



2009 Airport Concessions Benchmarking Survey: News, Gifts and Specialty Retail

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Survey Methodology

- ✓ The News, Gifts and Specialty Retail (NG&S) survey is Phase I of the ACI-NA Concessions Benchmarking Survey
- ✓ The objective is to create a congregated information source for News, Gifts & Specialty Retail data as it is not readily available
- ✓ The survey was sent out to over 250 members of the Commercial Management Committee in June 2009
- ✓ Data collection spanned over 2.5 months

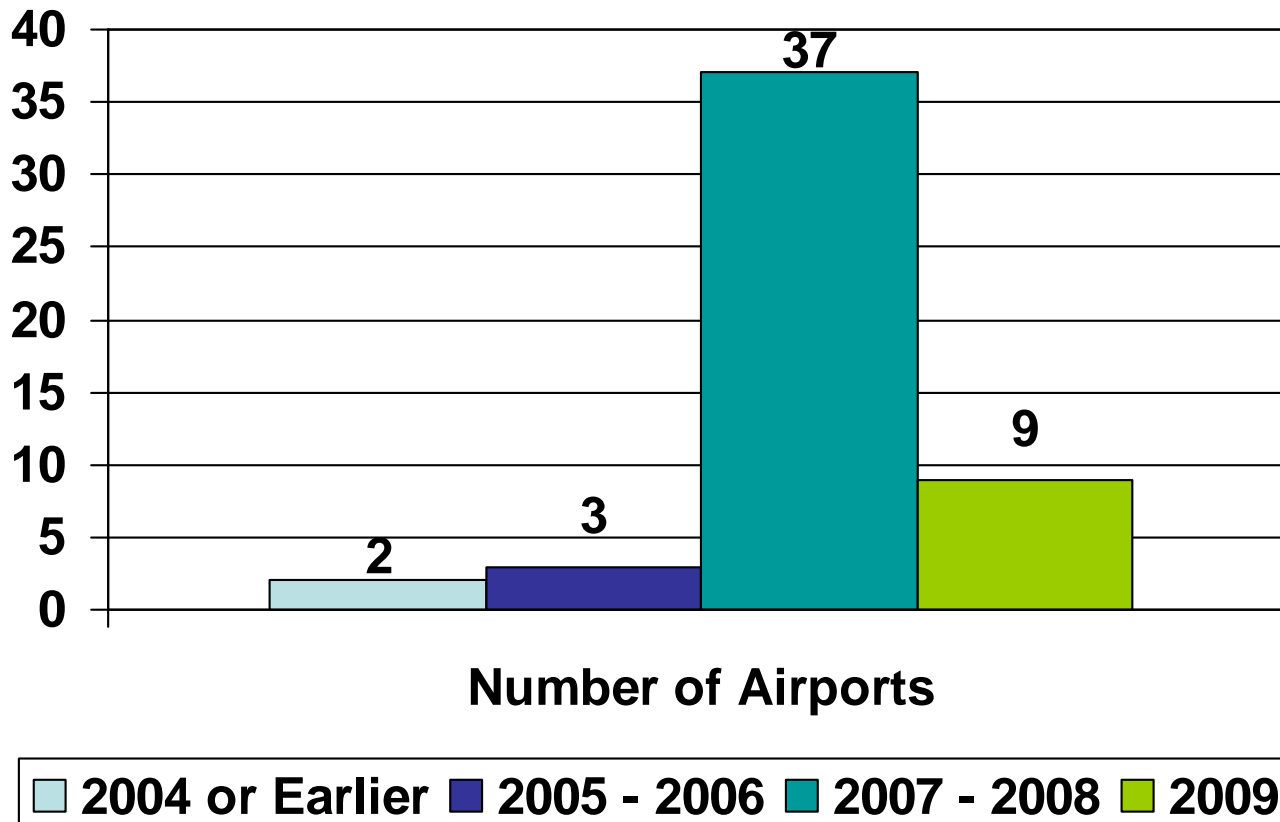


Survey Sample

	Responding Airports	Industry Total (FAA 2008)	% of Airports Represented by Hub Size
Large	20	29	69%
Medium	21	37	57%
Small	13	72	18%
Nonhub	4	244	2%
Canadian & Bermuda	9	--	--
Total	67		

