

## Travel Retail turns to Luxury to combat regional and global challenges

One clear trend emerged this year as we gathered the news for our Cannes magazine – companies in nearly every product category are enhancing the image – and quality – of their merchandise to appeal to the traveling consumer.

Beset with the fallout from trade wars, impending Brexit, currency failures and political and economic unrest, many top companies in travel retail are finding that creating a very special product and offering it through a very special experience, can tempt consumers to make that purchase.

Bvlgari, for example, is rejuvenating its image with a new luxury thrust from its jewelry to its perfumes, and travel retail has become a very important channel along the way. Montblanc, whose luxury portfolio crosses three product categories, sees travel retail as a key component of its global presence. Beauty brand Shiseido is outperforming the market in its category by focusing on its luxury skincare and makeup concepts, and Givenchy has embraced its unique “Born Couture” heritage as the guiding principal for its flourishing beauty story.

Spirits brands, tapping into the trend for super-premium beverages, have been especially active in enhancing their brand image. William Grant & Sons’ new Glenfiddich Grand Cru is the most luxurious variant the company has produced and will be supported instore by a ground-breaking sensorial engagement, says the company. Brown-Forman has introduced a duty free exclusive Woodford Reserve in Baccarat crystal that retails for \$1,500, a formerly unheard of price for an



*Bvlgari is enhancing its luxury image at airports and downtown travel retail environments, as shown in this major Pasticceria Sweet Shop concept for its Omnia perfumes at UltraFemme in Mexico this summer. See full story on page 58.*

American whiskey.

And then we have Edrington, which has just ceased distribution of some very lucrative contracts in order to focus on growing its wholly-owned super-premium brands, led by The Macallan. Edrington is even opening beautiful boutiques for The Macallan in select airports as an important step in its luxury evolution.

New brands are also entering the field. Three generations of France’s Giraud family (which includes Philippe who heads up Miami-based company Actium) are using their heritage as coopers and cellar masters in Cognac to create a super-premium new luxury French Malt Whisky (see page 72).

Retailers in all facets of travel retail are supporting the trend towards greater luxury by upgrading stores and installing personalized spaces and engaging pop-ups to a greater degree than

ever before.

“The market may be down but there is still a place for luxury with the right products and the beautiful quality and service that goes with it,” Bvlgari’s Charles Bonnel tells *TMI*, a theme echoed by other suppliers throughout all of our interviews.

Along with the trend to greater luxury, suppliers and operators are fighting the challenging environment with a deep dive into consumer research, analyzing category insights and data-mining shopping behavior as they strive to know their customers, get more shoppers into their stores and increase the size of the basket.

*TMI* discusses all these trends as the industry again gathers in Cannes and next month in Toronto, *Inside Insider*.

*Lois Pasternak, Editor/Publisher*

## INSIDE INSIDER

### NEWS

NPD Travel Retail tracks LCC airlines in Americas

### CANADA

Record arrivals, FDFA; Niagara Duty Free; Peace Bridge DF; ARI-NA; Strong & Free



*Queenston Lewiston Duty Free renovations pave way for more spirits*

### CRUISE & CARIBBEAN

DFNI Conference, MSC, Cayman Islands’ airport renovation: Island Jewellers, Churchill’s Cigars, Tortuga Rum, Jacques Scott DF; Grand DF upgrades; Bahamas relief

### LATAM

Brazilian border, Ezeiza, Monalisa



*Glenfiddich Grand Cru*



*Alfred Giraud luxury French Malt Whisky*

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**COVER COMMENTARY**

Travel Retail turns to Luxury to combat regional and global challenges

**BY THE NUMBERS**

 ACI: global passenger growth moderated Page 8  
 IATA: soft start to peak travel period Page 10  
 ACI Airport Service Quality Awards Page 10  
 UNWTO: International tourism up in 1st half Page 12

**Associations**

 TFWA strives to create an “engine of inspiration” with new Innovation Lab Page 14  
 NPD Travel Retail Special Report: Importance of LCCs surges as their air traffic booms Page 16

**Canada**

 Record arrivals through first six months Page 18  
 FDFA prioritizes return of Visitor Rebate Program Page 20  
 Queenston Lewiston Duty Free expands focus on whisky and white spirits Page 21  
 Niagara Duty Free modernizes Page 24  
 Peace Bridge reopens after renovation Page 25  
 ARI-NA combines luxury appeal with engaging customer interactions Page 26  
 Strong & Free thrives in duty free Page 30

**Caribbean & Cruise**

 DFNI Cruise Conference spotlights potential of the booming channel Page 32  
 One on One with MSC’s Adrian Pittaway  
 Retail Masters of the Sea – how MSC grows its people from within Page 34  
 Cayman Islands’ remodeled Owens Roberts International Airport unveils new retail concepts: Island Jewellers, Churchill’s Cigars, Tortuga Rum Company, Tortuga Liquors, Jacques Scott Duty Free Page 36  
 Grand Duty Free upgrades Cayman store with more Swiss skincare cabin service Page 42  
 Industry rushes to aid Bahamas relief Page 42

**Latin America**

 Montico makes a “Smart” move to assist operators as new stores open on Brazilian border Page 44  
 Central Free Shop opens on Brazilian Border Page 46  
 Dufry officially opens its first duty free border shop in Brazil Page 48

 Ezeiza’s “friendly” new terminal set to open at the end of September Page 50  
 Monalisa extends its luxury shopping experience in Asuncion Page 52  
 Economic update on Argentina & Brazil Page 54

**ON THE SUPPLY SIDE**
**Beauty**

Perfume launches: Lancôme Idôle; Gucci Mémoire d’une Odeur; YSL Libre; JPG Le Beau and La Bell; Molton Brown Page 56

**Special Report: Luxury**

 Bvlgari rejuvenates its image Page 58  
 Luxury concepts propel Shiseido Group to outperform the Americas market Page 60  
 Givenchy embraces its Born Couture heritage for its beauty story Page 62  
 Montblanc uses luxury pedigree to dominate category in travel retail Page 66

**Non-traditional**

 Kendall Jenner beauty tools Page 64  
 Duty Free Dynamics brings its “Master Franchisor” concept to Cannes Page 68  
 Travel Blue, Premier Portfolio, Go Travel Page 70

**Special Report: Luxury Spirits**

 Alfred Giraud luxury French Malt Whisky Page 72  
 Edrington’s focus on super premium brands Page 74  
 William Grant targets luxury with Glenfiddich Grand Cru Page 76

 WEBB Banks, Tito’s Page 75  
 Grey Goose & DFS celebrate U.S. Open Page 77  
 Pernod Ricard leverages insights Page 78  
 Wild Tiger roars from Kerala to Cannes Page 79  
 Beam Suntory – LATAM & TR Page 80  
 Cointreau pops-up in Las Vegas Page 82  
 Stoli, Quintessential Brands, Hunter Laing, Whyte & Mackay’s Fettercairn, Dellepiane Tambo, Chabot Armagnac, Destination Gins Page 82

**Confectionery**

 Mondelez, Godiva, Ferrero Page 86  
 Mars Wrigley ITR, PVM Page 87  
 Lindt & Sprungli TR named top confectionery supplier in TR Page 88

**People News**

Advertising Index Page 89

# GIVENCHY

## L'INTERDIT

THE THRILL OF THE FORBIDDEN



NEW

## BY THE NUMBERS

# ACI World data: global passenger growth moderated in first half of 2019

Airports Council International (ACI) World reports that global passenger traffic moderated in the first half of 2019 while the air freight industry continued to experience downturn.

The global passenger market grew by +3.9%, year-over-year, up from +3.1% in May. Year-to-date growth reached +3.6%, almost one percentage point below its 12-month rolling average. Total freight volumes declined -3.2% for the first half of the year, and fell by -5.1% in June.

“The global passenger market managed to sustain its growth rate in June compared to the previous month,” ACI World Director General Angela Gittens said. “While year-to-date results show a slight slowdown, the industry continues to show resilience in the face of the weakened global economy.

“The trade tensions that persist between several major economies – and the accompanying GDP growth slowdown – have had more impact on the air freight industry, which could possibly end 2019 in the negative.”

## Passenger traffic

The international passenger market was the main driver in the overall passenger industry’s momentum in June. The international segment posted a +5.7% year-over-year growth rate, two percentage points above May’s results.

The mid-year growth for international passenger traffic was +4.9% year-to-date, close to twice the gains posted by the domestic market during the same period (+2.5%). Domestic traffic gained +2.3% in June, slightly below its +2.4% gain in May.

Of the major regional markets, Europe had the highest growth rate in June, with +4.7% on a year-over-year basis. The region’s growth rate stood at +4.3% for the first half of the year. The international segment drove most of its total passenger growth, at +5.4% year-to-date, versus +1.4% for the domestic market.

After performing similarly to Europe until the month of May, North America stood at +3.9% by the end of the second quarter. The region’s total passenger traffic grew +2.9% on a year-over-year basis

in June. Unlike Asia-Pacific and Europe, North America’s domestic market remained relatively strong during the first half of the year, gaining +3.7% year-to-date, versus +4.8% for the international segment.

Latin America-Caribbean performed well in June, growing +6% for the month. The region’s mid-year results were the second highest after Africa, at +5.5%. The domestic segment was a major driver of the region’s performance, standing at +6.3% year-to-date.

Asia-Pacific remained the lowest performer of the major regional markets in June, gaining +2.1%. The region ended the first half of the year with +1.9% growth on a year-to-date basis. With rising tensions between Japan and South Korea, and the continuing trade spat between China and the United States, 2019 may result in loss for Asia-Pacific’s major economies. After being the driver of growth for the global air transport industry for the past several years, the current trend represents a major shift in the near-term.

Africa continued to grow significantly in June, gaining +12.3% on a year-over-year basis. Year-to-date results for the region stood at +7.1%, the highest of all regions. Its international passenger market grew +8.3% for the first half of the year, driving most of the total increase.

The Middle East posted the second-highest growth in June, after Africa, with +8.1% gain on a year-over-year basis. The last 12 months have been challenging for the Middle East, resulting in a +2.5% growth for the first half of the year. Political tension in the region remained high, with limited indication that the high June figures marked a shift in local dynamics.

TABLE 2: PaxFlash summary – June 2019

| Regions                         | June 2019<br>% YOY | YTD June 2019<br>% YOY | YE thru June 2019<br>% YOY |
|---------------------------------|--------------------|------------------------|----------------------------|
| <b>International passengers</b> |                    |                        |                            |
| Africa                          | 13.2               | 8.3                    | 9.8                        |
| Asia-Pacific                    | 5.3                | 4.6                    | 5.1                        |
| Europe                          | 5.7                | 5.4                    | 6.0                        |
| Latin America-Caribbean         | 5.0                | 3.9                    | 4.0                        |
| Middle East                     | 8.4                | 2.5                    | 3.0                        |
| North America                   | 3.2                | 4.8                    | 5.6                        |
| World                           | 5.7                | 4.9                    | 5.5                        |
| <b>Domestic passengers</b>      |                    |                        |                            |
| Africa                          | 11.2               | 5.3                    | 5.1                        |
| Asia-Pacific                    | 0.5                | 0.4                    | 2.4                        |
| Europe                          | 1.6                | 1.4                    | 2.6                        |
| Latin America-Caribbean         | 6.5                | 6.3                    | 6.5                        |
| Middle East                     | ...                | ...                    | ...                        |
| North America                   | 2.9                | 3.7                    | 4.1                        |
| World                           | 2.3                | 2.5                    | 3.5                        |
| <b>Total passengers</b>         |                    |                        |                            |
| Africa                          | 12.3               | 7.1                    | 8.3                        |
| Asia-Pacific                    | 2.1                | 1.9                    | 3.3                        |
| Europe                          | 4.7                | 4.3                    | 5.1                        |
| Latin America-Caribbean         | 6.0                | 5.5                    | 5.6                        |
| Middle East                     | 8.1                | 2.5                    | 2.9                        |
| North America                   | 2.9                | 3.9                    | 4.4                        |
| World                           | 3.9                | 3.6                    | 4.4                        |

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## BY THE NUMBERS

## IATA reports soft start to the peak travel period in July

The International Air Transport Association (IATA) announced slowing global passenger demand growth for July. Total revenue passenger kilometers (RPKs) rose 3.6%, compared to the same month in 2018. This was down from 5.1% annual growth recorded in June. All regions posted traffic increases.

Alexandre de Juniac, IATA's Director General and CEO, cited tariffs, trade wars, and uncertainty over Brexit as contributing to a weaker demand environment.

### International Passenger Markets

July international passenger demand rose 2.7% compared to July 2018, slower than the 5.3% growth recorded in June.

Airlines in Latin America led growth, up by 4.1%. This was the strongest growth among the regions but a decline from 5.8% year-over-year growth in June. The lower numbers took place among continued



disruption following the demise of Avianca Brasil and more challenging business conditions in some key regional economies.

North American airlines' traffic climbed 1.5% compared to July a year ago. This was down from 3.5% growth in June, reflecting the slowdown in the U.S. and Canadian economies and the trade disputes.

European carriers registered a modest 3.3% annual growth in July, down from a 5.6% year-over-year increase in June. This is the slowest rate of growth since

mid-2016.

Asia-Pacific airlines' July traffic rose 2.7% over the year-ago period, a slowdown compared to June growth of 3.9% and their weakest performance since early 2013. U.S.-China and Japan-South Korea trade tensions as well as political tensions in Hong Kong are impacting travel, says IATA.

Middle East carriers had a 1.6% increase in demand for July, well down on the 8.3% growth recorded for June, after the end of Ramadan. Weakness in global trade, volatile oil prices and heightened geopolitical tensions have been negative factors for the region.

African airlines' July traffic rose 3.6%, a significant decline from 9.8% growth recorded in June, as weakening business confidence in South Africa offset solid economic conditions elsewhere on the continent.

## Toronto, Dallas named best large airports in North America at ACI Airport Service Quality Awards

Airports Council International (ACI) World named its top airports for customer experience at its annual Airport Service Quality (ASQ) Awards ceremony in September.

"The ASQ Awards represent the highest possible customer experience accolade for airport operators around the world," said ACI World Director General Angela Gittens. "In an increasingly competitive environment, these airports have recognized that delivering stellar customer experience is an important business tool."

In the Latin America-Caribbean region, Punta Cana International Airport in the Dominican Republic and Tancredo Neves-Confins International Airport in Belo Horizonte, Brazil were honored for airports with 5-15 million passengers; Los

Cabos International Airport in Mexico and Jose Joaquin Olmedo International Airport in Guayaquil, Ecuador won for 2-5 million passengers; and Ramon Villeda Morales International Airport in San Pedro Sula, Honduras and Daniel Oduber Quiros International Airport Liberia, Costa Rica won for airports under 2 million passengers.

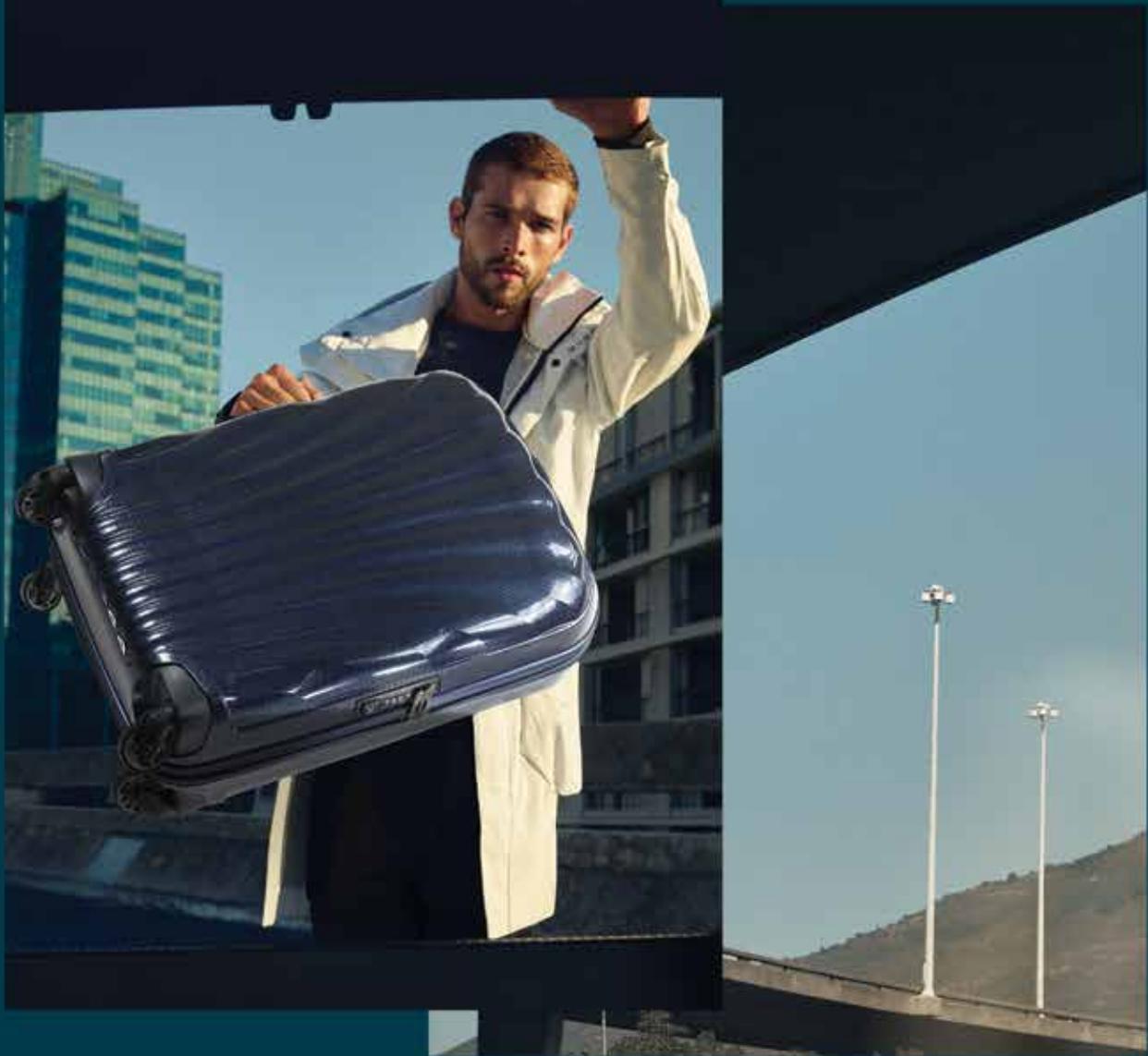


In North America, Toronto Pearson and Dallas Fort Worth won the award for airports with more than 40 million passengers. Detroit and Minneapolis/St. Paul were honored for airports with 25-40 million passengers. Dallas Love Field Airport was named best airport with 15-25 million passengers; Indianapolis, Jacksonville, and San Antonio airports won best airports 5-15 million passengers; El Paso and Ottawa airports took the honor for airports with 2-5 million passengers; and Canada's Fort McMurray International Airport won for best airport under 2 million passengers.

Toronto Pearson was named Most Improved Airport in North America with Juan Santamaria International Airport in San Jose, Costa Rica winning the award in Latin America-Caribbean.

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## BY THE NUMBERS

## UNWTO: International tourism up 4% in first half of 2019

International tourist arrivals grew 4% to 671 million from January to June 2019, compared to the same period last year, according to the latest UNWTO World Tourism Barometer published on Sept. 9.

The Middle East (+8%) and Asia and the Pacific (+6%) turned in the highest growth rates of international arrivals, followed by Europe at +4%, Africa at +3% and the Americas at a more modest +2%.

Destinations worldwide received almost 30 million more international tourist arrivals than in the first six months of 2018, which is a continuation of the growth recorded last year, says UNWTO.

Growth in arrivals is returning to its historic trend and is in line with UNWTO's forecast of 3% to 4% growth in international tourist arrivals for the full year 2019, as reported in the January Barometer.

So far this year, tourism growth has been driven by a strong economy, affordable air travel, increased air connectivity and enhanced visa facilitation. However, weaker economic indicators, prolonged uncertainty about Brexit, trade and technological tensions and rising geopolitical challenges, have started to take a toll on business and consumer confidence, as reflected in a more cautious UNWTO Confidence Index.

### Regional Performance

In the Americas (+2%), results improved in the second quarter after a weak start of the year. The Caribbean (+11%) benefitted from strong U.S. demand and continued to rebound strongly

from the impact of hurricanes Irma and Maria in late 2017, a challenge which the region unfortunately faces once again. North America recorded 2% growth, while Central America (+1%) showed mixed results. In South America, arrivals were down 5% partly due to a decline in outbound travel from Argentina which affected neighboring destinations.

Europe grew 4% in the first six months of 2019, with a positive first quarter followed by an above-average second quarter (April: +8% and June: +6%), reflecting a busy Easter and the start of the summer season in the world's most visited region. Intraregional demand fueled much of this growth, though performance among major European source markets was uneven, amid weakening economies. Demand from overseas markets such as the USA, China, Japan and the countries of the Gulf Cooperation Council (GCC) also contributed to these positive results.

Asia and the Pacific (+6%) recorded above world average growth during the January-June 2019 period, largely fueled by Chinese outbound travel. Growth was led by South Asia and North-East Asia (both +7%), followed by South-East Asia (+5%), and arrivals in Oceania increased by 1%.

In Africa, limited available data points to a 3% increase in international arrivals. North Africa (+9%) continues to show robust results, following two years of double-digit figures, while growth in Sub-Saharan Africa was flat (+0%).

The Middle East (+8%) saw two strong quarters, reflecting a positive winter

season, as well as an increase in demand during Ramadan in May and Eid Al-Fitr in June.

### Source Markets – mixed results amid trade tensions and economic uncertainty

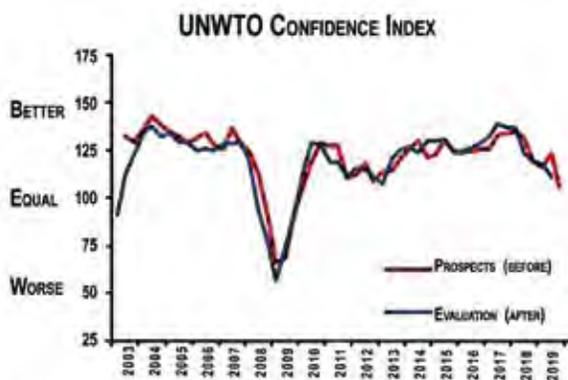
Performance has been uneven across major tourism outbound markets.

Chinese outbound tourism (+14% in trips abroad) continued to drive arrivals in many destinations in the region during the first half of the year though spending on international travel was 4% lower in real terms in the first quarter. Trade tensions with the USA as well as the slight depreciation of the yuan, may influence destination choice by Chinese travelers in the short term.

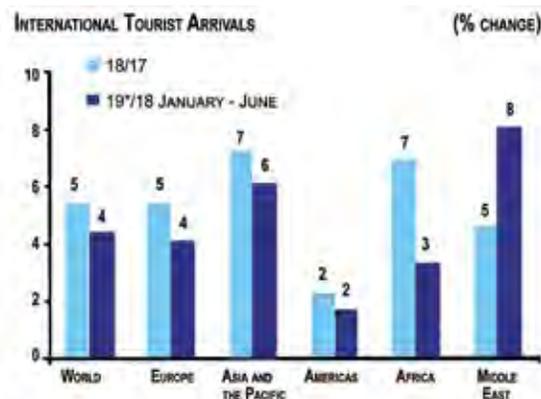
Outbound travel from the USA, the world's second largest spender, remained solid (+7%), supported by a strong dollar. In Europe, spending on international tourism by France (+8%) and Italy (+7%) was robust, though the United Kingdom (+3%) and Germany (+2%) reported more moderate figures.

Among the Asian markets, spending from Japan (+11%) was strong while the Republic of Korea spent 8% less in the first half of 2019, partly due to the depreciation of the Korean won. Australia spent 6% more on international tourism.

The Russian Federation saw a 4% decline in spending in the first quarter, following two years of strong rebound. Spending out of Brazil and Mexico were down 5% and 13% respectively, partly reflecting the wider situation of the two largest Latin American economies.



SOURCE: WORLD TOURISM ORGANIZATION (UNWTO)<sup>®</sup>



SOURCE: WORLD TOURISM ORGANIZATION (UNWTO)

\*PROVISIONAL DATA

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# GUESS



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## TFWA strives to create “an engine of inspiration” with 2019 World Exhibition and new Innovation Lab

Participants at the 2019 TFWA World Exhibition & Conference, the travel retail industry’s premier global gathering, can expect another world class event this year, along with an opportunity to see not only the newest products but also learn about the newest technologies, sustainability and creative engagements.

Beginning Monday morning at the traditional Opening Conference, TFWA will welcome The Rt. Hon. Tony Blair, former Prime Minister of the United Kingdom, as a keynote speaker. Blair, who served as UK Prime Minister from 1997 to 2007, will share his experience of working on the frontline of UK and international politics and offer his thoughts on Brexit, foreign policy and other pressing geopolitical matters.

