

Application



Anxiety

Can Brand-Owned Smartphone Apps Be Streamlined To Work In Airports?

By Sally Kral

Today's tech-savvy consumers use their smartphones for just about everything. For nearly a decade now iPhones and Androids have been used to communicate, shop, pay bills, listen to music, watch movies, play games and more. Smartphone apps make daily tasks like ordering food from **Panera** for pick-up ahead of your lunch break easy and convenient. But in airports, where fast and convenient service is a priority for rushed travelers, these proprietary apps don't yet translate.

Why doesn't an app that allows users to, for instance, pre-order their **Starbucks** coffee, pay for it and earn loyalty points work at the brand's airport locations? Most concessionaires point to technical difficulties.

"Creating technology environments for brand apps to be available and function in the airport is usually a question of the number of locations being operated and the

complexity of integration with existing point-of-sale software," says Jim Schmitz, vice president of innovation at **HMSHost Corp.**

But Schmitz adds that working on this compatibility is important to the company, which hopes to expand to work with these brand-owned apps in the future. "Many of our guests are already accustomed to using these tools when they are not traveling, so ensuring a seamless brand experience with mobile apps while in the airport is an asset to providing great service and a complete brand experience. Traveling can be hectic, so if a guest is more comfortable placing an order through a brand's proprietary mobile app, then of course we want to be able to accommodate that preference for service."

Though Schmitz notes that there's no downside to making these brand apps work in the airport, it isn't a small undertaking. So the brand in question needs be just as

committed to the integration process as the concessionaire. Brands with fewer locations in airports are less likely to prioritize app integration, he says.

Alice Cheung, director of brand innovation for food and beverage for **Paradies Lagardère**, points out that concessionaires often work with many different brands, and streamlining their own point-of-sale systems with that of each brand's app isn't entirely realistic.

"When someone franchises a brand on the street, the brand is often able to highly suggest, or even require, a franchisee use specific point-of-sale systems. However, with concessionaires doing business with so many different brands, it's not possible to have a number of different POS systems throughout the enterprise – this is often negotiated into an agreement, but an app scanner that works for the brand's required



Left: Alice Cheung, director of brand innovation for food and beverage for Paradis Lagardère, notes that because concessionaires often work with a lot of different brands, streamlining their own point-of-sale systems with that of each brand isn't possible.

Right: Even though HMSHost's Host2Coast app works well for the company because it is compatible with its point-of-sale system, Vice President of Innovation Jim Schmitz still recognizes that some consumers will prefer a brand-owned app that they're accustomed to using outside of the airport, and so working on integrating these app platforms is a priority for the company.



Left: Launched in 2015, the Grab app is Delaware North's solution to the problem of app integration in airports. The app works at any Delaware North-owned U.S. airport location for pre-ordering and payment.

Far Left: Mary Ventura, senior IT director for Delaware North's travel hospitality division, says Grab meets the passenger desire for apps in airports while streamlining the process.



POS may not work for that of the concessionaire," she explains.

There are indeed numerous technical roadblocks keeping travelers from having the same experience with a brand app in the airport as they do on the street, but many concessionaires are determined to fix, or at least work around, this issue.

"As more of the population becomes savvy at smartphone use and more 'street' restaurants and companies embed loyalty-card payment into their apps, we are certainly seeing that the way people pay for things is changing, and we need to keep up," Cheung says. "By accepting app use and payment, we can provide guests with a seamless brand experience, whether it is on the street or in an airport."

Work-Around Options

Though it's a challenge to manage all of the moving parts involved in app integration, Schmitz notes that HMSHost is

committed to finding the right solution for each situation. "Functionality with point-of-sale systems must be considered with each app individually; in some cases it may be appropriate to have the brand's app directed back to the Host2Coast mobile app, while in other cases routing a payment collection process to HMSHost's systems directly through the brand app may be a more practical approach." These are examples of possible solutions the company is looking into, though none have been implemented yet.

In the meantime Host2Coast is HMSHost's own mobile app, which was introduced last year and allows passengers to pre-order and pay for select food items from any HMSHost restaurant partners. It also offers discounts and promotions through a loyalty program. Many concessionaires have launched their own proprietary mobile apps or partnered with airport-specific app developers as a work-around solution for travelers seeking the

convenience of the app experience.

