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TRAVEL MARKETS Vol.18-32 INSIDER

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6-9 JUNE / RIO

ACI-NA: U.S. Airport infrastructure needs near \$100 billion

Airports Council International - North America (ACI-NA) President and CEO Kevin M. Burke has called for immediate action to improve U.S. airport infrastructure following the release of a "D" rating for the state of America's aviation infrastructure by the American Society of Civil Engineers on March 9.

Burke's call to action comes just two days after ACI-NA released a study detailing the scope of airport infrastructure needs and projects, including those projects not eligible for Airport Improvement Program (AIP) grant funding. ACI-NA estimates that U.S. airports have a collective funding need of \$99.9 billion over the next five years, or nearly \$20 billion per year, to begin these projects.

The study, entitled *Airport Infrastructure Needs: 2017-2021*, looks at infrastructure needs during

2017 - 2021 to accommodate growth in passenger and cargo activity, rehabilitate existing facilities, and support aircraft innovation.

The study finds that 63% of the increase in infrastructure needs will come from passenger and cargo growth, with 30% attributable to the need to continually maintain a good state of repair for aging airport facilities.

Key Findings

- Terminal projects represent 54.1% of overall airport infrastructure needs, landside projects represent 24.7% and airside projects represent 21.1%.
- Large hub airports, which handle 72.6% of all enplanements, account for \$60.4 billion of total airport infrastructure needs, an increase of 50.6% from 2015.
- Medium hub airports, which

handle 15.4% of all enplanements account for \$11.7 billion of total airport infrastructure needs, up 28.8% from 2015.

•Small hub airports, with 8.4% of all enplanements, account for \$8.5 billion of total airport infrastructure needs, up 35.4%.

ACI-NA says that the overall increase in airport infrastructure needs reflects the fact that the recovering economy and increasing traffic demand, coupled with airline consolidation and their strategic shift to focus on hub operations, require large and medium hub airports to invest in major infrastructure improvement projects.

Despite fewer flights at many small airports, additional funding is still needed for upgrading aging infrastructure, meeting federal mandates, and improving the passenger experience.

Continued on page 3.

Royal Caribbean signs deal with The Bahamas to build pier at Coco Cay and open hospitality school

Royal Caribbean International has signed a multi-year agreement with the government of The Bahamas to invest in major enhancements to the private island of Coco Cay.

The improvements include the construction of a fixed pier, which will enable the island to accommodate the cruise line's Oasis-class ships, the biggest cruise ships in the world. Coco Cay is currently a tender port.

The new agreement also includes providing new amenities and spaces for Bahamian vendors and craftsmen, as well as a training program.

"There will be a new craft market place, shore excursion building, bike and equipment rentals building, transportation center, suite guest building, a new active aquatic zone, additional food and beverage facilities and associated infrastructure and landscaping -- and every one of those areas speaks to jobs for Bahamians," said the Bahamas Information Services in the official announcement.

The Royal Caribbean Cruises training academy in The Bahamas, will commence in 2017 to provide Bahamians who aspire to a ship-board career with a unique oppor-

tunity to participate in innovative training and development, said Prime Minister Perry Christie in the statement. Royal Caribbean has agreed to employ a minimum of 200 qualified graduates of the training academy annually.

"The goal is to prepare qualified Bahamian students for careers at sea on board one of Royal Caribbean's many cruise ships around the world and to provide them with valuable and marketable hospitality skills," he added.

Construction will be complete in 2019, with some phases finished as early as next year.



PEOPLE

Bacardi Limited confirms that 20-year Bacardi veteran **Maresh Madhavan** will be the company's CEO, effective April 1, 2018. Madhavan, currently president of regional operations in Asia, the Middle East and Africa, succeeds **Michael J. Dolan**, who will remain on the company's board of directors until its 2019 Annual General Meeting. After that, Dolan, who joined Bacardi's board of directors in 2009 and was its CEO since 2014, will retire. In the interim, Madhavan will transition to a new role as Regional President of Europe for much of 2017.

Madhavan's Bacardi career includes managing director of India, managing director of Thailand and the Philippines and managing director of South Asia and Southeast Asia.

As part of its leadership succession plan, **Paolo Perego**, currently Bacardi's regional president of Europe will leave the company. **Alex Ouziel**, currently VP and managing director of Bacardi's Eastern Europe region, will take on Madhavan's role after he becomes CEO.

Oksana Pevtsova will replace Ouziel.

