

Luxury and retail comprise the fastest growing sector of Interbrand's Best Global Brands Report for 2nd year

Interbrand's Best Global Brands 2019 report (bestglobalbrands.com) says that luxury and retail is still the fastest growing sector.

While the top 10 brands of the respected brand valuation survey is dominated by tech, with **Apple**, **Google**, and **Amazon** rated as the world's three most valuable brands worldwide, the top growing sector for 2019 was luxury with nine luxury brands making the top 100.

The luxury sector saw the highest average brand value growth rate year-over-year at 11%. According to Interbrand, the most successful brands in the luxury space are those that have adapted to rapid changes in the global marketplace, including catering to a younger consumer base whose stylistic tastes have shifted toward streetwear, who are tech-first in their purchasing habits, and who increasingly demand shareable, memorable moments from any brick-and-mortar retail experiences.

Gucci (#33) was symbolic of the luxury sector's success, showing a 23% increase in brand value. **Louis Vuitton** (#17) and **Chanel** (#22) saw a 14% and an 11% increase, respectively, since last year's report.

Among the other names best known in the travel retail and/or luxury channel, Hermès was the third highest ranked luxury brand (#28, with 9% growth since last year in the ranking); L'Oréal (#51, +4%); Cartier (#68, +7%); Jack Daniel's (#80, +13%); Dior (#82, +16%); Burberry (#96, +4%).

Tiffany (#94) and Prada (#100), were the only luxury brands to show a decrease, down -5% and -1% respectively.

Travel Retail favorites Nestle (#60, +7%); LEGO (#75, +5%) and Heineken (#88, +4%), also progressed in the Interbrand rankings.

20 Years of Brand Insights

Interbrand launched the Best Global Brands report 20 years ago to provide marketers, investors and consumers insights into the state of the brands that have come to define modern consumerism and the evolution of the sectors in which they operate.

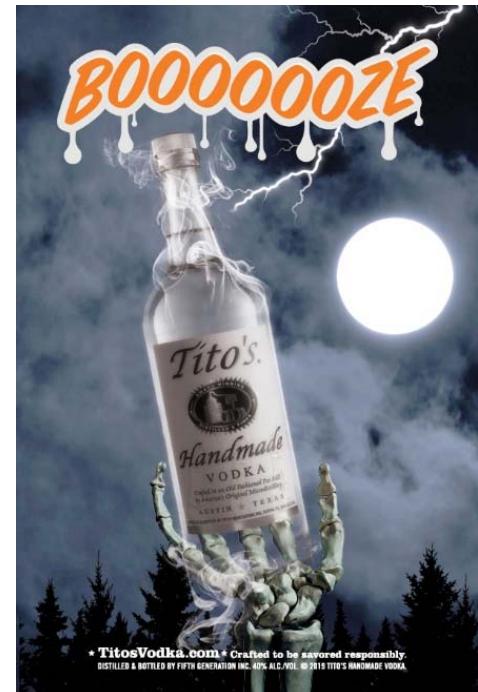
Looking back on 20 years of brand valuation data can provide many insights for the future:

- Only 31 brands from the first report in 2000 remain on the list today, including Disney, Nike and Gucci.
- 137 brands, such as Nokia and MTV have dropped off the list in the intervening years.
- Coca-Cola and Microsoft are the only brands to have retained top 10 spots.
- In 2001, the first year in which the table included 100 brands, the cumulative brand value residing in the world's top 100 brands was \$988B. Today, that value stands at \$2.13T, representing a 4.4% average compound annual growth rate (CAGR) and a more than doubling in total value.

These figures show that in such a fluid market landscape, investing in brand is key to long term success.

For the complete Top 100 ranking and the report with comprehensive analysis of growth, sector, and industry trends, visit www.bestglobalbrands.com.

Note: Interbrand measures what it calls Brand Strength -- the ability of the brand to create loyalty and, therefore, sustainable demand and profit into the future. Brand Strength analysis is based on an evaluation across 10 factors that Interbrand believes constitute a strong brand. Internal factors include Clarity, Governance, Commitment and Responsiveness. External factors are Authenticity, Consistency, Relevance, Presence, Differentiation and Engagement.



