

HD Treasury Wine Estate pushes higher Presence in Duty Free Shops

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July 22: If you feel that the exposure to **wine** is minimal in the duty free shops in Delhi and other international airports where there are a plethora of luxury goods on display, you are not alone. World's biggest companies like Treasury **Wine** Estates also realise it and are seriously planning to aggressively act to get a fair share of the \$US39 **billion** global travel retail market

In fact Treasury **Wine** Estates (brands like Penfolds, Rosemount, Lindeman's-imported by Mohan Bros. , Beringer by Aspri and Wolf Blass by Pearl In India) has announced an expansion plan into the travel retail to ensure its wines aren't left out of the rush by other international luxury brands such as Louis Vuitton, Swarovski, Mont Blanc and Rolex fighting for shelf and display space at the upcoming modern airports duty-free shops and cruise liners. The focus is especially in Middle East and Asia where there has been an increasing influence on the **sale** of high class luxury goods.

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Enter the duty free shops at the Delhi or Mumbai Airports both in the departure and arrival lounges and you would be bombarded with the presence not only of these goods but also the whisky, vodka, gin and attractive displays of other liquors and liqueurs. Treasury **Wine** Estates (TWE) believes the **wine** category remains underdeveloped at airports, lagging behind the spirits sector which dominates 70 per cent of all alcohol sales. Penfolds and Wolf Blass wines can find their way into the shopping bags of high-spending global travellers, especially from **China**, the **company** believes.

To increase its share of this market, TWE had formed a partnership last year with the Nuance **Group**, one of the world's biggest travel retailers, to open its first standalone Penfolds store at Sydney Airport, the operations of which will reportedly be controlled from the Dubai office.

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While the general retail sector continues to face of tough market conditions and anxious consumers, the global travel market is on a strong growth trajectory with the international passenger growth rates of over 4 per cent and as high as 6 % in Asia), the emergence of low-cost carriers and continued strong investment in new airport terminals with larger retail space.

The improvements in the quality of retail offerings at airports have paved the way for owners of luxury consumer brands to better show off their goods, helping to turn airports into retail destinations for captive audience. Due to the strategic location of these stores and the significant time passengers spend waiting for flights it gives them the opportunity to window shop and make impulsive purchases, at times duties or the final cost not being the prime consideration.

Perfume and cosmetics have traditionally dominated airport retail sales but **wine** is hugely under-developed. **Wine** sales make up 48 per cent of domestic sales in Australia, but only 21 per cent of the global travel retail sector, with spirits taking the lion's share. The size of the prize is 6.8 **million** cases a year of **wine sold** through airport stores. Although Europe is responsible for the bulk of volumes, Asia is forecast to grow at higher rates in future.

Treasury **Wine** has significantly increased its marketing support and expenditure, launching displays, pop-up stores and permanent sites for its luxury wines including airport installations for its recent Penfolds 2014 Bins and premium wines range at Dubai, London, Amsterdam, Singapore and **Hong Kong**.

Its Sydney Airport store, dubbed -bringing the cellar door to the airport, was Penfolds' first standalone store with more to follow. Hopefully, it will be able to increase the presence of high quality Aussie wines in India through wines like Penfolds Grange and Bin 407, Bin 389 etc.

CO trzwn : Treasury Wine Estates Ltd

IN i764 : Airports | iretail : Retail | i64 : Retail/Wholesale | iairtr : Air Transport | itsp : Transportation/Shipping | i41 : Food/Beverages/Tobacco | i426 : Wine | ialco : Alcoholic Beverages/Drinks | ibevrge : Beverages/Drinks | icnp : Consumer Goods

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