

Special Issue  
October/November  
2020

# TRAVEL MARKETS INSIDER

## Pivoting to virtual in 2020

*Travel Markets Insider* is very pleased to be publishing this special magazine to coincide with the pioneering Virtual Travel Retail Expo conceived, organized and executed by the *Moodie Davitt Report* in coordination with Singapore-based FILTR.

The organizers expect 6,000+ registrants and an impressive 124 exhibitors when the event commences on Oct. 12.

The virtual event will hold a broad selection of interactive and engaging sessions throughout the live 5-day Virtual Expo, where its virtual Symposium Hall and Workshop Rooms will host industry dialogue around the theme 'Road to Recovery.'

The many webinars, filmed interviews, live discussions and webcasts will feature the biggest names in the aviation, travel retail and F&B communities, together with key executives from outside the channel.

The Exhibition itself is taking place in a hub of carefully curated Virtual Stands, but online visitors (buyers and other retail management) from all over the world will be able to view videos, read and download literature and chat with exhibitors in real time. It is sure to be a very different experience than what we are accustomed to, but then all of 2020 has been a new experience for all of us.

*TMI* also had an opportunity to attend a virtual edition of the SeaTrade Global Cruise event earlier this week—the original show to take place in Miami last April was an early victim of cancellation due to the shut down in global travel from COVID-19. We are pleased to present highlights from that event's



*L'Oréal Travel Retail Americas* unveiled its unique traveler-centric concept, the Beauty Hub – New York, located inside The Bowery Bay Shops retail area in LaGuardia Airport's stunning new Arrivals & Departures Hall in Terminal B. See full story on page 14.

keynote from the heads of the world's leading cruise lines.

*TMI* also presents a look at how supplier companies are incorporating more and more digital into their operations.

But it is not all digital – despite the current challenge the travel and travel retail industries are preparing for the return of real travelers. We take a detailed look at New York's LaGuardia Airport, which unveiled the stunning new Arrivals & Departures Hall at the new Terminal B, and first seven gates of the new Western Concourse. The construction at LGA currently represents the largest public-private partnership in U.S. aviation history and the stunning new retail concepts are a huge vote of confidence in the future.

*TMI* also speaks at length with Nick Jackson, who heads up Grand Cayman's Island Companies. One of the leading

retailers in the Caribbean, Island Companies is actively preparing for the return of the affluent destination's high net worth clientele – and is seeking the right luxury partners to join its team.

We also look at the plans underway in Latin America, as the traditionally resilient region commences air operations and opens a number of new stores along the border.

This crisis may still be in full gear, but travel retail is doing all that it can to be ready when the world opens up again. Thank you to our readers who have accompanied us on this unexpected journey, and a very special thank you to our media partners who have made this issue possible. Stay well and stay safe!

All this and more, Inside Insider,  
Lois Pasternak, Editor/Publisher

## INSIDE INSIDER

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IATA, ACI,  
DFWC: Route to Recovery

### North America

NY LaGuardia  
Canada



ARI's Jackie McDonagh  
"Treat every customer  
like gold"

### CARIBBEAN/CRUISE



Island Jewellers,  
Grand Cayman

Martinique,  
SeaTrade Cruise Virtual

### LATAM

Brazil & Argentina, Paraguay,  
Border shops

### SUPPLY SIDE

Beauty:  
Essence Corp stays connected  
Accessories  
Confectionery  
Spirits



Absolut unveils new look in Sao  
Paulo, Brazil

Plus Products-People-Places  
The Insider View



VERSACE pour femme DYLAN BLUE



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# IATA: “disastrous” air traffic performance in August caps industry’s worst-ever summer season

The International Air Transport Association (IATA) downgraded its traffic forecast for 2020 to reflect a weaker-than-expected recovery. The downgrade – released at the end of September -- follows the “dismal” end to the summer travel season in the Northern Hemisphere, said the industry group.

IATA now expects full-year 2020 traffic to be down 66% compared to 2019. The previous estimate was for a 63% decline.

August passenger demand continued to be hugely depressed against normal levels, with revenue passenger kilometers (RPKs) down 75.3% compared to August 2019. This was only slightly improved compared to the 79.5% annual contraction in July. Domestic markets continued to outperform international markets in terms of recovery, although most remained substantially down on a year ago. August capacity was down 63.8% compared to a year ago, and load factor plunged 27.2 points to an all-time low for August of 58.5%.

Based on flight data, the recovery in air passenger services was brought to a halt in mid-August by a return of government restrictions in the face of new COVID-19 outbreaks in a number of key markets. Forward bookings for air travel in the fourth quarter show that the recovery since the April low point will continue to falter, says IATA.

Whereas the decline in year-on-year growth of global RPKs was expected to have moderated to -55% by December, a much slower improvement is now expected with the month of December forecast to be down 68% on a year ago.

“August’s disastrous traffic performance puts a cap on the industry’s worst-ever summer season. International demand recovery is virtually non-existent and domestic markets in Australia and Japan actually regressed in the face of new outbreaks and travel restrictions. A few months ago, we thought that a full-year fall in demand of -63% compared to 2019 was as bad as it could get. With the dismal peak summer travel period behind us, we have revised our expectations downward to -66%,” said Alexandre de Juniac, IATA’s Director General and CEO.

## International Passenger Markets

August international passenger demand plummeted 88.3% compared to August 2019, mildly improved over the 91.8% decline recorded in July. Capacity sagged 79.5%, and load factor fell 37.0 percentage points to 48.7%.

Asia-Pacific airlines’ August traffic sank 95.9% compared to the year-ago period, barely budged from a 96.2% drop in July, and the steepest contraction among regions. Capacity dived 90.4% and load factor shrank 48.0 percentage points to 34.8%.

European carriers’ August demand plunged 79.9% compared to last year, improved from an 87.0% drop in July, as travel restrictions were lifted in the Schengen Area. However, more recent flight data suggests this trend has reversed amid a return to lockdown and quarantine in some markets. Capacity fell 68.7% and load factor dropped by 32.1 percentage points to 57.1%, which was the highest among regions.

Middle Eastern airlines had a 92.3% fall in demand for August, compared with a 93.3% decline in July. Capacity collapsed 81.9%, and load factor sank 47.1 percentage points to 35.3%.

North American carriers’ traffic tumbled 92.4% in August, little changed compared to 94.4% decline in July. Capacity fell 82.6%, and load factor

plunged 49.9 percentage points to 38.5%.

Latin American airlines had a 93.4% demand drop in August compared to the same month last year, versus a 94.9% drop in July. Capacity crumbled 90.1% and load factor dropped 27.8 percentage points to 56.1%, second highest among the regions.

African airlines’ traffic sank 90.1% in August, slightly improved over a 94.6% decline in July. Capacity contracted 78.4%, and load factor fell 41.0 percentage points to 34.6%, which was the lowest among regions.

## Domestic Passenger Markets

Domestic traffic fell 50.9% in August. This was a mild improvement compared to a 56.9% decline in July. Domestic capacity fell 34.5% and load factor dropped 21.5 percentage points to 64.2%

U.S. carriers’ August traffic was down 69.3% compared to August 2019, only a slight improvement compared to July, when traffic fell 71.5%. An increase in outbreaks and quarantines in key domestic markets contributed to the disappointing result.

Russian airlines saw their domestic traffic rise 3.8% compared to August 2019, the first market to see an annual increase since the onset of the pandemic. Falling fares along with a boom in domestic tourism were among the main contributors to the positive swing.

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# New ACI website provides airport health measures information directly to passengers and partners

Airports Council International (ACI) World has launched a set of tools which provides passengers with information about the health measures in place at airports around the world. Passengers will be able to see the measures they can expect when departing, arriving or transiting through the airport.

Over two hundred airports, representing nearly half of the world's air traffic, have already provided their information. Passengers and partners can view what facilities are available and what health measures are in place before they commence their journey.

Data is available through a mobile app, as an API and on a new website. The tools featured on the new website include:

For passengers: a mobile app called "Check & Fly" is designed to be a

passenger assistant throughout the journey by providing health measures at airports and a passenger-facing web page where passengers can look up their departure and arrival airports;

For airports: a web portal that allows airports to make updates to their data; a mobile app, and "Airport Check" which provides statistics to airports based on the measures implemented globally. These statistics can help airports plan their processes and measures, using industry intelligence.

For application and web developers: an Application Programming Interface (API) based on the Aviation Community Recommended Information Services (ACRIS) enabling stakeholders such as airlines and travel agents to use the data.

Both the Check & Fly mobile app and

Airport Check mobile app are available on the App Store. Check & Fly will also soon be available on Google Play Store.

The website of tools complements ACI's Airport Health Accreditation program which provides an assessment of measures in accordance with ICAO Council Aviation Recovery Task Force (CART) recommendations and in alignment with the joint EASA and ECDC Aviation Health Safety Protocol and ACI Europe's Guidelines for a Healthy Passenger Experience at Airports.

"Developing and providing tools like those on the Airport Health Measures website, equip travelers with information that enables them to make travel plans with confidence. This is key to the recovery of air travel," ACI World Director General Luis Felipe de Oliveira said.

## Aviation bodies intensify pressure to drop quarantines in favor of region-wide passenger testing protocol in Europe and beyond

European aviation bodies have intensified their call to replace quarantine measures with passenger testing as a way to allow cross-border travelers to plan family reunions or vacations during the upcoming holiday period. It will also serve as a lifeline to the millions of workers in the travel and tourism sectors whose jobs remain at risk.

Following their direct call to action together with the wider travel and tourism sectors in a letter to European Commission President von der Leyen on September 17, aviation bodies ACI and ACI Europe, Airlines for Europe (A4E) and IATA have submitted a framework for how an EU-wide Testing Protocol for Travel (EU-TPT) could work.

In follow up letters sent to the Commission President and Heads of State, as well as Health Ministers across Europe at the beginning of October, the industry associations set out their proposal for harmonized pre-departure testing from high-risk areas, describing the current situation of patchwork quarantine restrictions as "unsustainable."

Aviation industry data confirms the worsening situation. IATA figures show air

traffic to, from and within Europe is down by 66.3% year to date. Latest figures from ACI Europe reveal that as of September 27, passenger traffic in the EU had further plunged to -78%.

New research released by the Air Transport Action Group (ATAG) on the impact of COVID-19 restrictions suggests the collapse of air traffic could result in a 52% drop in employment supported by aviation in Europe, equating to the loss of around 7 million jobs. Nearly €450 billion in economic activity will be lost. Urgent action is therefore required to prevent an even greater economic and employment catastrophe.

The associations reiterate their calls for the Commission and Member States to prioritize the development and implementation of the European Testing Protocol for Travel system.

The letter highlights the continually worsening outlook for passenger demand along with cripplingly low forward bookings for the winter season – down -80% from 2019. The planning certainty and risk-based safety of a common testing protocol would give European countries an effective way to reduce transmission both

in communities and during air travel whilst stimulating the economy.

The framework proposed is based on two primary principles:

Quarantines must be replaced by testing prior to departure, based on an EU Testing Protocol for travel which is consistently applicable for passengers traveling across borders from high risk areas in the EU/Schengen space and from third countries. Public opinion research has established that 65% of travelers surveyed agree that quarantine should not be required for passengers who test negative for COVID-19.

Travel restrictions must be coordinated and based on common risk assessment. This supports the risk assessment criteria and the common color coding system / mapping of designated areas already proposed by the European Commission, but which is yet to be endorsed and fully implemented by EU States.

Similar calls for harmonization and air passenger testing to replace quarantines are taking place in North and South America as well.

# AMERICA'S ORIGINAL CRAFT VODKA®



# DFWC's Route to Recovery webinar paints mixed picture for the Americas

In the Duty Free World Council's Sept. 17 Route to Recovery webinar, leaders of the regional associations presented an overview of the steps they were taking to restore and protect the travel retail and related industries.

## South America

For Latin America, ASUTIL President Gustavo Fagundes, COO for Brazil & Bolivia Dufry, presented a stark picture, indicating that a full recovery will likely not happen until 2023-2024 for domestic aviation and full international recovery to 2019 levels not happening until 2024-2025.

However, ACI-LAC expects that all airports will be open in LATAM in the next two months; that some airlines are restarting international flights, although low passenger levels are holding up restarts in some areas, and that border stores in Brazil are open and slowly recovering the traffic on local borders in the twin cities. *TMI* covers all of these stories in greater detail in this magazine.

In an overview of major initiatives that ASUTIL has taken to win support for the industry, Fagundes reported that the Association has been working diligently with other regional and global organizations to

protect operators and harmonize health and safety protocols in each country.

Among these initiatives, ASUTIL has:

- issued a Joint Statement with ACI LAC in April
- issued a Joint Statement with the Brazilian National Association of Airport Concessionaires
- sent letters to all ICAO representatives in each country with the recommendations for global standards and recovery protocol
- sent letters to the Uruguayan government to facilitate the pre-sale of airport DF before traveling and the possibility of selling products to local people paying a tax at borders
- sent letters to the Brazilian Government to reduce costs of IT information for border shops (SEPRO)
- sent letters to the Brazilian Government to update the DF allowance for Brazilians in border shops to harmonize with border allowance coming from other countries
- DF operators joined a workforce with Customs in order to modernize the DF legislation including evaluating Home Delivery from the store.

The next step for ASUTIL is to work to harmonize airport protocols in LATAM

in each country, said Fagundes.

In South America as of mid-September when the webinar took place, most airports were still closed for international traffic with the exception of Brazil, Uruguay, Ecuador and select traffic to Argentina.

