

CONNECT

INSPIRATION FROM AIRPORT SALES / 02-16



NEW DIGITAL ROUTE PLAN
**CPH TESTING WHETHER TOUCH-
SCREEN SIGN CAN SHOW THE WAY
TO NEW SHOPPING EXPERIENCES**

THE CHINESE ARE COMING
**GET TO KNOW THE
AFFLUENT TRAVELERS**

AT TAX FREE THE STAFF
MUST BE EXPERTS
**PROFESSIONAL GUIDANCE
INCREASES SALES**

CHAMPAGNE & RED CARPET

SEE PHOTO COVERAGE FROM RETAIL ACADEMY'S
DIPLOMA CEREMONY



IN CHINA MONEY IS FOR SPENDING

Chinese guests spend most money per traveler in CASC. Get to know the affluent Chinese better, and learn what CPH is doing to ensure that Copenhagen is a preferred favorite.

Powdered milk, brand names, Danish design, salmon and health products. Five product groups that at first glance perhaps do not seem related, but anyway...these are products that the Chinese especially look for when they visit CPH, explains Maria Prior, Business Development Manager in CPH, who has just been in China. She was there partly to learn more about the affluent travelers, and partly to study how to attract more of them to CPH.

"We flew there with SAS and had countless meetings with all the big travel companies and SAS's most important business partners. We discussed, among other things, what services we offer the Chinese travelers, how we can make CPH even more attractive to them, and about all the initiatives we already have in place that make it convenient to travel to the North via CPH," she says, just two weeks after returning from the metropolises Beijing and Shanghai.

In general, there has been a great increase in the number of Chinese travelers in Europe within the past five years, and again this year CPH expects to see many – at any rate just as many as last year. After the terrorist attacks in Paris and Brussels, many Chinese feel insecure about traveling to Europe. Nevertheless, even if the number perhaps does not increase as exponentially as previously, we must not be nervous. They will be coming, she states.

"Traveling here gives them so many advantages. In China they have a luxury tax on brand name products, which means that here they can save between 30 and 40 percent on high-end brands. In addition, there is a growing middle class out there which suddenly has got money to spend, and there are simply so many of them," explains Maria Prior.

THE MOST AFFLUENT

From a commercial perspective, it is, however, still a very small segment. Less than one percent of CPH's total number of passengers are from China, and at first sight, therefore, it ought not to be an interesting target group. Nevertheless, it is they whose 'spend per head' is greatest, Maria Prior points out. "They spend much more than all other nationalities. So despite the fact that there are still so few of them, they are an extremely important segment for the airport," she states.

Previously, it was not unheard of for a Chinese traveler to spend up to 100,000 DKK in a European airport. Today, however, such transactions are not quite as frequent. Unrest on the global – especially the Chinese – stock market, together with the fluctuating rates of the Chinese currency, Yuan, mean that at the moment there is a decrease in 'spend' compared to last year, says Maria Prior, who at the same time points out that the Chinese continue to spend a great deal of money.

"They buy watches, bags and branded goods in general. It is a regular part of their trip, and our surveys tell us that they are one of the nationalities who prepare most before they come. Which brands can you buy; what should I take home? In other words, they are very well informed



before they arrive here.”

GUIDES ARE A HELP

In other words, it makes sense to focus especially on the Chinese who decide to visit CPH. It is for this reason, among others, that CPH has a minimum of two Chinese guides daily at work in CASC.

“When we have been informed that there are large groups traveling home from CPH, we make an extra effort. We help them with Global Blue, check-in, and accompany them through Security, too, so they arrive Airside as quickly as possible. Later, the guides accompany them to their gate in order to make sure that they do not go there too early to wait. Thus, we attempt in every way to optimize their time in CASC. When we assisted the large groups in this way last year, some stores experienced unprecedented sales. If we provide the right service to these groups, it is a good experience for both travelers and the stores,” says Maria Prior.

SPECIAL TREATMENT

And when she emphasizes providing ‘the right service’, this is no exaggeration; because Chinese customers are not like all others.

