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“Variety” and “value” emerge as key satisfaction drivers in DFWC Q4 KPI Monitor

The latest Duty Free World Council (DFWC) KPI Monitor for Q4 2019 reveals that while value remains one of the key purchase drivers for global shoppers in travel retail, variety ranked highest for shopper satisfaction. 48% of shoppers say that the variety of products in duty free shops makes them “a great place for shopping”, 2% more than in Q3 2019. The novelty aspect of duty free shopping is also a significant contributing factor to shopper satisfaction with 47% stating duty free shops are great for discovering new brands, up 3% on the previous quarter.

The Monitor, which is produced for the Council by Swiss research agency m1nd-set, is compiled from over 4000 interviews with shoppers globally. Field work was conducted in December for the fourth quarter of 2019. Given the seasonal/festive shopping behaviour during this period it is not surprising that gifting also emerges as one of the key satisfaction drivers among shoppers in duty free stores. Gifting as a satisfaction driver rose 2 points on the previous quarter, from 39% to 41%; it also emerges as the second highest purchase driver for global shoppers in Q4 with 30% of shoppers citing it as a key motivation. The top purchase driver is price/quality ratio, quoted by 31% of duty free shoppers.

The global average for customer satisfaction remained stable since the previous quarter in 2019, at 70%. Both the Middle East/Africa and Asia Pacific regions saw moderate increases of 2% and 1% respectively, with Asia Pacific posting an above average score for overall customer satisfaction, at 74%. Europe and the Americas show below average scores for overall customer satisfaction at 60 and 61%.

In terms of traffic growth, Europe posted the strongest year-on-year gains, + 4%, followed by Asia Pacific with 3.1% growth. Both grew at rates above the global average of 2.6%. Traffic in the Middle East/Africa region was still positive albeit less dynamic at + 0.7% while North America recorded negative growth at -0.1% and South America -2% compared to Q4 2018 according to IATA, m1nd-set’s air traffic data partner.

DFWC President, Ms. Sarah Branquinho, underlined the importance of both variety and novelty in the product offer to keep passengers engaged in duty free shops. “While price is often top of mind for many customers in duty free, we see from the DFWC KPI Monitor that new products and differentiation - goods that are different to those duty free shoppers can find back home - are

essential to creating shopper satisfaction. The latest Monitor also shows that a strong selection of unique products that are suitable for gifting, targeted promotions and new product launches all help increase shopper satisfaction levels – and consequently, spend levels.”

Peter Mohn, Owner and CEO at m1nd-set added “It’s important that shoppers are constantly aware of the promotions and the value offering in the duty free shops. These criteria are the key purchase drivers, but more importantly, the lack of attractive promotions, and prices that are higher than shoppers find back home also constitute the key barriers to shopping in duty free. It’s necessary to maintain a positive price perception therefore as well as offering a novel, unique and wide assortment.”

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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