



AIR SERVICE UPDATE AND THE VALUE OF THE DISTANT DOMESTIC TOURIST TO THE NH ECONOMY

NEW HAMPSHIRE TOURISM SUMMIT

MAY 21, 2024



DISCUSSION OUTLINE

- **The *perception* of the connectivity we provide vs. the *reality***

- Non-stop destinations available
- One-stop destinations available

- **New airlines and markets for the NH travel and tourism industry to tap into**

- Avelo Airlines

- *RDU capacity increase, GSP new service!*



- Breeze Airways

- *CHS new service, MCO new service, RSW new service!!!*



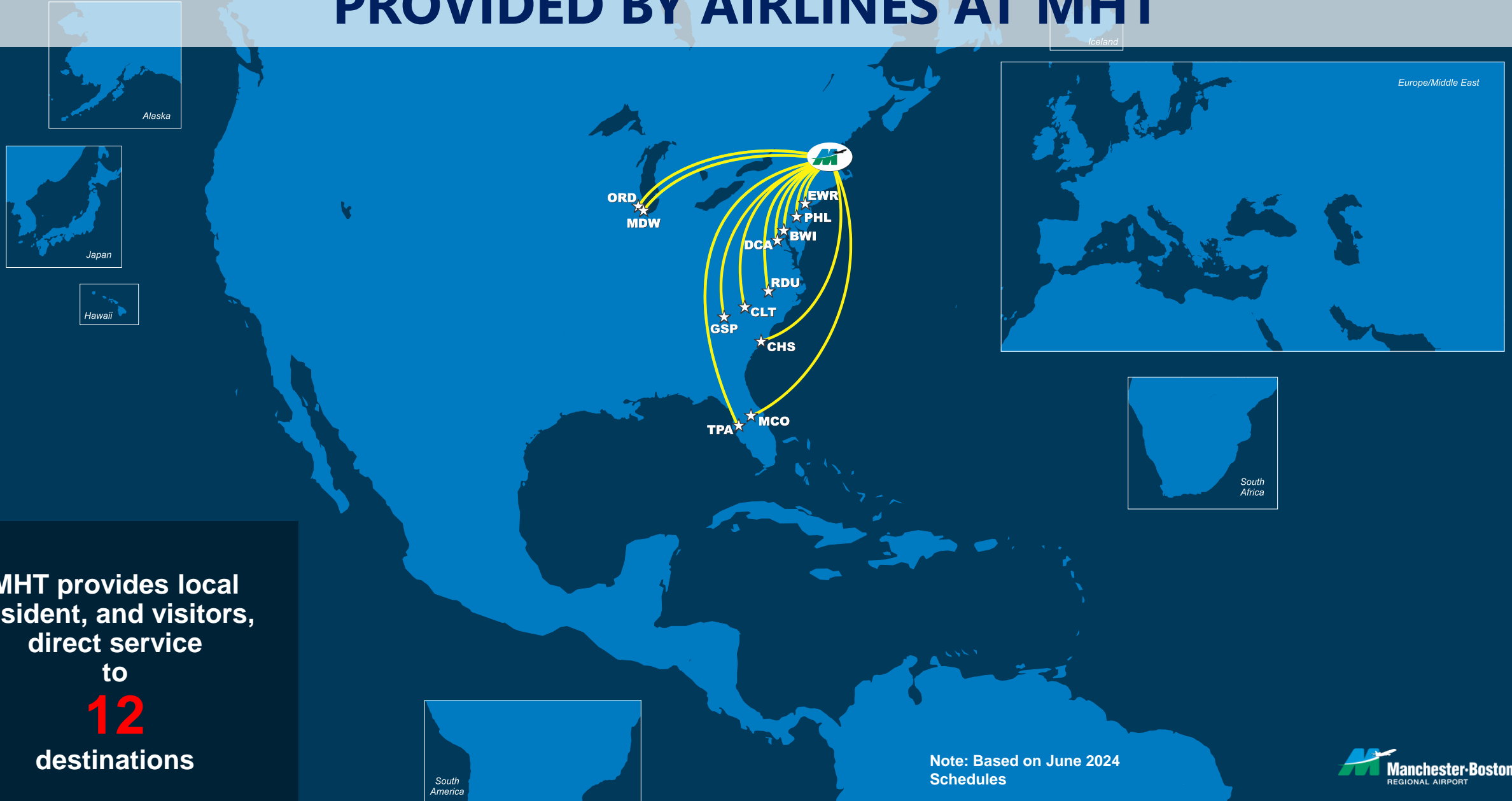
- Sun Country Airlines

- *MSP new service!*

- **Case study: Manchester-Raleigh Durham service on Avelo Airlines**

- Point of origin data
- Impact of distant domestic tourism from the RDU area.

