

STYLE & TRAVEL

The Price You Pay for Water and Food at the Airport

By SCOTT MCCARTNEY

Travelers view water is essential to flying. The need to avoid dehydration has been drummed into us. But is \$5 a bottle too much to swallow at the airport?

Water is by far the most popular at many stores inside airport terminals. Water sales have gushed since security rules began prohibiting passengers from bringing their own water through screening in 2006. You can bring empty water bottles and fill them once inside secure areas. Some airports are even installing bottle fill stations. But often people simply go to the airport newsstand or food shop and grab a bottle of water.

"Water is what our customers want. You need water, so that's our top-selling product," says Laura Samuels, spokeswoman for Hudson Group, the New Jersey-based airport retailer that has 705 locations in 57 cities.

The difference between airport prices and prices elsewhere can sometimes be as small as a couple of quarters. But it's an emotional issue for some passengers—yet another way they feel nickel-and-dimed while traveling.

Airport stores have long caught flak for inflated prices. Some airports write provisions into leases and contracts that retailers have to offer "street prices." San Francisco International and Dallas-Fort Worth International allow street prices plus 10%. DFW has imposed a cap of \$2.25 on the price of a 20-ounce water.

Airports Council International, an airport industry group, says its surveys in North America show airports most use street pricing or street pricing plus a percentage as a pricing requirement. The difference is still widespread enough to be irritating to many. And there's still wide variation. For instance, 24 coated Advil tablets cost \$8.99 at DFW but 28% more at JFK: \$11.49. Yet you can get 50 coated Advil tablets at a Duane Reade store in midtown Manhattan for \$7.79.

RUNWAY ROBBERY?

Price checks for common items at four airports—Los Angeles International (LAX), Dallas-Fort Worth (DFW) and New York's Kennedy (JFK) and LaGuardia (LGA)—found common goods costing more than equivalent products at a Manhattan drug store and L.A. convenience store.

 <p>Smartwater (20 oz.)</p> <ul style="list-style-type: none"> \$3.63 LGA \$4.04 JFK \$1.49 N.Y. store 	 <p>Naked Juice Smoothie (15 oz.)</p> <ul style="list-style-type: none"> \$4.06 DFW \$4.99 JFK \$5.29 LGA \$3.89 L.A. store \$4.29 N.Y. store 	 <p>Kind bar</p> <ul style="list-style-type: none"> \$2.69 DFW \$2.99 LAX \$3.49 JFK \$3.59 LGA \$2.29 L.A. store \$2.99 N.Y. store 	 <p>Advil (24 coated tablets)</p> <ul style="list-style-type: none"> \$8.99 DFW \$9.19 LGA \$9.99 LAX \$11.49 JFK \$7.79 N.Y. store (50 count)
---	--	---	---

And water? A 20-ounce bottle of Dasani, which is priced at 99 cents at convenience stores, ranges from \$1.99 at Seattle-Tacoma International Airport to \$2.89 at JFK. Prices run as high as \$4.99 plus tax for a one-liter bottle of Smartwater at either New York airport.

"It's like double what you normally pay. It's basically a monopoly here, so what are you going to do?" Sam Arico of Los Angeles said just after buying a bottle of Smartwater at LAX for a flight to London to visit his girlfriend.

Dimitrius Collins, a Los Angeles musician on his way to Brussels, said most travelers assume they'll have to pay inflated prices at airports. "You pay \$3 for 25 ounces, and that's a lot for something you shouldn't even have to pay for," he said of water.

The latest ACI concession survey,

published in December, found that food and beverage spending at airports increased to \$5.68 per passenger in 2013 spending at duty-free, special and newsstand retailers increased to \$3.41 for every passenger who got on a plane. Both were up more than 25%.

Ms. Samuels of Hudson says pricing is a sensitive area for any company and she can't address particular prices at particular stores or how much water Hudson sells annually. She says in general airport shops are much more expensive to operate than other retail stores and so prices are going to be higher.

Airport stores are small, so there's limited space for inventory. They also require off-airport warehouses. Deliveries to stores are often limited to off-peak hours and have to be made in small containers, because every-

thing needs to pass through security screening. Employees have to be badged by airports and pass through security. All that adds time and cost, she says.

"We have double and triple and quadruple handling," Ms. Samuels says. "It's not like you can buy it at the bulk price that 7-Eleven is buying. Bulk is the big thing."

She also notes that while Hudson and other airport retailers don't have the lowest prices on goods, they often aren't the highest. Sports arenas often charge at least \$4 for a small bottle of water \$7 or more for a large soda in a souvenir cup. Hotels and amusement parks often have higher prices on staples like bottled water, Ms. Samuels notes. "We're not there to gouge the customer," she says.

