Baltimore/Washington International Thurgood Marshall Airport

Demographic and Psychographic Analysis

THE
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INTRODUCTION

1 INTRODUCTION

1.1 PURPOSE OF THE REPORT

This report is the result of a detailed demographic analysis for the Baltimore Washington International Thurgood Marshall Airport (BWI Marshall Airport, Airport). Our audience for this study is potential retailers and restauranteurs for the Airport, the concession developer management team, and their lenders and partners. The data is presented in both graphic and table format, at times clustered by content, time frames, geography, and industry.

This data should be considered just one of many sources of information necessary to understand the market and BWI Marshall Airport's customer base. Ideally, this information will be used to help shape a relevant merchandise mix that is both achievable and economically sustainable. We have identified all of our research sources and gaps in data, including those resulting from the recent COVID-19 pandemic.

1.2 THE TEAM

The Riddle Company was retained by the BWI Marshall Airport to undertake a demographic & psychographic analysis. This analysis, presented on the following pages, is designed, and intended to support the request for proposals for the non-exclusive right to redevelop, renovate, lease, and manage the retail, restaurant, and commercial services at BWI Marshall Airport. This work was supported by Econsult Solutions, Inc.

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The Riddle Company, LLC is DC-based real estate and economic development marketing consulting practice. The Riddle Company provides an array of services to support business attraction and economic investment including strategic marketing and planning, market and client research, business attraction strategies, and media and public relations.

Since inception in 1991, The Riddle Company, a woman-owned company, has established a diverse portfolio of private and public clients which includes real estate development companies, brokers and investors, economic development organizations, and downtown development organizations.

Key to all client consultant relationships is strategic planning. The business and strategic plans we have developed and executed range in value from $50K to $5 million. The firm has completed business and retail marketing and attraction strategies for almost every major market on the East Coast and smaller communities and neighborhoods including Miami, Atlanta, Washington, Baltimore, Philadelphia, Newark, Boston, Ohio City, Media, and Frederick. This work has resulted in nearly $1 billion of new investment, 7,250 net new jobs, and over 7 million square feet of new retail. Key Areas of Specialization include: Retail market studies, Competitive market analyses & comparative analyses, Consumer & market surveys,Economic feasibility & impact studies, Economic development marketing & positioning, Business attraction & investment, Downtown marketing & planning.

Representative clients include: DC Office of Planning & Economic Development, the Downtown DC BID, the Washington, DC Economic Partnership, The DC Council Committee on Economic Development, Frederick Dept. of Economic Development, Prince George's County EDC, Baltimore Downtown Partnership, Baltimore Development Corporation, Stafford County EDA, Brambleton VA, the Philadelphia Center City District, Invest Atlanta, Newark NJ EDC, Greensboro NC and, Colliers International, Next Realty Mid-Atlanta, H& R Retail, Federal Realty Investment Trust, Roadside Development, Snell Properties, Reading Terminal Market.

Key Areas of Specialization include:

- *Retail market studies*
- *Competitive market analyses & comparative analyses*
- *Consumer & market surveys*

- *Downtown marketing & planning*
- *Real estate marketing & public relations*
- *Analysis & identification of public sector incentives/subsidies*

Econsult Solutions provides businesses and public policy makers with consulting services in economics, real estate, transportation, public infrastructure, public policy and finance, community and neighborhood development, planning, as well as expert witness services for litigation support. Our portfolio of work covers a diverse range of economic and fiscal related issues, including economic and fiscal impacts, tax policy, real estate development, infrastructure investment, workforce development and labor force issues, education and healthcare and intergovernmental relations (local, county, and state). Our technical expertise ranges from big data analysis to GIS based spatial analytics, sophisticated benefit-cost analysis to pro forma based project feasibility analysis.

Our firm has offered tailored solutions by gathering information efficiently, employing state-of-the-art techniques, and offering cutting-edge analysis and interpretation. Our analyses provide a defensible estimate of the impacts of construction projects, large infrastructure operations, policies, and public reforms on the cities, regions, and states in which they are located.

Our real estate practice is based on sound economic analysis, academic-level rigor, and real-world experience with the real estate development community. We frequently assist private sector and government clients in a wide range of analyses, advice, planning and presentation. The firm's talents marry well with the needs of many entities, including developers trying to demonstrate the value of their proposed project to the community, urban planners interested in which types of uses are economically feasible for a redevelopment area, regional business coalitions that want to illustrate the value of a desired public feature such as open space, governments investigating the economic and financial feasibility of a proposed development and attorneys litigating a real estate-related matter.

Over the years, ESI has also developed and managed large surveys for commercial corridor and neighborhood change projects in various cities, collecting the data and analyzing the data internally. We have used traditional sampling groups coupled with field surveying teams, using 4G LTE-connected tablets to reach lower-income groups. Unlike other surveying models, ours ensures that lower-income neighborhoods and areas without broadband access are well represented and that the ultimate economic development tools produced as an output are in fact representative of an accurate picture of a County's or City's retail and neighborhood trends.

1.3 ACRONYMS USED THROUGHOUT THE REPORT

ArcGIS	Graphic Information Systems
BLS	Bureau of Labor Statistics
BWI	Baltimore/Washington International Thurgood Marshall Airport
CATS	Certification Activity Tracking System
COVID	COVID-19 Pandemic
Census	US Census Bureau
CW	Cushman & Wakefield
DCA	DC National/Ronald Reagan Airport
DAL	Dallas Love Field Airport
IAD	Dulles International Airport
ESI	Econsult Solutions, Inc.
ESRI	ESRI Business Analyst
FAA	US Department of Transportation Federal Aviation Administration
F&B	Food and Beverage
Gallup	The Gallup Corporation, Gallup Poll
HH	Household
HHI	Household Income

ICSC	International Council of Shopping Centers
IRI	Industry Research, Inc.
KPI	Key Performance Indicators
MDW	Chicago Midway International Airport
MPI	Market Potential Index
MONTCO	Montgomery County
MSA	Metropolitan Statistical Area
Nielsen	Nielsen Holdings Company
NRF	National Retail Federation
OAK	Oakland International Airport
PCA	Primary Catchment Area
QCR	Quick Casual Restaurant
SPI	Consumer Spending Potential Index
Tapestry	ESRI Tapestry Segmentation System
TRC	The Riddle Company
USDA	US Department of Agriculture
WBA	The Research Company for the Airport

EXECUTIVE SUMMARY

2 EXECUTIVE SUMMARY

Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) is a significant transportation hub and economic development resource in the State of Maryland and the Washington Metropolitan Area. The Airport plays a major role positioning Maryland to be competitive in the global marketplace. The Airport supports travel, trade, and business development, and links Maryland and the region with the world.

In recent years, the BWI Marshall Airport has experienced record growth including the addition of new domestic and international destinations. In 2019, the Airport handled 26,993,896 passengers, and was the 22nd busiest airport in United States. While travel is down compared to 2019 due to the pandemic, the BWI Marshall Airport has recovered faster than the other airports in the region. The strong recovery has continued through 2021 and into 2022. In 2021, the Airport realized 70% of its pre-pandemic passenger traffic, handling 18,868,429 total passengers.[1] Records show that passenger traffic steadily improved during the calendar year beginning in January 2021 at just over 750,000 passengers, ending the year with just under 1.8M passengers in December. Over 1.9M travelers came through the Airport in July and August, and six other months boast over 1.6M travelers (May, June, Sept. Oct., Nov., Dec.). This pattern continued into Q3 FY 2022, with a total of 4.5M passengers, and is expected to continue through the end of CY 2022.

Leisure travelers still make up the majority of travelers. The portion of BWI Marshall Airport passengers traveling for business decreased from 25% in Q3 FY 2020[2] to 19% in Q3 FY 2022.[3] This is largely driven by ongoing COVID restrictions on work related travel and the increased use of virtual meetings. Those passengers traveling for vacation or pleasure increased from 67% to 73% over the same period.

Passenger satisfaction plays an important part in how the Airport performs and how it ranks nationally. Passengers are surveyed on a regular basis to gauge their satisfaction and perception of the service and offerings at the Airport. In Q3 FY 2022, more than nine in ten originating passengers (92%) ranked the Airport "excellent" or "above average" down slightly from 97% two years ago in FY 2019.[4] The slight drop is attributed to issues related to the pandemic as some concessions were closed. Passengers that graded the Airport overall as excellent or above average also indicated that they were likely to fly out of BWI Marshall Airport again (79%) and would recommend the Airport to friends and family. These passenger surveys also track the average amount of free time spent in the terminal prior to departure, much of which is spent at in-terminal retail and restaurants. In Q3 FY 2022, passengers spent approximately 1 hour 18 minutes, essentially unchanged from 1 hour 19 minutes spent in Q4 FY'19.

Airport concessions are an essential and important passenger amenity and have been shown to be a key contributor to overall customer satisfaction. As passengers continue to spend time inside the terminal area, meeting their needs and expectations has become increasingly important. Households in the two trade areas boast higher Median Household Income than the U.S. Median Household Income, and have a higher level of disposable income, including to spend when traveling including at Airport concessions. The WBA survey data shows that more passengers visited food concessions than

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[1] BWI Thurgood Marshall Airport, CY 2021 Passenger Report, Q3 FY 2022 Passenger Report
[2] Considered pre-pandemic Q3 of fiscal year, is Q1 of the following calendar year.
[3] WBA Q3 FY 2022
[4] Q4 FY2021 WBA Survey

retail shops from FY 2018 through FY 2022. The percentage of surveyed passengers who visited food concessions was consistently over 50% and over 90% of those passengers made purchases. The percentage of passengers who visited retail shops was considerably lower, and just over 25% of those passengers made a purchase.

Commensurate with the Airport's continued expansion and improvement, are plans to enhance the in-terminal concessions program. This report was prepared as a resource to support the Maryland Aviation Administration's Request for Proposals Number MDOT MAA-RFP-22-001, for the Non-Exclusive Right to Redevelop, Renovate, Lease & Manage the Retail, Restaurant & Commercial Services at Baltimore/Washington International Thurgood Marshall Airport. This is an opportunity to tweak, even rebalance, the merchandise mix and the concessions to enhance passenger satisfaction and profitability for the individual concessionaires.

The report provides a detailed demographic and psychographic analysis of the market the BWI Marshall Airport serves. To that end, two distinct trade areas were defined as part of this study. The first is a 60-Minute Drive Time from the airport, the second is known as the BWI Primary Catchment Area and encompasses the twelve counties and communities where most local passengers live. The Primary Catchment Area includes Anne Arundel, Baltimore, Calvert, Carroll, Frederick, Harford, Howard, Montgomery, and Prince George's Counties in Maryland, the cities of Baltimore and Washington, DC, and York County, PA. Complementing the demographic data for potential passengers in the trade areas is that about actual passengers in the Airport. We compared the zip codes of actual passengers for 2019, the most complete data available. Over forty percent of originating passengers reside in zip codes within the Primary Catchment Area. Evaluation of 2020 and 2021, and the Q3 2021 and 2022 passenger data, though limited, revealed similar results.

The data and metrics presented on the following pages are those typically examined and used in making retail site location and expansion decisions. This includes traditional market, demographic, and psychographic data. The format of the data includes a combination of raw data in select charts, and graphic illustration for easy comparison and demonstration of trends and fluctuation. Due to the pandemic's impact on income, employment, and spending, we considered a combination of 2019, 2020, 2021 data for household characteristics, population, and labor metrics.

The data deliver demographic information about passengers as well as potential passengers. The information on passengers is compiled from a series of surveys undertaken in the Airport and includes both enplaning and deplaning passengers. While this information is not as comprehensive as that about potential passengers, which is based on U.S. Census Data and Bureau of Labor Statistics, it does provide critical metrics including age, sex, ethnicity, employment status, and income. Notwithstanding challenges in comparing data collected using different methodologies, where possible, passenger data is compared to potential passenger data. Detailed psychographic data is provided for potential passengers and surveyed passengers using the ESRI Tapestry Classification System.

Overall, our research will demonstrate that the audience for the BWI Marshall Airport is very diverse and economically sound, with few exceptions. The data reveal how potential and actual passengers benchmark against the U.S. population on household characteristics and demographic data. Specific examples include:

A) The sex of passengers and potential passengers has been nearly even split between men and women. This compares with the findings of the 2020 U.S. Census where 50.8% of the population identified as female.

B) The median age of potential passengers (aggregate median age is 39.9 in the BWI Primary Catchment Area) is slightly higher than the 2021 U.S. median age of 38.3 years, except for in the cities of Baltimore and Washington DC, as well as Prince George's County, where it skews slightly younger. The median age of surveyed passengers is higher than the U.S. at 42.4 years in Q3 FY 2022, and higher for those passengers traveling for business at 50.

C) Median Household Income is substantially higher for potential passengers in the two trade areas than the U.S. Median Income at $67,521, with exception of the City of Baltimore and York County, PA. Over 50% of households in the 60-Minute Drive time have household incomes over $100,000 and ten of the geographies in the primary catchment area have a Median Household Income over $75,000.

D) The market is exceptionally diverse. One third of the submarkets in the Primary Catchment Area and the 60-Minute Drive Time exceed the 2021 U.S. Diversity Index of 65.4.[5] It is highest in Montgomery County, MD (78.4) and the 60-Minute Drive Time (72).

E) The Baltimore Washington region boasts a reputation for above average levels of educational attainment. The educational attainment level in the two trade areas is generally higher than that for the U.S. where just 37.99% of the population has at least a Bachelor's Degree.

F) Labor force participation follows a similar pattern to educational attainment. In 2021, 93.6% of the labor force within the 60-Minute Drive Time was employed. Civilian employment exceeded 90% in 2021 for every submarket in the Primary Catchment Area.

A range of data sources were utilized to undertake this analysis. This includes U.S. Census Data (specifically this includes the U.S. Census Data 2019, 2020 and 2021 updates and COVID Data) sales and spending patterns and consumer preferences for retail and food related retail, the Bureau of Labor Statistics, and ESRI Business Analyst. This was complemented by local and proprietary data provided by BWI Marshall Airport, its consultants, and partners.

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[5] Diversity Index from Esri represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. Ethnic diversity, as well as racial diversity, is included in our definition of the Diversity Index.

METHODOLOGY/APPROACH

3 METHODOLOGY/APPROACH

3.1 APPROACH

Retailers need information to make decisions about investment, location, and expansion. We approached this analysis from a foundation typically used to support retail leasing and development activity. The data and metrics we collected and reviewed are those that are typically used in making retail site location and expansion decisions. This includes traditional market, demographic, and psychographic data. Due to the pandemic's impact on income, employment, and spending, we considered a combination of 2019, 2020, and 2021 data for household characteristics and population metrics. It should be noted that any one indicator does not necessarily correlate with a particular type of behavior or any individual passenger. The chapter on passengers provides more detail on FY 2020 and 2021 and Q3 FY 2022 data.

Our sources include U.S. Census Data, (specifically this includes the U.S. Census Data 2019, 2020, and 2021 updates and COVID Data Set) sales and spending patterns and consumer preferences for retail and food related retail. Our sources for the latter include FAA Certified Activity Tracking System (CATS) data, Bureau of Labor Statistics, and ESRI Business Analyst. Additional sources include the local and proprietary data provided by BWI Marshall Airport, its consultants, and partners.

3.2 MARKET/AUDIENCE

Four distinct audiences have been identified for the purposes of this demographic analysis.

BWI Marshall Airport Passengers – Included are those passengers that are deplaning, enplaning, and connecting through the Airport that have been included in surveys conducted within the Airport.

BWI Marshall Airport Primary Catchment Area – This is the population within the 12 counties and cities that comprise the majority of the Airport's local passengers. It includes the cities of Baltimore and Washington, DC (or District of Columbia); Anne Arundel, Baltimore, Calvert, Carroll, Harford, Howard, Frederick, Montgomery, and Prince George's Counties in Maryland; and York County, PA.

60-Minute Drive Time – This is the population that lives within a 60-minute drive time of the Airport. Whenever available, we included data sets for a 60-minute drive time. A 60-minute drive time is the standard distance used in airport site selection, and the maximum distance a majority of airport passengers are willing to travel. It is also a very common designation for retail.

Employees – The workforce at the Airport is also part of the potential audience for retail and F&B concessionaires. In 2019,[6] there were close to 25,000 employees working at the Airport (this number is somewhat in flux due to the pandemic). This includes airport personnel as well as employees from the businesses that service and support the Airport.

The BWI Thurgood Marshall Airport relies on many individuals with a variety of skills, working in a number of different roles. This includes those working in an assortment of part-time, full-time, and hourly positions. The employees are an important part of the concession program.

According to data provided by BWI Thurgood Marshall Airport, the nearly 10,000 badged employees at the Airport are employed by a wide range of companies from individual airlines, businesses and concessionaires operating at the Airport, related service companies, TSA and Maryland Department of Transportation Maryland Aviation Administration (MDOT MAA). The array of positions runs the gamut from grounds crew to airport management and operations.

A significant portion of the workforce at the Airport is employed in the existing food, beverage, and retail concession program in food service and hospitality (retail, wait staff, food production etc.). Other positions include custodial, warehouse, and other transportation support operations (bus driver, rental car, and parking operations). Each airline also employs a range of positions from baggage operators to gate and ticket agents, flight attendants, and pilots.

The rate of pay varies by position and employer and is not readily available. A recent search of available and open positions at the Airport[7] revealed a variety of positions with a span of hourly rates from a low of $14.00 (rental car detailer, cashier, retail salesperson) to upwards of $23.00 (shuttle bus driver, engine mechanic). Food service positions advertised posted potential salaries from $15.00 – 18.00 per hour.

Professional and technical positions advertised for MDOT MAA had an annual salary range from a low $31,000 ($14.90/hour) for a maintenance technician to over $85,000 for a procurement officer. The majority of positions advertised featured annual salaries between $41,000 – $65,000. Many of the positions advertised also offered signing bonuses upwards of $2,000. A number of supervisory positions are currently being advertised with annual salaries up to $90,000.

The employees that comprise the Airport's workforce represent a steady component of the retail audience. According to industry research,[8] many airport employees do bring their own food to work, but they supplement this with beverages and meals, primarily from quick service restaurants. In-flight meals are limited today, including for flight crews, and pilots often cannot leave the plane if on a roundtrip or connecting flight. Thus, many flight crews do purchase food and beverages from airport concessionaires. They are attracted to concessionaires that offer affordable options and quick turnaround times and service.

The price of goods, food, and beverages at the airport may be higher than the price for similar items outside the airport, largely driven by higher costs associated with operating within an airport, so the level of purchasing from airport concessions is likely lower for hourly workers than managers and

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[6] The most current data available from BWI Economic Impact Report
[7] This search included positions advertised on Indeed, LinkedIn, Google and not individual airlines.
[8] Airport Retail and Restaurant Association

executives working in the airport and flight crews.[9] While the percentage of employees that comprise any given concessionaire's customer base is lower than the passengers traveling, Airport employees provide a consistent audience that needs to be considered.

The following map shows the 60-Minute Drive Time and the BWI Thurgood Marshall Airport Primary Catchment Area (PCA) and where they overlap.

Map of BWI Marshall Airport Primary Catchment Area, 60-Minute Drive Time
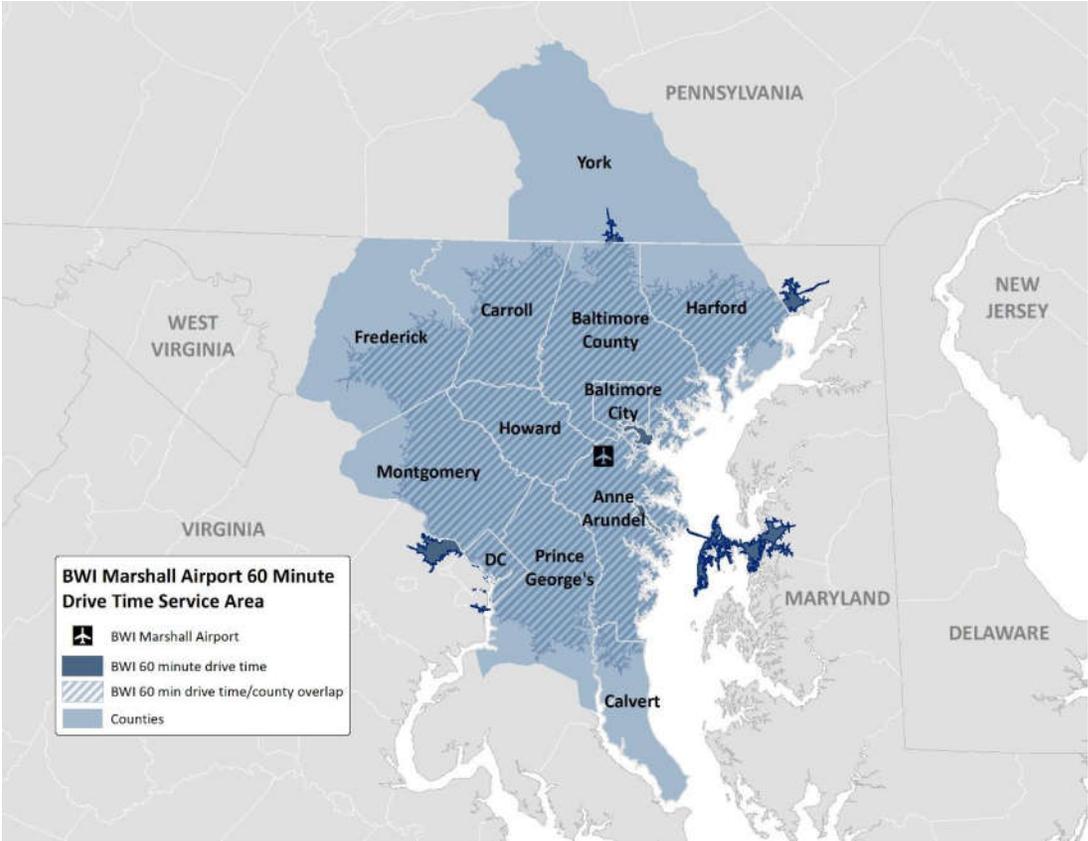
To develop an appropriate study area, we examined passenger data for 2017, 2018, 2019[10] and several quarters in FY 2020, 2021 and 2022.[11] The residential location of passengers in 2018, 2019, 2020 and select quarters of FY 2021 and 2022 was similar as was the route structure. Forty-two percent of the originating passengers come from within the Primary Catchment Area.[12]

We also mapped 2019 originating and connecting passengers for 2019, the latest data available from BWI.[13] The following maps show the passengers by county of origin. We chose to sort data by county and city rather than zip codes as these are designated by the postal service and do not necessarily accurately reflect jurisdictional information.

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[9] NBC News, USA Today, NAPEDU Concession Operating Guidelines, Airport Retail and Restaurant Association
[10] This information was provided by county and zip code in some cases
[11] Data for calendar year 2020 and 2021 was not collected due to the pandemic and steep decline in travel
[12] This geography was initially provided by the Airport staff
[13] BWI will be releasing updated flight data in June 2022

BWI Marshall Airport Originating Flights, 2019

BWI Marshall Airport Originating Flights, 2019

| None | 1 | 2 | 25 | 50 | 100 | 280 |

BWI 60 Min Drive Time

BWI Marshall Airport Connecting Flights, 2019

BWI Marshall Airport Connecting Flights, 2019

None | 1 | 2 | 5 | 10 | 25 | 50

BWI 60 Min Drive Time
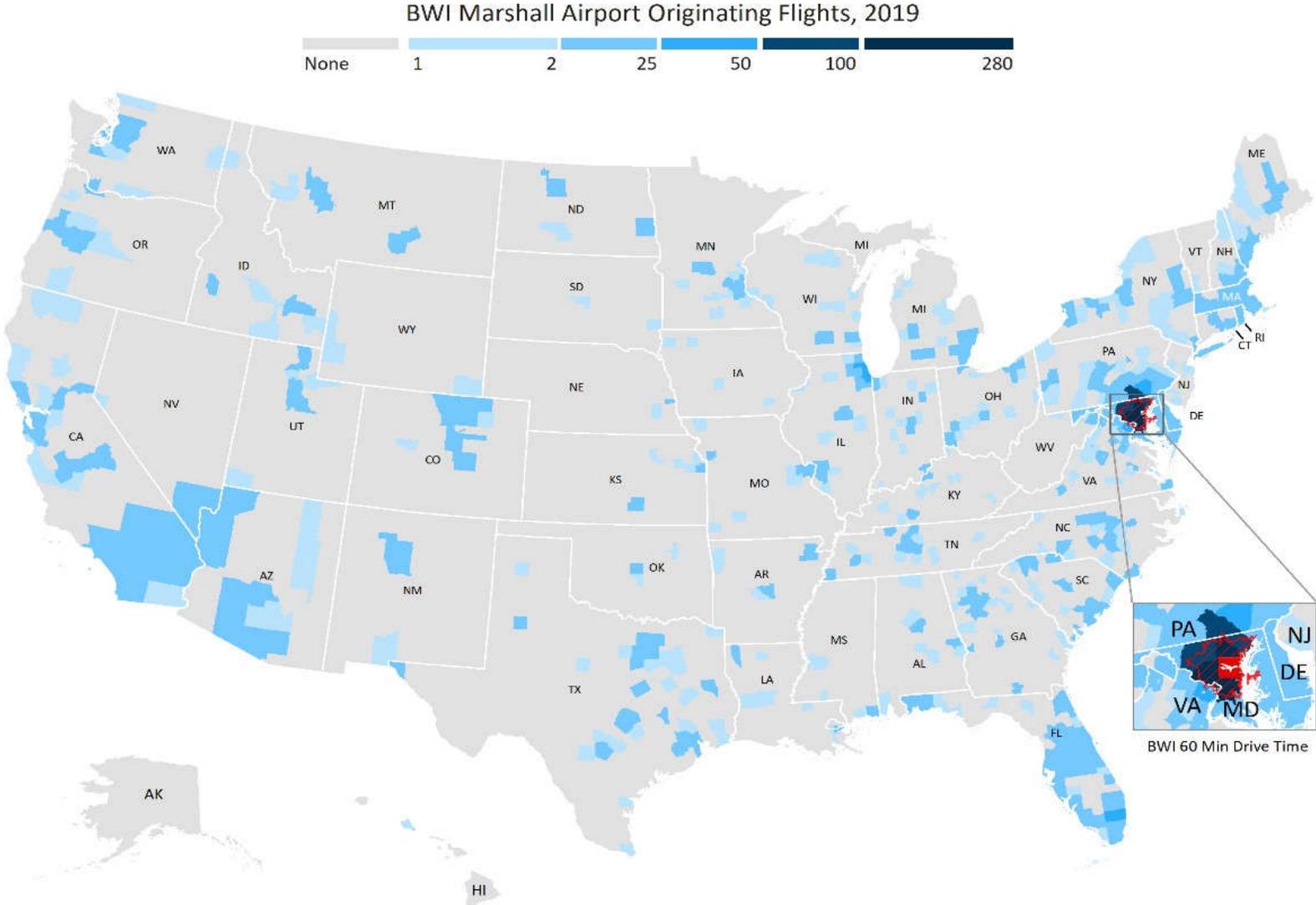
Domestic and International Scheduled Non-Stop Destinations

Flight Status

——	Current Service
-----	Service Suspended
-----	Service Returning
——	New Service (JAN,MSS,PGD,PNS)
-----	Announced Service (KEF,SAL,SYR)
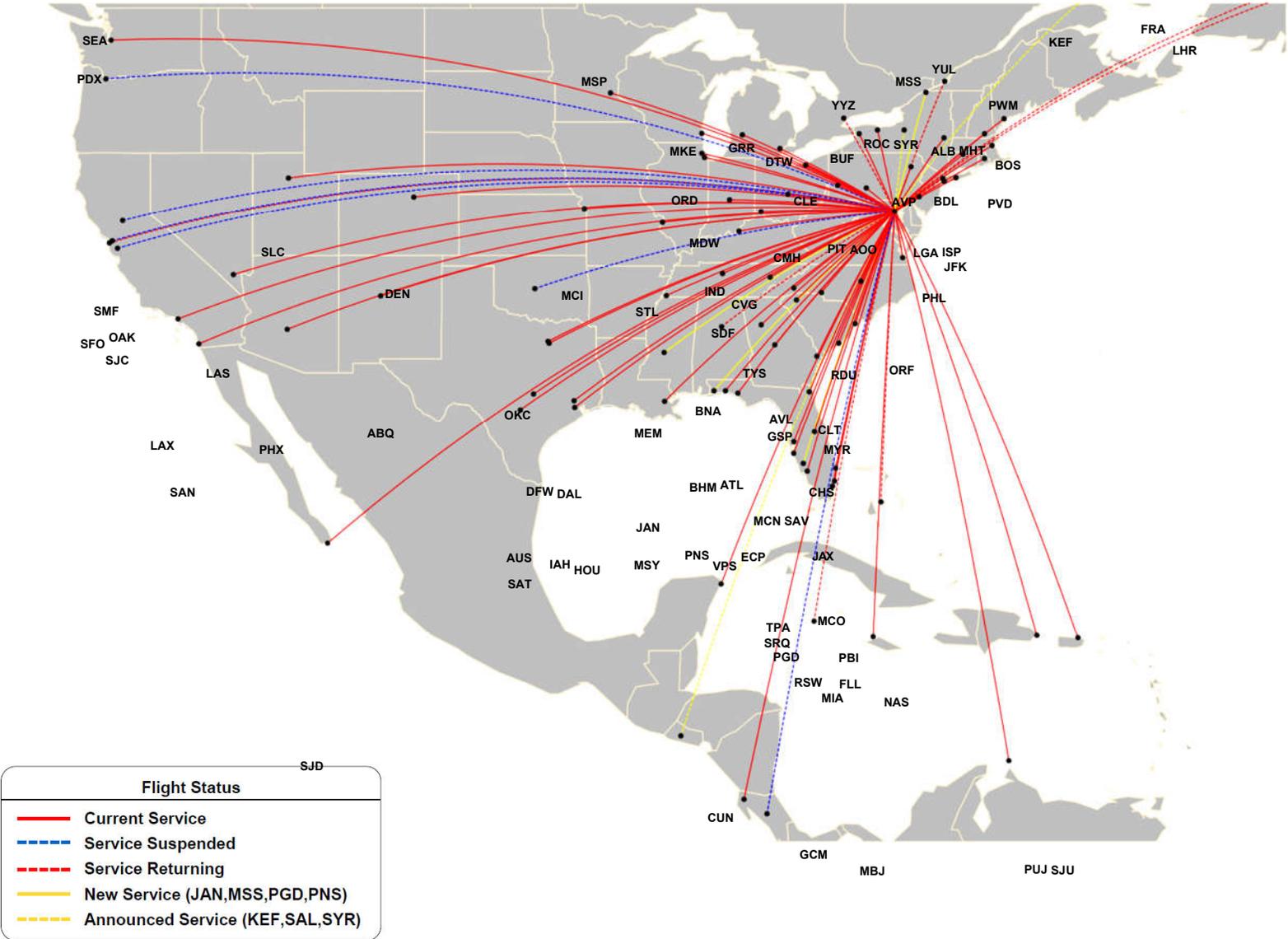
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4 REGIONAL OVERVIEW

The BWI Thurgood Marshall Airport services several markets located within two regional Metropolitan Statistical Areas (MSAs). The first, The Baltimore-Columbia-Towson MSA is located in Central Maryland and is the 21st largest MSA by population in the U.S. per the U.S. Census. It is comprised of six counties (Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's County) and the independent City of Baltimore. All but Queen Anne's County fall within the Airport Primary Catchment Area.

The remaining localities that comprise the BWI Marshall Airport Primary Catchment Area (BWI PCA, PCA, Airport PCA) fall within the second MSA, known as Washington, DC MSA/Washington Metropolitan Area. Centered around Washington, DC it includes a portion of northern Virginia and counties in southern and western Maryland, including Calvert, Frederick, Montgomery, and Prince George's Counties. It was first ranked by the U.S. Census as the sixth largest MSA by population in the U.S. in 2014 and has retained that status through the most recent Census.[14]

The Baltimore Washington Region, also known as the Washington–Baltimore Metropolitan Area, is the combined statistical area of the two MSAs. It is one of the most robust and fastest growing regions on the East Coast. This combined region is the center of the federal government and home to many dynamic and nationally renowned scientific, technology, communications and research firms, top legal and financial firms/institutions in the world (the World Bank, International Monetary Fund, Carnegie Endowment for Peace), and over 1,000 international co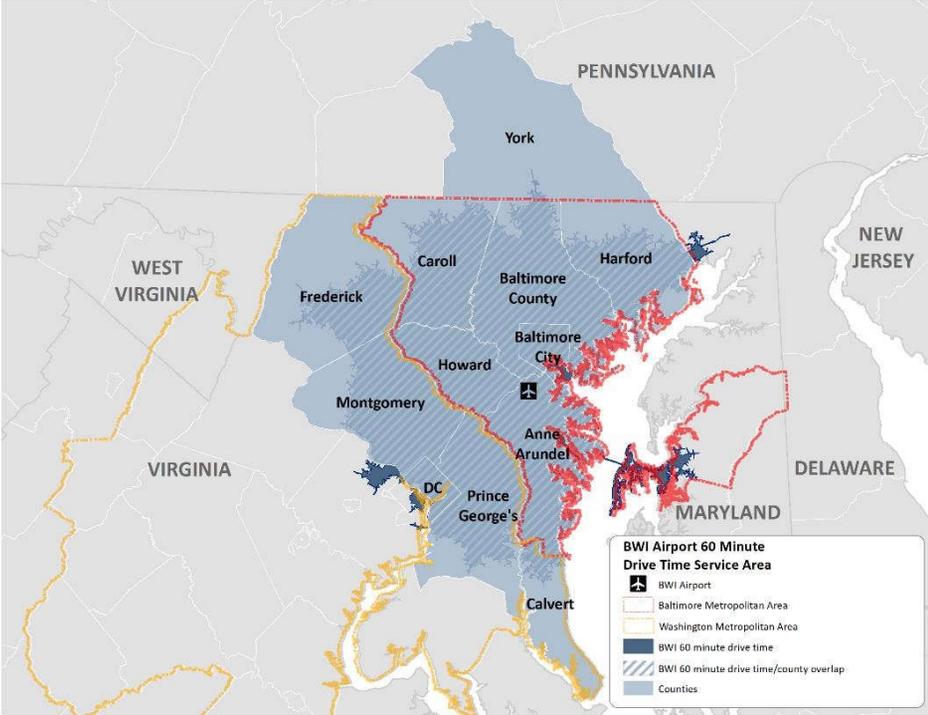mpanies and nonprofits. It is also one of the top concentrations nationally of bio-health professionals, with 85% of the companies and activities within Maryland. This larger region is part of the Northeast Corridor, which leads the nation in employment in this sector.

BWI Marshall Airport Service Area Map

14 The Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va. Metropolitan Statistical Area (MSA) includes the District of Columbia; Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, and Warren Counties, and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park Cities in Virginia; Calvert, Charles, Frederick, Montgomery, and Prince George's Counties in Maryland; and Jefferson County in West Virginia.

More than fifteen Fortune 500 and 1000 companies call this region home including ABT, Discovery Communications, Fannie Mae, Lockheed Martin, Legg Mason, Marriott Corporation, McCormick & Company, Sinclair Broadcast Group, and T. Rowe Price, to name a few.[15]

Over forty-five colleges and universities are located within the region. This includes the prestigious US Naval Academy, University of Maryland, John Hopkins University, and St. Mary's College in Maryland, and American, Catholic, Georgetown, George Washington, and Howard Universities to name a few in DC. Several of these are the top employers in their respective localities (John Hopkins, University of Maryland, George Washington University). Collectively, they contribute billions to the local and regional economies through tax revenue, employment, research, business and commerce, and spinoffs. Additionally, they are a major driver for regional air travel, driven by students (domestic and foreign), faculty, visitors, researchers, and events.

The Baltimore Washington Region has one of the highest rates of employment of any region on the East Coast. As of March 2022, unemployment stands at 3.6 percent in the Washington MSA and 4.2 percent in the Baltimore MSA.[16] The diversity and breadth of offerings of jobs contributes to the high level of desirability of the market as a place to live. Companies that locate here depend on the availability of a highly educated and skilled workforce as well as the high quality of life. Educational attainment varies by geography. The combined Primary Catchment Area exceeds the national average, and 48.8% of the population in the 60-Minute Drive Time has as at least a Bachelor's Degree compared to 32.9% of the U.S. population.

The high level of employment and quality and quantity of jobs contributes to an above average regional income. Median income in the 60-Minute Drive Time is $91,842 compared to the U.S. median income of $67,521. All but two of the submarkets (City of Baltimore, York County PA) in the Primary Catchment Area boast median HHIs over the U.S. median, and seven exceed the Maryland median HHI (Anne Arundel, Calvert, Carroll, Frederick, Harford, Howard, and Montgomery counties). The City of Baltimore is at the lower end of the income spectrum with Howard County, MD at the top, followed closely by Montgomery County, MD.

The regional convention and tourism industry is one of the strongest on the East Coast. It is slowly regaining its stride after being effectively shut down due to the pandemic. In 2019, the region hosted over one hundred professional and business conventions at the Baltimore Convention Center, the Gaylord National Resort & Convention Center, and the DC Convention Center. More than 25 of these conventions had over 8,000 attendees. Other "large scale" meetings and events were held at other venues in the region with varying level of attendance up to 2,500 persons.[17] The regional tourism and convention business is still recovering from the pandemic.

