

MARKETING



New airlines carefully craft ad campaigns

By Daniel Kahn

The six-week-old Atlantic Express airline carefully segments its customers and promotes speed over price. The year-old Northeastern International Airways opts for broad-based marketing with the advertising focus on price.

Two airlines, two marketing strategies.

Atlantic Express flies from Republic Airport in Farmingdale, to Boston, Philadelphia, Syracuse and Albany. As a start-up company with limited financing, and with two planes that each seat only 19 persons, it had to maximize its marketing efforts.

"We have to be very careful about where we take our shots," said Hank Boerner, head of Boerner Associates of Mineola, agency for the airline. "We don't have the money to try different ads to see what works. We can't afford too much experimentation."

With a budget annualized at \$200,000, he said, there isn't much leeway for error.

Boerner began by breaking the market into segments — the business traveler, the student, the weekend visitor — in each city serviced by the airline. "You look for all possible customers in, say, Boston, and determine what their interest is in Long Island," Boerner said.

So the Boston connection was keyed to the shared interest of the two business communities, particularly in the high-technology industries. And on weekends, when business travel falls off, there is the Long Island student in the university-dotted Boston area to pick up the slack.

In the week before the inaugural flight, Atlantic dispatched its pilots to call on companies in the Route 110 area. They handed out timetables and collected business cards, which were turned over to Atlantic's sales force.

Direct marketing is still a strong point, with mailings sent to travel agents, executives, university campuses and government offices. The airline is devising a discount program for members of the Long Island Association of Commerce and Industry, and is trying for tie-ins with auto-rental firms and hotels.

The advertising campaign depends heavily on the Boston Globe, Newsday and the Wall Street Journal, and is

backed up with buys on radio and in business weeklies and daily newspapers in Albany and Syracuse. All the ads blare the message, "Now I get to Long Island in less than an hour . . ." and then announce the fare.

"Consistently," he said, "the Long Island market has shown the quickest response [to advertising]. The Wall Street Journal does the same thing, bringing calls from all our market areas." The Island is the key market, he said, because of its concentrated population, high income and diversity.

Atlantic's fares are a little higher than those charged by some other airlines at the three major New York airports, Boerner acknowledged. But the expense of driving to those airports — and perhaps parking there overnight — makes the fares comparable, he said.

The 82 weekly round-trip flights average a 60 per cent load factor, he said, exceeding the goal of eight passengers per flight.

In its marketing survey, Northeastern found a community of interest between Long Island and Florida in two areas; residents here with relatives and friends there, and vacationers.

"The approach was to give that community a good fare value," said Guy Tiranno, the airline's marketing and sales vice president. The business traveler accounts for 10 per cent to 12 per cent of passengers, Tiranno said.

The airline tries to reduce no-shows to a minimum by persuading travelers to buy their tickets in advance. And it guarantees that, should the fare be raised, the lower-priced ticket bought in advance will be honored, according to Tiranno.

Northeastern flies 30 round trips a week, connecting Hartford, Long Island MacArthur Airport in Islip, Fort Lauderdale, Orlando, Tampa and Miami. Its four jetliners average a percentage load factor in the mid-70 range, Tiranno said, well above the 58 per cent needed to break even.

The total marketing budget runs about \$1 million a year, according to Tiranno. Its broad-based, fare-promotion advertising is placed with Newsday, daily newspapers in the other cities, local radio and college newspapers, while mailings are sent to travel agents and business executives.

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