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# TRAVEL MARKETS INSIDER

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Covering the Americas & the Caribbean. parsnip5@aol.com

## DFS/Sephora lead LVMH 9-month financial results with +19% revenue growth

Led by a solid performance from DFS Group and Sephora in its **Selective Retailing** business group, luxury products group LVMH Moët Hennessy Louis Vuitton recorded revenue of €20.7 billion for the first nine months of 2013. The company reports that this is an increase of 4% over the comparable period in 2012. Organic revenue grew by 8%.

Total third-quarter revenues for the three months ended Sept. 30, reached 7.02 billion euros, or about \$9.3 billion, up from 6.9 billion euros in the third quarter of 2012.

Organic revenue growth for the Selective Retailing group for the nine months period was up 19% yoy, to 6.32 billion euros. For the third quarter, revenues were 2.1 billion euros, just under the 2.43 billion euros recorded by LVMH's flagship Fashion & Leather Goods group.

LVMH said that DFS sales are growing strongly, driven by the excellent performance of its Gallerias in Macao and Hong Kong. The results also reflected the integration of the activities of its three new Hong Kong airport concessions. The openings of the new duty free concessions in the Tom Bradley International Terminal at Los Angeles International Airport and at Terminal 4 at New

York's JFK International Airport at the end of the reporting period should add to this growth.

As the other strong component of the Specialty Retailing group, Sephora continues to gain market share in key regions, reports LVMH. Same-store sales growth was particularly strong in the United States and Asia. Online sales are also experiencing rapid growth in all regions.

In the other business groups, Wines & Spirits reported organic revenue growth of 7% (3% on a reported basis) for the first nine months of 2013, to 2.84 billion euros. For the quarter, sales were 1.03 billion, up from 1.00 billion in 2012. Champagne experienced a rebound in the third quarter, driven by strong demand in the Asian and American markets, says the company.

**The Fashion & Leather Goods** business group recorded organic revenue growth of 4% (-1% on a reported basis) for the first nine months of the year, on sales of 7.14 billion euros, down from 7.18 billion euros for the first three quarters of 2012. For the third quarter, the group had revenues of 2.43 billion euros, down from 2.52 billion euros in 2012. Highlights included the opening of stores in Paris and Milan for Fendi, with Céline showing "excellent momentum" for its leather goods and shoe lines.

*One of the ultra-luxurious new prestige fragrance areas in the new DFS Beauty Store that was opened at the end of August in New York JFK International Airport Terminal 4.*



**The Perfumes & Cosmetics** business group registered organic revenue growth of 5% (+2% on a reported basis) for the first nine months of 2013, reaching 2.683 billion euros. Third quarter sales reached 879 million euros, compared to 898 million in third quarter 2012.

The continued success of Parfums Christian Dior *J'Adore* and *Dior Homme* and the development of *Rouge Dior* makeup were highlights of the last quarter. Guerlain devoted a new campaign to its *Shalimar* fragrance and *La Petite Robe Noire* celebrated its first anniversary. Fresh, Benefit and Make Up For Ever continued

to record good growth, particularly in Asia.

**The Watches & Jewelry** business group recorded organic revenue growth of 3% (-2% on a reported basis) for the first nine months of 2013, on sales of 1.987 billion euros. For the quarter, sales were 677 million euros, compared to 690 million euros in the same period in 2012. Among other initiatives in the third quarter, Bulgari successfully launched the new high jewelry line *Diva* and TAG Heuer's new movement manufacturing facility started its operations. All brands continued to expand their store networks around the world.

## Dubai's Colm McLoughlin honored in NYC



Colm McLoughlin, Executive Vice Chairman of Dubai Duty Free, was recognized for his dynamic leadership at the helm of Dubai Duty Free for the past 30 years at the 25<sup>th</sup> Annual American Celtic Ball, held in New York City on October 9.

McLoughlin, accompanied by his wife Breeda, was presented with the Sir Michael Smurfit Business Achievement Award at the awards evening, which was organized by the Irish Chamber of Commerce USA (ICCUA). The black tie event recognized the business and humanitarian achievements made by Irish nationals living both in Ireland and overseas. During McLoughlin's time at DDF, the business grew from an annual turnover of US\$20 million to an expected US\$1.8 billion this year.

McLoughlin was one of the original team of ten assigned by AerRianta to set up the airport retail operation at the request of the Dubai Aviation Authority back in 1983. Shown above: Michael Davern; Colm McLoughlin, Breeda McLoughlin and Sir Michael Smurfit at the awards ceremony.

## L'Oréal acquires Brazil's Emporio Body Store retail chain to launch its The Body Shop brand in local market

L'Oréal is taking a giant step into the Brazilian market for its brand The Body Shop with the acquisition of 51% of the Emporio Body Store retail chain in Brazil, it was announced Oct. 15.

