

How to Understand & WOO the Airport Shoppers in South Africa



MEDFA
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Background Information – 2 Key Airports

Johannesburg (JNB)

- Busiest airport in Africa
- Around 21 Mio passengers
- One out of three airports in the world flying to six continents
- Hub of SAA
- 1700 meters above sea level

Cape Town (CPT)

- Third busiest airport in Africa
- Around 8 Mio Passengers
- Direct flights to Africa, Europe, Asia and Latin America
- „Best Airport in Africa“ 2009 (Skytrax)



Passenger's Demographics

→ Main nationalities:

- South Africa
- UK
- Germany
- Netherlands
- USA
- UAE



- Around 20% business travellers, 80% leisure
- About 70% fly 1-5 times per year, 10% fly 10+ per year
- All age groups represented

Satisfaction with Duty Free Shops

Evaluation of Airport Shops in South Africa

- 😊 Overall atmosphere
- 😊 Local products & souvenirs
- 😊 Architecture and design
- 😊 Customer treatment & care
- 😊 Quality of establishment
- 😊 Modern look
- 😊 Size of establishment



Evaluation of Airport Shops in South Africa



- ☹️ Variety of brands
- ☹️ Limited amount of Duty Free exclusive products
- ☹️ Variety of assortment
- ☹️ Amount of promotions & special offers
- ☹️ Lack of limited editions
- ☹️ Price level

But what is really important for
the traveller...?

...it depends!

Different People, Different Needs

→ Each individual traveller has individual needs – impossible to fulfill !

→ Important to:

→ Understand the whole range of needs

→ Define priorities

→ Cluster and develop segments

→ Offer product categories and brands for all segments' key needs

Let's take a look at the current shopping behaviour first...

Footfall & Conversion Rates



Reasons for going into the Duty Free shops

1. To stock up / buy things I need (cigarettes, alcohol, cosmetics, perfumes)
2. To browse around and see if I can find something I might like to buy (mainly Germans)
3. Buy some local souvenirs (all Europeans)
4. To buy premium products at good prices (mainly Germans)
5. Kill time (mainly UK)
6. To buy products I can not find at home (mainly South African)
7. Find presents for my beloved



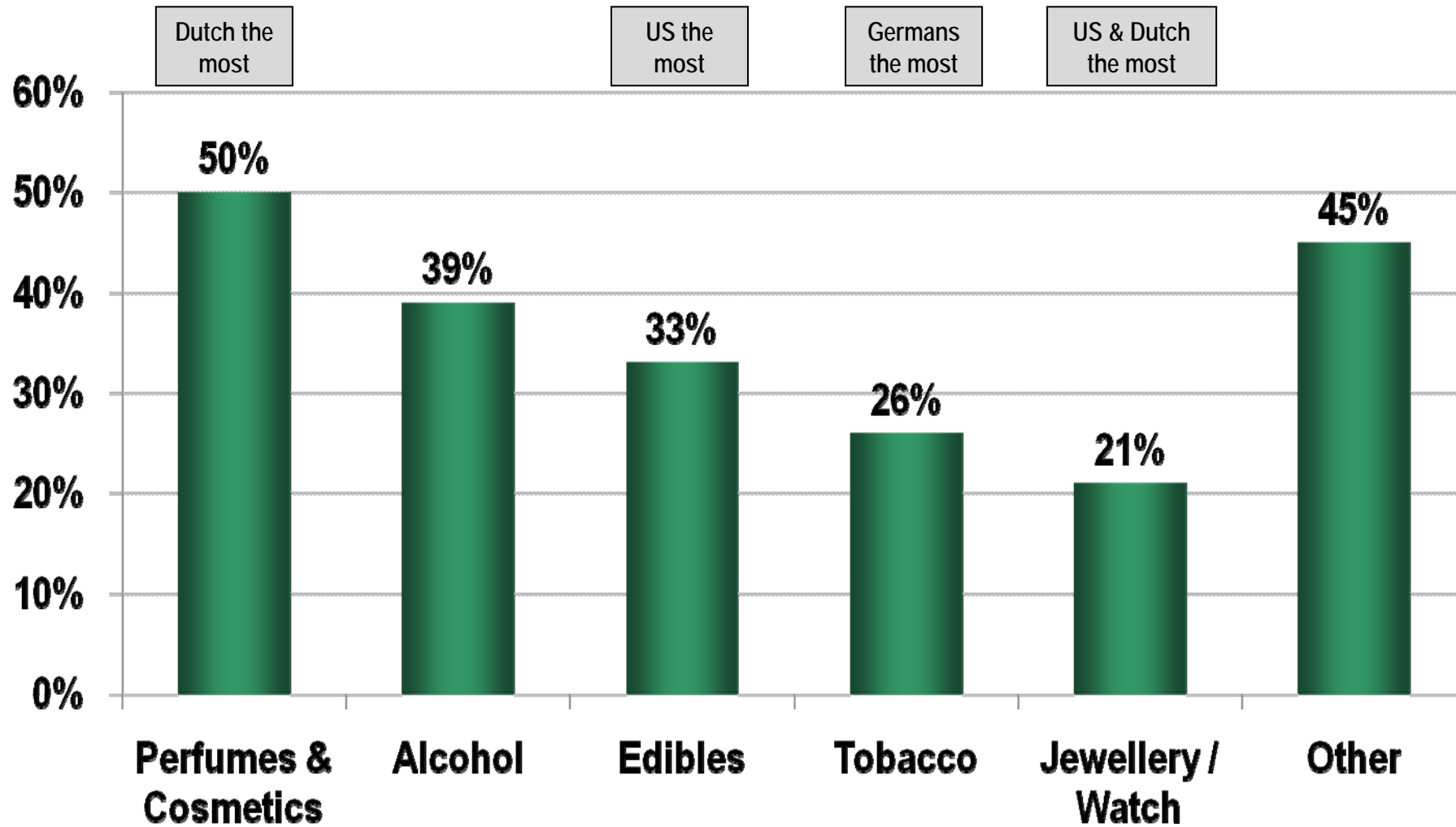
Reasons for not going into the Duty Free shops

