

Special Issue
IAADFS
Summit of the
Americas
April 2022

TRAVEL MARKETS INSIDER

Travel rebound in North America bodes well for Travel Retail recovery

There is no denying that travel is beginning to show real recovery, especially in North America.

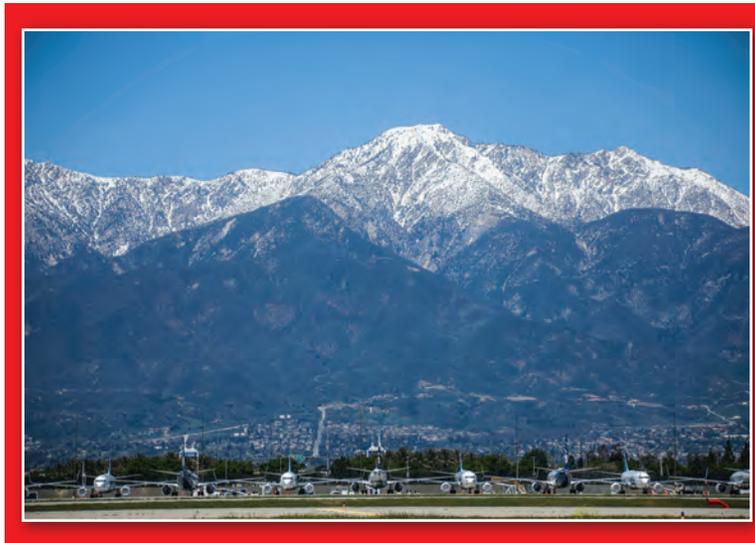
Canada has conditionally opened its land borders and as of April 1 eased pre-entry COVID tests, which begins “the road to recovery” for the country’s beleaguered border stores, says the Frontier Duty Free Association. This will bring welcome traffic to suffering airports as well.

The U.S. Centers for Disease Control and Prevention finally dropped its cruise travel advisory, a measure that had been vigorously lobbied for by the industry for months.

International travel is back in play. The UNWTO reported that the 18 million more visitors recorded worldwide in the first month of this year equals the total increase for the whole of 2021. And North America and Europe are leading the strong start of tourism. OAG recently reported that unadjusted flight booking data to/from USA and UK was over 700% up on what it was at this time last year. This strong showing is led by the big 3 U.S. airlines: United, Delta and American, with British Airways coming in at #4.

And Air Canada has more than 10 times the bookings it had last year.

The industry – and the world – still face many challenges, however. The Russian invasion of Ukraine has resulted in many uncertainties, in addition to the human tragedy, and could



Stunning views and promising opportunities await concessionaires and partners at Southern California’s Ontario International Airport, the fastest-growing airport in the United States. ONT Chief Commercial Officer Dan Cappell speaks with TMI about what lies ahead. Story on page 22.

eventually hamper travel. And the pandemic is still active in many countries, with no guarantee that a new variant will not arise. But at this moment, the prospects for recovery are looking better than at any time in the past two years.

On a personal note, *Travel Markets Insider* is celebrating its 25th anniversary in 2022. We sent out our first issue – a one page fax – in April 1997 following the IAADFS show in Orlando that year. We are immensely grateful for all the support we have received from the industry over the past quarter century, as we dedicated ourselves to providing the information critical to doing business in this part of the world.

There are several other incredibly impressive industry

milestones to celebrate. Happy 45th Anniversary to Ultrafemme and to WTDC. See full stories on how these pioneering companies have flourished for more than four decades in this issue.

Happy 25th Anniversary to Tito’s Handmade Vodka and Tairo International.

And Happy Anniversary to my fellow trade publications on their milestones: 25 years for *TRBusiness* and 20 years for *The Moodie Davitt Report*. Congratulations to us all!

Stay well,
Lois Pasternak,
Editor/Publisher

INSIDE INSIDER



Ultrafemme celebrated its 45th anniversary at the end of the year by creating an Atelier Du Parfum in the group’s flagship store.



WTDC, a pioneer in Logistics for 45 years, is a company with a conscience.



Aer Rianta International welcomes back air travelers to Canada with innovative new promotions.



Harding Retail launches Somrus into the cruise channel with striking onboard activations. Shown here: Somrus on Carnival Breeze.

Plus Products-People-Places
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VERSACE pour femme DYLAN TURQUOISE



UNWTO: Europe, U.S. tourism lead strong start to 2022, but now facing new uncertainties

International tourism continued its recovery in January 2022, with a much better performance compared to the weak start to 2021. However, the Russian invasion of Ukraine adds pressure to existing economic uncertainties, coupled with many COVID-related travel restrictions still in place. Overall confidence could be affected and hamper the recovery of tourism, reports the UN World Tourism Organization in its latest update.

Based on the latest available data, global international tourist arrivals more than doubled (+130%) in January 2022 compared to 2021. The 18 million more visitors recorded worldwide in the first month of this year equals the total increase for the whole of 2021.

While these figures confirm the positive trend already underway last year, the pace of recovery in January was impacted by the emergences of the Omicron variant and the re-introduction of travel restrictions in several destinations. Following the 71% decline of 2021, international arrivals in January 2022 remained 67% below pre-pandemic levels.

Europe and Americas perform strongest

All regions enjoyed a significant rebound in January 2022, though from low levels recorded at the start of 2021. Europe (+199%) and the Americas (+97%) continued to post the strongest results, with international arrivals still around half pre-pandemic levels (-53% and -52%, respectively).

The Middle East (+89%) and Africa (+51%) also saw growth in January 2022 over 2021, but these regions are still 63% and 69% respectively below the 2019 levels. While Asia and the Pacific recorded a 44% year-on-year increase, several destinations remained closed to non-essential travel resulting in the largest decrease in international arrivals over 2019 (-93%).

By subregions, the best results were recorded by Western Europe, registering four times more arrivals in January 2022 than in 2021, but 58% less than in 2019. Additionally, the Caribbean (-38%) and Southern and Mediterranean Europe (-41%) have shown the fastest rates of recovery towards 2019 levels. Indeed, several islands

in the Caribbean and Asia and the Pacific, together with some small European and Central American destinations recorded the best results compared to 2019: Seychelles (-27%), Bulgaria and Curaçao (both -20%), El Salvador (-19%), Serbia and Maldives (both -13%), Dominican Republic (-11%), Albania (-7%) and Andorra (-3%). Bosnia and Herzegovina (+2%) even exceeded pre-pandemic levels. Among major destinations Turkey and Mexico saw declines of 16% and 24% respectively as compared to 2019.

Prospects for recovery

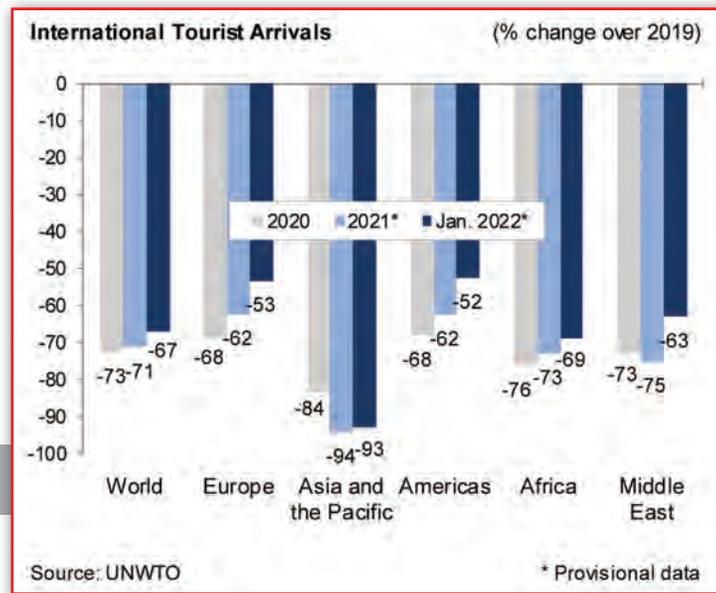
After the unprecedented drop of 2020 and 2021, international tourism is expected to continue its gradual recovery in 2022. As of March 24, 12 destinations had no COVID-19 related restrictions in place and an increasing number of destinations were easing or lifting travel restrictions, which contributes to unleashing pent-up demand.

The war in Ukraine poses new challenges to the global economic environment and risks hampering the return of confidence in global travel. The U.S. and the Asian source

markets, which have started to open up, could be particularly impacted especially regarding travel to Europe, as these markets are historically more risk averse.

The shutdown of Ukrainian and Russian airspace, as well as the ban on Russian carriers by many European countries is affecting intra-European travel. It is also causing detours in long-haul flights between Europe and East Asia, which translates into longer flights and higher costs. Russia and Ukraine accounted for a combined 3% of global spending on international tourism in 2020 and at least US\$14 billion in global tourism receipts could be lost if the conflict is prolonged.

As destinations Russia and Ukraine accounted for 4% of all international arrivals in Europe but only 1% of Europe's international tourism receipts in 2020.



Editor/Publisher: Lois R. Pasternak
 In Memoriam: Paul A. Pasternak
 Executive Editor: Michael Pasternak
 Editorial Contributors: John Gallagher
 Production Coordinator & Designer: Chris Hetzer
 Design and Production: It's About Time, Inc.
 Webmaster: Michael Pasternak

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 E-mail: parsnip5@aol.com, editor@travelmarketsinsider.net
 Tel (561) 908-2119

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How the pandemic has impacted customer segmentation in travel retail

One way for retailers to meet shopper's expectations when they travel is to be aware of the difference among the various customer segments.

Travel retail research agency m1nd-set reports that significant changes have taken place in its benchmark travel retail customer segmentation models in the wake of the global COVID-19 pandemic, especially in their respective proportions among shoppers in the travel retail environment.

The five segments, named to represent the typical shopper behavior in travel retail, are: "Local Touch Seekers", "Emotional Brand Image Seekers", "Price Sensitive Shopping Lovers", "Rational Pre-Planners" and "Low Income Buyers".

The proportion of Local Touch Seekers saw a sharp decline in 2021 compared to the 2017-2020 period, reaching an all-time low in 2021, falling from 36% in 2020. This segment now represents 20% of shoppers.

The Rational Pre-Planners segment, on the other hand has grown quite significantly in 2021, reports m1nd-set. It now represents 27% of all shoppers, considerably higher than the pre-covid period, when it accounted for between 17% and 19% of shoppers in duty free and travel retail. This change in behavior, m1nd-set says, may be explained by sanitary concerns that emerged from the pandemic, and which pushed people to plan their purchases in advance, to avoid spending too much time in the duty free shops.

The Emotional Brand Image Seekers and Price Sensitive Shopping Lover families both saw a slight increase in size between 2020 and 2021 and each segment now represents 20% of all shoppers according to the m1nd-set customer segmentation. The final segment, the Low Income Buyers, has remained quite stable between 2017 and 2021, representing between 13% and 14% of shoppers in duty free; but experienced a gentle decline to 12% in 2021.

The m1nd-set research analyses traveler behavior, among both shoppers and non-shoppers, for 15 years across all world regions, categories and channels. It delves into how shopper behavior across the segments has evolved across these variables, as well as by gender, age-group and travel purpose.

Looking at segmentation from a regional overview, m1nd-set claims that Rational Pre-Planners are the most representative among all buyers in duty free shops with the exception of the Asia Pacific region, where the buyers are more likely to be Emotional Brand Image Seekers.

By age group, Millennials and Middle-aged shoppers are more likely to be Rational Pre-Planners compared to the other age groups, while among Gen Z buyers there is a higher share of Price Sensitive Shopping Lovers, compared to the other age groups. In the Senior age bracket, Local Touch Seekers are the most representative of the customer segments.

By categories, Rational Pre-Planners are more likely to purchase Tobacco, Perfumes and Alcohol than other segments. It is also the top segment purchasing Electronics, Toys, Clothing & Accessories and Jewelry & Watches.

Emotional Brand Image Seekers purchase Make-up, Confectionery and Skincare the most compared to other segments. Local Touch Seekers, Price Sensitive Shopping Lovers, as well

m1nd-set RESEARCH BEYOND BORDERS **5 segment families**

LOCAL TOUCH SEEKERS

- Seek **authenticity**
- Need **local products**
- Are the **least brand sensitive**
- Can also buy **international products with local touch**
- Buy mainly for **gifting**

EMOTIONAL BRAND IMAGE SEEKERS

- Very into **well known brands and image**
- Like **exclusivity and international products**
- Want **special editions**
- **High spenders, spend time in the shops, visit frequently**
- Need **attractive shops, lot of choice**

PRICE SENSITIVE SHOPPING LOVERS

- Need **cheaper prices and promotions**
- **Compare with street prices**
- **Brand and image sensitive**
- Spend a **lot of time in the shops**
- Like **novelties**
- Tend **not to prefer local products**

RATIONAL PRE-PLANNERS

- Buy their **usual products to stock-up or as gifts**
- Often **compare** before buying
- Mostly **pre-plan** their purchases
- Often buy to **use during the trip**
- Like **informative shops**
- **Don't spend much time inside the shops**

LOW INCOME BUYERS

- **Don't have high budgets and are not very price sensitive**
- Need **well known brands and promotions**
- Like **staff guidance and recommendations from friends**
- **Don't buy to stock-up**

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as Rational Pre-Planners, are more likely to purchase products in the Fine Food category. Local Touch Seekers are also the most likely to purchase Souvenirs & Gift Items and Travel accessories.

Commenting on the travel retail customer segmentation model, mInd-set Chief Operating Officer Clara Susset said: “Shoppers behave quite differently in the travel retail environment and have a different set of expectations than consumers when shopping in the high street. Customer segmentation therefore needs to be adapted to the various influencing elements that are unique to the sector; elements such as excitement, stress, desire for novelty and expectations

of differentiation and uniqueness. It needs to take account of these variables as well as specific attitudes to shopping, travel frequency, in addition to demographic data of course.”

Dr. Peter Mohn, mInd-set CEO and Owner, added: “It is important for the airport, airline, cruise or ferry operator and their commercial partners, to understand the proportions of each customer segment that are traveling through their facilities and visiting their shops. Only when this has been analyzed and understood, is it then possible to adapt the product selection and brand portfolio according to the customer segment families represented in a travel retail location.”

“Understanding who the customer is and which segment they belong to is essential when designing the consumer communications, not least among staff in duty free and travel retail stores,” Susset continued. “The customer segmentation model has proved to be a highly successful tool in staff training programs where staff are trained on which are the most common segments in their retail environment, how to identify consumers based on their segment family and then how to approach them, and which type of product and price range to propose.”

More information on the research can be obtained from mInd-set by writing to info@mInd-set.com.

NRF 2022 top 50 global retailers focus on value

The National Retail Federation released its annual list of the Top 50 Global Retailers, a compilation of the 50 most impactful international retailers based on their operations at the start of 2021, conducted with Kantar Retail.

Perhaps reflecting the times, six of the top ten global retailers dealt with groceries in one way or another; and there were no luxury brands in the top 10.

Walmart continues to be the world’s largest retailer, both domestically and internationally, having made significant investments in omnichannel marketplaces, in-store services and fulfillment models, according to the research. But it faces challenges within the Top 10 from Amazon, Schwarz Group, Aldi and Costco, all of which are tapping into new markets for value shopping, says NRF.

