TFWA

2016

RESEARCH

mind-set

expert in travel market research

Impact of e-commerce and mobile technology in Travel Retail and Duty Free

Methodology & Sample Sizes

- **4.003 Online** interviews
- **15-20 minutes**

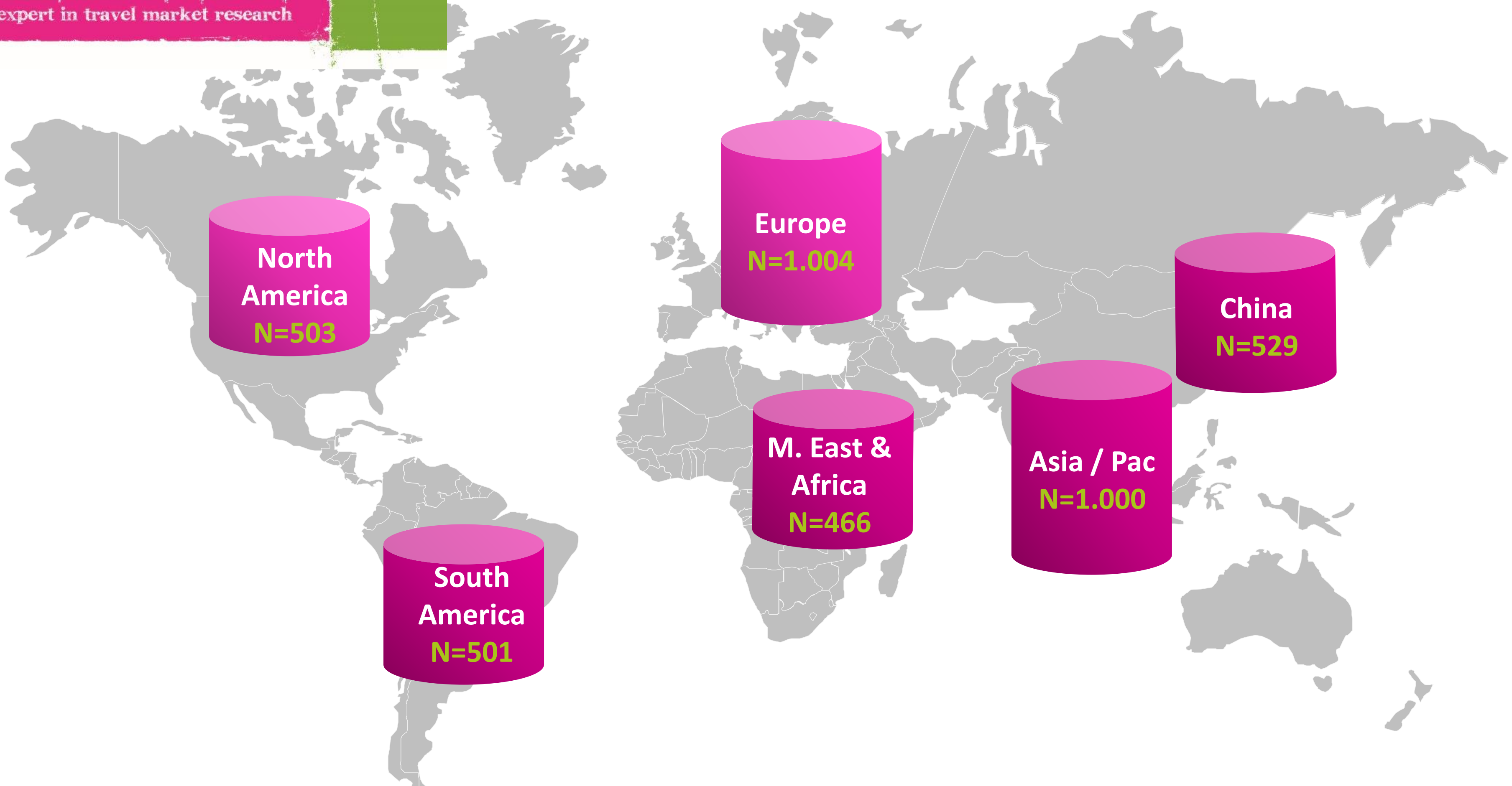
- Translated into the 6 **main relevant languages**

- Respondents were recruited using **m1nd-set's database of international travellers,** who have been recruited at **departure gates at various airports** around the world

- Fieldwork in **Q2, 2016**

- Available to all TFWA members since September 2016

Sample Distribution



Profile of Sample

Age Groups

Av. 41 y.o.

21-25 years old	8%
26-35 years old	32%
36-45 years old	26%
46-55 years old	20%
56+ years old	15%

Gender

56% of Males

44% of Females

Income Groups

Far above the average	17%
Slightly above the average	38%
Around the average	32%
Slightly below the average	10%
Far below the average	4%

Education

University Graduate	55%
Master / PhD	22%
Technical education	13%
High school	10%

Occupation

Middle management	22%
Senior management	15%
Professional	14%
Engineer, technical	10%
Self-employed	10%
Administration	9%

Internet Usage

At least once a day – 95%

Class of Travel

	Business trips	Leisure trips
First	12%	7%
Business	41%	16%
Premium Eco.	11%	14%
Economy	36%	63%

Average trips (Last 12M)

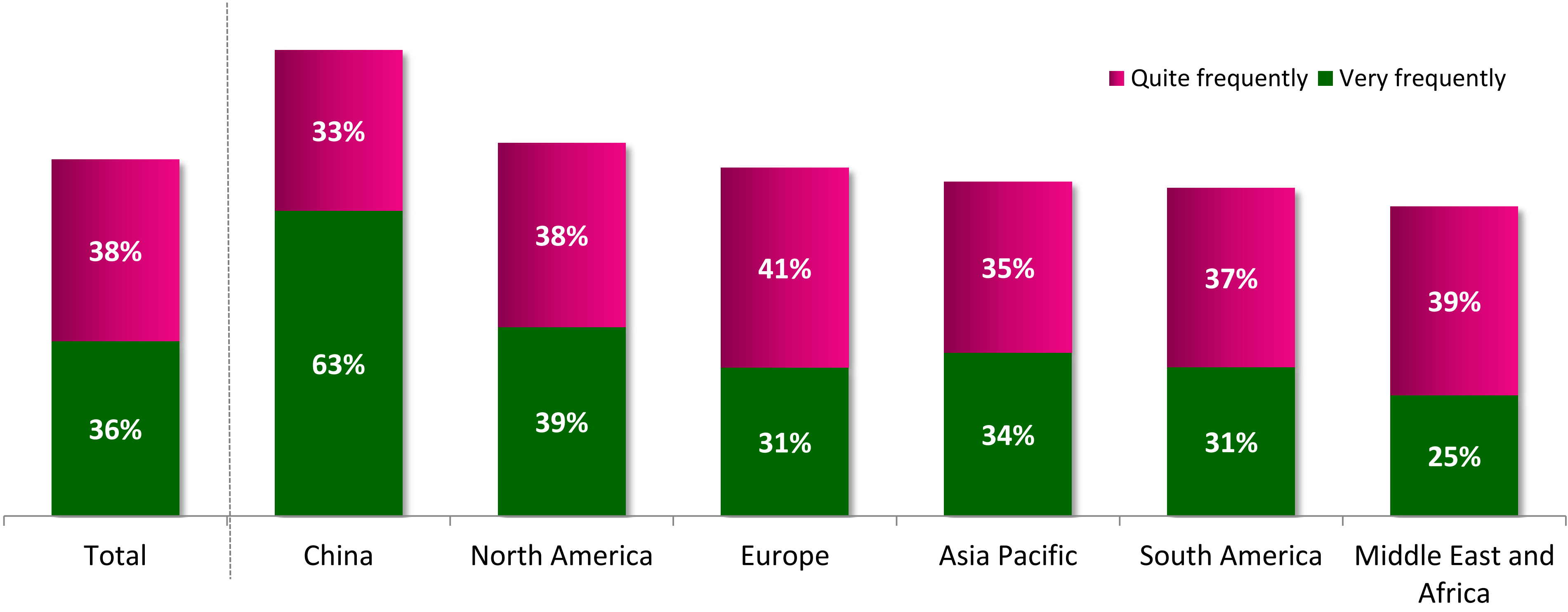
Business Trips	2.7
Leisure Trips	2.4
Total Trips	5.1

