



Improving the Loyalty Business Model. Rewards for Travel Retail
ATRI Forum 2016

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Heathrow
Making every journey better

Introducing Heathrow

- **75 million** passengers per year
- **>200,000** passengers per day
- **£1.9bn** retail business
- **80,000 m²** retail space



**Best Airport in
Western Europe**

**World's Best Airport
for Shopping**

**World's Best Airport
Terminal for T5**

Heathrow's customer relationship challenge

Who's travelling today?

How can I reach them?

What excites them?

Who travelled yesterday?



How can we better market our products?

What do they need?

How do I make their journey better?

How can I recognise them?

Heathrow Rewards - Launched May 2013 to address the relationship challenge

Shopping



Parking



Foreign Exchange



Food & Beverage



Heathrow Express



Airline Mileage



Heathrow Rewards – a key driver of customer insight & incremental commercial income

OVER  **1.5 MILLION MEMBERS** Largest airport loyalty programme in the world

- 16% YOY growth in revenue per Member
- 34% YOY growth in Member redemption rate
- Members rate shopping & dining **Good / Excellent** 11% higher than non-members

Improving the Loyalty business model – Trend 1

Growth of the new trinity – Airports, Airlines & Retailers

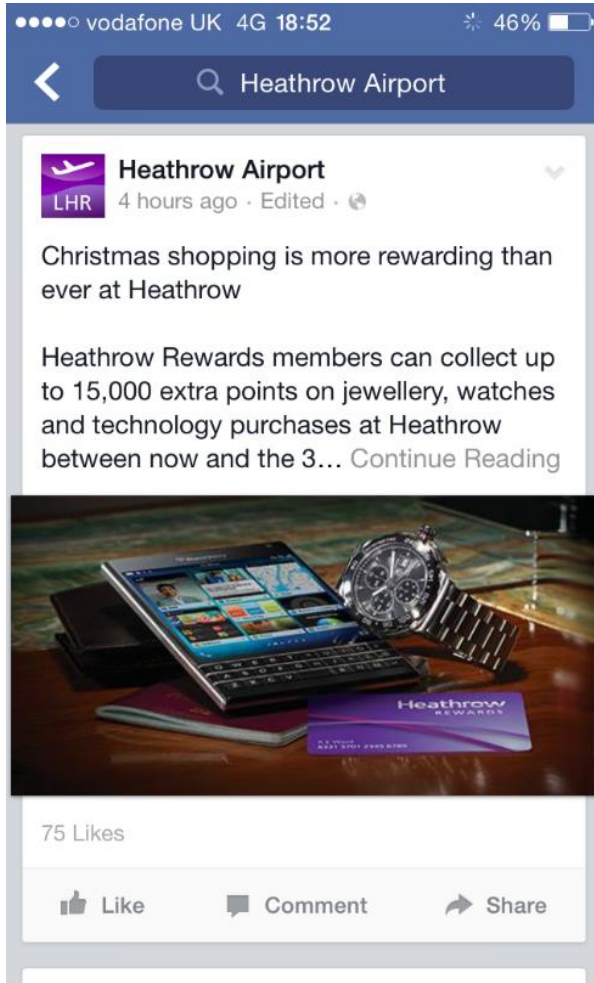


The advertisement features a purple Heathrow Rewards card with the name 'R.E. Ward' and number '6331 5701 2345 6789'. To its left is a blue Emirates Skywards card. A stream of pink dots connects the two cards. A large pink '50% EXTRA POINTS' graphic is overlaid on the left. Below the cards, the text reads: 'Convert your Miles for 50% extra points', 'Hello Marysia,', and 'Convert your Skywards Miles into Heathrow Rewards points and treat yourself before you take off. Shop for the latest fashion, fragrances, technology and more, simply show your card at the till* or order your vouchers in advance to turn your points into money off in terminal.' A visual comparison shows '6,000 Skywards Miles' (Emirates logo) being converted to '3,000 Heathrow Rewards points' (with a crossed-out '2,000') and a '£30 VOUCHER' (with a crossed-out '£20'). A purple button at the bottom says 'Convert your Skywards Miles'. A footer note states: 'Hurry, there's a huge 50% extra Heathrow Rewards points for all Skywards Miles converted before 31 December 2016.'

- Airports become the middlemen for relationships between airlines and retailers
- Heathrow / Emirates / Dufry instant points conversion from miles to points / vouchers
- Opportunity for FFP to demonstrate value on low balances whilst keeping transaction within the airline journey
- Members arrive at store with an incentive to spend and ultimately miles are transferred into retailer revenue.

Improving the Loyalty business model – Trend 2

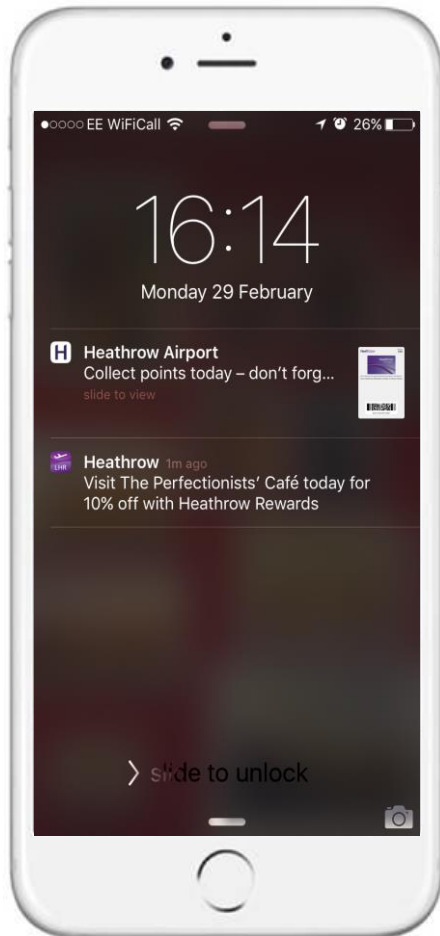
The rise of multi-channel



- Frequency & recency of in-terminal transactions cannot generate sufficient insight for bespoke marketing
- Tracking required of all inbound engagement across all channels incl. online, app, Wi-Fi & face to face
- Modern travellers require outbound engagement via mobile & social channels
- Coordinated multi-channel campaigns produce more effective results

Improving the Loyalty business model – Trend 3

Digital – the new frontier



- Consumers have come to expect a seamless 'always-on' experience across the airport journey
- Satisfaction levels with late accruals and redemptions is declining - instant retailer integration is now a hygiene factor
- Location-based messaging is now commonplace and when combined with service messaging is well-received

Heathrow

Making every journey better