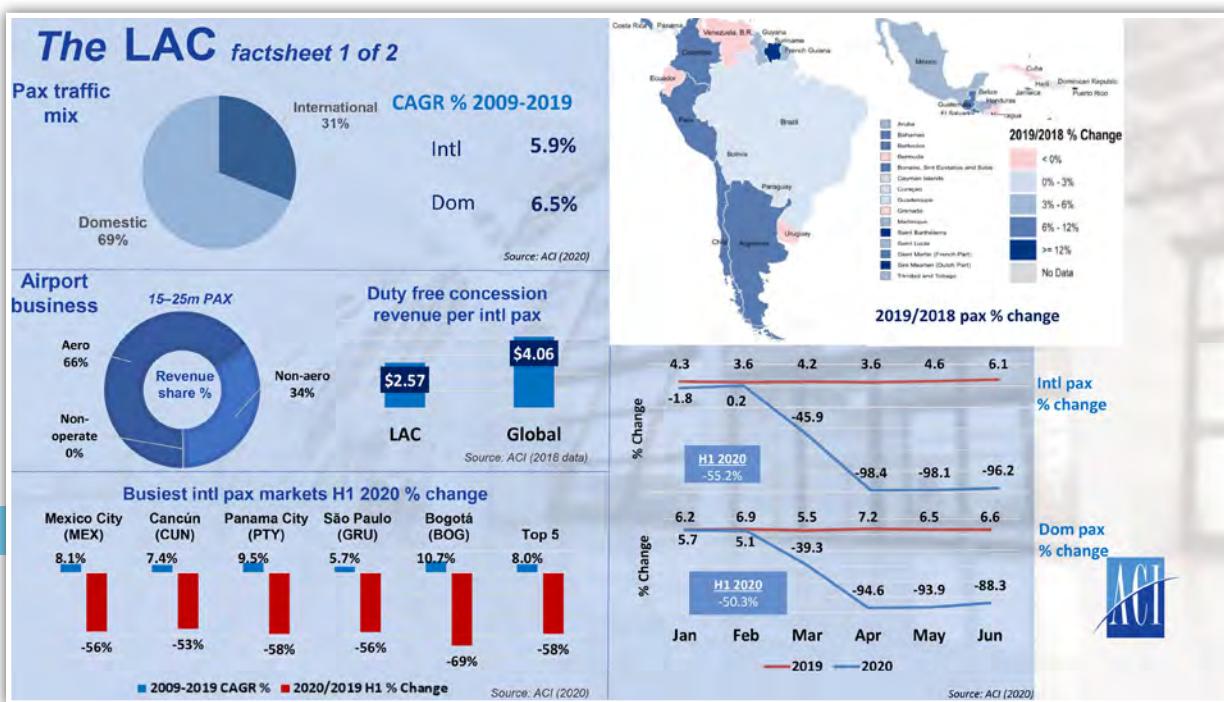
But all airports are opening in October and November for international flights, including Colombia, Chile and Peru.

## North America

Full recovery in North America looks a little more positive, reported IAADFS Chairman Rene Riedi. ACI forecasts that domestic air traffic in the U.S. could return to 2019 levels by 2023, although international traffic will not follow until 2024.

In the United States, which continues to have the highest numbers of COVID-19 cases in the world, Out of State Visitor restrictions are in place requiring COVID-19-tests and/or quarantine in many locations.

Most U.S. airports are operational. Domestic traffic was recovering but the growth trend is being impacted by new travel restrictions. There are still very few international flights, but as of press time, international traffic is increasing. Everything depends on the upcoming U.S.





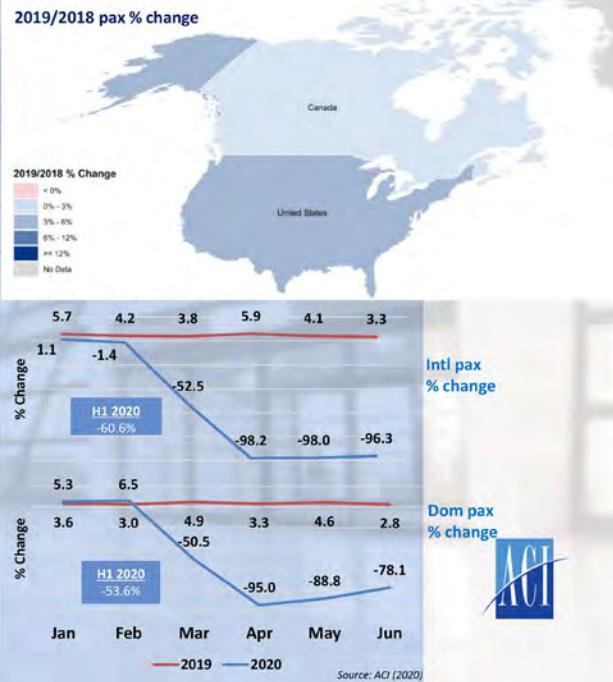
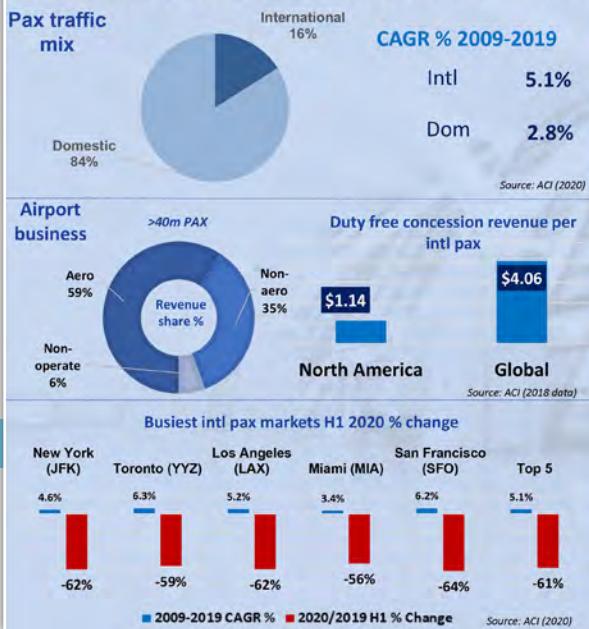
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THE NEW EAU DE PARFUM

## The North America factsheet 1 of 2



elections on Nov. 3, which will determine policy direction and support surrounding COVID-19 challenges.

### Rest of Americas

In Central America, the borders between Mexico and the U.S. are still closed for non-essential travel, although air traffic between Mexico and the U.S. is growing. Tourist destinations in Mexico show good recovery thanks to U.S. tourists.

In the Caribbean, air traffic in Puerto Rico and the Dominican Republic has picked up nicely and shows some good rate of recovery. U.S. tourists are banned from travel to the Bahamas and other islands have imposed strict restrictions for visitors. Ports in the Caribbean will re-open once the cruise business resumes operation but not before November, at the earliest.

In the cruise business, MSC, Costa and some other smaller European based cruise lines have resumed operation. U.S. based cruise lines are still under CDC's 'no sail' order which has been extended to Oct. 31, so it is unlikely they will start operations before November 2020.

The IAADFS' advocacy efforts have been primarily focused on trying to obtain financial relief for the Duty Free and Travel Retail industry due to the impacts from the pandemic, especially to grow the chance to obtain needed federal assistance. Coordinating their efforts with other airport concessionaire organizations, the IAADFS sent a letter on August 7, 2020 to Senate and House leaders requesting the inclusion of important federal assistance as part of

the relief bill currently being assembled. The request included critical assistance in the amount of US\$ 13.5 billion for airports obligating them to pass through a portion of this amount to its concessionaires, and was signed by representatives of airports and a broad group of airport concessionaires: ACI North America (ACI-NA), the American Association of Airport Executives (AAAE), the Airport Restaurant and Retail Association (ARRA), the Airport Minority Advisory Council (AMAC), the American Car Rental Association (ACRA), the International Association of Airport Duty Free Shops (IAADFS) and the National Parking Association (NPA).

### FDFA/Canada

The Canada /U.S. Border has been closed to all but essential workers since March 21 and closure has been extended to at least October 21 (and likely to extend well beyond), reported Barbara Barrett, executive director of the Frontier Duty Free Association.

More than 50% of Canada's land border stores are completely closed; the others are open only to essential workers and have very little traffic. As of the beginning of October, parts of Canada (Quebec specifically) have gone back into lockdown because of spiking COVID numbers.

The situation for the land border stores is "dire" and is now about survival, said Barrett.

"We are now at six months of the U.S./ Canadian border being closed with no indication from our sources that it will be

open before the end of the year. All of our land border stores are experiencing revenue loss of over 90% and some at 100%. It is a dire situation here with respect to the border being closed."

Among its advocacy efforts, the FDFA achieved rent relief for stores with federal landlords and developed a Duty Free Economic Package that highlights both immediate and long term measures to ensure the viability of land border duty free stores through and beyond the border closure.

The Association is also lobbying for an immediate Duty Free Interest-Free Loan Program, extension of the Wage Subsidy Program, and extension of the Rent Relief Program.

Looking to get back to business, the FDFA is also asking for the creation of a Canadian Duty Free Zone; Duty Free Export Designation; return of the Visitor Rebate Program; and calls for reduced bureaucracy and red tape.

Its advocacy efforts include meetings with all levels of government and grassroots efforts with all store owners meeting with their Members of Parliament.

Barrett says the FDFA is also asking for government help with inventory issues, with some products instore about to expire.

"Inventory has been sitting in the closed stores and is coming up to expiration or best by date. We are talking to the government so the products do not go into a dumpster and we can find ways to either sell it, or at the very least, donate it."



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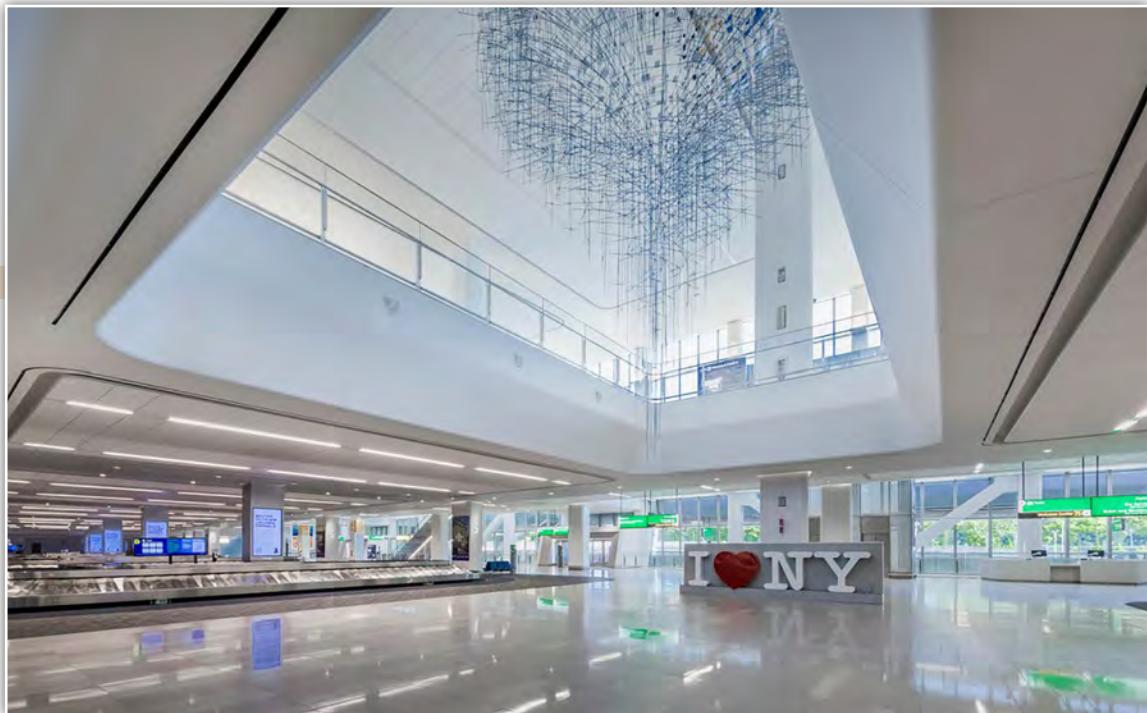
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The light-filled 850,000 square foot Arrivals & Departures Hall at LaGuardia Airport's new Terminal B opened for passengers in June.

## New LaGuardia Airport celebrates New York style with optimism for the future

The U.S. is celebrating one of the most exciting and far-reaching airport re-developments for decades with the phased in opening of the new LaGuardia Airport in New York City over the past few months. The construction at LGA currently represents the largest public-private partnership

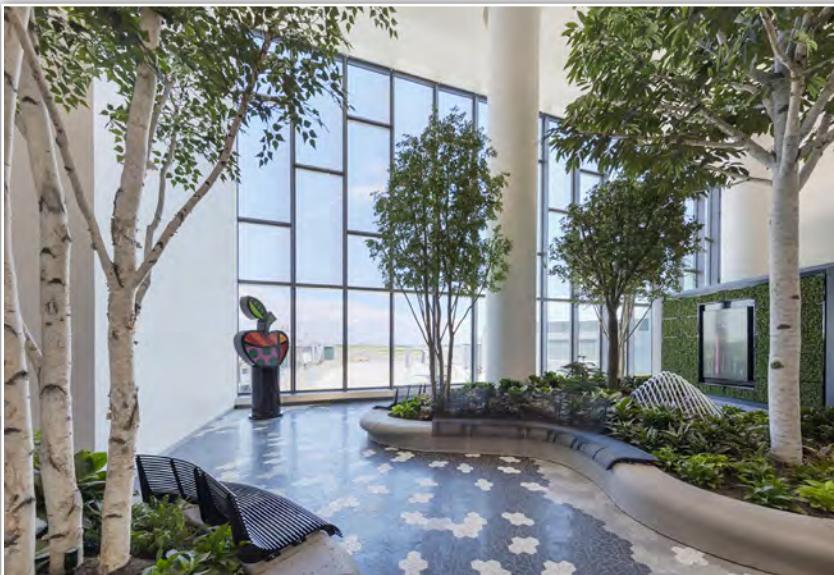
in U.S. aviation history.

LGA's new Arrivals & Departures Hall at Terminal B officially opened on Saturday, June 13. The opening represented a significant milestone in the \$5.1 billion transformation of the airport, reports Vantage Airport Group, the lead equity invest-

tor, developer and manager of LaGuardia Gateway Partners, which has been overseeing the redevelopment and operations of LaGuardia Terminal B since 2015. Vantage will operate Terminal B through 2050.

