TRAVEL MARKETS Vol. 21- 27
INSIDER

All eyes on MSC Cruises as it returns to service in the Mediterranean

The cruise sector received a shot of hope last week with the announcement from MSC Cruises that two of its cruise ships will resume operations this month.

The flagship *MSC Grandiosa* and *MSC Magnifica* will begin sailing again in the Mediterranean as of August 16 and 29, respectively.

The ships will sail the Eastern and Western Mediterranean on seven-night cruises offering guests full-experience cruise holidays. The Mediterranean is where MSC Cruises got its start.

The announcement of specific dates came a week after MSC unveiled a comprehensive program of protocols for health and safety on board their cruise ships.

New protocols and passenger restrictions

The two ships will be the first to implement the protocols, which have been approved by the relevant national authorities of Italy, Malta and Greece, the countries that the ships will call on.

Pierfrancesco Vago, MSC Cruises' Executive Chairman, says that the new measures go beyond guidelines with enhancements including universal testing for all guests and crew as well as safe ashore visits at each port.

Significantly, the cruises are not open to everyone. Only guests from the 26 Schengen* countries will be allowed to board. Moreover, itineraries have been designed according to the accessibility of the ports, reducing where possible the need for guests to use public transport or flights and have been planned in conjunction with the authorities.

New Retail protocols in place

"We have created a comprehensive set of retail protocols with assistance from DFWC, Aspen Medical, our partners and our in-house experts, and we are ready to welcome our loyal guests to shop safely with us onboard," said Adrian Pittaway, Head of Retail at MSC Cruises.

"MSC Retailing has enhanced the guest experience on board our ships to be safe, welcoming and fully adapted to the current situation," Pittaway explains.

"Through our restart, we will continue to focus on providing a memorable shopping experience to our guests with warm and friendly service, expert advice and the widest range of products on offer at the best prices.

"In line with the new standards in place across our ships, we have significantly adapted our own processes to ensure that we offer an enhanced level of safety. We have created best-in-class protocols from Duty Free World Council (DFWC) guidelines, retail specific advice from experts at Aspen Medical Consulting, safe product care guidelines from our brand partners, and suggestions from across our experienced retail, hotel and medical teams. From all of these inputs, we have developed a framework which we truly believe will be market-leading in the cruise retail sector.

"We will be using the new and innovative technology of our smart ships to ensure appropriate social distancing, deliver impactful digital communication and implement clear safety guidelines. "In addition, we have re-invented our event program, stock-handling processes and service experience, as well as enhancing our crew shopping facilities and product ranges. We will also ensure that as more of our fleet returns to service, our guests will continue to receive the same high standards of service and safety on board all our ships.

"This really is the first important step in a long journey back for us, our onboard retail family and all our travel retail trade partners, we look forward working with the rest of the cruise retail sector to help steer the learnings and develop industry-wide best practice," he added.

Date of U.S. restart uncertain

MSC Cruises also announced the cancellation of all U.S. cruise departures up to and including the October 31 deadline now in effect. This is in line with the announcement that CLIA members will voluntarily extend the suspension of cruise operations to this date. CLIA stated that

MSC Cruises will restart operations in the U.S. only when the time is right, following approval by the CDC and other relevant authorities across the region in observance of their requirements and guidelines, confirmed the company.

* *Belgium, Czech Republic, Denmark, Germany, Estonia, Greece, Spain, France, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Norway, Austria, Poland, Portugal, Slovenia, Slovakia, Finland, Sweden and Switzerland*

CLIA announces third voluntary suspension of U.S. cruise operations

Cruise Lines International Association (CLIA) announced its third voluntary suspension of U.S. cruise operations for its ocean-going cruise line members until at least October 31, 2020. The latest announcement was made on Aug. 5.

The CDC's current No-Sail Order date is in effect until Sept. 30, 2020.

On behalf of its members, the Association said, in part:

"This is a difficult decision as we recognize the crushing impact that this pandemic has had on our community and every other industry. However, we believe this proactive action further demonstrates the cruise industry's commitment to public health and willingness to voluntarily suspend operations in the interest of public health and safety, as has occurred twice prior.

"CLIA cruise line members will continue to monitor the situation with the understanding that we will revisit a possible further extension on or before 30 September 2020. At the same time, should conditions in the U.S. change and it becomes possible to consider short, modified sailings, we would consider an earlier restart."

According to CLIA's most recent Economic Impact Study (released November 2019), cruise activity in the United States supports nearly half a million (421,000) American jobs and generates $53 billion annually in economic activity throughout the country.

Each day of the suspension of U.S. cruise operations results in a loss of up to $110 million in economic activity and 800 direct and indirect American jobs.

The impact of the suspension is particularly profound in states that depend heavily on cruise tourism, including Florida, Texas, Alaska, Washington, New York and California.