Queenston-Lewiston Canadian border store caters to “Starbucks” customer

Queenston-Lewiston Duty Free, located on the Canadian side of the Lewiston-Queenston Bridge, opened a 1,600 sqf Starbucks at its land border duty free this month to attract new customers into the store.

“We want to draw more customers from the street into our store. It was pretty much a no-brainer when we thought about the options out there. Our store caters to that Starbucks customer. We didn’t feel like a Tim Horton’s would be a good fit for us,” says Operations Manager Chris Foster, who runs the store with his brother Jim and sister Katie.

Queenston-Lewiston DF previously had a local café where the Starbucks is now located and Foster feels the internationally-known brand is exactly what his store needs to increase sales.

“We focused on how we can optimize the experience coming into our plaza to capture the maximum amount of traffic. We hope to run a very successful Starbucks, but we also want to draw in the maximum number of customers so we can educate them about duty free and then convert them to shoppers.”

Store traffic last year was mixed, say the Fosters. While a stronger US dollar brought in more Americans, the threat of bad weather kept other customers home.

“2016 was a pretty good year. We were up a bit and there were probably a few more U.S. customers. 2017 is kind of hard to gauge. With talk of there being a terrible winter, traffic has been a bit flat because people have been concerned about the weather and that dictates their travel plans,” says Chris Foster.

In fact, the store has seen a change among one of its traditionally strong customer bases, Canadians driving to the U.S. to catch a flight who used the Queenston-Lewiston Bridge.

“The Buffalo airport has experienced a decline in Canadian passengers over the last 6-8 months probably in part to the dollar. More people are flying out of Toronto now because it has almost equated itself for airline travel cost-wise. I think those customers that had used Buffalo airport are starting to filter over to Porter Air and some of the discount airlines that you are seeing flying out of [local airport] Hamilton and Toronto.”



Jim Foster, Pat Darte (Lord Mayor Niagara on The Lake), Rob Nicholson, Member of Parliament Niagara Falls, Chris Foster

YVR opens four stores in domestic terminal

Vancouver International Airport (YVR) and Paradies Lagardère opened four retail stores in the domestic post-security terminal: Lolë, Brooks Brothers, Coastal News and Sea to Sky Marketplace.

Canada’s up-and-coming women’s lifestyle and active wear, Lolë is committed to sustainability, quality and community. Sea to Sky Marketplace offers a broad range of west coast gifts and gourmet products and also features two exclusive shop-in-shops with powerful Canadian anchor brands, Herschel and Hudson’s Bay Company. Brooks Brothers offers classic, casual and business clothing collections and accessories for men and women. Coastal News is a one-stop-shop for all travel essentials.

Paradies Lagardère currently operates 24 stores at YVR, ranging from newsstands to apparel, gifts, confectionary and souvenirs.

“YVR is always looking to provide exceptional customer experiences and a big part of that is offering engaging and diverse retail options,” said Scott Norris, Vice President, Commercial Development, Vancouver Airport Authority. “We know that for many passengers their trip starts right here at YVR and we hope these new offerings will give them a reason to arrive earlier and get their shopping done prior to flying out.”

Paradies Lagardère EVP Gerry Savaria, added “Paradies Lagardère seeks to contribute to the enticing and comprehensive shopping environment this airport gives travelers by providing them with exciting new retail options that complement the existing concessions program.”

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AIRPORT INFRASTRUCTURE NEEDS 2017 - 2021



AIRPORT INFRASTRUCTURE NEEDS

Between 2017 and 2021, America's airports have nearly **\$100 BILLION** in capital needs.

That's **\$20 BILLION** a year.

Where is that money needed most to make airports better for air passengers?

Terminal Buildings

\$38 Billion

Airfield Capacity and Standards

\$19 Billion

Reconstruction

\$15 Billion

Surface Access

\$13 Billion

AIRPORT INFRASTRUCTURE NEEDS ON THE RISE

32% increase since 2015



AIRPORT INFRASTRUCTURE UNMET NEEDS

Annually, airports generate about \$10 billion to fund infrastructure projects. That leaves airports more than **\$10 billion short** when investing in local airport infrastructure.



ACI-NA airport infrastructure needs

Continued from page 1.

Burke went on to say: "With nearly \$100 billion in infrastructure needs over the next five years, America's airports are at risk of losing their position as leaders in the global aviation system. As today's report card by the American Society of Civil Engineers demonstrates, we must act quickly to get Washington out of the way and eliminate the outdated federal restrictions that hold America's airports back."

Improved airport infrastructure—particularly landside developments—bode well for travel retail operations throughout the nation.

