

## L'Oréal TR Americas' new LGA Beauty Hub delivers best-in-class digital customer experience

AI-powered virtual experiences. LED screens to help personalize products. Curated traveler-centric offers. A fully digitalized, ever-changing ambiance. Iconic global brands in every price range.

These are some of the features in the exciting new travel retail concept created by L'Oréal Travel Retail Americas, in partnership with Marshall Retail Group, now open at the new LaGuardia Terminal B Arrivals and Departures Hall. Called the Beauty Hub – New York, the state-of-the-art store is located inside The Bowery Bay Shops retail area in the airport.

Capitalizing on L'Oréal's diverse brand portfolio, the Beauty Hub – New York offers a curated selection of brands addressing American travelers, with a product mix in a wide range of prices and across all categories.

### Iconic brands

The Beauty Hub features L'Oréal's global icons Lancôme, Armani, Yves Saint Laurent and Valentino to American powerhouses It Cosmetics and Urban Decay. It also offers travelers bestsellers from L'Oréal Paris, Maybelline New York, and leading global dermatocosmetic brand La Roche-Posay.

### Digital experience enabled by latest beauty tech

The unique traveler-centric concept blurs the line between physical and digital through an array of unique digital elements. Two large screens displaying travel relevant messages and Beauty content from L'Oréal's brands greet travelers as they approach the space. A transparent LED screen at the center invites travelers to personalize their products.

"This breakthrough and disruptive retail concept aims at providing the American frequent-traveler with truly memorable and convenient experiences: a curated traveler-centric offer, fully digitalized, ever-changing and adapting, so convenient and yet so exciting with bespoke on-the fly- services. Only L'Oréal Beauty tech capabilities and experience, and its unique and rich portfolio of brands could welcome this diversity of travelers going through LaGuardia," said L'Oréal Travel Retail Americas Managing Director, Yannick Raynaud.

The center of the retail space features modular gondolas housing bestsellers curated by category: Skincare, Make-up, Fragrances and Airport Exclusive products.

L'Oréal's ModiFace AI-powered virtual experience technology al-

lows travelers to conveniently try-on make-up products and receive a tailor-made skin diagnostic.

At the store front, the Beauty Hub displays a selection of Grab and Go products for travelers with little time to shop.

"We're delighted that LaGuardia Airport's Terminal B will be home to the exciting and innovative Beauty Hub – New York," said Stewart Steeves, CEO of LaGuardia Gateway Partners, the manager and developer of Terminal B. "The Beauty Hub – New York is a fantastic addition to the new Terminal B, combining a best-in-class shopping experience with convenience for busy travelers."

"Marshall Retail Group is continuously seeking new ways to evolve the retail model and bring freshness into the airport, and we're thrilled to partner with L'Oréal Travel Retail Americas for the innovative beauty travel retail concept they're offering passengers," said David Charles, COO of Marshall Retail Group. "The opening of the Beauty Hub – New York inside The Bowery Bay Shops expands retail possibilities and will provide visitors with yet another incredible shopping experience as they travel through LaGuardia Airport Terminal B."

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### DFWC free "Return to Work" training course receives strong industry reviews

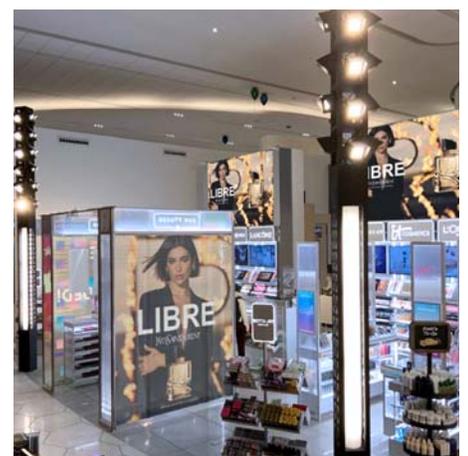
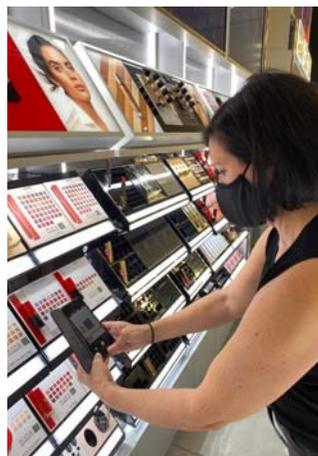
The Duty Free World Council Academy (DFWCA) "Return to Work" training course launched at the end of July, has received very positive feedback from industry stakeholders who have engaged to date, with 99% of students having rated the training as highly beneficial in facilitating a safe return to work as stores re-open.

The online course is offered free of charge and contains valuable guidelines for front line retail staff on best practice in these challenging times.

