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A snapshot of stories from around Europe

RAOUL SPANGER, EXECUTIVE DIRECTOR (RETAIL & HR), GEBR. HEINEMANN

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Lithuanian Airports focused on improving vital air connectivity

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Streamlining the end-to-end parking experience

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Driving parking revenues

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Standing by our airport – Brussels Airport

By Olivier Jankovec, Director General, ACI EUROPE

March 22 has become another date that will go down in history as a dark moment for Europe’s values of democracy, freedom and openness. The Brussels terrorist attacks have affected the entire airport community – and we have received countless messages of support and solidarity from our members for Brussels Airport and its staff. For the ACI EUROPE team, the proximity of these events keeps resonating both on a professional and personal level. Indeed, we have always had a special relationship with Brussels Airport – our home airport.

Over the years, we have seen first-hand Brussels Airport going through tremendous change: getting privatised, bouncing back from the failure of its home based carrier Sabena, diversifying and successfully developing connectivity while lowering its carbon emissions, expanding and ultimately redefining the passenger experience. In many ways, Brussels Airport is a very fine example of the business transformation that Europe’s airports have undertaken. So, it is no surprise that beyond using the airport for our many travels across Europe, we also regularly call on Brussels Airport to help us in our mission to promote our industry’s interest. Part of this means having policy makers getting a real feel for airport operations and economics. Brussels Airport has always obliged – and just a week before the attacks, they actually hosted a delegation of close to 50 people from the European Parliament.

As I write these lines, Brussels Airport has just successfully restarted operations. "Getting back to normal" will be a massive technical and emotional challenge, but they have already shown the world that the heart of Europe beats on no matter what. ACI EUROPE is standing by Arnaud Feist and his team to assist in any way we can.

Unsurprisingly, the Brussels attacks have reignited the debate over the protection of airports’ landside areas, which are open public spaces. In the hours following the attacks, ACI EUROPE immediately cautioned against the adoption by the EU of screening measures for access to these areas. Indeed, such measures would simply move the targets of terrorists, rather than securing them. We are reassured that these views have been heard at European level. The European Commission in particular is rightly placing the focus on improved intelligence, data gathering and effective coordination.

Terrorism and aviation were intrinsically linked for decades and layers of airport security were built around threats such as aircraft hijackings and bombings – including the liquids plot of 2006 and other plots to place an explosive device on an aircraft. But terrorism itself has changed. The terrorists who attacked Brussels Airport had absolutely no interest in getting near an aircraft. Their only goal was to bring destruction and chaos to a busy and significant public space.

In this regard, airports’ landside areas are no different from other public spaces such as restaurants, stadiums, concert halls and metro stations. By targeting such “soft” targets rather than airports’ air-side areas or aircraft, the recent string of terrorist attacks show that we are facing an unprecedented challenge – which is no longer confined to protecting aviation. It comes down to safeguarding our freedom and ease not just to travel, but to go about our daily lives in our own neighbourhoods.

The fight against terrorism can no longer be focused on the airport as being the key place to catch terrorists – and it can no longer be focused on conventional security checks as the way to prevent atrocities. This requires a paradigm shift in our security culture and modus operandi, well beyond aviation – with effective gathering, sharing and coordination of intelligence at its core. This was in essence the message I conveyed in my previous editorial from the Winter issue of this magazine, just after the Paris attacks of last November. What happened in Brussels should give a sense of renewed urgency to move forward.
Airports in the news

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Heathrow Airport

In 2015 the UK’s biggest airport was just 41,969 passengers short of breaking the 75 million annual traffic barrier.

Heathrow Airport has announced a £2m (€2.6m) plan to ‘go electric’ with the installation of more than 135 electric vehicle (EV) charging stations in a bid to become Britain’s most environmentally-responsible transport hub. The new chargers, which will be able to power at least 260 electric vehicles at the airport at any one time, are the latest in a line of new sustainability commitments aimed at reducing emissions at the airport.

Lisbon Airport

Passed the 20 million annual passenger mark for the first time in its history during 2015.

ANA’s Lisbon Airport, part of the VINCI Group, became the latest gateway to sign up to Airport Collaborative Decision-Making (A-CDM) in a bid to improve its efficiency and operational performance. Under the agreement signed between the main stakeholders at Lisbon Airport, a technological platform will be created to make airport operations more efficient, benefiting from the sharing of information and the adoption of coordinated processes.

Fuerteventura Airport

Was just 24,969 passengers behind Valencia in the race for 10th spot in largest airports in Spain rankings in 2015.

ENAIRE has invested over €1.3m in a new radar in Fuerteventura to enhance air traffic surveillance in the Canary Islands. The new radar will monitor air traffic in the eastern part of the Canary Islands, as well as flights coming from the American and African continents that enter into Spanish airspace through the archipelago. It will also provide support to the approaches to Fuerteventura and Lanzarote airports. The new radar coverage area is approximately 407km.

Oslo Airport

The three airports which serve Oslo – Gardermoen, Sandeford Torp and Rygge – reached nearly 28 million passengers in 2015.

Oslo Airport has become the first international hub to offer jet biofuel to all airlines through its regular fuel hydrant system. The biofuel, which is produced from camelina oil, is available for airlines to buy at Oslo and is supplied from the main fuel farm, via common storage and distribution facilities, without the need for segregated infrastructure. Air BP, Norwegian airport operator Avinor, the Initiative Towards sustainable Kerosene for Aviation (ITAKA) consortium and biofuel supplier SkyNRG are behind the project. Air BP has agreed provision of a minimum of 1.25 million litres of jet biofuel to Oslo Airport.
**Göteborg Landvetter Airport**

A good start to 2016 for Sweden’s second-largest airport, with 6.1% growth in January.

Göteborg Landvetter Airport's ambition to build a new hub for western Sweden has moved to the next stage with the launch of the next construction phase of its Airport City covering 250,000sqm. The Airport City project is huge and not expected to be complete until 2017. It will cover around two million square metres of land adjacent to the terminal and will include retail outlets, retail experiences, logistics services, offices and hotels. Göteborg Airport welcomed 6.2 million passengers in 2015.

**Russian Airports**

Moscow Sheremetyevo won the 2015 annual traffic battle against neighbour Domodedovo to become Russia’s biggest airport again for the first time since 2005.

Pulkovo, Sochi and Sheremetyevo airports shared first place in the 2015 “Best Airport by Region (over 20mppa)” Airport Service Quality (ASQ) Award in Europe. The ASQ Awards are based on feedback from over 550,000 passenger surveys at over 300 airports in 80 countries around the world conducted last year. The ASQ Survey covers 34 key service areas and 8 major categories including: access, check-in, security, airport facilities, food & beverage, retail and others.

**Osijek Airport**

Osijek Airport handled 30,000 passengers in 2015 – year-on-year growth of +7%.

Osijek Airport is to be put up for concession by the end of the year, with the future strategic partner expected to modernise existing infrastructure, boost capacity and acquire new equipment for commercial operations. The overall aim of the project is to strengthen cargo traffic in the Osijek-Baranja County and to foster economic development in the region by improving the airport’s competitiveness.

**Malta Airport**

Double-digit year-on-year growth of 13% in January 2016.

Malta International Airport will invest €78m in a new terminal expansion programme, a new SkyPark business enterprise and general capital expenditure. Phase 1 of the terminal expansion, which is to be completed in October, will comprise an €8m expansion of the airport’s check-in desks and a relocation and expansion of the security screening area to 700sqm. Phase 2 will involve the construction of an extension to the Check-In Hall and Departures area at an estimated cost of €20m.

**Ljubljana Airport**

During 2015 the airport posted monthly growth figures in nine out of 12 months.

Ljubljana Jože Pučnik Airport has begun upgrading its terminal building with the refurbishment to be carried out in several phases, until its completion in 2018. Slovenia’s busiest airport has already added an additional arrivals and departures gate and is clearing space in a bid to expand commercial and retail areas, as well as improve passenger comfort. The bulk of the work will take place next year, when both the check-in area and baggage handling facilities will be expanded, while additional capacity will be added at baggage claim.
A passion for trading is in the genes at Gebr. Heinemann. The small family business established by brothers Carl and Heinrich Heinemann in 1879 has grown over four generations into a major global travel retailer and distributor. Today’s co-owners, cousins Claus and Gunnar Heinemann, are the great-grandchildren of the founders, and the fifth generation – Gunnar’s son Max – became CEO of Heinemann Asia Pacific in 2014.

Amid unprecedented recent consolidation in the travel retail industry – most notably Dufry’s acquisition of both World Duty Free and Nuance – as a family business the Heinemann ‘personality’ shines through. Gebr. Heinemann is established as a top global travel retailer and, of the major players in the sector, is the only one that continues to be family-run. As a distributor, it supplies more than 1,000 customers in 100+ countries. Meanwhile, in the retail sector, it operates over 300 Heinemann Duty Free and Travel Value shops, fashion label boutiques under licence, and concept shops, at 78 airports in 28 countries, along with shops at border crossings and aboard cruise liners.

Raoul Spanger, Executive Director (Retail & HR) and Member of the Executive Board, Gebr. Heinemann, interviewed in Hamburg by Ross Falconer.

Family values: Organic growth strengthening Gebr. Heinemann’s competitive position

Among the company’s 6,000 employees, Raoul Spanger certainly personifies its familial spirit. Having joined as a Purchasing Manager for accessories, luxury goods and gift items in 1989, he joined the Board of Directors in 1997, and is now Executive Director (Retail & HR), playing an instrumental role in Gebr. Heinemann’s growth into a global powerhouse. His brother Kay, meanwhile, is also a Member of the Executive Board and Executive Director (Purchasing, Logistics).

Sitting down with Spanger in Gebr. Heinemann’s Hamburg HafenCity headquarters, the nods to the company’s Hanseatic heritage, and its history supplying tax and duty free commodities to ship chandlers, are all around us, in the very fabric of the building. Spanger has driven Gebr. Heinemann’s exponential retail growth, and we begin by discussing the latest impressive figures revealed by the owners and Board of Directors at the company’s annual press conference. 2015 was, says Gebr. Heinemann, an exciting year punctuated by expansion of the business, and also geopolitical challenges in several key markets.

The company generated a controlled Group turnover of €3.6 billion in 2015 – €2.8 billion from retail and €800 million from distribution. Spanger explains that this equates to 13% growth year-on-year, and positions Gebr. Heinemann as the market leader in Europe with a 30% share of the European airport duty free market. The 2016 target, he adds, is 10% growth.

“Establishing long-term partnerships”

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“Establishing long-term partnerships”

The breaking news on the day of our interview was the early extension of Gebr. Heinemann’s contract with its home airport of Hamburg, which lays the foundations for the company’s continued growth. The new 11-year agreement runs to 2027. “We believe in establishing long-term partnerships and contracts, so it is very important for us that we use the recent extension of the contract for Hamburg Airport to 2027 to maintain our home airport as a flagship for the future.”

Raoul Spanger curriculum vitae

Raoul Spanger was born in 1961 and grew up in Bremen and Hamburg. After completing his secondary education in 1980, he undertook basic military service before training as a wholesale and export clerk. From 1986 onwards he performed managerial sales and purchasing roles for the Peek & Cloppenburg Group before moving to Gebr. Heinemann in Hamburg in 1989 as a Purchasing Manager for accessories, luxury goods and gift items. Having joined the Board of Directors in 1997, Raoul is responsible for the Group’s retail activities, as well as the Human Resources division. The ardent supporter of the HSV football team lives in Hamburg with his wife and has five children.
He highlights four key projects from 2015 that best characterise Gebr. Heinemann’s global expansion: the opening of its own shops at Sydney Airport, the joint venture at Amsterdam Airport Schiphol, the acquisition of retail space at Istanbul New Airport, and construction of the biggest arrival shop worldwide in Oslo.

**Istanbul New Airport: “A whole new dimension”**

Gebr. Heinemann began 2015 with the greatest single success in the company’s history, when, together with Turkish partner company Unifree Duty Free, it won the tender to operate all airside retail outlets – 53,000sqm – at Istanbul New Airport. The contract term is 25 years from the airport’s opening in early 2018. Spanger enthuses that this is “a whole new dimension” that will allow “some uniquely forward-looking concepts.”

Unifree showcased its initial plans at ACI Airport Exchange 2015, hosted by Istanbul New Airport last December. “Planning is already well underway,” Spanger explains. “At the moment we are busy with the architecture and logistics. The letting phase starts in 2016, which is when the decision will be made who will be renting the space. Then the operations, purchasing and centre management specialists can start work onsite and in Hamburg.”

Istanbul New Airport will be a showcase for Gebr. Heinemann’s retail creativity. The company is able to draw on 15 years of experience in Turkey and at Istanbul Atatürk Airport, where it partners with TAV Airports Holding in ATÜ Duty Free. Indeed, the strength of both IST and Turkish Airlines last year saw Turkey overtake Norway to become Gebr.

**Factbox**

**CONTROLLED GROUP**

**TURNOVER 2015:** €3.6 billion

**2015 RETAIL TURNOVER:** €2.8 billion

**2015 DISTRIBUTION TURNOVER:** €800 million

**TOTAL AIRPORT RETAIL SPACE:** 115,000sqm

**TOP 3 COUNTRY MARKETS:**

- Turkey (€631m)
- Norway (€441m)
- Germany (€407m)
Heinemann’s number one market, with sales of €631 million.

Last year the Sydney Airport shops developed into a showcase for the Heinemann Duty Free brand. While 2015 was all about extensive renovations at the airport, the 7,000sqm flagship store will fully reopen on 6 May, and Gebr. Heinemann’s retail space will total 10,000sqm.

