



## DFP's PERFORMANCE HIGHLIGHTS FOR FY 2013

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### *Sales*

**Duty Free Philippines** posted sales of **\$237 million**, a \$3 million increase over 2012 sales of \$234 million but \$3 million short of the \$240 million target for 2013.

The non-achievement of target may be attributed to the recent calamities affecting the international travellers and balikbayans' shopping and spending behaviour as well as the imposition of Sin Taxes on liquor and cigarettes. The Sin Tax bill does not exempt Duty Free Philippines from taxes hence prices of DFP's liquor & tobacco products have become uncompetitive gravely affecting the viability of the business.

### *Marketing*

However, the overall sales momentum was driven by various intensified marketing and advertising campaigns implemented at the Fiestamall, DFP's flagship store, such as the Peso Power Weekdays (wherein exchange rate used was P39 to \$1), gifts with purchases and in-store raffle promos as well as the continuing print and social media efforts which helped in boosting market awareness of DFP and enticed potential customers to visit the stores. DFP's new Christmas TVC with Richard Yap as new endorser also pushed awareness of DFP to greater heights with 400,000 plus views since it was uploaded on YouTube in November.

Through all these aggressive traditional and digital marketing efforts, customer count at the Fiestamall registered a positive increase of 3% with pax count from 294,929 in 2012 to 304,579 for 2013, finally halting the year over year decline since 2009.

### *Merchandising*

Merchandise quality and value were improved and line-up further expanded through the introduction of new global brands in almost all product categories (such as Desigual, Chloe, Mandarin Duck, Roberto Cavalli, Prada and Narciso). Merchandise exclusive only to DFP, such as Johnnie Walker's The Spice Road, were also launched. More Philippine-made products such as the Haliya light fruit wines were also offered in line with the reverse '*pasalubong*' concept now adapted by the market.

## *Store Operations*

In addition to its existing stores in the following locations: Paranaque City – the Fiestamall, NAIA Terminals 1,2 & 3, Cebu Waterfront Hotel, The Northwing SM City Cebu, Mactan International Airport and Davao International Airport; the DFPC was able to open 7 more outlets, both in the country’s international ports of entry and top tourist destinations, within the past 3 years, specifically:

- Laoag International Airport (Arrival) -23 June 2011
- Manila Ocean Park -23 November 2011
- Resorts World Manila (in-store) -21 November 2012
- Embarcadero de Legazpi (Albay) -25 November 2012
- Kalibo International Airport (Arrival/Departure) - 2 December 2012
- Clark International Airport (Arrival/Departure) - 26 October 2013
- Iloilo International Airport (Arrival) - 2 December 2013
- Palawan - LRC908 Market Mall -18 December 2013

The DFPC envisions the opening of more stores in the next two years. Foreign tourists and *balikbayans* will soon enjoy their duty free shopping privileges in Panglao-Bohol, Bacolod and Bicol International Airports. Plans to open more off-airport outlets, specifically in Boracay and Puerto Galera, are also underway.

All these were in compliance with the directives of the Tourism Secretary and in adherence to DFP’s mandate to open outlets in international ports of entry and tourist enterprise zones and the Open Skies policy.

To help improve DFP stores’ physical image (for bigger areas, better look and improved product offerings), renovation plans are ongoing for the following stores: Fiestamall, Mactan-Cebu International Airport, and NAIA Terminals 1 and 3. All are also scheduled for completion by yearend.

## *Recognition*

DFP gained recognition from prestigious award giving bodies as a result of the agency’s operational and marketing efforts. For the third consecutive year, DFP was again chosen as one of the finalists in the globally renowned Frontier Awards, the Oscars of the travel retail industry, for the Best Marketing Campaign (for DFP’s 25th Anniversary promotions) and for 2013, the Frontiers chose the Fiestamall as its Highly Commended Downtown Retailer of the Year. A local award-giving body, the Anvil Awards, accorded DFP with a Merit award for DFP’s ‘Paskong Pinoy’ campaign in 2012.