



## Cannes 2015 Opening Conference: Numbers and Politics

Despite slowing growth across the travel retail industry, the mood at the 2015 TFWA World Exhibition was generally positive and optimistic.

TFWA President Erik Juul-Mortensen, delivering his annual State of the Industry address to start the week, highlighted the changing face of global travel retail brought on by consolidation, exchange rate factors, and geopolitical tensions.

"Events this year, both within and beyond our industry, have confirmed that we are experiencing a period of intense, and lasting, change," he said. "If the tectonic plates of the global economy have shifted, then so too have those of the global duty free & travel retail industry."

Pointing out that sales in 2014 reached \$63.5 billion, up 5.8% on 2013, he noted this was a slow-down on the 7.5% growth reported in 2013 over 2012.

However, global duty free and travel retail sales in Q2 2015

improved significantly compared to the first quarter. By the end of March 2015 global sales were down by 3.3% compared to the same period in 2014, and by the end of June sales had dropped only -0.2%.

"Over the first half, therefore, we have seen basically zero growth," Juul-Mortensen said. "This performance should also be seen in the context of extreme currency volatility in many markets, which continues to pose considerable challenges to the industry."

The Americas region recorded slight growth of +1.9% in first half of 2015, while Asia Pacific was the best-performing region with sales up +6.5%.

Juul-Mortensen pointed to the increasing power of Dufry since purchasing Nuance and World Duty Free Group as well as Coty's acquisition of P&G's beauty business as factors that will greatly impact the travel retail business going forward.

The travel retail industry also needs to account for and integrate the increased use of online and mobile technology, which Juul-Mortensen thinks will help re-accelerate travel retail growth rates.

"Incredible developments are taking place in the online world and our industry is increasingly exposed to their impact," he said.

### Peter Long

Peter Long, Joint CEO of TUI Group, which became the world's largest travel and tourism company under his leadership, followed Juul-Mortensen, explaining his vision of current global travel and tourism trends.

Long turned TUI Group into a global brand, consolidating two parts of TUI together "which has given us long-term sustainability in what will continue to be a challenging market environment," he said.

"The history of the TUI Group has been one of acquisition,

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### PEOPLE

**Jada Portela** has joined **Edrington WEBB** as Key Account Manager handling cruise lines, following nearly 10 years with **Starboard Cruise Services**. (See page 5)

**Antonio Suarez** has been appointed Head of Americas at **Beam Suntory Global Travel Retail**. He joins the company following five years in senior positions at Pernod Ricard Americas Travel Retail and five years at Moet Hennessy USA.

**Jose Chao** has been named VP, Sales USA for the newly reorganized **Imperial Brands, Inc**, where he will oversee Sobieski Vodka and the Marie Brizard brands, among others. Chao brings a wealth of experience to the position from a long career at Bacardi, and most recently as national Sales director at Blue Nectar Spirits company.

**Paul Topping**, Director /Board Member of **Flemingo International** has been honored with the life time achievement award at the **2015 Frontier Awards**. Topping started his retail experience selling mangos outside his father's Presbyterian church in Livingstone Zambia at the age of five. His career went on to cover many UK retailers, eventually bringing him to operations director of Trust House Forte's travel retail division. Here he played a key role in the listing of the company on the UK stock market as Alpha Airports Group, which he expanded to global markets from the US to India. He then became President Asia Aldeasa post the purchase of The Alpha Group by Autogrill. He later joined Heinemann to help establish the retailer in Asia. He joined Flemingo International in 2012 to assist in repositioning the brand and expanding into many new emerging markets. The company has grown from 126 operations to over 200 over the last three years.

## Dufry Group announces new organizational structure

As Dufry Group has realized "transformational growth" with the acquisitions of The Nuance Group and World Duty Free Group over the past two years, the company has announced a new organizational structure that reflects this considerable expansion and "sets the base to deliver further sustainable growth and value creation going forward."

As part of the new organization, the company is divided into five geographic regions and has appointed five new members to its Group Executive Committee. The new organizational structure will be effective January 1, 2016.

