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German Aviation Research Seminar  
„The Role of Competition in the Future Airport Industry“

# What Defines Low-Cost Airports?

## Insights from Comparing Passenger Characteristics at the Airports Frankfurt-Hahn and Bremen

Prof. Dr. Richard Klophaus



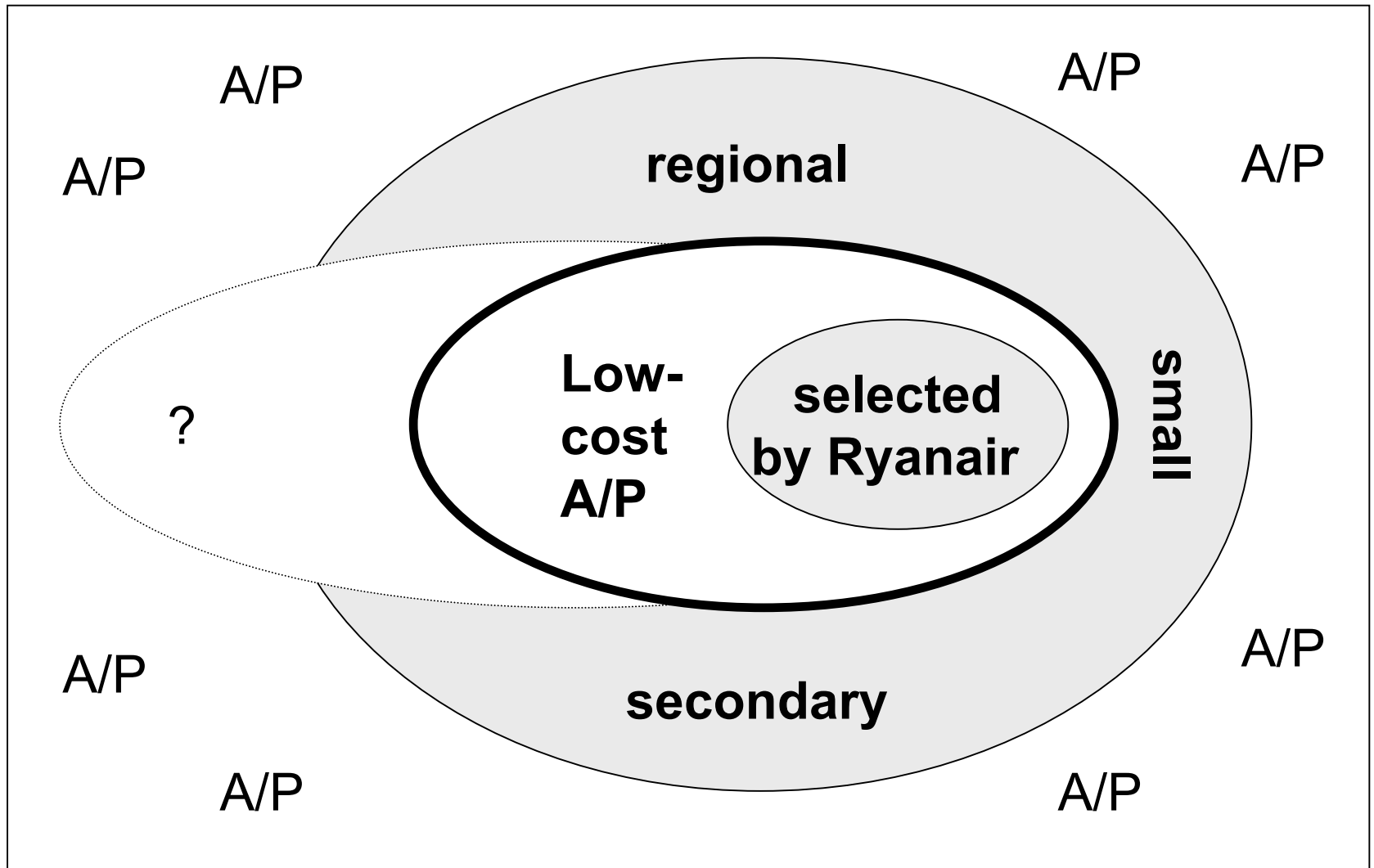
Leipzig, November 14, 2003

- ✈ **What defines low-cost airports?**
- ✈ **Results of passenger inquiries at Hahn (HHN) and Bremen (BRE)**
  - Purpose of travel**
  - Passenger behavior**
  - Service assessment**
  - Passenger demographics**
- ✈ **Directions for further research**

# Classifying commercial airports

<b>Technical / operational</b>	<b>e.g. ICAO classification</b>
<b>Ownership</b>	<b>public / private / mixed</b>
<b>No. of movements / passengers</b>	<b>large / small</b>
<b>Main traffic function</b>	<b>hub / feeder to hub / point to point</b>

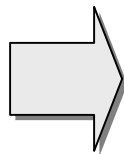
# What defines low-cost airports ?



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## First answers

Low airport charges	Hahn: 4.50 € per passenger German average: 15 € per passenger
Low capacity costs	Hahn: 4 € per capacity unit (passengers p.a.) German average: 40 € per capacity unit
Point to point traffic	e.g. Hahn
Customer characteristics	Airline customers? (e.g. Ryanair) Who are the passengers?