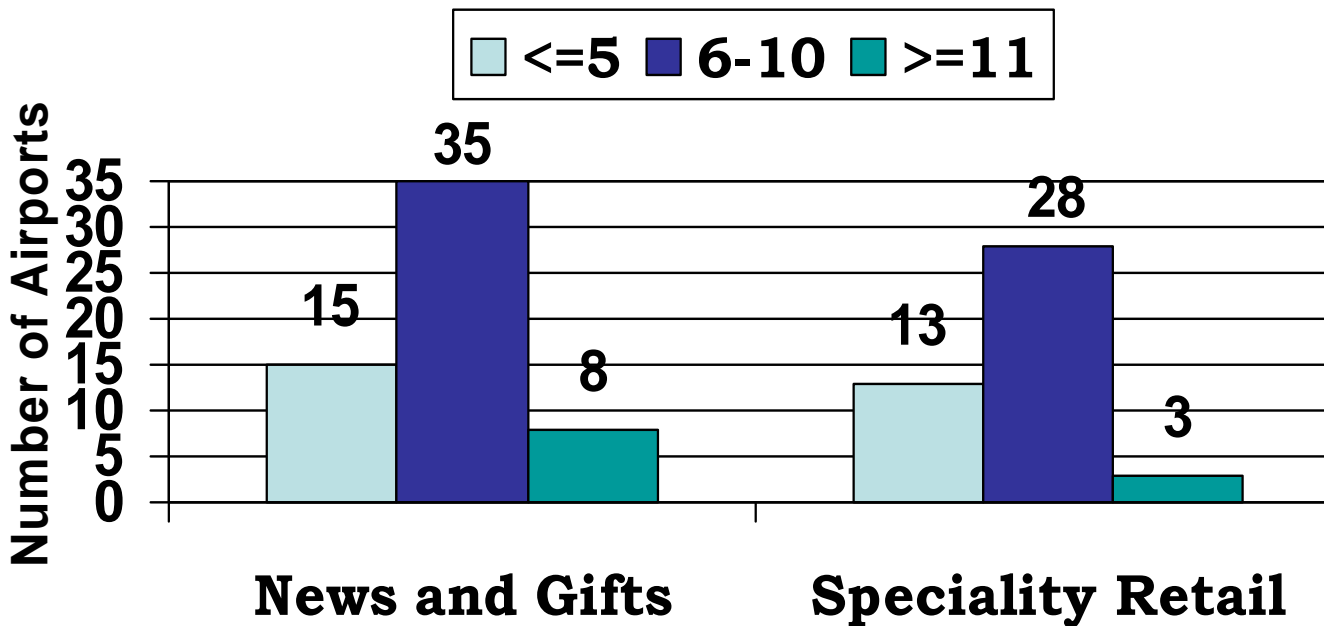
Do Airports Know Their Passengers?

- ✓ 65 out of 67 airports indicate knowing their passengers
- ✓ When was the passenger data last updated?



News, Gift & Specialty Retail Agreements

Average Contract Length in Years



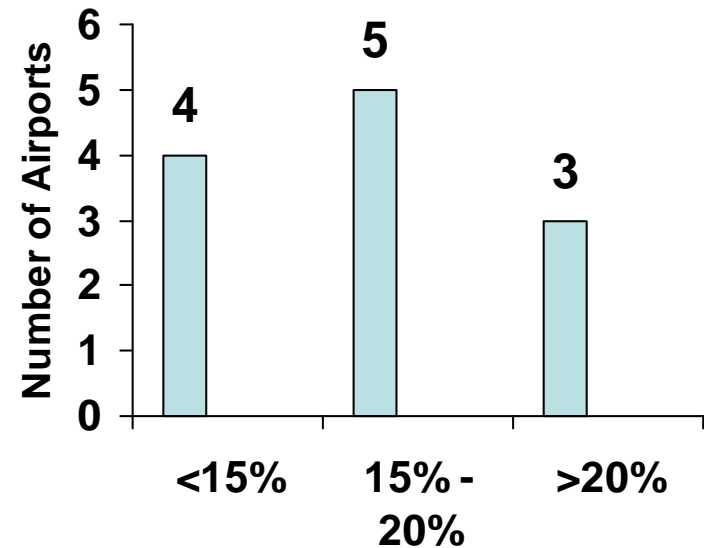
Cart/Kiosk Program

- ✓ 26 airports have a cart/kiosk program
- ✓ 36 airports do not have a cart/kiosk program
- ✓ 5 airports did not indicate
- ✓ 16 airports have a permanent program
- ✓ 2 airports have a temporary program
- ✓ 8 airports have both types of programs
- ✓ 41 airports did not indicate

