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Webinar Confectionery in Travel Retail

METHODOLOGY

Data collected through m1nd-set's B1S tracking survey

"Confectionery" covers the below subcategories:

- Chocolate
- Biscuits
- Sugar confectionery

As of 2023, B1S will refer to "Food" as overall category, including

- Chocolate
- Sugar Confectionery
- Biscuits
- Local food specialties
- International food brands

MOST PURCHASED CATEGORIES IN 2021 - 2022

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#1

PERFUMES

27%

#2

CONFECTIONERY

25%

#3

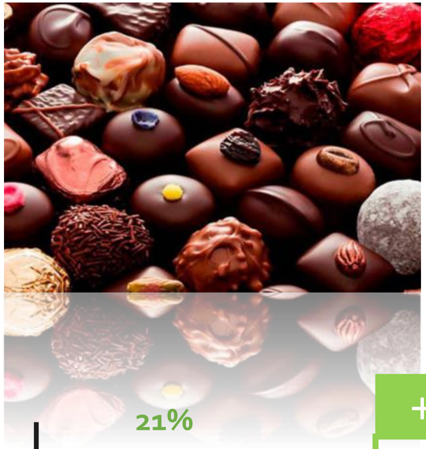
ALCOHOL

23%

#4

TOBACCO

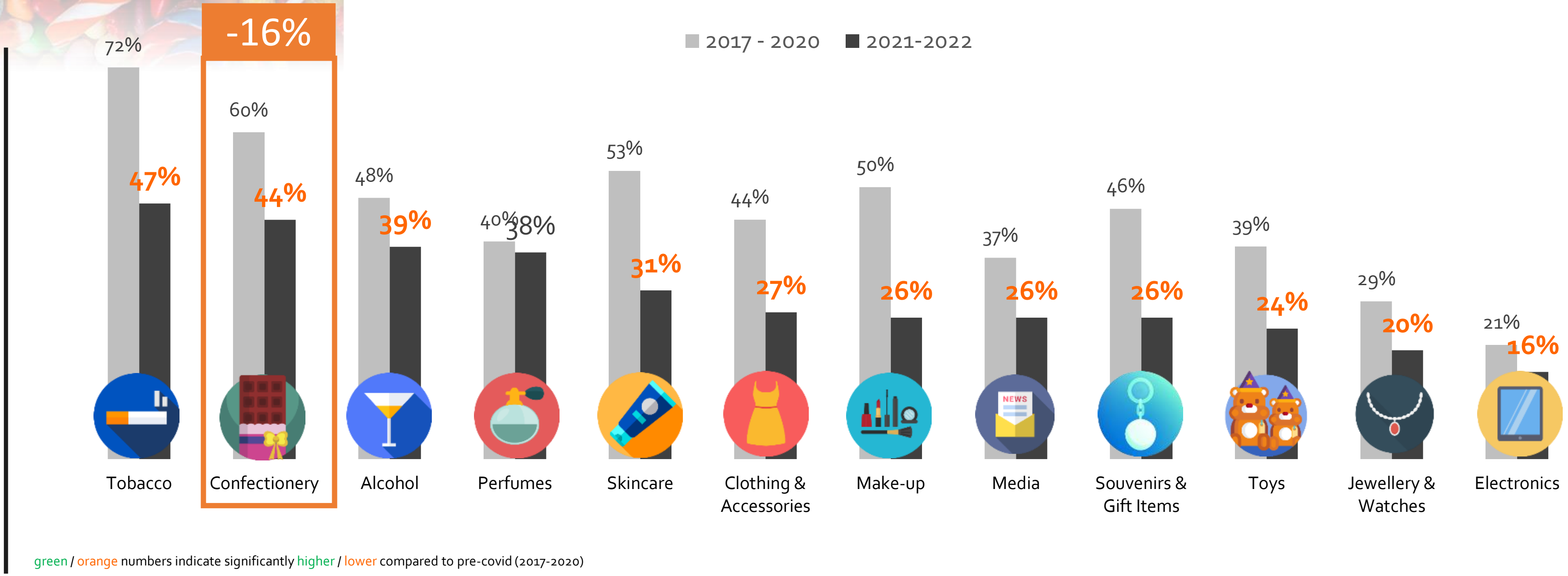
20%



FOOTFALL TRENDS BY CATEGORY

green / orange numbers indicate significantly higher / lower compared to pre-covid (2017-2020)

CONVERSION TRENDS BY CATEGORY



green / orange numbers indicate significantly higher / lower compared to pre-covid (2017-2020)

