

Vienna the 'test bed' for Google-powered case study

Technology juggernaut Google and Vienna International Airport are exploring ways to convert travellers' interest in airport shopping at earlier stages of their journey into spending following a successful first-stage collaboration, *TRBusiness* can reveal.

Delegates attending the Global Shopping Forum (GSF) organised Google Meets Travel Retail event in Hamburg (Thursday 7 June) heard details of an exclusive digital tie-up between the airport, digital marketing agency Global Smiling and Google using its Google Display Network (GDN), which places relevant and personalised adverts across a network of internet sites.

The one-month campaign in May centred on advertising nine 'Best of Austria' products – including the acclaimed Viennese Sachertorte chocolate cake, wiener schnitzel and souvenirs – to Russians, Chinese and those from Arabic-speaking countries travelling between the airport and city centre, delegates heard during a deep-dive afternoon discussion.

However, Björn Olsson, Senior Vice President Center Management at Vienna International Airport clarified that at this point in time there are no direct results to correlate the campaign's impact on retail sales at tillpoint.



Hamburg was blessed with glorious weather as delegates gathered for the inaugural Google Meets Travel Retail.



Eli Fel, Founder & Honorary Chairman, Global Shopping Forum and Managing Director, Travel Blue

MEASURING IN-STORE VISITS

Relevant and personalised offers in the languages of the target audiences underpinned the campaign, explained Xin Deng, Managing Director, Global Smiling.

This information, laced with specific keywords using Google Ads, was translated into four languages and fed onto Vienna Airport's website.

Using two different 'geo-scenarios', Vienna Airport and the city itself, different advert groupings were created in specific formats and languages to hone in on travellers' search preferences.

In that way, a search for 'Vienna shopping' would display results to English-speaking travellers searching for offers at both the airport and downtown.

During the course of the month, the campaign generated 8.18m total impressions via display adverts, 121,000 clicks and a click-through rate (CTR) of 1.51% – a five-fold hike in the 0.3% average across industries – and generated 48,000 search impressions.

"We are very impressed with this outcome," said Deng. "In the [travel retail] sector, Google adverts are not very present, which means there is

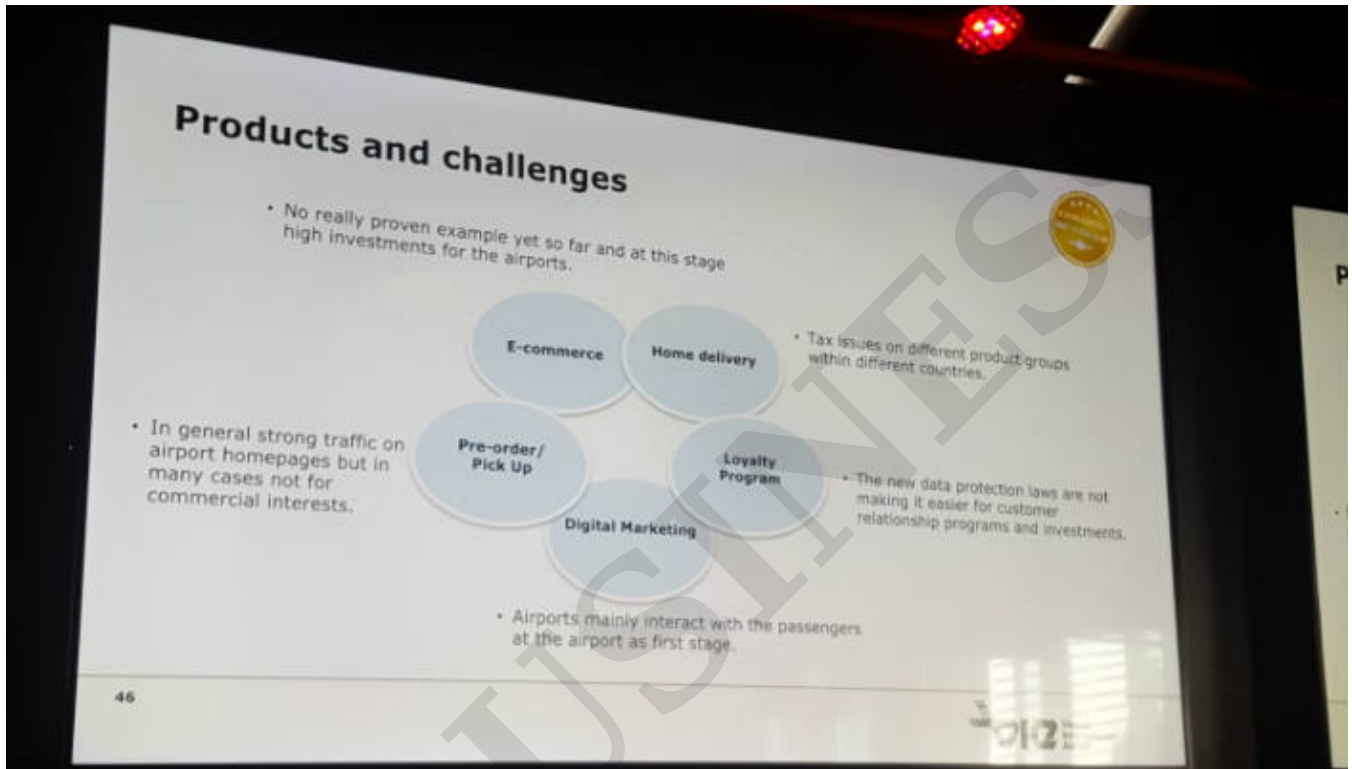
Vienna the 'test bed' for Google-powered case study