The soaring light-filled new Terminal B Arrivals and Departures Hall will serve Air Canada, American Airlines, Southwest Airlines and United Airlines, and is part of the overall \$8 billion transformation of the airport by Governor Cuomo and the Port Authority of New York and New Jersey. A future phase includes a glass-enclosed pedestrian bridge with views of the city. Aircraft will also taxi beneath it.

The 4-level 850,000 square foot Arrivals & Departures Hall houses ground transportation access, baggage carousels, an expansive check-in area, and a centralized, 16-lane TSA screening checkpoint with the most technologically advanced screening equipment.



The newly opened area in the Western Concourse of Terminal B at LaGuardia Airport features natural light, soaring ceilings, artwork by artist Romero Britto and an attractive new gate area for passengers.



Hudson has created two new locally-themed travel convenience concepts at LGA's new Arrivals & Departures Hall: NYC Aglow and Mad Ave Market.

### New York Sense of Place from Hudson

The Arrivals & Departures Hall was designed to capture the vibrant New York spirit through architectural and design finishes inspired by New York's iconic neighborhoods, and a collection of public art installations commissioned for the terminal through a partnership with the Public Art Fund.

Hudson debuted two new localized travel convenience concepts: NYC Aglow by Hudson and Mad Ave Market by Hudson.

NYC Aglow is inspired by the New York City building skylines, and Mad Ave Market is inspired by the golden age of advertising in the 1920s. Featuring art-deco inspired designs, the concept creates nostalgia around one of New York's most iconic streets, Madison Avenue.

The new concepts are part of the new, seven year contract that Hudson has with LaGuardia Gateway Partners (LGP), the

private operator and developer of Terminal B, and are in alignment with LGP's and the Port Authority of New York and New Jersey's (PANYNYJ) redevelopment plans, says the company.

With the addition of these two new stores, Hudson now operates nine locations in Terminal B, including New York-based brands McNally Jackson and FAO Schwarz.

### NYC-style retail from Marshall Airport Group

Marshall Retail Group (which is owned by WHSmith) also debuted two NYC-style retail concepts in the new Terminal B Arrivals & Departures Hall in June: the 15,000-square-foot The Bowery Bay Shops and 5,000-square-foot The Dean.

The Bowery Bay Shops delivers a New York-centric shopping experience with locally-sourced artisan confections,

gourmet eats, cutting edge electronics, Made in Queens gifts, local and national beauty brands and more. Notable brands include Artists & Fleas, Brooklyn Roasting Company, Kate Spade New York, Magnolia Bakery, and Strand Book Store – a historic NYC institution carrying over 2.5 million used, new, and rare books. Rotating pop-up shops provide travelers with first-hand access to an extensive assortment of travel-specific products and services.

The Dean is a fashion-forward mens emporium featuring bespoke products and services designed with the business traveler in mind.

Marshall Retail Group says that it has designed The Dean to meet the specific needs of the modern LGA passenger. The Dean mixes ready-to-wear, luxury travel essentials, gifts and grooming services to create a relaxing atmosphere with featured brands ranging from Herschel, BOSS, Kiehl's, LaCoste, Mizzen + Main, Rhone,



*The Dean is a fashion-forward mens emporium from the Marshall Retail Group that carries a range of brands from Tumi luggage to grooming products from The Art of Shaving.*

Shinola, The Art of Shaving, to TUMI, Vince Camuto, and more.

Marshall Retail Group also operates The Scoop, a modern, one-stop convenience destination offering an eclectic mix of locally made products, snacks and travel essentials along with an engaging digital news media experience.

#### **L'Oréal's LGA Beauty Hub delivers best-in-class digital customer experience**

L'Oréal Travel Retail Americas, in partnership with Marshall Retail Group, has opened the Beauty Hub – New York, located inside The Bowery Bay Shops retail area in the airport.

Capitalizing on L'Oréal's diverse brand portfolio, the Beauty Hub – New York offers a curated selection of L'Oréal's global icons Lancôme, Armani, Yves Saint Laurent and Valentino to American powerhouses It Cosmetics and Urban Decay. It also features state-of-the-art digital experiences enabled by the latest beauty tech.

The unique traveler-centric concept blurs the line between physical and digital through an array of unique digital elements. Two large screens displaying travel relevant messages and Beauty content from L'Oréal's brands greet travelers as they approach the space. A transparent LED screen at the center invites travelers to personalize their products.

The center of the retail space features modular gondolas housing bestsellers curated by category: Skincare, Make-up, Fragrances and Airport Exclusive products. L'Oréal's ModiFace AI-powered virtual experience technology allows travelers to conveniently try-on make-up products and receive a tailor-made skin diagnostic, and a Grab and Go selection at the front of the store displays a selection of products for travelers with little time to shop.

#### **Phase one of Western Concourse now open**

LaGuardia Airport opened the first seven gates of the Western Concourse of the new Terminal B on August 5. When fully complete, it will be the home for American Airlines' LaGuardia operation.

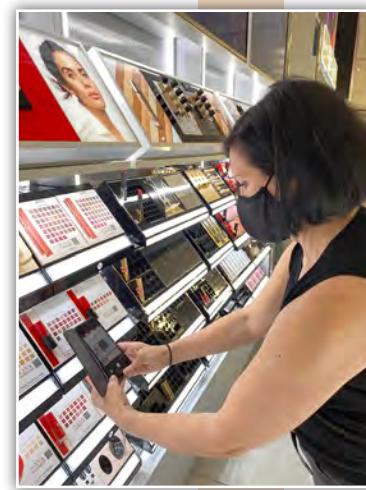
The new 218,000 sqf concourse will open in two phases. In this first phase, seven of 17 gates are open, along with the Gotham News newsstand and a portion of the concourse's park, featuring greenery and benches. The concourse features natural light and soaring, 55-foot-high ceilings.



#### **New safeguards in place**

The opening of the Arrivals & Departures Hall and Western Concourse comes in the midst of the COVID-19 pandemic. In response, Vantage has implemented a rigorous set of new protocols to enhance existing health and safety standards at each of its airports, including Terminal B, in partnership with the Port Authority.

To ensure the safety and well-being of passengers and employees, new measures include reduced person-to-person contact via plexiglass screens, use of electrostatic fogging equipment for sanitization, physical distance queue management, and increased cleaning and sanitization of all areas.



*The Bowery Bay Shops delivers a New York-centric shopping experience with locally sourced and national brands (top) including The Beauty Hub- New York, a new state-of-the-art digital customer experience from L'Oréal Travel Retail Americas.*



*The reopening of The Loop international store at YUL Montreal-Trudeau International Airport by Aer Rianta International this summer with all safety protocols in place.*

## ARI's Jackie McDonagh: "Treat every customer like gold"

Since Aer Rianta International reopened The Loop international store at YUL Montréal- Trudeau International Airport in July, passenger traffic has not picked up to the level that was expected. Fewer passengers means that sales are low, only a fraction of what they had been before the coronavirus pandemic brought global travel to a stand-still and closed the store in March.

But the passengers who are flying want to buy, and many of them are looking for luxury, reports Jackie McDonagh, General Manager, ARI North America.

While YUL Montreal is handling only 12-15 flights a night, mostly for expatriates and people with dual citizenship traveling to see family, McDonagh says that they are seeing much higher penetration rates than before and that the average spend is also up.

"The number of passengers coming into the store is significantly higher than what we were seeing before. Sometimes 100% of the people come in. And they are spending more money. Our average spend is up 20%. And we have people looking for more luxury: they are looking for more high-end fragrances, they are spending \$550 on a Montblanc. We had a \$1600 sale yesterday."

It is imperative to treat the customers that enter the stores as special, she says.

"Our job in the travel retail sector is to lead the way and treat every customer like gold. If people make the effort to come into our stores, it is up to us to give them what

they are looking for. We have to be more service-focused now than we've ever been. This is even more challenging because our staff wear masks. We want to greet passengers with a smile, but it is a lot more difficult when wearing a mask."

To get around the mask challenge, McDonagh tells her staff to be more verbal and use more questioning techniques to understand what the customer is looking for.

"We want every customer to leave our store satisfied," she says. "We need to make passengers feel valued, and on top of giving them what they are looking for and service, we also need to make them feel safe," she says.

The Loop has instituted several unique protocols to ensure passengers feel comfortable in the store.

ARI has staff demonstrating testers, for example, and using fragrance blotters to sample lipstick colors.

For sunglasses, a staff member will pick up the pair the passenger wants to see, clean them, let the passenger try them on, and then will clean them again.

"We are using a lot of precautionary measures and have really tried to adapt our ways," she says.

### New website goes live

In another positive development, The Loop's new website at YUL Montréal- Trudeau International Airport is now fully operational, reports McDonagh.

The website allows customers to pre-order products online before traveling. It offers a Click & Collect service through which passengers can buy online between 90 days and 12 hours before they depart. Passengers can pay online and select their collection point either before departing or when they return.

"The website is convenient and is also another option for passengers who may not want to enter the store," said McDonagh.

### Winter is coming!

With Montreal going back into lock-down in early October following a spike in coronavirus cases, McDonagh believes it is going to be a slow, drawn out recovery. It will be critical to keep a positive attitude, she says.

Concerned for the health and state of mind of her staff, McDonagh is looking for creative ways to keep them motivated.

"A bad winter is on the way and I imagine people are already a bit stir crazy after being in for the last six months. So we are having a virtual cocktail hour call for the team next week, and everybody who attends has to talk about three positive things that they are going to do to get 'winter ready.' We can share our ideas, and maybe by the time the call is over we will have five things to help get us through. A team call like this is very positive."

"And we will follow up with calls to see how everyone is getting on. We really are all in this together," she says.



*Island Jewellers in Grand Cayman features the John Hardy brand and was the number one retailer in the Caribbean for John Hardy jewelry by 2018.*

## **Island Companies seeking exceptional luxury partners for Cayman's unique high-end clientele**

Cayman Islands-based Island Companies Ltd. is on a crusade to show the luxury world the value of the destination's unique high net worth visitors. The sophisticated Caribbean island, known as a leading international financial center, hosts an enviable roster of both long-term tourists staying in such top-line 5-star hotels as The Ritz-Carlton, Grand Cayman with its \$4,000+ a night suites or the elegant Kimpton Seafire Resort + Spa, Kimpton's first property outside of the continental U.S.

While most tourism is currently on hiatus until the coronavirus pandemic passes, Cayman was on track to attract significant numbers of quality high net worth (HNW) individuals to live, work and invest, a trend island authorities expect to resurge once the island opens again. The Cayman Islands offer much more than just sun and sand, however.

According to a report by industry consultant Luxury Retail Partners, Cayman is ranked as the fifth largest international banking center, the second largest domicile for captive insurers and the largest domicile for investment funds. With a population of about 60,000 people, this British Overseas Territory is home to some 100,000 registered companies and more than 2,000 licensed professionals, accountants and lawyers, many of whom are expatriates with high-disposable incomes.

Island Companies Ltd., which is part of the Dart group that also owns the top-rated Ritz-Carlton and Kimpton Seafire, Camana Bay business and residential community and many other businesses across the island, is looking to connect the right luxury brands with this customer, according to Nick Jackson, General Manager of the duty and tax free retailer.

"Being part of Dart, we are looking

to grow our portfolio to ensure that our guests have the right luxury brand options on island, particularly through our Island Jewellers stores located in these key hotels and at the town centre of Camana Bay," explains Jackson.

When it comes to tourism, the Cayman Islands is a unique destination:

"We have top-notch hotel and leisure attractions, a newly-renovated airport with direct flights to London, New York, Dallas, Miami and many other North American destinations. We can boast of having the highest per-capita income in the Caribbean, not to mention that our Seven Mile Beach is considered one of the best in the region," he says.

Grand Cayman's hotel stats are equally impressive. According to the Luxury Retail Partners report, Cayman enjoyed the top hotel occupancy and highest hotel average daily rate (ADR)



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*Island Jewellers is looking to expand its luxury watch portfolio with carefully selected, innovative partnerships.*

in the Caribbean in 2019 –with average rates that were three and a half times that of the Dominican Republic and more than 25% higher than second place St. Lucia. Moreover, stay-over tourists represent 80% of the visitor arrivals and the average stay-over visitor spends almost six days on the island. Add to this the fact that pre-COVID, the Ritz Carlton in Cayman had the highest ADR among all the Ritz properties in the Caribbean, and a picture emerges of the luxury potential of Cayman's ultra-attractive clientele.

Several additional new ultra-luxury resorts are expected to open on Seven Mile Beach in the next few years, expanding the shopping base even further.

Between January and September of last year, the island welcomed a record 503,000 stay-over visitors, up more than 10% from the year before. Tourists spent some \$700 million while they were visiting the island during that time, increasing more than 8%.

Island Companies sees a lot of retail potential from these stayover tourists and residents with the presence of the right high-end brands, coupled with first-class customer service.

Island Companies currently operates 13 retail locations spread across Cayman (including the locations now temporarily closed due to the pandemic): Island Jewellers, De Sunglass Man, Churchill's

Cigars, a Pandora franchise, a Swarovski store, Seafire Supply Co. (resort wear/sunglass/etc.) and La Boutique in the Ritz Carlton.

Island Companies' first store opened on the island more than 40 years ago, and Dart took full ownership of the retail group in 2014. The company has been fine-tuning its merchandise assortments and properties for the past few years to better align with the changing demographics of the Cayman market, says Jackson.

"Island Companies is about growth in line with Dart's philosophy. We are here as a long-term partner in Grand Cayman, we are not a fly by night company," explains Jackson. "We are not looking to acquire



*Island Jewellers has five locations in Grand Cayman, including in Camana Bay, Island Plaza and The Ritz-Carlton.*



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10 brands tomorrow. We are looking for the right partner, and the right partner is a brand or two with whom we mutually can connect to the customer, and connect from a luxury standpoint."

Currently, Island Companies' watch flagship is Hublot, which was added to the portfolio about 18 months ago.

"We had fantastic results with Hublot in FY 2019. This is a brand that has done exceptionally well for us. In jewelry, we have a large generic selection, and recognized brands like John Hardy. We were the number one retailer in the Caribbean for John Hardy by 2018.

