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DEVELOPING PASSENGER AIR TRAFFIC IN TURKU

Pekka Jaakkola



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1 BACKGROUND

In this context, we are discussing the passenger air traffic development project, which at the end of 2005 was assigned to Pilot Turku Ltd by its owner, the City of Turku. A newspaper clipping on the matter is attached.

10.3.2006

The City of Turku and the Civil Aviation Administration co-operate in developing the airport and surroundings

The City of Turku and the Civil Aviation Administration have concluded a land trade and signed a letter of intent, according to which most of the state-owned land south of the airport will be transferred to Turku's possession.

The City of Turku and the Civil Aviation Administration have together prepared a land-use plan for the transferred areas. The plan will be put before the City Council on the 20th of March, 2006. When the trade and the land-use plan proposal are finalised the area will include land belonging to the City of Turku and the Finnish state. The street plan proposal enables the building of a total of 270,000 m² of business premises in the area.

With the letter of intent, the City of Turku and the Civil Aviation Administration together want to develop the area around the airport to become a competitive logistical centre, with modern services and additional importance for the economic region and the development of business life, as stated in the PILOT concept.

Pilot Turku Ltd, most of which is owned by the City of Turku, was established in 2003 to market and develop the airport area. The company's main goal is to market the Turku region to international and national companies as a logistically excellent location and to take part in the regional supervision of interests concerning the development of the logistical standing of the Turku region.

In the same context, a contract on long-term marketing co-operation was made between the Civil Aviation Administration and Pilot Turku Ltd to actively market the Turku Airport services and area. At the moment, the Civil Aviation Administration is developing the airport capacity and the level of services to support the development of the area as well as possible.

On the basis of common interests, efficient co-operation also aims at finding new forms of activity. The Civil Aviation Administration and the City of Turku have also decided to set up a mutual working group to develop a service concept, which would enable launching air traffic functioning on the low-cost principle at Turku Airport. In this context, Pilot Turku Ltd has decided to hire an expert to develop passenger traffic. (Release from the City of Turku and the Civil Aviation Administration, 10th of March, 2006.)



Figure 1 The logistical location of Turku, Source: Pilot Turku homepage

2 PILOT TURKU LTD

Pilot Turku Ltd (Oy Promoting Intermodal Logistics Operations In Turku Ltd.) is a marketing and development company that was established in 2003 to promote developing the Turku region into a significant logistics centre in the Baltic Sea region.

The main owner of the public-private corporation is the City of Turku. The minority shareholders are the City of Kaarina, the City of Lieto, the City of Naantali and The Hartela Group. The motive behind the company's operation is to promote sustainable development of the economic life of the area, and thus, the cumulative growth of well-being. (Pilot Turku homepage)

2.1 LogiCity

"LogiCity is a logistically logical location"

The most logistically attractive of the many commercial locations in the Turku region is to be built in the immediate vicinity of Turku Airport.

LogiCity will rise in an area bordered by the airport, the railway connection to Russia and on to China, the motorway into Central Finland and the E18 ring road. The ports of Turku and Naantali can be reached by road from LogiCity in about 15 minutes.

LogiCity is a concept based on logistical efficiency. An environment where all modes of transport and a supply of versatile logistics services meet to create an integral cluster. For businesses that utilize logistics, LogiCity offers an operating environment that generates genuine added value.

LogiCity is designed for all companies seeking greater process efficiency through logistics. Companies typically operating in, for instance, transport and value-added logistics, the distribution centre business, warehousing and wholesale operations, and logistics functions for high-tech industries.

LogiCity building permits currently cover around 400,000 square meters of floor space. Once the land-use plan for the northern side of the airport has been completed, more than one million square meters of floor space will be open for construction. (Pilot Turku homepage)



Figure 2 LogiCity map. Source: Pilot Turku homepage

2.2 Turku is near, yet far from congested routes

In addition to its superb location for transport connections, the Turku region provides companies with a logistical advantage that metropolises can't, namely congestion-free routes.

The distances to travel are short in the Turku region. The airport, for example, is just a 15 minute drive from the ports of Turku and Naantali. In addition, the Turku region's logistics infrastructure has been built so that it works for all modes of transport. Turnaround times are shorter than in a metropolis. The customs formalities also run smoothly.

The same applies to airspace. While Turku is located on intercontinental flight routes, and there are several daily departures to European destinations, including direct cargo flights to Belgium and Estonia, the airspace is much less crowded than that of the largest passenger aviation hubs.

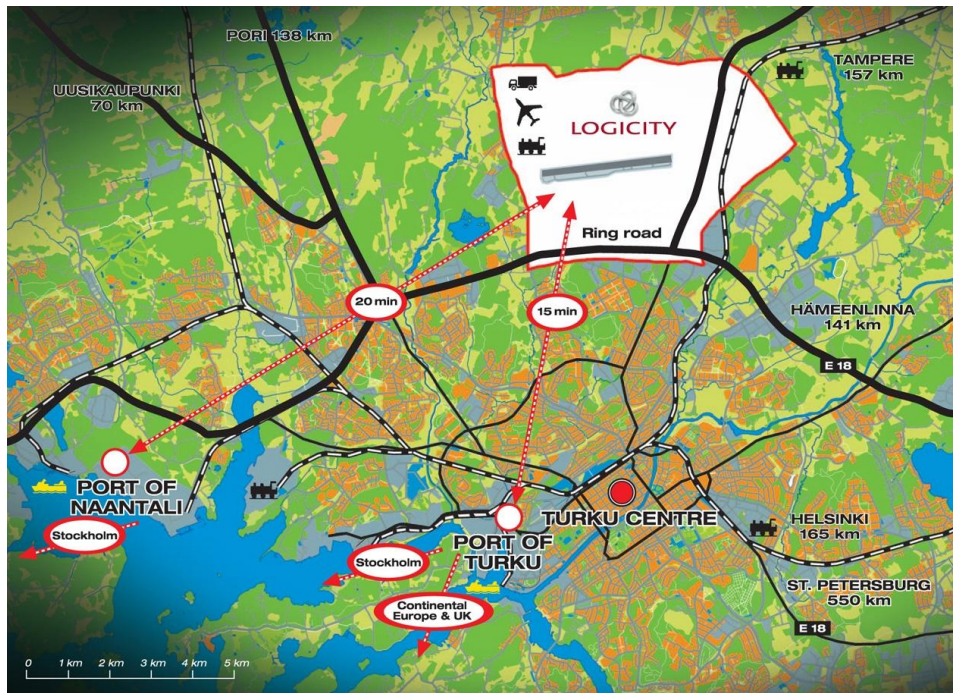


Figure 3 The location of LogiCity in Turku. Source: Pilot Turku homepage

2.3 Air traffic

"Pilot Turku Ltd has been given the responsibility of coordinating the logistics cluster in the city concern. Thus, the project manager of the company, Pekka Jaakkola, has been hired to develop the Turku region passenger air traffic, which is an important part of strengthening our logistical standing.

Jaakkola has long-term experience in carrier operations. His task will be to map the current situation in air traffic and its potential possibilities and also to communicate with companies in the trade." (Pilot Turku Ltd press release, 19th of October, 2006)

The City of Turku decided at the end of 2005 that air traffic, especially passenger air traffic, requires specific investments and the supervision of the interests of the City and the entire region.

This task was seen as a natural part of the operations of Pilot Turku Ltd, especially in the framework of LogiCity. The job was advertised to the public in January 2006. After the recruitment process, the work itself began in October 2006.

Originally, the project was intended to last at least two years, and depending on the results, the post might even become permanent. At the beginning of the project, some of the financing has been received from LogOn Baltic -project.

3 FINAVIA

Finavia is a state owned commercial enterprise that offers safe, high-quality and internationally competitive services to passengers, carriers, military aviation, business life and the whole Finnish society.

The official aviation functions are handled by the Finnish Civil Aviation Authority, a new office under the Ministry of Transport and Communications.

In addition to the Helsinki-Vantaa Airport, Finavia runs a network of 24 other airports. The Finavia airports are also developed in cooperation with cities, towns and local businesses. New operators, benefiting from air traffic, are brought near the airports and then, in turn, add to services, business and competition in the area.