Baltimore hosted its first in person convention in July 2021 at the Hilton Hotel next to the Convention Center, and its first citywide convention in October. New bookings have continued to rise at both the Baltimore Convention Center for events with 800+ room nights and smaller ones at area hotels. DC is experiencing similar activity for meetings. According to Visit DC in April 2022, convention and event bookings scheduled at least 12 months ahead, have continued to rise since restrictions were lifted in 2021 (near 10%).[18]

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[15] Partial List.
[16] BLS September 2021
[17] Sources: Baltimore Convention & Visitor Bureau, Events DC, The Washington Business Journal, Baltimore Business Journal, Baltimore Sun.
[18] Visit DC

DEMOGRAPHIC ANALYSIS

5 DEMOGRAPHIC ANALYSIS

On the following pages please find a presentation of demographic data and household characteristics for the two primary trade areas for the BWI Thurgood Marshall Airport: the 60-Minute Drive Time and the Primary Catchment Area. The data is presented in raw form in a series of tables and comparatively in a series of graphics and charts. We have also included select personal and demographic data for passengers (originating and connecting) that is collected as part of regular passenger surveys,[22] conducted at the Airport. The passenger surveys were paused during the height of the pandemic thus certain data is missing. When available, we include current passenger data in the narrative from the most recent fiscal quarters. When appropriate, we have also compared select passenger data to that within the trade areas.

5.1 POPULATION

The following is a presentation of demographic data and household characteristics for the 60-Minute Drive Time and the Primary Catchment Area. Select personal and demographic data collected as part of these surveys[23] is included and compared to the PCA, when available.

Population: 60-Minute Drive Time 2021-2026

2010	2021	2026
5,208,671	5,959,385	6,154,250

Annual Rate of Change

2010-2020: 0.74%   2021-2026: 0.65%

Maryland's population has continued to grow by at least 7% each decade. It is the 22nd fastest growing state in the nation relative to its population.

The annualized growth rate from 2010-2020 is 6.99%

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[22]BWI Marshall Airport surveys enplaning and deplaning passengers on a regular basis. These surveys are used to gauge passenger satisfaction with cleanliness, timeliness, concessions and overall service and operations. The metrics included in the surveys are not all in the same format as U.S. Census Data. It is also important to note the characteristic data presented from the surveyed passengers is self-reported and thus, may not be entirely accurate.

Comparison: Population - BWI Primary Catchment Area 2021 - 2026				
	Total Population		Annual Rate of Change	
	2010	2021	2026	2010-2020	2021-2026
Anne Arundel County, MD	537,656	591,769	614,988	0.99%	0.77%
City of Baltimore, MD	620,961	607,273	594,798	-0.18%	-0.41%
Baltimore County, MD	805,029	815,889	824,542	0.23%	0.21%
Calvert County, MD	88,737	96,904	99,993	0.81%	0.62%
Carroll County, MD	167,134	173,055	175,449	0.35%	0.28%
District of Columbia	601,723	705,054	755,051	1.7%	1.38%
Frederick County, MD	233,385	275,642	292,848	1.5%	1.20%
Harford County, MD	244,385	263,419	279120	0.71%	0.50%
Howard County, MD	287,085	328,891	349,620	1.5%	1.23%
Montgomery County, MD	971,777	1,039,362	1,075,405	0.76%	0.68%
Prince George's County, MD	863,420	897,412	920,987	0.48%	0.52%
York County, PA	434,972	453,649	463,044	0.48%	0.44%

Overall, the population is growing in the Primary Catchment Area. The pace was slightly higher during the last decade than it is projected to be over the next five years in all submarkets but Prince George's County, MD, where the growth rate from 2021 -2026 is projected to rise slightly over the growth rate from 2010-2020. According to the U.S. Census, most growth occurred early in the decade, allowing these markets to register a healthy decade-long growth rate. The slower pace of growth during the last three years of the decade, combined with population shifts due to the pandemic, is what is driving the lower projected rate of growth from 2021-2026.[24]

Certain submarkets have outpaced growth than others including the District of Columbia as well as Frederick and Howard Counties in Maryland which have experienced over 1% annual growth in the last decade and are projected to see continued growth at an annual rate over 1% through 2026. The City of Baltimore is the only submarket which lost population in the decade between 2010 and 2020 and it is projected to continue to lose population through 2026.

The following chart maps the projected growth rate for 2021-2026.

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[24] Brookings Institution

Comparison: Population - BWI Primary Catchment Area 2021 - 2026

Legend: 2021 Total Population | 2026 Total Population | 2021-2026 Annual Rate of Change
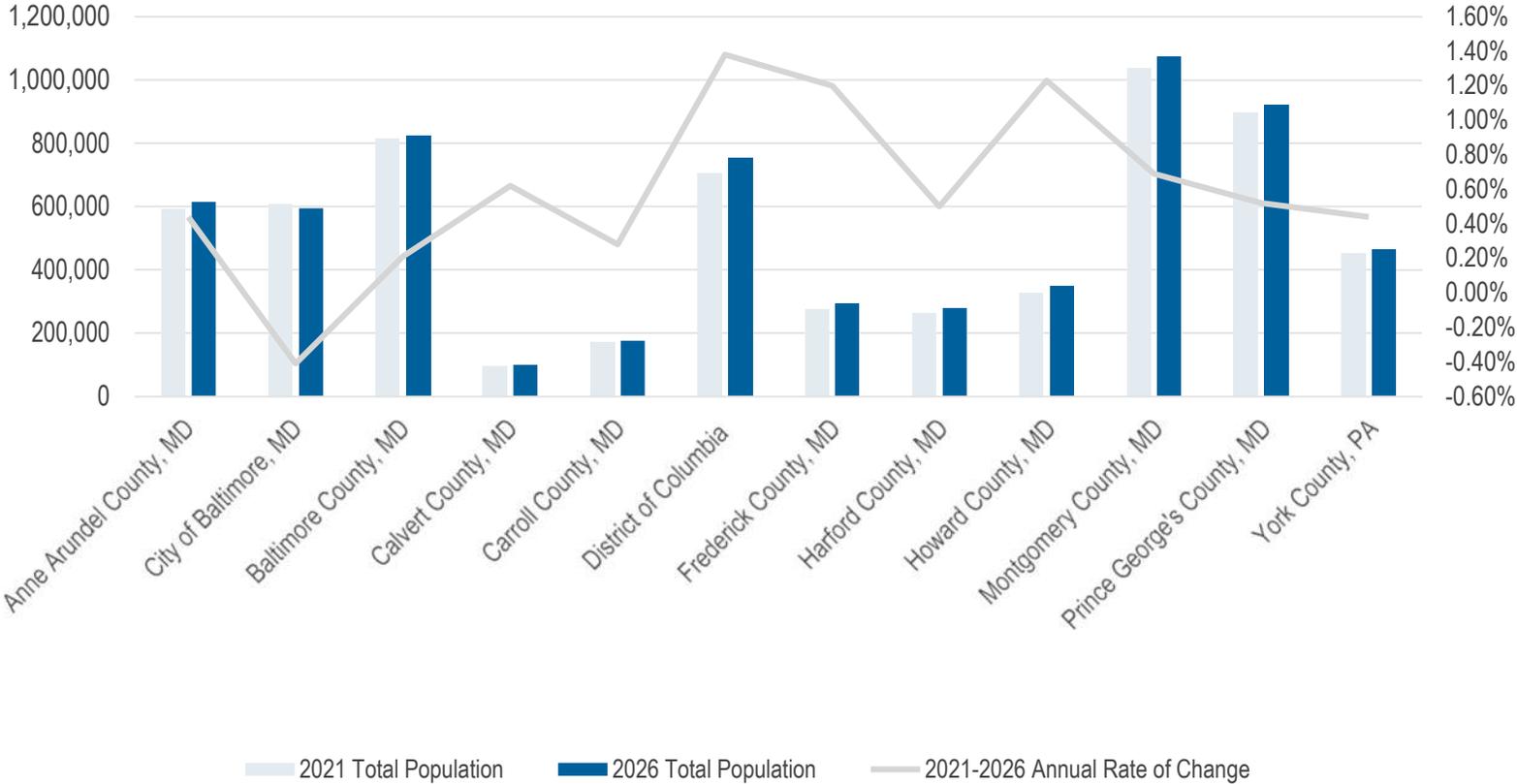
The population that identifies as female within the Primary Catchment Area is slightly higher than the population identifying as male. This compares closely with the finding of the 2020 U.S. Census where the percentage of the population is 50.8% female compared to 49.2% male. [25] The percent of surveyed passengers that identify as female has consistently been higher than men. Data for the third quarter in both FY 2021 and FY2022 shows that this pattern continued through Q3 FY 2022 when 53% and 58% of originating passengers identified as female and 55% and 60% of connecting passengers identified as female.

Comparison: Gender Identification, BWI Marshall Airport Trade Areas - 2021
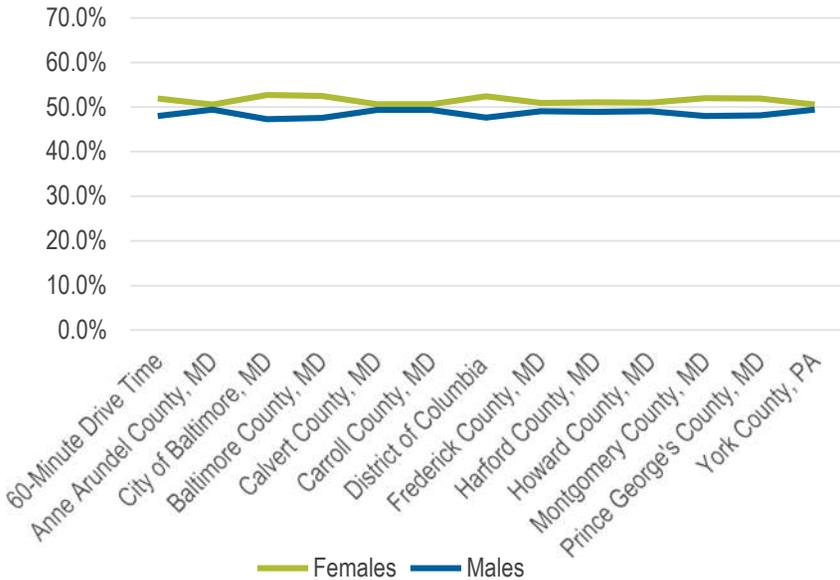
Comparison: Gender Identification - BWI Marshall Airport Passengers FY 2017 - FY 2022
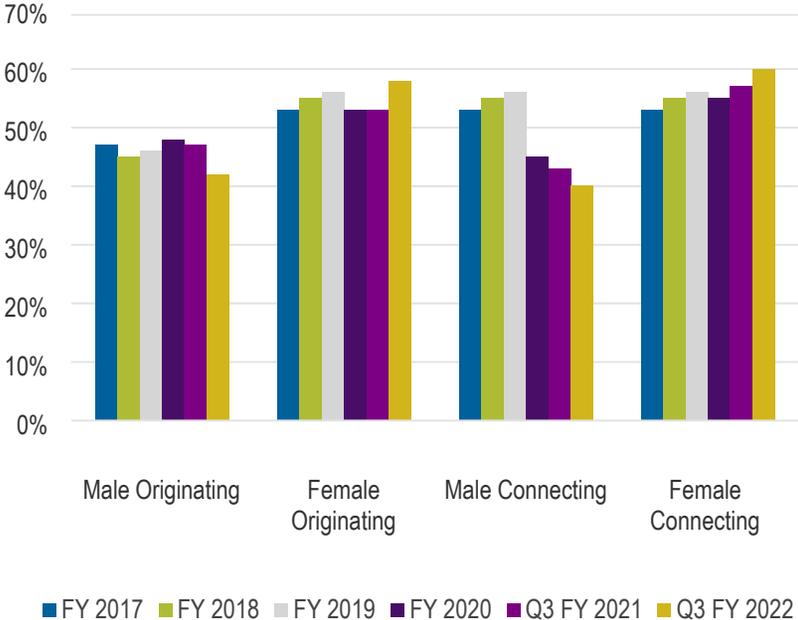
5.2 AGE

5.2.1 AGE CHARACTERISTICS

Passengers and Potential Passengers

The following series of charts show the age characteristics of passengers at BWI Marshall Airport and its potential passengers in the two trade areas defined in Chapter 4 (60-Minute Drive Time and the Primary Catchment Area). Fiscal Year (FY) corresponds to the Airport's fiscal year, July 1st through June 30th. Unless otherwise noted, data shown is based on the calendar year.

Note: passenger data represents demographic data provided by enplaning and deplaning passengers in surveys conducted by a third party within the Airport.[26] Passenger data for FY 2021 is inconsistent as the in-airport surveys were discontinued for a

60-Minute Drive Time, 2021 Median Age

39.4

period of time due to the pandemic thus incomplete. Whenever possible, we compare data for passengers against potential passengers.

The median age of originating passengers flying out of BWI Marshall Airport is fairly consistent from FY 2018 – 2020. There was a slight drop in Q3 FY 2021 and 2022 to 40.4. and 42.4, respectively. The median age of connecting passengers rose more than 5 years to 51.3 and 50.5 respectively in FY 2019 and 2020 from 45.1 in FY 2018. It also decreased in Q3 FY 2021 TO 45.5 and increased slightly in Q3 FY 2022. This increase is attributed to a slight rise in passengers aged 45-64 and over 65 in Q2, Q3 for both years.

Median Age: 60-Minute Drive Time

Comparison: Median Age: Originating & Connecting Passengers, BWI Marshall Airport FY 2018 - FY 2022

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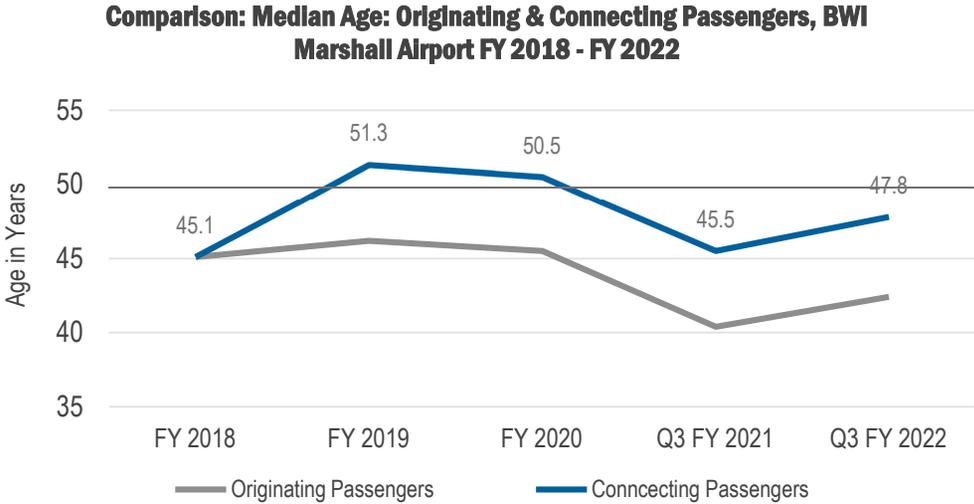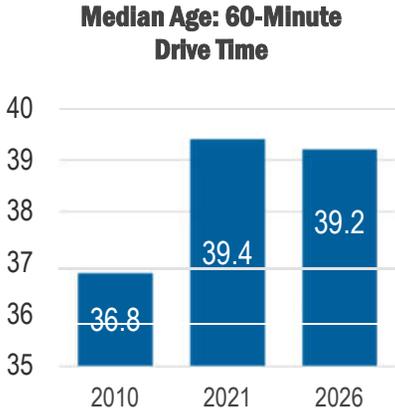
[26] **WBA Surveys Conducted in the airport**

Business travelers tend to be older than those traveling for pleasure and are more likely to travel alone. Business travel also dropped slightly from FY 2019-2021 which is likely due to work related travel restrictions that increased in the last two quarters of FY 2020 through 2021.

The median age of the potential passengers in the two trade areas trends lower for 2020 and 2021 as compared to originating and connecting passengers. The median age in four of the submarkets within the Primary Catchment Area and the 60-Minute Drive Time is below 40 years of age (cities of Baltimore and Washington DC and Anne Arundel and Prince George's Counties in MD), and three of the submarkets are under 38 years of age (Washington, DC, City of

Baltimore, and Prince George's County).

Only three of the geographies have a median age over 42 years of age, with the oldest being 43 years of age (see graph on page 30). When aggregated, the

median age in the Primary Catchment Area is 39.9 comparable to the median age within the 60-Minute Drive Time of 39.4.

Median age does not tell the entire story. The following chart provides a more detailed breakdown of range of age for potential passengers. The graph following this provides a comparison of the median age of actual passengers (FY 2018 – FY 2022) to potential passengers.

The median age of passengers is slightly higher than within the Primary Catchment Area, likely due to business travelers, which tend to be slightly older.[27]

Comparison: Median Age, BWI Airport Surveyed Passengers and Trade Areas' Potential Passengers
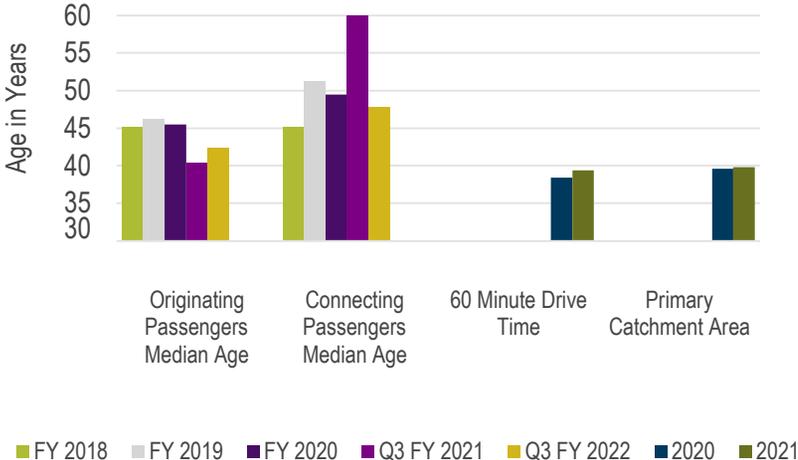
Detail of Population 15+ - 60-Minute Drive Time - 2021
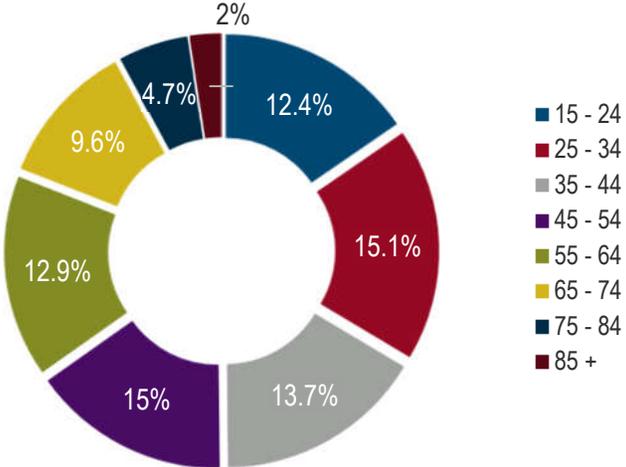
Comparison: Median Age, BWI Surveyed Passengers and BWI Primary Catchment Area (2021)
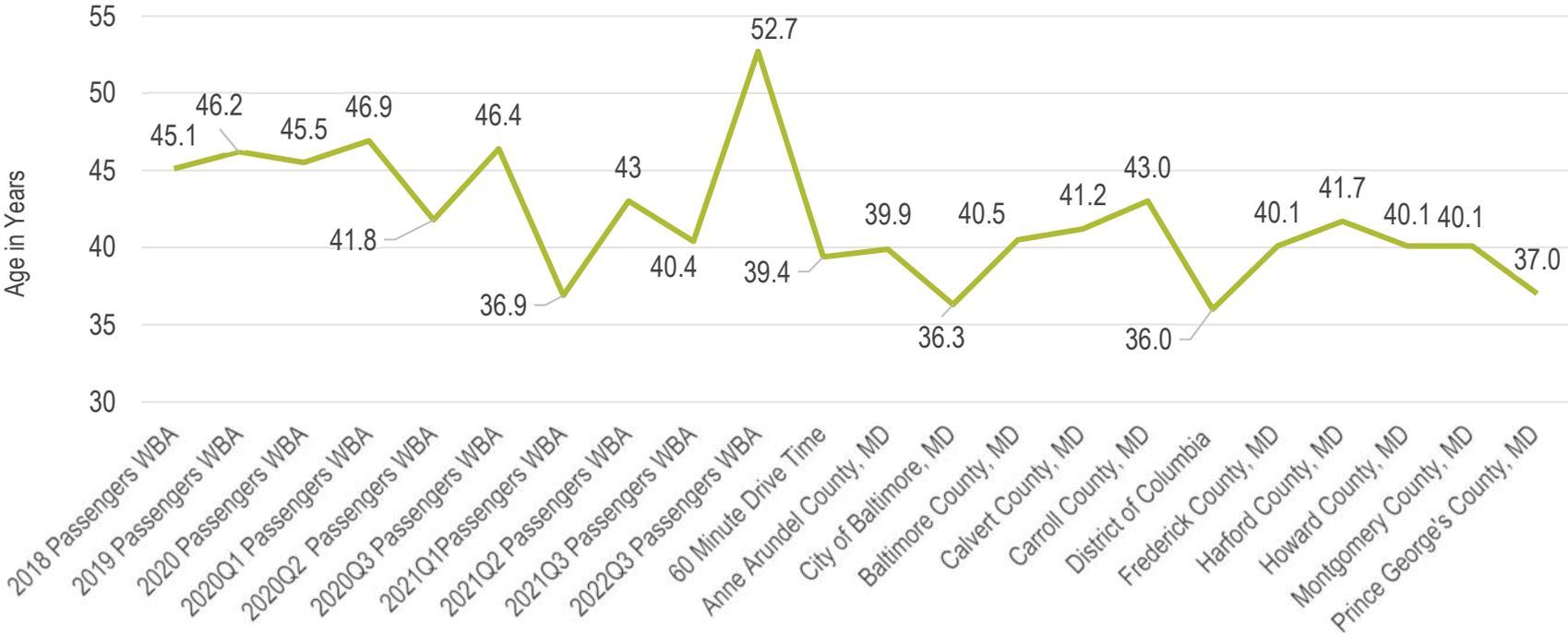
- Median Age 2021, OTW Noted

Comparison: Range of Age, BWI Marshall International Airport Trade Areas - 2021													
2021 Population by Age	60-Minute Drive Time	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
Ranges of Age by Percentage													
15 - 24	12.4%	11.7%	13.5%	12.6%	11.7%	11.8%	14.2%	12.9%	11.5%	12.1%	11.1%	13.7%	11.4%
25 - 34	15.1%	13.1%	17.3%	13.6%	13.0%	11.9%	20.3%	11.8%	13.0%	12.1%	13.0%	15.0%	12.3%
35 - 44	13.7%	13.7%	12.9%	12.5%	12.2%	11.9%	14.7%	14.9%	12.6%	13.8%	13.8%	13.7%	12.4%
45 - 54	12.3%	12.7%	11.1%	11.8%	13.8%	13.9%	10.8%	16.9%	13.1%	14.5%	13.0%	12.4%	13.2%
55 - 64	12.9%	13.7%	12.3%	13.5%	15.6%	15.2%	11.3%	11.8%	14.3%	14.1%	13.3%	12.4%	14.5%
65+	16.3%	17.9%	15.9%	16.4%	15.0%	18.6%	15.0%	11.0%	17.8%	14.4%	17.2%	14.4%	18.9%

Comparison: Range of Age, BWI Marshall Airport Surveyed Passengers FY 2017 – FY 2022						
	FY 2017	FY 2018	FY 2019	FY 2020	Q3 FY 2021	Q3 FY 2022
Ranges of Age by Percentage						
18-24	11%	12%	12%	15%	16%	17%
18-24	11%	11%	11%	12%	13%	19%
25-34	20%	21%	19%	20%	23%	20%
25-34	16%	15%	15%	17%	21%	14%
35-44	16%	17%	17%	15%	18%	17%
35-44	12%	16%	13%	12%	15%	12%
45-54	20%	19%	20%	19%	19%	17%
45-54	19%	20%	16%	17%	18%	16%
55-64	21%	18%	19%	19%	16%	17%
55-64	24%	21%	23%	22%	21%	20%
65+	13%	13%	12%	13%	7%	14%
65+	18%	18%	22%	20%	13%	19%

Originating Passengers
Connecting Passengers

5.3 INCOME

In 2021, the Median HHI in Maryland was $94,384 over 39% higher than the U.S. Median HHI at $ 67,521.
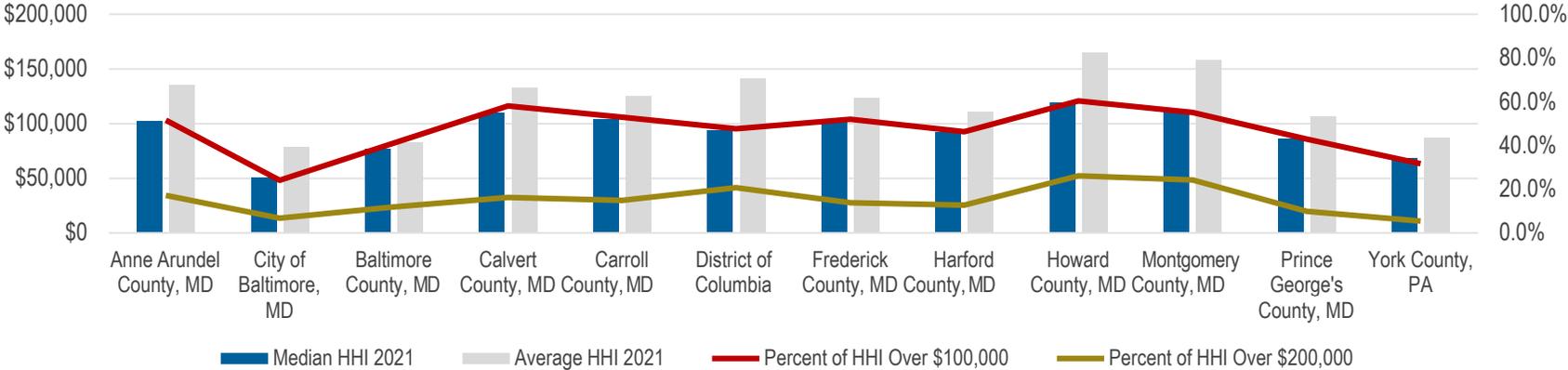
Disposable Income: 60-Minute Drive Time

> **$66,782** Median Disposable HH Income
> **$86,319** Average Disposable HH Income

Household Income: 60-Minute Drive Time - 2021	
Median HHI	$91,842
Average HHI	$129,110
Percent over $100,000	50.7%
Percent over $200,000+	16.7%

According to the U.S. Census, Maryland ranks second among the states for the highest median HHI in the country. All submarkets except the City of Baltimore in the Primary Catchment Area boast median HHIs over the U.S. median, and seven exceed the Maryland median HHI (Anne Arundel, Calvert, Carroll, Frederick, Howard and Montgomery counties and Washington, DC). The Baltimore Washington Region is one of the strongest markets in the country and is known for strong household incomes. Over forty percent of households in nine of the submarkets have HHI over $100,000 (the exceptions are City of Baltimore, Baltimore, and Harford Counties in MD and York County, PA). This overall household wealth is reflected in the disposal income (see chart below).

Comparison: Household Income – BWI Primary Catchment Area - 2021												
	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
Median HHI	$102,346	$50,417	$76,971	$110,025	$103,516	$93,516	$102,476	$92,324	$119,504	$110,388	$86,039	$68082
Average HHI	$135,470	$78,529	$82,530	$132,546	$125,071	$125,071	$123,541	$111,000	$165,069	$157,680	$106,665	$86,554
Percent of HHI Over $100,000	51.5%	24.0%	42.2%	58.1%	52.8%	47.7%	46.3%	46.3%	60.3%	55.1%	42.9%	31.6%
Percent of HHI Over $200,000+	17.2%	68.0lts%	11.9%	16.3%	14.9%	20.7%	12.7%	12.7%	26.1%	24.3%	9.9%	5.4%
Median Disposable Income	$73,992	$39,475	$57,471	$80,081	$75,401	$67,450	$74,212	$66,628	$86,444	$79,817	$62,728	$54,641
Average Disposable Income	$91,716	$55,564	$73,154	$92,077	$87,491	$89,384	$86,740	$81,730	$105,927	$100,920	$76,557	$67,915

Comparison: Household Income, BWI Primary Catchment Area, 2021

Legend: Median HHI 2021 · Average HHI 2021 · Percent of HHI Over $100,000 · Percent of HHI Over $200,000

Disposable income is after tax household income. Disposable income forecasts are based on the Current Population Survey, U.S. Census Bureau. The chart to the right shows disposable household income for the Primary Catchment Area. Disposable income rose in 2020 and 2021 due to level of household savings that occurred because of the pandemic.[28]

Comparison Disposable Income, BWI Primary Catchment Area, 2021

Legend: Median Disposable Income · Average Disposable Income

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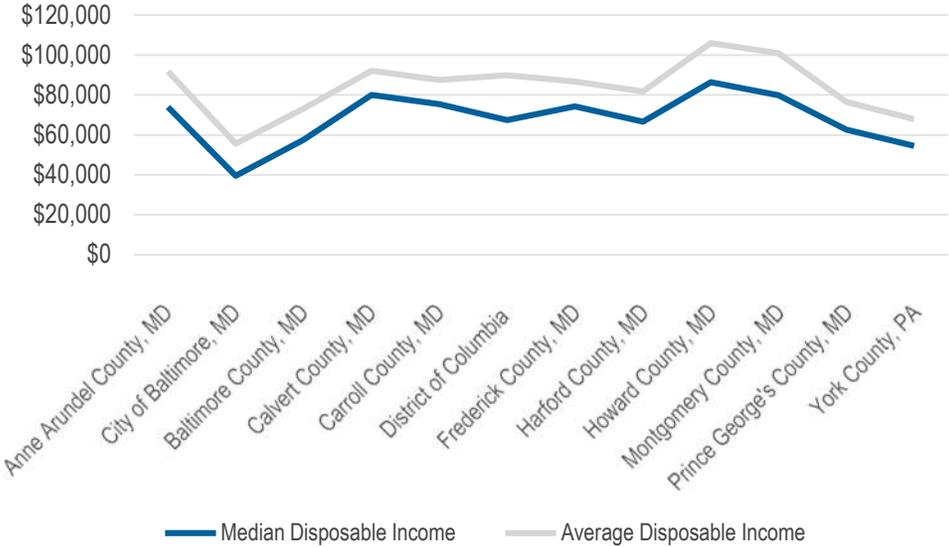
[28] ESRI Income report

Comparison: Disposable Income, By Age Range, 60-Minute Drive Time, BWI Primary Catchment Area - 2021												
	60-Minute Drive Time	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD[29]	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
Median Disposable Income by Household and Age Range													
25-34	$59,852	$61,909	$42,682	$51,269	$68,479	$63,410	$73,515	$60,884	$58,043	$67,730	$61,394	$55,973	$51,806
35-44	$75,638	$80,638	$53,717	$66,289	$85,577	$83,481	$78,434	$80,822	$77,233	$87,648	$83,078	$68,144	$69,861
45-54	$90,096	$100,037	$50,951	$76,327	$101,043	$96,948	$89,201	$93,851	$88,085	$113,409	$106,696	$80,142	$68,890
55-64	$77,524	$84,931	$37,856	$66,658	$85,165	$81,846	$69,917	$80,891	$75,900	$103,864	$98,446	$72,290	$59,192
65-74	$60,494	$66,913	$34,149	$54,886	$71,691	$63,458	$56,899	$64,709	$59,369	$76,199	$77,623	$58,502	$49,067

Households by age groups with the highest level of disposable income are those ranged 35 - 44, 45 - 54, and 55 - 64, which are the primary earning years for the majority of working individuals. Over two thirds of households aged 45 - 54 had the highest level of disposable income followed equally by those between 35 - 44 and 54 - 65 years of age.

Disposable income is not available for Airport passengers. The following series of charts provide insight on income of both originating and connecting passengers for FY 2017 through FY 2020. Reported median household income is slightly higher for originating passengers as compared to connecting ones.

Aggregate median household income for Airport passengers (self-reported)[30] is higher than the aggregate median household income for the Primary Catchment Area. Though five submarkets in the PCA boast median household incomes over $100,000. Both groups exceed the median HHI for the U.S. at $67,521, and Maryland at $94,384, respectively. Higher incomes typically translate to higher disposal income. Higher disposable income for passengers ideally will benefit dining and retail operators as passengers have more money to spend during travel.

Comparison: Median Household Income: BWI Surveyed Passengers & PCA					
	FY 2017	FY 2018	FY 2019	FY 2020	PCA 2021
Aggregate Median HH Income	$98,700	$106,500	$102,550	$100,950	$92,967

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[29] Data for Carroll County Unavailable
[30] Airport Passenger Surveys

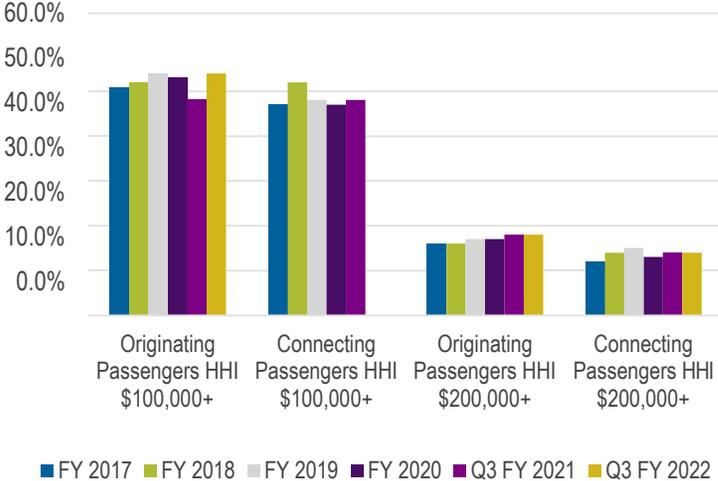| Comparison: Household Income, BWI Marshall Airport Surveyed Passengers FY 2017 – FY 2022[31]						
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**Q3 FY 2021**	**Q3 FY 2022**
Annual Household Income						
$1-39,000	11.0%	11.0%	10.0%	12.0%	13.0%	12.0%
$1-39,000	13.0%	11.0%	10.0%	13.0%	13.0%	12.0%
$40,000 - $74,999	20.0%	20.0%	20.0%	20.0%	24.0%	18.0%
$40,000 - $74,999	22.0%	22.0%	24.0%	22.0%	22.0%	19.0%
$75,000 - $99,999	19.0%	16.0%	16.0%	15.0%	16.0%	18.0%
$75,000 - $99,999	18.0%	18.0%	18.0%	18.0%	17.0%	21.0%
$100,000 - $149,999	22.0%	22.0%	23.0%	22.0%	20.0%	21.0%
$100,000 - $149,999	21.0%	23.0%	21.0%	19.0%	21.0%	22.0%
$150,000 - $199,999	13.0%	14.0%	14.0%	14.0%	12.0%	13.0%
$150,000 - $199,999	14.0%	14.0%	12.0%	15.0%	13.0%	12.0%
$100,000+	51.0%	52.0%	54.0%	53.0%	48.0%	52.0%
$100,000+	47.0%	52.0%	48.0%	47.0%	48.0%	48.0%
$200,000+	16.0%	16.0%	17.0%	17.0%	16.0%	18.0%
$200,000+	12.0%	14.0%	15.0%	13.0%	14.0%	14.0%
Mean HH Income	$120,500	$121,500	$124,200	$121,800	$116,000	$121,900
Mean HH Income	$111,700	$115,300	$115,900	$113,200	$113,400	$114,900
Median HH Income	$102,400	$106,500	$109,000	$107,400	$96,000	$104,300
Median HH Income	$95,000	$97,600	$96,100	$94,500	$95,400	$96,800

Originating Passengers

Connecting Passengers

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[31] **Latest Complete Data available**

Comparison Household Income, BWI Airport Surveyed Passengers FY 2017 - FY 2022

Legend: FY 2017, FY 2018, FY 2019, FY 2020, Q3 FY 2021, Q3 FY 2022

Categories: Originating Passengers HHI $100,000+; Connecting Passengers HHI $100,000+; Originating Passengers HHI $200,000+; Connecting Passengers HHI $200,000+

Comparison: Median Household Income, BWI Airport Surveyed Passengers FY 2017 - FY 2022

Originating Passengers: FY 2017 $102,400; FY 2018 $106,500; FY 2019 $109,000; FY 2020 $107,400; Q3 FY 2021 $96,000; Q3 FY 2022 $104,300

Connecting Passengers: FY 2017 $95,000; FY 2018 $97,600; FY 2019 $96,100; FY 2020 $94,500; Q3 FY 2021 $95,400; Q3 FY 2022 $96,800
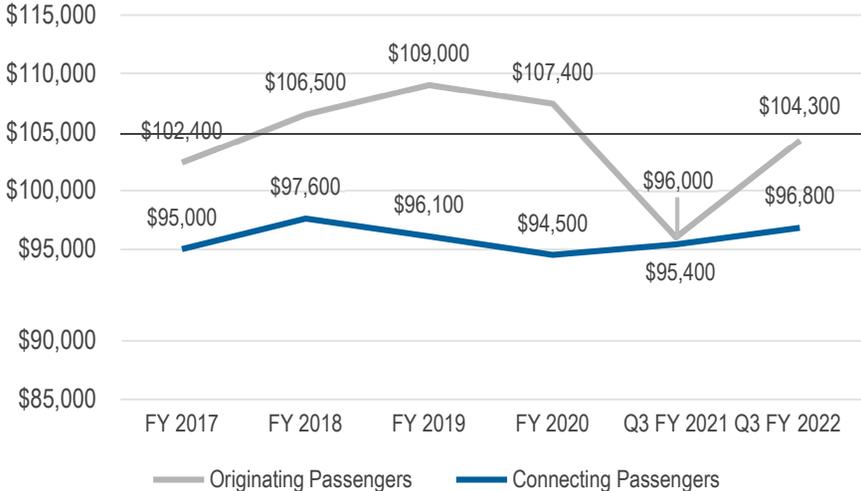
5.4 ETHNIC COMPOSITION

60-Minute Drive Time 2021 Diversity Index[32]

72

Ethnic Composition - 60-Minute Drive Time 2021

- White Alone
- Black Alone
- American Indian Alone
- Asian Alone
- Pacific Islander Alone
- Some Other Race Alone
- Two or More Races
- Hispanic Origin

12.70% · 3.80% · 0.10% · 5.60% · 7.90% · 0.40% · 32.70% · 49.70%
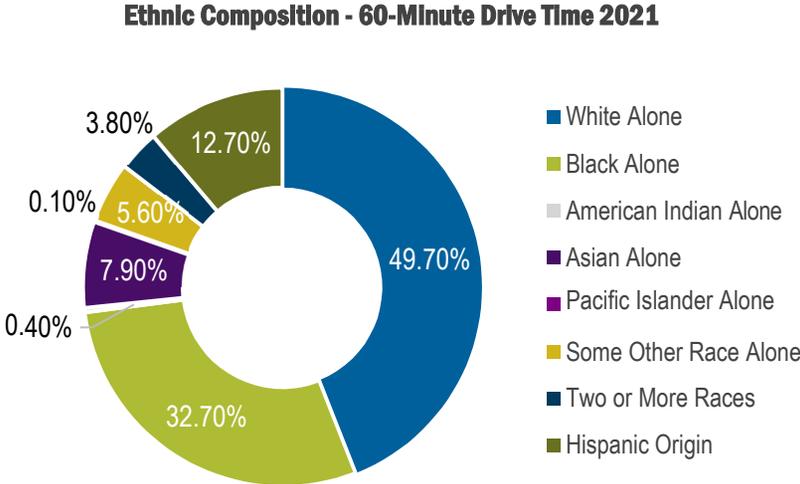
Ethnic Composition - BWI Marshall Airport 60-Minute Drive Time	
2021 Population by Ethnicity	
White Alone	49.7%
Black Alone	32.7%
American Indian Alone	0.0%
Asian Alone	7.9%
Pacific Islander Alone	0.1%
Some Other Race Alone	5.6%
Two or More Races	3.8%
Hispanic Origin	12.0%
Diversity Index	**72.0%**

Comparison: Ethic Composition - BWI Primary Catchment Area - 2021												
	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
2021 Population by Ethnicity												
White Alone	69.3%	29.6%	56.8%	79.5%	90.0%	42.6%	81.5%	76.7%	52.0%	51.1%	17.6%	85.1%
Black Alone	18.5%	62.0%	30.8%	13.2%	4.0%	43.8%	8.6%	15.1%	20.5%	19.6%	61.9%	6.6%
American Indian Alone	0.3%	0.4%	0.4%	0.4%	0.2%	0.4%	0.3%	0.3%	0.3%	0.4%	0.6%	0.3%
Asian Alone	4.3%	2.7%	6.5%	2.0%	2.2%	4.5%	3.8%	3.2%	20.1%	15.5%	4.2%	1.5%
Pacific Islander Alone	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Some Other Race Alone	3.4%	2.6%	2.3%	1.1%	1.2%	5.1%	2.9%	1.4%	2.6%	8.6%	11.9%	3.7%
Two or More Races	4.0%	2.7%	3.2%	3.6%	2.3%	3.5%	2.8%	3.3%	4.5%	4.8%	3.8%	2.8%
Hispanic Origin	9.2%	6.1%	6.3%	5.0%	4.3%	11.7%	7.3%	5.2%	7.8%	21.0%	21.0%	8.8%
Diversity Index	56.9	58.2	62.8	41.1	25.4	70.2	41.8	44.9	69.8	78.4	72.2	38.9

[32] Diversity Index from Esri represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. Ethnic diversity, as well as racial diversity, is included in our definition of the Diversity Index.

