

AIRPORT CONCESSIONS PLUS OTHER SERVICES

INCREASING REVENUES THROUGH INNOVATION

Could it be a coincidence that two of our clients, (Atlanta and Dallas) consistently win awards for 'best in customer service & management'?

MYSTERY SHOPPING IN AIRPORTS

Since the early eighties mystery shopping has been utilized to evaluate the overall physical attributes of businesses and enterprises, their customer service and the sales ability of their employees. As a leader in this industry for over 24 years, and having completed over 5 million shops in almost every type of business and in every state in the union, ESP has compiled a vast amount of data related to mystery shopping scores and actual dollar value revenues. Combined with our hi-tech procedures this data has enabled us to ascertain the precise "things" that result in successful sales.



Surely, as a principal/manager of your airport you would want to know if your concessionaires or other departments are doing and saying the right "things?"

Mystery shopping data is incredibly valuable because it separates the order-takers from those employees who effectively promote your products or services. In today's economic situation, nothing could be more important as increasing revenues, efficiently and cost effectively.

Surely, you would want to know if all of your services are operating at the highest level? Mystery shopping can be extended to other services in an airport – ease of getting to and from the airport, cleanliness, bathrooms, taxi cabs, sky caps, parking facilities, rental cars and virtually anything else associated with the customer experience.

REVENUE ARE DIRECTLY RELATED TO THE FOLLOWING:

1. CUSTOMER SERVICE

Customer Service is the lifeblood of any business. Airports are no different. It is not surprising therefore that that most successful airports have one major thing in common – top notch customer service.

Evaluation Systems for Personnel (ESP), using sophisticated mystery shopping programs and its 600,000 nation-wide shoppers has helped thousands of organizations throughout the USA and many major airports improve their customer service and revenues.



Mystery Shopping provides rapid, unbiased and accurate feedback. It pinpoints areas where improvements will have the greatest impact.

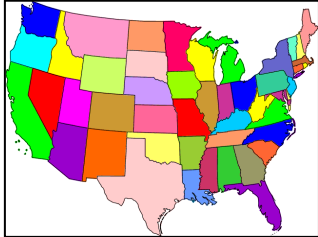
In the aftermath of 9/11 the importance of customer service in airports became even more relevant. That is why ESP began to develop a high tech approach to the evaluation and improvement of concessionaire customer service. **MYSTERY SHOPPING** provides you with an instant snapshot of your company, telling you, at a glance precisely what your people doing and saying or behaving. Armed with this information you

vendors can introduce corrective measures into their training or policies. **This can only lead to more sales and more profits.**

Major USA airports, which excel in customer service, make use of ESP's services.

Our Nation-Wide Evaluators

The quality of shoppers (we call them 'evaluators') is an essential ingredient of any feedback. For this reason we use only the finest shoppers—highly qualified, selected, trained and constantly evaluated. By drawing from our database of 600,000 plus shoppers- nation-wide and by continually grading them, we are in a unique position to draw from the most qualified shoppers to evaluate in an airport environment, thus assuring assure our airport clients of the finest and most accurate evaluations. Naturally, evaluators would have to be badged in the airport – that process is something that we are most experienced in.



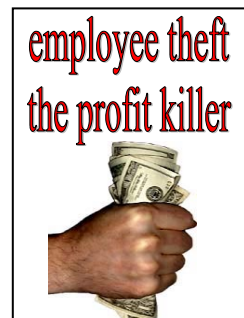
Because of our unique **ON-LINE WEB-BASED** service we are able to perform shops efficiently and accurately in almost any airport in any city in any part of the world, and often at a moment's notice.

2. INTEGRITY-LOSS PREVENTION

Over the past 24 years ESP has created a methodology, which identifies any sign of impropriety, ineptness or irresponsibility in the handling of cash or inventories. Because of our training programs our shoppers are able to identify red flags, which might indicate dishonesty:

Examples of such actions are listed below:

- o Not closing the till in between sales.
- o Non-issue of a receipt.
- o Incorrect receipt details.
- o Poor eye contact.
- o Suspicious movements, lack of attention and poor focus.



3. SALES-ENHANCEMENT

Order takers or Promoters?

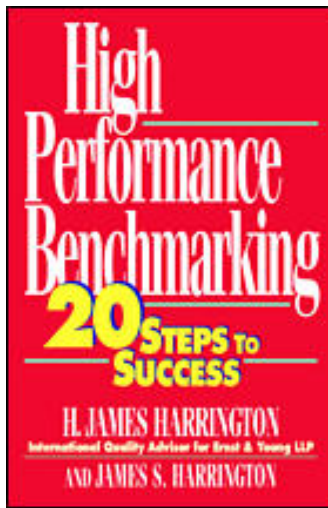
We can never diminish the importance of loss prevention. Yet, our research has shown that, sales lost through mediocre sales skills are far more substantial than those lost through theft or shrinkage. Mystery shopping distinguishes between order-takers & those who know how to promote their concessionaires' products or services through add-on sales or 'up-selling.'

