

Treasury Wine Estates plots a win for the wine category in duty free

By **Jas Ryat** on July, 24 2019 | Spirits & Tobacco



Simon Carter, General Manager, Global Travel, Treasury Wine Estates

Australia-based Treasury Wine Estates (TWE) is one of the largest players in the duty free arena that is taking wine seriously. The company boasts over 70 brands in its portfolio that appeal to holiday makers, wine enthusiasts and collectors alike. The company's focus is to have a strong footprint in traveler recruitment to wine.

Asia Duty Free magazine met with the TWE team at CÉ LA VI in Marina Bay Sands Hotel, Singapore against a surreal backdrop of sailboats on clear blue seas.

Simon Carter, Global Travel Retail General Manager at Treasury Wine Estates, explained his firm's strategy to ensure smooth sailing ahead.

Wine as a category offers potential for success. "We are working with strategic customers and our global travel sales and marketing team are passionate and eager to partner and execute initiatives to grow the category," said Carter. "If you consider the percentage of wine consumption in developed markets it's between 30-40% of total alcohol. In duty free, wines represents about 17-18% of sales, so there is definitely opportunity for growth.

TWE's strategy has delivered the company results in terms of sales growth with key partners across the market place. Carter emphasizes that it's about finding the right product assortment and the right category plans to execute effectively and to better engage travelers. Recently TWE commemorated lead brand Penfolds' 175th anniversary. "The opportunity to celebrate the anniversary of the Penfolds Collection provides a halo effect for our executions in the overall channel across 2019," he commented.

"Having a clear strategy around the portfolio by region, and by customer, is important because it is easy for the traveler to be overwhelmed," said Carter. "We focus on brands as a signpost and then we look at wine styles and country of origin. We're always eager to execute with creativity to inspire and help travellers learn about wine styles, regions and stories."

Opening doors

Travelers have become more interested in wine as the category grows in duty free. Naturally this opens up doors for more varieties and price points for luxury wines. TWE has established a strong foothold in the luxury wine category as it caters to collectors and enthusiasts alike. Travelers are now researching brands and regions that offer high quality wines, allowing duty free to be the ideal place to service these consumers.

"We launched Penfolds Special Bottling this year. A new range which included Penfolds Lot 518 - Spirited Wine with Baijiu and the limited release Penfolds Lot 1990 pot distilled single batch brandy. They've performed well and delivered category growth for our partners across Asia Pacific. So we are very pleased with the results and looking forward to releasing the 2012 Champagne Thienot x Penfolds Chardonnay Pinot Noir Cuvee," commented Carter.

Global reach

TWE products can be found in Australia and New Zealand, the Americas, Europe and Asia. Asia remains a priority region for duty free in line with projected trends in passenger growth. Top end sales are driven by a combination of tourists from Asia and wine collectors who are frequent flyers.

"Planning with our partners is focused on insights to highlight the opportunity for wine in travel retail. We think there is head room for growth and insights differentiate us from our competitors. If we can build the category it will be positive for everyone," he concluded.