Review & Redesign of Retail and F&B area at Indore airport
Objective: Capturing next generation commercial excellence

Approach: Project Approach

Actions taken: Comprehensive 6-step process

Result
Objective

Review and redesign of Retail and F&B area for space and revenue maximisation at Indore airport
Objective: Capturing next generation commercial excellence

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Result
Project Approach – Planning and Layout

**Sweat the asset**

Sweat the terminal asset infrastructure keeping the next 5 years in mind

**Location quality based layout**

Map business potential with quality of space – high potential category in easy access areas

High demand, impulse categories (like confectionary, gifting) to be allocated most visible spaces

**Destination categories to influence flow**

Use destination categories & services to influence pax flow and potentially increase dwell time

Replicate categories like F&B at regular intervals to also induce impulse purchases

**Space maximisation**

Maximise commercial space usage to address current and future need gaps

**Airport theme**

Get a theme for each airport through outlet homogeneity and bringing a ‘sense of place’
Key Factors in Airport Commercial Master Plan Development

**Layout**
- Balance commercial considerations and pax facilitation with the local context?

**Space allocation**
- Constraints and opportunities for various categories?
- How do we allocate space across retail and F&B categories?

**Category Mix**
- What are the pax segments and consumer behavior e.g. electronics vs. apparel?

**Service elements**
- How do we create a conducive environment for shopping?

Focus
- Pax segments & spend behavior
- Role of categories e.g. traffic builder
- Pax flow considerations
- Category space and clustering needs
Objective: Capturing next generation commercial excellence

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Result
Comprehensive 6-step process to capture commercial revenue at an airport

1. Flight traffic analysis
2. Consumer research – pax need and understanding
3. Airport Study and walkthrough
4. Airport benchmarking
5. Product and Category Mix
6. Space allocation and layout
**Indore Traffic Analysis**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Area (in sqmts)</strong></td>
<td>4857</td>
</tr>
<tr>
<td><strong>Total pax traffic</strong></td>
<td>1689986</td>
</tr>
<tr>
<td><strong>Dep/day</strong></td>
<td>2321</td>
</tr>
<tr>
<td><strong>Peak hr handling</strong></td>
<td>Dep-250</td>
</tr>
<tr>
<td></td>
<td>Arr-250</td>
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</tbody>
</table>

**No. of daily departures at Indore is 20.**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Share</th>
<th>Del (66.7%)</th>
<th>BOM (57%)</th>
<th>BOM (66.7%)</th>
</tr>
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<tr>
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**Primarily FCC terminal**
Comprehensive 6-step process to capture commercial revenue at an airport

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2. Consumer research – pax need and understanding
3. Airport Study and walkthrough
4. Airport benchmarking
5. Product and Category Mix
6. Space allocation and layout
## Indore Demographics

<table>
<thead>
<tr>
<th>Dominant Segment</th>
<th>Frequent Work related</th>
<th>Infrequent Work related</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>~40% in the age group 26-40 and 50% in 40+</td>
<td>~75% in the age group 26-40</td>
</tr>
<tr>
<td>Gender</td>
<td>85% male</td>
<td>80% male</td>
</tr>
<tr>
<td></td>
<td>15% female</td>
<td>20% female</td>
</tr>
<tr>
<td>Travel purpose</td>
<td>Business/Work</td>
<td>Work</td>
</tr>
<tr>
<td>Travel frequency</td>
<td>Once a quarter</td>
<td>Once a year</td>
</tr>
<tr>
<td>Alone or group</td>
<td>Mostly alone</td>
<td>Mostly alone</td>
</tr>
<tr>
<td>Segment size</td>
<td>50%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Passenger segmentation basis the demographics
The Indore Passenger

Following are the salient features of an Indore Passenger

1. Young & middle aged professionals serving in a private jobs. Businessmen share in traffic is high at 25%
2. Students form 13% of the traffic
3. Frequent traveler who checks in 1 to 2 hours before departure and infrequent travelers check in 2 to 3 hours before
4. Willing to spend if they get shops and options to buy
5. If given options would like to eat first and then shop
Comprehensive 6-step process to capture commercial revenue at an airport

1. Flight traffic analysis
2. Consumer research – pax need and understanding
3. Airport Study and walkthrough
4. Airport benchmarking
5. Product and Category Mix
6. Space allocation and layout
Preliminary walkthrough

- Low SHA area
- Very small retail initially
Comprehensive 6-step process to capture commercial revenue at an airport

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International Benchmarking

Initial Split of Space Allocation

- Benchmark: Retail - F&B
- Indore: Retail - F&B

Commercial Space per mn Departing Pax

- Benchmark: Retail - F&B
- Indore: Retail - F&B

Space allocated to retail and F&B not in line with the international benchmark
Comprehensive 6-step process to capture commercial revenue at an airport

1. Flight traffic analysis
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3. Airport Study and walkthrough
4. Airport benchmarking
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6. Space allocation and layout
Passenger’s Hierarchy of Needs

Necessity vs. Nice to Have

INR 5000+

High

Luxury - Highly Discretionary
Art. China, Antiques, Jewelry, Designer Fashion, Duty Free, Custom Day Spa, Crystal, Fine Food and Wines

INR 2000

Personal Comfort - Mildly Discretionary
Gifts, Personal Clothing, Fashion Accessories, Duty Free, Branded Clothing Stores, Personal Care, Manicures, Basic Massage, and Mid-range Food and Beverage

INR 200

Basic Needs - Little Discretionary Influence
News, Books, Food and Beverage, Pharmacy, Basic Business Services, Currency Exchange and ATMs

Understanding Passenger Motivators

Average Price Point

Degree of Impulsiveness

Low

Median
Priorities for Various Clusters

Priorities allotted to various categories basis consumer research

- **Priority 1**
  - International terminal (40%)
  - Apparel (5%)

- **Priority 2**
  - Electronics & Watches (20%)
  - Make in India (10%)

- **Priority 3**
  - Gifting & P&C (5%)
  - CTN/Confectionery/Pharma (10%)
  - Accessories & Leather (20%)

- **Priority 4**
Comprehensive 6-step process to capture commercial revenue at an airport

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6. Space allocation and layout
Key findings for layout design

✓ Create options keeping in mind local concepts like ‘kumbh mela’, ‘samhasth mela’ etc through promotional spaces

✓ Earmark space for ‘make in India’ concept with local flavour at each airport

✓ Consolidate flow by using a 'street' layout and 'anchors' e.g. FIDS, F&B to drive flow

✓ Realign central hall into low height retail to capitalize on superior location quality

✓ Maximise space in SHA for enhanced returns

✓ Use retail and F&B to drive impulse in strategic locations e.g. in the midst of seating, on the way to gate

✓ Relocate proportion of seats further away to relatively lower quality locations

✓ Refine space layout to include restaurant, food court, lounge and coffee/snack option

✓ Create adequate options for non passengers
DEPARTURE

- We propose to convert an existing unutilized space in the upper level SHA for F & B bringing in another 160 sqm of commercial space (FB 03). The new space can be utilized for food court operations or split into 2-3 outlets for reputed brands.
- We are also proposing to introduce a CIP lounge (L 04) in the same area, as this function was missing in the upper level SHA.
- We are also proposing to increase the SHA area by realigning a glass partition and bringing in approximately 300 sqm of usable space, indicated in yellow. A significant part of this added area will be used commercially as retail space (RE 09).
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Result
21 times increase in revenue with 2.5 times increase in space
Thank You