

Heathrow: Reserve & Collect Boutique transformed into digital marketplace

Digital Marketplace
All shops, products and airport services consolidated on one platform

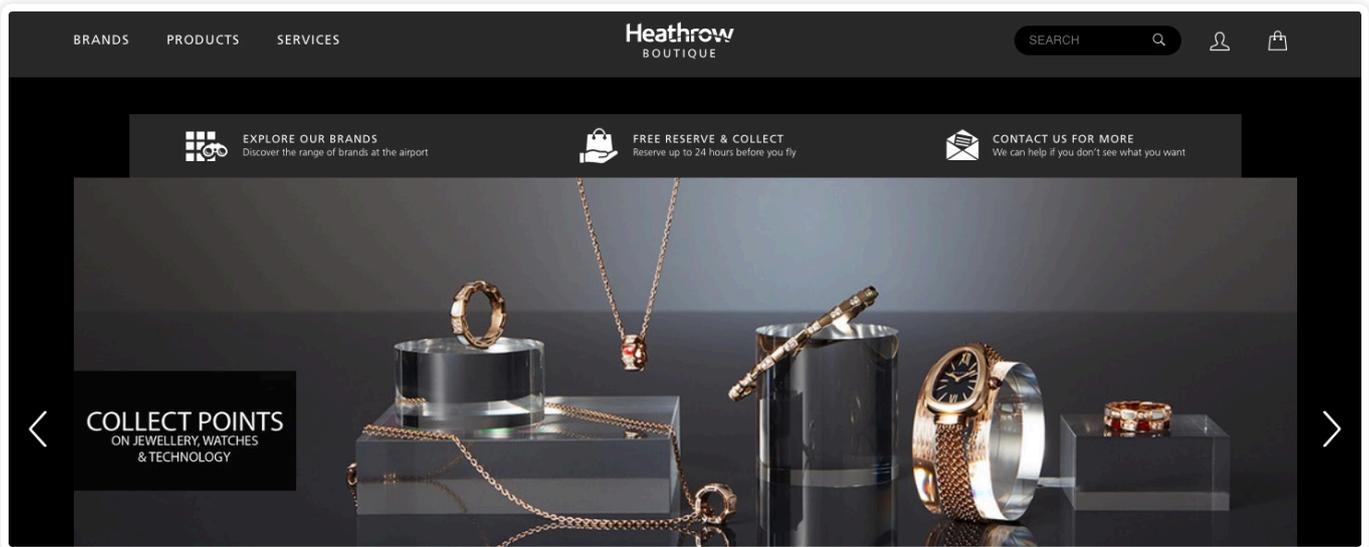
Omnichannel Commerce
Seamless shopping experience across all devices, sales and communication channels

Digitalized processes
Automation of product maintenance, order management and fulfillment

Heathrow is the largest airport in Europe with 78 million passengers annually, four terminals and 76,000 employees. To strengthen the non-aviation business, digital platforms are becoming increasingly important for airports. Passengers expect flight information, service and shopping offers on digital channels. The smartphone is the most commonly used diversion for passing the time at airports.

This leads to changed expectations and behavioral patterns and thus to changed user and shopping behavior among passengers. For example, Asian passengers in particular are increasingly interested in pre-planned shopping for high-quality products - impulse purchases in duty-free shops, on the other hand, are declining. In addition, airport shops compete with online providers such as Amazon and Alibaba. In order to meet growing customer requirements, Heathrow set itself the goal of replacing the existing Reserve & Collect system with a modern digital marketplace that combines flight information, shopping and airport services on a single platform.





The Challenge

Heathrow already had a Reserve & Collect service, which was largely operated by the Heathrow call center. However, it was limited by high maintenance requirements, a limited number of products and manual fulfillment. Products of the individual retailers were entered manually, the product data came randomly in various formats.

The challenge of digital transformation of airports

The new digital marketplace was to replace the existing Reserve & Collect system, with Heathrow putting great emphasis on a scalable, future-proof solution with significantly reduced maintenance requirements and automated processes. The integration of existing and future services and third-party providers was also an important factor. Other requirements included simplified product maintenance, solutions for fulfillment, order management and payment, the integration

of flight information and airport services such as personal shoppers and the simple integration of future merchants, products and services. In the first step, the existing Reserve & Collect system was migrated to AOE's new digital OM³ marketplace without passengers noticing any disruption during ongoing operations in front of the passengers. Migration included included products, retailers and processes, during ongoing operations.

The Solution

Based on the OM³ platform, AOE implemented a scalable digital marketplace that includes flight information as well as the platform for shopping and airport services such as personal shopping. The classy "mobile first" design is extremely fast and reflects Heathrow's premium experience.

