

Special Issue  
TFWA  
World Exhibition  
October 2022

# TRAVEL MARKETS INSIDER

## North American airport modernizations place focus on optimizing concessions



The famed Jeppesen Terminal at Denver International Airport, site of one of the most ambitious development plans in the United States. *TMI* speaks with Concessions Planning International, which is advising DEN as it creates and implements a concessions program that is a benchmark in North American airports. See story on page 26.

With U.S. airports like New York's LaGuardia and Newark Liberty Airport undergoing massive modernizations, and air traffic predictions growing stronger, this issue of *Travel Markets Insider* looks at how airport concessions can better serve the traveling public – and provide more income to the airport.

*TMI* speaks with Simon Black, Executive Director of Europe's leading travel retail and airport concessions consultancy, Harper Dennis Hobbs, about his plans for expansion into the North America market. HDH's recent hire of former Heinemann Americas CEO Nadine Heubel shows how serious they are about ramping up their operations in the region.

*TMI* also speaks with Susan Gray, of Concessions Planning International, about its work with Denver International Airport. CPI is helping DEN create a concessions program designed to be a "benchmark for decades to come."

Although travel retail still faces many challenges, Duty Free Americas, for one, appears to have come through the worst of the crisis in relatively strong condition. DFA CEO Jerome Falic credits the company's spread of geographic locations and variety of operating models for the success.

*TMI* also focuses on more new store openings in the Caribbean, including the debut of the first Creed boutique in the islands, and analyzes the fledging

recovery in Latin America.

Another sign of renewed business confidence in the travel retail channel is the swell of new fragrance launches, complete with exciting HPPs at the Point of Sale. We are delighted to cover several of the new products here.

As part of our broad-based spirits coverage, *TMI* also takes an in-depth look at the future of gin consumption in the Americas travel retail channel, prepared specially for us by spirits expert Joe Bates.

We hope you all enjoy all this and more, *Inside Insider*, and look forward to seeing you in Cannes at the TFWA World Exhibition & Conference.

Lois Pasternak  
Editor/Publisher

## INSIDE INSIDER



Harper Dennis Hobbes Executive Director Simon Black and Senior Managing Director Nadine Heubel target North America



Rouge Duty Free opens the first Creed boutique in the Caribbean



Fantasy Fragrances, LLC rolls out the new Frida Kahlo-inspired fragrance in the Americas



Joe Bates reports on the gin business in the Americas travel retail market.

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**Leader in Logistics for Duty Free and Global Travel Retail - Spirits, Cosmetics, Electronics**

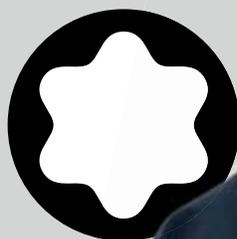


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## How to appeal to younger shoppers when they travel: m1nd-set analyzes Millennials vs Gen Zs

In one of its most recent studies, travel research agency m1nd-set took a deep look at how travel retailers should best market to younger consumers when they travel. The two-month age-demographic specific research found significant differences and unique trends between Millennials and the younger Gen Zs.

In its August newsletter, m1nd-set explained that the research looked at the importance of both of these age segments, comparing their behavior to that of all passengers, and analyzed how they buy, what they buy, why they buy and how much they spend among a range of other behavioral traits.

Millennials –who were born between the early 80s and mid 90s and are currently aged between 26 and 41, have much more spending power than the Gen Zs segment, who are currently aged between 10 and 25. But Gen Zs represent around one third of the global population and their share of consumer spend will grow significantly.

In its newsletter, m1nd-set notes that while Millennials were the first generation to grow up in the age of the internet, Gen Zs are the first generation to grow up in the age of mobile internet and social media, and this impacts how and when to reach them when they travel, says m1nd-set.

### Engagement

There are significant differences in how the two groups react when shopping. One major difference, m1nd-set reports, is their respective tendency to engage with important shopping influencers, such as communications touch points and sales staff. Gen Zs tend to approach the sales associates in Duty Free shops considerably less than Millennials. Only 38% of the younger age segment say they engage with sales associates, 30% lower than Millennials, 68% of whom interact with store staff. Millennials also tend to engage with sales associates more than average, since 65% of travelers from all age groups interact with sales staff.

The impact of the interaction is also lower among Gen Z shoppers, reports m1nd-set. More than eight out of ten shoppers among Millennials and all age groups combined report a positive outcome



following the interaction, while only 67% of Gen Z shoppers said they purchased a product thanks to the interaction.

### Reaching out: Touch Points

Another significant difference in shopper behavior is how Gen Zs and Millennials react to communications touch points. More than half of Millennials (55%) notice touch points prior to their purchase in GTR when traveling. This is above the 47% reported for all passengers. Significantly, only 15% of the Gen Zs say they noticed touch points prior to purchase. This indicates the generational behavior differences in general regarding how and where the various age groups source and digest their information.

Peter Mohn, Owner & Chief Executive Officer at m1nd-set, explained: “It is extremely important for travel retail marketers marketing to Millennials and Gen Z traveling consumers to understand where to reach their target audiences when they are not traveling. For both these age segments, it’s clearly online where they can be found but among Gen Zs it’s most commonly on the mobile and via certain social media services.”

Mohn says that “Platforms such as TikTok have to be integral to the marketing mix for marketers who are intent on reaching Gen Z shoppers while Millennials are more prone to be across multiple platforms such as Facebook, Instagram and Twitter.”

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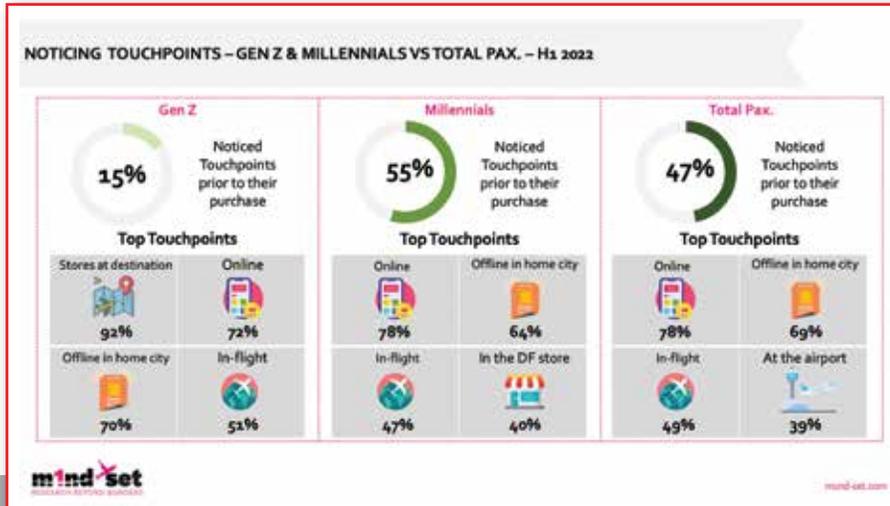
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Mohn added: “Although a sizeable proportion of the Gen Z consumer generation is still below 18 and whose purchasing power barely surpasses their parents’ allowance, the potential among this generation – both as future customers and disruptors – is not to be underestimated.”

**Socially conscious**

“Both Millennials and Gen Zs have a strong tendency to favor sustainable practices when shopping in Travel Retail,” Mohn continued. “While they are keen on championing brands with a strong social and environmental impact and story, they are equally intent on shouting out on social media about less virtuous brands and will be quick to name shame companies and brands which do not demonstrate ethical and environmentally friendly practices. This is particularly true among Gen Zs,” Mohn concluded.

**Planned vs impulse**

mInd-set also reveals that Millennials are more apt to plan their purchase in Travel Retail (79% vs 64% for Gen Zs), but more Gen Zs purchase on impulse (36% of Gen Zs compared to 21% among Millennials and 18% among all age groups).

Gen Zs are also keener to enter the physical store, says mInd-set (49% compared to 38% among Millennials and 44% of all passengers). Once in the stores however, Millennials tend to purchase more; 23% of Millennials purchased compared to 17% of Gen Z shoppers and 22% of total passengers, generating a conversion rate of 61% for Millennials, 35% among Gen Zs and 50% for all passengers.

More information on mInd-set’s research and consultancy services can be obtained from mInd-set by writing to [info@mInd-set.com](mailto:info@mInd-set.com).



**Spending trends**

Average spend is another area where mInd-set reports considerable differences between Millennials and Gen Z consumers in Travel Retail. Spend among both age segments is significantly lower than the average among all age groups which is US\$101.

For Millennials, average spend is \$70, with the highest spend allocated to the Electronics category at \$124, followed by Jewellery & Watches at \$118 and Fashion & Accessories at \$98.

Average spend in Travel Retail among Gen Z shoppers is considerably lower at \$44, with the highest spend being allocated to Perfumes at \$111, Electronics, \$103 and Alcohol, \$61.

One of the major differences is the overall spend among both age groups. Whether in domestic or Travel Retail, Millennials represent a higher proportion of the overall consumer spend. Both generations combined currently represent just over 30% of total retail spend, but this share is set to increase to 48% by the end of the decade.

In Travel Retail, the spend is currently 6% among Gen Z consumers and 25% among Millennials. According to mInd-set the Millennials’ share of spend in Travel Retail will increase by only a few percentage points by the end of the decade while the growth in spend by 2030 among Gen Zs consumers is expected to be more than threefold.

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## WTTC: Domestic travel helped U.S. retain its position as the world's biggest Travel & Tourism market

The latest World Travel & Tourism Council's Economic Trends Report, released Sept. 6 and conducted by Oxford Economics, ranks the U.S. as the world's biggest and most powerful Travel & Tourism market by GDP contribution.

But WTTC notes that the rankings in the U.S., like other top economies, are bolstered through high numbers of domestic travel, as international visitor numbers plummeted.

Despite its number one position, the U.S. Travel & Tourism's contribution to the U.S. economy fell by \$700 billion from 2019, to just under \$1.3 trillion last year.

WTTC ranks China second and Germany third for sector GDP contributions, representing no change in ranking since 2019. However, total sector economic contribution in both countries declined versus 2019.

China contributed more than \$814 billion to the Chinese GDP last year (vs. \$1.86 trillion in 2019); Germany's contributions to its economy were \$251 billion compared with over \$391 billion in 2019.

The UK slipped dramatically from fifth place in 2019 to ninth in 2021, with a contribution of just over \$157 billion, the biggest fall among the top 10 countries.

Julia Simpson, WTTC President & CEO, said that the report shows the resilience of the Travel & Tourism sector.

"Despite a challenging macro environment, Travel & Tourism has bounced back. The world, with some exceptions, is traveling again. And we are seeing a resurgence in business travel. Over the next 10 years, Travel & Tourism growth will outstrip the overall growth rate of the global economy."

### International visitor spending

In terms of international traveler spend, France, which was ranked fourth before the pandemic, overtook Spain, China, and the U.S. to grab first place.

China, which remains closed to much of the rest of the world, was in second place for international visitor spending before the pandemic but fell dramatically to

11th position in 2021.

Across Asia-Pacific, major Travel & Tourism markets saw huge losses in international spending. In addition to China, countries like Thailand and Japan, which ranked fifth and eighth in international visitor spending before the pandemic, fell out of the top 20 altogether in 2021.

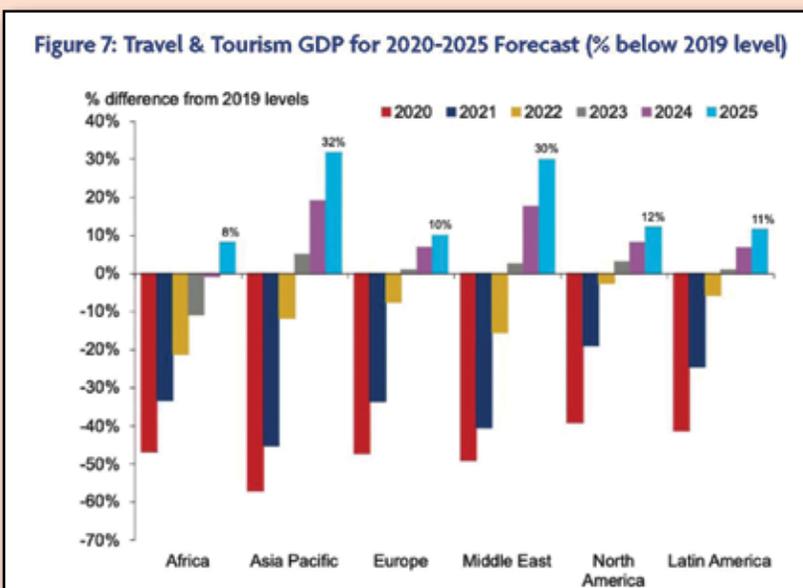
### Business Travel and China growth outlook is positive

According to WTTC's forecasts, worldwide business travel is expected to

grow more than 41% this year. For the next 10 years, it predicts business travel could grow an average of 5.5% annually and may return faster in the Asia-Pacific region.

WTTC predicts by 2032, China will overtake the U.S. to become the world's biggest Travel & Tourism market.

The research shows China's Travel & Tourism contribution to GDP could reach \$3.9 trillion by 2032, making it the world's most powerful Travel & Tourism market, and India could leapfrog Germany to reach third place with a projected value of \$457 billion.



The chart above compares the contribution of Travel & Tourism to GDP against the 2019 level. For instance, the sector's contribution to GDP in Europe was 47.1% below the pre-pandemic level in 2020, and the gap reduced to 32.3% below 2019's level in 2021, showing a strong rebound. It is estimated that the sector's performance in Europe could surpass 2019's level in 2024 when Travel & Tourism contribution to the region's GDP could reach 4.1% above the pre-pandemic amount. Asia-Pacific is forecasted to be the first region to revert to the 2019 scenario (in 2023), while all the other regions are estimated to recover completely in 2024.

In 2022, as travelers' confidence improves, the global Travel & Tourism sector is estimated to hasten its pace of recovery to 43.7% compared to 2021 and add a further 10 million jobs. WTTC says that the sector is likely to return to pre-pandemic levels around the end of 2023 and the preliminary data for the first half of 2022 supports this forecast.

Looking at a longer-term forecast, between 2022 and 2032, Travel & Tourism's contribution to the global economy is expected to grow at an average annual rate of 5.8% which is more than double the 2.7% average annual growth rate estimated for the global economy. In that same period, the sector is forecasted to generate 126 million additional jobs.



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*Erik Juul-Mortensen, TFWA President; David McWilliams, Adjunct Professor of Global Economics at Trinity College Dublin's School of Business; Raymond Cloosterman, Founder and CEO of Rituals; Swan Sit, AF Ventures Operating Partner*

## TFWA Conference and workshops focus on post-pandemic era

The conferences and workshops at the 2022 Tax Free World Exhibition & Conference will offer a content-rich, business-relevant format that will focus on key themes for the post-pandemic era, says organizer TFWA.

From economics and the Metaverse, to brand-building in a changing world, the opening Conference of the 2022 TFWA World Exhibition & Conference will address some key trends shaping duty free and travel retail in the aftermath of the COVID-19 crisis.

Taking place from 9-11:45 CET on Monday Oct. 3, in the Grand Auditorium of the Palais des Festivals, the TFWA World Conference will open with a State of the Industry address from TFWA President Erik Juul-Mortensen.

Juul-Mortensen will be followed by a discussion between David McWilliams, Adjunct Professor of Global Economics at Trinity College Dublin's School of Business and one of the most authoritative – and entertaining – voices on economics and geopolitics today; and Raymond Cloosterman, Founder and CEO of Rituals,

who will address brand-building in a changing world. Cloosterman's Unilever background and creation of a luxury lifestyle chain make him ideally qualified to discuss all matters branding.

The Conference will also look at life in the Metaverse with the help of a global expert on new digital technologies: Swan Sit, Operating Partner of AF Ventures, a Leading Voice on Clubhouse and the former Global Head of Digital Marketing for Nike, Revlon, and Estée Lauder. This is a topic of great relevance as the Travel Retail industry increasingly harnesses the power of artificial intelligence and augmented reality.

The TFWA Conference is being moderated this year by Juliet Mann, an experienced TV anchor, specializing in business news. She was a correspondent for CNN's weekly business features show Marketplace Europe and is currently host of The Agenda, the weekly current affairs talk show on CGTN.

### TFWA workshops

The popular TFWA workshops return this year, with two sessions scheduled during lunchtime on Tuesday, Oct. 4, for The Airport Forum; and Wednesday, Oct. 5, for Innovation in Action in the I5 studio inside the Palais des Festivals.

The Airport Forum session will feature Heathrow Airport Retail &

Property Director Fraser Brown, Incheon International Airport Corporation Director Duty Free Management Team Sung Bin Im, and Chief Digital & Commercial Officer of Istanbul Airport Ersin Inankul.

Topics for discussion will include the evolution of the airport retail business model, new customer trends and spending patterns, changes to the airport retail mix, and the integration of digital into the commercial offer. The panelists will also explore some of the challenges faced by airports and airlines over the European summer season, and the travel industry's preparedness for the return of pre-2020 international traffic levels.

The Innovation in Action session will look at the latest developments in customer engagement courtesy of speakers including Intelligent Track System Founder & CEO Morten Pankoke and Founder & CEO of Inflyter Wassim Saadé. Also on the program are Alexander Trieb, Founder and CEO of Duffle, a digital travel retail marketplace, and John Williams, Global Scotch Director at Diageo.

This workshop will showcase some of the latest technological solutions that are helping brands and retailers engage travelers in new ways and put the spotlight on some of those new initiatives, and explore how new tech is helping shape positive passenger experiences in the post-pandemic world.



*The TFWA Conference is being moderated by Juliet Mann, host of The Agenda on CGTN.*

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## Hawaii: July visitor arrivals reach 92+% of July 2019 figures but full recovery not forecast until 2025

Preliminary visitor statistics released by Hawaii's Department of Business, Economic Development and Tourism (DBEDT), report that 919,154 visitors came to the Hawaiian Islands in July 2022, representing a 92.4% recovery from July 2019.

This is the highest monthly visitor count since January 2020. Visitors spent \$1.94 billion in the state in July 2022, an increase of 14.3% compared to the \$1.70 billion reported for July 2019.

Despite the strong numbers, DBEDT does not forecast full recovery until 2025.

Hawaii Tourism Authority President and CEO John De Fries, comments:

"Meaningful economic recovery continued during the peak summer month of July as Hawaii saw significant increases in total visitor spending from the U.S. and Canada markets compared to July 2019. Travel demand from Japan is anticipated to gradually increase as we head into the fall and winter seasons, with the recent resumption of air service between Tokyo-Kona and Tokyo-Honolulu adding to the steady return of international flights."

