

Elevating the Shopping Experience at the Border

Thriving sales, soaring potential: the border-shop channel continues to be on the upswing. Gebr. Heinemann expands its investments to attract new customers and brands.

It was an acquisition with a clear strategic goal. In the summer of 2023, Gebr. Heinemann took over all shares in Travel FREE in the Czech Republic, making it a wholly owned subsidiary. With this step, the company further extends its border-shop business in Europe. Until then, Gebr. Heinemann had operated Travel FREE for around 20 years as a joint venture with Unimex GROUP. The Czech Republic was the first country in which the two companies introduced a tax and duty-paid business concept under the Travel FREE brand in 2004. Today, Gebr. Heinemann operates 29 Travel FREE shops on the borders with Germany and Austria, making the Czech Republic its largest and highest turnover border-shop market.



Christoph Stump, Director Sales Central & Southeast Europe

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“The investment in our Czech core market is embedded in our company’s diversification strategy with which we are pursuing two goals: firstly, to gain new business across all sales channels; secondly, to expand our business in existing and new channels and regions,” says Christoph Stump, Director Sales Central & Southeast Europe. “Border shops are the second-strongest sales channel for our company. Citizens in the border regions and travelers know Travel FREE and are aware of the shopping benefits that our brand offers.”

In addition to the Czech Republic, travelers can enjoy border shopping in 14 Travel FREE shops in Romania, five in Poland, and six in Bulgaria. While Gebr. Heinemann is the sole operator in Romania and Poland, the company holds a stake in a joint venture in Bulgaria.

Push for Premium Products and Opening of New Shops

In 2023, Gebr. Heinemann launched further projects to expand its border-shop business, catering to the demands of more discerning customer groups and attracting new affluent buyers. “Price is, of course, still an important criterion in this sales channel,” notes Christoph Stump. “However, there are many other levers for us to increase the attractiveness of shopping at the border. As demand for premium and luxury products has risen significantly in recent years, we deliberately pushed the high-margin Fashion, Accessories, Watches, & Jewelry product category last year – adding new listings and upgrading the ambiance on the sales floor among other measures. And we have noticed that high-quality items from this category are now selling much better.”

Gebr. Heinemann has also opened two new Travel FREE shops in Świnoujście and Krajnik Dolny in Poland. In Bulgaria, the joint venture has expanded its store space in Varna and Burgas. Overall, all indicators pointed to growth for Travel FREE in 2023, with the biggest jump occurring in Bulgaria, where sales increased by 35 percent compared to the previous year.





The company’s retail business in Ukraine, operated by the joint venture Duty Free Trading, also performed well. As in the previous year, ten shops were open. The company had closed only three on the border with Belarus at the start of the Russian war of aggression on Ukraine in February 2022. However, Gebr. Heinemann expects sales to decline in 2024. “The Ukrainian government has sharply reduced the allowances for tobacco and spirits since September. Implementation is subject to strict controls,” says Oleg Zhytomyrsky, Director Sales Eastern Europe & Central Asia. “This regulation definitely clouds our prospects for the current year. However, we do have a strong and motivated team in place, which is willing to keep the business running and always give their best for the customers. We support them in every way we can.”

Travel FREE Plaza Concept Will Further Boost Growth

On the other hand, Gebr. Heinemann expects its new Travel FREE Plaza concept to boost sales from next year. The company intends to implement this concept for the first time in Romania, on the border with Hungary. The Travel FREE Plaza is a futuristic shopping center concept which, in addition to a large Travel FREE shop, includes other retail facilities specially tailored to the needs of travelers – from a pharmacy and exchange office to restaurants. Further plazas are to follow in the future at busy border crossings; two more of these are also planned in Romania for the coming year.

“We are expecting considerable growth as a result, given that the broadened range of services will give travelers several reasons to stop,” says Christoph Stump, looking ahead with great anticipation. “Overall, we will continue to focus on high-margin product groups. New listings of premium brands are planned, and some have already been confirmed for 2024. We will also tap into the Serbian market and open a shop in Horgoš on the border with Hungary. In Poland, we will open our sixth border shop in Kudowa on the border with the Czech Republic.”

Plenty of Potential in Distribution Too

Gebr. Heinemann also recorded a positive development in its border-shop distribution sector, with notable sales growth in Belarus and Georgia. In Belarus, the restriction of air traffic due to the political and military situation in the region gave a boost to the border shops. In Georgia, some borders were closed to larger tourist groups due to the coronavirus for a long time. As a result, the volume of business was very low. Since the re-opening in 2023, the border shops have recorded above-average growth. “We expect great opportunities for growth and development in the coming years, even as we operate within tight frameworks in some cases due to political circumstances,” says Oleg Zhytomyrsky. “In particular, we see huge potential in the Central Asia and Caucasus regions.”

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