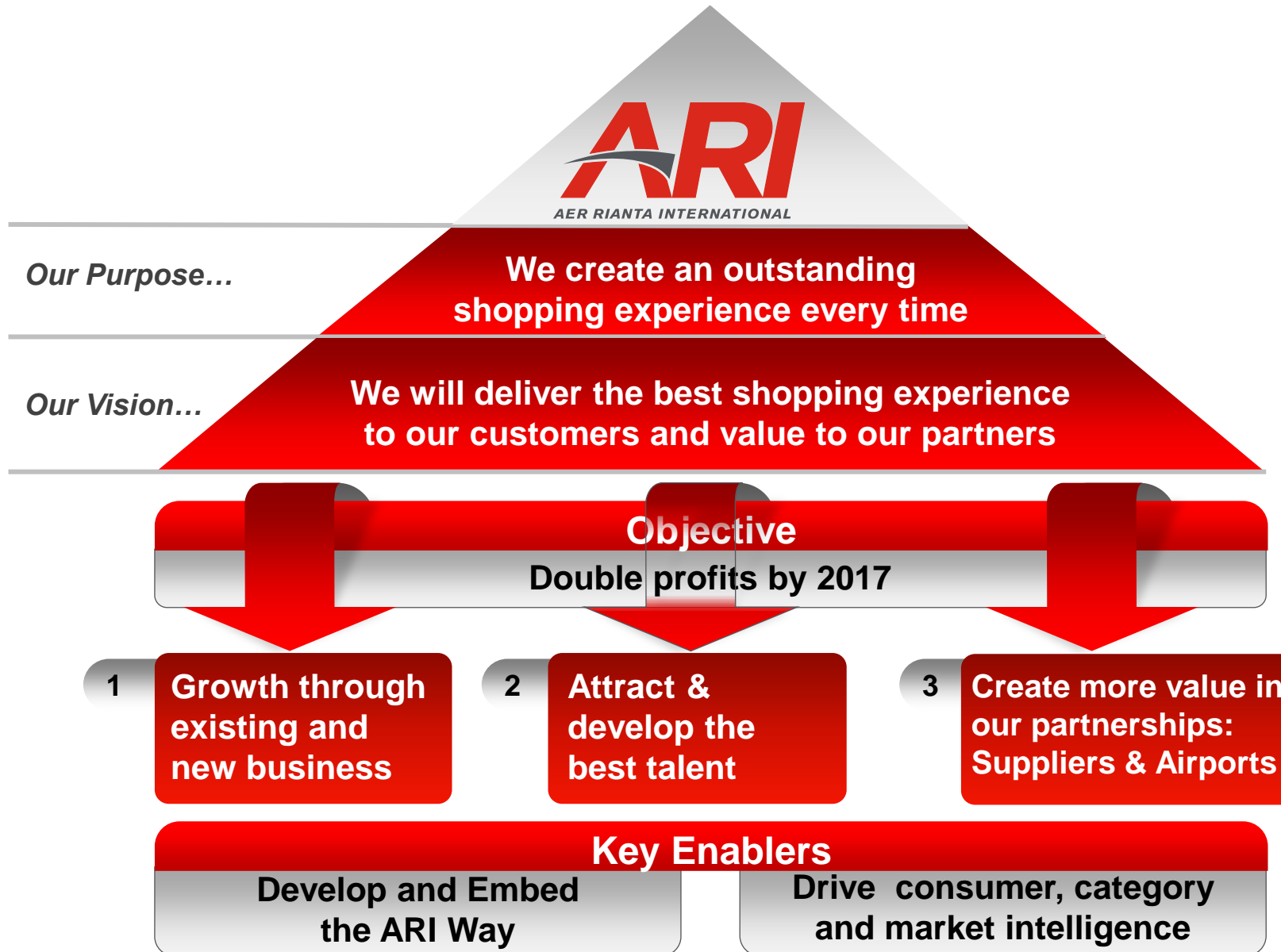


A young woman with dark hair pulled back, wearing a white button-down shirt and a red lanyard with the 'ARI' logo, is smiling as she looks at a computer monitor. The background is a blurred duty-free shop with warm lighting and other people.

Delivering The Duty Free Promise

ARI
Experience
is Everything

ARI Strategy – Driving Business Performance





“**Industry leaders** are
Unanimous on the
need to **Redefine** how
travel retail offers **Value**
to the **Customer**”

TFWA 2016 Handbook

Our Challenge – to redefine how we offer value to the customer

Huge variations in Penetration Rates



My recent travel Itinerary



The customer isn't as excited or engaged about duty free as they once were.

