



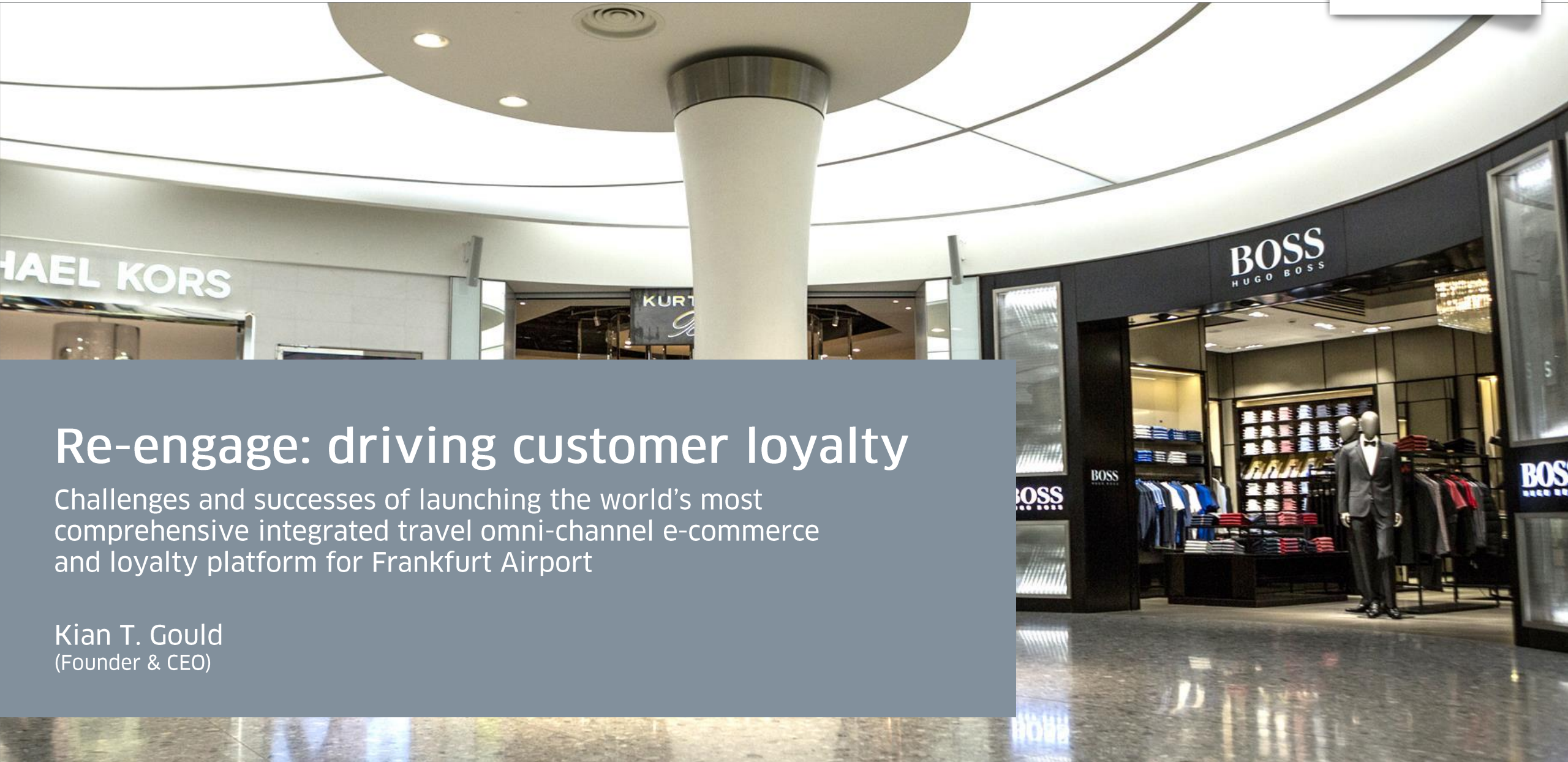
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Re-engage: driving customer loyalty

