

Optimization of Public Area Use to Increase Income at Yogyakarta International Airport

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Article Info	ABSTRACT
<p>Article History: Submitted: July 21, 2025 Revised : August 23, 2025 Accepted : September 17, 2025</p> <hr/> <p>Keywords: Event; Value Proposition Canvas; Non-Aeronautical Revenue.</p>	<p><i>This research aims to optimize the utilization of the landside area at Yogyakarta International Airport as a commercial space, to increase non-aeronautical revenue by organizing events. This research employs a qualitative approach with descriptive methods, utilizing data collection techniques that include field observations, interviews, and documentation, which are validated through source triangulation. The results of the analysis show that the location of Tugu Malioboro, which is the land area of Yogyakarta International Airport, has great potential to be developed as an interactive and productive zone, but its utilization is still limited due to rent constraints and a lack of collaborative marketing strategies. Through the Value Proposition Canvas approach, it was found that organizing events with the support of MSMEs, local governments, and sponsors was able to create added value for service users and local businesses, while strengthening the airport's image as a center of economic and cultural activities. This strategy contributes to increasing non-aeronautical revenue and strengthening the airport's socio-economic functions.</i></p>

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INTRODUCTION

Air transportation is a key factor supporting economic development and equitable regional growth [1]. It encompasses activities using aircraft to transport passengers, cargo, and mail between one or more airports, supported by advanced navigation and telecommunication systems that enable fast, safe, and efficient mobility [2]. Due to its high operational complexity, air transportation requires adequate supporting infrastructure, particularly airports, to ensure safety, efficiency, and service reliability [3].

Airports play a strategic role in the air transportation system as nodes for passenger and cargo transfer, providers of comfort and security facilities, and regulators of air traffic operations [4]. Beyond their operational function, airports contribute significantly to regional economic growth by creating employment opportunities, attracting investment, and stimulating commercial activities. The integration of airports with other transportation modes and their function in emergency and contingency operations further position them as critical components of the global transportation network [5].

In Indonesia, PT Angkasa Pura Indonesia operates as a state-owned enterprise under the holding of PT Aviassi Pariwisata Indonesia (Persero), with responsibility for managing and developing airport services nationwide [6]. The company adopts a strategic vision of “Connecting the World Beyond Airport Operator with Indonesian Experience”, emphasizing airport transformation not only as transportation infrastructure but also as commercial and socio-cultural hubs. This strategic orientation aligns with the global trend of airport commercialization, in which non-aeronautical activities increasingly dominate airport revenue structures [7], [8].

Yogyakarta International Airport (YIA) possesses substantial untapped potential, particularly in its landside public areas. Passenger traffic at YIA has shown a consistent increase, from 1,408,671 passengers in 2021 to 2,949,312 passengers in 2022, and further rising to 4,269,284 passengers in 2024. This growth creates significant opportunities for enhancing non-aeronautical revenue through optimized utilization of airport space and commercial area development [9], [10].

However, the acquisition of non-aeronautical revenue at YIA has not yet been fully optimized despite the availability of extensive space and facilities. One underutilized asset is the Tugu Malioboro Yogyakarta area, located in the connecting building between the airport railway station and the main terminal. This area has strategic potential to function as a venue for educational, entertainment, and tourism-based events capable of attracting both airport users and the general public, thereby increasing visitor dwell time and commercial activity [11].

To maximize the contribution of non-aeronautical revenue, appropriate space utilization strategies and activity innovation are required. Event-based activities represent an effective approach to revitalizing underused airport areas while strengthening the airport’s role as a community, cultural, and commercial center [12], [13]. Therefore, this study examines the optimization of the Tugu Malioboro area at Yogyakarta International Airport as a landside commercial space to increase non-aeronautical revenue. The analysis focuses on space utilization effectiveness and event organization strategies implemented through collaboration with local governments, tourism authorities, MSMEs, and private sponsors, as an integrated effort to enhance the economic value and multifunctional role of the airport’s public area.