For a completely different perspective on the world, David Jones, founder and CEO of You & Mr Jones and the former CEO of advertising and public relations firm Havas, will be the second keynote speaker this year. Jones established You & Mr Jones, the world’s first brandtech group in 2015 after leaving Havas. You & Mr Jones helps companies improve their marketing capabilities through technology. He is also the co-founder of One Young World, a global forum that identifies,

promotes and connects young leaders from across the world.

The morning conference will be rounded out by TFWA President Alain Maingraud, who will present the annual state of the industry address.

The conference will again be moderated by BBC World News’ Stephen Sackur.

Generating great attention this year, TFWA has launched a new concept called the TFWA Innovation Lab which will replace the TFWA Digital Village.

The Innovation Lab will run from Tuesday Oct. 1 through Friday, Oct. 4, alongside the TFWA World Exhibition & Conference. It will be located at an exclusive tented exhibition area facing the Majestic Beach, beside the main exhibition at the Palais des Festivals.

The TFWA Innovation Lab will be curated into different categories including: digital solutions and mobile technology; sustainability and CSR; services to travelers; instore design and research. It has been designed to provide exhibitors with the opportunity to showcase new ideas and fresh thinking to an audience of duty free and travel retail professionals, says TFWA.

Airports and brands are also welcome to use the TFWA Innovation Lab to



showcase their latest initiatives in customer engagement. Expect to see companies like Munich Airport at the event, as well as tech and wellness brand Breo as part of the Innovation in Action section, presenting examples of new thinking in practice.

The event will kick off at 9 am on Tuesday, Oct. 1 after a workshop, which also centers on the theme of ‘Innovation in Action.’ The workshop will be followed by a press breakfast which will give exhibitors and visitors the opportunity to meet with journalists within the sector.

“In a world of increasing competition for both the attention of passengers and their spending power, there is no doubt that the airports, brands and retailers that think differently will be those that prosper in the future. As sustainability continues to rise up the consumer agenda, it’s also becoming ever more imperative that we use technology to reduce our impact on the environment and contribute to the welfare of the communities in which we operate. This event will enable visitors to find innovative and practical solutions specifically tailored to the needs of duty free and travel retail,” says Maingraud.

“One of TFWA’s primary goals is to inspire our business and help create an ‘engine of innovation,’” he continued. “The TFWA Innovation Lab will help our industry to shape the future of duty free and travel retail and better meet the changing needs of the international traveler. With 32 exhibitors and 1,349 visiting delegates last year, the TFWA Digital Village was a significant first step, and we plan to build on this success with a fresh new concept in a new location. We look forward to providing visitors to TFWA World Exhibition & Conference with a new perspective on how our industry will develop in the coming years.”



*The TFWA Executive Board on stage for the ribbon-cutting ceremony opening the 2018 TFWA World Exhibition.*



  
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# NPD Travel Retail Special Report

## Importance of low-cost airlines surges as their air traffic booms

NPD Travel Retail, in its latest special report prepared for *Travel Markets Insider*, tracks the growth of low-cost airlines (LCC) in South America, Central America and North America and their impact on air traffic trends.

The low-cost travel model is continuing to grow in strength globally – delivering higher growth than Regular Legacy operators in all regions except Europe. In Europe, LCC’s and Regular Legacy operators are on parity, increasing their PAX handling capacity by 5% annual change in the latest 12 months, according to Lawrence Scott, Industry Advisor – Travel Retail and Duty Free for NPD Travel Retail (formerly Counter Intelligence Retail).

This trend is reflected in each of the sub-regions of the Americas to a much

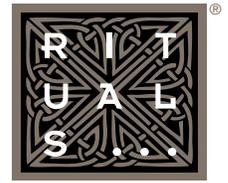
greater degree, Scott reports. Passenger departures from the Caribbean – being handled by an LCC operator – grew +17.2% YoY while Regular Legacy flights struggled to post positive growth (at 0.1%); Northern America, 62.3% of the total Americas PAX, grew at a similar rate with 27.85 million PAX flying LCC, +11.7% versus the previous 12 months. For comparison, traffic on Regular Legacy airlines grew +3.0%.

“We are seeing this incremental passenger demand being handled by a few standout performers within the airline operators. Low cost airlines departing the Caribbean of note, are Jet Blue Airways – the largest operator in the region regardless of airline classification, and Spirit Airlines – handling 0.63 million PAX – has grown a staggering +81.4% YoY,” said Scott.

“In Central America, the performance of low-cost airlines is more concentrated to the mid-ranks but Interjet has grown +24.8% YoY and Spirit Airlines grew by +27.2%. In North America the story is very similar to the Caribbean, with Jet Blue, growing +21.3%, and Spirit Airlines, up +55.8%, the key performers,” he added.

“Using NPD Travel Retail ‘Traveller Statistics’ data – including our forecasting module – we project that the importance of the low-cost environment is only likely to increase. Within the Americas it is projected that by 2025, 38.5% of all international traffic will be fulfilled by an LCC operator. This is a staggering 20% more than the current passenger share delivered in 2018,” said Scott.





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# Record arrivals to Canada through first six months of 2019

International overnight arrivals to Canada reached a new record peak for the first half of the year to 9.036 million, expanding 4.1%.

In June 2019, Canada welcomed a record 2.76 million international overnight arrivals, slightly ahead of the previous June peak set last year (+1.9%).

U.S. arrivals to Canada for the first six months of the year was at its highest number since 2007, according to Statistics Canada.

U.S. air arrivals continued to trend upward, hitting new records for both the month of June (+14.7%) and the first half of the year (+13.3%). June 2019 also marked six consecutive months of year-over-year growth in U.S. air arrivals to Canada.

Over the first half of 2019, the largest proportions of U.S. overnight auto arrivals came from New York, Washington, and Michigan, together accounting for 43.3% of U.S. overnight auto arrivals from January to June 2019.

After five consecutive months of expansion, air capacity between Canada and the U.S. saw a marginal contraction

in June 2019 (-0.5%), but remained well ahead of 2018 levels year-to-date (+4.0%). With fewer Canadians flying to the U.S. over this period, the trend suggests that more Americans filled those extra seats in the first half of 2019.

Canadian residents made 3.6 million trips to the United States in June, down 0.6% from May and a 2.8% decrease on a year-over-year basis. June marked the third consecutive month of declines in trips by Canadians to the United States, after adjusting for normal seasonal variations.

The year-over-year decline in travel from Canada to the United States coincided with an increase in the value of the U.S. dollar. The value of the U.S. dollar, a factor known to influence cross-border travel, rose from CAN\$1.31 year over year to CAN\$1.33 in June 2019.

Almost three-quarters of the trips (2.7 million) by Canadians to the United States were made by car, unchanged from May. A 2.1% increase in overnight car trips was offset by a 1.1% decline in same-day car trips.

Every province except British Columbia reported increased car travel to

the United States.

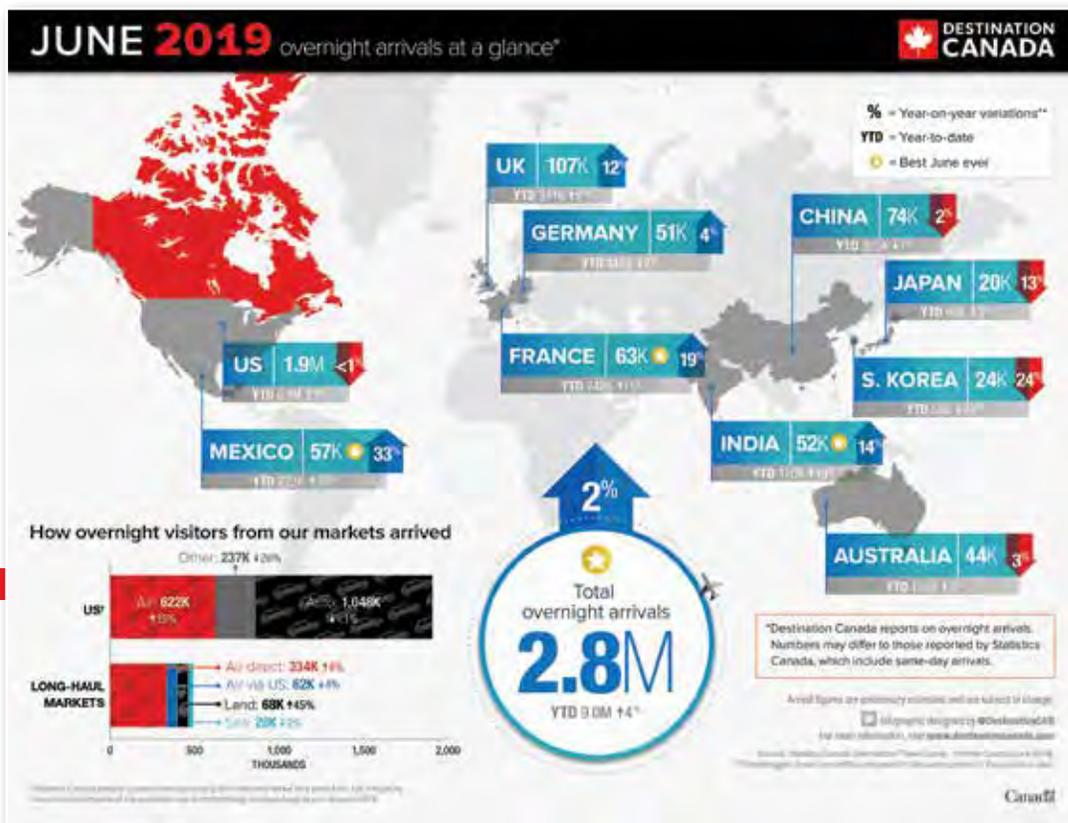
Residents of overseas countries (countries other than the United States) made 625,000 trips to Canada in June, down 2.5% from May, following three months of increases.

Travel from Asia declined 4.9%, primarily due to a 10.4% drop in the number of travelers from Japan, Canada's third-largest source of travelers from Asia in 2019 after China and India.

Travel from China, the second-largest source market of overseas travelers after the United Kingdom, declined 2.2% in June. The number of air arrivals from China over the first half of the year was 5.8% lower compared with the same period in 2018, the Canada-China Year of Tourism.

Arrivals from the Oceania region declined 6.0% in June, largely due to fewer arrivals from Australia (-6.9%).

Travel from Europe declined 1.7% in June. The number of travelers from the United Kingdom, Canada's largest source market for overseas travelers, declined 1.2%, while the number of arrivals from France (+2.2%) and Germany (+2.0%) increased.



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## FDDA prioritizes return of Visitor Rebate Program

One year after taking over as Executive Director of the Frontier Duty Free Association (FDFA), Barbara Barrett tells *TMI* that the Canadian land border duty free association is prioritizing the return of the Visitor Rebate Program.

In 2007, Canada became the first country in the Organization for Economic Co-operation and Development (OECD) to cancel its Visitor Rebate Program. A recent study by the Retail Council of Canada shows that by canceling the program, tourism GDP was reduced by \$5.96 billion dollars over the past ten years.

Barrett says that with multiple retail and tourism-related organizations calling for the reinstatement of the program, the FDFA is optimistic the Visitor Rebate Program could return some day.

“We are focusing on our most important issues and I think you can tell from our social media campaign that one of our big initiatives is the return of the Visitor Rebate Program. It is the main priority for our government relations. We are not alone in this task. The Retail Council of Canada is asking for the same thing, the tourism industry is asking for the same thing, the Hotel Association is also looking at its return. It won’t happen tomorrow, but we are in it for the long haul,” says Barrett.

“We are in a strange period with an election year. Our goal really at this point is to have the Visitor Rebate Program on an election platform and to have it top of mind for those who are elected.

“What we are asking for is that, at least in part, the program be administered inside land border duty free stores, which is how the program operated in the past.”

Barrett says the FDFA is now more well known by Canadian government officials than it was when she took over as Executive Director a year ago.

“When I came onboard a year ago and took meetings on the Hill, talking to government officials about the Frontier Duty Free Association, we were really reintroducing ourselves. Many folks on the Hill were not aware of who we were, let alone what our issues were. It took some time to rebuild those relationships, but we really put FDFA back on the radar in terms of our government relations.”

### The 2019 FDFA Convention

The FDFA announced the name of its annual Convention, Beyond All Borders, which will take place from November 11-14, 2019 in Toronto.

Barrett says the convention theme, Partnering for Growth, is set to inspire

current and prospective members to work together to promote the Duty Free industry in Canada and beyond.

“Partnering for Growth is a call-to-action directed at our partners and convention attendees as a way to inspire like-minded industry professionals to work together to position Canada as a global leader in the Duty Free Sector,” says Barrett.

A four day event, the convention format has been re-worked to begin on Monday, kicking things off with an Airport Day. The Airport Day gives FDFA suppliers the opportunity to coordinate meetings with some of their largest customers (airports). Through a collaborative lens, the Airport Day will build on the Partnering for Growth theme.

“We are returning to the Omni King Edward Hotel this year as its private spaces were conducive to our meeting and networking needs,” says Barrett. “We will continue to offer buyer group presentations, and are excited that the new Central Hub will include convention registration, breakfast, lunches, coffee bar, happy hour bar and a few exhibit stations.”

“Building and learning from our successes of last year, The Imperial Awards Gala has also been moved, now taking place on the third night, Wednesday November 13,” says Barrett. “We wanted to create a forum where partners and guests can come together to grow their businesses; share ideas to create a network of innovative solutions, only concentrating time and energy on the most productive concepts that grow our members’ businesses,” concluded Barrett.

In addition, after a review of the Gold Standards Awards program, the FDFA has launched a new refreshed program. The changes include expanded eligibility, streamlined voting, and the addition of two awards: Star of Show for the convention and Outstanding Contributor Award. Finalists will be announced October 30, winners recognized at the Imperial Gala & Awards Evening on November 13 in Toronto.



*The FDFA has launched a social media campaign designed to bring back the Visitor Rebate Program, which was canceled in Canada in 2007.*

## Renovated Queenston Lewiston Duty Free store expands focus on whisky and white spirits

Queenston Lewiston Duty Free, located on the Canadian side of the Lewiston-Queenston Bridge in the Niagara region, renovated its store this summer, designing the layout to devote more space to its best-selling products.

“The renovation is now completed and the store looks excellent,” Chris Foster tells *TMI*. “We reorganized the liquor department, and increased the size of our spirits category.

“We shifted around product categories like confectionery, souvenirs, and accessories. We also upgraded and updated our fragrance and cosmetics department. T.S.M. Custom Millwork has done a great job managing this project for us.”

One important aspect of the renovation in the 16,000 sq feet of retail space was to give prime real estate to white spirits, in an area previously featuring souvenirs and accessories.

“We felt as though our souvenirs in the back wall didn’t make a lot of sense



*Queenston Lewiston is now devoting more prime back wall space to white spirits after the renovation, says Chris Foster.*

**We at IGL Duty Free would like to thank all of our suppliers and wish everyone a successful year!**



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*The renovation has allowed all the whiskies in the Queenston Lewiston Duty Free store to be merchandised in one location.*

and weren't displayed properly. You want to be able to give the commodities that are producing the numbers more space and more premium space. We deem back wall space as a premium location in our store," says Foster.

"We base our positioning and merchandizing on the numbers. White spirits needed additional space and segregation. We don't customize everything in the store. We pick and choose the brands that deserve customization. These are usually large anchor brands, brands that are well promoted by the suppliers. We do have a number of custom units, however. We also use a lot of generic units, so those custom units stand out.

"Brands like Grey Goose, Absolut, Johnnie Walker, and Crown Royal, these get key custom space."

The renovation significantly brightened up the store and changed traffic patterns, says Foster.

"We brightened up the area where souvenirs had been. The renovation also changed traffic flow quite a bit. With white spirits now towards the front, it pushes customers into areas of the store where

they hadn't been before."

The Queenston Lewiston DF renovation took place in four stages beginning in April, so the renovation had minimal impact on the customers. Construction was mostly completed by the end of August.

One of the biggest pluses from the renovation is that it allowed the store to put all of its whiskies together in one place, says Foster. Scotch whisky is one of the best-selling categories in the store.

"Our Scotch, American, and Irish whiskies were disconnected from our Canadian whiskeys. Now we can group all of them together. Our customers looking for specific whiskies now have them all in one place."

This is the first major renovation at Queenston Lewiston since the new store was opened seven years ago, but the operators have been constantly updating each year, says Foster.

"Since we took possession of our new store, we tried to do something small each year to keep up to date and make sure the look is nice. We are always monitoring the things that need extra care. After we started

looking at this particular renovation we noticed there were a couple of key areas that we needed to focus on for the next few years," he says.

"We want to always be at the cutting edge. We don't want to be that store that is trying to catch up with other locations. We tend to set the bar for most stores."

Two years ago in 2017 Queenston Lewiston added a Starbucks, which has been a big hit, says Foster.

"Customers seem to love the Starbucks. It fits well with our store, the image. I think our store has more of an airport feel than most border stores do. I think Starbucks lends itself well to that look and feel."

Foster says Queenston Lewiston is coming off a positive summer, but the business on the northern border is not without its challenges.

"We had a couple of flat months in the summer, but we had a really good August. Some of the U.S. Customs officers here on the northern border have been pushed down to the Mexican border, so we've had some backups most of the summer at the border."





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## Niagara Duty Free modernizes with more space devoted to spirits and ice wine



More than a year after Niagara Duty Free finished renovating its duty free store located on the Canadian side of the Rainbow Bridge in Niagara Falls, the modernized shop has devoted more space to spirits, particularly ice wine, with improved sales, Steve Richardson, Niagara Duty Free General Manager tells *TMI*.

The store, with 8,200 sqf of retail space, found a way to “maximize the space” and make the store more inviting, says Richardson.

“We did a complete change to the outside of the store, modernizing the exterior. The store always looked good inside for the amount of square footage that we have, but we couldn’t expand out or up. So our goal

was to modernize the inside and to make the store appear to be larger and I think we accomplished that,” says Richardson.

“The highest percentage of our sales by far was alcohol, but it did not equal the amount of space it was occupying. Then we had souvenirs, jewelry, clothing, accessories, sunglasses, and purses occupying a disproportionate amount of the space. We are so small, so every square foot makes a difference.

“The idea was ‘What are we good at? What do the customers want? And where is the margin?’ Obviously we have an advantage in alcohol.”

Niagara Duty Free started construction in January 2017, with about 80% of the store

renovated by July of that year. The fragrance department was then finished in 2018.

“Today after the renovation alcohol takes up more than half the space in the store. For souvenirs and clothing we used to have 15 or 20 suppliers. Part of the conscious decision was to go down to four suppliers.”

And the renovation has worked the way that was planned, says Richardson.

“We’re having a great year. We are up somewhere between 7-10%.”

Niagara Duty Free now has a dedicated tasting bar towards the front of the store where customers can sample spirits, with an emphasis on ice wine.

“Ice wine is a category that we recog-



*Niagara Duty Free modernized when it renovated its store, devoting more space to spirits, particularly ice wine, and featuring a tasting bar.*

nized was important. We pulled ice wine out from the back of the store and made a real tasting bar. Ice wine is a significant part of our sales. We've had years where it has even represented up to 10% of our total."

With Niagara Falls visible from the parking lot of the store, Niagara Duty Free lives up to its name. Its city location also makes the store's clientele much more tourist-based, American, and seasonal than in the duty free shops located on other bridges in the area.

"Our business is 75% international, mostly Americans. We don't get as many Canadians as the other border stores. Our location is a little different, because we are in the city. It is a phenomenon that the Falls are right there. It is to our advantage to have the customer come into the store, see the prices, and make a decision when they are coming home. We are also one of the only stores where the customer can pre-shop, where they can buy and then pick

it up when they leave.

"Motor coaches also do that. They come in on a Thursday afternoon, all the passengers shop for an hour, we hold onto the merchandise, and they come pick it up the next morning when they are crossing the border."

The motor coach business plays an integral part of Niagara Duty Free's business, particularly after the summer months that make up most of the store's business.

"Motor coaches are huge for us. In June, September, and October the bulk of the traffic, the walk-in and the family traffic, is gone. We'll be dead for an hour and then all of a sudden we'll have 300 people in the store because three motor coaches pull up. We also get the Chinese business, which is very different. We get vans that hold 6-16 people that are absolutely phenomenal."

Niagara Duty Free also has a customer unique to its Falls-view location: people walking across the bridge.

"We are one of the few duty free stores with a license that allows us to sell to walkers. That business seems to be increasing. It is a short, beautiful walk. For us, visitors come over, be at the Falls for two hours and still purchase something at our store. They will purchase a product and we will walk with them with the goods to the turnstiles. And once they are on the other side of the turnstile we will hand them the goods. The amount of walkers is growing, but it is non-existent in the winter."

Niagara Duty Free very much has a seasonal business, says Richardson.

"We do good business in a small footprint and in what is usually a short duration of time between June and October. In the winter our bridge is very quiet. If you came in here in January or February you can roll a bowling ball down the floor of the store and not hit a customer for three or four hours. But in the summer we are busy all day."



## Peace Bridge Duty Free celebrates reopening after major renovation

*Peace Bridge Duty Free held the grand re-opening of its newly renovated duty free store on July 10 with a ribbon-cutting ceremony and celebration attended by dozens of partners and customers.*

*The updated store, which is nearly 18,000 sqf in size, took nearly a year of construction to complete. By working on one half of the store at a time, Peace Bridge Duty Free was able to remain open during the renovation.*

*"The store is our vision of what duty free retail is. We hope people like it and enjoy it as we take it to the next level.*

*From a design and build standpoint we think we have," Peace Bridge Duty Free General Manager Jim Pearce told TMI at the opening.*



*Ferrari, Movado Group, Luxottica and Aer Rianta brought together the Ferrari branded watches and sunglasses for the first time in this high profile activation at Montreal Pierre Elliott Trudeau International Airport tied to the Grand Prix of Canada this summer.*

## ARI-NA combines luxury appeal with engaging customer interactions

Aer Rianta International- North America made traveling through Montreal and Quebec airports much more entertaining this past year. ARI-NA staged some engaging and fun-filled activations at the point of sale to help passengers pass the time before boarding their planes, while enticing them to make a purchase in the

duty free store.

The operator of The Loop Duty Free, ARI-NA has designed its stores in Canada to combine luxury appeal and customer interaction, while it delivers exceptional customer service. Jackie McDonagh, General Manager for ARI North America, speaks about some of the most memorable

stagings with *TMI*.

“This year, with the help of our brand and airport partners, Aer Rianta has developed some of the most captivating traffic stopping activations. One example is our Grand Prix of Canada celebration in Montreal that featured a partnership between Ferrari, Movado Group, Luxottica and Aer Rianta that brought together the Ferrari branded watches and sunglasses for the first time ever in the world. This activation had at its center a Ferrari F1 racing simulator,” she said.

Passengers were invited to live the thrills and excitement of race-day through the Ferrari simulator in the heart of the airport. The activation, which ran from early June through mid-July, was executed in the airport’s largest promotional space, in the main walkway for international passengers. Passengers could “test-drive” a high-octane Scuderia Ferrari driving simulator, and purchases were rewarded with a Scuderia Ferrari cap and a premium fast-track to ride the simulator, jumping the queue of those waiting to “drive.”

“The simulator was one of many interactive elements that we added to our promotional spaces this year,” says McDonagh.

In other special events, ARI-NA had Johnnie Walker himself, or at least his life-sized replica, standing at the entrance of the newly renovated liquor department, ready



*ARI-NA handed out custom-made popsicles infused with the botanicals found in the new Ketel One Botanical vodkas in a sampling held in this lush setting in Montreal.*



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to strike a pose with the many selfie-takers passing by.

In another high profile activation for Dior Sauvage, passengers could have their initials custom stamped into a leather Dior luggage tag.

ARI-NA even handed out custom-made popsicles infused with the same botanicals that are contained in the new Ketel One Botanical vodkas, and sample a taste of the vodka itself within a lush setting of greenery and fruit.

ARI-NA also featured a number of activations that were unique to Montreal Airport, says McDonagh.

“The Armani Montreal Cinema concept had the city name in bright lights, custom-created to Montreal. And for

the spring break period, we partnered with local distillery, Ungava Group, that produces 5 different spirits locally, bringing a professional mixologist into the shop for a month to treat travelers to his original creations. For this event, the Ungava people even drove their Mini Cooper into the store!”

McDonagh says that Canada is enjoying record-breaking air traffic, and this increase in Montreal along with ARI-NA’s traffic stopping initiatives, have helped The Loop see an increase in average spend above last year.

The influx of Asian passengers was another positive development that has continued this year, she says.

“With two daily direct routes to China,

Beijing and Shanghai, along with the direct flight to Tokyo, the Asian routes have had a large impact on our business. These routes are our fastest growing and have some of the highest average transactions in the business – they have made our skincare category one of the most successful in the whole store. We have added many new brands and products to appeal to this customer over the last year, such as Shiseido,” she notes.

But Montreal’s passenger mix goes beyond the Asia passenger, she says.

