DFW's Parking Yield Management Initiative

ACI NA
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Agenda

- About DFW Parking

- Why Yield Management?

- Implementation, Current Status, Future

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About DFW Parking

DFW has a complex parking system with 43,000 public parking spaces in nine facilities; restricted access at both ends of airport; a highway running down the spine; and about 120,000 entry/exit transactions a day.

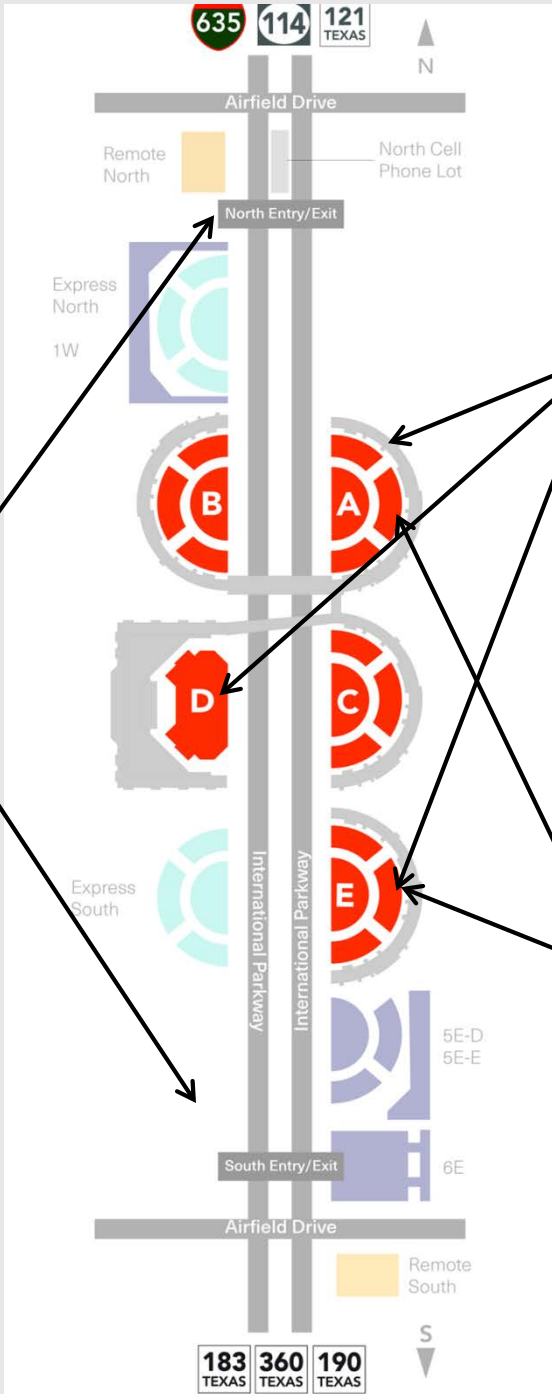| Product (#)	Spaces	FY19 Parking Rates
Terminal (5)	30,903	$24 per day
Express lots (2)	7,699	$12-$15
Remote lots (2)	4,871	$10
Valet	n/a	$31 plus tax
Drop Off	n/a	$2
Taxi-Limo	n/a	$4
TNC	n/a	$5*
Pass Through	n/a	$4
Off Airport	?	12% of revenue*

