

CONNECT

INSPIRATION FROM AIRPORT SALES / 06-15



RECYCLING AND BIOGAS
NEW MANAGEMENT OF CPH'S WASTE

2015 DRAWING TO A CLOSE
**HERE IS A RETROSPECT OF THIS
YEAR'S MOST IMPORTANT EVENTS**

**HOW WILL YOUR
BUSINESS SURVIVE
IN THE FUTURE?**

- WE ASKED FUTUROLOGIST MATTHEW BROWN



THE AIRPORT'S WASTE GETS NEW LIFE

Four new waste stations and a huge waste disposal unit for the bio-waste of restaurants are two of the elements in CPH's new waste plan, which makes it easier for the units in CASC and, at the same time, diminishes the airport's carbon footprint/negative impact on the climate.

Just over 3,500 tons. That is how much waste CASC produces annually. A rather considerable amount, for which an entirely new system is being established. Until now it has been difficult for the units in CASC to sort and remove their waste; CPH has now decided to take action on this situation, explains Bjørn Michaelsen, Business Development Manager in Facility Management. "We get regular enquiries from our tenants/concessionaires to decrease TCO (Total Cost of Operation, ed.) – also in this area. Based on concessionaire surveys and via direct contact,

we could see that our concessionaires were facing a challenge regarding not only sorting waste but also just getting rid of it. For this reason, we began looking more closely into how we could make it easier," he says.

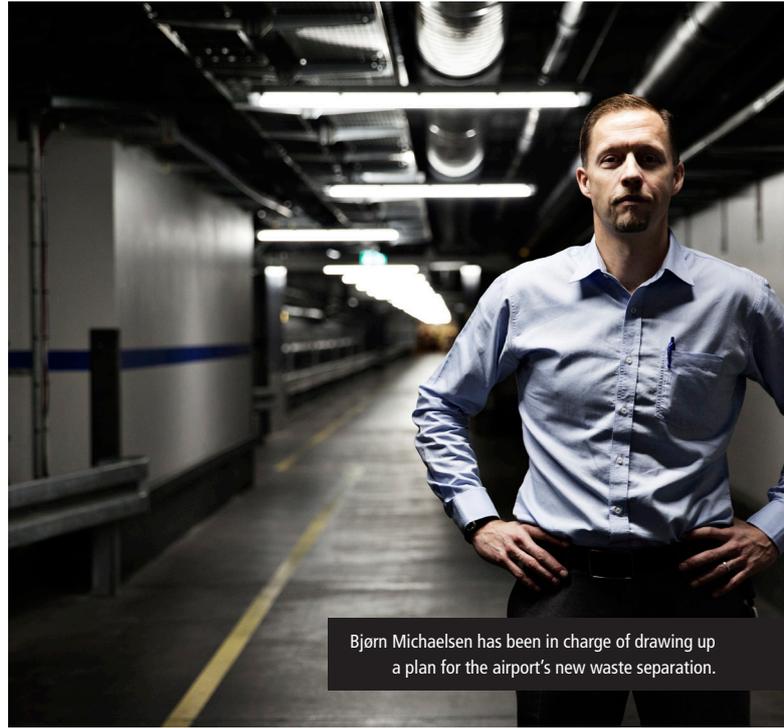
An examination of the work processes involved quickly pointed to several specific areas where it would be an advantage to take action. Especially bio-waste from the restaurants, which comprises between 25-35 percent of the total amount of waste, proved to be a great challenge.

"Previously, employees had to walk

a great distance, and in some areas they had to have special traffic- and zone approval in order to be allowed to deliver waste. This is not particularly desirable or expedient when you are running a business," he says.

FROM GARBAGE TO GAS

Therefore, CPH now has invested in a completely new biodegradation tank that has been placed in the basement under the terminal area. Food remains and coffee grounds from the restaurants will now be picked up in the stores by a CPH-employee twice per day - or according to need - and taken down to the basement.



Bjørn Michaelsen has been in charge of drawing up a plan for the airport's new waste separation.

"Units have been given special boxes with lids in which they are to sort their organic waste. After which we pick it up and take care of the rest," explains Bjørn Michaelsen. The waste is then taken down to the big bio-tank.

