


DUFRY WORLD

WorldClass.WorldWide.

**CORPORATE
MAGAZINE**
ISSUE 20
SEPTEMBER 2016



 Half Year
Results 2016 **3**

 Building on solid
foundations **7**

 Dressed for
Success **12**

Strong Sales Increase and Important Contract Extensions in H1 2016

The first semester of 2016, saw another strong increase of our turnover which grew by 62.0% reaching CHF 3,610.9 million, while EBITDA increased by 61.1% to CHF 381.3 million. Dufry also posted a strong cash generation, with free cash flow growing by 66% and reaching CHF 200.3 million. Considering the adverse external conditions and the volatility we have seen in this period, I think this is a great achievement. I would therefore like to thank all our teams around the world for their seamless dedication to make these results possible. In particular, we need to underline the efforts made by our colleagues in some very important countries such as Turkey, Greece, Russia, Brazil and Argentina where they have realized remarkable contributions in challenging economic and political environments. I am confident that the situation will gradually improve during the high season and that some of the difficult frame conditions will start to brighten.

The first half 2016 was also characterized by a whole series of important contract renewals. Dufry successfully extended a number of "highlight" concessions, thus securing business and growth opportunities for many years to come. The strong relationships we have with our airport partners allowed us to renew the contracts earlier and in several cases to add additional retail space.

Among many renewals around the world realized in all divisions the highlights by importance of sales volume was first the concession at Zurich Airport successfully renewed until 2028. Zurich, where we will introduce the New Generation Store concept, is one of the largest airports in Europe and the biggest in our home-country Switzerland. May was the "Brazilian month" as we extended the concessions of both Guarulhos International Airport in São Paulo until 2032 and Tom Jobim International Airport in Rio de Janeiro until 2023. At Guarulhos airport we have increased the retail space by 2,300 m² to include a Dufry Shopping Megastore; while at the Tom Jobim airport we have added 7,000 m² of retail space including 5 new shops to create a total sales area of 11,000 m². In June, we had the opportunity to



extend our presence at Cancun International and Cozumel airports for another 10 years. Cancun, where Dufry will now operate 6,000 m² including the 1,500 m² of the new terminal 4, is one of the fastest growing hubs in Latin America. In the UK we extended the contract at Birmingham Airport in February and immediately started to refurbish the duty-free shop, while in May we extended the concession at Bristol airport for another 8 years.

Last and most importantly, in the first semester 2016 we won 35 new contracts, made up of 75 shops and an additional retail space of 10,600 m².

Besides securing our footprint for the future we have further progressed on the integration of World Duty Free and the setup of the new Operating Business Model, which going forward will allow us to improve many of our key processes with the ultimate goal to increase sales and further improve efficiency. We are on plan with all the initiatives launched and all teams are working hard towards the goal of completing the integration of WDF by the end of 2016, so that we can start seeing the synergies reflecting as of the second semester of this year.

If we want to continue to deliver the same level of success and even further improve our performance in the second half of the year and beyond, it is crucial that anyone of us maintains the professionalism and the dedication expressed so far. The fulfillment of our daily duties, the swift execution of projects and an exemplary dedication are the key pre-requisites to reach business excellence and deliver the important results we want to achieve. We have the skills, we have the financial power and we have the market know-how – therefore I am confident that with joint forces, we can make Dufry prosper even more in the months to come. ■

D2 Opening of the Refurbished Basel-Mulhouse Store

On 16 June, 2016 as part of a grand opening event, Dufry and EuroAirport Management inaugurated the Dufry main shop at EuroAirport situated in the heart of the commercial space at EuroAirport, in the center of the boarding area after security, Dufry's main walkthrough store has extended its retail area by 200m² to 1,032m² and takes the shopping experience for airport passengers to the next level. The refurbishment program, which started in November 2015, took five months to complete and did not involve closing the shop.