*Effective 7.01.18
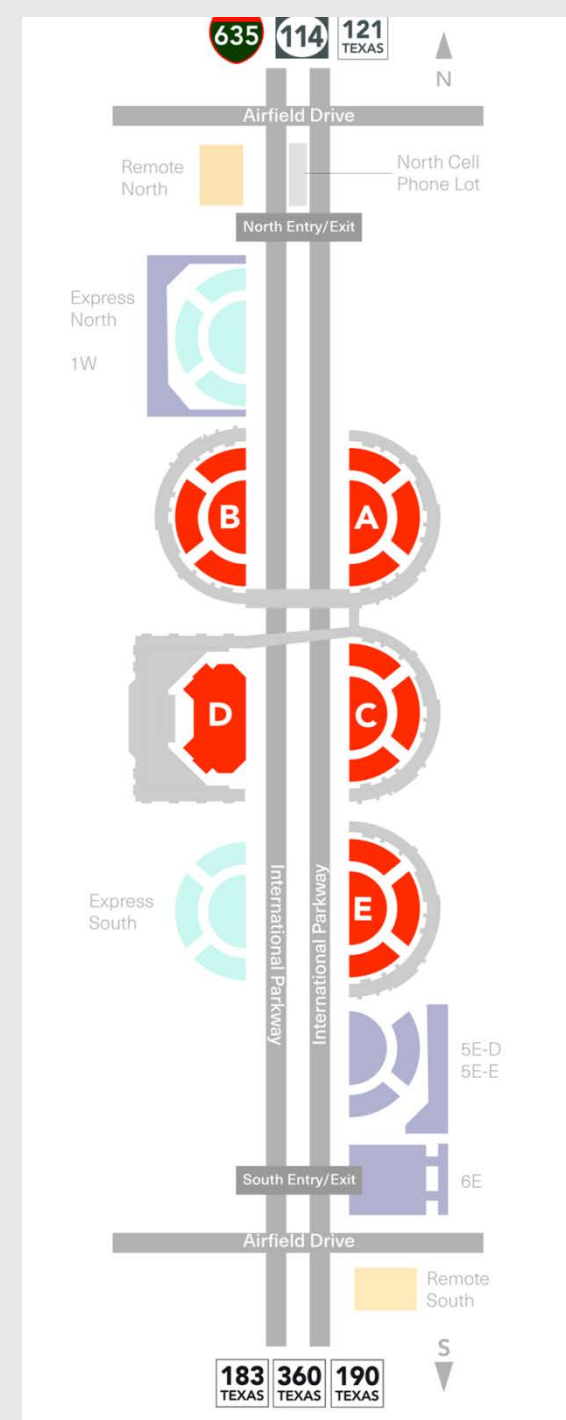
About DFW Parking
Over $475 million of parking investments in last five years.

