TFWA

TFWA RESEARCH

UNDERSTANDING THE TRAVELLING CONSUMER

Since the early 2000s, TFWA has provided its members with timely, actionable research studies that aim to deepen our industry's knowledge of the travelling consumer. The bank of data intelligence amassed by TFWA Research over the years has become an important resource to TFWA members, helping them to adapt their commercial strategies according to the needs of travellers worldwide.

Since the publication of the first TFWA Handbook, the Association has commissioned two major series of reports, each available exclusively to TFWA members. The first, the **TFWA Airport Insight Series**, was conducted by m1nd-set and features 9 reports in total, each based on over 1,500 interviews with travellers at some of the world's leading airports by commercial revenue. The series analyses customer attitudes and behaviour among shoppers and non-shoppers, revealing spend data, conversion rates, overall satisfaction and barriers to purchase.

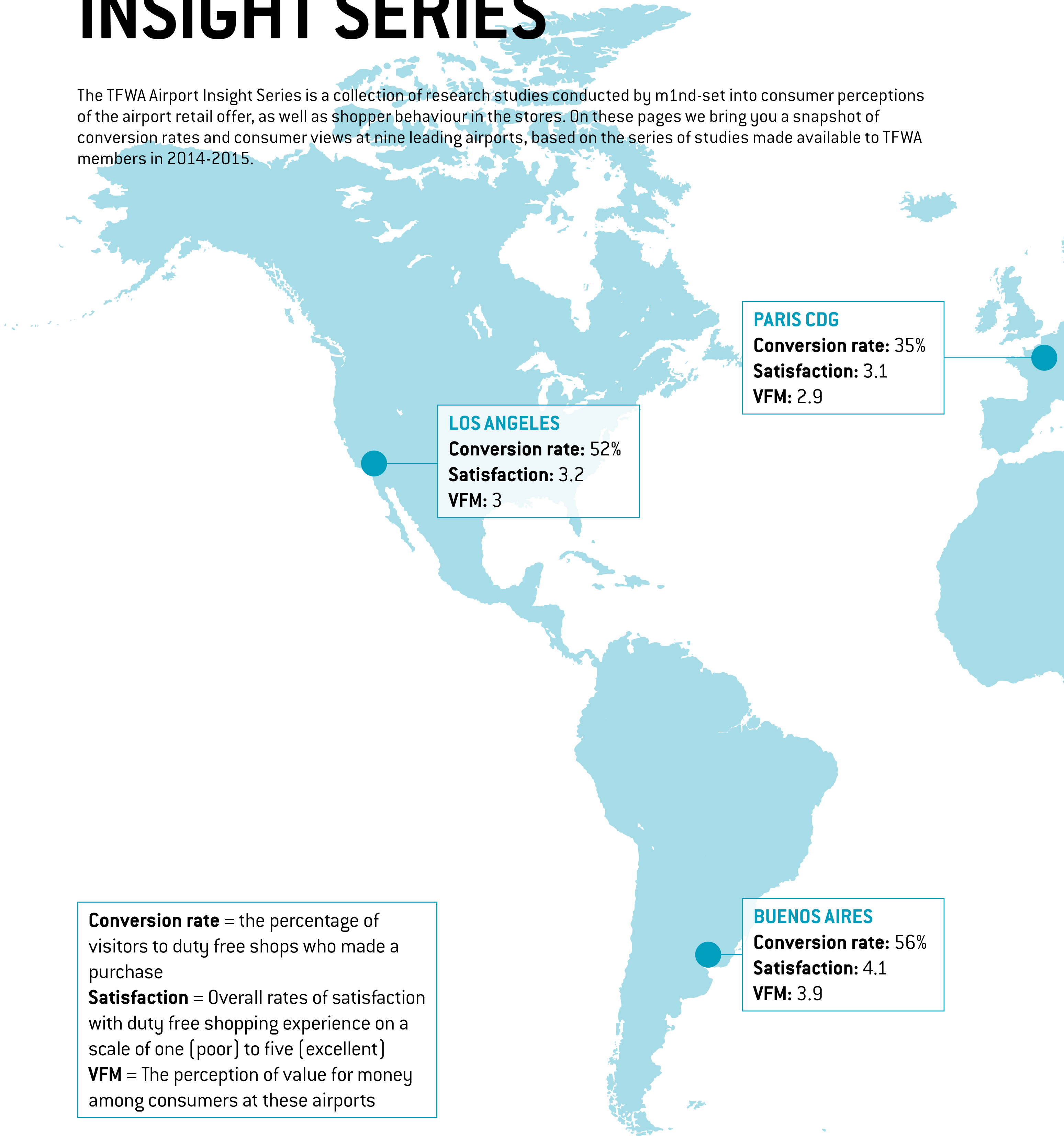
The second major collection of studies, the **TFWA Category Reports Series**, represents the Association's first move to explore individual product categories in depth. Conducted by Counter Intelligence Retail, the series features reports on six core categories: Beauty, Alcohol, Tobacco, Confectionery, Fashion & Accessories and Watches & Jewellery. Each report is based on hundreds of interviews with travellers of various nationalities at four leading airports, and includes qualitative and quantitative data, insights and recommendations.