The deal includes the option for L'Oréal to increase its shareholding to 80% by 2019, according to the company statement.

Founded in 1997 in Porto Alegre by Tobias Chanan, Emporio Body Store offers a complete range of beauty products sold through a franchise network. Since 2011, when Grupo Ligna's Helio Seibel became the major shareholder, the business has grown strongly and increased from 36 points of sale in 2010 to 84 in 2012. It will reach an estimated 130 points of sale in 58 cities by the end of 2013.

Emporio Body Store reached 20 million Reals (approx. 7 million euros, or US\$10 million) in revenues in 2012. The founder of Emporio Body Store, Tobias Chanan, will remain CEO of the group, as it continues to expand the

business through the franchise channel.

The deal is extremely important for L'Oréal, which will now be able to sell a range of The Body Shop's most popular products in Brazil. This range will be complemented by new products developed locally with L'Oréal's Research Centre in Rio de Janeiro, in accordance to The Body Shop's strict requirements and values, says the company.

L'Oréal expects the acquisition to be completed before the end of the year, subject to approval of the Brazilian Anti-Trust Authority CADE.

The beauty market in Brazil, with its consistent, sustained growth, is reportedly the fourth largest beauty market in the world today, according to *Beauty Market Survey 2012 excluding Razors & Blades, Soaps and Oral Care (sell-in)*. Brazil is the largest economy in Latin America with a population of 200 million people and a GDP per

capita of approx. US\$12,100, reports the *IMF 2012*.

### About The Body Shop

The Body Shop, founded in 1976 by Dame Anita Roddick in England, pioneered social activism and was built on the philosophy that business can be a force for good. The business was acquired by L'Oréal in 2006 and continues to be focused on five core values: Against Animal Testing, Support Community Fair Trade, Activate Self Esteem, Defend Human Rights and Protect The Planet. All products are created using the finest ingredients sourced from around the globe, and are not tested on animals. Earlier this year The Body Shop was voted "International Business of the Year" by the Business in the Community for its pioneering Community Fair Trade sourcing program which supports over 300,000 people in 21 countries. The Body Shop has over 2,800 stores in 63 countries.

## THE BODY SHOP.

### About Emporio Body Store

The Emporio Body Store believes that cosmetics go far beyond product. It believes women relate to beauty through an engaging shopping experience, a warm and pleasant use of cosmetics. Famous for its creams with intense fragrances and sensorial textures, it started with handcrafted soap enriched with essential oils and butters by founder Tobias Chanan in 1997. Over the past three years, it has been the Brazilian brand that stood out in the cosmetics segment with a significant growth reaching at the end of the year an estimated 130 points of sales in 58 cities in Brazil. Visual merchandising is one of the main differences of the brand. Within the atmosphere of an emporium, all products tell stories that represent the origin of the ingredients and the concept of each line, and the possibility to customize gifts at purchase.

## Tito's Handmade Vodka partners with WEBB For Caribbean, Latin American distribution

Miami-based spirits distribution company WEBB is partnering with the fast-growing Tito's Handmade Vodka for the Caribbean, Central America and select South American markets.

"Tito's Vodka represents a truly artisanal style of hand-made vodka production while delivering incredible quality and value," says Phillip Jarrell, WEBB Director of Sales and Business Development, adding that Tito's replaced Absolut Vodka as the exclusive vodka of United Airlines in May of 2013.

"The agreement allows WEBB to bring one of the hottest and fastest growing super-premium vodka brands in the US to markets in the Caribbean and the Americas," said Jarrell.

The WEBB announcement points out that Tito's – which received a 95 rating in a competitive test against other vodkas by *Wine Enthusiast Magazine* – also won *Impact Magazine's* Hot Brand Award 4 times, from 2008 – 2011. It is currently growing at double digit rates and nearing one million cases in sales.

"WEBB is excited about welcoming this truly authentic vodka brand to our business. We think it is a great addition to our portfolio of premium and super premium wine and spirit brands," says WEBB President Andy Consuegra.

Comment: We would expect to see more expansion news from Tito's now that The Patrón Spirits Company's former President, International and COO John McDonnell has joined Tito's as Managing Director International.

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## SUPPLY SIDE FEATURE

**TRAVEL MARKETS**  
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## Pisco Lablanco officially debuts in world markets

With the news earlier this year that the United States officially recognized Pisco as a distinctive product of Peru and Chile, Peruvian company Pisco Lablanco hopes to now make inroads into the U.S. and international markets with its line of premium spirits.

This summer, the Federal Register amended the distilled spirits standards of identity regulations to include Pisco as a type of brandy and a distinctive product of Peru and Chile. According to the United States-Peru Trade Promotion Agreement and the United States-Chile Free Trade Agreement respectively, the U.S. recognized "Pisco Perú" as a distinctive product of Peru and "Pisco Chileno" as a distinctive product of Chile. In exchange, these two nations recognized "Bourbon Whiskey" and "Tennessee Whiskey" as distinctive products of the United States.