With the acquisition of The Nuance Group in 2014 and of World Duty Free Group in 2015, Dufry has more than doubled its turnover and its EBITDA, increased its presence into 17 additional countries and 836 new retail locations, while the number of employees grew from over 16,000 to over 31,000.

Dufry says that it has therefore adjusted its organizational structure to reflect the strong growth and the increased geographic footprint. Also, the business operating model will be adapted to further

improve the overall organizational efficiency to sustain further growth and value creation for the shareholders.

### Re-configuration of regions

Dufry's new organizational structure will be consolidated into five geographic Divisions, which will be headed by Divisional CEOs, all reporting to the Group CEO:

- Division 1: Southern Europe and Africa**
- Division 2: UK, Central and Eastern Europe**
- Division 3: Asia, Middle East and Australia**
- Division 4: Latin America**
- Division 5: North America**

Dufry says that the new divisions match key geographic regions and provide a well-balanced weight of the group operations, allowing each Divisional CEO to focus on a clearly defined area and to be close to the market with respect to customers and landlords.

*Continued on page 5*



## Carnival Corporation & plc forms jv in China to launch domestic multi-ship Chinese cruise brand



Carnival Corporation & plc last week confirmed that it has formed a joint venture with China State Shipbuilding Corporation (CSSC) and China Investment Corporation (CIC) to launch a multi-ship domestic cruise brand in the Chinese market. China is expected to become the largest cruise market in the world within a decade. The joint venture was unveiled at a signing ceremony held Oct. 21 in London. British Prime Minister David Cameron and Chinese President Xi Jinping attended the ceremony, signifying the importance of the joint ven-

ture and the prominent role that the travel and tourism industry will play in China's economic growth plans.

Carnival and CSSC, the largest shipbuilder in China, plan to purchase and operate cruise ships as part of what is expected to be the first multi-ship fleet sailing for a domestic Chinese cruise brand.

Specific fleet details will be announced at a later date, but potential plans could include the purchase of both new and existing cruise ships to homeport in China.

The CIC, currently one of the world's

largest sovereign wealth funds with over \$740 billion in assets under management, will serve as a significant investor in the new cruising joint venture with CSSC and Carnival Corporation & plc.

CIC's involvement reinforces China's commitment to developing a strong domestic cruise presence. The growing demand for cruising is seen as a key driver of the expanding Chinese tourism market, which is a top priority for longer term economic development in China.

"This cruising joint venture is a significant step forward for the cruise industry in China and a tremendous opportunity for us to work together with CSSC and CIC to grow awareness, interest and demand for cruise vacations amongst domestic Chinese travelers," said Alan Buckelew, global chief operations officer for Carnival Corporation & plc.

The joint venture announcement builds on recent news that Carnival Cruise Line and AIDA Cruises will join Costa Cruises and Princess Cruises in China in 2017, furthering the company's multi-brand strategy. (See TMI Vol. 17 No. 22).

On Oct. 28, the Carnival Cruise Line brand further announced that its initial commitment of two ships to the China market beginning with Carnival Miracle in spring 2017 followed by Carnival Splendor in spring 2018. Both ships will be based in China year round.

### Cannes opening conference *Continued from page 1.*

normally of the leading leisure travel brands in source markets. This has led to a number of very well-known local brands operating under the TUI smile umbrella," said Long.

Today TUI Group operates several airlines, hundreds of hotels, travel agencies, and retail stores, plus a dozen cruise ships. Long focused on being customer-centric, being innovative, and never losing sight of how important reputation is.

### Rudy Giuliani

Former New York City Mayor Rudy Giuliani, known for leading the city through the 9/11 terrorist attacks, gave his keynote address on leadership in the face of crisis and change.

In the first part of his speech, Giuliani focused on six key principles of leadership, which he tried to tie into the travel retail business: 1. As a leader you have to set goals. 2. Be an optimist. 3. Have courage. 4. Relentless preparation. 5. Teamwork. 6. Communication.

