

Maximising Commercial Revenues Dwell Time

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Founder



DOLBY & HOLDER CONSULTING Ltd
Commercial Solutions for the Airport & Travel World

Core Objective

To **Maximise** Airport Shopping
& Dining Revenues:

Every Passenger

Every Customer

Every Visitor

All Day

Every Day



Achieving Our Objective?

Global Turnover = \$35 Billion USD

Significant Evolution & Development

Improved Facilities

Width & Depth of Portfolio

\$35 to \$40 Billion per annum Lost Sales

Achieving 50% of our Potential

We Are Not Maximising Revenues!

Delivering Our Objective

A Commercially Dynamic Environment

In Which:

- ✓ The optimum portfolio of shops, restaurants, facilities
- ✓ Of the appropriate quality and size
- ✓ In the right locations
- ✓ Delivering the optimum range of products and brands
- ✓ Supported by the highest levels of retail/dining standards and service levels

Dynamic Commercial Environment

Relaxed, Comfortable & Stress Free

Facilitate, Motivate, Stimulate & Inspire

Can Spend, Want to Spend & Do Spend

The 3 'Musts': Money, Opportunity & Time

Commercially Dynamic?

Commercially **Destructive** Environments



Time

One of the 3 Minimum Requirements

It's a Must – Not a Bonus

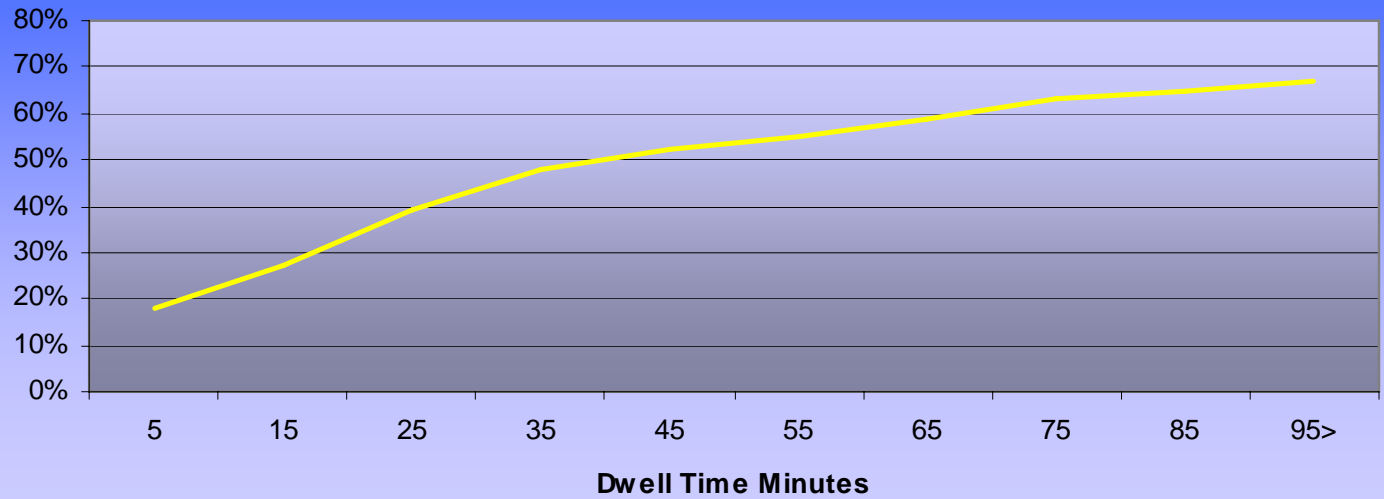
Airports = Finite & Limited Time

2 Essential Elements to 'Time'

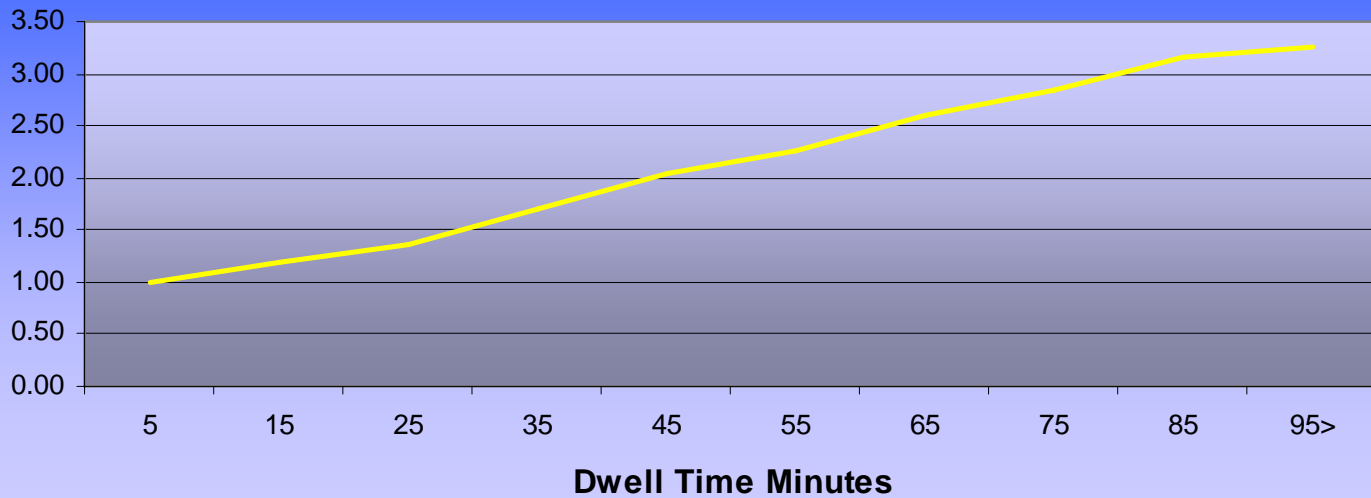
- ✓ Physical Time – 'Dwell Time'
- ✓ The 'Concept of Time' – How long have I got?

