

Research shows that there are significant and unique challenges for airport retailers in delivering a positive customer experience:

- **Limited time:** Customers need time to check-in, clear security and get to their gate on time.
- **Anxiety:** Many passengers are anxious to go directly to their gate.
- **Confusion:** Passengers often believe that there are many regulations to consider regarding carriage of liquids, duty free and tax-free rules. They can also be unsure about exchanges and refunds.
- **Baggage restriction issues:** Passengers are restricted in terms of weight and in the transportation of certain items such as liquids.
- **Unsure of value available:** The loss of duty free within Europe has led to uncertainty about the value for money of goods available to buy at the airport. The Sterling exchange rate has also affected people's perceptions.
- **Environment:** Dublin Airport has large numbers of people moving through it leading to crowding in some of the retail spaces.
- **Wear-Out:** Passengers who are used to travelling no longer feel excited by airport shopping.

Airport shopping branding

Airport retailers need a strong *brand identity* and *proposition* to help address the challenges inherent in the airport environment, giving customers the information and support they need to shop with confidence.

The existing airport shopping brand (*Travel Value*) was reviewed to understand how it was perceived by customers. A number of issues were identified, specifically, low levels of *brand awareness* and a lack of understanding of what the brand stands for. Customers were unclear, for example, on whether *Travel Value* offered real value for money compared to downtown and on the level of service it offered, e.g. the process for refunds.

A new brand '*The Loop*' and new proposition were developed based on feedback from customers. The Loop is the new name for airport shopping at Dublin, Cork and Shannon Airports, a replacement for *Travel Value*. It is an **umbrella brand** that includes both direct and indirect (concessionaire) outlets. All retail partners will stand over the brand promises. These include a price promise for customers, 'Never beaten by downtown prices or double the difference refunded'.

As well as the price promise, *The Loop* will be recognised for the following four elements:

1. Innovative customer service - providing new services to help improve the customer experience, e.g. new Shop and Collect service.
2. Knowledgeable and articulate staff - ensuring all staff have excellent product knowledge and are proactive in assisting customers.

3. Fresh and dynamic events programme - to create some excitement and make the customer journey more interesting even for seasoned travellers, e.g. product tastings and new product launches.
4. Demystifying airport shopping - providing easy to understand, accessible information to customers on all aspects of airport shopping including a redesigned website and more informative point-of-sale material.

Brand objectives

The aim of the brand is to give customers the confidence that DAA will always deliver the best value and highest quality and service standards across all of its retail outlets.

When customers see *The Loop*, they will recognise it as a sign of great quality retail – offering some of the best brands, products and retailers from home and abroad with a service experience to match. This new brand identity and proposition will make the shopping experience more relevant, compelling and enjoyable for DAA customers.

Glossary

Mission statement: A summary describing the aims, values and overall plan of an organisation or individual.

Qualitative research: Involves collecting, analysing and interpreting data by observing what people do and say. Whereas quantitative research refers to numbers of things, qualitative research refers to meanings, concepts, characteristics and descriptions of things.

Quantitative research: The gathering and analysis of data that is measurable and can include statistical results, financial data or demographic data.

Umbrella brand: An overarching brand used across multiple related products also known as a family brand.

Student activity

Working in groups, think of a shop/department store that you have visited (this could be in an airport or local to you). Answer the following questions:

- What do you like about it? Think about design, layout, staff, range of products etc.
- What do you dislike about it?
- How would you improve it?
- Imagine that you have been contracted to do some market research for this shop. Give details on your research objectives, what type of research you would do, how you would do it and what questions you would ask.

Outline opportunities and challenges facing a particular business that you are familiar with and make appropriate recommendations.

Market research to improve the customer experience



Learning outcomes

- The importance of the customer experience in Dublin, Cork and Shannon Airports
- Customer service
- Market research
- Understanding customer needs

Introduction

Dublin Airport Authority plc (DAA) is a State-owned company that first began operations in 1937. It was originally called Aer Rianta and changed its name in 2004 following the State Airports Act. Its core business is airport and retail management in Dublin, Cork and Shannon Airports.

Airport management activities include:

- airport police
- security screening
- airport emergency and fire service
- terminal, airside and landside operations
- baggage handling
- car parks
- cleaning
- airport development
- property management.

DAA has over 3,600 employees and an annual turnover in excess of €620 million. It is an industry leader in Duty Free retailing, conducting international retailing through Aer Rianta International with retail operations in Europe, the Middle East, CIS (former Soviet States) and North America.

Given the nature of air travel, the airport environment has its own unique set of challenges in terms of providing a good customer experience. This study focuses on DAA's approach to understanding customer experience and how market research has played a part in the development of its retail strategy.

Customer service

The customer is at the heart of DAA's business. This is reflected in the company's vision and mission statement. The company's vision is to deliver a quality airport travel experience to the best international standards. Its **mission statement** is:

"To manage our airport business profitably, meeting customers' needs and creating gateways for 21st century Ireland."

DAA's customers

In order for a company to deliver a strong customer-focused strategy, it must be clear on exactly who its customers are and what their needs are. DAA has a number of customer groups or *target markets* each with a specific set of needs:



- **Passengers**
- **Airlines:** Aer Lingus, Ryanair, Air France etc.
- **Ground handling agents:** e.g. catering and baggage handling.
- **Cargo companies:** DHL and FedEx that deliver cargo by air worldwide.
- **Concessionaires:** Louis Copeland, Butlers Chocolate Café, Monsoon, Sunglass Hut, Hughes & Hughes etc.
- **Local residents/neighbours:** All stakeholders who are affected by or involved in the day-to-day running of a business.