De Fries said that Hawaii's destination management work will continue to focus on educating visitors about traveling within the islands in a manner that is mindful, "as we seek to balance the economic vitality of our industry with the health of our natural environment and the well-being of our

communities," he expalains.

"Travelers from around the world have come to know and appreciate that Hawaii is indeed a special place where dreams do come true," he said.

### Visitor Spending and Visitor Arrivals by Major Market

All 919,154 visitors in July 2022 arrived by air service, mainly from the U.S. West and U.S. East. In comparison, 995,210 visitors (-7.6%) arrived by air service in July 2019.

No out-of-state cruise ships came to Hawaii in July 2022 or in July 2019.

The average length of stay by visitors in July 2022 was 9.36 days, up from 8.92 days (+4.9%) in July 2019.

The statewide average daily census was 277,444 visitors in July 2022 compared to 286,419 visitors (-3.1%) in July 2019.

### U.S. tourist spend higher than in 2019

In July 2022, 528,319 visitors arrived from the U.S. West, an increase of 14.2% compared to 462,676 visitors in July 2019. U.S. West visitors spent \$973.8 million in July 2022, up 45.4% from \$669.8 million in July 2019. Daily spending by U.S. West visitors in July 2022 (\$211 per person) was much higher compared to July 2019 (\$165 per person, +27.6%).

There were 249,157 visitors from

the U.S. East in July 2022, up by 2.3% compared to the 243,498 visitors in July 2019. U.S. East visitors spent \$643.4 million in July 2022, up 26 percent from \$510.7 million in July 2019. Daily spending by U.S. East visitors in July 2022 (\$260 per person) increased significantly in comparison to July 2019 (\$216 per person, +20.1%).

There were 23,133 visitors from Japan in July 2022 compared to 134,587 visitors (-82.8%) in July 2019. Visitors from Japan spent \$42.8 million in July 2022 compared to \$186.5 million (-77%) in July 2019. Daily spending by Japanese visitors in July 2022 (\$233 per person) was flat compared to July 2019 (\$234 per person, -0.4%).

In July 2022, 25,684 visitors arrived from Canada compared to 26,939 visitors (-4.7%) in July 2019. Visitors from Canada spent \$57.1 million in July 2022, compared to \$50.1 million (+14%) in July 2019. Daily spending by Canadian visitors in July 2022 (\$189 per person) increased compared to July 2019 (\$158 per person, +19.6%).

In July 2022, there were 92,861 visitors from All Other International Markets, which included visitors from Oceania, Other Asia, Europe, Latin America, Guam, Philippines and the Pacific Islands. In comparison, there were 127,510 visitors (-27.2%) from All Other International Markets in July 2019.



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# IAADFS promises more flexibility and broader audience for 2023 Summit of the Americas

The International Association of Airport & Duty Free Stores opened registration for exhibitors at the 2023 Summit of the Americas the first week of September – much earlier than last year -- in the expectation that the recovery underway and positive momentum from the 2022 event, will spur interest in participating.

The Summit will take place April 16-19, 2023 at the Palm Beach County Convention Center in Palm Beach, Florida.

Michael Payne, IAADFS President & CEO tells *TMI* that the organization is looking to be flexible to accommodate as many requests as possible, and will be opening the show to a broader audience.

“We wanted to start the process earlier to give people a chance to make their decisions, and allow exhibitors to get their spot. We wanted to get that momentum going,” said Payne.

Opening registration earlier also gives Payne the opportunity to speak to people in Cannes during TFWA World Exhibition to answer questions they may have.

Initial response was good, he said, with 14-15 commitments for exhibition space received in the first week.

Payne says that attendees will be seeing a few changes from last year, when the Association tested a hybrid, abbreviated format as the industry eased back in to live events.

## Trade Floor returns

The 2023 Summit returns to a more traditional format featuring an exhibit hall in combination with a limited number of private exhibit/meeting rooms.

“The Palm Beach Convention Center has a substantial exhibit area on the first floor, which we had chosen not to use last year. But we will use it in 2023 based on the feedback we got from exhibitors,” explained Payne.

“Some people liked having the spaces spread around but most of the exhibitors said they would prefer to be in a more central location. So we are working on designing a floor plan that will accommodate those who want stands. But we are still going to offer the private rooms that we did last year. A number of these

rooms have already been renewed by last year’s participants.”

Payne said that the Association has a general floor plan laid out, but has not laid out specific spaces yet so as to accommodate requests.

## Networking

The Association is also deciding where to place a networking area, considering either in a hallway, within a ballroom or in the room where they will hold the content sessions. In any event, there will be a dedicated area for networking, Payne assured.

“We want to be a little more flexible than normal because it will take time for people to figure out what they want to do. But we want to work with them to help provide as good a return on investment as possible,” he added.

## Fewer content sessions, more industry partners

In response to the feedback the Association got after last year’s event, there will also be a more streamlined education program.

“Most likely we will hold only four sessions, to allow more exhibitors and visitors to attend,” noted Payne, who said it is partnering with organizations like Airports Council International (ACI) and the Airport Retail & Restaurant Association (ARRA) to put together the sessions.

## Capturing more of the travel experience

Payne notes that the IAADFS has also been having conversations with ARRA about doing more projects together, including opening the duty free show to more ARRA members.

“We might incorporate some Food & Beverage exhibitors in the upstairs area. There are now a number of companies doing duty free, travel retail and food and beverage. And we think there will be others as the industry tries to capture the whole customer experience,” he said. “With ARRA’s engagement, we will probably have more interest among the F&B sector.”

Payne said inviting more categories to exhibit could open the show up, especially as opposed to 30 years ago when it was

much more strictly confined to only duty free.

“Today, travel retail has morphed into something much broader; it is much more of a mixture. We want to accommodate that,” he said.

## Eliminating airport gate deliveries

In other IAADFS activities, the Association is coordinating more with other organizations to achieve certain changes. Working with Airports Council International, the IAADFS is trying to eliminate gate deliveries of items bought at the duty free store, for example.

“We would like Customs to do some demonstration projects, which will show that we really do not need to still have that requirement in place in the U.S. Customs has expressed some willingness to test this to see that they still get what they need out of [secure gate deliveries] but so do our members,” said Payne.

“With the staffing and turnover difficulties going on in the airports these days, gate delivery is just another burden that isn’t necessary.

“The stores and airports have to provide staff to provide the service, and some people do not trust the system and would rather not shop if they cannot take the item with them. Customs worries that people will buy duty free and then pass it to someone domestically, but in many international terminals there really is no opportunity to do that. ACI has been very instrumental in helping us get this issue initiated,” he explained.

Payne says that the IAADFS is also monitoring several issues, including making sure that the revenue allocated to airports and operators from the CARES Act\* is getting utilized properly.

“We are talking to the airport authorities to determine that those funds get to the operators they were meant for,” he said.

*\*The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a \$2.2 trillion economic stimulus bill passed by the 116th U.S. Congress and signed into law by President Donald Trump on March 27, 2020.*



2023

## SUMMIT OF THE AMERICAS

Join us in West Palm Beach, Florida, for the 2023 Summit of the Americas, the most important event for the duty free and travel retail industry in the Americas and Caribbean! Take advantage of the opportunity to meet industry colleagues for networking, learning, and business-to-business meetings during this three-day show.

Visit [www.2023summitoftheamericas.org](http://www.2023summitoftheamericas.org) to learn more about registration, room reservations, and ways to increase brand exposure through exhibit space and sponsorship.

April 16 - 19 | Palm Beach County Convention Center | West Palm Beach, Florida

# Dufry's new strategy "Destination 2027" focuses on Four Pillars to enhance travelers' experience

Dufry presented the new company strategy at Capital Markets Day in London on Sept. 6.

Under the name of "Destination 2027," the four-pillar strategy is designed to "make travelers happier," says the company.

## Solid fundamentals but shifts in consumer behavior and travel patterns

The airport travel market has proven to be a resilient and attractive space, showing a strong rebound after the COVID crisis, said the travel retail giant, which -- after a steady acceleration of demand over the past six months -- expects passenger volume to resume growth in line with the historical trajectory.

While its fundamentals are solid, the industry is experiencing a significant shift in consumer behavior and in travel patterns, notes Dufry. "Consumer demographics have changed, bringing about, amongst other things, a stronger demand for personalized experiences, a greater influence of online media in purchasing decisions, and stronger interest for sustainable, healthy, ecofriendly products," said the company in an official statement.

Travel patterns are also changing, it noted, with stronger rebound of domestic and short-haul routes, increasing share of low-cost service, acceleration of leisure vs. business travel, and different mix in the origin of international travelers, especially on the path to full recovery after COVID.

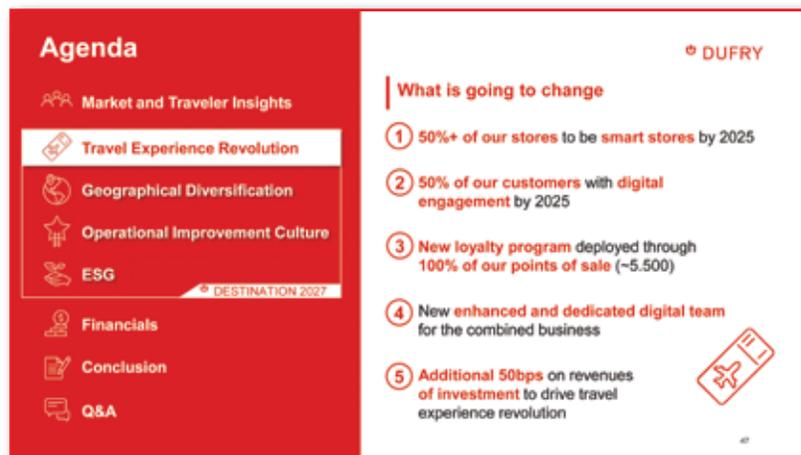
## Four pillar strategy

To cater to the needs of these "new" travelers, and continue to lead the Travel Experience space, Dufry developed a new strategy, "Destination 2027," built around four pillars.

1. Launch a **Travel Experience Revolution** by creating – together with brand and landlord partners – a unique, new value proposition for customers.

The new value proposition is based on customized offerings for travelers, including elements of experience, new categories, and exclusive products.

This experience will be delivered both in physical "smart" stores, with a modular concept that allows it to customize the offering to different passengers, routes



and nationalities, as well as through digital channels, with extensive digital engagement before and after travel, to drive consideration and loyalty.

Dufry's travel experience revolution also brings together travel retail and food & beverage through its transformative business combination with Autogrill. This will allow Dufry to engage consumers with a broader set of products and a wider range of experiences, which will provide "a platform to make travelers happier during travel," says the company.

2. Continue to **Diversify its Geographical Presence** to tap into fast-growing markets and hedge against regional economic cycles and shocks.

Building on a strong portfolio of international airport locations and global brands, Dufry will continue to expand its footprint, with strong focus on the highly attractive and resilient U.S. market, and a dedicated strategy for Asia-Pacific, building a team focused on a set of strategic markets in the region and on the fast-growing cohort of the Chinese traveler.

In Europe and Rest of the World, Dufry will accelerate its business development process and set clear priorities and targets.

The combination of travel experience revolution and geographical expansion is expected to translate into annual turnover growth of 5% to 7% in 2025-2027.

3. Foster a **Culture of Operations Improvement** to fuel profitability, accelerate cash-flow generation, and reinvest in growth.

Dufry reports that it will strive for "superior profitability" with a logic of zero-based budgeting, focused on disproportionately allocating resources to activities that make the most impact for the customer, while leveraging technology to simplify work and operations.

In addition to budgeting discipline, Dufry will systematically and actively manage its portfolio of concessions, with stronger focus on the evaluation of full profitability and cash flow contribution.

4. Connecting the other three pillars of the strategy, **ESG continues to be a defining ambition for Dufry** and a "strong lighthouse" for its day-to-day business, which the company says is "providing a source of inspiration of what to do best for our customers, our employees, and the world at large."

Xavier Rossinyol said: "The new company strategy has been crafted based on a deep understanding of our stakeholders' needs, customer insights and the current market trends evolution.

"Our new strategy 'Destination 2027' will be delivered by further empowering our already excellent teams and reinforcing them when needed. As a team, we are in a position to generate sustainable long-term value for all our stake-holders, including employees, landlords, brand partners, and, finally, our shareholders.

"This is supported by the transformative business combination with Autogrill as an inherent part of our vision to deliver a holistic travel experience and to make travelers happier."

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*DFA opened a Macallan Boutique at JFK Terminal 7 last year, one of only four in the world.*

## One on One with Jerome Falic, Duty Free Americas CEO Diversified geographic and business models help DFA recovery

Despite the difficulties of the past few years, Duty Free Americas performed strongly due in large part to its different trading models and the variety of the geographic locations in which it operates. According to published rankings, the Florida-based company had sales above US\$1.6 billion in 2021. The *Moodie Davitt Report on Top Travel Retailers* positions the company as #10, an impressive achievement among global giants and Asian super stars.

“Business has come back quite a bit, in almost every area,” confirms Jerome Falic, DFA CEO, speaking with *TMI* recently. The company operates about 200 shops across all its locations, including in some of the key airports in the U.S., along major borders in North and South America, as well as in the Chinese resort of Macau, which was a bright spot through most of the pandemic.

### DFA in Asia

“We had a very strong 2020 and 2021 through DFA Macau in the Venetian Hotel in Asia. We were very fortunate,” confirms Falic, who said the store was closed for just a few weeks during the height of the pandemic.

“But surprisingly, we have gone a little backwards in Macau in 2022. The year started off strong but then dropped off



*Jerome Falic, DFA CEO*

completely. We were closed for most of the month of July. But we have now re-opened and are doing quite well again. August was a very good month. Business came back strong. This is all due to Chinese traffic.”

The company expects this momentum to continue. DFA’s Macau store is now 100% dedicated to beauty, and the company has introduced many exclusive, niche brands in this store.

“Throughout 2020, 2021 and as recently as this past month, we have been bringing in new brands. We are continually fine-tuning the selection, bringing in some brands,

taking out others,” says Falic.

DFA this month started construction on a 3,000 square foot extension to the store, which will expand the retail area by another 25%.

“The expansion will enable us to house many more beauty brands, most of which will be niche brands. We are going to be introducing many new fragrance brands, which are really taking off in China. And we have several brands that we were able to sign exclusively.

“In the next few weeks we will be installing the newest Gucci counter with cosmetics and fragrance. We just brought in another brand from Shiseido, called Ipsa. In October, we expect to receive the new Valentino cosmetics and fragrance counter

*The DFA Macau store is now 100% dedicated to beauty.*





Miami International Airport  
Miami, FL USA



Atlanta International Airport  
Atlanta, GA USA



The Venetian  
Macau



The Venetian  
Macau



Punta Cana Airport  
Dominican Republic



The Venetian  
Macau



Miami International Airport  
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that should be completed in December or January.”

### U.S. Northern Border

DFA’s border business also delivered very solid returns, says Falic.

“We have been quite fortunate here as well, on our side of the border,” he says. DFA operates more than 30 stores on the U.S. side of the border with Canada.

“When the U.S. and Canada re-opened the border after closing for COVID, we have seen our business growing every day. I hear how difficult it is on the Canadian side, but our business is coming back quite strong.”

### U.S. Southern Border

The DFA duty free stores on the Southern border never even shut down, confirmed Falic, since they catered to the large number of students and essential workers who cross over between the U.S. and Mexico every day. And since the border re-opened fully in 2021, Falic reports that business has been much stronger.

“We never closed. We stayed open everywhere on the Southern border and business was pretty good. It never really stopped.”

Following the closure of the DFA/ UETA San Ysidro flagship in 2016 due to modernization and expansion of the port of entry between the U.S. and Mexico, DFA has obtained a new property that will house a multi-story, multi-use facility. Although the company had originally planned to have the new facility completed sometime in 2020, Falic tells *TMI* that it will probably still be a few years before that project will go forward.

### Latin America

DFA has had a long-time presence operating major stores on the Uruguayan border and was in the process of opening new locations on the Brazilian border when COVID sidetracked the progress.

Falic confirmed that the new store DFA had planned to open on the Brazilian border in Foz do Iguaçu is taking longer than expected, although several of its stores on the Uruguay side of the border are open and had stayed open during much of 2020. It also operates a store in the Iquique Free Zone in Chile.

“We are very strong on the Uruguay side of the border but opening stores on the Brazil side is a much slower process,” he says.

*Miami International Airport and DFA opened a joyous free-standing LEGO store in the North Terminal this summer.*



### Airports

DFA is the duty free concessionaire at Miami International Airport (MIA), Hartsfield-Jackson Atlanta International Airport (ATL) and New York JF Kennedy International Airport, Terminal 7, among others.

### Miami

“Miami has been fantastic for us. And this business is growing every day. We opened a Lego store in MIA a couple of months ago – and it has been doing great. We opened a new Montblanc shop also. During most of the past two years we never stopped. We are always building, always fixing the stores. We had just remodeled one of the shops before COVID, and now we plan to remodel more of them. Miami continues to grow for us,” says Falic.

The DFA concession contract at MIA still has several years to go, and qualifies for extensions. As a result of the COVID disruptions, a ruling by the Miami-Dade Board of County Commissioners and the Mayor added an additional four-year extension to the current contract, which will have it run through 2029.

### New York JFK Terminal 7

“Terminal 7 continues to do quite well,” says Falic. “We have the Macallan Boutique there, one of only four in the world. We are always looking to see where we can add something different to our shops, and we have something very special for Terminal 7 coming up, which we can discuss at a later date.”

As part of JFK’s modernization plans, Terminal 7 is scheduled to be demolished as other terminals are expanded. “This is still about three years away, though,” notes Falic.

### Atlanta, Panama, Punta Cana

Atlanta is another major U.S. airport where DFA is the exclusive duty free

concessionaire. DFA has received an extension on its concession contract in Atlanta, as well as Miami.

“We are very happy with all of our airports. Every one of our U.S. airports has their own dynamic and way of doing business. We also have a lot of airports that never get reported on, but they are very important in our portfolio—like Panama and Punta Cana in the Dominican Republic, for example.

“We have a large presence in Panama, and Punta Cana Airport has been a wonderful airport for us, especially throughout the pandemic. Once people started to travel and they wanted to go to a resort destination, many came to Punta Cana. We have done, and continue to do, some important changes in Punta Cana.”

### Challenges & Opportunities

Even as Falic feels that the DFA business is getting back to normal, he admits there is still a ways to go, especially as travel picks up more and more.

