



ESTÉE LAUDER

ACI, IATA report solid start to the year for 2015 pax traffic

Global passenger traffic started the year strong with year-over-year growth of 4.5% for the month of January, reports Airports Council International in its latest PaxFlash. The strong growth comes on the heels of a rise of over 5% in passenger traffic for 2014 as a whole.

ACI says that all its regions reported gains in passenger traffic, with most of the buoyant activity in passenger traffic stemming from double-digit growth rates in the Middle East, which grew by 11% in January. International travel continues to post relatively higher growth with an increase of 5.3%, with domestic traffic growing by 4% for the month.

The International Air Transport Association (IATA) says global passenger traffic for January was up 4.6% compared to January 2014. International passenger traffic was up 5.4%. Even though **North American airlines** saw demand in international traffic rise 2.7%

in January over a year ago, the weakest traffic growth for all regions save Africa, the US economy is a stand-out performer among developed economies, says IATA.

Latin American airlines' international traffic rose 5.6%. Capacity rose 5.1% and load factor climbed 0.4 percentage points to 81.2%, highest among the regions. While growth in the Brazilian economy has stagnated, regional trade volumes have continued to improve in recent months.

Middle East carriers had the strongest year-over-year traffic growth in January at 11.4%, suggesting Middle Eastern economies are comparatively well-placed to withstand the plunge in oil revenues, says IATA.

European carriers' international traffic climbed 5.0% in January, the largest increase among the three biggest regions.

Asia-Pacific carriers recorded an increase of 4.7% compared to January 2014, which is below the 2014 annual trend of 5.8% expansion. Traffic has been broadly flat

over the past five months. The timing of the Lunar New Year in mid-February (one month later than it fell in 2014) also impacted the results.

African airlines saw January traffic slip 0.7% compared to January 2014, which IATA attributes to negative economic developments in parts of the continent in part due to the collapse in oil prices.

Skytrax names Singapore Changi Best Airport in world, Vancouver, Lima top list in the Americas

Singapore Changi Airport was named the World's Best Airport by air travelers for the third consecutive year at the 2015 Skytrax World Airport Awards.

Changi Airport was also named Best Airport for Leisure Amenities, followed by Incheon International Airport, Munich Airport, Hong Kong International Airport, and Tokyo International Airport.

In the Americas, Vancouver International Airport was again named by customers as the Best Airport in North America for the 6th time, and best airport in the 10-20 million passenger category. Fairmont Vancouver Airport was voted Best Airport Hotel, North America.

Jorge Chavez International Airport in Lima was named the Best Airport in South America. **Panama Tocumen Airport** won the honor as Best Airport in Central America/Caribbean and the Best Airport Staff in Central America/Caribbean.

Bogota El Dorado International Airport received the 4-Star Airport ranking 2015 and won the award for Best Airport Staff Service in South America.

San Francisco International was named winner as Best Airport Staff Service in North America for the second year. *Go to page 2.*

PEOPLE

Fairn & Swanson has named **Joel Sjostrom** as Chief Executive Officer, effective March 13, 2015. He succeeds **Achim Fritzen** and will be based in Oakland, CA. Sjostrom brings more than 25 years of hospitality and specialty retail experience to the new role at the duty free company, having held senior positions at Old Navy of Gap Inc., Peet's Coffee & Tea and most recently as president and CEO of Metropolitan Coffee & Concession. Under the executive leadership of Joel Sjostrom, F&S will be embarking upon the next phase of growth and development, says F&S president, **Nicole Uhlig**. Sjostrom will be in Orlando to meet with the trade.

Bottega S.p.A. has appointed **Zoila Andonie** as Area Manager for Latin America, Caribbean and Iberian Peninsula, as of last September. Andonie works directly with **Silvina Bianchini** and will be responsible for developing the Caribbean market.

Bianchini said she was "delighted to welcome Zoila to the company and is very glad to have someone of her experience to support the continued growth of the business."

