# I TRAVEL MARKETS Vol.17-6 NSIDER

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#### Celebrity Cruises and Diageo open the first World Class Bar

Celebrity Cruises and Diageo GTME opened the world's first World Class Bar onboard the newly renovated *Celebrity Eclipse* last week in Miami.

The World Class Bar on the *Celebrity Eclipse* is the first of five World Class bars, which will be opened onboard all of Celebrity's Solstice class ships by the end of the summer.

Celebrity Cruises President & CEO Lisa Lutoff-Perlo lauded the partnership between Celebrity and Diageo as she spoke at the opening.

"We continue to try to think of new things and new ways to excite and satisfy our guests in a modern luxury way. And I think you will all agree with me as you look at this beautiful World Class Bar that it really is stunning," she said.

"The reality is you can't bring these things to life without great partners and we are very fortunate for many years to have had Diageo as a partner. This is the culmination of our partnership putting the first World Class Bar on the *Celebrity Eclipse*."

In his opening remarks, Diageo GTME Managing Director Doug Bagley commented:

"On behalf of Diageo we are incredibly excited. For us it is an exceptionally strong partnership with the world's leading premium cruise line and the world's leading spirits company," he said. "World Class is important for us because it is not only the magnificent ambience that you have here, it is also complemented with quality drinks, and quality



Award-winning bartender and guest World Class mixologist Julio Cabrera created cocktails from the Diageo brands at the opening of the bar onboard the Celebrity Eclipse. Photo by M. Pasternak

bartenders who bring it all together to ensure that people experience not only the ambience, have fantastic drinks, but also have a memorable experience."

Diageo has now trained around 1,000 bartenders on Celebrity Cruises in the World Class program, says Bagley.

#### FDFA's Road TRIP program passed over in current budget

Despite a valiant effort from the Frontier Duty Free Association (FDFA), Canada's 2015 Federal budget released on April 21 did not include a provision for a three-year pilot program called Road TRIP (Travel Rebate Incentive Program). The program was developed by the FDFA to help incentivize US tourism visits and related spending in Canada by allowing US travelers to have their 5% tax rebates processed on the spot at Canadian land border duty free stores.

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

"Of course we are very disap-

pointed, since we had so much support from so many stakeholders. But the truth is that we only began lobbying for the program five months ago, which is a very short time to introduce a new concept," FDFA Executive Director Laurie Karson told *TMI*.

"Canada is in the midst of an oil crisis and with an election scheduled for later this year, it seems the government was being very cautious with its budget approvals. The only tourism program approved was the "Connecting America" campaign from the Canadian Tourism Association (Ed. Note: A 3-year coordinated, targeted and aligned tourism marketing campaign targeting

high-end Americans), and our program would have worked in coordination with this."

Karson confirms that a senior financial official has informed the FDFA that the Road TRIP proposal was one of the best executed files the department had received and had made it "to the top of the leaderboard" before being dismissed.

"We were encouraged to keep working on it and submit it again in the future. We will certainly be pursuing the program again after the Federal elections take place next October, once we know who will be in office," said Karson.

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#### Andy Rattner to head Nuance North America



Andy Rattner

Nuance has promoted the wellrespected Andy Rattner to Senior Vice President, Operations for all Nuance North America locations.

Rattner joined the Nuance executive team in 2005 as VP of Operations and later took on the roles of VP of Buying & Merchandising and Global Head of Category, Perfume & Cosmetics.

"I am looking forward to the challenge of leading the amazing group of professionals that is the Nuance North America team as we become a part of the world-leading Dufry organization," he said.

Rattner will report to Roger
Fordyce, Chief Operating Officer
of Hudson Group, who noted:
"Andy's unparalleled experience in
both Operations and Merchandising made him the ideal choice for
this role. His diverse background
will enhance not only the Nuance
locations, but the Dufry and
Hudson locations across North
America as well."

Based in Toronto, Rattner will oversee the entire Nuance operation in North America, including the support center and staff in the Toronto office. He will also play an instrumental role in the ongoing integration between Hudson and Nuance, which was recently acquired by parent company Dufry.

"We welcome Andy Rattner to our team and family," said Joe DiDomizio, President & CEO of Hudson Group, and COO of Dufry Region 4 (North America). "His vast experience and leadership skills will be invaluable assets as we integrate and align our organizations across North America."

## TRAVEL MARKETS TRAVEL MARKETS

## Beam Suntory simplifies regional structure; merges four regions into three

Beam Suntory has announced that it will simplify its regional structure by merging its four operating regions into three. The company will combine management of its Europe/Middle East/ Africa and Asia Pacific businessses to create a larger International Region; and its South America business will become part of an expanded Americas region. This organizational simplification will result in three regions -Americas, Japan and International – with more comparable scale and sales in the range of \$1 billion or more each, says the company.