Following the News

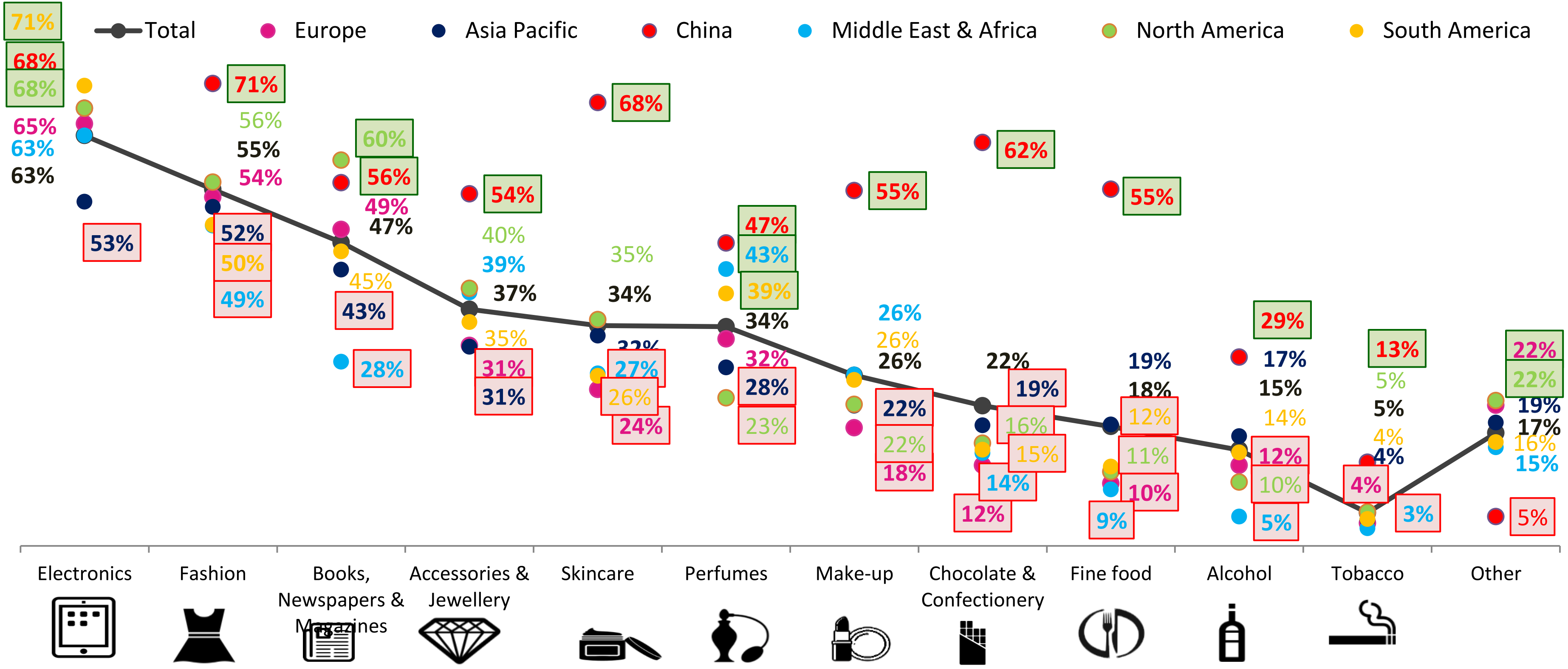
Television	70%
Newspapers' Websites	64%
Social Media	51%
Newspapers	51%
Newspapers' Apps	45%
Radio	37%
Magazines	32%

Online Shopping Behavior

Frequency of Online Purchases



Categories Purchased Online



Key Advantages of Online Purchases

	TOTAL	Europe	Asia Pacific	China	Middle East & Africa	North America	South America
Better prices	62%	64%	64%	49%	55%	61%	78%
Convenience / Quick purchase	61%	57%	63%	74%	62%	74%	36%
Home delivery	61%	57%	64%	57%	65%	66%	55%
Wider Choice	34%	34%	31%	51%	24%	34%	28%
Special Deals and Promotions	28%	26%	23%	26%	39%	17%	49%
Exclusive products and brands (not found elsewhere)	14%	13%	13%	17%	16%	12%	16%
Guaranteed Authenticity	5%	2%	7%	10%	8%	3%	4%

