# Premium brands can take flight in Airport Bars

**Andrew Hummel**
Client Solutions Director – Americas
*Originally published in Global Drinks Intel. Magazine*

**1in8**

(13%) consumers typically *visits airport bars*

The US On Premise sector has seen a notably positive trajectory this year, presenting ample opportunities for businesses to capitalize on in the months ahead.

Airport bars provide some unique opportunities for drinks brands to encourage trial, grow loyalty and drive premiumization—but only if suppliers respond to consumers' behaviors in this unique environment.

## Five key differences from other bars:

**1. Guest affluence**
Airport bar users are significantly higher spenders and regular bar-goers than the average US consumer. Those travelling with first class tickets are especially free with their purchases.

**2. Solo visitors**
Consumers are more likely to visit an airport bar solo than step inside a neighbourhood or sports bar on their own. Understanding how the needs of solo guests differ from group dynamics is important.

**3. Wider dayparts**
With flights spread from very early morning to late at night, some airport bars welcome guests nearly 24/7. Assortment and menus that can flex for different dayparts are vital.

**4. Treat mentality**
Consumers at the start of holiday often arrive with a treat mentality. Positioning brands to serve this celebratory mood is a powerful route to extra sales.

**5. Spontaneous choices**
Airport bar guests often arrive with an open mind about their drinks choices. There are various chances to Influence those who are undecided about their categories and brands, or those who might be persuaded to change their minds.

## Understanding the airport bar guest

Airports are a consistent market with an engaged and affluent guest base. One in eight **(13%)** consumers typically visits airport bars, and more than four in five **(84%)** of them say they will do so again in the next 12 months.

Increasing sales in airport bars begins with an in-depth appreciation of who is using them. Research shows guests skew towards younger adults and those with a significantly higher average household income and spend on both alcohol and eating and drinking out. They tend to be very frequent visitors to bars and restaurants in their everyday lives, and so are naturally well disposed to use airport bars while in transit.

**Those who discover drinks brands while travelling may well go on to enjoy them elsewhere**

The demographics of airport bar guests makes it important that marketing stays relevant to the needs and views of 20 and 30-somethings. This relative youth also makes airport bars valuable platforms for generating brand equity as well as sales. Those who discover drinks brands while travelling may well go on to enjoy them elsewhere—for many years to come, and in the Off Premise as well as bars.

## Tracking behaviors

As well as understanding who is using airport bars, it's vital to know why and when. Around half of users are likely to visit alone, closely followed by with a partner and then friends. Brands need to cater for the needs of the business traveller while also tapping into the excitement of those on vacation in groups. For all guest types, relaxation is a priority need state and choice factor, so promoting brands as the go-to for unwinding and settling back is key.

Timewise, the round-the-clock nature of airports means the range of dayparts in these venues is far wider than in most types of bars. This opens up some unique opportunities that are not often found elsewhere, from breakfast and brunch through to late-night. Food-led occasions, as travellers grab a meal before boarding a flight, are especially prevalent.

**For all guest types, relaxation is a priority need state and choice factor**

Beer leads as the most popular selection, just ahead of spirits and wine. Domestic, imported and craft beer options should all be available with notable proportions of category consumers having each of these.

Vodka is the most consumed spirit in airport bars, with whiskey and tequila also proving popular. Tailoring the spirit selection to match visitor preferences is vital. Spirit drinkers enjoy a range of solo and mixed serves, with cocktails consistently proving most popular for many categories. Collaborating with venues to ensure they showcase your brands on their cocktail menu can help enhance visibility and premium perceptions.

In-flight, soft drinks, which are regularly provided free of charge on American domestic flights, is the category most likely to be consumed, marginally ahead of vodka, table wine and whiskey. No single category dominates in-flight consumption, creating opportunities for a range of brands. Consumers engage with a wide range of categories, with around 4 in 5 satisfied with the range available. Building strong partnerships with the most used airline providers is key to leverage this opportunity.