"[Leadership is] most important in periods of change and difficulty," Giuliani said. "What do you want to achieve this year? Do you want to increase sales, or develop new product lines, for example? Don't just let it happen to you – if you have a plan you have something to assess your work by."

"People don't follow pessimists," he noted. "People follow the solution to a problem, they follow the person who's going to offer the best approach. You have to turn the people who work for, and with you, into problem solvers."

Giuliani's speech was well received in the Palais auditorium until he got political and partisan with moderator Stephen Sackur, giving his views on President Obama, Donald Trump, and America's role in the world, which did not play as well with the predominantly European audience.

"I want a president that Mr. Putin and the Ayatollah are afraid of," he said. "[Obama] kisses the ring of the king of Saudi Arabia. An American president should not kiss anybody's ring."

Giuliani predicted a Republican will follow Barack Obama as President of the United States.

*Michael Pasternak*

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## SPOTLIGHT ON CANNES

# TRAVEL MARKETS INSIDER

### Shiseido launches first NARS TR exclusive collection

Shiseido used TFWA Cannes to launch NARSsist #Jetsetter, the first ever NARS Travel Retail exclusive collection.

Travel Retail is a relatively new channel for NARS but the range of wearable, high-quality makeup enjoys a huge and loyal fan base in domestic markets and is advancing rapidly in the travel retail channel, says the company.

“NARS has been performing extremely well in Asian travel retail, especially in South Korea,” says Philippe Lesne, Global Travel Retail President. “We have also seen very positive sales with Chinese customers, even though the brand will not be launched there domestically until 2017.”

The potential seen for NARS within Travel Retail and the traveling consumer’s desire for exclusives have paved the way for the launch of NARSsist #Jetsetter.

“We are very aware of the need to meet the specific needs of the traveler and NARSsist #Jetsetter is positioned as the must-have handbag accessory for every globetrotting woman,” adds Lesne.

NARSsist #Jetsetter comprises four individual sets: an **Eye, Cheek, and Lip Palette** featuring 3 new Eyeshadow shades, Orgasm Blush, Laguna Bronzing Powder and Mini Lipgloss; a **Lip Pencil Trio** filled with Jardin des Tuileries Satin Lip Pencil, and Dolce Vita and Dragon Girl Velvet Matte Lip Pencils; **Orgasm Face Set** for Lips and Cheeks, containing Blush, Lip Gloss, Mini Illuminator and Mni Multiple; and a three brush **Travel Brush Set** for eyeshadow and blusher in travel sizes.

“Travel Retail is seen as an integral element of Shiseido’s VISION 2020 to revitalise the company and its brands. NARS – alongside our other prestige brands such as Shiseido, Clé de Peau Beauté and BareMinerals– are all seen as key to this revival,” says Lesne.

“NARS is an incredibly on-trend brand, highly respected by designers as our recent collaborations with Christopher Kane and now Steven Klein indicate, and extremely active in the critical social media arena. With a rapidly growing following, introducing a travel retail exclusive offer was a natural next step.”



### Shiseido records a great turnout for its NARS Steven Klein launch party

One of the highlight beauty events at TFWA Cannes this year was Shiseido Group’s preview launch of the NARS Steven Klein Holiday Collection on Tuesday evening. More than 50 leading travel retail buyers and key industry media enjoyed a meet and greet cocktail at the Shiseido stand overlooking the beautiful Cannes harbour, with the added bonus of a makeup session using the latest Steven Klein NARS.

President Philippe Lesne and Marketing Director Elisabeth Jouguelet were delighted with the turnout, commenting that the event was a huge success:

“Both Elisabeth and I would like to thank all of those who attended, both media and our customers. Being able to welcome some of the leading operators including World Duty Free, Nuance, Dufry and DFS to the cocktail was a highlight, and from the feedback we received it was definitely an event we would like to repeat in the future,” added Lesne.

NARS Steven Klein: The Collection is a limited edition Color Collection of 13 new SKUs and two limited edition formulas. Klein is considered one of the most important conceptual artists working in fashion today – and the mastermind behind many luxury advertising campaigns. His collaboration with NARS creates unique gift sets that provide a stand-out offer in travel retail and domestic markets, says the company.

