

Lost Opportunities for Airport Retail & Dining

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Commercial Solutions for the Airport & Travel World

Lost Opportunities?

Global Turnover = \$35 Billion USD

Significant Evolution & Development

Improved Facilities

Width & Depth of Portfolio

\$35 Billion per annum Lost Sales

Achieving 50% of our Potential

We Are Not Maximising Revenues!

Understanding Our Business

Historically: fulfilling customer's basic needs

Now: Basic Needs + Impulse and Additional Sales

96% do not want time to shop

Evolved for us – Not the Customer

Creating a Demand From a Hostile Audience

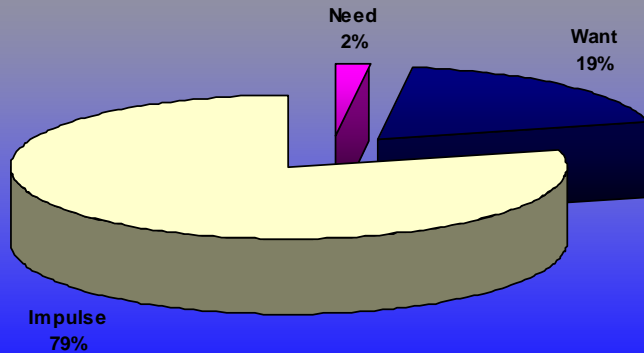
Not:

Fulfilling a Demand for a Captive Audience

We Cannot Underestimate the
Difficulty of This Challenge

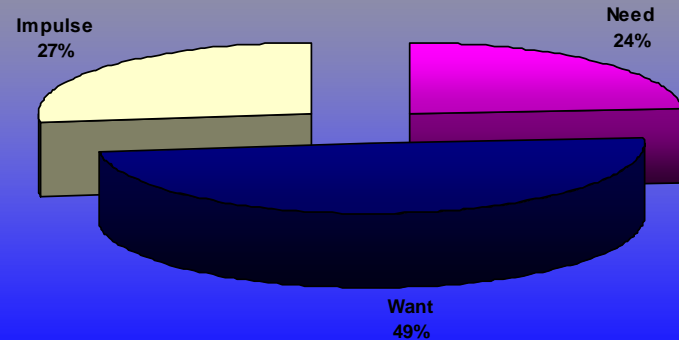
Spending Drivers

Downtown Shopping - 3 Spending Drivers



79% Impulse
21% Considered

Airport Shopping - 3 Spending Drivers



27% Impulse
73% Considered

We are not an Effective & Efficient
Commercial Machine

Dwell Time

The 3 'Musts'

- Money, Opportunity & Time

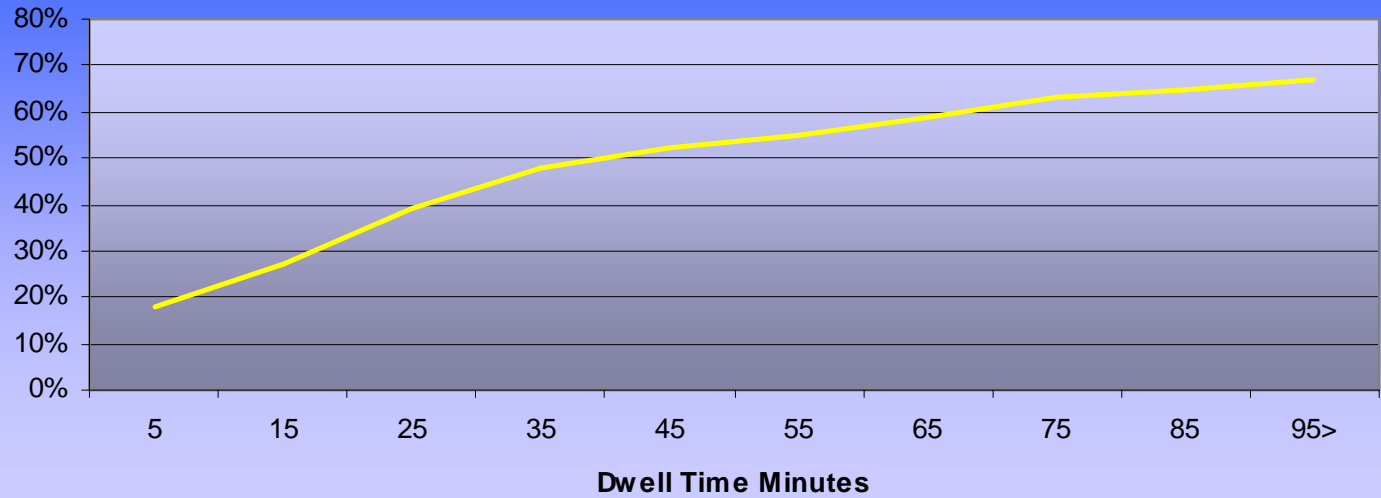
We destroy one of the 3 musts:

- We restrict and eliminate the customer's time.

