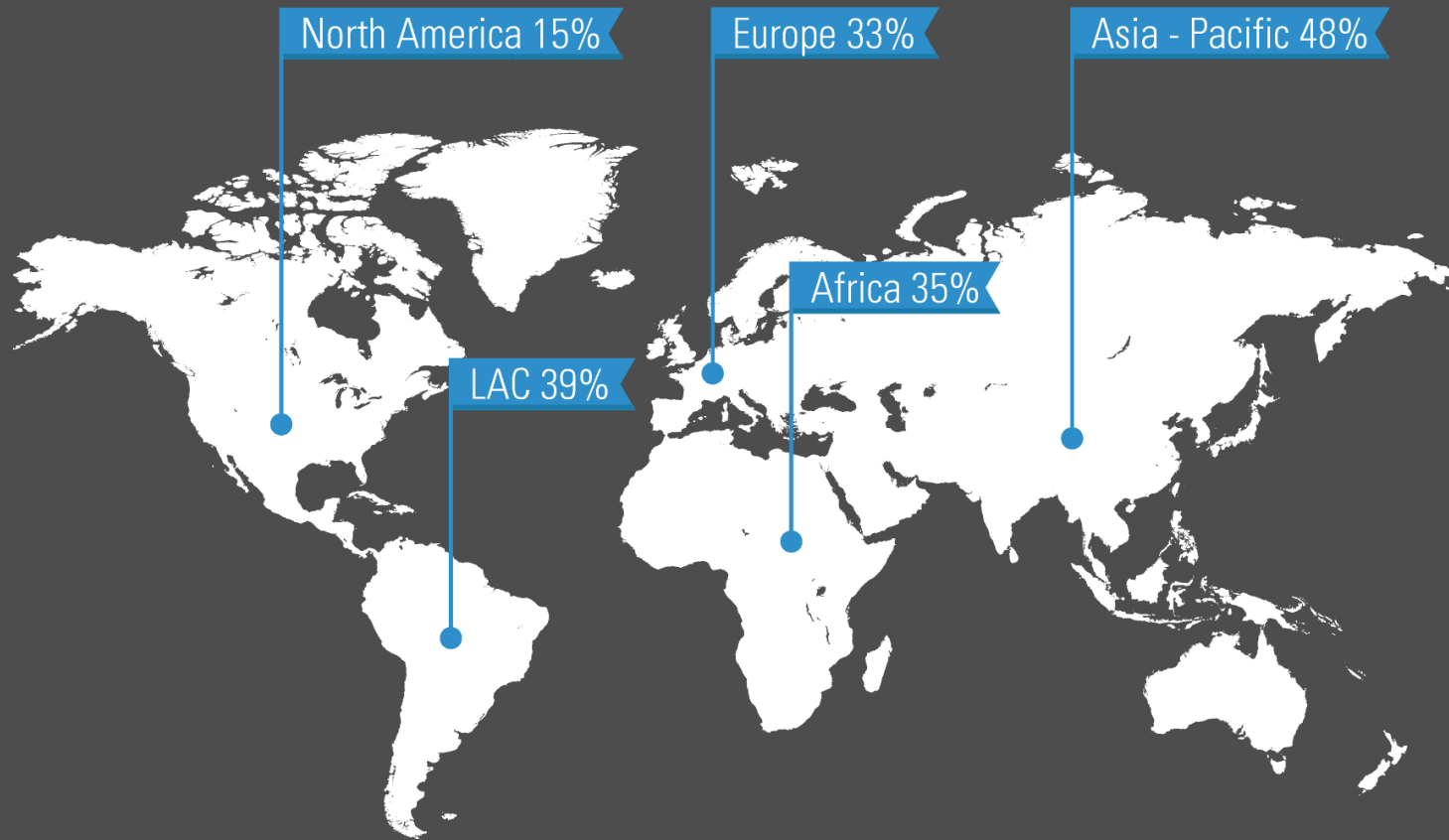


# 11 THINGS YOU SHOULD KNOW ABOUT HOW PASSENGERS SHOP AT AIRPORTS

**31%** OF NON-AERONAUTICAL REVENUE  
COMES FROM **RETAIL / F&B**



Source: ACI Economics Survey 2011

# BUT MOST AIRPORTS ARE NOT RUNNING DEDICATED RESEARCH ON RETAIL / F&B





WHAT TYPE OF AIRPORT  
WOULD YOU RATHER BE?

