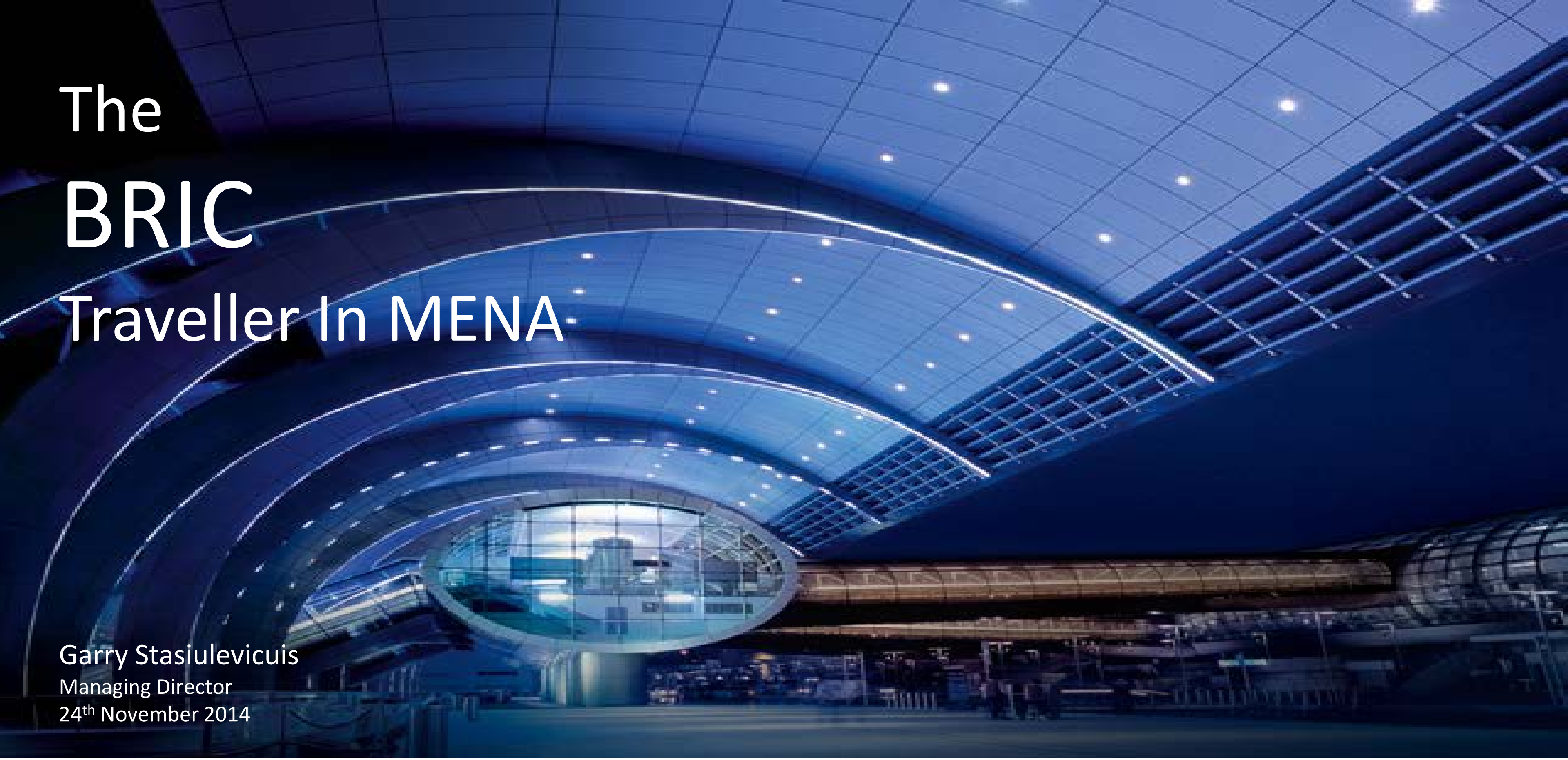


The BRIC Traveller In MENA

Garry Stasiulevicuis
Managing Director
24th November 2014

COUNTER INTELLIGENCE RETAIL

BY THE TRADE TFWA FOR THE TRADE

MIDDLE EAST & AFRICA DUTY FREE ASSOCIATION

A REGIONAL POWERHOUSE

BILLIONS AED INVESTMENT

Dubai Airports
Connecting the World

مطار حمد الدولي
Hamad International Airport
QATAR قطر

مطار أبوظبي
ABU DHABI AIRPORT