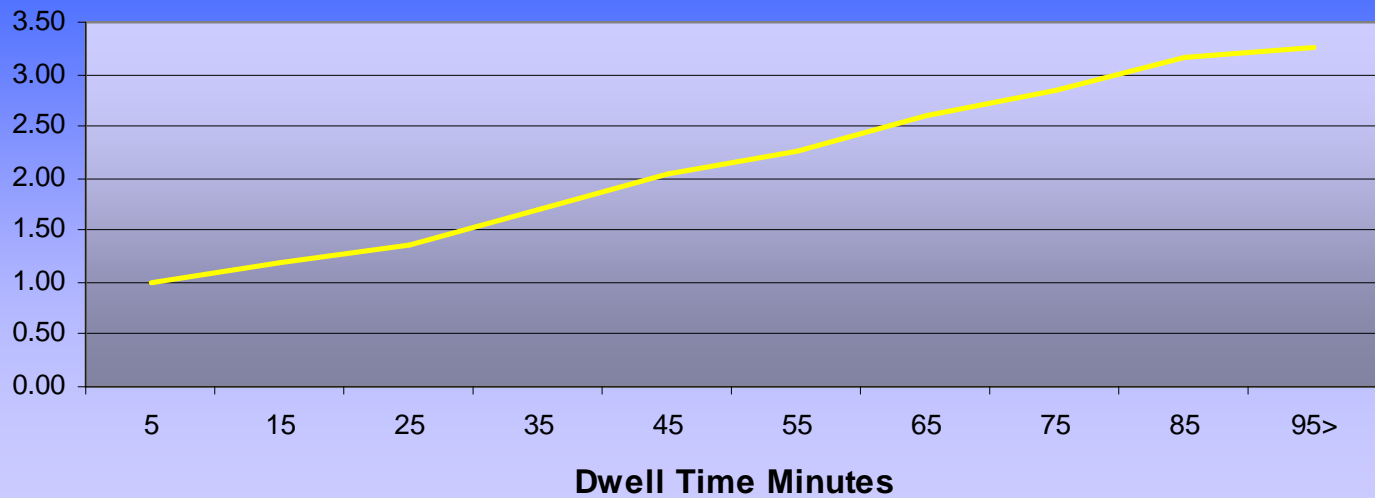
Time is not a Nice to Have
It is a **MUST**.



