

to move around and chose the right brands, especially in a growing category such as sunglasses, and in accessible luxury.” Accessories account for around 6% of sales, but the category climbed by about +15% year-on-year in the first seven months of 2017.

The store then opens out beyond accessories into a large space for beauty, the category that accounts for about one quarter of the airport’s retail business.

There are clear, clean lines dividing the sub-categories – as one would expect from a store with a strong Heinemann influence. From an already high

## Maximising the F&B opportunity

Dubrovnik Airport’s new terminal doesn’t only provide a transformed retail offer; it is also home to a more diverse food & beverage range than existed before.

The business is run by a 50:50 joint venture between Dubrovnik Airport and Newrest Croatia, a division of French catering specialist Newrest, which operates in multiple sectors, including travel, in 49 countries. Newrest came to Dubrovnik in 1998 (then as Eurest) with a firm focus on airline catering, but today its business is led by the airport, with airlines only around 25% of its sales.

At Dubrovnik the alliance (under a seven-year concession) continues to put the final touches to its dining offer with the recent opening of a café on the first floor (pictured), adjacent to two speciality fashion & accessories boutiques and a nearby outdoor terrace. This complements a fast casual airside offer on the ground floor, which sells mainly snacks, sandwiches and salads, freshly prepared each day in a kitchen close to the airport.

“We aim to match the expectations of travellers by offering a fresh range at reasonable prices,” says Newrest Croatia Country Managing Director Michal Debreceni. “With many low-cost carriers, which charge for food onboard, we have an opportunity to target the consumer with a good quality range before they depart.”

Penetration levels are at around 22%; but this is up from 20%

in the previous terminal, so it’s heading in the right direction.

“The next steps are to finish the signage and marketing, especially to guide people upstairs,” Debreceni continues. “The flow of passengers in the terminal is not ideal, with travellers using gates 1 to 6 not really encountering the outlets, so we haven’t seen its full potential just yet.”

Soon the company plans to boost the portfolio with an innovative partnership with Croatian coffee brand Franck. It also plans to work with small craft brewers from the region to highlight Croatia’s excellent beers. For now, the airport is too small to command the entry of popular brands that Newrest operates elsewhere, such as Paul and Quick.

A soon-to-be-completed third floor food court will bring further opportunity, with the new area open to staff and passengers.

The future may also look different, notes Debreceni. “We would like to build a distinctive offer here. There is room for more coffee options and there is a demand for hot food, which we will try to meet. We will keep our philosophy of producing fresh food daily and extend from there with a focus on quality, service and innovation.

“It is a good partnership, and has delivered strong financials. In the past five years we have doubled sales and increased profits four-fold. And there is more to come.”

