



Middle East Travel Retail Shopper Insights

BY THE TRADE



FOR THE TRADE

Satisfaction with shops

Impact of promotions & offers

Shopping motivation

Shopper typologies

Destination of purchase

Shopping & buying frequency



Background Information



m1nd-set

- Based in Vevey, Switzerland
- **Tailor Made Research** for Brands, commissioned by TFWA
- Research Partner of TFWA and APTRA
- **1st** in Travel Retail Research (2001)
- **# 1** in Travel Retail Research & Consulting (30% growth in 2011)
- **1** Mio Interviews with travellers at 80 Airports Worldwide

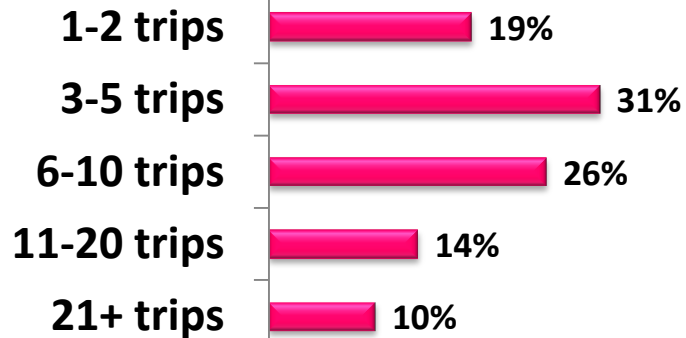
Methodology

- ✈ Participants recruited by m1nd-set interviewers before entering a plane at randomly selected departure gates at key airports in Middle East
- ✈ Travellers complete online interview at their convenience

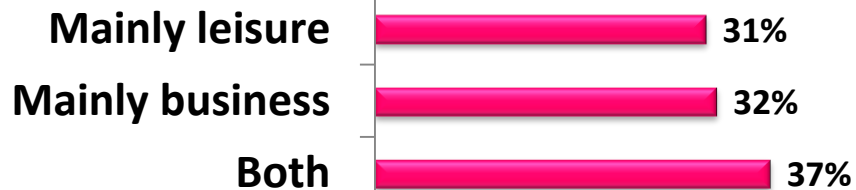
Sample

- ✈ Travellers living in Middle East region (UAE, Qatar, Saudi Arabia, Lebanon, Bahrain, etc.)
- ✈ Total sample size $N = 1.000$

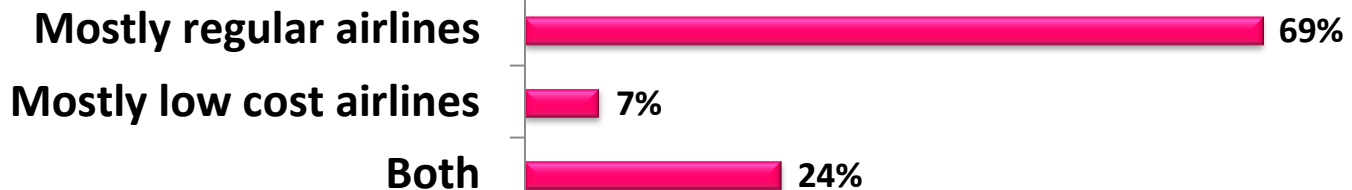
AMOUNT OF TRIPS PER YEAR



BUSINESS OR LEISURE TRIPS



AIRLINES



0% 20% 40% 60% 80%



Satisfaction with DF shops



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Level of satisfaction with DF shops - Airports

What is your level of satisfaction with the DF shops at these airports?

 = High level of satisfaction
 = Low level of satisfaction

Top 3 Boxes
 (Answers on a 10-level scale
 where 10 is „completely satisfied“
 and 1 is „completely unsatisfied“)

Airport	Dubai	Abu Dhabi	Doha
Overall price level	22%	20%	23%
Variety of product categories	50%	23%	5%
Amount of interesting offers and promotions	22%	14%	5%
Variety of brands	35%	17%	14%
Friendliness of staff	48%	34%	23%
Size of shops	54%	26%	14%
Atmosphere (music, temperature, light, decoration, etc.)	52%	31%	32%

