



EDINBURGH AIRPORT REVEALS PLANS FOR FUTURE

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With nearly 20 new services added so far this year and more than half-a-dozen on the immediate horizon, the skies over Edinburgh Airport have never been busier.

In terms of destinations, routes and passenger numbers, Scotland's most bustling airport has expanded at a quicker pace during the past three years than in the previous decade. More than 11 million travellers passed through its gates last year – an increase of 9.4 per cent on 2014 – as aircraft movements topped 109,000.

It would be easy to write this off as the broader post-recession rebound taking place throughout the aviation industry. Air travel across the UK has been steadily increasing for the past five years, with Edinburgh among the many beneficiaries of this rising tide.

But there is also a concerted strategy at play behind the scenes. Data-driven with a heavy multicultural emphasis, the game plan focuses on what chief commercial officer John Watson describes as “growth through choice”.

“The idea is to understand where people travel to and from when they pass through Edinburgh Airport, so there is a lot of data analysis,” he says. “It creates a business case that we can sell to the airlines. We are taking the whole airport business apart to look at how we can generate better results.”

This work is spearheaded by the aviation team set up three years ago in the wake of the airport’s acquisition by current owner Global Infrastructure Partners, which also runs Gatwick and London City airports. Representing an investment of “hundreds of thousands” of pounds annually, the team has grown from effectively one-and-a-half to five people, with a further key appointment expected within the next six weeks.

Its members hail from Czechoslovakia, England, Greece, Scotland and the United States, who together make up what Watson refers to as the “engine room” that is driving the airport’s success. All are technically skilled in handling vast volumes of information, and their cultural diversity is no accident, either.



“That is really important, because we are talking about an international market,” Watson says. “If you are just looking at the data and don’t understand the subtleties of the culture, you will miss opportunities.”

Eastern Europeans, for example, will travel by aircraft but are also willing to cover large distances by ground. Chinese tend to travel in large groups, so airports looking to best serve that market need a set-up that can handle parties of 30 or more.

The latter was to the forefront of Watson’s mind last week at the 11th annual Routes Europe forum in Krakow, Poland, where the team from Edinburgh made presentations to representatives from some of China’s leading airlines.

China is one of Edinburgh Airport's top targets for future growth, which Watson says will benefit both the Scottish capital and the country's wider economy.

A study released this year by Biggar Economics suggests that the airport's economic contribution could rise to as much as £1.6 billion by 2020, providing direct and indirect support for as many as 40,300 jobs. The terminal's current contribution, measured in gross value add (GVA), is pegged at £955 million, supporting 23,300 jobs. Of that, an estimated £448m makes its way beyond the greater Edinburgh area in what airport chief executive Gordon Dewar has described as "an increasingly important economic asset for the country as a whole". Nearly half of the jobs supported – roughly 11,000 – are located beyond the capital.

Getting the new routes needed to meet those growth estimates requires evidence that there is sufficient demand among travellers for specific destinations.

