

Can travel retail survive today's aggressive market competition?

The travel retail industry is facing some daunting challenges this year, from currency issues, mergers and consolidation, to increasing competition coming from outside the channel.

South America is suffering from dire political and economic woes, which are impacting travel retail especially hard in Brazil and on the Uruguayan border.

"It is a tough market, and unfortunately we think this may be the new normal for travel retail in South America. So we will have to get used to doing business under these conditions," one major supplier told *TMI*.

One of the most pervasive complaints voiced by retailers from Canada to the Caribbean is the threat posed by internet sales, which are inundating the marketplace with aggressively priced goods and to-your-door service.

Peter Brain, president of Canada's Frontier Duty Free Association, addressed the "aggressive price-based competition in the U.S." most eloquently:

"...As niche retailers with a limited product breadth relative to mass-market discounters and internet retailers, we have to ensure our duty free offering continues to provide trusted and compelling value. Otherwise, it will become more and more easy for consumers to transfer purchases away from duty free to other sellers," he observes.

During the Tairo International beauty training that took place at the end of September, nearly every Caribbean retailer *TMI* spoke with brought up the impact that the



Innovative animations like this race car video game experience for RL Fragrances Polo Red at Ezeiza International Airport in September use retailtainment and digital tools to recruit customers and build brands. Page 61

internet is having on their business:

"Customers come in to try the new fragrances, but then tell us they will buy it online," was the refrain voiced over and over. The online price is attractive and travelers do not wish to carry any extra purchases these days, especially as more airlines are charging luggage fees, they say.

The United States and the Canadian airports are brighter spots in the gloom, however.

Anna.aero reports that the U.S.-Europe market is undergoing its longest period of sustained capacity growth in over a decade, with the trans-Atlantic route growing by 6%. Next year promises further growth in U.S.-Europe capacity with eight carriers launching new U.S.-Europe services. The number of Chinese travelers to the U.S. and Canada also keeps growing, and these visitors are here to shop. As will be

seen within the pages of this issue of *TMI*, U.S. airports continue to expand and modernize their facilities and commercial offer to satisfy the retail demand.

Ever resilient, the travel retail industry is adapting to accommodate the changing marketplace, providing value and entertainment at the point of sale and using many new digital tools to communicate with consumers at all points of their travel experience.

The travelers are there – air traffic and visitation numbers are up throughout the Americas. The challenge will be to find new ways to appeal to these potential shoppers while they are in the channel.

Read all about it, *Inside Insider*.

Lois Pasternak,
Editor/Publisher

INSIDE INSIDER

News

North America

U.S. Airports: MSP, LGA, DFAS at DFW, MIA, DFA at IAD

Canada: FDFA turns 30 -

A look back and ahead with FDFA's Peter Brain and Laurie Karson



Expansions and renovations at Importations Guay Ltee, Blue Water Duty Free

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Economic analysis



The Estée Lauder 2015 Breast Cancer Awareness campaign is a call to action

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Sinatra Century

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DUTY FREE EXCLUSIVE

BY THE NUMBERS

ACI 2014 World Airport Traffic Report: ATL #1 in pax traffic; O'Hare #1 in aircraft movements, Dubai overtakes #1 in international traffic

Atlanta and Chicago may still be duking it out for the position of #1 airport in the world, but both have bragging rights for a top spot in 2014: Atlanta (ATL) remains the world's busiest airport on the globe with 96 million passengers in 2014, and Chicago (ORD) regained its position and became the busiest airport in terms of aircraft movements, followed by Atlanta (ATL) and Los Angeles (LAX).

But Dubai (DXB) – while the sixth-busiest airport in the world in overall passenger traffic – can now claim the title of the world's busiest in terms of international passenger traffic, ahead of London-Heathrow (LHR) in 2014, according to Airports Council International (ACI)'s latest World Airport Traffic Report.

"Passenger traffic remained resilient in the face of the global uncertainties that beleaguered many economies in 2013 and 2014," said Angela Gittens, Director General of ACI World, who noted that overall global passenger traffic grew at a rate of over 5%. This is above the 4.3% average annual growth rate in passenger traffic from 2004 to 2014.

Gittens noted that the divergence in growth between airports located in emerging markets and those in advanced economies – where the mature markets of North America and Europe experienced modest growth levels compared to the significant gains posted by the major emerging economies in the BRICS (Brazil, Russia, India, China and South Africa) countries, was not the case in 2014.

"Europe and North America have rebounded in 2014, which resulted in a form of convergence in growth rates across the regions," said Gittens.

"Irrespective of the short-run changes in the business cycle, long-term growth prospects in air transport demand will continue to come from emerging markets," Gittens noted. "This is largely because of the demography of these markets—most of the world's population resides in emerging markets and developing economies. Liberalization of air transport, sizeable population bases and rapid rises in per-capita incomes in these markets are the main

economic engines driving this phenomenon.

Key statistics: Passenger traffic

- Worldwide airport passenger numbers increased by 5.7% in 2014 to over 6.7 billion, registering increases in all six regions.
- Atlanta (ATL) -- the world's busiest airport -- reported 96 million passengers in 2014 with traffic up 1.9% over 2013. #2 ranked Beijing (PEK), with 86 million passengers, experienced growth of 2.9% in 2014, down from the double-digit growth it had achieved in previous years.
- Airport traffic in emerging markets and developing economies experienced growth of 8%, whereas airports in advanced economies grew by 4% in 2014, with emerging markets reaching a 43% share of global passenger traffic.
- During 2014, the highest number of passengers went through airports in the Asia-Pacific region:
 1. Asia-Pacific (2.3 billion, up 7.1% over 2013)
 2. Europe (1.8 billion, up 5.5% over 2013)
 3. North America (1.6 billion, up 3.2% over 2013)
 4. Latin America-Caribbean (531 million, up 6.4% over 2013)
 5. Middle East (308 million, up 10.8% over 2013)
 6. Africa (180 million, up 2.7% over 2013)

With over 1.4 billion passengers, BRICS countries, which represent 21% of global passenger traffic, achieved strong growth of 9% in passenger traffic. MINT countries (Mexico, Indonesia, Nigeria and Turkey) also achieved robust traffic growth, with a 7.2% increase for passenger traffic in 2014.

Istanbul (+10.5%) remains one of the fastest-

growing airports among the world's top 30 airports for passenger traffic, moving from 18th to 13th rank.

The world's top 30 airport cities handle more than one-third of global passenger traffic. London remains the world's largest airport system with almost 147 million passengers handled at six airports in and around the metropolitan area. New York maintains the second position with 116 million passengers at three airports. Tokyo is the third city market with 109 million passengers.

The world's busiest international airports (international passenger traffic)

Dubai, United Arab Emirates – DXB (69.9 million, up 6.2% over 2013)
 London, United Kingdom – LHR (68.1 million, up 1.1% over 2013)
 Hong Kong, China – HKG (62.9 million, up 6.1% over 2013)

The world's busiest domestic airports (domestic passenger traffic):

Atlanta GA, USA – ATL (85.4 million, up 1.5% over 2013)
 Beijing, China – PEK (68.9 million, up 5.4% over 2013)
 Tokyo, Japan – HND (62.2 million, up 2.1% over 2013)

Worldwide aircraft movements increased by 1.3% in 2014 to 84.6 million, with mixed levels of growth across the regions.

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Printing by The Printer's Printer. Ft. Lauderdale, Florida

This publication is a special supplement of Travel Markets Insider, published by Pasternak Communications, Inc., 255 NE 3rd Ave No. 312, Delray Beach, FL 33444 USA. www.travelmarketsinsider.net

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Travel Markets Insider is a weekly newsletter distributed 50 times a year via e-mail, on a subscription basis only.

The annual subscription is US\$200. Printed in the USA. All rights reserved.

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THE NEW FRAGRANCE FOR WOMEN

BY THE NUMBERS

IATA: Passenger traffic in Venezuela falls 8.5% as country breeches international agreements

The International Air Transport Association (IATA) reports that passenger traffic in Venezuela fell 8.5% in 2014 compared to a year earlier, in sharp contrast to other key economies in the Latin American and Caribbean region which reported growth.

This decline outpaced the 3.0% GDP contraction in Venezuela during the same period, reflecting the growing impact of draconian government policies on airlines, including restrictions on the repatriation of currency. IATA urged the Venezuelan government to reform the country's air transport policies to avert a further deterioration of the country's already limited air connectivity.

"The Venezuelan government's policies are crippling the air transport sector and depriving its people of the

economic benefits that it could bring. Air travel options in Venezuela are diminishing while the country's citizens and businesses pay more to travel due to the negative impact of government policies. The 8.5% fall in passenger numbers is significant. By contrast, other key Latin American economies saw passenger growth in the 2 to 12% range. An urgent change of policies is needed," said Tony Tyler, IATA's Director General and CEO.

IATA warns that Venezuela is breaching international agreements and the principles of the Chicago Convention in its treatment of airlines. The association says that with currency controls preventing airlines from repatriating their revenue; the amount of blocked funds now totals US\$3.8 billion.

In addition, says IATA, foreign

carriers are forced to pay for fuel in U.S. dollars instead of Venezuelan bolivars, going against the non-discriminatory spirit of the Chicago Convention which Venezuela has signed. This is particularly problematic as purchasing fuel is one of the few avenues airlines have for spending accumulated local currency that cannot be repatriated, says IATA.

Country	Passengers	Variation 2013/2014
Brazil	98,728,427	6.3%
Mexico	58,119,723	6.8%
Colombia	26,955,886	6.9%
Argentina	19,574,495	3.2%
Chile	14,743,832	3.8%
Peru	13,855,587	2.5%
Venezuela	11,420,070	-8.5%
Dominican Republic	10,426,839	11.9%

Source: IATA PaxIS

Mixed news for South America's airlines

With passenger traffic still increasing at international airports in South America, the outlook for the airline business appears to be bright according to the numbers. On closer analysis, some slowdown could be looming on the horizon.

Panama-based airline Copa posted poor second quarter results reflecting lower demand in Colombia and Brazil, along with continuing problems in repatriating funds from Venezuela. Copa is still forecasting 5% growth for the year, but may have to reduce yields to ensure higher load factors.

The strength of its hub strategy and market diversification is likely to pull the airline through in the long term.

Lower passenger numbers and poor cargo numbers affected LATAM Airlines 2nd quarter results, as the airline celebrated the third anniversary of the merger between Santiago headquartered Lan Airlines and Brazilian carrier TAM. Low domestic demand and the volatile exchange rate affected the traditional TAM domestic business in Brazil. Stagnating domestic demand in Chile was only offset by better

international figures. Cargo revenues dropped about 20%, a sign of the economic slowdown in LATAM's main markets.

Colombian airline Avianca flew 13.6m passengers in the first half of 2015, up 9.2% on the previous year. Although turnover was slightly up, there had been pressure on margins to reach the increased load factor, said the airline. Given the uncertain economic outlook, Avianca has postponed the receipt of four new aircraft that were due to be handed over in H2 of 2015 until next year. *JG*

International visitor spend injects more than \$127.3 billion into U.S. economy January-July

The U.S. Department of Commerce reports that international visitors spent an estimated \$127.3 billion in the first seven months of 2015, a decrease of 1% when compared to the same period last year.

Conversely, U.S. resident spending abroad is up nearly 7% during the same period (January through June), totaling about \$89.4 billion on imported travel and tourism-related goods and services.

International visitors spent \$18.7

billion on travel to, and tourism-related activities within, the United States during the month of June, a slight increase when compared to June 2014. In July, international visitors spend on travel to, and tourism-related activities within, the United States was estimated at \$18.1 billion, up 1% compared to July 2014.

Of this amount, travel receipts -- travel and tourism-related goods and services, totaled \$11.6 billion during June,

an increase of 2% when compared to last year. Travel receipts accounted for slightly more than 62% percent of total U.S. travel and tourism exports during June 2015.

The price of passenger air transportation - down nearly 10% in Q1 2015 - continues to decline as fuel prices fall, ultimately leading to a 13% decline in nonresident passenger fare receipts.



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BY THE NUMBERS

WTO reports 21 million more international tourists in the first half of 2015

The number of international tourist arrivals grew by 4% in the first half of 2015 according to the latest UNWTO World Tourism Barometer, released in mid-September. About 538 million international tourists worldwide traveled between January and June 2015, an increase of 21 million compared to the same period of 2014.

Europe, Asia and the Pacific and the Middle East each recorded 5% growth in international arrivals and the Americas grew by 4%. Limited data available for Africa points to an estimated 6% decrease in the number of international tourists in the region. At the sub-regional level, the Caribbean and Oceania grew +7%, and Central and Eastern Europe and Central America grew +6%.

UNWTO points out that even as overall tourism arrivals grew, results by destination were mixed. Safety and security remain a global concern. Tourism was also affected by economic volatility -- while advanced economies are recovering, emerging economies are slowing down. Tourism demand has also been impacted by lower oil prices and currency fluctuations.

According to the UNWTO forecast issued at the beginning of 2015, international tourist arrivals are expected to increase by 3% to 4% worldwide for the whole year, in line with the long-term

forecast of an average growth of 3.8% a year set for the period 2010 to 2020.

Regional Results

Europe, the most visited region in the world, led growth with a 5% increase in international arrivals. The region benefited from a weaker currency in the euro area. Growth was driven by the recovery in Central and Eastern Europe (+6%), while Western Europe, Northern Europe and Southern Mediterranean Europe each grew +5%, higher than the worldwide average.

Asia and the Pacific international arrivals grew 5% in the first half of 2015, led by Oceania (+7%). Destinations in North-East Asia and South-East Asia (both +5%) reported rather mixed results, led by Japan (+47% through July) and Thailand (+30% through July). South Asia recorded a comparatively modest 4% increase in arrivals after two years of double-digit growth.

International arrivals in the Americas grew by 4% in the first half of 2015, consolidating last year's strong results. All four sub-regions recorded positive growth, although with variations across destinations. The strong U.S. dollar fueled robust outbound demand from the United States. The Caribbean (+7%) and Central America (+6%) led growth. In North America (+3%), arrival numbers were

strong in Canada and Mexico (both +8%), while for the United States indications point to more modest growth. Most destinations in South America (+4%) reported sound results, in spite of Brazil's outbound travel stagnation.

International tourist arrivals in the Middle East grew by 5% consolidating the recovery initiated in 2014.

The limited data available for Africa indicates that international tourist numbers were down by 6% with a decline of 10% in arrivals to North Africa and 4% in Sub-Saharan Africa.

Source markets show mixed results

Outbound data for the first quarters of 2015 shows a diverse picture in spending abroad.

In the BRIC markets, China and India both started the year with double-digit growth in the first quarter, while the Russian Federation and Brazil reflected slower economic growth in both markets and the depreciation of the rouble and the real against the U.S. dollar and the euro.

Demand from the traditional markets of the United States, France, Sweden and Spain remains strong, but was weaker in Germany, the United Kingdom, Italy and Canada.

Travel bookings from China slow during stock market fall

Air travel bookings from China slowed sharply in the second half of the year, especially to Europe and the U.S., closely mirroring a decline in the country's stock market, according to ForwardKeys, in a report issued in mid-September.

Total outbound international bookings from China fell from a growth of 21% year on year, to just 1%, since the Shanghai Composite hit its peak. The slowdown was compounded by lower Chinese purchasing

power as a result of the weaker Yuan.

The data from ForwardKeys, which monitors future travel patterns by analyzing 14 million reservation transactions each day, shows the biggest fall was in August when growth in outbound bookings turned negative.

Departures from China from September to December 2015 will still grow compared with the same period last year, the ForwardKeys analysis shows.

And travel during the Oct. 1-7 Golden Week national holiday is hardly affected by the stock market drop because bookings were made months in advance.

But bookings to Europe and the U.S. for November and December 2015 are lagging behind the same period last year. The weaker Chinese currency is clearly making an impact on travel decisions.

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Cannes recovers from devastating flood to host TFWA World Exhibition

The devastating flood that hit the city of Cannes at the start of the month—with widespread damage and 19 deaths in the Côte d'Azur region—put a damper on preparations for the 2015 TFWA World Exhibition & Conference taking place Oct. 18-23 in the Palais des Festivals et des Congrès.

The TFWA Board, Management Committee and permanent staff issued immediate condolences to the victims and families affected by this tragedy and offered their appreciation to Cannes Mayor David Lisnard, his teams, and the industry partners in Cannes who worked round the clock to ensure that our event – and others under way – took place without disruption.

Indeed, the 2015 TFWA World Exhibition will take place under a cloudier firmament business-wise than in the recent past, says the Association. Annual growth in global duty free and travel retail has slowed from +18% in 2011 to just +4.3% last year as cooling Asian economies combined with reduced passenger flows among higher-spending nationalities such as Russians.

One of the keynote speakers headlining the opening plenary of the TFWA World Exhibition & Conference on Monday, Oct. 19, is well versed in leading during a time of crisis. Former New York Mayor Rudy Giuliani, who led his city through the aftermath of the 9/11 attacks, is an authority on crisis management, and has demonstrated his capacity for providing guidance and support, rebuilding morale and uniting citizens towards a common goal. His political perspective and successful business career are sought on a



Former New York Mayor Rudy Giuliani

wide range of subjects from leading change to economic and foreign policy.

Keynote speaker Peter Long, Joint CEO of TUI Group, brings a different set of experiences to his discussion of current global travel trends, tourism and retail. TUI Group, headquartered in Germany, is the world's largest leisure, travel and tourism company and operates several airlines, hundreds of hotels, travel agencies, retail stores plus a dozen cruise ships.

Erik Juul-Mortensen, President TFWA, will welcome both speakers and present his annual State of the Industry address, summarizing progress, successes and challenges facing the duty free & travel retail industry.

TFWA will also host two workshops at the Hotel Majestic: on Tuesday morning, the Market Watch is discussing South Korea, the world's largest single duty free & travel retail market, which is currently undergoing some considerable changes; Wednesday morning the Inflight Workshop will update delegates on the latest trends in the inflight retail channel, featuring senior representatives from airlines and concessionaires.

TFWA is also hosting its first-ever dedicated research workshop on Wed., Oct. 21, at 6 p.m.

The one-hour workshop will present key findings of the Association's most recent research studies, all of which are available free of charge to members. Peter Mohn, Owner and CEO, m1nd-set, and Alison Hughes, Research Director, Counter

Intelligence Retail, will present highlights of the studies at the workshop which will be moderated by TFWA Conference, Research and Corporate Affairs Director John Rimmer. All registered show delegates are welcome at the session at which handouts featuring summaries of the research will be available.

Forty companies which have not previously exhibited at TFWA World Exhibition & Conference, or who have been absent for a few years, will be onstand this year. Newcomers include Roberto Cavalli, Diesel, Cruciani, Liujo, Eden Park and Mac Douglas in the fashion & accessories category; Fragonard Parfumeur and Moroccanoil in fragrances & cosmetics; Maurice Lacroix and Tous with jewelry & watches; Freixenet and Crystal Head Vodka from the wine & spirits category; Ricola and Tea Forte from confectionery & fine food; Cross and Cabeau in gifts & toys; Skross and Akita Electronics; and Yunnan Tobacco International joining the tobacco exhibitors. TFWA also welcomes back Ermenegildo Zegna, Elizabeth Arden, Lise Watier and other well-known brands which are returning to the show after a short absence.

"We aim to offer to our visitors an exciting portfolio of brands across the various product categories, introducing alongside all the major players a selection of companies which are relatively new to the sector. Unlike a category-specific exhibition, TFWA caters to the needs of many product sectors and is committed to exhibiting the latest and the best across the entire spectrum. We are confident that this year's exhibition will be a true reflection of the dynamism of our industry," said Alessandra Visconti, TFWA Vice-President Corporate.



Peter Long, Joint CEO of TUI Group



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Dufry, Hudson Group among winners of 50 new Food and Retail concessions at Minneapolis-St. Paul International Airport; but Delaware North beats out WDF Group

Dufry Group and Hudson won new retail concession contracts at Minneapolis-St. Paul International Airport in August, but World Duty Free Group, which had originally been recommended as the preferred bidder for one of two 8-year News and Convenience stores packages, was replaced by Delaware North in the RFPs for 50 new food and retail concepts under review.

Minneapolis-St. Paul International Airport (MSP) offered a total of fifty concession opportunities encompassing

72,000 square feet of terminal space that were split among 14 batches, most of which include multiple venues and terminal locations. The Metropolitan Airports Commission (MAC), which owns and operates MSP, issued the request for proposals in March 2015.

Dufry was approved for the award of the 10-year Duty Free/ Duty Paid concession; and Hudson Group Retail, LLC was awarded the other News and Convenience store package up for bid. World Duty Free Group was recommended

by the MAC's Review Committee, but the recommendation was subsequently not approved by the MAC's Management & Operations Committee during its meeting on Aug. 3.

The World Duty Free recommendation came under review again during the meeting of the full MAC board which took place on Aug. 17, when an amendment was made to substitute WDF for Delaware North. Key executives from both World Duty Free and Delaware North and various suppliers and partners presented impassioned arguments regarding the reasons each should be awarded the contract. In the final vote, Delaware North was the approved winner of the package.

Among the arguments against World Duty Free was a question of wage disparity and the acquisition of 50.1% of the share of WDFG by Dufry on Aug. 7, with the tender of the remaining 49.9% now underway.

Companies submitted a total of 54 proposals, which were reviewed on the basis of its financial plan, merchandising, concept and design plan, Airport Concessions Disadvantaged Business Enterprise program participation, and management and operations plan. The proposal with the most points for each batch was selected for recommendation.

Of the seven Food and Beverage batches on bid, SSP America MSP and Midfield Concession Enterprises, Inc. were both approved for two packages each, with Aero Service Group, Inc., Delaware North-Angel Food-Hell's Kitchen MSP, LLC and Caribou MSP Airport approved for one batch each.

Delaware North groups also won two other Retail batches, in addition to the News and Concessions package, and Pacific Gateway Concessions, LLC and MSP Innovations, LLC were approved for one batch each.

The expanded Duty Free/ Duty Paid stores will be built in the locations currently filled by Twin Cities News Connection on Concourse D, Subway and World Passage/Duty Free in the airport mall, and the arcade in Terminal 2.



Westfield unveils four new dining options at LAX T1

Westfield has unveiled four new dining destinations at Terminal 1 at Los Angeles International Airport (LAX) as part of a \$508 million overhaul spearheaded by Southwest Airlines in partnership with Los Angeles World Airports (LAWA).

Managed by Areas USA, the new venues include Reilly's Irish Pub, The Coffee Bean & Tea Leaf, California Pizza Kitchen, and Deli & Co.

When complete, Westfield's new retail and dining collection will span 25,242 square feet – nearly double the previous program. The locations – which join six previously announced retail and dining concepts – are expected to open progressively beginning later this year, with the total terminal redevelopment slated for completion in 2018.

The new lineup joins previously announced Rock & Brews, Be Relax, Quiksilver, Treat Me Sweet, I Love L.A., and Brookstone.

In addition to Areas USA, Westfield operating partners in Terminal 1 include Crews (formerly Crews of California), LA-based Soto & Sanchez, Brookstone, Inc., and Be Relax. Westfield plans to conduct two additional Competitive Evaluation Processes (CEP) at later dates, where additional restaurants and retail stores will be solicited to join the Terminal 1 lineup.

Constructed in 1984, Terminal 1 is home to 15 gates and is served exclusively by Southwest Airlines. In 2014, more than 7.6 million travelers passed through Terminal 1. Terminal 1 joins Westfield's LAX portfolio of Terminals 2, 3, 6, and Tom Bradley International Terminal.

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NY's LaGuardia Airport to get a \$4 billion redesign



Once called a “third world” airport by Vice President Joe Biden, New York’s LaGuardia International will now get a \$4 billion redesign that will double the current operational space, New York Governor Andrew Cuomo announced this summer.

Cuomo was joined by the Vice President in unveiling the vision for the comprehensive redesign, which will transform the airport from its current terminal layout, comprised of multiple, fragmented terminals, into a single, structurally unified main terminal with expanded transportation access, significantly increased taxiway space and best-in-class passenger amenities.

“We are transforming LaGuardia into a globally-renowned, 21st century airport that is worthy of the city and state of New York. It’s the perfect metaphor for what we can achieve with the ambition and optimism and energy that made this the Empire State in the first place, and I want to thank our many partners for joining us to build the airport that New York deserves,” says Cuomo.

Construction on the first half of the new unified terminal, expected to be a \$4 billion project that creates 8,000 direct jobs and 10,000 indirect jobs, will be managed by LaGuardia Gateway Partners, a new public private partnership chosen by the Port Authority of New York and New Jersey.

The new design, expected to break ground in the first part of 2016 with a 2019 opening date, will be accomplished by demolishing the existing Terminal B

building, which is operated by the Port Authority, and replacing it with a larger structure located closer to the Grand Central Parkway, which will include new terminal space and a new Central Arrivals and Departures Hall, and will link to Delta’s Terminals C and D. This represents the western half of the new structurally unified terminal.

The eastern half of the new unified terminal will be constructed on a parallel track by Delta Air Lines redeveloping its existing Terminals closer to the Grand Central Parkway and connecting them to the new Central Arrivals and Departures Hall.

Ed Bastian, President of Delta Air Lines, said, “Delta commends Governor Cuomo on his airport reconstruction

plan, which will transform not only the New York City travel experience but also the landscape of the city itself. Delta has invested more than \$2 billion in infrastructure upgrades and passenger enhancements at our hubs at LaGuardia and JFK, and the initiatives announced today are aligned with our ongoing commitment to providing an exceptional experience for anyone traveling through New York for business or pleasure. We look forward to working in partnership with the governor’s design commission on a comprehensive and complementary redevelopment plan that realizes our mutual goals and benefits all New York passengers.”

Passenger disruption will be minimal during construction, said Cuomo.

Miami, and Florida, on track for record tourism in 2015

Florida has received a record-breaking 54.1 million travelers in the first half of 2015, and the Sunshine State is on track to welcome more than 100 million annual visitors for the first time ever.

Miami-Dade County Mayor Carlos A. Gimenez particularly cited Miami International Airport for the outstanding performance, noting that of the 14.6 million visitors who stayed overnight in Miami last year, 96% arrived at MIA.

MIA is having a record-setting year as well, with 21.9 million total passengers

and growth of 5.79% through June – putting it on pace for more than 43 million passengers.

MIA is also the state’s busiest airport for international travelers, welcoming 70% of all foreign visitors to Florida annually.

New international airlines and routes starting up in the coming months include expanded seasonal Miami-Helsinki service on Finnair; five weekly flights to Vienna aboard Austrian Airlines; and daily Miami-Istanbul service by Turkish Airlines.



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DFW chooses DFASS JV to transform Terminal D duty free shopping experience



Dallas/Fort Worth International (DFW) Airport has selected DFASS-led TRG Duty Free Joint Venture for its new duty free shopping inside International Terminal D.

TRG will design and operate a total of six shopping locations covering nearly 20,000 square feet. TRG's plans include a two-level, 13,000 sq ft primary store that will significantly upgrade the central area of the terminal, along with an executive lounge as well as smaller specialty stores and kiosks.

"Terminal D hosts more than 7 million international travelers each year, and as our international profile grows those customers look for world-class experiences and amenities," said Sean Donohue, chief executive officer for DFW Airport. "The new duty free experience at DFW will transform Terminal D and bring our customers an unparalleled level of luxury and service with high-end brands, VIP concierge services, cutting-edge technology and local flair."

TRG's duty free shops will feature such international retail brands as Ferragamo, Gucci, Dior, Chanel, Lancôme and Burberry, selling a variety of clothing, cosmetics, electronics, leather goods, jewelry, handbags, wine and spirits, specialty foods and more.

The concession will also feature exclusive local brands, including Bohlin Company western wear with Texas roots dating back to 1920, world-renowned Fort Worth distiller TX Whiskey and native Texas artist James Surls. A unique sculpture by Surls will suspend over the central store to give shoppers a true Texas welcome.

In addition to DFASS, the TRG joint venture is comprised of locally owned CBI Retail Ventures, and the Luskey

family, which has operated its landmark Luskey/Ryon's western store in the Fort Worth Stockyards since 1919. The other partners are Charles Bush Consulting, which has owned and operated concessions at DFW Airport

for over 15 years; and MDT Strategic Ventures/Innovative Strategies, a new partner to DFW Airport.

TRG's new duty free shopping main store will be located in the center of

Terminal D between Gates D22 and D23. All of the new locations should be installed and operational by the end of calendar year 2016.

DFASS has been the lead partner in the incumbent Buckeroo Duty Free at DFW.

The new duty free operation is part of the Airport's overall plan for new premium retail, spa and food and beverage concessionaires in the first major update to the Terminal D concessions program since the terminal opened in 2005. New brands coming to DFW include Hugo Boss, TUMI, Michael Kors, Coach, Mont Blanc, Longchamp, M·A·C, Jo Malone, Aveda, The Italian Kitchen by Wolfgang Puck and Café Izmir Mediterranean Tapas of Dallas.

DFW unveils new brand focusing on customers and international growth

Dallas/Fort Worth International (DFW) wants to project a more welcoming image.

The airport has revealed its new brand with the tagline "Travel. Transformed." This replaces the current brand that was introduced more than 14 years ago. Since then, DFW says that it has opened its world-class international Terminal D, Grand Hyatt and Skylink people mover, and added over a dozen new airlines and new air service to five continents, evolving from a national hub to a global superhub.

"DFW is a very different airport than it was 14 years ago. With our dynamic international growth, customers' expectations are different today than they were in 2001," said Sean Donohue, CEO of DFW Airport. "We recognized that our brand needed to evolve and match the responsibility we have as a global hub that drives global business and contributes \$32 billion annually to the local economy. The new brand signifies our commitment to our customers, positions us for the future and helps communicate our story of transformation."

