



Passenger Retention Analysis

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By:



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Introduction

In aviation, two things are certain: the industry will continue to change and, for smaller communities, access to national air travel will become more and more challenging.

The fact is, since deregulation began in 1978, smaller communities across the nation have seen equipment downgrades, frequency reductions, and eliminations of nonstop destinations. And that's a best-case scenario. In the face of multiple mergers, growing presence of low-cost carriers, unpredictable oil prices, terrorist actions and subsequent capacity reductions, many small communities have lost all scheduled airline service.

After all, major airlines have turned their focus elsewhere within their multi-billion dollar networks. And, although some continue to serve small communities, they give very little time to thoroughly understanding the smaller, individual pieces of their route structures.

Leaders in small communities then, like Gillette, have realized the critical importance of keeping a close eye on service levels, load factors, passenger retention and other industry trends to attempt to understand the issues impacting passenger service at their airports.

This report will examine statistics and trends surrounding passenger service at Gillette – Campbell County Airport, specifically passenger retention and leakage.

With this information, Gillette's leaders may take action to maintain current access to the national air service network, enhance existing airline service levels, and help airlines maintain or improve the service Gillette currently enjoys.

Objectives

The purpose of this report is to examine data on the travel patterns of airline passengers who live in the Gillette – Campbell County Airport catchment area.

This report will show:

1. Airports where travelers originate or terminate travel; that is, an estimate of the percentage of Gillette travelers who use Gillette – Campbell County Airport versus nearby airports.
2. Destinations/Origins of travelers in the Gillette – Campbell County Airport catchment area and detail on Origin/Destination travel at airports Gillette travelers use most.
3. Passenger leakage and retention trends.
4. Estimates of the total number of travelers Gillette – Campbell County Airport could potentially attract.
5. Airlines used by local travelers
6. Average fares at Gillette, nearby airports and significant city pairs.
7. Trends over the past few years in scheduled service, load factors and other variables.

Methodology/Limitations

This report uses data from the Airline Reporting Corporation, or ARC (<https://www.arccorp.com/aboutus/index.jsp>). ARC data includes bookings originating in GCC's catchment area of nine zip codes, provided those bookings were made through a web booking engine (Travelocity, Expedia, etc.) or other travel agent. ARC tracks each passenger's zip code, not the zip code of a travel agent.

ARC data does not include the travel habits of passengers who book directly with airlines. For example, this report does not estimate leakage for Allegiant Air passengers, since all passengers book directly through Allegiant's proprietary reservations system. This will result in an understatement of leakage to certain destinations, including Las Vegas and Phoenix.

Nevertheless, the ARC data is a telling sample of the total passenger travel in and surrounding the Gillette area; most importantly, it reflects bookings made by an essential portion of airline travelers: high-yielding business travelers using web booking engines and those booking through corporate accounts.

This report also uses various U.S. Department of Transportation (DOT) sources of airline data and schedules data from Diiio's apgDat airline data software to attempt to create an accurate depiction of Gillette-area travelers' trends.

Prior to 2011/2012, data was collected through Marketing Information Data Tape (MIDT) from Global Distribution Systems (GDS).

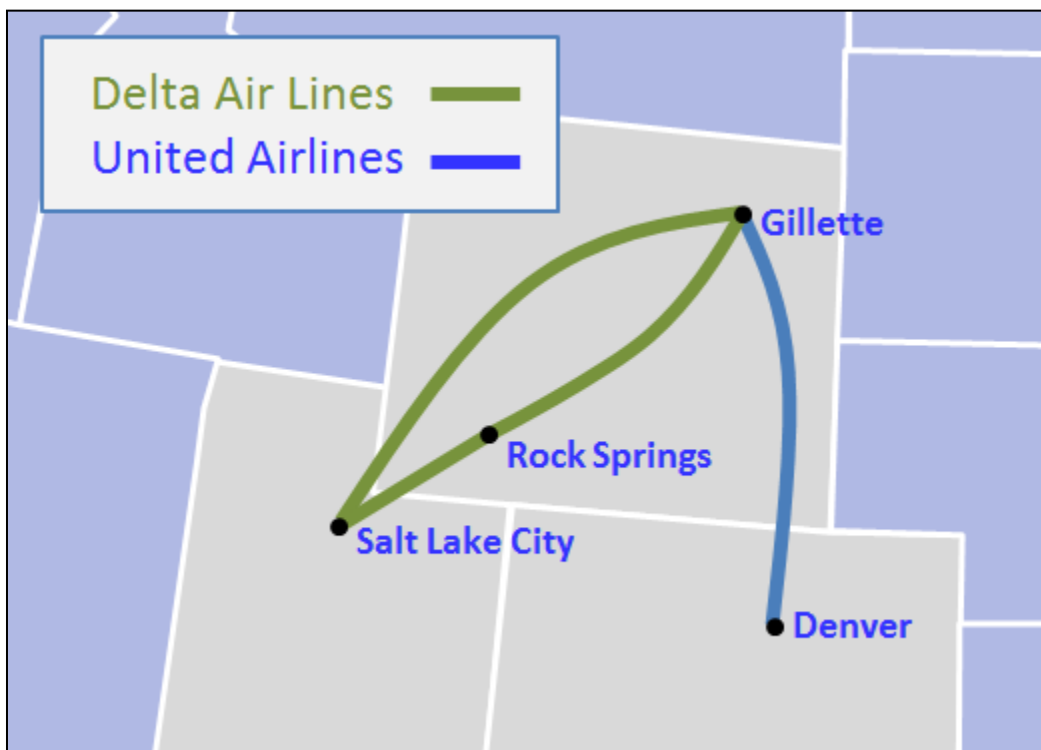
Summary

Bookings

This analysis includes 6,547 passenger enplanements for travel flown between April 1, 2011 and March 31, 2012. The Gillette catchment area has a population of 40,433 (*as of 2011, source: MapPoint*), across nine zip codes in Wyoming – essentially, Campbell County, WY.

Service Levels

Between April 2011 and March 2012, Gillette had nonstop service to two major hubs: Denver and Salt Lake City. Great Lakes also operated service beyond Gillette to Rock Springs, WY and Williston, ND.



Frequency, Capacity and Marketing Airlines

Since 2004, GCC departing seats to hubs have increased from 25,963 to 62,229 annually, an increase of 140%.

During the survey period, Great Lakes Airlines, Delta Connection (operated by SkyWest) and United Express (operated by SkyWest) served Gillette – Campbell County Airport. Gillette averaged 40.9 weekly departures and 1,197 weekly departing seats.