“I see a lot of growth opportunities ahead. And we are constantly making changes within our shops, always upgrading, looking for new opportunities and new brands to bring in to the shops, new offerings.”

Looking at short-term challenges, Falic, like many other airport operators, says that staffing continues to be an issue.

“We use job fairs wherever we possibly can. Wages have become very competitive and it is much more costly to run the business,” he says.

Operators are also experiencing supply side issues and product shortages.

“We could be selling even more, and recover even faster, if we had higher fill rates. As much as business is back, this is where we feel we could be much stronger, if our purchase orders were fulfilled 100%.”



Left: Civil Rights Trail Market by Hudson At Birmingham-Shuttlesworth International Airport. Right: The Atrium At Colorado Springs

## Hudson expands U.S. airport footprint with new retail concession at Colorado Springs Airport and expansion in Birmingham

Hudson has won a new 7-year contract at Colorado Springs Airport (COS) and announced a 7-year contract extension at Alabama's Birmingham-Shuttlesworth International Airport (BHM).

### **COS: brand accessibility & local partnerships**

COS serves more than two million travelers a year, and is a gateway to historic sites, and a popular adventure and sports scene.

Under the new contract, Hudson will introduce three stores— two travel convenience and one specialty retail. Each store will be individually crafted with unique design elements and offer locally sourced products to create a sense of place perfect for the Colorado Springs lifestyle and experience.

Hudson will begin operating at COS on September 1, 2022, with construction for the three new stores starting in 2023. The new stores will operate under the HG COS Concessionaires JV with local Airport Concessions Disadvantage Business Enterprise (ACDBE) Partner Uyen Le, owner of two Beauty Bars in Colorado Springs.

### **Concepts designed specifically For COS**

The three stores – one pre-security and two post-security – will span more than 4,700 square feet of concessions space, and be anchored by Hudson – Colorful Colorado, a locally-themed travel convenience concept equipped with self-checkout and mobile POS; Hudson Nonstop; and specialty retail concept The Atrium At Colorado Springs, featuring a collection of local, regional, national, and global brands.

The new stores will boast “Instagrammable” backdrops for travelers, with storefronts that feature vibrant wrap-around designs and eye-catching imagery that recreates some of the most recognizable sites – like Pike's Peak – in photogenic, shareable moments.

Hudson will also introduce local brands through a rotating incubator program. In partnership with Colorado Springs entrepreneur Linda Weise and the Community Cultural Collective, local artists, businesses, and craftspeople will have dedicated spaces to display their work and showcase their neighborly love, with the offering continually evolving and expanding.

### **BHM: reimagined portfolio inspired by Alabama**

As part of the 7-year contract extension, Hudson has transformed four of its existing retail spaces in BHM into locally-themed stores and introduced a new specialty brand Automated Retail unit. With a footprint of more than 5,000 square feet, these new concepts honor Alabama's culture and important place in American history while creating a brand experience uniquely positioned for the airport and its more than 2.5 million annual travelers.

Hudson has been operating at BHM for 19 years, a tenure that includes a long-standing partnership with local Airport Concessions Disadvantaged Business Enterprise (ACDBE) Partner Irmatean Watson, Inc.

The new stores are located throughout Concourses A and C, and the Automated Retail unit is affixed to Hudson's other travel convenience store, Hudson Vulcan. Several stores offer self-checkout registers.

One of the key new retail concepts is The Civil Rights Trail Market, which along with other new locally curated stores, “truly celebrate the culture of this legendary city, while driving excellence in the traveler experience,” said Brian Quinn, EVP and Deputy CEO of Hudson.

The Civil Rights Trail Market by Hudson is a first-of-its-kind concept travel convenience store that pays homage to the historic civil rights movement and the U.S. Civil Rights Trail. Through a partnership with Lee Sentell, Author of *The Trail*, the storefront dons an official timeline and powerful imagery of the national and local civil rights movements. Copies of the book are available for purchase as well as Civil Rights Trail branded merchandise honoring Birmingham's leading role in the movement and presence along the Trail.

The other locally-themed concepts are Magic City Market by Hudson, Sweet Home Alabama by Hudson and Alabama Sports Connection, a specialty retail concept offers sports memorabilia and apparel, with a large selection of branded merchandise from universities in the surrounding area, including Miles College, Samford University, and UAB: The University of Alabama at Birmingham.

In addition, Automated Retail is a 24/7 specialty retail brand destination specifically tailored to the local market. Automated Retail at BHM features accessories from Happy Socks, and furry friends wearing University of Alabama apparel in an Automated Teddy Machine from Build-A-Bear Workshop.



Denver International Airport's 2.6 million square foot Jeppesen Terminal features an internationally recognized peaked roof, reflective of the snow-capped Rocky Mountains, and designed to evoke the early history of Colorado when Native American teepees were located across the Great Plains.

## One on One with CPI Managing Director Susan Gray

### How global consultancy CPI is helping Denver International Airport create a benchmark Concessions Program Master Plan

*There is an unprecedented wave of airport infrastructure and terminal investments underway in the U.S. – a phenomenon that began prior to the pandemic outbreak, but which should accelerate since the U.S. Department of Transportation's Federal Aviation Administration (FAA) announced it is awarding nearly \$1 billion from President Biden's Bipartisan Infrastructure Law funding to 85 airports across the country to improve terminals of all sizes.*

*Denver International Airport (DEN) is in the forefront of preparing for the future. Passenger traffic is returning at an incredible rate, and DEN is now ranked as the third-busiest airport in the United States and one of the top ten busiest airports in the world according to Airport Council International's data for 2021. In recognition of its new concessions program, DEN has even been shortlisted for Airport of the Year at the Frontier Awards.*

*TMI speaks at length with Susan Gray, managing director of the key consultancy – Concession Planning International --that is helping DEN develop and implement a Master Plan for its concessions that is designed to be a benchmark for decades to come. Lois Pasternak reports.*

Last fall, Denver International Airport CEO Phil Washington announced Vision 100, a plan to ensure that the airport will have the capacity and infrastructure to support 100 million annual passengers within the next eight to 10 years. This strategic plan will guide the airport's work over the next three to five years, and was formulated after months of intensive research, including the consideration of community, employee and stakeholder feedback and suggestions, said the airport.

Most of the planning related to the concessions program was done in close coordination with Australia-based specialist airport commercial planning consultancy Concession Planning International (CPI), which has advised on world-class programs for more than 100 airports across six



*Susan Gray, Concession Planning International Managing Director*

continents.

DEN began working on its Master Plan long before the announcement of Vision 100, however. The Airport Authority originally engaged CPI back in 2017 to

workshop the commercial and customer experience opportunity that existed at the airport.

"The DEN project has been a huge and ambitious undertaking on the part of the Denver International Airport management team," CPI Managing Director Susan Gray tells *Travel Markets Insider*.

"These initial engagements have developed into the most exciting, professionally respectful working relationship, and the creation of what we believe to be one of the most comprehensive, considered, and ambitious strategic concessions programs we have worked on in the last decade," she added.

Since that 2017 workshop, CPI was engaged to develop and support



*The Great Hall project is currently working on Phase 1 and Phase 2 concurrently. Phase 1 work is in the center of the terminal where crews are constructing new ticketing areas for United and Southwest, widening the balconies on Level 6, adding four new restrooms and adding 31,000 square feet to Jeppesen Terminal.*

*Phase 2 work broke ground this summer on the north end of the terminal. The primary focus of Phase 2 is to enhance security by building a new security checkpoint on Level 6 in the northwest corner of Jeppesen Terminal. All Phase 2 work will be done by mid-2024. However, the new checkpoint is scheduled to open by early-2024.*

*Left: Newly renovated portion of the Jeppesen Terminal, completed by DEN in Fall 2021.*

implementation of an airport-wide commercial Master Plan and strategy and plan for the three main concourses at Denver Airport, each one handling circa 20m+ passengers. Currently handling around 65 million passengers annually, DEN is forecast to reach 110 million before 2040.

DEN is centered around the Elrey B. Jeppesen Terminal—which acts as a processor. This is the airport’s iconic main building with roof sails that mimic the snow-capped Rocky Mountains beyond. Jeppesen Terminal celebrated its 25th anniversary in 2020.

This processor supports three large linear concourses which are linked by an underground train as well as a pedestrian bridge from the main terminal to concourse A.

DEN has been expanding the concourses, adding gate capacity as fast as it can reasonably do so. The Gate

Expansion Program will build 39 new gates, increasing gate capacity at the airport by 30%. The first four new gates opened on the west side of Concourse B in November 2020 and 16 new gates opened on the east side of Concourse C in May 2022.

Work continues in the two remaining expansion areas across all three concourses. All expansion areas are expected to be operational in 2022.

Critically, the project includes around 10,000 sq ft of additional concessions space programmed for the concourse expansions alone, notes Gray.

She says that the concessions Master Plan that CPI and DEN have developed does the following:

- Maximizes the concessions space in the ‘center cores’ of each concourse;
- Identifies and maximizes the concessions opportunities throughout each concourse at concourse level and mezzanine level

where possible to do so, including the new expansions;

- Revisited the category mix and identified the appropriate split of retail, travel convenience and F&B in the future;
- Rearticulated the airports’ vision for the concessions program, ensuring that it attracts the very best operators with the most appropriate brands and concepts for its passenger mix by concourse and reflect the very best that Colorado and Denver has to offer;
- Very importantly - ensured that the program would provide great opportunities for local operators and brands to do business at the airport.

“The new spaces in the concourse expansions are incredible spaces. We are immensely proud of them,” says Gray. “There is a marked contrast between the old infrastructure and the new infrastructure. While this is a little frustrating, it’s a very tangible expression of DEN’s ambition; they promised a better experience, and they’re making it happen.”

CPI did not design the new spaces in isolation, Gray explains further.

“We spent a lot of time making sure the seating strategy will support the concessions delivery. By identifying the amount and type of seating needed in each area of the airport, with an emphasis on providing what we term ‘F&B-friendly’ seating, we can ensure the F&B concessions can maximize their opportunity.

“In a very busy, capacity constrained airport, passengers get the best service, as they can be served fast and consume their purchase in their preferred location whether



that be nearby or in a remote gate lounge,” she says.

When the new CEO Phil Washington arrived last year, he re-stated the intent to enhance the customer experience as part of the airport’s new Vision 100 strategic plan.

“The concessions Master Plan supports this by providing better quality environments, greater choice and essentially as much concessions capacity as possible as we plan to meet the growing demands of DEN’s traffic,” she says.

### Balancing challenges and compromise

As airport commercial planners, CPI is used to compromise, stressed Gray.

“Unlike other environments, we understand and accept that our customers are primarily in the airport to fly somewhere, not buy. It’s our job to balance that with the airport’s need to generate non-aero revenue, and our collective desire to deliver a great experience to everyone who travels through our infrastructure.”

Even with the expansion, challenges

still existed with some concession spaces, she admits. Despite the large scale of the expansions, DEN is still very space constrained when all the functional, operational and customer service requirements were factored in. As a result, some of the new concessions had to have more support space at apron level and less at concourse level. CPI tried to give these locations as much additional space as possible, says Gray.

“The new spaces at concourse level are of super quality; strategically placed to provide choice to passengers in a superb, high quality environment with good service provisions. There is not a single new unit that is in a poor location. As planning consultants we identify and advise airports on how much concessions space they need and where it should be located to deliver maximum revenues. When compromises are necessary – and they always are, in airports – we would always rather take reduced square feet if it means the space we do have is in the best location relative

to passenger flow, seating, bathrooms, and other services and amenities.”

### Top engagement key to success

With a primary focus of optimizing the commercial potential of the main three concourses at DEN, while delivering an outstanding and distinctive customer experience, CPI worked primarily with DEN’s concessions team. But they were also engaged with the executive leadership team throughout.

“I cannot stress enough how important the commitment of the airport’s leadership has been to the success of this program,” says Gray. “It would have been very easy to stick with what they knew. But they recognized that they had a massive opportunity to not just improve the concessions and customer experience but create a program that is a benchmark in North American airports. And they are doing it.”

CPI was also plugged in directly to the airport’s planning and design team and their own project teams.

“Too many airports work in departmental silos; the DEN team provided the opportunity for CPI and the concessions team to engage directly with the architects and engineers designing the new expansions and we were able to have important and very respectful discussions that have had incredible results for DEN and their airline partners.”

Gray says that CPI has also been working intensively with the DEN team to make sure all the existing concessions spaces can be re-leased in a timely manner.

“The COVID pandemic slowed our plans, but the concessions team is now really confident it has a robust program and will be getting those opportunities in-market as soon as possible,” she concluded. “From our perspective as a global commercial consulting firm, we’ve found that the airports who had the ability – or perhaps it was the courage – to stay their course during the recent COVID pandemic are the ones who are recovering faster. Airports such as DEN had the courage of their convictions; Penny May, Chief Commercial Officer and SVP Concessions Pamela Dechant, with the new CEO Phil Washington, were integral to the City of Denver’s decision to carry on with the major concourse development programs. This means the airport is so well positioned to leverage the return of passengers in record numbers and give them an experience they can be proud of.”

## Award-Winning Mercantile Dining & Provision at DEN introduces “next level” offer



In August, Denver Mayor Michael B Hancock opened the new Mercantile Dining & Provision concept at the center core of Concourse A.

With Mercantile Market, James Beard Award-winning chef Alex Seidel brings a wide-ranging grab-and-go section and cafe, endless counter seating and quiet dining areas in 4,500 square feet and an open kitchen design that features a 15 seat Chef’s Counter overlooking Mercantile chefs preparing each dish to order.

An adaption from a downtown

concept of the same name in Union Square, the unit is ‘next level’ in terms of the fit-out, the menu offering, the choice it offers – bar, sit-down dining and take-away – and customer service, says Gray.

“In line with some of the concessions Master Plan’s key principles, the unit opens up the views to the airfield, letting in loads of natural light and views to the planes and mountains beyond. It’s a step-change – and it’s a statement of intent from the DEN team. This is just the beginning!” she says.



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# Powerhouse European retail consultancy Harper Dennis Hobbs brings its vision and expertise to North America Travel Retail

When London-based strategic retail property consultancy Harper Dennis Hobbs (HDH) announced the hire of Nadine Heubel as Senior Managing Director to head up travel retail operations in North America this summer, it was a clear indication that HDH is serious about ramping up its operations in the region.

In the 26 years since it was founded in London, HDH has grown to be a market-leading real estate advisory firm with a roster of global blue-chip brand clients, and a very strong specialty in travel retail. In December of 2019, HDH was acquired by full-service U.S. commercial real estate services business Newmark Group, Inc., a market leader in New York and Los Angeles, which is ranked as the #1 brokerage firm in Manhattan by retail deal volume. The acquisition was seen as a way for Newmark to further expand its European and global presence. At the same time, the deal opened a clear path for HDH to strengthen its operations on the U.S. side of the Atlantic.

“We are ambitious in our plans to expand our business in North America and create a truly global travel retail business,” noted HDH Executive Director Simon Black, in the announcement of Heubel’s



Simon Black, HDH Executive Director

appointment. She had most recently been the CEO of Heinemann Americas, Inc.

TMI recently spoke with Black and his team about the company’s plans for the future and the unique capabilities that it brings to the region.

According to Black, HDH, as a retail consultant and advisor, handles about 200 different retailer brands, from luxury like the LVMH Group, Richemont and Burberry, to mid-market and high street brands, like JD Sports, Accessorize UK plus a range of F&B concepts.

The company has a number of other specialties, including a corporate services team which helps retailers restructure themselves after bankruptcy

and administration processes, as well as a 10-year-old travel retail division, which is headed up by Black.

“We have grown the Travel Retail business since 2012 to become the largest consultancy in Europe. We completely dominate the market in Europe,” says Black.

HDH’s travel retail business works with both airports and brands and primarily operates under three arms.

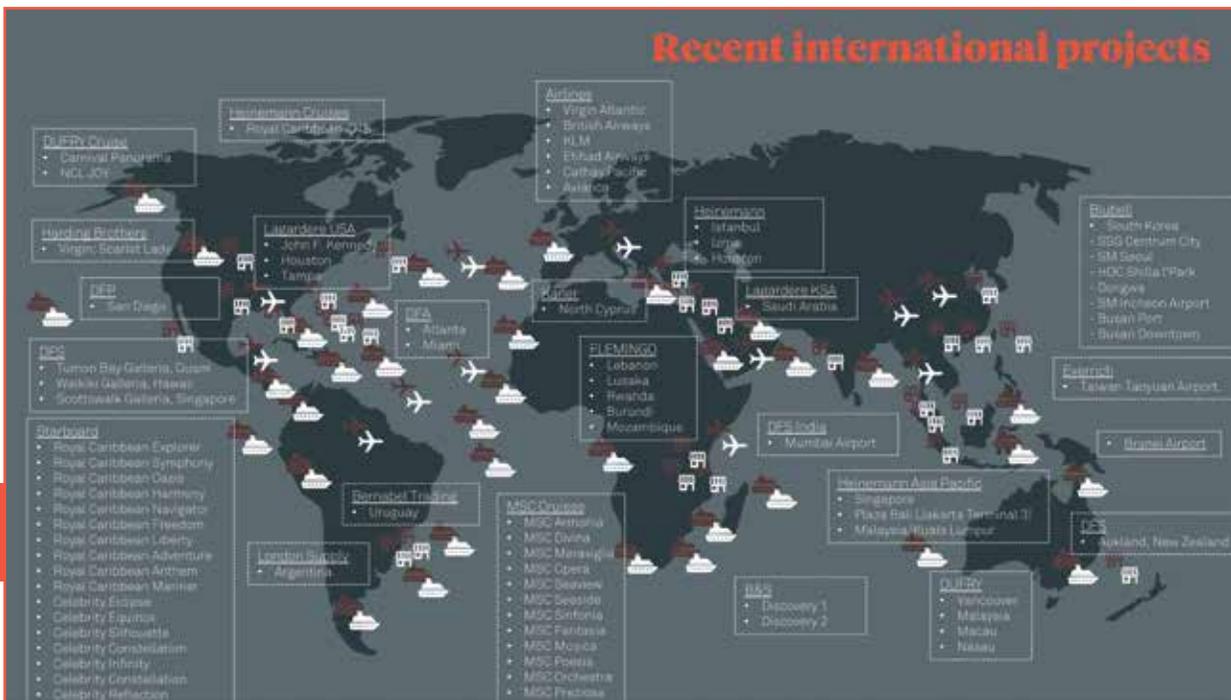
### Brand advisory

The HDH advisory service works with some of the world’s best retailers, brands and F&B concepts, says Black.

