



## Changes in passenger buying behavior are forcing airports to rethink travel retail

The face of global travel retail has radically changed, particularly at airports. Passengers are more informed than ever, have more buying options and demand extensive services, which go far beyond simple “click and collect”. Today, approximately 70 percent of all purchase decisions are made in advance, with only 30 percent being impulse purchases. This represents a complete turnaround of traditional buying behavior.

At the same time, whereas passenger numbers are growing, customer engagement and conversion have taken a sharp downturn.

Airports need to disrupt their traditional retail business model. This means that they must digitalize, or run the risk of losing control over their retail business and any competitive advantage.

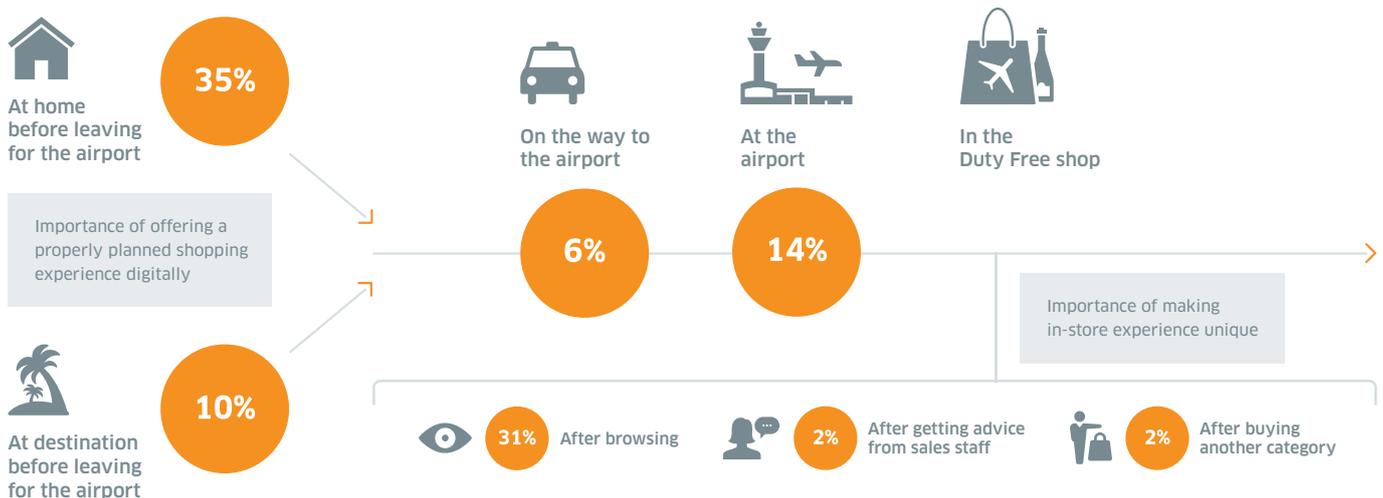
By creating a digital marketplace, airports can offer their customers personalized products and services, while tapping into multiple unused revenue streams. AOE's award-winning Omnichannel Multi Merchant Marketplace (OM<sup>3</sup>) can help airports unlock this vast potential for creating additional ancillary revenue and stopping the decline of spend per passenger.



*All the research we conducted the last two years shows that what AOE started at Frankfurt Airport is the future of travel retail.”*

**Peter Mohn**  
CEO m1nd-set research

### Changing decision-making processes require digital optimization of the entire customer travel experience



# OM<sup>3</sup>: A holistic Omnichannel solution to engage the customer

OM<sup>3</sup> consists of a unique and modular set of pre-integrated Omnichannel functionalities, services and infrastructure. It enables customized selection of functionalities according to airport-specific business requirements. The one-of-a-kind solution offers passengers a variety of convenient options for planning their travel and during the trip itself, during online and offline shopping at the airport and for accessing airport services. Passengers can get information about products and shop in advance of their trip or during layover and waiting times.



This virtually expands the “Golden Hour” into a “Golden Week” or even month of engaging with the customer. For airports and travel retailers, the solution represents a marketplace that places all products and services at the customer’s fingertips across all channels, at all times. By providing a comprehensive platform that integrates all partners (airports, airlines, retailers and brands), as well as valuable customer data, OM<sup>3</sup> enables sustainable, long-term business growth.