Based on specific feedback from EuroAirport passengers, the concept of the Dufry main shop has been tailored to better meet customer expectations, offers unique service and enhances the visit experience. The brighter, more modern design gives customers clear visibility across the store, making it welcoming and enjoyable to browse. Strong personalization showcase internationally recognized brands to best effect and many new names have been introduced across all the key categories. ■

D1 ACI Europe General Assembly

As part of the 26th ACI EUROPE Annual Assembly and Congress entitled "There is nothing permanent except

change – towards a radical remodelling of passenger and airline customer relationships" that took place in Athens between 20th and 22nd June, Dufry had the chance to introduce its vision of the future of travel retail. Delegates also had the opportunity to visit the newly-renovated Hellenic Duty Free Shops during the tour of Athens Airport.

Pedro Castro, Division CEO (Southern Europe and Africa) took part in the second working session where, together with other competitors, as well as airport and brand partners, he discussed new consumer habits and adaptation to the changing ways that consumers shop.

During his presentation, Pedro explained to the audience the transformation in the way people shop and what Dufry is doing to maximise this opportunity. He did this by showing how we accompany the passenger throughout the travel experience. Through our social media campaigns, we create brand awareness and engage with customers, so they know about us before they even get to the airport terminal. With regular postings of how-to create cocktails, tutorials on the latest make-up trends, or tips about what to put in your



Pedro Castro discussing new customer habits ...

Imprint

Publisher: DUFY AG, Brunngässlein 12, 4010 Basel Switzerland
Editorial Team Headquarters: Julian Diaz, José Antonio Gea, Andreas Schneider, Jordi Martin-Consuegra, Salvatore Aricò, Javier González, Renzo Radice, Jorge Muñoz, Lubna Haj Issa
Editorial support & production: Match Communications, Zurich
Online
Application: x-ray, Basel **Published languages:** English, French, Italian, Portuguese and Spanish

emagazine.dufry.com
 dufry.com

Divisions **3**

People **8**

WorldClass **7, 10**

Key Story **12**

Favorite Shop **16**

Title page: Inauguration new duty-free shops at the EuroAirport Basel-Mulhouse.

bag for your next trip, Dufry is continuously increasing the number of followers who, even without travelling, are connected to and aware of what is available in our stores. The next step in the process is the pre-order service, where our customers can reserve their products before they get to the airport and then collect them in store before taking their flight.

Once in the airport, the challenge is around maximising the minimal time a customer has between the security check and boarding. Here, Pedro explained the importance of being in the best location and of an attractive shop design to draw people into the shop,



... and the ways they shop.

supported up by our fantastique sales colleagues, who are available to advise customers and help them find the perfect gift, or the specific item they are looking for. Creating memorable experiences with exclusive product testing, make-up advice or in store animation, along with five star customer service are the ingredients Dufry adds to the all-important mix. The latest challenge is to ensure that customers become frequent customers, and that they repeat the whole process, hopefully, even becoming advocates and ambassadors for our brand. This is where the initiative Dufry Red, the Company's loyalty programme, plays a key role. ■

D1 Retailtainment at its Best in Spain

June was a busy month in terms of retailtainment activities in airports across Spain. Coinciding with the summer campaign, when the number of foreign passengers soar, leading brands want to make an impact in these spectacular spaces to increase their visibility – and ultimately to drive sales.

While in Madrid the focus was on perfumes – with the Summer Fragrance campaign – and the latest launches from watch manufacture Casio, our customers in Barcelona had the chance to participate in a Toblerone Roulette game with dozens of different awards.

Also in Barcelona and in Palma de Mallorca, Clarins consultants welcomed customers and introduced products from their travel exclusive collections On Board and French Beauty.



Dancers in colorful Bollywood outfits create a great atmosphere.

Back in Madrid, and coinciding with the celebration of the Annual Awards Ceremony of the International Indian Film Academy, the World Duty Free Madrid Barajas stores welcomed attendees and airport passengers in the vicinity with a crew of dancers dressed on Bollywood outfits, to create a special atmosphere in the airport.