“Our top destination is still Paris, from which we have seen very good growth in sales over last year. Mexico City as well as Cuba have also been very strong for us lately.”



*In other HPP activations at Montreal Airport, a life-size replica of Johnnie Walker “posed” for selfies before the entrance of ARI’s newly renovated liquor department, while an animation for Dior Sauvage offered customers custom-stamped leather luggage tags.*

# BEYOND *all* BORDERS

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2019

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## Strong & Free thrives in duty free

Canadian streetwear brand Strong & Free Emblem is ready to take its three word affirmation from Saint John, New Brunswick all around the world.

Now available in fifteen duty free locations across Canada, the brand began with no lofty expectations in 2006. It started with a woman pulling maple leaves off a tree and tracing them.

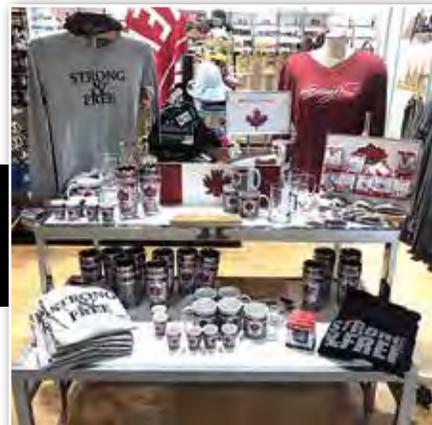
“My partner Denise Dow always wanted to create something that emulates the American eagle in the U.S.,” Patricia Gallagher, Strong & Free VP Marketing tells *TMI*. “We have a maple tree in our backyard. Denise took some leaves off the tree and traced them into this image, which were three maple leaves, and put the banner on it – Strong & Free. It was as simple as that, which is the best part of the whole story. There was no big plan. We were just going to create this plaque and sell it to patriotic Canadians.”

The three words – Strong & Free – which the company trademarked 12 years ago, feature in the Canadian national anthem and are instantly recognizable to Canadians.

“The words that really ring true to most Canadians are ‘The true north strong and free.’ We picked the words strong and free from that sentence as the ones that really resonated with us.”

And the three word affirmation resonated with Canadians at first, and then with tourists purchasing the products as a little bit of Canadiana.

“What happened organically along the way was this clothing brand developed. People started loving the message, loving the affirmation. It has completely evolved



*Strong & Free products are available in 15 duty free locations across Canada including Sault Ste Marie Duty Free (left) and Peace Bridge Duty Free (right).*

into a streetwear collection that is relatable to all humankind. It is no longer just us Canadians. The words Strong & Free relate to people in different ways.”

Dow and Gallagher opened up a shop in their hometown of Saint John, New Brunswick, which serendipitously happened to be located across the street from the cruise terminal.

“We started to sell to tourists of all nationalities. The words meant something to people, really evolving from being just a Canadian emblem.”

Following the brand’s success with cruise tourists, Dow and Gallagher saw duty free as the next logical step for the brand’s growth.

“We started with the Saint John airport and the local land border store in Woodstock. We are now in 15 duty free locations in Canada, including both airport and land border, and continuing to grow. We are in T1 and T3 in Toronto and in YSJ and Hamilton Airport and the rest are land border stores.”

This year will be Strong & Free’s third time attending

the FDFA Convention.

“In our shop and across the border clothing is our best seller, with the hoodies and t-shirts leading the way. We also sell a lot of hats and toques and sell many pins, crests, decals, easy add on items.”

Gallagher says the short term plan for the brand is to be in every Canada duty free store, but she also has loftier goals in mind.

“Our goal is to completely cover the Canadian duty free market, but I also think there is opportunity for international attention. Our products are 99% made in Canada but the message is universal. Because we own the trademark we can produce the product anywhere and put it on anything. We want to take that conversation further and see if there is an opportunity in European markets or in the U.S.”

Gallagher says she never could have imagined twelve years ago where this little brand they created in their backyard would go.

“You take a dream and twelve years later you are doing something that you are totally passionate about. These two middle aged women decided to create this brand and we did it. And we are doing it all from this little small town in New Brunswick.”



*Strong & Free began with the tracing of maple leaves pulled from a tree in Denise Dow and Patricia Gallagher’s backyard.*

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## DFNI Cruise Conference spotlights the potential of the booming channel

The cruise industry is alive and well and flourishing in its original birth place of Miami, as indicated by the response of the travel retail industry to the excellent conference organized by DFNI this June. Nearly 200 attendees gathered at the Marriott Biscayne Bay to experience two days full of relevant information presented by key operators and suppliers from all over the world.

Hosted in partnership with Starboard Cruise Services, the formal conference was preceded by a cruise tour onboard Royal Caribbean's *Allure of the Seas* that Starboard Sr. Vice President Carrie Julier said in her opening remarks, hoped had given those attending a sense of the wonder and magic that guests experience on their cruise ships every day.

Julier detailed how Starboard's "passion for retail" strives to create ground-breaking experiences for the cruise passenger, and how this deeply immersive experience is an opportunity for brands to build deep relationships with guests.

In the keynote on day one, Christian Konrad, President of Latin America and the Caribbean for Bvlgari, outlined the brand's perspective on today's luxury marketplace and the role that travel retail and cruise can play (See full interview with Christian Konrad on page 58).

Luxury is about experience and the goal is for all shops to reflect this with a homogeneous image worldwide, he stressed. International customers have so many touchpoints as they travel, and store environment plays a big role in delivering this cohesive message, wherever it is located, said Konrad.

"Cruise is a very strategic channel and most important for Bvlgari now," he confirms.

The first of its kind Bvlgari Fashion show held onboard the *Costa Venezia*, which created a customized "Italian experience" for guests, was another chance for the brand, working with Starboard and the cruise line, to build a real relationship, he said. A presentation later in the day by Stefano Menegotto, Starboard's VP & GM Cruise Retail, Europe and Bvlgari's Marco Di Santo, Regional Sales Manager – JWA-Cruise Ships & Caribbean, discussed the program in detail.

Konrad's keynote was followed by



*The Trinity at Sea panel featured (from left) Rene Riedi, Dufry's Division CEO Latin America & Cruise; Claudia Heskier-Schoenning, Swarovski VP Travel Retail & Global Accounts; and William Butler, Carnival Cruise Lines Vice President of Retail Services; with DFNI-Frontier Editor Kapila Ireland moderating.*

an excellent panel examining the Trinity at Sea. William Butler, Carnival Cruise Lines Vice President of Retail Services; Rene Riedi, Dufry's Division CEO Latin America & Cruise; and Claudia Heskier-Schoenning, Swarovski VP Travel Retail & Global Accounts, represented the cruise line, the retailer and the brand respectively, discussing how the trinity can work together to elevate the cruise retail experience.

All three reiterated the importance of intelligence and data. Key take-aways from the panel were Dufry's Riedi discussing the potential his company sees in this relationship-based retail; Heskier-Schoenning stressing the consumer-centric aspect of the channel and the need to share data – "we need patterns not excel sheets," she noted. Butler explained Carnival Cruises' retail strategy of working with five different partners as a way for them to test different concepts.

Nadine Heubel, CEO of Heinemann Americas, spoke of supply-side logistics and gave an excellent overview of the challenges involved with delivering products onboard.

Clara Perez of m1nd-set presented the findings of an exclusive study on consumer trends in the cruise channel. IAADFS President and CEO Michael Payne and Mariana Stengl, JTI's Worldwide Duty Free

Corporate Affairs and Communications Manager, talked about legislation and regulations. Payne brought up his worry that "duty free" as an industry is facing a branding problem.

Creating memories is the key to building brands at sea, and using data to target their messages is part of this strategy, agreed a panel made up of Michael McCarthy, Associate Vice President Onboard Revenue, Celebrity Cruises; Yannick Raynaud, Managing Director, L'Oreal Travel Retail Americas; and Christelle Caron, Key Accounts Director Cruise Lines, Moët Hennessy North America.

"For Celebrity [building memories] is in our DNA," said McCarthy, discussing the importance of data to customize activities. "Cruise lines know more about our passengers, and should be able to target our message better. We know what is working and what isn't."

Ethos Farm Founder & CEO Sally Alington, in "The Crew Journey," rounded out the first day's conference presentations with another excellent discussion on staff training, and how important it is to have staff listen to the customer and turn this feedback into actionable insights.

The 2020 DFNI Cruise Conference is scheduled to take place June 7-9, 2020 in Barcelona, Spain. *Lois Pasternak*

# TRANSFORMING THE CRUISE RETAIL EXPERIENCE

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- ROYAL CARIBBEAN SYMPHONY OF THE SEAS

## Retail Masters of the Sea— how MSC grows its people from within

One on One with Adrian Pittaway, Corporate Head of Retail, MSC Cruises

MSC Cruises — the Swiss-based family-owned and run cruise line, is determined to change the way most cruise lines operate, even down to its retail.

A global player with one of the highest growth rates in the industry, MSC introduced 16 cruise ships over the past 16 years, and plans to more than double its fleet in the next decade. In July, MSC celebrated a major milestone when it welcomed its 20 millionth cruiser on board the Miami-based *MSC Seaside*.

With plans to launch a new vessel each year until 2027, in 2019 the company launched the *MSC Bellissima* in March and the *MSC Grandiosa* is coming in November. MSC will also debut its highly anticipated new island destination, Ocean Cay MSC Marine Reserve, in November.

Adrian Pittaway, MSC Cruises Corporate Head of Retail, in a far-reaching keynote address during the DFNI Cruise Conference held in Miami in June, detailed how the company has been disrupting the prevalent cruise business model, bringing a fresh perspective particularly to how it handles its retail operations.

While in Miami, Pittaway spoke with *TMI* about how MSC's unorthodox approach even drives the company's staff training.

"As a private family-owned, family-run, and family-committed cruise company, MSC is unique to this industry. We are a very young company, only 16 years old, and we are going to grow at a crazy rate



Adrian Pittaway (right) on stage at the Seatrade Cruise Conference in Miami earlier this year.

over the next few years. Between 2017 and 2027 we have 17 new ships coming into our fleet and we will be running the retail by our in-house team," says Pittaway.

To run this in-house retail program, Pittaway says that it is crucial to have the right staff in place.

"Obviously, it is really important for our success to have happy and enthusiastic staff members—no matter where they come from, no matter what their background, no matter what their education. So in 2018 we created a management development program called the Retail Masters of the Sea that was designed so that anybody, no matter what their culture, will have the opportunity to grow.

"If they show the right attitude, the right aptitude, and have a real hunger to

grow, we will absolutely provide them with this opportunity. The first year we put through 30 people. This September, 18 months after we launched the program, we celebrated our 50th graduate."

MSC's Retail Masters of the Sea program has allowed the company to fill as much as 90% of its MSC retail management positions – from shoreside to across the fleet--through internal promotion rather than externally, says Pittaway.

"This is a huge change from how it is done in the rest of the cruise industry, and it is retail specific," he argues. "When we were hiring managers from other companies, we didn't like the inconsistency. It wasn't working for us. We really wanted to encourage and develop our own team. This is all about nurturing and growing our future talent and giving everyone a chance. This is the foundation and cornerstone that has become our model."

Growing so quickly, MSC also needs to make sure that it has a place to encourage and challenge itself.

"The team on my ships are made up of 40 different nationalities, coming from backgrounds as different as slums in Sao Paulo, rural farming communities of Guatemala, and villages in Morocco. Many of them do not have equal opportunities. But they come all with their own stories and their own life journeys, and we need this diverse core of knowledge from them.

"So if we've got in Brazil a ship full



In his keynote address during the DFNI Cruise Conference held in Miami in June, Adrian Pittaway enumerated the ways in which MSC Cruises' in-house retail business model differs from the more traditional concessionaire model, and how MSC is disrupting this approach.



*This September, 18 months after MSC launched its Retail Masters of the Sea management development program, the company celebrated its 50th graduate.*

*“We celebrate these people. We celebrate their success very visually. We love to share. They are really important to us,” says Adrian Pittaway, Corporate Head of Retail, MSC Cruises.*

supporters. But first and foremost is the family and crew around us. My team’s core values, the captain’s core values, my values are all the same. We are really building our team’s professional growth by using the DNA of MSC.

“If a team member says that they want to be a shop manager, they will have to prove themselves and prove what they can do. We give that equal opportunity to every single member of our team, but it is all based on their own attitude.

“Our Retail Masters of the Sea program has been very exciting and very motivating. We celebrate success very visually. We love to share. We celebrate these people. They are really important to us.

“My retail team is going to grow from 800 colleagues to over 2000 colleagues in a very short period of time. So the capabilities and skills I need from my team are absolutely linked to what we are trying to do here. We get them in, drive them forward and I don’t have to worry about recruiting a lot of managers. And to be honest, the skills needed as a concessionaire are pretty different from those of an in-house operator. We have more synergies and more technical needs. So, for us, it is better to design and build this skill rather than buy it in.

“Our managers have a direct line to everybody, to every operator, to myself, to all the decision-makers, we know all of them on first name terms. My entire team of shop managers are constantly communicating and sharing best practices. We very much have this family passion running through everything we do, every day. We are all MSC after all, and that is the ultimate difference.”

of Brazilian passengers, we have a manager who speaks Portuguese, or if we are in China we have a Chinese manager who can negotiate and talk with the Chinese passengers. If I’m in Italy I have an Italian manager who can communicate adequately.

“It allows us to develop our team in a much more adaptive environment. Fundamentally it puts the human power at the heart of our business. We may not have as much retail expertise as some of the other concession operators, but we have a lot of energy, hunger, passion, and commitment from our team. And that generates the point of difference.”

### **Planning for the long term**

One thing that MSC has that none of the other concessions has is long term vision, he says.

“I can tell you today that we will be running our shops 10, 20 years from now. This means that I can make a plan that is not restricted by a three year concession contract. I am not in a short term mind set.

“This long term vision allows us to plan more instinctively with the rest of our onboard themes, whether it be hotel or other revenue centers, and to make sure that we are connecting our retail together into something that feels holistic. We want our teams to live and breathe the brand. And as the brands grow, we grow.”

Pittaway points out that the family connection is integral to MSC’s business model. “Remember, MSC is a family company through and through. Everything you see on a MSC ship is run by the MSC team. We don’t outsource any part of our business. We may have partners and

## The Cayman Islands' remodeled Owens Roberts International Airport unveils new retail concepts

The Cayman Islands unveiled its expanded and remodeled new-state-of-the-art Caribbean airport in April, and the airport authority has been opening new food and retail concessions in a phased roll-out since then.

Retail and duty free shopping at the renovated airport will be provided by Kirk Freeport, Last Chance Island Souvenirs, Bodden Freeport, Tortuga Rum Co., Jacques Scott, Island Jewellers and Churchill's Cigars.

The Cayman Islands Airports Authority (CIAA) announced the winning bidders late last year. The locations are primarily located in the expanded departures hall within the new food court and shopping gallery, as part of the Airport's redevelopment and expansion project.

Miami-based Artco Group developed the retail concepts for the new stores opened by the Island Companies Ltd, Tortuga Rum Company Ltd. and Churchill's Cigars.

### Island Jewellers

For Island Companies Ltd, where the Island Jewellers airport store carries a portfolio of luxury products, Artco needed to maximize the space and accommodate multiple international brands as well as local and generic jewelry, watches and high-end sunglasses.

According to Artco Senior Project Manager Alex Portal, the modern, clean design of the new store takes full advantage of the perimeter space as well as the central area with an island dedicated to watches. Sunglasses and watch display units are derived from Island Companies' other branded stores for consistent brand identity, he tells *TMI*.

"We wanted a space to rival international duty free retailers and a design and concept that would see Island Jewellers as the benchmark for retailers across that Caribbean," says Nick Jackson, General Manager of Island Companies. "And we believe Alex has delivered this concept again. It is a collaboration of ideas and concepts, [Artco] understands our clients business needs and has delivered again another internationally recognized location for Island Companies," said Jackson.



*The inspiration behind the new Churchill's Cigar store in Cayman Island's Owen Roberts International Airport was a box of Cohiba cigars, says Artco Group Senior Project Manager Group's Alex Portal, who oversaw the design.*

Island Jewellers airport location is one of six Island Jewellers stores in Grand Cayman. The company is an authorized retailer of world renowned brands such as Ulysse Nardin, John Hardy, Hublot, Hearts On Fire, FOPE, Movado, Tissot as well as a respected retailer for diamonds, tanzanite, sapphire, emeralds, and their exclusive Cayman Collection.

### Churchill's cigars

Churchill's Cigars is another of the Island Company brands. The design of the new airport store is a carry-over from its town store, says Portal. The design in fact was originally created for its airport store during the approval period, but the company decided to make it its signature-brand design and used it in the



*The design of the new Island Jewellers airport store in Cayman makes full use of the shop's perimeter space along with the central area.*



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The Tortuga Rum Company store in Owen Roberts Airport is bright and tropical while the Tortuga Liquor Store is based on a pirate and rum runners theme.

flagship downtown store in Island Plaza.

The concept of the store is a cigar box, which was inspired by Cohiba, one of the most famous cigar brands in the world.

“The store features details such as the natural cedar box, hasp, and even the Cuban certificate, and the atmosphere is cozy and open with full access to the product. Visuals of famous cigar smokers, including Al Pacino in Scarface and Jack Nicholson, and elements of back-lit smoke and Cohiba yellow, tie it all together,” says Portal.

“This store was thoughtfully designed from original concept to completed fit

out by Artco group. Down to the tobacco leather accents on the bespoke cabinetry, Alex continues to be at the forefront of Design and Project Management,” says Nick Jackson.

#### Tortuga Rum Company

Artco designed two stores for the Tortuga Rum Company in the airport.

The Tortuga brand is well-known by the more than 20 million annual Caribbean tourists and cruise ship passengers. Founders Robert Hamaty and his wife Carlene introduced the first rums of the Cayman Islands, primarily to appeal as a

souvenir to the growing tourist and cruise passenger business. In 1987, they opened the first Tortuga duty free liquor store and later that year introduced the now world famous Tortuga Caribbean Rum Cake. Tortuga products are sold in gift and specialty food departments and gourmet stores throughout the Caribbean and North America, in onboard gift shops of nearly 100 cruise ships and shipped to 70 countries around the world.

“For the new airport store, the iconic brand was looking for a fresh start without bearing too far from its roots. The design was tropical in nature with weathered plank wood tones, blues that imitate the beautiful waters of the Cayman Islands, in a new modern design that is clean, open and well lit. The focal point is the tasting area with a huge transparency featuring, the most famous rum cake in the world and the ‘Tortuga Rum’ logo above. This dramatic piece also serves as the entrance visible all the way from the entrance of the security area to the departure lounge,” explains Portal.

“We are very happy on the outcome of the new designs. The stores look lovely and are performing well,” commented Tortuga rum founder Robert Hamaty.

#### Tortuga Liquors

The second Tortuga store is for liquors.

Tortuga Liquors is associated with Tortuga Rum, another tradition of the Cayman Islands.



Jacques Scott photos by Jim Gates at Blue Dot Studios



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“The inspiration for the store was traditional pirates and rum runners of old. We used beautiful wood with glossy black to bring them into the modern era. All the transparencies are portholes to give it a nautical feel from the branding graphics above the shelving units to the exterior giant entrance transparency. The focal point of the store is a special area for Tortuga’s own famous Rum, which is distilled by them in a state-of-the-art distillery conforming to old school principles and rum making tradition,” says Portal.

### Jacques Scott Duty Free

Jacques Scott Group is another retailer that reopened in the newly renovated Owen Roberts International Airport in Grand Cayman. The 1,192 sq ft store, branded “Jacques Scott Duty Free,” is the largest liquor store in the airport and is operated in a Joint Venture with Cayman Distributors Group.

After winning the concession for spirits, wines and tobacco in October 2018, the company opened the new store in late April. The store was designed by Linda Krueger and the fit out was managed by Bryon Lee of Blue Stone, together with local architects Frederick McRae and McAlpine’s (a UK based construction company that operates in Cayman).

“All is well. The Cayman Islands economy is robust and we hope to see good growth. The store looks great,” commented Peter Dutton, managing director of Jacques Scott Group, Ltd.

Jacques Scott operates seven stores in Grand Cayman, including the new airport duty free store. Its main store, Jacques Scott Fine Wines, on Shedden Road, boasts the largest selection of beers, wines and spirits on the island.

The Jacques Scott airport store offers a very large selection of rums.

“In Cayman, rum is king. It’s the Caribbean! The locally distilled rums are very popular with tourists and we carry a huge selection of luxury rums from brands like Appleton Estate, Bacardi and Havana Club. We even have rare rums like Appleton Estate 50 year old that you wouldn’t be able to find anywhere except on the Estate in Jamaica,” says Jacques

Scott Brand Manager Joanna Austin.

Overall, she reports that the store’s bestsellers are Hennessy (VS, Pure White), 7 Fathoms locally-produced rum, Havana Club 7 YO and Havana Club Selección de Maestros, Appleton Signature and Bailey’s.

When fully complete, the airport will include the addition of a children’s play

area, mothers’ nursing station, digital flight information displays, common-use self-service kiosks, 39 check-in counters and nine departure gates. The expansion will almost triple the airport’s size from 77,000 to 208,000 square feet, accommodating 2.5 million passengers per year.



*Rum is king in Grand Cayman and the Jacques Scott Duty Free store in Cayman airport carries a wide selection of locally-made and high-end rums. Photos by Jim Gates at Blue Dot Studios*

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## Grand Duty Free upgrades store in Cayman with more Swiss skincare cabin service

The Grand Duty Free Store, operated by Luxury Group, Inc. in Grand Cayman, continues to upgrade its store and the experience it provides its customers. As the only perfumery on the island to feature a private cabin offering facials, Grand is focusing on offering its clientele ultra high-end professional skin care.

“We just added Swiss skincare brand Cellcosmet, which joins our other Swiss skincare brand Valmont, and both are featured in our cabin service,” says director Raymond Kattoura.

“Cellcosmet is a 100% Swiss-made brand that offers the latest advances in skin revitalization and anti-ageing for women and for men. The line is carried in Saks 5th

Avenue throughout the U.S. and in select Bloomingdales.”

Grand is also the only duty free operator at this time selling Valmont and its Spa is the only one that both Valmont and Cellcosmet have in the duty free channel.

The two Swiss lines are in addition to Grand Duty Free’s current portfolio that includes Estée Lauder, Clinique, Smash Box, Glam Glow, and NYX, among others, as well as a personalized corner for Rituals.

“In terms of business, 2019 has been a dynamic year. Sales have been strong and we are having a great summer season, thanks to our cabin services and the local market,” comments Kattoura.

“We have introduced exciting lines

such as Rituals, Phyto, Filorga and Sol de Janeiro, along with the Cellcosmet for men and women, among others,” he adds.

“This November Grand Duty Free will be opening a Furla shop-in-shop. We are very confident that this great cosmopolitan line will do very well in the Caymans,” he says.



*The 2,300 sq. ft. Grand Duty Free luxury store carries fragrances, cosmetics and other skincare brands, as well as a range of jewelry and watches, many of them exclusive to the shop.*



*Grand Duty Free has added Swiss skincare brand Cellcosmet to its cabin service, where it joins Swiss skincare brand Valmont in the store’s cabin service.*

## Industry rushes to aid Bahamas relief efforts

As *TMI* goes to press, it is a little more than two weeks since Hurricane Dorian devastated the northern Bahamas on Sept. 1. The official death toll currently stands at 50, although officials expect this to rise substantially since 1,300 people are still listed as missing.

Preliminary reports estimated Dorian caused some \$7 billion in damage, although it is likely too early to tell. Reportedly around 15,000 people are still in need of shelter or food, reports NPR, citing the Caribbean Disaster Emergency Management Agency.

Although the Bahamian government is doing its best to coordinate relief and rescue efforts, anecdotal reports credit

private groups with rushing in and providing the most immediate and effective assistance. All the cruise lines rushed aid to the stricken area, as did companies like Bacardi Limited and the Bacardi family, which have a long history of corporate and social responsibility.

Miami-based wines and spirits distributor WEBB Banks – which does much of its business in the Caribbean – along with its distributors and supplier partners, have been behind a major effort. In addition, WEBB Banks is committed to matching all donations made in its name up to a predetermined amount each quarter and will be hosting fundraisers throughout the year.

WEBB Banks partnered with charity

group Third Wave Volunteers, and a combined WEBB Banks and Third Wave team has been on the ground on Grand Bahama since Sept. 5.

As soon as they arrived, the team of volunteers conducted a door-to-door, rapid-needs assessment, offered medical care, psychosocial support and coordinated the distribution of 80,000 pounds of supplies towards the Hurricane Dorian Bahamas relief.

Donations will be needed for a long time to come. If you wish to help, please go to <https://www.crowdrise.com/o/en/campaign/hurricane-dorian-let-there-be-solar-lights> or contact [Drea@webbbanks.com](mailto:Drea@webbbanks.com) to learn more.



