

Strong participation & optimism bolster Summit of the Americas 2024



IAADFS President and CEO Michael Payne tells GTR Magazine's Hibah Noor that next year's Summit will be held in West Palm Beach, April 14-17, 2025, adding that he and his team are actively exploring future Florida options in response to membership requests to consider a new location. IAADFS' goal is to provide an update by April, but no final decisions have been made. IAADFS' primary focus is the upcoming 2024 event in West Palm Beach

Michael Payne, President and CEO of IAADFS, is optimistic about the upcoming Summit of the Americas, noting, "I think we're in a really good spot, we're feeling very positive about it." With 70 exhibitors already committed - nearing last year's total of 76 - and ongoing inquiries for more space, Payne says the Summit's exhibit participation is looking positive. Registration trends are mirroring last year's, with a slight uptick in the supplier category and buyers now beginning to register more actively. Payne anticipates a surge in participation similar to previous years as the meeting dates get closer, and mentions that the hotel block for the event is nearly full, indicating strong interest and attendance expectations.

Category Split and buyers

Payne confirmed the presence of a diverse range of exhibitors at Summit, with a continued emphasis on spirits, tobacco and confectionery, though this year promises to have more accessories spaces. "There will be perfume companies in attendance, but we don't have anybody taking a big space. It is an area that we are really focusing on maybe more for the future than this year," says Payne. We've had some engagement with the perfume and cosmetics people and I think there's going to be a way to get them back involved probably not the same way they used to, but we hope to strike a chord to get them to participate in a more engaging way."

This does affect which buyers attend, Payne admits, adding: "Some retailers have very segregated

buyer responsibilities, others have several categories. They're responsible for not just spirits, but they might also be doing cosmetics and accessories and chocolates or with some combination thereof."

He notes a pattern where non-spirits exhibitors receive more attention on the latter days of the event, as key buyers initially focus on spirits and other categories. "Companies like Motta International tends to bring reps for numerous categories," he says. "I think most of them will do that and Avolta, as another example, is planning to bring over 35 buyers which is really an important contribution.

The encouraging sign, according to Payne, is the diverse group of buyers, with 35 representatives from various countries already signed up. For many exhibitors, securing a few meaningful meetings is enough to deem the event a success.

Payne says last year's event saw the return of Caribbean buyers and even a few more Central American buyers. "We had a good representation from South America," he says. "I think that'll happen again this year. We've opened the Summit up to more than just airport duty free. We've been casting a wider net and I think that's made a difference."

Summit program

The event will kick off with a dynamic plenary session on Monday morning at 8:30am, featuring welcoming remarks and updates on the association's developments. The session will also host an interactive panel discussion with three or four supplier brands and a concessionaire member, emphasizing an open, question-and-answer format over traditional presentations.

On Tuesday, attendees can look forward to a workshop focused on the cruise industry, starting at 1:00pm. There's also talk of adding a second workshop that morning, which would cover travel retail more broadly, with a special focus on food and beverage.

The event will feature social gatherings, starting with the opening reception on Sunday night, followed by receptions on Monday and Tuesday evenings, continuing the tradition of the past few years.

A new addition this year is a luncheon scheduled for Tuesday, likely from 11:30am to 1:00pm. Planned to be held outdoors, the luncheon aims to provide a casual BBQ setting, allowing attendees to enjoy a meal and return to their activities refreshed and ready to engage.

State of the industry

Payne notes an overall positive sentiment to the state of the industry despite certain challenges. "People are pretty upbeat. It's busy," he remarks. The cruising segment in the Caribbean is witnessing a significant boom.

However, not all regions are experiencing the same level of recovery. Airports that traditionally relied on Chinese tourists, such as Vancouver, are only beginning to see a return of these travelers. The absence of Russian shoppers and the slower return of business travelers, who are also spending less than before the pandemic, are noticeable in certain markets.

Despite these variances, the travel industry is bustling, with flight capacities stretched thin due to high demand. Nevertheless, regional issues like the wildfires in Chile could dampen tourist travel in the short term though Payne notes that companies with a global presence can often mitigate losses in one area with gains in another.

This adaptability and global reach contribute to the industry's optimistic outlook. Payne encapsulates this sentiment, stating, "I think they're all optimistic; they're getting the customers."

Spend and travel

Payne says current spend is a double-edged sword. "I don't think they're spending the way they used to in the stores, in part because they're spending so much on tickets and hotel rooms."

Despite inflation driving up costs, with flights becoming "crazy expensive," Payne points out a resilient trend: people are still traveling en masse. He observes: "The trend shows that people just keep flying. They keep coming; they keep buying tickets."

Operational challenges

Staffing continues to be a challenge within airports in particular, says Payne: "It's a real struggle to find workers still," he says. While not as critical as it was in latter 2022, the situation remains difficult. Airports and airlines are employing various strategies to attract employees, such as increasing wages, offering signing bonuses and providing daycare services to accommodate young mothers as examples.

Payne mentioned that in many airport locations the commute poses an additional hurdle in hiring skilled workers. The balance between offering competitive compensation and managing financial constraints is complex. "Everybody's getting pushed, and finding the right combination is difficult," he expresses, acknowledging the financial pressures airports face with obligations such as bond repayments amid inflation.

Coming years

Looking ahead, Payne forecasts a bright future for the travel retail industry, driven by a burgeoning middle class. He confidently states, "There's an explosion of middle class travel and that's just going to keep growing."

He anticipates changes in traveler demographics and spending habits, but remains certain about the continuous growth in travel and airport development, despite regional challenges.

A significant obstacle will be scaling airport facilities and airline capacities to match demand, including the need for more pilots. Yet, he remains undeterred: "I don't think people's desire to travel is going to go anywhere but up." Payne also believes in the industry's ability to adapt and improve the shopping experience for travelers, thereby increasing customer penetration rates.

Summing up the industry's resilience, he concludes, "People are recognizing more the value of time and enjoyment. The one reason they justify some of the expense of air travel is because they want to go."