METHODS

This research adopts a qualitative approach with a descriptive method to systematically examine the utilization of the Tugu Malioboro area at Yogyakarta International Airport as an effort to increase non-aeronautical revenue through event organization. This approach was selected to provide an in-depth understanding of the studied phenomenon through narrative-based data. Data collection techniques include direct observation, interviews, and documentation. Observations were carried out in the Tugu Malioboro area to identify physical conditions, user activities, and its potential as a commercial space. Interviews were conducted with the commercial management team of PT Angkasa Pura Indonesia to obtain insights into space utilization strategies and challenges in developing non-aeronautical revenue. Documentation, such as field photographs, supporting data, and internal archives, was used to complement and strengthen the findings. Data validity was ensured through source triangulation by comparing results from observations, interviews, and documentation to achieve consistent and objective

interpretations. The data were analyzed using qualitative descriptive analysis based on the Value Proposition Canvas (VPC) approach, enabling the identification of service user and business actor needs and the formulation of relevant event strategies to optimize non-aeronautical revenue. This research was conducted at Yogyakarta International Airport during a five-month period from October 2024 to February 2025, coinciding with the author's job training activities at the airport.

RESULT AND DISCUSSION

Research Result

Yogyakarta International Airport has a strategic area called Tugu Malioboro, which is located between the airport train station and the main terminal. This area has great potential to be developed as a commercial space due to its location on the main movement path of service users. However, its utilization is still not optimal due to the high rental cost, which is an obstacle for local MSME players. Through field observations and interviews with the airport, it was found that this area has a decent structure, attractive visuals, and good accessibility for promotional activities and public activities. This makes Tugu Malioboro a potential zone to support non-aeronautical revenue generation.

The marketing strategy that has been carried out by the airport manager is a more direct approach to potential partners, but it is not fully effective. Therefore, a new, more collaborative and innovative approach is needed through organizing events and empowering local actors.



Figure 1. Malioboro Monument Area Yogyakarta International Airport (Source: Author's Documentation, 2025)

Discussion

The utilization of the Tugu Malioboro area of Yogyakarta International Airport as a commercial space in an effort to increase non-aeronautical revenue is one of the development strategies in line with the concept of airport as a commercial hub in modern airport management. In this context, the management of non-operational areas such as connecting corridors is optimized into productive commercial zones that are not only functional, but also support the service user experience.

This approach not only considers aspects of space utilization, but also pays attention to the preferences and needs of airport service users, including passengers, carriers, and the general public who are active in the landside area.

In order for this development strategy to be well-targeted, an in-depth understanding of the characteristics of service users and their expectations of the facilities available in the airport environment is required. Not all commercialized spaces can immediately generate economic value without considering the needs and preferences of visitors. Therefore, the management of public space at the airport is not simply oriented towards the physical provision of business space, but must also be based

on an approach that understands specifically what customers want, feel and need. Thus, the development strategy of commercial areas at the airport must be prepared based on value analysis that is relevant and contextual to the behavior of service users at that location.

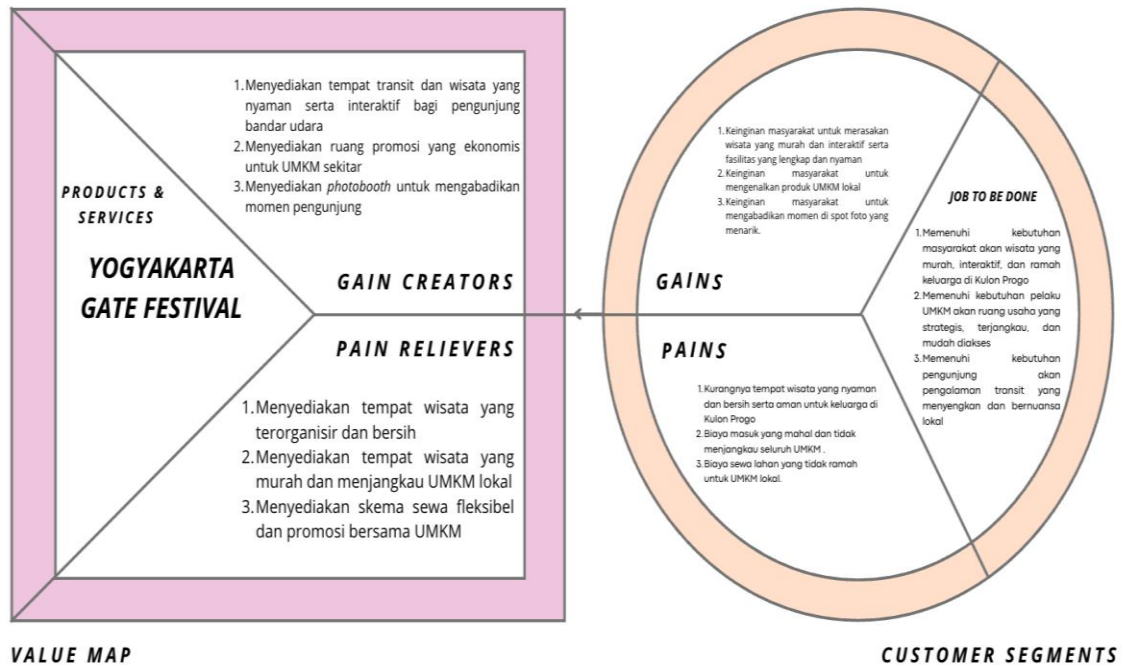


Figure 2. Value Proposition Canvas Analysis (Source: Author's Documentation, 2025)