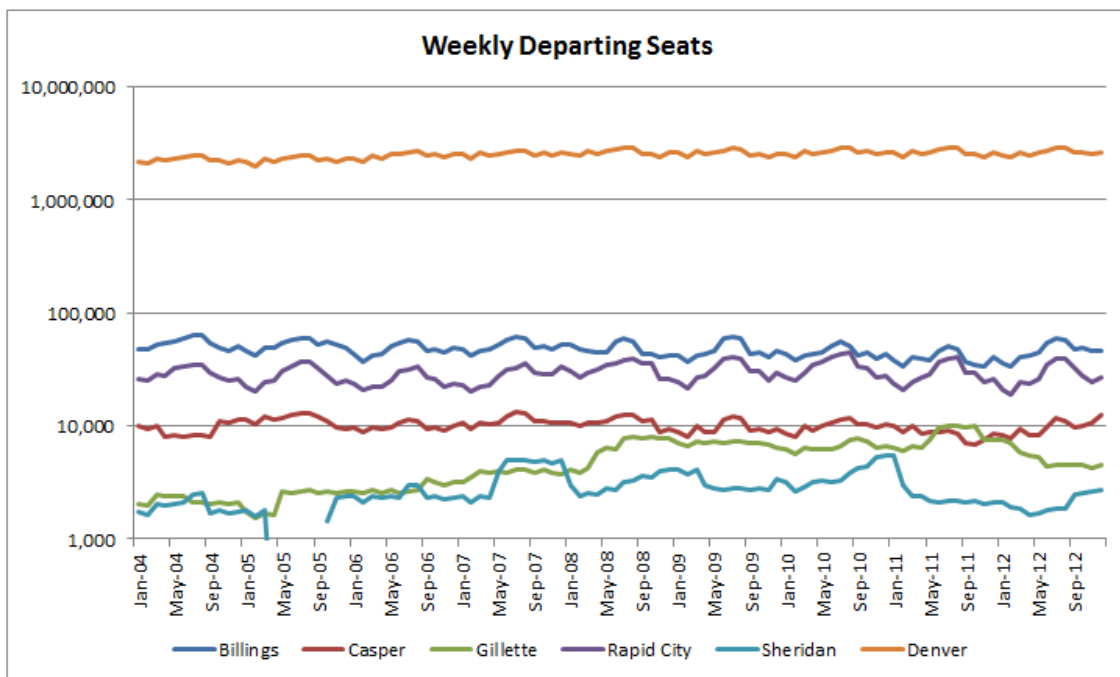
In the survey period, airlines were scheduled to operate 1,201 weekly outbound seats on 47 weekly departures from Gillette nonstop to Denver and nonstop or direct to Salt Lake City.

United Express and Delta Connection each accounted for 35% of departing seats. Great Lakes accounted for 30% of departing seats.

Four airlines currently serve Rapid City, SD with nonstop service to seven destinations. In October 2012 those carriers scheduled 6,806 weekly seats across 98 weekly departures.

Fifteen airlines served Denver in October 2012 with nonstop service to 171 destinations. Airlines offered 605,904 weekly departing seats aboard 5,637 weekly flights.

Of all passengers in the ARC survey, 66% flew on United/Continental, 18% flew on Delta, 8% flew on Frontier and another 8% flew on other carriers.



Destinations

From the GCC catchment area, Denver was the top final destination in the ARC survey with 16.6% of total survey passengers. Las Vegas, Orlando, Phoenix and Salt Lake City rounded out the top five destinations. The top 25 destinations accounted for 60.1% of all passenger enplanements.

Passenger Activity

Since 2004, according to DOT information, Gillette – Campbell County Airport’s origin and destination passengers were up 117%, from 28,526 in 2004 to 61,998 in 2011/2012. Rapid City’s O&D passengers have increased approximately 9%. Denver’s passengers have increased just over 28%.

Airfares

In the year ending 2011, the average one-way domestic airfare for Gillette was \$187; \$47 *less than* the average fare from Rapid City and \$17 more than Denver.

In Gillette's top 25 markets, the reported average fare YE4Q11 was approximately \$36, or 18%, *less than* that of Rapid City. Airfares from Gillette to Denver and Salt Lake City were actually lower than from Rapid City by 31% and 46% respectively.

From Denver, the reported 2012 average fare from Gillette's top 25 markets was approximately \$56 (or 44%) *more* than from GCC.

"True Market" Estimate

The true market for Gillette – Campbell County Airport, that is the number of enplanements generated by flyers living in the Gillette catchment area but flying from any airport, is estimated by the DOT to be 72,894 annually. Between April 2011 and March 2012, GCC carried 43,044 passengers, meaning an estimated 29,850 passengers used airports other than Gillette – Campbell County Airport.

Airport Use

Over the survey period, 59% of catchment area passengers used Gillette – Campbell County Airport, 12% used Rapid City Regional Airport and 22% used Denver International Airport. Seven percent of travelers used other airports including Billings' Logan Airport, Casper's Natrona County International Airport and Sheridan County Airport.

Air Service Opportunities

Contingent on the sustained success of Gillette's current routes, Gillette's next opportunities for increased air service are potentially upgraded service on existing routes, or new routes, possibly to Las Vegas, Phoenix or Minneapolis/St. Paul. These routes either have a higher percentage of leakage from GCC or demonstrated ability in other markets to respond to new service and lower fares. These factors should be the subject of further investigation.

Airport Use and Retention

Passengers choose whether or not to use a local airport for a variety of reasons, including price, schedule, flight frequency and the ease of driving to a nearby airport. GCC, being positioned relatively close to Denver International Airport and another regional option (Rapid City), experiences particularly high leakage, which is when flyers leave the GCC catchment area and use alternate airports.

GCC also represents a prime example of a high origination airport (versus a destination airport), in which flyers start in GCC to travel elsewhere, then return home.

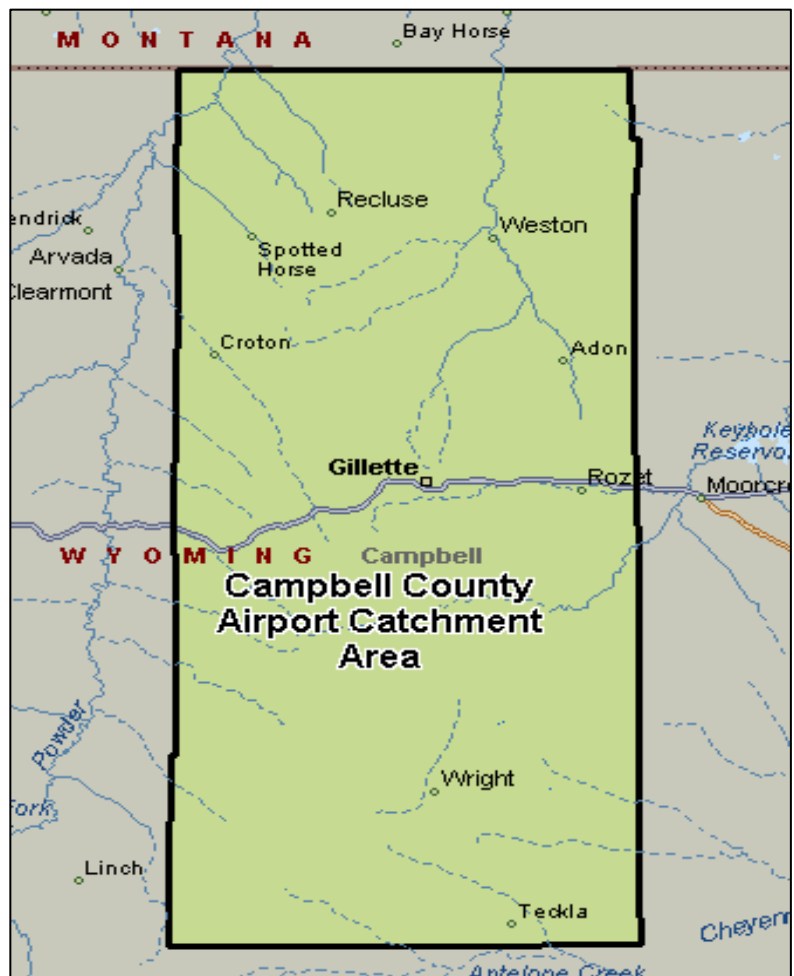
ARC data studies Gillette's retention by tracking travel purchases from nine Wyoming zip codes (GCC's catchment area) and determining whether the travel originated at GCC.

