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October 2021

TRAVEL MARKETS INSIDER

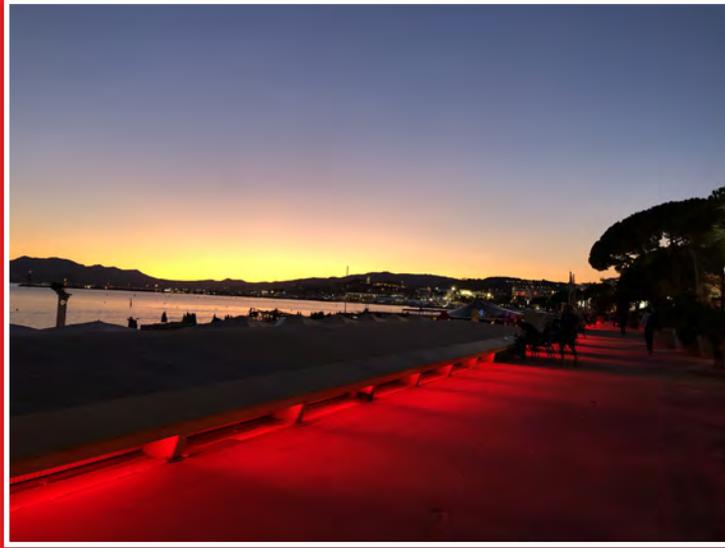
Is recovery ahead as travel markets begin to open?

When borders closed and travel ground to a halt in 2020, I doubt anyone, anywhere, could have fathomed the profound impact the pandemic would have on our industries and our lives.

It is only recently, some 20 months since we first heard the unbelievable news that countries were shutting their borders, that major travel markets like the United States, Canada, and parts of Latin America are opening for non-essential visitors, bringing hope that recovery may be on the way.

At a webinar hosted by the International Association of Airport and Duty Free Stores earlier this month, all the speakers reiterated there is huge pent-up demand for travel as people locked down for more than a year crave new experiences. And shopping seems to be part of the experience they are craving, as those travel retailers who are open report higher spend levels than normally seen.

And there are some positives. *Travel Markets Insider* is delighted and much honored to be spotlighting two major milestone celebrations in the industry in the Americas. International Shoppes – one of the very first duty free shops in a New York airport – is celebrating its 70th anniversary this year. This accomplishment is even more momentous when you realize the company is a partnership between two families that has endured, and prospered, down through three generations. Congratulations to the Greenbaum and Halpern families and best wishes for the next 70!



This stunning view of the famed Croisette in Cannes was taken during the last TFWA World Exhibition in 2019. Photo by Michael Pasternak.

Happy Silver Anniversary to Robert and Tania Bassan of Tairo International, who have built their family-owned distribution company into one of the most respected entities in the Caribbean and Mexican duty free markets. The two reminisce over the past 25 years with *TMI*, revealing how their customers have become part of their extended family.

In more positives, growing powerhouse Rouge Duty Free, another Caribbean retailer, has bucked the tide, expanding rather than retreating during the shutdowns. And Essence Corp. talks about how opening new duty free doors on the Brazilian border has helped them weather the slowdown.

While some of us are getting ready to go to Cannes for one of the first physical industry gatherings, the cruise sector has

just finished meeting in Miami at the Seatrade Global event, which last year had also been cancelled due to travel restrictions. While attendance was much lower than in the past—and health protocols abounded – excitement and anticipation ran high. Cruise lines—which were totally shut down for so long – are expecting a strong recovery (with many opportunities for retail).

We can expect nothing less for the rest of travel retail. See you all soon – either virtually at the Moodie Davitt Virtual TR Expo or on the Croisette in Cannes.

*Stay well,
Lois Pasternak,
Editor/Publisher*

INSIDE INSIDER



International Shoppes celebrates 70 years.



It's a Silver Anniversary for Tania and Robert Bassan's Tairo International.



Rouge Duty Free expands in St. Croix (shown) and St. Maarten.



The Moodie Davitt Virtual TR Expo returns for second year with many enhancements.

**Plus Products-People-Places
The Insider View**



concept no. 3 ^{David} CARSON

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Time for change: consumer demand drives conscientious and responsible luxury retail

COVID has fundamentally changed the way luxury shoppers behave according to the latest consumer findings from Swiss research agency, mInd-set.

Luxury, brands retailers and travel and tourism operators have responded to the seismic shift in consumer mindset, to adapt their product and service offering to the new consumer attitude, which is increasingly more socially and environmentally conscientious since the pandemic. Companies across all sectors and categories in luxury retail are fundamentally changing the way they source, manufacture and package product or reposition their products and services.

The research explores how these changes are impacting the luxury retail sector today and how travel retail will need to adapt to stay in line with consumer expectations. The latest consumer trends and luxury shopping behavior in travel retail are also a focal point of the research, in particular how post-pandemic luxury goods shoppers have changed their behavior when traveling and shopping.

The research also highlights the shift towards conscientious consumption among Chinese consumers. According to mInd-set, the Chinese consumer is particularly sensitive to conscious consumption as opposed to conspicuous consumption. One of the key trends highlighted in the report is the focus on experiential luxury since the pandemic. There is a growing demand among some luxury consumer segments for luxury travel experiences over luxury products. Luxury consumers are seeking less ostentation and more emotional and spiritual experiences, which is leading to a marked growth in the luxury health and wellness travel sector. Respect towards the environment and immersion in nature are also important aspects of these travel sustainable luxury experiences.

Citing examples across some of the core categories including Beauty, Fashion & Accessories, Confectionery, Wines, & Spirits, and even Watches & Jewelry, the research illustrates how major brands from all sectors are responding to the consumer call for greater responsibility and accountability. In luxury fashion, the emergence of recycled materials by some luxury fashion houses as well as an end to using animal fur, adopting vegan leather and recycled nylon, are just some examples of recent developments among luxury fashion



groups to meet the expectations of the more mindful post-pandemic luxury shopper.

On travel retail shopper behavior among luxury shoppers specifically, the research indicates luxury shoppers are particularly more interested than they were before the pandemic in finding different products from their usual luxury purchases and more sustainable packaging.

According to mInd-set, 25% of luxury shoppers said they place importance on purchasing something different compared to 18% on average in the years from 2017 to 2020; 21% of non-luxury shoppers agree. And 20% of luxury shoppers said they were more conscious about the product packaging in 2021 compared to only 11% on average in the years from 2017 to 2020; 17% of non-luxury shoppers agreed.

Luxury shoppers are also significantly more likely than non-luxury shoppers to purchase at least one unique duty free exclusive product and more likely than they did before the pandemic too. 80% of luxury shoppers said they would purchase a duty free exclusive, up 28% on the 4-year average between 2017 and 2020 and 8% higher than among non-luxury shoppers. The interaction with, and impact of, sales staff on the purchase behavior also reveals significant changes, particularly concerning

the influence that sales staff are having on the product selection of luxury shoppers since the pandemic.

Head of Business Development at mInd-set, Anna Marchesini, commented on the research findings: "In all the years we have been studying shopper behavior at mInd-set, and looking back at previous decades before that, there has not been any occurrence which has had as much of a game-changing impact on the way shoppers behave. Luxury consumers have abandoned their quest for extravagance."

"Given the shift towards more responsible consumption, and the shopping behavior of luxury shoppers in travel retail, where we see consumers looking for more information on the products and services prior to purchasing, we believe there is a huge opportunity for brands. The most forward-thinking luxury brands in retail and in travel retail will seize this opportunity to educate consumers about the unique history and sustainable attributes of their products or services. The world has changed and sustainability is no longer a choice, but a requirement," Marchesini concluded.

For more information on this luxury shopper research or mInd-set's post-COVID recovery research, please contact mInd-set: info@mInd-set.com.

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New Experience Arena at Moodie Davitt Virtual Travel Retail Expo



The Moodie Davitt Virtual Travel Retail Expo, beginning on October 11, will feature 25 engagement sessions in the new-look Experience Arena from 20 brands (five brands have 2 sessions) in one of the event's most exciting components.

Dynamic and interactive digital sessions can be viewed live or 'on demand'. The Experience Arena will also host several virtual lounges for networking and serve as a platform to launch, promote and educate visitors about products and services through virtual masterclasses, tastings and live demonstrations.

These 30-minute pre-recorded or live segments will be streamed to a global audience.

A sample of the presenters include:

Spark Group of Companies: Activations in a New Retail Era – Designing a New Promotional Framework Tuesday, October, 12 04:00 GMT | 1:00 SGT | 00:00 EST

How can brands and retailers best prepare for a new in-store and in-person sales and promotional experience while managing costs? What supports are needed for operational efficiency, effectiveness, and accountability all while keeping consumer behavior front and center? This webinar, led by Spark Founder and President Heidi Van Roon, will outline a new framework that serves the retailer, the brand, the staff, and the consumer with a focus on sales in the retail landscape.

Go to <https://virtualtrexpo.com/experience-arena-agenda/> to see the full Experience Arena sessions.

Lindt & Sprüngli: Travel the world with Lindt Chocolate Tuesday, October 12, 07:00 GMT | 14:00 SGT | 03:00 EST

Audiences will experience a (virtual) day in the life of a Lindt Maître Chocolatier

Confectionery company Lindt & Sprüngli invites Expo attendees to virtually experience a day in the life of a Lindt Maître Chocolatier, who is responsible for creating the company's confectionery products. The Lindt Maître Chocolatier will give visitors an inside look into how each Lindt chocolate is created. He will take audiences on a trip around the world and share inspirations behind typical sweet surprises from different regions, using Lindt Chocolates.

Fekkai: Discover Fekkai Clean Sustainable Hair Care & Styling Tuesday, October 12, 11:00 GMT | 18:00 SGT | 07:00 EST

Fekkai, one of the world's first sustainable, professional salon brands to deliver high-performance haircare, will be hosting a virtual Q&A with its Founder Frédéric Fekkai. Attendees are invited to discover the world of Fekkai and learn about its salon-tested collections and its mission to help make the beauty industry cleaner and more sustainable, one bottle at a time. Fekkai will be joined by Commercial Officer Crystal Wood and Head of Business Development Courtney Bostick.

The Dalmore Ensemble Collection — A Multi-Sensory Virtual Experience Thursday, October 14 11:00 GMT | 18:00 SGT | 07:00 EST

Whyte & Mackay is inviting Expo attendees to experience a 'symphony of sensations' at The Dalmore Ensemble Collection Virtual Experience. Audiences will see, hear and enjoy the new line by joining Global Single Malt Specialist Stephen Martin, as he reveals the latest travel retail exclusive collection from The Dalmore Distillery. The three new, beautifully orchestrated Single Malts are presented with bespoke music and art commissioned from award-winning creatives, offering an uplifting, multi-sensory feast for the senses.

Ahmad Tea – Tea Discovery Experience Thursday, October 14 13:00 GMT | 20:00 SGT | 09:00 EST

Ahmad Tea Head of Global Marketing Tracey Wakelin, Ahmad Tea Senior Tea Taster Dominic Marriott and Cambridge Tea Consultant Joyce Maina will be sharing the company's love of extraordinary tea with an immersive and interactive virtual Tea Discovery Experience. Attendees will be able to explore Ahmad Tea's wonderful selection of quality teas in this intimate tasting experience. The session draws upon four generations of expertise to seek out the world's finest tea gardens. It aims to inspire tea drinkers everywhere with Ahmad Tea's passion, dedication to quality, commitment to community and the environment, and ceaseless exploration of new flavors and blends.

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TFWA is set for a healthy World Exhibition & Conference in Cannes

The Tax Free World Association has finalized preparations to ensure delegates can meet face-to-face once again in a health-aware, business-focused environment during the TFWA World Exhibition & Conference, taking place in Cannes on Oct. 24-28, 2021.

The TFWA World Conference returns from 09:00 to 11:45 on Monday Oct. 25. Following an introduction by TFWA President Jaya Singh, the Conference will first hear from Jane Sun, CEO of Trip.com Group, who will share her thoughts on the return of travel in China and the future expectations of Chinese travelers.

DFS Group CEO Benjamin Vuchot will discuss how travel retail can reinvent itself to meet the changing needs of traveling consumers, while IATA Vice President Europe Rafael Schwartzman will offer his perspective on the future prospects for air travel.

Imagen Insights co-founder Jay Richards will bring the conference to a close by exploring how the duty free and travel retail industry can remain relevant to the all-important Gen Z shopper. The conference will be live-streamed on the TFWA 365 digital platform for those unable to travel to Cannes.

Although the traditional social gathering on Sunday evening will not take place this year, TFWA will provide other opportunities for delegates to network with colleagues during the week in Cannes. From Monday to Wednesday, from 18:30 to 21:00, the Association is hosting a TFWA Lounge for getting together. In addition,

TFWA's ONE2ONE service will be available for delegates to book face-to-face meetings on-site, or digital meetings via TFWA 365.

TFWA also confirms that robust health & safety measures will be in place during the event. Attendees will be required to show proof of double vaccination or provide a recent negative COVID test result, with testing facilities available at the Palais des Festivals if required.

Face masks will also be mandatory for all attendees during show days, and hand sanitizers will be located throughout the Palais. There will be a 24-hour medical concierge service at the venue, with specialist medical teams available to support any visitors feeling unwell.

"Excitement around TFWA World Exhibition & Conference continues to build, and we're now working on the final finishing touches to enable our industry to meet physically after such a long time apart," said TFWA President Jaya Singh, shortly before the start of the show. "As ever, our conference features an impressive line-up of highly-regarded industry figures and market experts, whose knowledge and expertise will prove vital as we plan for a brighter future ahead. There will also be many chances for delegates to re-engage and reconnect with colleagues during the show, whether this be in the exhibition halls, through our TFWA 365 platform, or relaxing over a drink at the TFWA Lounge. Networking and face-to-face interaction are at the heart of our industry, and I for one am looking forward to personally meeting

you all in Cannes."

Registration for visitors will also be possible on site within the Palais des Festivals of Cannes on Saturday, Oct. 23 – Thursday, Oct. 28.

TFWA i.lab goes digital

TFWA is offering a glimpse into the future for duty free and travel retail with the new TFWA i.lab, which will take place online from Oct. 25-28 during the TFWA World Exhibition & Conference in Cannes.

An evolution of TFWA Innovation Lab, TFWA i.lab will run as a fully digital showcase in the 'Discovery' section of the Association's digital platform, TFWA 365. TFWA i.lab will present fresh ideas and new ways to engage with traveling consumers under the theme of 'innovation in action.'

A host of leading duty free and travel retail businesses will take part in this year's TFWA i.lab, with expertise in areas such as e-commerce, mobile and digital technology, traveler research and data analytics. Delegates registered on TFWA 365 will be able to visit participating companies in the TFWA i.lab section and learn more about the services and solutions they provide.

The full list of TFWA i.lab participants can be viewed at <https://www.tfw.com/exhibitors/tfw-i-lab/2021>.

Sponsors of this year's TFWA i.lab includes *BW Confidential* as media partner and Mondelez World Travel Retail as Innovation in Action sponsor.

IAADFS announces return to a live event in Palm Beach for 2022 Summit of the Americas, although with a scaled down, more cost-effective format

The International Association of Airport and Duty Free Stores (IAADFS) announced that it will be holding a live Summit of the Americas in 2022, which will take place at the Palm Beach Convention Center in Palm Beach, Florida April 10-13.

The Association broke the news during its "Progress, and Where We Go From Here?" webinar on Oct. 7.

"Our goal is to make this an inclusive, cost effective and user-friendly experience," said IAADFS President and CEO Michael Payne. The format of the

2022 event will differ significantly from previous years, with much more focus on workshops, learning sessions and business networking, he said.

While the final format is still being finalized, Payne told *TMI* that the exhibition will be much smaller-scale than in the past, but still offer show opportunities for interested companies, both in private suites or in limited booth space throughout the venue.

The Association is also planning to host social times every evening, offering a central place for attendees to gather in one place before dinner.

The 2020 Summit of the Americas was originally planned to debut at the Palm Beach Convention Center as a joint event organized by IAADFS and South American Duty Free Association ASUTIL, before it was canceled due to the onset of the coronavirus pandemic.

In 2021, the Summit of the Americas was a digital event, staged in partnership with The Moodie Davitt Report and FILTR. QINGWA, as a result of COVID-19 travel restrictions.

We will release more information as it becomes available.

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The ambiance of sound in an airport environment could become an important element for the future of travel. Credit: Made Music Studio

One on One with Made Music Studio's Kristen Lueck

How luxury brands can use sound to enhance their image

by Lois Pasternak

Sound has become a secret weapon for modern brands, and this could be especially true for luxury brands, according to the experts at Made Music Studio, a sonic branding and design studio that creates iconic and powerful music-driven experiences.

Sixty-seven million Americans listen to podcasts every month, audio streaming has increased 32% year over year, and 41% of people in the U.S. use voice search every day, reports Kristen Lueck, VP, Director of Business Development and Partnerships at Made Music Studio.

With so many consumers using audio, the number of global companies investing in sonic branding to capture them is increasing exponentially. In 2021, Made Music's research shows a 22% jump in brands launching audio identities. This phenomenon is happening across industries, from financial services and autos to tech and retail.

So what is sonic branding and why are so many companies tuning in?

The music and sound associated with a brand is telling a story, says Lueck, and this is great news if you carefully curate the audio experience. Sound can create atmosphere, bridge the digital and physical, and build consistency across touchpoints, and this is especially relevant for luxury brands.

"Sonic branding is based on the brand strategy and trajectory of the brand and in



Kristen Lueck

that way, every audience we're speaking to is unique. In the case of luxury, there are some emotional takeaways that we are trying to hit, like building an emotional connection around trustworthiness, timelessness, quality, heritage – that may or may not be present in traditional retailers," says Lueck. "There's also a discussion around cacophony in today's world and how true luxury exists in moments of silence – so knowing when to pull back and where to erase sound and music, is an important part of the luxury discussion."

One way to control the sound image of your brand is through a sonic logo. The audio equivalent of a visual logo, a sonic logo can refer to a short melody, musical statement, SFX, or tagline – or any combination of those, explains Lueck.

"Sonic logos are generally less than four seconds in length and appear in brand marketing and communication efforts, often heard as a sign-off at the end of commercials. Synonyms include hook, mnemonic, sonic signature or sonic mark,"

she tells *TMI*.

Connecting with consumers

Lueck shares how Made Music has helped some major luxury brands use audio to connect with consumers.

"When Burberry introduced an audio component to their Regent Street flagship store, it raised the bar for using audio in luxury experiences," she explains. In this case, hundreds of screens and speakers combined to immerse the customers in a runway fashion show across the building – with multimedia and music that changed depending on the accessories that were close to the screen.

Luxury vehicles also use audio, taking care to consider the actual sound environment of their cars, she adds. "From the start of an engine to the shutting of a door – it all plays a role in the sonic theatre of the experience and makes you feel like you're in something high quality and safe. [Luxury vehicle manufacturers] often have teams of engineers and sound designers on staff for just that reason."