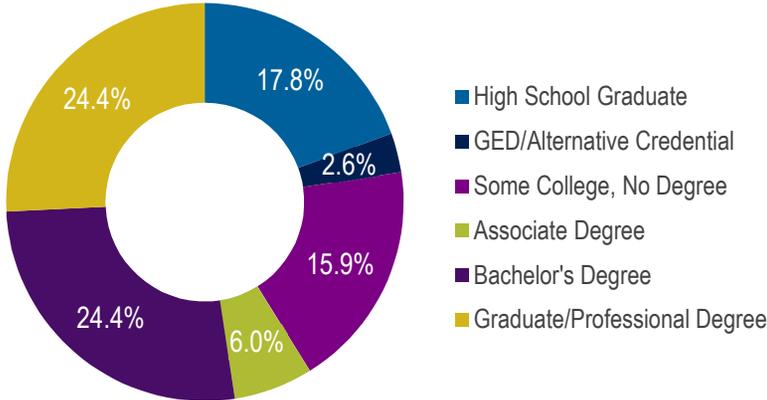## Comparison: Ethnic Composition - BWI Primary Catchment Area - 2021
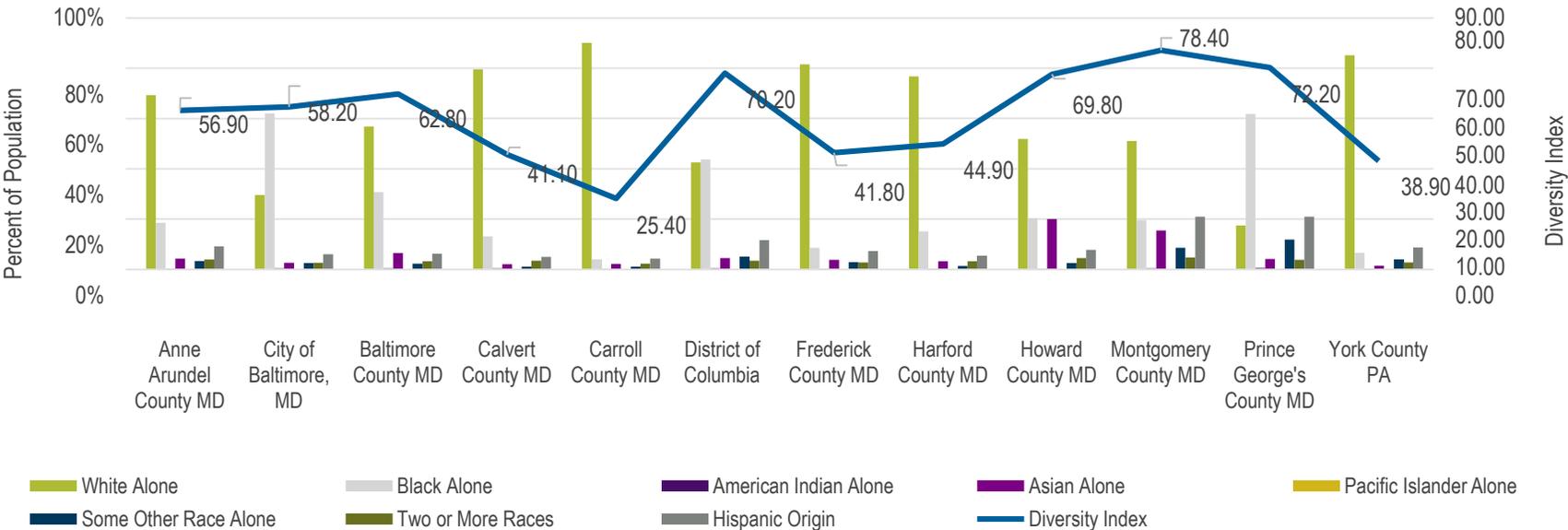
Over the last 50 years, the racial and ethnic compositions of the United States have changed dramatically. Much of the increased diversity has been fueled by the Hispanic population. The Baltimore Washington region is fairly diverse. The diversity index in the 60-Minute Drive Time is 72 as compared to the U.S. at 65.4 in 2021. A majority of the submarkets within the PCA apart from Calvert, Carroll, Frederick, and Harford Counties, MD and York County, PA have a diversity index at or over 50%. Several indexes hover near or exceed 70% (Washington, DC, Howard, Montgomery, and Prince George's Counties in MD). Those submarkets that benchmark below 50% for diversity are less dense and have more rural areas. The passenger base appears less diverse, with a significantly higher portion of surveyed passengers who identify as White (near 70%) followed by those who identify as African American. This may merely be a reflection of individuals willing to participate in surveys conducted at the Airport.

Comparison: Ethnicity - BWI Airport Surveyed Passengers FY 2017 – FY 2022						
	FY 2017	FY 2018	FY 2019	FY 2020	Q3 FY 2021	Q3 FY 2022
White/Caucasian	73.0%	71.0%	67.0%	69.0%	59.0%	64.0%
White/Caucasian	85.0%	82.0%	79.0%	82.0%	72.0%	79.0%
Black/African American	14.0%	15.0%	18.0%	16.0%	23.0%	18.0%
Black/African American	6.0%	9.0%	9.0%	7.0%	13.0%	11.0%
American Indian/Alaska Native	1.0%	2.0%	1.0%	1.0%	2.0%	1.0%
American Indian/Alaska Native	1.0%	1.0%	2.0%	3.0%	2.0%	2.0%
Asian/Asian America	5.0%	5.0%	5.0%	6.0%	4.0%	5.0%
Asian/Asian America	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hawaii/Pacific Islander	1.0%	-1.0%	-1.0%	1.0%	1.0%	1.0%
Hawaii/Pacific Islander	-1.0%	1.0%	1.0%	1.0%	1.0%	0.0%
Hispanic	4.0%	5.0%	5.0%	5.0%	11.0%	7.0%
Hispanic	4.0%	3.0%	6.0%	3.0%	8.0%	4.0%
Other	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%
Other	3.0%	4.0%	2.0%	4.0%	3.0%	3.0%

Originating Passengers

Connecting Passengers

5.5 EDUCATIONAL ATTAINMENT

48.8% of the Population over 25 Within the 60-Minute Drive Time Have at Least a Bachelor's Degree, Compared with 43.1% of Maryland Residents and 37.9% of the U.S. Population

Educational Attainment, 60-Minute Drive Time - 2021

- 17.8% High School Graduate
- 2.6% GED/Alternative Credential
- 15.9% Some College, No Degree
- 6.0% Associate Degree
- 24.4% Bachelor's Degree
- 24.4% Graduate/Professional Degree

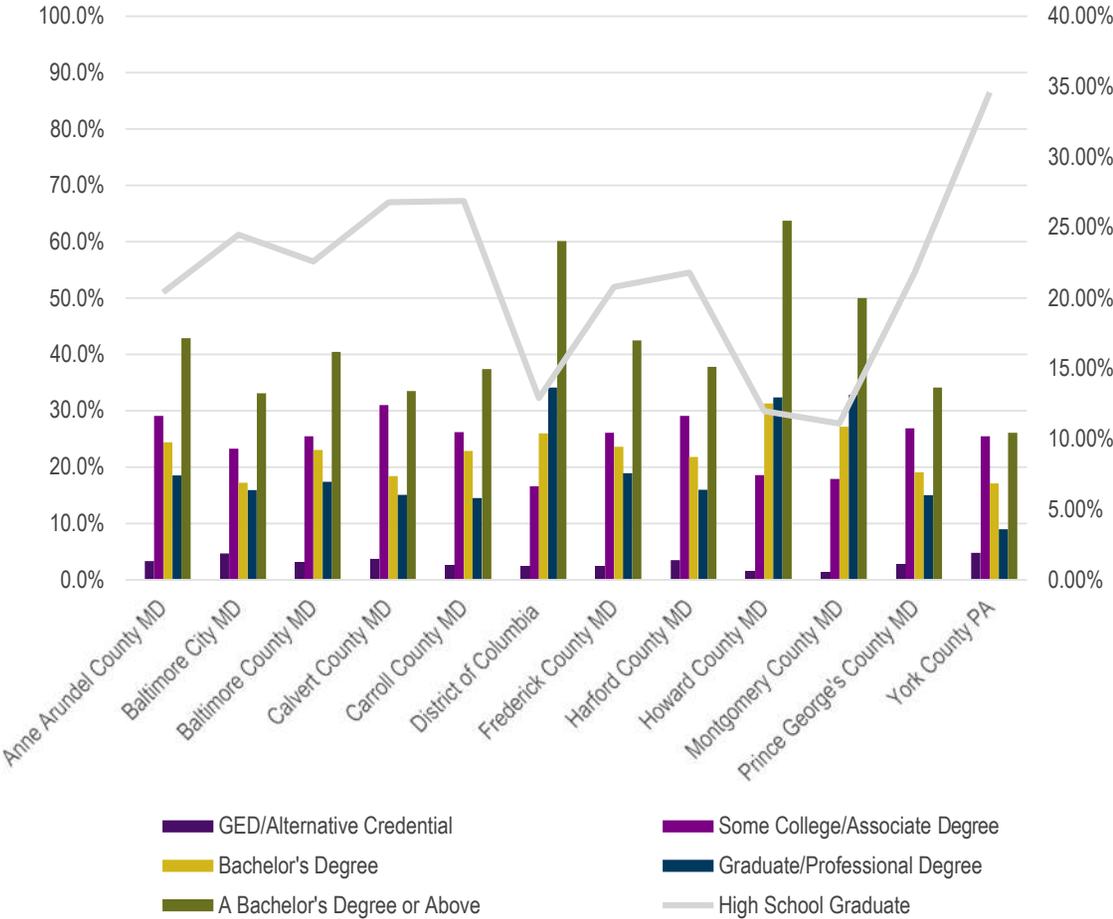| Comparison: Education Attainment, BWI Primary Catchment Area - 2021												
	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
Education Attainment by Percentage												
High School Graduate	20.4%	24.5%	22.6%	26.8%	26.9%	12.9%	20.8%	21.8%	11.7%	11.1%	21.8%	34.6%
GED/Alternative Credential	3.3%	4.7%	3.1%	3.7%	2.6%	2.4%	2.3%	3.5%	1.5%	1.4%	2.8%	4.8%
Some College, No Degree	18.1%	18.4%	18.3%	22.1%	18.0%	13.2%	17.9%	20.0%	12.9%	12.5%	20.5%	16.1%
Associate Degree	8.0%	4.9%	7.2%	8.9%	8.2%	3.4%	8.2%	9.1%	5.7%	5.4%	6.4%	9.4%
Bachelor's Degree	24.4%	17.2%	23.0%	18.4%	22.9%	26.0%	23.6%	21.8%	31.3%	27.2%	19.1%	17.1%
Graduate/Professional Degree	18.5%	15.9%	17.4%	15.1%	14.5%	34.1%	18.9%	16.0%	32.4%	32.8%	15.0%	9.0%

The Baltimore Washington region boasts a reputation for above average education levels and strong employment. A significant portion of residents within the region exceed the U.S. and Maryland average education attainment levels. Only two submarkets fall below these levels (York County, PA and the City of Baltimore). The percentage of residents that have at least a Bachelor's Degree in six the submarkets exceed the State and U.S. levels (Anne Arundel, Baltimore, Frederick, Howard, and Montgomery counties, and the District of Columbia).

Maryland's workforce is among the best educated in the nation. In 2021, 43.1% of its population aged 25 or older held a Bachelor's Degree or higher (4th among all states), while 19.1% held a graduate or professional degree (2nd highest nationally). In 2019, Maryland was fourth in the nation for employment within the federal government, though it ranked first for federal jobs per capita, at 240 jobs per 10,000 residents. Maryland also ranked second in the country for its high percentage of professional and technical workers (29.2%) in the workforce.[33]

A better educated workforce begets better jobs and salaries. Many Marylanders work in the service-providing sector, nearly 50% of the population in each of the submarkets except for Calvert and

Comparison: Educational Attainment, BWI Primary Catchment Area - 2021

Legend:
- GED/Alternative Credential
- Bachelor's Degree
- A Bachelor's Degree or Above
- Some College/Associate Degree
- Graduate/Professional Degree
- High School Graduate

Carroll Counties. The majority of jobs in the Primary Catchment Area are classified as white collar (61% plus). Jobs cover a wide spectrum: from government positions to transportation-related professions, from wholesale trade to the finance and insurance industry.

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[33] State of Maryland

5.6 LABOR FORCE

The percentage of employment by sector did not change that drastically for the types of positions we tracked between 2019 and 2021. Despite the pandemic, certain sectors actually gained workers (white collar jobs, management/business/financial). However, there were shifts in

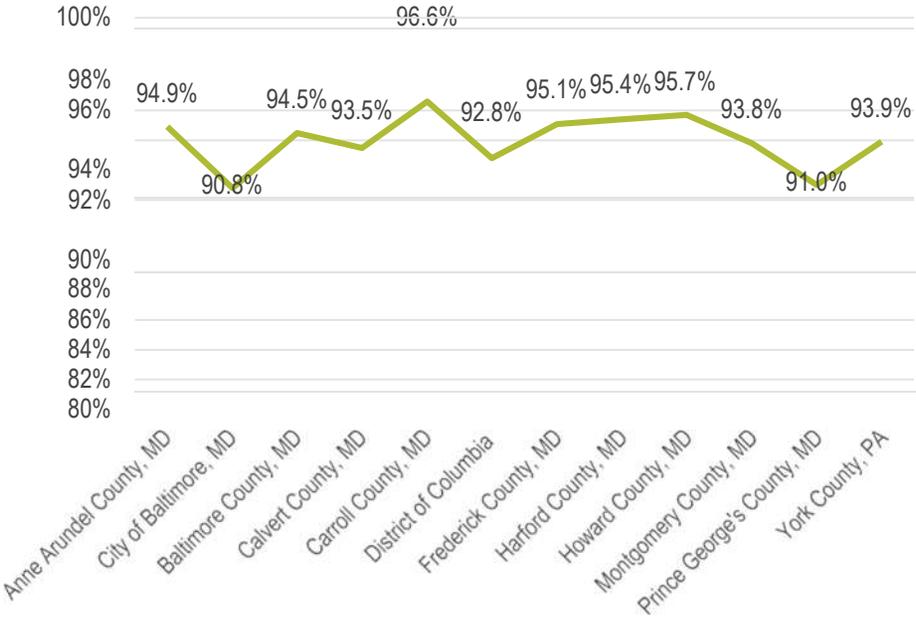**93.6% of the labor force 16+ within the 60-Minute Drive Time was employed in 2021.**

employment in 2021, most notably a drop in accommodation and food service (not shown here). The other notable change from 2019 – 22 was an increase in those employed in government positions; hiring increased at many government agencies during the pandemic. Individuals employed in positions that require a college or professional degree generally have higher household incomes, are more likely to travel for both pleasure and business and spend more per trip including on food and retail at the Airport.

Comparison: Employment, BWI Primary Catchment Area - 2021												
	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
2021Civilian Population 16+ in Labor Force, by Percentage												
White Collar	71.3%	64.3%	69.3%	65.7%	68.2%	83.2%	70.8%	69.4%	81.3%	77.2%	62.4%	59.5%
Management/Business/Financial	19.9%	13.8%	16.3%	21.2%	21.8%	30.8%	21.7%	20.6%	25.3%	24.9%	18.1%	16.0%
Professional	29.7%	30.5%	29.8%	25.3%	27.8%	39.1%	30.7%	28.3%	41.5%	37.6%	25.6%	22.6%
Finance/Insurance/Real Estate	5.7%	5.6%	8.0%	4.6%	6.8%	6.7%	6.4%	6.7%	6.7%	6.8%	5.0%	5.8%
Services	49.6%	57.7%	52.4%	42.6%	48.4%	60.1%	51.7%	48.2%	57.3%	58.6%	50.4%	42.6%
Government/Public Admin.	14.9%	9.4%	9.0%	18.5%	9.4%	18.4%	10.1%	11.3%	12.6%	6.5%	7.9%	5.7%
Civilian Employed 2019	96.2%	93.1%	96.2%	94.4%	97.4%	93.7%	96.3%	96.4%	96.7%	95.8%	94.2%	96.6%
Civilian Employed 2020	89.9%	86.9%	90.0%	88.6%	93.6%	84.1%	90.0%	90.0%	91.1%	89.7%	88.1%	80.5%
Unemployed 2019	3.8%	6.9%	3.5%	5.6%	2.6%	6.3%	3.7%	3.6%	3.3%	4.2%	5.8%	3.4%
Unemployed 2020	10.1%	13.1%	10.0%	11.4%	6.4%	15.9%	10.0%	10.0%	8.9%	10.3%	11.9%	19.5%
Total Civilian	332,875	323,061	475,996	52,824	92,076	434,713	146,879	147,669	192,603	612,897	536,906	242,841

Overall employment did drop from 2019 to 2020 across the board,[34] certain sectors have recovered to nearly 100% of pre-pandemic levels in 2021, including white collar and professional and management/business/finance. During the height of the pandemic unemployment nearly doubled in all the markets in the Primary Catchment Area. Those with the highest shift also have the highest level of retail and or hospitality service jobs which suffered the highest level of loss due to the pandemic. A significant number of these jobs have not been replaced yet in 2021, most likely due to a reduction in hours, a slow down or reduction in business openings (gyms, restaurants, hotels), and even permanent closure. Statewide, unemployment decreased to

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[34] 2019 Figures unavailable for Carroll County

Comparison: Percent Net Employment, BWI Primary Catchment Area - 2021

Comparison chart showing: Anne Arundel County, MD 94.9%; City of Baltimore, MD 90.8%; Baltimore County, MD 94.5%; Calvert County, MD 93.5%; Carroll County, MD 96.6%; District of Columbia 92.8%; Frederick County, MD 95.1%; Harford County, MD 95.4%; Howard County, MD 95.7%; Montgomery County, MD 93.8%; Prince George's County, MD 91.0%; York County, PA 93.9%

Comparison: Employment – BWI Airport Surveyed Passengers FY 2017 – FY 2022						
Employment by Category (Originating, Connecting respectively)						
	FY 2017	FY 2018	FY 2019	FY 2020	Q3 FY 2021	Q3 FY 2022
Net Employed	76.0%	77.0%	79.0%	75.0%	79.0%	74.0%
Net Employed	71.0%	77.0%	70.0%	60.0%	71.0%	65.0%
Not employed	24.0%	23.0%	21.0%	25.0%	21.0%	26.0%
Not employed	29.0%	23.0%	30.0%	34.0%	29.0%	35.0%
Student	6.0%	7.0%	6.0%	9.0%	6.0%	10.0%
Student	7.0%	7.0%	6.0%	6.0%	7.0%	13.0%
Private for - Profit	62.0%	59.0%	60.0%	61.0%	63.0%	61.0%
Private for - Profit	64.0%	59.0%	64.0%	64.0%	63.0%	61.0%
Government	19.0%	21.0%	21.0%	18.0%	16.0%	17.0%
Government	14.0%	21.0%	16.0%	15.0%	12.0%	12.0%
Nonprofit	10.0%	13.0%	12.0%	11.0%	9.0%	13.0%
Nonprofit	10.0%	13.0%	9.0%	10.0%	14.0%	15.0%
Self Employed	6.0%	5.0%	5.0%	6.0%	6.0%	7.0%
Self Employed	7.0%	5.0%	6.0%	8.0%	6.0%	9.0%
Military	2.0%	2.0%	2.0%	2.0%	4.0%	2.0%
Military	2.0%	2.0%	3.0%	2.0%	4.0%	3.0%
Other	-1.0%	0.0%	1.0%	1.0%	-1%	-
Other	2.0%	-1.0%	1.0%	-1.0%	-	-

Originating Passengers
Connecting Passengers

5.8% in 2021 from 6.7% in 2020. The total civilian workforce dropped from 2019 to 2021 in several jurisdictions, largely due to a permanent loss of jobs in those sectors that were most impacted by the pandemic.

Net employment for surveyed passengers, originating and connecting, is lower in FY 2017 - Q3 FY 2022 as compared to the aggregate net employment rate for the Primary Catchment Area, at 94.0% in 2021. The lower rate of net employment for surveyed passengers can be attributed to a differential in what data is collected and how the data is collected. The figures for passengers, is a percentage of the total passengers surveyed, which includes those passengers who are retired or out of the work force. The figures used in the two trade areas are from U.S. Census Data and the Bureau of Labor Statistics and include only civilian workers over 16 years of age, which is a more restricted population pool.

Employment for surveyed passengers remained fairly consistent from FY 2017 - FY 2019. The most notable shifts occur from FY 2020 - Q3 FY 2022. Many unemployed individuals were enticed to travel in FY 2020 and FY 2021, wooed with very low airfares. The 3% increase in students (originating passengers) is likely attributed to students leaving college and flying home due to the pandemic. Travel restrictions due to the pandemic are also likely behind the reduced percentage of government travelers. The differences for the other business categories are insignificant, and the percent of private

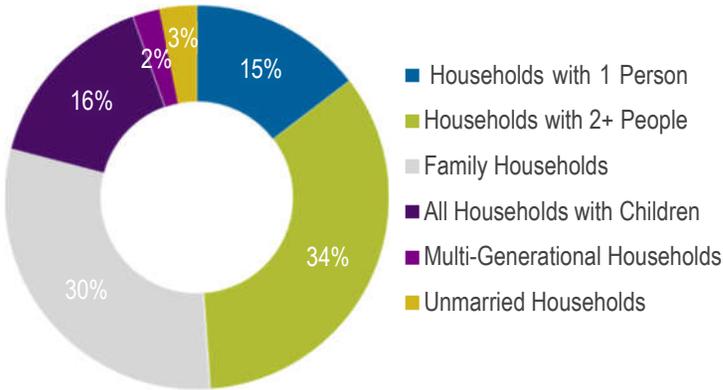for-profit travelers originating slightly increased (1%) and those connecting remained the same.

Demographic and Psychographic Analysis

5.7 HOUSEHOLD CHARACTERISTICS

As of 2021, the average U.S. household consisted of 2.60 persons. All of the communities within the Primary Catchment Area exceed the U.S. HH average except the City of Baltimore, Washington, DC, and York County, PA. Two submarkets in Maryland (City of Baltimore and Baltimore County) are below the average Maryland 2021 HH size of 2.64 persons. The District of Columbia has the lowest household average at 2.14, largely due to the high number of single person households.

The majority of the markets that comprise the PCA also have lower rates of households with children. The U.S. average is 40%; only Calvert and Howard Counties are reflective of this at 40.4% and 39.3%, respectively. Five of the submarkets are below 35% (Anne Arundel and Baltimore County, City of Baltimore, Washington, DC, and York County, PA), and two are below 30% (Baltimore and Washington, DC). A similar pattern is evident for originating and connecting Airport passengers. In FY 2017 through FY 2019, surveyed passengers with children under 18 in the household were below 32%. The data was not collected for FY 2020 or FY 2021. The lower than U.S. average number of children at home for both datasets would indicate retail products and concepts oriented to children might have less success at BWI Marshall Airport.

Comparison: Household Composition, 60-Minute Drive Time - 2021

- Households with 1 Person — 15%
- Households with 2+ People — 34%
- Family Households — 30%
- All Households with Children — 16%
- Multi-Generational Households — 2%
- Unmarried Households — 3%

The Average Household Size within the 60-Minute Drive Time in 2021 was 2.52. This compares to the U.S. at 2.60 and Maryland at 2.64.

Comparison: Household Composition, BWI Primary Catchment Area - 2021											
	Anne Arundel County, MD	City of Baltimore, MD	Baltimore County, MD	Calvert County, MD	Carroll County, MD	District of Columbia	Frederick County, MD	Harford County, MD	Howard County, MD	Montgomery County, MD	Prince George's County, MD	York County, PA
Household Size & Composition											
Households with 1 Person	23.7%	36.1%	28.3%	18.1%	20.0%	44.0%	22.0%	21.5%	21.9%	25.0%	26.1%	23.7%
Households with 2+ People	76.3%	63.9%	71.7%	81.9%	80.0%	56.0%	78.0%	78.5%	78.1%	75.0%	73.9%	76.3%
Family Households	69.8%	53.6%	64.8%	76.9%	75.5%	42.3%	72.2%	73.5%	72.9%	68.6%	66.9%	70.4%
Households with Children	34.6%	28.4%	31.4%	40.4%	37.2%	20.7%	37.6%	36.6%	39.3%	35.7%	36.8%	33.0%
Multi-Generational Household	4.60%	6.50%	4.60%	5.80%	4.30%	3.90%	4.00%	4.60%	4.00%	4.20%	7.40%	3.5%
Unmarried Households	6.40%	8.70%	6.60%	6.20%	5.3%	7.70%	6.10%	5.90%	4.60%	4.70%	6.40%	7.6%
Average HH Size	2.65	2.37	2.48	2.84	2.73	2.14	2.70	2.67	2.754	2.70	2.78	2.52

Comparison: Marital Status, BWI Airport Surveyed Passengers FY 2017 – FY 2019[35]

	FY 2017	FY 2018	FY 2019
Household Marital Status by Percentage			
Married/partner	60%	60%	60%
Married/partner	60%	60%	61%
Single	30%	30%	30%
Single	27%	30%	28%
Divorced	10%	10%	10%
Divorced	13%	10%	12%
Children - any	28%	31%	31%
Children - any	23%	31%	27%

Originating Passengers
Connecting Passengers

Comparison: Average Household Size, BWI Primary Catchment Area - 2021

Home Value: 60-Minute Drive Time - 2021
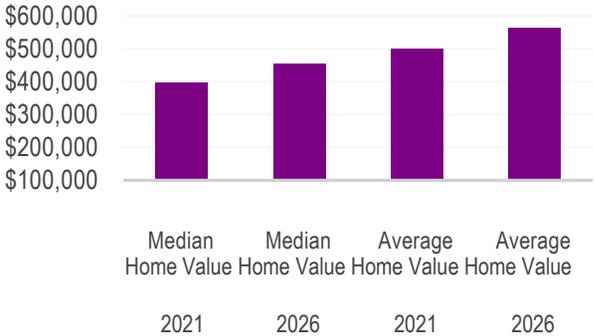
60-Minute Drive Time, 2021: Owner Occupied Housing Units:

56.8%

Comparison: Home Value & Ownership, BWI Primary Catchment Area - 2021
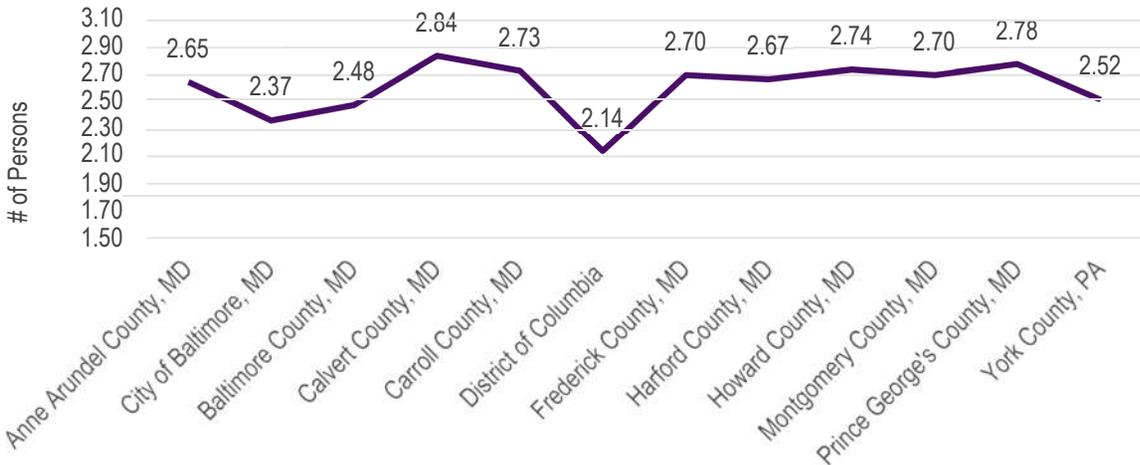
Median Home Value 2021 — Average Home Value 2021 — 2021 Owner Occupied Housing Units

Comparison: Home Value, Ownership, BWI Primary Catchment Area - 2021 -2026

Legend: Median Home Value 2021 | Median Home Value 2026 | Average Home Value 2021 | Average Home Value 2026 | 2021 Owner Occupied Housing Units
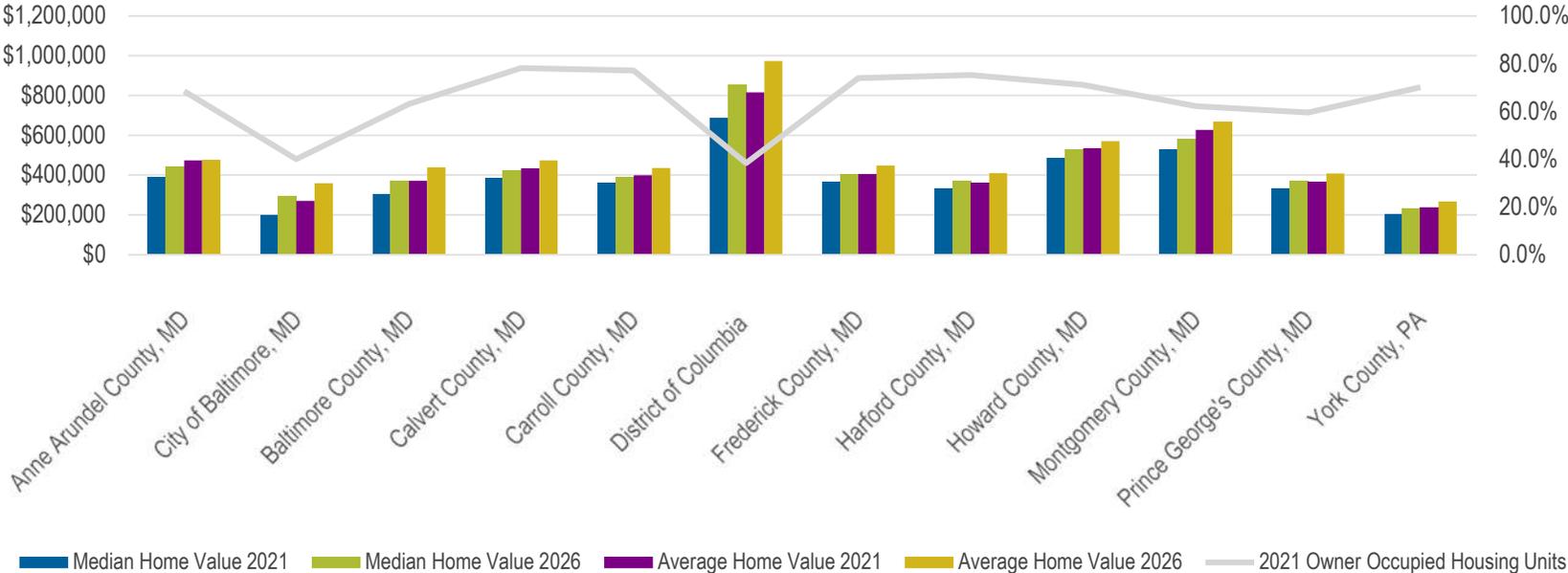
60-Minute Drive Time, 2021: Average Household Size is 2.52

Comparison: Average Household Size, BWI Primary Catchment Area - 2021

# of Persons

County	Value
Anne Arundel County, MD	2.65
City of Baltimore, MD	2.37
Baltimore County, MD	2.48
Calvert County, MD	2.84
Carroll County, MD	2.73
District of Columbia	2.14
Frederick County, MD	2.70
Harford County, MD	2.67
Howard County, MD	2.74
Montgomery County, MD	2.70
Prince George's County, MD	2.78
York County, PA	2.52
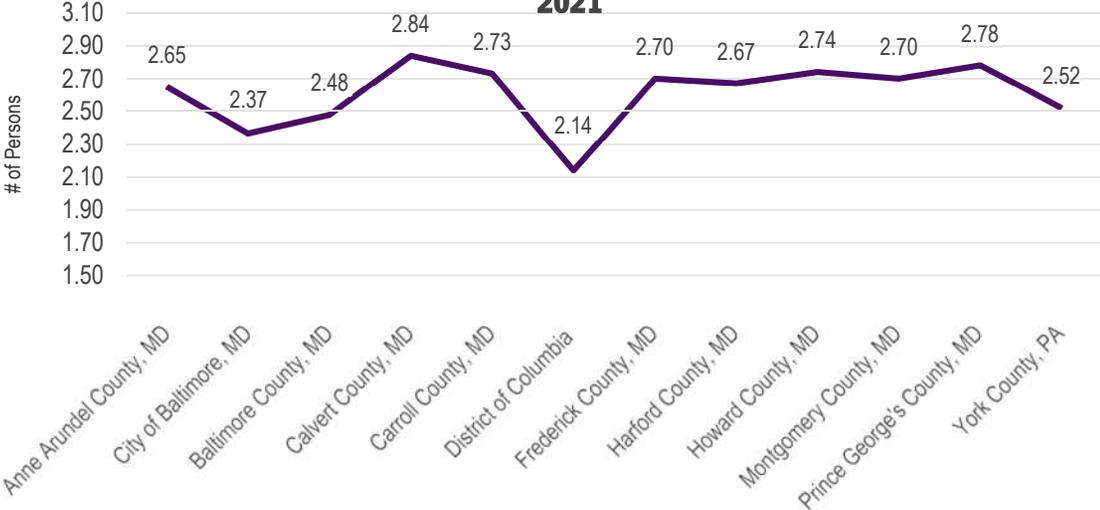
PSYCHOGRAPHIC ANALYSIS

6 PSYCHOGRAPHIC ANALYSIS

The following is the psychographic analysis undertaken for BWI Marshall Airport. We examined both the 60-Minute Drive Time and the PCA. The focus of this assessment is on the PCA. These segments reflect the study area only and do not reflect the entire consumer base for BWI Marshall Airport.