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[kattoura@dfng.us](mailto:kattoura@dfng.us)

## Montico makes a Smart move to assist new operators as dozens of new Brazilian border stores may open

Looking for a “Smart” way to get products into the new Brazilian border stores? Well-known Montevideo-based duty free executive Marcelo Montico has established Smart Duty Free, a new distributor targeting companies looking to enter the Brazilian border stores as well as other regional travel retail operators in Latin America.

Smart will target the new border free shops opening in the land borders that Brazil shares with Paraguay, Argentina, Uruguay, Bolivia, Peru, Venezuela, Guyana and Surinam.

Montico says that the market along the border could be changing fundamentally, offering many opportunities.

“The speed with which the Brazilian authorities are authorizing new border stores has been increasing over the last few weeks. As the macroeconomic conditions in Brazil begin to improve, we are convinced we will see a revolution in the border duty free trade in terms of size and its relative importance in the region,” he tells *TMI*.

To date, the town of Uruguaiânia has been the epicenter of activity with five different points of sale now in operation. In addition, Montico reports significant activity in real estate deals and license applications in the towns of Jaguarão, Santana do



Marcelo Montico

Livramento, Barro do Quaraí, Porto Maua, Dionísio Serqueira and Foz do Iguazu.

“Due to the size of the store or the town’s population, some of these new developments will be even more significant than the openings we have seen so far. Industry analysts estimate that approximately 35 stores will be up and running by the end of 2020,” he comments.

### Convenient access to more consumers

Montico explains the criteria behind future openings and the advantages the new shops offer to potentially attract many more shoppers.

“The Brazilian legislation allows 32 Brazilian cities to open stores – the attractiveness of each city depends on its population, the population of the immediate zone of influence and the population



of its sister town on the other side of the border. Differing from the traditional Uruguayan border business, in Brazil, Brazilian residents are permitted to make purchases, and many of the consumers live in or very close to the town where the shops are (or will be) located. To shop in the traditional Uruguayan system, people must travel by car for two, three or more hours to buy duty free goods.”

The type of operator on the Brazilian border will also differ, he says. “We will see some big global players with in-depth knowledge of consumer duty free purchasing behavior who will have critical mass from a logistics point of view; on the other hand we will see many of the stores operated by independent entrepreneurs who may have solid finances but very little knowledge of duty free retailing.”



*The zone of influence surrounding Brazil's border shop locations offer good potential for the new border retailers.*



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Montico believes that these newcomers will have to go through the full learning curve for a gamut of basic activities, ranging from how to attract the consumer into his store, build an efficient logistics chain, discover what brands are in demand, plan the store layout to managing each category and installing the right furniture.

“These retailers will have to learn how to build a store in accordance with the expectations of today’s duty free shopper and offer them a great shopping experience,” Montico stresses.

Montico and his partners realized that these problems are likely to persist for some time, and launched Smart to provide the new entrepreneurs with the right advice and set of tools to allow them to compete on a level playing field with the global operators.

#### Distribution + brand selection

Montico stresses that Smart Duty Free offers more than an efficient distribution service.

“Our objective is to deliver a full-service offering of brands with a significant added value to the new retailers, along with the most efficient logistics service. We will offer brands with the correct commercial conditions and a fair package of trade marketing and promotional support. We will ensure that the retailers, as our true commercial partners, benefit from our many years’ experience in travel retail. We will help them identify the best brands in each category for their location and the people who visit their store; advise them what is the best support program for the brands and devise and execute a plan to ensure the best level of penetration in the store, looking at ways to increase the average sales ticket value and at the end of the day the value of total sales.”

Smart Duty Free is a multi-faceted company, he says. In addition to Smart’s distribution arm, its knowledge of the key travel retail categories and products that Brazilian consumers have traditionally

purchased on border shopping sprees, is a critical service.

“Our main focus initially will be efficient and effective distribution, but we also offer complementary services such as designing and fitting out stores of all sizes. Many of the professionals involved in Smart Duty Free have years of experience in designing, manufacturing and installing furniture for a wide variety of categories in many airport and border stores throughout the Americas,” adds Montico.

#### Logistics & onsite service

Logistics is paramount to Smart’s success, says Montico. The company has established a warehouse structure in Zona America in Montevideo to receive merchandise from overseas, deconsolidate it, repack, reload and send by bonded international transporters to the Brazilian border stores.

Deliveries will initially be every 20 days, but this timeframe will be flexible depending on market demands, says Montico. The company will also have a sales team based in Uruguaiana to service retailer needs.

“This allows us to help the retailer manage the brands we represent on a day to day basis and ensure an efficient sale and reorder cycle. Our true mission is to help the retailer efficiently manage the brands we represent and ensure programs are in place for stock rotation,” he explains.

Smart will also assist suppliers to plan shipments with information on the Latin American duty free market. “We will provide monthly sell-in data by city, POS and SKU. All suppliers will have access to our digital order platform and will be able to track sales, orders and inventories,” says Montico.

Smart Duty Free’s biggest asset is how well it understands business on the border in Brazil and in other parts of the continent, insists Montico.

“We have extensive knowledge of the regional duty free channel, its rotation dynamics and consumer behavior in terms of the critical factors that determine the purchase and we will share this knowledge with our partners. We are confident that they will quickly see the benefits in increased sales and profits,” he says.

Marcelo Montico can be contacted at [marcelo.montico@smart-df.com](mailto:marcelo.montico@smart-df.com).

*John Gallagher*

## Central Free Shop opens on Brazilian border in Uruguaiana

Brazilian businessman Thiago Salman opened his Central Free Shop duty free store to the general public on Sunday Sept. 8. The 200 sqm store is located in the center of Uruguaiana, sister town to Paso

de los Libres in Argentina, and will offer travelers and local residents a selection of duty free merchandise from the traditional travel retail categories.

Salman commented, “After 18 months of planning we are now ready to go. We have trialed all the software in a soft opening and everything is functioning perfectly. This weekend we will have a series of special promotions to celebrate the opening and we are confident our customers will be pleased with the selection of merchandise on offer.

“If the results are in line with our expectations, we hope to announce further expansion in the short term.”





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## Dufry officially opens its first border duty free shop in Brazil

Dufry officially opened its first Brazil duty free border shop on August 22. The store is located in Uruguaiana, one of the most important cities in the South of Brazil, at the border to Argentina.

With a retail space of 850 sqm, the shop offers an assortment of prestige international brands similar to those seen in Dufry's airport shops around the world.

The new Dufry store carries a wide range of renowned brands, such as: MAC, Carolina Herrera, Victoria's Secret, Shiseido, Lindt, Godiva, Johnnie Walker, Chivas, Absolut, Tanqueray, JBL, Lacoste and Desigual, among others. Many of these benefit from ongoing launches of novelties, exclusive products and limited editions.

The new shop also offers two of Dufry's best known customer services: RED by Dufry, the Group's loyalty program, and Reserve & Collect, which allows customers to pre-order their purchases online.

In addition, Dufry says that it creates a memorable shopping experience for customers with a tasting bar and an array of interactive and digital technologies supporting the selection of perfumes and cosmetics.



Dufry says that it is very pleased to have opened its first border duty free shop in Brazil, following the final approval of the new regulation by the local customs authority.

"The border duty free business already exists in other countries in South America, and it is very popular amongst Brazilian customers, who cross the borders for that purpose [to shop]. With the new regulation, there will be a total of 32 Brazilian twin-cities with the right to operate duty free border shops and Dufry intends to expand this business in

all of these cities," said the company in its official announcement.

Rene Riedi, Divisional CEO Central and South America for Dufry, commented:

"I am thrilled with our debut in the duty free border shop business in Brazil. The completion of the regulations has been long-awaited and we are now focusing on exploring this completely new channel for Dufry in Brazil.

"We are looking forward to offering customers the same World Class shopping experience they can find in our shops worldwide," he concluded.



*Dufry's first border store, located in the Brazilian town of Uruguaiana, carries a wide assortment of renowned brands, ranging from fashion names such as Michael Kors, Lacoste and Desigual, to a full selection of spirits including Johnnie Walker, Chivas, Absolut and Tanqueray.*

# JIMMY CHOO

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*Rendering of the new 45,000 sqm terminal at Buenos Aires Ezeiza Airport, which will change the face of commercial aviation in Argentina.*

## Ezeiza's "friendly" new terminal to open at the end of September

***Aerpuertos Argentinos 2000 (AA2000) will inaugurate its new unified passenger departures terminal at Buenos Aires Ezeiza Airport just as the 2019 Cannes event gets underway. The 45,000 sqm terminal at the country's main international gateway will change the face of commercial aviation in Argentina, and paves the way for Ezeiza to become the most technologically advanced airport in Latin America. John Gallagher talks to Ezeiza CEO Daniel Ketchibachian about the innovations and future development plans.***

Ezeiza International Airport's new departures terminal will be the most modern and passenger friendly in Latin America, says Ezeiza CEO Daniel Ketchibachian.

"The project is the most important infrastructure project carried out by AA2000 since the company was created in 1998. The total investment will be over US\$200 million, and has taken 24 months, but as we put the finishing touches to the terminal, all of us here at AA2000 think it has been worth the effort. We are confident that our airport users will feel the same way."

Ketchibachian lists a range of new services designed to improve the traveler experience at Ezeiza: from the latest self-check in facilities to curbside baggage drop off, new baggage and automatic baggage retrieval facilities, new parking areas including a 4-story parking building

connected by tunnel to the terminal, special areas for long term stays, a cell phone lot for people picking up passengers, and modern security checks to speed up the security lines.

"We will incorporate the latest technology in all these services that will make the travelers life a little less stressful. But it is inside the terminal that the passenger will find most impressive."

Argentine President Mauricio Macri officially inaugurated the facilities on September 30, and the terminal will begin operations from day one. Airlines will move into the new terminal through a phased operation over a 5-6 month period, starting with Aerolineas Argentinas, says Ketchibachian.

"The rest of the SkyTeam members who currently operate from Terminal C

will move over almost immediately, after the Terminal is officially opened. After that we will bring in other airlines currently operating in Terminal A on a staged basis," he explains.

Once all the SkyTeam members have moved into the new unified passenger terminal, Terminal C will be demolished and work will begin on the new commercial zone of the Terminal, which will be located in the Connector building between the Passenger Terminal and the boarding gates.

More and more services in the new terminal will be located airside, says Ketchibachian.

"Following the inauguration, passengers will check in on the ground floor, then go upstairs to pass through security and border controls – this is the part of the building that resembles a Zeppelin and is

where the new terminal connects at the departures gates within the current terminal A. In this part of the terminal we will have foreign exchange services, a pharmacy, and a 100 sqm Gate 7/24, the new retail fascia controlled by ShopGallery.

“Passengers will see quite a number of changes in the new Terminal although the big commercial revolution at Ezeiza will come when the Connector building is finished at the end of 2021,” he says.

Ezeiza’s Food & Beverage scene has also undergone substantial development, with the addition of new restaurants from Le Pain Quotidien, Fausto’s Wine Bar and a renovated McDonald’s. The area adjacent to the departure gates will have a Quilmes Sports bar and la Birreria, a craft beer bar with a new Burger King and Starbucks scheduled to open.

Most surprising, Ezeiza will see the opening of the first Outback Restaurant in Argentina.

“It may seem strange for us to choose to open an Australian themed [steakhouse] dining option in Ezeiza but we feel it will be a hit with Brazilian travelers who are the biggest international users of the airport. Outback has almost 100 restaurants in Brazil and over 30% of its total turnover comes from there. At 500 sqm, Outback will be the biggest restaurant in the airport; plus, we will have another smaller version with a reduced menu located closer to the departure gates.”

Duty free, which is run by Dufry, remains central to the retail offer at Ezeiza, stresses Ketchibachian.

“Dufry completed the renovation of their Flagship Store 22 in March, and the New Generation store now features the same style as the company’s other big airports in Latin America. The new Thinking Argentina section offers a selection of local products to give it an Argentine flavor. The new Terminal building will have an additional 1200 sqm duty free shop to take advantage of some of the new passenger flows. There will be even bigger developments when the Connector building is completed but it is a little early to give exact details at the moment.”

Despite all the new changes at Ezeiza, travelers need not worry about getting lost if they use the new Ezeiza app, concludes Ketchibachian. “Passengers will be able to plan their route to their gate via a new

airport application for cell phones that will advise them how long it will take to get to their gates and the best route to get there. Passengers can also elect to look at shopping and dining options on the way there.”



*The “Zeppelin-like” area in AA2000’s new unified departures terminal at Buenos Aires Ezeiza Airport that connects to the departure gates within current Terminal A.*



*The modern new terminal at Ezeiza will incorporate the latest technology in a wide range of services designed to improve the travel experience.*

## Monalisa extends its luxury shopping experience in Asuncion

Since beginning its activities in Ciudad del Este, Paraguay in 1972, Monalisa has continued to develop its reputation as one of the most advanced and luxurious shopping operators in all of South America. Its latest endeavor, the beautiful 3,500 sq meter Monalisa store inside the Paseo La Galería shopping center in the capital of Asunción, continues the tradition in full Monalisa style, offering shoppers an exceptional retail experience.

A key element of Monalisa's industry-leading reputation stems from the wide variety of world-class brands and product categories that it offers shoppers, presented within a very special environment.

The Cave Monalisa, for example, offers an exclusive selection of the best wines and champagnes from the different regions of the world – including French, Spanish, Italian, South African, Hungarian varieties -- within a specially designed area of warm wood and brick.

Monalisa's Galería de Arte offers one of the largest and richest collections of paintings, furniture, sculptures, carpets, utensils and other objects imported from

Europe, in space designed like a museum.

The variety of world renowned products available in the store are at the heart of the Monalisa shopping experience.

Among the Perfumery and Cosmetic departments, Monalisa offers new and classic selections from the most recognizable brands, including Lancôme, Giorgio Armani, Versace, Bond No.9, Estée Lauder, Gucci, Kenzo, L'Oréal, MAC, L'Occitane, Victoria's Secret, Bath & Body Works, Clinique, Versace, Moschino, Mavala, Pupa Milano, among many others.

Its Jewelry and Watch department also presents top brands, including Bvlgari, Cartier, Chopard, Michael Kors, Montblanc, TAG Heuer, Swarovski, among others.

Monalisa's Fashion merchandise ranges from casual clothing to boutique

brands, and caters to all tastes and styles, says the company. Among the well-known fashion brands, shoppers will find Lacoste, Polo Ralph Lauren, Dudalina, Tommy Hilfiger, Calvin Klein, Armani, Le Lis Blanc, Michael Kors, Bobo, among others.

Monalisa's exceptional ambiance extends even to its Coffee Shop, where the relaxed atmosphere is enhanced with music from piano music or saxophonist. Monalisa Coffee offers a wide variety of burgers, vegetarian-selections and sandwiches along with coffee. And the Bistrot Monalisa is a gourmet kitchen proving very popular with the Monalisa shopper, says the company.

See more at [www.monalisa.com.py](http://www.monalisa.com.py).



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## More woe for Argentina as uncertain policies beckon; a subdued forecast for Brazil dampens expectations

Just when Latin America seemed to be entering a period of relative economic tranquility, the results of Argentina's primary elections in August, prior to October's presidential elections, drastically changed the view of the economic future.

Alberto Fernandez was expected to win, but his 15 point margin over incumbent president Macri was a major shock. A Fernandez victory in October now looks assured, and ushers in a period of economic uncertainty. On the Monday following the August election the US Dollar slumped from 44 / 45 Pesos to the Dollar, initially to a band between 63 / 65 but then settled at around 57 / 58. This new value is reportedly supported by government intervention in the FX markets and interest rates on government bonds of around 70%. Inflation, which had been falling, is again in an upward spiral with estimates of around 55% for the end of the year.

Market analysts forecast that the dollar will be around 66 / 67 at year end and nearly 88 / 90 at the end of 2020. These factors are not positive for the travel retail business. Exchange rate uncertainty and high inflation make travelers stay home and if they do travel, their shopping is minimal. The outlook for travel retail remains bleak, at least in the short term.

GDP growth now looks like it will end the year at -2.8%, quite a decline from the -1.3% recorded in the first half of the year. Negative growth is expected to continue for 2020, but with positive growth returning in 2021.

Until now Fernandez has been very reticent to reveal the true nature of his policies, so his victory would bring a period of uncertainty. The future of commercial aviation, which has expanded under the Macri administration, is also uncertain. Macri encouraged the rise of low cost airlines,

which boosted passengers traveling on domestic flights, and supported AA2000's renovation of the country's airport infrastructure. Will Fernandez continue to support open skies and the low cost model? No one is sure of the answer and we may not know until he takes office in December, should he win in October.

### Subdued growth in Brazil

Brazil continues to be the motor driving all of South America and its economic recovery would benefit the whole region, especially Argentina.

But GDP growth remains subdued with the consensus forecast around 1.0% for this year, rising to 2.2% in 2020. The Bolsonaro government is confident that it will be able to push through its pension reform legislation before the end of the year and this combined with other planned tax reforms may allow the government to stimulate the economy to further growth. Inflation remains around 4.0% annually and is expected to stay close to this level through next year.

Although the Brazilian Real has suffered like most Latin American currencies as a result of the uncertain global outlook and the U.S.-China trade skirmishes, it continues to float in a band around 4.00 / 4.05. Most analysts estimate a rate of 3.85 / 3.90 for the year end with no major changes forecast for 2020.

As in Argentina, the outlook for travel retail remains uncertain. According to ANAC, the Brazilian Civil Aviation Authority, international demand increased by 3% in the first half of the year, although domestic traffic only rose by 1.5%, as Avianca do Brasil ceased operations. Traffic at Sao Paulo Guarulhos was especially strong but Rio de Janeiro Galeão has still to show stable recovery, a trend that is expected to last through the second half of the year.

Brazil's first land border duty free stores opened in Uruguaiana and Jaguarão, and more stores are likely to open in Santana do Livramento and Foz de Iguacu in the next few months. The novelty will likely encourage people to visit the land borders to shop but the industry is hesitant to estimate growth figures for the short term.

*John Gallagher*



### ShopGallery rolls out Gate 7/24 Travel Market concept to Iguazu airport

Argentine duty-paid travel retailer ShopGallery opened a new Gate 7/24 Travel Market convenience store in Iguazu International Airport in the north of Argentina at the end of August.

The 70 sqm store is located adjacent to the check-in area at the growing airport which is currently in the midst of a major renovation project.

This is ShopGallery's third Gate7/24

Travel Market store. Earlier this year, the company opened Gate 7/24 stores at Bariloche and Cordoba and is expected to open additional stores at Buenos Aires Ezeiza, Salta and Mendoza before the end of the year.

The operator also opened a new 250 sqm ShopGallery store in Iguazu airport at the beginning of August.

*JG*



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## Lancôme launches new feminine fragrance Idôle

Lancôme has dedicated its new feminine fragrance Idôle to “every woman who seizes her life with decisiveness and power, who stays on the path of optimism and confidence, who refuses to compromise and always stays true to herself.” Françoise Lehmann, Lancôme Global Brand President, said it is created for a new generation of women.

American actress, singer, and fashion authority Zendaya Coleman is the face of the new fragrance. The former Disney Channel-star was announced as a Lancôme ambassador last March.

Idôle, a new type of musky chypre floral fragrance, was created by three female perfumers: Shyamala Maisondieu, Adriana Medina and Nadège Le Garlantezec.

The juice features a sustainably sourced Isparta Rose Petal Essence from Turkey, which is exclusively made for Lancôme, as well as a Centifolia Rose grown in France, along with notes of bergamot, accords of pear, India Jasmine

Grandiflorum. It also contains a new “clean and glow” accord, says the company.

The Idôle bottle was designed by architect and industrial designer Chafik Gasmi, using technical advances that allow it to be just 15mm thick, one of the slimmest in the world.

“Idôle is a strategic launch for Lancôme and we are delighted to present it with Zendaya to the world,” commented Lehmann.

The campaign for the new fragrance, shot by Manu Cossu, was revealed in September. Telling the story of a woman riding on a magnificent horse, the company says that the film is a metaphor for the intimate journey towards the future that every woman lives. Taking masterful control of the horse, just as she does with her destiny, empowered by Sia’s invigorating track “Unstoppable,” the film ends with Zendaya standing on the hills of L.A. with the fragrance held up high looking at the sea of glinting lights.

According to *Women’s Wear Daily*, the



plan is to turn Idôle into another pillar for Lancôme.

Idôle is oncounter now, available in several refillable formats (25 ml, 50 ml and 75 ml), select points of sale will offer an Idôle perfume fountain – “La Recharge”.

## Gucci Mémoire d’une Odeur invokes memory with its new genderless fragrance

Gucci has introduced Gucci Mémoire d’une Odeur, a new genderless fragrance that Gucci designer Alessandro Michele says was inspired by memory.

Calling Gucci Mémoire d’une Odeur, “a perfume unassigned with a gender or a time,” Gucci says it establishes a new olfactive family, Mineral Aromatic, blended by master perfumer Alberto Morillas.

The new accord is described as airy, musky, transparent and authentic, with notes of aromatic Roman chamomile, a heart of Coral Jasmine, and drydown of musk, cedarwood and sandalwood.

The grooved bottle in heavy transparent light green glass was inspired



by a vintage Gucci fragrance bottle. The green box is decorated with a star-like design recalling paintings of Roman and

gothic churches of the Middle Ages and Renaissance in Europe. The particular pattern on the box recalls Giotto’s frescoes in the Scrovegni Chapel in Padova.

The campaign depicts a gathering of a free-spirited family, who embrace life by living freely and making memories together, shot in diverse settings on the outskirts of Rome.

It is directed by Glen Luchford, under the artistic direction of Christopher Simmonds. Singer, songwriter and actor Harry Styles leads the cast of the family.

Gucci Mémoire d’une Odeur is oncounter now in travel retail.

## YSL Libre pays tribute to concept of freedom

Yves Saint Laurent Beauty has launched Libre, a new feminine fragrance translating the French word free, and is a tribute to one of YSL's most defining values.

A grand floral Eau de Parfum, Libre follows the trail-blazing heritage of YSL perfumes beginning with Rive Gauche in 1971, Opium in 1977 and Paris in 1983.

The new Libre is described as a gender-bending take on the classic men's fougère, making it more feminine with lavender, orange blossom, vanilla and amber, inspired by the designer's gender-bending feminization of the classic tuxedo.

The bottle by Suzanne Dalton features the iconic Y-S-L entwined initials in metal surrounding a clear glass flask.

The campaign stars singer-songwriter Dua Lipa whose edgy signature style embodies the YSL woman, says the company. The film and print campaign were shot by Nabil Elderkin.

Libre is available in Travel Retail Europe Middle East India & Africa and Americas. It will be rolled out to Asia Pacific from November 1.

The new fragrance will be highlighted in travel retail through upcoming major events.



## Jean Paul Gaultier creates his own garden with Le Beau and La Belle fragrances

Puig has added two new flankers to Jean Paul Gaultier's fragrance range.

Le Beau and La Belle, inspired by Adam and Eve in the Garden of Eden, are available now in Travel Retail Europe, Americas and Asia Pacific.

La Belle, an oriental vanilla, features vetiver and pear, while Le Beau's key fragrance notes include tonka bean, bergamot and coconut wood. The bottle is red dipped in pink with a gold rose

necklace feature, with an outer packaging in a soft green with gold lettering.

Le Beau's green flacon is shaped like a naked male torso and features a strategically placed vine leaf. The bottle is presented in an emerald green box with gold lettering.

Both Le Beau and La Belle were created by Quentin Bisch and Sonia Constant.



## Molton Brown creates travel retail exclusive offer to promote new fragrance collection

Molton Brown is rolling out a travel retail exclusive offer to celebrate the launch of its new Eaux de Parfum and Eaux de Toilette Collection.

With this launch, Molton Brown now has 27 fragrances, underlining its credentials as a fragrance expert, says the company.

The new collection debuted in Global Travel Retail, online and in standalone stores on August 28, and will be promoted in the travel retail and duty free market using bespoke marbled ribbons created by

artist Lucy McGrath.

The ribbon harks back to the brand's heritage in London in the 1970s, with the marbling recalling the company's first store in South Molton Street.

TR shoppers can personalize their gifts with a choice of grosgrain ribbon in three different designs. This offer has also been tailored to Asian travelers through a marbled grosgrain ribbon in red and gold to resonate with Chinese travelers during Golden week celebrations, which falls during the campaign.





*Bvlgari is enhancing its luxury image at airports and downtown travel retail environments, as shown in this major pop-up Pasticceria Sweet Shop concept for its Omnia perfumes held at Multiplaza Mall in Panama this summer.*

## Bvlgari rejuvenates its image with new luxury thrust

***When Jean-Christophe Babin was named CEO of Bvlgari in 2013, he had a clear mandate to enhance the reputation of the iconic Italian luxury brand as a leader in jewelry, watches, and accessories. He brought with him 13 years of experience at the head of LVMH's hugely successful TAG Heuer watches and a desire to make Bvlgari into LVMH's key jewelry brand. Lois Pasternak reports.***

Bvlgari's formal relationship with LVMH took off in 2011 when the company signed a strategic alliance with the luxury group. Through the agreement, the Bvlgari family transferred their 50.4% controlling stake in Bvlgari S.p.A. to LVMH, in exchange for 3% of LVMH, which made them the second-biggest family shareholder behind the Arnaults in LVMH. The take-over doubled the size of LVMH's watches and jewelry unit.

