



Travel Retail Insights
Partnership

Trinity Forum
Oct 31st – Nov 1st, 2018
Shanghai

A joint venture of
three driving forces
in Travel Retail

The Moodie Davitt Report logo, featuring a stylized 'M' icon and the text 'The Moodie Davitt Report'.The Generation Research logo, featuring the text 'GENERATION RESEARCH' in a serif font.The mind-set logo, featuring the text 'mind-set' in a bold, lowercase font with a pink background, and the tagline 'expert in travel market research' below it.

The Moodie Davitt Report, Generation Research and mind-set joined forces to create a data and analytics powerhouse



THE UNIQUE SOURCE FOR
AGGREGATED SALES DATA



COMPREHENSIVE
BEHAVIOURAL DATA



THE MOST PRECISE AIR
TRAFFIC DATA 



LEADING INDUSTRY INSIGHTS & TRENDS



GLOBAL TRAVEL RETAIL TRENDS

First Semester 2018 Highlights



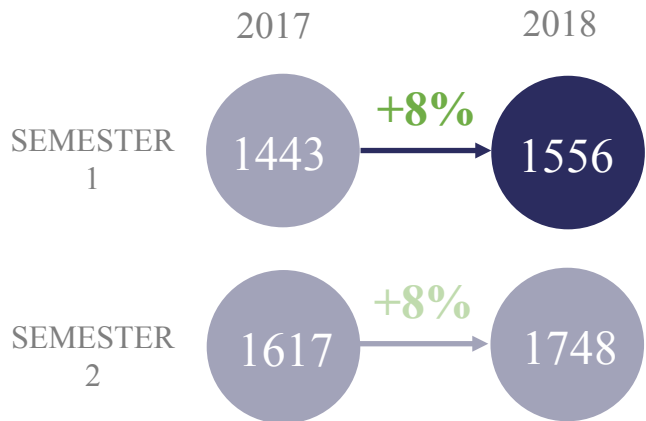


GLOBAL – INTERNATIONAL AIR TRAFFIC (1/2)

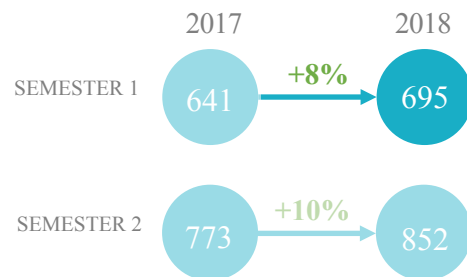
First Semester 2018



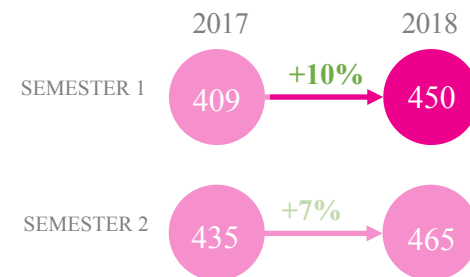
GLOBAL



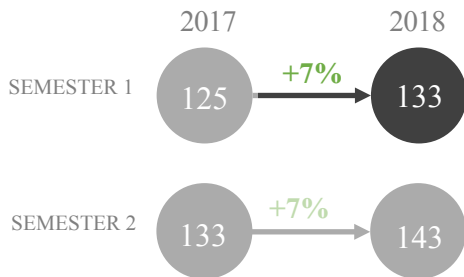
EUROPE



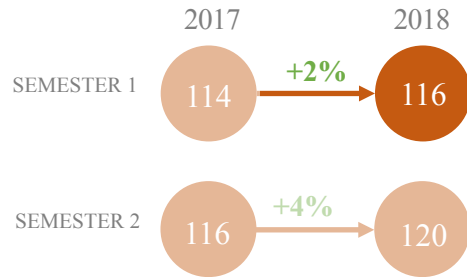
ASPAC



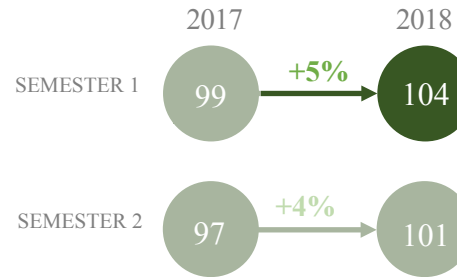
NORTH AMERICA (USA & CAN)