# WITHOUT RESEARCH HOW CAN YOU HOPE TO KNOW:



Why passengers buy /  
don't buy at your airport?



What levels of service  
your passengers expect?



How to get passengers to  
change their mind?

... AND ULTIMATELY HOPE TO **IMPROVE SHOPS AND  
RESTAURANTS AT YOUR AIRPORT?**



THE TRUTH IS  
YOU CAN'T

THAT'S WHY AIRPORTS DKMA WORKS  
WITH HAVE ASKED FOR A SURVEY  
FOCUSING ON



**AIRPORT  
SHOPS**



**AIRPORT  
F&B**

# IN 2012

**13 OF THE WORLD'S LARGEST AIRPORTS  
SURVEYED OVER 20'000 PASSENGERS**



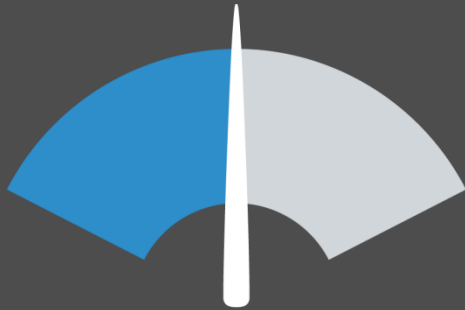
AND WE'RE *EXCITED* TO SHARE  
WHAT WE LEARNED...

1

MOST PASSENGERS HAVE NO INTENTION OF  
PURCHASING **BEFORE THEY COME TO THE AIRPORT** .

# BEFORE COMING TO THE AIRPORT:

F&B



35% of passengers had the intention of buying

NON-DUTY FREE RETAIL



14% of passengers had the intention of buying

DUTY FREE RETAIL



16% of passengers had the intention of buying

*Source: Airport survey of departing passengers*

# HOW CAN YOU WORK TO MAKE PASSENGERS VIEW YOUR AIRPORT AS A PLACE TO PURCHASE?

The screenshot shows the Toronto Pearson International Airport website with a winter-themed border of snowflakes. The header includes the airport logo and navigation links for Flight Search, Connecting, and Parking. A main banner for Heirloom Bakery Cafe features a photo of the interior and text about local baker Devin Connell. Below the banner are sections for Flight Search and Shop & Dine, both with search bars and buttons.

**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

ARRIVALS DEPARTURES

Airline, Location or Flight # [Find Your Flight](#)

OR BROWSE: [All Arrivals](#) | [All Departures](#)

### 🛍 Shop & Dine

TERMINAL 1 TERMINAL 3

**boutique iStore**

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

Toronto

2

PASSENGERS WHO COME TO THE AIRPORT WITH THE INTENTION OF BUYING ARE **MORE LIKELY TO PURCHASE**

■

# PASSENGERS WHO PLAN PURCHASES ARE MORE LIKELY TO BUY:

F&B



93% of passengers who had planned to purchase end up buying

NON-DUTY FREE RETAIL



61% of passengers who had planned to purchase end up buying

DUTY FREE RETAIL



58% of passengers who had planned to purchase end up buying





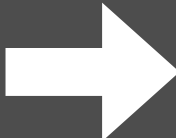
**40% of passengers** who come to the airport intending to purchase retail don't buy

3

IT IS MUCH **EASIER TO CONVINCE PASSENGERS TO BUY F&B**  
THAN IT IS TO CONVINCE THEM TO BUY RETAIL .



# TO DRIVE MORE SALES, INCREASE THE NUMBER OF PASSENGERS PLANNING TO BUY

	Intended to buy			Of these, what percentage actually bought something?
F&B	Yes:	35%		93%
	No:	41%		31%
	Undecided:	24%		62%
<hr/>				
Non-duty free	Yes:	14%		61%
	No:	69%		9%
	Undecided:	17%		21%
<hr/>				
Duty free	Yes:	16%		58%
	No:	71%		5%
	Undecided:	12%		24%

Source: Airport survey of departing passengers

4

ON AVERAGE, PASSENGERS **SPEND 4 TIMES MORE ON DUTY FREE ARTICLES** THAN THEY DO ON F&B .