"From a brand perspective, we are looking at how to grow in a measured way, improve our outreach and make our core base better. The idea is not to grow everywhere but to take that measured step. And when we do partner with a brand, we partner well. We make them #1.

"We do not want to have a portfolio of 20 watch brands. We would rather be very strong in a handful of luxury brands. By focusing on a few brands, we can make sure they have the right space, the correct assortment, and that our staff is well-versed on the brand and delivering the best service."

#### Data driven models

Diego Stecchi, managing partner at Luxury Retail Partners, is consulting on the market development with Island Companies. He notes that the retailer is looking to focus on a select number of successful and innovative brands.

"We are concentrating on the consumer, researching to understand what the consumer wants, and then finding the right combination, the right mix of brands, that matches with the consumer's need. The good thing is that Island Companies knows the consumer and the market. Using data from the hotels, the tourism associations and



*Island Companies operates the Seafire Supply Co. at Kimpton Seafire Resort + Spa, which also carries resort wear and sunglasses and other luxury accessories.*

cruise companies, they have been able to identify clearly what this luxury consumer desires. We know what the High Net Worth Individual and the Ultra High Net Worth Individual coming into Cayman is looking for," said Stecchi.

Adds Jackson: "We are partnering with Diego and his team to look at the international metrics of the tourism throughout the Caribbean, using extensive research. We have essentially worked backwards starting with the customer to us as opposed to us to the customer. We look at what our stores offer through the eyes of the guests, including such metrics as spending patterns, preferences, etc.

"This is especially important now. The traditional approach is changing all over the world. Island Companies is very open to look at fresh ideas with innovative concepts in order to create an environment that best connects with this consumer. It is about the brands and what the consumer likes in this HNW environment," says Stecchi.

The shopping must be special and reflect the ambiance of the destination, he says.

"We cannot just replicate Madison Avenue in the Cayman Islands. We have to find a way to reach out to the tourist

coming over to relax for vacation. The mix of brands that Island Companies presents for this customer might also be different than what other locations in the Caribbean, such as St. Bart or the Bahamas, are offering. It is important to find out from our research that in Cayman it is not necessarily best to open a huge Madison Avenue-like store, but to work with the brands to project the brand's identity in the market," he notes.

"Brands want to connect with the customer. The Island Companies team is working with its brands to create the best way to connect with the customer. Wherever feasible, we want to create a unique environment that goes beyond a shopping mall or retail store, one that appeals to our special customer base," says Stecchi.

Jackson concludes: "We want brands to realize that we have access to their luxury customer. We have retail opportunities throughout the island and can connect them to the Ritz-Carlton customer, the Kimpton customer, and the luxury condo customers. And of course, it should not be lost the way that the Ritz-Carlton can elevate or work alongside a brand."



*The Grand Port de Martinique was a finalist in Seatrade's 2018 Port of the Year Award.*

## Martinique enhances its cruise and airport offer as it prepares for cruising to return

The French Caribbean island of Martinique, which is participating in the SeaTrade Global Virtual event that begins on Oct. 5, has heavily invested to improve, expand and upgrade its cruise facilities over the past decade, reports The Martinique Tourism Authority.

The “Grand Port” in the capital of Fort-de-France – which was a finalist in Seatrade’s 2018 Port of the Year Award --features a state-of-the-art passenger cruise terminal at Pointe-Simon Cruise Terminal and an upgraded and expanded facility at the nearby Les Tourelles.

The Pointe Simon Cruise Terminal in Fort-de-France is now the island’s most frequented cruise facility. It is attached to a promenade, Le Malecon, along the seaside that leads directly into the heart of the capital city. The inauguration of the Plaza shopping center has also enhanced the appeal of this terminal, says Karine Mousseau, Martinique Tourism Commissioner.

The Tourelles Cruise Terminal in Fort-de-France has added additional security lines and a new VIP room for larger home ported vessels.

“Cruise tourism has become an important segment of our tourism product,”

said Jean-Rémy Villageois, CEO of the Martinique Port Authority. Martinique, like many other attendees of the virtual event which is replacing the global event canceled in April due to the coronavirus, is joining with other stakeholders in discussions on how to safely bring cruise ships back to the Caribbean.

The Martinique Tourism Authority reports that Martinique welcomed 360,761 passengers in the 2019/2020 season—21% of whom were American via 174 port calls.

In addition to the Ports of Martinique, the island offers unique anchorages for luxury/boutique vessels at Anses d’Arlet, Le Marin, St. Pierre and Trois-Ilets.

“We have developed and improved accessibility, modern amenities and resources for passengers to offer them a safe and memorable experience,” said Commissioner Mousseau.

### Airport provides homeporting connectivity

Martinique is also looking to expand its home-porting offer. The Aimé Césaire International Airport, which reopened in March for specially authorized flights and in May for commercial flights between the island and mainland France, is also part of

Martinique’s expanded homeporting role.

The airport is ensuring that all socially distant measures and protocols are being met. And to grow its role in homeporting, the SAMAC—the airport’s authority—has also embarked on major improvements that will be ready in 2022. The projects include a new short-haul terminal, three additional security check-points and an enlarged boarding area. The airport will also welcome in 2022 a new 100+ room hotel—an added convenience and option for arriving and departing cruise passengers, a convention center with offices and nearby restaurants and boutiques.

In agreement with the cruise companies, the national health authorities have established a reinforced health security system for each disembarking passenger in collaboration with the Grand Port of Martinique, to ensure the protection of both cruise passengers and local population.

Martinique’s stakeholders are already implementing sanitary protocols for its stay-over visitors and its local population. European and Caribbean guidelines and protocols will be followed upon resumption of the cruise season.



## SeaTrade goes virtual for 2020 and focuses on health, safety, sustainability and optimism

One of the biggest items of news that came out of the 2020 SeaTrade Cruise Virtual Experience that began on Oct. 5, was the announcement by Cruise Lines International Association President and CEO Kelly Craighead that all of the organization's members worldwide had agreed to 100% testing of passengers and crew for COVID-19 prior to embarkation. CLIA members account for 95% of global cruise capacity.

Speaking at her introduction of the annual State of the Industry conference on Oct. 6, Craighead said that the commitment applies to all ships with a capacity of at least 250 people and are subject to the U.S. no-sail order still in effect from the Centers for Disease Control and Prevention.

At the end of September CLIA had announced a set of far-reaching mandatory health protocols as part of a phased in, highly controlled resumption of cruise operations in the Americas. Craighead's SeaTrade announcement expanded the protocols, which also called for mandatory mask-wearing by all passengers and crew aboard ship and during shore excursions, whenever physical distancing cannot

be maintained; physical distancing in terminals, on board ships, on private islands and during excursions; and air management and ventilation strategies, among others.

"Testing is an important initial step in our multi-layered approach to assure the health and safety of passengers," she said. CLIA is also continuing its focus on sustainability. Craighead noted that the industry is investing \$23.5 billion in new ship technology and will be introducing 25 LNG-powered ships.

Last year the cruise industry's global output was \$150 billion contributing to local economies around the world, but the industry went to zero passengers and zero sailings almost overnight when the pandemic hit. While there are no simple answers, Craighead says that the resumption of limited sailings in Europe is giving cruise lines confidence for recovery.

She then enumerated five core strengths that the industry already encompasses that will direct recovery and restore confidence in the future:

1. The cruise industry is regulated and dedicated to upholding the laws and

processes that direct it. The industry is also an advocate to helping develop these rules and implement them.

2. The cruise industry is firmly focused on achieving real environmental benefits and making enormous investments in environmental advances.

3. The industry has extraordinary people with crew that are dedicated and highly trained, capable. They are the face of the industry and the source of the hospitality that makes cruising such an exceptional experience.

4. Cruising has passionate and dedicated customers; legions of devoted cruise fans who support the industry around the world give it confidence in the long term future. They are also a genuine part of the cruise experience.

5. The cruise industry puts people first in everything it does. People are the first priority in health and safety, the first priority in training, first priority in achieving social and economic benefits for communities around the world. This is the reason cruising can deliver an extraordinary and unforgettable experience, she said.

Craighead's optimism was carried

over into the ‘State of the Global Cruise Industry’ keynote discussion by the cruise industry’s leaders—Carnival Corp.’s President/CEO Arnold Donald, Royal Caribbean Group’s chairman and CEO Richard Fain, Norwegian Cruise Line Holdings President and CEO Frank Del Rio, and MSC Cruises Chairman Pierfrancesco Vago.

In addition to their commitment to universal testing, all four praised the success of the slow, gradual resumption of cruising in Europe, and stressed the science-based protocols emerging from the recommendations of the Healthy Sail Panel.

The Healthy Sail Panel, a joint partnership between Royal Caribbean and Norwegian Cruise Line, was a 65-page report including 74 detailed best practices that was put together by experts in medical practice and research, public health, infectious diseases, biosecurity, hospitality, and maritime operations, as a way to protect the public health and safety of guests, crew, and the communities.

The recommendations were submitted to the CDC to show the agency how the industry can safely resume cruising.

RCL’s Fain pointed out that the cruise industry is the only industry of any kind to stand behind 100% testing of all passengers and crew.

The cruise leaders also pointed out that a cruise ship is one of the few places where one can fully control the environment.

A ship can be a “safe cocoon” said MSC’s Vago, who warned that vaccines will not be “magic.”

Agreeing that despite all precautions it would still be possible for some passengers to fall ill, the cruise executives said it will be possible to isolate and care for anyone who’s sick. They all revealed plans have been made with destinations to treat stricken passengers.

All four also emphasized that they are working together to return to service: “there is no competition when it comes to health and safety,” said Fain, a policy echoed by all.

The executives also pointed out that cruise is the only industry that has to report illness on board, so that the perception of risk is somewhat distorted, especially after the high-profile outbreaks at the start of the pandemic. The confusing mix of messages and requirements from destinations at the beginning of the crisis was also hugely detrimental. Transparency and information will be critical to overcoming negative perceptions, they say.

“We took the time to study the science

and have learned so much since then,” said Fain.

### Resuming service

Keynote moderator Anne Kalosh, the respected editor of *Seatrade Cruise News*, tried to pin the panel down on when they expected to resume sailing, calling on them to rate on a scale of 1 to 5 whether it would be by the end of this year.

With the CDC’s no-sail order still in effect through the end of this month at least, Del Rio said that it would take at least 60 days to get a ship back into service, especially since they have not been sailing for the last six months.

While no one would commit to a number on Kalosh’s scale, all of the executives agreed they were optimistic that cruises would sail again by the end of the year. Strong bookings for next year were also encouraging for long-term recovery.

“We will not cruise until we are sure it is safe,” said Del Rio.

“We must be sure of the safety of our destinations, as well,” added Fain.

“We will be back stronger than ever,” added Vago.

Carnival’s Donald noted that the industry had been growing strongly before COVID and he is confident that growth will return.

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**SESSION:**

**State of the Global Cruise Industry Keynote:  
Perspectives on Cruising in the COVID-19 Era**

**Moderator**

**ANNE KALOSH**  
Editor, *Seatrade Cruise News*

**FRANK DEL RIO**  
President & CEO  
Norwegian Cruise Line Holdings

**ARNOLD DONALD**  
President & CEO  
Carnival Corporation & Plc

**RICHARD FAIN**  
Chairman & CEO  
Royal Caribbean Group

**PIERFRANCESCO VAGO**  
Executive Chairman  
MSC Cruises

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Buenos Aires Ezeiza International Airport in Argentina prepares to open by establishing stringent health and safety protocols and undergoing in-depth sanitizing.

## Latin America sees first hints of recovery from COVID-19 shut downs

The COVID-19 pandemic arrived in Latin America at the end of February this year. Initially, cases were few and far between and the speedy introduction of lockdowns and border closings by most governments helped control the spread of the virus.

But in the second quarter of the year Brazil swiftly became one of the worst affected countries in the world; and as of the end of September, six of the top-12 most impacted countries in the world (Brazil, Colombia, Peru, Chile, Argentina and Ecuador) are in South America. More than 8 million cases have been diagnosed in the continent and more than 250,000 deaths. Not surprisingly, the pandemic has severely damaged the economies of all Latin American countries with no clear indication on what lies ahead.

A strong Brazilian economy is essential for the health of the whole travel retail business not only in Brazil but throughout the continent. With consumer spending and business investment reduced to the minimum, COVID-19 ensured that the Brazilian economy shrank in the second quarter. Economists are predicting a 6% contraction for the full year; but suggesting that the economy could grow by 3.6% in 2021. The next three months will determine the accuracy of these predictions.

Meanwhile, the Brazilian Real has slipped to 5.6 to the USD, but constant variations in value from 5.3 to 5.9 has further depressed duty free spending, especially in border stores.

### Argentina: health and financial woes

Argentina narrowly avoided an overseas debt default in the second quarter of 2020, after the government was able to secure a last-minute agreement with international bondholders. Experts expect the economy to shrink between 11 and 12% this year as the pandemic bites on top of an already depressed economy. They are predicting a 5% expansion in 2021, however.

The Argentine Peso has been remarkably stable at around 76/78 to the U.S. Dollar, but the black-market dollar has drifted close to 140, as the government tries to prevent Argentine residents and companies from gaining access to the official FX market; foreign reserves continue to be scarce, pushing black-market demand higher. However, as the Argentine government continues to postpone measures to reactivate the economy, some observers believe that next year's recovery will be weaker than predicted.

The travel retail business throughout the continent was devastated as soon as airlines stopped flying and airports closed down when governments sought to impede the spread of the virus. Land borders were also shut and duty free shops and low tax shops in Brazil, Argentina, Uruguay and Paraguay were forced to close. Some stores have reopened in Brazil and Uruguay but with reduced hours and few customers; shoppers are almost exclusively from sister towns just across the border.

Ferry trips were also cancelled -- very limited service linking Buenos Aires and

Montevideo was restarted only a few weeks ago. Bernabel Trading has reported higher than normal average sales tickets but admits to lower passenger numbers.