For more details, please see chart on next page.

A TRAVEL MARKETS INSIDER SPECIAL REPORT

TRAVEL MARKETS INSIDER

Gamma3 Council debates next steps for luxury onboard cruise retail

The Gamma3 Council, an association of brands and retailers in the high-end segment in the Americas has been holding a series of virtual webinars, organized by Diego Stecchi, managing partner of Luxury Retail Partner, who founded the group in 2007.

A recent Gamma3 Council session examined the impact of COVID on the Caribbean as it pertains to cruise ships, since the ships are such an important source of customers and passengers in the islands. At the time of the session, the CDC's no sail ruling was in effect through the end of August, but as the speakers expected, the ruling has now been extended through September.

Participants in the June webinar included: **Elodie Thellier**, President, (TAG Heuer) LVMH Watch & Jewelry Caribbean & Latin America; **Christelle Caron,** Sales Director, Cruise Lines, Moet Hennessy; **Marco Di Santo (moderator),** Sales Director - Travel Retail (Cruise ships channel WW) and Caribbean Region, Bulgari; and retailer concessionaires **Gian Franco Botteri**, Director of Operations & **Adrian Riches**, Cruise Service Operations Director, Dufry; and **Brenda Baty**, Chief Commercial Officer, Starboard Cruise Services, Inc.

Moderator Marco Di Santo began the program with an overview of the cruise industry pre-COVID, noting that the cruise sector had been very healthy, with forecasts to grow year over year, from about 27 million passengers in 2019 to 32 million by 2021.

"We expected very robust growth of 4-6% in these years. There were many new ships coming as cruise lines added capacity to their fleets. Now, of course, it is a very difficult time for the cruise lines. What impact do the concessionaires on the panel think COVID will have on onboard retail going forward?"

"We are eager to get back to sea," said Starboard's Brenda Baty. "We do not know when the ships will sail again, since restarting will be determined by governments around the world. In the U.S. in particular, re-opening the cruise market will determined by the CDC."

Starboard: Balancing Digital vs. Romance

"In terms of how retail might look onboard -- and looking at some of the changes happening in land-based retail which might carry over to cruise retail -- we see a lot of retail activities shifting to digital. At the same time, what's so unique to cruising is the romance of the cruise experience, where you are strolling down the promenade and browsing -- it is a very different model," she continued.

"I believe some measures, like social distancing protocols, will be adopted, but we don't want to take away the cruise guest experience that comes from travel retail and its romance.

"We are working really hard to balance between the new post-COVID requirements while still offering the experience that the guests really want as part of their vacation."

Baty says that, nevertheless, there are a variety of digital experiences that can be contemplated, including options such as creating a touchless environment for browsing and ordering.

Dufry: Reaching guests at more touchpoints

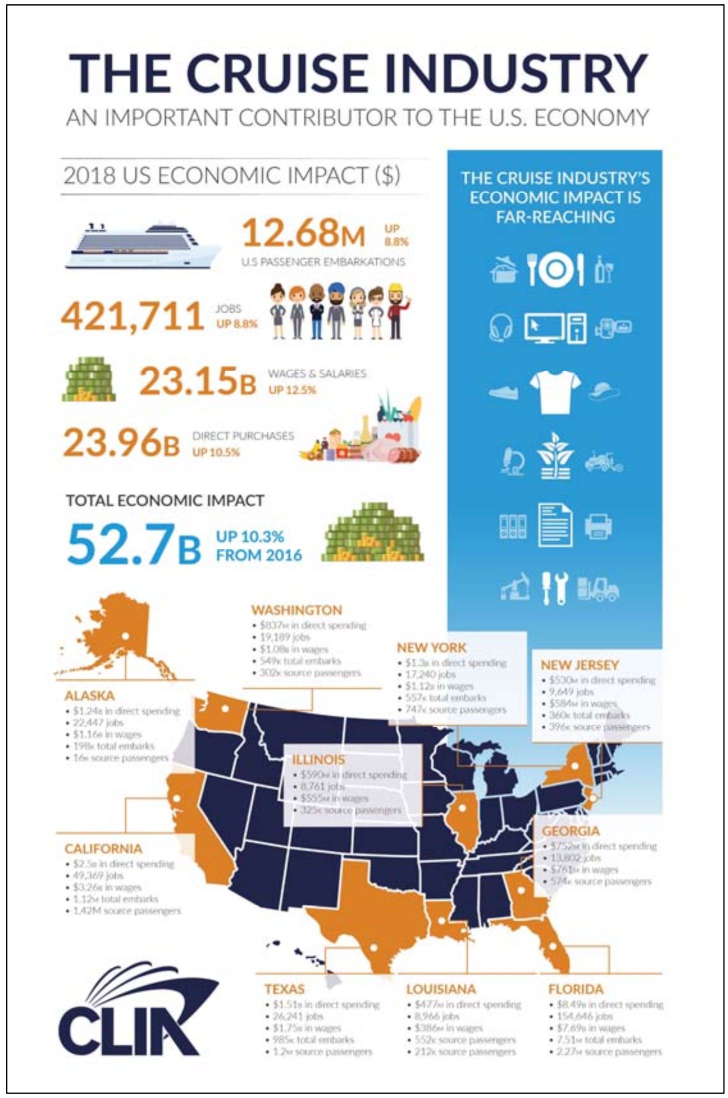
Dufry's Gian Franco Botteri, Director of Operations, said that while Dufry is waiting for the ships to sail again, the company is in constant communication with the cruise lines, and digital will definitely play an important role in retail when they get back onboard.