Shopping Frequency and Activities at Airports



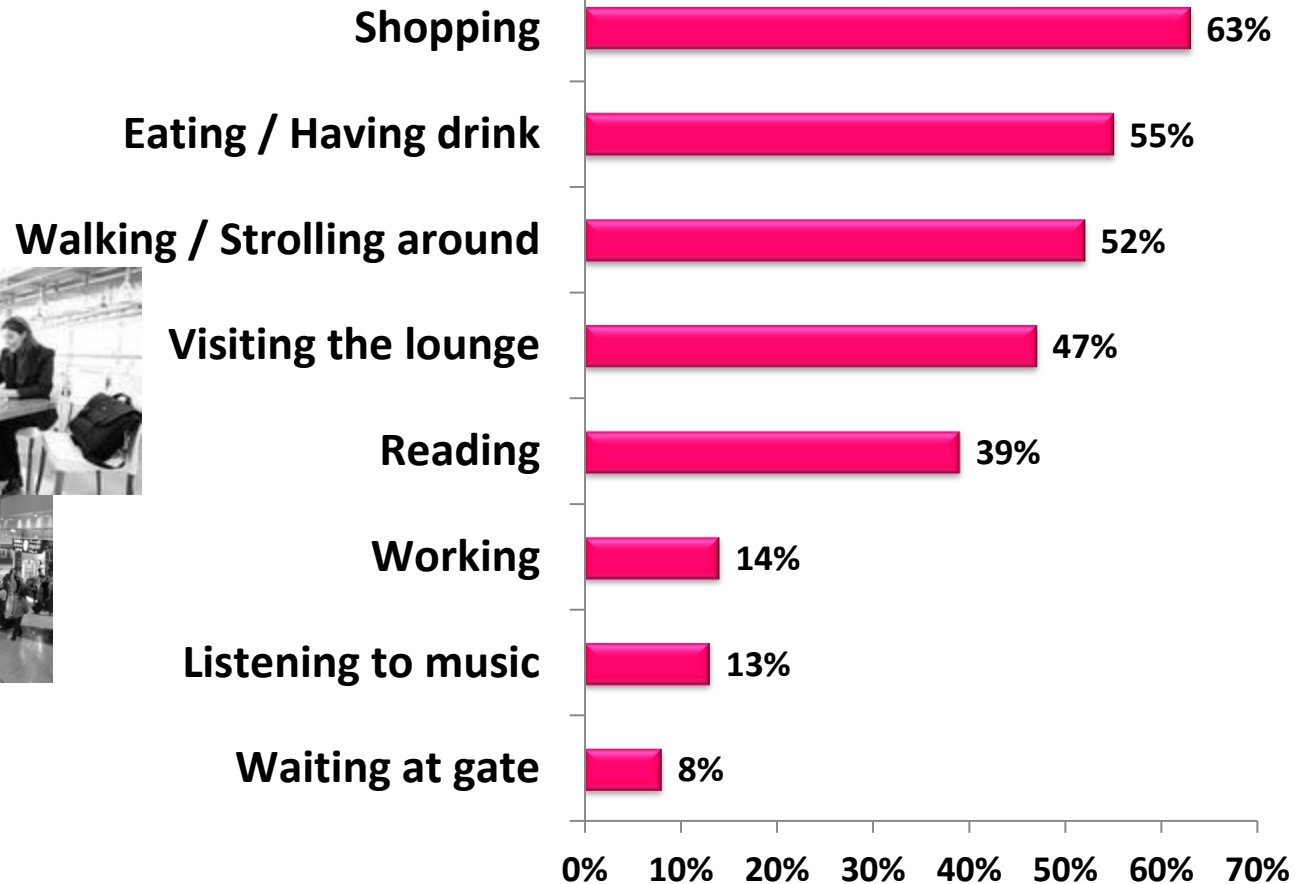
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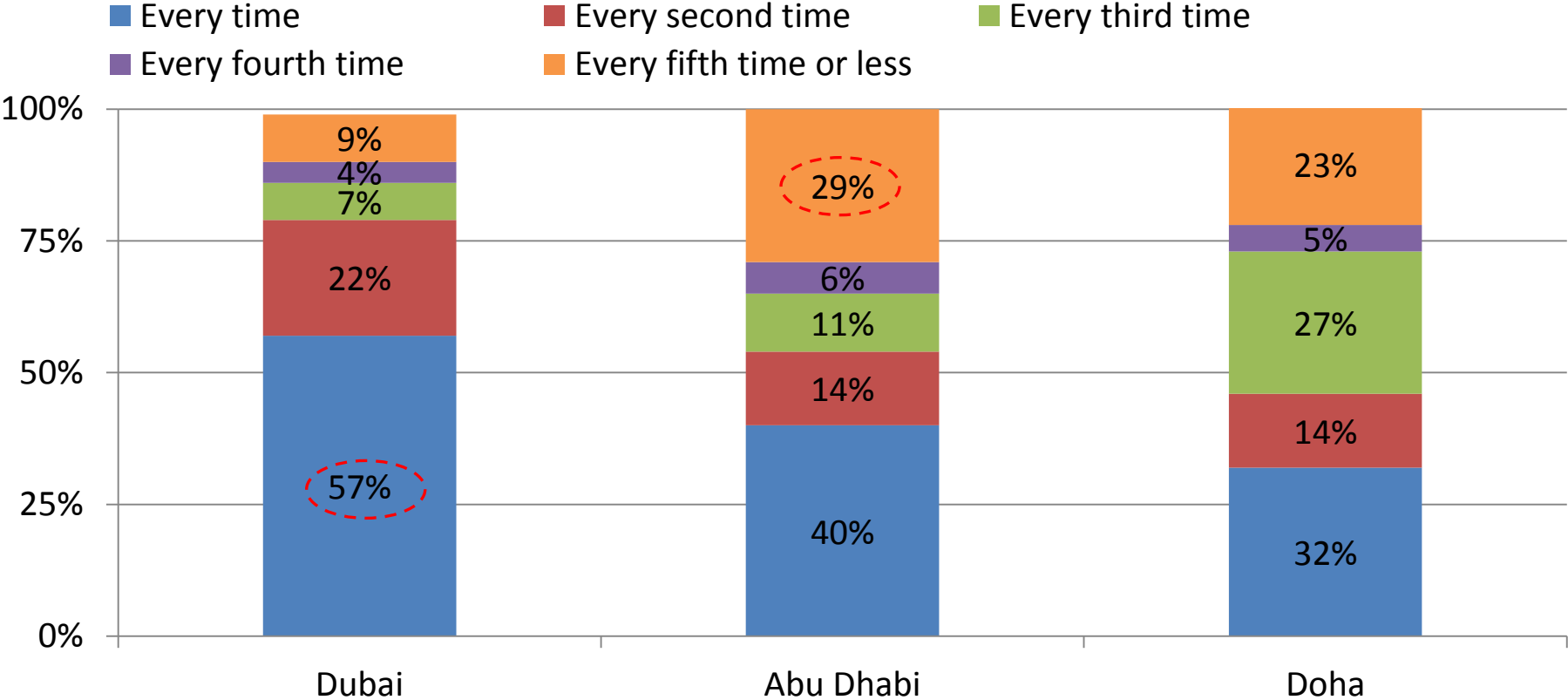
Favourite activities at the airport - total