Today, DFW is the fourth busiest airport in the world in operations

providing nonstop flights to more than 200 destinations. DFW serves more than 63 million passengers a year, nine million more than in 2001. Seventeen cargo airlines provide service to the world's major cargo hubs from DFW.

The airport has created a new logo to go along with the new brand image, one which it says encompasses the airport's renewed commitment to elevating the customer experience.

The logo is simple, clear and bold with the DFW letters prominent. A key element of the brand design is the "journey line" which moves through the logo, representing the role DFW plays in the journey of its customers, it says.

The new DFW brand will be rolled out over the next three years, starting with employee attire, Skylink trains, ground transportation vehicles, signage and digital media, all revealed on Oct. 1. Customers will ultimately see a completely redesigned look on DFW's web and social media presence.



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Miami International Airport transforms with expanded retail and innovative services

A funny thing happened to Miami International Airport as it strives to transform itself from a recognized hemispheric hub to a global airport offering travelers a world-class experience. The once stodgy, much maligned facility has become one of the most modern and innovative airports in the United States, staying at the head of the line when it comes to introducing the coolest new features, as well as an ever expanding selection of in demand retail and eating venues.

Not only is MIA the first fully beaconized airport in the world, offering airlines, retailers and other partners apps to trigger useful content to passengers and staff, but passengers entering the North and South Terminals are greeted by Leticia, a bi-lingual avatar available 24 hours a day! The super employee is a virtual assistant powered by high-definition projection imaging and surround sound to help passengers find their favorite pre-flight

meal or last-minute gift item, among other information.

Miami-Dade Aviation Director Emilio T. González is also making huge strides in his quest to transform MIA into a global hub. “Beginning this winter, MIA will proudly offer our customers more travel choices to Europe than ever before,” he said in a recent press release.

MIA already offers more flights to Latin America and the Caribbean than any other U.S. airport, and recently added new service to Vienna, Austria and Istanbul, Turkey and the first direct flight to the Middle East from Florida aboard Qatar Airways. MIA will be offering direct flights to 19 cities in Europe by November, including new Airbus A380 superjumbo service to London. For 2016, Scandinavian Airlines (SAS) will begin offering scheduled nonstop service from



Leticia, a bi-lingual avatar is available 24 hours a day to help passengers at MIA.

Miami to Oslo and Copenhagen beginning next fall.

The commercial offer is keeping up with the expanded air service, says Adrian Songer, Chief of Aviation Business & Revenue Development at Miami-Dade Aviation Department. Retail and food and beverage revenues bring in about half a billion dollars a year at MIA, and nearer to one billion when services such as parking are added, he says.

Songer began a recent airport tour by showing *TMI* the numerous new retail locations that have been opened in Miami's South Terminal as passenger traffic increases. The South Terminal houses a beautiful concessions hall that connects concourses H and J, anchored by one of the main Duty Free Americas duty free stores.

“Terminal J is now 100% international traffic, and we want to offer these passengers the brands that they want. We are constantly monitoring sales trends and accommodating our passengers,” he says.

In June, World Duty Free Group (WDFG), working in partnership with Master ConcessionAir (MCA), opened five new retail locations in the South Terminal concession hall in an area totaling of 3,531 sq. ft. The new units include a 1,005 sq. ft M·A·C store, a 992 sq. ft Desigual shop, a 913 sq. ft Coach boutique presenting the new look, and two units for Tumi and Tous averaging a little more than 900 sq. ft. World Duty Free Group also operates 10 other store locations in MIA.

The smaller units, while not “inline” stores, are very well designed to make the most efficient use of space and feature a



World Duty Free Group with Master ConcessionAir opened five new retail locations in MIA's South Terminal in June including a Coach boutique and a Tous unit.



The South Terminal Concession Hall features shops catering to the international passengers who travel from MIA.

curved top that disguise its freestanding nature. “The units are doing very well,” says Songer.

In addition to the five new WDFG stores, DFA has opened three new DF/DP specialty retail boutiques for Victoria’s Secret, Tommy Hilfiger and Michael Kors in the South Terminal.

“These are brand new locations, in space that we did not open right away because the traffic and the economy did not warrant it,” explains Songer. “But with the additional traffic, we opened the additional spaces and they are generating incredible sales. These are hot American brands that the international customer loves.”

Next to the new DFA shops, we find

clothing stores Hugo Boss and Cubavera, which have been in place since the South Terminal opened and continue to do well: “Hugo Boss and Cubavera are both operated by Faber Location, as part of a ten store package that was awarded in 2006. The Cubavera store is staffed and operated by Perry Ellis,” says Songer.

Bijoux Ternier’s AdiXion concept, L’Occitane, Fire CZ and Taxco Sterling are some of the other featured retailers in the concessions hall.

Although the global economy is impacting MIA’s international spend, Songer says that since the airport is in a constant state of growth and movement, sales are keeping up.

“The economy is much more challenging this year than last year. And the current ‘recession’ in Brazil – Brazilians are our top international passenger --is having an impact on MIA’s commercial sales. But this month when we open up Turkish Air and Austrian Air, we add in a new group of customers. It will present us with a whole new opportunity. All these new flights are helping us, despite the global challenges.”

Songer notes that new brands such as M.A.C and Michael Kors are very successful in drawing in shoppers to the concessions hall.

Indeed, the airport management appears to be quick to take advantage of new opportunities whenever they appear, sometimes changing a brand or even a category: “We increased sales 600% when we changed a coffee shop into one that sold bagels and coffee,” noted Songer.

One of the most impressive new developments is the airport’s first “walk-through” duty free store in Terminal E for DFA. The location was opened to accommodate passengers who are flying British Airways’ Airbus A380 superjumbo to London, which began service in October. The “store” is located in previously unused space behind the new Air Margaritaville restaurant. Using digital signage and a new front, DFA has converted the space into a compelling and attractive shopping area, notes Songer.

A new development in MIA’s North Terminal specifically offers opportunities for smaller local businesses and disadvantaged business enterprises (DBE). MIA’s North Terminal Marketplace, located between gates D-26 and D-29, will feature locally themed concepts and will provide a



MIA opened duty free/duty paid retail boutiques in the South Terminal for Victoria’s Secret, Michael Kors, and Tommy Hilfiger (not pictured).



MIA's North Terminal Marketplace features locally themed concepts and a dash of Miami "flavor." Duty Free Americas opened the airport's first "walk-through" duty free store in Terminal E.

sampling of Miami's diverse demographics, from Caribbean and Mediterranean food to stone crabs and empanadas. The first two stores to open were a Miami Marlins store that launched last December, followed by Cuban Crafters, a premier local boutique cigar vendor, that offers cigars, cigar cutters, cedar humidors, and other

accessories designed to satisfy upscale cigar aficionados. This is Cuban Crafters first airport location. The other concepts are opening through the end of the year.

The North Terminal Marketplace is not only adding a dash of Miami "flavor" to the dining and shopping options at MIA, but it also continues MIA's efforts to add

more DBE firms, says Songer. MIA has already been recognized as one of the top five U.S. airports for awarding contracts to new small businesses, according to an audit released in 2014 by the U.S. Department of Transportation's Office of the Inspector General.

JCDecaux installs first large format digital screen at MIA; LVMH brands featured for first year

JCDecaux has inaugurated the first large format digital installation at Miami International Airport. The screen went live on July 29 and is currently running videos from a range of LVMH luxury brands—Christian Dior Fashion, Hennessy, Louis Vuitton, Bulgari, Christian Dior Beauty and Hublot.

The double-sided 25 ft. wide screen is located in the airport's North Terminal

(Concourse D), reaching all duty free shoppers and departing passengers alike.

The screen is strategically situated right outside one of the main Duty Free Americas stores, although the objective is about reaching the global travelers and trend setters, especially from South America, and not just duty free shoppers, says JCDecaux.

"We are extremely pleased with the installation of the new 10'x16' double-sided LED advertising monitor that went live on July 29 near Gate D-25 in the middle of MIA's busy Concourse D. The jumbo screen, which weighs nearly 5,000 pounds, is almost impossible to miss for the 50,000 passengers who travel through that concourse daily. The advertising is pre-sold for the upcoming year, and we are contemplating adding more screens," Greg Chin, Communications Director at Miami-Dade Aviation Department tells *TMI*.

The signage is expected to reach an average of 11 million passengers annually.

"This is part of a new global trend to develop large iconic digital billboards in airports. This is the only unit of that size in Miami," says JCDecaux.

LVMH is no stranger to this type of high profile presentation. The luxury company brands have dominated JCDecaux's giant Twin Screen installation at New York's JFK Terminal 1 since it was installed in 2013.



DEN adds Victoria's Secret, and new Time Travel concept from DFASS

Denver International Airport (DEN) has added two new specialty retail concepts to its concessions program. Victoria's Secret Beauty and Accessories and Time Travel, a new retail store offering passengers a wide range of luxury timepieces, eyewear and other fashion accessories, have opened on the B Concourse Mezzanine level.

Time Travel, operated by the DFASS group, offers upscale brands including top fashion designers such as Michael Kors, Nixon, Maui Jim, Prada, Ray-Ban, Furla, Longines, Tissot, Chopard, Montblanc and Tag Heuer. Product lineups are updated monthly to stay on the latest fashion and technology trends.

DEN is Time Travel's first flagship location and features stunning LED runway lighting in the floors, a sensory ceiling with

light displays and sounds of passing overhead aircraft, along with custom display cases and accents made from genuine salvaged aircraft parts.

The Victoria's Secret store features an iconic, fashion-forward range of beauty products and accessories including the brand's best-selling fragrances and travel-ready items such as signature lip gloss and body-care products. It also carries a unique collection of luxury accessories that includes cosmetic cases, bags, small leather goods and luggage; scarves; sunglasses and a range of panties to complete the assortment.

Victoria's Secret features a dynamic storefront with an interior that contains upscale elements like

black-cherry fixtures, eye-catching focal walls surrounding the 796-square-foot space, and a video wall that broadcasts footage of the Victoria's Secret Angels.

"Denver International Airport is elevating the airport experience by providing passengers with a better blend of local and national brands that travelers expect in a modern, world-class airport," said Bhavesh Patel, DEN's chief revenue officer. "The addition of Time Travel will provide passengers in Denver with a new shopping option that will enhance our current lineup of retail concessions... Victoria's Secret at DEN will provide another globally-recognized brand that further enhances the retail shopping options for more than 53 million travelers each year."



SFO welcomes flights to Delhi, Panama

San Francisco International Airport (SFO) announced that Air India will begin the first-ever nonstop flights between San Francisco and Delhi on December 2, 2015. Air India officials said the airline plans to launch service with three flights per week, using Boeing 777 long-range aircraft.

This is the only nonstop flight between India and the West Coast of the United States. The new flight makes SFO the fourth U.S. city served by Air India, joining Chicago O'Hare, New York (JFK) and Newark.

In September, SFO also welcomed

daily non-stop service from Copa Airlines to Tocumen International Airport in Panama City. From Panama City, passengers can connect daily to more than 55 cities across Latin America through Copa's Hub of the Americas, including eight destinations in Brazil, including Sao Paulo and Rio de Janeiro; nine destinations in Colombia, including Bogotá, Medellín, Cali and Cartagena; Santiago, Chile; Buenos Aires, Argentina; Lima, Peru; San José, Costa Rica; Guatemala City, Guatemala; and Managua, Nicaragua; among others.



Connecting passengers at the Hub of the Americas are not required to make immigration or customs stops and bags are checked to the final destination.

DFA inaugurates new branded Dulles Airport boutiques



Washington Dulles International Airport celebrated the grand opening of its luxury retail wing in Concourse A and B on August 19, highlighted by the gala ribbon cutting of seven new luxury branded boutiques opened by Duty Free Americas.

The new DFA stores include Michael Kors, Kiehl's, L'Occitane, Burberry, Thomas Pink, Coach and Montblanc.

"We are excited about the recent opening of our newest boutiques at Dulles International Airport. The addition of these seven boutiques and the world-class brands

they represent builds on the success of our luxury fashion and accessory departments within our core duty free store and provides further selection to the airport's travel retail offerings," DFA CEO Jerome Falic told *TMI*.

"We are grateful to the Metropolitan Washington Airports Authority and Marketplace Development for sharing our vision and for giving us the opportunity to create a fabulous shopping experience at the airport," he continued.

DFA has opened similar boutiques in

Miami International Airport, New York's JF Kennedy International and Hartsfield-Jackson Atlanta International Airport as well. "The airport authorities in the U.S. were looking for ways to make their stores more appealing to travelers and are turning to boutiques, more like in Asia," Falic said.

A new Estee Lauder/MAC store, managed by International Shoppes, and preppy clothing store Vineyard Vines, managed by Hudson Group, have also joined the lineup of new stores.



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*owned by Duty Free Americas, Inc., a Maryland corporation, or UETA, Inc., a Panama corporation (or their subsidiaries).

www.dutyfreeamericas.com

Travel retail industry supports 2nd annual DFA Charity Golf Tournament to raise \$250,000



From left: DFA's Joseph and Dov Falic, Gabe Groisman, Leon and Jerome Falic symbolically hand over a check for \$250,000 to Dr. Annette Bakker, William Brooks and Michael A. Divers of the Children's Tumor Foundation at the conclusion of the 2nd DFA Charity Golf Tournament on Sept. 10 at the Weston Hills Country Club. Special recognition to Diamond Sponsors Pernod Ricard Travel Retail Americas, Clarins and Moët Hennessy Travel Retail, and Platinum Sponsor Philip Morris Duty Free.

The travel retail industry in North America turned out in force to help support the 2nd annual Duty Free Americas Charity Golf Tournament Sept. 10, raising \$250,000 for the Children's Tumor Foundation, an organization dedicated to ending Neurofibromatosis (NF) through research. Last year, at the inaugural DFA Charity Golf Tournament, the company raised over \$180,000 for Breast Cancer Research.

More than 200 golfers, a dozen tennis players, and scores of other duty free suppliers and service providers participated in the 2015 event at the

beautiful Weston Hills Country Club in Weston, Florida.

DFA completely underwrote the event, with 100% of the monies raised through sponsorships, raffle and auctions, and donations going to the charity.

This year's chosen charity recipient for the DFA Golf Tournament, the Children's Tumor Foundation, is tasked with finding a cure for NF — a genetic disorder that affects one in every 3,000 people and can cause tumors to grow on nerves throughout the body. Complications from NF can lead to disfigurement, deafness, blindness,

skeletal abnormalities, learning disabilities, malignancies and debilitating pain.

The disease affects all populations equally and there is not yet a cure.

"We are real believers in giving back to the community and we are always looking for charities in which we can make a difference. NF is such a worthy cause. There are so many people that suffer from this disease, it is unbelievable. We heard about it, researched it and are devoting this year's proceeds to it. We will find another charity to support next year," DFA CEO Jerome Falic tells *TMI*.

"Thank you everyone here for making a difference. It is all about making the world a better place. We are all about giving back, but we couldn't do it without you," said Jerome Falic during his opening remarks at the cocktail/dinner.

Falic gave special thanks to Jon Bonchick, for suggesting the idea of a charity event, and Dania Roig and the rest of the DFA staff, for their stellar results in organizing the event.



One on One with Peter Brain, FDFA President

Canadian land border business must adapt to its changing reality



Peter Brain,
FDFA President

The Canadian land border duty free business is being bombarded with serious challenges that threaten sales all along the northern side of the U.S./Canada border, says Frontier Duty Free Association (FDFA) President Peter Brain.

"The land border industry is struggling to maintain healthy land border duty free savings levels in the face of several factors: free trade agreements; aggressive price-based competition in the U.S.; massive distribution and availability of products through internet and specialty discount retailers; plus mergers, acquisitions and reorganizations within the liquor and cosmetics segments. Our consumer research completed by Deloitte in recent years solidly reconfirmed what we already knew; that savings is the number one reason for shopping duty free," he tells *TMI*.

"As niche retailers with a limited product breadth relative to mass-market discounters and internet retailers, we have to ensure our duty free offering continues to provide trusted and compelling value. Otherwise, it will become more and more easy for consumers to transfer purchases away from duty free to other sellers."

Partnerships key

Brain says Canadian duty free operators need to work more closely with their partners to give consumers the best shopping experience in their stores, reiterating how important low pricing is to generating sales on the border.

"We must convince our suppliers that

we are first-rate partners who can showcase and retail their products exceedingly well in accordance with agreed plans, so that they will continue to invest and support our place in the overall retail landscape. With many changes in personnel and organization within major suppliers, we have to ensure new staff are fully educated on the needs and expectations of our customers.

"In liquor we have seen massive changes through mergers and acquisitions, reorganizations, and changes in personnel serving our industry. Some large suppliers are attempting to implement consistent world pricing models that ignore unique local market characteristics. This does not work well at the U.S. land border due to its dynamic and highly price competitive nature. Some new supplier sales staff are not well-versed in land border duty free versus airport and domestic markets, and what makes land border succeed. As with cosmetics, we must be able to offer compelling savings to prevent a migration of sales to our larger domestic competitors.

"We are trying to partner better with key suppliers who understand our market and are willing to support our business model, since it is a great showcase for leading brands and stable channel when the pricing is set right. We need to demonstrate, like larger airport operators, that we are aggressive and capable of consistently executing solid retail sales and marketing plans that will grow our businesses."

The growing sophistication of retailing is another development that is making it critical for all the land border shops to work together, argues Brain.

"What was our greatest strength when our sector started up in the 1980s – that we were small-medium sized businesses each run by aggressive entrepreneurs – is now becoming a weakness. Today with competitors using big data, economies of scale in marketing and market coverage, immense purchasing power to drive down costs, and other sophisticated strategies we will have to work better together to keep up. Otherwise we can-

not achieve economies of scale or complexity when it comes to such things as branding, marketing, assortment planning, staff training and buying. Failure to work together could weaken our industry over time."

Changing Tobacco

The land border stores need to find new products to replace the sales of tobacco, which was once the cornerstone of Canadian duty free, but is now around 25% of the land border business.

"Given the slow erosion of tobacco in our sector, and competition in the cosmetics segment, we have to improve our assortment planning and buying in non-core product areas also," he says.

"Emerging tobacco laws and taxation levels also present a challenge. As tobacco taxes raise per carton retail prices, consumers are smoking less and in most cases they are purchasing by the pack and not the carton. Also, illicit tobacco remains a challenge, particularly in Ontario and Quebec where illegal smoke shacks often sell off-brands well below even duty free prices. The industry has to better educate lawmakers that duty free is perhaps the most responsible tobacco sales channel, since the sites are not accessible by unaccompanied minors, we sell only by the carton, customers visit infrequently mostly during periodic cross border holidays, and we follow the letter of the law without exception in terms of not selling to minors. We are not a market that potential new smokers even consider due to these policies and locational realities."

"These are all tough challenges. Whether we can rise to them is largely dependent upon how much land border operators have matured in 30 years, in terms of being able to recognize that we are not competing with one another, but rather are mostly competing for the consumer against sophisticated U.S. domestic non-duty free retailers. Only by accepting this can we bind together and raise our retail sophistication and marketing impact to the level needed to compete effectively in today's market. Only by demonstrating consistent high quality retailing will our suppliers continue to view us as a first-rate retail partner worthy of support and investment to advance their brand ambitions."



Currency

The Canada/U.S. dollar exchange rate will have a major impact on the border business attracting U.S. customers, says Brain.

"Exactly how this will play out over the next twelve months is uncertain. Canadian traffic is already starting to slow down at the border, particularly with cross-border shoppers. U.S. traffic is picking up but there will be a lag time due to travel habits formed in recent years while the U.S. dollar was weaker versus the Canadian dollar. We view summer 2016 as a significant growth opportunity for U.S. tourism if the current rate of about 1.35 carries through to next summer. We hope the Canadian Provincial and Federal governments will step up tourism marketing efforts due to the current growth

opportunity. We also plan to reintroduce our Road Trip Travel Rebate Program in the 2016 federal budget process, and commence lobbying for this after our current election."

The FDFA is addressing some of these challenges facing the industry at its semi-annual business summit, where leading retail consultants speak on emerging opportunities and best practices.

"As we evolve we hope this will become a forum where significant potential collaborative actions can be discussed, vetted and started. The FDFA is still the voice of the industry with our federal government, and through government relations we hope to both educate decision makers on the needs and economic/social impacts of our sector for Canada, and effectively lobby for progressive

tourism policies such as our Road Trip Travel Rebate Program, which will benefit our members and Canadian tourism in general."

Working with the Retail Council of Canada, the FDFA recently completed the first module of its national staff training program.

"This is one of several efforts to raise our game through collaboration to achieve economies of scale. Our national marketing program is another example of trying to get members to invest more significantly in proactive business management activities, as is our semi-annual Business Summit. Our business summit in particular brings in retailing experts to try and educate our members on current trends and best practices in retailing, which we should be adopting to stay relevant."

FDFA celebrates 30 years and prepares for future

The 30 year-old Frontier Duty Free Association (FDFA) is celebrating its anniversary at its annual convention in Vancouver from November 15-18, and will introduce a number of new initiatives as it moves forward, says FDFA Executive Director Laurie Karson.

"We are thrilled to be back on the West Coast to celebrate our milestone. We developed a Sea to Sky theme this year, really celebrating British Columbia. We are hosting the welcome reception on a beautiful luxurious yacht dockside to the hotel," Karson tells *TMI*.

"We are hitting the attendance numbers we anticipated, even though 60% of our suppliers are located in the GTA (Greater Toronto Area)."

Online Training Program

To prepare for the future of the industry, the FDFA has developed a partnership with the Retail Council of Canada (RCC) to host and develop the first ever online Canadian duty free employee certificate program.

RCC's online duty free test, which goes live on October 28, 2015, will assist stores in the career development of their employees, to ensure that basic land border duty free knowledge is consistent across the country. RCC will create a new training module each year for duty free land border

employees – developing a library of training for stores to choose from based on their needs.

The National Online Duty Free Test consists of 50 training questions online with training modules developed specifically for the test available for pre-learning. The employees receive a certificate for every course they pass. The test is recommended for new employees hired within the past six months, any new employees hired in the future, and existing employees that managers would like to have refreshed on the industry.

Road TRIP

Karson says the FDFA will be lobbying the Canadian government again for the passage of its Road TRIP program, which was not included in the 2015 Canadian Federal Budget.

Road TRIP (Travel Rebate Incentive Program) is a three-year pilot program developed by the FDFA to help incentivize U.S. tourism visits and related spending in Canada by allowing U.S. travelers to have their 5% tax rebates processed on the spot at Canadian land border duty free stores.

As part of the program, travelers would have been encouraged to "Take 5" and consider making a final purchase with their rebate before returning to the U.S.

"We are absolutely going after Road

TRIP. Last year we lost out by a hair simply because of the oil crisis. We are going into a federal election in Canada. But whatever government is in place will be hearing about Road TRIP."

Summer Contest

For seven weeks this summer, the FDFA's National Marketing Program launched a customer contest created to increase American/Canadian customer knowledge of the Canadian duty free industry. The "Win with What You Know" contest had weekly prizes and a grand prize of \$5,000.

"We had 24,000 people enter, with around 60% Canadian and 40% Americans. A lot of our stores engaged in the contest on a store level on social media, via twitter and facebook, etc.," says Karson.

"With the currency exchange we are seeing more Americans coming by, and not as many Canadians. This is certainly impacting the business. We have to educate Americans that 'yes you should stop at our duty free stores on your way home.' We have to start making this message part of their travel plan and engage this new demographic who we haven't seen in so long. If the currency exchange stays the same and we continue seeing Americans, the 2016 high season should be an exciting time."

2015



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Importations Guay Ltée expands store to bring new brands to the Canadian border



Quebec's Importations Guay Ltée is renovating and expanding its main duty free store in St-Bernard-de-Lacolle on the U.S./Canada border between Montreal and New York, allowing the retailer to introduce new brands and expand the selection of others.

Importations Guay Ltée's Vice President Justin Guay, whose family has been involved in the duty free business for more than 33 years since the introduction of land border duty free in Canada, says the renovations will modernize the main store and give his customers more of an "experience."

"Our goal was to give the store a more modern feel. We work hard to keep our selection current. Customers want a shopping experience and in order to satisfy this demand we need to expand the range of products that we carry. Every category in the store is seeing an expansion," he says.

Both the retail floor and warehouse space has been expanded 25%, bringing the total size of the main store to 16,000 sqf, says Guay. The entire store was redesigned, from fixtures to lighting, with construction taking place throughout the second half of 2014.

"Construction occurred behind the existing structures so that our in-store renovations would not disturb the clientele. The actual in-store renovations began in April 2015, and we expect them to finish in early spring 2016."

Guay says the renovations and expansion have

allowed Importations Guay Ltée to bring in brands that they have never sold before and devote more space to brands that are already performing well.

"We were extremely proud to introduce La Mer and Bobbi Brown. Some of the brands we are expanding are Glenfiddich, Johnnie Walker and the Diageo scotch selection, Estée Lauder, Dior and L'Occitane," he says.

Guay expects the renovations to impact sales positively.

"People increasingly want a shopping experience. Our store already had a wider selection of goods than the average duty free store. We notice that despite this, people are still craving more. By expanding, it will provide customers with more of what they desire and in turn increase sales."

The expanded redesigned store is one way Importations Guay Ltée is adapting to changes in the Canadian land border business since the store was built in 1983.

"The land border reality is ever-changing and it is important to adapt quickly. We are constantly doing our best





By expanding its main store to 16,000 sqf IGL was able to bring in brands it has never sold before such as La Mer and Bobbi Brown

to accommodate both Canadians and Americans despite the exchange rate. We offer an advantageous cash rate, strong negotiations and teamwork with suppliers to create the best possible prices for our customers. Educating people on the advantages that come with the current rate is extremely important. People don't always understand how the exchange rate

works or that there might be an advantage to use U.S. currency. This is why our staff is always ready and willing to explain. It happens often that a client is shown the benefit of the exchange rate and a few extra products are dropped in their basket as a result."

Besides the main store in St-Bernard-de-Lacolle, which welcomes

travelers on Highways 15 & 87 between Montreal and New York, the company has two other locations: Boutique Hors Taxes de L'Est in Stanstead for drivers on Highways 55 & 91 between Montreal and Boston; and Boutique Hors Taxes de Stanhope in Stanhope for travelers on Routes 147 & 114 between Sherbrooke and Boston.



2014 FDFA Annual Convention Highlights



Expanded Blue Water Bridge DF updates product offering to better meet customer needs



Blue Water Bridge Duty Free has helped set the standard for the Canadian land border duty free business for three decades. This summer the award-winning operator completed a major expansion so that it could devote more space to its best-selling categories.

The 10,000 plus sqf store located at the end of Highway 402 at the Sarnia Crossing to Port Huron, Michigan is now “significantly larger” than it was before, says Peter Brain, Blue Water Special Projects Manager.

“Our warehouse space was very small for a store of our size, and afforded insufficient opportunity to buy in bulk to achieve price savings, or to acquire goods from China and elsewhere directly if opportunities arise. We also wanted more retail square footage to allow adequate space for more appealing branded displays, and to rebuild some ‘non-core’ (i.e. not liquor, tobacco or cosmetics) product lines that would broaden the overall store appeal. This includes products that will appeal to core duty free overnight travelers, as well as non-traditional day-trippers that comprise 2/3 of our total drive-by traffic.

“One part of the plan is to have a marketplace of affordable products that changes frequently, to keep our offering of impulse items interesting to travelers who cross the border more frequently,” says Brain.

Blue Water also wanted to create a luxury goods boutique and increase its offering in watches, jewelry, and accessories, says VP Sales Tania Lee.

“We have listed watches from Swatch, Citizen, Michael Kors, Fossil, Bulova and Breo so far and the sales have been quite healthy. Sunglasses have seen the addition of Maui Jim, Guess and Harley Davidson, to name a few,” she says.

The expansion began in the beginning of last year and took longer than anticipated due to the harsh winter, but was completed in August.

“[The expansion] has allowed us to greatly increase our beer section installing new refrigerated units and devoting more area for craft beers that are the fastest growing segment of the beer market. We now have adequate space to cross-merchandise complementary products appealing to the beer drinker and expanded our Ontario Wines section with personalized wall space for some key wineries.

“We also have new and consolidated space to build-out our jewelry and accessories area with new watch and jewelry brands, sunglasses and fashions; and expanded our cosmetics department to accommodate new areas such as hair care. We also added a greatly enhanced tasting station in our liquor section. In general the expansion provided more floor space that gives breathing space between displays to make the store more warm and inviting,” says Brain.

The expanded store reflects Blue Water’s strategy of leading with its master brands that offer compelling savings and can sell in large volumes.

“This year we have focused on rebuilding Stolichnaya as our leading vodka brand due to the favorable pricing and savings versus other brands such as Absolut. Most Diageo brands are performing well due to their attention to our market place needs in terms of pricing and promotions,” says Brain.

“We are aiming to introduce our customers in at a mid-priced level and up-sell them by price and volume. Johnnie Walker Black is up over 30% as this was one of our high profile promotions



Blue Water Bridge has focused on Stolichnaya as its leading vodka brand.

throughout the summer,” adds Lee.

With the expansion now complete, sales in September rose by double digits with healthy gains from liquor and incremental sales from the luxury area and the marketplace, says Lee.

The exchange rate is another element influencing shopper behavior.

To date, while there is some concern that Canadian traffic will contract due to an unfavorable exchange rate, the U.S. customer base has more than compensated for any declines, says Brain.

“It remains to be seen what will happen over the winter months, but the strength of the U.S. dollar is an opportunity, and American customers typically spend more on average than their Canadian counterparts. There will be a lag time in the build-up of American traffic for a portion of the market, due to pre-booked travel plans and travel habits developed over the last

few years (e.g. staycations in Michigan and New York have become common),” he explains.