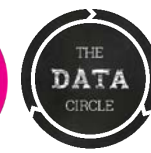
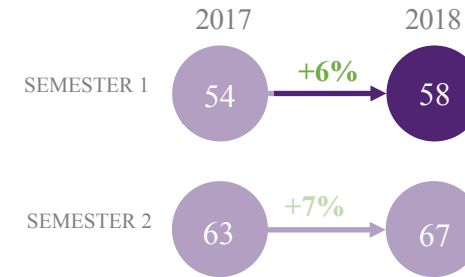
MIDDLE EAST



LATIN AMERICA



AFRICA



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GLOBAL – INTERNATIONAL AIR TRAFFIC (2/2)

First Semester 2018



OVERALL INTERNATIONAL TRAFFIC

1556

MILLION INT. PAX

+8%

S1 2018 VS S1 2017

PREMIUM PAX 

10%

TRANSIT PAX 

10%

TOP 10 NATIONALITIES (million PAX)

 United States (132)

 United Kingdom (128)

 China (102)

 Germany (94)

 France (63)

 India (62)

 Italy (54)

 Spain (44)

 South Korea (44)

 Japan (43)

TOP 10 AIRPORTS (million PAX)

DXB – Dubai (33)

HKG – Hong Kong (32)

ICN – Seoul (30)

LHR – London Heathrow (30)

SIN – Singapore (28)

AMS – Amsterdam (27)

CDG – Paris (27)

BKK – Bangkok (23)

FRA – Frankfurt (22)

TPE – Taipei (22)



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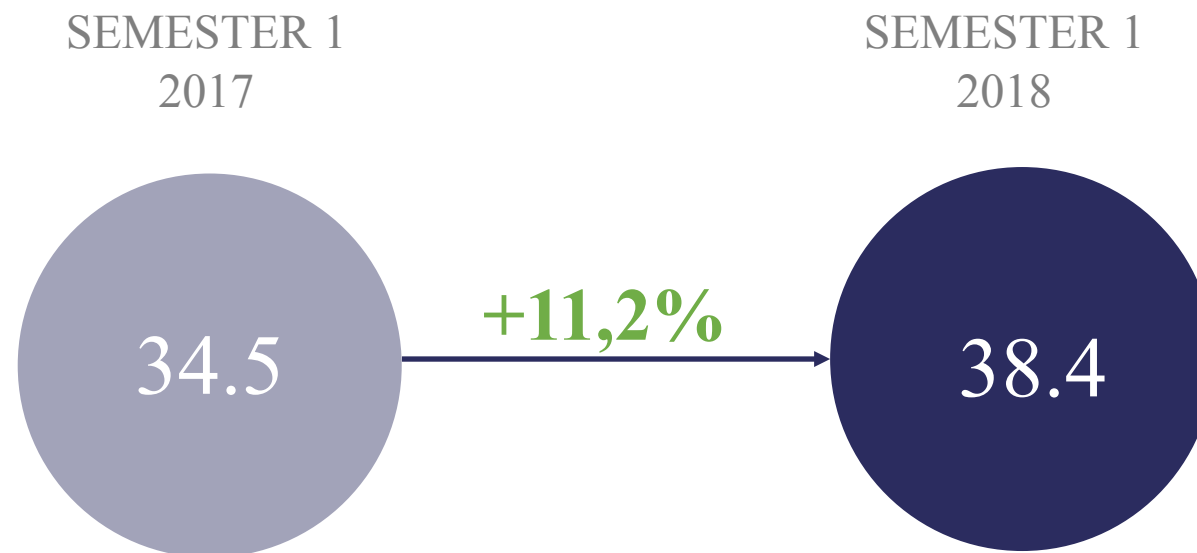
GLOBAL – SALES DATA