Pisco Lablanco has a long history in Latin America that predates the founding of Peru.

Pisco Lablanco is a natural product of Peru, says Carlos Arturo Mejia Perez, Pisco Lablanco owner, who says his descendants were among the first to make pisco in Peru.

The ancestors of Lablanco cellar

founded the city of Ica early in the 17<sup>th</sup> century, and began production of wine and wine distillate for the Church. The distillate eventually became known as Pisco since it was shipped from the port of Pisco and exported outside Peru, says Carlos M. Saldias, Pisco Lablanco export manager.

Today the farm and cellar of Lablanco is located in the old valley of Ica, next to the Ica River.

Pisco is distilled using a "Falca," a still created in Peru by the first Spanish who arrived in the country. A "Falca" distillation process can take between 10 and 12 hours for 3,000 liters of wine.

The Inca, Pisco Lablanco's classic line, is ideal for preparing traditional cocktails such as Pisco Sour and Chilcano, says Saldias.

"Both drinks were tasted during the ASUTIL Conference and were very well received, especially Chilcano, which was ideal for hot weather being a refreshing cocktail. The Inca line comes in 750cc bottles of 40% in Quebranta varieties (Grape Pisquera) and Acholado (pisco grapes Multi Blend)," he says. "In the same line are thumbnail Inca 50cc ideal for hotels, as souvenirs or gifts, as we can supply in packs of 4 units."

"There are different qualities of pisco," explains Pisco Lablanco's Mejia Perez. From each kind of grape you get a different pisco. This is a pure, natural product. The alcohol and the water come from the same grape, we don't add any kind of additives. That is why when you drink our pisco, the next day you are completely fine. No hangover. You can take it pure. You can make pisco sour. You can make cocktails," he says.

There are four levels of Peruvian pisco. Puro is made from a single variety of grape, mostly Quebranta.

Aromáticas is made from Muscat or Muscat-derived grape varieties.

Mosto Verde is distilled from partially fermented must that needs to be distilled *before* the fermentation process has completely transformed sugars into alcohol.

Acholado is blended from the must of several varieties of grape.

The Inca line requires 5 liters of Mosto to create one liter of pisco. However, Lablanco's top line, Great Heritage, requires 14 liters of Mosto for one liter of pisco.

"Our top line is our Great Heritage, a Green Mosto Quebranta variety. It is unique in its kind for its quality and noble soft green wine distillate," says Saldias.

Pisco Lablanco hopes to export the Great Heritage line internationally, and has entered into the U.S. market with listings via restaurants in San Francisco.

For more information about Pisco Lablanco contact Carlos Saldias at [export@piscolablanco.com](mailto:export@piscolablanco.com). **MP**



PISCO  
LABLANCO

## Shortlist announced for Sunglasses Awards 2013

The shortlist of nominations for the six category awards to be presented at the annual **Sunglasses Awards** at the TFWA World Exhibition in Cannes has been released. This year, retailers were asked to make their own submissions for the awards, resulting in a record number of entries. The shortlisted companies are (alphabetical order):

### Best New In-store Environment for Sunglasses

DFS – Scott's Walk Galleria, Singapore  
King Power International – Bangkok  
Downtown  
WDFG – Gatwick South

### Best Dedicated Sunglasses Sales Team

CDFG – Sanya Downtown  
Dufry – Region 2, Americas  
Kappe – Amsterdam Schiphol

### Best Standalone Sunglasses Concept

Aelia – I Love Prague, Prague  
CDFG – Sanya Downtown  
Nuance Group – Sun Catcher, Zurich

### Innovation Award

Dufry – Montevideo  
DFS – Hysan Place

### Best Off-Airport Sunglasses Retailer

CDFG – Sanya Downtown  
MSC Cruises  
Starboard

### Sunglasses Retailer of the Year

DFS  
Gebr Heinemann  
Nuance Group  
WDFG

The 2013 Sunglasses Awards judging panel consisted of: Francis Gros, Group Travel Retail Director, Luxottica; Giles Marks, Director Duty Free Sales, Maui Jim; Chiara Polverini, Duty Free & Travel Retail Manager, Marcolin; Enrico Molin, Duty Free Manager, De Rigo Vision; Erwan Le Guennac, International Travel Retail Director, Marchon; Francesco Leccisi, Global Travel Retail Director, Safilo

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## Demeter captures the essence of New York City in the Nigel Barker Signature Collection of Fine Fragrances

Demeter Fragrance Library is launching a collection of scents based on celebrity fashion photographer Nigel Barker.