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Starboard Cruise Services appoints Lisa Baldzicki as new Chief Merchandising Officer

Lisa Baldzicki has joined Starboard Cruise Services as Chief Merchandising Officer (CMO). In this role, the Disney and L Brands veteran will manage Starboard's corporate merchandising strategies and initiatives, including the development of product assortment; vendor relationships and sourcing; financial and business planning; pricing; retail execution; talent management and team development.

Baldzicki will join Starboard's Operating Committee and report to Lisa Bauer, Starboard president and CEO.

While at The Walt Disney Company, she served as Vice President of Merchandise Strategy, Product Development, Planning & Allocation, with complete financial management of a \$2 billion retail business across more than 35 product categories. Before joining The Walt Disney Company, Baldzicki held several leadership positions at L Brands Inc., as part of Victoria's Secret Merchandising, concluding as Vice President, Merchandising, for their largest product category.

"Lisa's vast retail experience, coupled with her proven track record, leadership and industry relationships, will be a key driver in accelerating overall growth and performance," said Lisa Bauer. "She is an ideal match to help spearhead Starboard's industry-leading position in cruise line retail."



Global TR contact: Zack Boiko, zboiko@Actium.us

Delta's first new concourse at LGA opens; a milestone in \$8B airport rebuild

Terminal features dining from OTG and new retail from Stellar Partners



Delta unveiled its first new concourse at LaGuardia International Airport on Tuesday. The 105,000-square-foot showpiece in what will become Delta's Terminal C, features modern customer amenities, state-of-the-art architecture, more spacious gate areas and a connected terminal system.

The opening of the first new concourse and seven gates at Delta's new terminal, on the far eastern side of the airport, was celebrated at an event attended by New York Gov. Andrew Cuomo, and other government and airport representatives of the Port Authority of New York and New Jersey.

The seven new gates in the Delta concourse will start serving passengers - running 60 flights per day to Boston, Chicago and Washington, DC - on Monday, November 4. This is the second new concourse to open as part of the complete rebuild following the opening of the new 18 gate concourse unveiled at Terminal B last December on the airport's western half.

Customers will be welcomed into the new concourse by an open and airy entrance with innovative backlit 3D Delta super-graphic

and floor-to-ceiling views of Citi Field, home of the New York Mets, and Flushing Bay.

Dining options from OTG

Delta's state-of-the-art concourse will feature dining from hospitality group OTG inspired by local favorites including H&H Bagels, Rossi Pizzeria (from Chef Mark Iacono of Lucali), Flatiron Tavern & Provisions (from chefs Jess Shadbolt and Clare de Boer of King), Birch Coffee, and Juice Press. The new gate areas provide more seating and ample outlets for charging devices, and respite spaces for passengers to rest.

Stellar creates unique retail

In addition, Stellar Partners, Inc. (Stellar) has introduced Fiorello Market and iPorte, two unique retail locations targeting the essential travel retail segments of technology, gifts, and convenience, to the new Delta Terminal at LaGuardia Airport.

Fiorello Market is a new retail convenience option developed exclusively for LGA Airport and named for Fiorello Henry La Guardia, the iconic former Mayor of New York. Fiorello Market features both national and regional

items well suited for gifting or picking up a personal keepsake. The market also adds to-go dining convenience to the area.

iPorte is a one-of-its-kind electronics store developed exclusively for the travel retail technology segment -- its logo artistically incorporates headphone and airplane elements. Products are categorized as Good, Better, Best with price points for every budget.

iPorte is equipped with listening stations to allow customers to test audio-based devices before making their purchase.

With Fiorello Market and iPorte Stellar will have six stores in operation at LGA Airport.

"Celebrating these stores is particularly exciting as LGA is the first location for each brand. These openings truly demonstrate how nimble travel retail is to innovate along with trends," said Stellar President and CEO Padraig Drennan.