“First, language is a barrier. Nearly all of them speak and read Chinese only, which makes it difficult to communicate with them. The language makes it hard for them to understand what our goods cost and to understand general information about the selection. But this is also why we have the guides, whom stores can always phone if they need assistance.”

In addition, there are certain cultural differences you need to understand if you want to sell to them, she explains.

“They will not wait in a queue because they have very little patience. They spend a lot of money, and because they are aware of this, they demand good service. In addition, they are suspicious of everything because, in general, there has been

CHINESE GIFT CULTURE

In China, there is a tradition of giving many presents. When you visit someone, you bring a gift; and when you have been traveling, you bring gifts home. Typical gifts are expensive chocolate, wine, and branded goods.

DID YOU KNOW THAT...

Do not be surprised if a Chinese asks for a glass of boiling water. They don’t drink cold water like us – but warm.

“All travel bureaus asked if travelers could get boiling water in CPH. It is extremely important for them, so we are now looking at how we can meet this need in the future,” says Maria Prior.

a great deal of corruption as well as copy-products in China. Therefore, you must not be vague or ‘uninformed’. If you are not completely knowledgeable concerning the rules for VAT refunding, or if you do not know where the merchandise is produced, they think you are cheating them and will not make a purchase. Be firm and direct,” she advises and points out that they do not have the same understanding of good manners as we here in Denmark do.

“They may seem rude, but that is how the Chinese are; it is just a cultural difference.

In recent years, there has been a tendency for Chinese to travel alone, but in the autumn of 2015, new visa regulations were implemented in China, making it more difficult for them. Today, it is much easier to obtain a group visa because more demands have been required of individual visas. This means that between seventy and eighty percent of the customers we see will be traveling in large groups in the future – and this is something to which many stores may have a love-hate relationship, states Maria Prior.

“The good thing is that when you have made one sale, the rest of them follow suit. However, they turn the entire store upside down. They look and touch, and there are many of them. But if you want to sell to them, you have to accept this.”

RETAIL ACADEMY DIPLOMA CEREMONY

Again this year, CPH held a celebration for the employees in CASC who, throughout the year, participated in Retail Academy's E-academy courses. 150 guests were there when the red carpet was rolled out and champagne poured in the historic Wilhelm Lauritsen terminal on 27 April.



◀ Mash and YO! Sushi provided the evening's menu for the many guests in a festive mood: delicious sliders and sushi ad libitum.



▼ For the third year running, the popular TV-personality Camilla Mieke-Renard was the evening's master of ceremonies.





◀ Every year, CPH pays tribute to the best units and employees in CASC. Here are the winners of this year's prizes:

BEST OVERALL SCORE 2015

Segafredo, Pier C

GREATEST IMPROVEMENT 2015

Souvenirs, T2

HOST OF THE YEAR 2015

Caviar House

MOST 100% IN 2015

Change

BEST UNIT TO INCLUDE ADVANTAGE

Molo Kids

BEST MANAGERS TO INCLUDE THE E-ACADEMY

Heinemann



▲ When Heinemann's managers were given their prize, all the employees in the unit taking part in the ceremony stepped up onto the stage to support their managers. If there had been an award for team spirit, they probably would have won it, too.





EXPERT KNOWLEDGE ENSURES TAX FREE STORES RETURNING CUSTOMERS

In the TAX FREE stores, employees must be able to provide first-class assistance to travelers – whether it concerns wine, spirits, skin care or perfume. Because employees as experts create loyal customers who spend more money, says Managing Director Annette Engmose.

Most surveys show the same thing: customers today are not satisfied with mediocre customer service; on the contrary, they buy more when they trust the seller. In fact, in a new survey conducted by the advertising bureau Marketsquare in cooperation with the survey bureau Norstat, ne-

arly fifty percent of respondents indicated that a good shopping experience is dominated by 'friendly and helpful service', while forty percent indicate 'good guidance' as essential. Moreover, today, when there is strong competition between physical and virtual stores, you have to take

customer service very seriously indeed if you want to remain attractive to customers. This is something that Heinemann, who are behind the TAX FREE stores in CPH, have also realized. Here, being able to advise and guide customers is an important strategy with high priority, states Annette Engmose, Managing Director of Heinemann.