SUSTAINED PAX GROWTH

An estimated
380m PAX by 2034

STRONG RETAIL GROWTH

Source: TFWA / Industry Press / CIR Research & Analysis

ALCOHOL HAS THE LARGEST SHARE & FASTEST GROWTH IN THE REGION

	Alcohol	Beauty	Confectionery	Tobacco
GLOBAL SHARE	16%	29%	8%	13%
GLOBAL GROWTH	↑	↑	↑	↑
MENA GROWTH	↑	↑	↑	↑

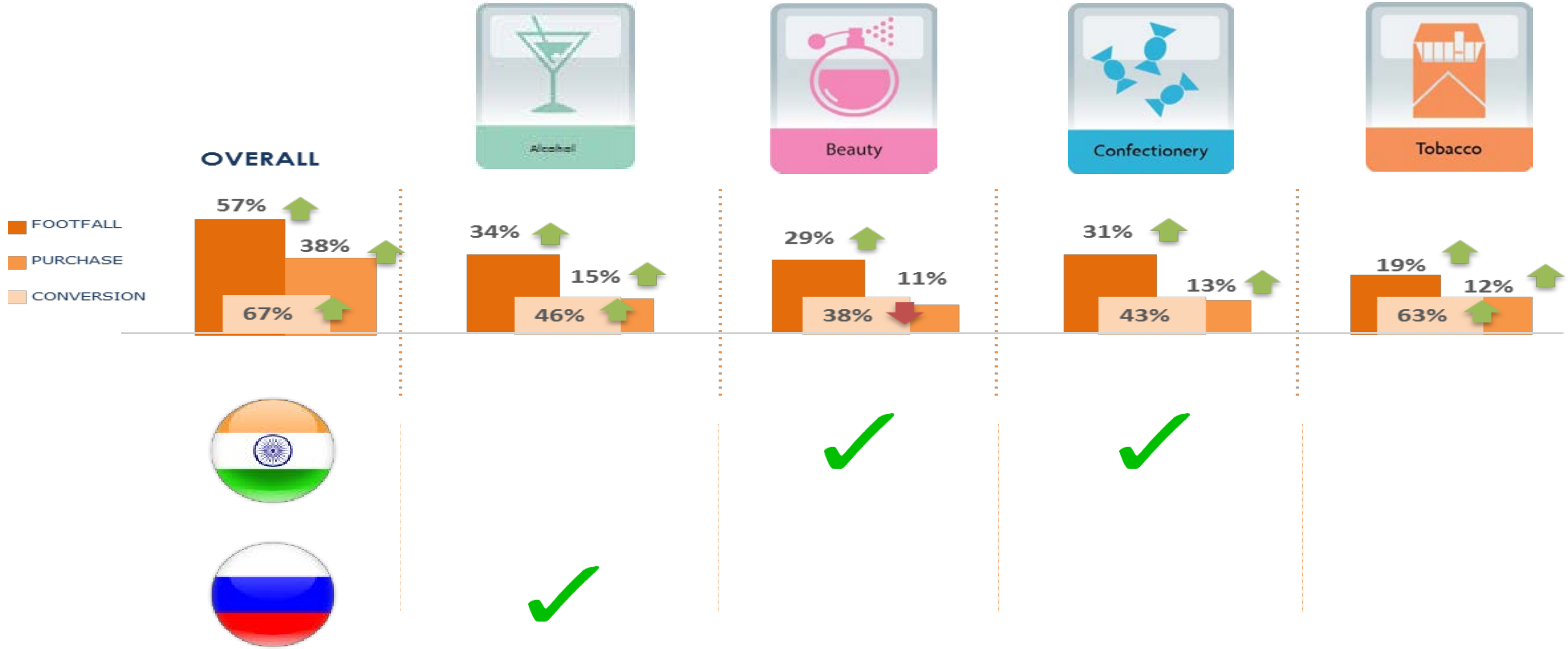
Source: TFWA / Industry Press / CIR Research & Analysis

