

Nestlé International Travel Retail reveals recovery through innovation



Stewart Dryburgh, General Manager, NITR

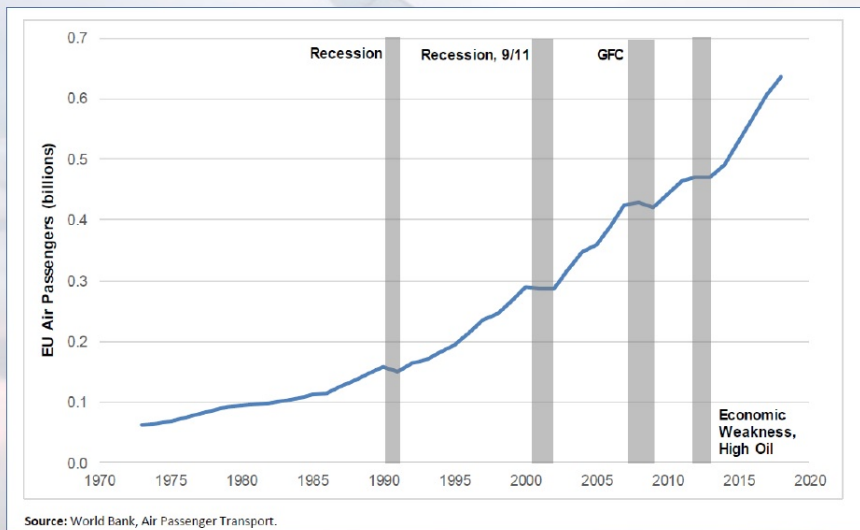
Nestlé International Travel Retail (NITR) played host to the travel retail media in September to discuss how the team is gearing up for 2021 with continued faith in the sector's resilience and ability to recover from COVID-19.

"Our industry has always shown itself to be resilient over the long term," said Stewart Dryburgh, General Manager, NITR. "Identifying the correct growth drivers to meet the needs of the post-COVID-19 traveling consumer is critical to moving forward and our innovations for 2021 reflect this – notably the economic effect that COVID-19 is having on disposable incomes."

He continued: "It's going to take a while. We are no different from all of you. Our knowledge is being fed from what we get from the media, WHO [World Health Organization] and what we read through the various economic outputs. Recovery will take time. We [duty free and travel retail] will bounce back. Nestlé believes in this industry."

Flagship brands lead the way

GTR has always shown itself resilient in the long-term



Source: Mindset, Post Covid-19: Global Travel and TR&DF Shopping Behaviour and Attitudes, June 2020
Def. of Traveler: Internationally travelled by air in last 12 months and willing to travel again within next 2 years

79%

of int. Travelers willing to travel again within 6 months once int. travel bans are lifted

76%

of Travelers claiming to engage the same or more with Duty Free Services

16%

Only of Travelers only not considering going into Duty Free shops because of COVID-19

NITR has confidence in the resilience of travel retail

Tamara Spada, Marketing Manager of NITR, set out the facts and figures of the case. “We are facing unprecedented times. But travel retail has shown resilience in the long term. In fact, when you look at some of the statistics, 79% of people are willing to travel within the next six months, 76% claim that they will engage with the same or even more duty free services and only 16% say that they will not enter duty free shops due to COVID-19,” explained Spada. “This makes sense. When quarantine was lifted in the UK, people quickly grasped the opportunity to travel. We know there is a hunger to travel. And when this turns around, we will be there. The industry is resilient.”

KitKat, NITR’s flagship brand, is leading the way to drive recovery in 2021. Originally launched in 1973, the brand is now available in over 100 countries.

KitKat Senses has been a key driver of growth and 2021 sees this range extended with a new travel retail exclusive, KitKat Senses Tablets, that seeks to meet the needs of travelers for “Uplifting Breaks”.



Available in three indulgent flavors, Caramel Crisp, Hazelnut Crunch and Cookie Crumble Senses Tablets offer the perfect break on-the-go

KitKat Senses Tablets are offered at a low price, in three flavors, Caramel Crisp, Cookie Crumble and Hazelnut Crunch. Each bar is designed to be a shareable treat with 10 rows of inclusions on a classic KitKat wafer, enrobed in a milk chocolate coating.

Available from March 1, 2021, this chocolate product can be placed in the confectionery merchandising sector or at the cash till point for impulse buy.

“KitKat Senses Tablets create a complete brand portfolio with products available to suit any occasion within the Elevated Experience and Deeper Connections need-states,” explained Dryburgh.

Smart move to paper



2021: Sustainable Packaging



GIANT HEXATUBE

Plastic lid replacement with cardboard closing



TOPPERS

Replacement of shrink wrap with paper stickers on new giant hexatube



BAGS & POUCHES

Replacement of plastic packaging to sturdy paper with protective qualities



MUSIC CREATOR

Packaging change from plastic to carton box (& new digital content)



already available

Sustainability remains a key motivation for Nestlé, leading with Smarties as the focus of its 2021 ambition to remove all single use plastic packaging

Nestlé remains committed to sustainability and its ambition to remove all single-use plastic packaging by 2021. In early 2020, NITR introduced the Smarties travel retail exclusive Music Creator featuring a new recyclable carton box and digital content.

NITR plans to keep this momentum going, with the full core confectionery range changing to recyclable paper packaging next year. The plastic lids on the Smarties Giant Tube and Toppers will be replaced with a cardboard closing and the shape will change to a giant Hexatube with a paper sticker. Plastic bags will also be replaced with sturdy paper with protective qualities.

“This move is a great example of Nestlé taking the lead in sustainability,” continued Dryburgh. “We were the first confectionery brand to use 100% sustainable cocoa for KitKat. Now with Smarties we are the first children’s global confectionery brand to move to paper across all formats.”

NITR will also be starting the roll-out of recyclable packaging for all its travel retail Nestlé Mixes & Quality Street pouches and sharing bags during 2021. Nestlé aims to have 100% of its packaging recyclable or reusable by 2025.

Swiss success



The three existing flavors of Nestlé Swiss are joined by Nestlé Swiss Dark Blueberry 170g. Ideal for sharing, it combines dark Swiss chocolate with blueberry, almonds and hazelnuts

The Nestlé Swiss range continues to drive category growth by adding value to the tablet and informal gifting segments, the company reported.

Three flavors were launched in 2019: dark chocolate with candied orange peel pieces and cocoa nibs, milk chocolate with cranberries, hazelnuts and almonds, and milk chocolate with grapes, almonds and hazelnuts. These are now joined by Dark Blueberry 170g containing dark Swiss chocolate with blueberry, almonds and hazelnuts. Dark Blueberry was originally launched in 2019, but will be relaunched in 2021 with a stronger product focus.

Based on consumer feedback, indicating a desire for a more self-indulgent size, the Nestlé Swiss collection has been right-sized in 2020 from 195g to 170g. Importantly, the ingredient level (nuts and fruits) remains the same, retaining the ‘bursting with flavors’ and indulgent perception.

After Eight diversifies



Irish Coffee is one of the four new limited-edition After Eight 400g flavors available for 2021

London-themed travel retail exclusive After Eight after-dinner mint treats, available in 400g box, continue to be a NITR driver for category growth. The all-year-round gifting item's success has inspired the introduction of four new limited-edition After Eight 400g flavors for 2021: Strawberry, Dark, Irish Coffee and Orange.

"The luxury allure and sense of heritage around the After Eight brand is undeniable and we look forward to rolling out these new indulgent flavours in 2021," said Dryburgh. "They are sure to appeal to traveling gift buyers who want an impressive gift item from a brand that they know, trust and love."

Travel retail portfolio expands

COVID-19 has expanded NITR's focus from confectionery to include fine foods.

"We have gone to great lengths to ensure that our 2021 innovations are relevant across all category growth drivers, taking into account the changing pattern of travel," continued Dryburgh.



Nescafé Gold will be

launched into travel retail for 2021 as part of the Nescafé portfolio

2021 will include the launch into travel retail of Nescafé Gold as well as a range of premium infant products under the Illuma brand, targeted at the Chinese consumer.

“COVID-19 may be having a most dramatic impact on our industry, but we at Nestlé believe in the future of travel retail and our category, thanks to the passion for the experience and discovery that travel brings to each and every one of us.”

Planning for the future



Tamara Spada, Marketing Manager of NITR

Spada explained that the confidence in this channel was supported by an experienced team.

“Fundamentally our lives are enriched with travel,” she said. “The key here that we need to understand is that it is a long run. We might have some tough times and we may be running up a hill right now, but at some point it will level out and get back to smooth sailing.”

She continued: “We need to do it in the right way, in a responsible way, by focusing on the consumer first. When people come back, fundamentally it’s the consumers that are coming back. And if you can offer them what they want, how they want it, at a price they can afford given the global recession, then you are set up for success.”

On a positive note, Spada concluded: “The opportunity I see in our current situation is giving the industry a shakedown. It makes you re-evaluate the way we did things in the past and the best way to do things going forward. It may cause a step change in the right direction.”