

TECH CHECK

The systems and advances
American airport parking operations
should consider implementing to stay competitive.

By Pierre Koudelka



I had the pleasure of attending the Airports Council International (ACI) conference in Atlanta recently. Like any participant, I spent a good deal of time attending the seminars and walking through the exhibit hall. It became clear early on that ACI is a tight organization in that everyone seems to know everyone else; it also became clear that the organization spends a lot of its resources assisting airports on the airside of operations. I was especially interested in landside innovations, specifically airport parking systems. Having spent my entire career in the parking and revenue control industry, I wanted to see what innovations had captured the attention of ACI's membership.

You would think the Internet would have tons of information and statistics on parking as it relates to airports across the country, but that isn't the case for whatever reason. So I was pleasantly surprised when I saw ACI dedicated a lecture to parking and how airports can increase revenues. I spent a good deal of time discussing new



revenue sources with airport administrators who want to increase profits by providing new parking services. One lecture in particular, “New Strategies to Turn Your Car Lots into a Lot of Gold,” was right up my alley. The speakers and moderator (two consultants and a European airport professional) were quite good. They shared some good ideas about analyzing one’s operation, proper procedures they had just implemented, and recommendations that included new parking and revenue control systems (PARCS).

The European speaker immediately set the stage for advancements that, for the most part, haven’t yet been totally accepted in North America. Being a representative of one of Europe’s largest parking and revenue control manufacturers, I was very familiar with the concepts he presented. Although many areas were covered, four major areas caught my attention:

- Pay-on-foot stations.
- Parking reservation systems.
- Credit cards.
- Advertising.

Of particular interest during the sessions were the many statistics presented about parking and additional airport revenue, many of which seemed surprising to the people around me. Although these concepts were not new to me, many in the audience shook their heads. I’m not sure they all appreciated the reasons why these advancements in parking are so important and why they can substantially increase any airport’s revenue stream and profitably while improving the parking experience. No doubt, these services will all be used in North America in the not-too-distant future.

Changes

We have to accept the basic premise that labor costs in parking around the country have increased and that most, if not all, parking-related firms are trying to become more efficient and competitive while simultaneously cutting back on labor costs when possible. The exit-lane cashier booth—an American invention—is doomed. Not only are manned exit booths expensive to operate, but they are rather inefficient; exit cashiering is slow and subject to error and shrinkage.

In the past, airports were noted for having long lines at parking exits whenever a large jet landed. This was time consuming and wasted gas, not to mention straining one’s patience after a long, arduous trip. Collecting money in a lane by any means can be inefficient and problematic—both cashiers and automatic devices have proven to slow exiting traffic. I’m not a proponent of pay-in-lane devices, and I feel they should be avoided whenever possible if you wish to improve operations. I know that may sound strange as we all grew up with

cashier exits, but it’s true with today’s technology. Granted, this may not apply in all cases. Greater automation is the prevailing standard today, but any change has to be done wisely and correctly.

Embracing Pay-on-Foot

The Europeans introduced pay-on-foot stations in the 1980s. Pay-on-foot stations came to North America in the 1990s and weren’t really accepted until 2000. Even today, many U.S. airports have not yet installed them. Many say we are slow to accept innovation and that it is a cultural thing, but I disagree. We Americans have always been innovators. I think this hesitation is more generational. We are anxious about change, which sometimes forces a conservative approach—perhaps one that is too conservative when it pertains to parking.

What is a pay-on-foot station, and why is it so much better for any airport operation? Located inside the terminal, think of a pay-on-foot station as a parking ATM that replaces a cashier at the exit. It takes your parking ticket, reads it, calculates the charge, accepts your money or credit card, and hands you a pass to get out. Why is this better than an exit-lane cashier? It works 24/7, doesn’t error, and the processing time is spent in the comfort of a well-lit, well-heated or air conditioned secure airport foyer so that when a driver gets to the exit point and inserts his ticket (exit pass) in the exit column, the gate opens in just seconds. This speed is absolutely an essential benefit. Granted, if the driver is prepared with money and ticket in-hand and the cashier is fast and doesn’t say much, the transaction time may go down to 30 seconds with a cashier lane. But a pay-on-foot system helps those long lines at airport exits disappear, diminishes traveler frustration, and makes the entire parking experience more pleasant.