"The Dufry Group has a lot of digital platforms in our airport business, which can be tailored to the cruise business," explained Adrian Riches.

"We see digital allowing us to communicate with guests before and during the voyage, which is good for us. We also see more one-on-one selling on the cruise ship. Where we will lose ground is with the big special one-day crowd-oriented events, which I can't see happening for a while.

"I see us retooling and going back to the good old days of one-on-one selling, but more serious selling with less people that will give us an opportunity to up-sell and go on to higher ticket sales. And this is where the partnership with the brands can really kick in and give us even more time to educate a passenger about a brand and maximize spend per passenger."

Riches explains that Dufry sees the customer journey really starting at the point the guest books the voyage.



Nearly 13 million cruise passengers worldwide embarked from ports in the United States in 2018—an increase of nearly nine percent from 2016.

***Florida and California**: With a total of nine cruise ports between them—accounted for **68%** of the U.S embarkations in 2018. Embarkations from the two cruise terminals in New York increased **12%** since 2016 and ports in Galveston also experienced **13%** embarkation increase in 2018 compared to 2016.*

Continued on next page.

Council

TRAVEL MARKETS INSIDER

Gamma3 Council debates next steps for luxury onboard cruise retail *Continued from page 2.*

"In our airport business we have Reserve & Collect, a website that allows customers to pre-order their purchases and collect them when they fly. Conversations with our cruise lines have been very favorable so far about trying to adapt this technology for cruising. With this service, we can start communicating early and give guests the ability to pre-order before they arrive at the ship. We can also provide guests with special offers or invitations to events with more personalized service."

The view from the brands: experience & engagement

TAG Heuer's Elodie Thellier fully agrees that digital is something the industry will need to explore.

"But our cruise business is really driven by the experience and the relationship that our staff can build onboard with the guest. How are we going to engage with the guest now?" she asked.

"Not with big crowds and huge events. We are going to have to think of a different way to cater to small groups and individualized shopping. Maybe we have to think about different venues, like dedicated suites or areas where we can create a very different experience and generate higher tickets. We – brands and retailers -- have to make it very comfortable for the guest. For example, how will we have guests try on merchandise? How will we do tastings or show beauty products?"

Since TAG Heuer is a brand known for doing fun activations, with a lot of guest participation, onboard, how will the brand capture traffic, asked Di Santo?

Thellier: "We will still engage with customers, but in a different way. TAG Heuer is known for innovation and being avant garde so we reinvent the way we engage, especially in the cruise business. Right now we are looking to roll out a touchless digital process."

Moët: "One-on-One Service"

The situation for Moët Hennessy is particularly challenging, because the company has to re-think sales and service at both the retail shop and the bars, said Christelle Caron.

"We think it will be easier to meet new health and safety protocols in the retail store than in some of the other venues. The shop can use markers on the floor and social distancing. We can wear masks. Yet, the retail footprint can be challenging, especially for wines and spirits. The experience will continue inside the shop, but we also need to engage the guests outside of the shop. If guests see a long line of people waiting to go into a shop, they will more likely walk away.

"Many guests do not have a pre-purchase in mind but they often end up buying something just by browsing. If they do not enter the store, we lose a potential sale.

"I see us moving towards a more personal approach with one-on-one consultations. The digitalization will also become critical in the new consumer journey. We will need to be creative in working with the cruise lines to extend the shop's footprint to onboard apps and shopping channels."

The panel also discussed what kinds of activities might arise onboard among more volume-oriented brands that have traditionally depended on crowds to draw customers.

"We will have to be more astute in understanding our guest and seeing how our guests will respond when they come back," cautioned Baty.

Data & deployments

The importance of data and sharing of information between the cruise lines and the retailers was another area of intense discussion.

"It is very relevant for the cruise lines to share data so that we can better understand who the guests are and what their needs are," noted Caron. "We take pride in crafting experiences that deliver on their expectations and that connect on premise and off-premise: What are they drinking? What are they looking for? What would they like to know? Knowing this, the likelihood of converting the sale is much higher."

