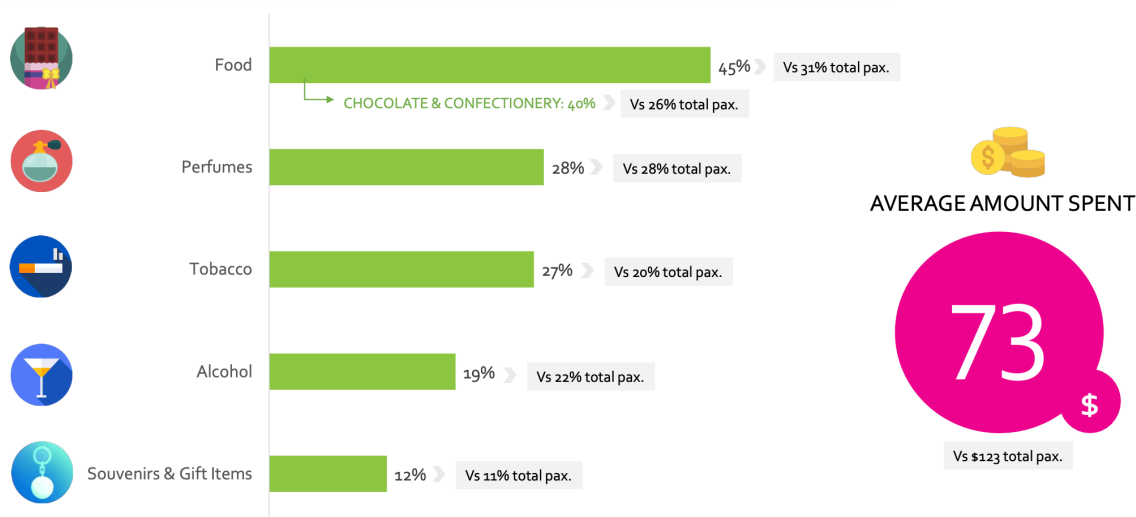


Gen Zs represent the "opportunity of a lifetime," reveals m1nd-set in new report



CATEGORIES PURCHASED AND AVERAGE AMOUNT SPENT



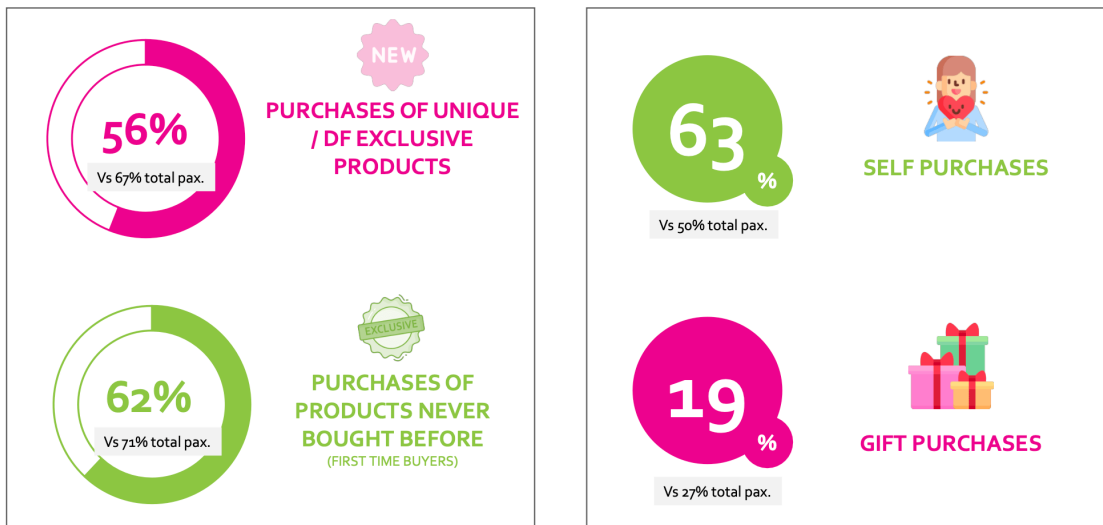
Data shows current travel retail shopping behavior among Gen Zs demonstrates a strong degree of apathy; the segment generally perceives duty free stores as a place “to visit to kill time before their flight”

Although current consumer behavior among Gen Z travelers does not show engagement or excitement across duty free and travel retail, according to the latest research from m1nd-set, this is a clear contrast with their potential.

The Swiss-based travel and travel retail agency has published a study that focuses on how these “care-free shoppers” behave when traveling. Most important to note is how overall behavior across the generation will evolve as members of the segment age, mature and acknowledge their purchasing power and propensity to travel increase, explains m1nd-set.

“In the same way that the industry has been Chinese consumer-centric and focused on Millennials in recent years, it is imperative for businesses across global travel retail to have a Gen Z product and marketing strategy. [Generation Zs’] unique behavior, along with their young age and therefore huge growth potential – as only a small percentage have finished their studies – means they clearly represent the opportunity of a lifetime for the industry,” says Dr. Peter Mohn, Owner & CEO at m1nd-set.

Data shows current travel retail shopping behavior among Gen Zs demonstrates a strong degree of apathy: Gen Z travelers are generally less engaged with the duty free shopping experience and less likely to purchase in store. Plus, when Gen Zs do shop in store, they spend less. It’s revealed that the group generally perceives duty free stores as a place “to visit to kill time before their flight.”



Gen Zs

tend to purchase more out of convenience than because they have a specific item in mind

Purchase planning is also less common among Gen Zs. Of those surveyed who bought a duty free product, two-thirds planned the purchase; this is significantly below the average of around 80% for all age groups, m1nd-set reports.

The research also shows only 41% of Gen Z shoppers actually purchased in duty free compared to the global average of 51% among shop visitors across all age segments. Average spend among Gen Zs is also below average; US\$73 vs. \$123 among all age groups.

A snapshot of the Gen Z duty free shopper:

- Tend to be less aware of the duty free offer (less than one third of the segment noticed related touchpoints prior to traveling; this is lower than the all-age average (47%))
- Low engagement with sales staff is also typical among Gen Zs; they are less likely to interact with staff in store compared to other age segments
- Tend to purchase more out of convenience than because they had a specific item in mind

“The lack of excitement among Gen Zs demonstrates a low level of understanding of the value of the duty free shopping experience; this is understandable given that many will only be traveling as independent adults for the first time.”

“However, as the segment increases in size and their purchasing power grows, the industry needs to be ready, Mohn warns. Although Gen Zs currently represent only 9% of the traveling population, the size of the Gen Z segment as a share of all passengers has more than doubled between the pre- and post-COVID era already. The oldest Gen Zs are in their mid-twenties and already traveling and spending; or choosing not to. We need to ensure the product offer remains relevant and, more importantly, how we market the travel retail offer to Gen Zs adopts the right tone and reaches them where they are to be found.”

“It is crucial that we ensure that we get both the product mix and the marketing mix right to cater to this up-and-coming generation. Consumer marketing campaigns need to be associated with the appropriate personalities and key opinion leaders. Marketers in travel retail need to reassess via which media channels they reach out to Gen Zs to ensure they communicate the values and

uniqueness of the duty free and travel retail shopping channel with the right tone and in the right place," adds Mohn.