POPULAR PERCEPTION OF THE LEVEL OF CONNECTIVITY PROVIDED BY AIRLINES AT MHT



MHT provides local resident, and visitors, direct service to **12** destinations

Note: Based on June 2024 Schedules

BUT THIS IS THE ACTUAL LEVEL OF CONNECTIVITY... OH THE PLACES YOU'LL GO!



Europe/Middle East
28 cities

20 cities

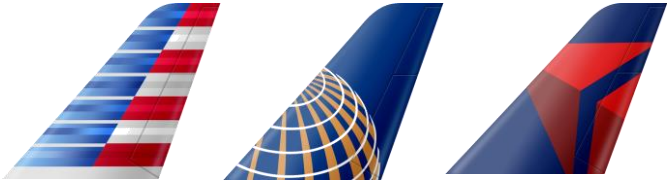





15 cities

...and
237

global destinations via convenient one-stop connections!

THERE ARE 13 US CERTIFICATED CARRIERS...WE HAVE 7!

We have a wonderful mix of carriers: two global network carriers, one low cost, and four ultra-low cost!

INDUSTRY SECTOR	PRE-COVID	POST-COVID
LEGACY NETWORK CARRIERS (LNCs): FULL FARE, HIGH FARE CARRIERS, "THE BIG FOUR"		
LOW COST CARRIERS (LCCs): "THE HYBRID CARRIERS"		
ULTRA-LOW COST CARRIERS (ULCCs): LOW FARE, ANCILLARY DRIVEN FEE STRUCTURE		

DOUBLED SERVICE TO RALEIGH-DURHAM, RECENTLY LAUNCHED GREENVILLE-SPARTANBURG SERVICE!



Visit Greenville:



Visit Spartanburg:



HELLO, Avelo!



Manchester, NH / Boston, MA (MHT)

Raleigh / Durham, NC (RDU)

Greenville / Spartanburg, SC (GSP)

Fares from **\$62** One way*

Flights Start **May 10th**

*Restrictions Apply. See AveloAir.com for details.

A promotional graphic for Avelo flights. It features a white Avelo airplane flying over a map of the Eastern United States. The map highlights three cities: Manchester, NH / Boston, MA (MHT); Raleigh / Durham, NC (RDU); and Greenville / Spartanburg, SC (GSP). The text 'HELLO, Avelo!' is written in large, bold letters at the top. Below the map, it says 'Fares from \$62 One way*' and 'Flights Start May 10th'. At the bottom, there is a small disclaimer: '*Restrictions Apply. See AveloAir.com for details.'

NOW MORE THAN EVER, FLYING MHT IS A BREEZE!



- **Founded by serial aviation executive, Mr. David Neeleman.**
 - He has created five successful airlines, including JetBlue Airways...so if you like JetBlue, you will love Breeze!
 - Took JetBlue to the heights that this region all raved, and continue to rave, about.
- **Three levels of seating on board:**
 - Nice: 30" seat pitch, 18" seat width
 - Nicer: 33" seat pitch, 18" seat width
 - Nicest: 39" seat pitch, 20.5" seat width, ultra-wide arm rest
- **2X2 seating in Nicest seating, 2x3 seating configuration in remainder.**
 - Windows with serious views: 11"x16"



