



Retail's latest departure

A strong retail offer is increasingly important in travel hubs. Kat Hall takes a look at Gatwick Airport's recent overhaul

Travel retail has rocketed up the agenda over the past few years. Airports and railway stations are no longer content to provide travellers with a soggy sausage roll and a newspaper – they realise that consumers want exciting brands, fine dining and an all-singing, all dancing retail experience. And shoppers are lapping it up.

Heathrow Terminal 5 and King's Cross St Pancras were early to lead the way with modern, glossy-looking retail offers. Now Gatwick Airport is following suit.

The airport has spent £41m on overhauling its retail offer, bringing in 10 new brands so far and revamping its retail environment.

It is a strategy that has already started to feed through into the airport's retail sales. Income rose by 9.7% to £135.1m for 2013/14, despite disruption caused by the refurbishments over the past year.

Spencer Sheen, Gatwick's head of retail, says it was high time for Gatwick to focus on its retail offer: "Previously there had been perhaps a bit of underinvestment – its reputation had been seen as second to Heathrow."

The work is now complete, having finished in December 2013. During 2013, 22 new and refreshed stores opened in the South Terminal, and a further 11 outlets in the North Terminal.

So how has the airport approached its retail revamp? Sheen says that rather than looking to other travel hubs for inspiration, the team considered some of London's high-profile shopping streets.

"We spend our time looking at the likes of Westfield, Oxford Street, Regent Street – as these

places fundamentally attract the same customers going through Gatwick."

Sheen has an aversion to making the offer too reliant on luxury brands. "To me it goes back to how relevant you are to the customer. We have worked hard to have the best of the high street, such as Fat Face and Victoria's Secret – a fairly recent addition to the UK travel market.

"Premium brands are important but not many people can afford a £6,500 Gucci handbag. So we'd rather have an offer that is relevant and people really want to engage with."

Sheen would prefer as many of the airport's 38 million annual visitors as possible to buy something over developing a reliance on expensive niche products.

The airport has achieved this in part by increasing the number of retail units it has from 136 to 146. It also used customer feedback to shape what the offer would look like – its most recent addition, a branch of Nando's, came after a third of visitors said they wanted one.

Charlotte Christiansen, the airport's business development manager, says the layout of Nando's – and the majority of outlets – is intended to resemble high street branches as closely as possible.

"Customers are not supposed to feel like they are making a distressed purchase. Instead it's somewhere they want to hang out and enjoy," she says.

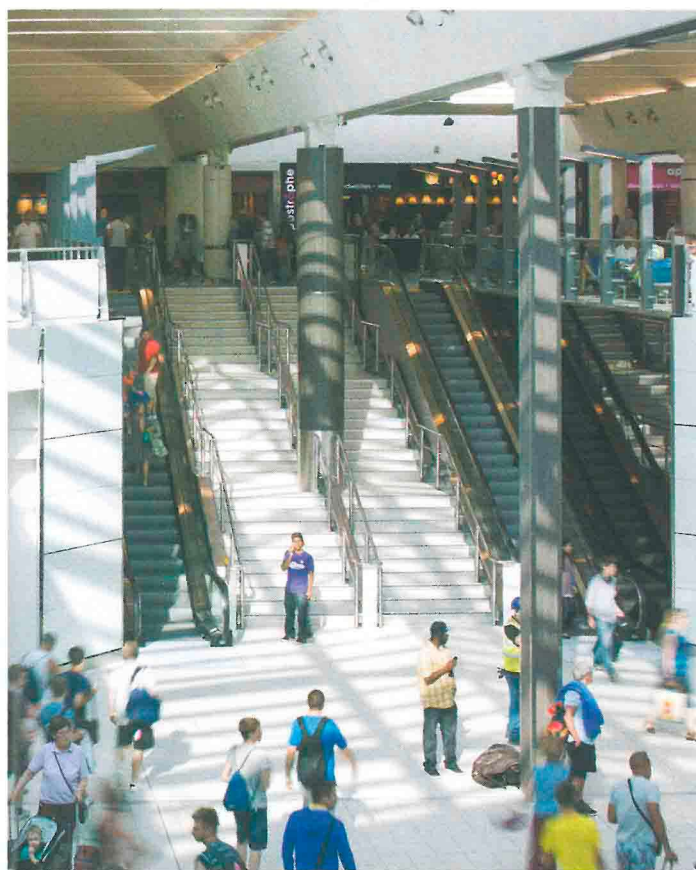
Gatwick has cast a critical eye over its food and beverage operations over the past few years, says Christiansen. Given space limitations the airport