6.1 SEGMENTATION & THE METHODOLOGY

6.1.1 WHAT IS MARKET SEGMENTATION?

Market segmentation is the process of dividing a target market or geography into smaller, more defined categories. It segments customers and audiences into groups that share similar characteristics such as demographics, interests, needs, or location. The importance of market segmentation is that it makes it easier to focus marketing efforts and resources and for BWI Marshall Airport and the Concession Developer to create a compelling and sustainable retail and restaurant merchandise mix.

Psychographic segmentation factors are slightly more difficult to identify than demographics because they are subjective. They are not data-focused and require research to uncover and understand. Psychographic market segmentation takes into account different variables including:

- Personality traits
- Values
- Attitudes
- Interests
- Lifestyles

- Psychological influences
- Subconscious and conscious beliefs
- Motivations
- Priorities

Behavioral segmentation focuses on how the customer acts. Behavioral segmentation requires you to know about your customer's actions. The ESRI Tapestry Segment[36] process considers the following behavior:

- Purchasing habits
- Spending habits

- User status
- Brand interactions

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[36] See Methodology

6.1.2 METHODOLOGY

We used the ESRI Tapestry Segmentation[37] system for this assessment, a cluster system used in modern demographic analysis. The latest generation of Tapestry™ Segmentation (Tapestry) is designed to identify consumer markets in the United States, incorporates the effects of growth and decline in the last decade on established consumer markets plus the emergence of new markets populated by the Millennials and immigrants. The Tapestry Segmentation includes quantitative data, such as the purchase potential index that measures potential demand for specific products or services and integrates consumer traits with residential characteristics to identify markets and classify U.S. neighborhoods.

Neighborhoods with the most similar characteristics are grouped together, while neighborhoods with divergent characteristics are separated. Internally homogenous, externally heterogeneous market segments depict consumers' lifestyles and life stages. Reflecting the increasing diversity among American consumers, Tapestry combines the "who" of lifestyle demography with the "where" of local geography to create a classification model that divides every U.S. neighborhood into one of 67 distinct market segments based on socio-economic and demographic characteristics and 14 summary groups.

Cluster analysis is the generic approach used to create a market segmentation system. There are several different techniques or clustering methods that can be applied to identify and classify market types. Each technique has its strengths and weaknesses. Tapestry Segmentation combines the traditional with the latest data mining techniques to provide a robust and compelling segmentation of U.S. neighborhoods. The traditional cluster analysis method has a long record of accomplishment in developing market segmentation systems. Complementary use of data mining techniques and implementation of robust methods enhance the effectiveness of traditional statistical methodology in developing the next generation of Tapestry. Tapestry's cluster analysis is also used to develop the summary groups of Tapestry segments. Summary groups are ideal when users want to work with fewer than 67 segments. The individual segments are combined into 14 Life Mode groups based on lifestyle and life stage. Six urbanization groups present an alternative way of combining the 67 segments based on the segments' geographic and physical features such as population density, size of city, and location relative to a metropolitan area.
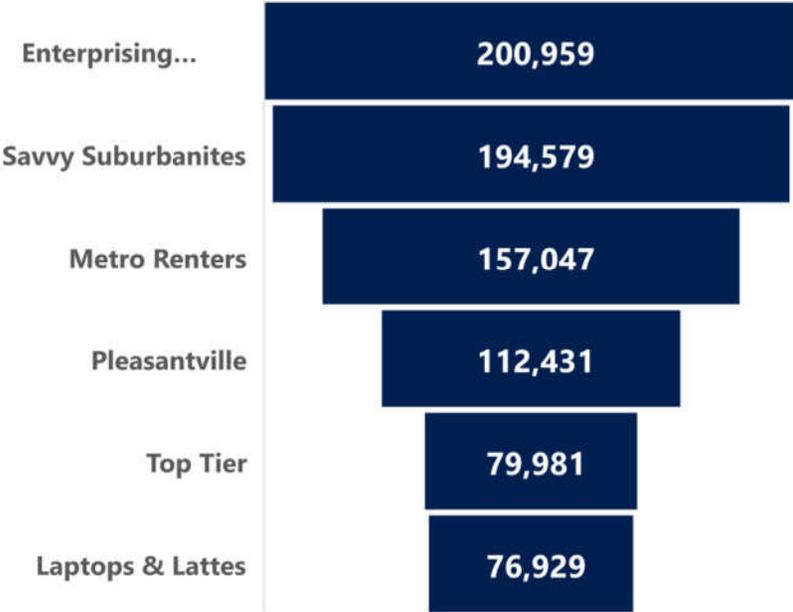
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[37] ESRI Segmentation System

6.2 BWI MARSHALL AIRPORT SEGMENTATION OVERVIEW

We identified the top three segmentation classifications and those that comprised 50% (or nearly) of the households in each of the geographies within the BWI Marshall Airport Primary Catchment Area. This represents twenty-six different classification categories. When we compare the geographies and aggregate classifications, six primary classification segments are prevalent in the chart to the right.

These six classifications range in percentage from 43.4% to 98.1% of the aggregate across the Primary Catchment Area and just over one third of the total households. Each of these tapestry segments are also part of a distinct Life Mode Group.[38] In order of saturation, the segments are Enterprising Professionals, Savvy Suburbanites, Metro Renters, Pleasantville, Top Tier and Laptops and Lattes and Top Tier. The next closest cumulative classification category was at 33.5%, and the rest decline in percentage from there.

On the following pages please find a snapshot of the defining characteristics of the top six classification groups. The Life Modes Groups they fall within are also identified, along with select characteristics. We recognize that this level of data does not necessarily reflect demographics and characteristics of the entire study area. A complete Tapestry Classification Summary is included as part of the appendix as a reference.

Prevalent Tapestry Segmentation Classifications by Total Households, BWI Marshall Airport Primary Catchment Area

Classification	Total Households
Enterprising...	200,959
Savvy Suburbanites	194,579
Metro Renters	157,047
Pleasantville	112,431
Top Tier	79,981
Laptops & Lattes	76,929

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[38] ESRI Tapestry Segmentation System 2020

Life Mode 2: Upscale Avenues
5.7% of U.S. Households: 6,969,900

(1)

Enterprising Professionals

U.S. Households: 1,737,200
BWI Marshall Airport Primary Catchment Area: 200,959

MEDIAN HOUSEHOLD INCOME	MEDIAN HOME VALUE	MEDIAN NET WORTH
$86,600	**$383,500**	**$106,000**

Enterprising Professionals residents are well educated and climbing the ladder in STEM (science, technology, engineering, and mathematics) occupations followed by those in business and financial fields. They change jobs often and therefore choose to live in condos, town homes, or apartments; many still rent their homes. They are prosperous, have a college degree and are employed in professional and management positions.

The market is fast-growing, located in lower density neighborhoods of large metro areas. While a majority are White, the residents are diverse, with Asians making up over one-fifth of the population. Almost half of households are married couples, and 29% are single person households.

This young market makes over one and a half times more income than the U.S. median, supplementing their income with high-risk investments. They like to travel (foreign and domestic), visit museums and gamble for fun. Early adopters of technology, they enjoy new gadgets and apps, and use smartphones for news, shopping and staying connected. At home, they enjoy the Internet and TV on high-speed connections with premier channels and services.

Retail Convenience is key. They shop at Amazon.com, pick up drugs at the Target pharmacy and frequent the dry cleaner. They buy digital books and newspapers for tablet reading. They strive to stay youthful and healthy, eat organic and natural foods, run, do yoga and buy name brands and trendy clothes online. They spend 33% more on food and entertainment than the average U.S. household, and 39% more on apparel and services. For fun and leisure, they tend toward gambling, trips to museums and the beach.

Neighborhoods The housing is a mixture of suburban single-family homes, row homes, and larger multi-unit structures. Close to three quarters of the homes were built after 1980; 25% are newer, built after 2000. Renters make up nearly half of all households.
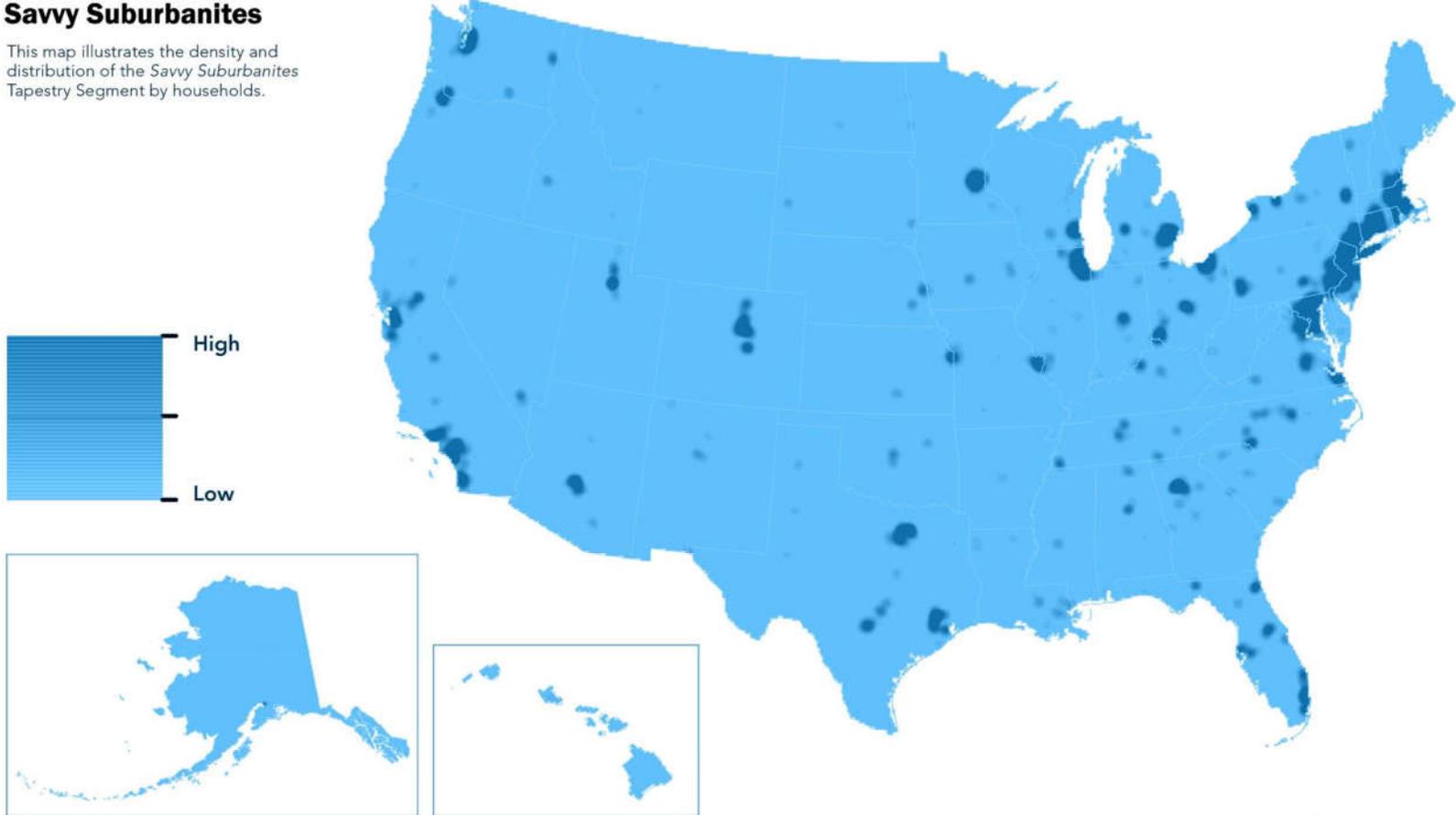
Average Household Size – 2.48

Median HHI – $86,600

Median Age – 35.3

Diversity Index – 73

Married – 53.2%
Never Married – 33.3%

Bachelor Degree – 32.8%
Graduate Degree – 24%

Median Net Worth – $106,000

Housing Type – Single Family & Multi-Unit Buildings

Home Ownership – 51.2%

Enterprising Professionals

This map illustrates the density and distribution of the *Enterprising Professionals* Tapestry Segment by households.

High

Low

Life Mode 1: Affluent Estates
9.9% of U.S. Households: 12,162,200

2 **Savvy Suburbanites**

U.S. Households: 3,664,200
BWI Marshall Airport Primary Catchment Area: 194,579

MEDIAN
HOUSEHOLD
INCOME
$108,700

MEDIAN
HOME
VALUE
$362,900

MEDIAN
NET
WORTH
$518,100

Savvy Suburbanites residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Households that are part of this group tend to be well traveled married couples, are White, and have college degrees.

They have an above average labor force participation rate (67.9%) and nearly two thirds (62.2%) are 2-worker households. They are employed in professional and management positions in healthcare, education and technical fields. These investors are financially active, using a number of resources for informed investing. They are not afraid of debt; many households carry first and second mortgages, plus home equity credit lines.

These residents are well-connected consumers that appreciate technology and make liberal use of it for everything from shopping and banking to staying current and communicating. Their suburban lifestyle includes home remodeling, gardening, the active pursuit of sports and recreation plus the amenities of the city's cultural events. They spend 60% more on entertainment and recreation than the average U.S. household.

Retail They are Informed shoppers that do their research prior to purchasing and focus on quality. They enjoy good food and wine and spend nearly 50% more on this than the average U.S. household. Many consider themselves Foodies; they like to cook and prefer natural or organic products. There also enjoy use of housekeeping and personal care services and prefer late model SUVS and minivans.

Neighborhoods, Located in established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets. The residents live primarily in single-family homes, largely owner-occupied (91%) with a median value of $362,900, well over the U.S. median value of $322,600.

Average Household Size – 2.85

Median HHI – $108,700

Median Age – 45.1

Diversity Index – 38.3

Married – 64%
Never Married – 24.4%

Bachelor Degree – 30.8%
Graduate Degree – 22%

Median Net Worth – $518,100

Housing Style – Single Family

Home Ownership – 90.6%

Savvy Suburbanites

This map illustrates the density and
distribution of the *Savvy Suburbanites*
Tapestry Segment by households.

High

Low

Life Mode 3: Uptown Individuals
3.7% of U.S. Households: 4,538,400

(4) Metro Renters

U.S. Households: 1,991,500

BWI Marshall Airport Primary Catchment Area: 157,047

MEDIAN HOUSEHOLD INCOME	MEDIAN HOME VALUE	MEDIAN NET WORTH
$67,000	**$427,200**	**$21,000**

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. Largely renters, homeownership is just over 20%. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. They tend to take public transportation, walk, bike and car share on a more limited basis (Uber and taxis).

This group tends to be White, have college degrees and they are willing to take risks and work long hours to get to the top of their profession. They are in professional and management positions in computer and mathematical fields, as well as in business and financial operations, sales and related services. They spend a significant portion of their wages on rent, clothes, and the latest technology. Socializing and social status very important.

Computers and cell phones are an integral part of everyday life. The majority own a Mac computer and use this interchangeably for news, entertainment, shopping (including researching products), and social media, including writing and reading blogs and watching TV and movies. Generally, they become well informed before purchasing the newest technology and use a tablet for reading newspapers and magazines. They are active on Twitter, LinkedIn, YouTube and Instagram. They are very interested in the fine arts and strive to be sophisticated; value education and creativity. They also practice yoga, Pilates and ski.

Retail As consumers they prefer environmentally safe products, and shop at Trader Joe's and Whole Foods for groceries. They enjoy wine at bars and restaurants and are partial to organic foods. They tend to shop for clothes at Banana Republic, The Gap, and Nordstrom.

Neighborhoods Over half of all households are occupied by singles, resulting in the smallest average household size among the markets. Neighborhoods feature 20+ unit apartment buildings, typically surrounded by offices and businesses. Renters occupy close to 80% of all households.

Average Household Size – 1.67

Median HHI – $67,000

Median Age – 32.5

Diversity Index – 63.9

Married – 32.1%
Never Married – 56.1%

Bachelor Degree – 36.5%
Graduate Degree – 32.2%

Median Net Worth – $21,000

Housing Type – Multi-Unit Bldgs.

Home Ownership – 20.6%

Metro Renters

This map illustrates the density and distribution of the *Metro Renters* Tapestry Segment by households.

High

Low

Life Mode 2: Upscale Avenues
5.7% of U.S. Households: 6,969,900

(3)

Pleasantville

U.S. Households: 2,718,100
BWI Marshall Airport Primary Catchment Area: 112,431

MEDIAN HOUSEHOLD INCOME
$92,900

MEDIAN HOME VALUE
$408,700

MEDIAN NET WORTH
$339,000

Prosperous domesticity best describes the settled denizens of *Pleasantville*. Situated principally in older housing in suburban areas in the Northeast these slightly older couples move less than any other market. 40% of households in this cluster have already transitioned to empty nesters. Families own older, single-family homes and maintain their standard of living with dual incomes.

These consumers have higher incomes and home values and much higher net worth. This cluster skews White and have college degrees; 66% are college educated, 37% have a Bachelor's degree or higher. A high portion of these households have two or more workers. Employment tends to be in professional, management and service positions in finance, information technology, healthcare and education.

They tend to live in older single-family homes in high density markets, two-thirds built before 1970, close to half from 1950 to 1969. Gardening is also a favorite pastime. They have bundled technology services (TV, Internet and Phone), and use the Internet largely for news and financial purposes. They subscribe to premium channels (HBO, Showtime, or Starz) and use video-on-demand to watch TV shows and movies. They travel to the beach, theme parks, and frequent museums and concerts.

Retail Their shopping habits are varied including online and in a variety of stores, from upscale to discount. Not cost-conscious, these consumers are willing to spend more for quality and brands they like. They own or lease imported SUVs and prefer fashion that is classic and timeless as opposed to trendy.

Neighborhoods Suburban periphery of large metropolitan areas, primarily in Mid- Atlantic or Pacific states. Many of these suburban households have three or more vehicles and a longer commuting time to work.
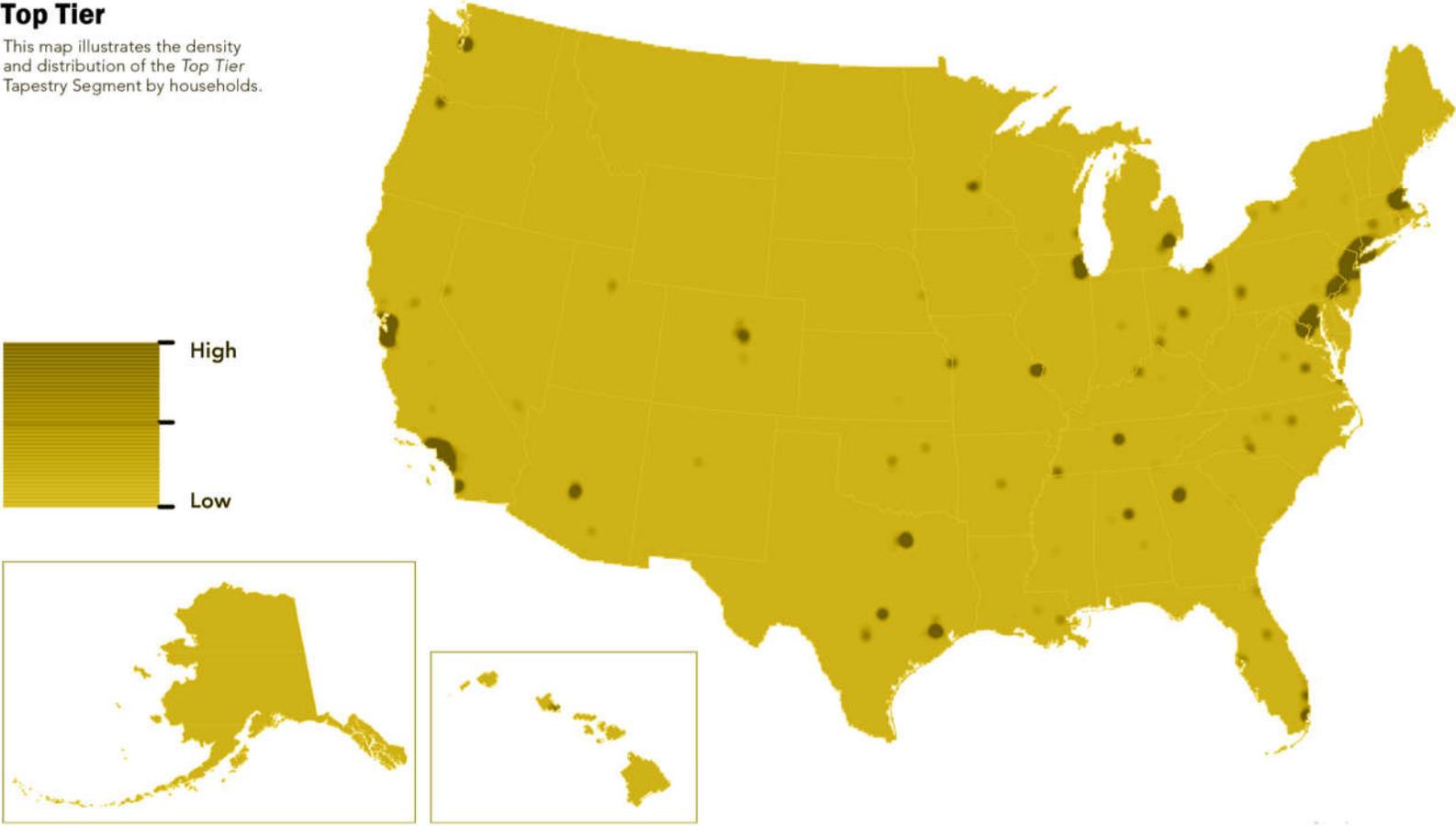
Average Household Size – 2.88

Median HHI – $92,900

Median Age – 42.6

Diversity Index – 62.5

Married – 55.3%
Never Married – 30.5%

Bachelor Degree – 24.6%
Graduate Degree – 15.7%

Median Net Worth – $339,000

Housing Type – Single Family

Home Ownership – 83.2%

Pleasantville

This map illustrates the density and distribution of the *Pleasantville* Tapestry Segment by households.

High

Low

Life Mode 1: Affluent Estates
9.9% of U.S. Households: 12,162,200

6

Top Tier

U.S. Households: 2,113,000
BWI Marshall Airport Primary Catchment Area: 79,981

MEDIAN
HOUSEHOLD
INCOME
$173,000

MEDIAN
HOME
VALUE
$819,500

MEDIAN
NET
WORTH
$577,500

The residents of the wealthiest Tapestry market, earn more than three times the U.S. household income. Married couples without children or married couples with older children dominate this market highly successful consumer market. These highly educated professionals (more than one in three residents has a postgraduate degree) and have reached their corporate career goals. Top occupations include management positions in healthcare, business and financing, operations and sales and related services.

With an accumulated average net worth of over 3 million dollars and income from a strong investment portfolio, many of these older residents have moved into consulting roles or operate their own businesses. They are socially responsible consumers who aim for a balanced lifestyle. They are goal oriented and hardworking but make time for their kids or grandkids. They tend to read to expand their knowledge; and consider the Internet, radio (Bloomberg, CNN), and newspapers as key media sources.

These consumers spend money on themselves, frequently visit day spas and salons, exercise at exclusive clubs, and farm out household chores. They make several domestic and foreign trips a year for leisure and pay for every luxury along the way - a room with a view, limousines, and rental cars are part of the package. They purchase or lease luxury cars with the latest trim, preferably imports. They contribute to arts and cultural organizations, educational and social groups, and fill their weekends and evenings with opera, classical music concerts, charity dinners, and shopping.

Retail They have the purchasing power to indulge any choice. They select upscale salons, spas, and fitness centers for their personal well-being and shop at high-end retailers for their personal effects. They shop at high-end retailers such as Nordstrom and Saks (readily paying full price), as well as Target, Kohl's, Macy's, and Bed Bath & Beyond, and online at Amazon.com.

Neighborhoods Neighborhoods are older and located in the suburban periphery of the largest metropolitan areas, especially along the coasts. Housing units are owner occupied with the highest home values, and above average use of mortgages.

Average Household Size – 2.84

Median HHI – $173,200

Median Age – 47.3

Diversity Index – 7.9

Married – 49.6%
Never Married – 33.8%

Bachelor Degree – 36.1%
Graduate Degree – 39.5%

Median Net Worth – $577,500

Housing Style – Single Family

Home Ownership – 90.2%

Top Tier

This map illustrates the density and distribution of the *Top Tier* Tapestry Segment by households.

High

Low

Life Mode 2: Uptown Individuals
3.7% of U.S. Households: 4,538,400

(5)

Laptops and Lattes

U.S. Households: 1,307,500
BWI Marshall Airport Primary Catchment Area: 76,929

MEDIAN HOUSEHOLD INCOME
$112,000

MEDIAN HOME VALUE
$908,700

MEDIAN NET WORTH
$112,800

Laptops and Lattes residents are predominantly single, White, well-educated professionals in business, finance, legal, computer, and entertainment occupations. They are affluent and partial to city living and its amenities and tend to live in high density apartments. Many residents walk, bike, or use public transportation to get to work; a significant number work from home.

Households as part of this group also tend to be young and on the move. Although single householders technically outnumber couples, this market includes a higher proportion of partner households, including the highest proportion of same-sex couples. Residents are more interested in the stock market than the housing market.

More than three out of four have a Bachelor's degree or higher. Labor force participation is high, over 75%. Salaries are the primary source of income for most households, but self-employment income and investment income complement the salaries in this market.

Laptops and Lattes residents are cosmopolitan and connected, technologically savvy consumers who use their laptops, iPads, and mobile phones extensively to stay connected (texting, reading, news and watching movies). They are active and health conscious, consumers who exercise regularly and pay attention to the nutritional value of the food they purchase. They are environmentally conscientious but also image conscious: both impact their purchasing. They enjoy sports such as jogging, running, biking, tennis, soccer, skiing, yoga, and Pilates, as well as participating in fantasy sports leagues.

Retail They tend to spend money on nice clothes, dining out, travel, treatments at day spas, and lattes. They favor organic food, purchasing groceries at higher-end markets. When it comes to leisure, they are equally happy going to bars/clubs, the beach, movies, art galleries, museums, the theater, opera, and rock concerts.

Neighborhoods Neighborhoods are densely populated, primarily located in the cities of large metropolitan areas. 30-something single householders, with a number of shared households (Index 246), with a low average household size of 1.87. City dwellers, primarily in apartment buildings. Two out of three homes were built before 1970 and 40% were built before 1940. Majority of households (36%) own no or 1 vehicle.

Average Household Size – 1.87

Median HHI – $112,000

Median Age – 37.4

Diversity Index – 50.3

Married – 43.5%
Never Married – 45.1%

Bachelor Degree – 29.2%
Graduate Degree – 40.2%

Median Net Worth – $112,800

Housing Style – High Density Apts.

Home Ownership – 32.3%

Laptops and Lattes

This map illustrates the density and
distribution of the *Laptops and Lattes*
Tapestry Segment by households.

High

Low
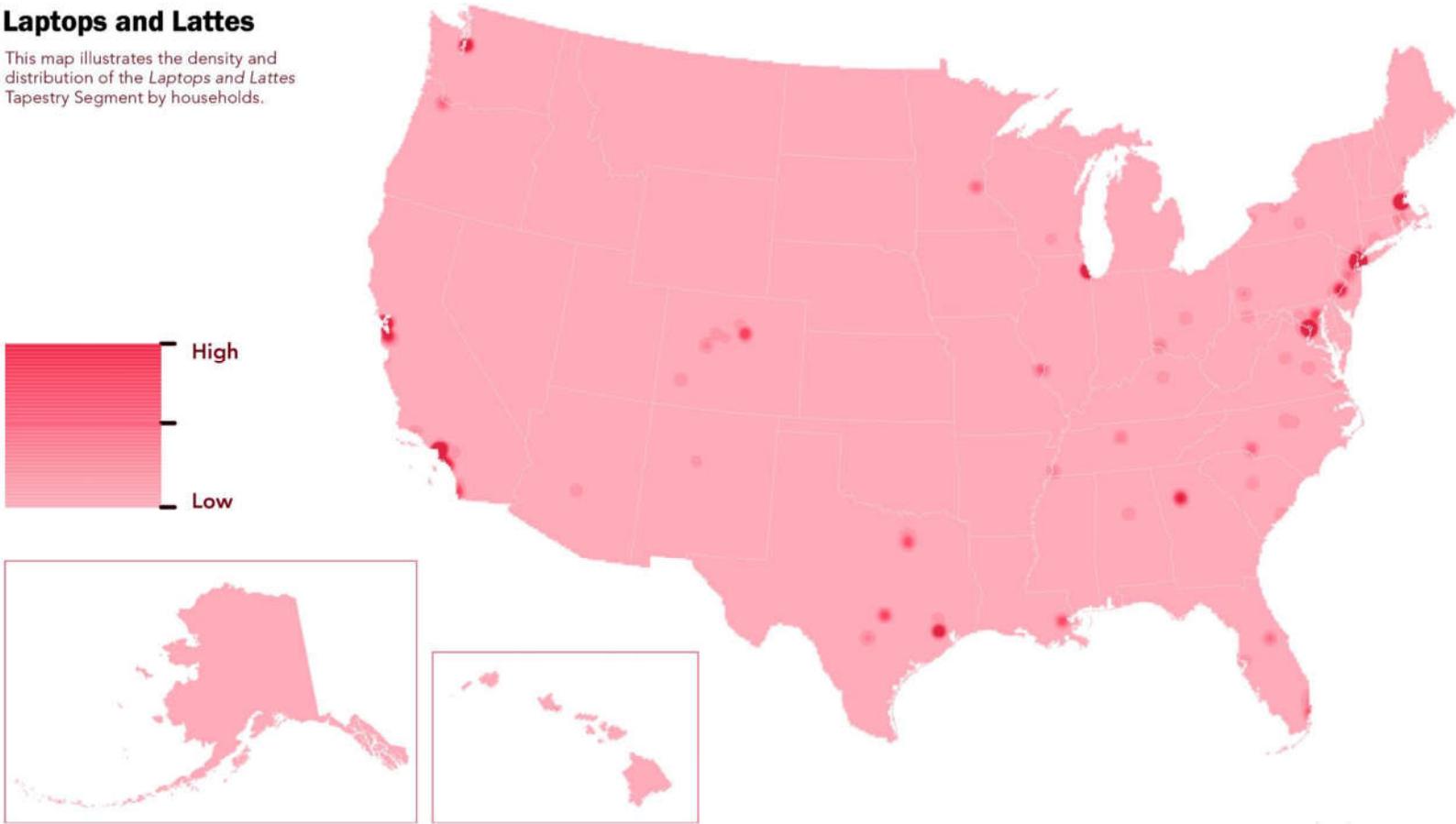
7 REVIEW OF SURVEYED PASSENGERS

The following is a more in-depth review of surveyed passengers of the BWI Thurgood Marshall Airport. We analyzed the demographic and psychographic profile of surveyed passengers[39] at the Baltimore Washington International Thurgood Marshall Airport for FY 2018, FY 2019 and FY 2020[40] and Q1, Q2 for FY 2021 and Q3 FY 2021 and 2022. We also included anecdotal data around retail preferences and perceptions. The Fiscal Year (FY) corresponds to the Airport's fiscal year July 1 – June 30th. The analyses in this chapter are limited to these time periods as consistent detailed data was only available for these time periods. However, not every data point is available for FY 2018, FY 2020, and FY 2021 or Q3 2021 and 2022 and certain charts and graphs reflect this.

It is important to note the demographic and household data shown here is self-reported by the passengers being surveyed. This includes both originating and connecting passengers. The information available is highlighted where and when provided and if it was relevant to develop a demographic and psychographic profile. It is also important to note that this information reflects a small portion of passengers at the airport.

We assessed the residential base of surveyed passengers (FY 2019 – FY 2021 Q3 FY 2021 and FY 2022) with the BWI Primary Catchment Area and within the 60-Minute Drive Time to determine how the sampling compared. Nearly 60% of surveyed passengers come from markets outside these two geographies for each fiscal year. Those that fall within the BWI Primary Catchment Area. The following chart reveals how individual surveyed passengers identify their residential base by geography (county and or zip code) in FY 2019 – Q3 FY 2022.[41]

Comparison: WBA BWI Surveyed Passengers By Declared Geography of Residential Base FY 2019 – FY 2022					
	FY 2019	FY 2020	FY 2021	Q3 FY 2021	Q3 FY 2022
Surveyed Passengers by Residential Base					
Total Passengers Surveyed	5,156	3,742	2,486	na	1,218
% Identifying Residential Base as Other/Outside Area	58.6%	59.6%	59.7%	59.0%	55.0%
% Identifying Residential Base in PCA	30.7%	29.2%	26.2%	17.0%	20.0%
% Identifying Misc. Locations in MD, VA	5.9%	5.9%	5.8%	15.0%	13.0%

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[39] WBA Research Customer Satisfaction Surveys
[40] WBA Research Customer Satisfaction Surveys were not undertaken during FY 2020 Q4 due to the pandemic.
[41] 2018 data was unavailable; partial data for FY 2022

7.1 RESIDENTIAL CHARACTERISTICS

The review of surveyed passengers reveals that approximately 30% of those passengers surveyed hail from the geographies within the Airport's Primary Catchment Area, and/or the 60-Minute Drive Time.[42] Nearly 60% of the passengers surveyed come from areas out of the primary market, and 5% come from other areas in Virginia and Maryland.[43] A small portion of those surveyed are not identified by their geographic base or residential base.[44]

The following graphs reveal the residential base and U.S. residency status of surveyed passengers. The graph on the right is a drill down comparison of surveyed passengers from the regional market only, factoring out U.S. residency data.

Comparison: BWI Surveyed Passengers, Residential Base & Citizenship, FY 2018 - FY 2022
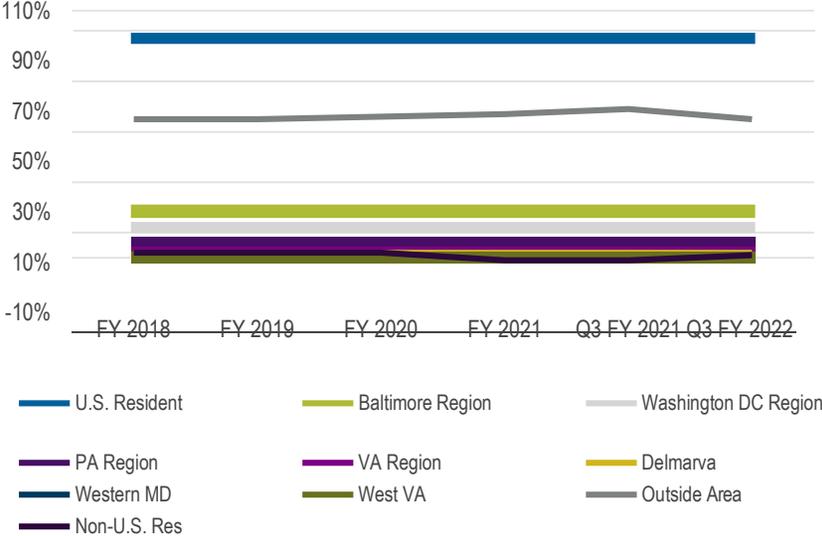
Comparison: BWI Surveyed Passengers, Regional Residential Base, FY 2018 - FY 2022

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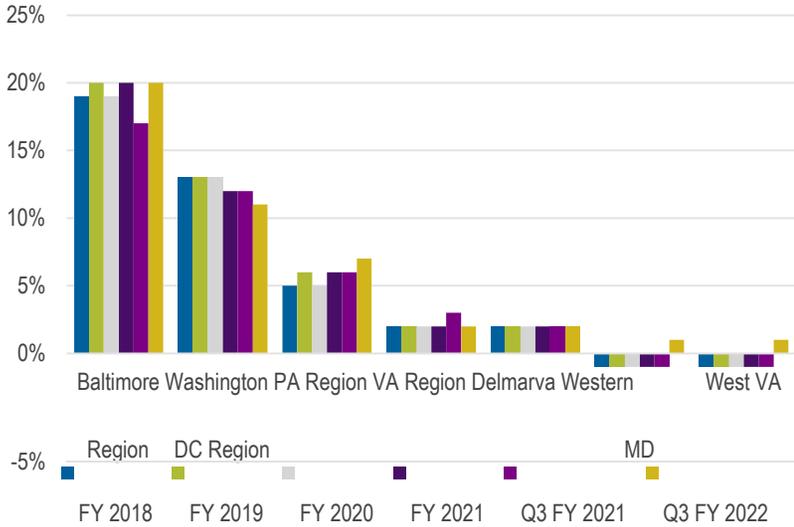
[42] Included in part of "Other" classification
[43] Examples include Chesapeake, Roanoke, Norfolk VA and Washington and Kent Counties in MD
[44] The WBA Surveys include individual's county and zip code of residence. Those that are not identified by county are noted as "other," and a small portion as "none."

7.2 AGE AND GENDER CHARACTERISTICS

We examined age and gender characteristics of the surveyed passengers. The results are shown here.

1.1.1 GENDER IDENTIFICATION

The percent of the population that identify as male is lower for both

connecting and originating passengers that were surveyed by WBA. The precent of passengers identifying as female is higher (originating 58%,

connecting 60%), than those within the BWI Primary Catchment Area which is 50.5%. This is also slightly than the national rate of citizens that

identified as female at 51.1% in 2021.

1.1.2 AGE CHARACTERISTICS

The next two charts and graphs show the age characteristics of surveyed passengers at BWI Marshall Airport.

The median age of connecting passengers is consistently higher than originating passengers. This might be attributed to more connecting passengers traveling for business rather than personal reasons and vacations.

The age median age of passengers dropped slightly from FY 2019 to FY 2021, for both connecting and originating passengers. This may be due to the overall increase in passengers flying for personal reasons during the height of the pandemic, including college students returning home. During this period (March 2020 – 2021) business travel decreased and was still somewhat restricted through the fall of 2021. The median age for both connecting and originating passengers rose slightly in Q3 FY 2022, likely due to the recovery of business travel.

