



B.A.R.T.A.

**FUTURE
TRAVEL
EXPERIENCE**

**B.A.R.T.A. - the
Brand Airline
Retailer Technology
Airport initiative**

B.A.R.T.A. team:



“Airlines are the compulsory stakeholder in keeping retail relevant: What scope is there for a Trinity-BARTA Working Cooperation?”

PATRICK BOHL, HEAD OF RETAIL & ADVERTISING, BUDAPEST AIRPORT

THE 2018 BUDAPEST AIRPORT TRIALS



THE PREMISE: AIRPORT RETAIL IS DECLINING BECAUSE OF ONLINE COMPETITION



“In Europe, airport retail revenues have come under pressure from technological disruption. While passenger numbers continue to rise, non-aeronautical revenue per person has been falling at airports across Europe and plateauing in North America.”

Financial Times May 2018



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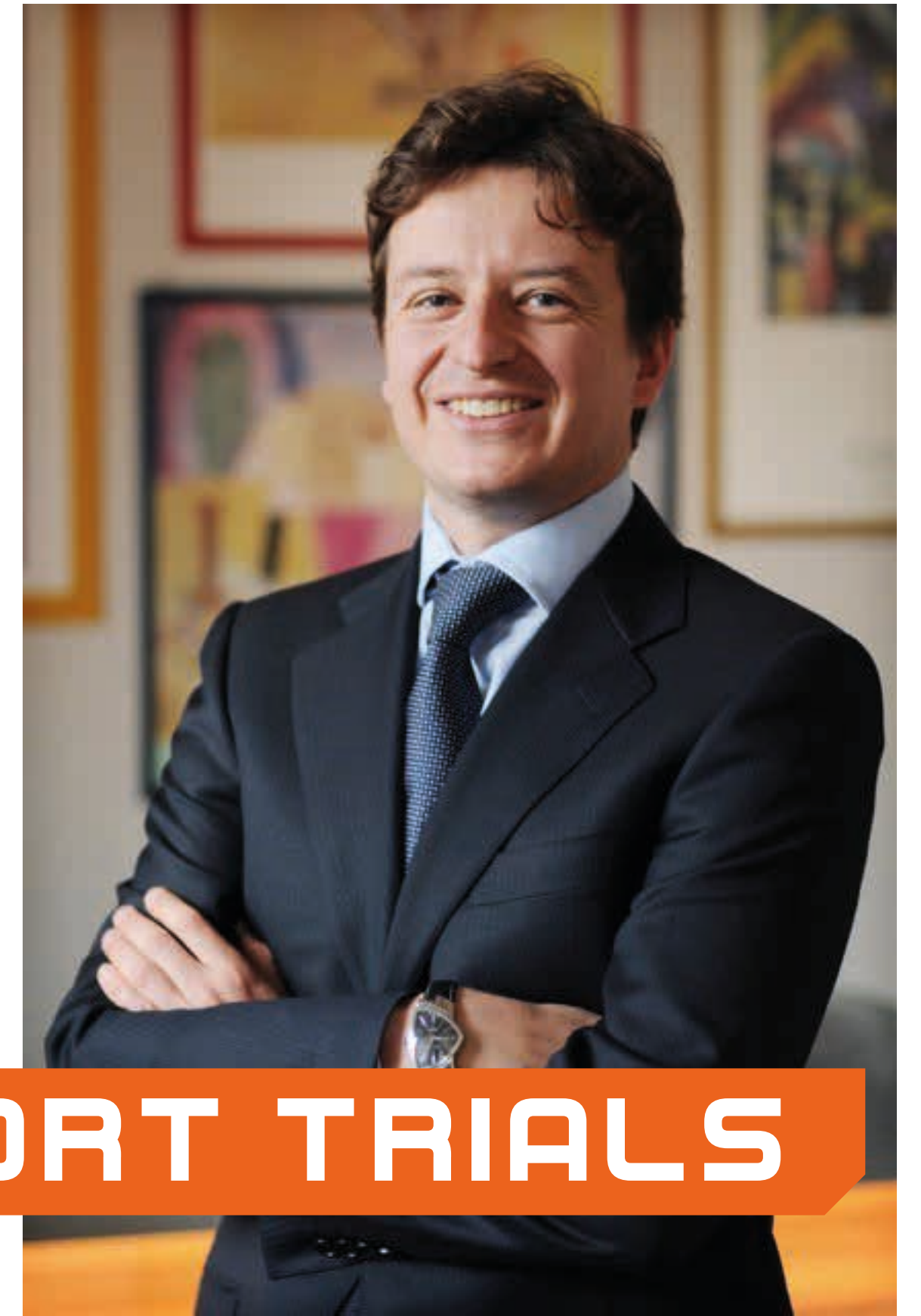


THE PREMISE: AIRPORT RETAIL IS DECLINING BECAUSE OF ONLINE COMPETITION

“There is no doubt that, along with disruptive technologies such as the continued growth of online retail services, increased retail competition outside the influence of the airport will also begin to limit growth prospects for airports.”

Stefano Baronci, Director of Economics at ACI World

Financial Times May 2018



IMMEDIATE TECHNOLOGICAL THREATS TO AIRPORT AND ON-BOARD/ANCILLARY SALES

O2-UK 20:39 22%

Disruptors + myFT

Airports fight back against online turbulence

Hubs to improve passenger experience as web shopping and ride-hailing hit revenues



Airlines want to harvest the data of travellers to create services tailored to their needs and preferences © FT montage

MAY 25, 2018 by Tanya Powley in London

On entering the new Terminal 4 building in

myFT Updated 8:38pm

Financial Times report
May 25
2018

THREATS:

amazon *Prime*

shopsavvy



NON-AERONAUTICAL SALES AT AIRPORTS DECLINING

“Airport non-aeronautical revenue under pressure from technological disruption.”