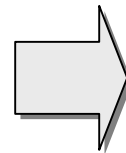


**Hahn is a „low-cost airport“!**

# Airport types based on traffic pattern

traffic function	airport type	e.g.
hub function	hub airport	Frankfurt (FRA)
feeder to hub	feeder airport	Bremen (BRE)
point to point	low-cost airport (?)	Frankfurt-Hahn (HHN)

**Comparing  
„hub airports“ with  
„low-cost airports“  
predominates!**



**New focus on  
competition between  
„feeder airports“ and  
„low-cost airports“!**



# Some facts about BRE and HHN ...



Airport	Bremen (BRE)	Hahn (HHN)
No. of passenger airlines	20	4
Dominant airline (% of weekly dep.)	LH (49 %)	FR (92 %)
No. of destinations	21 (5 domestic, 16 European)	21 (1 domestic to Berlin-SXF with Volareweb, 20 European)
Main destinations (TOP 5, no. of dep.)	MUC, FRA, STR, AMS, CDG	Stansted, Gerona, Bergamo, Pisa, Ciampino, Skavsta, Venedig
Airport type (main traffic function)	feeder to hub	point to point
No. of scheduled flights (per week)	260	197
No. of passengers (2002)	1,693,015	1,450,079
Passenger growth (2002 - 2001)	-7%	231%
Passenger forecast	2010: 3 Mio.	2003: 2,3 Mio.
No. of employees	269	275
Owner	Free Hanseatic City of Bremen	Fraport AG 73,07%, State of Rheinland-Pfalz 26,93 %

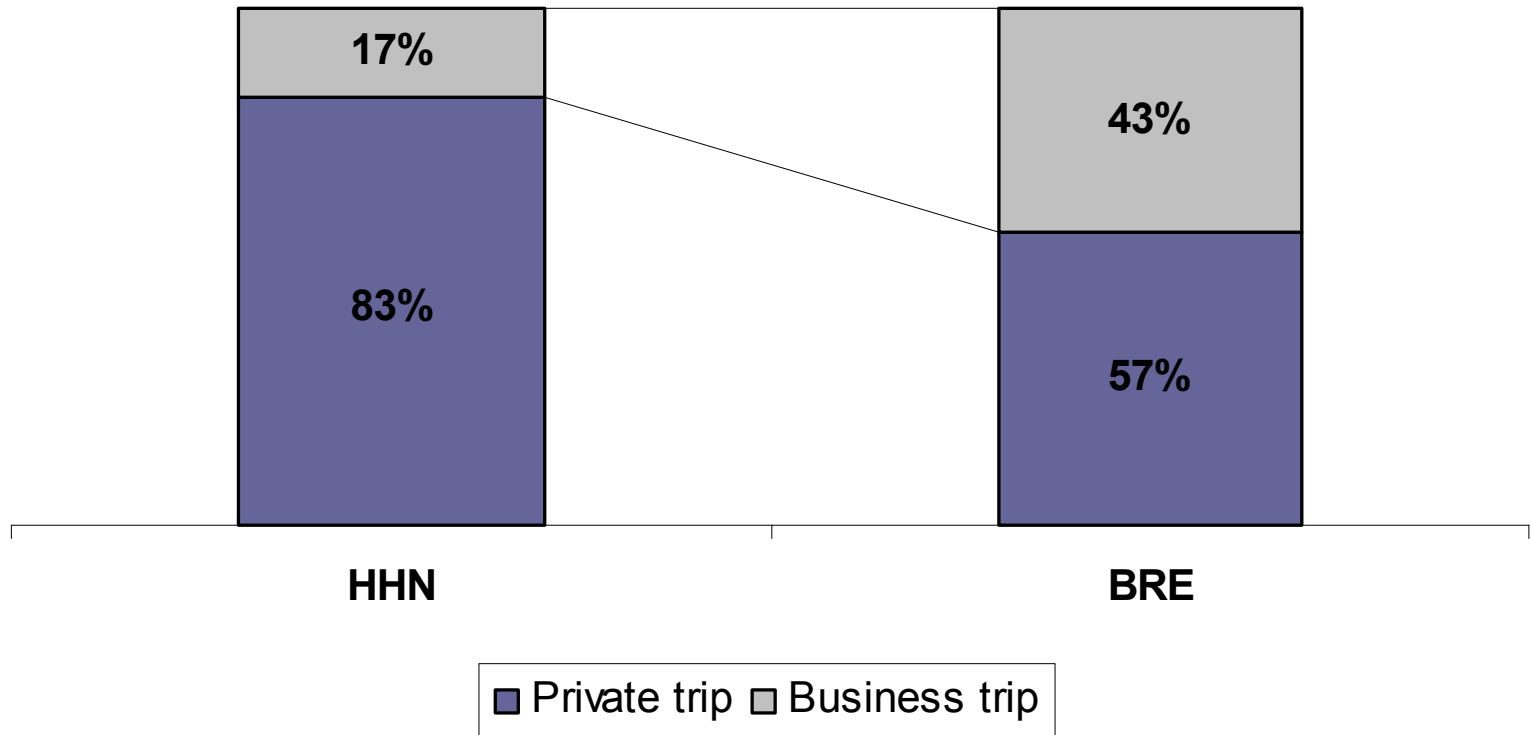
**First quarter 2003:  
HHN ranks No. 10 among Germany's  
passenger airports, BRE is No. 11**

# Data collection procedure

	HHN	BRE
Data source	Primary	Secondary (Wrobel 2002)
Data collection technique	Survey with standardized questionnaire for all respondents	
Language of questionnaire	German and English	
Data collection period	07 – 16 May 2003	Nov. 1999 – Apr. 2000
Sample selection	1.) Selection of representative week days and departure times 2.) Random selection of departing passengers	
Sample size	814	1,009

