





PREMIUM PUSH

FOLLOWING CONSUMER DEMAND,
AIRPORT BARS ARE GOING UPSCALE

— *By Sally Kral* —

U.S. consumer drinking habits continue to point to one major trend: premiumization. Today's savvy bar patrons are willing to trade up in price for a more upscale, refined experience. As Thor Kritsky, senior director of adult beverage and concept development for **HMSHost Corp.**, points out, this is making a big difference in how travelers drink in airports. "Passengers are looking for experiential offerings and are seeking premium products – these factors are drivers of the premiumization trend in the airport just as they are on the street," he says.

Josh Barone, senior director of commercial for **SSP America**, agrees. He notes that as streetside restaurants across the country have elevated their cocktail programs and wine offerings, passengers are not only demanding the same in airports – they've come to expect it.

"All of the trends streetside in both restaurants and retail point toward a shift in sales to more premium beverages across all categories, and in many cases, this is carrying over even more so in airports," he says.

Carla Wytmar, vice president of development for **High Flying Foods**, doesn't see this trend ending anytime soon. "It appears to only be building as the artisan spirits and fine wine categories are outpacing their respective commodity counterparts," she says. "Everyone is becoming a foodie and a connoisseur of artisan beverage

HMSHost provides a rotating list of proprietary cocktails that are featured across its bars. They represent all spirits categories and are designed to be executable in an airport environment.



Above: SSP America has had great success with specialty cocktail menus at its internal concepts, such as LoLo American Kitchen & Craft Bar in Minneapolis-Saint Paul International Airport, which highlights several local craft spirits on the menu.

Left: Paradies Lagardère opened Second Bar + Kitchen in Austin-Bergstrom International Airport last September, and the upscale craft cocktail and wine lists have resulted in higher-than-average alcohol sales.

products, whether it's craft spirits, beer, wine, soda, coffee, tea, cider or kombucha.”

As the premiumization trend continues to gather steam, it's influencing how airport concessionaires approach their beverage establishments. Whether by adding new menus to an existing venue or replacing nondescript bars in favor of higher-end concepts, concessionaires have heard the call for elevated drinking experiences, and they are delivering.

Keep Up With Trends

The key to meeting consumer demand is to continuously review concepts, stay aware of current research and trends, and evolve concepts accordingly, Kritsky says.

“Our approach is to constantly evaluate our beverage product options and create new recipes regularly,” he adds. “HMSHost observes broad trends indicating what travelers are interested in across all categories to ensure our offer is evolving at the appropriate pace.

“For example, with wine, we make varietal changes where any menu opportunities may exist based on market trends. We recently conducted our annual wine program review, which resulted in us adding a Washington state rosé, an unoaked chardonnay from Burgundy, France, and a white blend from

Oregon to the majority of our premium and high-volume locations,” Kritsky says.

In addition to wine, HMSHost has a rotating list of proprietary cocktails that are featured across its bars, according to Kritsky. “These beverages represent all spirits categories, appeal to travelers and are designed to be executable in the airport environment.”

To offer an upscale bar experience in the airport, Kritsky says it is necessary to have additional training and diligence in maintaining standards. “We do this by identifying and developing beverage ambassadors in every airport and through training and resource housing with our proprietary adult beverage mobile application, My Revolution, which is currently being updated with new content and features,” he says.

Alice Cheung, director of brand development for **Paradies Lagardère's** food and beverage offerings, notes that every bar style, whether a high-end wine bar or a more traditional sports bar, has its place in an airport, but thorough research about guest demographics is vital.

“We look at each airport, the terminal a restaurant is located in and who the primary traveler is for our location,” she explains. “We find that, in just one airport, there may be passengers that overwhelmingly want

craft cocktails and high-end wine lists, while at the opposite end of the concourse, our guests just want the familiar beers and wines that they drink at home to relax.”

One such location where the former is in demand is **Austin-Bergstrom International Airport (AUS)**, where Paradies Lagardère opened Second Bar + Kitchen last September. This restaurant is a partnership with David Bull, a James Beard Award-nominated chef, and his director of bars and beverage, Jason Stevens.

