



One on One with Enrique Urioste, Past President ASUTIL & CEO Neutral Duty Free:

## October ushers in “big win” for Uruguay border duty free as Mercosur economies start to recover

The business on the Uruguay border is showing encouraging signs of recovery after taking a deep nosedive over the last year.

“The industry on the border in Uruguay closed the year minus 50%, and we (Neutral) closed minus 44%. We started 2016 minus 40%,” confirms Enrique Urioste, CEO of Uruguay border store chain Neutral Duty Free in an interview in early October. “The numbers were particularly bad because January and February of 2015 were pre-crisis months, so that pushed the beginning of the year numbers down even further in comparison.

“July was the turning point. We ended up +4, were +10 in August, +40 in September, and October ended up + 69%,” he confirms. Urioste credits three factors for the improvement.

1. The Political scenario changed. The removal of Brazil’s President Dilma Rousseff was a necessary step to move forward. It changed everything and set the stage to stimulate real economic change in the country and brought hope for the future.



2. Secondly, the region is now in the 9<sup>th</sup> month of relatively stable currency, staying in the range of 3.20 / 3.30 for the Real against the US\$.

3. And third, imported goods into Brazil started to get more expensive.

“The combination of the three factors; optimism, currency exchange at the fixed level and more expensive imported goods coming into Brazil created a recovery pattern that stimulated a demand for our goods,” he said.

Urioste says that his optimism

is shared by some high ranking business officials.

An executive of a key bank in Brazil told Urioste that his organization is forecasting growth in the Brazilian economy between 1.5% and 2% for 2017—a relatively optimistic assessment after the dismal numbers of the recent past. The bank is also forecasting a reduction in the inflation rate from 7.1% to 5% and recovery in unemployment. For Argentina, the bank sees the economy growing in the range of 3-3.5%, further strengthened by lower inflation.

In addition, Urioste points out that both countries are enjoying new foreign investment, although not as strong as hoped for.

This recovery entails some significant changes from past cycles, he explained.

One theory is that the corruption scandals in Brazil have produced the most important change in the two centuries that the country has existed.

*Continued on page 2.*

### LESME LEAVES GDF

After 7 years in general management roles with Fleming International and GDF Duty Free, Pablo Lesme, has left the company. Most recently, he was director and country manager at GDF Duty Free, one of the concession holders at Asuncion’s Silvio Pettitrossi International Airport in Paraguay.

Lesme has joined BPR, one of Paraguay’s leading marketing and communications specialists, where he assumes the role of general manager.

Lesme tells *TMI*, “After a long period with travel retail operators I will be moving to marketing services company BPR to look after the interests of suppliers and operators with communication and marketing directly at the point of sale. As part of our expansion plans we are targeting the travel retail market in Paraguay and other Mercosur markets. We will be getting involved in all design projects from furniture design to signage and we will be concentrating our resources to help our partners make all their special activations more efficient.

“Basically our objective is to help our business partners improve their sales in duty free and travel retail stores throughout the region,” says Lesme.

## WEBB and Banks Channel merging as WEBB Banks to focus on domestic Caribbean and Central American business



Andy Consuegra’s World Equity Brand Builders (WEBB) continues to expand.

Miami’s WEBB and Winston Salem’s Banks Channel have announced plans to merge their respective companies, with a mission to aggressively expand their spirits and wines distribution and marketing activities throughout the domestic markets of the Caribbean, North Atlantic Islands and Central America.

This merger of equals will be effective January 1, 2017. The new company will be known as WEBB Banks and will be based in Miami with an additional office in Winston Salem, NC.

At present, the two companies collectively sell more than 350 thousand cases of 40 plus

brands in the Atlantic Basin. The merger, designed to ramp up distribution and sales by consolidating respective company resources and personnel, firmly positions WEBB Banks as a key player in the region.

The merger does not impact WEBB’s JV with Edrington (EWTRA) for the Duty Free Channel in the Americas, for which Consuegra will continue to serve as CEO. The merger also does not affect Banks Channel’s wine importation business in North Carolina, which Robert Bowman will continue to own and operate.

Founded in 1982, Banks Channel is owned and managed by Robert Bowman. Banks Channel already has a dominant position as a premium wine distributor, managing such

brands including Beringer, Penfolds, Caymus, Shafer, Freixenet, Rodney Strong, Ramey, Noble Vines, Smoking Loon, Graham’s Port and many others.

