A Scottish-English airports group prepares for Brexit – and greater European links

Interview: Amanda McMillan, CEO AGS Airports, Managing Director, Glasgow Airport

Airport Capacity & Air Fares
New study reveals consumers paying more for flights from congested airports

Commercial & Retail
Developments at Nice Côte d’Azur, Rome Fiumicino, Budapest, and more

The Airline Conversation
With Martin Gauss, CEO airBaltic
Our special skill for international consulting is based on:

– Daily operation of our own airport at Frankfurt and many other airports worldwide
– Flexibility via airport concessions, management contracts and consultancy projects
– Customized solutions for all airport related questions from one-source

We know exactly what we are talking about:
consulting@fraport.de  www.fraport.com/consulting
Editorial: Taking us into the unknown

A snapshot of stories from around Europe

A Scottish-English airports group simultaneously prepares for Brexit, more European links (and much lower taxes)

New study reveals consumers paying €2.1 billion in higher air fares at congested airports

ACI EUROPE hosts its Annual New Year Reception at the European Parliament

The Second International Security Controller Competition 2017
AIRPORT PEOPLE

Chris Annetts, Retail & Service Proposition Director, London Heathrow Airport

COMMERCIAL & RETAIL

A taste of the Côte d’Azur

COMMERCIAL & RETAIL

‘Made in Italy’ key to Rome Fiumicino’s new Pier E commercial offer

COMMERCIAL & RETAIL

Montréal-Trudeau: New commercial areas reflect avant-garde culture

COMMERCIAL & RETAIL

ACI EUROPE Airport Commercial & Retail Conference & Exhibition sponsor and exhibitor news

COMMERCIAL & RETAIL

Budapest’s improved category mix and marketing support delivering retail growth

COMMERCIAL & RETAIL

Paul & Shark: ‘We see huge travel retail development potential in Europe’

COMMERCIAL & RETAIL

Budapest’s improved category mix and marketing support delivering retail growth

THE AIRLINE CONVERSATION

With Martin Gauss, CEO airBaltic

PASSENGER & BAGGAGE PROCESSING

Making airport processes ‘easier, more efficient and more comfortable for passengers’

BAGGAGE HANDLING SYSTEMS

Bringing industry-leading solutions and technology to airport baggage handling

VIENNA AIRPORT

Vienna building on record traffic with expansion and modernisation

CORK AIRPORT

Cork Airport ‘cementing new transatlantic connectivity’

AÉROPORTS DE LYON

Future Terminal 1 to ‘propel Aéroports de Lyon to a new level’

INNOVATION SHOWCASE

Passenger-focused innovation

OUTSIDE IN

Prof. Sicco Santema, Professor of Marketing and Supply Management at TU Delft and Coordinator of the PASSME project
Having hosted over 14.9 million overnight stays in 2016, Vienna is not only considered to be an international magnet for tourism, art and culture, but also a global player in its capacity as a conference location. Almost 80% of Vienna’s conference visitors arrive by plane. It is for this reason that Vienna Airport is a key strategic partner for the Vienna Tourist Board, as both are hospitable, global, smart and premium.
As this magazine goes to print, the UK is about to launch its withdrawal from the European Union (EU). This is a pivotal moment. Brexit goes from being a rather abstract debate, full of conjectures and easy political posturing – to becoming a detailed and complex negotiation, where politics finally gets confronted with legal frameworks and economic realities.

Yet, entering into these negotiations is akin to entering terra incognita. We know what we are leaving, but we still do not know exactly what we are going to get – and what we will encounter on the way. For aviation in particular, the Brexit negotiations are fraught with uncertainties and risks.

These come primarily from the 2 year deadline that frames the negotiations, and the fact that the EU will not start negotiating its new relationship with the UK until there is an agreement on its exit terms – including the UK’s financial commitments and the status of EU citizens living in the UK and vice versa. As explained to us by the EU Task Force in charge of Brexit negotiations, this means that in the absence of an agreement on exit terms by March 2019, the UK would leave the EU without its new relationship with the bloc being defined. This in turn would result in aviation falling back on more restrictive bilateral provisions between the UK and each of the EU27 Member States. There is little doubt that this would be highly detrimental to connectivity and airports on both sides. This is precisely what Michel Barnier, the Chief EU negotiator for Brexit, has just warned about – speaking of “severe disruptions to air transport” amongst the most damaging consequences of a no-deal scenario “for our people and our economies”.

But even if the EU and the UK agree on exit terms, there is still plenty to worry about in relation to what the new UK-EU relationship could look like for aviation.

If carried out, the UK Government’s plan for a “clean break from the EU” (including from its Single Market for goods & services and the jurisdiction of the European Court of Justice) means UK aviation would no longer be part of the EU Single Aviation Market. Instead, the UK is looking at negotiating continued access to the EU Single Aviation Market – which is not quite the same, in terms of rights and opportunities.

Indeed, as a non-EU country, the UK will be put on par with other ‘third-countries’ which have negotiated similar aviation market access agreements with the EU. These include the US, Canada, Morocco, Jordan and Brazil. While the EU has promoted a liberal approach in terms of granting airlines from these countries access to the EU, it has not granted them unlimited rights to operate within the EU Single Aviation Market. The rationale for these restrictions primarily rests with the need to ensure fair competition, as well as airline ownership & control restrictions. To operate freely within the EU Single Aviation Market, airlines need to be subject to all EU aviation & competition regulations. They also need to be owned & controlled by EU nationals.

The only cases in which the EU has granted full access within its aviation market to non-EU airlines involve Iceland and Norway. But that was conditioned by both countries accepting all EU aviation & competition rules as their own. While similar arrangements could certainly be replicated with the UK, they seem incompatible with the UK Government’s agenda of “taking back control of our laws”.

All in all, the Brexit negotiations are exposing the intrinsic and inalienable link between the Single Market and the wider EU legal and political set-up. As such, they reveal the unique value of the EU for aviation. This is precisely why the European aviation sector (airlines, airports, ANSPs, the aerospace industry, business aviation and unions) stood up for the EU project on the occasion of its 60th anniversary – calling on the Heads of Government of the EU27 to protect, reform and strengthen the EU.
EUROPEAN AVIATION STANDING UP FOR THE EU

2017 marks the 60th anniversary of the Treaty of Rome, which started the European Union (EU) project with the establishment of the European Economic Community – also known as the Common Market. Its objective was to integrate trade and strengthen the economies of the area, based on the underlying political vision for “an ever closer union among the peoples of Europe”.

For businesses across the EU, the Single Market and its rules act as an essential backbone providing opportunities that are now taken for granted – but which previously would have been regarded as unimaginable.

The business of aviation is no exception. Once a sector artificially constrained by an intrusive set of national regulations and political interference, European aviation has thrived with the creation of the Single Aviation Market – with comprehensive common rules on safety, security, environment, market access and consumer benefits as well as with the establishment of a social dialogue.

The Single Aviation Market has yielded extensive and affordable air connectivity for citizens and countless businesses. It has also acted as an engine of growth and job creation for the wider economy. The EU is today home to world-class aerospace companies providing quality employment to a highly skilled workforce while the creation of related European technology initiatives such as SESAR and Clean Sky have also benefited the wider EU aviation community which is working together under the umbrella of the Advisory Council of Aviation Research in Europe (ACARE). Today, aviation in the EU accounts for 4.1% of the bloc’s GDP and supports 8.97 million jobs.

In view of this track record, the European aviation community is today marking the moment of the 60th anniversary of the European project to reaffirm its commitment to the EU.

With the EU project facing unprecedented criticism and existential threats, now is the time to speak in defense of its achievements for aviation (employers and employees) and consumers. The 60th anniversary of the Treaty of Rome serves as a reminder of how far we have come. An opportunity to take stock of what has been achieved and appreciate things that are now taken for granted or even dismissed. Airspace users (including airlines and rotorcraft operators), airports, air navigation service providers and aircraft & equipment manufacturers are thus calling on Member States to preserve, reform and strengthen the EU.

As businesses and together with our employees, we cannot afford to lose the freedom, legal certainty, connectivity and prosperity enabled by the Single Aviation Market. We are mindful that these essential benefits are intrinsically linked to the wider political endeavours and dynamics of the EU, and the fact that the Union’s greatest – yet too often overlooked – achievement remains that our continent has been enjoying the longest period of peace in modern times.

Looking ahead, we are convinced that the EU is the only way to address the range of geopolitical, environmental, economic and social challenges that EU Member States are now facing.

Today, more than ever, it is our shared responsibility to help preserve the Single Market – and thus stand up for the EU.
Stockholm Arlanda Airport

Handled more than half of Sweden’s total air passengers in 2016.

Has begun to mix biofuel with normal jet kerosene in its fuel bunkers as standard procedure. Stockholm Arlanda joins Oslo Gardermoen in offering the more environmentally friendly fuel. Swedavia, which owns and operates 10 airports throughout Sweden, bought the fuel through the Fly Green Fund, an organisation that brings together aviation and biofuel bodies to help encourage the use of the fuel in Nordic nations. Swedavia bought 450 tonnes, which was the amount its staff used while flying on business in 2016.

Lisbon Airport

Grew by nearly 12% in 2016.

The growing popularity of Lisbon as a tourist destination has seen Lisbon Airport fast approach saturation point. The Portuguese Government signed a Memorandum of Understanding with VINCI-owned ANA Aeroportos de Portugal, operator of Lisbon Airport, in February, establishing an integrated solution regarding airport capacity in Lisbon. This includes a new Master Plan for Lisbon Airport to extend it to its maximum capacity and enhance its competitiveness as an international hub, and the civilian use of Montijo air base just south of the Tagus River for complementary point-to-point capacity. Construction work is expected to start in 2018.

Dublin Airport

Was Europe’s fastest-growing major airport in 2016 (+11.5%).

Dublin Airport has secured planning permission to build a small solar farm that will help power a large reservoir that delivers 500 million litres of water to the airport every year. The solar arrays will provide as much as 50% of the reservoir’s power needs. The array will stretch over 650sqm, according to planners. It will be connected directly to the pumping station adjoining the covered reservoir, allowing the electricity it generates to be connected to the airport’s internal power network. “The solar array can provide over 50% of the energy requirement of the reservoir. The solar array is essentially a renewable energy project, and is therefore considered to have environmentally sustainable benefits,” said daa, which operates Dublin and Cork airports.

Amsterdam Airport Schiphol

Should be on course to process more than 65m pax in 2017.

Introduced its new website and app, which aims to provide each passenger with the most personalised experience possible. The app is meant to be a digital airport assistant. It will send you a message if your flight has been delayed or if your gate changes, for instance. It will also allow a passenger to easily see where s/he is at the airport, and where there is a chance to grab a quick cup of coffee before the boarding process begins. Moreover, the app offers an option to chat with an airport employee.

Charleroi Airport

Broke the 7m annual pax mark in 2016.

Opened its new Terminal 2, which took just 10 months to build. Designed to boost passenger comfort and allow the airport to accommodate future growth, the new terminal covers a floor area of 5,800sqm and boasts eight check-in desks, three departure gates and two baggage carousels in the Arrivals hall. Like Terminal 1, it also has unlimited free Wi-Fi, lounge, refreshment facilities and a duty free for pre-departure shopping.
Frankfurt Airport
Handled around 4m pax in its quietest month of 2016 (Feb) and just over 6m in its busiest month (July).
Secured a €400m loan from the European Investment Bank towards the expansion of its Terminal 3, which is expected to be opened in 2023. With a €3bn overall investment cost, the new Terminal 3 will enable Frankfurt Airport to handle up to 14 million additional passengers a year. The funds will be used for the first construction phase of the new Terminal 3, forming part of the expansion of Frankfurt Airport.

Luxembourg Airport
Had eight months of double-digit growth in 2016.
Recorded an increase in cargo volumes in 2016, becoming the 6th busiest cargo airport in the European Union with 8.2% growth last year. It handled 821,000 tonnes of airfreight, allowing it to overtake Cologne-Bonn Airport. Luxembourg is to extend the cargo apron. The works for this extension started at the end of January and represent an investment of approximately €40m. They should be completed by mid-2018.

Dubrovnik Airport
Should break the 2m pax barrier in 2017.
Partially opened its new Terminal C building on 6 February, but full-scale operations are expected to start by the start of summer 2017. The airport launched a €246m project to expand its land and airside infrastructure in 2010, due to rising passenger numbers. The entire project is expected to be completed in 2019 and is being largely financed by EU structural funds. The development also includes the construction of internal gas stations, a new aviation fuel tank and underground pit system for fuel filling, and installation of solar systems to improve energy efficiency.

Aeroporti di Roma
Rome Fiumicino added over 1.3m annual pax between 2015 and 2016.
Inaugurated the new €390m Rome Fiumicino International Airport boarding Area “E” in December. The area, intended for extra Schengen flights, can accommodate up to six million passengers a year through 22 new gates and features an exclusive Made in Italy shopping arcade offering luxury fashion, and food and wine.

Athens Airport
Had double-digit growth in Jan 2017 (10%).
Emirates launched a new daily service from Dubai to New York’s Newark airport, via Athens, on 12 March. This flight provides a year-round, non-stop daily service between the US and Greece – a service that has not existed since 2012.
The obvious question to ask any senior director of a UK company these days, especially in Scotland where the ‘stay’ vote was overwhelming, is the impact on their business of Brexit. This is especially pertinent to Amanda McMillan, who is one of 18 business, economic and political experts appointed to the ‘Standing Council on Europe’, which will advise the devolved Scottish Government on the impact of Brexit.

“It’s no secret that Glasgow Airport and AGS lobbied publicly to stay. But the realities are that you just have to get on and look forward – hopefully we can preserve the privileges of the Common Aviation Area, and certainly the ministers we talk to – in both the UK and Scottish governments – think we will do, which, of course, is absolutely critical – we’ve not sensed anything to suggest that we’re not staying. Brexit is not what we wanted, but in business you need to be resilient to change, to look forward.”

Will Scotland slash Air Departure Tax?

Meanwhile, airports, and airlines operating in Scotland, are looking forward to the more immediate and direct impact of a significant reduction in taxation: From April 2018, UK Air Passenger Duty (APD) will be replaced with the Scottish Government’s new own powers to levy an ‘Air Departure Tax’ (ADT) for which a bill has now been introduced to the Scottish Parliament. UK taxes range from £13 to £450 (€15-€520) – rates which the governing Scottish National Party proposed halving when the new tax was first announced in 2015. Recently, the Scottish Government has been more reticent about ‘abolition’ or a big ‘reduction’ of a tax of which £300 million (€350m) was collected at Scottish airports in 2016 – a very attractive sum for the independently-minded Scottish Government.