Finavia in short:

- Maintains the airport network and the air navigation services in Finland.
- Produces and develops safe, competitive and internationally high-quality airports and air navigation services and the businesses supporting them.
- Customers include all air traffic operators and passengers.
- Is an independent business company, which decides independently on its function, economy and investments. The Council of State sets the general target profit and functions. (www.finavia.fi)

4 AIR TRAFFIC, GENERAL

Air traffic is an important part of modern society, in both the business and leisure senses. Geographical accessibility is still important, even though electronic trading and communications have developed.

Air traffic has gone through great changes in the last ten years or so.

Air traffic has increased, but also changed. The low cost-concept, which has its roots in North America, has revolutionized air traffic, especially in Europe, the prerequisite of which has been the deregulation of air traffic from very strict regulations.

One of the greatest changes has been the use of the Internet when booking flights. More and more passengers are booking their flights online. The low-cost carriers have the highest ratio of online booking; almost 100% of booking is done online. It has to be noted that for most low-cost carriers, online booking is the main, and in practice the only, booking system.

Traditional carriers have had to modernise their operations to be able to compete. Cutting costs has had priority around the world. Additional difficulties in achieving efficiency have been the costs of security, caused by the 2001 New York terrorist attacks.

The AEA (Association of European Airlines) and the ACIE (Airports Council International Europe) management groups have defined three main challenges for carriers and airports: Safety, protection of the environment and defining appropriate infrastructure capacity for the future.

Despite the cost pressures and the challenges in securing safety, air traffic is increasing. According to IATA, air travel will increase 29% by the year 2011. What is significant is that the travel flow focus and areas are changing or have already changed. The air traffic development model, North America, is now falling behind the developing areas. The Far East, with unsurpassable population, especially China and India, will be the future hubs of the rapidly-increasing air traffic.

The development of the traffic in the Far East can also be seen in Finland, where the location on the shortest route between the Far East and Europe has been taken advantage of, not only in long distance traffic, but also in European traffic. Without the air bridge in question, Helsinki could not offer as many destinations as it does at the moment.

From 1996 to 2006, the international passenger traffic in Finland has increased by 77%. On the other hand, it must be realised that domestic traffic has only increased 24%.

Table 1 Passenger traffic in Finland 1998-2006, Source: Finavia

Matkustajat yhteensä 1996–2006
Total number of passengers 1996–2006

Vuosi Year	Kansainvälinen liikenne International traffic				Kotimaan liikenne Domestic traffic				Yhteensä Grand total
	Säännöllinen Scheduled	Tilaus Charter	Yleisilmailu General aviation	Yhteensä Total	Säännöllinen Scheduled	Tilaus Charter	Yleisilmailu General aviation	Yhteensä Total	
1996	4 372 284	1 550 239	18 379	5 940 902	4 655 567	13 697	43 954	4 713 218	10 654 120
1997	4 935 452	1 491 072	5 584	6 432 108	5 288 256	18 244	9 019	5 315 519	11 747 627
1998	5 652 995	1 339 690	4 305	6 996 990	5 950 231	16 109	5 479	5 971 819	12 968 809
1999	6 033 510	1 305 876	8 535	7 347 921	5 750 287	11 985	6 037	5 768 309	13 116 230
2000	6 357 196	1 252 962	5 767	7 615 925	6 206 532	9 690	6 245	6 222 467	13 838 392
2001	6 527 265	1 190 198	5 136	7 722 599	6 077 962	12 488	5 749	6 096 199	13 818 798
2002	6 491 401	1 038 986	4 574	7 534 961	5 489 993	11 531	4 531	5 506 055	13 041 016
2003	6 656 339	1 159 824	3 993	7 820 156	5 357 051	11 968	4 019	5 373 038	13 193 194
2004	7 604 660	1 316 842	4 008	8 925 510	5 672 679	17 348	3 153	5 693 180	14 618 690
2005	8 172 367	1 358 764	3 912	9 535 043	5 580 291	21 941	3 109	5 605 341	15 140 384
2006	9 128 560	1 379 072	5 831	10 513 463	5 798 645	37 111	3 683	5 839 439	16 352 902

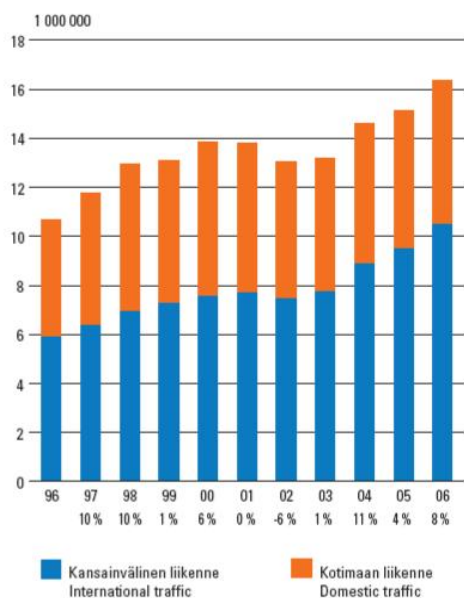


Figure 4 International and domestic passenger traffic in Finland 1996-2006. Source: Finavia (2007) Finavia air traffic statistics 06.

5 AIR TRAFFIC IN TURKU

In 1998, Turku Airport was the third busiest airport in Finland, when looking at the number of passengers. The only busier airport, in addition to Helsinki, was Oulu. The annual number of passengers in Turku that year was about 380,000 passengers, almost half of whom were international passengers. The number in Oulu was almost twice as high, but international traffic was only half of that of Turku.

This comparison well describes the significance, standing and orientation of Turku Airport in developing air traffic. Because of the geographical location of Turku, the international traffic was perceived to be increasing, and new domestic connections were seen to be developing little by little. Even then, Finavia was willing to support the diversification of international and domestic connections with appropriate measures on its part.

These matters were highlighted ten years ago (19th of August, 1998) when the foundation stone of Turku Airport was laid.

5.1 History

In business and culture, Turku has the longest traditions in Finland.

Turku has also had a strong position in developing air traffic. The first airfield in Finland was established in Artukainen in Turku in 1935. Thus, we have the tradition. But what is the significance of this to the current situation and development?

5.2 Determination

As was stated earlier, air traffic is considered to be an essential factor in regional development, especially on the part of business life. On the other hand, air traffic itself is an exceptional branch. Everyone has a strong personal opinion on it, and air traffic connections are experienced as a part of the status of a city or a region.

The starting point has been that there is tradition and background, and also determination and hopes, for new connections, and especially

new destinations (i.e. non-stop flights, without lay-overs, to new destinations). The low cost concept has been mentioned as a specific area of interest.

A strong influence on this has been the development of the Tampere Airport as a result of the increase of Ryanair's traffic. In this context, the eternal competition between the Cities of Turku and Tampere must be mentioned. The competition cannot be denied, and it manifests itself as continuous comparisons between the cities.

Development should always be taking place, not only when things are not going well. In the case of Turku, we can start from the presumption that air traffic is, or at least is perceived as, inadequate.

5.3 Turku in Comparison

There are several factors to be considered. Ten years ago, Turku had the third largest airport in Finland. The international traffic, which is usually considered to be the more important, was the second most significant after the unsurpassable Helsinki.

From that time, the total number of passengers in Turku has decreased from 380,000 to 339,000 (2006). For comparison, the corresponding figure is +26%. During the period of comparison, international traffic has increased 50% and domestic traffic has decreased 2.2%. The numbers are from Finavia's statistics.

In the comparison between the cities, Turku has fallen into fifth place. In addition to the already mentioned Oulu, Tampere and Rovaniemi have also surpassed Turku. In the 2006 statistics, Kuopio and Vaasa are almost at the same level with Turku.

