



FDDA proposes Road TRIP rebate program to bolster sales and tourism on the border

The Frontier Duty Free Association (FDDA) proposed a new road travel rebate incentive program at its Operator's Meeting at the 2014 FDDA Duty Free Convention in Toronto last week. The rebate is designed to increase retail activity and employment in the Canadian border stores.

Road TRIP is a proposed 3-year pilot program that will help incentivize US tourism visits in Canada by providing a visitor rebate of the 5% GST on goods purchased that are verified as exported from Canada. The traveler incentive rebates would be processed at Canadian land border Duty Free shops, since they are the only locations where export of goods can be immediately verified. Rebates can be given directly to the visitor at a time close to actual purchase, when it can influence travel and purchase decisions.

The program hopes to con-

vince potential US visitors to "Take 5" and consider making a final purchase with their rebate in Canada at the Duty Free Shop.

The FDDA says the Canadian border area retailers are losing significant business to US retailers and Internet retailers.

It sees the Road Trip program as a way to partially offset the large sales tax percentage differential (5-15%) between Canada and the US.

FDDA's newly elected president, Peter Brain of Blue Water Duty Free Store, tells *TMI* that the Association has done a lot of work on the proposal in terms of the VAT tax.

"Canada is the only country with a VAT that does not have a rebate and we are right next to the US, which does not have this tax. As a result, we see so many people going to the US to shop -- Ontario has a 12% sales tax compared to some neighboring US states with only 6%.

"On top of that, many people in Canada buy on the internet, have the goods delivered to a post office or drop box or hotel in the US and make a day trip over to pick it up; it is such a big savings. Internet sales have 0% sales tax. One UPS store said that last Christmas they had between 150-200 Canadians come in every day for parcel pick up," explains Brain.

The FDDA sees the VAT as a huge psychological barrier, says Brain.

"The sales tax is a driver. While 5% [difference] doesn't seem so much, now we have a 15-16% difference in currency exchange against the dollar, which brings us up to 20%, and this is having an impact. I think we can attract some business with this idea of 'Take 5' at the border. It would be a great marketing tool for us."

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Harding Retail merges with Flemingo International

In one of the biggest stories of the month, Dubai-based global duty free and travel retail operator Flemingo International and on-board cruise retailer Harding Retail have announced a merger that sees Flemingo extend its presence in the global duty free and travel retail markets.

Harding Retail becomes part of an enlarged Flemingo International Group and will continue to operate under the leadership of Neil Harding, founder and CEO, and Harold Gittelmon, managing director. Gittelmon also becomes a director of Flemingo International.

The Harding Retail trading name and place of business in Avonmouth, Bristol (UK) will be

retained, together with the facilities in Sydney, Australia and Miami, US.

Atul Ahuja, CEO Flemingo International, comments, "The way in which Harding Retail has been built and their future opportunities dovetail perfectly with the growth profile for Flemingo International. Harding Retail has excelled at the art of captive retailing and we can leverage those skills further in our wider business. We see Harding Retail joining Flemingo International as a major development of our company and we look forward to a positive and collaborative future."

Neil Harding commented: "This is a significant event in our

history. It makes Harding Retail part of a large global business whilst retaining the essence of what has enabled us to grow successfully so far."

The merger with Harding Retail enables Flemingo to add the cruise retail sector to its fast growing portfolio as well as enhancing the company's strategic and operational capabilities.

The merger is also a key element in Flemingo International's intention to proceed with an Initial Public Offering in the near future and indicates the progress made by the Group to achieve \$2 billion sales by 2020.

Flemingo, with 155+ operations in 34 countries across 4 continents, currently operates in

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2015 FDDA GOLD Awards

The Frontier Duty Free Association (FDDA) presented its Gold Standard Awards to the companies voted the best operators and suppliers in Canadian duty free at the Gala Dinner during the FDDA's Annual Convention last week in Toronto.

The winners are:

Platinum award category A – Abbotsford Duty Free

Platinum award category B – Importations Guay

Best Canadian Airport Duty Free company 2014 – The Nuance Group Canada

Supplier of the year (small supplier) – Michel Germain Parfumes

Supplier of the year (large) – Turkey Hill Sugarbush

Duty Free distributor/agent of the year – Distribution Fontaine

Best new idea – Peace Bridge DF

Customer service award – Wade Carey, Blue Water Bridge DF

Best marketing idea – Blue Water Bridge Duty Free

Best specialty product: jewelry, watches, handbags, accessories – Bella Perlina (DFX Distribution)

Best specialty product: confectionery, food and souvenirs – Maple Cream Cookies – Turkey Hill Sugarbush

Best new fragrance/cosmetic – Marc Jacobs Daisy Dream (DFX Distribution/BHI)

Best new spirits/tobacco/beer – Tito's Handmade Vodka (WFH Travel Retail)



Retiring Rob Prince of Emerson DF received a surprise appreciation tribute from the Canadian Duty Free industry at the FDDA Gala Dinner.