“A year ago we were certainly very positive and we’re still cautiously optimistic that there will be a significantly lower tax,” says McMillan. “But we have to be realistic too, now that we are getting into the detail. The SNP manifesto said that they are going to abolish it when they can afford to do so, but the Scottish Government doesn’t have a majority, so there may have to be some compromise, some sort of a deal. Political action is supportive of an Irish-style drastic reduction because there is strong recognition of the downsides of the tax. The airlines have risen to the challenge too – Ryanair says it will increase capacity at Glasgow by up to a third. Certainly, the feedback that we’re getting is that the Scottish Government can support a 50% reduction on long-haul flights.”

Unserved route list gets shorter

While it is absolutely proven by many instances that airlines have curbed services due to very high UK aviation taxes, McMillan and her aviation team have still managed to recently cross many cities off the ‘must-have list of routes.’ “We have just got two routes that I really wanted – Hamburg and Madrid – we especially wanted Madrid because of our Spanish shareholders (Ferrovial) – but European links still need more development – Brussels has been announced and we have Rome, but I would like to have more Rome frequency.”

The 2007-8 recession was particularly unkind to Glasgow, with the airport badly impacted by the demise of Flyglobespan, Zoom and XL Airways, contributing to a
decline from a high of 8.8 million passengers in 2006 to 7.2 million in 2009. In 2016 the airport celebrated its 50th year – and a record 9.36 million.

While Ryanair made a high-profile entry with a new base in 2014, McMillan gives the big credit closer to home: “Jet2.com was the lynchpin in the turnaround and is now anchored in Scotland, particularly here in Glasgow with six aircraft – the new equipment (orders of 30 737-800s) is bringing around a change in strategy which is directly feeding back to us – higher utilisations, meaning that Jet2.com is much less seasonal.”

Despite the change in ownership and structure at AGS, which coincided with the Ryanair move, McMillan maintains: “Glasgow Airport has not changed – we still present the same opportunity. It’s not news to say that Ryanair changed their minds about which airports they wanted to work with, and when they become your partner they are good partners.”

While Jet2.com, Ryanair and easyJet are heavily contributing to the airport’s accelerating growth with the continued development of point-to-point services, Glasgow Airport has become more interesting to other carriers attracted to scaled-up feed opportunities. A year

McMillan on the Tram-Train

Glasgow Airport Access Project

Annnounced in November 2016, the £144 million (€165m) Glasgow Airport Access Project will use the existing railway network, but will be linked to the airport by a new light rail spur when it opens in 2025. The hybrid tram-train approach is expected to deliver an airport rail link at a much-reduced capital cost than a purely tram, or ‘heavy train’ solution. McMillan is very happy about the deal: “I think the Tram-Train is great because it is tangible, it will pass by front doors, rather than being buried in a tunnel – yet it can drop on to heavy rail and use existing infrastructure, which is also faster than tram. We want to get car use down from 85%. Edinburgh Airport which got its tram in 2014 is already achieving around 35% public transport access. Greater Glasgow is a large urban city (pop. 1.2 million) with a strong public transport ethos, including popular use of its subway system. I think we could be looking at usage as high as 50% for international travellers.”
ago Air France launched Paris services connecting Glasgow to the SkyTeam hub. McMillan says she does not view these developments with mixed feelings and that they do not make it harder to make the case for direct routes. “We will always need big hub connectivity. Indeed, the health of these services also serves to demonstrate the demand for the city and region – the more hubs we have connections to, the more we will develop. After all, we have offered Heathrow connections for half a century, now we also offer the considerable choice of onward connection with a twice-daily Emirates service. So, in fact, we chased Air France for five years. A year later the route sits well with easyJet – it’s very complementary.”

**Supporting long-haul: ‘Glasgow does not tire’**

Turning to more direct long-haul opportunities from Glasgow, McMillan says: “We would like to see more West Coast – Boston and Chicago – more Canada and, of course, something in Asia.” The airport has just announced that Korean Air will increase its charters to four rotations this year – a 25% increase. “We put a lot of effort into arranging these, perhaps at a risk that the effort could be seen as disproportionate, but the Korean Air service is a really good example of a big positive family effort across Scotland – everyone was really keen to see it happen. This engagement with people, agencies and other stakeholders underscores the ‘Scottish effect’ – we get the services, and we get a stepping stone to more business with Korea. Maybe we’ll get a seasonal route – and we get the lasting halo locally and on the other side of the world where we need to permanently market Scotland.”

Another SkyTeam carrier – Delta – is starting a new seasonal daily New York JFK service in May. ‘Delta has especially praised the way that ‘Glasgow does not tire’ in support for the new route. The airport and the city are indeed embedded – when we were struggling in 2010 we sat down with the city and championed a way of working together that is exceptional and seamless to the extent that today I chair the Glasgow Tourism and Visitor Strategy Board. This unique collaboration takes us over the line – we’ve won the Delta service and bookings are looking fine. It’s not going to be year-round yet – although United’s Newark services are – but we will set to work at extending the seasons with perhaps the route starting around Easter instead of May.”

McMillan also reports that last year’s new Air Canada Rouge Toronto seasonal route performed well: “...their load factor was in the target range – and again there was a significant amount of onward connectivity – as much as 50% – heading anywhere from Calgary to New York. Air Canada is a powerful brand and we’re all working on its growth here in 2017.”

After last year’s very good year McMillan agrees: “We’re now into uncharted territory, as we’d never been above 9 million before. Some of our growth is ‘peaky’ – although becoming less so as our leisure market develops into what we call ‘summer holiday plus’ – with travellers taking the opportunity for incremental weekend breaks, as well as business.”

Glasgow’s growth rate sees it getting slightly ahead of itself – the current masterplan, drafted in 2011, forecast 10.4 million passengers in 2020, which it is now on course to reach about two years early. Improvements costing some £50 million (£60 million) are ongoing, but McMillan thinks that capacity will meet the challenge: “We have revised some projects, but the assumptions remain consistent in that we’ll avoid a second runway. We are, however, investing in additional stand capacity to the west of the airfield which will accommodate both Code E and Code C aircraft. The Glasgow City Deal Infrastructure Investment Programme will also see nearly £200 million (£230m) invested in creating a new rail link and an airport business park capable of accommodating up to 16 new aircraft hangars together with high quality logistics, manufacturing and office space.”

**AGS: ‘One group, three distinct airports’**

AGS Airports was formed in 2014, after the airports of Aberdeen, Glasgow and Southampton were unravelled from Heathrow Airport Ltd (HAL). As well as being Managing Director of Glasgow Airport, McMillan is CEO of the whole AGS group – itself a partnership between Ferrovial, which remains a significant HAL shareholder, and Macquarie, which has major investments in the airports of Brussels, Copenhagen, Delhi, and Hyderabad.
Thank you for voting Heathrow

World’s Best Airport Shopping
8th year in a row

Best Airport in Western Europe
3rd year in a row

World’s Top 10 Airport
5th year in a row

Best Airport in Europe
Amongst airports with over 40 million passengers
2nd year in a row
McMillan says of AGS: ‘Our mantra is ‘one group three distinctive airports’ – we have no intention of running them at a group level – the airports are responsible for their own destiny.’ As CEO McMillan says her job is “to assure myself – I look carefully at any plans – such as the multi-million pound 50% terminal extension at Aberdeen – I like to see what the airport boards are going to discuss, and I keep a close oversight of safety, but I’m a non day-to-day CEO of those airports, the local teams run them and we want to keep the passion local.”

However, McMillan says there are still AGS group benefits: “We have shared IT platforms and shared procurement. But in developing an AGS brand we don’t want to become an unwieldy group. I used to work for Diageo when that brand was created and it’s a very similar thing. Diageo was a strong corporate identity on many levels, but it did not drown out the brands such as Guinness and Smirnoff. In the same way people working for, and with, our 15 million passenger airport group will see that AGS means something will be done to a standard.”

There are also other benefits of an extensive network of common ownership: “I have people on my board involved in running airports from Heathrow to Hyderabad. This produces the chance to get some pretty good advice and shared experience, anything from digital advertising in Copenhagen, to questions about air bridges and how long our other shareholders took to get them. AGS is also asked for similar sharing.”

**McMillan on Aberdeen and Southampton**

**Aberdeen Airport:** The reduction in oil prices – down by more than half since 2012, has been a good thing for the aviation industry, but not for Aberdeen Airport which has been dominated by North Sea offshore oil and gas industry exploration. The airport has been hit hard, declining from a record high of 3.76 million passengers in 2014, to 3.01 million last year. However, 2017 has seen the first year-on-year growth (a modest 1% in February, but a considerable reversal of double-digit decline), although the decline in offshore helicopter movements (-10%) persists.

McMillan forecasts: “It is unlikely that oil and the offshore industry will take Aberdeen back to where it was, but there are other opportunities. If you look at how the helicopters are now operating, they are providing changeovers to the rigs every three weeks instead of two because of cutbacks and competition. That also means that these same oil workers will fly in less frequently on airline services from the UK, Norway and elsewhere. This is a re-basing of the offshore operators’ cost base, and I do not think it will go back. But being more competitive is not a bad thing. And then you must look at other things in Aberdeen – tourism will get a considerable boost from the new conference and exhibition centre, while the proposed £11 billion (€13bn) mega-merger of Standard Life and Aberdeen Asset Management shows the importance and scale of its financial community.

**Southampton Airport:** Serving the UK’s famous south coast port city, Southampton Airport had 1.9 million passengers in 2016 – up 10% on 2015 (1.77m). McMillan defines the AGS desire: “We want to get Southampton back to 2 million – to concentrate on product and to make it as efficient as possible. Management is about being as strong as you can with your size and shape – and if there is a step-change needed at Aberdeen, Glasgow or Southampton, then AGS will do it.”

May 2016: KLM returns to Southampton, giving AGS key connectivity across five continents. “Management is about being as strong as you can with your size and shape – and if there is a step-change needed at Aberdeen, Glasgow or Southampton, then AGS will do it.”
Threat detection technology
Testing, evaluation and validation
Inspection team training
When the European Commission set the Standard 3 deployment agenda for hold baggage screening, the 2020/2022 deadline seemed far away. But factor in time for planning and implementation and the mandate for Standard 3 compliance is fast approaching. At several recent industry conferences, airports have been discussing the impact of upgrading their explosive detection systems (EDS) and what’s holding them back from getting started.

“Airports are looking for solid advice backed by data on what they need to invest in,” explains Anne Marie Pellerin, Managing Partner at Lam Lha, a security innovation consultancy firm. “They want the assurance that when they upgrade their systems to Standard 3-approved EDS, their investment will also meet future requirements and future growth needs.”

What are the options available? How should airports get started? According to Martin Parker, Morpho Detection’s Regional Sales Director for the UK, getting clear on your individual airport or terminals needs is the first step.

“As the deadline in the UK is 2018, I’ve spent that last four years working with airports of all sizes, all with completely different requirements – from Newquay to Heathrow, Bristol, Manchester and others,” he points out. “The key has been helping each customer find the right solution for each situation. Working in partnership, we discuss space requirements; networking and redundancy needs; options for in and out of gauge; and passenger counts to get prescriptive on how many machines are truly needed.”

Parker further advises airports to select the EDS supplier first, investigating the different machine capabilities before they actually go to tender. “Upgrading to Standard 3 EDS requires redesigning the baggage handling system. If the BHS supplier knows the exact dimensions and performance characteristics of each machine, they’re better positioned to optimise the system design,” explains Parker.

In evaluating the capabilities of different EDS machines, it’s important to look at overall availability and performance data, platform scalability, power consumption rates, and training and service options to ensure your investment will be supported to last the next 15 to 20 years. Site visits are helpful, as well as talking to airports that have recently gone through the same process.

Is your airport ready for Standard 3?

Insights on getting started

Another aspect for consideration: the manufacturers experience in delivering on production and implementation promises.

“There is a worry that the current deployment rate calls for a huge production of equipment. Can this demand be met?” says François Mesqui, Morpho Detection’s Vice President of Government Affairs. “Our past performance says yes. Following the attacks on September 11th 2001, the demand for EDS units increased dramatically. In one year, production lines were able to produce ten times as many machines as they had before, with teams ready to implement and service them.”

“Going to Standard 3 is a big investment for airports which might feel overwhelming in the beginning,” concludes Parker. “But if you work with an experienced supplier, you’ll have a trusted advisor to help guide you every step of the way.”

As Morpho Detection’s Regional Sales Director for the UK, Martin Parker has helped airports successfully upgrade to Standard 3.

Get further insights and Standard 3 best practices by visiting www.morphodetection.com/APTB or contact us at info@morphodetection.com.
New study reveals consumers paying €2.1 billion in higher air fares at congested airports

As warnings of the looming airport capacity crunch become louder in Europe, a new study reveals that its implications go beyond airport operations and actually end up costing consumers. Report by Inês Rebelo, edited by Elliot Bailey.

Last year, European airports welcomed over 2 billion passengers for the very first time, with passenger traffic growth in Europe averaging 5.1% over the full year. While this strong trend of increasing air traffic is good news for airports and the economies of the cities and regions they serve, the need for more airport capacity is becoming more and more apparent. All the more so, when you consider the implications of a lack of airport capacity – connectivity, efficiency, environment, punctuality, operational flexibility – all of these things start to suffer.

A new research study by SEO Amsterdam Economics & Cranfield University has uncovered another implication – higher ticket prices for air travellers. They conducted a thorough investigation into air fares at congested airports – while also checking airport charges levels at the airports in question. The comprehensive study entitled The Impact of Airport Capacity Constraints on Air Fares finds that European consumers are paying €2.1 billion a year in additional air fares, due to capacity constraints at airports.

How so? Scarcity capacity ultimately means reaching the limit of the number of aircraft that can arrive at or depart from an airport – particularly at the busiest times of the day or year. And while economic regulation of larger airports keeps airport charges low – and even below actual airport costs in some cases, it does not suppress demand.