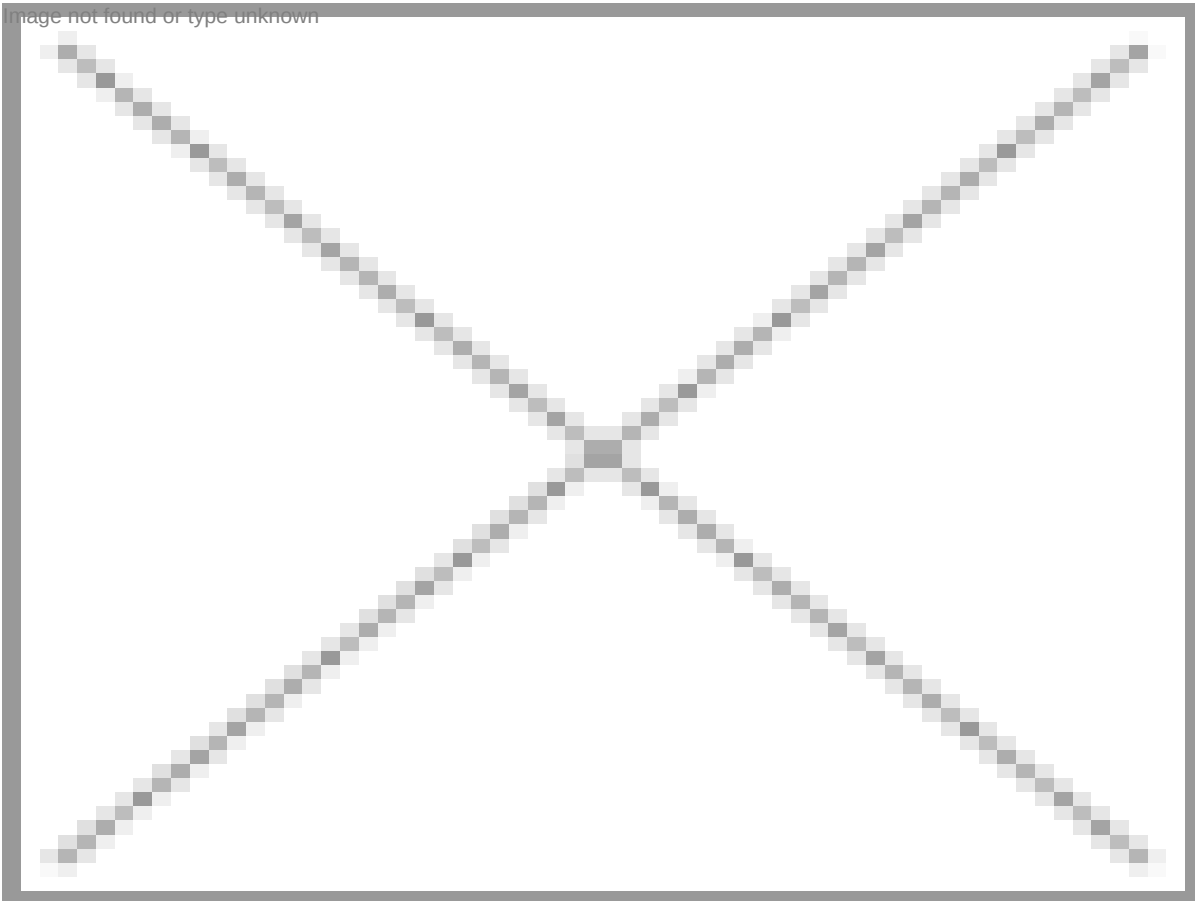
In this way, the recent launch of flights between Edinburgh and Helsinki by Finnair is expected to open up the Chinese market further.

Helsinki has grown into a major transport hub for Europe to Asia, and Scottish passengers can now travel onwards to destinations such as Hong Kong and Beijing with just one transfer via the Finnish capital. Taking this shortcut slices the travel time to Beijing by nearly a quarter to just over 14 hours.

Led by Jonathan Rayner, Edinburgh's aviation team is carefully scrutinising uptake to determine any trends or patterns to back the business case for additional route development into the Far East. It's a process they repeat again and again for every destination served by the approximately 120 carriers flying in and out of the airport.

Following Rayner's recent promotion to director of aviation, the team is recruiting a new head to lead its data mining efforts. With the help of executive search company FWB Park Brown, a final list of ten candidates is being interviewed for this key post.

"Because it is such a talented and unusual team, we need the right kind of person," says Watson. "We are looking for someone who is entrepreneurial, who is very data-driven, and someone you can travel around the world with."



Scott Black, managing director of FWB Park Brown, says the “refreshing” aspect of working with Edinburgh Airport is that its executive team is willing to look beyond the aviation and transportation sectors to drive future growth.

His firm has worked with the airport on a handful of key appointments in recent months in what he describes as some rather “unusual forward planning”. Of the ten short-listed for the head of aviation post, only two are currently working in aviation or transportation.

“The potential growth for Edinburgh Airport is really quite staggering,” Black says. “What they have realised is that gaps are going to appear in the skills they require at management level, so they are recruiting now to fill those needs.”

Spreading the net quite widely creates challenges when it comes to narrowing things down to one successful candidate, but selling the job to potential applicants has been made easy by the airport’s continued success. Latest passenger figures for March reached a record-breaking 927,200, including a massive rise of nearly 38 per cent in international travellers.

