

BY THE NUMBERS

ATL makes history, SFO, MIA break traffic records in 2015

ATL: first airport to serve 100 million passengers in a single year

Hartsfield-Jackson Atlanta International Airport (ATL) ended 2015 by making history as the first airport ever to serve 100 million passengers in a single year.

On Sunday morning, December 27, the Delta Air Lines flight from Gulfport, Mississippi carried ATL's 100 millionth passenger in 2015.

"What a year it has been," ATL General Manager Miguel Southwell said.

He cited both the growth of Atlanta as a destination and a strong partnership between ATL and Delta Air Lines as factors for the five percent increase in traffic over the previous year. Officials projected a two percent increase at the start of 2015.

ATL officials created an algorithm based on actual passenger numbers from January through November, and projected passenger numbers in December.

Accounting firm KPMG validated the algorithm and had representatives attend the event early Sunday morning.

See MIA numbers on page 2

SFO serves record 50 Million passengers in 2015

San Francisco International Airport (SFO) reached a new all-time passenger traffic record of 50 million annual passengers in 2015, capping six years of continuous traffic growth.

Festivities commemorating the milestone were held for guests traveling through San Francisco International Airport at one of Virgin America's gates in Terminal 2.

A July 2015 benchmarking report released by the City and County of San Francisco's Office of the Controller concluded that SFO led in passenger traffic growth among similar large airports across the United States.

The report compared SFO to

12 other peer airports across the nation, including Chicago O'Hare, Dallas/Fort Worth, New York-JFK, LAX, Seattle, and Washington-Dulles.

Findings noted that SFO had experienced the highest rate of passenger enplanement growth, at 33%, from 2007 to 2014.

During the same period, five peer airports experienced a loss in enplanements, reports SFO.



International visitor spend falls in the US

The stronger US dollar is having an impact on tourism spending both within the United States and internationally, according to the latest figures released by the US Department of Commerce's National Travel & Tourism Office (NTTO).

The more expensive dollar resulted in international visitors

spending nearly \$265 million less in the month of October this year, compared to October 2014.

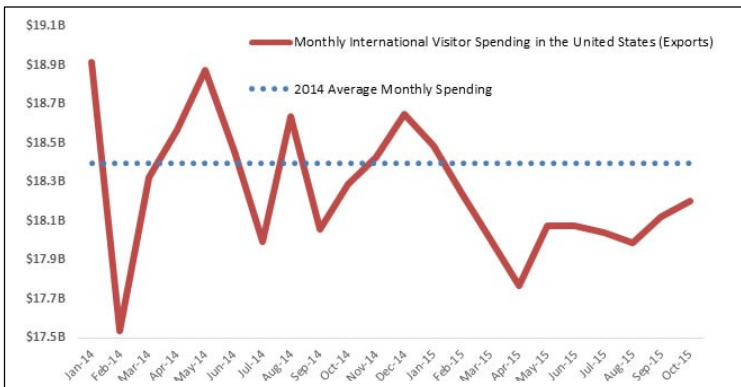
The USDOC reports that international visitors spent an estimated \$18.2 billion on travel to, and tourism-related activities within, the US in October.

This marks the seventh month this year in which monthly travel and tourism-related exports were lower than the previous year.

Year-to-date international visitor spending totaled \$181.0 billion (January through October 2015), a decrease of 1% when compared to same period last year.

Conversely, US residents have spent \$129.4 billion traveling abroad year to date, an increase of more than 7%.

In 2014 international visitors spent \$220.8 billion (revised) experiencing the United States, up 3% compared to the previous year.



Source: U.S. Department of Commerce, National Travel and Tourism Office and the Bureau of Economic Analysis.

Guy Bodart joins DF Dynamics

Former Chanel executive Guy Bodart is joining Panama-based watch distribution company Duty Free Dynamics as General Manager, beginning the end of January.

Bodart spent 20 years with Chanel, serving as vice president of sales for Latin America and president of its subsidiary in Mexico and later Brazil.

"Guy possesses an in-depth knowledge of the local and Travel Retail market in several categories, including Fashion, Fragrance & Cosmetics and Watches," said DFD CEO Nicolas Dobry.

Duty Free Dynamics, which was established in 2015 and distributes Guess watches in the Travel Retail market throughout Latin America and the Caribbean, reports an excellent year. Citing its state-of-the-art supply chain operation and efficient 'on-line' self-management ordering system, DFD reports that it "reintroduced the [Guess] brand as the leader in the fashion watch segment and gained visibility in the best stores throughout the region...in less than 6 months."