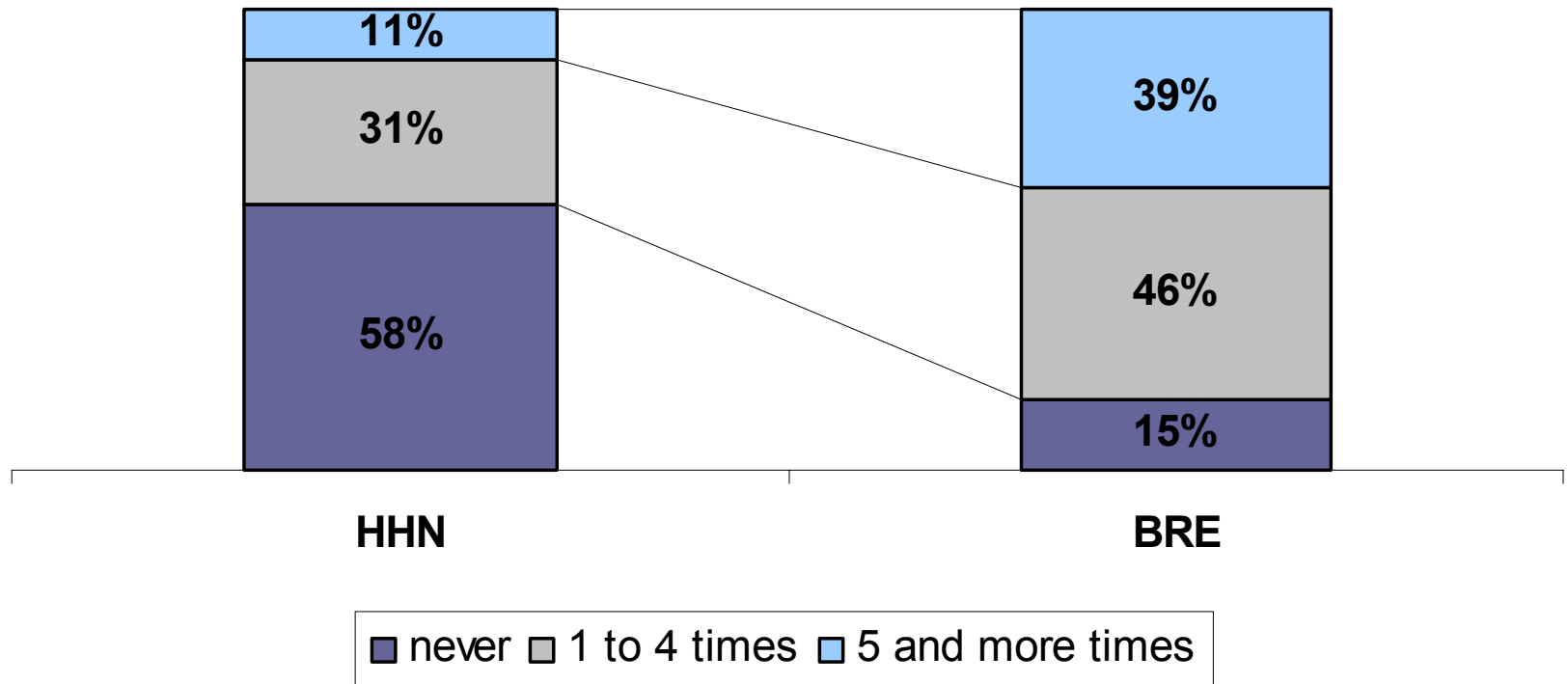
# HHN has a smaller share of business travellers

## Private or business trip?



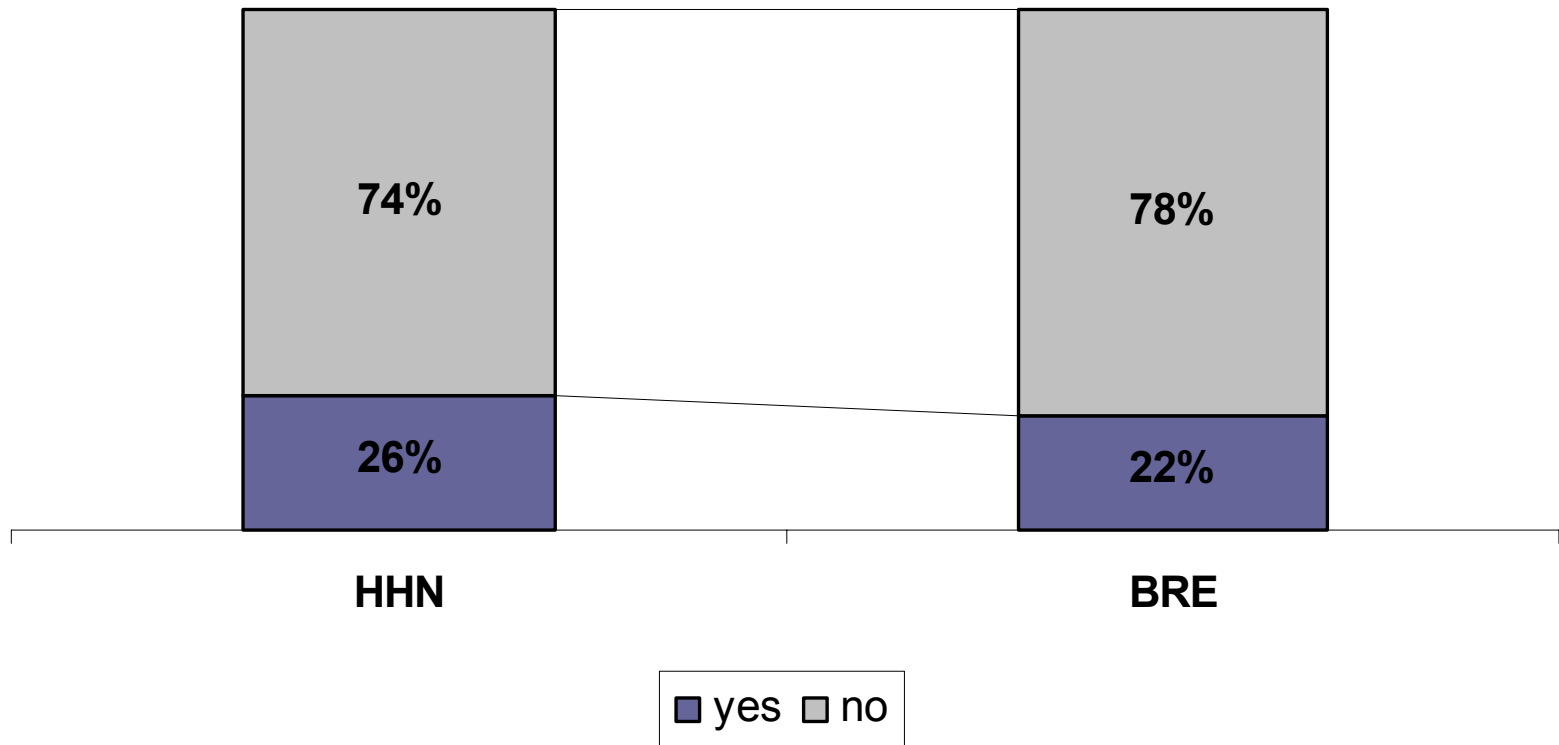
# HHN has many first-time passengers due to strong growth in passenger numbers

How often have you flown from Hahn-Airport until now?