Penetration %age by Dwell Time



Spend Per Customer by Dwell Time - Ratio Increase



Global Dwell Time

Airport Dwell Time = 137 Minutes

36 minutes of Processes & Transitions

101 Minutes to Complete

65 Minutes of queuing, waiting, watching & orientation

47% of Total Airport Dwell Time is Wasted

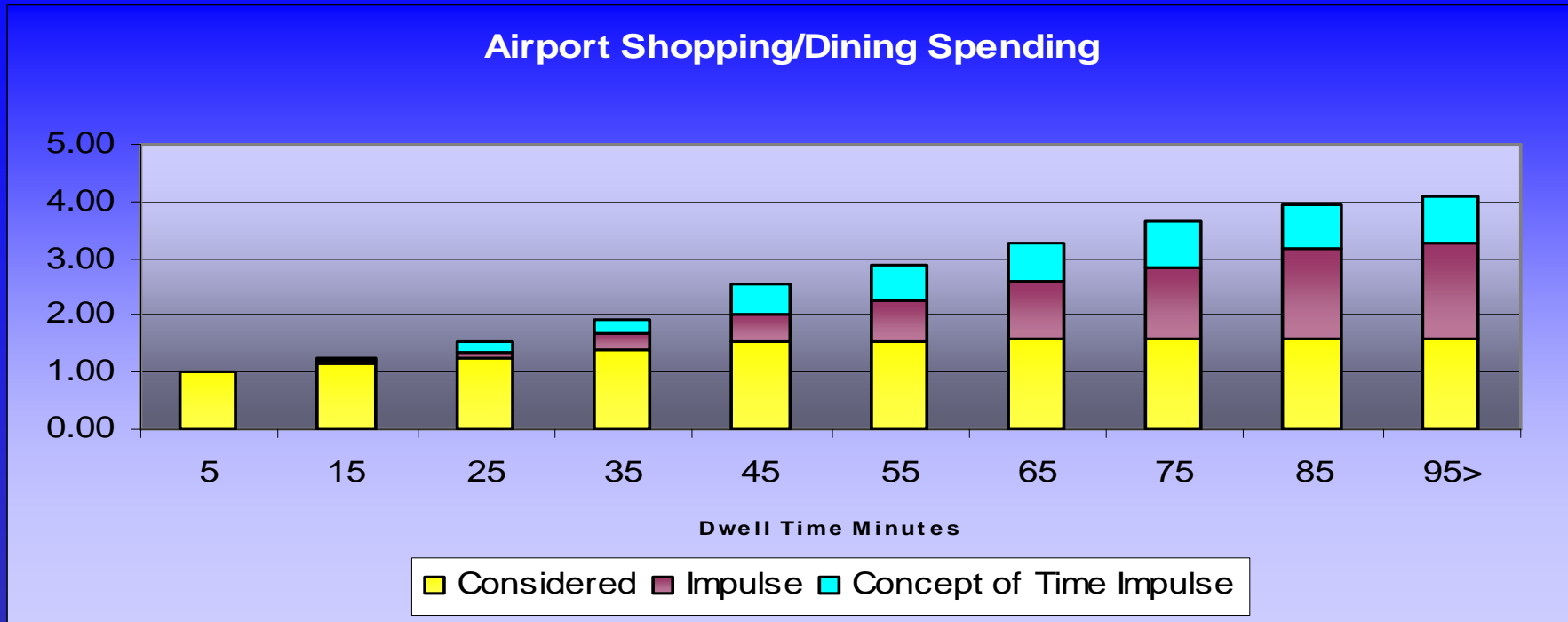
Commercial Dwell Time = 29 Minutes

Only 21% of Customers Total Time

**We lock our customers out for
Almost 50% of Their Time**



Time – Understanding The Value



Considered/Convenience – Finite Value

Impulse = Revenue Growth

Impulse driven by Dwell Time & The 'Concept of Time'

Dwell Time - Summary

\$4 Billion Lost Revenue – Check In

\$6 Billion Lost Revenue – Gate

\$3 Billion Lost revenue – Security, FIDS, Orientation

\$5 Billion Lost Revenue – The ‘Concept of Time’

\$18 Billion Lost Revenue

Is This Delighting the Customer?

Our Agenda & Attitudes Are Irreconcilable

Time is Money

The Highest Levels of Retail/Dining Standards

Start the Buying Process Early

- One purchase leads to another

Airport Shopping Fails to Start Buying Process Early

- 16% do not know what a departure lounge is
- 21% presume landside is the only offer
- 68% only presume airside facilities exist
- Only 11% know what they are

89% - no idea or vague idea about airside offer

How Can a Customer Start The Buying Process
if They Don't Know What Shops Exist?

The Optimum Portfolio

- ‘Optimum’ – Not the most prestigious or high profile
- Match the customer profile – it is for them
- Wider customer Profile but Narrower Portfolio
- Aesthetic not Commercially Effective
- Wrong Success Criteria – Ours or the customers?

Luxury Brands? Mid Brands? Low Brands?

Our Objective is to generate Sales
Sales Come From Customers

Airport Pricing

A Clear and Consistent Price Profile?

Lack of Consistency Confuses Our Customers

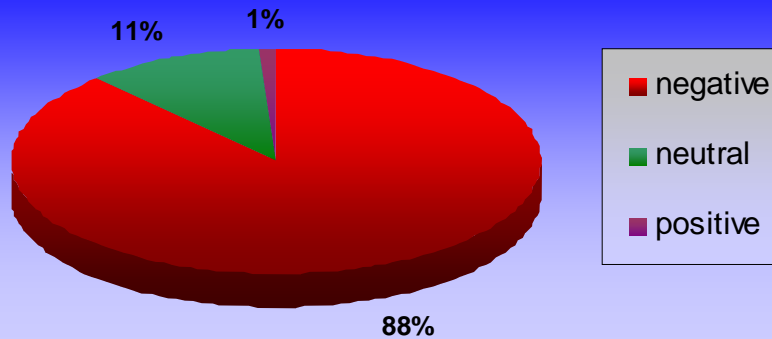
- Duty Free – Below Downtown Prices
- F&B – Above Downtown Prices
- General Retail – Comparable to Downtown Prices
- CTN – Some Above & Some Comparable to Downtown