Comparison: BWI Surveyed Passengers by Sexual Indentification, FY 2018 - FY 2022
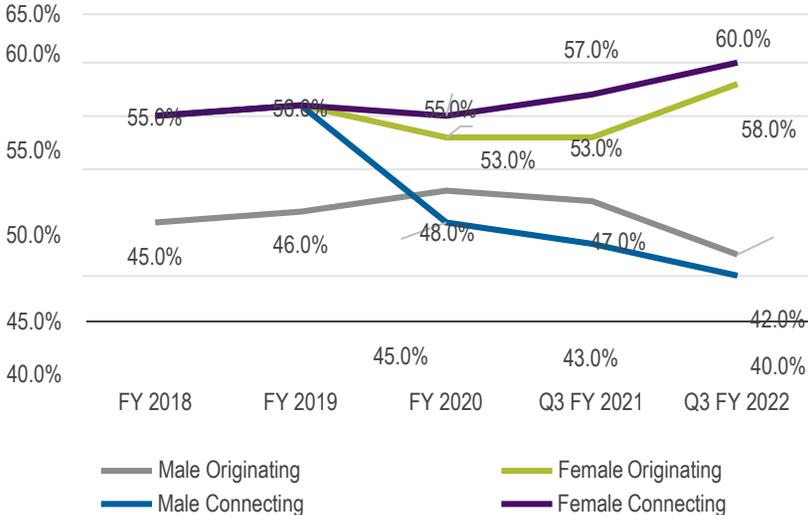
Comparison: Median Age, BWI Surveyed Passengers, Connecting and Originating, FY 2017 - FY 2022
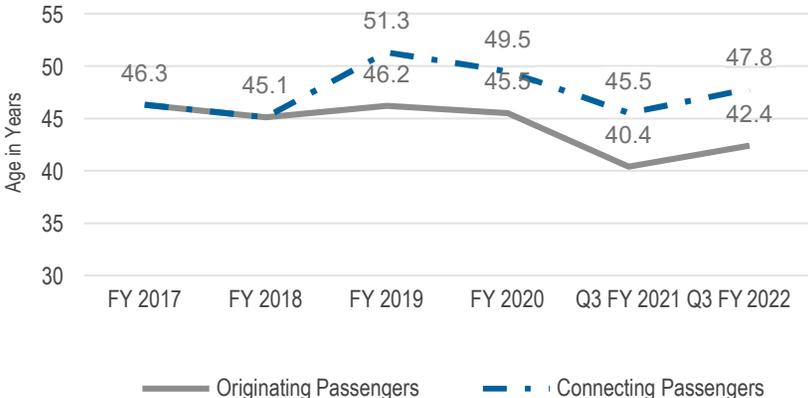
Median Age

U.S.: 38.3

60-Minute Drive Time: 39.4

Comparison: Range of Age, BWI Surveyed Passengers, FY 2017 – FY 2022						
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**Q3 FY 2021**	**Q3 FY 2022**
Ranges of Age by Percentage						
18-24	11%	12%	12%	15%	16%	17%
18-24	11%	11%	11%	12%	13%	19%
25-34	20%	21%	19%	20%	23%	20%
25-34	16%	15%	15%	17%	21%	14%
35-44	16%	17%	17%	15%	18%	17%
35-44	12%	16%	13%	12%	15%	12%
45-54	20%	19%	20%	19%	19%	17%
45-54	19%	20%	16%	17%	18%	16%
55-64	21%	18%	19%	19%	16%	17%
55-64	24%	21%	23%	22%	21%	20%
65+	13%	13%	12%	13%	7%	14%
65+	18%	18%	22%	20%	13%	19%

Originating Passengers ▬▬▬
Connecting Passengers ▬▬▬

7.2.1 CHARACTERISTICS OF PASSENGER TRAVEL

Why people traveled shifted during the pandemic. There was a significant drop in business travel in FY 2021, and an increase for those who identified they were traveling for vacation or pleasure and "other." These shifts are likely due to restrictions on travel at the outset of the pandemic, and continued restrictions on business travel for many organizations. Once the travel restrictions were loosened, many airlines offered reduced fares and vacation deals, beginning in the later half of the 2020 calendar year, which bolstered vacation and personal travel. Business travel is slowly increasing, and in the Q3 FY 2022 reached 19%, but still below the pre-pandemic level of 30% for FY 2018 and 2019.

In addition to reviewing why passengers traveled, we reviewed how passengers arrived at the BWI Marshall Airport. An overwhelming majority of passenges surveyed arrived by autombile. This includes personal and company vehicles as well as app-based trasportation alternatives including Lyft and Uber.

Less than 30% of passengers who arrived by vehicle parked at the airport. Less than 3% used any form of public transit (Metro, Amtrak, Marc Train) and less than 1% took a limosine or chartered vehicle (not shown). The mode of travel remains fairly consistent from FY 2018 to FY 2020, then in FY 2021 the mode of selfdriving increased by approximately 8%. This shift is due to the pandemic and people's concerns and perceptions about safety.

Once at the Airport, through security and having checked in, most passengers indicated that they had approximately one hour and ten minutes of free time.

The minimum check-in times for flights within the U.S. with checked baggage and carry-on at the BWI Marshall Airport is 45 minutes before departure time. The time required to pass through TSA security has dropped slightly due to lower levels of travel in 2020 and 2021 and has stabilized to pre-pandemic levels as passenger traffic has risen.[45]

Comparison of Purpose for Travel: BWI Surveyed Passengers, FY 2018 - FY 2022
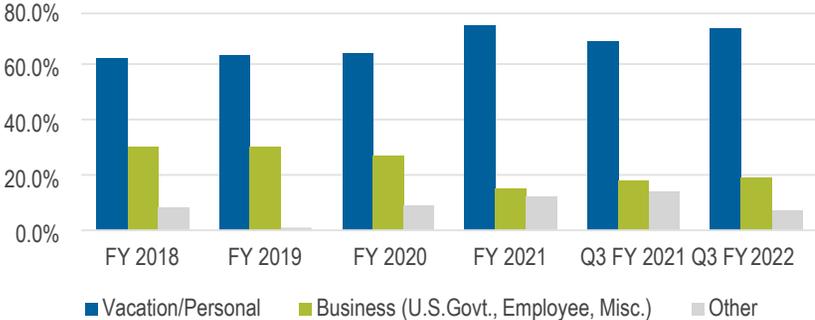
Comparison: Airport Arrival Mode, BWI Surveyed Passengers FY 2018 - FY 2022

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[45] TSA https://www.tsa.gov/news/press/releases/2020/05/21/tsa-prepared-summer-travelers-updated-security-procedures
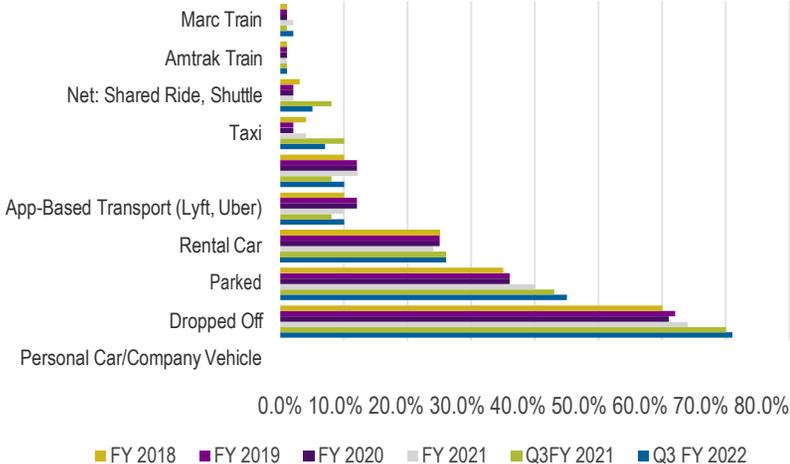
The free time passengers reported at the airport between check in and boarding dropped slightly in FY 2020 and FY 2021 and increased in the latest quarter reported Q3 FY 2022. TSA adjusted their security protocols in the summer of 2020 (enhanced social distancing and safety measures) which might actually increase the time required for passengers to arrive prior to a flight. Nevertheless, passengers have more than an hour to explore dining and retail options prior to boarding their flight.

Comparison: BWI Surveyed Passengers' Free Time Between Checking In & Boarding Flight, FY 2018 - 2022
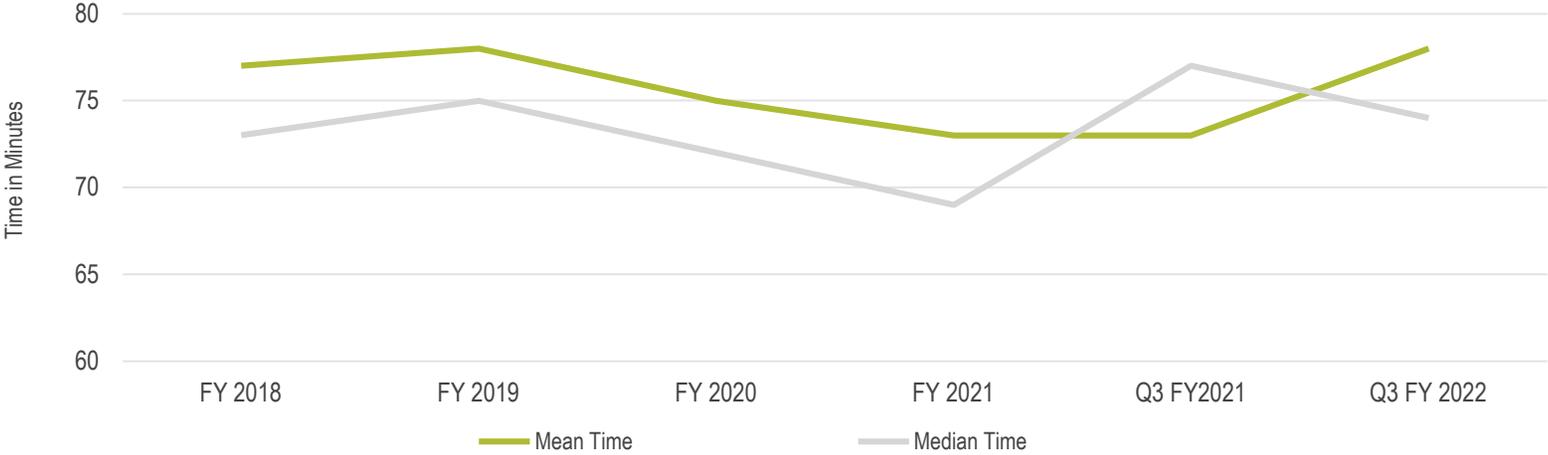
7.2.2 ETHNIC COMPOSITION OF SURVEYED PASSENGERS

The racial and ethnic composition of the surveyed passengers is less diverse than the overall diversity within the Baltimore Washington region. A significantly higher portion of surveyed passengers identify as White (near 70%) through FY 2020, this dropped slightly in Q3 FY 2021 and 2022. The next largest group are those who identify as African American (14 - 23%, FY 2018 – Q3 FY 2021). This may merely be a reflection of individuals willing to participate in surveys conducted at the Airport.

Comparison: Ethnicity – BWI Surveyed Passengers FY 2018 – FY 2022					
	FY 2018	**FY 2019**	**FY 2020**	**Q3 FY 2021**	**Q3 FY2022**
White/Caucasian	71.0%	67.0%	69.0%	59.0%	64.0%
White/Caucasian	82.0%	79.0%	82.0%	72.0%	79.0%
Black/African American	15.0%	18.0%	16.0%	23.0%	18.0%
Black/African American	9.0%	9.0%	7.0%	13.0%	11.0%
American Indian/Alaska Native	2.0%	1.0%	1.0%	2.0%	1.0%
American Indian/Alaska Native	1.0%	2.0%	3.0%	2.0%	2.0%
Asian/Asian America	5.0%	5.0%	6.0%	4.0%	5.0%
Asian/Asian America	2.0%	2.0%	2.0%	2.0%	2.0%
Hawaii/Pacific Islander	-1.0%	-1.0%	1.0%	1.0%	1.0%
Hawaii/Pacific Islander	1.0%	1.0%	1.0%	1.0%	0.0%
Hispanic	5.0%	5.0%	5.0%	11.0%	7.0%
Hispanic	3.0%	6.0%	3.0%	8.0%	4.0%
Other	4.0%	5.0%	5.0%	5.0%	5.0%
Other	4.0%	2.0%	4.0%	3.0%	3.0%

Originating Passengers ▬▬
Connecting Passengers ▬▬

7.2.3 INCOME AND EMPLOYMENT STATUS OF SURVEYED PASSENGERS

The drop in median income in FY 2020 and FY 2021 among surveyed passengers is due to the reduced number of business travelers, and then those individuals who either lost their jobs, or faced reduced employment and income due to the pandemic. The Median HHI in the U.S. and Maryland also dropped slightly in 2020, due to the pandemic. Median income for surveyed passengers is showing signs of recovery with connecting passengers close to pre-pandemic levels in Q3 FY 2022, and originating passengers close to pre-pandemic levels.

2020 Median HHI in Maryland was $94,384, over 30% higher than the U.S. Median HHI at $67,521

Comparison: Annual HH Income - BWI Surveyed Passengers, FY 2018 – FY 2022						
	FY 2018	FY 2019	FY 2020	FY 2021	Q3 FY 2021	Q3 FY 2022
Annual HHI						
$1-39,999	11%	10%	12%	12%	13%	12%
$1-39,999	11%	10%	12%	14%	13%	12%
$40,000 - 74,999	20%	20%	20%	21%	24%	18%
$40,000 - 74,999	20%	24%	22%	24%	22%	19%
$75,000 - 99,999	16%	16%	15%	16%	16%	18%
$75,000 - 99,999	16%	18%	18%	20%	17%	21%
$100,000 -149,999	22%	23%	22%	19%	20%	21%
$100,000 -149,999	22%	21%	19%	19%	21%	22%
$150,000 -199,999	14%	14%	14%	12%	12%	13%
$150,000 -199,999	14%	12%	15%	11%	13%	12%
$200,000+	16%	14%	14%	12%	16%	18%
$200,000+	16%	15%	13%	12%	14%	14%
Mean HHI	$121,500	$124,200	$121,800	$121,000	$116,000	$121,900
Mean HHI	$121,500	$115,900	$113,500	$106,800	$113,400	$114,900
Median HHI	$106,500	$109,000	$107,400	$100,700	$96,000	$104,300
Median HHI	$106,500	$ 96,100	$ 94,500	$ 89,200	$95,400	$96,800

Originating Passengers ▬▬▬
Connecting Passengers ▬▬▬

Comparison: Median Household Income, BWI Sureyed Passengers FY 2017 - FY 2022

Originating Passengers: $102,400, $106,500, $109,000, $107,400, $95,400, $104,300
Connecting Passengers: $95,000, $97,600, $96,100, $94,500, $96,000, $96,800
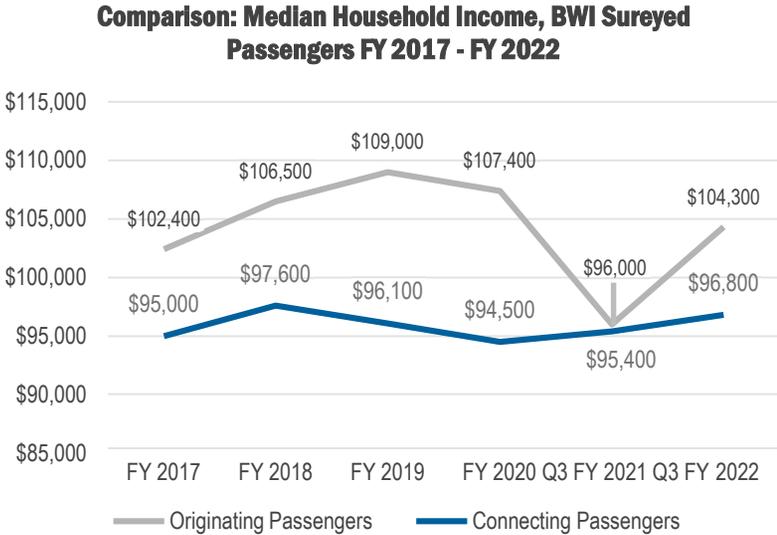
— Originating Passengers   — Connecting Passengers

Comparison: BWI Surveyed Passengers with HHI Over $100,000, FY 2018 – FY 2021

	FY 2018	FY 2019	FY 2020	FY 2021	Q3 FY 2021	Q3 FY 2022
Originating Passengers						
$100,000 -199,999	36%	37%	36%	31%	32%	34%
$200,000+	16%	14%	14%	12%	16%	18%
Total Percentage	**52%**	**51%**	**50%**	**43%**	**48%**	**52%**
Connecting Passengers						
$100,000 -199,999	36%	33%	34%	30%	34%	34%
$200,000+	16%	15%	13%	12%	14%	14%
Total Percentage	**52%**	**48%**	**47%**	**42%**	**48%**	**48%**

Comparison: Employment Status, BWI Surveyed Passengers FY 2018 - FY 2022

- Employed Full Time - Originating Passengers
- Employed Full Time - Connecting Passengers
- Not employed - Originating Passengers
- Not employed - Connecting Passengers
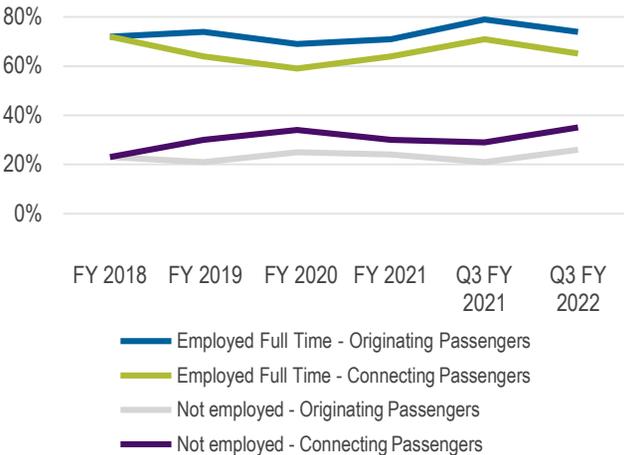
The employment status among surveyed passengers dropped slightly in FY 2020 and FY 2021 and is most likely attributed to the pandemic and related loss of employment experienced nationally and across many sectors.

Comparison: Employment Status - BWI Surveyed Passengers FY 2018 – FY 2022

	FY 2018	FY 2019	FY 2020	FY 2021	Q3 FY 2021	Q3 FY 2022
Employment Status						
Total Employed	77%	79%	75%	76%	79%	74%
Total Employed	77%	70%	66%	70%	71%	65%
Employed Full Time	72%	74%	69%	71%	74%	66%
Employed Full Time	72%	64%	59%	64%	65%	59%
Part time	6%	5%	5%	5%	6%	8%
Part time	6%	6%	6%	6%	6%	6%
Not employed	23%	21%	25%	24%	21%	26%
Not employed	23%	30%	34%	30%	29%	35%
Full time student	7%	6%	9%	8%	6%	10%
Full time student	7%	6%	9%	9%	7%	13%

Originating Passengers
Connecting Passengers

Comparison: Employment Status - BWI Surveyed Passengers FY 2018 – FY 2022						
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**Q3 FY 2021**	**Q3 FY 2022**
Employment By Sector						
Private sector/for-profit	59%	60%	61%	58%	63%	61%
Private sector/for-profit	59%	64%	64%	60%	63%	61%
Government	21%	21%	18%	19%	16%	17%
Government	21%	16%	10%	15%	12%	12%
Non-profit/Not for Profit	13%	12%	11%	11%	9%	13%
Non-profit/Not for Profit	13%	9%	15%	12%	14%	15%
Self-employed	5%	5%	6%	7%	6%	7%
Self-employed	5%	6%	8%	6%	6%	9%
Military	5%	5%	6%	7%	4%	2%
Military	2%	3%	2%	6%	4%	3%
Hospital/Medical	-1%	-1%	-1%	1%	1%	-
Hospital/Medical	-1%	-1%	-1%	1%	-	-
Education	-1%	-1%	-1%	1%	1%	-
Education	-1%	1%	-1%	1%	-1%	-1%
Other - net	-1%	1%	1%	2%	-1%	-
Other - net	-1%	1%	-1%	2%	-	-

Originating Passengers ▬▬▬
Connecting Passengers ▬▬▬

7.3 PSYCHOGRAPHIC ANALYSIS

The review of surveyed passengers showed the largest cluster of passengers come from seven cities and counties, all within the Primary Catchment area, all within Maryland. This includes Anne Arundel, Baltimore County, City of Baltimore, Harford County, Howard County, Montgomery County, and Prince George's County. While the "other" designation is nearly 60% of surveyed passengers, no state or region exceeds the cluster of these seven markets.

We completed a tapestry analysis for these geographies, and the corresponding passengers. We identified the top three segmentation classifications and those that comprised fifty percent (or) of the households in each of the dominant geographies where surveyed passengers reside. This represented eighteen distinct classification categories. When we compared these and aggregate the classifications, six primary segments are prevalent.

The top six tapestry classifications are Enterprising Professionals, Savvy Suburbanites, Pleasantville, Parcs and Rec, Top Tier, and Family Foundations. All but two, Parks and Rec and Family Foundations, are also dominant in the Primary Catchment Area.

On the following pages please find a snapshot of the defining characteristics of these six classification groups. The Life Modes Groups they fall within are also identified, along with select characteristics. We recognize that this level of data does not necessarily reflect the demographics and characteristics of all passengers, including those outside the area. This should be viewed as a representative selection of passengers. A complete tapestry is included as part of the appendix as a reference.

Life Mode 2: Upscale Avenues
5.7% of U.S. Households: 6,969,900

(1) # Enterprising Professionals

U.S. Households: 1,737,200
BWI Marshall Airport Primary Catchment Area: 200,959

MEDIAN HOUSEHOLD INCOME
$86,600

MEDIAN HOME VALUE
$383,500

MEDIAN NET WORTH
$106,000

Enterprising Professionals residents are well educated and climbing the ladder in STEM (science, technology, engineering, and mathematics) occupations followed by those in business and financial fields. They change jobs often and therefore choose to live in condos, town homes, or apartments; many still rent their homes. They are prosperous, have a college degree and are employed in professional and management positions.

The market is fast-growing, located in lower density neighborhoods of large metro areas. While a majority are White, the residents are diverse, with Asians making up over one-fifth of the population. Almost half of households are married couples, and 29% are single person households.

This young market makes over one and a half times more income than the U.S. median, supplementing their income with high-risk investments. They like to travel (foreign and domestic), visit museums and gamble for fun. Early adopters of technology, they enjoy new gadgets and apps, and use smartphones for news, shopping and staying connected. At home, they enjoy the Internet and TV on high-speed connections with premier channels and services.

Retail Convenience is key. They shop at Amazon.com, pick up drugs at the Target pharmacy and frequent the dry cleaner. They buy digital books and newspapers for tablet reading. They strive to stay youthful and healthy, eat organic and natural foods, run, do yoga and buy name brands and trendy clothes online. They spend 33% more on food and entertainment than the average U.S. household, and 39% more on apparel and services. For fun and leisure, they tend toward gambling, trips to museums and the beach.

Neighborhoods The housing is a mixture of suburban single-family homes, row homes, and larger multi-unit structures. Close to three quarters of the homes were built after 1980; 25% are newer, built after 2000. Renters make up nearly half of all households.
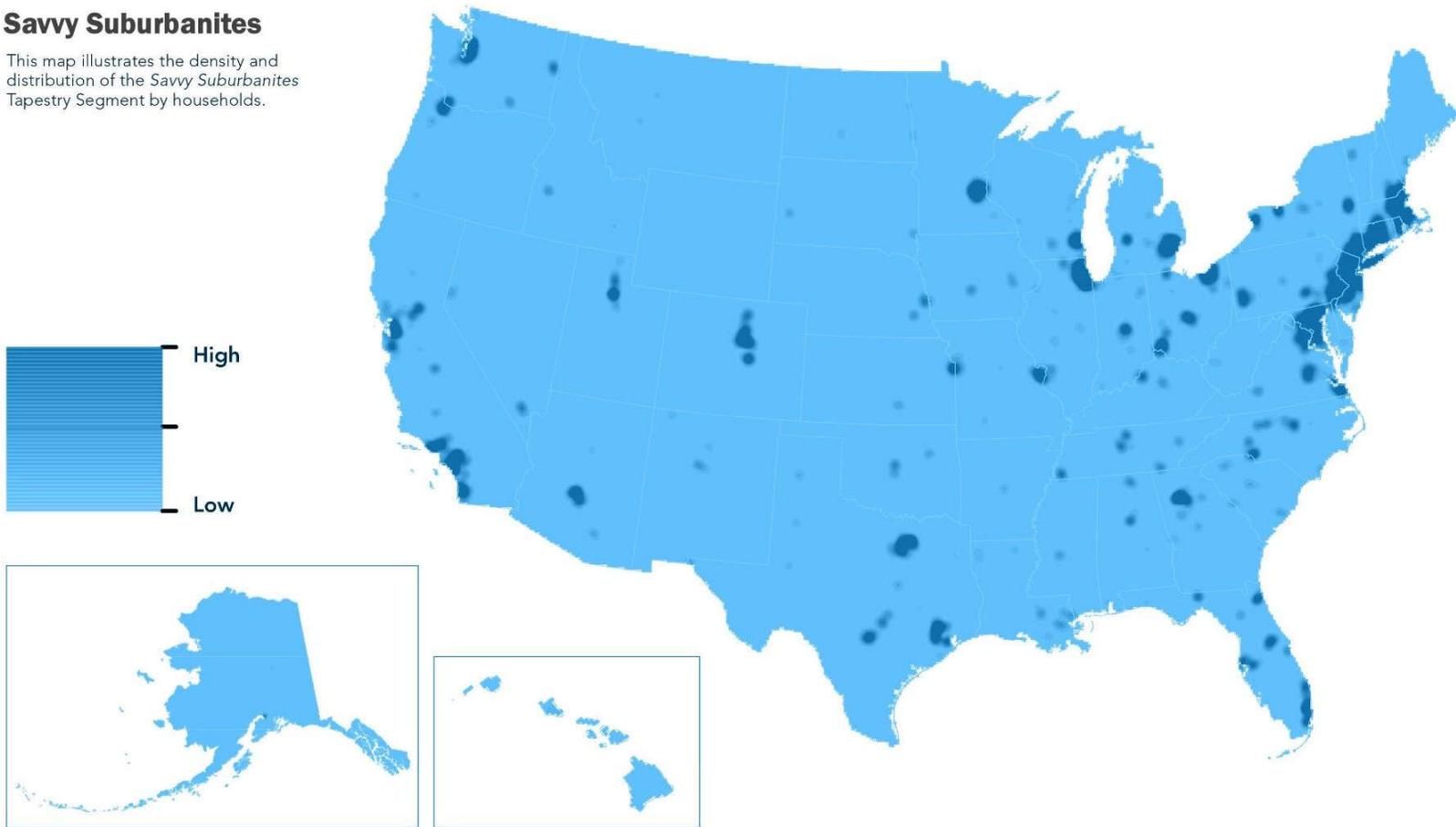
Average Household Size – 2.48

Median HHI – $86,600

Median Age – 35.3

Diversity Index – 73

Married – 53.2%
Never Married – 33.3%

Bachelor Degree – 32.8%
Graduate Degree – 24%

Median Net Worth – $106,000

Housing Type – Single Family & Multi-Unit Buildings

Home Ownership – 51.2%

Enterprising Professionals

This map illustrates the density and distribution of the *Enterprising Professionals* Tapestry Segment by households.

High

Low

Life Mode 1: Affluent Estates
9.9% of U.S. Households: 12,162,200

(2) Savvy Suburbanites

U.S. Households: 3,664,200
BWI Marshall Airport Primary Catchment Area: 194,579

MEDIAN HOUSEHOLD INCOME
$108,700

MEDIAN HOME VALUE
$362,900

MEDIAN NET WORTH
$518,100

Savvy Suburbanites residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Households that are part of this group tend to be well traveled married couples, are White, and have college degrees.

They have an above average labor force participation rate (67.9%) and nearly two thirds (62.2%) are 2-worker households. They are employed in professional and management positions in healthcare, education and technical fields. These investors are financially active, using a number of resources for informed investing. They are not afraid of debt; many households carry first and second mortgages, plus home equity credit lines.

These residents are well-connected consumers that appreciate technology and make liberal use of it for everything from shopping and banking to staying current and communicating. Their suburban lifestyle includes home remodeling, gardening, the active pursuit of sports and recreation plus the amenities of the city's cultural events. They spend 60% more on entertainment and recreation than the average U.S. household.

Retail They are Informed shoppers that do their research prior to purchasing and focus on quality. They enjoy good food and wine and spend nearly 50% more on this than the average U.S. household. Many consider themselves Foodies; they like to cook and prefer natural or organic products. There also enjoy use of housekeeping and personal care services and prefer late model SUVS and minivans.

Neighborhoods, Located in established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets. The residents live primarily in single-family homes, largely owner-occupied (91%) with a median value of $362,900, well over the U.S. median value of $322,600.

Average Household Size – 2.85

Median HHI – $108,700

Median Age – 45.1

Diversity Index – 38.3

Married – 64%
Never Married – 24.4%

Bachelor Degree – 30.8%
Graduate Degree – 22%

Median Net Worth – $518,100

Housing Style – Single Family

Home Ownership – 90.6%

Savvy Suburbanites

This map illustrates the density and distribution of the *Savvy Suburbanites* Tapestry Segment by households.

High

Low

Life Mode 2: Upscale Avenues
5.7% of U.S. Households: 6,969,900

③

Pleasantville

U.S. Households: 2,718,100
BWI Marshall Airport Primary Catchment Area: 112,431

MEDIAN HOUSEHOLD INCOME
$92,900

MEDIAN HOME VALUE
$408,700

MEDIAN NET WORTH
$339,000

Prosperous domesticity best describes the settled denizens of *Pleasantville*. Situated principally in older housing in suburban areas in the Northeast these slightly older couples move less than any other market. 40% of households in this cluster have already transitioned to empty nesters. Families own older, single-family homes and maintain their standard of living with dual incomes.

These consumers have higher incomes and home values and much higher net worth. This cluster skews White and have college degrees; 66% are college educated, 37% have a Bachelor's degree or higher. A high portion of these households have two or more workers. Employment tends to be in professional, management and service positions in finance, information technology, healthcare and education.

They tend to live in older single-family homes in high density markets, two-thirds built before 1970, close to half from 1950 to 1969. Gardening is also a favorite pastime. They have bundled technology services (TV, Internet and Phone), and use the Internet largely for news and financial purposes. They subscribe to premium channels (HBO, Showtime, or Starz) and use video-on-demand to watch TV shows and movies. They travel to the beach, theme parks, and frequent museums and concerts.

Retail Their shopping habits are varied including online and in a variety of stores, from upscale to discount. Not cost-conscious, these consumers are willing to spend more for quality and brands they like. They own or lease imported SUVs and prefer fashion that is classic and timeless as opposed to trendy.

Neighborhoods Suburban periphery of large metropolitan areas, primarily in Mid- Atlantic or Pacific states. Many of these suburban households have three or more vehicles and a longer commuting time to work.

Average Household Size – 2.88

Median HHI – $92,900

Median Age – 42.6

Diversity Index – 62.5

Married – 55.3%
Never Married – 30.5%

Bachelor Degree – 24.6%
Graduate Degree – 15.7%

Median Net Worth – $339,000

Housing Type – Single Family

Home Ownership – 83.2%

Pleasantville

This map illustrates the density and distribution of the *Pleasantville* Tapestry Segment by households.

High

Low

Life Mode 5C: GenXurban
11.4% of U.S. Households: 14,023,500

(5) Parks & Rec

U.S. Households: 2,449,600
BWI Marshall Airport Surveyed Passenger Residential Base: 99,615

MEDIAN HOUSEHOLD INCOME	MEDIAN HOME VALUE	MEDIAN NET WORTH
$60,000	$198,500	$125,500

The residents of this suburban Tapestry market, have achieved their dream of home ownership. Nearly 70% of these residents own their own homes, purchased at prices within their means. Households mirror the US distribution, married couples without children dominate this market. Many families are two-income couples approaching retirement. The average household size is 2.51, slightly lower and older than the US average. More than one third of these residents have a college degree. Top occupations include professional positions in healthcare, retail trade and education, and skilled positions in manufacturing and construction, primarily in the county where they reside.

A majority of these residents are approaching retirement. Older residents are drawing Social Security and retirement income. Practicality and frugality partially define their lifestyle. With exception of education, they tend to spend less than the US average housing, food, apparel, transportation and education. The median net worth at $125,000 is nearly 35% higher than the US Median at $93,000.

These consumers tend to be budget conscious, and often stock up on staples at warehouse clubs. Convenience is important for them, especially in the kitchen, where they regularly use frozen or packaged food. When they do go out to eat, it tends to be at family style restaurants. Their preference for cars leans toward SUVs and trucks over compact and European vehicles. They take advantage of local parks and recreational activities, including at the gym. For fun they trend toward Discovery and the History channels, and often can be found practicing blackjack and poker online.

Retail This a financially shrewd market. Consumers are careful to research big-ticket purchases. They have a focus on style and image with liberal spending on apparel; but they are practical more likely to shop Target, Kohl's, and Macy's, and discount and warehouse stores as Bed Bath & Beyond and BJ's. When planning trips they search for discounted airline fares and hotels, and tend to vacation within the US. They use their cellphones for calls and texts rather than shopping

Neighborhoods Neighborhoods are well established, with a mix of amenities that create a kid friendly environment and are attracting a new generation of young couples. Much of the housing was built before 1970; townhomes and duplexes are scattered throughout.
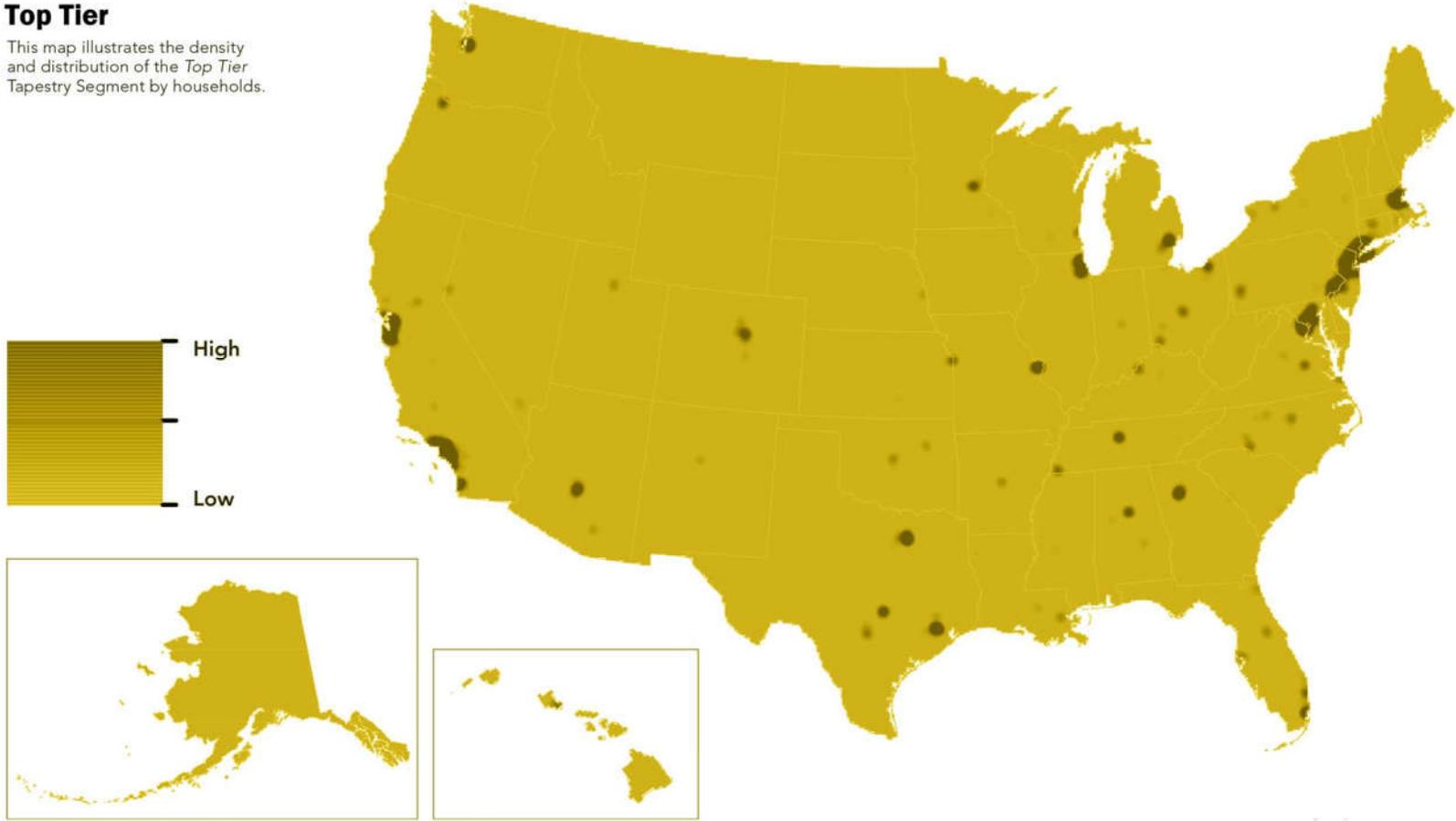
Average Household Size – 2.51

Median HHI – $60,000

Median Age – 40.9

Diversity Index – 50.7

Married – 48.1%
Never Married – 33.1%

Bachelor Degree – 19.2%
Graduate Degree - 10.0%

Median Net Worth – $125,500

Housing Style – Single Family

Home Ownership – 69.7%

Parks & Rec

This map illustrates the density and distribution of the Parks and Rec Tapestry Segment by households.