London Supply to open Apple store in Puerto Iguazu

London Supply is unveiling a huge new draw to its destination flagship store in Puerto Iguazu, Argentina, when it opens an Apple store at the end of March.

The Apple store will be located in the section that had previously featured luxury watches.

London Supply expects the Apple shop "to be a big novelty," says Commercial Director Maggy Ducos. "We are convinced that this will be of great value to both our Brazilian and our Argentine shoppers."

Fashion textiles have also done very well this past year. London Supply expanded the Tommy Hilfiger space with good results and this year will also open a Calvin Klein shop in shop.

This is just a few of the changes that the Argentine travel retailer has undertaken to attract shoppers following last year's uncertain economy and tough sales environment. Using creative promotions, new brands and an expanded offer, the company begins 2017 with a rebound in sales, and new opportunities for growth.

TMI will carry an in-depth feature on how the award-winning retail has weathered the most recent downturn in the Orlando issue of *Travel Markets Insider* magazine.

John Gallagher

Mexico City Terminal 2 tender postponed again

Mexico City International Airport has again postponed the tender for a 400sqm store in Terminal 2. First published in January this year, the tender result was expected to be announced last Friday. Financial and technical proposals have already been submitted.

This store is of strategic importance as it could be key to a future tender of the 1800 square meters of retail space that was awarded to Panamanian based Grupo Wisa early in 2007. Following allegations of money laundering from the US Government, the Mexican tax authorities closed the Wisa stores in Terminal 2. Local sources say that Grupo Wisa turnover in Terminal 2 was in excess of US\$50m.

The reason for the delay is unclear but aviation observers indicated to TMI that Wisa had taken legal action against the airport authorities to prevent the tender in a bid to protect its contractual rights. Wisa won a 12 year concession to operate exclusively all duty free stores in Terminal 2 in 2007.

The Mexican financial press had reported that five contenders were looking to take control of the store - Dufry, the incumbent duty free operator in Terminal 1, DFS, Duty Free Americas, Motta Internacional, and DFASS in conjunction with local businessman Carlos Peralta Quintero.

However, Motta Internacional CEO Erasmo Orillac tells TMI that they did not bid on the tender. DFA President Leon Falic told TMI that his company was not permitted to bid on the contract. Dufry has confirmed that it has submitted a bid, however.

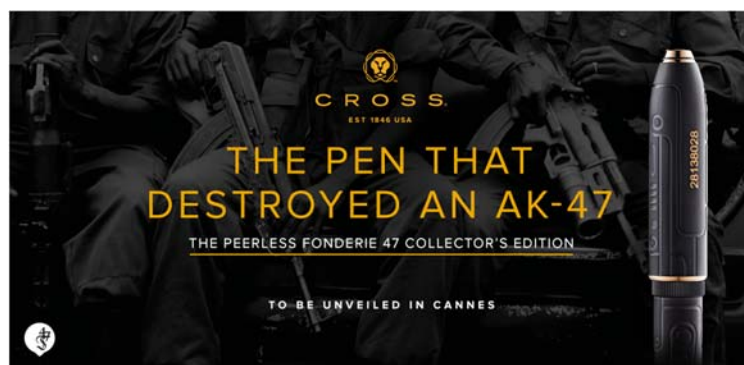
The airport authority has said that the tender will go ahead on March 15, although a further postponement cannot be ruled out.

John Gallagher

Destileria Serralles names Brechot CEO

Former William Grant & Sons executive Philippe Brechot has been named the new president and ceo of Puerto Rican rum producer Destileria Serralles (Don Q), replacing Felix Serralles Jr, who is retiring after 36 years. Serralles will remain on as chairman of the board of directors.

Brechot, a 25-year industry veteran, most recently was managing director for Latin America at William Grant. He also held senior positions at Moet Hennessy and Diageo.



DANZKA
THE SPIRIT

Waldemar Behn brings Super Premium DANZKA THE SPIRIT to Orlando

Waldemar Behn is launching its super premium vodka DANZKA THE SPIRIT to the Americas in Orlando (Booth 223), and reports that it is enthusiastic about its business in the region for 2017.

THE SPIRIT, which is currently exclusive to travel retail, received a strong positive reaction from the trade at its global debut at the TFWA World Exhibition in Cannes.

DANZKA THE SPIRIT was developed by Waldemar Behn Managing Director Rüdiger Behn, a fourth generation distiller, together with Timothy Jacob Jensen, Chief designer of Jacob Jensen Design.

THE SPIRIT, 44% vol. / 88 proof, combines “the highest distilling arts with Scandinavian design traditions” and is presented in a matte black evolution of its classic aluminum bottle, created by Danish designer Jacob Jensen Design.

