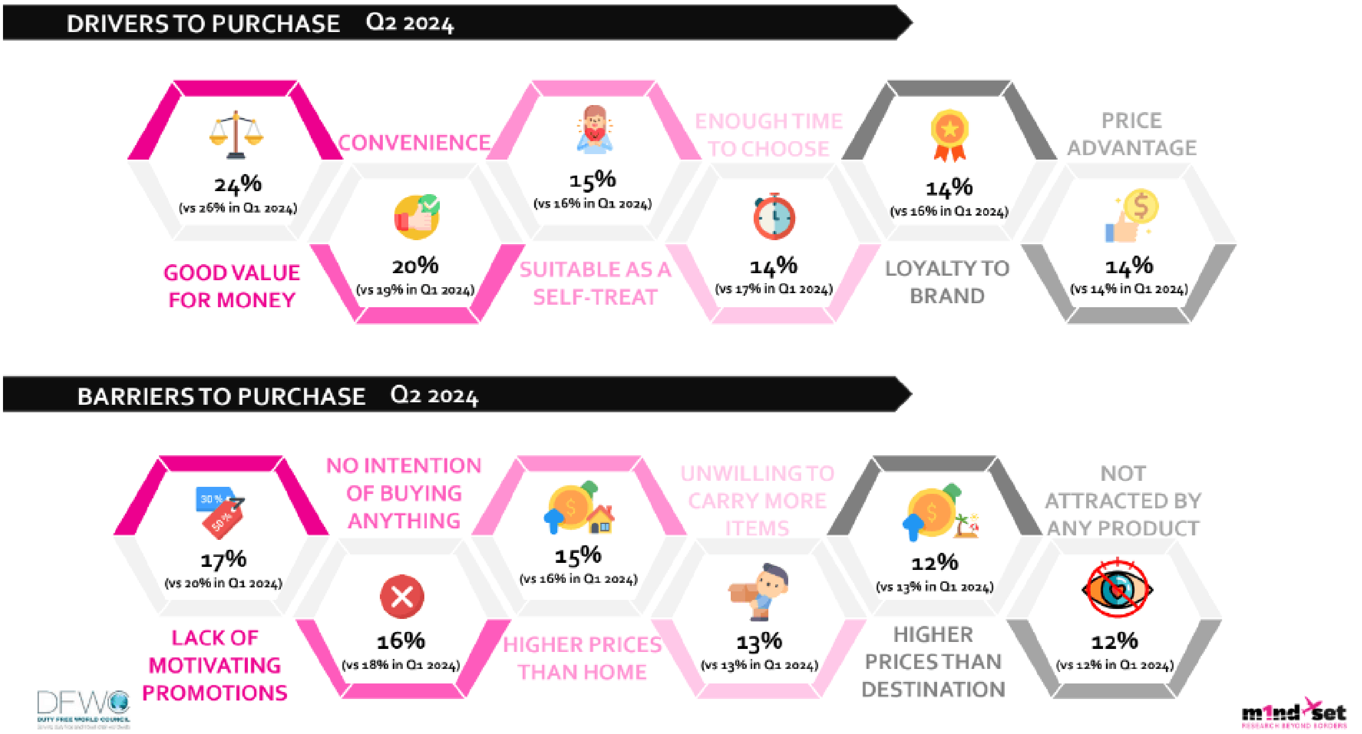
DFWC highlights good value and convenience as key purchase drivers in travel retail

In its second quarterly KPI Monitor of 2024 – produced on behalf of the Duty Free World Council (DFWC) by industry research agency m1nd-set – the Council reports that the value and convenience of the duty free shopping offer, as well as self-indulgence, continue to be the main priorities among global shoppers in travel retail.

The Q2 Monitor for 2024 places good value for money as the number one purchase driver, cited by 24% of shoppers globally. Convenience remains the second highest at 20%. The desire for self-indulgence when duty free shopping is illustrated by the fact that self-treating is the third most significant purchase driver at 15%. Sufficient dwell time, brand loyalty and price advantage complete the top six, each with 14%.