Available in Travel Retail from November 2015 the collection includes Killer Shine Lip-gloss, Killer Shine Lipstick and Single Eyeshadows in various shades.



Represented in Travel Retail by [www.worldclassbrands.com](http://www.worldclassbrands.com)

## Business, networking, and charity shine at TFWA 2015 in spite of challenges

Despite the devastating floods that crippled the city of Cannes only two weeks prior to the TFWA World Exhibition, the 31<sup>st</sup> global event was held as scheduled with healthy attendance, footfall, and business taking place throughout the week.

At the conclusion of the exhibition on Oct. 23, TFWA President Erik Juul-Mortensen declared the conference “a very successful event in all aspects.”

In total, 6,558 visitors from 3,026 companies attended the conference, down 2% from 2014. “The slight reduction in the total number of visitors compared with last year’s record figure bears witness to the difficult economic and geopolitical climate in the world today. However, I am delighted to report that our key visitor category – landlords, duty free & travel retail operators – was extremely well represented with a 2% increase in delegates and 4% rise in the number of companies over 2014. Agents and distributors also arrived in greater numbers than last year, which is very pleasing.”

The bustling trade floor hosted 482 exhibitors, up from 475 in 2014. This figure includes 48 new exhibitors or those returning after an absence.

In innovative and creative stands and eight luxury yachts anchored in the Harbor Village, exhibitors showcased thousands of products in the fragrances & cosmetics, wines & spirits, fashion & accessories, jewelry & watches, confectionery & fine food, gifts & electronics and tobacco categories.

With constant footfall and business being done in all corners of the convention, the general mood of the conference was positive and optimistic, in spite of trying economic and political challenges of the past year. There seemed to be a consensus across the industry to combat downturn and improve business in the coming year with resilience, innovation, and education.

### Networking & workshops

The week offered numerous opportunities for travel retail education, starting with the TFWA opening World Conference where 1,504 delegates turned out to see BBC HARDTalk host Stephen Sackur moderating an interesting event. TFWA President Erik Juul-Mortensen opened with an analysis of the current business environment. Former New York City Mayor Rudy Giuliani and TUI Group CEO Peter Long both spoke about leadership in trying times,

offering the audience personal narratives and experiences.

Additionally, 145 delegates attended the Market Watch Workshop on South Korea held on Tuesday; 169 attended the Inflight Focus workshop on Wednesday; and nearly 90 were at the premiere TFWA Research Workshop.

The week was punctuated with networking and social events, most of which took place in the Cannes sunshine. On Sunday, delegates did not let a little rain and clouds stop them from participating in the charitable Heinemann/ Estée Lauder Golf Tournament, the annual TFWA Petanque Tournament, and the TFWA Charity Run held.

Almost 2,000 guests came out for the Welcoming Cocktail at the Carlton Hotel on Sunday evening, ushering in the week to come with a golden display of fireworks organized by the City of Cannes. Delegates danced through the midnight oil during the week at The Scene after-hours venue and more than 1,000 guests attended Le Premium Evening at Port Canto on Thursday night, enjoying a ‘Cucina Pop’ dinner prepared by award-winning chef Davide Oldani and an acrobatic display by the Cirque Eloize from Montreal.

### WiTr reaches goal with generous industry support

In addition to the charitable sporting events that took place on Sunday, the members of TFWA demonstrated their generous spirit throughout the week, notably with the fundraising efforts of Women in Travel Retail. Through a raffle and silent auction, and with the help of generous donors, WITr raised €21,947 to build an extension on the Brahmputra Home built by TFWA Care in Guwahati, Assam.

“The extension to the Brahmputra Home which already houses 25 children, will give 30 more children a safe home, regular

meals and the opportunity to go to school, something that most of us take for granted,” said Sarah Branquinho, World Duty Free Group. “The generosity of this industry never fails to amaze me.”