Meanwhile, in March 2015 Gebr. Heinemann acquired 60% of the shares in Schiphol Airport Retail, with Schiphol Group retaining a 40% holding. The joint venture for the supply of spirits, tobacco, and confectionery airside at Amsterdam Airport Schiphol started operations in May, and the first-year target of €85 million was exceeded with sales of €88 million.

These positive new ventures in Sydney and Amsterdam are a counterpoint to some of the geopolitical challenges of 2015, including the double-digit percentage decline in ruble-based countries. The Ukraine crisis, a sharp drop in the oil price, and the resultant inflation, have led to people travelling less and spending less. Regional airports have been hit the hardest. However, Gebr. Heinemann views the Russian market with optimism. “The results for the large airports in Kiev and Moscow are still good,” Spanger says. “Gebr. Heinemann will continue to invest in this region and expand its market share from the current 40% to 50%, even if the market remains difficult.”

Indeed, the company has an exclusive 10-year agreement to operate the retail outlets in Moscow’s new fourth airport - Moscow Zhukovsky - which will be used by low-cost carriers.

Gebr. Heinemann will continue its intensive investment in the travel retail market in 2016. One of the key projects is the expansion of Heinemann Asia Pacific - the subsidiary will grow in Malaysia, for example, with the recently-signed joint venture with Duty Free International.

Meanwhile, distribution channels in airports, inflight & catering, border shops, and cruises & ferries are developing positively with single to double-digit sales growth. Gebr. Heinemann aims to offer a global solution for its distribution customers and will, in particular, expand the cruise business in the American market.
Georgia May Jagger wears Coach HC8157 and Tory Burch TY9041. Male model wears Ray-Ban RB3016.

To discuss bringing Sunglass Hut to your airport, please contact:
Francis Gros, Head of Global Channels, Luxottica (francis.gros@uk.luxottica.com)
Daniela Arcuri, Business Development – Sun and Luxury Retail, Luxottica (daniela.arcuri@luxottica.com)
Raoul Spanger, Executive Director (Retail & HR), Gebr. Heinemann, explains the new Sydney Airport retail area to Airport Business' Ross Falconer. The 7,000sqm flagship store will fully reopen on 6 May, and Gebr. Heinemann's retail space will total 10,000sqm.

“Nothing is alternative to going digital”

The character and sense of place exuded by the Gebr. Heinemann headquarters is mirrored at its airport locations, where the desire is to capture the essence of each city in the retail environment. Browsing Heinemann Duty Free on our departure from Hamburg, the local in-store touches, such as the huge lifesaving belts reflecting the city’s maritime heritage, were myriad. And they are repeated across its locations – Copenhagen’s wall-to-floor Danish beech trees, and Budapest’s glass bulb interpretation of the city’s thermal springs, being just two further examples.

These are elements Spanger speaks passionately about throughout our discussion, alongside a commitment to digital innovation. Responding to the needs of today’s connected travellers is at the heart of the Gebr. Heinemann strategy going forward. “There is no alternative to going digital,” Spanger asserts. “Gebr. Heinemann wants to impress its customers with the best multi-channel offer. 42% sales growth for the Home Delivery service launched in 2014 shows that the company is on the right course with its digital strategy.”

In every aspect of the business, the Gebr. Heinemann approach is a very personal one – the backbone of the family company – and it applies these values in its approach to customer engagement. “We believe this is very important, and we are communicating much more with our customers than ever before,” Spanger notes.

The multi-channel approach incorporates the Heinemann & Me customer incentive scheme, home delivery, pre-order and social media services, alongside traditional retail outlets. 400,000 members have signed-up for Heinemann & Me, which customers can currently take advantage of at 19 airports in four countries. Spanger explains that the scheme gives Gebr. Heinemann a wealth of knowledge about its customers, enabling it to effectively target campaigns and products. “We will develop Heinemann & Me to maybe include Gold and Platinum cards, and to include particular products that are only available to members of the programme, so it’s an exciting and ongoing process,” he adds.

Meanwhile, the Heinemann app offers access to the online shop, a digital Heinemann & Me membership card, a product scanner and personal shopper function. Gebr. Heinemann is also reaching out to a trend-conscious, social media-savvy audience through Facebook, where it has 35,300 friends.

As a family-run business, Gebr. Heinemann must, more than ever in an era of consolidation, stand out in order to remain competitive. Spanger frequently uses the word efficiency throughout our briefing, and a strong message is that Gebr. Heinemann’s competitiveness will come from retail creativity alongside the margins negotiated by the Purchasing Division, and efficient cost structures.

It will remain a financially independent, family-run business in the long-term, and Spanger is clear that Gebr. Heinemann’s continued success will be built on organic growth. “We don’t want to be the biggest, we want to be the best. That is our strategy going forward.”

There is no alternative to going digital
Great deals for those who fly.

You just can’t fly over this.
Over the past 6 years, the airport ownership landscape in Europe has evolved quite significantly. In order to take stock of these changes, ACI EUROPE has produced an all-new 2016 edition of The Ownership of Europe’s Airports report, following the very first edition in 2010. So, who owns Europe’s airports now? Inês Rebelo reports.

As the only report of its kind, The Ownership of Europe’s Airports provides comprehensive data on the ownership structure of the 500+ airports in the membership of ACI EUROPE, which collectively handle over 90% of commercial air traffic in Europe each year. Released at the 8th ACI Airport Economics & Finance Conference in London in March, printed copies were snapped up very quickly, by the assembled economists, investors and financiers. The report’s analysis of the nature of public, private and mixed airport ownership in Europe, compared to 2010, was one reason, while its detailed breakdown of the names and percentage holdings of individual shareholders of airport operators by country was another.

Private involvement in Europe’s airports has nearly doubled since 2010 – driven by a mix of deliberate policy choices, State budgetary constraints, and the need to promote air connectivity by investing sufficiently in the development of airport infrastructure. Alongside the significant increase in private participation in Europe’s airports, there is a second clear trend identified: private participation is more focused on the larger airports. This reflects the fact that larger airports are more suitable for private investment, whereas smaller airports tend to be subject to a more limited range of private operation models due to their susceptibility to be structurally unprofitable.

In numbers, what exactly are the big changes in the nature of the ownership of Europe’s airports? Well, for starters, 41% of European airports – 205 airports – now have private shareholders, up from only 22% in 2010. Close to 39% of these airports (79 airports) have full private ownership, while 61% (126 airports) are ‘public-private partnerships’ involving a combination of private and public shareholders.

These key findings are evidence of a profound transformation in the airport business model in Europe in recent years, as Olivier Jankovec, Director General ACI EUROPE, states: “In just 6 years, private investors have gotten involved in an additional circa 100 airports in Europe. This means that the number of European airports with private shareholders has more than doubled – and that 3 in 4 passengers are now traveling through an airport with private shareholders. Meanwhile, almost all fully publicly-owned airports are now corporatised and managed on a purely commercial basis. These are not anecdotal changes to our industry – they are truly transformative changes. They underline the fact that airports are now run as businesses focused on air connectivity development, operational efficiency, service quality, revenue diversification and sustainable investments.”

Another key finding in the report is that private involvement in the operation of European airports is stronger in the EU-countries than in the non-EU bloc. AENA, ANA – Aeroportos de Portugal, Manchester Airports Group, SEA – Milan airports, Zagreb, Ljubljana and Toulouse airports are illustrative examples of the recent shift from public to more private involvement.

The number of privatisations in the pipeline is another indicator of the rapid, ongoing changes in the industry. By the end of this year, it is likely that airports with at least some private shareholders will be in the majority in the EU. To pick just one example, in the past month, the privatisation of Lyon-Saint Exupéry and

By the end of this year, it is likely that airports with at least some private shareholders will be in the majority in the EU. To pick just one example, in the past month, the privatisation of Lyon-Saint Exupéry has kicked off.
Nice-Côte d’Azur airports has kicked off. The French State wants to sell 60% of its stake in both airports and there is considerable interest from a variety of parties. The new owners of these airports are expected to be announced this summer.

All of this activity reflects well on the airport business and has a positive impact on the airport industry, as Donagh Cagney, Economics Manager ACI EUROPE, comments “The rapid changes in airport ownership since the last Ownership Report, and the continued rise in private involvement in particular, indicate that investment in European airports is generally working. Unlike other transport modes, the airport industry is largely self-supporting – and this is particularly the case for the larger airports,” but he warns that “this does not mean that public authorities do not have a responsibility here – it is essential that the right policy framework is in place, if necessary investment in Europe’s airport infrastructure is to continue.”

For VINCI Airports, the privatisation model brings many advantages. Nicolas Notebaert, Chairman of VINCI Airports, puts it clearly: “Private airport concessions are more and more common as they are a way to reduce debt, gain investment or access to excellence in terms of airport infrastructure and services. It is a model that creates value as long as there is a genuine partnership of trust in which both parties share the same long-term development vision.”

The Ownership of Europe’s Airports 2016 is available in printed version from ACI EUROPE and also in electronic format from this link: https://www.aci-europe.org/component/downloads/downloads/4538.html.
Helsinki as a destination is a mix of rural and urban. In just one day, you can experience the tranquility of Finnish nature, street food festivals, a traditional Finnish sauna, historical monuments and modern museums, and urban clubbing, to name just a few examples. It is a mix that delegates at the 25th ACI EUROPE Airport Commercial & Retail Conference & Exhibition, hosted by Helsinki Airport, will be able to enjoy.

They will also experience an airport that is growing, both in terms of passenger numbers and infrastructure. Helsinki Airport grew by 3% to a record 16.4 million passengers in 2015, and this pace of growth is reflected across Finavia’s network of 22 airports. Traffic across the network rose to over 20 million passengers for the first time last year. "There were increases in both domestic and international traffic," explains Kari Savolainen, CEO Finavia. "As a result, Rovaniemi and Ivalo in Lapland both set an all-time passenger volume record, and Oulu was once again in the million-passenger club. Tourism in Lapland is recovering to almost the same level it was in its peak years, with over one million travellers for the first time since 2008."

The air transport sector accounts for about 3.2% of Finland’s GDP and provides employment, either directly or indirectly, to some 100,000 people. The strategic geographical location of Helsinki Airport as "the shortest route between Europe and Asia" is central to its connectivity. "The number of transfer passengers at Helsinki Airport increased by over 3%, reaching 2.6 million in 2015," Savolainen comments. "The majority of Asian passengers were from China and Japan. The growth in transfer traffic between Europe and Asia is estimated to continue, so it is clear that we will focus heavily on Europe-Asia transfer traffic in the years to come."

Helsinki’s connections to 130 destinations worldwide this year include 17 direct routes to Asia. In January, Finavia signed a partnership agreement with the biggest airport operator in China, Capital Airports Holding Company (CAH), becoming the first European airport operator to do so. "This is a significant step for us in strengthening our position as the leading transfer hub between Europe and Asia," Savolainen enthuses. "Due to this partnership Helsinki Airport signed a sister airport agreement with the biggest airport in Asia, Beijing Capital International Airport. We are confident that these agreements will benefit both parties in building even better connections between the two continents."

Kari Savolainen, CEO Finavia: “When it comes to connectivity our geographical location, providing the shortest route between Europe and Asia, is surely beneficial. However, it is not only our location that has made us successful – our transfer times, for example, are among the shortest in Europe.”
€900m investment programme

Helsinki Airport’s one-roof concept is at the heart of the convenience it strives to offer, with short walking distances and services easily accessible. This proposition will remain following the current €900 million investment programme.

The terminal expansion was launched at the beginning of the year. A new southern wing will be completed in summer 2017, adding 7,850sqm, and will be followed by a new west wing, which will open in summer 2020. Alongside the terminal developments, the apron area will be renovated, covering a total of 157,000sqm.

The airport has undergone a complete makeover during the past couple of years. While the expansion is only in its earliest phase, a lot has been done inside the terminal. “Our commercial offer has been renewed completely. 70 new or renewed shops, cafés and restaurants have opened at the airport,” Savolainen notes. “The two-storey Pier Zero restaurant has become the airport’s new landmark, with Scandinavian architecture, timeless design and high-quality delicacies. Combining local products and Finnish brands with top international brands is the essence of our upgraded commercial offer.”

“Reliability, innovation, world-class customer service”

While the most visible part of the development programme is the infrastructure expansion, enhancements to the customer experience are at the very heart of the Helsinki strategy. The airport aims to engage with travellers through some more unusual experiences. Recent examples include airport yoga, a midsummer dance, and ‘Restaurant Day.’ This all serves to enhance the airport’s proposition, which Savolainen describes as “a combination of cost-efficiency, reliability, innovation, and world-class customer service.”

“We want to make travelling even smoother for our passengers all the way from arriving at the airport, through check-in and security, to the shopping facilities and departure gates,” he adds. “With the help of the latest technologies, such as indoor positioning, we can understand passenger flows better and introduce new services to help passengers navigate and find services at the airport. Our goals are clear: Improving passenger flow throughout the whole passenger path, and providing new innovative digital services to our passengers.”

The indoor positioning technology, provided by Finnish company Walkbase, utilises both beacons and WiFi-based infrastructure, allowing the airport to track passengers throughout each stage of their journey. It is being used to help identify bottlenecks and promote location-based, personalised communications. This is just one example of Helsinki Airport’s progressive approach. Free unlimited WiFi is a pillar of its offer, and its mobile app is now available in Chinese and also for the Apple Watch.

Meanwhile, eGates and eBoarding are currently being piloted at Helsinki Airport. It is early days, but another example of Finavia’s desire to utilise the latest technologies.

