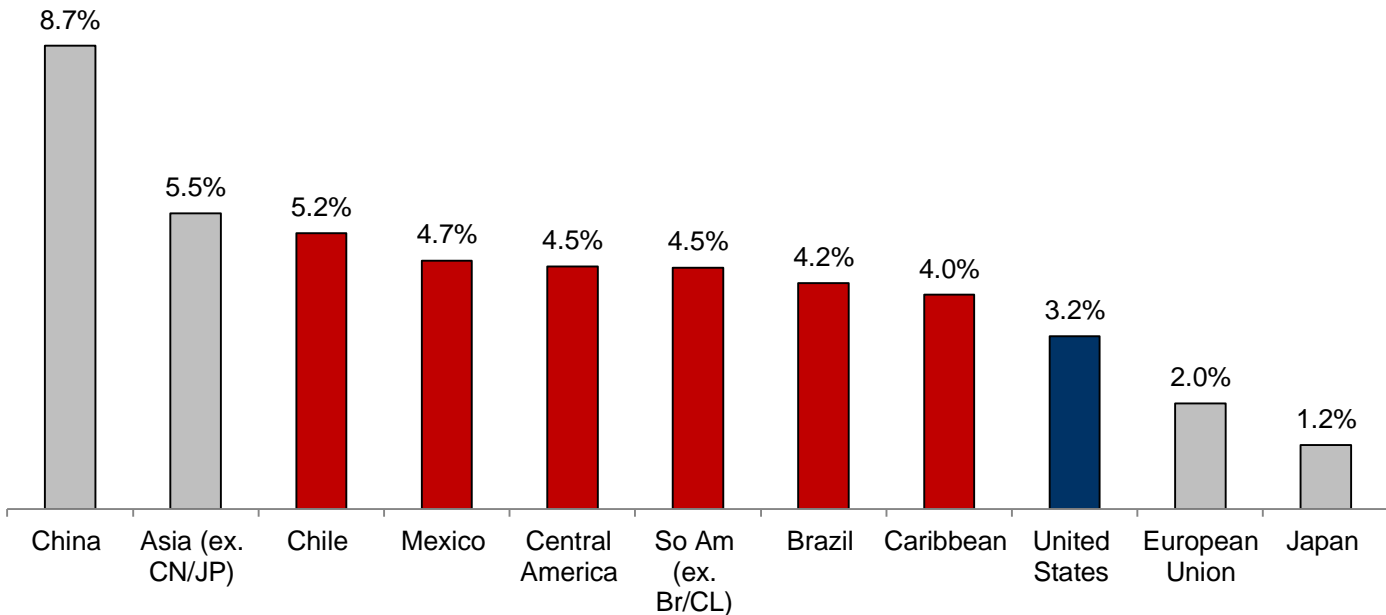


Industry Developments

Does industry capacity align with forecasted GDP?

- US-Latin America/Caribbean up 6%
- US-Japan down 1%
- US-China up 18%
- US-Europe up 8%

Forecasted GDP Growth Rate 2014-2019



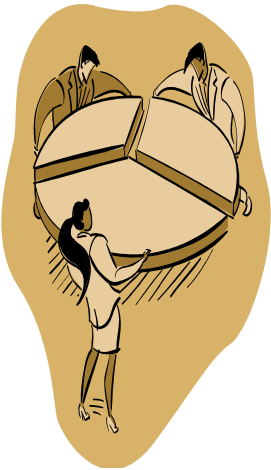
Capacity based on Mar'14 v Mar'13
GDP from IHS Global Insight upd Sept 2013

How Can I Influence an Airline's Decision



Build a relationship with Network Planners

- Visit once per year (“Routes” is perfect)
- Speak quarterly



Can you help mitigate the airline's risk?

Do you have information/data that the Planners don't know?



Be creative

- While new markets must fit with an airline's strategic direction, most are open to hearing your proposal

Thank You