WEBB, founded in 2007 by Andy Consuegra, distributes both premium wine and spirits, including The Macallan, Tito’s Handmade Vodka, Disaronno, Svedka, Brugal Rum, Cupcake Vineyards, Luc Belaire, Molly’s, Mionetto and Frescobaldi wines.

Bowman will serve as Managing Director of WEBB Banks, while Partner Andy Consuegra serves in a supporting role with a focus on supplier relations. The Managing Director position will rotate periodically between Bowman and Consuegra. *Continued on page 2.*



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## Neutral Duty Free / Uruguay border business seeing recovery

*Continued from page 1.*

“For 200 years the economy in Brazil was linked to the political agenda. But now, as a result of the scandals, the sectors are more separated.

“The political sector has its own agenda and the economic sector won’t be linked to the political sector as it was before. This is a very healthy scenario,” says Urioste.

“This change is bigger than when the country changed from a military dictatorship to a democracy. At that time the economy was still tied to the political sector. This is a key cultural change,” he adds.

Although the current recovery is taking place more gradually than recoveries in the past, Urioste is optimistic that the new administration in Brazil will be able to accomplish a number of difficult

goals, especially since the new president, Michel Temer, will not stand for re-election.

“President Temer knows he will not be a popular president because of the way he came to office [Ed. Note: In August, President Dilma Rousseff was replaced by her former vice president and coalition partner, Michel Temer, who had been running Brazil as interim president since Dilma was suspended to face the impeachment trial in May] and the measures that he has to enact. But we are convinced that Temer will introduce changes that will improve the Brazilian economy. We believe he will place a cap on the expansion of the federal government so it is linked to economic performance, as well as modify the pension system. Both of these will help Brazil’s economy improve,” he tells *TMI*.

Meanwhile, the economy in Argentina is improving, but is still difficult in the short term.

Uruguay, on the other hand, a market that reacts to its neighbors, has built one of the world’s largest cellulose plants – which is the largest capital investment in the country’s history.

This semester alone the project poured \$1.3 billion into the country and helped compensate for the slowdown of Uruguay’s neighbors.

Urioste says that he is already seeing improvement at his stores, and more Argentines shopping than in the past.

“For the total company, we closed the month of October +69%,” he said. While the flagship store in Melancia Mall in Rivera sees more Argentine shoppers seasonally during the summer and winter holidays, Urioste says that some of the stores – such as those in Chuy and Bella Union – are seeing a big increase in Argentinean shoppers.

“Argentines now make up 50% of the customer base in Bella Union,” he noted.

The big news in the Neutral store in Melancia was the opening of a 100 sqm shop-in-shop for Victoria’s Secret.

“This is the first Victoria’s Secret store in Uruguay and the only one on the border. We are heavily promoting it in all the Brazilian newspapers,” he said. Urioste is also growing Neutral’s border business by entering into agreements with travel agencies to bring shoppers to its stores:

“We are now averaging 100 buses a month in our different locations, and this is only getting better.”

Neutral is also expanding its onboard ferry business, Colonia Express, which operates between Buenos Aires and Colonia, Uruguay.

“We are forecasting to double the business that we did last year, when we operated two small boats and one ferry with 600 pax and 40 cars but with only one daily frequency. For this summer the ferry will be running three daily frequencies between Buenos Aires and Colonia. In February / March, Colonia Express will be adding a second ship that can carry 1,000 passengers plus cars.

We believe that this is going to be a very good summer season in Uruguay because among other things, Argentina has become very expensive. Tourism is coming back to Uruguay,” says Urioste.

## WEBB and Banks Channel merge to handle domestic Carib and CA spirits markets

*Continued from page 1.*

The WEBB Banks Board will be Bowman, Consuegra and industry veteran Michel Recalt, who will be charged with strategic consulting. Phillip Jarrell will be responsible for distributor strategy and marketing, while also directing and expanding the embedded portfolio management team. In addition, six area managers will each assume four to five markets, reporting directly to Managing Director Robert Bowman.