Diageo Global Travel opens exclusive store in Bogota airport with DFA

Diageo Global Travel and Middle East (GTME), in partnership with Duty Free Americas, has opened an exclusive Diageo store in the International Arrivals concourse of El Dorado International Airport in Bogota, Colombia.

The store is the first Diageo exclusive retail shop in the region and was opened officially by Doug Bagley, managing director of Diageo GTME with Matthieu Comard, vice president of Diageo GTME Western, and Leon Falic, president of Duty Free Americas, at a special launch event.

The store is unique because it has been designed specifically with the Colombian traveler in mind. Using market and passenger trend analysis for travelers in the region, the store was built to reflect regional preferences, creating a personalized shopping experience. As a result, the store leads with local favorite whiskies and rums which occupy stand-out wall bays, glorified by impactful video screens showcasing Diageo's leading brands such as Johnnie Walker, Buchanan's, Old Parr and Zacapa.

The company says that it is also stocking other popular Diageo brands in a striking, centrally-located gondola with a tasting area, to be used for highlighting new travel retail exclusives and innovations. These will include Johnnie Walker Explorers' Club Collection, Smirnoff White, and Haig Club Single Grain Scotch Whisky.

Doug Bagley, Managing Director, Diageo Global Travel and Middle East, said: "The opening of this Diageo-exclusive store in El Dorado International Airport is a shining example of the strength of our commitment to personalization and transforming the shopper experience in travel retail. The creation of such a unique proposition is testament to the strong and successful partnership we have developed with Duty Free Americas over the years.

"As partners, we are like-minded in our approach and determination to offer game-changing experiences for travelers. We believe that this unique proposition is an incredible opportunity to drive growth for both Diageo



Diageo's Doug Bagley and DFA's Leon Falic at opening of the exclusive Diageo Store in Bogota, Colombia.

and Duty Free Americas in this key travel hub."

Leon Falic, President, Duty Free Americas, added: "As the biggest duty free operator in the Americas, DFA is delighted to partner with the largest producer of spirits in the world to create this unique Diageo exclusive retail store. We believe that this store, the first of its kind in this region, sets us apart from other duty free operators. Through this joint effort, we will be offering one of the widest portfolios of world class spirits brands under one roof."

The store opened on November 13, 2014 in the International Arrivals concourse.

FDFA proposes Road TRIP rebate program

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"In our current proposal the program will be strictly cash to the original purchaser in the duty free shop. The idea is that we will try to get the person receiving the rebate to buy something else with it in our stores where they will process the rebate.

"We think that psychologically it is a big thing, especially for Americans if we can get this rate down to that of a state sales tax."

The land border organization says that up to 60% of customers will spend the rebate in the Duty Free shops.

The FDFA, still reeling from a tax increase on tobacco passed by the Canadian government, believes this is the ideal time to implement the new program. Since 2002 the annual num-

ber of US visitors to Canada has declined by 23.9%, with the number of same day travelers, mostly road travelers, down by 55.9%, and overnight trips down by 26%. From 2008-2013 the number of cross border trips by road has declined 14% with spending by visitors down 32.7%.

Canadian border operators say that Road TRIP will be a significant tourist incentive that will potentially have Canada's largest source of tourism shopping one last time in Canada before returning to the US.

The FDFA operator members are now lobbying their provincial government members and hope to hear if the proposed pilot program has been accepted in March.



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Tito's Handmade Vodka wins Wine Enthusiast Magazine's Spirit Brand/Distiller of the Year

In addition to its award as Best New Spirits Launch from FDFA, Tito's Handmade Vodka has been named *Wine Enthusiast Magazine's* 2014 Spirit Brand/Distiller of the Year.

"We are excited to receive such a high honor from such an elite brand," said Bert "Tito" Beveridge, founder and Master Distiller of Tito's Handmade Vodka. "It's been an incredible ride, having started this thing on my own back in 1995 when there was no such thing as an American craft distillery. No one thought it could be done, but here we are. It's just thrilling."