SALES STAFF INTERACTION & INFLUENCE BY CATEGORY

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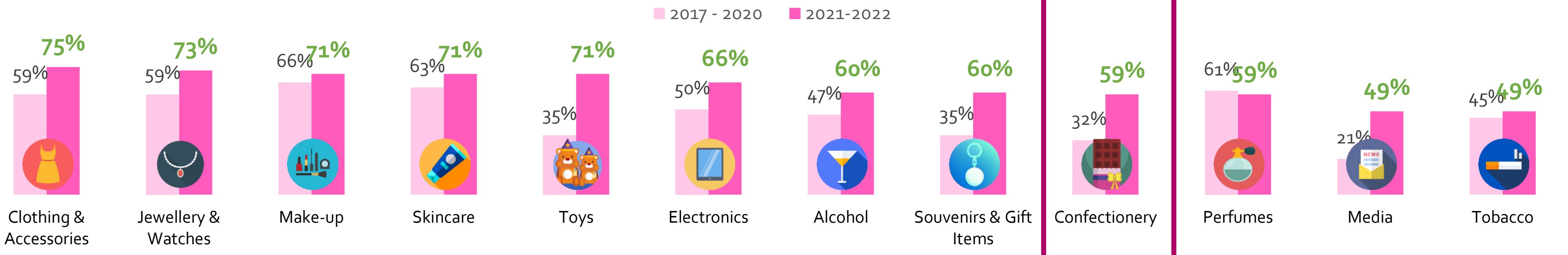
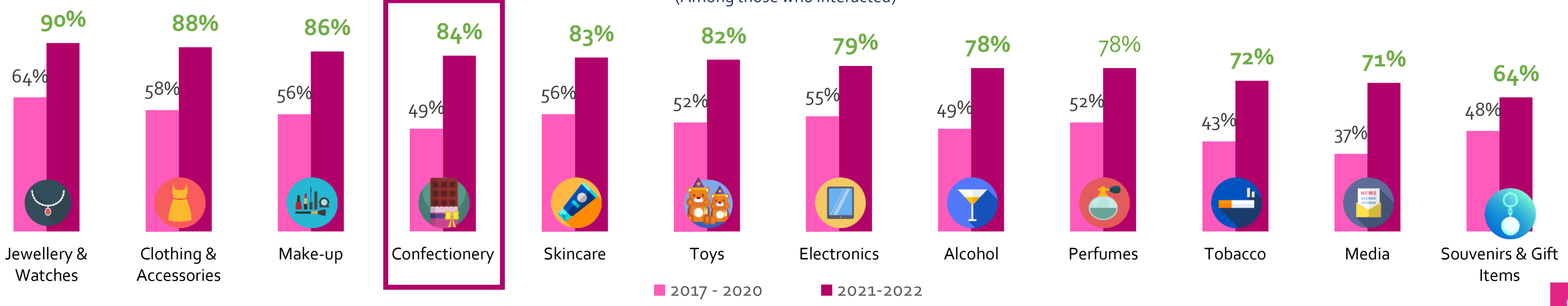


INTERACTION WITH SALES STAFF

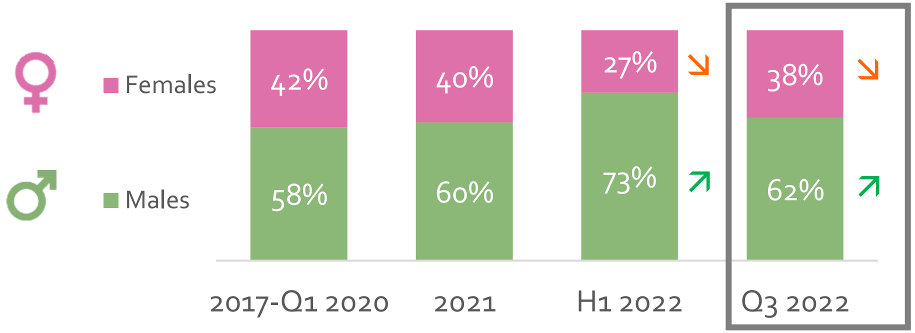
INFLUENCE OF SALES STAFF

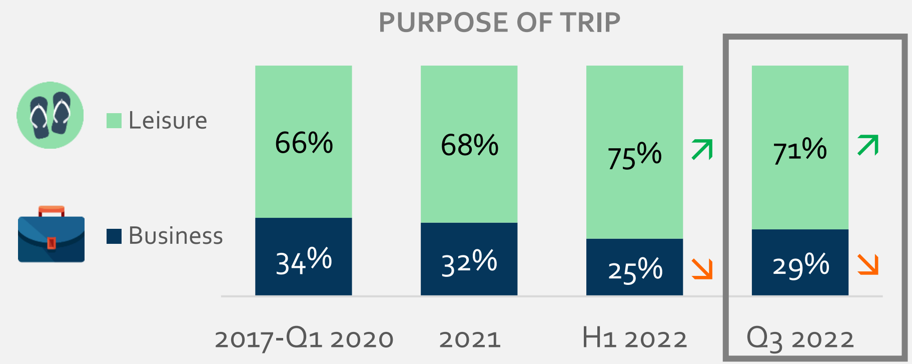
(Among those who interacted)