Table 2 Numbers of travellers by city 2006. Source: Finavia

Lentoasema Airport	Kansainvälinen liikenne International traffic			Kotimaan liikenne Domestic traffic			Yhteensä Grand total	
	Säännöllinen Scheduled	Tilaus Charter	Yleisilmailu General aviation	Yhteensä Total	Säännöllinen Scheduled	Muu liikenne Other		Yhteensä Total
	Enontekiö		16 868		16 868	535		10
Halli			19	19		14	14	33
Helsinki-Vantaa	8 310 292	906 117	3 745	9 220 154	2 915 017	12 610	2 927 627	12 147 781
Helsinki-Malmi	122	3	3	128		1 353	1 353	1 481
Ivalo	2 049	29 275	103	31 427	120 294	1 614	121 908	153 335
Joensuu		7 325	15	7 340	139 205	94	139 299	146 639
Jyväskylä		13 948	151	14 099	134 696	527	135 223	149 322
Kajaani		5 444	20	5 464	86 974	299	87 273	92 737
Kauhava				0		206	206	206
Kemi-Tornio		2 146	11	2 157	82 759	108	82 867	85 024
Kittilä	8 216	82 870	734	91 820	148 775	4 563	153 338	245 158
Kruunupyy		12 344	34	12 378	85 598	200	85 798	98 176
Kuopio	1 273	41 674	24	42 971	288 897	334	289 231	332 202
Kuusamo	538	23 136	6	23 680	86 018	1 348	87 366	111 046
Lappeenranta	199	8 350	175	8 724	40 592	187	40 779	49 503
Maarianhamina	6 121	602	27	6 750	52 224	5 140	57 364	64 114
Oulu	25 784	57 176	155	83 115	763 707	1 124	764 831	847 946
Pori		6 011	180	6 191	57 525	671	58 196	64 387
Rovaniemi	1 103	100 226	48	101 377	329 605	1 305	330 910	432 287
Savonlinna		2 424		2 424	19 731	1 574	21 305	23 729
Tampere-Pirkkala	491 981	20 447	150	512 578	118 806	626	119 432	632 010
Turku	184 896	27 246	196	212 338	121 881	5 701	127 582	339 920
Utti		50		50			0	50
Vaasa	95 986	15 086	34	111 106	193 908	1 137	195 045	306 151
Varkaus		304	1	305	11 898	49	11 947	12 252
Yhteensä/Total	9 128 560	1 379 072	5 831	10 513 463	5 798 645	40 794	5 839 439	16 352 902
Muut kuin valtion lentoasemat / Other than state-owned airports								
Mikkeli		76		76		2 202	2 202	2 278
Seinäjoki		76	57	133	37 814	1 044	38 858	38 991
Yhteensä/ Grand total	9 128 560	1 379 224	5 888	10 513 672	5 836 459	44 040	5 880 499	16 394 171

For this year (2007), the excising numbers show that the passenger numbers in Turku will be reduced by 30,000. On the other hand, Kuopio's prognosis is similar, so Turku will not lose its standing in relation to Kuopio. The passenger numbers of Vaasa are rising, and according to the forecast, the total number of passengers may pass that of Turku in 2007.

Table 3 Numbers of travellers by city 1-9, 2007. Source: Finavia

	PASSENGERS: 9/07											
	Month						Cumulative					
	Domestic		International		Total		Domestic		International		Total	
	Passengers	Change (%)	Passengers	Change (%)	Passengers	Change (%)	Passengers	Change (%)	Passengers	Change (%)	Passengers	Change (%)
HELSINKI-VANTAA	253 288	-3,1	917 721	9,4	1 171 007	6,4	2 145 943	-2,0	7 734 587	10,3	9 880 130	7,4
HELSINKI-MALLMI	118	32,6	0	0	118	32,6	1 085	-11,8	0	-100,0	1 085	-20,0
ENONTEKÖ	0	-100,0	0	0	0	-100,0	856	58,5	2	-80,0	858	56,0
HALLI	0	0	0	0	0	0	0	0	17	-10,5	17	-10,5
IVALO	9 530	-1,7	0	-100,0	9 530	-1,8	93 764	-4,5	9 924	10,3	103 688	-3,2
JOENSUU	12 565	0,8	2 304	56,0	14 869	6,6	95 628	-8,0	6 188	36,6	101 816	-6,1
JYVÄSKYLÄ	13 026	2,3	2 430	19,2	15 456	4,6	92 167	-8,1	9 322	-6,9	101 489	-8,0
KAJAANI	7 829	-7,9	549	-37,2	8 378	-10,6	63 513	-0,1	2 870	-30,0	66 383	-1,9
KAUHAVA	0	0	0	0	0	0	203	-1,5	0	0	203	-1,5
KEMI-TORNIO	8 405	17,2	0	-100,0	8 405	0,6	65 646	4,5	1 531	-18,0	67 177	3,8
KITTLÄ	7 767	-12,6	0	0	7 767	-12,6	117 005	-6,1	30 413	34,5	147 418	0,2
KRUUNUPYY	7 922	-1,0	1 162	-6,3	9 084	-1,5	61 802	-3,0	8 024	9,2	69 826	-1,7
KUOPIO	25 921	-0,9	1 496	-56,5	27 417	-7,4	196 827	-8,1	17 916	-43,8	214 743	-12,7
KUUSAMO	4 990	0,4	2	-99,6	4 992	-7,8	67 215	-0,5	15 005	-3,7	62 220	-1,1
LAPPEENRANTA	104	-97,4	624	143,8	728	-83,0	18 520	-39,3	1 942	-76,2	20 462	-47,1
MARIEHAMN	5 144	0,6	1 226	17,0	6 370	3,4	40 077	-9,5	7 188	64,7	47 265	-2,8
OULU	70 256	-3,7	3 910	-21,8	74 166	-4,8	562 455	0,0	49 864	-12,5	612 319	-1,2
PORI	5 494	-0,4	2 072	29,7	7 566	6,3	42 934	2,5	4 295	18,0	47 229	3,7
ROVANIEMI	27 397	-0,9	1 122	-6,6	28 519	-1,1	260 950	7,1	31 254	32,6	292 204	9,3
SAVOLINNA	1 029	-22,9	163	-63,5	1 192	-33,1	14 554	-17,7	492	-71,1	15 046	-22,4
TAMPERE-PIIRKKALA	11 070	-2,8	42 824	3,6	53 894	2,2	85 236	-6,4	438 016	17,4	523 252	12,8
TURKU	12 465	-0,4	13 685	-26,3	26 180	-15,9	100 129	3,9	131 479	-18,8	231 608	-10,3
UTTI	0	0	0	0	0	0	0	0	29	-42,0	29	-42,0
VAASA	20 677	9,5	9 318	-1,8	29 995	5,7	154 255	8,2	77 208	-4,4	231 463	3,6
VARKAUS	0	-100,0	0	-100,0	0	-100,0	2 319	-71,7	23	-73,3	2 342	-71,7
TOTAL	505 025	-3,0	1 000 608	7,7	1 505 633	3,9	4 282 683	-2,0	8 577 589	9,5	12 860 272	5,4

In light of these numbers, the air traffic in Turku is falling behind the other destinations in Finland. There are some important points to be remembered when comparing the cities. First of all, comparison with Helsinki is not sensible, as a country the size of Finland can have only one airport of that size; also, we have already mentioned reasons for the scale of its operations. Oulu is so far from Helsinki that air traffic is the most competitive of the current forms of transportation, especially for the needs of business life.

5.4 Tampere

The eternal sparring partner, Tampere, was almost twice as big as Turku in 2006, when looking at the number of passengers. It has to be noted though that most, about 360,000 passengers travelled on Ryanair flights, and thus, the number of passengers on traditional carriers is about 270,000. Therefore, this is the number that should be compared to Turku's numbers. According to this indicator, Turku had more traffic than Tampere.

