



HUBS of Commerce

More than just landing strips, today's airports are connectivity nodes in vast enterprises that span the globe

By Dr. John D. Kasarda

If you are not in a dash to the gate, take a walk around major airport passenger terminals and their adjoining areas. You will observe an amazing commercial and cultural metamorphosis.

No longer restricted to book and magazine shops, food courts, and duty-free outlets, airports now house galleries and shopping streets featuring brand name boutiques, specialty retail and upscale restaurants, along with live music, arts, entertainment and cultural attractions.

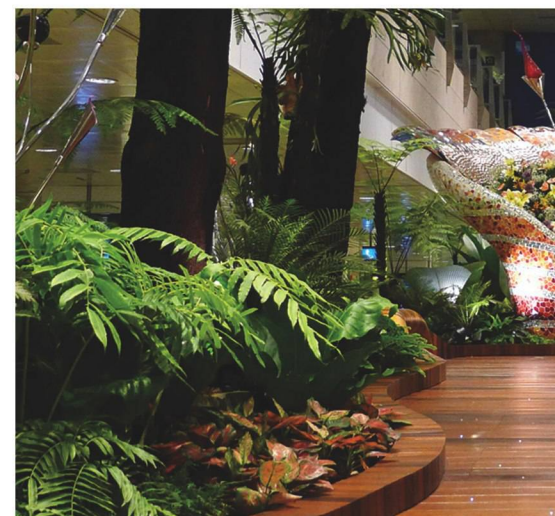
Locally and regionally themed terminal designs contribute to place identity and to city and regional marketing. The transit area of Singapore Changi's new Terminal 4, for example, has been designed to feature Peranakan shop houses symbolizing "Old Singapore." Cleveland Hopkins International Airport is developing a music-themed tunnel in cooperation

with the city's Rock and Roll Hall of Fame and Museum. Adding to a sense of place identity are locally based merchandise and dining outlets such as Indy 500 Authentics in Indianapolis' terminal, and the well-known Memphis barbecue restaurants at that city's airport.

Concierge-staffed business lounges are sprouting up in the terminals along with concourse-connected four- and five-star hotels that serve as virtual corporate headquarters. Geographically dispersed executives fly in for sales meetings, client contacts, board meetings and high-level decision-making, often without an overnight stay.

Making Connections

Hong Kong International Airport (HKIA) is a good case in point, hosting the world's largest terminal commercial lounge.



This 15,000-square-foot full-service business center supports up to 300 users with wireless hotspots, workstations, printers and meeting facilities along with large-screen TVs and advanced videoconferencing systems.

When business travelers aren't working, they can enjoy an all-day buffet and an à la carte menu along with such personal amenities as spa-type massages, barber services, and manicures. If these travelers require an overnight stay, the 1,171-room Regal Hotel – winner of this year's Best in Business Travel Award for Best Airport Hotel – is connected to the passenger terminal to provide an even fuller complement of business and service amenities.

At London City Airport, research shows that 61 percent of passengers are business travelers and that over half of them use



Clockwise: Incheon International Airport; Dubai International Airport; Singapore Changi Airport

leader in airport retail sales, a fact reflected in Incheon's Best in Business Travel Award for this year's Best Airport for Duty Free Shopping. The South Korean hub reached \$1.7 billion in sales compared to Dubai's \$1.6 billion. Due in large part to mainland Chinese and Japanese air travelers, Incheon's terminal retail has gone increasingly upscale. Its Louis Vuitton store alone had sales of \$100 million in 2012 with passenger surveys revealing that many Chinese and Japanese consumers fly to Incheon airport just to visit this world-famous luxury shop.

Passenger terminals are becoming social realms, too. Singapore Changi Airport – voted by *Business Traveler* readers as the Best Airport in the World in 2014 – has an “Xperience Zone” offering the latest movies and sports on large screens. Other features include lush “green oases” including cactus, orchid, and butterfly gardens as well as a four-story high slide for thrills. It is developing “Project Jewel” at its Terminal 1 car park, a significant lifestyle destination featuring a 130-foot high waterfall.

Making the airport experience more urbane, American hip-hop star Jay-Z is taking his popular New York City lounge and sports bar, the 40/40 Club, to 20 major US airports. The first one opened in spring 2014 in Atlanta Hartsfield-Jackson Airport's terminal.

Other airports taking on unique business functions include Frankfurt which has the world's largest airport clinic, serving more than 36,000 patients yearly, and Stockholm-Arlanda Airport's, whose chapel conducted nearly 100 weddings in 2013 on a fee basis. Munich International has a terminal-linked 5-star hotel that compares favorably with many of the best downtown hotels in quality of services and guest amenities.