Supplier relationships

The Blue Water executives note that these are challenging times in terms of supplier relationships.

“We are spending considerable time and resources to educate suppliers on the needs and realities of the land border market, which is characterized by substantial shopping alternatives in the U.S. in close proximity to the border, and consumers who are very knowledgeable about U.S. pricing and competitor options,” says Brain. “Due to significant changes in management structure and personnel at major suppliers, there is a danger that global pricing models could negatively affect our market by eroding the savings offered in our stores. Our Deloitte consumer research clearly showed that

‘Savings is the single most important factor in choosing to shop duty free.’ We offer the suppliers a very sophisticated and stable retail market and showcase for their products, but consumers could migrate to other less beneficial channels if savings levels are allowed to decrease precipitously.”

Adds Lee: “The digital world has resulted in the dissemination of information in a fluid and rapid manner; we must offer a real duty free price advantage over the domestic markets for duty free to remain viable and relevant in today’s world. We devote a significant amount of time to price comparisons over all retail segments to make sure we remain true to our duty free pillars and most importantly, to our customers’ expectations. Duty free is not a one-stop shopping center, so we must make sure we offer savings and an upscale, contemporary environment to appeal to the consumer.”



The Blue Water expansion has allowed the store to allocate more space to beer, fragrance and cosmetics, as well as jewelry and sunglasses.

Canada's international visitors up in 2014 China becomes 2nd largest overseas inbound market

Total overnight international visitors to Canada increased to 17.1 million in 2014, up 3.2% over 2013, according to the Canadian Tourism Commission.

Through the first six months of 2015, more than 2.9 million Americans arrived in Canada via automobile, up 9.5% over 2014.

Overnight arrivals from the U.S. climbed for a seventh consecutive month in June 2015 (+12.7%). Gains were registered across all major modes of entry, including by automobile (+15.9%), air (+7.7%) and other modes of transport (+9.5%)—including train, cruises, buses.

Buoyant visitation from the U.S. was in part facilitated in June by good weather

conditions, FIFA Women's World Cup events and favorable exchange rates for U.S. visitors.

U.S. visitors represent Canada's largest inbound travel market, accounting for 70% of all international overnight visitors in 2014. Last year, the 11.5 million U.S. visitors to Canada generated \$7.1 billion in tourism receipts to Canada.

The number of Canadians making overnight trips to the U.S. declined by 13.8% year-over-year in 2014. However, the number of Canadians traveling to overseas destinations increased by 8.8%.

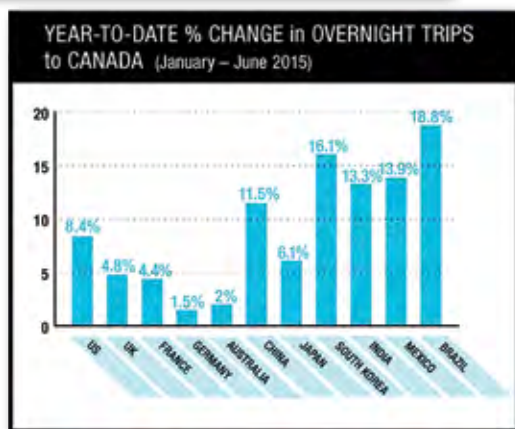
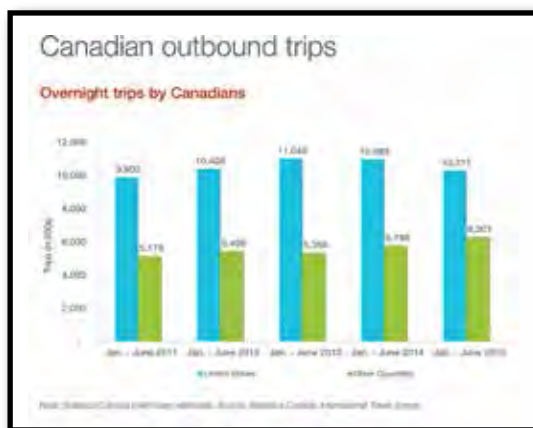
In the first half of 2015, outbound trips by Canadian residents declined 0.9% to 16,612,367. The number of trips south of the border declined by 6.1%, while trips to other destinations increased 8.9% relative to 2014.

China

China was Canada's second-largest overseas inbound market in 2014, representing an estimated 11% of Canada's overseas tourist receipts. An estimated 447,000 Chinese travelers to Canada during 2014 led to another record year for China, representing a growth of nearly 30% for arrivals and 35% for revenue.

Buoyed by Approved Destination Status (ADS), a favorable exchange rate, excellent air service and a relatively large population of Canadian residents of Chinese origin (1.3 million), the Canadian Tourism Commission expects visitor growth to continue expanding at a double-digit pace.

Since the beginning of 2015, China has emerged as the second-largest overseas inbound market after the UK.



Air Canada has record August

Air Canada's August traffic increased 10.1% to 4.2 million passengers, setting an all-time record month of passengers served in Air Canada's history.

The airline reported a system-wide capacity increase of 10.4% and a load factor of 89.6% in line with last year's record August load factor of 89.8%.

"I am extremely pleased to report strong traffic growth of 10.1% for the month of August, a month during which we served 4.2 million customers, more than any month in Air Canada's 78-year history," said Calin Rovinescu, President and Chief Executive Officer. "Air Canada generated greater traffic in all markets resulting in a load factor of 89.6% in line with last year's all-time record. These strong results demonstrate the effectiveness of our commercial strategy focusing on international growth. The impact of the economic slowdown in Western Canada is more than offset by strong demand in U.S. and overseas markets resulting in a 9.9% traffic growth year-to-date compared to last year."

Air Canada reports traffic results on a system-wide basis, including regional airlines from which Air Canada purchases capacity and Air Canada rouge.

Air Canada is Canada's largest domestic and international airline serving more than 190 destinations on five continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2014 served more than 38 million customers. Air Canada provides scheduled passenger service directly to 64 Canadian cities, 52 destinations in the United States and 78 cities in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico, Central America and South America.

AIR CANADA 

More passengers passing through Canada's airports

Canada's airports continue to see significant growth in the domestic, trans-border and international passenger segments. For Canada's ten busiest airports, demand over the first half of 2015 rose 4.1% year-to-date, down slightly from the 6.1% year-to-date growth experienced through the same period in 2014.

The year-to-date result is stronger than 2012 and 2013, which saw increases of 3.7% and 2.7%, respectively.

Among the 8 busiest airports in Canada, Winnipeg (5.6%) and Toronto Pearson (5.1%) achieved 5+% growth for all segments in the first half of the year. For transborder flights, 4 of these 8 airports

are reporting growth led by Vancouver (10.2%), Toronto Pearson (6.5%) and Ottawa (5.0%), while international traffic is up at 6 of the 8 airports with Toronto Pearson leading the way at 9.5% and Montreal Pierre Elliott Trudeau at 6.5%.

Air Canada offers free layovers to promote visits to Toronto

Air Canada is offering free Toronto stopovers of up to one week on flights booked between the U.S. and Europe or Asia with the goal of positioning Toronto Pearson International Airport as a global hub.

This special offer, developed with the support of Tourism Toronto, is designed to encourage U.S. originating international customers to take advantage of their connection to experience Canada's largest city.

"As Air Canada's global hub, Toronto Pearson is quickly growing in popularity as the most efficient connecting point for U.S. originating travelers to Europe or Asia. But in addition to being extremely convenient for transiting international travelers, Toronto makes an ideal city getaway for those

who have the time, as there is a tremendous amount to see and do in one of the world's most multicultural and vibrant cities. This is why we are pleased to offer our U.S. originating customers flying on international connections with an opportunity to stop over in Toronto for up to a week at no extra cost to their Air Canada ticket so that they can explore and enjoy its diverse attractions," said Benjamin Smith, President, Passenger Airlines, at Air Canada.

"International travelers are always looking for added value and exciting destinations and this offer provides both. It's the perfect way to spend some time exploring Toronto – for the first time or the tenth time – without any additional airfare," said Andrew Weir, Chief Marketing Officer of

Tourism Toronto.

Air Canada's extended stopover offer is available to U.S. originating international customers connecting through Toronto while traveling from more than 50 U.S. cities to Europe or Asia and can be applied to either the outbound or inbound portion of the trip. Customers can stay up to one week in Toronto for the same price as a usual roundtrip ticket – without any additional fees for an interrupted journey. The offer is valid for flights operated by Air Canada, Air Canada Express or Air Canada rouge.

The promotion is similar to one developed by Icelandair, which offers free stopovers in Reykjavik on all transatlantic flights.

ARI opens MAC Cosmetics counter at Montréal-Trudeau Airport



Aer Rianta International North America (ARI-NA) has opened MAC Cosmetics in The Loop at Montréal-Trudeau Airport.

The new MAC counter is positioned in the heart of the International Store and carries an extensive range of makeup, skincare, fragrance and tools and brushes.

"We are delighted to be working with such an iconic makeup brand, which will really enhance our existing P&C offering,"

says ARI-NA General Manager Seamus Holmes.

"This listing is the culmination of a lot of effort by the MAC and ARI-NA teams and very much in line with our vision to bring new and exciting retail concepts to The Loop at Montréal Airport. Customer reaction to date has been very positive and we look forward to a long and successful partnership with MAC Cosmetics."

Canadian duty free sales up in July

Canadian duty free sales were up double digits in both airport and land border shops in July, according to the latest numbers from the Canadian Border Services Agency (CBSA).

July airport sales were \$33 million, up 18% versus July 2014. For the year, airport sales have increased 20%.

Perfume, Cosmetics, Skincare, the number one category in Canadian airports with almost 35% of sales, jumped 23.5% in July. Alcohol, the second most popular category with 20% of sales, increased 17.27% for the month. Tobacco, with 10% of sales, was up 1.93%.

Land border sales in July were up 12% to \$18 million with "incredible positive growth for land border duty free stores," says Laurie Karson, FDFA Executive Director. Year to date through July, land border sales are up 4% to \$80 million.

"Many of the land border stores are reporting more U.S. customers in the stores due to the current exchange rate," says Karson.

All regions except for Prairie, the smallest region, had double digit sales increases in July. Ontario sales rose 14%, Atlantic/Quebec increased 11.7%, and Pacific sales were up 11%. July Prairie sales dropped 2%.

Alcohol, the most important land border category with almost 38% of sales, was up 19.59% in July. Tobacco, with more than 25% of land border sales, fell 3%. Perfume, Cosmetics, Skincare (15.85% of sales) increased 6.88% in July.

Puerto Rico fiscal crisis hasn't dented island's tourism industry — so far

By Larry Luxner



Jet approaches San Juan's Luis Muñoz Marín International Airport over Laguna San José

Puerto Rico is \$73 billion in the hole, a sustained drought has led to severe water shortages — at one point forcing some residents of San Juan to limit their showers to two a week — and potential rival Cuba is about to open up the floodgates to U.S. visitors.

But tourism appears to be the island's shining star on an otherwise bleak horizon.

In fiscal 2015, a record 1.5 million cruise ship visitors came to the island — up by 24.8% compared to the year-ago period and a 45.8% jump compared to fiscal

2013. That pumped \$200 million into the island's troubled economy, sustaining 5,500 jobs, according to Ingrid Rivera Rocafort, executive director of the Puerto Rico Tourism Co.

The number of cruise passengers in transit went up by 31.7%, while homeport passenger volume increased by 12.1%.

Hotel occupancy, meanwhile, edged up to 70.1% in fiscal 2015 from 69.8% in fiscal 2014 (compared to average occupancy of 68% for the Caribbean), while average room rates rose from

\$148.83 to \$157.34 over the same period (compared to \$194.66 for the Caribbean). The island added 931 rooms, and travel retailer Travelzoo named Puerto Rico one of the world's "best cost-saving travel destinations" due to "increased infrastructure and competition" with its more expensive Caribbean rivals.

Meanwhile, half a dozen new airlines began serving Puerto Rico, including Volaris (Mexico); InselAir (Aruba); Avianca (Colombia); Air Europa (Spain); Sun Country (Florida) and Seaborne (Caribbean), while another dozen airlines added new routes to their existing flights.

"In November, Norwegian Airlines will come with direct flights from Oslo, Stockholm and Copenhagen, and in December, Seaborne will add nonstop service from Antigua," said Rivera Rocafort, speaking at a Sept. 1 PRTC presentation in San Juan.

In recent months, numerous media commentators have drawn parallels between Puerto Rico — which recently defaulted on \$58 million in debt and is facing the worst fiscal crisis in its history — and heavily indebted Greece, which narrowly averted getting kicked out of the 19-nation eurozone this summer and sparking a worldwide panic.

But Clarisa Jiménez, president and CEO of the San Juan-based Puerto Rico Hotel & Tourism Association, said that when it comes to tourism, such comparisons are unfair.

"Everything is working as usual. Because of our alliance with the U.S., we have security. You won't see here what's going on in Greece," Jiménez told *TMI*. Despite Puerto Rico's crushing \$73 billion fiscal deficit, she said, "our tourism infrastructure is great, and many of our attractions, like El Morro, are under federal management, so if you come here you won't even notice that the government is having problems."





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Tourists stroll on the Paseo la Princesa in Old San Juan.

The eurozone crisis hasn't dissuaded tourists from visiting Greece, and the same appears to be true of Puerto Rico, which receives 3.2 million tourists every year, 87% of them from the U.S. mainland (compared to 5.1 million arrivals in the Dominican Republic last year, and just over 3.0 million in Cuba).

Yet virtually none of Puerto Rico's tourists were affected by this summer's severe drought, which forced authorities to impose water rationing in areas of Bayamón and Isla Verde, near San Juan's Luis Muñoz Marín International Airport.

"Tourism continues to grow. I really don't see the fiscal crisis having any impact on the industry," said prominent San Juan economist José Joaquín Villamil. "Cruise ship arrivals are way up, we have two new hotels at the convention center, one new hotel in Manatí and another new hotel in Bayamón."

On Sept. 21, the PRTC announced that two buildings fronting Ashford Avenue in San Juan's oceanfront Condado district would be demolished to make way for a 164-room luxury hotel. The \$30 million project is being partially financed by the Economic Development Bank for Puerto Rico, which over the last five years has awarded 44 loans worth a combined \$47.4 million targeted to the tourism sector. EDB President Joey Cancel Planas said the hotel project "promises to be a great attraction for the Condado area and a strategic commitment to tangible economic development."

At LMM, Aerostar Airport Holdings LLC — the joint venture now operating the airport following its 2013 privatization — has spent \$750 million to upgrade the 60-year-old facility over the last two years. It still has another \$200 million in renovations to go, said Jiménez, adding that 27 airlines now fly into LMM and that

airfare from the U.S. mainland to Puerto Rico is cheaper than to any other Caribbean destination.

On the other hand, the island's status as a U.S. commonwealth means that the federal minimum wage of \$7.25 an hour applies to Puerto Rico. That translates into a minimum salary of \$290 for a 40-hour week, compared to less than \$60 a week for an average worker at an all-inclusive resort in the Dominican Republic. And in Cuba, weekly wages come to only \$4 based on current official exchange rates.

Another drawback is the high cost of electricity in Puerto Rico. Island residents currently pay 18¢ per kilowatt-hour, down from 28¢/kwh in August 2014, when rates were slashed. Even so, that compares to an average 10¢ to 12¢ on the U.S. mainland. Thanks to a government subsidy, hotels in Puerto Rico pay less — but that subsidy may soon end, due to mounting pressure on the commonwealth to close its gaping deficit.

"Tourism has been identified as key to Puerto Rico's economic revival," Jiménez said, noting that tourism now accounts for only 6% of the island's \$103 billion GDP. She said PRTC officials would like to boost that share to at least 8% and possibly more.

Puerto Rico now has 15,000 hotel rooms, up from 9,000 in the 1970s, though the Dominican Republic and Cuba each have around 60,000 rooms, and Jamaica 20,000.

"The D.R. is a different market than us, even though they've added higher-end properties," said Jiménez. "We will never be able to compete with larger destinations in that regard because we'll never have 60,000 hotel rooms here."

But Cuba — which was off-limits to U.S. citizens for decades — is now more accessible to Americans than at any time since President John F. Kennedy imposed a

strict travel ban against the island in 1962. This summer, Washington and Havana re-established diplomatic relations after a 54-year hiatus, and new regulations published in mid-September by the U.S. Treasury Department dramatically expand opportunities for U.S. airlines, cruise ship and ferry operators to offer services to the communist island located only 90 miles south of Key West, Fla.

"Cuba will be the new kid on the block and will definitely attract many visitors. However, we see this as an opportunity to work together to create packages to attract longer-stay tourists to the Spanish-speaking Caribbean," said Jiménez. "It's competition, just the same way we have with all other destinations."

But local economist Elias Gutiérrez doesn't see it that way.

"Obviously, the novelty factor is going to play a role. So far, Cuban tourism has been mostly European and Canadian — two groups that are not particularly competitive with Puerto Rico. But there's bound to be an impact, no question about it."

A much bigger problem, he said, is the possible repercussion that may result in the event Puerto Rico cannot dig itself out of its current crisis.

"If we lose credibility in the markets, financing projects will become even more difficult, given our cost structure. Then there will be postponements and cancellations, and increased competition from Cuba," the economist warned.

"If we keep listening to the lawyers and trying to put off the bondholders and capital markets, we're going to lose the day. Everything we've done over the last 25 years will go down the drain. We must acknowledge that we have a debt to be served, with whatever resources we can put together. More than that, we have to invest at a rate of \$10 billion a year for the next 12 years to get out of this mess."

Tourism ultimately provides economic diversification "and keeps us in the ball game," said Gutiérrez, because sooner or later, "Cuba is going to become a problem."



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Cuba travel quickly ramps up as U.S. airlines, cruise ship companies plot new routes *By Larry Luxner*



View of the Havana skyline including the Hotel Nacional taken in August 2015. Photos by Raymond Kattoura.

On Sept. 30, a mostly empty Boeing 737 lifted off from Baltimore-Washington International Airport bound for Havana — ushering in the first regularly scheduled air service between the U.S. and Cuban capitals since the two nations broke diplomatic ties more than half a century earlier.

The flight, arranged by Tampa-based Island Travel & Tours, had been in the works for several years, and was the first in a new schedule of twice-weekly trips to Havana's José Martí International Airport. At \$695, the flight isn't cheap; in early 2015, Southwest Airlines inaugurated nonstop service from BWI to San José, Costa Rica — nearly twice the distance — for only \$173 round-trip.

Even so, the new BWI-Havana route is a big deal — and only the latest in a series of business developments that have made headlines since last December, when President Obama and his Cuban counterpart, President Raúl Castro, announced they would restore bilateral relations, ending one of the last vestiges of the Cold War.

Those relations were officially restored July 20, when Cuba's flag was raised for the first time in 54 years over the country's mission in Washington, marking its transition from an interests section under Swiss protection to a full-fledged embassy.

That same day, the U.S. Interests Section in Havana also opened for business as an embassy, and on Aug. 14, John Kerry — the first U.S. secretary of state to visit Cuba since 1945 — watched with emotion as the Stars and Stripes went up over the six-story mission fronting the oceanfront Malecón.

For the travel industry, however, the real milestone came Sept. 21, when the U.S. Treasury Department revised its Cuban Assets Control Regulations and Export Administration Regulations. These allow some U.S. businesses to open representative offices on the island, and authorize ferry and cruise ship service to Cuba — even in the absence of a formal end to the U.S. trade embargo.

Clearly, the industry isn't waiting. Carnival Corp. and Norwegian Cruise

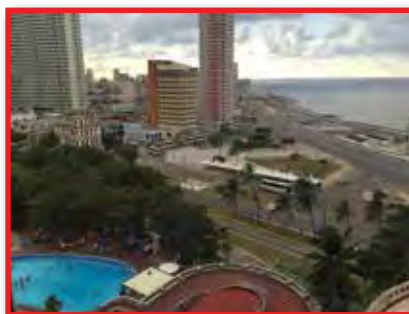
Lines Ltd., both based in Miami, are planning Cuba cruises and have applied for licenses from the Treasury Department's Office of Foreign Assets Control (OFAC) as well as export licenses from the Commerce Department.

Norwegian CEO Frank del Rio said his company would most likely use a small ship of its Oceania brand, such as the 654-passenger Nautica, for its Cuba operations.

"We have also engaged the Cuban government in the discussions necessary to obtain their permission. I don't know a timeline for any of these three licenses to come through, but I am hopeful that they will come before the year is out," Del Rio said Aug. 3 in a conference call with analysts. "We believe that once Cuba opens up totally, it's going to be a real windfall for the industry."

In July, Carnival announced it would inaugurate Cuba cruises in May 2016 through a separate brand, utilizing a 700-passenger vessel. Others hoping to launch U.S.-Cuba cruises include Boston-based Pearl Seas Cruises, aboard its luxury 210-passenger vessel Pearl Mist, and Chicago-based Haimark Line Ltd., using the 210-passenger Saint Laurent for 10-day cruises.

Even more frenetic has been the interest in passenger and car ferry service



View from Hotel Nacional in Havana

from South Florida to Cuba. Routes from Tampa, Port Manatee, Port Everglades, Miami and Key West to Havana have been proposed by no less than half a dozen companies.

Spain's Baleària — which already got its U.S. licenses in July — has apparently moved to the front of the line for Cuban government approval after committing to significant infrastructure investments at the Port of Havana, reported the Spanish website El Confidencial Digital.

"With these two licenses, Baleària will have all necessary permits needed from U.S. authorities, and now only the wait for authorization by the Cuban government is left," the company said in a July press release. It's seeking to offer fast-ferry links from Havana to both Key West and Port Everglades near Fort Lauderdale, using a standard-size roll-on, roll-off vessel.

Since 2011, reported *Cuba Standard Monthly*, Baleària has operated the Bahamas Express line, shuttling more than 130,000 passengers between Port Everglades and Freeport in 2014 — 18% more than in 2013. The monthly newsletter, citing "people close to the negotiations," said the Castro government has selected a nearly abandoned container terminal on the southwest side of Havana Bay as the future site for a modern ferry terminal, since it already has the necessary docking infrastructure, a large paved space for ro-ro operations and good connections close to central Havana.

To date, the Cuban government has not specified how many ferry operators it will permit, though it appears they won't grant ownership and operations of a terminal to just one ferry company.

Traveling to Cuba by ferry will cost a lot less than by air, and passengers will be allowed to bring up to 200 pounds of luggage — an important draw for Cuban-Americans carrying clothes, electronic

equipment and other gifts for their families still on the island. In May, the Commerce Department and OFAC granted approvals for four Florida-based companies to offer Cuba ferry service: Havana Ferry Partners of Fort Lauderdale; Baja Ferries of Miami; United Caribbean Lines Florida of Orlando, and Airline Brokers Co. of Miami. CubaKat of Jacksonville hopes to launch similar service from the Florida Keys, though it has not yet received OFAC permission to do so.

Leonard Moecklin Sr., managing partner of Havana Ferries, said his company's fares would range from \$300 to \$350 roundtrip, while CubaKat wants to use a catamaran, charging passengers \$169 each way. Bruce Nierenberg, president of United Caribbean Lines Florida, said he's looking to offer passenger service to Cuba from Miami, Fort Lauderdale, Tampa and possibly Port Canaveral.

Last year, more than 100,000 Americans without family ties to Cuba visited the island. So far in 2015, that number is up by more than a third — and could accelerate even faster now that OFAC has relaxed the rules on just who may travel there. Still, Americans comprise only a fraction of the more than three million tourists who visit Cuba annually (more than a third of them are Canadians on cheap package tours).

While outright tourism is still a no-no, individuals no longer have to fill out cumbersome forms explaining the purpose of their travel. In addition, people who fall within the 12 allowed categories of travelers — educators, those on humanitarian trips, clergy members, journalists and the like — may now bring along close family members.

The Obama administration, which would like to see an end to the embargo altogether, is pushing for a bilateral aviation accord that would let Cubana de

Aviación fly to U.S. destinations, while Delta, JetBlue and other U.S. carriers would be able to fly directly to Cuba. With larger airlines offering more seats to Cuba than the charters can, prices are expected to drop by as much as 20%, said Eddie Lubbers, founder of the Havana-based Cuba Travel Network.

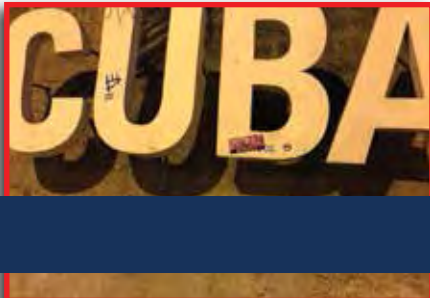
John McAuliff of the New York-based Fund for Reconciliation and Development predicts that one year from now, "you'll have scheduled commercial flights to Cuba out of most major metropolitan areas" either directly or connecting through airport hubs.

American Airlines alone expects to have flown 1,200 charter flights to Cuba in 2015, "more than any other airline," it said in a press release. It already offers 22 flights from Miami, Tampa and Los Angeles to five Cuban cities — Camagüey, Cienfuegos, Havana, Holguín and Santa Clara — via charter operator Cuba Travel Services of Oakland, Calif.

"We stand ready to offer scheduled service as soon as the United States and Cuba allow commercial flights," said Art Torno, AA's Miami-based senior vice-president for international and cargo services.

Many details need to be worked out, including the sticky subject of judgments in U.S. courts that could lead to the seizure of Cuban-owned aircraft at U.S. airports to settle lawsuits. But once a commercial aviation agreement is signed, travel will really take off.

Vivian Mannerud of Airline Brokers Co. said she easily expects 1.5 million U.S. visitors to the island annually — even with the embargo in place — thanks to all the changes now being enacted executive orders. "I really thought I'd see it in my lifetime," she recently told *Cuba Standard Monthly*. "I'm shocked at the speed it's moving."



At the moment, Havana continues to maintain the charm that made it the most popular destination 50 years ago.

Image Duty Free begins duty free onboard casino ship to Bimini, Bahamas – next stop: Havana



Miami-based travel retail company Image Duty Free is about to set sail in the Caribbean where it will operate the duty free concession onboard the Genting-owned Bimini SuperFast casino cruise ship.

The 32,000 ton entertainment and casino cruise ship sails round-trip from Port Miami to the Resorts World Bimini three times a week. The ship may also be the first ferry/cruise ship to be sailing from Port of Miami to Havana, Cuba. The company has already gotten the green light from the U.S. government to extend its itinerary to Cuba and is now just waiting for final approval to come from the Cuban government.

Once the Cuban government gives the go ahead – which could be as soon as the end of this year, according to Image Duty Free Managing Director Antoine Goetgheluck – the ship is ready to begin service to Havana immediately.

For now, however, the ferry brings several thousand people a week to the Bahaman island just 50 miles off the South Florida coast.

Malaysian based Genting – one of the world's largest Destination Resort operators -- opened the 750-acre, 500-room Resorts World Bimini luxury Caribbean beachfront resort in July 2013, on an island famed for its diving and fishing. The Bimini SuperFast also transports guests to the new 350-room Hilton on Bimini, which opened this past June.

By mid-October, Image Duty Free will have two stores on the beautifully refurbished ship, a 200 sq. foot “last minute” store strategically located where passengers

enter and exit the ship, and a full size 700 sq. foot main store carrying a full array of liquor, tobacco, perfumes & cosmetics and confectionery.

The ship – with 842 berths and capacity for 1600 – offers onboard overnight accommodations for guests who wish to stay onboard during the stopover in Bimini. The crew of 200, most of whom are Filipino, are also a good source of potential shoppers.

The Bimini SuperFast transported more than 300,000 passengers from Miami to Bimini between January and July 2015: “Twenty-five percent of the passengers come from the United States, but there are also a large number of Latinos, especially from Brazil, Colombia and Mexico, as well

as Europeans,” Goetgheluck tells *TMI*.

In a positive move for duty free sales, the Bimini SuperFast has several smoking decks and permits smoking in its casinos – a big draw for smokers since tobacco is banned in many Florida casinos. The ship takes a leisurely three and a half hours to travel between Miami and Bimini, and the duty free sales begin as soon as the ship passes the three-mile limit.

The Havana trip, once approved, will take place on the alternate days of the current Bimini trips, and take approximately ten hours, says Goetgheluck.

“The ship and crew are ready to go. The Bimini SuperFast is only operating at half capacity right now,” he explains.

“Genting – which also operates resorts and casinos in Malaysia, Singapore, Manila, the UK and New York City and building one in Las Vegas -- is very enthusiastic about adding duty free to its onboard offer,” he adds. The Genting Group already has a strong presence in the cruise sector. It owns Asia's Star Cruises, has a stake in Miami-based Norwegian Cruise Line and completed the acquisition of Crystal Cruises earlier this year.

Image Duty Free, which was founded in 1993, is experienced in operating inflight sales, as well as in border shops, and cruise terminal and airport stores.

“This new venture expands our footprint in the region in an operation not subject to currency swings...which is a blessing these days,” says Goetgheluck.



Rendering of the 700 sqf main duty free shop that will carry a full array of liquor, tobacco, perfumes & cosmetics and confectionery.

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Downturn in Latin America impacts entire region

Enjoying nearly 10 years of uninterrupted economic growth, the duty free business in Latin America reaped the benefits of growing economies throughout the region. Indications of a slowdown surfaced more than a year ago. Raw material prices, a principal element in Latin American exports, have been falling since early in 2014, leading to currency instability and faltering foreign currency reserves. The Chinese economy, the biggest export market for most Latin American countries, has slowed substantially on previous years. Tellingly, the optimism of the last decade turned to pessimism in only a few short months. And the recent devaluation of the Chinese Yuan has made medium- and long-term forecasting even more uncertain. How will travel retail be affected by the slowdown? TMI's John Gallagher offers a market by market assessment.