"Nice" Seats

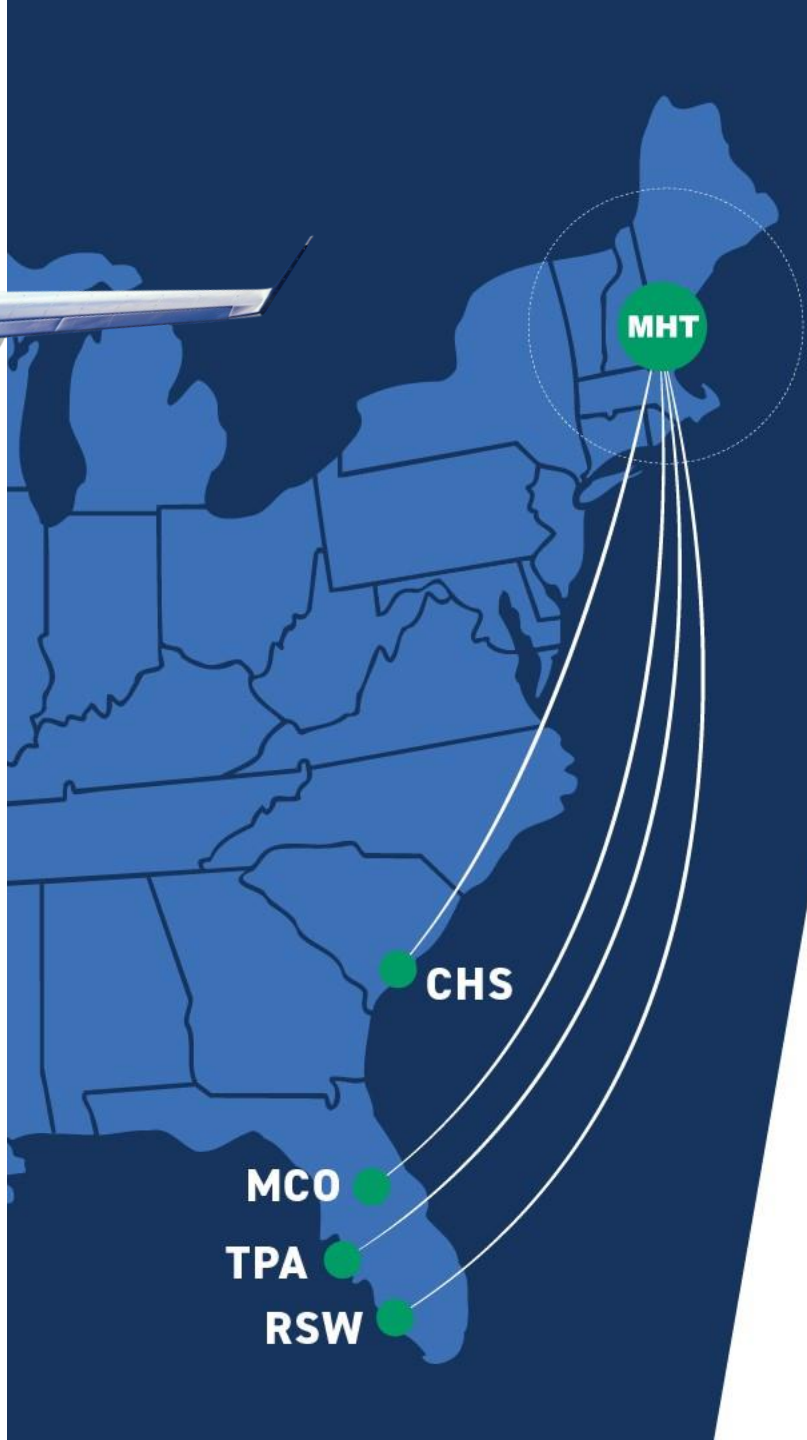


"Nicer" Seats



"Nicest" Seats



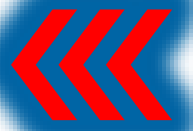


**New flights
beginning
June 14th, 2024**

June 14th
Orlando, FL
Charleston, SC (*seasonal*)

September 5th
Tampa via BreezeThru in
CHS

October 2nd
Ft. Myers, FL (*seasonal*)



**ON
SALE
NOW!!**



UNBUNDLED FARES LIKE ALL THE OTHER CARRIERS, BUT THEY PACK A LOT OF VALUE INTO THEIR BUNDLES!



Breeze	No Flex Fare	Nice Bundle	Nicer Bundle	Nicest Bundle
BreezePoints Earn	1X	2X	5X	5X
Advanced seat assignment	\$	\$	Extra Legroom seat	Breeze Ascent seat
Personal item Under the seat	✓	✓	✓	✓
Carry-on bag Overhead bin	\$	✓	✓	✓
Checked bag	\$	\$	1	2
Boarding Zone	Last	General	Priority	Priority
Flight changes allowed Fare difference may apply		✓	✓	✓
24-month reusable credit if cancelled	Partial	Full	Full	Full
Inflight WiFi	\$	\$	✓	✓
Inflight snacks and drinks	\$	\$	\$	✓

\$ = Available for purchase ✓ = Included

PROUD TO ANNOUNCE ANOTHER NEW AIRLINE!