When complete, the new terminal will feature 37 gates across four concourses connected by a centralized and streamlined check-in lobby, security checkpoint, and baggage claim; dual taxiways that will help reduce hold outs and taxi times; a new, larger Delta Sky Club

with a Sky Deck; larger gate areas and more concessions space; and more efficient airport roadways.

On the western side of the airport, the new \$4 billion Terminal B, being built and operated by the private consortium LaGuardia Gateway Partners (LGP), is replacing the obsolete terminal that opened more than 50 years ago.

On the eastern side of the airport, Delta Air Lines' new \$4 billion Terminal C will ultimately comprise a total 37 gates across four new concourses. As part of the redevelopment project, each new terminal will be equipped with electric ground service equipment charging facilities to accommodate an electric fleet.

LGP and Delta are privately financing roughly two-thirds of the redevelopment's costs, and the Port Authority has committed the remaining one-third - most of it for overhauling and simplifying the current labyrinth network of on-airport roadways.

Additionally, last week the Port Authority board of directors approved the funding needed to build the LaGuardia AirTrain, which is currently undergoing Federal environmental review.



Hudson Group expands in Newark and Indianapolis airports

This week North American travel retailer Hudson Group announced it has been awarded new duty free contracts at Newark Liberty International Airport (EWR) and opened its first new stores at Indianapolis International Airport (IND).

In Newark, Hudson will operate six new duty free stores covering more than 7,500-square-feet of expanded retail space, as part of a joint venture with Byrd Retail Group.

Newark Dufry Shopping will feature design elements iconic to New Jersey, with inspiration from key areas including Elizabeth, N.J., the Ironbound area of Newark, N.J., the boardwalks along the Jersey coastline and agricultural touches from its farmlands.

The six new stores will open by mid-year of 2020 in Terminal B at EWR, carrying premium, duty free cosmetics and fragrances, fashion watches, jewelry, sunglasses, tobacco products, fine wines and spirits.

Hudson has extensive experience and presence in both New Jersey and New York including operations at Newark Liberty International Airport (EWR); John F. Kennedy International Airport (JFK); LaGuardia Airport (LGA), Atlantic City International Airport (ACY) and Stewart International Airport (SWF), as well as at the Port Authority Bus Terminal, Grand Central Terminal, New York Penn Station, the United Nations Gift Centre and Empire State Building in New York City.

Indianapolis

In Indianapolis, Hudson unveiled its first six stores this month, under a new 10-year contract announced earlier this year. The concepts include well-known travel and luxury retail brands FAO Schwarz, Tumi, Vineyard Vines, Ink, Hudson and tailored local staple Pitstop by Hudson.

As part of the airport's concessions refresh program, Hudson

Group will add a total of nine new stores. In addition, Hudson will occupy a 1,700 square foot location in the terminal, the largest retail store to date in the Indy airport.

The new stores will be operated under a joint venture agreement between Hudson Group and its ACDBE partners, Erin Humphreys of EnRoute Spa and Milan Patel of OHM Concessions Group.

FAO Schwarz IND debut

On Oct. 22, Hudson celebrated the grand opening of the iconic FAO Schwarz, by surprising consumers with life-size board games, nostalgic toy soldiers, a balloon artist and a photo booth.

Hudson Group and FAO Schwarz previously unveiled the toy store's first airport location at LaGuardia International Airport in December 2018.

The world's most famous, iconic toy store has provided magical experiences for children and adults alike for over 150 years, says the company.

Under its new owners, Three-Sixty Brands Group, it is now providing a unique and transformative retail experience at airports with signature toys and items, as well as FAO Schwarz treats and sweets.

Commenting on the new outlets at Indianapolis, Roger Fordyce, Chief Executive Officer of Hudson Group, said: "The Indianapolis International Airport was recently ranked as North America's best airport for the sixth year in a row, so we are both honored and thrilled to enter this new market and add the IND Airport team to our Hudson family."

