



TRAVEL MARKETS INSIDER

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Record numbers at upbeat TFWA World Exhibition

The 2012 TFWA World Exhibition in Cannes – upbeat and busy – exceeded expectations across the board, reports Tax Free World Association.

A record number of 462 exhibiting companies attracted 6,074 trade visitors from 2,877 companies to the exhibition and conference, the first time this number has passed the 6,000 mark. Visitors were up 4% and compares with a final figure of 5,868 from 2,737 companies last year. Of that total 4,260 (70%) were key duty free and travel retail operators, landlords and agents from 1,726 companies.

The top ten originating countries



Madeleine Albright, center, former U.S. Secretary of State and keynote speaker at the 2012 TFWA Conference, joins the Mayor of Cannes to her left, in cutting the ribbon officially opening the 2012 World Exhibition in Cannes. Photo by M. Pasternak

for visitors were France, UK, Germany, UAE, USA, Korea, Russia, the Netherlands, Spain and Italy.

Nearly 900 people attended the opening Conference on Monday, Oct. 22, to hear insightful and thought-provoking presentations by former U.S. Secretary of State Dr Madeleine Albright, Jean-Charles Decaux, CEO JCDecaux, Kjell A. Nordstrom, economist and author and TFWA's Erik Juul-Mortensen.

The two focus workshops organized by TFWA -- the Airline and Retailer Workshop and the China, Russia and Brazil Market Watch -- were fully booked and have proved to be very popular.

TFWA continues to expand the technological aids it offers all delegates, and this year added navigation touchscreens in the exhibition villages, Apps for Blackberrys and iPhones, an online TFWA Product Showcase and an online TFWA Press Photo Service.

New officers and members were elected to the TFWA Board and Management Committee during the Annual General Meeting held on Oct 25. Please see the list of members on page 3.

Brazilian border shop legislation approved

Last month Brazilian president Dilma Rousseff finally sanctioned the law which will permit the establishment of duty free shops in border towns throughout Brazil. Law 12723/2012 will allow stores to be opened in 28 border towns on the country's borders with Uruguay, Argentina, Paraguay, Bolivia and Venezuela. Until now, Brazilian legislation has only permitted duty free shops to be operated in airports and sea ports.

With the promulgation of the new law, the Brazilian government intends to promote the underdeveloped regions and allow Brazilian retailers to compete with duty free shop operators in neighboring countries. In theory, the border shops in Brazil will only be open to foreign tourists visiting Brazil; retailers in Paraguay and Uruguay,

consulted by *TMI* were waiting to read and analyze the full text of the law before making any comment as to how it would affect their own operations, although most observers believe that it will take time before an adequate infrastructure and supply route can be established.

More news and comment in a forthcoming edition of *Travel Markets Insider*. JG/LP

TFWA 2012-2013 CALENDAR

The 2013 TFWA World Exhibition will take place from Oct. 20-25 in Cannes. This year's MEDFA Conference takes place Nov. 26-27 in Dubai, and the inaugural Industry Conference on China -- organized by TFWA and APTRA -- will be held in Beijing from March 5-7, 2013. The TFWA Asia Pacific Conference & Exhibition is May 12-16 in Singapore.

PEOPLE

Marcelo Colombo has been named Marketing Director – PCI at **L'Oreal Luxe - Travel Retail Americas (Parbel)**. Colombo was previously Area Manager for Central America and Caribbean. He worked in the Wine & Spirits industry before joining Parbel 2 ½ years ago. Colombo replaces **Leila Lahlou**, who was appointed Marketing Director Fragrances Europe at L'Oreal Luxe and has relocated to France.

Gerry Munday has been named Global Travel Retail Director at **Furla**, with immediate effect.

World of Patria International Managing Director **Rob Nichols** has announced that director **Kevin Baker** will be leaving the company at the end of November.

Baker, who had previously been with Brown-Forman, comments: "I have very much enjoyed my time at WOPI and playing an integral part in the development of its quality range of products. However, the time is now right for me to take a different route on my career path. I wish WOPI every success in the future."