New Parking Control System

New LPR System

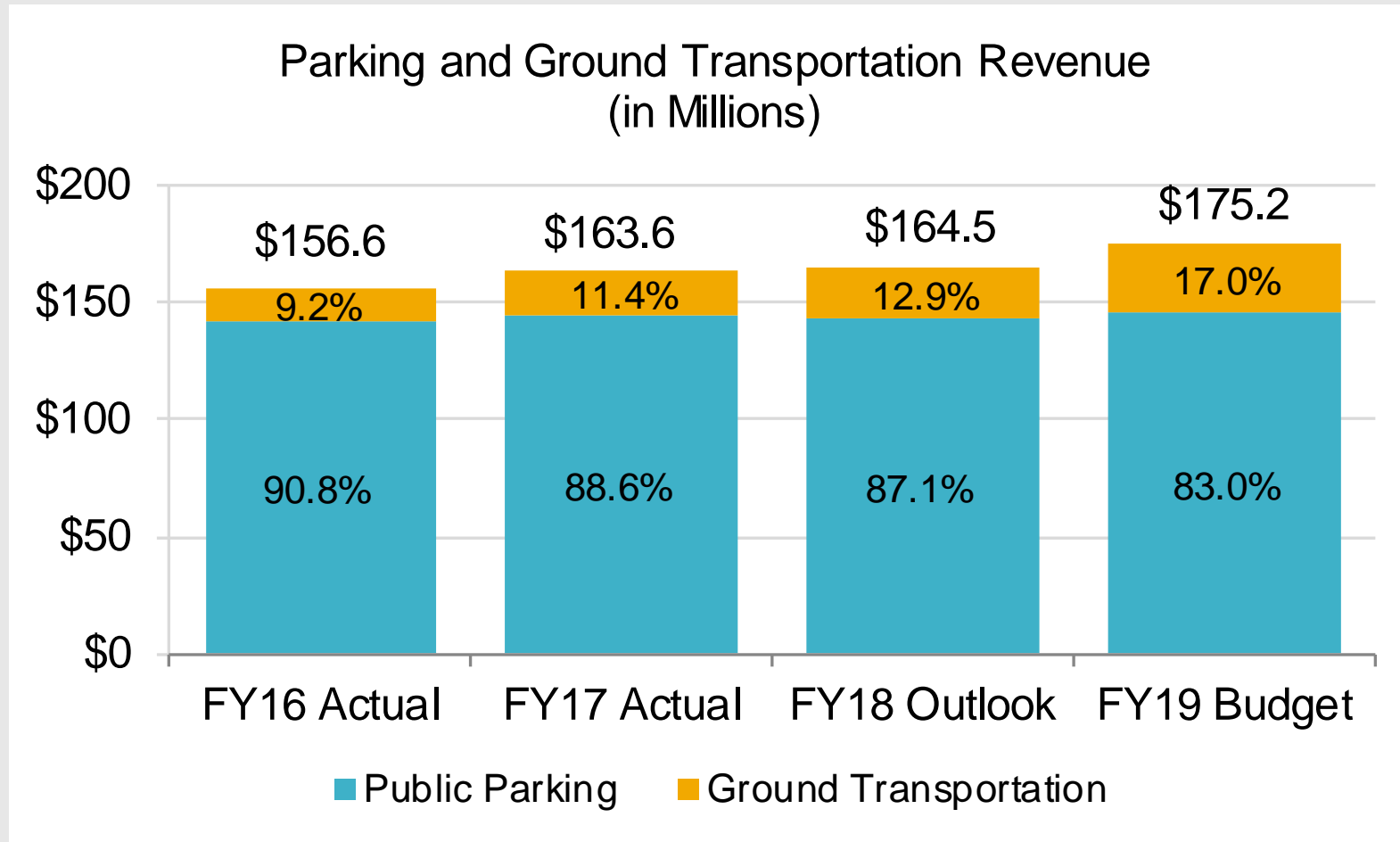**New Parking Guidance Systems**

2 New Terminal Parking Garages

5

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About DFW Parking*

FY 2019 revenues are budgeted at $175.2 million, a $10.7 million (6.5%) increase over the FY 2018 Outlook.

Parking and Ground Transportation Revenue
(in Millions)

	FY16 Actual	FY17 Actual	FY18 Outlook	FY19 Budget
Total	$156.6	$163.6	$164.5	$175.2
Ground Transportation	9.2%	11.4%	12.9%	17.0%
Public Parking	90.8%	88.6%	87.1%	83.0%

■ Public Parking   ■ Ground Transportation

* Ground transportation includes TNCs

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Why Yield Management?

Yield Management is a variable rate pricing strategy based on customer segmentation (multiple pricepoints for the same product).

Used extensively by airline and hotel industries

There are 3 essential conditions for yield management to be applicable in a parking situation

- Finite amount of spaces available for sale

- Once sold, a parking space is not available for resale

- Different customers are willing to pay a different price for the same space depending on their situation

