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**airport
dining**

WHAT'S NEXT IN AIRPORT HOSPITALITY

Views From The Travel Industry

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Executive Summary

The survey gathers comments from industry partners to examine the development of airport hospitality post pandemic, in the hope of providing insights and references for the airport ecosystem. Two aspects of travellers' habit are revealed – a combined 72% of respondents believed consumers will adopt a **smaller booking window from “less than four weeks” to “between four and eight weeks”** while optimism is shared among partners that **43% suggested travel will restart in the fourth quarter of 2020**.

Airport lounge is seen as important facility while napping space and meet & greet service are rated almost equally. The survey looked at different aspects of services including food, facilities and services, and the use of technology. In provision of **food services, hygiene and sustainability** are regarded important as top three elements rated are 1) automated food ordering system (closest to 4 out of 5), 2) eco-friendly food packaging (above 3.5) and 3) single-use plastic elimination (above 3.5).

Private space for individual and small groups and shower facilities are considered most important in the facilities and services category, both are rated above 3.5 while the **use of technology** in all aspects including contactless transactions, automated check-in and mobileApp are rated 4 and above. Preferences on choosing airport hospitality partners is also revealed in the survey. 87.5% of respondents rated 4 and above on service team training as the top consideration, followed by food innovations and offering (84%) and digitally advanced (81.8%).

The survey aligns with the **What's Next in Airport Hospitality Post Pandemic - Guiding Principles** published in April. With the situation continuing to evolve, staying alert on consumer feedback and market movements are as crucial as setting up recovery strategy guidelines. It is a fact that COVID-19 will change the travel industry forever or at least for a few years before the volume of air passengers goes back to the pre-COVID-19 level.

Airports Council International estimated that in 2020, airports will suffer a reduction of more than 4.6 billion of passengers and a decline in revenues of more than USD 97 billion. One of the primary objectives for the industry is to drive revenues as soon as the market is ready while managing cost efficiency and building a healthy cash reserve.

Digitalisation is considered key in driving businesses in the era of post-COVID-19. Sustainability cannot be achieved in an easy manner especially in the travel industry as taking a flight already means carbon emissions. Hence, it is important to know how a corporate can contribute towards a better planet.

All partners in the aviation industry are constantly discussing what's next in terms of business objectives and models that will be sustainable post covid-19, such as remodeling airports, airlines and airport hospitality services. When passenger traffic does come back, airports should rethink how their concession contracts work. Airports should carefully consider how they structure deals and their business models to ensure more flexibility to respond to potential future shocks.” (Source: “The future of airport concessions in a post-COVID-19 world” article; 4 May 2020)

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As KPMG expert stated, “Technology is not only critical to operate during these times [COVID-19], but it requires significant focus and attention post COVID-19 if organisations are to remain competitive and resilient in the ‘new normal’.

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Source: “COVID-19: A time for transformation and thinking for the future” article published by KPMG; 14 April 2020

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Safety is top of mind for consumers around the world, especially as they get older: 65% of baby boomers say a personal feeling of safety is by far the top confidence booster for resuming travel.” Meanwhile, it also stated “when APAC consumers begin to consider travelling again, a key motivator for booking will be both the flexibility to make changes to bookings and the promotional discounts available to them.

