

Press Release, 15 August 2018

DFWC KPI Monitor reveals novelties in duty free continue to drive shopper satisfaction

Duty free shops are perceived to be ideal locations to find new products, according to the latest Duty Free World Council's (DFWC) quarterly KPI Monitor, produced for the Council by Swiss research and consultancy agency m1nd-set. The novelty factor in duty free shops has seen 8% growth in passenger satisfaction over the last 12 months and a 3% increase since the first quarter of 2018.

The Monitor, which aggregates satisfaction scores on all aspects of the consumers' visit to duty free shops, weighting them according to their impact on the overall satisfaction, is compiled through interviews with over 4000 international travellers across all world regions during the month of June. Asia Pacific and North America were the only regions which saw an increase in the overall satisfaction index. The Middle East declined by one percentage point. The overall satisfaction level in Asia Pacific stands five points above both the Middle East and the global average, which remains stable compared to Q1 this year. Europe and South America also saw no movement on Q1.

The Monitor's IATA air traffic benchmark shows global 8% year-on-year growth in international passenger numbers to 831 million. Asia Pacific again leads growth with an 11% increase V Q2 2017, compared to + 6% for Europe, + 5% for Latin America, + 4% for Africa and + 2% for both North America and the Middle East.

Shopping as "part of the overall travel experience" remains the most popular satisfaction driver among global passenger perceptions of duty free shopping with 47% of travellers saying they agree with this view, up one point from the previous quarter. The motivation to purchase duty free exclusives, product variety and great gifting opportunities are jointly the second highest rated perceptions with 42% of travellers agreeing. Next comes the new products perception which has seen the strongest growth among satisfaction drivers. While price advantage and value for money in duty free remain the top two reasons for purchasing in duty free shops, the two criteria which have the most impact on passenger satisfaction are value for money followed by uniqueness of products and services.

The non-shopper analysis highlights the importance of price advantage and value for money once again with high prices and the lack of motivating promotions being two main reasons travellers cite for not purchasing from duty free shops during their last trip. Three of the top 6 reasons for not visiting shops also reflect the negative price perception of the duty free offer.

About the Duty Free World Council

The Duty Free World Council, the DFWC, is the industry association representing the interests of the global duty free and travel retail channel and has the overall objective of creating the optimal operating environment for the industry that will allow it to achieve its full potential.

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About m1nd-set

m1nd-set is the largest independent and privately owned travel and travel retail research agency, based out of Switzerland. It conducts research for clients across all world regions, working for over fifty companies in the travel sector, including brands from all product categories, as well as a number of the duty free and travel retail associations and several leading retailers in the industry.

m1nd-set is present with local interviewers at over 60 airports on a regular basis to conduct on-site research. It also has its own database of regular international travellers. Corporate social responsibility is a fundamental part of the company's philosophy and each year commits a minimum of 10% of profits to charity, mainly for unprivileged children in developing countries.

Further information about m1nd-set's customer segmentation model and more detailed data on the various aspects studied in the Monitor is available from m1nd-set upon request.

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