"The stock swap with LVMH allowed us to look at the Bvlgari brand strategically, inject much more money and develop it in a way so that we could really pursue enhancing its luxury perception. LVMH chose us as 'The jewelry brand' to develop," explains Christian Konrad, President, Latin America & Caribbean for Bvlgari Corporation of America in Miami.

"As a result of the added attention and investment, Bvlgari has been delivering very good results over the last three years," says Konrad.

"Every time you see an interview from our CEO, he reports that Bvlgari has been gaining market share worldwide. And

the same is true for us in Latin America. Jean-Christophe Babin has injected a lot of new ideas and energy into the company that have certainly rejuvenated the brand," says Konrad.

### **Changes in 2014**

Konrad himself has been with Bvlgari for 23 years. He started in the perfume division in Neuchatel, Switzerland, and in 1999 he joined the Travel Retail division that was then under Paul Cadman, where he handled Travel Retail perfume worldwide until 2007. He has been in Miami in his current role since January of 2014.

"Prior to 2009, Bvlgari's perfume business, being a different channel than the jewelry and watches, was handled separately. In 2009, the company merged the divisions so that we could look after the Bvlgari brand as a whole. From a marketing point it is all one brand. In 2014, we moved both the two groups into this one building," says Konrad.

The Miami office oversees Bvlgari for the Caribbean and Latin America in domestic markets and distributors and all of

Travel Retail Americas for perfume.

There is a dedicated commercial structure for perfume, managed by Charles Bonnel. He has a team of area sales managers and account coordinators looking after the entire perfume business, with Irmaliz Perez handling Travel Retail for North America.

A second commercial division handles Bvlgari's Jewelry, Watches and Accessories (JWA) business. Marco Di Santo is the Senior Regional Sales Manager, Cruise Ships and Caribbean, which the company regards as the Travel Retail business. Travel Retail for JWA in North America is handled out of New York.

With the two divisions merged, and both groups consolidated under one roof, Bvlgari was ready to take off in the Americas, says Konrad.

"When Jean-Christophe came in as the CEO he really accelerated the growth tremendously. From a product point of view, from our marketing, from the way we communicate, we went about rejuvenating the brand. We added brand ambassadors and friends of the brand like Bella Hadid and increased our



*The spectacular Bvlgari Fashion Show created with Starboard Cruise Services onboard the new Costa Venezia created an exceptional brand experience and further established the jeweler's luxury credentials.*

use of social media significantly.”

Konrad says that this new marketing and communications strategy resulted in Bvlgari connecting with a younger generation, in addition to its more traditional consumer.

“And millennials are buying a lot of luxury, especially perfume and accessories. Accessories have become a very important category for Bvlgari,” he says.

### Travel Retail

Nowhere has Bvlgari's efforts at enhancing its image been more visible than in travel retail, where the brand is concentrating on creating an unforgettable luxury experience.

In the cruise channel, Bvlgari worked with Starboard Cruise Services and Costa Cruises to create a spectacular branded boutique onboard the *Costa Venezia*, the new 5,100-passenger ship dedicated exclusively to Chinese travelers, which set sail in March. Bvlgari further established its luxury credentials and ability to create an exceptional brand experience by collaborating with Starboard and Costa to present the first production of its kind at sea: a glamorous Bvlgari Jewelry Fashion Show that highlighted a dazzling display of Bvlgari jewelry within an evening dedicated to “la dolce vita.”

The biggest “recurring” event for Bvlgari, the production was a full entertain-

ment experience with dancers, choreography, singers, musicians, magician, and burlesque elements to express different elements of the Bvlgari DNA.

“Over the last couple of years the cruise ship business has become huge for us, and we have introduced a range of activations. We have special dinners for VIP customers, photo opportunities in our onboard boutique, and workshops with gemologists.

“We presented a five year strategic plan to our CEO about two years ago, targeting the largest and most modern ships, where we have a Bvlgari boutique. It is all about the experience on the ships,” says Konrad.

“Management is very pleased with our results, which surpassed our expectations. Miami is our headquarters and our competence center for the cruise business. From here we manage the assortment on the ships that are in Asia, the Mediterranean, and the Caribbean. We make sure that the assortment is based on the passenger mix –the location, the itinerary and who is sailing. This is super important.”

### Bvlgari Perfumes

Bvlgari fragrances are also performing very well in the cruise channel, reports Irmalíz Perez, Bvlgari's Area Sales Manager for North America Travel Retail.

“Bvlgari is very focused on premium-

izing and elevating the brand, and cruise is a key element in the North American travel retail business. We are going to continue to partner with the cruise line brands and make them a priority because they are a place for us to generate awareness and engagement for consumers to try our brand, globally.”

Bvlgari is also enhancing its luxury image in the airport and downtown travel retail environment, where perfumes play a key role.

“We are more premium in our travel retail strategy for perfumes, offering more service and quality and are reinforcing control over our distribution more than was done in the past,” says Charles Bonnel, Perfume Sales Director – Latam, Caribbean and Travel Retail. “We are going to rejuvenate the brand and elevate it especially on the perfume side. We have some very exciting new launches to show in Cannes, and will unveil a new perfume line that will enable the consumer to individualize her perfume at the point of sale.”

One very successful activation that took place throughout the region this summer was a Pasticceria-concept that reflected an Italian pastry shop for Bvlgari Omnia that was flexible enough to go from a small execution to a major pop-up animation.

“In Panama and Mexico City we took over the full space and it was a real Bvlgari execution. Ultra Femme is another great partner for us. And at the airport you can do this very nicely,” says Bonnel.

“We also have good presence with Dufry and DFA, and International Shoppes at JFK Terminal 1 was the first outpost for Le Gemme in North America Travel Retail.”

“Something very important to remember for Bvlgari's fragrances business is that the market may be down but there is still a place for luxury with the right products and the beautiful quality and service that goes with it. There is a customer who is willing to pay more for that. And this is what we do. We invest in training, and beauty advisors and we really see them go out there and sell the way it should be done. With this support, we are doing better than the trend,” he concludes.

## Luxury concepts propel Shiseido Group to outperform the markets in the Americas

Beauty company Shiseido, which counts several high-end luxury brands within its fragrance and cosmetics portfolio, reports results that are well above market trends, particularly in the travel retail Americas channel.

The Miami-based division of the giant Japanese company, which recently moved into its stunning new office space in the heart of Miami's Brickell Avenue, delivered enviable business growth in 2018, reports Vincent Baland, General Manager of Travel Retail Americas & Local Markets Latin America, Shiseido Travel Retail.

"According to the Generation figures, Shiseido's group sales in travel retail Americas grew +5% versus 2017 on a market that was down -2% in the Americas. On top of that, we grew our market share to 6.2% and we were one of the fastest growing groups within the top 8 companies in the Americas," Baland tells *TMI*.

Baland credits the Dolce&Gabbana brand for driving the Shiseido business. The brand grew +11% in Travel Retail Americas in 2018, while the market was down -5% for the fragrance category.

"The brand also gained three ranks compared to 2017," he added.

The company's Cosmetics business was exceptionally positive. Not only did the namesake SHISEIDO brand grow by +4%, but Clé de Peau Beauté, Shiseido's luxury skincare that combines "Japan's cutting-edge science and aesthetics with modern French elegance," grew 39% com-



*Vincent Baland, General Manager  
Travel Retail Americas & Local Markets  
Latin America*

pared to the cosmetics market that grew 4% in the Americas.

"This is almost 10 times the growth of the market and it was organic growth—there were no new openings. We also gained three rankings in the Americas compared to 2017," confirmed Baland.

"We foresee the growth of our company in the Americas definitely through our cosmetics brands, more than from fragrances (the fragrance market was negative in 2018). I anticipate a tense market in the year to come for fragrances, whereas we see a real opportunity for growth in cosmetics," he says.

Admittedly, results have slowed somewhat in 2019—in the first quarter of 2019, Generation reported the beauty market in the Americas travel retail was -3%, while

Shiseido's results were close to flat, said Baland.

"LATAM is very challenging and it has impacted our business, especially in fragrances. The cosmetics business grew stronger because we are more exposed to North America and the Chinese traveler, which benefited our brands that have great awareness in Asia."

### Top selling brand in Brazil

The SHISEIDO brand has been strong for many years in Brazil, where it is also a top 5 brand in the local market.

When asked if the performance of Shiseido has to do with the fact that Sao Paulo has a significant Japanese population, Antonio Andrade, Marketing Director for the Americas Travel Retail, answered:

"The attraction of SHISEIDO goes beyond the fact that it has Japanese origins, and that Sao Paulo has a high proportion of Japanese descendants. The wider appeal has a lot to do with the quality of the products, the science behind those products and their textures," commented Andrade. "SHISEIDO is also #1 in sun care in Brazil. Both the protection products and the sun compacts sell well. So the appeal goes well beyond the Japanese customers."

In addition to SHISEIDO, the Group's makeup brands are also growing in the local market in Brazil, says Baland.

"Our subsidiary is doing an amazing job, especially with NARS and Laura Mercier makeup. We are exclusive to Sephora



*SHISEIDO celebrated the launch of four new makeup formulations in a beautiful animation in São Paulo's Guarulhos International Airport last April to coincide with the launch in Brazil's domestic market. The animation encouraged customers to experience the sensorial textures through playful makeup bars and one-on-one consultations with SHISEIDO makeup artists.*

in Brazil and to date, NARS is the second most popular color brand, with Laura Mercier just entering the top 10 rankings,” says Baland.

“This is very promising for us because it opens the door to travel retail, and to other markets in LATAM. These two brands are also present in the Mexico local market, and we are in discussions with some travel retail operators in the region,” he confirms.

In travel retail, NARS will be opening at Los Angeles International Airport with DFS by the end of this year (SHISEIDO, Dolce&Gabbana, and Clé de Peau Beauté are already available at LAX).

“We will also open NARS and Laura Mercier with DFS in Hawaii. NARS, especially, is a very hot brand and we are in discussions to launch it in other airports. We see amazing potential for the makeup segment in Americas travel retail,” says Baland.

### The Luxury Factor

Baland reiterates that Shiseido sees the future of the business in travel retail Americas through the eye of cosmetics, given that the category is still under-developed in the region. In addition, he sees growth coming from the company’s most luxurious brands.

“As of now, fragrances weigh heavily in the Americas travel retail, but in terms of growth and dynamic, when you look at the figures of 2018, you see very interesting growth coming from skincare. For us, we are well positioned to profit from it with our brands SHISEIDO and Clé de Peau Beauté. We have even more potential in makeup with NARS and Laura Mercier since our presence in this segment is still under-developed today. ... Our growth in the coming years should be driven by these brands, reinforcing our presence in the luxury segment.



*NARS, known for its iconic, bold makeup, is relaunching its Original 12 Lipstick Collection in fresh, red packaging in Cannes.*



*Shiseido Americas Travel Retail division-- made up of staff representing 20 different nationalities -- recently moved into stunning new office space in Miami.*

“When we meet with retailers, of course we speak about fragrances. It is a big part of our business. But retailers, especially in North America, are paying more and more attention to cosmetics. They are really interested in our plan of expansion for all of our cosmetics brands in North America.”

### Quality + experience = luxury

“To me, luxury is an encompassing experience. We are targeting consumers that appreciate the high quality of our products, in all its aspects, from the packaging, to the quality of textures and the effectiveness of formula. But even further, it is the quality of the experience that consumers or travelers encounter when they visit our counters in the airports of North America that really defines luxury to me. And this is what people experience when they try one of our products,” says Baland.

Shiseido has the added appeal of being the top tier of Japanese beauty.

“We have this strength at Shiseido to be a leading group in Asia, so all Asians traveling to North America from China, Korea or other Asian countries, know and appreciate our brands. In addition, we have the aspirational concept of the brand, which is more subjective and goes beyond the product itself. Shiseido personifies Japanese Beauty, the quality and the experience go hand-in-hand, bringing together beauty aesthetics, innovation and tradition.”

This idea of authenticity as being integral to luxury is particularly attractive to millennials, he says. As a result, the company is seeing Chinese millennials buying Clé de Peau Beauté; but also NARS, which is such a trendy and aspirational makeup

artist brand that is very appealing to millennials.

### Adding fashion power house Tory Burch

Do not be surprised to see the Tory Burch brand added to this luxury line-up. In August, Shiseido and American lifestyle brand Tory Burch announced a long-term beauty license.

“Tory Burch is indisputably a fashion power, a \$1 billion fashion house with an extensive global footprint. We think it offers great potential in travel retail. We are still exploring how we can best leverage this brand in the channel but for sure we are very excited about all the possibilities that the brand has, especially in the Americas. The biggest market for Tory Burch is the North American market,” says Baland.

Meanwhile, looking ahead at the challenging macro-economic environment throughout the Americas, especially in Mexico, Brazil and Argentina, Baland says that his group will have to make good choices in terms of brand management and investments.

“We need to keep investing behind our pillars, to make sure that we keep growing our market share. We did this last year and we very much plan to continue that this year. We have this wide portfolio of brands, and with the market changing for fragrances, it is the perfect moment for us to keep investing behind our pillars and surprising our customers and recruiting new ones with true innovative projects, like K by Dolce&Gabbana, a new masculine fragrance that we are launching this September. And as said before, we will also focus on seeking new growth opportunities with our cosmetic brands.”

## Givenchy embraces its Born Couture heritage as the guiding principle for its beauty story

Following the very successful launch and rollout of last year's star fragrance Givenchy L'Interdit EDP, which the company says enjoyed an "impeccable execution" in terms of aligning with the couture, the LVMH brand is now extending its momentum with two major product introductions.

This September, Givenchy launches L'Interdit EDT, the continuation to last year's fragrance success, L'interdit EDP. Givenchy is also relaunching its iconic Le Rouge lipstick, extending the range to include a velvet matte, Le Rouge Deep Velvet, and a sparkling sheer, Le Rouge Night Noir

Both launches reflect the couture legacy behind the DNA and guiding principal of the brand, says Edouard Mariotti, Director Travel Retail Americas at LVMH Perfumes & Cosmetics in Miami.

"Born Couture' is our story to share. This is the story that sets us aside from our competitors and highlights our uniqueness, because Givenchy has something that only a handful of beauty brands can bring—being that it is a true couture brand," says Mariotti.

"This story is our guiding principal at the point of sale, in training our staff, in the creation of our products and in the execution of our launches.

"Central to our 'Born Couture' strategy, our biggest story teller, who launched the brand, is of course, Hubert de Givenchy. He is the original writer of this novel. Now the story is continuing to be told by Clare Waight Keller, the current artistic director (who designed Meghan Markle's wedding dress among other masterpieces). She is doing an unbelievable job of reinterpreting and keeping the essence of Hubert de Givenchy's original ideas and designs, which really embraced that natural femininity of a woman. At the same time, Clare Waight Keller is bringing a little bit of newness to the beautiful designs that we had before," says Mariotti.

Enhanced by this exceptional legacy—Hubert de Givenchy was born an aristocrat and originally began by creating designs for royal gatherings – Givenchy is



incorporating its authentic story to elevate the image of the beauty brand.

Givenchy is focused on bringing the couture codes into beauty, as it did first with the L'Interdit EDP last year. The brand is now extending these codes into lips and skin, says Mariotti.

The Givenchy L'Interdit EDT delivers the softer side of the flowers in last year's EDP, with poppy, white flowers, and a warm dry down. In the campaign, Rooney Mara continues the story begun in the launch of the EDP, where she escapes into a mysterious room in the Paris metro. In the EDT campaign, she exits the metro into a sunny day with a smirk that leaves us all wondering.

Givenchy says that the launch in Travel Retail Americas will follow the same strategy as last year's major launch for the L'Interdit EDP, with similar animations at the point of sale, trainings and investment, as the company looks on this as the ideal way to recruit new consumers.

Daniella Caballero, Senior Marketing Manager of Givenchy P&C confirms: "There will also be a thrilling relaunch for Givenchy's iconic Le Rouge lipsticks. Le Rouge Deep Velvet, a powdery matte texture beautifully encased within a unique red velvet case, will be one of the additions to this iconic range. This extension will also include Givenchy's Le Rouge Night Noir, a sparkling sheer-finish lipstick presented in an eye catching glittery case that will certainly stop traffic. The classic Le Rouge, known by all for its intense

pigmentation, long duration, and genuine black leather case, will introduce seven new shades."

Givenchy will be creating more cross animations between makeup and fragrances, says Caballero. "It makes sense for us to be creating cohesive storytelling in everything we are presenting to the customer. Wherever we have makeup, we will be presenting the ideal fragrance to complete the story," she explains.

Givenchy has been very selectively expanding its makeup doors in TR Americas, and the makeup is currently listed with Dufry in the airports in Sao Paulo and Rio de Janeiro in Brazil, Ezeiza in Buenos Aires, Lima, Peru and Santiago, Chile, and in Toronto, Canada; with Motta in Colombia; with DFS in San Francisco and Hawaii; and with DFA in Miami.

"We will be opening our flagship for Givenchy makeup at LAX at the end of this year. Although we are dominant in fragrance, makeup is more and more driving our growth in the region, especially in North America which is booming with Asian consumers. In China our loose powder is the #1 seller in its category. So we are growing organically in North America and the strategy in our region is to open makeup where it makes sense," says Mariotti.

Note: Givenchy's travel retail business is part of the LVMH Perfumes & Cosmetics division, a new travel retail structure that brings all the LVMH beauty brands together except Dior and Bvlgari. Created in early 2018, the new structure operates under four regional managers. Julien Ottenwaelter is Managing Director for the Americas.

The LVMH beauty brands include the traditional brands of Guerlain, Kenzo, Givenchy and Loewe, plus brands that are new to travel retail distribution, such as Fresh, Benefit and Make Up Forever and launching now in Asia travel retail, Fenty Beauty by Rihanna. Another new brand, The Sephora Collection, has not been confirmed for TR Americas but will be testing starting in Asia at the end of this year.

"This is one of the brands under the new structure that the company is looking to develop," says Mariotti.

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2019

# TRAVEL MARKETS INSIDER

## Travel Retail turns to Luxury to combat regional and global challenges

One clear trend emerged this year as we gathered the news for our Cannes magazine – companies in nearly every product category are enhancing the image – and quality – of their merchandise to appeal to the traveling consumer.

Beset with the fallout from trade wars, impending Brexit, currency failures and political and economic unrest, many top companies in travel retail are finding that creating a very special product and offering it through a very special experience, can tempt consumers to make that purchase.

Bvlgari, for example, is rejuvenating its image with a new luxury thrust from its jewelry to its perfumes, and travel retail has become a very important channel along the way. Montblanc, whose luxury portfolio crosses three product categories, sees travel retail as a key component of its global presence. Beauty brand Shiseido is outperforming the market in its category by focusing on its luxury skincare and makeup concepts, and Givenchy has embraced its unique “Born Couture” heritage as the guiding principal for its flourishing beauty story.

Spirits brands, tapping into the trend for super-premium beverages, have been especially active in enhancing their brand image. William Grant & Sons’ new Glenfiddich Grand Cru is the most luxurious variant the company has produced and will be supported in-store by a ground-breaking sensorial engagement, says the company. Brown-Forman has introduced a duty free exclusive Woodford Reserve in Baccarat crystal that retails for \$1,500, a formerly unheard of price for an



Bvlgari is enhancing its luxury image at airports and downtown travel retail environments, as shown in this major Pasticceria Sweet Shop concept for its Omnia perfumes at UltraFemme in Mexico this summer. See full story on page 58.

American whiskey.

And then we have Edrington, which has just ceased distribution of some very lucrative contracts in order to focus on growing its wholly-owned super-premium brands, led by The Macallan. Edrington is even opening beautiful boutiques for The Macallan in select airports as an important step in its luxury evolution.

New brands are also entering the field. Three generations of France’s Giraud family (which includes Philippe who heads up Miami-based company Actium) are using their heritage as cooper and super-premium new luxury French Malt Whisky (see page 72).

Retailers in all facets of travel retail are supporting the trend towards greater luxury by upgrading stores and installing personalized spaces and engaging pop-ups to a greater degree than

ever before.

“The market may be down but there is still a place for luxury with the right products and the beautiful quality and service that goes with it,” Bvlgari’s Charles Bonnel tells *TMI*, a theme echoed by other suppliers throughout all of our interviews.

Along with the trend to greater luxury, suppliers and operators are fighting the challenging environment with a deep dive into consumer research, analyzing category insights and data-mining shopping behavior as they strive to know their customers, get more shoppers into their stores and increase the size of the basket.

*TMI* discusses all these trends as the industry again gathers in Cannes and next month in Toronto, *Inside Insider*.

Lois Pasternak, Editor/Publisher

### INSIDE INSIDER

#### NEWS

NPD Travel Retail tracks LCC airlines in Americas

#### CANADA

Record arrivals, FDFA: Niagara Duty Free; Peace Bridge DF; ARI-NA; Strong & Free



Queenston Lewiston Duty Free renovations pave way for more spirits

#### CRUISE & CARIBBEAN

DFNI Conference, MSC, Cayman Islands’ airport renovation; Island Jewellers, Churchill’s Cigars, Tortuga Rum, Jacques Scott DF; Grand DF upgrades; Bahamas relief

#### LATAM

Brazilian border, Ezeiza, Monalisa



Glenfiddich Grand Cru



Alfred Giraud luxury French Malt Whisky

Plus Products-People-Places  
The Insider View

The most comprehensive coverage on the duty free and travel retail markets in the Americas for the last 20 years.

But you already know this because you are on page 63.

## Kendall Jenner beauty debuts in travel retail – IBBI named as agent for Americas TR

California-based Formawell Beauty is bringing the star power of mega super-model Kendall Jenner to travel retail with the launch of a line of professional grade haircare tools created in collaboration with the renowned beauty.

The brand is launching globally in Cannes and IBBI is the official partner for the Americas Travel Retail channel. The company is developing travel retail exclusive packaging and promotions that it will showcase in Cannes, which will be on display at its booth #32 E Yellow Village and also onboard a yacht.

Formawell, a division of the JH Group, was founded by beauty industry expert Dr. Emil Hakim, who has 25 years' experience working with top professional beauty brands.

With Kendall fronting the X Kendall Jenner brand, Formawell says that it is bringing Fashion to Beauty and offering it at affordable and accessible pricing.

This revolutionary line features Salon-proved technology developed by hairdressers for consumers to use at home. All of the products in the X Kendall Jenner line are infused with Ionic Gold Fusion mineral technology. This proprietary technology promotes two key benefits: ultra-shiny conditioned hair due to high levels of negative ions and infrared energy from 24K gold minerals and effortless easy long-lasting styles.

The products in the line include: Formawell Beauty Dryer, Formawell Beauty Curling Iron, Formawell Beauty Straightener, and Formawell Beauty Pro Hairbrushes - including rounds and paddles - all infused with Ionic Gold Fusion mineral technology.

"Formawell Beauty was inspired and created by the elegance, beauty and presence of super model Kendall Jenner on the runway," says Dr Emil Hakim, Owner and Founder of JH Group.

"Travelers are an important target audience for us since Kendall Jenner is a global celebrity and the Kardashians have been the most exciting news and brought many successful products to the marketplace," explains Ron Razeggi,



COO at Formawell Beauty. "One example is Kylie Jenner and her lip gloss, which became the most successful product and made her the youngest billionaire in the world. Travelers will pay attention to the name and ultimately [want] to own a piece of a celebrity. This is a plus for DF retailers to bring excitement and a new category to enhance their shopper's experience."

"I work all over the world at fashion shoots and on runway shows, so I need to know that my hair looks its best and stays in great condition," said Kendall Jenner in a statement. "I trust the Formawell Beauty tools because they give me confidence every time I step out on to the runway or when I am having a night out with friends."

"In my 25 years of being in the professional hair care industry and making tools for many hair care companies in the professional hair care market, I have never seen the level of quality and presentation in any tool line at such affordable prices," states COO Razeggi.

Retailing in the U.S. at suggested prices ranging from \$14.99 to \$59.99, the line offers great value, says IBBI founder Katherine Sleipnes. The line launched with big stores and department stores in the U.S. such as Ulta, Macy's and others in April of 2019 and just rolled out to other doors

such as Kohl's, JC Penny and perfumery and beauty supply chain stores and shops all over the U.S. The company has also signed with a very large distributor in the UK which will be handling most of the EU, individual distributors in Ireland, Scandinavian Countries, Holland, Russia, Middle East and Asia.

JH Group has ambitious goals for the upcoming Cannes show. "We look forward to showcasing our unique products at our booth, and also on our yacht for private meetings and a cocktail party for VIP guests. Our goal is to find retail partners globally in travel retail to expand our brand in the global market. Please contact our exclusive partners to set up an appointment to see our products in Cannes," adds Razeggi.