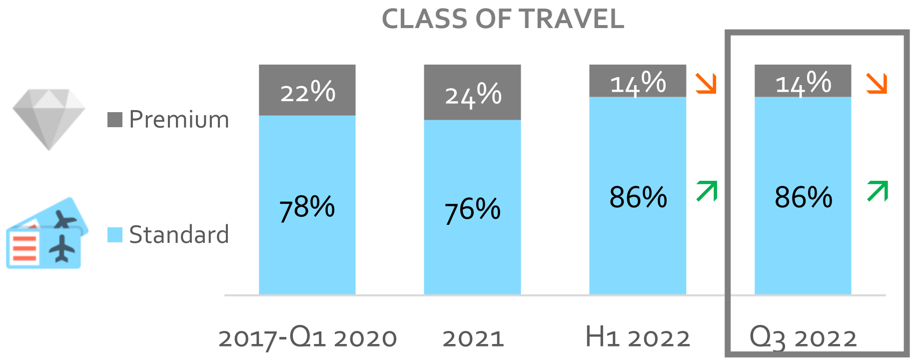
green / orange numbers indicate significantly higher / lower compared to pre-covid (2017-2020)

DF CONFECTIONERY BUYERS



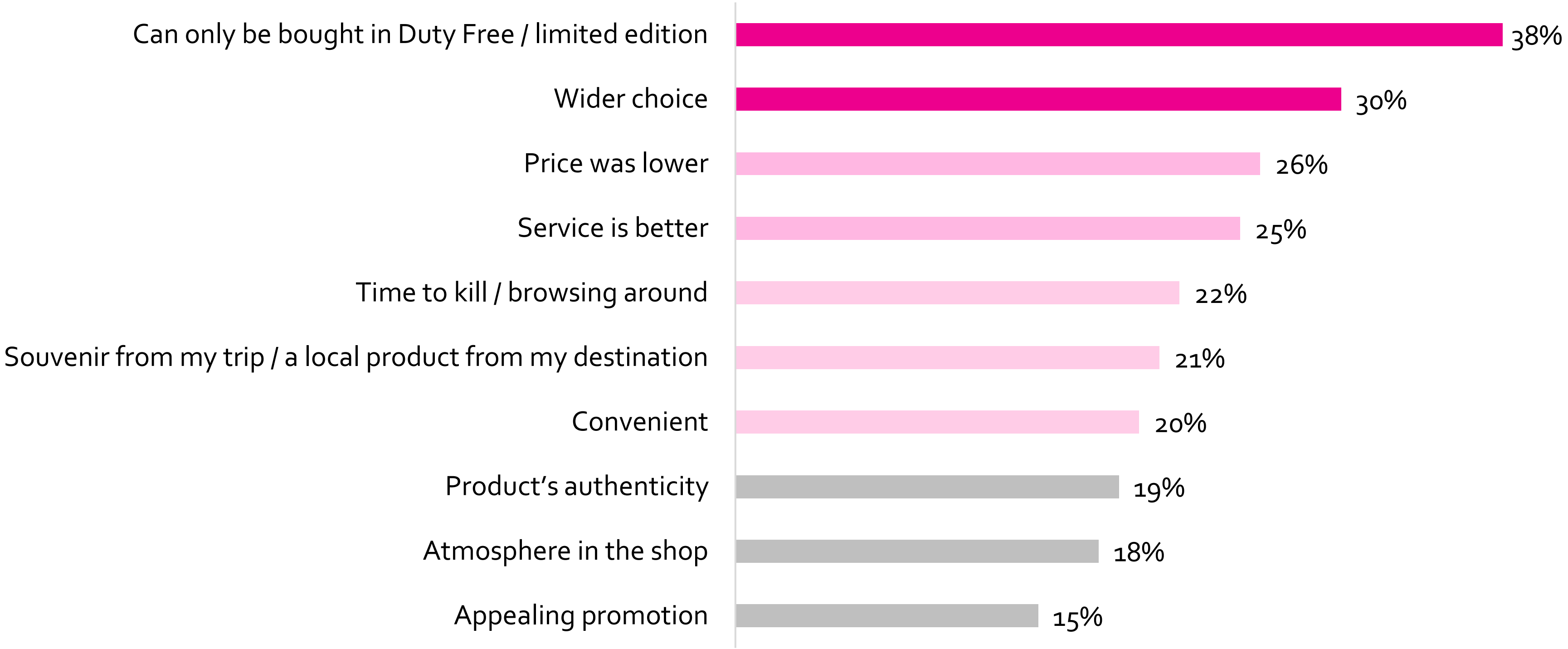


AGE	2017-Q1 2020	2021	H1 2022	Q3 2022	
Gen Z	5%	12% ↗	11% ↗	8%	
Millennials	17%	23% ↗	31% ↗	20%	
Middle Aged	50%	58% ↗	54% ↗	63%	↗
Seniors	28%	7% ↘	4% ↘	9%	↘
Avg age (y.o.)	**46**	**38** ↘	**36** ↘	**39**	↘



