

Lotte DF to exploit AUS e-com business in pursuit of \$200m target in Oceania

Lotte Duty Free is aiming to leverage its online shopping presence in Australia as it eyes \$200m in sales within the Oceania region in its first year of trading.



E-commerce retail in Australia is booming – on the other hand, e-commerce travel retail in this country is not so developed yet,” Lotte Duty Free CEO Kap Lee told *TRBusiness* recently, asserting that whoever makes a big impression in the market will be able to dominate it.

Lotte Duty Free views the Oceania region as fertile territory for further growth. Visiting Australia **in March**, Lee boldly proclaimed its milestone contract [***the acquisition of JR/Duty Free’s business in Australia and New Zealand***] as ‘the next step in Lotte Duty Free becoming the world’s number one travel retailer and the most influential in the region’.



Kap Lee, CEO, Lotte Duty Free.

TWO ONLINE STORES

The goal of this year in the Oceania market – business stabilisation – is looking pretty successful so far, he confirmed.

We will particularly focus on developing the e-commerce business henceforth. Lotte Duty Free has acquired JR/Duty Free’s online store too, so technically we are running two online stores now.

Asia Pacifics leading travel retailer has racked up average online sales growth per annum of +32% in the last three years (2015-2018), according to Lee.

Offline sales growth pales in comparison at +15% for the period in question, as Lotte Duty Free continues to shift the emphasis onto a more sophisticated online offering aside simple discounts and promotions.

Its web shop now incorporates traditional Chinese language characters and supports four languages – Korean, English, Japanese and Chinese (*both simplified and traditional*) with more tipped to follow.

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If we assume that it continues consistently to be on an upward trajectory, it will be able to exceed a 30% share of our total sales after five years, he said.

Plans to scale up the ecommerce business in Australia ties in with the countrys 10%-plus growth in Chinese tourism over the past few years.

Lotte Duty Free says it remains focused not only on Australian/New Zealand airport bids but tenders all over the world.

As such, the company tells *TRBusiness* that merger and acquisition activity is a 'great option' for future expansion.

To read the full interview with Kap Lee, see the May edition available at this weeks TFWA Asia Pacific Exhibition & Conference in Singapore. **Click here** to subscribe to *TRBusiness*.



Lotte Duty Free finalised its acquisition of the JR/Duty Free business in Australia and New Zealand only in January.