

## Jaya Singh: TFWA “absolutely committed” to making the World Exhibition happen

With the TFWA Asia Pacific Hainan Special Edition just days away, Tax Free World Association President Jaya Singh unveiled details of the event and underlined the Association's efforts to make sure that a physical World Exhibition & Conference can take place in Cannes in October 24-28.

Speaking at a press conference on Wednesday, along with the TFWA Board and TFWA CEO John Rimmer, Singh stressed that TFWA is “absolutely committed to doing everything that we can to make the World Exhibition happen in Cannes.”

Singh explained further: “In this time of uncertainty- where things are changing on a daily or weekly basis – the one thing that we have to keep high is the level of engagement. This is important. People want to stay continuously informed, particularly on information updates.”

Holding an in-person event in Cannes is a “reflection of the continuous feedback the association is getting from its members and industry stakeholders,” he said. “There is a genuine desire and passion to get together, and we will do our part to make it possible.”

Noting that they are aware of the challenges, especially health and security issues, Singh said that vaccination levels continue to increase, which offers the Association hope that the event will take place.

If, however, the show does not take place due to circumstances beyond their control, Singh said that TFWA has a Plan B that is ready to be “switched on at the touch of a button.”

### TFWA 365 debuts in Hainan

Plan B incorporates the new TFWA 365 digital platform, which will be unveiled at next week's Hainan Special Edition.

TFWA CEO John Rimmer detailed the new TFWA 365 digital platform, which will have three pillars: Discover, Networking & Learning. After launching next week at the Hainan event, TFWA 365 will be available this summer.

“We strongly feel this will enhance the service that we provide to our members. We will be livestreaming all future conferences and workshops. The platform also allows for live meetings to be held, wherever you are located,” said Rimmer, as he detailed the platform's structure.

**Discover** will be a showcase of Travel Retail products. This will be a permanent showcase. It will give exhibitors an online presence as well as a physical presence.

**Networking** is about connecting.

**Learning** is for the TFWA conferences and workshops. It will have a full calendar of content going forward.

“The functionality of the platform has been created following consultations and feedback from members and focus groups,” explained Rimmer. “We have tried to put that feedback into concrete benefits. I think it will really be a ‘step-change.’ It gives us an opportunity to ‘hybridize’ our programs.”

### Positive feedback for Cannes

Since launching its plans to hold a physical World Exhibition in Cannes about three weeks ago, Singh confirmed that the Association has received about 150 confirmations from exhibitors, which translates into more than 8,500 sq meters of exhibition space. TFWA has also received confirmations from more than 50 major retailers including DFS, Dubai DF, Heinemann, Lagarderé, Dufry, Everrich, etc.

“We see real positive momentum from exhibitors and retailers who have committed to coming. Our purpose of bringing buyers and sellers together is really taking shape. There is a genuine passion to connect in a physical sense again,” said Singh.

Singh adds: “Next week is our Hainan Special Edition and we are really excited that we will be able to get together with some of the voices of the industry, to share perspectives on where we are, and how the recovery is going to shape up.”

In closing, Jaya once again stressed it is the people in the industry who have been the real difference this year.

“The commitment and passion that people have demonstrated throughout the year – making things happen despite the uncertainties--are a standout. We shout out to their spirit to serve the industry to make things happen.

“The level of cooperation and collaboration has been another standout. So many different stake-holders are coming together to restart this business and chart a course for a future. I feel really privileged to be associated with them across the board.”



### TFWA Asia Pacific Hainan Special Edition opens on June 21

TFWA Asia Pacific Hainan Special Edition, taking place June 21-24, features a conference on June 22, followed by two days of online workshops on June 23 and 24.

The conference (beginning at 9am CET/3pm HKT) will feature a round table discussion with leading retailers CDFG, Dufry, DFS Group, Gebr Heinemann and Lagardère Travel Retail. Other sessions will address the immediate future for travel and tourism, with contributions from senior executives at ACI Asia Pacific, IATA, Pacific Asia Travel Association, Duty Free World Council and APTRA, plus a session looking at purchasing behavior.

Workshops will focus on the progress of duty free and travel retail in Hainan; the digitalization of retail; the future of the luxury market; and travel in a post-pandemic world, and the Hainan duty free market.

The event is organized in partnership with Asia Pacific Travel Retail Association (APTRA) with main partner China Duty Free Group.

To book your place and to find out more information about the event, please visit [www.TFWA.com](http://www.TFWA.com)

## Farewell to an industry pioneer: Mondelēz WTR founding member Mathis Dreher retires after 25 years in travel retail

Mondelēz World Travel Retail (WTR) Senior Business Development Manager Mathis Dreher has retired from the business in May after a global career of over 25 years.

Dreher is one of the original founding members of the business known today as Mondelēz WTR. Tributes are rolling in across the travel retail industry, with his colleague Peter Flanigan, Business Development Manager North America, memorably noting that “just like our iconic Toblerone, Mathis embodies the core attributes of what it means to be Swiss: open to all cultures, optimistic, financially sound, and when necessary – a much needed mercenary.”

