

Amazon Lockers: no impact on WDFG... yet

**Birmingham Airport claims that a year after introducing Amazon Lockers inside its terminal - the first UK airport to do so - there has been “no dilution on airport retail”.**



The introduction by BHX's commercial department enables Amazon customers to pick up their online orders at the UK's seventh busiest airport [*it served 9.7m passengers in 2014*]. At launch, the airport expected uptake from many of its passengers as well as visitors and staff.

The airport defended the introduction on consumer choice and service grounds when *TRBusiness* asked BHX whether the lockers might undermine the retail offer at the airport - where the main duty free and travel retail operator is World Duty Free Group.



**Gill: improving service**

Birmingham Airport's Head of Commercial, Richard Gill, says: "We saw the introduction of Amazon lockers very much as a way to improve service for our passengers and staff alike, by offering an additional collection point rather than missing deliveries intended for their home address.

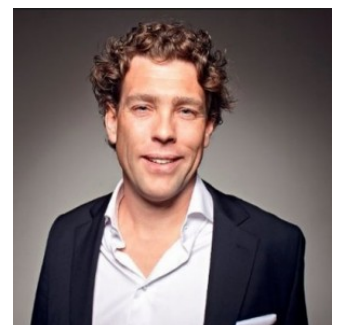
**'LOCKERS DO NOT COMPETE WITH THE TAX FREE SHOPPING'**

"There has been no dilution on airport retail, as generally the landside lockers are not used by those departing from the airport, but by visitors and staff. The lockers do not detract or compete with the airside tax free shopping environment," he adds.

However, their mere availability might prompt departing passengers to more readily compare prices of products in the duty free and travel retail stores - for example a fragrance - on their smartphones and, if cheaper, order it from Amazon for pick-up from a locker on their arrival.

Gill did not comment on this latter point but an airport spokesperson told *TRBusiness* that, in a year of installation, this has not been found to be the case. However, that could change as more people use the service.

Melvin Broekaart, Managing Director at Dutch airport retail consultancy, AirCommerce - who **has blogged about this and other DF&TR topics** - comments: "The rollout of order pick-up machines at airports is allowing e-commerce merchants to potentially steal a march on travel retailers. Against wide product assortments and low price points, travel retail must up its game to compete."



**Broekaart: travel retail must up its game**

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| Marc Jacobs Daisy 50ml edt spray |        |
|----------------------------------|--------|
| Retailer                         | Price  |
| Gebr Heinemann                   | €59.00 |
| Amazon.de                        | €45.50 |
| World Duty Free                  | £38.00 |
| Amazon.co.uk                     | £30.19 |

Source: AirCommerce,  
Comparison date 9 September 2015

A single price comparison on the AirCommerce website of a 50ml edt of the Marc Jacobs Daisy fragrance versus Gebr Heinemann and WDFG (see table) also illustrates the price competitive nature of online: Amazon comes out significantly cheaper.

## DEMAND DOUBLES

What also can't be ignored is the natural consumer demand for this kind of service if they know it is available. Deliveries made to Amazon Lockers nationally more than doubled last year [to September 2014] thanks to their flexibility. And the service has most recently been extended to Jet petrol stations since July in the UK.

In a statement, Amazon.co.uk [*which is currently testing a one-hour delivery service for alcohol sales, initially in London*] adds: "The vast majority of products directly sold by Amazon are available for delivery to a locker."

Amazon Locker locations in the UK now exceed 300 and, while Birmingham Airport remains the only air gateway to have installed them, they are also positioned in shopping centres, supermarkets, universities and libraries.

**[For more detailed analysis and views on this story including Amazon's comment, see the October edition of *TRBusiness* magazine, out soon.]**