Time Retrospectively Has No Value

Penetration %age by Dwell Time



Spend Per Customer by Dwell Time - Ratio Increase



Global Dwell Time

Airport Dwell Time = 137 Minutes

36 minutes of Processes & Transitions

101 Minutes to Complete

65 Minutes of queuing, waiting, watching & orientation

47% of Total Airport Dwell Time is Wasted

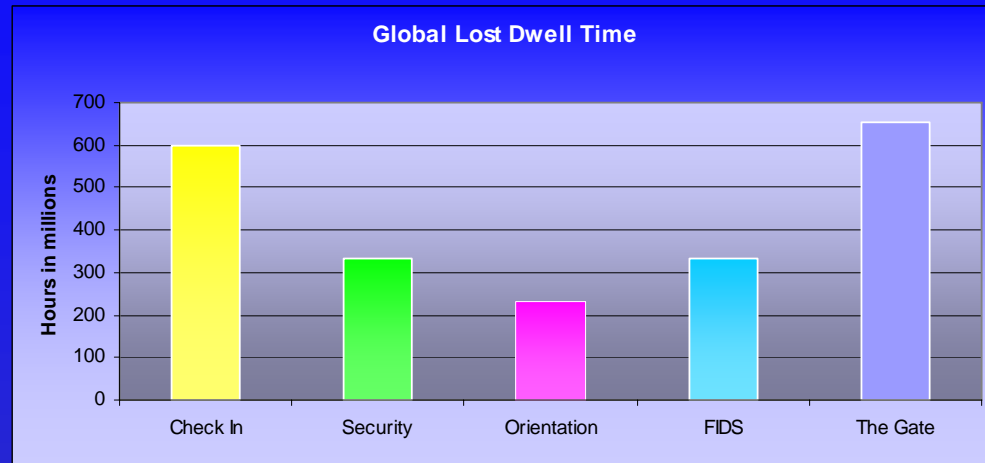
Commercial Dwell Time = 29 Minutes

Only 21% of Customers Total Time

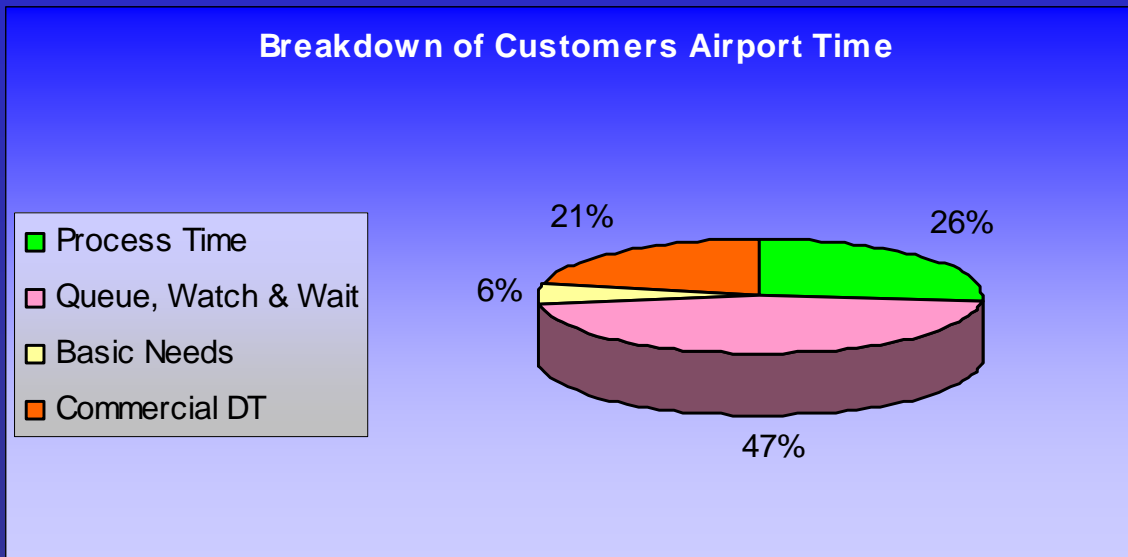
This is Not Commercially Dynamic!