Companies with staff working in duty and tax-free stores are invited to encourage their employees to follow the course. Retailers and suppliers can obtain a company specific registration which permits them, if desired, to monitor the extent of participation by their staff.

Companies which have adopted the course, and made it available to their staff, have also rated the program highly.

The course, which takes around 15 minutes to complete, has been developed based on the Duty Free World Council Retail Operations Recovery Protocols. Go to <https://www.dutyfreeacademy.com/dfwc-academy-return-to-work-best-practice-course/> for details



## FDFA: Canadian gov't extends wage benefits for Hardest Hit Businesses after coalition appeal

A group of Canada's businesses most impacted by COVID-19, which joined forces to help save two million Canadian jobs, received a positive response from the government.

Last week the Coalition of Hardest Hit Businesses (CHHB)—of which the Frontier Duty Free Association (FDFA) is a member—launched a campaign calling on the federal government to extend the Canada Emergency Wage Subsidy (CEWS) program until Spring/Summer 2021. The program gave wage subsidies of 75% for businesses facing an ongoing revenue decline of 50% or higher.

In a speech from the throne on Sept. 23, the Canadian government agreed to extend the CEWS to 2021, a move applauded by the CHHB.

The CHHB is an industry-driven group of over 40 stakeholders representing tourism, arts and culture, events and festivals, and hospitality.

"In the COVID-19 pandemic, our businesses were the first shut down, and we will be the last to recover—in short, we are the

hardest hit businesses," said Charlotte Bell, President and CEO of the Tourism Industry Association of Canada. "Our sectors will bounce back when COVID is behind us, but this fall we face bankruptcy and unemployment for over 2 million Canadians working in our sectors."

On July 17, Canada's federal government announced it would make the wage subsidy program more accessible for the summer months and then wind it down over the autumn. Beginning on September 26, the amount of wage subsidy funding for all businesses—including the hardest hit businesses experiencing revenue declines of over 50%—was due to decrease until the subsidy was eliminated entirely in December.

"With COVID restrictions ongoing but government support fading, many of the hardest hit businesses will not survive and those jobs will be gone forever," added Susie Grynol, President and CEO of the Hotel Association of Canada.

For more information on the CHHB, visit [www.HardestHit.ca](http://www.HardestHit.ca).

## Canadian land border situation "dire," says FDFA

FDFA Executive Director Barbara Barrett, speaking at the Duty Free World Council webinar the day of the CHHB announcement, says the situation for the land border stores is "dire" and is now about survival.

"We are now at six months of the U.S./Canadian border being closed with no indication from our sources that it will be open before the end of the year," says Barrett.

"A good number of our stores are closed. Some are open to essential workers only, but all are experiencing revenue loss of over 90% and some at 100%. It is a dire situation here with respect to the border being closed."

The FDFA was among the group asking for the extension of the CEWS (see above), and has been lobbying the Canadian government to help its stores survive the pandemic.

"The programs that the government came out with at the very beginning of the pandemic were very helpful, but now as other economies start to open again, these programs are starting to end. They are great for businesses that are down 10, 20, 25%, but they are just not ade-

quate for us who are down more than 90%," says Barrett.

"The FDFA Board and its members have worked very hard developing a duty free economic stimulus package to send to the government to work on measures to get us through this dire situation. We are focusing right now on some of the immediate measures to get us through to the border being opened again and recovery after.

"We are looking now for liquidity measures for survival. We are not looking for a handout. We are looking to survive. Land border shops are among the hardest hit businesses in Canada."

Barrett says the FDFA is also asking for government help with inventory issues, with some products in store about to expire.

"Inventory has been sitting in the closed stores and is coming up to expiration or best by date. We are talking to the government so the products do not go into a dumpster and we can find ways to either sell it, or at the very least, donate it."

## Coty reorganizes travel retail organization, names Caroline Andreotti as Executive VP, Global TR

Global beauty giant Coty has announced changes in its travel retail structure as the company establishes the channel as a separate stand-alone organization.

**Caroline Andreotti** has been appointed Executive VP, Global Travel Retail, based in Geneva. Previously Coty Luxury General Manager for China, Andreotti is a beauty expert with more than 20 years' experience in fragrance, skin care, bodycare and color categories across Asia.

Coty's new stand-alone structure is driven by the importance and specific needs of the Travel Retail channel, commented Edgar Huber, Coty Chief commercial Officer.

