

Oslo opens world's largest 4.000sq m DF arrivals shop

As reported extensively last week, Oslo Airport authority Avinor has opened the world's largest duty free arrivals shop at Oslo Gardermoen Airport this morning. Travel Retail Norway unveiled the Heinemann branded 4,000sq m zoned facility earlier today, featuring double the previous space broken down into 'Gifting', 'Eyes, Lips, Nails' and 'Men's World' and others sections.



Concessionaire Travel Retail Norway is offering around 700 new products under Heinemann branding at the new store, plus several Norwegian offerings, ahead of the opening of a further duty free departure store on 1 December this year.

BIGGEST OPERATION IN NORDIC REGION

As exclusively reported by *TRBusiness* back in May and updated here, the decade-old TRN joint venture operation comprising Heinemann and Norse-Trade already generates more annual duty free sales turnover than Copenhagen, Stockholm and Helsinki airports put together.

Airport authority Avinor is also hoping to add at least another 20% or around \$90m in sales, once the shops are up and running, according to earlier comments from Espen Etre, Oslo Airport's Director Property and Commercial Development.

He said last year that the \$1.7bn terminal expansion can't come soon enough for an operation which already has a world-beating annual sales turnover in excess of \$400m, but which also suffers from acute congestion at peak times.



The new Heinemann branded Oslo Gardermoen Airport arrivals store.

ADDRESSING CONGESTION WILL RAISE SALES

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As reported, TRN will now offer more of just about everything in the new offer from today, while it is also hoping that the new store will cure most of the congestion problems the operator has suffered from at the arrivals store in the past.

Heinemann and Norse-Trade have also been showing off the new shop in the early hours of today, including several new zones, including a designated 'Men's World' fragrances section and a much more comprehensive cosmetics range for women, entitled appropriately 'Eyes, Lips, Nails'.



Håkon Fjeld-Hansen, CEO at Travel Retail Norway at Oslo Gardermoen Airport in the new wine shop.

The important wine section has also been expanded with more than 200 varieties now available and this is a significant development, since Norwegian travellers are 'experts' at maximising their allowances. For example, on 'an average Sunday' the old duty free arrivals shop would routinely sell 'an average' of around 25,000 bottles of wine as arriving passengers maximise their allowances.

[In Norway, duty free prices on wine are typically around 20% lower, while locals can save up to 50% on spirits – just as perfume and cosmetics are also 25% below average local High Street prices-Ed].

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The new duty free beauty area at Oslo Gardermoen.

CHECK OUTS INCREASED FROM 28 TO 43

In addition to the aforementioned 'zones', TRN is also offering more local and ecological products, a designated area for microbreweries, a much-needed new till system checkout with almost double the number of payment exits (*43 up from 28 previously*), and more local Norwegian quality products.

Commenting on the store opening, Håkon Fjeld-Hansen, Managing Director at Travel Retail Norway said: "This will be a unique shopping experience in brighter, nicer and airier surroundings, so that our customers can walk around with relaxed shoulders."

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MENS WORLD in the new shop.

“The size also means that we could expand the range of products considerably in total with 700 new products in all the typical duty free categories. The wide selection of goods and personal staff with outstanding expertise about the products in their fields will delight the passengers at Oslo Airport.”

Florian Seidel, Director Retail at Gebr. Heinemann added: “TRN and Gebr. Heinemann have grown together for more than ten years now. The outstanding partnership is based on close contact and commitment.

“We are now more than proud to present the next generation of Arrivals Duty Free - A shopping experience that will exceed the Norwegian and international traveller’s expectations.”

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The new store is simply vast.

DUTY FREE UNDERPINS AIRPORTS

Senior Vice President of Communications and Marketing at Avinor, Egil Thompson added: "The new store at the arrivals area is a large and ambitious programme of TRN and the new offer is an important part of the commercial development of the improvement of Oslo Airport.

"Concurrently, while considering the design of the store, we were also aware that not everyone wants to shop. Broad aisles make it easy to pass by shopping zones, for those who want it".



