

Press Release, 30 July 2019

DFWC KPI Monitor underlines the need to refocus on customer satisfaction drivers

The latest Duty Free World Council (DFWC) KPI Monitor, produced for the Council by Swiss research agency m1nd-set, reveals steady growth in some of the key satisfaction drivers for duty free shoppers. The Monitor, which is compiled from over 4000 interviews with shoppers globally conducted in June for the second quarter of 2019, shows the global average has increased by one percentage point since Q1 2019.

Performance in North America declined by one point, while the index shows an increase of one point across all other regions, apart from the Asia Pacific region, where there has been no change since the previous quarter. Compared to the same period in 2018 however, there has been a consistent increase in the global average. Asia Pacific is the only region with an above average score. All other regions post below average scores in the overall satisfaction index, which is computed by aggregating the satisfaction scores on all aspects of the visits to the duty free shops and weighting these based on their impact on the overall satisfaction level.

The Monitor, which also tracks airport passenger growth with data from m1nd-set's Business Intelligence Service (BIS) in partnership with IATA, shows passenger traffic has risen across all world regions since Q2 2018, with a global increase of 5.6% to 882 million passengers. The strongest growth comes from Europe, which experienced a 6.6% increase on the same period in 2018.

The latest KPI Monitor, according to ETRC President Frank O'Connell, demonstrates the need for the industry to keep in focus the key satisfaction drivers and ensure staff continue to engage with shoppers. "The level of engagement between staff and visitors to the duty free shops has declined since the previous quarter by 5% according to the DFWC KPI Monitor, which is quite a concern, O'Connell commented. "The impact of this decline in engagement is directly visible in the overall satisfaction levels and perception of duty free shops. We see in this quarterly Monitor for example that there is only one contributing element to the overall perception of duty free, "duty free is a great place to try new brands" that has seen an increase in the percentage of travellers who agree, while all other criteria have either seen a decline or stagnated.

"As we discussed in the last quarterly report, there is a direct correlation between staff engagement and customer satisfaction, O'Connell continues. "It is essential for brands and retailers to ensure sales associates on the shop floor continue to interact and engage more with customers."

Peter Mohn, Owner and CEO at m1nd-set added “We see clearly from the Monitor that where staff interaction is greater, there is also greater influence on the decision to purchase. This is particularly evident in the Middle East/Africa region and in the Beauty and Fashion & Accessories categories. Staff in the Electronics category also perform well in influencing the purchase decision. There clearly needs to be more focus on engaging with older travellers as well as with those duty free visitors shopping for alcohol, confectionery, tobacco and souvenirs where engagement levels are markedly lower.”

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 one hundred 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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