Airport Catchment Area

This analysis includes 6,547 ARC passenger enplanements for travel between April 1, 2011 and March 31, 2012. The Gillette catchment area was estimated to cover nine Wyoming zip codes with a population of 40,433.

This analysis examines passenger retention at Gillette – Campbell County Airport and diversion to primarily five nearby airports: Billings, MT; Casper, WY; Sheridan, WY; Rapid City, SD and Denver, CO. Each of the five airports has levels of air service similar to or substantially exceeding Gillette's and is within driving distance.

After examining travel patterns, Sheridan WY, Billings, MT, Rapid City, SD and others accounted for a small percentage of total travel each that they were combined into the category "other," for purposes of comparison.



Drive Time and Distance to Nearby Airports		
Gillette to:	Miles:	Drive Time:
Sheridan, WY	105	1:35
Rapid City, SD	152	2:18
Casper, WY	191	2:43
Billings, MT	237	3:22
Denver, CO	356	5:46

Current Air Service

Gillette – Campbell County Airport

In October 2012, two carriers served Gillette with service to two hubs. Delta Connection (operated by SkyWest Airlines) served Salt Lake City twice daily with 30-seat Embraer 120 aircraft. One flight operated nonstop to Salt Lake City, and the second operated with a stop in Rock Springs, WY.

United Express (also operated by SkyWest Airlines) flew three times daily nonstop service to Denver, also on 30-seat Embraer 120 aircraft.

From Gillette (GCC)			
Destination	Marketing Airline	Weekly Departures	Weekly Seats
Denver	United	21	630
Rock Springs	Delta	7	210
Salt Lake City	Delta	7	210
Total		35	1,050

Rapid City

In nearby Rapid City, four airlines operated service to seven destinations. Rapid City offered three times as many flights across nearly six times the number of seats versus Gillette. As of October 2012, one low-cost carrier – Allegiant Air – offered service to/from Rapid City.

From Rapid City (RAP)			
Destination	Marketing Airline	Weekly Departures	Weekly Seats
Chicago O'Hare	United	7	350
Dallas/Ft. Worth	American	7	350
Denver	United	45	2,250
Las Vegas	Allegiant	2	300
Minneapolis/St. Paul	Delta	27	2,057
Phoenix - Mesa	Allegiant	2	300
Salt Lake City	Delta	11	550
Total		101	6,157

Sheridan, Casper and Billings

Details of service to these airports are listed below:

From Sheridan (SHR)			
Destination	Marketing Airline	Weekly Departures	Weekly Seats
Denver	Great Lakes	22	572
Total		22	572

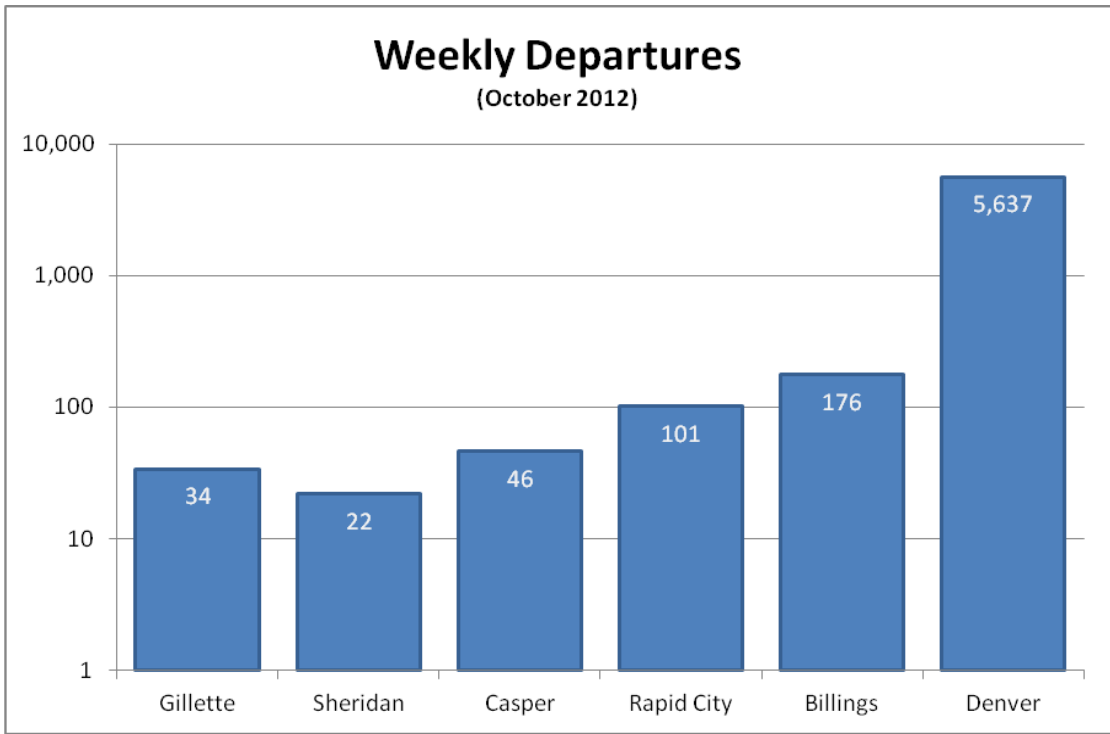
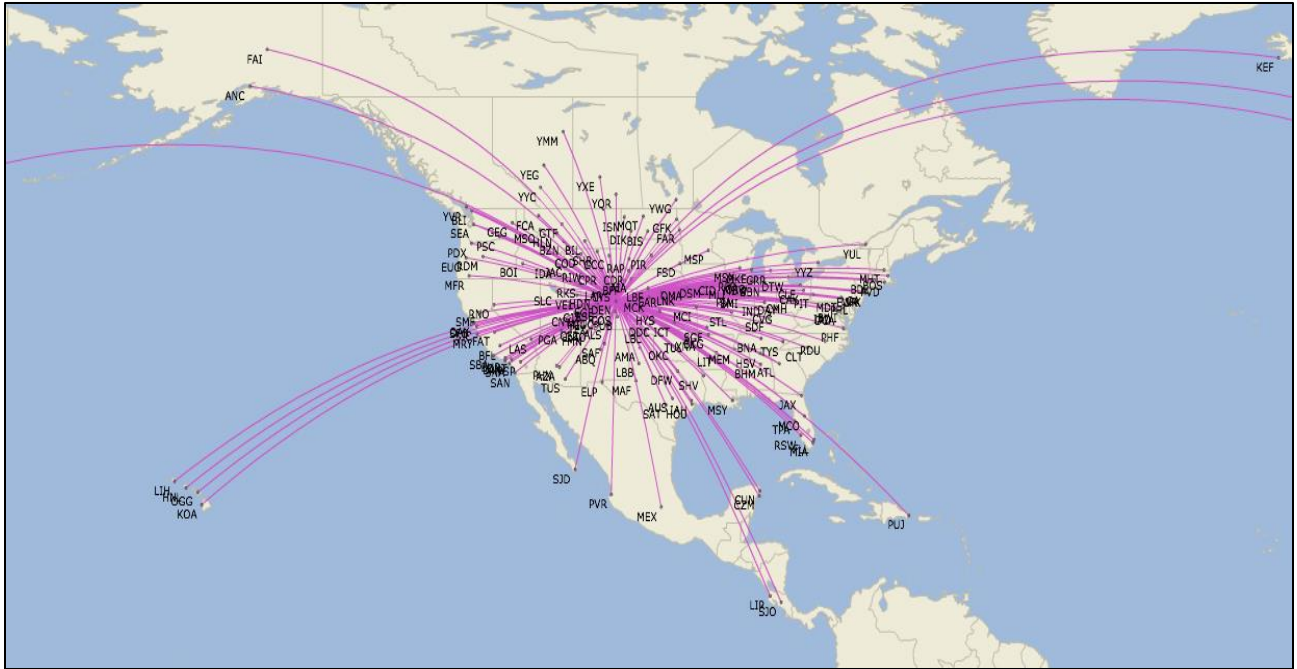
From Casper (CPR)			
Destination	Marketing Airline	Weekly Departures	Weekly Seats
Denver	United	32	1,600
Las Vegas	Allegiant	4	600
Phoenix - Mesa	Allegiant	2	300
Salt Lake City	Delta	14	700
Total		52	3,200
*Allegiant's service are reflective of December 2012			