At JFK, five Hudson stores in Terminal 8 had coolers with prices

clearly displayed for juices, soft drinks and other purchases. But there were no prices for water bottles in the coolers in any of the five Marketplace stores. Clerks knew that the smaller Smartwater bottle was \$4.40 including tax, and the larger was \$5.43 with tax. But the lack of signs on the best-selling item could make it tough for jet-lagged or non-English-speaking travelers.

Nearby in the same stores, walls are covered with salty snack offerings. A large sign says \$4.99. But when an 8.75-ounce bag of Chex Mix is rung up, it's priced at \$5.49 plus tax. It turns out the small print under \$4.99 on the sign says "up to \$9.99."

Hudson Group's Ms. Samuels says the company isn't trying to deceive anyone. "Our business is to serve the customer. We're not in business to cheat the traveler," she says.

BAGS

Continued from page D1 eling a flourishing parallel market of people who buy handbags in Europe and resell them overseas.

This makes many luxury marketers uneasy. "Customers are buying real Hermès products in an environment which is not Hermès," said Guillaume De Seynes, an executive director at the French firm.

Hermès, maker of the prestigious Birkin and Kelly bags, is taking a close look at its pricing policy in light of recent currency variations, Mr. De Seynes said.

More than other brands, Hermès has long had to contend with parallel trade, also known as the gray market, as customers look for alternatives to retail, where there are often waiting lists to buy the most prized Hermès bags.

The currency gap is giving U.S. customers even more motivation to seek other channels: While retail customers in France now will pay at least €6,700 (\$7,169) for a coveted Birkin bag, an entry-level model of the bag retails for at \$11,000 in the U.S.

Chanel disclosed last month it would slash prices in China on some bags, raise prices in Europe and freeze prices in the U.S. The decision



From left: Gucci's 'Jackie' hobo bag costs the equivalent of \$2,675 in France and \$2,990 at retail in the U.S.; a Louis Vuitton Speedy 30 costs \$733 in Paris and \$970 in New York; the Prada Saffiano costs \$1,766 in Europe and \$2,350 in the U.S.; the Hermès Birkin costs at least \$7,169 in France, versus \$11,000 for an entry-level model in the U.S.

sparked a stampede, and certain models sold out in many stores across Europe in advance of the April 8 price hike.

Rima Abas-Fidalgo is a personal shopper and buyer of luxury clothes and accessories in Paris for overseas clients, who pay her a commission. She says her job has become more difficult as companies try to curb reselling.

Brands "do everything so that people like me can't buy for others," she says. Brands are also cracking down on the number of bags one person can buy from any one store.

Rema Awad, a 33-year-old lawyer

in New York who is planning a trip to Paris in May, said she was "hysterical" to discover that her plan to buy a new Chanel jumbo black Caviar flap bag with gold hardware in Europe was hitting the hurdle of the price hike.

"My husband put in calls to American Express asking, 'How can I get this handbag for my wife?'" Ms. Awad says.

The company put her in touch with Ms. Abas-Fidalgo before the price hike took effect. In March, Ms. Abas-Fidalgo went into the Chanel store in Paris and picked up the bag for €3,950 (\$4,227).

Currently the bag costs €4,750 euros (\$5,083) in Europe and retails in the U.S. for \$5,500.

Other big luxury houses don't appear inclined to follow Chanel's lead, suggesting the price gap isn't about to disappear. Many large sellers of pricey goods prefer to continue generating volume sales by catering to tourists visiting Paris, Milan and elsewhere.

Louis Vuitton recently hiked the price of its Speedy 30 monogrammed canvas bag in Europe by 4% while keeping the price steady in markets such as the U.S. and China.

Even after the increase, though, a

customer in New York still will pay almost 30% more, with the bag costing \$970 there, compared with €685 (\$733) in Paris.

Louis Vuitton's parent, luxury juggernaut LVMH Moët Hennessy Louis Vuitton, says it has no plans to harmonize prices globally.

Firms shouldn't make "emergency" decisions, regarding currency effects, said Jean-Jacques Guiony, chief financial officer at LVMH, which also owns Céline, Fendi and other luxury brands. "What currencies have done, currencies can undo," he said.

—John Revill contributed to this article.

Ask Teri Columnist Teri Agins answers readers' questions

Q: I've gotten up the nerve to wear Bermuda shorts in orange this summer (me: male, age 42—average build and no gut!).

How do I wear bright shorts and maintain a masculine look so the guys I hang out with won't

make fun of me if I wear them to a baseball game, for example.

—C.K.