Brazil falls from grace

Brazil, the seventh-largest economy in the world and the biggest in Latin America, is suffering a dramatic slowdown. After nearly a decade of solid economic growth, the speed with which the economy has fallen is staggering.

High inflation, dwindling consumer confidence, lower domestic consumption, falling industrial investment and the never-ending Petrobras corruption and embezzlement scandal were contributing factors to the 1.9% contraction in GDP in the second quarter of 2015. This is clearly bad news for the travel retailers operating in Brazil and its borders. The slump in value of the Real, trading at 3.70 to the U.S. Dollar at the beginning of September compared to 2.35 just over a year ago, also negatively impacts duty free operators throughout Latin America. Brazilian travelers are renowned big spenders when they travel but exchange rate volatility has affected their purchasing behavior and the knock-on effect is seen throughout the continent.

At the end of August, the IBGE, the Brazilian government statistics office, confirmed the fall in GDP for the Q2 2015, and Brazil was formally declared to be in recession (given the technical definition of a recession being two consecutive quarters of economic contraction). The official figures were actually bleaker than expected and the announcement came on top of news that the fall in Q1 had been revised downwards to - 0.7%. According to official figures, economic activity in Brazil is now estimated to be 2.6% lower than one year ago.

Steeper interest rates - currently 14.25% - have also significantly impacted the slowdown, leading to a serious reduction in consumer spending, one of the drivers of the Brazilian economy in recent years. The government introduced stringent

austerity measures in a bid to reduce the fiscal deficit, letting go many public employees and cutting unemployment benefits. The austerity measures have split Dilma Rousseff's Worker Party, with dissidents calling for the government to reverse the strategy and increase public spending to boost the economy.

The austerity measures also included increased taxes for certain imported products, with perfumes and cosmetics included in the first batch of categories in early 2015. In September the government announced additional tax increases for all wines and spirits, which will take effect in December.

While this is bad news for domestic market consumers, it can be an incentive for travelers to buy more in duty free stores.

Unemployment has risen rapidly to 8.3%, up 1.5% from 12 months ago; inflation over 12 months is running above 9% - twice the government's target. These factors can negate the progress that Brazil made in the boom years. More worryingly, analysts predict 2016 will be another stagnant year at best, and say growth might not return until 2017.

Dufry, the biggest travel retailer in Brazil, reported flat sales for the first half of 2015 for the Americas II region (Brazil and Bolivia), when measured in Reais. But sales fell 23% when measured in U.S. Dollars, underlining the weakness of the Real during the first half of the year. Dufry is less exposed to the vagaries of the Brazilian market given the company's acquisitions in recent years, but nevertheless the Americas II region accounts for 11% of company sales. The Swiss-based giant has refurbished stores and added additional retail space throughout the country, especially in Sao Paulo and Brasilia, but it could be a few more months until it realizes a significant

return on its investment.

Domestic airport traffic has suffered as the slowdown has intensified. Sao Paulo Guarulhos, the biggest airport in Brazil, posted 12.4m passengers for the first six months of 2015, down 1.5% compared to the same period the previous year. International passengers, however, increased 2.8% to 6.6m.

Next year, the city of Rio de Janeiro will host the Summer Olympic Games. As happened during the FIFA World Soccer Cup in 2014, the world will be looking closely at Brazil. Some of the major construction companies involved in preparing the country for the games have been indicted in the Petrobras scandal causing worry this could slow down completion of projects needed for the Olympics. Several leading members of Dilma Rousseff's Workers' Party have also been indicted. While the worst of the scandal may be over, some officials are still calling for the impeachment of the President to assess her role in the scandal.

No one doubts the potential of the country and the potential for Brazilian industry, agriculture and tourism. But there is no evidence the situation is improving right now.

October election increases uncertainty in Argentina

During the first half of 2015, the Argentine government and Central Bank appeared to be successful in controlling the grey market dollar, albeit by using scarce foreign exchange reserves to push down the price. Since the primary elections held in early August, the situation has changed rapidly however, and the gap between the official dollar and the "blue" dollar which had shrunk to around 40% rose substantially and is now around 70%.

At the time of writing, the official rate is at 9.20 pesos to the dollar and the "blue

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dollar” has moved out, to float in a band between 15.50 and 16 pesos. It is extremely difficult to predict where the dollar will be when you read this but some opposition economists predict that the dollar could move to around 20 pesos and stay there if Daniel Scioli, the candidate favored by current president Cristina Fernandez de Kirchner, wins the October election. If victorious, Scioli is likely to continue the current policy of limiting the availability of foreign currencies and discourage the use of credit cards for purchases abroad -- a 35% surcharge has been added on international transactions when bank cards are used.

Argentina’s general economic performance remains unclear. The financial figures issued by Indec, the government’s statistic agency, are suspect. The government claims that inflation is running at just over 14%, while independent analysts report the rate is closer to 27%. However, the government has allowed pay increases this year of between 25% and 30%, which is probably a more accurate indicator of the real inflation rate. The government claims that the economy is performing robustly with increases in GDP of between 1 and 2 points in the first 2 quarters of the year. Consumer consumption is strong due to extended credit terms offered by retailers and banks but domestic and foreign investment is at low levels. The consensus is that GDP growth for 2015 will be around 0.5% -- and that figure depends on a recovery in commodity prices.

The outcome of the election is far from certain. Scioli is likely to have the

most votes in the first round of voting but is unlikely to garner the 45% share he needs to avoid a runoff vote. The final round of the Presidential elections is scheduled for November 22. If the second most voted candidate, likely to be Buenos Aires Mayor Mauricio Macri, is able to deal with the other opposition candidates, the final outcome could be very close.

Macri and his economic team, which includes economist Carlos Melconian, a regular speaker at the annual ASUTIL conference, promise that they will remove all exchange controls as soon as possible if they win. In that case, Macri will likely unify the official and grey market exchange rates, although at what rate remains to be seen. Macri says he will let the market decide the true value of the Argentine currency.

The unreliable reputation of Argentina’s Government statistics has spread to the figures issued by airport manager Aeropuertos Argentina 2000 (AA2000), which reports monthly air passenger growth of between 4% and 6% compared to 2014 (except July when 10.3% was posted). The strong performance at Aeroparque and flat figures at Ezeiza indicate that domestic travel is performing strongly, and international traffic is on par with last year.

Duty free sales in the country have held up when measured in local currency. Savvy travelers exchange Dollars and Reais on the grey market, ensuring a bonus when they buy in the airport and border stores. *TMI* understand that both InterBaires and London Supply enjoyed modest growth in the first half of 2015 with Argentine

travelers making up for the reduction in the number of Brazilians.

Optimism on the Pacific Coast

Performance in other parts of South America is not as complicated as in Argentina and Brazil. Economic growth slowed in the Pacific markets of Chile, Colombia and Peru but is expected to reach 2.4%, 3.2% and 3.6% respectively. While lower than previous years, this growth is still quite solid.

Given the relative health of the Pacific economies, passenger throughput has also been solid at the leading airports. International traffic in Santiago was up 10% in H1, although domestic traffic was flat. Lima Airport Partners reported a growth of 8.7% in passenger numbers at Jorge Chavez International Airport in Peru during the first six months of the year and Opain, the holder of the concession at Bogota’s Eldorado Airport in Colombia confirmed international passenger growth of 11.25% along with an increase of 12.6% in domestic travel during the same period.

Mexico, the second biggest Latin American economy after Brazil, is also forecast to grow by 2.5% in 2015 and could improve if the U.S. economy continues to accelerate. Passenger traffic at Mexico City’s Benito Juarez International Airport jumped 14% during the first seven months of 2015 compared to the same period last year. Domestic traffic was up 14.9%; with international traffic up by 12.2%, good news for Dufry and Wisa Group, the two anchor duty free operators at the country’s biggest airport.

Asuncion tender details expected in October

The Paraguayan government is expected to announce the tender details to build a new terminal at Asuncion’s Silvio Pettirossi Airport in early October. President Horacio Cortes’ government has introduced new legislation to encourage private/public partnerships to improve the country’s infrastructure. The new terminal will be the most visible part of the program.

Luis Aguirre, president of Paraguay’s civil aviation directorate DINAC, said that the tender package will be for a

30 year period and that the new 32,000 sqm terminal will require an investment in excess of \$ 150m. The new project will increase the airport’s capacity from just over 1 million to 3.2 million passengers and will be situated adjacent to the current terminal.

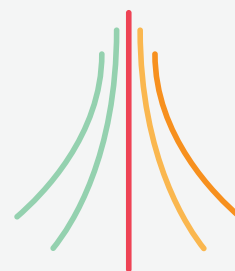
Paraguay reports that 567,894 passengers had used the airport as of the end of August, an increase of 0.1% on the same period in 2014.

The current terminal will be used for new offices for DINAC; the govern-

ment is also considering converting part of the building into a retail shopping facility.

At present three travel retailers, Bright Star, Mannah Duty Free and Flamingo International operate arrivals and departures stores at the airport, but it is not clear whether the current contracts will carry over to the new terminal, when it is eventually built.

JG



PANAMA 2015: 9 GREAT SPEAKERS SHARED OPINIONS AND KNOWLEDGE ABOUT THE MARKET CHALLENGES AND PERSPECTIVES.

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New round of airport privatizations in Brazil

The Brazilian government in September approved plans to extend the country's airport privatization program, adding Fortaleza, Salvador, Florianópolis and Porto Alegre airports to a new round of tenders scheduled to take place in Q1 of 2016.

Brazil began its privatization program with Brasília, São Paulo Guarulhos and Viracopos – Campinas in early 2012, followed in late 2013 with the sale of Belo Horizonte – Confins and Rio de Janeiro – Galeão.

The confirmation of the new tenders comes at a time when the Brazilian economic crisis continues to worsen with demands that the Dilma Rousseff government must reduce the fiscal deficit.

The Brazilian government estimates that in the short term, R\$ 2.5 billion needs to be invested in Porto Alegre (8.4m passengers in 2014), R\$ 3 billion in Salvador (9.2m passengers), R\$ 1.1 billion in Florianópolis (3.6m passengers) and R\$ 1.8 billion in Fortaleza (6.5m) to maintain the level of service.

At the same time, state controlled airport operator Infraero reports that its revenues and profits have fallen dramatically since the original privatizations. Infraero

confirms that it will need to look at a new structure next year to maintain profitability and the finance needed to guarantee the renovation of smaller airports in its network. After the next round of privatizations, the state controlled company will only have three major airports left in its network: São Paulo – Congonhas (18.1m passengers in 2014), Rio de Janeiro – Santos Dumont (9.9m) and Manaus (3.4m).

Eliseu Padilha, the Minister for Civil Aviation, said, "With this round of privatizations, we are completing the transfer of the management concession of our biggest airports and we now need to look at a new structure for Infraero to guarantee its role as the guardian of the whole network."

Padilha confirmed that the new structure will consist of two companies, one to look after the Infraero stakes in the five airports already privatized and any stakes in future privatizations and another to look after the whole network.

TMI understands that Infraero is considering a proposal to launch a tender to redevelop the commercial area at São Paulo Congonhas, the domestic airport for Brazil's biggest city, in a bid to bring more income into the company. Several options

are being analyzed and reports say that the Infraero is considering a tender for all the space to one company, which will then sublet to interested retailers.

Minister Padilha stressed that the government does not intend to concession the operational part of Congonhas "under any circumstances."

"But that does not mean we cannot make a management concession of the commercial area to a retail specialist," he stated.

Part of the restructuring may include a partial sell off of Infraero's shareholding in the five airports already privatized. Infraero still holds 49% stake in these airports but the fiscal needs of the Brazilian government could force a sale of part of this shareholding. Complicating the situation, most observers consider that the tender winners overpaid for the concessions making it difficult for the government to put a true value on the remaining Infraero stake.

The Brazilian financial press speculates that if the restructuring goes ahead German airport operator Fraport may seek a stake in Infraero, and become Brazil's airport management partner to develop the future strategy of the network. *JG*

Fortress to take stake in Viracopos Campinas?

New York-based investment manager, Fortress Investment Group LLC, is leading a trio of investors to take a stake in Brazil's Viracopos Campinas Airport. The U.S. fund, along with Brazilian partners construction company WTorre SA and São Paulo-based financial advisers Invixx, offered R\$ 564M to purchase the 23% stake held by the troubled UTC engineering giant. UTC has been trying to restructure its balance sheet since getting embroiled in the Petrobras corruption scandal.

Market analysts had expected bids

in the region of R\$ 400M for the stake, but the weakening Real seems to have allowed Fortress to up the ante. Creditors are studying this bid along with others, including one from French infrastructure specialist Vinci Airports, a 45% stakeholder in the Nuevo Grupo Pudahuel, which took over the management of Chile's Arturo Merino Benítez Airport in Santiago in October.

Triunfo Participações e Investimentos – TPI, UTC's partner in the Aeroportos do Brasil consortium, has the right to match any bid for the UTC stake. State

controlled Infraero is a 49% shareholder in the airport and may take this opportunity to dilute its stake, according to Brazilian aviation analysts.

The Aeroportos do Brasil consortium (TPI, UTC and French controlled Egis Avia) won the right to manage and develop Viracopos in February 2012 when they offered R\$ 3.820M to control the 30 year concession. Renovation and construction work has been significantly delayed due to financing problems and disputes with ANAC, the Brazilian Civil Aviation Authority. *JG*

Traffic up in Chile

International passenger traffic in Chilean airports was up 10.7% during the first eight months of the year, according to the country's Ministry of Transport & Telecommunications. More than 5.4m international passengers used the Chilean airport network during this period, almost

all traveling through Arturo Merino Benítez Airport in Santiago. Domestic air traffic was stable with 6.5m passengers using the network, a similar figure to 2014, indicating the slowdown in the national economy.

On October 1 the Nuevo Grupo Pudahuel Group (French airport operators

Aéroports de Paris and Vinci Airports along with Italian construction company Astaldi), took over management control of the airport from SCL, who had been in control since July 1998. Construction of a new international terminal is expected to begin in 2016. *JG*



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BEST LAND-BASED BORDER/DOWNTOWN RETAILER OF THE YEAR.

Travel Retail comes out in force in support of Estée Lauder's annual Breast Cancer Awareness initiative



The opening day of Breast Cancer Awareness Month was celebrated at London Heathrow Airport Terminal 2 with a high profile celebrity exercise event.

The 2015 Estée Lauder Companies BCA Campaign is empowering women, men and families around the world to take action to help defeat breast cancer. Through a universal call-to-action --“Every Action Counts. What’s Yours?” --The BCA Campaign invites people to share all the meaningful ways they take action on BCACampaign.com and social media channels, and support lifesaving breast cancer research by making a donation to the Breast Cancer Research Foundation (BCRF).

Over the past two decades, The Estée Lauder Companies’ Breast Cancer Awareness (BCA) Campaign has brought together people in more than 70 countries to help defeat breast cancer in their own unique ways—from sharing stories about their experiences with the disease to participating in fundraising and awareness activities.



Together, these actions have sparked a global movement, enhancing awareness and raising more than \$58 million to support global research, education and medical services.

“This year, The Estée Lauder Companies’ Breast Cancer Awareness (BCA) Campaign focuses on action, which leads to impact, a belief that was so important to my late mother, Evelyn H. Lauder,” commented The Estée Lauder Companies Executive Chairman William Lauder. “When my mother first began bravely speaking out about breast cancer more than two decades ago, few people were talking about it openly or publicly. Dedicated to the belief that knowledge is power, she worked hard toward her vision for a world without breast cancer and in the process she became a voice for women, men and families everywhere who had been touched by the disease.”

The 2015 global BCA Campaign print ad showcases the ways that people around the world are taking action -- big or small --to fight against breast cancer. Using Social Media, the 2015 BCA Campaign also invites people around the world to share how they are taking action to bring us closer to a world without breast cancer.

For every action submitted on BCA-

campaign.com or unique post on Instagram or Twitter with #BCAstrength between October 1, 2015 and World Cancer Day on February 4, 2016, The Estée Lauder Companies will donate \$25 to fund a half-hour of breast cancer research through the Breast Cancer Research Foundation. The goal is to fund up to 500 research hours (\$25,000) through the support of the global digital community, says the company, and is just one part of ELC’s global fundraising efforts to raise \$6 million in support of breast cancer research, education and medical services this year.

Every action, and every dollar, can make a difference, says ELC.

The Travel Retail industry around the world has been a strong supporter of the program for the 20 years it has been in existence. This year, on October 1, the first day of Breast Cancer Awareness month, the Estée Lauder Companies, London Heathrow Airport and World Duty Free Group partnered together to stage a high profile special event to bring public attention and support to the BCA program.

Travelers through Heathrow’s Terminal 2 were invited to join a series of express fitness classes. The exercises were hosted by Russell Bateman, founder of the Skinny Bitch Collective (SBC) exercise project, with his signature strengthening and empowering movements. House of Voga offered a dynamic fusion of Yoga and “Vogueing”, stretching and posing exercises. Zumba Fitness instructors brought a mix of low-intensity and high-intensity moves for an interval-style, calorie-burning dance fitness party.

According to Cancer Research UK’s website, 31 studies on physical activity and breast cancer found that women who did the most activity had a 12% lower risk of developing breast cancer compared with the least active women. The analysis also showed that the more activity a woman does, the more she can reduce her risk of breast cancer. The Heathrow program aimed to raise awareness of the benefits of a healthy lifestyle to travelers.

The event took place in Heathrow Terminal 2, where a 90 ft pink ribbon has been installed on the Terminal building windows throughout the month of October.

Elizabeth Hurley, the BCA Global Am-



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bassador, has been passionate about Evelyn Lauder's commitment to raise awareness of the disease, and sums up the progress made to date through the program.

"This year's BCA Campaign is an opportunity to unite millions of women, men and families worldwide in the simple, but powerful idea of taking action, and showing the larger impact that all of our individual actions can have. When I first began work-

ing with The BCA Campaign, I remember Evelyn telling me, 'Women all over the world are dying and nobody's talking about it.' The fear that once surrounded breast cancer is being replaced by hope and inspiration, as we all continue to join together and take action in the fight against the disease."

As part of the fund-raising efforts of the BCA campaign, the Estee Lauder Companies Beauty Brands have produced sev-

eral limited edition products in support of education and medical research. In addition to its now iconic pink ribbon Dream Pin, the 2015 collection includes the Evelyn Lauder and Elizabeth Hurley Dream Pink collection, featuring three mini Pure Color Envy Sculpting Lipsticks in a pink bag with a cross-body strap, and Resilience Lift Night Firming/ Sculpting Face and Neck Crème with Pink Ribbon Bracelet.



Tommy Hilfiger names tennis star Rafael Nadal as global brand ambassador; introduces TH Bold fragrance for men

Tommy Hilfiger has signed Spanish tennis star Rafael Nadal as the global brand ambassador for Tommy Hilfiger underwear, Tommy Hilfiger Tailored, and the new fragrance *TH Bold*.

The collections are available beginning in Fall 2015.

The 29-year-old Nadal has ranked among the world's top five tennis players since 2003. At the age of 24 he became the youngest athlete to complete the "Grand Slam" and is the second male player in the world to have completed the "Career Golden Slam" after winning the French, Australian and U.S. Opens; Wimbledon; and a 2008 Olympic gold medal. Nadal

currently holds a record for his nine French Open victories – the most won by a single player – including five consecutive title wins.

"Rafael Nadal has been a longtime personal friend and supporter of our brand, and I'm continually inspired by his dedication and passion for his sport," said Tommy Hilfiger. "This exclusive partnership brings one of the greatest athletes of this generation into our Tommy family. Rafael embodies an effortless sense of style that exemplifies and reflects our brand spirit – he's confident, fun and cool."

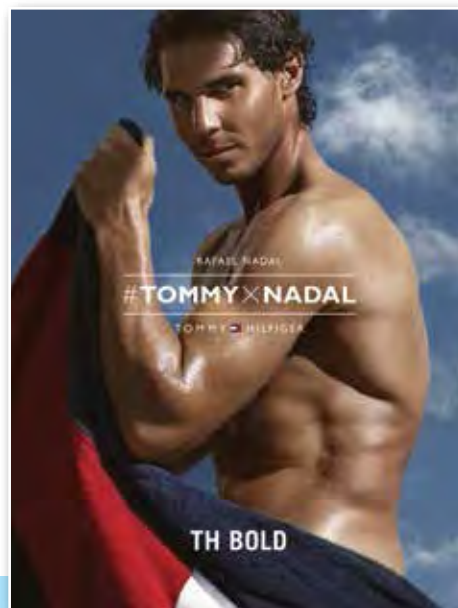
The campaign was photographed in early 2015 and will break globally this fall with dedicated print, online, and out-of-home media placements. Nadal will attend Tommy Hilfiger launch events in North America, Europe and Asia to support the global initiative.

The campaign will include the launch of *TH Bold*, Nadal's fragrance for Tommy Hilfiger, which the company says channels the strength and vitality of an athlete who plays to win.

The new *TH Bold* fragrance is described as strong and sporty. The fragrance opens with crisp citrus notes

including pomelo, tangerine and bergamot, followed by herbal and spicy notes of lavender and cardamom, followed by extracts of jasmine and mandarin blossom with a woody Boronia accord. The dry down pairs orange flower absolute with cedar, sandalwood and vetiver.

The *TH Bold* bottle is deep navy blue with a striking red and white striped *TH Bold* logo.



Lancôme “All Stars” unite in Advanced Génifique campaign



Lancôme's Advanced Génifique podium in Toronto Pearson International Airport in June

Beauty giant Lancôme has united four of its famed ambassadors in a single advertising campaign for the first time for its star skincare serum, Advanced Génifique.

Introduced in 2009, Génifique radiance treatment was the first serum inspired by the field of gene science, and was an immediate success around the world. Since it was launched, the serum has sold 15 million bottles and garnered 150 international awards. Lancôme's iconic treatment became Advanced Génifique in 2013 with an optimised formula and development of a self-loading dropper.

Advanced Génifique Youth Activating Concentrate has become one of the emblems of Lancôme, which it describes as “a must-have product for women all over the world, no matter what their skin type or age.”

Lancôme's use of four of its famous actress ambassadors – Kate Winslet, Penelope Cruz, Lupita Nyong'o and Lily Collins -- captures the cross-generational aspect and universality of the beauty product.

Each of the four actresses embodies a facet of the beauty offer and represents Advanced Génifique's youthful aura in her own way and with her own personality.

European-American Hollywood star Lily Collins exudes illuminating freshness; Oscar-winning Kenyan actress Lupita Nyong'o represents shining energy; Oscar winner and six-time nominee Kate Winslet projects brilliant presence; and fiery Spanish Oscar-winner Penelope Cruz epitomizes vibrant elegance.

Because beauty by Lancôme is the beauty of being yourself, the company says that each Lancôme ambassador was selected for her unique beauty, which comes from deep within. The women who incarnate Lancôme are true role models who have a firm foothold in their time, are calmly confident, and always active in a cause to better the world.

The four Lancôme All Stars in the Advanced Génifique campaign were featured in a stunning customized 45 square meter podium in Toronto Pearson International Airport Terminal 1 in June.

“The whole Lancôme team has accelerated implementing a clustered vision based on passenger mix and needs,” explains Gianguido Bianco, who has led the Lancôme Division for Travel Retail Americas (TRAM) since September 2014.

“The breathtaking Génifique All Stars podium installed last June at Toronto airport was a concrete example of this strategy. This investment not only applauded Génifique's worldwide success, it also capitalized on the recognition of this highly demanded ‘Little Black Bottle’ amongst our Asian passengers,” he tells *TMI*.

Toronto airport handles 24 million passengers a year, with a high percentage of Chinese travelers, a key consumer of Génifique.

The podium objective focused on generating a strong Lancôme brand awareness through a unique 360° Retail Experience. “We created impactful staging, coupled with the right assortment, flawless service and enchanting storytelling. Our intention

was to offer our customers a true beauty experience and a moment to remember,” said Bianco.

All four ambassadors were prominently featured in giant front and back lightboxes, with the Génifique serum glorified in the center of the podium. A huge screen presented the product messages, and the podium included displays of makeup and fragrance best-sellers, with space for stock and a mobile cash register for fast check-out.

Specially trained BAs provided a strong customer dynamic, and linked the selling of the featured Advanced Génifique with other Lancôme makeup and fragrances. There was also a special repush on Génifique Light-Pearl through a double-packshot visual.

“What we refer to as ‘retailtainment which sells’ generated results we are very proud to share. During the month of the animation, Génifique grew at +80%, and the brand overall was 20 points ahead of the department,” says Bianco.

“Lancôme draws its strength from constantly anticipating and fulfilling every woman's needs. The driving force behind the brand is to make a difference in women's lives: this is well evidenced by Lancôme's number one position in the 2014 Travel Retail Generation panel,” says the company.

In the Americas, Bianco says that he and his team aim to grow this status by “leveraging on categories and products that are relevant to specific customers: Asian doors in the North suggest a holistic focus on cosmetics, fulfilling the demand for expert state-of-the-art skincare, whereas our South American doors continue the development of the Fragrance business, driven by our top 3 feminine *La vie est belle*.”

Lancôme plans to continue being one of the most influential and coveted brands on the market; positioned as “the ultimate example of French femininity and excellence.”



L'Oréal TRAM and Dufry engage Americas' passengers with Polo Red Panamerican racing challenge

L'Oréal's Travel Retail subsidiary in the Americas (TRAM), in partnership with Dufry Group, embarked on a month-long, ground-breaking animation for its best-selling Polo Red franchise in September. The Ralph Lauren experience animation was TRAM's first digital pan-American competition using Facebook targeted to airport passengers.

Since its launch in 2013, *Polo Red* has been a tremendous success in the Travel Retail Americas market, especially in LATAM which represents 80% of *Polo Red* sellout. *Polo Red* is now the best-selling fragrance of the entire Ralph Lauren Fragrances portfolio (Men and Women combined), reports the company.

The animation – which included an exciting POS retailtainment experience combined with a digital sweepstake to win a trip for a Lamborghini experience in Palm Beach, Florida – was designed to further support the brand by creating engagement and awareness around *Polo Red* and the newly launched *Polo Red Intense*.

The international mega event took place Sept. 1-30 in Dufry's biggest doors in Brazil, Argentina, the U.S. (Newark) and Mexico City Airports. The animation featured a major media digital campaign which supported the operation by creating drive to store and call to action.

"We are building the Ralph Lauren brand in South America by inventing new travel retail excitement and using new digital tools," said Marie Dardayrol-Sandevor,



Passengers at participating airports waited in line to experience the Forza motorsport 5 Xbox racing video game at the Polo Red promotion, shown above in Ezeiza International Airport in Buenos Aires.

Marketing Director Travel Retail Americas Giorgio Armani & Designer Fragrances.

At the Point of Sale, *Polo Red*'s eye-catching retailtainment animation featured the Xbox Forza motorsport 5 racing video game. This unique consumer experience connected the traveler with the Ralph Lauren brand and then followed up with a promotion to get a free *Polo Red* 30ml with the purchase of two Ralph Lauren Fragrances including 1 *Polo Red Intense*. Pas-

sengers could also participate in a sweepstakes to win the Lamborghini Esperianza driving experience.

The sweepstakes was designed to leverage the popularity of the race track driving experience to recruit new customers in the target audience.

The multi-country sweepstakes offered three lucky Dufry passengers the chance to win a trip to the Lamborghini Esperianza on one of the world's most prestigious race tracks. The contest was hosted at www.polored.com, the first website produced and operated by Parbel's TRAM. Designed to accommodate every digital device, the website allowed the company to target travelers at each step of their journey.

Using YouTube, Facebook, and Wi-Fi in the airport with pop-up ads on digital devices, the campaign was designed to raise awareness and create engagement across the entire travel experience, as well as collect comprehensive data on this key target customer.

"Following our customers will be a long-term strategy to help us build a fan base," explained Dardayrol-Sandevor.



The Polo Red contest was hosted at www.polored.com, the first ever website produced and operated by L'Oréal's TRAM.



GIORGIO ARMANI
PROFUMO, the new intensity

Travalo's Uchange system ideal for travel retail

Travalo's easy fill perfume spray atomizers are now more traveler-friendly. "Uchange" technology allows the inner bottle to be interchanged between all new Travalo products, allowing customers to change up fragrances with ease.

The Uchange system works in all three Travalo models: the new Classic, the luxurious Milano, and the opulent Divine.

Travalo atomizers are constructed without glass and are aircraft approved for carry on baggage, making them ideal for the travel retail market. Shuzhen Lim, Genie-S Travel Retail Director comments, "2015 has seen us strengthening our relationships within travel retail. Our latest interchangeable refill technology has



provided a new retail dimension, evolving the whole system to increase flexibility and continual purchasing opportunities."

To see the entire Travalo line, visit their booth in Riviera Village, RF11.

Marc Jacobs Decadence



Marc Jacobs new *Decadence* perfume for women is his most glamorous and indulgent in years. Developed with master perfumer Annie Buzantian, *Decadence* is a luxurious sensual woody scent with bold styling that echoes the irreverent spirit of Marc Jacobs.

Presented in an emerald green bottle inspired by one of Marc's iconic handbags, it is topped with an arched python cap, and a gold chain finished with a black silk tassel. The deep green outer carton features a velvety feel and gold embossed logo. Launching in October.

Carolina Herrera, CH Men Privé

Puig has launched the latest men's fragrance from Carolina Herrera, *CH Men Privé*.

Created by Perfumer Christophe Raynaud, *CH Men Privé* is an intoxicating, provocative and modern fragrance built around a seductive whiskey accord and leather. The newest extension of the CH master brand of Carolina Herrera fragrances, it rolled out in all travel retail markets in August and is available in 100ml and 50ml EDT.

