

New TFWA President addresses delegates at TFWA Asia Pacific Conference in Singapore



The Asia Pacific is attracting visitors at an impressive rate these days, shared TFWA President Alain Maingraud during his welcome address at the TFWA Asia Pacific Conference 2019, today.



“Looking at this region’s expanding share of global inbound tourism, 31% last year and closing rapidly on Europe, the leader with 34%, I’m reminded of the moment in 2012 when industry sales in Asia Pacific overtook Europe’s for the first time, making this the world’s number one region for duty free and travel retail,” said Maingreud.

“Since then, Asia Pacific has pulled further ahead, and passenger forecasts suggest that pattern will continue. More than ever, this is where the trends for our industry are established and where we should look when planning for the future,” he continued.

Held in Singapore’s Marina Bay Sands Expo and Convention Centre, the conference featured a new, plenary-only format for the first time this year. According to TFWA, this format allows a range of topics to be addressed and discussed by all delegates.

During his address, Maingreud also highlighted that latest preliminary industry data from Generation2

Research covering the 12 months of 2018.

Maingreud stated that two headlines from the data stood out to him. “The first is that total worldwide sales broke through the US\$70 billion barrier for the first time last year to finish at over US\$75 billion,” he said.

“That represents growth of 9.3%, roughly the same as in 2017. But with momentum slowing in Europe and the Americas, it was Asia Pacific that propelled the global performance. Duty free and travel retail sales in this region exceeded US\$35 billion last year, up 14.2%. At the current rate of progress, Asia Pacific will account for more than half of the business worldwide within the next two years.”

The second headline was the remarkable rise of fragrance and cosmetic sales to travelers in Asia Pacific. Worth over US\$18 billion in 2018, the category grew by just under 20% versus the previous 12 months.

Commenting on the trend, Maingreud said: “Over 50 cents of every dollar spent on duty free and travel retail in this region goes towards a fragrance and cosmetic purchase. The next largest product category, fashion and accessories, claimed a little over 13 cents by comparison and showed only half the growth of fragrances and cosmetics.”

Challenges in the duty-free industry

Despite the strong growth in the Asia Pacific duty-free industry, industry professionals still face some challenges. For instance, Duty Free World Council President Frank O’Connell observed that even though the passenger numbers increased, the sales per passenger has declined. Additionally, staff turnover in the industry is high and face-to-face and induction training is costing. Traditionally sales training also takes sales staff off the shop floor.

To combat these issues, the Duty Free World Council has joined hands with TFWA to launch the new DFWC Academy.

Elaborating on the Academy’s features, O’Connell shared that the Academy offers an online course that is cost-effective, available 24/7 and it also gives learners access to mentoring, resources and more. This course was developed for sales professionals, duty-free and travel retail suppliers, new hires as well as employees in other functions.

Maingreud said: “This new initiative aims to raise the level of service among frontline staff in our industry by providing accredited, specialized training modules. The professional standards supporting these modules were drafted by a working group and refined following industry-wide consultations.

“Participants in the training will earn credits, recognized internationally, enhancing the value of their professional qualification. You have heard me underline the key role that people play in creating great retail experiences. As an industry, we must ensure our frontline staff benefit from the training offered by the Duty Free World Council Academy.”