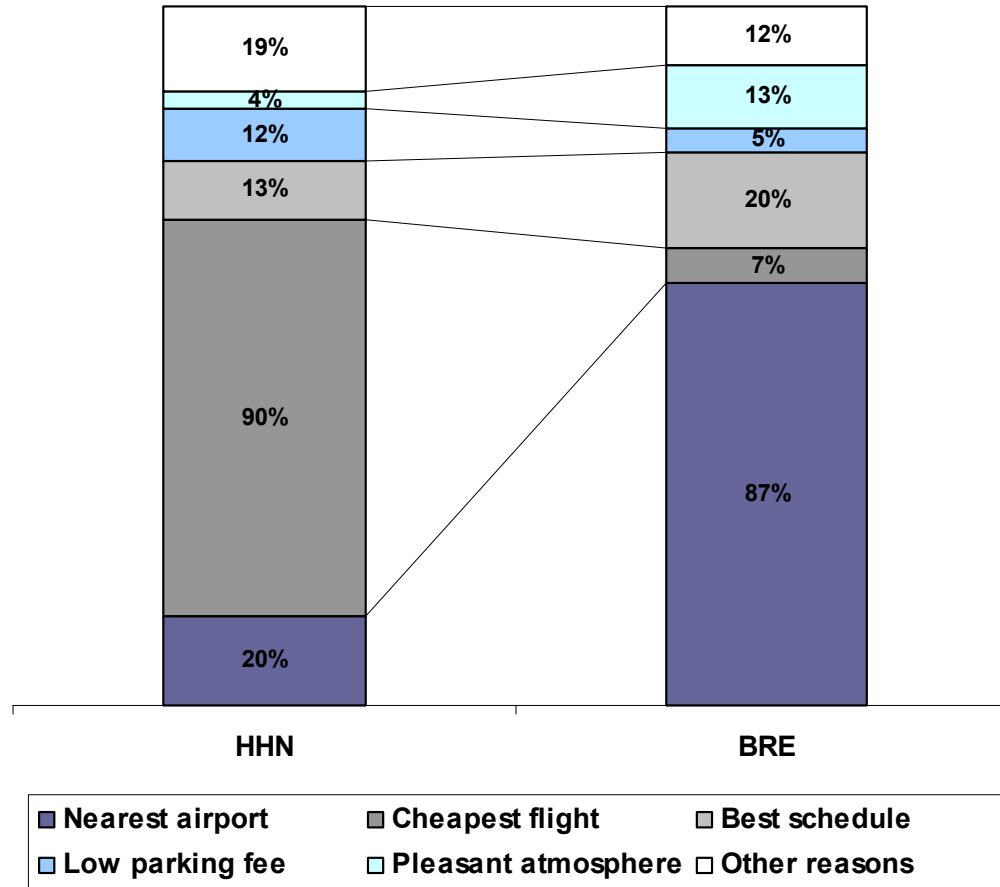
# Only a minority of passengers evaluated A/P alternatives before choosing HHN / BRE

Planning this trip, did you consider other airports?



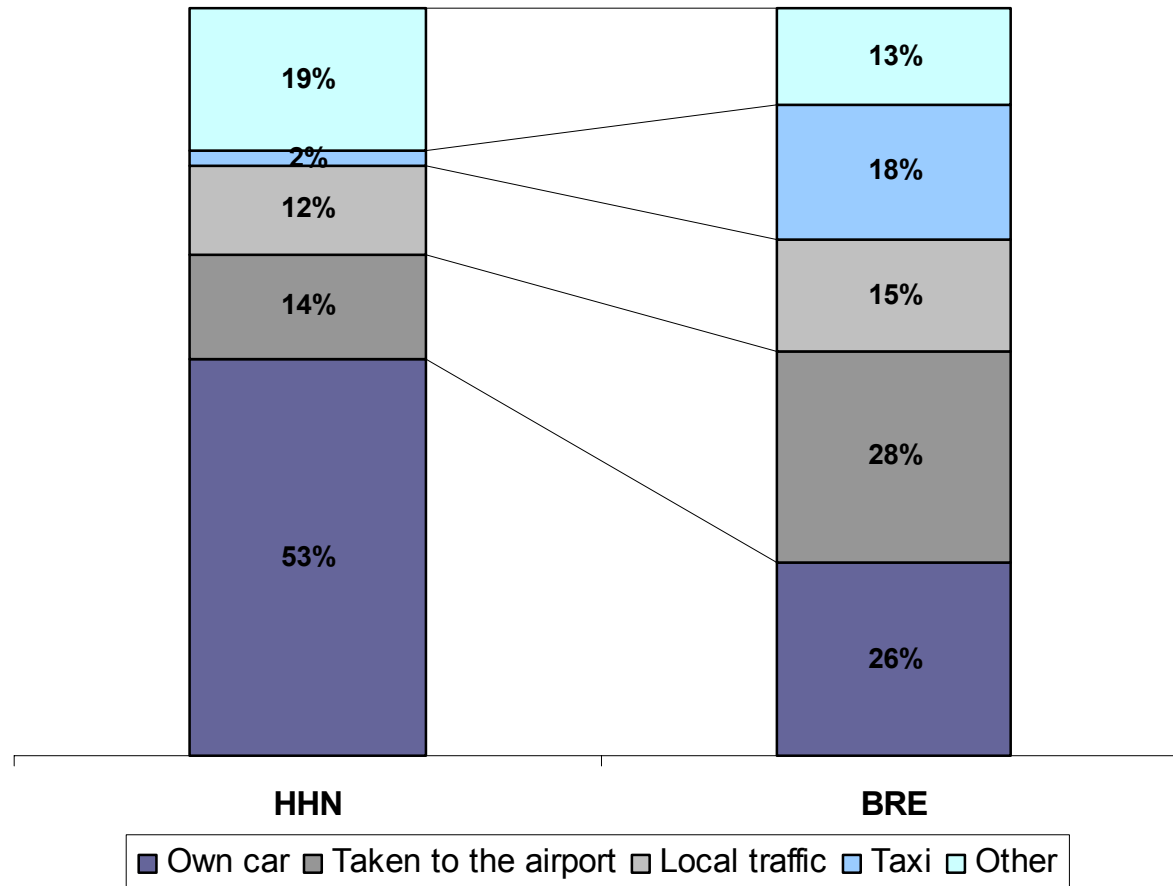
# „Cheapest flight“ as the most important reason for flying from HHN