What are in general your favourite activities when at the airport and waiting for your flight?



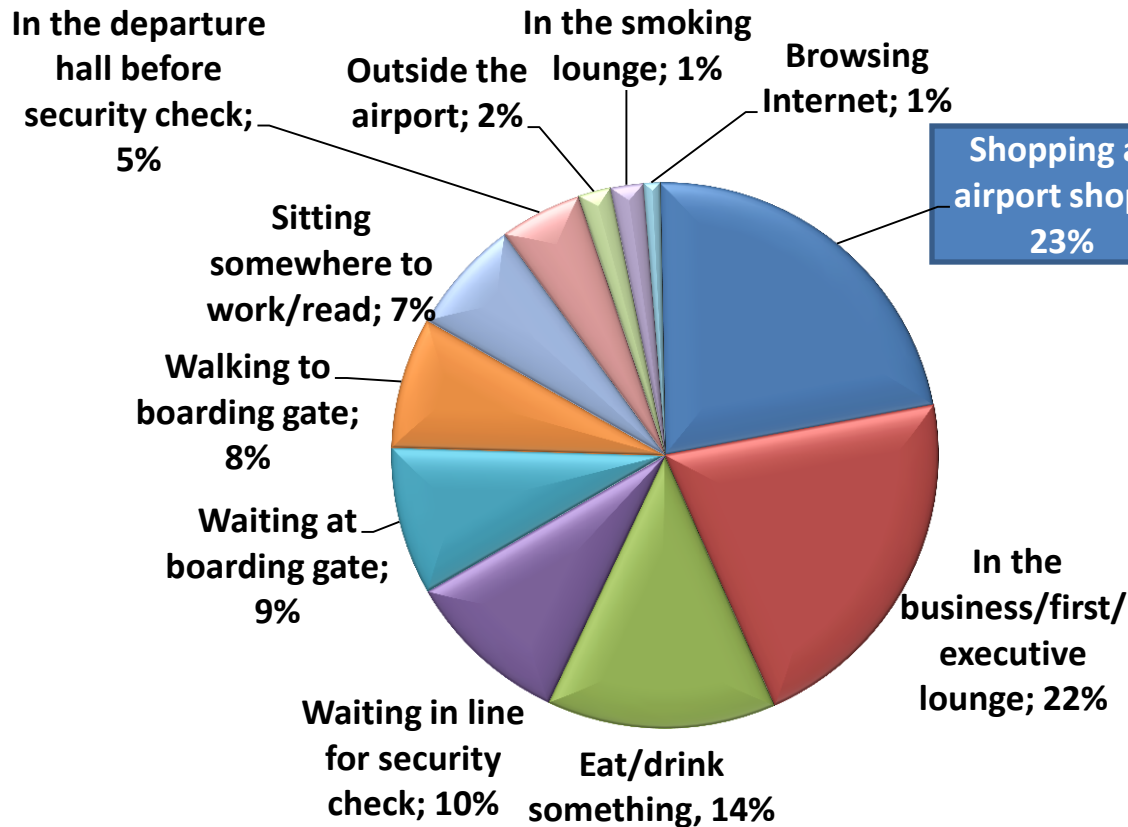
Frequency of buying DF items: total airports