The campaign behind the fragrance was shot by renowned photographer Mario Testino starring models Justin Joslin and Lily Aldridge and set in New York City's Upper East Side. The sleek polished black lacquered bottle was inspired by a classic flask. Hints of gold add elegance, making the bottle a powerful statement of sophistication and masculinity, says the company.



New fragrance journalism award launched in U.S.

Two former Fragrance Foundation alums, Mary Ellen Lapsansky and Lyn Leigh, have launched a new independent initiative to stimulate consumer interest and passion in the fragrance category through creative storytelling.

The Perfumed Plume Awards for Fragrance Journalism will recognize the best writing and visual achievements, exploring the nature, pleasure, art and artists in the world of perfumery.

The founders hope to stimulate writers to compel their audience with "the alluring, fascinating, enlightening narratives that capture the imagination of a wide audience of fragrance consumers across the United States," explains Lapsansky.

"The Perfumed Plume Awards is a great call to action for creative writing for our wonderful industry," comments Westly

Morris, Senior Vice President – Fine Fragrance at MANE and founding sponsor. "One art form writing about another art form – an inspiring blend."

Award Criteria & Categories

Fragrance articles must have appeared in U.S. publications (print, digital, blog) and provide generic information about scent in an original, creative and unique style that captures the attention of the consumer, published in a commercial format between January 2015 and December 2015. It must be a minimum of 500 words.

The submissions deadline is Friday, Dec. 11, 2015. Judging will be carried out by a rotating panel of industry and non-industry luminaries. Winners will each receive a check for \$1,000 and a special

'plume' award presented during the first Perfumed Plume Awards ceremony slated for Spring 2016.

Initially there will be 5 Perfumed Plume Award categories:

1. Scent stories in mainstream media – magazines (print or digital)
2. Scent stories in mainstream media – newspapers (print or digital)
3. Blog postings
4. Visualization of scent stories – overall design presentation (print or digital)
5. "Science of Scent" stories in mainstream media - magazines/newspapers (print or digital)/blog postings

For more information, go to www.perfumedplume.com/Facebook/ Twitter/Instagram

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Essence Corp. brings excitement at the POS

Essence Corp. ran a number of highly memorable HPPs for key brands over the past few months. Among the highlights in the region were these crowd-stopping presentations.

My Burberry takes over key Latin airports in September

Essence Corp. took over Miami International Airport in September for the launch of the new *My Burberry EDT*, draping the outside of a main terminal with signage that welcomed all travelers for the entire month of September. Inside the airport, *My Burberry* ads ran on all the screens in the duty free stores from mid-September to mid-October.

In South America, Essence Corp. had dedicated space in the most important locations for the launch of *My Burberry EDT* in Argentina, Brazil and Colombia. Here pictured is the podium in Dufry Argentina, right outside the Main Dufry

departure store, which was set up for two weeks in September. It elicited amazing

feedback from the customers, reports the company.



“Yo Ho Ho” from Jean Paul Gaultier

Essence Corp. staged a highly original animation for Jean Paul Gaultier in collaboration with Saint Martin retailer Vanity First last August, promoting the first “Pirates of the Caribbean” collection.

This 2015 rendition of JPG’s limited edition *Le Male & Classique* bottles fit right in with the islands of the Caribbean vibe. It was a great opportunity to capitalize on the island’s Pirate Day (which most of the islands celebrate) and gain exposure for the brand. *Classique* and *Le Male* remain to this day the best sellers of the Jean Paul Gaultier Collection of fragrances.

Dufry’s North America airports embrace Montblanc Emblem

Montblanc Emblem, one of the most striking new men’s fragrances of recent years, continued its success with the new *Montblanc Emblem Intense*, launched from October 1-15 in Dufry stores in Newark and Houston, where customers were invited to discover Montblanc’s latest launch and play golf. The new fragrance for men was also been launched in the Americas and in the Caribbean.



Jimmy Choo sparkles with Wisa Mexico

Jimmy Choo Blossom, the sparkling and vivacious new feminine fragrance created by Interparfums, was successfully launched in an HPP in Wisa Mexico from Sept 1-15. *Jimmy Choo Blossom* described as bold, bright and coquettish, is about the excitement of a night with your friends and the sip of a first cocktail.





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Parlux targets U.S. and international fans for launch of new RiRi by Rihanna fragrance

International super star, music icon and fashion muse Rihanna launched her newest scent to huge excitement during New York's Fashion Week in September, roaming the city with a bright pink custom vehicle displaying her image and the *RiRi by Rihanna* branding. The new fragrance--feminine and flirty--is said to reflect the star's softer side and show her vivacious spirit in an entirely new light, says Diana Espino, Global Vice President of Marketing and Brand Development at Parlux Ltd, which produces the Rihanna fragrances among its portfolio of American-centric lifestyle and pop-culture brands.

The *RiRi by Rihanna* guerilla marketing campaign in NYC during New York Fashion Week 2015 generated buzz and awareness wherever it went, said Espino. It was visible at key fashion shows, after party venues, and colleges such as Fashion Institute of Technology, Parsons School of Design, and Baruch College, bastions of huge fan bases for the 8-time Grammy winner.

"Rihanna is such an icon, not only as a singer and in the music industry but in fashion as well. She's become the muse of designers and the people. Tom Ford recently gave a quote that said, 'Rihanna's

instagram is more important than any fashion review,'" said Espino.

"At 27 years old, Rihanna has already made a record with Paul McCartney and Kanye West, won her 8th Grammy, swam with the sharks in Harper's Bazaar, and did a charity bag for Fendi. She's the face of Dior fashion -- the first woman of color to front the Dior fashion brand," she continues.

"Since launching *Reb'l Fleur*, her first perfume in 2010, through June 2015, we've sold over 12 million Rihanna bottles. This year marks the 10th anniversary of her signing on with a record label, and it coincides with the launch of *RiRi*, which is the first time she is putting her name on her fragrance."

Rihanna is the acknowledged Queen of Social Media, with 169 million fans across Facebook, Twitter, Vevo and Instagram, and her popularity is growing. So social media is an integral part of the launch campaign.

In addition to flooding New York City with taxi tops (with an estimated 142 million impressions during the launch period), Parlux will also use taxis in Las Vegas and in Miami during Thanksgiving weekend. They will place RiRi kiosks

in San Francisco and bus shelters in Washington D.C. Parlux has even created a RiRi van that will drive from place to place, and club to club, with Brand Ambassadors to give out samples and sell product.

The RiRi van is also the center of a call-to-action across multiple social accounts and platforms to engage fans and continue the conversation. Using Geo-tagging through Instagram, the campaign encourages fans to find and follow the truck. The first to find the *RiRi by Rihanna* truck at a new location and share a photo of themselves using #ThisisRiRi wins a special prize such as a signed bottle of Rihanna fragrance. All fans who visit the RiRi by Rihanna truck receive *RiRi by Rihanna* fragrance samples. There was also a selfie activation with pink RiRi gloves.

"For Fall, we are going to flood the top five malls in the U.S. with RiRi, taking over entrance doors and escalators, along with a big project with Refinery 29, and ongoing concepts and interactive quizzes with Hollywood Life. And because we are so strong in England, we are using the *Daily Mail* to mount a very strong promotional program for the UK," says Espino.

The international launch also covers Australia, Canada, Korea, select European countries, and Israel and Kuwait, among others. There are 73 doors in the Caribbean, including Penha, John Bull, Maggy's, Kirk Freeport, Caribbean Ari and Dufry.

In addition to the Rihanna fragrances, Parlux' pop-culture fragrance brands include Jay Z, Sean "P. Diddy" Combs, Sofia Vergara, and Pitbull, as well as Jessica Simpson, who crosses over from the fashion to pop culture, says Espino.

And then there is Parlux's Paris Hilton brand, which is one of the company's strongest international brands at this time.

"Paris Hilton is such a hard worker and smart business woman. She's opening hotels in Paris and South America and has stores where she sells accessories and fragrances. Because she resonates so well in the global market, 75% of our Paris Hilton business is now out of the country."





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Tairo honors BAs from throughout the Caribbean at 2015 Beauty Seminar



More than 100 of the top-performing Beauty Advisors and retail buyers from throughout the Caribbean and Duty Free Mexico attended Tairo International's 2015 Beauty Seminar at the Hard Rock Resort in Hollywood, Florida at the end of September. The information-packed two days of meetings and presentations covered a range of brands and products from the Miami-based distributor's portfolio of brands.

"Our BA seminar is always a fantastic time to touch base with the top Beauty Advisors in the region, along with the buyers from each of the top stores. The seminar provides insight into upcoming new launches and initiatives for every one of the brands distributed by both Tairo and SOMAR," Tairo International President Robert Bassan tells *TMI*.

Day One of the Seminar covered Tairo's new SOMAR division, a separate sister company that distributes beauty and professional hair care brands to Caribbean local and travel retail stores, professional hair salons, spas and beauty suppliers, as well as the Mexico travel retail market. SOMAR currently distributes professional hair care brands Phyto, Phyto Specific, Rene Furterer, the Moroccanoil line of hair and skin products, and OPI nail lacquer. Tairo International President Robert Bassan used the seminar to announce that SOMAR is now distributing the Wella hair care lines as well.



The BAs also heard about the latest launches from YSL Cosmetics, before leaving for a special shopping excursion at the famed Sawgrass Mills outlets.

Day Two of the Seminar focused on Tairo's extensive portfolio of fragrances from Coty and P&G Prestige. In speaking to the BAs and buyers, Bassan emphasized the importance of value sets in the Caribbean's super-competitive market, and stressed the success of Tairo's "Caribbean Exclusives." These are fragrance brands not available in U.S. department stores, such as Roberto Cavalli, and are becoming an important part of the fragrance portfolio in the Caribbean, he said. Tairo has created very effective bottle tags and in-store visualizations to promote these exclusive in-demand selections.

A true highlight of the 2015 Tairo Beauty Seminar was a 4-island "Rock Off," where the retailers from Aruba, Curaçao, The Bahamas and Cancun staged spirited presentations highlighting the culture, music, costumes and even food from their home island. The time, effort, creativity and energy that went into each presentation was incredible – many of them featured dancing and gorgeous, elaborate Carnival costumes. The presentations were held throughout the day, with attendees voting on the eventual winner. Each in fact was a fantastic representation of the islands, showcasing an immense pride of place from each group, but it was the rousing, raucous rendition of a Bahamas Junkanoo Carnival celebration --complete with whistles and drums -- that had everyone in the room up on their feet and joining in, that took home the Grand Prize.

After an absence of several years, Tairo once again presented its Retail Partner of the Year Award, bestowing the accolade on Sears Mexico for its consistent, comprehensive support of the Tairo's client brands.

It has been 19 years since Robert and Tania Bassan established Tairo, and Robert Bassan gave heartfelt thanks to all the BAs and operators who made the company such a success for nearly 20 years.

"We are here to thank you as well as train you," he told the appreciative audience.

Sears Mexico won Tairo's Retail Partner of the Year. Clockwise from top right: The teams from Nassau, Aruba, Curacao, and Cancun compete in a 4-island "Rock Off."

Rituals enhances its airline business with inflight, lounge and cabin selections



The Rituals brand is building its presence in premium cabins of major airlines, where it has recently been listed on Qatar Airways and Thomson Airways and will soon to be onboard Virgin Atlantic and Saudi Arabian Airlines.

The airline business sector has become increasingly significant for Rituals, which began by supplying passenger amenity kits to carriers.

But airlines soon discovered that the Rituals products were such appreciated items in their premium cabin washrooms that they are now choosing Rituals' 100% pure cotton onboard sleepwear, and putting Rituals products in the washrooms in their airport premium lounges, saying that it enhances the end-to-end luxury experience they want their premium passengers to enjoy.

"We are very focused on this sector so we have a team dedicated to our airline customers who can also provide sales-training for cabin crew. We are very supportive of our airline partners that want to actively promote Rituals," said Neil Ebbutt, Director Wholesale, Rituals.

"Airlines are constantly on the lookout for ways to pamper their high value passengers and Rituals products are specifically designed to do just that. The philosophy behind our brand concept is to create products whose properties can transform every day routines, including personal grooming, into soothing, relaxing rituals. I can't think of a more relevant time to escape into that than during a long-haul flight. We will be meeting with a number of [airlines] when we exhibit again this year at Tax Free World Exhibition in Cannes," said Ebbutt.

The Rituals airline product range includes Comfort Kits with lip balms, facial creams; body moisturizer - EDT; deodorant in 10 and 20 ml and are available in unisex, male and female kits.

Washroom items include hand wash, hand lotion, face cream, hair gel, EDP; body moisturizer, and hands-free body mist. Rituals also offers a range of black, green and herbal teas in single wrapped packaging in pyramid shopper bags. The Rituals Sleepwear and toweling come in a 100% pure cotton range for men and women, including hot towels. Rituals inflight selection includes travel retail exclusives, among others.

Rituals is now available in more than 400 stores in 25 countries worldwide, including onboard 90 cruise ships, 100 shops in airports, including 5 stand-alone airport stores, is in 850+ boutique hotels and has 20 airline partners.



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Paris Amsterdam London New York rituals.com

Revlon unveils first new fragrance in ten years

Revlon is launching its first new fragrance in over ten years. The new LOVE IS ON Eau de Toilette will be showcased at TFWA World Exhibition (Yellow Village, A13), and is an important element of the brand's strategy to further spread its message that romance is on.

"Love is such a positive emotion for everyone," comments David Carvalho, Senior Vice-President and General Manager at Revlon, "we want to particularly celebrate and inspire romantic love –tapping into the role that cosmetics and fragrances play in the seduction and attraction. The introduction of our new LOVE IS ON



Eau de Toilette to the travel retail industry is an exciting step for Revlon, and this exhibition is the perfect place to launch it."

The sensual Revlon LOVE IS ON Eau de Toilette combines Italian lemon and Sweet Berry, presented in a heart shaped 50ml bottle that appears to be floating in its packaging.

Revlon is also showing the new travel retail exclusive Love Series sets, one for lips with 2 lipsticks, 2 lip gloss and 2 lip liners and one for face with a compact primer, highlighting palette, blush and multi-use eye-brightener. Each set also includes an exclusive Love Series cosmetic bag, "designed to delight our consumers who are buying to gift to loved ones back home. It brings the glamour and high quality we have in our line, with a complete regimen solution for our consumers," says Carvalho.

Another new exclusive travel retail set features Revlon Ultra HD Lipstick with five shades of the wax-free formula.

"We are very happy to bring all this news to the channel," David continued. "More often than not, passengers leave the beauty area within airport shops without finding what they want, and very often because they cannot afford the prestige brands. This is a great opportunity for Revlon, which is well positioned to satisfy these consumer needs by offering high quality, affordable products. By expanding our portfolio in travel retail from cosmetics into fragrances, along with our new special regimen packs and premium hair care, we believe that travelers will find these to be compelling alternatives to higher-end prestige brands. Travel retail is a priority for Revlon and we will continue to support the growth and development of our customers. We are also really excited about Cannes this year, and promise all visitors that LOVE IS ON all week at the Revlon booth!"

Marie-Clothilde Brulé joins beauty device company Iuminage Beauty for international sales



Iuminage Beauty Inc., a leader in the design, development and distribution of advanced at-home beauty care, will be showing its portfolio of clinically

proven technologies derived from the professional medical aesthetic device market in Cannes, in Harbour Village

onboard the yacht Chocolate at TFWA World Exhibition.

Iuminage Beauty, which is a joint venture between Unilever Ventures and Syneron Medical, has just appointed travel retail beauty specialist Marie-Clothilde Brulé as Senior Vice President of International Sales. Brulé will be responsible to expand the international presence of Iuminage Beauty in all channels of distribution.

Among its star products, the company will showcase its groundbreaking Iuminage Skin Smoothing Laser. Introduced in 2014, this is the first

at-home laser device FDA-cleared to reduce fine lines and wrinkles around the eyes and mouth. It will also show the Iuminage Youth Cell Skincare system, a new approach in anti-aging with unique formulations that target specific areas of the skin to boost skin cell renewal and reduce visible signs of aging.

Iuminage Beauty also markets the *me* brand, an at-home professional hair removal device for all skin tones; the Pearl teeth whitening system that uses patented ionic technology, and the Tanda light-based beauty devices for skin rejuvenation and acne treatment.

Cross launches global rebranding campaign celebrating human potential and the pursuit of greatness

Iconic American writing instrument brand Cross has officially unveiled a new brand identity.

The new look of the brand – which got its start during the California Gold Rush of 1849 with gold pens – combines a contemporary new look, innovative new products and an authentic messaging campaign, which the company says is aimed at repositioning the brand among the most prestigious American luxury brand names.

The rebranding reflects both the history of the company, as well as its vision for the future.

“We are introducing a modernized version of the Cross brand, staying true to its brand roots, historic legacy and the identifiable iconography of its origins,” said Magnus Jonsson, Global CMO, A.T. Cross.

“The new gold and black colors pay tribute to the brand’s historic past, while the modernized brand symbol, the determined Cross lion, reflects both the original brand symbol and the spirit and

attitude of our core consumer. Pairing this essence with innovative new products like the Townsend Electronic Stylus and a global advertising campaign that celebrates our consumer, we find a complete effort to reintroduce Cross as the apex of usable American luxury,” he added.

The campaign will personify its brand truths such as “inspired ingenuity” through a series of black and white, visual narratives. These will capture moments where selected artists and entrepreneurs are immersed in rich experiences surrounding their endeavors.

The campaign chronicles: Peter Thum, social entrepreneur and founder of Ethos Water and Fonderie 47; Kate Davis, musician, singer-songwriter who was named one of MTV’s “15 Fresh Females Who Will Rule Pop; Cris Cab, internationally famed, singer-songwriter; and Ōyama Enrico Isamu Letter, artist, essayist, and business person inspired by street art and culture.

Each of these artists is shown using a Cross pen to produce aspects of their works. The models that inspire the relaunch efforts are The Classic Century, The Century II, the Townsend and the Peerless.

According to David Ferreira, Head of Global Travel Retail for Cross, the company will be updating all its travel retail fixtures to reflect the new branding, and will officially unveil the new colors in Cannes.

“The updated travel retail self-serve fixture combines all the benefits of the previous one mixing several product categories, each generating revenue without cannibalizing the others. It also introduces 5 luxury items in a closed shelf and allows expansion for new categories like small leather goods. This fixture perfectly conveys our new identity taking in consideration the specificities of travel retail,” Ferreira tells *TMI*.



Star Wars collection

In addition to the new branding, Cross last also unveiled a collection inspired by the original Star Wars film trilogy.

The series features iconic Star Wars characters C-3PO, Darth Vader, and Stormtroopers. The Star Wars limited edition collection from the Townsend line is limited to 1977 units per character with character details etched into the finish, (MSRP \$450-\$575). The Click Star Wars Gel Ink Pen Collection symbolizes the spirit of each character for everyday writing needs.

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Crislu reinforces its worldwide reputation for affordable quality with new push in travel retail

Jewelry brand Crislu defines the phrase “affordable luxury.” Using the same craftsmanship of fine jewelers and integrating these highly specialized techniques into the creation of both its Fashion Jewelry and Designer Collection pieces, Crislu has become a nationally branded cubic zirconia line, distributed globally in over 50 countries.

An important travel retail brand, Crislu has always relied on professional independent talent in the field for management in the sector, says Bryan Crisfield, President/CEO of the family-owned company founded in 1961.

Crisfield brought in Carol Davy in June to lead the Global Inflight business and other travel retail channels. Inflight listings are up 87% over last year and Crislu was just listed in Hong Kong’s new Kai Tak Cruise Terminal.

Andrew Heitsman handles Crislu’s Central, Latin America and Caribbean business, which has added 11 new points of sale this year, including Panama Airport, Peru and Chile.

Harry Kaprielian, CANADEx International, oversees the Crislu business in TR and local markets in Canada and the Middle East. He has added five new



accounts in Canada and introduced Crislu in Dubai Airport.

And the business keeps growing, says Crisfield.

“In a very challenging year for TR, Crislu is growing with eleven new doors in Caribbean/Latin America, Canada and Dubai Airport. We have just agreed to open over forty Goldsmith’s Fine Jewelry Shops in the UK.”

Crisfield says the company has also expanded its travel retail offering to insure it appeals to a multi-national customer: “Crislu is a true global brand with each and every exquisite piece available in three beautiful finishes – Pure Platinum, 18KT Gold and 18KT Rose Gold,” he says.

Crislu has also developed synergy

between its Inflight, TR land operations, fine jewelry shops and department stores, offering Crislu Classics, the more trend-driven Designer Collections, and the fresh water pearl Bridal Collection.

“This fall marks the first time where we are launching simultaneously the same designer pieces in Inflight that are launching in our department stores and fine jewelry shops,” he says.

In travel retail, Crislu includes a pair of its best-selling stud earrings as a GWP with every inflight/onboard purchase, which is packaged in a premium gift box with signature ribbon, says Crisfield.

The company also offers airports and cruise ships premium Top of Counter display fixtures that feature Crislu’s top performing core pendants and earrings. These best sellers feature magnetic flip boxes which attach inside the counter unit.

“Crislu enjoys a worldwide reputation for exceptional quality and exquisite design,” says Crisfield. “Every piece of our jewelry comes with an International Lifetime warranty; we use the highest quality cubic zirconia on the market and our unique jewelry designs are inspired by Crislu artisans and designers. In addition, our luxury collections ship monthly.”

ALFA Brands takes on Nishi Pearls for TR North America

ALFA Brands has been appointed the Duty Free/Travel Retail Agent for Nishi Pearls, an international jewelry brand with offices in Hong Kong, Montreal and the USA.

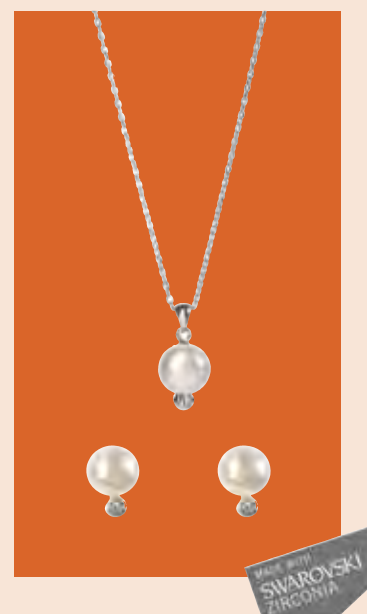
Nishi Pearls’ international team of award-winning designers are dedicated to creating collections to satisfy both the fashion-forward and the classic customer. Pearls are available in a range of sizes, natural colors, and astonishing shapes, making them pillars in the jewelry industry throughout history.

Franco Gabriele – ALFA Brands President stated: “We are honored for having been selected by Nishi Pearls to be their Duty Free/Travel Retail agent in North America, and we are thrilled about this very exciting partnership.”

Amy Hildreth – ALFA Brands Operations Manager added: “Nishi Pearls will enhance and enrich our portfolio, and we are eager to present these beautiful pearls to all our long time and loyal customers.”

Nishi Pearls has explored new ventures, including a collaboration with Maple Leaf Diamonds. Nishi Pearls’ dedication to quality is reflected in its partnerships with leading professionals in the industry, such as its latest co-branding endeavor with Swarovski.

Nishi Pearls will be on display in ALFA Brands’ Suite 924 at the Frontier Duty Free Association Convention taking place November 15-18, 2015 in Vancouver, Canada. Please visit www.nishipearls.com/ online.



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Kering eyewear launches with special plans for the Americas and TR



Omar Hagi,
Head of Global Travel Retail

Since it announced its launch in September 2014, Italian company Kering Eyewear has lost no time establishing itself in the Luxury and Sport & Lifestyle segment of the market, including in travel retail and in the Americas, taking back the control of the eyewear in a number of the Group's brands.

Kering Eyewear was officially launched on June 30, 2015, in the Palazzo Grassi in Venice where the 'Collezione Uno', including nine of the Group's brands in Luxury and Sport & Lifestyle, was unveiled. The first Kering Eyewear Global Sales Campaign began on July 1, 2015 and was followed by local sales events in key countries.

As part of the French Kering Group, which generated revenues of €9.7 billion in 2013, the new dedicated Eyewear company is launching with a portfolio of powerful Luxury and Sport & Lifestyle brands such as Bottega Veneta, Saint Laurent, Alexander McQueen, McQ, Stella McCartney, Boucheron, Puma and Brioni.

The company says that it will be pooling its expertise in design, marketing, production and distribution for the majority of the Group's brands with the goal of becoming the world leader in luxury and high-end Eyewear.

"The global eyewear market for frames and sunglasses is significant and growing at a high-single digit pace in the

premium high-end segment," said the company in its initial announcement. At that time, Kering brands' business was roughly 350 million euros, making Kering one of the top five players in this industry.

The Eyewear Collections are now designed and developed in-house in collaboration with the creative teams of the Kering brands, and with the same attention to craftsmanship and detail as in all other product categories.

The new company will be placing greater emphasis on travel retail than in the past. The company appointed Omar Hagi as Head of Global Travel Retail and International Optical Retailers at the end of last year. Hagi spent the last four years in Safilo Group, most recently as head of Global Travel Retail. Hagi reports to Massimo Renon, Kering Eyewear Global Head of Sales, with whom he worked at Safilo. Kering Eyewear is being run by another former Safilo executive, CEO Roberto Vedovotto, who was Safilo's CEO until October 2013.

Hagi was in Miami this summer, meeting with clients, finalizing the new infrastructure, and introducing Paolo Diamante – who also spent a short time at Safilo after nearly a decade at L'Oréal – as the area manager for Travel Retail in the Americas for Kering.

He also met with *TMI* to discuss the specifics of the business in the region.

From its headquarters in Padua, Italy, Kering Eyewear is divided into nine subsidiaries: Italy, France, Iberia, UK and Nordic, Germany, Hong Kong, Shanghai and Tokyo. New York is the regional headquarters for the Americas.

"The company is also opening an office in Miami later this year to

oversee Latin America and Travel Retail Americas," says Hagi.

Unique point of difference

Kering Eyewear has a clear vision of how the company differs from its competitors, explains Hagi.

"We are not another eyewear company and we aim to become the first luxury company to enter directly into the eyewear market. That is the statement that Kering Eyewear communicates to its customers: we treat every single detail, every element of the distribution, the marketing, the sales tools, and the customer with the same care and attention given to the brands, a luxury approach.

"Because of this, the quality that we will take to the market, the added value sets us apart."

With a portfolio of high-end brands that includes such names as Bottega Veneta, Saint Laurent and Boucheron, the company sees the sunglasses category as its best recruiting tool.

"Eyewear is today a strategic category, especially in the luxury goods industry. Optical frames and, in particular, sunglasses, given their entry price for a high-end luxury brand and their increasing importance as an aspirational fashion accessory, represent an outstanding opportunity to recruit new consumers."

"And that is why the group has decided to internalize the category. Because we need to take care of how we distribute the brands, to know which customers we will be selling to. We need to talk the right language to be consistent in every aspect," he says.

"We are investing a lot in product features and planning that our luxury high



Bottega Veneta



Puma

end products will be made in Italy, with details that really align the product with the brand's DNA. For example, in Bottega Veneta we have handmade studs and metal parts, for Boucheron we are featuring the jewelry's iconic cabochons. As a result, the feedback from our new sales campaign is really amazing."

Focus on Pillar brands

Kering Eyewear's first global eyewear sales campaign that launched in July focuses on the company's pillars Bottega Veneta, Saint Laurent, and Puma and other brands such as Boucheron, Alexander McQueen, McQ, and Stella McCartney, says Hagi. Kering Eyewear is also launching other brands who new to

this category: high end men's fashion brand Brioni, and Italian jewelry brand Pomellato.

Most of the brands had previously been managed under license: Gucci, Bottega Veneta, Saint Laurent and Alexander McQueen (and McQ) were licensed to Safilo; Stella McCartney was with Luxottica; Boucheron was with Gold & Wood, and Puma with Charmant.

Puma the highlight in the Americas

Kering Eyewear believes that sports and lifestyle brand Puma will offer the best potential in the Americas.

"One of the key pillars of our strategy in the Americas, and especially for South America, is Puma. Puma is huge in many territories such as Latin America but still not exploiting the full potential in the category. We are launching a collection of eyewear with different segments targeting different consumers," says Hagi.

Puma launched in July with three lines: Performance, Active and Sportstyle. The Performance glasses are high-tech solutions specially designed for running and golf. The Active Collection is easier to wear and is more lifestyle oriented. The

Sportstyle Collection will offer a selection in a more competitive price point.

For North America, Hagi says that Kering Eyewear will also focus on Saint Laurent and Bottega Veneta.

"In Canada for example, where we experience a lot of Asian travelers, we will build on the strength of our portfolio thanks also to our vast offer of Asian fitting styles."

One other way in which Kering Eyewear is differentiating its eyewear business from the competition is its use of dedicated Brand Ambassadors and enhancements to the distribution across all channels.

"Instead of just selling product, our Brand Ambassadors will communicate with buyers of the brand, do training, and implement management principles and regional merchandising.

"We will be focusing on global channels because we would like to control the way we go to market. Global channels include global travel retail, international key accounts, and big operators with more than 600, 700 stores," concludes Hagi.

"Cannes will be the perfect moment to finalize the discussion with our partners on what is the best distribution given the prestige of the brands we are launching."

Maui Jim introduces Blue Hawaii Collection to TR

Maui Jim is unveiling the first frames in the new Blue Hawaii Collection at the TFWA World Exhibition.

Blue Hawaii features a blue mirror coating that is applied to a grey base lens to create one of the most protective lenses on the market, says the company.

Blue Hawaii has a high contrast AR coating to eliminate stray light combined

with Maui Jim's proprietary PolarizedPlus2 lens technology, which reduces 99.9% of harmful glare and provides 100% protection from UVA and UVB rays. These combined technologies mean that only 19% of light is transmitted to the eye.