“It will be our pleasure to introduce you to DANZKA THE SPIRIT in Orlando, where we can explain the full story behind this remarkable new spirit,” says Rüdiger Behn.

Since its launch in October in Cannes, DANZKA THE SPIRIT has been listed with King Power, Dubai Duty Free, Gebr. Heinemann, Dufry, Lotte, Shilla, Mauritius, with more to come in the next few months.

The company expects a similar response from its Americas customers.

“Promotions featuring the new DANZKA communication platform were extremely well perceived and accepted,” says Behn. “We are optimistic that Latin America will recover; even though the economies have not really recuperated yet, the consumer is gaining confidence, perhaps by accepting and adapting to their new reality. DANZKA managed to



DANZKA was a featured brand on the Dufry video screen in Rio de Janeiro airport in February.

maintain its presence and participation in this market and sales are slightly improving. We featured DANZKA with Dufry at Rio de Janeiro Airport during the Festive Season in February 2017 and we will support the brand and the promotion further throughout the year.”

Behn’s main ambition for the Americas duty free market in

2017 is to continue to increase the distribution of its core brand DANZKA and launch DANZKA THE SPIRIT in new markets throughout the region.

To support the launch, Behn has more promotions planned at Dufry and Heinemann Americas locations throughout North America, the Caribbean, and Mexico in 2017.

Hershey to share American Airport Confectionery Shopper insights with partners

Confectionery in American airport stores is more successful at attracting visitors to the store than in other regions around the world, according to research conducted by Counter Intelligence Retail (CiR) for Hershey World Travel Retail (WTR).

The Hershey/CiR study reports that in American airports 28% of travelers will visit the confectionery category compared to a global average of 22%.

Conversion is lower than in other parts of the world though, with 9% of visitors going on to purchase confectionery, a conversion rate of 31% compared to 42% recorded globally.

Hershey WTR will be sharing these and other confectionery insights with partners at the IAADFS Duty Free Show of the Americas in Orlando at the end of this month.

The latest study, based on interviews with almost 8,000 confectionery shoppers in 15 airports

globally, covers a spectrum of visitor and shopper behavior, investigating a range of subjects from store footfall and conversion to purchase motivation, drivers and planning levels.

Insights include the opportunity for maximizing unplanned purchases, with 58% of confectionery buyers making an unplanned purchase. Interestingly, nearly one in five purchasers pick up their confectionery items from a secondary display situated outside the core confectionery zone.

Captivating the shopper is another focus: the study reveals that half of buyers will purchase a non-regular brand, and price promotions are a key driver.

Steve Bentz, Hershey’s WTR General Manager, says “Hershey remains committed to growing the category in the duty free and travel retail channel, and will continue to invest in valuable insights to share with our partners.”

FASHION

Italian brand Camicissima targets global travel retail expansion

High-quality Italian fashion brand

Camicissima is eyeing international travel retail expansion.

Following its success in a broad range of international domestic markets and rapid development at Italian airports, the brand is seeking opportunities to introduce its sartorial elegance to the travel retail sector in a diverse range of markets.

Camicissima offers stylish, elegant shirts along with a selection of other clothing and accessories, and operates 11 mono-brand stores at airports in Italy, opening its first outlets in 2009 at Milan Malpensa, Venice and Florence. It has a strong presence in more than 18 domestic markets worldwide, including China, where it boasts more than 90 stores across first-, second- and third-tier cities. The company’s stated intention is to achieve 60% of its sales overseas by 2020.

“We look forward to discussing with operators how Camicissima can enhance their offer to travelers and bring Italian elegance at affordable prices into the travel retail environment,” says Fabio Candido, CEO of Fenicia SpA, Camicissima’s parent company. For further details, please contact Rossella Golluscio, Studio G&G, travel retail consultants for Camicissima.

Email: gg-studio@bluewin.ch. Tel: +41 79 848 1668



EMPLOYMENT OPPORTUNITIES

**WEBB Banks**

has an opening for an
Accounting Manager
based out of Miami, FL

The Accounting Manager will have an active role in monthly account analysis, book close and for either supervising or performing the functions of Accounts Payable, Accounts Receivable, 401 (K) plan administration, and Payroll.

