

PASSENGER SATISFACTION **THE KEY TO GROWING NON-AERONAUTICAL REVENUE**

Trends from the 2013 Airport Retail and F&B Survey

FACT: Improving the passenger
experience **makes good
commercial sense**

Research shows that when overall satisfaction levels rise, **non-aeronautical revenue grows as well**



Source: DKMA commercial research based on analysis of publicly available data from airports all over the world

Why?

Because happier passengers
**are more likely to buy and
spend more on average**

An airport's **most satisfied passengers**



Spend **10% more time** at the airport



Are **twice as likely** to shop



Spend **7% more** on retail and **20% more** on duty free

Than passengers who are the least satisfied

So airports should **make increasing satisfaction levels a top priority**



Problem: Most airport commercial data focuses on spending patterns but fails to link these with satisfaction levels

THE AIRPORT RETAIL AND F&B SURVEY

IS DESIGNED TO HELP AIRPORTS
UNDERSTAND THE LINK BETWEEN



How satisfied passengers are
with airport retail and F&B



How satisfaction influences
purchasing habits

IN 2013

15 OF THE WORLD'S LARGEST AIRPORTS
SURVEYED NEARLY 30'000 PASSENGERS

AND WE ARE *EXCITED* TO SHARE
WHAT WE LEARNED...

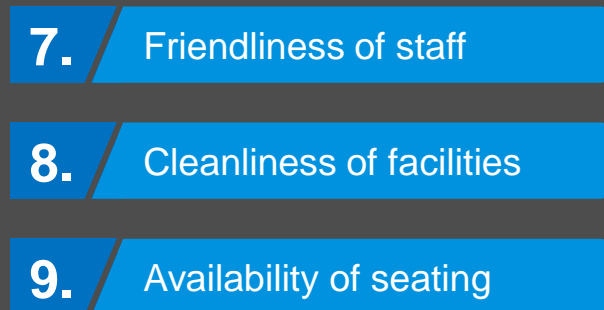
To improve satisfaction levels
airports need to **provide a
greater sense of choice**

F&B: Airports are **not delivering the sense of choice** that passengers want

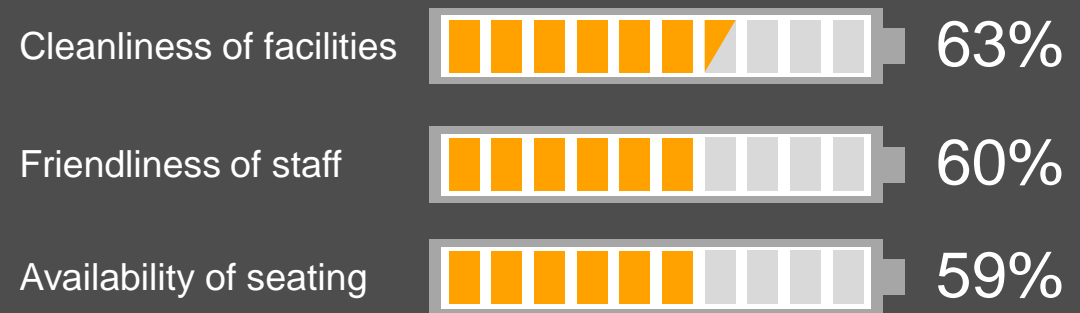
Most important to satisfaction



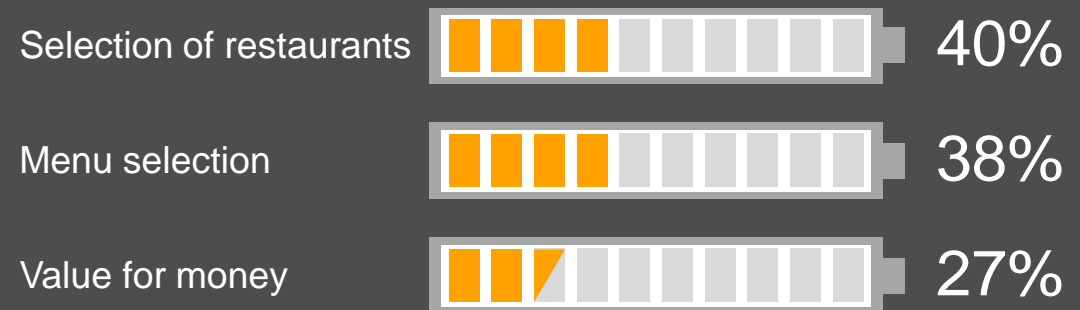
Least important to satisfaction



What passengers like / don't like about F&B (% satisfied passengers)