Goal - maximize revenue by selling to the right customer at the right time for the right price
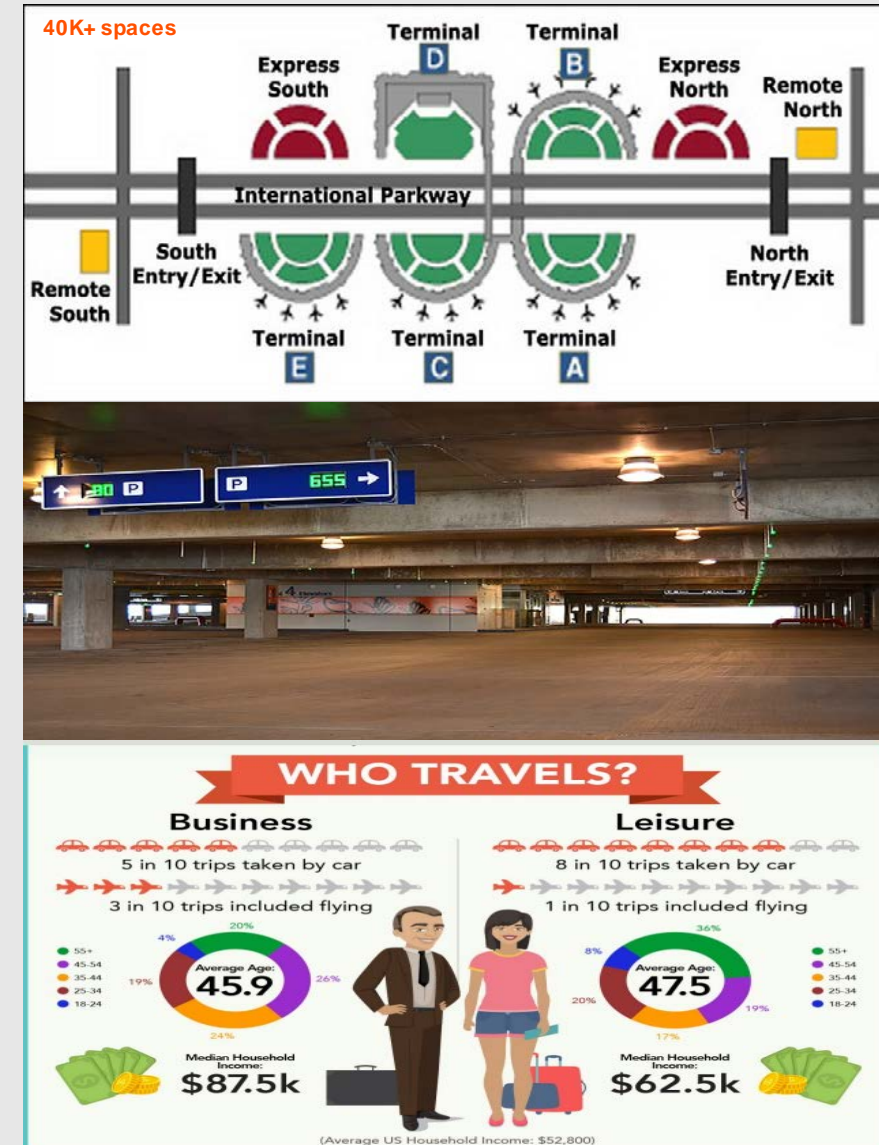
Why Yield Management?

DFW has over 43,000 public parking spaces with excess capacity on weekdays and weekends

Only 18% of O-PAX park with DFW; 82% market opportunity (mostly drop-off and TNCs)

On-line booking allows for

- Significantly discounted rates during non-peak hours, for longer stays, and for early booking
- Competitive pricing with the alternatives
- Better parking space utilization
- Personal relationship with customer

DFW's operational challenges

- Different terminals fill-up at different rates
- AA operates out of all five terminals
- Two terminal garages do not have counting systems

Pre-book is <u>NOT</u> reserved parking

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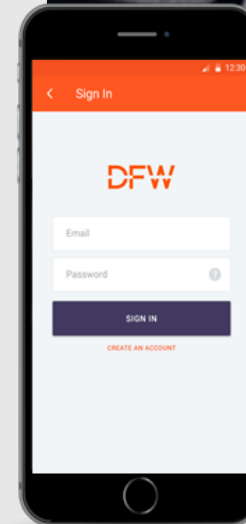
Implementation