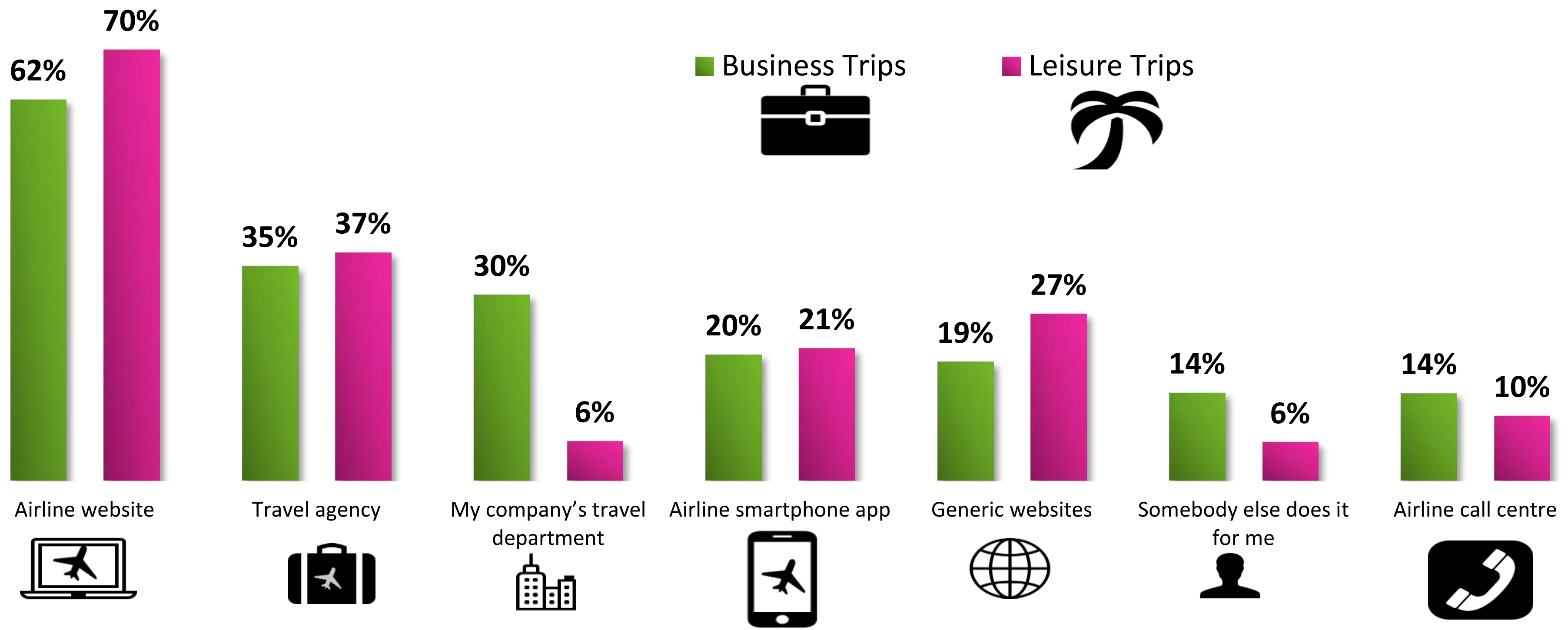
Key Barriers to Online Purchases

Key Barriers to Purchase

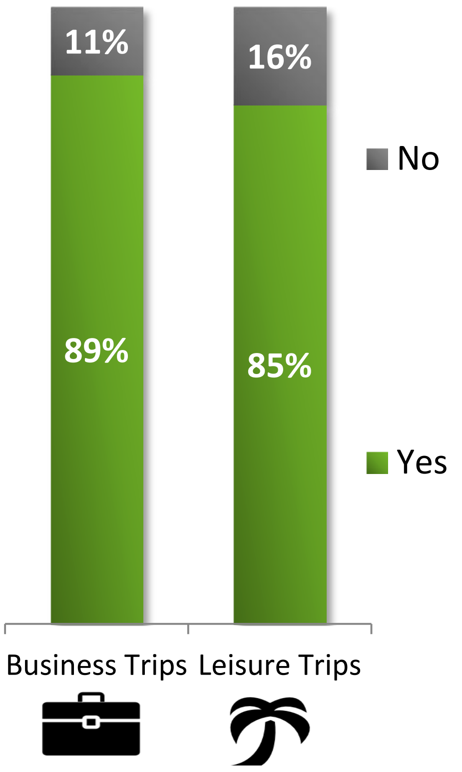
- **#1: Impossibility of trying the products *(49%)***
- **#2: Prefer the experience of going to the shop *(44%)***
- **#3: Credit card / personal details security *(33%)***
- **#4: Reliability of delivery *(32%)***
- **#5: Difficulty to return products *(20%)***
- **#6: Cost of delivery *(19%)***
- **#7: No advice from sales staff *(10%)***
- **#8: No price advantage *(10%)***

Technology Usage when Travelling

Trip Booking Sources
Total: Business vs Leisure



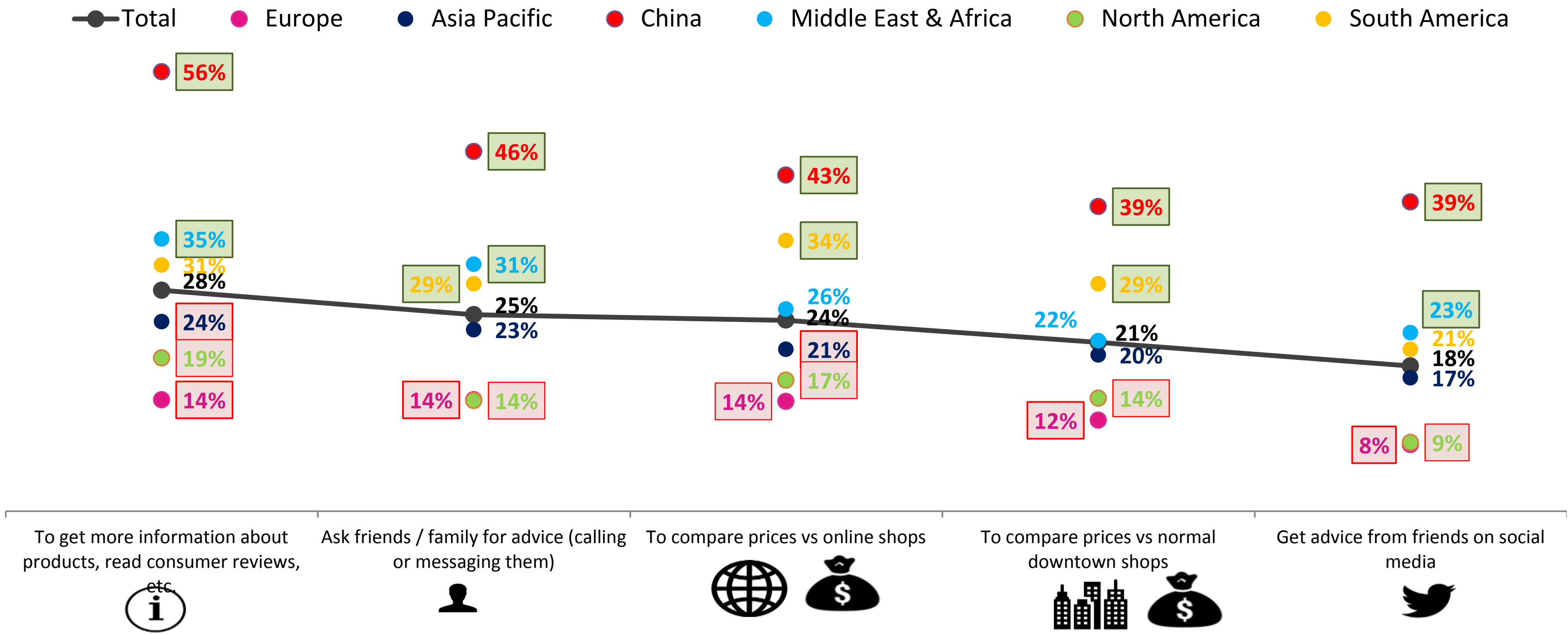
Internet Usage at the Airport



Check or send **e-mails, messages** and use **social media**	89%
To read the **news, browse websites**	58%
Search **information** about **flight/trip**	52%
Search **information** about **destination**	45%
Search for **information** regarding the **brands/products in the airport shops**	31%
Compare **prices** in the **airport shops**	28%
Listen or download **music** & watch **movies**	19%

Reasons for Using Smartphones at Airport DF Shops

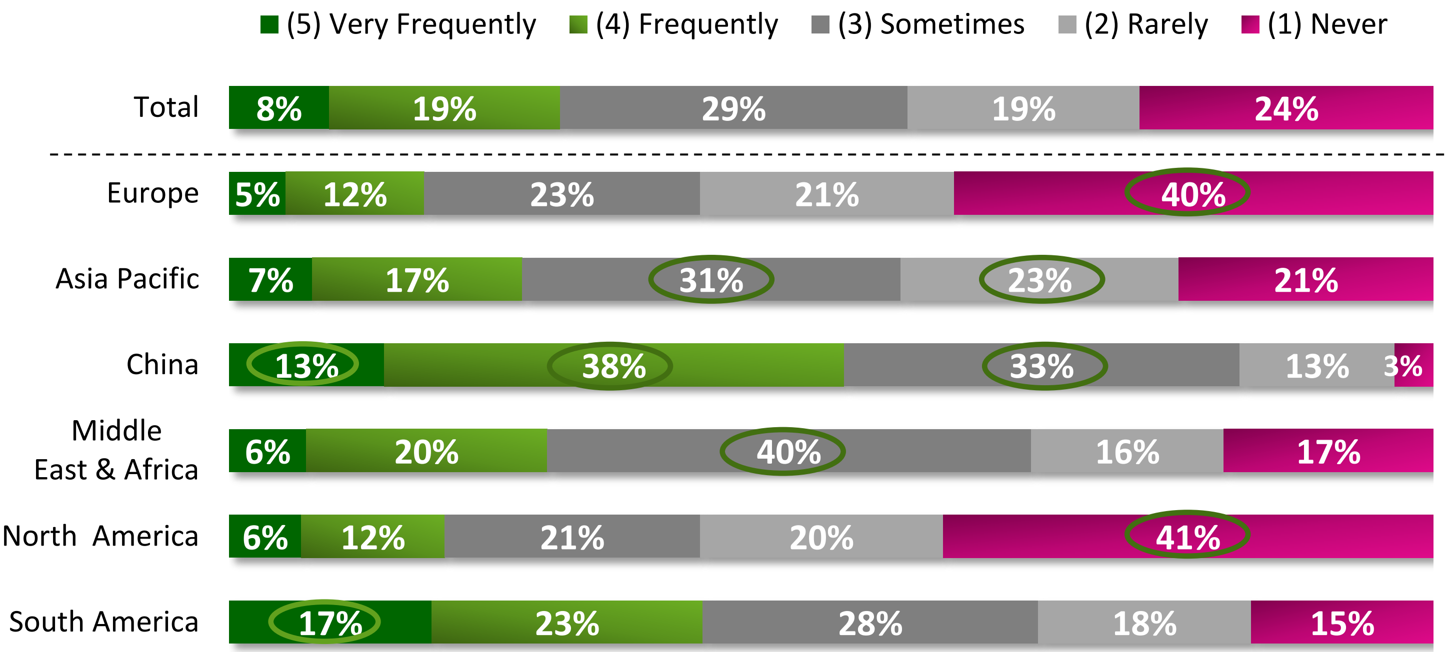
"**Top 2 Boxes**": % of respondent who have answered **4 (Frequently) or 5 (Very frequently)** on a scale from 1 (Never) to 5 (Very frequently)