Germany welcomes attendees to the one-day conference.

a huge opportunity for campaigns.

"When you design campaigns and choose products and brands to market to particular targets you should know which people click on these types of products.

"The most important thing [evidenced by the case study] is how offline retailers can co-operate with online marketing teams."



Vienna Airport flagged what some in the industry will view as key concerns regarding the current disconnect between digital solutions and in-store conversion.

Deng confirmed the next step is to use the results of the campaign to measure in-store visits at the airport.

"When people travel to Vienna Airport they might actually visit the city as they are interested in Vienna. When we designed the content for this campaign, we thought bigger; it's not just about Vienna Airport or a specific brand, it's about Vienna and Austria.

Launching the campaign in May provided an additional incentive to track interest from Chinese travellers visiting Europe, due to China's Labour Day public holiday.

"Like many airports, there is a traditional marketing strategy of engaging passengers, but we need to track the passenger at an earlier phase," stated Olsson.



TRBusiness was the exclusive media partner for an event that provided an honest and frank appraisal of Googles current interest and potential future involvement in travel retail.

WATERSHED MOMENT

Co-host Eli Fel, Founder of Global Shopping Forum and Managing Director, Travel Blue Germany opened the conference, which he claimed was the first event worldwide where Google and travel retail came together and co-operated globally.

[For Twitter updates from the main sessions, including speaker presentations, make sure to visit [@TRBusiness](#) [#globalshoppingforum](#)].

“With Google coming into the offline world, it’s about time travel retail comes effectively into the online world,” declared Fel.

He reminded delegates that the value proposition in travel retail remains under threat and change is required to adapt to the new digital trading environment, in doing so drawing on an inspirational quote from Albert Einstein: “Creativity is intelligence having fun.”

Fel continued: “Business is changing – and fast. We need to keep pace and that’s why we are here to act fast for the industry.”

In doing so he promised a packed day brimmed full of disruptive content to add value to the business, deep diving into measuring how digital can help travel retail.

Event Co-host and Google Industry Manager Retail Jan Hieronimi then took to the stage.

He admitted that Google is not centrally involved in travel retail, but nonetheless sees the company’s involvement, which began following a dialogue at last year’s Global Shopping Forum in Vienna, as representing an exciting time for the company and a means of tackling travel retail’s digital challenge.

“We don’t have a blueprint or solution – I want to make that clear,” said Hieronimi. “It is the beginning of a journey for us and I’m excited to share a couple of cases where we see things in other industries that could work for your industry.”

He said that while the multi-billion dollar conglomerate possesses learnings in travel and retail, those learning do not extend in earnest to travel retail *[however as TRBusiness notes above this scenario is undoubtedly now changing with the Vienna Airport co-operation]*.

Interestingly, Google has set up a specific travel retail email to direct all queries, travel-retail@google.com.

One interesting observation – if not entirely unsurprising being a viewpoint raised on occasions by the travel retail industry – is that while airport homepages benefit from strong traffic volumes, in many cases they are not eschewed towards commercial interests.