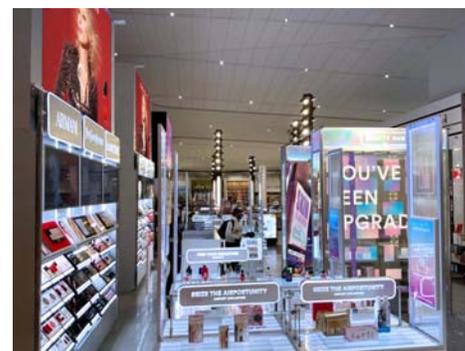
The new organization is supported by a multifunctional leadership team, including **Paula Larroque** for TR Americas (based in Miami), **Olivier Louis** for TR



Caroline Andreotti

Asia-Pacific (Singapore), **Nicolas Morel** for TR Europe (Geneva), **Markus Stauss** for Global Marketing (Geneva) and **Eymeric Monange** for Global Trade Marketing (Geneva).

Huber also recognized **Txema Marquiegui** (SVP, Travel Retail) for his dedication and contribution to the business of Travel Retail over the last months. **Marquiegui** will now be focusing on Coty's key Go To Market transformation projects across all Coty regions, reporting to Huber.



## L'Oréal opens state-of-the-art LGA Beauty Hub

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### Innovative, Attractive & Sustainable

The sleek and modern design of the L'Oréal Beauty Hub was developed together with design agency Fitch and brought into reality with Miami-based creative agency We An Idea and digital partner Conex.

The aesthetics of the Beauty Hub are defined by "innovative, attractive and sustainable," says the company.

Stainless steel and scaffold-style structure echo New York's architectural archetypes. When combined with pure and translucent materials, and LED lighting elements with different light intensities and temperature, they create a Scenography staging of translucency, iridescent effects and reflections.

## ASUTIL negotiating border allowances and transaction fees in Brazil, as it works on behalf of LATAM industry struck by COVID travel bans

South American Duty Free Association ASUTIL (Asociación Sudamericana de Tiendas Libres) has been working diligently on a number of issues critical to the industry in South America, in addition to its efforts to help combat the results of the travel halt from COVID-19.

ASUTIL Secretary General José Luis Donagaray informed media that the Association has been in ongoing talks with the Brazilian government to resolve an issue having to do with the tracking of duty free sales in the Brazilian border shops.

Stores must pay a fee to *Serpro*—a company that provides the technology to track sales on the border—to make sure that Brazilian shoppers do not spend more than their \$300 a month duty free allowance.

“Serpro tracks every transaction and the retailer has to pay for every consultation. It is a flat fee, so when you have a low ticket sale, the cost is very expensive. It could be as high as 7% of the total ticket,” said Donagaray.

ASUTIL is also in discussions with the Brazilian government and Customs in an effort to harmonize allowances. Brazilians have a \$300 monthly duty free limit in their border stores, but are allowed to buy up to \$500 a month in duty free goods on the other side of the border (Argentina, Paraguay and Uruguay). ASUTIL is working with Brazil to increase its duty free border allowance to the same \$500 that is in effect in the neighboring countries.

“We are working to equalize this, so that shoppers inside the Brazilian free shops can also buy \$500 of duty free goods. Under the current system, people are buying expensive things in Uruguay, Paraguay and Argentina, and buying less expensive items in the Brazilian free shops because of the difference in the allowances,” Donagaray explained, adding that 50% of sales on the Brazilian side of the border are currently under \$100.

### Allowances

Allowances have been in flux for some time. Up until last year the other countries had a \$150 quota and Brazil had a \$300 allowance. One year ago, ASUTIL was able to get allowances harmonized, with all the countries in the region agreeing to a minimum duty free allowance of \$300.

Brazil on January 1, 2020 increased the airport duty free allowance from \$500 to \$1,000. The government also increased the border allowances for Brazilians coming from another country to \$500, but they did not increase the allowances for their duty free at the Brazilian border, said Donagaray.

“So there is not balance, and this is hurting the business,” he notes.

“There are new stores opening as the recovery is coming forward, but we need to help this business develop quickly. It has been very affected by the pandemic so we are trying to help with these other things. We need to make sure this new kind of business experience has healthy growth,” he said.

On a positive note, Donagaray says that the Brazilian government is pro-business and open to finding solutions.

“We have a very good relationship with the Brazilian government and in addition to our letters we have a Zoom meeting every 20 days or so. The Brazilian government seems very open to address our issues.”

### Pre-order and harmonization

ASUTIL has also been working with the Uruguayan government and Customs to establish online pre-order from the airport duty free stores, allowing passengers to pick up their order at the airport.

The uncertainty about when this pandemic might end is seriously complicating negotiations, says Donagaray.

The Association is working to harmonize health and safety entry requirements for all the countries in Latin America. Protocols vary

significantly from country to country, ranging from quarantines to testing.