The company now announces that it is dividing the operation into various business units each dedicated to a specific product line to better serve its clients and current and future business partners. More information on its expanding portfolio to come.

DFASS expands into Mexico airports

DFASS has expanded its presence in Mexico, last month signing long-term duty free contracts for Haululco, Veracruz and Villahermosa international airports. The contracts, which will feature both Departures and Arrivals duty free shops, will commence in the first quarter of 2016. The new contracts follow on DFASS' award of a ten-year duty free concession for Cozumel's International Cruise Terminal.

Puig integrates Jean Paul Gaultier fragrances into its brand portfolio

Barcelona-based fashion and fragrance house Puig started 2016 by integrating the award-winning Jean Paul Gaultier fragrances into its portfolio of owned brands on Jan. 1.

Puig has been working closely with the Jean Paul Gaultier brand for the past four years, since becoming a majority shareholder of the fashion house in 2011.

The integration follows the termination of the license held by Shiseido and managed by Beauté Prestige International since 1993.

Jean Paul Gaultier fragrances, including Classique and Le Mâle, are distributed in more than 110 countries worldwide and rank among the top sellers in most of the markets where they are sold.

With this integration Puig now controls the fashion and fragrance businesses of four owned houses-- Carolina Herrera, Nina Ricci, Paco Rabanne and Jean Paul Gaultier.

Puig intends to reboot the Jean Paul Gaultier brand in view of gaining market share and enhancing the label's international profile, which the company says will enable Puig to achieve its growth objectives.

"Jean Paul Gaultier brings a brand that has a very strong personality derived from the founder, the man behind this name," Marc Puig, chairman and chief executive officer of Puig, told *WWD*.

José Manuel Albesa, Puig chief brand officer, will oversee the Gaultier fragrance business, reports *WWD*; the portfolio which will continue to focus on the Classique collection for women and Le Mâle for men, which were launched in 1993 and 1995, respectively.

In addition to the four owned fashion houses, Puig owns fragrance brands Penhaligon's and L'Artisan Parfumeur, and licenses for Prada, Valentino and Comme des Garçons, as well as some celebrity fragrances.

Beam Suntory releases second Laphroaig Brodir Port Wood in GTR

Beam Suntory introduced the second annual release of Laphroaig Brodir Port Wood Finish across global travel retail in November.

First released in October 2014, Laphroaig Brodir ("brother" in ancient Norse), celebrates Scotland's long connection with the Nordic region and culture. It is made from double-matured Laphroaig, beginning with a first maturation in ex-bourbon barrels, followed by a second maturation in European oak casks seasoned with Ruby Port. It is the combination of woods and the influence of port that add complexity to this expression, says the company.

Laphroaig Brodir Port Wood Finish completes the range of Laphroaig travel retail exclusives released since 2012, including Laphroaig QA Cask, Laphroaig PX Cask and Laphroaig An Cuan Mor, in addition to the special expression introduced in September to celebrate the distillery's 200th anniversary in 2015, Laphroaig 16YO.

"Laphroaig Brodir Port Wood has been exceptionally well received by Laphroaig fans in Europe and we are delighted now to be able to bring this to consumers worldwide. This exclusive expression has been especially selected for annual release and the introduction of batch #2 allows us to give a wider audience the chance to experience this premium Islay single malt Scotch whisky," says Michael Cockram, Beam Suntory Global Travel Retail Marketing Director. "Laphroaig is a globally acclaimed brand and the travel retail channel is the perfect showcase to reach committed fans and to introduce exclusive products such as Laphroaig Brodir Port Wood."

Laphroaig Brodir Port Wood Finish has an ABV of 48% and retails at €110 for a 700ml bottle.



MIA rings in 2016 with new single-day passenger record

Miami International Airport closed out 2015 by welcoming its 44-millionth passenger of the year, shattering its previous annual record of 40.9 million set in 2014. The new annual record was followed two days later by a new single-day passenger record, when MIA handled 159,217 passengers on January 2. This number topped the previous record of 155,620 set just two weeks prior on December 19.

Through November, MIA was already having its best year ever for passenger growth, with a 9.2% increase and 40.3 million passengers at that point. December added another four million passengers to the airport's year-end total, with the last 10 days of the month seeing 1.5 million passengers travel through the global gateway. Final, audited 2015 statistics will be released later this month.

"These record-setting numbers were exclamation points on another amazing year at MIA," said Miami-Dade Aviation Director Emilio T. González. "Adding three million more passengers in 2015 means a huge influx of business revenue and job creation for our local tourism industry. This year, we expect to remain on an upward trend with even more new international airlines and routes starting service, as well as our existing carriers continuing to flourish. We look forward to yet another record-breaking year at MIA."