“The wide selection of finely crafted cocktails and the unique but approachable wine list have led to higher-than-average alcohol sales,” Cheung says.

This has been the case for SSP America as well. “We've had a lot of success rolling out specialty cocktail menus in all of our internal concepts, and we have brand partners like LoLo American Kitchen & Craft Bar in **Minneapolis-Saint Paul International Airport (MSP)**, where specialty cocktail menus are a key part of the concept,” Barone says.

He adds that as the company has gone more upscale in its offerings, consumers have followed suit. “As we've continued to upgrade our wine menus over the last few years, we've seen sales shift from the entry wines to our higher-end wines,” he says. “A few years ago, a little over half of our wine



Left: SSP America's Le Grand Comptoir in John F. Kennedy International Airport is one of the few airport bars where passengers can get a glass or bottle of wine from high-end California wineries such as Silver Oak and Opus One.

sales were from our entry house wines, which are now only 20 to 30 percent of wine sales, depending on the location.”

There's also a layer of exclusivity to offering certain premium products. Barone says that the company's Le Grand Comptoir in **John F. Kennedy International Airport** (JFK) is one of the few airport bars where travelers can order a glass or bottle of wine from high-end California wineries such as Silver Oak and Opus One.

“It's a must to have a great alcohol selection and cocktail menu,” says Daniel Muñoz, director of culinary and concept development for **Areas USA**. “With the rise in popularity of craft spirits, customers are more educated and want that higher-tier product. When before they may have ordered a domestic light beer, now they want a Moscow Mule.”

At **Los Angeles International Airport** (LAX), Areas USA has put a focus on modern cocktail menus at its bar venues. Both The Parlor and Ashland Hill are Los Angeles staples that the company introduced to the airport in November and December of last year, respectively, and both feature craft cocktails. Ashland Hill features an extensive list of local craft spirits as well.

“In addition, earlier this year we converted one of our proprietary concepts at **Miami International Airport** (MIA) to a local concept, Spring Chicken, which is

more bar oriented and features a specialty cocktail menu,” Muñoz says. “Sales of spirits have more than doubled.”

Create An Experience

Although delivery of premium, upscale products is vital to keeping up with current consumer bar trends, it's equally important to create an opulent atmosphere and environment, notes Wytmar of High Flying Foods.

“You have to appeal to one's senses with an upscale design and materials,” she says. “The theater of watching a tatted mixologist customize your cocktail; the pop of a cork or ice in a shaker as you tap your toe to the beat of the hip playlist; that fresh scent of the uniquely cut fruit garnish as you taste your first delicious sip.” Each of these elements help elevate the consumer experience.

Echoing this sentiment, HMSHost's Kritsky notes that if you can make a customer forget they're in an airport, you've reached that premium level that is in such high demand today.

“Offering upscale beverage menus in airports gives travelers special access to an experience that one might not typically expect to find in the airport, and it is this type of offering that contributes to making what could be an ordinary travel day [become] a special occasion,” he says.

As SSP America's Barone points out, it's in the concessionaire's best interest to offer these elevated environments: “Upscale bars help us drive sales and shift even more of our sales mix to premium offerings. If you can create the right environment, including everything from bar layout to décor to glassware, guests are willing to pay extra for that experience.”

Anthony Meidenbauer, vice president of food and beverage for **Delaware North's** travel hospitality division, notes that the company is seeing passengers showing up earlier for their flights so they can spend more time in their premium venues.

“When it comes to new business, we have really moved the needle forward with the design and merchandising to fit into the current trend and evolved beverage program,” he says, adding that the company opened a specialty tequila bar, Casa Noble, at **Fort Lauderdale-Hollywood International Airport** (FLL) last year and also operates the luxury nightclub 40/40 Club in **Hartsfield-Jackson Atlanta International Airport** (ATL).

“We are seeing guests starting their vacation experience as soon as they sit down to dine with us,” Paradies Lagardère's Cheung says. “Rather than waiting until they get to a resort, they now want to treat themselves at the airport to a delicious glass of wine they may never have heard of, or a custom crafted cocktail based on their tastes.



