



AIRPORT CONCESSIONS BUSINESS MODELS – WHAT’S NEXT? COMMERCIAL MANAGEMENT COMMITTEE

AGENDA

November 7, 2021

Reno-Sparks Convention Center / Room: C3

As air travel continues to recover, the industry needs to come together to address continuing challenges, strategies implemented, and identify opportunities to evolve sustainable in-terminal concessions business models. The roundtable discussions will bring together stakeholders to discuss the impact of the COVID-19 pandemic on various elements of the concessions business models and potential future modifications for both airports and concessionaires.

This meeting is open to all registered ACI-NA Annual Conference & Exhibition attendees.

SUNDAY, NOVEMBER 7, 2021

7:30 AM – 7:00 PM **Registration**

8:00 AM – 9:00 AM **Networking Breakfast**

9:00 AM – 10:00 AM **Welcome Remarks**

Speakers: Matt Cornelius, Executive Vice President, ACI-NA
Ingrid Hairston, Vice President, Properties and Business Development, Birmingham Airport Authority
Pablo Nüesch, General Counsel, ACI-NA

Understanding the Bottom Line for Airports and Concessionaires

Airports and concessionaires have joint goals and objectives in providing a high-quality passenger experience and sustainable business models. Both stakeholders should have a common understanding of the respective economic structures. Hear from representatives from airports and concessionaires on their financial parameters and business models.

Facilitators: Jaimini Erskine, Director, Office of Commercial Management, Maryland Aviation Administration
Pat Murray, Executive Vice President, SSP America

10:00 AM – 10:30 AM **AM Networking Break**

10:30 AM – 11:15 AM

Operational Flexibility Considerations – What’s Next?

Typical discussion topics regarding the concession business models often revolve around labor, capital, rent, and lease terms. While these topics are important, previous discussions around operations have had less focus. However, operational requirements are critical to the success or failure of a concessions program. What are the various operational requirements? For example, hours of operations, sustainability initiatives, and logistics. What are the trade-offs between providing operational flexibility, and does this impact the common goal of providing a high-quality passenger service?

Facilitators: Zenola Campbell, Vice President, Concessions, Dallas Fort Worth International Airport
John Cugasi, Vice President, Marketing, Paradies Lagardère
Laurie Noyes, Vice President of Concessions and Commercial Parking, Tampa International Airport
Bob Wilson, Group President, Travel Hospitality, Delaware North

11:15 AM – 12:00 PM

Operating Cost Considerations – What’s Next?

There is often a passenger perception that airport food & beverage and retail prices are excessive compared to similar prices off-airport. While most airports impose street pricing (or street pricing plus a percentage) requirements, airport costs don't correspond to off-airport costs. Do airport pricing practices help balance the desired long-term passenger experience within the airport environment? What can airports do to protect consumers and create a vibrant marketplace while maintaining financial viability?

Facilitators: Amy Dunne, Vice President of Business Development, HMSHost
Eric Johnson, Director, Commercial Management & Airline Affairs, Minneapolis-St. Paul Metropolitan Airports Commission
Deven Judd, Acting Vice President, Marketing & Consumer Strategy, Metropolitan Washington Airports Authority
Brian Quinn, Executive Vice President and Deputy Chief Executive Officer, Hudson

12:00 PM – 1:30 PM

Networking Lunch

1:30 PM – 2:30 PM

Rent and Capital Considerations – What’s Next?

Capital investment and rent requirements are the two most challenging elements of the concessions business models. Even before the COVID-19 pandemic, there were challenges with rent and capital for airports and concessionaires. However, this has been exacerbated by the historic decline in passenger traffic. What are the lessons learned? What are the nature and severity of rent and capital challenges and consequences? Looking to the future, what are the potential solutions?

Facilitators: Shane Andreasen, Director of Administration & Commercial Services, Salt Lake City Department of Airports
David Freedman, Senior Vice President & Chief Revenue Officer, Raleigh-Durham Airport Authority
Sammy Patel, Vice President, Commercial & Chief Executive Officer, Midway Partnership, Vantage Airport Group
Roderick McOwan, Chief Development Officer, Marshall Retail Group

2:30 PM – 3:00 PM

Continuing the Industry Discussion – What’s Next?

Airports and concessionaires are independently taking actions that have the effect of changing the concessions business models. However, there is no perfect solution or industry framework to adopt – instead, the sharing of information and industry discussions are vitally crucial for the industry to move forward.

Facilitators: Ingrid Hairston, Vice President, Properties and Business Development, Birmingham Airport Authority
Laurie Noyes, Vice President of Concessions and Commercial Parking, Tampa International Airport

5:00 PM – 6:00 PM

Exhibition Hall Grand Opening

ACI-NA recognizes that, as in most airport endeavors, there is no single correct, one-size-fits-all approach that is suitable for every airport. Airport operators must adhere to applicable procurement and business requirements, and they may or may not be able to change/influence them. That is why this meeting will provide options for members to consider in light of the specific legal, commercial, and other factors in play at their individual facilities, rather than advocating a specific course of action that may be beyond their ability to undertake. The discussion will serve as a valuable tool for airport staff that is responsible for the business decisions concerning their concession program, as well as existing and potential concessionaires.