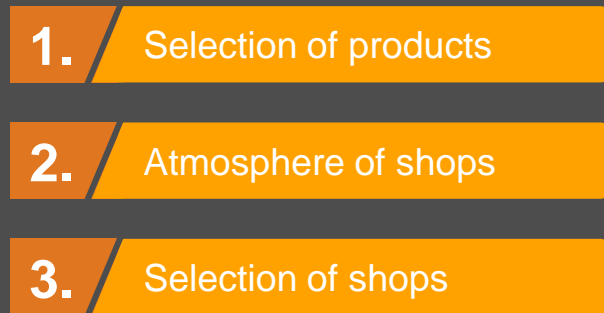


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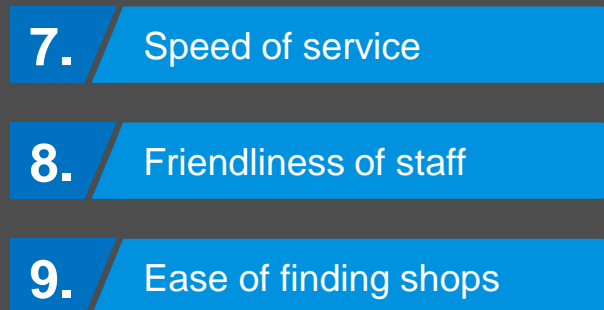


