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TRAVEL MARKETS Vol.16-27 INSIDER

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

DFA proposes new project in San Ysidro to replace store threatened by border expansion

As the \$741 million reconfiguration of the San Ysidro, California port of entry gets set to enter Phase 3, it may plow right over Duty Free Americas' flagship store and its adjacent 1,500-space parking lot. Phase 3 will realign the southernmost stretch of freeway I-5 next to the DFA store and connect the road directly to Mexico's El Chaparral border crossing.

The San Ysidro crossing between the U.S. and Mexico -- with 50,000 vehicles and 25,000 pedestrians crossing every day -- is heralded as the busiest land border crossing in the world.

Under the concept of eminent domain -- in which a government may take private property for public use-- DFA could be in danger of losing its flagship store on the border and the 12-acre lot on which it is located.

In this case it is the U.S. General Services Administration (GSA), the agency overseeing the port reconstruction, which is looking to appropriate the DFA property to complete the port construction. Funding for Phase 3 of the project was approved by Congress in January 2014.

"We are the only private land owner being affected. This is a very important store for us," Simon Falic, Duty Free Americas chairman and chief operating officer, told *TMI*.

In a counter-proposal that Falic says has strong local business and political support, DFA in June unveiled a plan for a multi-story, mixed use structure on a three-acre parcel within its current site. The DFA proposal would house a new duty free store on the ground level, with 900 -1,000 parking spots in the levels above, as well as a pick-up area for pedestrians crossing from Mexico.



Architectural rendering of Duty Free Americas' proposed new multi-use retail and parking complex in San Ysidro, showing roof-top heliport. Occupying three acres instead of the 12 acres it currently uses, the proposed structure would have a much smaller footprint, DFA Chairman Simon Falic tells TMI.

"Our proposed structure would be in the same location but take up a much smaller footprint than our current store," said Falic, who has already hired engineering / architecture firm HNTB Corp., which also designed the expansion of Terminal 2 at San Diego International Airport.

Falic says that the project would entail as much as \$50 million in local investments, provide 100 short-term construction jobs and 300 long-term jobs, and replace most of the parking, a critical need for local businesses. To top off the offer, DFA is offering to build a heliport on the roof of the building and give it to the government for use by the U.S. Customs and Border Protection agency and ambulance crews.

DFA is working closely with San Ysidro's business community, and has been endorsed by the San Ysidro Chamber of Commerce and San Ysidro Smart Border Coali-

tion, among other groups. The Coalition recently delivered a petition in support of the project with more than 5,000 signatures.

Falic says that DFA and its consultants have met with representatives of GSA to present their case.

"Now we are waiting to hear their decision," said Falic.

MWAA contract

In related news, the DFA chairman confirmed that the company was the high bidder to retain the duty free and duty-paid concession at Washington Dulles International Airport and Ronald Reagan Washington National Airport. The new contract is for a seven-year period and expires on December 31 2021.

Falic says that the company is now finalizing the details of the contract with the Metropolitan Washington Airports Authority (MWAA).

Lois Pasternak

PEOPLE

Former Glazer's executive **Peter J. Carr** has been named Regional President of **Bacardi North America**, effective in September. Carr replaces **Robert Furniss-Roe**, who has agreed to remain as an advisor to the global CEO for an extended period of time.

In this role, Carr will be a member of the Bacardi Global Leadership Team reporting to Bacardi Limited CEO **Michael J. Dolan**. Carr will be based in Coral Gables, Florida. Carr has nearly 25 years of experience in the beverage industry. Prior to joining Glazer's, he held various senior management roles with Diageo including President of U.S. Spirits, President of Sales for Diageo-Guinness USA, and President of Control States.

In another change at the top at **Bacardi**, **Rich Andrews** has been named VP Commercial for North America replacing **Derek Hopkins**, SVP, National Sales Director for Bacardi U.S.A., Inc. Andrews has been with Bacardi for more than 10 years in country, regional and global roles, including President of Canada, Interim Regional President of Latin America and Business Unit Managing Director for the Bacardi business in the UK & Ireland.