Challenges and successes of launching the world's most comprehensive integrated travel omni-channel e-commerce and loyalty platform for Frankfurt Airport

Kian T. Gould
(Founder & CEO)



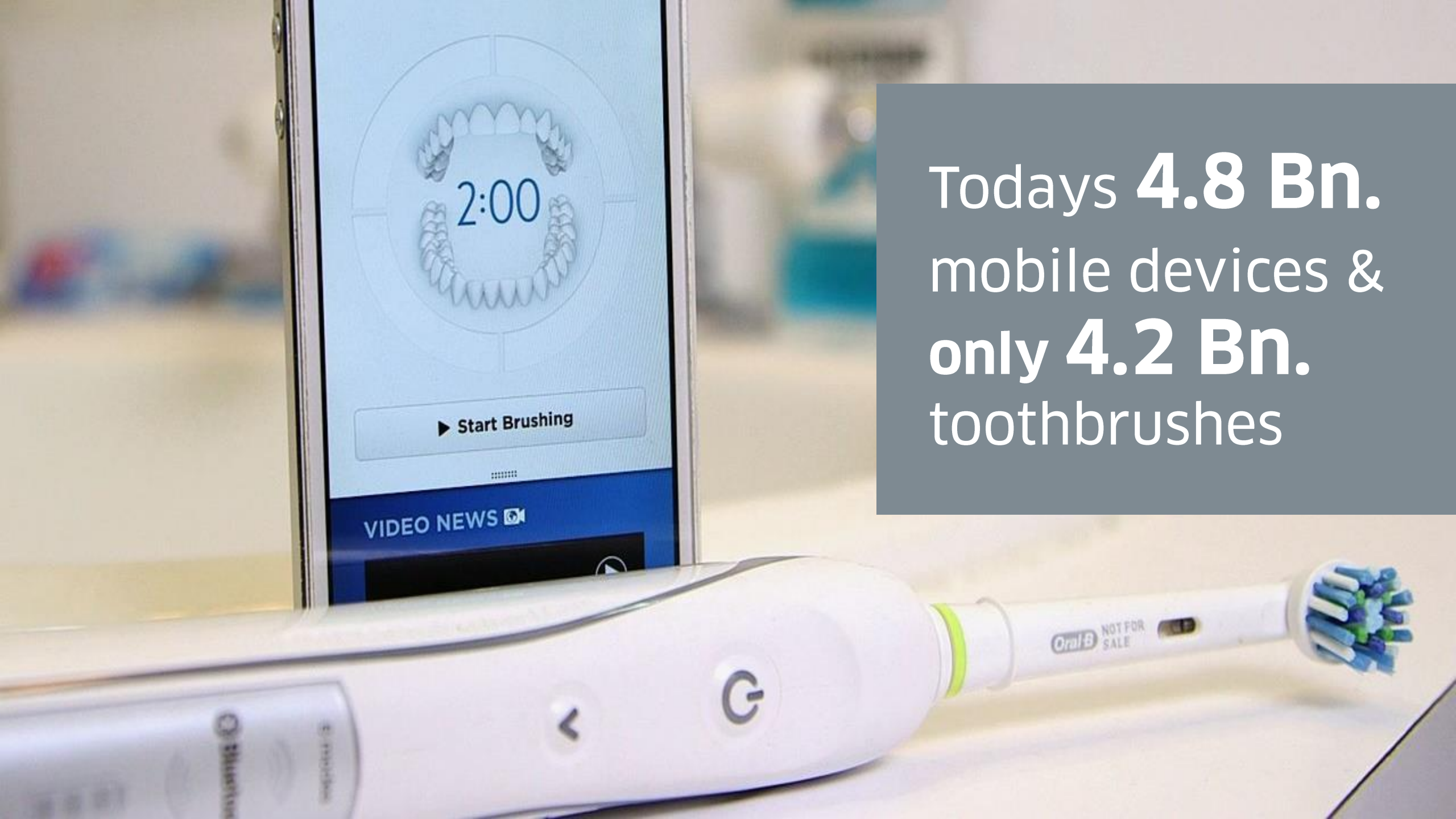
Yesterday's passenger



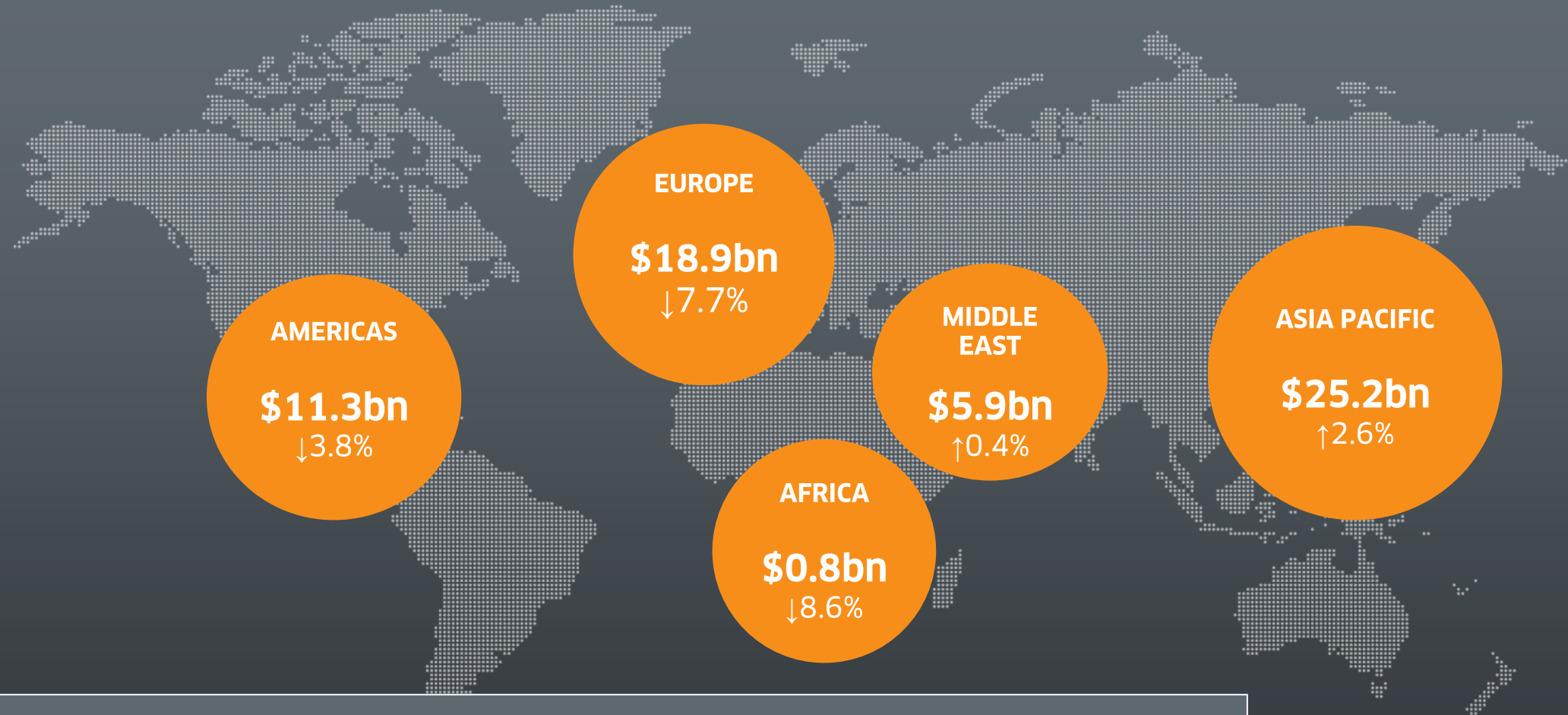
Today's Passengers



Today's **4.8 Bn.**
mobile devices &
only 4.2 Bn.
toothbrushes



The 62 billion USD global Travel Retail Market is beginning to be disrupted



4.6% global passenger growth in the next 20 years will not be enough to stop the downward trend