1. Do not need anything
2. Do not want to carry anymore items
3. Duty Free Shops always have the same boring products
4. Prices too high compared to domestic market (mainly South African)
5. Will buy elsewhere on trip (mainly South African)
6. Do not have enough time
7. No more money to spend



Sections Visited at the Duty Free Shops

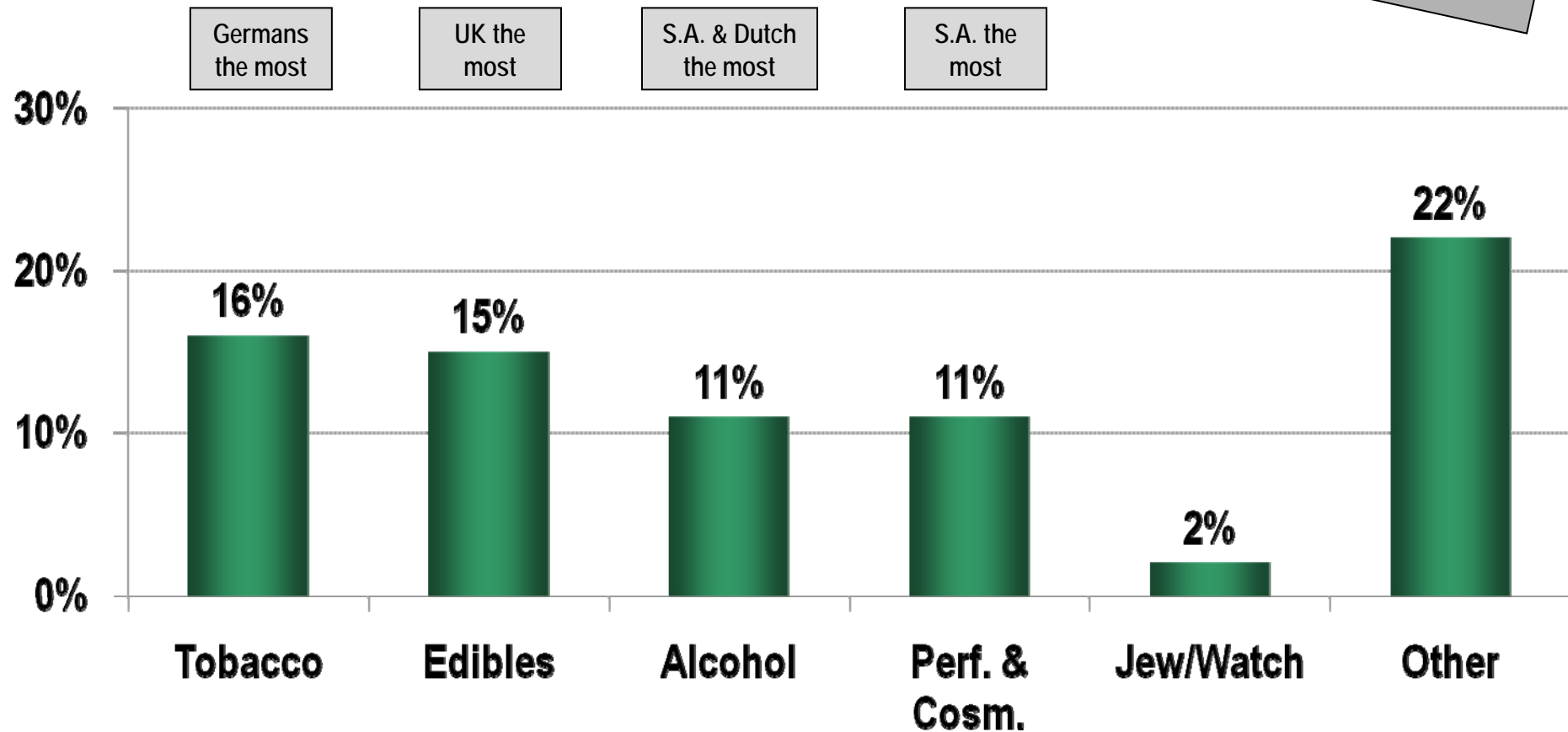
(Base: Those who visited shops)