Thellier concurred, adding "Data is extremely relevant so to offer the proper assortment and be able to surprise the guest."

Baty said that data is one of her passions: "What are guests buying? We must quickly collect new data in order to make sure that the right products are onboard. Especially in the new environment, information like this will allow us to be agile."

The panel also examined the relationship between retail onboard and in the island destinations, agreeing that these are "complementary" businesses, although onboard retail has the advantage of having guests for a much longer period of time.

Deployments will have an impact. More sea days and the growing popularity of private islands could also work to the benefit of onboard stores.

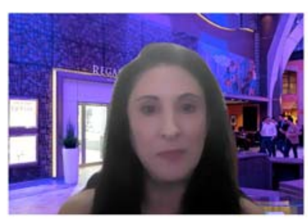
Whereas most typical 7-day cruises had four sometimes five port calls, with two sea days, cruise lines will likely have more sea days and less port time early on.

"This is good for us as retailers, because it gives us more time to engage with the guest," said Baty.

Thellier also noted that cruise ships stopped at as many as three major shopping islands only a few years ago, but today ships are stopping at one shopping island, one call at a private island plus one call at a secondary port. Future deployments will influence how passengers shop.

Caron observed that private islands can offer a special opportunity to engage, and build a lasting relationship in a unique, relaxed atmosphere, referencing the new Moët bar launched on Great Stirrup Cay in The Bahamas with Norwegian Cruise Line.

Ending on a positive note, the panelists believe that Americans will rush back to cruising faster than the rest of the world, opening up new opportunities for onboard retail.



Gamma3 Council webinar panel: top row- Diego Stecchi, Luxury Retail Partner; Brenda Baty, Starboard Cruise Services, Inc.; Marco di Santo, Bulgari. Bottom row: Elodie Thellier, (TAG Heuer) LVMH Watch & Jewelry Caribbean & Latin America; Christelle Caron, Moet Hennessy; Adrian Riches and Gian Franco Botteri, Dufry.

DUFRY

DUFRY IN THE SPOTLIGHT

TRAVEL MARKETS INSIDER

Dufry turnover plunges -62% in first half; accelerates re-opening and re-organization

Dufry, the world's largest travel retailer, last week revealed the impact of the COVID-19 pandemic on its first-half results, and it should come as no surprise how dire the impact was on earnings.

During the first six months of the year, Dufry's performance was impacted by the unprecedented level of disruption of retail operations, globally driven by international travel restrictions implemented by governments worldwide and operational shut-downs of airports, cruise lines and other channels.

Turnover in the first six months of 2020 reached CHF 1,586.9m versus CHF 4,180.1m in the same period in 2019, representing a decrease of -62.0%. Organic growth was -60.6%, with like-for-like performance reaching -57.6% due to the lower passenger traffic across most airports globally and contributions from net new concessions amounting to -3.0%.

But the company immediately took steps to mitigate what damage it could, implementing a comprehensive action plan for cost savings and to strengthen its financial structure.

As a result, retail-related gross profit margin was only 60 base points lower compared to full-year 2019 despite the sales decline during the second quarter, reports the company.

Gross profit margin remained resilient supported by the collaboration between Dufry and its suppliers and is expected to normalize with business recovery.

Dufry also instituted reorganization initiatives to reduce complexity and simplify decision-making, designed to drive the company's profitability and prepare growth acceleration.

CEO Julián Díaz said: "This is certainly a difficult time for both the travel retail industry and our company. However, since mid-June we have started to see the first signs towards a recovery, with travel resuming gradually and more than 1,000 of our shops globally in operation again at the end of July.

"In the first half year, we have implemented a whole array of initiatives to adapt the company to the new market environment and safeguard its resilience going forward. These include measures to reduce costs at all levels, several activities to strengthen Dufry's financial structure, as well as a restructuring of the company and the implementation of a new simplified organization as per September 1, 2020. I am confident that we have taken the right initiatives and that they will help us to emerge from the crisis with a solid position."

Diaz continued: "During the recovery and going forward the increased agility and faster decision making processes will allow us to adapt swiftly to the new and changing market requirements, drive sales and accelerate growth. By taking out one organizational level, the teams covering our global functions and the countries will increase efficiency and get closer to the market and our customers."

Regional Performance Highlights

Europe & Africa

Turnover in the region was CHF 558.9 million in the first six months of 2020. Organic growth in the division reached -66.1% in the period. Performance was negative across most locations, and to a lesser degree in Africa. From mid-June 2020 onwards, travel restrictions were lifted or eased and intra-European travel, especially in Southern and Central Europe as well as the UK, started to resume.