Lost Dwell Time

2.1 Billion Hours of Lost Time



Only 0.9 Billion Hours of 'Commercial' Dwell Time



Dwell Time - Check In

Capacity

Process Times

Kiosk & On-line Ratios

Staff Competency

Check-In Systems

Queue Management

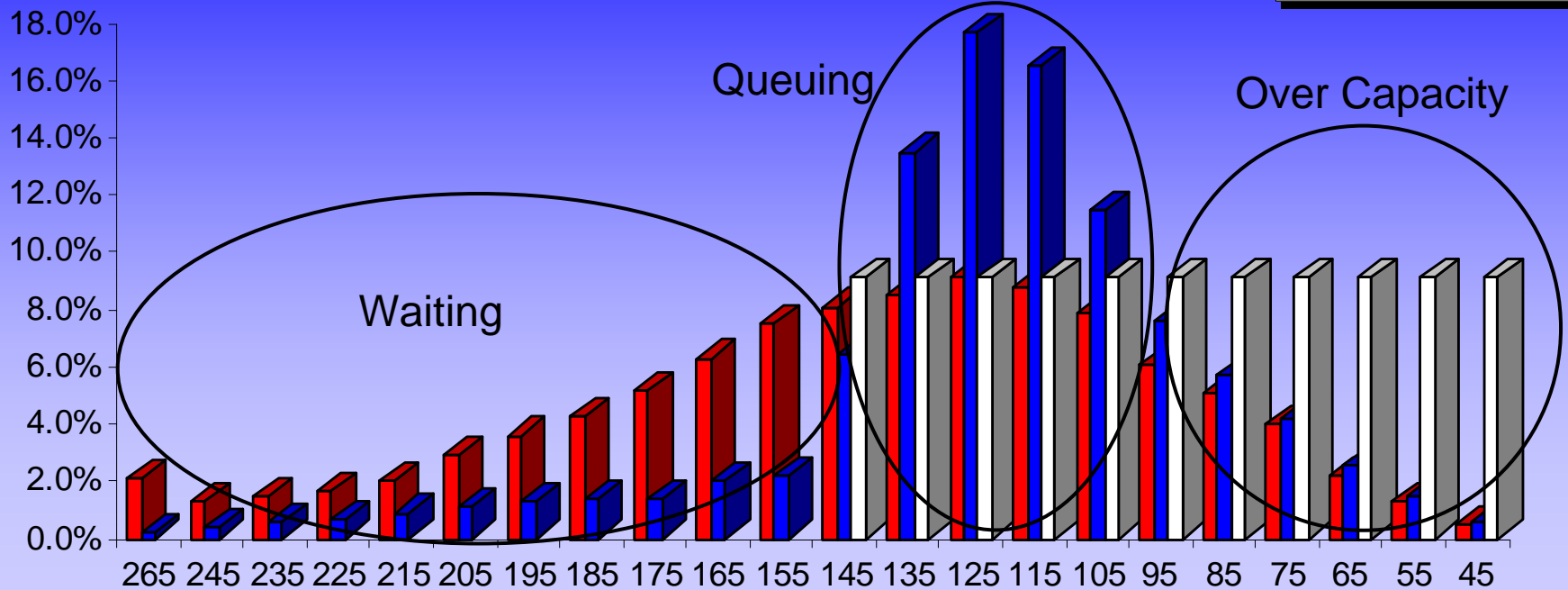
NO

The Allocation and Utilisation of Check In
Desks does not meet the demand from
Customers wanting to Check In

Check In

Arrival, Check In & Capacity Comparison

- Arrival
- Check In
- Capacity



Dwell Time – Check In

Customer: 18 Minutes of Waiting & Queuing

Airport: >40% Capacity Decrease

Airline/Handling Agents: 22% More Resources

Duty Free Companies, Retailers & Restaurateurs

Brand Owners & Airport Owners:

\$4 Billion Lost Revenues

Every Stakeholder Loses

Dwell Time – The Gate

- On-Time Departures
- The Myth of Late Arrivals
- Controlled by Airlines
- Over Compensation