In this chapter of the Handbook, we present highlights of each series of studies. Like all other research studies commissioned by TFWA, they are available to download free of charge in the Members section of the TFWA website, TFWA.com.

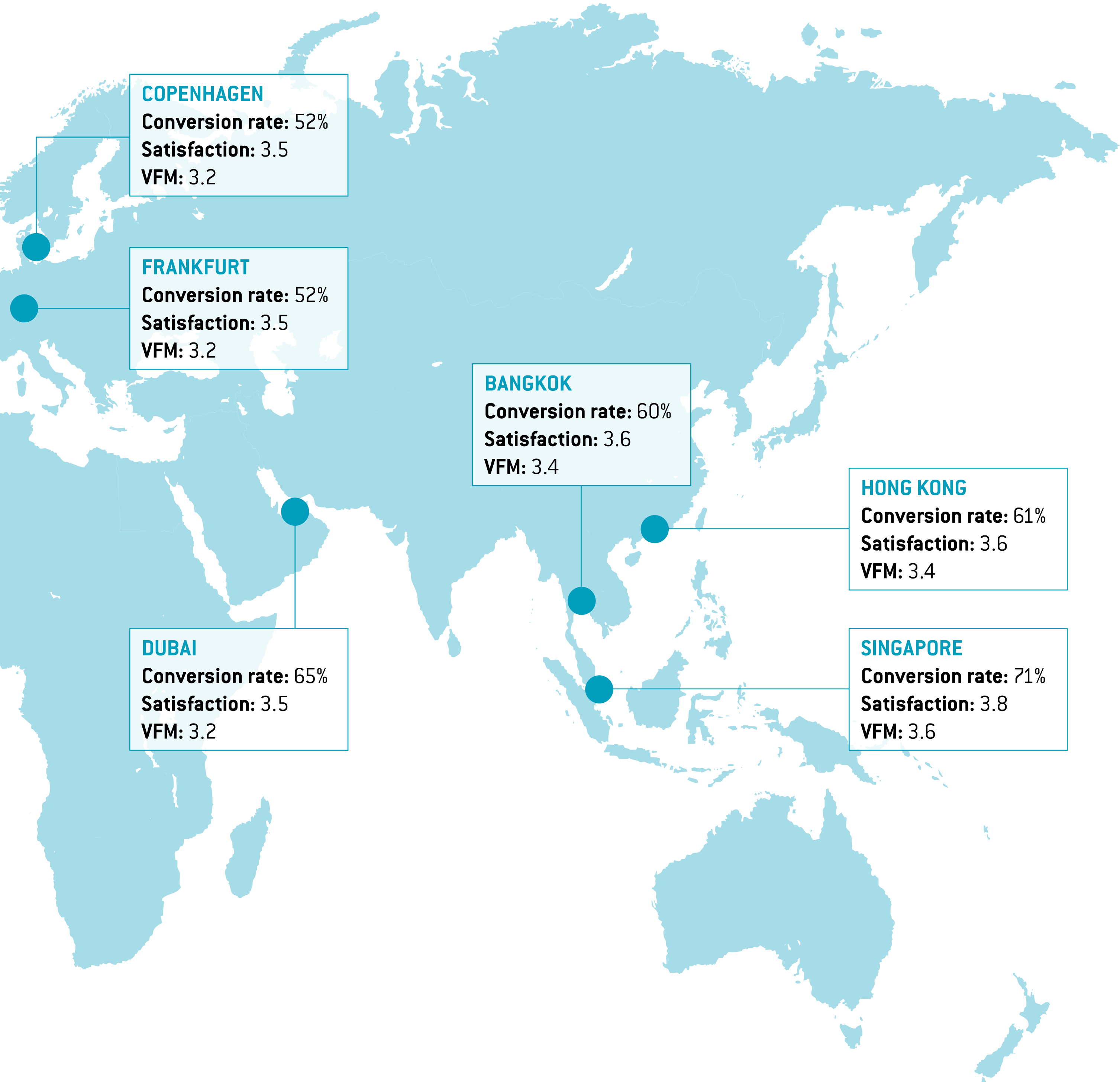
For any queries relating to TFWA Research, please contact Sabine Parmentier at s.parmentier@tfwa.com.