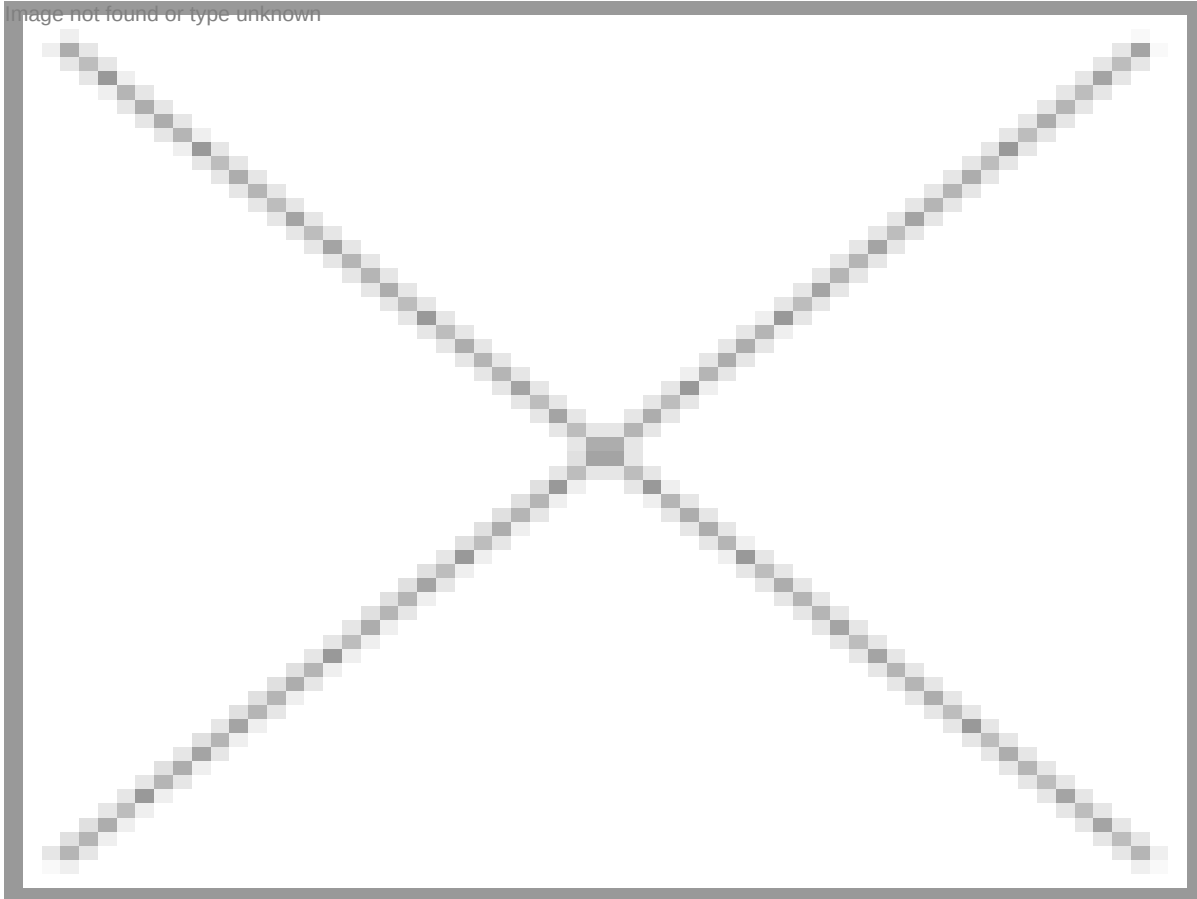
“We are presenting to people this story of a very successful, growing and dynamic organisation, and that reflects well back on the whole of Scotland,” Black says. “If you have got a busy airport, you have probably got a busy economy, and that has all worked well for the airport and for us as recruiters.”

Watson says Edinburgh Airport is strong both in terms of load factor and ticket prices, the two critical measures when airlines are considering whether to launch a new service. This will help open up areas where he sees the biggest potential for growth, which along with China include the US, Europe and the Middle East.

Edinburgh’s enduring status as a global tourist destination drives the majority of traffic passing

through the airport, with 40 per cent of passengers on leisure travel. A further 30 per cent are visiting family or friends, while the remainder are business travellers.

Understanding the motivations behind each journey is an important part of the work carried out by the aviation team, as it allows them to chart the impetus of activity in the skies. Having this information not only strengthens the sales pitch to carriers, but also guides the development of services on the ground which passengers need prior to take-off and upon landing.



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