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CRUISE NEWS

TRAVEL MARKETS INSIDER

New cruise ports planned for the Caribbean

Four new Caribbean cruise ports are in development to open over the next few years, plus one on the Pacific Coast, reports *Cruise Fever* website. In many cases, these ports present potential travel retail opportunities.

NCL's Harvest Caye in Belize

First on the agenda is Harvest Caye in Belize, scheduled to open on February 16 by Norwegian Cruise Lines. NCL purchased 75 acres on two adjoining islands in southern Belize in 2013 for development into the luxury cruise port.

The cruise line has reportedly spent some US\$50 million on the project that has an "eco-friendly" focus, according to the original release from the company. It will include a floating pier, island village with raised-platform structures, a marina, a lagoon for water sports and a beach.

Harvest Caye activities listed on the NCL website include exploring lagoon wildlife & mangrove estuaries, snorkeling, rain forest river tubing and a visit to a Mayan temple ruin.

Canadian airport sales continued to grow in November, land border sales drop

Canada's airport duty free sales continued to grow in November 2015, although land border sales dropped for the month, according to the latest figures from the Canada Border Services Agency.

November airport sales were up 6.15%. Perfume, Cosmetics, Skincare, which makes up more than one third of Canada's airport duty free sales, rose 11% in November. Alcohol (more than 20% of sales) grew 12.85% in November. Tobacco fell 6.92%.

Airport sales increased a very strong 17.28% for the January-November period.

Land border sales slipped 1.71% in November. Stronger alcohol sales could not overcome a drop in both tobacco and perfume sales. While Alcohol, the #1 category with more than 40% of sales, grew 6.87% in November, #2 Tobacco dropped 13.5% for the month, and the #3 category, Perfume, Cosmetics, Skincare, was down 10.4%.

For the first eleven months land border sales are still showing positive growth, up 3.38%.

Regionally, Ontario sales increased 1.17% and Atlantic/Quebec was up 0.42%, but Pacific sales dropped 7%, and the Prairie region fell 17% in November.

MSC's Ocean Cay in the Bahamas

Last Dec. 17, MSC Cruises announced plans to invest \$200 million to develop its own private Caribbean island in the Bahamas, signing a 100-year lease agreement for the 95-acre island, which will be called Ocean Cay MSC Reserve. The line plans to break ground on the development in March 2016 and to open the island to guests in December 2017.

Over the next two years, MSC Cruises will work hand-in-hand with the Bahamian Government and ecologists to develop the cay, a onetime sand extraction station, turning it into a "thriving marine reserve that will harmoniously coexist with the local ecosystem," says the company. The project will transform the local economy base from resource exploitation to resource conservation, it adds. The 95-acre site includes 11,400 feet of pristine beach front spread across six distinct beaches, and will be the biggest island development by any cruise company in the Caribbean. It will offer a seafront berth and pier so guests can disembark

directly onto the island; a 2,000-seat amphitheater, inland lagoon, zip line, wedding pavilion, and family-oriented kids' restaurants.

Carnival in Tortuga, Haiti, maybe Bahamas?

In August, 2014 Carnival Corp. signed a memorandum of understanding with the government of Haiti to build a new \$70 million cruise ship port on the island of Tortuga.

Ile de la Tortue, off Port-de-Paix on Haiti's northwestern coast, will be Haiti's second cruise port, and the seventh Carnival-owned port in the Caribbean. Haiti's other cruise port is Royal Caribbean's Labadee. Carnival has not yet announced a date for completion of the Tortuga port project.

This past August, Carnival also presented the government of the Bahamas with a proposal to build

a private port in eastern Grand Bahama. If implemented, Carnival cruise ships would replace its current port calls at Freeport, also located on Grand Bahama.

Carnival Cruise Line currently does not have its own private island in the Bahamas, although many of their ships stop at Holland America Line's Half Moon Cay, said *Cruise Fever*.

Honduras

Honduras has also announced that it is looking to further develop its cruise sector and has allocated space in Amapala on Isla del Tigre on the Pacific side of the country for cruise port development over the next few years. Carnival currently operates a cruise port at Roatan.

Honduras also opened a cruise port in Trujillo in February 2014, on the Caribbean side of the country.

Cruise industry event moves to Broward

Seatrade Cruise Global 2016 is taking place March 14-17 2016 at the Greater Fort Lauderdale Broward County Convention Center.

Formerly known as Cruise Shipping Miami, Seatrade Cruise Global is the leading annual global business-to-business event for the cruise industry. Bringing together buyers and suppliers for a four-day conference and three-day exhibition, the gathering draws more than 11,000 registered attendees, over 800 exhibiting companies from 93 countries and more than 300 international journalists to become cruise industry's epicenter of ideas, products and services.

