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DFWC KPI monitor shows Travel Retail Exclusives essential to Duty Free shoppers

The importance of Travel Retail Exclusives is underlined in the latest Duty Free World Council's (DFWC) quarterly KPI Monitor. The latest report for Q4 2018 reveals that global shoppers are more motivated to buy exclusive items in duty free shops, up 2% on the previous quarter with 45% of shoppers agreeing with the statement. International travellers' perception of duty free shopping also reveals improved ratings for duty free shops as "a great place to try new brands", to enjoy a "truly different experience" and to find "exclusive and new products".

The Monitor is compiled through interviews with over 4000 international travellers across all world regions during the month of December by Swiss research and consultancy agency m1nd-set. The report also includes global air traffic data, which shows robust year-on-year increases 7.4% globally with Africa (+10%) and Europe (+8.4%) showing above average increases on Q4 2017.

The overall customer satisfaction index shows a global increase of 2 points on Q3 2018, with the highest increase in Asia Pacific (+2), which is also the best performing region. Europe and South America both report a one-point increase in the global index and both the Middle East and North America show no change.

The importance of exclusives is further underlined by the increasingly positive perception about the variety of products and how this makes duty free shops "a great place for shopping". This perception gained +2% versus the 2018 Q3 Monitor.

The key reasons after price advantage and value for money for buying in duty free shops are because the products are "not found at home" and are "different from usual". "No duty free exclusives" also moved into the top 5 reasons for not purchasing in duty free shops in the last quarterly report.

Frank O'Connell, DFWC President, commented on the findings: "The time of year is clearly a contributing factor to the importance of exclusives with brands and retailers pushing the exclusives and travel retail exclusive gift offers during the festive season. For both western travellers for Christmas and Chinese travellers purchasing ahead of the Chinese New Year period, travel retail exclusives are key purchase drivers at this time of year.

If we look at the impact of the qualitative aspects on the overall perception of the duty free shopping experience as well as value for money, we see that "uniqueness of products / services" is the second most impactful aspect on the satisfaction levels among global duty free shoppers."

Peter Mohn, CEO & Owner at m1nd-set added: "It is vital for brands and retailers to offer a clear price advantage in duty free shops as this is what customers look for first and foremost, and uncompetitive prices remain the main barrier to visiting and purchasing in the channel. However, there are increasingly important expectations around the uniqueness of the offering

and experience. A growing number of duty free shoppers are buying products which they have never bought before or which are unique and exclusive to Duty Free.”

Further information about the various aspects studied in the Monitor is available from m1nd-set upon request (info@m1nd-set.com.)

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.

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