Non-aeronautical = 40% of all income in 2016 - down from 50% in 2000

According to ACI World

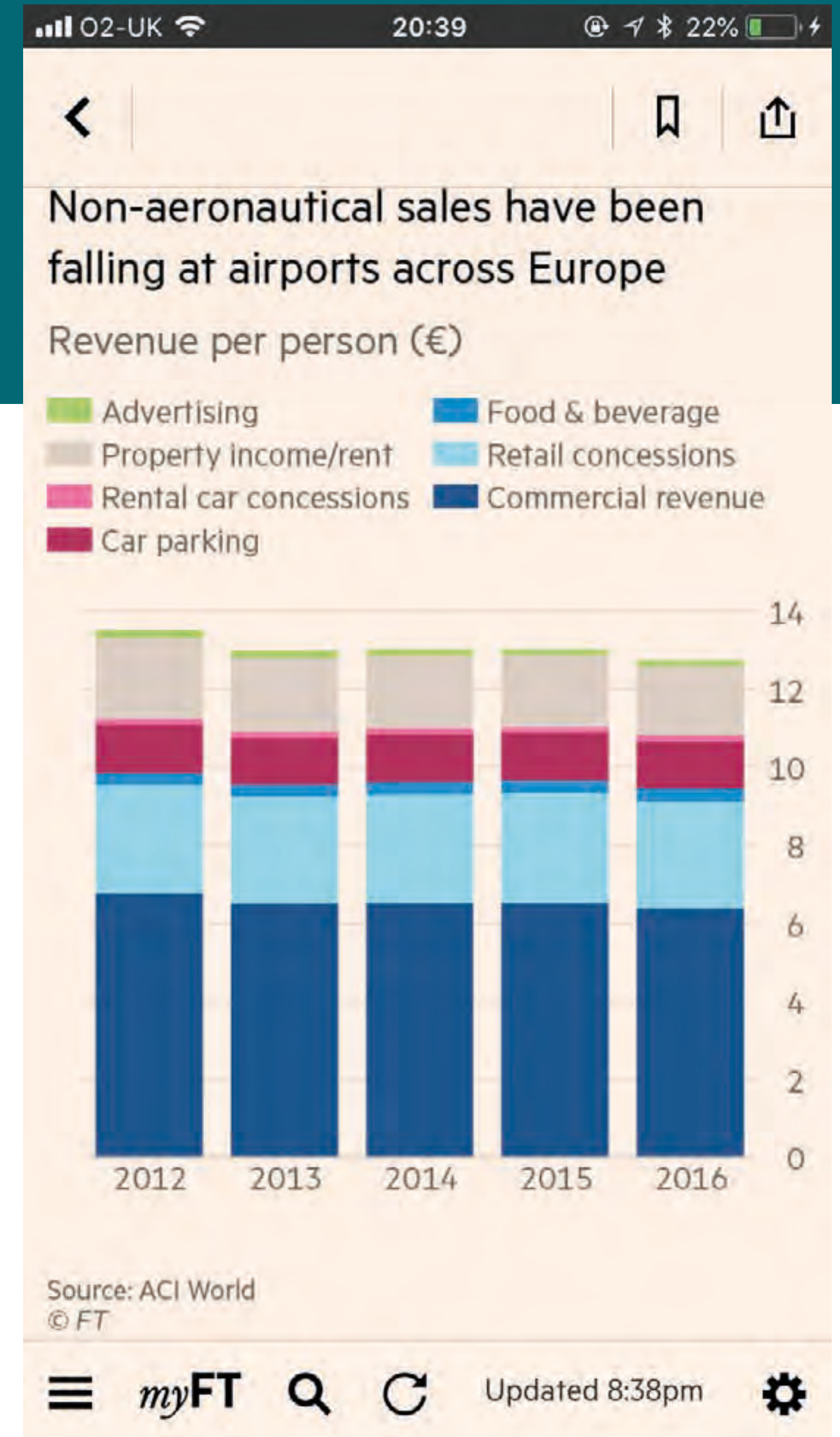
“Airport retail revenues hit by online retail, falling to €2.73 per passenger in 2016 from €2.91 per passenger in 2010

According to ACI World

(Caution: Averages and survey sample are unhelpful - major airports report retail spending of closer €10+ pp - the average at Dublin Airport, Heathrow etc - much lower at Frankfurt at €3.06)



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Moodie-Davitt snapshot: Fraport 1H 2018 results

- Retail revenue declines by almost -4% to €94.8 million
- Net retail revenue per passenger down -12.3% to €3.06
- Wider Retail & Real Estate division revenue down -10% to €241.3 million
- Group revenue overall up by +13% to €1.532 billion
- Passenger traffic increases by 9.1%

Source: The Moodie-Davitt Report

PASSENGERS SPEND LESS AT MAJOR AIRPORTS



ADP, SCHIPHOL ALSO DOWN:

Groupe ADP spend per passenger (1H 2018): €17.9 (-1.3% year-on-year)

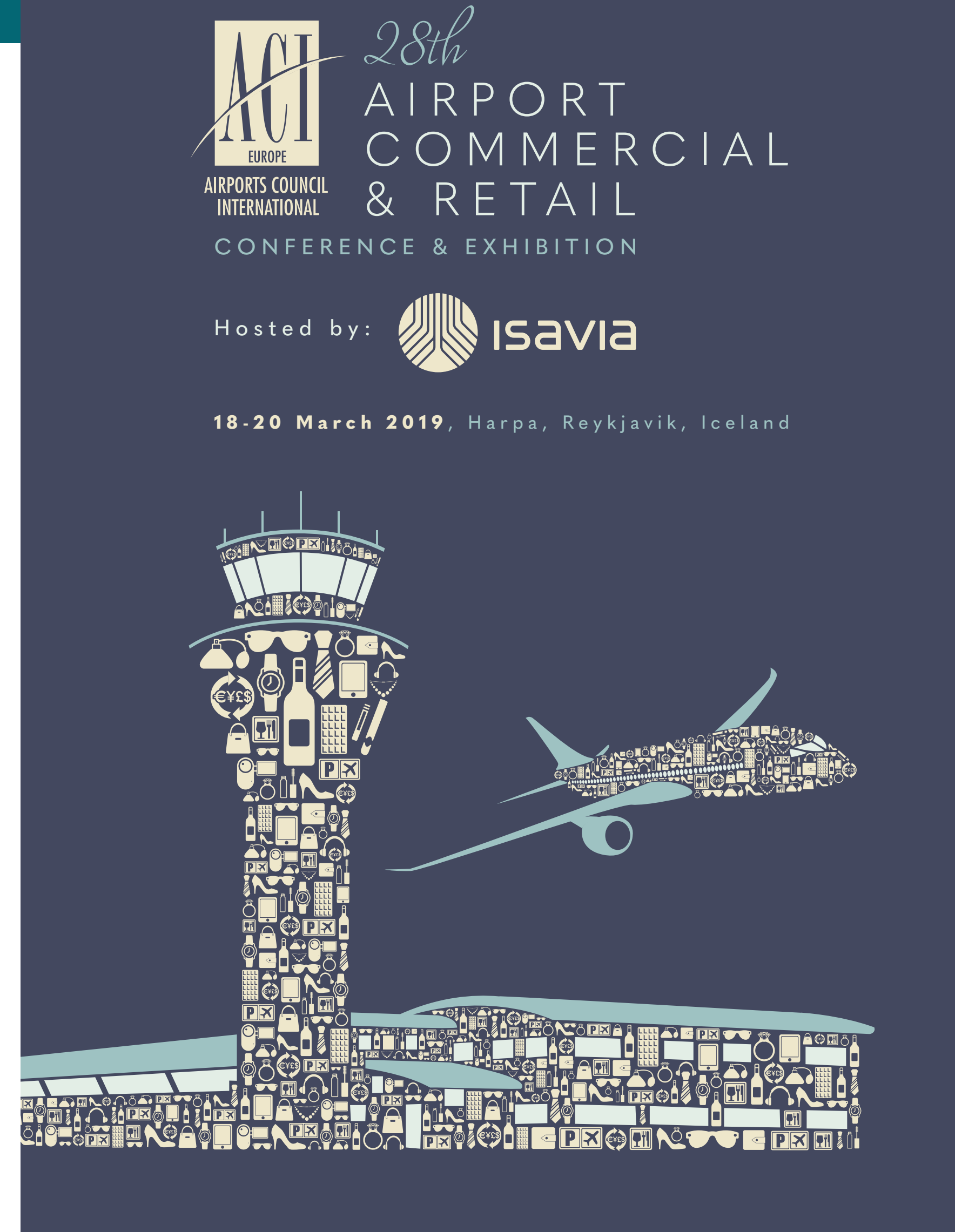
Amsterdam Airport Schiphol spend per passenger (2017): €13.35 (-2.2% year-on-year)