Finally, June also saw the completion of the 2016 “Celebrate Whisky” event, which ran between the months of April and June in eight main Spanish airports and featured whisky tastings, discounts and special promotions with the aim of driving whisky sales and celebrating World Duty Free's diverse collection of up to 100 different whiskies. ■

D1 New Port Shop in Heraklion

A new Hellenic Duty Free shop started its operations in early summer at the port of Heraklion in Greece. Cruise passengers visiting Heraklion can enjoy on a retail space of 180 m² a comprehensive assortment of perfumes, cosmetics, liquor, confectionery, watches, sunglasses and jewelry as well as Hellenic gourmet products. To give a 'sense of place' and link to the strong local heritage of Crete, a complete collection of local Cretan products is also included in the product range. ■

HQ Dufry with Strong Cash Generation and Several Renewals of Important Concessions in First Half-Year

In a volatile first semester of 2016, Dufry's turnover grew by 62.0% reaching CHF 3,610.9 million and EBITDA increased by 61.1% to CHF 381.3 million. Dufry also posted a strong cash generation, with free cash flow growing by 66% and reaching CHF 200.3 million.

In many of the markets the trends seen in the first quarter also prevailed in the second, such as the strong growth in Spain and many parts of the Caribbean, and the ongoing relative improvement in Brazil. On the other hand, the further decline in Russian passengers worldwide continued, particularly in Turkey, where the strong seasonality reinforced the impact on the performance.

In the first semester of 2016, the renewal and extension of contracts has been a priority for Dufry and the business has successfully renewed and extended quite a number of concessions in all divisions. Among these the key ones include the extension of Dufry's two most important Brazilian contracts in Sao Paulo until 2032 and Rio de Janeiro until 2023 in May 2016, the renewal of the concessions at Cancun Airport for an additional 10 years in July 2016, including the Cozumel airport operation which is one of the larger contracts in Central America; the extension of the contracts in Birmingham and Bristol for 7 and 8 years respectively in the UK, and last but not least, the renewal published at the end of July for 10 years of the concession at Zurich Airport in Switzerland, Dufry's home country and one of the major European hubs. ■

D1 Hellenic Duty Free Shops Recognized with Excellence Award

Hellenic Duty Free Shops was one of the 43 companies to receive an Excellence award as one the "Most Admired Enterprises of the Greek Economy" during the event "Diamonds of the Greek Economy 2016". The event was organized by the organization "Active Business Publishing" in Athens on 29th June 2016. Over 450 representatives of the most important Greek companies attended it and the optimism for further developing the Greek economy was signed off with the announcement of other investment plans. ■

D2 World Duty Free UK Receives the RoSPA Gold Award

After achieving the RoSPA (Royal Society for the Prevention Accidents) Silver Achievement Awards in both 2014 and 2015, our colleagues in World Duty Free in the UK have been awarded a Gold Award in 2016.

The award was for the entire World Duty Free UK business, and recognised the company's high level of commitment to and delivery of the highest health and safety standards. Through the scheme, which is open to businesses and organisations of all types and sizes from across the UK and overseas, judges consider entrants' overarching occupational health and safety management systems, including practices such as leadership and workforce involvement.

To win an award at such a highly-regarded event as the RoSPA Awards is a great achievement as it recognises the commitment to maintaining an excellent health and safety record and raises the bar for other organisations to aspire to. The RoSPA Awards are celebrating 60 years of presenting highly-regarded and sought after accolades to businesses and organisations that have shown commitment to accident and injury prevention. ■

D2 L'Oréal and Dufry Introduce Makeupista in Stockholm

Dufry Group and L'Oréal Travel Retail have joined forces for the world premiere of Makeupista at Stockholm Arlanda airport – a first-of-a-kind makeup boutique for makeup lovers, exclusive to travel-retail. The boutique is a place where makeup insiders can meet, share tips and tricks, get tailor-made advice from experts, and discover a wide product range and latest trending topics. The offer includes Looks-On-The-Go from L'Oréal Makeup



The Color Obsession Bar displays nail colors in all shades.