Opportunities for sonic branding can be found across many venues, says Lueck.

"Some of the most popular ways luxury brands are using audio are in digital and social content – across their social media and YouTube channels, using music and sound to score mini stories and communications, often partnering with popular artists, or using known songs," she explains.

“Another way to use audio is through mobile apps – having specific user interface sounds that register as “alert”, “favorite”, “confirmed” or whatever the action may be, to let users know their action was meaningful.

“A luxury brand’s guest services or customer call centers are made for audio and getting this touchpoint right can be the difference between a calm client and a more aggravated one. We know that using the right type of music in an on-hold setting, an ambient score with no distinguishable loop, can reduce perceived wait time!” she says.

Sound for travel

Sound design would be a big draw for the travel industry, especially luxury travel, says Lueck. She cites a sonic identity system that Made Music created for Southwest Airlines with the famous flight attendant call button “ding” in their marketing and communications, Virgin playing music on-board and not forgetting to pump it into the bathrooms, and W Hotels dayparting their music selection in the lobby from morning to evening to keep you in the right spirit throughout the day.

Made Music Studio has also worked in an airport environment, specifically with the American Express Centurion Lounge in 13 airports across the United States.

“Made Music Studio created a signature, branded sonic ambience meant to welcome cardmembers from the general airport into a highly curated, luxury experience. This 60-minute piece was approached like how we would approach composing an album. We tapped an array of artists to create their own style of ambient tracks and then edited them together into the longer final piece,” says Lueck.

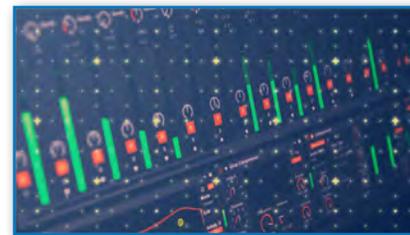
Luxury’s sensory approach

Lueck believes that the luxury market will be headed into an even more bespoke, experiential experience for its audiences, one that takes into consideration even the acoustics of its physical spaces.

“The glass windows of an Apple store transport you somewhere different than the lush carpeting and curtains of a jeweler’s mansion on 5th Avenue,” she points out.

“Storytelling, and how you are involved in the story individually, I think will be a big part of the experience – and all the tastes, smells, sights and sounds that are a part of that. I think luxury brands will be taking a note from location-based entertainment and the immersive qualities of theme parks, museums and other experiential permanent locations.

“They are looking to bring in awe, wonder, and that magic that keeps customers coming back again and again.”



For over 20 years, Made Music Studio music producers have refined and hosted reference track workshops (like a visual mood board, but for audio) with clients, to understand the existing brand strategy and how the sound should be developed.

Kristen Lueck is the VP, Director of Business Development and Partnerships at Made Music Studio, building opportunities to unlock the power of sound for entertainment, brands and people. Over the past eight years she has worked on sonic identities, network rebrands and immersive experiences for clients such as AT&T, Nissan, IMAX, Disney, and Southwest Airlines and supported programs that explore how music can improve human wellness. Her entertainment background saw her as Music Assistant to Paul Shaffer at The Late Show with David Letterman and programming and marketing film festivals in several states. She has shared her insights on the stages of TEDx, SXSW, Adobe’s 99U and The Future of Storytelling.

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Brookstone at Seattle-Tacoma International Airport (SEA) in the North Satellite

Hudson transforms Brookstone experience in North American airports

Hudson has unveiled the next-generation of Brookstone airport stores in North America. The new look, which Hudson shared in early October, underscores its commitment to reinvigorate the brand after becoming its exclusive airport retailer in 2019.

Much more than an electronics store, Brookstone now features a sleek, ultra-modern store design and expanded product assortment, celebrating a differentiated shopping experience for the traveler, says Hudson.

Elements of the new, reimagined Brookstone have been incorporated into the recent openings at Nashville International Airport (BNA), Norman Y. Mineta San Jose International Airport (SJC), Seattle-Tacoma International Airport (SEA), and the Virgin Hotels Las Vegas, with plans to open new stores with the full redesign in the coming months.

“Brookstone is such an iconic name. Our vision was to create a space that would become the ultimate lifestyle and experiential destination for the whole family by blending the electronics categories synonymous with Brookstone with newer product categories like STEM

learning and wellness,” said Michael Levy, Senior Vice President and Chief Merchandising Officer of Hudson.

“A big focus for Hudson has been expanding our merchandising assortment to create an all-encompassing shopping experience, and our evolution of the Brookstone brand is just the latest example of how we’re innovating to successfully deliver on these growth opportunities to serve the evolving needs of travelers.”

The new store exterior is warm and inviting, blending soft ambient lighting with signature shades of Brookstone blue. Inside, a spacious open floor plan and interwoven design elements encourage intuitive exploration and inspiration throughout the entire store. Combined with informational screens, hands-on product demonstrations from knowledgeable and Hudson team members, and other interactive touchpoints, the store is a fully immersive oasis for travelers of all ages.

To further create the unique Brookstone experience, the store is divided into branded discovery zones. Modular fixtures within the zones allow for a seamless transition of products. Product categories include Audio, Luggage,

Massage, STEM, Tech Essentials, Travel Essentials, Tech Toys, Travel Comfort and Wellness.

Each zone in the store also features a prominent collection of Brookstone-branded products that deliver the brand’s best-sellers in all-new ways. New custom packaging creates an illustration of how each product fits within today’s lifestyle – using contemporary product shots, expanded product information, and bold design elements that are a nod to the innovation, essence, and authenticity of Brookstone.

The redevelopment of the Brookstone airport brand furthers Hudson’s strategic transformation of its specialty retail portfolio, with elevated brand experiences for modern travel. Hudson operates more than 30 standalone Brookstone stores in airports and continues to expand the classic brand into new non-traditional formats, including automated specialty retail and Evolve by Hudson, a new shop-in-shop store that blends a specialty brand experience with the accessibility of travel essentials.

40th
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“Doing something new.
That’s the adventure.”

— Adventurer, Naomi Uemura

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International Shoppes transformed its duty free offer at JFK T1 in late 2018. The stunning entrance of the International Shoppes duty free store at JFK Terminal 1 is dominated by a 17-foot video wall.

International Shoppes celebrates 70 years of two families, three generations, and an enduring partnership

In 1951, two young men in New York City got together and opened a jewelry store in the brand new Port Authority Bus Terminal. With that endeavor, Herman Greenbaum, who operated several jewelry stores in Manhattan, and Fred Rosenberg, a watch-maker originally from Germany, who learned the trade while living in a children's camp in Switzerland, began a legacy that today operates some of the most successful duty free and travel retail stores in airports in the United States.

International Shoppes, which today is operated by the children and grandchildren of its founders, maintains all of the integrity and heritage of Fred and Herman, in an enduring partnership that has connected the two families over three generations and 70 years.

Travel Markets Insider had the distinct honor of meeting with all of the current owners as they reminisced about the highlights of their shared history and look forward to what the future might bring.

“Fred and Herman opened in the Port Authority in 1951 and their first sale was a watchband for a dollar,” commented Stephen Greenbaum, Herman’s son and current IS CEO.

“They sold a LOT of watchbands at the Port Authority. It was amazing,” added

Joanne Halpern, Fred’s daughter and Vice President.

“It was a family business from the very start. The store was called Gare, which was an acronym for Greenbaum Anne Rosenberg Erna, named after their wives. Gare also meant ‘train station’ in French,”

said Matt Greenbaum, Stephen’s son and an IS vice president.

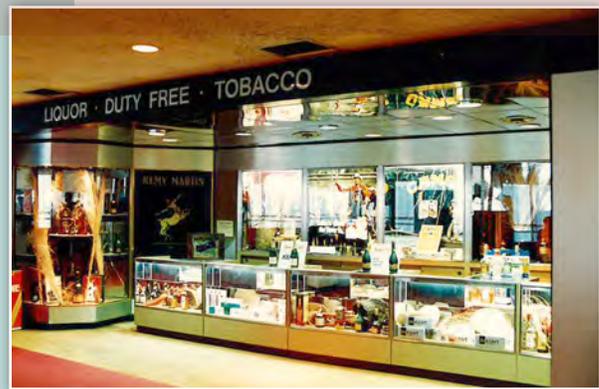
The two young men eventually operated two jewelry stores and a hugely successful lottery kiosk and stationery store at the Bus Terminal, where they continued to have a presence into the early 2000s. Importantly, the Port Authority Bus Terminal business led them into the airport.

Joanne Halpern recalls: “They used to fix all the Port Authority people’s watches, so they knew everybody. And many airport managers came out of the Bus Terminal, so when opportunities opened up, they asked Herman and Fred to come to the airport. In those days business was by a handshake, not an RFP.”

In 1961, the two opened a jewelry store at the International Arrivals Building at Idlewild International Airport (now JFK), which soon became the first



Fred Rosenberg and Herman Greenbaum opened at New York's Idlewild Airport (now JFK) in 1961



International Shoppes' strong relationships with luxury and international brands was evident in these pictures of its stores at JFK in the 1980s and 1990s.

International Shoppes duty free store.

Scott Halpern, Joanne and Michael's son and an IS vice president, describes the early years: "The first store was beauty and jewelry. At that point duty free was segregated between liquor and tobacco in one house and beauty and fashion was a different store. It was a great opportunity for the two partners. It was the dream of being in the airport. It was new and cutting edge. It was the idea of moving up from the Bus Terminal to an airport."

IS President Michael Halpern comments further: "One of the things that was really instrumental in our development

was that we made a business out of duty free not having liquor and cigarettes. We always had an emphasis on the other products. We were the first ones to have skincare products in the airport duty free for example. We were the first ones to open Lancôme, which was a big breakthrough and how great is it that we are still working with them today? Then we delved into cosmetics and we always sold a lot of fragrance. We did very well with these categories.

"We built our company around the accessory items not around the staples of liquor and cigarettes. It was a real

challenge for us to succeed because at that time everybody was buying a bottle and a carton, that was it."

And then there was liquor

Michael Halpern continues: "Someone at Northwest Orient Airlines, which operated out of the TWA Terminal 5, created a duty free shop out of a barbershop and shoeshine store. We operated the duty free part—we had liquor displays on the armrests of the seats. The airline wanted a duty free but didn't have room to have a separate shop. That was our first foray into a major airline, and we started to carry

cigarettes and liquor – a big breakthrough.”

“But the thing we learned from Herman and Fred was that when the landlord comes with an opportunity, just say yes,” added Stephen.

International Shoppes next added Tower Airlines – a regularly scheduled airline offering charter fares to Amsterdam and Tel Aviv.

“At one time we had stores at TWA and Pan Am, and Eastern Airlines! All the airlines that have gone out of business,” Michael quipped. “The basic thing with our company, with all these experiences that we have had with duty free, is that we met a lot of great people and we parleyed that into other businesses—but our roots are really firmly established in duty free. That is our future and that is where our bread and butter has been, always.”

One of IS’s related businesses was newsstands. “We had the newsstands throughout the various airports and also off-premise in the airport hotels, and in the casinos in Atlantic City. We were in Bally and Caesar’s. We tried a lot of different things as an organization,” said Scott Halpern.

Philadelphia calls

Airport-wise, IS’s first step outside of JFK was Newark, where they had a partnership with EJE.

“And from there we went to Philadelphia,” said Scott. “Nuance had won the Philadelphia duty free contract but decided not to proceed after 9/11. Philadelphia made a call up to Kennedy airport and asked if they had a recommendation for someone to run the stores. We were the main player at Kennedy airport and they recommended that they speak to us. We drove down the next day and before we knew it we were



International Shoppes opened luxury boutiques at BOS Terminal E in 2017 for Dior, Lancôme, Chanel, and a joint Estée Lauder/La Mer space.

working with Customs and getting approval to open up operations in Philadelphia.”

“Philadelphia was our first big play out of the area. It was close enough, and yet far enough that we could build up a model to do remote business,” added Michael.

“We did a great job enhancing the duty free experience, by taking a generic store and putting in personalized vendor fixtures in PHL to showcase a first class store,” noted Scott.

Boston and more

IS won the Boston duty free concession contract in 2011 and in the first year personalized the store and doubled the sales, recalled Matt Greenbaum.

“We were up there living out of a hotel

room the first few months to make sure that our DNA was really embedded in the ways the store was run. We brought up team members from New York and Philadelphia to help with the transition and create a new culture, which was International Shoppes Culture,” explained Scott.

“We turned over management quite a bit there until we got a solution that we were really happy with. We thought it was important to bring in the right people,” added Matt.

In 2014, IS opened its first shop in Dulles International Airport, partnering with Estée Lauder in an 1,800 sq. ft. multi-branded boutique featuring the Estée Lauder, Clinique, Jo Malone, MAC, and La Mer brands as well as a



L’Oréal Travel Retail Americas unveiled a Valentino Beauty flagship in JFK International Airport Terminal 1, developed in partnership with International Shoppes, this summer.

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In 2014, IS opened its first shop in Dulles International Airport, partnering with Estée Lauder in an 1,800 sq. ft. multi-branded boutique featuring the Estée Lauder, Clinique, Jo Malone, MAC, and La Mer brands.

fragrance back wall. Two and a half years ago, the company opened a MAC store in Baltimore-Washington International airport.

Moving off I-95

IS started to look further afield for new endeavors. But Michael Halpern recalls that Fred had also warned him to not bite off more than they could chew.

“We looked at Chicago when the RFP was coming up, but I realized that we could not have done it at the time,” he said.

“The first time we tried to get off the I-95 Corridor, 300 miles north or south of us, was Detroit Airport. We bid on that and unfortunately we fell short. But, when the opportunity came for Houston in 2019, we had done so much work on how to build an operation outside of our wheelhouse,

we were able to have a proper go at it. We had learned a lot during the Detroit bid, which gave us the opportunity to eventually become the winner in the Houston bid,” said Scott.

“We brought a team out of Boston and JFK down to Houston. For the first two months we had at least one person from either New York or Boston at the stores for every shift. We needed to bring on that International Shoppes mentality,” added Matt.

Customer service and the International Shoppes way

“We use the word bespoke to describe our stores because we don’t have one solution for all of our locations. We have a new solution every time,” explained Matt. “We probably overspend in terms

of design, architecture, and building. But I think that is what separates us from others. We really tailor the store that we are developing to every particular location and customer that we are servicing. And that is really what we are about. We don’t have a one size fits all.”

This philosophy always boils down to creating a customer first experience.

“I think our team’s mindset of turning a browser into a shopper is tremendous. Our management team, from the office to the stores and the sales force that we have, do a tremendous job of discovering the consumer and finding out what they are looking for,” Matt continued.

“Good is not good enough. How do we get to great? How do we get to superb?” added Scott.

“It is customer first, but we are running the shops at the pleasure of the respective landlords. We always look at everything through those lenses and make sure we are doing everything in our power to run a great business. Because we know there are other operators out there and landlords have options. We want them to know there is something special when they select International Shoppes. I think we have done a really good job over the years of becoming more of a bespoke operator. That’s what new airports and our airports see when they consider International Shoppes,” said Matt.

Michael Halpern summed it up: “IS has this saying—‘we want the customer to feel happier when they leave the store than when they walked in.’ That is what we want to do.”



Matt Greenbaum and Scott Halpern in front of their first venture off the I-95 Corridor at Houston Intercontinental Airport in September 2019.

The luxury specialist

“Obviously liquor and tobacco, beauty, confectionery is a big part of our duty free experience, but I think as an organization we have mastered the experience for high-end luxury. The high-end luxury experience: Hermes, Bvlgari, Ferragamo, Coach, to name a few. The premiumization of the airport landscape as it looks today,” said Scott.

“We were really on the cutting edge back in 2000 of what a store could look like and a roadmap for a lot of these companies,” added Matt.

Joanne Halpern has been the architect of the IS push into luxury.

“We were the first in luxury. We had the first Cartier shop, the first Coach shop, we had the first Nicole Miller, we weren’t the first in Bvlgari, but we definitely opened the market for luxury in the United State. Other companies soon followed when they realized what an important part of the business that could be,” she said.

“At Delta, we came up with the concept of American Designers, and that is where Nicole Miller and Coach and others came in. We opened one store with multi-American brand concepts, where we had Timberland, Calvin Klein, and others, that we called Design America. Then our competitors followed. They realized that in America, luxury was still a very important part of the business. Europe knew that way before we did.”

“We also opened the first duty free Estée Lauder Boutique, which was a stand-alone location down the hall from the duty free store. Later on we opened an Estée Lauder/Clinique store,” added Michael Halpern.

IS prepares for the future

International Shoppes is a family business and has always been one.

“Herman and Fred were in the stores every day. When they got to the airport their office was right across the hall from the store. Every flight that went out they were there,” commented Stephen Greenbaum.

“Corporate identity has always been that management and ownership worked in the store, and been a part of the store team. The employees that came through saw Herman or Fred day in and day out. They were not working for them, they were working with them,” he continued.

“Stephen and I were groomed all the time to take over the business. And we had good mentors,” said Michael Halpern. “Stephen’s Dad and Fred realized that in order to succeed you had to have a succession plan. We made our mistakes, but he and I learned from it, and we put that into effect for the third generation.

“It’s very hard for a business to go from one generation to the next, but it’s even harder to go from the second to the third. And we navigated it very

well. Stephen and I are taking a back seat on a lot of the business now and Scott and Matt are doing very well and learning the business. Through this COVID crisis, I think they have done an exemplary job.

“Enthusiasm is what makes the business. The success of any business is in the mindset. The work ethic is there. Having a business and having the tools is one thing, but having the enthusiasm that our families have, makes the difference,” Michael concluded.

“Our plan the last 18 months or so was to weather the storm,” commented Matt. “I think we have done a great job of keeping the business going at the same time getting ready for what air travel will look like in the future.”

“We believe in aviation,” said Scott. “Looking back to January and February of 2020, we crushed what our expectations were on Houston. It showed that we can go across the country. In the past, our mentality was that we had to be in driving distance. Are we looking to expand globally? No. But anywhere across the continental U.S. is game on for us.”

“It is an honor to service the airports that we’ve been at and the airports that we will potentially service in the future. We look forward to the next 70 years.”



International Shoppes celebrated its 70th anniversary in June.
Right: Matt Greenbaum, Michael Halpern, Stephen Greenbaum, Randy Honig, and Scott Halpern.



Frontier Duty Free Association to hold a virtual “Back to Business” Summit in November

Canadian land border duty free’s Frontier Duty Free Association (FDFA) has announced it will be holding a virtual summit for operator members November 15-18, 2021, during the time that is usually slotted for its in-person convention.

The newly conceived summit will include working sessions designed to help get stores back to business with a number of operations areas to be covered, including working with some suppliers who have seen major supply-chain disruptions.

The goal of the 3-day virtual event will be to help stores revitalize innovation, facilitate inventory management and supplier connections.

“Land border duty free stores have been essentially closed since March 2020 and during that time, there have been changes in the supply chain and inventories have been depleted,” said Barbara Barrett, FDFA Executive Director. “Operators need to acquire up-to-date product and innovations.”