EVIDENCE OF MELTDOWN IS PATCHY, ANECDOTAL AND UNSCIENTIFIC!

To clarify the situation, the ACI EUROPE Commercial & Retail Conference in Reykjavik March 2019 will include scientific evidence of the performance of retail, especially in Europe.




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ACT EUROPE AIRPORTS COUNCIL INTERNATIONAL

28th AIRPORT COMMERCIAL & RETAIL CONFERENCE & EXHIBITION

Hosted by:  Isavia

18-20 March 2019, Harpa, Reykjavik, Iceland

The poster features a stylized illustration of an airport terminal and a control tower, both filled with various retail and commercial icons such as shopping bags, bottles, and electronic devices. An airplane is shown flying in the sky above the terminal.



**SHE'S WALKING
PAST THE SHOP!**



**KNOWN
KNOWNS:
75% of EURO
travellers
don't buy.**

**KNOWN
UNKNOWN:
The full
effect
of direct
competition
from
technological
disruption**

**BARTA:
A \$1 BILLION
OPPORTUNITY?**

- 2017 European travel retail worth \$20 billion*
- 3-5% growth/yield improvement = \$1 billion!

*Generation Research



Galleria, Milano opened 1877

**AIRPORT SHOPPING
FUNDAMENTALLY
VICTORIAN!
PRE-INTERNET;
PRE-WRIGHT
BROTHERS**

Despite all our efforts with loyalty programmes, technology (Apps, Beacons) etc, airport shopping mainly relies on browsers and impulse.

Airlines are best-placed to drive commercial offers to travellers at just the right time in their journeys!



AIRLINE TRAVELLERS ARE DIGITALLY ENGAGED END-TO-END

- Flight booking
- Pre-flight reminders
- Boarding passes
- Apps
- TXT gate notifications etc, etc

AIRPORT SHOPPING MUST BECOME DIGITALLY ENGAGED WITH TRAVELLERS

- ✗ Not 25%
- ✗ Not 50%
- ✓ 100% digital engagement



B.A.R.T.A

WHAT IS BARTTA?

**FUTURE
TRAVEL
EXPERIENCE**



A concept developed by Future Travel Experience, the technology platform dedicated to enhancing end-to-end passenger experience and business performance

- B** - Brands
- A** - Airlines
- R** - Retailers
- T** - Technology platforms
- A** - Airports

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Budapest Airport encourages a BARTA dialogue between airline partner and duty free/travel value partner



Direct commercial relations

Direct commercial relations



No direct commercial relations



BUDAPEST AIRPORT – AN IDEAL TEST BASE FOR BARTA CONCEPTS

Ideal site for the March-May 2018 BARTA trial.



- **Budapest Airport** = 13 million throughput – part of the AviAlliance airports portfolio inc. Athens, Düsseldorf, Hamburg

- Home base for **Wizz Air** – a top five European LCC with 30m+ passengers

- Stand-out retail location for **Heinemann** – a top-5 global travel retailer (330 shops on 79 airports)

THE BUDAPEST BARTA TRIALS =

A very simple partnership – a very simple promotion

“Shop at Heinemann – snack on Wizz Air Flights”