“We have been sending letters with ACI LAC to the governments and ICAO in each country, recommending they adopt the global safety protocols. We are very worried about what the governments will do because we start the summer in two months and the summer tourism is very important to the duty free, especially the small countries,” he said.

Donagaray reports that airlines are slowly recovering—more so in the domestic market. He expects all airports to be open in October. While flight frequencies slowly improve, the number of passengers remains very low.

“We are beginning to see some positive signs for the movement of tourists but it is going to be slow and depend on what happens in other markets like Europe,” he said.

The border situation continues to fluctuate, but overall seems to be moving forward.

“Border shops in Brazil are open. Some shops are also open on the Uruguayan border, although with restricted hours. But slowly they are opening,” he said.

“People are buying on the border because they do not know when they can return. Tickets are higher although the final revenue is down significantly.”



ASUTIL's Jose Luis Donagaray and CEFSU's Carlos Loaliza at the 2019 Border Conference.

Brazilian duty paid is also doing well,” he reported.

### ASUTIL to hold virtual border conference in November

ASUTIL announced it is holding a 2-day virtual event examining Latin America's duty free border business on November 24-25, 2020.

The joint virtual event will be held with CEFSU - Chamber of Free Shops of Uruguay, and comprise a conference on Day One focusing on the border business where attendees will hear from a variety of speakers including Brazil's new land border operators. Day two will offer virtual networking time, with three options currently under consideration by ASUTIL.

More details to come.

### CTO: Caribbean beginning to open

The tourism-dependent Caribbean reports that at least 20 destinations have opened to one degree or another as of last week. This number includes a number of phased openings, some of which are currently limited to repatriation and cargo flights, rather than regularly scheduled commercial flights.

Caribbean Tourism Organization Secretary General Neil Walters, speaking at a webinar last week, reported that international tourist arrivals to the Caribbean to the end of June 2020 were down 50%, compared to a global decline of 55.9%.

“This is against the backdrop of basically no travel in this region in April and May,” said Walters. “Implicit in that is a 20.5% drop off up to the end of the first quarter, and 39.4% decline for the winter season, which would have been included in the period up to June.”

Tourist arrivals in the first two months of summer declined by 99.1% to just under 42,000 international visitors. The U.S. market declined by 60.1% up to June, Canada was down 43.8%, and Europe fell 54.8%.

## CLIA announces mandatory health protocols as path to phased restart of U.S. cruises

Core elements include 100% testing for passengers and crew

Cruise Lines International Association (CLIA) has announced a set of “mandatory core elements” of health protocols as part of a phased-in, highly controlled resumption of cruise operations in the Americas.

The new protocols follow the strict measures in place for initial sailings in Europe, and address the resumption of operations in the Caribbean, Mexico and Central America.

The core elements – developed with input from teams of science and medical experts --include the recommendations from the Healthy Sail panel established by Royal Caribbean Group and Norwegian Cruise Line Holdings Ltd., MSC’s Blue Ribbon group and Carnival Corporation’s collection of outside independent experts. It also considered effective protocols used for

the successful sailings in Europe by MSC Cruises, Costa, TUI Cruises, Ponant, and Seadream.

### Highlights

Highlights include 100% testing of passengers and crew for COVID-19 prior to embarkation; mandatory wearing of masks by all passengers and crew onboard and during excursions whenever physical distancing cannot be maintained; physical distancing in terminals, onboard ships, on private islands and during shore excursions; and air management and ventilation strategies to increase fresh air onboard and, where feasible, using enhanced filters and other technologies to mitigate risks.

The new protocols also call for cruise lines to provide increased onboard medical capability, with risk-based response plans tailored

for each ship to manage medical needs, and dedicated cabin capacity allocated for isolation. It also calls for advance arrangements with private providers for shore-side quarantine, medical facilities, and transportation if passengers fall ill while onboard.

In addition, only shore excursions that meet the cruise operators’ prescribed protocols are permitted, with strict adherence required of all passengers and denial of reboarding for any passengers that do not comply.

CLIA says that implementation of these elements on board every oceangoing ship are subject to the CDC’s No Sail Order, is mandatory and requires written verification of adoption by each company’s CEO. These elements do not preclude additional measures that may be adopted by individual lines and measures will be continuously evaluated and adjusted against the current state of the COVID-19 pandemic, as well as the availa-

bility of new prevention and mitigation measures.

A wide range of tourism and government officials are supporting the adoption of the protocols.

CLIA president and CEO Kelly Craighead comments:

“We recognize the devastating impact that this pandemic, and the subsequent suspension of cruise operations, has had on economies throughout the world, including the nearly half a million members of the wider cruise community and small businesses in the Americas who depend on this vibrant industry for their livelihoods.