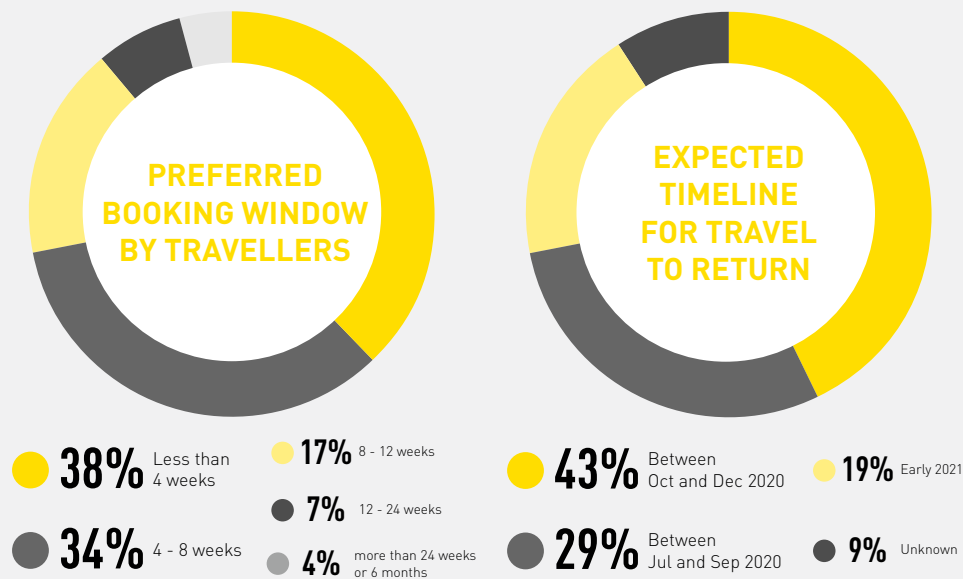
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Source: “The state of travel in APAC: Identifying trends to prepare for the road ahead” published on Think with Google; May 2020.

Methodology

Constructed on Monkey Survey platform, the survey was shared as part of an email communications to Plaza Premium Group global database. It was open for participation from 27 April to 31 May 2020 and a total of 205 respondents have participated. Among all, top five cities the respondents residing in are Malaysia (24%), UK (13%), India (10%), Canada (9%) and Hong Kong (7.5%). Most respondents are coming from airports and airlines (27%), consumer banks (10%) and travel services (10%) including OTAs, booking agents, tour operators and TMCs, etc.

