

Ermenegildo Zegna, an Italian luxury fashion house, is one of the brands that Lagardère Travel Retail offers at Wuhan Tianhe International Airport

Confident about China

Eudes Fabre, the CEO of Lagardère Travel Retail Greater China tells *Asia Duty Free Magazine* how its long-term presence in China helps it better understand the Chinese consumers

BY ELENA OWYONG

Lagardère Travel Retail has revealed to *Asia Duty Free* that consumers can look forward to a wide range of luxury fashion and international beauty brands at the upcoming Beijing Daxing International Airport.

The new travel retail space, which is expected to be ready in October 2019, will house well-known brands such as Emporio Armani, Gucci, Versace, Pandora, Jimmy Choo, MCM, and Kenzo.

A growing demand for luxury goods in China

During the interview, Eudes Fabre, CEO of Lagardère Travel Retail Greater China, says China's travel retail industry is benefiting from the continued development of infrastructure and airport commercial spaces.

Another factor is the Chinese government's goal of boosting domestic consumption, with an increasing amount of luxury purchases made at home instead of overseas.

Given these favorable conditions, it is no wonder that many travel retail operators are opening new stores to tap into the lucrative China market.

Despite the increased competition, Fabre is confident that Lagardère retains a competitive advantage over other travel retailers in China.

"Our long-term presence in China gives us a good understanding of the market needs and nuances. We are also well known for our ability to bring in a broad portfolio of both international and local brands," said Fabre.



Eudes Fabre, CEO of Lagardère Travel Retail Greater China, is confident that the company's extensive experience in the Chinese market allows it to better understand how to engage with its customers

He added that Lagardère broad geographic reach, fully-empowered local teams and ability to deliver international standards of operational quality are also important assets for their future development.

Lagardère opened its first mainland store in 2007. It currently has over 250 retail and food and beverage units in 15 airports and 30 railway stations in China, with plans to open retail spaces in three new airports in 2019, including the new Beijing Daxing International Airport.

Understanding the market

Lagardère's experience in the Chinese market has allowed the operator to better understand how to engage with its customers.

This is evident in the new 8,000 square meter master concession that was set up at Wuhan Tianhe International Airport in October last year.

When asked about the deciding factor that resulted in Lagardère winning the Wuhan Tianhe Airport Terminal 3 concession, Fabre shared that the company worked in close partnership with the airport company and brands to create an offer on par with the best international airports, with a balance of international, national brands and local favorites.

Elaborating on the partnership with Wuhan Airport, Fabre said that from the early stages of the leasing of the concession space in the new terminal, Lagardère Travel Retail worked with Wuhan Airport

to identify potential brands that would meet the needs of travelers and contribute to achieving the goal of putting Wuhan Airport in the league of the world's best airports in terms of commercial offer.

He also pointed out that as capital of China's Hubei province, Wuhan has a proud history, strong culture and unique cuisine, all of which are highlighted in the new Terminal 3.

"Proper planning, flexible use clauses and an equitable sharing of risk and reward between stakeholders enable us to deliver a world-class commercial offer

to fast-growing, medium-sized airports," Fabre said.

According to Fabre, the Wuhan store is a milestone for their development in the region and he expects it to have strong traffic growth.

"Wuhan Airport is an important concession for Lagardère Travel Retail Asia Pacific, not only by virtue of its size, but also because it is a powerful demonstration of the value created by our unique '3 business line' development strategy, encompassing travel essentials, luxury and food and beverage," said Fabre. Fabre noted that Wuhan has a massive market size of 23 million people, as of 2017.



Enhancing the passenger experience

With an emphasis on enhancing passenger experience, the new Wuhan stores offer a loyalty program and home delivery services. There is also a VIP Lounge for high potential customers. These customers are not necessarily those who spend the most, but those who showed keen interest in the products and could become loyal customers.

Lagardère Travel Retail's desire in enhancing passenger experience is also reflected through the Wuhan store designs and tenant mix.

For instance, the brand line-up includes many celebrated local food and beverage such as Old Hankou and Yiping that specialize in Hebei food. Local Wuhan heroes also appear in the form of packaged food, fashion, gifts and souvenirs. **A**

Eudes Fabre (on the far left), CEO of Lagardère Travel Retail Greater China, at the opening of the Wuhan Tianhe International Airport master concession in October last year