A: Ordinary guys have evolved when it comes to wearing trendier sportswear. Your orange Bermuda shorts are easier

to pull off than you might think, as are shorts and pants in lime green, yellow, purple and camouflage prints. Pants in strong colors can look sophisticated, smart and not goofy if you wear them with confidence and a sense of style.

Start by pairing your orange shorts with a button-down, short-sleeve shirt in madras plaid and a woven leather belt. (Plaid shirts look hip with pants in a bold solid shade.) Or wear your shorts to the baseball game with a high V-neck T-shirt in white or most any other solid color—or with the usual polo knit shirt.

Strong-colored shorts and patterned pants are easier to wear than you might think.

Whichever shirt you choose, keep it neat and not oversized. Study the proportions and length of Roger Federer's tennis shirts.

Pants with gingham checks or batik prints are stylish. Guys, the key here is to stick with a classic shirt—short sleeves, or rolled-up long sleeves in a cream linen, for example. Toss on a navy blazer for dressier outings. Wear slip-ons, Toppers, loafers or sandals without socks.

Men can grab practical fashion ideas on Pinterest.com, where you're looking at clothes on regular guys—and not models—in many of the posts.

Email askteri@wsj.com.



ADVERTISEMENT

The Mart

To advertise: 800-366-3975 or WSJ.com/classifieds

<p>BUSINESS OPPORTUNITIES</p> <p>Loans and corporate funding offered against shares listed on Nasdaq/NYSE \$1 mil to \$50 mil. Contact MATTHEW LORENCE at 212-732-3248, matt@jemfiscal.us www.jemfiscal.us</p>	<p>BUSINESS OPPORTUNITIES</p> <p>ICONIC BRAND OPPORTUNITY Acquire or partner with an iconic brand, upscale Los Angeles brick and mortar consumer electronic retailer with online presence. est. 1950's in great location 270,000 customer database 85,000 mailing addresses 35,000 current skus Confidential inquiries to: jackfreedmanes@gmail.com</p>	<p>BUSINESS OPPORTUNITIES</p> <p>NATURAL GAS INNOVATION Capture Wet/Waste/Flare Gas Convert 100% Gas Stream to 95% Liquids & 5% Nitrogen Gas DOD/ASTM/UL Cert Technology Jet Fuel/JP-8/Diesel #1 Investment \$5-15M Ground floor Sm scale GTL/Waste-to Energy (5) CA Projects Done Info@naturalgas.com Info: 800.330.1584</p>	<p>FINANCIAL SERVICES</p> <p>Wharf Broker Finance We are one of the leading Financial instrument providers, when it comes to financial instruments such as LOAN, STANDBY LETTER OF CREDIT and any other broker business involvement kindly confide in Wharfbroker Financial Services. Either Lease or Sale with low percentage rate. For more enquiry please call +44-745-914-8343 wharfbroker@outlook.com MR Tony Fleetwood.</p>
<p>BUSINESSES FOR SALE</p> <p>Exclusive Listings Manufacturing Wholesale Retail Telecommunications HighTech Construction Oilfield Restaurants Automotive Contractors Medical Printing Cos. Prof. Services C-stores Transportation C-stores Franchises Relocatable Sales to \$30,000,000+ in TX, LA, MS, OK, KS, MO, AR, TN International Business Exchange Box 1240, Round Rock, TX 78680 (512)310-2966 fax (512)310-8113 www.ibectx.net</p>	<p>SMALL BUSINESS FOR SALE EDUCATIONAL AND SUNDRY SUPPLY DEALER RETIRING FROM 75 YEAR OLD SCHOOL SUPPLY BUSINESS. EXCELLENT OPPORTUNITY TO ENJOY PLEASANT WINTERS AND MINGLE WITH CHARMING SOUTHERN FOLK. ACT NOW! THIS SAVANNAH BUSINESS WON'T LAST LONG. chrisblaine99@YAHOO.COM (912) 355-0652</p>	<p>MISCELLANEOUS</p> <p>PATENTS for SALE to the highest bidder: "Shelter" - US Pat. 8,939,524 B2 - EU Pat. 2 503 257 B1 *Protection Device for Ventilation Ducts - US Pat. 8,251,786 B2 - EU Pat. 2 030 651 B1 Serious offers are sent to Dr. Erwin Gasser, Inventor info@ergatec.com www.ergatec.com</p>	<p>TRAVEL</p> <p>Save up to 60% First/Business INTERNATIONAL Major Airlines, Corp. Travel Never Fly Coach Again www.cooktravel.net (800) 435-8776</p>

GLENN TUNSTILL

FROM LEFT: THE COCA COLA COMPANY; ISTOCKPHOTO/GETTY IMAGES; KIND; PEZTER, INC.