Holding on to the same rankings as 2021, Walmart was number one, Amazon.com came in second, Schwarz Group (Germany) came in at No. 3 and Aldi (Germany) came in fourth. Costco (USA) came in as a newcomer to the top five, rising from No. 6 the previous year.

Other ranking changes in the top 10 include No. 13 Alibaba (China) - down from No. 5 in 2021, No. 6 Ahold Delhaize (Netherlands) -up from No. 7, No. 7 Carrefour (France) -up from No. 8 due to better-than-expected growth in Brazil and Argentina, No. 8 IKEA (Sweden) -up from No. 9, No. 9. Seven & I (Japan) - up from No. 13 and No. 10 The Home Depot (USA) up from No. 15.

In a commentary, NRF notes that major Chinese online retailer Alibaba is still among the Top 50 but regulatory changes in its home market have limited its advantages in financial technology.

Kantar’s ranking methodology uses a system in which points are given to retailers based on their domestic and international retail revenues. To qualify for the rankings, retailers must have a direct investment in at least three countries. See full list at: <https://nrf.com/resources/top-retailers/top-50-global-retailers/top-50->

[global-retailers-2022](#)

Note: Any comparison of retailers operating in multiple countries is made difficult by currency exchange rates and domestic market strengths that can distort comparisons over time. To minimize these impacts, Kantar’s retailer database is maintained in a retailer’s reported local currency, which has been converted to U.S. dollars using the International Monetary Fund rates database for the assignment of rank points and the construction of this list.

2022 Top 50 Global Retailers 1-10				
Ranking	Retailer	Home country	Business foundations	Total company revenue (billions)
1	Walmart	USA	Mass/Hyper	\$538.15
2	Amazon.com	USA	Ecommerce	\$330.20
3	Schwarz Group	Germany	Discount Grocery	\$158.58
4	Aldi	Germany	Discount Grocery	\$134.67
5	Costco	USA	Club	\$187.16
6	Ahold Delhaize	Netherlands	Grocery	\$93.20
7	Carrefour	France	Mass/Hyper	\$105.42
8	IKEA	Sweden	Furniture	\$52.21
9	Seven & I	Japan	Convenience	\$97.08
10	The Home Depot	USA	DIY	\$142.27

Share Source: Kantar Retail

NRF National Retail Federation



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DUTY FREE GLOBAL



TFWA makes a live return to Singapore

A revised format allows a TFWA Asia Pacific in-person event to go ahead May 9-11 at Singapore's Marina Bay Sands for the first time in two years

Although Tax Free World Association cancelled the full TFWA Asia Pacific Conference and Trade Show in early March, it has come up with an alternative format in order to provide a live forum in which the Duty Free and Travel Retail industry can meet within the current health and financial restrictions.

The revised format is a two-day in-person networking event that will enable delegates to mix, identify potential partners and do business. The live networking event is taking place on the same dates and at the same venue as the conference and exhibition it replaces.

The program is featuring an extensive conference and workshop component, and brings back TFWA's popular One2One meeting service. Networking sessions will provide further opportunities to interact with business contacts. TFWA is also planning end-of-day social events as health conditions permit.

Singapore relaxes restrictions

In a positive development for the event, the Singaporean government has lifted a number of health and travel restrictions that will greatly simplify life for those planning to attend the networking event.

As of April 1, Singapore will allow all fully vaccinated travelers, whatever their country of origin, to enter the country quarantine-free and without the need for testing on arrival. Fully vaccinated travelers will still need to take a pre-departure PCR or lateral flow (antigen) test within two days of leaving for Singapore, however.

In addition, Singapore will lift restrictions on large-scale social events, live performances, and alcohol consumption beyond 10:30pm. The number of people who can gather in social groups will be expanded from five to ten, and restaurants and bars will be able to serve up to ten fully vaccinated customers. While mask wearing indoors will still be

mandatory, it will be optional outdoors.

"The announcements today are very positive news for the entire travel retail industry, and mean that wherever you are in the world, fully vaccinated travelers can now enter Singapore without restrictions," said TFWA President Erik Juul-Mortensen, who went on to thank the Singapore Tourism Board and the authorities in Singapore for taking these positive steps. "We're certain that it will encourage many more of our colleagues from all parts of the globe to join us for what will be a long-awaited opportunity for our industry to gather in this vitally important region," he concluded.

Conference & Workshops

A key element of the event is a "robust" conference and workshop program throughout the two days.

The Opening session on day one features TFWA President Erik Juul-Mortensen and APTRA President Sunil Tuli and keynote speaker Dr Ayesha Khanna speaking on how new technologies and modes of consumption are changing the way we buy and sell brands.

Session two on day one is a Focus on India, one of Asia's biggest markets, and one that will be at the heart of the regional recovery. Featuring insights from brands, retailers and airports, Delhi Duty Free CEO Ashish Chopra and Bangalore International Airport Ltd Asst Vice President - Commercial Development Pravat Kumar Paikray will discuss current and future opportunities in the country's duty free market, customer trends and infrastructure developments.

The final session on day one is the APTRA Exchange, a knowledge-sharing session aimed at updating APTRA members and their business partners on the current status of the duty free and travel retail industry in Asia Pacific, including travel trends and regulatory issues. The session will be moderated by John Rimmer, managing director of TFWA.

Information sessions on day two will begin with the State of the Travel Market in Asia Pacific, featuring Pedro Castro, Dufry; Sarah Mathews, TripAdvisor; Ilia Liutov, ACI World and Jason Cao, DFE & Amberich International.

This workshop will look in detail at the current state of the travel industry in Asia Pacific: tourism and air traffic trends, emerging destinations and traveler preferences, plus hotspots such as Hainan. The session will also look at the findings of ACI's analysis of the business model for non-aeronautical revenues at airports, including duty free & travel retail.

Held in partnership with *TR Business* and drawing on a major recent consumer study by mInd-set, a Sustainable futures session will explore what "sustainability" truly means for shoppers in Asia, how perceptions vary by nationality, and the role environmental and social concerns play in purchase decisions. The workshop will also hear from brands and retailers on how they are adapting their business model to meet the expectations both of consumers and their own business partners.

The final session is Digital transformation in SE Asia, featuring: Dhruv Vohra, Meta and Praneeth Yendamuri, Bain & Company.

In their recent report entitled *Southeast Asia, the home for digital transformation*, Meta and Bain & Company explored how the migration from offline to online will shape the consumer way of life in Asia post-pandemic. TFWA has invited the authors of the report to share their insights on how brands and consumers in Asia will interact in future.

Registered delegates and TFWA members unable to attend physically can view replays of the learning sessions via the TFWA 365 Digital Platform the week after the event. The Delegate Directory will also be accessible to participants via TFWA 365.

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How small companies can navigate from the U.S. to foreign territories

A Guest Editorial by Bart Collins, CEO and Owner CITRA Inc.

Bart Collins, whose wide-ranging experience in travel retail includes a stint as president of Aer Rianta International Sardana JFK Inc., says that he is passionate about the universal struggles small companies face when they export from the U.S. to foreign territories. Since starting his own small company in 2009, Collins knows first-hand the challenges that face small business owners, and how daunting it can be to find and service customers. But the rewards can be substantial when approached correctly, he insists. During a Virtual Think Global Conference held last year, Collins addressed the members of the International Trade Council on the topic of how small and medium companies can overcome export obstacles. He now shares his thoughts with TMI.

CITRA Inc. represents U.S. manufactured and U.S. based consumer goods for global sales and distribution. We export these goods from the U.S. to regions in EMEA, Latin America, Canada, and others, so export is an important issue to us. As a small to medium sized trade company, we deal with import and export complexities all the time.

Exports from the U.S. represented only 12% of total U.S. GDP in 2017. Small to medium sized businesses – which make up 99% of the businesses in the U.S. – accounted for only 33% of these exports. Exports from the Eurozone, on the other hand, accounted for 46.2% of GDP—a huge 30% disparity with the United States.

Globally, 95% of all firms are small to medium sized and contribute between 20% and 40% of total exports. The United States lags well behind the rest of the world.

In most Western economies 90% of large industrial firms are involved in export as opposed to only 10%-25% of small and medium sized firms.

What leads to these glaring anomalies?

Small companies face certain barriers that prohibit full participation in the global trade and global economy. Among these are: 1. Logistical complexities and related costs. 2. Border and Customs related issues. 3. Local Legalities. 4. Currency and exchange rate fluctuations.

These issues can generally be overcome by seeking and working with trusted partners in the export targeted areas.

But 63% of global small companies in a survey conducted during a global trade conference in Mexico City a few years ago, listed finding the right business partners in the target area as their main challenge to being able to export, 41% mentioned market access limitations, 38% mentioned different regulations than what was customary, 35% mentioned foreign customs.



Bart Collins

How to overcome these barriers?

CITRA faced the same issues. At times we needed to sell our products three times. First to the potential client, then to a projected importer and sometimes we needed to find a separate distributor as well when an importer could not or would not function as a distributor in certain regions.

To overcome these issues, we were in a position to create our own import facility in the Netherlands, together with contracting local distribution services. CITRA Import BV in the Netherlands now provides us with all import needs into the EU region. We have since expanded those same functions into Denmark where CITRA Inc. is a founding partner and owner of BLUE ApS. Through BLUE, we have augmented our team in Europe to include local experts in Sweden, Denmark, Switzerland, The Netherlands, Portugal, and Germany.

Through BLUE ApS we now also have access to our in-house e-commerce platform, which is possible because of seamless import and export capabilities. Countries like Germany, The Netherlands, The United Kingdom and France all have their own local Amazon-like e-commerce sites. In 2020 European e-commerce sales exceeded \$394 billion and is expected to grow to over \$500 billion in 2024. Through our endeavors we can participate in these

markets and can guarantee on time delivery to our end users no matter from where we ship. This service works both ways, because of our matrix we now also source appropriate EU based products for sales and distribution intended for the U.S.

At a meeting with the U.S. trade attaché in the U.S. Consulate in The Hague, Netherlands, a few years ago, I came to understand that large EU based firms are apprehensive about doing business with small U.S.-based firms. Language barriers, fear of lack of knowledge of local traditions, local ways to do business etc. contribute to these fears. The reverse occurs for EU firms wishing to export to the U.S. As a result, EU imports from the U.S. are mainly big pharma, defense products, machinery etc.

CITRA Inc. together with BLUE ApS can currently act as a conduit for both sides of the equation and assist in forging relationships that can be extremely challenging at best. We are in essence a local U.S. based firm that can offer direct assistance. For the EU based entity ready to import or export from or to the U.S. we are the same local EU-based firm.

We have overcome many of the issues and obstacles to exporting/importing that are typically associated with smaller to medium sized companies and are open to do the same for your business. For more information, contact bcollins@citra-inc.com



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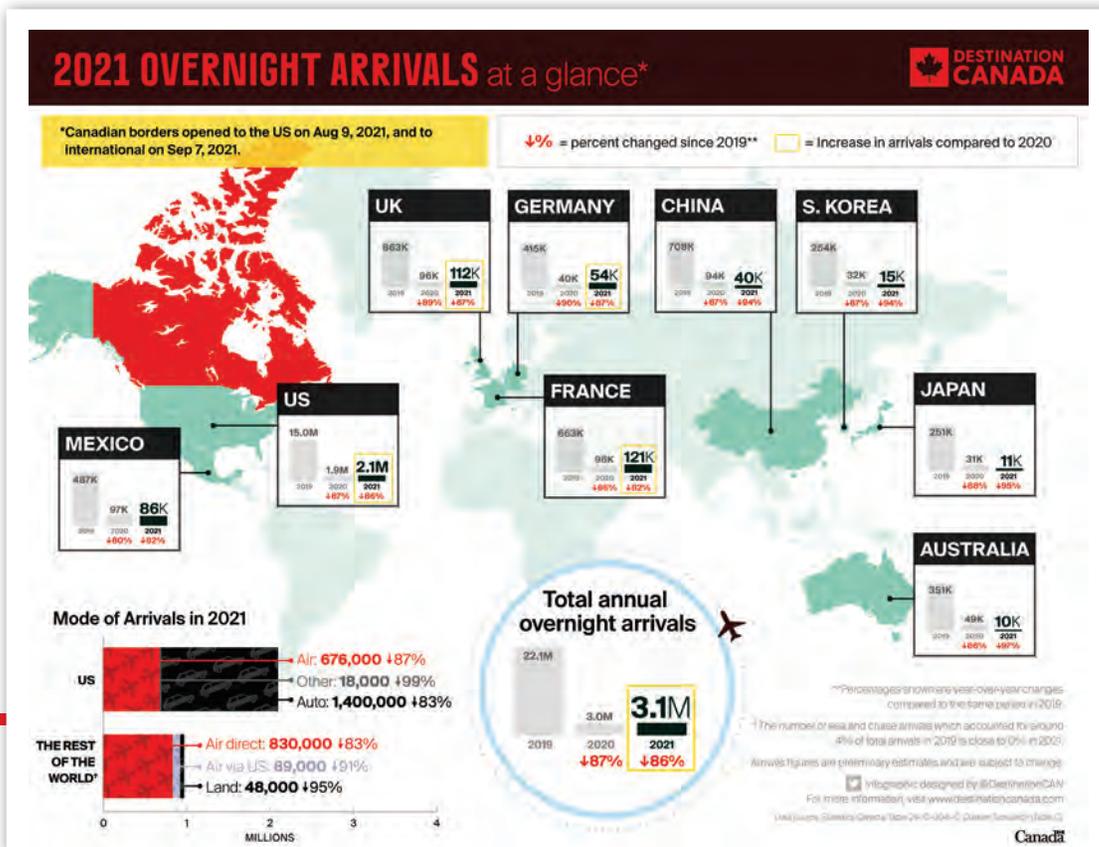
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Overnight arrivals to Canada down 86% in 2021 versus pre-pandemic numbers

Total overnight arrivals to Canada in 2021 were 3.1 million, slightly up on the 3.0 million in 2020, but still 86% less than the 22.1 overnight arrivals in 2019, pre-COVID-19.

Arrivals from the United States, Canada’s most important market were 2.1 million in 2021, up slightly from 1.9 million in 2020, but still down 86% from

the 15 million Americans who arrived in Canada in 2019.

Most Americans (1.4 million) arrived in Canada by car in 2021.

The number of sea and cruise arrivals, which accounted for around 4% of total arrivals in 2019, is close to 0% in 2021.

Canadian borders opened to the U.S. on Aug 9, 2021, and to international on

Sep 7, 2021.

France was Canada’s second largest market in 2021, with 121,000 arriving last year, followed by the UK (112,000), and Mexico (86,000).

In 2019, the UK was Canada’s second largest market, followed by China, and France. 40,000 Chinese arrived in Canada in 2021.

Canada removes pre-entry Covid test requirements; FDFA: “land border stores on the road to recovery”

In a huge shot of good news for the Canadian land border duty free operators, the Government of Canada announced that effective April 1, 2022 at 12:01 am EDT, fully vaccinated travelers will no longer need to provide a pre-entry COVID-19 test result to enter Canada by air, land or water.

Fully vaccinated travelers seeking to arrive in Canada before April 1, 2022, had to still have a valid pre-entry test, and travelers arriving to Canada from any country may still be subject to random testing.