### International air service restarts

Is there light at the end of the tunnel? A positive sign is that in just under a month Sao Paulo – Guarulhos has established a solid program of international flights to Europe and North America and in October regional destinations to Panama, Peru, Colombia and Chile will be added. Although there is no official confirmation, Buenos Aires Ezeiza will increase operations from the current limited number of special flights to a reduced scheduled service with Madrid, Paris and London as the lead destinations in Europe and Miami in North America. Santiago de Chile restarted international flights in September and the program is expected to increase from now until the end of the year. Peru and Colombia have also confirmed that international services will recommence in October.

It would seem that with domestic flying increasing in most countries (Argentina has still to make a decision), the fourth quarter will see a substantial recovery in airport passenger numbers. Travel retail operators will see a benefit but in many cases of reduced salaries and almost nonexistent savings, it is hard to predict the amount of disposable income that will be allocated by travelers to retail stores in airports, ferries and on the borders.

There are still too many variables that



  
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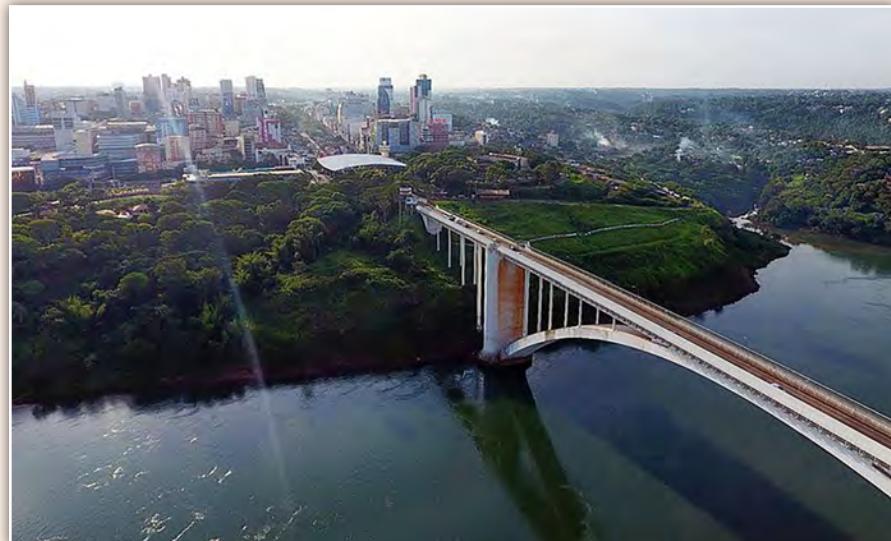


*The management of Ezeiza International Airport are set to reopen under the new health and safety protocols.*

are unclear. Will there be a Southern Hemisphere high summer season this year? Will there be sustainable demand for air travel? Will low-cost airlines play a part in the recovery? Norwegian Argentina has closed, FlyBondi has financial problems and only JetSmart and Azul look to be in a position to offer an attractive program to travelers. Latam Argentina will not operate and it is still unclear how the other constituent parts of the Latam Group will perform.

Clearly, there are signs that things will improve but maybe more slowly than we all desire.

*John Gallagher*



## Friendship Bridge reopening will spur border shopping

The Friendship Bridge that links Ciudad del Este in Paraguay and the Brazilian town of Foz de Iguazu is to reopen by October 15, following a telephone conversation between Brazilian President Jair Bolsonaro and his Paraguayan counterpart Mario Abdo. The bridge has been closed for six months to all traffic, both tourists and workers, although it has been opened on several occasions to permit the repatriation of Paraguayan residents.

The Paraguayan authorities had announced the opening at the end of September but the Brazilian government

demanded that clear sanitary protocols be in place prior to lifting the closure. These protocols are now being agreed to by health officials from both towns. Although there is almost no tourism at present, Brazilian shoppers are expected to restart shopping immediately. More than 5,000 shop employees who work in Ciudad del Este live in Foz de Iguazu.

At the moment the Argentine border on the Triple Frontier remains closed and no opening date has been announced for London Supply's 10,000 sqm store in Puerto Iguazu. *TMI* understands that the

company has a series of sanitary protocols in place but the Argentine government must still confirm concrete reopening plans for the Immigration Post at the land border, which would allow London Supply to restart operations.

In related news, a spokesperson for Shopping China, Paraguay's largest border retailer, told *TMI* that their flagship store in Pedro Juan Caballero will reopen on October 5th.

Their store in Ciudad del Este will also reopen in the second week of October.

*JG*

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# New border shops open in Brazil despite slowdown

Border store openings in Brazil slowed down towards the end of 2019 when the Brazilian economy stagnated and did not advance in line with expectations. The pandemic clearly made the situation much worse for all operators and business was non-existent during the second quarter of this year. As of the beginning of the third quarter, some of the stores in Jaguaraõ, Foz de Iguazu and Uruguaiana in Brazil reopened, albeit with reduced hours and sanitary protocols in place.

At least three new stores are in the process of opening or have opened recently.

## Central Duty Free

Central Duty Free owner, Thiago Salman confirmed to *TMI* that he has recently opened a second location in Uruguaiana, sister town to Paso de los Libres in Argentina. The 1,200 sqm store will offer local residents and travelers a full selection of duty free merchandise. The traditional travel retail categories will be accompanied by a specially selected range of merchandise for the Brazilian border shop consumer such as small electrical products and houseware. Central had opened a small, 200 sqm shop last year.

## BAH Duty Free

Local businessman Paulo Roberto Pavin also confirmed the opening of a new 2,000 sqm store in the center of



*The beautiful 2,000 sqm BAH Free Shop has opened in the Brazilian town of Uruguaiana with an impressive array of traditional and non-traditional duty free merchandise.*

Uruguaiana. "The BAH Duty Free store is now operating and looking after the duty free shopping requirements of local residents. Once the pandemic situation permits, we will be really pleased to assist Argentine travelers and people from other parts of Brazil with their shopping needs," Pavin told *TMI*.

"In addition to traditional duty free categories we have added a number of categories that the border duty free shopper looks for. We have a wide range of small electro domestic appliances and a large selection of kitchenware and bedding."

## Cell Shop

Paraguayan retailer Jorbel Griebeler, the owner of Cell Shop Importados in Ciudad del Este, also confirmed that his group of companies would open a 2,000 sqm store in Foz de Iguazu in Brazil in December. The new store will be located in the Catuai Palladium Shopping Mall in the center of Foz de Iguazu and will be the biggest duty free store in the town.

The Cell Shop Group has grown in the last 15 years from a small store selling cellular telephones to a

full-service duty free store in the center of Ciudad del Este. The expansion into Brazil adds a new dimension to the company.

## DFA

A spokesman for DFA told *TMI* that their Uruguaiana shop will open for business during the second week in October and that they have everything on schedule to open their new store in Foz de Iguazu before the end of the year.

## Dufry & others

Dufry had officially opened its first Brazil duty free border shop back in August 2019 with a retail space of 850 sqm in Uruguaiana.

In addition, Emporio Duty Free, owned by JR Correa & Cia and situated in Barra do Quarai (sister town of Bella Union in Uruguay) and New York Comercio Importacao-Exportacao, located in Uruguaiana, opened shops last year, as did the Caraballat Free Shop in Jaguaraõ. And, despite COVID-19 restrictions in place, Sky Duty Free officially opened the first duty free shop in the Brazilian border town of Foz de Iguaçú this past May, with a 650 sqm store. *JG*



*Central Duty Free has opened its second location in Uruguaiana, a 1,200 sqm store that will also feature a specially selected range for the Brazilian border consumer.*

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# #TimeToEndBreastCancer, Estée Lauder's 2020 Breast Cancer Campaign is more than a Ribbon

The Estée Lauder Companies Breast Cancer Campaign's creative for 2020 features a single, bold Pink Ribbon—the globally recognized symbol for breast cancer.

This year the company says that it represents much more than a ribbon-- it is a symbol that unites.

Every 15 seconds, somewhere in the world, a woman is diagnosed with breast cancer—and that is far too many. The Campaign says that we are united in hope around the shared goal: it's #TimeToEndBreastCancer.

The message is more true now than ever. As a result of the coronavirus pandemic, all of those impacted by the disease, especially the breast cancer community, face more risk and vulnerability. It is crucial to support one another as well as medical research, all of those currently living with breast cancer, vulnerable groups who may face a disparity in access to healthcare, and the doctors, nurses and caretakers on the front lines. The mission is to create a breast cancer-free world.

The Estée Lauder Companies has been a leader in the global breast cancer movement since Evelyn H. Lauder co-created the Pink Ribbon and started The Campaign in 1992.

The Campaign has raised more than \$89 million globally for lifesaving research, education, and medical services. Of this, more than \$73 million is funding 293 medical research grants through the Breast Cancer Research Foundation, the highest-rated nonprofit breast cancer organization in the U.S. founded by Evelyn H. Lauder in 1993.

This year The Campaign will take the following actions to unite people virtually around the globe through digital events. It will launch a new social media call to action to raise funds for BCRF, asking people to show their Pink Ribbon and share what it means by using the



hashtags #TimeToEndBreastCancer and #ELCdonates. For every public, in-feed Instagram or Facebook post during the month of October featuring both hashtags together, @estee lauder companies will donate \$25 to @bcrcure up to \$100,000—because it's always been more than a ribbon.

The Campaign will also illuminate buildings, monuments and landmarks worldwide in glowing pink lights to raise awareness of breast health, including the Empire State Building in New York City and the Eiffel Tower in Paris; mobilize employees worldwide to unite in action to support more than 60 breast cancer organizations around the world; produce and distribute informative materials and pink ribbons worldwide and drive donations to BCRF through ELCCompanies.com/BreastCancerCampaign.

The Campaign continues to positively impact the global community beyond funding medical research around the world. It highlights the importance of education and early detection through discussions with medical experts and informative materials. It supports building and expanding care centers to treat breast cancer patients. It funds medical resources including mammograms and screenings. It supports people with breast cancer and their families through therapy and counselling programs.

In the U.S., breast cancer mortality rates have decreased by 40% among women since the late 1980s, and today, there are more than 3.8 million breast cancer survivors.

This year, 20 of The Estée Lauder Companies' brands will support The Campaign's mission: AERIN, Aveda, BECCA, Bobbi Brown, Bumble and bumble, Clinique, Darphin, DKNY, Donna Karan, Dr. Jart+, Estée Lauder, GLAMGLOW, Jo Malone London, La Mer, Lab Series, Origins, Prescriptives, RODIN oléo lusso, Smashbox, and Tom Ford Beauty. Each will sell Pink Ribbon Products or make donations to BCRF and/or other charitable organizations around the world.

William P. Lauder, Executive Chairman of The Estée Lauder Companies Inc., affirms The Campaign's mission and honors the legacy of his late mother stating, "Today, I am more proud than ever of the positive impact we have made in the breast cancer community and against the disease. Our dedication remains unwavering, uniting our global community in action, to bring us closer to a cure."

"Our mission to create a breast cancer-free world was the vision of my mother, Evelyn H. Lauder, who started The Breast Cancer Campaign and co-created the Pink Ribbon in 1992, bringing a global level of awareness to the disease through our employees, consumers and partners. Citizenship and sustainability have always been part of The Estée Lauder Companies' values and The Breast Cancer Campaign represents the best of who we are as a company. Today, I am more proud than ever of the positive impact we have made in the breast cancer community and against the disease."

"Our dedication remains unwavering, uniting our global community in action, to bring us closer to a cure. Together, The Campaign will continue to raise funds, educate, support, and make a real impact to bring us closer to our mission."

To learn more about The Estée Lauder Companies' Breast Cancer Campaign, visit ELCCompanies.com/BreastCancerCampaign.

ESTÉE LAUDER COMPANIES  
BREAST CANCER CAMPAIGN



It's more than a ribbon.  
It unites us.

Our global community supports research,  
education and medical services.

See our impact:  
[ELCompanies.com/BreastCancerCampaign](http://ELCompanies.com/BreastCancerCampaign)  
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LIVE EN INSTAGRAM

**María Alvarez**  
Senior International Trainer  
Rituals

**Deisy Barría**  
Experta en Cosmetología  
y Maquillaje

*Essence Corp partners with clients across the region to invite local consumers following their retailer's social media platforms to learn about its brands. Shown here, recent invites to Instagram Live sessions in Panama and Chile.*

## Essence Corp stays connected with the latest social media tools

Duty free stores may be closed and travel halted but Miami-based distribution company Essence Corp is more connected than ever to its customers, its brands, its Beauty Advisors and even consumers.

The renowned beauty company that represents such brands as Versace, Rituals, Hermès, the whole Interparfums portfolio, and many other global marques, has ramped up its digital communications using all the latest tools and techniques that social media has to offer.

Under the expert direction of María Ninfa Alvarez, Essence Corp's Sr. International Trainer – TR Americas, the company has been conducting a stream of highly effective communications that run the gamut from trainings to Master Beauty classes.

"We are making a great effort to keep being connected, digitally present and of course, keep our brands more relevant than ever," Alvarez tells *TMI*.

Although Essence Corp's virtual communications have taken a giant leap forward during the current coronavirus pandemic, the company has been using digital tools to stay connected long before the current crisis, says Gabi Medeiros Humbles, Essence Corp's Executive

Director of Marketing.

"For Essence Corp, it has always been very important to be present in digital. It's even more important to stay connected to our clients, beauty advisors and customers since traveling has been affected. Digital communication has been our best ally to have them engaged with our brands and to keep the same dynamic as always. Virtual trainings and Instagram Lives have been our best assets and it can only get our communication and close brand relationships stronger," explains Humbles.

"Essence Corp has always been using digital but now we are focusing on it more," explains Alvarez. "Our aim has always been to be connected, connected to our clients, connected to our BAs, connected to the people who love our brands and want to know more about them."

"We wanted to develop the way we were connecting with these people. We have been doing Zoom trainings that focused more on the sales people, on the team, or for the client's teams, like marketing and administration, etc. But the idea is to connect even more with our retailers' clients. And this is very spontaneous. Many people are spending a lot of time at home because of lockdowns.

So we are going with these platforms – like Instagram Lives – that are very good tools and people really like the way they can respond interactively. They can ask questions, they can comment, they can tell you what they like the most about the brand. Some people who did not know the brand, fall in love with it after participating in one of our sessions."