“Based on what we are seeing in Europe, and following months of collaboration with leading public health experts, scientists, and governments, we are confident that these measures will provide a pathway for the return of limited sailings from the U.S. before the end of this year.”

## Carnival Corp.’s Costa Cruises restarts cruise ops in Italy, but cancels its South American 20/21 season

### Europe

Two cruise line brands from Carnival Corporation & plc are active again: Italy-based Costa Cruises restarted sailing from Italian ports on Sept. 6, to be followed by Germany-based AIDA Cruises resuming sailings on Nov. 1 with Canary Island voyages. This will be followed by an additional two ships departing from the western Mediterranean and United Arab Emirates beginning in December 2020.

Both brands will begin in a gradual, phased-in manner with six initial ships and limited itineraries, becoming the first two of the company’s nine global cruise line brands to resume operations. The initial cruises will take place with adjusted passenger capacity and enhanced health protocols developed with government and health authorities to follow shoreside mitigation guidelines.

The Costa and AIDA cruises follow MSC’s successful restart of its operations on its flagship *MSC Grandiosa* on August 16.

### South America

On the down side, Costa has announced that it was cancelling the arrival of its ships for the 2020-2021 season in South America.

All cruises aboard the *Costa Fascinosa*, *Costa Luminosa* and *Costa Pacifica* ships in South America, with embarkations scheduled November 2020 to April 2021, are canceled.

Costa Cruises has been sailing in South America uninterrupted for 72 years, noted the company.

In announcing this decision, Costa also announces the opening of sales for the 2021-2022 season in South America on Sept. 8.

The company will have two ships operating between December 2021 and April 2022 in the region: *Costa Favolosa* embarking from Santos, Brazil and *Costa Pacifica* will have cruises through the Prata region, with embarkations from Rio de Janeiro, Buenos Aires and Montevideo. The 2021-2022 season will also offer cruises between Italy and Brazil and Brazil and Italy, said Carnival.

## Carnival Corporation seeks to sell 18 ships

After reporting a \$2.9 billion net third quarter loss, Carnival Corp. says it will sell 18 of its older, less efficient ships, amounting to 12% of its 100+-ship fleet.

Carnival has already sold eight ships and postponed deliveries of new vessels.

“We continue to take aggressive action to emerge a leaner more efficient company. We are accelerating the exit of 18 less efficient ships from our fleet. This will generate a 12% reduction in capacity and a structurally lower cost base, while retaining the most cash generative assets in our portfolio,” said the world’s largest cruise company in the earnings filing last week.

The 18 ships accounted to only three percent of operating income in 2019, said the company.

Carnival says it is counting on pent-up demand for cruising once the no-sail order in effect from the Centers for Disease Control expires and they can restart. Carnival reports that advanced bookings for the second half of 2021 currently available for sale are at the higher end of the historical range, despite minimal advertising or marketing.

Carnival says that two thirds of its guests are repeat cruisers each year, so it believes the reduction in capacity will leave it well positioned to take advantage of this demand.

“We will emerge with a more efficient fleet, with a stretched out newbuild order book and having paused new ship orders, leaving us with no deliveries in 2024 and only one delivery in 2025, allowing us to pay down debt and create increasing value for our shareholders,” it said in its earnings report.

The company’s monthly average cash burn rate for the 3Q 2020 was \$770 million, and is expected to be \$530 million a month in 4Q.

## Beam Suntory GTR announces new GM, as it transforms its global operating model

Beam Suntory Global Travel Retail has capped off the transformation of its global operating model with the appointment of **Phil Restall** as General Manager of Travel Retail. Restall will lead Beam Suntory GTR under three new operating groups.

Based in Singapore and reporting to **John Rosair**, Managing Director APAC and GTR, Restall takes up his new position in October, moving on from his current role as Commercial Director for Beam Suntory's Australia business.

"I am delighted to be stepping into my new role at such a pivotal time for the business. Despite the impact of the COVID-19 pandemic on the GTR industry, Beam Suntory remains confident in the future of this important channel and we are committed to partnering with our customers for a fast recovery. I very much look forward

to working with the team to demonstrate to our partners our vision for long-term growth and evolution for our GTR business," says Restall.

### New operating model

Beam Suntory says a new and transformed operating model will support the company's ambition to become the recognized industry leader for showcasing brands, partnering with customers, and driving mutually beneficial growth during the COVID-19 recovery period and beyond.

Under Restall's leadership, Beam Suntory's GTR team will be divided into three operating groups: Global Accounts, Emerging Markets, and a centralized Marketing team.

This new model will allow the business to deliver enhanced support to its retail partners and take a more shopper-centric approach to

brand-building across markets.

