

FAO Schwarz, Eddie Bauer, sushi: Midway Airport is becoming more like a mall. And there's more to come.



Stuffed dinosaurs are displayed April 5, 2019, at FAO Schwarz in Midway Airport's Concourse A. Midway is adding more name-brand specialty retailers as it overhauls its shopping and dining options for the first time in more than 20 years. (Abel Uribe/Chicago Tribune)

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Chicago Tribune

APRIL 15, 2019, 3:00 PM

When Dominic Ruggieri wanted to pick up gifts for his children on a recent business trip to Chicago, he set aside some time to shop — not on Michigan Avenue, but on Midway Airport's Concourse A.

Ruggieri, 34, of Connecticut, isn't usually much of an airport shopper, saying options can be thin. That's why the iconic toy store FAO Schwarz, which opened last month, caught his eye when he arrived in Chicago a few days earlier.

"It's unique," Ruggieri, holding a green stuffed *Tyrannosaurus rex* he had picked out for his 5-year-old son. "Everybody wants to bring something back for their kids. It's nice to be able to get something real."

Shops at the airport used to be an afterthought — for airport operators, retailers and passengers alike.

“It was clutter that got in the way as people made their way out to the plane,” said Ann Farraguto, principal at the Virginia-based travel retail consultancy AirProjects.

That changed when post-Sept. 11 security measures forced travelers to arrive at the airport earlier, turning passengers into a captive audience with time to kill and money to spend — if airports can persuade them to open their wallets.

They’re bringing in brands travelers are more accustomed to seeing at the mall, along with new restaurant and entertainment options, just like shopping centers trying to fend off the impact of e-commerce.

Midway is in the middle of overhauling its shopping and [dining options](#) for the first time in more than 20 years, part of a \$75 million concession redevelopment that began in 2017 and is expected to be complete by the end of 2020.

Among the changes on the way: a more modern look, and more of the name-brand specialty retailers that have been moving into airports across the country, said Erin O'Donnell, Midway's managing deputy commissioner.

FAO Schwarz and iStore, which sells Apple products and other gadgets, have already opened. Two Ink bookstores and a second iStore are expected to open later this year. Most of the new brands will be in the “Central Market” area just past security, including Kiehl’s, MAC Cosmetics, Eddie Bauer, Coach, Swatch and Tumi.

“An amazing city like Chicago needs to have great airports that represent it,” said Ramon Lo, publisher of Airport Experience News. “I think the operators ... are trying to elevate that experience.”

The attraction is mutual. For retailers, airports are a way to get their products in front of a constant flow of potential customers wealthy enough to afford a plane ticket, Farraguto said. When [Brookstone sought bankruptcy protection last year](#), it shut down its mall stores but kept shops at airports including O’Hare International Airport.

“It really is a unique environment, and more and more retailers have realized that and are now interested,” said Farraguto, who said she was involved in commercial planning for a new Midway terminal completed in 2004.

There are also challenges, though. Retailers and employees must deal with airport security and customers can be reluctant to saddle themselves with extra baggage, especially when they can find the same items online.

But some say they’re willing to spend if given quality options. Karen Morby, 75, of Lodi, N.Y., said she likes strolling past an airport’s shops before a flight and has purchased jewelry from Pandora at an airport in Detroit. Though she arrived at Midway three hours before her flight, her only purchase was lunch at Einstein’s.

“I think most people would prefer to see a broader selection” of shops, Morby said, though she liked the new restaurants and lounge area on Concourse A.

Aviation Department officials say more choices are coming. The renovation is being done in phases so some restaurants and shops will always be open while others are under construction, O'Donnell said.

By the time work is complete, there will be 70 food and retail locations at the airport, up from 56 today, according to the airport's new concession manager, Midway Partnership, a joint venture of Vantage Airport Group, SSP America and Hudson Group.

"Customers are looking for experiential elements, and premium brands they know and love. Each store in our Hudson Group portfolio weaves a unique element together," Hudson Group chief marketing officer Michael Levy said in an email.

Retailers that do well in airports tend to be those addressing needs the Internet can't fill, like a gadget store where a traveler can replace a lost charger or shops selling products people want to see before buying, like jewelry and apparel, said Darren Perry, managing director at L.E.K. Consulting.

Some of the additional space for shops and restaurants at Midway came when the airport got rid of other amenities that have suffered from competition with newer technologies: newspaper boxes and payphones.

Gift shops can also do well, especially if they go beyond generic souvenirs and sell something truly local, Farraguto said.

And just like malls replacing struggling stores with movie theaters and fitness studios, some airports are bringing in tenants that sell an experience along with the products on shelves, like FAO Schwarz. Hudson Group operates the store on FAO Schwarz's behalf. For FAO Schwarz, airport stores were a way to reach travelers who wouldn't visit its only [traditional bricks-and-mortar location, at Rockefeller Center in New York](#), the toy chain's chief merchandising officer, David Niggli, said in an email.

"If you're that parent traveling with kids with a three-hour layover, you're desperate to find anything for entertainment, and FAO Schwarz is exactly that," Perry said.

It seemed to be working at Midway, where one boy made a beeline for the displays of stuffed animals and other toys, dragging his luggage-toting dad behind him.

Midway also has plans for a spa, according to the Aviation Department.

Still, most airport sales still come from restaurants and newsstands, not specialty shops, airport experts said.

Some travelers just aren't interested, like Darren Dierbeck, 50, of Minneapolis.

"When I travel, I'm in work mode. It's just not top of mind for me," said Dierbeck, waiting for a flight home at Midway.

Then there are "gate huggers" who don't like to venture away from their plane, out of earshot of boarding announcements, Lo said.

Streamlining security and installing more signs showing departure times can help travelers feel more comfortable taking time to shop, Perry said. A handful of startups will deliver purchases to a passenger's gate — like Doordash or Postmates for the airport — though they aren't yet available at Midway or O'Hare International Airport.

Renovations are ongoing, since work is being done in phases. Still, the Aviation Department said retail sales at Midway hit \$29.2 million in 2018, up 9.1 percent over 2016. While only two new permanent stores have opened, five new temporary shops selling candy, tech, books, sunglasses and sports merchandise also were added.

Food and beverage sales were about \$86.6 million last year, up 12.5 percent over 2016. [The restaurant changes](#) have been controversial. Midway gained an outpost of West Town sushi restaurant [Arami](#), wood-fired pizza chain Woodgrain Neapolitan Pizzeria and Billy Goat Tavern, but lost McDonald's and Potbelly.

But O'Donnell said she's been happy with the growing sales and the response to Midway's new restaurant and retail brands.

"We know we're on the right course," she said.

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