Product management by retailers reduces maintenance effort

The previously time-consuming manual product maintenance was significantly simplified and automated through the integration of a central PIM system - with higher data quality and shorter time-to-market. The retailers' ERP systems are directly integrated into the PIM system of the OM³ platform, so that manual product maintenance is no longer necessary. The product range is controlled by the retailers themselves, giving them full control over the products they offer on the marketplace.

The number of products in the marketplace was increased tenfold at the launch; new products are now available online in any number within a few minutes. The number of integrated retailers and products on offer is unlimited and will be successively expanded. Many different types of products can be offered and removed without difficulties - with a consistent look on the marketplace and full product control by the retailers.

High conversion rates through personalized promotions and recommendations

In order to drive personalized marketing campaigns, various sales and dialogue marketing features as well as personal shopping services were integrated in seven languages. One highlight is the integration of the marketing solution from Axiom based on Adobe Campaign, which enables passengers to define highly personalized marketing campaigns for very specific user groups in real time based on their purchasing behav-

ior. These campaigns are supported by promotions and personalized recommendations, so that passengers are provided with targeted attractive offers of high-quality products. These tailor-made offers are extremely successful and result in above average conversion rates and five times higher shopping basket values.

Automated Order Management and Fulfillment Processes

Fulfillment has been completely automated and is covered by the OM³ Order Management System. The system is easy to use and order processing and fulfillment are carried out by the retailer's staff. The integration of online payment will take place in the next development stage in 2019.



Loyalty Program Integration enables personalized marketing to pre-qualified customers

The close integration of the Heathrow Boutique with the Loyalty Program is a key driver for personalized offers. Heathrow has 1.5 million loyalty customers whose data, preferences and sales behavior are known to the airport. Through smart product offers, these pre-qualified loyalty customers can be supplied with tailor-made proposals and convenient services with high conversion rates.

Airports and duty-free offers are subject to a number of rules and restrictions, the implementation of which was taken into account during platform development. For example, passengers have to enter their flight number when shopping, which is then validated in real time. The flight data is used for the fulfillment processes in order to guarantee the closest possible collection point in the time window before departure.



We have a long-term vision to deliver a seamless digital experience for all our passengers, both inside the airport and in the comfort of their homes. This partnership with AOE is the next step towards building seamless end-to-end experiences for passengers and enabling us to interact with them more efficiently for an enhanced and memorable journey.

Chris Annetts
Retail and Service Proposition Director
Heathrow

Business Benefits

- ✓ Digital marketplace with all shops, products and airport services
- ✓ Connection of flight information, shopping, loyalty and airport services
- ✓ Any number of retailers, brands and products can be integrated
- ✓ Seamless digital omnichannel commerce customer experience
- ✓ Interaction with passengers, personalized offers and marketing
- ✓ High conversion rates and shopping basket values in the mid three-digit range
- ✓ Automated order management and fulfillment processes
- ✓ Easy product maintenance and fulfillment by the retailers
- ✓ Scalable, future-proof and expandable enterprise platform
- ✓ Complete migration of all products, retailers and processes without interruption for the customer
- ✓ Agile development without delay on time and on budget

Development, Migration and Launch on Time and on Budget

The implementation started with the concept and design phase in April 2017, which was characterized by numerous workshops with airport departments, retailers, call centers and third-party providers to define the actual requirements of the parties concerned. Thanks to the extensive out-of-the-box functionalities of OM³, the development only lasted from August to December 2017, followed by a two-month user acceptance test phase in which the system was extensively tested from the perspective of QA and departments of the airport as well as the retailers. At the same time, there were training sessions for the retailers' and airport staff involved. The go-live was in March 2018 – as planned, without delays, on time and on budget. The platform will be continuously expanded

in the future. The migration of the retailers, products and processes took place without interruption for the customer. Of the 30 migrated merchants, the five largest merchants were able to manage their product portfolio on the platform independently, without the support of Heathrow. The other retailers continued to be supported by Heathrow and successively received onboarding for independent product management. As part of the further expansion we are exploring opportunities for OM³ to integrate additional elements of Heathrow services as a complete non-aviation revenue digitization platform in order to further advance the goal of a seamless passenger experience with a single customer view.



The Result

The Heathrow Boutique is an important part of Heathrow overall strategy to digitalize non-aviation revenues. With the successful and seamless launch of the OM³ platform, Heathrow now has a powerful and future-proof digital marketplace that meets modern requirements and customer wishes and can be continuously enhanced. The scalable solution uses automated processes in product maintenance, order management and

fulfillment, which significantly reduces manual effort for Heathrow and its retailers. The marketplace offers passengers all flight data, airport services, shops and products consolidated on a single platform. The solution has been enthusiastically accepted by passengers, thanks to attractive premium products and targeted promotions.



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 Miami, 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.