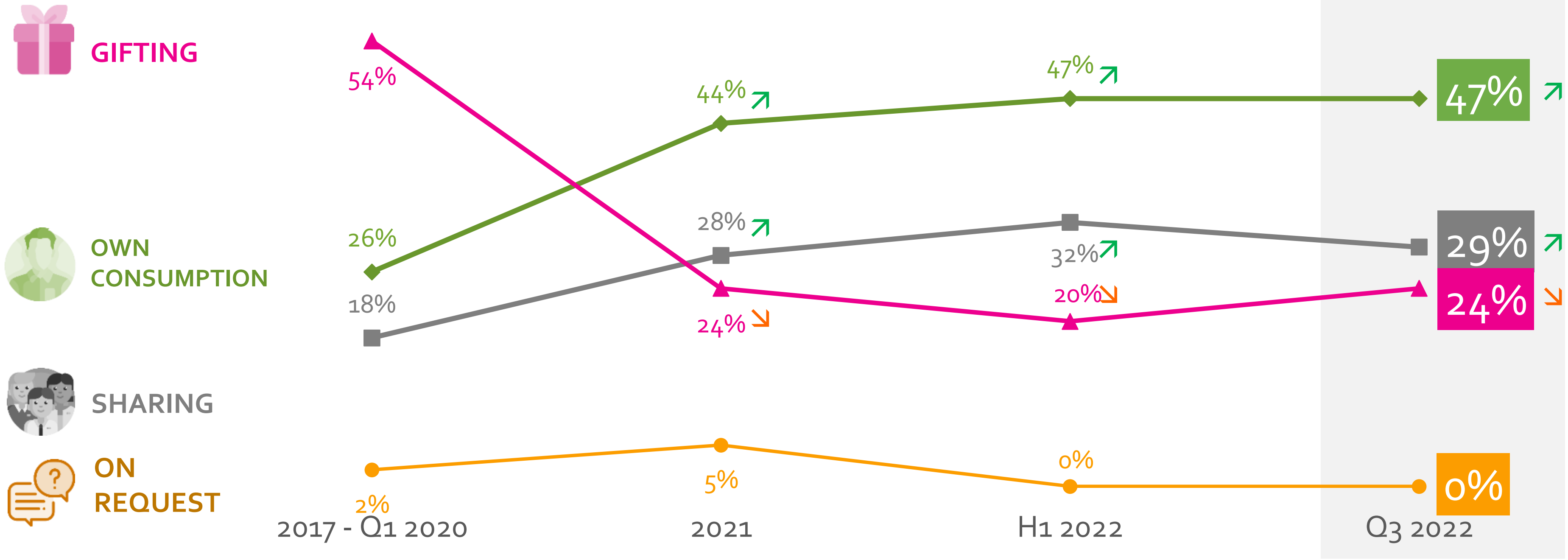
green / orange numbers indicate significantly higher / lower compared to pre-covid (2017-2020)

APPEAL FACTORS TO PURCHASE CONFECTIONERY IN DUTY FREE (Q3 2022)