One of the approaches used in this research is the Value Proposition Canvas (VPC) method, which focuses on two main aspects: Customer Profile and Value Map. In terms of Customer Profile, it was found that the Kulon Progo community and its surroundings have a need for public recreational spaces that are cheap, easy to reach, and provide local interaction. Airport service users also want a transit experience that is fun, not boring, and offers added value such as entertainment and local cuisine. On the other hand, local MSME players need affordable and strategic business space to market their products, but are constrained by high rental rates and a lack of promotional facility support. Meanwhile, in the Value Map aspect, Tugu Malioboro's management strategy is directed at creating gain creators such as promotional opportunities for MSME products, collaboration of thematic events (culinary, cultural, creative exhibitions), and activation of supporting facilities such as stages, travelators, and visual signage. Pain relievers are designed through local UMR-based rental rate adjustments, daily/weekly rotation rental systems, and collaborative promotion schemes with stakeholders. This approach aims to remove financial and operational barriers for small businesses.

Optimisation of the area is also carried out through the arrangement of space layouts that consider visitor circulation (visitor flow), safe distance from the passenger lane, and modular design of UMKM booths that can be installed and removed flexibly. The placement of tenants is arranged based on the direction of movement of service users from the airport train station to the main terminal, so that all tenants have equal visibility. The entertainment stage zone is placed at the centre axis to attract attention without disturbing the main function of the airport.

In addition to technical aspects, strengthening the role of MSMEs also refers to the economic principles stipulated in the ICAO Doc 9562 Airport Economics Manual, which states that the management of commercial space at airports is not required to be based on full cost recovery. This provides flexibility to airport managers to set rental rates based on the ability of tenants, especially for vulnerable business groups such as local MSMEs. ICAO also encourages the application of the principle of non-discriminatory access, where tenants from various backgrounds have the same opportunity to access commercial space, as long as it does not cause distortion of competition or financial burdens that are detrimental to the airport.

In this context, Yogyakarta International Airport can establish strategic partnerships with local governments, MSME offices, state-owned sponsors, and microfinance institutions to support the involvement of MSMEs in event-based commercial programs. This cooperation is in line with the concept of a collaborative development model that is also recommended in the ICAO Annexes document for the management of non-aeronautical areas in the airport environment.

With an integrated strategy between space management, understanding customer needs, empowering MSMEs, and strengthening governance based on international documents, the use of the Tugu Malioboro area has great potential to develop into a centre for productive public interaction. This not only supports non-aeronautical revenue but also strengthens the airport's position as an inclusive and sustainable economic, cultural, and social space.

In addition, a good marketing strategy is needed, which takes the form of integrated marketing communications, marketing promotions, marketing collaboration, and direct marketing. With the implementation of a comprehensive marketing strategy, event activities organised in the airport environment not only increase public visits but also create sustainable non-aeronautical revenue sources.

CONCLUSION

Based on the description and results of the analysis that have been carried out, the authors can draw the following conclusions:

1. The utilization of the Tugu Malioboro area at Yogyakarta International Airport as a commercial space has significant potential to support the increase in non-aeronautical revenue. This is influenced by several main factors, namely the strategic location on the service user movement path, good accessibility, infrastructure feasibility, and collaboration opportunities with external partners such as MSME players, local governments, and sponsors. This space utilization is able to transform the non-operational zone into a productive area that provides added economic, social, and cultural value for airport managers and the surrounding community.
2. The strategy of organizing events in the Tugu Malioboro area is carried out through an integrated marketing communication approach, which includes direct marketing, cooperation with local actors, and adjusting the event concept based on the needs of service users. By using Value Proposition Canvas analysis, the strategy is structured to answer customer needs and expectations through events such as culinary festivals, cultural performances, and educational activities. These activities not only increase revenue from sources such as booth rental, sponsorship, parking, and concessions, but also strengthen the airport's image as a center of community activity and a highly competitive transit space. This approach makes the airport not just a transportation hub, but also a destination that is inclusive and adaptive to the dynamics of the local creative economy.

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