The Frontier Duty Free Association, which had been in the forefront of heavy

lobbying to have the testing measures eliminated, issued a statement declaring that the removal of testing will allow land border stores to “start on the road to recovery.”

“The news that fully vaccinated travelers will no longer have to be tested for COVID-19 at the land border will allow border businesses like land border duty free stores to get on the road to recovery. This could not be more welcomed news and we are grateful to the federal government for hearing our plea and having our back as we continue to struggle to recover.”

The removal of the testing requirement was also hailed by Canada’s airlines.

“People are eager to travel and the end of pre-departure testing will provide travelers with more certainty, allowing them to plan their next trip with more confidence,” said David Rheault, Vice-President, Government and Community Relations at Air Canada.

For partially or unvaccinated travelers who are currently allowed to travel to Canada, pre-entry testing requirements are not changing.

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ARI-NA celebrated the reopening of air travel with holiday cocktails from Diageo in December.

Aer Rianta adjusts its workplace in Canada to new realities post-pandemic

While airport passenger levels are still drastically below 2019 peaks for Aer Rianta International in Montreal and Quebec, Canada – passenger numbers for 2021 were only 19% of 2019 traffic numbers and resulting travel retail sales



ARI-NA is the first airport in North America to launch the LXR Pre-Loved luxury fashion boutique that features vintage and pre-owned luxury designer handbags and accessories.

were 26% of 2019 levels—the company has made some important adjustments to how it does business as recovery moves forward, according to Jackie McDonagh, General Manager and Director, Aer Rianta International North America.

And now, with vaccinated travelers no longer needing a COVID-19 test to enter Canada as of April 1, passenger recovery could take a giant leap forward. Canadian travel agents say they've seen a surge in demand for flights since the change was announced in mid-March, according to local media. ARI-NA intends to be ready to meet the new realities with a best practices mentality.

Staffing levels as of March 2022 are still about a third of what they were pre pandemic, says McDonagh. The ARI-NA offices are currently working with a hybrid in-office / work from home model at the recommendation of the local government, a situation that McDonagh says will likely continue.

“We have discovered the benefits of working from home. People avoid the stress of commuting and it allows for more work-life balance flexibility,” she tells *TMI*. McDonagh kept team morale

positive during the pandemic through undertaking large projects and increasing communications to accommodate remote working.

“We also implemented social calls, health and well-being checks and conducted a lot of training,” she said.

In-store, McDonagh says ARI-NA is experiencing higher levels of spends and penetration due to exceptional offers and the need for a lot more gifting.

“We are seeing some element of revenge spending with increased PAS, now more than ever we need to continue to adapt to ensure that we are keeping hold of this increased spend. Gifting and self-treating have become an even more important element of our mix. We see customers wanting to pick up something even more special for that loved one that perhaps they haven't seen in so long,” she observes.

At the same time that the company is working to continue generating the higher spend levels, it also has instituted a new emphasis and awareness on sustainability and diversity.

“We relaunched our ESG (environmental, social and governance)



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New creativity at the point of sale (clockwise from left): Individual tasting bottles of special cocktails made with Tanqueray gin; Dior fragrances in the spotlight and Chanel celebrates the 100th anniversary of No. 5.

strategy last year, and as part of this we are continuing to develop our sustainable and ethical retailing model. We understand the importance every generation places on people and planet, and we are ensuring we have the product range to reflect that,” notes McDonagh.

In September 2021, ARI-NA launched the LXR Pre-Loved luxury fashion boutique in The Loop Duty Free Montreal Airport.

“LXR is the first pre-loved luxury concept to launch in airport travel retail in North America. It is a dedicated vintage and pre-loved luxury retail space that specialises in authentic handbags and accessories from designer brands including Hermès, Chanel, Louis Vuitton, Gucci, Prada, Ferragamo, Cartier, Dior, Chloé, among others. We have also introduced the local vegan leather goods brand Matt & Natt into the Montreal stores which is so far doing very well,” she explains.

Local Montreal, Quebec and Canadian products are getting greater emphasis at ARI-NA.

“Local goods have always been a focus for us as a gifting destination for tourists and locals but over the last year we have focused more on local products and brands as part of our sustainability strategy. We have introduced over 20 new Quebec made spirits and wines as well as a whole new line up of Quebec made maple products,” says McDonagh.

Technology and Digital

Technology is also playing a more important role in ARI’s day-to-day business, beyond its new website and e-commerce options, with more brands

offering passengers digital opportunities.

“We have quite a few brands using QR codes in stores, whether it is for recipes in a tasting or scent notes of a perfume or just more information on the product – basically to replace any brochure or info card we would have handed out physically in the past. This allows the customer to have more information at their fingertips without having to touch anything but their own phone. It is also paperless which is a bonus from a sustainability standpoint so we really encourage this method,” she said.

Brands also became incredibly creative when it came to launching activations during the pandemic.

“At the end of 2021 we were able to partner with a couple of brands for some really great animations in store. With Diageo, we had individual tasting bottles of special cocktails made by a local Montreal mixologist to taste our range of Tanqueray gins, served socially distanced inside a fruit grove installation in the middle of the international store.

“In December, Chanel celebrated the 100th anniversary of the No. 5 fragrance with a spectacular installation including interactive elements such as selfie spaces

and a bar to try out the different products. We also had very successful launches of several new fragrances with activations to support for Paco Rabanne, Dior and Gucci.

“With the Omicron variant at the beginning of this year things have slowed down a bit but starting in March and through the end of this year we have a lot more interest from brands to partner on activations and we have a few omnichannel activations currently in the planning phase.”

McDonagh and her team are looking forward to attending the 2022 Summit of the Americas in Palm Beach.

“I think it’s very important that the industry get that opportunity to collaborate once again and I believe that the show is paramount to allow that collaboration. There is a great opportunity for brands to show newness and innovation post pandemic, particularly in the consumers’ expectations of needs and wants going forward. It is also an opportunity for operators and brands to share insights and best practice that have been manifested over the last two years, as well as changing passenger profiles and expected digital requirements from consumers.”



Delta, Los Angeles World Airports unveil first major phase of Delta Sky Way at LAX

Delta Air Lines and Los Angeles World Airports (LAWA) celebrated the completion of the first major phase of the Delta Sky Way at LAX – a joint \$2.3 billion investment (includes both LAWA and Delta’s direct investments) in a multi-year terminal transformation to modernize and upgrade the global hub.

Delta CEO Ed Bastian, Los Angeles Mayor Eric Garcetti and other public officials from the city of Los Angeles and LAWA held an official ribbon-cutting ceremony on March 29.

The Delta Sky Way at LAX is a four-level, 770,000 square foot building that is part of a \$1.8 billion modernization of Terminals 2 and 3 and the latest project to open as part of LAX’s \$15-billion modernization plan.

The new building, which will officially open to the public on April 20, will offer consolidated locations for ticketing and check-in, security screening, and baggage claim. The new facility will

offer facial recognition technology to allow travelers to check their bags hands-free and one the largest Delta Sky Clubs in Delta’s network, featuring over 30,000 square feet of indoor and outdoor space.

Seven security lanes will be open to customers when the facility officially opens on April 20, with all 14 checkpoints fully operational by late summer.

The check-in and baggage drop area features a 250-foot digital backwall that spans the entire length of the facility, featuring wayfinding in both English and Spanish as well as Sky Club volume and gate information.

The consolidated check-in lobby will feature 32 self-serve kiosks and 46 check-in positions

The project, which is the first in a larger series of phased openings for the modernization of Terminals 2 and 3 at LAX, has been accelerated by 18 months and will later include a reconstructed Terminal 3 concourse and a post-

security connection to the Tom Bradley International Terminal. When the Delta Sky Way at LAX is complete late next year, Terminals 2 and 3 will be a consolidated, 1.2-million-square-foot, 27-gate complex, providing connections between Terminals 2 and 3 and the Tom Bradley International Terminal.

LAX is in the midst of a \$15 billion Capital Improvement Program, the largest airport project of its kind in the nation. The overhaul touches all nine passenger terminals and includes the creation of new facilities, including the Automated People Mover train system and a Consolidated Rent-A-Car facility. Last summer saw the opening of the Terminal 1 extension at LAX, a \$477.5 million, 283,000 square-foot extension of Terminal 1. In May of last year, the West Gates of Tom Bradley International Terminal — a \$1.73 billion investment that adds 15 gates and 750,000 square feet just west of Tom Bradley was dedicated.

LAX nears 4 million passengers in January

Los Angeles World Airports (LAWA) announced that year-over-year passenger volume continues to show a strong recovery, with 3.96 million passengers using Los Angeles International Airport (LAX) in January 2022, a 131% increase from 1.72 million passengers in the same month last year.

For January 2022, LAX reported 3,092,543 domestic passengers, which is 1.7 million more guests than the 1,378,414

in January 2021. A total of 867,265 international travelers used LAX in January of this year, a gain of 156% from the same month in 2021, which had 339,198 international travelers.

The January 2022 passenger traffic at LAX is 40.7% lower than the 6,678,451 passengers who used LAX in January 2020. Much of the difference remains international travel, which was down 57.8% in January 2022 compared with

2020, while domestic travel was down 33.1% compared with two years ago.

LAX had a total of just over 48 million passengers in 2021, an increase of 66% compared to 29 million passengers in 2020.

The airport set a record in 2019, with 88.1 million passengers traveling through the airport that year.



Southern California's Ontario International Airport (ONT) is located 32 miles from LAX in the heart of one of the most robust population and economic centers in the U.S.

One on One with Dan Cappell, Chief Commercial Officer, Ontario International Airport Tailoring concessions for the U.S.' fastest –growing airport

One of the biggest stories in the North American aviation industry is the rise of Ontario International Airport, a medium-sized airport located 32 miles from giant LAX in California. Once a part of the Los Angeles World Airports Group, ONT returned to local ownership in 2016. Since then, ONT has become one of the aviation industry's great success stories, with passenger volumes climbing more than 30% to a pre-pandemic peak of nearly 5.6 million. Over the past year, Ontario has posted one of the strongest travel recovery rates in the country and was named by Global Traveler magazine as the fastest-growing airport in the country for the third year in a row. The airport's concession program has evolved along with its passenger growth, especially because it is overseen by Dan Cappell, a familiar figure in the travel retail industry, with a 30-year career that spans the brand side, the operator side and the airport side of the business. In a far-ranging interview with TMI, Cappell talks about where the airport is now and its plans for the future. Lois Pasternak reports.

“When we took over the airport in 2016 the decline in passengers was so steep that traffic was at an all-time low. As a result, a large part of our concession business was shut and some concessions, including key restaurants, had been closed for a couple of years. The new management team came in November 2016, and from 2017 to 2018 we worked on getting the foundations established, also getting the right people onboard. From 2019 onwards we began accelerating, not only in terms of our growth in passenger traffic but right across from A to Z of the business operations,” Dan Cappell, Chief Commercial Officer, ONT tells *TMI*.

ONT is ideally positioned to continue growing for years to come. The airport does not have curfews nor pax capacity issues, which is an advantage over other airports in Southern California. The airport is also in the heart of one of the most robust



Dan Cappell, Chief Commercial Officer, ONT

population and economic centers in the U.S. During the first year of the pandemic, the surrounding area grew by 33,000 households, according to Steve Lambert, Public Information Officer at Ontario International Airport. It is also a major hub for UPS, Fed Ex and Amazon, placing it within the top 10 airports in cargo volume.

“One of the core focuses has been to rebuild traffic numbers that peaked at

7.2 million in 2007. Our forecast sees our traffic doubling from 5.5 million to more than 10 million by the time the Olympics arrive in Southern California in 2028. We have a large land base which is right for development and we have a growing number of airlines and routes, all of which make us more attractive as far as concessionaires are concerned,” said Cappell.

3Sixty Duty Free sees potential

The 10-year concession agreement signed between Ontario International Airport Authority (OIAA) Board of Commissioners and 3Sixty Duty Free and More in January is the best example of the potential companies see in the airport, says Cappell. Located in terminal 2, the store is due to open in September.

“The concession with ONT will be 3Sixty's first operation on the West Coast

and is an ideal starting point for them. We reached a very good agreement with flexible terms that will increase as the business increases. We are looking at this as a long term partnership.

“The contract shows the faith and confidence that 3Sixty and their Board have in ONT and we are delighted to have established a partnership with a world leading duty free operator. From our perspective it is a major coup for us as an airport. Outside of San Francisco and LAX we will be the only other airport in California to have a duty free operation,” he said.

“While the business initially will be relatively small, we will work hand in hand with 3Sixty to develop a core duty free business for our customers. We are very excited that we will be able to offer our customers a world-class duty free offer later this year. It will also have a duty-paid element. It takes courage especially during the COVID era to establish a new duty free offer.”

ONT is a full-service airport that has nonstop commercial jet service to 18 major airports in the U.S., Mexico and Taiwan, and connecting service to many domestic and international destinations. It currently has four international routes: Taipei, Mexico City, Guadalajara and San Salvador.

“Pre-COVID China Airlines had a daily flight to Taipei that was running at about 85% occupancy. This is really strong. When those daily flights come back, which we are expecting in the near future, that will obviously be one of our core pillars for duty free. 3Sixty’s relationship and experience with Lotte can be a big

advantage here,” said Cappell.

Full concession program grows

ONT is also in discussions with existing partners for contract extensions, and new operators for food, beverage and retail opportunities.

“At the start of 2019, about 60% of our concession space was unoccupied. We have filled 80% of our space and anticipate that we will have 100% occupancy of all of our concession space within 18 months.

“During the past 12 months, we have signed contracts with Dunkin Donuts, Chick-fil-A, Subway and 3Sixty Duty Free & More.

“We also just renewed Hudson’s contract up to 2032, and they are bringing in their multi-brand Evolve concept, which will significantly enhance our retail offer. Our Board recently approved a contract with Brewery X (the fastest growing independent Brewery in California) for a bar and casual dining experience in Terminal 2. In addition, we have appointed Swissport to operate our airline lounges in both T2 and T4,” said Cappell.

Innovation and tiered contracts attract concessions

“The fact that we have been able to secure great brands and companies on long-term contracts despite COVID and the impact on the business shows both ONT’s belief in the future of the airport, but also that of our partners. We have had an open mindset and approach to negotiating the commercial terms and conditions, and in all cases have secured waterfall tiered agreements: As the business grows and develops, so do the concession fee returns,”

Cappell explained.

“We try to really embrace the partnership element of working together instead of using inflexible rigid percentages in our contracts. This is a system that can work for smaller and medium sized hubs. We still have financial obligations but if we are going to differentiate ourselves and have a world class concession program, we’ve got to reach agreed terms and conditions with the operators.

“We keep an open mind but we’ve also got to ensure that the airport benefits as the concession business grows and develops. So yes we are flexible and open minded, but we have to ensure that it is a fair deal for both parties. That is a win-win situation.”

ONT is also enhancing its retail program with its own brand of logoed merchandise which they are hoping to launch in July.

“We will have a retail store landside that will have online ordering and product dispatch within 24 hours. It will be manned during the day, and gives the non-traveling public the opportunity to come in and buy,” said Cappell.