The Association also announced that it has set a date for an in-person 2022 FDFA Convention, to take place Nov. 14-17.

The location and details are to be determined.

The very popular event has traditionally brought together duty free



The FDFA Board and manager at the 2019 Convention: from left: Philippe Bachand – Director, Philipsburg Duty Free; Barbara Barrett, Executive Director; Simon Resch – Treasurer; DFS Ventures (Emerson Duty Free); Allison Gardner, Manager of Operations; Abe Taqtaq – President, Windsor-Detroit Tunnel Duty Free Shop; Tania Lee - Vice President, Blue Water Bridge Duty Free Shop; and Cameron Bissonnette – Secretary, Osoyoos Duty Free Shop.

store owners, suppliers, distributors, and major sponsors from across Canada.

“With the border partially open, it is time to get them ready for being back to a regular business flow,” said Barrett. “We are excited to be able to connect again, even if only virtually, and certainly excited to be able to talk about getting back to business.”

Additionally, the association will be introducing a new Brand Discovery Program coming in the new year to facilitate sourcing new competitive products globally for Canadian land border duty free stores.

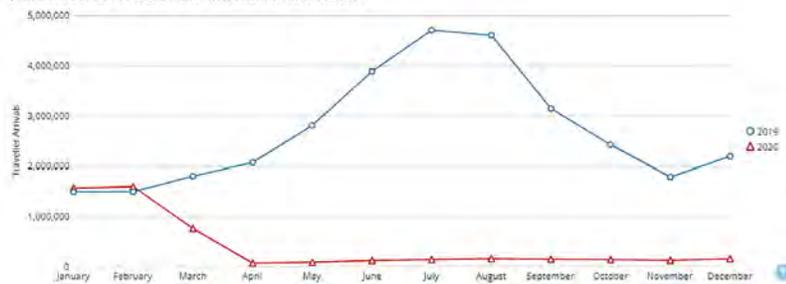
FDFA says that further details will follow in the coming months.

International Arrivals



International Tourism Spend includes spending by non-resident visitors in Canada on Canadian goods and services, including international fares on Canadian carriers.
Source: Statistics Canada, International Travel, Advanced Information, December 2020. The international tourism spending profile is from Destination Canada Table 36-10-0230-01.

Total Traveller Arrivals from International Markets



Source: Statistics Canada - Frontier Counts
Note: Traveller arrivals include same day as well as overnight arrivals

The COVID-19 pandemic has hit Canada’s tourism industry particularly hard.

On March 18, 2020 the Government of Canada restricted entry to non-residents for non-essential travel from all international destinations.

After 18 months with the border closed, Canada officially reopened its doors to fully vaccinated Americans this past August, and to all international visitors in September. However, Canadians can still not cross the land border to enter the U.S.

This border closure has devastated Canada’s tourism industries and has left many of the land border stores closed or open to only essential workers coming across the border.

Total international arrivals to Canada in 2020 were 2.96 million, dropping 86.6% versus 2019. Slightly less than 2 million Americans (1.93 million) visited Canada in 2020, down 87.1% versus the year before.

CANADA IS LOOKING FOR NEW BRANDS!

FDDFA BRAND DISCOVERY PROGRAM FALL 2021 REQUEST FOR SUBMISSIONS

Do you have a great product or new brand you would like to introduce to Canada's duty free stores? We are currently looking for all categories.

The Frontier Duty Free Association, representing Canada's border stores, has developed a *Brand Discovery Program* to source new products for the Canadian market.

For more information on how to apply,
contact the FDDFA: brands@fdfa.ca

Submissions accepted until November 30, 2021.





Arnold Donald, president & CEO, Carnival Corp. & plc; Richard Fain, Royal Caribbean Chairman & CEO; and Pierfrancesco Vago, Executive Chairman, MSC Cruises; at the Seatrade State of the Industry panel. Right: CNBC's Seema Mody moderates the panel.

Cruise leaders discuss future of industry as Seatrade holds first live show post-pandemic in Miami

Amid fist bumps, masks and stringent health and safety protocols, the cruise industry came together for its first live gathering since the pandemic began at the 35th Seatrade Global Cruise Conference in Miami during the last week of September. Even as the organizers knew that travel restrictions would keep attendance to a fraction of its normal 8,000+ of years past -- and thus created a hybrid event--they welcomed the opportunity to begin the return. While much quieter than in the past, excitement and anticipation was nevertheless very high.

Andrew Williams, President of the Maritime Portfolio, Informa Markets, which owns Seatrade, opened the main conference morning thanking the attendees who had undertaken all the various protocols required to enter. Under the theme of "Building back together," he said that the industry is focused on the future together.

Pierfrancesco Vago, Executive Chairman, MSC Cruises, speaking as Global Chairman of industry trade group Cruise Lines International Association, also stressed the industry's commitment to the health and safety of its guests in his keynote address, citing the fact that the cruise industry has instituted the most stringent protocols in the world, and was the first to mandate 100% testing.

Pointing out that the cruise industry had 16% of its fleet operating in June, and is now up to 56%, he forecasts that cruising

will have 80% of its fleet operating by the end of December.

Speaking during the State of the Industry panel discussion, Richard Fain, Chairman and CEO, Royal Caribbean Group, said he expects ships in core markets to be back to 100% occupancy by the end of this year.

Vago noted that two million people have been able to sail since last summer, and MSC, which was the first cruise line to resume sailing, set the blueprint for returning to cruise.

CLIA's Kelly Craighead

In her keynote, Kelly Craighead, President & CEO, Cruise Lines International Association, said the past year and a half has been the "most extraordinary period the industry has ever faced. None of us could have predicted at the start of this pandemic just how profound the impact would be on our businesses, our industry and our lives."

She noted the scale of the effort in



CLIA President & CEO Kelly Craighead

response under tremendous pressure, and the success achieved, all while focusing on the human impact.

Keeping health and safety foremost in our minds, she said that the cruise industry can control the environment more on a cruise ship than on any land-based tourism, and using science-based protocols --which not only assures health and safety but also raises confidence -- the industry response to the pandemic has been most comprehensive and far reaching, providing layers of protection.

The virus is continually evolving and the industry's protocols continue evolving, as well, she said.

On a global scale, cruising has resumed in more than 30 countries. Like Pierfrancesco Vago, she reaffirmed that the pandemic notwithstanding, the cruise industry will continue to stress issues of sustainability.

Mentioning the Green Deal in Europe, which is clearly setting an agenda for the future, she said that public/private partnerships will be imperative for success.

"To move forward we must continue engaging with port communities to benefit all, including service providers and suppliers, and react in creative ways to the continuing challenge.

"If there is a silver lining in all this it shows that our community when it works together is greater than the sum of our parts. Now we have to build on this. We are on course for a terrific revival."

Carnival focuses on ports, private island destinations and protocols

Cruises have restarted, and with COVID now part of our life for the foreseeable future, people are learning to live with vaccines, boosters and other health and safety protocols as they return to leisure activities.

With Carnival Cruise Lines reporting they will be back to sailing nearly 90% of their U.S.-based capacity by next February (see next page), Giora Israel Sr. Vice President, Port and Destination Development Group at Carnival Corporation, and David Candib Vice President, Development & Operations, Global Port & Destination Development Group, spoke exclusively with *TMI* about the company's focus on private island destinations, whether or not to open new home ports outside of the United States, and the efforts that the company took at the port level to return to safe cruising.

Spotlight on Private island enhancements

Candib, who is responsible for Carnival Corp.'s four port destinations in the Caribbean – Mahogany Bay in Roatan, Puerto Maya in Cozumel, Amber Cove in the Dominican Republic, and the Grand Turk Cruise Center in the Turks and Caicos, as well as the company's regional Spanish language destinations, will add two more ports to his portfolio on December 1.

On that day, Carnival Corp. takes over responsibility for two ports in the Bahamas:



Giora Israel, Sr Vice President, Port and Destination Development Group at Carnival Corporation and The Bahamas Prime Minister Hubert A. Minnis, with the agreement to develop Grand Port and Half Moon Cay in Sept. 2019.

Half Moon Cay and Princess Cay, which were operated initially by Holland America and Princess until the companies merged. Half Moon, and Princess Cay, which is part of the island of Eleuthera, are visited by Princess, Carnival and Holland America ships.

As part of the takeover, Carnival signed an agreement with the Bahamian government to build two new cruise ports - one of which will include investing in a pier on the north side of Half Moon Cay to accommodate cruise ships. The current facility on the south side of the island does not have deep water docking and requires

the use of tenders for cruise passengers to embark and disembark.

“Carnival will have two simultaneous operations on Half Moon Cay,” explains Candib. “The existing operations with the tenders will remain on the south side of the island (this was created by Holland America in 1998) and we will build the pier on the north side, so that for the first time ships can come alongside. We are now working on finalizing the approval process, permits and licenses.”

“Half Moon Cay is always one of the top rated private destinations for Carnival and HAL guests and this will give us the opportunity to enhance that welcome center, and to create some retail opportunities that we hadn't had before. We will be exploring opportunities with potential operators in the near future,” he said.

“Half Moon Cay has one of the most beautiful beaches anywhere on the globe,” comments Giora Israel. “The plan is to make it easier for our passengers and welcome guests from the our larger ships, such as Carnival's new *Mardi Gras*.”

In terms of Carnival's other Caribbean port destinations, Mahogany Bay upgrades were completed during COVID, just weeks before the arrival of the *Mardi Gras*. And both Amber Cove and Puerto Maya have reopened under carefully designed protocols. The Grand Turk Cruise Center has not opened yet. Carnival Corporation is investing an additional \$25 million in

State of the Industry panel

Cruise leaders at the keynote panel discussed how health protocols are working, guest satisfaction is high and occupancy is climbing.

Arnold Donald, president and CEO, Carnival Corp. & plc, said that with 11 ships now sailing, Carnival expects to reach 80% of its capacity. “We are coming back,” he said.

Royal Caribbean's Richard Fain, stated the consensus that the cruise companies, while friendly competitors, never compete on safety and health: “We have a history of working together. We came together quite frequently to pursue common goals, processes and protocols. Other industries are now looking at what we have done,” he said.

Carnival's Donald pointed out that people are more used to the risks of the coronavirus in their lives now, and therefore more people are comfortable with the cruise environment, especially under all the protocols and safety measures.

With the launch of the first Virgin cruise ship, *Virgin Lady*, just days after the Seatrade event, panel moderator Seema Mody of CNBC raised the question of competition. All the panelists said they welcomed the new addition, which they see as bringing more people to cruising.

“We don't compete with each other as much as we compete against hotels and other leisure-based vacations,” noted Fain.

“We are really a tiny part of the global travel industry, with 30 million cruisers pre-COVID,” added Arnold. “We still have

a huge opportunity to grow.”

CLIA President and CEO Kelly Craighead presented a masterclass in how not to respond to a politically charged question when asked to comment on the difference of working with the administrations of former President Trump and current President Biden, as well as with Florida's controversial Governor Ron DeSantis.

“Gov. DeSantis is a strong supporter of the cruise industry, don't believe all of what you read,” Craighead said, adding that the industry has to deal with hundreds of administrations around the world.

The panel also discussed the industry's commitment to the environment, including alternative fuels to meet decarbonization goals, and controlling greenhouse gas.

the area, which offers shore excursions, shopping, restaurants and bars (such as Margaritaville), beaches, and pools.

“The new investment includes modifying the pier so it will be able to accommodate the *Mardi Gras*,” says Israel.

“We are working with the government to finalize a return to sailing and will have more information shortly,” adds Candib.

New Grand Port project

In addition to the existing ports and private islands, Carnival’s biggest project is a \$100+ million port development on Grand Bahama.

“As previously announced, this project— to be called Grand Port, a working title— is scheduled to be the largest port development that we have undertaken as a company for a transit port,” said Candib.

“We are very excited about it and we are working with the government of the Bahamas with the permitting and licensing process, and hopefully will move forward after the Bahamian elections.”

The concessions at the Grand Bahamas port differ from those of the other Carnival ports, which are overseen by the company.

“All of the food & beverage and retail will be operated by third parties, not by Carnival. Hopefully, many qualified Bahamian operators will participate. Carnival will be reaching out for proposals once all the permitting and licensing is completed,” said Candib.

The Home porting question

While the CDC refused to lift its Conditional Sail Order and allow cruise ships to set sail from U.S. ports, the cruise industry made waves in mid-March when Crystal Cruises announced it was launching a series of seven-night round-trip voyages from Nassau, avoiding any U.S. ports. The cruise line reported a bookings rush.

Four days later, Royal Caribbean announced it would relaunch its Caribbean cruise service in June, also from a home port in Nassau, and subsequently announced new home ports in Bermuda and St. Maarten as well.

But Carnival Corp. said that it would wait for the CDC to approve the cruise start-up and sail from its U.S. ports.

“From our experience, a cruise product for North Americans from the Caribbean has never succeeded, with two exceptions – a home port in San Juan and, at times, luxury travel like Seaborne out of St. Maarten or Barbados. Every attempt in the last 40 years, including from Carnival

Carnival’s new Mardi Gras



(we tried from Santo Domingo, Celebrity tried out of Aruba) did not succeed,” said Israel.

“To a North American passenger, sailing from a home port in the Caribbean—although it was tried many times – has never worked. Even with San Juan, we had begun canceling some calls because of decreasing demand, and this was before COVID. So even as some competitors were announcing new home ports, we thought that if something doesn’t work at the best of times, why will it work at the worst of times?” he said.

“Maybe we would have taken such action if cruising didn’t open eventually, but not at that moment,” he added.

But U.S. sailings began again in July and most of the other home ports stopped operating, says Israel.

“Ultimately they canceled the Bermuda sailings, and Jamaica and the Dominican Republic. Celebrity operated 7-8 calls out of St. Maarten, but it didn’t really work,” he said.

Not only did the flights to the Caribbean home ports add to the cost of the cruise, but the complexities of flying back with large, bulky gifts and spirits, negatively impacted shopping, he observed. “These cruise passengers visiting Cozumel from the Bahamas bought nearly zero liquor, we were told, because of the costs involved with flying home with it,” he said.

Caribbean home ports for Europeans

Having said that, Israel tells *TMI* that Carnival Corp. has the largest home port

operations in the Caribbean— but for its European brands.

“We are operating home ports from Montego Bay for Aida, from La Romana for Aida and Costa, from Guadeloupe for the French division of Costa, from Barbados for Aida and P&O, (P&O has been the biggest home port user out of Barbados for the last decade), also from St. Lucia and Antigua.

“We are using home ports in the Caribbean extensively for our European guests, using multiple companies and multiple ports,” he said.

The difference is that in the U.S., cruise companies are selling a national product, while in Europe, they can sell on a country by country basis, he explains.

“In the U.S. we depend on the scheduled commercial air system, with its hub and spoke system. We depend on this massive air lift where several airlines feed passengers through many hubs to bring in our passengers. In Europe, we need only a few chartered planes to deliver passengers—5 planes from the UK to Barbados can cover 80% of the British population within 90 minutes driving time, for example. In Italy we can get nearly all the people from four airports. In France we use Paris and Leon. In Germany we use five airports. In the U.S., we would need charters from about 50 cities.”

“So for this reason, we see North American cruising for Americans in the Caribbean and Central America will continue from U.S. ports,” he confirms.

Carnival Cruise Lines announced on Oct. 7 that it had carried nearly 237,000 passengers on almost 100 sailings since resuming service July 3.

Carnival is operating 11 ships – nearly half its fleet –from six U.S. home ports along the East and West Coasts and the Gulf of Mexico and says it plans to have 17 ships back in guest service by the end of 2021. Additional ships will return in January and February and the entire U.S. fleet should be back in guest operations by spring 2022.

MSC Cruises to hold naming ceremony for *MSC Seashore* at Ocean Cay MSC Marine Reserve in the Bahamas

New flagship features a revolutionary open-space retail concept

MSC Cruises' latest flagship, *MSC Seashore*, will be officially named at Ocean Cay MSC Marine Reserve in The Bahamas on November 18, making this the first Naming Ceremony for a cruise ship to be held at a private island. The event will also offer the opportunity for a formal inauguration of Ocean Cay.

Departing Miami on November 17, travel advisors and other invitees will be able to get a first look at the new ship - the newest and most innovative vessel to be deployed out of Miami this coming season - before she starts her inaugural 7-night cruise and U.S. season on November 20.

Hollywood royalty Sophia Loren will perform the important role of Godmother as she officially names her 16th MSC Cruises ship. The festivities will take place both on board and on the island as the ship will remain docked throughout the night, with a gala dinner, live entertainment and more.

The naming of *MSC Seashore* will see the formal inauguration of Ocean Cay MSC Marine Reserve, which opened in late 2019 and closed shortly thereafter due to the pandemic. The island has since gone through further work and significant improvements and this is an opportunity for MSC Cruises to showcase the island to the invitees on this occasion.

The latest ship will feature a revolutionary new open-space retail concept, which MSC Head of Retail Adrian Pittaway describes as retail concept built from entertainment.

"We initially created a multi-dimensional space that will host shows, retail events, promotions, spectacular moments of excitement called Times Square," says Pittaway.

"The first ever 3-deck high 'phygital retailtainment' space at sea, Times Square is built around a set of open, connected retail spaces which are 75% larger than onboard *MSC Seaside*, and we used a large amount of this extra space to create spacious shopping and entertainment spaces that are seamlessly connected and presented with an innovatively created strategy.

"Each shop contains demonstration areas, presentation spaces, natural light, stunning sea views and interactive moments so that during each day and night



New brands are featured in MSC Seashore's open space retail concept.

across the cruise there is always something happening, excitement to be found and discoveries to be made from both our in-house retail and entertainment teams working together."

Pittaway says that *MSC Seashore* will showcase over 200 brands across 11 boutiques. New brand launches including IWC, Cartier, Panerai, Breitling, Acqua di Parma, Anastasia, Movado are at the heart of retail spaces.

"*MSC Seashore* offers our widest product assortment to date with increased offerings for families and young travelers in particular," he added.

In addition, he says that the presence of the MSC Foundation and associated retail space, where all retail revenue goes towards sustainability projects around the world, is an ongoing commitment to educate, inspire and support many projects associated with the preservation of the sea.

"Likewise, with our MSC Cruises own brand, we have developed a set of principles and expectations for all new products to reflect materials, sourcing and product innovation.

"This change is now at the heart of our buying and selling strategies to reflect the sustainability goals of the company," he says.

MSC Seashore will be truly a service-based retail offering, says Pittaway.

"We passionately believe that 'people buy people' and the human power of our retail spaces is the single most important

element of our opening. Additionally, we have created new positions for *MSC Seashore* to enhance the guest experience."

And finally, he points out that the MSC retail family onboard will have over 100 years of combined MSC experience between them.

"This service, commitment and passion will be clear for guests to enjoy when they visit all of our stunning new onboard boutiques."

MSC innovations

MSC Seashore is the first Seaside EVO ship, an evolution and enrichment of the game-changing and pioneering Seaside class designed in the style of Miami beach-front condos. This class of ship is renowned for its innovative and glamorous design features and is intended to connect guests with the sea.