Designer Paris and NYC Essentials from Maybelline NY, manicures from essie, a comprehensive offer of mascara bestsellers and color cravings with the large on-trend shade offer in the Color Obsession Bar. ■

D4 Hennessy Event in Barbados

On 14th June, 2016 the Cave Shepherd department store in Barbados organized a special event in honor of the visit of Maurice Hennessey, the Global Brand Ambassador and 8th generation of the family Hennessey, who founded the world famous French cognac brand. During the celebration a special limited edition “Barbados 50th Independence Anniversary Bottle” was launched, accompanied by a plaque and bottle signing promotion. ■



COO David Pietrzak and Maurice Hennessey present the special Barbados 50th Independence Bottle & Plaque.

D3 New “House of Kipling” in Singapore

Dufry has opened a new “House of Kipling” store at Singapore Changi Airport, located on level 2 of Terminal 1, in the departure lounge. Across the retail space of 70 m², customers can find the latest collection of functional, stylish and playful bags as well as luggage, and travel accessories. ■



The new Kipling store offers the latest collection of bags.

D5 Grand Opening of the United Nations Gift Centre in New York

On July 21st, 2016 the grand opening of the newly renovated United Nations Gift Centre in the heart of Midtown Manhattan operated by Hudson took place. Located in the recently refurbished General Assembly Building at the United Nations Headquarters, the gift center now spans an impressive 2,597 square feet (over 240 m²). Hudson first began operating the United Nations Gift Centre in 1997.

The modernized space, devoted to fine gifts and memorabilia of the world-famous United Nations, has just concluded its 18-month-long renovation to enhance the overall customer experience and to offer curated collections of merchandise for over 1 million people who visit the landmark each year. The state-of-the-art design complements the original look and feel of the United Nations building with a modern, more vibrant twist.

The new United Nations Gift Centre offers merchandise from over 193 member nations and its staff speak 26 languages, from Arabic and Hindi, to French and Spanish. Much of the shop’s collection is designed exclusively for the United Nations Gift Centre, and includes beautiful jewelry, apparel, confections, decorative and gift items.



Inauguration introduced by ribbon-cutting.

Hudson celebrated the grand opening at a private ribbon-cutting ceremony in the UN Visitor Centre on July 19. Visitors may also browse a wide selection of gifts on the United Nations Gift Centre’s website www.ungiftcentre.com. ■

Building on Solid Foundations

Dufry has an enviable portfolio of concessions that spans from small airport operations to some of the largest and most important international hubs. But it is not only the quality of airport operations that makes it so unique, but also the length of the contracts. With an average duration of 9 years, prolonging and extending the reach of the contracts is key to the future of the company.

One of Dufry's strongest assets is the quality of its concession portfolio, with a large number of long-term contracts having durations of ten or more years. This is important because it guarantees the operation of the company in the long term but also allows the business to deploy its commercial model and invest as much as necessary to extract the maximum return from its operations.

Renewing or extending a contract however is not an easy process. Many factors contribute to this, starting from a close and collaborative relationship with the airport partner and our ability to deliver: without positive results, an extension is a no-go.

In the last few months Dufry has managed to renew – and in some cases extend – the reach of its contract for some key operations. The latest has been Switzerland's largest airport and one of the main European hubs, Zurich, where Dufry has struck a 10-year contract extension until 2028. The extension of the contract will enable Dufry to invest in this important airport and to introduce Dufry's New Generation Store, an innovative concept that adapts the shop to the passenger flow, displaying brands and products according to the passenger profile and offers brands more exposure, with dedicated areas for promotions and other activities.

Also this year Dufry achieved another important renewal in Mexico with a 10-year contract extension of the Cancun airport concession to operate duty-free and duty-paid stores at Terminal 2, 3 & 4 and stores at the Cozumel airport. In total, Dufry will operate more than 6,000 m² of retail space, including 1,500 m² in the new Terminal 4 where Dufry will feature its latest shop design concepts.