CLEARLY AN IMPORTANT TRAVELLER GROUP

Key Measures Indicative Comparison	GLOBALLY	MENA	GLOBALLY	MENA	GLOBALLY	MENA	GLOBALLY	MENA
VISIT	50%	57%	↓	↑	↓	↑	→	↑
PURCHASE	30%	38%	↓	↑	→	↑	→	→
AVE SPEND	$90	$83	↗		↘		↗	

SOURCE: CIR Research

ALCOHOL AND CONFECTIONERY ARE THE MOST VISITED, TOBACCO SEEING THE HIGHEST LEVELS OF CONVERSION



SOURCE: CIR Research

RUSSIANS OUT-SPEND INDIANS AT A TOTAL LEVEL AND ACROSS ALL CATEGORIES EXCEPT TOBACCO

SOURCE: CIR Research / Dubai Spend

The RUSSIAN Traveller In MENA

COUNTER INTELLIGENCE RETAIL

BY THE TRADE TFWA FOR THE TRADE

MEADFA MIDDLE EAST & AFRICA DUTY FREE ASSOCIATION

RUSSIANS IN MENA ARE HIGHLY PLANNED, SELF TREATERS, LOOKING FOR THEIR USUAL BRAND

80% PLAN TO VISIT STORE

70% PLAN TO PURCHASE

54% ARE BUYING FOR SELF TREAT

35% ARE BUYING THEIR USUAL BRAND

SOURCE: CIR Research

HIGH LEVELS OF PLANNING AND PURCHASE EXECUTION

80%
PLAN TO VISIT STORE

70%
PLAN TO PURCHASE

Circa **90%**
MAKE A PURCHASE

Circa **10%**
DON'T BUY

SOURCE: CIR Research

COUNTER INTELLIGENCE RETAIL

BY THE TRADE TFWA FOR THE TRADE

MIDDLE EAST & AFRICA DUTY FREE ASSOCIATION

USUAL BRAND, PRICE AND QUALITY ARE THE KEY PURCHASE DRIVERS

#1	USUAL BRAND	35%	ARE LOOKING FOR THEIR REGULAR CHOICE
#2	GOOD PRICE	34%	ARE LOOKING FOR A VALUE FROM THEIR PURCHASE
#3	GOOD QUALITY	33%	STATE QUALITY IS KEY TO THEIR PURCHASE DECISIONS

SOURCE: CIR Research

INTERACTION WITH STAFF AND WITH PRODUCT ARE KEY TO IMPROVING CONVERSION

#1 USUAL BRAND

35% ARE LOOKING FOR THEIR REGULAR CHOICE

1 in 2 WILL HAVE SOME INTERACTIONWITH STAFF

OPPORTUNITY TO INFLUENCE AS **42%** OF RUSSIANS TAKE ADVICE IN STORE

20% STATE THAT SAMPLING IS LIKELY TO INFLUENCE THEIR PURCHASE

10% PURCHASE AS A RESULT OF SAMPLING

SOURCE: CIR Research

OVERCOMING PRICE CONCERNS CAN BE ACHIEVED BY OPTIMISING MECHANICS AND COMMUNICATING ALLOWANCES

#2 GOOD PRICE

34% ARE LOOKING FOR A VALUE FROM THEIR PURCHASE

MORE THAN **40%** OF RUSSIANS HAVE A CLEAR BUDGET IN MIND

MORE THAN **30%** OF RUSSIANS IN MENA PERCIEVE PRICES TO BE MORE EXPENSIVE THAN AT HOME

53% OF RUSSIANS PREFER 3 FOR 2 PROMOTIONAL MECHANICS

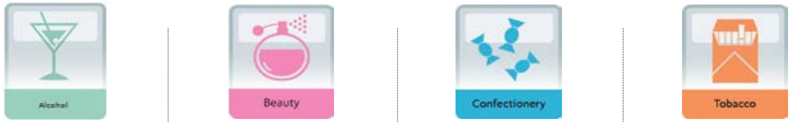
ALMOST **55%** OF RUSSIANS ARE NOT AWARE OF THERE ALLOWANCE….

…..IMPACTING THEIR PURCHASE BEHAVIOUR.

