

# WHY ARE THINGS SO EXPENSIVE IN AIRPORTS?



It is well-known that everything costs more at airports than elsewhere. But why is that the case?

Airport dining can be quite expensive, especially in the departure area after security control. A cup of coffee may cost as much as it does in a luxury hotel's bar. A sumptuous sandwich may cost more than a whole lunch menu at a country pub.

## **High operating costs and limited supply**

It's no secret that everything costs more at the airport than in other areas. High operating costs are one of the reasons for this. Rent for shops is typically higher at the airport than in the city center. Additionally, all goods and employees are subject to security checks, which require more effort and expense.

Moreover, limited supply and low competition allow shops and restaurants to charge higher prices. Operators know that most travelers spend several hours at the airport and have no choice but to consume the available options.

Airports are quasi-monopolies, similar to music festivals or amusement parks. Additionally, many airlines no longer offer free meals on the plane, and the ones available for purchase are expensive, making airport prices seem reasonable.

## **Foreign currency makes you more willing to spend**

If you're not familiar with the local currency, it can be challenging to determine if the prices are reasonable. In most cases, travelers want to get rid of foreign currency before leaving, making them more likely to pay whatever is asked.

According to experts, however, certain airports, such as those in New York and New Jersey, have recently reacted to the high prices at the airports. According to the new guidelines from 2022, prices at the airport may be a maximum of ten percent more expensive than at a comparable location outside.

## **Airport businesses work with psychological tricks**

You have no choice: everyone has to go through the duty-free zone to reach the gate. Nothing is left to chance here, either. For example, the path through the duty-free area runs to the left at London Heathrow.

The available retail space is more significant on the right, which is important since people tend to look right for longer due to right-handedness.

Have you ever wondered why airport shops arrange their displays diagonally? This is done to

encourage more shopping. By arranging the goods diagonally, more items become visible to customers simultaneously, which can lead to increased purchasing interest. So, in addition to other factors, goods display plays a crucial role in encouraging customers to shop.

Another trick: Travelers should stay in the main shopping area for as long as possible. At some airports, especially in Europe, gates are not announced until shortly before boarding. As a result, passengers spend more time shopping and dining.

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