"We have surveys showing that sixty-eight percent of the customers a store loses leave because of poor customer treatment. This is extremely interesting and thus something on which we use many resources and constantly work on," she says and

emphasizes the importance here of professional help.

"In many ways our selection is not unique. Many of the products can be found elsewhere, so we have to make ourselves attractive in other ways. At the same time, people don't come here specifically to shop – they are traveling – but we must convince them to shop anyway. This requires us to mobilize all our resources. We want to win the competition by having a strong customer focus, and so we are working a great deal to strengthen our culture as well as our employees' expert knowledge in their respective core areas.

And this strategy pays off, she states.

"In fact, we have doubled our turnover since Heinemann took over the TAX FREE stores in the airport in 2007, and we have had a pronounced increase in turnover during the past three years."

FRIENDS RATHER THAN CUSTOMERS

In TAX FREE we operate according to the following vision: 'we turn travelers into customers and customers into friends'. Because this is how it ought to feel when you shop at Heinemann. In other words, good, attentive customer service creates credibility, which contributes to increasing a customer's belief that the merchandise is in order.

"They must be able to trust our guidance, and, at the same time, feel inspired by what we have. It is important that they do not merely buy products they don't know how to use. That is a waste of money, and perhaps they will not return," she says, emphasizing that every year they survey customer satisfaction

through several different surveys: CPH's customer focus groups, Mystery Shopping, as well as through dialogue between employees and customers.

In addition, in order to provide the most competent sales personnel, Heinemann operates with ongoing training of their employees throughout the year. In spring, focus is on understanding the selection, while autumn focuses more on vision and mission and on each individual's development. Moreover, they hold regular wine and spirit tastings to sharpen the staff's understanding of this universe, and they invite external experts to provide inspiration in a given area. Most recently, it was the blogger and beauty writer Anette Kirstine Poulsen and the renowned makeup artist Kenneth Adelhardt who paid a visit. For a whole day, they trained TAX FREE stores' personnel in how to apply quick makeup to the young, busy travelers that Heinemann are putting extra focus on at the moment. Before the visit, the makeup consultants were given Poulsen's book, *Great skin without hocus pocus*, so they could make the best of their preparations and note in which areas they had special training needs.

"We constantly endeavor to strengthen our employees so that they feel secure and can advise our customers in the best possible way. This is also the case when there is a new product on the shelves; we conduct intensive training related to the new item during the month before we launch it in the stores," she explains.

In addition to the fact that on-the-job training strengthens the profes-

sional competency and commitment of our staff, it also means that they are able to sell more merchandise.

"It is clear that our staff who feel competent and confident in their areas have much greater self-confidence in their meeting with a customer; and for this reason they can - and dare - inspire and advise a customer in an entirely different way than, for instance, a new colleague who has yet to learn this can do."

