



Crisis management at the point of sale

DFA counters downturn with store investment, new brands, and IT upgrades

Duty Free Americas (DFA) has launched an aggressive program to increase its sales in the face of plunging passenger numbers and the current economic situation in its airport locations. Despite the crisis, the company is overhauling stores, introducing exciting new brands and further investing in new IT and POS systems.

“Our efforts are the result of not waiting for the crisis to go away. We are giving it a good fight,” Duty Free Americas (DFA) Airports Division President Enrique Urioste told *Insider*.

“Our philosophical approach to this crisis is to keep investing in the projects we were committed to,” stresses Urioste, who says that back in September, when the company saw the crisis approaching, it started reducing the “fatness” right away, by controlling expenses and going back to basics. These basics included introducing exciting new brands to entice customers. It also included significantly improving

logistics by automating its warehouses and rolling out more efficient POS systems: “The new system reduces by half the time of a transaction and gives us full information to track sales and run promotions. It was a huge investment.”

At the point of sale, DFA made a big splash last month when it introduced several high-profile, premium new cosmetic brands at its newly remodelled and expanded 8,000 sq.ft. duty free store at Terminal 7 at New York’s JFK International Airport.

The high-performing store, which opened in the British Airways terminal late last summer, was the launch site for the first ever free standing travel retail corner in an airport for NARS Cosmetics and for the first US travel retail outlet for the very popular New York skincare brand Kiehl’s Since 1851. The T7 store also launched high-end skincare/color line Sisley Paris and the popular Smashbox cosmetic brand.

The T7 store has also intro-

duced the exclusive Bond no 9 New York fragrance brand, and is one of the few airport to stores to carry the high-end perfumes.

The new brands were an immediate success, said Urioste: “In the first five days from the launch, we sold 600 units of Kiehl’s and 250 units of NARS.” Although he did not have specific numbers, Urioste said that sales for Sisley and Smashbox were equally impressive.

DFA’s introduction of new beauty brands is partially a response to a disagreement that Duty Free Americas had with Estee Lauder regarding pricing structures. The Lauder brands are

currently not available in the DFA stores, said Urioste.

“We chose the new brands after conducting research among our passengers, who told us that they wanted freshness, newness and a different experience,” said Urioste.

With its search for new brands, DFA’s Urioste says that the company is trying to offer a good balance between excitement and value: “Smashbox and NARS bring color and are very appealing; Kiehl’s and Sisley offer treatment options at different prices. Between them, we cover a range of expectations.”

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PEOPLE

Daniel Garcia, well-known **Dufry** executive who has been with the company for 18 years, has been promoted to Deputy Chief Operating Officer (DCOO) of France and Central Europe effective March 1. Garcia's positions at Dufry have included stints at the headquarters in Basel as well as in the operations in North Africa and Eurasia, including as Deputy General Manager in Sharjah and Commercial Director in Tunisia. Most recently, he worked as Director of Regional Category Management in Sharjah; then returned to Basel as Retail Operations Manager followed by the position of Group Category Manager for Watches, Jewelry & Confectionary.

TAG Heuer has announced a unique agreement with global film star **Leonardo DiCaprio** that combines "ambassadorship" with charity. Royalties generated from the three-year deal, as well as a multi-million-dollar commitment from DiCaprio, will go to support major environmental initiatives.

"TAG Heuer is a strong brand with a proven commitment to doing good," said DiCaprio.

"TAG and I will be making donations to some of the most influential and effective environmental organizations around," says DiCaprio. "Each and every day, these organizations are doing important work to ensure our planet's resources future generations. Hopefully, our donations will help expand their reach and raise their profile."

"Leonardo DiCaprio is ... a man who wants to change the planet and improve the plight of children in need. He is contributing his skills and wealth to a better, smarter world," said **Jean-Christophe Babin**, TAG Heuer CEO and president.

IAADFS has announced a modification to the schedule of next month's annual Duty Free Show of the Americas at the Greater Fort Lauderdale/Broward County Convention Center. In an effort to respond to the current economic situation, and based on feedback from many of its exhibitors, the Association's Board of Directors announced last week that the exhibition would be open from Monday to Wednesday, March 23-25, with Thursday, March 26, now converted to a full day of dismantling. The alteration is a way for the exhibitors to reduce expenses, said the IAADFS statement.

To date, IAADFS reports that the exhibit hall has reached 85% occupancy and a number of exhibitors have expanded their booths. Despite the economy, IAADFS is looking forward to another successful year and a great show in 2009.

