



FDFA ends 28th annual Convention on a Gala note

The Frontier Duty Free Association (FDFA) held its 28th Annual Convention last month in Niagara Falls and enjoyed increased attendance and a growing sense of collaboration among its land border operator members.

FDFA President Abe Taqtaq presided over the Operator's Meeting on November 17, discussing strategic objectives and government relations issues, the FDFA's evolving marketing plan, and an update on the strategic review from the Canada Border Services Agency (CBSA). (see detailed *TMI* interview with Taqtaq in issue 15-45).

In a closed session before the FDFA Operators, the CBSA's Anne Kline presented a report regarding the current status of the Strategic review and outlined the next steps leading to its final adoption. She also provided an update on CBSA's current mandate and the CBSA Audit process.

Taqtaq, who represented the FDFA in Cannes in October at a meeting of world duty free leaders organizing the World Duty Free Council, discussed the new global alliance with his association.

The 2013 Convention welcomed 223 total delegates, a sold out trade floor with 25 booths, and 162 supplier registrants, up from 154 last year.

Peace Bridge tops awards night

Peace Bridge Duty Free, located in Fort Erie, Ontario, nearly swept the Gold Standards Awards presented at the FDFA Gala, winning the Platinum Award for Best Canadian Land Border Duty Free Store (large category), as well as three national awards for its marketing initiatives.

Jim Pearce, Peace Bridge Duty Free General Manager states, "We're extremely proud of our group. The underlying factor for our successes is the high level of engagement we've nurtured with our staff. This allows us to accomplish many things. It allows us to build off of solid, basic retail strategies and not have to rely on the mystical magic bullet. It also encourages ideas to be freely distributed and to have these ideas created, tweaked many ways, and most important, executed by the group."

Osoyoos Duty Free Shop won the Platinum Award – Category A for Best Canadian Land Border Store in the smaller shops category. Blue Water Bridge Duty Free Inc. won the Outstanding Customer Service Award, while Peter Mielzynski Agencies won Supplier of the Year 2013 – Small Supplier, and Distribution Fontaine Inc. won Supplier of the Year 2013 – Large Supplier.

In the product categories, Pronto Innovations' Bike Wine Presenter won Best Specialty Product-Jewelry, Watches, Handbags and Accessories; Turkey Hill Sugarbush's Maple Crème Cookies won Best Specialty Product – Confectionery, Food and Souvenirs, and DFX Distribution/BHI won Best New Fragrance/Cosmetic Product with Givenchy Gentleman. Diageo Global Travel Retail won Best New Spirits/Tobacco/Beer Product with the Explorers' Club Collection – Johnnie Walker.

Nuance North America took home the award for Best Canadian Airport Duty Free Company.

"Nuance is pleased to have been awarded this honor for the second year in a row especially as the award was determined based on voting open to all FDFA members who sell into travel-retail airports in Canada," said the company in a statement.

Richard Rendek, CEO, Nuance North America, added: "We are very pleased to have been recognized for this prestigious award again this year. I would like to thank all of our business partners for their support and our key suppliers for providing Nuance with unique and exclusive promotional opportunities."

PEOPLE/COMPANY NEWS

Congratulations to **Philip Levine**, the original founder of **Onboard Media**. Philip was elected **Mayor of Miami Beach**, Florida in a very hard-fought campaign. His swearing-in ceremony took place on Nov. 25, 2013.

As reported earlier, Nov. 29 was **Bruce Losee's** last day as a full time employee at **Fetzer Wines**. However, Losee will continue to be involved with the Cruise Duty Free and Caribbean sector as a consultant. His new email is loseebruce@aol.com. His cell number 860-869-8059 and phone 860-283-1849 remain the same.

Peter Jacobson, Commercial Director of **Diageo GTME**, is to retire after 36 years with the company.

Jacobson joined Tanqueray, Gordon & Co. Ltd. in London in 1977 and during his career with Diageo, and its predecessor companies, has worked in a variety of sales support and commercial roles in locations across the world including North America, Europe and Africa.

He moved into the Duty Free business in 1992 and was later appointed Commercial Director of Diageo Global Duty Free, the forerunner of Diageo GTME, in 2005. Doug Bagley, Managing Director of Diageo GTME, said:

"Peter has made an enormous contribution to the development of Diageo's travel retail business and will leave behind a significant legacy. He has played a key role in expanding our route to market and has established relationships with the travel retail industry that have proved to be significant, credible and long-lasting. His deep knowledge and understanding of the industry is impressive, and so is his willingness to contribute to the growth, learning and success of others. He will be missed both in GTME and in Diageo."