Regarding the new contract at Newark, he added: "In addition to expanding our strong relationship with our landlord, Unibail-Rodamco-Westfield, and the Port Authority of New York and New Jersey, we are excited to deliver a leading collection of duty free shopping options for domestic and international customers traveling through Newark Airport."

SKYlink brings the FAO Schwarz experience to global travel retail

The reborn FAO Schwarz has broadened its retail footprint beyond its U.S. base to include a global audience using travel retail much like a launching pad.

With a flagship store opening in Beijing, China, earlier this year and London and Dublin openings scheduled for October 22 and 30 respectively, the potential for the FAO Schwarz experiential toy brand in global travel retail is clear, says exclusive global channel distributor SKYlink, which has very high expectations for the brand.

Listings have already been secured with DFS in 10 of its Galleria stores, and negotiations are in process for a number of key airport and cruise ship locations.

FAO Schwarz, an American icon before its New York store became famous globally in the 1988 American fantasy comedy film *BIG*, is again in the limelight thanks to *Big—The Musical Review*,

currently playing in London.

FAO Schwarz is a global kid's lifestyle brand that has always gone a step beyond just selling toys, says SKYlink managing director Barry Fitzpatrick.

He sees travel retail as a natural outlet for expansion, alongside its domestic growth plans, which will place FAO Schwarz as a leading high-end toy retailer across the globe.

"We were delighted when FAO Schwarz approached us to represent them in global travel retail. This is a brand whose belief in experiential marketing is perfect for the channel; and while other toy suppliers have fallen by the wayside in the face of e-commerce competition, FAO Schwarz is going from strength to strength," said Fitzpatrick.

Earlier this year FAO Schwarz partnered with Kidsland, China's largest toy distributor and retailer with almost 200 stores; and a

27,000 sq ft flagship store opened in China World Mall, Beijing.

This October the first flagship store opens in Europe within Selfridge's Oxford St location. The 20,000 sq ft, store takes its cues from the new New York City flagship outlet in the Rockefeller Plaza, featuring the famous Clocktower, Grand Piano dance mat and new FAO Rocket Ship.

Next month, Arnott's in Dublin is devoting an entire floor to a 6,000 sq ft FAO Schwarz store. More are also planned for Canada.

SKYlink has selected a core line of around 30 items that reflect the DNA of the brand display mechanisms that enable retailers to build a truly experiential offer for travelers, says Fitzpatrick.

Listings commence with DFS Galleria in time for the Christmas campaign at outlets in Cambodia, Hawaii, Hong Kong, Macau, Singapore and Vietnam.

The range will include Robotic



Robotosaurus Mini, Bumper Car Set, Flip Stunt Rally, Vintage Bluetooth Musical Microphone, Phantom Racer Trike, Plush Bear Soldier, Construction set and more.

"At SKYlink our modus operandi is to offer a portfolio of brands that stands apart from others available to retailers. FAO Schwarz is a perfect example of this and we're very excited about the potential for this historic and iconic brand in travel retail," adds Fitzpatrick.



Cutting the ribbon from left to right: Todd Knight, Stellar Partners; George Nahra, Chico's FAS; Craig Sherby, MarketPlace Development; Yasmin M. Sheriff; Terri & Sandy Roberts of Olympic Supply, Inc. t/a Onsite Retailers; Chellie Cameron, CEO, Philadelphia International Airport; Rex London & John DePriest, Stellar Partners.

Stellar Partners brings fashion touch to shopping at Philadelphia Int'l Airport

Philadelphia Airport also refreshed its retail offerings this week, with the opening of four fashion retail brands from Stellar Partners with MarketPlace Development: Chico's, White House Black Market, and Soma together in one place; plus trending activewear brand, Marika. A Stellar Books shop was also opened.

The multi-brand concept store **Chico's, White House Black Market, and Soma** is a first-of-its-kind retail experience for the popular Chico's brand.