Air passengers 1998-2006 Turku and Tampere

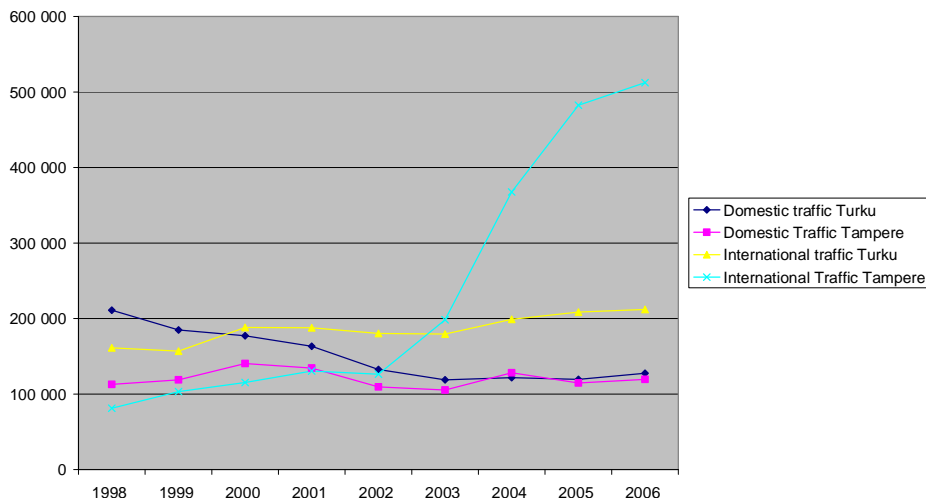


Figure 5 Passenger comparison 1998-2006 Turku/Tampere. Source: Finavia

The latter numbers in both towns mostly comprise of business travellers. The passenger structure is thus very similar. The passengers from both, Turku and Tampere, easily begin their journey from Helsinki, travelling by road, because the supply of the cheapest flights depart from Helsinki. More competition in Helsinki is created by numerous foreign carriers that do not fly to other airports in Finland.

Excluding the Ryanair traffic, the destinations and flights are almost identical in Turku and Tampere. It has to be noted that Blue1 has one more flight to Stockholm from Turku than from Tampere. In addition to this, there is regular light aircraft (8-seat) traffic to Mariehamn three times a day.

5.5 Cargo

On the other hand, the already-mentioned cargo traffic in Turku, and the possibilities it creates in developing the airport, must be taken into account. At the moment, Helsinki is in a class of its own in regards to cargo as well as passenger traffic, but Finavia has mentioned Turku as a possible area of development in cargo traffic. This direction of development is not cutting passenger traffic, as both areas conform to the same laws. Some Finavia statistics from 2006 are attached.

In express freight, TNT has done well, and a decision on expanding the premises was made in the autumn of 2007.

Table 4 Cargo 2006. Source: Finavia

Lentoasema Airport	Kansainvälinen International			Kotimainen Domestic			Yhteensä Grand total
	Rahti Freight	Posti Mail	Yhteensä Total	Rahti Freight	Posti Mail	Yhteensä Total	
Enontekiö			0			0	0
Halli			0			0	0
Helsinki-Vantaa	121 570	9 095	130 665	2 018	2 208	4 226	134 891
Helsinki-Malmi			0			0	0
Ivalo	2		2	45		45	47
Joensuu	5		5	161	1	162	167
Jyväskylä	3		3	76		76	79
Kajaani	1		1	67		67	68
Kauhava			0			0	0
Kemi-Tornio			0	56	1	57	57
Kittilä			0	26	1	27	27
Kruunupyy	3		3	60		60	63
Kuopio	15		15	113	3	116	131
Kuusamo			0	9		9	9
Lappeenranta			0	43		43	43
Maarianhamina			0	137	262	399	399
Oulu	875		875	754	2 422	3 176	4 051
Pori	4		4	38		38	42
Rovaniemi	4		4	171	310	481	485
Savonlinna	2		2	12		12	14
Tampere-Pirkkala	107		107	96		96	203
Turku	2 883	3	2 886	132	260	392	3 278
Utti	5		5			0	5
Vaasa	851		851	126	1	127	978
Varkaus			0	4		4	4
Yhteensä / Total	126 330	9 098	135 428	4 144	5 469	9 613	145 041
Muut kuin valtion lentoasemat / Other than state-owned airports							
Mikkeli			0			0	0
Seinäjoki			0	11		11	11
Kaikki yhteensä / Grand total	126 330	9 098	135 428	4 155	5 469	9 624	145 052

5.6 Potential

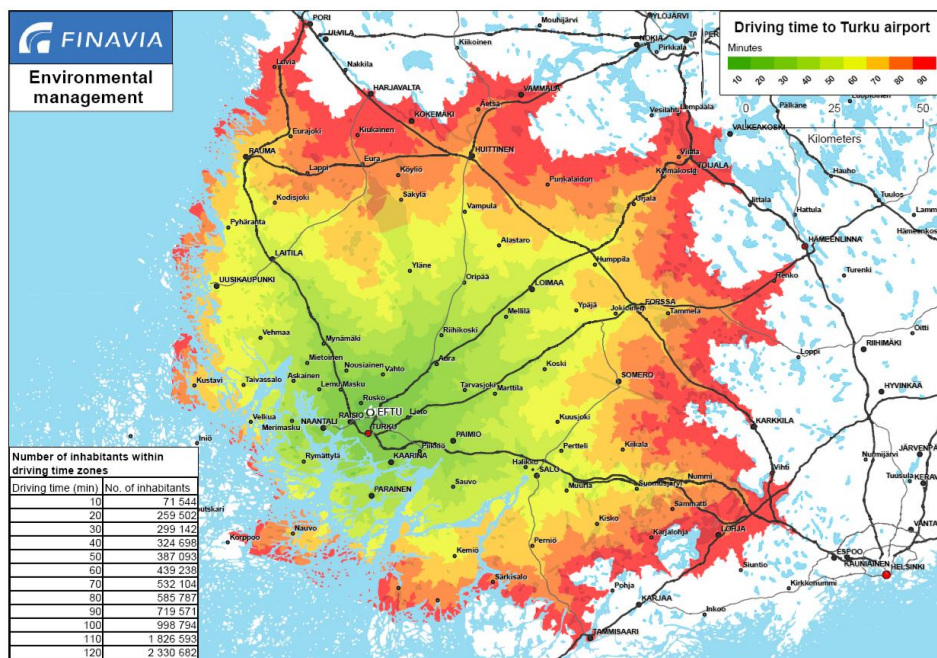


Figure 6 The catchment area of the Turku Airport, source: Finavia

The map above describes the catchment area of Turku Airport. What is the population in the catchment area, and what is the average driving time of per person to the airport? This is one of the fundamental questions when marketing an airport to carriers. The question is especially important to the low-cost carriers. The passengers of these carriers are prepared to spend more time and effort to get inexpensive flights.

The most common division of driving times used by carriers in relation to population is 30 minutes, 60 minutes and 90 minutes.

The map also shows that the catchment areas of competing airports overlap at certain places. Here, the competing airports are Helsinki and Tampere. Pori is a very small factor in this, and the people from Pori use the airports in Turku, Tampere and also Helsinki, travelling there by road.

5.7 Prices and Connections

When considering developing passenger traffic in specific, numbers, feelings and assumptions have to be taken into account. The existing potential also has to be evaluated. The carriers are looking for possibilities of development just like the airports. Most basic information, such as population count, the concentration of it, economic development in certain areas and other demographic factors are common knowledge.

Both parties face the same challenges. First, especially when discussing Europe, some important factors connected to commercial air traffic must be taken into account. The deregulation of air traffic has been the greatest factor of the change. The practical results of the deregulation have come as a surprise to many. As the Finnish version of Wikipedia states *"Market economy is a system, in which price formation, the determination of the prices of goods, is regulated by free demand and supply."*

If we consider the aforementioned deregulation and development, we can state that it has begun in areas where the sheer population numbers are of a completely different class than in Finland, let alone Turku. In addition, the existing connections and travel customs have been more extensive.

So, what does this mean for the development of the passenger traffic at Turku Airport? Partly, Turku has already experienced the deregulation of air traffic in good and in bad. Turku was one of the first airports in which the competition between two alliances or fronts (Finnair vs. SAS) was heated.

To begin with, the number of flights increased as the companies fought for market shares. At first the price competition was already tight, but after the situation cooled down, both alliances have since cut down the flights, and on the other hand, cheaper prices have not been available due to smaller aircraft and thus smaller capacity. There has been enough space for business travellers, but leisure travellers have moved to Helsinki for the cheaper prices and a wider selection of destinations.

The proportion of flight price in the flight product has been emphasised, especially after low-cost carriers entered the market. If we look at the flight price development chart 1981-2006 below, we can see that domestic prices have increased throughout the period, with the exception of 2002-2004, when Finland had a domestic low-cost

carrier, the Flying Finn. The firm was declared bankrupt, but it had achieved momentary price reductions.