In addition to IBBI in TR Americas, Formawell has appointed High Street TV Group Ltd. to represent the brand in the UK, European Airports, Asia. Contact Neil Thompson at Neil@infinityandco.com. For the Middle East, including India, Singapore and Amsterdam airport, the representative is Merlin Digital, Siraj Hanifa at sirajhanifa@merlin-me.com.

For more information in the Americas, contact Katherine Sleipnes at katherine@internationalbrandbuilders.com.

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## Montblanc uses luxury pedigree to dominate category in travel retail

Montblanc, the world's most famous maker of cherished writing instruments, has long used its luxury pedigree to make inroads into travel retail, where it is the leader in the channel within the Richemont Group.

"Travel retail is an important sales channel for our Maison," says Anouar Guerraoui, Managing Director, South America, Caribbean and Travel Retail Americas for Montblanc. "From a merchandising point of view, luxury is taking more space in travel retail, and this has been happening within the last few years."

But Montblanc has been in the channel for decades, and has developed from primarily a purveyor of top-tier writing instruments into a luxury brand comprising three main pillars: writing instruments, leather goods and watches.

"We cater to an audience looking for craftsmanship and design. Montblanc's mission is to create fine lifetime companions born from bold ideas and expertly crafted through the skills of the Maison's artisans," says Guerraoui. Describing himself as "a pure product of



*Anouar Guerraoui, Managing Director, South America, Caribbean and Travel Retail Americas for Montblanc, has been with the Richemont Group for 18 years.*

Richemont," the dynamic executive has spent his entire 18 year career working with different brands within the group, joining Montblanc in 2014. He is a strong proponent of luxury.

"It all comes down to the appeal of luxury. Why? First and foremost a luxury product is an unbelievable product. It is made with artisanal expertise, it is made with savoir-faire from centuries ago. To me it is something historical combined with craftsmanship; it is something that is exceptional. Luxury for some can be

exclusivity, and uniqueness as well, because either it is special or it is so hard to make it cannot be available for everyone. And an important part of luxury is the experience that goes with it," he insists.

To this end, Montblanc continues to invest heavily in its stores.

"Our Boutiques are getting equipped with new modules to change the client's interaction with our products and their overall experience with

Montblanc. We just renovated a boutique in the region a few months ago, and to create a special experience, we added an ink bar where customers can try all different kinds of ink with our writing instruments. We also installed a station to emboss and personalize any leather goods you buy there."

"Since new technologies is an important category for our Maison, we will install tech corners in travel retail. We have designed new furniture only dedicated to technology to showcase our products



*The Montblanc Meisterstück Solitaire Calligraphy Gold Leaf Rollerball & Elixer Calligraphy Black ink.*

*Montblanc is the world's most famous maker of cherished writing instruments, but each of the brand's three pillars - writing instruments, leather goods and watches - contributes almost equally to the total business, says Guerraoui.*



*Montblanc's clear focus for this year is in its travel segment and the brand is featuring the reliability and style of its luggage and accessories with a range of #MY4810 Montblanc Trolleys.*

from this category – from iPhone covers and augmented paper to our Summit smart watch and a smart bracelet and more to come. We want to address the growing need for digital luxury among the traveler segment.”

Such experiential activities are crucial to compete in today's markets, especially in travel retail, he says.

“Creating an experience in the store today is a must. The Maison wants to leave an impression on someone. Maybe years ago you bought in travel retail because there was a price incentive, but travel retail is no longer just transactional; people come to discover. Travel retail can be amazing visually for a brand, and the traffic that travel retail brings is huge.”

Montblanc has a very large presence in the Americas, and holds a unique position among luxury brands in South America. The company has 26 external domestic boutiques throughout Latin America and the Caribbean, not counting around another 60 internal boutiques that are mostly company owned in Brazil, Mexico and the U.S. In addition, the company operates four travel retail airport boutiques in LATAM: two with Dufry in Sao Paulo and Colombia, one in Lima with a local partner, and one in Panama with Motta. Montblanc also has four airport boutiques in North America with

DFA in Miami, Atlanta, Washington Dulles and Dallas.

“Latin America is definitely a key market for Montblanc. Montblanc is the leading luxury brand of Brazil, delivering double digit growth this year domestically. Montblanc is an inspiring brand in Brazil, and Dufry has a Montblanc boutique in the airport. In terms of market size for us, Mexico is number one, Brazil number two, and Colombia number three, then a combination of Panama and then others.”

Guerraoui also credits the diversity of the product offer for Montblanc's success in travel retail.

“Montblanc is a complete luxury brand with a full array of products and a broad reach. And each of our three pillars contributes almost equally to the total business,” he notes.

According to Guerraoui, Montblanc has been pushing the boundaries of innovation ever since the brand first revolutionized the culture of writing in 1906.

“Ingenuity and imagination continue to be driving forces for the Maison today as it advances its expression of fine craftsmanship across product categories.



The iconic Montblanc Emblem has become the ultimate seal of performance, quality and an expression of sophisticated style. With its origins deeply rooted in the culture of handwriting, Montblanc continues to assert its cultural commitment around the world honoring modern day patrons who support the advancement of the arts, as well as wide-ranging initiatives that promote arts and culture,” he says.

Montblanc has also revolutionized the leather business over the past five years, says Guerraoui.

“Our clear focus for this year is in our travel segment. We launched #MY4810 trolley last year and we'd like to deliver a full experience in the travel category. Travel reconnects us with the world, allows us to experience new places and cultures, provides us with inspiration. It is deeply rooted in our history when our founders started their journey across the Atlantic more than 100 years ago.”

Montblanc is also so successful because it appeals to a diverse audience, he says.

“Half of our traffic is ladies buying gifts, along with business professionals, millennials, all the way to the super rich for our high value writing instruments and watches. This is due to the craftsmanship, and the value of the Montblanc product. We create a lifetime companion that stays with you forever. We produce accessories that go with you. We are a complete brand. People get attached to our products and that is what makes us very special.”

*Another focus this year is the new Montblanc 1858 collection of watches that pay special tribute to the famed Minerva watch-making tradition that is the basis of Montblanc's watches today.*

## Duty Free Dynamics brings its “Master Franchisor” travel retail concept to Cannes after huge success at Orlando introduction

Panama-based Duty Free Dynamics reports an excellent response from the industry since it presented its new business model as a Regional Master Franchisor of non-traditional brand initiatives for the Americas travel retail channel at the Orlando Summit of the Americas in March.

Originally established primarily as a watch distributor, the company’s focus now covers a range of “nontraditional” categories for travel retail: outdoor, apparel, footwear, electronics, travel gear, sunglasses, and other types of accessories; most recently adding confectionery.

“Duty Free Dynamics’ strategy is to partner with operators in the region and offer them franchise opportunities within many different brand categories,” says Arnaud Ryser, Duty Free Dynamics’ Business Development Manager. “We educate the operator and that makes us part of the value chain because we are adding a lot of value. We no longer call ourselves a distributor, we call ourselves a Master Franchisor,” he adds.

The business model DFD presented in Orlando is based on three main pillars, says Ryser: diversification of product categories in its brand portfolio, strengthening its network of distribution in North America and launching its “Master Franchisor” concept with the Trade.

The company began expanding into new categories about two years ago and after integrating brands like Osprey, LEGO and Spy into its portfolio, DFD says that its business is showing increasing results in North America, especially the border zones between the U.S. and Canada and the U.S. and Mexico.

“These brands are really quite welcome here and we are increasing our ship count pretty aggressively in these areas,” says Ryser.

“All these new concepts had an excellent reception in the past 6 months. This new equation: retailer + DFD is simply outstanding. We have signed with tens of new retailers and are going to reach triple digit growth this year.”

DFD reports that in many of these locations it now has more partners

interested in its projects than the ability to satisfy that interest.

“In these locations, we have to pick the best partner for our projects among several candidates! We are really reaching wonderful results,” says Ryser.

The company also says that interest is coming from across the board, not only airports, border shops and cruise lines but also more accounts in free zones, inflight, seaports and inland Caribbean. Additionally, Ryser reports that many of the brands that DFD has been carrying for several years are performing better with this new approach than they did under the previous, more traditional business model.

Looking at the “non-traditional” products that DFD has added to the portfolio, Ryser says that the toys category is booming in the TR channel: “The

integration of LEGO has definitely been a huge success for us. However, we feel that our new business model is generating increasing, similar interest from all our partners in our other product categories, as well.

“The operators’ interest in the outdoor category is also growing. This category is a perfect fit for travel retail. Look at our addition of the Hydro Flask water bottles. Since August, San Francisco International Airport is banning the sale of single-use plastic water bottles [a development that is expected to spread], so travelers need this product in the channel. This trend is consistent throughout all the POS we cover -- the outdoor lifestyle category is showing spectacular results for us.”

Ryser says that DFD’s partners have also enthusiastically accepted the





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footwear category. “Our intention is to keep integrating new brands of shoes to complete our footwear portfolio (which currently includes Toms, Teva, Timberland and Danish brand Ecco). This trend will be reinforced by our new multi-brand retail concept in apparel and footwear, which focuses on the basics of very iconic brands. We will be presenting new brands in Cannes, especially in electronics and footwear.

“I would say that toys, footwear and apparel are really booming. And of course, our watches business is still showing sustained growth.”

In line with DFD’s business model of being a Master Franchisor, the company is also introducing a number of retail concepts in travel retail.

“Our most exciting projects are full branded stores in airports, border stores and also with some cruise ships. These projects concern different brands in categories like toys or watches. But it’s only the tip of the iceberg, some very exciting projects are coming through in the next 6 months,” he says.

Duty Free Dynamics sees its presence in Cannes—its first ever – as a very crucial moment for it this year. Not only will it allow them to host and entertain its partner operators from the Americas and show them its latest novelties, but the company



also realizes it is an excellent opportunity for its brand managers to meet with new prospects and potential new accounts.

“This year, in particular, we will be aiming at connecting with new clients

from the North America region,” concludes Ryser.

Duty Free Dynamics will be showcasing its product portfolio at 2 Rue Bivouac Napoléon, 6th Floor, in Cannes.

## Travel Blue champions comfort and diversity with new “to travel is to live” campaign

Travel brings the world together – and Travel Blue is showcasing travel pillows with a colorful campaign that celebrates comfort and convenience worldwide.

Inspired by Hans Christian Andersen’s proclamation, “To travel is to live,” Travel Blue will prominently feature the eye-catching new campaign at the Tax Free World Exhibition.

The campaign brings together people from diverse backgrounds, all united by the Travel Blue travel pillow range. The ergonomically designed Travel Blue pillows are available with a variety of designs and features, including easy-store inflatables, premium memory foam, cooling gel pads, and neck massagers.

Founded in 1987, Travel Blue is a family-owned business that has become a

world leader in travel accessories, selling more than 200 innovative, beautifully-designed, and environmentally-conscious products in over 110 countries.

Travel Blue is exhibiting at Stand L14, Red village. See [www.travel-blue.com](http://www.travel-blue.com) for more information.



## Premier Portfolio targets Americas with high-selling licensed and exclusive products

UK-based Premier Portfolio International Ltd. – the number one supplier of airline logoed products in travel retail – will be presenting a range of new licensed and third-party brands to the trade in Cannes this year, as the company strives to expand its presence in the Americas.

Garry Maxwell, Premier Portfolio Sales & Purchasing Director, tells *TMI* that the company has always done well in flight with U.S. companies such as 3Sixty Duty Free (formerly DFASS) and Duty Free Partners, among others, and are in discussion with a logistics company regarding distribution to the stores in the region.

“Premier is also discussing a very important airline license for Latin America to add to our other licensed toys,” says Maxwell.

Premier Portfolio handles a wide range of product categories in addition to logoed items, including toys, electronics, accessories and beauty.

They have held some of their toy licenses for well over 10 years for their current brands and the products are very successful in many airport stores around the world, reports Maxwell.

“We are generally the number 2-3 toy supplier in travel retail everywhere except the U.S. so that is a big target for us,” he

says, especially now that Premier recently added such a major carrier as Emirates Airline to its licensed portfolio.

The company is also very excited to announce that it has now listed its Transformulas 50 ml Miracle Cream cosmetic range on Air Canada, Avianca and Hawaiian Airlines, with more product listings expected.

“Transformulas is an English beauty treatment brand that we have great success with especially in Europe but it is proving to be just as successful as we expand it in other countries,” he says. “We are now introducing some exclusive Gift Sets from their best-selling lines, which will not only be suitable for Inflight but will also appeal to all TR retail outlets including cruise ships and ferries.”

The easy-to-merchandise gift sets include Age-Defying Eye Rescue, Daily De-Age Lips + Eyes and The Marine Miracle Collection (with RRP’s ranging from \$50-\$80).

Among the new products Premier Portfolio will be featuring in Cannes this year at their Booth Number M44 Green Village are:

JD Beauty Group’s WetBrush Detangler, which is represented by industry consultant Art Miller and his firm, Excel Brand Solutions. Wet Brush is now



available in 70 countries worldwide.

Ritter Sport Chocolate Game, a set including 4 different flavoured chocolate bars packed with a re-usable ‘Tic-Tac-Toe’ game, specially created for travel retail.

A Stewardess Plastic Figurine in the uniform of the specific airline with the matching accessories of shoes and official issue handbags and trolley bags, etc. has been added to Premier Portfolios Cabin Crew licensed airlines portfolio, which now includes Emirates Airline, British Airways, KLM, Virgin Atlantic and SAS.

REVOLUT International Banking Card, currently the only travel debit card to be offered in travel retail, is supplied exclusively by Premier Portfolio International Ltd. It uses the highly competitive Interbank Currency Rate to convert currency spends, and achieved top sales results in initial travel retail listings.

## Go Travel to unveil Ultimate 2.0 memory foam pillow

Go Travel will unveil version 2.0 of its Ultimate memory pillow in Cannes. Based on Go Travel’s best-selling Ultimate Memory Pillow that launched in 2016, the new design has had a technical overhaul and is made with a more advanced memory foam and improved structured support at the rear.

The Ultimate 2.0 also features an uber-luxurious new velour outer fabric cover that has a very soft hand feel and yet, retains the close-fit shape of its best-selling predecessor.

The pillow is said to firmly support both sides of the neck, offering a tapered,

slimline rear for a more naturally intuitive upright sleep position. The patented tension strap allows a taut closure to fully enclose the neck, if desired. The design stops the head tipping forward, dipping repeatedly or falling through the front opening and waking the user.

Steve Worden, Go Travel Sales Director, comments: “Commercially, the original Ultimate Pillow was a standout success. The new design’s more technical edge improves the structure and support, while maximizing comfort and we’ve managed to retain a competitive price position on a more luxurious product.”



Go Travel is exhibiting at the TFWA World Exhibition in Yellow Village stand B24.



Three generations of Giraud: (left to right) Jean-Pierre Giraud, Production Director; André Giraud, who supplies wood and sources ex-extra old cognac casks; and Philippe Giraud, founder.

## Alfred Giraud blends cognac and whisky traditions to create luxury French Malt Whisky

The story of Alfred Giraud French Malt Whisky is one of blending. There is the traditional blending that is one of the backbones in creating this new luxury whisky and many of the most famous spirits in the world. But there is also the blending of a family entrenched in the cognac business in France for more than a century and the next generation taking that deep cognac knowledge into the world of whisky. Alfred Giraud French Malt Whisky is a blend of spirit, yet it combines much more than liquid.

The Giraud family were coopers and cellar masters working in the cognac region in France beginning in 1875 all the way until 1990. In 1910, Louis Giraud began working for a prestigious maison de cognac overseeing the aging of their eaux de vie. His son Alfred Giraud, the namesake of the new family brand, and then later his grandson, André Giraud, succeeded him as cellar masters. The fourth generation, Jean-Pierre Giraud, managed the company from 1986 to 1992.

It is the fifth generation where this story turns from France to Scotland, and ultimately to a combining of the most famous spirits from the two countries. Philippe Giraud, a name known to many as the owner of regional Americas distribution and retail company Actium, broke with the family

cognac tradition and joined William Grant & Sons in 1995, beginning his love affair with scotch and ultimately with whisky.

Philippe's move to whisky did not go over too well with his cognac family at first, Philippe tells *TMI*.

"I transitioned from cognac to whisky in 1995 and in our family it was a little trauma. At the time whisky was the enemy," he says. "I got to know whisky. Today I'm more of a whisky guy than a cognac guy."

After nine years with William Grant working in Miami in commercial roles, including in charge of the company's Latin America business, Philippe created Actium in 2004.

"We began by representing wine and spirits brands in South America and one of the brands that we took on very early was the Whyte & Mackay group, which has The Dalmore and Jura, two single malt scotch whiskies. So this made me stronger in whisky. After nine years with William Grant and fourteen years with The Dalmore, I know whisky much more than I know cognac."

### The family dinner

And then almost ten years ago at a family dinner in France the Giraud's decided to blend Philippe's whisky educa-

tion with the cognac knowledge the family had accumulated after more than a century producing the spirit.

"At the dinner I asked my father and great uncle 'Why don't we do something for ourselves?' And of course they wanted to do a cognac. But I said 'No. The cognac category is too busy. We should do a French whisky.' They looked at me like I was crazy.

"But long story short I convinced them and in 2010 we set on a mission to make the first ultra premium French whisky, but more importantly, the best French whisky. We are trying to merge traditional cognac expertise with the creativity of whisky, to do things that have never been done before."

Philippe has ambitious long-term goals for the brand, and the first step to achieving his plans was hiring a team to create the whisky.

"We hired a super premium production team to produce a great whisky, but this super premium production team was also my family. My great uncle André Giraud, who does not help with the whisky but helps with the wood, sources the casks for us," says Philippe.

"We brought in George Clot, a renowned cognac cellar master who had succeeded André Giraud as cellar master in



Alfred Giraud is launching two expressions: *Heritage by Alfred Giraud*, priced at \$155, is a blend of three non-peated French Malt distillates matured in three types of casks: mainly those recently used to age extra old cognac plus new casks made of French pedunculate oak from the Limousin forests and American white oak; *Harmonie by Alfred Giraud*, which is \$190, begins with a blend of three non-peated French malt distillates matured in three types of casks. The triple malt is then matured exclusively in ex-extra old cognac casks, then blended with a lightly peated French malt distillate before being returned to the same ex-extra old cognac casks, where it ages for years. *Heritage* will be an annual release of 23 casks with *Harmonie* releasing 7 casks each year.

1990, to become our Master Blender.”

Philippe’s father Jean-Pierre serves as Production Director at Alfred Giraud.

While the brand is just launching now, the people behind Alfred Giraud have a long-time, deep-seated connection to the Cognac region.

“Originally when we started almost ten years ago we had no distillery so our cellar master bought and selected the best distillates from a few French distilleries that were available at the time. We brought them to Cognac and we blended the distillates.

“For brown spirits the most important thing is the wood. For the wood we have two things that are unique and we owe them both to my great uncle, André Giraud.”

André lives in the Limousin region in France, where at 95 years old he supplies

wood for new casks and sources ex-extra old cognac casks for aging the Alfred Giraud French Malt Whisky.

“André Giraud goes out in the countryside in Cognac and he selects for us casks that contain very old cognac, 40-50 year old cognacs. He knows everyone, because he is 95 years old and has been working for almost 80 years. We have been buying single casks, one at a time, from small cognac distillers and casks that contain very old and high quality cognac. We use these casks to age our whisky. We empty the cognac and put in the whisky and with time these casks that contained the very old cognacs marries with the whisky to create a liquid with a smoothness that is quite recognizable and unique.”

The company also uses wood from André Giraud’s sustainable family tree farm in Limousins.

“Limousins is one of the most famous regions for French oak. We make our own new French oak barrels, which we use a little bit in our process. We use mostly ex-cognac casks with a touch of new French oak barrels as well as a touch of new American oak barrels.”

In 2016 Alfred Giraud formed a joint venture with respected cognac distiller SVE to build a distillery, Distillerie de Saint-Palais, which Philippe says was a crucial moment for the future of the brand.

“We started to distill there in 2017. This distillery secures the quality and the quantity of our whisky. The distillery that we built in 2016 is probably the most modern in France today.”

For almost ten years the company has been working quietly until the Alfred

Giraud French Malt Whisky was ready to go to market.

“We have been doing this blending, aging, using rare casks in cognac. But for years we did not sell anything. We kept it quiet and got ready. And then a couple of years ago I started mentioning it and showed it last year for the first time in Cannes,” says Philippe.

“We came up with a bottle that has been very well received. It is produced in Italy by Bormioli, one of the best glass-makers in the world which is one of the main glassmakers for high-end perfumes. We have an unusual gift box with a layer of velvet. It is a beautiful product.”

In the short term, Philippe has a specific plan for launching Alfred Giraud around the world.

“Because of our limited volume in the next few years we have a city strategy. France is the only country where we have launched nationwide, because it is a French whisky and we want it to be available in France. We launched in New York and we are looking at expanding possibly with another big distributor in one or two more cities in the U.S. In Asia we want to launch in one big city. In Europe we would be interested in expanding into London.”

Philippe tells *TMI* that Alfred Giraud is the ideal product for travel retail and that he has two agreements in principle that the company will announce soon. The first listings will be in cruise and in airports.

“We will be in travel retail. It is the perfect travel retail product, it’s craft, premium, unique. We have plans to come up with single casks and limited editions. I think there is potential in travel retail.”



Master Blender George Clot is one of Alfred Giraud’s key assets, says Philippe Giraud.

## Luxury positioning of The Macallan spurs Edrington's focus on wholly-owned super-premium brands

Edrington Americas Travel Retail (AMTR) has announced that it will cease distribution of third-party brands in a move to focus on growing its portfolio of wholly-owned super-premium brands. Effective September 30, Edrington AMTR will no longer distribute Tito's Handmade Vodka and Illva Saronno brands. Edrington's distribution agreement with Sazerac will end on December 31.

This move marks the last phase in a strategic realignment in the region which began with the acquisition of Edrington WEBB Travel Retail Americas, allowing the business to own its routes to market and focus on building capabilities to support its super-premium portfolio, which includes The Macallan, Highland Park, The Glenrothes and Brugal.

Juan Gentile, Managing Director Edrington Americas Travel Retail, commented: "This rationalization of our portfolio is an important step as we continue to sharpen our focus and perfect our execution in the super-premium segment. In the Americas region we are now fully aligned with the overall Edrington strategy in travel retail and well positioned to drive our premiumization agenda. We would like to thank our third-party brand partners for their support and co-operation over many successful years and wish them all the best for the future."



*Juan Gentile, Managing Director  
Edrington Americas Travel Retail*

### Vision for future

Gentile tells *TMI* that Edrington's focus on its wholly-owned super-premium brands is part of the company's ambition to become the world's leading premium spirits company, as well as lead in luxury retail.

"I would say we have 'refined' our premiumization strategy by putting more emphasis on growing our super-premium portfolio of brands. We own some of the leading Scotch whisky and rum brands in the world, including The Macallan, Highland Park, The Glenrothes, Brugal rum and recent acquisitions Partida tequila and Wyoming whiskey. It's an incredible portfolio, and the growth opportunities within the Americas Region are hugely linked to the super-premium spirits category growth trends," says Gentile.

"We do have a global and recognized leading premium brand with The Macallan; our future goal is to continue premiumizing Macallan and to build the rest of our premium portfolio to a leadership position in their segments."

### Innovation disrupts category

Edrington will launch the latest innovation for The Macallan in Cannes.

"With Macallan we also have a busy innovative agenda. Following the highly successful and category disruptive launch

of Concept Number 1, we continue to invest in the brand's position as the ultimate luxury spirit with a strong pipeline of prestige and exclusive products, including Concept Number 2, which will be showcased at the TFWA Cannes show."

Gentile says The Macallan's luxury positioning is key to Edrington's long-term vision for the brand.

"Our vision for Macallan is to become the ultimate luxury spirit. This is a long term vision and we have already started this journey. The investment behind Macallan's new distillery inaugurated last year is a clear step in this direction. It is an architectural monument and a world-class destination," says Gentile.

"Another key aspect of Macallan is its scarcity, making the brand the #1 collectable Single Malt by value. This is all underpinned by a true obsession for quality in the making of the whisky and the high-ends range of products."

### The Macallan Boutiques

Edrington's opening of The Macallan Boutiques in key international airports, connecting travelers around the world to the brand's home in Speyside, is another important step in the brand's luxury evolution.

"The Macallan boutiques we have opened in selected airports is part of our long term objective to support and build the brand's luxury credentials. These exclusive and unique environments are able to offer traveling consumers an experience in which to engage with the brand, and bring closer some of the elements of our new distillery," says Gentile.

Edrington opened The Macallan Boutique in Heathrow Terminal 5 in July following the opening of a boutique in Dubai earlier in the year. Gentile confirms to *TMI* that a boutique in the Americas is imminent, with one coming to a major U.S. airport early next year.