Online Search for Information about DF Shopping

Online Search for Information on DF Shopping

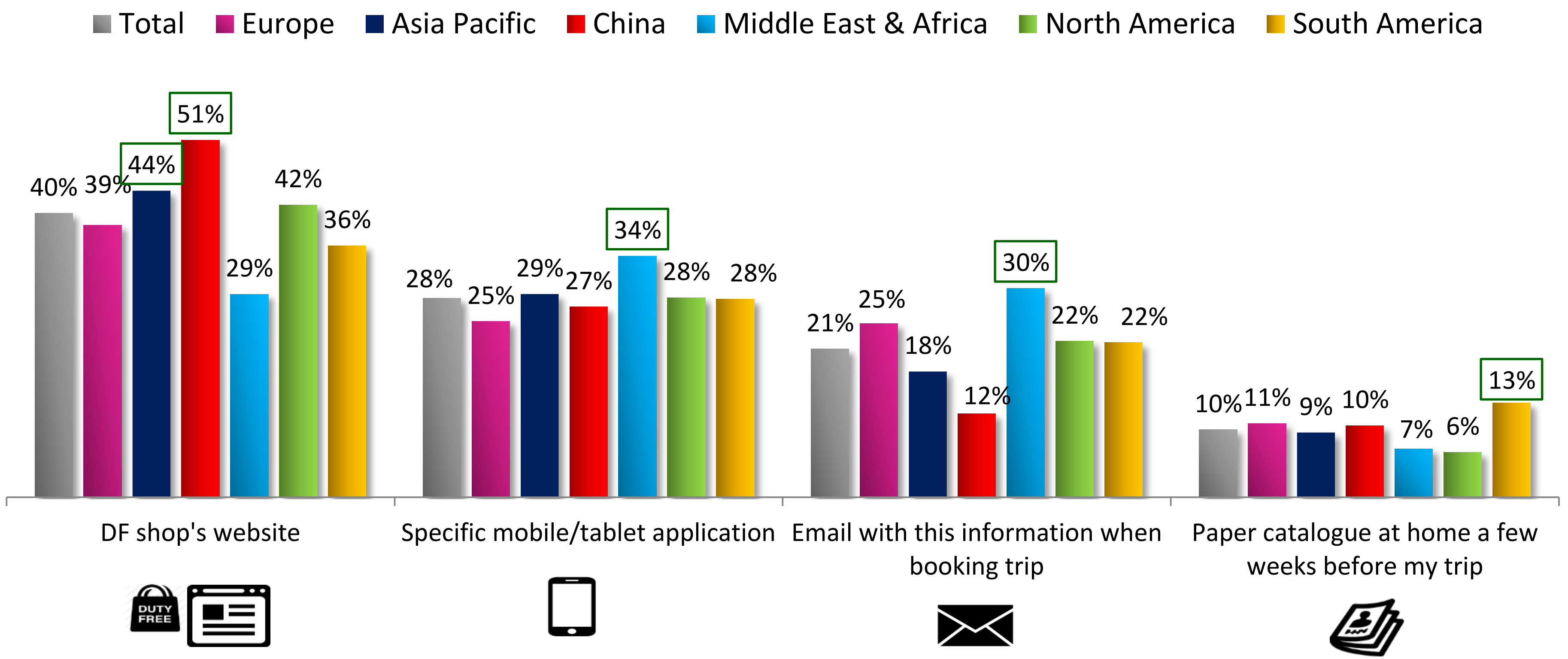
Only asked to those who **visit Duty Free shops when travelling**



Top 2 Boxes

	DF Shops	*Downtown Shops (comparison)*
Total	***27%***	***38%***
Europe	***16%***	***33%***
Asia Pacific	***24%***	***31%***
China	***51%***	***44%***
Middle East & Africa	***26%***	***40%***
North America	***18%***	***31%***
South America	***39%***	***58%***

Preferred way to access Information about DF Brands & Products



Websites Used for Online Information Search about DF Shopping

	Total	Europe	Asia Pacific	China	Middle East & Africa	North America	South America
Brand's official **website**	51%	46%	49%	58%	52%	41%	56%
Duty Free retailer websites	45%	38%	47%	53%	35%	37%	55%
Websites specializing in the product / category	30%	25%	33%	34%	29%	36%	23%
Consumer blogs	24%	22%	23%	28%	25%	23%	21%
Duty Free retailer smartphone **App**	23%	17%	19%	45%	23%	15%	16%
Brand's smartphone App	23%	16%	21%	38%	29%	17%	16%
Social media	19%	10%	17%	27%	31%	10%	22%

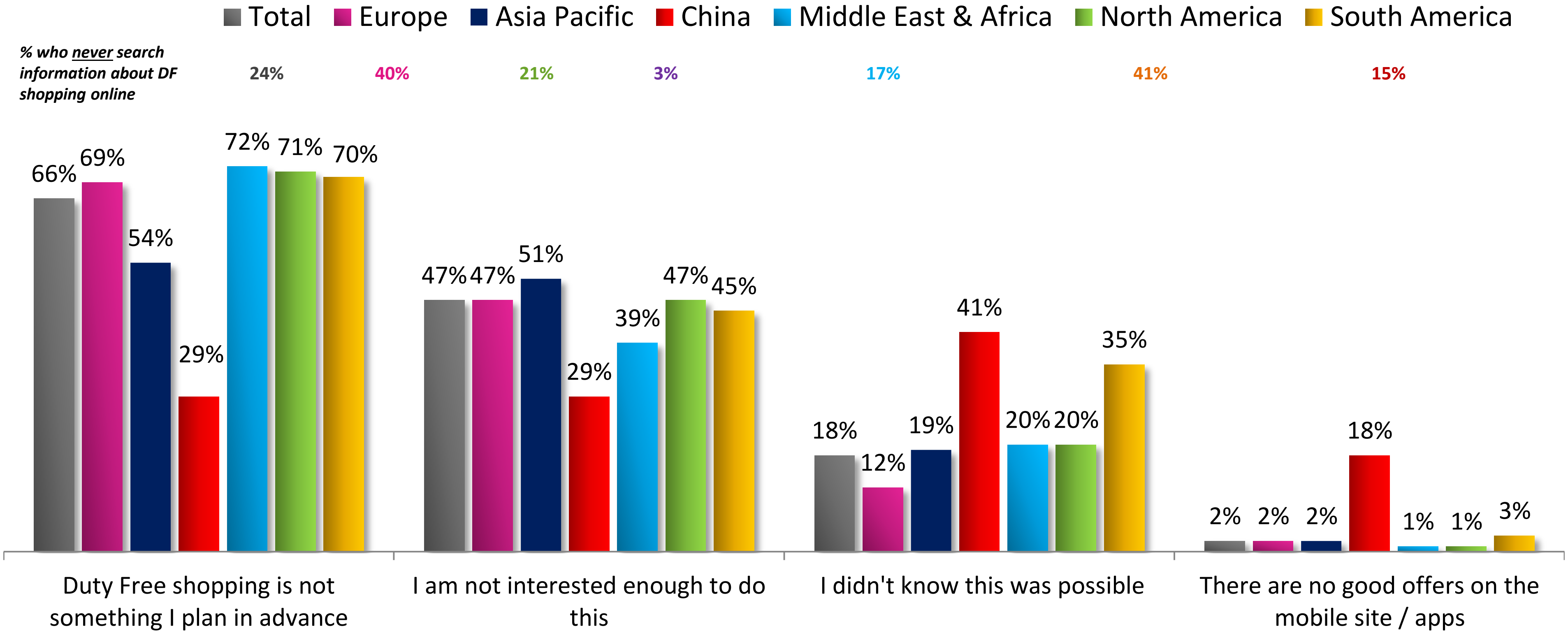
Interest in Getting Information Before the Trip per DF Category

