

Press Release, 14 November 2019

DFWC Q3 KPI Monitor highlights the importance of engaging with shopping planners prior to travel

The latest Duty Free World Council (DFWC) KPI Monitor, produced for the Council by Swiss research agency m1nd-set, focuses on shopping planners and strategies to engage with them to increase penetration and conversion. 75% of shoppers plan their purchases prior to travel, according to the DFWC Monitor. While the majority (52%) of shoppers who plan their purchases do so with only few if any ideas of what they will purchase, the remaining 23% plan their purchases with a specific idea of which product or brand they will buy once in the duty free shop.

The Monitor, which is compiled from over 4000 interviews with shoppers globally and was conducted in September for the third quarter of 2019, is computed by aggregating the satisfaction scores on all aspects of the visit to the duty free shops and weighting these according to their impact on overall satisfaction. The Q3 Monitor shows the global average for customer satisfaction has increased by 1 point since Q2 2019 with the Middle East and Africa experiencing the strongest increase, up from 66% in Q2 to 68%. Duty free shops are considered to be a great place to purchase gifts, according to the Monitor, by around four out of ten shoppers. The percentage of shoppers purchasing for gifting remained constant over the past quarter at 43%.

The Monitor, which also tracks airport passenger growth with data from m1nd-set's Business Intelligence Service (BIS) in partnership with IATA, shows Asia Pacific and Europe both experienced above average air traffic growth, at 5% and 3.9%, respectively. Global traffic has increased by 3.7% to 979 million passengers on the same period in 2018 (end of Q3). All other regions posted below average growth with air traffic rising by 2.7% in the Middle East/Africa, 2.3% in North America and 0.7% in South America.

DFWC President Sarah Branquinho explained how the KPI Monitor shows the importance of identifying the key communication touch points to engage with shopping planners not only before they enter the store, but also before they travel. "The latest DFWC KPI Monitor brings to the fore an important key to increasing penetration and conversion. With three quarters of shoppers planning their purchase, but less than one fifth of shoppers noticing touch points before their trip, Travel Retail marketers need to identify the most effective pre-trip touch points to reach these shopping planners and integrate these into their media planning strategy.

Owner and CEO at m1nd-set added “The Monitor also demonstrates that the pre-trip communication on the duty free offer has a significant impact on both customer expectations and satisfaction with the shopping experience. It’s all the more important therefore to pay particular attention to these touch points and take into account how different customer segments engage with the various touch points to avoid standardizing the marketing message.”

“Given that travellers are increasingly drawing up a list of their preferred brands for shopping during their trip, prior to departure.” Mohn concludes, “marketers need to ensure those who are planning are exposed to the brands across touch points prior to travel. The higher the exposure the higher the probability that the ‘specific planner’ shopper segment will convert.”

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 [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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