Colleagues and peers agree that Dreher’s hands-on approach has driven many successes for the company, establishing a reputation for his great pragmatism and agility early on.

A graduate of US Ivy League school Dartmouth’s Tuck School of International Business, Dreher’s language skills, business ethics and commitment to understanding the cultures in the countries in which he has operated have supported a diverse career. Dreher began his professional life working for the Red Cross through an assignment that relocated him to Iraq, where he oversaw humanitarian efforts. He then embarked on his first transatlantic move, entering the world of sales.

Dreher joined what was Kraft Jacobs Suchard in 1996 and became a member of the World Travel Retail team. Based in Zurich, he took up the role of Area Manager WTR Sales Middle East / Latin America, bringing an entrepreneurial spirit that saw him successfully developing the Middle East region alongside regional distributor Jashanmal.

In 2003, Dreher relocated to Miami to manage the Americas business, where he played a leading role in building the North and Latin American business in the

early days and laid a strong foundation for the region to become a growth driver for Mondelēz WTR. Almost a decade later, Dreher moved to Brazil to focus on the burgeoning Latin American business, where he eventually met his wife with whom he now has two children.

Customers have cited Dreher’s ability to connect and build long-lasting and effective personal and business relationships with people from different cultural and social backgrounds as one of his strongest assets, with his drive, passion and ‘nose for business’ standing the test of time over more than two decades in the industry.

**Jaya Singh, Managing Director Mondelez World Travel Retail**, said: “Mathis is an outstanding example of commitment, passion and dedication toward building businesses and relationships wherever they may be possible. He has, and will continue to be, a foundation stone to the DNA of our business for years to come, even as an exciting new chapter in his life opens up. He will be missed, especially his keen sense of humanity, which characterizes what the man is all about and the difference he has made over the years.”

**Carlos Granados Moyano, Head of Global Sales Mondelez World Travel Retail**, commented: “Mathis has always possessed a unique ability for optimism and problem solving. Over the years he has built a customer-based business and created a legacy in Latin America that will continue to live on. On behalf of the Mondelēz WTR Sales team, I would like to thank Mathis for his dedicated service and hard work. He has been a pillar in this industry as well as our organization and on a personal note I must say I’m sad to see him go, but we all wish him the best of luck in this next stage of life and his well-deserved retirement!”

Industry figures in the Americas have joined Mondelēz WTR in paying tribute to Mathis Dreher, such as **John Hernandez**, former Planning & Business Development Manager at Philip Morris International and current President of Jonlynn Group, who said: “Our whole team remembers him for his kindness and stellar attention to his customers and colleagues. Matty you may be retiring but we hope to see you in a different capacity as the industry needs people like you!”

**Guillermo Delvechio**, General Director, Global Brands, added: “We are very grateful to Mathis and to Mondelez. What I will remember is his personality - always looking forward, an honest person, a person who always wants the best for the business. He has supported us wherever possible, and for us, that is very valuable.



We wish you the best of the best with your new direction and you know that here, in Uruguay, you have friends.”

**Enrique Lanuza**, General Director, Magna Import, said: “Many years ago, when I started in the duty free world, Mathis was already there, to give me the best advice and, as a great expert, he did it very well. With his duty accomplished he is starting a new chapter in his life - to enjoy his free time, enjoy his family, his kids, his wife, which is something all of us dream of. We’ll miss you, Mathis.”

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**ARRA REPORT Part 2**

## Airport Restaurant & Retail Association “Facing Facts” white paper lays out plans for concessions and airports recovery

The new white paper from the Airport Restaurant & Retail Association (ARRA) revealed “fundamental flaws in the business structure” between airports and concessionaires. The report states that the “uncertainty” surrounding travel—especially for business and international travel -- means the concessions industry recovery is far from certain. And recovery—when it occurs—will not resolve systemic issues in the airport concessions business that were evolving before the pandemic, says ARRA.

In its introduction, ARRA notes: “The COVID-19 pandemic has had a devastating impact on the airport concessions industry. Retail and restaurant operators lost over 90% of their business early last year—this following a decade of increasing headwinds from escalating capital and labor costs, and revenue and margin challenges.”

While traffic is beginning to improve, ARRA points out that concessionaire losses continue to accumulate as operators of all sizes have incurred tremendous levels of debt just to survive.

In addition to the “devastating” impact of the pandemic, the crisis also exposed fundamental flaws in the airport concessions business model: “It is clear that a more equitable and sustainable business model—in addition to continued relief efforts—is a requirement for a true, sustainable recovery of the airport concessions industry.”

Looking at the pervasive and long-term impact of the pandemic on aviation, ARRA reports that U.S. passenger airlines’ collective pre-tax losses in 2020 topped \$40 billion with 2021 first quarter losses approaching another \$5.5 billion. (source: Airlines for America)

Airline cash burn will likely continue through 2021 and it will take years for the airlines to retire the billions of dollars of new debt they took on to survive the pandemic, says the report.

As of the date of this paper, passenger volume remains around 70% of pre-pandemic levels, and is unlikely to return to 2019 traffic until at least 2023, with business and international travel not recovering until 2024 or later (if at all).