What are your reasons for traveling from Hahn-Airport? (multiple reasons possible)



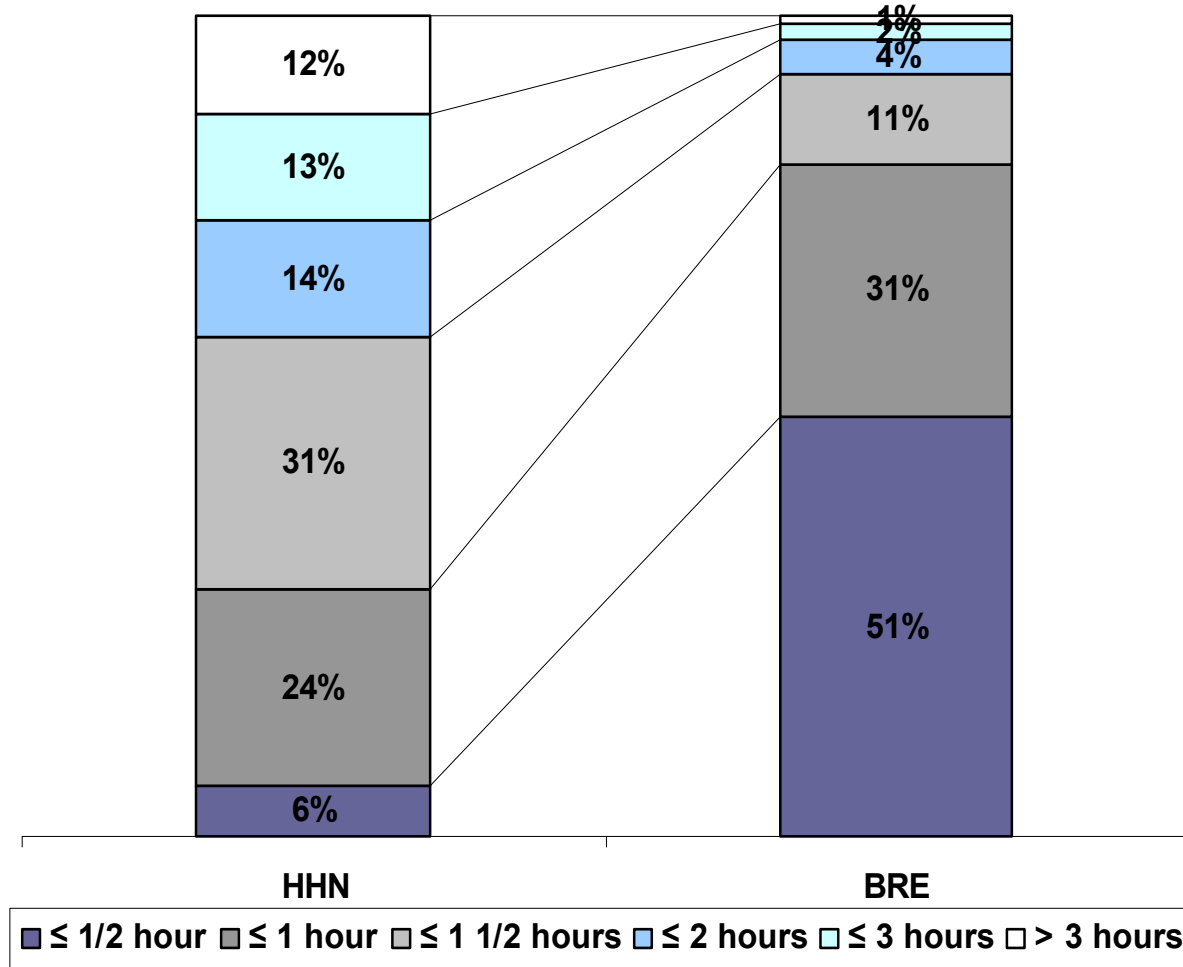
# Most passengers at HHN rely on private transportation by car to get there

How did you get to the airport?