TFWA AIRPORT INSIGHT SERIES

The TFWA Airport Insight Series is a collection of research studies conducted by m1nd-set into consumer perceptions of the airport retail offer, as well as shopper behaviour in the stores. On these pages we bring you a snapshot of conversion rates and consumer views at nine leading airports, based on the series of studies made available to TFWA members in 2014-2015.



Conversion rate = the percentage of visitors to duty free shops who made a purchase
Satisfaction = Overall rates of satisfaction with duty free shopping experience on a scale of one (poor) to five (excellent)
VFM = The perception of value for money among consumers at these airports



Source: m1nd-set/TFWA Research

TFWA members can download the Airport Insight Series free of charge at TFWA.com

CATEGORY REPORT: BEAUTY

The beauty category accounts for over 30% of global duty free & travel retail sales, and the Beauty study in the TFWA Category Reports Series offers several key insights into this crucial sector. Here we present highlights and benchmarks from the report, compiled by Counter Intelligence Retail. The full study, along with all reports in the series, is available free of charge to TFWA members on the Association's website, TFWA.com.

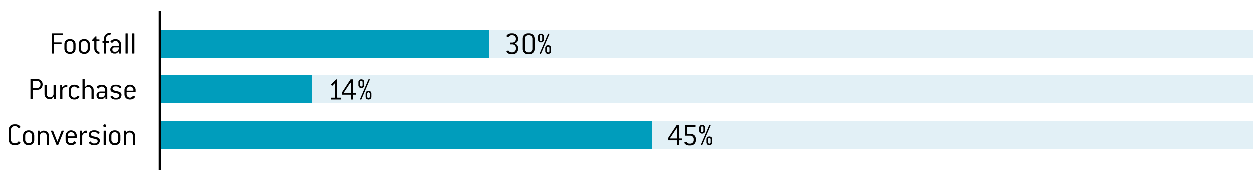
Profiling the beauty shopper

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on category
63%	37%	63%	1.8	1.3	US$92

ALL SHOPPERS

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on all retail
44%	56%	61%	1.5	1.2	US$140

KEY MEASURES



SUB-CATEGORIES VISITED AND PURCHASED

Average spend on fragrance
US$91

Average spend on cosmetics
US$56

Average spend on skincare
US$67

POPULAR SUB-CATEGORIES

Most planned
Cosmetics
59%

Most gifted
Male fragrance
39%

Highest footfall, purchase and conversion
Female fragrance
55% **19%** **35%**

HOW THEY BUY

Planned	54%
Impulse	41%
Both	5%

*71% of planners knew the brand or product they would purchase

WHO THEY BUY FOR (*Average spend)

Self
61%
US$78*

Gift
30%
US$86*

Request
9%
US$83*

WHO GIFT BUYERS BUY FOR

Partner	38%
Friend	37%
Family	22%

Source: TFWA Category Reports Series/Counter Intelligence Retail

CATEGORY REPORT: ALCOHOL

A growing, diverse and vibrant category, but one that needs to convince more female and young travellers to spend. Worth over US$10 billion in 2015, the wine & spirits sector remains a staple of the duty free & travel retail offer, but has considerable potential to grow, as this TFWA Category Report suggests. The full study, along with all reports in the series, is available free of charge to TFWA members on the Association's website, TFWA.com.