“Even if traffic were immediately restored to pre-pandemic levels, concessionaires would not be recovered,” the report continued. “With debt as the standard bearer of the day, it will take several years to return to a positive cash position. Our new debt reality must, therefore, be acknowledged in order for the industry to move forward constructively.”

Financially, concessionaires also have to deal with pre-pandemic debt, deferred rents and the new debt that has accumulated for many companies during the pandemic.

Operationally, the report says concessionaires are challenged by labor shortages, supply chain disruptions and higher costs, and a changing mix of passengers with different spending patterns.

### Building a Better Model

In order to create a road map to help concessionaires survive today and thrive tomorrow, ARRA’s Facing Facts III looks at the most critical financial and operational components of the business model. The report lays out recommendations that tackle solutions for short-term recovery and longer term prosperity covering four key areas: (1) MAGs and a better business model, (2) capital investment, (3) labor access and costs and (4) operational flexibility.

### MAGs

ARRA argues that the current MAG model is unsustainable, and creates extraordinary, unnecessary risk for operators while not achieving its intended goals.

“MAGs have historically contemplated only a small fluctuation in passenger volume over the course of a year,” says the report.

“Dramatic, immediate, and/or prolonged loss of passengers was never contemplated nor foreseen; thus, no plan exists to address such a crisis.”

ARRA recognizes airports also have little control over the number of passengers and, consequently, are subject to similar risk, but it also points out that “MAG is not a predictor of quality, service or creativity.”

ARRA proposed a number of short and long term solutions that included continued MAG waivers until enplanements reach 85% of 2019 levels and, for the long-term, suspending MAG once zone enplanements decline by 20% for two consecutive months. For both short and long-term survival, ARRA is recommending variable MAGS that adjust based on enplanement levels.

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### One on One with Rob Wigington, Executive Director of ARRA

TMI spoke with Rob Wigington, executive director of the Airport Restaurant and Retail Association, about ARRA’s third “Facing Facts” White Paper on the impact of the COVID-19 pandemic on the airport restaurant and retail industry. The report examined prevailing business models for airport concessionaires and urged closer alignment of the economic interests between the airports and their concession partners.

The report was the topic of ARRA’s weekly “Survival and Revival” call last week, and Wigington expects the White Paper to “facilitate some good discussions and reaction.” On the June 9 call-in forum, two ARRA Board members, Carlos Bernal, CEO of Areas USA, and John Cugasi, vice president of marketing for Paradies Lagardère, discussed the report in-depth and – as proposed in the White Paper -- called for new approaches to business relationships between airports and concessionaires.

“We plan to focus on the report in these calls over the next few weeks, and bring in some airport directors and concession managers,” said Wigington. “We want to get the conversation going. The purpose of the report was to issue something concrete that our industry could support, so we can say to the airports and aviation community: ‘Here are the things that we



*Rob Wigington*

think will be most helpful to get the concessionaires and airports to full recovery and we think this is a golden opportunity to fix some problems for the longer term, like MAGs, and the business model.”

Wigington notes that ARRA has had a number of airport CEOs and airport concessions managers on its weekly calls over the past year, and many of these airport representatives have been outspoken in agreeing for the need to fix this business model.

“Some airport people have gone as far as saying we need to get rid of MAGs entirely. I think there will be a lot of receptivity out there, looking at some of the conversations we have had on some of these calls so far.”

While some airports got off to a slow start with relief in the beginning, for the most part, as the

*Continued on next page.*



## ARRA REPORT Part 2

*continued from page 3*

### Capital investment

ARRA recommends the industry adjust its approach to capital investment to ensure concessionaires can successfully fund, build, and operate businesses at the levels of quality airports and passengers have come to expect. These recommendations would stabilize the significant and untenable risk airport restaurants and retailers are expected to absorb, while also strengthening the ACDBEs ability to enter the market, survive and grow.

Airport restaurant and retail operators annually build and refurbish thousands of restaurants and retail stores across the United States and Canada to create attractive and welcoming environments for the traveling public. The report notes that these higher quality stores and restaurants are an important component of modern concession programs, but they are expensive.

“A fair return on investment (ROI) is unachievable given escalating construction costs which have severely impacted prime and ACDBE operators,” says ARRA.

For the short term, ARRA is suggesting contract term extensions and reduction or elimination of mid-term capital obligations along with implementing airport-sponsored funding assistance programs, such as low- or no-interest loans, for ACDBEs.

For the long-term, ARRA recommends extending new RFPs contract terms to 10-15 years, tenant improvement allowances, reconsidering expected levels of finishes in stores and restaurants and expansion of base building obligations and commitments from airports, among others.

### Labor

Nationwide hiring challenges are even more severe in airports, says ARRA.

Concessionaires face an elevated labor cost structure driven by long commuting distances to often remote areas, long operating hours, and less desirable work schedules, along with higher labor

costs due to unionized labor and airport-mandated above-market minimum wages and/or benefits.