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Another view of the wine shop area.

WIDE SHOPPING STREET DESIGN

Heinemann adds that its new shop is also designed to be modern, while reflecting the characteristics of the rest of the airport, with 'wide shopping streets' designed to make it easier to navigate between the different product groups.

As reported by *TRBusiness* many times, duty free sales play an important role in helping to finance Norway's airports' infrastructure under the management of Avinor. Travel Retail Norway currently points to a sales turnover of NK5bn (\$599m) a year and is expecting sales to grow between three and seven per cent in future.

It is currently investing a total of between NK250m to NK300m in its duty free operation at Oslo Airport in connection with the expansion of the airport, with the new Heinemann Duty Free arrivals shop expected to be complete by April 2017 when the redesigned and expanded Oslo Airport opens to the public.



The new store is very impactful.

TRN CONTRACT EXTENSION TO 2022

As exclusively reported by *TRBusiness*, Oslo Airport Director Espen Etre said it was Heinemann's early 'willingness to invest in the business', which was behind Avinor's earlier decision to extend TRN's

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countrywide airports' contract by an additional five years through to 2022.

It was also chosen because of its proven expertise in sales and logistics – vital skills at Oslo Airport where the product replenishment process can be challenging due to the sheer demand.

[TRN now operates 12 shops at Norwegian airports of Oslo, Kristiansand, Bergen, Trondheim and Stavanger, with a total employee count of 1,150 employees].



Traffic has increased at Avinors northern (mostly domestic) airports.

JULY AND HALF-YEAR TRAFFIC RESULTS

Meanwhile, Avinor has also reported its July traffic results, showing international traffic in continued growth, but domestic traffic falling back. Avinor said that the exceptions were the major airports of Northern Norway and mainly Tromsø, with a significant traffic increase in July – both international and domestic.

In total – compared to last year – the number of passengers visiting Avinor airports in July fell by 3.9% for domestic, whereas international numbers rose by 1.4% to nearly 2.5m. In total, 4,662,316 passengers passed through all of Avinors airports in July, representing a decrease of 1.4%.

“The differences between the international markets are vast, said Jasper Spruit, Avinors Vice President Traffic Development. Turkey has faced a serious decline of 38% from last year. Passengers have largely chosen to visit more traditional holiday destinations, such as Spain and Greece, who have seen an increase of 18% and 10% from last year, respectively. Croatia has also had solid growth, with 18 per cent, and in July they surpassed Turkey’s passenger numbers.”



STRONG INTERIM RESULTS

In addition, Avinor reports that its operating income in the six month-period to 30 June, 2016 amounted to around NK5bn with a net profit of NK346m.

Passenger traffic through Avinor's airports in the first six months of 2016 rose by 1.6% compared with the corresponding period last year. Avinor said: Traffic in Western Norway is still affected by the downturn in the oil and gas industry, but this is partly counterbalanced by growth in the rest of the country.

Bergen Airport, Flesland and Stavanger Airport, Sola had a combined reduction in traffic of 3.8%, while at Oslo Airport Gardermoen there was a 4.3% increase. The remaining airports saw a 1.1 per cent increase.

DEFINITIVE REPORTING ON OSLOS RETAIL EXPANSION:

Espen Etre, Oslo Airport Director Property and Commercial Development says Heinemanns willingness to invest was behind Avinors decision to extend Travel Retail Norways nationwide airports contract until 2022.

Earlier *TRBusiness* reports on the redevelopment of Oslo Gardermoen's duty free and travel retail offer over the last two years:

26 August, 2016:

<http://www.trbusiness.com/regional-news/europe/worlds-largest-arrivals-shop-to-open-in-oslo/109068>

24 April, 2016: <http://www.trbusiness.com/regional-news/nordic/shop-units-to-al...-at-oslo-airport/99136>

21 July 2015:

<http://www.trbusiness.com/regional-news/international/oslo-plans-new-4...uty-free-airport/78100>