Regional developments delivering “good conditions for growth”

Finavia’s investment programme is not limited to its Helsinki hub. The biggest investment in its regional airports is taking place at Rovaniemi Airport, where the runway will be renovated in summer 2016. Rovaniemi is the third busiest airport in Finland, and passenger numbers are on the rise – 480,000 were handled in 2015 (+7.6%). “The renovation is for making sure that air traffic to the north is effective and to enable good conditions for the growth of air traffic in Lapland,” Savolainen explains.

Finavia is investing €35 million in the Lapland airports (Enontekiö, Ivalo, Kemi-Tornio, Kittilä, Kuusamo, and Rovaniemi) between 2014 and 2016. Improvements are also planned at Mariehamn and Vaasa airports.

Our Finavia briefing clearly illustrates that Finland’s airports are in better shape than ever. Passenger numbers are growing, and the ongoing investment programme is providing competitive airport infrastructure across the Finavia network.
2015 was the first full-year of operation for Lithuanian Airports as a national airports’ network comprising Vilnius, Palanga and Kaunas airports. Gediminas Almantas, CEO Lithuanian Airports, outlined a synchronised strategy that prioritises improved connectivity, and efficient management and operations, to Ross Falconer.

**Lithuanian Airports focused on improving vital air connectivity**

The merger into one entity of Vilnius, Palanga and Kaunas airports has been a quantifiable success, while also establishing a clear strategic direction. The headline passenger figures show a record year for Lithuanian Airports in 2015, with 11.3% growth to 4.2 million across the three-airport network – a figure significantly exceeding the country’s population of 2.9 million.

Growth trends are evident at all three airports. Vilnius exceeded three million passengers for the first time last year, growing by 13.4% to 3.3 million, while Palanga grew by 9.4% and Kaunas by 3.2%. Indeed the propensity to fly and mobility of the catchment is a sustainable trend, with Lithuania’s airports recording a Compound Annual Growth Rate of 11.7% from 2005-2015, and double-digit growth is forecast to continue in 2016. “We expect to maintain the same growth rate. There might be some internal shift of the traffic inside the network, however, our market growth should deliver slightly better performance than in 2015,” explains Gediminas Almantas, CEO Lithuanian Airports.

While the collapse of home carrier Air Lituanica last May presented a challenge, the majority of routes were picked up by other airlines. Munich and Prague are two unserved routes that remain on the radar.

Almantas speaks passionately about developing all three airports, utilising underused capacity, and improving regional connectivity. “Lithuania is a geographical periphery in the context of the EU, with limited access to most EU capitals, except the neighbouring countries,” he says. “Neither rail nor road traffic constitute an alternative to air connectivity for both business and tourism. Air connectivity is vital for the integration of Lithuania. The country lost its flag carrier early enough to get an understanding of the disadvantages caused by loss of connectivity.”

Two new airlines will begin operations to Vilnius in June – Vueling to Barcelona and Germania to Zurich. Meanwhile, Wizz Air and Ryanair have both announced their expansion at the three Lithuanian airports, and LOT and Belavia will this year operate from both Vilnius and Palanga. Lithuanian Airports has introduced a new route and frequency increase support tool allowing it to promote air traffic development by supporting marketing and related route costs for a three-year period.

Meanwhile, Lithuanian Airports will in June launch a concession tender for a private investor to manage and develop Vilnius, Palanga and Kaunas airports for a 25-year period. Almantas comments that this “will be clearly focused on the improvement of connectivity, going beyond traditional CAPEX and concession fee priorities.”
The 9th ACI EUROPE Regional Airports’ Conference & Exhibition takes place on 11-13 May in Vilnius, hosted by Vilnius Airport.

Gediminas Almantas, CEO Lithuanian Airports: “We clearly understand the importance of connectivity to the national economy, in particular for attracting foreign investments.”

Vilnius expansion in 2017
There are already major investments planned at Vilnius in 2017, with the airport about to reach its terminal capacity of 3.5 million. Works will include both improvements to the terminal and renovation of the runway. Meanwhile, Kaunas Airport has already started a terminal reconstruction project, and Lithuanian Airports is investing in the non-aviation sector and the development of industrial areas at both Kaunas and Vilnius.

Kaunas has become a base for aviation-related businesses through the AEROHUB KUN investment project, which primarily focuses on MRO (maintenance, repair, and overhaul) service providers, OEM (original equipment manufacturer) and other spare part manufacturers and traders, as well as aircraft manufacturers and training service providers. The vision is for AEROHUB KUN to host a cluster of airspace-related services and activities. "The project has already received international attention and the first MRO case with investment from outside Europe is in the pipeline," Almantas explains. "Two additional projects are expected for 2016, focusing on both MRO and cargo."

Riding the digital wave
Behind all of these developments, the drive to increase connectivity and deliver new infrastructure, is a firm focus on the traveller. "We seriously started to think about the passenger experience two years ago and our progress is accelerating," Almantas comments.

Central to the proposition is free unlimited WiFi at all three airports, and integrated solutions are on the way to enable passengers to track security waiting times and explore retail opportunities through their mobile devices - "shop in your taxi and get it at the gate", as Almantas puts it. Lithuanian Airports plans to leverage the benefits of beacon technology to provide passengers with location-specific notifications via a new mobile app, which is currently being developed and will launch this year. The use of beacon technology enables the airport operator to proactively send notifications and offers to passengers.

A recent experiment with an airport cinema, "FilmBox", also received great feedback both from passengers and Lithuanian media.

Lithuanian Airports is hosting this year’s ACI EUROPE Regional Airports’ Conference & Exhibition in Vilnius, 11-13 May, so delegates will have the opportunity to experience these myriad enhancements for themselves, as well as the city’s famous baroque architecture and UNESCO World Heritage-listed old town. "I am sure we are going to surprise newcomers visiting Vilnius for the first time, and even those who have been before," Almantas concludes.

This year’s Keynote Address will be delivered by Henrik Morch, Head of Unit at DG Competition at the European Commission, who will talk about aviation and State Aid. The event will feature an outstanding line-up of speakers, including Arijandas Sliupas, Vice-Minister of Transport and Communications, Republic of Lithuania; Gediminas Almantas, Chief Executive Officer, Lithuanian Airports; Henri Hansson, Senior Vice President, Finavia; and Robert Sinclair, Chief Executive Officer, Bristol Airport.

This event, supported by European Business Aviation Association (EBAA), European Regions Airline Association (ERA) and Assembly of European Regions (AER), is specially tailored to the needs of Europe’s regional airports and aims to address the specific challenges that they encounter, helping them empower their strategy for business development.

The 23rd meeting of the ACI EUROPE Regional Airports’ Forum (attendance is reserved to members of the Forum and World Business Partners) will be held within the framework of this event. It will take place on Wednesday 11 May.

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A brief look back to... 1995

By Robert O’Meara

It was 1995, the 5th year of ACI EUROPE’s existence and the forthcoming liberalisation of air traffic rights across the European Union was a hot topic among airports, airlines and other aviation stakeholders.

ACI EUROPE, then under the leadership of its founder, Philippe Hamon, decided that the theme of its 5th Regional Airports Conference would be “Should regional airports try harder?” – a pertinent question at the time, but one to which, there was ultimately only one answer. YES.

As happens all too often in life, fate determined the road ahead as all of the EU’s work on air traffic rights liberalisation within the European Union reached fruition in 1997. Airports quickly realised that there was much to gain from going out and attracting airlines to set up new routes, rather than waiting for them to come to you. Competition was the new name of the game. Airports were no longer the wallflowers waiting to be asked to dance. They could go out and do the asking themselves instead.

Suddenly, the airport business was no longer about helplessly humouring the ups and downs of your home carrier, as the whole culture of proactive route development through airport marketing and incentives, broad air traffic and airline client mix and strategic partnerships with regional agencies all took flight.

Airports became proactive in the pursuit of new business and the resulting growth in air traffic was a boon to airlines and consumers across the EU.

Ryanair and easyJet in particular were among the earliest beneficiaries of this new competition which allowed them to cherry-pick the best offers from airports and pass on low prices to passengers.

Route development is now core to the business strategy of any airport – big or small. Even key major hubs invest in it, mindful of the growing hub competition out there to attract intercontinental carriers. You could even argue that it is where some airport brands were born.

All of this helped to draw external investors to the airport business – another factor that acted as a further catalyst for the business transformation of the airport, from functional state utility to performant, strategic company. Today, 51% of Europe’s airports are still unprofitable – due to high fixed costs contributing to structural difficulties in achieving economies of scale below 1 million passengers a year. But we are light years from where we were in 1995.
ACI Airport Economics & Finance Conference & Exhibition is an annual event organised jointly by ACI EUROPE, ACI Asia-Pacific and ACI World. This year was the 8th year of this conference, which took place on 7-9 March in London. The event attracted over 250 delegates from 50 countries, including representatives of 45 airport operators. It covered issues such as airport competition, economic regulation, infrastructure and capital expenditure, airport network development trends and emerging markets, as well as non-aeronautical revenue. The event was preceded by the 2nd ACI-World Bank Air Transport Symposium, chaired by Dr Charles Schlumberger.
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At first glance, the future of Zagreb Airport appears promising. The traffic figures (+7% to 2.6 million passengers in 2015) illustrate that it is benefiting from the economic and touristic development of Croatia’s capital city, and a new €250 million terminal opens in Q1 2017. So what do these developments mean for the future ambitions of the airport, and indeed the country?

Jacques Feron became the new CEO of Zagreb Airport in October 2015, bringing considerable experience in international projects, construction, financing and developing transport infrastructure. He was previously the CEO of Cambodian Airports – the concessionaire company in charge of Phnom Penh, Siem Reap and Sihanoukville airports – and earlier in his career participated in the international development activities of Aéroports de Paris, notably in Central America and the Middle East.

Feron’s first six months with Zagreb have inevitably focused largely on the new terminal project, which is being developed and managed under a 30-year concession agreement through a consortium led by Aéroports de Paris Management and Bouygues Bâtiment International.

“Airports are crucial for the development of the economy – infrastructure and services have to be at the highest international level,” he emphasises. “With a very impressive design, the new terminal building will definitely be a fantastic tool for the promotion of Zagreb. Our ambition is to make Zagreb Airport a reference point in terms of well-managed and developed infrastructure.”

The project comprises a total investment of approximately €350 million, including €250 million for the design and construction of the new terminal. It is being financed by equity from shareholders (Aéroports de Paris, Bouygues, TAV, Viadukt) and financial investors (Margueritte and IFC), as well as loans from commercial banks and financial institutions.

Feron’s previous experience, especially of working under a concession scheme, is certainly informing the developments. “In terms of management, each of my past experiences helps a lot with new challenges, but the common characteristic that is driving my actions at Zagreb Airport is the proper balance between the quality of service to be delivered at the right cost, and the fair return to private investors,” he says. “As management, we have many clients – passengers, airlines, public authorities, shareholders and employees. Each of them is expecting the very best from you, and being a performing concessionaire, we have to find the proper balance to deliver each of their expectations.”

Efficient and flexible: Positioning Zagreb as a European hub

The new terminal is the largest construction site in Croatia. Now in the third year of construction works, the roof and façade are complete, and the testing and commissioning phase is about to start. Feron reports that interior works are progressing well, with work on the commercial areas to begin in a few months.

Once complete, the new terminal will be capable of handling five million passengers annually, compared with the current capacity of two million. Further extensions envisaged along the 30-year concession period will potentially see capacity increased to eight million. With continuing growth, this will certainly be welcome. Indeed, building on the record result of last year, passenger traffic rose by 6% year-on-year in the first two months of 2016.

Its geographical location in Central Europe, of course, means that Zagreb competes with several airports – Ljubljana, Maribor, and Trieste among them. Central to Zagreb’s expansion, therefore, is the goal to better position it as a European hub. “An airport such as Zagreb cannot decide to become a hub on its own,” Feron explains. “It is airlines which make an airport a hub. At our concessionaire level, we shall accompany the airlines, and especially Croatia’s airlines.”

Jacques Feron, CEO Zagreb Airport, interviewed by Ross Falconer.
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Airlines, in their strategies by being efficient and flexible.”

This flexibility is twinned with a proactive approach to attracting new routes. The airport supports any new route with a five-year scheme to reduce airline start-up costs. Based on the individual merits of the proposed route growth, the airport may look to offer additional backing through marketing support. Indeed, Zagreb’s diverse marketing initiatives include using its consumer magazine, email database, and website banners to promote any new service.

Throughout our briefing, Feron speaks confidently about the future of Zagreb Airport. Indeed, all the elements of an effective strategy are in place, with the new terminal providing capacity to meet current growth trends, and a creative approach to new route development. Zagreb Airport is in an exciting and ambitious phase. “This project is very challenging, but it is already a success in that the construction is ahead of schedule. We are very confident that with this new tool we will definitively be able to improve the quality of services provided to all of our business partners,” Feron concludes.
Record 1,700 visit
ACI Airport Exchange hosted by Istanbul New Airport

10th ACI Airport Exchange, staged jointly by ACI EUROPE and ACI Asia-Pacific, Istanbul, 8-10 December 2015

Photos: Gregory Dziedzic

The company building the €10.2 billion Istanbul New Airport – İGA Havalimanı İşletmesi A.Ş. – last December 8-10 hosted the 10th ACI Airport Exchange, staged jointly by ACI EUROPE and ACI Asia-Pacific.