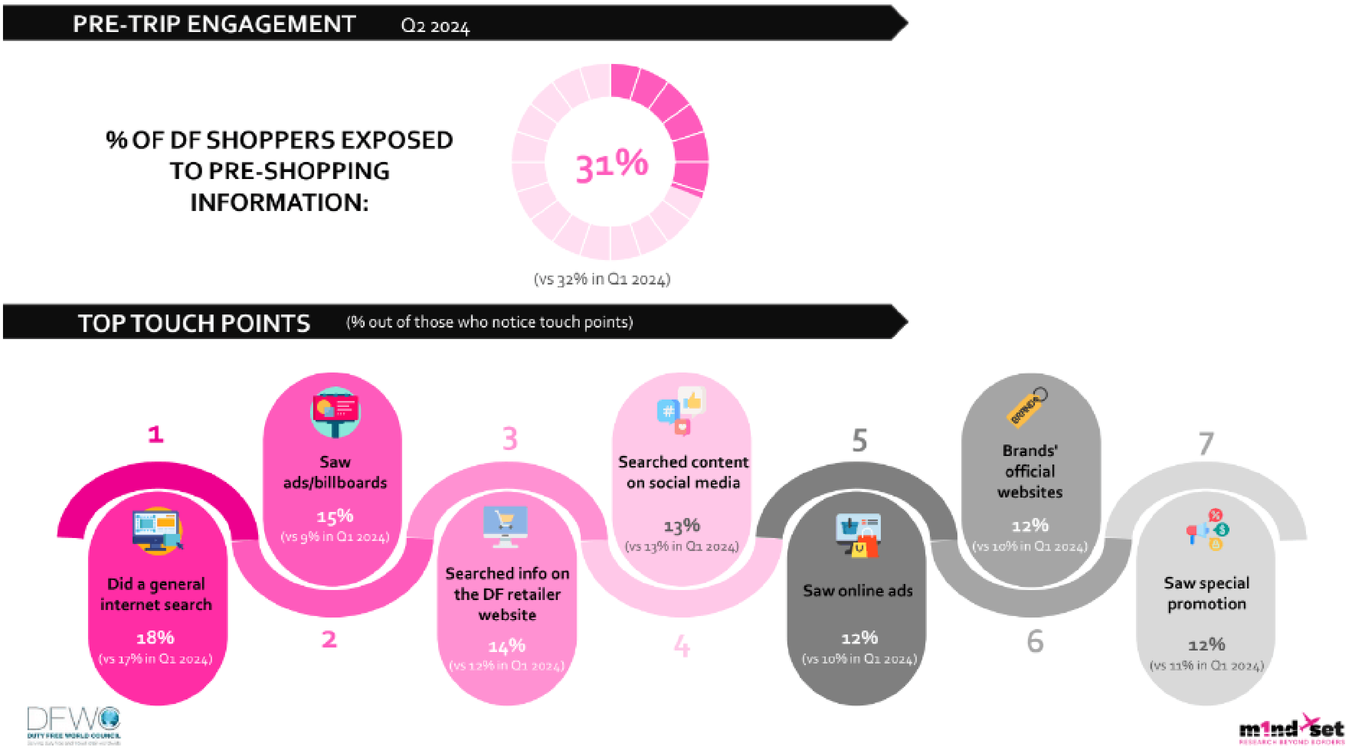


Drivers and barriers to purchase are highlighted in the latest report

Price and lack of promotions are the most dominant themes among the main barriers to purchase. The lack of motivating promotions is the leading single barrier to purchase with 17% of shoppers, while when considering the barriers by theme, higher prices, both at home and at destination, is cited by 27% of global shoppers, 15% comparing prices to their home market in third position, and 12% to destination in fourth. Other barriers to purchase mentioned include ‘no intention of buying anything’ (16%), ‘unwilling to carry more items’ (stable at 13%) and ‘not attracted by any products’ (also stable at 12%).

The importance of self-indulgence among global shoppers in travel retail is again underlined with 52% of shoppers saying they purchased for themselves when shopping in travel retail during Q2 this year, up one point since Q1. Gifting as a purchase purpose has also risen, by 2%, from 25% in Q1 to 27% in Q2. Sharing and purchases on request have both fallen since Q1, from 16% to 14% and 8% to 7% respectively.