This high protection lens material makes the Blue Hawaii sunglasses ideal for extra bright days and activities on water,

says the company.

The Blue Hawaii Collection features Baby Beach, Cliff House, Mavericks and Wiki Wiki lightweight aviator styles fitted with Maui Evolution lenses plus the high-fashion Leia and Sweet Leilani nylon frames with SuperThin Glass lenses.



One on One with Henri Blomqvist

Safilo focuses its brand-led and design-inspired philosophy on Travel Retail



Henri Blomqvist,
Safilo Global Commercial Director

Safilo Group is continuing to build its Global Travel Retail business, following the establishment of a new dedicated division to handle the channel on a world-wide basis in 2014. The appointment of Marc Schulte in May to head up the division was another step to strengthen the division and meet the company's goals to secure Safilo's continued success, commented Henri Blomqvist, Global Commercial Director, in the announcement.

Schulte comes to Safilo with 14 years of professional experience at the L'Oréal Group, where he mastered several retail channels globally, including as General Manager L'Oréal Luxe in Mexico since 2008. In Mexico, Schulte oversaw significant turnaround and best practices.

In his new role Schulte will be based in Italy at Safilo Group Headquarters, coordinating worldwide areas with specific focus on strengthening Safilo's market leading position in Asia, while continuing to accelerate growth in EMEA and the Americas.

Blomqvist, speaking with *TMI* at the Duty Free Show of the Americas in Orlando, says that the appointment of Marc Schulte as new Head of Global Travel Retail is an indication of how Safilo is dedicated to building global travel retail in line with the company's commercial purpose, which is to deliver quality sales and quality distribution in a very targeted and meaningful way.

"Mark Schulte has the right leadership capabilities, values, and experience to deliver this for us. And of course, he will make sure that we accelerate our growth in the Americas and in MEA while strengthening our market leading position in Asia. That's the aspiration, obviously long term for the Americas, and in Europe, Middle East and Africa," says Blomqvist.

Creates dedicated Global TR organization

"The first step for the group was to create the Global Travel Retail organization, which we did at the end of last year. Now we have a dedicated global organization responsible for this business, and the head of global travel retail reports directly to me.

"Global Travel Retail is a separate channel from the other regions that we have in the world, because we want to make sure we have those unique capabilities specifically needed for this channel. The Travel Retail operation is unique, the customers are unique, and the retail is about building capabilities, having an organization that is designed for global travel retail. That was really the first step in terms of our goal to market capabilities," he says.

The products are the same in all channels, even as the logistical, support, and sales structure have been modified to meet the specific challenges of travel retail, says Blomqvist.

"We have a great organization and Marc is a prime example of the talent that we have in the organization. Now we need to make sure that the leadership that we have can take the business to the next level."

Proprietary brands -- Carrera, Polaroid and Smith -- propel growth

"Travel retail is a crucial part of the total group, an important business for us.

Our recently presented 2020 plans, which call for Safilo to reach plus 40% total line growth versus 2014, means that in six years GTR is expected to grow fairly aggressively within that total plan. And obviously, because the sun eyewear always leads the brands and the optical portfolio, we see travel retail as a trend-setting channel for us. Starting from this year, the biggest product initiatives will focus on our propriety brand Carrera, and a whole new product collection.

"We are also looking to continue the incredible momentum of Polaroid. Since we acquired the brand [in early 2012], the business has grown very rapidly and is probably the fastest growing sun eyewear brand in Europe at the moment. In the Americas travel retail market, Polaroid and Carrera are well-developed brands. In our Latin American business [not global travel retail] our propriety brands represent 40% of Safilo sales."

The third pillar among Safilo's propriety brands is Smith, which will now take on a more global role in the company.

"This outdoor sports brand is the U.S. market leader in ski goggles and ski helmets. The eyewear is now being expanded globally, under a more lifestyle approach," says Blomqvist. "Directly linked to this initiative, Safilo is opening a design studio in Portland, Oregon, which will be responsible for designing Smith eyewear to the world.

"We are planning to design not just for North America from this location, but to the world. We want to be where trends are born, and outdoor trends are born on the West Coast of the U.S. They are not born in Italy. A lot of things are born in Italy, but not these trends, so we are very proud of what we are doing here."

Fashion licenses lead the way

Safilo will also devote significant attention to its licensed brands portfolio.

"Of course, we expect the licensed brands to continue to grow in a very healthy way. Dior is the benchmark of the quality of the product, of the execution, the distribution quality; we are very proud of our longstanding partnership with Dior.

“Then we have other important brands: Hugo Boss, Max Mara, Kate Spade, Marc Jacobs, and Tommy Hilfiger. I’d like to mention also Fendi, Jimmy Choo, and Celine for the group, the higher end brands that are growing very fast.”

Looking ahead, Blomqvist expects to complement the licensed brand portfolio with partnerships with fashion houses that share the same values as Safilo. He cites the 2014 license renewals/extensions for Tommy Hilfiger and Jimmy Choo, and the signing in March of this year of a new license with Givenchy.

“Fashion partnerships bring something that complements our total portfolio offering,” he comments.

“It’s obviously very important for us to have this strong brand portfolio because

we are brand-led and design-inspired.

“That’s how we characterize ourselves as an eyewear creator. It all starts from the product, the quality of the product, and it goes to the quality of our distribution and how the brands really come to life in front of the consumer.

“And with our customers -- in this case, the duty free travel retail customers -- we want to work in a win-win partnership and our first measure is customer sell-through. This is what we measure, what we want to measure, and what we want to drive. We are not interested in the ‘sell in.’ The consumer centered business model really is about sell-through and market share, and customer category sales. We have several solutions when it comes to category management to really take that to

the next level.

“Long term, we want to grow the proprietary brands from the 25% that it represents today to 40% by 2020, while continuing the long term partnerships with fashion houses that very importantly share the same values as Safilo does, and with whom the partnership is so much more than manufacturing a product and distributing it. We are very, very proud to have many of the most prestigious brands in the world given to our care.”

**Note. Safilo also represents Gucci eyewear until the end of December 2016 when the license transfers over to brand owner Kering’s eyewear division, at which time Safilo will continue as the contract manufacturer for the next four years.*

Safilo holds immersive HPP event for Carrera eyewear in MIA



Safilo launched a first of its kind HPP activation for Carrera sunglasses at Miami International Airport in July.

The high visibility “Out There” campaign was designed to reach the one million travelers passing through MIA in the month of July, and consisted of an integrated campaign using media banners in MIA’s North and South terminals, digital screens around the airport featuring Carrera and a consumer event in the airport’s main traffic space in South Terminal.

The campaign reinforced the media banners with a digital campaign targeting

passengers, and a special event to engage consumers in the terminal and drive them to the point of sale at the Duty Free Americas duty free stores.

Using the latest digital technology available in MIA, Carrera is able to communicate with passengers through a “Welcome to MIA airport” message and offer 30 minutes of free Wi-Fi after they view a 30 second Carrera video.

The message is prepared in English / Spanish / Portuguese, and invites travelers to “Discover new Carrera collection at the duty free store.”



At the same time, Carrera presented its new “Out There” collection at the main entry of the South Terminal in the high traffic location after security. Here, an interactive event offered passengers an instant photo souvenir with Photo-Flyer that includes a removable coupon for a free gift, to be redeemed in the duty free store.

Jean-Luc Decaux, co-CEO of JCDecaux North America, comments: “We are excited to see the relationship evolve between ourselves and Travel Retail brands in our U.S. airports. JCDecaux was happy to partner with Safilo’s Carrera brand and Duty Free Americas to bring this innovative, immersive experience to Miami International Airport passengers. Experientials have become a key component within the airport landscape and we continue to see how brands are moving past standard purchase incentives to engage with the potential consumer.”

Buckley London: a travel retail success story in the Americas

UK jewelry brand Buckley London has gone from strength to strength in the Americas since launching in the market in 2012. Partnering with its exclusive agent in the region, International Brand Builders International (IBBI), the exciting fashion brand opened 50 new doors, a number that continues to increase.

"We've seen fantastic growth across duty free and the maritime sectors in particular, which we forecast to continue. Over the past year, some key doors of particular success are Starboard, Duty Free Americas and WDF, to name a few," Neil Thompson, Buckley London Global Sales Director tells *TMI*.

Thompson says that Buckley is investing in its partners to support their business needs and introducing new sales and marketing plans to create a strong global brand image.

The jeweler's ability to help retailers present the brand in a compelling and attractive environment also boosts listings and sales, says Thompson.

"Buckley London uniquely offers a wide variety of display materials to accommodate our broad range of customer's needs. We understand the importance of having the correct display in the given location and therefore we have a mix of self-select hanging products, under the counter tanks, and free standing ring units with testers. Our 4-sided unit is particularly popular as we're able to offer the full range of core Buckley products, thus offering an impressive ROI."

Buckley has also introduced new units for locations with limited space including a 4-sided countertop stand, a 2-sided countertop stand, a ring unit and a bracelet bar option.

The company is also very successful at tapping into consumer wants, says Thompson.

"Jewelry which tells a story continues to be a huge trend globally in travel retail and the Americas are no exception. The trend of talismanic jewelry was a driving force behind our range of message jewelry, including the 'I Love You' bracelet, which recreates the romantic phrase using the dots and dashes of Morse code in stunning cubic zirconia stones. These are ideal for either a



sentimental gift or a self-purchase and, as part of our global strategy we are currently developing the idea of message jewelry further.

"Multi-functional jewelry is another huge trend in travel retail. Our unique 'Four-ever' earring set and the 'Interchangeable Pendant' each come with various centerpieces including colored cubic zirconias, which can be changed to suit the wearer's style and mood."

Buckley and IBBI have even held a number of focus groups in the region to gauge the marketplace.

"We really understand the needs of our customers. These [focus groups] provided an interesting insight to customer's views about the brand and will help us implement the learnings in future collections for the American market," he said.

Thompson contends that these insights, and the right product mix, will keep the brand on a growth path.

"We believe that the extended choice of products – from every day wear, to statement pieces, to timeless classics - will allow us to significantly improve sales.

"We recently launched our new AW15 collection which has received excellent feedback. The four new collections feature trends of organic shapes, tonal crystals and natural gems and perfectly demonstrate the new direction and refresh of the brand. The Aura collection draws inspiration from the vivid hints of color in the Northern Lights and the Selene Collection resembles the frosted shimmer of the moonlight with mother of pearl under a glass cabochon.

"The Capri Collection features scatterings of tonal pave-set stones --and the Affinity Collection symbolizes the power of eternal bonds through delicate



circles made from sparkling cubic zirconia accents."

Thompson also highlights Buckley's new 'fast fashion' range that capitalizes on the trend of mix and match stackable bracelets, at good value: The Carousel Collection, with glass beads, and the Serenity Collection, with semi-precious gemstones known for their unique properties and healing energy. The mesh-inspired 'X O ♥' Collection and the polished bead Simplicity Collection also lend themselves to stacking.

The brand also has a distinct point of difference from the competition, he notes.

"At Buckley London we design all of our collections at our head office in the UK and all collections are the product of months of trend analysis. As a global brand, we ensure that we listen to our customers' requirements and adapt trends to fit with their particular market. All of Buckley London's products come beautifully packaged and with a 2-year international warranty, which also makes the pieces an ideal gift."

Buckley has been nominated in two categories at this year's Frontier Awards at the TFWA World Exhibition. Its 'Key to Your Heart' bangle and pendant set was shortlisted for Star Product of the Year, and the company is a finalist for 'Supplier of the Year.'

Buckley was also featured in the first *Sunday Times* BT SME Export Track 100 League table, which ranks Britain's small and medium sized companies with the fastest-growing international sales over the last two years.

For more information, visit Buckley London at TFWA World Exhibition, Stand H4, Red Village.

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Worldclassbrands adapts to meet changing market needs

Celebrating its 15th year as an exclusive agent for travel retail, duty free, and in-flight markets, Worldclassbrands has transformed its business over the past few years, shifting its portfolio to the “products that consumers want,” says Lenny Di Cristofano, Worldclassbrands president.

“We are seeing double digit growth in large part because we shifted our product mix and anticipated what was to come,” says Di Cristofano. “We saw that people at the extreme high-end were buying luxury but other consumers were buying impulse items or looking for value propositions. Worldclassbrands has never really focused on the high-end product ranges, items at \$2,000 or more. We began transforming about three years ago, readjusting our

jewelry and watch mix to ensure that we are the right company for our partners and have the products that consumers want.”

As part of that shift, in 2014 Worldclassbrands was named the official travel retail agent in the Americas for Tyko Travel Retail for its range of Breo watches and sunglasses, Hippie Chic watches and Kartel watches.

“Tyko Travel Retail is a great strategic partner with whom we are now going into year three. We’ve made tremendous strides and opened some really big markets with great product sell-through. From one supplier we were able to fill the \$35 to \$75 niche in watches and sunglasses.

“We placed Breo’s freestanding unit in Miami airport and are adding additional locations because it is such a great impulse gift that consumers respond to. We opened up the entire Canadian border market, opened the U.S. with DFA and Dufry, and are continuing to roll out.

“Hippie Chic is another great impulse gift with a value proposition. In our first year with Hippie Chic, the company sold over a million units onboard over 100 airlines globally.

“The same is true for Kartel, a watch that retails for \$95, but gives the right look. It is a value proposition.”

Worldclassbrands also signed with Dutch fashion house Oilily, for the first time venturing into beauty bags, cosmetic bags, and fashion bags.

“Oilily was a new direction, allowing us to diversify from our core competencies of jewelry and watches. We opened quite a bit of business for Oilily and are enjoying growth in Colombia and Argentina in South America; in Puerto Rico, and on the U.S. Canada border. In Cancun Airport we’ve gone from a gondola to full wall units and expanded from three locations to five,” he says.

G-Shock and Baby-G watches have also done very well. “The brand is fantastic and is probably the fastest growing brand in our mix. The only limitation is supply.”

Di Cristofano says Worldclassbrands’ 15 years as a travel retail agent gives the company the expertise to help niche brands thrive in the market.

“We think of ourselves as brand builders, as duty free specialists. We know this market. We understand the client, the con-



sumer, and the needs of the market. This experience distinguishes us from a brand or a company doing it on their own. We have a team of people who follow up with all the necessary work that needs to be done. What we can do in the first 18 months will take an individual company five years. Our contacts, our know-how, our knowledge of the inner workings of the industry take time to learn.”

Di Cristofano sees the industry going through another transition now with all the consolidation taking place and cautions that agents must be prepared to adapt.

“If you are not prepared to offer multiple options in the regions where these operators function, you can get lost in the process. Worldclassbrands is making sure that we have the right mix of products, and that we remain important to our clients,” he says. “We only commit to the brands that we feel are missing or have a purpose in the industry.”

Worldclassbrands is the exclusive global travel retail/duty free, cruise and in-flight agent of JOIA De Majorca (Authentic Majorca Pearls), G-Shock/ Baby G (Watch Collection), Breo (Watch and Accessories), Kartel (Watch Collections), Hippie Chic (Watch and Accessories), and other brands including Oilily, Thortuuda Angel Whisperer, Story by Kranz & Zieglar, Ti Sento by Milano, Men’s Jewelry by Aagard, Ritmo Mundo, Officina Bernardi, Sasura, Casio’s Edifice collection, Canadian Ice Diamonds, Rotary Watches, and Festina.





Furla presents a day-into-night collection

Drawing inspiration from a journey through Italy in search of different shades of light, the Furla SS2016 collection contains bold colors, deconstructed shapes, and gender-bender appeal in pieces that transform from day-into-night, and includes a new travel retail exclusive selection.

Many of the pieces in the collection contain two-in-one components for added versatility. The Furla Dama tote and the Furla Fantasia maxi clutch come with a detachable Metropolis bag, and the Furla Artesia bag contains a removable inner panel with slots for wallets, smartphones, and other daily necessities. The men's Furla Zafiro bag also contains a micro Metropolis bag. A larger version of the iconic Metropolis bag features a geometric 3-D printed strap and attention to detail.

The YOYO is a travel retail exclusive mini crossbody lightweight bag with a zip

top and chain strap.

Gerry Munday, Furla Global Travel Retail Director, sees great potential for the YOYO. "I'm delighted that the SS16 offer will include another travel retail exclusive offer. The Piper Medium Dome has been incredibly well received by our customers and the sell-through is superb. The YOYO bag is equally perfect for travel retail and complements another amazing collection from Furla."

Furla will be presenting at the Salone Dei Tessuti where colored panels, mirrors, and columns will evoke the 10 key shapes, colors, textures, and details of the collection.

In August, Furla opened a new 12sqm in location in Turin Airport with Gebr Heinemann, just one of numerous new doors opened

worldwide in travel retail over the past few months.

"Turin is an important center for both business and tourism. With annual passenger traffic of well over three million flying into all of Europe's main hubs, we are confident that it presents us with excellent sales opportunities," comments Munday.

Furla YOYO bags



Travel and adventure combine for MINI by TUMI

An iconic car company comes together with a world-class business and travel product brand in the new MINI by TUMI collection. The exclusive licensed premium line is designed to complement the look and feel of the automotive brand.

"Driven by travel and adventure, the MINI by TUMI collection is rooted in innovation, iconic design and functionality," stated TUMI Chief Executive Officer and President, Jerome Griffith. "Bags and cars are natural extensions of the people who use them; they are expressions of personality and individuality."

The new collection contains seven travel and two accessory silhouettes available in signature MINI colors and prints of Black/Volcanic Orange racing stripes and Black/Deep Blue Union Jack flag. Designed in America and engineered using TUMI's FXT ballistic nylon, each MINI style features a secondary bag, while MINI by TUMI accent kits allow customers to customize their bags.

The collection is available globally in domestic markets and travel retail and online at www.TUMI.com. TUMI will be exhibiting at TFWA RG14 Riviera Village.



Emma Lomax bags shine for World of Patria

World of Patria International is taking a new direction with its range of high fashion travel and make-up bags from trendy UK designer Emma Lomax. The successful collection, which has received media-coverage and high-profile listings in the UK market from Selfridges, Harrods, Fenwicks, and other high-end stores, is now available in travel retail exclusively from WOPI.

The range of hand-finished, embroidered bags and accessories are available in fun, bold designs with a price

point targeted for both medium to high-income shoppers aged from 21 through 60. Top selling make-up pouches are available in designs including Luscious Lips and Lipstick 16 Lips. The transparent SOS bag can be sold individually, with contents, or as a basis for an amenity kit or gwp. The SOS bags, designed with travel-themed airplane and anchor motifs, are ideal for travel retail customers.

Sally Curson, International Account Manager, comments on the success of the brand: "Table displays of Emma

Lomax cosmetic, makeup and SOS bags in Fenwick's and counter displays in Selfridges have proved phenomenally successful, clearly driving incremental impulse sales. Fenwick reports triple digit growth in sales of cosmetic bags this year, with new designs added each month to maintain interest and freshness."

The bags, which have listings through International Diplomatic Supplies, will be on display at the WOPI stand in Blue Village, G13.

Paul & Shark's "Travel Easy" range ideal for on-the-go

With crease-free garments designed with specially treated fabrics that hold up through long journeys, Paul & Shark's Travel Easy Care range is ideal for the on-the-go travel retail customer. The range, which is part of the SS2016 Men's Collection, includes coats, gilets, shirts, and trousers, all constructed with Made in Italy craftsmanship.

Travel Retail Director Catherine Bonelli believes the Travel Easy Care range and Paul & Shark's other collections being shown in Cannes will inspire and excite travelers in the airport retail environment.

"TFWA World Exhibition is the highlight of Paul & Shark's year. Introducing our new collection to existing and potential customers is a very exciting time for us. As our travel retail distribution continues to grow globally, it is vital that



each new collection continues to 'wow' and shows off the quality and uniqueness of Paul & Shark - this year we have definitely achieved this and I am confident that the Travel Easy Care line will stand out as a must-have essential item."

The luxury sportswear and lifestyle fashion brand will also be showcasing its core Sportswear line, which includes a broad color palette expressed on stylish and modern garments. These include a rubber-coated linen double-breasted jacket, a classic Vichy print windbreaker, and a

polyester and nylon 3D mesh jacket.

The Luxury Collection is composed of high-quality fabrics including 100% silk knitwear, piqué cotton shirts, and supima trousers. The collection's traditional colors are paired with clean and sophisticated lines. Jackets are available in leather and cotton or cashmere and silk and include technical details such as laser perforations.

Paul & Shark will be showcasing in a new enlarged stand in Riviera Village, RH08, where invited guests will receive a personally embroidered limited edition polo shirt. The personalization intricate tooling machine is a successful component of the Paul & Shark brand.

"Offering embroidery both in Cannes last year and at TFWA Asia Pacific has proved a very powerful and effective method of showing potential and current customers the quality of our products. We received such positive feedback that we just knew we had to repeat the offer this year. Our tooling machines take up so little space that they are easily incorporated into our stores, giving us a real uniqueness. It's a tool that can easily be incorporated into airport retail and we are about to announce an activation with a key operator this summer," says Bonelli.



Scorpio Worldwide to showcase "Watches Galore" in Cannes

Watches have always been one of the main focuses for travel retail distributor Scorpio Worldwide, which is showcasing its portfolio of exciting new time pieces in Cannes.

The hugely successful Aviator F Series is introducing a Vintage Collection that pays homage to 1940s and 1950s pilot watch styles.

Chairman, Stuart McGuire comments, "Aviator has stood out as our biggest selling brand for the last five years, offering exceptional quality and value. In order to maintain and grow the brand's popularity we have regularly updated and extended the range over this time to ensure that we continue to provide our customers with on-trend, fashionable watches. This latest collection takes the brand to a new level of sophistication."

The Aviator range will also show 2 new mesh bracelet watches for men and 2 interchangeable strap watches for women,

available with new dial colors, to appeal to a broader demographic.

Following its successful launch at TFWA Asia Pacific, Scorpio Worldwide will push its exclusive to inflight Yamaha Factory Racing VR/46 Collection by TW Steel watches at Cannes.

TW Steel is also introducing a selection of their world famous "Big in Oversize Watches" Canteen watches, some of which are exclusive to travel retail.

Scorpio is also launching the 10 best-selling domestic watches from Timberland to inflight, as well as a range of inflight exclusive watches by Daisy Dixon. It is also bringing back the fashionable Superdry brand to inflight, showcasing a new range of urban watches with four silicon and two multifunctional styles and two silicon Nato strap models to choose from.

Seven new models from Karen Millen and a revamped Beverly Hills Watch range,

and the introduction of its own range of watches; Chocks Away and Lady Luck inspired by the Vargas 'pin-up' girl, round out the new watch offerings.



Hennessy tops the IWSR's World Class Brand ranking

Hennessy has been named the top-performing global spirits brand in this year's IWSR World Class Brands rankings. The LVMH-owned cognac rose from last year's third position, edging out Jack Daniel's for the top spot. Jameson, Grey Goose and Jim Beam rounded out the top five brands.

The IWSR's World Class Brands list is the definitive ranking of top-performing global spirits trademarks. 142 brands met the IWSR's definition of 'international'. The IWSR then scored each of these brands on its overall market volume in 2014, average price per case and volume growth over the last year.

Last year's top World Class Brand, Johnnie Walker, reached only no. 34 this

year due to a loss of global volumes between 2013 and 2014, says the IWSR.

Hennessy rose to the top of the list despite the crackdown on conspicuous consumption in China where the brand fell nearly -21% in 2014 and the economic problems in Russia – two key markets for the brand. Hennessy achieved an overall market volume of 5.2m cases in 2014, an average price per case of just under \$800 and volume growth of 3% in 2014. The brand was particularly strong in the U.S., rising by just under 10% in 2014 over 2013 to reach 2.5m cases. Hennessy also saw high rates of growth in South Africa, Nigeria and travel retail.

The IWSR #2 brand Jack Daniel's

was “riding the crest of the U.S. whiskey revival,” with innovations such as Tennessee Honey and Tennessee Fire helping to bring in non-traditional consumers, such as females, and participate in new drinking occasions.

Jameson also remains one of the real momentum brands in the U.S. and, last year, surpassed the 2m-case mark there.

Not one Scotch brand ranked in the top 10 of this year's World Class Brands list despite having the largest overall number of brands on the list with 40. The growth of U.S. and, to a lesser extent, Irish whiskey may also be a contributing factor behind the Scotch slowdown, says IWSR.

World Class Brands: Top 10

Rank 2013	Rank 2014	Brand	Category	Owner	Aggregate total	Volume score	Growth score	Per case score	Volume 2014	Volume growth 2013-14	US\$ value 2013	US\$ value 2014	US\$ per case value
3	1	Hennessy	Cognac/Armagnac	LVMH	389	129	124	136	5,339.0	155.3	\$4,221,966	\$4,218,231	\$790
2	2	Jack Daniel's	US whiskey	Brown-Forman	387	139	140	108	13,664.4	599.7	\$4,347,958	\$4,861,178	\$361
4	3	Jameson	Irish whiskey	Pernod Ricard	372	128	138	106	4,802.0	355.4	\$1,448,340	\$1,609,715	\$335
9	4	Grey Goose	Vodka	Beacardi	356	118	119	119	3,983.1	114.3	\$1,593,058	\$1,692,035	\$425
7	5	Jim Beam	US whiskey	Beam Suntory	347	136	141	70	7,568.9	608.5	\$1,648,985	\$1,790,148	\$237
10	6	Bombay	Gin	Beacardi	346	110	133	103	3,014.6	246.2	\$874,288	\$967,034	\$321
5	7	Ciroc	Vodka	Diageo	345	103	127	115	2,591.0	171.1	\$918,656	\$1,012,448	\$391
51	8	Yeni	Aniseed	Diageo	331	114	110	107	3,551.3	73.5	\$1,222,341	\$1,193,871	\$356
63	9	Cuervo	Tequila	Cuervo	324	132	135	57	5,902.7	290.7	\$1,185,500	\$1,267,872	\$215
New	10	Fireball Cinnamon Shot	Liquors	Sazerac	322	121	142	59	4,215.8	2,005.9	\$491,109	\$926,979	\$220

Source: The IWSR Database 2015 ©

International' based on the three-region, 20,000-case definition. Ranking based on volume, average price per case and growth over the past year. All volumes in '000s of 9-litre cases. Value figures in '000s of US\$ and based on current exchange rates.

IWSR: Whisky leads the way in Americas Duty Free spirits

Spirits sales in Americas Duty Free grew 4.5% in 2014, reaching 5,177,800 9-liter cases, with whisky leading the way, according to the latest data from the IWSR.

Each of the sub-regions that make up the Americas also increased last year. North America, the largest region with 62.6% of spirits sales, increased 4.5% from 2013 to 2014. Latin America, with 18.7% of regional duty free sales, rose 4.7%. The Caribbean (14.8% of sales) was up 3.7%. Central America sales jumped 10% versus 2013.

Whisky, the most popular spirit sold in Americas Duty Free with 42% of sales, was up 3.7% in 2014. Vodka, with 16.1% of sales, increased 2.1%, while Rum (13.3%) was up 1.8%. Brandy, which makes up about 10% of Americas Duty Free spirits sales, increased 17.8% last year.

Units:	Case volumes: 000's of 9-litre cases
Currency:	Retail value: 000's of USDs (variable).
Retail prices:	USDs per bottle. Bottle sizes shown in cl. (variable)
Criteria:	Category 1: Spirits- Region: DF Americas- Tax Status: Duty Free
Copyright:	The IWSR 2015

Americas Duty Free Region by minor region

Tax Status	Category 1	Region	Minor Region	Volume 2013	Volume 2014	Mkt Shr (Vol) 2014	CAGR Volume 2009 to 2014	%Chg Volumes 2013 to 2014
Duty Free	Spirits	DF Americas		4,952.5	5,177.8	100.0%	8.6%	4.5%
Duty Free	Spirits	DF Americas	DF North America			62.6%	8.3%	4.4%
Duty Free	Spirits	DF Americas	DF Latin America			18.7%	11.5%	4.7%
Duty Free	Spirits	DF Americas	DF Caribbean			14.8%	7.4%	3.7%
Duty Free	Spirits	DF Americas	DF Central America			3.8%	5.7%	10.0%

Americas Duty Free Region by minor region

Tax Status	Region	Category 1	Category 2	Volume 2013	Volume 2014	Mkt Shr (Vol) 2014	CAGR Volume 2009 to 2014	%Chg Volumes 2013 to 2014
Duty Free		Spirits		4,952.5	5,177.8	100.0%	8.6%	4.5%
Duty Free	DF Americas	Spirits	Whisky			42.0%	11.9%	3.7%
Duty Free	DF Americas	Spirits	Vodka			16.1%	3.9%	2.1%
Duty Free	DF Americas	Spirits	Rum			13.3%	5.5%	1.8%
Duty Free	DF Americas	Spirits	Flavored Spirits			11.8%	4.1%	4.6%
Duty Free	DF Americas	Spirits	Brandy			9.9%	15.9%	17.8%
Duty Free	DF Americas	Spirits	Others			6.9%	10.1%	3.9%

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Contact Graziella Jeffery for more information on the IWSR Duty-Free/Travel-Retail Volume and Value Database and Summary Report.

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the Source for Wine & Spirits Analysis

Brown-Forman's American Whiskey portfolio thrives

Brown-Forman's American whiskey portfolio has helped the company grow its travel retail business despite troubling times for many of its competitors around the globe, says Marshall Farrer, Managing Director, B-F Global Travel Retail.

"We ended our last fiscal year (April 30, 2015) on a strong note. The first quarter delivered some challenges with respect to the strength of the U.S. dollar and the loss of the Russian traveler. However, the performance of the Brown-Forman Travel Retail portfolio remains strong and American Whiskey is still enjoying enormous popularity and growth. We are especially pleased with the support behind our entries into ultra-premium American Whiskey through Jack Daniel's Sinatra Select and Sinatra Century," he says.

