

Lotte Duty Free wins Changi Airport's liquor and tobacco concession

Changi Airport Group (CAG) has announced today that it has awarded its major liquor and tobacco concession to Lotte Duty Free.

CAG said in a press release that Lotte's proposal stood out with its strong omni-channel and marketing ideas. Additionally, Lotte is the world's second largest travel retailer in terms of sales turnover and has extensive experience in the liquor and tobacco travel retail segment.

Citing Lotte Duty Free's experience operating in multiple markets such as Australia, Japan, New Zealand, South Korea and Vietnam, CAG said Lotte had a proven track record of operating at a scale like Changi Airport and possesses deep consumer understanding.

Over the years, Lotte has also won multiple awards for its branding, marketing and customer satisfaction, the latest of which is the Technology Success Story of the Year awarded by Frontier Awards held in Cannes, France. CAG believes that its partnership with will leverage the strengths of both parties to grow the concession at Changi Airport.

Lotte Duty Free will start operating the concession in June 2020. Changi promised that visitors will enjoy the "widest range of liquor products and brands housed within the 18 liquor and tobacco stores, all of which will be rejuvenated with fresh designs to appeal to both the connoisseur and new consumer segments, in particular the millennials."

Beyond that, CAG has plans to revamp the Terminal 3 liquor and tobacco duplex store's façade to maximize visual impact and visibility into both levels of the store. There are also plans to infuse all the stores with lifestyle elements and include experiential activations such as customised whiskey-blending. The stores will also have new liquor boutique concepts, specially curated zones with the latest and trendiest products in the world, in addition to annual large-scale consumer events.

Commenting on the award, Lim Peck Hoon, CAG's Executive Vice President, Commercial, said, "The Liquor & Tobacco concession is one of the largest at Changi Airport and it presents unique opportunities for marketing innovation and customer engagement. We were deeply impressed with the high quality of the tender proposals received and it was not an easy decision to make. We thank all the parties for their participation.

"Lotte put forth the strongest and most compelling proposal overall. It is aligned with CAG's vision to offer passengers a seamless omni-channel retail experience and new retail-tainment initiatives leveraging smart technologies. Lotte also demonstrated a keen understanding of the market environment with a sound business plan supported by a competitive financial bid and backed up by solid business fundamentals."

Kap Lee, CEO of Lotte Duty Free said, "I express my deep gratitude to Changi Airport Group for acknowledging Lotte Duty Free's strength and strategy. Winning the Changi Airport's Liquor & Tobacco duty free concession is of great significance in terms of establishing a bridgehead to achieve our vision of "Global No.1 Travel Retail". Lotte Duty Free will put its continuous efforts to grow as a global brand with Changi Airport."

This tender, which closed on August 26, 2010, is CAG's most significant leasing exercise since the last time it conducted tenders for the the Liquor & Tobacco and the Perfumes & Cosmetics concessions in ₁

2013. Lotte's contract is for a six-year term starting from June 9, 2020. The tenancy contract covers all 18 liquor & tobacco stores across Changi's four terminals, spanning more than 8,000 sqm of retail space.

CAG said renovation works for the store will be carried out in phases to ensure that customers continue enjoying great service.