Local brands take flight

As customer tastes evolve, airports look to the streets to find local flavors that excite travelers and boost revenues

BY BENET WILSON

Airports are the first and last impressions that travelers have of a city. To that end, many facilities are working to revamp their food and beverage concessions to give customers a sense of place by encouraging favorite local eateries to bring their concepts to the airport.

Ann Ferraguto is the founder of Alexandria, Virginia-based AirProjects, a consulting firm that advises on retail and food service, advertising, commercial property development and performance improvement. "It's important for airports to keep up with the market because tastes and needs change," she said.

Food trends cited by Ferraguto include: gourmet markets like San Francisco International Airport's Napa Farms Market; Surdyk's Flights: Wine Market and Bar in Minneapolis-St. Paul International Airport; and Beechers Handmade Cheese in Seattle-Tacoma International Airport.

"These are all examples of successful concepts that were already strong local operators when..."
they came into their airports,” said Ferraguto. “Surdyk’s is a wine bar and market that is meeting a lot of needs with good service, good products and a nice atmosphere. Beechers came into the airport in a small space selling cheese and signature dishes like macaroni and cheese.”

Frank Sickelsmith is the vice president of restaurant development and adult beverage for airport concessionaire company HMSHost. “Airports are becoming a true representation of the street side restaurant business. There are always new and innovative concepts being created in that scene, so we want to replicate that creativity and demand for the airport restaurant business,” he said.

Most airports want a sense of their city to be represented, Sickelsmith said. “We’ve worked closely with our airport partners to make sure that we have a good balance of representing local business and their brands, as well as national brands that everyone recognizes, and bringing them to the airport to get them recognition with people traveling from all over the world,” he said.

HMSHost uses a lot of different resources to do this, he said. “We do a lot of research in the local papers and on social media sites, as well as just general information on the city—all of these have been great resources to help identify local brands for us in different cities,” he stated. “Additionally, we have local consultants and our contacts in the restaurant industry.”

In terms of customer need and want, the most popular brand HMSHost has is Starbucks, Sickelsmith said. “Wicker Park at Chicago O’Hare has won a number of sushi awards, not just for the airport, but for the entire restaurant scene in Chicago,” he said. “Also, in O’Hare, we have a partnership with Chef Rick Bayless, with Tortas Frontera. Both of these brands have shown us that people are willing to wait a little bit longer for higher quality food.”

San Francisco serves local flavor
San Francisco International Airport has been lauded many times for its emphasis on

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local food brands, Cheryl Nashir is director of revenue development & management for the airport, which uses a public solicitation process to choose concessions.

Nashir credits the strength of the city of San Francisco’s marketplace for the success of its food and beverage concessions program. “We’re really lucky to operate an airport that's in such a vibrant and desirable city,” she said. “We go into the city regularly and visit places we think would be good at the airport. We meet with owners and bring them to our office to show why they should be in the airport and walk them through the solicitation process.”

Nashir said her department doesn’t want local businesses to be daunted by the solicitation process. “We're transparent and helpful so they feel comfortable working with a government contracting process,” she said. “We get good press and have beautiful facilities, so local businesses are interested in being here, especially after they see the sales numbers.

“We’re No. 3 in the country on money spent on food and beverage per departing passenger,” said Nashir. Approximately 85 percent of the airport’s food and beverage concessions feature local owners or local concepts, she added.

Some of Nashir’s favorite concepts include gourmet greek yogurt shop Fraiche, Wakaba, a Japanese restaurant, and The Plant Cafe Organic, which serves healthy, vegan and gluten-free foods.

Tampa blends local and long-time operators

On the other side of the country, Tampa International Airport has raised the bar on its concessions program in the past few years, and is in the middle of an RFP for a new program that will bring in 13 new food and beverage concepts starting at the end of 2015. The current concession operator is HMSHost, said Janet Zink, the airport’s assistant vice president of media and government relations.

Passengers have different tastes, and when they travel, they like to be able to sample the flavor of the community they’re visiting, said Zink. “We wanted to highlight the Tampa Bay region and make it more a part of the airport experience,” she said.

One of the more successful concepts at the airport is Columbia Restaurant, Florida’s oldest, founded in 1905. “Its flagship restaurant is in Ybor City, and the airport’s facility looks a lot like its original restaurant,” she said. Other popular local concepts at the airport are Cigar City Brewing, wine bar First Flight, and the Green Iguana Bar & Grill, she added.

Under the airport’s current RFP, which ends in December, there is a real emphasis on incorporating Tampa’s local flavor in proposals, said Zink. “But it’s important to note that

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operating in an airport environment is different than on the street, so we’re encouraging local businesses to partner with people with more airport experience,” she said. “We have held several workshops on the RFP process, and one included an opportunity for big concessionaires to network with local businesses.”

Travelers are speaking with their pocketbooks, said Zink. “We have seen a significant increase in revenues since we put these concessions in, and we attribute that to the local concepts that have been so popular. In 2014, we posted a $13 million increase in revenues over 2013, from $182 million to $195 million,” she said.

Food trucks drive revenue in Portland

Oregon’s Portland International Airport, which has also won multiple awards for its innovative concessions, has direct leases with 13 food and beverage operators. The airport recently brought the food truck craze to its facility.

“The goal of the Portland food carts program is to provide locally owned small businesses a chance to operate at the airport with low overhead to see if it’s the right fit for them,” said Dave Pfeiffer, concessions development manager. “Our hope is that this program will become an incubus for future concession operators. It is representative of the city of Portland and its iconic food cart scene, bringing local and originality to America’s top airport.”

The airport currently has two trucks operating in the pre-security Oregon Market eatery—Pok Pok, which serves Thai food, and Koi Fusion, which offers a melding of Asian and Mexican flavors—and a third will open in November, Pfeiffer said. “A grassroots outreach effort was conducted to more than 400 food carts spread throughout the Portland metro area,” he said. “The port hosted an informational meeting for interested operators to explain the new concept and gauge participation interest.”

The effort will eventually have six food cart operators operating on a six-month rotation, giving other local food cart operators a chance to do business at the airport, said Pfeiffer. The trucks, which opened on Oct. 2, have already become extremely popular at Portland, contributing to the recent increase in pre-security concessions sales and more foot traffic in the Oregon Market, he noted.

AirProject’s Ferraguto said that airports with a good mix of national and local brands do the best. “When people are in a hurry, they tend to go with something familiar and that’s where national brands come in,” she said. “But if they have more time, they take time to try out local concepts.”

But airports that want to attract those local brands need to do some outreach, said Ferraguto. “Successful ones have staff pounding the pavement, speaking with local chefs, explaining the airport restaurant market and what it takes to operate there,” she said. “Most times once local operators try, they are successful at it. This is an education process and it takes some tweaking to their concept.”

HMHost’s Sicklesmith said the most important thing is guest and landlord satisfaction. “Making sure that we are running restaurants that satisfy everyone is the biggest measure of success,” he said. “If we do everything else right, we’ll realize the sales and profits as well.”

**BOTTOM LINE:** Airports must seek out and educate local eateries in order to provide these distinctive flavors for travelers.