"Tito was instrumental in helping to create the craft spirit category," says *Wine Enthusiast Magazine* Editor and Publisher Adam Strum. "The company has helped grow the premium spirits business and bring serious awareness to the category worldwide."

Wine Enthusiast Magazine has posted an essay on the brand to their website at www.winemag.com/titosvodkawasa

In addition to the awards, the six-time pot distilled craft vodka from the United States announces distributions agreements with five new countries, in both the on- and off-trade. As of November, Tito's Handmade Vodka will begin local market sales in Korea, Greece, Panama (Fernando Motta), Guatemala, (Distribuidora Alcazaren), and Costa Rica, (Vinos & Destilados S.A.)

"We are excited that the international market has been as receptive to the Tito's Handmade Vodka brand as it has throughout 2014. As we continue to close out the year, I am eager to begin working with our new distributors within countries spanning across the globe," said Beveridge.

John McDonnell, former president, international and COO of the Patrón Spirits Company, is managing director international of Tito's Handmade Vodka. It is distributed in travel retail in the Americas through WEBB Miami.

Tito's Handmade Vodka, a Texas based company, is one of the fastest growing micro distilleries in the United States. Tito's is made from 100% corn, giving it a sweeter, rounder flavor than vodkas made from wheat and potatoes. The brand has seen strong sales growth in the US, driven mainly by word-of-mouth recommendations from consumers.

Today the brand is sold within the United States, New Zealand, provinces in Canada, many of the Caribbean Islands, as well as through United Airlines and American Airlines.



Flemingo and Harding merge *continued from page 1.*

34 countries across 4 continents. It is in the Americas in the Caribbean, Brazil and Paraguay.

Harding Retail works in partnership with 18 cruise operators, providing retail services on over 200 shops on board 57 cruise ships, including P&O, Cunard, Seabourn, Royal Caribbean International, P&O Australia, Regent, Oceania, Azamara, Thomson and Saga.



Left: Fleming International CEO Atul Ahuja. Right: Harding Retail's Neil Harding and Harold Gittelmon.

MIA wins awards, top bond ratings

Miami International Airport has been named "National Airport of the Year" by the Washington, D.C.-based Minority Chamber of Commerce. The Chamber cited MIA for providing high-quality customer service to its 40.5 million annual passengers, effectively partnering with minority-owned businesses, and supporting Miami-Dade County's diverse small business community. In June, the U.S. Department of Transportation also named MIA among the top five major U.S. airports for small business hiring.

MIA also received good financial news, with an "A2" rating from Moody's Investors Service, and similar ratings from Fitch and Standard & Poor's.

World Duty Free names Andrades CEO

Eugenio Andrades has been named CEO of World Duty Free S.p.A. succeeding José Maria Palencia. The appointment comes as WDFG continues to pursue an "analysis and strategic review of the Group with the aim of developing the new business plan 2015."

Former CEO José Maria Palencia announced his departure from WDFG in September citing "differing opinions" over future strategy.

Since 2011 Andrades has been chief commercial officer responsible for the global commercial organization of the Group. He joined Aldeasa in 1996 as Director of Strategy and Development, held various positions and was instrumental in the integration of operational and commercial practices that followed the merger of Aldeasa, Alpha and World Duty Free after the acquisition by Autogrill Group in 2008.





Zippo opens third U.S. retail store in Las Vegas Air Canada route begins service to Hawaii

Zippo has opened its third US-based retail life-style store on the Las Vegas Strip, at MGM Grand Hotel & Casino. The October 31 debut follows the opening of two other stores earlier this year, at Luxor Hotel and Casino and the Miracle Mile Shops at Planet Hollywood. Zippo's three retail locations are the only U.S.-based stores for the brand after the continuous success of 14 concept store locations in China, reports the company.

The new store is a joint project of Zippo, its distributor in the travel retail market, Sourcing

Network International (SNI), Luxor Hotel & Casino and MGM Grand Hotel & Casino. CITRA Inc., Zippo's global Duty Free and Travel Retail representative, will be supervising the endeavor.

"Casinos represent an untouched, yet promising retail medium for Zippo," said Mark Paup, Zippo vice president of sales and marketing, adding that Zippo lighters are perennial best sellers in the gambling category.

"Today, Zippo is more than lighters and has become a sought-after lifestyle brand. We are excited to work with these MGM Resorts International properties and SNI to introduce a new array of products to a whole new audience."

By the end of 2015, Zippo estimates that it could have as many as six retail locations operating in Las Vegas. Product offerings destined for future casinos will vary by location.