On average, \$0.35 to \$0.45 of every dollar an airport restaurant or retail store earns goes to labor -- well over normal labor proportions pre-COVID, says the report. Street-side comparable businesses pay 25% to 30% in food service and 15% in retail.

When these costs are combined with higher on-airport construction costs, security, and other airport-specific costs, concessionaires face razor-thin margins, making it difficult to operate profitably.

ARRA recommends that airports and concessionaires work collaboratively to encourage employment and address financial obstacles, and proposes a 3-5% airport surcharge to offset higher wage and benefit costs. Longer term, ARRA says airports could assist vendors in making the airport an “employer of choice” by offering day care, education and other benefits and support the marketing and recruiting efforts through expedited badging, parking, transportation, and job fairs.

### Operating flexibility

And finally, ARRA says that it is essential that concessionaires be given more flexibility over fundamental operating decisions impacting profitability of their businesses.

As the country emerges from the pandemic, any reopening strategy should be tied to enplanement growth and operators should be granted greater latitude on critical business decisions. For the short term, this could be as simple as allowing concessionaires to make staffing and menu changes working in partnership with the airport, and setting benchmarks by zone for reopening and hours of operation.

Longer-term, ARRA proposes avoiding in-terminal, airport-exclusive vendor arrangements, and asks airports to explore efficient receiving and distribution models and to augment market basket pricing to allow for more flexibility.

## One on One with ARRA's Rob Wigington

*Continued from page 3.*

pandemic kept going, they all tried to address the issue of concessionaire relief to some degree, said Wigington.

Commenting on his ideal scenario for the future, Wigington said:

“We have all discussed getting rid of MAGs but we don’t think the airport community will consider that, although at least some of them are willing to talk about it. Trying to be pretty reasonable, we need to focus the MAG and adjust it for this kind of circumstance – and not necessarily as drastic as this pandemic.

“In the aviation industry, things change. Traffic changes. Gates change. We have all been blessed with years and years of traffic going up – we have had phenomenal traffic growth. But you can’t count on that for the future. So we are suggesting that MAGs be connected to what the passengers volume really is. It’s fine to look at passenger projections, but

we can’t say that is the benchmark, and make that the minimum that the guarantee will be based on going forward. We are willing to live with MAGs going forward, or something like the MAG, but we need it to be connected to what the traffic actually is.

“And not just traffic at the airport, but traffic within what we call the ‘zones,’ be it by concourses, or terminals. A change within an airport can impact a concessionaire in one section, especially if the airport shifts some operations to a new gate or a new concourse. That concessionaire should not be penalized because they are now in an area that has less traffic.

“We are open to any concept that will allow us to adjust payments as circumstances change. That’s the key. For the short term, we are asking for the MAG waivers offered from the airports during the pandemic to stay in place at least until we recover to 85% of normal traffic.”

## 3Sixty Duty Free announces partnership with new U.S. charter airline Global X

3Sixty Duty Free has entered into a concession partnership with Global Crossing Airlines (Global X). The partnership allows travelers to purchase from a large range of travel retail products, via its onboard In-flight Duty Free program.

GlobalX is a startup charter carrier scheduled to begin operations in July with service to the U.S., Caribbean and Latin American markets. Global X will commence flying with two aircraft in its fleet, one Airbus A320 and one A321, and intends to grow its fleet by up to ten aircraft over the coming 18 months.

“The transaction announced today represents an exciting opportunity for 3Sixty,” commented 3Sixty’s Chief Operations Officer, Alex Anson. “Joining forces with GlobalX, further expands our omni-channel foot- print and continues elevating the travel retail experience for customers.”

In the initial phase of the partnership, 3Sixty will implement its In-flight Duty Free program with plans to include Pre-order service, Home Delivery, and its Onboard Pouring Program in the future.

“Providing a diverse range of high quality brands for passengers onboard our flights from Canada, Latin America, and the Caribbean was a major focus in selecting 3Sixty as our Duty Free partner.

Their vast experience in travel retail makes them the perfect partner as we launch our airline service both domestically and internationally,” adds Mark Salvador, GlobalX Chief Marketing Officer.

3Sixty Duty Free operations will commence at GlobalX’s operating bases at Miami International Airport and Atlantic City International Airport, with plans to expand to other USA airports.

## IAADFS m1nd-set Recovery Monitor: Conversion reaches new highs in North America

The International Association of Airport and Duty Free Stores (IAADFS) has released the Q2 2021 edition of the B1S recovery monitor, a complimentary service to all trade associations courtesy of Swiss research agency m1nd-set.