- Issue RFP and Award Contract to Advam for online booking system

- Kickoff Project '17

- Phase 1 integration Advam – Skidata soft launch 10/1/17

- Full launch with marketing campaign 4/1/18

- Phase 2 integration with DFW mobile app 6/1/18

- Offered "basic" promotional pricing for Terminal and Express products (up to 50% off)
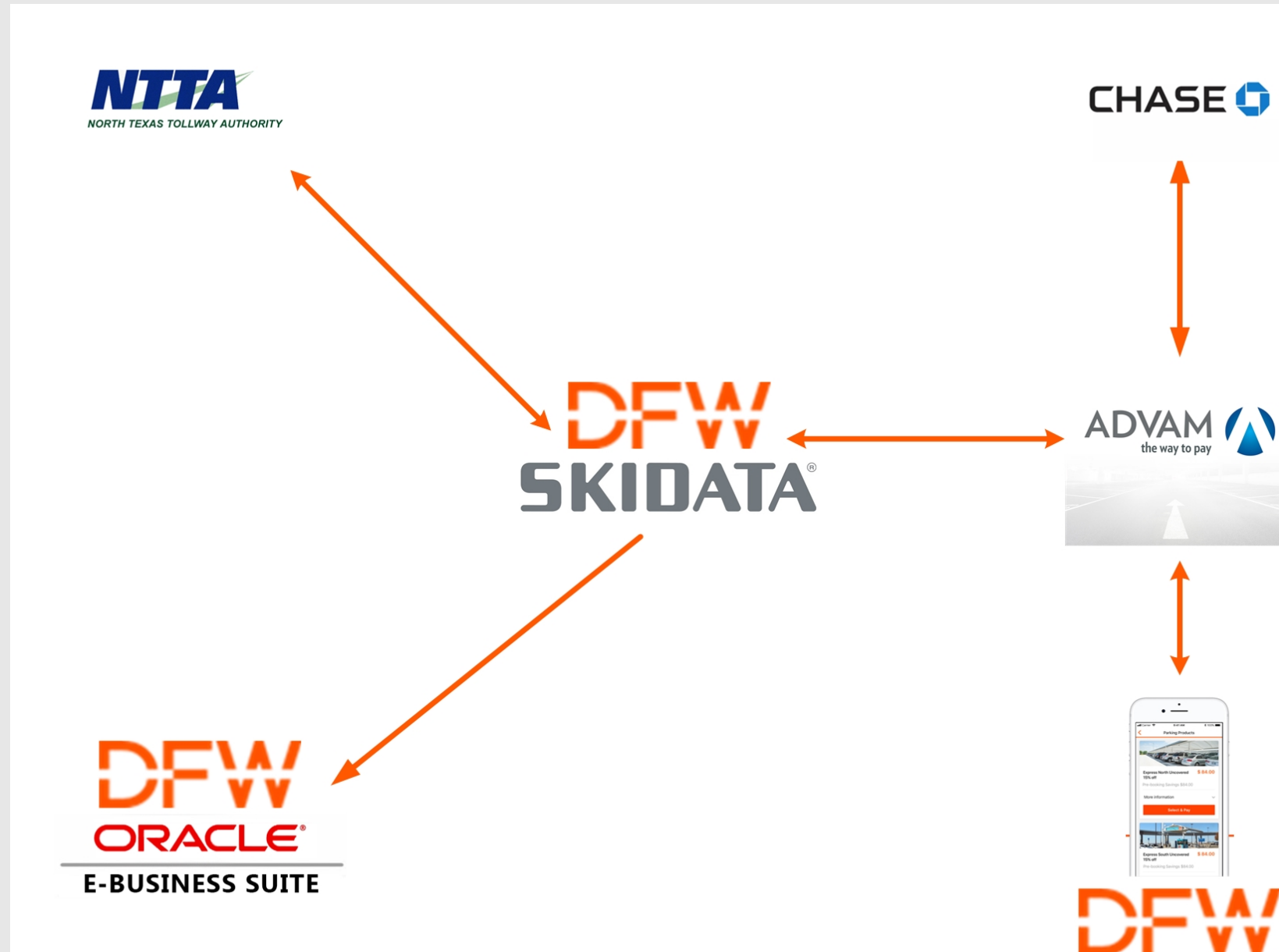
Start-up objectives:
- Increase awareness in the local market
- Fill parking spaces that would otherwise be unused
- Attract new customers who do not park