"I've no interest in duty free, nothing different, more expensive and lots of hassle"

"I always wait to shop at the airport, it's easy, great value and I can buy things I can't get anywhere else"

"I'm going to grab some food, head to the gate and Facetime the kids"

"I'll arrive early and spend time in the shops"





Redefine

The “Duty Free” Promise

Start by redefining the three elements of our value proposition



Consumers are reading negative press about Duty Free pricing that undermines trust and transparency

Redefine Price Messaging



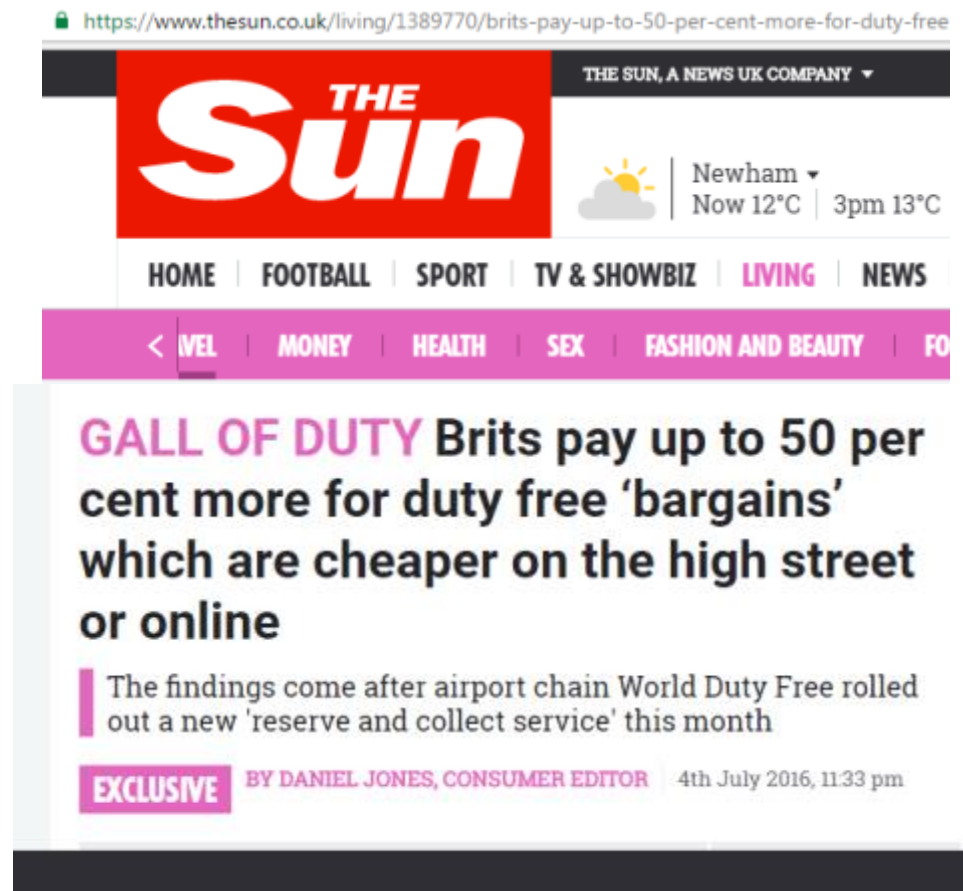
Con air: Holidaymakers pay up to TWICE the price for perfume, alcohol and designer goods at duty free than online or in the high street

- Prices show many items are more expensive in airports than online
- Perfumes are among the cheapest online compared to departures lounges
- Alcohol and designer goods can also be cheaper in High Street shops

By RICHARD SPILLETT FOR MAILONLINE
PUBLISHED: 10:31, 5 July 2016 | UPDATED: 13:19, 5 July 2016



Drinks, perfume and designer goods can be more expensive in airport duty free shops than online, price comparisons show.