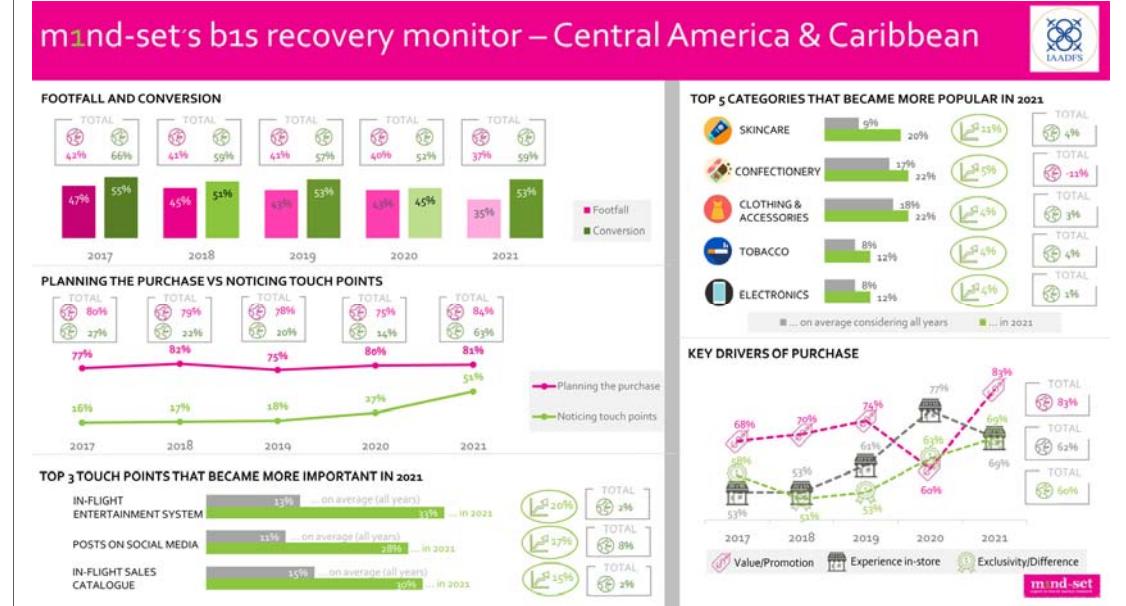
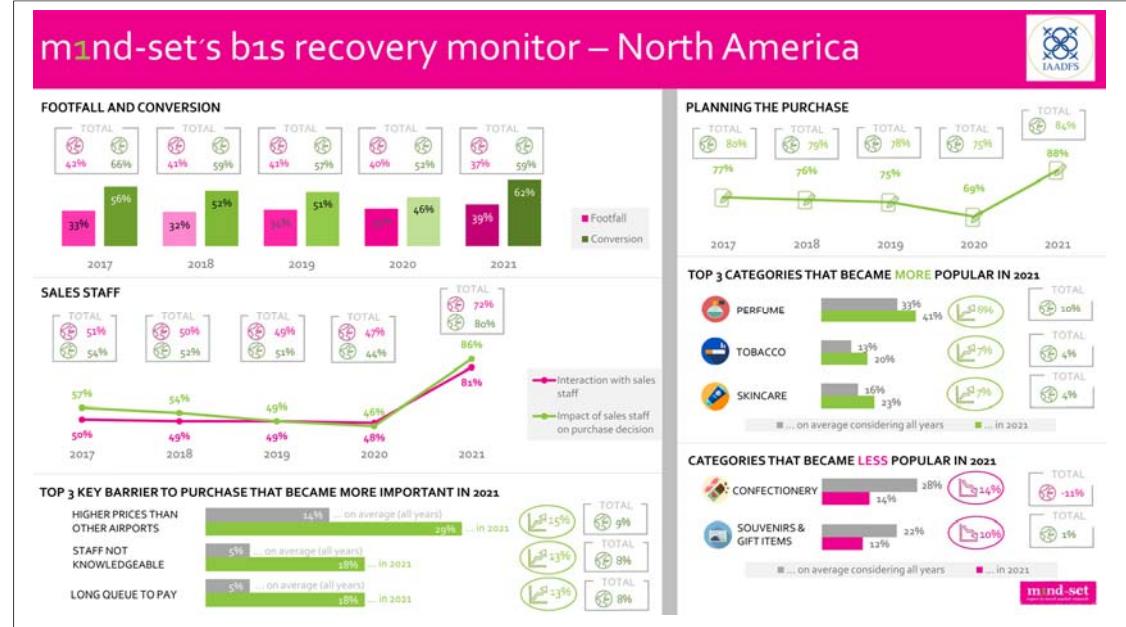
The recovery monitor covers North America, Central America and the Caribbean region, and compares shopper behavior over the previous four years with the year-to-date trends in 2021.

The Q2 monitor shows that footfall and conversion levels in North America had, until 2021, been consistently below the global average, but has increased gradually over the previous four years from 33% to 35% while the global average was gradually declining – from 42% to 40% over the same period. In 2021 however, footfall rose to 39%, surpassing the global average, which fell to 37%.

Conversion levels, which had been declining both within the region as well as globally over the previous four years since 2017, spiked in 2021 however, reaching 62% up from 46% in 2020, surpassing the global average of 59%.

In Central America and the Caribbean, footfall has continued to decline but remained constantly higher than the global average until 2021 when it reached 35%, 2 points lower than the global average.

