

Colours & Fragrances to double KLIA space

DFNI Exclusive

By Tina Milton

DR Group subsidiary Colours & Fragrances has secured a three-year contract extension at Kuala Lumpur International airport—with a two-year option to extend—which will more than double its retail space.

Colours & Fragrances buyer Amy Chew explained that the retailer's existing 150sq m (1,615sq ft) shop, located between gates 31 and 37 in the international satellite building, will be renovated, with a new outlet in the airport concourse to be created. "This is very good news as we have always highlighted the importance of exposure for the beauty category to [airport authority] Malaysia Airports," said Chew. "We are still discussing how to develop the two shops, but we know they will be distinct from



one another. We have a challenging year ahead and we need to be productive with the new areas."

The retailer also plans to expand its 30sq m (320sq ft) fragrances and cosmetics unit at Jetty Point ferry terminal in Langkawi. Merchandising manager Mohammed Nor Abu Samah said: "The renovation of our Jetty Point shopping complex will be complete within the

first quarter of 2006. We plan to install 500sq ft (45sq m) of dedicated retail space for beauty in the renovated building."

Colours & Fragrances also operates a 59sq m (635sq ft) outlet at Kota Kinabalu International, a 240sq m (2,585sq ft) site at Langkawi International and a 50sq m (540sq ft) fragrances shop at Labuan International airport.

Fragrances generates 65% of

Colours & Fragrances' total business and cosmetics accounts for 35%.

Samah reported that increased passenger volumes from southeast Asia and mainland China resulted in double-digit sales growth in 2005. But the effects of the tsunami in 2004 are still evident, especially in Langkawi. "People are cautious about visiting the island and our sales are only slowly recovering," said Samah. "The bombing in Bali [in October 2002] was bad news for us as well, because it affected the number of tourists visiting Malaysia. Fears of bird flu have also hindered tourism, which has had a negative effect on business. Tourists may have a perception of the region as an unsafe destination."

"We hope the market will grow this year, provided there are no unexpected natural disasters, pandemics or bombings," concluded Samah.