To further widen the offer, the airport has designed eight pop-up stores which can meet a variety of needs, said Cappell.

“First, these pop-ups can be used by our existing concessions for a major promotion, launch or seasonal event, taking it out of the retail environment and onto the concourse. For example, Hudson had a big range of Super Bowl merchandise when the event took place in Los Angeles this year. And we won’t charge them rent, because it is an incremental offer for the customer, plus it drives our gross revenue and we



Left: With its mix between business and leisure traffic, ONT has shown incredible resilience, and as of today is at 99% of pre-COVID levels, one of the highest in the country. As a hub for UPS, FedEx and Amazon, it is also a top 10 airport of cargo.

Right: Daily Chinese Airlines flights to Taiwan were flying 85% full pre-COVID, and ONT expects them to resume soon.

obviously get the returns, and as pop-ups they are mobile and allow us to take the product to the customer.

“Pop-ups give us the opportunity to encourage local participation for a short period of time (1, 2 months or seasonal). It will allow us to offer local brands short-term leases without the major investment to promote their brands within the airport environment. This is pretty exciting. And we can obviously use the pop-ups to sell some of our ONT merchandise as well as to take big promotional activations out of the store.

“Along these lines, one of our F&B operators will be opening a 3,500 sqf outlet that will incorporate an interactive environment. If it all goes according to plan we will be the first airport in North America to do this. It will take the customer experience to a new level,” he said.

Enhancing the customer experience

In addition to the concessions, ONT brought the advertising and sponsorship operations in house, resulting in a doubling of returns to the airport (despite COVID and the impact on advertising revenues). “We now have a very broad width of advertisers at the airport –Porsche Audi, UCR Health, Santo Spirits, Barclays, University of Redland, Discover Claremont, Yaamava Resort and Casino, Keck Graduate Institute, AC Clippers, Golden Corral, Dignity Health and Northwest Mutual to name but a few. Our focus has been to add value wherever possible and not solely rely on a static or 10 seconds on a digital loop,” said Cappell.

“Customer experience is a priority as far as the Board is concerned. So we are trying to push the envelope in terms of the offer, but also incorporate elements that will add attractions to the customer to go into the commercial environment.

Porsche Audi showcased a car in the terminal, for example, (and sold it after four days) but is adding real added value by holding a special event for its VIP customers in the ONT hanger where Ford vs Ferrari was filmed.

“That is the sort of experience that Porsche and Audi would want to give their best customers. And it is where we think outside the box and how we can add value to a potential sponsorship,” said Cappell.

“Another partner, Dignity Health, has completely refurbished all of the mother’s rooms, refurbished the drinking fountains



ONT adds value to airport sponsorships and advertising with concourse displays and special events, like this line up new cars from Porsche Audi.

and introduced a health and well-being educational program for our passengers.”

Looking ahead

All future development of the concessions depend on passenger growth, and ONT is developing a capital investment plan to increase infrastructure to meet forecasted increases in passenger numbers. The plan includes a new Federal Inspection Services facility and that will further enhance customs and immigration for internationally arriving passengers.

“Obviously, any terminal expansion will have additional commercial space,” said Cappell.

Routes development is another major focus and a little more than a year ago ONT brought its routes service development in-house and appointed a senior air service development manager.

“The goal is to increase frequencies on our existing routes, bring new airlines in and add new destinations. We are also well into the planning for the terminal expansion program and that also will be another major step in allowing us to meet the 10 million passenger forecast by 2028. We are extremely excited with the current program and confident that as we continue to grow our traffic, our concession business will go from strength to strength.”

Atif Elkadi named CEO

Atif Elkadi was named chief executive officer of Ontario International Airport (ONT), effective March 31, 2022.

Elkadi joined ONT in 2017 and has served as deputy chief executive officer for the past three years. His extensive background in airport operations, management and communications includes positions at Dallas Fort Worth International Airport and Dubai International Airport.

Elkadi, along with Chief Commercial Officer Dan Cappell, will be attending the Summit of the Americas in Palm Beach in April.

In more news from ONT, the Board in February approved a budget revision to reduce landing fees and other airline costs to make the Southern California airport even more attractive to passenger and cargo air carriers, and made the reduced fees retroactive to January 1.

The reductions are possible because of faster growth in passenger volume contributing to higher-than-projected revenues from non-airline sources such as parking, rental cars, food and beverage, and news and gift concessions.

In addition, airport operating expenses were reduced \$2.1 million in the last six months of calendar year 2021, said the airport announcement.



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FCCA partners with the U.S. Virgin Islands on strategic development agreement to boost impact of cruising

The Florida-Caribbean Cruise Association (FCCA) and the U.S. Virgin Islands are partnering on a strategic development agreement for 2022 that will focus on increasing the overall economic impact from cruise tourism for the destination.

Through the agreement, FCCA will not only guide the U.S. Virgin Islands government on enhancing their product and increasing cruise calls, but also will facilitate new experiences to offer cruise companies and collaborate with the local private sector to maximize any opportunities.

The agreement will also put the U.S. Virgin Islands in the spotlight for the new and improved programs that FCCA has developed with focuses on employment, purchasing and converting cruise guests to stay-over visitors.

As a top-down initiative directed by the FCCA Executive Committee, which includes presidents and above of FCCA Member Lines, the new strategic partnership will grant open access for the U.S. Virgin Islands with these key decision makers and the Committee's efforts to effectuate the agreement's objectives and the destination's goals.

Some of the other features of the strategic partnership will include promoting summer cruising, engaging travel agents, creating consumer demand and developing a destination service needs assessment that will detail strengths, opportunities and needs.

Long-term partnership

"This agreement is a further testament to the continued partnership that the



Crown Bay cruise port, St. Thomas

U.S. Virgin Islands has had with FCCA and the cruise industry," said Micky Arison, Chairman of FCCA and Carnival Corporation & plc. "The destination has supported cruising through the best and worst of times, and I am proud that this agreement will make it possible to better the lives and livelihoods of so many people there."

"We are grateful for the U.S. Virgin Islands' support through the pandemic, with this landmark agreement being more proof of their dedication to cruise tourism, and we cannot be more excited to reciprocate the faith they have shown in us and the industry by maximizing their benefits from the sector," added FCCA President Michele Paige.

"Through this agreement, the U.S. Virgin Islands will have FCCA's full commitment to fulfilling the destination's initiatives, including assisting the private sector and helping all locals prosper from the economic impact that the industry brings."

USVI: Caribbean success story

The USVI is one of the biggest success stories for Caribbean tourism in the wake of COVID-19. The islands experienced a banner year for stay-over tourism in 2021 and broke numerous records. It is now turning attention to their cruise tourism, which generated \$184.7 million in total cruise tourism expenditures, in addition to \$77.9 million in total employee wage income, during the 2017/2018 cruise year, according to the Business Research & Economic Advisors report "Economic Contribution of Cruise Tourism to the Destination Economies."

Created in 1972, the FCCA is a not-for-profit trade organization that provides a forum for discussion on tourism development, ports, safety, security, and other cruise industry issues and builds bilateral relationships with destinations' private and public sectors. It represents the mutual interests of destinations and stakeholders throughout the Caribbean, Central and South America, and Mexico, along with Member Lines that operate over 90 percent of the global cruising capacity.



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CDC finally drops risk advisory for cruise travel

The Centers for Disease Control and Prevention (CDC) finally ended its travel advisory warning system for COVID-19 on cruise ships at the end of March.

The system had been in place for the past two years as a way to warn people about the risk of contracting COVID-19 while on a cruise. It now allows “travelers to make their own risk assessment when choosing to travel on a cruise ship, much like in all other travel settings,” the CDC said in a statement to media.

The CDC still warns that cruise ship travelers should be up to date on their COVID-19 vaccines before cruise ship travel and follow their cruise ship’s requirements and recommendations.

The CDC’s voluntary COVID-19 program for cruise ships remains in place and the agency will continue to publish a color-coded rating for conditions on some ships that opt into a tracking system, based on the percentage of passengers who are vaccinated and the number of coronavirus

cases reported on board.

Even though most ships currently require passengers to be vaccinated and provide proof of a negative COVID-19 test before boarding, ships are still reporting COVID cases among passengers, although from most reports, these are generally mild or asymptomatic cases.

Cruise Lines International Association applauded the move.

“Today’s decision by the U.S. Centers for Disease Control and Prevention (CDC) to altogether remove the Travel Health Notice for cruising recognizes the effective public health measures in place on cruise ships and begins to level the playing field, between cruise and similarly situated venues on land, for the first time since March 2020.”

The CLIA statement went on to say:

“From the onset of the pandemic, CLIA’s cruise line members have prioritized the health and safety of their guests, crew, and the communities they

visit and are sailing today with health measures in place that are unmatched by virtually any other commercial setting.”

The CDC has also issued a number of welcome changes to the Technical Instructions for CDC’s COVID-19 Program for Cruise Ships Operating in U.S. Waters.

According to CLIA, the March 14 updates acknowledge the “effectiveness of the cruise lines in their ability to create an environment that provides one of the highest levels of COVID-19 mitigation and reflect the improvements in the public health landscape.”

Among the highlights of the most recent changes, cruise ship operators may resume interactive experiences such as galley tours and cooking classes; allow close contacts identified within 36 hours before disembarking to quarantine in their own cabin (if they will be the only person in the cabin); and modified port agreements, removing ship and capacity limits at ports.

With theme of “resilience,” Seatrade Cruise Global returns to Miami for live event April 25-28

Seatrade Cruise Global, the cruise industry’s leading annual business-to-business event, has announced its 2022 State of the Global Industry Keynote lineup, presented in partnership with Cruise Lines International Association (CLIA).

The 2022 conference theme, resilience, serves as the framework for an exclusive round-table discussion joining senior leaders from the world’s largest cruise lines. Led by returning keynote panel moderator and BBC World News Presenter, Lucy Hockings, the dialogue will discuss the industry’s synergy to create a safe and innovative cruising experience for guests while remaining flexible during changing times.

Panelists will include:

- Kelly Craighead, President & CEO, Cruise Lines International Association
- Arnold Donald, President & CEO, Carnival Corporation & PLC
- Jason Liberty, President & CEO, Royal Caribbean Group
- Pierfrancesco Vago, Executive Chairman, MSC Cruises

“Our keynote opening session sets the tone for Seatrade Cruise Global 2022, welcoming attendees with a multifaceted dialogue reflective of the times. As so, this year’s preeminent event was curated to champion the resiliency of the cruise industry,” says Chiara Giorgi, Global Brand and Event Director for Seatrade Cruise. “In collaboration with CLIA and the Florida-Caribbean Cruise Association (FCCA) we continue to develop event protocols that align with those in the industry to ensure optimal attendee experience, while protecting the health and safety of our guests, participants and the public.”

The State of the Global Industry Keynote will take place from 9:30 a.m. – 11:00 a.m. on Tuesday, 26 April 2022, highlighting the work of the industry to lead the way as a model for responsible tourism practices as well as its commitment to deliver memorable travel experiences. The discourse will explore topics including resilience and the restart; environmental sustainability; destination

stewardship; health and safety; economic impact; the future of cruising.

Beyond the keynote forums and workshops will explore the latest trends across hotel operations; technology; health and safety, with new sessions on cruise public relations and communications; diversity; experience design and more.

Speakers from Abercrombie & Kent, American Queen Voyages, Atlas Ocean Voyages, Holland America Group, Hurtigruten Group, Norwegian Cruise Line Holdings, Ponant, Silversea Cruises, The Ritz-Carlton Yacht Collection, Variety Cruises, Virgin Voyages and Windstar Cruises will also be sharing their expertise.

2022 Registration is Now Open

With international travel back on the cards, representatives of the global cruise community from over 65 countries will meet at the Miami Beach Convention Center, April 25-28. To register, please go to <https://www.seatradecruiseglobal.com/en/>



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ALL OF YOUR SUPPORT THROUGHOUT THE YEARS

Rouge Duty Free opens new locations and expands liquor business

Rouge Duty Free continues to flourish in the region's duty free and travel retail market, consistently expanding the family-owned retail enterprise to new islands and new locations across the Caribbean.

Rouge's liquor business is also developing on plan, with the product portfolio expanding to offer all the most important brands as well as unique specialties, says Raymond Kattoura, whose company Duty Free & Travel Retail Group Inc. helps manage the business for Rouge Duty Free. After introducing liquor in its Grenada operations and rolling it out to St. Croix, Kattoura says that all future openings will carry wine and spirits.

"Liquor continues to be a key focus for us this year. Our new division has opened, and in Grenada we have expanded into liquor distribution for hotels and restaurants."

Kattoura will be attending the Summit of the Americas specifically to meet with key spirits brands in the region.

On the retail front, the company's goal to open 30 Rouge Duty Free stores in the next three-five years is still on track, with two new locations set to open in summer 2022.

St. Croix

Rouge's other big project currently underway is the Rouge Maison concept in the heart of Christiansted's downtown Historic District, on St. Croix in the U.S. Virgin Islands.

Located on the city's famed Company Street in the former Sandal's mansion, the company is refurbishing the Spanish-style historic site into a boutique galleria carrying fragrances and skincare, fashion, sunglasses, luggage and liquor with specialized niches dedicated to select high-end brands around the store. As a historic site, the house needs special restoration. The main floor has been completed, and with fixtures and furniture now being installed, the galleria could be open in May, says Kattoura.



The Rouge Boutique on Front Street in the heart of downtown Philipsburg in Dutch St. Maarten was one of three stores the company opened on the island at the end of last year.

Rouge Maison also features a small boutique hotel with four beautiful suites on the second level, which has recently opened, says Kattoura. It will soon be joined by a hip café, serving light food, coffee, wines, located in the backyard, where restoration of historic elements, such as an old brick Dutch oven, are being completed.

Rouge's first store in St. Croix continues to generate significant sales, ranking as Rouge Duty Free's #3 location, says Kattoura.

St. Maarten

Sales are also increasing at the three new Rouge locations in St. Maarten, which opened late last year in downtown

Front Street, and at Bobby's Marina and Captain's Hodge Pier. With St. Maarten open to cruising again, and Rouge being the only fragrance store at the Port, business has more than doubled. Rouge's high-end fragrance boutique on Front Street is also reporting excellent sales.

Among the existing stores, Rouge St. Thomas continues to deliver record numbers for the company, and with the re-opening of Grenada to tourism, the Rouge airport stores are operating again. Rouge is looking to add more doors in Port Louis, where its flagship there has grown out of its current space.



ROUGE

Le parfum. **La couleur.**

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

Coming this May in St. Croix, Maison Rouge Gallery of Fine Fragrances,
Skincare, Accessories, Liquor, Luxury Boutique Hotel, Bistro and more...



Grenada St. Thomas St. Croix Sint Maarten

Distribution Center: kattoura@dfrg.us



As passengers return to the airports in Buenos Aires, these are some of the fresh, appealing stores that await them.

Recovery slower than expected in Latin America; uncertain prospects for 2022

John Gallagher reports from Buenos Aires

The economic outlook in Latin America for 2022 is very unclear.

The COVID-19 pandemic and the uncertain outcome of the Ukrainian war has led analysts to be guarded with forecasts and predictions. When combined with the forthcoming Brazilian presidential elections in October, rampant inflation in Argentina, a new, comparatively youthful, president in Chile and a relatively new (but significantly older) one in Peru, observers are cagey when predicting what will happen this year.

