

Dufry's Isabel Zarza talks about Africa's growing importance



Passengers resumed traveling as soon as the airports were open throughout Africa including Marrakesh, which immediately translated into increased sales

In this growing region, which is seeing a good rebound as each airport opens, Dufry is looking to expand into new countries and to find other ways to develop its infrastructure, says Isabel Zarza, Chief Operating Officer North & Central Europe, Russia & Africa.



Dufry's Chief Operating Officer North & Central Europe, Russia & Africa, Isabel Zarza says the economic growth in Africa signals a very strong future

Gulf-Africa Duty Free: Dufry's COO South America Gustavo Fagundes once told me that during challenging times, Dufry looks for opportunities to invest in. There have hardly been more challenging times than these. Has Dufry found ways to invest in Africa?

Isabel Zarza: 2020 was the most challenging year in the history of our company and the whole travel retail and tourism industry, with the pandemic causing airports to be closed worldwide, including Africa.

In terms of recovery, as a continent Africa is experiencing a comparatively better performance due to fewer travel restrictions and the recovery of travel between different countries within the continent.

Dufry is always looking for opportunities to grow and invest and has been doing so throughout the crisis. This of course applies to this region, where we are looking not only for new countries to expand into, but also for ways to invest in the existing infrastructure.

GADF: Leading up to the global lockdown, you had been completing quite a few renovations and new stores. I believe some, such as those in Madagascar, were meant to be opened in 2020. Did these go according to the original timeline, or were the projects put on hold or delayed?

IZ: The timeline for some of our refurbishments and new stores was inevitably impacted by the COVID-19 crisis, for example the one in Madagascar, which you mention. Here, our development was within the new terminal. Due to the pandemic the planned opening of the terminal has had to be postponed, which has consequently also affected our ability to open the store. We are in close contact with the airport and we will jointly seek to start operations as soon as possible.

GADF: How have things been throughout Africa? Do you have a combination of duty free and duty paid in the region? Were you able to sell to the local populations in some countries?

IZ: As a continent, Africa has a large, younger population and it has proven to be a more resilient location during the pandemic, which has translated into a better performance compared to other geographies. In general, our business in Africa is a duty free business, but we are also able to sell to local diplomatic customers through our downtown diplomatic shops.

GADF: Is your digital program open throughout the continent?

IZ: Digitization is a key focus for Dufry and the ongoing deployment of our digital strategy contributes to attract more customers to the shops, to increase customer touch-points and ultimately to drive sales. We do not approach digitization by whole continents, but always by assessing the specific requests and needs at every single airport and shop. Consequently, throughout our African operations our digital programs are at different stages of their implementation, depending on location and the digital capability in that particular area.



The large, young population and rapid resumption of travel has shown Africa to be a resilient region

GADF: Have digital sales been helpful during this time?

IZ: As already referenced in the response above, the digital capability is currently not as developed in Africa as it is in other continents. We have seen that digital sales have been very helpful in those locations where you can send the product to the home of the potential traveler – and mostly for duty paid items. Unfortunately, this is not feasible in Africa, however, since it is a duty free business and it is therefore necessary for the customer to leave the country to be entitled to purchase duty free goods.

However, despite some of the challenges in terms of implementing more digital solutions, Africa has recovered faster than other locations as previously explained.

GADF: My understanding is that Morocco, Kenya and Egypt are your three biggest locations in the region. Have any locations managed to do better than others during this time?

IZ: In Africa, we have a whole variety of locations featuring different passenger profiles such as tourists, business travelers, foreign residents and local people with respective differing reasons for traveling. However, we saw that here as well, all these passenger groups resumed traveling as soon as the airports were open, which immediately translated into increased sales.

GADF: What are your plans and expectations for the coming months/years in Africa? Do you have any new locations or recently won bids?

IZ: As the current evolution of the pandemic remains dynamic, it is not possible to give specific time-related indications on a location or country basis yet. But in general, we expect an ongoing improvement of the situation and the business throughout 2021 and we confirm our interest and faith in the recovery of the business in the continent and our commitment to be one of the key players in Africa, as we currently are.

GADF: Will you be starting to have any launches or activations starting up again?

IZ: Dufry stores will be bringing all the most relevant activations and launches of the travel retail sector to our customers as we have always done, as soon as recovery accelerates. It is difficult to make a general statement here, as these initiatives might differ location by location depending on the local traffic pick-up. In any case, we are working closely with our brand partners and suppliers to ensure that any plans are progressed in line with all required health and safety protocols, to provide a safe working and shopping environment for our staff and customers alike.

GADF: How will you deal with safety measures for these activations and launches?

IZ: Dufry is in full compliance with local legislation regarding this topic and brand partners/suppliers will also be implementing their own health and safety guidelines in our store spaces, alongside those of Dufry, to ensure that the health and safety of staff and customers is the foremost priority.

GADF: Is there anything else you'd like to discuss?

IZ: Whilst it's difficult to make a general comment about Africa as it's a continent made up of many different countries, languages and cultures, one thing we can say, is that overall it is a very young continent.

In 50 years, a quarter of the world's population will be living in Africa, and the economic growth that can therefore be anticipated signals a very positive future for this diverse continent.