Operators such as London Supply in Argentina, UltraFemme in Mexico, Motta Attenza in Panama or distributor Fontaine in Canada invite customers through their own social media platforms. The invitees are followers of these accounts.

Instagram use has surged since the lockdowns, says Alvarez. "Like all of our client companies, I have increased the number of my followers on Instagram significantly since the lockdown. People are spending much more time looking at these platforms. The stores are closed so in some cases, Instagram is the only way the retailers can stay in touch with their customers."

Some operators are able to promote and sell online. But even those not able to sell online want to keep communicating about their brands and stay in contact with their end users, says Alvarez.

Alvarez further enhances these live to the consumer virtual events by inviting special guests and popular influencers to join her.

"These guests make everything more fun," says Alvarez. "The influencer gets products and she shares her experience with the brand, telling me what she especially liked, and why. I give the technical details, but my influencer guest communicates her experience. She talks to me like we are having a conversation."

In one recent session held for BardeBelleza in Mexico (local market), Alvarez spoke with popular TV anchorwoman and influencer Daniela Baeza about the world of Versace fragrances, discussing the fragrances and replying in real time to comments and questions from listeners. Other sessions

have taken place for UltraFemme with an influencer in Cancun talking about Rituals, and for Eximben (Vicencio Perfumerias) speaking about Rituals with a Chilean influencer.

A special guest is more likely to be from the brand, as was the case for two Montblanc Instagram Live sessions Alvarez held with Attenza and DFA in Panama. Her guest was Pierre Yves Bianche, LATAM Supervisor for brand owner Interparfums. "My guest represented the house that makes the fragrance. We both spoke to the audience."

These sessions are a service that Essence is providing for its clients, despite not being able to travel, says Alvarez. They are in addition to more traditional trainings for the sales forces that cover all the brands, which are also taking place on Zoom.

Coming in November, Essence Corp will begin conducting two Master Classes in Mexico and Panama local markets on Zoom, designed for the end users.

Essence has created these specific programs to stay in contact with its customers and clients on all levels.

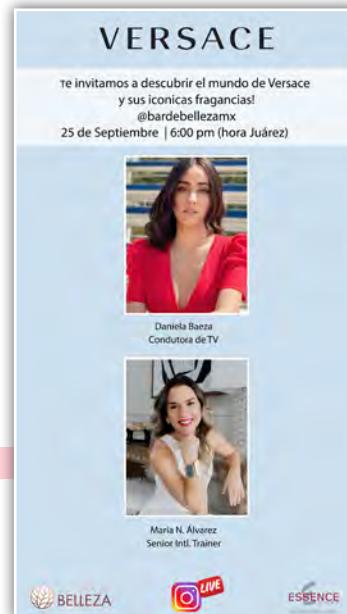
"Now more than ever this is our main focus. To be connected with our Beauty Advisors, with our clients, and even with our client's end users.

"We have taken the challenge very seriously to go farther in communication using social media. Just because we cannot travel does not mean we will forget about being connected. It is very important for this to be fun and dynamic and absolutely engaging. It is a program we will be continuing," notes Alvarez.

*Lois Pasternak*



*Using influencers and special guests help keep the sessions fun and interesting and the interactive platforms encourage engagement -- and impressive results.*



# Nestlé offers consumer-driven innovation in response to COVID challenges

Nestlé International Travel Retail (NITR) remains committed to the confectionery category in travel retail and continues to invest in measures to drive industry growth despite the challenges posed by the COVID-19 pandemic and its impact on travel.

In an online media briefing in early September, NITR general manager Stewart Dryburgh and Marketing Manager Tamara Spada said the company maintains its faith in the sector's resilience and ability to recover and previewed several product innovations that will help drive its recovery.

As part of the world's largest food and beverage company, Nestlé has weathered the COVID-19 storm better than many other companies. "People need to eat. And we are very fortunate to be part of a company that helps feed the world," said NITR general manager Stewart Dryburgh.

"But no business unit within Nestlé has been as badly hit as ours," warned Dryburgh. On the plus side, as of last year, NITR has been expanding its portfolio on food in the broader sense and as well as opening new channels beyond the airport.

"We increased our focus on duty free zones and border stores, diplomatic and military, areas where we felt we were underdeveloped. A lot of products sold in these channels are the day-to-day food category business rather than the impulse buying of confectionery you see in airports. This has really offset some of the worst that has happened this year," he noted.



"But Nestlé believes in this industry. Nestlé believes in this channel. We have been successful for 154 years because we stick it out," he said.

"Our industry has always shown itself to be resilient over the long-term. Identifying the correct growth drivers to meet the needs of the post-COVID 19 traveling consumer are critical to moving forward and our innovations for 2021 reflect this – notably the economic effect that COVID-19 is having on disposable incomes."

As it has for the past few years, NITR bases consumer engagement on the four-pillar brand-building model of SOUL – Story, Occasion, Unique and Local. In the current environment, NITR will be focusing on its best-selling SKUs with an eye towards differentiation from the domestic portfolio, explained NITR Marketing Manager Tamara Spada.

## KITKAT to drive recovery

KITKAT, which has been delivering consistent growth ahead of the market, is NITR's key strategic brand to drive recovery in 2021. This accelerated growth has been primarily driven by KITKAT's premium offering, KITKAT Senses, says Spada.

For 2021, Nestlé is extending the line with a lower-priced travel retail exclusive – KITKAT Senses Tablets --with a suggested retail price of under five euros. The new tablets are available in three flavors: Caramel Crisp, Cookie Crumble and Hazelnut Crunch, and will launch on March 1, 2021.

"KITKAT Senses Tablets create a complete brand portfolio with products available to suit any occasion within the Elevated Experience and Deeper Connections need-states," explains Dryburgh.

Nestlé will bring the KITKAT portfolio to life in 2021 with its V.I.B Lounge concept initially introduced to retailers at TFWA World Exhibition last year and implemented highly successfully for Chinese New Year during January 2020 at Singapore Changi Airport Terminal 2 in partnership with Lagardère Travel Retail.

## Sustainability: SMARTIES moves to paper packaging



Nestlé continues its sustainability program for its SMARTIES brand by removing all single use plastic packaging and moving to paper across all formats.

This year, Nestlé relaunched the SMARTIES Travel Retail Exclusive Music Creator with a new carton box and digital content.

In the year to come, the brand will change its full core confectionery range to recyclable paper packaging, including replacing the plastic lid on the SMARTIES Giant Tube with a cardboard closing, as well as replacing the plastic Topper figures with paper stickers; and converting the tube shape to a hexatub with a paper sticker. The plastic SMARTIES bags and pouches will be replaced with sturdy paper.

"This move is a great example of Nestlé taking the lead in sustainability," continues Dryburgh. "We were the first confectionery brand to use 100% sustainable cocoa for KITKAT. Now with SMARTIES we are the first children's global confectionery brand to move to paper across all formats."

NITR will also be starting the roll out of recyclable packaging for all its travel retail Nestlé Mixes & Quality Street pouch and sharing bags during 2021. Nestlé aims to have 100% of its packaging recyclable or reusable by 2025.

## NESTLÉ SWISS: A travel retail exclusive success story

NESTLÉ SWISS, Nestle's successful travel retail exclusive tablet with visible ingredients launched in 2019 with three flavors, is relaunched in a new "more self-indulgent size" of 170g. The three original flavors are joined by NESTLÉ SWISS Dark Blueberry 170g.



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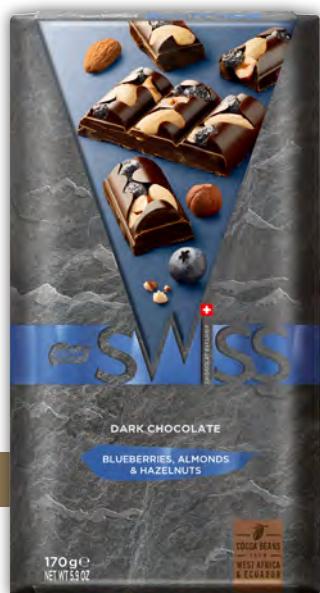
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A DIVISION OF **Lantic**



The new addition to the collection combines dark Swiss chocolate with blueberry, almonds and hazelnuts, which received highly favorable feedback in Cannes last year.

The NESTLÉ SWISS portfolio will be supported in global travel retail with strong merchandising and POS displays that promote the Swiss lifestyle concept.

#### Refresh for After Eight

Nestlé has launched a London-themed travel retail exclusive design for its After Eight chocolate mints. The 400g box highlights the UK origins of the brand with a London skyline design.

Offering all year-round gifting, After Eight 400g is launching four new new limited edition flavors for 2021: Strawberry, Dark, Irish Coffee and Orange.

"The luxury allure and sense of heritage around the After Eight brand is undeniable and we look forward to rolling out these new indulgent flavors in 2021," says Dryburgh. "They are sure to appeal to traveling gift buyers who want an impressive gift item from a brand that they know, trust and love."



#### Going beyond confection to coffee and infant products

One of the more exciting innovations for NITR is the introduction of opportunities from across the group's portfolio, such as the launch of Nescafé Gold into travel retail for 2021. Since its introduction in 1938 Nescafé has grown to become a global icon, making it a natural for traveling consumers, says Dryburgh. The Nescafé offer will include product for premium, standard and value buying levels.

"We have gone to great lengths to ensure that our 2021 Innovations are relevant across all category growth drivers, taking into account the changing pattern of travel," he said.

Nescafé has achieved phenomenal year-on-year growth in travel retail since it was first launched in 2016, and experienced a +120% sales increase between 2018 and 2019, said Spada. "We see great need for the product in this channel."

NITR is launching its iconic Nescafé Gold in airports where the brand is not readily available in the domestic market, including Asia Pacific, Latin America and Africa. For these regions, Nescafé Gold is aspirational, with its sustainably sourced carefully selected Arabica beans, she said.

In regions where passengers are already familiar with Nescafé Gold, NITR is launching Nescafé Artesano Santuario, which is made with arabica beans from Colombia, which is the only market where the brand is sold domestically. Nestle is also launching the full-flavored Nescafé Red Pillar in border stores.

"So between the three we are able to meet a wide variety of shopper needs," noted Spada.

Additionally, NITR is also planning to introduce a range of premium infant products under the illumia brand to travel retail, targeted at the Chinese consumer.

#### Operating in a new environment post-COVID

One impact of the global health crisis impacting travel is that Nestlé is streamlining the NITR portfolio, cutting SKUs and focusing on the top-selling priorities.



"It's going to be a continuous exercise in understanding where the requirements are in the marketplace and for the consumer and to determine where the operational efficiencies are in the business. There will be rationalization in the industry and we need to respond," said Dryburgh.

To add to this, says Spada, there are opportunities outside of the traditional airports. "When we come to moments like now, with uncertainties and challenges, we have to understand the consumers, understand the opportunities, and make sure to capitalize on them where possible. KITKAT is our strongest brand, a powerful brand with a unique offering, and has been growing consistently. The After Eight 400g is also a very strong product and an exciting format that differentiates with a very loyal base. We have to make sure that we can meet the consumers' demands and that we can excite them, and excite the retailers, with our brands. It is a balancing act."

In the end, the Nestlé executives reiterated the company's commitment to the travel retail channel.

"COVID-19 may be having a most dramatic impact on our industry, but we at Nestlé believe in the future of travel retail and our category, thanks to the passion for the experience and discovery that travel brings to each and every one of us," concluded Dryburgh.



## THE FINISHING TOUCH

The perfect combination of the hallmark mint fondant with a mix of chocolate coatings make After Eight® the chocolate that's sure to please. For sharing, gifting or simply as a little self indulgence, After Eight® is the classic choice.



# Mars Wrigley ITR to simplify portfolio and introduce more value to drive category sales in 2021

Mars Wrigley International Travel Retail is gearing up for recovery in travel retail with a tight range of power SKUs representing the company's highest selling products.

During a media briefing earlier in September, Raghav Rekhi, Category Director Mars Wrigley ITR, reported that the company will be significantly simplifying its travel retail portfolio in 2021. Since 9% of the travel retail portfolio accounts for 80% of the category value, the company will be cutting the airport offer to 50 SKUs next year, down from 162 airport SKUs in 2019.

This fine-tuning will enable safe and fast decisions on the part of the shopper as well as require less resources from the retailer, said Rekhi.

Under the strategy of "keeping the traveler at heart," Mars Wrigley ITR is focusing on hero brand M&M'S, and other innovations for 2021. These have been carefully reviewed to meet the needs of traveling consumers following the impact of COVID-19, he said, all with an element of fun.

Mars Wrigley ITR's category vision continues to address the four key reasons for confectionery purchase as Recharge, Reward, Celebrate and Connect. The goal is to offer products at appealing

price points supported by promotions and communications that are relevant and fun.

"One of our over-riding ambitions at Mars Wrigley ITR has been to bring FUN into travel retail and we've been very successful in introducing better moments that make people smile! M&M'S with its globally recognised Red, Yellow and other colorful characters, has played a prime role in creating happy, smiling travelers through engaging high profile promotions, walking acts and impactful media campaigns. We know very well that fun drives sales; happy travelers are more likely to convert into buyers!" says Rekhi.

New products for 2021 include:

The new M&M'S Brownie *Connects* for sharing and capitalizes on the current trend of home baking during the pandemic. M&M'S Brownie's feature the taste of freshly baked brownies in a soft, fudgy, chewy center covered in a colorful candy shell. They are presented in a sharable 310g bag. The new flavor will be available from June 2021.

With *Celebrate* as another key purchase driver, Mars Wrigley ITR is also expanding its offer in the gifting category, focusing on its strong tin range. For 2021, Mars Wrigley ITR is introducing two more brands in colorful gift tins, Celebrations (165g) and Maltesers (111g), which are

being offered at a new, lower price point.

Later in the year, MITR says that it will introduce a completely new line in the Celebrate opportunity, adding its M&M'S brand into the mid-priced gifting sector alongside Maltesers and Celebrations presented in a Travel Retail exclusive gifting format comprised of four bright and colorful gift boxes.