The new International Region will be led by Albert Baladi, president of Beam Suntory's current EMEA region. Baladi will be supported by managing directors of five geographic clusters: Oceania, Emerging Asia, Developed Europe, Emerging Europe & Middle East/Africa, and Global Travel Retail. Tim Hassett, president of Beam Suntory's current North America region, will lead the expanded Americas region.

"With the Beam Suntory integration largely behind us, we can now benefit from simplifying our regional structure," said Matt Shattock, chairman and CEO of Beam Suntory. "Merging our EMEA and Asia Pacific businesses helps ensure our business is set up to win by being close to our customers and consumers, aligning with our long-term growth strategy, and creating opportunities for some of our best and brightest talent.

"We also see benefits from

uniting all of our Latin America markets in the same region. We look forward to driving continued momentum in the marketplace with our three strong regions."

Separately, Nick Fink, president of the current Asia Pacific/South America (APSA) region, has accepted a US-based senior executive position at a public company outside of the spirits industry. As a result, Fink will depart Beam Suntory effective May 8th.

"[Nick] leaves a business in Asia Pacific/South America that is gaining momentum, and he has built an outstanding leadership team that will play an invaluable role in the new International region," said Shattock.

### ACI adds 4th airport to service honor roll

Airports Council International (ACI) has revised the list of airports it inducted into this year's ACI Director General's Roll of Excellence. The honor recognizes those airports which, in the opinion of the passengers who participated in ACI's Airport Service Quality (ASQ) Surveys, have consistently delivered excellence in customer service.

In addition to the three airports announced early last month, Indianapolis International Airport, Gimpo International Airport (Seoul, South Korea) and Chhatrapati Shivaji International Airport (Mumbai), Delhi Indira Gandhi International Airport was added to the elite group, said ACI in its revised listing.

ACI's ASQ Survey, which has won industry recognition as a world-class benchmarking program, has grown steadily since its inception in 2006.



#### ACTIUM signs with fastgrowing Rum Chata for Americas TR, LATAM and Caribbean

ACTIUM President Philippe Giraud showcased Rum Chata, the newest addition to the company's spirits portfolio, at its stand at the Duty Free show of the Americas in Orlando last month.

Miami-based ACTIUM Beverages and Rum Chata have signed a long term agreement for ACTIUM to represent Rum Chata in all Latin American and Caribbean domestic and Travel Retail markets as well as in North America Travel Retail.

Chicago-based Rum Chata, launched in 2009, has been one of the fastest growing liquors in the United States in the last three years. The brand, which sold 650,000 9-liter cases in the last twelve months (growing 40% year on year) outsold Baileys in the United States for the first time in January and February 2015, according to the latest report from the Distilled Spirits Council of the US (DISCUS).

In related news, ACTIUM recently hired Daniel Bras as Director of its Beverage Division. Daniel is a former Mars and L'Oréal executive with an MBA from INSEAD, reports ACTIUM President Philippe Giraud.

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#### ETRC renews its commitment to European Alcohol and Health Forum

The European Travel Retail Confederation (ETRC) has reaffirmed its commitment to the promotion of responsible retailing of alcohol products in duty free and travel retail by renewing its membership to the European Alcohol and Health Forum (EAHF).

The EAHF is a stakeholders' platform set up by the European Commission to tackle alcoholrelated harm at the European level, which can often have consequences in the Americas and impact how officials in the U.S. and its neighbors regulate the sale of duty free alcohol products.

The ETRC statement, issued on

April 30, 2015, stresses that it is one of the few organizations in the Forum with both retailers and brand manufacturers members and that ETRC participates closely with other organizations to provide a common platform for all interested stakeholders "to step up actions relevant to reducing alcohol-related harm, including particularly to promote responsible commercial communication and sales of alcohol."

ETRC says that it initially tabled its first commitment to the EAHF in 2012 by launching the Self-Regulatory Code of Conduct for the Sale of Alcohol Products in

Duty Free and Travel Retail setting out best practices for the sale, promotion and marketing of alcohol products in the travel retail channel.

The statement goes on to say that the Code of Conduct is designed to be consistent and complementary to other existing codes and policies, as it reflects the unique conditions of the highly regulated travel retail environment, and differentiating the duty free and travel retail channel from the domestic market.

Capitalizing on the success of its previous commitment during which ETRC actively promoted the adoption of the Code of Conduct, ETRC will continue promoting adoption, implementtation and compliance with its Corporate members and through the national and regional associations.

ETRC Vice President and Alcohol Retailing Regulatory Working Group Chairman Erik Juul-Mortensen commented:

"ETRC is proud to demonstrate the commitment of our industry to promote responsible retailing of alcohol products via self-regulation at a European level. The Code of Conduct seeks to address all the aspects of duty free and travel retail alcohol sales from commercial communications to labelling, staff training as well as sampling. ETRC will continue to secure the adoption, implementation and compliance with the Code of Conduct under our commitment to the EAHF."