Categories that are becoming more popular in 2021 for the Central America and Caribbean region include Skincare, which has seen a 11% increase in popularity among regional travelers, Confectionery, up by 5% and Fashion & Accessories, Tobacco and Electronics, all of which are up by 4%. In North America, Perfume sales were up 8%, and Tobacco and Skincare, were both up by 7%. On the downside, Confectionery and Souvenirs/Gift items have declined in popularity among North American travelers, down 14% for Confectionery and -10% for Souvenirs/Gifts.



m1nd-set's Head of Business Development, Anna Marchesini commented, "It's important to take a step back when looking at this data and get a holistic overview of the positive and negative elements when analyzing shopper behavior. There are certain fundamental behavioral differences that are quite positive and need to be seized upon by industry stakeholders. It's important to understand not only

the general trends, but why certain trends are occurring, where in particular and among which customer segment, in order to make the data more actionable."

IAADFS President and CEO Michael Payne added: "It's really interesting to see how the overall picture is changing from one quarter to the next. This will inevitably continue to evolve as the year progresses.

"While we hope this evolution will be for the better, it is important that we as an association and our members continue to monitor how the traffic and shopper behavior progress.

"We are in uncharted territory here so it's extremely useful to have this continuity and support with the traffic data and shopper behavior monitoring," said Payne.

## WEBB Banks expands into fast-growing CBD and Wellness category with launch of WB Canna Co. & Wellness

Miami-based wine and spirits distributor WEBB Banks has opened a new division focused on the distribution of top-quality cannabidiol (CBD) and wellness products, a product area in which the company sees tremendous growth potential.

The new wholly owned subsidiary, called WB Canna Co. & Wellness, will handle distribution of these fast-growing product categories in the Caribbean, Central America and travel retail.

WB Canna Co. & Wellness is bringing a comprehensive and diverse portfolio of some of the top brands in the CBD and wellness category to the market. This marks the first time many of these products have been available in the region.

Leading the portfolio is cbdMD, the largest CBD and wellness company in the industry. cbdMD comes with a varied portfolio of CBD oil tinctures, gummies, sleep aids, and other products which are currently available in more than 30 countries across the globe. Publicly traded cbdMD also sponsors and supports numerous influencers and athletes who use and endorse their products, including pro golfer Bubba Watson, MMA fighter Daniel Cormier, top fuel drag racer Leah Pruett, and the NOBULL CrossFit Games (See sidebar on cbdMD on page 7).

WB Canna Co. & Wellness is also launching with Docklight Brands, producers of the Marley CBD portfolio. Docklight brings Bob Marley's belief in the positive potential of the herb to consumers worldwide through infused teas, wellness shots, chocolates, and skincare products crafted with intention and respect.

The Docklight portfolio also includes The Goodship CBD confections, and Rommie's Bloody Mary Jane – a Bloody Mary mix infused with CBD.

Rounding out the launch portfolio is Secret Nature, offering award-winning crafted premium

organic CBD flowers, vapes, pre-rolls, and Rare Earth Medicine (REM) sleep capsules. Founded in 2017, Secret Nature products are all-natural lab-tested small batch CBD flowers and extracts.

Andy Consuegra, CEO of Miami-based WEBB Banks and WB Canna Co. & Wellness, tells *TMI* that he will soon announce additional high-profile brands in the portfolio as well.

Speaking with *TMI* in their new Coconut Grove office, Consuegra and his WB Canna Co. & Wellness team – Phillip Jarrell, COO of the new subsidiary, Luis Consuegra, Commercial Manager, Daniela Maduro, Portfolio Marketing Manager and Paola Wolf, Portfolio Marketing Manager, explain why the company is expanding into this new product category.

"This started with a project we did last summer when everything slowed down. We analyzed what we thought business will be like after the lockdown and identified CBD and wellness as core areas for the future," says Consuegra.

"Looking at the rapid growth of CBD and wellness brands, I've never before seen that level of consumer enthusiasm for new brands and categories. This is a big industry that will only continue to evolve. And we have the experience, market knowledge, and relationships to bring these products to market – not to mention, we're launching with truly fantastic brands," he continues.



From left: Daniela Maduro, Luis Consuegra, Paola Wolf and Phillip Jarrell.

Consuegra believes that his company is uniquely qualified to introduce the category and make it grow.

"We are used to working in a regulated market with wines and spirits. And this is a very regulated market. We also understand the importance of brand and category training and activations, and we know how to navigate complex compliance regulations in a constantly changing environment. So this expansion of our product portfolio was the ideal place for us to grow our business," he notes.

Consuegra and Jarrell recognize that coming in with the right brands and a full portfolio that would offer options for different market segments would be key to the success of the new venture. Once the portfolio came together, they knew the time was right to launch this new subsidiary, especially as travel begins to open and the region comes out of the

pandemic lockdowns.

"Our portfolio is about brand recognition and consistency of quality. Having a publicly traded company like cbdMD as one of our key brands is critical. We are very much in here for the long haul and I think we can be doubling our business with this. But it is going to take time and a lot of education," says Consuegra.

"We couldn't be happier with the brands that we have in our portfolio. They are well known brands, consumers know them, there is a consistency in quality, there are investment levels, and they all hit different need states," he added.

WB Canna Co. & Wellness is led by Phillip Jarrell who has been with WEBB Banks for 10 years, and includes a team of dedicated sales managers with deep insight into the cannabis and wellness industries.