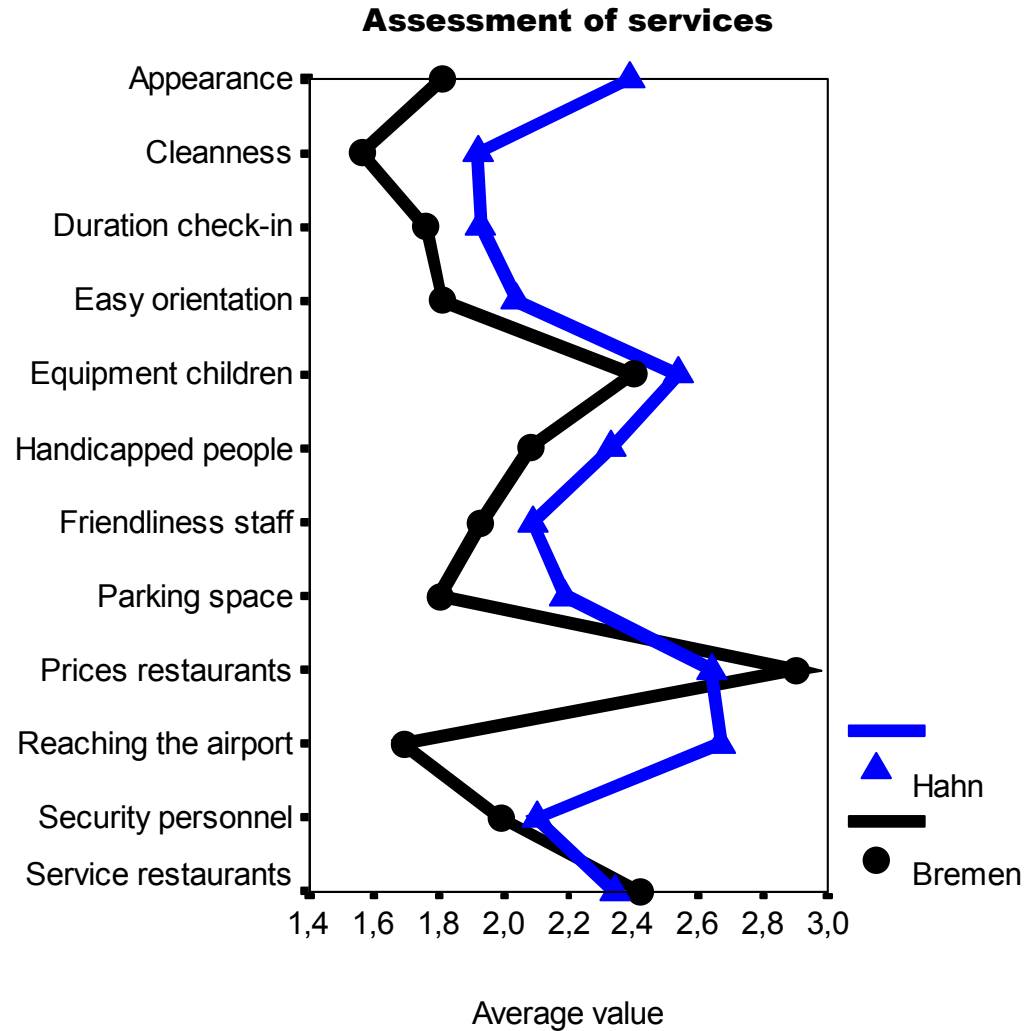


# Passengers at HHN accept much longer ground travel times

How long did it take you to get to the airport?

