ABSTRACT

The objectives of this dissertation are two-fold. Firstly it attempts to show that the management practices of retail facilities in the airport are different from that of a typical shopping centre. Secondly, it analyses the consumer behaviour of airport shoppers to identify significant behavioural trends and also illustrates differences compared to downtown shoppers.

In the first strand of the study focusing on retail management at the airport, findings show that the airport operating environment differs significantly from that of downtown shopping centres, due largely to the result of different landlord management practices. While it is not unusual for airport authorities to exert a high level of control over its tenants, retailers who are used to the commercial shopping centre environment deem such control as a form of interference, causing them to incur high operational and setup costs.

In order to make the airport operating environment more conducive for business, retailers would like the airport authority to relax its control over its tenants' operations and allow them a greater degree of flexibility in operating their business. However, while considering this, the airport authority should also be mindful of its responsibility of ensuring that the interests of the passengers are looked after at all times.

The second strand of the study on consumer behaviour in the airport shows that the average airport passenger is more mature in age than the downtown shopper, and tends to be more affluent, with higher purchasing power. They are generally recreational shoppers who enjoy shopping at the airport and look for a wide variety of shops to make their shopping experience complete. While they often engage in impulse purchases, they are also attracted by competitive prices and place emphasis on good service.
To attract increased customer patronage and generate sales, airport retailers should use atmospheric tools to create an exciting environment that will appeal to the impulse buyer. They should highlight their competitive prices to induce consumer spending and provide good staff service as this has a significant impact on the shopper’s purchasing propensity.

To improve user-friendliness, the airport authority should provide complimentary facilities such as baggage trolleys, electronic lockers and drop-off counters, which will make airport shopping a more convenient and hassle-free experience. It should also continue to enforce price controls on retailers to ensure that prices at the airport are kept competitive. Though it needs to provide a wide range of shops at the airport, the authority should also tailor its tenant mix to cater to the mature and affluent traveller.