Baker tells *TMI* that he will announce his new position shortly.

Adda Rodriguez, designer and founder of fashion company **Arzy Style**, has joined **Essence Corp.** as Area Manager South America.

Angela Gittens, Director General, **ACI World** was awarded the Airport Consultants Council (ACC) **2012 ACC Aviation Award of Excellence** on Nov. 6. Gittens was selected to receive this award because of the extraordinary breadth of her contributions to the aviation industry, her ability to be a strong advocate on behalf of many aviation stakeholders and her leadership on local, federal and global levels, said ACC.



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Grupo Wisa opens new La Riviera Duty Free in Bogota El Dorado Airport

La Riviera Duty Free opened is eagerly awaited new operations in the new El Dorado Airport in Bogotá, Colombia on Oct. 19. This 1,316- square-meter store, located just after the outgoing migrations check points, features the “walk through store” concept.

The El Dorado La Riviera Duty Free store offers a wide range of categories and top of the line products like fragrances, cosmetics, high-end watches, accessories, luxury travel items, liquors, cigarettes, lenses, chocolates and toys. The store generates 200 new jobs, says the company.

At the beginning of 2013, La Riviera Duty Free will add four additional boutiques exclusively operated for Chanel, Tous, Burberry and Bulgari.

This new operation is part of the company’s growth and expansion strategy designed to enhance existing and new stores through the region, according to the Grupo Wisa statement.



Tairo International wins P&G Prestige distributor award

Miami-based Tairo International has received P&G’s Global Distributor award for Best Advocacy Program, which was announced during the P&G Prestige distributor conference held in Barcelona, Spain in September. The award was one of seven awarded categories to distributors from throughout the world.

The award recognized the Tairo Beauty Advisor Program, which includes incentives, promotions and training programs. Featured elements of Tairo’s program included multiple ongoing incentives throughout the year including an Apple iPad incentive for top selling Beauty Advisors, as well as cash incentives and awards for Perfect Merchandising. In addition, Beauty Advisors were offered a chance to win an all-expenses paid trip to Miami for the Tairo Beauty Advisor Seminar.

Shown above, Lieven Cassenaer, VP Greater Europe Distributor Operations, P&G Prestige; Tairo International founders Robert and Tania Bassan, and Joanne Crewes, President Global Prestige, P&G Prestige.

Absolut exposes new Traveler’s Exclusive limited edition

The Absolut Company introduced its latest Traveler’s Exclusive Limited Edition flavor – Absolut Exposure - in Cannes last month.

Crafted with honey melon and lemongrass, Absolut Exposure is presented in a bottle and gift package incorporating photography for the first time in bottle printing.

Swedish director, photographer and artist Johan Renck has photographed actress and supermodel Lydia Hearst guised in a number of different “personas”. Three of these characters — called Carter, Trojan and Dimitty — were selected adding illusory effect to store displays. By purchasing all three bottles, the consumer acquires an instant Absolut limited edition collection, says the company.

In addition to the images of Lydia Hearst, the bottle décor also features a bowler hat (a trademark of Johan Renck) and hands “holding” the image.

Absolut Exposure will be launched throughout the global duty free/travel retail market in January 2013, supported by a powerful and innovative marketing campaign in all available media, including unique in-store brand installations.



INTRODUCING
ABSOLUT EXPOSURE
Limited Edition
HONEY MELON AND LEMON GRASS FLAVORED VODKA

“We’re thrilled about the Absolut Exposure launch,” says Anders Olsson, Director of The Absolut Company Global Travel Retail. “Both the product itself, the packaging and the campaign represents some of our core brand values — premiumness, innovation and cutting edge creativity. For a frontline brand as Absolut, it’s all about constantly pushing boundaries. This launch is also yet another tribute to the brand building qualities of our global duty free/travel retail market and a proud successor of our previous groundbreaking Traveler’s Exclusive launches.”

The Absolut Exposure launch is executed worldwide by Pernod Ricard Global Travel Retail.