- Middle East 6.0%, Asia Pacific 5.6%, Latin America 4.7%, Western Europe 3.6%, North America 3.4%

SOURCE: 2015 GENERATION RESEARCH



Urban Myth 1: You can't sell luxury cars online



Alibaba sold 100 Maserati Levante in 18 seconds on Single's Day

Urban Myth 2: Some brands will never sell online



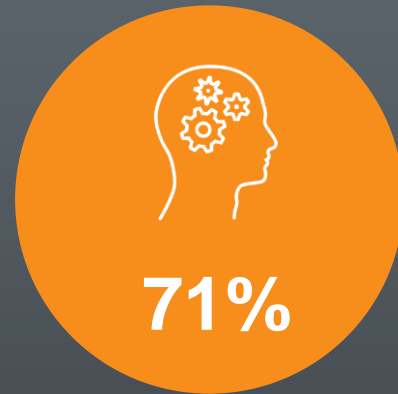
Every day hundreds of Chinese shoppers buy luxury bags via WeChat

Retail Urban Myth 3: The personal touch is most essential to in-store sales



Only 2% of shoppers spend after getting advice from Sales Staff

Planned vs Impulse Purchase



Planned in advance
what they wanted to shop



83%



79%



75%



Bought on impulse
while at the airport



44%



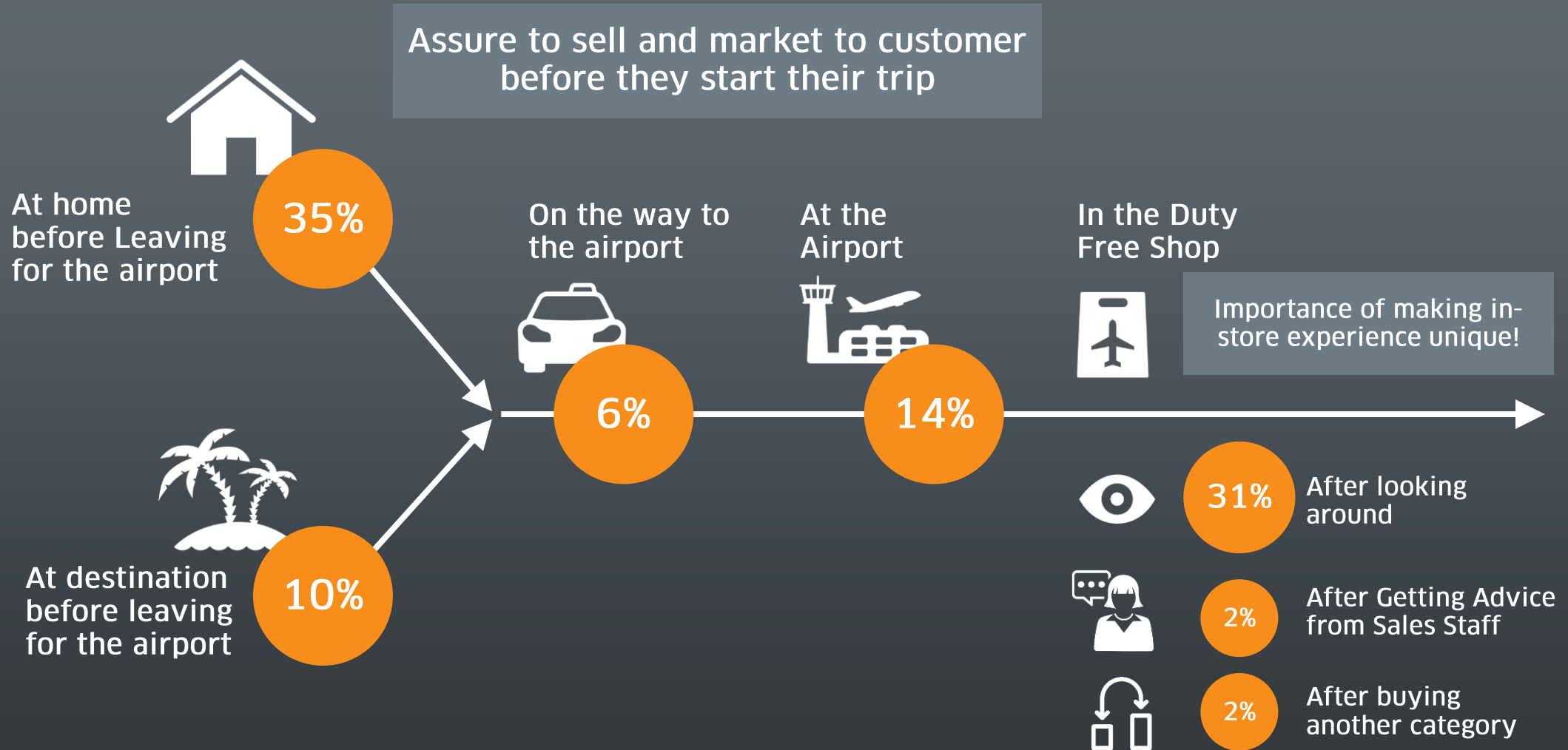
42%



40%