Asia-Pacific (APAC) & Middle East

Turnover amounted to CHF 236.0 million in the first half of 2020, versus CHF 623.8 million in the same period in 2019. Organic growth reached -60.4% with China and South Korea being impacted especially during Q1 2020, but resuming domestic and bilateral travel in Q2. Other parts of Asia-Pacific and especially in the Middle East region were impacted mainly in the second quarter, and are still continuing to be impacted with a low level of open shops.

North America

Turnover reached CHF 392.2m compared to CHF 954.5m in the first half of 2019. Organic growth was -57.9% in the period with a slowdown in both sectors duty free and duty-paid, but especially in duty free, which is exposed to international flight schedules.

Domestic travel, which accounts for around 85% of the U.S. flight movements, started to resume, while the Canadian business was still impacted by international travel restrictions. The North American business started an initiative through its Hudson brand to rollout vending machines featuring health and safety products across 27 leading airports in North America. (*see next page*)

Central & South America

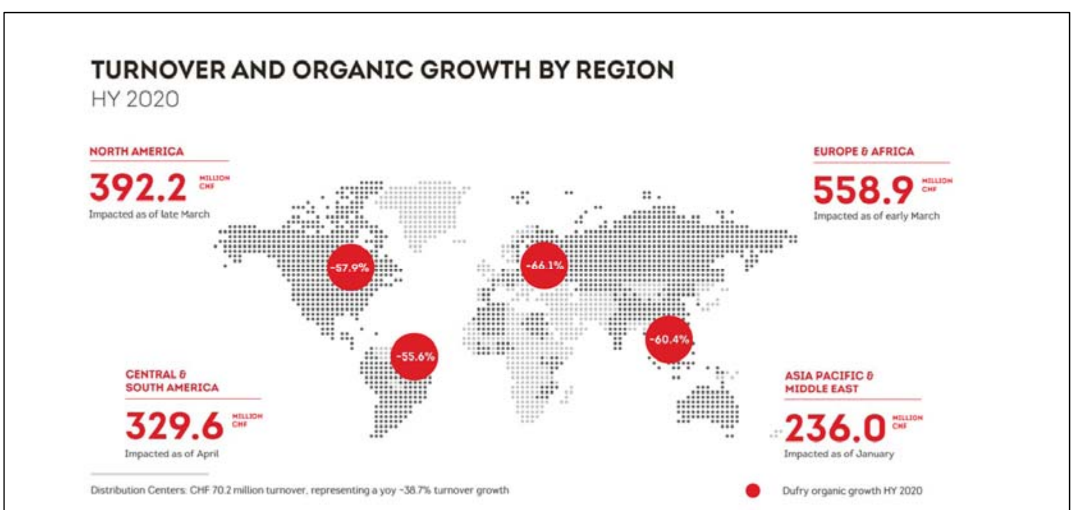
Turnover was CHF 329.6 million in the first half of 2020 as compared to CHF 761.8 million one year earlier, with organic growth coming in at -55.6%. The division was the least impacted during the first semester, as most restrictions in the region only started in the second quarter.

The cruise business, mainly part of Central & South America Division, performed in line with the overall division, despite cancellation of cruise itineraries as staff were still based on ships and high season would only have started later in the year. Domestic travel, as well as border shopping and international flights within the region remained possible at limited levels, whereas most international travel outside the region was restricted.

By Division, Europe & Africa contributed 36% of turnover, APAC & Middle East 15%, North America 25% and Central & South America 21%. Global distribution centers accounted for 3% of HY 2020 net sales.

By channels, 85.1% of net sales were generated at airports, a slight decline compared to HY 2019 (88.1%), whereas other channels have gained importance, especially railway stations, border, downtown and hotel shops. Product mix remained relatively stable with perfumes & cosmetics, food & confectionery and wine & spirits being the predominant categories.

The duty free vs. duty-paid split remained stable, with 60.2% and 39.8% of net sales respectively.



TRAVEL MARKETS INSIDER

Hudson reopens over 200 stores in phased approach, but reduces workforce nearly 40% due to COVID-19 pandemic

North American travel retailer Hudson has slowly begun reopening its travel stores closed due to the COVID-19 pandemic. Hudson is also bringing back a number of furloughed team members, announced the company in its 2Q financial statement.

In order to preserve liquidity, the Company had implemented a number of cost savings actions beginning in March, including temporarily closing over 700 stores and furloughing a majority of its workforce, implementing salary and other expense reductions, and pursuing negotiations with landlords to abate or defer rents.

Working in close partnership with airports and other landlords to best serve the needs of both travelers and airport/commuter hub workers, the Company has reopened over 200 stores as of July 31, 2020, bringing the Company's total open store count to approximately 450.

However, the company says that passenger volumes are still significantly below prior year levels, the closure of the U.S./Canada border has been extended, and recent increases in COVID-19 cases across various parts of the U.S. have led to new travel restrictions and quarantines, all resulting in reduced traffic and significant variability in day to day traveler volume. While U.S. passenger levels have increased sequentially in the months of May and June, volumes were still down approximately 75% from prior year levels in the last few weeks of July.