Already secured, are the contract extensions for Dufry's main Brazilian operations. The business successfully extended the agreement for the operation of duty-free and duty-paid retail spaces until 2032 with Guarulhos International Airport in São Paulo. The new contract also brought an extension in the retail space, with around 2,300 m² of additional duty-paid

space at the largest airport in South America. At Tom Jobim International in Rio de Janeiro, Brazil's second largest hub, Dufry managed to extend the duty-free concession until 2023 and the duty-paid business until 2021. The contract also included the extension of the duty-free retail space by 7,000 m² – from the existing 4,000 m² to close to 11,000 m².

These are just a few of the most recent contract extensions. But this is an on-going process that results in what is probably the best portfolio in the industry. Dufry's operations at Milan airport in Italy have concession contracts until 2041 and the operations in Greece are based on a duty-free license until 2048. The company also has long-term contracts in place for most of the United Kingdom airports – including Heathrow with a contract that goes until 2026 – Sharjah in the U.A.E., Puerto Rico, Dominican Republic, Brazil and Argentina, to name but a few.

The overall average contract duration in Dufry is 9 years. Approximately 20% of the portfolio have a remaining life-time of two years; close to a third have a duration of three to five years, while another 20% have a life-time of between six and nine years, and the remaining third of the concessions has a duration of ten years or more. ■



One of the shops operated by Dufry at Zurich airport.

“Let’s Make the Change Happen”

It was just a year ago that Andrea was interviewed for Dufry World (see issue 15) as the newly appointed Chief Operating Officer of Dufry’s former Region 5 (Central and Eastern Europe). At that time, Dufry and Nuance had just joined forces and were in the midst of integrating the two companies. But many things have happened since then and now Andrea, as DCEO of Asia, Middle East and Australia, is heading up Dufry’s most exciting and challenging region in travel retail. With 23 operations in 14 countries and with a staff of over 2,500 employees, this newly created Division is probably the most diverse in the Dufry organisation.

by Jorge Muñiz

Dufry World: What moved you to take the role of DCEO of Asia, Middle East and Australia?

I like to take on new challenges. Moving to Hong Kong and leading this newly created region is a great opportunity and one in which I will be able to make an impact. I also liked the idea of having a direct involvement with the Asian culture. A key element to make this happen was to have my family fully on-board.

DW: Which are in your view the main challenges you will face in the Division?

We read everywhere that Asia and the Middle East represent the future in our industry. These two regions alone represent half of the global market and traffic, both for international and domestic passengers, and are expected to grow at a faster pace than the average worldwide traffic. It is therefore instinctive to jump to the conclusion that delivering growth is an obvious and easy game.

The other side of the coin however, is that Asia and the Middle East are complex markets and in several countries we deal with many entry barriers. In these markets, we compete with both local champions, very well established in the local marketplace, and global competitors who are targeting this region as a priority as part of their development strategy. In addition, it is very clear that some of the airports are pursuing short-term benefits through tender practises that favour aggressive, and often unsustainable financial bids. Finally, some markets are very regulated and effectively not open to foreign companies as is the case for operating Duty Free in China.

DW: Does this necessarily mean that Dufry will be a minor player in the region?

Absolutely not! Following the integration of the three companies (Dufry, Nuance and World Duty Free) we



Andrea Belardini manages his Division 3 out of Hong Kong.

enjoy an enviable presence that I consider to be our springboard. We operate in some of the most important hubs in Asia and the Middle East. We are in Hong Kong, Singapore, South Korea, United Arab Emirates and Jordan and we have a long-standing presence in the domestic market in China.

We can count on a fantastic toolkit of solutions to address the market, and very powerful concepts to drive growth in the region. Firstly, we enjoy a very competitive proposition on the space of the typical core categories in duty-free stores, where the sum of the shared experience of Dufry, Nuance and WDF are second to none and where we are about to launch a new, innovative and state-of-the-art retail format.

