



Gebr. Heinemann
Gegründet 1879

Gebr. Heinemann & Russian Travelers

*A Travel Retailers view
on a special target group.*

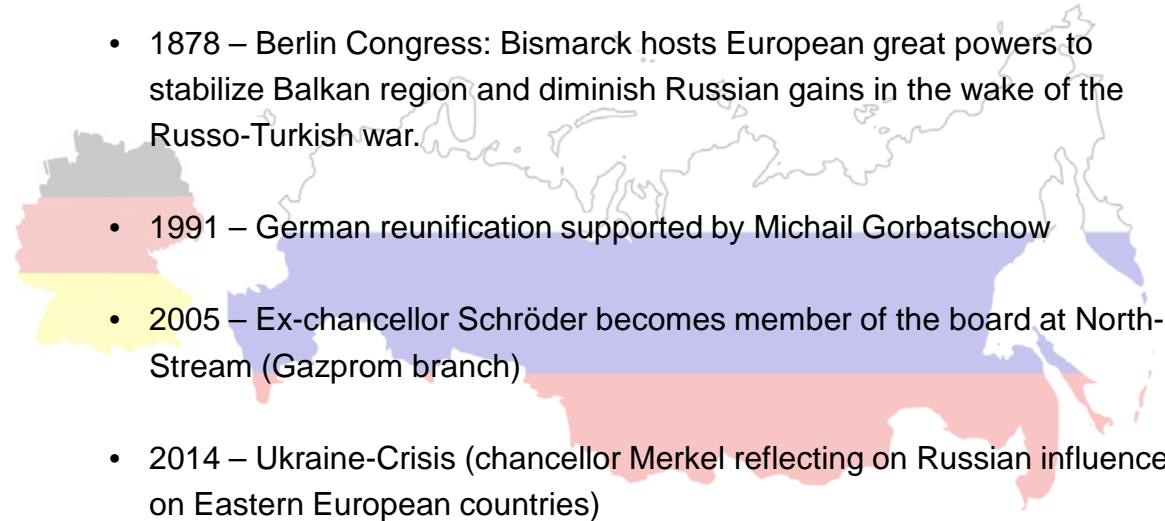
P. Irion, 24.11.2015



An ever-changing history: Russian – German relationship



- 1879 – established in Hamburg, Germany
- 1979 First business in Russia
- 2014 Holistic individual customer information on Russian B2C customers

- 
- 1878 – Berlin Congress: Bismarck hosts European great powers to stabilize Balkan region and diminish Russian gains in the wake of the Russo-Turkish war.
 - 1991 – German reunification supported by Michail Gorbatschow
 - 2005 – Ex-chancellor Schröder becomes member of the board at North-Stream (Gazprom branch)
 - 2014 – Ukraine-Crisis (chancellor Merkel reflecting on Russian influence on Eastern European countries)

Gebr. Heinemann positioning in Russia / CIS.

- In 10 years the market share of Gebr. Heinemann has **grown from 5% to over 40%**.
- By the end of 2014 we will do business in **20 of the top 22 airports in Russia** and **7 of 8 airports in Ukraine**.
- Retail development with **operational responsibility in 10 airports** in the region.



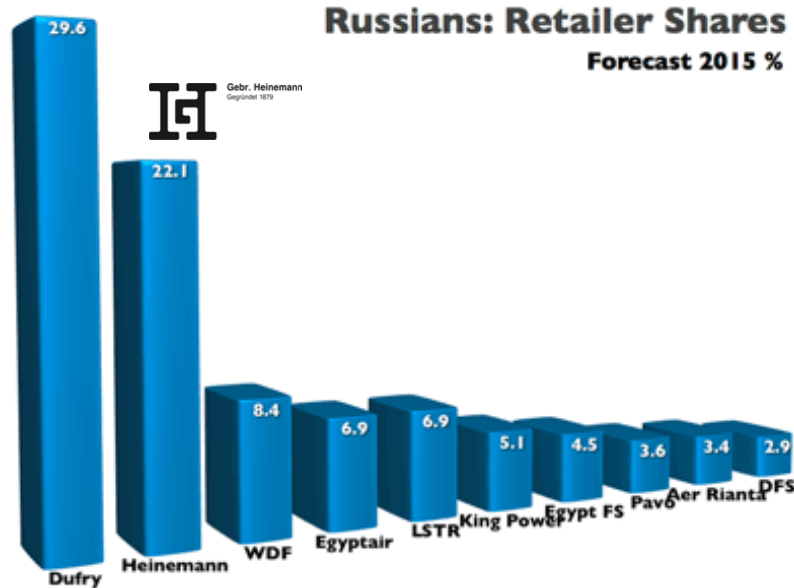
Development of Retail Spaces in sqm.			
Airport		2012	2014
Moscow	Sheremetyevo	2.500	4.500
	Domodedovo	150	400
	Vnukovo	-	300
St. Petersburg	Pulkovo	600	700
Novosibirsk		-	1.600
Volgograd		-	300
Samara		-	1.100
Kiev		800	3.300
Odessa		-	400
Vilnius		800	900
TOTAL		3.850	12.500