As a result, Hudson has reduced its workforce, instituting permanent lay-offs of nearly 40% of the staff comprising both corporate and field employees across the organization, effective as of July 31, 2020.

Alongside the reduction in the workforce, the furlough period for several hundred other staff was extended, with the expectation that some or all of these individuals will be called back as business recovers.

Hudson says that team members were notified on a one-on-one basis, and the Company is also working closely with its union partners to effect these changes. Hudson believes the workforce reductions, extended furloughs, and other cost saving actions detailed above will better align its cost structure with the conditions of the travel industry today.

The Company recorded a charge of $8.6 million in the second quarter related to this business alignment. Hudson expects the reduction in force to reduce personnel expenses by approximately $140 to $160 million on an annualized basis.

"The COVID-19 pandemic has had an unprecedented impact on world travel, and a corresponding impact on our travel retail business. While we took proactive and targeted actions beginning in March to significantly reduce expenses across the Company, we determined that more structural and wide-ranging actions were necessary. Our reduction in force is a difficult but essential step in ensuring the long-term success of our business," stated Roger Fordyce, CEO of Hudson.

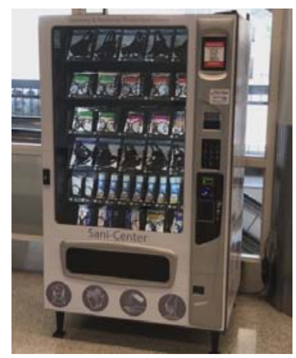
"I would like to express my heartfelt appreciation to those team members impacted by this decision for their service to Hudson. The Company we are today would not be possible without the contributions and dedication of these individuals and they will always be a part of our storied history."

Strategic Initiatives

Hudson's strategy remains focused on its four key pillars: travel convenience, specialty retail, duty free, and food and beverage.

To adapt to new traveler expectations in the COVID-19 environment, Hudson is further evolving its digital footprint with contactless shopping experiences, and provide 24/7 access to health and safety supplies. Among several recently announced strategic initiatives, are:

PPE Vending Machines and Proprietary PPE Line – Hudson has begun to roll out PPE Vending Machines in airports across North America, featuring proprietary health and safety offerings as well as electronic essentials. The "Traveler's Best" PPE line also in Hudson's travel convenience stores. Below: LAX



Sunglass Hut Boutiques – Partnering with Luxottica Group, Hudson will begin opening Sunglass Hut shop-in-shops within its travel convenience stores, featuring the Ray-Ban and Oakley brands. The first ten shops will be opened in early August, with a phased opening approach continuing into 2022 for up to 250 shop-in-shops.

Expanded Grab & Go Offerings – Hudson is expanding its Grab & Go offerings to meet the needs of travelers who have fewer food and beverage options both in airports and on planes.

Self-Checkout – Hudson is expanding self-checkout capabilities in a number of its stores to minimize contact and speed checkout.

Second Quarter 2020 Financial Statement Impacts Related to COVID-19 - The effects of COVID-19 resulted in the following significant financial statement impacts during the second quarter:

- Recorded $42.6 million of rent waivers as a result of rent payment waivers received from numerous landlords.
- Recorded $8.6 million of restructuring expense related to the reduction in force.
- Recorded $4.5 million in employee retention credits from the U.S. Government (Coronavirus Aid, Relief, and Economic Security "CARES" Act) and subsidies from the Canadian Government (Canada Emergency Wage Subsidy "CEWS" program), both of which offset wage expense for team members impacted by COVID-19 and the Company's benefit costs for furloughed team members.
- Recorded non-cash impairments of $6.0 million to property, plant and equipment and $3.7 million to right-of-use assets.

Second Quarter 2020 Review (compared to the 2019 2Q) Income Statement

*Turnover decreased by 87.9% to $61.7 million, due to the impact of COVID-19 and the resulting reduction in travel and store closures.

* Net sales declined by 88.4% to $57.7 million.

* Organic net sales declined by 88.5% to $57.3 million.

* Like-for-like sales decreased by 82.0% (81.9% in constant currency) to $53.1 million.

* Gross profit decreased by $289.5 million or 88.4% to $38.0 million, reflecting the reduction in sales. Gross margin decreased to 61.6% from 64.2% in the prior year period, primarily due to higher promotional activity on luxury merchandise.

* Operating profit (loss) was a loss of $88.0 million compared to a profit of $53.9 million.

* Lease expenses decreased by $69.1 million, resulting in lease income for the quarter of $32.2 million, reflecting lower variable rent based on the decline in sales, and rent waivers of $42.6 million received from numerous airports and commuter terminals.