The event combined an extensive airport services and equipment exhibition of over 100 companies with seven specialist conferences, including ‘The Istanbul New Airport Development Conference’. A record total of 1,700 conference delegates and exhibition visitors were in attendance.

ACI Airport Exchange returns to Istanbul in 2016, with the high patronage of DHMI (General Directorate of State Airports Authority of Turkey), sovereign landlord of all 55 Turkish airports, including Istanbul New Airport.

More information can be found at: airport-exchange.com
Marwan Lahoud, Chief Strategy and Marketing Officer, Airbus Group, delivered a keynote address on the main challenges and opportunities facing the aeronautical manufacturing industry in the future.

Kelly Hoggan, Assistant Administrator for the Office of Security Operations, Transportation Security Administration, gave a keynote address in the Security & Border Control Summit focusing on what advanced and effective security capabilities TSA is pursuing in response to the rapidly evolving global terror threat.

İGA Havalimanları hosted two spectacular social events – a Welcome Reception and a Gala Dinner – at the Lütfi Kırdar Kongre Merkezi.

Massimo Garbini, Managing Director, SESAR Deployment Manager, addressed the Airport Operations & Safety Conference on the subject of “Delivering SESAR Deployment on the ground – coordination and synchronisation between airport operator, ATC provider and airlines.”

“Iran’s airports offer significant potential for airport development and investment” was the subject of the keynote address in the Airport Development & Environment Conference delivered by Mohammed Khodakarami, Vice President for Aeronautical & International Affairs, The Civil Aviation Organisation of the Islamic Republic of Iran (CAO).

Mustafa Özçilingir, Enterprise Business Solutions Senior Manager, Samsung Turkey, delivered an insightful keynote presentation in the Digital Engagement Summit, focusing on the digitisation of airport hubs to create a seamless experience, staff empowerment, and sustainability and operational excellence.

Dr Sani Şener, Member of the ACI Governing Board, and CEO TAV Airports Holding, delivered a keynote address on “Turkey’s global role as an exporter of airport construction, management, know-how, and airport services.”

ACI AIRPORT EXCHANGE 2015

The largest-ever ACI Airport Exchange exhibition featured over 100 companies specialising in airport services and equipment.
Airport Business first spoke with Park Assist CEO Gary Neff a year ago, when he had been in the role just a few months, bringing 25 years of experience within the parking technology sector. At the time, airports were a comparatively new and developing market for Park Assist. 12 months on from that initial briefing, Neff articulates a continuing vision for a new generation of intelligent parking.

“This past year has been an exciting one for Park Assist,” he says. “We have more than doubled our business worldwide as the sophistication of our M4 camera-based parking guidance system has been enthusiastically embraced. Parking operations looking for more control, more revenue, more efficient parking, and a better parking experience for their customers, have been attracted to our advanced technology.”

Park Assist’s airports business has been particularly active, with new installations at Omaha International Airport and a pilot at Montréal Airport, as well as active discussions with several other major airports. “They are finding our system can position them more favourably against off-airport parking operations, while increasing revenue, enhancing security and improving the parker’s experience,” Neff comments. “We see Europe as a huge potential market and we are currently in the process of negotiating several key airport projects in Europe.”

Two key solutions are the L4 Smart-Sensors and M4 Smart-Sensors. The M4 camera-based smart sensor combines the “eyes” of a camera with the “brain” of a powerful data processor to deliver both information on parking behaviour, and preferences and speedy guidance to open parking spaces. Meanwhile, the L4 is the same technology as the M4, but is integrated with an energy-saving LED garage lighting system utilising a continuous light pipe throughout a parking facility. “Our M4 system, along with our digital wayfinding signage, helps drivers find open parking spaces quickly and effortlessly,” Neff explains. “In addition, our unique Park Finder kiosks help drivers find their cars when they return from their trips. We have integrations with the top Parking Access Revenue Control Systems (PARCS) providers, including Scheidt & Bachmann, HUB, and Skidata to name a few. This allows us to offer Find Your Car in the pay stations without adding additional kiosks, as well as premium parking rate change features for tiered parking.”

Park Assist is also embracing innovative technologies to enhance the parking experience of today’s connected travelers. Its technology is being integrated with mobile apps that will enable parkers to reserve spaces, enrol in loyalty programmes, and get other services related to parking. “We can also provide a real time security feed from all the cameras to either the parking management or to the security monitoring agency,” Neff adds.

Meanwhile, a big opportunity for airports in terms of new revenue streams is Dynamic Pricing. “Our Park SelectRate software extension allows airports to create premium parking spaces without the need for gates or equipment. It also enables the airport to easily modify rates when appropriate,” Neff concludes.
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Every traveller’s journey starts at the airport, and there are myriad ways in which technology is being used to transform the passenger experience by engaging, entertaining and informing. LED canvases are one innovative technology being embraced by airports to create a real sense of place, as Patrick Halliwell, Managing Director, Daktronics, explains to Marta Dimitrova.

**LED canvases transforming functional spaces into “digital eye candy”**

Airports today are among the largest public stages, with the biggest hubs welcoming over 200,000 passengers every day. Each must, of course, combine functionality with the desire to be a pleasant place to dwell. LED displays, with their modularity and flexibility, are one way in which airports are transforming their spaces. Indeed, this is an area Patrick Halliwell, Managing Director, Daktronics, will address at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition. Speaking to Airport Business ahead of his speech, he articulates the importance of “creating solutions that deliver a real sense of place at airports, leaving lasting impressions.” This is achieved, he says, “when the characteristics that make a space special and unique are combined with meaningful human experiences.”

Daktronics seeks to leave an indelible mark at airports, using LED technology to create centrepieces of the terminal. A prime example of this can be seen at Los Angeles International Airport (LAX), but more on that later.

It is worth, first, explaining the potential scope for these LED canvases. Digital screens can be used for many purposes – displaying information, showing breath-taking landscapes as if they were a window, or carrying advertising. “If the content is right, the screen will seemingly disappear to the eyes,” Halliwell comments. “What is important is that LED screens can be moulded to adapt to any environment and there is no limit on the size they can take.”

**Content that “will linger in travellers’ memories”**

Today, airports work hard to grow their increasingly important non-aeronautical revenues. They are prime sites for digital advertising as a means to connect with travellers through engaging content. “What’s more, LED screens can open up the opportunity to use what before might have been a dead space,” Halliwell explains. “For instance, take lift shafts. These are big structures that sometimes dominate a multi-level open space. In China, the Wuxi shopping mall has taken advantage of this, and using a semi-transparent LED facade from Daktronics has turned a functional structure into digital eye candy.”

Connected travellers are in turn engaging with the technology, particularly when they share their photos of the LED screens on social networks such as Facebook, Instagram and Twitter.

So, back to LAX. The Tom Bradley International Terminal has a dramatic 26m tall ‘Welcome Wall’ showing LA-themed messages as passengers transit between floors, and a ‘Bon Voyage Wall’ located between the departure bridge and the terminal’s Great Hall. This, says Halliwell, “will linger in travellers’ memories as they set off towards their destination.”

The iconic centrepiece at LAX is its Clock Tower. Part of the Integrated Environmental Media System (IEMS), this piece of high definition structural art is a 22m tall four-sided media LED screen built around the Great Hall’s lift tower. “Its content focuses on engaging passengers by giving the hall a new dimension,” Halliwell explains. “Then there are the essential flight information display screens (FIDS). Good FIDS need to be long-lasting, highly-legible, reliable and provide a consolidated listing of flights in congregating areas. The display combines FIDS information with video or scheduled advertising content. A nice addition on the LAX FIDS was using photos of the destinations.”

In Europe, Daktronics’ installations include a stylish FIDS display at Paris-CDG, while it has also installed giant rotating screens at London Gatwick’s North and South terminals. “The screens are both pole mounted and ceiling hanging, rotating at a gentle pace, slow enough to allow you to enjoy the images and video, but quick enough to avoid being a visual obstruction to the sightlines within the airport,” Halliwell notes.

Discerning travellers increasingly expect to be presented with dynamic and engaging environments that enhance their airport journey, and LED canvases are a flexible and powerful medium to assist airports in delivering a memorable traveller experience.
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IDeaS is showcasing its progressive approach to optimising car parking revenue at this year’s 25th ACI EUROPE Airport Commercial & Retail Conference & Exhibition. Pauline Oliver, Business Development Manager, IDeaS, briefs Marta Dimitrova on the potential of data science and analytics to forecast true demand and set optimal rates for car parking.

Accurate forecasting is, of course, extremely valuable when making pricing decisions for a car parking facility. Rates must be adjusted and promotions or campaigns must be executed for specific periods of high or low demand. “Trends, capacities, events and local competition can – and will – all change, and more accurate data analytics are needed to truly identify business opportunities in the future,” Oliver comments.

Meanwhile, the crux of Big Data Analytics and revenue management for car parks is that today’s stream of data simply cannot be managed manually. “Complex spreadsheets and human decision-making are not able to handle the sheer amount of information available when it comes to pricing decisions – data that is key for optimal revenue performance,” Oliver says.

IDeaS forms partnerships with clients for long-term success and growth. Its first car park client London Heathrow Airport is still a committed partner 11 years on. Auckland Airport is also a perfect example of a car parking business utilising sophisticated manual processes to revenue management tasks for their online channel. “With more than 14 million domestic and international travellers using the airport annually, optimising revenue for the available space at 11 car parks across the airport had become increasingly critical for the organisation,” Oliver explains. “A pricing model based on an increasing level of online reservations as well as their valuable ‘roll-up’ businesses demanded more accuracy and sophistication than a manual revenue management process could provide.”

Revenue management is a relatively new discipline for parking, and IDeaS has an exciting mix of airports planning automated car park revenue management alongside airports seeking advisory services around revenue opportunities. “A reservation system is not the same as a revenue management system, and both technologies are now necessary for a car park’s overall commercial success,” Oliver concludes.

The introduction of online reservation systems for car parking was a true game-changer, and the industry hasn’t looked back. Today, reservation systems remain an important business component for airport parking operations, which now face new business challenges – growing revenues and cutting costs with big data, and implementing revenue management practices to better handle pricing decisions.

Progressive players in the industry are using data science and analytics to forecast true demand and use that to sell car park spaces at optimal rates determined by modelling on price sensitivity. The key is bringing the discipline of revenue management, which is well established in industries like hospitality and airlines, to car parking.

“Traditional online booking systems and reservation systems often lack any real forecasting and accurate pricing capabilities because they involve manual processes to set rates or automatic rules driven tiered rates, commonly known as bucket pricing,” says Pauline Oliver, Business Development Manager, IDeaS.

IDeaS Car Park Revenue Management System (Car Park RMS) is an automated, self-learning software solution that analyses complex demand dynamics to generate the optimal product mix and pricing in real-time. “It utilises powerful, science-based analytics to forecast, manage and optimise revenue opportunities at a revenue per available space level,” Oliver adds. “The system is fully based in the cloud and leverages revenue management principles to balance demand uncertainties with demand-based price optimisation and length-of-stay controls, fully integrating with the airport’s existing reservation systems.”

Optimised rates and pricing is not a one-size-fits-all approach – rather it is one that is the best in any moment in time. IDeaS Car Park RMS creates an optimised rate by looking at the numerous variables present in a car parking business, including intelligent analytics and algorithms for a particular car park or customer segment.

Because IDeaS Car Park Revenue Management System is an automated system that takes the many variables of a car parking business into consideration, it is capable of integrating sophisticated analytics into existing car parking solutions to maximise productivity and profitability.

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THREE GREAT BRANDS, 
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Enterprise, National and Alamo provide car hire customers with greater choice, flexibility and exceptional service in more than 75 countries worldwide.

As part of Enterprise Holdings, these three brands form the largest car rental provider anywhere in the world, whether measured by revenue, locations, number of employees or the size of our fleet. Of course, being a global leader is about more than just the scale of our operation. It is about continuing to listen to our customers and partners, and working hard to create even more ways to serve them better. So whether our customers are renting for business or leisure, they can expect the same high standards of quality, service and value, wherever they are.

To learn more about the difference Enterprise, National and Alamo can make at your airport, visit enterpriseholdings.com.
The car rental market at airports is growing. The principal drivers, explains Tori Patrick, Vice President European Airports, Enterprise Holdings, are a healthy tourism industry, the ongoing globalisation of large companies, and increased wealth. “For example, our US airport rental revenue is up more than 10%, while the US rental industry is up more than 4%.”

It is also a market that’s evolving. There’s a new generation of consumer that’s far more used to accessing goods and services through the so-called “sharing economy.” Car rental companies that can tailor and adapt their services to meet the needs of this new breed of consumer will give themselves a competitive advantage.

Enterprise is doing that in myriad ways, which Patrick shared with Airport Business. But first, a quick overview of some figures: The company currently has branches at more than 200 airports in EMEA and over 800 airports worldwide. Globally, Enterprise has more than 9,000 fully staffed branches and 1.7 million vehicles for its three brands – Enterprise Rent-A-Car, National Car Rental and Alamo Rent A Car.

Significantly, at the end of 2014 Enterprise terminated the agreement under which Europcar operated the National and Alamo brands in Europe. “Since then we have incorporated them into our existing infrastructure to serve distinct types of travellers,” comments Patrick. “Now all of our airport locations in Europe offer our three brands. We’d operated National and Alamo in North America since 2007, but the ability to offer them throughout Europe means that we can provide a more tailored service based on customers’ needs.”

“The evolution of the airport car rental market

Enterprise Holdings will be present at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition. Ahead of the event, Tori Patrick, Vice President European Airports, Enterprise Holdings, shared her perspective on the airport car rental market with Ross Falconer, including innovation through automation and mobile apps.