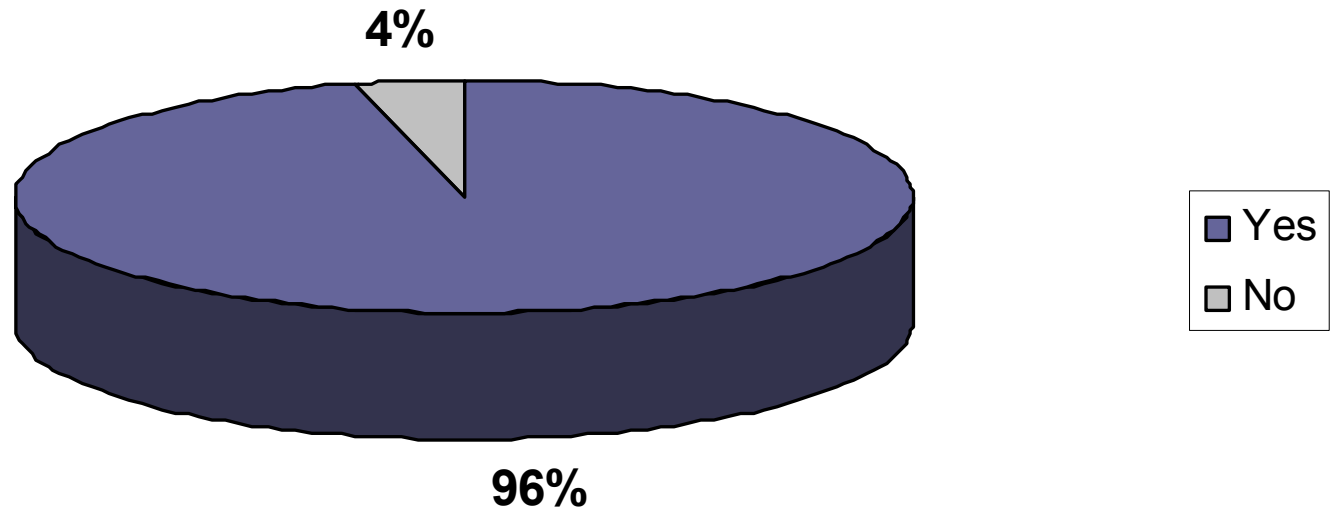


# Evaluation of services offered at HHN: Similar but somewhat weaker compared to BRE



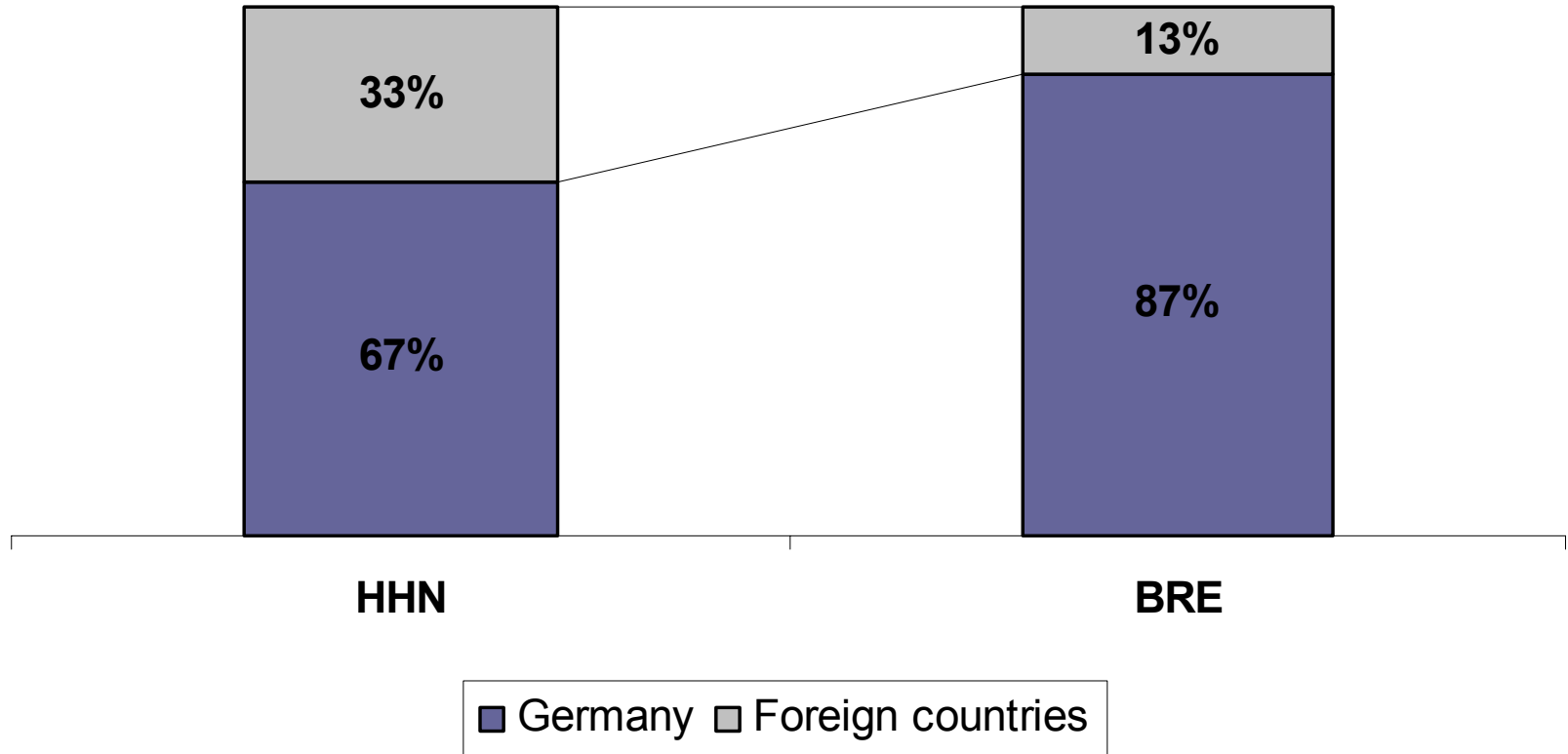
# Overwhelming willingness to recommend HHN to others

Would you recommend Hahn-Airport as departure airport to others?



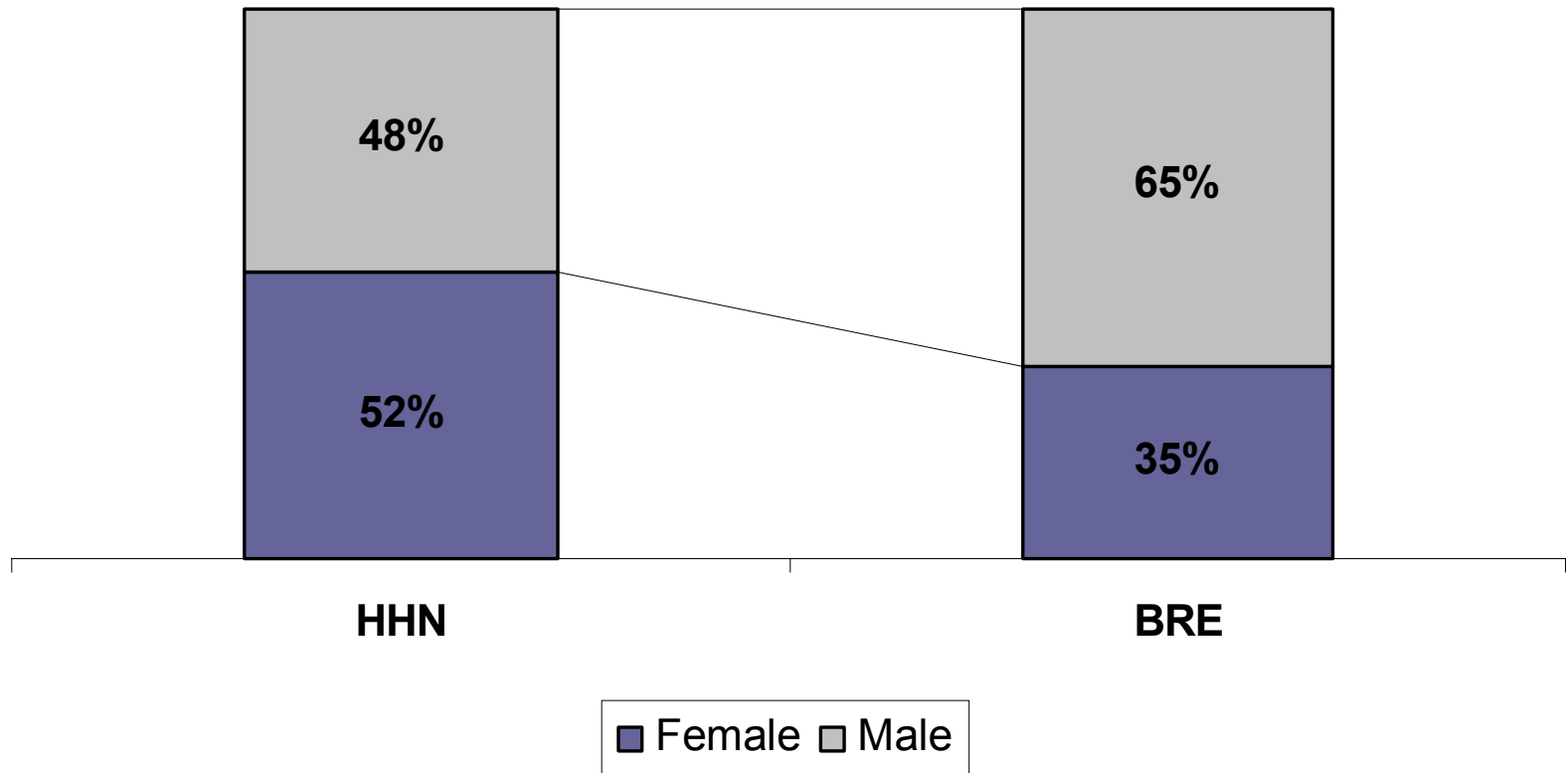
# HHN has a higher share of foreign travellers