How often do you purchase something at the DF shops at these airports?



Time spent at the airport by activity - total

If you think of the total time you usually spend at the airport after checking in, what % of your time do you spend on each of the following activities?



Shopping at airport shops;
23%

23% of the time spent at airport is for shopping.

Travellers devote 23 minutes to shopping.

Middle East Shopper Typologies



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The Deal Hunter

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



Possible Actions :

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

The Time Killer

- Go to DF shops to kill time and browse around
- Most buy seldom at DF shops
- Mostly Men between 25-50
- Travel infrequently (usually 1-3 times per year)
- Like to follow latest trends and are open for new & original products



Possible Actions :

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

The Addicted Shopper

- DF Shopping important part of flight
- Often buy 3-2 and 2-1 promotions
- 90% buy on every trip
- Typically business travellers
- Want to find premium products
- Like to buy exclusive gifts at DF, impulsive behaviour

Possible Actions :

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



The Adventurous Shopper

- Travelling makes them in a special & adventurous mood
- Stress-relief after checking in and passing security
- Very impulsive behaviour, do not plan before
- Travel infrequently (usually 2-5 times per year)
- Often Women
- Like to give themselves a treat
- Open for luxury products (Accessories, P&C)



Possible Actions :

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

Shopping Behaviour at Airports



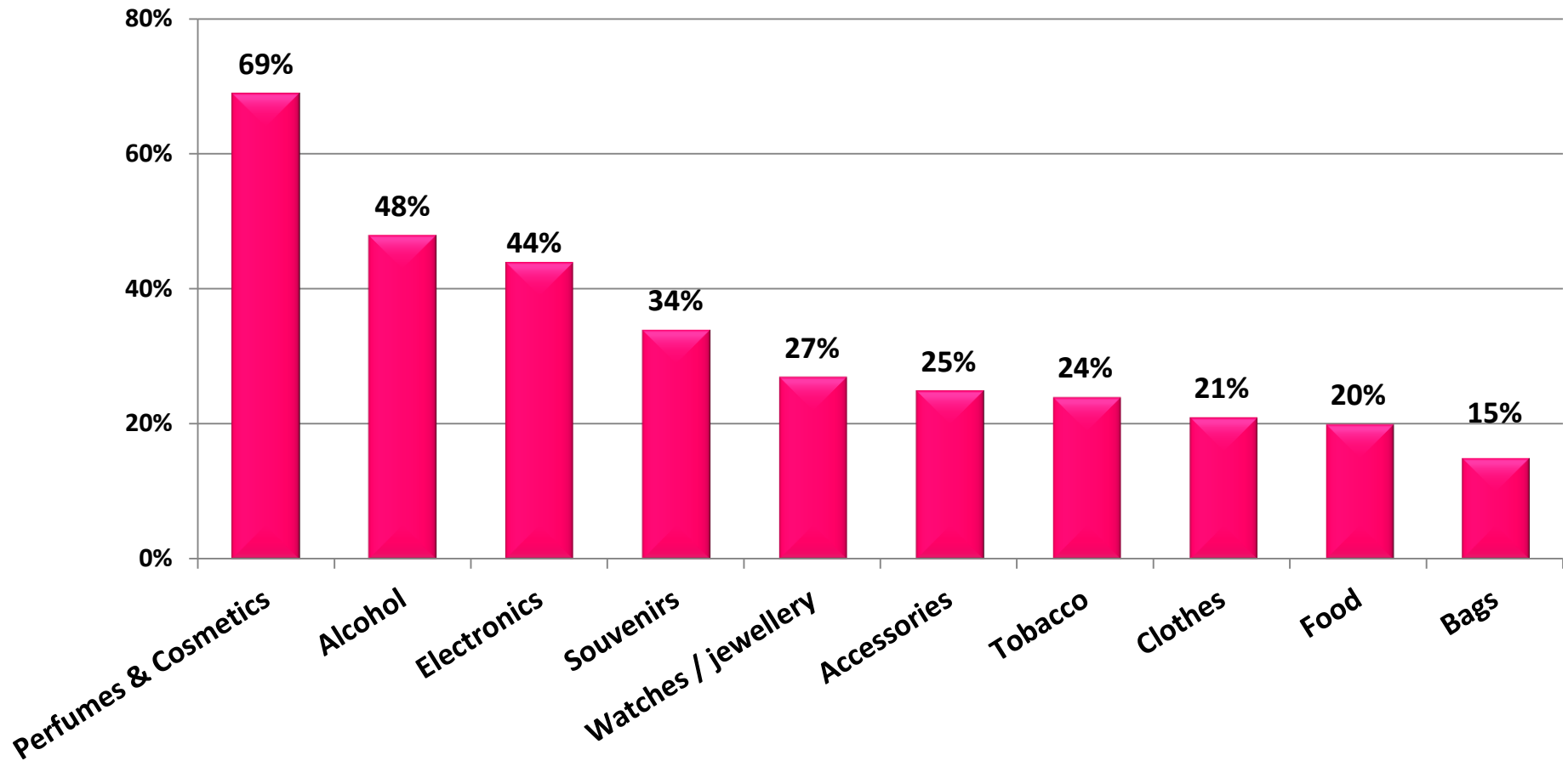
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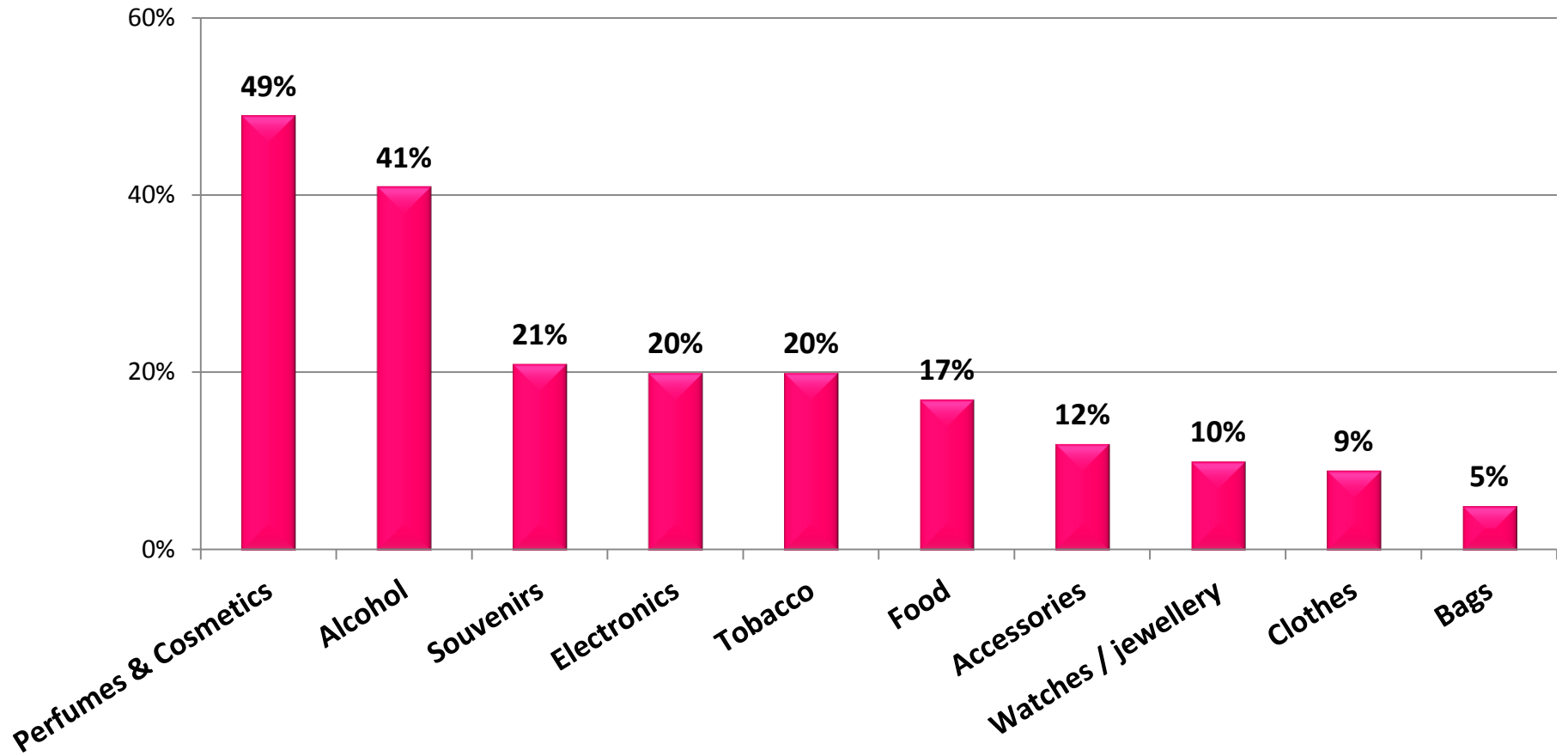
Sections visited