A who's who of the industry participate in a comprehensive panel of discussions featuring experts, leaders and thought-makers including the State of the Global Cruise Industry with the chief executives of the world's largest cruise companies.

Visit <http://www.seatradecruiseglobal.com> for more information.

Hawaii visitor arrivals set record in November

Total visitor arrivals to the Hawaiian Islands in November 2015 set a new record for the month with 661,352 visitors, a 3.7% growth year-over-year compared to November 2014, according to preliminary statistics released by the Hawaii Tourism Authority (HTA).

November marked the ninth straight month total visitor arrivals have surpassed the previous monthly records. More visitors arrived on airlines in November, +4.5% to 657,603, but cruise numbers fell by -56.4% to 3,749 visitors.

Among Hawaii's top four visitor markets, visitor expenditures increased from US West (+6.6% to \$430.7 million) and US East (+7.3% to \$254.8 million), but declined from Japan (-7.2% to \$174.9 million) and Canada (-12.3% to \$80.6 million).

ARTCO Group: new trends in store planning and design, and how design can help retailers compete against the Internet

In the challenging environment facing many travel retail and Caribbean operators today, store design can be more important than ever, says Mickey Minagorri, executive partner at store planning and design company Artco Group.

Operating from a 100,000 sq ft facility in Miami, the company has a staff of more than 100 professionals that includes interior designers, architects, project managers, CAD operators, engineers, craftsmen, artisans and installers, using the latest technology that it promises enables them to provide high-standard, cost-effective workmanship.

According to Minagorri, Artco Group has seen a trend for watch and jewelry brands especially to put more emphasis on store design, growing out of the idea that branding your store will increase sales. This is true whether one is selling generic pieces or specific brands.

"Each store should have its own DNA and it should present fresh ideas to engage customers to create a more friendly and interactive shopping experience," he says.

"We always ask our clients a list of questions to make sure we understand who they are, who their competition is, where they want to be in two years, in five years, in ten years. We ask them to define their buyers, their demographics and what is trending in their area."

Minagorri points out that the more you know about your customer, your competition and your goals, the quicker Artco can create a calculated design plan that is tailor-made and customized to maximize and optimize the shopping experience and return on investment.

"A few trending ideas to consider is looking at a technology-rich environment while keeping the personal touch that your customers want to see. You also want to design a store that 'Will Be Very Alive', and will make your customers want to drop their computers and come shop.

"The Vibe has got to feel unique, creative, educational and informative, clean and easy for the customer to understand and get him excited about being in your store."

The challenge today is the Internet, says Minagorri. "We all know many customers now walk into a store and then walk out only to buy the same product on the Internet at a lower price. So what do you do?"

This is where store design can come in, he says.

"It's important to accept that some of your products can be found on the Internet, but stores can set themselves apart by creating excitement and making the shopping experience at your store very reassuring. You can do this by combining your special personal touch and guarantees that will give

your customers peace of mind.

"Stores need to combine a sense of excitement, uniqueness, technology and graphics and create a 'True Sense of Place' in order for people to get pumped up and want to linger in your shop, and enjoy the products on display," stresses Minagorri.

"Artco looks to explore ways to implement changes that are affordable while making your store feel fresh and alive. We plan our store designs to make sure customers connect and find the enriched shopping experience they are looking for," concludes Minagorri.

LP



Clockwise from top left: Little Switzerland Aruba, Colombian Emeralds – Antigua, a Chopard boutique, the Diamond Center in Wisconsin, USA.

Absolut goes dark with Travel Retail release of Oak by Absolut

Following a limited launch in select US cities, Absolut has introduced Oak by Absolut to Travel Retail locations around the world.

Oak by Absolut, created through a multi-step process of combining original Absolut Vodka with barrel rested and oak macerated Absolut Vodka, adds a new depth of character and richness, a smooth and subtly smoky flavor, and with notes of vanilla, caramel and toasted oak, says the company.

"I was inspired to create Oak by Absolut by the emerging trend of unique barrel-aged cocktails that brings a new versatility and flavor to even the simplest of cocktails. I wanted to see what could happen if we brought this new flavor dimension directly to the base spirit. The end result is better than we could have ever imagined," says Per Hermansson, director of Sensory Design at Absolut.

Oak by Absolut is now available in Gulf Travel Retail at a suggested retail price of US\$28.99.

The Gulf Travel Retail launch will be followed by Americas Travel Retail in February, Europe Travel Retail in March and Asia Travel Retail in August.