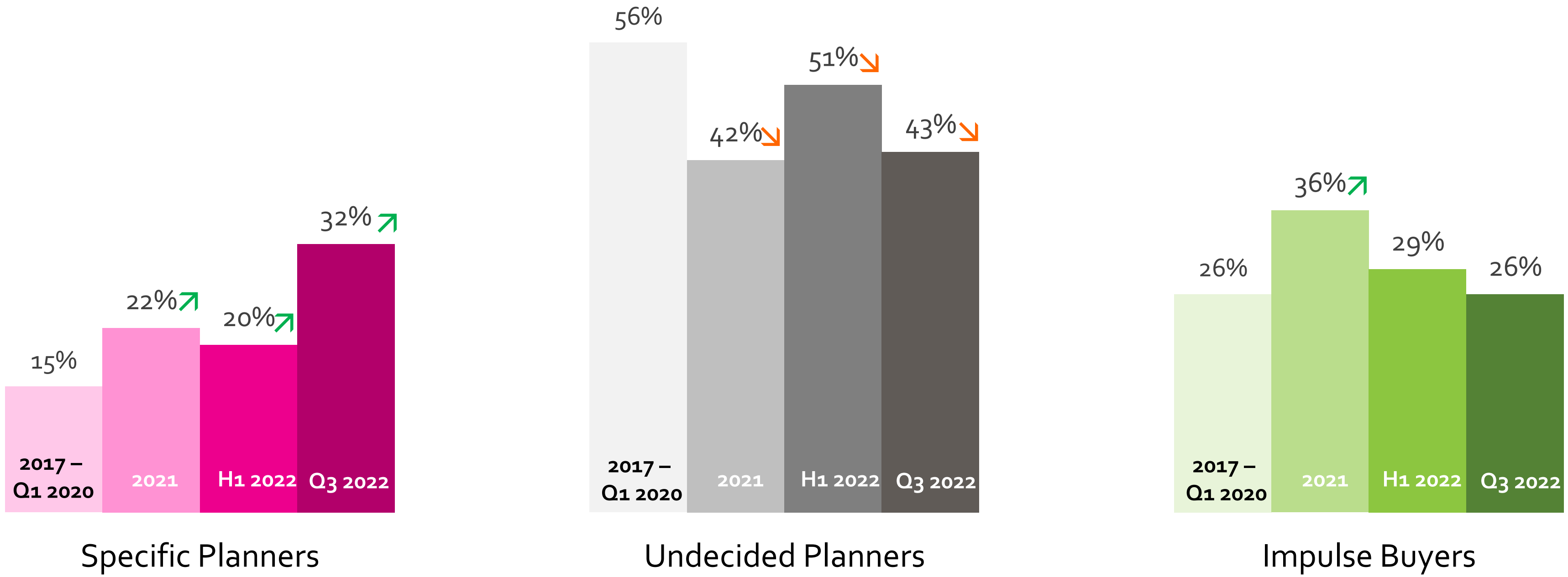
Note: this question is only asked since Q3 2021, so tracking of trends pre-covid is not possible

PURPOSE OF CONFECTIONERY PURCHASE



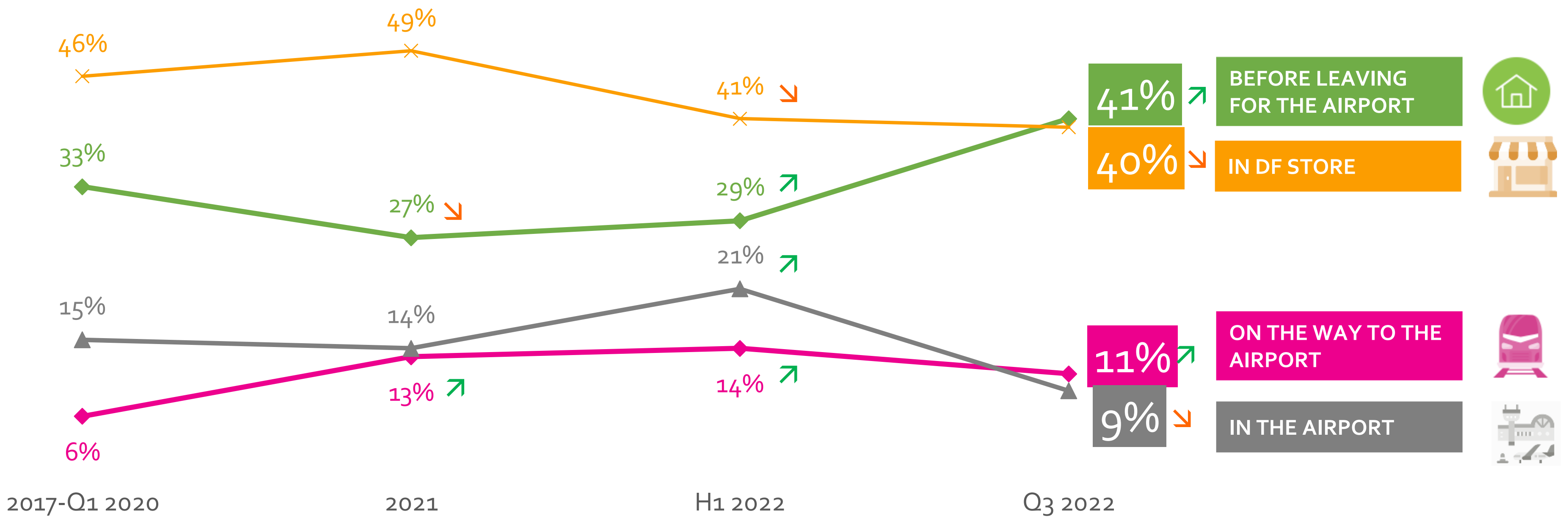
↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