The pandemic is not over in Latin America and many restrictions remain in effect throughout the continent. Air travel is still a long way below where expected and the major airports of Sao Paulo, Buenos Aires Ezeiza, Santiago de Chile and Lima are still far from pre-pandemic levels. Only Mexico is seeing strong passenger throughput with Cancun now above pre-pandemic levels and Mexico City recovering strongly.

The two Buenos Aires airports, Ezeiza and Aeroparque, combined to reach 757,000 passengers for the first two months of the year, more than double last year's joint total of 348,000. But they significantly trail the 2.37 million and 2.1 million passengers of 2019 and 2020.

In Sao Paulo Guarulhos, international pax reached 1.36 million for the first two months of the year, up from 458,000 last

year. But again, pre COVID traffic was 2.39 million for the first two months of 2020.

In Chile, 953,600 international passengers used the Chilean airport system, up 126.9% on 2021 but more than 50% down on 2.1 million in 2019 and 2.01 million in 2020.

Passenger traffic in Lima's Jorge Chavez Airport showed similar trends: 2.5 million passengers used the airport during the first two months of this year, up from 1.1 million during the same period last year, but way short of the 4.5 million recorded in 2020.

Fortunately for Argentina, the country was able to negotiate a last-minute agreement with the International Monetary Fund to reschedule its outstanding US\$45 billion in payments and avoid a default on sovereign debt. Repayments will now begin in 2026 and finish in 2034.

But the agreement is accompanied by only vague promises from President Alberto Fernandez with no clear economic recovery plan, and inflation remains above 50% per annum. The fiscal deficit remains high and many public services are subsidized by the Federal Government. Unemployment is reportedly falling but most new jobs appear only in federal and regional government with little contribution from the private sector,

which is doing its best to reduce costs and make their structures leaner and more efficient. Booming raw material prices and agricultural exports will probably be a short-term fix but the medium and long term is very unclear. The next few months are vital in the fight against inflation, but some pundits predict it could rise to 65% in the short term.

The agreement with the IMF has given the Foreign Exchange market a degree of stability with the official USD rate coming in at 115 pesos. The grey market rate has fallen from 220 to 200 as a result of the IMF accord. But residents and businesses still face restrictions when seeking to acquire foreign exchange and this will prove to be a restriction on international travel in the short and medium term. With international air travel still operating at reduced levels, the price of air tickets remains high in relative terms and tickets to the USA and Europe cost twice the pre-pandemic level.

With passenger traffic still below initial expectations, travel retail continues to suffer. International traffic at Ezeiza and Aeroparque remains at low levels and sales are struggling, although average sales tickets are reportedly ahead of pre-2019 levels.

The panorama in Brazil is also shaky. October elections are a factor in most

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scenarios and the government looks to stabilize the economy before the first round of voting. Candidates have not yet been officially announced but former President Lula is almost certain to run. Will it be a head-to-head in the run off against the incumbent Bolsonaro?

There was muted economic growth in Q4 of 2021 and mixed news in 2022 so far. Inflation is expected to fall from 10% to below 8% later in the year as interest rate increases cool the economy. GDP growth is forecast at between 0.5% and 0.8% for this year with domestic demand subdued as a result of interest rate increases and a fall in consumer confidence. Nevertheless, pre-election economic maneuvers from the government to boost consumer spending cannot be ruled out. And uncertainty about the future development of the pandemic within Brazil is likely to be a factor for some time.

International travel in Brazil is still below expected levels and even domestic flying has not yet fully recovered. Border retailers in Paraguay and Uruguay talk

about better sales but most admit sales are down by 50% compared to 2019/2020. Currency stability could lead to stronger sales growth in the second half of the year.

The current exchange rate of 4.8 BRL to the dollar has led to a temporary boom in sales and retailers are wishing that it continues over the next few months.



Bogota's El Dorado Airport, the principal international gateway to Colombia, recorded 11.46 million passengers last year (2.77 million international and 8.71 million domestic). According to the airport manager OPAIN, these figures are significantly ahead of the 5.51 million recorded in 2020 (1.58m international and 3.92m domestic). No official figures have been published for the first part of 2022 but local analysts say that after a very strong December, the airport could reach around 75% of the pre pandemic figures of 2019 - 17.53 million (5.62m international and 11.91m domestic.) Clearly good news for Dufry /3Sixty, Atenza and DFA who all operate stores at this important Latin American hub. JG



New airport terminal opens in Chilean capital

The new International Terminal at Santiago de Chile's Arturo Merino Benitez Airport was officially opened at the end of February by Chile's outgoing president Sebastian Pinera, in one of the final acts of his presidential tenure.

US\$990 million was invested in the new 248,400 sqm terminal, which increases the capacity of the airport from just under 15 million passengers to 38 million. Chile adopted a very strict anti-COVID stance at the beginning of the pandemic and international traffic only reached 2.09 million passengers in 2021. This is significantly below the 11.1 million recorded in 2019, the last full year before the pandemic hit. Airport officials expect

traffic to recover to around 60-70% of pre pandemic levels in the second half of this year.

At the beginning of March, with the inauguration of international flights in the new terminal, the Nuevo Pudahuel consortium (Groupe ADP - 45%, Vinci Airports - 40% y Astaldi Concessioni - 15%), opened the new retail and F&B offer at the airport. Lagardère with Chilean partner Global Group Corporation opened five new restaurants and bars, Britt / Morpho Travel Retail opened gift stores and Swiss owned Dufry opened several duty free stores in the new terminal.

Dufry, along with its predecessors World Duty Free and Aldeasa, has been

the incumbent operator at Santiago since the late nineties. The current concession contract lapsed during the pandemic and was extended to the end of this year. A new tender is expected to be called by the Chilean aviation authorities over the next few months.

Until the Chilean Civil Aviation Authorities publish the details of the tender, it is not known who will be bidding on the contract. We assume that Dufry will want to retain the concession, which is one of the most important duty free concessions in Latin America; we could also see Lagardère bid on the concession after their win in Lima last year.

JG



Atelier du Parfum
Diciembre 2021 - enero 2022



Elena Villarreal
Founder of Ultrafemme.



46 YEARS CELEBRATING THE ART OF PERFUME CRAFTING

ATELIER DU PARFUM

THE ART BEHIND THE PAIRING OF ESSENCES

by **ULTRAFEMME**

ART IN PERFUMERY

At Ultrafemme, the art of perfumery is part of our essence, our roots, and above all our history. We celebrated our 45th year anniversary in a very special way, creating and offering a wholesome sensory experience.

We thank all our prestigious partners, specially to the artisanal luxury houses who collaborated with us to create this holistic customer journey for the first time in Mexico.

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PARIS

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TOUS

SEA JEWELS
perfumes



MONTBLANC

LEGEND

RED



THE NEW FRAGRANCE FOR MEN



In celebration of Ultrafemme's 45th anniversary, co-founder Elena Villarreal shared her love and passion for haute perfumery by creating an Atelier Du Parfum in the group's flagship store.

Ultrafemme celebrates 45 years as the center for luxury in Cancun with an olfactory journey through the history of perfume

Ultrafemme, a benchmark for luxury and tradition in retail based in the center of Cancun, Mexico, celebrated 45 years in business by creating a breath-taking Atelier Du Parfum, a museum that charted the history of perfumery, in a space dedicated to the art of perfume making.

Perfume has been the heart of Ultrafemme since Elena Villarreal Carrillo and her husband José García opened their first store more than four decades ago. Pioneer retailers with a distinct vision, their stores flourished and are today at the center of Grupo Ulta, an organization

that encompasses retail, real estate and luxury design divisions spread over seven Mexican states.

The retail division carries more than 300 luxury and prestigious brands: the Ultrafemme stores, a destination in themselves, specialize in the top names in beauty; Ultrajewels is a leader in the sale of watches and jewelry from well-known brands such as Rolex, Cartier and Patek Philippe. Ulta also operates prestige boutiques, representing such icons as Longchamp, Pandora, Cartier and Montblanc, among others.

To celebrate its momentous milestone, Ulta designed a sensory experience at its Luxury Avenue Boutique Mall, which ran from December 2021 through mid- January 2022.

With the objective to share her love and passion for perfume, Elena Villarreal curated a visual and olfactory journey through which visitors had the opportunity to learn about each of the ingredients of haute perfumes. Through six olfactory tables, the Atelier Du Parfum examined the mystery of the citrus, floral, woody, chypre, oriental and fougère fragrance families.

The Atelier also introduced interactive olfactory experiences designed to provoke unforgettable emotions and inspire an understanding of the complexity of perfumes and the powerful craft of the perfumer.

In a feast for the eyes, especially since it was the festive season, Ultrafemme added an exhibition of 13 Christmas trees designed by 13 of the perfume houses that have been a fundamental part of the history of high perfumery around the world,

and which trusted Grupo Ultra from its beginning.

In this way, Ultrafemme says that it was “honoring the memory of master perfumers who have dedicated their lives to this fragrant trade and who have managed to transport us to unique places in our memories.”

Understandably, perfumes were “the guests of honor” at the Ultrafemme celebration, being such an integral part of the company’s history. Among them were

the fragrances of Carolina Herrera, Loewe, Dior, Montblanc, Tous, D&G, Shiseido, Sisley, Creed, Givenchy, Acqua di Parma, Hermès, Tom Ford and Seajewels: Ultrafemme’s own perfume inspired by the Mayan Riviera.

With this unique, memorable celebration, Ultrafemme says that it reaffirms its commitment to the luxury and beauty industry in Mexico and strengthens Cancun as a key city for the economic development of the country.



Ultrafemme’s Atelier Du Parfum created a space dedicated to the art of perfume making, highlighting six fragrance categories. In an added feast for the eyes, Ultrafemme added an exhibition of 13 Christmas trees designed by 13 of the perfume houses that have been a fundamental part of the history of high perfumery around the world.

Essence Corp: Back in the market with POS fun and in-person trainings

Essence Corp is celebrating the reopening of travel markets and the relaxation of pandemic restrictions with striking animations throughout the region, as well as its first live trainings in two years.

Kate Spade on the Brazilian border

Essence Corp partnered with Cellshop Duty Free to launch the new Kate Spade New York fragrance in Foz do Iguaçu, on the Brazilian border in February. The brand known for its bright colors and whimsical designs, took over the store with an explosion of pink fun installations and a stunning video wall.



Welcoming the Lunar New Year with Penha

Essence Corp and Penha Curaçao celebrated the Chinese New Year with a 2-day event featuring Shiseido Skincare beauty products. In honor of the Year of the Tiger, the event kicked off festivities with a Chinese Calligraphist on site to personalize Shiseido purchases with welcoming wishes for good health and prosperity.



Jimmy Choo sparkles with Ultrafemme in Cancun

Essence Corp and Ultrafemme showcased the Jimmy Choo “I want Choo” fragrances in Quintana Roo, Mexico. The brand filled the stores with Love and fun both inside and out.



Perfume passion on the Brazilian border

Wishing to restart its in-person trainings in a very special way, Essence Corp held a three-day event in mid-March in the “booming” territory of the Brazilian border.

After two years of working/training virtually because of the pandemic, Essence Corp executed the training seminar in the fast-growing border city of Uruguaiana, taking in also the nearby locations of St Borja and Porto Xavier.

“We trained during three days from March 16th to March 18th to well

distribute the time between all our brands. We revised their classic references but mainly presented their latest launches. Our attendees couldn’t be more excited for what’s coming,” Essence Corp’s Senior Education manager Maria Ninfa Alvarez tells *TMI*. Alvarez conducted the trainings along with Account Supervisor Paula Fernandes and Area Manager for South America, Romina Rembado.

Taking advantage of their stay in Uruguaiana, the three also accepted an invitation from the most important radio

station in the city and talked about the industry, their company and their brands.

“We are so happy to meet our clients face to face, but mostly to meet their sales staff who are more optimistic and committed than ever,” said Alvarez.

“It was a tour full of passion and energy with formidable and committed people. And this is just the beginning! We are all ready to do our best efforts in a time when traffic and tourism is bouncing back everywhere! We are ready! We are back!” she said.





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

Miami distributor Tairo celebrates Silver Anniversary with thanks to customers, suppliers and team*

Tairo International is celebrating its Silver Anniversary this year. To commemorate the milestone, the Miami distributor dedicated the latest issue of its excellent company newsletter to thank its many partners—team members, clients, suppliers, and beauty advisors -- who have supported them over the years and highlight key events along the way. Robert and Tania Bassan say they started the company with a “business card and a dream,” a dream which has endured and prospered for a quarter century. The Bassan’s spoke with TMI late last year about how they accomplished their dream.

“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* late last year. The Miami-based fragrance and cosmetics distributor, which handles the Caribbean and Mexican duty free markets, is celebrating its 25th anniversary this year.

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.

Relationships at core of success

Tairo is very proud about the special relationships it has developed – and nurtured – over the past quarter century.

“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

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



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 instore 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 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.”

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 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.”

Tairo supplies travel retail stores with more select brands, while Somar is more geared to the drug store and super markets market and local consumers, he explains.

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.”

*A version of this article ran in the October 2021 issue of *Travel Markets Insider*.

Tairo spreads Gucci’s Flora Gorgeous Gardenia throughout the Caribbean and Mexico travel retail

In one of its latest launches, Tairo International unveiled Gucci’s latest fragrance, Gucci Flora Gorgeous Gardenia, with a major campaign this season in travel retail stores throughout the Caribbean and Mexico. In a highlight of the campaign activation, Tairo partnered with Sears Mexico Travel Retail to create a floral fantasy story for their customers thanks to an interactive QR code displayed in the floor merchandisers.

Gucci Flora Gorgeous Gardenia is a captivating reinterpretation of the original, alongside a campaign starring Miley Cyrus. The signature floral scent is a sumptuous white floral: Gucci’s faithful creation of the perfect gardenia.

Sears Mexico



Kirk Freeport



Martin Lovatt & Lenny DiCristofano: creating a travel retail agency with a true global footprint

Not many agencies in the travel retail channel are able to offer a true global footprint, especially for accessories brands. But a joint venture between U.S.-based Lenny DiCristofano of worldclassbrands and UK-based Martin Lovatt of Magnify Brands does just that.

“Martin and I have been working together for seven years. While we have retained our own company identities, I cover the Americas and he takes care of Europe, the Middle East and the Far East. Between us, we work hand in hand to make sure that our brands get a continuous global footprint, if that is what they wish to have. And most of our brands are global.”

The two companies worked throughout the pandemic during which time they re-evaluated their approach to the market, shifting to focus primarily on affordable, accessible or fashion brands in a variety of product categories.

“Most of the brands in our portfolio share certain traits. They are innovative, disruptive, on trend, sustainable and affordable,” commented Lovatt.

Within this structure the two companies have divided the business into four parts: in addition to their traditional core of watches and jewelry, they have added beauty & wellness, and eyewear/sustainability.

“Our main focus remains on our core capability, which is watches and jewelry,” says DiCristofano. “But we have put together a very unique offer in beauty and wellness, which is our fastest growing category.”