	Electronics	Perfumes	Chocolate & Confectionery	Fashion	Accessories & Jewellery	Skincare	Make-up	Fine food	Alcohol	Books & Newspapers	Tobacco
TOTAL	**41%**	**36%**	**34%**	**33%**	**33%**	**32%**	**31%**	**30%**	**30%**	**29%**	**20%**
Europe	28%	28%	18%	19%	20%	19%	16%	19%	22%	20%	18%
Asia Pacific	35%	29%	35%	29%	27%	26%	31%	24%	32%	25%	17%
China	67%	61%	58%	61%	63%	72%	68%	68%	53%	44%	43%
Middle East & Africa	54%	43%	42%	50%	45%	36%	35%	31%	18%	40%	18%
North America	27%	17%	25%	18%	20%	20%	21%	18%	26%	22%	13%
South America	55%	50%	43%	38%	38%	39%	30%	37%	31%	34%	16%

Barriers & Motivations for Online Search about DF Shopping

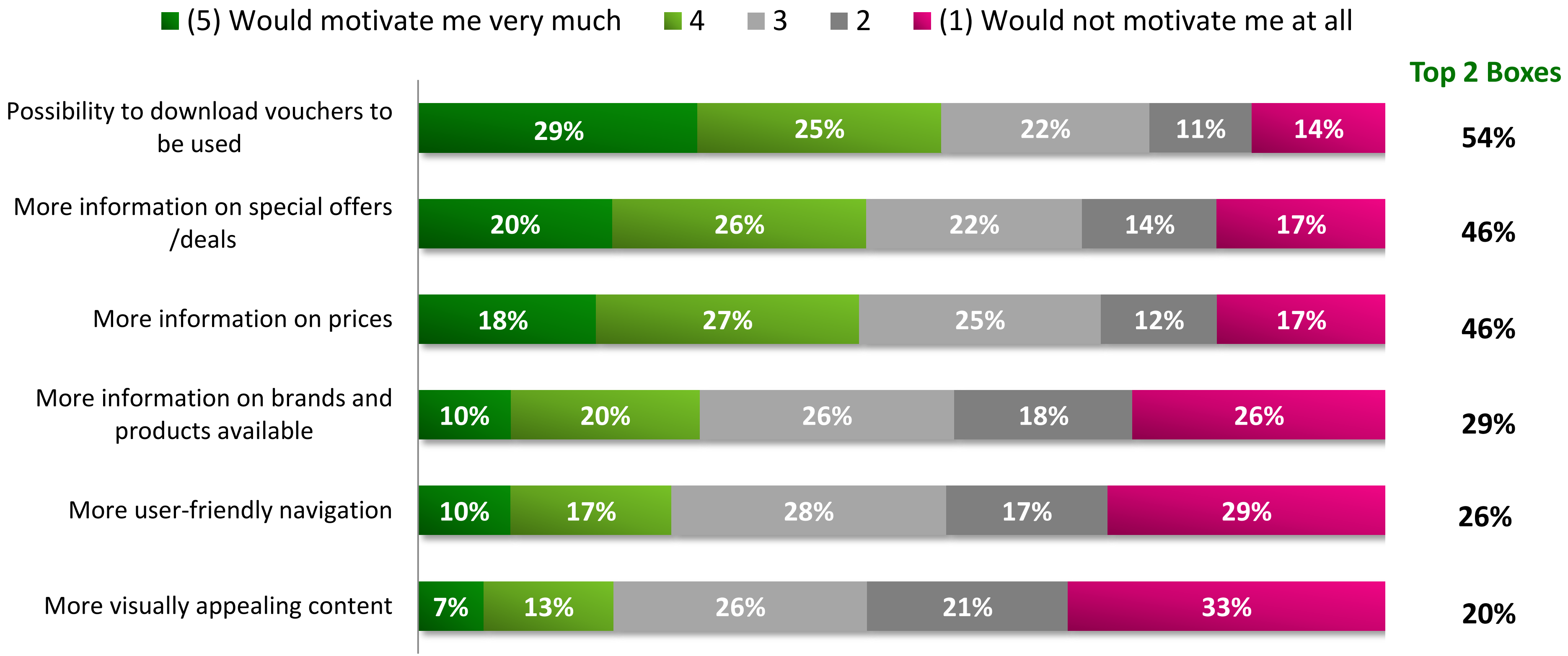
Barriers to Search Online Information to Plan DF Shopping

	Total	Europe	Asia Pacific	China	Middle East & Africa	North America	South America
% who never search information about DF shopping online	24%	40%	21%	3%	17%	41%	15%