We do Not Have A Clear Price Profile

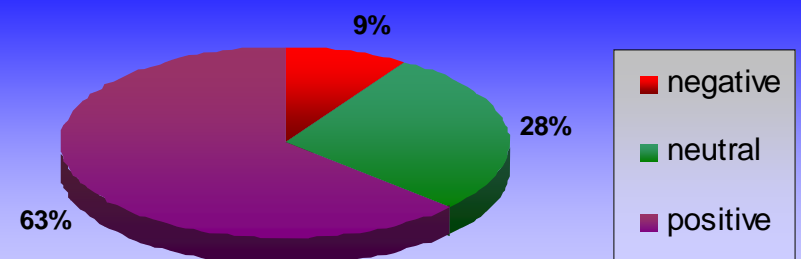
The Perception of Our Price Profile is More Important Than the Reality of Our Price Profile

Airport Pricing Perception

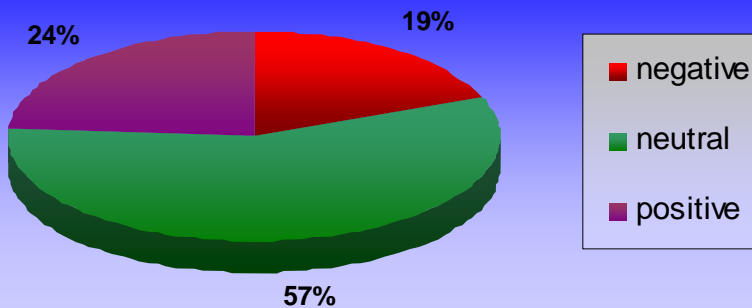
Car Park Pricing Perception



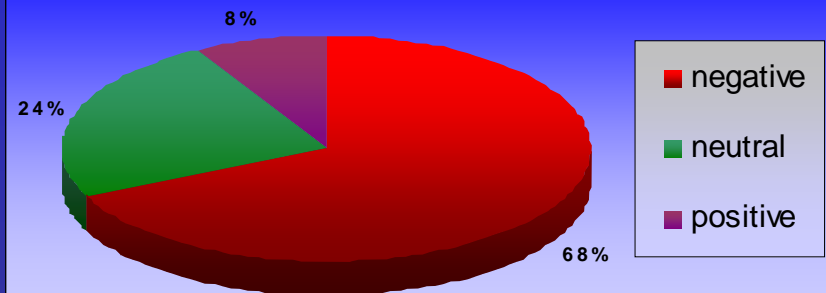
Duty Free Pricing Perception



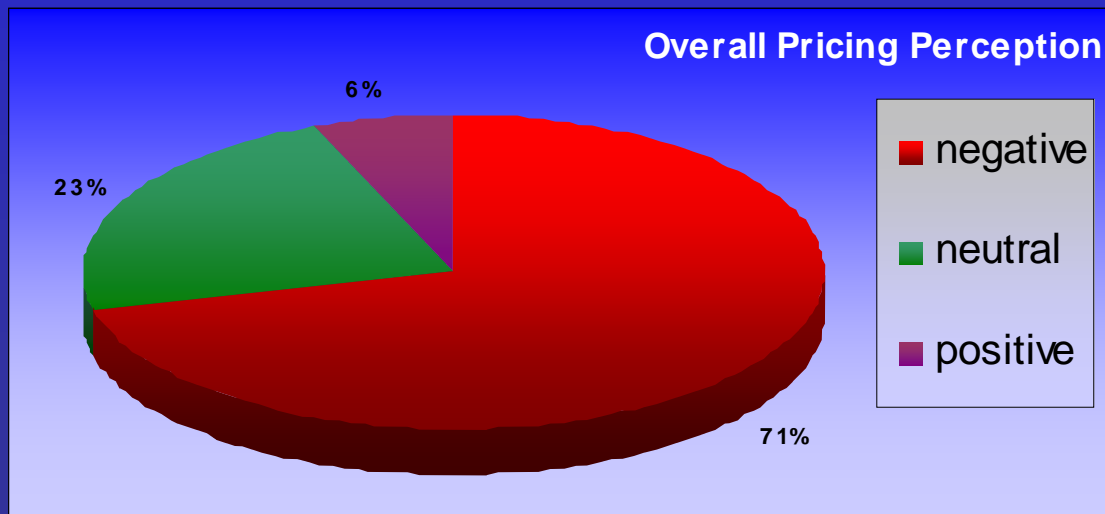
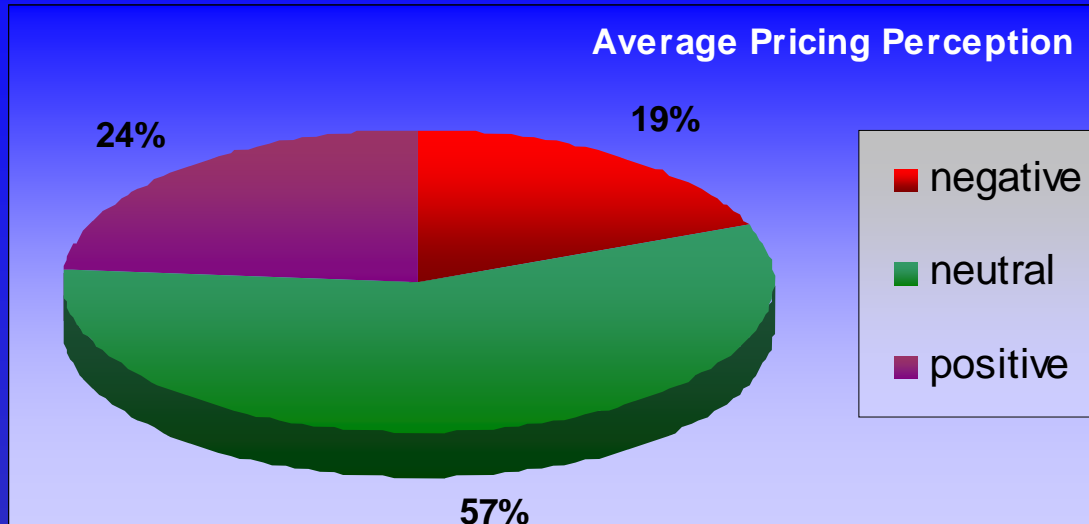
Retail Pricing Perception



