

A Big Boost *from* Technology

Thanks to new advances, parking is improving airports' bottom lines, in the garage and the terminal.

By Bill Smith, APR





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PARKING HAS ALWAYS BEEN IMPORTANT TO AIRPORTS' BOTTOM LINES. For most airports, parking revenues are second only to gate fees and at a large airport can add up to hundreds of thousands of dollars a day. It's no wonder then that airports are always looking for new ways to compete more effectively with independently owned, offsite value lots.

"Airports are competing for business like never before and airport administrators are finding that parking can be a competitive differentiator," says Dan Kupferman, CAPP, director of car park management systems for Walker Consultants. "Owners are often surprised at how much better the parking experience can be thanks to technology. It's not just a matter of getting cars in and getting cars out anymore; technological tools such as parking guidance systems, reservation applications, and license plate recognition, to name a few, actually create customer loyalty, which can have a significant impact on the bottom line."

Parking fees aren't the only way parking can help airports enhance revenues, though. A host of new technologies has been introduced in recent years that, in addition to making the parking experience more convenient (and thus making on-airport parking facilities more attractive to travelers), also help travelers park more quickly. When they are able to get out of their vehicles and into the terminal more quickly, they have more time to spend money on food, gifts, books, and other things, boosting revenue again.

It presents a true win-win situation. Travelers have more time to make their connections, and in that time they are more likely to be spending money in the terminal. And parking technology makes it happen.

Customer Service

Airports have always looked to parking technology to improve the parking experience. From the introduction of pay-on-foot, which was designed to eliminate—or at least dramatically reduce—queuing at exits, airport executives have turned to parking technology to make parking easier and more convenient. Of course, the more convenient the parking is the more attractive it is to travelers who must choose between onsite parking facilities and budget lots located offsite.

According to Adam Gubser, parking manager at San Francisco International Airport in California,

parker convenience has always been at the heart of the airport's parking program.

"We serve 52 million flyers a year, and we are always looking for ways to make the parking experience better," Gubser says. "We have a parking guidance system to help travelers find open parking spaces, and we also offer valet, car wash, and even laundry services. These are all amenities designed to promote customer satisfaction."

San Francisco International Airport is in the midst of a \$6.5 billion capital improvement program that includes the development of a new garage. Gubser says that capital program provides the perfect opportunity to introduce new parking technologies.

"This is the golden moment for tech integration," Gubser says. "We are tailoring our services and the technologies that provide those services to meet the needs of our customers and ease the difficulties that can happen with travel."

Kupferman agrees that technology is a key to success in today's airport parking environment.

"Technology has made parking more efficient, more precise, and easier to operate," he says. "And it's also making parking more profitable because it allows airports to maximize their parking resources."

Parking access and revenue control systems (PARCS) have long been cornerstone of airport parking systems. Today's PARCS equipment can accept cash, credit cards, loyalty program IDs, and many other types of credentials. PARCS is also the key to one of the most exciting new trends in parking: frictionless parking. Frictionless parking permits drivers to park without interacting with traditional payment systems. It revolves around a suite of technologies built on top of a parking access control system, such as license plate recognition (LPR), barcode readers, and reservation software, that make parking seamless and interactive by



Twenty percent of Montréal-Trudeau Airport's parking transactions—1.4 million transactions a year—are done through pre-booking.

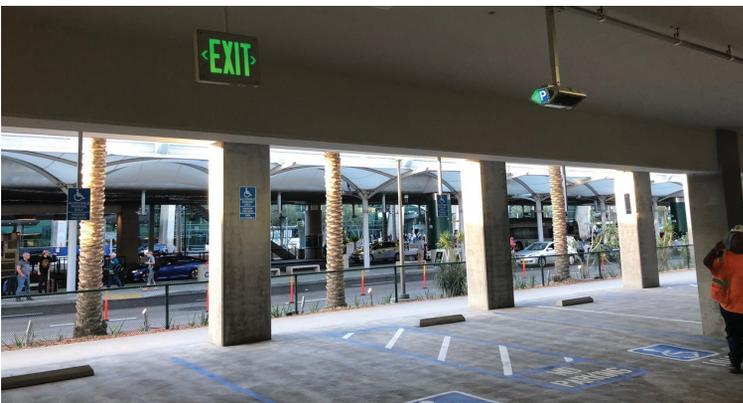


removing the need to stop at gates to enter or stop at exits to pay. Parkers just drive in and out as they wish, and the system recognizes the vehicle, associates it with a previously generated credential, and bills the driver or credits it to a permit, often through a smartphone.

“Modern PARCS equipment offers simple and seamless entry and exiting to and from airport parking facilities,” says Michael Flanagan, vice president of SKIDATA USA. “Frictionless parking, in particular, offers travelers an effortless and incredibly quick and convenient parking experience.”