Duty Free: Passengers want a **greater sense of choice & improved atmosphere**

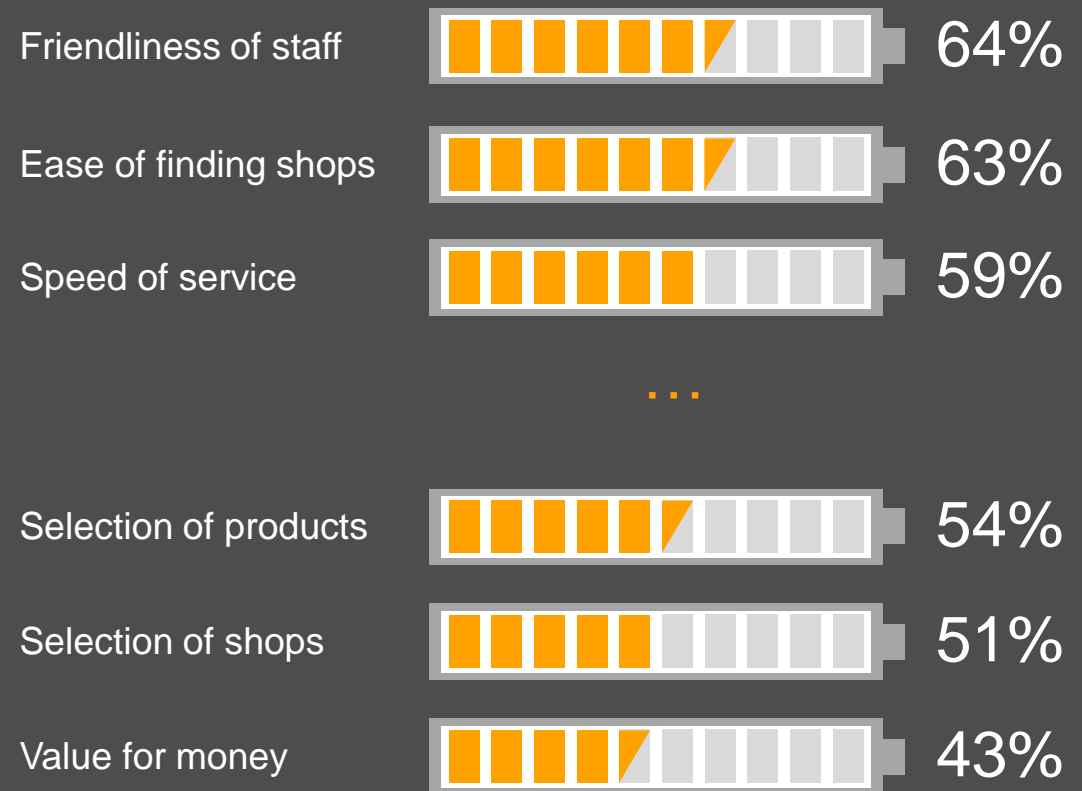
Most important to satisfaction



Least important to satisfaction



What passengers like / don't like about Duty Free (% satisfied passengers)



Passengers **spent less time shopping** in 2013

Time spent in retail and F&B (minutes)



Passengers **spending decreased in 2013**

Average spends per passenger (USD)

2012

2013



F&B: How can you increase the perception of choice?

Go beyond the ordinary



Elway's - Denver

Explore new ways to serve passengers



Retail: How can you increase the sense of choice?

Make sure passengers can see all outlets



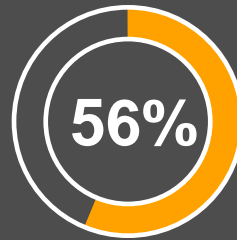
Explore new ways of selling



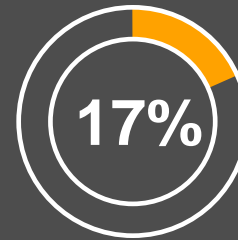
To increase satisfaction levels
airports need to **understand**
what key segments want

Business passengers spend less time at the airport and are less likely to purchase

