

How to secure growth by digitalising airport non-aviation revenues



Almost 500 registrants signed up to learn 'how to secure growth by digitalising airport non-aviation revenues', in a webinar hosted by *International Airport Review* in association with AOE, on 31 January 2019. CEO **Kian Gould** and **Adil Raihani**, expert in airport e-Commerce and travel retail digitalisation, discussed creating successful digital business models for airports, airlines and travel retail – and thereby increase non-aviation revenue streams. A hot topic for the audience, as the travel retail industry is currently undergoing major disruptions – and passenger buying behaviour and expectations are changing.

Digital use cases for airports

The question for airports is: 'how to create interesting and successful digital use cases that add value for customers and drive airport revenues?' Kian presented three specific examples of airports that have implemented digitalised business models based on the OM⁺ marketplace platform. By creating a digital marketplace, airports can present passengers with personalised product offers and services, while tapping into multiple revenue streams.

Frankfurt Airport – the first digital airport marketplace

Frankfurt Airport faced the challenge of transferring its offering into the digital era. The airport's approach was to introduce a digital marketplace solution. Frankfurt Airport launched a platform where any travel retailer can be integrated.

The commerce process includes order management, payment, fulfilment and returns. Moreover, the integration of airport services and the Fraport loyalty programme are now much more visible for passengers. Frankfurt Airport saw immediate positive effects through digitalising its business processes.

Luxury shopping at Heathrow Boutique

As London Heathrow Airport offers many high-end brands in retail, the airport places a heavy emphasis on luxury shopping. The Heathrow Boutique marketplace, based on OM⁺ technology, currently has more than 30 retailers. The business case includes personalised offers to passengers – frequent flyers have different needs than tourists from Asia or the Middle East.

Launched in March 2018, the new Heathrow Boutique


is a milestone in the airport's ambitious plans to grow digital revenues significantly over the next years, while continuing to be the World's No. 1 Shopping Airport. The results are impressive: Heathrow's basket value has increased to an average of more than £400, more than five times the retail average in airport stores.

Auckland Airport revolutionises tax-free downtown shopping

Auckland offers proof that smaller airports can also create innovative digital business models. The airport has revolutionised tax-free downtown shopping by creating a digital tax-refund solution based on OM⁺. Passengers can shop in downtown Auckland and receive the full tax refund through a digitalised process without paperwork or queuing at tax-refund counters. The airport adds value for retailers and passengers and creates

new non-aviation revenue streams. Customer reaction, initial numbers and industry acceptance are all proof that the solution will contribute significantly to the economic success of the airport in the future, while creating happy, loyal customers.

Webinar and Q&A on-demand

These are three use cases of current airport initiatives. Many other airports have begun to digitalise their business. Digitalisation offers numerous opportunities for the industry. However, the time to embrace digitalisation is now! If you missed it, you can watch the webinar on-demand via the link below. Since Kian could not answer all questions during the Q&A session, he took the time to answer the remaining questions in a video, which can be found online at: aoe.com/webinar. 

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