With passenger demand to fly at peak times continuing to rise at congested airports, but the supply of aircraft & air services remaining constant, prices go up – meaning that passengers have to pay higher air fares to airlines if they wish to fly to/from these airports. And with no spare airport capacity, market access is blocked – effectively preventing more airlines from entering and competing down air fares. Incumbent airlines reap the benefit, by being able to charge more to fly – this additional amount is known as a ‘scarcity rent’.

The study finds that airlines can and do increase their fares as a reaction to higher demand. These findings are relevant to the European Commission’s recently launched evaluation of the EU Airport Charges Directive, as they prove that lower airport charges through more regulation would not result in lower air fares for consumers and that any related cost-savings would go directly to airlines’ profit margins instead.

At its New Year Reception at the European Parliament in January – in the presence of representatives from several major airlines – ACI EUROPE released a 20-page synopsis of the study’s key findings, entitled How Airport Capacity Impacts Air Fares.

Announcing the publication, Augustin de Romanet, President of ACI EUROPE & Chairman and CEO of Aéroports de Paris S.A. - Groupe ADP, said “This new study spells it out very clearly. Incumbent airlines are collecting scarcity rents at capacity constrained airports – which of course undermines their incentive to support capacity expansion and also helps explain why they so fiercely oppose increases in airport charges. By 2035, passengers will be paying €6.5 billion a year in higher fares, specifically due to a lack of airport capacity.”

To tackle this problem, one solution is to increase airport capacity by incentivising investment in airport infrastructure. Airports need to expand to align their capacity with increasing demand. More airport capacity will allow for more airline capacity, for more competitors in the market, with a cascade of other positive effects too (operational flexibility, more efficiency and better punctuality).

EUROCONTROL estimates the airport capacity crunch will see 12% of demand unaccommodated by 2035, meaning that 237 million passengers will be unable to travel. That’s only 18 years away – not a long time in the world of infrastructure planning.
On 24 January, ACI EUROPE held its New Year Reception at the European Parliament in Brussels. This year’s Reception was kindly hosted by MEPs Deirdre Clune (Group of the European People’s Party) & István Ujhelyi (Group of the Progressive Alliance of Socialists and Democrats) and attended by key officials from the EU institutions and agencies, as well as various representatives from across the aviation sector, including airlines, air navigation service providers and aircraft manufacturers.

ACI EUROPE hosts its Annual New Year Reception at the European Parliament

Dr Michael Kerkloh, President & CEO, Munich Airport; Christophe Dussart, Head of Sector – Internal Market of Aviation, European Commission; and Vanessa Haumberger, VP Political Affairs, Munich Airport.

Daniel Burkard, Deputy Airport Director, Non-Aviation Business Development, Moscow Domodedovo Airport; Giorgio Medici, Head of Customer Care, SEA Aeroporti di Milano; and Catherine Mayer, Vice President, SITA.

Olivier Jankovec, Director General, ACI EUROPE; Dr Edward Zammit Lewis, Maltese Minister for Tourism; MEP Ismail Ertug (Group of the Progressive Alliance of Socialists and Democrats); MEP Deirdre Clune (Group of the European People’s Party); Augustin de Romanet, Chairman & CEO, Aéroports de Paris S.A.-Groupe ADP & President of ACI EUROPE; and MEP István Ujhelyi (Group of the Progressive Alliance of Socialists and Democrats).

Alberto Martin, Managing Director, Gran Canaria Airport, Aena; Javier Martínez, Director General, ACI-LAC; Ignacio Biosca, Head of Airline Relations and Airport Marketing, Aena; and MEP Inés Ayala (Group of the Progressive Alliance of Socialists and Democrats).

Robert Sinclair, CEO Bristol Airport; Matej Zakonjšek, Head of Cabinet of Violeta Bulc, EU Transport Commissioner; Jurij Mežnaršič, Advisor to CEO, Aerodrom Ljubljana; and Nazareno Ventola, CEO Aeroporto G. Marconi di Bologna.

Jos Nijhuis, President & CEO, Schiphol Group, and Thomas Woldbye, CEO Copenhagen Airports.
HEATHROW IS NOT SO BAD

In addition to the distinction of being the world's largest airport project built from scratch, the Istanbul New Airport is also a prestige project set to position Turkey as the new hub of aviation. With 6 runways, approximately 100 airlines and flights to over 350 destinations, the Airport will boast an annual passenger capacity of 200 million when all phases are complete. Its terminal buildings, commercial centers and shopping malls will create 1.5 million new jobs, while uniting Istanbul with the world thanks to its close proximity within 25-minute driving distance to the city center.

www.igairport.com
ChallengAir II was organised by the Budapest Airport Security Directorate on 7 March, 2017 at Budapest Liszt Ferenc International Airport.

The event was organised on the initiative of security personnel of Budapest Airport for the second time. The international contest of security screeners started out as an in-house competition at Budapest Airport three years ago and it became obvious right at the outset that it would be worthwhile to take the professional contest to an international level.

Teams of screeners from Leonardo da Vinci-Fiumicino Airport, Rome; Liszt Ferenc International Airport, Budapest; Ljubljana Jože Pučnik Airport; Naples International Airport; Riga International Airport; and Václav Havel Airport Prague, took part in the competition.

The aim of the competition is to provide motivation of security employees, share professional experiences (including know-how and training), communication and connection building among European airports security teams, and promote the importance of passenger security for other employees at the airport.

The competition consisted of three parts. First, the participants had to prove their theoretical skills in the state-of-the-art training centre of the airport, which was recently inaugurated. The second challenge was to find 20 prohibited items representing a threat to aviation security from a hundred X-ray images. Lastly, teams were required to solve a situational exercise: each contestant was supposed to find prohibited items concealed in the clothing and baggage of a fake passenger within 5 minutes.

Experts from the Aviation Security Department of the Airport Police Directorate were involved in compiling the tasks for the contest. The jury panel and professional supervision were provided by the representatives of the Airport Police and the Office for Air Transport of the Ministry of National Development.

The winning team was from Leonardo da Vinci-Fiumicino Airport, Rome, with the team from Liszt Ferenc International Airport, Budapest coming in second place, and the team from Riga International Airport finishing in third place.
Athens International Airport opened in 2001 in a pioneering public-private partnership, which saw it become the first major greenfield airport with the participation of the private sector. The airport has demonstrated a successful development strategy in both aeronautical and non-aeronautical activities, and exports its know-how to aviation partners around the world.

Last year saw two important anniversaries for Athens International Airport (AIA) – in March 2016 it celebrated 15 years since the official opening of the airport, while June marked 20 years since official commencement of the airport concession. It is a period punctuated by important moments, as the airport passed from adolescence to maturity, which has seen the development of a successful business model. Despite the difficult economic situation in Greece, AIA has consistently exceeded expectations with results that have outperformed macroeconomic indicators.

AIA shares the benefits of knowledge acquired by operating a world-class airport handling 20 million passengers in 2016 (+10.7%), and the experience gained from consultancy and project implementation services offered at airports around the world. This strong record of international consulting experience has seen it provide services in countries including Albania, Australia, Belgium, China, Cyprus, Germany, Hungary, India, Jordan, Kazakhstan, the Netherlands, Poland, Portugal, Qatar, Russia, Saudi Arabia, Singapore, Thailand, Tunisia, and the UAE – a wide geographical spread.

Meanwhile, airports in the Middle East are, of course, rapidly expanding their infrastructure. AIA has provided services in safety and airside operations at an airport in Qatar, while in Jordan it has delivered consulting services to an international airport in terms of baggage handling systems, IT & telecommunications, and concessionaire technical support. Among the myriad projects AIA has undertaken in the United Arab Emirates are development of the IT strategic master plan for a national aviation authority, user training on airport systems, and provision of passenger survey services.

Prestigious industry awards

This portfolio of services, and commitment to customer satisfaction, has been globally recognised through over 50 industry awards. AIA is the most awarded airport by Routes for the excellence of its marketing efforts, most recently winning at both Routes Europe 2015 and 2016, and it is trusted by international clients aiming to achieve traffic growth, route network expansion, and high levels of customer satisfaction. It has provided airline marketing consulting services to international airports in Russia and the UAE, among others.

AIA was also winner in the 10-25 million passenger category at the 2014 ACI EUROPE Best Airport Awards, while in 2013 AIA received the top European environmental airport award at the ACI EUROPE/ACI World Annual Congress. AIA’s team of specialists can help ensure the design of an effective environmental management policy, which assesses local environmental conditions, selection and implementation of appropriate initiatives, provision of training, and monitoring the whole range of environmental management initiatives.

AIA itself recently achieved Level 3+ of ACI’s Airport Carbon Accreditation, thereby becoming the first carbon neutral airport in Greece.
Heathrow retail boss taking fresh look at tailored, digital commercial experience

**Chris Annetts** took up the role of Retail & Service Proposition Director at London Heathrow last July, at a time when the airport was continuing to review its retail offer. Heathrow is committed to providing a convenient and tailored commercial experience for travellers, with a fresh focus on digital services, as Annetts explains to Ross Falconer.

In a 13-year career at London Heathrow, Chris Annetts has held a number of senior roles across the business, within food & beverage, passenger experience, airline business development, services, and digital. In July 2016, he was appointed Retail & Service Proposition Director, having most recently been Director of Commercial Passenger Services.

"I have been lucky enough to work in a number of areas, all of which play a part in contributing to the experience of flying through Heathrow," says Annetts. "In the last few years we have really strived to improve these areas of the business and, as a result, we now have around 300 retail and food & beverage outlets across four terminals, the world’s first personal shopping service in an airport, and passenger ambassadors and volunteers during peak travel periods. We also offer a number of family facilities, including play areas in all terminals, and ‘kids eat free’ offers during peak holiday times. It has been fantastic to play a role in these success stories."

Annetts’ pre-Heathrow career included positions at the then-BAA-owned London Stansted Airport, and retailer Hargreaves Sports. “All of my roles prior to Heathrow were commercial and customer-focused,” he says. "I learned that delivering excellent service combined with the right range of products is key to delivering sustainable growth, and this is the core part of my current role."

London Heathrow continued to review its retail offer in 2016, aiming to learn from the success of projects like the £40 million (£46m) upgrade to the luxury offer in Terminal 5. It also worked with existing luxury partners to identify opportunities to grow the business and offer passengers the latest store designs and product ranges. “Last year we also introduced several exciting pop-up units,” Annetts explains. “These are great because they give our frequent passengers a new and varied retail and dining offer every time they fly, and they mean we can trial new brands to Heathrow. The new Harry Potter pop-up and Hair Express salon in Terminal 5 arrivals are great examples of this. They give us, and the retailer, the opportunity to test out a new service or product and collect feedback from our passengers.”

This progressive approach has reaped rewards. Retail revenue grew by 6% to £602 million (£694m) in 2016, and a similar increase is expected in 2017.

Understanding what the passenger wants

The £40 million (£46m) investment in Terminal 5 was completed in December 2015, bringing 23 iconic international, fashion and luxury brands under one roof, including Louis Vuitton’s arrival at Heathrow. Terminal 5’s new Personal Shopping Lounge features a fully interactive mirror, allowing travellers to post photos and stream live videos onto their social media networks for feedback on potential purchases.

Meanwhile, the redevelopment of Terminal 4 is almost complete. “This year, we are focusing on Terminal 3 to understand what the passenger wants in this space and how we might improve the retail offering as part of that,” Annetts comments. “We are constantly developing our retail offer to respond to the changing passenger mix and their needs. We do this in a number of ways: based on the demographics of passengers, using research, customer relationship management, and feedback from our services team. The pop-up stores also help us do this from a retail point of view because we can trial new brands, innovations and services, and then we can let our passengers decide whether they like them or not.”
Chris Annetts curriculum vitae

Chris Annetts has 13 years' experience with Heathrow, taking up his current role of Retail & Service Proposition Director in July 2016. His previous Heathrow positions include:

- Director of Commercial Passenger Services
- Head of Commercial Planning
- Head of Airline Business Development Star Alliance, Terminal 1 & 2
- Head of Category Food & Beverage, Health & Beauty
- Senior Account Manager

PRIOR TO HEATHROW:

- Head of Retail Operations, London Stansted Airport
- Regional Sales Manager, Hargreaves Sports

Selecting experiences and purchases from home

This year, Heathrow is taking a fresh look at its digital services and how they join up with each other to make the passenger experience as smooth as possible. Improving pre-awareness of services such as Reserve and Collect, and developing pre-booking tools, are designed to give passengers enhanced convenience and an experience tailored to their specific choices.

“We want to get to a point where our passengers can browse and select the experiences and purchases they want in the comfort of their home,” Annetts explains. “This means having their favourite food ready to eat as they arrive, and tailored wayfinding onto their flight using Beacon technology while they are here. Customers will then leave the UK feeling comfortable in the knowledge that their onward travel is also prepared for their journey home.”

2017 marks a new era for Heathrow, where this level of convenience is crucial to engagement. “The only way we can succeed and improve our service is by providing many more of our customers with a more convenient and tailored experience to suit their individual needs, so that is definitely a focus this year,” Annetts concludes.
THE FUTURE IS OURS...

In 2025, the world will be richer, older, more crowded and more expensive. Travel will be a lifestyle statement and global consumers will expect unique experiences that cannot be accessed anywhere else in the world.

As emerging trends become established, consumers will look for foods that are authentic, are served in a relaxed and informal style and that can offer them real health benefits. They will want experiences that are truly personalised, and to be digitally connected so they can make the best of their visit to the airport.

The time is right for a new approach and SSP is the right partner to help you take it. Find out more at:
www.foodtravelexperts.com

La Tarte Tropézienne at Nice Côte d’Azur International Airport, from SSP
A taste of the Côte d’Azur

The €45 million commercial renovation at Nice Côte d’Azur Airport is nearing completion, with a range of tailor-made, unique concepts that convey a true sense of the Riviera. Filip Soete, Chief Commercial Officer, tells Ross Falconer how Nice Côte d’Azur Airport has realised its vision of “the most surprising commercial experience in a European airport.”

When launching its commercial redevelopment three years ago, the Nice Côte d’Azur Airport ambition was clear – to create “the most surprising commercial experience in a European airport.” The Terminal 1 refurbishment was completed in May 2016, and Terminal 2 will be 90% complete this May, so ACI EUROPE Airport Commercial & Retail Conference & Exhibition attendees will see the results first-hand.

Filip Soete, Chief Commercial Officer, Nice Côte d’Azur Airport, is the driving force behind these developments. In conversation with Airport Business, he describes a “differentiated offer – from entry level to upscale level” and “a Mediterranean approach.”