"If you imagine a big blender, then you have a rough picture of how the machine works. It simply chops the organic waste into little pieces, which are transported to a tank for storage. We monitor the process digitally, and when the tank is full, a signal is sent to a hauler who comes, vacuums it up and drives it to a bio-waste processing system which transforms it into gas," he explains, adding that the system is hermetically sealed and thus also 100 percent odorless.

"Additionally, we have purchased the biggest bio-tank the supplier has ever provided. It is the biggest they have ever built and can contain 24-26 cubic meters. This is an indication of how much bio-waste we actually expect to produce in CPH."

»If you imagine a big blender, then you have a rough picture of how the machine works.«

FOUR NEW WASTE STORAGE ROOMS

Another challenge has been managing cardboard, which comprises a significant part of the total waste in CASC. The solution is actually relatively simple, yet very effective.

"We are in the process of setting up four big, new waste storage rooms in the terminal body itself, to which all CASC employees will have easy and unhindered access. This means we are minimizing the walking distance considerably compared to before," says Bjørn Michaelsen.

Two of these rooms will soon be ready for use, while the remaining two will be fully functional in February next year. Unlike in the past, these rooms provide better opportunity to sort your waste.

"Some stores have already prepared themselves for sorting waste. We're helping them now so that sorting it in the stores actually makes sense."

In addition, scales have been set up in connection with waste in the category 'small combustibles', so CPH can keep better track of how much room the individual categories take up.

"We have done this in order to get a better overview of when to empty the container, and also because it gives us a better control mechanism that, hopefully, will increase motiva-

tion to become even better at sorting waste," he points out.

GOOD FOR THE CLIMATE

In addition to providing units in The Shopping Center with better service in this area than before, the new waste management strategy also means a great deal for CPH's ambitious goals for climate impact. The biogas produced from the CPH food scraps and leftovers is a much more environmentally friendly and sustainable way to create energy because it emits reduced amounts of greenhouse gases. Previously, the waste was, so to speak, just wasted. And if we can get the cardboard compressors in the new waste stations running optimally, then this form of waste can be recycled, too. The goal is that CPH sorts 50 percent of its waste in 2020, and with this new solution, we are well on the way, concludes Bjørn Michaelsen.

"The dialogue we have had with the units in CASC has been very positive. They can easily see the idea and want to help us get started, which makes us very satisfied. They realize that it is not appropriate to mix bio-waste with plastic cups, so I am looking forward to seeing the first results."



Gospel singers celebrate the airport's 90th anniversary. See a video of the choir on CPH's Facebook page.



Emirates' Airbus A 380 lands in Copenhagen Airport.



544 screens make CPH one of the world's most digital advertising markets.

THE CPH YEAR IN REVIEW

2015 is drawing to a close, and in many ways it has been a good year for CPH. For example, digital development has been given a push forward and new routes have opened to affluent markets. 2015 was the year, too, when CPH passed an important milestone. Here follows a look back at the most important events of the year in Copenhagen Airport.

500 gospel singers wearing red t-shirts fill the arrival hall in CPH. Together, they comprise a huge choir, filling the whole building with songs to the great surprise of the many passengers present. Many of whom pull out their cell phones in order to record what they are witnessing. Do you remember it? It was 20 April this year, when CPH celebrated its 90th anniversary. A great day, one that marked the Danes' love of travel through nearly 100

years.

A year passes quickly and sometimes it can be difficult to remember what actually happened during the year. Therefore, Connect looks back at some of the high points and important events we have experienced together this past year. And our 90th anniversary is certainly a high point – also for our guests, who subsequently viewed the video of the gospel choir over 100,000 times and shared it more than 1,200 times on Facebook.

NEW ROUTES AND MORE GUESTS

During this year, there have also been considerable renovations and redeployments of traffic in order to better accommodate the increasing number of passengers. One of the major changes took place in March, when T1 closed down and all domestic and international traffic in Copenhagen Airport was consolidated in Terminals 2 and 3. The consolidation has, among other things, strengthened domestic traffic in Denmark and bound the country together in a better way, as it has become even easier to switch planes and travel out into the world via Copenhagen Airport. International traffic, too, has been considerably strengthened in 2015, especially in light of the new business partnership with the Chinese airline Beijing Capital Airlines, which this fall decided to focus on Copenhagen Airport, with direct routes from Beijing and Hangzhou. After goal-directed work in China, CPH succeeded for the first time in getting Chinese charter guests directly to Copenhagen. To begin with, nearly 3,500 passengers have been flown here from the prosperous nation, and in November the airline finally announced that, fortunately, they plan to come again next year.