Business passengers



Bought F&B

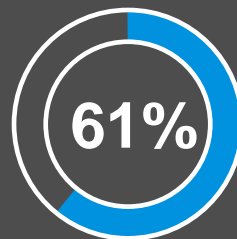


Bought retail

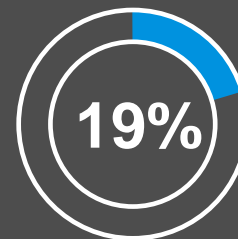


Bought Duty Free

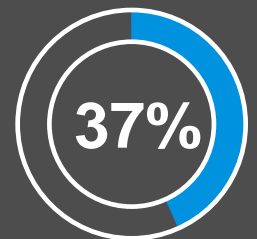
Leisure passengers



Bought F&B

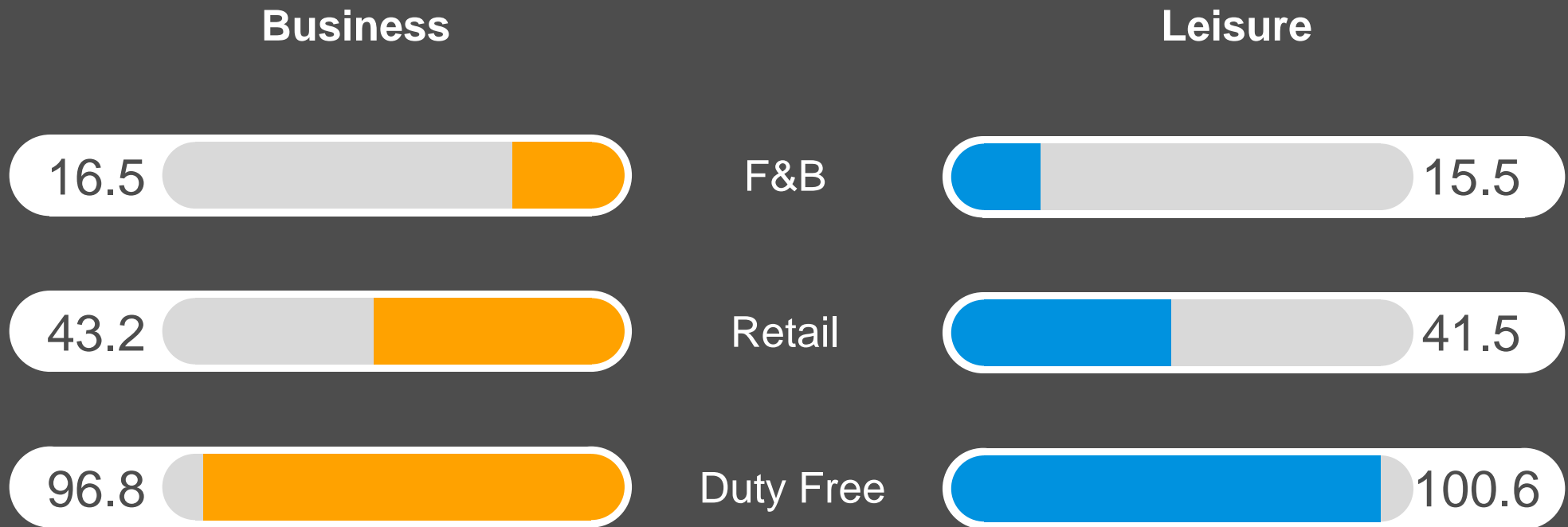


Bought retail

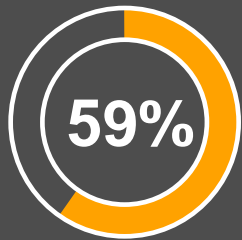


Bought Duty Free

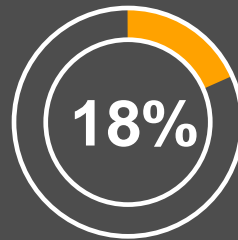
But when they do purchase, **business passengers** spend more (except Duty Free)



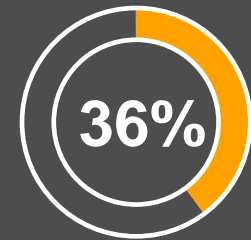
Top purchases



Bought F&B



Bought retail



Bought Duty Free

27% / Cafe

26% / Newspaper / magazine

25% / Spirits & wines

23% / Fast food

14% / Local food

17% / Confectionery

18% / Casual / sandwich

13% / Books

15% / Cosmetics

How can you be sure to **meet the needs of key segments?**

Identify key segments and learn all you can about them



Adapt your mix of shops to key segments



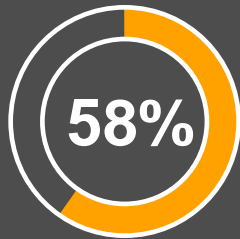
Barcelona

To increase sales rates airports
need to **make the airport a
shopping destination**

Most passengers who buy had planned to do so beforehand

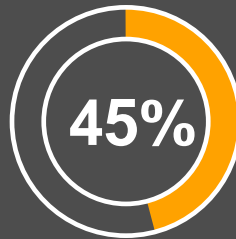
For passengers who bought something the decision to buy was made