Overall a promising start in terms of revenues and transactions

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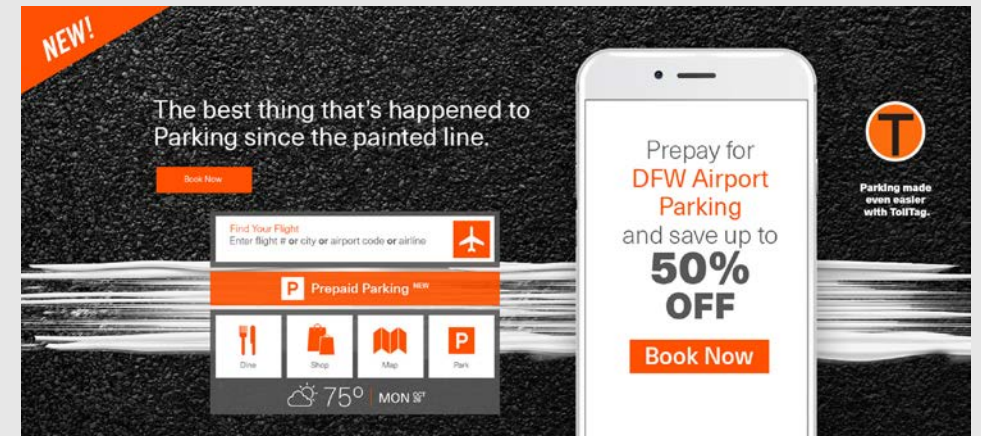
Implementation

