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## Changi Airport Group awards Liquor & Tobacco concession tender to Lotte Duty Free

**SINGAPORE, 24 Oct 2019** – Changi Airport Group (CAG) announced today that it has awarded its core-category Liquor & Tobacco concession tender to Lotte Duty Free (Lotte). This award marks the start of an exciting new chapter in Changi Airport's retail history, as it would be the first time a new operator would be taking the helm of this key concession.

The proposal from Lotte stood out with its strong omni-channel and marketing ideas which will propel CAG's travel retail strategy forward. Lotte,

the world's second largest travel retailer in terms of sales turnover, possesses extensive experience in the travel retail industry including in the liquor & tobacco segment. With concession experience in markets like Australia, Japan, New Zealand, South Korea and Vietnam, it has a proven track record of operating at a scale similar to that at Changi Airport and possesses deep consumer understanding. Lotte has also won multiple awards over the years 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. The CAG-Lotte partnership will leverage the strengths of both parties to grow the concession at Changi Airport.

When Lotte starts operations in June 2020, passengers at Changi can look forward to 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. The iconic Terminal 3 Liquor and Tobacco duplex store will see a complete revamp of its store façade to maximise visual impact and visibility into both levels of the store. In addition, all stores will be infused with lifestyle elements and packed with experiential activations, such as product personalisation in the form of customised whiskey-blending. They will also sport new and exciting liquor boutique concepts and specially curated zones featuring the latest and trendiest products in the market. All these, together with a host of annual large-scale consumer events, will raise the shopping experience at Changi Airport to new levels.

Ms 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."

Mr 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."

The award of the Liquor & Tobacco concession concludes a detailed evaluation process undertaken for the tender, which closed on 26 August 2019. The tender attracted interest from top travel retailers with international operations and experience. The proposals received were evaluated based on a holistic set of criteria covering both qualitative and quantitative factors.

This tender was Changi Airport's most significant leasing exercise since the last round of tenders were conducted for the Liquor & Tobacco and the Perfumes & Cosmetics concessions in 2013. The contract awarded to Lotte is for a six-year term commencing on 9 June 2020. The tenancy contract covers all 18 liquor & tobacco stores across Changi's four terminals, spanning more than 8,000 sqm of retail space.

The transition towards the start of the new concession will be planned carefully with both the incoming and outgoing tenants. Renovation works in the stores will be conducted in phases to ensure that customers continue to enjoy a high standard of service.

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### ***About Changi Airport Group***

Changi Airport Group (Singapore) Pte Ltd (CAG) ([www.changiairportgroup.com](http://www.changiairportgroup.com)) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport (IATA: SIN, ICAO: WSSS) followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. CAG also manages Seletar Airport (IATA: XSP, ICAO: WSSL) and through its subsidiary Changi Airports International, invests in and manages foreign airports.

The world's seventh busiest airport for international traffic, Changi Airport

managed a record 65.6 million passenger movements in 2018. The airport's latest gem, Jewel Changi Airport, opened in April 2019 and now attracts millions of visitors every month. Including Jewel, Changi Airport's retail and dining offerings total more than 500 stores and over 260 F&B outlets. With over 100 airlines connecting Singapore to 380 cities worldwide, Changi Airport handles about 7,400 flights every week, or about one every 80 seconds.