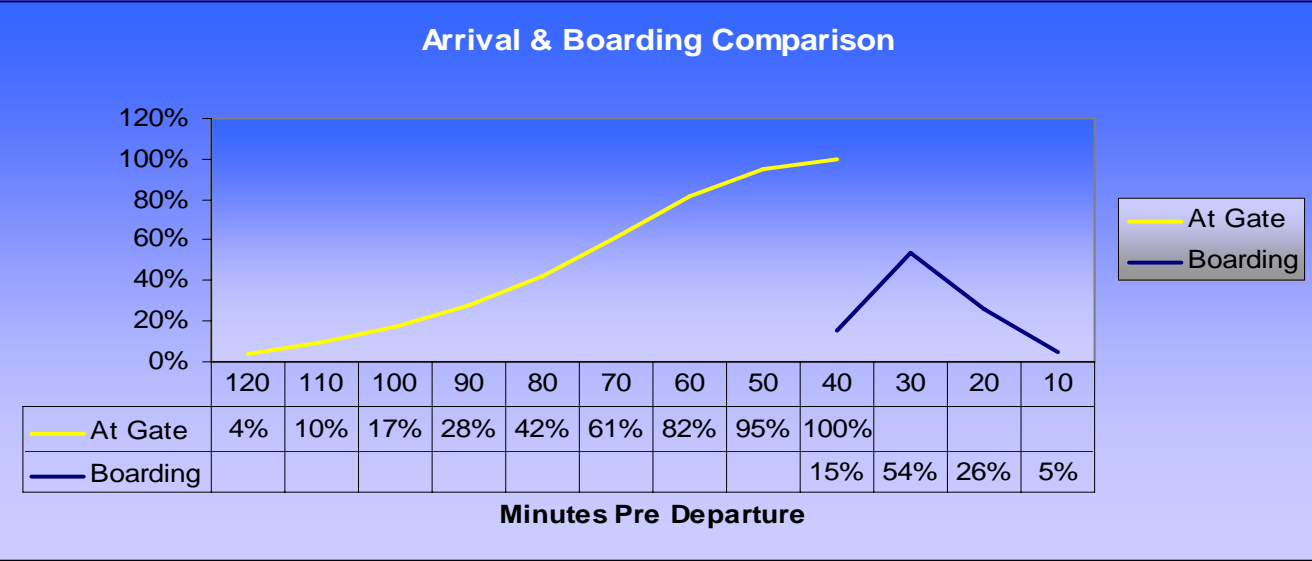
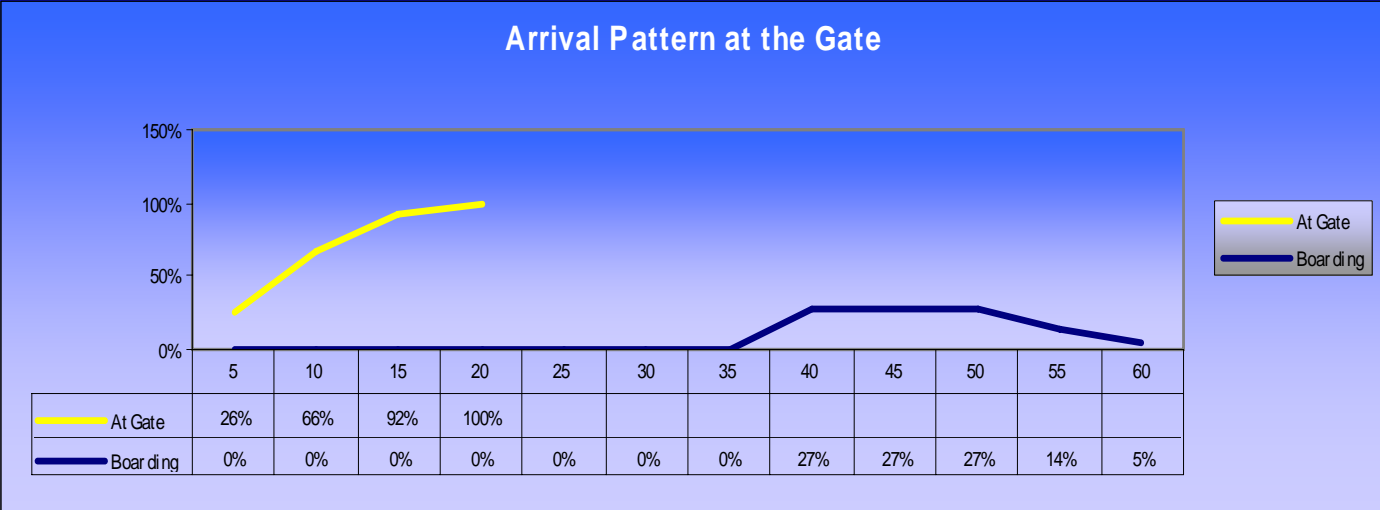
No Correlation Between Call to Gate & Boarding

Average of 22 Minutes of Waiting



Dwell Time – The Gate

Call to Gate



Permanent Gate

Dwell Time – The Gate

Customer: 22 Minutes of Waiting

Airport: >18% Reduced Gate Capacity

Airline/Handling Agent: 13% More Resource

Duty Free Companies, Retailers & Restaurateurs

Brand Owners & Airport Owners

\$6 Billion Lost Revenue

Every Stakeholder Loses

The 'Concept of Time'

- Processing Passengers – Not Serving Customers
- 10 Minutes of Lost 'Commercial Time'
- 'Wait in Lounge'?
- "How Long Have I Got" – Timeframe