Secondly, we have developed extensive experience in the duty-paid multi-category format that suits perfectly the demands of the large and fast growing domestic traffic.

Thirdly, we have developed successful category specific concepts to satisfy the growing customer demand for sunglasses, fashion watches and jewellery as well as leather and travel bags. In addition, we enjoy strong partnerships with the most renowned luxury brands, for whom we operate mono-brand format stores all around the world; and finally, we have what I believe is the most customer-oriented and efficient concept in the travel essential retail space: Hudson.

In terms of target markets, we need to be able to adapt flexibly and to target effectively the needs of airports of all sizes, both in the duty-free and duty-paid terminals.

We are also assessing the opportunity to target other channels, mainly downtown duty free stores but also cruises and border shops, which in Asia account for 35% of the travel retail market.

We are now developing the right structure – with a focussed Division Head Office in Hong Kong that permits agile decision making and our recently completed supply chain platform that ensures efficient delivery and stock management. The new Business Operating Model that we are implementing is an important enabler as it allows us to maximise the strengths of local, regional and global structures.

DW: You mentioned an interesting point about working together, especially as you have experience in merging teams to work together in your previous role as Integration Leader for the Nuance-Dufry integration.

It goes without saying that the integration of companies is the most critical part of an acquisition. From a business perspective, it's what will make the difference

and will enable us to build a stronger and more able company. To give an analogy, it's like bringing together Leo Messi and Cristiano Ronaldo in the same team: they are brilliant players, but they need to learn how to play together. And it is the combination of their games that will make the team better.

From a human perspective, an integration process is a unique opportunity to learn from different corporate cultures and ways of doing things. It is an enriching opportunity which everyone in the company will benefit from. Coming from a company that was acquired by Dufry, as was the case with Nuance, and having gone through the integration process in 2014-2015,

I think Dufry has the right approach when handling this complex process. Dufry and its leadership have demonstrated a commitment to improve things and to adopt best practices, no matter where they come from.

DW: Tell us a bit about yourself. What do you like doing on your free time?

Spending time with my family is my first priority when I have free time. However, I also have to deal with my addiction for sports. I particularly love to practise open-air sports. I'm not too sure I'm good at any, but I just like to move. Lately, I've really started to enjoy kite surfing, which is a very exciting sport and allows me to disconnect from the hectic pace of everyday life. But I also like other sports such as tennis, sailing, diving or skiing. I've not yet had the chance to visit many places in the region for holidays, but in Asia there are real paradises for all of these sports: the Philippines and Australia for surfing and kite surfing, Indonesia for diving ... even for skiing there are wonderful places around! In that aspect, I think I'm very privileged! ■

IN A MINUTE:

A meal: Pasta alla Norma
 A book: Le memorie di Adriano
 A city: Rome, caput mundi!
 A film: The Gladiator
 A hobby: Photography
 A leader: Nelson Mandela



'Best of British' and a Local Brand in Helsinki Take Center Stage

All things British were royally celebrated throughout June in the UK with activities to mark the Queen's 90th birthday, and the Euro Football Games (until the commiserating started at least) and not forgetting Heathrow Airport's 70th anniversary. There was plenty of activity to take our customers minds off Brexit and give them cause to celebrate, all facilitated by Dufry's Contentainment program.

by **Georgie Rickard**

Our stores were decked out in red, white and blue and with the annual Trooping of the Color, showcasing British regalia at its best and the special Street Party held on the Mall (despite the pouring rain in true British style) all being shown on our vast Contentainment screens, our customers travelling through the airport felt part of the celebrations. This coupled with in store activity from quintessentially British brands such as Jo Malone London, Walkers, and some exclusive whisky brands created a truly engaging in-store experience. Customers were also able to win vouchers via our Lucky Screens game which certainly helped them enjoy spending more. Customers were also made to feel special with free mini manicures and makeovers in celebration of Heathrow's 70th anniversary.