"We are very excited to celebrate this momentous occasion with Philadelphia Airport and MarketPlace today. These prominent stores will have a great impact on the shopping experience in the airport for years to come," said

Stellar President and CEO Padraig Drennan. "It is also very exciting to debut Chico's first multi-concept location. Chico's is a specialty retail leader in women's fashion; together we are enhancing the customer experience at Philadelphia International Airport by showcasing the quality clothing and accessories of three popular and well-known brands."

Marika is known for casual, comfortable, yet stylish yoga-inspired clothing ideal for men and women on the go between workouts. Stellar and Marika are expanding locations in airports as part of an exclusive licensing agreement to serve the growing athleisure market.

Stellar has operated in PHL Airport since 2009.

TFWA to hold presidential election in December

Tax Free World Association will invite its Management Committee to elect a President at its upcoming meeting in December, in accordance with its statutes. The one-year mandate will run until December 2020.

Any members of the Management Committee wishing to stand for election are requested to indicate their intentions to the TFWA Election Committee the day prior to the meeting; any potential candidates from outside the Management Committee are requested to submit their candidacy no later than Friday November 15, by recorded mail to the TFWA Election Committee, Tax Free World Association, 23-25 rue de Berri, 75008 Paris, France.

For further information, please contact TFWA Vice-President Finance Frédéric Garcia-Pelayo via the TFWA office or at fpelayo@interparfums.fr.

SUSTAINABILITY

Display company Concourse signs up coalition to drive sustainability in travel retail

With sustainability currently top of the agenda for many businesses, along with all the issues that need to be tackled with regards to climate change and future-proofing the planet for generations to come, travel retail display management company Concourse is working to drive positive change with its brand and retailer clients.

During Dutch Design Week 2019 on October 25, Concourse was present at the signing of a Memoranda of Understanding to formalize an alliance with ECOR and Niaga. This marks an official partnership under which Concourse will now be introducing Niaga ECOR circular panels as a sustainable material in the design and implementation process of brand activation and store builds in the Global Travel Retail industry.

This innovative and sustainable material, which uses cellulose fiber waste in its production, has been developed to replace the use of non-recyclable materials such as MDF.

Using products such as Niaga ECOR helps to reduce unwanted and often toxic materials ending up in landfill, plus it also encourages a switch towards a circular economy, a concept that Concourse's Managing Director, Chris Morriss, believes is key to achieving sustainability in our industry moving forward.

Concourse first introduced the Niaga ECOR panels to the travel retail industry at TFWA Cannes

where it was featured in the Innovation Lab. Morriss also discussed it during his presentation at the Innovation in Action Workshop in Cannes.

"It's a move that we're very excited about and determined to achieve in Travel Retail, and we really believe it will result in a true paradigm shift for the industry," Jess Howells, Concourse group marketing manager, tells *TMI*.

This latest step by Concourse highlights their commitment to put the need for sustainability at the forefront of the design and implementation process, and follows on from other sustainable initiatives already introduced by the company.

For nearly a decade, they have encouraged their clients to work with their Triple R Strategy (Re-design, Re-dress, Re-use) for existing display assets and they have also committed to recycle or reuse 40% of all retail fixtures by 2022.

In May this year, Concourse also launched ReStore – a sustainable CSR-led initiative developed to focus on reducing the amount of retail furniture, fixtures and merchandising that end up in landfill sites.

This initiative identifies projects and charities that can benefit from Travel Retail's unwanted retail displays and provides a dedicated service to collect, repurpose and recycle old materials into new and worthwhile pieces of furniture that can meet other charities' needs.



Concourse stand at TFWA's Innovation Lab in Cannes earlier this month.

Heineken Global DF reports double digit growth



Heineken Trade & Category Manager Global Duty Free, Kateryna Vasylchenko, Heineken Commercial Manager Global Duty Free & Travel Retail Koos Vrijlandt and Heineken Senior Brand Manager Veroniek van Duren

Heineken Global Duty Free has reported double-digit sales volume growth versus 2018 in its duty free business (Cruise, Ferries and Inflight). The growth is driven by increased distribution for its portfolio of over 250 brands.