Mars Wrigley ITR introduced two very promising new product ranges at the TFWA World Exhibition last year, a revamped Mini Bars packaging for Mars, Twix, Milky Way, Bounty and Snickers brands and the new M&M'S Block for travel retail. The launches had to be postponed until 2021 due to the impact of COVID-19.

The mini-bars bags feature a new design and come in a 333g bag size to capitalize on the popularity of sharing bags at a value price (€6.50). Each bar is individually wrapped.

In travel retail the 165g M&M'S Block chocolate tablets will be offered in four flavors: Peanut, Crispy (150g), Chocolate, and Hazelnut. They feature a TR exclusive packaging design (with the exception of the USA, which will use the established M&M'S Block domestic range packaging). Each bar will have an RRP of €4.50 with discounts on the travel retail price for multi-buys.





## Connect and Celebrate

“Driving category performance continues to be our over-riding strategy for global travel retail, developing new ways of attracting a confectionery consumer base within a very different retail landscape,” says Rekhi.

The company will focus on its ‘Connect’ and ‘Celebrate’ strategies for product innovation in travel retail but is also aware that the new traveling consumer is more likely to be budget conscious than in the past. “We still need to appeal to those buyers looking for something new with fresh offers tailored specifically to travel retail,” says Rekhi.

Rekhi emphasizes that Mars Wrigley is confident of the long-term opportunity in

the confectionery category in travel retail.

“Our aim is to continue providing fresh product offers and opportunities within the airport shopping experience for travelers to find moments to share and enjoy with friends and loved ones. Through this strategy we are confident that the confectionery category can pick up from where we were and continue to gain momentum.”

## Commitment to sustainability

As a private, family-owned company, Mars has also made a long-term commitment to be a positive force for people and the planet today and in the future. With more than 125,000 associates under the Mars umbrella, the company says that it is guided by Five Principles that

span geographies, languages, cultures and generations. These principles encompass quality, responsibility, mutuality, efficiency and freedom, and form the basis for the company’s long-term commitment to transforming for the future.

Mars is investing \$1 billion in its Sustainable in a Generation Plan. This plan aims to 1. Help create a healthy planet by eliminating 100% of its GHG emissions from its direct operations by 2040; 2. Help its communities thrive by meaningfully improving the working lives of 1 million people; and 3. Nourish well-being through such efforts as making, marketing, portioning and labeling more healthy meals with less sugar and trans fats, as well as addressing food safety challenges and integrity.

## Travellers Trove to launch new premium confectionery brand with strong sustainability credentials

Joseph's, a new chocolate brand created specifically for the traveling consumer and exclusive to duty free and travel retail, will be launched in early 2021 by Gerry Murray of Traveller's Trove.

Joseph's is produced in Brussels by Manufacture Belge de Chocolats, a division of Godiva Japan. All ingredients are 100% natural, and all of the chocolate is sourced through the Cocoa Horizons Foundation. The Foundation helps support thousands of cocoa farmers with sustainable techniques to professionalize their business, and to ensure they can prosper and be self-sufficient for generations to come.

Designed for gifting, Joseph's exclusive to duty free collection comprises five chocolate assortments created following extensive research, says Murray. They include BonBons of Kindness, 10 pieces of milk and dark chocolate in 2 flavors; and BonBons of



Kindness in 8 pieces of milk and dark in 4 flavors; BonBonBardments of Love, 16 pieces of milk chocolate in 5 flavors and BonBonBardments of Love, 16 pieces of milk and dark in 8 flavors; and BonBonBardments of Love, 24 pieces of milk and dark in 10 flavors.

The Joseph's brand makes a positive contribution to our world. “Our chocolates are good for the planet, cocoa farmers and

their children,” says Murray.

Joseph's packaging is also strongly influenced by sustainability, avoiding superfluous elements, and using cardboard and paper that are FSC certified and 100% recyclable. Plastic, where used, is made from 80% recycled material and is in turn 100% recyclable.

For more information, please visit [www.josephs-chocolates.com](http://www.josephs-chocolates.com).

# Duty Free Dynamics launches Writing & Arts category with Faber-Castell

Regional distribution company Duty Free Dynamics continues to expand its product portfolio, debuting new and unique categories for the Americas Travel Retail channel.

This week the innovative company has unveiled its first brand in the Writing & Arts category, with the announcement that it has added Faber-Castell products to its portfolio.

Faber-Castell is one of the world's oldest, largest and most recognized manufacturers of high quality products

for writing, drawing and creative design, says the DFD announcement.

Through its "Companion for Life" portfolio, Faber-Castell offers children and adults a wide array of innovative products that promote fun and creative experiences. It includes the "Playing & Learning" category – for kids from 3 to 12 years old – aimed at stimulating children's natural creativity and "Art & Graphic," which is held in high esteem by hobby painters and professionals alike.

Duty Free Dynamics will be distributing a select assortment of these product lines within its extensive network of Travel Retail partner operators throughout the entire continent of the Americas, featuring the best-selling "Polychromos" artists' color pencils and sets.

To cover all levels of demand, DFD says that it is introducing the Faber-Castell brand in multi-category and stationery stores with products ranging from personal use to gift items for all ages, as well as

in toy shops, complementing DFD's Toys portfolio.

"We are thrilled to partner with such a historic and innovating brand as Faber-Castell. It strengthens our product offering, allowing us to significantly expand our reach in the region and deliver new experiences through our partner operators," stated Tatiana Pinto, DFD's Category Manager for Writing & Arts.

Over the past few months, DFD has also introduced Swiss luxury brand Bally to its portfolio.

With Bally, Duty Free Dynamics is expanding its luxury lineup with the new product category of Leather Goods & Accessories. DFD is introducing Bally's full line of products, which it will distribute throughout the travel retail channel of the Americas.

DFD also expanded into the apparel category with the introduction of the New Era headwear brand. DFD will be representing the brand in the travel retail channel of Latin America and the Caribbean.

New Era is a fast-moving apparel accessory brand featuring sports caps with logos of the most famous teams -- part of today's "athleisure" urban fashion, said the company.



## Pernod Ricard uses digitalization to take us through the “new normal”

Pernod Ricard Global Travel Retail is focusing on the new future of travel retail during the Moodie Davitt Virtual Travel Retail Expo and will be hosting virtual panels on the digitalization of travel retail and the best ways to keep travelers engaged in and excited for the ‘New Normal.’

“COVID-19 is sure to have a long-term impact on the travel retail industry and traveler shopping behaviors,” says Craig Johnson, VP Marketing Pernod Ricard Global Travel Retail. “At Pernod Ricard, we’ve taken this break in normal proceedings as an opportunity to reimagine the future of retail within the channel. The Moodie Davitt Virtual Travel Retail Expo gives us the perfect opportunity to share these outputs while taking a collective look forward.”

On Wednesday October 14, 2020 Johnson will be part of a discussion in the Knowledge Hub with leading industry experts Cameron Worth, founder of creative digital agency Sharp End, Mudit

Jaju, global ecommerce head at Wavemaker and Charlie Merrells, Global Strategy officer at Molzi an Amazon agency and former head of buying BWS Amazon UK. The session will explore the future of travel retail through digitalization. Moderated by Doug Newhouse, retail editor at *Drinks Intel*, the panel discussion will cover new innovations relating to the retail experience, global media, point-to-point and e-commerce strategies as well as opportunities within the travel retail channel.

On Thursday October 15, PRGTR’s Strategy & Insights Director, Anuj Roy, will be joined by Moodie Davitt Founder & Chairman, Martin Moodie, in the Knowledge Hub to discuss the impact of COVID-19 on the travel industry and how the sector can adapt to changing consumer behavior in order to stay ahead.

PRGTR is also hosting an immersion into the world of Chivas Regal with Master Blender Sandy Hyslop on the afternoon of

Monday October 12.

The company says it is using the virtual event as an opportunity to introduce new brand developments for Pernod Ricard, and will share exclusive first access to innovative new travel touchpoints from its brands, like the new Martell merchandising wall-bay, a GTR-specific retail feature format, that taps into the touchless technology trend, and allows consumers to explore the Martell range without having to physically handle product.

PRGTR’s suite will be located in the West Zone of the Wine and Spirits Directory, which can be found through the Exhibition Hub, and host booths for its core brands in the category: Chivas, Ballantine’s, Royal Salute, The Glenlivet, Martell, Jameson, Absolut and Beefeater. The group will be releasing never-see-before products like its new Chivas Regal 13 Extra and Martell Cordon Bleu End of Year limited edition bottling, exclusive to travel retail.



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## Penderyn: from Wales to the world

Penderyn Whisky is not just another scotch, Penderyn Distillery CEO Stephen Davies tells *TMI*. The whisky from Wales has a unique story to tell and a one of a kind still which together help fuel the company's ambitions to grow the brand around the world.

"We are certainly not another whisky from Scotland and not another whisky from the UK. When people taste Penderyn they recognize instantly that it is not scotch. It's got a different style. It's lighter, fruity, with a creamy toffee fudge style. It's very accessible and very easy to approach and drink," says Davies.

"Penderyn is very much a Welsh Whisky. And being from Wales is very special because we represent the country. We are the undiscovered Celtic country. It is an opportunity to tell a story."

The brand's geography is announced through its name. Penderyn Distillery is also known as The Welsh Whisky Company.

"Penderyn became the first whisky to be made in Wales in over 100 years when we first started distilling 20 years ago in September 2000."

Davies says that the story of Penderyn Whisky cannot be told without mentioning its unusual Penderyn Faraday still.

"The Faraday still gives us a very unusual point of difference with flavor. We get a much lighter distillation, less oily. When you are tasting Penderyn for the first time and you are used to drinking scotch whisky you will notice it is markedly lighter."

The still, designed for Penderyn by Dr. David Faraday, is a single copper-pot, which Davies says gives Penderyn its "lightness of spirit."

"The still is a bit different than the pot still distillations in the traditional stills that you would see in Scotland or Ireland or Kentucky. One of the reasons for that is we bring the spirit off the still at 92% alcohol by volume," says Davies.

"Our still was part of the European project to make a still that would be more energy efficient. It was designed to be a very versatile still. So in theory you could make vodka on a Monday, gin on a Tuesday, and whisky on a Wednesday. But we've never done that. We are dedicated 100% to single malt."

### Taking Welsh Whisky around the world

Penderyn is sold in 40 markets globally, and even with the current COVID-19 pandemic curbing its growth, the company has plans to expand its international business.

In June Penderyn hired Simon Roffe as its new Director of Business Development to help reach its growth goals. Roffe joined Penderyn after 35 years in the drinks industry with stints with Diageo and Remy Cointreau and most recently with Halewood Wine & Spirits.

"We are excited to work with someone as experienced as Simon," Davies said at the time of the hire. "We are all naturally looking forward to seeing where we can take Penderyn with his drive and experience in the months and years to come."

"Simon's exceptional work in the global travel retail market and developing international markets, in particular, will support the plans we have in place for Penderyn over the next five years."

Davies tells *TMI* Roffe was hired to expand the company's travel retail and export business.

"We've been doing a lot of business in the UK travel retail channel with Dufry, but we didn't do an awful lot outside the UK."

**PENDERYN**  
DISTILLERY



We see travel retail as a priority channel. I always saw it as a long term game. We are a small brand in a world that is dominated by large companies and larger brands. My guess is that it has become an even longer term project for us. We see it as an important component of being a rounded malt whisky brand. Travel retail is still very much on the agenda," says Davies.

"We are in 40 different countries, but for some of them we can do more brand building work. I suspect that in some of them we need new or bigger partners, and there are plenty of other places that we need to be. We have a very ambitious program of growth."

Roffe says Penderyn has ambitious goals in both the short and long term.

"Doing more and doing better in core markets' pretty much sums up the direction the business wants to go. We are ambitious

to grow and are investing in our distilling capacity. The growing interest in new 'World Whisky' gives Penderyn a perfect opportunity to make the most of that extra capacity," Roffe tells *TMI*.

Penderyn now has enough aged stock to match its ambitions.

"When you are a new distillery having a continuity of stock, having availability of good whisky is a challenge. Twenty years in we are in a much more luxurious position of having more aged whisky. It will allow us to push on our export plans. So it is a very exciting time for us to have Simon coming on board," says Davies.

"We are a small team, but we have some very specific targets. If we are not doing the preparations, laying the foundations now, when things do get a little easier we will get left behind."

Penderyn's most important market

*Penderyn has won acclaim and awards for its whiskies around the world including 18 Liquid Gold awards in the Jim Murray Whisky Bible 2021, and five Gold awards at the Spirits Business World Whisky Masters 2020.*

is the UK, with France and Germany its largest export markets in Europe.

"In the UK we have great distribution. In Wales we have eight regular expressions of the whisky, which are also very well distributed in Wales. In the UK we are with all of the big supermarket chains. For example we are in 600 Tesco stores around the UK. That is a big part of our business.

"In Wales you would be hard-pressed to find a pub, bar, or store that does not have a version of Penderyn," says Davies.

"The U.S. is very much a growth market. Asia Pacific is very important for us as well. We are targeting six or seven countries there. We have a very specific plan for growth over the next few years."

#### One, two, three distilleries

Penderyn is planning to triple its number of distilleries in the next few years.

In May the Conwy Council voted to approve the second distillery, which is expected to open in Spring 2021 in Llandudno, Wales.

Davies tells *TMI* a third distillery is also planned for 2022.

"The rational is to bring more visitors in. In Penderyn we get about 40,000 visitors a year. We expect to get about 80,000 visitors a year at the new distillery. In 2022 we have plans for a third distillery in Swansea with the same configuration. And that will be another 80,000 visitors. The exciting things for the future are the growth plans for the distilleries. We are currently making 400,000 liters of pure alcohol. The new distilleries will give us 100,000 liters each," says Davies.



Penderyn has plans to triple its number of distilleries in Wales in the next few years.



## Toorank's Coppa Cocktails ready to dominate RTD category

After spending a decade perfecting Coppa Cocktails, and redesigning the bottle and packaging, the time is right for Toorank's Coppa Cocktails to dominate the Ready-To-Drink market.