MSC Seashore is the first cruise ship in the world to feature a new air sanitation system developed by Fincantieri. 'Safe Air', uses UV-C lamp technology eliminating 99% of viruses and bacteria to guarantee clean and safe air for guests and crew. 100% fresh air is used on board and there is no recirculation of air.

MSC Seashore will become the third MSC Cruises ship based in the U.S. When *MSC Seashore* arrives, *MSC Meraviglia* will move to Port Canaveral for the rest of the season and *MSC Divina* will move to PortMiami.



The Rouge Duty Free flagship shop at the Port Louis Marina in Grenada.

Rouge Duty Free on its way to becoming a Caribbean powerhouse

With the opening of its new stores in St. Croix, family-owned Rouge Duty Free now operates a dozen properties in the Caribbean – in St. Thomas, Grenada, Grand Cayman and St. Croix -- reaching this milestone sooner than expected since it first started in the region in 2015.

“Our goal in the next three-five years is to be at 30 Rouge Duty Free stores,” says Raymond Kattoura, whose company Rouge Duty Free & Travel Retail Group Inc. helps manage the business for Rouge Duty Free. Kattoura works with Marco Bordoni, who heads up the Caribbean and North American business for his family’s Buenos Aires-based Perfumerias Rouge.

Kattoura tells *TMI* that Rouge is well on its way to reach this ambitious goal, as it has several new properties opening soon, as well as several others that will be announced next year.

“These are solid investments. We are not gambling,” he says. “We study the market, see a need, and we invest. I know the Caribbean well, with its ups and downs; we are used to these challenges. It’s nothing new. We had terrible hurricanes in the 80s and 90s, and later, and the region always bounces back in a year or so. The islands come back stronger, and the same with the cruise industry. COVID was

different, but we will come back.”

Kattoura admits that the Rouge stores were not affected as badly by the pandemic as many other island retailers.

“Except for our Grenada airport stores, which were closed for a short period of time, our local business grew. Since we focus a lot on the local customers, we saw an increase in traffic. Our walk-in customers more than tripled. We think this was because so many people were working from home, they discovered us. When they were at their 9-5 jobs, they didn’t have a chance to see our stores. This was the segment that we gained and I think that it made a big difference.”

Further helping the Rouge business, he says that due to the travel restrictions in place, many local residents were spending their money at local stores, doing much more local shopping.

“This was a surprise for us, but it shouldn’t have been because our Rouge stores have always focused as much on locals as on tourists. And we do it very well, I think,” he explained. “Since the tourists were missing during COVID, we were compensated very well from the local populations.”

“We cater to duty free and local, and the local segment of the Caribbean market

has purchasing power,” he notes.

St. Croix – a smashing success

Rouge opened its first St. Croix store in Christiansted in Orange Grove Plaza. The luxury shop had a soft opening last December, followed by a gala “red-carpet” inauguration at the end of March. The store has the largest fragrance and skin care assortment on the island, along with a luxurious MontBlanc corner boutique, and a Furla handbags leather corner as well. It also houses a spa cabin for exclusive skincare brands Valmont and Cellcosmet.

“From day one of the soft opening this store has been a huge success. We were so encouraged by this success that when we heard of an opportunity to open another location in the heart of Christiansted’s downtown Historic District, we grabbed it,” he said.

Located on the city’s famed Company Street in the former Sandal’s mansion, the company is taking the Spanish-style historic site and renovating it into a Rouge Maison concept.

“This is something St. Croix will be able to use for tourism as well as for locals. We are converting the large backyard into a very nice, hip, café, serving light food, coffee, wines. Upstairs on the second level



ROUGE

Le parfum. *La couleur.*

Rouge, the Beauty and Luxury expert
is now serving Grenada with fine wines & spirits

Now open in Sint Maarten offering the largest
selection of perfumes and skincare



Grenada St. Thomas St. Croix Sint Maarten

Distribution Center: kattoura@dfrg.us



Rouge Duty Free held a grand opening for its first store in St. Croix in March.

will be a small boutique hotel – with four really beautiful suites. And behind the backyard, Rouge is opening a big Spa, not just a cabin.

“In the boutique, the design will be similar to a Galleria, with fragrances on the right and skincare on the left, and specialized niches dedicated to select high-end brands around the store. These will feature some of the most luxurious names in beauty, as well as fashion, sunglasses, luggage and liquor,” said Kattoura.

As a historic site, the house needs special restoration. The main floor has now been finished and Kattoura expects to begin installing fixtures and furniture shortly.

“We are looking at a partial opening for the fragrance area in December or January, with a Grand Opening maybe

in March,” he tells *TMI*. More work still needs to be done in the back, where an old Dutch oven needs to be restored, for example, using saved tiles and bricks.

“This Dutch oven will become the main bar of our café. We envision the cafe becoming a popular place to have a nice breakfast, lunch or snack for both tourists and local Cruzans,” said Kattoura, who is very optimistic about the potential for the site.

“Our first store in St. Croix now ranks as Rouge Duty Free’s #2 or #3 location, delivering numbers we haven’t seen on the island since the 1980s,” he reports.

St. Maarten – potential times three

Kattoura is even more excited about Rouge’s expansion into Dutch St. Maarten, where the company will be opening three stores this month, thus reaching 12 stores in the Caribbean. Two of the locations belong to the cruise port in Philipsburg. One shop is on the pier where the tenders from the cruise ships come in: “This store captures a lot of the cruise passenger traffic. It will be

the first and last store that cruise passengers see,” he noted.

The second port shop is on the other side at Bobby’s marina, home of the Ferry to St. Bart and boats for the cruise excursions. It is like a little village with restaurants and shops.

“These two stores are heavy cruise business and very heavily trafficked,” he says. “Cruising recently restarted in St. Maarten and the Port Authority expects it to reach more normal levels by November.”

The third St. Maarten store is a high-end fragrance boutique in the center of Front Street. “This store is very elegant. It is next to a Michael Kors boutique, and Hot Looks, facing Longchamp and Ralph Lauren Boutiques. It is really in the center of action.”

More openings on the horizon

“I think that Rouge may be one of the only companies opening new stores now, but it is something that is encouraging for everybody. Plus, we are opening as an independent family-owned retailer, and our stores are really beautiful.

“We have eight stores open and operational now and all of these are profitable. We picked fantastic locations, and I am sure St. Maarten will be the same,” he noted.

The Rouge expansion is far from finished. The company will be adding as many as eight more stores on three major islands to its portfolio in 2022 and 2023.

It will also be expanding further in Grenada. Rouge is looking to add more doors in Port Louis, where its flagship there has grown out of its current space.

The company is also extending its product portfolio. After introducing liquor in its Grenada operations and will add it in St. Croix, Kattoura says that all future openings will carry wine and spirits.

“Liquor will be a focus for us this year. We are opening a new division, and in Grenada we are expanding into liquor distribution for hotels and restaurants.”

“We are going to be a major player in this market, but are working hard to keep the unique feel of family-owned Caribbean duty free traditions,” he promises.



Left: A Moko Jumbie stilt walker helps Rouge celebrate Carnival in St. Thomas in July. Above: Rouge’s new Front Street store in Philipsburg, St. Maarten opened this month.

Family Brands

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A partnership of family-owned companies, dedicated to serve and support worldwide the Travel Retail Channel with a first class portfolio.



OAG analyzes Caribbean air travel recovery

A recent OAG blog published on September 14 analyzed upcoming air traffic for Caribbean destinations this winter from Europe and North America, and found wide differences between the various countries in terms of forward air travel bookings for November, December and January, compared to two years ago.

The largest destination in the Caribbean is the Dominican Republic.

In 2019 the D.R. reported 6.5 million arriving air passengers, of which 55% were from the U.S. Travel and tourism accounted for 16% of the GDP, according to World Travel and Tourism Council.

Tourism appears to be a less important part of the economy for the Dominican Republic than for some of their smaller neighbors which are much more dependent on incoming visitors to drive their economy. At the moment forward bookings for November and December to the Dominican Republic are about a third down on the same time two years ago, while January bookings are lagging further still.

However, this compares favorably with the forward bookings across all Caribbean destinations which are 50% down compared to where they were two years ago for November, 48% down for

December and 48% down for January.

Before the pandemic over half of all air arrivals in the Caribbean were from airports in the USA. The scale of subdued bookings shows just how much this and other markets continue to be affected by the international travel consequences of the pandemic, despite the U.S. domestic market being well on the way to recovery. In August 2021 U.S. domestic capacity was just 12% below where it was in August 2019.

Puerto Rico is the second largest Caribbean destination for air travel. As an unincorporated U.S. territory it is a much more U.S.-orientated market with 80% of arrivals by air coming from the United States. Forward bookings are somewhat worse than in the Dominican Republic, at -43%, -47% and -39% for November, December and January respectively. But travel and tourism accounts for a smaller proportion of the economy, at just 5% pre-pandemic.

Forward bookings to Jamaica, the fourth largest destination in the Caribbean for air travel, are faring much worse with bookings for the end of the year still only 10% of where they were at this point two years ago. Tourism is a much more important element of the economy, accounting for 28% of GDP in 2019.

In contrast, some of the smaller destinations both in terms of population and arrivals by air such as Aruba, Barbados, St Maarten and the U.S. Virgin Islands appear to be in a better position in terms of bookings for the end of the year. The U.S. Virgin Islands is getting close to 2019 levels in November and December and forward bookings for January are now the same as they were in August 2019 for January 2020.

OAG says that it isn't easy to account for these differences.

There is an element of vaccinated travelers gravitating to islands with strict rules on quarantine for unvaccinated travelers while the unvaccinated may head for islands which have a more relaxed approach.

Maybe smaller island destinations are proving more attractive to holidaymakers than larger islands. The importance of tourism to the economy doesn't necessarily point to better recovery; Barbados where travel and tourism accounted for less than 10% of GDP in 2019, has better forward bookings than Aruba where tourism accounted for 69% of the economy.

Nor can it be explained by the importance of the U.S., a market which has seen high level of recovery in domestic air travel; air travel to and from Bermuda has traditionally been heavily skewed to the U.S. with over 70% of passengers traveling to or from the U.S., and yet forward bookings are only around 10% of what they were two years ago. Antigua has had a strong element of UK travel but their forward bookings appear even more affected at only around 5% of where they should have been.

There may be an element of non-leisure travel contributing to forward bookings such as students returning from other countries where they are studying, or diaspora communities generating VFR (Visiting Friends and Relatives) traffic.

Add the level of endemic virus to the mix, the proportion of the population in each island that has been vaccinated, the travel restrictions in place and the extent to which each destination marketing organization has been able to adapt and promote the country and it's no wonder there is so much variation in forward bookings across the Caribbean.

Forward Bookings for 2021/22 vs 2 years earlier				
DESTINATION COUNTRY	2019 Share of Caribbean Arrivals	Nov	Dec	Jan
Dominican Republic	18.70%	-33%	-31%	-43%
Puerto Rico	14.10%	-43%	-47%	-39%
Cuba	13.40%	-56%	-56%	-45%
Jamaica	8.70%	-80%	-80%	-89%
Bahamas	7.70%	-53%	-51%	-59%
Trinidad and Tobago	4.90%	-41%	-43%	-44%
Aruba	3.50%	-44%	-31%	-26%
Guadeloupe	3.10%	-48%	-41%	-57%
Martinique	2.70%	-50%	-34%	-50%
Virgin Islands, US	2.60%	-7%	-7%	0%
Barbados	2.50%	-29%	-32%	-16%
Cayman Islands	2.30%	-30%	-35%	-32%
St Maarten (Dutch Part)	2.20%	-12%	-19%	-22%
Haiti	2.00%	-47%	-48%	-49%
Turks and Caicos Islands	1.80%	-66%	-57%	-68%
Curacao	1.80%	-82%	-71%	-73%
Bermuda	1.40%	-92%	-87%	-90%
Saint Lucia	1.30%	-46%	-55%	-42%
Antigua and Barbuda, Leeward Islands	1.20%	-93%	-91%	-86%
Grenada, Windward Islands	0.70%	-65%	-63%	-53%
Virgin Islands, British	0.70%	-85%	-85%	-84%
Bonaire, Saint Eustatius and Saba	0.60%	-78%	-77%	-61%
Saint Barthelemy	0.60%	-46%	-43%	-57%
Saint Kitts and Nevis, Leeward Islands	0.50%	-37%	-47%	-59%
Saint Martin	0.40%	-75%	-69%	-66%
St Vincent and the Grenadines	0.40%	-64%	-66%	-59%
Dominica	0.20%	-85%	-77%	-34%
Anguilla, Leeward Islands	0.10%	-80%	0%	50%
ALL	100.00%	-50%	-48%	-48%

Source: OAG Analyzer

Slow return for travel retail in Latin America *by John Gallagher*

The COVID-19 pandemic has not been kind to South America. More than 38m infections and just over 1.15m deaths are the sober numbers which tell you how bad things were. Brazil, Argentina, Chile, Colombia and Peru were the worst hit and still are struggling to restart their economies.

The aviation business has been badly hit with many countries either closing borders or restricting the number of flights; at the same time many countries cancelled flights to and from Latin America in an attempt to prevent infection – clearly this has had a knock-on effect on the travel retail business in the continent’s airports and many operators have had to furlough staff or simply let them go.

The border business in Uruguay, Paraguay and Brazil has also suffered as governments throughout the region restricted travel and is only recently beginning to recover as restrictions ease. Border store operators indicated to *TMI* that passenger numbers were just over 35-40% and they expected number to continue increasing over the next few weeks.

Ferries between Argentina and Uruguay have also been badly hit with services from Buenos Aires to Montevideo still restricted – as we go to press Buquebus was operating 6 services per

week, compared to the normal 26/28. Both Buquebus and Colonia Express cancelled service to the Uruguayan port of Colonia during the pandemic, although both companies have announced a limited restart in mid-October.

The number of infections and deaths have been falling throughout the continent since mid-August and governments are now easing restrictions on travel; a measure which comes just in time for the southern hemisphere summer and the peak time for vacation for most families. Fully vaccinated travelers will benefit in many cases from no quarantines rules but some PCR testing is still required by some countries.

Argentina has opened airport immigration posts for fully vaccinated travelers from Brazil, Chile, Paraguay and Uruguay – but the number of flights is still small and still restricted. Airports will open for all travelers from November 1. The government opened land borders at Mendoza and Iguazu on an experimental basis and other land borders are expected to open at the beginning of November. The strict allocation system applied to many international flights will be lifted from mid-October. The big question is how quickly demand will return and how quickly airlines and ferry companies will be able

to re-establish something close to normal service.

Chile has also reopened airports for fully vaccinated passengers but is requiring all travelers to spend 5 days in quarantine – clearly this is not viable for many tourists and 1- or 2-day business trips are simply impossible. Restrictions are expected to ease prior to the end of the year.

Brazilian domestic flight numbers have grown since the start of the year and reached levels close to 70% of pre-pandemic levels. International flights are still to recover and passenger throughput is only around 25% of 2019 levels in most airports. Flights to many European airports have been cancelled and demand is still weak. Recent passengers at Sao Paulo Guarulhos told *TMI* that the airport is still very quiet and the duty free shops are still nowhere near as busy as normal.

The immediate future of the Latin American cruise industry remains unclear as Brazil has insisted that regional cruises do not operate outside of Brazilian ports. Argentina and Uruguay are negotiating with the Brazilian government to lift this new restriction to ensure that the summer season can start in December.

MSC has announced that the uncertainty has led them to cancel their program.

A Selection of South American Passenger Statistics

Santiago de Chile

Jan – Aug - 2021 – 0.88M
Jan – Aug - 2020 – 2.64M
Jan – Dec - 2020 – 3.02M
Jan – Dec - 2019 – 11.1M

Rio de Janeiro International – Brazil

Jan – Jul 2021 – 182.1K
Jan – Jul 2020 - 1.08M
Jan – Dec 2020 - 1.2M
Jan – Dec 2019 - 4.3M

Buenos Aires Ezeiza – Argentina

Jan – Aug 2021 - 0.78m
Jan – Aug 2020 - 2.6m
Jan – Aug 2019 - 7.8m
Jan – Dec 2020 – 2.86m
Jan – Dec 2019 - 11.55m

London Supply to open new store in Rio Gallegos

London Supply, Argentina’s premier duty free operator, is to open a new 700 sq-meter store in Rio Gallegos, the capital of Santa Cruz province, just over 2,500 kms south of Buenos Aires. The store is located in a new 200-hectare Duty Free Zone, just outside of Rio Gallegos.

Local observers have commented

that the Free Zone will compete directly with Chile’s Punta Arenas Free Zone, located just over 200 km to the West of Rio Gallegos.

The new store has been planned for several years but internal discussions and disagreements between senior officials of both national and regional governments

forced potential opening dates to be continually postponed.

Assuming that the warring government departments have reached a truce, it now seems certain that the store will open in mid-October.

JG

Mannah opens 4th store in Ciudad del Este

The Mannah Duty Free group has opened a new 300 sq-meter store in Ciudad del Este situated in the downtown Paris Shopping Mall. The store, operating under the La Petisquera façade, is the company's fourth store in the town.

The company already has two stores on the town's main street, Avenida Monseñor Rodríguez and another in Shopping del Este Mall, situated adjacent to the Friendship Bridge that links

Paraguay and Brazil.

Company CEO Mohamad Mannah comments, "We saw the opportunity to open in one of the busiest malls in the town, just as tourist traffic is beginning to increase. We are convinced that the town will enjoy a sales boom over the next few months as the number of visitors from Brazil increases. The announcement that Argentina tourists will begin to travel in November is also very welcome news."

The land border between Brazil and Paraguay is now open but the land border to Argentina remains closed, but is expected to open on November 1.

The 80,000 sq-meter Paris Shopping Mall is fast becoming one of the busiest shopping destinations in Ciudad del Este, as tourists are attracted by a Virtual Reality Play Zone, cinemas, and restaurants as well as 65 stores including the 10,000 sq-meter Shopping China anchor store.

JG

Argentina to withdraw flight restrictions in November and allow vaccinated travelers into the country

Argentina has announced that it will open its airspace with no coronavirus restrictions on November 1. Land borders with neighboring countries will also be opened on that date, according to Argentina's Interior Minister Wado De Pedro.

"Tourism was the activity most affected during the pandemic. As of November 1, tourists from all over the world will be able to enter," said De Pedro, as reported by Mercopress.

However, airlines will not be allowed to carry unvaccinated passengers into Argentina.

Argentine and foreign residents without proof of full vaccination from at least 14 days before traveling will be required to observe a mandatory quarantine. Travelers must also submit a negative PCR test from 72 hours before departure plus an antigen test on arrival as well as a second PCR test between 5 and 7 days after entering the country, for those who stay that long.

Fourteen days after 50% of the population of Argentina reaches full vaccination, vaccinated arriving travelers shall be exempted from the antigen test, it was announced.