Cart/Kiosk Program (Continued)

- ✓ 14 airports lease directly to vendors
- ✓ 6 airports have Master Concessionaire/Prime Operator/Developer lease directly to vendors
- ✓ 7 airports have Master Concessionaire/Prime Operator operate as part of its shop operations
- ✓ 41 airports did not indicate

Rent as a Percent of Sales



Support Space and Delivery System

- ✓ Support space for NG&S as percent of total retail space
 - ✓ 0-10%: 29 airports
 - ✓ 11-20%: 18 airports
 - ✓ 21-30%: 5 airports
 - ✓ 30% or more: 7 airports

- ✓ Common Delivery System
 - ✓ No - 46 airports
 - ✓ Yes - 14 airports

Concession Award Process & Marketing

- ✓ RFP is the most common method to solicit & award concession contracts - 52 airports
- ✓ Direct negotiation - 10 airports
- ✓ IFB - 8 airports

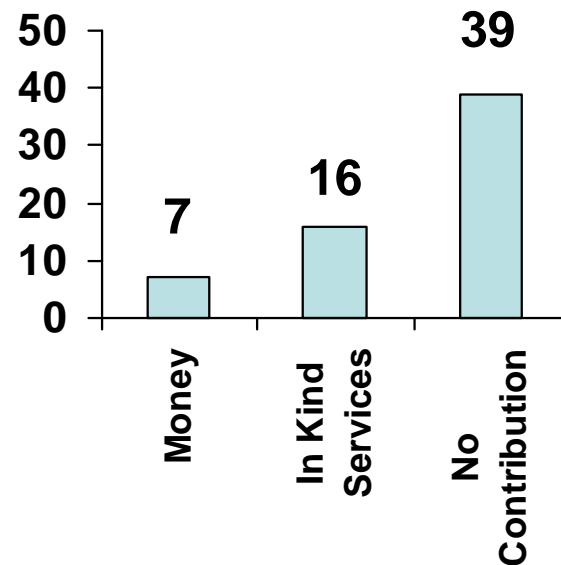
	Number of airports with competing concessionaires in NG&S	Number of airports with multiple NG&S concessionaires competing within the same terminal/concourse	Number of airports with a marketing program for NG&S concession program
Yes	32	20	20
No	30	41	42
No Response	5	6	5

Note: One airport indicated using more than one method

Concession Marketing

- ✓ Top 3 items that airports spend marketing funds
 - ✓ Print advertising (newspapers, magazines)
 - ✓ Shopper service training (mystery shopping/award)
 - ✓ Brochures
- ✓ 66% of airports do not collect marketing fees

What Does Your Airport Contribute to the Marketing of the concession program?