Which sections did you visit last time you shopped in Duty Free?



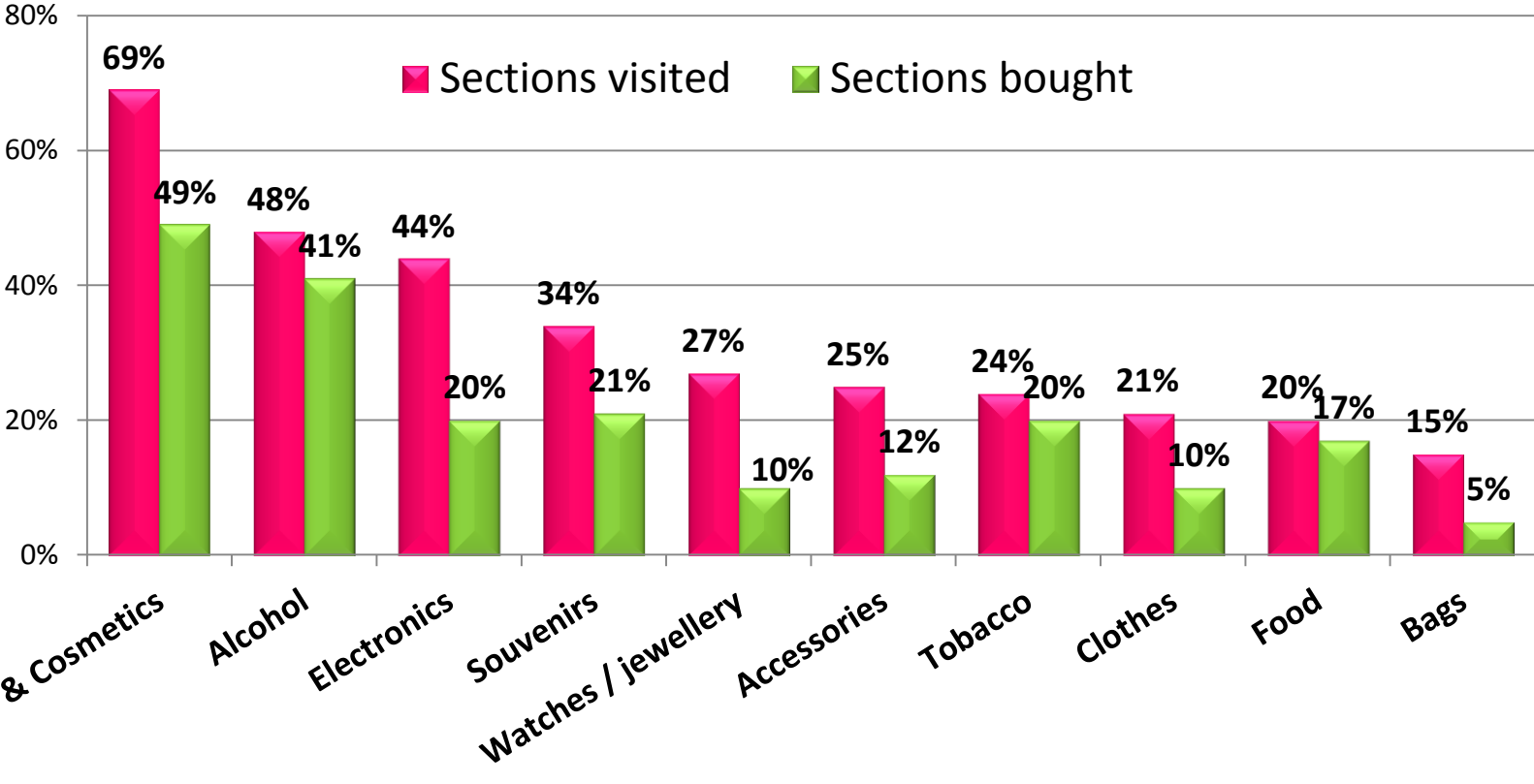
Sections bought

In which sections did you buy?

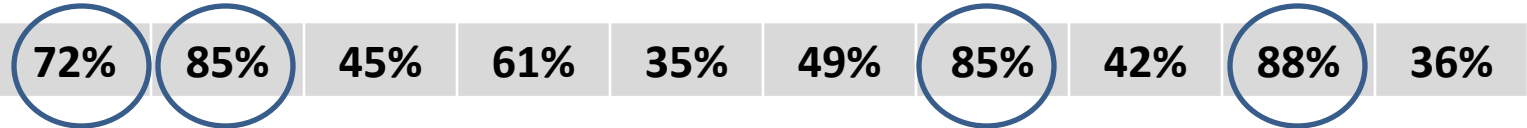


Penetration rate - total

Conversion rates

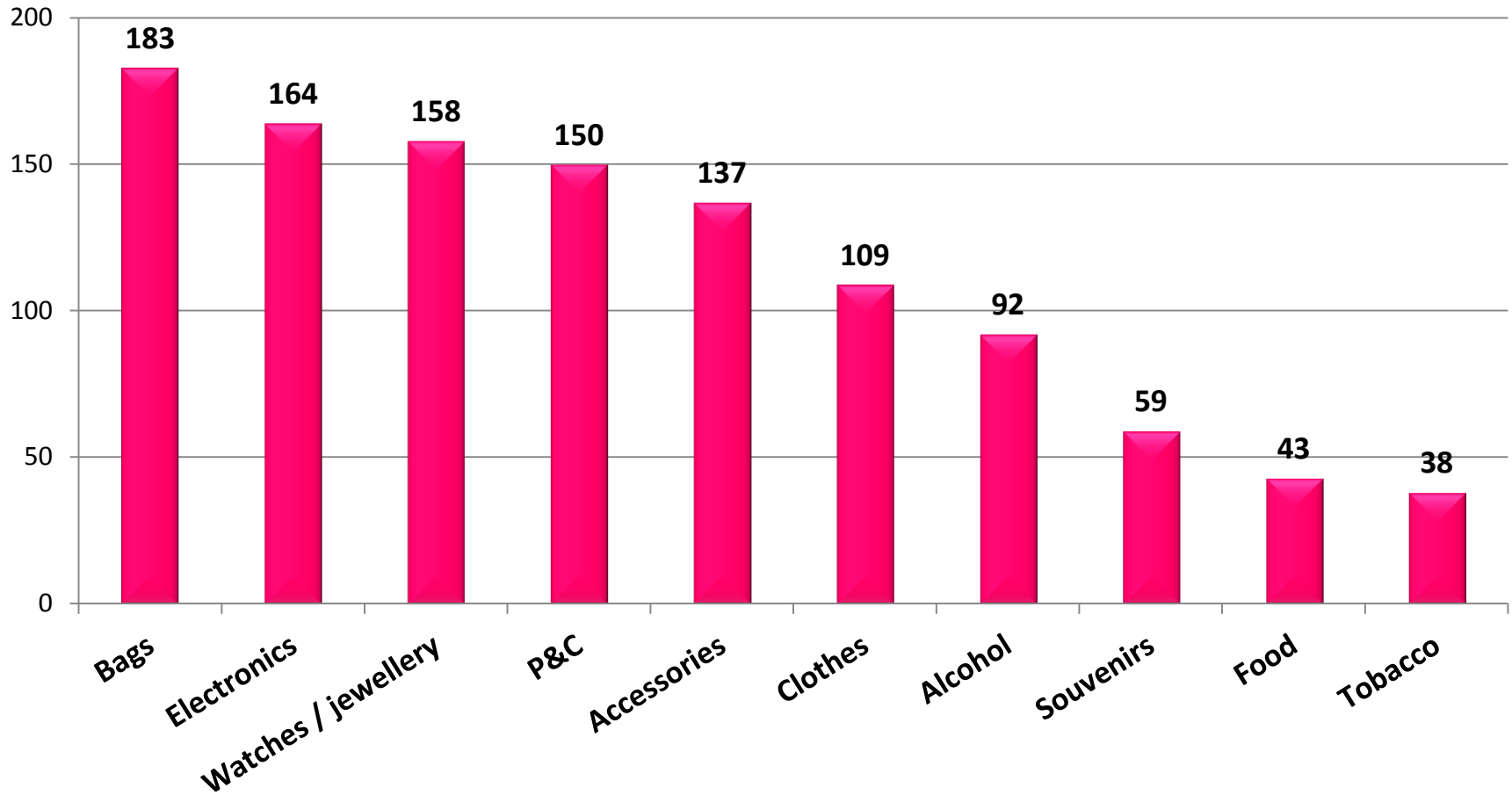


Conversion Rates:




Average amount spent in USD

How much did you spend on each of these categories?



Categories where unplanned purchase is made


**Did you buy something that you had not planned to buy?
If yes, in which category?**

 = Highest spontaneous purchases

Airports	Dubai	Abu Dhabi
Perfumes & Cosmetics	13%	15%
Tobacco	-	7%
Alcohol	6%	4%
Fine food / Confectionery	10%	4%
Watches / Jewellery	8%	4%
Accessories	4%	4%
Clothes	6%	4%
Electronics	8%	-
Bags	2%	-
Stationery	6%	11%
Souvenirs	6%	4%
Did <u>not</u> buy anything unplanned	50%	52%

50% impulsive buying!

