



International Congress and Convention Association

Working with airlines

Ideas and advice for international
association meeting planners and
decision makers



ICCA Intelligence

Sector booklet – Content

1. Introduction

2. Working with airlines

2.1 Introduction

2.2 International Associations

2.3 Airline partnership with other meetings industry suppliers

2.4 Measuring Airline-relevant data

1. Introduction

ICCA

ICCA. International Congress & Convention Association, established in 1963 represents the main specialists in handling, transporting and accommodating international events and comprises over 850 member companies in more than 80 countries worldwide (congress travel agencies; airlines & alliances; professional congress organisers (PCO's); convention bureaux; congress centres; meeting hotels; consultants, publishers and technology specialists). International meeting planners can rely on the ICCA network to find solutions for all their event objectives: venue selection; technical advice; assistance with delegate transportation; full convention planning or ad hoc services. ICCA members represent the top destinations worldwide, and the most experienced specialist suppliers.

This guide is associated with ICCA's electronic newsletter to the international association community, "ICCA Intelligence", which publishes regular abstracts on subjects which can help you run more efficient and effective meetings. To be added to the mailing list, please contact Ronaldo Cardano at ronaldo@icca.nl.

Finally, this booklet is a live document which will be regularly updated in order to go hand in hand with the continuing changes in the meetings industry. If you have any suggestions or would like to see a special topic covered please contact Ronaldo Cardano at ronaldo@icca.nl.

2. Working with airlines

2.1 Introduction

This particular section has been produced as a practical educational guide for both association executives and ICCA members on how to deal effectively with the airline industry in the 21st century. This industry has grown up in tandem with the development of the international meetings industry, but structural changes over the last decade have changed the relationships and opportunities for partnership between meeting planners and their delegates, airlines, and other ICCA suppliers.

The contact persons listed on the ICCA website are those who specialise in the association market segment: please contact them for additional advice at www.iccaworld.com.

The new airline environment

The airline world has undergone a revolution in the last decade: budget airlines are here to stay; some of the established "legacy" carriers are only just able to remain in business, and some companies have ceased to exist. Global alliances rule the long-haul marketplace, and are facing the challenge of no frills airlines on short haul routes. A new generation of aircraft from both Airbus and Boeing will be coming into service in the next few years, further accelerating the processes of competition and innovation. Add to this a wildly fluctuating market for fuel, the airlines' largest expense, and the pressure on the entire business sector becomes apparent.

Why are airlines and alliances interested in partnerships with international associations?

Many airlines and alliances, and certainly the ones in ICCA membership, recognise that international association events offer an opportunity for them to influence their market share, whether by helping to win the bid for a destination where they are a strong carrier, or by promoting to delegates to boost their "natural" level of market share (the amount of business they would in theory win if they did not invest in promotion or other partnership activity). They also recognise that many conference attendees are potential business class or full fare economy ticket purchasers, whose impact on profitability is far greater than the average customer.

The airline executives responsible for these partnerships need hard evidence to persuade their superiors of the merits of such deals. Meeting planners need to be aware that without clear facts and figures to demonstrate the capacity for the airline to win increased market share, the chance of forging an effective partnership is much reduced. The days when national airlines supported bids for international events for reasons of national pride are long over. Bottom-line financial impact is an absolute necessity today and for the foreseeable future.

2.2 International Associations

Key points when negotiating with airlines:

I) When does your event take place?

Most airlines and alliances are only interested in setting up a formal agreement between 3 years and 6 months prior to the event taking place. However, if you are organising a particularly large event with a longer lead time and you want to get the airline involved as a partner in the bidding process, there are exceptions to this timeframe. Actual delegate booking can only commence one year prior to the event, since airline booking systems are typically not designed to handle earlier requests. It is recommended to shift meeting dates to the periods which avoid capacity constraints (depending on airline/area).

II) How many delegates attend and where do they travel from?

At the very least, you should have internal statistics from past events showing nationalities of



attendees, patterns of growth or regional variation. Many airlines and alliances require specific minimum delegate numbers before they will invest in partnership with an event organiser: below 500 delegates you will typically have to make a very special case before any of the airlines will enter into negotiation. Be sure of your figures before approaching them. If you have accurate data on airline use at your most recent event, this is the ideal analysis to use.

III) What is the status of your bid?

Do you need airline support to secure the bid for a particular destination, or has the venue been selected? The answer will have a big bearing on what sort of partnership is possible, and whether it is best to approach an individual airline, or one of the big alliances.

IV) What key objectives do you have for the partnership?

It is vital to determine the basis of your working relationship from the outset. Once the agreement is set, additional requests (eg a late upgrade for your VIP speaker) are no longer part of negotiation, they are effectively "begging for favours". Refer to our checklist to make sure you have covered all the possibilities and have identified which have the highest priority for you.

V) What benefits can you offer the airline or alliance?