 Promoted Heinemann shopping electronically from point of booking onwards

 Offered a voucher for inflight café based on €50 and €75 purchasing benchmarks

MARKETING DEVICES - BUD CHANNELS



Hostesses



Columns in orientation zone



Airport screens



Newsletter banner

Mobile banner shopping page



Facebook posts



Website banners

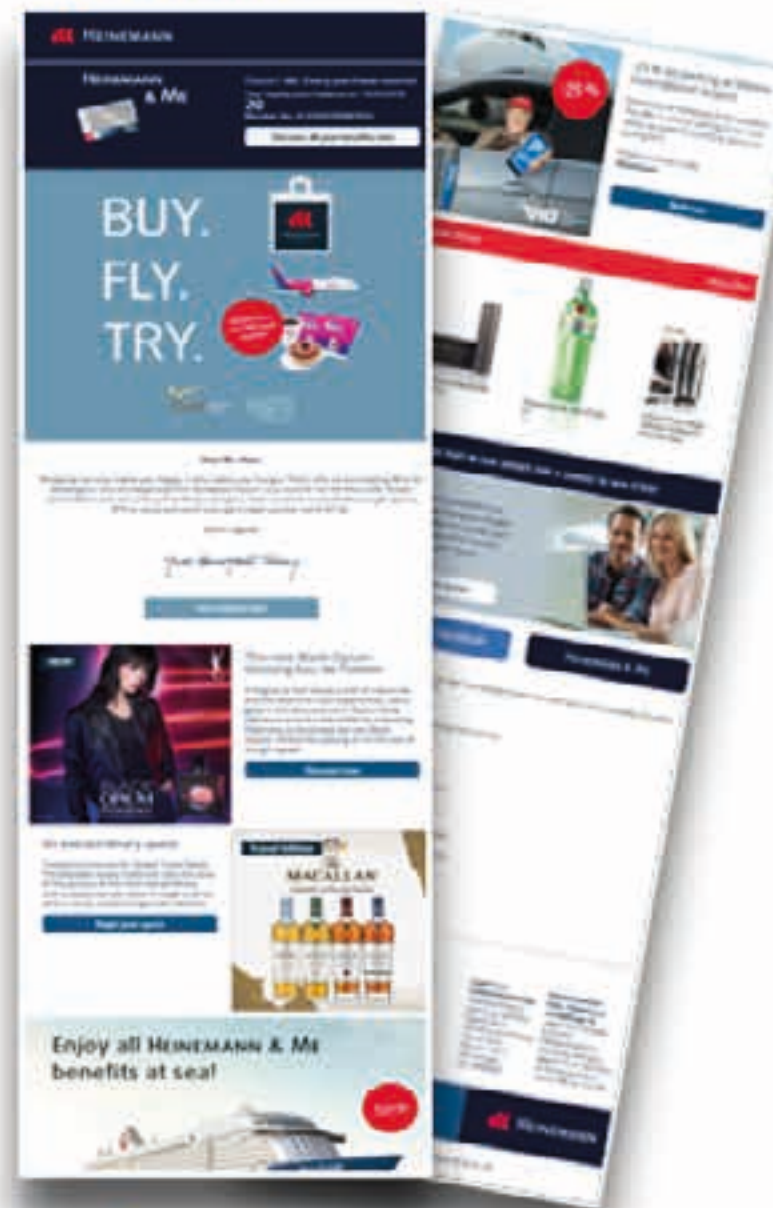


MARKETING DEVICES - HDF CHANNELS

Online (Banner, Newsletter, FB, Animation)



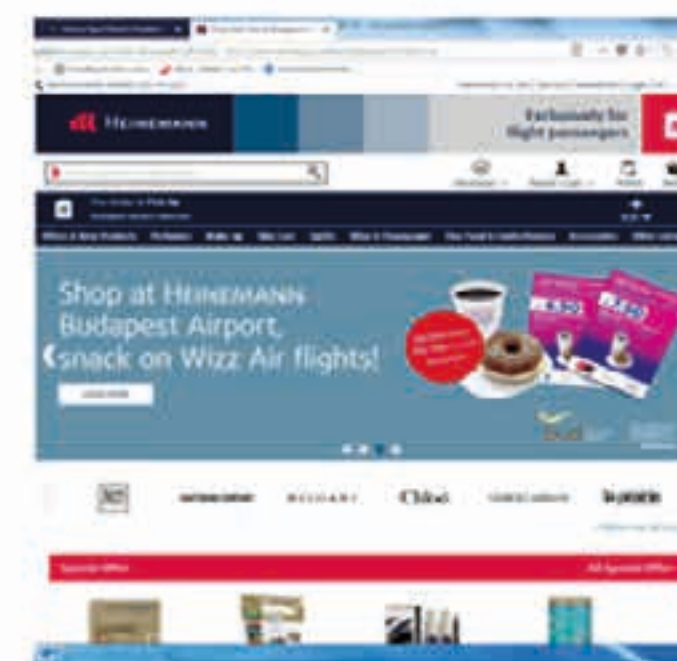
Newsletter



Facebook



Webshop



Floor sticker



T2B lightbox/ T2A trinity stage



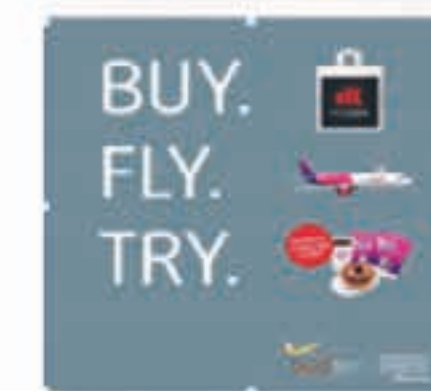
Columns



Flyer (hand out via promoter)



Show cards



Voucher

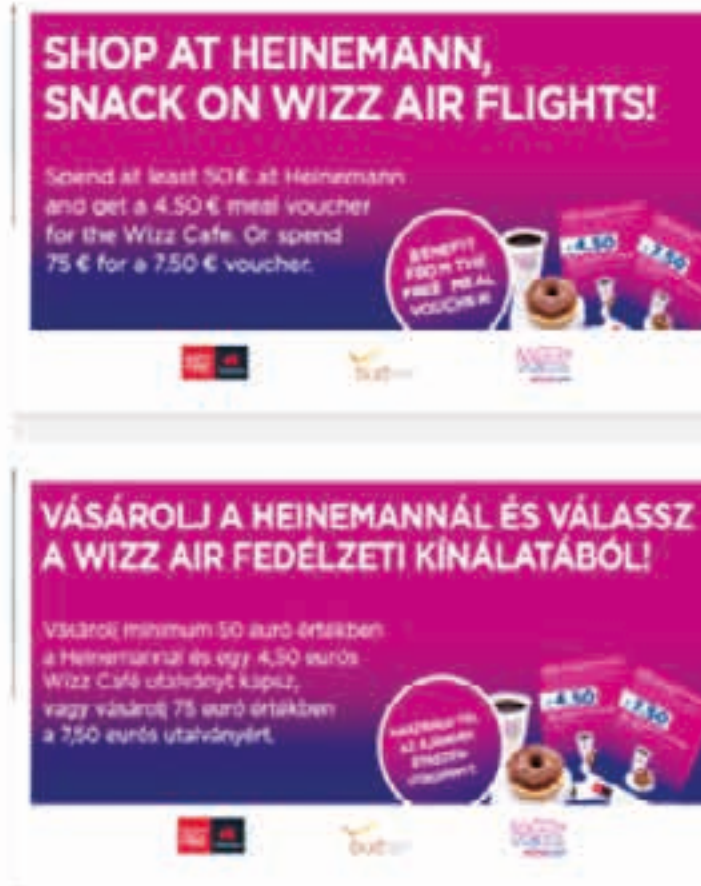


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MARKETING DEVICES - WIZZ CHANNELS