FDFA Executive Director Laurie Karson presents the Airport Award to Andy Rattner, Nuance Group Vice President Operations/ Buying and Merchandising during the 2013 FDFA Convention Gala. Peace Bridge accepting the Platinum award, Sandy Rienzo, Filomena Cangianiello, Karen Shaubel, Cindy Beam, Kathleen McCreary, Kara Spear, Meaghan Hearn, Jim Pearce. Peter Brain and Laurie Karson at the Opening cocktail.

Odebrecht/Changi consortium takes Rio's Galeão Airport concession

The second round of the Brazilian airport privatization process—which entailed contracts to operate Rio de Janeiro's Galeão Airport and a second contract to operate Belo Horizonte – Confins -- raised more than 21m Reales for the Brazilian government. Both winning bids were significantly above the minimum bid required by the Civil Aviation authorities.

The Aeroportos do Futuro consortium, made up of Brazilian construction and infrastructure specialist Odebrecht (60%) and Singapore's Changi Airport (40%) -- offered 19,018 million Reales for the 25-year concession to manage and operate Rio de Janeiro's Galeão airport, almost four times the minimum bid of 4,828m Reales.

The Aerobrasil consortium, comprising Brazilian concession specialist CCR and the operators of Zürich and Munich airports, submitted the winning bid to control the 30 year concession at Belo Horizonte – Confins. The newly created consortium bid 1,820m Reales, 66% more than the minimum bid demanded by the Brazilian authorities. The Belo Horizonte Airport handled 10.4 million passengers (445k international) last year, although Infraero is forecasting growth to 43m by the end of the concession period.

Reacting enthusiastically to the results of the latest airport privatizations, Brazilian President Dilma Rousseff commented: "It was a very good result and to a certain extent above our expectations. It was very important not only in terms of the monetary values involved but it also shows clearly the huge interest of foreign investors in Brazil."

The Rio bid

"The Latin American aviation market presents many growth opportunities," Lee Seow Hiang, chief executive officer of Singapore's Changi Airport Group, said in the statement. "We must focus immediately on the expansion of the Galeão airport."

According to Changi Airport officials, the first phase of the airfield's expansion will include building an additional 26 air bridges and parking lots by April 2016, prior to the commencement of the 2016 Summer Olympics. The consortium is expected to invest a minimum of 3.5m Reales to expand and renovate the airport installations.

Paulo Cesena, Chairman of Odebrecht, defended the group's heavy play in an interview with Brazilian daily newspaper *Estado de Sao Paulo*. Cesena explained that their bid, 30% higher than the second placed bid, was justified as the consortium expects traffic to rise to 80 million passengers during the life of the concession (compared to INFRAERO's estimate of 60m) and it will be seeking its financial payback over the long term. "If you have a 25 year concession, it's natural that the first ten years will be investment years. And only in the second decade can you expect to harvest the fruit of what you have done in the initial years. Look back and analyze how demand in the Brazilian airport sector has grown in the last ten years," Cesena commented.

Last year, 17.5 m passengers (4.29m of which were international) went through Rio's Galeão Airport.

Four other consortia participated in the auction for the Rio de Janeiro concession: Brazilian engineering company CCR along with the operators of Munich and Zurich airports; Spanish infrastructure specialist Ferrovial along with Brazilian construction company Queiroz Galvao; Brazilian construction company Carioca Engenharia along with the operators of Paris Charles de Gaulle and Amsterdam's Schiphol airports; Invepar (one of the winners last year at Sao Paulo Guarulhos) with Brazilian-based Ecorodovias and German airport management specialist Fraport.

The contracts for both concessions will be signed in March, providing there are no bureaucratic delays.

New study shows BRIC travelers' perceptions of airport duty free

Brazilians do not have a high opinion of airport duty free stores, ranking them as inferior to department stores and brand boutiques on every dimension, including convenience and prices. Thus says research company Horizon Consumer Science, which has released a new report detailing perceptions of airport duty free of travelers from the BRIC countries – Brazil, Russia, India and China.

Using its proprietary Travel Retail Index of Perceptions (TRIP), Horizon Consumer Service found that Indians and Russians are the only nationalities among the four groups that have positive perceptions of airport duty free shops compared to their preferred places to shop when they travel. Chinese have slightly negative TRIP scores and Brazilians are very negative in their perceptions of airport duty free shops.