Farrer says Brown Forman's strong American whiskey portfolio perfectly positions his company to take advantage of the market's trend towards whisk(e)y. Whisk(e)y was the most popular spirit sold in Americas Duty Free in 2014 with 42% of sales, and was up 3.7% last year (IWSR).

"Without question our North American Whiskeys are the star performers within the Brown-Forman Global Travel Retail portfolio. In travel retail markets around the world American Whiskey is the fastest growing category and Brown-Forman is at the forefront of that growth lead by Jack Daniel's Tennessee Whiskey and Woodford Reserve Bourbon. In fact,



Jack Daniel's is currently one of the top three selling spirits in travel retail and Woodford Reserve is among the top five for American Whiskey. On the subject of North American Whiskies, we also have confidence that the remarkable popularity of Brown-Forman's founding brand, Old Forester, will spread from the United States to travel retail markets around the world," he says.

"Brown-Forman has been the leader in American Whiskies since 1870. Global travel retail allows us to expose our spirits

to new consumers around the world and educate them on the exciting attributes of the category. We consider travel retail as an outreach opportunity to new markets in far-flung regions and an engaging channel to delight our more established consumers."

At the TFWA World Exhibition in Cannes this year Brown-Forman will be introducing Jack Daniel's Sinatra Century, a collaboration between Jack Daniel's and the Sinatra family to celebrate the 100th birthday of Frank Sinatra, who was born in Hackensack, NJ on December 12, 1915. Sinatra Century, at 100 proof, is the second offering to commemorate the special relationship between Jack and Sinatra after Jack Daniel's Sinatra Select was introduced globally in 2013.

"Jack Daniel's Sinatra Select is doing remarkably well in the travel retail market and has met our expectations to date with full distribution. We recently expanded it to celebrate the 100th birthday of Frank Sinatra with a more exclusive offering called Jack Daniel's Sinatra Century (that retails in duty free for \$450). It has exceeded our early hopes and established new price points for premium American Whiskey," says Farrer.

"Each bottle of Sinatra Century will be enclosed in a luxurious gift box and will also include a selection of previously unreleased Sinatra tracks, entitled 'Sinatra



Jack Daniel's Sinatra Century display in Amsterdam

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A W A R D - W I N N I N G F L A V O R



DISTILLER'S SELECT

Woodford Reserve is crafted in small batches, ensuring time and care is taken in customizing each of the five sources of flavor to produce Woodford Reserve's distinct taste and crisp, clean finish.

GOLD MEDAL

Whiskies of the World Awards
2014

GOLD MEDAL

San Francisco World Spirits Competition
2014

EXCELLENT RATING

Ultimate Spirits Challenge
2013

DOUBLE GOLD MEDAL

San Francisco World Spirits Competition
2013

DOUBLE OAKED

Double Oaked is twice-barreled bourbon with rich and colorful flavor. Uniquely matured in separate, charred oak barrels - the second barrel deeply toasted before a light charring - extracts additional amounts of soft, sweet oak character.

EXCELLENT RATING

Ultimate Spirits Challenge
2014

DOUBLE GOLD MEDAL

San Francisco World Spirits Competition
2014

EXCELLENT RATING

Ultimate Spirits Challenge
2013

DOUBLE GOLD MEDAL

San Francisco World Spirits Competition
2013

GOLD MEDAL

BTI International Review of Spirits
2013

CRAFT CAREFULLY. DRINK RESPONSIBLY.

Kentucky Straight Bourbon Whiskey, 45.2% Alc. By Vol., The Woodford Reserve Distillery, Versailles, KY ©2015

Live at the Sands in 1966' along with a booklet telling the story of the friendship of the two American icons. Some of our larger and more impactful displays will also feature Frank's music as part of the display."

While American whiskey has led the way for Brown-Forman, the company last month got into the Irish whiskey business with the ground breaking for Slane Distillery, the company's initial entry into distilling Irish whiskey. Slane Distillery is the first distillery built by Brown-Forman outside of the United States and is planned to open in late 2016.

"The Irish Whiskey category has been a very fast growing segment in the global whiskey category over the last few years and Brown-Forman is confident that with

its expertise in whiskey making, the new whiskeys from Slane Distillery will have a bright future. I am confident Travel Retail will play a key role in establishing demand

for these whiskeys up front. We are making a \$50 million (US) commitment to the Slane Distillery project and feel it will be a great addition to our whiskey portfolio."



Rendering of the Slane Distillery in Ireland, which is expected to open in late 2016.

Devallet joins Rémy Cointreau as company adopts Global Shopper strategy

Despite currency issues, Rémy Cointreau Americas Travel Retail's business in the region has been positive since he joined the company in June, says Sebastien Devallet, the new Travel Retail Director of Rémy Cointreau Americas.

Devallet joined Rémy Cointreau after seven years as General Manager of the Fragrance division in L'Oréal's Parbel subsidiary in Miami, replacing François van Aal, who has relocated to Europe to take up the position of Regional Travel Retail Director for that market. Devallet, who spent 18 years in the beauty business, says the transition to Rémy Cointreau has been very interesting.



Russian Standard Vodka will be exhibiting the Cloisonné Limited Edition, the third in the company's series celebrating classic Russian craft, which draws its inspiration from the Cloisonné artwork which was highly prized by the Tsars of the Imperial Russian Court.

"I am discovering a new market with its own problems, challenges and opportunities which is very motivating. It's obviously a very different market to beauty but Rémy Cointreau Group represents high end liquors such as the famous Louis XIII cognac, Rémy Martin cognac, Cointreau as well as other premium brands such as Bruichladdich single malt whisky, The Botanist gin and Mount Gay Rum. Iconic brands such as Louis XIII, Rémy Martin Cognac or Cointreau have wonderful brand heritage to share with our customer. The luxury vision of the group to become the world leader in spirits of exception is totally in line with my ambition and DNA."

Rémy Cointreau has encountered a number of challenges affecting its Americas travel retail business, with currency issues hitting the company from multiple nationalities.

"As any category we do face a difficult macro-economic situation that challenges our activity. A strong dollar, the devaluation of the most important currencies in Latin America and China force us to reconsider our Travel Retail approach. We are working on adapting our brand portfolio offer through a more 'Global Shopper' strategy taking into consideration every nationality's specificities."

Rémy Martin Cellar Master's Selection

The Rémy Martin Cellar Master's Selection has been fully distributed in the region since May 2014. The new Travel Exclusive line was launched in the Americas with one year exclusivity. Asia, Europe and Middle East markets only launched in 2015.

"The year has been on track as the Rémy Martin Cellar Master's Selection moves into its second year in the Americas. This new range replaced Rémy Martin VSOP and XO so that the Rémy Cointreau Group can offer a new Travel Exclusive line to the travelers," he says.

"We are still working on consolidating the line towards our customers and we deploy marketing activities to develop the range awareness."

"Besides the Cellar Master range, Louis XIII is performing well, showing year to date growth in line with our objectives despite the lower spending by Chinese customers.

"The liquor brands do perform well especially with strong growth of Bruichladdich, a very promising launch of The Botanist and significant development of Mount Gay Rum."

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Share the toast responsibly.

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Toronto Pearson hosts first Americas outing for John Dewar & Sons Fine Whisky Emporium

Bacardi Global Travel Retail reports that it has staged a highly successful John Dewar & Sons Fine Whisky Emporium activation at Toronto Pearson International Airport this summer in partnership with The Nuance Group.

This is the first location in the Americas for the John Dewar & Sons Fine Whisky Emporium shop-in-shop concept.

John Dewar & Sons Fine Whisky Emporium showcases the revitalized range of Dewar's premium blended whiskies by highlighting Dewar's Scotch heritage and craft credentials. The additional presence of three of the newly launched 'Discovery Malts' from Bacardi — Aberfeldy, Craigellachie and Glen Deveron — plays a supporting role to Dewar's, the "hero brand."

The John Dewar & Sons Fine Whisky Emporium at the airport in Toronto was open at Nuance's Terminal 1 store for a period of 17 days in June, immersing travelers in the world of Dewar's, billed as the most awarded blended Scotch whisky.

The Emporium featured a branded sampling bar and display gondola where the design was inspired by the Nineteenth Century wine and spirits shop that was opened in Perth in 1846 by company founder John Dewar. The whiskies selected for sampling were Dewar's 15 Year Old, the first permanent new age statement to join the Dewar's range since the turn of the millennium; Aberfeldy 12 Year Old; Craigellachie 13 Year Old and the Travel



Retail exclusive Glen Deveron 16 Year Old.

During the course of the promotion around 4,500 travelers sampled the whiskies in tutored tastings brought to life by highly trained brand ambassadors and educational props.

Conversion and sales rates at the John Dewar & Sons Fine Whisky Emporium exceeded expectations and customer feedback from the activation was very

positive. Around 45% of sales were made by LDA travelers aged below 40, proving the activation reached its target: an emerging group of younger shoppers moving into the 'second stage of luxury'. Age statements are a key purchase motivation for this group of shoppers, along with quality cues and engaging brand stories.

Geoff Biggs, Regional Director, Americas Bacardi Global Travel Retail commented: "John Dewar & Sons Fine Whisky Emporium proved a strong success at Toronto airport, one of the largest international gateways in North America. Our research tell us many whisky drinkers in Travel Retail are crying out for something new and exciting— The John Dewar & Sons Fine Whisky Emporium concept just does that introducing them to exciting new brands of quality and heritage in an engaging and compelling way."

The first John Dewar & Sons Fine Whisky Emporium outlets opened at Paris Charles de Gaulle and Orly airports in April this year in partnership with Aelia. The first Asian location followed in July at Taiwan Taoyuan airport with EverRich Duty Free.



Chivas Regal launches ultra-prestige Scotch whisky: Chivas Regal The Icon

Chivas Regal introduced ultra-prestige Scotch whisky Chivas Regal The Icon for the first time in the Americas at an event at Vancouver Airport in September. The inaugural edition of Chivas Regal The Icon is available exclusively in the Americas at Vancouver International Airport's World Duty Free Group (WDFG) store from September - December 2015.

Chivas Regal The Icon is a blend from some of the rarest and oldest whiskies available and is the pinnacle of the Chivas Regal range, says the company.

This ultra-prestige Scotch whisky is a blend of whiskies from more than 20 distilleries across Scotland, including some rare whiskies from distilleries now lost forever. The blend includes the rarest malts from Strathisla, the oldest continuously operating distillery in the Scottish Highlands, and hand-selected single malts from Longmorn and Glen Keith.

"Chivas Regal The Icon is a truly exquisite blend - perfectly smooth with an intense concentration of sumptuous flavors that develop into an exceptionally long, lingering finish. I am proud to present this luxurious expression of the Chivas Regal house style to you," says Colin Scott, Chivas Regal's Master Blender, who created the blend.

At 40% ABV in 70cl bottles, and with an RRP of \$4,580 (CAD), this luxury Scotch whisky will be available in the rest of the region starting January 2016.

"We are delighted to introduce



Chivas Regal The Icon to the Americas in partnership with WDFG," states Guillermo Brea, Brand Director at Pernod Ricard America Travel Retail. "As the pinnacle of the brand, this exceptional blend represents a new expression in luxury whisky which will continue to impress whisky connoisseurs."

"We're excited that our customers at Vancouver International Airport will be the first in the region to access this unique, fine whisky," says Jose Manuel Slater, Liquor Category Manager – International, World Duty Free Group. "An interesting and prestigious product range is core to our retail offer and Chivas Regal is a partner

that shares our passion and commitment to providing an exceptional experience for our global customers. We are confident that this exquisite whisky will delight connoisseurs and novices alike."

A limited number of bottles of this Scotch whisky will be produced each year. Chivas Regal The Icon is presented in a hand-blown crystal decanter created by expert craftsmen at Dartington Crystal. Green glassware, an homage to the original Chivas Regal bottle, is etched and finished with precision crafted metalwork and adorned with a signature luckenbooth stopper, a traditional Celtic symbol of love.



Absolut goes Elektrik with latest limited edition

Absolut has announced its newest limited edition bottle, Absolut Elektrik. Two new bottles are available in either “striking” silver or electric blue, and are filled with Absolut Original Vodka. Absolut Elektrik will be available starting October 1, 2015 domestically in the U.S. in time for the holiday season, and starting November in travel retail in the Americas.

The Absolut Elektrik bottle is the latest continuation of Absolut Nights, an ongoing campaign dedicated to reimagining the future of nightlife. In simple, sleek metallic, the bottles serve as a muse for raising the energy of nights out and in. The launch will be supported with Absolut Elektrik House, a concept the company says will transform the typical house party into a once-in-a-lifetime experience.



“At Absolut, nightlife is in our DNA,” said Joao Rozario, VP, Absolut Vodka,

Pernod Ricard USA. “For us, nights are unique opportunities to celebrate creativity and self-expression, and we continue to seek ways to reimagine and re-energize what a typical night out, or in, can be. Our Elektrik Bottle is the latest expression of our ‘Nights’ campaign and we hope it inspires unexpected, transformative nights for our consumers.”

Absolut Elektrik made its preview at the Emmy Awards on E!’s Countdown to the Red Carpet and Live from the Red Carpet. The show hosts celebrated the night’s nominees with an “Elektrik-fied” toast using the Absolut Signature E! Cocktail – Absolut Best Dressed. The bottles are officially available in the U.S. starting October 1, 2015 through the holiday season for an MSRP of \$19.99(750ml) and \$24.99 (1L).

Disaronno partners with Roberto Cavalli to outfit limited edition bottles

Disaronno has partnered with famed designer Roberto Cavalli on its latest limited edition bottle, which will be introduced at the TFWA World Exhibition in Cannes (Red Village J1).

Mimicking Roberto Cavalli’s famous designs, the bottle has been dressed in a bold, vibrant and colorful style with inspiration drawn from the Roberto Cavalli SS 2015 Pre Collection.

Influenced by the enchanting undersea world and exotic safari locations, the bottle is draped in a new graphic animal print.

“We are delighted to announce our

partnership with Roberto Cavalli for our third Disaronno limited edition. To include Cavalli in the list of our collaborations is a real honor and a truly special moment in the history of our brand,” says Augusto Reina, CEO of ILLVA Saronno.

Listed in key hubs across the Americas, Europe and the Gulf, the limited edition bottle with a retail price estimated at US\$26 will be supported by high visibility merchandising, and exciting in-store activations.

For the first time, the designer collaboration will also be available in 6

50ml mini bottles in coordinated looks for the season. These 3-packs of minis (offered in two versions) are an ideal impulse purchase gift item or self-treat - and a natural for positioning on shelf or at the cash till point, says the company.

“We are very pleased to be exhibiting at Cannes for the second time this year where we will have the opportunity to display the new Roberto Cavalli limited edition bottle as part of the overall Illva Saronno. The previous two versions – Moschino and Versace – have been extremely successful in travel retail and we are confident that the incredible new version will be equally well received,” says Martin Howey, Global Travel Retail Director, Illva Saronno.

The Disaronno Icon is in its 3rd iteration this year, after the past partnerships with Italian fashion brands Moschino and Versace. The Icon project will continue its long-time support of the charity ‘Fashion 4 Development’, sponsored by the United Nations. Disaronno will once again donate part of the proceeds to the development of this unique project in Africa.



THE WORLD WHISKY

PORTFOLIO

Beam SUNTORY

GLOBAL TRAVEL RETAIL



Edrington WEBB launches Macallan Rare Cask Black

Edrington WEBB Travel Retail Americas is launching the Macallan Rare Cask Black, a limited edition scotch whisky



that is part of the 1824 Masters Series.

Macallan Rare Cask Black, a “dark, smoky, and unexpected” Macallan, was created from less than 100 casks maturing at The Macallan Distillery.

“Rare Cask Black tells a different story of our spirit and casks, but more than that it tells a story of rarity. Smoky Macallan is rare, there is very little in existence and once used these casks will be no more. This is a whisky which is out of character for The Macallan due to the subtle seam of smoke on the palate, but it still bears the essential Macallan DNA,” says Bob Dalgarno, the Macallan Master

Whisky Maker who is the architect of Rare Cask Black.

The Macallan Rare Cask Black, different than any other Macallan today, has a subtle yet distinctive smoky flavor. The whisky was matured in 100% sherry seasoned European and American oak casks, of which most are first fill.

Bottled at 48% ABV and non-chill filtered, Rare Cask Black is exclusive to Global Travel Retail with a RRP of \$450. It will be distributed in the Americas by Edrington WEBB Travel Retail Americas (EWTRA) and will be available as of November 2015 at selected airports.

New brands and listings propel MONARQ business in spite of regional challenges

Spirits distribution and marketing company MONARQ Group continues to add new brands and categories to its spirits portfolio, and MONARQ managing director/owner Robert de Monchy says the company has seen modest, but double-digit sales growth, for its brands in the Americas this year.

“The first three quarters of 2015 have been very good,” he confirms.

“In duty free/travel retail the star performers are the Heineken portfolio, Ole Smoky, Bols, Limoncello di Capri, Alizé and Crystal Head Vodka. We are also very pleased with the performance of Teeling Irish Whiskey, which is picking up steam, and a number of the brands in the Bacardi portfolio, such as Cazadores Tequila, DOM Benedictine and B&B.

Among the “exciting” new brands in the MONARQ portfolio, de Monchy says that the Quintessential Brands portfolio has been tremendously well received by the trade and consumers, especially Greenall’s and Bloom gins, Opihr Oriental Spiced Gin, and Alizé, which is making its comeback.

“We also added two beautiful super premium brands from our own region: Rhum J.M is a French style Rhum Agricole

that is produced in Martinique and Del Maguey, internationally the leading premium Mezcal brand. Finally, we added two more brands in the whisk(e)y category: the Highland whiskies from Tomatin Distillery portfolio are the latest addition to our Scotch portfolio, and we added the super-premium bourbons and whiskies from Michter’s.”

MONARQ ran a number of promotions for its brands in the Americas, including three different Heineken promotions with London Supply at their Iguazu flagship store, and its popular Limoncello di Capri promotions with sorbet ice machines at London Supply and several other accounts along the Uruguay-Brazil border.

Among MONARQ’s new listings in 2015 was Alizé at JFK with International Shoppes; Ole Smoky Original Tennessee Moonshine with SMT Duty Free’s cruise shops in San Juan, Puerto Rico, and the arrival store at Grantley Adams International in Barbados; Zubrowka Bison Grass Vodka and Jefferson’s Small Batch Whiskey with Shopping China in Paraguay and Poças port, AIX Rose de Provence and Molinari Caffè with London Supply.

Crystal Head Vodka continues to grow

and is now listed on all the main borders with Brazil. It is also listed in Caribbean airports, including Grantley Adams in Barbados, LF Wade in Bermuda, Piarco in Trinidad and Tobago, Owen Roberts in Cayman Islands, and Cyril E King airport in St Thomas.

De Monchy says that MONARQ’s business has been impacted by the same challenges hurting the travel retail business throughout the region, especially in the South.

“The main challenge is the socio-economic situation in parts of the Latin American region, where a number of economies are slowing down. Especially in Brazil, which is heading towards a serious economic recession, seriously affecting the duty free/travel retail sales, including on the other side of its borders, especially in Uruguay and Paraguay.”

But the regional challenges have not stopped MONARQ’s growth, he continues.

The company moved its Miami office to Coral Gables to better accommodate its growing organization, and hired a new regional manager, Ralph Ottmueller. The former Brand Development Director for Latin America at Beam Global is now MONARQ’s country manager for the Mexican market.

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Accolade brings New World wines to Cannes

Accolade Wines is featuring its extended range of wines at the TFWA World Exhibition, including recently acquired brands Mud House, Grant Burge, and Viña Anakena.

Calling themselves “new world wines specialists,” Accolade’s portfolio includes wines primarily from Australia, New Zealand, South Africa, Italy and the

U.S., and the company is aiming to further expand its distribution.

“TFWA World Exhibition is the pinnacle of the travel retail year; with so many key industry figures in one place it gives us the perfect opportunity to showcase our broad portfolio of wines. We make single varietal wines, great blends of different varieties and blends of different regions, which means we can offer our customers a great range wherever they operate and whoever their passengers are,” says Rupert Firbank, Commercial Director.

For New Zealand’s Mud House, Accolade’s new products include Whites from Marlborough and Pinot Noir from the Central Otago region; the travel retail exclusive Mud House Hill No.5, which is solely sourced from the hillside blocks of Mud House’s Marlborough Vineyard; and a new Twin Pack featuring both Sauvignon Blanc and Pinot Noir.

The company will also be focusing on its Flagship Hardys portfolio of wines, which are sold in over 150 markets around the world.

“Over the last couple of years we have slowly introduced a more premium selection of wines from the Hardys range. Some of the most fantastic wines in Australia are from Hardys, but the more

premium products have never left the country. We are spreading the word around the world about the really exciting wines we make that you might not be able to buy at home, but come from a brand you know and trust. Our wider vision is to be the leading provider of Premium, Commercial and Value wines. We can do this especially well with Hardys, allowing travelers with different budgets to experience great wines at a price they can afford,” he says.

“We now have five travel retail exclusive Hardys wines including Hardys Premium Selection and Hardys The Journey, ranging from \$20 to \$200 as well as good allocations of other premium wines in the portfolio.”

Accolade Wines has become the first company to have a footprint in all major New World wine regions with its latest acquisition of Chilean brand Viña Anakena, which is launching to travel retail in Cannes. The Chilean wines have a presence in 50 domestic markets, including the U.S.

Accolade will also be showcasing its portfolio of top Barossa Valley wines from Grant Burge, which were acquired earlier this year, along with its recently re-packaged Italian range, Da Luca, including the new Da Luca Prosecco.



Haleybrooke International to represent U'Luvka Vodka in Travel Retail

Haleybrooke International (HI) has announced that it will represent U'Luvka Vodka in duty free and travel retail in the Americas and Caribbean.

“U'Luvka Vodka is a winning brand. It's an internationally popular vodka which I know will do well in the duty free sector. Many travel retail operators prefer to sell whiskies and cognacs due to the higher price points but U'Luvka Vodka has a very high retail for a vodka and the packaging and quality vodka justifies what we believe is a perfect retail position,” says Patrick Nilson, President of Haleybrooke International.

U'Luvka Vodka, a super-premium vodka, made from the finest rye, wheat and barley grown in Northern Poland, will be selling in duty free at US\$ 45 for a 750ml. The bottle design has won seven international awards for best packaging in

the past two years.

“I am looking forward to bringing this vodka to my duty free customers. For one, the vodka is outstanding. It's won over sixty-six international awards including 'best super premium vodka in the world.' In addition, the bottle is aesthetically impressive; it catches your eye and people will stop to take notice of it,” says Roger Thompson, Vice President of Haleybrooke International.


“I am looking forward to working with Haleybrooke International and introducing U'Luvka Vodka to duty free. I believe it is a critical decision to choose the right partners and I am confident that we are putting our brand in very good hands. This alliance will have a positive outcome for all consumers who shop duty free. They will have the benefit of access to one of the best super premium vodkas in the world,

U'Luvka Vodka!” says Wojtek Wydro, Sales & Marketing Director of U'Luvka Vodka.



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The Art of Patrón: Celebrating the craft and craftsmanship

What do gourmet meals, indulgent cocktails, Rock 'n' Roll albums, and Patrón tequila have in common? Each is the work of a master craftsman dedicated to the production of unique "art". The "Art of Patrón" brand platform celebrates the creation of works across various media, including the artistry behind the bottle and liquid of Patrón tequila.

Because each step of the production of Patrón is an artistic process, from the harvest to the distillation to the molding of bottle by glass artisans, Patrón understands and celebrates the craft and craftsmanship of artists in food and beverage, music and culture. This camaraderie makes Patrón a natural patron of the arts. Patrón is a sponsor of the Food and Wine Classic in Aspen, Colorado, and is partnering with Rolling Stone and Rolling Stone Films video platform, in addition to other culinary and beverage events.

At the "Art of Patrón" event held in Austin, Texas on September 18, guests sipped inspired Patrón cocktails crafted by local mixologists and blended their own rim spice mixes. Famed Austin chefs Bryce Gilmore and Mark Buley of Barley Swine and Odd Duck served up "Quail Al



Patrón's virtual reality experience with London Supply.

Art of Patrón is Austin.

Patrón" while models adorned in artistic dresses crafted with iconic orange, yellow, and green Patrón boxes walked the room. Guests were encouraged to create their own art, with a Patrón bottle decorating station and colorful photo shoot. Earlier this year, Patrón held a consumer bottle art contest, and the winning pieces were on display for all to enjoy. These creations can be found in a digital gallery at www.artofPatron.com

Patrón will be showcasing the artistry that goes into every bottle of tequila with

a virtual reality experience. Using Oculus technology, guests will be able to journey to the Patrón distillery in Jalisco, Mexico for a 360-degree sensorial immersion of the step-by-step process of Patrón production. This experience is being rolled out for travel retail with in-store demonstrations, and has already been a success in Dufry Brazil and London Supply. To experience the virtual journey at Cannes, stop by the Patrón stand (H36 Green Village).

Lara Pasternak

Patrón introduces DF exclusive Patrón Extra Añejo 5 Años

Ultra-premium tequila Patrón is introducing Patrón Extra Añejo 5 Años, a rare, limited edition extra añejo tequila exclusively for sale in duty free.

The tequila is made from the finest 100% Weber Blue Agave from the harvest, baked in brick ovens for about three days and then crushed, fermented and distilled using the "tahona" process together with the more modern

roller mill method.

The tequila was aged in a combination of new American oak medium toasted barrels and used whiskey barrels for five years. The result is a tequila notably light in color for its aging, yet exhibiting intense aroma and complex flavors.

"Extra añejo tequilas are very difficult to create because tequila that has aged for too long in the barrel can take on too much wood taste and lose much of their natural agave flavor," says Patrón Master Distiller Francisco Alcaraz. "But through the years of tasting different wood types, combined with placing barrels in different microclimates within our aging room, we have proudly created an extra añejo tequila with just the right balance of wood that complements and doesn't overpower the tequila's agave characteristics."

Less than 500 cases of this limited-production spirit were produced, and will only be available in global travel retail, on

shelf starting in early 2016.

The company is also bringing its new Patrón Citrónge Mango liqueur to Cannes, which was introduced this summer in domestic markets; and a new special edition collector's tin celebrating Mexico.

Contemporary Mexican artist Verónica Villarreal Sada designed the Aztec-inspired keepsake tin, which prominently features two Aztec deities, Quetzalcóatl, the feathered serpent, and Tonatiuh, the sun god. It also features an eagle to represent ancient mythological symbolism.

Inspired by traditional mosaics and embroidery, Sada used bright colors to capture traditional Mexican patterns and prints. An interpretation of the ancient Aztec calendar circles the side of the tin.

The special edition Patrón Mexican Heritage tin became available for purchase starting in Fall 2015 at duty free stores worldwide, and also at select spirit retailers in domestic U.S. and Mexico.



Johnnie Walker launches biggest global campaign in the history of the brand

Johnnie Walker launched its largest ever global marketing campaign 'Joy Will Take You Further' in September. The campaign was launched simultaneously in more than 50 countries and the company expects it to reach nearly 270 million consumers around the world within the first weeks of launch.

In travel retail the campaign will be featured in a number of high-profile airport activations that will offer travelers exclusive insights into the joy of blending as it encourages them to find joy in their journey.

'Joy Will Take You Further' is an evolution of the brand's famous 'Keep Walking' campaign and represents a new perspective on personal progress, which has defined the brand's philosophy for more than 15 years and helped Johnnie Walker become the most valuable spirits brand in the world (according to Impact Databank).

Based on new insights into how success is viewed by consumers today, the campaign focuses on the concept that joy can be a catalyst to the progress they seek, and aims to generate a positive culture shift by promoting and encouraging the idea that finding joy in the journey is part of the recipe for success.

Syl Saller, Chief Marketing Officer, Diageo, owners of Johnnie Walker, said: "The launch of Keep Walking marked a fundamental shift in the way scotch was marketed and kick started a decade of transformational growth for both Johnnie Walker and the category as a whole.

"I am hugely excited about the potential of this new campaign to drive Johnnie Walker forward to the next decade of growth. It is rooted in deep consumer insight and tells true stories of people who have truly walked with joy. At Diageo, we believe in building brands with purpose - meaning that goes beyond product benefits - and this is a great example of an incredibly strong idea that is brought to life with outstanding creative."

The campaign features stars from the worlds of sport and entertainment such as Formula One World Champion and McLaren Honda driver Jenson Button, Oscar-nominated actor Jude Law, Chinese actor Zhao Wei, U.S. rock band OK Go and Mexican supermodel Montserrat Oliver alongside a cast of achievers who share the brand's view of how happiness in life is a fuel for success.

Peter Fairbrother, Global Marketing Director for Diageo Global Travel and

Middle East, added that the new campaign - drawing on decades of research - challenged the conventional wisdom that success guarantees you happiness and instead celebrates the fact that happiness actually helps people achieve success.

"Johnnie Walker has always stood for progress - it's been the story of our whisky since our founder John Walker started it all nearly 200 years ago, right through to today as the best-selling spirits brand in travel retail. What two centuries of experience have taught us is that progress doesn't have to be an endless uphill journey - we can enjoy the steps we take and the more happiness we find in them the more likely we are to achieve our goal. Evidence is confirming a conviction that sits at the heart of our brand: 'Joy Will Take You Further'."

Developed in partnership with the brand's global creative agency, Anomaly, 'Joy Will Take You Further' brings to life the art of blending and the blenders who create Johnnie Walker through a significant investment in mentoring and customer experiences, in addition to a new television commercial, print and digital advertising, point of sale materials and engaging digital content.

