Pernod Ricard: travel retail is 'fundamentally strategic'; Asia stays a key target



Alexandre Ricard- current Pernod Ricard Deputy CEO and COO [and set to be CEO in early 2015] - has described the duty free and travel retail channel as "fundamentally strategic" to the drinks giant, whose group sales in 2013/14 were flat at €7,945m (\$9,876m) on a like-fo-like basis.

Speaking at a media dinner at the TFWA Cannes show last month, Ricard (*right*) described the channel as both "dynamic" and "resilient" and said that the strategy of Pernod Ricard Travel Retail would be along the tracks of premiumisation and digital innovation with special attention paid to the journey that travellers take to maximise potential along its route.

PRTR identified **Asia** as a region of continued focus for growth – despite a -23% decline in the company's overall Chinese sales in 2013/14. The division, which had good growth in the region last year excluding China, driven in particular by Martell and Royal Salute, expects rising passenger numbers in China, India and smaller emerging markets to make up for the current slowdown.

## SUPER-PREMIUM APPETITE WANES



Con Constandis (left), Managing Director Pernod Ricard Asia Travel Retail,

comments: "We are looking forward to the year ahead and the opportunities that will appear through the rise in traveller numbers and the investment in infrastructure throughout Asia.

"Premiumisation is one of the key pillars to our strategy but the rise in the volume of middle class travellers means that we cannot afford to focus exclusively on the super-premium prestige expressions."

Meanwhile, there is also extra focus on the **Americas**, Pernod Ricard's largest domestic market, where a challenging financial 2013/14 year with a double-digit sales decline in DF&TR – adversely affected by destocking, trade disputes and the weakening of some South American currencies – means that there is some catching up to do.



Franck Lapeyre (right), CEO Pernod Ricard Americas Travel Retail, says: "The level of

investment at airports in the Americas is a very positive sign, this allows us greater space to work with, both in and out of store, and offers a great place to showcase products. We are currently seeing great growth in our strongest categories: vodka and whisky."

## **CONSUMER TRENDS**

Consumer drinking trends are driving changes elsewhere. In the **Pacific**, wine has become a sales driver. Peter Ham, Sales and Marketing Director at Pernod Ricard Pacific Travel Retail, comments: "Jacob's Creek, and St Hugo in particular, has a lot of potential and is currently one of the biggest exports to China from Australia; the rise in Chinese traffic should really benefit the brand in Pacific travel retail."



In **Europe**, engagement – including tactical pop-ups – is the strategy being used to

connect with travellers. Jenny Shipton (*left*), Marketing Director Pernod Ricard Travel Retail Europe, says: "Digital is a major strategic pillar for us at PRTRE but it's still in its infancy in the channel. We are looking to build on the idea of the 'Travel Trail' which provides a great extension to in-store activities and offers increased advertising opportunities."

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The so-called Travel Trail is also being deployed in the **Gulf** 



region. David Freeborn, Managing Director, Pernod Ricard Gulf, comments: "More effective and consistent communication throughout the traveller journey is critical in rhe Gulf for two key reasons: firstly, the high levels of transit traffic and, secondly, the importance of arrival sales, due to the restrictions on accessing alcoholic beverages in the domestic markets."

## **COGNAC & WHISKY LAUNCHES**

At Cannes, PRTR also introduced two new products: Martell Premier Voyage (*right*) and Chivas Regal Extra. Premier Voyage, a special blend created for the brand's 300th anniversary next year is being released to global travel retail at **DFS's Master of Wines & Spirits event** in Singapore.

The premium Chivas Regal Extra, a new expression for DF&TR, will be available from early 2015 and will form part of the Chivas Regal permanent range.