Service starts in August! MSP represents our furthest westward destination.



**New nonstop service
between Manchester/Boston
and Minneapolis/St. Paul.**



SY OFFERS A HIGH-QUALITY PRODUCT WITH ON-BOARD AMENITIES OTHER ULCC'S AND LCC'S DON'T PROVIDE

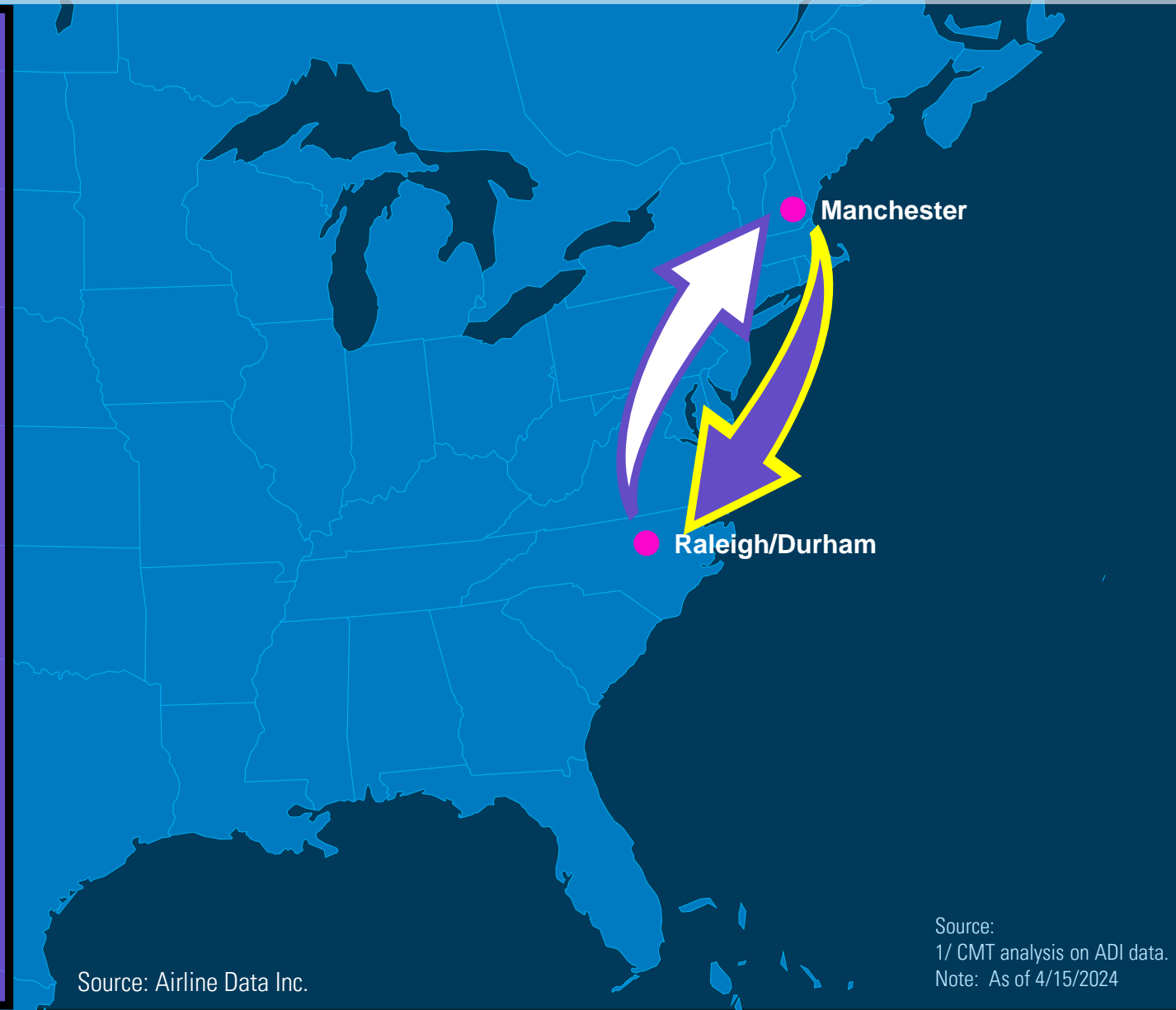
	Weighted Average Seat Pitch	Seat Recline	Complimentary In-Flight Entertainment	In-Seat Power	Free Beverage
	31"	✓	✓	✓	✓
	32"	✓	✓	Partial	✓
	30"	✗	✗	✗	✗
	30"	✗	✗	✗	✗
	28"	✗	✗	✗	✗