Diageo GTME unveils new TR Exclusive John Walker & Sons

Diageo Global Travel and Middle East has unveiled a new look travel retail exclusive John Walker & Sons XR 21 Year Old Blended Scotch Whisky.

John Walker & Sons XR 21 Year Old is a commemoration of the knighthood awarded to Sir Alexander Walker, grandson of the brand's founder. Sir Alexander Walker was knighted by King George V in 1920.

The new 1 liter decanter is individually numbered with a design inspired by the art deco era, during which Sir Alexander Walker was the brand's Master Blender.

The whisky is housed in a new polished gold box emblazoned with a sculpted cross that echoes Sir Alexander Walker's appointment as a Knight Commander of the Order of the British Empire. The whisky is aged for a minimum of 21 years and drawn from extremely rare Johnnie Walker reserves



- including some from distilleries no longer in existence, says the company.

"Since we launched John Walker &

Sons XR 21 Year Old back in 2010, we have seen strong sales across the globe, especially in Asia and among luxury travelers. In line with our travel retail strategy of creating new and premium offerings we wanted to create something special which will appeal to travelers. This represents the ultimate gift for super deluxe whisky drinkers in a format they cannot buy anywhere else and as such, we will be putting significant resources behind it in the channel. The size and growth of this price segment warrants an increased focus and investment behind the new John Walker & Sons XR 21 Year Old bottle," says Peter Fairbrother, Marketing Director of Diageo Global Travel and Middle East.

The TR exclusive 1 liter bottle comes with a RRSP of \$178 USD, while a 75 cl bottle is available in travel retail and domestically, at a RRSP of \$138 USD.

Beam Suntory brings whisky focus to Cannes

Beam Suntory, which launched its travel retail distribution operation in April, will reveal its plans for its whisky portfolio, particularly its bourbon, malt and Japanese whiskies, at the TFWA World Exhibition. The global spirits company, now the third largest, will also unveil the new direction for Courvoisier cognac.

"We are delighted to introduce our new global spirits distribution operation and our GTR division at Cannes for the first time. GTR is a channel with huge growth potential and it is a key strategic focus for Beam Suntory. It's been an exciting journey over the past six months and we are really looking forward to sharing our vision to grow the spirits category with our customers in Europe and around the world," says Beam Suntory Managing Director David Wilson.

Bourbon

As part of its latest campaign, Bourbon Legends, Beam Suntory will intensify its category education program to demystify bourbon, recruit consumers and solidify Beam Suntory's position as the leading authority and innovator of the category, says the company.

Jim Beam is expanding its range in global travel retail and domestic markets with the launch of a new premium expression in summer 2016. Jim Beam Double Oak has a richer flavor profile, thanks to a second maturation in white oak casks.

Beam Suntory will also showcase Jim Beam Kentucky Dram, its newly launched travel retail exclusive, which is a premium bourbon infused with highland Scotch whisky. Initially launched in summer 2015 in Sydney and Frankfurt to a positive response, global distribution is rolling out now and similarly inspired innovations will follow next year.

These new products will be displayed alongside the full range of bourbons, including the Jim Beam range, Maker's Mark and Knob Creek.

Malts

Within malts, Beam Suntory has identified peated whiskies as the fastest growing category and is extending its marketing initiative, Peated Malts of Distinction, which unites its collection of peated malt whiskies.



In Cannes, Beam Suntory is featuring two retail exclusives from Ardmore, called Ardmore Tradition and Ardmore Triple Wood. Designed to drive growth and attract consumers into the peated malts category, both exclusives have been launched with contemporary new packaging,

Bowmore Mizunara Cask Finish, which launched in selected domestic markets and travel retail last month, will also be available to taste in Cannes. Made from selected liquid matured in sherry and Bourbon barrels, it is finished for three years in new Japanese mizunara oak casks. In addition, a new global communications campaign for Bowmore is set to launch in 2016.

Beam Suntory is launching Laphroaig 16YO, a limited-edition created to celebrate the 200th anniversary of the distillery, established in 1815. This new product will be exclusively available in the travel retail channel from September with an ABV of 48.4% and a RRP of €45 for a 350ml bottle.

Auchentoshan has a new global campaign, Triple A Spirit, inspired by its triple distillation which will launch in travel retail next year.

Japanese

Beam Suntory's Japanese whisky

portfolio will expand as travel retail exclusives are introduced. Launching this autumn is Hibiki Japanese Harmony Master's Select, a blend that combines over 10 different malts and is aged in five different types of cask, and packaged in a 24-faceted bottle and Japanese paper label.

Further exclusive expressions will follow in 2016.

Cognac

Beam Suntory will also present a new direction for Courvoisier, which includes exclusive new packaging across the range as well as a new global marketing campaign, *Toast of Paris Since 1889*. Inspired by its rich history and Parisian heritage, *Toast of Paris* reflects Courvoisier's roots in the French capital, which date back to the Paris Golden Age and the Grand Opening of the Eiffel Tower in 1889.

Courvoisier's new, exclusive travel retail range, The Artisan Edition, is set to launch next spring. The launch will highlight the quality and wood aging process involved in crafting Courvoisier.

Beam Suntory GTR will host visitors on the Arion Yacht in Harbour Village, led by Managing Director, David Wilson and EMEA Director, Paul Hunnisett.

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Waldemar Behn brings new flavors for DANZKA Vodka and Dooley's The Original Toffee Cream liqueur to Cannes

Waldemar Behn is featuring DANZKA Vodka and Dooley's the Original Toffee Cream liqueur on its stand



H52, Green Village at the TFWA World Exhibition in Cannes.

DANZKA Vodka Apple, the 40% apple vodka, launched one year ago at the TFWA World Exhibition in Cannes, has had a strong reception wherever it has been released, with particular success in South America, Europe, and Asia, says the company.

DANZKA Vodka added a number of key new listings in important international markets including with Gebr. Heinemann at Sydney Airport, at Delhi and Mumbai International Airports, as well as in Asia, Europe and Latin America.

At the POS, Waldemar Behn has introduced a new DANZKA Vodka Twin Pack featuring two one-liter bottles, which can be customized by retailers upon request. New shelf-talkers may also be available, as well as customized displays.

"We have been very focused on developing new sales support tools for the trade; on packs, twin packs, displays," says Torben Vedel Andersen, Global Sales Director. "It is of big importance to stand out in the store and look attractive to the consumer – this work will continue. We are the best traveling vodka in the world and wish to enhance this at all times."

Dooley's Toffee Cream liqueur has added a new flavor-Dooley's White Chocolate with Wild Berries, a blend of Dutch Cream, White Chocolate and Premium Vodka.

Waldemar Behn is also featuring Blavod-Pure Black Premium Vodka, which gets its unique color and flavor from black catechu, which is extracted from the bark of the Acacia tree in South East Asia.

Waldemar Behn has also updated and expanded its website at www.behn.de.

William Grant's partnerships drive performance

Despite currency fluctuations and a strong U.S. dollar, William Grant and Sons is having a successful year in Americas travel retail, says Steve Corrigan, WGS Regional Director- North America.

"We have very strong partnerships with our customers in the region and have worked with them to build programs to help drive footfall and spend in their stores," he says.

"It seems there has been no shortage of challenges in 2015. Certainly currency exchange and the strong U.S. dollar have been issues that we've had to deal with. Within the portfolio, we are still in the early stages of ensuring the success of the Glenfiddich Cask Collection. We launched this range in the market over the course of 2014, so we are just now cycling on a full year's results. There have been some key learnings that we are

taking on-board, and we're in a good position for Q4 and ahead to 2016."

Depending on the specific market within the region, different products are driving the company's performance, with Gibson's Canadian Whiskey, Sailor Jerry, and Grant's Scotch Whisky each doing well, and The Balvenie and Hendrick's Gin performing particularly well across all the markets in the region, says Corrigan.



WGS ran a number of successful promotions throughout the region in 2015. (1) In July Nuance featured a Whisky Tasting Bar & Window Display featuring Cask Collection Range and Glenfiddich Family at Toronto Pearson Airport. In August at Las Vegas, Nuance held a Hendrick's Gin promotion with consumers sampling of Hendrick's & Tonic with Cucumber. This summer International Shoppes featured Hendrick's Gin in the store entrance, cash wraps, and queue branding in Boston.






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The Power of a Smile continues for Mars International Travel Retail

Mars International Travel Retail (Bay Village, Stand B9) is expanding its “Power of a Smile” strategy to demonstrate how to capture areas of growth in travel retail.

After successfully launching the concept in Cannes last year, MITR this year shares the “Laws of Growth,” showcasing how the “Power of a Smile” can drive sales by converting lighter buyers through focus on core SKUs, using excellent instore executions.

MITR will also re-launch a key brand to step change its offering in the solid chocolate and gifting format. MITR says that its new product development, updated displays, and activations and promotions

for 2016 will be key in driving sales.

Craig Sargeant, General Manager, Mars International Travel Retail, sees strong potential with the strategy, since confectionery continues to outperform other categories in the travel retail channel.

“Given that penetration rates overall are still extremely low in some airports; with 50% or more of passengers not even entering the duty free/travel retail shops, there is clearly still a massive opportunity to unlock additional sales across all categories, in particular confectionery.”

MITR Category Director Matt Boulter is also optimistic about impulse sales based on the capacity of confectionery to

entertain: “That’s why we believe that so much can be achieved with the Power of a Smile. We can convert lighter buyers and aim to double the size of the confectionery category by 2020. We truly believe in the Power of a Smile because we know that a smiling traveler is a spending traveler!”

Boulter says that great execution of ‘blockbuster’ propositions in the core range is key for success. “Consumers are looking for the brands they know and love. As most of our buyers only shop once or twice a year, we do not need a huge range, just big brands in the right formats to deliver against consumer needs. The quality of execution is critical as products need to be clearly visible and easy to shop. If consumers cannot find what they want quickly and easily then the opportunity is lost.”

MITR is also focusing on gum and sugar confections, a category that delivers less than 10% of total sales in travel retail. Boulter says that if travel retail gum and sugar confection sales were raised to the same percentage as in the domestic market, the value of the total confectionery category would increase by more than \$1bn. “In 2016, we will be launching a number of initiatives to achieve this including new products, upgraded displays, planograms and innovative activations,” he says.



Hershey restructures travel retail organization to maximize shopper engagement

In a move that underscores the company’s commitment to experiential retail solutions and shopper engagement, The Hershey Company has moved its World Travel Retail team into The Hershey Experience organization.

Under the leadership of Suzanne Jones, vice president of The Hershey Experience, the World Travel Retail team will leverage the unique portfolio, experiential retail concepts and innovative technology applications currently in Hershey’s Chocolate World attractions globally to bring new excitement to the

travel retail channel. Steve Bentz, Director of Hershey World Travel Retail, will now report to Suzanne.

“While our Hershey retail stores around the world are popular travel destinations, airports are the pass through for many of our visitors. We want to make sure we’re engaging shoppers with our company and brands at all points during their journey and at their destination,” said Suzanne Jones, Vice President of The Hershey Experience, The Hershey Company.

“We are excited to have increased connectivity with The Hershey Experience

team. We are already implementing experiential ‘store within a store’ concepts in the travel retail channel and this move will allow us to accelerate and expand that innovative work,” added Bentz.

In addition to expanding Hershey’s travel retail’s available portfolio and accelerating its experiential design work, the team will continue to focus on bringing best-in-class category and channel insights to its travel retail partners by building strong brand connections and taking shopper engagement solutions to travel retail worldwide.

They sell as good as they taste



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Ferrero Travel Market launches new additions to Tic Tac, Ferrero Rocher, and Kinder

Responding to the growth potential demonstrated by the sugar confectionery category in travel retail, Ferrero Travel Market is launching a new Tic Tac brand platform.

Using highly visible point of sale material, brand merchandizing and new TR exclusive products, Tic Tac is asking its customers to “Enjoy the little things.” New products include the Tic Tac Key Chain and Tic Tac Key Fob. The Destination Collector’s Set includes four souvenir T100 Tic Tac packs decorated with iconic world locations. The TR exclusive iPhone Cover gift pack includes a maze game on the

cover’s back and three boxes of mints.

Francois Godin, General Manager, Ferrero Travel Market, is excited about the progress of the Tic Tac line launched two years ago and the future potential of the brand. “Tic Tac is now accepted not only as a mouth freshener but as an impulse gift purchase. With our latest additions to the collection we intend to shake up the sugar category a little and provide some interesting alternatives as a change from chocolate confectionery.”

In the chocolate category, the new Ferrero Rocher Souvenir Collection is a travel retail exclusive range containing

48 Ferrero Rocher pralines, packaged in a variety of souvenir gift boxes decorated with icons of popular tourist destinations.

The line will launch with the Ferrero Rocher Souvenir T48 (600g) for France, with Germany, Italy, UK, USA, Dubai, China, Hong Kong, and Singapore following in February 2016. Additional products will focus on gifting. The Ferrero Rocher Cutie (75g) and the Raffaello Cutie (70g) are designed to fit in hand luggage and feature a bow on top for gift and shelf-appeal. The Ferrero Golden Gallery (216g or 327g) is a variety gifting option containing six different flavors.

“Well established as a symbol of luxury, the Ferrero praline collection is entering a new age of sophistication and exclusivity,” comments Godin. “Travelers love to find a cherished brand with a new twist which distinguishes their purchase from anything that can be found on the high street. The Ferrero Rocher Souvenir Collection is a delightful interpretation of a much loved classic and the charming Cuties of Ferrero Rocher and Raffaello pralines are an inspired addition to our core selection.”



Nestle International Travel Retail “takes a break” with KITKAT in Singapore

In the spirit of Nestle International Travel Retail’s global KITKAT “break” campaign, which celebrates different types of breaks enjoyed all over the world, the company brought to life an interactive beach break for travelers to Singapore Changi Airport from August 19 through September 30.

Featuring loungers, sand and coconut trees, and a café/bar serving up KITKAT garnished items, the airport oasis welcomed travelers to relax before their flights and experience the KITKAT brand. Alan Brennan, NITR global head of sales, comments, “We work tirelessly to create engaging activations based on our shopper research and insights. Each has the same purpose: to increase passenger penetration into the retail space and convert travelers into shoppers and shoppers into buyers.”

Shoppers were also able to receive an exclusive KITKAT towel GWP for every two KITKAT share-bags purchased.

The “break” campaign lends itself to fun and whimsical travel retail activations, as seen in Changi under a successful Trinity relationship.

Ms Ivy Wong, Senior Vice President, Airside Concessions, Changi Airport Group, says, “The KITKAT beach break concept is creative and refreshing, augmenting Changi Airport’s philosophy of creating an unexpected experience for passengers. We are very happy to partner with NITR and FNA and

be the world’s first airport to anchor this engaging activation here in Changi. This is the first time we transport beach elements into our airport and we hope to create a memorable experience for our passengers.”





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PVM focuses on young adult snacking and gifting with new products

Perfetti Van Melle is using MindSet research to forge a new strategy that will target snacking/sharing and gifting opportunities for children and young adults.

PVM Manager Global Travel Retail Susan De Vree sees the current limited options available to young adults as a great opportunity, “The research has shown us that we have underestimated the percentage of confectionery that is purchased for own-use within travel retail – 40% of the whole category and as high as 55% within the sugar sector. In addition, we have also noticed some ‘white spots’ within the sugar segment, with a definite lack of products aimed at young adults.”

Based on these factors along with the importance of products for the cash till point, PVM is offering snacking/sharing and gifting options designed to capitalize on emotional possibilities of confectionery for children and young adults in the Chupa Chups and Mentos brands.

The Chupa Chups Sweet Magnet features a travel related magnet with an emotional message such as “Love You”, “Miss You”, “Want You”, and “Thank You” along with eight mini fruity lollipops, and is designed for young adults. For children, the Chupa Chups Fun Pen gift item comes with four strawberry lollipops, two fun pens, and two edible wafers and uses edible ink to create consumable masterpieces. The Chupa Chups Mini Sour pouch bag, with 40 mixed sour fruit mini lollipops, is designed for snacking and sharing.

Mentos Mini UFO Dispenser,



available in red and blue, is a refillable dispenser children can decorate with alien stickers, that contains eight mini Mentos rolls. The book-shaped Mentos Secret Book contains eight rolls of Mentos fruit and is a destination gift.

For the cash till, Mentos Now Mints,

available in Sweet Mint, Strawberry, and Euca Menthol, is designed to increase the average basket size on check out. Each tin contains 120 mints for snacking and sharing.

PVM (exhibiting in Mediterranean Village P17) believes these new products will create new opportunities.

“The biggest challenge is to increase the share of space for confectionery within the duty free shop. Getting the right assortment is vital; we have to meet the needs of the traveling consumer,” comments De Vree.

Butler presents new cocktail inspired chocolate collection

Butlers Chocolates will be mixing it up at the TFWA exhibition with a new collection of cocktail inspired chocolates. “The Cocktail Menu” includes 8 different chocolates in flavors like Gin Martini, Passionfruit Margarita, and Raspberry Cosmopolitan.

The Irish chocolatier also launched the Dessert Menu earlier this summer, and the Festive Menu in the autumn. These fun and inspired collections join Butler’s range of chocolates inspired by famous Irish drinks, a popular mainstay in global travel retail. This year’s collection is a premium assortment of truffles in flavors like Irish Cream and

Irish Whiskey, and is available in a 190g presentation box.

To see the new additions to the Butlers line, visit their booth at Green Village L56.



Godiva presents second prestige collection for Coeur Iconique

After the success of the initial limited edition Coeur Iconique launch in 2015, Godiva will be highlighting the new Coeur Iconique Travel Exclusive Edition 2016 at Yellow Village F33 at the TFWA Exhibition.

This second prestige collection features two exclusive vintage-chic designs inspired by 2016 color trend predictions. The keepsake boxes feature die-cut effects and soft touch matte packaging. Each box contains six Godiva praline or ganache heart pieces in milk, dark, and white chocolate.

The Coeur Iconique collection is a perfect gifting option in travel retail. Leen Baeten, Senior Marketing & Business Development Global Travel Retail, comments, “Coeur Iconique makes a delightful and thoughtful gift for travelers to take home to loved ones. Exquisite chocolates are a beautiful gift, appreciated the world over.”

This travel exclusive collection will launch in airports worldwide on January 4, 2016.



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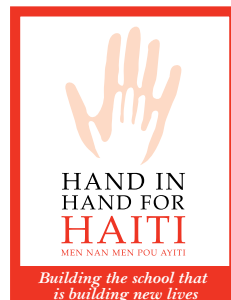
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Travel Blue teams up with Braun, Oral-B and Duracell

Travel Blue has partnered with Braun in travel retail to offer a selective range of Braun, Oral-B and Duracell products.

The three global brands will form part of the Travel Blue offer and will be featured on their display stands, which are already present in hundreds of airports in over 100 countries worldwide.

The partnership will generate additional sales to the retailer on existing space, creating incremental business without finding any extra space, says the company.

“We are delighted about this new collaboration to offer these 3 global brands. The carefully selected range we are offering is a natural extension to our well established distribution, especially in the airport shops working with the top global operators,” says Avi Levin, owner and

Managing Director of Travel Blue.

“We are delighted about this cooperation with Travel Blue which will bring additional placements at key



international airports around the world.”

“The #1 travel accessory company has joined forces in Travel Retail with Braun, Oral-B and Duracell, the 3 famous international brands,” says Klaus Mellin, owner of Tax Free Trade, P&G’s exclusive agents for Braun, Oral-B and Duracell in Travel Retail.

The very concise range will feature key retail price points targeted to generate impulse purchases of travel essentials. These include Oral-B battery powered toothbrushes and replacement toothbrush heads, Duracell most powerful batteries and the Braun Mobile Shaver and other key items from Braun.

For more details visit Travel Blue (Red Village, M24) and Braun (Mediterranean Village, P15) at the Tax Free World Exhibition.

FlyInStyle couples technology and content marketing to improve passenger experience

by Amanda Anthony, founder and CEO FlyInStyle.

Beacon technology is positioned to be the most powerful change in the retail experience in decades. Reportedly more than 500 airports worldwide will be powered with beacons within a year.

FlyInStyle has been piloting beacon technology through the FlyInStyle App with Miami International Airport (MIA) and SITA, the IT provider for the airline industry, for the past year to serve passengers with contextual messaging during their physical journey through the airport. This messaging can be text-only, include images and even video, allowing more flexibility than traditional push notifications.

Airports like MIA and Dallas-Fort Worth International Airport (DFW) use beacon technology to improve wayfinding, monitor traffic patterns and improve security wait time as they look to improve passenger experience. The future could be virtual boarding passes as the passenger approaches the gate, reminders about parking and pop-up coupons for nearby businesses. FlyInStyle has formed partnerships with companies such as Bluecon Solutions, Multitek and Sabre

Innovations to expand its commercial and technology footprint across the Americas, Europe and the Middle East.

FlyInStyle has also partnered with Reveal Mobile, who can detect Bluetooth beacons anywhere in the world, as their technology sits inside hundreds of apps in both the App Store and Google Play. As mobile users “bump” into beacons at airports, the platform recognizes travelers and their preferences, building a target audience of known travelers based upon these beacon bumps.

Geofencing allows FlyInStyle to deliver targeted ads to passengers as they enter the airport to download the FlyInStyle Mobile Application using Reveal Mobile technology. In addition to serving real-time notifications, FlyInStyle is building a powerful retargeting audience.

As the traveling population shifts and the millennial generation fills terminals, the game will change. People are consuming more content than ever, spending nearly 6 hours per day on digital media. 75% of Millennials want to travel internationally. They are 2.5X as likely to be classified as ‘early tech adopters’ and represent 25% of

the population today. 56% report being first to try new technologies and 46% identify themselves as content creators. They are willing to trade their data for a better consumer experience. They hate to be talked at and prefer to build relationships with the brands they support. 80% want brands that entertain them. An innovative content marketing strategy is critical to capitalize on these technologies and capture the heart of connected travelers.

The FlyInStyle App is available for download on the App Store with more than 130 global airports with active tips, promotions and marketing content for passengers to improve their airport experience. The company has more than 10,000 airports in its system and is equipped to publish to any airport in the world in minutes. FlyInStyle is in private beta testing with its Android App.

For more information, visit our websites: flyinstyleapp.com and flyinstyle.co. If you are interested in partnering with FlyInStyle, contact Amanda@flyinstyleapp.com.



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“Mr. DANZKA” reminisces on a career spanning 90 countries over 40+ years

Waldemar Behn Global Sales Director Torben Vedel Andersen, or Mr. DANZKA as he is known for his many years working with the Danish vodka, will celebrate his 60th birthday on October 26, the first day after the Cannes show.

“I appreciate that TFWA allows me to celebrate my birthday at home. Since my first appearance in 1980 in Monaco, almost all my birthdays have been celebrated at the Exhibition,” Andersen tells *TMI*, as he looks back on his global career.

“Global brands in all alcoholic sectors have been essential in my business life; Carlsberg, Ballantine’s, Ch. Latour, Lanson, Absolut, DANZKA - a Premier

League line up of super brands in all categories since I joined Carlsberg at the age of 17 in Copenhagen. The sales and marketing of these phenomenal brands have brought me to 90 countries and I have met an incredible number of fantastic people on my travels. Network is everything and for sure friendships have helped me a long way through my life and have been essential at times where most needed,” observes Torben.

Andersen has seen the industry grow and develop since his first TFWA show more than three decades ago.

“It is an ever changing world out there. In my young days, companies like IDV, DCL, Seagram’s, and Hiram Walker were the key suppliers to companies like Alders, SAS Trading, DFI, Brasif, Aldeasa. Now it is Pernod-Ricard, Diageo, LVMH etc. supplying Dufry, Heinemann, DFA and DFS, among others.

“When I joined Carlsberg in 1973, Bailey’s, Absolut, Grey Goose, DANZKA, Hendricks, Bombay Sapphire and many more of today’s leading brands did not

exist. Trends spread with the speed of light these days and communication and gadgets are a big help in our everyday use.

“At Carlsberg we did not have credit cards when we traveled in the 70s and 80s – we traveled with cash – 10 days in Europe with 2 kilos of Guilders, Belgian Francs, French Francs, Pesetas, Liras, D-mark, Schilling and Swiss Francs. We had no cell phones, no PC’s, no telefaxes, we had – the lucky few – electric IBM typewriters with ‘golf balls.’ Manual typewriters were still normal. In the export department we used telex for mainly shipping issues, but all commercial correspondence were airmail letters. As a young trainee I wrote a letter to Africa during one of my first days of my 4 months stay in Tuborg’s export dept. The reply came 4 months later.”

Torben’s key companion has always been the love of his life, Helle: “We met at the age of 16, and we have now decided to make it permanent,” he laughs.

“Our children have been our joy and happiness for many years. They both have lovely fiancées and great jobs so they are our source of surplus and happiness.”



Mr. DANZKA with his beloved wife Helle in Denmark in 2014

PEOPLE NEWS

Godiva Chocolatier has appointed **Matthew Hodges** as General Manager Global Travel Retail.

Hodges has a broad background in marketing, strategy, commercial and general management and is well-known in the travel retail channel, where he most recently worked for Rémy Cointreau as Global Marketing and Business Development Director Global Travel Retail, based in Singapore.

In his new role, commencing on September 28, Hodges and his team will drive the vision and strategy of the Godiva Global Travel Retail business in line with the Premium confectionery brand's ambitious growth targets.

Hodges succeeds **Christoph Neusser**, who led the division for the past 2 years.

"I am delighted to have Matthew join Godiva to head our important Global Travel Retail business. Matthew brings significant relevant commercial and strategic experience that will help us in working closely with our customers to grow together," says Godiva CEO Mohamed Elsarky. "I would like to take this opportunity to offer sincere thanks to

Christoph Neusser for his leadership during the last several months."

Jonatan Gramage, former **Godiva** Assistant Trade Marketing Manager, Americas and Caribbean Global Travel Retail team in Fort Lauderdale, has been promoted to Associate Marketing Manager in Godiva's North America Marketing Activation and Product Development team based in New York City. The new position is effective September 15th, 2015.

Perfetti Van Melle GTR has appointed **Michiel Havermans** as its new Director of Export North, West, Central, Eastern Europe & Global Travel Retail. Havermans succeeds **Marc Van Campenhoudt**, who has been named Commercial Director PVM Benelux & France.

Havermans has been with PVM since 2001 and has held senior positions in the UK, Philippines and Vietnam.

Sébastien Lévi has joined Israeli cosmetic company **MoroccanOil** as Director of Retail and Travel Retail Sales Europe/Asia. Lévi spent more than 12 years with L'Oréal Group, most recently as General

Manager Consumer Division L'Oréal Travel Retail Americas.

Mars International Travel Retail has expanded its global travel retail team with the appointment of **Matt Boulter** as Category Director, responsible for both the marketing and category teams. Boulter has strong cross-functional experience in manufacturing, commercial, sales and marketing. Boulter joined Mars nine years ago and most recently was Snickers UK Brand Director. He reports to MITR General Manager **Craig Sargeant**.

Arabella (Belle) Smith joins MITR in the newly created role of Corporate Affairs Manager for the Mars Global Retail Business. She will be responsible for developing corporate affairs strategies and providing communications support for MITR and Mars Retail Group, including M&M'S World stores and My M&M'S. She will also provide the strategic communications counsel, insights and tools to achieve key strategic goals.

Smith joined the company in 2011 as Marketing & PR Manager.



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TRAVEL MARKETS
INSIDER

PEOPLE NEWS

Jerome Blanchard has left his position as Director of Buying and Merchandising for Accessories and Luxury Products at Duty Free Americas to become Sales Director for Latin America and the Caribbean at **Gucci Watch and Jewelry**.

Blanchard was with DFA for the past 8 years, following five years at Remy Cointreau.

Paolo Diamante has joined **Kering Eyewear Group** as Area Manager, Travel Retail Americas. Diamante was previously with Safilo and L'Oréal.

Stoli Group has appointed **Lars Vestbirk** as Marketing Director - International, effective immediately. Lars has been promoted from his current capacity of Global Brand Director, and will continue to lead the development of Stolichnaya Premium Vodka and elit by Stolichnaya around the world.

Vestbirk has more than 9 years experience in international spirits brand management and previously worked with Belvedere Group primarily handling

Danzka Vodka globally.

Rob Cullins, CEO comments: "Lars has done an outstanding job in leading the Stolichnaya brand platform over the past few years. I'm very pleased to recognize his efforts and contributions to the Group, by having him lead our International Markets' brand strategies and marketing resources."

Travel retail veteran **Kevin Baker** has been named Global Travel Retail Director of **Marie Brizard Wines & Spirits**. The former Belvedere Group, which went through a complete restructuring of its business during 2014, is embarking on a new 'BIG 2018' strategy (Back In the Game) this year.

Baker's role is to develop and establish a Travel Retail business for MBWS by creating and implementing a channel strategy aligned to the strategy. He will also manage the Middle East region. Best known for his 20 year experience of sales and marketing with Brown-Forman and Diageo, he most recently was Global Head of Liquor and Head of Category Europe for Liquor, Tobacco & Technology for The Nuance Group based in Zürich.

Before this, he was also a director at World of Patria International.

Chase International has appointed **Veronica P. Huber** as Trade Marketing Manager effective October 1, 2015.

Huber has extensive Marketing and Sales Management experience in the Americas Travel Retail industry, having run her own import company Spondilus Inc., and previously has held various regional sales and marketing positions with Longines, Cartier, and Diageo.

Marco Lares has been named Director of Sales for the French-Canadian Aspex Group, responsible for launching the **BMW Sunglass** collection (among others manufactured by Aspex), to the Travel Retail/Duty Free industry.

The BMW Sunglass custom-made designs are assembled from the highest quality materials such as titanium, stainless steel, acetate, TR90 and NXT. Designed with style and function, the collection features: polarized sun lenses, mirror sun lenses and exclusive integrated spring hinge.



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