As reported earlier, Bottega SpA has also appointed **Interbrands USA LLC**, a division of Interbrands Wines & Spirits to handle the cruise business. Interbrands USA Vice President Sales & Marketing **Deborah Golden** had worked with Bottega over the past five years through her consulting business, which resulted in "major advances in distribution and sales," said **Alessandra Piccin**, Bottega S.p.A. Export Manager Travel Retail.

Invicta Watches announced in Basel that it has acquired the **TechnoMarine** watch brand. More information to come. Visit Invicta at Booth 107.

Interparfums confirms that it is acquiring Rochas fashion & fragrance

Interparfums said on Thursday it would buy perfumes and fashion company Rochas from U.S.-based Procter & Gamble for \$108 million, marking the French fragrances group entry into the fashion business for the first time.

The company said it hoped to close the deal by the end of the first half of 2015 and would finance it with medium term debt.

In a statement, Interparfums says that the transaction will cover all brand names and registered trademarks for Rochas, (such as Femme, Madame, Eau de Rochas) for mainly cosmetics and fashion.

Philippe Benacin, chairman and CEO said: "For the first time, this acquisition will integrate both fragrances and fashion. It will open up new opportunities in terms of creativity as well as aesthetic design and marketing choices. It will also allow us to apply a global approach to managing a fragrance brand boasting very high name recognition and without time restraints. Finally, this acquisition has generated enormous enthusiasm internally and high motivation by all to reestablish Rochas' position, even more preeminent in the universe of luxury."



Marshall Farrer new head of Brown-Forman Global Travel Retail as Jim Perry moves to an expanded new position

Marshall Farrer, a veteran Brown-Forman employee with a broad range of domestic, international, and global roles in sales and marketing, will assume the managing director's role in B-F's Global Travel Retail team. Farrer replaces Jim Perry who is taking a new position to lead the company's emerging market business across a wide swath of the world. The changes become effective May 1, 2015.

Farrer, who joined Brown-Forman in 1998, transitions from his current leadership role of vice president, global brand director for Jack Daniel's Tennessee Honey.

Previously, he served as the managing director of Australia

/New Zealand, and prior to that, was the director for Latin America and the Caribbean.

Perry has served as managing director for Brown-Forman Global Travel Retail since 2008. In this role he grew the global travel retail business significantly and championed travel retail as a priority, positioning this channel well for continued growth. His and his team's efforts and successes were a key driver in the decision to make this channel a stand-alone "region."

In 2012, he was promoted to senior vice president and added responsibility for the emerging



Left:
Marshall Farrer
Right: Jim Perry

markets in India, the Middle East, and Africa. He will continue to lead the IMEA markets and will now lead the emerging markets in Central America, South America and the Caribbean. Bringing Perry's leadership to CCSA, will enable Brown-Forman to focus on these fast-growing geographies and bring

the important emerging markets of Brazil, Africa, and India together, says the company.

Perry joined Brown-Forman in February, 2000, and served first as manager of government relations and then chief-of-staff for the chief operations officer before assuming his Travel Retail duties and subsequently IMEA.

Skytrax, *continued from page 1*

Cincinnati/Northern Kentucky International Airport won the Best Regional Airport North America for the 5th year in a row

The World Airport Awards

The World Airport Awards are voted by customers in the largest, annual global airport customer satisfaction survey, based on 13.02 million customer nominations across 112 nationalities of air travelers, from 550 airports worldwide. The survey evaluates customer satisfaction across 39 key performance indicators for airport.