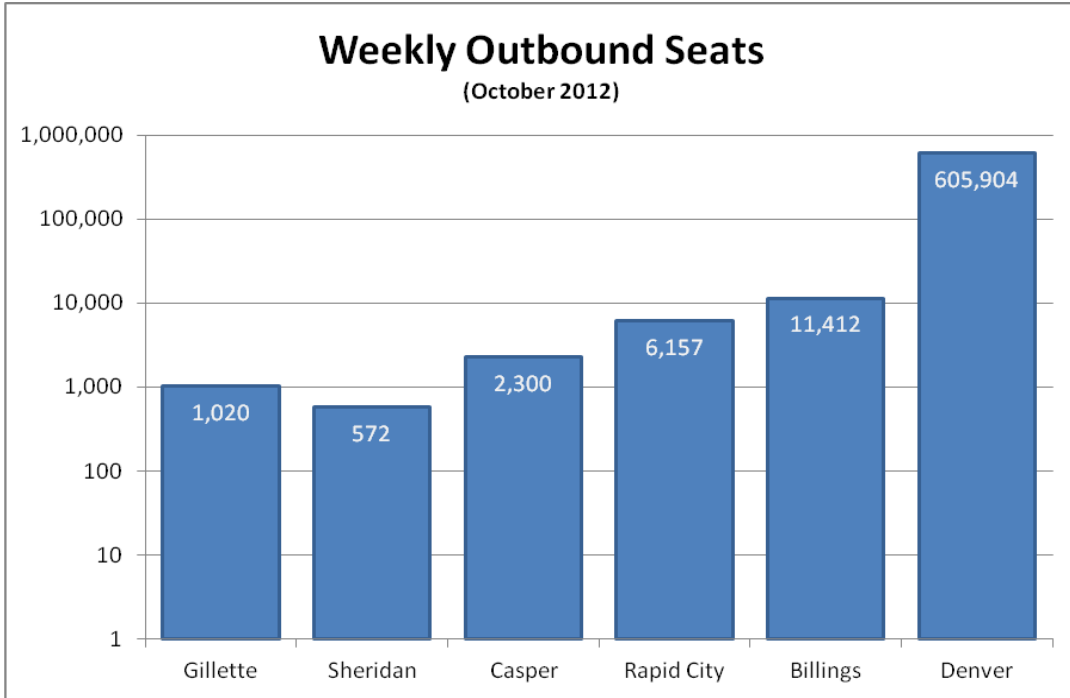
From Billings (BIL)			
Destination	Marketing Airline	Weekly Departures	Weekly Seats
Portland	Alaska Airlines	7	532
Seattle	Alaska Airlines	14	1,064
Minneapolis	Delta Airlines	14	1,261
Salt Lake City	Delta Airlines	28	1,416
Denver	Frontier Airlines	11	1,089
Phoenix - Mesa	Allegiant Air	2	300
Las Vegas	Allegiant Air	4	600
Oakland	Allegiant Air	2	300
Denver	United Airlines	27	2,734
Glasgow	Silver Airways	5	95
Lewistown	Silver Airways	12	228
Miles City	Silver Airways	12	228
Wolf Point	Silver Airways	7	133
Sidney	Silver Airways	17	323
Total		162	10,303

Denver

Further away in Denver, fifteen airlines operated nonstop service to 171 destinations. Airlines offered 605,904 weekly departing seats over 5,637 weekly flights, obviously far more service than at smaller airports closer to Gillette's catchment area.

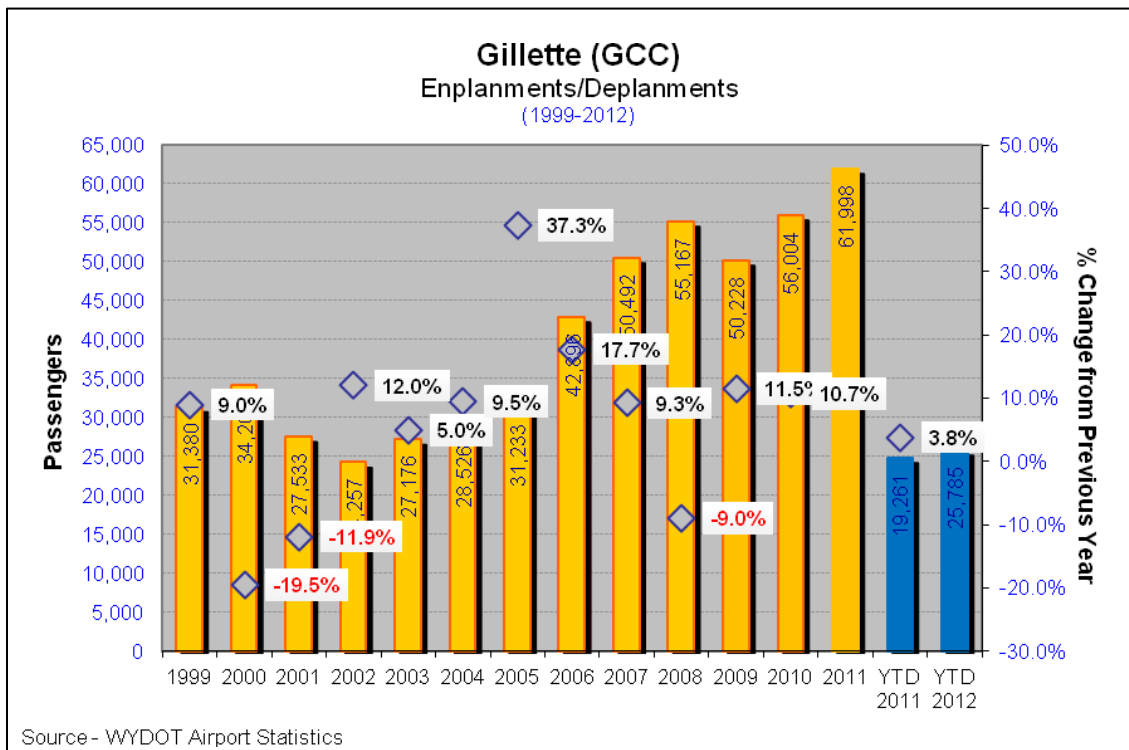
While its service is too vast to detail here, a DEN service map is below, followed by a comparison (not to scale) of scheduled activity across all five airports:





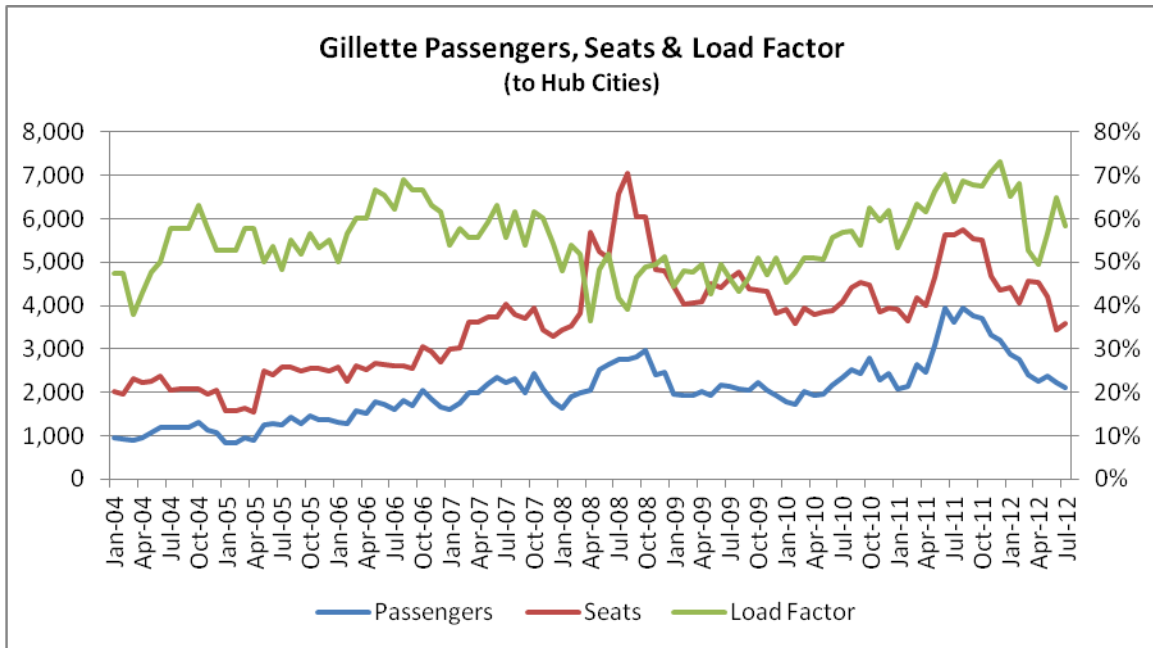
Enplanements

Traffic has been rising over the past 10 years at Gillette – Campbell County Airport, with growth in nine of the past 10 years. Only in 2009 did traffic shrink, likely due to the economic slowdown. In 2012, traffic was basically flat, after a few years of double-digit growth.



Load Factor, Seats and Passengers

The following charts show load factor, capacity and passenger trends at Gillette – Campbell County airport since January 2004. Prior to adding capacity in 2008, GCC’s monthly load factors had generally averaged from the low-50% to low-60% range. With the capacity added in March 2008, load factors have since climbed to the mid-60% range, at times hitting 70%.



Load Factors by Airline in Gillette

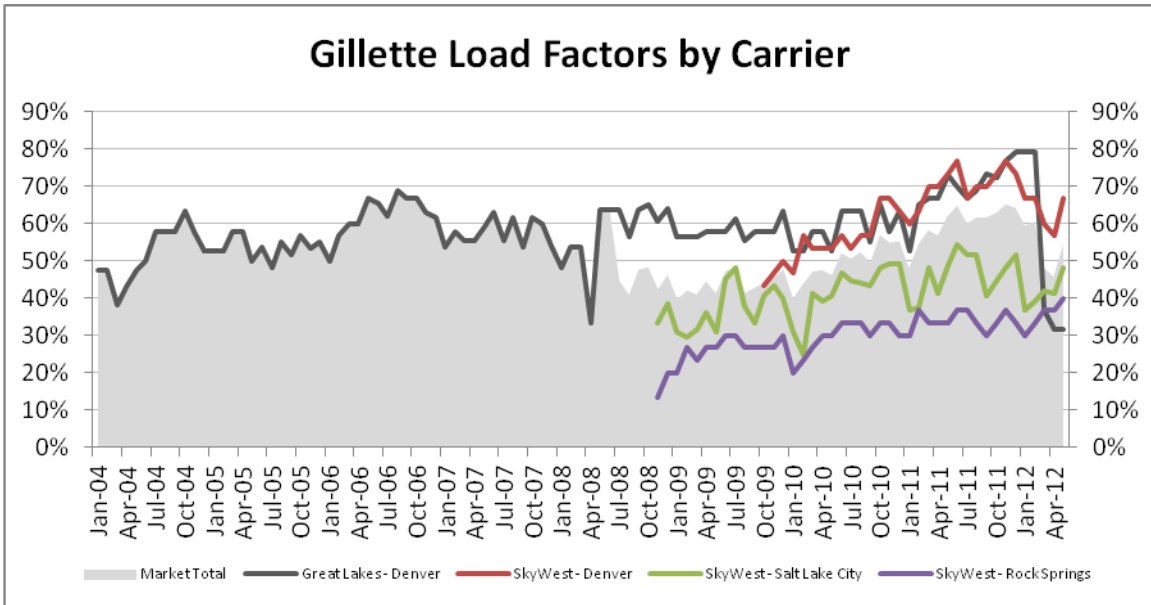
Great Lakes consistently runs the highest load factors out of GCC, although United Express has gained ground and has surpassed them as recently as the spring of 2011.

Of the three carriers that serve Gillette, Delta Connection consistently runs the lowest load factors, but has seen an increase in the past several months.

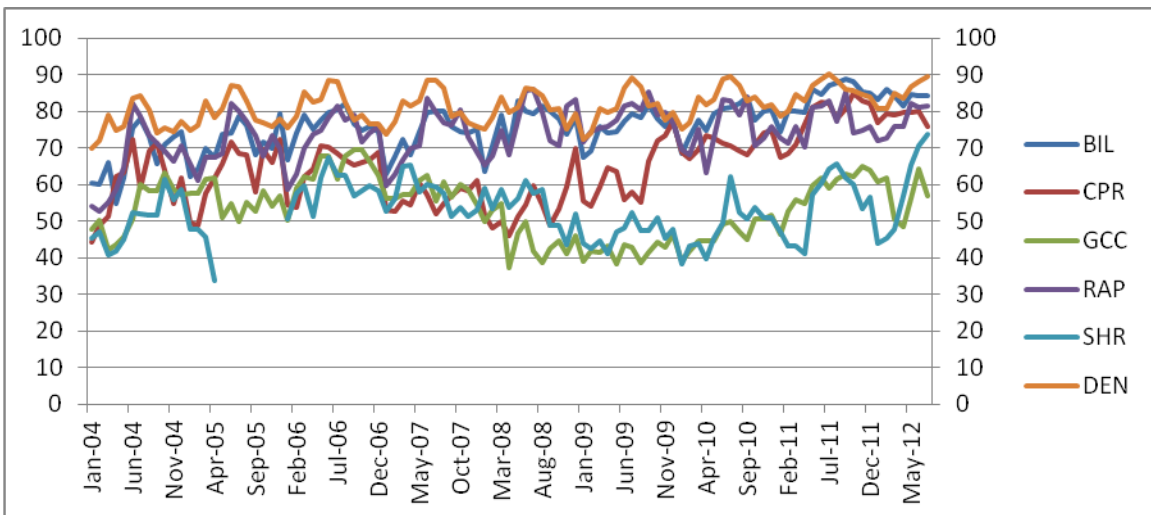
In 2007 and prior, Great Lakes service ran load factors in the 50% range. Then, in early 2008, Delta Connection and United Express began service from Gillette. In response, Great Lakes *reduced* seats to Denver by approximately 35% and added one-stops via Gillette to Williston, Miles City and Sidney. From that point until now, Great Lakes has maintained load factors around 60%, thanks to reduced capacity, combined with the additional passengers from beyond cities.