Special mention must be made for the

The funds raised through the prize draw and silent auction that was generously supported by many brands and retailers. Sunil Tuli, King Power Hong Kong’s Managing Director donated an additional €1,000, for a total of €9,347, short of the targeted amount. At the Frontier Awards Dinner, where WiTr was recognized for its contribution to the industry, an impassioned plea by Furla’s Gerry Munday led Godiva Chocolatier’s CEO Mohamed Elsakry to donate €1,000. *Frontier magazine* came up with another €1,000, plus a further €500 donated by a private contribution the following day resulted in a total of €21,947, slightly in excess of the €20,000 target.

The industry also proved its generosity when TFWA President Erik Juul-Mortensen, thanking the government of the city of Cannes for their hard work and perseverance in the city’s flood recovery, donated funds on behalf of TFWA Care to SAMU SOCIAL to replace a service van that was destroyed in the floods. The van was originally purchased by TFWA ten years ago, highlighting the long friendship and partnership between TFWA and the city of Cannes.

In 2016, the TFWA World Exhibition and Conference will take place during the first week in October, commencing on October 2 and running through the 7th. The event will take place in early October in 2017 and 2018 as well. The next TFWA event will be the MEADFA Conference held in Jordan on November 23-24, 2015.

Lara Pasternak

### Portela joins EWTRA to build cruise business

Jada Portela’s appointment as Key Account Manager for the cruise channel at Edrington Webb Travel Retail Americas in Miami will include managing the ship chandlers and onboard DF retail business, as well as calling on the buyers and operations of cruise lines.

Portela brings great knowledge of and relations in the cruise line industry to the new position. She started at Starboard Cruise Services in 2003 and worked in several buying roles, working her way up to Senior Merchandise Manager and most recently was Director, Royal Caribbean International Retail for Starboard.

“I have known Jada since she started in the industry and we are very pleased that she has joined our team. Over the course of the next few of months, she will be working on developing plans to help take our business to another level in the cruise segment of Travel Retail,” commented Andy Consuegra, CEO at Edrington WEBB Travel Retail Americas, and Managing Partner of WEBB (World Equity Brand Builders).

## Dufry announces new organizational structure as of Jan. 1, 2016

Continued from page 1.

### Additions to the Group Executive Committee (GEC)

Dufry's new Group structure will also be reflected in the Group Executive Committee, which will be extended to twelve persons with the appointment of five new members: **Eugenio Andrades**, DCEO UK, Central and Eastern Europe; **Pedro J. Castro Benitez**, DCEO Division Southern Europe and Africa; **Andrea Belardini**, DCEO Asia, Middle East and Australia; **Gustavo Magalhães Fagundes**, General Manager Brazil and Bolivia; and **Jordi Martin-Consuegra**, Global Resources Director.

The GEC will be comprised of the following members, effective January 1, 2016:

Chief Executive Officer (CEO) Julián Díaz; Chief Financial Officer (CFO) Andreas Schneider; Global Chief Operating Officer (GCOO) José Antonio Gea; Global Chief Corporate Officer (GCCO); Global Resources Director Jordi Martin-Consuegra; General Counsel Pascal Duclos; CEO Southern Europe and Africa Pedro J. Castro Benitez; CEO UK, Northern and Eastern Europe Eugenio Andrades; CEO Asia, Middle East and Australia Andrea Belardini; CEO Latin America René Riedi; CEO North America Joseph DiDomizio; General Manager Brazil and Bolivia Gustavo Magalhães Fagundes.

Julian Díaz, CEO of Dufry Group, commented: "The new Group structure is a key element in the further development of our company: We want to continue to grow profitably – by increasing our sales, foster gross and operational margins, while reducing net working capital requirements – and for this we need to adapt our structure and rethink the way we work after the two recent transformational acquisitions.

"I would like to congratulate the newly appointed colleagues and to thank all executives and their teams for their outstanding contribution in the past years. Each of them has been a key player in the development of our company or of their former organizations and will continue to be in their new functions within Dufry Group. We are convinced that this reorganization will make Dufry even more

effective in the marketplace and will strengthen our position as the leading and true travel retailer worldwide.

