

Africa calling



Isabel Zarza, MD Africa, Dufry

The second most populous continent after Asia but accounting for just 1% of travel retail sales volume, Africa has the potential to be “the next boom for our industry after Asia,” according to Isabel Zarza, MD Africa, Dufry.

Speaking at the recent 2019 MEADFA conference in Oman where she called for the next edition to be held on the African continent, Zarza’s comments followed on from association president Haitham Al Majali’s opening address in which he noted that Africa generated sales of almost US\$500 million in H1 2019, representing 3.9% year-on-year growth.

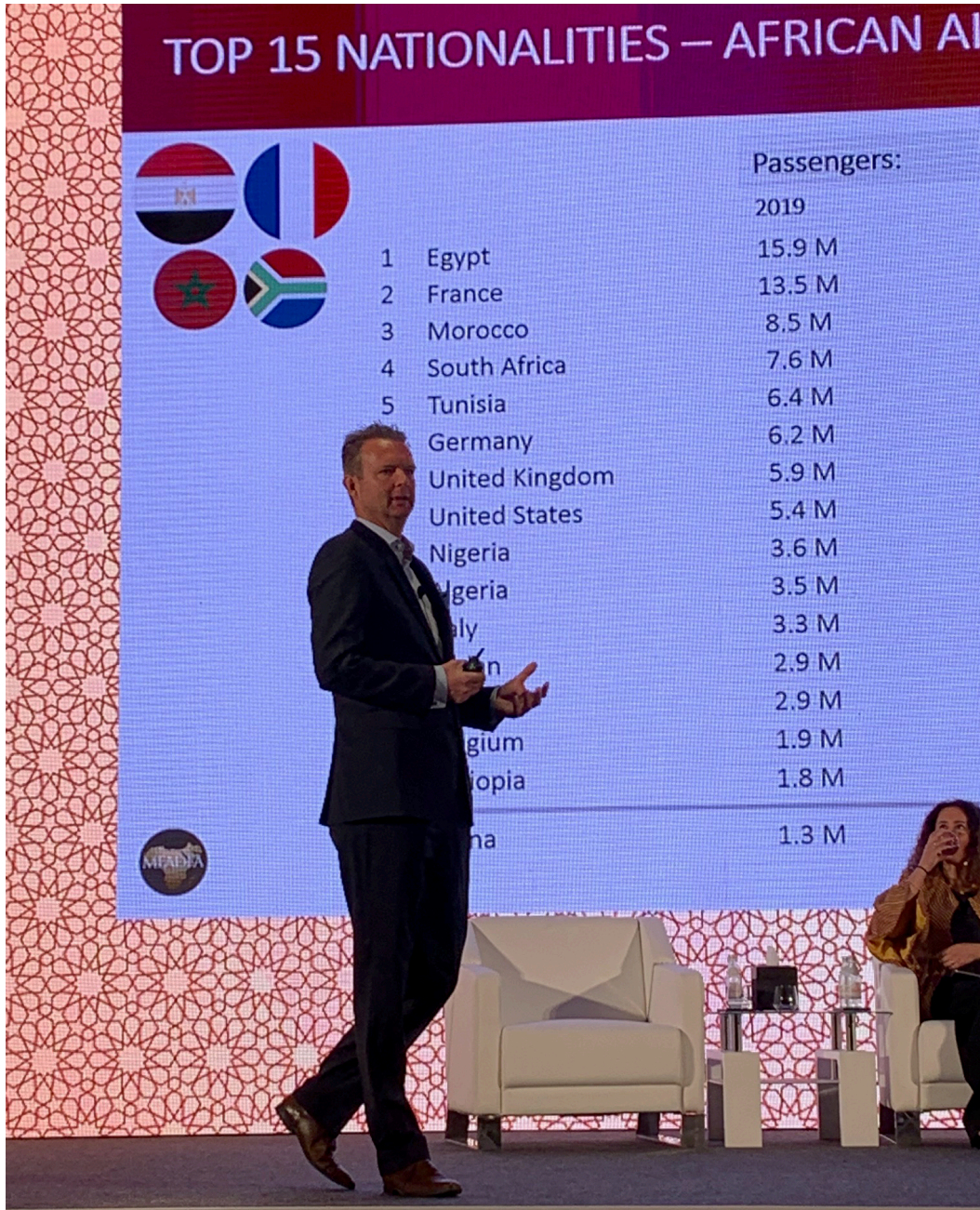
The fastest-growing continent in 2018 with 9.4% growth in passenger volume, she said: “What’s important for the duty-free industry is international passengers and Africa currently represents 4% [but] Europe and Asia will continue to lose share moving forward while Africa will continue to grow.”

According to Zarza, there are two key challenges to traffic acceleration has two key challenges, as she explained: “The first is connectivity. If you are travelling from Morocco to Kenya, for example, it is sometimes easier to go through Europe rather than direct to Kenya. This makes the trip longer and more expensive.

“It is hard for African passport holders to enter some African countries. Currently, Africans do not require visas to travel to 25% of countries in the continent and can get a visa on arrival in 24% other countries, but they still need a visa to travel to 51% of African countries.”

Citing regional numbers, she reported that the African traveler conversion rate is “much higher than the average in other Dufry markets with perfumes and cosmetics at 67%, alcohol at 72% and

confectionery at 66%.”



Peter Mohn, founder and CEO, m1nd-set

African traveler purchasing behavior was also highlighted by Peter Mohn, founder and CEO, m1nd-set, and business development manager, Anna Marchesini, who shared highlights of a new Tax Free World Association-commissioned study.



Anna Marchesini, Business Development Manager, m1nd-set

A total of 1,500 African travelers from 40 of the continent's 54 nations were surveyed as 130 million flights from the region took to the skies in the last 12 months, representing 7.1% growth year-on-year with a 6-7% growth prediction for the next couple of years.

"Cairo dominates the list of top airports with almost 16 million international passengers last year and expected future growth of 5%," noted Mohn, who also mentioned Johannesburg, Casablanca, Tunis and Marrakech as high growth airports in 2019.

Within the duty-free environment, Marchesini reported a generally positive outlook as "around 50% of passengers browse the duty-free shop with 53% making a purchase. The most purchased category is perfumes (48%) followed by confectionery (31%), and souvenirs and gift items (29%)."

Price, gifting and promotions were all reasons to browse, with Marchesini commenting that "54% of shoppers interviewed ended up purchasing on promotion and seven out of 10 considered promotions the key reason for purchasing a specific product." However, with 61% only making the final purchase decision on the spot, "the in-store elements are still very important when it comes to decision making," she added.

The role of well-trained customer service staff was flagged by Mohn, who said: "61% of passengers said they interacted with staff, which is higher than anywhere else in the world, except China [with] 70% claimed they were influenced in their final decision to purchase."

Wrapping up the information-packed session, Mohn reminded MEADFA delegates that while the outlook is promising, "there is still 75% of people who fly through your airports who are not purchasing."

