

BRAND CREATION

Proprietary Concepts Afford Concessionaires Freedom, Flexibility

BY SALLY KRAL

Airport concessions can be organized into a few different categories. National brands are those that just about every consumer recognizes and that can be found throughout the country, while local or regional concepts are more specific to a particular city or state, can only be found in that location and provide travelers a feel for the local community.

Separate from these two main categories are brands that are developed internally by concessions professionals—these proprietary concepts are usually not well-known by consumers, but when executed properly can be very successful.

“Given that airports strive to create a balanced dining and retail program, proprietary concepts play a crucial role in delivering that right mix of the best choices for travelers,” notes Stephanie

Havard, executive vice president of restaurant development for **HMSHost**, which has developed more than 30 different proprietary brands for the airport, including market-style concepts, bistros, burger joints, pubs, wine bars and more.

“Developing proprietary brands gives us the opportunity to use our own team of in-house experts to creatively develop a concept that meets specific airport traveler needs and can be tailored even further to replicate that success in additional airports,” Havard adds.

Indeed, proprietary brands are unique in that they are made specifically for the airport environment and the airport traveler. Unlike a street concept that’s been retrofitted to work in an airport terminal, these concessionaire-owned brands are suited from the get-go to meet



Above: Delaware North's proprietary brand Harvest Grounds (Hartsfield–Jackson Atlanta International Airport location pictured) follows current consumer demand for coffee shops while also allowing the company to partner with local bakeries and roasters to add some regional flare.

the very particular needs of both the airport and the traveling consumer.

Gerry Savaria, executive vice president of **Paradies Lagardère**, notes that, like any concession concept, following consumer demand and trends is the key to success. “When creatively designed and operated efficiently, and when offering desirable products or menus, the right solution can oftentimes be a strong proprietary brand.”

Meet Needs, Follow Trends

The instant recognition that comes with a national or regional brand isn't present with a proprietary concept, so the key is to nail down the right theme or type of venue—one that follows current trends. “The focus is more about the category and products or food offered versus the nature of the brand,” Savaria says, adding that the most successful proprietary concept in Paradies Lagardère's portfolio is Relay, a travel essentials store that has

more than 1,400 locations in 23 countries. “Its success is based on the combination of a strong level of consistency in quality and service, with an ever-evolving design and product mix that meets consumer trends,” he notes. Such ability to change, evolve and keep products fresh is a key benefit of proprietary brands.

The Hudson brand of stores is one of most recognizable proprietary brands in the airport, which Michael Mullaney, executive vice president of corporate strategy and business development for **Hudson Group**, attributes to the brand's consistency and merchandise that fulfills an “entire travel retail experience.”

In addition, Hudson has more specialized concepts that focus on today's top retail trends. “Tech on the Go is great example: this brand has been highly successful for us, providing tech novices and audiophiles alike one-stop-shopping for all tech needs,” Mullaney says. “To create this experience, our team is constantly following trends in

technology and evolving our merchandise mix to be relevant and compatible, while also paying close attention to a cohesive visual merchandising experience,” Mullaney says.

Jodi Battaglia, director of brands for **Delaware North**, notes that marketing plays an important role in developing original concepts. “Proprietary brands have taken a page out the national franchise book by creating compelling branding and a holistic experience that competes, or complements, the attributes of a more well-known brand to drive foot traffic.”



Left: Marshall Rousso (McCarran International Airport location pictured) is Marshall Retail Group's most well-known proprietary concept, with 16 locations across North America. The brand has paved the way for more specialized brands targeted at specific traveling audiences.

Below: Le Grand Comptoir (John F. Kennedy International Airport location pictured) is SSP America's bistro wine bar concept that can be designed to fit in just about any space in the airport, offering a level of flexibility not often found with national brands.

HMSHost's Havard agrees that it's crucial to incorporate design elements that encourage recognition and interest in the consumer. "Storefront displays help travelers learn more about the story and vision behind the concept, and a strong, welcoming design is also important to catch the attention of travelers as they move through the terminal. Our La Familia concept is a great example with its vibrant, eye-catching design details," she says, referring to the company's Latin American restaurant concept that can be found at **Los Angeles International Airport (LAX)** and **Fort Lauderdale-Hollywood International Airport (FLL)**.