*Edrington opened The Macallan Boutique in Heathrow Terminal 5 in July. The company plans to open a boutique in a major U.S. airport early next year.*

## WEBB Banks partners with SafeProof for counterfeit awareness

WEBB Banks is targeting the growing threat of counterfeit alcohol in the Caribbean and Latin America, says Andy Consuegra, WEBB Banks CEO.

The Americas wine and spirits distributor has partnered with SafeProof.org, the International Organization dedicated to raising awareness for counterfeit and adulterated alcohol. The issue was in the spotlight this summer after it was suggested that several suspicious deaths of American tourists in the Dominican Republic were due to adulterated alcohol.

“Maintaining the integrity as well as the safety of our distributed brands is always our priority. SafeProof was selected because of their unique position in the marketplace as both an educator and authenticator. We are looking to this program to provide early warning notifications of any impropriety in our premium brands at all levels of distribution including when it is poured into a customer’s glass,” says Consuegra.

“What happened in the Dominican Republic is beginning to impact the tourism market. We still do not know what the cause of the deaths were, but it caught a lot of media attention,” he tells *TMI*.

“We are concerned about the threat and the impact of counterfeit on our business. Not that our brands are being counterfeited that we know of, but it hurts the whole industry.”

The program will educate the industry to the dangers of counterfeiting, and how important it is that the hotels and the f&b buyers are purchasing from the official source, and not on the open market, to assure they are not buying counterfeit goods.

The WEBB Banks/SafeProof partnership will provide on location expertise and education including training for field; providing brand and on-premise teams, along with global reports/tips on toxic alcohol, tax verification, parallel bottles; and retail level checks like diluting, refilling, substitution of bottles.

The long-term initiative will begin in the Dominican Republic before expanding to other countries in the region, says Drea Consuegra, Manager of Supplier Relations and Marketing at WEBB Banks.

“We are going to start off small in the Dominican Republic in September training sales teams on what to look out for, how to

find counterfeit products. It is focused on awareness, making sure people understand the risks of counterfeit spirits,” says Drea.

“Ideally once we are able to garner support from there, we will be able to launch a more comprehensive project throughout the rest of our markets, into targeted countries like Costa Rica and Mexico.”

### WEBB Banks Duty Free

Effective October 1, WEBB Banks will handle the duty free business in the Americas and cruise for Tito’s Handmade Vodka and Illva Saronno, Andy Consuegra tells *TMI*.

“I think the transition will be seamless in that we know those brands very well and are already managing them in our business today. It will be great to have them in the duty free and cruise line channels.”

Duty free is becoming a very important market for WEBB Banks, says

Andy Consuegra.

“We have experience in managing the duty free and cruise line channels. When you look at our mission statement, we are focused on the traveling consumer in the Americas, whether they are staying in a resort in the Caribbean, or on a cruise ship, or flying through the airports. This is our wheelhouse and makes sense for our business,” he says.

“Duty free is a division in Webb Banks, focused on travel retail. The main brands are Tito’s; the brands from Illva, Disaranno and Tia Maria; Jaegermeister; Luc Belaire; and a nice portfolio of wines.”

Phillip Jarrell will refocus his efforts to manage WEBB Banks cruise business. Juan Carlos Rodriguez is joining the company from Edrington on Oct. 16 to focus on airport duty free and the border stores. WEBB Banks will name a third sales person at a later date who will be hired at the end of the year.

## Tito’s announces major duty free restructure

Fifth Generation Inc, the owner of Tito’s Handmade Vodka, announced a major restructure in Asia Pacific, the Middle East and Europe in order to strengthen its duty free operations, build greater customer synergy and achieve its ambitious growth plans in the travel retail channel.

Tito’s Managing Director International, John McDonnell, says: “Tito’s is at an important point in its global expansion and duty free is central to our long term success. This new local approach and extended team will bring us closer to customers, improve response times, intensify our progress and most importantly secure a significant share of the vodka market. I’d like to thank Duty Free Global for their work over the past five years.”

From Sept. 1, a new team takes over responsibility from Duty Free Global, which has managed the brand since its

international launch five years ago. The company says that this includes a number of strategic appointments, locating personnel as close to customers as possible to offer focus and strong proactive partnerships.

In Asia Pacific, a new Duty Free Manager role has been created. Former Duty Free Manager Asia Pacific for Patrón Spirits, Art Hyndman, joins the business. He will be based in The Philippines.

Tito’s European Regional Manager, Luca Cardillo, will now lead the business in Europe with Aer Rianta International, Lagardère and other major customers. Cardillo has been Tito’s representative in domestic markets for the past five years.

Tito’s German distributor, Hardenberg-Wilthen AG, is handling the business with Heinemann in the region.

In the Gulf, a region where historically Tito’s has performed strongly, the duty free business is now managed from Dubai by domestic partner of five years, Focus Brands.

In another change, major global accounts Dufry and DFS will be managed by Miami-based WEBB Banks. See more details above.



## William Grant targets luxury with Glenfiddich Grand Cru

William Grant & Sons in September launched its latest innovation for Glenfiddich, Grand Cru, an exclusive single malt scotch that's been matured for 23 years and finished in rare French cuvée oak casks.

Glenfiddich Grand Cru will have two exclusive variants for Global Travel Retail that will be supported by sensorial engagement and digital activation in-store that exemplify a new "luxury" direction for William Grant & Sons.

Grand Cru is the only Glenfiddich Single Malt to be finished in French cuvée casks that once contained liquid that goes on to become some of the world's "most extraordinary sparkling wines."

The rich whisky, already intense in flavor thanks to long maturation in American and European oak casks at the Glenfiddich Distillery, is further bolstered with extra intensity from rare French cuvée casks, says the company.

Glenfiddich Malt Master, Brian Kinsman, commented: "Breaking category conventions once more, this unusual collaboration presented an exciting opportunity to create a spirit that further elevated our unique Glenfiddich style. We experimented with the maturation time and hand-selected the right balance of 23 year old Glenfiddich casks out of our unique collection of old age malts. The further influence from the oak of the French cuvée casks added an extra layer of complexity thanks to the liquid they once held. Marrying the best of both worlds, the final liquid presents an exceptional finesse and is a special tribute to each cuvée cask the malts were finished in."

The black glass bottle with its gold Grand Cru print and golden closure are presented in an black box featuring a sparkling golden firework design.

In recognition of travel retail's importance – and the regional strength of Asia Pacific, WG&S partnered with DFS and CAG for a one-month travel retail exclusive launch of Grand Cru at Changi

Airport, Singapore, on September 5.

Alongside Changi, the global campaign includes activations beginning in October across key international airport locations including Hong Kong, Seoul, Kuala Lumpur, Taipei, Tokyo, Auckland, Melbourne, Sydney, Delhi, Dubai, London, Paris, Edinburgh and New York.

To create a point of difference for travelers, a 75cl 43% abv exclusive variant has been created for DFS, while a 70cl 43% abv exclusive variant will be available with WG&S' other GTR partners.

### Comments

WG&S GTR Managing Director Ed Cottrell: "In Global Travel Retail we are continually striving to keep the offer innovative, fresh, exciting and qualitative. Grand Cru presents a superb opportunity for us and our retail partners to tap into the \$100+ luxury spirits segment with a Single Malt. Its link to premium French sparkling wines helps us to create a compelling story that will appeal to and recruit a new generation of premium spirits drinkers into the category.

"By offering exclusive variants for GTR we continue to meet our customer's needs for 'differentiation' to domestic markets. The higher strength 43% abv, compared to the 40% abv on the domestic market, creates a slightly different offering and enables a price point that better suits the channel.



"But where the industry will see a difference is with the activation support which is unlike anything done before by William Grant & Sons. We've taken cues from the fashion and beauty industry to develop concepts that combine an amazing sensorial experience for consumers with interactive features that exude luxury and create a true sense of celebration and occasion in keeping with the DNA of Grand Cru.

"We will be working closely with our retail partners throughout the last quarter to bring this to life through experiential and interactive video and feature walls, destination bars and pop-up stores, and whisky fair participation, with our plans for Changi beyond anything that has ever been done before."

## Grey Goose Vodka and DFS bring a taste of the U.S. Open to JFK Terminal 4

As the long-standing official vodka of the U.S. Open since 2006, Grey Goose partnered with DFS to hold a new marketing campaign at JFK T4 that ran concurrently with the Grand Slam Tennis event.

This is the first Grey Goose program integrating travel retail with U.S. domestic market activity, seamlessly connecting with local and visiting consumers in New York City, both on their travels through JFK and on the transfer routes between airport and city and at the tournament itself.

The Bacardi Global Travel Retail/DFS partnership has created an integrated digital and physical campaign communicated at multiple touch-points, engaging travelers with Grey Goose and the U.S. Tennis Open on their journey through the terminal.

The activation features a tennis-court inspired bar and pop-up retail unit located on the concourse right outside the DFS store. The installation features a large media screen with real-time matches live from Queens, the Grey Goose 'Live Victoriously' global brand campaign show-reel and the chance for travelers to live-stream their own 'winning moment' photos.

Travelers are also able to sample the official cocktail of the U.S. Open – the Grey Goose Vodka Honey Deuce, which is comprised of Grey Goose vodka, lemonade, raspberry liqueur and topped with tennis-inspired honeydew melon balls.

Another key feature of the campaign is the first-ever Grey Goose limited-edition U.S. Open Bottle, featuring a tennis ball-design created in partnership with the USTA (United States Tennis Association). Available in the U.S. for a limited time, the bottle is also on sale for international



travelers at the T4 pop-up and inside the DFS store.

This is the first major collaboration between the Grey Goose U.S.-domestic market and travel retail as Geoff Biggs, Regional Director Americas, Bacardi Global Travel Retail, explains. "No matter where they are in the world, Grey Goose consumers love its versatility in cocktail-making and its association with celebrating moments that matter, big and small.

"Through the new global brand positioning campaign 'Live Victoriously,' Grey Goose invites people to treat themselves as the special occasion in life. At JFK, we want to help consumers make special memories of their trip during the U.S. Tennis

Open. Whether they've been in the crowd at Queens or are just flying out through T4, this is a wonderful chance to enjoy the thrill of one of the most spectacular sporting events on the planet with a fantastic and memorable cocktail experience."

The U.S. Tennis Open, celebrating its fiftieth anniversary this year, is expected to be attended by more than 700,000 patrons during the two-week tournament, with more than 40% coming from outside the metropolitan area and 20% from overseas.

The Grey Goose creative installation at JFK T4 was designed by Glock in London and produced and installed by retail-focused design and production agency, BloomMiami.



## Pernod Ricard leverages insights to better appeal to consumers along the full travel trail

Pernod Ricard Global Travel Retail is using its deep knowledge of the consumer the company has developed over the past year to create successful activations in travel retail, Craig Johnson, VP Marketing PRGTR tells *TMI*.

“Pernod Ricard has real true consumer insights that will allow us to create programming that helps us drive consumers to our displays instore. One thing that we are focusing our attention on is how do we drive footfall into this category,” says Johnson, who was appointed to his current position at the beginning of 2019 after his time as Global Marketing Director for The Absolut Company.

“We start with a deep knowledge of our consumer. Over the last nine months we have been diving deep into what I believe are industry-leading insights into consumers. We’ve developed a study across nine nationalities that allows us to analyze the typologies, the makeup of consumers, what their motivations are, where and when they are going to make decisions in their journey to shop. This information has allowed us to create activations that are based on real insights into our consumer.”

Reaching the consumer on the “travel trail” along the journey is key to these successful activations, says Johnson.

“Pernod Ricard has really pioneered the idea of the travel trail in duty free and we are constantly evolving it with our new insights. We have learned that pre-trip media through digital, and understanding and talking to the consumer along the different steps in their journey, are really important. With this knowledge, we can drive these consumers into our activations instore. It allows us to be much more effective,” says Johnson.

“Then we need to have highly visible displays with a tremendous amount of creativity that gives the consumer sensorial options to taste or smell. Having knowledgeable brand ambassadors instore helps transform all of this.”

Johnson says there are hundreds and thousands of potential touchpoints along the travel trail, or “micro-moments” when Pernod Ricard can reach out to consumers.

“We are spending our digital dollars based on these micro-moments. We have lots of very unique insights about timing



*Pernod Ricard launched Beefeater Pink gin into Americas Travel Retail with this “Pink It Up” activation in Sao Paulo.*

and how far out consumers are planning to shop. I think these micro-moments allow us to understand most effectively where and when we should be targeting consumers.

“One real success we had in the last year was launching Chivas XV. We launched it in Santo Domingo in November 2018, creating a real strong sensorial experience with an offer of tasting and nosing.”

In this case, Pernod Ricard was connecting consumers on their journey from New York to the Dominican Republic, says Johnson.

“We know our consumers and make sure they see the same thing as they are going back and forth between JFK and Santo Domingo. It’s been very successful for us and a big win for that brand.”

Pernod Ricard’s consumer insights also work with millennials, giving the company a deeper understanding of this consumer than it had a year ago, says Johnson.

As a result, the company is targeting millennials with digital programming and “Instagrammable moments.”

“We can’t live without our phone. That means digital aspects in the activations become much more important. We launched an activation in Amsterdam called Pink it Up for Beefeater Pink gin and Absolut Grapefruit, products that tap right into

millennials’ behaviors and trends. There’s the whole millennial pink trend with people repurposing pink and taking the color back. We need to provide these interesting digital, Instagrammable moments.”

The company featured a Pink It Up activation in Sao Paulo, launching Beefeater Pink in the region.

“The activation featured daily tastings, with a dj and mixologist in the airport during the weekend. We created a real party and fun atmosphere, decked out with a pink disco ball. It was a strong way to introduce a new product into that region.”

Pernod Ricard’s portfolio features authentic brands perfect for the millennial consumer, says Johnson.

“Millennial consumers want brands that are authentic, transparent. I think that is one of the real strengths of our brands: Martell and the history and heritage behind it; Absolut, the most environmentally sensitive spirit brand in the world; Jameson has such a long heritage and history.

“We did a program for Absolut last year – the global selfie, which tried to connect people across the world. It unlocked local travel tips if you participated. We’ve also had strong performance behind the Absolut limited editions, especially with Absolut Love. We transformed hate into love on that bottle.”

Jameson also has strong momentum behind it, particularly with millennials, says Johnson.

“One of the most popular brands for millennials is Jameson. We just launched a new duty free exclusive Jameson called Triple Triple. Jameson is famous for its triple distillation process, which makes Jameson unique. Triple Triple is also matured in three cask types. It launched currently only in London but will be rolling out soon in the Americas.”

Pernod Ricard’s travel retail business grew 7% in 2018, and with its consumer insights and innovations in its pipeline, Johnson is optimistic for the channel in the future.

“The business is challenging, but we are finding new ways to interact with consumers. We are constantly looking at different ranges and limited editions to premiumize our brands. There are lots of innovations coming from Pernod Ricard.”

## Wild Tiger roars from Kerala to Cannes to raise awareness for tiger conservation

When Wild Tiger Rum's Gautom Menon and Paul George drive their customized "TRiger" Tata Hexa on to the Croisette in Cannes on September 28, they will have completed an epic 65 day, 25,000 km journey through 25 countries taking the conversation about tiger conservation across borders.

Wild Tiger's Roar Trip project aims to raise both awareness and money for an issue that is near and dear to Wild Tiger Founder and Chief Brand Officer Menon's heart, by providing on-ground support to help protect tigers and other wildlife around two Tiger Reserves in Southern India, Parambikulam in Kerala and Sathyamangalam in Tamil Nadu.

TMI spoke to Menon as they stopped in Russia, nearly 50 days into their trek.

"When we created the schedule, 25 countries in 65 days, we really did not know if we were going to be on schedule, because literally anything can happen. There are so many different political scenarios. We've seen every type of climatic challenge- whether it's floods, landslides, roadblocks, or bridges breaking. Incredibly we are still on track. We are exactly where we needed to be," says Menon.

"I'd like to tell you the experience is life changing, but it is so early to say that because we are just living in the moment. There is so much happening. We are driving 700-800 kilometers a day, sometimes 10 to 14 or 15 hours door to door. We are meeting a lot of people, a lot of Indian Embassy visits, friends, and members of the duty free industry. The trip is not something that is going to sink in any time soon. We are absolutely living in the moment and soaking in the sights, enjoying the different cuisines, and enjoying the different cultures we see.

"There is a lot you see when you are on the road and how things gradually change. It is quite different from hopping on a plane or train."

Wild Tiger Foundation is the corporate social responsibility initiative by Wild Tiger Rum, with the company donated 10% of its profits to the cause.



*The Roar Trip began in Kerala, India at the end of July, stopping at tiger preserves, Indian embassies, and duty free shops, before ending in Cannes for the TFWA World Exhibition. To find out more information about the epic journey or to donate to this worthy cause please visit [www.roartrip.in](http://www.roartrip.in).*

## Beam Suntory focusing on LATAM and Travel Retail Worldwide

Latin America, along with travel retail worldwide, is a growing focus for Beam Suntory. The company demonstrated its commitment to the LATAM region when in July it assumed management and ownership of its route to market in Brazil, formerly handled by Bacardi.

“Jim Beam gains wonderful traction in the Latin American region and we see Maker’s Mark accelerating in that premium space as well,” Ed Stening, Global Marketing Director – Travel Retail, Beam Suntory, tells *TMI*.

Beam Suntory regards Brazil as a high-potential emerging market, and brands like Jim Beam Bourbon and Teacher’s Whisky are already establishing category-leading positions, it says.

In travel retail, Beam Suntory is placing more emphasis on the experience, which Stening says begins long before the consumer enters a duty free store and continues across the entire shopper journey.

“We are really focused on creating more engaging retail experiences to grow

the category and bring footfall through our retail partners while growing basket size. This includes hyper-creative activations, delivering liquid and packaging innovations that our shoppers love and getting the basics right with visibility, Brand Ambassador success, and consistent cut through.

“And these aren’t just limited to the ‘in-store’ experience- this includes the pre-travel moment when some customers are busy putting together their ‘shopping list’ and the great customer experience from the eCommerce/pre-order option our retail partners are now offering.”

Activities such as these are critical to gain traction in the channel, he says.

“It is exciting to see across the Spirits category in airports, that there are truly brilliant engaging retail experiences. This is forcing us all to think differently and push the creative boundaries to achieve our retail partners’ objectives, which is great for the industry.”

Not surprisingly, Beam Suntory is thriving in the United States, the home

market of Jim Beam.

“We are very fortunate especially in the U.S. as we come from a very strong domestic base and we see that pull through especially on Jim Beam, Maker’s Mark and our small-batch brands such as Basil Hayden’s and Knob Creek.

“Single Malts are also growing in the U.S., while from a small base, showing the increased demand especially for the more premium single malt brands like Laphroaig and Bowmore.

“With Sipsmith having already established itself as a favorite in both the UK and Oceania markets, especially at a time of a gin boom, the brand has expanded its influence to an even wider audience to reach other markets including the U.S. and South East Asia.”

Travel retail exclusive offerings are also becoming increasingly important for Beam Suntory in the channel.

“Travel retail exclusives, in particular, allow us to create an air of desirability around our more premium products as they offer customers something special that they cannot get anywhere else. A great example of this is the Maker’s Mark 101 Traveller’s Exclusive (with gold lettering) which was very well received by both retailers and consumers.

“Sipsmith is also a key brand for us and continues to flourish in the GTR space. It’s interesting to see its evolution as consumers become increasingly inquisitive drinkers. The Sipsmith portfolio now includes London Dry Gin, Sipsmith Lemon Drizzle Gin and Sipsmith Sloe Gin and this diversity further helps to attract more and more interest in the brand across GTR.”

Asia Pacific, including India, is leading the company’s growth in travel retail in 2019.

“However, our attention is not limited to the Asian market as we cannot forget about the markets which allow our portfolio to blossom,” says Stening.

“Thus, our attention is also heavily focused on Australia, Germany, U.S. and the UK. While these are established markets, there is still a lot of opportunity for growth and we will continue to chase hard to build that category for our retailers.”





THE DESIGN EXPERIENCE

## Cointreau pops-up with the “Art of the Mix” in Las Vegas



Rémy Cointreau Global Travel Retail (GTR) partnered with Dufry to introduce its Cointreau “Art of the Mix” cocktail activation at Las Vegas McCarran International Airport in June and July.

The pop-up, with the brand’s signature orange and lush greenery, was located at the store entrance and featured a series of interactive experiences designed to

reinforce Cointreau as the “quintessential cocktail ingredient.”

A dedicated brand ambassador taught passengers the ‘art of the mix’, shaking one of three cocktails with Cointreau as its base: Daiquiri L’Orange; Cointreau Fizz; or White Lady. Passengers could then take a GIF at a digital tropical cocktail-themed photobooth, personalize their Cointreau

purchases at the gifting station with a selection of ribbons and ‘Wish Cards’ with classic Cointreau cocktail recipes, or receive cocktail making kits as a gift with purchase.

Sebastien Devallet, General Director, Rémy Cointreau Global Travel Retail Americas, commented: “This year we celebrate Cointreau’s 170th anniversary and these activations seem rather fitting for such a celebration – they’re pure fun. We saw fantastic results with this animation, with more than 50 clients capturing their #TheArtOfTheMix moment at the photobooth in the first seven days alone. Dufry were a fantastic partner in bringing our vision to life and we look forward to welcoming many more travelers to the world of Cointreau.”

David de Miguel, Global Head of Liquor at Dufry, added: “This activation was exquisite. Our travelers easily recognized the iconic Cointreau orange branding, drawing them straight into the fun. At Dufry, we’re all about enhancing our customers’ shopping experiences and this activation did just that.”

## Stoli focuses on super-premium spirits with launches in Cannes

Stoli Group has revealed details of a variety of new releases and plans for travel retail for the coming months, targeting the trending super-premium spirits category.

This super-premium drive is being spearheaded by CEO Rudy Costello and Matthias Knoll, Stoli Group’s SVP Global Commercial, who recently joined from The Patron Spirits Company.

Both Costello and Knoll will be present in Cannes at the Stoli Group stand (Beach Village, Beach 6).

Stoli has announced the first ever brand refresh for Elit Vodka, with a new identity, new bottle, new global campaign and a renewed focus on the travel retail market.

Stoli Group has also announced new limited releases of its fast-growing American whiskey brand, Kentucky Owl Bourbon, into travel retail outside of the U.S. The releases are for the Confiscated, Rye 3 and Bourbon 9 expressions.

In Cannes, the company will also launch a new craft-aged rum expression

from Bayou: Single Barrel #2, as well as new releases from Stoli’s tequila brand, Cenote.

After launching Cenote at last year’s World Exhibition, Stoli is releasing two new Cenote products into travel retail: a clarified, aged Cenote tequila expression named Cristalino and the Cenote Green Orange Liqueur.

A second Stoli tequila brand, KAH, is also having a brand refresh for travel retail with a new bottle and packaging.

Stoli will be releasing the vodka Stoli Lime – which has achieved a 96 points rating from the Beverage Tasting Institute – into travel retail outside of the U.S. for the first time in January 2020.

Jean-Philippe Aucher, Stoli Group Global DF/TR Director says: “As a business, we’ve really done our homework on the products, which will succeed in travel retail and duty free.

“It’s so exciting to be able to present so many new lines in Cannes from some of our great brands including Elit, Kentucky

Owl Bourbon, Bayou, Cenote and KAH. We look forward to revealing more details about these releases in the lead up to the show.

“I’m particularly looking forward to seeing the reaction at this great TFWA show to our brand refresh for Elit, which I believe will really cement our place in the top echelon of spirits in vodka’s growing super-premium category.”



## Quintessential Brands to highlight its award-winning Irish whiskeys at TFWA World Exhibition

Quintessential Brands is showcasing its Irish whiskeys, including the award-winning Dublin Liberties range and The Dead Rabbit Irish Whiskey, at the TFWA World Exhibition (Green Village, M71).

The Dublin Liberties range, which includes Oak Devil (a 5 year old blended Irish whiskey), Copper Alley (a 10 year old Single Malt), Murder Lane (a 13 Year Old Single Malt) and Keeper's Coin (a 16 Year Old Single Malt), was recently awarded a quadruple gold award win at the Irish Whiskey Master 2019. Copper Alley earlier this summer won a double gold at The International Spirits Challenge (ISC) in June.

Quintessential Brands will also exclusively unveil the brand new Opihr Regional Editions range, ahead of its launch into duty free and travel retail.

The range, which is inspired by global flavor trends from along the Ancient Spice Route, includes three new expressions, including a European, Far East and Arabian Edition. The company won 'Gin Producer of the Year' title for the fourth time in five years at the International Spirits Competition 2019.



## Hunter Laing's travel retail journey reaches Cannes



Scottish independent Scotch Whisky distillers, blenders, and bottles Hunter Laing are showcasing its brands for the first time at this year's TFWA Conference & Exhibition (Blue Village, H17).

Company CEO Stewart Laing, who has been selling whisky for 50 years around the world, is delighted that his company will be talking directly to a range of duty free operators and travel retailers.

