

CONCESSIONS

By Bobby Marhamat



Shopping on the Fly:

How New Tech Can Disrupt Airport Retail

We've all been there. You've landed at an unfamiliar airport, your flight was 20 minutes late and now you have to race across the terminal to catch your connecting flight. To make matters worse, you haven't had a bite to eat this morning. You deplane, on the hunt for something quick and easy, yet every restaurant in sight has an endless line. You face the hard facts: you need to eat something, but you also need to make your flight, so you skip the food.

We live in the age of on-demand, with companies like Lyft, Postmates and Amazon giving us what we want, when we want it. No one enjoys waiting in lines, but especially not in places like airports, where every second truly matters. While other areas of retail have adopted new technology, from on-demand delivery to mobile orders and self-service kiosk stations, these point-of-sale (POS) systems and digital transformations have largely been absent from the place where time is undoubtedly of the essence — airports.

Perhaps one of the reasons retail technology has yet to be more properly introduced in airport terminals is because it's easy to overlook just how massive of a market it truly is. We're on a mission when traveling; we've got to get from one place to the other, so we're not necessarily paying close attention to what's around us. While all of us are just trying to make it

to the gate, fumbling with our heavy luggage, we represent a huge opportunity for retailers – whether we realize it or not.

LaGuardia airport in New York, for example, handled more than 28.4 million passengers (aka potential consumers) in 2015. More than 80 million are expected to travel through the Houston Airport system by 2020 and even a mid-sized airport like San Jose can see up to \$10,000,000 in annual sales. These are all instances where there is an enormous business opportunity to be had. And yet, airport terminals are notorious for overcrowding, high prices and poor customer experiences.

Because of the long lines and high foot traffic, there's ample room for technology to streamline the passenger experience in airport terminals. And there's already some precedent for the impactful ways technology can disrupt this historically offline space.

For example, we're beginning to see forward-thinking airlines deploying new technology to improve travelers' in-flight experience. A growing number of airlines – including Air New Zealand, Norwegian, Azul and Finnair – allow passengers to order meals, snacks and drinks via the In-Flight Entertainment (IFE) system in between regular meal services. Gone are the days of selecting from one of two dinner options, crossing your fingers and hoping for a halfway decent, reheated meal.

JetBlue has also notably distinguished its brand as a leader in customer satisfaction, with technology playing a big role in the in-plane experience. From streamlining the pre-flight process with JetBlue's Auto Check-In service to offering a mobile app with an array of self-service options, JetBlue prepares its passengers to better navigate delays or other disruptive events. The airline is also winning over happy customers with their in-flight technology, offering free proprietary Wi-Fi and iPad Minis for flight attendants and crew members. These iPads can facilitate in-flight purchases like snacks and goods and accept Apple Pay. With a captive audience on their hands inclined to snack and shop to fill the time, it makes a lot of sense to facilitate a seamless path to purchase.

"We think of ourselves as a customer service company that happens to fly planes," JetBlue CIO Eash Sundaram said in an interview with CIO.com, speaking to the airline's reputation for innovation. "So when you think



of the customer service aspect of JetBlue, it's all about personalization and how we take care of customer needs. Technology plays such an integral role in addressing our customer needs."

Cutting-edge technology has been implemented into airports, but these developments have mostly been focused on improving security, modernizing airport infrastructure, and providing travelers with benefits and perks.

In January, LaGuardia Airport debuted eye and fingerprint scanning in its Delta terminal to speed up security lines and reduce wait times. The service is provided by a private company called CLEAR for an annual enrollment fee, and confirms travelers' identities by creating a biometric profile after authenticating a driver's license or passport. The CLEAR program reports 700,000 members and availability across 22 airports nationwide, including Detroit Metropolitan Airport (DTW), Seattle-Tacoma International Airport (SEA), Washington Dulles International Airport (IAD), and Ronald Reagan Washington National Airport (DCA). With expansion to additional airports on the

horizon, such a large-scale deployment is a sign that the future of airport security may indeed be defined by eye blinks and finger taps.