While United Express’ load factors started low, they’ve risen to equal Great Lakes’ recently, and now hover in the mid-50% range.

Delta’s load factors are consistently lower than those of both United Express and Great Lakes, averaging in the high-40s.



Gillette load factors have recently trended lower than those of nearby airports (within the catchment area). Gillette’s load factors are similar to Sheridan’s, currently in the mid-50% range in the off-peak season, and in the 60-65% range in peak season. Denver generally has the highest load factor of the group, with Billings, Casper and Rapid City slightly below Denver. A load factor chart follows:



Summary of ARC Findings

All Catchment Area ARC Bookings

According to the ARC data, Gillette retained 59% of traffic from April 1, 2011 through March 31, 2012, a drop versus MIDT's numbers for 2010 (68%).

Rapid City and "other" cities are flying a significant number of Gillette area residents – 19% – and Denver is basically unchanged in terms of percentage of Gillette passengers leaked at 22%.

Retained Traffic				
	Gillette	Rapid City	Denver	Other
2008	54%	16%	19%	11%
2009	65%	10%	18%	1%
2010	68%	9%	19%	1%
2011	59%	12%	22%	7%

Historical comparisons are made versus MIDT data, but ARC and MIDT track passengers differently (as explained in Methodology).

Top City Pairs

Denver was the top destination in the ARC survey, accounting for 16.6% of passenger segments booked. A list of the top 25 destinations for Gillette travelers in the ARC survey follows:

Top 25 Gillette City Pairs			
ALL ARC bookings from GCC zip codes			
Rank	Destination	Pax	% of TTL
1	DEN	1,086	16.6%
2	LAS	279	4.3%
3	MCO	262	4.0%
4	PHX	258	3.9%
5	SLC	198	3.0%
6	DFW	194	3.0%
7	SEA	162	2.5%
8	LAX	153	2.3%
9	SAN	133	2.0%
10	PDX	109	1.7%
11	ORD	99	1.5%
12	IAH	92	1.4%
13	SNA	91	1.4%
14	ATL	84	1.3%
15	CUN	79	1.2%

16	MSP	78	1.2%
17	ANC	77	1.2%
18	MCI	71	1.1%
19	MIA	71	1.1%
20	HNL	63	1.0%
21	OKC	63	1.0%
22	FLL	61	0.9%
23	STL	60	0.9%
24	SFO	56	0.9%
25	LGA	55	0.8%
	OTHERS	2,613	39.9%
	TOTAL	6,547	100.0%

Bookings Retained at Gillette

Gillette – Campbell County Airport retained 59 percent of all ARC passengers over the survey period. But, naturally, there were differences in retention by city pair.

Travelers chose GCC more often than not when traveling to classic “business” destinations, such as Phoenix, Dallas/Ft. Worth, St. Louis, New York (LGA), Houston, Atlanta and Chicago.

Some popular leisure destinations – Las Vegas and Ft. Lauderdale, for example – also heavily originated in GCC.

Still, passengers seemed to leak to other airports for classic leisure destinations, including Orlando, Tampa and cities throughout Mexico.

Leakage to the West Coast has a less consistent pattern: San Francisco and San Diego leaked a smaller percentage of passengers than average to other airports. Seattle, Portland, Orange County and Los Angeles leaked a great deal more passengers than average. Seattle and Portland appeared to be leaking to Billings, which has nonstop service on Alaska Airlines to Seattle. Orange County and Los Angeles leaked a very high percentage of Gillette travelers to Denver, likely because of increasing competition on Denver-L.A. area routes and corresponding low fares.

Travelers to Minneapolis consistently leaked to Rapid City, likely due to Delta’s (formerly Northwest’s) long history of service in the market.

Passenger Retention by Destination					
	Destination	Gillette	Rapid City	Denver	Other
1	DEN	93%	4%	0%	2%
2	LAS	62%	8%	19%	12%
3	MCO	31%	39%	26%	4%

4	PHX	64%	1%	28%	7%
5	SLC	89%	2%	4%	5%
6	DFW	56%	35%	6%	3%
7	SEA	43%	2%	12%	44%
8	LAX	52%	2%	44%	2%
9	SAN	60%	8%	29%	4%
10	PDX	49%	0%	27%	25%
11	ORD	62%	32%	5%	1%
12	IAH	59%	8%	32%	2%
13	SNA	45%	1%	52%	2%
14	ATL	50%	17%	33%	0%
15	CUN	35%	3%	62%	0%
16	MSP	46%	38%	10%	5%
17	ANC	40%	9%	16%	35%
18	MCI	49%	4%	42%	4%
19	MIA	38%	6%	56%	0%
20	HNL	29%	3%	41%	27%
21	OKC	48%	3%	41%	8%
22	FLL	56%	3%	41%	0%
23	STL	55%	3%	35%	7%
24	SFO	79%	9%	11%	2%
25	LGA	85%	4%	7%	4%
	OTHERS	50%	15%	27%	8%
	TOTAL	59%	12%	22%	7%

International Traffic

International city pairs accounted for 9.6% of passenger segments within the ARC survey. GCC leaked approximately 64% of its international traffic to other airports.

International Leakage		
	# Pax	% Pax
Gillette	228	36%
Rapid City	66	10%
Denver	317	50%
Other	24	4%
Total	635	100%

Top 25 Destinations and Carrier Share

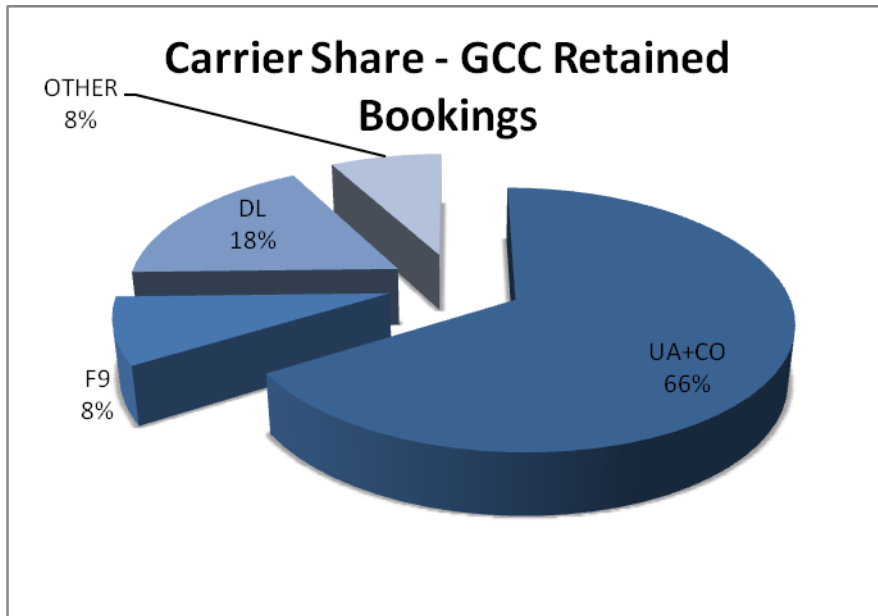
The following table shows which carriers Gillette travelers use to travel to the top 25 destinations from GCC. As noted earlier, Alaska Airlines, which serves Billings, has a strong share to Seattle and Portland, likely accounting for the leakage in those markets. Likewise,

Delta has a strong share to Minneapolis and Washington, DC, explaining the leakage to those cities.