In the watch category, the worldclassbrands group continues to work with Festina, a classic, tailored brand in the \$79-\$400 price range; Casio with its unique G-Shock and Baby-G brands (\$79-\$500 price range duty free retail); and CIT, with its entry-level watches for Ellen Tracy, Geoffrey Beene, Caribbean Joe, Jessica Simpson, and newly added, Sean John, offering an urban appeal.

“The CIT brands hit the \$29-\$39 price range in duty free, and offer a substantial savings from department store pricing, which is about \$50-\$99 for the same watches,” says DiCristofano.

In jewelry, the company is introducing some new brands, which are already delivering results, he says. Amor, a German brand of jewelry made of gold, sterling, and silver-plate, etc., offers retailers a complete turn-key concept, from furniture and POS materials to 48-hour replenishment, that requires no capital investment from the stores.

“We are rolling out Amor at nine locations with Ultra Jewel in Mexico right now,” he told *TMI*.

They also started with Anne Klein jewelry pre-pandemic, and are rolling out again with new self-service displays for travel retail. The brand has been well-received in the market. The companies are also expanding the Harry Potter jewelry brand with new displays and counters, as well as a new higher-end line in sterling silver. They are also launching a new cruise program.

Beauty & Wellness

Lovatt began looking at beauty brands about six years ago, and during the pandemic, accelerated the search for new products that met certain criteria, primarily quality products at a price offer that will not only be well-received but propel them to become hits.

They started out with a company called Grounded, which made face scrubs and treatment masks from coffee grounds. While that product was not particularly successful, Grounded devotes considerable effort to sourcing the newest trends so that it can be first to market in global travel retail with affordable beauty that cater to these trends, producing products in their own factory in the UK. Among its hits are a teeth-whitening powder made from charcoal, which was listed on more than 100 airlines within a year and became number one in its category as a top-selling product in units, said Lovatt.

Capitalizing on the Retinal trend, Grounded developed a 2% retinal serum for a very reasonable \$35.

“Grounded brought that same luxury quality of product that would have sold for around \$100 to the mass market selling for \$35,” said Lovatt. “It was an instant hit,

and was listed on more than 100 airlines. We also designed a variety of travel sets with serums in 30ml sizes, selling for around \$39, which was another hit and we are now launching on cruise ships. It would also be perfect for airport stores,” he added.

Looking at hair health, the company has launched Manta, an award-winning hairbrush created by a salon owner in the UK for his wife after she was losing her hair from cancer treatments. Made of flexible silicone for minimum breakage, it is also a perfect multi-use travel product for all hair types.

ShakeUp targets the trend for men’s makeup, with a collection of products in gender neutral packaging, so it will appeal to both men and women. Key products are foundations, a clay face mask applied with a twist tube, a cucumber mask that goes on with a roller ball, and a lip balm.

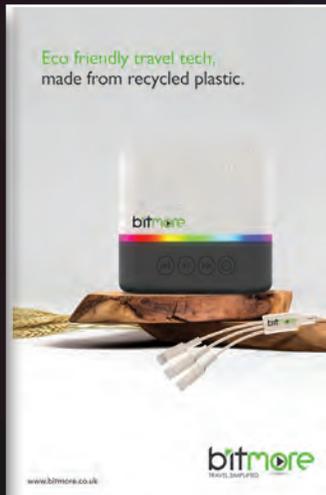
Beauty Pro, a UK brand that has sold treatment masks in salons for the last 15 years, has now launched at home salon products that DiCristofano and Lovatt are debuting at the Summit of the Americas. The key product is a biodegradable eye-warming mask that soothes tired eyes. It will be available in single and multi-packs. A men’s range is called Barber Pro.

Another highlight of the new portfolio is Spot My U.V., a UV detection sticker that lets people know when they must re-apply sun protection, usable for the whole family. It is available in a variety of kit sizes for travel outlets and has been listed in 200 resort hotel gift shops in Mexico.

Under their new eyewear/sustainability category, worldclassbrands and Magnify Brands are focusing on Formula 1 sunglasses and Bitmore electronics, which use recycled plastic and reclaimed wheat straw-based materials alongside biodegradable packaging and environmentally-friendly water-based inks. The range includes powerbanks, chargers, headphones, speakers, cables, plus wellness and travel accessories.

“This is the only electronics brand in duty free that we know of with these sustainability credentials,” noted Lovatt.

Worldclassbrands is exhibiting at the Summit of the Americas at Booth 250.



Duty Free Dynamics' "added-value" concept eyes global expansion

Nicolas Dobry spoke at length with TMI's Lois Pasternak about the latest evolution of his fast growing company, Duty Free Dynamics, and how he sees bringing non-core categories will deliver much needed opportunity, value and excitement to the travel retail channel.

Duty Free Dynamics (DFD) began operating in the travel retail channel in 2015, distributing Guess watches in Latin America and the Caribbean, establishing Guess as a leader in the fashion watch category in the channel. Following this achievement, DFD added more brands to the watch portfolio to cover all segments from entry level Timex to luxury Oris and Frederique Constant.

But DFD founder Nicolas Dobry envisioned a broader path forward for the company, one that focused on what he calls "non-core"-- products outside of the main beauty, liquor and confectionery categories. By the time Cannes came around in 2019, the company had expanded into footwear, apparel, outerwear and travel gear, handbags & small leather goods, writing & arts, toys, and electronics, in addition to its high and mid-range fashion watches; and now has added some wellness products to the mix.

Looking to provide added value to both his brand partners and the retailers with whom they work, Dobry also realized that DFD needed to take a more hands-on approach to help the brands get closer to the final consumer. To this end the company developed a model to develop a range of retail concepts, from full mono-brand stores to premium shop-in-shops, and pre-COVID had begun opening some interesting concepts in airports, border shops and cruise ships.

Dobry has now unveiled a new plan that focuses on further developing these non-core category retail concepts and expanding them into the global travel retail marketplace, first within its current home market (The Americas), followed by EMEA (starting this year) and to complement its globalization process with its landing in APAC (planned for beginning of 2023).

"Expanding Duty Free Dynamics to EMEA and APAC has been part of the



Nicolas Dobry

plans since the very beginning. When we started DFD back in 2015 we knew we were going to begin at one level but in order to move forward we knew we would need to upgrade, to gradually globalize our reach," Dobry tells *TMI*.

Saying that he saw a gap in the market for a company providing added value service in the travel retail industry, and opportunity in the non-core categories, Dobry knew that nevertheless he had to develop the business step by step, and learn what he could along the way.

"The non-core categories were unexploited or non-existent. There were some non-core categories that were commercialized in the channel but they were not properly handled. Other categories were not present at all in the channel.

"This is where we envisioned the opportunity to be, but we needed to start somewhere and began with developing Guess watches throughout Latin America and the Caribbean. But our game plan was to expand into many other categories within these non-core products. We started in Latam and the Caribbean, and went through the learning curve for one or

two years, and then expanded to North America. We knew it was necessary to begin with a conservative approach with a streamlined focus. But this business is called WTR – World Travel Retail – and there is a reason for the 'W', right?"

Dobry argues that there are three reasons why his global view is critical for future growth.

1. Audience. "Travel retail works with a global client regardless of the location where the shop is. Maybe the mix of nationalities can change from one location to another, but it is a global audience. Whether the airport is in Buenos Aires, Sao Paulo, Vancouver, LAX or even Narita, Tokyo, the passenger mix is global. The mix might be more American in one place, more European or Asian in other places, but it is still a global consumer."

2. Operators. "The operators are also global. A large proportion of the business is done by global operators who have a global presence."

3. Brands. "And a brand's vision, with regards to the world travel retail business, is global. Many of the top players within the core categories consider travel retail as the sixth continent. It needs to be handled as its own entity, as its own continent, with a global vision."

"So from the beginning, we knew that somewhere along the line we would need to globalize," stressed Dobry.

Even when operating as a distributor under "the old-fashioned wholesale model," Dobry realized that his brand and manufacturer partners wanted to be closer to the end consumer, and needed the most accurate, fast, reliable and efficient information, "big data," in order to do so.

"To reach the end consumer directly gives you a lot of leverage. We live in a very competitive world, and the ability to be closer to the consumer can give you huge leverage," explained Dobry.

"But in most cases non-core brands, especially, do not have a department dedicated to or proficient in travel retail. They need an expert like DFD that wants

to partner with them and is able to deploy them in this channel,” he continues.

Although starting as a distributor—which still makes up the majority of its business -- Dobry knew that at some point DFD would transition from selling goods and change from being a “wholesale distributor of products to become a developer of brand concepts.”

This is the direction in which Duty Free Dynamics is heading, he notes. DFD’s new Master Plan has two main focuses: its new approach to the trade channel and its gradual globalization process.

Self-sustainable Brand Development

The company will be focusing on brands within its existing portfolio that Dobry believes can be self-sustainable under a brand concept shop, he says.

“We started discussing this idea a few years ago with some of our brands and are now in the final stages of our agreements. We are also in talks with brands not currently in the portfolio. Our focus will be in developing mono brand retail concepts throughout the world in the travel retail channel. We already started this new approach in the Americas.”

Internally, Dobry calls these brands which have the potential to support a branded boutique the “F Model,” for “Focus.”

“This year we will gradually enter the EMEA market. For this purpose we have opened our new global / commercial HQ in Barcelona, Spain, and in 2023, we plan to start in APAC. We are planning to open an office in Hong Kong towards the end of this year.”

Local partnerships

The retail side of DFD’s business model calls for local partnerships, says Dobry.

“While we are focusing on brands that could be self-sustainable in their own mono-brand retail outlet, we are partnering with our solid network of global and regional operators or local investors, depending on the strategy that we envision for each market or sub-region, with the aim to use their proven expertise. We bring them the content (the brands, the operational manuals, and our experience in developing sustainable economic models within the world of non-core categories). They bring their operations knowledge and expertise, and together we develop these business concepts.”

The partnerships can take a variety



of forms, says Dobry; it could either be a joint venture or a model where each party contributes with their best values.

“Selling apparel or footwear, for example, demands extensive knowledge of sizes and inventory management, which due to limited space in an airport store location entails quick replenishment. We have that operational infrastructure in place.

“In order to stay competitive today, you need to make an airport more like a shopping mall and for that the industry needs to broaden its product offering. In order to properly diversify, you need to develop the non-core categories and make them become a substantial part of your business,” he says, adding “demand for the core categories is mostly saturated. There is very little room for growth.”

DFD has been in discussions with some partners to expand its coverage into the EMEA region for more than a year, but Dobry says that the pandemic and current situation in Eastern Europe may slow down the progress but not alter his plans to globalize: “We are going ahead with the expansion, but it is more like a soft landing now instead of the final approach,” he quipped.

Dobry said DFD will announce the new brands and locations where it will be working before the end of this year, but revealed that DFD already has three major brands that meet its “F” (focus) model within the existing portfolio: Champion, New Era and Anne Klein.

“Champion is probably one of the hottest sports/apparel brands with a global appeal. The same with New Era, whose caps and hoodies are exploding. For New Era, the requirements are minimal: a small shop of 250-300 feet, thus allowing to

achieve a substantial return per square feet. This format has already been tested both domestically, and within an interesting number of duty free locations opened worldwide, with phenomenal results.”

“We are also developing the F (Focus) model with Anne Klein. We started with Anne Klein watches around two years ago, then incorporated handbags and small leather goods, working directly with the Anne Klein brand owner (Steve Madden), with whom we are jointly creating a new visual merchandising format for concept shops, and shop-in-shops that will carry Anne Klein accessories, namely handbags and small leather goods, as well as the watches. We will be adding on new licenses in categories like sunglasses, and maybe footwear in the future. We are jointly using the travel retail channel as a proof of concept.”

At the same time, Duty Free Dynamics will continue to develop the distribution-based model it is currently using, which is still the biggest part of the business. But within the next 3-5 years Dobry sees the “Focus” model gradually becoming the main part of DFD’s business.

“We had a clear vision of where we were in 2015 and where we wanted to go. Despite all the obstacles during the past few years, we are consistent to that vision. We are still on the path,” concludes Dobry.

“We received lots of proposals with different opportunities, but we thought they would have distorted our focus. We are sticking to our initial target of where we saw ourselves going from 2015 to 10 years ahead. It might take us a little longer to reach our original 2025 target, but regardless of the challenges of the past few years, we are still going the same way.”

Tito's turns 25 with new activations and philanthropy

Tito's Handmade Vodka is celebrating its 25th anniversary this year with a new special label, expanded distribution and continued philanthropy, which has become a benchmark of its business for the Austin, Texas based vodka.

"We are doing special activations and marketing to celebrate the 25th anniversary of Tito's. There is a special 25th Anniversary label for the bottle," John McDonnell, Tito's Managing Director International, tells *TMI*. "I'm extremely excited about the IAADFS Summit of the Americas to celebrate our anniversary with our friends in the travel retail industry. We committed to Michael Payne when we were in Cannes that we were going to the show to make a statement that we support the IAADFS."

McDonnell tells *TMI* that Tito's business is back on the upswing in 2022.

"Last year we were up strong double digits on the year before. This year we will beat 2019."

Tito's has started the year announcing a number of new distributors for the brand in Latin America.

In January Tito's announced that

Casa Cuervo S.A. de C.V. had been appointed to distribute the brand nationally across Mexico.

In March, Tito's appointed Asunción-based Grupo A.J. Vierci to introduce and represent the brand in Paraguay, Uruguay, and Bolivia. Also in the region, the company announced that São Paulo-based Aurora Fine Brands will now distribute Tito's in the Brazilian market.

"South America is an important and growing market for vodka, especially imported brands, and we're excited to expand our footprint in the region with the appointment of these two very experienced and respected distributors," said Alex Borbolla, International Commercial Manager at Tito's Handmade Vodka.

Tito's Gives Back

A pillar of Tito's business over the past two and a half decades has been its philanthropy, especially the brand's Vodka for Dog People, which Tito's started to better the lives of pets and their families.

"What did most people do when COVID hit? They bought a dog. What did most people do now that COVID is over? They are giving them back to pet welfare organizations. And that's a huge problem. So we started a program down in Aruba to raise money for pet shelters," says McDonnell.

The company also continues its charitable efforts for humans. In December for every bottle of Tito's that was purchased in a Duty Free Americas store the company donated money to cerebral palsy charities.



"We have been very active in the social responsibility and sustainability front. I am part of a panel at the IAADFS Show talking about these important issues," he added.

PGA Tour Partnership

Last year, 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.

McDonnell tells *TMI* this partnership has expanded to the Dominican Republic this year, the first country outside the U.S.



25

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Diversified product categories and customer base leads MONARQ Group from strength to strength

MONARQ Group strengthened its growing portfolio and focused on its core consumer groups to once again have its best year ever last year, MONARQ Managing Director Robert de Monchy tells *TMI*.

“We are still in what seems to be the aftermath of the pandemic but 2021 was our best year ever and 2022 is following the same trend,” he says.

De Monchy says that by supplying both domestic and duty free markets, as well as not focusing on one single category, MONARQ has been able to maintain growth.

“Duty Free retail and cruise have indeed been particularly challenging during 2020 and 2021. Fortunately, MONARQ Group is supplying both duty free and domestic channels in the Americas with the exception of domestic USA and Canada. Moreover, we don’t depend on a specific category as we are supplying spirits, wines, beer and a number of related non-alcoholic beverages. Working in this part of the world has taught us to spread our business over different categories and channels, while maintain our focus in beverages,” he says.