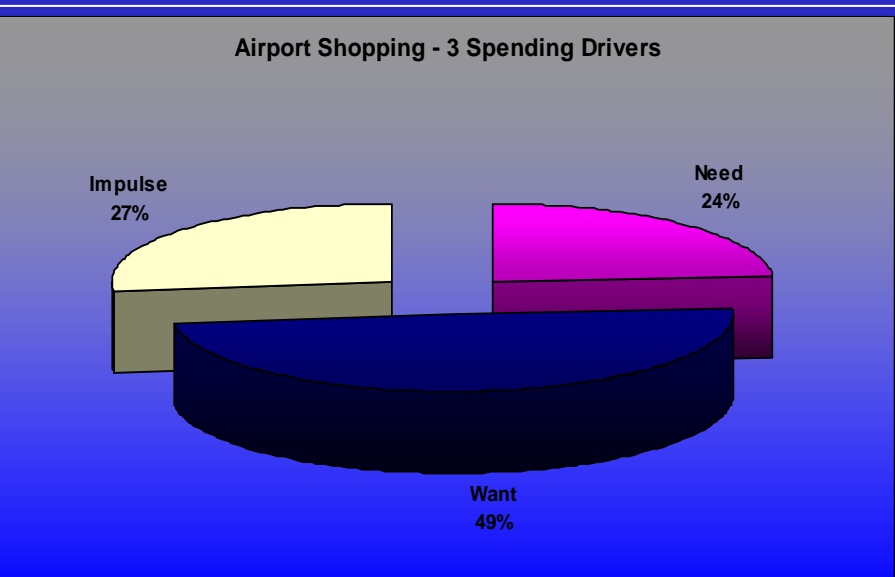
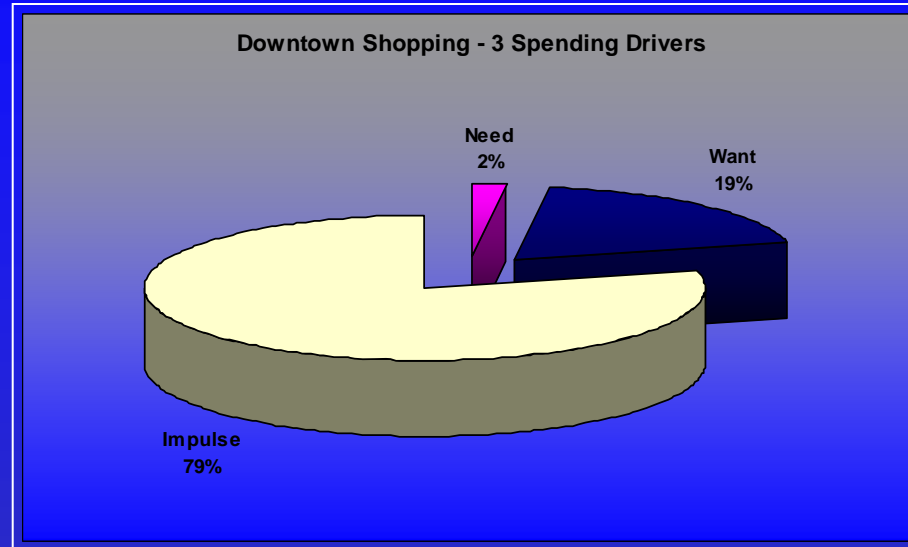
Control Of Time