“We advise them on developing their travel retail strategies --from where to open a store, the size, the look, the venue --and help them execute the plan,” he says.

“For example, we have been working with Rituals for the past six years, helping it grow into one of the largest brands in travel retail.

“We work with about 40 different brands in travel retail. We advise them with their strategy and we help them expand in all channels from airports to cruise ships, to train stations to airlines. This represents about 40% of our business,” he explains.





### **New York JFK Terminal 4**

2014-2016

Harper Dennis Hobbs was appointed as commercial advisors to Saveria USA (now Paradies-Lagardère) in 2014 and worked on various U.S. airport projects, including JFK Terminal 4. The project included: Providing in-depth review of retail and F&B market trends; and using market trends and existing performance data to develop a merchandise plan for the airside retail space. It also evaluated and benchmarked commercial performance to optimize the category space, retail and F&B mix and layout, developed category and leasing strategies and provided guidance on commercial negotiations and leasing models, among other activities.

HDH played a key part in transforming the retail offer airside at JFK into a widely recognized and praised commercial offer.



### **Denver Airport – 2018**

HDH was appointed by the Great Hall Partners as the commercial advisors on the re-development of the Great Hall Main Terminal at Denver International Airport, where the group conducted studies, led workshops, analyzed commercial and category space and performance, and developed category and highly regarded project leasing strategies and RFP documents, among other activities.

sustainability must be at the core of their business. That is what the consumers are engaging with them on,” she said.

One very exciting new brand is Speedo swimwear, which HDH will be launching in Cannes. HDH has the exclusive global travel retail distribution for Speedo.

“Speedo is such a huge global brand and it is not present in travel retail whatsoever, so that is quite an amazing coup for us,” noted Black.

Another winning brand is Diamonti Per Tutti, a range of jewelry made with real diamonds from Antwerp, offered at very accessible prices.

“With an average price point of \$150, the Diamonti Per Tutti jewelry is really growing on the cruise ships in the U.S.,” says McGratty-Singer. “We have been working with Starboard and next month will be launching on 14 Celebrity Cruise ships. With are also working with Harding and Heinemann in America, and the jewelry will be on some 30 ships in total.”

As of September 1, HDH also added, high end pro-leisure travel clothing brand Anatomie to the portfolio. The Miami and Palm Beach-based brand also recently opened a store in Venice. Travel Retail is part of its growth strategy.

HDH’s wholesale catalog also includes several special niche beauty

brands and two unique Food & Beverage concepts: PDT (Please Don’t Tell), the award-winning “secret bar and speak-easy” that hosts pop-ups all over the world in addition to its famed cocktail bars in NYC and Hong Kong; and London’s EL & N (Eat, Live & Nourish), billed as “the most instagrammable café in the world.” Both concepts will be launching in travel retail through HDH.

### **Airport Consultancy**

HDH’s third Travel Retail activity is its airport consultancy division.

“This is an incredibly important business for us,” says Black. “We work with international airports across the world and help them shape and create their new commercial strategies. Our teams collectively have helped develop Master Plans for Heathrow, Gatwick, and Copenhagen Airports, and Denver and New York’s JFK Terminal 4 in the U.S. We are currently working with Budapest. We have worked with about 25 airports in the last few years, helping them develop their commercial strategies.”

### **Creating the right vision**

“We are incredibly passionate about trying to drive change in this market,” he continues.

“We help the airport plan and create a

### **Wholesale distribution**

In September 2020, HDH diversified and launched a new wholesale distribution service to bring new brands into the travel retail and duty free channel.

“Although a new division, it made perfect sense because most of the brands that we work with on the retail side we were also advising on their wholesale businesses,” explained Black. “HDH took the decision to grow and invest in this division a year later—even as many companies were cutting back in the fallout from the pandemic,” he added.

“We are now working with 15 companies and take immense pride in helping these brands expand,” commented International Wholesale Director Jessica McGratty Singer, who oversees this business.

“Our point of difference is about helping brands that are domestically strong and have a really compelling story, especially around sustainability. For us,

commercial vision. This commercial vision has to be based around its peers and its business. What do you want your airport retail and F&B experience to stand for? This entails determining the right values for this airport and how will it work for their passengers. Too many airports still do not understand their customers, and this is where we really start: the customer has to be at the center for any great commercial plan. Our strategy is built around that.”

Black stresses that Harper Dennis Hobbs has its finger on the pulse of what is really happening in the retail market: what is happening on the macro level, what the consumer changes are and what trends are going to shape retail for the next 5-10 years.

“Factoring all this together with looking at the customer, we help the airport create really compelling strategies. And then we can create a Master Plan that determines how much space you need to allocate to retail, F&B, duty free, and other services. After that, we create an implementation plan to accomplish that strategy.”

Working in the market with retail brands, HDH understands the markets in depth.

“We are really very, very unique. There is no one else like us in Europe; no one else that offers the breadth and depth of expertise that we have. Now we are passionate about taking our great international expertise to the North

American markets to help shape and create great new commercial experiences here,” he said.

Over the last five years, HDH has been active in the U.S., but on a small scale.

But now, being owned by a U.S. giant, Black says that HDH is ready to replicate what it does in Europe in North America.

“This is a very exciting time, as U.S. airports are thinking about change, and want to improve the travel experience in their facility. There are some great projects taking place.

“Nadine has come onboard to lead this journey and I know she will do a great job building our business there. Our goal is to build it into the best airport consultancy in North America,” Black concluded.

## Nadine Heubel: Being Visionary to transform a market

In her new position as Senior Managing Director at Harper Dennis Hobbs, Nadine Heubel will head up the travel retail operations in North America and be responsible for leading and advancing the HDH Travel Retail Team’s North America business.

Heubel has experience with both the European and North American travel retail markets. Starting her career at Hugo Boss, she rose to the position of Global Head of Travel Retail, before her most recent position as CEO of Heinemann Americas, Inc., the U.S.-based subsidiary of international duty free leader, Gebr. Heinemann.

Speaking to *TMI* about her new role, Heubel stresses the importance of relationships and understanding both the markets and the potential of new concepts.

“I am only in day 45 [Ed. Note: when we spoke in early September] of my role at Harper Dennis Hobbs so my first steps are about building relationships with the team in Europe, and understanding the brand portfolio in Europe, to determine which brands would make sense to bring over to the U.S.

“I am also talking to our parent company, Newmark, with whom we have a great relationship. As our parent shareholders, they have given us great support and access to a very global, international platform.

“We need to be visionary to get brands that are not in Travel Retail yet but are



*Nadine Heubel, HDH Senior Managing Director*

very iconic and with whom we have a great relationship,” she noted.

“I am also super excited to work in Food and Beverage. I have never worked in Food and Beverage before and we represent some amazing concepts. It excites me to see how we can bring these innovations into airports and also into the cruise channel.

“I am also working to understand which airports, or cruise lines, might need our support from a consultancy perspective. So the first things I am doing is explore and understand and build a strategy.”

Heubel and Black say a key goal involves ramping up and expanding HDH’s airport consultancy business. Black says that HDH is the largest at what it does in Europe, and wants to do the same in the U.S.

Heubel continues: “We want to work

with the great airports in the U.S. to help them develop their commercial operations, improve them, and transform them.

“It is a great moment to do this because of the passage of the infrastructure bill by the Biden administration, which will pump millions and millions of dollars into improving airports and the customer experience at airports.

“We feel that there will be a lot of new projects in the next few years. HDH’s forward thinking model and approach is exactly what the U.S. and North American airports are looking for. These airports are looking to Europe, looking to Asia, and at the same time also looking to Newmark, our parent, which already has many great relationships with U.S. brands, to get inspiration. We can absolutely provide that international thinking and help them transform their airport positions. I think this is really a great moment in time.”

Black adds a final observation:

“Where airports see a ‘captive’ audience going through the airport, we see an ‘amazing’ audience going through the airport—an amazing customer base, an amazing consumer that numbers to tens and tens of millions per annum. In this day and age when we are all incredibly time-poor, there isn’t really an excuse to have an audience like that going through your asset, and not put a great compelling retail proposition in front of them. Harper Dennis Hobbs wants to help them create those amazing experiences.”

## Canada border businesses down 45% as FDFA Economic Report shows export business not recovering due to barriers to border travel

The Frontier Duty Free Association (FDFA) released an economic report in August showing that the severe economic decline for the peak summer tourist season has resulted in subnormal sales for member stores across the country. The report records an average sales decrease hovering around 45% compared to before the pandemic.

These export stores were shuttered for nearly two years and were down over 95% in sales during the full closure of the land border for over 18 months.

The FDFA reports that the COVID-19 pandemic and the U.S./Canada border closure had a devastating impact on Canada's land border duty free industry and recovery is stalled due to Canada's federal travel restrictions and the required use of the ArriveCan app. The association stresses that its land border duty free stores are like many border community businesses and border communities as a whole that observed annual sales plummet to historically low levels that have not fully recovered even during the typically high summer season.

"When this pandemic began, our border businesses followed public health measures and federal recommendations. When COVID-19 was at its peak and border measures were effective at slowing transmission rates, we did our part to keep Canadians safe," said FDFA Executive Director, Barbara Barrett. "Now, we have been left behind in the recovery effort as restrictions and the ArriveCan App are still barriers. And even worse, the federal government has ceased all of its supports."

Barrett points out that air travel has been allowed to resume in such high volume that Canada's air infrastructure is struggling to process the number of travelers and unvaccinated travelers are clear to travel thousands of kilometers across Canada. Land borders, on the other hand, are regulated at the expense of communities whose entire livelihood depend on the back-and-forth crossing of the Canada/U.S. border.

The FDFA is calling on the federal government to lift the barriers to recovery and unnecessary conditions like the ArriveCan app to cross borders. These

measures are no longer meaningful or helpful and only serve to harm border communities and border community businesses. Recovery depends on the Canada/U.S. border getting back to normal.

"This is a matter of fairness," said Barrett. "As long as these barriers to travel remain on our land border, we cannot recover and border businesses like ours and border communities will continue to struggle."

FDFA has presented the federal government with a suggested recovery package in light of the fact that border traffic is being restricted on an ongoing basis.

Barrett added, "Our retailers closed to protect Canadians and we deserve not to be left behind. These unnecessary border measures are killing a 40-year-old export sector and doing nothing to help keep Canadians safe."

The FDFA is the national association representing Canada's 32 land border duty free shops.

### ECONOMIC REPORT

## FDFA: Survey of sales losses 2019-2022 during Border Closure and Border Measures

The COVID-19 pandemic and resulting U.S./Canada border closure and border measures have had a devastating impact on Canada's land border duty free industry, reports the FDFA.

Canadian travel restrictions resulted in many of FDFA's members seeing sales plummet to historically low levels (90-95% down compared to pre-pandemic). Once restrictions were lifted, many barriers remained, such as vaccination requirements and ArriveCan App, which created major disincentives to travel across the border. The consequence of that was the inability of duty free shops to capitalize on the most profitable windows of the summer season.

The FDFA surveyed its members to identify the size of the losses that have occurred during the summer season of 2022. As a benchmark, the survey used

sales numbers from the 2019 pre-COVID summer season. Seventeen companies participated in the survey, which compared sales numbers for specific traditionally high-traffic holidays.

The survey indicates the hardship that Canada's land border duty free industry has suffered.

Every profitable flagship period of the summer has resulted in disappointing sales for members across the country, with an average sales decrease around 45% for the seventeen respondents. The FDFA is calling for the government to adopt its solutions to avoid a similar situation in the summer of 2023.

### Canada Day

For Canada Day, one the busiest period for tourism related businesses

all around the country, the seventeen respondents averaged a decrease in sales of 48.18 % between the Canada Day of 2019 and the same day of 2022.

### July

The entire prime summer travel time of July saw sales among the 17 respondents register a decrease, on average, of 44.82%.

### July Fourth

The American holiday, normally a busy cross-border travel time, saw 2022 sales decrease by an average of 44.5% in comparison to 2019.

### August Long Weekend

On average, members noted a decrease in sales of 46.7% for the long weekend for the end of July to the beginning of August.



*As Rouge Duty Free rolls out the opening of its ground-breaking flagship Maison in St. Croix, the company announces new shops opening in St. Barth and Tulum, Mexico.*

## Rouge Duty Free debuts first Creed Boutique in the Caribbean as it opens three new chic locations before the end of 2022

Rouge Duty Free, one of the fastest-growing travel retailers in the Caribbean, has announced plans for the opening of three new locations in the Caribbean market, a Creed Boutique in St. Barth and two beauty shops in the resort area of Tulum, Mexico. The new locations will be open for business between the end of November and early December.

Rouge's St. Barth location will house the first Creed Boutique in the Caribbean. Here Creed will join such other luxury brands as Dolce & Gabbana, Prada, Dior and Rolex among others, on prestigious Rue de la Paix, in Gustavia, the capital of

the affluent island.

The Island chic décor of the 700 sq. foot Creed boutique will stand out among the neighboring shops with its vibrant entrance colors and the relaxed design inside, comments Raymond Kattoura, whose company Duty Free & Travel Retail Group Inc. helps manage the business for Rouge Duty Free.

The boutique will carry the full range of the Creed fragrances, as well as the brand's iconic luxury candles and home scents. The shop will also feature Creed's fragrance-related leather accessories, including its famed perfume travel pouches.

Rouge Duty Free's parent company, Perfumerias Rouge, one of Argentina's leading beauty companies, is also opening a new Creed flagship in Buenos Aires.

### Tulum stores to reflect destination

The other two new Rouge locations are in Tulum, Mexico on the Mexican Riviera, which is currently one of the hottest destinations in the region, says Kattoura. Rouge Duty Free will be the first and only perfumery in Tulum.

The flagship store is located in the heart of the Archaeological district, in Aldea Zama, with a design synchronized with the elements of the historical ruins, enhanced with a modern touch and feel. Carrying an extensive selection of fragrances and beauty lines, the Rouge store will also feature a Beauty Spa Cabine and vegan skincare line, as well as carry sunglasses and accessories.

A second Rouge Duty Free location will open in Tulum Center at the Hunab Lifestyle Center shopping area.

The Hunab Lifestyle Center has a privileged location on the intersection of Cobá Avenue and the entrance to the biggest residential zone in Tulum, Aldea



*Rendering of the stunning Creed Boutique that Rouge Duty Free is opening in St. Barth before the end of this year. This is the first Creed Boutique in the Caribbean.*



# ROUGE

Le parfum. *La couleur.*

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

Now open 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 St Barth Tulum, Mexico

Contact: [kattoura@dfrg.us](mailto:kattoura@dfrg.us)



*The new Rouge Duty Free perfumery opening in Tulum, Mexico reflects the architectural elements of the historic ruins of the famous region, enhanced with a modern, luxurious style.*

Zamá, while being in the main access to the Hotel Strip of Tulum. This makes Hunab a distinguished social and commercial icon in Tulum, notes Kattoura.

Aldea Zamá is an exclusive, fast growing, residential zone in Tulum. It

is an internationally known project with more than 250 acres that is the home to a community of 3,000+ families that love a boho, sustainable and contemporary lifestyle.

Including this new addition, Rouge

will be operating 16 locations in the Caribbean, including its new Maison Rouge in St. Croix.

For more information contact Raymond Kattoura - [kattoura@dfrg.us](mailto:kattoura@dfrg.us)

## Cardow family expands into liquor business in St. Thomas

The Cardow family, which has operated some of the most famous jewelry stores in the U.S. Virgin Islands for the past 70 years, has expanded the business into liquor.

Currently in its third generation, the family's businesses have greatly contributed to the heritage of USVI tourism.

From specialists in the crafting of fine jewelry, parent company Cardow Inc. is now also the exclusive operator of two liquor stores in St. Thomas' Cyril E. King Airport. Under the name Cardow Wine & Spirits, the company operates an 859-square foot Departure Store, which includes a premium bar, and a 445-square foot Arrivals store. The St. Thomas airport handled one million passengers a year in 2019, and the island has been one of the fastest recovering destinations in the Caribbean.

The company also operates an exclusive Wine & Spirits store at the Crown Bay Cruise Port, which serves

Royal Caribbean, Celebrity Cruise Lines and Holland American Cruise Line. Crown Bay also acts as a port of call to the Sea Dream Yacht Club, which caters to private vessels.

In addition, the company has two beachfront resorts on the island, both of which feature a restaurant and bar.

Further supporting the new businesses, Cardow Wine & Spirits launched a

wholesale and distribution division in September 2021 which is already serving more than 100 on-premise accounts throughout St. Thomas, St. John and St. Croix.

For more information, contact Paul de Lyrot, COO, at [Paul@Cardow.com](mailto:Paul@Cardow.com) or well-known wine and spirits strategist Hubert Serville, at [Hubert@Cardow.com](mailto:Hubert@Cardow.com), who is consulting on the business.



*The Cardow Departure Store and bar at St. Thomas' Cyril E. King Airport in the USVI.*



## Cruise industry begins strong rebound

The cruise industry is making a striking comeback from the global pandemic that nearly decimated it. Pent-up demand from delayed and canceled trips over the past two years are leading to record cruise bookings, with the industry expected to exceed its pre-COVID record highs in terms of passenger numbers and revenues by 2023.

In April, Carnival Cruise Line reported its busiest booking week in the company's history, showing a double-digit increase from the previous record 7-day booking total.

By the end of August, most cruise lines had eased or lifted their pre-cruise COVID protocols for both vaccinated and non-vaccinated guests, leading to an even bigger increase in cruise bookings.

After announcing that it was revising pre-cruise vaccination and testing requirements that will allow more guests to sail on Friday, Aug. 12, Carnival Cruise Line reported that its booking activity for Monday, Aug. 15 was nearly double the level for the equivalent day in 2019.

The line had announced that it had welcomed three million guests between the time it had restarted guest operations in July 2021 and Aug. 1 of this year, topping off a busy summer across its fleet of 23 ships. Carnival saw its total guest count hit the two million mark in May, then it rose to three million in less than 75 days – an average of 95,000 guests per week.

Demand for cruising is so strong that Royal Caribbean reports that it is sailing at over 100% capacity. In more good news, cruise guests across the board appear to be spending more.

Royal Caribbean CEO Jason Liberty said during the cruise line's second-quarter earnings call at the end of July:

"The 100,000-plus guests that we have on our ship every day, including the 125,000 guests that are currently on our ships today, have been spending at least 30% more on board our ships across all categories when compared to 2019. These spending trends have been consistent across our customer base even as we are approaching full load factors."

