

# Customer experience is key at revamped Tunnel Duty Free border store

By **Hibah Noor** on November, 8 2018 | Retailers



Artistic rendering of what Tunnel Duty Free will look like after renovations by end of year



Tunnel Duty Free is undergoing a complete renovation of its US/Canadian border store located between the major cities of Windsor, Ontario and Detroit, Michigan at the Windsor-Detroit Tunnel.

The revamped store will boast 13,500 square feet of retail space and the work is expected to be

completed by the end of this year, according to Abe Taqtaq, Vice President, Tunnel Duty Free.

“Our store is unique in duty free as we have a lot of repeat customers. We see some customers several times a week. With the renovation we aim to best maximize revenue based on the customer profile,” he tells *Americas Duty Free*.

“We’re tearing apart the entire sales floor and renovating it, taking advantage of all the new retail trends out there and making more of a customer experience so we can maximize and leverage all the brands we represent.”

Planning for the renovation and expansion work began almost two years ago and is now 40-50% complete. “We’ve already started fixturing in some departments now. We expect our portion to be finished in the summer and we hope to be fully open by the end of 2019.”

One of the goals is to increase the capture rate, as the store is only capturing about 5% of the people who cross the border. “I’d love to get to 7%. That’s about a 40% increase in sales, if we’re able to do that.”

Some 85% of customers are US day-trippers who cross the border for work; entertainment purposes such as sporting events, dinners, and the casino; or visiting friends and family.

Speaking about the renovation work, Taqtaq explained: “The whole exterior of the store is going to be redone. There’s a large digital screen outside to be able to showcase the products that we have and get some energy around our store. The exterior will be very modern and futuristic and people will be intrigued as to what’s inside. We’re a bit over budget on the exterior, but we feel it’s the number one marketing tool to get people into the store. We want to pull people out of the queue and get them to think ‘I want to check it out’.”

The work started with the liquor department and has now moved to the perfumes and cosmetics section. The next phase is the high-profile launch area where customers enter the store. The last area to be renovated will be the end of the store where the cash registers are situated. Tunnel Duty Free will have a total of seven cash registers, including two new ones upfront and one in the perfumes and cosmetics section.

“The big goal of this renovation is to create – because of our repeat customers – a flexible and modular store so that we can switch things around very easily so the customer isn’t seeing the same thing over and over. We’re doing a lot of digital so that signs can change quickly. We can move fixtures around very quickly and easily. We raised the floor so we can get power to any part of the store,” said Taqtaq.

“The third goal is to create a customer experience and to leverage our use of social media, which we already do. We have a 360 approach where we can introduce our store and our brands to people on their mobile devices, for example, to keep our store top of mind.”

As customers travel through the store, they experience what Taqtaq calls “the pathway to discovery”. The pathway has touchpoints throughout, such as demonstrations in P&C, so customers can touch and feel the products, and samplings in confectionery. The end of the store features a tasting bar for liquor, wine and beer. “Hopefully they will spend more time, and touch, feel, smell and taste things, and this will get them to purchase more,” he said.

Tunnel Duty Free has a very successful loyalty program, which has kept the company in good shape because of the impact of the store renovation on its sales. Also, the Windsor-Detroit Tunnel is being closed nightly for construction work on the ceiling. “We’ve had to close our store, and typically it’s a

24-hour operation,” said Taqtaq.

To keep customers coming to the store, the operator has raised the cash rebate from 5% to 10% during this period. “We started a year ago and we’ve seen a really nice bump in customer loyalty sign-ups. It’s an incredible asset to us to be using in the future. We’ll be expanding on that and exploring CRM software and seeing how we can best engage our customers.”

The tour bus business is an opportunity for Tunnel Duty Free and Taqtaq sees a lot of potential there, but he says this business has been challenge because of US Customs manifest regulations and because high vehicles are not permitted during the tunnel construction work.

Promotions are run monthly in the middle of the store and will probably be changed more frequently to keep customers interested, said Taqtaq. Tunnel Duty Free uses its website and social media platforms to communicate these promotions in a 360 approach.

Liquor is the number one category, followed by perfumes and cosmetics and tobacco, representing 95% of revenue.