The €45 million commercial investment has seen 11,000sqm in Terminal 1 impacted by the revamp, with retail space increased by 160%, lounges by 70% and seating spaces by 60%. In Terminal 2, meanwhile, 23,000sqm is being updated, with 110% more commercial space, 90% more seating and lounges doubled in size.

This is taking place against the backdrop of positive traffic figures. While the terror attack of 14 July 2016 initially saw visitor numbers to Nice fall, the airport handled 12.4 million passengers last year (+3.4%). Commercial revenues in the renovated Terminal 1 have also yielded strong results. “We have met our objectives for Terminal 1 in terms of revenues, with turnover up by 20%, so we are very happy with that and it is in line with what we expected,” says Soete. “We are very confident for this summer. We have a strong aviation programme – Qatar Airways is returning with a five times weekly 787 service to Doha, and easyJet is increasing its schedule – so we are optimistic about 2017.”

‘Playful New Luxury’:
Walkthrough store

At the heart of the new Terminal 2 commercial offer is an 840sqm walkthrough store operated by Lagardère Travel Retail under its Aelia Duty Free brand, which opened on 9 February.

When opening this new route within Terminal 2, we are able to culminate our vision to offer ‘the most surprising commercial experience in a European airport’ with an emphasis on sense of place and with brands such as Fragonard, L’Occitane, Lac, and Gas very much related to the Riviera, which complement our existing offer of essential products related to travel or to France,” Soete explains.
Indeed, he reports that the Terminal 2 walkthrough store has exceeded expectations, even outperforming the Terminal 1 store. The concept is ‘Playful New Luxury’, with core categories including fragrances & cosmetics, confectionery, and wines & spirits. New brands include Crème de la Mer, Jo Malone and Filorga, while iconic French brands featured include Chanel, Dior and Guerlain. Meanwhile, a real experience has been created for travellers in the Hair & Nail Bar by Éric Zemmour, which offers express beauty services for nails and the possibility of a blow dry before departure.

Michel Pérol, CEO Lagardère Travel Retail France, comments: “Lagardère Travel Retail France is pursuing a strategy of overall operator across the three segments of duty free, restaurants and travel essentials. Nice Côte d’Azur Airport’s commercial project gave us an opportunity to express this ambition on an exceptional site.”

F&B inspired by the region

Among the food & beverage highlights in Terminal 2 will be Jamie’s Italian, created by UK celebrity chef Jamie Oliver. The 200sqm restaurant opens on 1 June and is one of 10 outlets SSP will run as part of an 11-year deal with the airport. Also opening in Terminal 2 will be L’Estivale, created in partnership with two Michelin-starred chef Mauro Colagreco, and Joe & The Juice.

“Nice Côte d’Azur Airport has ambitions to become one of the major platforms in south Europe, with a genuine focus on the passenger experience,” comments Gérard d’Onofrio, Managing Director, SSP France, Belgium, Netherlands. “We are delighted to be partnering with the team at Nice to create a food & beverage offer that will undoubtedly place the airport in the top echelons for dining.”

Chez Pipo provides a true taste of the Riviera in Terminal 1 with its first airport restaurant. Soete enthuses that it is “a real institution in Nice through the generations, famous for its ‘socca’ made from chickpea flour”. Adapted for the travel environment, it offers a range of products inspired by the region. Meanwhile, La Tarte Tropézienne is a famous patisserie from St Tropez.

SSP’s new food & beverage offer in Terminal 2 at Nice Côte d’Azur Airport includes Jamie’s Italian, created by UK celebrity chef Jamie Oliver. The 200sqm restaurant opens on 1 June.

The Terminal 1 renovation was completed in May 2016, and the Aelia Duty Free walkthrough store has exceeded expectations. The rate of impulse purchases has notably increased.

The Terminal 2 renovation will be 90% complete in May and fully complete by the end of the year, at which time there will be 68 shops and restaurants across the two terminals. These are all consistent with the vision to be "surprising, entirely contemporary, and loyal to the locality.”

It is clear from our briefing that Nice Côte d’Azur Airport has created a commercial experience that is thoroughly in keeping with the character of the Côte d’Azur. It has been described as a “quantum leap” for the Riviera’s gateway, one that delegates at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition will experience for themselves.
Red-eye to Hungry?

Next stop

For more information, contact Wendy Barry:
800.888.4848 x 1788 or 203.877.4281 x 1788
e-mail: Barry_W@subway.com
or visit www.subway.com

SUBWAY® is a Registered Trademark of Subway IP Inc. ©2017 Subway IP Inc.
Rome Fiumicino’s new €390 million Pier E, with the ‘Piazza del Made in Italy’, is claimed to “set a new retail benchmark” with an offering in both the fashion-luxury sector and food & beverage that is definitively Italian. Ugo de Carolis, CEO Aeroporti di Roma, shared some insights with Ross Falconer ahead of his address at the ACI EUROPE Airport Commercial & Retail Conference & Exhibition.

‘Made in Italy’ key to Rome Fiumicino’s new Pier E commercial offer

The first impression of the commercial offer in Rome Fiumicino’s new €390 million Pier E is that it is intrinsically Italian. At its heart is a 10,000sqm shopping mall, the ‘Piazza del Made in Italy’, which reflects the city’s status as a cosmopolitan capital of fashion. Major luxury fashion houses Valentino and Bulgari, both headquartered in Rome, are just two of the myriad ‘Made in Italy’ premium brands present in the new pier.

The hallmark of the new retail area is the fashion-luxury range of 40 outlets, combining the best of Italian and international brands. “Made in Italy is almost the key brand of our commercial range,” says Ugo de Carolis, CEO Aeroporti di Roma. “The new boarding area testifies, with its state-of-the-art structure, to the excellence of ‘Italian-ness’. Among the areas dedicated to the luxury category, there are 25 major Italian fashion brands.”

This local flavour is mirrored in the 3,000sqm food & beverage offer, featuring an ‘Italian Food Street’. The diverse formats and price-points from Areas, Autogrill, Lagardère, and Chef Express, include Italian and Mediterranean offers prepared by, among others, Michelin-starred chef Heinz Beck with his ‘Attimi’ restaurant, as well as Asian dishes and gourmet burgers.

Meanwhile, de Carolis enthuses about the 1,800sqm walk-through store operated by Lagardère under the Aelia Duty Free brand, with comprehensive offers in core categories such as fragrances, cosmetics, and wines & spirits. “Passengers pass through the store surrounded by corners for testing the available products. This is where travellers departing for extra-Schengen destinations can spend quality time and make use of the amenities and services before boarding.”

The ambition was a diversified, high-level range appealing to all passengers. Brands like Montblanc, Piquadro, Paper Store, and Unieuro were selected to appeal to business travellers, while Benetton and Swatch, for example, are more targeted towards leisure travellers. Among the more progressive elements is the personal shopper service, which has been very well received. Dedicated staff communicate with travellers in Italian, English, and Mandarin Chinese.

A new benchmark in luxury retail

€2 billion of further infrastructure work is planned at Rome Fiumicino over the next five years, including the new Pier A. This investment is being made against the backdrop of record traffic – 41.7 million passengers were handled in 2016 (+3.2%).

Commercial revenues reached €500 million last year. The accessories category was a star performer, growing by 20% year-on-year, with Italian brands Furla and Coccinelle a key contributor. “Specifically, with reference to the luxury goods sector (+10% compared with 2015), the average spend-per-passenger at Rome Fiumicino amounted to over €500,” de Carolis explains. “Leading the luxury sector are numerous ‘Made in Italy’ brands represented in all product categories – from Bottega Veneta to Gucci, from Valentino to Prada, and from Tod’s to Bulgari. These brands are particularly attractive to Chinese, Korean and Japanese extra-Schengen passengers.”

The new Pier E arguably sets a new benchmark in terms of luxury retail, combining a unique Italian offer with major international brands. “So far, we have received many positive comments and compliments for our quality of services,” de Carolis concludes.
Digitized media.
Double digit growth.

Digitized airport advertising is not about the future. It’s already arrived. Why not let us inspire you? Call or write our network manager Jørgen Ravn at jr@airagine.dk / +45 42 61 72 00.

The digital future is now.
Montreal is undeniably a leading capital of avant-garde culture and has a diverse culinary scene. In fact, Canada’s second-largest city is the North American destination with the highest number of restaurants per capita. The city’s vibrant creativity is, indeed, reflected in the airport’s commercial approach.

Philippe Rainville was appointed President and CEO of Aéroports de Montréal (ADM) in November 2016 and officially started in the role on 1 January 2017. His career with ADM began in 2008, in the position of Vice-President, Finance and Administration and Chief Financial Officer. In 2014 he became Vice-President, Planning, Engineering and Construction, where he was responsible for the management and execution of ADM’s capital projects. “I’m very pleased to take on the challenge along with all ADM employees,” says Rainville.

In May 2016, ADM inaugurated €313 million worth of expansion and improvements at Montréal-Trudeau. The new facilities include an extension of the international jetty, which has significantly increased the capacity of its international services and enhanced the customer experience.

8% duty free growth
“Overall, 2016 was a good year in terms of the travel retail business. Duty free generated revenue growth of 8%,” explains Rainville. “During 2016, three new stores were opened: an upscale fashion store, a Victoria’s Secret, and an express store situated within the expansion of the international pier. The retail site posted double-digit growth of 15% – an increase largely driven by new retail concepts.”

One of the main aims of this expansion project was to create commercial areas which truly reflect Montréal’s cultural scene. The main innovation is the development of an interior open-plan area designed to create a unique atmosphere through the integration of artistic and cultural elements, including a lighted ceiling installation – Nuée de verre (Veil of Glass) – composed of different-coloured glass triangles illuminated by spotlights. There are also large avant-garde murals created by local artists, showcases dedicated to Montréal’s main museums, and a children’s playground inspired by Minimaniacs, the new comic-book series by local artist Tristan Demers.

“We wanted to infuse our airport facilities with a typically Montréal character, while creating an atmosphere that is both pleasant and festive, even playful,” Rainville comments. “In selecting new commercial tenants, emphasis was placed on local brands that are well-known in Montréal and Québec. The variety of restaurants helps our airport to truly stand out and become a destination in itself. To achieve this, we brought architects, designers and artists around the same drawing board so that the functional elements, waiting areas, playground and shops, as well as artistic and cultural elements, were conceived and organised in an integrated manner to form a coherent whole. We believe we can say ‘mission accomplished’.”

The jetty is a cornerstone of ADM’s strategy to attract more international traffic to Montréal-Trudeau and transform it into an important global transportation hub. “Our international passenger traffic has already grown by an average of nearly 10% a year over the past decade – nearly double the rate of increase for domestic and transborder traffic. In 2016, we reached 16.6 million passengers, and we expect 20 million in 2020,” Rainville concludes.
A digital platform to develop customer relationships

Ariane is exhibiting at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition, where it will showcase its digital platform providing marketing and technological services for airports.

Roland Gallo, founder of Ariane, contends that customers have increasingly become an asset for airport management. That is why Ariane proposes a set of solutions designed to boost airport returns on their customer assets. “These solutions not only bring a real added value for the customer through the entire journey, they are also easily integrated into an airport web ecosystem,” Gallo explains.

The company is already working with 15 airports, including Lille, Pau, Paris, Beauvais, Caen, and Perpignan, and anticipates unveiling new partnerships soon.

So, how does it work? Ariane uses existing airport web traffic to leverage customer revenue and data, with the intention that airports and retailers automatically develop customer relationships, loyalty and revenue with very little investment.

“Mass marketing is dead, but it’s not sad news,” says Gallo. “The challenge is now automatically sending the right message to the right person, at the right time, through the right channel, and this, all the way through the entire customer journey. It’s a key issue for improving sales, cross-sales and loyalty.”

Ariane’s Airport Data Management Platform allows airports to develop and automate their promotions in a simple, intuitive way. “The customer checks flight schedules and availabilities, then books and receives an invitation to book extra services such as hotels and car rental,” Gallo adds. “A few days prior to departure, the customer is emailed a reminder to book their car park, together with a voucher to use in the airport shopping zone. A great leverage on business.”

Roland Gallo, founder of Ariane: “Flight schedules are generally regarded as a key information service on an airport website. We transform this strong expectation into a powerful customer acquisition tool for airport marketing and retail managers.”

In ancient China, 1100 years ago, the Laughing Buddha was a famous monk whose legendary smile brought happiness wherever he went. Inspired by his story, our Laughing Buddha collection brings a touch of happiness to your everyday life. It simultaneously reminds us of how simple it can be to make a positive impact on other people’s lives.

Your body. Your soul. Your rituals.
travel@rituals.com | rituals.com
The theme of this year’s ACI EUROPE Airport Commercial & Retail Conference is ‘Sales Solve Everything: The average spend per passenger at Europe’s airports is just €10.38* – surely we can do much better!’ Indeed, in conversation with Airport Business, Patrick Bohl, Head of Retail and Advertising, Budapest Airport and President, ACI EUROPE Commercial Forum, highlights an even more alarming figure: While passenger traffic in Europe showed average growth of 5% in 2016, sales per passenger declined by 5% according to the European Travel Retail Confederation (ETRC) Index.

“This is the time for the industry to come together, and become better at sharing best practice, connecting airports and business partners, and make sure we continue to innovate together to return to the growth path,” says Bohl. “Secondly, I believe that the importance of non-aeronautical revenues is often underrated, both in boardrooms and in national and European parliaments. ACI EUROPE’s strength lies in promoting our interests with policymakers, media and industry bodies, and we need to make sure this is being used to the benefit of travel retail. Just think of it – duty free may be the only industry to benefit from Brexit. We need to make sure we grasp this opportunity.”

Budapest Airport is constantly looking for new revenue opportunities, and commercial revenues have grown steadily in recent years. “By the end of this year, our commercial concessionaires will have made 37% more sales than three years ago, within the existing footprint. An improved category mix, marketing support, airport atmosphere and high passenger satisfaction have all played their part,” Bohl explains.

The Trinity promotions have been notably successful. “Planning ahead requires alignment of airport, retailer, brands and advertising concessionaire, so in our case it’s actually four, not three partners,” says Bohl. “We have recently appointed IAAC Ltd as our new master airport advertiser, and using their exciting new digital media we have kicked off this year’s Trinities together with Gebr. Heinemann and Beam Suntory, involving several testing stages and gifts with purchase. We are working on another 13 promotions of individual brands, in addition to our thematic retail activities focusing on specific categories and events.”