The establishment of the Global Accounts team, led by Sales Director Global Accounts, **Simon Knapp**, will provide comprehensive support to global customers, including Heinemann, Dufry, Lagardere, and Aer Rianta. The Emerging Markets team, led by Sales Director Emerging Markets, Cruise and 3<sup>rd</sup> Party, **Ashish Gandham**, will support the developing markets in travel retail, including the Americas.

In addition, a centralized marketing model and agile-driven approach will deliver industry-leading customer and shopper experiences around the world. This new centralized GTR marketing team is led by **Ed Stening**, Director of Marketing, who joined Beam Suntory in 2018.

Since September 2019, new roles have been created to support this new GTR operating model.

With these expanded resources, Beam Suntory GTR says it is well-placed to deliver its ambitious growth plans and provide a stronger infrastructure for its mission to be Beam Suntory's premium connection to the Global Explorer.

**John Rosair**, Managing Director APAC and GTR, said: "We are delighted to welcome Phil Restall to the GTR team this year, as we strive to support our customers during this unprecedented time.

"The evolved structure and increased resources for Beam Suntory's GTR team will revolutionize how we service customers, putting them firmly at the center of everything we do. We recognize there are differences between emerging and global accounts, meaning there is an absolute need to establish the right structure and processes to support their models."

## Duty Free Global partners with The House of Sōmrus in GTR, TBrands reps brand in domestic Americas

Duty Free Global (DFG) has announced it will represent rum-based cream liqueur Sōmrus in Global Travel Retail across all Duty Free Channels.

"Inspired by India, made for the world", Sōmrus recipes originate from "their home kitchen with ingredients from their home country." Made with real dairy cream and 5x distilled handcrafted rum, Sōmrus is available in 1 liter bottles, has a lower ABV, is lower viscosity for easy mixing and a 2-year shelf life. Sōmrus contains no artificial flavors and is preservative and gluten free.

The Award-Winning Sōmrus portfolio includes coffee, mango, and kulfī, inspired by the popular Indian dessert.

Barry Geoghegan, Founder & Commercial Director – DFG comments, "We're thrilled to be representing The House of Sōmrus in the GTR channel – Sōmrus is an exciting, highly awarded brand with a super-premium look, which introduces the unique flavors of India in a delicious cream liqueur to worldwide consumers.

"This is one of the most innovative new launches in this category almost since this category was invented in 1974. We are confident that our travel retail operator partners will be delighted to list and promote this superb range of product as it will appeal to a large group of passengers."

The portfolio includes Sōmrus Coffee, packaged in a rose gold bottle that has been well-received by buyers and operators. A Value Added Pack (VAP) features the Coffee 750ml with cocktail recipes, plus (2) 50mls of the other flavors.

"We are excited and eager to share more about the brand with our network at The Moodie Davitt Virtual Expo in October," he said.

Guy May, Director of Global Business for the House of Sōmrus added, "It is a privilege to be working with Barry and the DFG Team again and on this uniquely exciting project. When I joined The House of Sōmrus earlier this year it was clear that they had created a brand that is next generation and innovative in the category.

"The talented team at DFG are well established to help bring our unique flavors from a region representing 1/5th of the World's population to the Duty Free Channel."

### TBrands in the Americas

In related news, The House of Sōmrus has appointed specialty drinks company, TBrands, to represent their award line of cream liqueurs in many Americas domestic markets.

"We're thrilled to be representing The House of Sōmrus in the Caribbean, Mexico, Central and South America markets. Sōmrus is an exciting, multiple award-winning brand with standout super-premium packaging which introduces the unique flavors of India in a delicious cream liqueur to worldwide consumers," said Tom Browne, Managing Director of TBrands.

"Sōmrus is one of the most innovative new launches since the cream category was invented in 1974," he said.

"We are confident that our partners will be motivated to list and promote this superb range of products as it will appeal to the local palette as well as attract air travelers and cruise passengers looking for a new drinking experience."

Guy May comments, "TBrands has a successful track record of building brands in the Caribbean and I am delighted to have Sōmrus be a part of their portfolio. Cream liqueur has historically been an important category in the Caribbean and we look forward to bring the world's most awarded line of cream liqueur to the region.

"Our flavors and mixability will delight existing cream liqueur consumers and will introduce new consumers to the category. While COVID-19 has impacted our ability to attend the traditional regional and duty free shows we are committed to attending the Inaugural Moodie Davitt Virtual Travel Retail Expo on October 12-16 and the recently announced virtual Summit of the Americas on April 5-8, 2021."

ON THE SWEET SIDE: CONFECTIONERY PREPARES FOR A POST-COVID WORLD

## Mars Wrigley ITR to simplify portfolio and introduce more value to drive category sales in '21

Mars Wrigley International Travel Retail is gearing up for recovery in travel retail with a tight range of power SKUs representing the highest selling products from its travel retail portfolio.

