

BUSINESS

Tourism & Restaurants

British Airways flight just the ticket for San Diego tourism

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PHOTO BY K.C. ALFRED

Local tourism leaders are hoping the nonstop flight between San Diego and London will bring hordes of tourists here. Devoted Anglophiles are likely counting the days until British Airways inaugurates its new nonstop flight between San Diego and London on June 1. But if there's anyone truly giddy with anticipation, it's local tourism leaders who are banking on hordes of Europeans jetting across the pond to spend money in hotels, restaurants and attractions.

While past efforts to sustain a direct flight between the two cities have fallen flat, airline and tourism officials are confident that this third time will be the charm. A more diversified San Diego economy that will help boost corporate travel in both directions, coupled with a new, stronger alliance with American Airlines that fosters cooperation instead of competition, will no doubt help fill seats on the daily flight, they believe.

The nonstop route, though, will not necessarily sell itself. British Airways, the San Diego Airport Authority and the Convention and Visitors Bureau are spending substantial sums to market it both locally and overseas. They point out that unlike past efforts, this latest venture is likely to have a much better chance of regularly filling airplanes because of the joint business agreement forged last year between American and British Airlines. Not only will the two companies be able to share

Flight facts

June 1 start date

One flight daily, departing San Diego at 8:05 p.m. and arriving London Heathrow at 2:25 p.m.

Return flight: Departs at 3:05 p.m. and arrives in San Diego at 6:15 p.m.

275-seat Boeing 777. Business class seats: 48; premium economy: 24; coach: 203.

Cost of roundtrip ticket: Roughly \$1,100, including taxes and surcharges.

Flight connects to 51 destinations in both directions

Expected to generate 40,646 additional hotel room nights annually in the city of San Diego, which translates into \$5 million in room revenues.

American Airlines frequent fliers can earn and redeem files on the British Airways flight

British Airways presence in San Diego

May 1988: British Airways introduces direct flights to San Diego from London's Gatwick Airport.

November 1990: British Airways stops service to San Diego when Iraq's invasion of Kuwait causes a spike in fuel costs.

July 1996: British Airways relaunches San Diego-London service — with a stop in Phoenix.

April 2001: British Airways transitions to nonstop San Diego-London service.

revenues on London routes, American Airlines frequent flier members will be able to earn and redeem miles on British Airways flights.

The decision to fly in and out of San Diego, though, came with no longterm guarantees.

"American's frequent flier program has a very loyal following in Southern California, including San Diego County," said Kevin Burns, British Airways' regional director in the West. "So we would not have considered flying to San Diego without the joint business. San Diego has really good fundamentals, and it is a good destination for Europeans who are in love with California, but right now they're coming over with some difficulty."

No longer willing to lose business to Los Angeles and San Francisco, which have long had nonstop flights to London, San Diego's visitors bureau secured \$200,000 in funding earlier this year from the city's Tourism Marketing District to promote and advertise San Diego as a desirable vacation destination.

And the Airport Authority has committed \$750,000 in marketing assistance over the next two years July 2001: British Airways opens its \$1 million Terraces Lounge for elite passengers at Lindbergh Field.

October 2001: British Airways cuts flights to five days a week after 9/11.

April-May 2002: seven-day, nonstop service reinstated.

November 2002: five-day-a-week nonstop flights to London; London arrival shifted from Gatwick to Heathrow.

October 2003: Direct flights to London from San Diego are dropped because of poor financial performance after 9/11.

Oct. 6, 2007: The Regional Airport Authority board authorizes incentives to attract an international airline to Lindbergh Field.

July 2010: European Union OKs joint business alliance of British Airways, American Airlines and Iberia.

Oct. 6, 2010: British Airways announces plans to return nonstop flights to London from San Diego, starting June 1.

Feb. 18, 2011: San Diego Tourism and Marketing District approves \$200,000 in funding from hotel surcharge revenues to help Convention and Visitors Bureau market the nonstop flight overseas. The bureau had requested \$250,000.

and a waiver of landing fees the first year, valued at \$133,312 and a 50 percent discount on the fees the second year.

"We're spending the money to make sure people in London come to San Diego. We need to tap into that international traveler who's going to other destinations in the U.S.," said Joe Terzi, who heads the visitors bureau.

He noted that overseas visitors traveling to Los Angeles or San Francisco are not that likely to make the extra effort to drive down to San Diego once they're in California.