According to the HCS research, Chinese are positive about the speed, convenience and price of airport duty free shops and have better perceptions overall of the product assortment and customer service at airports. However, Chinese perceptions of duty free shops fall down when it comes to how fashionable and up-to-date the merchandise is.

Russians also have positive perceptions of speed, convenience and price of airport duty free relative to department stores and brand boutiques; and they have strong perceptions relative to travelers in general about the customer service in airport duty free shops.

Indians stand out from travelers in general in terms of perceiving that airport duty free shops are good places to buy gifts to bring home, and they also have positive perceptions of the speed, convenience, prices and customer service in airport duty free shops.

Continued on next page.

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Anders Olsson steps down as Director Global Travel Retail at The Absolut Company

After eight years heading up the Global Travel Retail (GTR) division of The Absolut Company (TAC), Anders Olsson has stepped down as director and moved back from London to his home town Stockholm, effective Nov. 29.

Olsson's successor will be announced this month.

Under Olsson's leadership, the TAC GTR division had undergone a "dramatic and ground breaking evolution, pushing the boundaries in branding and marketing, setting new standards for the GTR channel," says parent company Pernod Ricard in a statement.

Two years after his appointment as Director of the TAC GTR division, Anders Olsson was faced with the challenge of integrating his unit into the operations of Pernod Ricard, following the company's acquisition of V&S and The Absolut Company in 2008 from the Swedish State.

The GTR organization was swiftly trimmed, updated and

relocated from Stockholm to London, where Olsson himself has been based for the past three years.

As part of Pernod Ricard, the GTR division of TAC has executed "an impressive string of unique, cutting edge Absolut innovations and activations," says the company, citing a number of Traveller's Exclusive product launches, starting with Absolut Flavor of the Tropics in 2010.

"There have been so many great ventures, from building bars on board Korean Air's Airbus 380, Absolut Crystal bottles, and a number of great Limited Editions; it's impossible to say which has been the most important and exciting," says Olsson.

"Our mission since I embarked this journey has been to become less of a trading operation, moving into branding and marketing, a process which I'm extremely happy and proud to have been a part of," says Anders Olsson. "Today, the GTR world is generally used as a



Anders Olsson, 2nd from left, with members of The Absolut team during the launch of one of the first Traveller's Exclusives selections in Cannes, 2010.

test market and launch pad for our innovative new brand initiatives and marketing activations." Anders Olsson also notes the creation of an Absolut Brand Store as a career high. "[to] have the opportunity to tell the story about every dimension of our brand Absolut, has long been a dream. I was privileged to conclude my career at The Absolut Company with the opening of the world's first Absolut Brand Store in Kuala Lumpur International Airport this summer, in a truly rewarding collaboration between Eraman,

Pernod Ricard Asia Travel Retail, TAC GTR and forefront creative agencies," he says.

"I want to take the opportunity to thank my unique and excellent team for all their efforts and extraordinary dedication to our mission over the years," Olsson adds. "I also want to express my gratitude to the Pernod Ricard Distribution teams, customers, agencies and collaborators for delivering on all our innovations. It's amazing what we have achieved together and I will always be proud of these accomplishments and the journey to get there. I wish all my very best and loads of fun in the future!"

HCS BRICs study: Brazilians rate duty free lower

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The data for the report comes from a broader study of 37 different nationalities, enabling the report to offer a perspective on the perceptions held by the BRIC nationalities compared to travelers from the rest of the world. The results show that Indians, Russians and Chinese have better perceptions of airport duty free shops than the world as a whole, while Brazilians' perceptions are lower.

According to HCS founder Dr. Ian Cesa, the results of the analysis also show that these perceptions have meaningful consequences in terms of what consumers buy at the airport duty free and how much they are willing to spend. "For these personalities there is almost a perfect relationship between their TRIP scores and the proportion of their spending they allocate to airport duty free. Further, the strength that all these nationalities see for airport duty free in terms of speed, convenience and price tends to play out in terms of their willingness to spend in airports on products they most want when they travel, which tends to be fashion and accessories, electronics and electrical goods, alcohol, beauty products and leather goods," concludes the report on the airport study.

"Those with better TRIP scores are more willing to spend at airports on their most favored categories," says Cesa.

