



ANA Trading Duty Free is engaged in a major upgrade of its Narita International Airport T2 mixed category duty free shop.

This includes extra space for perfume and cosmetics product displays and a reconfiguration of the shop front gondola layout to improve customer traffic flow.

Speaking exclusively to TRBusiness in an exclusive interview at the ANA Narita Sky Center, Masayuki Hatta, General Manager of ANA Trading Duty Free's Sales & Marketing Department said the tobacco display area is being expanded from two gondolas at the shop front centre to include a wall display unit on the left hand wall.

Other changes include moving the Kanebo cosmetics section from the rear of the shop to nearer the front and next to the tobacco wall display unit.

In addition, the current combined Tumi and Longchamp display area at the rear of the store is being expanded and divided into two separate areas one displaying Tumi goods, the other Longchamp items to increase their exposure.

Additional display space for tobacco, perfume and cosmetics, and fashion goods is being created by reducing the number of liquor items on display.



TOBACCO IS DRIVING SALES

"We are decreasing the size of the liquor display as the main category share in this shop is tobacco 40%. That's why we are rebuilding the tobacco display with a back wall unit," said Hatta.

"Tobacco now is 40% of our T2 shop sales, our target is 50%. We expect Seven Stars sales to grow with Chinese passengers. Now Mevius is the No 1 brand. The Longchamp display will be bigger as sales are going up for Le Pliage bag, a folding nylon bag for ladies, which is popular with Chinese and Japanese customers."

Due for completion this week, the T2 shop upgrade is being carried out at night while the shop is closed.

"We are also creating a walkway across the front centre of the shop as customers are blocked now by the big gondola," Hatta said. "The shop is narrow and walking space inside is narrow, so we will make the pathway wider as we want customers to walk around inside."

Perfume and cosmetics is the second largest category in ANA Duty Free's T2 mixed category shop accounting for 30% of revenue, followed by liquor. Chanel is the largest selling cosmetic brand, housed in an eye catching back wall display unit at the right hand side of the shop entrance.

10% SALES FORECAST FOR 2013

ANA Trading Duty Free recorded total sales worth ¥4.4bn (\$44m) at Narita in the year ending March 31,

ANA Trading upgrades Narita store

2013. In addition to the T2 mixed category shop, the company also operates a mixed category duty free shop in Narita Airport Terminal 1, along with a Bvlgari boutique and ANA Duty Free Men's Boutique, which opened in May 2012. This sells Montblanc, Tumi and Dunhill products.

The company is forecasting a 10% increase in revenue at Narita Airport this year due to stronger sales in the company's T1 mixed category shop and boutiques. This is due to the growing number of Chinese visitors to Japan after Chinese arrivals fell last autumn following a diplomatic spat between Beijing and Tokyo.

"So far business is good this year. Sales are rising in Narita T1," said Hatta. "Sales are going up due to Chinese passengers, including those transiting in Narita who are travelling to and from the United States."

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