Andy Consuegra noted, “WEBB and Banks Channel have structured the merger to drive superior distribution and sales through increased scale and focus. By combining our teams, we enhance our deep insights of the traveling consumer and collectively leverage our respective relationships and specific market knowledge.”

Consuegra added, “I have admired Bank’s success over the years and have great respect for Robert’s integrity and strong relationships. The cultures of our respective companies have always displayed a strong synergy, which will make the newly merged company a truly focused and formidable organization in the region.”

Robert Bowman stated, “I am excited about the potential of this merger. Our increased scale will permit us to spend more time with our customers, assisting their efforts to drive even greater distribution and sales for our entire portfolio. I also believe that WEBB and Banks Channel independently have created similar business models, which is one of many reasons this merger makes great sense.”





## Shiseido launches first U.S. airport retail activation, LAX/TBIT showcase created by Bloom Miami

*The interactive installation debuts new lipstick formula, Rouge Rouge*

Shiseido has installed its first U.S. airport activation, a state-of-the-art showcase featuring Shiseido's newest lipstick formula, Rouge Rouge, at Los Angeles International Airport's Tom Bradley International Terminal (TBIT).

The activation – which centers around the color red – was created and installed by retail focused design and production agency Bloom Miami. In addition to interpreting and executing the design concept, Bloom also served as technical coordinators acting as the liaison between the Shiseido brand team and the airport authority and managed all job site logistics.

Rouge Rouge is a collection of 16 red shades. Part of the activation's design included four 55-inch LED screens, which displayed the products as animated patterns that changed according to the movements of those standing in front of it.

Using Vibrant Red Color Technology, Shiseido combines optimal pigments and light technologies to create the perfect red lip for every skin tone.

Travelers passing through the newly renovated TBIT were invited to stop at Shiseido to not only purchase products on-site, but also receive recommendations to help them find their perfect red lip.

With the activation's 'Find Your Rouge Rouge' iPad application, travelers also had the opportunity to create a digital portrait, which they could download via a short-form URL or QR code to their mobile phones to then share on social media using the hashtags #rougerouge2016 and #shiseidored.

"Disruption has become the new buzzword in Travel Retail marketing and what better way to disrupt and engage than to activate at the bottleneck of main entrance leading to the TBIT international gates," said Darin Held, partner at Bloom Miami.

"Also, the brands can now sell from the activation platform in addition to sampling – this is a new and exciting proposition for our clients. Not only are they getting incredible brand exposure, but also a direct and measurable return on investment.

"Airport retail is becoming more



premium and experiential over the past few years. Our clients are not only looking for innovative ways to attract customers but to also cultivate brand loyalists," says Held.

Last year, TBIT handled about 52.3 million travelers - accounting for about 70% of LAX's overall passengers. The terminal has undergone an extensive renovation including a \$148.5 million connector to five domestic terminals making switching from domestic to international flights easier on passengers.

For more than 140 years, the Shiseido brand has worked to help people live "This moment. This life. Beautifully."

The company is the world's fifth-largest cosmetic manufacturer and currently operates in about 120 countries and regions around the world.

## Staz Lindes named new YSL ambassador

L'Oréal's Yves Saint Laurent Beauty has named Staz Lindes as its new makeup ambassador.

The 24-year-old rock guitarist, photographer and model is a "compelling woman empowered by her numerous talents" and "encapsulates the very essence of 21st century beauty," said the company announcement.

London-born Staz is the daughter of Dire Straits guitarist, Hal Lindes – and a member of riot girl band, the Paranoids.

Music defines her style – including leather jackets, vintage military wear, and bold lip and eye looks.

L'Oréal says that Staz is a true representation of strong femininity today – making her the perfect fit for Yves Saint Laurent Beauty.



"The great embodiment of the brand – brilliant artist, true to herself and a symbol of her generation," said Stephan Bezy, International General Manager of the brand.

"To me, Yves Saint Laurent Beauty is youthful, cool, edgy and luxurious – I couldn't be more excited to be joining it as an ambassador for their makeup," commented Lindes.

Photo credit: Clara Balzary

## William Grant wins top honors at IWSC

William Grant & Sons was named 'Distiller of the Year', the highest honor bestowed by the International Wine and Spirits Competition (IWSC). The company was also awarded 'Scotch Producer of the Year'.