Raghav Rekhi, Category Director Mars Wrigley ITR, reported that the company will be significantly simplifying its travel retail portfolio in 2021. Since 9% of the travel retail portfolio accounts for 80% of the category value, the company will be cutting the airport offer to 50 SKUs next year, down from 162 airport SKUs in 2019. This fine-tuning will enable safe and fast decisions on the part of the shopper as well as require less resources from the retailer, said Rekhi.

Mars Wrigley ITR is focusing on hero brand M&M'S, and other innovations for 2021. These have been carefully reviewed to meet the needs of traveling consumers following the impact of COVID-19, he said, all with an element of Fun.



"One of our over-riding ambitions at Mars Wrigley ITR has been to bring FUN into travel retail and we've been very successful in introducing better moments that make people smile! M&M'S with its globally recognized Red, Yellow and other colorful characters, has played a prime role in creating happy, smiling travelers through engaging high profile promotions, walking acts and impactful media campaigns," says Rekhi.

### New products for 2021 include:

The new **M&M'S Brownie Connects** for sharing and capitalizes on the current trend of home baking during the pandemic. M&M'S Brownie's feature the taste of freshly baked brownies in a soft, fudgy, chewy center covered in a colorful candy shell. They are presented in a sharable 310g bag. The new flavor will be available from June 2021.

With *Celebrate* as another key purchase driver, Mars Wrigley ITR is also expanding its offer in the

gifting category, focusing on its strong tin range.

For 2021, Mars Wrigley ITR is introducing two more brands in colorful gift tins, **Celebrations (165g)** and **Maltesers (111g)**, which are being offered at a new, lower price point.

Later in the year, MITR says that it will introduce a completely new line in the Celebrate opportunity, adding its M&M'S brand into the mid-priced gifting sector alongside **Maltesers** and **Celebrations**. They will be presented in a Travel Retail exclusive gifting format comprised of four bright and colorful gift boxes.

Mars Wrigley ITR introduced a revamped **Mini Bars** packaging for Mars, Twix, Milky Way, Bounty and Snickers brands and the new **M&M'S Block** for travel retail at the TFWA World Exhibition last year but postponed the launches until 2021 due to the impact of COVID-19. The mini- bars bags feature a new design and come in a 333g bag size to capitalize on the popularity of sharing bags at a value price (€ 6.50). Each bar is individually wrapped.

In travel retail the 165g M&M'S Block chocolate tablets will be offered in four flavors: Peanut, Crispy (150g), Chocolate, and Hazelnut. The bars will come in a TR exclusive packaging design,

with the exception of the USA, which will use the established M&M'S Block domestic range packaging. Each bar will have an RRP of €4.50 with discounts on the travel retail price for multi-buys.

Rekhi emphasizes that Mars Wrigley is confident of the long-term opportunity in the confectionery category in travel retail.

"Our aim is to continue providing fresh product offers and opportunities within the airport shopping experience for travelers to find moments to share and enjoy with friends and loved ones. Through this strategy we are confident that the confectionery category can pick up from where we were and continue to gain momentum."



# MARS WRIGLEY

## SHISEIDO

### SHISEIDO

Has an immediate opening  
for a

**Retail Manager /Account  
Executive  
North America - Southeast  
Region**

Shiseido Miami office has an immediate opening for a Retail Manager (Account Executive), based in Miami. Ideal candidate will have a minimum of 2-3 years experience in the Travel Retail luxury goods industry.

Responsibilities include developing sell-out figures for its cosmetics and fragrance brands through supervision of salespeople and implementation of the brands' merchandising and promotion guidelines.

Experience in retail sales is a plus. Must be able to travel 40 to 50% of the time.

Applicants please send resumes to: [gcamplani@sac.shiseido.com](mailto:gcamplani@sac.shiseido.com)  
or  
[srojas@sac.shiseido.com](mailto:srojas@sac.shiseido.com)

**ON THE SWEET SIDE: CONFECTIONERY PREPARES FOR A POST-COVID WORLD****Nestlé offers consumer-driven innovation in response to COVID challenges**

Nestlé International Travel Retail (NITR) remains committed to the confectionery category in travel retail and continues to invest in measures to drive industry growth despite the challenges posed by the COVID-19 pandemic and its impact on travel.

In an online media briefing in September, NITR general manager Stewart Dryburgh and Marketing Manager Tamara Spada said the company maintains its faith in the sector's resilience and ability to recover and previewed several product innovations that will help drive its recovery.

Nestlé has weathered the COVID-19 storm better than many other companies. "People need to eat. And we are very fortunate to be part of a company that helps feed the world," said Dryburgh.