The airport is investing €160 million into its infrastructure over the next three years as part of the bud:2020 development plan, including construction of a 145-room airport hotel, new cargo facilities, a new pier in the non-Schengen area, and a multi-storey car park. “Currently, we are upgrading passenger facilities in Terminal 2B, which has given us the opportunity to make our non-Schengen duty free store ‘walk-through’ and fully refurbish several outlets in the souvenir, jewellery, watches, press & books, and foreign exchange segments,” Bohl comments.

Double-digit growth saw passenger numbers reach 11.4 million in 2016 and that trend has continued into 2017, with monthly passenger traffic growth in the period to end-February almost 15%. Bohl notes that, if the airport maintains this performance, it will need to consider an additional terminal in 2020, including new commercial areas.

Transferring innovative ideas

Alongside his role with Budapest Airport, Bohl is President of the ACI EUROPE Commercial Forum, which is focused on exchanging know-how among its members, identifying new revenue opportunities, and making sure the voice of the travel retail industry is heard where it matters. “Currently, we have task forces on airport cities and real estate development, policy matters, and there are joint meetings with other committees planned, for example to make sure commercial aspects are not forgotten when discussing aviation security. I am aiming to engage more airport members into our work steams and to enable faster transfer of innovative ideas and opinions using a digital members-only platform,” Bohl concludes.
Me and my Paul&Shark.

Tom Strangwick producer

TRAVEL RETAIL CONTACT
catherine.bonelli@paulshark.it
Paul & Shark is a Platinum Sponsor at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition. Ahead of the event, Catherine Bonelli, Worldwide Travel Retail Director, briefed Ross Falconer on the Italian luxury fashion brand’s strategic ambitions in the travel retail channel.

Paul & Shark: ‘We see huge travel retail development potential in Europe’

Travel retail presents huge opportunities for brands to increase visibility, with airports in particular an international stage to reach potential customers. It is a strategically-important channel for Italian luxury lifestyle brand Paul & Shark, which by the end of 2016 had 62 points of sale (POS) in travel retail, and will reach 70 by the end of 2017.

Over the last two years, the brand has experienced strong development in Asia and its attention this year is turning to Europe. “The ACI EUROPE Airport Commercial & Retail Conference & Exhibition is the perfect platform for Paul & Shark to raise its profile among airport authorities and retailers within the region,” says Catherine Bonelli, Worldwide Travel Retail Director, Paul & Shark. “We are, of course, already well-known in this part of the world, but in travel retail terms we still see huge development potential in Europe. The venue this year is perfect for us, as we are opening a superb multi-brand store at the new Nice Terminal 2 this May, which is a perfect example to other airport authorities of what a strong partnership between airport, operator and brand can accomplish.”

Customers at Nice Côte d’Azur Airport can expect a bright assortment, reflecting the local environment. “The location sits perfectly with Paul & Shark’s heritage and inspiration from the sea. The luxury environment and passenger demographic at the airport is totally relevant for us,” Bonelli adds.

Indeed, being a luxury lifestyle brand, Paul & Shark seeks locations and destinations that correspond to this luxury brand environment. The positioning is equally vital – a good visible location in a high traffic area is important as fashion is primarily an impulse purchase. “Once these two points are established then, where space and planning permits, we would study with the airport and operator to find the suitable location and size to perform at the airport,” Bonelli explains. “However, we are also open to shop-in-shops if the synergies are correct.”

This year, Paul & Shark has spent a lot of time analysing each POS result to adjust its assortment accordingly. The focus is on fewer SKU’s for global travel retail, using analysis of passenger buying patterns and preferences to create a much tighter offer highlighting styles and sizes known to work in the channel. “We now spend a great deal of time analysing sales from each of our outlets in travel retail to ensure we can work closely with individual buyers to create the perfect offer for each airport, chosen to reflect the passenger profile and which take into account bestselling styles,” Bonelli comments. “The next season’s collection is particularly innovative, practical, and different, which is something both retailers and passengers are always looking for.”

This innovation extends to offering the consumer something different and exclusive in the airport. Last summer, Paul & Shark partnered with Hong Kong International Airport Authority and Lagardère Services, introducing a bespoke embroidery machine to its boutique to celebrate the new opening. Travellers purchasing a Paul & Shark polo shirt could have their name or slogan embroidered free of charge within just a few minutes, creating a real sense of theatre.

“We are also able to create a point of difference by offering limited editions for a specific airport or retailer,” Bonelli notes. “Again, in Hong Kong we agreed with LATR (Les Accessoires Travel Retail) to offer a limited edition Paul & Shark Hong Kong polo shirt. We are very proud of this flexibility in being able to produce special items for retailers to create a point of difference for the boutique, and to offer travellers something that is unique. Coming up soon is our new ‘Personalise Your Button’ service that will be available for the FW Collection.”

With airport retailers increasingly developing the luxury and premium sectors, Bonelli expects the upward trend to continue, with Europe a key development focus. “We are seeing growth globally as more and more consumers discover the brand – that is where travel retail plays a very important role.”
In summer 2017, we will present our new store in Helsinki

Visit our stores in: Amsterdam, Berlin, Cape Town, Copenhagen, Frankfurt, Gothenburg, Hainan, Johannesburg, Kiev, Munich, Stockholm

www.capi.com
A

irport electronics retailer Capi has experienced a great start to 2017. In January, it won the tender to operate an electronics store at Helsinki Airport. The store opens in May and will further expand Capi’s successful operation in the Nordics. With 20 years of travel retail experience in the region, Capi has acquired a thorough understanding of the Scandinavian market. “We are excited to further strengthen our position in the Nordics with this new store,” enthuses Peter Wiggers, Managing Director, Capi.

Committed to creating globally recognisable electronics stores with a local flavour to fit each specific airport, Capi’s stores have a consistent retail marketing concept. One instance is The Gadget Table which forms the centre of each store and gives travellers the opportunity to find unique gifts and gadgets. Another concept is ‘Sweet Notes’ – small personal messages to remind travellers to buy a present for their loved ones or business relations.

To help guide travellers’ purchasing decisions, Capi has introduced the Travellers Choice concept – a pre-selection of fast-selling, best-reviewed products and the latest innovations. “These wall presentations consist of inspiring lifestyle visuals and a touch & feel presentation to provide customers with an exciting shopping experience,” Wiggers explains.

The company aims to create added-value for travellers by offering exclusive propositions. In March, together with Phillips, Capi installed a pop-up barber-shop at Amsterdam Airport Schiphol. “This led to a valuable proposition for travellers, where we are able to highlight our expertise in cutting-edge commerce,” Wiggers adds. “We will continue to expand our position and presence in and outside Europe with a clear focus on our proven retail marketing concept and expertise.”

Capi’s expertise in ‘cutting-edge commerce’

Mondelez World Travel Retail is a silver sponsor at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition. “Our main expectation from the conference will be to learn about case studies of partnerships between brand owners and retailers that have resulted in increased consumer spend,” comments Andreas Fehr, Managing Director, Mondelez Travel Retail European Exports.

Mondelez boosting confectionery sales with cross-category collaboration

Mondelez WTR is a strong advocate for the travel retail channel and is committed to its long-term growth. Recently, the brand came up with a new strategy to boost confectionery sales by utilising cross-category collaboration, by conducting a study alongside the German company 4Dshopper. “From this research we found that retailers can trigger additional spend by placing a gondola of best-selling chocolate items in the liquor or perfume & cosmetics areas, as shoppers showed interest in buying what we refer to as a ‘top-up’ gift together with a bottle of whisky or perfume,” Fehr explains.

Moreover, in its efforts to drive the industry forward, Mondelez is continuing its ‘Delighting Travelers’ category vision, which represents its belief that confectionery has the power to address key travel retail challenges of low footfall and conversion, and unlock growth. “This is driven by in-depth shopper insights and centred on driving behavioural changes in shoppers that would deliver against three key aims: More Shoppers, More Spend, More Often,” says Fehr.

Based on these insights, Mondelez developed a toolbox of actions, that can trigger positive changes in the shopper behaviour, and is constantly enhancing its shopper insights programme.

Fehr believes that the confectionery category will continue to play an important role in driving airport retail sales. “After all, it is highly impulse driven, which means that with the right in-store executions and promotional campaigns we can grow sales significantly,” he concludes.
DELIVERING STATE OF THE ART FOOD & BEVERAGE SOLUTIONS.

We lead the Food & Beverage market by providing innovative digital solutions along with a brand experience that delivers on expectations. Our deep knowledge of guests builds value for our landlords. Worldwide.

31 countries
1,000 locations
4,000 stores
900 M customers

autogrill.com
hmshost.com
Excess Baggage is an established operator in the UK, offering a wide range of passenger baggage services at airports including London Heathrow, London Gatwick, London Luton, London Stansted and Manchester. Recently, the company has expanded its offer to key European airports, with contracts at Madrid and Barcelona, and later this year, Excess Baggage plans to expand its reach with new developments in other parts of Europe.

In March, the company opened a brand-new state-of-the-art baggage storage and luggage retail unit on the arrivals concourse of Dublin’s Terminal 1. Two further units are due to open in spring 2017 in Dublin T1 departures and in T2’s check-in area. The company has also been successful with bids in Scandinavia, Germany, and the UAE.

Other significant developments include the recent award of the baggage wrapping contract at Madrid-Barajas Airport, together with further wrapping outlets at Heathrow, and a newly launched Shop and Collect service also at Heathrow. Later this year, the company will open dedicated retail leather goods and baggage service outlets both airside and landside at London Luton.

Additionally, Excess Baggage recently launched its www.transferbags.com service at Heathrow, which delivers travellers’ baggage from their hotel or residence to Excess Baggage storage facilities on the concourse of each of Heathrow’s terminals.

The company is exhibiting at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition (stand 9), where it will demonstrate its wide range of baggage and passenger services which, apart from improving concession fees, are designed to save airports space and management time through the consolidation of services.

Autogrill Group is a corporate sponsor at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition. Ezio Balarini, Chief Marketing Officer, Autogrill Group, is delivering the defining presentation in the Fourth Working Session ‘Is F&B both underperforming but, at the same time, the great hope for the future?’. He will present Autogrill Group’s vision “that airports’ restaurants will move even more towards the ultimate offer – a true and meaningful experience for our guests, driven by engagement with them and trueeness in all we propose to them, taking care, of course, of sustainability issues, both environmental and for our business.”

The airport channel is one of the most important for Autogrill Group, and today the company operates in 150 airports worldwide. Its main focus is to create an overall experience, with its airport offerings having a real sense of place.

Autogrill Group recently partnered with Aeroporti di Roma to launch Assaggio Taste of Wine at Rome Fiumicino Airport. This is a unique concept that takes travellers on a tour of the finest wines from Italy’s regions. It is a wine and fish bar where travellers can enjoy offerings overseen by Michelin star chef Cristina Bowerman, who has designed three of the recipes on the menu.

Autogrill Group recognises the emerging need for digital services, and has introduced tools to provide customers with on-demand services to deliver customer experience and satisfaction. For instance, in some US and European locations, Autogrill Group has introduced digital kiosks for pre-ordering, and in the US other tools such as Kallpod – a system which notifies staff when customers are ready to pay or order.

“Our main ambitions are to be the leader of our industry and to be able to propose different restaurant formats with our own or partnered brands, covering all the needs and tastes of travellers while respecting their food traditions and valuing local cultures,” says Balarini.
56% of duty free shoppers buy from a single category only.

CONFECTIONERY
- Is the most impulse category.
- Helps to increase basket size.

Source: M1nd-set Travel Retail Research, 2016 (18,000 interviews)
Coindrum partners with Lagardère in Venice

Lukas Decker, CEO Coindrum, with Matteo Micelli, Lagardère’s Operations Manager in Venice, during the launch ceremony for the new installation at Venice Marco Polo Airport.

Launched in 2014, Coindrum’s innovative solution is now gaining increasing visibility in airports around the world. The Dublin-based company, which turns departing passengers’ leftover coins into higher value travel retail vouchers, achieved unprecedented growth in 2016, adding six new airports to its footprint, including Berlin, Brussels, Milan, Faro, and Venice. “We are doubling our staff numbers to meet demand and are financially backed by the founders of Ryanair, Hostelworld and CarTrailer, as well as the Irish Government,” comments Lukas Decker, CEO Coindrum.

At the beginning of 2017, Coindrum launched a new installation at Venice Marco Polo Airport in partnership with Lagardère Travel Retail. It became the second Coindrum airport in the Italian market, following its recent launch in Milan with Dufry. Lagardère Travel Retail already partners with Coindrum in Belfast, joining other retail partners Dufry, Heinemann, Aer Rianta International, International Duty Free, and Lojas Francas de Portugal in adopting the service.

Indeed, the Coindrum solution aims to address the inconvenience and waste of leftover coins, while also driving spend to retailer tills. “Our service offers a retail category growth opportunity from 0.4sqm of space. We make non-spenders spend and thus significantly and measurably drive sales,” says Decker.

The company’s track record shows that passengers outspend their vouchers by a multiple of ten at the tills, providing an attractive revenue growth opportunity for the retailer. “Coindrum is fast becoming a brand that passengers recognise to offer a convenient service that essentially buys their coins for more than they are worth,” Decker adds. “An unbeatable value proposition that also offers a category growth opportunity to airport retail.”

Airparking ‘able to deliver a step-change in revenue’

IDeaS is exhibiting at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition in Nice, where it is looking forward to sharing with delegates how the car parking business can contribute to the successful growth of European airport commercial revenue.

“When it comes to non-aeronautical revenues, parking is a significant contributor and focus. With relatively low-risk investment, it is able to deliver a step-change in revenue very quickly,” explains Pauline Oliver, Business Development Manager, IDeaS.

Car park revenue can provide a significant contribution to an airport’s overall financial success. Auckland Airport is a perfect example of a car parking business utilising automated revenue management for its online channel. With the IDeaS Car Park Revenue Management System, Auckland Airport optimises the revenue for more than 8,500 short and long-term car park spaces. This has empowered the airport to more accurately price and forecast its facilities to maximise revenue.

“IDeaS forms partnerships with our clients for long-term success and growth. Our first car park client, Heathrow Airport, is still a committed partner after 12 years, as it continues on its revenue management journey,” says Oliver.

Also employing the IDeaS Car Park Revenue Management Solution in 2016 were airports in Australia, New Zealand, North America and Europe, showing the airport industry is eager to incorporate data science and analytics into the way it prices parking. “We expect this growth to continue in 2017 with a particular enthusiasm for system adoption in Europe,” Oliver adds.

IDeaS continues to work closely with the industry to create awareness and understanding of the core principles of revenue management. “Working with our clients to ensure we are available to share our experience and vision is key. Just as valuable, IDeaS is driven to ensure every client is successful and achieving their revenue goals,” Oliver concludes.
Three great brands, one global car hire solution.

Providing choice for travellers and our business partners is a major part of our commitment. That’s why you’ll find our car rental brands at airports, train stations and in local neighbourhoods where they need us most. With a combined network of 9,600 locations, across 85 markets, including more than 200 airports in Europe, we’re dedicated to delivering outstanding customer service across the world.

To find out more about our brands, contact us on +44 178 449 4586.
The Second Working Session in this year’s ACI EUROPE Airport Commercial & Retail Conference is entitled ‘Less is more: Are some key profit centres, under-appreciated and worryingly over-exploited by over-ambitious concession targets?’

James Ware, General Manager/Vice President, France, Enterprise Holdings, is participating in the session. He will emphasise how focusing on passenger needs and the overall passenger experience results in revenue enhancement and increased mode share.

Indeed, Enterprise Holdings’ main priority is to ensure the best possible customer experience. The company measures its customer service continuously, using the Service Quality Index (SQI) as the benchmark for every branch in its network. The SQI is based on monthly customer surveys that drill down to whether customers were completely satisfied with the service, and then derives a score for each branch. “It means that we can offer support to branches that may need more help, and identify best practice that we can share across our network,” says Ware.

Enterprise Holdings recognises that “service means different things to different people.” Its three car rental brands – Alamo, Enterprise and National – enable the company to provide three very individual types of experience. In Europe, customers of National who are members of the Emerald Club loyalty programme can take advantage of a Priority Service. Those customers get a travel alert outlining the process of bypassing the rental counter and queues entirely.

The company’s rapid expansion programme has seen it grow from one franchise partner in EMEA in 2013 to more than 40 in 2017. “We’re continuing to develop our global network, as well as a number of specific service enhancements that have seen excellent response from our customers. Overall, we are looking at how we can continue to integrate our services to increase customer options,” Ware adds.

Airmagine: Shifting perceptions of digital advertising

In 2015, Airmagine, a leader in intelligent digital airport advertising, created the world’s first fully digitalised airport advertisement platform at Copenhagen Airport. “Copenhagen was the first airport to go fully digital,” explains Asger Flygare Bech-Thomsen, Chairman, Airmagine. “So in that sense it was a bold and successful experiment.”

Today, around 30,000 commercial spots are shown every day on more than 169 screens around the airport, driven by sophisticated playlists. “Copenhagen Airport took a bold and successful decision,” adds Bech-Thomsen. “Our experience there proves that digital advertising is no longer the future for airport advertising, it has arrived, and now it’s time for others to catch up.”

Media revenue has grown by double-digits during the two years Airmagine has been present at Copenhagen Airport – by 11% in the first year and 19% in the second. “We’re proud because that’s against a background of stagnating revenue generally in the outdoor market,” says Bech-Thomsen.

In December 2016, Copenhagen Airport announced the launch of its terminal expansion plans. This is expected to lead to new opportunities for Airmagine. “More passengers mean more opportunities for advertisers to reach consumers with targeted content. We’ll create more screens and that will mean the opportunity for more customer exposure. We know customers enjoy the experience of Copenhagen Airport, and our digital screens are a seamless part of that experience,” Bech-Thomsen explains.

Airmagine is exhibiting at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition in Nice (stand 45) as part of its plans to expand in the European market by demonstrating the cost benefits, reliability and elegance of digital advertising. “We have discovered there are a lot of myths out there about digital advertising and we see knocking down those myths as our mission,” Bech-Thomsen concludes.

Enhancing customer experience to increase revenue

The Second Working Session in this year’s ACI EUROPE Airport Commercial & Retail Conference is entitled ‘Less is more: Are some key profit centres, under-appreciated and worryingly over-exploited by over-ambitious concession targets?’

James Ware, General Manager/Vice President, France, Enterprise Holdings, is participating in the session. He will emphasise how focusing on passenger needs and the overall passenger experience results in revenue enhancement and increased mode share.

Indeed, Enterprise Holdings’ main priority is to ensure the best possible customer experience. The company measures its customer service continuously, using the Service Quality Index (SQI) as the benchmark for every branch in its network. The SQI is based on monthly customer surveys that drill down to whether customers were completely satisfied with the service, and then derives a score for each branch. “It means that we can offer support to branches that may need more help, and identify best practice that we can share across our network,” says Ware.

Enterprise Holdings recognises that “service means different things to different people.” Its three car rental brands – Alamo, Enterprise and National – enable the company to provide three very individual types of experience. In Europe, customers of National who are members of the Emerald Club loyalty programme can take advantage of a Priority Service. Those customers get a travel alert outlining the process of bypassing the rental counter and queues entirely.

The company’s rapid expansion programme has seen it grow from one franchise partner in EMEA in 2013 to more than 40 in 2017. “We’re continuing to develop our global network, as well as a number of specific service enhancements that have seen excellent response from our customers. Overall, we are looking at how we can continue to integrate our services to increase customer options,” Ware adds.
Every opportunity to increase non-aeronautical revenue matters, and this all begins with the passengers spending in the car park. Elevate the revenue performance of your car park facility with IDeaS Revenue Solutions - the leading global provider of automated revenue management.

Transforming how car park businesses manage pricing decisions, IDeaS innovation empowers you to forecast demand, dynamically price and optimize your parking revenue for exceptional results.

Learn more today at ideas.com
Rituals continuing airport retail expansion

In 2016, Rituals enjoyed considerable shop presence growth with new outlets at airports including Edinburgh, London Gatwick, and Manchester. “We have enjoyed considerable success in all our travel retail business channels over the past six months or so, not least in airports, but also onboard cruise ships and ferry lines, all of which taken together accounts for 65% of our sales in travel retail,” enthuses Neil Ebbutt, Director Wholesale, Rituals Cosmetics.

When it comes to travel retail in airports, the luxurious home & body cosmetics brand has a flexible business model that means it can partner with duty free retailers as a wholesale supplier for shop-in-shop fixtures, as well as deliver Rituals branded standalone airport shops.

‘Expansion of our airport standalone portfolio is very much a priority for us,’ Ebbutt explains. Rituals currently has a strong presence at Amsterdam Airport Schiphol with two airside shops in T1 and T3, and a third landside. The brand also has stores at London Stansted, Stockholm Arlanda, and Zurich airports, and it recently opened standalone shops at both Vienna Airport, managed by Welcome Trading, and Eindhoven Airport, managed by Lagardère Travel Retail.

“The great advantage of a standalone shop is the extra space it gives us to offer a very much wider range of products, and to create opportunities for experiential engagement with them,” says Ebbutt. Indeed, the brand’s stores at Schiphol are the perfect place for travellers, with each having a spa attached.

Looking ahead, Rituals is determined to continue its success in the future. “Rituals’ ambition is to build a global lifestyle brand and our global distribution strategy covers direct retail, wholesale, online and travel retail,” Ebbutt concludes.

Neil Ebbutt, Director Wholesale, Rituals Cosmetics: “Our travel retail business acts as a highly effective shop window to fast forward international status and awareness for our brand, and an important accelerator of our overall geographic expansion.”

Already proven. Always innovating.

Pioneers of next-generation parking guidance with installations in 25 countries. Including field-proven sites throughout Europe.

M4 Smart-Sensor
The patent-pending camera based system that put us ahead of the curve. This sensor-with-a-brain redefined what a parking guidance system can do.

Park Finder™
Our breakthrough Find Your Car™ feature helps parkers to locate their vehicles by simply typing their license plate number at a touchscreen kiosk.

L4 Lightpipe-Sensor
Leading-edge LED lighting meets next-generation guidance. Modular lightpipes provide glare-free, lumen-rich lighting for increased efficiency and sustainability.

Park Vision™
The M4 and L4 smart-sensors both capture streaming video whenever motion is detected in a space. Or continuously if desired. Heightening security and safety.

EU@parkassist.com
www.parkassist.com

+31(0)88 00 21 410

Pioneers of next-gen parking guidance with installations in 25 countries. Including field-proven sites throughout Europe.
Martin Gauss, CEO airBaltic, interviewed by Ross Falconer.

airBaltic expanding horizons: CS300 boosting Baltic connectivity

Last year was the first in airBaltic’s five-year Horizon 2021 business plan, put in place after the airline completed its turnaround programme and returned to profitability in 2013. Indeed, airBaltic today is in its strongest-ever position. 2016 saw 10% growth to 2.9 million passengers, and already 13 new routes have been announced for the 2017 summer season. Martin Gauss joined airBaltic as CEO in November 2011. He has over 25 years’ experience in the airline industry, and his leadership has driven airBaltic’s turnaround. “Our plan is robust and sets out a clear growth path for airBaltic,” he says. “We have a very focused management team to execute it, hence the success last year, and we expect more ambitious growth this year.”

The airline is a vital piece of transport infrastructure for the Baltic region. With its main base at Riga, and additional bases at Tallinn and Vilnius, it provides connectivity for the six million Baltic citizens to key business and leisure markets. To paint the full picture, there are few travel alternatives – no rail or motorway connections to Europe, and limited opportunities by sea – so air connectivity is essential.

“Our Horizon 2021 business plan sets out a concept that the entire world should be accessible with one stop,” Gauss explains. “Abu Dhabi and Madrid, in particular, are vital hubs to connect to South East Asia and South America. Etihad Airways and Iberia are home carriers at these airports and belong to our family of valuable codeshare partners. This cooperation further strengthens our service and enables our travellers to reach key airports with just one stop.”

Martin Gauss, CEO airBaltic, interviewed by Ross Falconer.

airBaltic factbox

2016 passenger numbers: 2.9 million (+10%) 2016 load factor: 74% (+3%) 2017 passenger growth (year-to-date): 18%

Top 3 bases: Riga (60+ routes), Tallinn (10+), Vilnius (10+)

Fleet: 25 aircraft
- 2 Bombardier CS300s (18 more on order)
- 5 Boeing 737-500s
- 6 Boeing 737-300s
- 12 Bombardier Q400 NextGens

Last year was the first in airBaltic’s five-year Horizon 2021 business plan, put in place after the airline completed its turnaround programme and returned to profitability in 2013. Indeed, airBaltic today is in its strongest-ever position. 2016 saw 10% growth to 2.9 million passengers, and already 13 new routes have been announced for the 2017 summer season.

Martin Gauss joined airBaltic as CEO in November 2011. He has over 25 years’ experience in the airline industry, and his leadership has driven airBaltic’s turnaround. “Our plan is robust and sets out a clear growth path for airBaltic,” he says. “We have a very focused management team to execute it, hence the success last year, and we expect more ambitious growth this year.”

The airline is a vital piece of transport infrastructure for the Baltic region. With its main base at Riga, and additional bases at Tallinn and Vilnius, it provides connectivity for the six million Baltic citizens to key business and leisure markets. To paint the full picture, there are few travel alternatives – no rail or motorway connections to Europe, and limited opportunities by sea – so air connectivity is essential.

“Our Horizon 2021 business plan sets out a concept that the entire world should be accessible with one stop,” Gauss explains. “Abu Dhabi and Madrid, in particular, are vital hubs to connect to South East Asia and South America. Etihad Airways and Iberia are home carriers at these airports and belong to our family of valuable codeshare partners. This cooperation further strengthens our service and enables our travellers to reach key airports with just one stop.”
airBaltic’s 13 new routes

**From Riga:**
- Aberdeen (launching 2 May)
- Abu Dhabi (29 October)
- Catania (4 May)
- Geneva (4 May)
- Gothenburg (1 June)
- Kazan (26 April)
- Liepaja (16 May)
- Madrid (26 May)
- Odessa (26 March)
- Stavanger (2 May)
- Tampere (26 March)

**From Vilnius:**
- Munich (27 March)
- Paris CDG (26 March)

CS300 facilitates 13 new routes

Significantly, in terms of its network expansion, airBaltic is the launch customer for the new Bombardier CS300. It has 20 on order, with two already delivered, and the first commercial flight last December was a service from Riga to Amsterdam. airBaltic is operating the CS300 in a 145-seat, two-class configuration on routes including Barcelona, Frankfurt, Helsinki, Munich, Rome and Tallinn.

As part of the airline’s fleet modernisation strategy, the CS300s will replace its 11 Boeing 737s. It plans to have eight in service by peak summer season this year, then take delivery of six more in 2018, and the final six in 2019. “Our 13 new routes are a direct result of having this state-of-the-art jet,” Gauss comments.

“The economics enable us to open longer, thinner routes, and do so at a lower cost. It flies higher and faster, and burns less fuel, so everything changes. The addition of new and larger planes also means that we can offer 15% more tickets this year, as the number of available seats increases, additional flights to European airports are introduced, and high-demand cities like Copenhagen get an upgrade from turboprop to jet aircraft.”

Meanwhile, replacement of the Bombardier Q400 fleet will take place in five-and-a-half to six years, when they are returned to the lessor. “Over the period of a year, all 12 Q400s need to be replaced, so we can either extend or get a new lease,” Gauss explains. “We will have to decide which aircraft will sit below the CS300, because it’s a big jump from 76 to 145 seats. I can see us replacing the 76-seaters with 100-seaters six years from now and, therefore, the CS100 is the logical decision, but this depends on us fulfilling the business plan and our new shareholder, which will most likely be a bigger airline.”

Reinforcing Baltic market position

The Horizon 2021 business plan will deliver a new type of travel experience for airBaltic’s customers over the next five years, as the airline continues to grow and delivers more connectivity to Latvia, Estonia and Lithuania. While its main base at Riga has 60+ routes, the Tallinn and Vilnius bases will have more than 10 direct flights each within the next five years as part of the Horizon 2021 plan, in combination with transfers via Riga. “This way we offer unmatched service into and out of the Baltics, and this reinforces our position in this market. We will continue our success story of growing profitably, and we will make every effort to find a new strategic partner who is a good fit and interested in maintaining airBaltic’s role as a key infrastructure element for the Baltic region,” Gauss concludes.