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- organic growth
- new spaces

Gebr. Heinemann and Russian travelers



*Source: Air4casts.com



Development of Travel destinations for Russian travelers

- Top 10 destinations:
 - Turkey + 14%
 - Egypt + 4%
 - Italy + 3%

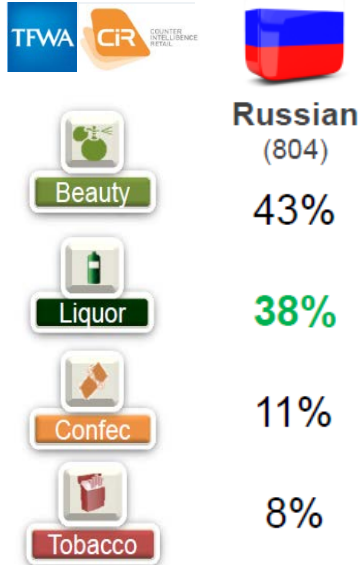
- Further destinations
 - Kazakhstan +100%
 - Serbia + 65%
 - Moldova + 53%
 - Hungary + 48%



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Customer survey vs. customer behavior

Category share



Category Share*

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(N = 634.317)

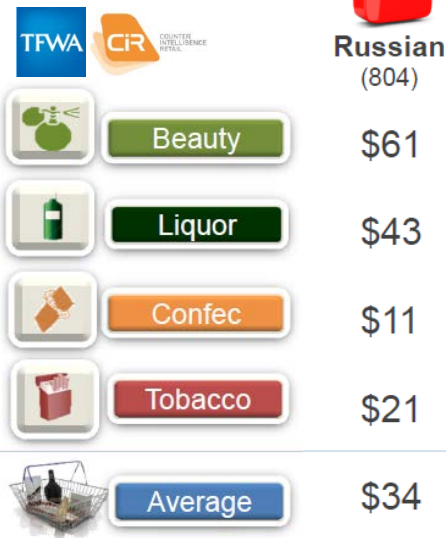
43%

25%

10%

3%

Spend per item



Spend per item

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(N = 634.317)

\$ 55,13**

\$ 28,15

\$ 9,41

\$ 52,85

\$ 30,86

*Missing 19% to 100%: Acc./Textil, Toys, Fine Food ...

** 1€ = 0,8 US\$



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Russian Customer Profile: Reliable Luxury buyers

- **51% of Russian travelers visit duty free shops on every flight,**
- **only 13% never visit Duty Free shops.**

- **47% of all Russian shop visitors buy on every flight,**
- **another 26% at least on every other flight.**

- **Average transaction value is 110,93 US\$ (cashier data) resp. 97,50 US\$ (survey).**
- **Russians prefer luxury brands!**