The Show officially begins on Sunday, March 22, with a full schedule of events, including Sports Day activities, which now includes a Soccer match. An exhibitor appreciation luncheon from 1-3 p.m. is being introduced in place of the welcome picnic. The Opening Reception is 6:30-8:30 p.m. The gala dinner is scheduled for 7-11 p.m. on Wednesday evening. would has we have decided to alter the show schedule and end the show at 5:00 p.m. on Wednesday by converting Thursday thus reducing expenses for exhibitors.

IAADFS reports that it continues to receive and process additional requests for exhibit space for new exhibitors. To date IAADFS has added more than a dozen new exhibitors including companies such as Bolzano Handbags, BMC Imports, Cosmica CIA LTDA, Destilerias Campeny, SA, Distributions Fontaine Inc., Empire of Scents, eyebobs, Hobo International, Perfetti Van Melle Global Travel Retail, Rocky Patel Premium Cigars, and Zero Halliburton, Inc. A number of companies are also returning to the exhibit hall this year after an absence, including B+D Buch + Deichmann, Bardinet SAS, Campari International, Fossil, Industrias Tip-Top, Latin American Wines & Spirits Marketing, and UTO USA Inc.

The exhibitor list will be updated regularly on the IAADFS website, www.iaadfs.org, under *Duty Free Show of the Americas*, and the floorplan will be posted shortly.

IAADFS modifies schedule of Annual Duty Free Show of the Americas

Pre-registration for the 2009 Duty Free Show of the Americas continues, and last year more than 3,000 attendees participated in the show. The Association reports that the five official hotels are also filling quickly, and room reservations should be made promptly to guarantee that attendee preferences are met.

Pre-registration for the show will be open through Friday, March 6, and on-site registration opens on Saturday, March 21, which is also when onsite ticket sales will begin for most IAADFS-sponsored social events. Additional show information can be found on the IAADFS website, www.iaadfs.org, under *Duty Free Show of the Americas*.

Comment: The IAADFS says that it is working to ensure that the 2009 show will provide excellent opportunities to further business relationships and network with key decisions makers in the duty free and travel retail industry. The Association is making efforts to accommodate both exhibitors and attendees during the current crisis. The event provides attendees with the opportunity to maximize their time and budget by meeting clients and customers in one central location and taking advantage of prime business and social networking opportunities, especially in light of the current economic situation. *Travel Markets Insider* believes it is critical for the industry companies to support this crucial event to whatever extent they are able.





Island Companies Ltd. “The Mansions” opens in Camana Bay, Cayman Islands



Travel retailer Island Companies Ltd., which is celebrating its 30th anniversary in business this year, opened “The Mansion,” its most luxurious store to date, in Caymans Islands Camana Bay at the end of 2008. The 10,000 sq.ft. luxury jewelry and watch store is the new flagship of Island Companies Ltd., one of the companies in the Active Capital/Dart Group.

With a prime location on the Paseo, the store has been beautifully designed to represent the interior of a Caymanian great house, with the pineapple, a traditional symbol of welcome, used as a motif throughout. The elegant wooden paneling provides the perfect showcase for The Mansion’s luxury range of jewelry and watches from some of the worlds leading brands including Ulysse Nardin, Judith Ripka, John Hardy and Hearts on Fire.

Miami-based Artco Group are the architects of record. Artco designed and did all the technical drawings, from flooring, ceiling, lighting, windows, A/C, electrical complete design, colors, lamps, chairs and installation. A full article on ICL will be featured in the March issue of *Travel Markets Insider* magazine.

Air Jamaica pulling out of MIA, ATL, LAX, others

In another – not so positive --sign of the times, Air Jamaica recently announced that it was pulling out of Miami International Airport, as well as Atlanta, Los Angeles and Grand Cayman, and will discontinue service to Barbados and Grenada from MIA, effective February 26, 2009. The moves are part of its response to the economic downturn, said the company, which is exiting markets where it is losing money and revising schedules in others.

“This is a pivotal year for Air Jamaica, as we must become a lean and efficient airline to survive these difficult times,” President and CEO Bruce R. Nobles said in a statement.

Air Jamaica’s new schedule has 218 weekly flights to 14 destinations, with service between Jamaica and Toronto, New York (JFK), Chicago (O’Hare), Baltimore, Philadelphia, Orlando, Fort Lauderdale, Curacao, Nassau, and Havana, as well as service between New York and Barbados and New York and Grenada.

The Government of Jamaica is in the process of privatizing the airline to meet a March 2009 deadline, and a sub-committee of the Board of Directors is engaged in talks with potential investors.

DFA airport expansion

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DFA will now be rolling out the brands to its other airport locations, many of which are also undergoing renovations.