"But no business unit within Nestlé has been as badly hit as ours," warned Dryburgh. On the plus side, as of last year, NITR has been expanding its portfolio on food in the broader sense and also on channels beyond the airport. It increased its focus on duty free zones and border stores, diplomatic and military, which allowed it to sell more products in the food category rather than the impulse buying of confectionery you see in airports.

"This has really offset some of the worst that has happened this year," he noted.

"Our industry has always shown itself to be resilient over the long-term. Identifying the correct growth drivers to meet the needs of the post-COVID-19 traveling consumer are critical to moving forward and our innovations for 2021 reflect this – notably the economic effect that COVID-19 is having on disposable incomes."

As it has for the past few years, NITR bases consumer engagement on the four-pillar brand-building model of SOUL – Story, Occasion, Unique and Local.

In the current environment, NITR will be focusing on its best-selling SKUs with an eye towards differentiation from the domestic portfolio, explained Spada.

**KitKat to drive recovery**

KitKat, which has been delivering consistent growth ahead of the market, is NITR's key strategic brand to drive recovery in 2021. This accelerated growth has been primarily driven by KitKat's premium offering, KitKat Senses.

For 2021, Nestlé is extending the KitKat Senses line with a lower-priced travel retail exclusive – KitKat Sense Tablets --with a suggested retail price of under five euros. The new tablets are available in three flavors: Caramel Crisp, Cookie Crumble and Hazelnut Crunch, and will launch on March 1, 2021.

Nestlé will bring the KitKat portfolio to life in 2021 with its V.I.B Lounge concept initially introduced to retailers at TFWA World Exhibition last year and implemented highly successfully for Chinese New Year during January 2020 at Singapore Changi Airport Terminal 2 in partnership with Lagardère Travel Retail.

**Sustainability: SMARTIES moves to paper packaging**

Nestlé continues its sustainability program for its SMARTIES brand by removing all single use plastic packaging and moving to paper across all formats.

This year, Nestlé relaunched the SMARTIES Travel Retail Exclusive Music Creator with a new carton box and digital content.

In the year to come, the brand will change its full core confectionery range to recyclable paper packaging, including replacing the plastic lid on the Smarties Giant Tube with a cardboard closing, as well as replacing the plastic Topper figures with paper stickers; and converting the tube shape to a

hexatub with a paper sticker. The plastic Smarties bags and pouches will be replaced with sturdy paper.

NITR will also be starting the roll out of recyclable packaging for all its travel retail Nestlé Mixes & Quality Street pouch and sharing bags during 2021. Nestlé aims to have 100% of its packaging recyclable or reusable by 2025.

**Nestlé Swiss: A travel retail exclusive success story**

**Nestlé Swiss**, Nestlé's travel retail exclusive tablet with visible ingredients that debuted in 2019 with three flavors, is relaunched in a new "more self-indulgent size" of 170g. The three original flavors are joined by **Nestlé Swiss Dark Blueberry** 170g

The **Nestlé Swiss** portfolio will be supported in global travel retail with strong merchandising and POS displays that promote the Swiss lifestyle concept.

**Refresh for After Eight**

Nestlé has launched a London-themed travel retail exclusive design for its AFTER EIGHT chocolate mints. The 400g box features a London skyline design, presenting buyers with a sophisticated and striking gift opportunity. Offering all year-round gifting, AFTER EIGHT 400g is also launching four new limited edition flavors for 2021: Strawberry, Dark, Irish Coffee and Orange.

**Coffee and infant products**

One of the more exciting innovations for NITR is the introduction of opportunities from across its group's portfolio. As such, NITR is launching Nescafé Gold into travel retail for 2021. A global icon that is a natural for traveling consumers, the offer will include product for premium, standard and value buying levels.

Nescafé has reached phenomenal year-on-year growth in travel retail since it was first launched in 2016, and experienced a +120% sales increase between 2018 and 2019, said Spada. "We see great need for the product in this channel."



NITR is launching its iconic Nescafé Gold in airports where the brand is not readily available in the domestic market, including Asia Pacific, Latin America and Africa. For these regions, Nescafé Gold is aspirational, with its sustainably sourced carefully selected Arabica beans.

In regions where passengers are already familiar with Nescafé Gold, NITR is launching Nescafé Artesano Santuario, which is made with intense arabica beans from Colombia, which is the only market where the brand is sold domestically. Nestlé is also launching the full-flavored Nescafé Red Pillar in border stores.

"So between the three we are able to meet a wide variety of shopper needs," noted Spada.

Additionally, NITR is also planning to introduce a range of premium infant products under the illuma brand to travel retail, targeted at the Chinese consumer.