Itinerary page/ confirmation email banner



Facebook posts



Push notification



Newsletter



Homepage rotating banner



Boarding card advertisement



**THE RESULTS OF THE
MARCH-MAY 2018
BUDAPEST BARTA TRIAL**



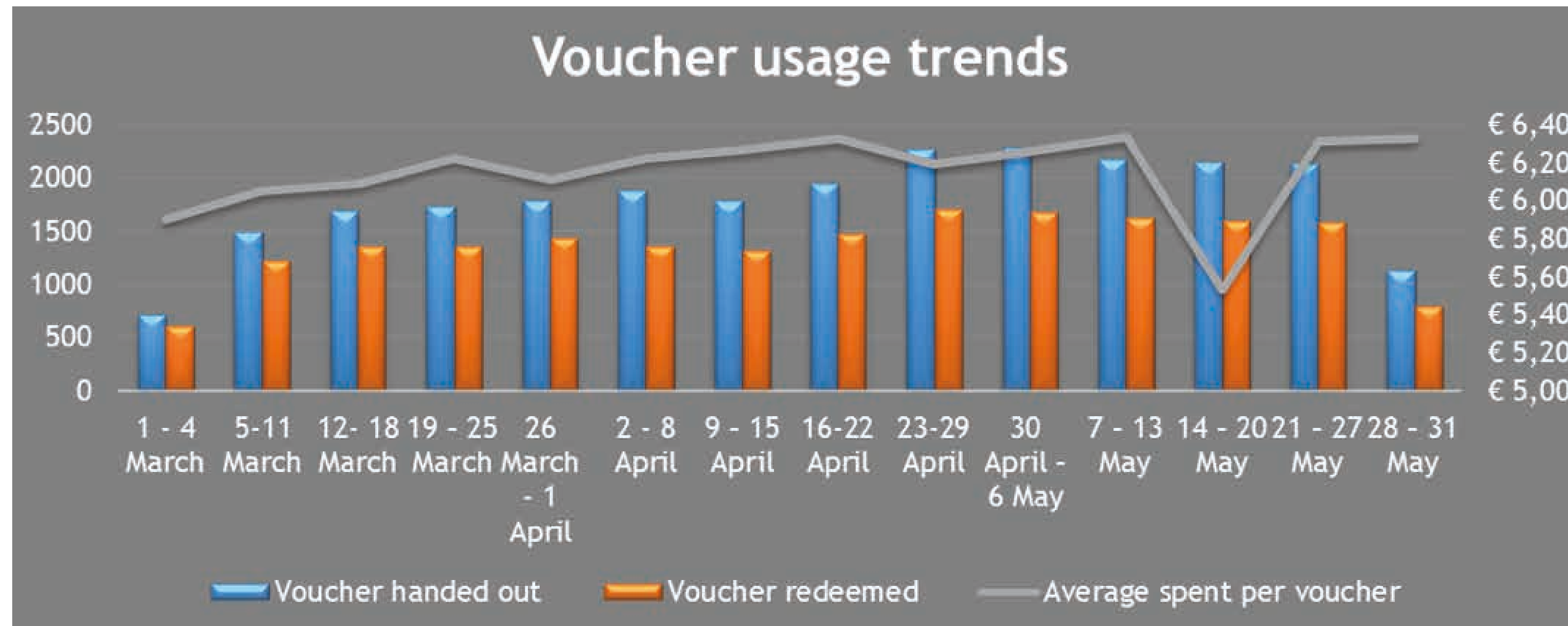
THE 2018 BUDAPEST AIRPORT TRIALS



RESULTS EXCEED EXPECTATIONS!

Very popular! – voucher handout almost double target (1,900 weekly)