Football tables were installed in the expo areas of our stores in support of the new Hugo Boss Unlimited frag-



An artist personalising a Jo Malone gift box. This activation resulted in +30% sales increase vs. last year.

rance, fronted by England footballer Daniel Sturridge. A resident weekly DJ sent customers off in style in our Gatwick and Stansted stores providing plenty of entertainment for family members and in turn creating

lots more time for browsing. This, coupled with a new men's skincare campaign fronted by David Beckham meant our male customers were pampered with a new look and lots of sports action while journeying through the airport.



Helsinki Dry Gin promotion.

Helsinki also showcased a fantastic local brand on Contentainment throughout June: Helsinki Dry Gin. Unlike the domestic market, we have the advantage



British flags everywhere.

of being able to display liquor advertising in the airport and the brand certainly reaped the rewards by enjoying impressive sales uplifts as a result of the activity. Helsinki Dry Gin sales increased by 349% during the campaign compared to the pre-promotional period. This compares with liquor category increases of 7% across the same period. Thus we saw brand sales outperform liquor by 342 percentage points. A fantastic result! ■





Dressed for Success

Converting passengers into customers is a corporate obsession for Dufry. To achieve this goal we devote a lot of resources: marketing, commercial, communication... many different departments are involved. Today we'll take a look at a critical part of that challenge, which is the design of the store and the importance the design and configuration of the store has in the success of an operation. Dressed for success.

by Jorge Muñiz

If you were born before the mid-eighties, this mega hit from the Swedish group Roxette may sound familiar to you. However, as much as this Swedish duet played a part in helping to popularise it, the term Dressed for Success first came onto the scene after the publication

of a book with the same title by John Molloy in the 1975. The book was about the effect of clothing on a person's success in their business and personal life and very quickly became a best seller. Based on scientific research, it showed the effect of how you are dressed in a

corporate environment and the correlation to success (some specific recommendations may now be outdated but it is an interesting read!).

In the retail environment, the first impression is also critical. It can make the difference in transforming a passenger into a visitor, a visitor into a customer, and more importantly, a customer into a better and repeat customer.

As a leading retailer we invest a lot of resources in understanding the latest consumer trends and how these can be turned into tangible concepts in our stores that translate into results. It makes no sense to have the most beautiful store in the world if this doesn't deliver results in terms of sales.

Led by Thomas McCrave, Dufry has a team of experts in putting this into practice. From a small store in Cape Verde to our recently-opened megastore in Rio de Janeiro, the more than 20 professionals that belong to this team have the ability to transform stores into shopping paradises. And their latest works speak for themselves. Milan, Athens, Rio de Janeiro, Barcelona or even Basel are great examples of store transformations that deliver results in terms of conversion rates.

There are many factors that contribute to the success of a renovated store. Not just the design and the construction of it, but also the product assort-

ment, the commercial strategy, etc. However, the lay-out and space distribution of the store are critical as they cannot be changed so easily – the cost of the investment required, as well as the time the store is closed for refurbishment leaves very little – or no leeway at all.

Customisation vs. Globalisation

That's a difficult balance to find when designing new stores. On one hand, there is the intention of making our stores recognizable across the world. For a number of reasons, but most importantly for the values that our brands represent to customers: trust, exclusivity, premium service, etc. However, what works in London does not necessarily work in Hong Kong and the stores need to be adapted to the particularities of the airport where they are located.

On top of that, the benefits in terms of return on investment that is derived from creating a real sense-of-place shopping environment – something that is achieved by taking the flavour of the local surroundings into the store design and combining it with a curated assortment of local products – is something that pays off, but also makes of every store a unique project.

We've detailed in this issue of Dufry World some of the most prominent changes carried out in recent years and, where possible, the results we've seen after the transformation.