DAA customer experience

DAA managed 23 million customer journeys through its airports in 2008. The customer experience includes the customer's interaction with all aspects of infrastructure and services at the airport – all 'touch-points' in their journey including: car parks, security screening, catering, retail, ATMs, toilets, roads, forecourts, trolleys, check-in, baggage reclaim and signage.

One challenge for DAA is that a passenger is a shared customer of airlines, ground handlers, transport companies etc. However, delivering a quality travel experience to passengers yields benefits to all DAA's customers.

DAA believes it is important to consider how passengers feel as they go through the airport as it can be a stressful environment for some people.

At all times DAA must efficiently move millions of people through its airports whilst also caring for the individual traveller. DAA realises that each customer experience is unique in its own way and it must try to provide an airport for everyone. This means that the services and facilities must be designed also to meet the needs of people with reduced mobility, sight or hearing loss and other incapacities.

Market research

Primary market research is research you can compile yourself or hire someone to gather for you. DAA conducts primary market research to understand its customers' specific needs and wants and to track:

- customer satisfaction with a range of service areas
- market trends in performance over time
- performance measured against other international airports.

DAA uses **quantitative** and **qualitative** research. DAA performs its quantitative research by conducting surveys. These primarily take place on-site (i.e. in the airport) but can also be performed online or via telephone. DAA performs its qualitative research by conducting focus groups and interviews on and off-site.

DAA market research – primary research

DAA applies strict standards to ensure that the research is of high quality, relevant and accurate. The research is conducted in partnership with independent research and data management agencies. The research must be:

- **relevant** - the Company must be clear on the overall objective/ goal of its market research i.e. what it wants to find out. DAA define its objectives and then designs the research to meet these.
- **representative** - appropriate methodology and sampling procedures must be followed. The goal is to obtain a sample that is representative of the group as a whole, without having to survey or interview every DAA customer.
- **timely** - the research must be conducted on a regular basis to ensure that it is up-to-date.
- **objective** - it is important that research is objective to ensure its accuracy. DAA research is conducted by independent research agencies that operate to international standards.

DAA market research – secondary research

Secondary research is compiled by another party. It can include reports by government agencies, trade associations or other businesses within the same industry. DAA refers to other industry analysis and reports from its peers and uses information from customer comments and complaints.

Dublin Airport

Dublin Airport handles approximately 60% of the total air traffic in Ireland. Over the next 10 years, DAA must successfully manage 250 million passengers at Dublin Airport. It will deliver a €2 billion investment programme covering 120 different projects to improve, modernise and expand Dublin Airport.



Key projects include a major extension to Terminal One comprising new retail and catering areas which opened in April 2009 and Terminal Two, the new terminal scheduled to open in 2010. With these new developments, DAA will be further challenged to transform the passenger experience.

Dublin Airport statistics

- Dublin is one of the fastest-growing airports in Europe with up to 92,000 passengers per day
- 78 airlines operate to 207 destinations
- Number of passengers doubled in the period 1998-2008 from 11.6 million to 23.5 million passengers
- Dublin Airport has more international passengers than JFK (New York), LAX (Los Angeles), Rome or Zurich
- Dublin airport is the 8th largest airport in Europe for international traffic

Profiling Dublin Airport passengers

Gender and age:

- The gender profile tends to split evenly male/female.
- 60% aged 25-49 years
- 25% aged over 50 years
- 15% aged under 25 years

Reasons for travel:

- 20% travel for business
- 65% travel for leisure purposes, e.g. annual holiday
- 15% travel to study, for personal reasons

Demographic profile:

- 52% are resident in Ireland, 20% in the UK, 17% in Europe and the remainder in North America and elsewhere
- More than 75% of users of Dublin Airport are resident in Dublin or Leinster

The retail experience at the airport

Retail management involves managing the retail spaces in Dublin, Cork and Shannon Airports as well as the international division, Aer Rianta International. DAA is one of the largest retailers in Ireland with two models of retailing used in its airports:

- **Concessionaires:** Branded retailers from the high street e.g. Monsoon, Louis Copeland
- **DAA direct retail:** Direct sale of perfume, cosmetics, alcohol, souvenirs, jewellery, fashion, confectionery.

Duty Free

In 1950, the world's first Duty Free shop was established at Shannon Airport by Dr. Brendan O'Regan. It was designed to provide a service for transatlantic passengers travelling between Europe and North America. Flights stopped in Shannon to refuel on both outbound and inbound legs of their journeys. Duty Free is a tax-based concession from governments - goods can be sold tax or duty free to departing passengers travelling by sea or air to another country. It is a reciprocal arrangement between countries where travel and trade occur. This model was highly successful and adopted worldwide.

In 1999, Duty Free within the European Union was abolished. Duty Free is now available for all passengers travelling directly to a destination outside the EU or when travelling within the EU with an onward flight to a destination outside the EU on the same day.

Customer service strategies & initiatives



DAA has established that its customers have six key basic needs when using the airport. They want it to be:

- **simple** • **clear** • **clean**
- **pleasant** • **safe**
- **hassle-free.**

From a retail perspective, customers also require a professional, attentive and speedy service and value for money.

Creating retail opportunities using market research

Through market research and data collection, DAA is able to get a clear understanding of the demographic profile of its passengers and their needs. It has gained a greater understanding of how passengers use the airports it manages and their customer experiences. This allows DAA to develop marketing strategies and to tailor its services with these target groups clearly in mind.