

Malaysia Airports plans commercial RESET strategy to change travel retail landscape

By **Elena Owyong** on December, 3 2018 | Airlines & Airports



From Left: Malaysia Airports General Manager Commercial Business Hani Ezra Hussin; Malaysia Airports Senior General Manager Human Resources Azman Shah Mohamed; Malaysia Airports Senior General Manager Commercial Services Mohammad Nazli bin Abdul Aziz; Boston Consulting Group Consultant Thomas Barnes; and Malaysia Airports Head of Customer Advocacy Ir Suradini Abdul Ghani. Malaysia Airports is the host of the 9th edition of Concessionaires Conference

Malaysia Airport has shared that it aims to raise the retail profile of airports in Malaysia through real

estate improvement, brand positioning and new retail mix. The strategy will change the current travel retail landscape through constant innovation of retail spaces with the introduction of various new retail formats.”

It is also targeting to increase the average spending per traveller (SPP) from the current RM35 to about RM140 in five years, a four-fold increase. Additionally, it wants to increase the current non-aeronautical to aeronautical revenue ratio, currently at 50:50, to become 60:40.

Malaysia Airports’ senior manager for Commercial Services, Nazli Aziz shared this information with attendees during the 9th edition of the Concessionaires Conference in Kuala Lumpur last Friday (November 30).

During the conference Aziz noted the need to rethink travel retail as there are changes in passenger buying behaviour where they are now more informed than ever.

“Digitalisation and e-commerce are very important, and we need to move forward beyond our traditional retail business model. At Malaysia Airports, we believe that creating the right environment to provide an innovative and memorable experience will generate more avenues for a passenger to spend, leading to an increase in retail sales,” he said.

Titled “Gearing Towards the Future of Travel Retail”, the half-day conference hosted by Malaysia Airports aimed to discuss the challenges and opportunities in the travel retail and airport industry.

During the conference, participants were able to network with fellow airport professionals and concessionaires, as well as share insights on the current and future trends in the industry.

A total of 21 awards was also given out during the conference, which was the highest number to date. These awards serve to recognise outstanding concessionaires who have contributed to achieving the highest levels in service delivery.

Additionally, several key highlights for the retail segment for 2018 was also shared during the session. For instance, the introduction of new dining selections and including more cosmetic and fragrances brands, as part of Malaysia Airport’s Commercial RESET strategy. The focus on cosmetic and fragrances brands was supported by the strong demand from travellers from China and the Middle East.

As the operator of a network of 39 airports in Malaysia comprising international airports, 16 domestic airports and 18 Short Take-Off and Landing Ports (STOLports), Malaysia Airports plays a significant role in facilitating tourist arrivals into the country. As at October 2018, the Group’s Malaysia operations registered 89 million passenger movements with KUL contributing 49 million. Of these 49 million, 70% are international passenger traffic movements.



Participants at the 9th Concessionaires Conference hosted by Malaysia Airports. The conference provides a platform for airport professionals and concessionaires to network and share insights on current and future developments of the airport travel retail industry