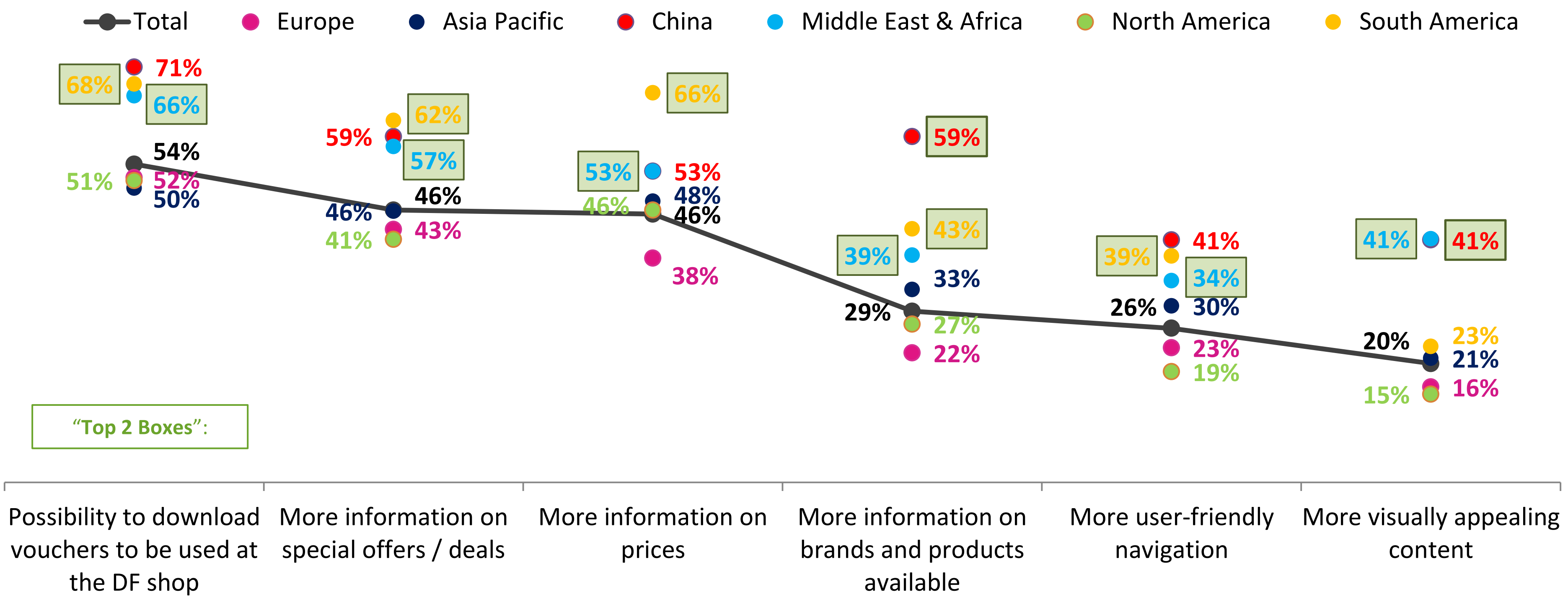


	Total	Europe	Asia Pacific	China	Middle East & Africa	North America	South America
Duty Free shopping is not something I plan in advance	66%	69%	54%	29%	72%	71%	70%
I am not interested enough to do this	47%	47%	51%	29%	39%	47%	45%
I didn't know this was possible	18%	12%	19%	41%	20%	20%	35%
There are no good offers on the mobile site / apps	2%	2%	2%	18%	1%	1%	3%

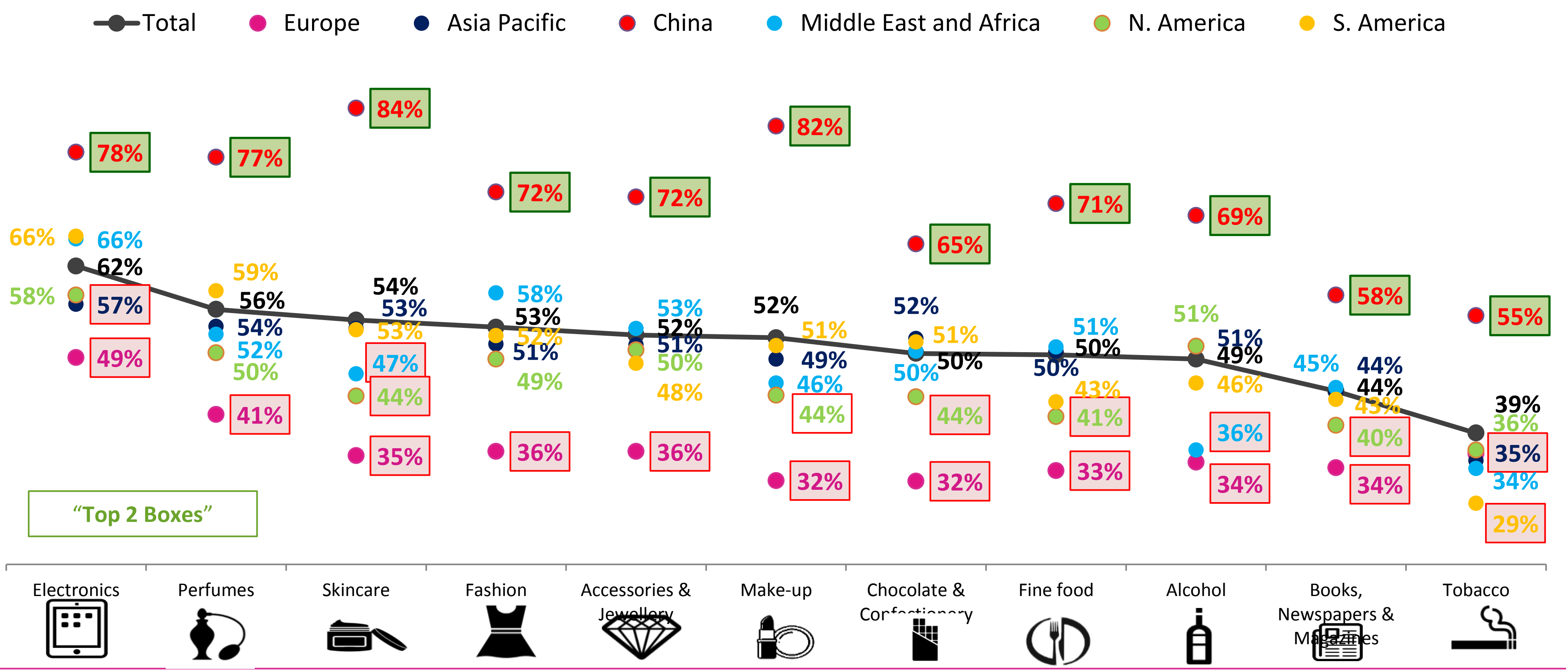
Motivators for Searching Information Online about DF before the Trip