Tourists or non-resident foreigners must also have insurance with COVID-19 coverage.

Argentina also announced that it had been granted a US\$500 million loan from the World Bank for the purchase of vaccines.

"It will be used entirely for the purchase of Pfizer and Moderna vaccines, and ensures the supply of vaccines for the last quarter of the year and for the entire first half of next year," said Cabinet Chief Juan Manzur.

Source: Mercopress

Pramsa maintains supply deliveries throughout Pandemic

Montevideo-based duty free supplier company Pramsa reports that it has been open, delivering and selling to the Lojas Francas (Free Zones) in Brazil throughout the pandemic.

"Pramsa has been supplying this new market since day one and never stopped. We made deliveries during all the COVID time," Pramsa's Eduardo Raffo tells *TMI*. "Orders were small, but never stopped. Then the orders increased for some retailers while new ones are opening and first ones are expanding," he continued.

The new Brazilian border business has been extremely important to Pramsa, since Raffo reports that the border with Uruguayan customers has been closed to tourists both on the Argentina and the Brazilian side.

"Shops have been closed for months. So we are not the same size company we used to be, but our working capabilities remain intact and we are looking forward to recovering. We have the customers and we can deliver more goods," he confirms.

Pramsa is highly specialized in

the supply of products for the Duty Free market with more than 20 years of experience. With a 1,500 sq-meter warehouse located within the port of Montevideo, it has the capacity and expertise to meet future needs.

Pramsa's current list of brands include Nestle, Ferrero, Imperial Tobacco, JTI International, La Martiniquaise, Marie Brizzard, La Collina Toscana, Twinings, Pringles and Beurer, among others.

For information, please contact eduardo@pramsa.com

Lagardère Travel Retail Peru names new CEO

Lagardère Travel Retail has appointed Cyril Letocart, a 9-year veteran of the French travel retail operator, as CEO of Lagardère Travel Retail Peru. Letocart will be the senior executive charged with controlling Lagardère's innovative profit-sharing agreement with Lima Airport Partners (LAP) when Lagardère take over the duty free concession at Lima's Jorge

Chavez International Airport in January 2022.

The company has also confirmed Nicolas Blanco as their new Commercial Director based in Lima. Blanco takes control of close to 3,000 sqm retail space in arrivals and departures at the airport in the coastal town of Callao, adjacent to the Peruvian capital. But he will already

be planning for the next big company move as LAP is planning the opening of a new passenger terminal in 2025 and local observers estimate that available retail space will double.

Prior to the COVID-19 pandemic, 23.58m passengers used Lima Airport in 2019.

JG

Brazil shows signs of recovery

In a shot of good news for the Americas, the International Monetary Fund last month announced that Brazil's economy has returned to pre-pandemic levels, with growth projected to rebound to 5.3% in 2021.

The economic return to pre-pandemic levels is supported by booming terms of trade and robust private sector credit growth, and one of the biggest stimulus packages in emerging markets—nearly 4%

of GDP in emergency cash transfers alone in 2020, reports the IMF.

The country has been hit hard by the coronavirus pandemic, however. COVID-19 has claimed the lives of more than 550,000 Brazilians, the second highest death toll world-wide. Renewed lockdowns following a severe second wave and the rollout of vaccinations have helped bring down infections since April, with new daily COVID-19 cases and deaths falling

significantly from their peaks.

But rates of unemployment and poverty remain high. Inflation too has surged, weighing on the outlook.

Growth is projected to rebound to 5.3% in 2021. Sustaining the recovery, however, will require further institutional reforms to raise labor productivity growth and foster private sector-led investment.

ASUR's total passenger traffic for September 2021 shows improvement

International airport group ASUR (Grupo Aeroportuario del Sureste), reported that air passenger traffic for September 2021 reached a total of 3.9 million passengers, 2.6% above the levels reported in September 2019. This reflects a continued overall recovery in travel demand and the rollout of vaccination campaigns in the U.S. and gradual

advances in Mexico, said ASUR, despite restrictions and requirements in certain countries of the world to contain the spread of the virus.

ASUR operates airports in Mexico, Puerto Rico and Colombia.

When compared to pre-pandemic levels of September 2019, passenger traffic declined 1.1% in Mexico and increased

0.9% in Colombia and 19.9% in Puerto Rico. The recovery appears to be especially robust in the main tourism destinations of Cancun and Cozumel, Mexico. ASUR reports that international air traffic in Cancun for September 2021 was up 206.9% compared to September 2020, and up 4.9% compared to pre-pandemic 2019. Year to date, international traffic in Cancun was up 80.1% compared to the same period in 2020, but down by -28.5% versus pre-pandemic 2019.

ASUR reports that international air traffic in Cozumel was up 126.2% for September 2021 compared to September 2020, and up 68% compared to the same period in 2019. Year to date, international traffic in Cozumel was up 68.1% compared to the same period in 2020, but down by -9.6% versus pre-pandemic 2019.

This announcement reflects comparisons between September 1 through September 30, 2021, from September 1 through September 30, 2020 and September 1 through September 30, 2019.

Passenger Traffic Summary	September			% Chg 2021vs 2020	% Chg 2021vs 2019	Year to date			% Chg 2021vs 2020	% Chg 2021vs 2019
	2019	2020	2021			2019	2020	2021		
Mexico	2,219,687	1,139,377	2,195,980	92.7	(1.1)	25,783,861	11,548,726	20,333,163	76.1	(21.1)
Domestic Traffic	1,288,816	820,718	1,206,184	47.0	(6.4)	12,367,374	6,133,129	10,676,596	74.1	(13.7)
International Traffic	930,871	318,659	989,796	210.6	6.3	13,416,487	5,415,597	9,656,567	78.3	(28.0)
San Juan, Puerto Rico	571,010	297,505	684,451	130.1	19.9	7,072,180	3,505,793	7,175,392	104.7	1.5
Domestic Traffic	513,775	288,157	638,187	121.5	24.2	6,315,138	3,265,711	6,811,926	108.6	7.9
International Traffic	57,235	9,348	46,264	394.9	(19.2)	757,042	240,082	363,466	51.4	(52.0)
Colombia	1,013,803	140,005	1,023,173	630.8	0.9	8,807,551	2,821,728	6,920,374	145.3	(21.4)
Domestic Traffic	866,614	132,278	875,405	561.8	1.0	7,457,666	2,411,973	5,911,758	145.1	(20.7)
International Traffic	147,189	7,727	147,768	1,812.4	0.4	1,349,885	409,755	1,008,616	146.2	(25.3)
Total Traffic	3,804,500	1,576,887	3,903,604	147.6	2.6	41,663,592	17,876,247	34,428,929	92.6	(17.4)
Domestic Traffic	2,669,205	1,241,153	2,719,776	119.1	1.9	26,140,178	11,810,813	23,400,280	98.1	(10.5)
International Traffic	1,135,295	335,734	1,183,828	252.6	4.3	15,523,414	6,065,434	11,028,649	81.8	(29.0)



Cell Shop Duty Free in Foz de Iguaçu, Brazil (seen above and below) is one of the flagship free shops on the Brazilian border, says Essence Corp. VP Antoine Bona, and are more reminiscent of a good airport store than old-style border stores.

Brazilian border store openings help Essence Corp. weather the pandemic slowdown

Miami-based Essence Corp. has taken full advantage of the opening of border stores on the Brazilian side of the border to help bolster its sales of perfumes and cosmetics during the course of the pandemic. Essence Corp. Vice President of Sales Antoine Bona tells *TMI* that the border openings permitted his distribution company to add about one new point of sale every month or so over the past year, even as other venues remained closed due to COVID-19.

“As you know, legislation was passed [in 2018] to allow for Brazilian duty free stores in 32 twin cities on the Brazilian side. Looking at nearby cities, these stores could serve a population of around 15 million when all the cities open,” explains Bona.

With a duty free limit of \$300* per person per month for Brazilian residents, (every 30 days), that can add up to a very substantial market, says Bona.

“The duty free stores are not only for the traveling Brazilians, but for the local population as well. So if a town has 200,000 inhabitants, and they are allowed to buy \$300 worth of goods every month, (liquor, perfumes, confectionery, etc.) that is a lot of potential sales,” he said.

There are currently 18 duty free points of sale that are open on the Brazilian side of the border, of which only four do not carry perfumes & cosmetics, says Bona. In addition, besides travel retail giants Dufry and DFA, which are today operating two

points of sale in Uruguaiana, all the others are new, independent Brazilian owned local operators. As many as nine more shops are expected to open before the end of the year as well.

“Some of these retailers have more than one store, so the business is concentrated in the hands of about nine operators,” explains Bona.



**Although it was announced at the ASUTIL Conference in November 2020 that the Receita Federal (Brazilian Customs Authority) had authorized an increase in the duty free allowance from US\$300 to US\$500, which was expected to take effect from January 1, 2021, no change has yet taken place. Although there have been no official announcements, TMI understands that the higher allowance was postponed due to tax revenues already being lower than expected because of the coronavirus. The \$500 limit is in the system and is still expected to take effect sometime in the future.*



COACH

NEW YORK

The New Fragrance
COACH DREAMS
sunset



Border success leads to more brands

And since Essence Corp. is a Master Distributor for travel retail for some major groups with popular brands, the new stores have been very welcoming. Essence Corp. represents in this region Interparfums, whose main brands include Montblanc, Coach, Jimmy Choo, Lagerfeld, Montblanc, Kate Spade; Interparfums New York, with brands including Ferragamo, Oscar de la Renta, Abercrombie & Fitch and Anna Sui; and EuroItalia, with Versace and Moschino, as well as Victoria’s Secret, Bath & Body Works and Rituals.

Additionally, some of the other groups that Essence Corp. distributes for the Caribbean have asked the company to handle the Brazil border as well: Puig – with brands including Carolina Herrera, Paco Rabanne and Jean Paul Gaultier; as well as Shiseido and Hermès.

“They have trusted us because we have a very strong relationship and partnership,” said Bona. “We were also one of the first to the market. The first store opened in 2019 and we have been active on the borders since that time. We have a supervisor who is located in Brazil, and she takes care of this market and has been doing constant market visits, even during COVID. Domestic travel in Brazil really never stopped during the pandemic,” he explains.

Another plus - Essence Corp. is sharing its expertise with the new operators to help develop the beauty category within the new border stores.

“The Brazil border has been a real highlight and we are meeting with and developing the relationships with the new operators. We are helping to educate them along the way when it comes to category management, merchandising, brand adjacencies, turning sales, and how to manage luxury,” said Bona. “Plus, we



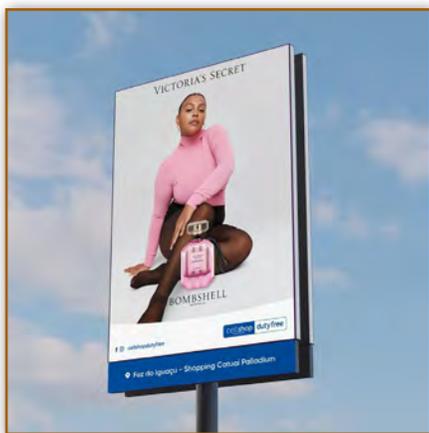
have been able to scale the distribution by adding more brands to our portfolio – specifically the Puig brands,” he added.

Beautiful new stores

Bona reports that many of these new

stores are really well-done.

“Cell Shop Duty Free in Foz de Iguacu is one standout and Bah Free Shop in Urugaiana is another. These are probably the two flagships now on the border. They are more typical of an airport



Above: Like many of the new border shops, Liberty Duty Free, also in Foz de Iguacu, Brazil, is located in popular malls surrounded by many other shops that appeal to local shoppers. The new stores have eagerly welcomed the Essence Corp. brands.

Left: Essence Corp. and its brands are investing in many high-profile billboards in the border towns with free shops, like this one for Cell Shop Duty Free.



Top: Bah Duty Free in Uruguaiana. Essence Corp. is investing heavily in trainings and market visits, says Bona.

Bottom left: Caturra Free Shop in Porto Xavier. Bottom right: Another Essence Corp. training at Central Free Shop in Uruguaiana.

store than the old-fashioned border stores,” says Bona.

While the free shops on the Argentinean side of the border have yet to open (London Supply is scheduled to first open its flagship Iguazu store at the end of October/early November) Bona notes that the complexity of travel today has made these Brazilian stores more important.

“Brazilians are not able to cross the border and they don’t have to cross the border to enter these stores; nor do they have to take a COVID test. These stores have been open throughout the pandemic and were able to cater to the local clientele. They offer them accessibility,” he explained.

High visibility activations

On top of their accessibility – and

the fact that many of the new stores are conveniently located in well-visited shopping malls that also house many other shops—Essence Corp. is using the full range of retail animations to stimulate sales on the Brazilian border.

From GWPs to giant billboards for Montblanc, Versace, Carolina Herrera and Paco Rabanne to special Christmas gift set animations and bespoke gondolas for Rituals, Essence Corp. and its brands have been investing in the market.

Bona says that Essence expects to be in all of the shops that carry P&C before the end of the year. The company is negotiating with the last three of the current operators now.

“It is important to note that this is not a saturated market and it has great potential,” he notes. “As of today, stores

have only opened in seven of the 32 twin cities where duty free border shops have been approved.

“And now that stores have opened, and the brands see the quality of the stores, and the quality of the job that we are doing, they realize the benefits of working with a company like ours who can consolidate all these smaller stores for them—much like we did in the Caribbean.

“Where there are many smaller family-owned players, it is also in the retailers’ interest to work with someone like us who has the relationship with the brands. They see the benefits of consolidation when it comes to lowering the cost of logistics or replacing purchase orders.”



Lendava Good Morning and Lendava Good Night -- launching now in the Rouge Duty Free stores in the Caribbean --promise to simplify the skincare routine and provide maximum results.

Elegant new skincare brand Lendava: minimalist products with maximum results

With products that are elegant, minimalist and highly efficient, sophisticated new skincare brand Lendava promises to deliver the pinnacle of daily skincare essentials with a simple routine of one day cream and one night cream, called Lendava Good Morning and Lendava Good Night.

Created by Priscila Fadul, an industrial engineer by training whose family has been in the beauty industry for more than 30 years, the Lendava products are the result of extensive research and endless testing to achieve the perfect formula.

Now based in Miami, Fadul grew up in Argentina and named the brand after her grandfather's town in Slovenia. She says that her family was always very concerned with health and wellness and that she has been obsessed with skincare since she was a child.

"My products are intended to replace the extra steps in your skincare routine by containing a powerful combination of ideal ingredients for your skin. By this I mean really high quality ingredients with the right pH in the right concentration, delivering high efficacy that your skin needs on a daily basis," Fadul tells *TMI* in a recent interview.

"Importantly, the Lendava creams are microbiome-friendly. This means they do

not disrupt the natural functionality of the skin. Healthy skin knows how to take care of itself. My creams support this natural functionality," she notes, explaining that she has worked with top chemists to perfect each formula.

The Good Day and Good Night creams —which can replace as many as five other products, including moisturizers, serums, oils and eye creams—combine vitamins, ceramides and peptides, with antioxidants, humectants and emollients, says Fadul.

"I think that the best proven ingredients on the market today for skincare are vitamins A, B3 and C. Vitamin B3 is what I call a multi-tasker. It always adds value to the health of the skin without disrupting its natural functionality. It is a great ingredient. And the Vitamin C that we use is high quality Vitamin C that can be used daily on the skin.

"Vitamin A is Retinol, which is more like a treatment and should not be used every day, so is not in my current creams. I will definitely launch a retinol cream in the future as a treatment, but it is too strong to be in my creams for daily use," says Fadul.

"Then we have antioxidants, and I use the most luxurious and highest quality on the market. They are necessary to protect your skin from free radicals, which result

from pollution, stress, sun damage and aging.

"Every skin needs humectants and emollients. The Lendava creams have both of these. We use humectants to hydrate the skin, and we use emollients to make the skin softer and smoother. We use some of the best humectant ingredients in the market such as Hyaluronic Acid and Sodium PCA, and we use some of the best non-comedogenic oils that come from plants," she says.

Fadul says that the Lendava creams also contain ceramides and peptides, which hydrate and boost the production of collagen.

The Lendava Good Day is a super-potent daily formula - packed with ceramides, skin superfoods, and a powerful antioxidant complex to maintain a healthy barrier and protect the skin from signs of aging, irritation, dehydration, and pollution.

The Lendava Good Night cream uses peptides that effectively stimulates the production of collagen, which is the major building block of skin. Fadul says that Lendava uses one of the very best peptides combination- Matrixyl 3000. These high-quality active ingredients stimulate the growth of both new collagen and elastin under the skin's surface.

"This is why my creams are so

LENDAVA

Skincare with the right priorities



“Unexpected” campaign for Carrera fragrances shot in Argentina in midst of pandemic

Euroluxe has announced the launch of a new campaign for the Original Black & White perfume lines for Carrera Parfums, under the theme “Expect the Unexpected.”

The campaign was filmed in Argentina at the Palacio Paz, in Buenos Aires, which is recognized as an Argentine national monument. Covering more than 12,000 square meters of space, and featuring French architecture, a stunning glass dome, and winding, elegant corridors, this palace was the perfect setting to convey elegance and glamour for this family of fragrances that Carrera offers for Him and for Her, Vanesa Tatarsky, Marketing and PR Director for Carrera, tells *TMI*.

Tatarsky is the creator of this new campaign, which she managed to produce with little resources and in the midst of the full pandemic, according to Guy Bodart, CEO of Euroluxe, the official manufacturer and distributor of Carrera Jeans fragrance and body products.

“Vanesa is the heart and soul behind the campaign and produced a great narrative under very difficult conditions,” he explained.

The campaign was filmed by Gabriel Grieco, a talented Argentine film director

who has been widely recognized for his work around the world.

The Carrera plot features two Argentine actors, Clara Kovacic and Matias Desiderio, in a story of attraction based on a role-changing game. Without the use of their sight, they move through the magical setting of 1900’s balconies and marble and bronze floors that define the Palacio Paz, enhancing all their senses, until they finally meet each other.

The campaign conveys the essence of the perfume brand: sensuality, romanticism, youth and mystery, explains Tatarsky. The name of the campaign ‘Expect The Unexpected,’ was born from the idea of living in the present, of being surprised, and that the rule is that there are no rules.

“As Marketing Director, I am very proud to belong to Euroluxe, where they allowed me to develop my creativity and vision with total freedom. I managed every detail, from the choice of talents, the realization of the script, costumes, location, post production, etc.

“The biggest challenge we faced were the restrictions and their constant changes due to the pandemic, which made us re-adapt the script to be able to carry out the



filming with all that this implied, but in the end, the result exceeded our expectations,” she said.

The fragrances in the campaign are Carrera’s Original White Fragrance for women, a Floriental, and the Original Black Fragrance for men, with citrus and leather notes.

