

## IWSR Trends Forum highlights importance of travel retail for global alcohol industry

*Strong growth across all regions, especially Europe and Asia-Pacific.*

**London.** Travel retail remains a vital channel and key focus for the leading beverage alcohol producers. If the travel-retail channel was classified as a country, it would rank in the top five markets for most of the leading spirits producers.

Total travel-retail volumes for liquor grew 4.1% in 2017 to reach 32.3m nine-litre cases, while value grew 6.8% to reach \$9.5bn. Europe was the fastest-growing region for value (+8.1%), followed by Asia-Pacific (+7.6%).

Travel-retail liquor is in good health, yet below the top-line numbers many challenges and opportunities abound, including a changing traveler profile, the growing relevance of Millennial and emerging-market consumers and e-commerce.

Arrivals shopping is on the rise, notably in India and Brazil. China and Japan are also introducing expanded arrivals shopping – a sector that will become much bigger in coming years.

These findings and more were revealed at the IWSR's invitation-only Trends Forum at the Tax Free World Exhibition in Cannes on 2 October 2018. The IWSR Trends Forum featured an IWSR Global Trends presentation and a panel discussion on future growth opportunities for wine and spirits in the duty-free and travel-retail channel, chaired by Doug Newhouse with panelists from APTRA, Brown-Forman, Flemingo, Pernod Ricard and SDA/ADP.

Here are a few highlights from the discussions:

- Nodjame Fouad, Pernod Ricard: "When you look at Chinese and Korean travelers, they've got the highest spend per head, so these are key priority nationalities for us and if you look at the luxury spend in China, it's obviously rebounded quite significantly. We do see continued opportunity there, along with the very strong momentum in terms of tourism growth of Chinese nationality. We see that as something that's going to continue and a huge opportunity and a focus area for us."
- Paul Topping, Flemingo: "India remains top in terms of growth. The Indian market is somewhere between 50% and 80% of the total mix of duty free, depending on which category you pick. So you can imagine how strong and how much we rely upon the liquor category."
- Marshall Farrer, Brown-Forman: "We've seen a real resurgence in the European market. It's a very important business to us. We still source a lot of growth out of consumers and nationalities that might be viewed as a bit more mature for smaller companies and so having strength coming out of the European business has been fantastic. The softening of the US dollar helped the Americas a bit and the next thing that continues to be a nice

growth area for us is Asia.” Jack Daniel’s saw travel-retail sales rise 17% to top 1m nine-litre-equivalent cases in 2017.

The IWSR Global Trends presentation also highlighted emerging trends that are crossing over from the domestic channel, including the importance of e-commerce, emerging technology which makes it easier to blend the physical and digital retail experience, the consumers’ desire for luxury as well as a greater demand for convenience.

Read more insights from the IWSR Trends Forum Panel Discussion in a two-part series featured in the October and November issues of the *IWSR Magazine*.

The panel discussion participants were Nodjame Fouad, vice-president marketing global travel retail, Pernod Ricard; Paul Topping, international director, Flemingo; Guy Bodescot CEO and director general of SDA ADP (Aéroports de Paris and Lagardère Travel Retail 50:50 JV); Marshall Farrer; senior vice-president managing director global travel retail and developed APAC, Brown-Forman; Andrew Ford, president of the Asia-Pacific Travel Retail Association (APTRA).

-END-

**Press contact**                      [press@theiwsr.com](mailto:press@theiwsr.com) +44 (0)20 7689 6841

**Other enquiries**                    [enquiries@theiwsr.com](mailto:enquiries@theiwsr.com) +44 (0)20 7689 6841

#### **About the IWSR**

The IWSR is the leading source of data and analysis on the alcoholic beverage market. The IWSR’s database, essential to the industry, quantifies the global market of wine, spirits, beer, cider and mixed drinks by volume and value in 157 countries, and provides insight into short- and long-term trends, including five-year volume and value forecasts.

The IWSR tracks overall consumption and trends at brand, price segment and category level. Our data is used by the major multinational wine, spirits and beer companies, as well as financial and alcoholic beverage market suppliers. The IWSR’s unique methodology allows us to get closer to what is actually consumed and better understand how markets work. Our analysts travel the world in order to meet over 1,600 local professionals to capture market trends and the ‘why’ behind the numbers.

**The IWSR & the IWSR Magazine** 39 Moreland Street, London, EC1V 8BB  
t: 44 (0) 20 7689 6841 f: 44 (0) 20 7689 6827 e: [info@theiwsr.com](mailto:info@theiwsr.com) [www.theiwsr.com](http://www.theiwsr.com)

A trading division of IWSR Drinks Market Analysis Limited (formerly System Three Communications (London) Limited). Registration Number: (England) 1665101  
Registered Office: 5 Fleet Place, London, EC4M 7RD