Reasons to buy certain articles - total

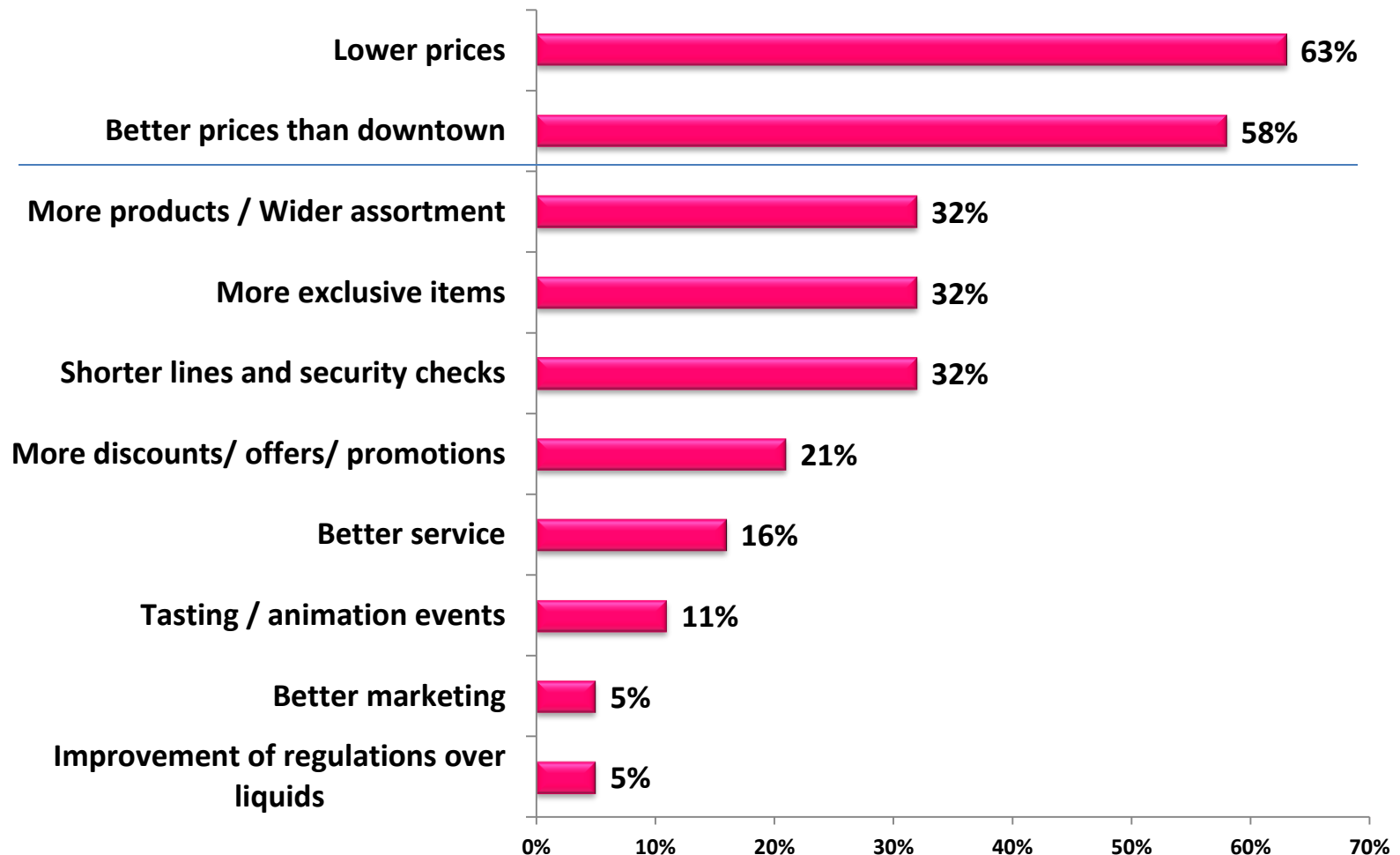
 = Most important

Why did you buy these articles?

Reason	P&C	Tobacco	Alcohol	Food	Watches/ Jewellery	Accessories	Electronics	Stationery	Souvenirs
Gifting	40%	27%	24%	25%	40%	39%	15%	8%	59%
Price	37%	51%	43%	16%	24%	25%	28%	11%	4%
To stock up	21%	24%	38%	13%	-	2%	9%	20%	-
Promotion/ Special Deal	21%	9%	18%	6%	18%	13%	28%	4%	5%
Treat oneself	19%	13%	13%	47%	20%	20%	37%	62%	4%
DF exclusive/ unique	10%	-	5%	8%	16%	16%	9%	5%	5%
Memory of trip	6%	2%	-	9%	4%	7%	6%	6%	59%

Conditions to be improved

Which conditions should improve to make you visit the DF shop at the airport in general?