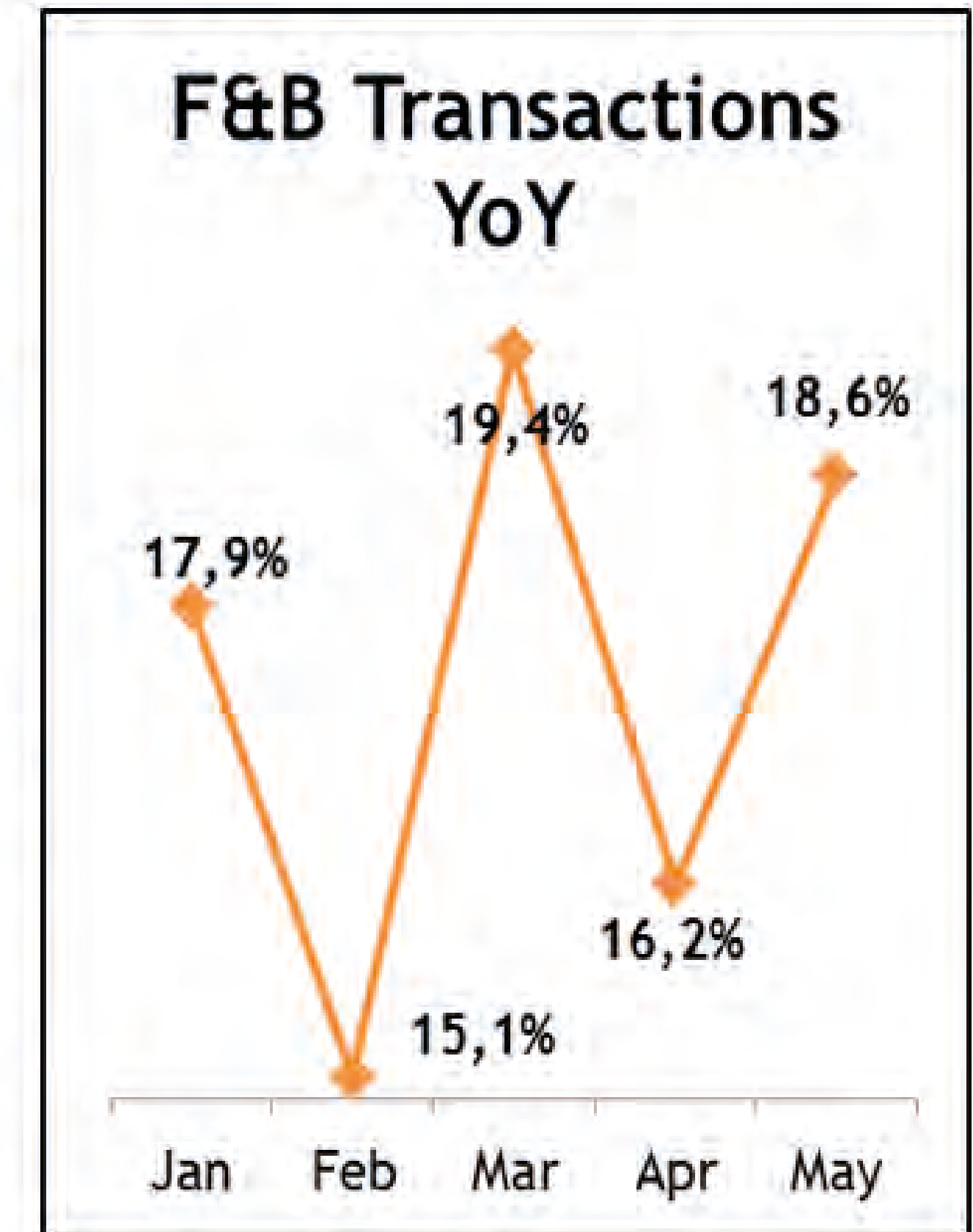
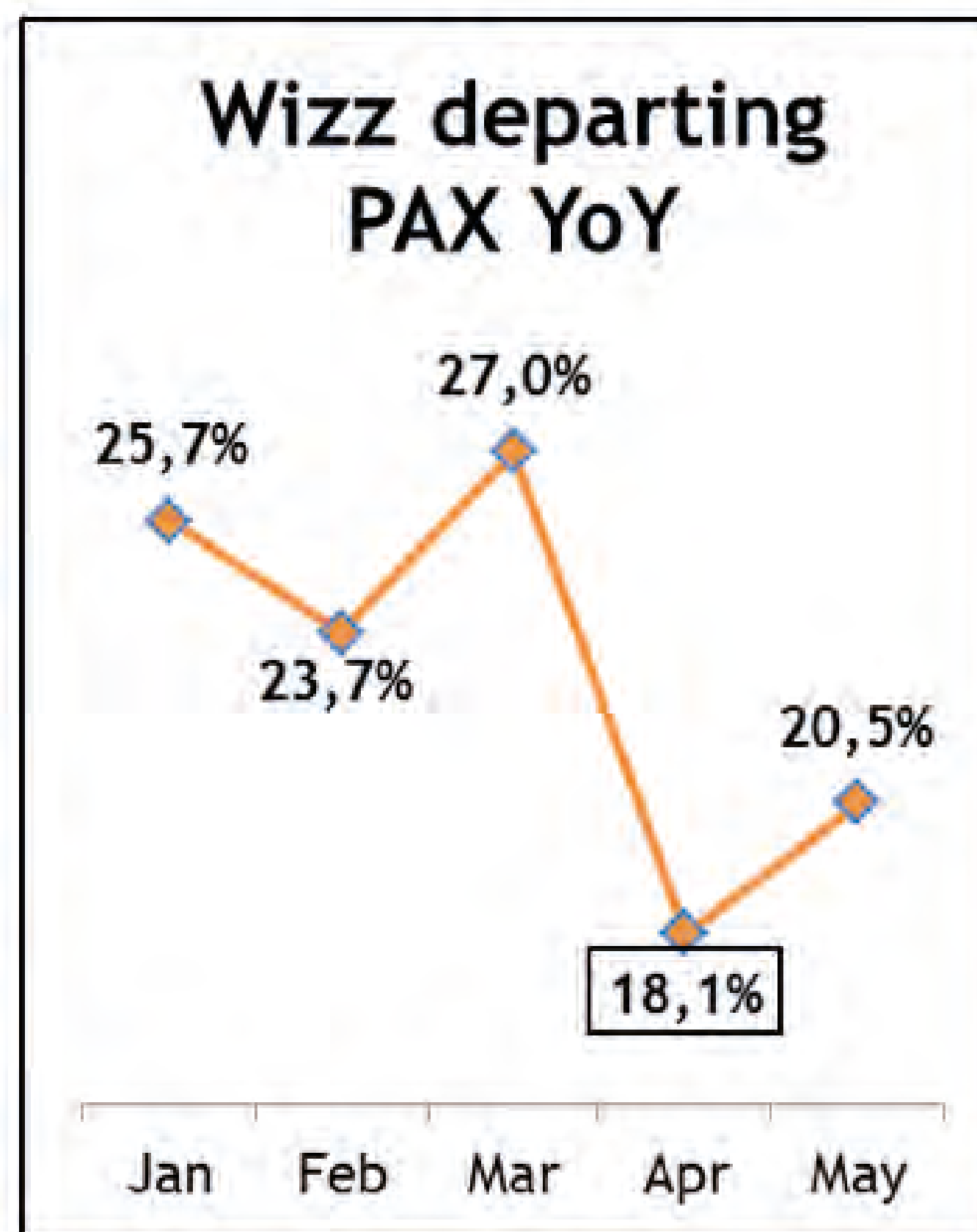
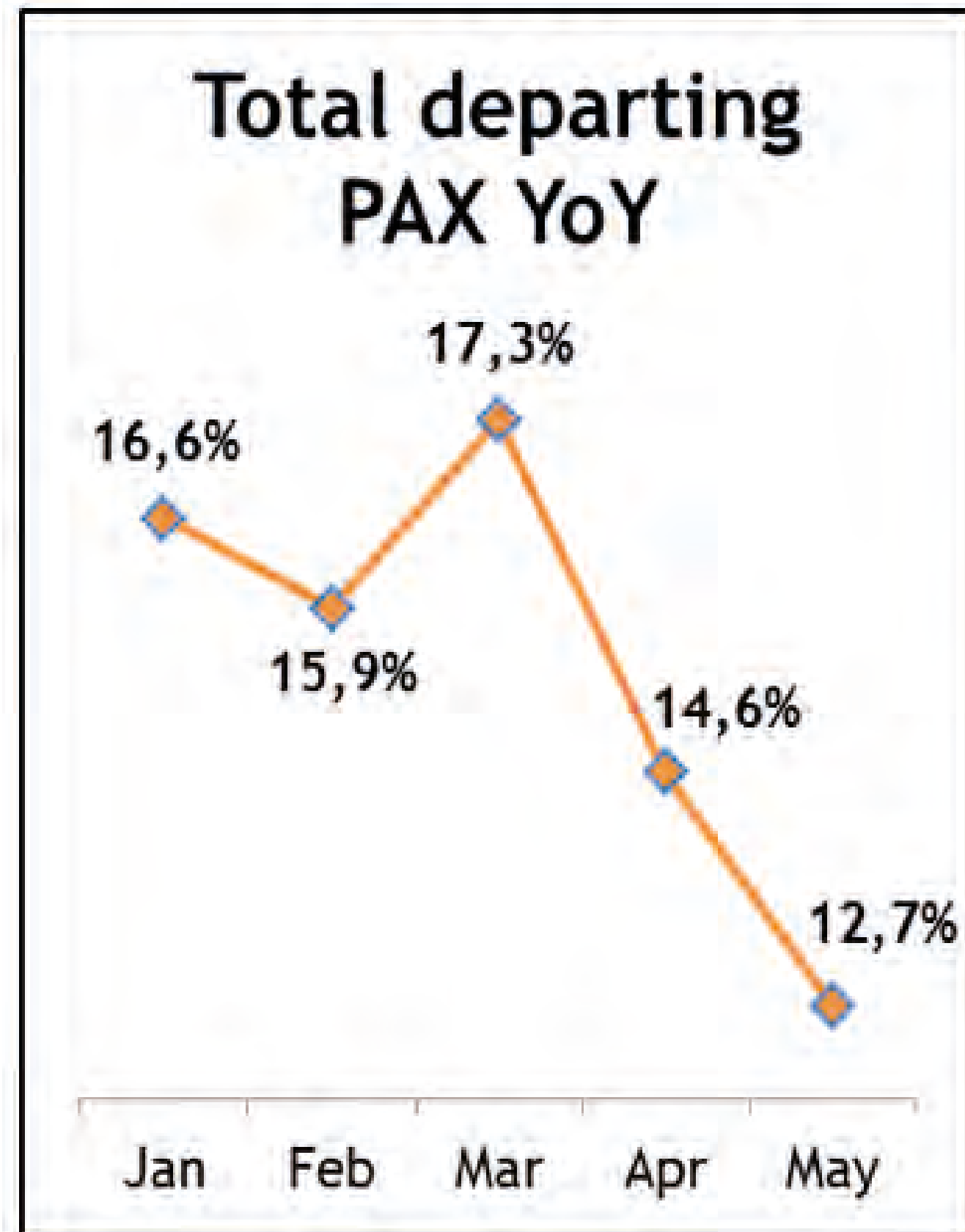
77% redemption rate