TFWA elects new Board and Management Committee members



The TFWA Board, from left, Alain Maingaud, TFWA Managing Director; Erik Juul-Mortensen, President; Thom Rankin (Capi Trading), VP Conferences & Research; Carla Guiducci (Giorgio Armani) VP Marketing; Patrick Bouchard (Puig), VP Commercial, and Frédéric Garcia-Pelayo (Inter Parfums), VP Finance. Missing from photo is Alessandra Visconti (Reflecta), VP Corporate.

The new members of the TFWA Management Committee who were elected during the Annual General Meeting in Cannes on Oct. 15 are Lionel Ehrmann of Osborne Group representing the Wines & Spirits category, Jérôme Desouche of La Colline (Fragrances & Cosmetics),

Silvia Onofri of Bally (Fashion & Accessories), Gerry Munday of Furla (Fashion & Accessories), Francis Gros of Luxottica (Fashion & Accessories) and Andreas Fehr of Kraft (Confectionery & Fine Food).

Diageo announces TR Exclusive Johnnie Walker Explorers' Club Collection

Johnnie Walker unveiled the Johnnie Walker Explorers' Club, Diageo's largest ever investment in travel retail in Cannes and presented the program to Canadian operators during the Frontier Duty Free Association Convention today.

The major new global marketing initiative is exclusive to travel retail and highlights the brand's links with exploration and travel.

The Johnnie Walker Explorers' Club is based on the spirit of the Travellers' Room established by Alexander Walker at the company's headquarters in the City of London in the 1890s. Close to the shipping houses and docks from which its agents journeyed the world, they gathered to exchange stories and learnings from their travels, in turn inspiring generations of master blenders, says the company.

Roland Abella, Managing Director of Diageo Global Travel and Middle East, unveiled the first permanent TR exclusive range in the Explorers' Club at the TFWA World Exhibition in Cannes – the Johnnie Walker Trade Routes Series, three new blends with bold, rich and exotic characters.

The first offering, Johnnie Walker The Spice Road Blended Scotch Whisky, is called "an evocative expression of the spices, colors and fruits that the Johnnie Walker agents would have discovered in the thriving markets on their routes around Asia." The packaging around the iconic square bottle, its shape originally designed to reduce breakages as it traveled by ship, has taken similar cues, with a rich color palette and embossed pattern reminiscent of decorative Asian paneling.

Johnnie Walker Spice Road will be available from the end of November in travel retail stores and the recommended retail price is \$43.

The debut Spice Road line will be followed in 2013 by The Gold Route (recommended retail price US\$95) and The Royal Route (US\$159).

The Johnnie Walker Explorers' Club will be displayed in new high-visibility globe-shaped wall bays in travel retail outlets as well as experiential pop-up clubs in selected leading airports and will be supported by striking advertising and activations.

"The creation of The Johnnie Walker Explorers' Club Collection and its unique collection of exclusive blends, signifies our commitment to our highly valued travel retail customers," says Abella. "Building on our travel heritage and spirit of adventure, we have created three variants in our first Johnnie Walker Explorers Club Collection. The Trade Routes Series – The Spice Road soon to be followed in 2013 with The Gold Route and The Royal Suite– is a celebration of global travel and of the travelers past and present and will only be available through travel retail." *Photos on page 4.*

Two serving Management Committee members are now employed by different companies within the same category: Nadia Skouri Garcia-Pelayo of Secret Wish (previously with Oxygen) and Thom Rankin now of Capi Trading (previously Dufri).

The Management Committee has also elected its new Board Members for a two-year term. Carla Guiducci of Giorgio Armani has been appointed Vice President Marketing and Patrick Bouchard of Puig has become Vice President Commercial, a position vacated by Erik Thomsen following his change of company.

Several Board Members were also re-elected: Frédéric Garcia-Pelayo of Inter Parfums as VP Finance, Alessandra Visconti of Reflecta as VP Corporate and Thom Rankin of Capi Trading as VP Conferences & Research.

The President of TFWA Erik Juul-Mortensen remains in office until the Presidential election in December 2012).

