

**Cannes 2001 – An In Depth Analysis**  
**Monday, 22 October 2001**  
**Travel retailing on the edge of technology**

The Travel Retail industry is trading in dynamic, exciting times. In the wake of a host of challenges posed by the abolition of intra-EU duty free, the industry has rallied to show its ingenuity and collective will to take travel retail to the next level.

Retailers and suppliers alike have absorbed the shock of currency devaluation and economic fluctuation and proven their resolve with new ways to offset losses and compensate for the downturn in business. The exciting part is that international travel is still growing at an impressive pace and governments around the world are rising to the challenge by upgrading their own transportation and tourism infrastructures, creating more opportunity for the travel retail trade.

While the industry evolves within a host of structural changes, perhaps the greatest challenge is to keep pace with the ever-evolving consumer: understanding their expectations, their various points of reference, their changing concepts of value, the basis for their different perceptions, their lifestyles and, in the end, their motivation in spending.

2000 TFWA Conference illustrated to what extent technology has played a role in shaping the behaviour and expectations of consumers. Keynote speaker Chuck Martin gave the industry a snapshot of how technology is currently being developed to allow retailers to track their best customers, build loyalty and increase their average sale. "One hundred percent of that technology is available today," he said.

Indeed it is. The Internet has made it increasingly easy to track and communicate with the traveler, and retailers who are willing to harness the power of the Internet and other advances in communication will find themselves retailing on the edge of technology.

In 2001 Chuck Martin returned to the stage of the Palais des Festivals in Cannes to revisit the theme of technology and retail. This year, he had reigned in the developments of the past 12 months, new insights into consumer behaviour and his own unique understanding of marketing dynamics to show the Travel Retail trade how to integrate an Internet strategy into a business development plan.

A key part of Martin's presentation has been the critical insights he offers into the spending habits of high-frequency, high net-worth travellers, taken from fresh research completed this year. The research is being conducted to better explore the challenge Martin made to the travel retail industry in 2000: the counter-intuitive approach to marketing-devoting more effort, more investment to tracking and servicing your best customers.