

IDF reveals 'low-key' 60th anniversary celebrations

Belgian travel retailer International Duty Free turned back the clock as it celebrated its 60th anniversary last year.

Last December, *TRBusiness* toured the independently-owned retailer's Brussels Airport Terminal A and Terminal B shops and spoke exclusively to Nicolas Van Brandt, CEO IDF.

Commencing 10 September 2018, special promotions and competitions were launched at Brussels International Airport in honour of this diamond anniversary for a six-week period until 31 October.

ANNIVERSARY CELEBRATIONS

A giant cake with different tiers displayed IDF's best-selling products throughout all those years. Each decade was represented with matching products for one week in the Terminal A and B walkthroughs.



**Nicolas Van Brandt, CEO
International Duty Free.**



Commencing 10 September 2018, special promotions and competitions were launched at Brussels International Airport commemorating International Duty Free's 60th anniversary.

Customers spending €60 (\$69) or more on these best-selling products received a free Neuhaus gift-box and special post-cards in the shops with pictures commemorating the company's history. Passengers were also eligible to win 60 shopping vouchers worth €60 by entering the anniversary competition.

In part two of our exclusive interview, Van Brandt told *TRBusiness*: "We wanted to keep things quite low key as the terrorist attacks are still fresh in the memory and we didn't want it to seem like we had forgot what happened in 2016.

"We tried to find a good in-between scenario for the celebration of the 60-year anniversary."

He added: "At the end of the day, we knew passengers would not be too bothered about the anniversary. It was just important internally to commemorate the fact we had been here for 60 years, were doing a good job and that passengers and brands were happy."

Over the years, IDF has established strong relationships with perfume and cosmetics brands. These have provided a good benchmark for the performance of the business, according to Van Brandt. "When you are talking to the likes of Chanel, Dior or Hermes and they indicate they are happy with the way you are presenting the brand, it is a good benchmark.

"If they are happy, brands in other categories should also be happy as they are the most demanding people in the business."

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As 2018 drew to a close, Van Brandt was confident IDF would have a historical year in terms of profitability, sales and spend per head.

RECORD YEAR

Ultimately, the airport had a record year in terms of passenger numbers, handling more than 25m. According to Van Brandt, 60% of flights serve EU destinations and 40% non-EU.

“There are a lot of new routes mainly to Asia and the Middle East”, he emphasised. “They have doubled or tripled routes to Asia, with twice daily flights to Dubai with Emirates Airlines.”

IDF has also experienced positive growth in spend per passenger over the past 18 months or so which is ‘quite unique’ in Europe. There may have been a slight decrease in 2015/2016, but last year figures rose +5% or +6%.

“In most instances, there is a decreasing trend in spend per pax, but thanks to a new way of working, we at Brussels Airport have been increasing this on a monthly basis.”



Special promotions and competitions were launched at Brussels International Airport in honour of this diamond anniversary for a six-week period.

The importance of staff in driving spend per pax and sales in general must not be under-estimated, acknowledged Van Brandt. “We provide basic training in terms of selling and commercial skills.

“More technical training is provided by the brands from the various product categories including beauty, confectionery and liquor.”

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Each store manager is rated by the overall performance of his/her shop, which is visited twice a month by mystery shoppers. Store perception, help provided, customer service, cleanliness and organisation are among the elements assessed.

Penetration and conversion have long been a source of concern and debate in DF&TR, but with each IDF store being totally open without windows, the retailer is doing its bit to drive conversion rates.



The retailer highlighted some its unique selling points and major assets during the six-week 60th anniversary promotional period.

“All our stores are totally open and extremely inviting. This is the DNA of IDF.”

Conversion rates are understandably higher at the retailer’s last-minute stores, “as people really need something when they visit them.”

Van Brandt explained: “The conversion rate in the last-minute shops is 35-40%. In the walkthroughs it is 10% or 20%. In general terms, competition from online and cheaper prices downtown do not help in terms of conversion.”

WALKTHROUGH LAYOUTS

Regarding the Schengen (*Terminal A*) and non-Schengen (*Terminal B*) walkthroughs — the former opening first around four years ago — Van Brandt offered some key observations in terms of the layout of both shops.

Starting with the Schengen store, located left out of security, he commented: “We decided to put perfumes

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and cosmetics on the right and liquor, confectionery and tobacco on the left.



The International Duty Free Terminal A Schengen store opened around four years ago.

"In addition, we also decided to have low-level gondolas so consumers can see the brands and across the shop.

"It was a hard decision to make as we knew it would not make it easy to increase the number of products in-store. We also had to convince the brands which was also difficult."

Despite only opening the Terminal A walkthrough around four years ago as previously mentioned, a revamp is on the horizon. Van Brandt explained: "The aim is to decrease the wine category and increase the size of the corner for chocolate which performs better."

Chocolate itself actually accounts for 25% of total business with IDF operating The Belgian Chocolate House stores in Terminal A and Terminal B and downtown in Antwerp and Luxembourg. Van Brandt said: "We make more than 1,000 tonnes of chocolate a year. The more space we give it, the higher turnover we achieve.

"In Belgium, chocolate is the main unique selling point. It is a similar case with whisky in Scotland."



The Belgian Chocolate House stores are located in Terminal A and Terminal B at Brussels International Airport.

During a visit to the Terminal B walkthrough, where the assortment is fairly similar to the Terminal A equivalent, he added: “We have six to eight flights a day to China and around 14 Chinese speaking staff which helps a lot.

“The actual store is a little narrower than the other walkthrough as stipulated by the airport and the lighting is also more subtle.”

Moving forward, IDF, which opened a duty free shop at the United Nations compound in Nairobi in 2015 to test its ability to operate outside Belgium, will continue to adopt a ‘what you see is what you get’ strategy.

“When we are negotiating with airport management in other countries we tell them what they see is what they get. This because we are a small company.

“The size of our company is definitely an advantage. I am able to tell potential new overseas airports that there will not be a scenario where the CEO never visits.”

Its size also enables IDF to be nimble and quick on the ball. “We can give an answer to anything in two or three weeks. We do not need a board or a consultancy to deliver strategy analysis”, he concluded.



The Terminal B non-Schengen store is narrower than the Schengen one, while the lighting is also a little more subtle.