F&B



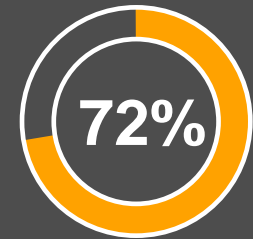
At home

Retail



At home

Duty Free

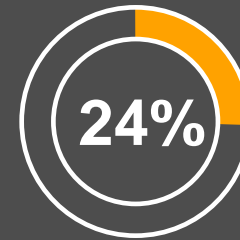
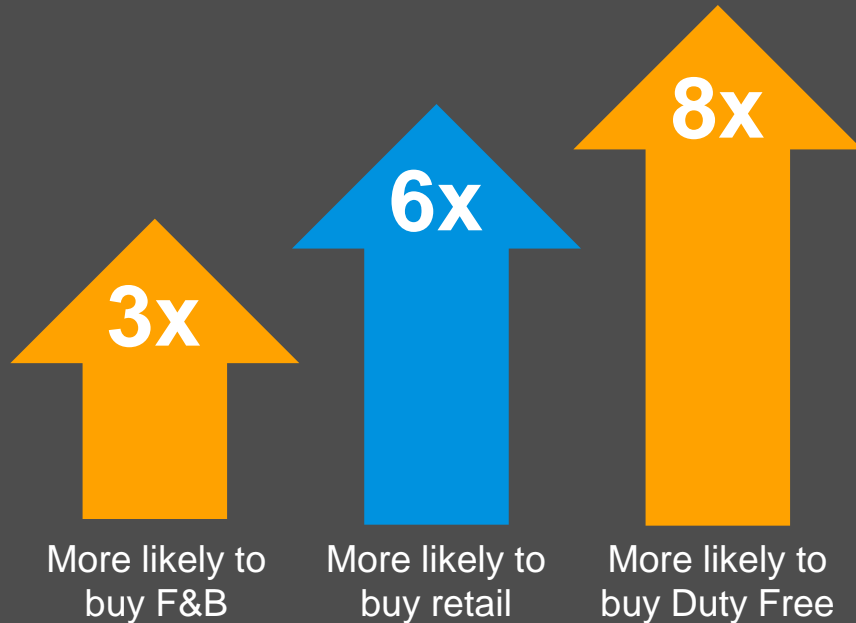


At home

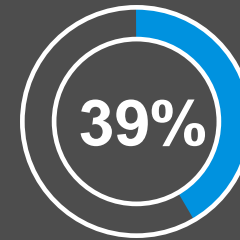
Passengers who plan purchases are **more likely to buy and spend more on average**

Passengers who plan to buy are

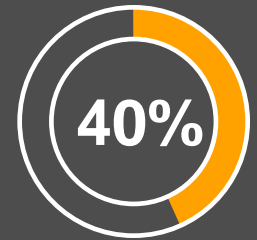
And spend



More on F&B purchases



More on retail purchases

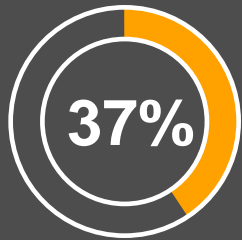


More on Duty Free purchases

Problem: most passengers don't plan on buying anything at your airport

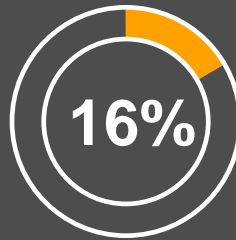
Percentage of passengers who planned to buy something before reaching the airport

F&B



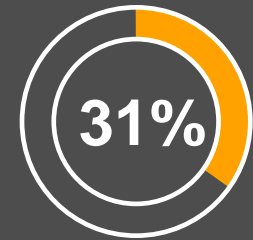
Plan to buy

Retail



Plan to buy

Duty Free



Plan to buy

How can you make your airport a shopping destination?

Communicate about your commercial offering on your website & social media

The screenshot shows the Toronto Pearson International Airport website. At the top, there's a navigation bar with links for Flight Search, Connecting, and Parking. Below this, a main banner features a large image of the Heirloom Bakery Cafe interior. The text on the banner reads: "Go Healthy With Heirloom Bakery Cafe". Below this, it says: "Local baker and entrepreneur Devin Connell brings light entrées and tasty baked goods to Terminal 1." and a "Now Open" button. The website also has sections for Flight Search and Shop & Dine, with a mention of Boutique iStore.

Toronto Pearson
International Airport | Aéroport International

Flight Search Connecting Parking

Flights To and From Shop Dine Relax About Pearson Choose Toronto

Go Healthy With Heirloom Bakery Cafe

Local baker and entrepreneur Devin Connell brings light entrées and tasty baked goods to Terminal 1.

