

Practice papers

The future of airports: Capitalising on mobile devices to enhance the traveller experience and to maximise retail opportunities

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Abstract

The objective of this paper is to assess the key consumer trends affecting airports and to see how mobile could be one answer to helping airports move from a B to B (business to business) business to a B to C (business to consumers) one and maximising non-aeronautical revenues.

Keywords

digital, future, iBeacons, mCommerce, retail, social media, telecommunications

MOBILE MATTERS TO AIRPORTS

Mobile is 'hot'

Connected mobile devices such as smartphones and tablets have become the preferred platforms for many internet activities. Indeed, in 2013, 51 per cent of time spent online by people questioned in a survey was done so via a mobile device.¹ Already in 2007, 91% of US users admitted to keeping their device within arm's reach 100 per cent of the time.²

While traditional means of accessing the internet will persist, this mobile revolution presents opportunities for brands and companies to engage with a new 'mobile first' consumer. Activities once only possible from fixed connections are migrating onto new mobile platforms — including social networking, television watching,

banking and commerce — resulting in new consumer behaviours as the on- and offline experience melds.

Mobile in retail is 'hotter'

This is particularly notable in the evolution of high-street-like shopping behaviours online:

- *Second screening* encourages new forms of discovery/browsing via virtual window-shopping. You hear/see about something on TV while you use another screen. On the spur of the moment you can choose to find out more, possibly triggering an unplanned purchase, or share it with a friend if deemed relevant and interesting.

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- *Sequential screening* allows you to continue with your online activity across a range of fixed and mobile devices over a period of time. For example, you start looking for a new bag on your smartphone on your commute to work; at lunchtime you compare a few models at your desk on your desktop; you finalise your decision waiting for the train at night, and end up buying it on your tablet once the kids are in bed. It is a type of 'shop till you drop' fuelled by mobile.

So, rather than a simple migration of behaviour online, consumers are combining their virtual and real high street shopping behaviour to create a new approach to retail.

And the data confirm this. Before shopping, 58 per cent of shoppers owning a smartphone locate the store on their device and check its opening hours, and 44 per cent browse the retailer's website.³ Once in store, they continue to use their mobile device. Sixty-two per cent access the store website while in store, 50 per cent check the brand website and 21 per cent use the brand app.⁴

Deloitte predict that, by 2020, 50 per cent of a shopping trip will be influenced by mobile devices, both pre-shopping and while in store.⁵ Interestingly, although this new mobile-by-default behaviour affects all sectors, it is particularly relevant for luxury goods, with 43 per cent of luxury shoppers making price comparisons online to look for offers while in store.⁶

And mobile in airport retail is 'red hot'

Seventy per cent of air passengers carry a smartphone.⁷ Airlines are set to deal with an ever-growing number of passengers. Nine out of 10 of these passengers want

their flight status on a mobile device. Today, 40 per cent more passengers are using mobile boarding compared to 2010. Passengers are very active on social networks; Heathrow already has 194,051 Twitter followers.⁸

And so it follows that mobile presents a key opportunity for airports, with both the demand and the means in place. So how can airports make the most of this opportunity to drive loyalty, enhance experience and ultimately generate new revenues?

TOP TRENDS IMPACTING AIRPORTS

Connected shopping

The following are some of the key trends affecting retail at airports.

- Forty-five per cent of US shoppers find it 'helpful' that brands analyse consumer data to provide more customised experiences.
- Shopping is becoming more and more assisted and personalised through artificial intelligence, data analytics and the Internet of Things, allowing passive tracking of people's needs and automated ordering.
- It is becoming faster through payment via mobile, as we move towards a cashless society (82 per cent of consumers in Turkey are keen on mobile payment if it is safe and easy⁹).
- It is truly multi-channel with digital brands enabling high street collection, as seen with ASOS and Amazon parcels that can be collected at your local convenience store.

There is an opportunity for airports to deliver very localised messages to passengers, through iBeacons, for instance — small emitters placed in a specific location such as a waiting lounge — which

could let passengers know that there is a promotion at the coffee shop as their flight has been delayed, or suggest the right books for their trip based on the flying time. Passengers could try items in different colours in front of smart mirrors and place an order if the colour they want is not readily available. They could receive the item at their postal address or at a specific store at their journey's destination. Payment via mobile could help with selling goods at the embarking door. Airports could set up loyalty cards on mobile, giving access to VIP services and tailored offers.