"It will be really great for the Hunter Laing team to show our new whiskies to friends and customers, old and new, in Cannes this year. My sons and I have made many journeys throughout the world to see our customers and this year will be very special. For the first time we will be showing our Highland Journey and Islay

Journey brands as well as our recently launched Scarabus Islay single malt. We are sure that our customers will be pleased to taste the new brands which are already carving a niche in the duty free market," says Stewart.

Company Export Director, Andrew Laing commented, "We were very happy with the way our new brands were received this year at the TFWA Asia Pacific Exhibition & Conference in Singapore and this year we are very pleased to be able to exhibit in Cannes and continue to tell our story to duty free and travel retail customers. So far this year we have been forging agreements with a variety of companies like Kreol Travel Retail in the Middle East and Duty Free Global in parts of Europe

and Asia as we strive to gain new listings for our brands."

Hunter Laing Business Development Director, Scott Laing also added, "The duty free and travel retail segments are very important for our company and as we develop new brands our sales team look closely to our partners in these markets. Sales of Highland Journey and Islay Journey have performed very well since their launch earlier this year and retailers and operators appreciate having the flexibility of having both the 75cl and the 1 liter size available in gift tubes. We are also pleased to confirm that two new additions to the Journey series will be launched towards the end of this year and we are convinced that these will be also well received by retailers and whisky drinkers throughout the world. In addition to these brands we are also looking to place some special editions of our Old Malt Cask range with specially selected retailers in different markets."

Hunter Laing is a Scottish family owned company and the family has been blending and bottling Scotch whisky for three generations. In April this year, the company opened Ardnahoe Distillery on the island of Islay.

## Whyte & Mackay introduces TR exclusive Fettercairn single malt whiskies

Whyte & Mackay is launching two travel retail exclusive releases from Fettercairn, one of the company's flagship Highland single malt Scotch whiskies.



Fettercairn was relaunched in Cannes last year with four new aged single malts, revealing a new brand proposition, along with a premiumized brand identity, bottle and packaging.

The new travel retail exclusives being unveiled in Cannes will showcase the signature tropical fruit style derived in part from the brand's unique distillation process in which the company drenches its stills with crystal-clear mountain water.

Whyte & Mackay this year is launching a limited release 16 Year Old and a 23 Year Old Single Malt, matured in hand-selected casks containing rare and aged stock. The 16 Year Old and 23 Year Old travel retail exclusives are available from Q1 2020 and will have a RRP of £80/1L and £200 /70cl respectively.

The travel retail collection is completed by the Fettercairn 12 Year Old Pedro Ximénez Sherry Cask Edition, aged in American White Oak ex-bourbon barrels, with a finish in Pedro Ximénez Sherry casks.

Richard Trimby, Travel Retail Director at Whyte & Mackay, said: "We are answering the travelers' thirst for newness. We know that Single Malt consumers in GTR like to discover new flavors and find hidden gems, especially ones that are unique and exclusive to the channel.

"We're building on the momentum of the Fettercairn relaunch last year with these two new travel retail exclusives and by committing additional support in the channel for the established expressions.

"To grab the attention of whisky enthusiasts, we have worked hard on making our expressions stand out on the shelf with our distinctive storytelling and new brand identity, bottle and packaging. We look forward to sharing all of these new Fettercairn developments with buyers and travel retail colleagues in Cannes."

Whyte & Mackay is also launching a new and exclusive travel retail collection from The Dalmore – a permanent collection of three single malt whiskies.

## Dellepiane launches Dulce de Leche Liqueur

Leading Argentine liqueur producer Dellepiane has launched Tambo, a premium dulce de leche liqueur targeted initially at the Latin American duty free market. The new liqueur, packaged in a copper colored aluminum bottle to resemble the ancient copper pots in which the Dulce de Leche was traditionally made on Argentine dairy farms, will be sold exclusively during the launch period in airport and border duty free stores.

Company CEO Miguel Dellepiane told *TMI*, "We have placed some of our traditional brands in regional border stores with some degree of success, but this is the first time that we have designed a product from the outset for the duty free and travel retail market. The recipe for the product was given

to my father by my grandfather and we have reproduced the product faithfully following the original instructions. Tambo is a very special liqueur of unique taste which is without a doubt part of the gastronomic and cultural heritage of Argentina.

"Sweetness and smoothness in the mouth are Tambo's main features. Then we gradually discover the presence of vanilla and toffee notes blended with the Dulce de Leche and finally, the presence of cream rounding off in the mouth.

"We have researched the product with different groups of consumers and the results have been excellent. We hope to launch on the Paraguayan border shortly and in the new Brazilian border stores before the end of the year."

For more information about Tambo contact [dutyfree@dellepiane.com.ar](mailto:dutyfree@dellepiane.com.ar).

JG



## Chabot Armagnac targets U.S. travel retail

Chabot Armagnac is focusing on the U.S. travel retail market as its next target in the channel.

Following the brand's initial recent break into the U.S. travel retail market with DFS at Los Angeles International Airport, the company has reached an agreement with Dufry to list the Armagnac brand at three new U.S. airport locations for the first time: Chicago O'Hare International, Seattle-Tacoma International and Newark Liberty International airports.

The U.S. travel retail channel is seen as a very important long-term market for the global growth of Chabot, a natural progression from building on its exponential growth in Asian travel retail – the brand is now stocked in 48 of Asia's top 50 airports.

Kathleen Gentzbourger, President of Chabot Armagnac, said: "Although we have a growing foothold in the U.S.

domestic market, we are now seeking to make a bigger impact in the travel retail channel in the country, which we see as an untapped opportunity, building on our original listing with DFS in LA and now at the three new U.S. airports with Dufry."

Chabot Armagnac won three awards at the 2019 USA Spirit Ratings in San Francisco.

The 30 Year Old Chabot was awarded a Gold rating and Best in Show by Country Category, while XO Superior received a Silver rating and the newly-released Chabot Very Special earned a Bronze rating.

"The three awards for Chabot Armagnac expressions at the world-renowned USA Spirit Ratings will significantly add to the appeal of the brand, and gives us extra confidence to pursue more listings in the Americas market. We believe there is a big market out there for niche and luxury brands like Chabot, which

has a rich heritage and unique story," says Gentzbourger.

The USA Spirits Ratings are judged on three separate scores for Quality, Value, and Packaging.



## Atom Brands launches bespoke Destination Gins

Craft spirits specialist Atom Brands is showcasing its new "Destination Gins" along with a wide range of unique spirits from multiple categories at the TFWA World Exhibition.

The company has been sourcing craft spirits from around the world to bring to the travel retail category.

This year Atom Brands is featuring

"Destination Gins," a bespoke range of 'retailer exclusive' gins from That Boutique-y Gin Company. The new Destination Gins take local and unique botanicals from a specific destination designed to remind the consumers of their travels.

The first bespoke travel retail collaborations include gins

from Sydney, The Gold Coast, Dubai, Bangkok and Hong Kong; all of which will be officially launched in Cannes. Each label is individually numbered and has been designed by That Boutique-y Gin Company's dedicated artist to reflect the iconic destination that has inspired the gin.

Two of the Destination Gins from the new series, Sydney Garden gin and Gold Coast gin, were awarded the top honor of 'Master' at the recent Global Travel Retail Spirits Masters (2019). These gins, the first in the series, will be sold as a retailer exclusive in their named city's airport.

Sydney Garden Gin "captures the city in a bottle" with local Australian botanicals such as finger limes and nutty wattleseed.

Atom Brands Global PR Manager Emily Webster tells *TMI* that the plan is to extend the Destination Gin range to the Americas.

"But in order to do this the retailers have to be on board as the gins are made bespoke for specific retailers in each location. Claire Keene, our Head of Sales for Global Travel Retail, is having these conversations and we're hoping that launching the Destination Gins we have worked on so far in Cannes will get retailers excited about the bespoke option," says Webster.

Atom Brands is passionate about craft, says Keene, who says these hand-picked spirits bring something different to the travel retail category.

"Our unique portfolio unites a range of styles of award winning gins, whiskies, tequilas, mezcals and rums, encouraging retailers and, in turn, travelers to discover the very best craft spirits that we have found from around the globe. We've traveled the globe to bring these brands together, curating and creating a range of spirits that will help to rejuvenate the spirits category in travel retail, injecting a selection of inspiring unique, shelf worthy and delicious brands into duty free stores. We're excited to showcase this portfolio together at Cannes!" says Keene.

The craft spirits category is growing globally, driven by consumers desire for more authentic brands and experiences. Between 2013 - 2017 launches of craft spirits increased by 265% and the craft category is forecast to grow from 2% to 20% of global spirits sales by 2025, worth a staggering US\$3 billion.

Atom Brands' portfolio of craft spirits can be found in Cannes onboard the yacht Meme in the Harbour Village.



## Mondelez WTR doubles down on biscuits category

Two years after announcing its plan to establish biscuits as a sub-category in travel retail, Mondelez World Travel Retail (WTR) is launching new products and packaging from Oreo, Milka and Cadbury at the TFWA World Exhibition in Cannes.

Mondelez reports a double-digit net revenue increase in biscuits and more than double the net revenue increase for its first travel retail exclusive biscuits collection from Milka.

The Cadbury Biscuits Collection, which launched this past April, has already outperformed projections, says the company.

Mondelez WTR's Head of Category Marketing, Irina Tarabanko, said: "We first identified the potential of biscuits in travel retail when we launched Oreo into the channel back in 2012, and answered the call with our biscuits roadmap in 2017. Since then, biscuits shares in our portfolio have multiplied exponentially and become an integral part of our business. We are well on track towards achieving our ambition of establishing biscuits as a category in its own right, fueling growth through incremental sales and driving home our objectives of generating 'More Shoppers', 'More Spend', 'More Often.'"

Tarabanko added: "With these new products and packaging formats, such as

Cadbury and Milka Biscuits Collection Assortment Tin, or Oreo Thin Original range we are expanding our portfolio to appeal to an even wider audience and keep our biscuits offering fresh and relevant to traveling consumers. Biscuits are here to stay."

To enhance the Milka and Cadbury travel retail exclusive biscuits collections' gifting appeal, beginning in April 2020 these products will be available in tins. The Cadbury Biscuit Collection Assortment Tin will include Roundies, Nibbly Fingers and Brunch Bars while the Milka Biscuit Collection Assortment Tin contains best-sellers Choco Wafer, Choco Grain and Sensations.

Mondelez WTR is launching new travel retail exclusive Oreo Thins Original and Oreo Thins Chocolate Flavored Crème, beginning in April 2020.

*Riviera Village, Stand RG5*



## Ferrero introduces Milky & Schoki with Kinder Max

Ferrero Travel Market will unveil travel retail exclusive Kinder Maxi T18, (378g) comprising 18 individually wrapped Kinder Maxi 21g bars packed into a box shaped like a super-sized Kinder Maxi chocolate bar.

The Kinder Maxi T18 format will be the first outing for Kinder Maxi's new official brand mascots, Milky & Schoki, a cartoon couple depicting a glass of milk and a bar of chocolate.

Kinder Maxi T18 comes in two designs - 'The best moments are with you' and 'With all my heart' - featuring Milky & Schoki, either exploring the world together or simply enjoying each other's company.

Designed for travelers as an unusual gift from the heart, the Kinder Maxi T18 in its bar-shaped pack is dedicated to young adults to give to whoever is close to them. See it in 8 Bay Village.



## Godiva introduces Cube-shaped truffles

Godiva is unveiling new Cube Truffles at the TFWA World Exhibition.

The truffles each feature four layers of flavors, filled with dual-layered ganache or praliné filling, encased in a crisp chocolate shell and finished with a dusting of cocoa powder, chocolate or nut shavings.

The truffles include flavors such as intense dark chocolate and smooth milk chocolate which complement more contemporary flavors such as fruity cassis and earthy matcha, and are crafted from Marcona Almond, Piedmont Hazelnut and Madagascan vanilla.

The Godiva Cube Truffles Chocolate

Gift Box contains 12 pieces chosen from nine flavors: Noir, Amande Marcona, Lait, Cassis, Matcha, Framboise, Caramel Sale, Vanille, Noisette du piedmont.



## Mars Wrigley ITR revamps Minis based on consumer research

Mars Wrigley International Travel Retail (MITR) is revamping Mars, Twix, Milky Way, Bounty and Snickers brands mini bars for the travel retail channel based on category insights and consumer research. The company says the new Minis portfolio has been produced in response to

Mars Wrigley's understanding of traveler needs – specifically, meeting traveling consumers with great brands at the price points that they want to buy.

MITR's category vision is designed to meet the four key reasons for confectionery purchase: Recharge, Reward, Celebrate and Connect.

MITR says that Connect, especially, is all about the importance of social bonding, accounting for 50% of purchases, and that its new Minis portfolio is the ideal offer to take advantage of that.

According to MITR's research, handle pouches and bags now account for more than one third of confectionery category spending.

Raghav Rekhi, Category Director Mars Wrigley ITR said:

“Developing new and valuable ways of engaging with travel retail buyers is something we have invested a great deal of thought to.

“Our ‘Connect’ strategy in travel retail is a huge part of that, as those shared moments are a proven driver of sales.

To appeal to those buyers looking for something new we need to keep our offer fresh – with new products and new twists on existing products that we know drives impulse purchases. We believe our new Minis portfolio delivers on that.

“By understanding how best to tailor our innovations specifically to travel retail we can not only revitalize the category as a whole – we can give consumers something different, something exciting and new ways to connect. Providing opportunities to create from the airport shopping experience unexpected moments to share and enjoy with friends and loved ones.”



## PVM announces vision to spearhead growth in travel retail's sugar confectionery market

Perfetti Van Melle (PVM) has announced a plan to boost the sugar confectionery category's performance by capitalizing on untapped potential.

“The confectionery market is a cornerstone of travel retail and one of the key purchase drivers within our industry today. But it is also a sector with great potential to grow,” says PVM Travel Retail Brand Manager Femke van Veen.

“The current focus on chocolate means that the scope for developing the sugar and gum sectors is huge and as PVM is the market leader in this area, we are excited to share our vision for the future with the wider industry.

“Confectionery is the best category for increasing the average spend by shoppers and has great impulse potential too, so making the most of this potential will be good news for all of travel retail.”

PVM is currently growing faster than the global confectionery category, with sales up 5.9% last year compared to 1.4% for the total confectionery category. In the gum category PVM grew 7.5% compared to 0.8% for the total gum category.

PVM also enjoyed a successful 2018 with a 14.5% share of travel retail's

sugar confectionery market, according to Generation Research, and boosted its position by focusing on its best sellers – including international brands like Mentos and Chupa Chups – growing 6% year-on-year.

Central to PVM's vision for the future of the category is a renewed focus on the refreshment and small treat items, which the company says have best potential to drive growth.

This potential is based on three core principles: Must haves, building the point of sale (POS) offer, and improved visibility.

Research has shown that the majority of shoppers expect to see confectionery offered at the point of sale with chewing gum currently the top performing item at the till. As a result, PVM's latest addition to its offer includes the Chupa Chups Box, designed for the point of sale, along with Mentos Pure Fresh watermelon gum and Mentos 2hr Clean Breath power mints.

PVM has created a new range of visibility tools designed to get shoppers in the door with bright and fun colors. PVM's new Ferry display with customizable wall bays makes it possible to create Mentos and Chupa Chups visibility for locations of



any size. PVM also created hanging racks to showcase its best-selling Mega Chups and Backpacks when space on shelves is limited.

“As the market leader in the sugar category, PVM is perfectly placed to lead the way in developing this sector,” van Veen added.

“We have worked hard to create perfect in-store merchandising ideas and develop the point of sale offering. By raising the profile and presentation of our popular sugar brands we can help realize the category's potential.”

## Advantage Group names Lindt & Sprüngli Travel Retail as top confectionery supplier in travel retail in 2019

Lindt & Sprüngli has been named as Best-In-Class confectionery supplier in the 2019 Advantage Report Global Travel Retail.

Lindt achieved top-tier ratings across all seven performance areas: Overall, Strategic Alignment, People, Category Development, Trade & Shopper Marketing and Customer Service.

Within the regions, Lindt ranked first in the Americas and the Middle East, second in Europe and third in Asia Pacific.

The Advantage Report Global Travel Retail is an annual study based on qualitative and quantitative research.

In this year's research, more than 385 key stakeholders from 87 retailers evaluated the performance of their suppliers.

Advantage believes that improving business relationships between manufacturers and retailers will help create outstanding business results.

Nestor Sanajko, Director, Global

Client Business Development at Advantage Group, said; "The Travel Retail Confectionery segment is consistently very competitive. The Lindt & Sprüngli team stood out especially in their partnership relationships and their drive towards innovation, complemented by excellence in their supply chain and customer service, which secured them the pole position in the 2019 report.

"It is also worth mentioning that Lindt places considerable emphasis on analyzing the annual results, consulting with Advantage and searching for improvement. This quest for excellence is what really makes the company stand out."

Peter Zehnder, Head of the Lindt & Sprüngli Global Duty Free Division, said; "It is a great honor to be recognized as Best-In-Class confectionery supplier for the travel retail channel by the Advantage Report. We take great pride in producing our exquisite, premium chocolates that appeal to all passengers, while supporting



these with innovative, eye-catching marketing campaigns that encourages footfall to the confectionery aisle and grows sales for travel retailers.

"We'd like to thank all of our clients who helped us on our way to this achievement, as it is only by working in partnership that we can drive the improvement of the travel retail shopping experience. Travel retail is a vital part of our business and we will continue to invest in this important market going forward."

# Printers Printer Ad

## PEOPLE NEWS

**William Legallais**, formerly with Neuhaus, has joined **Leonidas Maitre Chocolatier** as Travel Retail Manager for the Europe, Middle East, Africa and Americas regions.

**Nelly Sannwald**, Global Travel Retail Manager, welcomed his arrival: “We are delighted to have William on board as part of the Leonidas family. With his knowledge of the channel and the confectionery category, his contribution will be valuable for the successful development of this strategic business unit.”

William Legallais comments: “I am very enthusiastic about this move to Leonidas. I am excited to be given the opportunity to use my experience to build the presence of the brand in travel retail. Leonidas is a terrific brand, with great values supported by passionate people, which has definitely got a key role to play in creating moments of happiness for everybody.”

**Christian Münstermann** has been appointed as new **Imperial Brands** General Manager Global Duty Free & Export as of August 2019, replacing **Jorge Arias**, who is

taking on the role of Cluster General Manager – Central Europe & Ukraine. **Giannos Zompolas**, previously Finance Manager Middle East region for Imperial Brands’ duty free business, will take on the role of Head of Finance Global Duty Free & Export, replacing **Andy Heley** who is leaving the business at the end of September.

These latest appointments mean that Imperial’s duty free management team is now complete, with Giannos Zompolas, Christian Münstermann and **Tobias Baude**, Head of Corporate & Legal Affairs Global Duty Free & Export, who was appointed in October 2019.

Swiss research agency **m1nd-set** has promoted **Anna Marchesini** to Head of Business Development for the agency’s Travel Retail department. The appointment is part of an internal restructuring aimed at strengthening m1nd-set’s expanding Travel Retail research business.

Marchesini, who has been nominated and shortlisted in the “Talent of Tomorrow” category at this year’s Frontier Awards, joined m1nd-set at the beginning of 2018 in a project management and business development role. Over the past eighteen months she has been

involved in managing several of m1nd-set’s global key accounts and has been instrumental in bringing new business to the agency with several major new business wins.

**MSC Group** announces that industry veteran **Michael Ungerer** has joined its cruise business as CEO of MSC’s new luxury brand. Ungerer joins MSC with over 30 years of senior management experience in cruising and luxury hospitality. He will be based out of the company’s global headquarters in Geneva and will report to **Pierfrancesco Vago**, Executive Chairman of MSC Group’s cruises business.

Earlier this year, MSC confirmed an order for four luxury cruise ships to be built by Fincantieri for a total value exceeding EUR 2 billion. These super-yachts – which will introduce to the luxury segment a broad range of new guest experiences and other activities as well as feature generous ratios of public spaces - will also showcase a highly-innovative design, says the company. The first of the four vessels will be delivered by Spring 2023. The remaining three will come into service one per year over the following three years through 2026.

## Advertiser’s Index

|                                      |       |                                    |     |  |    |
|--------------------------------------|-------|------------------------------------|-----|--|----|
| <i>Aer Rianta International</i>      | 27    | <i>F DFA 2019</i>                  | 29  | <i>Printer’s Printer</i>                 | 88 |
| <i>ASUTIL</i>                        | 45    | <i>Formawell X Kendall Jenner</i>  | 65  | <i>Rituals</i>                           | 17 |
| <i>Coach floral blush</i>            | 15    | <i>Furla</i>                       | IBC | <i>Rouge Duty Free</i>                   | 43 |
| <i>Costa</i>                         | 37    | <i>Givenchy L’Interdit EDT</i>     | 7   | <i>Starboard Cruise Services</i>         | 33 |
| <i>DANZKA Vodka</i>                  | 81    | <i>Glenfiddich Grand Cru</i>       | 4-5 | <i>Summit of the Americas</i>            | 47 |
| <i>DANZKA THE SPIRIT Vodka</i>       | 31    | <i>Grey Goose Vodka</i>            | 19  | <i>Tairo International</i>               | 39 |
| <i>Dolce&amp;Gabbana K</i>           | IFC-3 | <i>IGL Duty Free</i>               | 21  | <i>Tito’s Handmade Vodka</i>             | 41 |
| <i>Duty Free Dynamics</i>            | 69    | <i>It’s About Time Productions</i> | 90  | <i>Travel Markets Insider</i>            | 63 |
| <i>Duty Free Dynamics- Guess</i>     | 13    | <i>Jimmy Choo Urban Hero</i>       | 49  | <i>Woodford Reserve Baccarat Edition</i> | 23 |
| <i>Duty Free Dynamics- Samsonite</i> | 11    | <i>Macallan Quest Collection</i>   | BC  |  |    |
| <i>Estee Lauder Breast</i>           |       | <i>Monalisa</i>                    | 53  |  |    |
| <i>Cancer Awareness</i>              | 55    | <i>Moschino Toy 2</i>              | 9   |  |    |

## PEOPLE NEWS

**Guy Bodart** has joined **Top Brands International** as Head of Perfumes & Cosmetics, including for Neutral. The former Chanel executive, who also held top positions at Grupo UltraFemme and Duty Free Dynamics, will be based in Panama.

**Haythem Bouchuiguir** has been named General Manager, Americas Duty Free for **JTI**, where he is responsible for the U.S., Caribbean and Latin America duty free markets. He succeeds **Jean Alexandre Leu**, who is now heading up the Bolivia market for JTI. Bouchuiguir first joined JTI in 2001 for four years, and then again in 2008, working in a variety of senior marketing roles for JTI's domestic and duty free business.

**Antonio "Tony" Suarez** has joined **Southern Glazer's Wine & Spirits** Travel Sales & Exports Division, where he is managing the Caribbean and Latin America markets as well as the Duty Free channel. He brings broad experience to the new role, having formerly worked at Pernod Ricard, Beam Suntory and Distell.

**Carole Soulard** has joined **Bacardi** as Customer Marketing Manager for Cruises. Soulard was most recently with Beam Suntory, following more than 10 years at P&G Prestige Products.

**Chris Jennings**, former Sales Manager at Scorpio Worldwide, has joined **SKROSS** as International Business Development Manager in order to increase the Swiss brand's presence in the market. SKROSS produces high-quality travel adaptors and other travel power accessories.

**Distell International** has appointed **Rachel Hawes** as Head of Marketing for Global Travel Retail, effective August 1. Hawes has worked at Distell for six years in various marketing roles, most recently as International Marketing Manager for Amarula and played a key role in steering the brand to success. Hawes will be based at Distell's London office, reporting to Distell Travel Retail Managing Director **Luke Maga**.

In a second appointment, Distell Global Travel Retail has appointed ex-Dufry executive **Matthew Scott-Fairweather** to the role of General Manager – Americas, effective

Sept. 2. Based in Distell's London office, Scott-Fairweather will be responsible for managing all key travel retail accounts across the Americas region as well as the Dufry account globally. He reports to Distell Global Travel Retail Managing Director Luke Maga. Scott-Fairweather has worked in travel retail for over eight years in various liquor roles within the Dufry business. In 2017 he moved to Dufry's Liquor and Procurement team where he assumed the position of Product and Promotions Manager UK and Northern Europe.

**Roust Corporation** has appointed **Scott Oliver** as CEO of Roust Americas. Oliver was previously with Treasury Wine Estates in Australia, South Pacific and Canada, and then with Select Wines and Spirits as COO for the Rémy Cointreau and Concha y Toro portfolios before setting up and managing the Roust business in Canada. Oliver will report directly to **Pavel Merkul**, CEO of Roust Corporation, and be responsible for all aspects of the company's consolidated business throughout the Americas, which is a priority for the Group. Roust owns Russian Standard Vodka, Żubrówka and Gancia.



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