Carrera Jeans is a leading Italian brand of Jeans, garments and apparel established in Verona, Italy more than 55 years ago with a worldwide presence. Euroluxe is the global owner of the Carrera Parfums license. To discover the backstage filming of the campaign, visit the Carrera Facebook page at <https://www.facebook.com/carreraparfums>

To see the fragrances in Cannes, please visit 3 Sq. Mérimée, 1st floor, between Restaurants La Californie & L’Avenue.



complete. Lendava creams are light texture, non-comedogenic products with very good ingredients that work on the sensitive area around the eyes.

“Lendava skincare is targeted to people who are concerned with efficiency and high-quality products that are responsible and will simplify their life,” she observed. “Skincare doesn’t need to be that complicated. These are minimalistic products with maximum effect.”

Lendava is also responsible: All Lendava ingredients are vegan, fragrance-free, biodegradable, cruelty-free, and certified by Leaping Bunny, as well as

EU-compliant. The elegant orb-shaped containers are refillable to promote reuse. And concerned with giving back, Lendava is also a sponsor of the Live Like Bella children’s cancer foundation in Miami.

The Lendava products are currently available online at US\$88 for Good Morning, and US\$98 for Good Night. They are being launched in all the Rouge Duty Free stores in St. Thomas, St. Croix, St. Maarten and Grenada, and in Grand Duty Free in Grand Cayman. For more information, contact [Hello@ShopLendava.com](mailto>Hello@ShopLendava.com)



Priscila Fadul

The Estée Lauder Companies Travel Retail commits US\$250,000 to fund a research grant with the Breast Cancer Research Foundation

The Estée Lauder Companies Travel Retail will commit US\$250,000 for the funding of a research grant with the Breast Cancer Research Foundation (BCRF) for the 2021 Breast Cancer Campaign. One of the company's fastest growing channels, Travel Retail covers duty free environments including airports, downtown locations, airlines, cruises and border shops, touching over 3 billion passengers annually.

"The Estée Lauder Companies' Breast Cancer Campaign is a reflection of our incredible employees' commitment to help create a world without breast cancer and since BCRF's founding in 1993, they have shown the true impact research has on saving lives. On behalf of all our Travel Retail employees, we are so proud to partner with BCRF to take this important step towards ending this disease and creating a new legacy of research together," said Olivier Bottrie, Global President, Travel Retail and Retail Development, The

Estée Lauder Companies.

BCRF is the highest-rated breast cancer organization in the United States and the largest private funder of breast cancer research worldwide, with nearly 275 grantees from all disciplines of science conducting game changing research to support BCRF's ultimate goal of preventing and finding a cure for breast cancer. The Estée Lauder Companies Travel Retail grantee was announced on October 1, 2021.

The Estée Lauder Companies has been a corporate leader in the global breast cancer movement since Evelyn H. Lauder co-created the Pink Ribbon and started the Campaign in 1992. The Campaign now supports more than 60 organizations around the globe to raise funds, educate, support, and create a breast cancer-free world.

As the company's largest corporate social impact program, the Campaign has raised more than \$99 million globally for lifesaving research, education, and medical services, with more than \$80

ESTÉE LAUDER COMPANIES
BREAST CANCER CAMPAIGN



million funding 321 medical research grants through the Breast Cancer Research Foundation® (BCRF).

As part of its comprehensive support program, 19 of The Estée Lauder Companies' brands will support the Campaign's mission by selling Pink Ribbon Products or making donations to BCRF and/or other charitable organizations around the world: AERIN, Aveda, Bobbi Brown, Bumble and bumble, Clinique, Darphin, DKNY, Donna Karan, Dr. Jart+, Estée Lauder, GLAMGLOW, Jo Malone London, La Mer, Lab Series, Michael Kors, Origins, Smashbox, Tom Ford Beauty, and Too Faced.

CARRERA
Parfums

THE NEW FRAGRANCE
FOR HER

Visit the Carrera Suite at 3 sq. Mériemée, 1st floor (in front of the Palais)



The Tairo team is one of three pillars that have spelled the company's success, say Tania and Robert Bassan (seated).

Miami distributor Tairo celebrates Silver Anniversary and looks back over the past 25 years

"It's been a ride; I can't believe it is 25 years," said Tairo International co-founder Robert Bassan at the start of his reminiscing interview with *TMI*. The Miami-based fragrance and cosmetics distributor, which handles the Caribbean and Mexican duty free markets, is celebrating its 25th anniversary this year. The company has made a major impact in its market since it was founded in 1996.

From starting out by distributing small independent European brands, the company grew to be the regional distributor for beauty giant Coty (and P&G before it became part of Coty) and L'Oréal Luxe Travel Retail, among others.

Bassan had actually grown up in the business, as his father Mike Bassan worked with electronics brands. Robert also got a few years of spirits business under his belt before deciding to focus on fragrances. His wife and partner, Tania Bassan, meanwhile brought her prior teaching experience to bear in designing top-rated trainings.

"I'll never forget. I called around to see if people knew of any companies that were looking for distributors. I was woefully ignorant – thinking that every manufacturer was looking for a distributor in the Caribbean!" he quipped.

"It's an interesting business, to say the least," Bassan continued.

Relationships at core of success

Tairo is very proud about the special

relationships it has developed – and nurtured – over the past quarter century.

"I was talking to the team today and we realize how fortunate we are to have so much to be thankful for over the 25 years we have been in business. We are thankful for an amazing group of customers who have really supported us during these 25 years. It's not a typical supplier-customer relationship," said Robert Bassan.

"Our customers have become family to us, and really helped build our company. They have been the biggest cheerleaders of our business, and in many cases, our relationships with our suppliers are the result of these same customers recommending us and telling the suppliers about the good job that we were doing in the market. So we are very indebted for that," he said.

"Our customers are not just the store owners—it's not just the buyers, it's not just the Beauty Advisors, it's not just the store managers. It is every single one of the components of our clients that has helped us to be the success that we have been over these last 25 years," adds Tania Bassan.

Three pillars

The Tairo owners say there are three pillars that have built the company.

"The first pillar is our customers. The second is our suppliers. We really have amazing partnerships with all of our suppliers, for many, many years. And the

third pillar is our team. I have to say that we are very fortunate that we have had a fantastic team – a team that has been there for a long time. Some of our employees have now been in the company close to 20 years," says Bassan.

"Most of our employees have been with the company more than 10 years, with an average of 15 years," added Tania Bassan. "We are really fortunate that we have had such longevity. It's really a point of pride with us."

The Bassans give a special shout out to Tairo President Bryan Hollander: "Bryan has been an integral part of our growth," confirms Robert.

Milestones

Tairo's milestone events included the store managers, owners and beauty advisors, noted Bassan.

"In addition to Tairo's 5th anniversary cruise, we've done quite a few of these events in Miami, we've done them in Orlando; these have been real milestones for our company," said Bassan.

Robert and Tania also consider their ground-breaking in-store activities as an integral part of the company history.

"We've done so many trainings and events in-store on the islands, enlisting many of the Beauty Advisors," commented Tania Bassan. "We are in a very unique market – I don't think there is any other market in the world where the owners of a



THANK YOU
TO ALL OF OUR TEAM MEMBERS,
CLIENTS, AND SUPPLIERS FOR
ALL OF YOUR SUPPORT THROUGHOUT THE YEARS

company that has been in business for 25 years can walk into a store and recognize Beauty Advisors that were there when we started 25 years ago. And that happens a lot for us.”

“These Beauty Advisors have been such a big part of our success,” adds Robert. “They are loyal to us, we are loyal to them. It is a symbiotic relationship. It is amazing. Tania and I will walk into stores today and the BAs say – I remember this launch or that launch! This has really made our business a success.”

Highlight launches

Reminiscing on specific launches, the Bassans give a special shout out to the Ferrari fragrances, which they began distributing in 1999.

“The Ferrari fragrance really put us on the map. Because the number of activations that we did in the region, it really opened the eyes of potential suppliers, to see what we were doing,” said Bassan.

“When we first started with Procter & Gamble, which was eventually purchased by Coty, the Boss Bottled launches for Hugo Boss was a standout. Also Lacoste Touch of Pink was a huge activation for us throughout the region. With Coty, Cool Water Deep was a massive launch, as was all of the Marc Jacobs launches, such as Daisy,” said Tania Bassan.

Tairo also revamped the Yves Saint Laurent brand in the region; and the YSL Libre fragrance was an especially memorable launch.

“The beautiful thing about Yves Saint Laurent is that over the years we have

Tania and Robert Bassan in their first Tairo office.



Tairo President & Director of Operations Bryan Hollander meeting with the team recently in the company's Florida headquarters.

really helped make it a reference brand in the Caribbean, not only with the travel retail customers but also with a really large local following. It is really amazing how that fragrance is still doing well with the local market consumers,” commented Bassan.

And their favorite island is...

While the Bassans would not indicate a favorite island in the Caribbean, they did admit that Nassau holds a special place in their hearts.

“Nassau was the first island that we opened up, getting a listing with The Perfume Shop from Tim Lightbourne. That was when we were first starting. Tania and I would fly in for the day and we would literally walk down Bay Street (which at that time had dozens of perfume shops, one on every corner) and work every single one of those stores,” said Bassan.

Even now, the Tairo area managers spend time with the Beauty Advisors at the point of sale.

“The DNA that we created 25 years ago is still alive and carried out by the team members who are there day in and day out, with the exception of course of this last year and a half,” said Tania.

Mexico Duty Free

Tairo also has a special relationship with the Mexican duty free market, where its main clients include Sears and UltraFemme, and Pama in Cozumel.

“Mexico provided us with the ability to showcase and do things instore on a grand scale that really weren't being done at that time. It solidified for us the ability to do large scale events. And we were able to use that as a blueprint for stores in the rest of the region in the Caribbean. It was a great opportunity for us to help our brands shine instore,” explained Tania.

Added Robert: “We dressed buses and installed billboards, going beyond just a window display. The Mexican market gave us the ability to do real 360 degree launches. And we still do this today.”

Tania Bassan also highlights special activations they did, like instore engraving events and parties with DJs.

“Engraving events are particularly successful, to such an extent that we need



to take pre-orders so the engraver can start the process days before we actually start in the store to accommodate the demand,” she said.

Somar

In 2013, Tairo expanded, using its experience as a fragrance and cosmetics distributor in Caribbean Travel Retail to create a sister company dedicated to the distribution of consumer products for the Caribbean local markets, called Somar.

Somar represents such brands as OPI, Moroccanoil, Wella Hair care, Cover Girl, Max Factor, and Energizer batteries, among others.

“While Somar has not been around as long, it helped us diversify our business,” says Robert Bassan. “It really catered to the changing consumer behavior. We see consumers migrating to two poles of the beauty spectrum. We have high end customers looking for expensive, luxury and niche brands, and then we have other consumers who are more value conscious, looking for semi-mass and masstige products.

“So whereas Tairo supplies travel retail stores with more select brands, Somar is more geared to the drug store and super markets market and local consumers.”

Whichever end of the beauty spectrum the Tairo companies supply, the Bassans say their same theme and philosophy applies: “Our business continues to focus on our three pillars-- our customers, our suppliers, and the team members who have been with us for as long as they have. They spell our success.”

Shiseido reinforces commitment to travel retail with focus on skin beauty innovations

Shiseido Travel Retail is focusing on prestige and skin beauty for travel retail at the upcoming Moodie Davitt Virtual Travel Retail Expo and TFWA World Exhibition & Conference.

The company will share its vision for the travel retail beauty category through the presentation of key launches, consumer-centric marketing strategies and market-specific plans for 2022, aligned with Shiseido Group's WIN 2023 and Beyond medium-to-long-term strategy.

Philippe Lesné, President & CEO, Shiseido Travel Retail, said: "Travel retail remains the ultimate global showcase of our brands, and we believe it will emerge stronger and more resilient. Shiseido Travel Retail's presence in both trade events underlines our strong commitment to the industry, and our teams are excited to reconnect virtually and physically with valued partners and stakeholders. As the physical and digital worlds continue to merge in the new normal, we see this as a pivotal opportunity to further strengthen our capabilities in consumer experience and online-to-offline engagement with travelers. We look forward to showcasing our offerings for the new travel retail landscape and fruitful discussions with our retailer partners to build a successful future together."

Shiseido Travel Retail will be presenting its skincare, makeup and fragrance brands, including the following focus lines and novelties, which will be available in the Americas travel retail markets:

SHISEIDO

Ahead of Shiseido's 150th anniversary in 2022, the company's flagship brand SHISEIDO will offer delegates an exclusive teaser of the limited editions planned for its iconic products to mark the occasion.



In addition, SHISEIDO will be presenting Uplifting and Firming Cream and WrinkleSpot Treatment from its Vital Perfection collection. The SHISEIDO Vital Perfection Uplifting and Firming Cream, and Intensive Wrinklespot Treatment are now available in Travel Retail Worldwide.

Clé de Peau Beauté

Powered by the Skin-Empowering Illuminator complex, Key Radiance Care is a three-step system to awaken, nurture and boost Skin Intelligence. The Serum is the brand's hero product and the first step of Key Radiance Care. It contains Kelplex that helps to activate skin's regenerative power and stimulate its ability to evolve in radiance.

The age-defying specialist line, the Supreme Series, comprises highly functional items inspired by dermatological and regenerative treatments and technologies. The Supreme Series comprises the Volumizing Cream Supreme, Firming Serum Supreme, Wrinkle Smoothing Serum Supreme, Enhancing Eye Contour Cream Supreme, and Vitality-Enhancing Eye Mask Supreme. In 2022, the range will be extended with new launches.

The Serum and Supreme Series from Clé de Peau Beauté are now available in Travel Retail Worldwide.



NARS

Shiseido is introducing a new travel-exclusive NONSTOP NARS Collection dressed in an exclusive red packaging.

The NONSTOP NARS Face Palette is a deluxe, all-in-one palette for the eyes, lips and face, presented in a sleek makeup pouch with a Mini Lip Brush and Mini Blush. The set contains six bronze eyeshadows, four shades of bestselling lipsticks, and two highlighting powders. The NONSTOP NARS Light Reflecting Setting Powder – Pressed (translucent) is offered in a new, travel-exclusive oversized design. The NONSTOP NARS Collection will be available exclusively in Travel Retail Asia and Travel Retail Japan from November 2021, and in Travel Retail Americas from March 2022.

In 2016, Shiseido Travel Retail was established as the regional headquarters for Shiseido's global duty free business. Headquartered in Singapore with offices in Tokyo, Shanghai, Hong Kong, Paris, Dubai, and Miami, it operates in airports, downtown stores, border shops, airlines, and ferries, and specializes in accelerating the growth of Shiseido's brands to travelers.

Shiseido Travel Retail's portfolio includes skincare brands SHISEIDO, Clé de Peau Beauté, IPSA, THE GINZA, ELIXIR, ANESSA, and Drunk Elephant; makeup brands NARS, Laura Mercier and bareMinerals; as well as fragrance brands Dolce&Gabbana, ISSEY MIYAKE, narciso rodriguez, and Serge Lutens.





ENGRACE
THE FUTURE OF LAB CREATED DIAMONDS
Little Switzerland[®]

One on One with Hal Tayler, CEO of Little Switzerland

Little Switzerland's ethically-sourced lab-grown Engrace Diamonds shine on land and sea

With about one-seventh of the environmental impact and produced with 85 percent less water compared to traditional diamond mining*, Engrace Diamonds by Little Switzerland creates sustainable, ethically-sourced genuine diamond rings, bracelets, earrings and pendants. Starting this September, curated collections of the lab-grown diamonds premiered onboard six cruise ships in which Starboard Cruise Services manages retail operations.

While Little Switzerland and Starboard announced their groundbreaking partnership this past September, the two industry leaders had begun testing the concept before the pandemic, said Hal Tayler, Chief Executive Officer of Caribbean luxury retailer Little Switzerland.

Tayler told *TMI* that Little Switzerland is working with Starboard since the two companies share many of the same values as well as their approach to customer service.

"The test was really successful and we were supposed to rollout in March 2020, but then COVID came and shut everything down," said Tayler.

Using the leverage and credibility of the highly respected Little Switzerland name, the company created an in-house brand that it has been distributing through its own stores across the Caribbean for the past three years. But now, the company says that the time is right to expand this

brand to the cruise ships and other potential duty free distributors.

"We are looking for more distribution," confirms Tayler. But despite looking for potential distribution, Tayler emphasizes that Little Switzerland will be very selective in that distribution.

"First and foremost, any future partners will have to share the same retailing philosophy as Little Switzerland—as does Starboard," he emphasized.

Why lab-grown diamonds?

The owner of Little Switzerland's affiliated company began researching lab-grown diamonds 5-6 years ago. After a few years of intense testing, the company developed its own proprietary growing methods beyond the base technology everyone else was using; and three years ago they reached the point where they could begin producing and selling consistent lab-grown diamonds.

Tayler explains: "The process calls for growing a rough diamond in a machine that creates heat and pressure, just like nature does. After you harvest the rough diamond from the machine, you still have to send it out to be cut and polished, just like we do with diamonds that are grown in the ground.

"As we moved forward, we have been able to refine the process to increase the yield and our control of the rough diamonds. In the early days, we weren't so sure what we would end up with, in terms of clarity, color and quality. Now we are at the point where we can control that to a

much higher standard."

Tayler reports that in addition to growing white diamonds, Little Switzerland is specializing in growing blue, yellow and pink diamonds as well.

"We use a proprietary method that delivers consistency in color. And unlike many other 'color enhanced' gemstones on the market, we do not treat these stones with heat or a coating process. Our stones are injected with the same natural gases that occur in nature, and these gases are injected into the growing chamber during the creation of the stones. If you were to cut one of our colored diamonds in half, the color saturation would be consistent throughout the stone, rather than just on the surface or heat treated," he says.

Brilliance and Value

Lab-grown diamonds are gaining a reputation for their brilliance and sparkle, as well as for value.

"One of the largest online sources for diamonds and engagement rings, Helzberg.com, is now highlighting lab-grown diamonds over natural diamonds on its homepage. They compare what you get for your money, from quality to brilliance, saying you get twice as much with a lab-grown stone," says Tayler.

"Because the cost of producing the lab-grown rough diamonds is less than mining the natural in-ground stone, we strive to cut the stone to perfection, which is where the brilliance comes from. This cut is the first thing you notice with our lab-grown diamonds—all the jewelry is

*International Grown Diamond Association.



The Engrace Diamonds by Little Switzerland are lab-grown using a proprietary process that includes creating naturally colored blue, yellow and pink diamonds.

so brilliant. We are selling these with the emphasis on quality as well as the weight of the stone,” he explains.

On top of the quality of the stones, Tayler says that the timing of this project is perfect, as so many shoppers are looking for products that are more socially and environmentally conscious than in the past.

“This is especially true of the millennials, many of whom choose to spend their money with companies that reflect this philosophy. Lab-grown diamonds check these boxes. Their provenance is unquestionable. While we do need a lot of electricity to grow diamonds, it is much more acceptable than strip mining, water waste and worse.”

The value aspect is also undeniable. “Everybody comes in with a budget, but when we show them a lab-grown diamond they see they can get twice as much for the same price as they would have gotten in the natural,” says Tayler.