Source: Sun Country Airlines

CASE STUDY: POINT OF ORIGIN DATA

POINT OF ORIGIN

1. Each non-stop ticket consists of two segments. In our example that would be MHT→RDU and RDU→MHT.
2. The first city in each segment is the “origination city”, so a NH resident will “originate” from MHT on the first segment *and* from RDU on the second segment.
3. Passengers on any given flight consists of outbound residents starting their travel or outbound visitors heading back home and vice-versa for the inbound.
4. By looking at the city pair as “RDU→MHT,” we can determine the percentage of passengers that are starting their travels (i.e. originating) from RDU versus the percentage of passengers that are NH residents starting their return flight home from RDU.
5. This data is called “point-of-origin” data.
6. There are limitations to this data as we really can’t “see” where these passengers go when they get to MHT. We assume that they are staying in NH, but some could be heading to other states.



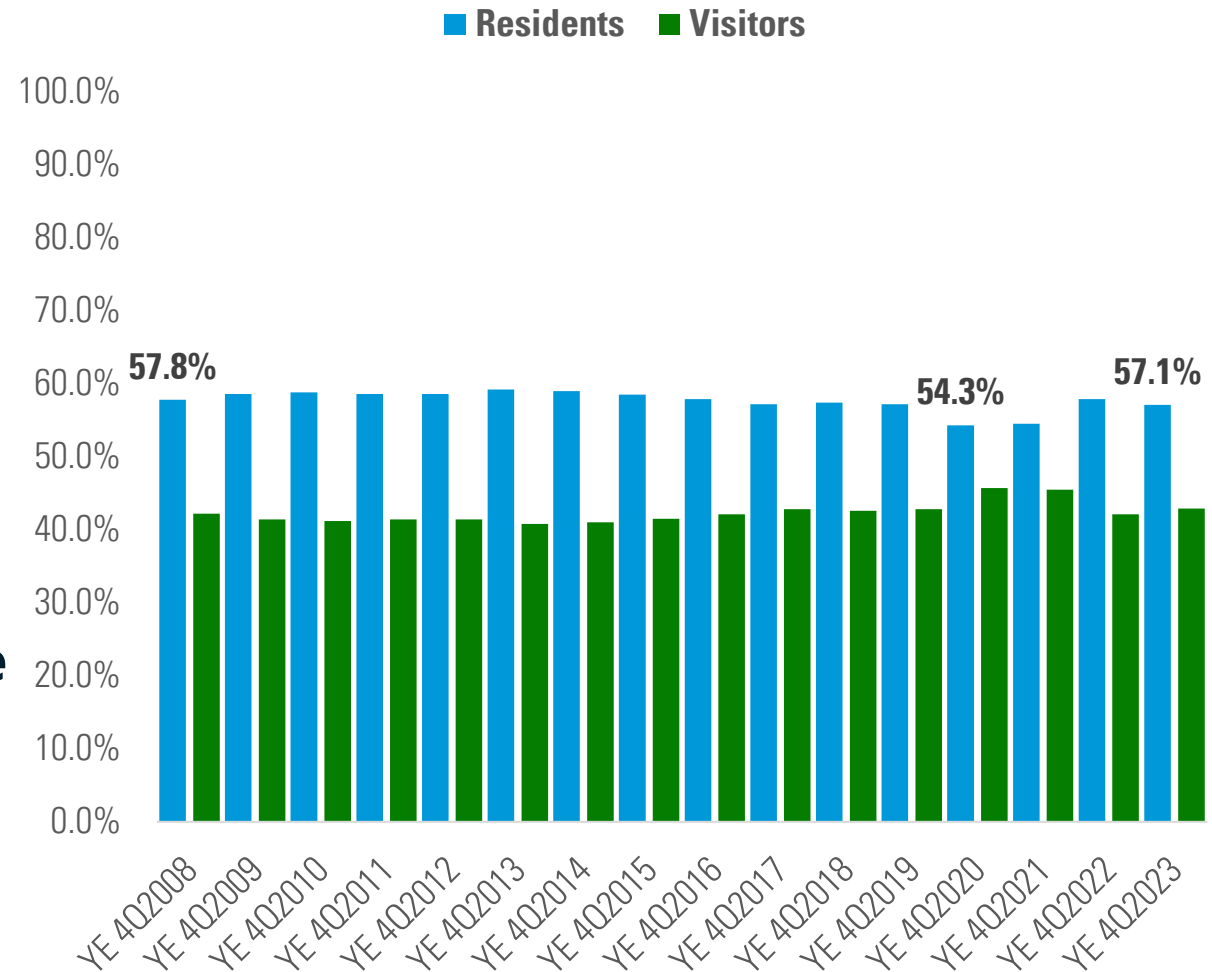
Source: Airline Data Inc.