First Semester 2018



GLOBAL DF&TR SALES

US\$ billion



Travel Retail Insights
Partnership

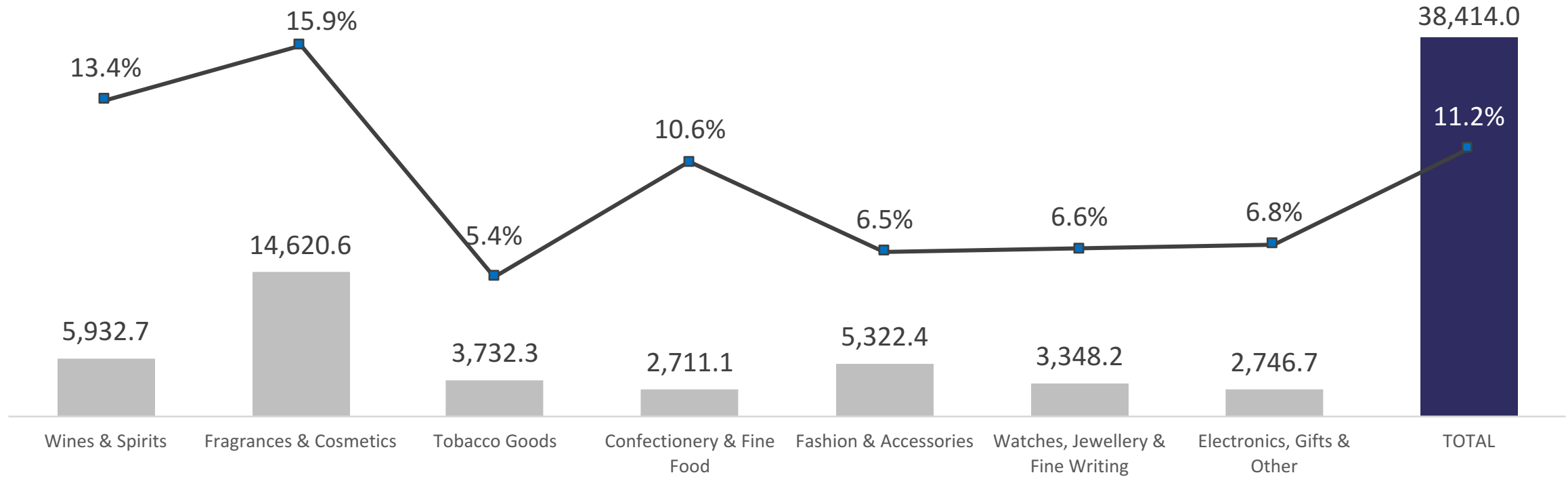


GLOBAL – SALES DATA

First Semester 2018



TOTAL – BY CATEGORY (US\$ millions)



—■ % Change vs H1 2017



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GLOBAL – BEHAVIOURAL KPIs (1/2)

First Semester 2018



VISIT TO THE DF SHOP



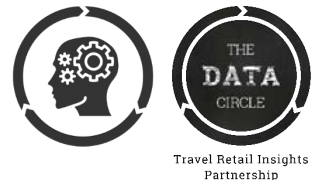
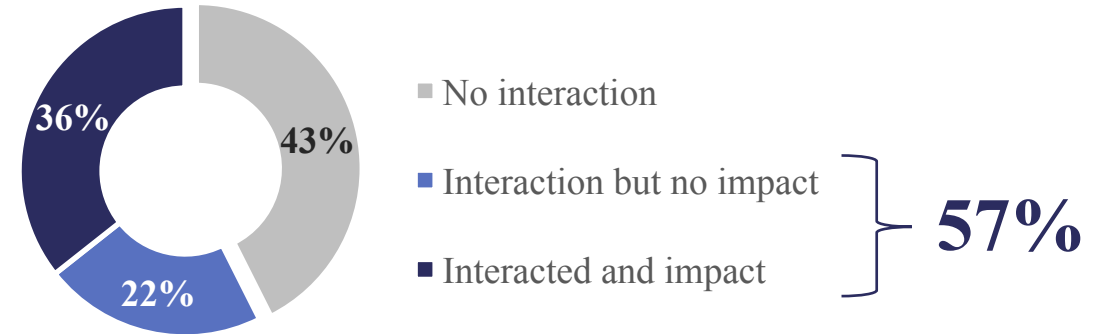
Top 5 Drivers of DF Visit

- Price advantage (32%)
- Browse around (26%)
- Look for a gift (24%)
- Look for promotions (23%)
- Purchase in mind (21%)

Top 5 Barriers to DF Visit

- Unwilling to carry (38%)
- No promotions (32%)
- Other things to do (29%)
- Lack of local touch (29%)
- No time (22%)

INTERACTION WITH STAFF



Note: The State of the Industry Reports will include these insights by categories



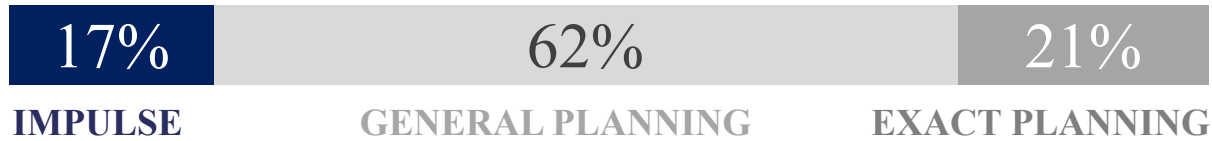
GLOBAL – BEHAVIOURAL KPIs (2/2)