The add-on Sale/ Up-selling

Some of our clients have shown increased profits simply by embracing our 'add-on' program. In fact one large restaurant chain increased its yearly net profit by over \$100,000 per location simply by introducing a simple incentive program. In airports add-on sales can typically result in over \$5 million/year extra revenue per 10 million enplaned passengers.

4. BENCHMARKING

ESP has been featured in many major publications (such as the one shown here), as an innovator in the art of comparing products, product mix, services, customer service and prices. In particular we have in-depth



information as to how other airport concessions in the various categories perform. This information provides your airport with benchmarks for future aspirations. According to H. James Harrington in his highly acclaimed book ‘High Performance Benchmarking – 20 steps to success,’ (1990) where ESP is prominently featured, companies can benefit greatly from benchmarking by as much as 2000%. He states, “No matter how good your organization is, or how well regarded your products and/or services are, you cannot stop improving. You cannot stand still. When you do, you really are not standing still; you are slipping backward, because your competition is constantly improving. One of the best ways to keep improving your organization is to benchmark. In the last 10 years, process benchmarking has become the “in” thing to do. Ernst & Young LLP and the American Quality Foundation conducted an extensive international quality study that found a statistical correlation between benchmarking and organizational performance (profit, productivity,, and quality. Benchmarking is one of the few management practices that can be statistically validated as being a key

driver for improvement in the best organizations.”

5. INTERCEPT SURVEYS

Want to know how your airport is viewed by the public or by your own employees?

Keeping your customers satisfied is essential to building a successful, growing airport. While many airports work hard to increase sales, they may overlook the importance of doing the little things that keep customers happy and buying more. We believe that any airport will benefit tremendously from knowing what your travelers think of their Customer Service. This would involve a cursory intercept survey.

ESP specializes in various types of surveys—

1. **Customer satisfaction.**
2. **Employee climate.**
3. **Taxi evaluations**
4. **Airport transport evaluations**
5. **Market basket**

6. TRAINING – “If you think education is expensive, try ignorance”

After 20 plus years in the business ESP has produced innovative training programs dedicated to enhancing customer service and sales skills. We believe strongly in ‘train-the-trainer’ formats. Not only is this much more cost effective than bringing in outside experts, it also motivates those individuals who perform the training. ESP has various on-line training formats



According to experts in the field, companies who provide training to their



employees have stock returns fifteen times those that don't.

Spaced repetition is highly recommended for training and education of policies and procedures. If your company or airport wants to improve its performances you must strive for the "slight edge."

We have successfully produced train-the-trainer manuals for food & beverage and retail sales. We do not simply hand over the manuals – instead we provide a face-to-face training session for the vendors so that they are fully conversant with the methodology. Furthermore, we provide CD replicas of the manual for training enhancement.

We have found that the training manuals coupled with an authentic incentive program will produce outstanding results not only in customer service but in sales increases as well.

We also make available large printouts of each page to be displayed in the vendor area. This reinforces the methodology and compliments the entire program.

7. INCENTIVE PROGRAMS

A major factor in getting employees to add-on or up-sell is the introduction of an incentive program. ESP has been extremely successful in this area and has been contracted by major airports to introduce and maintain such programs. Mystery shopping results are extremely useful in any rewards program because they give a numerical value to specific performances such as the best salesperson or the best customer service provider. In addition to cash prizes we recommend the awarding of great-looking monthly certificates of achievement to employees who perform over a certain standard and quality wooden plaques to operators twice a year.



All employees want to be recognized for their efforts. When they are recognized because they scored an above average mystery shopping score they are motivated to do the same thing every month. Obviously a cash award will be extremely effective but a certificate or plaque recognizing their efforts can be just as effective when the award is made in public.



In our incentive programs we make a point of taking photos of winners and displaying them on a web site, actual store or airport notice board. The results we have achieved to date having been nothing short of sensational. We have seen how an entire airport has increased its overall shopping results a full 10% in just one year. Naturally any mystery shopping score increase will translate into higher customer service and sales enhancements.

8. MARKET BASKET (PRICE COMPARISONS)

There is a distinct perception among the public that airports are overcharging. This has the effect of diminishing the level of customer service, which in turn diminishes revenue. Most airports are now introducing clauses in their concession leases, which demand that the concessionaires do not charge in excess (generally not more than 10% above street prices). Obviously, to monitor these numbers requires constant vigilance on the part of the airport authorities. ESP has in-depth experience in market basket programs. Traditionally, we select brand name products and compare their prices with the average street prices.

Some airports are actually advertising within the concourses that they are sensitive to overpricing.

The latest technology now allows us use bar code technology to ratify price comparisons.

9. ONE-CLICK WEB REPORTING

Our Internet customer experience dashboard is the most powerful in the industry. Data is available in almost real time and is accessed via your own personal web site. Our role-based security allows managers to access information dependent upon their hierarchy.



10. MONTHLY REPORTS & ANALYSIS

We have on staff Ph.D. employees who can test the validity of evaluations. Furthermore, we offer monthly reports which not only report for that month but which point out trends and comparisons with previous months. Clients can request tailored summary reports.