Peter Fairbrother is appointed Global Marketing Director, **Diageo** Global Travel and Middle East (GTME) and will spearhead all brand and marketing activities in travel retail globally, from his base in Singapore. Fairbrother, with 20 years at Diageo, replaces **Steve White** who has returned to Diageo UK as Marketing Director, Africa Regional Markets.

Craig Norwell is appointed Strategy & Global Customer Director, GTME, and will lead business development in the travel retail channel globally. Both Fairbrother and Norwell report to GTME Managing Director **Doug Bagley**.

SUPPLIERS IN THE SPOTLIGHT

Cross acquires Sheaffer in \$15m deal to become a worldwide leader in writing instruments

A.T. Cross Company last week signed an agreement to acquire Sheaffer, BIC Group’s fine writing instrument business. The purchase price is approximately \$15 million.

“By leveraging the individual strengths of Cross and Sheaffer, two authentic, American fine writing brands, the A.T. Cross Company will create a business that is well-positioned to be a worldwide leader in the design, manufacture and sale of premium, high-quality writing instruments,” said the company in its official announcement.

Cross Vice President Global Sales Mark R. Ivory, in his letter to customers, added: “We believe that leveraging existing A.T. Cross Company global marketing, selling and manufacturing expertise by adding a second authentic, American fine writing instrument brand to our portfolio, will create a combined company that is well positioned to be the worldwide

leader in the design, marketing and sale of premium high-quality writing instruments.

“Additionally, the combined strength of the Cross and Sheaffer brands will allow us to better invest in, and grow, the overall fine-writing category,” said Ivory.

David Ferreira, Head of Global Travel Retail for Cross told *TMI*: “We are all very excited that Sheaffer is joining the A.T. Cross Company. This will allow us to become the world leader in fine writing instruments in all channels of distribution.

“With the changes initiated in the last 12 months, the Cross brand will be the only fine writing instrument company in Travel Retail fully dedicated to innovation and luxury,” said. “We are eager to present to our Travel Retail operators the new Cross,” he added.

The closing is expected by the end of October, 2014.

New Cross timepieces

In related news, Cross is also expanding its product portfolio with new timepiece collections.

The new additions include the Avant Garde series, a limited edition run of automatic self-winding timepieces, crafted in marine grade stainless steel and with Italian leather strap, a dial comprised of interlayered rings, and powered by the Miyota range of Automatic Mechanical calibres from Citizen.

Also new is the vintage inspired dress Bodini Chronograph; the slim elongated Lucida watch, inspired from the craft and beauty of fountain pens and penmanship; the Gabrielle, a dressy watch for women; the New Roman, a stainless steel neo-classical Italian design; the architecturally inspired Cambria; the Helvetica Mens Timepiece from Cross, designed for clarity and visibility like the type font of

the same name; and the Palatino, a skeletonized automatic time-piece featuring a deconstructed case.

“Many Cross watches are already listed on several airlines and airport stores in Asia. We are already starting in the Americas with Panama’s Tocumen Airport and will soon be adding some Caribbean islands,” said Ferreira.



Cross Avant Garde limited edition automatic self-winding timepiece



DKNY launches MYNY in NYC

from a custom NYC-style pretzel cart.

The launch was highlighted by singer Rita Ora, the face of the fragrance, who is “madly in love” with life in New York. Ora was joined by model Chrissy Teigen and DJ/model Hannah Bronfman who along with musician Kilo Kush, and

style bloggers Brooklyn Blonde, Natalie Suarez, The New Potato and I Spy DIY created their own “**MYNY Heart**”, a digital mosaic heart composed of their own NYC centric photos, from the digital platform: myny.dkny.com

DKNY MYNY -- described as a bold, intoxicating urban blend of fruit, florals and spice -- is now available from Travel Retail locations worldwide.