2015 was also the year when CPH proudly saw its runways in the global media when Emirates decided to send the world's largest aircraft, Airbus A380, directly from Dubai to CPH. With its 80-meter breadth and 75-meter length,

the plane required several renovations of both gates and runways; but if all goes well it will not be the only plane of this type we see in CPH in future.

NEW DIGITAL INITIATIVES

CPH became significantly more digitalized in 2015. The first important step was taken already in January, when more than 544 digital screens were set up all over the airport in cooperation with Airmagine. This made CPH one of the most digitalized advertising markets in the world. This cooperation has meant that passengers have met many more living pictures this year and more relevant advertising, as Airmagine has been able – to a greater extent – to target advertising during the exact period of time that the relevant target group passes through an area in the airport.

In addition, Retail Academy has been launched in a new, digital version for all employees in CASC in the form of the mobile application '5 Star Host'. All employees can earn here the five stars that help them to be even better hosts for our guests. Shop.cph.dk has been relaunched so that many more of the stores in CASC can now be found here. CPH is constantly working in a goal-directed manner to increase the synergy between the physical and digital shopping center, because the more travelers know about the offers in CASC, the more probable it is that they will spend money while they are here. For the same reason, the app has been updated, with, among other things, a detailed map of the center and presentations of the opportunities there are out here. Finally yet importantly, CPH has launched a new online campaign tool, which, hopefully, will make it simpler for units to get an overview of the many marketing initiatives there are in the course of a year.

In other words, we are in an excellent developmental period, and we have completed many important projects that, in the long run, will make CPH Northern Europe's most important hub. We promise that 2016 will be just as exciting, and we wish everyone a Merry Christmas and a Happy New Year.

THE YEAR IN FIGURES*

Overall passenger satisfaction in % :

86 / 100

New units:

18

Renovations:

13

New routes:

15

Average waiting time in Security:

5 m 4 s

Passenger rekord:

+ 26 . 000 . 000

The year's busiest week:

202 . 154

travelers passed through the security check in CPH in week 28

We are now **930,000** Advantage members
There have been **49,456** Advantage transactions

* year to date, 14. dec. 2015

TRENDS AND TENDENCIES IN FUTURE RETAIL

Connect has taken a peek into a crystal ball and looked at retail in the future together with futurologist Matthew Brown from Echochamber. What is it exactly you need to provide in order to survive in the retail branch today as well as tomorrow?

Style, storytelling, and personification. Three words to take special notice of if you want to understand and exploit the newest trends in sales. Matthew Brown, manager of the British firm Echochamber, which investigates future retail trends, visited CPH's concessionaire meeting at the end of September. He took those present on a global journey to a multitude of airports, shopping centers, and stores to give them insight into the cutting edge right now. It is about luxuriously designed stores with marble floors, high ceilings and exquisite details. About giving customers a feeling of purchasing something extraordinary. About offering your guests special experiences and making your store a destination rather than a necessity, and, last but not least, about giving customers the opportunity to personalize a specific item.

"Travel retail is now in a process of transition. Previously, we were like prisoners forced to spend time in an airport if we wanted to travel. The food was bad and expensive, and your options were limited. But now there are new rules. If you want to survive in the retail business today, your store must be a destination in itself, and you must be creative and an expert in your area," he explains.

INTERNET AND THE ECONOMIC CRISIS HAVE CHANGED THE BRANCH

Matthew Brown points out that this transition began in earnest when the economic crisis struck the world market in 2008.

"These transitional changes have actually been on the way for a while, but the recession has really changed

the market. We have undergone a massive transition. Whereas we previously forgave stores their slips, today we consumers are more critical and at the same time, we have cut down on our spending/consumption. Today we look for 'value for money' or else the product must be fantastic. The entire middle segment is, in a way, being pushed out of the market," he concludes.

Another important factor in understanding the development of retail

»If you want to survive in the retail business today, your store must be a destination in itself.«

is the power of the Internet. Competition has become massive inasmuch as, today, you can buy nearly everything online.

"The role of stores has changed. In 'the old days', stores were necessary; you had no choice. Today, though, you have, and this of course makes it more difficult for storeowners," he says and points out that today there are stores and shopping centers that are doing well, while at the same time there are just as many that have to close down shop.