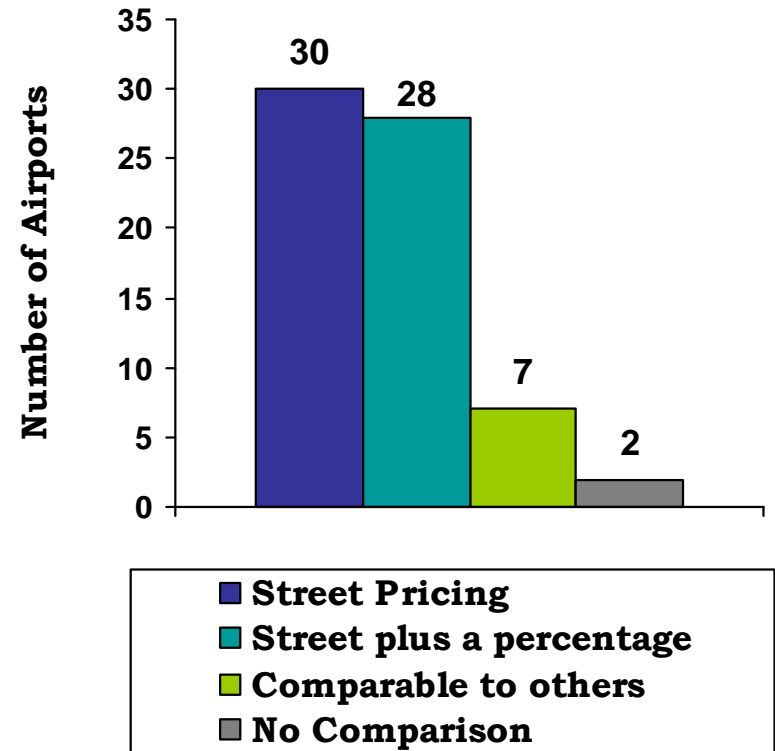


Note: This chart is based on 62 airport responses.

Concession Management

- ✓ 66% of airports conduct customer satisfaction surveys
- ✓ 51% of airports require minimum staffing levels in the concession agreements
- ✓ 72% of airports define & control product lines sold in their concessions

Pricing Methodology

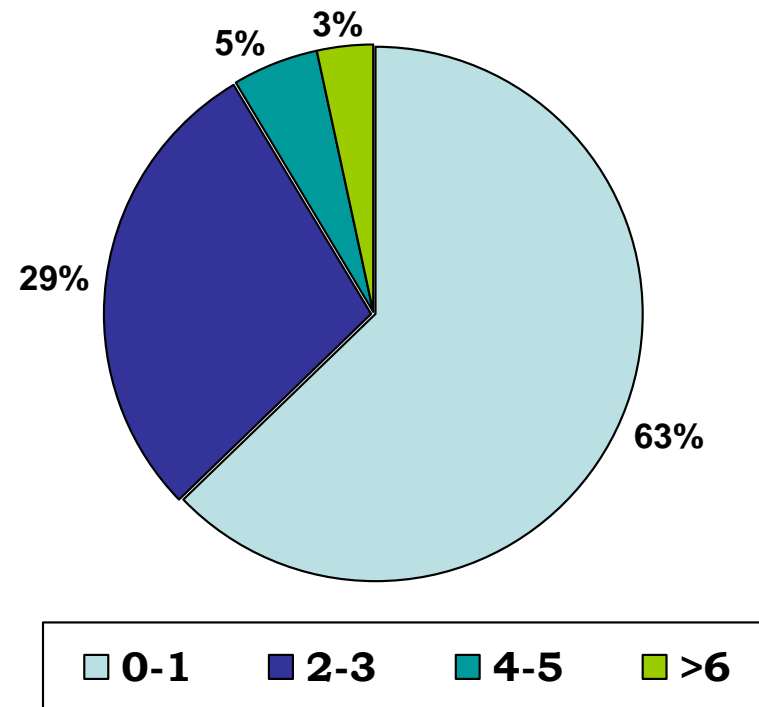


Note: This chart is based on 61 airport responses, and some airports use multiple pricing methods.

Concession Management (Continued)

- ✓ Top 3 formal concession monitoring programs:
 - ✓ Approve changes in service hours
 - ✓ Conduct facility inspections
 - ✓ Conduct routine meetings with concessionaires
- ✓ 92% of airports do not use profit sharing provisions

Airport Staff Dedicated to NG&S



Note: This chart is based on 59 airport responses.

Concluding Remarks

- ✓ Airports generally know their passengers and conduct customer satisfaction surveys. Most airports have updated the passenger data in the recent 2-3 years.
- ✓ The number of news, gift and specialty retail contracts vary greatly among airports, but generally last 6-10 years.
- ✓ The majority of the airports do not contribute to the marketing of the concession program, while only one third of the airports collect a marketing fee.
- ✓ Airports set up standards to manage their concession programs with over half requiring minimum staffing levels and over 70% defining and controlling product lines sold.
- ✓ Over 60% of the airports have only one person or less dedicated to NG&S and only 8% have over 4 staff.