Some retailers at Gatwick see sales far in excess of their high-street stores



Gatwick's Spencer Sheen



decided to introduce a “one-of-everything policy,” she says. “So we have one coffee shop, one sushi bar, one pub, but they all have to be best-in-class.”

Quality, service and income are the determining factors in deciding which brands should stay when their leases come up for renewal, she says. “We are still doubling up on some things. You can’t change everything overnight.

“De-duplication has worked a treat. It is making [outlets] work harder. Don’t get me wrong, it has raised a few eyebrows as it hasn’t been done before.”

Discretionary spend

Gatwick says retailers are trading well in the space. Some report returns that are four times higher than their high street branches, says Sheen.

“It’s rare to know you have an hour to engage people. And as they are going on holiday they are also in a very positive frame of mind and that discretionary holiday spend starts the minute you get through security.”

The retail space is open from 4am to 10pm. “There is no gradual ramping up like there is on the high street, no lunchtime peaks. It feels like a busy Saturday every day,” Sheen adds.

One big advantage airports have is they can work closely with retailers to maximise sales through passenger analytics, using data such as the nationality of customers.

“We can almost target by destination,” says Sheen. “So some of our best retailers will be changing displays throughout the day, based on knowledge of what different nationalities like to buy and who is coming through the airport.”

For example, World Duty Free runs targeted promotions aimed at Norwegian customers – who according to its customer database have a penchant for Rioja. Sheen says the retailer makes full use of this data: “So we have some deals and comparisons with duty free in Norway that are quite favourable. They like to buy Baileys as well so we also display other items they might want to purchase with Baileys.”

Pop-ups

The airport also introduced a number of pop-up stalls over the summer peak, with brands such as Havaianas Flip-Flops, Cath Kidston and cognac brand Hennessy.

And in order to capitalise on the busy period, Gatwick is running a number of social media campaigns to promote awareness of its retail offering.

The latest encourages people to tweet pictures of their airport purchases using the hashtag: #TemptedBeforeTakeoff. In return, passengers have the opportunity to win the value of that item in Gatwick shopping vouchers.

Other recent services include the Shop Fly Collect scheme, which encourages customers to make as many purchases as they want before departure and collect them upon return, and its reserve-and-collect service, which enables shoppers to order before they get to the airport and pick up their purchase once they are there.

Sheen says 32% of passengers use the service and plan what they want to purchase before they arrive.

In order to help customers navigate the retail space quickly there are 120 Samsung tablets with maps of the shops available throughout the airport. By next year the intention is to deploy more so it has “the most tablets in any retail space in the world.”

Gatwick’s expansion plans haven’t reached an end just yet. Food and drink is set to grow, and there are ambitions to further develop the North Terminal over the next few years.

Gatwick is fighting rival Heathrow to gain permission for the new runway, which will be announced next year. If Gatwick gets the green light, the retail offer at the airport will no doubt become even more of a draw for shoppers.

GATWICK IN NUMBERS

- 85% of shoppers passing through the airport buy something
- The airport uses 120 Samsung tablets throughout with maps on them to help shoppers navigate
- 32% of Gatwick’s shoppers use the reserve-and-collect service
- Gatwick’s retail sales rose by 9.7% to £135.1m for 2013/14
- It is estimated 38 million passengers will travel through the airport this year



“IT FEELS LIKE A BUSY SATURDAY EVERY DAY”

Spencer Sheen, Gatwick Airport