Top Left: Bardenay Restaurant and Distillery is a popular Idaho operator with its own portfolio of craft spirits. Delaware North is bringing the concept to Boise Airport to meet growing consumer demand for more upscale airport venues. Bardenay's local flair is a major draw as well.

Left: At Book & Bourbon in Louisville International Airport, HMSHost offers exclusive access to rare Kentucky bourbons like Pappy Van Winkle, Angel's Envy Cask Strength, George T. Stagg and Jefferson's Presidential Select. Upscale venues like this are in increasingly high demand as consumers continue to favor high-end products and upscale drinking experiences.

Far Left: Reilly's Irish Pub, operated by Areas USA in Los Angeles International Airport, is a local brand that carries its own proprietary line of whiskeys. This adds another layer of appeal for passengers seeking high-quality, locally made products.

As airports become destination spots, the caliber of our food and beverage offerings have become increasingly important."

Add a Sense of Place

Going hand in hand with the premiumization trend is the preference for anything locally and sustainably made, explains Wytmar of High Flying Foods. "Passengers are increasingly passionate about thinking globally and sourcing locally – they care more than ever about quality, sustainability, authenticity and loyalty to their coveted brands," she says.

She adds that High Flying Foods has always focused on boutique establishments, which are often local brands or at least venues that partner closely with artisan vendors. Bankers Hill in **San Diego International Airport (SAN)** offers original cocktails with fresh and house-made ingredients, and Gott's Roadside, which opened in **San Francisco International Airport (SFO)** last year, features local wine and craft beer. Both are extensions of local operations.

"Local flavor is a must as many airport travelers are looking for a taste of the region," Delaware North's Meidenbauer says. "Whether that's a local wine or craft beverage or a popular local venue like Bardenay Restaurant and Distillery, which

we operate at **Boise Airport (BOI)**, we infuse local tastes into our restaurant and bar menus whenever possible."

Supporting local premium products and establishments is a priority for concessionaires, airports and travelers alike. At LAX, Areas USA operates Reilly's Irish Pub, a local brand that carries its own proprietary line of whiskeys, which Muñoz notes adds another layer of appeal for passengers seeking locally made products.

As more local craft distilleries and wineries continue to pop up around the country, airport bars are able to feature premium products that exemplify the region's flavor. "At LoLo, we use several local spirits in our cocktails, and in our restaurants in SAN like Pacifica and Prado, we are including wines from the Temecula Valley, which is just outside of San Diego," SSP America's Barone says.

Kritsky says HMSHost takes a similar approach. "In our Pacific Northwest airports, there is remarkable access to great regional Washington and Oregon wines. Even in some of the lesser known wine regions, like North Carolina, we have great success with regional offerings," he says. "Additionally, at Book & Bourbon in **Louisville International Airport (SDF)** we offer exclusive access to rare Kentucky bourbons like Pappy Van Winkle, Angel's Envy Cask Strength, George T. Stagg and

Jefferson's Presidential Select."

Of course, there are some obstacles involved in recreating streetside premiumization trends in an airport setting. "We have very limited bar space and storage, which influences everything from how many bottles we can carry to space for glassware, especially as you move toward using specialty cocktail glasses like coupes and stemmed glasses like tulips and chalices that aren't stackable," Barone says.

In addition to space limitations, airport guests face time constraints, Barone adds. "So we need cocktails that are delicious, on-trend, but can be executed in a timely fashion. We also need to design menus that ensure guests can quickly understand our offerings and find what they like."

Ultimately, the challenges don't outweigh the success concessionaires are having with their premium selections and high-end airport bars, especially as consumers show no signs of changing their upscale preferences.

"The knowledge of what they're drinking along with willingness to try new things continues to increase with airport travelers," Barone says. "It's up to us to stay ahead of evolving trends and customer tastes in order to continue this shift toward premiumization." ■

We'd like to hear your opinion about this article. Please direct all correspondence to Carol Ward at carol@airportnews.com.