

# Building the Next Generation Passenger Experience



# Airports Are More Than a Place For Travellers to Pass Through

## It's time to realize the revenue potential.

Once a luxury, air travel has become an affordable means of transportation. Most airports host millions of passengers every year. As the world has become a global village, air travel continues to increase and shows no signs of slowing down. The global outlook looks very promising, with a forecasted 10 billion airport passenger capacity by 2030. Throughout the years airport infrastructure has also been improved to optimize the passenger experience—yet the majority of airports are still not profitable.

In the shadows of growing passenger counts and expanding business, 70 percent of airports lose money. Despite their sizeable commercial profits, a majority of airports accumulate hefty operating expenses, which hinders their profitability. Minimizing operating expenses is the first alternative to turn that around. However, the largest expenses airports acquire are fixed, due to their large scale of operations. The second alternative is increasing the non-aeronautical revenue.

Non-aeronautical revenue is a vital component of airport operations. If airports attempted to recover all of their costs purely from aeronautical activities, it would be too expensive for airlines to land. For this reason many airports have been innovative in discovering alternative revenue streams through various commercial development projects such as industrial parks, hotels, and retail developments.

However, airports need to continue innovating to improve profitability and respond to the increasing needs of passengers. Today airports rely on passengers' impulsive buying; if airports could develop a much greater understanding of individual needs and behavior, though, and target them with relevant offers and communications, the average revenue per passenger could be significantly increased.

# Maximize the Individual Passenger Spend

## **Transformation to Modern Marketing**

Research shows that when the overall positive passenger experience rises, non-aeronautical revenue grows as well. Obviously happy passengers are likely to spend more. So what if there was a way to ensure a more positive passenger experience by engaging with each passenger through ongoing personalized dialogue? What if you could send terminal information to a passenger when they arrive at parking, inform them where and when to pick up their bags when they land, or relate relevant real-time information as they are walking through the airport? This is not a distant dream. Modern Marketers are already reaping the benefits of such technologies today!

Those modern marketers understand the fundamentals that influence customer behavior. Instead of running one-off marketing campaigns, they focus on orchestrating personalized interactions with each and every customer across all channels. They truly understand the evolving needs of their customers and use a customer-centric approach to engage with their audience.

# Increase Non-Aeronautical Revenue

## **Converting Passengers Into Customers**

Before talking about increased retail spend, airports need to understand the underlying customer behavior that prevents them from spending. Customers do not buy when they feel stressed or under pressure to catch their flight. Airports have a narrow window of opportunity after security checks to convert them into customers. In order to do that, airports need to:

- Provide passengers with timely information about their flight.
- Enable better navigating around the airport facilities, allowing passengers to save time.
- Understand the priorities of passengers and respect what is important to them.
- Drive traffic to the nearest Duty Free, Food & Beverage outlets, and other retail shops by sending tailored and timely communications to passengers signed up to receive those offers.



# Marketing Transformation and Oracle Marketing Cloud

Marketing cloud technologies are designed with the needs of Modern Marketers in mind. Built around Digital Body Language™, Universal Customer Profiles, and audience profiling, they give marketers the knowledge they need to anticipate when, where, and how to approach their intended audience, streamlining their marketing efforts and making them more customer-centric, creating efficiencies that allow marketing to do more with less.

Oracle Marketing Cloud equips marketers with powerful tools that are necessary to provide a customer-centric approach. We understand that each industry has specific needs. That is why Oracle has custom-designed tools for these unique industries with sub-vertical tailored software and best practice blueprints to help organizations succeed in their marketing efforts.

These specialized tools help airport marketers optimize marketing processes, branding, and customer communications.

- *Cross-Channel Marketing* allows marketers to deliver personalized experiences across email, web, social, mobile, and all your channels.
- *Content Marketing* empowers marketing teams to align, plan and deliver relevant content to the right customer at the right time.

- *Social Marketing* allows marketers to listen and engage with your best advocates that spend more and drive a greater lifetime value.
- *Push Marketing* leverages beacon technology to send passengers communications on their mobile devices with targeted offers, based on their geo-location.
- *Data Management* allows marketers to aggregate, enrich, and view customer and audience data in one place.

Using these tools, airports can increase non-aeronautical revenue, convert passengers into customers, all while measuring those efforts for visible results. The outcome is more successful marketing campaigns, passenger engagement and proven improvements measurable by Return On Investment (ROI).

## **TAKEAWAYS**

1. Despite of growing passenger count and expanding business, majority of the airports lose money. Airports need to increase non-aeronautical revenues to improve profitability.
2. Airports need to continue innovating to respond to the increasing needs of passengers.
3. When overall positive passenger experience rises, non-aeronautical revenue grows as well. However passengers don't buy when they feel stressed or under pressure to catch their flight.
4. The right technologies can help deliver a personalized passenger experience across all channels, using the personal data that is available.

## About Oracle Marketing Cloud

Modern Marketers choose Oracle Marketing Cloud solutions to create ideal customers and increase revenue. Integrated information from cross-channel, content, and social marketing with data management and dozens of AppCloud apps enables these businesses to target, engage, convert, analyze, and use award-winning marketing technology and expertise to deliver personalized customer experiences.

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