The Travel Retail Catalyst Study (TRaCS) from which the Travel Retail Index of Perceptions (TRIP) is calculated is conducted every two years, querying more than 7,000 travelers from the 37 nationalities that represent the lion's share of the world's international travelers. The report supporting the findings detailed above is available for download, free of charge, from the company's website at www.market-research.com

For more information about the study overall and about TRIP in particular, please contact Ian Cesa at Cesa@market-research.com or Cathy Riley at criley@market-research.com. See link on cover letter to view chart from study.

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Victoria's Secret opens in LAX TBIT in partnership with Hudson Group

Lingerie and beauty retailer Victoria's Secret, in partnership with travel retailer Hudson Group, has opened a new Beauty & Accessories store in Los Angeles International Airport's Tom Bradley International Terminal (TBIT).

The new store will focus on an

iconic, fashion-forward range of beauty products and accessories designed for the modern jet-setter, and will carry prestige fragrances like the FiFi Award-winning *Victoria's Secret Bombshell* and *Sexy Little Things Noir Tease*, new collections like Victoria, and favorites like the VS Fantasies. Travel-ready items such as signature lip glosses and body-care products will also be featured.

Notes Joe DiDomizio, President & CEO of Hudson Group: "Our new LAX Bradley West stores best demonstrate the company's strength as a complete travel retail operator: from the very best travel essentials concept (Hudson) to many world-wide luxury brands, including Victoria's Secret.

"For that we can thank the growing reputation of our marketing and merchandising team, and the support of our parent company, Dufry. We are also grateful to our local LA business partners that are part of the joint venture that operates these stores."



Left: The new Victoria's Secret shop at Los Angeles International Airport's Tom Bradley International Terminal, opened in partnership with Hudson Group.

Top: The Victoria's Secret Trio

In addition to this new store at TBIT, Hudson operates Victoria's Secret stores in JFK Terminal 1 and Vancouver International Airport. Another is scheduled to open early next month in JFK Terminal 4, with other locations to follow in 2014.

The Victoria's Secret brand features a glamorous range of functional-yet-chic accessories, including branded cosmetic cases and multi-use fashion bags, passport holders, phone wallets, travel adaptors and ear buds, plus smart phone and tablet

accessories, along with fashion essentials such as scarves, high-quality sunglasses and signature Victoria's Secret panties.

The LAX TBIT store presents a modern façade and dynamic, sophisticated storefront and the interior features upscale black-cherry fixtures and eye-catching focal walls. The store will also showcase both its brand identity and range of products with a gallery of iconic black and white images and a video wall that broadcasts footage of the Victoria's Secret Angels.

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Fluent in English and Spanish both written and oral.

Account Manager

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Fluent in English and Spanish both written and oral.

Please send resumes to

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PPI Group named video production partner for Cruise Shipping Miami 2014

Fort Lauderdale-based PPI Group has been named the official video/multi-media production partner for Cruise Shipping Miami at the Miami Beach Convention Center, March 10-13, 2014, for the second year in a row.

This year is the 30th anniversary year of Cruise Shipping Miami, the leading exhibition and conference for companies and organizations that do business with the international cruise industry.

This year the organizers expect more than 1,000 exhibitors and 11,000 attendees.

PPI Group says that it will capture all the highlights of the show, from the show floor filming exhibitor events to off-site receptions, and behind the scenes of the event, with interviews and footage featuring top executives, industry insights, trends in cruise ship design, new and exciting destinations, and more.

PPI Group will exhibit its own 600-square-foot exhibition space at Cruise Shipping Miami 2014, showcasing its varied and dynamic promotions and marketing solutions; among them are its port shopping promotions programs, which serve 12 cruise lines and 4.5 million passengers per year.

Daily highlights will be shown on the Cruise Shipping Miami website (www.cruiseshippingmiami.com) or on the extensive network of video screens throughout the Miami Beach Convention Center.

MEADFA and TFWA renew Conference

MEADFA (The Middle East & Africa Duty Free Association) and TFWA have announced that they will continue to work together on the annual MEADFA Conference.

The Conference will continue to be managed by TFWA on behalf of MEADFA in 2014 in Dubai and in 2015, at a venue to be determined. The Conference traditionally takes place in November.

TFWA was chosen after a selection process launched by MEADFA as the existing contract neared its conclusion.

A report on the 2013 MEADFA Conference, which took place last week, can be found at www.tfw.com. More than 500 delegates from across the globe attended the 12th Middle East & Africa Duty Free Association Conference held at the Ritz Carlton Hotel, Doha, Qatar on Nov. 25-26.