Items Purchased at Sections

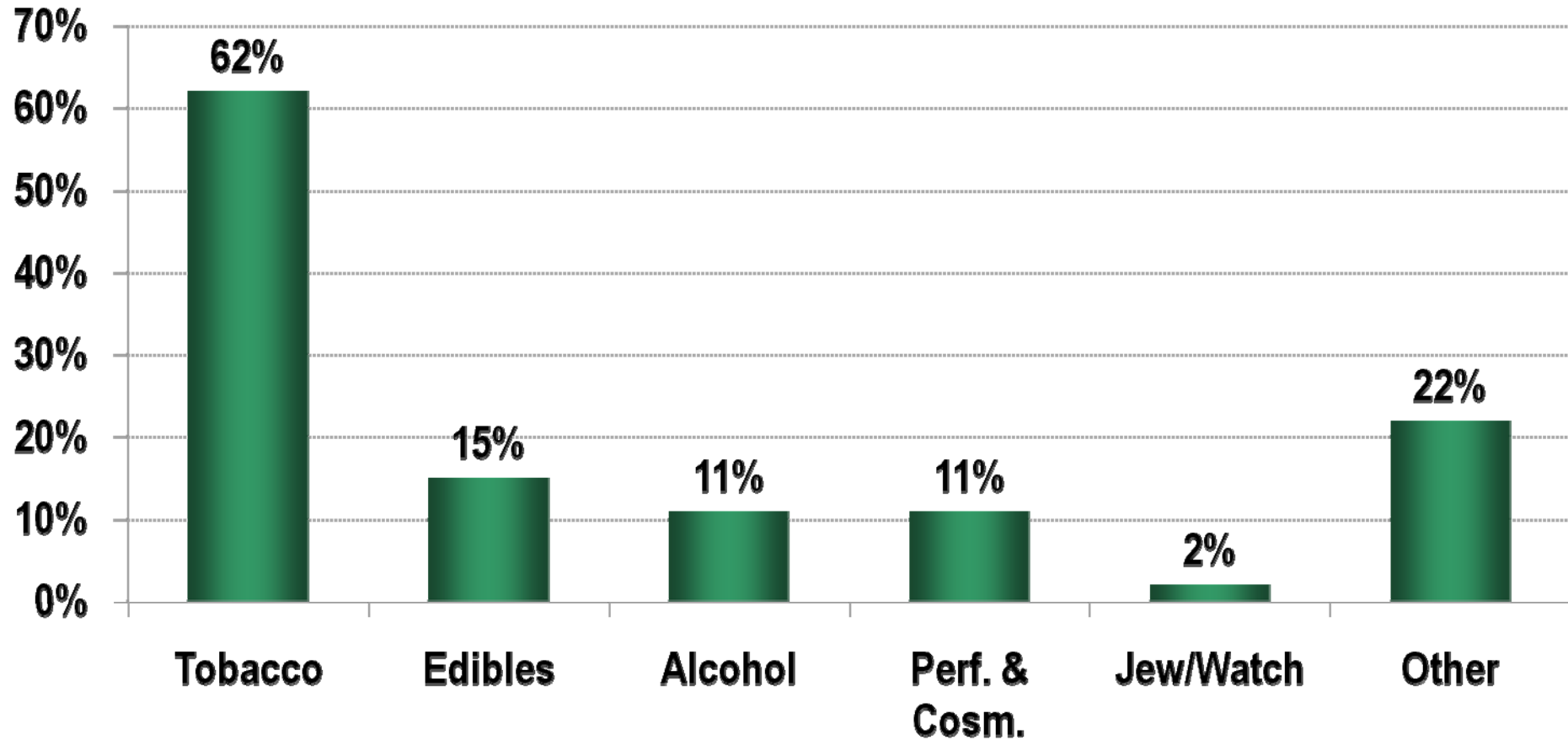
(Base: Those who visited shops)