# AVERAGE PASSENGER SPENDS

F&B



**\$ 18**

NON-DUTY FREE RETAIL



**\$ 33**

DUTY FREE RETAIL



**\$ 76**

*Source: Airport survey of departing passengers*

# HOW MUCH ARE PASSENGERS SPENDING AT YOUR AIRPORT?



Seoul Incheon

TO IMPROVE SALES PERFORMANCE  
AIRPORTS MUST **GET BETTER AT**  
**CONVINCING PASSENGERS TO BUY**

# HOW CAN THEY DO THIS?

- ✓ Provide service which meets passenger expectations
- ✓ Fix the reason why passengers didn't buy
- ✓ Make passengers change their minds



**PROVIDING SERVICE THAT  
MEETS EXPECTATIONS**

**5**

**PASSENGERS ARE MORE SATISFIED WITH DUTY FREE BUT  
THIS DOESN'T NECESSARILY TRANSLATE INTO MORE SALES .**



# AVERAGE PASSENGER SATISFACTION

(1 = POOR – 5 = EXCELLENT)

**3.24**



F&B

**3.27**



NON-DUTY FREE RETAIL

**3.40**



DUTY FREE RETAIL

*Source: Airport survey of departing passengers*

# HOW CAN YOU INFLUENCE PASSENGER PERCEPTION OF YOUR COMMERCIAL OFFERING?

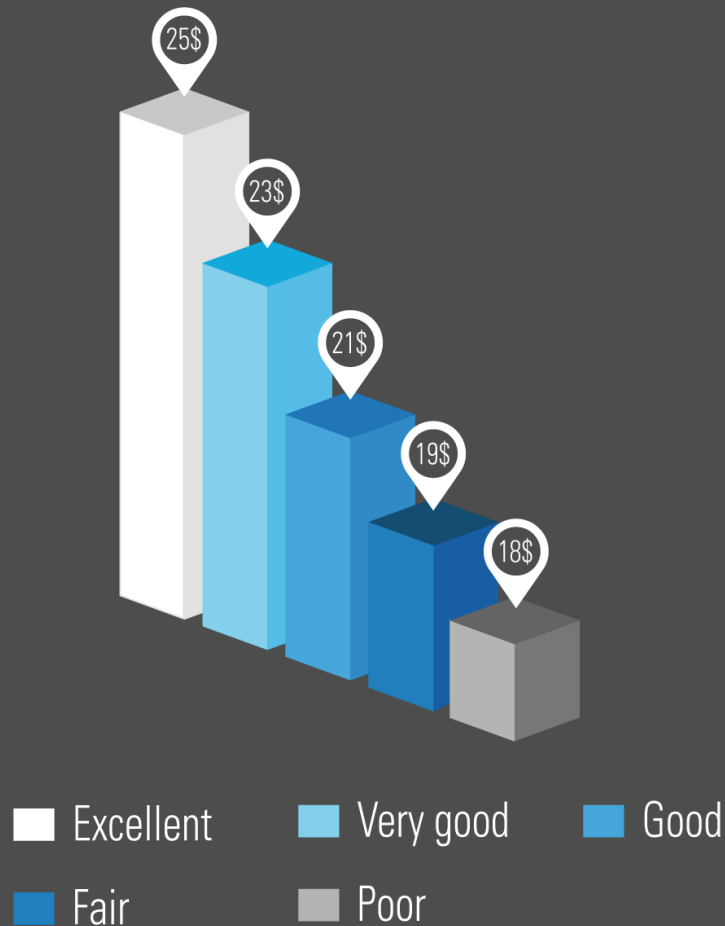


Nagoya

6

SATISFACTION WITH F&B IS DRIVEN BY **CHOICE NOT SERVICE.**  
HIGHER SATISFACTION WITH F&B = MORE SALES .

# THE MORE SATISFIED PASSENGERS ARE WITH F&B THE MORE THEY SPEND



Passengers who rate their experience with F&B as “Excellent” spend more than passengers who were less satisfied with the restaurants.

# MORE CHOICE IS KEY TO INCREASING PASSENGER SATISFACTION WITH F&B

## WHAT IS MOST IMPORTANT TO PASSENGER SATISFACTION WITH F&B?

- 1) Menu selection
- 2) Selection of restaurants / bars
- 3) Quality of food and / or drinks
- 4) Speed of service
- 5) Value for money
- 6) Atmosphere of facilities
- 7) Friendliness of staff
- 8) Cleanliness of facilities
- 9) Availability of seating

