



Francisco Heredia Lafuente **London Supply**

Pioneering vision in South America

London Supply began as a ship chandler in Buenos Aires over sixty years ago. Today the company operates several business units – including wholesale distribution, airport and port terminal management, ship chandling, and duty-free shops – throughout the Argentine Republic. Duty-free shop management is considered the core of the London Supply business. Through in-depth customer insights and retail innovation, London Supply has plans for major growth in the coming years, explains Francisco Heredia Lafuente, Commercial Manager, London Supply, fondly known to all in the industry as 'Paco'.

How long have you been in your role and what are your key responsibilities and objectives?

I started working for London Supply almost 25 years ago, managing the duty-free shops on board the ferries that link Argentina and Uruguay. Nowadays I am the commercial manager of the company, managing all our point of sale of the duty-free shops division. I also oversee the new projects division.

Where does London Supply operate - which countries, which airports and ports?

London Supply operates solely in Argentina managing the airports of Ushuaia and Río Grande (Tierra del Fuego Province), El Calafate (Santa Cruz Province) and Trelew (Chubut Province). In addition we operate the Duty Free Shop of Puerto Iguazú (Misiones Province), which has won several awards as a retail environment, and was one of the first walkthrough duty-free stores in the world. This shop is unusual because it's like a state-of-the-art airport store but this is not an airport – it's an inland border store because the famous Iguazú Falls here are on a border into a duty-free zone. There is a big tourist pull here, and the store has become an additional reason to visit, offering different product departments displayed with real theatre and style.

In travel retail what are the company's strengths, and how do you plan to grow in the next few years?

Our main strength is the innovation. The company has always innovated in the way it presents product and engages with customers.



Thanks to it we won the Frontier Awards three times. Our strategy now is to keep building on that. In terms of economic stability South America has had some volatile times but today these have largely been overcome so we have a positive outlook on the future.

What was trading like in 2010?

It was fantastic! We grew sales 55% in the year to December 2010. We are seeing good sales growth not just in traditional categories for travel retail – fragrances, confectionery, liquor, fashion – but also in sports goods, electronics and toys. For 2011 we forecast another good year with figures around +40%.

What specific challenges do you face in your region?

We will need to work hard to maintain the special concept of the duty-free in the region. Travel retail in South America is incredibly important to shoppers here, because some of the best luxury retail environments, offering the widest range of world famous brands, are found in the duty-free stores. So we need to keep working with the brands to provide this element of excitement throughout South American travel retail.

Who is your target audience and how do you encourage higher spend in your outlets?

We target South Americans in general, but Brazilians have proved to be the engine of the travel retail industry today. As well as Colombians, Chileans, Argentineans and Brazilians, we are increasingly catering for Europeans, Japanese and North Americans. The strategy is to offer the best brands of the world at the lowest price, in the best atmosphere. **DM**

PERSONAL FILE

Born Argentina, 1965

Lives today Buenos Aires, Argentina

Drives Chevrolet Captiva 4x4

Gadget of choice BlackBerry and Mac Book Pro

Favourite film Lord of the Rings

Best part of the job Knowing people and places

Ambition for 2011 Reach a quarter century in London Supply!