Food & Beverage Pricing Perception



Airport Pricing Perception



Airport Pricing

9% of Customers – Already Decided Not to Buy Anything
= 200 million customers
x \$15 per customer

Positive Price Perception = Great Chance For Impulse Sales

Neutral Perception = Good Chance

Negative Perception = **Little....if any Chance**

Airport Customers Have A Negative Perception

They Might Buy What They Need

But They Will Buy Little Else

Anywhere!

Actual.....Not Potential Sales

Customers Leaving with money they:

- Intended to Spend
- Wanted to Spend
- Tried to Spend

We Are Not Just Losing Money From Customers Who:

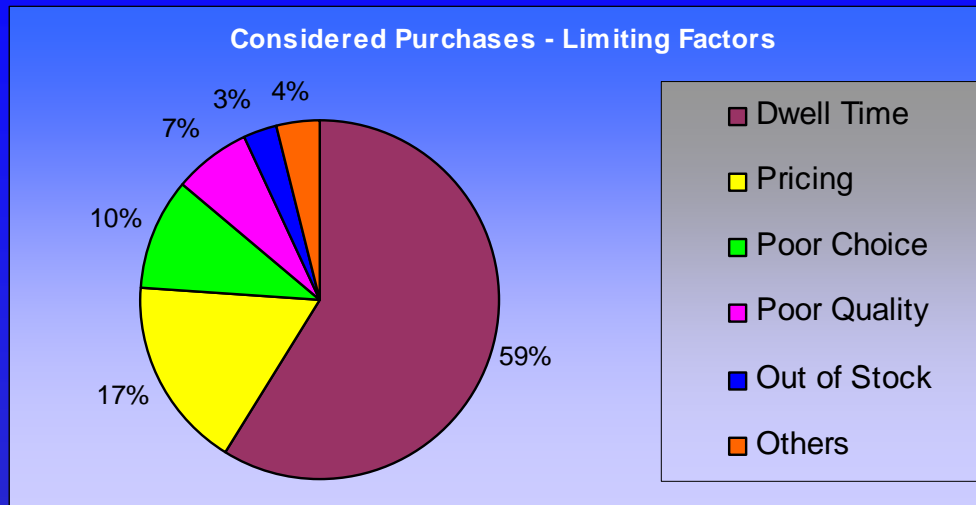
- Might Have Spent
- **Would Have Spent.....But Couldn't**

16% of Customers

Average of \$9

\$3 Billion of Actual Lost Sales

Actual Lost Sales



Basic Commercial Failings

- Dwell Time = \$1.8 Billion
- Pricing = \$0.5 Billion

**Our Customers Want to Give Us \$3 Billion
We Deter & Block Them From Doing So!**

Individual & Collective Responsibility

Your Business

Your Customers

Your Revenues

Global Averages Are Irrelevant

\$3 billion or \$35 billion – it is just a number

What Does This Mean For Your Airport,
Your stores, Your restaurants, Your brand

What Is This Worth To You?
To Your Business?



But More Importantly:

What is This Worth
To Your Customers