“Investing in growing global network”

The car rental business is certainly adapting to innovative technologies. This is perhaps most vividly experienced through automation, which is being embraced in a number of ways. One example is Enterprise’s launch of Priority Service at 29 European airports for members of Emerald Club – National Car Rental’s frequent traveller loyalty programme. The aim is to streamline the experience for those who desire it. Members can bypass the rental counter and go directly to a booth in the car park. There they receive a choice of vehicles in their reserved car class, simply show their credit card and driving licence, sign the contract and drive away.

“We use automation to improve the experience for customers who prefer to self-serve, but we are acutely aware that some customers value face-to-face interaction,” acknowledges Patrick. “Automation and speed of service tend to be valued most by frequent business travellers, so National is the brand for much of our investment in automation. Enterprise customers prefer face-to-face service at the counter, so we make sure our employees walk them through the whole process.”

Mobile apps are, of course, a cornerstone of all aspects of the journey for today’s connected travellers, and last year they were launched for both Enterprise and National. “We’re keen to keep enhancing them, and we’re also piloting tablets in the US in order to provide an expedited customer experience,” adds Patrick. Looking ahead, Enterprise is continually expanding its airport presence, particularly in EMEA. In the past year alone it has added many new locations to its network, including Belfast City, Nuremberg, Tuzla, Tallinn, Kaunas, Vilnius, Pristina, Luxembourg, Chisinau, and Riyadh. “We’ve invested heavily in growing our global network,” says Patrick. “Five years ago we were in only three countries in Europe. Today we have a presence in 40 countries in EMEA and more than 75 globally. There’s certainly the potential for us to expand further in APAC and we’re always looking for right-minded partners in new markets.”

Tori Patrick, Vice President European Airports, Enterprise Holdings: “Our three brands allow customers to choose the rental experience that best suits them. Enterprise Rent-A-Car customers want a high-touch experience where branch employees provide detailed advice and guidance. National Car Rental serves the needs of frequent airport travellers who want choice, minimal paperwork and quick access to their car. Alamo Rent A Car provides vehicles to leisure travellers at competitive rates.”
The sunglasses category is among the most dynamic in travel retail, and 2015 was another year of growth. Mindset Generation data shows that the Compound Annual Growth Rate (CAGR) of the sunglasses category in travel retail from 2009 to 2014 was over 15%. The pace of growth was softer in 2015, which is attributed to well-documented market challenges that the entire travel retail industry witnessed – particularly macro-economic factors surrounding Brazilian, Russian and Chinese travellers. Despite that dip, sunglasses has remained one of the most relevant and resilient categories in the channel and, consequently, Francis Gros, Head of Global Channels, Luxottica, is confident it is well positioned for more growth in 2016. “Sunglasses is a very accessible and universally relevant category, which means it can be a key contributor to sales growth at airports,” he comments. “At a time when over-premiumisation is a hot topic, and where the relevance of the travel retail offer to the majority of shoppers is being challenged, sunglasses can offer something for almost everyone, at affordable price points, with functional benefits and act as entry points into lifestyle, premium and luxury brands.”

Multi-formatting a key category differentiator

The First Working Session in this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition poses the question “So just how good are airports for brands?” For Gros, the importance of airports for brand-building is two-fold. “Not only are airports a fantastic platform for growing our own proprietary brands, such as Oakley and Ray-Ban, and our license brands, but we’re also focused on building Sunglass Hut as a retail brand in its own right,” he explains.

Indeed, travel retail is productive with some of the best-performing Sunglass Hut stores, from over 3,000 outlets worldwide, located in airports. In Helsinki, Gros will share insights from his experience in growing the Sunglass Hut brand in such a dynamic channel.

Sunglass Hut continued strong momentum in travel retail in 2015 with 25 new store openings. The brand now has a global airport footprint of over 155 standalone stores and kiosks worldwide. Last year, nine new airport stores opened in Spain, including Madrid, Barcelona, Ibiza, Tenerife and Gran Canaria, increasing its airport presence on the Iberian peninsula to 20 stores. “This year we have already opened our first door in Dubai International Airport, in partnership with Dubai Duty Free at the fantastic new Concourse D facility, and two stores at Copenhagen Airport,” Gros adds.

Luxottica adopts a flexible business model, allowing a tailored approach location-by-location, depending on the contractual legacy and the relationship between Luxottica, the main duty free retailer and the airport authority. A great example of this collaborative approach is the Sunglass Hut stores operated by Dufry (and previously World Duty Free), as well as Lagardère Travel Retail in Italy.

Meanwhile, multi-formatting is one of the sunglasses category’s key differentiators, and an important factor in its growth. “Delivering the sunglasses category in different formats and tailoring it to all sorts of spaces along the passenger journey, there are countless opportunities at every location for us to grow our presence and drive revenues without cannibalising sales between the formats,” Gros explains.

Sunglasses are already developing into a core part of the fashion & accessories category, which itself is a core category. So they could be described as a “core of a core”. Gros asserts that by giving the category the space and care that it deserves, “we can really accelerate the pace of growth and contribute to any growth plan of our partners, no matter how ambitious that can be. We have huge ambitions, too!”

“Our strategy to achieve this objective is continued advocacy of the multi-formatting approach and dedicated regional action plans, supported by continued investments in training, promotions and permanent in-store environments,” he concludes.

“Airports are a fantastic platform for growing our brands”
The Côte d’Azur is truly a blue chip destination, a fact that resonates throughout the comprehensive rejuvenation of Nice Airport’s commercial offer. With the Terminal 1 refurbishment to be complete in May, and work already underway on Terminal 2, Filip Soete, Chief Commercial Officer, Nice Côte d’Azur Airport, discussed developments with Ross Falconer.

The most surprising commercial experience in a European airport

When thinking of the Côte d’Azur, the images that immediately spring to mind are of a postcard-perfect Mediterranean coastline, pristine beaches, and luxurious boutiques. Reflecting this, through a sense of place, and a taste of the Riviera, is at the heart of Nice Côte d’Azur Airport’s new commercial offer.

Urbanite travellers are already experiencing this. Several new outlets have opened in Terminal 1, with its redevelopment to finish in May, while the Terminal 2 renovation is underway and will be complete a year later, in May 2017.

It is worth, at this point, noting the key figures behind the €45 million commercial investment: 11,000sqm in Terminal 1 are being impacted by the revamp, which is seeing retail space grow 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.

Filip Soete, Chief Commercial Officer, Nice Côte d’Azur Airport, is the man driving these developments. “Our vision is to deliver the most surprising commercial experience in a European airport, with a real sense of place and local brands to create that surprising effect,” he enthuses. “We want to be a little bit different and that was a goal throughout the tender process.”

The commercial experience is thoroughly in keeping with the character of the Côte d’Azur. Alongside the upscale, luxury brands, the desire is for the airport to serve as a showcase for local and niche brands.

Among the most hotly anticipated openings was the airport’s first walkthrough duty free store, which opened last October in partnership with Aelia. Soete reports that this has generated an increase in revenues of about 40%: “It is completely in line with our expectations and passengers are very satisfied with the new offer.” An experiential element is central to the walkthrough store – examples so far include a Fragonard area where travellers can make their own perfume, a relaxing spa area, and even a jet ski simulator.

“A destination airport”

The core offering consists of four categories – Riviera essentials, French essentials, trendsetting essentials, and airport essentials – an approach encompassing entry level offers right up to the leading luxury brands.
The tender process for both terminals was undertaken simultaneously, with four key operators selected as partners: Aelia for alcohol, tobacco and fragrances; Dufry for fashion; and Relay and SSP for food & beverages.

“The successful tender participants won, not because they made the best financial offer, but because they were the closest to the airport’s vision,” Soete asserts. “Nice Côte d’Azur is a destination airport and it is very important for the commercial offer to have a link with the history and image of the Riviera.”

Following the opening of Aelia’s walk-through store, recent openings include Pret à Manger’s first outlet in a French airport, French grocery Saveurs de Provence, and Fragonard’s first airport boutique.

Soete enthuses about the true taste of the Riviera in the F&B offer, including Chez Pipo’s first airport restaurant – “a real institution in Nice through the generations, famous for its ‘socca’ made from chickpea flour”; and La Tarte Tropézienne – a famous patisserie from St Tropez.

“He would like to have at the airport,” Soete comments. “For example, two Michelin-starred chef Mauro Colagreco will open his first airport restaurant – L’Estivale – in Terminal 2.”

Significant Terminal 1 openings in March included the airport’s first beach bar – La Plage de Thierry Marx, which is the creation of two Michelin-star French chef Thierry Marx. The space combines a lounge, dining area, bar, and play area for children, complete with real sand and slides between its two levels. “It is inspired by Riviera venues like Nikki Beach Club and adds a genuine beach chic to the airport,” Soete explains.

Meanwhile, the new fashion area featuring the likes of Longchamp and Max Mara also opened in March, and the luxury area, with brands including Baccarat, Hermès and Versace, opens in May.

In a further sign of the airport’s progressive approach, it recently launched a new multifunctional app, which leverages beacon technology to push relevant retail information and offers to passengers. Launched to coincide with the commercial renovation, the app allows Nice Côte d’Azur Airport to offer a highly tailored experience to today’s connected travellers, particularly frequent flyers.

Soete describes the whole commercial project as a “quantum leap” for the Riviera’s gateway. “When people are departing from Nice the airport is the last thing they see of the French Riviera, so we want that to stay with them until the moment they board,” he says. “For them to say, ‘It was great, and even at the airport it was great because I experienced it to the last moment. And maybe next time when I come back I will come to the airport 15 minutes earlier because of these things.’ If we can do that, I think we’ve won everything.”

There is a clear sense of individuality to the new commercial offer, and it is one that will truly leave travellers with a lasting memory of the Côte d’Azur. It is an offer that is at times surprising, while being entirely contemporary and loyal to the locality – the French Riviera.
Excellent service, Teamwork, Innovation – three words which perfectly describe the core values of Plaza Premium Lounge. Headquartered in Hong Kong, Plaza Premium Lounge is a global hospitality brand and the largest independent airport lounge network in the world. Song Hoi-see, founder and Chief Executive Officer of its parent company, Plaza Premium Group, says that “while there are a number of competitors on the market, we are the only player which can provide full-fledged lounge management and operation services to our airline and alliance partners worldwide.”

“The overall design is upscale and chic, with the use of fine timber, polished granite, supreme quality fabric etc, to create a tranquil ambience and feel of a classy hideaway not typically seen in other independent airport lounges for lifestyle travellers,” he adds.

Plaza Premium Lounge covers every thing from concept, design, construction and development, project management, procurement, quality control to operation, training, global sales, marketing and IT support.

The pioneer of the independent airport lounge and Arrival lounge concepts has operations across 138 locations around the world and serves over eight million passengers annually. Plaza Premium Lounge is constantly expanding and last November, in partnership with China Eastern Airlines, opened the No.77 China Eastern Plaza Premium Lounge in Shanghai Pudong. With its 1,800sqm, the new airport lounge provides close to 500 comfortable seats. The collaboration between China Eastern Airlines and Plaza Premium Lounge, with the former’s expertise in transportation and the latter’s specialisation in providing high standard airport hospitality services on the ground, enables frequent flyers “to enjoy the seamless airport experience jointly presented by Plaza Premium Lounge and legacy airlines,” comments Song.

Song adds that Plaza Premium Lounge developed, designed, constructed, operates and manages SkyTeam Exclusive Lounge with a one-stop shop service in both Sydney and Hong Kong.

Meanwhile, on top of the airport lounge business, Plaza Premium Group has launched Aerotel – its airport transit hotel brand. The first Aerotel was opened at Singapore Changi Airport on 18 February 2016. “Aerotel is a one-of-a-kind transit hotel located in either airside or landside of an airport to provide travellers in transit with flexible booking hours that suit their needs,” explains Song. “Located conveniently at Departures Transit Hall in Terminal 1 of Singapore Changi, Aerotel Singapore is the only transit hotel in the world equipped with an outdoor swimming pool, a jacuzzi, a pool-side bar, a fitness corner and a library facility, alongside 70 premium rooms in the airport transit zone.”

Aerotel will also be launched at Abu Dhabi International Airport and London Heathrow Airport by Q1 2017.

Plaza Premium Group has also introduced two new brands – Allways and Flight Club – to further enhance traveller’s airport experience. Flight Club is one of Plaza Premium Group’s airport dining brands, which promotes healthy eating and takes the traveller on a culinary adventure. It is currently available at Kuala Lumpur International Airport, which invites travellers on a culinary adventure. Inspired by herbs and seeds, it offers a healthy dining experience.

Flight Club is a unique dining concept, currently available at Kuala Lumpur International Airport, which invites travellers on a culinary adventure. Inspired by herbs and seeds, it offers a healthy dining experience.

By 2018 Plaza Premium Group aims to reach 200 locations worldwide, with an investment of over US$100 million. “Many travellers want to see our presence in more international airports and we are working towards that goal to exceed our customers’ expectations,” he concludes.
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**Q:** How important is the travel retail channel to the Rituals strategy?

**A:** Rituals’ ambition is to build a global brand. Our distribution strategy aims at retail – 50%, wholesale – 20%, online – 20%, and travel retail – 10%. So you can see that travel retail is an integral part of this ambition. When we launch in a new market, we look to build the omni-channel approach through these four channels. In addition to accelerating our geographic expansion, we also see travel retail as a highly effective shop window to fast-forward international status and awareness for our brand.