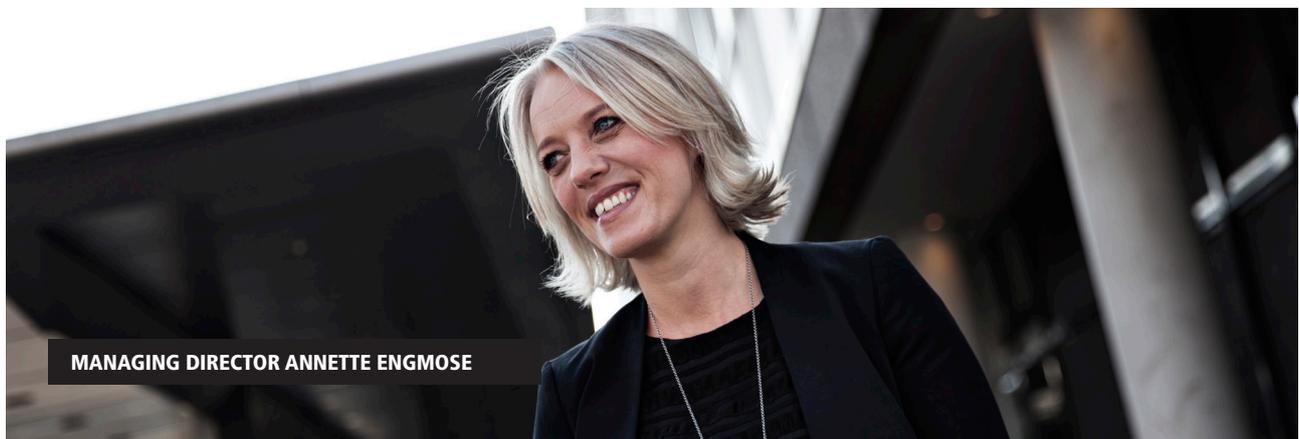
NOT JUST A SALE

Concerning new appointments, Heinemann thus endeavors to employ people with a combination of high professional competence and a background in sales. However, the most important element is that they have the right mindset, she explains.

"We want to attract and keep the most dedicated employees, so we are willing to help them gain skills and special knowledge in an area if they do not possess this from the beginning."

For our customers, this means they can feel certain that they have made the right choice when they choose to shop in the TAX FREE stores, states Annette Engmose.

They feel welcome and understood; and enjoy a good experience – one that is hopefully unique and special. Customers should look forward to coming here and shopping with us, and our guidance has to be just as well qualified as that given in any other specialty store. Knowledge is our foundation, and we must never compromise on this. If that happens, selling becomes merely a transaction. "



MANAGING DIRECTOR ANNETTE ENGMOSE



DIGITAL SIGN GUIDES PASSENGERS TO NEW SHOPPING EXPERIENCES

CPH is now testing whether a new touch-based sign is a good way to help travelers navigate in CASC and, at the same time, show them the opportunities to shop or eat along the way.

Imagine an interactive map of CASC. A bit like Google Maps, showing the route from A to B, and at the same time showing you the stores and restaurants you will be passing on your route. This is the idea behind a new touch-based sign set up beside Information, and which CPH is now testing for its efficiency, says Niels Frøhlke, Digital Business Development Manager in CPH.

"In general, we want to make travelers even more aware of the good opportunities for shopping out here, as well as what kinds of F&B we have. We would like people not just to head for their gate without at least having thought about shopping, and this sign can perhaps help," he explains, and points out

that this sign is based on passengers' wishes.

"In our focus group surveys, we have seen that passengers want stores and restaurants that are already out here. Therefore, we need to strengthen our communication to travelers even more in relation to the commercial selection in CPH."

"Also, this sign has the advantage that it makes it possible to show travelers the units in a 'discreet' way, so that it doesn't become 'too much like advertising', explains Niels Frøhlke.

"When they search for a gate, we show them landmarks as well, such as at this spot there is a Starbucks, Kaufmann and H&M. Compared to static signage, with this digital solution we can control what contents we want to display and at what time.

In the mornings, we might focus on breakfast, while in the evenings we would focus on something else. For this reason, we operate a great deal with dynamic categories that are based on time periods."

THOROUGH TEST OF THE SIGN

The test sign has guided passengers around The Shopping Center since 15 March this year, and the results

up to now have been fine, concludes Niels Frøhlke.

"We can see that people are interested and that they use it. However, we can also see that there is still a need to adapt the content."

Therefore, he and his colleagues are conducting intensive studies of how users interact with the sign in order to analyze how and where it can be optimized, if necessary.

"Is the keyboard located in the right place? Is it designed correctly so it is easy to use? These are a couple of the things we are looking at. We get quantitative data from our analysis tool mounted on the sign, and at the same time we get qualitative data from the Information Desk located beside the sign, which gets feedback from travelers," he says, emphasizing that there is already an update on the way.

"We can see that people frequently search for Lounges, and that they are interested in food and categories. So right now we are working on refining the search function."

It has not yet been decided whether this sign is just the first of its kind in CASC or whether the digital way-finder project is to be shelved. A steering group will address this issue when Niels Frøhlke and his department have completed their findings and have come up with the final version of the sign.

"It looks positive up to this point. We are getting good response and are well on the way to finding a final version that is easy to use and that gives travelers the information they need."