Motivators for Searching Information Online about DF before the Trip

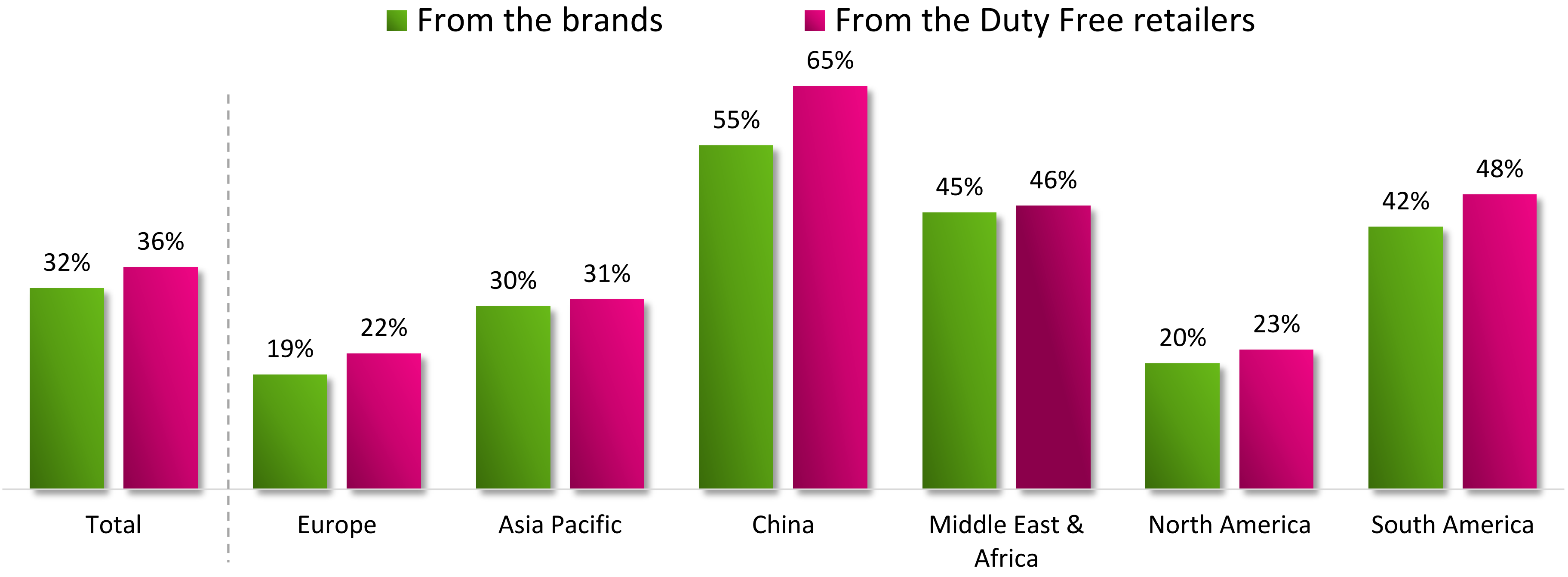


Influence of Online Information on Duty Free shopping per Category



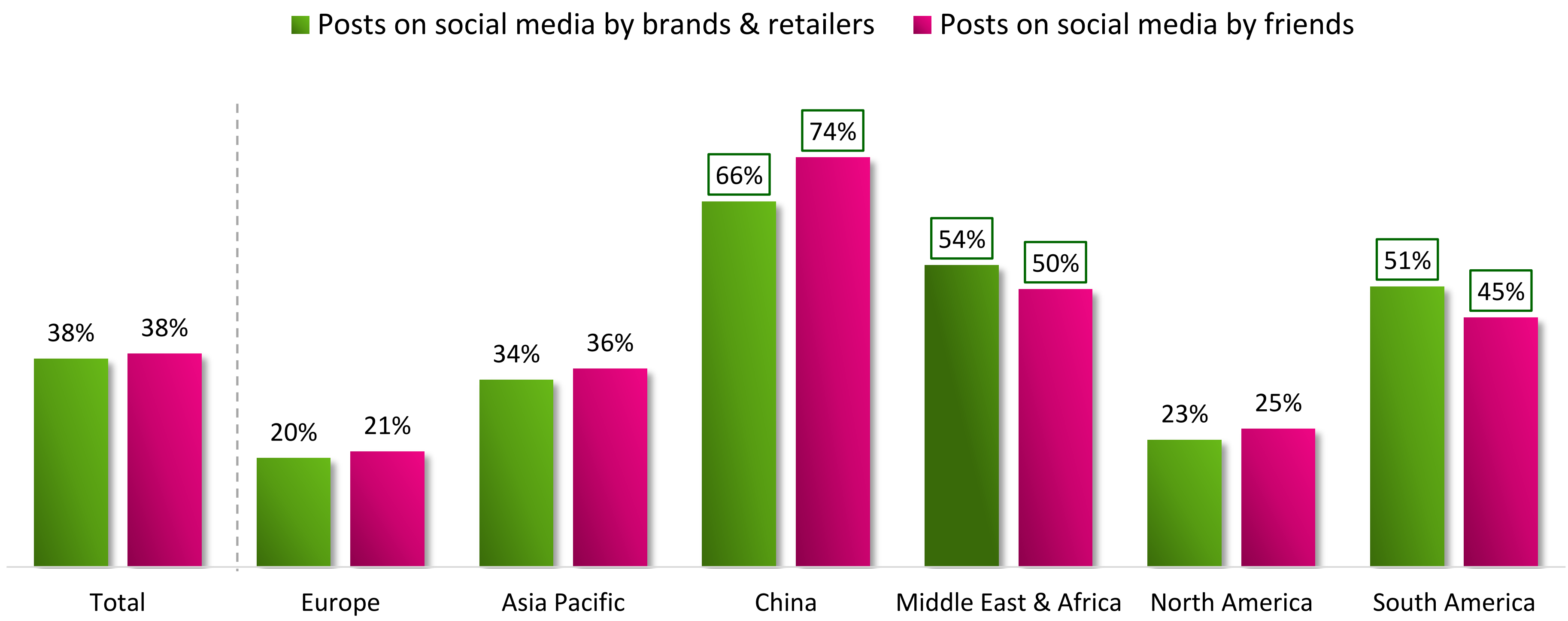
Focus on DF Shopping & Social Media

Interest in Receiving Information on DF Brands on Social Media



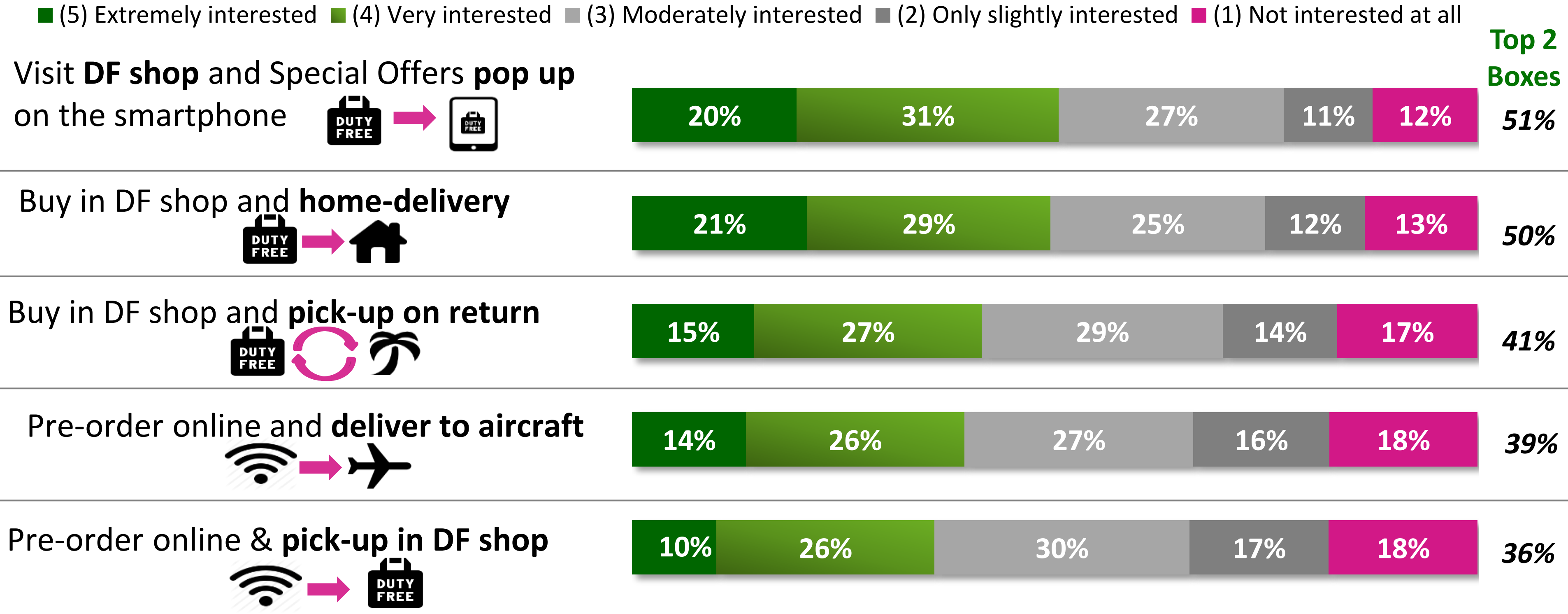
"Top 2 Boxes"