In the individual expression honors, The Balvenie DoubleWood 12 YO won the Single Malt Scotch 15 Years Old and Under Trophy. The judges also recognized Glenfiddich 21YO, Glenfiddich 14 YO Bourbon Barrel Reserve, The Balvenie Thirty and Glenfiddich 40 YO with each receiving a 'gold outstanding' medal.

A spokesperson for The IWSC said: "This is sixth time William Grant & Sons has won this award. Year on year they impress with their range of products and the quality of their spirits. It's a fantastic achievement. They have impeccably maintained the quality of their liquid and in some cases on brands well over a century old. More youthful brands such as Monkey Shoulder and House of Hazelwood are also helping to re-write the rules of the category and are justifiably held in the highest regard."

Simon Hunt, CEO of William Grant & Sons, said: "This is an incredible achievement and is testament to the skill, expertise and dedication of our people. As a family run business we take great pride in taking a long term view and fostering a culture of innovation. We are absolutely delighted that this has been recognized by the IWSC."

WGS won 20 gold medals for Glenfiddich, The Balvenie, Hazelwood, Monkey Shoulder and Grant's, and 72 medals overall.



## 2017: Year of the Bulldog in the Americas

Look out for Bulldog gin in the Americas in 2017.

This summer Bulldog created an Americas division, responsible for the development and execution of the brand's commercial strategy in the US, Canada, Mexico, Latin America, and the Caribbean, with a particular focus on on-premise.

And now the fastest growing premium gin in the world (IWSR) has big plans for the brand in the region in the coming year, Chester Brandes, Managing Director Bulldog Americas, tells *TMI* in an exclusive interview.

"The creation of the Americas division is a major initiative for the company. The US and Canada represent two out of five of the largest premium gin markets in the world. There is obviously a lot of development that needs to take place in both of those markets.

"If you don't focus and make the investment in the right people, [the development] is probably not going to happen or will take a lot longer," says Brandes.

"What Bulldog needs is a lot of promotional focus and distribution in the US market and that is one of the priorities for 2017/18/19 going forward."

Brandes, who was most recently CEO of Imperial Brands, has brought in Christian Castren as Commercial Director Latin America and Shayne Ackert as Commercial Director Canada. They join Senior Brand Manager North America Jaron Berkhemer, who led Bulldog's existing US team. All three now report to Brandes.

As of October 1, Bulldog has also partnered with World Equity Brand Builder (WEBB) to manage all of the Caribbean domestic markets except for Puerto Rico, which is managed by Campari USA.

"I think it is a perfect fit working with WEBB in the Caribbean. Bulldog is very similar position-wise to a brand like Tito's vodka," says Brandes.

Bulldog is already doing well in the Dominican Republic, which as of now accounts for 90% of the brand's sales in the Caribbean, reports WEBB.

### Not your grandfather's gin

Brandes has high expectations for Bulldog in the region.

"I would not have accepted this challenge if I did not believe that the potential was enormous. Bulldog needs tender loving care, time, attention, and creating that unique selling proposition, but it has all the elements to make it happen," he explains.

"The bottle has to be the hero because the package is so unique and sets it apart. Bulldog is a modern gin. What Absolut vodka did when they launched, being very disruptive to the vodka category, I think Bulldog has the same potential in the gin category. It is not your grandfather's gin."

Because of Bulldog's taste profile, Brandes is targeting some countries that have traditionally been vodka markets.

"Bulldog is 40% Alc/Vol, slightly less strong than some of its competitors," Brandes points out.

"We're in most of the Central American countries that matter. El Salvador is the most interesting because it is not a traditional gin market, but rather a big imported vodka market.

"The opportunity is there because of Bulldog's taste profile. It is very mixable. It has a citrus nose. The way I describe this simply is that Bulldog is a vodka drinker's gin. It is very easy for a vodka drinker to go to Bulldog," he says.

Outside of the US and Canada, Bulldog is also focusing on Mexico, Brazil and Colombia.

"Mexico --the largest premium gin market in Latin America -- probably has the biggest potential. We also see a lot of potential in Brazil and Colombia," says Brandes.

### Duty Free/Travel Retail

Campari handles Bulldog's duty free/travel retail business, but Brandes plans to supplement its efforts with support where needed.

"We are adding more brand ambassadors in the US to help out Campari's efforts. That makes a difference," he says.