Beyond Terminal Velocity

Property facing passenger terminals (forecourts) have become valued as business and cultural centers, as well. Building on the traditional urban “central square” model, the outdoor plaza in front

subscription-based financial services. To cater to this need, Bloomberg LP is taking the airport's business infrastructure a step further. This multinational financial services firm operates a technology hub in London City's terminal providing real-time financial data and information along with an analytics help desk.

Incheon's new Terminal 2, currently under construction, will be a business center in its own right. Nearly twice the size of Incheon's existing large terminal, T2 will contain a shopping district, hotel, sculpture and exhibition areas, and garden areas with waterfalls, indoor streams and koi ponds. Its retail lifestyle center will feature double-level shopping, currency exchanges and remote duty-free pickup of purchases from Seoul.

Incheon surpassed Dubai International Airport in 2012 to become the world's

AIRPORT REPORT

■ LaGuardia Unveils Shops, Restaurants and Free ChargeBar—

The first wave of upgrades have hit New York City's LaGuardia Airport (LGA) Terminal B with the opening of new shops, restaurants and services. The openings are part of an overall strategy to upgrade the food and retail offerings while planning continues on a new terminal.

Retail shops located in the center of the terminal include Tumi, Lacoste and Eddie Bauer on the Departures Level. New restaurant options include Sorrentine Panini Bar, Bowery Bay Tavern and Six Blocks Bakery, which serves pastries from the famed Balthazar Bakery in Manhattan.

The Centurion Lounge by American Express opened in late summer and offers upgraded lounge services to Amex cardholders. Temporary ChargeBars have been installed in two store locations that are awaiting construction where travelers can charge up for free, from 10:00 AM to 7:00 PM daily.

For details visit shoplaguardia.com.

■ United Introduces New VIP Upgrades at SFO —

United Airlines has revealed new check-in options at San Francisco International Airport (SFO). The convenience is available only to its most frequent customers. The new additions include a reception lobby for its invitation only Global Service program and a dedicated check-in area for Premier MileagePlus members.

Located across from doors five and six at the departure level of Terminal 3, the Global Services reception lobby offers personalized check-in services to travelers flying in United GlobalFirst on long-haul international flights. The new Premier check-in area, located near Terminal 3's Boarding Area E is designed to expedite check-in for MileagePlus Premier members with self-bag tag kiosks.

For details visit united.com.

AIRLINE NOTES

■ **British Airways Links LHR and IAD via the A380** – British Airways has launched service between London Heathrow and Washington Dulles International Airport aboard its new Airbus A380. This marks the first and only nonstop A380 service between the two nations' capitals. The airline also officially unveiled its new, improved business and first class lounge for customers departing from Washington D.C.

To find out more visit britishairways.com.

■ **American Announces Four New Routes for MIA** – Beginning next spring, American Airlines will increase its domestic service from Miami International Airport. New service between Miami and Austin-Bergstrom International Airport, Kansas City International Airport, Salt Lake City International Airport and San Antonio International Airport will launch on March 5.

For more information visit aa.com.

■ **Aeromexico Ups Service to Miami and Orlando** – Aeromexico, has added a second daily flight to Orlando and a fourth daily service to Miami from its main hub at the Mexico City International Airport. The flights are serviced by Boeing 737 aircraft.

Visit aeromexico.com to find out more.

■ **United Launches Four New Pacific Routes** – United Airlines has launched four new Pacific routes. The non-stop Los Angeles – Melbourne flights operate six times weekly aboard United's new Boeing 787-9.

Daily flights between San Francisco and Haneda in Tokyo complement the carrier's service between San Francisco and Narita International Airport. From its Guam hub United now flies daily to Seoul Incheon and twice weekly to Shanghai's Pudong International, the first non-stop service between Guam and mainland China.

For more information visit united.com.

■ **WOW Air Connects US to Iceland and UK** – Another low cost carrier enters the international market. Icelandic budget airline WOW Air plans service to Boston in March and Baltimore-Washington International in June with connections to London.

For more information visit wowair.us.

■ **Ethiopian Plans Dublin and Los Angeles Service** – Ethiopian Airlines has finalized preparations to start flights to Dublin, Ireland, and Los Angeles, CA, beginning in June. Flights will operate three times a week aboard the 787 Dreamliner. It will be the only direct service connecting Africa with Ireland and the West Coast of the US.

To learn more visit ethiopianairlines.com.

■ **TAME Launches Daily Quito to Ft. Lauderdale Non-stop** – Ecuador's national carrier, TAME Airlines has launched new daily service between Quito, Ecuador and Fort Lauderdale, FL. The new route takes only four hours aboard Airbus 320s Airbus 319s.

Visit tame.com for details.

■ **JetBlue Adds Twice Daily SFO-LAS Service** – JetBlue Airways has announced new nonstop service two times daily between San Francisco International Airport and McCarran International Airport in Las Vegas beginning Jan. 5.

To find out more visit jetblue.com.