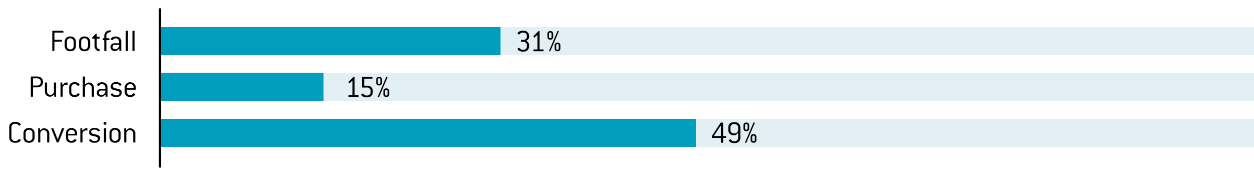
Profiling the alcohol shopper

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on category
29%	71%	57%	1.8	1.3	US$78

ALL SHOPPERS

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on all retail
44%	56%	61%	1.5	1.2	US$140

KEY MEASURES



SUB-CATEGORIES VISITED AND PURCHASED

Average spend on spirits

US$65

Average spend on wine and champagne

US$129

POPULAR SUB-CATEGORIES

Most visited	Most purchased	Strongest conversion
Spirits	Whisky/Whiskey	Whisky/Whiskey
76%	**20%**	**45%**

HOW THEY BUY

Planned	66%
Impulse	29%
Both	5%

*77% of planners knew the brand or product they would purchase

WHO THEY BUY FOR (*Average spend)

Self	Gift	Request
62%	**27%**	**11%**
US$79*	US$63*	US$53*

WHO GIFT BUYERS BUY FOR

Colleague	26%
Friend	30%
Family	28%

Source: TFWA Category Reports Series/Counter Intelligence Retail

CATEGORY REPORT: TOBACCO

The TFWA Category Report Series confirmed many of the accepted views of the tobacco sector in duty free & travel retail: it is a driver of footfall to other categories, and a highly planned purchase with a high rate of conversion. But there are plenty of other insights besides, as readers of the full study, available on TFWA.com, will discover.

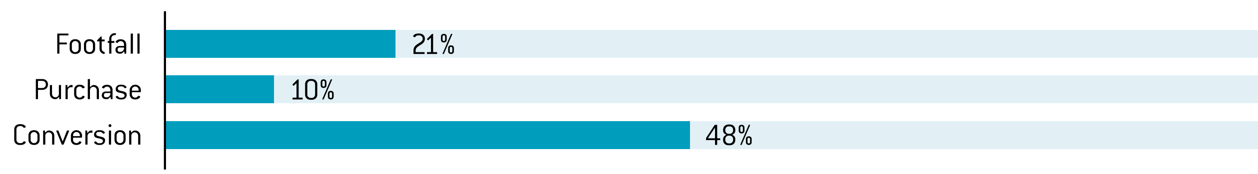
Profiling the tobacco shopper

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on category
31%	69%	57%	1.8	1.4	US$69

ALL SHOPPERS

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on all retail
44%	56%	61%	1.5	1.2	US$140

KEY MEASURES



SUB-CATEGORIES VISITED AND PURCHASED

Average spend on cigarettes
US$69

Average spend on other tobacco
US$41

Average spend on tobacco by smokers
US$71

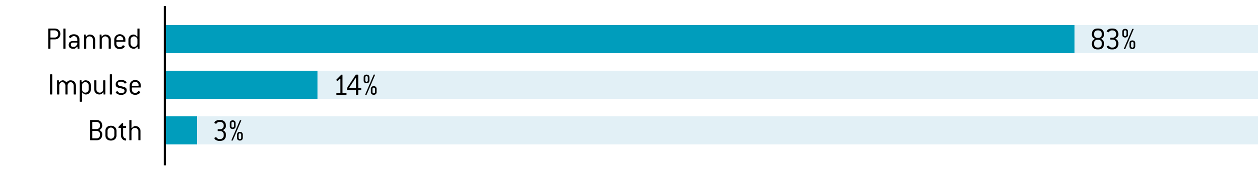
REASONS TO SHOP

Treat
31%

Had time
28%

Price
27%

HOW THEY BUY



*85% of planners knew the brand or product they would purchase

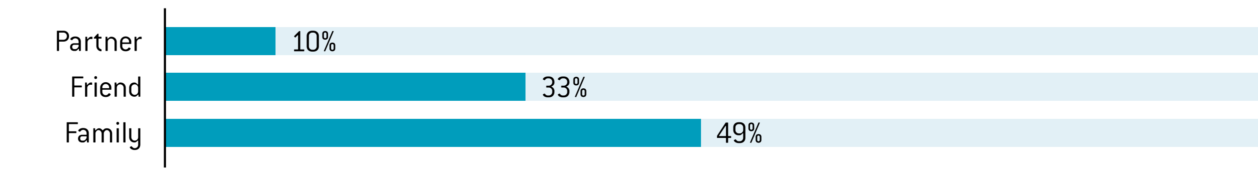
WHO THEY BUY FOR (*Average spend)