“In my 30 years in the industry, I have never seen a trend as big as this,” he stresses.

A Diamond is a Diamond

Greatly stimulating their appeal, lab-grown diamonds are legally recognized as real diamonds.

The seminal event of lab-grown diamonds took place in August 2018 when the Federal Trade Commission in the U.S. came out with a ruling that essentially said, a diamond is a diamond. Lab-grown diamonds are not simulated (ie. like a zirconia), but are 100% identical to a diamond mined from the ground. Chemically, physically and visually, lab grown diamonds are identical to natural

diamonds.

“The natural diamond industry was fighting this heavily, but the FTC rule stands, as long as we disclose that the diamonds are lab-grown,” said Tayler. “From that point forward, the trend has just blown up. When we launched, we thought our biggest challenge would be to educate the consumer. But because of that ruling, we rarely come across customers who do not know what it is.”

The Little Switzerland appeal

The Engrace Diamonds by Little Switzerland are produced in a U.S.-based factory owned by an affiliated company of the U.S. Virgin Island-based retailer.

“We can say that any finished diamond over 0.08 carats is grown in the USA. Since the majority of our customers we deal with are from the U.S. this is another plus, plus,” says Tayler.

Little Switzerland also controls the full process of creating the Engrace diamonds.

“I believe that we are the only company in the world that grows the diamonds, cuts the diamonds, polishes the diamonds, makes the finished jewelry and retails the finished jewelry. We are totally vertical. Most traditional jewelers are buying their lab-grown diamonds from someone else, and then making the jewelry.

“Another advantage is that Little Switzerland is a retailer, and we think of collections and assortments and how it all fits together. This is what we bring to the consumer. We have assortments that have been proven in retail environments – in duty free retail environments. I know how it works together and what sells,” he says.

“Our core business has been working with brands for more than 60 years, and will continue to be so. This new brand will enable us to expand further,” explains Tayler.

“With Engrace, Little Switzerland is branding the jewelry made with our proprietary Engrace diamonds. We think the Little Switzerland name means something. We only sell the collections in gold, 14 karat and up, and we only sell diamonds in SI to VS quality, as high as color you can go but no lower than I or J (although lab-grown diamonds look brighter).

“We believe there is great credibility and value in the Little Switzerland name. This is one of the reasons we are working with Starboard—they also recognized the value of the Little Switzerland name,” he concluded.

As of the beginning of October, Tayler confirms that Engrace by Little Switzerland is currently onboard four ships handled by Starboard, with three more ships being shipped product before the end of November. Tayler anticipates being onboard nine ships in total before the end of the year with plans to roll out to a large portion of the fleet over the next couple of years.

Little Switzerland is the largest luxury jeweler in the Caribbean and currently has more than 20 Little Switzerland stores and branded boutiques on the islands of Aruba, Barbados, Dominican Republic, Nassau, St. John, St. Thomas and Tortola. For more information about Engrace Diamonds by Little Switzerland, please contact Jamal Charles, Director of Operations – Engrace, at jcharles@littleswitzerland.com

UFC Fighter Jorge Masvidal launches Recuerdo Mezcal in the Caribbean, Central America, and Travel Retail with WEBB Banks

Acclaimed MMA and UFC fighter Jorge Masvidal is bringing his mezcal brand – Recuerdo Mezcal – to the Caribbean, Central America, and Travel Retail through a new partnership with Miami-based WEBB Banks.

Recuerdo's expansion into domestic markets in the Caribbean and Central America, as well as Travel Retail, cruise lines, and the military channel follows the brand's successful 2020 launch in the U.S. market, after having developed a cult following amongst consumers as one of the leading mezcals in domestic and duty free markets in Mexico.

Recuerdo Mezcal, recognized for its distinctive smoky flavor (a characteristic of Oaxacan mezcals), is cooked with only certified wood over river rocks and distilled with traditional and time-honored mezcal production techniques. The agave for Recuerdo Mezcal is sustainably harvested in Oaxaca, in a manner that ensures the preservation of the agave plant and the environment. Recuerdo Mezcal is available "con gusano" (with a worm), for those who prefer the silky texture the agave-worm imparts to the liquid, as well as without the agave-worm for those who prefer smoky notes with less complexity.



"Consumers in the Caribbean and Central America understand and appreciate high-quality agave spirits, and we're very excited for the opportunity to work with Jorge Masvidal to introduce people to Recuerdo Mezcal," said Jose Castellvi, Vice President of Travel Retail and Spirits at WEBB Banks. "With its authentic heritage, unique taste profile, and artisanal production, Recuerdo Mezcal is a perfect fit for our portfolio of exceptional spirits."

Added Gustavo Valdor, International

Commercial Director for Recuerdo Mezcal, "We're thrilled to have the opportunity to work with WEBB Banks to expand our footprint in markets where mezcal enthusiasts will be able to enjoy a true taste of Oaxaca. With WEBB Banks' expertise, the unique flavor in each 'besito' of Recuerdo Mezcal, whether with the agave-worm or without, and with the recognition that Jorge Masvidal brings to the table, we're confident that consumers in our new markets will embrace us."

Bottega to introduce new products in Cannes

Bottega is showcasing its new products at the TFWA World Exhibition & Conference. At its booth (A11 Blue Village) the Italian winery and distillery will introduce Prosecco Doc Rosé (two different versions), Tiramisù liqueur and Bottega 0 alcohol free sparkling wine.

Il Vino dei Poeti Prosecco Doc Rosé Bottega is an innovative sparkling wine, which maintains the freshness and versatility of Prosecco. It is produced with a blend of Glera (85%) and Pinot Noir (15%), which help give this Prosecco its characteristic pink color and greater aromatic complexity.

Bottega Pink Gold is a Prosecco Doc Rosé, which originates from a blend of Glera and Pinot Noir grapes grown in the Prosecco DOC area (Northern Italy), and is



contained in a low and wide bottle with an unusual shape.

Tiramisù is a creamy liqueur, pleasantly sweet and with a moderate alcohol content (17% vol), characterized by the flavor of the well-known dessert. Tiramisù Bottega is made with a base of cream from the Alps and mascarpone cheese of Italian origin, to which egg yolk,

cocoa (Santo Domingo origin), selected varieties of Arabica coffee (Ethiopia origin) and Savoiardo biscuits extract (gluten free) are added.

Bottega 0 is a new non-alcoholic category of products, available in two versions: Bottega 0 Rosé and Bottega 0 White, both in the traditional 75 cl sparkling bottle.

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Tito's Handmade Vodka to exhibit in own booth in Cannes for the first time

Tito's Handmade Vodka is exhibiting for the first time in its own booth at the TFWA World Exhibition & Conference.

John McDonnell, Tito's Managing Director International, tells *TMI* the time is right for Tito's to have its own dedicated booth in Cannes at the premier duty free and travel retail trade show.

"We are excited to be exhibiting for the first time in our own booth," he says.

"Because of COVID we ended up getting a booth because there must have been some cancelations. We see this as an opportunity. We are glad that we have a place that we can call home now in Cannes at Green Village K60."

At its new booth in Cannes, Tito's will unveil its latest annual Ugly Sweater for the holidays, which features an all-new design, and is now in its fifth year.

Tito's became the best-selling spirit in

the United States by volume in 2019, and the COVID-19 pandemic has not stopped its momentum.

Tito's was the number one liquor on alcohol e-commerce platform Drizly for the second year in a row in 2020.

"We've made a number of distributor changes during COVID. We have opened up a couple of new markets. We just opened up Russia domestically. They see the power of the brand," says McDonnell.

"Puerto Rico is on fire for Tito's. They've adopted the brand. In a lot of the islands it is the local people drinking Tito's. Our business is doing nicely in the Americas and we have some pockets around the world. Croatia we are doing well because the Americans can travel there."

Next year will be Tito's 25th anniversary and the brand will be



Tito's new Ugly Sweater for the holidays

celebrating with a special label and new partnerships.

"We just signed a five year deal to be the official vodka of the PGA Tour (see below) and they have tournaments around the world: China, Japan, the Dominican Republic, and so on. It is a way to raise awareness of the brand in those countries. We'll get TV exposure, we'll be able to activate on site. This is really exciting because it is a global deal," he says.

"We've also beefed up our social media presence in the UK, New Zealand, Australia, Mexico, Puerto Rico. We just launched our new website in Puerto Rico and Mexico. We continue to grow our presence around the world."



Tito's named Official Vodka of PGA Tour, Ryder Cup

Tito's has announced some key sponsorships in the past few months with the PGA Tour and the Ryder Cup.

In August, Tito's began a multi-year marketing sponsorship with the PGA Tour that named Tito's the "Official Vodka of the PGA TOUR and PGA Tour Champions." The five-year sponsorship will be highlighted by branded experiences at PGA Tour tournaments featuring exciting new activations and signature cocktails crafted for fans. In addition to fresh experiences and cocktails, "Love, Tito's," the philanthropic heart of Tito's Handmade Vodka, will engage in initiatives to increase its impact in communities where PGA Tour

events are held.

As part of the Tour's Official Marketing Partner program, Tito's will host the Tito's Stillhouse Lounge at select Tour events throughout the season.

Then in September, staying in the world of professional golf, the PGA of America announced Tito's as the Official Supplier and the Official Vodka of the Ryder Cup, which was held September 21-26, 2021, at Whistling Straits in Kohler, Wisconsin. To highlight the sponsorship, Tito's activated their Stillhouse Lounge within the Dye Plaza at Whistling Straits.

"Go to any golf course clubhouse on a Saturday and it is almost impossible

to find one that is not pouring a vodka cocktail behind the bar. Tito's cocktails and golf have been a perfect match for years, so we're thrilled to make the relationship official through our sponsorship with the PGA Tour. With so many new players picking up clubs for the first time, it is perfect timing to work with the PGA Tour to share the best moments of golf and competition with fans new and old, no matter their handicap," said Taylor Berry, Tito's Handmade Vodka VP of Brand Marketing. "With our collective dedication to community and philanthropy, we have no doubt that we will be able to make an impact on and off the course."

Stoli Group releases The Wiseman Bourbon

Stoli Group has announced the release of The Wiseman Bourbon, its first Kentucky straight bourbon whiskey produced and distilled by Kentucky Owl in collaboration with the Bardstown Bourbon Company. The product is a blend of Kentucky Owl 4-year-old wheat and high-rye bourbons, along with 5 ½-year and 8 ½-year-old Kentucky-sourced bourbons.

“The Wiseman Bourbon is an artful balance of soft wheat and spicy high-rye that provides a smooth but complex bourbon designed to drink neat, on the rocks or in a cocktail,” said John Rhea, Kentucky Owl Master Blender. “The product leads with a beautiful caramel flavor and aroma followed by notes of allspice, citrus fruit and a nudge of oak.”

This is the first Kentucky Owl release under Rhea, who began in June. Rhea previously served as Four Roses Distillery’s chief operating officer, where his responsibilities included quality control, maturation, evaluation and product blending. He was inducted into

the Kentucky Bourbon Hall of Fame in 2016 and served as chair of the Kentucky Distillers’ Association board of directors.

Jean Philippe-Aucher, Global Travel Retail Director of Stoli Group, says: “The Wiseman is the beginning of the next chapter for both Kentucky Owl and Stoli Group. We are very excited to be entering a new dynamic category within Travel Retail with such an innovative brand as The Wiseman. Following its U.S. launch we plan to roll out into GTR during 2022. The Wiseman Bourbon will be a major highlight on our stand at the Travel Retail Virtual Expo this year and we are very excited to be sharing more information there with our retail partners.”

Stoli Group purchased Kentucky Owl in 2017. Originally founded by C.M. Dedman in 1879, the Kentucky Owl Bardstown distillery went dark during the Prohibition era and remained dormant until a descendent revived the brand in 2014.

The Wiseman Bourbon (90.8 proof/45.4% ABV, \$60/750mL) is the latest



addition to the Kentucky Owl portfolio, with its last blended bourbon, Confiscated, released in 2019. The Wiseman will soon be available through a limited number of fine retailers across the distillery’s national distribution footprint.

Lanson brings two new Cuvées to Cannes

Champagne Lanson returns to Cannes this year with two new and exclusive cuvées, giving visitors to the exhibition their first opportunity to taste since launch.

Le Black Réserve was created by Hervé Dantan, the house winemaker. It offers a Lanson non-vintage Brut combining freshness, complexity and fullness.

Aged for 5 years and containing a blend of 100 Crus and 70% Grand and Premier Crus, Le Black Réserve has an intense and mature fruity taste combined with an ample, refined texture, a citrus and chalky freshness mixed with density and vitality.

Le Blanc de Blancs was also created by Hervé Dantan, to magnify the freshness of the Lanson style, combining it with the finesse of Chardonnay. Le Blanc de Blancs is aged for a minimum of 5 years with a blend of 15 Crus and 70% Grands and Premier Crus. It is fresh on the palate, with notes of candied lemon, almond, nougat, honey, candied orange bark, and a touch of chalk.

Le Black Réserve and Le Blanc de Blancs are both exclusive to duty free, wine

retailers and on-premise. The high quality of these new cuvées has been recently recognised by the great marks given by Wine Enthusiast (96 points-Highest score of the Brut Non-vintage category and the Editor’s choice).

“We’re delighted that TFWA World Exhibition is taking place this year as travel retail continues to be a key market for Lanson moving forward,” says Edouard de Boissieu, Head of Travel Retail.

“While the business has continued to be challenging, Champagne Lanson has experienced some excellent sales on domestic markets with strong sales in Oceania, the U.S. and the UK, in some cases with results well ahead of the Champagne sector average. This we see as extremely encouraging for us as our repositioning has been clearly well perceived internationally, which is sure to have a knock-on effect in travel retail as business continues to improve.”

Long term, de Boissieu remains enthusiastic about the opportunities in Australia and New Zealand where domestic sales have continued to outperform the category in 2021 following impressive



sales growth in 2020 of +25% and +35% respectively.

“With this positivity for the Lanson brand, we are returning to Cannes this year with a great deal of optimism and confidence,” he says. “Most of all, we’re looking forward to seeing our many customers, colleagues and friends for the first time and – naturally – to raising a glass of Champagne Lanson!”

Diageo unveils “Legends Untold” Special Releases Collection

Diageo has unveiled “Legends Untold”, its annual Special Releases Single Malt Scotch Whisky Collection. This year the collection includes special augmented reality elements to share the stories of the distilleries in new and unique ways.

According to Diageo, otherworldly beings have fiercely protected the heartlands of remote Scottish distilleries for an eternity. This autumn, the mythical creatures of the distilleries are set to come to life revealing their true characters. Drawn from some of Scotland’s most interesting, legendary distilleries, this collection nods to the hidden gems that can be found in each corner of the Scottish terrain amongst the lochs and rugged highlands.

This one-of-a-kind collection highlights the diversity of Diageo’s most treasured reserves maturing in Scotland. For the first time it will feature bold heavily detailed illustrations and design work from renowned digital illustrator Ken Taylor. His striking signature style and interpretation of the mythical creatures takes cues from his portfolio of pop culture artwork and unmistakable posters.

“We have delved into the core characteristics of several classic distilleries,

exploring the elements and reimagining the liquids for the Legends Untold collection. The mythical creatures of this year’s collection represent the true expressions of the distilleries. Taking inspiration from them, we have revealed new depths of flavor and embraced the essence of each of the whiskies unique flavor profiles revealing the legend it brings to life. This year’s collection is just the very beginning of the story,” says Master Blender Dr Craig Wilson.

Activated via on-pack QR code, the legends are unlocked, and the multi-sensory experience begins with a narration of the cask-strength Single Malts’ tale. Whisky fans are then guided through a mixed reality tasting experience, designed to captivate their senses, all from the comfort of their own homes.



The collection includes: Mortlach 13-Year-Old; from the Speyside Dufftown distillery; Singleton of Glendullan 19-Year-Old; Talisker 8-Year-Old; Lagavulin 12-Year-Old and 26-Year-Old; Cardhu 14-Year-Old; Oban 12-Year-Old; and Royal Lochnagar 16-Year-Old.

The 2021 Special Releases collection will be available in limited quantities from specialist Scotch whisky retailers and malts.com this Autumn.

Chivas partners with Balmain for an exclusive Drop of Scotch Whisky

Chivas has announced a special collaboration with French fashion house Balmain to release the limited-edition Balmain x Chivas XV collection, two 15 year old blended Scotches developed by Chivas in partnership with Balmain Creative Director, Olivier Rousteing.

“Just like Balmain, Chivas has always adhered to the highest standards with neither house being afraid to push boundaries and break with outdated conventions. Those already familiar with the Balmain universe will note that this unique collaboration includes a signature motif of the house—the oversized golden chain. Whenever I’ve included that eye-catching adornment in my collections, it has served as a bold symbol of the defiant spirit of our rebellious and inclusive Balmain Army – a bold and audacious attitude that both Chivas and Balmain celebrate,” says Rousteing.

The collection, dropping globally from October 5, features designs from Balmain and Chivas that the companies say

“embody the iconic codes and legendary success associated with each house.” The First Drop, an extremely limited and individually numbered gold bottle, is adorned with metallic armor and chains in a nod to Balmain’s signature runway pieces. The Second Drop is inspired by Balmain’s recent collections, and features the house’s recognizable silhouette, through a symmetrical design of chains and belts.

To celebrate the launch, Chivas and Balmain will be inviting fans to join the Balmain Army through a series of exclusive and vibrant activations. Balmain x Chivas XV billboards will be unveiled in numerous cities alongside a fashion film following the Balmain Army as they journey through a night of celebration. A Balmain x Chivas XV bottle bag, designed by the Balmain accessories team, will also be gifted to the Balmain Army for the launch. A series of Balmain x Chivas XV pop-up bars serving a range of exclusive cocktails will also be appearing worldwide and at select Fashion Weeks.



The Balmain x Chivas XV collection drops October 5 via select high-end retailers, ephemeral stores and Chivas.com with a RRP of: First Drop – £160 / €175 / \$217 and Second Drop – £70 / €84 / \$104.

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McCormick Distilling Company appoints Duty Free Global as Global Travel Retail Partner

Duty Free Global has been appointed by McCormick Distilling Company as its Global Travel Retail partner for Five Farms Irish Cream and Broker's Gin beginning October 1, 2021.

McCormick Distilling Company located in Weston, Missouri is the oldest distillery west of the Mississippi River still operating in its original location. The company has a rich heritage going back to 1856 and a reputation for offering innovative products of exceptional quality.

Broker's Gin, voted 'World's Best Gin', is a true London Dry Gin distilled using a 200-year-old recipe of 10 botanicals sourced from around the world: Bulgarian juniper and coriander seeds, Madagascar cinnamon, Chinese cassia bark, Polish angelica root, Italian orris and liquorice, Caribbean nutmeg, and Spanish lemon and orange peels. Broker's Gin is recognizable by the iconic bowler hat that sits on every bottle.