“Over the past 15 years we have seen it all, from natural disasters, pandemics, to political, social, economic, financial and humanitarian crises. Our strategy and business have fortunately proven rock solid. Today, we see growth in basically all main categories and spread over all channels. Some categories are excelling, such as rosé - and sparkling wine / champagne, beer, RTD’s and premium spirits, especially tequila and whisk(e)y / bourbon. Premium rum has finally started to gain serious traction as well.”

MONARQ has also been targeting Millennials and Generation Z, which have become core consumer groups.

“These age groups have different interests, buying patterns and preferences. The market and its supply chain is changing due to the strong growth of social media, e-commerce and hybrid distribution models, targeting and servicing these new generations. We are working on a number of exciting projects meeting these new demands.”

MONARQ added strong brands in multiple categories during the pandemic,



Robert de Monchy



adding to the power of the portfolio.

“During 2021 and 2022, we have strengthened our portfolio with a number of new prestigious premium brands such as a part of the Pernod-Ricard portfolio, namely Lillet, Del Maguey and Malfy Gin as well as Bollinger Champagne, Barbancourt Rhum, Don Papa and, most recently, Uncle Nearest American Whiskey. Furthermore, the launch of Jack Daniel’s Apple has been very successful.”

MONARQ will be offering special pack promos for a number of its brands, such as Jack Daniel’s, Licor 43, Bollinger, Barbancourt and Molinari.

“Furthermore, we are putting special focus and additional resources on U.S. travel retail, including the cruise business, which is predicted to be largely up and

running for the new cruise season, starting this October / November.”

After two years without an Americas trade show, MONARQ is looking forward to seeing its friends at the Summit in Palm Beach.

“We highly value the personal touch, welcoming of our friends and meeting potential new customers at our booth to present them our portfolio, including our new brands. We value the Summit of the Americas and IAADFS organization and have continuously supported both over the past 15 years. On the other hand, the world is changing rapidly and both visitor - and exhibitor numbers have unfortunately been decreasing constantly in previous years. We will be making a critical analysis after this year’s show with regards to the future.”



A group of people are socializing at a bar. In the foreground, a bottle of Molinari Sambuca extra is prominently displayed next to a glass filled with ice and liquid. The bottle label features the Molinari logo and the text 'MOLINARI Sambuca extra LIQUORE PRODOTTO NEGLI OPIFICI FONDATA DA ANGELO MOLINARI ITALY'. The background shows a man in a pink shirt and a woman in a yellow dress, both smiling and holding drinks.

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Harding Retail's launch of Somrus onboard Carnival Breeze.

Harding Retail launches Somrus onboard Carnival and Virgin Voyages to great success

The House of Somrus, the cream liqueur brand inspired by flavors from India—has made a big impact in travel retail since launching in the channel through high-profile digital “coffee breaks” during the Virtual Travel Retail Expos in 2020 and 2021 and the Virtual Summit of the Americas last year.

Represented in the channel by Duty Free Global, the fast-growing, award-winning cream liqueur has now been listed with Harding Retail and has launched onboard seven Carnival Cruise ships and Virgin Voyages’ brand new *Scarlet Lady*.

Cruise guests onboard Carnival’s *Breeze, Conquest, Elation, Glory, Paradise, Radiance, and Vista*, as well as the *Scarlet Lady* can enjoy all three flavors, which are made with real dairy cream and finest 5x distilled handcrafted rum: Somrus Coffee, Somrus Mango and Somrus Chai, and purchase them to bring home from the

engaging in-store activations featuring the brand.

“These photos illustrate the superb level of activation by the Harding Retail team and how well Somrus integrates into that exclusive Global Travel Retail environment,” comments Guy May, Director of Global Business at the House of Somrus.

“The partnership with Harding Retail has been a tremendous success and has exceeded all of our expectations. We started this relationship with an introduction from Barry Geoghegan at the inaugural Moodie Davitt Virtual Travel Retail Expo in October 2020; Somrus participated as part of the Duty Free Global stand,” May tells *TMI*.

Somrus was new to the channel and looking for a way to add value to these retailers who were struggling due to COVID, he add.

“It was my first introduction to Pat

Molloy and Michael Stewart from Harding Retail and I was struck by their optimism and focus on their retail customer’s experience. That 360 degree experiential approach Harding takes through their Oceantainment program seemed to be a perfect match for our packaging and innovative approach to the cream liqueur category.”

May points out that Somrus’ development is intentionally orientated toward the Global Travel Retail Channels.

“We have had tremendous feedback from Harding Retail/Carnival Cruise Line customers who have made Somrus a top ten selling brand in just a few short months. We are grateful for all of this support and our partners, Duty Free Global, have been using this momentum to expand with other Global Travel Retailers. My thanks to Qatar Duty Free, Lotte Duty Free, Barracuda Store, Duty Free Americas, and DFS for helping to bring Somrus to the world!”



*Left: Somrus window display on Carnival Vista.
Right: Somrus tasting event on Carnival Radiance.*



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WEBB Banks flourishes five years after successful merger

Five years after the merger of spirits distributor WEBB and wine specialist Banks created a wines and spirits powerhouse in the region, CEO Andy Consuegra tells *TMI* that the combined WEBB Banks has been an undeniable success.

“The merger has allowed us to go to another level. Five years since we merged, we are now five times bigger than we were at the time of the merger,” says Consuegra.

The merger demonstrated its value particularly well during the COVID pandemic, when Consuegra says the company’s growth was driven by its experienced team and strong portfolio of wines and spirits.

“Overall as a business, including both domestic and travel retail, we grew organically in 2021 versus 2019 by 23%. We had a very good year. Total growth was even higher, but that includes some new business,” he says.

“We have the experience and knowledge to work in a crisis. We had a plan. We didn’t just react. We were prepared.”

Open Caribbean markets

WEBB Banks also benefited because the markets that were open did “extremely well,” says Consuegra.

“The USVI was off the charts. It had one of the best tourism years ever last year. Puerto Rico continues to do great. We had a very good 2020 there and had an even better 2021. The Dominican Republic did well,” he says.

“We grew despite some markets still being closed. Travel retail came back in the second half of the year. It started very slowly in 2021, but we had a pretty decent second half of 2021.”

In another plus, many Caribbean markets had a strong offseason last summer, says Consuegra.

“It was probably the best summer that we have seen in terms of numbers. What was open was off the charts. Turks and Caicos, the Bahamas, the Virgin Islands all had great summers in what is normally a slow period.”

WEBB Banks also made a concerted effort in the Caribbean to not rely solely on the tourists, but to cater to the locals on the



Teremana Tequila sold more than 600,000 nine-liter cases in 2021. The fast-growing tequila was founded by Dwayne “The Rock” Johnson in March 2020.

islands as well.

“Our team, along with our distributors, made a shift from that on-trade focus to an off-trade focus. We also catered more to domestic consumption. So we were not as reliant on tourism, which we think long-term is only going to strengthen our brands,” says WEBB Banks COO Jose Castelvi.

The power of the portfolio

WEBB Banks’ growth in 2021 was driven by its core brands as well new high potential additions to its portfolio.

“Tito’s, 19 Crimes, Jagermeister, Disaronno, Meiomi: the core brands are still doing really well,” says Consuegra.

“And we added some great new brands as well. Teremana tequila and Skrewball are two brands that helped deliver last year’s numbers, but we have high expectations for this year.”

Last year was the first full year for Teremana and in the U.S. it reached 600,000 9 liter cases in one year.

“Tequilas as a category are doing very well in duty free, domestic markets, and cruise lines. To have that one-two punch

of Teremana and Casa Noble, we are very strong in the tequila side.

“Skrewball peanut butter whiskey hit two million cases last year. That’s a brand that is in all the bars. It has definitely been helping drive our growth.”

The WEBB Banks team

While many companies in the travel retail industry downsized during the pandemic, WEBB Banks went in the other direction and added new members to its team throughout the region.

“We know when a crisis hits there are certain things you do. The first thing you do is get your costs under control. We did that early on in 2020. But as 2021 came in and we thought it was going to be a good year, that’s when we leaned in. We hired people. We added more people in the markets. We raised our inventory levels and leveraged our relationships we developed during the bleak days,” says Consuegra.

“The last driver of growth this past year and why we are optimistic for this year is our team. Jose Castelvi coming on as COO has been a great addition. He has brought a lot of stability to the

organization. We have added ten people since COVID started. We have three people in Puerto Rico. We have someone in the Dominican Republic, Barbados, Antigua, Bahamas, and the Virgin Islands. We have two people in St. Martin.”

This year WEBB Banks is adding a dedicated person based in Central America to grow that region.

“It is an area that we see a lot of future growth potential for both wines and spirits,” says Castelvi.

“We are optimistic for this year. The markets are open. The portfolio is strong. We are in a good place with the cruise business,” says Consuegra.

“The supply chain has been challenging and we see the challenge continuing for a while. We are working to try and mitigate some of the out of stocks that came from the supply chain crisis. It has been challenging, but we think we have done the right things.”



(L to R) Between Teremana and Casa Noble, WEBB Banks has a strong tequila portfolio. The company began distributing Flor de Caña Rum earlier this year (see next page). Skrewball Peanut Butter Whiskey is now a 2 million case brand.



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Flor de Caña Rum wins Sustainability and Ethics honors from The Spirits Business Awards, names WEBB Banks as distributor

Flor de Caña ended 2021 by winning top industry distinctions as a global leader in sustainability and began this year with a new distributor for its premium rum portfolio in the Caribbean and select travel retail markets in the Americas.

The sustainably produced premium rum brand from Nicaragua was honored at the The Spirits Business Awards with the “Distillery Sustainability Award” and the “Ethical Award”, in recognition of the brand’s global leadership and commitment to sustainable practices.

Flor de Caña received the “Distillery Sustainability Award” thanks to its commitment to reducing its environmental impact, which includes being the world’s only Carbon Neutral and Fair Trade certified spirit, distilling its rum with 100% renewable energy, capturing all CO2 emissions during fermentation and having planted 800,000 trees since 2005.

The brand also received the “Ethical Award” thanks to initiatives such as offering free education and healthcare to employees and their families since 1913, community outreach programs through donations and support to local non-profits, its pledge to plant one million trees by 2025 in partnership with One Tree Planted and its Zero Waste Month initiative, a partnership with Food Made Good and bars all over the world to reduce up to 10 tons of food waste through sustainable cocktails.

Sustainability has been a core value of the founding family since the first



generation back in 1890, with a holistic approach towards the well-being of employees, the environment and the community.

Flor de Caña produces a range of premium rums aged naturally in bourbon barrels for up to 30 years, without artificial ingredients or added sugar. The entire production process of Flor de Caña continues under the supervision of the same family, currently in its fifth generation.

Some of Flor de Caña’s signature expressions include:

Flor de Caña V Generaciones 30YO Rum: A 30-year old, single barrel ultra-luxury rum features the signatures of the five family generations behind Flor de Caña, a bottle cap made from volcanic rock and a replica of the iconic 1902 volcano postal stamp of Nicaragua. The individually numbered bottles, complete with a fine metallic label and a certificate of authenticity, are presented in a sleek black leather case.

Flor de Caña 130th Anniversary Rum: A special 90 proof luxury rum carefully crafted by Flor de Caña’s Maestro Ronero, Tomás Cano, who hand selected 20-year-old small bourbon barrels from the Family Reserve, which have been aging without artificial ingredients or added sugar at the base of Nicaragua’s most active volcano. In commemoration of Flor de Caña’s 130th anniversary.

Flor de Caña 25 Year Rum: A luxury rum aged for a quarter of a century in

bourbon barrels at the base of Nicaragua’s tallest and most active volcano. From a 5th generation family estate, it is sustainably produced (Carbon Neutral & Fair Trade certified), distilled with 100% renewable energy and KOSHER certified.

WEBB Banks

Flor de Caña announced a new partnership with preeminent wine and spirits distributor, WEBB Banks, that will oversee the distribution of its premium rum portfolio in the Caribbean and select travel retail in the Americas which began in January 2022.

Rodrigo Bazan, Global Travel Retail Manager for Flor de Caña said, “We’re excited to be partnering with a company like WEBB Banks, whose extensive track record and deep knowledge of the region will be instrumental in helping us introduce new consumers to our wonderful portfolio of sustainably made, premium rums.”

WEBB Banks CEO Andy Consuegra added, “It’s a privilege to collaborate with Flor de Caña and welcome their distinct range of Fair Trade certified rums to WEBB Banks’ finely curated portfolio. We admire how Flor de Caña continually strives to create a high-quality product while being fully committed to having a positive social and environmental impact. WEBB Banks is proud to promote their philosophy of naturally distilled rum and we will be dedicated to driving growth for Flor de Caña throughout the Caribbean through our extensive distribution network.”

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Garry Maxwell, Tim Young set to expand award-winning Equiano Rums in Global Travel Retail

The multi-award winning rums from The Equiano Rum Co. – the world’s first African and Caribbean rum-- have received a plethora of international praise and recognition and secured national distribution in over 24 markets in less than two years. To propel its expansion plans further, the brand has enlisted the support from two highly respected Global Travel Retail (GTR) experts – Garry Maxwell and Tim Young.

Garry Maxwell, owner of GMAX Travel Retail, has over 40 years of experience in the GTR industry and built a strong reputation and passion for bringing new and innovative brands to the marketplace.

Tim Young, owner of Young Spirit Consulting, is a familiar figure on the global spirits stage, having over thirty years experience in the wine and spirit field, including lengthy stints with industry leaders Seagram’s and Brown-Forman. Bringing these two accomplished specialists together to lead the expansion of Equiano Rum into Global Travel Retail

symbolizes the company’s intention to make this one-of-a-kind rum available to consumers all over the world.

“Equiano Rum has an extraordinary story to tell and is a truly unique rum. It is a perfect product for Global Travel Retail, and I am excited to be partnering with Garry in helping consumers across the world discover it,” explains Tim Young. Maxwell reports that he has already had great interest from Travel Retail customers in Europe and is very much looking forward to attending the IAADFS Show in April to showcase Equiano Rum to customers in the Americas.

They will be exhibiting in Palm Beach in booth number 220.

Co-founded by highly respected Global Rum Ambassador Ian Burrell, the Equiano rums are created in collaboration with IWSC & ISC Rum Producer of the Year Richard Seale. Each bottle of Equiano Original is a limited-batch blend from one of the best emerging distilleries in the world, Gray’s in Mauritius, and the world-renowned Barbadian distillery Foursquare.



Equiano is 100% true rum, completely uncompromised, natural with no spices, no additives and no added sugar. It’s just rich and deep in flavors that come from the ex-Cognac and ex-Bourbon barrels in which it matures. Equiano honors the legacy of their namesake, Nigerian-born writer, entrepreneur, abolitionist and freedom fighter Olaudah Equiano. For more information, contact Garry Maxwell and Tim Young at g.maxwell@gmaxtr.com and tim@youngspiritconsulting.com.

Balvenie launches new GTR exclusive Cask Finishes expressions

The Balvenie distillery has unveiled three new cask finished whiskies to feature in its Cask Finishes range, two of which launched exclusively to Global Travel Retail on April 1.