TRAVEL TIMELINE



AIRPORT HOSPITALITY EXPERIENCES @AIRPORTS



AIRPORT LOUNGE



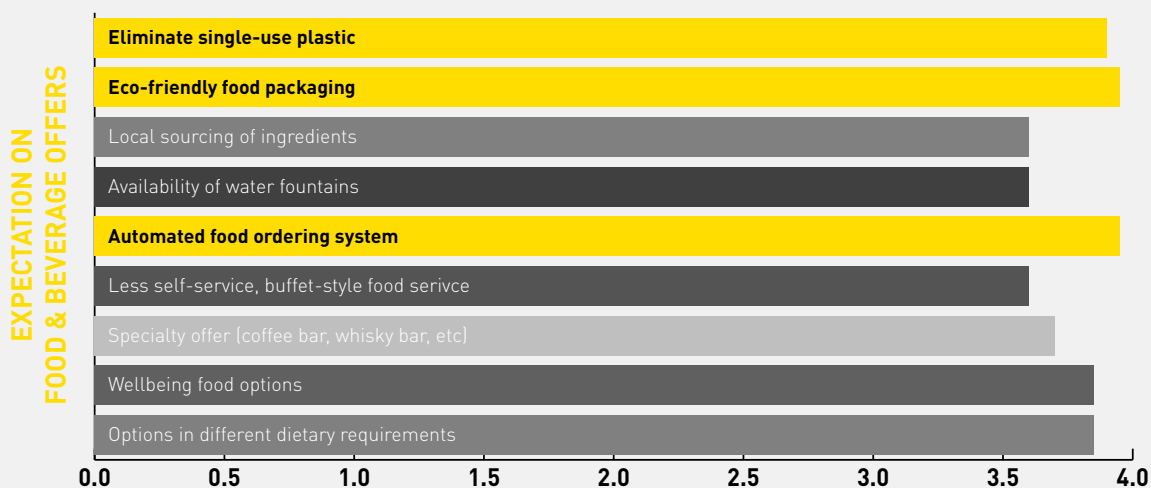
NAPPING SPACE



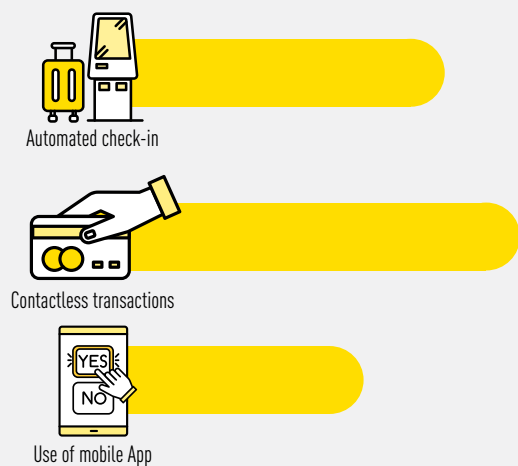
MEET & GREET SERVICE



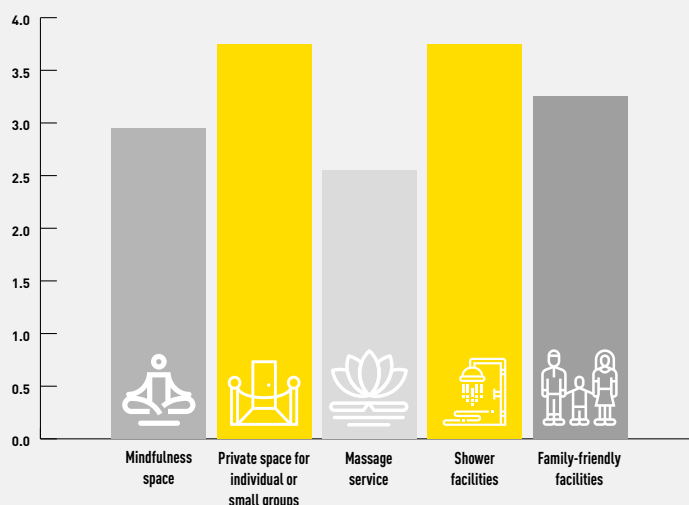
FOOD AND BEVERAGE OFFERING



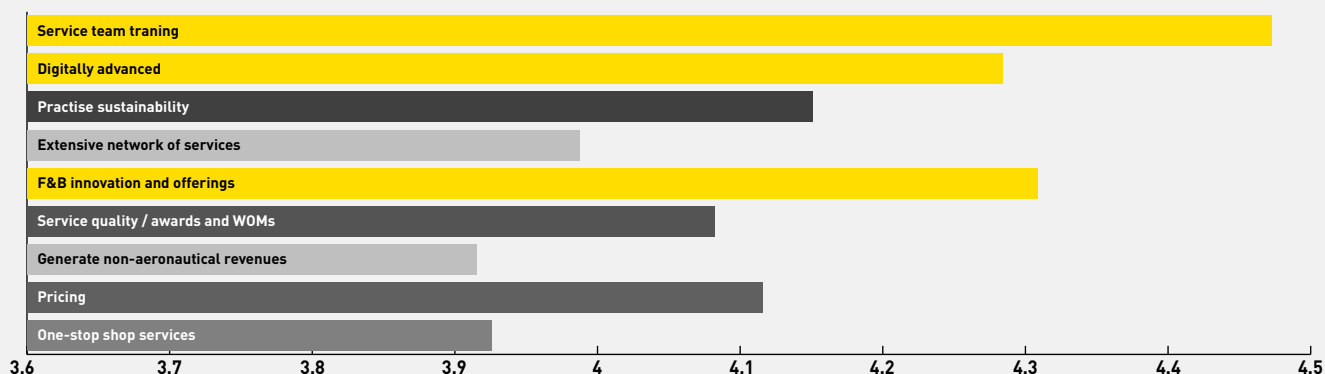
USE OF TECHNOLOGY IS MORE THAN EVER



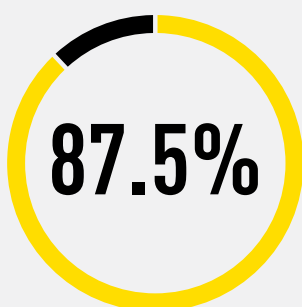
PERCEPTION OF IN-LOUNGE FACILITIES AND SERVICES



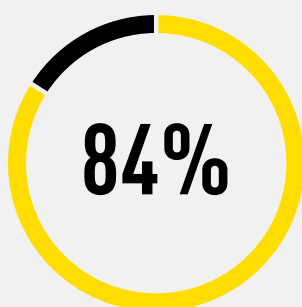
CRITERIA IN CHOOSING AIRPORT HOSPITALITY PARTNERS



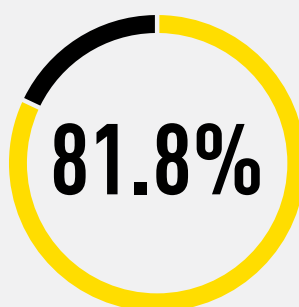
TOP THREE ATTRIBUTES



of respondents rated 4 and above on service team training



of respondents rated 4 and above on food innovations



of respondents rated 4 and above on being digitally advanced

Conclusions

Coincided with survey finding that 43% respondents believe travel will restart in Q4 2020, there are more evidences showing uptake on domestic travels and short-haul travels in selected markets. According to IATA, data from late May shows flight levels in South Korea, mainland China and Vietnam have risen to a point just 22-28% lower than a year earlier while searches for air travel on Google also were up 25% by the end of May compared to the very low base in April. [Source: After April Passenger Demand Trough, First Signals of Uptick press release issued on IATA.com. 3 June 2020]

Airport hospitality services will continue to be part of everyone's travel journey, whether it is airport lounge, airport terminal hotel or airport meet & greet services as each service presents different experiences to suit travellers' needs. While quality of services should never be compromised, major consumer expectations, at least in the short term or a year from now, will put the best ever hygiene measures and contactless procedures with the use of technology the most important elements to drive a successful business.

With the almost equal rating of private space and shower facilities, it indicates a preference of owning a space within the lounge – be guests traveling alone, with family or groups. Not only are lounge developers required to revisit the lounge design and layout, this also poses a follow-up question – will airport terminal hotels become a good complementary and potentially up-selling option as opposed to a lounge for travellers to "own" an enclosed space even if they are not seeking to sleep or nap?