"These are fantastic brands that we are very excited to bring to travel retail. Five Farms has such great provenance from Cork with fantastic packaging that we feel will attract new buyers to the cream category. Broker's Gin is so well regarded with more top awards in international competitions over the last ten years than any other gin. It is a seriously good gin that really stands out on shelf with its black bowler hat!" says Barry Geoghegan, Founder of Duty Free Global.

Five Farms is the world's first farm-to-table Irish Cream Liqueur. It is crafted from single batches of fresh cream that are combined with premium Irish Whiskey within 48 hours of collection to become authentic Irish Cream Liqueur. The cream is sourced entirely from five family-owned farms in County Cork, Ireland run by families that have a deep connection to the land and a passion for their craft. The cream is bottled in old style black glass milk bottles with a swing top capsule.

"We look forward to working closely with the Duty Free Global team in building



the exposure of Five Farms and Broker's Gin in the travel retail sector," says Patrick Fee, Vice President of Marketing for McCormick Distilling Company.

Silent Pool

The Duty Free Global/McCormick Distilling Company partnership is just the latest example of Duty Free Global adding innovative brands to its wine and spirits portfolio. In August the company announced the addition of Silent Pool Distillers, producer of super premium Silent Pool Gin.

Produced at the Silent Pool in the Surrey Hills in England, the Silent Pool core brand features 24 botanicals and produces a full bodied and fresh gin with

depth, clarity, and flavor. Its Rare Citrus Gin brings together citrus fruits and its Rose Expression pays homage to the timeless English Rose.

The brand has won multiple awards since launch including double gold at San Francisco; and its newest edition, Rare Citrus, recently won gold at the London Spirits Competition. Silent Spring Distillers is a sustainable distillery located next to a fresh water source, producing handcrafted, artisan spirits using locally sourced ingredients. Its Green Man Woodland Gin is the world's first spirit packaged in a cardboard bottle. Lightweight, carbon-friendly and 100% recyclable, the cardboard bottle is made from 94% recycled paper, uses 77% less plastic, is 5 times lighter and has a carbon footprint 6 times lower than a glass bottle, reports the company.

These brand additions followed on the major announcement that Duty Free Global was taking on the global travel retail business of Sazerac beginning in July. It had previously been working with the company in other markets around the world.

Duty Free Global is exhibiting at the Moodie Davitt Virtual Travel Retail Expo as well as at the TFWA World Exhibition & Conference in Cannes at its new location in the Green Village - Stand J35.



Special Issue
TFWA
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TRAVEL MARKETS INSIDER

Is recovery ahead as travel markets begin to open?

When borders closed and travel ground to a halt in 2020, I doubt anyone, anywhere, could have fathomed the profound impact the pandemic would have on our industries and our lives.

It is only recently, some 20 months since we first heard the unbelievable news that countries were shutting their borders, that major travel markets like the United States, Canada, and parts of Latin America are opening for non-essential visitors, bringing hope that recovery may be on the way.

At a webinar hosted by the International Association of Airport and Duty Free Stores earlier this month, all the speakers reiterated there is huge pent-up demand for travel as people locked down for more than a year crave new experiences. And shopping seems to be part of the experience they are craving, as those travel retailers who are open report higher spend levels than normally seen.

And there are some positives. *Travel Markets Insider* is delighted and much honored to be spotlighting two major milestone celebrations in the industry in the Americas. International Shoppes – one of the very first duty free shops in a New York airport – is celebrating its 70th anniversary this year. This accomplishment is even more momentous when you realize the company is a partnership between two families that has endured, and prospered, down through three generations. Congratulations to the Greenbaum and Halpern families and best wishes for the next 70!

While some of us are getting ready to go to Cannes for one of the first physical industry gatherings, the cruise sector has

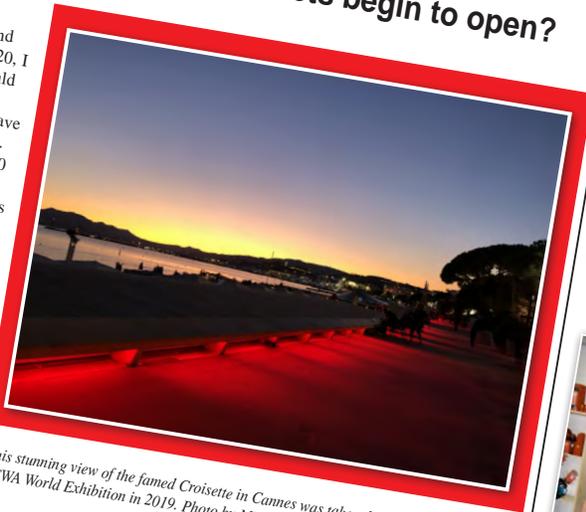
Happy Silver Anniversary to Robert and Tania Bassan of Tairo International, who have built their family-owned distribution company into one of the most respected entities in the Caribbean and Mexican duty free markets. The two reminisce over the past 25 years with *TMI*, revealing how their customers have become part of their extended family.

In more positives, growing powerhouse Rouge Duty Free, bucked the tide, expanding rather than retreating during the shutdowns. And Essence Corp. talks about how opening new duty free doors on the Brazilian border has helped them weather the slowdown.

just finished meeting in Miami at the Seatrade Global event, which last year had also been cancelled due to travel restrictions. While attendance was much lower than in the past—and health protocols abounded – excitement and anticipation ran high. Cruise lines—which were totally shut down for so long – are expecting a strong recovery (with many opportunities for retail).

We can expect nothing less for the rest of travel retail. See you all soon – either virtually at the Moodie Davitt Virtual TR Expo or on the Croisette in Cannes.

Stay well,
Lois Pasternak,
Editor/Publisher



This stunning view of the famed Croisette in Cannes was taken during the last TFWA World Exhibition in 2019. Photo by Michael Pasternak.

INSIDE INSIDER



International Shoppes celebrates 70 years.



It's a Silver Anniversary for Tania and Robert Bassan's Tairo International.



Rouge Duty Free expands in St. Croix (shown) and St. Maarten.



The Moodie Davitt Virtual TR Expo returns for second year with many enhancements.

Plus Products-People-Places
The Insider View

The most comprehensive coverage on the duty free and travel retail markets in the Americas for the last 22 years.

Nestlé International Travel Retail (NITR) builds recovery strategy around “delighting consumers” and innovation that goes beyond sustainability

Nestlé International Travel Retail (NITR) has revealed its updated recovery strategy, built around delighting consumers and focusing on its business fundamentals, as global travel reopens.

“Although traffic is still well down on 2019, passenger traffic will recover and we’re already seeing increases in footfall and average spend per head where consumers are able to celebrate their freedom,” comments Nestlé ITR General Manager Stewart Dryburgh. “We foresee growth accelerating through 2022 but, mindful of ever-increasing ecommerce, our biggest challenge remains ‘how do we continue to drive footfall and spend?’ The answer lies in delighting consumers with a portfolio cognizant of what’s important to them – and in particular this includes sustainable offerings and self-treat products.”

Even as global travel begins to open, it will continue to be a challenging environment, says Dryburgh.

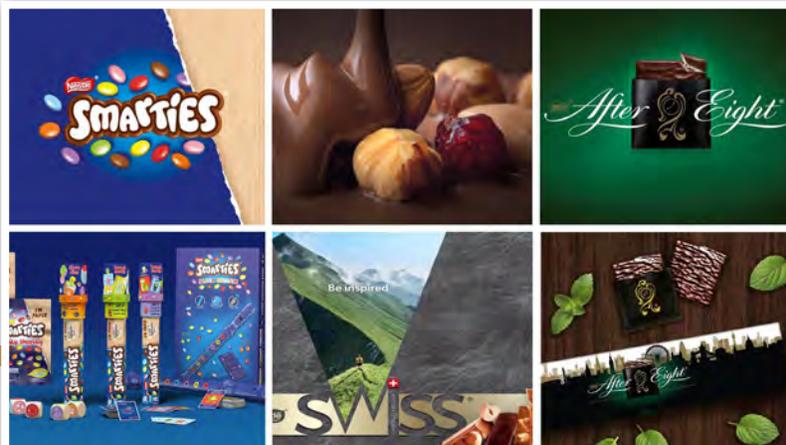
“But Nestlé has been, is and will continue to be committed to global travel retail and the opportunities within the industry. Our strategy will drive growth by providing traveling consumers with a compelling proposition that underlines the uniqueness of the travel retail environment, both in airports and other sub-channels,” comments Dryburgh.

Two Prong Approach – Delight Consumers & Focus on Fundamentals

NITR says it has identified three fundamental routes to delighting its customers in the travel retail environment. Growing trusted brands – through driving premiumization and introducing relevant and exclusive new products; regeneration – through its Nestlé Cocoa Plan and Nescafé Plans, which will introduce 100% recyclable or reusable packaging by 2025, and reduce greenhouse emissions towards its goal of Net Zero; and engaging consumers through enhanced in-store activations and digital content.

These goals will be made possible by focusing on fundamentals: ensuring supply, executing the right range for the right location and making financially prudent investments, says the company.

NITR’s core global confectionery brands --KITKAT, SMARTIES and NESTLÉ SWISS – will underpin this



strategy along with regional emphasis for AFTER EIGHT, shared Tamara Spada, Marketing Manager. In the non-confectionery offer, the spotlight on NESCAFÉ will continue, following impressive growth in the last two years, and new emphasis will be placed on premium infant formula range illumina and milk powder Nido, highlighting NITR’s commitment to growing the wider food category.

KitKat

KitKat is currently at 60% of 2019 sales levels in travel retail, and is expected to recover to almost 80% by 2022, reported the company.

NITR is launching a new travel retail exclusive KitKat Senses Roasted Almond flavor in May 2022.

Nestlé ITR is also launching two new KitKat Pops flavors: Hazelnut & Cocoa Nibs and Peanut Corn. The two new expressions are targeted specifically at non-airport channels beginning March 1 2022.

The two new KitKat extensions will be supported by online and in-store promotions, including CGI, ecommerce content in multiple languages and the continued use of the KitKat Bus, under the Live Your Break campaign..

Smarties

After becoming the first global confectionery brand to completely switch to recyclable paper packaging, the Smarties brand won a sustainability hero award, said NITR.

The brand is launching new Smarties Activities Kits in November 2021, building

on its ‘Learn Through Play’ program. The kits include puzzles, stickers, eight colored pencils and four Smarties hexatubes – contained within a reusable branded tin.

Swiss

NITR is optimizing the travel retail-exclusive Swiss portfolio and putting greater emphasis on the “indulgent” 170g tablets range, 300g tablets and chunk bags so as to cater to more self-treat snacking rather than gifting.

After Eight

After Eight is launching the limited edition Mojito Cocktail Mint flavor in March 2022, which is targeted to young adults.

Nescafé

As part of NITR’s strategy to “delight consumers” beyond the confectionery category, Nescafé is launching the Gold Roastery Collection. The new line offers two flavor profiles, Rich & Intense and Smooth & Delicate.

Both flavors will launch in April 2022 with limited global distribution. Rich & Intense offers powerful notes blended with smooth milk chocolate and roasted almond, while Smooth & Delicate offers rich caramel and toasted biscuit notes. Offered in 100% plastic free 95g packaging, these two distinct coffees are expected to drive higher shopper basket spend.

NITR reports that Nescafé achieved triple-digit growth in travel retail in 2019, with further increases reported last year, despite the pandemic.

Nestlé
KitKat
Senses



Indulge YOUR Senses



TRAVEL EXCLUSIVE

Lindt & Sprüngli TR to introduce new chocolate novelties in 2022

Lindt & Sprüngli Travel Retail is updating its Lindt premium chocolate range with new brands, formats and pack redesigns in 2022.

Prominent global brand Lindt LINDOR will be available in a new LINDOR Bag Milk 100g format to meet growing demand for self-treating and on-the-go snacking. When surveyed about the product, 88% of shoppers said they found the smaller 100g bag format appealing. The bag contains eight melting LINDOR chocolate truffles.

Lindt & Sprüngli Travel Retail will also bring the popular Lindt NUXOR brand to the travel retail market for the first-time next year. NUXOR pralines combine gianduja chocolate with roasted whole hazelnuts. NUXOR will be presented in gold ballotins available in classic Milk 165g and travel retail exclusive Milk & Dark Assorted 165g variants.

In addition, the bestselling Lindt NAPOLITAINS range will be relaunched with a new eye-catching pack design to increase visual appeal and grow awareness of the brand among shoppers. Changes will include more visible on-pack messages to clearly communicate the six NAPOLITAINS flavors and the number of chocolate pieces contained within each box. The revamped/redesigned NAPOLITAINS range will be supported with a POS activation under the theme of 'Time to Travel'.

Recent studies have shown that half of European travelers will most likely



consider buying confectionery for a gifting occasion, especially when traveling for leisure or visiting friends and family.

Sustainability, which is a growing concern among traveling consumers, especially millennial shoppers, plays a key role at Lindt & Sprüngli. Lindt & Sprüngli takes on responsibility from the selection of the cocoa beans to the production of the finished chocolate products - from "bean to bar". The company has developed its own sustainability program for cocoa beans: the Lindt & Sprüngli Farming Program. The Program strives for ecologically and socially responsible cultivation and supports farmers, their families and their communities. The Lindt & Sprüngli Farming Program reached a significant milestone, with 100% of cocoa beans now traceable back to their origin and externally verified.

Peter Zehnder, Head of the Lindt &

Sprüngli global duty free division, said: "With growing numbers of passengers returning to the seas and skies, travel retailers will need to ensure they are offering the right mix of products that consumers are actively searching for. In the confectionery aisle, this will encompass a strong core range of bestselling lines and innovative novelties from leading brands that shoppers know and trust. As a much-loved confectionery brand with global appeal, Lindt is ideally placed to help travel retailers meet the various needs of confectionery buyers. The launch of LINDOR Bag Milk 100g and Lindt NUXOR, as well as our redesigned Lindt NAPOLITAINS range, will bring much-needed innovation to the travel confectionery market, providing travelers with exciting new products to suit every occasion – from gifting to self-consumption and on-the-go treating."

Mondelez World Travel Retail announces new leadership team appointments

Mondelez World Travel Retail (WTR) has named Dogus Kezer as Associate Director Category Marketing, effective from August 1, 2021, and Beatriz de Otto as Head of Customer Marketing, effective from September 1, 2021.

Kezer succeeds Irina Tarabanko as she steps into her new role as Associate Director, M&A Project Marketing for Mondelez International, and Otto succeeds Richard Houseago following his appointment to International eCommerce Customer Manager MEU. Both Kezer and Otto report directly to Mondelez WTR Managing Director Jaya Singh.

Kezer joins the WTR team following his role as Marketing Lead for Gum & Candy for Central Europe, with over 17 years of experience in the FMCG industry.

De Otto steps into her new role from her previous position as Senior Business Development Manager for Dufry and Lagardère, in which she steered the business with two of Mondelez WTR's major global retail partners through the Covid-19 period with agility and assurance.

As Head of Customer Marketing, de Otto is responsible for global customer marketing strategy development as well as the executional excellence of key

growth initiatives, working closely cross-functionally with internal stake-holders and with Mondelez WTR's major retail partners.

De Otto has been part of the WTR team since 2012.

Jaya Singh, Managing Director Mondelez WTR, commented: "Dogus and Beatriz join an excellent leadership team, who have maintained a pioneering spirit throughout the Covid-19 period and have an exciting pipeline of initiatives in place to drive both the business's success as well as the channel's recovery forward."

Ferrero launches Ferrero Rocher Tablets

Ferrero is entering the premium chocolate tablet category for the first time in its history.

Over the last three years, a team of 50 people worked on the development of more than 300 different recipes before finding the right balance of taste and texture for a new way to experience Ferrero Rocher, says the company. Now Ferrero's iconic chocolate and hazelnut Ferrero Rocher speciality, which was unveiled by the world-famous Italian confectionery company in 1982, is being launched globally as a 90g Ferrero Rocher Tablet. The Ferrero Rocher Tablet comes in three flavors - milk, dark 55% cocoa and white. The three flavors are available in an exclusive travel retail multipack format for travelers containing 3 x 90g tablets. Ferrero entered an exclusive partnership with Lagardère to pre-launch this novelty at their retail outlets beginning in September 2021. These SKUs will be rolled out in the travel retail channels all over the world from January 2022. Sergio Salvagno, General Manager, FerreroTravel Market comments: "With the launch of the new



Ferrero Rocher Tablets, we are offering a new taste experience inspired by one of our most iconic brands which is loved all over the world. A different chocolate shape but one that remains faithful to what Ferrero Rocher lovers expect and a multi-sensorial taste experience that brings a special moment of pleasure. We have achieved this remarkable result thanks to our constant focus on product innovation and the passion for quality that has always distinguished us."

Travel retail buyers will have their

first opportunity to sample the new Ferrero Rocher Tablets at the TFWA World Exhibition in Cannes. Prior to the physical show, buyers will be able to gain insight to the new product, and to other key initiatives for the year 2021-2022, at the online Moodie Davitt Virtual Travel Retail Expo. In a new-look virtual exhibition space, customers will be guided around the various brand islands to update on the latest developments from Kinder, Nutella, Tic Tac and the Premium Chocolate portfolio.

Ritter Sport introduces new packaging design concept targeting higher travel retail visibility and focusing on sustainability

Ritter Sport is launching a new packaging design concept this autumn for its Travel Retail Edition range with sustainability and visibility in the travel retail marketplace a key focus.

Ritter Sport is targeting the travel retail market with updated packaging designs with redesigned paper-based packs.

The shift from plastic to paper and rougher cardboard packaging represents the brand's enduring focus on sustainability. The objective is to communicate to the global traveler the existing sustainability credentials of Ritter Sport products due to the tactile feeling of the packaging.

Ritter Sport, which was formed in Germany in 1912, has been working on redefining its travel retail exclusives offer in a crowded market.

Ritter Sport's colorful packaging makeover is focused on design elements derived from a propeller logo; a color code which is related to the respective flavor varieties contained in the pack.

Ritter Sport wants to further

communicate its sustainability purpose: doing the right thing to create really good chocolate. A first step is the on-pack QR communication where space has been created on all packaging. Travelers have the opportunity to learn about Ritter Sport's sustainability engagement via a quick scan of their device. Core topics are 100% certified sustainable cocoa supply chain (including the new Rainforest Alliance logo), as well certified packaging material FSC, climate neutral company and a lot more.

By 2025, the brand wants to complete its updated packaging journey from plastic to paper and for its entire range of chocolate bars or individual choco cubes and minis to use fully recyclable plastic foil wraps and pouches.

The new design of the exclusive travel retail packaging aims to position Ritter Sport as the most colorful, impactful and sustainable pioneer in travel-retail confectionery.

Nicole Miltenberger, Marketing



Management Travel Retail for Ritter Sport, said: "We felt it was time the Travel Retail Edition range really stood out with its own packaging concept. The new exclusive design celebrates Ritter Sport's hero products. The propeller logo design aims to be more colorful, more impactful and more exclusive. We wanted to translate the emotion of travel and wanderlust into a new color coded design and packaging concept that encapsulates the sustainability that Ritter Sport stands for."

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