The new GTR expressions feature finishing casks from Madeira and Pedro Ximénez from Jerez, and for the first time in the distillery’s 129 years history, Pineau from the French Charentes vineyards for

domestic offer.

The travel retail Cask Finishes range now includes Madeira Cask 15 Year Old and Pedro Ximénez Sherry Cask 18 Year Old.

Both expressions will be listed by all key retailers with brand activation support through major airports including Hainan, Seoul Incheon and Jeju Taoyuan in Asia. In Europe, a number of HPP’s have

been agreed with Heinemann for airports including Amsterdam Schiphol, Frankfurt, Berlin, Budapest, Copenhagen, Vienna and Munich.

“We’re delighted to be launching The Balvenie Cask Finishes Range with two exclusive editions for Global Travel Retail,” says Lindsay Hitzerth, WG&S Head of Customer Marketing, GTR. “The channel has always been about discovery, offering consumers the opportunity to find something new and different, yet with the confidence of brand knowledge and integrity. As travel now begins to show real recovery in the aftermath of COVID, we will continue to inspire and engage consumers with The Balvenie 15yo Madeira Cask and 18 yo Pedro Ximénez Cask, both delivering the quality of liquid and iconic appeal that luxury shoppers will be searching for.”

The domestic Cask Finishes range (not available in GTR) lineup now includes: Doublewood 12 Year Old, Caribbean Cask 14 Year Old, French Oak 16 Year Old – NEW, and Portwood 21 Year Old.



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WB Canna makes inroads in Caribbean with CBD and Wellness brands

One year after WEBB Banks launched WB Canna Co. & Wellness LLC to focus on the emerging Cannabis and Wellness industries, the subsidiary has had great success growing these categories in the Caribbean, Central America, and travel retail, Phillip Jarrell, WB Canna COO tells *TMI*.

“We had high expectations of CBD, but Wellness has surged ahead to be the leader of the two categories. We think that CBD will catch up and eventually surpass, but right now Wellness is really where we are focused on turning a lot of volume. But that gives us a lot of opportunities with placing/seeding the market when it comes to CBD,” says Jarrell.

When the WEBB Banks subsidiary was launched in March 2021, its CBD division was announced with anchor brands that are still leading the way for WB Canna, says Jarrell.

cbdMD, which is a leader in the CBD industry, comes with a varied portfolio of CBD oil tinctures, gummies, sleep aids, and other products which are currently available in more than 30 countries across the globe. Publicly traded cbdMD also sponsors and supports numerous influencers and athletes who use and endorse their products, including pro golfer Bubba Watson, MMA fighter Daniel Cormier, top fuel drag racer Leah Pruett, and the NOBULL CrossFit Games.

WB Canna Co. & Wellness also launched with Docklight Brands, producers of the Marley CBD portfolio. Docklight brings Bob Marley’s belief in the positive potential of the herb to consumers worldwide through infused teas, wellness shots, chocolates, and skincare products crafted with intention and respect.

Rounding out the launch portfolio was Secret Nature, offering award-winning crafted premium organic CBD flowers, vapes, pre-rolls, and Rare Earth Medicine (REM) sleep capsules. Founded in 2017, Secret Nature products are all-natural lab-tested small batch CBD flowers and extracts.

New CBD brands

“That early wave of brands for us,



including Marley CBD, Secret Nature, and cbdMD, are still our leaders. We are so excited to have them as part of our portfolio. The category needs and requires a broader base of brands for consumers to pull from and answer different consumer need-states. We’ve added some interesting brands recently,” says Jarrell.

WB Canna has signed with Peels, which is an orange peel-based CBD brand, which Jarrell sees as an opportunity in some markets where hemp-based CBD is illegal.

“The legislation in countries never outlaws CBD. When it is outlawed it is hemp-based. Peels has a bit of a legal opportunity to circumvent some of the rejections that hemp-based CBD might have. We see this as an opportunity for people who are flying to the Middle East, Africa, or East Asia where hemp-based CBD might get them in trouble. Likewise in the Caribbean in markets where there is a larger Muslim or Hindu population like in Trinidad.”

The company has also added Quatreau, which is a CBD seltzer from Canopy Growth.

“We see a big opportunity; beverage is our wheelhouse. Quatreau will be the number one CBD beverage in the United States in 2022.”

“In other newer brands, Martha Stewart is another opportunity to invite in new consumers. We see it inviting the 45 plus crowd into the category and delivering

quality, safe, and effective products,” says Jarrell.

“We also see good potential for Island Girl, especially in the Caribbean. We think the name Island Girl connotes the attitude, the image for the type of consumer we want to attract to it.”

With CBD still not legal in all markets, Jarrell sees education as key to growing the category.

“CBD is legal in a handful of markets at this time, but the CBD legal landscape is evolving greatly and we think 2022 will be a great year. But even where legal, even in markets where it has been legal for three or four years, there is still a lot of uncertainty with the marketplace itself. There has to be more education,” he says.

“We, along with our brand partners, are going to be leaders in driving the education necessary to get everyone to the level that they need to be. We are still dealing with some very prohibitionist types of laws. Even after prohibition is over there will still be some concerns over how to really do it well. That is where our educational platform, our team, and the power of our brand portfolio should hopefully flatten that curve a bit.”

“Right now the consumer is more educated and knowledgeable in what they are looking for than the trade is. The trade is playing some catch up and needs to listen to what the consumer is looking for. We are trying to educate on all levels.”

Leading CBD markets

CBD has really taken off in Puerto Rico, the Virgin Islands, and Bermuda, says Jarrell.

“Puerto Rico is our biggest success. It is our biggest market and the most mature when it comes to the CBD category. It will also be our biggest Wellness market. We have aimed our resources there. We have employees living on the island and are very tied into the dispensary community, the pharmacy community, and the supermarket and convenience store channels.

The fact that Puerto Rico also follows U.S. Federal law, along with the U.S. Virgin Islands, makes selling easier with fewer hurdles to clear.

Jarrell says that he sees more opportunities for CBD in the travel retail sector now as well.

“Restrictions are being relaxed right now. There are now opportunities to do more activations and consumer engagement in the stores in a domestic environment, onboard cruises, or in airports. Some of the other markets that we are excited about this year for CBD are led by Bermuda, Costa Rica, and Aruba.”

Wellness

In Wellness, BioSteel, WB Canna’s anchor brand in the category, is doing exceptionally well onboard Norwegian Cruise Lines, says Jarrell.

“Norwegian Cruise Lines was an early adopter of BioSteel, and the success speaks to the shared values and belief in ‘better for you’ brands — for consumers and for the environment,” he says.

“The incredible quality of the brand’s ingredients coupled with zero sugar meets consumers new expectations for healthier lifestyles, the eco-friendly packaging meets NCL’s and the industry’s march toward sustainability and less single use plastics, and the cultural phenomenon of BioSteel with its explosive growth with associations with great sports individuals like Luka Doncic and Patrick Mahomes, teams like the Miami Heat and Los Angeles Lakers and national programs like the US Soccer Federation which includes the U.S. Men’s, Women’s and all youth soccer.

“We expect to see other cruise lines and the travel retail network across the Americas continue to adopt brands like BioSteel throughout 2022.”

Jarrell says there are a lot fewer obstacles for its Wellness brands in the Caribbean.

“We have been able to expand to many more markets where CBD is not legal. We see focus this year in Puerto Rico, the Dominican Republic, and larger population center markets,” he says.

“While Biosteel is the cornerstone of our Wellness portfolio, Dream Water is another interesting Wellness brand. We see Wellness being a broad category that we can find the right brands that consumers are looking for to enhance their mental and physical well being.”





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WTDC President & CEO Sean Gazitua displays Proclamation from Miami-Dade County naming Tuesday, March 8, 2022, as 'WTDC 45th Anniversary Day'.

WTDC – a “company with a conscience” --for 45 years

Miami-based, family-owned logistics business WTDC, which celebrated its 45th anniversary last month, has seen its business evolve throughout the pandemic as the world begins to return to normal.

WTDC is well-known for specializing in inventory management for Duty Free and Global Travel Retail. As a full service logistics company, it offers door to door transportation services and Foreign Trade Zone warehousing for Spirits, Cosmetics, Tobacco, and Electronics.

President and CEO Sean Gazitua says the company's success over the past 45 years is a testament to the dedication of its employees and the willingness of the company to reinvent itself. The company was founded in 1977 as the first General Order (G.O.) warehouse in Miami, Florida. Today, WTDC is an internationally respected full-service logistics company and Foreign Trade Zone.

“Serving the logistics needs of our customers is not without its challenges in these times,” says Gazitua. “But by building better relationships, planning logistics well ahead, and putting technology at the forefront, we can still help our customers exceed their performance benchmarks.”

Gazitua tells *TMI* that the pandemic has caused global logistical issues, which WTDC deals with now on a daily basis.

“We are seeing our warehousing customers increase the size and frequency of their orders as the cruise industry and duty free stores rebuild their tourist traffic. While transportation volumes have resumed, our freight forwarding

business operations are far from normal as we navigate issues that began in the pandemic,” says Gazitua.

“Port congestion leads the logistical issue headlines but the scarcity of available bookings, a significant leap in Trans-Pacific container rates, and drayage obstacles present daily challenges. The change in shipping rates has even eliminated some supplier business that operated on thin margins.”

The pandemic had a significant impact on WTDC's day-to-day business as inventory that would have been processed for cruise ships and duty free stores sat idle,” says Gazitua.

“WTDC added verticals like medical supply, electronics, and renewable energy to its service mix during the pandemic. As things progress, we've implemented technology to work with the increased number of stay-at-home professionals and process more orders through electronic data interchange (EDI) connectivity.”

WTDC was able to do what it has for the past 45 years when the pandemic brought the travel industries to a standstill: it moved quickly and evolved, says Gazitua.

“Our company has evolved thanks to our ability to recognize trends and make changes within our organization. As a family business, we can cut through the corporate red tape to make sweeping changes much quicker than some of our corporate counterparts. The supply chain is still reeling from the pandemic with some suppliers loading up on inventory to mitigate any shortages from shipping congestion. In the next few years, we hope

the trend moves back to a more fluid just-in-time supply chain at a global scale but it will be at least another year before there is much movement in that direction.”

Sean is now the third generation to run WTDC after becoming President and CEO in 2017 succeeding his father Ralph L. Gazitua, and he appreciates the legacy that his grandfather started 45 years ago.

“My grandfather Luis Rafael Gazitua started WTDC with my father Ralph and uncle John. The company started as a General Order (G.O.) Warehouse, a service to U.S. Customs and responsible for processing cargo that was denied entry into the U.S. With technological advances in documentation and changes to incoterms, the General Order business decreased over the years. WTDC for many years provided infrastructure to 3PLs as a Bonded Warehouse, processing consolidations and freight of all kinds for freight forwarders. We are a company of firsts – first G.O. Warehouse in Miami, among the first Bonded Warehouses, and the first operating Foreign Trade Zone in PortMiami's FTZ 281 in 2012. WTDC's added additional services over the years such as domestic transport, Customs Brokerage, freight forwarding, and Foreign Trade Zone status,” he says.

“Legacy is important when discussing the family business. My grandparents were pioneers in the logistics industry in South Florida. It is an honor and a responsibility to continue in this line of work and grow a company with a conscience. We value faith, education, community, health, and hope those values translate back into the organization.”

Special Issue
IAAFS
Summit of the
Americas
April 2022

TRAVEL MARKETS INSIDER

Travel rebound in North America bodes well for Travel Retail recovery

There is no denying that travel is beginning to show real recovery, especially in North America.

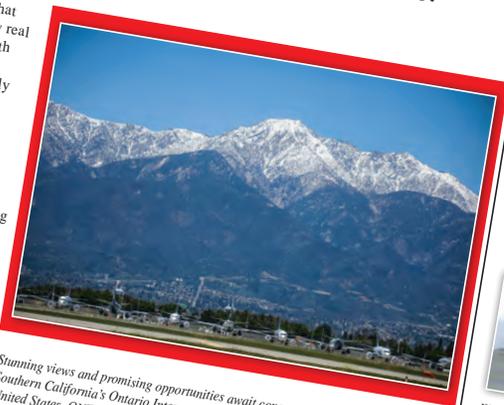
Canada has conditionally opened its land borders and as of April 1 eased pre-entry COVID tests, which begins "the road to recovery" for the country's beleaguered border stores, says the Frontier Duty Free Association. This will bring welcome traffic to suffering airports as well.

The U.S. Centers for Disease Control and Prevention finally dropped its cruise travel advisory, a measure that had been vigorously lobbied for by the industry for months.

International travel is back in play. The UNWTO reported that the 18 million more visitors recorded worldwide in the first month of this year equals the total increase for the whole of 2021. And North America and Europe are leading the strong start of tourism. OAG recently reported that unadjusted flight booking data to/from USA and UK was over 700% up on what it was at this time last year. This strong showing is led by the big 3 U.S. airlines: United, Delta and American, with British Airways coming in at #4.

And Air Canada has more than 10 times the bookings it had last year.

The industry – and the world – still face many challenges, however. The Russian invasion of Ukraine has resulted in many uncertainties, in addition to the human tragedy, and could



Stunning views and promising opportunities await concessionaires and partners at Southern California's Ontario International Airport, the fastest-growing airport in the United States. ONT Chief Commercial Officer Dan Cappell speaks with TMI about what lies ahead. Story on page 22.

eventually hamper travel. And the pandemic is still active in many countries, with no guarantee that a new variant will not arise. But at this moment, the prospects for recovery are looking better than at any time in the past two years.

On a personal note, *Travel Markets Insider* is celebrating its 25th anniversary in 2022. We sent our first issue – a one page fax – in April 1997 following the IAADFS show in Orlando that year. We are immensely grateful for all the support we have received from the industry over the past quarter century, as we dedicated ourselves to providing the information critical to doing business in this part of the world.

There are several other incredibly impressive industry

milestones to celebrate. Happy 45th Anniversary to Ultrafemme and to WTDC. See full stories on how these pioneering companies have flourished for more than four decades in this issue.

Happy 25th Anniversary to Tito's Handmade Vodka and Tairo International.

And Happy Anniversary to my fellow trade publications on their milestones: 25 years for *TRBusiness* and 20 years for *The Moodie Davitt Report*. Congratulations to us all!

Stay well,
Lois Pasternak,
Editor/Publisher

INSIDE INSIDER



Ultrafemme celebrated its 45th anniversary at the end of the year by creating an Atelier Du Parfum in the group's flagship store.



WTDC, a pioneer in Logistics for 45 years, is a company with a conscience.



Aer Rianta International welcomes back air travelers to Canada with innovative new promotions.



Harding Retail launches Somrus into the cruise channel with striking onboard activations. Shown here: Somrus on Carnival Breeze.

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 25 years.

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Join IAADFS and your colleagues from the duty free and travel retail industry in West Palm Beach, Florida, for the 2022 Summit of the Americas. Take advantage of valuable opportunities for learning, networking, and business-to-business meetings taking place in exhibit stands and private meeting rooms.

Visit www.2022summitoftheamericas.org to learn more, register, and book your room reservation for this important industry event!

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