

MINUTES OF NEWPORT-ASTORIA AIRLINE CONSORTIUM MEETING
MAY 29, 2009
9:30 A.M.
VIA TELEPHONE FROM VARIOUS LOCATIONS

Those in attendance were: William Bain, Dennis Reno, Mark McConnell, and Peggy Hawker from the City of Newport; Larry Pfund, Jack Crider, John Overholser, Lesle Palmeri, Dan Hess, and Lori Durheim from the Port of Astoria; Kent Craford, Steven Fox, John Lansing, Jim Day, Matt Kyler, and others from SeaPort Airlines. Dan Clem was excused. Also in attendance were

ADDITIONS/DELETIONS AND APPROVAL OF AGENDA

It was agreed to add the approval of minutes of the last meeting to the agenda. MOTION was made by Pfund, seconded by Reno, to approve of the minutes from the last meeting. The motion carried unanimously in a voice vote.

DISCUSSION OF AIR SERVICE MARKETING STRATEGIES

The bulk of the agenda pertained to marketing, and included: conduct of market research survey of existing customers; print ads in the Daily Astorian; placement of ads in Oregon Coast Magazine along with in-flight copies; print ads in the Newport News-Times; accountability of direct marketing expenditures in routine reports from SeaPort; sharing of SeaPort media with communities for consistency and promulgation; SeaPort's continuation to enhance joint marketing efforts with PDX marketing experts to link SeaPort air travel with outgoing PDX travel.

SeaPort representatives initiated a webinar meeting to address the marketing plan and strategies. Participants logged into the meeting from various locations. It was noted that the Newport News-Times has offered to produce a seatback magazine, on a quarterly basis, at no cost to SeaPort. Other seatback publication opportunities are being examined, including Oregon Coast Today and The Historian. A discussion ensued regarding the timeliness of the News-Times magazine. Craford reported that SeaPort will proceed with the News-Times magazine, and if the Consortium wants other seatback presence now, the print budget would have to be reallocated.

Steve Salisbury, Newport businessperson and resident, suggested advertising in Coastal Living magazine. He also offered to send marketing materials to all realtors in Lincoln County. Craford said that he would accept Salisbury's offer to distribute marketing materials, via e-mail, to Lincoln County realtors. Kyler noted that he would analyze the distribution and demographics of Coastal Living. It was suggested that SeaPort coordinate with DiscoverNewport and the Astoria group to determine marketing opportunities/events. It was recommended that the Consortium receive an electronic copy

of the SeaPort seatback magazine. Craford reported that SeaPort is increasing its e-blast database all the time.

A discussion ensued regarding news print advertising. SeaPort explained the print media plan for the Newport News-Times and the Daily Astorian.

A discussion ensued regarding the coastal leisure travel emphasis. It was recommended that the marketing target age be shifted to the 45 – 75 range.

It was noted that potential customers are having difficulty in obtaining the SeaPort telephone number from information. SeaPort representatives are currently working with their phone carriers to resolve this issue.

Hess reported that he had recently taken the flight from Astoria to Portland, and that it was a good trip.

A discussion ensued regarding customer surveys currently conducted by SeaPort. It was reported that there are also comment cards for customers to complete. Survey results indicate that public relations/word of mouth is the method in which the majority of customers have heard of the service. Once the survey card information is compiled, it will be e-mailed to all.

It was reported that last week, Newport had a 36% load factor, and that Astoria had a 22% load factor. These numbers are greater than anticipated for ten weeks into the program.

A discussion ensued regarding the recent Oregonian article. It was suggested that the Astoria and Newport business may have been enhanced by the article; although it may have a negative impact on other potential routes.

A discussion ensued regarding direct marketing. It had been suggested that SeaPort should be on the GSA system. It has since been determined, that for the small markets of Astoria and Newport, no contractual relationship with GSA is needed, as the rates are the same as the unrestricted and refundable rate to the public.

Shared and earned media were discussed. Various newspaper/magazine articles were discussed. It was noted that SeaPort will issue more frequent press releases, including information on the mileage plan and new schedule. Steve Salisbury suggested having folks ghost write articles for publication under media staff bylines.

Craford reported that he had met with PDX staff regarding joint marketing opportunities for the coastal routes. He asked the Port of Portland to commit co-op advertising monies. He advised that the Port needs additional time, but that Port staff seemed cautiously optimistic about participation at approximately the \$25,000 level in each market. These dollars would be used to highlight connectivity through PDX.

Steve Fox and John Lansing reviewed on the ground sales and marketing efforts. They have implemented new software (salesforce), and they reviewed its capabilities. It was reported that freight shipping was on the increase. The freight rates have been lowered for promotion on the coastal routes.

Bain had another commitment and departed the meeting at 10:53 A.M.

Jim Day discussed load factors at the ten week point, noting that load factors are at 28.7% overall at this time. He added that this exceeds the six-month projection/goal. Newport is currently ahead of Astoria, but both communities are on track. The rate of consumption of the cap is declining due to exceeding the overall projections. He reported that there were no cancellations this week, and there has never been a cancellation due to equipment.

A discussion ensued regarding the progress of the interline baggage and ticketing agreements. Ticketing should be available through online travel agencies in the near future, as the end of the technological hurdles is in sight.

A discussion ensued regarding SeaPort staff meeting arriving flights. It was noted that the pilots assist passengers on the last flight of the day. A kiosk with transportation and lodging options was discussed.

SET NEXT MEETING

It was agreed that the next meeting would be held on June 25, 2009, at 9:30 A.M., via telephone. It was suggested to keep the marketing strategies on the agenda of the next meeting. Other suggestions should be sent to Hawker in the near future for inclusion.

Information from the City of Newport website, DiscoverNewport website, and the Chamber of Commerce website is available for SeaPort to glean event information for marketing purposes.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:22 A.M.