"Airports want complete, creative concepts that don't feel like the generic proprietary brands of the past," notes Pat Murray, executive vice president of **SSP America**. "For example, we just opened a boutique concept at **John F. Kennedy International Airport (JFK)** called **Mi Casa**. It's a from-scratch kitchen with custom cocktails and an expansive tequila list, and a beautiful hand-painted mural is the star of the design to give a creative and authentic feel."

For **Marshall Retail Group**, creating one-of-a-kind shops that also have broad appeal has been the focus since day one. "Our company was founded in 1955 with the opening of a women's fashion store on Las Vegas Boulevard called Sara's of Las Vegas, which later evolved into Marshall Rousso, our most recognizable brand," says Roderick McOwan, chief development officer for Marshall Retail Group. "Marshall Rousso's



success has paved the way for us to expand to several specialized brands to include apparel for men and children, news and gifts, souvenirs, and candy stores. Our goal is always to seek out opportunities where we can create unique retail experiences that work locally or nationally based on market trends."

Best of Both Worlds

There's no getting around the demand coming from both airport RFPs and consumers themselves for local influences in the airport that add character and charm.

This is where big-name national brands are lacking, and where proprietary concepts can fill a need, according to Murray. "At SSP America, we blend our own boutique brands with local products so the airport has the best of both worlds—a customized brand suited to the airside needs with a 'taste of place' we believe in."

Murray adds that the three main concepts that best define the SSP America brand are Camden Food Co., Urban Crave and Le Grand Comptoir. Camden Food Co. focuses on healthy and affordable snacks, while Urban Crave offers classic street food and Le Grand Comptoir serves



Left: At Paradies Lagardère's eight-unit proprietary brand The Scoreboard (Toronto Pearson International Airport location pictured), nationally recognized products like Nike, Reebok and New Era are featured alongside apparel from the area's favorite local sports teams. Concepts like this help grow both the national brand footprint and the local feel for an airport.

bistro-inspired fare. "They've all won many awards, are in multiple airports and are incredibly relevant because we continue to evolve them," Murray notes.

Remaining relevant in the airport is of the utmost importance, which is why more concessionaire-owned venues are taking cues from what's happening locally on the street and even partnering with the local community.

"We're seeing more regional chefs finding creative ways to weave locally celebrated ingredients into their dishes, and successful proprietary concepts are leveraging or incorporating that creativity as well," Delaware North's Battaglia says. "The ability to introduce a cross section of local ingredients and signature items inspired from the surrounding region into a proprietary brand gives credibility and recognition to the concept."

Battaglia adds that Delaware North's most prominent proprietary restaurant brands are the coffee concept Harvest & Grounds and the brewpub Cross Grain. "Harvest & Grounds allows us to feature several local bakeries alongside some of the best roasters in the area; similarly, our Cross Grain platform has provided us with an operationally efficient medium to feature local craft beers paired with a quality food

menu that caters to all types of travelers."

HMSHost's Havard notes that the company has seen great success with its original restaurant concept called The Local. "We developed a core menu across the nearly 10 airport locations, but because we designed the entire concept from the ground up, we're able to adapt the menu to spotlight regional flavors and local craft beer, as well as incorporate unique design features from the area to further bring that local sense of place into the airport."

It's also possible to add local elements to original retail concepts, notes Paradies Lagardère's Savaria. "For instance, our outdoor activity apparel concept, No Boundaries, provides an array of national apparel brands but the products offered in each of our six locations are specific to activities and interests of the local and regional area, like skiing and snow tubing or canoeing and hiking. Additionally, at our eight-unit concept The Scoreboard, we're able to provide a strong regional presence with apparel from the area's favorite sports teams, but also offer nationally recognized products like Nike, Reebok and New Era."

In this way, Savaria adds, a strong proprietary brand can help grow both the national brand footprint and the local feel for an airport.

Operational Control, More Responsibility

In addition to the ability to add local elements where possible, proprietary brands are also flexible in their design, meaning they can be a fit just about anywhere in the airport.