Launch operator airBaltic took delivery of its first Bombardier CS300 in November 2016. “With its longer range capabilities, lower fuel burn and reduced noise emissions compared to other airliners in its segment, the CS300 will enable airBaltic to open new routes and connect people all across Europe, while offering passengers an unparalleled inflight experience,” explains Martin Gauss, CEO airBaltic.
AN INFINITE NUMBER OF REASONS TO PUT YOUR TRUST IN US.

More than 30 major airlines offering 140 destinations Non-Stop from Montréal.

Why? Our leading-edge technology, our full support for carriers and our high customer and personnel satisfaction rate make Montréal a destination of choice.

Visit admtl.com to find out more.
Making airport processes ‘easier, more efficient and more comfortable for passengers’

An interview with Michael Tan, President & Chairman of the Board, Scarabee Aviation Group. By Ross Falconer.

Today’s travellers demand empowerment at every stage of their journey, from booking online through to self-service check-in, bag drop and boarding. Progressive airports are responding by focusing on potential pinch-points along the passenger journey, transforming the airport experience with streamlined, efficient processes.

A passion for technology is at the heart of Scarabee Aviation Group’s approach to future-proofing these processes at airports around the world. Indeed, the company is an innovation accelerator. Its new security checkpoint solution at Cologne Bonn Airport combines state-of-the-art technology with functionality and ergonomics to form a holistic concept. Michael Tan, President & Chairman of the Board, Scarabee Aviation Group, explains that “with a constantly high level of safety, the control process is to be made easier, more efficient and more comfortable for both passengers and staff.”

Existing procedures were analysed by the Federal Ministry of the Interior and the Federal Association of the German Air Transport Industry in close cooperation with partners including the Federal Police, Cologne Bonn Airport, Lufthansa Group, and Scarabee Aviation Group.

“The checkpoint follows the principle that passengers can always go through the control process at their own pace, without impeding or limiting themselves,” says Tan. “It makes the security process clearer and calmer for both passengers and staff.”

Commenting on the new security checkpoint solution at Cologne Bonn Airport, Michael Tan, President & Chairman of the Board, Scarabee Aviation Group, explains that “with a constantly high level of safety, the control process is to be made easier, more efficient and more comfortable for both passengers and staff.”

“A preparation area provides a new space for passengers to get their belongings ready for screening, and an automated tray handling system streamlines the process through X-rays and security scanners where required,” Tan comments. “It creates a more attractive and comfortable environment, and helps remove some of the stress sometimes associated with air travel.”

Meanwhile, O.R. Tambo International is the first African airport to implement a Smart Security checkpoint, offering passengers a new security experience founded on the South African values of ‘Ubuntu.’ The new checkpoint is part of Airports Company South Africa’s 2025 vision to provide sustainable airport management solutions. “Aiming to implement solutions that extend well beyond current check-in, baggage drop-off and boarding systems, the new security checkpoint empowers the vision to deliver great customer experience and foster growth and innovation,” says Tan. “There is a strong invisible bond between all of us through our humanity. This South African Ubuntu philosophy is carried throughout the vision of the new security checkpoint. It will offer departing international passengers a cultural connection with South Africa while passing through security, and a strong business case that will display a human-centred mentality, merging culture with airport design.”

Taking an airport process ‘out of the airport’

Removing complexity from the baggage process is another way in which airports are enhancing the traveller experience. The Taiwanese Government has built a new rail link between downtown Taipei and the airport. As part of this, Scarabee has introduced a bag-drop-off process to Taipei Taoyuan train station, with six bag drop units. Tan explains that passenger comfort is a priority and that the installation will “shape the connectivity of city and airport for passengers and baggage.” It is a good example of remote, off-airport processing, in which EVA Air and China Airlines are participating.

Meanwhile, a common use, self-service bag drop operation will soon open at Tokyo Narita Airport and subsequently extend to two additional Japanese airports.

“I would encourage the co-creation approach this year. I’d hope airports that have launched these new initiatives will share the results with each other, expediting further developments,” Tan concludes.
Vanderlande is the global market leader for value-added logistic process automation at airports. Vanderlande’s baggage handling systems move 3.2 billion pieces of luggage around the world per year, in other words 8.8 million per day. Its systems are active in 600 airports including 14 of the world’s top 20.

Taking passenger experience into consideration, airport operators must find a perfect balance between offering travellers stress-free, relaxing journeys combined with expedient and swift movement through checkpoints. Vanderlande offers the SCANNOJET automated passenger checkpoint – designed to increase security, reduce costs and offer an improved passenger experience.
Avian Safe, a UK based Wildlife Management Services Company, can help you ensure that the risk from bird strikes is reduced to an absolute minimum. We can train your staff, set up wildlife control units and carry out ICAO approved 13km surveys.

We offer tailored independent advice related to bird migration routes, wildlife attractants and prevention methods. Avian Safe has a team of experts ready to assist your airport - we have assisted 86 airports worldwide since 1999.

Avian Safe can help make your bird problems fly away....

Have you done everything you can to prevent a bird strike?

UK Civil Aviation Authority (CAA) recognised
Wildlife Hazard Management Training
Wildlife Hazard Management Proficiency Checks
Wildlife Strike Hazard Reduction Surveys
ICAO 13 km Wildlife Hazard Surveys
Wildlife Hazard Management Plans

A member of the
SafeSkys
group of Companies

For further information please call:
email: info@aviansafe.co.uk
Vienna building on record traffic with expansion and modernisation

Vienna Airport set three traffic records in 2016: its busiest day (16 September) and best month ever (July), as well as surpassing 23 million annual passengers for the first time in its history.

“Despite the geopolitical crisis situations, such as in Turkey and Russia, higher passenger volumes, especially with low-cost carriers such as Eurowings and easyJet and good development in long-haul services, led to a record year at Vienna Airport,” explains Julian Jäger, Member of the Management Board, Vienna Airport.

He is optimistic about the outlook for 2017, forecasting an increase in passenger traffic of up to 2%. Initial growth impetus is expected to be provided by new Austrian Airlines services to Los Angeles, Mahé, Burgas, and Gothenburg; 19 destinations offered by Eurowings; and expanded frequencies and new routes from Volotea, Flybe/Stobart Air, Germania, S7 Airlines, and SunExpress. Meanwhile, in January, China Airlines became the first carrier to offer scheduled A350 services to Vienna.

“We keep focusing on expanding new long-haul routes, as well as the low-cost segment,” Jäger adds.

Terminal expansion and modernisation is underway to accommodate continued growth. “We are following a quality-oriented strategy for increasing passenger comfort, creating a central security area spanning different terminals and expanding the shopping and food & beverage offering,” Jäger comments.

The airport will be redeveloping the oldest building sections – Pier East and Terminal 2 – to encompass new functions, including a central security area for the B, C and D gates. In addition, a new building will be constructed at the southern side of Terminal 3. This will create up to 10,000sqm of additional space for retail and F&B.

Free WiFi is central to the offer, while the airport’s website features a responsive design and is compatible with all devices, and its mobile app contains all relevant airport information for passengers. Vienna Airport is also proactive on social media channels, including Facebook (75,000 likes), Twitter, and YouTube.

Sustainability and reduced energy consumption

This year, the airport is investing €16 million to expand its air cargo centre by 15,000sqm – a project including one of Austria’s largest rooftop photovoltaic facilities. Indeed, Günther Ofner, Member of the Management Board, Vienna Airport, explains that “sustainability and reducing energy consumption are key corporate objectives.”

Vienna Airport is accredited at Level 2 Reduction of ACI’s Airport Carbon Accreditation and is working towards Level 3 Optimisation.

The new rooftop photovoltaic plant is designed to double existing capacity. Last year, two photovoltaic systems were installed on the roof of a hangar and the roof of an equipment hall.

“The expansion is part of the sustainability strategy of Vienna Airport,” says Ofner. “The construction of this additional photovoltaic facility is an integral part of the sustainability strategy of Vienna Airport and will involve investment of about €1 million.”

Looking ahead, the airport expects continued traffic growth in both the long-haul and low-cost segments, and the priority is to accommodate this with modernised facilities. “Moreover, we will take further steps to enhance the attractiveness of the Airport City and the entire airport region by implementing new office spaces, and will also keep on taking care of environmental management,” Ofner concludes.
ACI EUROPE
Airport Traffic Analyser

the latest airport traffic
...at your fingertips

Register for free now at:

www.aci-europe.org/trafficapp
2017 is shaping up to be another positive year for Cork Airport with forecast passenger growth of 5%. Niall MacCarthy, Managing Director, Cork Airport, updates Marta Dimitrova on the airport’s attractive new routes, €4 million investment programme and improved passenger experience.

Cork Airport ‘cementing new transatlantic connectivity’

Uniquely positioned at the start of both the Wild Atlantic Way and Ireland’s Ancient East, Cork Airport will host this year’s ACI EUROPE Regional Airports Conference & Exhibition in May. Delegates will be treated to a unique gastronomic experience in the culinary capital of Ireland. “We have been working hard on putting together a great schedule of events over the few days of the conference, including a very lively Welcome Reception at the Jameson Distillery in Midleton in County Cork,” reveals Niall MacCarthy, Managing Director, Cork Airport.

2016 was a positive year for Ireland’s second-largest airport, with passenger growth of 8% coming on the back of a year that saw a positive reverse in its fortunes. This success is mainly driven by the efforts the airport has put into attracting new routes. Last year, Cork added nine new services, as well as three new airlines, including Düsseldorf with Aer Lingus, Cardiff with Flybe, and Madrid with Iberia Express. Additionally, new routes to La Rochelle and Nantes with CityJet will launch over the summer season. “We now have the best connectivity of any airport in the Republic of Ireland outside of Dublin,” MacCarthy enthuses. “2017 is shaping up to be another positive year with predicted passenger growth of 5%. We have already seen passenger growth in the first two months and we expect this to increase further as new routes come online.”

WOW air will start services from 19 May to nine cities across the US and Canada, via Reykjavik. Meanwhile, in early June, SWISS will launch a new direct service to Zurich, and Volotea will introduce its planned Verona service. One of the most important achievements so far in 2017 is the launch of the airport’s long-held ambition to gain access to the US with a new route to Boston operated by Norwegian, which will launch on 1 July. “The new route to Boston is fantastic for tourism and trade on both sides of the Atlantic,” says MacCarthy. “For the coming year the airport’s focus is on potential new routes from Central Europe and on cementing our new transatlantic connectivity, as well as meeting with potential airline partners about growth in targeted markets.”

Cork Airport provides a comprehensive support scheme for new long and short-haul routes, alongside generous marketing support. “As well as providing incentives to new airlines, we also work closely with our key regional stakeholders, both tourism and business, to provide on-the-ground data on the potential demands for new services,” MacCarthy adds.

€4m capital investment programme

The airport is currently undergoing a €4 million capital investment programme. The biggest changes will be in the food & beverage outlets in the departures lounge due to open in May, including the new food court, Food Republic, which will replace the previous outlet, a new landside Kinsale Café Bar on the arrivals concourse, a new bistro bar – Craft Lane – in the departures, while a new premium coffee outlet with AMT Coffee will open soon.

Other projects benefiting from the €4 million investment include an additional passenger security screening channel. The fifth security lane will open in time for the busy summer season and will alleviate pressure during peak travel periods. Later this year, Cork Airport will also be upgrading its Executive Lounge.

Cork Airport factbox

2016: 2.23 million passengers
2016 PASSENGER TRAFFIC GROWTH: 8%
2017 PASSENGER TRAFFIC GROWTH (JAN/FEB): 5%
KEY AIRLINE CUSTOMERS: Aer Lingus, Ryanair, Stobart Air, Flybe, Iberia Express, WOW air, Norwegian, Swiss, Volotea
NUMBER OF ROUTES: 35+ (summer season) 20+ (winter season)
TOP 5 DESTINATIONS: London, Amsterdam, Faro, Málaga, Paris
The overall passenger experience at Cork is something the airport hopes truly sets it apart. “We believe that the travelling public's journey starts here at the airport, so we try to ensure it is an enjoyable one,” says Niall MacCarthy, Managing Director, Cork Airport.

The airport uses technology, which provides real-time information and the ability to analyse historic data to provide accurate detail in relation to queue times, which can also be communicated to passengers. Moreover, MacCarthy explains, improvement of the food & beverage offering and enhancement of the passenger security screening area will help increase spend in the airport’s retail partner, The Loop.

“Thanks to our passenger growth, we have seen our revenues increase across our car parks, as well as increased demand for advertising,” he notes. “Our car hire partners have also seen a favourable bounce in their business thanks to the new routes, as well as an improvement in the ratio of inbound traffic.”

Considering the significance of the new transatlantic services with WOW air via Reykjavik, and directly to Boston with Norwegian, the airport’s main priorities during 2017 and beyond are to support these new routes to ensure their success. “Our target for the year is to further grow our passenger numbers by 4-5%. Given the growth we have already experienced since January, we are on track to achieve this, which would be fantastic for Cork Airport,” MacCarthy concludes.
183 accredited airports

21 in North America

117 in Europe

36 in Asia-Pacific

4 in Latin America & Caribbean

5 in Africa

Welcoming 2.5 billion passengers per year.

In 54 countries across the world.

Or 37.3% of global air passenger traffic.

Visit our interactive results website www.airportCO2.org
Find out why
the world’s best airports are part of
the Airport Service Quality programme

Excellent customer service, excellent airports

For more information on how to join the ASQ network,
contact the ASQ team:

+1 514 373 1200  aciasq@aci.aero  http://www.aci.aero/
Airport-Service-Quality  @ACI_ASQ

*Airport code sizes are based upon Director General’s Roll of Excellence inductees and ASQ Award winners since 2006
**The ASQ Awards are provided based upon the top three mean scores on overall satisfaction from the ASQ Survey
Rhône-Alpes is Europe’s sixth-strongest economic region, with a GDP of €240 billion. While known for its popularity as a leisure destination for skiing, it is also a hub for high-tech industries, notably nanotechnology and biotechnology – Polygone Scientifique and Schneider Electric are just two of the companies with major bases in Rhône-Alpes.