Offers & Promotions



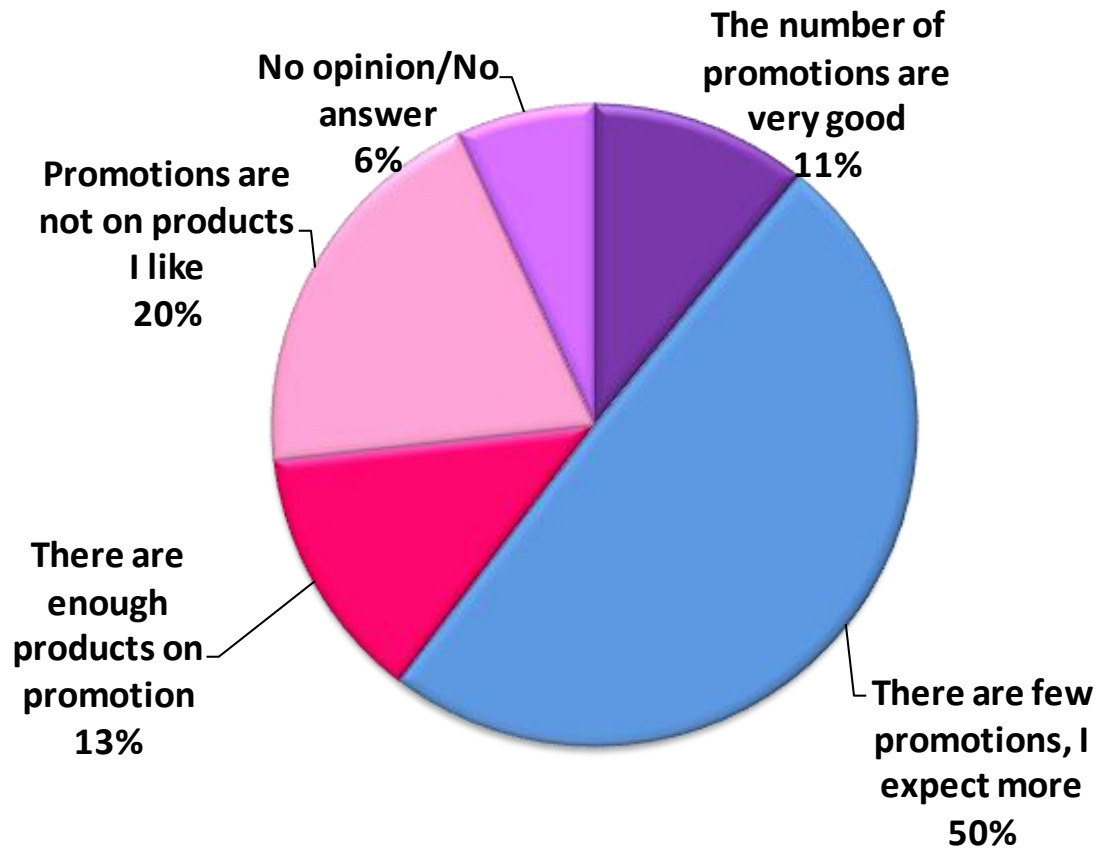
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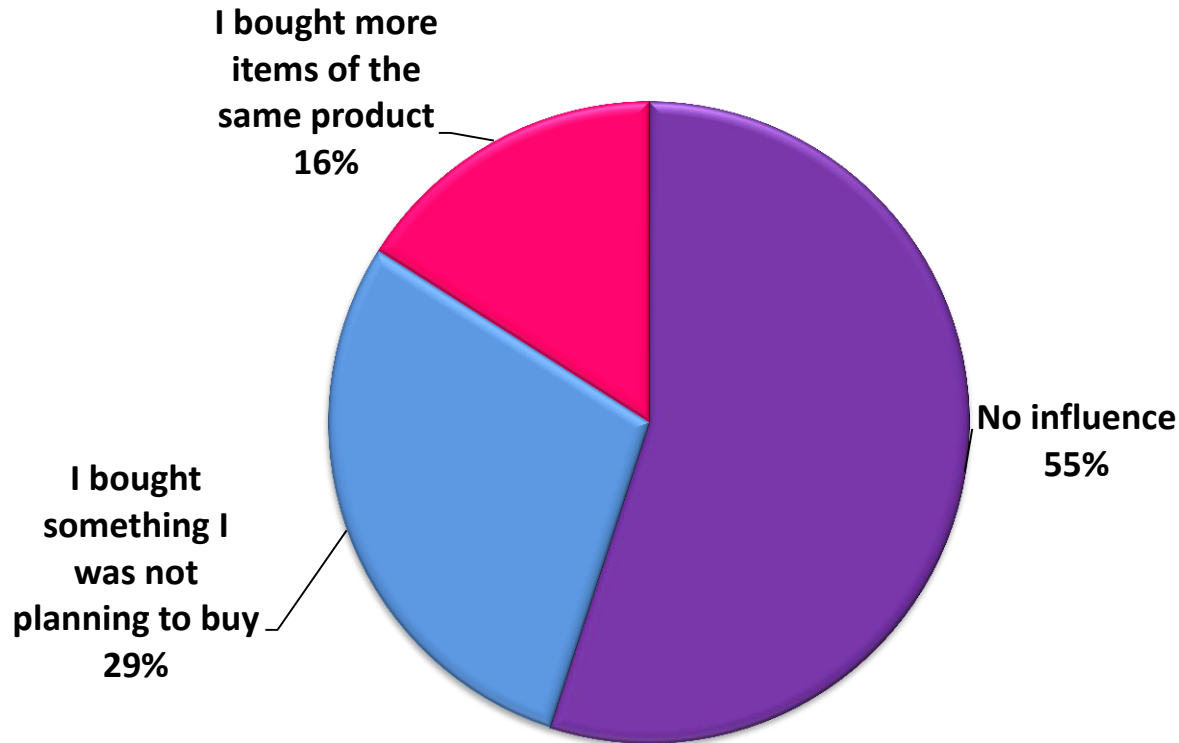
Opinion regarding the number of promotions - total

What do you think of the number of promotions you could find at the Duty free shops, can you tell me what your opinion is about them?



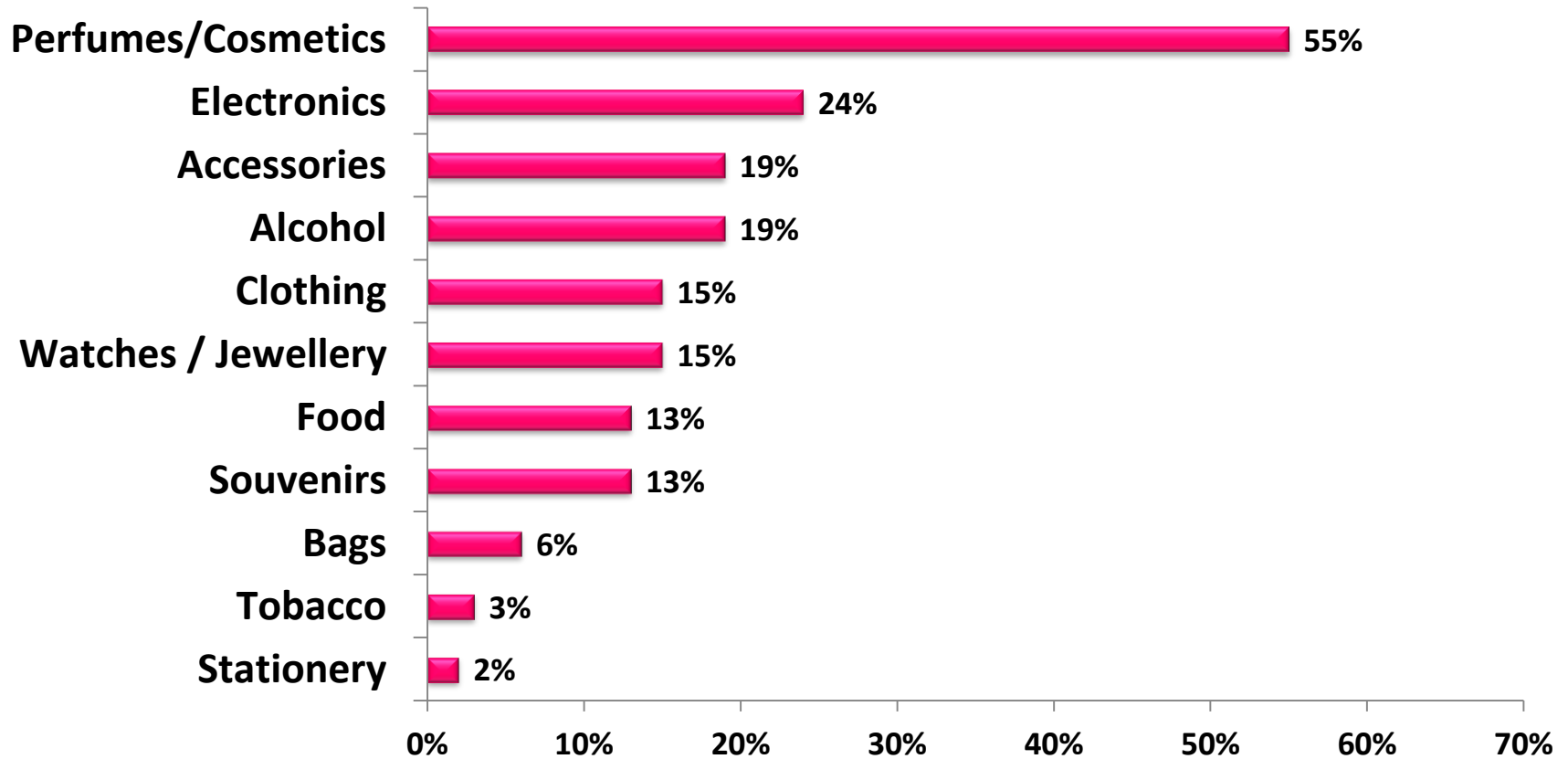
Influence of promotions on the shopping behaviour - total