Be clear about what you are offering to make the partnership worthwhile, whether you promote "official airline" status, or a less formal arrangement. Be clear about how much influence you have over your delegates' travel decision-making. Spell out the promotional and booking channels in which you will promote the airline or alliance exclusively. Remember the airlines' motivation: they want to improve their market share above the "natural" level they would get if they were not partnering with you.

What kind of support can airlines offer?

We have listed here check-lists of possible airline support and benefits that are of interest to them. It must be stressed that each item needs to be negotiated with the airline, and that the meeting planners should set priorities since only some items are likely to be offered.

Bid stage partnership - checklist:

- Airline participation on bid committee.
- Airline letter of intent/support included in bid documents.
- Airline assistance with site inspection tickets and/or upgrades.
- Airline presence at bid presentation.

NB: at the bidding stage your partnership will inevitably be with a specific, perhaps "national" airline, rather than with an alliance. The latter cover the globe and have to avoid "taking sides" in competitive national bids. Once the destination is confirmed, the individual airline belonging to an alliance will almost inevitably wish to involve their partners in the alliance to a greater or lesser degree, but may sometimes wish to retain "official" status for themselves alone.

Benefits that associations can offer to airlines:

- "Official airline" or "Official alliance" status.
- Exclusive logo presence in all printed material.
- Complimentary advertisements in conference programmes and other association publications.
- Providing a list of potential and actual attendees for the conference in order for airline to promote transport to the event.
- Exclusive mention in association and event websites, including links to airline booking



engines (NB if the association members have a particularly valuable business profile, the opportunity for the airline to market to the entire membership should not be underestimated, especially if member numbers are significantly higher than likely delegate numbers).

- Proactive marketing to inform delegates about promotional flight offers and about the range of potential routes using the “official airline” and its partners, and to encourage early booking.
- Meeting planners to provide sales lead contacts, subject to the approval of the delegates and the applicable legislation.
- Distribution of airline collateral material to delegates (eg invitations to join Frequent Flyer programme).
- Recognition of airline during the event (eg invitations to VIP events; logo presence on signage; name mention during key elements of the event; airline executive as speaker if the conference is on a subject relevant to airlines).
- Complimentary participation in the conference programme or workshop if deemed relevant to airline/alliance.
- Monitoring of how effective the partnership has been. This is important not just for securing support for one event, but also if the association wishes to develop a longer term partnership with a particular alliance.

2.3 Airline partnerships with other meetings industry suppliers

Professional Congress Organisers (PCO's)

Many international associations use the services of a PCO when organising their events, either in an ad hoc capacity for a specific event, or as a “core PCO” to coordinate and organise their events worldwide. Meeting planners should consider the following airline issues as part of their routine evaluation of PCO's services:

- Has the PCO an existing business relationship with one or more of the major alliances and or the national airline in their home country?
- What experience does the PCO have in negotiating “official airline” status with alliances, and have these deals been for single events or for a longer period of time?
- Does the PCO routinely incorporate airline booking channels into the delegate registration websites they design for their clients?

Convention Bureaux and Congress Centres

The convention bureau is the marketing organisation of the convention industry in a given market and should be responsible for targeting association events. In absence of a convention bureau congress centres take the lead in dealing with meeting planners. Meeting planners should consider the following airline issues as part of their routine investigation into the merits of potential destinations and venues:

- Does the bureau and/or centre have a special relationship with their national airline, for example enabling them to act as intermediary with out-of-the-ordinary requests, or to provide resources to promote the event? (In some destinations the airlines, venues and bureaux work very closely together on destination promotion or delegate-boosting projects).
- Does the bureau and/or centre supply tickets for site inspections?

2.4 Measuring airline relevant data

Requirements

Meeting planners wishing to negotiate with airlines need to provide hard evidence of the value of their event, with measurement criteria which make sense to the airlines. Some meeting planners can adapt their own in-house event statistics to achieve this, especially if they consult with airlines in advance to confirm the best way to present the information. Adding a few standard questions on delegate surveys to obtain statistically valid airline data is a simple solution.



Head Office

Toren A, De Entree 57, 1101 BH Amsterdam, The Netherlands

Automated phone menu +31 20 398 1919 Fax +31 20 699 0781 Email icca@icca.nl Website www.iccaworld.com

Direct phone numbers:

Events Dept. +31 20 398 1910 Marketing Dept. +31 20 398 1963 Membership Dept. +31 20 398 1904

ICCA Asia Pacific

Suite 12.05, Amcorp Tower, Amcorp Trade Centre, 18 Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia

Phone +60 3 7955 3343 Fax +60 3 7955 3348 Email asiapacific@icca.nl

ICCA Latin America

Plaza Independencia 759 Oficina 763, UY 11100 Montevideo, Uruguay

Phone +598 2 901 1807 Fax +598 2 901 1807 Email latino@icca.nl

ICCA North America

Box 6833, Freehold, New Jersey 07728-6833, U.S.A.

Phone +732 851 6603 Fax +732 851 6584 Email n.america@icca.nl