In addition, construction is finally underway on several new stores in Miami International Airport’s North Terminal. DFA opened its first small store in the North Terminal on December 22.

“It is doing fabulously well,” said Urioste. DFA has since begun construction on another store of approximately 7,000 sq.ft. in MIA’s North Terminal with construction of a 6,500 sq.ft store in MIA’s B-C concourse scheduled to begin in April. The company also plans a major renovation of its store in Terminal 3 at JFK, which is being expanded and redesigned, and will soon begin construction of a new store in Terminal C in Washington Dulles Airport.



EMPLOYMENT OPPORTUNITIES**Marketing Manager**

Island Companies Ltd (ICL) is a dynamic duty-free and travel-retail company with a 30-year history with 27 locations on the prestigious western Caribbean island of Grand Cayman. Strongly focused on jewelry and watches, ICL specializes in designer branded jewelry from fashion to luxury and non-branded jewelry heavily focused on diamonds and colored stones. Our watch business is strongly represented with top brands from fashion to sport, prestige, and connoisseur categories. ICL also features designer sunglasses, accessories, soft goods and travel-retail driven souvenir businesses. The company has over 40 head office employees and over 150 management and associate staff at retail. We are part of the Active Capital Ltd. group of companies, a division of Dart Enterprises and strongly positioned for continued future growth in the Cayman Islands and throughout the region.

We are looking for a
Marketing Manager to join our team.

Reporting directly to the Chief Executive Officer, this is a senior level executive position. Post holder will be responsible for all aspects of marketing, advertising, promotion, public relations and visual merchandising for the company. Primary responsibilities include strategic planning, marketing strategies, budgeting, co-op management, merchandising, corporate identity, concept development, contracts, vendor relationships, and community involvement with a focus on the key retail categories of branded and non-branded jewelry and watches, sunglasses, soft goods, travel retail and destination significant goods.

Qualifications and Experience:

Applicants must possess a Bachelors degree with a minimum of 8 years marketing experience at management, senior management and executive level in the specific areas of jewelry, watch, and/or travel retail and duty-free merchandise. Prior success in the Caribbean region and/or the cruise travel retail industry will be looked at favorably. In addition to above requirements, further career experience in merchandising and/or planning and/or retail operations and prior success in the Caribbean region and/or the cruise travel retail and/or duty free industry will be looked at favorably.

Total compensation package is commensurate with work experience and job performance. We offer a comprehensive benefits package including contributory pension plan, medical, dental and vision insurance.

Applications will be treated in the strictest of confidence and should be made in writing to:

aclcareers@activecapitaltd.com

or

Active Capital Ltd., PO Box 31135
Grand Cayman KY1-1205, Cayman Islands

To see other duties associated with this role, please go to: <http://travelmarketsinsider.net/AdvertisingTMI/advert-ICLMarketingManager.doc>

**General Merchandise Manager**

Island Companies Ltd (ICL) is a dynamic duty-free and travel-retail company with a 30-year history with 27 locations on the prestigious western Caribbean island of Grand Cayman. Strongly focused on jewelry and watches, ICL specializes in designer branded jewelry from fashion to luxury and non-branded jewelry heavily focused on diamonds and colored stones. Our watch business is strongly represented with top brands from fashion to sport, prestige, and connoisseur categories. ICL also features designer sunglasses, accessories, soft goods and travel-retail driven souvenir businesses. The company has over 40 head office employees and over 150 management and associate staff at retail. We are part of the Active Capital Ltd. group of companies, a division of Dart Enterprises and strongly positioned for continued future growth in the Cayman Islands and throughout the region.

We are looking for a
General Merchandise Manager to join our team.

Reporting directly to the Chief Executive Officer, this is a senior level executive position and post holder will be responsible for planning, directing and controlling the selection and buying of all merchandise with a primary and majority focus on the categories of branded and non branded fine and fashion jewelry, loose diamond and bridal, colored stones, gold, silver and watches, and a secondary focus on sunglass, accessory, soft good and travel-retail/destination souvenir.

Qualifications and Experience:

Applicants must possess a Bachelors degree with a minimum of 10 years merchandising experience at management, senior management and executive level in the specific area of jewelry, watch, and/or travel retail and duty-free merchandise. Prior success in the Caribbean region and/or the cruise travel retail industry will be looked at favorably. In addition to above requirements, further career experience in retail marketing, merchandising and/or retail operations and prior success in the Caribbean region and/or the cruise travel retail and/or duty free industry will be looked at favorably.

Total compensation package is commensurate with work experience and job performance. We offer a comprehensive benefits package including contributory pension plan, medical, dental and vision insurance.

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