"Bulldog has a lot of activations with Dufry in Brazil. We are in DFA in airports and on the northern border and the brand is performing very well. We are very active with cruise ships. We are doing good business with Carnival in the restaurants and bars. We have ideas for activations there that are unique and different.

"There will be a lot more activations on the duty free/travel retail side as well as on the domestic side in the US. Plus we will have a very novel program that we will be launching in Canada in conjunction with the LCBO in Ontario that will be second quarter 2017. It is an idea that can easily translate into the cruise ship segment and/or traditional retail on the duty free side if it is as successful as we think it is going to be in Ontario."

### Honing the message

Bulldog is also launching a new marketing campaign next year.

"We have a great product, we have a great package, but that is not enough. We've got to differentiate ourselves on the



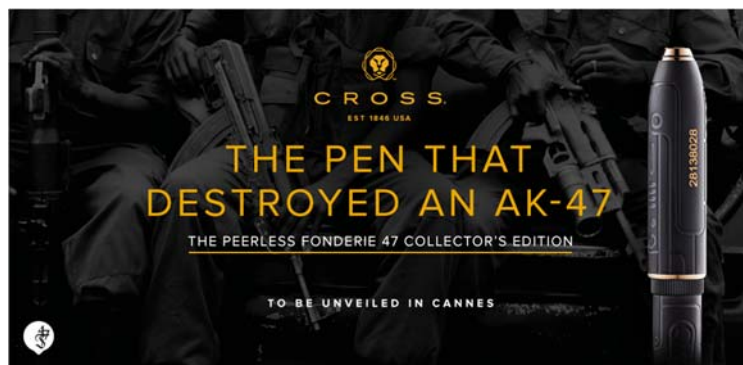
*Bulldog Gin has been rated "SUPERB (90-95)" by Paul Pacult (Wine Enthusiast Magazine) and has also garnered its coveted "Top 50 Spirit" award.*

marketing side, and with the message that we send out. You will see a new campaign in 2017. The copy is going to get edgier to get more people's attention."

Bulldog has achieved much of its success on-premise, and Brandes says it is paramount that consumers sample the gin.

"Bulldog is the kind of brand you need to get the liquid to the lips. It is not what most people expect from a gin. It is not overpowering. I can't stress that enough. It is a pleasant surprise to most consumers when they try it," he says.

*Michael Pasternak*







## Norwegian Cruises and RCCL get permission to sail to Cuba

**THE SHISEIDO GROUP**  
has several positions available immediately:

**AREA SALES MANAGER  
SOUTH AMERICA TR /  
SKINCARE & COSMETICS**

Responsible for the development of the Group's skincare & cosmetics brands and achievement of sales; implementation of global strategies and marketing plan; management of P&L; negotiation of spaces with major retailers; supervision of field retail managers. Reports to Regional TR Sales Director.

**Qualifications:** Bachelor degree or above in Business Administration; minimum 3 years' experience in sales in the luxury industry; excellent communication skills (English/Spanish); strong management and analytical skills; 50% travel.

**MARKETING MANAGER TR  
& LAT. AM. LOCAL MARKETS  
/ SKINCARE & COSMETICS**

Responsible for development and implementation of Marketing plans and communication of brand objectives and strategies for all skincare and cosmetics brands; management of portfolio category and building brand equity and gaining of market share by leveraging innovation and creativity. Must have 5 years in the industry. Position reports to Marketing Director for the Americas. 30% travel. Degree in Marketing with 5 years' experience in the industry preferred

**BRAND MANAGER TR &  
LAT. AM. LOCAL MARKETS  
DOLCE & GABBANA  
(Fragrance)**

Responsible for implementation of trade marketing strategy, development of media plans, forecasting, and advertising. Will work closely with brand holder to assure brand image across region. Travel Retail and Local Market experience is ideal. Reports to Marketing Director for the Americas. 20% travel.

Marketing or Business degree required with strong analytical skills and excellent oral and written communication skills in English and Spanish. 3-5 years marketing experience is a must -MORE-

Norwegian and Royal Caribbean Cruises have received approval from the Cuban government to start sailing from the U.S. to Cuba.

Carnival Corp. has been sailing to Cuba under its Fathom brand since last May.