PLANNED VS IMPULSE CONFECTIONERY PURCHASES – TRENDS



↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

MOMENT WHEN DF CONFECTIONERY BUYERS START TO THINK ABOUT THEIR SPECIFIC PURCHASE – TRENDS (Q3 2022)



↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

MOMENTS OF EXPOSURE TO TOUCH POINTS FOR CONFECTIONERY (Q3 2022)

Amongst those exposed to touch points

Online	Offline in Home City	In-flight	Airport outside DF store	Stores at Destination	Another DF store	Stores in Home City
80%	64% ↗	52%	39%	28% ↗	24%	15%
vs 83% in 2017-2020	vs 52% in 2017-2020	vs 49% in 2017-2020	vs 37% in 2017-2020	vs 6% in 2017-2020	n.a. in 2017-2020	n.a. in 2017-2020

↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

TOP 10 BARRIERS TO CONFECTIONERY PURCHASES (Q3 2022)

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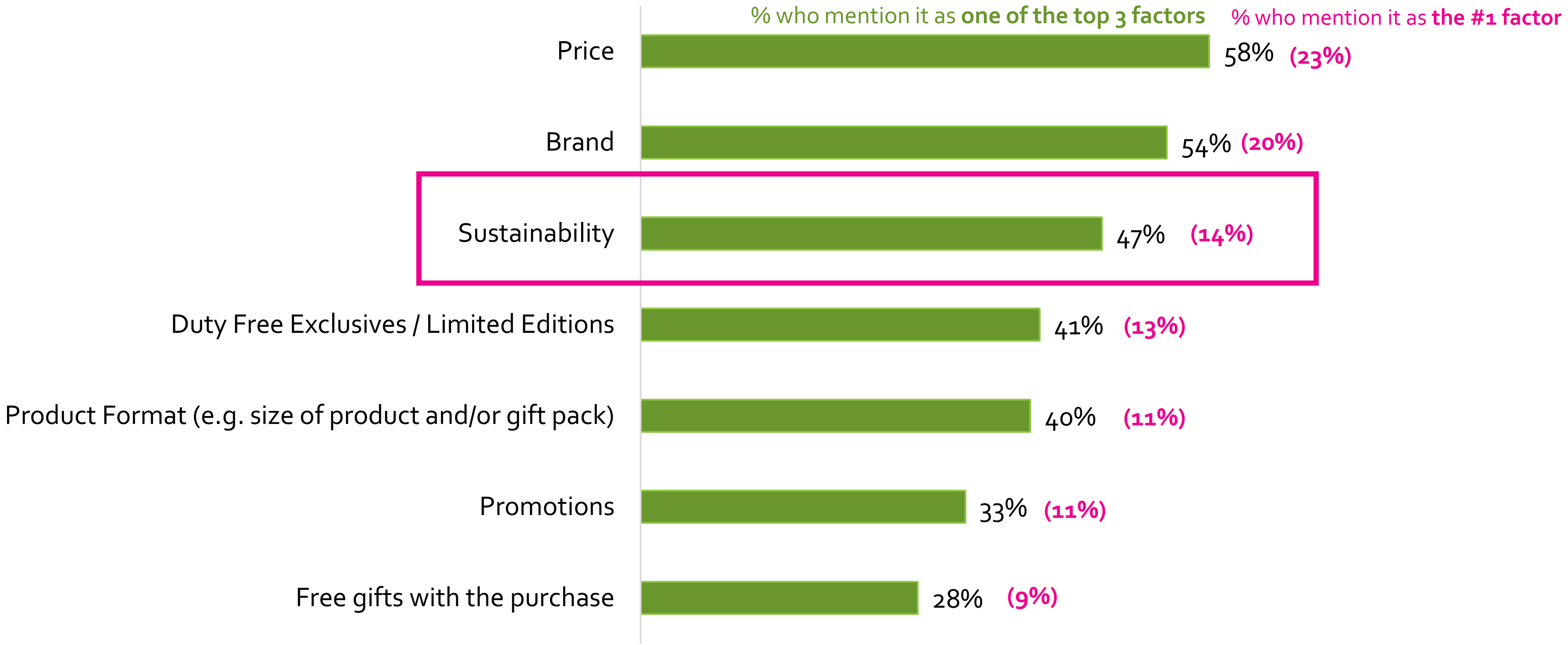
Not enough time to choose	Long queue to pay	Unsure about custom regulations	Higher prices than home	Higher prices than other airports
47% ↗	**37%** ↗	**30%** ↗	**22%** ↘	**21%** ↗
vs 4% in H1 2022 Vs 10% in 2017-2020	vs 6% in H1 2022 vs 7% in 2017-2020	vs 12% in H1 2022 vs 7% in 2017-2020	vs 27% in H1 2022 vs 31% in 2017-2020	vs 18% in H1 2022 vs 11% in 2017-2020