LTC (46%)	PC (44%)	Acc. (10%)
Liquor (56%) 01. Hennessy 02. Courvoisier 03. Chivas 04. Rémy Martin 05. Camus	Women's Fragrances (41%) 01. Chanel 02. Dior 03. Lancôme 04. Dolce & Gabbana 05. Gucci	Accessories (97%) 01. S. Ferragamo 02. Burberry 03. Versace 04. Etro 05. Bvlgari
Wine/ Champagne (14%) 01. Moët & Chandon 02. Veuve Clicquot 03. Louis Roederer 04. Dom Pérignon 05. Blue Nun	Men's Fragrances (16%) 01. Chanel 02. Dior 03. Boss 04. Giorgio Armani 05. Hermès	Fashion (3%) 01. Boss 02. Shanghai Tang 03. Etro 04. Napapijri 05. Cheap Tricks
Confectionary (22%) 01. Lindt 02. Niederegger 03. Toblerone 04. Godiva 05. Nestlé	Skin Care (25%) 01. La Prairie 02. Clarins 03. Lancôme 04. La Mer 05. Biotherm	
Tobacco (7%) 01. Marlboro 02. Vogue 03. Davidoff 04. Parliament 05. Cohiba	Color Cosmetics (18%) 01. Dior 02. Lancôme 03. Chanel 04. Yves Saint Laurent 05. Guerlain	



Russians are not Russians

	German customers FRA 2014 YTD	Russian customers FRA 2014 YTD	Russian customers BER (TXL/SXF) 2014 YTD		Russian customers SVO 2014 YTD
Average Transaction Value	43,- US\$	116,- US\$	97,- US\$		84,- US\$
Pcs. / Transaction	1,6 Pcs.	3,7 Pcs.	4,1 Pcs.		2,2 Pcs.
Average Product-Value	26,- US\$	31,- US\$	24,- US\$		28,- US\$

- Customer behavior reflects customer journey, retail environment, assortment and customer communication.
- E.g. FRA = 10.000 sqm retail space, huge walk-throughs, new terminals SVO = 2.500 sqm
TXL/SXF = 4.000 sqm retails space, small shoe box shops, overcrowded terminal



Learning: We need to know the individual customer



Customer Journey

- Many touch points
- different messages
- different target groups

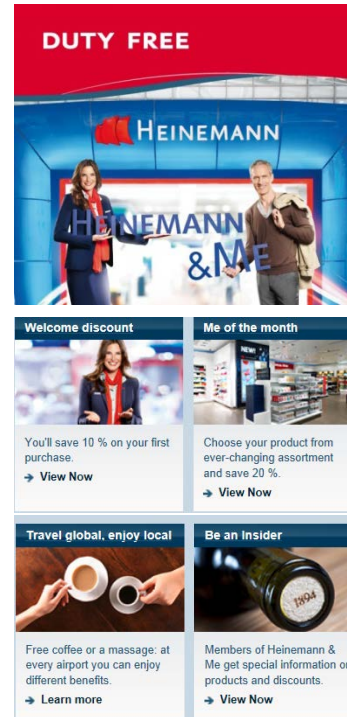
➔ Solution: 1:1 communication



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Our motif = customer benefit: Buy more get more

- 10% **Welcome coupon**
 - 20% **Me of the month**
 - **10€coupons** (e.g. birthday gift)
 - 10€ **coupon accommodation:** thank you for customer feedback/ or complaints
 - **Local Services** (e.g. free beverages, discount on hotels, car rentals)
- > Development of benefits, creating a range of strong and simple offers added with attractive local services!**



- An integrated customer engagement program with customer benefits alongside the entire travel chain:
 - **Booking**
 - **Airport**
 - **Airline**
 - **Rental Car**
 - **Food & Beverages**
 - **Retail**
 - **Hotel**



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A Russian Customer Profile



Heinemann & Me

HME-Number 9060*****
Member since 30.08.2012

- Recruited at VIE
- Welcome Voucher US\$ 1.587.50
- Me of the month US\$ 1.434,03 (used 10 times)
- Birthday Vouchers €0 (not used)
- Articles total 328 Pcs.
- Transactions Total : 31



Newsletter

Advokatlit*****@mail.ru

- 26 Newsletters received
- 9 opened
- 9 click-through
- 0 pre-orders
- 0 home-deliveries



Miles & More

Status SEN

- Nr. 9920020158****
- Period: 08.2012 – 10.2014
- Turnover: US\$ 31.570,70
- Miles collected
 - Heinemann Duty Free: 25.256
 - Extra Miles: 246



Facebook

- No interactions with Heinemann Duty Free



Customer Service

Calls to Customer Service

- 0 pre-orders
- 0 extra orders (not listed products at POS)
- 0 specific order (brand not listed in webshop)
- 0 home delivery



Retail POS Turnover:

A) VIE

- Total: US\$ 31.570,70 (38 Transactions, 390 Pcs)
 - ATV: US\$ 830,39
 - PCS/TA: 10,8

B) SZG

- Total: US\$ 7,61 (1 Transactions, 1 Pcs)
 - ATV: US\$ 7,61
 - PCS/TA: 1



Pre-Order

€0,-

- 0 pre-orders (online)



Home Deliveries

Total spending €0,-

- 0 Home Delivery Transactions
- 0 Pcs. per order
- Delivery address: -

Customer Profile

Alexey L****

Nationality: Russian

Titova St. **, 350062
Krasnodar

Telephone: +7861*****

Mobile: +7918*****

Birth date: **, **.1975

Age: 39

Main Airport: VIE

Company: **** (Legal
Consultants)

Job profile: Lawyer



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Purchasing History Alexey L*****

	Transactions	Turnover
Dez 11	1	357,90 EUR
Jan 12	3	759,50 EUR
Mrz 12	1	541,40 EUR
Mai 12	1	863,50 EUR
Jun 12	1	1.070,00 EUR
Aug 12	1	1.143,00 EUR
Dez 12	1	632,60 EUR
Jan 13	3	1.857,80 EUR
Apr 13	1	1.035,00 EUR
Jun 13	1	1.237,80 EUR
Jul 13	1	1.227,80 EUR
Sep 13	1	1.942,50 EUR
Okt 13	1	1.232,60 EUR
Nov 13	1	696,00 EUR
Dez 13	2	2.430,70 EUR
Jan 14	4	1.548,10 EUR
Mrz 14	1	630,00 EUR
Apr 14	1	770,60 EUR
Mai 14	2	905,80 EUR
Jun 14	3	1.040,00 EUR
Aug 14	1	522,20 EUR
Sep 14	4	1.246,16 EUR
Okt 14	3	1.559,60 EUR
	39	25.250,56 EUR

Spirits (Selection of purchases)		
Roederer Cristal GP 0.75L	2.030,00 EUR	12 ST
Veuve Clic. La Gr. Dame 0.75L	1.149,00 EUR	11 ST
Veuve Clic. Brut Rosé 0.75L	499,80 EUR	10 ST
Macall Makers Ed. 42.8% 0.7L	2.049,50 EUR	17 ST
Dom Pérignon Rosé 2000 0.75L	1.134,00 EUR	4 ST
Hennessy XO 40% 1L	410,00 EUR	2 ST
Balv 30y 47.3% 0.7L	1.138,00 EUR	2 ST
Cosmetics (Selection of purchases)		
Dior J'Adore EDPS	195,00 EUR	2 ST
Chanel Bleu SG	100,70 EUR	4 ST
Dior Fahrenheit. EDTS	130,00 EUR	2 ST
Dior J'Adore EDTS	131,30 EUR	2 ST
Bieber Girl EDPS	124,60 EUR	3 ST
Lancô Rénergie SER	72,00 EUR	1 ST
Cliniq Repairwear SET	306,00 EUR	3 ST
Arden 8-Hour SET	28,50 EUR	1 ST
Chanel Correcteur CONC	28,50 EUR	1 ST
Sisley Masks MSK	84,00 EUR	1 ST
Cliniq 3 Steps SF	18,50 EUR	1 ST
Lancô Rénergie DCR	82,00 EUR	1 ST
Lancô Rénergie ECR	56,00 EUR	1 ST
La Pra Anti Aging ECR	119,00 EUR	1 ST
La Pra Anti Aging S	170,00 EUR	1 ST
La Pra Anti Aging CR	151,00 EUR	1 ST



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Customers you know are better customers

	German customers FRA 2014 YTD	Russian customers FRA 2014 YTD	Russian customers BER (TXL/SXF) 2014 YTD	Russians at Heinemann & ME 2014 YTD	Russian customers SVO 2014 YTD
Average Transaction Value	43,15 US\$	116,05 US\$	97,96 US\$	256,76 US\$	84,25 US\$
Pcs. / Transaction	1,6 Pcs.	3,7 Pcs.	4,1 Pcs.	5,5 Pcs.	2,2 Pcs.
Average Product-Value	26,97 US\$	31,65 US\$	24,09 US\$	42,34 US\$	28,49 US\$

- It really pays off !!!



Thank you!