Toorank CEO Natal da Graca tells *TMI* that even as COVID-19 devastates on-premise and travel retail markets around the world, his company's ambition is to create a global brand.

"We are in the process of creating a global brand and I am pretty sure we are going to get there," says da Graca. "There is nothing like Coppa Cocktails in the market. In all the other major categories there are global players. In our category there is no global player."

Coppa Cocktails, presented in a flower covered bottle shaped like a cocktail shaker, was created in partnership with award-winning bartenders around the world.

Toorank, long known as a production facility and for its expertise in contract bottling, decided to start making its own RTD cocktails in 2008 to focus on what was then a new niche market. However, da Graca says it turned out to be very niche.

"Coppa Cocktails was revered for its taste but still not acclaimed by the audience. We were not experienced in putting a brand like that on a global stage."

Da Graca says that the company designed a shaker bottle with superior liquid.

"But it wasn't attractive enough to the customer to catch their eye," says da Graca.

Toorank redesigned the bottle and presented it at Prowein 2019. The response from the industry was instant and overwhelmingly positive.

"Combined with the whole RTD market which is exploding (before the Corona crisis), it was the right time to relaunch the product. All the things that we were lacking from when we started-- the marketing insights and knowing how to build a brand-- we filled in these blanks. We perfected the bottle. We perfected the total brand packaging," says da Graca.

"It took us two years to re-develop the bottle design. It has been an amazing success. The first year, 2019, we were not able to create enough bottles. This year we were prepared, but we still went out of stock twice. We were set to grow 500%

with Coppa Cocktails this year. With all the listings and accounts that we had brought on board, not only in the travel retail and duty free markets, but also in the festival and concert market, we were set to grow exponentially. We were only limited by the number of bottles that we could make."

Even during the pandemic, the IWSR has noted strong demand for the RTD category via the off-premise and through e-commerce sites. Consumer demand is especially strong in the U.S., which, along with Japan, are the two leading established markets for the RTD category.

"It is not surprising to see consumers, especially those in the U.S., choosing to purchase RTDs in the current climate. The sessionability, increasingly sophisticated flavors and convenient format offered by RTDs add to their appeal," says Brandy Rand, COO for the Americas at IWSR.

Coppa Cocktails was targeting the duty free and travel retail channel as a huge opportunity for growth this year.

"We were ready to grow in travel retail and duty free tremendously, in Asia, the U.S., and Europe. Of course we have all seen a dramatic downfall this year,"



## Pernod Ricard unveils striking new POS space in São Paulo

*Pernod Ricard Global Travel Retail has developed new merchandising guidelines for Absolut with the goal of disrupting the vodka category, maximizing in-store impact and driving visibility and sales.*

*São Paulo has always been a lead strategic location for Absolut, and Pernod Ricard Global Travel Retail will continue to ensure it highlights the brand in this very important market.*

*The new merchandising space in São Paulo produced in partnership with WE AN IDEA is the first of its kind to be implemented in the region, but the company looks forward to rolling this out in other key locations.*

says da Graca. "It has been a tragic year for travel retail and duty free. In a way we were lucky. We were on the threshold of entering that market massively. But it is an opportunity lost. It is not business that we had lost."

The Festival and Concert Channel is one part of the business that has completely disappeared for Coppa Cocktails this year.

"We were huge in the festival and concert market and had fantastic plans. That is completely gone. We haven't sold one bottle in the festival and concert market."

However, as the IWSR noted, Coppa Cocktail's off-premise business has gone from strength to strength.

"The off-premise market grew 300% in this Coronavirus era. We are doing very

well in the Netherlands. In China we are growing. We are having a big push in the UK," says da Graca.

Da Graca is optimistic about Coppa Cocktail's short and long term goals.

"For next year we have big plans in the U.S. and Asia. It is going to be an introductory year going into several markets like Vietnam, China, and also into duty free if it picks up. Travel retail and duty free are very important to us. We had all those accounts opening up for us. It was a confirmation that we had the quality and would have given us the credibility to grow globally," says da Graca. "That being said, we fully understand the need for Coppa to succeed in a large domestic market, like the U.S. We are fully committed to building a strong franchise in the U.S., followed

by other big markets. We'll disclose other plans in the coming months."

"The advantage of our product is clear. We present a top quality cocktail made with input from top rated bartenders from the world over. So, everybody can be their own world class bartender at home. It also is a clear solution for restaurant and bar owners without skilled bartenders, always the perfect serve within seconds. We have a great range of 15 cocktails. In five years we expect to be a global player. We have to be a top 200 brand in the world. And that's not unfeasible. I'm very optimistic. In these dark times Coppa Cocktails presents an opportunity to still enjoy life, love, and friends."

# “Travel Retail will come back”

## Beam Suntory commits to GTR channel

Beam Suntory Global Travel Retail's appointment this month of Phil Restall as General Manager of Travel Retail was the next step in its transformation of its global operating model.

In the works for a while, the evolution of its travel retail business was sped up by COVID-19, Restall tells *TMI*.

“At Beam Suntory, we have always been passionate about global travel retail. While changes to our global operating model have been in the pipeline for some time, the coronavirus outbreak has allowed us to accelerate this plan and demonstrate our commitment to the channel and our customer partners,” says Restall.

“Our new operating model will be an exciting turning point in the transformation of Beam Suntory’s Global Travel Retail arm, ensuring the successful delivery of an exciting innovation pipeline – a step-change in this important channel.

“It will also support the company’s ambition to become the recognized industry leader for showcasing brands, partnering with customers, and driving mutually beneficial growth during the COVID-19 recovery period and beyond.”

Based in Singapore and reporting to John Rosair, Managing Director APAC and GTR, Restall took up his new position in October, moving on from his role as Commercial Director for Beam Suntory’s Australia business.



*Phil Restall, General Manager  
Beam Suntory Global Travel Retail*

### Operating Model Transformation

Under Restall’s leadership, Beam Suntory’s GTR team will be divided into three operating groups: Global Accounts, Emerging Markets, and a centralized Marketing team. This new model will allow the business to deliver enhanced support to its retail partners and take a more shopper-centric approach to brand-building across markets.

The establishment of the Global Accounts team, led by Sales Director Global Accounts, Simon Knapp, will provide comprehensive support to

global customers, including Heinemann, Dufry, Lagardere, and Aer Rianta. The Emerging Markets team, led by Sales Director Emerging Markets, Cruise and 3rd Party, Ashish Gandham, will support the developing markets in travel retail, including the Americas.

In addition, a centralized marketing model and agile-driven approach will deliver industry-leading customer and shopper experiences around the world. This new centralized GTR marketing team is led by Ed Stening, Director of Marketing, who joined Beam Suntory in 2018.

Since September 2019, new roles have been created to support this new GTR operating model. With these expanded resources, Beam Suntory GTR says it is well-placed to deliver its ambitious growth plans and provide a stronger infrastructure for its mission to be Beam Suntory’s premium connection to the Global Explorer.

### “Travel retail will come back”

Stening tells *TMI* that having a dedicated leadership team for Global Travel Retail is imperative for Beam Suntory’s ambitions in the channel.

“We wanted to make sure we had a fully dedicated leadership team for travel retail and also segment our customers in the best possibly way. Because working with a Dufry and a Heinemann is going to



*Bowmore Islay Single Malt Scotch Whisky and Aston Martin unveiled the first release in a series of collaborative projects and products: Black Bowmore DB5 1964. Only 25 bottles will be available for sale, with three in travel retail.*

*Black Bowmore DB5 1964 will be available from late Autumn 2020 with an RSP of GBP£50,000.*



*Ed Stening, Director of Marketing, Beam Suntory Global Travel Retail*

be different than working with some of our other customers. They have different needs, lead times, ways of working. What we tried to do was match our customer's needs to those different groups," says Stening.

"We've been trying to build our processes around how we support our customers. We built an inhouse design agency, which allows us respond much faster and be more consistent in what we deliver. Because ultimately Jim Beam should look the same everywhere in the world and in the past it wasn't looking that way."

Stening tells *TMI* that the COVID-19 pandemic has justified the need for the new organization.

"When a crisis comes it quickly shows you where you are weak. This has allowed us to really react and support our customers. The operating model shows we are committed to travel retail. If we weren't committed we wouldn't be putting a general manager in place, and we wouldn't have such a great talent base coming into this organization."

"Our leadership team has recognized travel retail will come back. And everyone will remember how we managed the crisis and people do have long memories. We wanted to show that we were committed to the channel."

Beam Suntory is demonstrating its commitment to the channel with its involvement at the Moodie Davitt Virtual Travel Retail Expo where it will be introducing new GTR exclusive products.

Beam Suntory is a platinum sponsor and will be hosting three virtual events led by industry experts that will explore a number of new Global Travel Retail innovations and topics, from Women in Leadership to its first innovation whisky launch since COVID-19.

"At the Moodie Davitt Virtual Travel Retail Expo we will be sharing some of our innovations including our first GTR exclusive innovation since the pandemic happened. We are launching two GTR exclusives; if Beam Suntory did not believe in this channel those products would be going to domestic markets. That's a massive point to show our commitment. Because we are going to come back. We have green shoots: Hainan is exploding, doing really well. The Nordics is doing well. It's not all bad."

The Americas region is not one of those bright spots, says Stening.

"The Americas is probably going to be our slowest point to return. But it is still going to be an important growth market. We hope the market recovers much faster than the data is suggesting. We are a big

bourbon company and Americans love their bourbon."

Beam Suntory Travel Retail is tailoring its support in-store to its customer's needs, says Stening.

"People are looking at restocking their bar. So how do we support that? How do we leverage multi-packs? People pivot to big brands, they pivot to brands that they know and trust. We are very lucky that we have a lot of those brands."

Well-trained brand ambassadors will also play a key role in the current and future store environment.

"It was important to get our brand ambassadors trained. Our team really tried to work on virtual trainings and leverage this time as best as possible. We've also been trying to change those trainings to make people feel safe and confident and still tell stories about our brands.

"We supported our brand ambassadors all the way through this process."

While in-store tastings have obviously stopped, Stening believes they will come back at some point.

"I am 100% sure tastings are going to come back. It is such a part of our storytelling experience. When tastings come back how can we manage them in the most efficient and hygienic way? We are looking at ways we could do automated tastings. 'Liquid on lips' is such a great part of the GTR experience. I think we will definitely see it. What stage? When? Which nationalities? Which regions? Those are the questions."

Stening says Beam Suntory has a lot of the answers.

"Beam Suntory Travel Retail has got the operating support. We've got the innovation. Ultimately COVID has just been a bump in the road. It really hasn't diverted us from the goal. We still want to be that premier spirits partner. I hope our retailers will see how serious we are about this channel. This is a great channel to build brands," says Stening. "And we are committed to the travel retail channel."

Special Issue  
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2020

# TRAVEL MARKETS **INSIDER**

## Pivoting to virtual in 2020

*Travel Markets Insider* is very pleased to be publishing this special magazine to coincide with the pioneering Virtual Travel Retail Expo conceived, organized and executed by the *Moodie Davitt Report* in coordination with Singapore-based FILTR.

The organizers expect 6,000+ registrants and an impressive 124 exhibitors when the event commences on Oct. 12.

The virtual event will hold a broad selection of interactive and engaging sessions throughout the live 5-day Virtual Expo, where its virtual Symposium Hall and Workshop Rooms will host industry dialogue around the theme 'Road to Recovery.'

The many webinars, filmed interviews, live discussions and webcasts will feature the biggest names in the aviation, travel retail and F&B communities, together with key executives from outside the channel.

The Exhibition itself is taking place in a hub of carefully curated Virtual Stands, but online visitors (buyers and other retail management) from all over the world will be able to view videos, read and download literature and chat with exhibitors in real time. It is sure to be a very different experience than what we are accustomed to, but then all of 2020 has been a new experience for all of us.

TMI also had an opportunity to attend a virtual edition of the SeaTrade Global Cruise event earlier this week—the original show to take place in Miami last April was an early victim of cancellation due to the shut down in global travel from COVID-19. We are pleased to present highlights from that event's



L'Oréal Travel Retail Americas unveiled its unique traveler-centric concept, the Beauty Hub – New York, located inside The Bowery Bay Shops retail area in LaGuardia Airport's stunning new Arrivals & Departures Hall in Terminal B. See full story on page 14.

keynote from the heads of the world's leading cruise lines.

TMI also presents a look at how supplier companies are incorporating more and more digital into their operations.

But it is not all digital – despite the current challenge the travel and travel retail industries are preparing for the return of real travelers. We take a detailed look at New York's LaGuardia Airport, which unveiled the stunning new Arrivals & Departures Hall at the new Terminal B, and first seven gates of the new Western Concourse. The construction at LGA currently represents the largest public-private partnership in U.S. aviation history and the stunning new retail concepts are a huge vote of confidence in the future.

TMI also speaks at length with Nick Jackson, who heads up Grand Cayman's Island Companies. One of the leading

retailers in the Caribbean, Island Companies is actively preparing for the return of the affluent destination's high net worth clientele – and is seeking the right luxury partners to join its team.

We also look at the plans underway in Latin America, as the traditionally resilient region commences air operations and opens a number of new stores along the border.

This crisis may still be in full gear, but travel retail is doing all that it can to be ready when the world opens up again. Thank you to our readers who have accompanied us on this unexpected journey, and a very special thank you to our media partners who have made this issue possible. Stay well and stay safe!

All this and more, Inside Insider,  
Lois Pasternak, Editor/Publisher

## INSIDE INSIDER

### News & Numbers

IATA, ACI,  
DFWC: Route to Recovery

### North America

NY LaGuardia

Canada



ART's Jackie McDonagh  
"Treat every customer like gold"

### CARIBBEAN/CRUISE



Island Jewellers,  
Grand Cayman

Martinique,  
SeaTrade Cruise Virtual

### LATAM

Brazil & Argentina, Paraguay,

Border shops

### SUPPLY SIDE

Beauty:  
Essence Corp stays connected  
Accessories  
Confectionery  
Spirits



Absolut unveils new look in Sao  
Paulo, Brazil

Plus Products-People-Places  
The Insider View

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