Moment of Decision of Duty Free Purchase



The Trinity / Quaternity? | When the pie gets smaller, partnership is the key

Customer Information

Airports/Airlines know much more about passengers than most retailers do



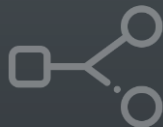
Digital Devices

Create new transaction and communication channels



Digitalization

Digitalization of the travel journey creates new touchpoints



Participation

in the international e-commerce growth



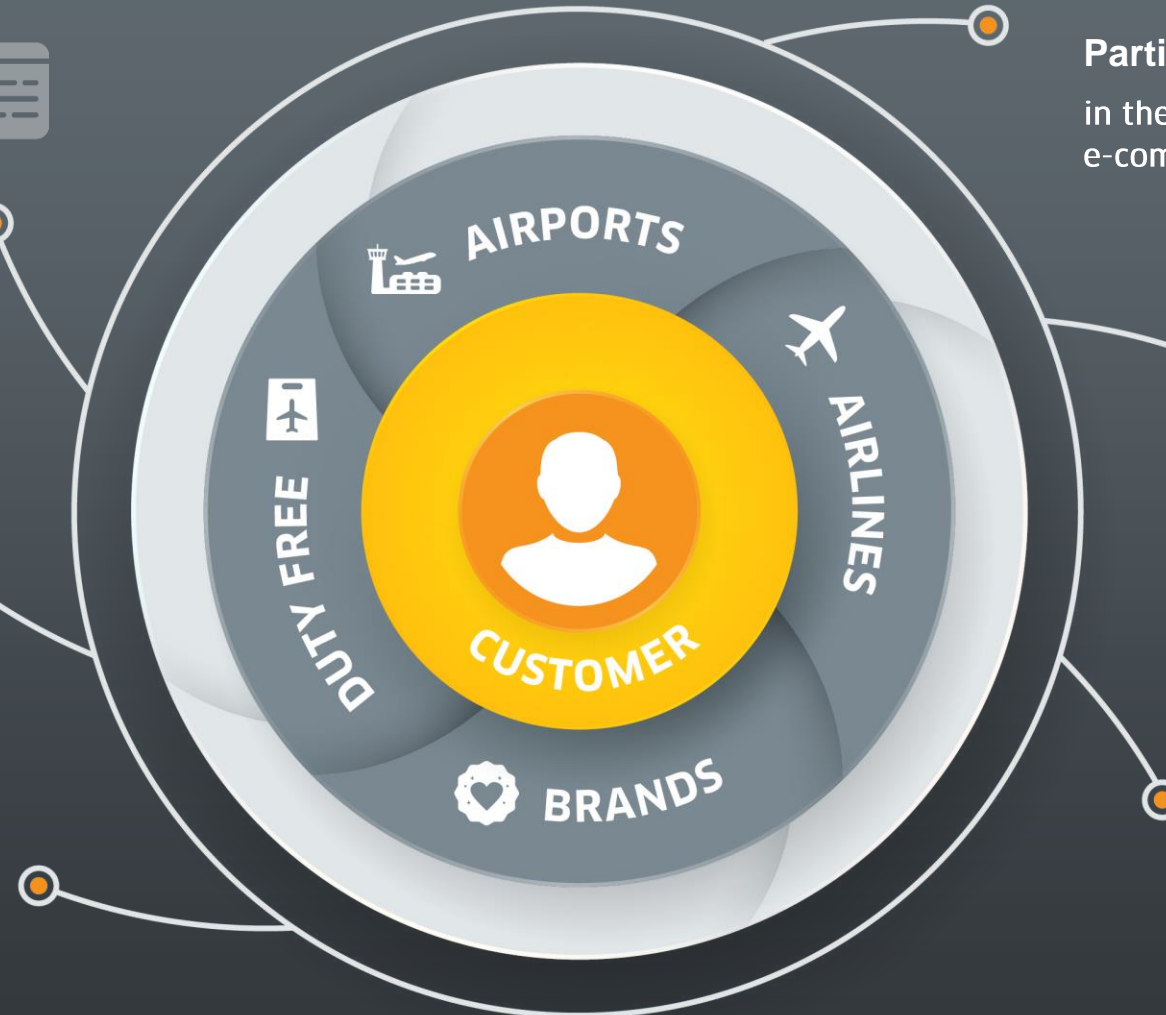
Integrated Advertising

Via Wi-Fi, Smart Panels and Info-Terminals at airports offer unique abilities



Customer Excellence

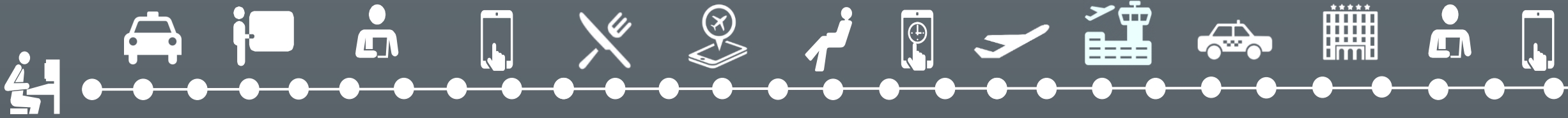
Attractive digital offers and services form unique customer experiences



What is missing is a holistic approach to Omni-channel Customer Engagement



Key to a great Customer Experience and ongoing loyalty are



Great Product Selection



Great Product Data



Great Services



Pen Liyun (38), Chinese

- Travels First Class
- Lives in Beijing
- Buys 1 handbag each trip
- Usually orders to lounge
- has 250,000 loyalty points
- Drinks Earl Grey

Michael Madden (59), British

- Travels Business
- Lives in London
- buys his wife Chanel
- wears mainly Ralph Lauren
- has 10,000 loyalty points
- Drinks Double Espresso

Raj Mahindra (49), Indian

- Travels Business
- Lives in Bangalore
- Always uses Uber Black
- Loves BOSE Gadgets
- Buys Hugo Boss Shirts
- No Loyalty member
- Drinks Chai Latte



Today's and tomorrow's passengers expect more!