SOURCE: CIR Research

OVERCOMING PRICE CONCERNS CAN BE ACHIEVED BY OPTIMISING MECHANICS AND COMMUNICATING ALLOWANCES

53% OF RUSSIANS PREFER 3 FOR 2 PROMOTIONAL MECHANICS



BUY 2 SAVE x%	MONEY OFF RSP	3 FOR 2	BUY 2 FOR $x
2 FOR A $x	2 FOR A $x	BUY 2 SAVE x%	BUY 3 FOR $x
GWP	3 FOR 2	4 FOR 3	

ALMOST 55% OF RUSSIANS DO NOT MAXIMISE THEIR ALLOWANCE

14% OF RUSSIANS STATE CARRIAGE IS A BARRIER TO PURCHASE

SOURCE: CIR Research

QUALITY CONCERNS CAN BE ADDRESSED THROUGH SIMPLE COMMUNICATION

#3 GOOD QUALITY

33% STATE QUALITY IS KEY TO THEIR PURCHASE DECISIONS

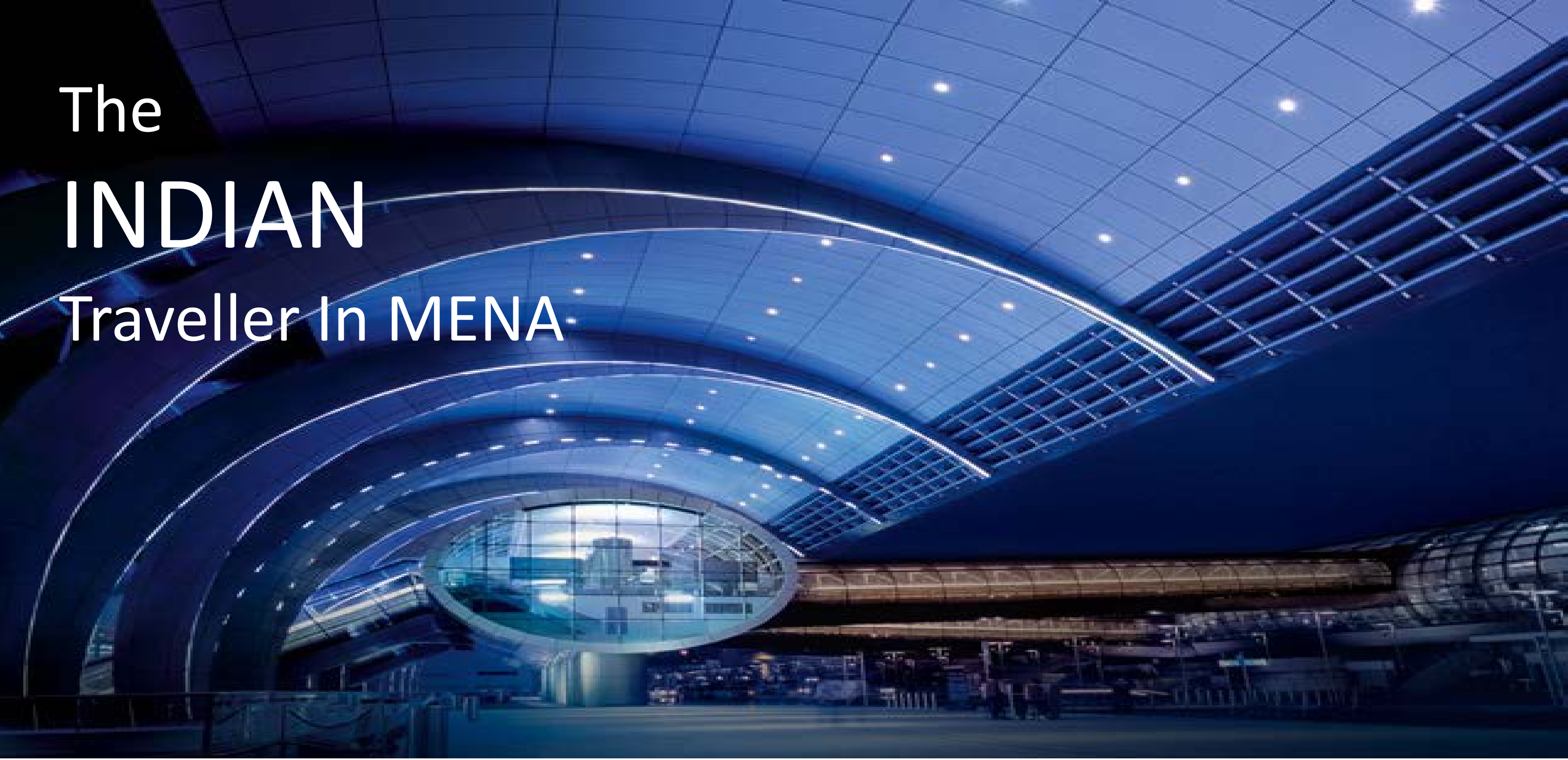
18% OF RUSSIANS STATE THEIR BARRIER TO PURCHASE WAS LINKED TO CONCERNS OVER AUTHENTICITY