Food and drinks service will forever be key elements. Airlines have already simplified their in-flight meal services for long-haul and cancelled for short-haul, which is foreseen to continue a common practice for months or a year upon travel restarts. This presents opportunities for airport hospitality service providers to offer ranges of food and drinks, yet with hygiene being the core concern, for travellers to enjoy prior to boarding or after landing. The survey has shown a fairly equal rating to many attributes which makes a good sense of preference across different requirements.

The "new normal" is already happening in the industry. It is expected to see a high rating on staff training to ensure best practices are in place to safeguard guests and staff members' wellbeing ahead of time, if not done already. In addition, training is a continuous effort to reflect on the changing business environment which can be introduction of new technology, shift (again) in traveller's behaviours and expectations and the launch of new products or initiatives, to name a few.

Our Response

Adapting to the 'new normal' by implementing wellbeing and reset measures is crucial post pandemic. Redefining operations and reinforcing hygienic protocols are essential wellbeing highlights such as body temperature checks, frequent sanitisation, and social distancing are measures to safeguard traveller's health and wellbeing to ensure a worry-free environment. Plaza Premium Group is committed to create a safe and secured travel journey by deploying a series of measurements throughout all touchpoints from departure, transit and arrival across all of our experiences including Plaza Premium Lounge, Aerotel, Allways Meet and Greet and our airport dining concepts.



We offer hand sanitiser stations.



Magazines and newspapers are removed to minimise human contact.



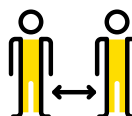
Tailored and minimalistic food service is offered with pre-packaged items and smart self-ordering.



Our team follows strict sanitising procedures when serving.



All commonly touched surfaces are sanitised frequently.



Social distancing is practised among staff and guests.

GLOBAL NETWORK & AWARD-WINNING BRANDS

170+
Locations

46
International Airports

23
Countries and Regions

16+ Million
Passengers Annually



PLAZA PREMIUM GROUP TAKES UP



from the top five biggest
lounge operators



among all independent lounge
operators in the world



World's Best Independent Airport Lounge
Skytrax World Airline Awards 2016-2019



Best Airport Lounge Operator
TTG Travel Award 2018&2019



Best Independent Airport Lounge
Business Traveller Asia-Pacific Awards 2018&2019



CERT. NO.: 69800

ISO 9001:2015 Certificate
Quality Management in Provision of
Airport Lounge Services

Together, We Make Travel Better