Omar Hagi joins Kering to head up global TR

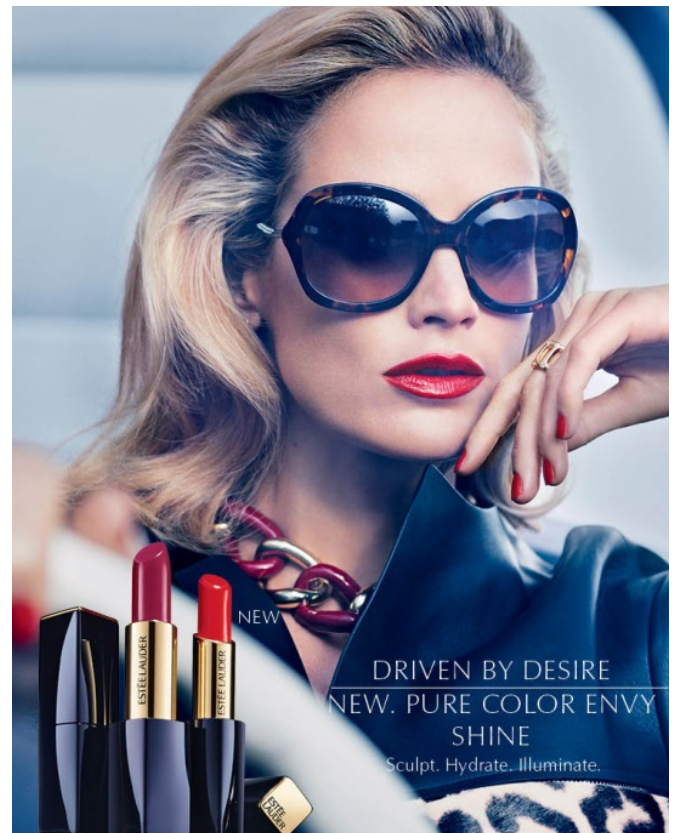
French group Kering Eyewear has appointed Omar Hagi as Head of Global Travel Retail and International Optical Retailers. Hagi spent the last four years in Safilo Group, most recently as head of Global Travel Retail.

In his new role, Hagi will be based in Kering Eyewear headquarters in Padua, Italy, and is responsible for the sales of the Kering Eyewear brands portfolio in the Travel Retail and International Optical Retailers channels, reporting to Massimo Renon, Kering Eyewear Global Head of Sales.

Kering Eyewear is part of the Kering Group, a world leader in apparel and accessories which develops an ensemble of powerful Luxury and Sport & Lifestyle brands such as Gucci, Bottega Veneta, Saint Laurent, Alexander McQueen, McQ, Stella McCartney, Boucheron and Puma.

Kering eyewear President and CEO Roberto Vedovotto commented: "I am delighted to welcome Omar at Kering Eyewear. His extensive experience in the eyewear industry and his deep knowledge of its commercial stakes, will allow him to fully support the brands' growth on Travel Retail and international markets."

Last September, Kering unveiled plans to bring eyewear development and production fully in-house.



ESTÉE LAUDER



US expansion for Paul & Shark provides opportunities for travel retail

Paul & Shark is significantly expanding its investment into the US domestic market over the next year and believes that this will lead to new airport retail opportunities within the country.

The Italian luxury lifestyle brand is opening two new stores this year and renovating and expanding two others.

The company is opening a new 1,500 sqf boutique in the Forum Shops in Las Vegas in Mid-April. The boutique has been created by Milan-based Takeda Katuya Design to reflect Paul & Shark's new Milan showroom. At the end of 2015, Paul & Shark will open a 1,900 sqf boutique in the Houston Galleria.

In addition, Paul & Shark will be extending its Rodeo Drive, Beverly Hills store from 1,700 sqf to 2,000sqf on the main floor plus 700 sqf on a mezzanine. The company expects the

renovations to be completed by September.

Next March, the company is expanding its store in Aventura, Florida from 1,400 to 2,600 sqf. Paul & Shark also has a mono-brand store in Madison Avenue, New York.

All the stores will feature new concept interiors and storefronts of blue undulating aluminum sheet patchwork intended to reflect waves of water for Paul & Shark's yachting and sailing heritage.

The stores are designed to attract visitors not only from the US but also China and the Middle East; the rapidly increasing levels of visitors from these high-spending nations bode well for Paul & Shark's travel retail development in America, says the company.