**Q:** Where does Rituals currently have standalone airport stores and what plans do you have to further expand the Rituals airport presence?

**A:** Currently at Schiphol we have two airside, in T1 and T3, and a third landside. Both airside stores have a spa attached. We are also airside at London Stansted and Stockholm Arlanda, and landside at Zurich. Expansion of our airport standalone portfolio is very much a priority for us. Further stores will open this year at London Luton and Vienna airports. We also continue to build on our strong network of shop-in-shop stores, which are operated by our global retail partners such as Gebr. Heinemann, Nuance and WDF.

**Q:** What is your policy for operating your standalone stores?

**A:** Well, we are flexible here. We operate our Schiphol airport stores ourselves because we have resources at hand. Equally, we are very willing to continue partnering with leading global duty and tax free retail operators to run our standalone stores on our behalf.

**Q:** And how important are travel retail exclusive products to success in the channel?

**A:** Our strategy for exclusives is for them to be relevant for use during travel. We develop exclusives that can rejuvenate and relax the traveller. This is important to us, as I believe the traveller should get something meaningful out of an exclusive product. Prestige products at accessible pricing is a key part of our business strategy, and I also believe that now more than ever travellers are looking for a price advantage versus the high street.

**Q:** What new creative developments can we expect from Rituals in 2016?

**A:** Rituals will launch seven new travel retail exclusive sets in April, as well as a newly created home-gift offer and a carefully-selected Soul Wear range. We also take a travel retail-specific approach to the products we bring from our domestic portfolio. Our strongest domestic performers are reimagined for travel retail in terms of the assortment and how they are presented. An example of this is our best seller, Sakura Ritual, which will be relaunched in travel retail in April.

**Q:** In what ways does Rituals seek to provide an experiential element and a sense of “retail theatre” in its airport stores?

**A:** There is nothing more effectively experiential than engaging with the product itself! Our Schiphol stores, with the travel spas, focus on hand and foot treatments lasting between 15 and 45 minutes, with a price range of €15-40. In our standalone stores we use POS that is directly evocative of the inspiration behind our product concepts. The magnolia trees in-store are a good example of how to bring our product inspiration to life.
Vanderlande designs, builds and services baggage handling systems for airports of all sizes. Relied upon by more than 600 airports, from regional to large international hubs, Vanderlande is the world’s leading baggage handling solution provider. Vanderlande has proven its reputation as a reliable partner for value-added automated baggage handling solutions. This partnership covers not only the turnkey delivery of high-quality baggage handling systems, but also includes intelligent software solutions and life-cycle services.

› vanderlande.com
As airports adjust to the challenges of an ever-changing market, advances in technology mean that passengers expect a stress-free journey. Airports of all sizes are responding through technologies including self-boarding and self check-in facilities. An equally important aspect of the traveller experience, of course, is that baggage arrives on time, at the correct destination.

This proposition is at the heart of many baggage handling innovations, including Vanderlande’s STACK@EASE – an ergonomic manual loading aid for flight make-up. Vanderlande explains that health & safety considerations for baggage handlers are becoming an increasingly prominent issue. “While legislation in this area is being tightened, a high rate of sickness absence caused by musculoskeletal problems results in operational as well as financial inefficiencies,” explains one of Vanderlande’s baggage handling experts. “Manual handling of baggage is responsible for most of this absence, as it requires loading and manoeuvring weights up to 32 kilos, often through awkward positions.”

STACK@EASE is designed to function intuitively, as if it were an extension of the baggage handler’s own arm. The concept is simple: a disc-shaped bamboo platform at the end of a rotating, extendable, height-adjustable arm is used as a tool to move bags from conveyor to container and vice versa. “All the baggage handler has to do is bring the disc to the desired location and slide each bag on and off it,” adds one of Vanderlande’s baggage handling experts. “The arm is responsive to both the weight of the bag and the operator’s manipulation, so it moves as required while taking almost the complete strain of the load. This allows handlers to move bags of any weight, size, shape or material as if they were almost weightless.”

Baggage handlers can work intuitively and move easily, without bearing any heavy loads or twisting through awkward positions. Because STACK@EASE is designed to function more like a tool than a machine, it moves however the operator chooses, simply by grabbing the disc.

The greatly reduced physical effort means operators can handle more bags within the same timeframe. This results in higher throughput per employee and more consistent baggage handling performance. “Even the most sophisticated automated baggage handling systems still often rely on human baggage handlers at the end of the line, who manually pick up bags and load them into containers,” comments one of Vanderlande’s baggage handling experts. “Making this task more efficient meant making it more ergonomic. STACK@EASE was therefore developed according to a structured ergonomics approach.”

Trials in operational environments at airports led to additional developments, such as an integrated facility for baggage reconciliation, which doesn’t interrupt smooth workflow.

Baggage handling system for Istanbul New Airport

Meanwhile, Vanderlande secured a record order intake of €1.4 billion in 2015 for its integrated solutions. This represents an increase of up to €400 million compared to the previous year’s order intake of €1 billion. In the baggage handling market, a significant landmark for Vanderlande is the news that it will supply the entire baggage handling system for Istanbul New Airport.

The company has also been selected as the supplier for the Terminal 1 redevelopment project at Singapore Changi Airport, which is its largest-ever baggage handling contract in the Asian market. Further orders for Vanderlande’s innovative systems and intelligent software have been secured at Kiev Boryspil Airport, and Houston George Bush Intercontinental Airport.
Travellers embracing efficiencies of self-service bag drop

The automation of key processes brings many advantages for growing airports, particularly in achieving the twin desires of increased efficiency and an optimal traveller experience. Self bag drop is among the most important and successful developments. “The passengers themselves are developing a stronger tendency to use these systems, as they shorten waiting times and allow them to freely choose their walking paths at airports,” says Lieselotte Neste, Executive Vice President, Business Line Mobility, Materna. “Travellers also have much more influence on their baggage check-in time. We are overwhelmed by the positive feedback we have been receiving from our aviation customers, such as London Gatwick Airport with almost the largest installation of self bag drop systems worldwide.”

Indeed, Materna is currently working with London Gatwick to simplify the baggage handling process for passengers. In addition to allowing travellers to tag and drop off their bags themselves, an entirely new function is integrated payment for excess baggage, sporting equipment and other bulky items. These can be paid for directly by credit card at the self-service unit. “This makes London Gatwick the first airport worldwide to offer a true common use facility where kiosk payment is available for passengers who have checked-in their baggage themselves,” Neste contends. “We have also installed self bag drop units at Hamburg Airport, and a similar installation at John Wayne Airport in California is under preparation.”

“From less complex solutions to high-level customised solutions”

It was announced in January that Materna Group, a supplier of automated passenger handling and ICT solutions, has acquired DSG BagDrop, a specialist in self-service bag drop solutions. While having complementary technologies, it is also a combination of DSG BagDrop’s Scandinavian design and Materna’s German engineering.

The acquisition is also important in terms of Materna’s growth strategy to further internationalise its aviation business. “DSG BagDrop has already penetrated the North American self bag drop market. This has created a golden opportunity for us to promote our North American business,” Neste explains. “In addition, we will have improved access to the Scandinavian market. We already have several self bag drop systems in our portfolio. With this acquisition, we will further expand our portfolio and provide a more comprehensive offer to our aviation customers – from less complex solutions to high-level customised solutions.”

Meanwhile, Materna has extended its range of products with a new retrofit kiosk – Merkur. “What’s so special about Merkur is that, although it is designed for unmanned baggage handling, the check-in desks where Merkur is installed can still be used for normal staffed check-in,” Neste comments. “Merkur can be deployed flexibly and fits in conveniently with existing conveyor systems at airports.”

Progressive airports are constantly investing in innovative technologies to meet and exceed the expectations of travellers, and it is clear that these kinds of self-service technologies are playing an ever-increasing role in empowering the passenger and enhancing the airport experience. It is a trend that is certain to continue and evolve further.

Baggage handling automation is an increasingly prevalent contributor to both efficient airport operations and an enhanced passenger experience. Lieselotte Neste, Executive Vice President, Business Line Mobility, Materna, discussed the current trend of self bag drop systems to enhance automated processes with Marta Dimitrova.
U
nwanted coins have always been an inconvenience for travellers, as well as for airport security points. With this in mind, Coindrum, a Dublin-based company, has designed an innovative way to solve this inconvenience, by creating self-service machines in airports, which passengers use to convert unwanted coins into airport shopping vouchers.

Coindrum’s innovative solution has managed to spark the attention of high-profile investors. Launched in 2014, this year Coindrum receives further backing worth $2 million from high-profile investors, including Declan Ryan, Tom Kennedy from Hostelworld, Bobby Healy of CarTrawler, international investor and entrepreneur Nicole Junkermann, and Patrick Joy of Suretank. “The network, experience and travel tech track record of our backers is a great asset,” says Lukas Decker, CEO Coindrum.

Coindrum plans to expand its team to cater to demand for the innovation, while also investing in more Coindrum units. “We offer the Coindrum service with no set-up costs or risk for our airport and travel retail partners, which means we front the capital expenditure for the equipment. However, capital is unlikely to be a limiting factor in terms of scaling speed for us, as we also have financing partnerships in place for the units,” Decker comments.

So, how does it work? Coindrum allows passengers to convert their unwanted coins into duty free shopping vouchers. Not only is it a free service, but also customers receive a bonus of 10% free shopping credit when they use Coindrum machines. Therefore, a passenger would get €5.50 if they put €5 worth of coins into a Coindrum machine. A quick look at the social media accounts shows the enthusiasm of Coindrum’s customers. “This is also reflected in the fast growth of user uptake and that the repeat business was ever-growing, especially once people understood that the service was genuinely offered at no charge,” Decker explains.

The service creates a ‘win-win’ solution for travellers and airports, as well as their travel retail partners. Unwanted coins are no longer a problem for passengers, but rather an opportunity to buy something they love. “The travel retail partners are key beneficiaries as the service, almost as a by-product to a customer service, makes non-spenders spend,” Decker adds.

Coindrum machines were first trialled and launched at Dublin Airport, and the company expects to sign deals with additional major airports, to be revealed soon. Coindrum will showcase the innovation at this year’s ACI EUROPE Airport Commercial & Retail Conference & Exhibition. “We designed the proposition in a way that there is no downside to trying the service, and we look forward to having a more detailed chat about it in Helsinki. Every international airport in the world should have this service, so we have a lot of work to do,” concludes Decker.
Four countries, one market: Together with Vienna Airport, the online travel agency Pelikan.sk ensures a perfect connection between Slovakia, the Czech Republic, Hungary and Austria. And both business and leisure travellers trust their regional market expertise and know-how, and reap the benefits of this unique offer: Vienna Airport is within easy reach and the perfect gateway between Central Europe and the world.

Ivana Bohucka, Airlines strategy director, Pelikan.sk

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Vienna Airport is building on a record year in 2015, with its proactive route development strategy stimulating key new long-haul routes, and a continued focus on development of the Airport City. Julian Jäger, Member of the Management Board, Vienna Airport, outlined his vision to Marta Dimitrova.

“New long-haul routes an important growth factor” for Vienna

Vienna Airport’s success in 2015 is most vividly illustrated by the record 22.8 million travellers handled (+1.3%). It was also a year punctuated by an ongoing development programme, in which €79.9 million was invested, including €13.3 million related to work on the taxiways and €10 million for winter services and equipment storage halls. Further investments were made in connection with the planned third runway, as well as IT equipment and explosive trace detectors.

Julian Jäger, Member of the Management Board, Vienna Airport, articulates a positive vision of future growth, with a further increase of up to 2% in passenger numbers in 2016. “New long-haul routes will remain an important growth factor to us – we have noted a strong increase in the last five years, with passenger traffic to the US increasing by about 57% since 2011,” he explains. “Passenger growth is also expected in the low-cost sector, which is becoming increasingly important.”

The latest available figures show 2.5% year-on-year growth in the first two months of 2016 to 2.7 million passengers. New routes already announced for 2016 include Austrian Airlines services to Shanghai, Bari, Havana and Isfahan; and NIKI services to Faro, Split and Dubrovnik. Meanwhile, new routes and expanded frequencies are expected from easyJet, Eurowings, Jet2.com, SAS, Transavia, Vueling, Turkish Airlines, Nordic Aviation, People’s Viennaline, and SunExpress.

“Interesting markets could be the Asian region, including Hong Kong, and destinations in South America where we would see potential markets,” Jäger adds.

Vienna Airport factbox

2015: 22.8 million passengers

2015 PASSENGER TRAFFIC GROWTH: 1.3%

2016 PASSENGER TRAFFIC GROWTH (JAN-FEB): 2.5%

KEY AIRLINE CUSTOMERS: Austrian Airlines, NIKI, airberlin

NUMBER OF ROUTES: 133

TOP 3 DESTINATIONS: Frankfurt, London, Zurich

Vienna Airport has created an electronic feedback system, offering passengers the opportunity to evaluate the quality of various airport services, including security checks, and retail and F&B facilities. “This input provides important insights to further optimise our service quality,” comments Julian Jäger, Member of the Management Board, Vienna Airport.
Airport City key to business strategy

Alongside the myriad new route developments, Vienna Airport is continuing its Airport City development, with positive results. An international logistics investment is about to be finalised, adding up to 40,000sqm of new infrastructure close to the airport. Major companies including Kühne & Nagel, Makita, and Cargo Partner are located onsite, while the groundbreaking ceremony for the new Moxy Hotel took place at the end of February. “We have also repurchased properties covering over 25,000sqm in the core area of Vienna Airport. This will serve as the basis for the start of a future real estate development project within a short time,” Jäger says.