I have got 45 mins – not – I had 45 minutes

Time Retrospectively Has No Value

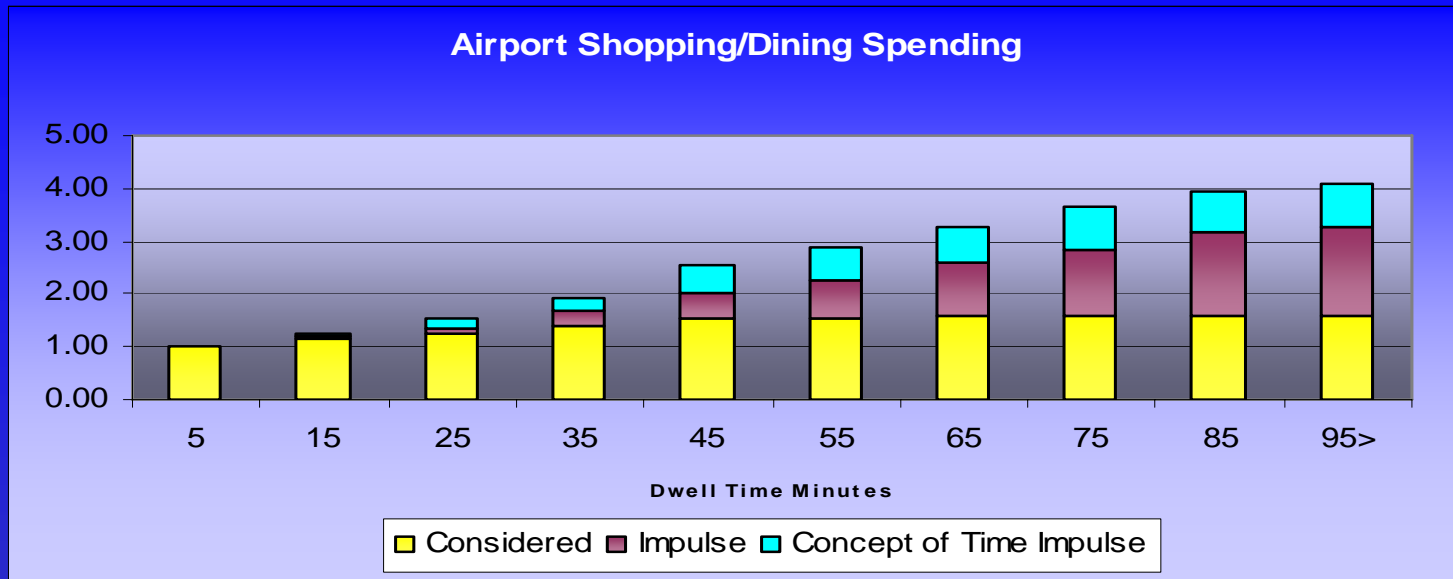
Airport Spending Drivers

Impulse Sales – Critical
Additional Sales
Impulse = 79% of all revenue
Need or Want = only 21%



Only 27% Impulse Revenue
73% Convenience Revenue
Our Malls are not 'convenience'
Not Maximising Revenues

Time – Understanding The Value



Considered/Convenience – Finite Value

Impulse = Revenue Growth

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

Creating a Demand – We are Not Fulfilling a Demand!

Dwell Time - Summary

\$4 Billion Lost Revenue – Check In

\$6 Billion Lost Revenue – Gate

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

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

\$18 Billion Lost Revenue

Appalling Customer Service Levels/Experience

Over Resourced

Capacity Reductions

Every Single Stakeholder Loses

WHY?

Why? Because We Always Have!

Queuing & Waiting is expected, tolerated and excused

Customers have **no choice**

Captive Audience Syndrome

Treating the Symptoms & Not Solving the Problems

- Build for Queues
- Queue Management Systems
- Resources to Manage Queues
- Fast Track – at a cost
- Avoid Queues - Premium Service for the minority

We Manage & Exploit – We Do Not Eliminate

Why?

Airports

- Poor Relationships with Airlines
- There have always been queues
- Operations v's Commercial
- Complex Contracts
- Why Should We Change?
- “What’s In It For Us”?
- We Do Not Know Where to Start

Retail/Restaurant & Brand

- Poor Relationships with Airport
- Its Not Our Fault
- There’s Nothing We Can Do
- We Do Not Understand
- Is It Worth It?
- It is Too Difficult
- We Do Not Know Where to Start

**These Are Not Valid Reasons to Turn Your Back
On Your Share of \$18 Billion Per Annum**

Individual & Collective Responsibility

Your Business

Your Customers

Your Revenues

Global Averages Are Irrelevant

\$4 billion or \$40 billion – it is just a number

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

What Is This Worth To You?

The Challenge

- Commercially Dynamic – Not Destructive
- ‘Time Is of The Essence’
- Eliminating Entrenched & Endemic Problems

Is This Challenge Realistic & Achievable?

Yes It Is

Is This Challenge Worth It?

Yes It Is

Is This Challenge Quick & Easy?

No It Is Not

The Challenge

Commercial Dwell Time = \$13 Billion per Annum

- Efficient and Effective Processes

The Concept of Time = \$5 Billion per Annum

- Commercially Focused Customer Information – Not Passenger Data

\$18 Billion - No Challenge is tough enough

I am up for the Challenge

ARE YOU?

Thank You For Your Time

I Welcome
Any Questions?