THE 2018 BUDAPEST AIRPORT TRIALS



COMMERCIAL CONSIDERATIONS – BUD KPIs



HEINEMANN BUD BARTA KPIs MAR-MAY 2018

FULL THREE-MONTH RESULTS

Month	W6 Penetration	W6 SPP	Other Airlines Penetration	Other Airlines SPP
March	↑ 3,42	↑ 9,7%	↑ 1,88	↑ 5,7%
April	↑ 3,00	↑ 0,9%	↑ 1,65	↓ -0,1%
May	↑ 1,22	↓ -4,8%	↓ -0,06	↓ -3,9%
Total	↑ 2,49	↑ 0,9%	↑ 1,10	↓ 0,0%

Penetration rate, ATV*, SPP* - March, April, May

- May was the weakest month, heavily decreasing overall results
- Development on stable routes (year-on-year comparison possible) looks more positive

STAND-OUT ROUTE PERFORMANCE

LTN (London) - #1 EU route**

- - 4,2% PAX
- + 4,4 %-p. penetration
- + 9,3% SPP

TLV (Tel Aviv) - #1NEU route**

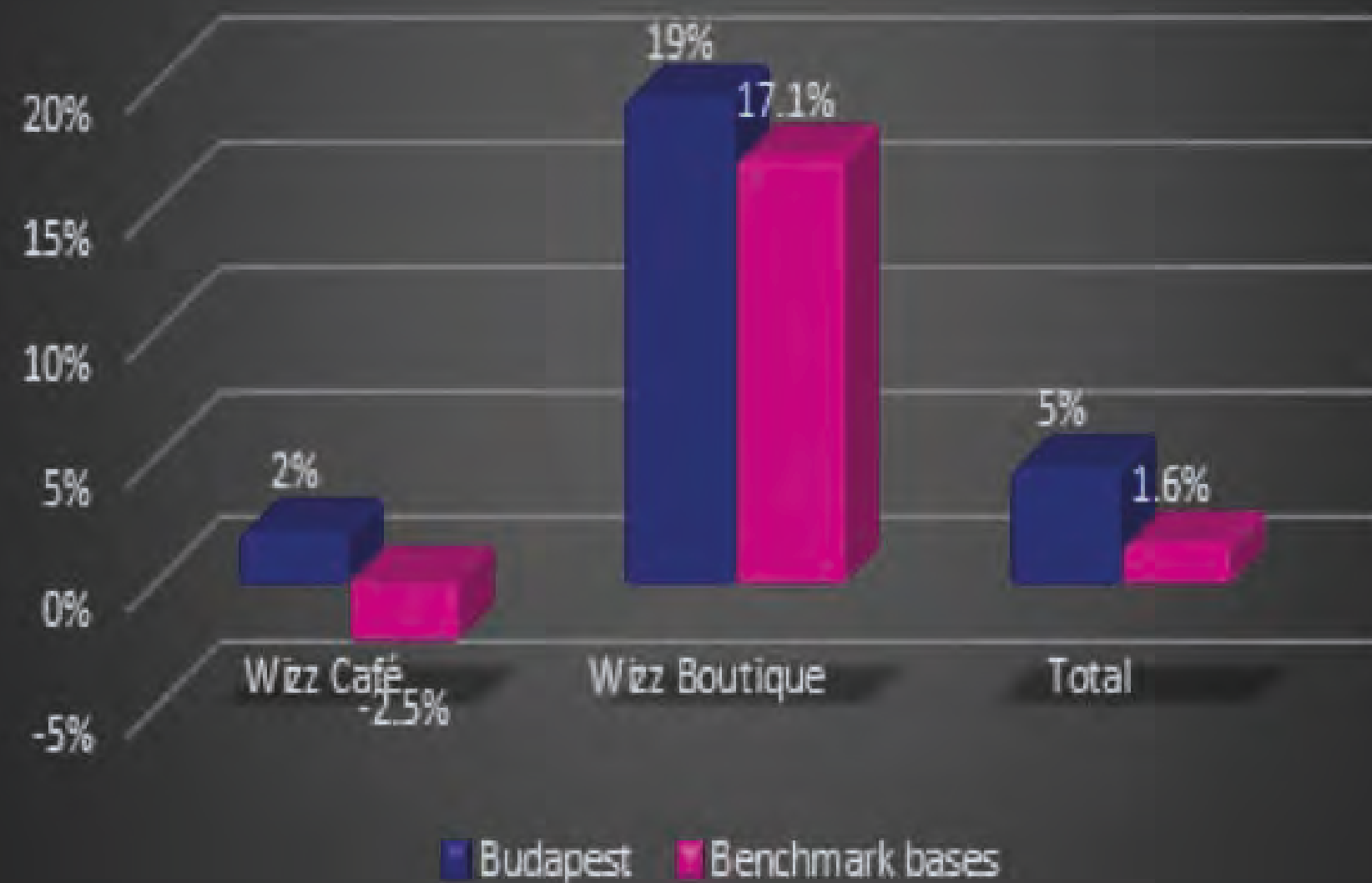
- + 28,5% PAX
- + 3,7 %-p. penetration
- + 5,5% SPP