### Foundation for Digital Transformation

Its modern service-oriented API-based architecture and patterns enable flexible adaptation and scaling to upcoming challenges of the digital age



### Real-time Information

Full real-time communication of all systems enables personalized advertising, last-minute delivery changes and real-time earn and burn of loyalty points



### Retailer Platform

Provides retailers control over marketplace participation, product information, promotions as well as logistical and marketing support



### Powerful Marketing Tools

Facilitate location-based marketing, push notifications and loyalty program integration



### Scalability & Integration

Scalable to millions of products, orders, retailers and customers. Integration of hundreds of systems and data formats



### Multi Merchant Marketplace

Connects products and retailers in one marketplace across multiple channels

# Frankfurt Airport sees immediate positive effects through Digitalization with OM<sup>3</sup>

OM<sup>3</sup> helps multi-retailer venues such as airports to realize their full potential and create a short-term return on investment by fusing the offline and online experience into one comprehensive suite of software applications and services. It enables complete customer interaction across multiple touchpoints. OM<sup>3</sup> created immediate results at Frankfurt Airport, where the platform was initially implemented. The solution helped to reverse a significant downward trend in travel retail, observed by airports across the globe. For example, cross- and upselling increased by 35 percent and basket value increased by 300 percent.



The customer growth rate is 50 percent beyond the initial forecast. Most importantly, average passenger spend was up by 3.6 percent overall, showing the additional positive effects on retail sales through webrooming (researching information about available items and prices online before buying in-store).



Frankfurt Airport: Sustainable impact through digitalization  
(Source: AOE - <https://l.aoe.com/om3video>)

Current numbers indicate that the OM<sup>3</sup> solution, once integrated with all non-aviation revenue streams at an airport, has the potential to not only reverse a downtrend, but also provide significant additional revenue potential for international airports.



## The perfect digital journey

For frequent travelers and international passengers alike, the solution offers many touchpoints at multiple locations. Customers can travel the entire digital journey with OM<sup>3</sup>, from making last-minute decisions to ad-hoc booking of fast track or using loyalty program points for lounge access.



Calling for a hands-on approach to omnichannel retail  
(Cover Story: The Moodie Davitt Report e-Zine - Issue 216 - <http://l.aoe.com/themoodiedavittzine>)



AOE offers one-of-a-kind omnichannel experience  
(Airport Business: <http://l.aoe.com/airportbusiness>)

The platform covers the entire bandwidth of the digital shopping experience. From online shopping, including online payment and fulfillment at the airport, to after-sales activities. Passengers can select and buy products while making travel arrangements, during their journey and at the airport, and can pick up their purchases or have them delivered to the gate or to their home. With OM<sup>3</sup>, customers can enjoy an all-in-one customer experience, both on- and offline.

# The airport as a digital marketplace for services and products

Current travel retail business models don't cover most of the potential revenue streams at airports. In addition, revenue streams for the "Golden Hour" at the airport also remain largely untapped, with only 40 percent of potential revenue being utilized. Airports are in the unique position to tap into these revenue streams by creating digital marketplaces that help them to engage profitably with their customers.

## Which Revenue stream do you cover now and in the future?



### Services

- Airport pick-up/drop-off
- Currency Exchange
- Fast Track
- Instant Travel Booking
- Locker Service
- Lounge Access
- Medical Check-ups
- Parking and Car Services
- Shopping Guide & Information
- VIP Services



### Shopping & Retail

- Downtown Retail Integration
- Dropshipping
- F&B
- Gate Delivery
- Home Delivery
- Inflight Shopping
- Lounge Shopping
- Pre-Order
- Personal Shopper
- Pick-Up In-Store

By building a digital marketplace, airports can establish themselves as Omnichannel hubs for customer engagement. In doing so, they can generate significant non-aviation revenue, decrease costs and create long-term customer loyalty. With OM<sup>3</sup>, airports have the perfect solution for building such a marketplace. Features include:



### Shopping Experience

- Online Shopping
- Parking Booking
- Lounge Access
- Fast Track
- VIP Services
- 3rd-party Integration (e.g. Uber, Concerts)



### Platform Capabilities

- E-Commerce
- Product Information Management
- Order Management
- Payment
- Loyalty Program
- Integrations



### Sales Channels

- Airport Mobile App & Website
- Travel Apps & Portals
- Aggregators and Booking Portals
- Search Engine Marketing
- Integrated On-Airport Advertising



### Fulfillment & Logistics

- 45-minute on-premise Delivery
- Central Collection Points
- Pick-up on Return
- On-Airport Delivery (e.g. Lounge, Gate)
- Home Delivery



AOE and its global team of over 250 people in five countries is a leading provider for Digital Transformation and Omnichannel E-Commerce implementations based on Enterprise Open Source technologies. It has established a name as a leading provider for airport E-Commerce solutions. AOE is responsible for the world's leading Omnichannel Travel E-Commerce platform at Frankfurt Airport.

With its headquarters in Frankfurt and offices in San Francisco, Zurich, Dubai and Hong Kong, AOE has handled hundreds of implementations for major global corporations, such as Frankfurt Airport, Lufthansa, Cisco Systems, Deutsche Telekom, Bosch, Sony and Commerzbank.