"It's hard to approach a renowned chef or influential restaurateur about developing their brand in a space that's less than 1,000 square feet—but the first Le Grand Comptoir was built in a closet with a 7-foot ceiling at **George Bush Intercontinental Airport (IAH)**," SSP America's Murray says. "While that's a tough sell to a local brand, it proved to be highly successful as a boutique brand. In our first year we had \$1 million in revenue, and by year two were up to \$3 million—all out of a 650-square-foot space."

When working with a national or regional brand, there are defined standards that the concessionaire must adhere to, which often don't allow for product or design adjustments. Since proprietary brands are developed internally, changes can be made as needed with far fewer obstacles.

"With our brands, we're able to use our own supply chain so we can get excellent, quality products from our suppliers and distributors," says Bill Casey, COO of **Areas USA**. "There's also a lot more room



Left: Hudson Group's "The Traveler's Best" line features fresh grab-and-go meals and snacks, along with pre-packaged food items. The Traveler's Best line can be found in 250 Hudson-owned stores and is a strong driver of growth for the company.

for flexibility and innovation because you don't need to worry about brand restrictions. For example, we can focus on our sustainability initiatives like offering cage-free eggs and swapping plastic straws for paper straws. Certain brands won't allow for that in their guidelines."

Some concessionaires are taking the operational control of using their own supply chain even further and launching lines of proprietary food items. In 2016, Hudson Group introduced "The Traveler's Best," a line of fresh grab-and-go snacks including yogurt, cheese and crackers, fresh fruits and vegetables.

"We've seen strong demand from travelers for healthy snacks and The Traveler's Best answers that call," Mullaney says. "In 2017, we added 17 new Traveler's Best cooler items to the menu, including a variety of fresh wraps, sandwiches, salads and bites, and we also added premium quality nuts, candies and unique mixes." The Traveler's Best line can be found in 250 Hudson-owned stores and is a strong driver of growth for the company, according to Mullaney.

Similarly, HMSHost has the "Eat Well. Travel Further." offerings of prepackaged snacks and meals tailored to the increasingly health-conscious traveler. "Eat Well. Travel Further.' food and beverage choices are based on popular health food trends, and include bento boxes themed around current lifestyle eating habits such as the paleo and protein lunch boxes," Havard notes. "The line officially launched last year in a dozen airports and, given the tremendous

Right: Prepackaged food items have emerged as a key proprietary offering for some concessionaires, including HMSHost. Last year, the company launched the "Eat Well. Travel Further" line, which includes bento boxes themed around current lifestyle eating habits such as the Paleo and Vegan Lunch Boxes.



feedback by travelers and airports, we're planning to expand to new airports, along with introducing additional offerings later this year."

While operational control has its obvious perks, there's also increased liability. "When there's no brand infrastructure set up, we're responsible for developing it and are held solely accountable for all its pieces," Casey says. "This is exciting, but another layer that doesn't exist with well-established brands."

Delaware North's Battaglia notes that the planning and building process that comes with proprietary brands can be arduous. "There's a significant investment of time, effort and capital necessary to conduct the proper amount of research, development, testing and implementation when creating a brand that has legs to grow in this competitive space," she says. "The pre-work is paramount when trying to compete against millions of dollars of streetside marketing programs of national franchises, and this work can become burdensome to our operations and development efforts."

SSP America's Murray notes that in addition to the initial investment, there's continued support needed for proprietary

brands more than there is for licensed concepts. "Operating a national brand means you're taking a formulaic set of instructions and implementing them to an established set of standards. Our boutique brands require innovation as well as ongoing nurturing for the brand to evolve."

On the retail side, where updating product mix is a longer process, Marshall Retail Group's McOwan notes that developing concepts that will resonate over the term of the lease agreement is a big task. "It's necessary to keep your finger on the pulse of fashion and trends, and be able to adapt and change merchandise quickly, all of which is challenging," he says. "That being said, this is definitely more doable with an original concept."

As far as the professionals building the concepts are concerned, there will always be a need for flexible, well-run proprietary brands in the airport. "Airports are looking for balance of service styles and concept types—brands we create allow us to achieve this balance in a complex operating environment," Murray asserts. "They're an important part of our toolkit and, as passengers' needs evolve so, too, will the makeup of our boutique brands." ■