This connected shopping trend can be maximised by brands, airlines or the airport itself. Airlines have been quicker than airports to mobilise themselves and there is a clear opportunity now for airports to engage with the mobile traveller as aeronautical revenues are decreasing and airports realise they need to become B to C if they want to increase profits.

Performative leisure

Leisure trends are evidently impacting airports too. One which is particularly interesting for airports and mobile is around performative leisure, the real-time broadcasting of our leisure activities as a way to earn status.

In our increasingly mobile-enriched lives, broadcasting real-time records of our leisure activities has become a route to status. Forty-seven per cent of mobile owners in India have posted photographs to a social site while at a live event, and 65 per cent of people feel better when friends acknowledge their social media post.¹⁰ So there is a strong opportunity both in emerging and developed markets.

There is a great opportunity for airports to maximise this growing need to 'stage' ourselves in a social networking setting.

We could see new services building on the Apple Genius bar, with experts explaining how to make the most of smartphone cameras and to use filters to enrich 'selfies'. The stage could be sponsored by Samsung and other key players in the telecommunications world, thus providing additional sources of revenue for airports.

But we can take this further. Imagine a series of short destination themed briefings, tailored to the intellectual, the charity-minded traveller and to party-goers — 'Ten things to know about Thai culture', 'Ten things you can do to help kids in Cambodia' or 'Ten spots to be seen in Shanghai'. And to prepare for the trip, the Shanghai tourism office could provide a 3D background of the most impressive city sights, allowing travellers to post a picture of their party even before getting there. Visit Britain cleverly used this 3D idea across various worldwide cities in the run up to the Olympics, with Australians in Sydney queuing to have their picture taken in front of a 3D view of Abbey Road.

There is a real opportunity for airports to create new experiences to maximise the performative leisure trend.

The death of risk

It is arguable that heightened public awareness of all manner of risks (facilitated by the information age) has left people more sensitive to threats to their well-being and more capable of assessing the negative value of any such threat. Across our nVision data¹¹ we can perceive that the quest for excitement in our lives (sport, holidays, career) must be organised and safe although people across all ages want to be seen as risk takers.

In the context of travel and tourism, 85 per cent of people find out as much as they can about their proposed destination

before they go.¹² And 47 per cent of UK consumers agree that people should think about safety before fun or adventure.¹³

There is a real opportunity for airports to alleviate travellers' fears and sense of risk by showcasing content about traveller destinations. Again, partnership with tourism offices to provide digital solutions for traveller engagement on such issues would be an interesting route to explore.

The power of quiet

Another interesting trend to explore here is the 'power of quiet'; an unintended consequence of our digital lives is to embrace a culture of minimalism inside our homes, our retail spaces and our work-lives.

The cacophony of contemporary 'always on' living is strengthening the view that episodes of quiet and escapist reprieve are necessary, vital even, for fully functioning, balanced, healthy lives. More, such moments are becoming imbued with premium associations.

Forty-four per cent of people define luxury as just having time to relax and 60 per cent feel the need to get away from phone calls, emails and literally to switch off.¹⁴

There is a new app generation to protect you from yourself. 'StayFocused', for instance, is an app for people who get distracted by their smartphones, allowing the users to block calls and texts for a chosen period or to block surfing on social sites when they have exceeded a self-imposed time limit.

It is becoming increasingly important to provide digital detox space where people can literally disconnect — something already offered by SNCF in France and by some stores, such as Selfridges, in the UK.

And so a new commercial opportunity presents itself to airports: to create

retail, new product or service D and digital propositions that engage consumers on the premise of sanctioned calm and creative minimalism, purposefully blocking the noise to let the customer breathe. Think about Selfridges' quiet rooms — these spaces were created to encourage mental detox and visitors are asked to leave shoes, mobile phones and 21st-century distractions at the door. Or consider the iDTGV launched by SNCF railway company in France, which is divided into two types of 'zone' or carriage: 'ZAP' and 'ZEN'. Zap zones are for normal conversations, playing games, watching movies, etc. (in fact you can rent movies and DVD players on the train); the Zen zone is for peace, quiet and resting.