Norwegian Cruise Line Holdings reported back in February that its bookings for the second half of 2022 were in line with historical records in 2019,

and President and CEO Frank Del Rio, speaking on the company's year-end and fourth quarter earnings call, expected 2023 to be very strong.



## Slow recovery in Latam to gather pace in the fourth quarter

*John Gallagher reports from Buenos Aires*

Latin America's major economies are still waiting to see real improvement following the COVID-19 pandemic. The outbreak of hostilities in Ukraine in February 2022 put a brake on the fledgling recovery with all business segments showing little growth in the first half of the year - the travel retail category has been no exception.

Until very recently, most countries in the continent had some travel restriction in place; the need to present PCR tests along with vaccination certificates and mobility passes has led to a sharp decline in tourist and business travelers. Domestic aviation has recovered more quickly than international, especially in the last three months, and traffic figures in Brazil and Argentina are now close to pre-pandemic levels – good news for duty-free stores selling to local passengers.

But airport duty-free shop operators have had a tougher time and a longer wait to see positive figures.

International passenger numbers still lag far behind the 2019 figures. Argentine traffic numbers published in August show that passenger movements for the month were still down 32.2% on the same month in 2019. Not good, but a huge improvement over July (-37.4%) and June (-42.2%). Many airlines have announced increased schedules for Q4, but arrivals for the entire year are still expected to be down by at least 30%. The Argentine recovery is further suffering as the government is actively discouraging foreign travel with restrictions on the purchase of dollars and other foreign currencies and penalizing the use of credit cards overseas.

Brazil's international traffic has also suffered and although traffic is beginning to recover, numbers will still be down on pre-pandemic statistics. The country's biggest airport, Sao Paulo Guarulhos, reached 5.68 million passengers for the first seven months of the year, down from 8.77 million in 2019. Rio de Janeiro Galeão reached 1.28 million passengers for the same period and airport managers hope to reach 2 million for the full year, still a long

way from the 4.3 million traffic recorded in 2019.

Passenger numbers on ferries connecting Buenos Aires with Montevideo and Colonia de Sacramento are also down. About 276,000 passengers embarked or disembarked at Montevideo between January and July, down from 363,000 for the same period in 2019. Meanwhile, approximately 755,200 passengers went through Colonia, down from 1.049 million pre-pandemic.

Ferry numbers for the full year are harder to predict. The Argentine middle classes are big fans of the Uruguay resort of Punta del Este and the ferry companies rely on solid high season figures in December, January, and February. However, with current high inflation rates in Argentina combined with the difficulty to buy foreign currency, potential visitors to Uruguay may be forced to spend their vacations at home. In an interesting note, the ferry companies are already offering promotional fares on high season departures.

Low economic growth and high inflation have been instrumental in putting the brakes on the Argentine and the Brazilian economies. Buoyant economies in both countries are synonymous with good news for the continent's duty-free business and the travel retail community is hoping that one of the big two will turn the corner shortly.

In recent months, Brazil has had some success in fighting back against inflation and the latest figures published in early September indicate an annual rate of 8.7%, the first single digit figure recorded since June 2021. Nevertheless, economic growth is still lower than the government would like with commentators predicting a 1.5% growth rate for 2022. The exchange rate has also settled around the 5.20/5.25 Brazilian Real per dollar compared to closer to 5.50 earlier in the year and this new currency stability has been positive for border stores in Brazil, Paraguay, and Uruguay.

The outcome of Brazil's forthcoming Presidential elections taking place in

October is still uncertain. Former President Lula continues to lead in the opinion polls over current incumbent Jair Bolsonaro, and most commentators now expect Lula to win the first round with Bolsonaro in second place. This would lead to a final round of voting between the two on the last Sunday in October.

Argentina is suffering from even higher inflation, which shows no sign of abating. INDEC, the Argentine statistics office, reported monthly inflation for August at 7% with the annualized rate confirmed at 78%, up from figures of around 50% at the start of the year. Analysts say that inflation will get worse before it gets better, and the real rate could get close to 100% before the end of the year. The government also now admits that the rate will reach 100% later in 2022, and has declared its intent to bring inflation down to 60% in 2023. With electricity and gas prices due to rise in the next few weeks along with other public services, the only uncertainty is whether the 100% figure will be reached before year end or at the start of the new year.

On a slightly more positive note, exchange rates have stabilized since the appointment in August of Sergio Massa as Minister of Finance, with the official rate now at 141/142 pesos to the US Dollar. As Massa has fulfilled commitments with the IMF and renegotiated other debt payments, the grey market rate has come down from 335 Pesos in July to 270 in early September.

Travel retail sales over the next three months will be interesting to analyze in Latin America. More airline passengers and more ferry passengers will mean more sales. Shopping China has reported a very strong Black Friday promotion at the beginning of September. London Supply says that visitor numbers at their flagship store in Puerto Iguazu continue to rise. Uruguayan border store operators comment that Brazilian visitors are coming back in bigger numbers. Let's hope that these small snippets are the sign of a sustained recovery.

## Brazilian government to privatize both Rio de Janeiro airports as a package

Following a successful seventh round of airport privatizations in which Spanish airport manager Aena took the big prize of Sao Paulo Congonhas, the Brazilian Civil Aviation authorities are now preparing an eighth and possible final round that will include Rio De Janeiro Galeão, currently managed by Singapore-based Changi International, as well as the Santos Dumont domestic airport in Rio De Janeiro.

Santos Dumont was originally included in the seventh round of privatizations but was withdrawn by the government when Changi indicated its desire to give up the Galeão concession.

The original concession contract for Galeão was awarded to Singapore's Changi Airport and Odebrecht in late 2013, prior to

the 2014 Soccer World Cup and the 2016 Olympic Games and was valid until 2039. However, passenger numbers following the big sporting events never materialized, nor did the promised profitability. Odebrecht sold its shareholding to Changi in 2017 but traffic numbers stayed low and then the COVID-19 pandemic hit the whole aviation business. Changi told the government in early 2022 that it would not continue to manage the concession but agreed to continue to manage the airport until the government appoints a new concession holder.

This forced the Brazilian government to launch an eighth and final auction.

"As we create the eighth round, we will have the same operator for Galeão and

Santos Dumont. This resolves a series of issues and removes a series of concerns that were expressed by the productive sector in Rio," Infrastructure minister Tarcísio Gomes de Freitas said in a statement.

Santos Dumont recorded 4.58 million passengers (all domestic) in 2019 whereas 13.51 million passengers (9.19m domestic / 4.32m international) passed through Galeão.

Growth and route management will be much more efficient if both airports are under the same management, say industry analysts.

Full details of the privatization are expected to be published immediately after the Brazilian presidential elections in October. *JG*



### Ezeiza sweepstake offers mega prize

With international passenger numbers rising, InterBaires (Dufry Argentina) is stepping up its shopping experience programs with the reintroduction of its mega sweepstakes schemes where duty free passengers at Buenos Aires Ezeiza Airport can win a major prize. This month purchasers of participating products can win a Canestrari C-168 speedboat. Airport operator AA2000 has assisted the duty free operator with a special exhibition space and logistics support. *JG*

## Economic updates: Brazil and Uruguay

### Brazil

Brazil's industrial activity has been reported to have increased in August and has a bright future ahead, according to a survey from the National Industry Confederation (CNI), reported Mercopress in mid-September.

The report showed growth in production and employment for the fourth consecutive month and the third monthly high in the use of installed capacity. The research also found an increase in the production pace compared to July figures.

### Uruguay

In its National Accounts report published Sept. 16, the Central Bank of Uruguay (BCU) announced that the country's economy had grown 7.7% in the second quarter of 2022, compared against the second quarter of 2021. The Bank says that the rebound was "mainly due to the high yields achieved in the soybean harvest."

In seasonally adjusted terms, economic activity increased 1.1% with respect to the immediately preceding quarter, said the BCU.

The government of President Luis Lacalle Pou raised its GDP growth forecast to 4.8% in June from 3.8% in February. Uruguay's economy expanded 4.4% in 2021, leaving behind the 6% drop reported in 2020 as a result of the COVID pandemic when a historic cycle of 17 years of consecutive growth came to an end.

Source: Mercopress

## Aena wins management of 11 airports in Brazil, including #2 Congonhas-São Paulo Airport

Spanish airports group Aena has been awarded the concession of 11 airports in Brazil. The contract is for a period of 30 years, with the possibility of an additional five years.

With this contract, Aena will operate a network of 17 airports in Brazil and manage the largest concession airport network in the country. The concession contract is scheduled to be signed in February 2023.

The largest airport, Congonhas, is the second busiest in terms of passenger traffic in Brazil with 22.8 million passengers.

The price of the concession, as a result of the public auction, was R\$2.450 billion—about €468 million.

The total amount of the operation, including the sum of the commitments indicated in the concession specifications, amounts to approximately R\$4.089 billion (€780 million) and planned investments will be around R\$5 billion.

This operation is the most significant one that Aena has carried out in the international field so far, says Aena.

In 2019, the group of 11 airports recorded a total of 26.8 million passengers, 12% of the country's air traffic in that fiscal year.

The awarding of the group of 11 airports is the largest international operation in Aena's history, which, under the Northeast Brazil Airport Group, has wholly managed another six airports in the northeast of the country since 2020.

The 11 airports in the new concession include:  
 Congonhas Airport – São Paulo/SP – 22.8 million passengers  
 Campo Grande Airport – Campo Grande/MS – 1.5 million passengers  
 Ten. Cel. Aviador César Bombonato Airport – Uberlândia/MG – 1.15 million passengers  
 Maestro Wilson Fonseca Airport – Santarém/PA – 480,000 passengers  
 João Corrêa da Rocha Airport – Marabá/PA – 270,000 passengers



*Sao Paulo's Congonhas Airport, the second busiest airport in Brazil, spearheads the 17 airports that Aena will now manage in Brazil.*

Mário Ribeiro Airport – Montes Claros/MG – 230,000 passengers  
 Carajás Airport – Parauapebas/PA – 140,000 passengers  
 Altamira Airport – Altamira/PA – 100,000 passengers  
 Mario de Almeida Franco Airport – Uberaba/MG – 80,000 passengers  
 Corumbá Airport – Corumbá/MS – 30,000 passengers  
 Ponta Porã International Airport – Ponta Porã/MS – (no travelers reported in 2019)

In announcing the contract award, Aena Chairman and CEO, Maurici Lucena, emphasized that domestic traffic in Brazil has fully recovered since the pandemic and, concluded: “Brazil’s potential is undisputed.”

Aena now becomes the manager of Brazil's largest concession airport network. The Spanish airport manager highlights the importance of the network

model in which it has a great deal of experience, which allows it to manage many different types of airports, from international hubs to regional airports, and even island airports or airports for general aviation only. The successful network model attracts synergies in various areas and creates managerial and operational efficiency, said the company in its statement.

“For example, in the case of Brazil, during the start-up of operations, the initial phase can be optimized; and in the area of technology, airport management developments can be adapted.”

Aena also has a presence in the United Kingdom, where it manages 51% of London Luton Airport, as well as in airports in Mexico, Colombia and Jamaica.



**Encuentro Border Shops**

*URUGUAY 2022*

**35 AÑOS DEL FREE SHOP  
DE FRONTERA**

**TRAZABILIDAD, CERTEZA Y CREACIÓN  
DE VALOR PARA LAS ECONOMÍAS REGIONALES**

La Asociación Sudamericana de Tiendas Libres (ASUTIL) y la Cámara de Empresarios de Free Shops del Uruguay (CEFSU) les dan la bienvenida a una nueva edición del Encuentro de Border Shops, de América Latina, "La Frontera Hoy".

Como siempre, nos une el compromiso institucional de apoyar y promover el crecimiento de una industria que genera mucho valor no solo para la frontera, sino para las economías de la región.



**8, 9 y 10 de noviembre**



**Hyatt Centric Montevideo**  
Rambla República del Perú 1479



**asutil**

Asociación Sudamericana  
de Tiendas Libres



Cámara de  
Empresarios de  
Free Shops del  
Uruguay

A background image of the Montevideo cityscape, showing buildings and a waterfront. The word 'Montevideo' is written in large, white, 3D-style letters across the bottom of the image.

**Montevideo**

## Essence Corp. animates the Point of Sale with high-profile launches throughout the region as fragrance sales rebound

Miami fragrance distribution company Essence Corp. enjoyed a full season of fragrance launches, with HPPs at border, downtown and airport shops throughout the Americas.

Fragrance sales have been on the rebound since the end of last year, reports research company NPD. Although fragrance users paused their usage during the pandemic's onset while they were spending more time at home, less than one quarter of all users were still wearing less fragrance than they did before the pandemic by mid- 2021, reports NPD.

Furthermore, NPD Group reports that fragrance is outperforming other segments, with Q3 revenues not only up year over year but also increased by 38% versus pre-pandemic 2019. These are domestic figures, but the trend impacts travel retail sales as well.

And the trend is continuing. In the first half of 2022 total sales of women's fragrances increased 34% and sales of fragrance juices over 100ml in size rose 50%, compared to the same period in 2021, says NPD.

And while 64% of fragrance consumers in the NPD study say that Instagram influenced their purchases (especially driven by Gen Z and Gen X buyers- see page 8), fully 74% prefer to make their fragrance purchase in-store, where they say they can enjoy hands-on testing and sampling.

All of which bodes positively for Travel Retail operators in the region. Here are some of Essence Corp.'s key launches for the past few months.



### On the Border in Uruguay: Jimmy Choo

Just right for the Instagrammable crowd, Duty Free Americas sparkled as it played host to a fun-filled HPP for Jimmy Choo's new I Want Choo in June.



### Bahamas-bound: Dior Sauvage

The elegance and sophistication of the Dior Sauvage franchise took over the John Bull flagship store in Nassau, The Bahamas for Father's Day 2022.

# JIMMY CHOO

## I WANT CHOO

*Forever*



THE NEW FRAGRANCE



**Brazilian Style: Kate Spade**

Essence Corp. partnered with Cellshop Duty Free on the Brazilian border with an exuberant launch for the new Kate Spade New York fragrance. Known for its bright colors and whimsical designs, the brand took over the store with an explosion of pink installations and a stunning video wall.



**Mexico: Montblanc Legend Red**

Ten years after launching the first Montblanc Legend, Montblanc’s unstoppable Legend fragrance franchise adds a new winner for 2022 with Legend Red. The latest edition is presented in a bottle that echoes the iconic Montblanc Meisterstück writing instrument with its intense signature lacquered surface. The stores throughout the Mexico Free Zone played homage to this “legend” for Father’s Day.



**Panama: Versace Dylan Turquoise**

Inspired by an escape to the distant islands, Versace’s Dylan Turquoise Pour Femme is the youthful, fresh and sensual new edition of Versace’s classic Dylan Blue. Dylan Turquoise was featured in Motta’s Attenza Duty Free stores in Panama in March.



**MONTBLANC**

LEGEND  
RED



THE NEW FRAGRANCE FOR MEN

## Lolita Lempicka relauches in the Americas

Lolita Lempicka, the iconic fragrance brand known for its objet d'art poison apple shaped bottle, has returned to the Americas.

Reformulated to be vegan, the Lolita Lempicka fragrances feature eco-friendly packaging while adhering to cruelty-free principles.

This year the brand plans to expand its retail footprint by increasing distribution with major U.S. full price retailers, both in-store and online. It is also being re-launched in Travel Retail Americas through Harbour Beauty International.

Today with Le Parfum, the iconic, timeless, and original bestseller makes its great comeback. The fragrance is a gourmet and ultra-sensual licorice accord sublimated by surprising notes of anise and Amarena cherry, voluptuously accompanied by a cloud of musks.

Lolita Lempicka also introduced Mon Premier Parfum, a modern and contemporary fragrance for younger consumers. The precious bottle was designed like a jewel: an apple faceted like a gemstone and magnified by splinters



of light. It features a unique bouquet of licorice flowers with sensual notes of anise and violet.

“The 2023 Marketing plan that is being released for Cannes includes limited editions of Le Parfum and Mon Premier Parfum for collectors and loyal consumers. It also includes a variety of sets and gifts that Lolita Lempicka has always been famous for,” says Katherine Sleipnes, Director of Sales for Travel Retail Americas at Harbour Beauty International.

Sleipnes reports that the relaunch got a strong start by being listed in 14 doors with Rouge Duty Free in the Caribbean in

August. The Rouge launch includes Grand Cayman, St Thomas, St Croix, St Maarten, and Grenada.

Raymond Kattoura of Rouge is optimistic about the success of the relaunch.

“Lolita Lempicka is a name loved and supported in the region and back with a stronger branding, now being Vegan. It has been an instant success.”

To set a meeting in Cannes or Miami, please contact Katherine Sleipnes at 1-954-557-8638 or [katherine@harbourbeautyinternational.com](mailto:katherine@harbourbeautyinternational.com)



## IBBI brings ICONIC London to TRA this fall

International Brand Builders Inc. is launching ICONIC London in Travel Retail Americas this November.

The initial launch will focus on thirty cruise ships, (including the new *CCL Celebration*), ten Caribbean doors and five locations in Argentina/Uruguay, with further roll outs planned for first quarter 2023 that tie into the domestic launches in the Latin American region.

The ICONIC London Travel Retail assortment includes the top selling products as well as TR exclusive sets, housed in the exclusive TR gondola that highlights the brand's “Glow-Tan” message.

UK-based ICONIC London is a beauty brand that is best known for its glow-giving products.

After successful launches in Sephora



and Ulta in the U.S. and Canada, the six-year-old brand will be expanding into LATAM as well as Travel Retail Americas through IBBI.

With its innovative and unique

formulas and luxe gold packaging, ICONIC London has a strong following from professional makeup artists, celebrities, and influencers and 2 million combined social followers.

Star products in the ICONIC London makeup portfolio start with the best-selling Illuminator and Prep-Set-Glow and its hybrid skincare/makeup heroes include Radiance Booster (dewy skin tint with hydrating properties) and Lip Plumping Glosses.

Prices range from \$26-\$62 and all the products are Vegan and Cruelty Free.

For more information please contact Katherine Sleipnes -[katherine@internationalbrandbuilders.com](mailto:katherine@internationalbrandbuilders.com) or Ivana Berg Simiz -[ivana@internationalbrandbuilders.com](mailto:ivana@internationalbrandbuilders.com)

# Lolita Lempicka Le Parfum



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AMERICA TRAVEL RETAIL

## Official Frida Kahlo-inspired fragrance debuts in the Americas

Fantasy Fragrances, LLC and Frida Kahlo Corporation have begun the launch of the official fragrance inspired by world-renowned artist Frida Kahlo: Frida Kahlo Eau de Toilette.