More hotel stays

In order to convince the local hoteliers who control tourism marketing dollars that promoting the British Airways flight was a worthy investment, the bureau did an analysis showing that it would deliver more than 40,000 additional room nights a year. That translates into nearly \$5.1 million in room revenues, over and above the \$7 million in hotel spending normally expected from European visitors.

"What I like is that for a small amount of money we can penetrate the European market, and the largest of that is the UK," said Lorin Stewart, executive director of the Marketing District, which derives its funding from a 2 percent surcharge on city of San Diego hotel rooms. "And you're leveraging that money with the British Airways promotion and also the Airport Authority. If you don't advertise and market the flight, it may end up being just another flight that's added and the public wouldn't know about it."

The visitors bureau is working with a London-based marketing firm, Black Diamond, to help with promotion and advertising in the UK and Ireland, and it also has a sales person on staff who will be working in European markets to craft and promote San Diego vacation packages tailored for overseas travelers.

Southampton-based Bon Voyage Travel and Tours has already begun pitching one of its more popular itineraries, a 14-night Pacific Coast Highway package, to United Kingdom travelers, who will now be able to return home out of San Diego instead driving to the L.A. airport, said Karen Niven, the agency's product manager.

"It's obviously far more convenient for them because they don't have that horrendous traffic and the L.A. airport isn't the best airport in the world," she sniffed. "And during the winter months, we can package 7- to 10-night packages to San Diego. When it's winter, people don't want to drive. They just want to flop by the pool and enjoy shopping, the sunshine, the outdoor cafe life and go to Mexico for the day."

San Diego hotels, which rely heavily on the Southern California and Arizona drive market, are especially covetous of European travelers who typically are heavier spenders and stay longer than visitors who come for quick getaways. Over the course of a year, San Diego draws roughly 18 million day and overnight visitors from Southern California and Arizona, while nearly 400,000 people from all of Europe make trips here, according to the Convention and Visitors Bureau.



- BRITISH AIRWAYS

David Hall, general manager of the Paradise Point Resort, said one of the hotel's sales representatives just returned this week from Great The 275-seat Boeing 777 will fly daily between San Diego and London.

Britain and France to talk up the new flight with travel agents and promote the hotel as a place to stay once European visitors arrive in San Diego.

"That traveler coming from across the pond is not coming for just a few days, they're coming for a week to two weeks, and they're experiencing San Diego and Southern California," said Hall. Having the flight to me signals that San Diego is a destination without having to rely on the coattails of L.A.

"Someone who's already done L.A. and San Francisco but wants to come back and do something different, that's a demand generator for San Diego."

Flight will help local corporations

Meanwhile, San Diego's Economic Development Corp. has been hosting meetings with dozens of local corporations to talk up the flight and remind them of its utility in doing business overseas. The corporation will also be shuttling a dozen business reporters flying in on the first flight to various technology-oriented companies in San Diego, in hopes of fostering relationships between businesses in the two countries, said Lauree Sahba, chief operating officer of the Economic Development Corp.

"From the business perspective, time is money, and with a direct flight overnight in a businessclass plane, you're ready to hit the ground running when you arrive," said Sahba. "It also makes us more competitive for business investment, like putting a regional headquarters here, when you have direct flights out of your international airport."

As soon as he heard the news about the nonstop flight, Callaway executive Steve McCracken booked a flight. The nonstop connection, he said, should be a boon to San Diego County's golf companies, who all do a great deal of business in Europe.

"It's a very big golf market, and while we all have operations on the continent, the gateway to Europe for us is through London," said McCracken, chief administrative officer for Carlsbad-based Callaway Golf Company. McCracken, who plans to fly to London in July for the British Open golf tournament, noted that Callaway personnel make about 30 trips a year to the United Kingdom.

"The one gap is no nonstop service to China. From the golf industry's perspective, that is a big part of our business."

San Diego airport officials are well aware of the clamor for nonstop service between San Diego and Asia and have been exploring the possibility for the last several years, but there are

obstacles still to be overcome, said Hampton Brown, the airport's director of Air Service Development. As much as tourism and business leaders are eager to see more international nonstop flights, especially to Asia, Brown expects that it could take several more years because of the need for smaller, more fuel-efficient aircraft that can handle San Diego's topography and Lindbergh's shorter runway.

"Our strategy is to cover Asia, Europe and Latin America, so Europe is set for now and so we turn our eyes to Asia," Brown said. "Asia is really predicated on new aircraft technology coming down, and the aircraft are limited right now.

"I'd say that when we talk to the airlines about Asia, at least they're not laughing at us. There's an acknowledgement there's an Asia market in San Diego."