For the past 20+ years, Nigel Barker has been involved in the worlds of fashion, beauty and entertainment. The internationally renowned fashion photographer, best known as a judge on "America's Next Top Model", is now the host of model competition show "The Face."

Mark Crammes, president of Demeter Fragrance Library, says that Barker draws all these threads for the launch of the Nigel Barker Signature Collection of Fine

Fragrances by Demeter Fragrance Library.

The Nigel Barker Signature Collection is inspired specifically by Nigel's photography, says Crammes, and framed by Demeter's unique approach to fragrance, which is grounded in the scents that surround us every day.

"So it is natural that New York City, the home base for both Nigel and Demeter, provides the subject matter for the first three Signature fragrances," Crammes tells *TMI*. Each of the sleek black bottles in the collection is wrapped on three sides by Nigel's personal photography that are said to capture



"the energy and infinite possibilities that New York represents."

Two of the first three fragrances in the collection are named after iconic New York City locations—*Times Square* (a women's scent) and *Wall Street* (for men). The third – another scent for women -- captures the essence of the City as *New York Nights*.

For more information, or to see the collection in Cannes, contact [mcrames@DemeterFragrance.com](mailto:mcrames@DemeterFragrance.com)

## OPI partners with Gwen Stefani to launch limited edition nail lacquers

OPI joins celebrity partner Gwen Stefani to launch seven new limited edition nail lacquers that will be available for January 2014. The new collection features standout colors – including a bold red lacquer that pays homage to Gwen's signature lipstick – and introduces breakthrough finishes. Highlights from the collection also include a new semi-matte satin finish in shades of gold and black, and a mirrored chrome paired with a special base coat.

Inspired by the 2013 Metropolitan Museum Costume Institute Gala that featured the theme "Punk: Chaos to Couture," OPI Executive VP and Artistic Director Suzi Weiss-Fischmann created a collection of lacquer celebrating the role of music as a major influence in fashion.

"With her expertise as a singer, songwriter and designer, who better to collaborate with than Gwen Stefani?" asks Weiss-Fischmann. "Known for her trademark red lips, bold eye makeup and nail art, Gwen uses beauty to accessorize her style."

Stefani's signature red OPI hue – *Over & Over A-Gwen* – is available in a boxed set, which includes Swarovski black crystals and



silver, gold and pewter studs in bar, square, diamond and circle shapes for creating unique nail designs, as well as nail glue for easy application.

*Love.Angel.Music.Baby.* and *4 in the Morning* feature a new, semi-matte satin finish designed to be worn without top coat. *Push and Shove*, a bold chrome hue, is also worn without top coat but requires a special complimentary base coat – *Lay Down that Base*.

The collection is rounded out with two glossy crème lacquers and one sparkly glitter shade: *Hey Baby*, *I Sing in Color*, and *In True Stefani Fashion*.

**Prestigious French Skincare Company** has an immediate opening for a **Regional Sales Manager for the West Coast**, ideally LA based. Local candidates only.

### Main Responsibilities:

Drive sales. Implement and manage sellout activities for West Coast Duty Free locations. Motivate & supervise day to day activities of store level staff. 2-5 years related experience required. Merchandising, training, good communication and computer skills required. Proven sales and customer service track record. Position requires flexibility in work schedule and regional travel.

### Email resumes to:

[resumes.dutyfree@gmail.com](mailto:resumes.dutyfree@gmail.com)

## Photographer to the Stars John Russo launches a luxury scent

One of the newest luxury fragrances in the celebrity panorama has been created by a photographer to the stars who has become a star himself. Hollywood-based John Russo, one of the top celebrity/fashion photographers in the world, has launched a men's and women's set of fragrances called, fittingly, *Photograph*.

Russo's work has been featured on covers of *Vogue*, *Elle*, *Harper's Bazaar*, *Glamour*, *Marie Claire*, *GQ* and *Esquire*, and his famous subjects include Brad Pitt, Gwyneth Paltrow, Angelina Jolie and Julia Roberts.

Russo says that his fragrances started out as promotional gifts for his famous photography subjects and took several years to perfect.

Russo shot the campaign for *Photograph* last December in Paris, featuring two Brazilian Supermodels, Gui Fedrizzi (the new Face of Guess) and Marilia Moreno.

His scents and packaging, he says, embody the spirit of "Old Hollywood Glamour" with a modern twist. *Photograph Women* is described as an intoxicating, watery, fruity, white floral scent. *Photograph Men* projects an earthy, woody vibe and smoky tobacco base note.

*Photograph* launched first in the boutiques of the exclusive Montage Hotels. It is now rolling out to major cosmetics and beauty retailers, with Russo personally touring to promote the fragrance, says Sales Director Miguel Vargas.

For more information about the John Russo fragrances, please contact [Miguel.vargas@johnrussofragrances.com](mailto:Miguel.vargas@johnrussofragrances.com)