Frida Kahlo EDT brings the essence of Frida Kahlo to life, say the companies behind it.

“This is a fragrance targeted to young consumers but Frida Kahlo herself has become a cross-generational icon,” explains Robert Bassan, CEO of Fantasy Fragrances. “But what is fascinating, Frida Kahlo’s reputation and her legend continue to get stronger even though she died in 1954. Her reputation is even stronger among younger consumers.

“Considered one of Mexico’s greatest artists, Frida is best known for her many portraits, self-portraits, and works inspired by the nature and artifacts of Mexico, with a strong touch of surrealism. We tried to capture all of that in the fragrance and the packaging,” said Bassan.

“We used many of the flowers that she painted as inspiration for the juice. We also used imagery of her artwork on the packaging-- so much of her iconic work is self-portraiture, so this is what we used on the packaging.”

The fragrance juice blends notes of Pink Grapefruit and Black Pepper with Jasmine and Lily of the Valley to bring to mind a flourishing garden, while Patchouli

and Musk linger on the skin, explains Fantasy Fragrances Director of Marketing, Fatima Nelson.

“Frida’s vibrant style inspires the red lacquered bottle,” says Nelson. “The packaging symbolizes her passion, courage, and strength. Her love for nature and art is represented in the floral design found on the bottle and outer packaging. The fragrance sits in an illustrated garden within its reusable drawer box. Bold floral patterns and vibrant colors enhance its collectability,” adds Nelson.

The Frida Kahlo EDT launched first in Mexico domestic and travel retail in early September, with major HPPs in key flagship Sears stores. The launch will roll out to the rest of the Caribbean over the next few months.

The HPPs will dress up the stores in the colors and imagery of the fragrance

both inside and in window displays, as well as on billboards. In addition, the sales staff are decked out in the Frida red, and wear the flowered corona headband in their hair, which Frida sports in her images.

“So far the reaction we have gotten from the retailers has been fantastic. The fragrance is launching as we speak in the Mexico local market and travel retail and initial numbers have been excellent. Even before the HPPs, the numbers are above plan and exceeded our expectations,” noted Bassan.

Miami-based Fantasy Fragrances has been creating destination perfumes for the past 10-years. It is best known for Alaskan Mist, Caribbean Splash and New Zealand Mist.

For more information about the Frida Kahlo fragrance, please contact [info@fantasyfragrance.com](mailto:info@fantasyfragrance.com).



Left: The Frida Kahlo EDT launch took over some key Sears flagships in Mexico in September.

Right: The Frida Kahlo spray girls wear Frida red and reflect the artist's image with flowered coronas in their hair.

# Frida Kahlo

EAU DE TOILETTE



**F** FANTASY  
FRAGRANCES

For more information, please contact: [info@fantasyfragrance.com](mailto:info@fantasyfragrance.com)

## Reba Americas launches fragrances from super-stars Maluma and Billie Eilish

Miami-based fragrance distribution company Reba Americas has added another super star fragrance collection to its stable of brands following the launch this summer of Royalty by Maluma – The King and Queen Collection.

Maluma is the stage name of Colombian singer Juan Luis Londoño Arlas – Latin Grammy Award winner and the leading male artist on Instagram with 60 million followers. His official YouTube/VEVO channel has garnered over 9 billion views, says the company.

The fragrance collection, which consists of four scents for men and women, is described as a “modern, luxury fragrance brand that transforms everyday routines into royal experiences.”

Each fragrance represents a different gemstone. The two masculine selections are: Onyx for Him EDP, a fougere ambery woody scent which is said to represent protection and strength; and Garnet for Him EDP, a fougere woody, said to impart prosperity and abundance.

For women, the Royalty by Maluma



Collection offers Jade for Her EDP, a fruity floral chypre, representing tranquility and wisdom; and Amethyst for Her EDP, an ambery gourmand, representing trust and good nature.

The super star himself fronts the campaign visuals.

In April, Reba Americas launched eilish, the debut fragrance from super-star singer and activist Billie Eilish.

Created in partnership with Parlux, eilish is a warm amber gourmand, featuring notes of sugared petals, accented by juicy mandarin and red berries, with a heart of soft spices, rich cocoa and creamy vanilla, and dry down of warm musks, tonka bean and sleek woods.

eilish is vegan, cruelty-free, and made with clean ingredients.

The bottle, gilded in amber bronze, was inspired by the chest, neck and collarbone, representing Eilish’s body positivity activism.

The fragrance debuted direct-to-consumer in November 2021 at BillieEilishFragrances.com, and sold out

within hours, said Reba Americas founder, Orlando Bajos, who represents the brand in the Caribbean, Central and South America and travel retail.

Multi-award winning Billie Eilish has more than 220 million social media followers and just became the youngest triple crowned winner in an award season, racking up an Oscar, Grammy and Golden Globe for her James Bond theme “No Time to Die.”



## Award-winning Lendava skincare expands product line

Lendava, the no-nonsense, science-backed, skincare line that launched last year from engineer/beauty expert Priscila Fadul, has brought home its first award. Lendava’s all-in-one Good Morning day cream was named a finalist in CertClean’s 2022 Clean Beauty Awards in the Face Cream category. The Toronto, Canada-based awards celebrate the best performing clean beauty products made without harmful ingredients.

Lendava also expanded the product line with several new specific products, each with the microbe-friendly, pH balanced attributes of the original products, the Good Morning and Good Night face creams, both in refillable packaging.

Filling out the Lendava line are: Handsome, a luxurious SPF 30 super-hydrating hand cream; Barefaced, everyday cleanser that does not strip the skin of its natural oils; Body Care, with retinols and high-quality anti-oxidants, and Mom, a powerful, effective treatment to rebuild elasticity, hydration and promote collagen production for pregnant women/new mothers.

For more information, please contact [priscila@shoplendava.com](mailto:priscila@shoplendava.com)

## Tairo honors BAs with an early Christmas

Miami-based fragrance company Tairo International displayed its gratitude to its Beauty Advisors across the Caribbean and Mexico by showering them with gift bags filled with goodies as a token of appreciation.

“Xmas Came Early” is a program Tairo instituted to thank the BAs for their support throughout the year. It has now become a tradition.

This year, the Tairo marketing team and office staff prepared over 600 gifts for the annual event.

“We believe that our Beauty Advisors are the cornerstone of our success, and we take any chance to show them our

gratitude,” commented Fatima Nelson, Tairo Director of Marketing.



*The team from ARI Caribbean showing their Xmas Came Early gift bags from Tairo.*



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## One year after new Creative Director comes onboard, Montblanc unveils “On The Move,” a new vision of mobility

Under the banner of its What Moves You Makes You global brand platform, Montblanc has released a new cross-category campaign that aims to inspire people to live a life of purpose and passion, leaving a mark on the world by following what truly moves them.

“Montblanc has also always understood the power of mobility, to move freely not just physically, but moving ahead to grow and ultimately thrive. With this new campaign, we are encouraging a new generation of Montblanc customers to get out and move with passion, curiosity and style, as they pursue what truly matters to them in life,” explains Vincent Montalescot, Montblanc CMO.

The campaign – which went live at the end of August, features Montblanc Mark Maker and actor Cillian Murphy who has moved through life making his own bold decisions, choosing his own direction on his path to success.

In the hero film, Cillian Murphy can be seen moving through a world that moves in a different direction to everyone else’s. By doing so, he reveals that following one’s passions is likely the right direction to move in.

### New Creative Director

The new campaign also reflects the vision of Marco Tomasetta, who was appointed as the luxury brand’s new creative director in March 2021, to help accelerate the brand’s move toward being a “luxury business-lifestyle Maison.”

Tomasetta brought extensive experience in leather goods and accessories, having worked for numerous renowned fashion brands including Prada, Chloé and Louis Vuitton. Most recently, he was Creative Design Director Men’s and Women’s Leather Goods at Givenchy.

According to Nicolas Baretzki, Montblanc CEO, Tomasetta understands the importance of overarching brand themes across all Montblanc categories:

“Even though our iconic emblem will remain at the heart of everything we do, we are committed to further breaking boundaries when designing products that appeal to both existing and new clients, mirroring their shifting lifestyles and needs,” said Baretzki at the time of Tomasetta’s appointment.

The latest campaign marks an evolution for the brand as it articulates its vision for mobility, says the company.



*A presence on stage, television and the silver screen, actor Cillian Murphy’s work has taken him all over the world, making him an apt choice for Montblanc’s On the Move Mark Maker.*

It features writing instruments, leather goods, connected technologies and timepieces.

Cillian Murphy is seen sporting the Montblanc Extreme 3.0 backpack with climbing-inspired lock. Further products featured include a StarWalker BlackCosmos writing instrument, the new Summit 3 smartwatch and the 1858 GMT watch.



*Montblanc Extreme 3.0 leather goods revisits its signature collection for active and fast paced lifestyles with new formats and an original leather design inspired by the company’s groundbreaking marketing visuals from the early 20th century. The collection was designed to withstand the demands of everyday travel by pushing the boundaries of technical innovation to achieve new heights of durability and performance, balancing functionality with distinctively sleek, contemporary styling, says the company.*

*The Montblanc Extreme 3.0 collection features a new leather texture, and trendy, functional shapes influenced by the Bauhaus style of the 1920s.*

*With a focus on the environment, the collection uses leather obtained from a CO2 neutral tanning process and lining made from recycled fibers.*

*The motif features a bigger treatment for bags and a smaller one for small accessories available in signature Montblanc Black and an eye-catching British Green, paired with metal fittings in black. The iconic Montblanc emblem has also been enlarged. Three bags and a belt in the collection feature an innovative M LOCK 4810 closure inspired by the climbing world.*

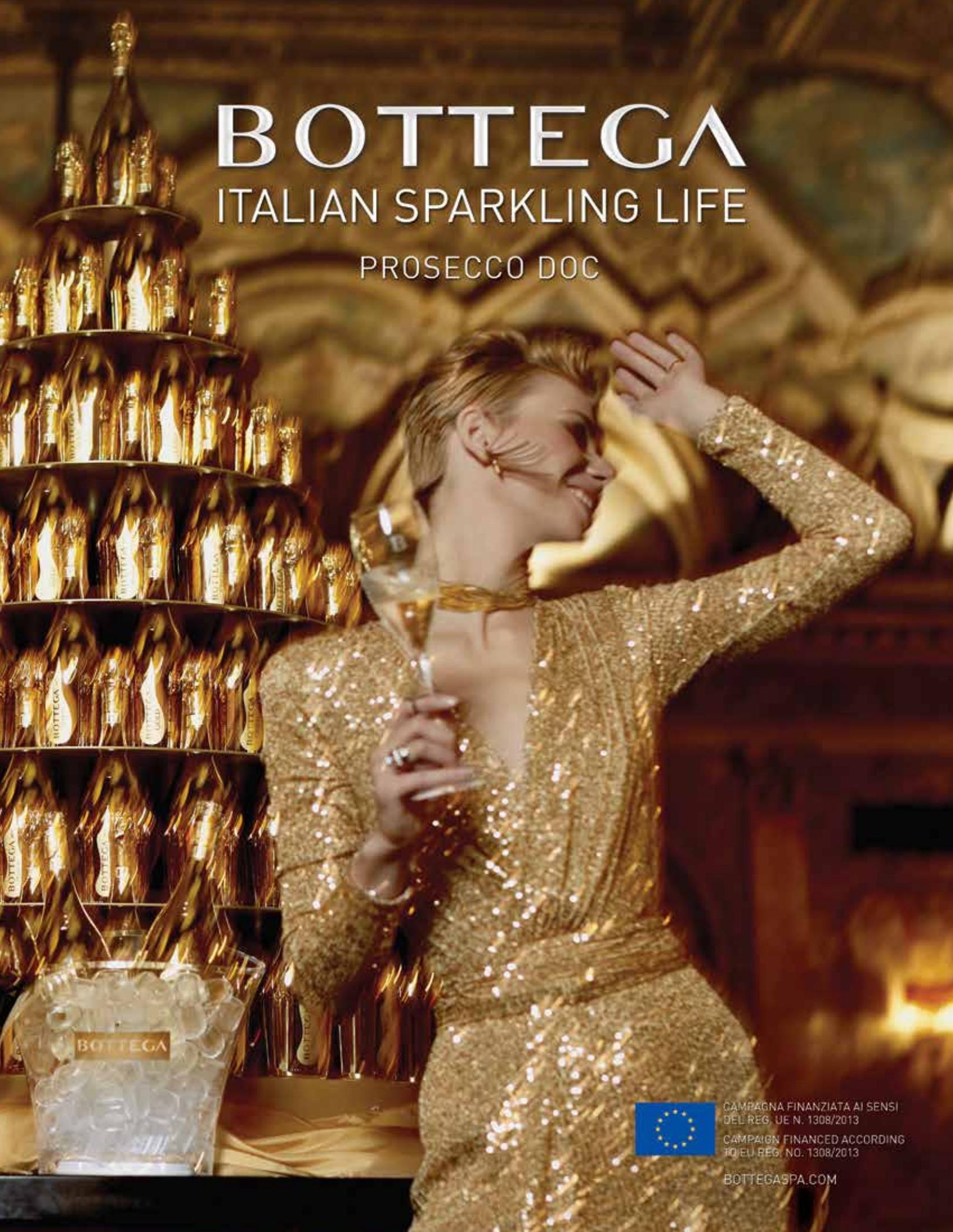
*The collection includes backpacks, document cases, chest and sling bags, envelopes and laptop cases, as well as a variety of small leather goods, accessories and belts.*

*For more information, visit [www.montblanc.com](http://www.montblanc.com)*

# BOTTEGA

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Canada's Victoria International Airport partnered with local craft distiller Victoria Distillers to open North America's first airport gin distillery last September.

## Gin takes aim at the Americas, sees potential in Travel Retail

*Gin may be a modest category in the Americas, but it's premiumizing fast and should be on the radar of duty free buyers, writes Joe Bates*

Gin is steadily resuming its growth curve in the Americas duty free market following the disruption caused by the COVID-19 pandemic over the past two years. The category is still small compared to other white spirits in volume terms but gin is premiumizing, fueled by increasing interest from American consumers and European travelers returning to the region following the pandemic.

Like every other spirits category, gin was not immune to the effects of COVID. Duty free volumes of gin in the Americas plummeted 77.5% in 2020, according to the IWSR Drinks Market Analysis, before recovering 21% to nearly 75,000 cases last year as international travel in the region restarted. The outlook for the future looks a lot brighter, however, with the IWSR forecasting gin will grow at a healthy

CAGR of 31% over the next four years.

IWSR forecasts that gin volume in Americas duty free will get back to near-2019 levels by 2025.

Certainly, Barry Geoghegan, founder of duty free drinks distributor Duty Free Global, whose gin portfolio includes the English craft gin Silent Pool; Broker's, an English gin owned by McCormick Distilling, and Irish brand Drumshanbo Gunpowder Irish Gin, takes an upbeat view of the category's prospects. "We have seen a real interest from U.S. operators for a diverse mix of gins in their assortment. We are in the early stages but cruise retail and airport stores are the channels showing the most interest.

"DFS [Group] have been a strong supporter and are seeing the potential in growing their gin category, in particular on the East and West coasts of America with international flights."

In contrast, Robert de Monchy, managing director of Monarq Group,

*Left: McCormick Distilling's Broker's Gin is part of Duty Free Global's portfolio of gin brands from around the world.*

*Right: Greenall Gin is featured in Monarq Group's eclectic gin portfolio.*

another leading duty free drinks distributor focused on the Americas, takes a slightly more cautious view of gin's regional growth potential. "Gin has performed very well this year and last. However, we see some signs of saturation and a slowdown of the category recently."

Monarq's eclectic gin portfolio includes well-known brands such as Greenall's, Bloom and Opihr from Quintessential Brands, Pernod Ricard's Italian gin Malfy and Zamora's Martin Miller's, but also more exotic gins from Vietnam (Saigon Baigur) and Japan (The Hakuto). "Gins from the world have





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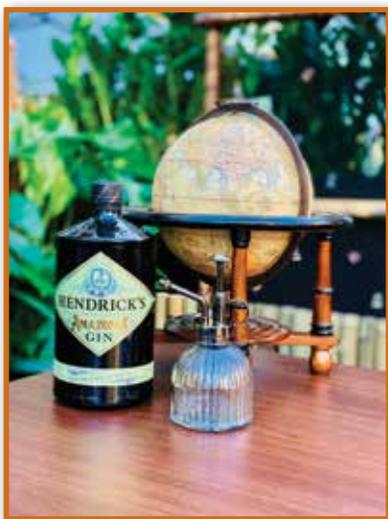


*Drumshanbo Irish Gin was well received by consumers at International Shoppes' locations in the United States when it was launched pre-COVID.*

certainly become somewhat of a trend on the premium side of the category," he explains.

Like Geoghegan, de Monchy believes the cruise channel has particular promise for gin, but is less optimistic about airlines. "We have not listed our gins on board the airlines due to slow demand and [their] focus on two or three of the staple brands," he explains. "The airline business has become much smaller and less relevant these days."

Scott Halpern, president of International Shoppes, which operates stores at six U.S. airports, including New York JFK, Washington Dulles and George



Bush Intercontinental, take a more bullish view. "For sure, gin has got potential," he confirms. The gin category had been growing steadily before COVID, he recalls, the duty free retailer's offer including big multinational-owned brands such as Tanqueray and Beefeater, but also local U.S. craft gins such as Brooklyn Gin, Bootlegger 21 New York Gin and Bluecoat Gin, a barrel-aged gin from Philadelphia Distilling.

"In the two-three years before COVID we also saw Hendrick's coming through, attracting a younger crowd," Halpern says. "It brought great attention to the category. [Drumshanbo] Gunpowder Gin, which we were also carrying, really blew my mind as to how well it was received by the consumers... Then COVID happened, so there was a reset."

As international travel has restarted, gin has recovered to its 2019 presence in-store. "We are at the highest point in the history of our company in terms of gin allocation," he reveals. "Companies are putting out better products which is pushing the envelope on price points. Are we there with \$200 gins like the tequila industry?... I don't think we are there quite yet, but we are pushing the envelope more than we have been historically and consumers are gravitating toward higher price points."

As to the question of who is buying gin, Halpern says it is primarily Europeans and Americans. "You tend to see South American consumers go for whiskies and Cognacs and Asians are not tops for us either on gin," he explains.