**In-flight, soft drinks is the category most likely to be consumed**

As elsewhere, price is the most common consideration in travelers' selections, and quality, food pairings and habitual behaviors are also front of mind. CGA's research provides a deeper dive into the beer, wine and spirits categories, with insights into the most popular types and preferred serve styles. There is also expert analysis of cocktails including a rundown of the most popular types—led by the Margarita and Bloody Mary—and a close look at the hard seltzer and RTD segments.

## Driving trade-up

While the majority of travellers are on economy tickets and can be sensitive to price, there is a significant cohort of airport users who carry business or first-class tickets and are ready to spend freely. Two in five **(39%)** visitors say they are more likely to choose high quality and expensive drinks—a higher number than the **30%** who are more likely to choose drinks with a lower cost.

This brings excellent potential for premium drinks brands, especially if they can demonstrate their high quality ingredients and suitability with food. Seven in ten **(71%)** airport bar users say they are very or quite likely to pay extra for a better quality drink—rising to **82%** of those aged 35 to 54. Younger consumers are also receptive to trying higher quality brands, and those who are at the start of a vacation may opt for them in this environment because they want to treat themselves—even if they wouldn't do so in other bar types.

The cheerful mood and appetite for experimentation has important implications for ranges in airport bars. Well-known and trusted brands need to underpin offerings, but significant numbers of travelers want to see variety so they can try new things and trade up. It makes a strong case for range in airport bars to be more substantial than in other channels like neighbourhood or sports bars.

**71%**

**Seven in ten airport bar users say they are very or quite likely to pay extra for a better quality drink**

First-class lounges are of course prime targets for premiumization, and good visibility here is vital for luxury brands—especially those in the vodka, whiskey and tequila segments, where high quality and attractive serve styles are vital. Across the channel, clear pricing ladders are needed to guide guests through the trade-up opportunities that are available to them.

**Clear pricing ladders are needed to guide guests through the trade-up opportunities**

**38%**

**Nearly two in five airport bar users have *not decided which category to choose before arriving***

## Intervening on the paths to purchase

So how can suppliers and venues reach these premium-minded airport bar users and secure their spend? CGA's research maps their paths to purchase and the numerous factors that shape their choices.

It shows that well over half decide their drink choice prior to visiting airport bars—a higher proportion than in most other channels, and a reminder of the role of previous experiences and external influences in decisions. The time of day and type of trip are the two most important factors in these pre-venue decisions.

However, nearly two in five **(38%)** airport bar users have not decided which category to choose before arriving—and nearly two thirds of those who have decided say they are willing to change their minds after arrival. Recommendations on menus and from bartenders can be extremely influential on both of these 'in the moment' groups, so menu visibility and collaborating with venue staff to recommend certain brands are pivotal strategies. Special offers have a role to play too, but a range of other factors like how drinks are displayed and in-venue advertising are also powerful.

**30%**

**of guests say they now prefer to order digitally**

Brands can also intervene at the digital touchpoints of guests' journeys through airport bars. Ordering at the bar or at a table via a server are the two most common methods for purchases, but nearly a third **(30%)** of guests say they now prefer to order digitally. This is notably higher than in many other bar types, and mobile or app ordering has become the norm for many young adults. Brands that work with venues to get their drinks front and center of digital ordering platforms and emphasize convenience and speed can get a competitive advantage in this important digital environment.

## The nuances of On Premise channels

All data is sourced from CGA by NIQ's research of around 7,500 US consumers who plan to visit the On Premise in the next 12 months. The 2024 edition of the Airport Bars Channel Strategy Deep-Dive Report will be available to purchase soon.

CGA by NIQ is the global expert in out-of-home eating and drinking, with a wide range of sales measurement and consumer research solutions.

**To discover more about the report or other solutions to help develop winning strategies in the US On Premise, contact Andrew Hummel, CGA by NIQ's Client Services Director – Americas, at** *Andrew.Hummel@nielseniq.com.*

CGA
Powered by NIQ