**FRANKFURT AIRPORT - DIGITALIZED,
FULLY INTEGRATED, YET STATIONARY**





Customer Run-up

↑ **50 %**
above ROI case



Cross- & Up-selling

↑ **35 %**



Active User Rate

75 %



Average Basket Value

↑ **150 %**





120 *Servers in 2 Datacenters*

130,000 *Developer-hours*

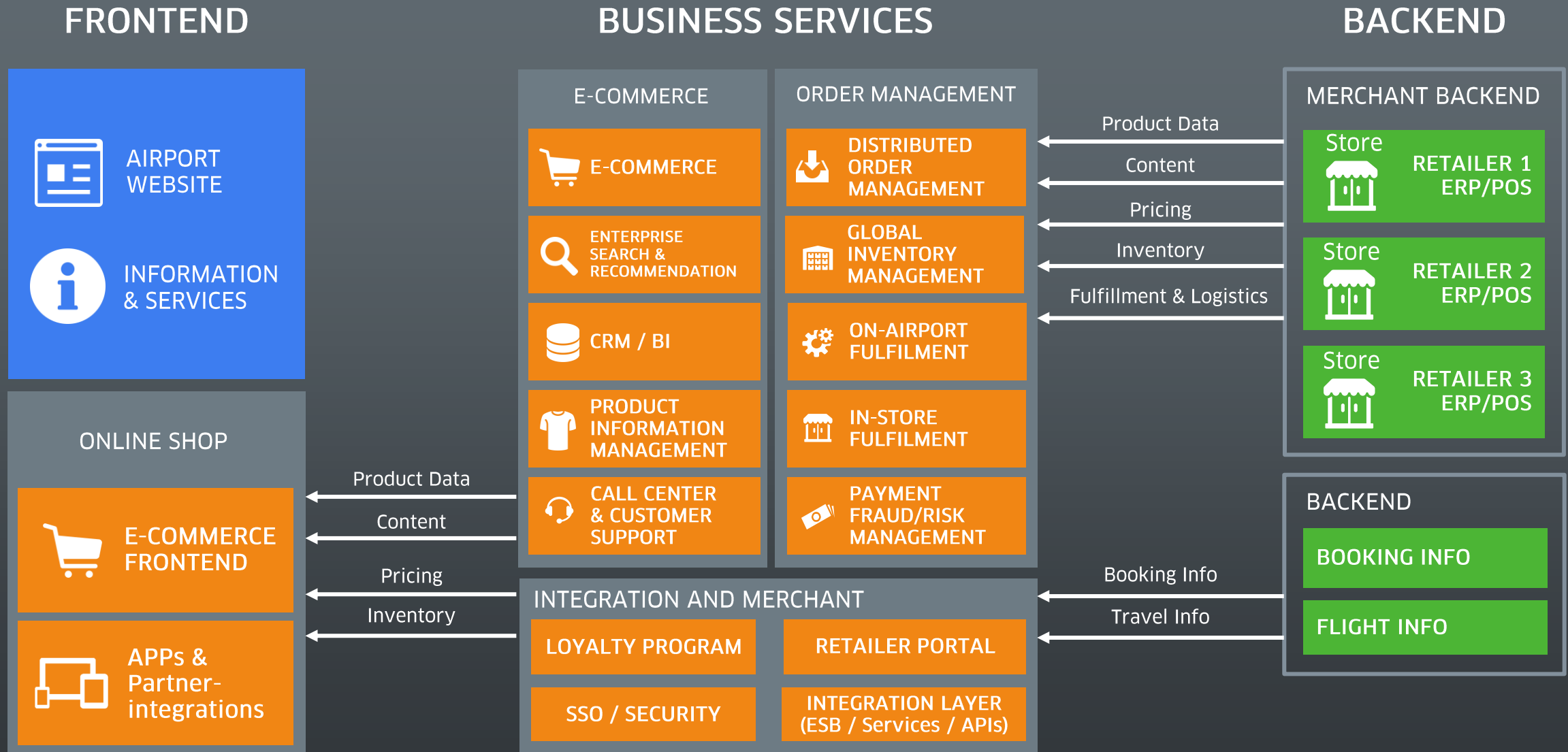
>12 *months from start to first launch*

35 *Services/Integrations*

70+ *people in 8 SCRUM teams*



OM³ Suite – What is needed to achieve such an experience





All the research we conducted over the last two years shows that what AOE started at Frankfurt Airport is the future of Travel Retail!

Peter Mohn, CEO m1nd-set research





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