Carlos Calvo, the liquor buyer at Panama-based travel retailer Motta Internacional, whose Attenza Duty Free store chain boasts over 40 locations at airports and border stores in Panama, Ecuador, Nicaragua, El Salvador and Colombia, confirms Halpern's view that gin is currently a more difficult sell in Latin America.

*William Grant & Sons' Hendrick's Gin is the top-selling gin for Motta Internacional.*

"Although it has grown impressively in the past few years, gin is still a relatively small category," Calvo explains. "I would say it has reached a ceiling, but it is here to stay. We have a mixed assortment— all the famous brands and a few up-and-coming ones.

"Hendrick's is by far our bestseller and the brand that put the category on the map," he adds. "With this, other traditional brands also went up in sales like Bombay [Sapphire] and Tanqueray. We are constantly trying new gins and flavors. It all depends on what's available."

One gin brand comparatively new to duty free which does see potential in Latin America is Brockmans, an independent, super-premium British brand containing non-traditional botanicals like blueberries and blackberries, which sells over 1 million bottles a year in 55 countries worldwide. The brand has made its entry into the travel retail market this year and has hired ex-Stoli drinks veteran Jean-Paul Aucher as its travel retail consultant.

"We are already present in some Brazilian border stores where the potential to grow is high," Aucher explains. "We are also currently finalizing key travel retail partnerships to cover Central America and the Caribbean markets. In North America, thanks to Brockmans' strong position in Canada, especially in Quebec Province, there are also opportunities."

As Aucher suggests, in Canada gin is growing strongly in the domestic market with the category forecast to grow at CAGR of nearly 14% over the next three years, according to Statista. In fact, gin's growing appeal in the country led British Columbia's Victoria International airport in partnership with local craft distiller Victoria Distillers to open North America's first airport gin distillery last September. The outlet blends, bottles and labels around 55 bottles a day and travelers can have their bottles personalized before purchase.



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Victoria Distillers at YYJ, which won the 2022 Best New Retail Concept Award at the ACI-NA Excellence in Airport Concessions Awards, is located in the airport's expanded departures lounge where it produces the distillery's flagship indigo-colored Empress 1908 gin. Named after Victoria's famous Fairmont Empress Hotel, Empress 1908 Gin features traditional gin botanicals but also contains black tea and butterfly pea blossom, which gives the gin both a herbal earthiness and its distinctive indigo color.

As we have seen, many suppliers agree that the cruise channel offers lots of potential for gin brands in the Americas. For instance, English craft gin Silent Pool has picked up four listings with cruise lines over the summer. "We have approached this with a strong marketing plan that includes masterclasses, retail activations and gifting solutions," explains global sales director Adam

Dobson. "I would say this is the toughest channel for small brands to get traction in as you need to appeal to a broad base of passengers and have some global awareness – operators are looking to bring brands in that can easily be expanded across the portfolio of ships."

Diageo-owned Aviation Gin, co-owned by Hollywood film star Ryan Reynolds, is also targeting the cruise sector, partnering with Virgin Group founder



Diageo's Aviation Gin has been targeting the cruise sector and has been listed onboard Virgin Voyages.

Richard Branson last year to list Aviation Gin onboard Virgin Voyages, Virgin's new cruise line aimed at adults only. Virgin Voyages boasts two 2,700-passenger ships — *Scarlet Lady*, sailing in the Caribbean, and *Valiant Lady*, which plies the Mediterranean (two more vessels, *Resilient Lady* and *Brilliant Lady*, are set to enter service next year).

Guests on Virgin Voyages' cruises can purchase a bar tab which allows them to choose from a range of Aviation Gin-based cocktails on the ship's many bars, several of which have been developed by renowned mixologists like Charles Joly and Julia Momose.

New product development in the gin category all but ground to a halt during the pandemic, but now international travel is recovering there are some new releases in the pipeline. One major launch for buyers in the Americas to watch out for in Q4 of 2022 is Bombay Sunset, which Bacardi Global Travel Retail will unveil at the TFWA World Exhibition this October. Bombay Sapphire remains the top-selling gin in GTR globally with sales by value growing 45% last year.

The limited edition Bombay Sapphire Sunset features three new, sustainably sourced botanicals: golden turmeric, Indian

white cardamom and Spanish mandarin. "Bombay Sapphire Sunset balances the spices of the cardamom and turmeric together with bittersweet sun-dried Spanish mandarin, delivering aromatic spice and warmth, just like those last rays of sunshine at the end of the day," explains Bombay Sapphire master of botanicals Ivano Tonutti.

Meanwhile, back in the U.S., International Shoppes' Halpern says he is looking forward to the imminent release in his stores of Tanqueray 0.0, an alcohol-free version of Tanqueray Gin, which Diageo launched in Europe last year. It will be the first non-alcoholic spirit the retailer has listed and he says he is excited about the potential of the non-alcoholic category given its growth in Europe.

To wrap up, gin in the Americas duty free market is a still small category. However, growing appreciation of premium craft gins in the U.S. (sales of super-premium gins grew nearly 122% in the U.S. last year, according to the Distilled Spirits Council of the U.S.) and more gin-loving European travelers mean gin should be a category to watch with interest in the years ahead.



Tanqueray 0.0, which launched in Europe last year, is now coming to the U.S.

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## Tito's travel retail business "storms back" in 2022 as brand celebrates 25th anniversary

Tito's Handmade Vodka has continued to celebrate its 25th anniversary in 2022, as it has rolled out a new special label and expanded distribution to new markets in both domestic and travel retail locations.

"Our travel retail business has come storming back," John McDonnell, Tito's Managing Director International, tells *TMI*. "We are on the shelves with the anniversary label with the 750mls and liters. We have secured a bunch of new duty free listings: Qatar, Bahrain, Oman, Kuala Lumpur."

The listings in the Middle East are new for Tito's, which was previously only available in Dubai Duty Free, where the brand is doing very well, says McDonnell.

"We have made a lot of gains in Africa and the Middle East. We had virtually nothing in Africa and just Dubai Duty Free in the Middle East. Now we've added Oman, Bahrain, Qatar, along with new listings in Africa. And we just scored Tel Aviv. Our business in Dubai has exploded."

Having the right distributor partners is key for the growth of the brand internationally, says McDonnell.

"We were able to make some distributor changes during COVID. We have a new Italian distributor, a new distributor in Israel. And these new distributors are really focused on our brand. A lot of distributors had more time to listen to us during the pandemic. We are the number one brand in the U.S. by a mile and are growing around the world."

McDonnell says he is optimistic for the brand as more and more people begin traveling again.

"I see great things in the future for Tito's. More and more people are finding their way back to bars and restaurants. We are able to conduct tastings and samplings for the brand again.

"A lot of people are over COVID mentally," he says.

"It is pent up energy. Everybody wants to travel in Europe and the Americas."

Tito's was named the number one cult spirits brand in the world in August by *Spirits Business*. The "cult brand" dominates spirits sales in the United States, overtaking Smirnoff in 2019.



With a view to maintaining its renowned differentiation, (and maybe make a little fun of all the brand's launching RTDs and hard seltzers), Tito's Handmade Vodka introduced its own "ground-breaking innovation" -- Tito's in a Can. The limited-edition, 16-ounce, double-steel walled, insulated, refillable can came filled with nothing! The reason, said the company, is so fans can make their canned cocktails the way they like them: with Tito's Handmade Vodka and whatever ingredients they want.

"While most alcohol companies may see ready-to-drink cocktails as a required product launch this decade, Tito's bucks the trend and remains true to its stance that they only make one product, and that's vodka-flavored vodka," said the company's official announcement. In fact, the Tito's in a Can blurb boasts that **INGREDIENTS NOT INCLUDED**. Tito's in a Can was available while supplies last at [TitosInACan.com](http://TitosInACan.com) or at the Love, Tito's retail store in Austin, Texas.

The can is \$20, but all proceeds go to one of Tito's partner nonprofits, which are listed on the website.

"At Tito's, we put our energy into doing one thing, and doing it really well: making a high-quality and smooth vodka at a reasonable price," said Taylor Berry, Vice President of Brand Marketing at Tito's Handmade Vodka. "We developed Tito's in a Can so Tito's drinkers can make their own, better-quality seltzers... ones that are fresh, and are as strong or carbonated or citrusy as you want. Because we don't make seltzers, you do."

**Special Issue**  
**TFWA**  
**World Exhibition**  
**October 2022**

# TRAVEL MARKETS **INSIDER**

**North American airport modernizations place focus on optimizing concessions**



*The famed Jeppesen Terminal at Denver International Airport, site of one of the most ambitious development plans in the United States. TMI speaks with Concessions Planning International, which is advising DEN as it creates and implements a concessions program that is a benchmark in North American airports. See story on page 26.*

With U.S. airports like New York's LaGuardia and Newark Liberty Airport undergoing massive modernizations, and air traffic predictions growing stronger, this issue of *Travel Markets Insider* looks at how airport concessions can better serve the traveling public – and provide more income to the airport.

*TMI* speaks with Simon Black, Executive Director of Europe's leading travel retail and airport concessions consultancy, Harper Dennis Hobbs, about his plans for expansion into the North America market. HDH's Americas CEO Nadine Heubel shows how serious they are about ramping up their operations in the region.

*TMI* also speaks with Susan Gray, of Concessions Planning International, about its work with Denver International Airport. CPI is helping DEN create a concessions program designed to be a "benchmark for decades to come."

Although travel retail still faces many challenges, Duty Free Americas, for one, appears to have come through the worst of the crisis in relatively strong condition. DFA CEO Jerome Falic credits the company's spread of geographic locations and variety of operating models for the success.

*TMI* also focuses on more new store openings in the Caribbean, including the debut of the first Creed boutique in the islands, and analyzes the fledging

recovery in Latin America.

Another sign of renewed business confidence in the travel retail channel is the swell of new fragrance launches, complete with exciting HPPPs at the Point of Sale. We are delighted to cover several of the new products here.

As part of our broad-based spirits coverage, *TMI* also takes an in-depth look at the future of gin consumption in the Americas specially for us by spirits expert Joe Bates.

We hope you all enjoy all this and more, *Inside Insider*, in Cannes at the TFWA World Exhibition & Conference.

Lois Pasternak  
 Editor/Publisher

## INSIDE INSIDER



*Harper Dennis Hobbes Executive Director Simon Black and Senior Managing Director Nadine Heubel Target North America*



*Rouge Duty Free opens the first Creed boutique in the Caribbean*



*Fantasy Fragrances, LLC rolls out the new Frida Kahlo-inspired fragrance in the Americas*



*Joe Bates reports on the gin business in the Americas travel retail market.*

**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.**

## Talisker launches travel retail exclusive Surge

Talisker Single Malt Scotch Whisky has announced the release of a new travel retail exclusive - Talisker Surge.

Talisker Surge is matured in American Oak ex-Bourbon Casks which the company says imparts a sweeter flavor, with the extra layer of spice finishing the malt with a subtle smokey profile, while still maintaining all the maritime characteristics of this coastal distillery.

The Travel Retail Exclusive Talisker Surge, which comes from the famed distillery on the island of Skye, Scotland, will be available in key airports across Europe from the end of August and will be rolled out in the UK in September. Talisker Surge will then become available in APAC from October 2022 before launching in Australia in December 2022.

According to mIndet research, more than half (53%) of travelers are looking for exclusive products.

“We are delighted to launch this exceptional new whisky from Talisker as a global travel retail channel exclusive. Single Malt Scotch Whisky is a thriving category and Talisker will continue to fuel the growth of ultra-premium and luxury whisky,” says Dafydd Pugh Williams,



Marketing and Innovation Director at Diageo Global Travel.

“Its launch as a channel exclusive underlines our commitment to innovate and invest in the category and offer global travelers something special to gift their loved ones or enjoy themselves. This is something they simply cannot buy anywhere else.”

To mark the launch, Talisker Surge will be showcased throughout airports around the world through a disruptive global campaign that seeks to transport shoppers everywhere to Skye.

Terminal 5 at Heathrow Airport will host its own dedicated Talisker Surge sample bar during October and November complete with a spirits feature wall and tasting sessions. The Talisker Surge tasting experience will also be available to passengers in key airports across the globe throughout the year.

Talisker Surge Single Malt Scotch Whisky is bottled at an ABV of 45.8% and is available in key airports worldwide from August 2022 at a RRP of £85/ €95/ \$115 for a 70cl bottle.

## FlyWithWine debuts innovative wine and spirit travel solutions

Napa, California-based FlyWithWine will participate in the TFWA World Exhibition & Conference, exhibiting its VinGardeValise Collection at Blue Village/E1.

VinGardeValise is the first luggage

line specifically developed to safely and securely protect wine and spirits while traveling. In addition to its signature line of wine luggage, FlyWithWine will be introducing its VinXplorer Wine and Beverage Backpack and a uniquely

designed Stemware Personal Travel case.

The company will also be unveiling its VGV 2023 line comprised of models exclusively for the Duty Free channel, the new VGV Elite, with a luxury, higher-end aluminum exterior shell, and the VGV Pro.

Other upgrades to the existing Collection will also be introduced.

In addition to being carried by over 600 wineries and wine specialty shops across the U.S. and Europe, FlyWithWine products are offered by luxury and major retailers including Neiman Marcus, Williams Sonoma, Macy's and Dillard's.

The company recently exhibited at the Summit of the Americas to very good response, and will be soon be tested in both cruise and airport travel retail venues.

For more information, contact Ron Scharman, CEO and Co-Founder, [ron@flywithwine.com](mailto:ron@flywithwine.com) or Marlene Hulten, Director, Partnerships/National Accounts, at [marlene@flywithwine.com](mailto:marlene@flywithwine.com)



## Champagne Lanson launches Le Vintage 2012 in Cannes

Champagne Lanson is launching its Le Vintage 2012 in celebration of the variant's 10th anniversary at the TFWA World Exhibition (Blue Village, C8).

"We are very excited to be bringing this exceptional Vintage 2012 to Cannes and look forward to hearing the retailers' response," says Edouard De Boissieu, Head of Travel Retail.

Le Vintage 2012 is characterised by its aromatic intensity and complexity. The company says it is "generous and intense on the nose, with notes of candied fruit, dried apricots and almond and punctuated by aromas of acacia honey and sweet spices."

Lanson has reported a positive result for its travel retail business in 2022 so far, says De Boissieu. "At Champagne Lanson we continue to be committed to global travel retail as a vital channel for our business and we are quite optimistic about the remainder of 2022.

"The last two years have been very



difficult, but the Champagne category generally performed very well in 2021. In the UK, for example (one of Lanson's top markets) consumers purchased an extra

2.3 million liters, or 260,721 nine-liter cases last year, according to Nielsen figures compiled for The Grocer magazine. For Champagne Lanson this translated into more than 20% growth," continues De Boissieu.

"As travel restrictions continue to ease, we expect to see similar rapid recovery for Champagne sales in GTR, where the category is currently over performing within the W&S sector, as consumers want to celebrate after the difficult years. In this context of unexpected high demand, Champagne Houses need to pay special attention to the product stock in order to deliver to all clients.

"We are aware that the rising cost of living may affect this strong performance but at the moment Lanson seems to be holding its own. We are delighted that the travel retail industry is seeing real recovery and expect a very positive week in Cannes!"

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## Glenfiddich “reimagines time” with launch of three rare whiskies

Glenfiddich has announced the launch of the Time Reimagined Collection, a collection of three aged and exclusive single malt whiskies that the company says represents the ultimate expression of time and is the pinnacle of Glenfiddich’s signature distillery style.

The Time Reimagined Collection features the 50 Year Old, which is a portrayal of Simultaneous Time; the 40 Year Old represents Cumulative Time; and the 30 Year Old embodies Suspended Time.

Each bottle is presented in a unique casing of bespoke artwork.

The Glenfiddich 50 Year Old liquid takes whiskies from three different American Oak refill casks, all matured in the same warehouse before being married together and finished in an American oak refill cask for two years. There are only 220 decanters of this liquid in this release, making it an extremely rare and sought-after collectors’ item. Many factors affect whisky maturing in the cask, including climatic conditions: Air pressure, temperature and humidity. The nature of maturation changes with these conditions. The outer casing is an artistic representation of the climatic data that created this extraordinary whisky.

Manuel Jiménez García, a computational architect, decrypted the meteorological data into an algorithm, and generated a physical design language to build the structure’s bespoke form “bringing life to every second of every day,



of every month of those fifty years.”

The Glenfiddich 40 Year Old is a representation of remnant vating, a process where the remnants of the previous batch are carried over each time, and married with the casks selected for each subsequent release. Glenfiddich is the only distillery that uses the remnant vating process. The outer packaging design brings this to life with a take on a geological metamorphosis. The decanter is housed in a sculptural container and stopper made from jesmonite, a material with individual characteristics that render every piece completely unique. Featuring grooves carved into this stone-like material that expose the intertwining veins which flow through it, each totally random and different from any other.

The Glenfiddich 30 Year Old depicts the moment when Brian Kinsman,

Glenfiddich’s Malt Master, suspends the whisky’s maturation to bottle it, capturing the whisky at the precise moment in time. The outer packaging design evokes this moment through moving ribbons, each one forming cut-out windows, showing the decanter inside.

Claudia Falcone, Glenfiddich Global Brand Director, says: “William Grant, the visionary founder of Glenfiddich, had a dream to create the best dram in the valley. These three expressions are the perfect illustration of that aspiration. The Time Reimagined collection bottles that maverick spirit and captures a fleeting moment in time which bridges the past with the present. The quality of these liquids has inspired the distinctive packaging that beautifully tell the stories of these single malts and is a fitting tribute to the unpredictable nature of time itself.”

## Brown-Forman buys Gin Mare

Brown-Forman Corporation has announced that it is buying the Gin Mare brands from Vantguard and MG Destilerías, adding Gin Mare and Gin Mare Capri to its portfolio.

Ultra Premium Gin Mare is a Spanish gin with a Mediterranean-inspired recipe of botanicals, including Arbequina olives, thyme, rosemary, and basil. Gin Mare Capri, introduced last year, is made with Italian bergamot and lemons, along with Gin Mare’s four principal botanicals.

“Gin Mare and Gin Mare Capri are unique gin brands with impressive sales growth and strong distribution in important European markets. They are excellent complements to Brown-Forman’s super-

premium portfolio,” said Lawson Whiting, President and CEO, Brown-Forman Corporation. “We believe this exciting acquisition enhances our capacity to deliver meaningful global growth for the long term.”