Self
84%
US$70*

Gift
10%
US$46*

Request
6%
US$54*

WHO GIFT BUYERS BUY FOR



Source: TFWA Category Reports Series/Counter Intelligence Retail

CATEGORY REPORT: CONFECTIONERY

Confectionery provides a point of attraction and theatre in duty free and travel retail stores worldwide. The TFWA Category Reports Series suggests that shoppers in this sector also visit and spend in other categories, making confectionery an important driver of footfall and conversion. The full study, along with all reports in the series, is available free of charge to TFWA members on the Association's website, TFWA.com.

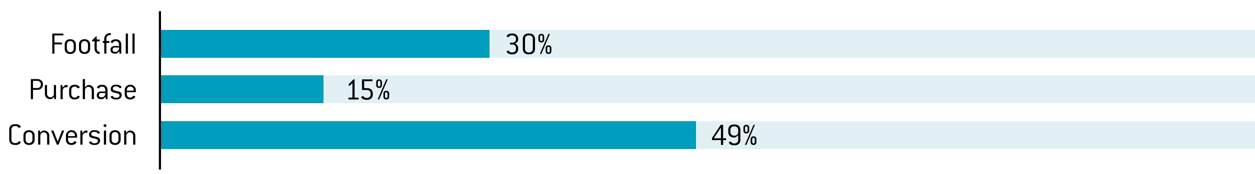
Profiling the confectionery shopper

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on category
49%	51%	64%	1.9	1.4	US$25

ALL SHOPPERS

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on all retail
44%	56%	61%	1.5	1.2	US$140

KEY MEASURES



SUB-CATEGORIES VISITED AND PURCHASED

Average spend on chocolate
US$29

Average spend on other food
US$16

REASONS TO SHOP

Had time	Looking for a gift	Browse maybe buy
38%	35%	32%

HOW THEY BUY

Planned	32%
Impulse	64%
Both	4%

*53% of planners knew the brand or product they would purchase

WHO THEY BUY FOR (*Average spend)

Self
61%
US$21*

Gift
36%
US$24*

Request
3%
Sample size too small

WHO GIFT BUYERS BUY FOR

Child	20%
Friend	30%
Family	33%

Source: TFWA Category Reports Series/Counter Intelligence Retail

CATEGORY REPORT: FASHION & ACCESSORIES

The fashion & accessories category has more than doubled in size in duty free & travel retail over the past decade. According to the TFWA Category Reports Series, the sector enjoys broad appeal across genders and age groups, with very high levels of impulse purchasing. But there remains considerable room for improvement in footfall and conversion. The full study, along with all reports in the series, is available free of charge to TFWA members on the Association's website, TFWA.com.

