

# LIBATIONS ON THE FLY

In The Right Location,  
Alcoholic Beverage  
Retail Adds Extra  
Layer To An Airport's  
Sense Of Place

BY SALLY KRAL

Since opening in November 2012, The Liquor Library at **McCarran International Airport (LAS)** has done exceptionally well. In 2017 the store's gross sales totaled \$6.8 million, up from \$6.2 million in 2016 and \$5.8 million in 2015, according to airport's business office data.

As a city synonymous with partying, Las Vegas is a prime location for a non-duty free wine and spirits shop, notes Michael Oram, airport contract specialist for **Clark County Department of Aviation**, which oversees LAS.

"Many arriving passengers were already in the habit of stopping at a liquor store on the way to their hotel after they land in Las Vegas," he says. "By adding the store to the baggage claim area, we've been able to capitalize on that existing behavior pattern."

The booming success of The Liquor Library has inspired other airports and companies to get on board. In February, **Diageo Global Travel** partnered with **CBI Retail Venture**, **MDT Strategic Ventures** and **Charles Bush Consulting** to open a luxury spirits shop in **Dallas/Fort Worth International Airport (DFW)**. The shop, located in Terminal D, offers premium spirits from Diageo's portfolio and is the alcoholic beverage company's first foray into the airport.

At **Minneapolis-St. Paul International Airport (MSP)**, **Surdyk's Flights Wine Market and Bar** opened in Terminal 2 in October 2013.

Located post-security in Blue Grass International Airport, Cork & Barrel offers Bourbon from central Kentucky's many regional distilleries. The shop brings an added layer to the airport's sense of place, allowing travelers to bring a taste of Kentucky home with them.





**Below:** As a city synonymous with partying and celebration, Las Vegas is a prime location for a non-duty free wine and spirits shop and Liquor Library in McCarran International has been hugely successful since opening in November 2012. Gross sales totaled \$6.8 million in 2017.



**Above:** At Minneapolis-St. Paul International, Surdyk's Flights Wine Market and Bar in Terminal 2 features a wine shop connected to a full-service restaurant and bar. Due to legal restrictions, the shop can sell wine but not beer or spirits at retail.

It features a wine shop connected to a full-service restaurant and bar.

"Having the ability to sell bottles of wine alongside by-the-glass options has created an opportunity for us to increase our average per transaction amount," says Taylor Surdyk, owner of the concept. "Customers are impressed by the quality of glass pours and even more elated that our team members can package up a bottle for them to go."

He adds that wine retail appeals to both business and leisure travelers: "We fulfill the need for the tourist wanting a souvenir and the business traveler looking for a nice bottle to unwind with once they've reached their hotel room."

Surdyk's Flights is an extension of the Surdyk family's Surdyk's Liquor & Cheese Shop, which has been a Minneapolis staple since 1934, but due to licensing restraints in the airport, Surdyk's Flights can only sell wine in its retail component.

Prior to opening in Terminal 2, there was a smaller Surdyk's Flights located in Terminal 1 that closed in 2015 per its lease agreement.

"The Terminal 1 Surdyk's was a very successful rebrand of a space that was underperforming, hence its shorter term

lease," explains Liz Grzechowiak, assistant director of concessions and business development at MSP. When the airport revamped its retail and food and beverage offerings in 2015, the space was awarded to another local operator, Lake Wine Kitchen + Bar, which like Surdyk's offers bottles of wine to go.

"We've seen more retail wine sales than originally anticipated," notes Michelle Ranum, chief marketing and brands officer for **Aero Service Group**, the concessionaire that owns the concept. "It's popular with our guests and comprises approximately 13 percent of our overall sales, with most purchasing in the \$23-\$35 per bottle range."

Despite the popularity of retail wine at MSP, Grzechowiak says that as Minnesota craft beer continues to grow and be popular, passengers have noted their disappointment at the airport's lack of a full wine, beer and spirits shop.

"We would welcome the opportunity to develop a full liquor store at MSP but we're limited in our ability to sell off-sale liquor by the state of Minnesota to only the sale of wine," she says. "Knowing the success of the Las Vegas store, we're very interested in that sales potential, but for us it's a political

matter that would need to be properly vetted. My assumption is that this may be the case for other airports as well."