The elections, which take place every two years, were conducted during TFWA World Exhibition in Cannes and nominations were invited from across the TFWA membership comprising over 420 companies.

Erik Juul-Mortensen welcomed the new members to the Management Committee and Board members and thanked those members stepping down. "I wish to express my gratitude in particular to Sylvie Lavagno, retiring Vice President Marketing, who has made a very significant contribution to our activities. I am pleased to say that she continues to serve TFWA as a member of the MC," said Juul-Mortensen.



Jack Daniel's introduces special-edition Frank Sinatra whiskey

Jack Daniel's is launching an ultra-premium expression of its Tennessee Whiskey to recognize the relationship between "Two American Icons," Jack Daniel's Tennessee Whiskey and Frank Sinatra.

Jack Daniel's *Sinatra Select*, which will be exclusive to Travel Retail, was introduced at a special press conference at the Tax Free World Association press conference in Cannes attended by Frank Sinatra, Jr.

Crafted from "Sinatra barrels" the Jack Daniel's *Sinatra Select* is bottled at 90 proof and comes in a specially designed one-liter bottle.

The premium package also includes a specially designed gift box and book telling the story of the legendary Jack Daniel's and Frank Sinatra relationship.

Commenting on the Jack Daniel's offering honoring his father, Frank Sinatra, Jr. said that "Dad would be very flattered by the association.

"This fine Tennessee Whiskey, or Old No. 7 as he referred to it, was a favorite part of my father's life and he loved both sharing it with his friends and introducing it to new acquaintances. I'm very pleased to continue to be a part of the Jack Daniel's family and feel the introduction of *Sinatra Select* is an appropriate tribute as we near my father's 100th birthday in 2015," said Sinatra, Jr.

According to Brown-Forman Travel Retail Managing Director Jim Perry the idea for a Jack Daniel's premium whiskey to salute "Ol' Blue Eyes" has been suggested for many years.

"It was common knowledge both within the entertainment industry and in the world of Jack Daniel's that Frank was one of Jack's biggest and most loyal fans. He often referred to his favorite whiskey as the 'Nectar of the Gods.' In discussing this special edition Jack Daniel's, the Sinatra family responded with a great deal of enthusiasm. All Frank's children were vocal and encouraging in their endorsement. We feel that *Jack Daniel's Sinatra Select* will quickly become a cherished item for your home bar and encourage folks to enjoy this superb whiskey," Perry added.

On stages throughout the world from 1950s thru the 1990s, Sinatra would always offer a toast to his audience with a glass of Jack Daniel's in his hand, says the company.

Hand selected by the Master Distiller Jeff Arnett, "Sinatra barrels" used to make the product were crafted to provide an extra full character and darker rich amber color by exposing the spirit to extra layers of toasted wood on the inner surface of the barrels.

The extra rich barrels were mingled with classic Old No. 7 Tennessee Whiskey and bottled at 90 proof resulting in a character that is full of oak and spice notes with an exceedingly smooth vanilla finish. The smooth, bold character of the whiskey is meant to embody the smooth, bold character of the man.

In addition to Travel Retail, Jack Daniel's *Sinatra Select* will be available at the Jack Daniel's Distillery in Lynchburg, Tennessee in 2013. The suggested retail price for Jack Daniel's *Sinatra Select* will be determined by market.

Right: Frank Sinatra, Jr. displays the new Jack Daniel's *Sinatra Select* during the gala reveal in Cannes.

Above right: The new Jack Daniel's *Sinatra Select* and gift box.



Diageo unveils the travel exclusive Johnnie Walker Trade Route Series



Roland Abella, Managing Director of Diageo Global Travel and Middle East (top right), unveiled the first permanent TR exclusive range in the Explorers' Club at the TFWA World Exhibition in Cannes – the Johnnie Walker Trade Routes Series, three new blends with bold, rich and exotic characters. Above left, Abella is joined by GTME Marketing Director Steve White and Matthieu Comad, the new VP-GTME Americas. Right, representatives from Diageo in Canada present the concept to border operators at the Frontier Duty Free Association Convention.

