

“Duty Free City is a border store for the purpose of offering marvelous products and services, at duty free prices for consumers who are shopping prior to crossing the border,” says Rudner.

“We will be offering manicures and pedicures where we sell nail products, and salon services where we sell haircare, and give make-overs where we sell the make-up. We will have a barbershop and give shaves in the men’s area—where we will be selling products from brands including Shiseido, Lab Series, Clarins, and L’Occitane,” she said.

“We have a full confectionery offer and a nice kids area with interactive entertainment that will be in a closed off

area with a dedicated staff member (not a babysitter, she clarified). We will be selling toys from Melissa & Doug, Disney and many other fine brands. The food offer includes a City Café, where we will have deli, and sandwiches and coffee, and a Vino Lounge with daily wine tastings.”

The Competition

Although there has been some speculation in the duty free media that Duty Free City may be challenging the duty free stores now operating in San Ysidro, particularly Duty Free Americas and Baja Duty Free, CFO Attias dismisses the charge.

“We have only the utmost respect for

DFA and all of the other operators on the border. They are huge and established, so we had to have a difference. That is why we created this business model,” he tells *TMI*.

It is not surprising that the new company chose San Ysidro for its first venture. Nearly 110 million people cross the San Ysidro border every year, spending approximately \$5 million dollars daily while shopping at retail locations. Duty Free City opens just before the much-anticipated US-Mexico border expansion project, estimated to be completed in 2016, and it says that its location on East San Ysidro Boulevard, San Diego, is ideally situated to benefit from the expansion.

New open layout and improved flow helps Queenston-Lewiston DF weather lower trans-border traffic

Queenston-Lewiston Duty Free, located at Queenston-Lewiston Bridge on the Canadian border with the United States, has used its new larger store with its more open layout to reach as many travelers as possible, says Queenston-Lewiston Duty Free Manager Jim Foster.

Foster, who runs the store with his brother Chris and sister Katie, along with their father Randy, says the layout of the new store has made the biggest difference since opening in September 2012.

“We grew about 25% with the new store. We started off 25 years ago with a rectangular building. The layout wasn’t optimal. Now it is a very open concept. You can see everything and that helps for customer experience. There are no hiding spots. The flow is very nice. It is a much cleaner, very easy, relaxed experience for customers,” says Foster

The retail area grew from 5,935 sqf to 8,900 sqf while total area increased from 16,320 sqf to 31,000 sqf.

Foster says they built the new store, which is located 500 feet away from the bridge, because the bridge needed to reroute the traffic to move the trucks away from the cars.

“They did a facelift of the whole Canadian plaza. We were the last piece of the renovation.”

The construction of the new store coincided with a large decline on the Niagara border of vehicle traffic to almost 300,000 vehicles crossing into the United States in 2013.

“There was a significant decline in the number of vehicles on the bridge, but we still managed to do well. Part of that was doing more things instore, more promotions, better signage in and around

the plaza, the better presence that we have in the plaza as travelers are driving up to the building,” says Foster.

“We built the store for the future. We did not anticipate a significant jump in business right away. There is the curiosity factor that we definitely benefited from last year, but over the next 5, 10, 20 years the bridge is going to get busier. Hopefully they are going to renovate the plaza on the US side with more customs booths. So our traffic should increase.”

Queenston-Lewiston Duty Free continues to work to improve its store, adding some new areas for promos and impulse items, expanding its jewelry and fashion area, and building a custom icewine unit.

“We knew that we weren’t going to get it 100% right when we built the new building. We wanted to see how customers



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were interacting with the different areas. Now that we have some time under our belt we are able to make some changes that are going to further improve the flow and improve our ability to increase our average sale.

"Jewelry and fashion accessories are growing areas. We've been a little more experimental trying different brands and the way we are merchandising. We brought in additional brands over the last couple of years. I think that has driven a lot of the increase."

Queenston-Lewiston customers are made up of 80% Canadians, with most coming from the Greater Toronto area and Hamilton, says Foster.

"Because of how the highway system is configured in the states our bridge provides a little more accessibility to the eastern US, people going to New York, Rochester, and Syracuse."

Foster says his store has done an improved job of selling higher-end items to its customers.

"We've noticed that people tend to

buy up now. We try to do a good job of putting the higher-end merchandise up front and center. The multi-packs have prime locations. The higher-end products are more at head level.

"We constantly work towards featuring higher-end brands. I think the customer is also intelligent; they are starting to understand how to get the biggest value when they take a trip.

"If you are going to drink a bottle of Grey Goose this year, you are better off buying it at duty free and saving a larger amount of money relative to the US liquor store or the LCBO than to buy something less expensive."

Signage plays a significant role in both drawing the customers into the store and influencing the final sale.

"Once the customers are in the store we take advantage of every opportunity to inform them about why they should shop duty free and the types of items they should buy. There is signage in the washrooms, there is signage on the way to the washrooms, there are promo sheets when

you enter the retail floor. We are trying to get that information into their hands as early as possible and try to convert them, and try to increase that average sale by showing them the savings, messaging, different promotions to encourage buying up," he says.

"I think it is systematic. We are very pragmatic about looking

at a customer entering the plaza and what different opportunities we have to talk to that customer and convince him to buy and to buy more."

While Foster admits that lower traffic negatively impacted sales, he says the promotions were a big driver of the store's success.

Foster says that they ran promotions that concentrated on talking to customers, making sure the customer was aware what they could buy, and how they could maximize savings. "We put a tasting bar in the new store so customers can experience a taste before they buy as one way to upsell customers," he says.

Queenston-Lewiston tries to do different promotions every month to keep things fresh, especially for the customers who come in semi-regularly, says Foster. "We are more experimental than in previous years."

Queenston-Lewiston Duty Free is a family business, which Foster says helps the store run smoothly.

"I manage HR, oversee some financials, and take care of marketing. Katie handles fragrances and cosmetics, and does more of the operational work and the day to day paperwork. Chris buys confectionery, jewelry and deals with product placement. Our father Randy is also still involved in the business providing great leadership and strategic support" he says.

"Communication is constant, which is great. We are constantly talking about how to make things better. I think the level of care that we have for our employees and for resolving issues and the general operation is a lot higher because we have such vested interest. I think that shows."





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