## Residence of respondents



# Surprisingly high share of female passengers at HHN

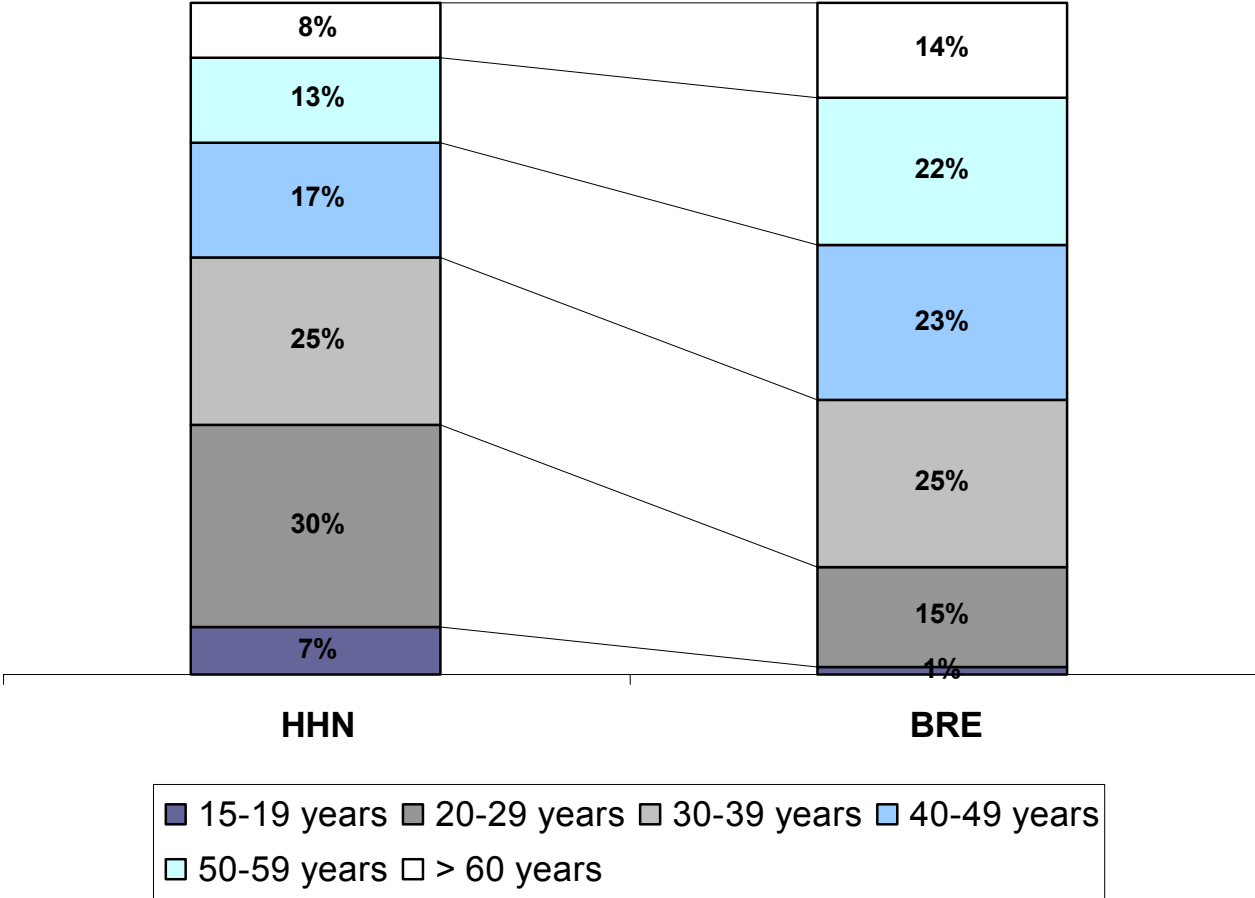
## Gender of respondents



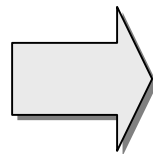
# HHN's passengers are younger ...



Age structure of respondents



- ✈ **Low cost airports have small share of business travellers (< 20 %)**
- ✈ **Passengers from low-cost airports are attracted by cheap flights, the ones from feeder-to-hub airports by proximity**
- ✈ **Many passengers of low-cost airports accept long ground travel times**
- ✈ **Lack of amenities does not hinder passengers to recommend low-cost airports to others**
- ✈ **Point to point traffic to / from low-cost airports is reflected by relatively high share of foreign travellers**
- ✈ **Low-cost airports have a balance of male and female passengers**
- ✈ **Passengers of low-cost airports are younger than passengers of feeder airports**



**Demand for tailor-made  
airport products / service packages?**

The presented results aim to stimulate interest within the aviation research community to conduct more conclusive studies

**Suggested directions:**

**Conjoint Analysis to determine the relative importance of airport attributes for passengers' travel decisions (e.g. willingness of passengers to trade longer ground travel times or „bus terminal“ environment for cheaper fares)**

**Comparing data between countries: Do distinctive passenger characteristics exist for all European low-cost airports?**

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# Thank you for your attention!



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