International ticket prices have been decreasing ever since. Price pressure has been brought on by Ryanair, which began its operations in Tampere in October 2003. Other competition outbound from Helsinki has also assisted this price development.

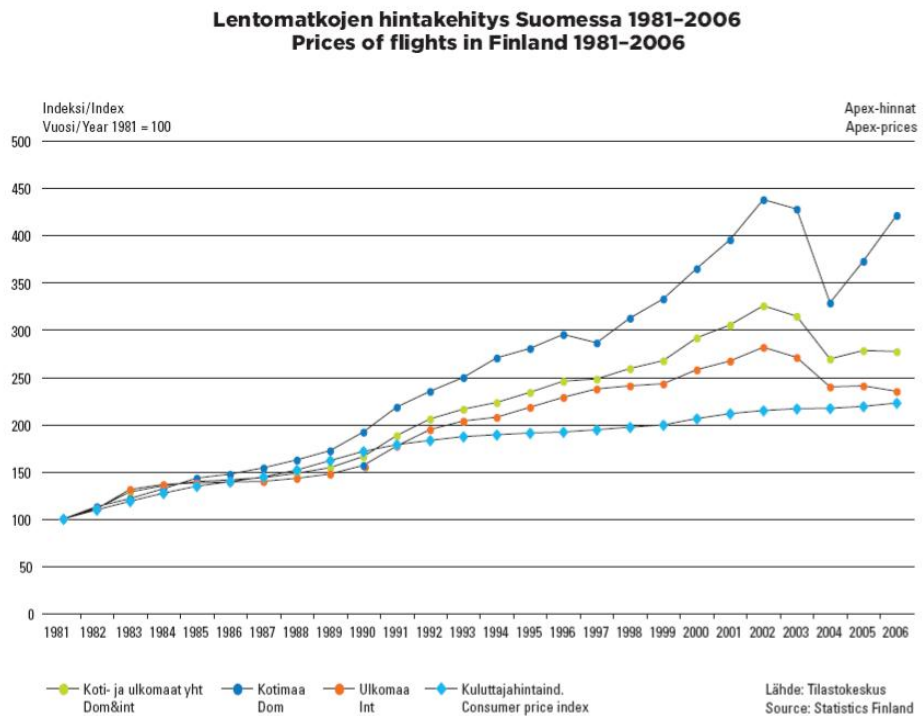


Figure 6 The development of flight prices in Finland 1981-2006. Source: Statistics Finland

This development of prices can be seen summarised in the two graphs below. They describe the price development from January 2005 to December 2006. (The development of flight prices in Finland 1981-2006. Statistics Finland)

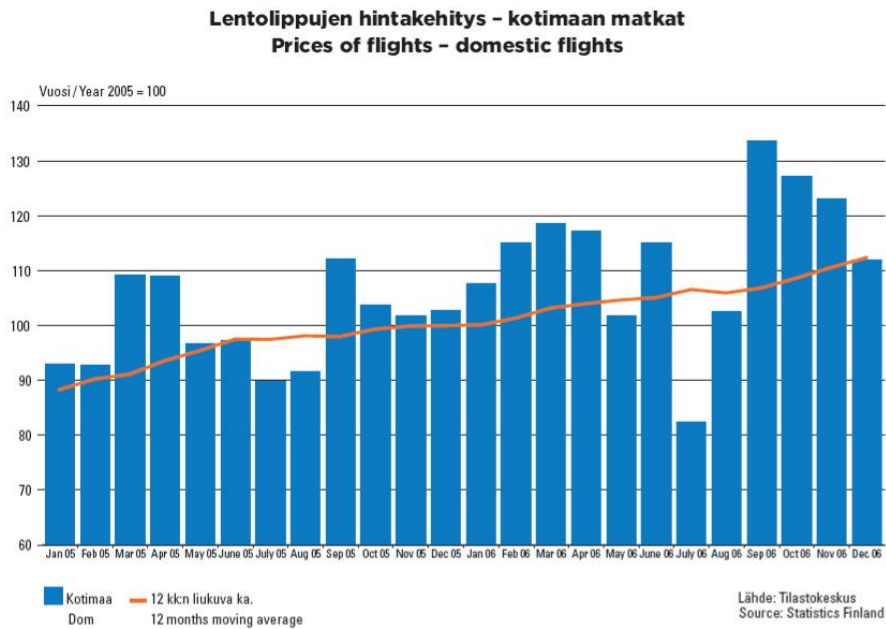


Figure 7 Prices of domestic flights in Finland in 2005. Source: Statistics Finland

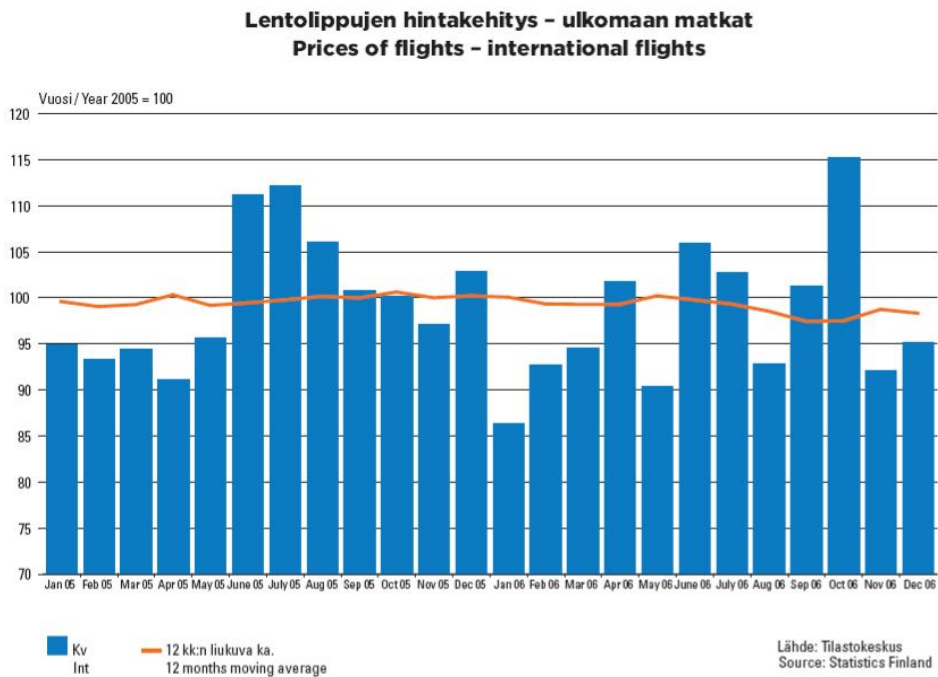


Figure 8 Prices of international flights in Finland in 2005. Source: Statistics Finland

6 STARTING POINT IN A NUTSHELL

Developing passenger air traffic in Turku begins with a situation in which supply is seen to be too small-scale. There should be more non-stop destinations, and the prices should be lower.

Based partly on the aforementioned figures and statistics and on meetings, interviews and personal experience in the field (in Finnair Group 1988-2006, sales and marketing), I decided to divide the whole into smaller parts.

All the fields of the passenger traffic development project are described in short summaries. We are also intending to collect all the operations in each field on a general level.

7 AREAS OF FOCUS

7.1 Existing Traffic and Carriers

As has been pointed out earlier, the Turku Airport traffic mostly consists of three routes. There are four international non-stop connections to Stockholm daily, flown by the Finnish subsidiary to SAS, Blue1. Scandinavian Airlines, SAS, flies to its most important hub, Copenhagen, twice a day.

SAS alliance passenger numbers represent about 2/3 of the total number of passengers in Turku. Regionally, the flights in question are perceived as very important, as they represent the much-needed international connections, which also play an important role image-wise. Both routes have had their challenges, as the alliance has been finding its own forms operation and on the other hand, profit. For this year, 2007, these routes will show a more than 10% decrease in passenger numbers. The latest problems have been on the Copenhagen route, as when writing this, the decision to withdraw the SAS fleet for the route has been made due to problems with reliability.