Our own multiple price messages are also confusing customers

Redefine Price Messaging



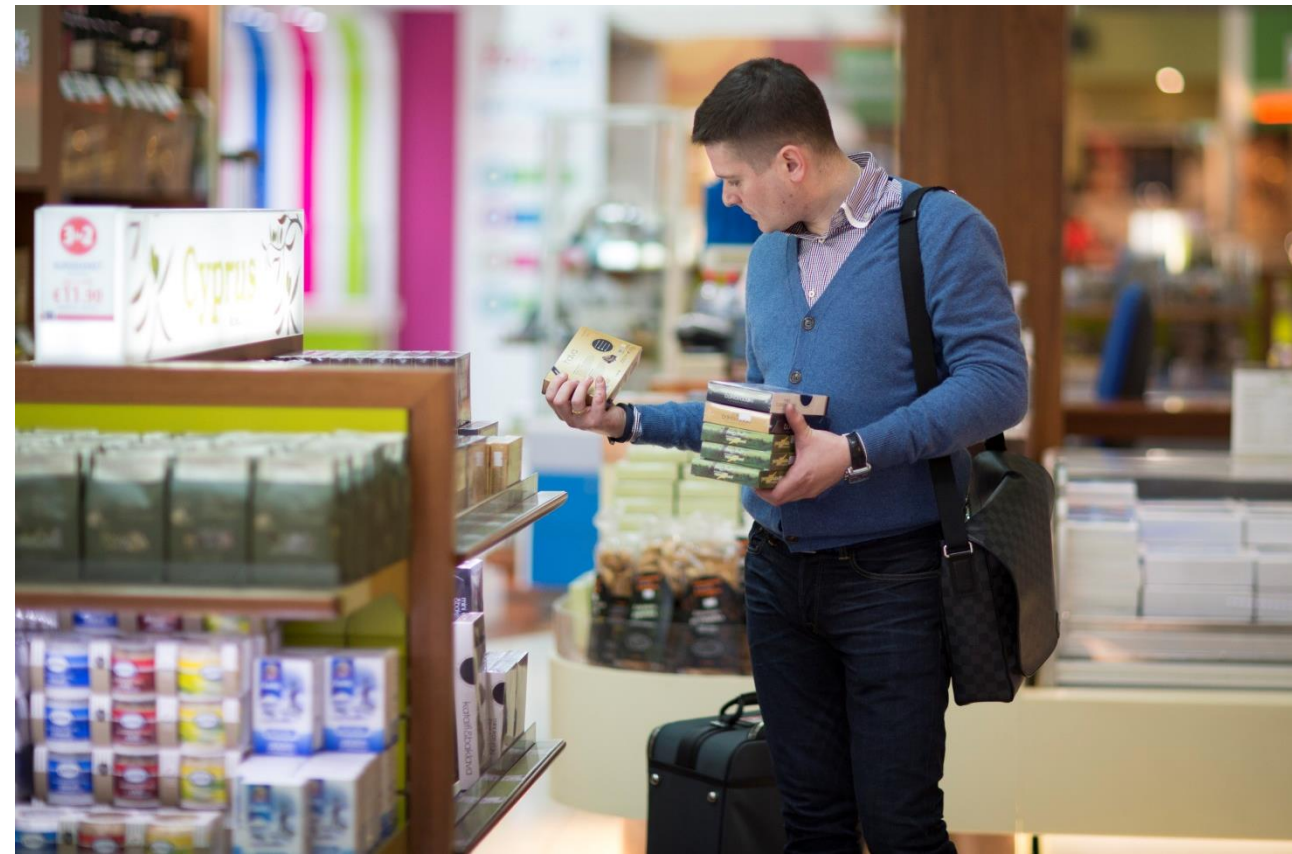
Continuous discounting will ultimately devalue the channel



On average only 1 in 4 customers price benchmark yet we still focus on discounting as a key response to the decline in PAS

Redefine Price Messaging

only 1 in 4 are actively price benchmarking



Are we doing too much price promotions? Could we have clearer more compelling price messages?

Redefine Price Messaging

Clearer price messages and guarantees in categories such as P&C

Persuasive singular price guarantees that can be verified

SAVE
at least
20%*
on all fragrances

20% versus average downtown prices.



THE LOOP®
Browse | Buy | Fly

Focus on exclusive and personalised products that customers can't get elsewhere

Redefine Product



Baileys Sales +58% in Dublin, T2.
Conversion from query to sale is 70%

Customer experience and service can really differentiate us from the competition

Redefine Customer Experience



Highly trained staff



Indulgent Services



Seamless Shopping Services

We need to improve how we communicate our great services to encourage passenger dwell time

Redefine Customer Experience

The image shows a silhouette of a makeup artist on the left and a customer on the right. The artist is applying makeup to the customer's face. The background is a gradient of orange, pink, and blue. The text 'MAC MAKEUP SERVICES' is overlaid in white.