**7** PASSENGERS ARE MOST SATISFIED WITH RETAIL STAFF BUT  
ARE **DISSATISFIED WITH THE CHOICE OF SHOPS & PRODUCTS**

■

# PASSENGERS WANT **MORE CHOICE**, NOT NECESSARILY BETTER SERVICE

	<i>What pax are most satisfied with</i>	<i>What pax are least satisfied with</i>
<b>F&amp;B</b>	<ul style="list-style-type: none"><li>- Cleanliness</li><li>- <b>Friendliness of staff</b></li></ul>	<ul style="list-style-type: none"><li>- <b>Choice of restaurants</b></li><li>- Value for money</li></ul>
<b>Non-duty free</b>	<ul style="list-style-type: none"><li>- Ease of finding shops</li><li>- <b>Friendliness of staff</b></li></ul>	<ul style="list-style-type: none"><li>- <b>Choice of shops</b></li><li>- Value for money</li></ul>
<b>Duty free</b>	<ul style="list-style-type: none"><li>- <b>Friendliness of staff</b></li><li>- Ease of finding shops</li></ul>	<ul style="list-style-type: none"><li>- <b>Choice of shops</b></li><li>- Value for money</li></ul>

*Source: Airport survey of departing passengers*

# WHAT MIX OF RETAIL / F&B OUTLETS IS MOST SUITABLE TO YOUR PASSENGER MIX?



Dubai





**FIXING THE REASONS WHY  
PASSENGERS DON'T BUY**

8

**NOT BEING ABLE TO FIND WHAT THEY WERE LOOKING FOR IS THE MAIN REASON WHY PASSENGERS WHO HAD PLANNED TO BUY END UP NOT BUYING .**

# MAIN REASONS WHY PASSENGERS WHO HAD PLANNED TO PURCHASE RETAIL DID NOT:



*Source: Airport survey of departing passengers*

# HOW CAN YOU MAKE SURE THAT PASSENGERS FIND WHAT THEY ARE LOOKING FOR?



London Heathrow

9

MOST PASSENGERS WHO ARE NOT PLANNING TO MAKE A PURCHASE **SIMPLY DON'T WANT TO BUY** .