"I thank in particular José Carlos Rosa, who is leaving the GEC, for his commitment and dedication for the Dufry Group. During his long-lasting permanence in the Group Executive Committee he strongly contributed to the successful development of the company and we are grateful that he continues to serve Dufry in Portugal."

More changes will be disclosed in the 2015 Q3 results presentation on Nov. 3, 2015.

### HEINEMANN AMERICAS, Inc.

has an immediate opening for a **Junior Category Sales Manager**

#### Category Management & Sales Coordination

For Perfume & Cosmetics, Confectionary, Liquor, Fashion & Accessories

Tasks include:

#### Category Management

Create customer price lists, and other customer pricing; manage category space responsibilities; track and measure sales results; work with business development to secure category information; work with purchasing to develop vendor supported promotional programs, purchasing and forecasts

#### Sales Coordination

Create new product offers & catalogues; communication assortment updates; create & maintain assortment files and information entered in SAP; maintain promotional calendar; create presentations, etc

#### Position Requirements

Full Time, HQ based position (Coral Gables); Graduate degree (college); English a must, Spanish and other foreign languages a plus. Please send resumes and cover letter to [info@heinemann-americas.com](mailto:info@heinemann-americas.com)

### GODIVA

**GTR Americas & Caribbean** has an opening for an **Assistant Trade Marketing Manager**

**In the Ft. Lauderdale office.**

The position reports to the **Global Travel Retail Trade Marketing Manager**

for the Americas Region, to support the execution of all marketing and promotional initiatives in the Region, including coordinating all collateral and POS materials to support and execute special events and promotions.

**Main duties and responsibilities consist of Marketing 70%; Invoices / Finance 25%; and Administrative 5%.**

English is mandatory, with Spanish an advantage. Must have experience with the creative process – design/layout development and print production is required, as well as advanced computer skills M/S Office.

Must have a 4-year University degree and experience with luxury/premium brands. Travel Retail experience is an advantage.

Please apply online at:

<https://www.godivachoc.apply2jobs.com/ProfExt/index.cfm?fuseaction=mExternal.showJob&RID=2338>

Or visit our website at

[www.Godiva.com](http://www.Godiva.com)



**MONARQ**  
drinks distribution & marketing group

**THE MONARQ GROUP** has an immediate opening for a **Sales and Marketing Assistant**

in its Miami Office.

Candidate must be fluent in English and Spanish, as well as proficient in Microsoft Office programs- knowledge of Publisher and Adobe Illustrator a plus.

The Sales and Marketing Coordinator is responsible for key administrative tasks, including commercial and marketing follow-ups, program implementation, reporting, and marketing support.

The ideal candidate must possess strong organizational skills, be able to multi-task and be a self-starter. Background in the Wines and Spirits industry a plus.

Please send your resume, or questions about the position to:

[HR@monarqgroup.com](mailto:HR@monarqgroup.com)

### BEAUTE PRESTIGE INTERNATIONAL - BPI

has immediate openings in the Miami office for the following positions:

#### Commercial Assistant (full-time) -

Candidate must be fluent in English and Spanish and possess exceptional customer service and organizational skills. This position will be responsible for processing orders and assisting the Area Manager with day to day operation.

Knowledge of MS Office applications (with strong proficiency in Excel) is a must. SAP knowledge and industry experience is a plus.

Use reference

\u001A\mktcrd072015\u001A when submitting resume.

#### Merchandising Coordinator (part-time temporary to permanent)

20 hrs/wk to assist the Marketing Department with merchandising projects. This position calls for strong proficiency in computer-aided design (CAD) packages, such as AutoCAD and SketchUp, to create/modify designs for counters and in-store displays. Use reference

\u001A\mrchcrd072015\u001A

when submitting your resume.

Knowledge of French is a big plus.

Send resumes to

[gcamplani@bpi-sa.com](mailto:gcamplani@bpi-sa.com)

(Apply only if you are able to legally work in the USA)