Top 25 Destinations and Carrier Share								
		UA+CO	DL	F9	AA	US	AS	Other
1	DEN	84%	1%	5%	3%	3%	0%	3%
2	LAS	50%	27%	22%	0%	1%	0%	0%
3	MCO	61%	17%	10%	5%	6%	0%	1%
4	PHX	49%	15%	13%	0%	21%	1%	2%
5	SLC	2%	93%	4%	0%	1%	0%	1%
6	DFW	65%	2%	6%	26%	0%	0%	1%
7	SEA	15%	27%	7%	0%	2%	48%	2%
8	LAX	49%	7%	25%	7%	0%	1%	10%
9	SAN	47%	17%	35%	1%	0%	0%	0%
10	PDX	28%	23%	24%	0%	1%	24%	1%
11	ORD	77%	1%	0%	17%	5%	0%	0%
12	IAH	87%	4%	0%	5%	0%	0%	3%
13	SNA	19%	29%	47%	0%	1%	0%	4%
14	ATL	24%	55%	15%	1%	2%	0%	2%
15	CUN	46%	3%	42%	10%	0%	0%	0%
16	MSP	42%	46%	12%	0%	0%	0%	0%
17	ANC	9%	40%	13%	0%	0%	30%	8%
18	MCI	39%	7%	45%	0%	8%	0%	0%
19	MIA	51%	1%	0%	38%	6%	0%	4%
20	HNL	56%	21%	0%	0%	11%	11%	2%
21	OKC	70%	5%	19%	6%	0%	0%	0%
22	FLL	44%	3%	43%	7%	0%	0%	3%
23	STL	67%	2%	28%	2%	2%	0%	0%
24	SFO	75%	7%	9%	0%	0%	0%	9%
25	LGA	84%	0%	15%	0%	0%	0%	2%
	OTHER	48%	21%	10%	6%	6%	2%	8%

Retained Bookings at Gillette and Carrier Share

At 66%, United and Continental (now operating as United) carried the majority of GCC's passengers from April 2011 through March 2012. That share includes all passengers ticketed on United ticket stock, including those passengers traveling on Great Lakes from Gillette to Denver on connecting itineraries. Delta's share was second at 18%, followed by Frontier at 8%.

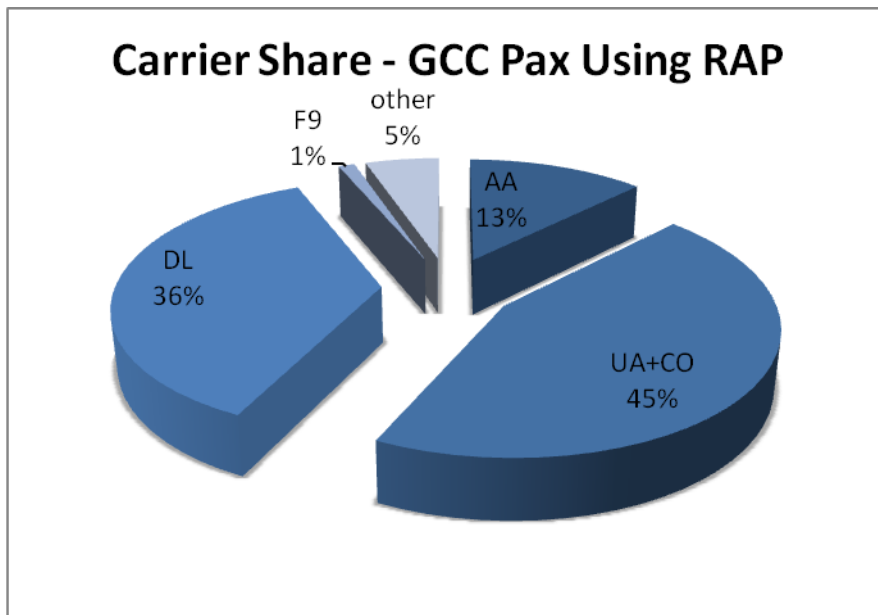


Top 25 Gillette Destinations and Carrier Share

As discussed in Passenger Retention, leakage patterns can be tied to airline service to specific destinations (for example, potential GCC passengers commonly leak to DEN to fly to the L.A. area, due to high competition/low fares), and are somewhat predictable based on leisure versus business travel.

Bookings Leaked to Rapid City

United/Continental flew 45% of GCC-area travelers who leaked to Rapid City. Delta carried 36% of those passengers and American accounted for 13%.



Top 25 Destinations Leaked to Rapid City and Carrier Share

Gillette area passengers who leaked to Rapid City (approximately two hours east of the catchment area) were primarily traveling east. The breakdown of market share by carrier is predictable, given airlines’ market shares and route structures from Rapid City.

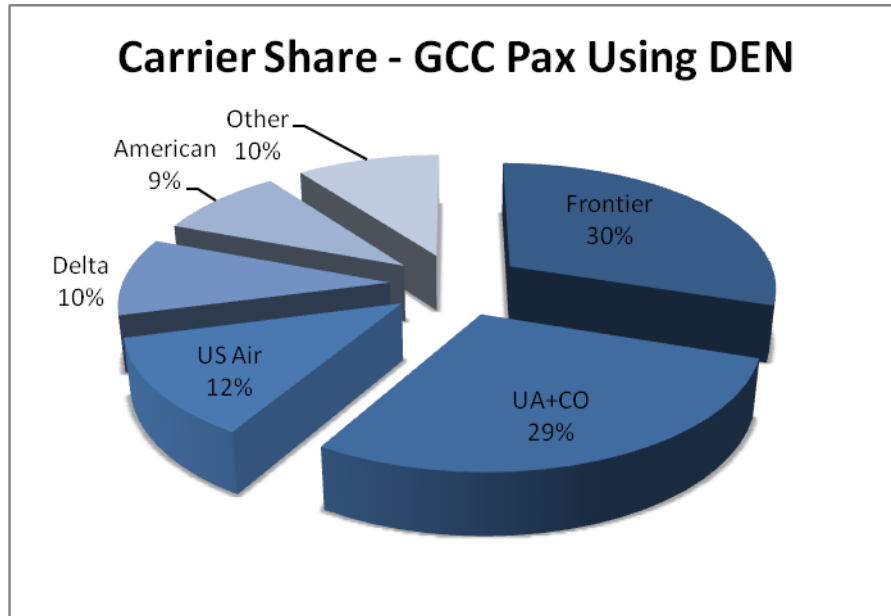
Carrier Share by Destination GCC Passengers Using RAC					
Rank	Destination	UA+CO	AA	DL	OTHER
1	MCO	53%	12%	35%	0%
2	DFW	40%	60%	0%	0%
3	DEN	77%	9%	0%	15%
4	ORD	66%	31%	0%	3%
5	MSP	0%	0%	100%	0%
6	DTW	30%	0%	70%	0%
7	LAS	62%	0%	38%	0%
8	ATL	7%	0%	93%	0%
9	BOS	38%	0%	62%	0%
10	MKE	46%	0%	54%	0%
11	YYC	77%	0%	0%	23%
12	BDL	100%	0%	0%	0%
13	SAN	70%	0%	0%	30%
14	AUS	11%	67%	0%	22%
15	DCA	22%	0%	78%	0%
16	GRR	44%	0%	56%	0%
17	RSW	0%	0%	89%	11%
18	OGG	100%	0%	0%	0%
19	ANC	71%	0%	29%	0%
20	IAH	57%	43%	0%	0%
21	ROC	43%	0%	57%	0%
22	TVC	57%	0%	43%	0%
23	AMS	0%	0%	67%	33%
24	CAE	100%	0%	0%	0%
25	CMH	17%	0%	83%	0%
	OTHER	38%	8%	44%	11%

Bookings Leaked to Denver

When passengers from Gillette drive to Denver, nearly six hours away, they are most likely flying carriers that don’t serve Gillette – in other words, carriers other than United and Delta.