TRAVEL MARKETS INSIDER

Bowmore and Aston Martin unveil £50,000 Black Bowmore DB5 1964

Bowmore Islay Single Malt Scotch Whisky has teamed up with iconic auto maker Aston Martin to unveil the first release in a series of collaborative projects and products: *Black Bowmore DB5 1964.*

Only 25 bottles will be offered for sale, with three in travel retail. The rare spirit will be available from late Autumn with an RSP of GBP£50,000.

The creators call Black Bowmore DB5 1964 "a celebration of time," with 1964 playing an important role in both companies' histories.

For Bowmore, 1964 is a significant point in the distillery's 240-year history when the arrival of a new boiler helped the distillery enter the modern age of distilling as coal fires made way for steam in heating the stills. It was the first distillation from this new boiler that produced the spirit which was to become Black Bowmore.

For Aston Martin, this was the era of its most iconic car -- the Aston Martin DB5 – which was launched in 1963.

The Black Bowmore DB5 bottle is handcrafted by Glasstorm, a bespoke contemporary glass studio based in North East Scotland. Black Bowmore DB5 1964 is presented in a handmade presentation box created from string-grain calfskin, featuring a custom solid

brass latch and hinges, plated with nickel, reflective of the DB5. The bottle features a genuine Aston Martin DB5 piston.

Ed Stening, Global Head of Travel Retail Marketing at Beam Suntory, said: "We're immensely proud to share the inaugural creation of this truly iconic collaboration. With only 25 bottles available, a very lucky few will get to own one of the rarest, most sophisticated single malt whiskies ever produced, housed in an exquisitely-designed piece of motor history.

"Three bottles of the extra-ordinary collectors' item will be available in Global Travel Retail via our partners Lotte, Dufry and Heinemann and their release will be one of the most hotly anticipated whisky releases in a generation."

Loch Lomond Whiskies refreshes GTR exclusive range

Loch Lomond Whiskies has unveiled a complete brand refresh of its packaging and range offering across its Global Travel Retail (GTR) single malt whiskies.

The investment comes after strong business growth over the past five years which has seen Loch Lomond Whiskies become one of the top five fastest growing single malt brands in the world, listed in over 125 markets, including many Duty Free Stores worldwide.

The design will be rolled out across the Loch Lomond Whiskies Global Travel Retail range, improving brand recognition and introducing a contemporary aesthetic and flavor descriptors.

Loch Lomond is also adding three new travel retail exclusive expressions to the core range. The new Loch Lomond Madeira Wood Finish, the Loch Lomond 14 Year Old Inchmoan and Loch Lomond 18 Year Old Inchmurrin will sit alongside the current Loch Lomond 12 Year Old.

André de Almeida, managing director, Global Travel Retail, Loch Lomond Group, said: "The Global Travel Retail channel is fundamental to the growth of Loch Lomond Whiskies and we remain committed to it despite the recent challenges affecting travelers and travel retail worldwide. We are very proud of the success of our collections, which have performed strongly in the GTR channel since launching three years ago.

"Over the years, Loch Lomond Whiskies has grown a strong customer following, and we believe our new redesigned packaging will not only stand out on the shelves, but will also better communicate the range of flavors found in each expression."

The new look packaging retains the familiar stag icon and features a more prominent Loch Lomond brand name and age statement to increase visibility on shelf. The outline of the famous Loch Lomond has been incorporated into the background of each gift tube, celebrating the distillery's location. A simple flavor descriptor also features on both the gift tube and bottle.

Tito's Handmade Vodka appoints Alex Borbolla as International Commercial Manager

Well-known travel retail/spirits veteran Alex Borbolla has joined Tito's Handmade Vodka as International Commercial Manager. Borbolla will be based in Miami, reporting to John McDonnell, Tito's Managing Director, International.

In the newly created role, Borbolla will manage sales and marketing strategies with Tito's distributors in Latin America/Caribbean, Europe/Middle East, Asia/Pacific, and global duty free.

Borbolla began his career in the global beverage industry in 1992 at Seagram Spirits and Wine Group in the Caribbean and Latin America. He then joined Jose Cuervo International, where as Regional Commercial Director for Latin America/Caribbean, he led Jose Cuervo's expansion in the market, helping brand portfolio volume reach half a million cases, securing Jose Cuervo's place as the category's top-selling brand in the region.

"Alex has an impressive 25-year track record in the international drinks industry, managing and building iconic brands such as Chivas Regal, Absolut, Jose Cuervo and 1800 Tequila," said McDonnell. "As Tito's continues to excite consumers across the globe, Alex's experience in sales, marketing, and distribution strategies in developed international markets will be invaluable in positioning Tito's for future growth and success. We're thrilled to welcome him to the team."