Indeed, where alcoholic beverage retail may be a hit at certain airports, for others it can be a riskier move, if not a nearly impossible one due to legal restrictions.

"A non-duty free liquor store is a more natural fit in Las Vegas than it may be in other cities," Oram says. "Markets that are similar to Las Vegas will probably be more likely to explore this option before others."

## Location, Location, Location

Though one would be hard pressed to find another North American city with as much a spirit of celebration as Las Vegas, there are various markets today where alcoholic beverage retail is an appropriate fit.

Kentucky, for instance, is where 95 percent of the world's Bourbon is produced, according to Eric Frankl, executive director of **Blue Grass Airport (LEX)**, so it was "only fitting to explore the option of a Bourbon shop in LEX."

Local retailer Cork & Barrel debuted at the airport last summer, featuring around 200 Bourbons, including special "barrel picks"



**Above:** At Tastes on the Fly's Napa Farms Market in San Francisco International's Terminal 2, wine, beer, and ready-made cocktails are available at retail through the company's relationship with Vino Volo. Since wine in particular is so closely tied to the northern California market, this retail feature was a natural fit.

**Below:** At Edmonton International, local operator A Flight of Wine and Spirits opened in the domestic/international terminal in 2009, and in 2015 it moved to a larger renovated space in the same terminal. A non-duty free shop is a particularly good fit for YEG because the airport sees more domestic travelers than international ones.



that are exclusive to passengers at LEX.

"This opportunity presented us with both a risk and a challenge as there were virtually no metrics to base our business model on, but sometimes you have to trust your gut instincts," says Jim Taylor, co-owner of the shop. "We're very pleased with both the foot traffic counts and overall sales of the store to date."

Frankl adds that the shop has been a boon for the airport as an added tie to the local culture of central Kentucky. "More than 2.5 million visitors from around the world have come to Lexington in the last five years to explore the Kentucky Bourbon Trail, which includes 24 distilleries within a 70-mile region," he says. "Cork & Barrel's team is highly trained on the Kentucky Bourbon industry and serves as ambassadors for our region and the product."

Located post-security, Cork & Barrel allows travelers to bring a taste of Kentucky home with them. "It's an excellent opportunity to showcase a unique product that is so closely tied to our region," Frankl says. "Just as a visitor to Napa and Sonoma purchases wine to bring home, visitors to Kentucky want to buy Bourbon."

A shop focused on local Bourbon is

indeed a natural fit for LEX, and one offering California wine bottles to go is at home in **San Francisco International Airport** (SFO). At **Tastes on the Fly's** Napa Farms Market in SFO's Terminal 2, wine, beer, and ready-made cocktails are available at retail through the company's relationship with **Vino Volo**.

"Wine in particular is so integrated into the artisan culture of Napa Valley, and we also appreciate the ability to give exposure to local Bay Area brands such as Anchor Steam beer," says Meredith Genochio, Tastes on the Fly COO. "Although retail alcohol sales are a very small part of our business, we consider it a necessary part of the product mix."

With its success truly depending on location, alcoholic beverage retail is simply not a fit for many airports—but for those where it works, it works well.

At **Edmonton International Airport** (YEG), local operator A Flight of Wine and Spirits opened in the domestic/international terminal in 2009, and in 2015 it moved to a larger renovated space in the same terminal.

"We've seen consistent growth in this area, with peak sales in the November and December months as people make gift

purchases," says Daphne Shelton, manager of concessions development for YEG.

Shelton notes that this shop is a particularly good fit for YEG because the airport sees more domestic travelers than international ones, so a non-duty free shop has a greater chance of success.

"Traditionally, when people think of liquor stores in the airport, they only think duty free. However, international passengers are a smaller percentage of Edmonton's total passenger count so we captured that untapped spend from people who still want to purchase alcohol, whether as a gift or for personal consumption, but are flying domestically," she says.

Shelton adds that finding the right local retail partner is key: "Developing strong community ties to local distilleries and brands helps to share the local story and engage the customer," she says. "The future for alcohol retail at Edmonton remains strong and given the right opportunities it could be a great addition to other airports' commercial portfolios." ■

We'd like to hear your opinion about this article. Please direct all correspondence to Carol Ward at [carol@airportrevenue.com](mailto:carol@airportrevenue.com).