Aéroports de Lyon is a catalyst for further growth in the region, with an annual economic impact of €2.5 billion. It is continuing a strong upward trajectory under the new ownership of the VINCI Airports-led consortium, which acquired a 60% stake last November. Passenger numbers at Lyon-Saint Exupéry grew by 10% to a record 9.5 million in 2016, largely driven by a 12.5% increase in international traffic, making it the fourth-busiest airport in France. Significantly, the 20 new destinations launched included Moscow, operated by Aeroflot, and Montréal, operated by Air Canada (both introduced in June 2016).

The region’s capital Lyon (pop. 2.2 million) is the second-largest metropolitan area in France after Paris, and the goal is for Lyon-Saint Exupéry to become France’s second-busiest airport and main access point to the south-east of the country. “Construction of the new ‘Future Terminal 1’ is key towards achieving this goal and further improving the region’s standing both nationally and internationally,” says Guilhem Piat, Project Manager, Aéroports de Lyon.

The €215 million, 70,000sqm ‘Future Terminal 1’ will allow the airport to welcome 15 million annual passengers by 2020. Construction of Phase A will be complete in 2018, providing an initial 53,000sqm and a capacity of 13 million. Phase B will then see demolition of the old Terminal 3, connection between the new terminal and the current Terminal 1, and a 23,000sqm refit of T1.

“The project came into being for four main reasons,” Piat explains. “We wanted to increase the airport’s capacity, improve operational performance, enhance quality of service by further complying with international standards, and continue developing non-aeronautical revenues. We strongly believe that the project will be able to fulfil these goals and propel Aéroports de Lyon to a new level.”

Aéroports de Lyon’s ongoing investment plan is designed to deliver improved connectivity and passenger experience, with a mind-set firmly focused on innovation. Guilhem Piat, Project Manager, explains the ‘Future Terminal 1’ development at Lyon-Saint Exupéry Airport to Ross Falconer.
Save the date!

EUROPEAN AIRPORTS:
A NEW ERA OF ENGAGEMENT & DIGITAL INNOVATION

May 15-17, 2017

Contacts

Programme
Danielle Michel
+32 (0)2 5520978
danielle.michel@aci-europe.org

Sponsorship & Exhibition
Ellis Owen
+44 (0)208 274 1540
ellis@aviationmedia.aero

Jonathan Lee
+44 (0)208 707 2743
jonathan@aviationmedia.aero

Programme available online
www.aci-europe-rac.com
**A beacon of digital innovation**

"Future Terminal 1" will have a 10,000sqm shopping area at its heart. The rich and diverse retail experience will include 22 shops and a 1,400sqm duty-free area. To fully grasp what passengers want, Aéroports de Lyon interviewed over 1,000 travellers. "This is why the commercial outlets in the new terminal will not only satisfy international standards, but also promote Lyon’s territorial and cultural heritage by including boutiques and restaurants such as Le Café Confluences, Alpages and Les Délices de Lyon," Piat comments. "Innovative and original shops and services, such as Fedon, Looping, and Mademoiselle Vernis, as well as pop-up stores, will also be put in place."

Aéroports de Lyon is embracing digital engagement with travelling consumers. It is proactive on social media, and has 134,000 ‘likes’ on Facebook and 8,000 followers on Twitter. Beacons will be installed in the ‘Future Terminal 1’ for better interaction with those passengers who have installed the new Aéroports de Lyon smartphone app.

"In terms of new technology, we will build on our shop & collect system already in place in Terminal 2 and install it in the ‘Future Terminal 1’,” Piat adds. "The system allows passengers to buy their items on the first leg of their journey and pick them up on the way back. The item is secured in an electronic locker located on the arrival route and can be opened through an access code sent to the passenger’s smartphone."

**A controlled environmental impact**

Aéroports de Lyon is committed to environmental sustainability and is accredited at Level 3 Optimisation of ACI’s Airport Carbon Accreditation. A project on the scale of the ‘Future Terminal 1’ naturally has to be undertaken with a keen awareness of the potential environmental impact. "The project takes place in a contained area, which means that the end result is a perfectly-optimised project in terms of economic and social plans, with a controlled environmental impact and low consumption of space," says Piat. "In addition, Aéroports de Lyon decided to adopt a sustainable development initiative for the building, with the aim of obtaining High Environmental Quality (HEQ) certification. The main challenges of this initiative are to control the impacts of the building on the external environment, to create a comfortable and safe environment for its users, and to preserve natural resources or optimise their use. So far the ‘Design Phase’ certification has been obtained."

Energy management is achieved through high-performance equipment and systems, while the new terminal project is also efficient in terms of water management, with a rainwater recovery system in place. Constant improvement of services and developing creative new ideas are indicative of Aéroports de Lyon’s strategy, and the ‘Future Terminal 1’ is a concrete showcase of how innovation is truly at the heart of its operations.
Recognising progressive ideas in action
transforming airport performance and reputations

INNOVATION SHOWCASE

F&B pre-ordering via app

Helsinki Airport offers mobile devices have technologies and self-service bag drop, however, haven’t transformed the check-in process. Faster methods to hand over luggage, such as self-service bag drop, certainly address the “much-needed separation of bag from passenger”, according to Paul Mewett, Executive Vice President, Portr. The ‘AirPortr + Bag Check-In’ service is a virtual bag drop at the passenger’s doorstep, enabling them to travel bag-free to their destination airport. Customers pre-book a one-hour time slot for AirPortr to come to their home, office or hotel to check-in their luggage. Numerous security checks are performed during the handling process, and passengers can track their luggage. “AirPortr’s product is a real paradigm shift and allows users to travel bag-free from their doorstep to the final destination carousel, optimising their time and overall experience,” Mewett explains. Currently, ‘AirPortr + Bag Check-In’ is available for British Airways flights departing from Heathrow, Gatwick and London City airports, and has so far been well-received by passengers. “The immediate and most visible impact is less passengers having to queue for bag drop when they arrive at the terminal,” Mewett adds. “In terms of physical differences to the airport landscape, the reduced need for check-in and bag drop desks has the potential to change the entire layout of the airport, leaving more space for retail and leisure opportunities for passengers. From a security perspective, this process de-centrises check-in and, as it scales, will eliminate crowds gathering in non-secure areas.” The vision is to facilitate seamless end-to-end bag-free travel, so along with growing the business geographically, the natural progression is to deliver the bag from the arriving carousel, so the customer can enjoy the same benefits at both ends of the journey.

Currently, ‘AirPortr + Bag Check-In’ is available for British Airways flights departing from Heathrow, Gatwick and London City airports.

Helsinki Airport offers F&B pre-ordering via app

Helsinki Airport has launched a new service called ‘ToGo’, which allows passengers to order food & beverage items in advance, and then collect them at dedicated pick-up points. Orders and payment can be made via the airport’s mobile app. Four outlets – Tapio Café, Upper Crust, Grab & Fly and 60° Bar & Brewery – are participating in the service at present. According to Elena Stenholm, Finavia’s Commercial Director, more F&B outlets will be added during 2017. Stenholm added: “People want their everyday life to be easier. Online stores and various food pick-up and delivery services have become more common in recent years. Now you can order food for your flight conveniently from your home sofa, and the ready packed items can be picked up at the pick-up point without needing to queue.”

Passengers flying from Helsinki Airport can also order Helsinki Duty Free products through the online ‘Reserve & Collect’ service. These pre-ordered items can also be collected at pick-up points in the airport.

INNOVATION SHOWCASE

Ongoing efforts to streamline the passenger experience have seen Europe’s airports invest in a raft of new technologies and digital channels in recent months. Ryan Ghee provides a round-up.

Frankfurt Airport launches Messenger bot and Twitter flight info service

Frankfurt Airport has continued its investment in digital services with the development of a Facebook Messenger bot and a Twitter-based flight information tool. The Messenger bot, called FRAnky, can communicate with passengers in German and English. Powered by artificial intelligence, it can provide answers to passengers’ questions, provide flight updates, and offer information on airport restaurants, shops, services and facilities. If the bot can’t provide an answer to a question it will direct the user to the contact information page or the Fraport Communication Centre.

In addition to the new chat bot, passengers flying from Frankfurt Airport can now make use of a flight information service on Twitter. Travellers can use a dedicated handle – @FRA_FlightInfo – to request real-time flight status updates.
Recognising progressive ideas in action
transforming airport performance and reputations

INNOVATION SHOWCASE

In a first-time agreement between an airport and FLIO, it has been announced that the FLIO app is to be officially adopted and supported by Amsterdam Airport Schiphol. The airport's media division will sell advertising in FLIO and also market the app to its passengers, sharing in revenues from the sale of Schiphol's retail and other commercial services when they are generated through FLIO.

“Stephan Uhrenbacher, a founder and CEO of FLIO: “We are delighted to be able to announce this official tie-up with Amsterdam Airport Schiphol,” says Stephan Uhrenbacher, a founder and CEO of FLIO. “We will be working with one of the most digital of all airports in Europe to jointly develop a digital channel to reach their passengers. Their decision to officially recognise FLIO and to enter into a formal commercial agreement creates great opportunities for both of us, and a very important demonstration of how FLIO can be a collaborative asset for all airports.”

Arthur de Groot, Sales Director, Schiphol Media, adds: “This agreement offers Amsterdam Airport Schiphol and its brand partners yet another opportunity to interact with our passengers in a very relevant way, thus improving the passenger experience at the airport.”

FLIO is a global airport app, aiming to offer travellers a one-stop source for ‘all things airport’, providing easy access to public WiFi, real-time departures and arrivals information, and hints and tips. It also allows users to find an airport's shopping and food & beverage services, as well as commercial services such as VIP lounges, fast track security and transportation.

Amsterdam Airport Schiphol announces cooperation with FLIO

London City Airport offers lounge access for all

London City Airport has opened a new Business Lounge, which is open to all passengers, regardless of airline or class of travel. The lounge is located in the newly transformed area of the airport’s Private Jet Centre, which is accessible from the main terminal via a private taxi shuttle. Travellers can pay £35 (£40) for entry. The stylish interior includes hand-made furniture, a flat screen TV, and charging points for personal electronic devices. High-speed Wi-Fi access is also included in the entry price, while guests can enjoy a selection of food and drinks. Shower facilities are also available, along with a meeting room, which can be hired.

Chris Clayton, London City Airport’s Jet Centre Customer Service Manager, said: “London City Airport’s new Business Lounge is the perfect option for passengers who want first-class hospitality, comfort and privacy. Our priority is our passengers and the team will always go the extra mile to ensure they have what they need to keep their airport experience memorable and stress-free.”

The new Business Lounge at London City Airport can accommodate 30 guests at a time.
PASSME project aiming to reduce European air travel time by 60 minutes

Reducing the door-to-door air travel experience by 60 minutes is certainly ambitious, but that is the goal of the Personalised Airport Systems for Seamless Mobility and Experience (PASSME) project.

The three-year initiative, launched in summer 2015, is funded by the EU’s Horizon 2020 programme and brings together 12 partners from the fields of aviation, transport, academia, design, technology, and communications. Importantly, this includes two airports – Amsterdam Schiphol and Hamburg – which are participating in trials as the PASSME vision becomes reality. Prof. Sicco Santema, Professor of Marketing and Supply Management at TU Delft and Coordinator of the PASSME project, articulates four breakthroughs that are currently being worked on:

• Develop a real-time system for managing luggage flow. This breakthrough is already realised on a conceptual basis, and is now being tested in practice with a start-up company called Travel Light.

• Design a passenger forecast system to manage people-flow through the airport – currently in the conceptual stage.

• Improve aircraft and airport interiors.

“T he intermediate results are now ready for testing, as planned,” says Santema. “A fuselage is installed at the TUDelft premises, so PASSME can test independently from operations at an airport. It will also be tested at Amsterdam Schiphol and Hamburg airports.”

• Produce a smartphone app to provide passengers with key airport information – currently in the conceptual stage.

Creating the ‘bag-free airport’

Santema explains that PASSME looks at the entire passenger journey, from home to destination and back. Key areas of attention include reducing the time spent on baggage – from checking-in bags to loading and unloading luggage from the aircraft – and reshaping the boarding process.

It is the proposed changes to the baggage process that have the potential to provide the biggest time-saving – these alone could reduce the journey time by 40 minutes, according to Santema. Door-to-door baggage delivery services may have an important role to play. “We know it is possible to transport baggage directly from home to destination, and we also know that the accuracy will increase enormously. The number of mishandled items at a parcel service company is close to zero, whereas 2-3 in every 1,000 is typical in aviation,” Santema comments. “A bag-free airport is, therefore, feasible. It all depends on passenger behaviour and their acceptance of the idea.”

While reshaping existing airport processes is at the heart of the PASSME project, the partners are also exploring which areas of the air travel experience cause the most stress and anxiety, and how these can be remedied. The Human Factors Research Group at the University of Nottingham is leading research in this area, some of which includes the use of wearable technology.

“T he largest bottleneck is stress,” says Santema. “The biggest win is in personalised information, pulled out of the system by the passenger if and when they need it. Pushed information, on the other hand, causes extra stress, as it is not really personalised.”

Alongside the usual flight information, airport maps, etc, a central concept of the PASSME smartphone app is assessment of a traveller’s self-reported stress levels. If the system senses that the passenger is stressed, it may offer a pep talk or locations within the airport to go to relax. Santema speaks enthusiastically about the possibility to use big data systems to push information to passengers. “The smartphone app is able to collect personal information, like stress levels, of a single passenger and couple that to real-time data in the system. The system will provide information that helps the specific passenger at that moment. We assume this will make a big difference to the acceptance of information, as well as the experience of it. That is what we are going to test in the second half of the PASSME project,” Santema concludes.
Oman Airports Management Company welcomes the world’s air transport community to the Gulf

“It is a great pleasure for Oman Airports Management Company to host ACI Airport Exchange in Muscat at a time of significant growth, with the new airport at Salalah having recently opened, plus the new airport for Muscat due to open in 2017 and three new regional airports. I look forward to welcoming you personally to Muscat in December for this unmissable event!”

Sheikh Aimen Ahmed Al Hosni, Chief Executive Officer, OAMC
Tomorrow’s airport is a special place. It’s a venue where operational and financial efficiency has shifted from being a goal into being a vehicle to achieve something greater. It’s where the person who lies at the heart of aviation, the passenger, has an impressive and lasting experience enriching their journey. Through these eyes, Scarabee Aviation Group, specialized in facilitating people flows, baggage handling and security checks, aims to inspire airports to look beyond. And offer ambitious Alex a canvas on which to finish her masterpiece.