Rio de Janeiro, Brazil

Airport	Tom Jobim International
Location of the store	Arrivals store, Terminal 2
Completion date	May 2016
Major changes	The commercial surface has expanded from 1,300 m ² to over 3,800 m ² The store has been designed as walk-through concept offering a substantially enlarged assortment across all categories
Design	The design of the store has been inspired by Copacabana Beach, an iconic symbol of Rio De Janeiro. Its design brings to the store other elements of the city, including the Olympics, the nature, the colourful buildings of the city, the mountains, the water and the inspiration of the Brazilian architect Oscar Niemeyer
Results after inauguration	Double-digit increase in customer penetration and spend-per-head.



Store before refurbishment ...



... and the redesign inspired by the iconic Copacabana Beach.

Milan, Italy

Airport	Milan Malpensa
Location of the store	Main store, Terminal 1
Completion date	April 2015
Major changes	The new design improved the passenger circulation, facilitated stronger customer communication and a clearer category layout, and included the creation of highlighted promotional areas to match the prestige of many of the brands as well as higher expectations from travellers
Design	The design of the store is a tribute to the city of Milan, with an elegant interpretation of Milanese retail and design
Results after inauguration	The new store reverted the sales trend and led to a double-digit increase in spend-per-head.



Store before refurbishment ...



... and the friendly shopping atmosphere created.

Athens, Greece

Airport	Eleftherios Venizelos International
Location of the store	Extra Schengen Terminal
Completion date	January 2015
Major changes	Creation of a new walkthrough concept, expansion of the Duty Free area and creation of a boutique boulevard
Design	<p>The overarching concept of the store's design is the olive branch – an ancient symbol of Athens, representing Athena's Victory for Athens over Poseidon</p> <p>The olive branch motif forms the basis of the store's layout, leaf shaped lighting features disperse across the ceiling from the central 'branch' walkway, culminating on the right hand side of the store in an olive shaped area housing the regions specialty section</p>
Results after inauguration	Double digit increase in spend per head vs. previous year.



Store before refurbishment ...



... and the „Hellenic Gourmet“ eye-catcher installed.

Barcelona, Spain

Airport	Barcelona El Prat
Location of the store	Terminal 1 Main Store
Completion date	May 2013
Major changes	After a complete transformation in 2013, was one of the first stores to adopt the new WDF branding (from the existing Aldeasa). The challenge was to make the most of the existing store – where transformation into a walkthrough concept was not possible. The use of Digital Signage contributed to the upgrade and transformation of the store
Design	<p>The design was been inspired by Gaudí architecture. Both the ceiling and the floors incorporate elements inspired by the 'trencadis' mosaic designs which are characteristic of the Catalan architect. Nearly 1,550 triangular fixtures have been installed in the shop's ceilings. In addition, various elements represent the sea, a distinctive element of the City of Barcelona</p>
Results after inauguration	Penetration index (+8%) and spend per head (+20%) increase versus previous year. ■



Store before refurbishment ...



... and the „trencadis“ mosaic design ceiling, reflecting the Catalan heritage.



The Atrium Department Store in Macao

The stunning and spectacular fascia design of "The Atrium" draws customers' attention from afar, with its full height painted metal fins and backlit panels. The store logo is further emphasized by integrating the backlit glowing lettering into the façade fins. Signature feature columns are distributed within an organic, yet organized customer flow system, which is denoted by a dynamic floor pattern.

With over 2,000 m² of retail space, "The Atrium" is one of the largest department stores in "The Grand Canal Shoppes". At the heart of the store - surrounded by prestigious beauty brands - the key categories are showcased. An interactive 'virtual sunglasses fitting' area helps customers to easily find their perfect pair of glasses.

Other luxury items available include watches and fashion items such as handbags and small leather goods. Customers can also browse an extensive range of electronic devices including mobile phones, tablets and cameras.

The perfume and cosmetics section, which also offers Japanese and Korean beauty brands for the prominent Asian customer base, uses cooler colors and more subtle materials, including high gloss white paint with brushed stainless steel and acrylic accents to emphasize the individual brand statements. The general merchandise area adopts a warmer color palette and incorporates wood veneers and plush carpet to create a classic yet contemporary environment. "The Atrium" is designed to excite and delight shoppers at "The Venetian Macao". ■