■ **Etihad Boosts Frequency to DFW** – Etihad Airways will begin daily service to Dallas/Fort Worth, starting April 16. Initially begun Dec. 3 with just three flights per week, due to strong market demand, the airline announced the route would be increased to daily. For details visit etihad.com.

Right: Frankfurt Airport City, the Squire; Hong Kong International's Sky City



of Munich's terminal has become an event destination for the airport region. In the summer, it hosts a huge artificial ocean wave tank with competitions based on the time that surfers can ride the waves. During the five weeks leading up to Christmas, the plaza becomes a magnificent Christmas market where shops and restaurants stay open until 11:00 PM. A large German beer garden operates throughout the year.

One finds forecourts and other nearby airport properties hosting growing numbers of traditionally metropolitan central business district functions. There are over 2 million square feet of corporate offices – including the European headquarters of Microsoft – a short walk from Amsterdam Schiphol's terminal, according to Schiphol's senior urban planner, Maurits Schaafsma. Office space in Schiphol's forecourt area is among the most valued in the Netherlands, demanding premium rents.

London Heathrow's Sofitel hotel with direct access to Terminal 5 has become a business hub. In addition to overnight transit passengers, it attracts wealthy international and extended-stay business travelers to its suites, which have rates as high as \$4,000 per night. With 45 meeting rooms, a 180-seat theater and a convention center accommodating 1,700 delegates, the airport hotel provides key business infrastructure.

Roissy-pole, at the core of Paris' Charles de Gaulle airport (CDG), is the multimodal central business district of CDG's expanding airport city. It has 2.5 million square feet of offices and 1,700 hotel rooms, all easily reached by free airport shuttle.



A centerpiece of Frankfurt Airport City is “The Squaire,” opened in 2011. Just an eight-minute walk from terminal check-in counters, this massive two-million-square-foot nine-story office and hotel complex stretches 2,000 feet. It’s served by nearly 200 high-speed intercity trains which stop underneath it daily, making it one of the best-connected office buildings in the world. International auditing and consulting giant, KPMG has made “The Squaire” its European corporate headquarters, occupying over 400,000 square feet.

Incheon has evolved into an international business center complete

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with office buildings, a conference and exhibition center, and entertainment and leisure facilities. Among the larger components is a mixed-use commercial complex immediately south of Incheon’s passenger terminal consisting of two 4-star hotels with 850 rooms (one containing a casino), and four office buildings with 2,500-square-foot business suites. For traveling executives looking to do business in a more leisurely manner, there’s a golf course adjoining.

Under construction or planned at the airport are a global medical center along with 6.8 million square feet of hotels, office buildings, retail facilities and additional meeting/exhibition spaces. In 2013, the Paradise Company, in collaboration with Japanese firm Sega Sammy, announced

it would build a \$1.8 billion casino, conference and luxury hotel complex minutes from Incheon’s passenger terminal.

Canada’s Vancouver Airport has begun construction on a 30-acre luxury designer outlet center in partnership with the McArthurGlen Group, Europe’s leading owner, developer, and manager of designer outlets. The outlet center, providing 350,000 square feet of luxury and lifestyle retail on airport property, is on track to open in spring 2015 with 100 stores.

Hong Kong International’s SkyCity provides an even more elaborate commercial and business infrastructure.

SkyCity’s first phase opened in late 2006, cornerstoned by SkyPlaza, a multipurpose

commercial complex connected to Terminal 2. The lower floors of SkyPlaza provide a 300,000-square-foot retail shopping center, including its 4-D Extreme Screen theater. Above this podium is Class-A office space with a total gross floor area of another 300,000 square feet.

SkyCity also includes a 750,000-square-foot international exhibition center (Asia World Expo) housing numerous foreign trade offices, a 650-room Marriott Hotel, and SkyPier, the China cross-border hovercraft ferry terminal. Business people from China’s southern coastal cities regularly take hovercraft to SkyCity to meet with their Hong Kong counterparts and international business travelers without having to go through airport immigration, customs or security.

Another significant component of SkyCity is World Trade Center HKIA, a 7-story Class-A office tower adjacent to Terminal 2 that offers comprehensive one-stop business services. Its facilities range from individual workstations to fully furnished entire-floor offices. Providing maximum flexibility, these spaces are available from an hourly to a yearly rental basis. Typical entire-floor office space measures slightly under 20,000 square feet, served by six elevators with 95 parking spaces provided.

Business services offered at World Trade Center HKIA include onsite IT and telecommunications support; reception, secretarial and translator services; mail-collection and forwarding; and high-speed wireless access along with printers, scanners, copiers and fax machines. There is also a conference center with five training rooms and two meeting rooms and a “premier” dining club with a 360-degree panoramic view of the airport.

In a nutshell, then, airports are no longer just aviation infrastructure. They are also retail and business infrastructures, with the latter roles expanding rapidly in scale and importance. Today’s leading airports really do mean business. **BT**

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