High

Low

Life Mode 1: Affluent Estates
9.9% of U.S. Households: 12,162,200

6 Top Tier

U.S. Households: 2,113,000
BWI Marshall Airport Primary Catchment Area: 79,981

MEDIAN
HOUSEHOLD
INCOME
$173,000

MEDIAN
HOME
VALUE
$819,500

MEDIAN
NET
WORTH
$577,500

The residents of the wealthiest Tapestry market, earn more than three times the U.S. household income. Married couples without children or married couples with older children dominate this market highly successful consumer market. These highly educated professionals (more than one in three residents has a postgraduate degree) and have reached their corporate career goals. Top occupations include management positions in healthcare, business and financing, operations and sales and related services.

With an accumulated average net worth of over 3 million dollars and income from a strong investment portfolio, many of these older residents have moved into consulting roles or operate their own businesses. They are socially responsible consumers who aim for a balanced lifestyle. They are goal oriented and hardworking but make time for their kids or grandkids. They tend to read to expand their knowledge; and consider the Internet, radio (Bloomberg, CNN), and newspapers as key media sources.

These consumers spend money on themselves, frequently visit day spas and salons, exercise at exclusive clubs, and farm out household chores. They make several domestic and foreign trips a year for leisure and pay for every luxury along the way - a room with a view, limousines, and rental cars are part of the package. They purchase or lease luxury cars with the latest trim, preferably imports. They contribute to arts and cultural organizations, educational and social groups, and fill their weekends and evenings with opera, classical music concerts, charity dinners, and shopping.

Retail They have the purchasing power to indulge any choice. They select upscale salons, spas, and fitness centers for their personal well-being and shop at high-end retailers for their personal effects. They shop at high-end retailers such as Nordstrom and Saks (readily paying full price), as well as Target, Kohl's, Macy's, and Bed Bath & Beyond, and online at Amazon.com.

Neighborhoods Neighborhoods are older and located in the suburban periphery of the largest metropolitan areas, especially along the coasts. Housing units are owner occupied with the highest home values, and above average use of mortgages.

Average Household Size – 2.84

Median HHI – $173,200

Median Age – 47.3

Diversity Index – 7.9

Married – 49.6%
Never Married – 33.8%

Bachelor Degree – 36.1%
Graduate Degree – 39.5%

Median Net Worth – $577,500

Housing Style – Single Family

Home Ownership – 90.2%

Top Tier

This map illustrates the density and distribution of the *Top Tier* Tapestry Segment by households.

High

Low

Life Mode 12A: Hometown
6.2% of U.S. Households: 7,628,200

12 Family Foundations

U.S. Households: 1,299,600
BWI Marshall Airport Surveyed Passengers Primary Residential Base: 58,488

MEDIAN HOUSEHOLD INCOME
$43,100

MEDIAN HOME VALUE
$116,600

MEDIAN NET WORTH
$63,600

Family and faith are the cornerstones of life in these communities. Older children, still living at home working toward financial independence, are common within these households. Residents are a mix of married couples, single parents, grandparents, and children – young and adult. More than half have attended college and/or attained a degree, yet nearly one third have only finished high school. Unemployment rate is above average as residents begin to retire. Many residents work in positions in healthcare or public administration, across all levels of government.

These residents have a strong focus on religion and character. Over one-third of households currently receive Social Security benefits. Many households have no financial investments or retirement savings.

Style and appearance is important to consumers, who spend on clothes for themselves and their children, as well as on smartphones. They are connected, but use the Internet primarily for entertainment, chat rooms and online gaming. Nearly three-fourths of all households have one or two vehicles, a majority of which are used. They enjoy listening to urban format radio. Magazines focused on health and children are also popular. One of their favorite entertainment sources in television. They subscribe to premium channels and own 3-4 TVs.

Retail Baby and children's products (clothes, toys, care goods) are the primary purchases made by these residents. They are coupon clippers and prefer to shop at discount stores such as Marshalls, Dollar Store, and Target and take advantage of savings at membership oriented warehouse stores as Sam's Club and BJ's. When they eat out they favor family style restaurants and fast food. Their spending across all sectors tends to be nearly 25% less than the national average.

Neighborhoods Neighborhoods are stable, even close knit, with little household growth over the past decade. They are often found in principal cities of major metropolitan areas, especially in the South and West, suburban periphery of the largest metropolitan areas, especially along the coasts. Housing units, primary older single family homes, are owner occupied with an above average use of mortgages.

Average Household Size – 2.71

Median HHI – $43,100

Median Age – 39.6

Diversity Index – 43.5

Married – 34.1%
Never Married – 45.3%

Bachelor Degree – 13.0%
Graduate Degree – 7.6%

Median Net Worth – $93,300

Housing Style – Single Family

Home Ownership – 65.7%

Family Foundations

This map illustrates the density and distribution of the Family Foundations Tapestry Segment by households.

High

Low
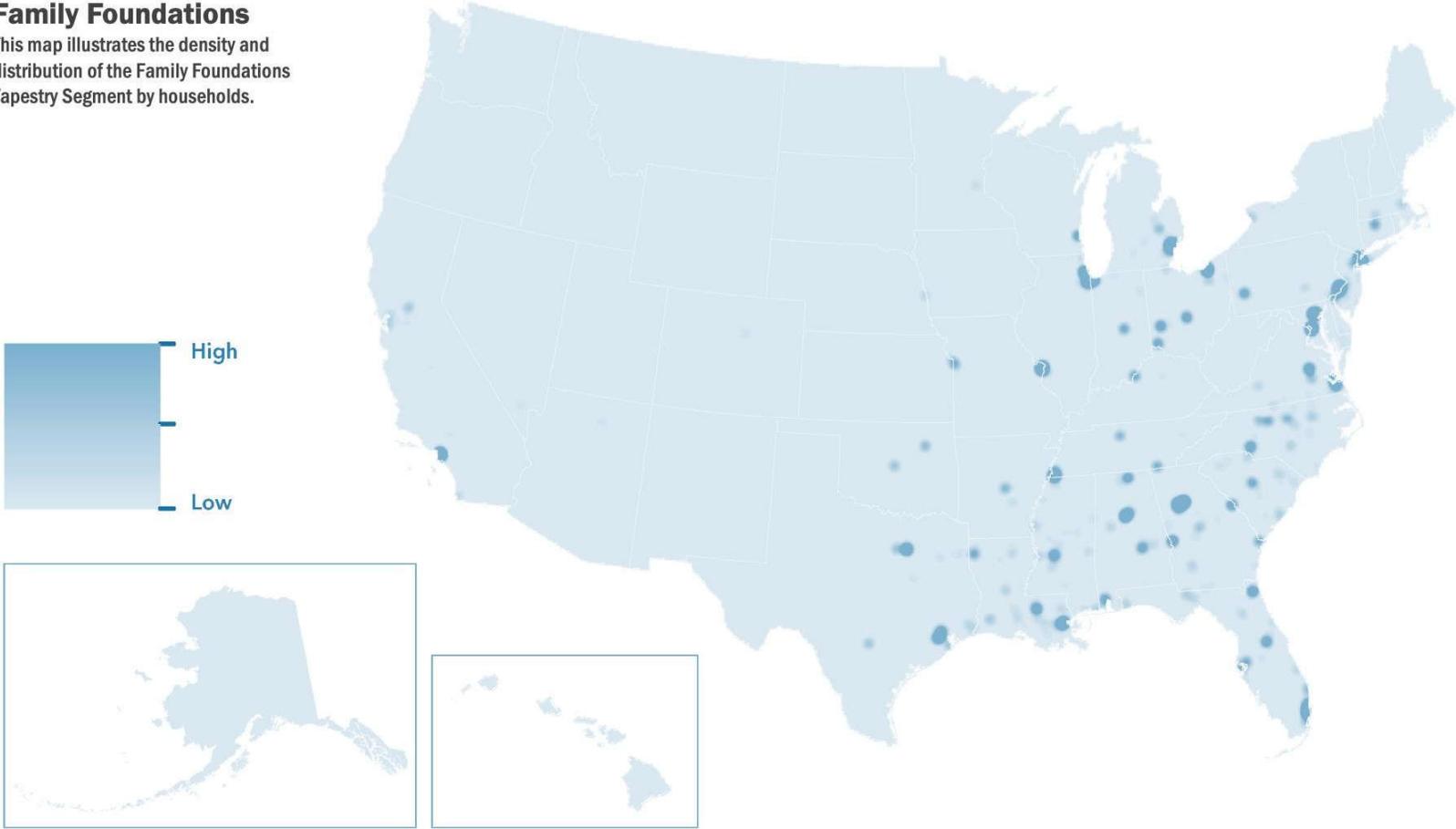
8 RETAIL PERCEPTIONS AND PREFERENCES

The following information has been assembled from the WBA Research reports and passenger surveys. The data was assembled from the "secondary surveys." These are paper surveys provided to individuals who participate in the in-airport in-person surveys. The participants either hand them back to an interviewer or mail them to WBA Research.

While the information is interesting, even insightful, it represents an extremely small portion of the BWI Thurgood Marshall Airport Passenger base. Therefore, this information should be considered as anecdotal. This information is included because there are patterns that present in the answers, especially around the questions that focus on WHY passengers do not shop as well as their preferences.

8.1 COMPARISON OF PASSENGERS WHO VISITED FOOD & RETAIL CONCESSIONS & PURCHASED SOMETHING

More passengers visited food concessions than retail shops from FY 2018 through FY 2022. The percentage of surveyed passengers who visited food concessions was consistently over 50% and over 90% of those made purchases. The percentage of passengers who visited retail shops was considerably lower, and just over 25% of those passengers made a purchase.

Answers to more recent questions about retail shops[46] at the BWI Thurgood Marshall Airport suggest that many individuals who visited the retail shops were just killing time while waiting to board their flights.[47] When asked why surveyed passengers did not make a purchase, the most common answer over this time period was they didn't purchase anything because was nothing they want to buy.

Comparison: BWI Airport Surveyed Passengers Who Visited Food Concessions & Retail Shops FY 2018 - 2022

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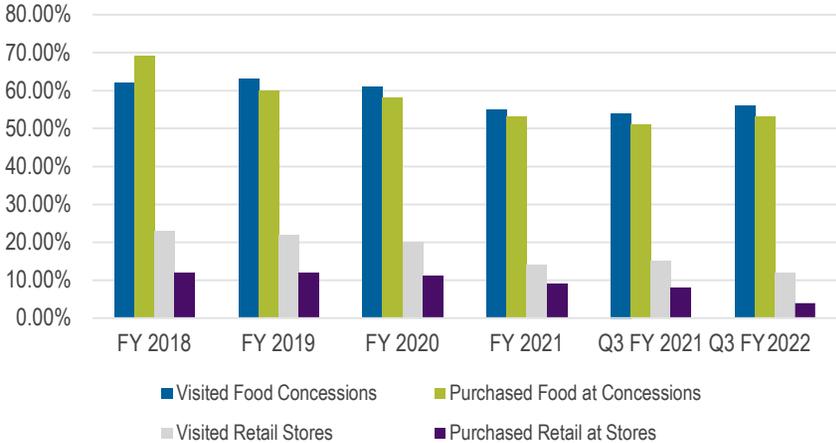
[46] The terms "retail shops" and "stores" are used interchangeably
[47] This is the answer given most often in FY 2021, when this question was introduced.

8.2 PASSENGER SATISFACTION: HOW FOOD & RETAIL CONCESSIONS RANK

How the food and food offerings rank among passengers may also influence purchasing. Passengers who were surveyed were asked to rate their satisfaction with a set of attributes about the food and retail offerings at the BWI Airport. This includes quality of items sold, the quality of service, attractiveness of the physical space, and value of items purchased for the price paid. A few others were included, but because they are not consistently asked, they not listed here. The results for passenger satisfaction with select attributes for food and retail at the Airport or FY 2018 – Q3 FY 2022 are shown in the following two charts.[48]

Certain questions have been adjusted or added over time to reflect changes in the concession mix and circumstances, including the pandemic. For example, a question was added about the "availability of restaurants, cafes, bars and food shops in your concourse" in 2021. This question is intended to gauge passengers' satisfaction with food options during the pandemic, a time when some businesses were closed or had limited hours due to a variety of reasons.

Percent of BWI Airport Surveyed Passengers Satisfied with Food Options Providing a Rank of 4 or 5 Out of 5						
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**Q3 FY 2021**	**Q3 FY 2022**
Base: Surveyed Passengers Who Stopped in a Restaurant, Café, Bar or Food Shop[49]						
Quality of Service in Restaurants, Cafés, Bars and Food Shops	79%	81%	82%	79%	75%	78%
Attractiveness of Restaurants Cafés, Bars and Food Shops	81%	83%	83%	80%	81%	75%
Availability of Restaurants Cafés, Bars and Food Shops in Your Concourse	na	na	na	77%	79%	72%
Quality of Food	75%	78%	78%	75%	70%	71%
Value of Food for The Price Paid	67%	71%	70%	63%	54%	58%

A review of the research shows that passengers going through security checkpoint A were most likely to be satisfied with the attributes of restaurants/cafes/bars/food and retail concessions in their concourse (page 104). The level of satisfaction varied for passengers going through other checkpoints. Recent surveys show that the satisfaction level of availability of restaurants/cafes/bars/food and retail concessions also decreased in FY 2021 and Q3 FY 2022 from pre-pandemic levels. This drop in satisfaction may be the result of certain businesses not being open and recent cost increases resulting from supply chain issues, staffing, and product cost increases.

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[48] FY2020 only includes data for three quarters; no surveys were undertaken in Q4 2020 due to the pandemic
[49] The wording changes from "Restaurants/Food Shops" to "Restaurants/Cafes, Bars/Food Shops" in Q1 FY 2021. The Availability of restaurants, cafes, etc. was adjusted in 2021 to include "in your concourse."

Percent of BWI Airport Surveyed Passengers Satisfied with Retail Shop Options Providing a Rank of 4 or 5 Out of 5				
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**
Base: Surveyed Passengers Who Stopped in a Retail Shop				
Quality of Service in Retail Shops	80%	83%	83%	77%
Attractiveness of Retail	82%	84%	83%	79%
Availability of Retail in Your Concourse	n/a	n/a	n/a	74%
Quality of Retail Product	75%	78%	78%	73%
Value of Retail Shop	64%	66%	67%	60%

The following two tables show where the surveyed passengers purchased food and retail goods. This reflects the top restaurants/bars/cafes/food and retail concessions where passengers purchased items. This level of detail was added to the passenger surveys in Q1 2021, and as a result we cannot provide a trend analysis. As with the other consumer data in this section, it represents an extremely small level of passengers at the BWI Airport.

Those food and retail concessions where individuals purchased something, but only in one of the five quarters shown are folded into the category designated as "Other" in the chart. Details are provided for what is included in this category for both food related purchases and retail. Blanks indicate that no passengers reported purchasing anything at the individual food or retail concession. It is also important to note that while passengers did indicate they made a purchase at a specific food concession or retail shop, no attempt was made to determine what they purchased (food, water, apparel, gifts) or how much they spent.

We know from historic sales records that brands such as Tumi, Kiel's, Mac, and Pandora enjoy strong sales and foot traffic, even though the data presented here does not reflect that. Detailed sales data on all the vendors is available in the BWI Concession RFP Supporting Documentation General Information Number 5 Concession Analysis & Performance.

Comparison: Where BWI Airport Surveyed Passengers Purchased Food in Q1 FY 2021 – Q3 FY 2022						
	Q1 FY 2021	**Q2 FY 2021**	**Q3 FY 2021**	**Q4 FY 2021**	**Q1 FY 2022**	**Q3 FY 2022**
Percent of Surveyed Passengers That Purchased Food from Specific Restaurants/Cafes/Bars and Food Concessions						
Chick Fil A	11%	9%	13%	11%	11%	11%
Starbucks	8%	10%	10%	7%	7%	8%
Dunkin Donuts	13%	13%	9%	6%	10%	7%
McDonalds	11%	13%	9%	9%	12%	9%
Auntie Annes	7%	9%	6%	10%	8%	12%
Chipotle Mexican Grill	7%	4%	6%	4%	4%	7%
Subway	6%	5%	5%	4%	3%	4%
Hudson News	5%	5%	5%	4%	6%	6%
Silver Diner	4%	4%	5%	6%	5%	6%
Obrycki's	-	3%	4%	3%	3%	-
Jamba Juice	-	-	3%	3%	3%	-
Einstein Bros Bagels	5%	4%	3%			-
Other	2%	3%	6%	10%	3%	6%

The category "Other" includes outlets selected by surveyed passengers including Arby's, Cinnabon, Flying Dog, Green Turtle, Miss Shirley's, Potbelly's Sandwich Shop, and other.

Comparison: Where BWI Airport Surveyed Passengers Purchased Retail Items Q1 FY 2021 – Q3 FY 2022						
	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q3 FY 2022
Percent of Surveyed Passengers That Purchased Something from Specific Retail Shops						
News/Newsstand	60%	60%	56%	56%	54%	67%
Hudson News/Booksellers	39%	26%	40%	33%	33%	40%
Onsite	9%	19%	-	6%	6%	6%
Magazine Shop (Not specified)	13%	15%	16%	17%	15%	21%
Fire & Ice	7%	2%	7%	-	-	-
America	7%	9%	6%	-	3%	8%
The Body Shop	-	-	6%	5%	5%	-
White House/Black Market	4%	-	6%	6%	3%	-
Gift Shop (Not specified)	5%	4%	5%	6%	3%	2%
Tech Showcase/Tech on the Go	-	4%	2%	3%	-	-
Convenience Store (Not specified)	5%	2%	-	8%	8%	7%
Pandora	-	-	-	3%	7%	2%
Other	6%	2%	15%	7%	7%	11%

The category "Other" includes outlets passengers selected including District Market, InMotion, Kiehl's, Marshall Russo, Popsox, and other.

8.3 WHY PASSENGERS DID NOT PURCHASE ANYTHING

Those passengers who answered the second portion of the survey, and who did stop in one of the food or retail concessions, provided an array of reasons why they did not purchase anything. The most consistent answer was "Nothing I Wanted/Needed/Didn't like choices." This section of the survey allowed for multiple answers, for both food and retail purchasing.

Reasons Given Why BWI Airport Surveyed Passengers Did Not Make Any Food Purchases						
	FY 2018	FY 2019	FY 2020	FY 2021	Q3 FY2021	Q3 FY 2022
Percent of Surveyed Passengers Who Stopped in Restaurants/Cafes/Bars and Food Shops, But Did Not Purchase Anything						
Nothing I Wanted/Needed/Did Not Like Choices	57%	57%	55%	40%	60%	37%
Prices Too High/No Money	28%	33%	32%	26%	13%	31%
Not Interested/Not Hungry/Already Ate	5%	7%	4%	26%	29%	35%
Long Lines/Too Crowded/Slow Service	2%	4%	3%	11%	4%	13%
Other	5%	2%	4%	na	na	na

Reasons Given Why BWI Airport Surveyed Passengers Did Not Make Any Retail Purchases						
	FY 2018	FY 2019	FY 2020	FY 2021	Q3 FY 2021	Q3 FY 2022
Percent of Surveyed Passengers Who Stopped in Retail Shops, But Did Not Purchase Anything						
Nothing I Wanted/Needed/Did Not Like Choices	72%	71%	69%	47%	50%	50%
Prices Too High/No Money	24%	23%	27%	18%	16%	17%
Just Browsing, Killing Time	na	na	na	46%	44%	43%
Poor Service (Not specific)	2%	2%	2%	na	-	-
Other	1%	1%	1%	na	6%	4%

8.4 TECHNOLOGICAL PATTERNS & USAGE

Understanding how, when, and where technology is used in retail is critical to determining the proper mix of merchandise, marketing, and promotions. More details about the use and influence of technology can be found in the Trends Section beginning on Page 126.

We also understand that usage varies by age group and demographics. We explored how different age groups use technology. We also examined patterns of use throughout the Airport. The following chart is a snapshot of technology use, patterns, and preferences by generation.[50] We have included the percent of each generation within the trade areas to help put this use in context.

Generational Marketing Behavior			
Baby Boomers: 1945 - 1964	**Generation X: 1964 - 1982**	**Millennials: 1982 - 1996**	**Gen Z: 1996 - 2012**
Percent of Population in PCA			
22.68%	26.01%	14.50%	12.67%
Percent of Population In 60-Minute Drive Time			
22.2%	26.10%	15.00%	12.70%
Overview			
75M. The most powerful generation in terms of spending and earning. 82% use at least 1 social media site 2 hrs. daily. Preferred channels: Facebook, YouTube.	66M. An independent generation grew up having to take care of themselves. Household spending exceeds that of the national households. Preferred Channels: Facebook, YouTube, Instagram, and Twitter, drawn to visuals.	80M. The largest age group in the U.S, cash strapped. Grew up with tech, always connected, use mobile 2.5 hrs. daily. Preferred channels: Facebook, Instagram, Snap Chat then Twitter.	60M. Connected online their entire lives digitally empowered, with access to online 24/7. Financially conservative - fiscally mature, resourceful. Tend to prefer face to face communications. Preferred Channels: Instagram, YouTube, Snap Chat, TikTok and Facebook.
Shopping Behavior			
Browse and shop online, and shop in-store. Influenced by recommendations and product reviews. Quality drives decisions rather than price. Use of Apps limited.	Value authenticity. 86% of Gen Xers would try a new brand if offered a coupon or discount. On/offline coupons with the best deals winning out. Influenced by online recommendations, impact of the store.	Drawn to brands that give back and have purpose. Convenience is key. Younger Ms more likely to shop in a store, both use mobile to browse. Word of mouth, online reviews influence purchasing, weary of aggressive marketing.	Less interested in corporate America, trust brands they grew up with. Lean toward local and echo friendly brands and products, sustainability is a key influencer. Many have raised $ for a cause and donated themselves.
Best Way to Engage			
Email optimized for mobile, texts with imagery, consistent omni-channel marketing is key. Relevant content is critical whether on website or text.	Emails optimized for mobile, Tweets with imagery, impact stories to create connection and authenticity, omni - channel marketing including digital promotions and coupons.	Social media, omni-channel marketing, mobile apps, strong visuals are key. Storytelling and influencers who can speak directly to them, and post on their preferred SM channels, online reviews.	Cross marketing - omni-channel on and offline. Social Media and strong website. Storytelling is key with graphics, emojis and video: integrate online and offline marketing; hyper personalized content and social context and issues.

[50] Firespring, The National Retail Federation, ICSC

8.4.1 WI-FI USAGE AND PATTERNS WITHIN BWI[51]

The BWI Marshall Airport hosts an integrated Wi-Fi System throughout the Airport. Known in the public realm as SmartCity Wireless Solutions of BWI, LLC, the service is managed by Slice Wireless Solutions out of New York. The system is regularly being upgraded, and the capabilities are being expanded. At present, the management team can capture a significant amount of data within the airport. This includes Wi-Fi utilization (duration of use, dwell time by location, type of device, preferred platforms, and hotspots and times) and segmentation by type of visitor (unique, repeat) and users on the system.

While this data does not encompass the entire passenger base in any given period, it does shed light on how passengers are using Wi-Fi. To a limited extent, it indicates foot traffic. For example, for the 30-day period ending May 12, 2022, over 344,909 unique users signed on to the SmartCity Wi-Fi system at the airport.
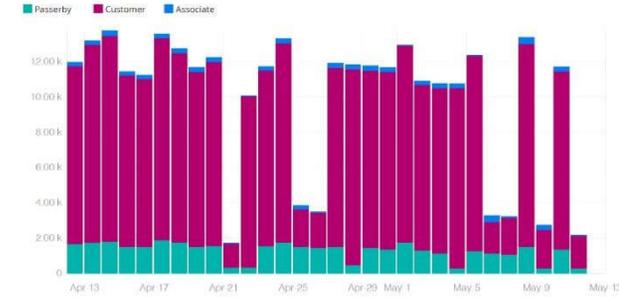
The primary platforms SmartCity visitors are using include Apple, Google, Facebook, followed by a vast range of others including Amazon and social media and streaming apps such as Instagram, YouTube, iTunes, and Netflix to name a few. Historical data shows twenty- percent of the Wi-Fi users are on an Apple product. Apple owners tend to be better-educated, well-employed with higher household and disposable income.

Top Applications by Devices
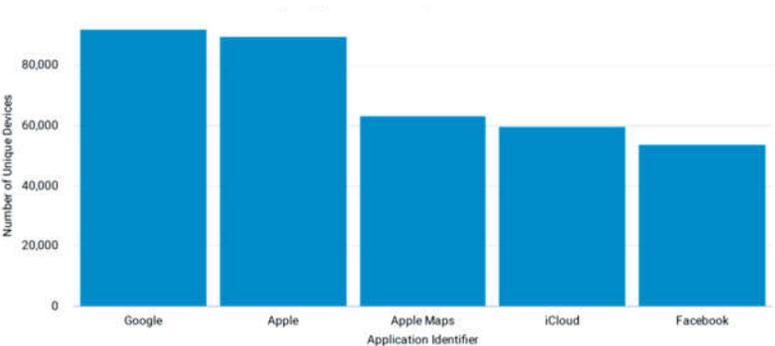
Comparison WIFI Applications BWI SmartCity, April 13 - May 12, 2022
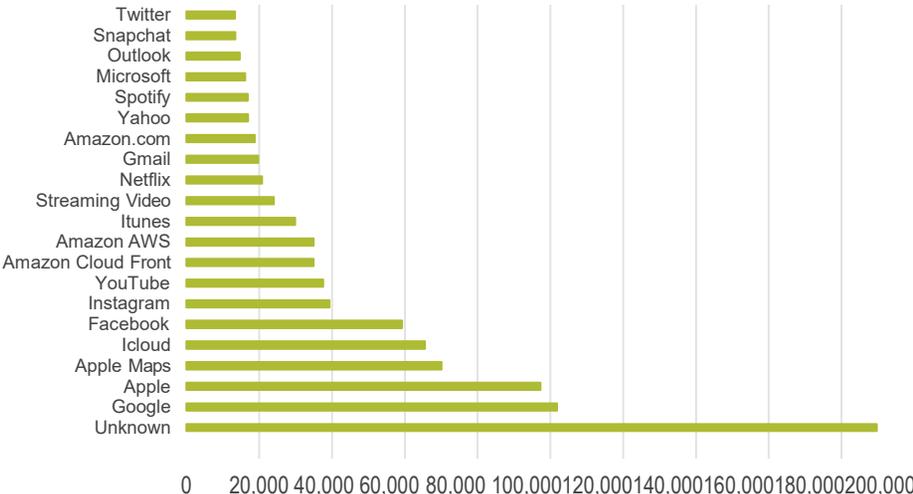
Dwell time is a critical metric that SmartCity Solutions can track. Simply put, this is the amount of time a passenger spends in a certain area. Dwell time is related to several important elements like customer satisfaction, shopping experience, and even sales. In theory, the longer the dwell time the better, as this indicates that the passenger has more time to shop and/or dine. Many issues can influence this including: ambience (e.g., cleanliness, noise levels, lighting) as well as the design (e.g., easy wayfinding, seating areas) of the retail area, passengers' emotions, and of course, flight schedule.

Dwell time is particularly important as it demonstrates how long a passenger is staying in a certain geography. For concessionaires, dwell time data can provide valuable insights about who the customers are and how they behave while in your store. A longer timeframe (inside one location) indicates a higher level of satisfaction. A lower rate could indicate lack of interest or be a result of demand for convenience due to flight schedules.

Customer Dwell Time Trend

The chart to the right illustrates the average dwell time for first time passengers as well repeat visitors to for the entire airport. This data is shown for each concourse on the following pages, as well as heat maps that demonstrate connectivity within each one.
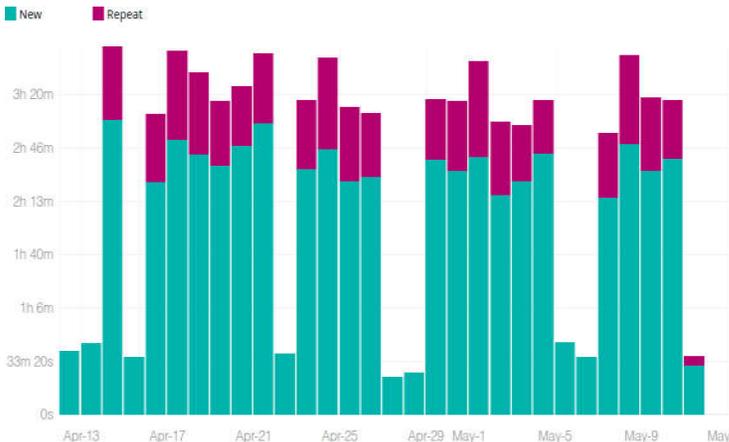
In retail environments, research shows, the more time shoppers stay, the more likely their spending will increase. There are dozens of factors that may contribute to satisfaction at a restaurant or a retail, but it is easiest to identify areas that might drive customers away faster. The most common factors that decrease dwell time[52] include poor or slow service, dissatisfaction with menu items, unreasonable or unexpectedly high prices, an unclean environment, music that is too loud or not suited to a customer's tastes, and even overwhelming advertisements or décor.

Where passengers are connecting to the Wi-Fi is also useful for concessionaires. It can influence how marketing strategies and tools might be purposed for marketing to passengers. This heat map shows where passengers are clustered in Terminal A for the 30-day period ending May 12, 2022. SmartCity also can track movement through the Airport at individual terminals. Collectively this data provides additional insight into the passengers' behavior during their dwell time and how best to reach them. This type of data, presented on the following pages for each concourse, might be useful for individual concessionaires considering advertising to fine tune what they advertise, where and when.

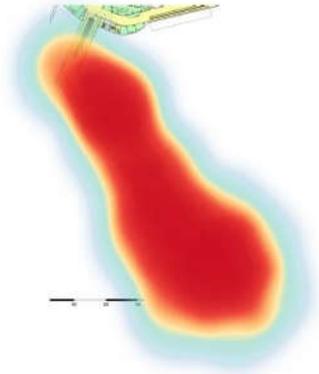[52] ICSC, National Retail Federation
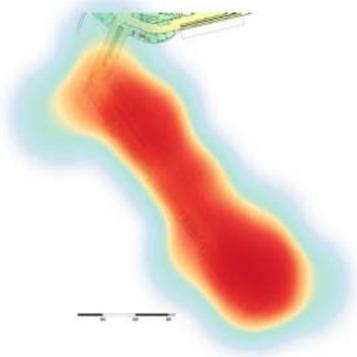
Concourse A

BWI CONCOURSE REPORT - May 13, 2022

Contains data of interest to the mall operator regarding passenger flows and wait times.

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	**Concourse A [WiFi]**	**Last 30 Days**	**EDT**

Wireless Clients Location - Connected
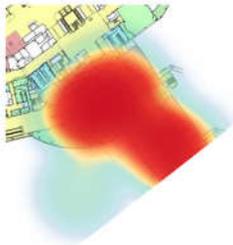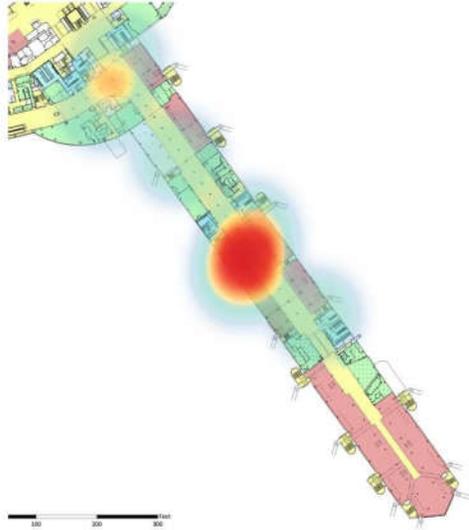
Wireless Clients Location - Unconnected

Concourse B

BWI CONCOURSE REPORT - May 13, 2022

Contains data of interest to the mall operator regarding passenger flows and wait times.

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	Concourse B [WiFi]	Last 30 Days	EDT

Wireless Clients Location - Connected

Wireless Clients Location - Unconnected
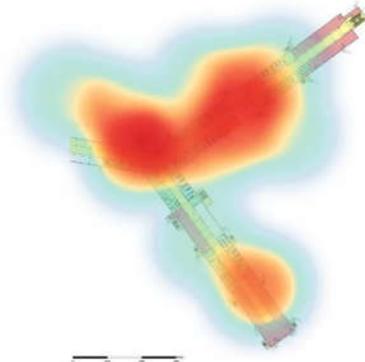
Concourse C

BWI CONCOURSE REPORT - May 13, 2022

Contains data of interest to the mall operator regarding passenger flows and wait times.

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	Concourse C [WiFi]	Last 30 Days	EDT

Wireless Clients Location - Connected

Wireless Clients Location - Unconnected

Concourse D

BWI CONCOURSE REPORT - May 13, 2022

Contains data of interest to the mall operator regarding passenger flows and wait times.

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	**Concourse D [WiFi]**	**Last 30 Days**	**EDT**

Wireless Clients Location - Connected

Wireless Clients Location - Unconnected

Concourse E

BWI Public WiFi Report - May 13, 2022
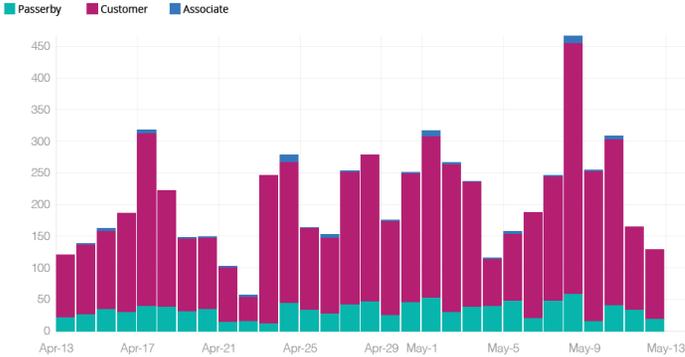Counts, Dwell Times, Visitor Types, Wait Times

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	Concourse E [WiFi]	Last 30 Days	EDT

Visitor Count

6,252 Visitors

- Passerby **16%**
- Customer **83%**
- Associate **1%**

Visitor Count Trend

BWI Public WiFi Report - May 13, 2022
Counts, Dwell Times, Visitor Types, Wait Times

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	Concourse E [WiFi]	Last 30 Days	EDT

Customer Dwell Time
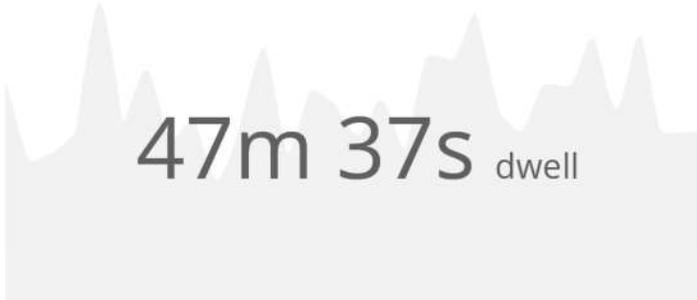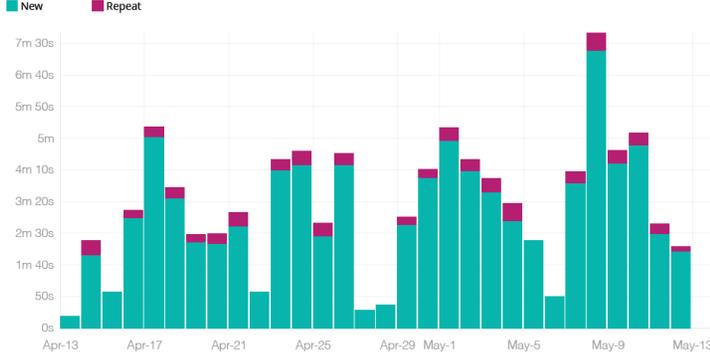
47m 37s dwell

Customer Dwell Time Trend

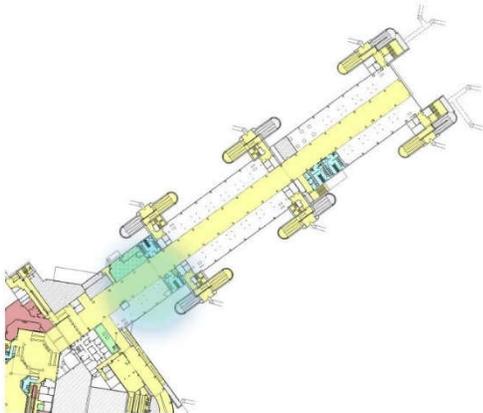![Mist - A Juniper Company]

BWI CONCOURSE REPORT - May 13, 2022

Contains data of interest to the mall operator regarding passenger flows and wait times.

Organization	Floorplan	Time Range	Time Zone
SmartCity Wireless Solutions	**Concourse E [WiFi]**	**Last 30 Days**	**EDT**

Wireless Clients Location - Connected

Wireless Clients Location - Unconnected

CONSUMER SPENDING

9 CONSUMER SPENDING

Consumer spending indices estimate current household spending patterns and potential spending using data from the Consumer Expenditure Surveys and the Bureau of Labor Statistics. We used two different indices to compare spending and purchasing patterns for a variety of expenses.

The Spending Potential Index (SPI)[53] is household-based and represents the amount spent for a product or service relative to a national average of 100. SPI is based on annual average spending and compares the average expenditure made locally for a product to the average amount spent nationally. An index of 100 is the national average. An SPI of 120 shows that average spending by local consumers is 20% above the national average.[54]

The Market Potential Index (MPI)[55] measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the national average. These data are based upon national propensities to use various products and services, applied to local demographic composition.