Donna Karan chose the perfect venue for the launch of the newest DKNY fragrance, *DKNY MYNY* fragrance, which is inspired by the modern urban spirit of New York City. Thousands of New Yorkers lined up in Madison Square Park on Aug. 17 to experience the fragrance and one-of-a-kind, heart-shaped pretzel, inspired by the *DKNY MYNY*-shaped bottle and created exclusively by Dominique Ansel, the James Beard Foundation award-winning chef and *Cronut* creator, and served

Above: Bronfman, Rita Ora and Teigen at the DKNY MYNY launch

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Edrington, WEBB announce exclusive distribution discussions for TR Americas and Caribbean

Diageo loses Explorers' Club lawsuit

In a potentially devastating blow to its travel retail business, Diageo may be forced to stop using the Johnnie Walker Explorers' Club Collection name, which has been the company's biggest ever investment in travel retail.

A New York court ruled in early August that Diageo's Johnnie Walker duty free exclusive Explorers' Club unfairly profited from an unsanctioned association with the more than century old Manhattan-based club of the same name.

Diageo, which launched its Explorers' Club brand in 2012, must now stop using the name after the New York Supreme Court granted a permanent injunction. Diageo said it would appeal the ruling.

"It is clear that Diageo's adoption of the name of the Explorers' Club was for the purpose of leading the public to believe that it was connected or affiliated with the club," Justice Charles Ramos' Aug. 4 decision says.

The judge said that Diageo had "indisputably profited enormously from the purported unlawful and disputed use of the club's name, to the tune of approximately US\$50 million in sales."

The Johnnie Walker Explorers' Club Collection - The Spice Road, The Gold Route and The Royal Route - have sales of more than \$50 million in the channel.

The 110-year-old New York Club, a not-for-profit organization, was founded in 1904 to "promote the scientific exploration of land, sea, air, and space by supporting research and education in the physical, natural and biological sciences," and counts Neil Armstrong and Buzz Aldrin among its members.

FY 2014 earnings. Diageo's full year Global Retail net sales for the 12 months ended June 30, 2014, were up 19%. Overall, Diageo spirits sales were flat, with growth in the U.S. offset by weakness in emerging markets.

Premium spirits company Edrington and Miami-based World Equity Brand Builders (WEBB) have announced that they are in final discussions regarding an exclusive distribution partnership for Travel Retail in the Americas and the Caribbean.

Edrington owns some of the leading Scotch whisky and spirits brands in the world, including The Macallan, Brugal Rum, The Famous Grouse, Cutty Sark, Highland Park and Snow Leopard vodka.

Strategically headquartered in Miami, WEBB specializes in the marketing and distribution of leading alcohol beverage brands

in the Travel Retail sector and the Caribbean, as well as select Latin American markets. The WEBB portfolio already features Edrington brands and with the anticipated agreement, WEBB and Edrington will expand their relationship in Travel Retail in the Americas.

The new agreement will replace Edrington's previous distribution agreement with Rémy Cointreau Travel Retail Americas, which is scheduled to end on January 15, 2015.

Paul Ross, President and CEO of Edrington Americas said: "I would like to thank the team at Rémy Cointreau Travel Retail for

their support over the past seven years managing Edrington brands in the Travel Retail Americas market.

"I am delighted to be in discussions to extend our relationship with WEBB, our strategic partner in the Caribbean, who has successfully represented Edrington's brands for the past four years.

"We look forward to announcing plans that will deliver even greater growth for Edrington's premium brands in this dynamic and growing channel."

Andy Consuegra, Managing Director of WEBB, stated, "My team and I are delighted at the opportunity to greatly expand our relationship with Edrington. In addition to our proven expertise in the Travel Retail channel and Caribbean, we most value and believe in our partners and the strong results we consistently deliver on their behalf. This proposed expansion gives us a platform for long term growth."



SMT's Eddie Ferenczi, Edrington's Juan Gentile and WEBB's Andy Consuegra celebrating the opening of the new Edrington/WEBB office in Miami last December.

Rhône Capital to acquire as much as 20% of Arden

Elizabeth Arden has announced that investment funds affiliated with Rhône Capital L.L.C plan to acquire up to 6.4 million shares of the Company's common stock, constituting approximately 20% of its shares, at a cash purchase price of \$17.00 per share.

Rhône Capital had previously announced its intention to increase its investment in the Company following its purchase of 50,000 shares of the Company's Series A Serial Preferred Stock and warrants to purchase 2.5 million shares on August 19, 2014, in a private placement.

