

Relationships Matter

JumpStart® contacts, networking helped hub-stripped PIT land on two feet

In 2001, Pittsburgh International Airport (PIT) was US Airways' largest hub with over 500 flights per day. At that point, PIT accommodated 62.5 percent connection traffic and 37.5 percent origin and destination (O&D) traffic.

Five years later, the numbers have essentially swapped. O&D traffic has climbed up to over 76 percent and connecting traffic is in the 23 percent range. And far removed from a hub airport, US Airways' operates one-third of its previous schedule, with a mere 165 daily flights to 56 nonstop markets.

Losing over 300 daily flights and its hub status could be a calamity to some, but PIT Director of Air Service Development Lucinda Harshman turned this dramatic air service challenge into one of Pittsburgh's greatest opportunities.

"Since the pull down of the US Airways hub here in Pittsburgh, we have been working both with new carriers and carriers that existed here already," Harshman said, recounting efforts to hit both the phones and the road. "We went to them, and started making trips and talking to them on a regular basis about the markets they are strong in and might be able to protect."

All of PIT's major carriers – United, Delta, Continental, Northwest and American – stepped-up and either added new service or additional service to markets they served already.

For example, United Airlines introduced service to Denver International Airport and American Airlines launched new routes to New York's LaGuardia Airport and Miami International Airport. Meanwhile, Delta Air Lines added service to New York's John F. Kennedy International Airport.

"What we did was prioritize," Harshman said. "Frequency into our main business cities was our first priority, and then we wanted to make sure our other top business markets were covered."

Small market gap

While carriers quickly filled US Airways void with new flights to each airline's respective hubs, Pittsburgh was not so quick to regain service to smaller markets once-served by US Airways, which the airline now connects to its surviving hubs at Philadelphia International Airport and Charlotte Douglas International Airport.

"If you don't have connections coming out of Pittsburgh like you do with a hub, it's hard to hold on to the feeder routes that link people in to a larger route network," Harshman explained.

PIT's tactic to stimulate traffic in these routes and grow its O&D began with stronger efforts to meet and talk to low-cost carriers that could potentially bring in competition.

The strategy proved successful

"We've seen a huge growth in our O&D traffic from where we had been in the past, and a lot of that new traffic has been stimulated by the entrance of the low-cost carriers," Harshman said. "The low-cost carriers have brought in new services along with more competitive pricing in major business markets such as New York, Chicago, Washington, Philadelphia and, in June, Boston. We definitely do not down play the importance of being



Pittsburgh Rebound

a focus hub for US Airways, however it is clear to see that PIT has transitioned from its total dependence on connecting passengers to become a self-sufficient origination and destination gateway to the region.”

New entrant outreach

Since US Airways went into its first bankruptcy and subsequently cancelled its lease agreements at airports including PIT, the airport has moved quickly to attract service from new entrant carriers and on new routes.

USA3000 started service in 2004 with less than daily service, but the eight markets they serve have done extremely well.

Southwest Airlines began service in April 2005 with a significant influence on the market. They started with four markets and 11 flights, and then added two more markets and nine more flights in October 2005.

Midwest Airlines came in to operate between Milwaukee's General Mitchell International Airport and PIT, and they subsequently came into Kansas City International Airport from PIT in October 2005.

PIT is currently anticipating the arrival of JetBlue, which will commence service from the airport on June 30. Initially, JetBlue plans to launch four daily flights each between PIT and both Boston Logan International Airport and JFK.

Marketing efforts

Harshman attributes some of these recent wins to relationships fostered through JumpStart®, ACI-NA's signature air service development program.

“A lot of it has been building up relationships with the carriers and their planners and marketing divisions, and a lot of that is accomplished through meetings like JumpStart,” she said, noting her involvement as the lead for ACI-NA's Marketing and Communications Committee Air Service Working Group.

“Of course I have been very involved with JumpStart for a long time and I believe it is the best way to meet airlines, talk to them and build relationships.”

Although the JumpStart meetings are short, Harshman said these 20-minute interactions provide tremendous opportunity to begin strong working relationships with airlines.

“We can give the airline a good case to interest them in Pittsburgh, and then request a follow-up meeting at corporate,” she said. “At that point, it is up to them as to whether they want to pursue it further. If they do, we take a trip to see them and give a much fuller presentation.”

Harshman said JumpStart has been vital to relationships in some cases where the airport already has existing carrier service.

Although far less than it once was, US Airways' role at PIT is still very important to the airport that has seen a recent abundance in low-cost carrier activity.



“We may set meetings with our existing carriers so we can talk to them a little bit about how their markets are doing and see if they may need anything. This works well in a situation where a corporate meeting may not be necessary, but we want to talk to them and get them thinking about adding a larger plane here or downsizing aircraft size in a market there.

“So there are a lot of things that are accomplished at JumpStart and it's not always the same thing. There are just so many ways that this works, and you need to find the niche for your airport that this works as.”

Direct correlation to success?

“Absolutely,” said Harshman. For PIT, new air service has resulted directly from the unique opportunities provided at JumpStart.

“A couple of years ago I was talking to Midwest Airlines about the Kansas City market, and the San Diego market that was being pulled down,” she recalled. “I worked with San Diego and Kansas City to put enough facts together from all of these cities to get a connecting flight.

“So it isn't only a non-stop market you may get, but it could be a direct market that has a flight number that goes directly through so your customers don't have to change planes. That may be where you start, and if it is successful, perhaps you add a non-stop later.”

What's the big success story that has helped Pittsburgh turn around?

“JumpStart certainly has helped us to open doors and to get to know many of the airline planners that we e-mail and phone throughout the year. It has also helped us to make initial contacts with some of the regional carriers we may otherwise have never spoken to directly,” Harshman said. “JumpStart encourages relationships and this has been very important to us at PIT, as we transitioned from a major hub airport into an O&D airport.” ■