Region: Caribbean Domestic

Qualifications:

Bachelor's degree in accounting
3 to 5 years experience
Excellent communications skills required

Good computer skills including Microsoft Suite with emphasis on Excel, ADP or compatible payroll systems
Able to handle multiple tasks and stay organized

Please send resume to:
swelch@ewtra.com

HEINEMANN AMERICAS INC

has a position available for a
**Supply Chain Manager/
Demand Planner**

- o Reach purchasing targets, Supply Chain KPIs
- o Optimization of the Supply Chain to increase efficiency
- o Optimize stock level/prevent out of stock
- o Review, manage, identify seasonal trends.
- o Forecasting future demand

Requirements:

Minimum 3 years of experience
Bachelor's degree in Business Administration or comparable level of education
Experience in the field of international luxury good/ and or consumer goods
Advanced Microsoft programs Excel, Word, Power Point
Advanced experience with SAP R/3 ERP
Excellent data evaluation and analytical skills
Pls send resume to
info@heinemann-americas.com

L'OREAL TR Americas

has openings for a
**Retail Education Manager
(Kiehl's & Urban Decay)**

Responsible for delivering stellar training strategy, material, and vision to the field education executives and makeup artists. At least 4 years of experience in training/sales in luxury cosmetics and skincare.

Must be bilingual in English and Spanish (Portuguese a plus).
Strong communication and presentation skills required.
Must have experience managing and coaching a team.
Must be able to travel 50% of the time and the position is based in Miami.

Please apply directly
online <http://career.loreal.com/careers/JobDetail?jobId=31070>

Account Coordinator

Responsible for maximizing sales and market share for multi-brands through building partnership with Area Sales Managers and other internal stakeholders.

At least 2 years of experience in business analytics/sales.
Must be bilingual in Spanish and English.

Strong follow up, negotiation, and analytical skills.

Must be advanced Excel, PowerPoint (SAP a plus).
Must be able to travel 5-10% of the time and the position is based in Miami.

Please apply directly
online <http://career.loreal.com/careers/JobDetail?jobId=32009>

- * To be considered, candidates must be eligible to work in the United States. No visa sponsorships will be provided.
- * To be considered, candidates must be able to work in Miami, FL. No relocation assistance will be provided.

ACTIUM

has an opening for a
**Brand Director
(Luxury non/alcoholic
Beverage)**

Position overview: The Brand Director will be responsible for managing the brand and its full mix from marketing, sales, merchandising, animations, new product launches, training of sales associates to business development

Region: Travel Retail Worldwide all channels (airports, cruises, border stores, airlines etc) + LATAM and Caribbean domestic.

Qualifications:

Minimum Bachelor's degree
7-10 years of experience in Travel Retail Americas, LATAM
and/or Caribbean domestic markets.
Bilingual English - Spanish

**Brand Manager Cruises
& US TR
(Multiple brands -
Accessories)**

Position overview: Responsible for the business development for multiple luxury brands within ACTIUM's Lifestyle and Beauty Division. Position includes sales (including sales analysis reporting, budgets, etc.), marketing, visual merchandising, training and brand management tasks at all levels to ensure brand growth within the US Travel Retail and Cruises' industry.

Qualifications:

Minimum Bachelor's degree
5 years of experience in Travel Retail and or cruise ships industry
Bilingual English - Spanish
Proficiency in Excel and Power Point

Both positions are based in Miami

Please send resumes to:
Dflores@actium.us

**SISLEY**

is looking for a
Marketing Manager
for Export Latam and TR Americas.

Bilingual in Spanish and English a must. French would be considered an advantage.
5 years minimum experience in the Luxury business, ideally in fragrance/cosmetics.

Please send resume to
kally.hudson@sisley.fr

HERMES PARFUMS

has an opening for an Account
Executive, Fragrance
based out of Los Angeles
Hermès office.

General role / activities:

The West Coast Fragrance Account Executive will be in charge of developing the fragrance business through trainings, stock management, in-store activation and merchandising for the US West Coast Hermès boutiques as well as the Travel Retail stores. This position will also be responsible for collaborating on forecasting stock needs for sales/stock reporting.

Key Travel Retail Clients are:
DFS: LAX, SFO / DFASS:
Dallas / Dufry: Seattle, Houston, Las Vegas / Heinemann Houston / DFA San Diego.

Profile:

At least 3-year experience in luxury goods or fragrance industry.

Bachelor's Degree
Able to collaborate well with others and work in a team environment.
Self-motivated.

Excellent organization skills.
Analytical and personable.
Strong interest in Fragrance and Hermès core values.

Knowledge of Spanish and/or French is a plus.

Proficient in Microsoft Office, particularly Excel and Word.
Able to travel extensively and work autonomously.

Please send resume to
emmanuelle.refalo-lopez@hermes.com