Influence of Social Media on Duty Free Shopping

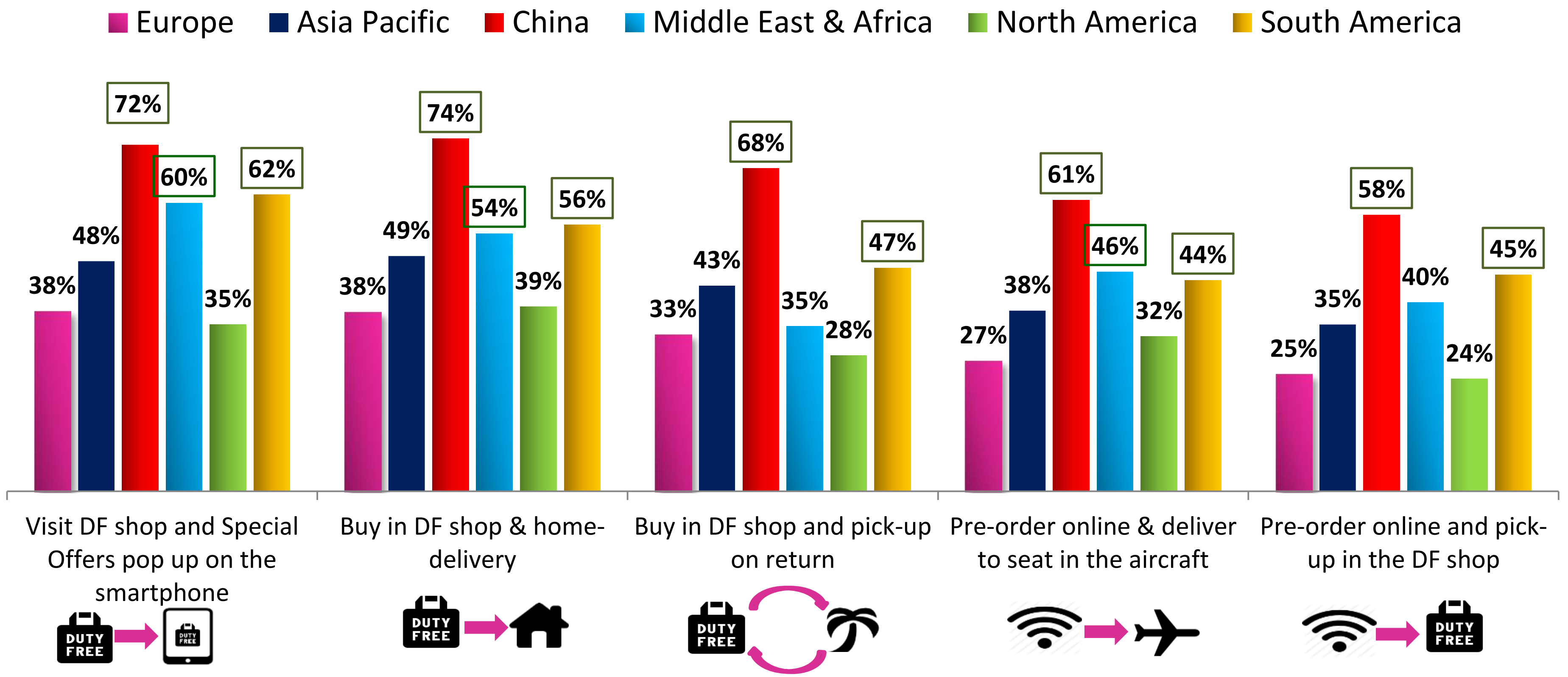


Usage of DF Shopping Online and Mobile Offers

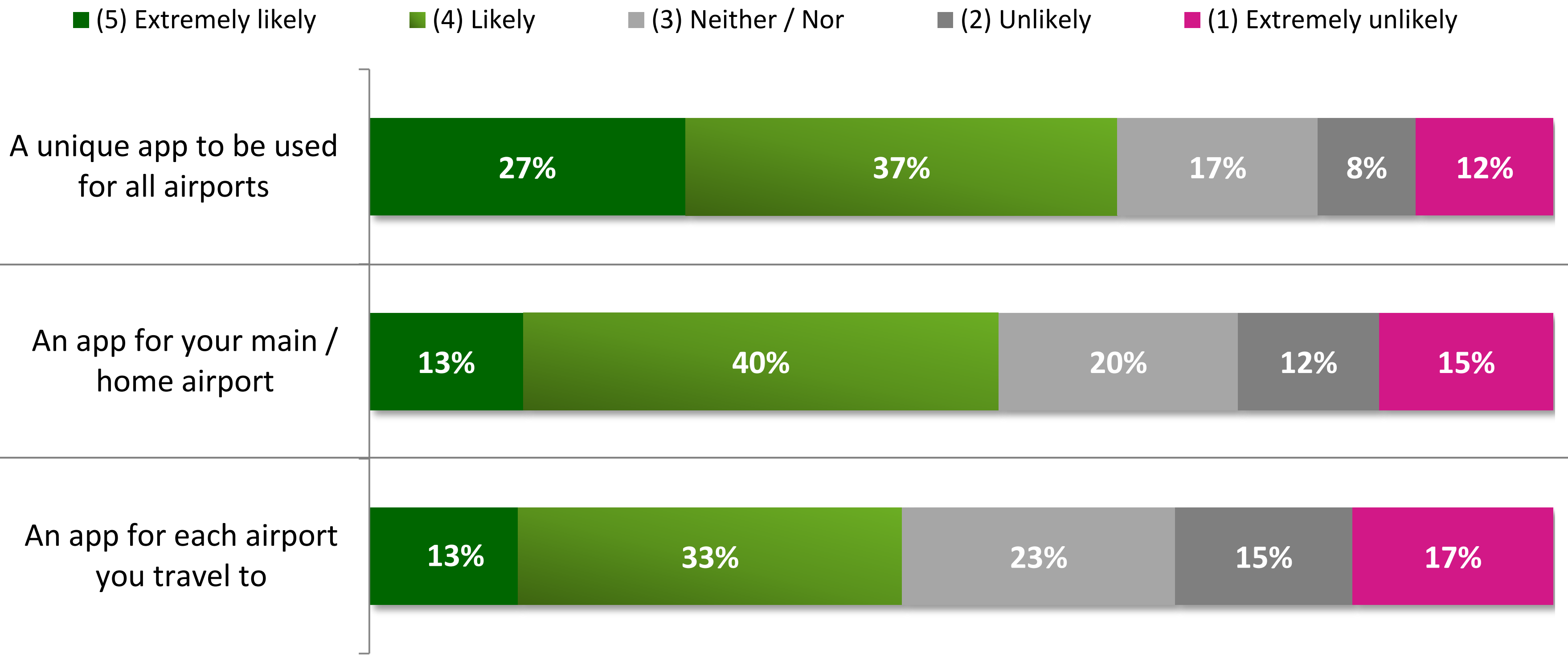
Special DF Services



Special DF Services



Usage of Apps for Airport Duty Free shopping



Conclusions & Recommendations

Conclusions

Traveling shoppers have different expectations when they engage with brands and retailers online and offline:

- **Online**: primary needs are convenience, ease of research (compare, read reviews), and easy access a wide range of products.
- **Offline**: primary needs are to touch and feel the product, enjoy shopping, to satisfy a specific shopping occasion (gifting, self-indulgence, souvenir).

In order to satisfy these different consumer needs, it is essential to be **omnipresent** and **consistent** throughout all the traveler's touch points and meet the different needs.

m1nd-set recommendations

Online channel part of Travel Retail strategy to generate **awareness** and **revenue** earning capabilities

Develop special approaches for key segments such as **Chinese** and **Millennials**, as they have an entirely different mind-set

Seamless transition between the digital and physical brand experience **throughout the traveler´s journey**

Differentiate from domestic channels by relating to travel, destination, region, event, exclusives, unique occasion etc.

Cross-channel uniformity around visual identity, generating perceptions, communication of positioning, and enhance the customer experience

The most important need of the traveler: **Convenience**! Assure easy and 24/7 way for travelers to access, inform, compare and buy

TFWA

RESEARCH

m1nd-set
expert in travel market research

For more information, please contact:

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