On the Stockholm route, the decline has been visible since the beginning of 2007. The removed flight has decreased the passenger numbers more than expected. On the other hand, it must be kept in mind that the meeting of supply and demand includes many factors. The route may be profitable when measured with certain indicators, but passengers feel that, for example, there should be more flights.

The third connection is to Helsinki and through it to other domestic and international destinations. It is easy to see the division between the alliances when looking at the Finavia statistics. International traffic is SAS and domestic Finnair. It is good to remember here that the latter traffic to Helsinki is mostly international traffic, but it is noted as domestic traffic because it is between Turku and Helsinki.

In any case, the growth in the latter traffic shows that the decrease in traffic to Stockholm and Copenhagen has partly been transferred to Finnair, travelling via Helsinki. Because if we compare the domestic traffic in the whole of Finland, we see it has decreased.

In addition to these trunk routes, Turku Air has begun regular traffic to Mariehamn in the autumn of 2006. The passenger numbers are small, but the route is important.

These basic connections have been found to be very important to save, and if possible, develop. In this context, developing air traffic has included creating contacts and connecting the carriers' goals and realities to the determination and influence possibilities of the region.

In this context, the most important factor has become informing the passengers, businesses and other important parties in the Turku Airport catchment area about the importance of using the Turku Airport. Air traffic is not something to be taken for granted in a specific field in a free market economy.

7.2 New Routes

We have also looked at establishing new routes to accompany the existing routes. It has been natural to begin this work with operators who already have existing information about passenger numbers and total volume. This does not exclude negotiations with other companies.

Countries and destinations that have arisen already at the beginning are St. Petersburg, London and Germany.

All lines off business are interested in different destinations in Russia, so air traffic, and thus a direct connection, would not be a miracle. The traffic between Finland and Russia is based on the traffic agreement between the countries, which does not, at the moment, include a Turku-St. Petersburg route, which is a basic prerequisite for beginning air traffic. In addition to political rapprochement, commercial issues must also be negotiated..

London, and on the other had Germany, are parts of the EU and thus need no further agreements for air traffic. To begin this kind of traffic is solely based on commercial profitability. Whether or not there is enough volume between Turku and one of the destinations mentioned is unlikely, but must be clarified.

7.3 New Regular Route Carriers

New carriers can refer to newly-established companies, or existing companies launching new routes. In this context, newly-established companies are referred to. At the early stages of the project, we have

had some contacts with projects of this nature. As a starting point, establishing a new carrier is not very realistic, even if it is tempting, because of the images that, especially the success of, low-cost carriers have added.

To establish and run a carrier is very capital intense. If we look at the results of traditional carriers, it is difficult to understand the lure of the field from a purely economic point-of-view.

Thus, establishing a carrier does not seem convincing from the point-of-view of Finland or Turku. Financial matters, especially, have to be considered carefully. There are various examples of failure in Finland too (for example, Flying Finn, Söder Airlines).

The greatest threat and obstacle in establishing a carrier is forgetting the basic concepts of economics, the special features of the field and "blindness for speed", caused by the "sexy business".

The newest versions of establishing a carrier are the so-called virtual carriers, which lease the fleet, crew and operations. These companies focus on marketing and sales. Bookings are made online for both private passengers and travel agencies.

In January 2007, virtual carrier Wingo launches the Turku-Tampere-Oulu route, which will be flown twice a day. The route and pricing aim at business travel. The two flights enable the morning-evening concept from both directions. It remains to be seen if the route is successful and if the product (price + schedules etc.) can compete against Finnair. According to statistics, the route in question, Turku-Oulu, is one of the few domestic routes in which it is sensible to attempt traffic on the Saab 340 fleet.

7.4 Low-Cost Carriers

According to the Finnish version of Wikipedia, the low-cost carriers can be defined as follows:

A low-cost carrier is a carrier that offers low costs and only the necessary services.

The typical low-cost carrier is based on the following conditions:

- one passenger class
- one type of aircraft (lowers the training and management costs)
- simple price formation (that rewards early bookers: typically the prices rise as the aircraft fills up)
- non-specified seats (passengers turn up on time)
- straight, non-stop flights without transportation

- fly to cheaper, less crowded airports
- short flights and short periods of time on the ground (improves the utilisation rate of the aircraft)
- food, and other services influencing the price of the ticket are removed and exchanged for optional food and drink served on the flight
- the flights are advertised with cheap offers, which do not include the taxes that will be added

These ideas can be complimented with the basic idea, which states that continuous growth is the prerequisite for economic growth. The companies are continuously looking for new ways of getting profit. The importance of mental impressions increases. A cheap, or a free flight (future image marketed by Ryanair), is a basic product to tempt customers. Facts, in accordance with the previous list, aid the extreme cost control and gaining more profit by any means necessary.

Many of the new carriers have had a clean table to start from when compared to the traditional carriers, which also carry the cost masses of the regulated period (especially personnel wages). All the aforementioned facts, together with the deregulation of air traffic, have furthered the success of the low-cost carriers.

In Finland, the purest form of low-cost carriers has only been realised in Ryanair's routes to Tampere from the beginning of October, 2003.

When developing the air traffic in Turku a low-cost carrier concept has naturally been brought up as an idea. At one time, Ryanair was considering Turku.

As mentioned earlier, the low-cost carriers, specifically, find potential important. A passenger using a low-cost carrier is more willing to travel by road to get a cheaper flight. According to a study conducted by the Finnish Tourist Board on low cost travel (2005), about 28% of the passengers of the Tampere low-cost terminal come from Uusimaa (the region around Helsinki).

This is naturally interesting to Turku as well. The E18 motorway to Helsinki does not only mean that Helsinki is more accessible from Turku, Turku will also be more accessible from Helsinki.

In any case, marketing a specific location to a low-cost carrier is not easy. Even making contact can be difficult, as all countries have locations to offer. Thus, if we compare the populations, a small country, such as Finland, is easily left in the background. On the other hand, basic living standards, good accessibility by road and general economic situation aid the marketing work.

7.5 Domestic Routes

Domestic traffic from Turku mostly goes through Helsinki. One natural route is Turku-Mariehamn, which is sometimes without connection. Almost all of the traffic on this route is point-to-point travel, meaning between Åland and Turku. The traffic in question includes travel that is connected to co-operation in various fields. Regrettably, the passenger numbers have been too small to continue the route on the previous equipment. The most essential is the connection that Turku Air runs. The operation runs on its own, but allows only one price for tickets, which is too expensive for leisure travellers. Group travelling is also very difficult without special arrangements.

The Oulu route was brought up at the beginning of the project and entrepreneurs have tried it. Now it will be interesting to see how Wingo succeeds after January 2007. Other domestic destinations are very small in passenger numbers. One interesting destination is Lapland, and Kittilä in specific, where it could be possible to realise winter season flights in the future.

In domestic traffic, Turku-Helsinki flights are run by Finncomm Airlines, which co-operates with Finnair on feeder flights.

7.6 Charter Flights

Charter traffic is a field that is developing. For several years now, Tjäreborg has flown from Turku Airport and in the winter season 2007-2008 Finnmatkat and Aurinkomatkat are also flying charter flights to the sun in the South. Negotiations have begun with the aforementioned operators in order to improve the profile of the airport and to increase knowledge, especially on the part of leisure travel. For this target group it is important that things run easily and are accessible. In Turku, this is a reality, especially if you compare the ease of checking-in and going through the security checks with those in Helsinki.

7.7 Other Matters

Cargo traffic has also been brought up as one area in the project. More attention can be paid to it in the future. It has many similarities with passenger air traffic. It also adds to the meaning of this whole project on the logistic and especially LogiCity project development.

8 OTHER REGIONAL OPERATORS

Pilot Turku Ltd is not only developing the LogiCity project. In co-operation with other operators we are developing the whole region, not just Turku.

It is important that all possible parties are very aware of what different regional developers are doing. Clear roles improve making the message go through with domestic, and especially foreign, operators.

We have worked closely together with Finavia and especially with the regional manager, Mats Ros. Also, the other Finavia marketing resources in Helsinki have helped.

In the St. Petersburg traffic negotiations, we are co-operating with Heidi Saario from the Turku Region Development Centre and St. Petersburg Business Contact Centre in Turku.

Statistics on the area have been available, and they have been partly worked on with Petri Pihlavisto from the TE-centre. We are also planning to develop statistics and key figures for this purpose.