The conference also highlighted challenges revolving around certain tax issues on different product groups within different countries, which has been further compounded by new data protection laws.

Vienna the 'test bed' for Google-powered case study

In some cases, it is not making it easier for customer relationship programmes and investments in airport retail.

Another point regarded airports interacting with passengers predominantly at the terminal as the first stage, whereas the 'capture' net should be cast much further.

Alexander Zerdick, Director Retail Multichannel, Google Germany drilled down into the digital behaviours of travellers that enable Google to adopt its 'consumer-centric' approach.

He reiterated that the technology giant is not an expert in travel retail yet, but plans to be.

Zerdick noted the hundreds of digital touch points for travellers, observing that the general health of global business travel spending is good.

Based on its own research, he pointed to travellers spending \$1.3tn in 2016, with this figure set to rise to \$1.6tn by 2020.

"However, if we look into recent news we can see that some things are not so straightforward, with only 16% of passengers buying something, he countered.

I don't understand that. Average time at the airport is going down. Chinese spending travellers are spending less and average retail spending is going down. So what is behind this?

FOUR ENGAGEMENT STAGES

Zerdick then identified four micro-moment stages of the travel journey: dream, plan, book and experience, stressing that in the past there were fewer travel touch points available to the traveller.

This, accordingly through the advent of digital, has changed the landscape as travellers now interact with hundreds of digital touch points.

He then moved to illustrate the rise of digital with a fictitious example of a woman who connected with over 850 digital travel touch points over the course of three months since her booking took place.

Of those digital touchpoints, 24% took place on a mobile through 166 Google searches. Breaking it down further, 24% of that activity took place via Google Maps.

"Much of the searches are about what can I do, rather than how do I get there," he explained, referencing how Google's analytics are able to measure intent and immediacy for travellers during the journey.

Separately, Google's research found that 26% decide on a vacation destination three to five months before departure and 78% of leisure travellers are undecided as to what airline they will travel with.

"Having a smartphone gives you a new kind of access to the consumer, he said. Mobile is your perfect digital companion; having a smartphone gives you a new kind of access to the consumer.



***Björn Olsson, Senior Vice
President Center
Management, Vienna
International Airport.***

Vienna the 'test bed' for Google-powered case study

Interestingly – and despite the emphasis on mobile – 94% of leisure travellers switch between devices as they plan or book their trip, Zerdick revealed. In addition, the booking process is increasingly taking place using more than one device, which Google attributes to negative mobile experiences.



Strong audience engagement and dialogue was a prominent aspect of the event, which raised a number of important questions regarding the potential application of Googles digital advertising tools within infrastructure-confined airport environments.

Meanwhile, 69% of business travellers and 54% of leisure travellers say that mobile limitations or mobile usability are the main reasons for booking on another device.

In what was to be a recurring theme of the day, YouTube was flagged as playing an important role for travellers seeking destinations, with 64% of those watching travel videos on YouTube doing so when thinking about taking a trip.

He says in the experience (end) phase, currently only 1% of travel players are present, underlining the huge gap for targeting customers.

“We are here today to do three things: How can you adapt your business to deliver great customer experiences across these phases, how can you adapt to travellers using these micro-moments and how do you measure the customer journey across channels and devices so you know that the money you spent is spent well?”



DIGITAL ADVERTISING GAP

When asked by *TRBusiness* whether Google thinks there is big disparity between travel retail's current level of pre-travel engagement with what is offered at the terminals on arrival and if signposting to stores could be improved, he said:

"I do not know; this is something we have to figure out together – also regarding signposting. I know though that retail overall is very digitally savvy and for digital marketing it is the most advanced digital industry for travel.

In a stark admission, he added: "However, I have never seen digital advertising for travel retail, so there is quite a gap there. Without being specific I think we are doing a lot more.

"You never get advertising pre-arrival – we know people are searching for gifts. There is of course the last-minute purchase that doesn't need a lot of advertising, but certainly there is a big opportunity."

Adding his thoughts, Hieronimi said: "In retail generally, there is an issue in that retailers tend to advertise only in the moments that people want to buy something and act as if the decision to buy fell out of the sky.

Jonathan Smith, Executive Director, Travel Blue: "One thing is clear: the customer is firmly in the driver's seat and that is a great opportunity for all of us."

