

Press Release, May 5th. 2020

DFWC Q1 KPI Monitor reveals Covid-19 impact on shopper behaviour amid global passenger satisfaction

The KPI Monitor for the first quarter of 2020 released by the Duty Free World Council (DFWC) reveals a drop in passenger satisfaction compared to the same period in 2019. The Monitor, produced for the Council by Swiss research agency m1nd-set and compiled from over 4000 interviews with shoppers globally, shows a decline in satisfaction in both Asia Pacific (-2% vs Q1 2019) and North America (-1%), stable levels in Europe and only the Middle East and South America posting moderate increases (+1%). The global average also falls by 2% compared to the same period in 2019.

Traffic is dramatically down on 2019 figures for the first quarter across all world regions due to travel restrictions imposed by governments in response to the Coronavirus pandemic. Traffic data is not covered in this edition due to the exceptional circumstances which means benchmarking is currently not pertinent. The impact of the Coronavirus on duty free shopping behaviour is featured, however. 21% of travellers who say they usually visit the Duty Free shops to browse would not do so, and 26% of those who did visit the shops said they spent less time in the shops because of Covid-19. The categories most affected by the shopper behaviour change are Perfumes, Alcohol and Skincare. The road to recovery is set to be a long and challenging path, as 75% of travellers interviewed for the Q1 KPI Monitor said they would avoid travelling to certain destinations for the next six months.

The 2020 Q1 Monitor reveals the importance of several key attributes to shopper satisfaction. Value for money remains the main satisfaction driver among global shoppers, followed by the variety and uniqueness of products in stores, the atmosphere in the shops and level of service and in-store communication, which all feature prominently. Exclusives and gifting also emerge among these key elements to the overall positive passenger experience.

This is also reflected in the main reasons passengers give for shopping at airports. 31% say both price quality ratio and price advantage are the primary reasons they purchase at an airport duty free shop. The unavailability of the products at home is the third most stated reason with 28% of shoppers citing this, further underlining the importance of variety and uniqueness of products. The suitability of products for gifting is also high among the reasons for purchasing at 28%. The other main reasons are differentiation (23%), brand loyalty (20%), souvenir purchases (17%) and convenience (16%).

DFWC President, Sarah Branquinho, stressed the importance of maintaining checks and balances on performance and passenger satisfaction, given the current global crisis. “Shopper insights have always been a necessity to ensure we are in line with customer expectations and aware of new trends and behaviours. They have never been so important as in times of crisis like that which we are currently experiencing on a global scale. The DFWC KPI Monitor continues to gauge how shoppers in our stores perceive our offer. More than ever before, over the next few months we will need to pay attention to what our customers are telling us.”

Dr. Peter Mohn, Owner and CEO at m1nd-set added: “These unprecedented times will call for new ways of thinking and operating. While differentiation, exclusives, variety and value for money are currently key elements of shopper satisfaction, we can expect to see new benchmarks emerging in the future such as ‘safe place to shop’ and ‘hygiene level and cleanliness of store’ or even ‘possibility to shop without interaction’.”

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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