Source:
1/ CMT analysis on ADI data.
Note: As of 4/15/2024

CASE STUDY: THE IMPACT OF THE DISTANT DOMESTIC TOURIST

- **The Airport has a “negative share” in the I/O split...and has for quite sometime.**
 - Airlines like to see the I/O split as close to 50/50 as possible as this represents a “balanced” route versus a “directional route”
 - Balanced routes provide more stability in demand and thus a better utilization of expensive aircraft time.
- **We need to collectively work to reverse this as it doesn't match up to the what NH truly is: a state rich in tourism assets.**

Historical Inbound Visitor vs Inbound Resident Demand at MHT: YE 4Q2008 through YE 4Q2023



CASE STUDY: THE IMPACT OF THE DISTANT DOMESTIC TOURIST

- VisitNH placed a \$40,000 digital media buy into the RDU market to help introduce New Hampshire to a new market that now had direct, non-stop, affordable travel options to Manchester.
- Daily inbound visitors have more than doubled due to the marketing campaign touting the new service.
 - Prior to the campaign, the RDU→MHT segment had **33 visitors** per day in 2Q2023 (last full quarter prior to the service launch in June)
 - This has increased to **77 visitors** per day in 4Q2023 (last full quarter of available data).
- I/O split has flipped from 45% inbound visitors and 55% inbound residents to **53% inbound visitors** and 47% inbound residents....this is what the airlines like to see!

CASE STUDY: THE IMPACT OF THE DISTANT DOMESTIC TOURIST

- The point of origin data suggests there were approximately **14,911** visitors in 2H CY2023 that originated from the RDU area.
- Visitors spend on average **\$521** per person trip and generate **\$23.56** in state tax revenue per person trip.
- Applying the per person trip spend and per person trip tax revenue to the estimate number of visitors yields an estimate of **\$7.77m** in visitor spending yielding **\$351,303** in state tax revenues (4.5% effective tax rate).
- The \$351,303 in state tax revenues represents an **8.8:1** return on investment.

Remember, this ROI for the **first six months of service** for which we have data available...the ROI **will increase** with each additional RDU visitor that arrives to NH!!!

ENHANCING THE EASE OF FLYING MANCHESTER

The screenshot displays the flymanchester.com website. On the left, a navigation menu lists: Flights & Airlines, Plan Your Trip (highlighted with a red dashed box), Parking & Directions, At the Airport, Ground Transportation, Area Information, About the Airport, Doing Business with MHT, and Public Documents and Plans. Below this are icons for DIRECTIONS, PARKING, and TERMINAL MAP. The main content area features a large aerial photograph of Manchester, New Hampshire, with a waterfall and a suspension bridge. On the right, a news article titled "MHT MAKES IT EASY. Avelo Airlines Adds New Nonstop Route to Greenville, South Carolina" is visible, with a "READ PRESS RELEASE" button. At the bottom, a blue "Plan Your Trip Today" section contains the "FlyMyAirport" search widget. The widget includes dropdowns for "Roundtrip", "1 Traveler", and "Economy". The origin is set to "Manchester (MHT)". The destination field is labeled "To?". There are also fields for "Departure Date" and "Return Date". A "Powered by KAYAK" logo is present, along with a checkbox for "Show nearby dates for lower fares".

INTRODUCING: MHT HORIZONS



SIGN UP FOR SAVINGS AND AIRPORT NEWS!

- Airfare specials
- Parking specials
- New air service announcements





SHOP. EAT. **FLY.**

LOCAL

Add me to
your contacts!



Connect with
me on LinkedIn!