"If you are lucky, your customers send you angry tweets before they ignore you. It is much more dangerous if they don't even bother to tweet and merely look through you as if you were invisible. Today, it is about combating such invisibility,

FACTS

FOUR ELEMENTS OF THE FUTURE

'THE PUSH FOR POSH'

Many stores in all price groups are working in a focused way with interior design and the 'feeling' customers should have when they leave the store. Many high street brands have been inspired by high-end stores' way of designing luxury interiors, but it is not only about design – it is also especially about copying the total experience customers get in luxury stores.

STORYTELLING

If we know the story behind a product or gain insight into how a specific product is produced – whether it is coffee beans, furniture or clothes – we are more likely to buy. A phenomenon like working theatre - by which a store demonstrates part of the production process - increases the joy of purchasing.

PERSONIFICATION

Give your customers a different and personal experience with a specific item. We love to be able to make an otherwise mass-produced item 'our own' by, for instance, having our name engraved, designing a piece of clothing ourselves, or being able to select specific colour combinations.

POP-UP SHOPS

A phenomenon such as pop-up shops have come to stay. These small, time-limited shops are good at showing another view of a specific brand or at trying out new tendencies or selections for a period. This makes customers curious, and the unique experience can contribute to creating extra value for the business.



Futurologist Matthew Brown travels around the world most of the year in order to gain insight into the development of the retail branch.

and this of course makes things difficult when everyone is doing everything now. When fashion shops sell coffee, coffee retailers are forced to brew an uncommonly good cup of coffee if they want to survive. Therefore, the competition is clearly tougher.

Despite this, he doesn't hesitate to call it 'a good time for retail'. The fact is that plenty of money can be made as long as you follow the new rules:

"If a retailer cannot compete on price and quality, s/he is out of business. These are typically retailers that previously survived by treating customers as 'prisoners'. But if you are an expert in your field and are passionate about your work, you have an extraordinarily good opportunity to make your sales boom."

MATTHEW BROWN ON THE PERFECT AIRPORT SHOPPING CENTER:

"It must be a world-class experience and, in general, surprising. People must want to go there. There must be a mix of brands you have never seen before; and, at the same time, the brands you know well must offer something completely different from what they usually stand for. It is essential that customers feel wanted and welcome and not merely like money-machines the stores just want to move quickly in and out. The food must be excellent, and there must be physical areas that engage customers and change periodically so that the center is not the same every time a guest visits."

TRAVEL RETAIL IN THE FUTURE SUMMED UP

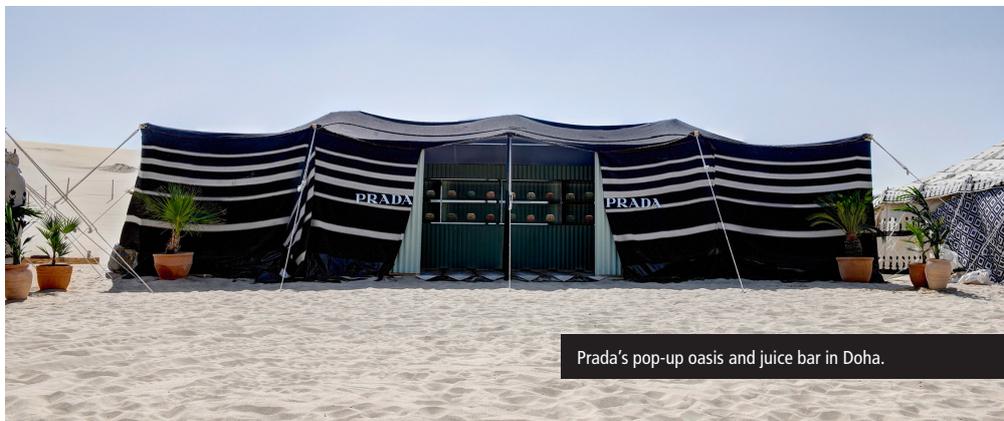
- Travel retail learns from the best
- Posh is the baseline benchmark
- Create unique experiences in order to make your store a destination
- Tell stories that appeal to all the senses
- Personification transforms products
- Be creative with brands and products



Starbucks Reserve Roastery & Tasting Room in Seattle



Decorate your own Magnum in Amsterdam



Prada's pop-up oasis and juice bar in Doha.



Kiosk, Kings Cross, London