



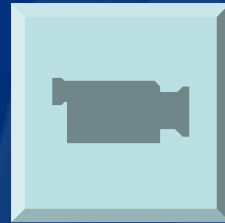
Partnership: The Supplier's Perspective

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Partners in Business



What Did We Do?

Supplier

- **Equity Building**
- **Product Offering**
- **Point of Sales Material**
- **Merchandising**
- **Promotions**
- **Research**

SALES

Operator

- **Traffic Building**
- **Product Offering**
- **POS Material**
- **Merchandising**
- **Promotions**
- **Research**

PURCHASING

How Must We Do?

Supplier

Sales

Operator

- **Equity Building**
- **Product Offering**
- **Point of Sales Material**
- **Merchandising**
- **Promotions**
- **Traffic Building**
- **Research**

Purchasing

Together

What Must We Do?

→ Identify/Understand operators' Key Performance Indicators and business issues

Together

→ Develop a plan based on Category Management Principles

Together

→ Execute the plan

Together

→ Measure and analyze results

Together

→ Strive for continuous improvement

Together

What Else in Addition to Price & Profit Margin %? Are Tobacco & Liquor Key Drivers for Duty Free??

- **Role of Tobacco Category** →
 - **Equity Building**
 - **International Branding**
 - **Quality Offering**
- **Merchandising/ Retail Presence**
 - **Fair Share for Category**
 - **Prominent Positioning/Easy to Shop**
 - **Attractive, Functional Fixtures**
 - **Off Shelf Featuring for Promos/Packaging**
 - **Interior/Exterior POSM (Continuity of Theme)**
- **Operator Knowledge and Support**
 - **Know the Category**
 - **Proactive/Interactive Selling**
 - **"Involved" -- Incentives**
- **Traffic Building**
- **Profit Generator**

Our (Duty Free Operators & Philip Morris) Objective



- Can our investments in promotion turn browsers into shoppers (driving penetration)??
- Category Management & Space Management (Should we change from a 'real estate' mentality??)
- To what extent should suppliers share the cost when concessions are over priced?