Profiling the fashion & accessories shopper

Adults under 40

Average number of product categories visited

Average number of product categories purchased

Average spend on category

53%

47%

64%

2.1

1.4

US$192

ALL SHOPPERS

Adults under 40

Average number of product categories visited

Average number of product categories purchased

Average spend on all retail

44%

56%

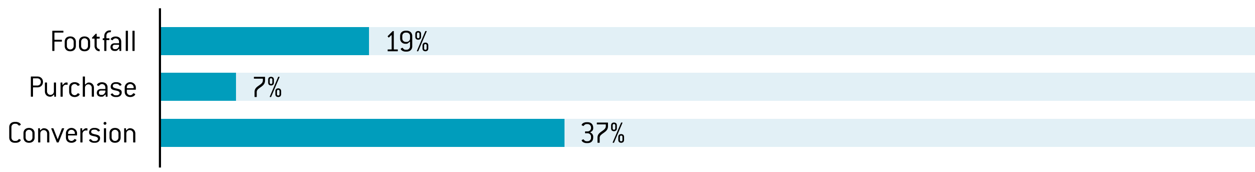
61%

1.5

1.2

US$140

KEY MEASURES



SUB-CATEGORIES VISITED AND PURCHASED

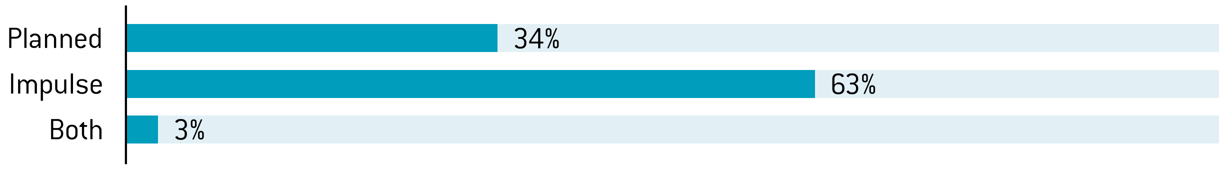
Average spend on fashion
US$143

Average spend on accessories
US$236

POPULAR SUB-CATEGORIES

Most visited	Most purchased	Strongest conversion	
handbags	sunglasses	shoes	men's clothing
33%	8%	26%	26%

HOW THEY BUY



*55% of planners knew the brand or product they would purchase

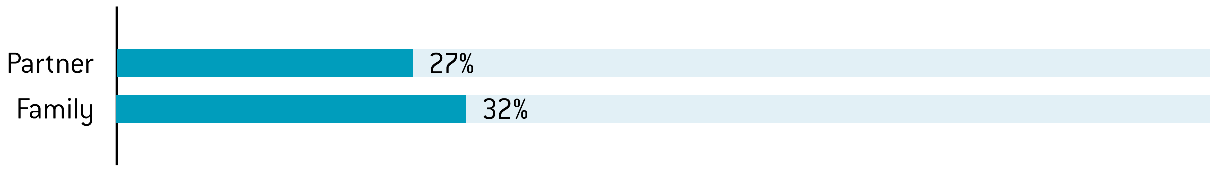
WHO THEY BUY FOR (*Average spend)

Self
71%
US$235*

Gift
27%
US$171*

Request
2%
Sample size too small

WHO GIFT BUYERS BUY FOR



Source: TFWA Category Reports Series/Counter Intelligence Retail

CATEGORY REPORT: WATCHES & JEWELLERY

According to the latest sales data from Generation Research, the watches & jewellery category has been under severe pressure recently. However the TFWA Category Reports Series confirms the sector's broad appeal, both as a planned and an impulse purchase. And importantly, research suggests that the watches & jewellery category is an important driver of footfall to other product sectors. The full study, along with all reports in the series, is available free of charge to TFWA members on the Association's website, TFWA.com.

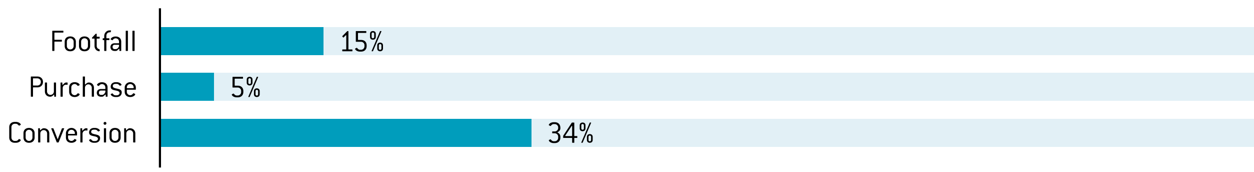
Profiling the watches & jewellery shopper

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on category
43%	57%	66%	2.1	1.2	US$497

ALL SHOPPERS

		Adults under 40	Average number of product categories visited	Average number of product categories purchased	Average spend on all retail
44%	56%	61%	1.5	1.2	US$140

KEY MEASURES



SUB-CATEGORIES VISITED AND PURCHASED

Average spend on watches
US$561

Average spend on jewellery
US$428

POPULAR SUB-CATEGORIES

Most visited
Watches
69%

Most purchased
Watches
19%

Strongest conversion
Jewellery
36%

HOW THEY BUY

Planned	37%
Impulse	63%

*60% of planners knew the brand or product they would purchase

WHO THEY BUY FOR (*Average spend)

Self
51%
US$638*

Gift
46%
US$360*

Request
3%
Sample size too small

WHO GIFT BUYERS BUY FOR

Partner	36%
Child	23%

Source: TFWA Category Reports Series/Counter Intelligence Retail