The transformation into a multifunctional Airport City is a key component of Vienna’s business strategy. Commercial space will ultimately total 140,000sqm, including 84,000sqm of office and conference space. With its 20,000 employees, the airport site is already a vital engine of the economy and the continued development of the Airport City will only enhance that further.

Airport Carbon Accredited: Level 2 Reduction

Sustainability is an important business objective for Vienna Airport, which recently upgraded to Level 2 Reduction of ACI’s Airport Carbon Accreditation and is already striving for Level 3 Optimisation. “We will certainly further focus on the reduction of carbon emissions,” Jäger asserts. “We are striving to enhance customer satisfaction and service quality, while improving energy consumption and environmental compatibility.” Over 100 individual measures have been implemented to reduce energy consumption and increase energy efficiency. Jäger adds that these steps reduced carbon emissions by 11% in 2014, and looking ahead there are plans to construct two new photovoltaic facilities onsite.

Vienna Airport is also participating in Airport Collaborative Decision Making (A-CDM), which Jäger explains “has led to an ongoing optimisation of operations, for example the taxi and waiting times of aircraft, which in turn reduces CO₂ emissions.”

New routes already announced for 2016 include Austrian Airlines services to Shanghai, Bari, Havana and Isfahan; and NIKI services to Faro, Split and Dubrovnik.

Constant investment in new technologies

This progressive approach to the environment is mirrored by a similar focus on digital innovation. Central to this is the proposition of free, unlimited WiFi for travellers. The recently developed Vienna Airport App has been well received, while the relaunched website features a responsive new design and is compatible with all tablets and smartphones. The airport is also proactive on social media, with over 62,000 Facebook ‘likes’, and 60,000 views on its YouTube channel.

“Vienna Airport constantly invests in new technologies,” Jäger says. “For example, passenger queuing at the security check is measured in real-time so travellers can see the estimated waiting time before entering security control. We have also created an electronic feedback system, offering passengers the opportunity to evaluate the quality of various airport services. They can rate the quality of the security checks, their satisfaction with the retail and food & beverage facilities, or the cleanliness of the toilets. This input provides important insights to further optimise our service quality.”

These initiatives really serve to highlight Vienna Airport’s commitment to maximising the experience throughout the passenger journey, and achieving its goal of being in the “European Premier League of airports”.

New routes already announced for 2016 include Austrian Airlines services to Shanghai, Bari, Havana and Isfahan; and NIKI services to Faro, Split and Dubrovnik.
A passion for the passenger experience is ingrained in Munich Airport’s philosophy. While self-service bag drop and fast-track security lanes are among the elements that streamline the airport journey, some of the more creative initiatives include InfoGates that allow travellers to interact with offsite agents, and a free-to-access Recreation Area.

Indeed, this passenger focus has been front and centre in the development of the new T2 satellite building, which Philipp Ahrens, Director Project Team Satellite, Terminal 2 Management Company, Munich Airport, explains is “designed to provide a real improvement in passenger comfort and quality of service.”

Before going into detail about the new T2 satellite, it is worth at this point noting the context in which Munich Airport is being expanded. Bavaria’s international hub is firmly on a growth trajectory. It handled 41 million passengers in 2015 (+3%) – the first time it had exceeded 40 million – and the upward trend is forecast to continue. 15,000 additional aircraft movements are expected this year – a rise of 4%. It is against this background of rising traffic that the airport is opening its new T2 satellite building. The official opening ceremony takes place on 22 April, with operations beginning four days later. The €900 million investment includes the satellite terminal, extension of the apron layout and modification of the baggage sorting system.

As this edition of Airport Business went to press, final preparations were underway for the opening of Munich Airport’s T2 satellite building. Philipp Ahrens, Director Project Team Satellite, Terminal 2 Management Company, Munich Airport, updated Ross Falconer on the project ahead of the official opening ceremony on 22 April and the start of operations four days later.

**Munich’s new T2 satellite:**
“A real improvement in passenger comfort and quality of service”
"The vision started in the late-90s when Munich Airport and Lufthansa signed an MoU to create a joint venture – The Terminal 2 Management Company (with a 60/40 split) – when they started financing, planning and constructing Terminal 2 as a dedicated Lufthansa/Star Alliance terminal," Ahrens says. "This success story, which is still unique in Europe, proved to be a good decision, as Terminal 2’s nominal capacity of 25 million passengers has been exceeded four years in a row now, and clearly indicates the urgent need for additional capacity on the ground.

Construction of the new satellite began in April 2012 to the east of Terminal 2. It adds capacity for a further 11 million passengers to the Terminal 2 system, as well as 27 contact stands, increasing the total to 51, for Lufthansa and its Star Alliance partners.

"Continuously improving services for passengers"

As the satellite is a midfield building, it is separated by three parallel taxiways from Terminal 2. The tunnels under the apron, which connect the satellite with Terminal 2, are used for the passenger transport system as well as baggage transport between the two buildings. The baggage sorting system in the east of Terminal 2 was constructed in a way that it could be the future baseline for the satellite building. Siemens has modernised and extended the baggage handling system, with sorting capacity increased by one-third to 17,800 bags per hour.

"Another important goal was the increase in quality for passengers, when boarding or disembarking, by creating 27 additional contact stands," Ahrens comments. "The building has been planned and constructed to be fully flexible, serving all types of traffic – Schengen, non-Schengen and non-EU arrival traffic – on three different levels, following the same philosophy as in Terminal 2. Since the Terminal 2 system is exclusively reserved for Lufthansa and its Star Alliance partners, the satellite building aims at seamless transfer processes."

The passenger experience is also being enhanced with free ‘work & relax’ zones, family areas, charging areas for mobile devices, and free WiFi connectivity. Meanwhile, the commercial concept will be augmented with digital media walls. The new market place area surrounding the apron tower will be the commercial heart of the building, reflecting the city of Munich and Bavarian culture.

"Our aim is to continuously improve services for the airlines and for passengers," Ahrens says. "The new satellite will definitely maximise convenience for guests because the 27 new contact stands will offer easy access from the gates. Passengers who start their journey from the satellite, therefore, do not need a bus transfer to reach their planes. That means they have even more time to spend in this fascinating building and can enjoy the large variety of attractive shops and restaurants."

Green Satellite: Maximising energy efficiency

Munich Airport is also committed to environmental innovation and is currently at Level 3 Optimisation of ACI’s Airport Carbon Accreditation. Innovative heating, cooling and lighting technologies are being utilised to minimise energy usage in the new satellite. Modern scavenging and ventilation technology optimises climate control, and the so-called double climate façade will work as a climate buffer between the outer shell of the building and the inner part. Meanwhile, the lighting incorporates LEDs and dimming technology, and Ahrens explains that these initiatives will result in CO2 emissions in the satellite being 40% lower than in the two existing terminals.

The next extension is already planned – a ‘T-Stick’ towards the east for an additional six million passengers. Looking further ahead, the next big step for the airport will be the extension of Terminal 1 towards the apron. The project is still in the early planning stages, but we do know that it will create more space for gates, waiting areas, shops and restaurants.
Low-cost long-haul services “a special distinction” for Cologne/Bonn

Michael Garvens, Chairman of the Management Board, Cologne Bonn Airport, interviewed by Ross Falconer.

Cologne/Bonn is strategically positioned as the leading low-cost airport in Germany. Its story is one of sustainable success, and as an airport situated between two bigger competitors – Frankfurt and Düsseldorf – Michael Garvens, Chairman of the Management Board, is clear that Cologne Bonn Airport “can only succeed with the right strategic direction.”

A record year in 2015 saw the airport grow by 9% to 10.3 million passengers. “With that, Cologne/Bonn was one of the strongest-growing airports in Germany, and in the fourth quarter even the frontrunner with growth of around 17%,” Garvens says.

The launch of low-cost long-haul flights by Lufthansa-owned Eurowings in November, as well as six new Ryanair destinations, contributed significantly to last year’s traffic growth, which is forecast to continue with over 11 million passengers expected in 2016. Indeed, ACI EUROPE’s Airport Traffic Report – January 2016 shows a positive start to the year, with a 30.4% increase.

“Low-cost will grow in Europe – the currently low oil price will support that,” Garvens explains. “As the market leader, Cologne/Bonn in particular will benefit from that. With the low-cost long-haul routes of Eurowings, we have a product in our package that is unique in continental Europe, and which will bring us many additional passengers in the next few years. Long-haul flights are a special distinction for any airport, and we want to make a name for ourselves in this market sector.”

In addition to several new routes already announced by incumbent carriers this year, Cologne/Bonn is welcoming the arrival of two new airlines. Russian low-cost carrier Pobeda has

Cologne Bonn Airport factbox

2015: 10.3 million passengers

2015 PASSENGER TRAFFIC GROWTH: 9%

JANUARY 2016 PASSENGER TRAFFIC GROWTH: 30.4%

KEY AIRLINE CUSTOMERS: Eurowings, airberlin, Ryanair

NUMBER OF ROUTES: 124

TOP 3 DESTINATIONS: Berlin, Munich, Palma de Mallorca
launched a daily service from Moscow Vnukovo – Cologne/Bonn’s first Russian service. Meanwhile, Star Alliance member Adria Airways will operate three times weekly from Ljubljana – Cologne/Bonn’s first link with Slovenia – from 26 April.

“Setting the course for a flourishing future”

Alongside these myriad traffic developments, Cologne/Bonn is embarking on the biggest maintenance and restructuring programme in its history. The airport is investing in renovation of the main runway, the crosswind runway, the drainage system, Taxiway Bravo, and in resurfacing.

“In November 2015, the long distance bus terminal of the City of Cologne went into operation at the airport,” Garvens adds. “More than 100 buses stop there every day. That is extending our catchment area to all of Germany and will bring us many new connecting passengers.”

A new 3,200-space car park is planned, with the €45 million project to be completed in 2019, and planning for a second airport hotel is underway, with construction expected to begin in 2017. The hotel will be located between the two terminals and adjacent to the airport railway station.

With all of these developments, Garvens asserts that “we are setting the course for a flourishing future for the airport.” A strong relationship with the local community is also at the heart of the airport’s strategy.

“Once a year we stage a huge airport family party, which attracts 40,000 visitors. Another 100,000 visitors come to the German Aerospace Center’s “Aerospace Day” at Cologne/Bonn, which we host,” Garvens explains. “Our visitor service offers fascinating guided tours.”

The “digitalisation megatrend”

Cologne/Bonn is also riding the digital wave. Unlimited free WiFi has been available across the airport since 2011. "Digitalisation is a megatrend,” Garvens says. “We have a new airport app with which, among other things, travellers can book parking spaces at the airport in advance, and which offers rapid orientation using the map and terminal guide. Our passengers also receive attractive discounts through the app, with coupons for the restaurants and shops.”

Meanwhile, new 40-inch flight information display screens have been installed in the shops and restaurants to inform passengers, and the people meeting them, about gate assignments, boarding times, departures and arrivals.

It was recently announced that the airport’s Supervisory Board has renewed Garvens’ contract as Chairman of the Management Board by a further five years to January 2022. He has held the position since 2004, having joined Cologne/Bonn as Commercial Director in 2002, and led progressive development of the low-cost services which have delivered sustained growth.

“The goal is to build on our position as market leader in the low-cost segment,” Garvens explains. “With Eurowings, we also plan to establish ourselves as a long-haul location. Air cargo will also remain a key business area in the future. Cologne/Bonn is a key location for express freight and is Germany’s third largest cargo airport. With that, we play a core role for our exports-driven economy. At the same time, we want to digitalise the airport further and offer new, innovative, services for airlines and passengers. Those are major challenges – but great opportunities too. I am looking forward to that development process.”

A record year in 2015 saw the airport grow by 9% to 10.3 million passengers. “With that, Cologne/Bonn was one of the strongest-growing airports in Germany, and in the fourth quarter even the frontrunner with growth of around 17%,” says Michael Garvens, Chairman of the Management Board, Cologne Bonn Airport.
What is the future of European regional aviation?

Paul Hogan talks to Simon McNamara, Director General of the European Regions Airline Association

The regionals were born out of deregulation – they were the first airlines to take advantage of the new single market freedoms in Europe but, after huge growth, the advent of the low cost carriers changed the landscape and the regional airline market matured after 2000.

Indeed ERA Director General, Simon McNamara, accepts that the low cost carriers eroded many of the significant gains made since a powerful combination of liberalisation, new regional jets, and franchise agreements with the majors revolutionised regional European aviation in the 1990s. But he now believes there are new, very positive market forces in the pipeline leading to a regional resurgence. “If there ever was a word which applied to regionals it was ‘niche’ and the regional airlines have found their new markets and niches where they are growing again.”

McNamara defines three areas of ‘niche’ where his 50+ member airlines are now making “a growing strategic contribution”:

• “Connecting Communities” – this is the “vital” role of regional carriers which McNamara says “includes anything from the Canaries to the north of Norway – the airlines working away here remain truly independent with strong regional brands.”

• “Feeding the hubs” – the traditional role most notably performed by the major airlines’ subsidiaries – such as KLM Cityhopper – and later by their franchise carriers. Indeed McNamara says “there has been some re-emergence of the franchise model with Stobart Air flying for Aer Lingus and Flybe.” (Flybe is a recent returnee to ERA; most recently it also secured the Channel Islands’ Blue Island Airways as another franchisee).

• Wet lease/ACMI (aircraft, complete crew, maintenance, and insurance) “70% of our membership now offer ACMI and, as major airlines have adopted ever-leaner fleet plans, ERA airlines are now increasingly relied upon to carry a significant amount of passengers in Europe.”

