

# Parking *trend*



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## international

publication of the European Parking Association | Volume 27 | no. 4-2013



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# Parking still has room to grow

In some cases, international airports generate up to 50 percent of their overall annual revenue by marketing and renting space, in other words through non-aviation business. Parking maintenance at an airport plays a large part in this. 2,000 to 3,000 euros per parking space per year is not an uncommon rate. However, a study by QUINTA Consulting shows that European airports, unlike U.S. airports, are nowhere close to maximizing the revenue potential offered by professional parking management.

## Parking revenue at just 18 percent

At the ten largest European commercial airports, parking revenue for last year only made up 18 percent of non-aviation business volume, on average (see Fig. 1). At U.S. airports, the share for the same period was nearly three times as high. However, we can see that some of the airports analyzed in Europe are more successful in marketing their parking areas than others (see Fig. 1). How do these differences come about?

Apart from differences in defining non-aviation activities in the annual report, and differing infrastructure issues, nowadays airport parking management – regardless of its size – is an extremely competitive business. Off-site parking providers are making life more challenging for airports in Europe.

## Terminal-area parking is the most expensive in Europe

In addition, customers increasingly expect tailor-made products for parking their cars at the airport. A simple distinction between long-term and short-term parking is no longer adequate. Instead, the choice of an airport parking space is largely determined by customers' needs and their willingness to pay. Being aware of these factors and using



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them to develop innovative, clearly differentiated parking products allows customers to make their own decisions about parking spaces. For instance, business travelers, who value time savings and convenience, are prepared to pay higher prices for parking products with added value.

However, it is not enough to offer customer-appropriate parking products. Determining the appropriate fees for them is the

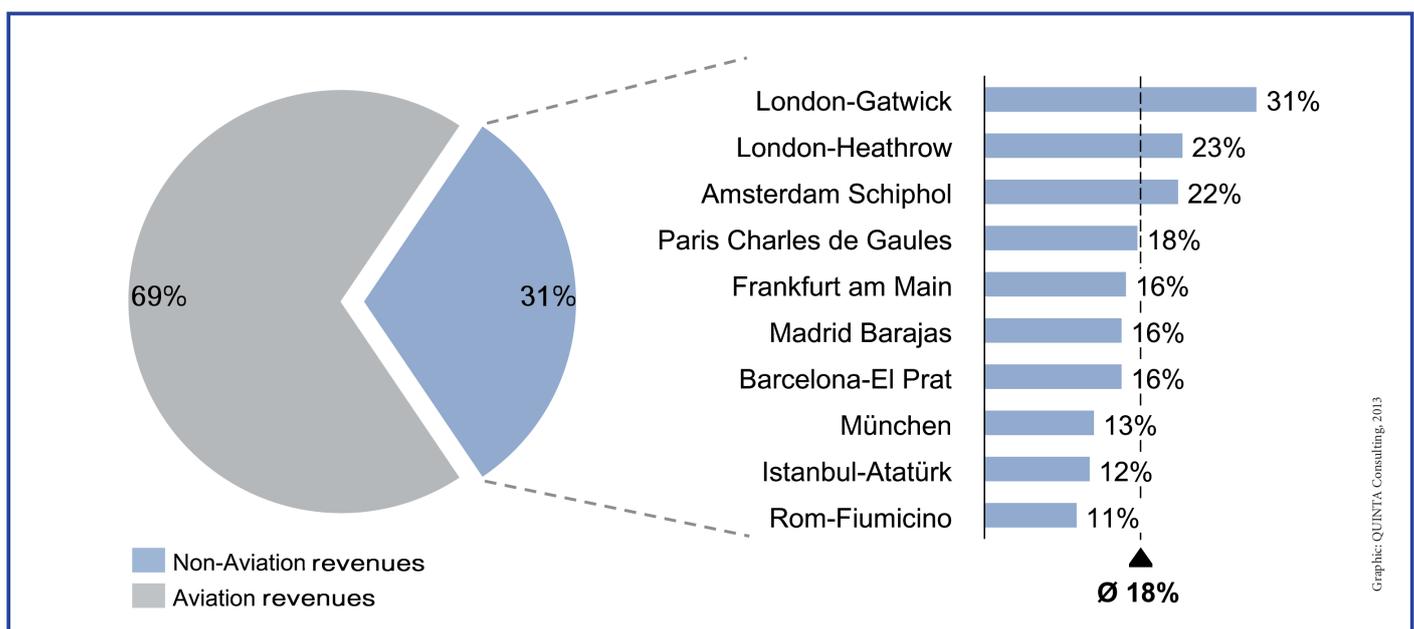
task of a professional revenue management system. Dynamically controlling fees and capacity is also the best way to leverage parking revenue in the airport sector. Since terminal-area parking in Europe is already more expensive than anywhere else in the world, it is not the fee level but the entire fee system that needs to adapt to international benchmarks. It goes without saying that fee adjustments need to be communicated in a way that is both proactive and credible.

## Reserving a parking space before a trip

The days when passengers paid for their parking after arriving at the airport seem to be over. More than 80 percent of customers feel they need to reserve a parking space at the airport before the start of their trip. London-Heathrow Airport has recognized the potential of its own online booking process – half of its parking transactions now take place online.

The study by QUINTA Consulting showed that there is still room for parking revenue to grow at European airports. A variety of parking products and optimized pricing management can help them take better advantage of this revenue potential. Proper communication about fee adjustments is just as critical to success as the ability to book a parking space at the airport in advance. ■

Figure 1: Non-aviation revenue share at the ten largest airports in Europe / thereof: parking revenue share (2012)



Graphic: QUINTA Consulting, 2013