Through the Turku Chamber of Commerce, we have been able to tell businesses about the development project now and in the future, and to emphasize the meaning of development and the possibilities, which are often dependent on the company's own actions. On the other hand, it gives a chance to co-ordinate wishes connected with travel and areas of development. This way, we can clarify the so-called bottlenecks. It is good to see that the carriers do not have the chance to react to individual cases in a development sense, but it is better to find greater and more meaningful wholes.

We have been in constant communication and exchange of opinions and comments also with the actual regional development organisations, such as the Development Centre of the Salo Region and Loimaan kehitys.

The City of Turku has been in close contact within the framework of the development project as the main owner and subscriber of the task.

The universities and polytechnics of the area have been a part of the LogOn Baltic-project and are most likely to be a natural part of developing passenger traffic also in the future.

9 OPERATION

9.1 Goals

The starting point for developing passenger air traffic has been that the current traffic has been seen as inadequate and in need of improvement.

According to common conceptions, air traffic is an important part of regional competitiveness. Functioning air connections give businesses the possibility to stay in the city and also attract newcomers. Links and accessibility are of the utmost importance to all fields of business.

The importance of air traffic on travel is at least equally important. Especially, the potential of foreign travellers is a definite target group in developing air traffic. The significance of the air connections to the regional image and self-esteem can not be forgotten either.

Concrete goals for development are, according to the regional determination, to add more flights to the existing routes and add capacity, i.e. have larger aircraft, on certain flights, such as the first out-bound flights and the last in-bound flights.

Launching new routes to international destinations is also a specific wish. Some domestic destinations have also been presented as interesting. Cheaper prices are also among the goals, especially in leisure travelling.

Developing air traffic is also an essential part of developing the logistic standing and conditions of the Turku region. .

9.2 Actions to Reach the Goals

First, a starting point has been outlined. The work has included finding information about the background, the current situation and the future outlook of air traffic. The survey did not only cover Turku, but also the whole of Finland, Europe, and aviation around the world. Statistics have been the main source of information.

The traffic supply, passenger numbers and potential of Turku were compared to other domestic destinations. We have also somewhat mapped the development, and causes, of the Baltic Sea Region aviation development and on the other hand searched for practices and solutions for the Turku air traffic development project.

In addition to air traffic, we have also looked at key figures in the regional economy, to get a better picture of the potential in the area, to give to the carriers.

The work has included many interviews and meetings with various interest groups. This has been done to obtain more viewpoints and to map out the determination, factors and resources. We have been in contact with, for example, the top decision makers of the City of Turku, the communication personnel, tourist management, the Turku Chamber of Commerce, Turku Region Development Centre, the TE-centre and other regional organisations. We have met businesses in, for example, the gatherings of the committees of foreign trade and industry of the Turku Chamber of Commerce. On the national level we have had discussions with the managing officials of the Ministry of Transport and Communications and the Finnish Civil Aviation Authority under it.

Taking part in the LogOn Baltic-project has aided making contacts. This is especially important for continuity, as developing passenger traffic at Turku Airport will continue even after the LogOn Baltic-project.

Co-operation with Finavia, the former Civil Aviation Administration, has been almost on a daily basis. Locally, the contact persons have been the regional manager and the manager in charge of operations and security at Turku Airport. In addition to this, the Finavia marketing resources at Helsinki-Vantaa Airport have been available

Work description has included mapping out contacts, gathering contact information, making contact, introducing the region, negotiations and other communication with carriers, both nationally and internationally.

Some consults have also been met in connection with marketing the area. Their input has been only partly useful, as their main task is to market their own product. That product is the high-quality print brochure of the area, which has been financed by various operators in the area. The benefits of a mere brochure are questionable, as carriers base their evaluations on numbers, not tourism brochures. The greatest benefit the consults can bring is to making further contact between the region and the carriers. On the other hand, as stated later on, there are specific venues for making these contacts.

9.3 Marketing Opportunities

Continuous follow-up describes the task well. The field develops and the competition between countries, regions and airports is tough. Knowledge must be continuously up-dated in developing air traffic. The passenger traffic development project has shown in practice what factor should be highlighted on marketing and sales materials.

Routes Development Forum is an event in which carriers and airports meet each other. The idea is simple. The carriers are invited to the event and only pay for travel. The airports, on the other hand, pay a price in relation to the traffic they receive, and in exchange get a certain number of 20 minute meetings. In the meeting, they must concisely market and sell their airport to the carrier.

Additional appointments can also be bought, or airports may leave appointment requests to certain carriers, who then agree to the meeting or turn it down, according to their schedules.

Meetings have been strictly timed. The carriers have numbered desks, where the airport representatives arrive according to their schedule. The organisers up-date and manage the schedules and see to it that everyone stays on schedule with time signals and announcements.

In addition to the official schedule, the airport representatives can contact the carrier representatives a little less officially during, for example, breaks and lunch. The shared dinner is also important, as it is possible to introduce yourself during this time. This is very important as if you have seen a carrier representative face to face, it is much more likely that they will take notice of e-mails or other messages, sent by the representative later on.

There are two types of Routes events. First of all, there is the World Route Development Forum, which was organised in Stockholm in 2007. Various carriers around the world attended. Participants included passenger and cargo carriers. Over 25,000 appointments were scheduled at the Stockholm event. In addition to the appointments, it was possible to introduce oneself in an exhibition stand (Levi/Ylläs-Kittilä from Finland) or as a sponsor.

The airports participating in the Routes development Forum must take the following instructions into account when introducing their regions:

1. Detailed knowledge of the carrier in question (operations, possible subsidiaries and their differences, fleet, existing routes and passenger statistics)
2. Simple and meaningful presentation
3. Tailor-made presentation
4. Commercial emphasis of the presentation
5. Figures supporting the presentation, especially on a specific route
6. A realistic view of the catchment area of the airport and the competing airports
7. Defined proposal
8. Minimise papers (USB-memory sticks)
9. Using a computer as aid, not necessarily throughout the presentation
10. Do not drag out the conversation

In addition to the global event, regional Routes Regional events are organised around the world. In May 2007, Routes Regional Europe was organised in Sofia, Bulgaria. Both events operate in the same manner. The next European event takes place in Porto, Portugal, in May 2008. Respectively, the main event is in Malaysia in October, 2008. The needs of Turku Airport are better met in the Regional event.

9.4 Required information

Above is the ten point instruction sheet to selling an airport or a region to carriers. Next is a summarised list of the matters that interest the carriers, and according to which they make the first cuts in searching and evaluating new destinations. The example is from a carrier's information gathering sheet from 2006. It is divided into four parts: 1. Catchment Area, 2. Airport, 3. Airport operations, 4. Airport accessibility.

Table 5 Example is from a carrier's information gathering sheet from 2006.

1. Catchment area	
-Population	30min/60min/90min drive to the airport
-Unemployment	%
-Inflation	Last 5 years
-GDP	Per resident
-GDP growth	Now and predicted
-Use of the Internet	% of population
-Use of credit cards	% of population, and other common methods of payment
-Largest employers	Personnel, possible connections to other countries and cities
-Incoming tourism	The biggest markets per country/city of origin, reasons for travel
-Outgoing tourism	The biggest markets per destination country/city, reasons for travel
-Visiting friends and relatives	Ethnic traffic, ethnic groups and the sizes of them
2. Airport	
-Contact information	
-Other contacts	Local travel, state trade and industry
-Ownership relationships	Governmental, private etc.
-Prices	Listed prices
-Passenger traffic	Route, low cost and charter traffic
-Passenger types	Business, leisure, visiting friends and relatives (VFR)
-Seasonal nature	Passenger numbers by month
-Transfer traffic	% of traffic in total
-Existing	Passenger numbers on main routes
-Potential routes	Possible new routes and routes with not enough service
3. Airport Operations	
-Hours	Opening and closing hours and possible restrictions
-Terminal	Current, planned, possible limitations during peaks capacity
-Check in	Number of check in points, possible limitations during peaks
-Aircraft turning time	In minutes
-Security checks	State or private

