

Duty Free Dynamics masters the art of distribution

By **Jas Ryat** on December, 27 2018 | Retailers



Nicolas Dobry, CEO at Duty Free Dynamics Corp. is enthusiastic about the upcoming year

Panama-based Duty Free Dynamics Corp (DFD) prides itself on being an enabler when it comes to the distribution of global and lifestyle brands in the Americas travel retail channel.

This past year the firm has focused on re-shifting its business model, turning DFD into a master franchisee of the brands it represents in airports, border shops, free zones, cruise lines, inflight and seaports.

DFD also counts on its strategic platform in Miami, which serves North America and the Caribbean, and a base in Buenos Aires, which takes care of sales in South America.

“It’s all about being closer to the points of sale,” said Nicolas Dobry, CEO at Duty Free Dynamics Corp. “We basically partner with the local operators to develop a hands-on approach, which could include the joint operation of monobrand boutiques or shop-in-shops.”

He continued: “Our offering is based in our strong value-added proposal, which entails our provision of a comprehensive set-up/operational manual, training of the floor sales staff, merchandising, communication and logistics support through our proprietary online platform, which in turn allows us be able to process and ship orders within a 72-hour timeframe.”

DFD focuses on watches, jewelry, sunglasses, outdoor products, footwear, apparel, travel gear, toys and electronics.

DFD’s expertise enables the efficient rolling-out of the business model at the sales site, as the firm is part of The Liberman Group’s consumer goods division and capitalizes on its resources.

Weathering the storm

Following the recent elections in Brazil, DFD has already started to notice good signs of recovery regionwide. Latin America’s travel retail business is highly influenced by the economies of its two major players: Brazil and Mexico.

Speaking about the performance of other countries in the region, Dobry said: “Mexico’s economy is highly influenced by the US, which is doing well right now and in turn has a very positive effect on our Caribbean business (inland and cruise ships), which is mostly driven by US travelers. The North American market (US and Canada) is new to us, since we have started covering it only one year ago.”

DFD’s expanded product categories

DFD started its operations with a focus on the watch category. Today, it is the company’s most established category, boasting brands like Oris, Luminox, Seiko, Guess and Timex.

The portfolio has swelled to offer outdoor items like sunglasses from a Californian brand Spy and Swedish brand Fjallraven, known for its backpacks and weatherproof clothing.



Leading technical brand backpack Osprey is a new addition to the firm's portfolio

This category is complemented by Osprey backpacks, one of the leading brands of technical backpacks in the US.

The footwear category is formed by Timberland and Toms, but will soon be complemented by other new brands.



Duty Free Dynamic's team collectively supports an innovative market approach

"We currently count with a seasoned business development team which is responsible for identifying and developing new categories/brand opportunities," said Dobry.

He added that until now, the travel retail landscape in the Americas was often limited to the traditional categories, such as fragrances, cosmetics, alcohol, confectionery, watches, jewelry and accessories.

And this is where DFD steps in. "We help them differentiate themselves from the other operators and compete with domestic retailing. During the course of Q1 2019 we will be introducing our initial product portfolio on the travel gear, apparel, toys and electronics categories."

Millennial impact

Dobry revealed that millennials have had an impact on developing the brand portfolio, and the company is therefore looking at expanding its outdoor offerings.

“We are also aware that millennials are constantly researching online, thus it is important to be where they are at – social media, etc – especially when they are considering buying a product,” he added.

This has encouraged DFD to improve the online experiences that partners are providing, ensuring product information is relevant and promotions capitalize on the experience of reserve and collect that some locations offer.

DFD recognizes that millennials have changed the POS experience, as they expect to interact “one on one” with the brand, as they do in social media, apps, and emails. They expect an easy and fast experience and it’s becoming more common to see self-service concepts and brands telling their stories differently, he said.

2018 has proven to be an outstanding year for DFD. Business has doubled, supported by the team’s innovative market approach.

The firm’s main focus is to strengthen its position in North America, airports, inflight and border shops. It also intends to increase the number of ships it is present on in the Caribbean and use this platform to supply the global cruise ship business to ensure continued growth into 2019.