"The weeks and days leading up to the purchase are essential."

In the first of three keynote presentations, Vienna Airports Olsson claimed that the digitalisation happening at airports and its associated learnings are only really occurring now.

He said Vienna Airport is aiming to disrupt the challenge associated with leveraging increased dwell time.

Last year, the airport handled around 24m passengers and boasts a commercial spread of around 20,000sq m, including around 300 stores covering retail and F&B outlets.

Using the millennials example, he says airports are now required to re-engineer their customer journeys to suit differing requirements.

"Many airport today are not working with the data they have collected for many years; marketing is the only business that airports own themselves," he said. "There, you can drive a lot of data from our customers to convert and unbundle products.

"You need to start working with the CRM, working with data and unbundle the project. After that, a loyalty programme may be necessary to implement e-commerce. Heathrow is a great example of how an airport has transformed digitalisation."

Referencing the so-called 'Trinity' relationship between airports, retailers and brands, Olsson pointed to examples such as Budapest Airport and its '**BARTA**' [*Brands, Airlines, Retailers, Technology providers and Airports*] trial.

Vienna the 'test bed' for Google-powered case study

This has introduced mutual touch points and benefits for passengers during the booking process in a tie-up between Wizz Air and Heinemann Duty Free to drive conversion and the average ticket.

Markus Knauer, Head of Digital Commerce, Gebr. Heinemann then guided the audience on the Hamburg-based firm's vision for connected retail.

He said the most importance phases of the journey is planning and booking, with less importance on navigating from arrival to gate at the airport.



Organised by Global Shopping Forum, the Google Meets Travel Retail conference was restricted to around 100 attendees.

HEINEMANN INVESTING

He explained that the customer journey should always be personal and offer tailored services.

Quoting Gebr. Heinemann Executive Director (*Retail & HR*) Raoul Spanger, he reminded the audience and Google that travel retail is acutely aware of the need to be adaptive to passenger needs at different stages of that journey.

"To wait for passengers and present a good assortment is not sufficient anymore."

To that effect, he revealed that Heinemann is actively investing in new technologies and data mining.

"The tricky part is formulating customer insights out of that and having a team that understands customer insight," he explained, adding that Heinemann is acutely aware that there are many people investing – and competing – in the travellers' journey.

"We are spending a hell of a lot of money on digital touchpoints, building a technology platform to get in touch with our customers at an early stage to follow them throughout their journey.

Vienna the 'test bed' for Google-powered case study

"It doesn't matter if Heinemann pushes a message to me on perfume if I'm not interested; hopefully Heinemann or any travel retailer knows what I want to read about.

It's about personalisation – that's not new – but to know the customer we have to build a database. That is the tricky part as every stakeholder in the journey wants to build its own database. If we combine this and build a common customer journey, maybe we [all] win."

DATA 'SUCCESS STORY'

Jonathan Smith, Executive Director, Travel Blue then took to the stage.

Drawing on his thirty-plus years of experience in travel retail and duty free, he began by stressing that airlines, airports, duty free retailers and brands need to come together to exploit the revenue opportunity.

"This is so important: If we all come together we all make a lot of money else Amazon and the others around the world will take business from us."

The lens for that change is digital transformation, which offers brands the chance to understand the modern day consumer, engage with them, and deliver a multi-channel retail experience.

Drawing on research from TFWA and m1nd-set he emphasised that 88% of passengers travel with a smartphone and 50% of people would be more inclined to buy an item if they receive an offer.

"One thing is clear: the customer is firmly in the driver's seat and that is a great opportunity for all of us."

In the case of Travel Blue, Smith said that data has been the firm's 'success story' over a number of years. "That's how we have built our business – on data and information," he confirmed.

He also paid reference to the company's win at last months Travel Retail Awards, hosted by TRBusiness, held in Singapore last month.

Travel Blue picked up the Best sunglasses and eyewear product for Z-Zoom's Reading Glasses.

"We were delighted to win, announced Smith. How did this occur? Data. 5,000 consumers around the world were contacted through data and information and they decided on the winners, so data has become really important."

More to follow...

**Main image source: Flughafen Wien AG*



Jan Hieronimi, Industry Manager, Retail, Google Germany explained how Google could help travel retail leverage the power of intent to reach a broader spectrum of travellers during their journeys.