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Duty free differential emerges as key satisfaction driver in latest DFWC KPI monitor

The Duty Free World Council (DFWC) quarterly KPI Monitor for Q3 2018 reveals the consistently growing importance of the “duty free differential” as a satisfaction driver. The Monitor, which is compiled through interviews with over 4000 international travellers across all world regions during the month of September by Swiss research and consultancy agency m1nd-set, shows that global shoppers increasingly state duty free shopping as a “truly different experience” among the main satisfaction drivers. This is now expressed by 32% of shoppers interviewed in the panel, compared to 29% at the same time last year.

This is also reflected by the percentage of shoppers who say they purchased goods from duty free shops because the products were “different from usual” with 22% of shoppers quoting this purchase driver, up four points from 18% in the last quarter. Duty free shops as a place to find exclusive and unique products and try new brands have also seen strong growth over the past 12 months with an increase from 28% to 30% for “exclusive products” and from 28% to 35% for “new brands” as satisfaction drivers.

The KPI Monitor overall shows a 2% increase in customer satisfaction since the previous quarter with rises in the Asia Pacific, Middle East & Africa and South America regions. The Monitor, which also illustrates traffic growth with traffic data from IATA, shows the year-on-year increase in global traffic of 7%, in line with growth in Q2. The strongest regional growth was seen in Europe and Asia Pacific, each increasing by 8% over Q3 2017.

Commenting on the results, DFWC President Frank O’ Connell said: “The industry is moving towards more experiential retail executions and this is reflected in increasing customer satisfaction with experiential shopping at airports. We see from the research that experiential retail is among the top reasons for shopping in airports. It’s important to note that a lack of experiential retail is also what is keeping shoppers away.”

m1nd-set owner and CEO Peter Mohn commented “our research also indicates that footfall would definitely increase if travellers knew they could find more unique experiences when shopping in airports. This should be reflected in store design, with greater focus on sense of place, a more personalised customer service approach and more proactive use of technology in-store, as well as in the way the stores communicate with shoppers for example highlighting testing and sampling opportunities.

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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