MOBILE OPPORTUNITIES FOR AIRPORTS

Improving customer experiences via mobile technologies

Get the basics right to mobilise travellers

Airports should offer Wi-Fi to all travellers. It is a great data capture opportunity, as well as a revenue-generating enabler. The more travellers use their smartphones at the airport and opt in to added-value services, the more data can be captured and packaged for brands and advertisers.

Other hygiene factors include charging surfaces for mobiles — instead of people furiously looking for hidden plugs — and full indoor mapping to help people move quickly between terminals.

There is also scope to offer services such as rental tablets and smartphones — preloaded with local content to satisfy the culture lover, the architecture expert or the exhausted family needing to keep children entertained, both at the airport itself and at the destination.

Create and mobilise airport loyalty cards

Travellers are loyal to airlines, so why not to airports? There is a great opportunity for a mobile-enabled loyalty scheme offering various levels of VIP services, such as a quick line at security, porters, free drinks, nearby parking, priority taxi services, and the list goes on.

Mobilise the airport workforce

Providing mobile and real-time information to all airport customer-facing staff is a way of enhancing customer service, for example, the ability to share an airport map on a smartphone to help the traveller locate the boarding gate, airline lounge or toilets.

It is time to move on from the information desks of old, with the airport concierge welcoming you once through security. Via their tablets, airport staff would be able to explain to the traveller where to go, book a spa treatment, see which airport experience is available today, let them know where to find the precious gift for their family or guide them through the boarding door if running late. Of course they would also capture traveller feedback, thereby helping to increase the future overall service level.

Increasing revenue

From onsite retailers

Airports have the opportunity to partner with technology providers, delivering added-value services to existing retailers and attracting and retaining the best brands, and thus maximising sales opportunities.

iBeacon, for instance, are small receptors which can deliver tailored geo-locating messages to enhance the travellers' experience or provide promotional offers.

Integrating the latest AR technologies within airport apps would provide the

opportunity to mobilise interactions and deliver added-value information on products. Travellers would be able to view products they are interested in via the airport app and discover additional content about them to help make their choice.

From onsite advertisers

High-speed internet connection could enable advertisers to enhance their presence at the airport through video consulting services. Just imagine celebrity-endorsed styling services or interaction with Selfridges Fashion Consultants at Heathrow via video on tablets.

Of course, perhaps the most interesting aspect of Wi-Fi and airport apps is the opportunity for data analytics. By mobilising travellers, airports have the chance to capture useful data, adding value to their digital advertising space and thereby attracting brand interest.

From digital advertisers

A mobile-based airport loyalty card presents scope to provide branded content and real opportunities to drive additional revenues from partnership and advertising.

Luxury retailers could send promotional offers and coupons to exactly targeted consumers. Such promotions could be geo-targeted, so only delivered to the app once the target traveller is in Dubai airport, for instance, and readily receptive to the offer.

THE FUTURE OF AIRPORTS: WHAT'S NEXT?

The mobile revolution is changing the airport landscape, presenting opportunities to drive loyalty, enhance experience and ultimately generate revenue. Mobile is central to the success of the airport of the future. So how can airports harness these opportunities?

1. *Create new digital jobs.* Hire experts in service innovation, mobile and analytics to delight travellers, drive loyalty and increase revenues. Digital/mobile is much more than running a competition on Facebook.
2. *Tap into key trends.* Connected shopping, performative leisure, death of risk and power of quiet are key global trends which can be enriched with more local flavours.
3. *Assess short- and long-term opportunities.* Explore and prioritise the range of opportunities, from mobilising interactions (print, signage, messaging), to mobilising space (app wall), to mobilising services (video advice), to mobilising workforce (enhanced advice) and create additional advertising revenues on mobile and digital properties.

The future is human. Mobile shouldn't be considered as an obstacle between travellers and the airport. Mobile will help in driving the airport revolution from a B to B business to a B to C one.

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