The stock offer must still be evaluated by Elizabeth Arden's Board of Directors and management, says the company statement.

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**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.

ESSENCE CORP. #2

Has an immediate opening for a
Market Support Coordinator.

Candidate must be organized, dynamic and self-motivated. With strong skills of Excel, Word, PowerPoint (MS Office). Must speak English and Spanish.

ESSENCE CORP. #3

Has an immediate opening for an
**Acct/Area Manager
Caribbean**

The ideal candidate will be based in Miami and must have a minimum of two years' experience in Travel Retail.

Candidate must be extremely organized, dynamic, self-motivated with strong sales skills and willing to travel 55% of the time.

Proficiency in Excel, Word, PowerPoint (MS Office) and Mandatory Bilingual:

English/Spanish, written and oral. French is a plus.

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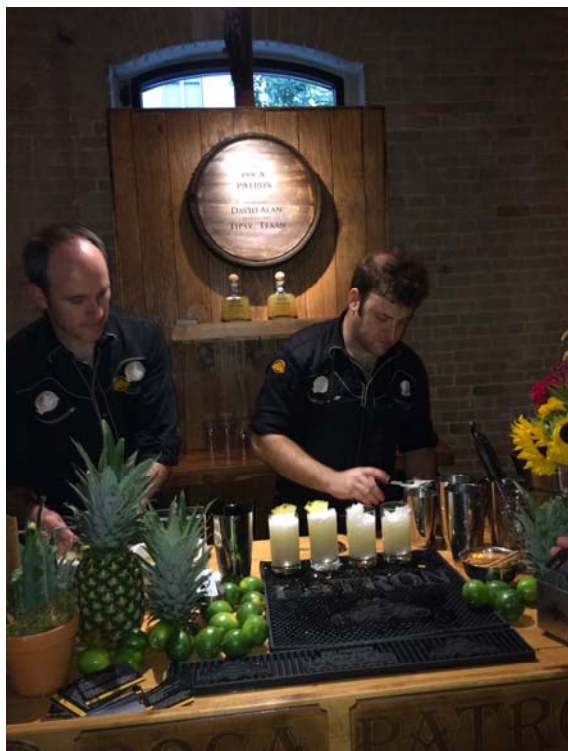
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Patrón continues U.S. rollout of new Roca line

The US launch of the new Patrón Roca continued at Brazos Hall in Austin, Texas, on Aug. 11.

Guests sipped signature Roca cocktails made by local mixologists including David Alan, Brian Dressel and Joyce Garrison, which brought a true Austin spin to the cocktails.

Guests also enjoyed creating bracelets out of the Roca agave fibers, engraving iPhone cases, and adding their Roca Patrón photos to an art installation.

The true star of the evening was Roca Patrón, the company's first line of tequilas produced entirely from the tahona process. Each tequila in the new Roca Patrón family – Roca Patrón Silver (90 Proof), Roca Patrón Reposado (84 Proof), and Roca Patrón Añejo (88 Proof) – is made from only 100 percent Weber Blue Agave, and is traditionally handcrafted at a specific proof, higher than the core line of Patrón tequilas.

The trendy city of Austin was the second to the final stop on the roll out that included New York, Chicago, Miami, Austin, Los Angeles and San Francisco, as well as around 40 smaller events.

Left: Austin mixologist David Alan demonstrates the versatility of the new Roca Patrón tequilas at launch event on Aug. 11.

Photo & story: Lara Pasternak

RECORD JULY FOR HAWAII TOURISM ARRIVALS/SPEND

The Hawaii Tourism Authority reports that 2014 was the highest July on record in both visitor spending (+2.6% to \$1.35 billion) and arrivals (+2.5% to 772,106). Year-to-date, Hawaii's tourism economy continues to pace ahead of the record-breaking, with nearly \$212 million more in visitor expenditures and \$23 million in additional tax revenue to the state in comparison to the same period last year.

Beauté Prestige International

has immediate openings in the Miami office for the following position:

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TRAVEL RETAIL for
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