BCN (Barcelona) - #7 EU route**

- + 28,0% PAX
- + 3,4 %-p. penetration
- + 22,8% SPP

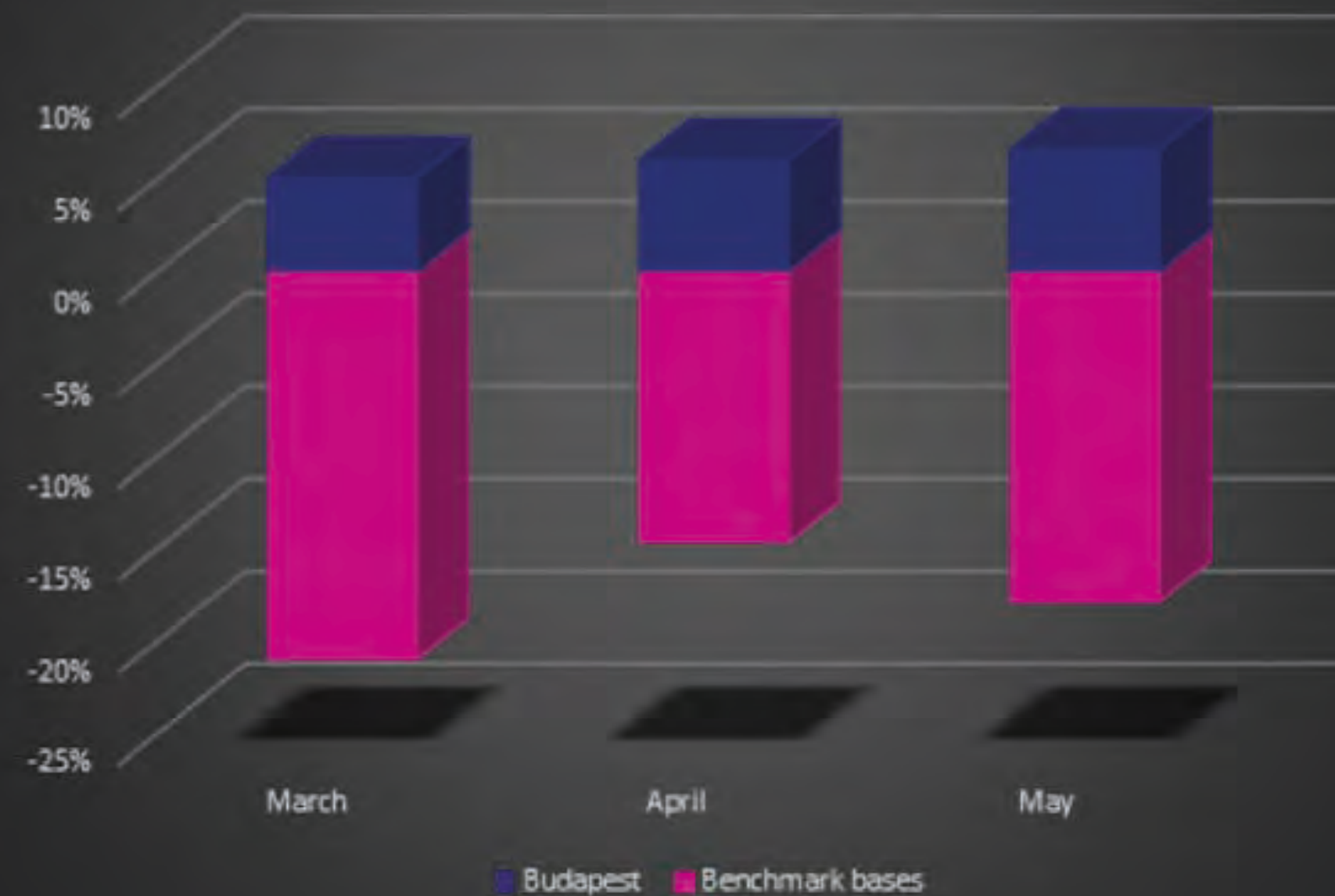
WIZZ ONBOARD KPIs MARCH, APRIL AND MAY

Performance comparison of BUD and benchmark bases



- BARTA period was much stronger in BUD than non-BARTA
- For benchmark bases, BARTA period is not as strong as at BUD

Sales trend comparison of outbound vs inbound flights for Budapest and benchmark bases



- In BUD the outbound sales were stronger for the BARTA period, while for benchmark bases the trend is exactly the opposite

KEY CONCLUSIONS AND INDICATORS

- Simple BARTA “voucher” trial yielded +4.3% SPP in first two months
- If Mar-Apr BARTA improvement of +4.3% was reproduced across Europe = +\$860m in airport retail!
- No “cannibalization” of Wizz Air boutique sales or decrease in turnover from F&B
- Onboard Wizz Air Café from BUD “stronger than rest of the network”
- No requirement to renegotiate airport-retailer contracts
- Imagine what results could be achieved with full digital engagement via airlines!



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THE FUTURE:

- The campaign continues November 2018
- Evaluating the cooperation of frequent customer programmes (eg Wizz Discount Club, Heinemann & Me)
- Involvement of brands in the next BARTA campaign

MORE DISCUSSION OF BARTA



28th
AIRPORT
COMMERCIAL
& RETAIL
CONFERENCE & EXHIBITION




Hosted by:  ISAVIA

18-20 March 2019,
Harpa, Reykjavik, Iceland

18-20 March 2019, Reykjavik

FUTURE
TRAVEL
EXPERIENCE



EMEA

18-20 June 2019, Istanbul



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MORE FUTURE:

- Impressive results from modest BUD voucher scheme
- So BIGGER results from ambitious BARTA schemes with airlines!
- Trinity should include airline (digital) engagement
- A Trinity-BARTA Working Cooperation = natural Trinity progression



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