MAC
MAKEUP SERVICES

Pre booking of MAC Beauty Consultations

ARI
Experience
is Everything

Create points of interruption that surprise and deliver a memorable experience

Redefine Customer Experience







Sell

The “Duty Free” Promise

Travel Retail as a channel has a brand image issue

Duty Free brand perception

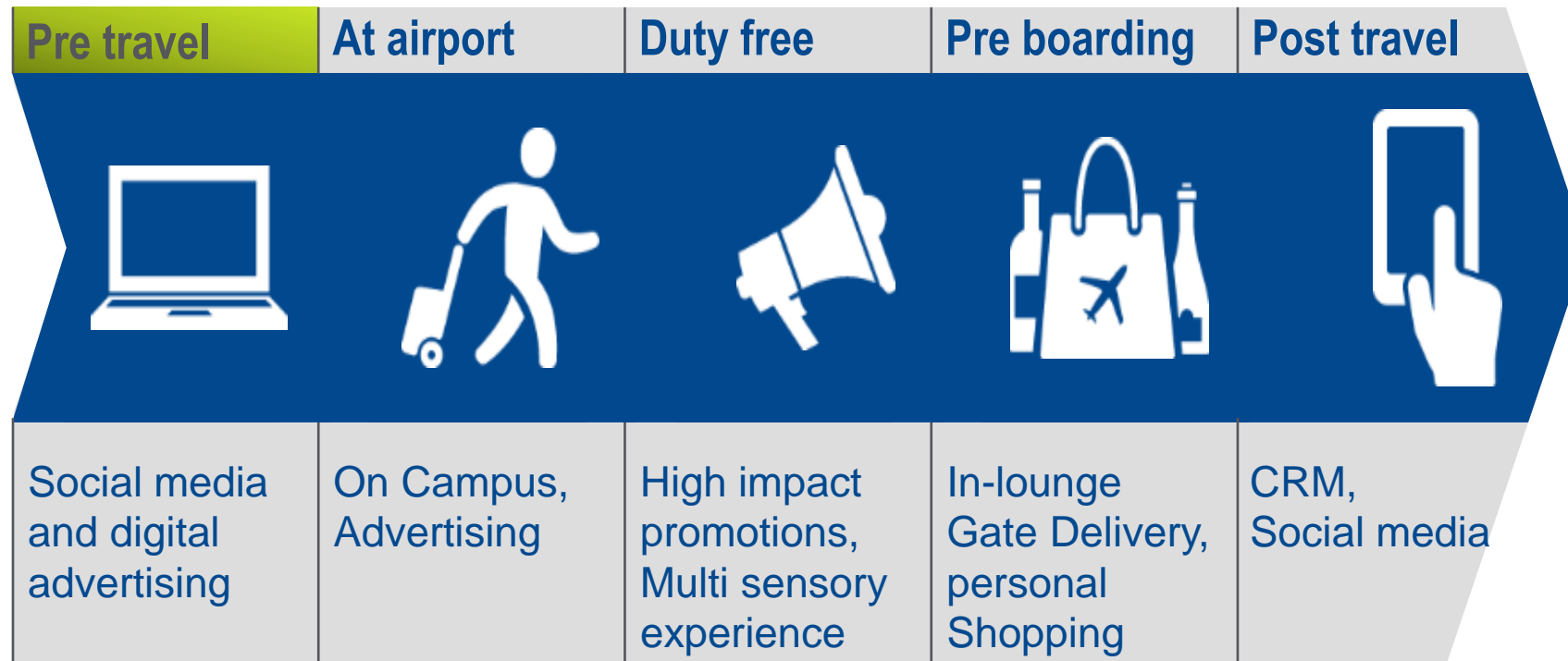
“ I’m going to grab some food, head to the gate and Facetime the kids ”

“ I’VE NO INTEREST IN DUTY FREE, CHEAPER ONLINE, SAME OLD PRODUCTS ”

We need a two prong strategy to selling our promise – we need to act as individual retailers and as an industry



Retailers should focus on engaging the consumer pre travel and harness the power of digital



*75% make up their minds before they travel if they're going to shop

Source: ACI

Looking ahead - The issue is not which duty free consumers choose but if they shop in our channel at all



Other sectors have collaborated to protect and promote their channel and industry



Travel Retail trade bodies aren't consumer facing. Can we work together to address this issue?

Our Challenge

Reignite consumers belief in the duty free promise

**Revenue based model to finance
Regional Marketing and PR Fund**

**Create Duty Free consumer campaign
#loveDutyFree**

**Respond as an industry to negative
press and PR – “Con Air” “Gall of Duty”**

Summary

Focus on Value proposition not just price

Provide more product exclusives maintain the channels' appeal

Communicate the customer experience pre travel

Act together to protect our industry

Thank You