The following series of charts and figures offer a comparison of the SPI and MPI for retail and food purchasing in the two primary geographies used in our research, the BWI Marshall Airport Primary Catchment Area and the 60-Minute Drive Time. We focused on specific retail and food categories that reflect options typically available at airports, behavior around food spending and patterns that might impact passengers' choices of food and purchasing patterns when traveling. It should be noted that any one indicator does not necessarily correlate with a particular type of behavior or any individual passenger. Rather, the indices presented reflect the average amount (in dollars) spent and likelihood of consumer behavior within the specific geographic areas.

A significant portion of residents in the Airport PCA have a higher potential spending index than residents in the U.S. Many households in the Airport PCA also boast higher household income and disposable income. This translates into how the individual geographies rank for potential spending indices and the market potential indices. Except for the City of Baltimore and York County, PA, the individual geographies are at or exceed the U.S. average (100), which aligns with the differences in income in these two areas. The exceptions follow shifts in purchasing that are emerging such as increase in use of technology and ecommerce (books, tv, purchasing) and those influenced by COVID (dining). This includes travel and vacation activity (pre- and post-COVID).

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[53] Esri forecasts for 2021 and 2026; Consumer Spending data are derived from the 2018 and 2019 Consumer Expenditure Surveys, Bureau of Labor Statistics.
[54] ESRI White Paper: Consumer Spending Index 2019 Methodology
[55] Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2021 and 2026.

# COMPARATIVE ANALYSIS: 100 = THE NATIONAL AVERAGE FOR SPI AND MPI

9.1 COMPARISON OF SPENDING ON FOOD

Potential spending indices for food are considerably higher than the national average (100) in both trade areas and all geographies except the City of Baltimore and York County, PA. Spending on food away from home[56] indexes slightly higher than food at home for almost all geographies. These findings were nearly the same for the reports we ran for 2019, 2020 and 2021 (2020 adjusted for the pandemic).

Comparison: SPI Food, 60-Minute Drive Time, 2021
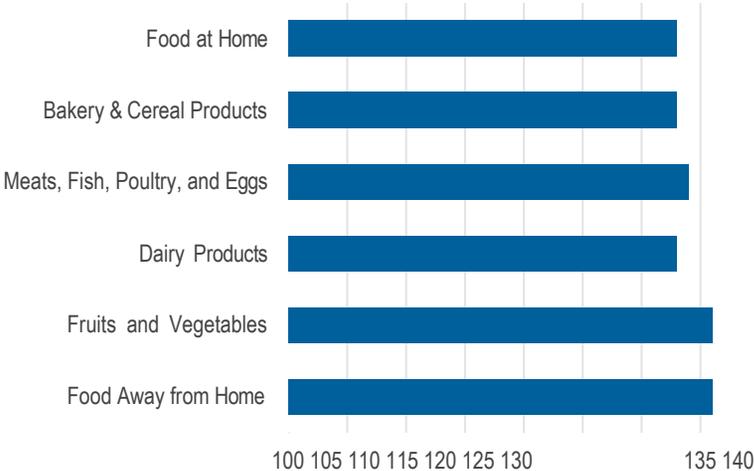
Comparison: SPI Food, BWI Primary Catchment Area, 2021
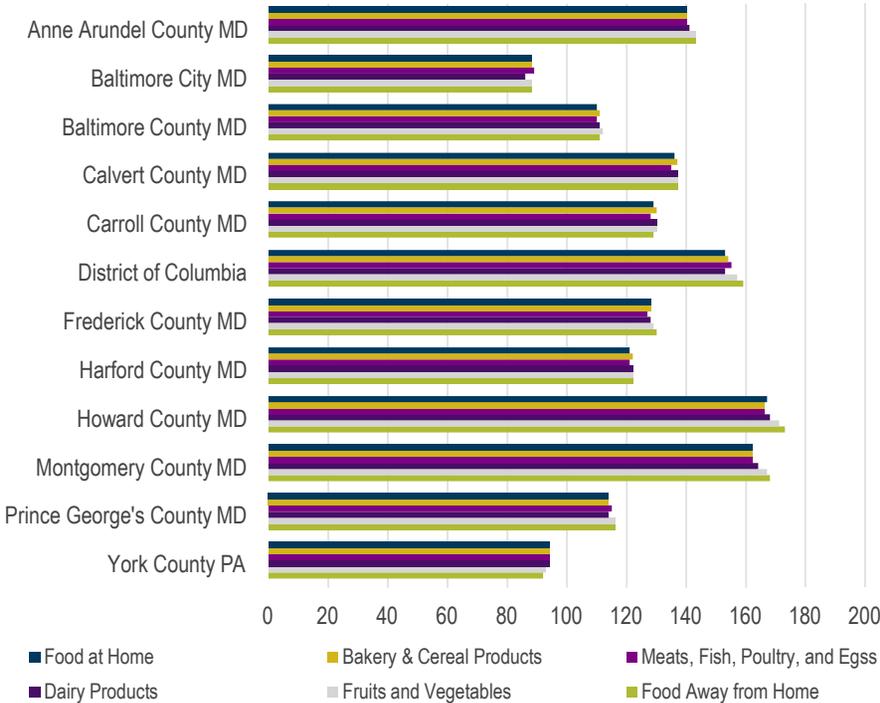
[56] Food away from home is defined as food in restaurants, take out, and prepared items (prepared foods are often taxed differently).

9.1.1 MPI BEVERAGES

The indices for the food categories and patterns of spending are similar to current local trends and national trends in food consumption and purchasing. They also reflect preferences and trends emerging across the different generations toward healthier eating. Consumption of soda is down as compared to healthier options as tea, bottled water, sparking water and seltzers, including flavored ones. Consumption of beer and alcoholic beverages has increased over the past four years. In the PCA most markets exceed the national average, apart from the City of Baltimore and York County, PA. Lower indexing in these two submarkets may also be attributed to a lower cost of goods. Similar patterns are evident as well as for dining in the charts below.
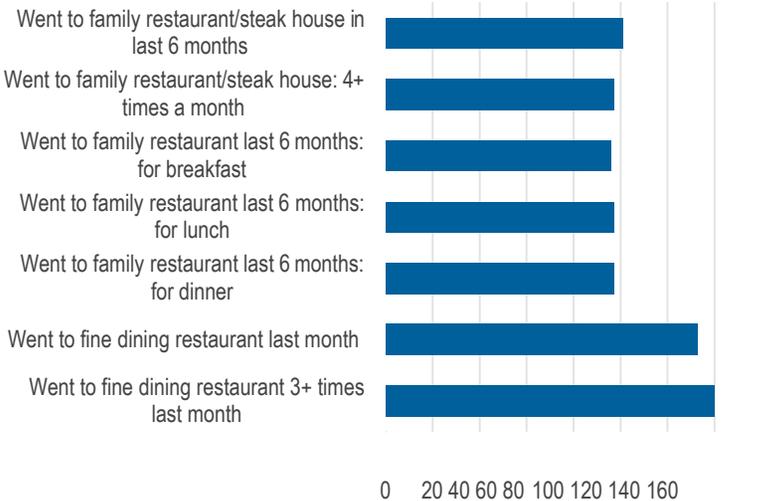
Comparison: MPI Beverages, 60 - Minute Drive Time, 2021
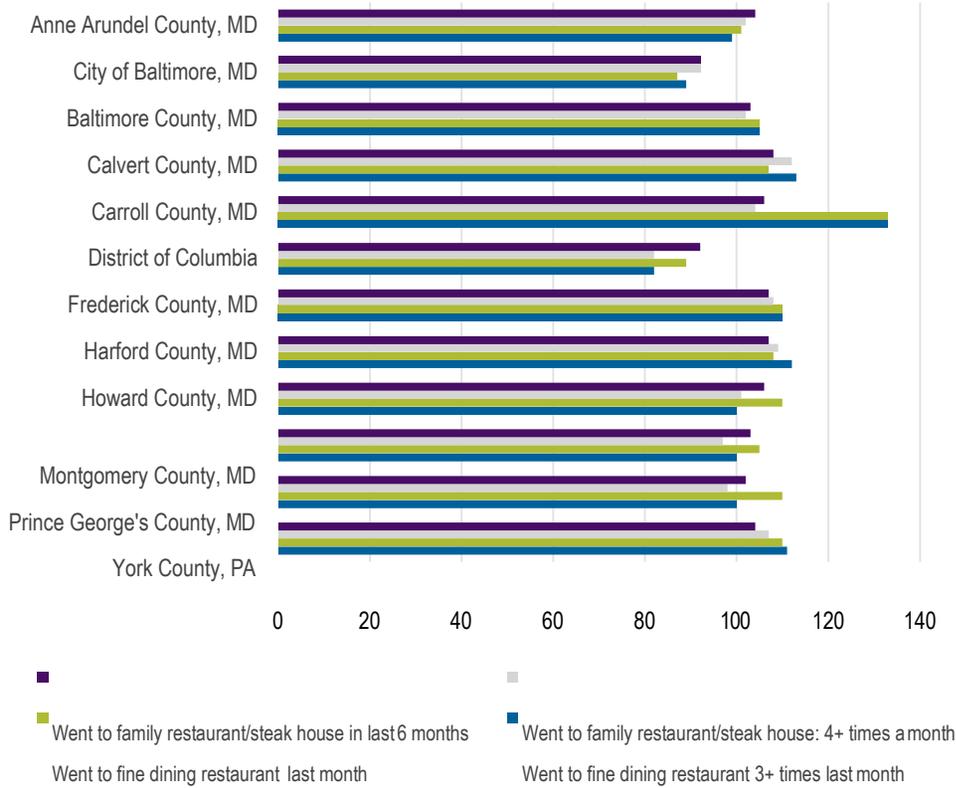

Comparison: MPI Beverages, BWI Primary Catchment Area, 2021
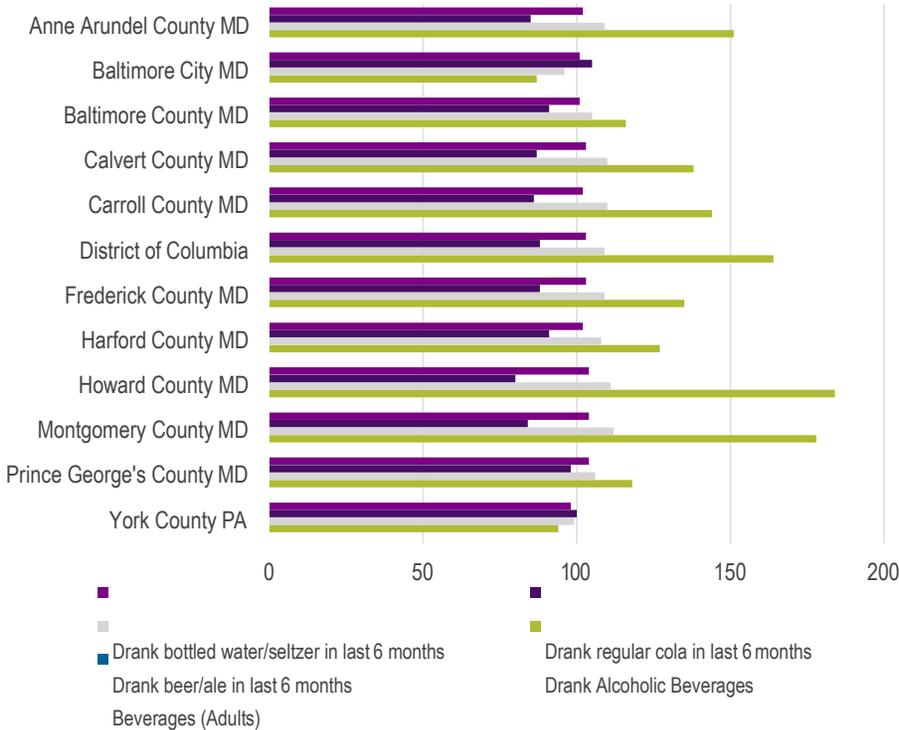
9.1.2 COMPARISON OF DINING

9.1.2.1 TRADITIONAL DINING

Comparison: MPI Restaurants, 60 - Minute Drive Time, 2021

Went to family restaurant/steak house in last 6 months	
Went to family restaurant/steak house: 4+ times a month	
Went to family restaurant last 6 months: for breakfast	
Went to family restaurant last 6 months: for lunch	
Went to family restaurant last 6 months: for dinner	
Went to fine dining restaurant last month	
Went to fine dining restaurant 3+ times last month	

0   20 40 60 80 100 120 140 160

Comparison: MPI Restaurants, BWI Primary Catchment Area - 2021

Anne Arundel County, MD
City of Baltimore, MD
Baltimore County, MD
Calvert County, MD
Carroll County, MD
District of Columbia
Frederick County, MD
Harford County, MD
Howard County, MD

Montgomery County, MD
Prince George's County, MD
York County, PA

0   20   40   60   80   100   120   140

■ (purple)   ■ (grey)
■ Went to family restaurant/steak house in last 6 months   ■ Went to family restaurant/steak house: 4+ times a month
Went to fine dining restaurant last month   Went to fine dining restaurant 3+ times last month

Spending on food out of the home within the Baltimore Washington region historically performs above the national average.[57] This is due to several things including strong household incomes, lifestyle, and younger generations' propensity to eat on the go, and a prevalence for take-out and food delivery, which increased in 2020 and 2021 as many restaurants curtailed onsite dining.

With respect to dining, the patterns revealed in the charts in this section are more important that the actual indices shown, which are likely lower than in 2019, due to the pandemic. The comparison of generation marketing behavior and shopping preferences beginning on page 117 provide a more comprehensive understanding of the trends and preferences among different age groups.

[57] Bureau of Labor Statistics, JLL, National Restaurant Association, Washington Restaurant Association.

Within the 60-Minute Drive Time, there is clearly a preference for traditional restaurants and fine dining which index at or above the national average as compared to fast food patronage which largely indexes below the national average. The one exception is for options such as Starbucks.[58] Patronage of Starbucks and other similar type of quick service coffee shops increased, especially in neighborhoods as more individuals worked from home.

Home delivery also increased largely due to the pandemic. However, the desire for convenience across all generations is expected to continue to propel home delivery of meals in the near-term future, and possibly longer as consumers become accustomed to this option.

Most submarkets within the Airport PCA perform near the national average for family restaurants/steak houses and fine dining except in the cities of Baltimore and Washington, DC. In Baltimore, this is likely due to lower household incomes and in Washington, DC, it is likely a reflection of available restaurant options and consumer preferences. Younger generations tend to eat on the go and lean toward quick casual dining. However, both cities also indexed higher than the other submarkets for home delivery of food. Urban markets typically offer more options for food delivery than their suburban counterparts, including demand for convenience and access to third party delivery services.

The indices for meals out at family restaurants perform higher for lunch and dinner than breakfast. The tendency toward dining out for lunch and dinner reflects the lifestyle within the region including the high rate of employment in professional and white-collar positions and the often-busy styles of working professionals and families in the region.
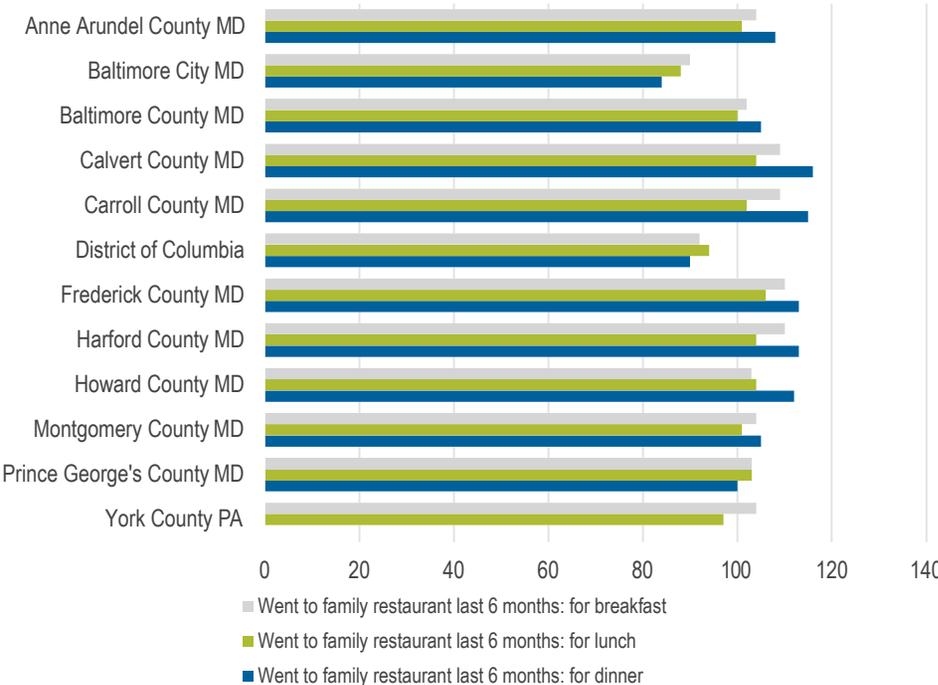
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[58] The MPI for Fast Food Chart for Starbucks on Page 112 reflects similar style businesses such as Dunkin and local brands, and even Wawa where consumers can grab coffee and a donut, bagel, muffin, etc.

9.1.2.2 FAMILY RESTAURANT

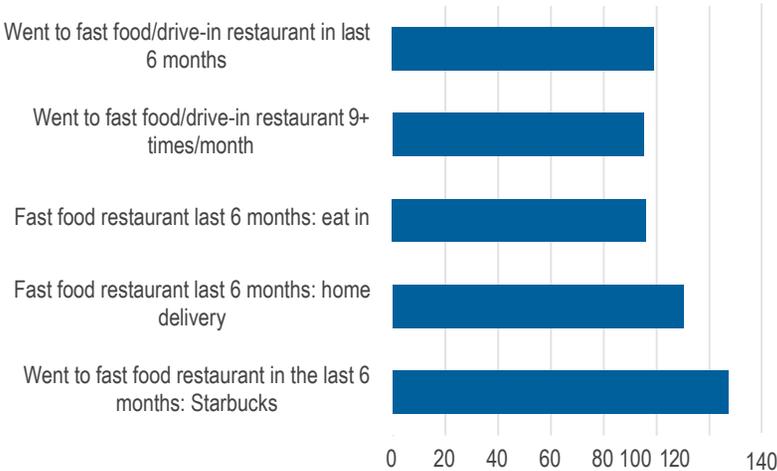**Comparison: MPI Restaurants, 60-Minute Drive Time - 2021**
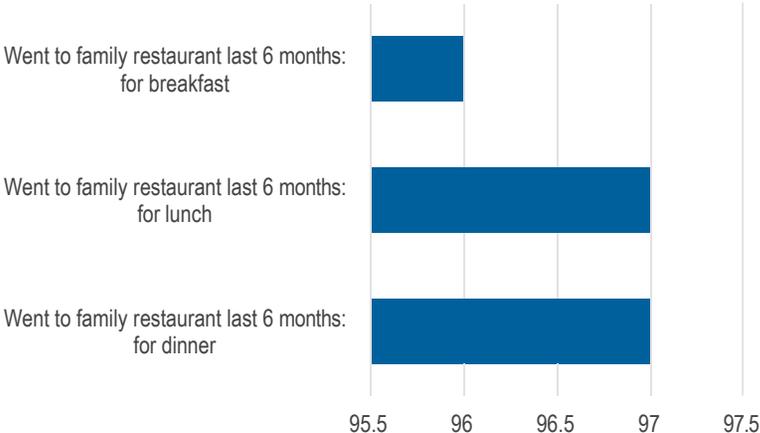
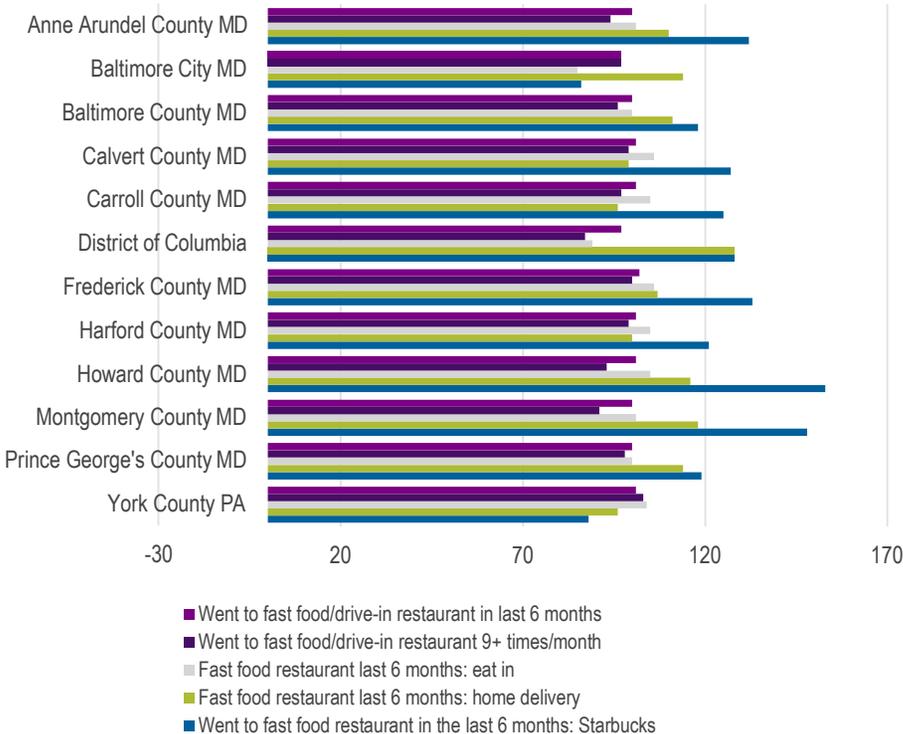**Comparison: MPI Restaurants, BWI Primary Catchment Area, 2021**

9.1.2.3 FAST FOOD RESTAURANTS

**Comparison: MPI Fast Food, 60-Minute Drive Time, 2021**

Comparison: MPI Fast Food, BWI Primary Catchment Area, 2021

- ■ Went to fast food/drive-in restaurant in last 6 months
- ■ Went to fast food/drive-in restaurant 9+ times/month
- ■ Fast food restaurant last 6 months: eat in
- ■ Fast food restaurant last 6 months: home delivery
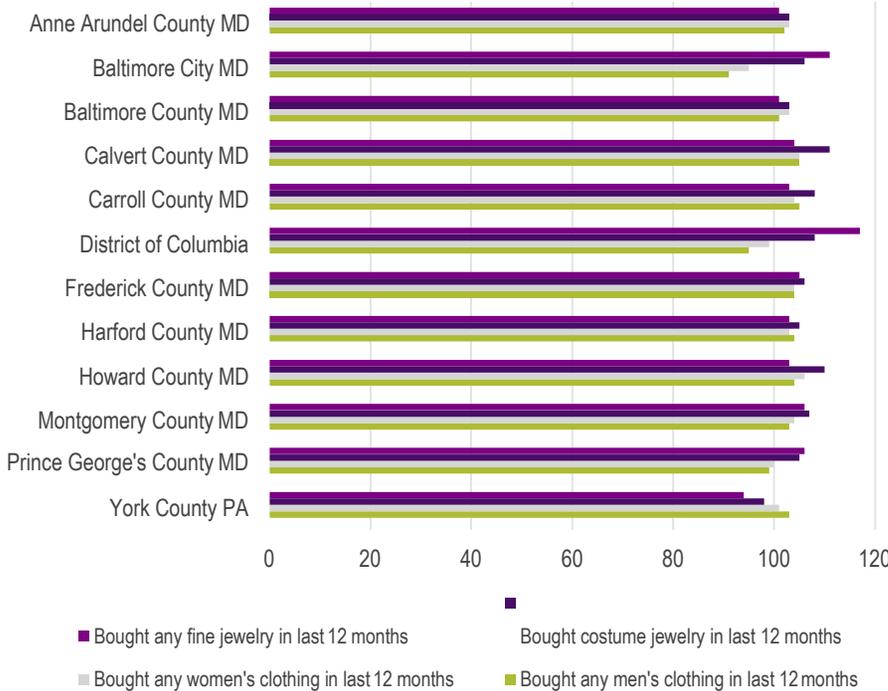- ■ Went to fast food restaurant in the last 6 months: Starbucks

9.2 COMPARISON OF RETAIL GOODS AND RELATED ACTIVITIES

9.2.1 MPI APPAREL/ACCESSORIES

**Comparison: MPI Apparel/Accesories,
60-Minute Drive Time, 2021**
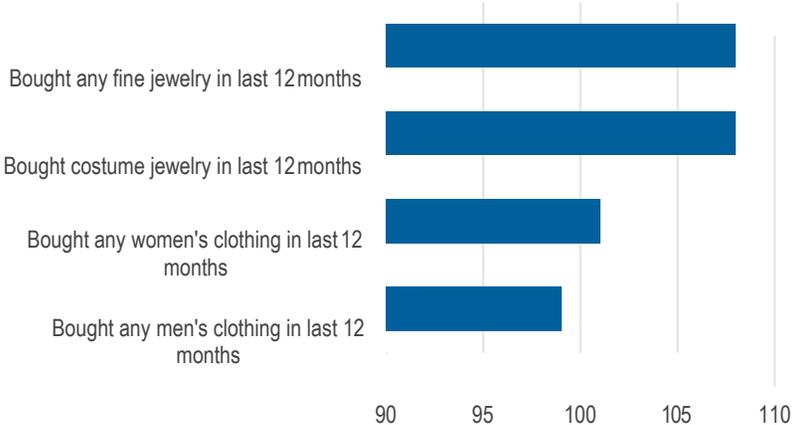
**Comparison: MPI Apparel/Accessories,
BWI Primary Catchment Area, 2021**

The indices for spending on apparel and accessories is hovering around the national average. One exception is jewelry (fine and costume). Spending exceeded the national average in every market but York

County, PA. This mirrors spending behavior nationwide. The eighteen months many spent quarantined at home impacted sales of business and dressier attire. Clothing sales plummeted 86% in the first few months of the pandemic and have yet to fully recover. Since March

2020, spending on leisure and casual wear has increased between 48 - 64%, depending on the items.[59] Federal data and reports from individual retailers show the most dramatic increases have been in items that fall within the classification of loungewear and items that do not require dry-cleaning. Demand for comfortable attire and the appeal of casual wear is expected to continue after we "return to normal."[60]

[59] Federal data, Washington Post, National Retail Federation
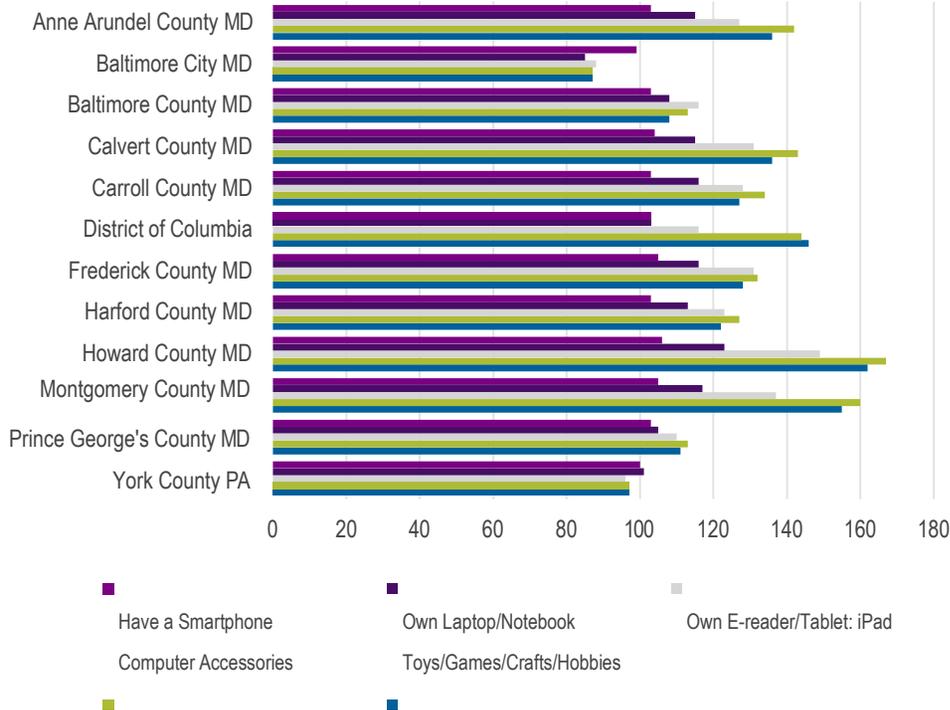[60] JLL, National Retail Federation

9.2.2 MPI Technology, Electronics, Toys

**Comparison: MPI Technology, Electronics, Toys
60-Minute Drive Time, 2021**
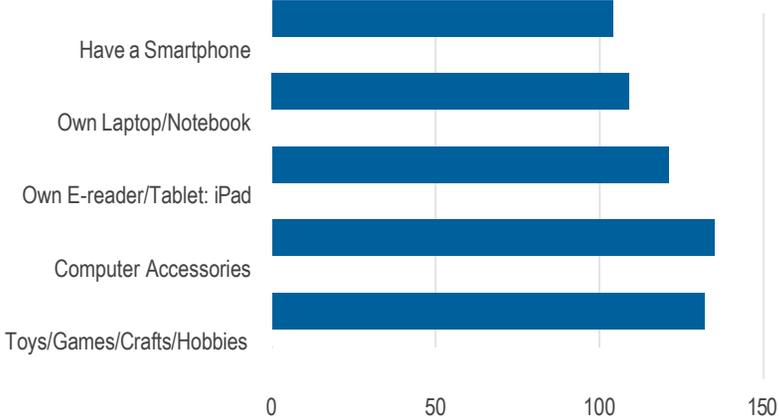
**Comparison: MPI Technology, Electronics, Toys
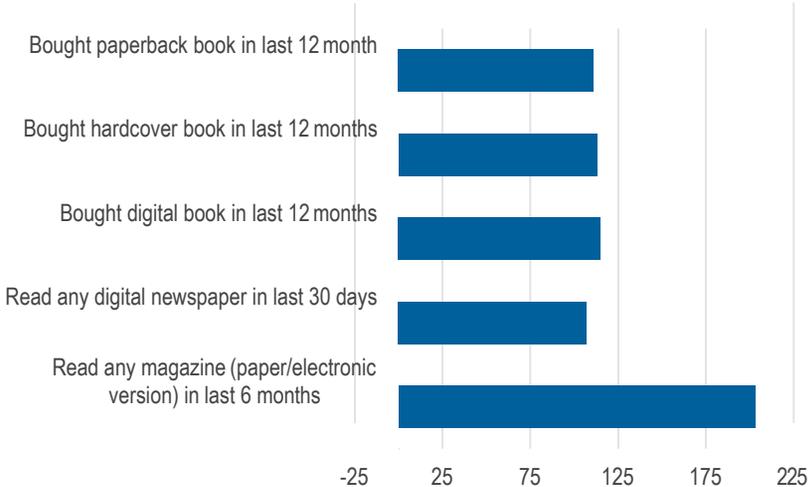BWI Primary Catchment Area, 2021**

Spending on entertainment, technology, and pleasure/specialty items including toys and crafts went up nationally during the pandemic. Spending within the region exceeds the national average with exception of City of Baltimore and York County, PA, where most retail segments index below 100. Perfomance in other markets within the PCA is due to

the strong levels of household and disposable income as well as higher levels of educational attainment achieved.

This also explains the above average spending and market potential with reading spending patterns, including hard and electronic versions of books and news media in the charts below. Residents in the Baltimore Washington region are known to be well read and "news junkies," in part driven by the local market dynamics, the presence of the federal government, and affiliated research institutions and organizations (public and private). Households in this region have an above average rate of subscriptions to national and industry news publications (NY Times, Wall Street Journal, Washington Post, Financial Times, and trades). This also explains the MPI near 200 in the 60-Minute Drive Time. Digital purchases of books only exceeds hardcover and paperback book purchases in six submarkets (Anne Arundel, Calvert, Frederick, Howard, and Montgomery Counties in MD and Washington, DC). While online purchases of reading materials are expected to grow locally and nationally, the rate of growth is fairly low, below that of apparel and food. Research shows that many individuals prefer a print version of books during travel, whether for pleasure or business.[61]
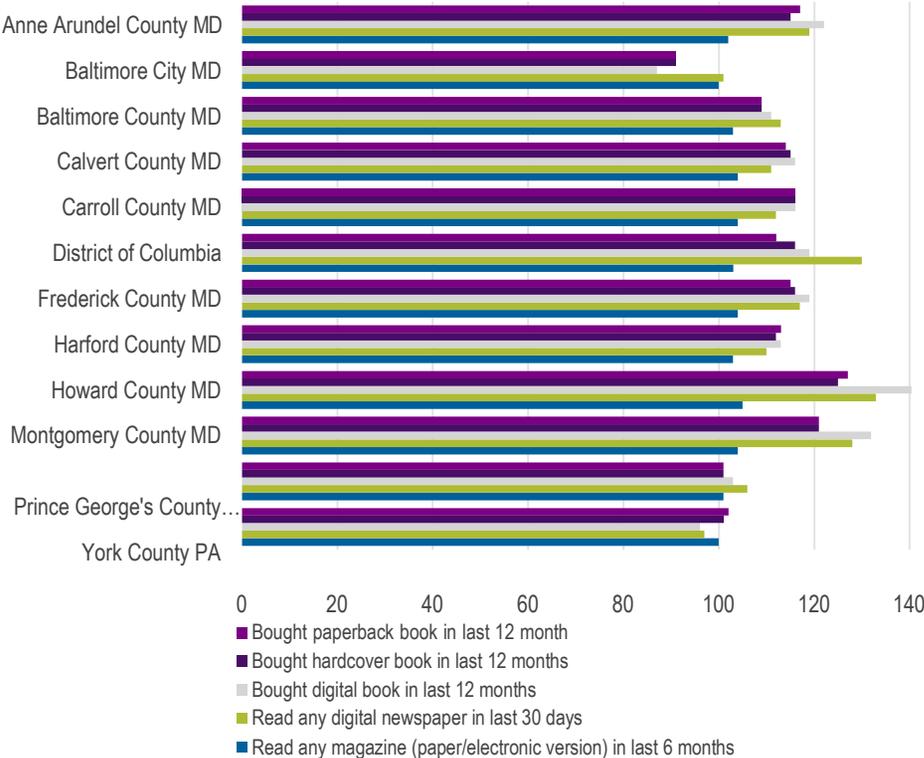
9.2.3 READING

Comparison: MPI Reading - 60-Minute Drive Time, 2021

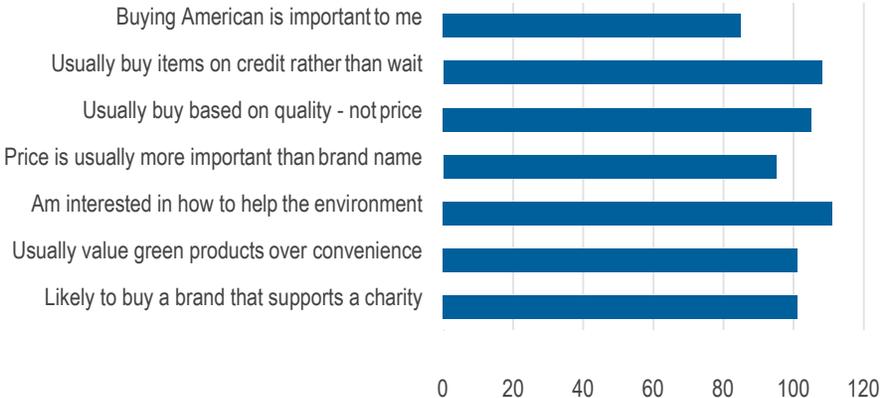**Comparison: MPI Reading - BWI Primary Catchment Area, 2021**

9.2.4 MPI PSYCHOGRAPHICS

These charts reflect research on the psychographics behind purchasing decisions. In the Airport PCA, purchasing decisions are more likely based on values, including how to help the environment, and a preference for green products over convenience (all markets but York County, PA and the City of Baltimore exceed the national average). This too is a reflection of the overall household wealth and above average level of educational attainment in the region. Price plays a more important role on purchasing decisions. It is especially important to older consumers, including those on fixed incomes, and younger ones (Gen Z) who have more limited disposable income and trend toward a

"less is more" lifestyle.

