

Auckland Airport transitions to single operator model with Lagardère AWPL



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Auckland Airport has announced that it has selected Lagardère AWPL as its duty free partner, as it transitions to a single duty free operator next year.

From September 2023 onward, Aelia Duty Free (owned by Lagardère Travel Retail SAS) will be the main duty free retailer operating at Auckland Airport, after successfully winning an extension of its contract until mid-2025.

It's expected that both Aelia Duty Free and The Loop Duty Free (operated by Aer Rianta International) will continue trading at Auckland Airport until their licences expire and the transition to a single operator takes place.

Property & Commercial General Manager Mark Thomson says duplicated duty free offerings are a rarity in international airports, with only two of 112 other international airports similar in size to Auckland Airport operating dual models.

“The competitive retail landscape has shifted dramatically in recent years and the pandemic has only accelerated this. With the evolution of online shopping and smart phones, shoppers are far more savvy and sophisticated, and the scope of competition between retailers has fundamentally changed.

“In this ever-changing environment, we need to look for ways to make duty free shopping even more relevant and exciting for travellers, providing them with a greater range of product choices and a

retail experience they can't easily find elsewhere on the high-street at competitive prices.

"Lagardère AWPL and Aer Rianta International each put forward fantastic proposals for short-term extensions, and it was a tough decision as both are world-class operators. However, we are confident that transitioning to a single duty-free operator with Aelia Duty Free will invigorate the duty-free experience at Auckland Airport and enable further investment by top international brands, a world-class range of products on offer at competitive market prices, and increased innovative experiences for shoppers," had adds.

Thomson also notes that Auckland Airport has opted to extend only one duty free licence until June 2025, when a full tender process will complete for a longer-term contract.

"We have enjoyed a successful seven-year partnership with Aer Rianta and would like to acknowledge the fantastic service the team at The Loop Duty Free continue to provide customers.

"They are valued members of the wider Auckland Airport team, who stepped up to serve passengers during the COVID-19 pandemic and as the border gradually reopened earlier this year. Auckland Airport will work with the Aer Rianta International team to plan an orderly transition of operations to the successful operator later in 2023," he comments.

Auckland Airport sought to move to a single duty free operator 13 years ago, however this did not take place at the time following Commerce Commission concerns about the nature of market competition at that time.

"Since this review took place, the competitive landscape for retail trading has shifted significantly. We are confident a single operator model will deliver a greater customer experience that is no less competitive when compared against the current dual operator model," concludes Thompson.