Zippo features the bulk of its expanding product line at its three retail stores, including windproof lighters and lighter products, apparel, bags, fragrances, and small leather goods.

Budget carrier Air Canada route launched its first flights to the Hawaiian Islands on Nov. 21, providing additional access for visitors to Hawaii from its core North American market.

The first flight was service from Vancouver to Honolulu. A Vancouver to Kahului flight will begin in December.

These two routes will operate daily during the peak winter months from November 2014 through April 2015. A 2x-a week Toronto to Honolulu route will also launch in December.

The Hawaii Tourism Authority estimates that these three routes will generate about \$57 million in visitor expenditures or \$6 million in tax revenue for the state, during the winter period.

HTA expects to reach a record 11.1 million air seats in 2015.

Heinemann Americas is looking for an Accountant

based at its headquarters in Miami, Florida.

The successful candidate will report directly to the Finance Director, and be responsible for the month end closing and financial reporting on a monthly basis for the regional HQ.

Responsibilities of the position:

Responsible for handling the full sets of accounts; Ensure timely submission of financial and management reports; Prepare management and statutory reporting, forecasting and annual budgeting; Liaise with auditors, tax agents and related local government agencies; Perform other ad-hoc assignments to be directed by the line manager.

Competencies and minimum requirements:

Degree qualified accountant with strong business acumen; Minimum 5 years of relevant experience with a minimum 3 years handling full sets of accounts in SAP; An independent self-starter with dynamic personality; Strong interpersonal and communication skills; Strong Excel skills; Must be highly pro-active, hands-on and motivated; Have an eye for details and meticulous; Enjoys working independently as well as in a team.

United States/Permanent Resident preferred

Salary will commensurate with experience.

Please send resume to info@heinemann-americas.com

BEAUTE PRESTIGE INTERNATIONAL has an immediate opening for a Brand Manager for the Latin American Local Market.

This position is responsible for assisting the Marketing Director with the budget preparation process, ensure follow-thru of marketing plans, forecasting, communication, coordination of media plans, as well as organization of special events for the local markets. Ideal candidate has three years of luxury industry experience and holds a degree in Marketing/Business Management. Submit resumes to gcamplani@bpi-sa.com

ESSENCE CORP.

has an immediate opening for an Account Executive/Promoter for the Caribbean Territory.

The ideal candidate must have retail sales experience preferably within the luxury brand industry. Willing to travel 50% - 60% of the time. Strong communication and presentation skills and ability to conduct training seminars and motivate sales staff. This individual will be responsible for in-store visits, counters, beauty advisors, sell-out actions and in store promotions.

Must have a high level of skills using Excel, PowerPoint and other MS Office applications. Fluent in English and Spanish both written and oral.

Please send resumes to musallan@essence-corp.com

THE HERSHEY COMPANY has an immediate opening in World Travel Retail, Europe & Middle East.

Position is responsible for the business development and profitable growth of Hershey's Travel Retail business in Europe and the Middle East. This position plays a central role in profitably growing Hershey's Travel Retail business in Europe and the Middle East and will be accountable for delivering aggressive net sales and operating income targets in these strategic growth markets. This position has clear command of the Travel Retail business in the region and has the ability to tap current opportunities in the short term while being able to contribute at a strategic level in mapping the future. 8-10 years of experience in Travel Retail Channel in Europe required, with high level key account penetration success achieved in the industry in prior positions.

Please send resumes to ejmiller@hersheys.com

L'OCCITANE AMERICAS has an immediate opening for an East Coast Sell Out Manager.

The ideal candidate will have strong experience in the fragrance/cosmetics industry and have worked in similar sales management positions. Ability to work from home is required.

Mandatory requirements:

Fluent in English; Spanish a plus Ability to read, prepare and analyze sales reports

Good proficiency of Excel and PowerPoint

3-4 years of relevant professional experience (Account Management or Retail Management);

New York Based; 30-40% travel

Job Description

Coordinate sales development according to brand objectives, client needs/considerations and guidelines provided by Regional Sales Manager.

Build and maintain link between the RSM and respective accounts on the territory Direct management of dedicated Beauty Advisors.

Maintain proper merchandising according to the brands' guidelines.

Analyze sales on each point of sales and reports suggestions to the Regional Sales Manager.

Coordinate sales goals, recruitment, trainings, schedules, etc... for the Beauty Advisors on the territory.

Send resumes to loccitane.eastcoast@gmail.com