Comparison: MPI Retail Psychographics, 60-Minute Drive Time, 2021

Comparison: MPI Retail Psychographics, BWI Primary Catchment Area, 2021
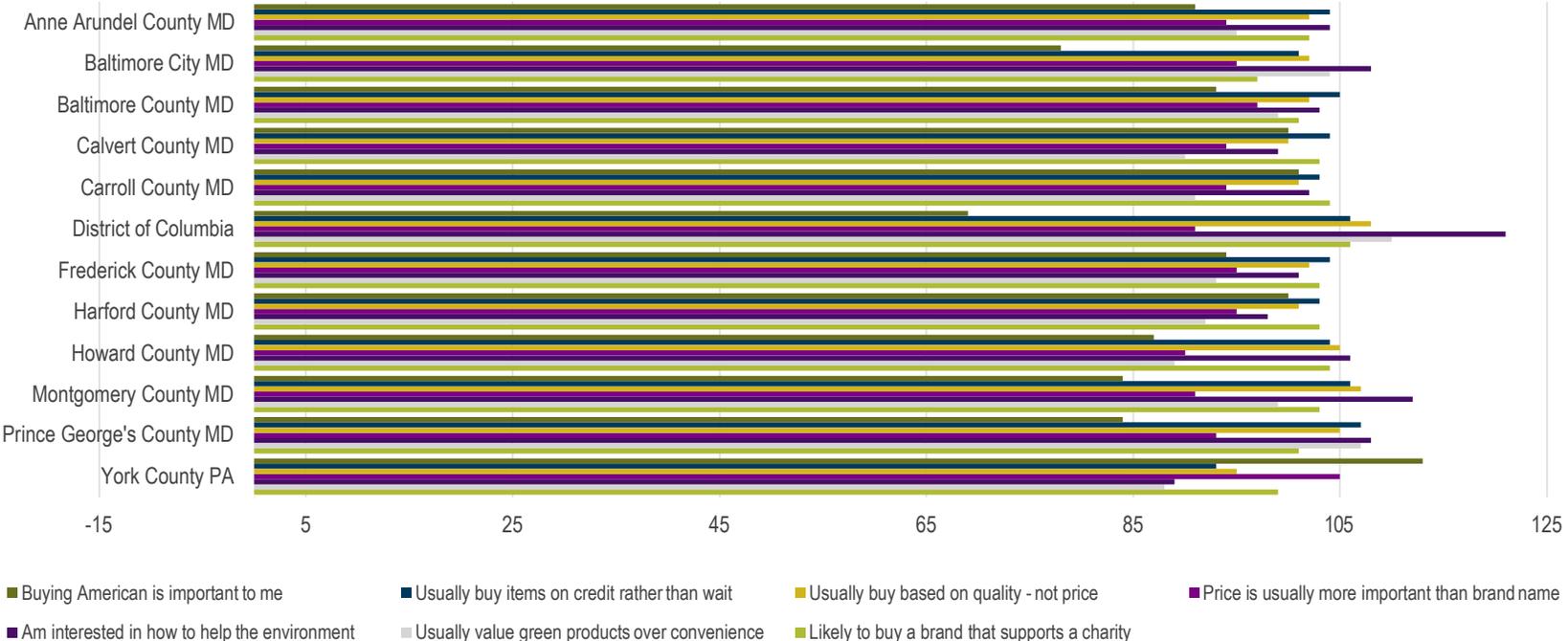
9.3 GENERATIONAL DINING AND SHOPPING PATTERNS

Over the past two decades there have been noticeable shifts in generations' approach to food and retail. Age and lifestyle influence our attitudes and behaviors toward food and dining, how and where we shop, what we buy, and why we buy it. While there is some overlap in purchasing behavior and attitudes toward consumption across generations, there are distinct differences.

The framework of generations helps us to understand demographic differences and the unique characteristics that exist among people in each age group. The differences found in the generations' approaches to food, retail, and even communications and technology offer an opportunity for concessionaires to tailor their products and services to accommodate individual tastes and preferences. The following narrative and charts attempt to reveal those differences.

9.3.1 OVERVIEW

Millennials, one of the largest demographic groups, second only to Baby Boomers, have had the largest impact on food trends over the past decade. Their influence is not just due to the sheer size of their group. Their preferences, tastes, and purchasing behaviors are vastly different from previous generations. Understanding how to market to Millennials is essential. Millennials are more racially diverse, highly educated, and more technologically literate than previous generations.

Following in their footsteps is Gen Z, those born after 1997. Their comfort with technology and heightened "global" awareness is expected to continue to impact how and where we shop. What they buy and how they are influenced to buy is fundamentally different. And while many of this generation may not yet have critical buying power, they are influencing their parents who do.

82% of Millennials say word-of-mouth is a key influencer of their purchase decisions.

Gen Z is highly diverse, especially in the U.S., coming from a wide assortment of backgrounds and ethnic groups. This often means they have been introduced to a wide range of cultures from an early age and continue to explore international foods and flavors as they grow. As they age and mature, they are likely to want an even greater proliferation of authentic global cuisines and innovative culinary fusions from the restaurant industry.

As the generations age, functionality becomes more appealing to Gen Xers, Millennials, and Baby Boomers. They look for foods and ingredients that deliver health benefits like more energy and better sleep. An easy way to understand this sustaining trend are items such as superfoods and superfruits in smoothies, salads, and bowl builds. Ingredients to include are blueberries, kale, quinoa, goji berries, and watermelon. Diners do not want to think something is missing—they want to feel good about their choices. It is no longer a low-fat and low-sodium platter with a heart icon next to it, now, it is a dish boasting the functional, healthy ingredients that taste delicious. This is also a shift away from viewing healthy eating as a sacrifice or perceived sacrifice.

2020 and the pandemic also shifted consumers' relationship with food and shopping. Most notably was a differential in what is considered essential and a proclivity toward comfort. Industry experts expect many of these patterns to continue even intensify in the future.

The number of young consumers who consider themselves a foodie increased from 52% in 2019 to 62% in 2020. This compares to 45% of Baby Boomers who claim to love everything about food. When it comes to food, flavor is a priority. Taste is a common denominator across all generations and categories of food from snacks to fast casual and sit-down dining. Simply put, food must taste good.

Convenience is paramount. Technology has enabled ease in purchasing and the pandemic has exaggerated demand and expectations for this. But there is also an expectation for convenience in the products and food purchased. Millennials and Gen Z exhibit similar patterns in the type and amount of food they order from burgers and pizza to fast casual, at a rate significantly higher than Baby Boomers, who trend toward traditional dining, including when traveling.

Searching for available options and the ordering process, whether in person or by phone/online must be easy. This is especially important for Baby Boomers who are more likely to go directly to a restaurant's website to review the menu rather than rely on referrals and reviews (online, social media, or friends). Their adeptness with technology lags behind younger generations.

Values are also influencing purchasing. Younger generations are increasingly interested in how their food was sourced or grown and where and how their clothes are made.

Sustainability is a priority when buying food and products and how its packaged as is transparency (ingredients, origination). This is another trend that is expected to move forward; the passion found in younger consumers is having an influence on older ones. Supporting and shopping "local" is even more important than ever, especially with Gen X and Gen Z.

9.3.1.1 *WHO IS TRAVELING AND WHY?*
The average business traveler takes around 6.8 trips a year, Millennials average 7.4 trips per year. The average age of a corporate traveler is 45 years; however, Millennials are having a huge impact on travel. When they do travel, they spend more time on the road. "Bleisure" trips have increased over 20% in recent years and are expected to continue to rise. How they spend also varies; Millennials are the most likely generation to go into debt for travel and to discover new places. Gen X (93%) looks for the best deals, whereas Gen Z (81%) say budget is just one of many factors for their booking decisions, compared to only 57% of Baby Boomers. Prior to the pandemic, Baby Boomers spent an average of $1,865 on summer vacations, compared to Gen X who spent an average of $2,628 on summer vacations and Millennials, $1,373.

9.3.1.2 *WHAT IS INFLUENCING WHAT WE BUY?*
Social networks have as much power today, if not more, than traditional advertising.[62] The two youngest generations participate in in social networks at a much higher rate than Baby Boomers (85% of Millennials, 95% of Gen Z, less than 40% of Baby Boomers). While the different platforms provide a way for people to stay in touch, social media also changes how they get advice on products and services.

The root of Baby Boomer's brick and mortar preference is tied to high expectations of customer service. Gen Xers won't buy a product until they have researched it thoroughly.

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[62] This is advertising in magazines and on TV, radio and billboards.

Millennials are more influenced by their peers as compared to Gen Z which can be reached through "influencers." Millennials are five times more likely to use social networks and social media to get advice on products of services and twice as many use it to stay current on new products and retail including restaurant.

Appearance is key. The rise of social media is giving businesses less control of how they are represented and perceived. Consumers often post their own images of meals, products, presentation, and even the store. Retailers and restaurants need to use compelling imagery to shape public perception about their offerings, whether on their menus, websites, or own social media sites. Imagery needs to deliver a visual punch.

To be successful, food purveyors, and other concessionaires need to develop marketing strategies that embrace the priorities of the different generations and utilize their preferred technologies to inform and persuade and capture their attention and their dollar.

The following matrices offer a comparison of critical and soft indicators and trends that influence dining and shopping patterns across the generations.

9.3.1.3 SHOPPING BEHAVIOR

The following is a snapshot of how different generations shop, including how they decide where to shop and what to buy.

Gen Z	Millennials
Gen Zers differ from previous generations in how they expect those experiences to be delivered. They want reliability and consistence whether they shop in a store, through an app or on a website.	Right now, Millennials are the largest group of consumers in the U.S. workforce - knowing what makes them tick is good for business.
They are willing to spend on luxury - do not think of luxury as a brand.	They are the most open-minded generation: curious about products and food.
Gen Z is tremendously discerning and disciplined, rather than looking for unique items that set them apart.	They are 60% more likely than Baby Boomers to find newer brands better and more innovative. Millennials see luxury as a showcase status…"look at me wearing this brand".
Open to smaller versus larger brands.	They are five times more likely to use social networks and social media to get advice or products and food. Rely heavily on websites, bloggers, and social media for information.
They prefer a wide product choice (retail and food) and a fun store experience. Gen Z purchases are more influenced by social media than any other generation: Instagram. Snap Chat, TikTok, YouTube.	Nearly one third purchase brands the see advertised on social media.
Though they like digital "shopping" they are three times more likely to shop in physical store than Millennials, in part for the experience.	This generation shops online (food, grocers, apparel) more than any other generation. In 2019 Millennials made 60% of purchases online, this rose in 2020 and 2021.
They want to be able to try out products in a store.	They tend to make impulsive purchases.
Driven by the brands that enable them to initialize and customize their own singular shopping experiences (food & products).	A third say they are more loyal to brand vs product; 60% claim to remain loyal to product or brands for more than 10 years.
	They like value, and free delivery or items will convince them to make a purchase
	This generation is also focused on saving money: 75% are putting money aside for retirement or a home and are the generation mostly likely to hold savings & Investment other than Baby Boomers.

Gen X	Baby Boomers
This generation has incredible spending power, generating 31% of the U.S. income, and should not be ignored. Gen X outspends all other generations on clothing, eating out, and entertainment.	Like the generation after them, Baby Boomers often make purchases of food and products based on routine or habit. As they acquired more wealth status brands became increasing more important.
Gen X is spending the most money on food and wine overall as well.	Baby Boomers want convenience above all else.
But gen Xers tend to shop more conservatively than any other generation (food and general retail goods).	Customer service is next. They are not afraid to speak their mind.
They will not buy something until they have researched it, online and from those they trust.	They are three times more likely to pay for expediency (shipping, delivery) or customization, even expedited service at a restaurant or coffee shop.
They tend to rely on referrals and word of mouth rather than social media, followed by "out of habit", making purchases that are more routine and familiar, including food.	They are the generation most likely to shop in a store (84%).
86% of Xers (ages 40 to 54) said they would try a new brand if offered a coupon or discount.	As they retire, value is taking the lead in what they buy.
Gen X shoppers are choosing from both online and offline coupons with the best deals winning.	Baby Boomers more likely than other generation to be influenced by traditional advertising.
Gen Xers are more likely to use laptops and desktop computers than mobile devices.	Baby Boomers turn to different social media for advice on purchasing than Millennials. They will look at a restaurant's menu or Facebook page (and retailers).
Nearly one in three gen Xer's report shopping online via a computer "all the time."	They also are more likely to rely on referrals and reviews from friends and trusted media (columnists, magazines).
Gen Xers (and Baby Boomers) spend one third more on entertainment purchases than Millennials If you provide a great experience, Gen Xers are likely to become repeat customers.	Baby Boomers prefer influencers and Millennials prefer online reviews.

9.3.1.4 VALUES AND BEHAVIOR

The following is a snapshot of how different generations values and belief influence how they decide where to shop and what to buy.

Gen Z	Millennials
This is a discerning group of buyers. Driven by choice, convenience, and consistency; followed by value and sustainability. They want to know and understand those from whom they are buying. They tend to focus on how brands and food impact wellness (theirs and others). They want brands to be transparent, trustworthy, relevant, and authentic and an individualized experience. Trust is exceptionally important to them - trust that you will deliver what you claim in products and to keep their personal information safe. Over 50% choose brands that are eco-friendly and socially responsible. Gen Z wants to breathe new life into what corporate responsibility and equity looks like.	Sustainability, ethics, political views, convenience, and value are what drive this generation to spend money. Sustainability is rising in importance as they age and gain more wealth. They favor ethical consumption over price when purchasing goods and services; they educate themselves on environmental implications of brands they consumer. (19% will always research a brands view on these issues and topics. An overwhelming majority (83%) want brands they purchase to align with their values. Being a member of a rewards program encourages them to spend more (food, coffee, travel, and hospitality. Lean toward brands that offer special rewards on social media rather than traditional rewards, discounts or coupons.
Gen X	**Baby Boomers**
Gen X are bargain hunters. Promotions (in store and digital) and coupons are likely to have an in here. Gen Xers are also known for their loyalty. Create a reward program to encourage repeat purchases, whether it is a discount after a certain number of purchases, free samples, even a simple thank you email. Performance and quality drive most of this generation's purchases. They are enticed by practicality and proof of performance (long lasting brands and food concepts). They are the most skeptical about advertising and marketing. Gen X are more likely than average to say that all else being equal, shopping at local independent businesses is an important factor. Gen X shoppers tend to rely on consumer reviews for reassurances when making purchases. Gen Xers earned the value of independence and work-life balance early on. They also appreciate informality, are technologically adept, flexible, and highly educated.	Nearly two thirds of Baby Boomers want brands to sell high quality products and tend to build brand loyalty with those that do. Taste and quality are more important than price. Baby Boomers think brands should value their opinions - "they have earned it." Just under 50% of Baby Boomers demand that brands are eco-friendly and socially responsible. While sustainability is important, especially to younger Baby Boomers, it is not a driving force. While Baby Boomers have the most spending power of all generations, value is still a key driver According to Forbes nearly half of Baby Boomers spent at least 11 hours a week online, including surging "the web" for merchandise, products, and reviews.

9.3.1.5 FOOD AND DINING

The following is a snapshot of how different generations approach food and dining, including how they decided where to shop and what to eat.

Gen Z	Millennials
Attitudes & Expectations Gen Z has shown a preference for healthy eating. Plant based meals always been a part of their diet – as they enjoy fruits and vegetables but also to support local farmers. Healthy is important as is authenticity. They expect dining/eating to be a gastronomic experience. Racial and ethnic diversity is influencing their food choices, and they are likely to try out international or ethnic flavors. Global cuisines, plant-forward meals, sustainability, and value pricing all resonate with Gen Z consumers. Like Millennials when they shop Gen Z are more likely than Baby Boomers to place value on nutrition and health information available. Almost half of Gen Zers indicate they would pay more for foods they perceive as healthier, compared to 32% of Millennials.	**Attitudes & Expectations** They like to dine out! Millennials accounted for 25% of restaurant income. In 2019, 2/3 of every dollar spent in restaurants was from Millennials and Gen Z. Priorities are fresh, natural, flavors and sustainable food (and processing). Millennials are more likely to be interested in benefits such as mental health, muscle health and immunity associated with foods. They are interested in how food is sourced or grown; sustainability is a priority when buying food. Millennials will pay more for foods described as fresh, scratch-made and natural items. Millennials are the demographic most interested in tech-centric offerings. Mobile ordering ranks highly among Millennials, as does online order tracking. Emotional connection also drives their purchases; 50% are merely likely to go to a restaurant if they know who is behind it
How They Learn They rely on social media interactions for recommendations (Instagram, YouTube) and food-oriented sites (Eater.com, Restaurant.com).	**How They Learn** They seek referrals for food online and social media – including from visual sites such as Instagram.
Favorite Foods & Options Gen Z likes food that is convenient and offers comfort, from pizza to burgers, pot pies, pasta, and curry. Bowls are a favorite (poke, burrito, Acai) as is street food. They look for dining options with organic and sustainable ingredients.	**Favorite Foods & Options** Millennials have made bold, spicy flavors trendy. For example, complex flavor layering, menu items that contain both sweet and spicy components. Fermented foods are growing in appeal items such as Kombucha - the higher price tag deemed worth the health benefit. Millennials overwhelmingly choose fast food (and fast casual) over other restaurant segments. Thought they consider themselves foodies and "tastemakers." They like trying new flavors and love ethnic fusion cuisines. They prefer ethnic options at restaurants and are also more likely to share small plates than other age groups.
Even in quick service or fast casual dining they expect their food to have fresh components. They are learning to explore and seek restaurants that offer trendier food choices along with traditional ones. Chicken is their preferred protein of choice, and they look for a balance of vegetables and starch (when it comes with the meal).	Millennials delight in customizing their food and having it made to order. This is the generation that made global flavor mashups famous — everything from the cronut — a trendy croissant-donut hybrid — to Korean Mexican tacos.
Favorite Snacks Enthusiastic snackers like the generation ahead of them, they tend toward snacking, building a meal from appetizers or snack foods. Top snacks include Lay's potato chips, Doritos and Cheetos, Goldfish crackers, Cheez-It; and Oreos. For healthy snacks they go to fruits, vegetables, or nuts, including protein bars and trail mix.	**Favorite Snacks** Millennials graze instead of eating large meals, they are known as the generation that snacks throughout the day. For Millennials, eating is a largely unscheduled activity with snacks and meals occurring throughout the day. The far-reaching trends of snacking, small plates, spicy flavors, customization, and flavor mashups have been driven — if not invented — by Millennials. Top Millennial snacks: fruit, chocolate candy/candy bars, potato chips, tortilla chips, and cookies.
What's Important Convenience is king – they eat on the go. Flavor. Sourcing. Visual appeal - food needs to look good, think Instagramable. Connection to the brand. Ease in purchasing, they prefer to pay via smartphone options; online ordering for pickup and online ordering for delivery." As they age, they expect to be treated like a "valued customer".	**What's Important** Convenience is key especially when away from home for work or travel, "They want it when they want it and the way they want it." For Millennial parents this is coupled with price and value. Flavor and taste are a priority. Sustainability and healthy.

Gen X

Attitudes & Expectations Gen Xers have a preference for comfort foods tied to a yearning for authenticity and nostalgia. While they are a bit more adventurous in dining than Baby Boomers, but not nearly as advanced as younger generations. When they are being adventurous, they look to more exotic and global including Asian and Latin American. When exploring new international flavors including fusion, they lean to concepts they believe are a safe bet such as "Korean tacos". This group is more likely to purchase premium items. Fresh is highly valued, diners, want to know that someone is crafting their food in the back of house. Almost twice as many Gen Xers say they are willing to pay extra for fresh foods and beverages including when away from home. Wealthier and more educated households are more likely to try plant-based meat or poultry. Younger gen Xers enjoy less mainstream global cuisines such as Japanese, sushi and Caribbean food and fast casual, older ones prefer a limited-service restaurant that offers a more traditional menu.

How They Learn When searching for a place to eat, they rely on restaurant websites, influencers, reviewers and referrals from colleagues and friends (Facebook, Instagram, food critiques).

Favorite Foods & Options Gen Xers like "authentic," "homemade," and "organic" fare. Gen Xers, more than any other generation, order pizza, burgers, Mexican fare, and Mediterranean cuisine, although they favor pizza and burgers over all other types of food. Fountain beverages - look to craft or homemade sodas as a chance to deliver the fizz Gen Xers love. Gen X women prefer beverages with a healthy positioning such as hot tea, bottled water, and smoothies, as well as sweet beverages such as specialty coffee, hot chocolate, and lemonade. Top drinks of choice: beer followed by cocktails, red wine, and white wine.

Favorite Snacks Gen Xers, we tend to act on snacks as more of a treat, things that were occasional, not every day. They prefer those that offer satiety, protein, and reduced sugar, such as meat snacks, nuts and seeds, and salty snacks. Generation X consumers are more likely to buy fruit snacks, granola bars, tortilla chips and other salted snacks.

What's Important Quality is a priority. Comfort. Authentic choices. Sustainable and healthy food and processes. Locally grown.

Baby Boomers

Attitudes & Expectations While Baby Boomers like to eat out, they tend to do so less than Millennials and Gen X. When they dine out, they prefer sit-down and more traditional style dining establishments, even more robust fare and they spend more than younger generations. They choose full-service restaurants more than any other generation. They are more willing to "splurge" on dining when traveling, either for pleasure or business. Alcohol is a common part of their check. They tend to dine out of habit, where they know they like a certain dish. This generation is more likely than any other to avoid fast food or what they perceive as fast food, as they do not think it is good for you. Health and wellness are in fact on Baby Boomers' minds as they gravitate toward dishes that are high in whole grains, protein, and calcium, or low in salt, saturated fat and cholesterol. However, Baby Boomers tend to have sophisticated palates and will not sacrifice flavor for better nutrition. While not quite as adventurous in global and ethnic flavors as Millennials tend to be they love to see the comfort foods that they grew up with made with higher-quality, cleaner ingredients."

How They Learn They look for reviews and referrals; they check individual restaurant menus before dining (including when traveling) sites like Yelp and Restaurant.com. They rely more on referrals from friends, rather than social media.

Favorite Foods & Options Flavor first Though not typically adventurous eaters, Baby Boomers tend to favor traditional beef, pork, and seafood dishes on restaurant foodservice operation menus. Items like ranch and Caesar dressing, hot sauce, herbs & savory seasonings, peppers. They like breakfast and spends more away-from-home dollars on breakfast than any other generation. While older Baby Boomers may consider Chinese and Italian ethnic cuisines including regional cuisines within those categories such as Sicilian cuisine, Szechuan and Oaxacan seafood, younger Baby Boomers crave Thai, Vietnamese and Middle Eastern dishes. They too like comfort food and would be happy to eat a burger or pizza, but only every 90 days, their choice of food is more constricted as they are increasingly more interested in healthy eating as they age (seafood/fish, Asian, salads, chicken (other than fried).

Favorite Snacks Snacks are not a priority for them. Baby Boomers often snack because they do not want to prepare a big meal; they eat alone more often than other age groups. Baby Boomers buy fewer treats and choose snacks based on taste and craving. Healthy eating extends naturally into the snacking category, and they seek snacks with low or no saturated fat and reduced sodium and are more likely to choose confections with protein, antioxidants, reduced sugar and no or low caffeine.

What's important Customer service. Quality and value. Healthy eating. Comfort food.

9.3.1.6 SPENDING

The following is a snapshot of how different generations purchase retail goods and food including.

Gen Z	Millennials
Smart Phone tends to be their device of choice (75+%) followed by then laptop. A majority compare prices before purchasing. A majority are willing to share data with stores but want to choose what they share. If a retailer uses a tech app it cannot be slow, they will go elsewhere. They are always online and expect a seamless international with brands across digital enterprise. Very comfortable paying with apps, cashless and self-checkout is highly appealing.	Millennials dominate online spending, spending 2.5, 1.5 and 1.3 times as much online as Baby Boomers, gen X and gen Z, respectively. 47% shop on Amazon at least once a week - (May 2021). Men working from home during Lockdown - spent more online than women did. They are twice as likely to use mobile wallets and payment apps compared to older generations. Nearly two thirds shop for groceries online and 91% prefer to shop online, driven by speed and a wider variety of products. Nearly a quarter of Millennials do not belong to any loyalty program and are less interested in loyalty programs in general. Too much commitment.
Gen X	Baby Boomers
Considered digitally conversant, but not digitally native, gen Xers are highly tech reliant. Many Gen X consumers prefer more traditional payment types like credit cards, debit cards and cash. Younger Gen Xers are slowly adopting digital technologies like mobile and digital wallets. Gen Xers will not purchase a product until they have researched it thoroughly, which is why they make extensive use of search engines, online reviews, and social media networks before making a purchase. They are the oldest generation open to sharing financial data with apps and retailers.	Baby Boomers are the generation least likely to use cashless payments. They are least likely to buy online, preferring to do so in a store. When they do purchase online its generally with a credit card rather than a debit card, and more likely one that yields rewards. Baby Boomers are the most likely to cancel a purchase decision due to a poor online experience. If older Baby Boomers are your target, apps such as Trip Advisor are a good way to reach them.

TRENDS, INFLUENCES, AND BEST PRACTICES

10 TRENDS, INFLUENCES, AND BEST PRACTICES

10.1 OVERVIEW

The world of retail is rapidly changing, in part influenced by the increased use of technology and personalization of services. Many of these changes have been accelerated by the pandemic, including how they affect airport retail.[63] Technology has had the most notable impact on where and how we shop from the integration of omni-channel marketing to contact-free payments. Within airport retail, some of these technological advances are focused on ensuring passengers make the most of their time before boarding. Other technologies and practices are intended to provide travelers a safe shopping and dining experience.

The following is a big picture review of trends that are influencing how we buy and what we buy. The data was assembled from a number of sources and research including recent industry surveys and reports, industry experts (retail, travel, airport retail), and retail and airport operation centric publications. A full list of sources is provided at the end of the section.

10.2 TRENDS INFLUENCING RETAIL

9/11 changed airport travel forever. On average, travelers have an average of 56 minutes of free time before their flights.[64] This time might be higher, even upwards of 90 minutes between airport security and boarding at medium to large hubs in North America.[65]

Research shows that travelers typically spend one third to one half of their time in an airport shopping at food concessions and restaurants, retail stores, and duty-free outlets. This is often driven by boredom. Nearly 50% of all passengers stay near their gate due to concerns about missing their flight. That means they shop and dine close to their gate.

Over fifty percent of passengers who do purchase food and retail goods plan to do so before arriving at the airport. Purchasing activity is higher for food and beverage (F&B 58%) than retail (41%). Increasingly, passengers go online and compare prices at airport concessions and stores elsewhere, especially for luxury products.

Creating a positive experience is imperative! When it comes shopping and dining, the experience must be memorable with possibilities for social media posts. There is a link between a great experience and retail spending, including at airports. The most satisfied passengers are twice as likely to shop and spend more on food and retail goods as well as duty-free items.

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[63] Reference to airport retail includes both food and retail concessions
[64] NPD Group
[65] Supply Chain Dive

Key drivers of passenger satisfaction, over and above cleanliness and design, are choice of shops, restaurants, products, and value proposition. With respect to F&B, passengers want a greater sense of choice including the selection of restaurants, menu selection, price points, and quality of food and drinks.

Much research has been conducted on the impact of COVID-19 on retail, including in an airport setting. Several surveys[66] were launched in 2020 to understand how travelers and potential passengers have been affected by COVID-19, per se, if and when they expect to travel again and what they expect with respect to retail and dining operations when they do.

The following is a summary of key findings of those surveys. The findings are very similar to surveys undertaken about brick-and-mortar retail.

- Consumers expect retailers to adapt store practices and implement safety measures from access to personal sanitary goods (hand disinfectant) and contact free shopping and payment.
- Potential travelers will not be comfortable in an environment that does not have health protection measures in place.
- Many passengers anticipate refraining from engaging with retail staff when traveling next, thus increasing a requirement for self-serve options and contact free purchasing.
- A majority of travelers (domestic and international) plan to spend less time in a store and if there is a line, are likely not make a purchase.
- A majority of travelers indicated they would take advantage of mobile ordering for F&B in advance of arriving or while waiting at the airport if it is available.

Purchasing choices have shifted due to the pandemic. While many implied reduced interest in non-essential and luxury goods, skin care products, clothing, and accessories at the time of the surveys, this is expected to shift as travelers become more comfortable with travel.

10.3 REGIONAL RETAIL TRENDS

Retail fundamentals experienced considerable fluctuation in 2020 and 2021 across all submarkets that comprise the Baltimore MSA. These have begun to stabilize as recovery from the pandemic continues. Though absorption is still slow compared to pre-pandemic levels, many submarkets in the region saw a decrease in vacancy in Q1 2022.[67] According to recent marker reports, 1st Quarter vacancy and rental rates held steady compared to the 4th Quarter 2021. The vacancy rate dropped to 6.4% in Q1 2022 from 6.5% in Q4 2021 for the region overall. One exception is the Annapolis market where the vacancy rate rose almost a full percentage point to 13.8%. The BWI Corridor boasts one of the lowest rates at 3.8% in Q1 2022. The regional vacancy rated is forecasted to drop to 5.22% by the fall of 2022.[68]

Retail Vacancy in Baltimore MSA
6.4% Q1 2022

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[66] M1nd-set, Research and Markets, NPD Group, *Supply Chain Dive,* Grand View Research, OAG Airport Delight Report
[67] Marcus & Millichap Q1 2022 Quarterly Report – Baltimore
[68] Reference to retail vacancy for the region includes all retail categories (restaurants, fast casual dining, grocery, general goods etc.) unless otherwise noted.

Retailers and restaurants alike are reporting increases in customer traffic, sales, and average sales transactions. This is driving interest even a resurgence in new opportunities for leasing. Second-generation quick service retail space remains in high demand, and many larger format restaurants are being converted into smaller, more efficient restaurant spaces. The most active retail tenants in the market are home good retailers, responding to the increased interest in nesting, grocers, and restaurants. The upsurge in food related tenants looking is concentrated in fast casual and quick casual restaurants (QCR) concepts that offer the convenience of fast food without the full service of fine dining. This is balanced by small, locally grown, and full-service restaurants also expanding. Common themes found across all categories are local and sustainable and comfort food, likely driven by rising demand among younger generations including Millennials and Generation X.

A partial list of restaurant brands currently looking to expand in the Baltimore MSA include Sweetgreen, Shake Shack, MOD Pizza, Habit Burger, Akira Ramen, & Pizza, Mission BBQ, and Bibibop.[69] There may be others including independent on local and regional chains seeking sites that are not public about their expansion plans.

10.4 GENERAL RETAIL TRENDS

How and what we buy is being influenced by many things including a shift in priorities, values, and technology. The following is a glance at trends inspired by recent shifts in consumer purchasing and attitudes across retail. This also includes concepts and shifts in merchandising. Inflation is also impacting overall retail spending. However, rising prices could suppress disposal income available for discretionary leisure spending impacting sales at airports. With respect to travel, the impact is expected to be less among business travelers than those travelling for personal reasons (family, vacations), often traveling on a budget.[70]

Retail Environment & Concepts (These are alphabetized rather than by priority or dominance)

Athletic and Athleisurewear – Demand was increasing for this type of apparel prior to the pandemic, growth of work from home (WFH) has exacerbated demand. Consumers have increased their preference to casual wear and comfort – a trend that is expected to continue with more fashionable alternatives appealing to frequent travelers.

Authentic to the Market – Local food and products typically grown or made in the region and only available in the market make great gifts and memorabilia. These also appeal to consumers who care about sustainability.

Beauty & Cosmetics – Beauty continues to dominate travel retail sales (MAC, Kiehl's). Cosmetics stores now offer simple beauty treatments while customers wait, and high-end stores hold customer preference details and have items wrapped and ready to take when they arrive in the store, including in airports.

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[69] This is not a complete list; these tenants were identified by brokers that work in the region, including several that specialize in food related tenant representation.
[70] Moodie Davitt 5.11.22, Fitch 5.10.22

Emphasis on Customer Safety – This includes a range of tactics and tools from contact-free ordering and payment to self-checkout and sanitary protocols, even enhanced spacing. A focus on safety and well-being of passengers and staff is forcing retailers to be increasingly digitized with contactless payments, including both tap-and-go credit cards and mobile phone payments.

Loyalty Programs – Loyalty programs are ramping up as traditional retailers and restaurants respond to competition from e-commerce. Both are integrating data/services from which allow travelers to utilize and accrue points at across various platforms, including at the airport.

Luxury Goods Retail – Consumers of all income levels are driving growth of premium and super premium brands and products. Luxury is as much about the experience as the products, the spaces need to be properly designed and maintained to stay top of mind. Sales of luxury items and sales are continuing to expand even post pandemic as consumers indulge and pamper themselves.

Lego Store Passport is a good example. Customers who visit certain Lego Stores around the world can get a free passport which they can use to collect stamps from the Lego Stores they visit. The passports themselves use stickers for owners to customize them with, but they are also a great reason to seek out Lego Stores when traveling.

Pop-up Stores – National, regional, and seasonal brands are increasingly using pop-ups or temporary stores provide to test new concepts and markets. Pop-ups also provide small companies market exposure and offer passengers unique merchandise options, and frequent travelers a shift of inventory and new experiences.

Shop/Buy Local – Interest in and commitment to buy and shop local is mounting across all generations. Demand for local goods and food increased during the pandemic as consumers responded to concerns about local businesses. To some it is a push back against large enterprise to others, a means to achieve diversity and be different.[71] Growth in F&B can be found in regionally centric foods (crabs, breads, jams, street foods) to craft beer and cocktails. For general goods the focus is on apparel, accessories, and local cultural items and gifts.

Showrooming – Retailers have been expanding their use of showrooming in malls and downtowns and at airports. The focus is on convenience and customer service. Consumers can purchase items in the store, and then have them delivered to their home or office, at times tax free.

Self-Service – Self-service retail and vending options are increasing in popularity. These are ideal for travelers on a tight schedule or those without having to access a lounge. Kiosks concepts are expanding to include food, mostly convenience, and personal items for the traveler who forgot something, even PPE.

Sustainability – Environmental resilience and sustainability have gained new importance, especially among younger consumers. Retailers and brands that prioritize tech and help reduce emission and optimize resources are winning market share among consumers who tend to spend money with those that align with their personal values.

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[71] Buying local has special appeal to Gen Z and Millennials who want to be viewed as individuals.

WELL- Certified Environments – These spaces are gaining popularity across all generations and expected to continue post-pandemic. Locations that encourage holistic wellness will go a long way in strengthening confidence. Travelers will be looking for visual and non-visual cues that the airport is fresh, clean, and safe.

Wellness Retail – There has been rapid rise in wellness-oriented retail over the past four years. This includes a range of offerings from food to personal care. Personal care offerings include yoga studios, sleep pods, personal grooming, gardens, fitness, and chiropractic services and rapid spa treatment centers (a 15-min massage). Trending food and beverage includes vegan, vegetarian, fresh juice bars, and organic foods.

Food & Beverage

Buy on Board – Building off the rage of omni–channel is the appeal of ordering on board and pick up at the airport along with nutant delivery (delivered to next flight).

Eating on The Go - Younger generations are increasingly eating on the go. This is fueling the demand for high quality fast casual and self-service food options. Demand for fast and quick casual restaurants (not necessarily fast-food) has increased as airlines have dramatically decreased food offerings. The result is more prepared and self-service items, ideal for those concerned about missing flights and transfers.

Mobile ordering represents 75% of digital restaurant orders today, up from 60% in Q2 2020.

Feed The Mind – Innovative food and drink formulations will offer solutions for mental and emotional wellbeing that will create a new foundation for healthy eating.

Fine Food and Confectionary – The priority is on food items you cannot get on your own market or things perceived to be an indulgence or a treat. This is an opportunity to showcase local products and goods.

Food Delivery – The range of options have increased at North American airports in recent years. Orders are placed using a variety of apps (GRAB, AA app, kiosks, and even airport websites) tend to be $2 more compared to orders placed at the counter.

Liquor and Alcohol – Local custom cocktails, local whiskeys, wine, and beer, are on the rise as are single serve drinks (cocktails to go). At home bartending is on the rise; local alcohol, beverages and mixes provide the uniqueness.

Quality Redefined – Brands will be challenged to respond to new definitions of trust, quality, and 'essential.'

Purchasing Behavior & Technology

E-Commerce and Mobile Commerce – These are a driving force for retail sales growth across all retail sectors, especially food. The pandemic accelerated consumers' use and comfort level with purchasing technology, and it is expected to continue to expand.

Integration of Experience and Convenience – This is rapidly rising from mobile[72] and online ordering to self-service and pickup. Starbucks Mobile is a good example; the retailer has rolled this out at a many of their stores. The ability to order a coffee when you arrive at the gate and pick it up as you depart with no line has strong appeal for travelers.

Key Performance Indicators – How we measure retail performance has changed. Sales per square foot used to be the primary indicator of success. Now retailers track foot traffic, likes, online views in addition to sales. Social media has made some of these indicators readily visible to consumers which can influence future sales. Thus, many retailers are enhancing their own social media platforms. Social media is almost a prerequisite for success today.

Omni Channel Marketing – Parallel to increasing demand for online services, retailers and operators are expanding their e-commerce presence. This includes adoption of omni-channel strategies that reach tech-savvy and time-conscious travelers so they can engage with them before they even visit the airport.

Technology – Technology is progressively being used to influence purchasing behavior across all retail platforms. Passengers increasingly expect to have access to e-commerce platforms and websites anytime, anywhere. Restaurants and shops, regardless of size, must engage and adopt technology to maintain and gain market share.

"Tomorrow's travelers want options, and technology allows the customer the flexibility to choose based on their time and preference."

Even before the pandemic, the use of technology in retail was on the rise. The pandemic has accelerated the importance of certain applications. This includes digital technology enabling retailers to engage shoppers in new ways, including to browse, buy, and pick up their items before departure.

Utilization of self-service technology varies with different types of travelers. Frequent flyers are using apps embedded in airline systems; younger travelers like the control and convenience this offers, especially for food.

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[72] Mobile ordering is defined as digital/online orders placed via a mobile phone

Adaptations and use of retail technology at airports include:

- A rapid decline in touchscreen technology as travelers will rely more on their mobile devices.
- Use of QR codes that enable touchless menus, ordering and connect consumers to brand information including product profiles Instagram.
- Contact free ordering and payment solutions.
- Omni-channel marketing, whereby brands can connect consumers active on other platforms, curate their store, even offer discounts.
- Loyalty programs
- Online ordering and contactless payment options have advanced most rapidly. Cash payments are now perceived by many as a health risk. The most popular options are Apple Pay, Google Pay, Samsung Pay, Braintree (division of PayPal), and Paysafe.
- The use of localized customized apps which provide information about what retail and F&B are available, even any specials and discounts. These digital platforms can enhance the use of loyalty programs and to send targeted promotions to travelers both prior to and during their journey like what a consumer experiences in a mall.

Traveler Preferences & Propensity to Tech

A 2019 OAG Airport Delight Report revealed results of travelers' preferences and propensity toward technology as related to consumer behavior.

- Overall, 78% of passengers said they prefer human interaction compared to automation when it comes to concessions, but changing demographics show a need for investment by airports.
- Millennials are 30% more likely to prefer automated concessions compared to travelers older than 50 years old.
- Nearly 26% said they would be more likely to spend money if gate-side food delivery were available.
- 37% would spend more if pre-ordering on mobile devices for pickup were made available.