Now Open ▶

Flight Search

Shop & Dine

Boutique iStore

Boutique iStore is the mobile digital lifestyle destination for any and all travellers. Always on trend, Boutique iStore features products by Apple,

The screenshot shows a Facebook post from Changi Airport. The post is dated 17 December 2012. The text of the post reads: "Kim Choo's Nonya Kitchen at Changi Airport Terminal 3 was recently named by The Daily Meal website as one of the top 31 airport restaurants in the world! Coming in at no. 19, it was the ONLY airport restaurant in Asia to be named." Below this, it says: "Full list is available at <http://www.thedailymeal.com/31-best-airport-restaurants-around-world-slideshow>. Tell us how many restaurants on the list you've been to before! - Andy". The post includes a photo of the Nonya Kitchen restaurant interior, showing a menu board and people sitting at tables. The post has 396 likes and 24 comments.

Changi Airport
17 December 2012

Kim Choo's Nonya Kitchen at Changi Airport Terminal 3 was recently named by The Daily Meal website as one of the top 31 airport restaurants in the world! Coming in at no. 19, it was the ONLY airport restaurant in Asia to be named.

Full list is available at <http://www.thedailymeal.com/31-best-airport-restaurants-around-world-slideshow>. Tell us how many restaurants on the list you've been to before! - Andy

Like · Comment · Share

396 people like this.

Airports need to **increase the perceived value of their retail and shorten processes** to avoid losing sales

Airports need to **improve the attractiveness of their commercial offering**

F&B



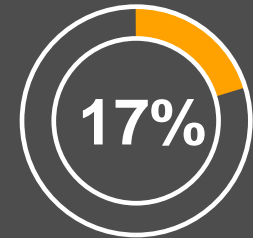
Of passengers were interested in buying something but didn't

Retail



Of passengers were interested in buying something but didn't

Duty Free

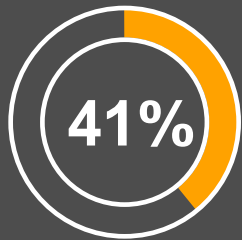


Of passengers were interested in buying something but didn't

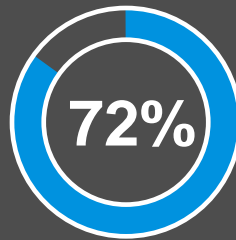
45%

Of passengers who come to the airport with the intention of buying retail go away empty handed

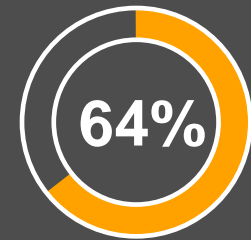
Barriers to purchase



Did not buy
F&B



Did not buy
retail



Did not buy
Duty Free

65% Not hungry / thirsty

14% Too expensive

5% Did not have time

4% Wanted to get to gate

4% Airline will provide meal

63% Not interested in buying

10% Too expensive

10% Didn't find what I wanted

7% Didn't want to carry it

4% Did not have time

46% Not interested in buying

12% Too expensive

9% Did not have time

9% Did not want to carry it

5% Didn't find what I wanted

Key takeaways

To grow non-aeronautical revenue airports need to **focus on improving passenger satisfaction**. The key to achieving this is :

- 1) Increasing the **perception of choice**
- 2) Identifying **needs and habits of key passenger segments**
- 3) Making the airport a **more attractive shopping destination**
- 4) **Informing passengers** of retail opportunities before they reach the airport
- 5) Increasing **perceived value** of retail offering **and minimizing processing times**

Want to optimise your airport's commercial offering?

 We can show you **how to improve satisfaction levels** and **grow your non-aeronautical revenue**

Airport Retail and F&B Survey

RESEARCH GOALS

- Understand and monitor passenger satisfaction with airport F&B and shopping
- Identify areas to improve
- Monitor sales performance and learn what factors block or drive sales
- Understand airport shopper habits and what convinces passengers to buy

RESEARCH CONCEPT

- Passenger survey completed in gate area prior to boarding
- Tablet based for rapid reporting
- Two annual surveys with a minimum sample of 1,000 interviews per wave
- Dual focus on both sales performance KPIs and satisfaction levels



MAXIMISE SATISFACTION LEVELS AT YOUR AIRPORT



We identify why passengers are unhappy with your airport and show you how to fix it

Over 300 airports around the world trust us to help them find new ways to **maximise satisfaction levels**

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