Like parent company WEBB Banks, WB Canna Co. & Wellness employs staff on-the-ground in the territories they serve who have existing knowledge of the category and brands, as well as regional laws and regulations. This extensive local experience gives brands under the WB Canna Co. & Wellness portfolio confidence to enter these new markets and the opportunity to expand as more countries legalize use of these products.



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## WEBB Banks launches new WB Canna Co. & Wellness division *continued from page 7*

### Opportunity

"There's enormous opportunity for CBD and wellness products in our markets, especially as travel and tourism continues to come back," says Jarrell.

"We've assembled a powerful portfolio of recognized brands that meet many different consumer needs, from mood modulation to sleep, and relaxation to refreshment. With these brands, coupled with new products to come, we expect our CBD and wellness business will double within a year."

Jarrell tells *TMI* that education will play an important role as WB

Canna Co. & Wellness launches its portfolio into the region.

"It is extremely important to come in with these well-known brands, to be able to walk in with names that can be trusted. This gives us instant credibility so we can establish what the category should look like.

"The brands that are currently out there are not to this quality level both from a product quality point of view but also how they have gone to market and conducted education. They haven't educated the consumer or done any proper merchandising in the stores.

"We are going to be very

proactive with education at all levels: at the importer/distributor level, the trade level, and with the end consumer," he insists.

### Immense market potential

According to estimates from New Frontier Data, the quickly expanding CBD industry is expected to reach \$1.3 billion in sales next year, up from \$390 million in 2018. Estimates from BDS Analytics and Arcview suggest that CBD sales will reach more than \$20 billion by 2024.

Warehousing out of Miami, the new WB Canna Co. & Wellness division will launch its CBD

portfolio in Puerto Rico, the U.S. Virgin Islands, Aruba, Jamaica, and Bermuda, as permitted by local law. Its broader wellness portfolio, which excludes CBD products, will launch in all Caribbean, Central American, and duty free markets. By the end of 2021, the company expects to open distribution of CBD products in all regulated markets in the region and travel retail.

To learn more, visit [www.wbcannaco.com](http://www.wbcannaco.com) @wbcannaco on Instagram, @wbcannacoandwellness on Facebook. For sales and distribution [info@wbcannaco.com](mailto:info@wbcannaco.com)

## cbdMD leads the way for CBD and Wellness channel

cbdMD, the largest CBD and wellness company in the industry, is one of the key brands in WB Canna Co. & Wellness' portfolio that it is launching into the Caribbean, Central America, and travel retail. Offering a varied portfolio of CBD oil tinctures, gummies, sleep aids, and other products, cbdMD is available in more than 30 countries across the globe.

When the Agricultural Improvement Act of 2018, which is more commonly known as the "2018 Farm Bill," was signed in 2018, it legalized the cultivation of hemp and the sale of products derived from hemp (which contain CBD), publicly traded cbdMD was all ready to bring its THC-free, CBD products to market, Pancho Mangual, cbdMD E.V.P., Sales tells *TMI*.

"When the Farm Bill was signed in December 2018 – which legalized CBD in all 50 states, subject to state regulations, we were already set up and became the first American CBD pure play company to be publicly traded on the New York Stock Exchange. One of the rigors of CBD is the lack of credibility, transparency and misinformation. Seeing that we were publicly traded legitimized us for the public," says Mangual.

Further enhancing its perception of legitimacy, cbdMD

launched its products first in pharmacies, a route to market that is reflected in its packaging.

"We didn't focus on big box retail. We knew that the challenge for CBD is education, making sure that people understand exactly what the products are (and are not). Our first go-to-market was pharmacies, which is why we chose this clean, sterile look. We wanted to put the product in an arena where customers could get proper consultation from a pharmacist or pharmacy employee who is more knowledgeable than staff might be in other outlets," he says.

"We were very deliberate with the packaging to make it look clinical. It is a big move from some of the competitors that feature packaging with a hemp leaf or tie dye."

### Training and consistency

Education and training will remain an essential component as cbdMD's CBD products are launched into the region, says Andy Consuegra, CEO of WEBB Banks and WB Canna Co. & Wellness.

"That is where WEBB Banks and WB Canna come into play. One of the reasons they hired us was to do a lot of the training. Just like we do with wines, where we have to do ongoing trainings, we will do that for the cbdMD pro-



ducts. Education is critical for CBD," stresses Consuegra.

"Training and activations in-store are critical. When we get these products into the stores we want to make sure they are going to work. We want to build this business slowly. In duty free, for example, we want to get in one or two airports at a time and build on it from there."

The consistency and quality of the cbdMD products set it apart from most of its competitors, says Consuegra. All of cbdMD's hemp is made in the USA.

"A big challenge of this industry is the consistency of quality. One of the things we love about cbdMD is that they have that consistency," he says.

The cbdMD name recognition that comes with being the largest CBD company in the industry is another key aspect of the brand.

"When it comes to share of voice and awareness, we have the name recognition. We are one of the top two CBD recognized brand names in the US, and globally we are the most recognized," explains Mangual.