What influence did the promotions have on your actual shopping behaviour?



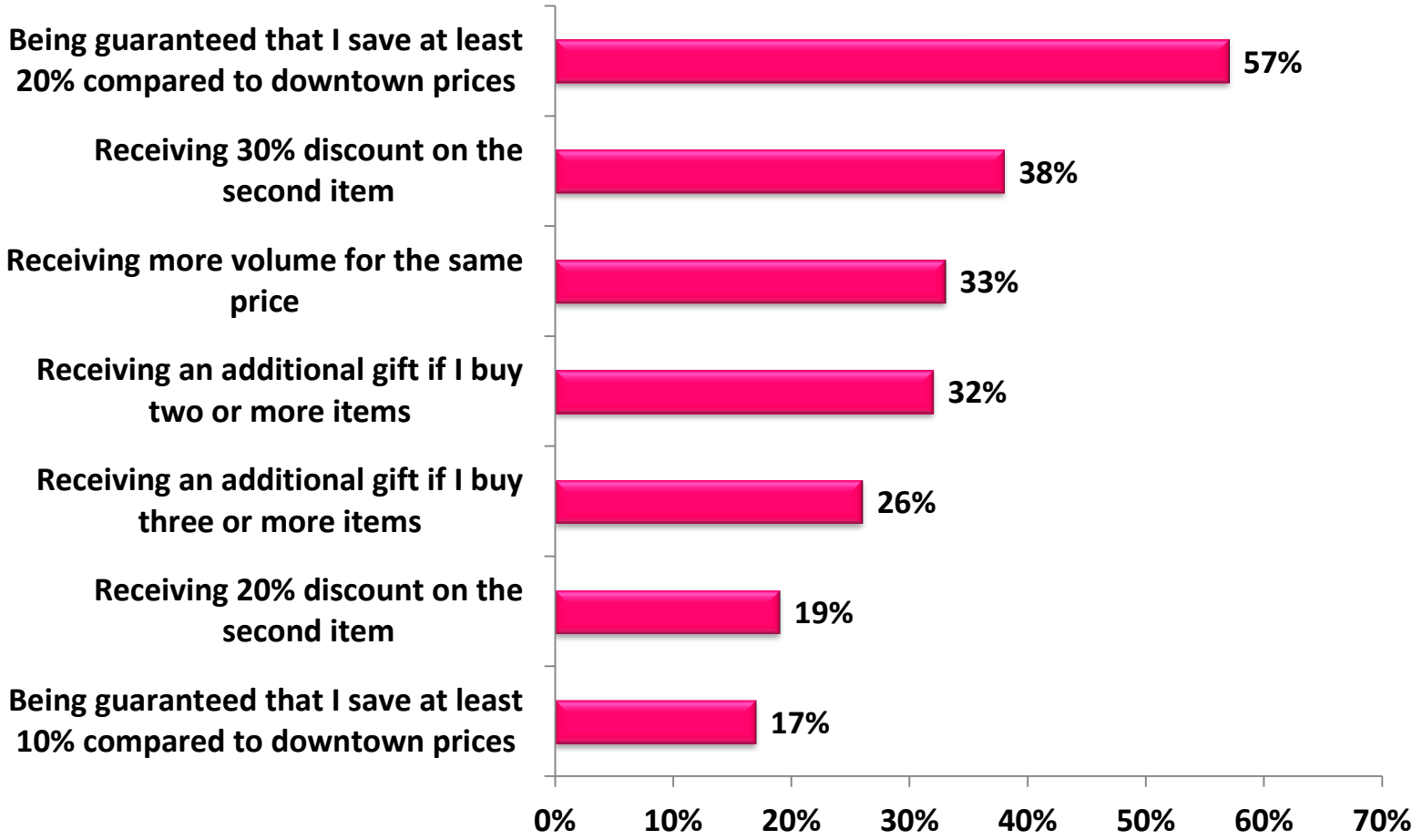
Categories where unplanned purchase is made - total

In which categories did you buy something because of the promotion which you hadn't previously planned on buying?



Influence of promotions on the shopping behaviour: total

How likely are you to buy more items in DF shops if offered the following offers or promotions?



Learnings & Actions from Research



Increase Penetration :

- Assure consistent shopping experience in the region
- Attractive teasers at entrance
- Show price advantages clearly where possible (e.g. posters)
- Permanent events & animations inside shops
- Enhance short term premium brands offers & promotions
- Offer wide price range (inexpensive to luxury)

Gifting & Indulgence:

- Typical & original local souvenirs
- Offer self-indulgence products across categories to meet needs of all segments
- Variety of gifting items
- Items suitable for gifting packaging / Wrapping service

Increase Conversion:

- ➔ Variation of products to enhance impulsive buying
- ➔ Cross-category offers (e.g. 3 for 2)
- ➔ Offer & enhance more TR exclusive items
- ➔ Support pro-active sales advisors (incl. cross-category selling)
- ➔ Well trained & motivated sales staff (including measurement)
- ➔ Turn sporadic shoppers into:

Middle East Travel Retail Shopaholics!

Thank you!