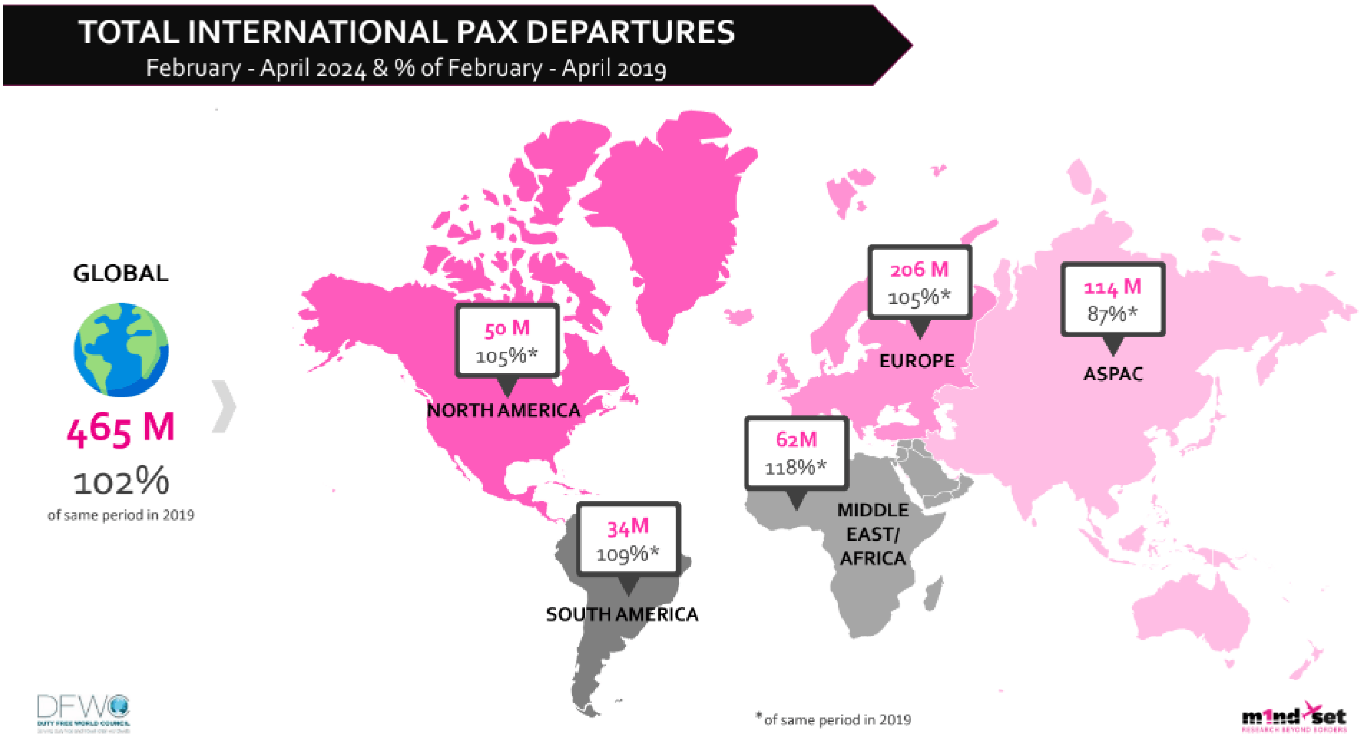
In terms of purchase planning, the percentage of shoppers planning with a specific idea in mind of which products or brands they intend to buy fell from 30% in Q1 to 28% in Q2, while undecided purchase planning rose 3% from 41% to 44% over the two quarters. Impulse purchasing fell 1% to 27% in Q2.



Pre-trip engagement is also detailed

Exploring where shoppers look for information, the internet continues to be the most utilized source of information, with general internet searches, the retailers' and brands' websites and online adverts all quoted as touch points noticed by global travel retail shoppers. The most significant increase in exposure among all touch points between Q1 and Q2 however is billboards and adverts, which was cited by 15% of shoppers, compared to 9% in the previous quarter.

Sarah Branquinho, DFWC President, said, "This latest quarterly monitor highlights the dynamic nature of shopper behavior and the critical role of both value and convenience in driving purchases. It also emphasizes the challenges posed by pricing and promotional strategies, and the importance of personal interaction in influencing shopper decisions."



See top International PAX departures showcased above

Dr. Peter Mohn, owner and CEO at m1nd-set, added, "As well as the shopper behavior analysis, the quarterly DFWC KPI Monitor also analyses international air traffic for international departures. Comparing the recent February to April quarter to the same period pre-COVID, global air traffic is still ahead of the 2019 level at 102% but down from 108% during the previous quarter with a decline in the growth rate across most world regions."

The Asia Pacific region, which is the only region still to catch up on the pre-COVID traffic levels, has remained stable at 87% compared to the 2019 period. While traffic levels continue to surpass the 2019 levels across all other regions, they have all posted lower traffic increases compared to the previous quarter.