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Transforming TRAVEL RETAIL

Global travel retail business Gebr. Heinemann is making its mark on Australia after the opening of its new duty-free concept store in Sydney Airport earlier this year.

Images courtesy of Gebr. Heinemann

Gebr. Heinemann is a well-known name in the travel retail marketplace. Hailing from Germany and operating since 1879, the brand has expanded exponentially throughout its existence to have presence in 78 airports around the world. In addition, it has wholesale clients in more than 100 countries, offering a large range of product categories including perfume, cosmetics, liquor, wine, tobacco, confectionery, and delicacies.

Fifth-generation Max Heinemann is the CEO of Heinemann Asia Pacific. The Singapore-based subsidiary has grown considerably and passed a significant number of milestones in the recent few years—the latest being winning the Sydney Airport tender in September 2014. It has a footprint in 13 countries across the APAC region and has achieved great success thanks to its flexible and

highly innovative approach to the industry. Max says that his internal staff base has managed to swell to approximately 70 people in a short five-year period thanks to the ample opportunities available in the geographical area.

In February this year, Gebr. Heinemann rolled out the Heinemann Duty Free shop at Sydney Airport—a new retail experience for international passengers. Over an 11-month period, a complete refit is being undertaken so as to minimise disruption and ensure customer flow, meaning that key components can still operate effectively prior to 100-per-cent completion. The renovation is being conducted by Gebr. Heinemann's in-house design team in collaboration with Australian architectural firms Geyer and Lava, and is inspired by Sydney's picturesque harbours, sandy beaches, and laid-back sophistication.

Gebr. Heinemann will transform the existing airport shopping space by injecting exceptional levels of service as well as a vast offering of exclusive brands at attractive prices. Three stores in departures and two in arrivals are expected to be finished by January 2016, while a sixth shop in arrivals will be done midway through 2016.

“When it comes to Sydney, I think that has been pretty much the greatest success of our very short history here in the APAC region,” Max says. “We first moved into the airport in 2013 with two concept stores. While we wanted to show commitment to the airport as one thing, we also wanted to get to know the airport quickly and get access to the right know-how on specific categories—liquor, wine, confectionery, food products, and so on. Because of Australia's very tight airport regulations, we needed to get as much experience as possible on a considerably small investment for >





the big business that we intended to pitch for a year later. We succeeded.

“If we do something, we really want to do it right. In 2013, we invested quite a bit into those two concept stores, and at the end we were very proud of what came out of it.”

Before expanding its Australian operations, Gebr. Heinemann’s number one priority was to ensure that it had an airport partner that shared the same vision on how to bring forward a certain level of change. “There can often be a lot of uncertainty when it comes to change,” Max explains. “So it was important for us to show that there was room for improvement and for a shared vision.

“What you see at the moment in Sydney Airport is a lot of adjustments and enhancements on the airport side in general. A lot of it is the introduction of new concepts—the whole world around the airport is being changed in a very creative and very dynamic way. What we wanted to introduce and create at Sydney Airport was more of a world of entertainment and shopping rather than just another store.”

Gebr. Heinemann has also integrated individual seating areas plus two restaurant and bar concepts within the shopping area that encourage people to eat, drink, and relax in between shopping. According to Max, this makes the Heinemann Duty Free shop hopefully a rounded, rewarding, and relaxing experience. “Everything is very spacious,” he notes. “We are trying to overthrow the status quo and look into future untapped customer potential of non-shoppers today. We would rather get more people in the shop and for them to be intrigued to shop because it is actually not a hassle. That is what we hope we will achieve.

“The main Heinemann Duty Free shop will be the biggest duty-free

“For more than 30 years, L’Oréal has had extensive expertise and strong relationships with its clients. With Heinemann, L’Oréal has developed a historical relationship that is beneficial for the two companies.” - Richard Cymberg, General Manager – Global Client Management, L’Oréal Travel Retail



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- Max Heinemann



shop in the airport world after the transformation. In total, we will manage around 10,000 square metres within the Sydney Airport.”

Collaboration is an important element in bringing a Heinemann Duty Free shop into fruition, especially when it comes to its supply base. “It is all about having a keen understanding about each other,” Max notes. “What benefit do we bring, and what benefit do the brands bring to our operation? Clearly, the sharing of information is probably one of the most important things that definitely ensures success. We need to find a very good exchange on markets and on learning systems.”

According to Max, the future for Gebr. Heinemann’s Asia Pacific operations will be all about adapting to changing market conditions and being open to new ideas and opportunities. “I think at the end of the day, we are on a very good path forward,” he says. “We have made some very good

decisions in terms of investments, and we have a unique offering compared to our competitors.

“For me, I think my future defines itself also through the decisions that I am going to take on behalf of Gebr. Heinemann. I will continue to do that in the same way and with the same intuition, with both feet on the ground and not losing the reality or view of what is happening in the world. That is really important. We want to make a difference or at least contribute to that rather than just making sure our business performs well. That is something that I really want to continue, that stability that we have had for so many decades.

“When you ask what the future holds for me, I can only say what I intend to do. I am going to play my part to keep our business a family business and build on our historic legacy with an unstoppable commitment to explore and unlock the incredible potential that our industry still holds.” ●

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