Memorandum

To: Nevada Commission on Tourism

From: Regional Air Service Corporation

Date: June 21, 2017

Re: Regional Air Service Corporation program report and plan

The Regional Air Service Corporation (RASC) is an organization formed by both public and private entities to serve the mutual desire of increasing air service to the Reno-Tahoe area to support tourism, business, and economic development efforts. The organization aims to position the Reno-Sparks-Lake Tahoe-Northern Nevada region as one destination, to focus on identifying national and international markets, to increase quality air service to and from the Reno-Tahoe International Airport and to target common tourism and business industry concerns for cooperative action. Funds donated to the organization are used for marketing efforts and risk mitigation as requested by airlines and determined by RASC to be key market opportunities.

Throughout 2016, the Reno-Tahoe Airport realized consistent growth in key areas including passengers served, scheduled seats, and more. Some of these increases from 2015 to 2016 include:

* A 6.4 percent increase in passengers served, reaching 3.65 million passengers.
* An 8.1 percent increase in seat capacity.
* An 8.1 percent increase in scheduled seats served.

Aligning with a burgeoning market for leisure and business travel, the Regional Air Service Corporation has worked closely with the Reno-Tahoe Airport to aggressively target desired air service providers and routes to increase connectivity with the region. Throughout 2016 and the first half of 2017 these efforts led to the launch of six new routes including Long Beach on JetBlue, Orange County on Alaska Airlines, Oakland on Southwest, Los Angeles on Allegiant, Atlanta on Delta, and Dallas Love Field on Southwest.

RASC was also successful in expanding existing service including the addition of a daily San Jose flight on Southwest Airlines, and new daily seasonal service to Chicago O’Hare on United Airlines making it the third airline to service this market from Reno-Tahoe.

Previous notable successes of RASC include the addition of the Volaris flight to Guadalajara putting “international” back in the Reno-Tahoe International Airport name as its first nonstop international flight since 1999. The service represents months of work by dedicated partners including the Nevada Commission on Tourism. The route remains consistently healthy with high load factors.

Throughout Fiscal Year 2015-16 RASC implemented impactful marketing and communications efforts, including creating and executing marketing efforts for all six new routes served, rebranding the Corporation, and sponsoring the prestigious Boyd Group International Aviation Forecast in Summit in September 2016.

As a key function of the Corporation, the organization planned and implemented numerous digital-first marketing campaigns across the United States in support of air service, with the ultimate goal of moving potential passengers to book seats to the region. After analyzing a variety of factors including lead time, partner efforts in the region, importance of the market, and allocated budget, integrated marketing plans were developed that included advertising, public relations and social media efforts.

In total, the corporation supported marketing efforts that led to 66.1 million advertising impressions, a 43.3 percent value add against spend, and 17 journalists visiting the region representing key media outlets in four markets.

Due to changing consumer preferences it was determined that RASC needed a new brand that better represented the purpose of the organization while maintaining broad appeal for its variety of target audiences. Therefore, the organization adopted an intensive rebranding process including a new logo and website rebuild that will launch in the first quarter of Fiscal Year 17-18.

In the coming Fiscal Year 17-18, the Corporation will continue to align efforts with Reno-Tahoe Airport to ensure focus on key growth markets, improving the guest service, and increasing frequency of current flights.

New market focuses include increased connectivity to East Coast locations such as Minneapolis and Boston. Limited service options currently exist, and increasing the number of daily and year-round flights is a priority without cannibalizing flights to airline hubs that currently provide connectivity. Additionally, RASC plans to continue implementing a strong southern California focus to round out options for both the leisure and business traveler with additional frequency and the addition of key airports such as Burbank.

RASC will continue to engage with airlines to ensure that new flights provide passengers with both the routes of highest demand and additional seats needed as well as a continuing to improve the guest experience in all service. In addition, RASC plans to undergo a thorough passenger survey allowing the organization to truly understand the visitors who arrive via the Airport. This research will be conducted specifically to understand existing and potential new market segmentation as well as to integrate findings into future efforts to attract new flight service.

With the continued investment in this public-private partnership, RASC expects to continue to provide additional connectivity for the northern Nevada region to both regional and long-haul markets supporting the health of the region’s tourism, business and economic development efforts.