Switzerland-based MSC Cruises also sails to and from Havana with its *MSC Opera*, but does not market to Americans.

Norwegian's *Marina*, part of its Oceania Cruises line, will sail

from Miami on March 7. Its Norwegian Cruise Line, and Regent Seven Seas Cruises brands will also serve the market.

There will be five 4-day sailings to Cuba aboard the *Norwegian Sky* beginning May 1, 2017. The Regent's *Seven Seas Mariner* sails to Havana from April 2017.

Royal Caribbean said it would announce its Florida-to-Cuba itineraries in the near future, including ones on its Azamara Club line. The company announcement said that the cruise lines will comply with Treasury Department rules regarding people-to-people excursions on all of its cruises.

### In the Air

Between Nov. 29 and Dec. 12, six US airlines began service to

Havana, Cuba: American Airlines, United, Delta, Frontier, Spirit and Southwest. Alaska Airlines will begin service in January.

Flights to other cities in Cuba began in August.

Delta's flights will depart from Miami, New York-JFK and Atlanta to Havana. In early November, Delta became the first U.S. airline to open a City Ticket Office in downtown Havana to support local tickets sales for Cubans traveling to the U.S.

American Airlines, on the other hand, told *Bloomberg News* last week that it is reducing its service to Cuba due to lower than expected demand.

American will cut back the number of daily round-trip flights to Cuba from 13 to 10 from early February and shift to flying smaller jets on two routes, said American Airlines spokesman Matt Miller.

The changes are due to competitive issues and not the uncertainty of an upcoming Trump administration, Miller said.

**THE SHISEIDO GROUP  
(CONTINUED)**

**PRODUCT MANAGER  
/ SKINCARE & COSMETICS**

Contributes to the execution of marketing strategies, coordination of launches, promotions, implementation of marketing plan, forecasting, product launches, animations, ordering of media and PR images. Reports to Marketing Manager

Knowledge of Photoshop preferred: strong knowledge of MS Office a must. Degree in Marketing/Business field preferred. A minimum of 3 years' experience in the industry (in skincare & make-up is a must)

**MARKETING ASSISTANT  
/ DOLCE & GABBANA  
(Fragrances)**

A minimum of two years' experience in the luxury goods industry to assist the Brand Manager with various marketing responsibilities that include the coordination of product launches and animations, maintaining updated distribution database, ordering visuals, in addition to other administrative duties. Strong knowledge of Photoshop and MS Office needed.

**FINANCIAL ANALYST**

As the primary support for the Finance Director, will handle monthly reporting, A/R and A/P, T&E reporting/audit/analysis, provisions follow-up, vendor payments, purchasing, and IT. Degree in Accounting and excellent knowledge of Excel and accounting software

**Applicants please send  
resumes to:**  
[gcamplani@bpi-sa.com](mailto:gcamplani@bpi-sa.com)

## COTY

has an opening for a Travel Retail Business Analyst position based in Miami:

### Mission

This position will provide analytical support to the TR Americas region. Key responsibilities will be to support the sales team in terms negotiations and provide business insight driven by detailed sales, financial and market analysis.

The ideal candidate will be a self-starter with a detail oriented approach, an astute commercial sense and great interpersonal skills.

### Requirements

University Commercial/Finance degree  
Fluent English (Spanish & French a plus)  
At least 3 years of relevant work experience in an international environment  
Industry knowledge a plus  
Excellent knowledge of Excel

Please send resumes to  
[Andres\\_Romero@cotyinc.com](mailto:Andres_Romero@cotyinc.com)

## CLARINS GROUPE

has an opening for an  
**East Coast Sales Coordinator**  
based in Miami.

The ideal candidate is highly organized, dynamic, self-motivated and with strong sales, analytical and managerial skills. Responsible to develop the sellout in his/her territory, implementation of merchandising, stock level follow-up, retail sales analysis, promotion set-up and management of the beauty advisors team.

Ability to travel 50%.  
Fluent in English and Spanish.  
Proficient in MS Office

Education: Bachelor's degree  
Experience: minimum 1 year experience in a commercial or similar role. Experience in Luxury Company within TR a plus.

Please send resumes to:  
Samira Fayad  
[samira.fayad@clarins.com](mailto:samira.fayad@clarins.com)