Implementation – Lessons Learned

- Soft launch = muy Bueno

- QR codes…..size does matter

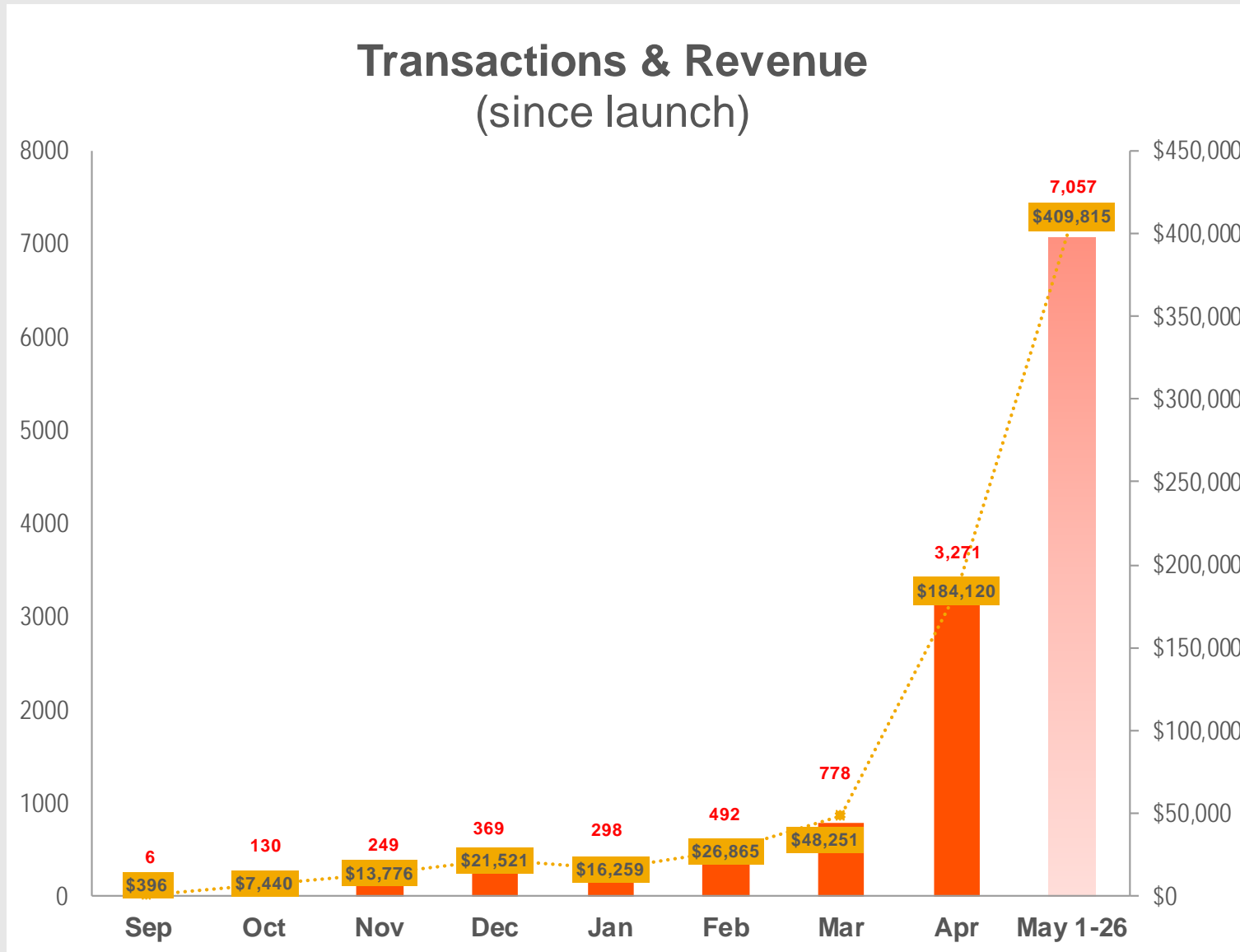- Extra development to ensure QR code only

- Mobile app communication issues

Prepaid Parking Results to Date

Transactions & Revenue
(since launch)

Chart data:

Month	Transactions	Revenue
Sep	6	$396
Oct	130	$7,440
Nov	249	$13,776
Dec	369	$21,521
Jan	298	$16,259
Feb	492	$26,865
Mar	778	$48,251
Apr	3,271	$184,120
May 1-26	7,057	$409,815

Original FY18 forecast
- **$403K** in online revenue
- **$262K** in incremental revenue

Updated FY18 forecast
- **$1.8M** in online revenue
- **$1M** in incremental revenue

FY19 forecast
- **$3.8M** in online revenue
- **$2M** in incremental revenue

Primary drivers for increased FY18 forecast
- Moving PPO banner to the top of page in January
- Reduced purchase lead time from 24 hours to 4 hours on May 3rd

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Future

Marketing/sales efforts

- Mostly through social media, DFW web site and app
- Key – when AA begins to sell at time of ticket purchase
- Other distribution channels (e.g., Expedia, travel agents)
- Corporate market

Product offering will get more complex as DFW gains experience and develops a data base of customers

Addition of Automated Parking Counting System to remaining garages will allow better management of spaces and maximization of filled spaces

Reserved parking products

Direct communications with customers on airline terminal changes, full parking lots, and upselling of other offerings like concessions or clubs

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Summary

Attracting new customers

- Over 50+% are new!

Longer stays

- 20%+ for Express
- 100%+ for terminal

Better utilization of parking assets

More revenue for minimal extra cost

Customer impact

- Personal relationship
- Improved retention/loyalty
- Improved customer experience

Enter flight # or city or airport code or airline

P Prepaid Parking New

Dine   Shop   Map   Park

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