According to Flanagan, the convenience offered by modern PARCS equipment can offer on-airport facilities a competitive edge over less costly satellite lots. And for travelers who already choose airport parking over satellite lots, frictionless parking can help migrate parkers from a transactional and anonymous relationship to a pre-registered customer relationship. In essence, the registration around which frictionless parking is built fosters a connection between the traveler and the airport's parking facilities and helps to promote repeat parking business from that traveler.

Sensors and other equipment make parking at San Diego International Airport easier.



“Travel can be a hassle, and airports are constantly on the lookout to find ways to make travel more convenient,” says Flanagan. “Modern PARCS equipment can go a long way toward taking the hassle out of parking at the airport.”

According to Dale Fowler, president of INDECT USA, when it comes to improving the bottom line, maximizing parking resources is key. He points out that as parking spaces fill up in large parking facilities it becomes more difficult to find the few remaining spaces. It's not uncommon for drivers, particularly drivers who are in a hurry, to give up and look elsewhere for parking.

“Traditionally, airport garages have been considered functionally full at 85 percent,” he says. “When you can fill that remaining 15 percent by guiding travelers directly to available spaces, you are creating tens of thousands of dollars in additional revenues every day.

“Travelers have a pent-up desire to park onsite,” continues Fowler, “but one bad experience will have them looking to satellite lots or ride-sharing next time they go to the airport. That's why the convenience offered by technology is so important.”

Another important technology for improving the airport parking experience is pre-booking, or reservations. According to Ferdinando Colavita, chief, product development for Montréal-Trudeau Airport's Commercial, Parking and Ground Transportation Department in Canada, pre-booking is becoming increasingly important.

According to Colavita, 20 percent of Montréal-Trudeau Airport's parking transactions—1.4 million transactions a year—are done through pre-booking. That's up from just 12 percent in the past few years. To encourage travelers to reserve parking

in advance the airport offers larger parking discounts the longer in advance parking is booked. As the date of travel gets closer, the discounts decrease. By encouraging pre-booking in this fashion, the airport is better able to predict what parking demand will look like for a given period in the future.

“If you can get people into their garage or parking lot in the easiest and fastest way, they are less stressed and enjoy the airport experience much more,” Colavita says. “By reserving and paying for parking in advance, and being able to get a better price for doing so, we can increase satisfaction with the entire process.”

And of course, satisfied parkers are more likely to park onsite during future trips.

Benefits in the Terminal

The benefits provided by technology extend beyond the garage into the terminal itself. In fact, some of the most important benefits aren't obvious, but they carry enormous financial implications.

“Airport terminals are like little shopping malls,” Fowler says. “The quicker you can get people into terminals, the more time they have to shop in the terminal stores or eat in the restaurants, and that's great for the airport's bottom line.”

Parking technology helps promote this type of business in two ways. First, by helping travelers find parking close to their terminals quickly and conveniently, frictionless parking, parking guidance, and pre-booking suites and platforms create a more relaxed experience for travelers, while giving them much more time to spend money in the terminal. At the same time, by maximizing the airport's parking resources and making them more attractive compared to satellite lots, these technologies create a larger pool of customers with more time to spend shopping and dining.

Parking pre-booking platforms can help get travelers into the terminal more quickly, but they also provide an added hidden benefit. When travelers book and pay for a space, they are typically asked to also input information about their trip, such as when they are arriving at the airport, what airline they are flying, and which flight they'll be on. This information can then be used to send highly targeted discounts and service offerings directly to the smart phones and other devices of travelers.”

“It's a very powerful way to collect customer data,” says Stephen Prati of Chantry Ltd. “The platform really tells you everything you need to know about the airport's customers and their plans, and that

information can be used to send them special offers, discounts, and validation offers in real time while they are in the terminal. Airports have a captive audience while travelers are waiting for their flights, and they should take every advantage to market to them.

“The information can also be used to upsell additional services,” Prati says. “For instance, airports can market automobile detailing, which can be done while the parker is traveling. Who wouldn't like to come back to a sparkling clean car after a long trip? I even know of one airport that markets bouquets of flowers to returning travelers.”



ORLANDO INTERNATIONAL AIRPORT

PARCS
equipment in
use at Orlando
International
Airport.

Colavita agrees that having access to this information is invaluable. “We are regularly updated on the parking plans and habits of our travelers by the pre-booking platform, and that allows us to better understand our customers, their needs, and their habits.”

Colavita and Gubser are sold on the benefits of parking technology, both to travelers and to airports themselves.

“The bottom line is that if you get them to their parking lot or garage in the easiest and fastest way, travelers are less stressed and more keen to be spending time in the terminal,” Colavita says. 



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