# MAIN REASONS WHY PASSENGERS WHO HAD NOT PLANNED TO PURCHASE RETAIL DID NOT:



*Source: Airport survey of departing passengers*

# IS IT POSSIBLE TO INFLUENCE PASSENGERS SO THEY CHANGE THEIR MINDS?



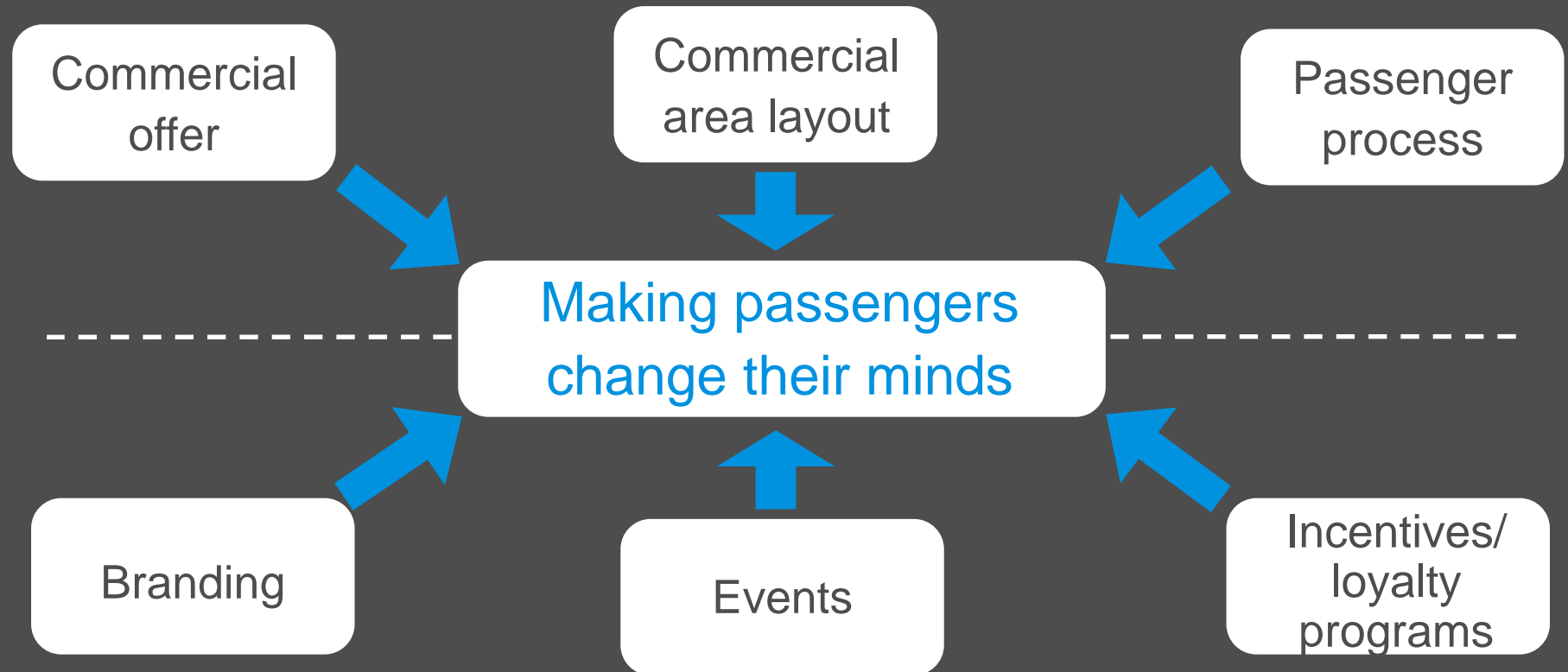
Madeira



**MAKING PASSENGERS  
CHANGE THEIR MINDS**



# HOW TO MAKE PASSENGERS CHANGE THEIR MINDS?

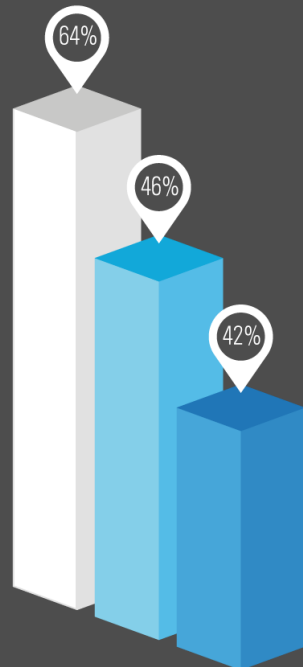


10

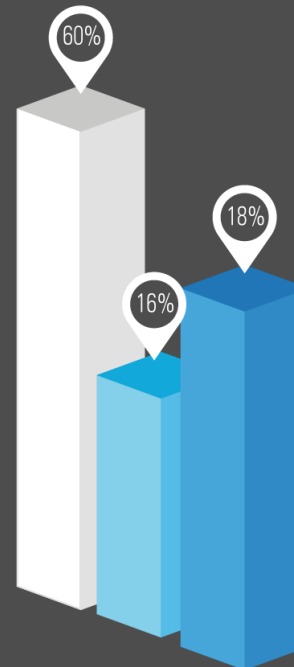
**NEARLY ALL PASSENGERS WHO ENTER A RESTAURANT  
BUY SOMETHING VS. ONLY 1/3 OF PASSENGERS WHO  
ENTER A SHOP .**

# TO DRIVE MORE SALES YOU NEED TO GET MORE PASSENGERS INTO YOUR COMMERCIAL OUTLETS

% OF PASSENGERS  
ENTERING OUTLETS



% OF PASSENGERS  
PURCHASING



■ F&B    ■ Duty free    ■ Non-duty free

Nearly all passengers entering a restaurant purchase something, vs. only 1/3 of passengers entering shops.

*Source: Airport survey of departing passengers*

11

**DWELL TIME** IS A KEY DRIVER OF PASSENGER SPENDING  
IN RETAIL / F&B .

# HOW CAN YOU GET PASSENGERS TO **SPEND MORE TIME IN YOUR COMMERCIAL AREAS?**



Singapore Changi

# KEY TAKEAWAYS.

- 1) Most passengers have no intention of purchasing before they come to the airport
- 2) Passengers who come to the airport with the intention to buy something are more likely to purchase
- 3) It is much easier to convince passengers to buy F&B than it is to convince them to buy retail
- 4) On average, passengers spend 4 times as much on duty free articles than they do on F&B
- 5) Passengers are more satisfied with duty free but this does not necessarily translate into more sales
- 6) Overall satisfaction with F&B offering is mainly driven by outlet selection and brands, less by service
- 7) Passengers are most satisfied with retail staff but are dissatisfied with the choice of shops & products
- 8) The main reason why passengers who had planned to purchase don't is that they are not finding what they were looking for
- 9) Most passengers who are not planning to make a purchase simply don't want to buy
- 10) Nearly all passengers who enter a restaurant make a purchase but only 1/3 of passengers who enter a shop buy something
- 11) The amount of time a passengers spends at the airport is a key driver of passenger spending