The tech devices most familiar to our everyday lives are becoming more omnipresent in airport terminals. In 2010, in John F. Kennedy International Delta terminal in New York, more than 200 iPad tablets were installed in restaurants and waiting areas. Today, passengers waiting to board can grab a spot at one of several long, high-top tables near their gate, and pass the time browsing the web, reading the news, or charging their own gear at the available outlets. These iPad stations can help alleviate the monotony of a painfully long layover and lessen our very-real anxiety over being disconnected from the internet for too long while in transit. The tablets were also deployed in select Delta terminal sit-down restaurants, enabling customers to order and pay for food directly, and have it delivered to their table with minimal lag time and human interaction.

Yet these improvements beg a greater question: How are retail transactions evolving in

airport shops and quick service restaurants, where time is truly of the essence? We've seen mobile order taking flourish in the air and iPad stations providing entertainment for travelers with time to kill. But in fact, technology is just scratching the surface when it comes to boosting the speed and efficiency of fast transactions in terminals.

Some retailers have recognized this need and are beginning to implement solutions. I handle company operations for Revel Systems, a

point of sale platform, and we've recently announced a partnership with airport retailer Pacific Gateway to implement new point of sale technology at select retail stores and restaurants in San Jose, St. Paul Minneapolis, LaGuardia and Houston's Bush Intercontinental Airport. Revel is redefining the transaction process, by creating not only a quick process, but one that is enjoyable for both customers and employees. We're going into markets that are in need of innovation and what better place to implement change than in airport retail, an untapped market with extremely high foot traffic.

Through our technology, we facilitate ordering and payment transactions and not just in the physical stores. A traveler can open the Pacific Gateway app on their phone after landing, make a purchase from one of the supported stores or restaurants while taxiing to the gate and quickly pick up their goods from the retailer while dashing to make

their connecting flight, all without missing a beat. Given Houston is a mega-hub for connecting flights, and the 10th busiest airport in the United States, these seamless transactions become that much more valuable.

Additionally, we've expanded our partnership with Expensify to integrate expense reporting for frequent business travelers. Following each transaction, business travelers (whose companies have an Expensify account) have the ability to automatically expense their purchase by selecting an option that sends their receipt directly to Expensify, saving them the hassle of collecting and filing physical receipts.

Airports and terminals have the perfect storm of factors that make it vital to be able to make purchases quickly and seamlessly.

As airlines leverage new technology to

enhance their customers' in-flight experiences and airports seek to lessen the pains of a historically high-stress environment, airport retailers would be well-served to follow their lead. Looking down the road — or tarmac, rather — I predict we'll see many more partnerships and integrations between innovative tech startups and airport retail businesses.

Consumers win when companies integrate and collaborate. We first witnessed this in software, when we saw former rivals like Microsoft and Salesforce partner together and enjoy significant mutual benefit from doing business together, for example by integrating Salesforce's CRM with Microsoft Office. Now this trend is spreading to hardware and retail, and we're seeing the same thing: the rising tide lifts all ships. The Revel, Pacific Gateway and Expensify partnership is the latest example of how consumers benefit when technology companies innovate together.

Imagine a day when traveling will not be synonymous with stress and passengers can arrive at their final destination rested, well-fed and with all items on their souvenir shopping list checked off. On the other side of the counter, airport retailers will increase operational efficiencies, cut down on wait times, and boost the number of time-pressed patrons they can service. Given the speed at which our wired world is rapidly evolving, that future may be closer than a connecting flight between New York and Perth, Australia.



ABOUT THE AUTHOR

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Bobby Marhamat is the CRO at Revel Systems and spearheads business development, marketing, sales, operations, and fulfillment. Bobby is responsible for all revenue generation processes and has over 20 years of experience in executing growth strategies for both small businesses and enterprises. An entrepreneur at heart, Bobby created his first company when he was 9 years old and continues to drive his passion for results and business growth.