### Trust through Partnerships

cbdMD has raised awareness for its products through critical partnerships with numerous influencers and athletes. Among the top names who use and endorse their products are pro golfer Bubba Watson, MMA fighter Daniel Cormier, top fuel drag racer Leah Pruett, and the NOBULL CrossFit Games.

Not only did this deliberate approach raise awareness of the brand, but it went a long way to create a positive image.

"Our marketing strategy was to break the negative stigma of CBD through partnerships with athletes who have been trusted or at least synonymous with victory. A lot of our athletes are at the end of their careers. We wanted to show how these athletes can incorporate our products to help them extend their activities and be competitive with muscle recovery," says Mangual.

*Continued on next page*

## M·A·C opens new retail concept at Salt Lake City International Airport, Terminal A



*The first-of-its-kind concept for M·A·C offers a curated shopping experience based on consumer insights and industry trends*

M·A·C Cosmetics, in partnership with Hudson, has opened an innovative specialty retail concept in Salt Lake City International Airport (SLC) – Concourse A that serves both domestic and international travelers.

Driven by consumer experiences and trend-led merchandising, the store design reflects M·A·C's celebration of individuality and diversity rooted in the brand credo of *All Ages, All Races, All Genders*, as well as the brand's commitment to improving its sustainability.

The design of the retail space, backed in consumer research, features a fluid, engaging layout that encourages consumers to grab-and-go their favorite M·A·C products and easily access M·A·C's makeup artistry expertise. The flexible store design enables everything from the store layout to products and digital touch points to evolve with consumer trends.

"M·A·C Travel Retail has carefully considered what American consumers currently demand most while traveling and we are excited that this store's innovative design and merchandising delivers on that and more," said Rick Whotte, Senior Vice President & General Manager, M·A·C & Too Faced, Travel Retail Worldwide, The Estée Lauder Companies. "Additionally, as a brand that is committed to making a positive impact, we are glad that we have also been able to implement more sustainable practices with the opening of this store. We are proud to partner with Hudson who have been invaluable in bringing this new M·A·C experience to life."

M·A·C products fall into different zones around the store including What's New, I Forgot, Gifts, M·A·C Classics, First Class Lips, Non-Stop Flawless Skin and Custom Eyes. Digital touch points throughout the store, including in-store screens and QR code integration, allow travelers to access product information, how-to videos and a variety of additional content exclusive to travel retail.

A dedicated area will also have the latest in virtual try-on technology available for consumers who want a no contact beauty experience.

"We share M·A·C's commitment and vision to delivering elevated retail experiences through innovative collaboration and design elements that showcase environmentally-conscious advancements," said Roger Fordyce, Chief Executive Officer of Hudson. "With the opening of the new M·A·C store at Salt Lake City International Airport, we are continuing to transform how we grow our business in a way that is beneficial for our company, impactful for our travelers, and most importantly, sustainable for the communities we serve."

The store's fixtures include responsibly sourced materials where possible, and were created using a modular design that allows units to be easily disassembled, repurposed, or recovered.

The store uses low emitting paints for improved air quality, efficient LED lighting with ENERGY STAR certified displays, as well as mirrors made from recycled glass.

Marking the M·A·C Salt Lake City International Airport opening, travelers who spend \$49 will receive a free makeup pouch. The M·A·C store at Salt Lake City International Airport is located at Terminal Concourse A near Gate A25.



### AREA MANAGER

Essence Corp has an immediate opening for an Area Manager. This role reports to the Area Director.

The Area Manager conducts supervisory responsibilities of personnel representing sales, promotional activities, and evaluation of their performance on an annual basis, manages all aspects of relationships with TR clients in area, management of sales and sales targets, monitors client activity (ex-factory & wholesale commitments, forecasts, budget, pricing).

The ideal candidate should be fluent in English & Spanish (French is a plus) with an advanced level of Excel skills.

Must be organized, detail oriented, strong analytical skills, self-driven, team player, and the ability to multi-task in a very fast paced environment.

Interested candidates may apply via email to [LWade@Essence-Corp.com](mailto:LWade@Essence-Corp.com)

## cbdMD leads the way *Continued from page 7*

### Tailoring the right offer

The first products that cbdMD sold were CBD oil tinctures, but its portfolio has now evolved to include its best-selling CBD gummies, pet products, and brand new, a cbdMD Botanicals skincare line, which Mangual and Consuegra say is perfect for duty free.

Offering the right assortment and sizes will be imperative for the cbdMD brand as it moves into travel retail.

"For travel retail, I prefer to focus on topicals and ingestibles that make sense, ie gummies, soft gels, and pm. Because of limited shelf space, I don't think putting out eight different tinctures is the way to go," says Mangual.

"I think that CBD has not worked in convenience stores or travel so far due to a combination of too high price points and offering the wrong pieces. We have to make it easy for the consumer to understand and to buy. It failed before for three major reasons: brand recognition, price point, and product offering."

cbdMD already has had success with its cbdMD products in the Galleria in Hawaii, and Mangual believes that now is the right time and WB Canna is the right partner to grow its business throughout travel retail.