



Asia Pacific Reset

One year into the journey, the business moves forward with a clear direction.

A new chapter began for Gebr. Heinemann's Asia Pacific business at the start of 2025, as operations and business goals across the region were fundamentally reset.

Organizational change can be driven from the inside. However, in order to truly change the outlook for Heinemann Asia Pacific, this reset required deep collaborations with business partners as well – particularly the airports, with whom Heinemann shares the same recognition of the structural changes that have taken place in the industry. There is a mutual acknowledgment of factors that are profoundly impacting shared business: prolonged global economic uncertainty, regulatory shifts, the dynamic competitor landscape, and rapidly evolving consumer behavior. Now, looking ahead, the discussions center on how to not only adapt, but to thrive in this new environment.

“Conversion has long been a challenge in global travel retail, yet the topic has a fresh urgency now that our biggest shoppers – traditionally, mainland Chinese travelers – are no longer buying like they used to,” says Heinemann Asia Pacific CEO Johannes Sammann. “The questions we have been asking ourselves internally and our brand and airport partners are ‘who is truly our customer today?’, ‘who will that customer be in five or ten years?’, and ‘what do they need to find in our stores and in our marketing platforms to convince them to buy?’”

The result of these collaborative conversations with Heinemann's airport partners can be seen in Heinemann Oceania and Sydney



Johannes Sammann, CEO Heinemann Asia Pacific, welcoming partners at the annual Heinemann cocktail event during the TFWA Asia Pacific Exhibition and Conference



Rajshree Dugar (middle), Heinemann Asia Pacific CFO, at the Heinemann cocktail event in Singapore

Airport's joint plans to completely transform the core duty-free offer at Sydney Airport, introducing more brands that speak to Australians and younger travelers, and giving more space and prominence to brands that are performing well with the current passenger mix. Heinemann is undertaking similar reviews with other locations in the region, again in partnership with the airports.

"Our redevelopment initiatives in Sydney Airport are a great example of what is possible when both the airport and the retail operator come together with a shared commitment to grow the business: That's when the passenger wins," comments Johannes Sammann. "Travelers get a refreshed, more relevant passenger and retail experience and can get excited about duty-free shopping again."

This lens is also applied to how Heinemann evaluates new business opportunities in the region.

"Over the short to medium term, we are exclusively looking at locations where we believe there is a long-term, sustainable growth trajectory in the home market and where the airport's financial expectations reflect the new environment. Local passengers who use that airport as their base have to be in much stronger focus than before," says Heinemann Asia Pacific CFO Rajshree Dugar. "While we of course still strongly cater to visiting travelers, relying on an external passenger market too much, such as mainland China in the past, introduces far more variables into the equation that we cannot control as a business – such as geopolitical tensions, currency volatility, the cost of living, and other factors."

This is the key principle underpinning Heinemann's decision to expand into India together with its partner, the Bommidala Group. India's economy features all the hallmarks of a consumer and traveler class with enormous long-term potential: a large population, rising middle class, and a sprawling global diaspora.

The same rationale drives Heinemann's new partnership with SASCO in Vietnam, supplying to the airport stores in Ho Chi Minh City's Tan Son Nhat International Airport. Vietnam has recently overtaken Thailand as Southeast Asia's second-largest economy, and Vietnamese travelers are increasing passenger volume and spend rankings at airports across the Heinemann network.

The SASCO partnership is the latest addition to Heinemann's Asia Pacific distribution network, which includes airports from the Pacific Islands and Indonesia to Japan.

"As we shared last year, we are being very circumspect with where we choose to expand and invest in the Asia Pacific region – given the amount of upheaval the industry has seen over the past couple of years," says Johannes Sammann. "India and Vietnam are rightly our focus countries now in terms of business expansion, and we are very excited about the growth potential there. Now that the ground is beginning to settle, and we have the

right setup regionally and locally, along with the right partnerships in place, we can start to look ahead with more confidence."



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