Why some airports are still reluctant to use pay-on-foot stations is a wonder. I have been to Europe many times and can seldom find an exit cashier booth in any parking operation. When you do the math, these machines make all the sense in the world for any airport. The speaker I recently heard said his airport was essentially automated due in part to these machines throughout.

Some opponents of pay-on-foot tell me that not all their customers have credit cards. That’s true, but does one design their operation around that one exception or do you service the larger majority of your customers? Customers who prefer can always pay with cash, but it makes good sense to at least give cardholders the benefit of a faster exit lane.

I’m not a believer that you have to discount a lane to encourage credit card use in airport parking facilities.





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That is not to say a promotion of sorts can't be tried early on to encourage use of credit card lanes. But honestly, I see credit cards as self-sustaining. As soon as folks stuck in a cashier lane with 10 cars ahead of them see that credit cards lanes are moving fast, they'll decide to use a card themselves next time.

Oh yes, the other reason we all like credit cards is that they help ensure accountability. Many airport parking facilities say up to 90 percent of their transactions are handled via credit cards, and that's great for everyone.

Reservations

The last topic that was discussed at ACI that I found most interesting was Web-based reservation. What is it, and why is it good for airports?

Every airport I know of is looking for ways to maximize revenue. Being able to offer a patron a way to reserve a parking space well in advance can be beneficial to all: It gets the facility money well in an advance and usually with a cost premium of 10 to 20 percent per space. It also allows management to estimate use and better forecast demand; you know if you're going to be full or empty a week from today, which gives you a week to promote these unclaimed spaces through advertising. At the same time, it provides patrons with a great service.

How does it work? Very simply, the airport's website has a reservations page. Nearly all parking equipment manufacturers are able to link to those websites easily.

Once the system is activated, a patron enters his departing and return dates. A fee is shown and the customer pays by credit card. When he arrives at the airport, he presents his credit card or receipt (printed at home) to an automated reader, which allows entry.

This service can also be offered so travel agencies can book a plane flight and parking space at the same time and usually get a commission for it so everyone benefits.

The patron knows that when he gets to the airport, a space will be waiting for him even if the garage is full. Some systems offer closer-in spaces, and others go so far as to have rental cars waiting at the destination airport. Others make duty-free purchases in advance and have them waiting for travelers at the gate. I hear these systems have caught the attention of the airlines as well, and they're interested in the marketing information airport reservations systems accumulate, which can identify client bases and demographics.

This same information allows the airport to communicate directly with clients, which hasn't been possible up to now. I'm willing to say right now, cultural differences notwithstanding, Web-based reservations are going to become very popular in the next few years. The speaker at ACI stated that his airport reservations accounted for a majority of all transactions already and he expects it to increase even more.

Although parking reservations have been around and offered for years, only now are North American airports and the private sector starting to look at them as a profitable service they can offer their clients to make travel as easy and enjoyable as possible. And, by the way, don't feel you have to engage only one single reservations supplier. There is no reason you can't have many different suppliers on your website all linked to offer a wide range of services to all your patrons.

The other aspect not always used to the maximum here is advertising. Being able and willing to really promote parking has many benefits, as it allows you to manage your operations better. If you see a lull in parking next week, you can adjust pricing via advertising and try and fill those spaces. A discounted space is better than an empty space, I always say. Promotions should become a continual work in progress as you begin to steer the ship to profitability.

For all of you in attendance at ACI who had questions and for those who didn't have a chance to attend that event, I hope we were able to answer some of the questions I was being asked in the hallway. Hope to see you at the 2015 IPI Conference & Expo in Las Vegas!



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