For more information, the ETRC Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free and Travel Retail can be downloaded from the ETRC website at etcr.org

#### MIA posts strongest quarterly passenger growth since 2012

Miami International Airport has posted its best quarterly passenger growth since 2012, and is reporting strong gains in cargo traffic as well. Total passenger traffic at MIA grew by 4.62% in the first quarter of 2015 to 10.9 million travelers - equal to more than 5,000 additional passengers per day when compared to the same time period last year. The number of domestic travelers grew by 5.04% year-over-year growth reaching a total of 5.6 million, while the number of international travelers grew by 4.18% to 5.3 million.

MIA officials report that carriers are increasingly serving the airport with larger aircraft offering higher seating capacity. Air France added Airbus A380 service at MIA for the first quarter, and Miami hub carrier American Airlines continues to increase seat capacity on existing routes. Other carriers increased flight frequencies to MIA over the winter months. Most notably, low-cost carrier Frontier Airlines entered the Miami market in December 2014 with service to five U.S. cities, and then quickly added Atlanta service from Miami in March for a total of 47 weekly flights. Also in March, American Airlines launched service to four new U.S. destinations, further boosting capacity at MIA in the first quarter.

#### Los Angeles, Long Beach container volumes back after labor dispute, backlog cleared

Container cargo volumes at the Ports of Los Angeles and Long Beach reported a 24% increase in container traffic compared to March 2014, following the resolution of the labor dispute that impacted international shipping worldwide for nine months on Feb. 20. The tentative five-year agreement reached between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) covers workers at all 29 West Coast ports. Cargo volumes at the Port of Los Angeles rose 17.3% compared to last year to 791.863 Twenty-Foot Equivalent Units (TEUs), the second highest month in the Port's history.

For the first three months of 2015, overall volume at Los Angeles was down 5% compared to the same period in 2014, for a total of 1,823,854 TEUs.

The Journal of Commerce reports that congestion has now eased enough that no ships were anchored off the Southern California ports for brief periods over the last week.



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#### Princess Promenade duty free store opens in St. Maarten's airport

International Liquor & Tobacco Trading (ILTT), in association with Penha Group, has opened the Princess Promenade at Princess Juliana International Airport (PJIAE), in Philipsburg, St. Maarten. The two companies successfully submitted a joint bid for the design, development, operation and management of the core duty free concession at PJIAE

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- •Negotiation and follow up of rental fees for advertising spaces of existing and new spaces.
- Execution and follow up of financially supported staff models in line with market requirements
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- •Advanced Microsoft Excel, Word, Power Point
- Excellent data evaluation and analytical skills
- •Experience with SAP
  Please send resume to
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which was announced in March 2014. The Princess Promenade, encompassing 1,000 sqf of retail space in the Departure Hall of PJAE, is now fully operational and "offers an ample array of high-end retail products providing the ultimate travel experience," reports ILTT.

The store's core objective is to provide quintessential customer service and increase passenger satisfaction, concessionaire sales and ultimately airport income, says ILTT. The Princess Promenade features a walk-through layout and knowledgeable customer-oriented sales associates. It provides a carefully selected range of products and luxury items in liquor, tobacco, gourmet & confectionery, gift & writing instruments, electronics, leather goods & luggage and pharmaceutical products. In addition, Princess Promenade offers product lines created exclusively for travel retailers as well as other unique, local, regional and international offerings. Lenny Bain, Managing Director of Princess Promenade, commented: "Our aim with Princess Promenade is to deliver superior products and service in a sophisticated and modern atmosphere, and this was undoubtedly achieved. We remain committed to helping establish PJAIE as the leading hub in the Caribbean through the pairing of great products with phenomenal service."

Bain commended PJIAE on its endeavor in improving and re-branding the airport and anticipates a continued successful relationship with the airport. PJIAE is projecting passenger traffic to reach 1.8 to 2 million passengers by 2020.







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## Canada's airport sales soar, land border sales flat in March

Canada's airport duty free stores continued their strong sales in March, up almost 40% versus March 2014; sales at the country's land border stores were flat for the month.

Canada's March 2015 airport duty free sales were \$35 million, an increase of 39%. Sales for the first three months are up 21% versus January-March 2014.

Sales of Perfume, Cosmetics, and Skincare, grew 35.3% in March. Alcohol sales were up 27%.

The land border sales for March 2015 were \$8.6 million, down .30% versus March 2014. Sales are up 1.87% for the year.

Alcohol grew 6.52% in

March. Tobacco sales fell 6.78% for the month. Perfume, Cosmetics, Skincare slipped 5.34%.

#### **Road TRIP**

 $Continued\ from\ page\ 1.$ 

"The fact is that TIAC's Connecting America program is very air-centric, focusing most of its efforts on air travelers. Road TRIP, on the other hand, addresses car traffic. The main focus of both programs is that tourism matters and this is what we will be pursuing. We are committed to developing the program and have excellent momentum going for us now," concluded Karson.