Worldwide Travel Retail Director Catherine Bonelli comments: "It is definitely the right time for Paul & Shark to focus on the US; currently



Artist's rendering of new Paul & Shark store to be opened in Las Vegas in the Forum Shops in April.

[the U.S.] represents just 10% of our global business but we consider there is huge potential here for this 'Made in Italy' luxury lifestyle brand.

"On this basis we are now also exploring travel retail opportunities in the US, where we can find the right locations and space. Americans are becoming more and more familiar with Paul & Shark and this, combined with the growing increase in Chinese, Middle Eastern and South American visitors to the States gives us a perfect travel retail opportunity."

Catherine Bonelli will be in Orlando during the Duty Free Show of the Americas and can be contacted on Catherine.bonelli@paulshark.it or +39 344 0547 142 for appointments.

Portland International airport holds concession meeting for 2nd phase of RFPs

Portland International Airport hosted a concession Request for Proposals for 26 new retail, food & beverage and passenger services locations to be available through a Request for a Statement of Qualifications process. Qualified concessionaires who have signed up on the Planet Bids network for the Portland International Airport notification will be asked to submit a response to this document and firms will then be qualified from that process and invited to response to a Request for Proposals.

The concessions opportunities are the second phase of refreshing concessions through 2017, as existing concessions leases expire. Eighty percent of the concession program is being re-developed with the issuance of the RFP in 2014 and this upcoming RFP.

The Request for Statement of Qualifications will be issued March 31, 2015 and due by April 28, 2015 by 11:00 am. The RFP will then be issued and available to those who have been deemed qualified on May 20th with a pre-proposal conference May 29, 2015. Responses to the RFP will be due July 27, 2015 by 11:00 am. The lease and award to concessionaires is planned to occur in October – November, 2015 with the approval by the Port on December 9th, 2015.

The successful concessionaires are expected to open in July, 2016.

PDX was voted the best U.S. airport in Travel+Leisure World's Best Awards reader poll in 2013 and 2014; second for design and shopping, and third for food. The airport's House Spirits Distillery, a leader of the American craft distilling resurgence, was honored with the award for "Best New Specialty Retail Concept, Small Operator," at the 2015 Airport Revenue News (ARN) Awards last week.

PDX serves more than 15 million passengers annually with international nonstop destinations from Amsterdam, Netherlands; Tokyo, Japan; Vancouver, British Columbia; and Calgary, Alberta, Guadalajara, San Jose del Cabo and Puerto Vallarta, Mexico.

Dr. Patricia Ryan



ESTÉE LAUDER



David Ferreira
dferreira@cross.com

Illva Saronno names Martin Howey to head Travel Retail division

Italian spirit company Illva Saronno, owner of the Disaronno and Tia Maria brands, has appointed Martin Howey as Global Travel Retail Director with immediate effect.

Highly experienced and respected within the spirits and travel retail industry, Howey joins Illva Saronno from Chivas Brothers Ltd (Pernod Ricard) where he was Global Travel Retail Director, responsible for international brand development and revenue growth.

During his career Howey has gained an extensive international perspective with experience of working across different nationalities of consumers, having being involved in the diverse markets of Asia, Americas, Gulf, South Africa, Australia and Global Travel Retail.

Howey will be present at this month's Duty Free Show of the Americas in Orlando on the WEBB booth (923) where he is looking forward to meeting old friends and making new contacts.

According to the company announcement, Howey's remit is to strengthen Illva Saronno's travel retail strategy, focusing on its brands Disaronno and Tia Maria, but equally looking for opportunities for other products within the portfolio. Disaronno and Tia Maria have long been established in travel retail but it is only during the past two years that the company has actively focused on this category. Illva Saronno believes there is tremendous potential that Martin Howey is well equipped to develop and build, thanks to his knowledge and enthusiasm for the travel retail business.



Paris Passenger Terminal Conference examines retail opportunities of the airport of the future

Are the widely touted duty free walk-through stores outdated? Are non-digitalized airports losing out on available revenues streams? Are airports making the best use of space for concessions and ignoring the importance of capitalizing on the value of the experience?