Indeed, they’re likely choosing a low cost carrier, such as Frontier or Southwest. ARC data captures information from online booking engines (Travelocity, etc.); however, it does not

capture data from bookings on airlines' web sites, meaning Southwest is not included in the data.



Top 25 Destinations Leaked to DEN and Carrier Share

The following chart details the top 25 destinations of Gillette catchment area passengers who used Denver International Airport.

There are substantially more international, long-haul and “sun” (Mexico and Caribbean) destinations in the top 25 Denver cities. Similarly, there are a large number of warm weather U.S. leisure destinations in the top 25, specifically, Phoenix (#1), Orlando (#2), Los Angeles (#3) and Honolulu (#13).

As previously noted, a substantial number of passengers in the Gillette catchment area are using Denver for service to the L.A. area. Los Angeles ranks third among GCC-area leaked passengers from Denver, while it’s the eighth among the top 25 destinations of passengers who use GCC. Likewise, Orange County is ranked sixth from Denver; while it’s 17th from Gillette. Fares are likely causing the leakage.

Carrier Share by Destination GCC Passengers Using DEN							
Rank	Destination Airport	F9	UA+CO	US	DL	AA	OTHER
1	PHX	25%	25%	51%	0%	0%	0%
2	MCO	13%	64%	20%	0%	0%	3%
3	LAX	49%	26%	0%	0%	13%	12%
4	LAS	62%	34%	4%	0%	0%	0%
5	CUN	57%	27%	0%	0%	16%	0%

6	SNA	89%	0%	2%	0%	0%	9%
7	MIA	0%	25%	10%	0%	58%	8%
8	SAN	82%	18%	0%	0%	0%	0%
9	MCI	57%	20%	10%	13%	0%	0%
10	IAH	0%	93%	0%	0%	7%	0%
11	PDX	48%	34%	3%	0%	0%	14%
12	ATL	21%	0%	7%	61%	4%	7%
13	HNL	0%	69%	15%	15%	0%	0%
14	OKC	31%	58%	0%	0%	12%	0%
15	FLL	76%	16%	0%	0%	8%	0%
16	SJU	0%	0%	4%	48%	17%	30%
17	STL	38%	57%	0%	0%	5%	0%
18	SJD	80%	0%	20%	0%	0%	0%
19	PVR	68%	26%	0%	0%	5%	0%
20	SEA	42%	0%	16%	0%	0%	42%
21	IND	29%	24%	12%	0%	0%	35%
22	BOS	13%	40%	7%	0%	0%	40%
23	CZM	13%	27%	47%	0%	13%	0%
24	STT	0%	0%	0%	0%	100%	0%
25	HOU	100%	0%	0%	0%	0%	0%
	OTHER	17%	26%	15%	17%	10%	15%
	Total	30%	28%	12%	10%	9%	10%

“True Market” Estimate

This section of this analysis will estimate total the number of passengers in the Gillette – Campbell County Airport catchment area. The Gillette catchment area incorporates Campbell County, WY. The DOT does not include leaked passengers; rather, it simply “counts” passengers originating or terminating at any airport.

The ARC data used for this analysis can document the airport used by a subset of passengers within the catchment area, in this case, passengers who booked through online booking engines (Expedia, etc.), or through Gillette-area travel agencies. This report combined ARC data with DOT data to estimate the total size of the Gillette – Campbell County Airport origin and destination market. Gillette’s total market size is estimated to be 72,894 annual enplanements.

GCC True Market Estimate							
	Destination	ARC Pax	ARC Leakage	DOT PAX	Leaked Pax	Leaked %	Total Pax
1	DEN	1086	93.3%	6,419	463	6.7%	6,881
2	LAS	279	61.6%	980	609	38.4%	1,589
3	MCO	262	30.9%	594	1,328	69.1%	1,922
4	PHX	258	64.3%	1,261	699	35.7%	1,959
5	SLC	198	89.4%	2,418	287	10.6%	2,705
6	DFW	194	56.2%	1,410	1,100	43.8%	2,510
7	SEA	162	42.6%	841	1,134	57.4%	1,976
8	LAX	153	51.6%	621	582	48.4%	1,202
9	SAN	133	60.2%	625	414	39.8%	1,039
10	PDX	109	48.6%	630	666	51.4%	1,296
11	ORD	99	61.6%	917	571	38.4%	1,488
12	IAH	92	58.7%	1,047	737	41.3%	1,785
13	SNA	91	45.1%	464	566	54.9%	1,029
14	ATL	84	50.0%	414	414	50.0%	829
15	CUN	79	35.4%	58	105	64.6%	162
16	MSP	78	46.2%	351	409	53.8%	760
17	ANC	77	40.3%	202	300	59.7%	501
18	MCI	71	49.3%	497	512	50.7%	1,009
19	MIA	71	38.0%	75	122	62.0%	197
20	HNL	63	28.6%	59	147	71.4%	206
21	OKC	63	47.6%	435	478	52.4%	913
22	FLL	61	55.7%	101	81	44.3%	182
23	STL	60	55.0%	806	659	45.0%	1,465
24	SFO	56	78.6%	492	134	21.4%	626
25	LGA	55	85.5%	260	44	14.5%	304
	OTHERS	2613	50.0%	21,067	21,084	50.0%	42,151
	TOTAL	6547	59.0%	43,044	29,850	41.0%	72,894

Conclusions

This report has documented several trends of note:

Leakage:

- Leakage from Gillette – Campbell County Airport is decreasing overall.
- Leakage from Gillette to Rapid City is decreasing substantially.
- Leakage from Gillette to Denver is unchanged, with a large number of passengers who use Denver bound for:
 - a) leisure destinations
 - b) international destinations
- GCC sees high leakage to the West Coast, specifically to the L.A. Basin and the Pacific Northwest.

Traffic/Load Factors:

- Traffic gains have exceeded population growth.
- GCC produces lower than ideal load factors, particularly on Delta's service to Salt Lake City.

Fares:

- Average fares in Gillette are falling and the price gap between Gillette and nearby airports is shrinking, though it still remains an issue, particularly for leisure passengers.
- Recent trends (in 2010) resulted in decreased capacity and increased fares.

Recommendations

1. Retention of existing service is more important than attracting additional service.
2. Since Delta Connection's load factors are weakest of the three airlines at GCC, initial focus should be on Delta Connection.
3. Gillette and Delta/SkyWest should work together to increase GCC load factors to levels similar to Gillette's peer group.