Gin Mare was founded in 2010 by the Giró Family of MG Destilerías and Alfonso Morodo and Antonio Pardo of Vantguard. Today, it is sold in more than 70 countries and is the largest ultra-premium gin brand in the world according to IWSR.

“Brown-Forman is the perfect partner to bring Gin Mare to more consumers and bartenders around the world while keeping the brand’s commitment to producing a unique, high quality, Mediterranean gin,”

said Manu Giró, CEO, and Marc Giró, Master Distiller, MG Destilerías.

“Our motto at Vantguard is to create brands that are alive with soul and aim to put a sparkle in our customers’ eyes. It’s been a thrill to watch consumers embrace our brand, and we are excited about the future for Gin Mare with Brown-Forman’s resources and capabilities behind it,” added Antonio Pardo and Alfonso Morodo, Vantguard Co-CEOs.

Gin Mare will continue to be produced at MG Destilerías in Vilanova i la Geltrú, a fishing village between the Costa Brava and the Costa Dorada.

## Glenfiddich to launch pop-ups to celebrate Perpetual Collection

Glenfiddich is celebrating the launch of its new Perpetual Collection exclusive to Global Travel Retail by launching its first in-person experience at pop-ups in major airports around the world.

The Perpetual Collection is a range of four whiskies created from Vats that have never been emptied, using Glenfiddich's Solera Vat process.

Glenfiddich is launching these immersive pop-ups in three airports in three regions: in Amsterdam's Schiphol Airport in October, Singapore's Changi Airport in October and Miami's International Airport in December.

As each guest enters and travels through the space, their movement is captured by motion-sensors and projected in waves of color onto a digital screen. In this way, the company says they participate in a unique piece of constantly evolving generative art, mimicking the Solera Vat process by which the whisky is made.

Guests are then guided by a Brand Ambassador at the tasting bar, where they can taste the four expressions. The pop-up features a personalized gifting service that allows the consumer to record or write a memorable message which is added to their chosen bottle via a QR code.

The Perpetual Collection was designed



with travelers in mind.

Vat 01 (ABV 40%) is described as elegant and smooth, which layers sweet and spicy notes, with hints of creamy vanilla and subtle oak, matured in bourbon and red wine casks.

Vat 02 (ABV 43%) is described as mellow yet complex, with hints of rich fruit and subtle spice, and double matured in oak and Spanish sherry casks.

Vat 03 (ABV 50.2% - non-chill filtered) was aged over 15 years of maturation in European oak sherry and ex-bourbon casks. This full-bodied whisky combines warm notes of spice with hints of nutty marzipan and dark sherry oak.

VAT 04 (ABV 47.8% - non-chill filtered) was aged in Oloroso sherry and bourbon casks for 18 years, and has a deep,

rich aroma of robust oak, ripe orchard fruit and baked apple.

Lindsay Hitzeroth, Head of Customer Marketing Global Travel Retail at William Grant & Sons, comments: "The time spent at the airport is that exciting moment where the adventure starts; and so we wanted to give those flying something special to enhance their experience and remind them of their travels. The Perpetual Collection offers travelers a unique moment of enjoyment to capture their life that never stands still."

The Glenfiddich pop-up experiences will be live at Amsterdam's Schiphol Airport (October 1-31), Singapore's Changi Airport (September 27 to October 31) and Miami's International Airport (December 8- January 5).

## Mijenta Tequila appoints JP Aucher to spearhead growth in Global Travel Retail

Mijenta Tequila has appointed Jean-Philippe (JP) Aucher to represent it in the global travel retail market outside the Americas.

The sustainable and additive-free Milenta, which recently became the first – and to date, only – tequila to receive B Corp certification from non-profit organization B Lab, launched its first expression in September 2020.

It is now available in the UK, Italy, Spain, Greece and the Netherlands, as well as in destinations across the Middle East and Africa, with global travel retail one of its next targets.

Mijenta International Director Shane Hoyne, who previously served as Chief Marketing Officer for Europe at Bacardi, among other senior-level industry roles, said: "The appointment of Jean-Philippe Aucher to represent us in global travel retail outside the Americas is an important

strategic step for us as we put our interest in the channel into what we consider the very best hands. We are very excited about what we can achieve in travel retail through our partnership with JP."

Aucher, who is now an independent GTR spirits consultant following 12 years representing Stoli Group in the channel, said: "The dynamic super-premium tequila category is one of the most exciting in the travel retail channel right now, so to be appointed to represent a fast-growing brand of this nature is a wonderful opportunity."

He added: "Not only will Mijenta Tequila be a great proposition in GTR with the quality of its liquid and beautiful packaging, but it has the added strength of its sustainable and eco-friendly approach, which have been core principles for the brand since its founding and now underlined by its B Corp status. With spirits consumers in GTR widely known to be

looking for super-premium and sustainable products, Mijenta is a high-potential and very exciting brand for the travel retail market."



## Pernod Ricard GTR returns to Cannes with sustainability at its core

Pernod Ricard Global Travel Retail (PR GTR) is returning to the TFWA World Exhibition & Conference in Cannes this October with a fully sustainable booth. PR GTR says it will leverage the event to immerse customers and partners in its leading brand portfolio and share updates on its ambition and strategy for the coming months, as well as showcase its position as a global industry leader in sustainable design.

“As the travel retail industry recovers from the challenges over the past couple years, we are once again excited to return to the TFWA World Exhibition & Conference. The event is a great occasion for us to connect with key partners across the travel retail ecosystem around the world to discuss the opportunities and challenges facing the sector in today’s climate,” says Mohit Lal, CEO PR GTR.

Reflecting PR GTR’s commitment to lead the channel’s sustainable and responsible transformation, the stand is being built with sustainability at its core. Developed hand in hand with B-Corp certified PIE factory, the stand will be built with 100% sustainable design, production, and management.

Implementing Circular Making principles - Rethink, Reduce, Reuse, Recycle and Respect at every touchpoint, the design is utilizing sustainable materials such as aluminum framework, moss walls

and recycled wood cladding, a reclaimed glass bar and impact positive furniture, recycled floor and signage, and low emission LED lighting and audiovisual. Every component is modular and reusable, virgin plastic free and with zero waste. The company says this is the start point of a TFWA Sustainable Roadmap for PR GTR, which will measure the stand’s impact year on year, as improvements are made in line with developments and with the remaining footprint being offset against gold standard carbon credits.

Circular Making is one of the four pillars which underpin the Pernod Ricard Group’s global Good Times from a Good Place Sustainability & Responsibility 2030 roadmap. By 2030, PR GTR ambition is to reduce the intensity of its overall carbon footprint by 50%, supporting Pernod Ricard Group’s ambition to follow a net zero by 2050 trajectory.

This year attendees will be able to learn more about PR GTR’s industry-first Lifecycle Analysis Tool for Retail Merchandising, launched at TFWA in 2021, which assesses the environmental implications of design for activation units and to accurately track data, set targets, and publicly report on the impact and improvement of retail projects. The LCA tool has been used for all PR GTR merchandising projects with key retailers for the past 12 months and a PR GTR

Circular Making report will be available for PR GTR’s partners at TFWA Cannes for a full review of the environmental impact across merchandising.

“The TFWA World Exhibition & Conference in Cannes is a key event for us to immerse our customers and partners in the spirit and energy of the brands across the PR GTR portfolio whilst discussing the how we can support as the sector continues to recover,” says Liya Zhang, Vice President of Marketing PR GTR.

“We are excited to showcase our innovations and credentials, particularly in the sustainability space as the only supplier to be implementing the LCA Tool on a global scale, across 100% of retail projects.”

### Jameson: Immersive brand exploration

Jameson, the leading Irish whiskey in GTR, is launching its “Like a Local” campaign, which was specifically created for GTR, in Cannes.

Reaching the traveler at every point of their journey, this new platform was created to inspire Jameson fans to explore, drink, eat, celebrate, and mix like a local, wherever they are going.

Alongside Jameson, Pernod Ricard will highlight and share key updates across the portfolio including Royal Salute, Chivas Regal, The Glenlivet, Absolut Vodka and Malfy Gin.

## Chivas Brothers doubles down on sustainable Scotch

Chivas Brothers has announced strong results for full year 2022 that it says will help accelerate the company’s investment in ‘sustainable Scotch’ particularly in the area of carbon neutral distillation where the company has set a target of carbon neutrality by 2026.

Following last year’s pilot study at its Glentauchers distillery which resulted in energy reductions of 90% on a single pot still, the company announced plans to roll out Mechanical Vapour Recompression (MVR) fan technology at Strathclyde, its largest distillery, with the potential to save almost 9,800 tons of carbon dioxide, and to

install MVR technology at Allt A’ Bhainne distillery in 2023. Additionally, two further MVRs are being installed at Glentauchers, making it the company’s lowest energy distillery, with MVR installations to be completed there by October 2022.

This builds on Chivas Brothers’ further MVR installations as part of an £88 million expansion at two of the company’s strategic malt distilleries, Aberlour and Milnorduff. This investment is going into upgrading sustainable distillation technologies along with significant production capacity enlargements which will grow Chivas Brothers’ total production

by 14 million litres of alcohol per annum.

The company also shared progress on its commitment to achieve 100% recyclable, reusable, compostable packaging by 2025, in line with Pernod Ricard’s Sustainability & Responsibility roadmap ‘Good Times from a Good Place’.

While 690 tons of secondary packaging was removed last year, Chivas Brothers announced plans to work closely with suppliers to remove a further 2,000 tons of cardboard in the next fiscal year, equivalent of 780 tons of CO2 emissions, beginning with the phase out of Chivas 12 cartons from autumn 2022.

## AT THE POINT OF SALE

## New installations from Pernod Ricard TRA

Pernod Ricard Travel Retail Americas has introduced a new 4-sided column in the arrivals store of José Joaquín de Olmedo International Airport in Guayaquil, Ecuador.

The column features two of Pernod Ricard's whisky brands: Chivas Regal and



Royal Salute.

Three sides of the column showcase the full portfolio of the House of Chivas Regal, including two screens featuring brand content and a section highlighting the latest innovation, Chivas 13 Extra.

The Royal Salute side houses the full range and includes glorifiers creating a 3D effect. Pernod Ricard has also installed a Royal Salute dedicated gondola in the departure store.

"We are very excited to have completed this project in conjunction with the retailer, Dufry, and our production



agency partner, We An Idea," Tamara Riley, Pernod Ricard Senior Marketing Manager-Travel Retail Americas, tells *TMI*.

Pernod Ricard has also installed a new wall unit in Canada featuring Jameson Irish whisky at Bluewater Bridge Duty Free in Sarnia, Ontario. These units were produced by Jeff Mackie of TSM Custom Millwork Ltd.



## Distell to launch Amarula African Gin in Europe

Distell International has announced that it is launching Amarula African Gin in Europe next month.

The South African wine and spirits company, known for its Amarula Cream Liqueur, will first take its new gin into the UK market before rolling out into further domestic markets and travel retail.

Amarula African Gin - the only gin made from Marula fruit spirit, indigenous to sub-Saharan Africa- will use the campaign headline "When was the last time you tasted something for the first time" as the brand aims to encourage British gin enthusiasts to try its new spirit.

"There could not be a better way to kick off the European launch of Amarula African Gin than with the recognition of a Gold Award from the highly regarded Spirits Business Gin Masters. We're excited to encourage gin drinkers to taste something for the first time and try our refreshingly unique spirit as one of the characteristics of gin drinkers is adding to their repertoire and experiencing new

flavors. This is a product with great potential and a unique identity that brings something fresh and new to the already dynamic gin market," says Distell International Head of Europe & Global Travel Retail, Luke Maga.

The hand-crafted gin features juniper notes, aromatic orange blossom, subtle spicy grains of paradise and the sweet and tart flavors of Marula, says the company.

Each year, when Marula fruit is in season, the elephants play a vital role in alerting the local communities to the arrival of harvest time in sub-Saharan Africa, the only place where Marula trees grow.

The Marula fruits – which look like plums– are collected by hand – harvested, washed, destoned, pulped and cooled. The pulp is then distilled into marula fruit spirit. Premium botanicals: juniper berries, orange peel and blossom, and grains of paradise are then distilled in this marula fruit spirit.

In line with Distell's sustainability goals, £1 per liter of every Amarula African Gin sold goes to the Amarula

Trust to support Elephant Conservation, Empowering People and Strengthening communities.

Amarula African Gin is 43% ABV and will be supplied by B&S in Europe on- and off-trade, including travel retail in the UK, Germany, France and Poland.

Amarula African Gin has already been awarded gold at the global Spirits Business Gin Masters Awards.



## Bacardi announces new rum premiumization strategy: Depth in Every Drop

Bacardi Global Travel Retail has announced the launch of ‘Depth in Every Drop,’ a new omnichannel engagement campaign launching globally, for the Bacardi premium rum portfolio.

The company says its mission is to lead category growth with a focus on premiumization. Bacardi is the No.1 Rum in GTR with 24% share of the total category and 12% of the premium segment (IWSR 2021).

In Global Travel Retail, Bacardi’s rum portfolio features Bacardi Cuatro, Bacardi Ocho, Bacardi Diez, Bacardi 16 YO and Bacardi Reserva Limitada. The company says its GTR portfolio is clearly designed and easy to navigate.

Ignacio Vazquez, Global Head of Marketing, Bacardi Global Travel Retail explains the strategy. “The Rum category in GTR is the next category to premiumize. Bacardi is uniquely positioned to drive this opportunity forward, as the only premium rum portfolio with the strategic authority to unlock the category’s true potential. This is underpinned by the Bacardi brand’s 160 year heritage, its position as the world’s most awarded rum with over 1000 accolades to its name, and as the original pioneer of cocktail culture, inspiring the creation of many of the world’s most popular cocktails, from the Bacardi daiquiri

to the Bacardi mojito.

“Setting the standard for rum-making globally, we are launching a new omnichannel campaign in GTR, ‘Depth in Every Drop,’ with an emphasis on the commitment to barrel aged rums and craftsmanship in the Bacardi portfolio - emphasized by the secondary message ‘aged under the Caribbean sun.’ With this campaign we also want to invite consumers to discover that premium aged rum is a beautiful, dark spirit full of complexity and character.”

The digital strategy for ‘Depth in Every Drop’ follows the entire consumer journey right from the moment they book their trip, before and on the day of travel, with paid and social media channels focused on pre-trip and on return-trip consideration, driving conversion online to retail partners’ websites. The campaign is also highly visible in the airport with prime digital media sites, driving footfall towards the activation space. The campaign is supported in-store with cocktail demonstrations and tasting opportunities that help curious shoppers discover their favorite rum for cocktails or sipping neat as an alternative to other spirits.

Ignacio Vazquez continues: “Rum is enjoying a renaissance in the on and off-trade in many markets as more people

discover its versatility in cocktail-making and we have the evidence to prove how this is manifesting in GTR airport stores with the success of our premium portfolio in trading people up. Travel is exciting, it’s in our human DNA and our rum portfolio is coming to life like never before, inspiring and delighting travelers with innovation in both product and in-store experiences, making moments matter.”



## Bacardi names new GTR head

Bacardi has announced that Leila Stansfield will take over the leadership of its global travel retail business beginning in January 2023. Stansfield, currently the On-Trade Sales Director, Bacardi UK & Ireland, will be replacing the current Managing Director, Vinay Golikeri, who will become Managing Director, India and Neighboring Countries. Stansfield has previously held roles as GTR Finance Director and GTR Marketing Director. She will be the first female lead for the division.

Vijay Subramaniam, Regional President AMEA & GTR, Bacardi comments on the change, “Vinay has played a pivotal role in leading and developing our global travel retail business. The last few years have been particularly difficult for this channel, and Vinay has successfully navigated the challenges of the pandemic. He has spearheaded our ambitions as a front-runner in the omnichannel revolution sweeping travel retail by partnering with retail customers,



Leila Stansfield

introducing significant innovation in shopper experience and our brand portfolio. I would like to thank Vinay for his unwavering drive and positive leadership and to wish him every success in his new role.

“Meanwhile, we are delighted to welcome Leila Stansfield back to GTR. She is a driving force in our senior leadership team and brings valuable

commercial acumen from across several aspects of our business. This is a time of transformational opportunity for global travel retail and Bacardi is deeply committed for the long term. With a passion for people – our customers, consumers and for unlocking potential in her team - Leila will be a tremendous leader to move GTR into the new omnichannel era, maximizing the unrivaled dynamics in terms of strategic brand-building and commercial opportunity as well as driving our ESG goals – a key objective in our strategic ambitions for global travel retail.”

Looking ahead to her new role, Leila Stansfield adds, “I am very excited to be returning to global travel retail in January 2023, especially at a time when the market looks set to move towards full recovery. I look forward to reconnecting with our retail partners and stakeholders to accelerate and deliver mutually beneficial strategies for growth.”



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at the TFWA lounge in  
Cannes, 3-5 October.**

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## Grey Goose and International Shoppes celebrate the US Open at JFK Terminal 5 with major shopper engagement campaign

Grey Goose Vodka and International Shoppes held a special shopper engagement campaign at JFK Airport Terminal 5 to celebrate the US Open.

From August 30 to September 13 2022, Grey Goose, which is the official vodka of the US Open since 2006, and International Shoppes, partnered on a tennis inspired campaign which was designed to engage passengers with the Grey Goose brand.

In a prime location in JetBlue Terminal 5, passengers were able to sample the US Open’s official cocktail, Grey Goose Honey Deuce, which is a blend of vodka, lemonade, raspberry liqueur and tennis-inspired honeydew melon balls.

Tennis players of all abilities were invited to pick up a racquet and try their hand at a winning shot with tennis-themed prizes for hitting the target. QR codes on ‘tip cards’ connected directly to the brand website for cocktail recipes and more information on the range of Grey Goose vodkas.

Geoff Biggs, Retail Director, Americas, Bacardi Global Travel Retail, says: “This celebration of the Grey Goose Honey Deuce as a special cocktail devised for the US Open adds power to our mission in making moments matter for our consumers. The campaign with International Shoppes not only boosts the appetite for Grey Goose but our clear association with this world-leading sports

tournament reinforces the brand’s category leadership as well as the importance of airport retail as a premium experience.”

Scott Halpern, President of International Shoppes said: “International Shoppes is excited to partner with the Bacardi team to deliver this unique Grey Goose experience. The US Open is a legendary sporting event that captures the essence of New York and through our partnership with Grey Goose and Bacardi, JetBlue and with Fraport as the terminal’s retail developer and manager, we were able to bring that same energy to those flying through T5. The program created is a one-of-a-kind traffic stopper that gets the traveling public to engage and shop.”



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