



# Travelers chafe at sky-high cost of eating at airports

By Roger Yu, USA TODAY



Frequent traveler Sammy Tawil walked up to a sandwich shop at New York's [John F. Kennedy airport](#) shortly before boarding a recent flight, though he says he wasn't really hungry.

But knowing he wouldn't eat for hours, Tawil reluctantly bought a tuna sandwich, pita chips and iced tea. Total: \$17.31, with tax.

Even as he ate, the tile industry executive from [New Jersey](#) fumed. He was frustrated by what he considers price-gouging by airport retailers. "There are times when I pay these prices at airports, and I'm saying to myself, 'Whew, is this a joke?'" he says. "It's often the only time you have to settle down and have a bite to eat."

Tawil's irritation is shared by many travelers, who see themselves as captive to whatever prices retailers charge at a time they're spending more hours in airports and despite efforts by many facilities to prevent gouging.

Many airports — including some of the nation's largest, such as [Chicago O'Hare](#) and [Washington Dulles International](#) — have adopted so-called street pricing policies. They require airport shops and restaurants to charge prices comparable with similar stores in town.

But many airports haven't. Some, such as [Los Angeles International](#), don't have a policy. Many others, such as Atlanta's Hartsfield, allow retailers to charge a set premium over street prices. And some retailers circumvent restrictions by using upscale stores outside the airport as their benchmark for prices.

That leaves many travelers with the impression that they're going to pay more if they grab something to eat, drink or give as a gift at airports regardless of where they are.

"I have yet to find any airport that sells items at street prices," complains Trevor Bushell, a business development executive at Ontario, Calif., who is constantly on the road. "Candy bars are at least 50 cents more. Drinks and food are overpriced by several dollars. I don't buy anything at an airport if I can help it."

Airport executives say prices are much lower than they were a decade ago, and retailers charge more because it's more expensive to run a business at airports. Improved selections and better quality — gourmet food shops and high-end retailers are all the rage at airports — also inevitably result in higher prices, they say.

"You're looking for convenience and quality, so there's corresponding pricing that goes with (those)," says Janice Holden of [JFK IAT](#), which operates JFK's Terminal 4.

### **More time, few options**

Exacerbating frustration about prices: Travelers often spend more time in airports now, and airlines have cut back on meals or snacks on flights.

"Every airport seemed to jump on the bandwagon when the airlines started charging for food and drink on the flights, and water suddenly became a real moneymaker," says traveler Greg Adamson, a sales manager in Phoenix.

Post-9/11 security rules force passengers to be at airports earlier to check in. They also mean that most food and drink taken aboard flights must be purchased after passengers clear security checkpoints. In addition, many passengers are waiting longer for connections, because airlines have reduced flights in response to higher fuel prices and a drop-off in the number of people traveling.

Larry O'Neill, a sales development manager from Valley Forge, Pa., recently had an hour to kill at San Diego Lindbergh Field. Only two stores were visible near his gate, he says. A prepackaged turkey sandwich from a coffee retailer cost him \$8.50.

"Once you go through security," he says, "you're at their mercy. It's like, 'We can charge anything we want. It's either you eat here or not eat at all.' "

Frequently purchased items at post-security shops in particular, such as bottled water, food and breath mints, are noticeably more expensive than in street stores, travelers say.

When frequent traveler Tawil recently paid \$4.99 for a bottle of iced tea at a newsstand at [New York JFK](#), he says that even the store clerk nodded in sympathy as she took his money.

Some airports have seized on the trend of longer airport waits by aggressively expanding retail operations, courting fancier brands and assigning more space for shops in hopes of boosting their non-aviation revenues. But many also have taken steps to try to hold down prices.

"There has been a trend toward street pricing over the years," says Andrew Weddig, senior vice president of airport consulting firm Unison.

A decade ago, retailers operating under old contracts had little or no limits on their pricing powers, Weddig says. But as airports renew contracts, he says, many are starting to require street prices or a cap on premiums.

## **Policies vary by airport**

In addition to Chicago O'Hare and Washington Dulles, Pittsburgh, Seattle, Philadelphia, Boston and Baltimore/Washington airports require all vendors to price items similarly to comparable goods or stores in town.

At Dallas/Fort Worth, retailers of goods charge street pricing, while a majority of food and beverage shops charge a 10% premium, says Zenola [Campbell](#), DFW's vice president of concessions. Atlanta and San Francisco have similar policies.

Although Los Angeles International has no pricing cap now, Amy Shaw, the airport's concessions director, says, "LAX officials are aware of the higher prices." And starting with new contracts effective in 2011, several terminals will require vendors to charge no more than 15% over street prices, she says.

Some airports are taking other steps to hold down prices, such as taking retailing out of the hands of a single, or "master," concessionaire and leasing to individual store owners.

***"There's no competition" when retail stores are concentrated in the hands of a master concessionaire, says Mark Knight, president of BAA USA, an airport retail developer. "And what you get is higher prices."***

***At least 12 airports, including Boston, have eliminated the master concessionaire recently, Knight says, and the result not only is lower prices but greater overall sales.***

***When Boston switched in 2000, he says, retail sales per passenger totaled about \$6.20. Now, it's \$12. "You give them a fair price, they'll reward you with much more business," he says.***

## **Flexibility within street pricing**

Despite airports' efforts to rein in prices, airport concession managers and retailers say, some higher prices are inevitable because operating costs are higher.

Brett McAllister of Airports Council International-North America says square-foot development costs are greater at airports, and airport shops have operating challenges that their counterparts in town don't have.