The 25-35 year old are the most likely to buy, the 45+ the least

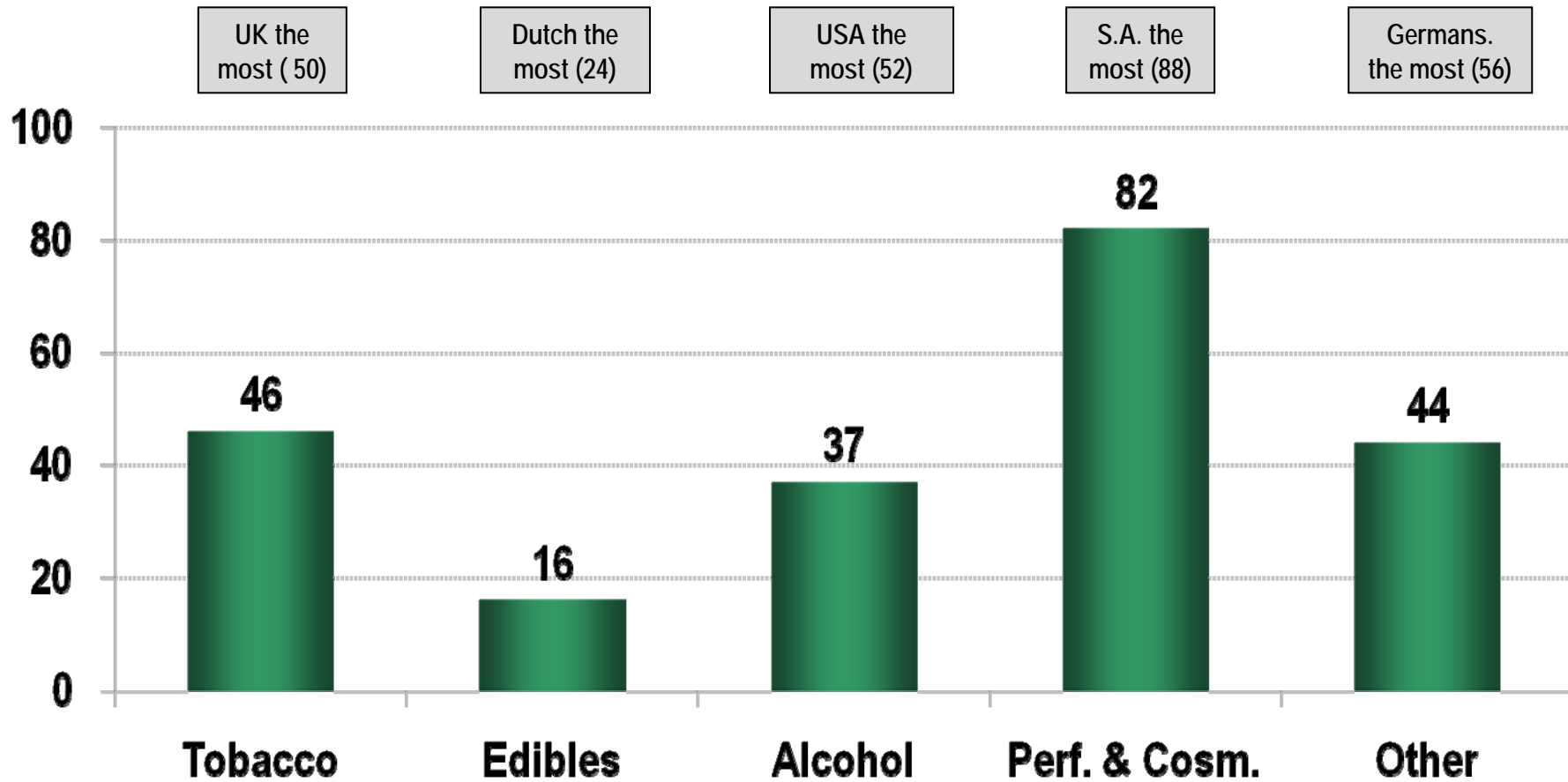


Conversion Rates

(Base: Those who visited shops)



Average spent per purchase in USD



Shopping Baskets

Among the Toiletries buyers:

- 64% also bought from other categories
 - ⇒ 44% bought from 1 other category
 - ⇒ 20% bought from 2 other categories
- Av. Products bought: 1,9



Shopping Baskets

Among the Alcohol buyers :

- 53% also bought from other categories
- => 37% bought from 1 other category
- => 15% bought from 2 other categories
- => 1% bought from 3 other categories

Av. Products bought: 1,7



Shopping Baskets

Among the Tobacco Buyers:

- 52% also bought from other categories
=> 38% bought from 1 other category
=> 14% bought from 2 other categories
- Av. Products bought: 1,6



Shopping Baskets

Among the Edibles buyers :

- 59% also bought from other categories
 - ⇒ 38% bought from 1 other category
 - ⇒ 18% bought from 2 other categories
 - ⇒ 3% bought from 3 other categories
- Av. Products bought: 1,9



Different Segments – Different Needs

Main Segments within Travellers

The Addicted (~8%)

- 75% buy on every trip
- 65% Women
- Often business travellers
- DF Shopping important part of flight
- Want to find premium products
- Like to buy exclusive gifts at DF, impulsive behaviour

What to do to increase sales:

- Limited editions & travel retail exclusives
- Range of premium products across categories
- Regular change of products & brands



Main Segments within Travellers

The Aversive (~40%)

- Hardly visit Duty Free shops
- 70% Men, mostly medium age or older
- Mainly irregular travellers
- Think all DF shops are identical
- Think DF shops have limited range of brands & products
- Do not enjoy DF shopping

What to do to increase sales:

- Show attractive displays & promotions at shop entrance
- Offer more local / regional products to create interest
- Enhance more “low budget” products



Main Segments within Travellers

The Deal Hunter (~17%)

- 70% buy regularly
- Relatively frequent travellers (5+ times/year)
- Look for premium products and good savings
- Often business travellers (know airports)
- Only purchase if clearly perceived savings
- Visit & purchase across categories
- Often buy presents / gifts

What to do to increase sales:

- Visible offers & promotions across categories (% savings)
- Offer significant range of gifting and limited edition



Main Segments within Travellers

The Time Killer (~23%)

- Most buy seldom at DF shops
- 60% Women
- Typically between 18-40
- Travel infrequently (usually 1-3 times per year)
- Go to DF shops to kill time and browse around
- Like to follow latest trends and are open for new & original products

What to do to increase sales:

- Offer innovative , limited editions & TR exclusive products
- Products with a local touch & souvenirs



Main Segments within Travellers

The Adventurous (~12%)



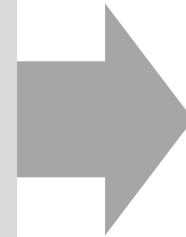
- Travelling makes them in a special & adventurous mood
- Stress-relief after checking in and passing security
- Mostly Women
- Travel infrequently (usually 2-5 times per year)
- Like to give themselves a treat
- Very impulsive behaviour
- Open for luxury products (Accessories, P&C)

What to do to increase sales:

- Offer line extensions of famous luxury brands
- Variety of self-indulgence products for women

Mind-set of travellers: Airside ≠ High Street

- 😊 Positive excitement
- 😊 Open for exploration
- 😊 Sense of change
- 😊 Positive travel experience starts
- 😊 Pleasant anticipation
- 😊 Liberation
- 😊 Relaxation



Opportunity

Challenge



- 😞 Insecurity (confusing environment)
- 😞 Boredom (due to waiting time)
- 😞 Tiredness
- 😞 Routine Behaviour (FTs)

Returning Home: Inbound Flight

- Guilt
- Gifting
- Relaxation process starts (business)
- No burden of additional luggage
- Saying "Good bye" - Souvenir
- Spend local currency
- Stock up for home



Reasons to purchase



Nine Key Learnings from Research

1. Offer products across categories to meet the needs and interests of all segments
2. Vary parts of the products regularly to keep up interest of frequent travellers
3. Meet the curiosity mood – impulsive behaviour - of not so frequent travellers

Nine Key Learnings from Research

4. Increase the amount of limited editions & travel retail exclusive products (gifting)
5. Assure a significant amount of products with a local touch & souvenirs
6. Show attractive displays & promotions at shop entrance to increase footfall

Nine Key Learnings from Research

7. Offer range of products the main visiting nationalities cannot buy at home
8. Include product range for outbound and inbound travellers
9. Hire only engaged & competent staff to make customers feel unique and recognized

Traveller's transparency does not come naturally...





But understanding the
travellers allows much better
decision making...

Thank you!

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