-Runway	Length, navigation equipment, lighting, capacity limits Bird/wildlife control
-Fire department services	Category
-Land service companies	Service providers
-Handicapped processes	
-Fuel	Service providers, readiness for certain aircraft types
-Aircraft cleaning	Service providers
-Antifreeze	Service providers
-Aircraft maintenance	Possibilities
<hr/>	
4. Airport accessibility	
<hr/>	
-Traffic services	Motorway connections, Railroad station, price, Metro station, price, Bus connections, price
-Parking	Short/middle/long-term Spaces and areas Costs
-Future traffic development projects	
<hr/>	

This information can be compared to the following summary of three different models that deal with factors affecting the demand at an airport:

Table 6 Factors affecting demand at airports in three selected models

Jorge-Calderón (1997)	Number of inhabitants (and share of people with university degree) Income levels Distance to destination Competing airports in near-by cities Frequency of departures Load factors Aircraft size or technology (jet versus prop) Airfare
Graham (1999)	Population and its growth Frequency of service to particular destination Aircraft size or technology Cost - the fare paid Access travel time
Strand (1999)	Number of inhabitants in the spheres of influences of the departure and arrival cities Average income in the same areas Average air fare Air travel time between city centres (not airports) Fastest surface transport alternative fare (except private car) Corresponding travel time for the fastest surface alternative

9.5 Other Important Matters in Air Traffic

The carriers watch the costs and profits compared to supply and sold kilometres. Efficiency in using the aircraft is essential. Individual aircraft do not wait for their turn at the airport, but fly according to an optimised schedule. The average hours of use for an individual aircraft are 15-17 hours a day, 365 days a year.

Route carriers and low-cost carriers both watch the utilisation rate carefully. The utilisation rate for European regular airline service is 77.7% (January-September 2007; Source AEA). The corresponding number for low-cost carriers was 82% (July 2006-June 2007; Source ELFAA)

Thus, optimising operations is important. In addition to the utilisation rate, the aircraft type and capacity have to be taken into account. Small aircraft have small total costs, but high costs per seat. On the other hand, it can be estimated that the potential in a certain region is not enough for larger aircraft.

Travel structure is also important. Business travel prioritises connection, schedules, frequency and connecting flights. Leisure travellers are much more sensitive to pricing. The possibility of seasons has to also be taken into consideration (compare summer-archipelago,

winter-Lapland). Geographical factors are basic, such as roads and competing airports.

The low-cost carriers have become a strong challenger for traditional carriers. The greatest reason for their success has been the freeing of competition, and thus, the possibility to have a "fresh start". Their cost structure is lighter right from the start. The greatest differences arise from the product and its distribution. For example, Ryanair's costs per offered kilometre are 64% lower than of the three largest carriers in Europe. On the other hand, it must be noted that Ryanair also receives 56% less profits per kilometre.

The additional services of low cost carriers have additional fees, and more profits are searched from hotel and car bookings, insurances etc. In addition to these, new ways of milking the customer for money, yet keeping the price advantage to traditional carriers, are developed constantly.

The Internet, as a combined marketing and sales place, is an essential part of the low-cost concept. The ticket prices have gone down after the low-cost carriers entered the market, but people's price images have also been confused due to fragmented pricing.

One of the basic factors in the success of the low-cost carriers is flying to so-called second airports. Although in practice, the lower cost level has only been a part of the whole. In most cases, the regional participation in marketing has also been an important factor.

Thus, the low cost carriers have been able to become strongly established in the European market. Air traffic continues its growth. Most traditional carriers have made their operation more efficient, much of the time with the same means as the low-cost carriers. On the other hand, the low-cost carriers also have to stand out from each other. It is likely that mergers will take place in the field. The difference between traditional carriers and route carriers will become smaller.

9.6 Tools and Statistics

At the moment, we have been in contact with over 150 people from the aforementioned interest groups in the development project of Turku Airport. We have had contacts, interviews, conversations and interviews with more than 23 carriers. We have established continuous contact with many companies and several negotiations are ongoing.

Literal material comprises of several sources. At the end of the report are some good Internet addresses. Local air traffic information has been received from Finavia and also carriers. Other literal sources include Jussi Korpela's air traffic study from 2000 and his study "Turun lentoaseman liiketoimintaympäristön SWOT-analyysi" (SWOT analysis of the business environment of the Turku Airport) from 2002. The Turku Chamber of Commerce has also conducted a study about the travel needs of the Turku Airport catchment area. These studies have been used for creating background for air traffic in Turku.

I can recommend the Tartu Airport development plan (Torsten M. Hoffman, Rein Jürlado and Lauri Ojala), realised within the LogOn Baltic-project framework, to all considering air traffic development projects.

9.7 Air Traffic Interview Study

Information that can be used for marketing Turku Airport will be collected in the future too. A new source is the Finavia interview study from Helsinki-Vantaa airport in 2007, conducted from January to December. Already during the first five months, more than 5880 people have been interviewed.

The importance of this for Turku is that the study clarifies both the starting point of the journey and the final destination. What does this mean then? We have already mentioned that many travellers in the Turku Airport catchment area travel to Helsinki by road and then continue their travel by air. Until now, it has been impossible to say how many travellers began their journey from the Turku region, if the journey was made in the manner described above. It has also been impossible to know the final destinations of the travellers.

All the carriers have had this information about their own passengers and in documents gathered from booking systems, which are sold separately. These, for example, MIDT data, are only suggestive and their significance changes much depending on the market area. Internet bookings, for example, do not reflect on these statistics.

In any case, the new study will provide weighed figures, and thus, a more complete image of the total potential that specific areas have in air traffic. Even according to the preliminary numbers, the potential of the Turku region is quadrupled when compared to the figure in the Finavia statistics as Turku Airport domestic traffic. These numbers

cannot be calculated one-to-one, but they are suggestive as to Turku Airport and its potential.

10 RESULTS AND CONCLUSION

A few things can be mentioned as concrete results of the Turku Airport development project. First of all, of the co-operation with the carriers, we can mention the growing capacity of the Copenhagen traffic on the part of the international traffic. This was negotiated at the Routes event in Stockholm. The other one is connected to Wingo launching a new route in January 2008 on the Turku-Tampere-Oulu route. Here, we have been able to work on, and share, information that the carrier needs, and also help in creating contacts.

As said earlier, we are engaged in several ongoing negotiations. Co-ordinating and centralisation of passenger traffic has clarified operations, and also made them more efficient. It has also assured us that the need for development exists and there are realistic expectations to realising it.

The passenger traffic development project has been ongoing for a year now in practice. Even at this stage we can see that the development work will require several years. This project combines true regional need for development and an EU project, which has made it possible to launch this project. In addition, one new job, which may become permanent, was created during the project.

As a general conclusion, or more as a midterm report, we can state that developing passenger traffic in the Turku Region requires the participation of all parties. As stated earlier, air traffic is not to be taken for granted.

Improving the profile of Turku Airport and making it better known is primary in the development. The local media conversation should also highlight the positive news and not only negatively deal with things that cannot be changed. The businesses should be informed about the total costs of travel, when comparing flying from Turku and travelling to Helsinki by road. The costs of going to Helsinki by road are as follows: kilometre allowances there and back are about 150€, higher parking fees are added to this, and the travel time (about 4.5 hours, there and back) and the security checks also take longer.

It is also important to direct the marketing of the Turku Airport especially to the leisure travellers. Planning and realising this task is

appreciative, as it serves all the parties that have anything to do with air traffic.

The work continues, as mentioned earlier. Creating contacts with carriers is essential. In addition, the marketing material requires updating and the local co-ordination requires attention. It is clear that the development requires investments from the cities in the region and from private parties.

At the end, there are Internet addresses which lead to interesting and useful data about air traffic. Some of them are Finnish, but every country has similar pages. Most are international. There are also several EU projects connected to developing air traffic (for example STRAIR)

11 LINKS

www.pilotturku.com	
www.finavia.fi	Finnish Civil Aviation Administration
www.ilmailuhallinto.fi	Finnish Civil Aviation Authority
www.iata.org	International Air transport Association
www.aea.be	Association European Airlines
www.elfaa.com	European Low Fares Airline Association
www.oag.com	Travel Information
www.anna.aero	Airline network news and analysis

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