COMMUNICATE QUALITY ASSURANCE

REGIONAL OR INDUSTRY WIDE QUALITY APPROVAL MARK

SOURCE: CIR Research

The INDIAN Traveller In MENA



COUNTER INTELLIGENCE RETAIL

BY THE TRADE TFWA FOR THE TRADE

MIDDLE EAST & AFRICA DUTY FREE ASSOCIATION

INDIANS IN MENA ARE HIGHLY PLANNED, BUYING TO GIFT, LOOKING FOR GOOD QUALITY

80% PLAN TO VISIT STORE

77% PLAN TO PURCHASE

- Circa **80%** MAKE A PURCHASE
- Circa **20%** DON'T BUY

54% ARE IN DUTY FREE BUYING FOR GIFT

42% ARE LOOKING FOR GOOD QUALITY

SOURCE: CIR Research

QUALITY, VALUE AND AUTHENTICITY ARE KEY PURCHASE DRIVERS

#1 GOOD QUALITY — **42%** STATE QUALITY IS A KEY DRIVER TO PURCHASE

#2 GOOD PRICE — **35%** ARE LOOKING FOR VALUE FROM THEIR PURCHASE

#3 AUTHENTIC GOODS — **26%** STATE AUTHENTICITY IS KEY TO THEIR PURCHASE DECISION

25% STATE USUAL BRAND AS THEIR PRIMARY PURCHASE DRIVER

SOURCE: CIR Research

STAFF INTERACTION CAN BE USED TO COMMUNICATE PRODUCT AND VALUE MESSAGES

#1 GOOD QUALITY

42%

STATE QUALITY IS A KEY DRIVER TO PURCHASE

66% OF INDIANS HAVE SOME INTERACTION WITH STAFF WHILE IN STORE

42% OF INDIANS LOOKING FOR ADVICE, ON PROMOTIONS AND NEW PRODUCTS

26% MAKE A PURCHASE AS A RESULT OF STAFF INTERACTION
COMPARED TO 16% GLOBALLY

SOURCE: CIR Research

IMPROVING PRICE PERCEPTION AND VALUE COMMUNICATION IS KEY TO IMPROVING CONVERSION

#2 GOOD PRICE

35% ARE LOOKING FOR VALUE FROM THEIR PURCHASE

ALMOST **44%** OF INDIANS WHO INTENDED TO BUY BUT DIDN'T STATE PRICE AS THEIR PRIMARY BARRIER

COMPARED TO **36%** OF INDIANS GLOBALLY

47% HAVE A SPECIFIC PRICE POINT IN MIND THAT THEY WISH TO SPEND

16% DO NOT BUY AS THEY ARE UNCLEAR OF WHAT IN STORE SIGNAGE IS SAYING

SOURCE: CIR Research

ADDRESSING THE KEY REQUIREMENTS AND OVERCOMING BARRIERS

		
#1 GOOD QUALITY	#1 USUAL BRAND	• Drive staff interaction • Drive product engagement
#2 GOOD PRICE	#2 GOOD PRICE	• Effective value communication • Align preferred mechanics by category • Maximise allowances
#3 AUTHENTIC GOODS	#3 GOOD QUALITY	• Communicate product quality • Drive authenticity programme

SOURCE: CIR Research

COUNTER INTELLIGENCE RETAIL

BY THE TRADE TFWA FOR THE TRADE

MIDDLE EAST & AFRICA DUTY FREE ASSOCIATION

SUMMARY

- Create experiences
- Optimise Digital
- Centre on the human touch

THANK YOU

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