Airports and misunderstood regional dynamics

“My feeling is that many airports still underrate the role of the regional operator. But while an ERA airline may only want to put in one daily rotation with a 70-seater, the principles of hub and spoke simply do not work without the contribution of this regional feed – when this connectivity erodes long haul aircraft lose load factor and the major and regional airlines, and all airports, all lose out.”

Simon McNamara, Director General of the European Regions Airline Association (ERA) representing 51 airlines and 138 associate and affiliate members.

Russian around: ERA member, Ireland’s CityJet, will receive delivery of its first four Superjets in 2016 and 11 more in 2017; it has options on an additional 10 aircraft.
Even when feed is not the central question, McNamara also feels that regional routes often present higher value to airports on many levels: “Our members’ services have a very high average business travel content, often considerably exceeding 60%, and the services they start have an overall much greater longevity than many low cost routes which are often tried and axed within a very short window.”

Despite this, McNamara does not suggest discrimination is at play and he does not make a case for more airport regulation.

ERA has a nuanced view of the European Commission’s new Aviation Strategy published at the end of last year, asserting: “It lacks ambition.” However, McNamara does think the overall thrust of the new ‘strategy’ is good: “The fact that it was positive – that it recognised the vital contribution made by aviation to the GNP, and that it wasn’t just full of the traditional negatives about noise and pollution was all very welcome. But the weak element was that while it addressed the right subject headings, the strategy lacks concrete deliverables.”

McNamara gives two specific examples: “The Strategy recognises the importance of PSO services [public service obligation routes which are subsidised by states] but does not propose practical means of dealing with a problem – that they need to be implemented in a uniform way to ensure non-discriminatory award of PSO routes to any qualifying EEA airlines.”

More crucially, McNamara levels the charge: “The Strategy proposes nothing to solve the looming lack of airport capacity – the absence of a European plan for new runways could not be clearer than the European Commission’s complete absence of any ideas or participation in the debate over the new runway in the Southeast UK when this is clearly a connectivity issue of European-wide importance – quite frankly we expected more direction and leadership at the European level.”

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Regional airlines have an extensive competitive choice of brand new aircraft equipment entering the market over the next two years and ERA’s McNamara believes that the abilities of the new airframes, combined with the immense price competition between suppliers “could stimulate a step change in European regional aviation.”

The level of choice is certainly much wider than the ‘Airbus or Boeing’ selection available to major and low cost carriers:

- Mitsubishi’s 70-90 seat Regional Jet (MRJ) made its first flight in November 2015.
- Embraer’s E2 series of 90-144 seat jets will enter service from 2018.
- Bombardier’s 110-135 seat CSeries enters European operations in the first half of 2016.
- Russia’s cheap 100-seat Sukhoi Superjet has now received its first serious orders from ERA member CityJet.
Recognising progressive ideas in action
transforming airport performance and reputations

Innovation Showcase

Naples Airport installs automated border control e-gates

Passengers from within the European Union arriving at Naples International Airport can now make use of automated border control e-gates. The e-gates use facial recognition technology to confirm that the passenger is the passport holder, while fingerprint verification technology has been built in to add an extra layer of security when required. The airport has partnered with SITA on the project and says the e-gates have reduced the processing time to 20 seconds per passenger. It is estimated that more than 2,000 passengers per day will make use of the new gates. “The new technology has helped improve the passenger experience at Naples Airport by speeding them through immigration while ensuring that we meet the highest security standards at Italy’s borders. The ABCGates are really a win-win technology for airports,” comments Alessandro Fidato, Director of Infrastructure & Operations at Naples International Airport. Giuseppe Musto, Head of Innovation & Automation at Naples International Airport, adds: “We have introduced another step in the passenger journey at Naples Airport, with a focus on quality and in accordance with the recent regulatory evolution in Italy.”

Innovation Showcase

From baggage delivery to automated border control e-gates, and even yoga rooms, Europe’s airports are exploring myriad ways to further enhance the passenger experience, as Ryan Ghee reports.

New generation kiosks installed at AMS, CDG and ORY

A new generation of kiosk jointly developed by Air France-KLM and SITA is now in operation at Paris’ CDG and Orly airports, as well as Amsterdam Airport Schiphol. A total of 765 of the new kiosks will be installed at 50 airports served by Air France-KLM. Aside from self-service check-in, the kiosks include a number of new features, including ‘chip & pin’ and contactless payment functionality, which enable travellers to pay for flights, upgrades, meals and other ancillary services. They have been designed with future developments – NFC payment functionality, for instance – in mind. “The initial feedback is very positive with reports of increased availability, better user interface and improved self-use ratios,” explains Nicolas Nelson, Vice President Distributed Services IS Group, Air France-KLM Group.

Passengers invited to trial Oslo’s ‘first of their kind’ security lanes

When Oslo Airport’s new departures hall opens in April 2017 it will be equipped with 11 security lanes, increasing the total to 30 across the airport. The new lanes are described as “the first of their kind worldwide”, and are designed to significantly enhance the security check experience for passengers. There will be more room to place hand baggage on the belt before travellers pass through the security check, and more room to organise the hand luggage after it has passed through the inspection. “We know that sufficient space to take out their electronics and liquids is something that is high on our passengers’ wish list,” says Joachim Westher Andersen, Head of Communications. A prototype of the new lanes has been installed in the current departures hall to encourage passengers to test the design.
Frankfurt Airport focuses on relaxation with new silent chairs and yoga rooms

Travellers at Frankfurt Airport now have new relaxation opportunities thanks to Fraport's introduction of so-called "silent chairs" and yoga rooms as part of its ongoing "Great to have you here!" passenger experience improvement programme. The silent chairs, available to transfer passengers in Terminals 1 and 2, help to reduce ambient noise with their arch-shaped design. Passengers can also synchronise their personal electronic device with the integrated speakers, so they can listen to their own music while they wait for their next flight. Those wishing to work can make use of integrated power sockets, a USB port and a small table. Meanwhile, transfer travellers also have the option of unwinding with a yoga session in one of two new yoga rooms located in Terminals 1 and 2. The yoga rooms can be accessed free of charge and are equipped with yoga mats, blocks, cushions and pads, as well as a floor-to-ceiling mirror. Video tutorials and printed flyers are also on-hand to provide yoga advice and tutorials.

London Heathrow extends baggage delivery service to Terminal 4

The AirPortr baggage delivery service is now available for passengers arriving at and departing from London Heathrow Airport’s Terminal 4. The service went live in Terminals 3 and 5 in December 2015, and it has now been extended to Terminals 2 and 4, meaning it is available across all terminals. The AirPortr service allows passengers to pay to have their luggage securely transferred between the airport and hotels, offices and home addresses in London and the surrounding area. Arriving passengers can drop off their bags with one of the dedicated AirPortr concierges, and departing passengers can arrange to have their bags collected from an address of their choice and delivered to the airport, ready to collect ahead of check-in. "Heathrow’s goal is to provide the world’s best airport service and we are delighted to be working with AirPortr to offer our passengers this quick, easy and convenient way to travel," says Chris Annetts, Heathrow Airport’s Commercial Passenger Services Director. "With the arrival and recent expansion of the AirPortr service in Heathrow, passengers can now travel to and from the airport bag-free, making their journey is made as hassle-free as possible.”

Dublin Airport and Skyscanner enter unique data partnership

Dublin Airport has teamed up with Skyscanner to provide a suite of data technology services. Skyscanner will provide Dublin Airport with a big dataset through its Travel Insight tool, which taps into the global search data from its 50 million monthly visitors. This will give the airport a unique insight into passengers’ planning and search preferences. (Photo: Archiespo) Dublin Airport’s Head of Channel and Partner Marketing, John Hurley, says Chris Annetts, Heathrow Airport’s Commercial Passenger Services Director. "With the arrival and recent expansion of the AirPortr service in Heathrow, passengers can now travel to and from the airport bag-free, making their journey is made as hassle-free as possible.”

Skyscanner will provide Dublin Airport with a big dataset through its Travel Insight tool, which taps into the global search data from its 50 million monthly visitors. This will give the airport a unique insight into passengers’ planning and search preferences. (Photo: Archiespo) Dublin Airport’s Head of Channel and Partner Marketing, John Hurley, says Chris Annetts, Heathrow Airport’s Commercial Passenger Services Director. "With the arrival and recent expansion of the AirPortr service in Heathrow, passengers can now travel to and from the airport bag-free, making their journey is made as hassle-free as possible.”

Dublin Airport and Skyscanner enter unique data partnership

Dublin Airport Business Express and Flybe, and airports including Edinburgh and Naples. "We are delighted to be partnering with Dublin Airport to provide them with technology which will help them gain valuable market insight to inform and develop its status as a leading hub," adds Hugh Aitken, Skyscanner’s Commercial Director. "Skyscanner is in a unique position to provide these insights given our significant and growing audience of users and data. Coupled with providing our API technology, we hope this will help passengers get the most of the gateway opportunities that Dublin can provide.”
“Maximising the connections between travellers and airport concessions”

Mark Bergsrud, CEO of Grab, interviewed by Ross Falconer.

Travellers today demand a level of control and personalisation that is unprecedented. They have, therefore, embraced the control and ease of use that well-designed mobile tools give them when travelling – right from mobile check-in, through to beacon technology providing location-specific notifications via an airport’s official app.

Since the advent of the smartphone, consumers have spoken loudly and clearly that they want the benefits of mobile commerce from the businesses they engage with. This has contributed to a wave of start-ups in the travel sphere, which continues unabated.

One such start-up is Grab which, put simply, is an open platform that connects travellers with airport services, including restaurants and retailers. Its CEO Mark Bergsrud previously spent 20 years in the airline industry, mostly with Continental. “I have a keen sense of what frequent travellers are looking for, the importance of networks in building traveler loyalty, and how to bring those things together in a great mobile app,” he says.

“At Continental Airlines, my team and I pushed hard to launch the first mobile check-in product offered by a US carrier.”

Grab intends to be a disruptor in the airport commercial space. Its mobile ordering platform aggregates content relating to airports’ retail and F&B offers. Travellers can order via their mobile device and collect without waiting in line. The app also offers state-of-the-art indoor maps that include turn-by-turn navigation, the ability to save favourites, and star ratings for purchases.

“We have listened to the needs of frequent flyers and created an open platform that maximises the connections between travellers and airport concessions,” Bergsrud explains. “Travellers want an app that has broad content across all the airports they frequent. Grab is built to aggregate content across the entire industry. The concession industry is very fragmented, and even the largest players will have trouble acquiring customers to their proprietary apps and driving engagement and transactions.”

“An intuitive customer experience”

Grab has been launched at Austin-Bergstrom and Atlanta Hartsfield-Jackson airports together with launch partner Delaware North, and initial plans are to continue swift roll-out across Delaware North’s network of 16 airports in the US. The Grab mobile platform is also built to integrate into popular day-of-travel apps, including airport and airline apps. This is a powerful part of its strategy, creating broad distribution of the platform to millions of frequent flyers. “As the network grows, Grab’s capabilities to curate content based on a customer’s path through the airport, their dietary preferences, their previous purchases, and other factors, will become very significant,” Bergsrud comments.

“Grab also has the capability to leverage location services and create a contextual relevance that will be appreciated by customers and very useful to our concession partners.”

There are plans for Grab to grow into international markets, including Europe, in the near future. “The more comprehensive the network, the more significant the benefits are to travellers, concession partners and Grab’s integration partners,” Bergsrud adds. “We are excited to have entered into a partnership with American Airlines to bring our shopping platform to their customers via the American Airlines mobile app.”

It is clear from our discussion that Bergsrud has a passion for travel and an appreciation of the transformative power of technology. Connected travellers at Austin and Atlanta have embraced the Grab platform, and Bergsrud believes airports benefit too, as “there is a mounting degree of evidence that the average revenue per order from mobile apps is significantly higher than for purchases made in-store.”

“As the product matures, I believe that airports and airport concessions will physically design their spaces differently to leverage this capability and see another significant increase in revenue. Airport authorities, as the landlords, will see the same benefits as the concessions and see increases in non-aeronautical revenue,” he concludes.
The airport e-commerce platform

Enhanced Customer Experience
Travelers can browse directories, shop and place orders from anywhere improving customer satisfaction and speed of service

Incremental Revenues
Capture sales opportunities traditionally missed due to traveler time constraints and limited information

Easy Implementation
Grab teams handle everything from installing our easy to use, turn-key technology and training employees to customizing operations and providing continued personalized support

Seamless Integration
Grab’s API links directly into existing POS systems as well as airline, airport and other travel apps to reach the most travelers

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Sandwiches and salads with fewer than six grams of fat, made with fresh vegetables, are available at SUBWAY® restaurants and can fit right in with healthier eating habits. Customers can have their made-to-order portable sandwiches and other great food options for all day-parts.

As the #1 Global franchise*, SUBWAY® restaurants show a strong international presence with a simple and flexible operation.

The SUBWAY® restaurant chain has 50 years of experience and has made it possible for thousands of individuals to build and succeed at their own businesses. The chain offers franchisees access to a well-structured and effective system that has been developed and perfected over several decades.

With more than 44,000 restaurants operating in more than 110 countries, the SUBWAY® restaurant chain is the largest restaurant chain in the world! Your passengers and employees will appreciate the availability of a familiar brand name that they know and trust.

Contact Janet Bencivenga
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*SUBWAY® is the #1 restaurant chain in total restaurant count with more locations than any other chain in the Quick Service Restaurant (QSR) industry.