These are some of the topics touched upon by speakers at the Passenger Terminal Conference Commercial Operations, Concessions, Marketing and Media sessions which took place in Paris last week.

Over 4,000 attendees attended the conference, which was co-chaired by airport consultant Dr. Patricia Ryan and Jeremy Corfield, Director of Concession Planning Australia. Dr. Ryan presents an overview of some conference highlights.

The theme of the conference was "The Future of Airports." Attendees examined technology and insights on what airports and concessionaires see ahead for non-aeronautical developments of airports.

"The Duty Free Store – the Third Wave" was presented by Austin McGinley, Client Services Director, JHP Design, UK. Austin reminded the Passenger Terminal Expo conference attendees that duty free started in 1947 in Shannon with an original store offering souvenirs and local products. Alcohol was added in 1951, then tobacco; this concept was then copied worldwide.

Wave One – Duty free shops were on the perimeter after security with retail on both sides and food/beverage was usually at the end.

Wave Two - Duty free became a walk through with destination retail on the left and right. The partition walls were introduced to plan upgrades to the brand. Austin stressed that passengers didn't need to think as they followed the path with a forced flow of traffic through the walk-through. The passenger passed everything once and didn't usually turn back. Retail was towards the end with food/beverage as last concession. Once the passenger was through the journey, they frequently did not return.

Wave Three – Austin suggests an unforced approach with displays and clear views enabling people can see through the store to what is ahead and/or behind. In his view, food/beverage should be positioned at the end so passengers will be looking back into the duty free and can still return for a purchase.

The future is predicted to be less walk-through driven designs and more like a department store with fluid and open planning. Airports will have to work with duty free retailers to centralize security, offer shallow depths, dynamic brand presence and showcasing, and additional services. Austin recommended a decompression zone with a non-linear way of purchasing, pre-ordering and collecting in store or lounge or at

Gate or on return. He stated that retail should be "on the way – not in the way" with the passenger in control.

Mathieu Blondel, a principal with Arthur Little spoke on "How Digital Transformation will change Airport Economics." Blondel touted the term "smartization" to describe the wave of the future for digital based solutions for airports, and used Revenue Growth Accelerator to describe increased dwell time with better operations, enhanced interaction of customers with better flow knowledge and tracking of individuals at the airport terminal, the ability to push sales and propose hyper-segmented offers instantly and dynamic pricing.

A fully digitalized airport generates 10 points EBIT margin, according to Blondel.

Dr. Patricia Ryan spoke on "The Future of Airports," noting that larger aircraft will be a challenge for space-constrained airports that will require more concession locations to serve more passengers. Quoting ACI World Director Angela Gittens, Ryan noted that "airports have evolved from public sector infrastructure providers to sophisticated business-oriented service providers." Airports must build additional infrastructure to accommodate the additional concessions required at gates and must carefully consider sources for revenue as airports plan uses for land, she said.

Ryan cited the success that MIA saw after developing a hardstand for at least one additional international flight per day, which generates \$23 million for the airport (according to spokesperson Greg Chin) rather than spending the money for airline fees or passenger concession revenues. The overall increase in flights will increase revenue also from concession activities – particularly duty free operations, she said. The changes in concessions have evolved with food/beverage in the mid 2000's moving to renowned chefs and upscale dining; luxury duty paid retail; and duty free restructuring their walk-through shops to a more open concept so shoppers can easily return and see more products.

"Airports are becoming experiences" stated Rick Blatstein, CEO of OTG, who challenged airports and concessionaires to change the status quo and move to a tech-enhanced hospitality such as using boarding pass to access menus with a variety of languages.

Further, opportunities must be turning food/beverage into specialty retail - such as buying a drink, then buying the bottle to take away. Blatstein announced a partnership with United Airlines allowing passengers at their OTG facilities to pay using United Airlines' frequent flyer miles. He challenged airports to "create the desire – create the demand."