"There is also notable growth in the demand for lo/no alcohol options and this has delivered 73% sales volume growth for Heineken 0.0 (2019 v 2018)," says Kateryna Vasylchenko, Trade & Category Manager Global Duty Free, Heineken.

Inflight

Heineken reports that it now commands 38% inflight market share across its portfolio.

The double-digit growth is driven by "significant" new listings in all regions including easyJet in co-operation with Gate Retail, Emirates, Xiamen Airlines, China Southern and Hainan Airlines.

In March 2019, Heineken was awarded a five year-contract extension with KLM and Air France as the exclusive beer offering on both airlines.

Heineken has also seen growing demand for lo/no alcohol offers including Heineken 0.0 and has gained listings on KLM, easyJet, Eurowings/Lufthansa Group and Jet2.

Heineken's craft beer brand Lagunitas is listed on Singapore Airlines and all major North American airlines including United, Delta and SouthWest. Heineken believes the long-term inflight trend will be led by established global brands supported by a smaller contribution from craft beer, which accounts for 15% of inflight beer consumption.

Cruise and Ferries

As part of the Heineken company's continued strategic focus on innovation and commitment to delivery brewery quality beer, the global duty free division is expanding its on-ship distribution of Brewlock and Blade professional draught solutions.

"With the continued growth in world tourism, the development of new retail space and the ongoing trend for premiumization onboard cruise and ferry ships, there is a positive outlook for the future of our cruise and ferry business. Over 75% of world cruise passengers are from the US and Europe, with Europe predominantly driven by the UK, Germany, Italy, France and Spain.

"These are markets where our brands are well known and loved. European cruise and ferry travelers are increasingly interested in low/no alcohol beer and cocktails, therefore this category represents a significant growth opportunity for both suppliers and operators.

We feel confident playing in this area with our hero Heineken 0.0. Our proposition will be expanding in the near future with numerous non-alcohol options within our portfolio," says Vasylchenko.

Heineken Global Duty Free offers a diverse portfolio of beer and ciders, with many strong, regionally relevant brands. These include Birra Moretti, Red Stripe, Kalik, Tiger, Orchard Thieves, Strongbow, as well as Lagunitas, Desperados, Amstel, and Cruzcampo.

Royal Salute launches 25 YO "The Treasured Blend" exclusively in GTR

Royal Salute has unveiled a new 25 Year Old Scotch whisky, The Treasured Blend, available exclusively in airports and duty free stores beginning in November.

The first 25 Year Old expression in the Royal Salute portfolio, The Treasured Blend has been created by Master Blender Sandy Hyslop and was inspired by the Crown Jewels of England.

It follows the recent release of The Malts Blend and The Lost Blend, which joined The Signature Blend as permanent additions to the 21 Year Old portfolio in July 2019.

Royal Salute was first created as a gift for the coronation of Queen Elizabeth II in 1953 and has since been the official partner of all ceremonial royal gun salutes fired at the Tower of London, also home to and custodians of the Royal Regalia, or Crown Jewels.

"In a similar vein to the Tower of London, a British icon home to the Crown Jewels that's very dear to our hearts, the Royal Salute Vaults in Speyside protects a rare collection of some of our most precious casks," says Royal Salute Master Blender Sandy Hyslop.

"It's these 'treasures' of exceptional whisky that have been patiently matured for more than 25 years and expertly crafted to make The Treasured Blend, an exceptional whisky with an unmatched depth of flavor that only time allows."

The whisky comes in Royal Salute's signature porcelain flagon, with gold detailing and a sapphire jeweled stopper designed to be reminiscent of the precious stones set within the Imperial State Crown. Each flagon is individually numbered.

The Treasured Blend packaging features an illustration from Royal Salute collaborator and fine artist Kristjana S. Williams that is revealed when the double doors are opened. It depicts the animals of the Royal Menagerie attending a coronation celebration surrounded by the precious Royal Regalia at the Tower of London.

Royal Salute 25 Year Old The Treasured Blend is available exclusively in Global Travel Retail from November 2019 for RRP USD \$260.