Duty Free Dynamics debuts first brand in apparel category with "New Era" sports caps

Regional travel retail distributor Duty Free Dynamics has debuted in the Apparel category with the introduction of the New Era headwear brand. DFD will be representing the brand in the travel retail channel of Latin America and the Caribbean.

New Era is a fast-moving apparel accessory brand featuring sports caps with logos of the most famous teams -- part of today's "athleisure" urban fashion.

From its beginnings in Buffalo, N.Y. as a small headwear products company, New Era evolved to become a global premier lifestyle brand. It is the only brand in U.S sports history to have exclusive on-field, sideline and on-court head-wear rights for the MLB, NFL and NBA leagues.

New Era's handmade core products for travel retail include the **59FIFTY**—the brand's flagship style and an icon in sport and street culture, and the **9FIFTY**, which has the shape of the 59FIFTY, but with an open back.

For a more fitted look, DFD has also incorporated the versatile **39THIRTY** with a custom stretch-fit and the **9FORTY**, which fits most head sizes and is available in different closure types.

DFD's footprint strategy to attract travelers to the New Era products is to create premium visual merchandising executions, within a select network of partner operators.

"The opening of the Apparel cluster strengthens our diversity of categories and our relevance as regional distributors of lifestyle brands for the travel retail channel. We are pleased to partner with New Era, incorporating such an iconic and historic brand. This enables our current and future partner operators to offer these popular caps to sports enthusiasts and trendy travelers who want to express their personal styles," said Gregory Secret, Category Manager for Footwear & Apparel at Duty Free Dynamics.

New Era 39Thirty Yankees sports cap

New Era 59Fifty LA Dodgers cap

"This strategic partnership with Duty Free Dynamics, establishing New Era's presence in the travel retail marketplace of Latin America and the Caribbean, will surely lead our company into a next chapter of growth and success. We are very excited to be part of DFD's brand portfolio," said Diego De La Torre, LATAM Director for New Era.

Note: The fourth-generation, family-owned New Era company headquartered in Buffalo, N.Y., is marketed and distributed in over 125 countries through its affiliate offices in London, Tokyo, Paris, Hong Kong, Mexico City, Sao Paulo, Cologne, Shanghai, Barcelona, Seoul, Melbourne, Toronto and Bologna.

DFD has offices and warehousing facilities in Miami and Panama, as well as strategic platforms in Houston and Buenos Aires. For more information, go to: www.dutyfreedynamics.com

Estée Lauder reimagines its #1 nighttime serum with new Advanced Night Repair Synchronized Multi-Recovery Complex

Estée Lauder has introduced the new Advanced Night Repair Synchronized Multi-Recovery Complex, which will be available in travel retail locations in EMEA in October.

With innovative new Chronolux™ Power Signal Technology, new Advanced Night Repair now supports skin's natural repair more effectively than ever, and for the first time, helps skin increase its natural renewal of fresh new cells and production of collagen for firmer skin, says the company.

Advanced Night Repair absorbs fast as it works to reduce the look of multiple signs of aging and helps protect skin from environ-mental issues. After one dropper skin looks radiant and plumped with hydration.

The Advanced Night Repair Essentials set is available for Travel Retail. The set contains Micro Essence Skin Activating Treatment Lotion 150ml; Advanced Night Repair Synchronized Multi-Recovery Complex 50ml; and Revitalizing Supreme+ Global Anti-Aging Power Soft Crème 75ml.

With daily use, lines appear reduced, skin feels firmer, pores appear minimized and skin looks more even-toned and younger, with a new bounce and vitality.

The new formula has benefits like 72-our hydration, 8-hour antioxidant. The serum directly address skin concerns that are brought on by stressors like the environment, traveling, stress, etc

The iconic apothecary inspired "little brown bottle" has been reimagined, transformed into premium, recyclable glass, with a sleek silhouette and enhanced translucency gradient which the company reports presents a more 'lit from within" glow.

Sunglasses Workshop to be hosted at the Virtual Travel Retail Expo 2020

Sunglasses suppliers Kering Eyewear, Luxottica Group, Marchon, Marcolin and Safilo have announced that the annual **Sunglasses Workshop** will take place during the Virtual Travel Retail Expo 2020. This follows the cancellation of the TFWA World Exhibition and will mark the twelfth consecutive year of the Sunglasses Workshop.

The virtual workshop will stream live on Oct. 14, and spotlight the category's role, evolution and new solutions in the travel retail channel in the post-COVID-19 landscape. The program will include the launch of a Sunglasses Panel in part-nership with Generation Research, and audience participation will be encouraged through live Q&A and real-time attendee polls. After the live event, the workshop will be available on-demand through the Virtual Travel Retail Expo platform.
The Sunglasses Awards component will be paused for 2020. The session will be managed by FILTR and moderated by the *Moodie Davitt Report. To register, go to* https://virtualtrexpo.com/registration-2/.