"It would be very difficult to own and manage hundreds of proprietary apps and loyalty programs for each restaurant, so we assessed our needs and decided it would be best to partner with a third-party company to introduce an app that works with airports and airlines," says Mary Ventura, senior IT director for Delaware North's travel hospitality division. In October 2015 Delaware North partnered with Cursus Technologies to launch the Grab food-ordering mobile app in Hartsfield-Jackson Atlanta International (ATL). The app has since expanded to work at all of Delaware North's U.S. airport restaurants.

"With Grab we were able to easily take advantage of an open platform that connects restaurants, retailers and service providers in the airport to most travelers," Ventura says. "The app provides detailed maps of every airport, restaurant location, hours and menus for customers to place their order, pay and schedule pickup, and it's fully integrated



Since SSP America focuses on one-of-a-kind concepts rather than national brands, Executive Vice President Pat Murray says that integrating with national mobile apps isn't "a major tipping point" for the company. "But that doesn't mean things won't evolve in the future," he adds.

with our point-of-sale system, so order processing is seamless, and we have access to benchmarking data and insights."

The company also recently introduced self-ordering kiosks in partnership with Grab in hopes of giving travelers even more options for fast and convenient online ordering capabilities.

Ventura is confident that working with Grab is the best solution for the company right now, but she notes that if brand apps are updated to work in airports in the future, it would only be a boon to Delaware North. "We are very optimistic that these apps would allow us to gain access to additional customers and users who we might not currently have access to with Grab."

Schmitz also isn't worried that proprietary brand apps would take users away from Host2Coast: "Integrating so that brand apps function in the airport setting is a benefit to restaurant operators, and there is no downside to making these mobile apps work in the airport. Providing options that suit guests' preferences is part of HMSHost's broader mobile strategy. We benefit from brand partner app functionality, as it ultimately leads to increased traffic at our restaurants. Higher loyalty can be achieved by offering options for every guest, including integrating with brand apps, other airport-focused mobile order and pay apps, as well as the Host2Coast mobile app."

An Inevitable Future

While most concessionaires note point-

of-sale system integration as the main obstacle preventing "street" apps from working at airport venues, Pat Murray, executive vice president of **SSP America**, identifies a broader issue: "The assumption may be that it's a software or technology issue when really customers behave differently in an airport than they do when they drive by a Panera on their way to and from work every day," he says.

Murray believes that when travelers are in a new city they want to experience the flavors and culture of that city, not necessarily order the same food they can get in their hometown or anywhere else. "The traveler who is looking for a 'taste-of-place' experience is a very different traveler than one who is attracted to national brands and has potentially had a great experience with a national brand's app. We operate national brands when an airport needs us to satisfy a particular passenger demographic, but most of our portfolio is comprised of one-of-a-kind brands," he says. "So while an app is a nice benefit, and they have certainly proven to be very popular with national brands, they aren't a major tipping point for us in terms of the overall approach or experience, but that doesn't mean things won't evolve in the future."

While these apps aren't a priority for SSP America, Murray says they're only increasing in popularity. "As consumers grow more accustomed to ordering and paying through the use of apps, I'm sure usage will spread and evolve in ways we can't predict, and that the airside community will evolve operationally

to ensure customers can benefit from these incredible, emerging technologies."

Though it doesn't appear to be a straightforward process yet, Schmitz believes that national brand apps will become compatible with concessionaire systems in the future. "As both mobile payment and traditional point-of-sale technologies continue to streamline in the airport environment, the industry will see an ever-increasing array of mobile order and pay options, mirroring what's available on the street. Travelers will also be able to tap into loyalty programs with their favorite brands and within the vast HMSHost network of locations through Host2Coast."

Paradies Lagardère's Cheung notes that as younger generations of consumers begin traveling, offering simple and effective mobile apps will be a necessity. "We're seeing more and more millennial travelers, and even Gen Z guests without their parents. These two generations have grown up with technology – they don't know a world without smartphones and apps. It's up to us to ensure that we provide them with the best service possible," she says. "We have worked, and we will continue to work, with our brand partners to come up with solutions that benefit our guests so that we can provide them with the experience that they expect when visiting their favorite restaurants in an airport." ■

We'd like to hear your opinion about this article. Please direct all correspondence to Carol Ward at carol@airportrevenue.com.