



Lotte Duty Free Guam has unveiled its new Guam Gateway offer as part of its international expansion programme, according to CEO Won-Joon Lee.

In a statement today, he said: "Guam Gateway will be a coming of age for Lotte Duty Free as we embark on a major international expansion programme. Adapting quickly to new markets and developing high-quality, strategically planned and creatively executed prestige retail environments is a priority for us, as is the reflection of local heritage and identity.

"I am pleased to say that Guam Gateway has been embraced by our brand partners, and we look forward to working with them to truly captivate travellers as they depart the paradise island of Guam."



Lotte Duty Free CEO Won-Joon Lee.

Lotte says it has produced "a comprehensive market research programme" with Guam-based research firm, QMark Research as part of developing its retail concept. The retailer said that this helped formulate

Lotte unveils its new Guam offer

the retail layout, brand and product ranges, with the marketing concepts based strongly on genuine consumer insight.



Jong Hwan Lee, Strategy Planning Director, Lotte Duty Free.

The retailer says that the result is a total refurbishment of the entire commercial space immediately after security. Lotte Duty Free has also committed more than \$23m in capital investment over the course of the concession period. In addition and as earlier confirmed by Guam International Airport Authority, Lotte is also addressing the wider terminal amenities and not just duty free.



SMART PROVISION OF 'EXTRAS'

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In a smart move, the retailer will also be funding a revamp of the food court and smoking lounge and a new children's play zone, although Lotte prefers to describe it as a seamless passenger experience designed to drive greater duty free retail sales.

Jong Hwan Lee, Strategy Planning Director, Lotte Duty Free said: "Commercial dwell time is a fundamental KPI in retail performance, especially in an airport configured as it is in Guam. Our research found that many passengers were bypassing the retail and heading directly to the gates unnecessarily early.

"We are confident that passengers will respond to a radical transformation in the environment and find countless reasons to remain in the commercial zone. Guam Gateway will act as the heartbeat of the terminal. We are also taking measures to manage passengers' airside time better with the installation of flight information display screens at key junctions and the reopening of wing stores for last-minute purchases."

Lotte says it is also keen to impart a sense of place in the terminal and will be introducing a wood-carved Carabao (*Guam's native water-buffalo*) and cart straight after security selling Guam-manufactured and sourced crafts, cookies and other local products.

Next in flow will be "an iconic Latte stone feature" at the central junction leading into the Guam Cultural Centre; another new concept that will blend Chamorro cultural experiences in music, art, food, folk-law and dance, tributes to iconic local features such as Gadao's Cave and Two Lover's Point and the retailing of local products.



MAJOR STORE OVERHAUL PROMISED

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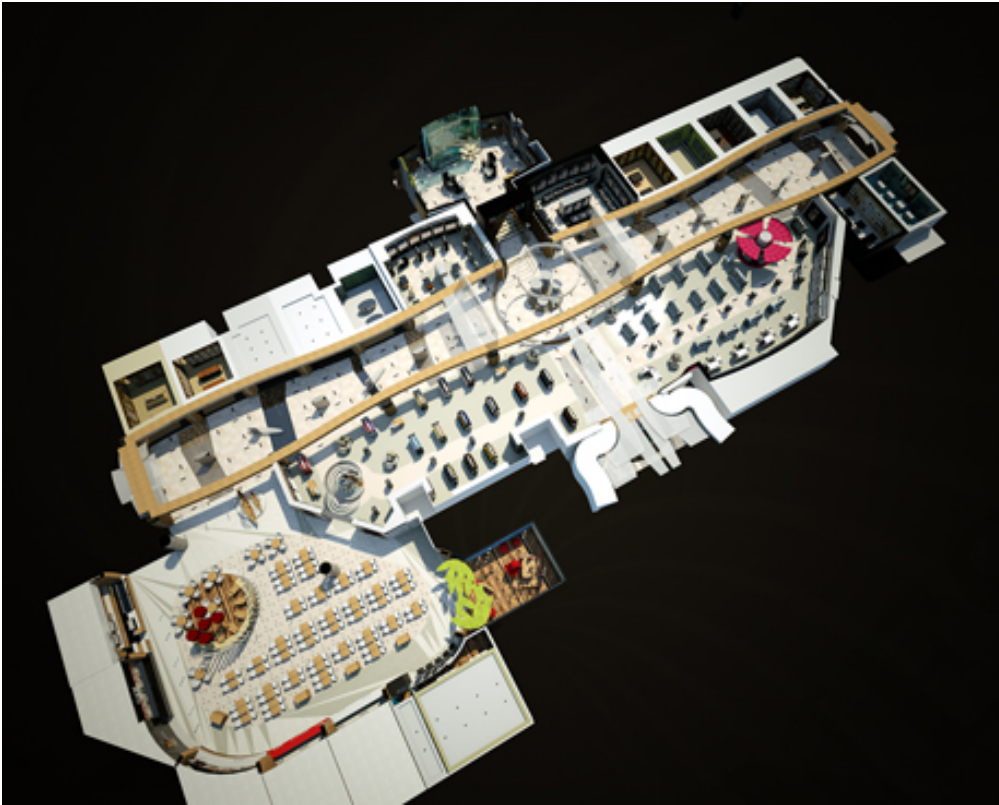
Lotte says that a centerpiece of the Cultural Centre is “a magnificent double-height fish tank teeming with fish species from the island’s spectacular coral reefs”.

The retailer is also promising a major overhaul of all stores in a semi-walkthrough format, allocating additional space for the core categories of both perfume and cosmetics and liquor and tobacco. Product ranges across all categories are also being refreshed.

The company said: “A highlight will be the BB Cream Bar; a world-first concept housing popular BB Cream cosmetics brands such as Tony Moly, Missha, The Faceshop and The Nature Republic.” Lotte says these are proven favourites of north Asian consumers, including the Japanese and Koreans who are the major passenger nationalities at Guam Airport.

The BB Cream Bar itself is designed to resemble the national flower of Guam, the Bougainvillea. Opposite, in the liquor, tobacco and food area, will be a rotational tasting bar that doubles as a running waterfall, reflecting the famous Sigua Falls in Guam. At the base of the waterfall will be reservoir of water that will function as a wishing well to collect money for local Guam charities.

Lotte Duty Free says it is also working closely with the GIAA to ease pressures on the TSA security area. Lotte says this is being achieved by pushing back and removing part of the current retail space to create a decompression area after security. The objective is to allow passengers more time and space to recompose and reorientate themselves after security checks, before entering the retail area.



“DESIGN STEP CHANGE...”

The retail concept was developed in partnership with Singapore-based Lightfoot Space. Alex Cook, CEO said: “I am confident Lotte’s Guam Gateway will create a vibrant, entertaining and culturally enriching experience for passengers. It has been a pleasure to work with Lotte to develop new ideas, and credit to them for the vision to drive a step-change in retail performance through innovative retail design.

“I wish Lotte the best of luck with the upcoming handover and look forward to seeing the concept materialise into the very best last impression of Guam.”

Won-Joon Lee concluded: “Finally, I would like to pay tribute to our new partners at Guam International Airport Authority, our local management team spearheaded by the vastly experienced Mr Gerry Perez and Mr Lino Fritz, our new partners and friends in Guam and, most importantly, around two hundred new employees on the Island.”

As reported before, Lotte Duty Free currently runs duty free operations in Korea, Singapore and Indonesia, and is committed to a strategy of expansion throughout the Asia Pacific region and beyond. It has also set itself the goal of becoming the number two global operator by 2015.