Got a long wait? Shop 'til you fly

Updated 9/27/2006 7:43 AM ET
By Harriet Baskas, Special for USA TODAY

Like many travelers, North Carolina jazz radio programmer Fred Wasser is wary of shopping in an airport. "The only things I've ever bought are postcards, newspapers and once, a travel alarm clock."

Until recently, Seattle-area teacher Dana Falk felt the same way. Then she found herself buying a new watch at Chicago's O'Hare International Airport. "I kept thinking, 'You're not supposed to really shop at the airport, you're certainly not getting a good deal.' But the watch really spoke to me, and I spent way more than I ever spend at an airport."

A lot more stuff is speaking to a lot more people at airports these days. And it's not just key chains, refrigerator magnets and souvenir T-shirts making all that racket.

Today's airport shops offer everything from gourmet foods and autographed sports memorabilia to fine gold jewelry, business suits, hand-rolled cigars and the latest in electronic gadgetry. "We have moved way beyond shot glasses" says Ann Ferraguto, from AirProjects, a company that consults with airports about the best use of their space.

Ferraguto says attitudes about the role of retailing in the traditionally slow-moving airport industry had to change a lot in a relatively short time.

The impetus: shifting airline economics and travel patterns that have been permanently altered by the events of Sept. 11, 2001.

"As airlines became less profitable, airports had to try to keep costs to airlines as low as possible," says Ferraguto. "Airports tried to make up that revenue elsewhere, in parking, advertising, rental cars and in food and retail concessions."

Simply raising the prices of shot glasses and key chains wouldn't do. Many airports ended up revamping their concessions program, choosing not to renew decades-long airportwide leases and, in many cities, introducing competition among local and national vendors.

"The model used to be that one concessionaire had (the lease for) everything at the airport," says Les Cappetta, executive vice president for HMSHost, which operates retail concessions at more than 70 airports worldwide.

"Now, an airport is likely to choose three or four concessionaries to fill 25 spaces." Only vendors with the best and most creative proposals are finding their way into the airports.

As the changes are rolled in, passengers are beginning to see carefully selected local shops opening branches at the airport and an upward shift in the quality and selection of items for sale airportwide.
"Airport shopping is very much going the way of the name brand," says Laura Samuels of the Hudson Group, which operates news and gift shops at airports nationwide. "That is what customers tell the airports that they want."

Samuels says research also shows that travelers don’t just want brand names on the storefronts, they want such merchandise on shelves. In Hudson’s Kids Works stores, brands are arranged in their own display areas.

"If the child is a fan of Dora the Explorer, Spiderman, the Wiggles, Lego, Mattel or any other brand name, they can find what they are looking for very easily."

Such strategies seem to be working. According to Airport Revenue News, a trade magazine specializing in airport revenue issues, specialty retail sales at the top 50 airports in 2005 increased 7.5% from the previous year; and news and gifts sales were up 22.5%. Pauline Armbrust, ARN CEO says, "Total sales are up 17%, and average sales per enplanement are up 4.3%," which means that, on the average, each passenger getting on a plane is spending more at the airport.

Kottayam Natarajan thinks travelers are getting more satisfaction from their airport purchases. He was the general manager of aviation business development at Seattle-Tacoma International Airport during the revamping of that airport’s central terminal, and now works with AvAirPros as a consultant on other airport projects.

"Shops such as Made in Washington and Discover Puget Sound sell local and regionally made items and high-quality souvenirs from area museums and attractions. People seem very excited."

Excited enough, it seems, to open their wallets: For each passenger boarding at Sea-Tac, sales increased to $8.91 in 2005 from $7.04 in 2003, a 27% increase.

There’s yet another unofficial and probably hard-to-measure benefit of having better shops at the airport, says Natarajan: marital bliss.

"In the old days, someone who travels a lot would be flirting with divorce if they picked up a gift for their wife at the airport. But now, I can get my wife almost anything at the Sea-Tac Fireworks store (which sells an eclectic collection of items by local and regional artists), and I’m a hero.”

Find this article at: