

“The word ‘staycation’ sends shivers down the spine of anyone whose job it is to put butts in seats,” quips Lee Lipton, Director of Network Strategic Planning for Southwest Airlines. But getting folks to fly the friendly skies is not the sole province of clever ad men and mavericky marketing types. Airlines must first figure out where the most butts are to be had. The arcane process of route planning is how airlines determine where and when to put their steel in the air, as they say in the industry.

But airlines don’t make these decisions on their own. Chances are, your regional airport goes to great lengths, at considerable expense, to attract new routes and to retain existing ones. The courtship ritual begins at the Routes World Development Forum, an annual conference at which airline strategic planning executives rendezvous with airport business development directors to explore compatible route pairings. The 14th annual Routes conference took place in October in Kuala Lumpur, Malaysia.

Every year, representatives of airports from Abu Dhabi to Zagreb occupy tricked out booths on the floor of the convention center. They palm off enough swag—golf shirts, leather folios, and other logo items—to guarantee overweight baggage on delegates’ return flights. In each of the three adjacent meeting halls, airports try to curry favor with airlines during tightly structured networking sessions scheduled at brief, precisely timed intervals. A ginormous digital stopwatch ticks down the remaining moments as a recorded voice with the obligatory British accent announces, “The next session will commence in five minutes’ time.” So-called chalets, roomy cubicles in which top-tier airports hold private meetings, surround a maze of small tables flanked by slipcovered

banquet chairs. As dozens of prospective partners huddle in tense trysts, the convention hall looks for all the world like a colossal speed-dating event.

In this male-dominated industry, negotiations are inevitably mellowed by the holy trinity of businessmen whose wives are on another continent: booze, buffet meals, and beautiful women. Mexico's ASUR airports group draws a crowd to its booth every year with a surefire combo of margaritas, nachos, and a "staff" of identically dressed and coiffured models who look as though they just stepped out of a Robert Palmer music video.

Representatives of more than 300 airports and 200 airlines attended Routes this year.

Airports initiate the route planning process by requesting meetings with particular airlines to propose new air service opportunities. The big men on campus, such as Houston and Denver, can expect to land their preferred slots on the airlines' dance cards, but second-string airports may be sent packing. "If we know that only 20 passengers a day want to fly to, say, Minsk," explains Buddy Anslinger, Managing Director of Planning and Scheduling for Continental Airlines, "We're probably going to turn down that airport's request to meet with us."

Each airport retains highly compensated consultants who accompany them to serve as matchmakers, of sorts. Using proprietary software that crunches the data six ways to Sunday, they supply cryptic analyses that help the airport press its case. The airport also offers a virtual dowry of financial incentives. Although federal law prohibits paying an

airline to establish service, a state or region may offer generous tax abatements, gate-leasing arrangements, landing-fee waivers, and co-marketing agreements.

The one-two punch of soaring fuel prices and a faltering economy has made it especially dicey for airlines to launch service in new markets. They've been forced to pursue innovative route planning strategies that make the best use of their equipment resources and, ideally, allow each flight to top its break-even load factor—that is, the percentage of seats that must be sold at a given fare for the flight to turn a profit (on average, more than 80%, according to the International Air Transport Association). For example, airlines are beginning to serve selected routes seasonally. “We've decided not to operate our new nonstop service from Philadelphia to Zurich this winter, while demand is down,” says Brian Council, Manager of International Route Planning for US Airways.

Airlines are also bumping up load factors by prioritizing booking class over sheer volume in making route planning decisions. Front-end passengers have become the trophy wives of the sky, and airlines are giving chase while deserting routes that cater to budget-conscious vacationers headed for destinations like Orlando and Las Vegas. Even Southwest Airlines, which has traditionally positioned itself as a leisure carrier, has shifted to a 50-50 split of business and leisure travelers, according to Lipton.

Airports, in turn, are supporting airlines' efforts to woo big-ticket business travelers by making way for wide-body aircraft and spiffing up airport facilities. “At LAX, our Tom Bradley terminal is undergoing a \$3 billion modernization project to accommodate the

new large aircraft and upgrade passenger amenities, such as shopping and concessions,” says Mark Thorpe, Director of Air Service Development for Los Angeles World Airports.

There are no shotgun weddings at Routes. In fact, a successful meeting merely opens the door to years of bargaining involving parties with conflicting agendas, such as aviation attorneys, the state tourism authority, the regional chamber of commerce, and other stakeholders. Although the protracted negotiations can be frustrating, the process is designed so that at any given time, deals are in the works at all stages—route pairings being bandied about, tentative partnership agreements being drafted, and perhaps even new air service being applauded. Only those with exceptional patience seem willing to tough it out through all the haggling and all the hangovers. But in the end, they always get the girl.