No motivating promotions	Store too busy	Staff not available	Staff not knowledgeable	Too similar products at home
18% ↘	**16%** ↗	**10%** ↗	**10%** ↗	**9%** ↘
vs 15% in H1 2022 vs 35% in 2017-2020	vs 10% in H1 2022 vs 8% in 2017-2020	vs 16% in H1 2022 vs 4% in 2017-2020	vs 14% in H1 2022 vs 2% in 2017-2020	vs 5% in H1 2022 vs 14% in 2017-2020

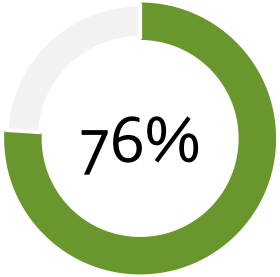
↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

SUSTAINABILITY HAS BECOME A KEY TR CONFECTIONERY CHOICE FACTOR (2022)

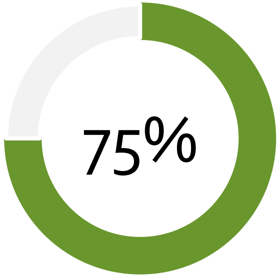


EXPECTATIONS REGARDING SUSTAINABILITY IN CONFECTIONERY (Q3 2022)

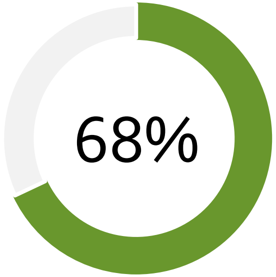
% who consider important to find in Duty Free shops…