Airport shops typically stay open longer hours, he says, and may need beefed-up staffing when there's a snowstorm that grounds flights. Retailers also have to pay the airport landlord for employee screening. Food distribution requires additional steps, such as clearing security and late-night delivery hours. Airports can charge retailers to remove trash and run common-use areas.

Campbell of Dallas/Fort Worth says it costs airport retailers about 10% more to operate than it does their in-town counterparts.

Candace Snorgrass, who owns three Paradise Bakery & Cafe shops at Phoenix Sky Harbor Airport, says her airport rent is 2% to 4% higher than in town. Most items at her stores carry price tags that match street prices, in keeping with the policy at most of the airport's terminals. However, she says, a few items are a couple of percentage points higher to help cover the costs of 140 employees, their \$82 security checks and \$35-a-month parking.

***BAA's Knight doesn't buy the argument. "Yes, there are some additional considerations at airports," he says, "but there's the other side. If it's done right, airports can draw more customers and be much more lucrative."***

Retailers at many airports that invoke street pricing have some flexibility in determining comparable prices, and they often use upscale stores as their benchmark.

At San Francisco International, for instance, they compare prices to the upscale shops at tourist destinations such as the Embarcadero Center or Fisherman's Wharf, says Cheryl Nashir, the airport's deputy director.

At airports with a street-pricing policy, a 20-ounce bottle of water can typically cost \$1.80 to \$2.30, vs. 99 cents to \$1.20 at a [7-Eleven](#).

Officials at Denver International recently had to force a fast-food operator to lower its prices after discovering that it was using the eateries at Invesco Field, where the Denver Broncos play, to compare prices.

Business traveler Chris Byrd says he recently paid about \$3 for a double cheeseburger at a [Burger King](#) in Phoenix Sky Harbor, or about three times the price at a non-airport location. "There's no way it's close to street prices," he says.

Not every traveler complains, however, especially if they find something they like and think they're getting value.

Ellen Tyler, a food industry sales executive from Healdsburg, Calif., has a "go-to" place at her home airport, San Francisco International. It's Boudin Bakery, where she pays \$8.29 for a turkey havarti sandwich on a sourdough roll. The price? "I think it's comparable to what I would pay at their stores around the Bay Area," she says.

*Contributing: Rachel Huggins*

## TOP 21 AIRPORTS' PRICES FOR FOOD AND BEVERAGE | [Story](#)

Most prices for some common items at the nation's 21 busiest airports are higher than at stores outside.

Airport	Airport policy for food/beverage	20-oz. water bottle (\$1.20 at 7-Eleven)	Starbucks tall latte or a similar drink (\$2.80)	McDonald's Big Mac value meal (\$5.20)
<b>Atlanta</b>	Street pricing + 10% <sup>1</sup>	\$1.79	\$3.40	\$5.11
<b>Chicago O'Hare</b>	Street pricing	\$2.65 (25-oz. bottle)	\$3.25	\$5.30
<b>Los Angeles</b>	No limit	\$2.29	\$3.40	\$6.79
<b>Dallas/Fort Worth</b>	Street pricing + 10% at "a majority" of stores	\$2.39	\$3.00	\$5.39
<b>Denver</b>	Street pricing + 10%	\$1.99	\$3.49	\$6.30
<b>New York JFK</b>	Street pricing	NA <sup>8</sup>	NA <sup>8</sup>	\$6.49
<b>Las Vegas</b>	Prices comparable to shops at major airports	\$2.25 \$2.99	\$3.39	\$7.79 <sup>4</sup>
<b>Houston Bush</b>	Street pricing	\$1.75 \$2.25	\$2.99	\$6.39
<b>Phoenix</b>	Street pricing <sup>2</sup>	\$1.34 (25-oz. bottle)	\$2.70	\$7.76 <sup>4</sup>
<b>San Francisco</b>	Street pricing + 10%	\$2.79	\$3.05	\$6.89 <sup>4</sup>
<b>Newark</b>	Street pricing	\$2.35	\$4.11 <sup>7</sup>	\$6.16
<b>Charlotte</b>	No limit	\$2.49 (25-oz. bottle)	\$3.40	\$6.89 <sup>4</sup>
<b>Orlando</b>	Street pricing <sup>3</sup>	\$1.89	\$3.15	\$5.99
<b>Detroit</b>	Street pricing, not to exceed 10%	\$2.29	\$3.00	\$5.69
<b>Minneapolis</b>	Street pricing + 10%	\$2.59 (25-oz. bottle)	\$2.95	\$5.49
<b>Miami</b>	Street pricing + 10%	\$2.49 (24-oz. bottle)	\$3.20	\$5.69
<b>Seattle</b>	Street pricing	\$1.79	\$2.25	\$5.69 <sup>4</sup>
<b>Philadelphia</b>	Street pricing	\$1.75 \$2.29	\$4.15 <sup>5</sup>	\$5.99
<b>Boston</b>	Street pricing	\$1.69	\$2.95	\$5.89
<b>New York LaGuardia</b>	Street pricing	\$2.29	\$1.99 <sup>7</sup>	\$6.09
<b>Washington Dulles</b>	Street pricing	Prices capped at \$1.76	\$2.80	\$4.79 <sup>6</sup>

1 = In all concourses except E, which has street pricing; 2 = at Terminals 2 and 3; No limit at Terminal 4; 3 = At Airside 1, 3, 4 and Landside; Street pricing + 10% at Airside 2; 4 = Burger King Whopper meal; 5 = Peet's Coffee & Tea; 6 = Wendy's single combo; 7 = Dunkin' Donuts; 8 = Not available  
Sources: Airports, USA TODAY research