Products with **reduced packaging or eco-friendly packaging**

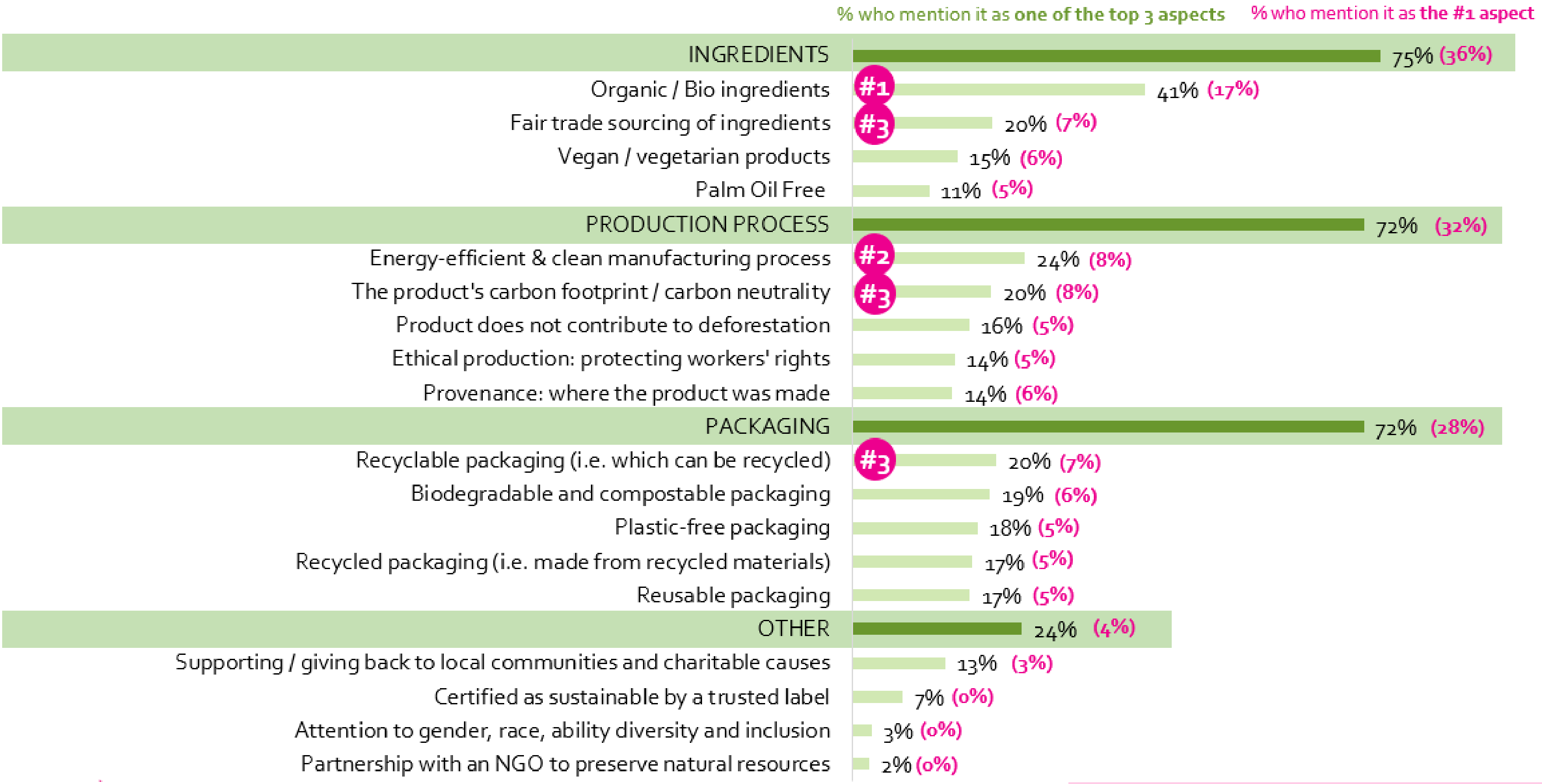


Products with **eco-friendly ingredients**



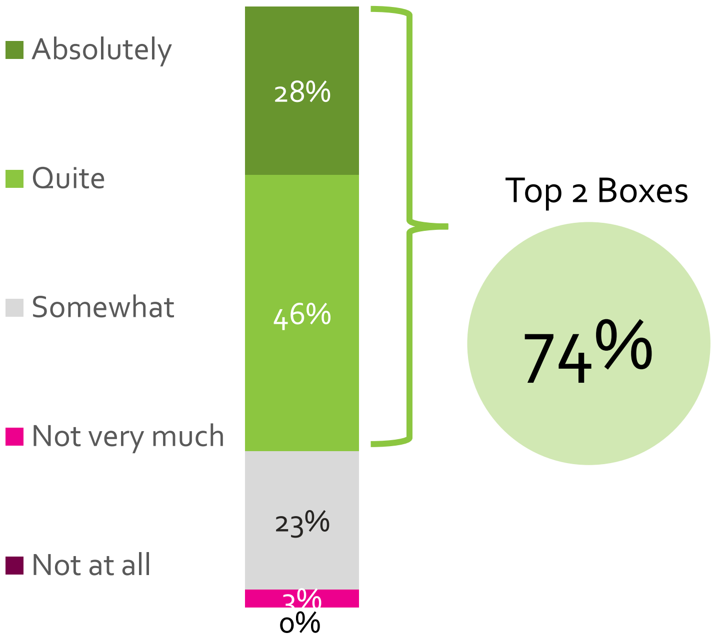
Products with **eco-friendly production processes**

WHAT MAKES A TR CONFECTIONERY PRODUCT SUSTAINABLE ? (2022)



PERCEPTION OF CONFECTIONERY BRANDS' SUSTAINABILITY EFFORTS AMONGST TRAVELLERS (2022)

CONFECTIONERY BRANDS IN TR ARE TAKING MORE STEPS TOWARDS SUSTAINABILITY IN THE LAST 2 YEARS



AREAS THAT CONFECTIONERY BRANDS NEED TO IMPROVE TO BECOME MORE SUSTAINABLE

CREDIBILITY OF BRANDS' EFFORTS

Key take-outs

Covid-19 has **affected performance of Confectionery** in Travel Retail, mainly due to the fact that overall **impulsive purchases had decreased** during the Covid time, as shoppers were less willing to browse the stores, discover new things.

Despite that, key indicators such as **confectionery purchase rate** and amount spend have **remained stable** over the years. Yet, **footfall increased slightly** in 2022, while **conversion decreased** in 2022.

In the **post-Covid**, Confectionery shoppers tend indeed to assume a more extreme behavior and either plan **their purchase very specifically** (knowing either the brand or the exact product) or **buy purely on impulse,** thus creating more positive trends within the category.

Key take-outs

Confectionery shoppers have now **less concerns around covid-19 infections** and feel more incline to **browse the stores** and particularly enjoy the **wide assortment**. These are the main DF appeal factors for Confectionery buyers.

Another trend brought to life by covid-19, which applies to Confectionery particularly, is the desire for **self-indulgence**. Indeed, **self-consumption and sharing** have been steadily **increasing** at the expense of gifting and purchases made on request.

Compelling in-store elements have gained importance again post-covid in driving Confectionery purchases, as most buyers **start thinking about their specific confectionery purchase** either on the way **to the airport**, or once they are **inside the DF store**.

Another very important in-store "element" it the **sales staff** who is nowadays important as ever in **driving and guiding in-store purchases**.

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Thank you!