First Semester 2018



PURCHASES IN THE DF SHOP

Planning Level



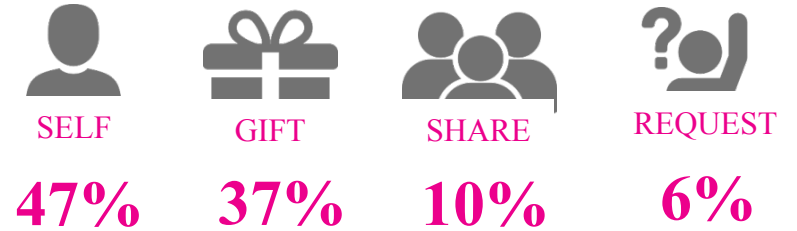
Top 5 Drivers of DF Purchase

- Price advantage (36%)
- Value for money (36%)
- Unavailable at home (27%)
- Convenience (23%)
- Suitable as a gift (22%)

Top 5 Barriers to DF Purchase

- No promotions (38%)
- Prices vs home (29%)
- Compare prices (22%)
- Lack of novelties (20%)
- Unwilling to carry (20%)

PURPOSE OF PURCHASE



DF SHOPPING METRICS



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Note: The State of the Industry Reports will include these insights by categories

FOCUS ON ASPAC

First Semester 2018 Highlights





ASPAC – INTERNATIONAL AIR TRAFFIC

First Semester 2018



OVERALL INTERNATIONAL TRAFFIC

450

MILLION INT. PAX

+10%

S1 2018 VS S1 2017

PREMIUM PAX 

12%

TRANSIT PAX 

7%

TOP 10 NATIONALITIES

(million PAX)



China (91)



India (39)



South Korea (38)



Japan (36)



Taiwan (27)



Hong Kong (21)



Malaysia (21)



Australia (20)



Indonesia (19)



Philippines (17)

TOP 10 AIRPORTS

(million PAX)

HKG – Hong Kong (32)

ICN – Seoul (30)

SIN – Singapore (28)

BKK – Bangkok (23)

TPE – Taipei (22)

KUL – Kuala Lumpur (19)

PVG – Shanghai (17)

NRT – Tokyo-Narita (15)

PEK – Beijing (12)

MNL – Manila (11)



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ASPAC – SALES DATA

First Semester 2018

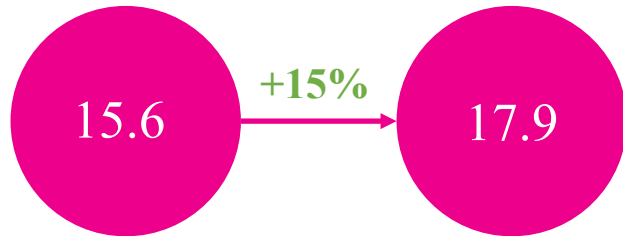


ASIA PACIFIC DF&TR SALES

US\$ billion

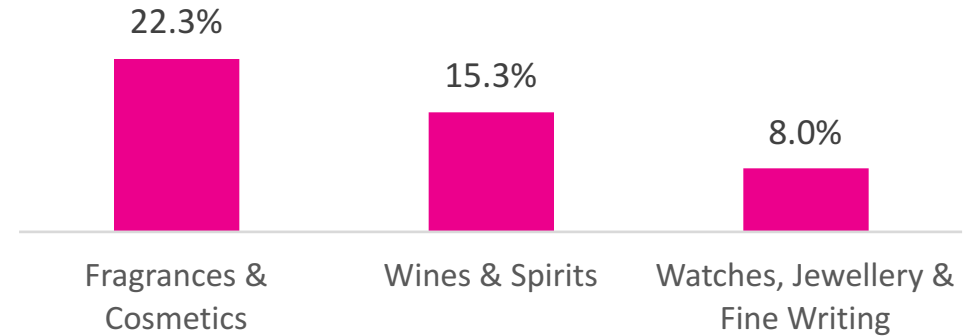
SEMESTER 1 2017

SEMESTER 1 2018



ASPAC TOP PERFORMING CATEGORIES

Growth vs Semester 1 2017



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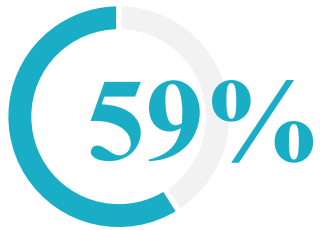


ASPAC – BEHAVIOURAL KPIs (1/2)

First Semester 2018



VISIT TO THE DF SHOP



59% of DF visitors **plan their visit** to the DF shop in advance

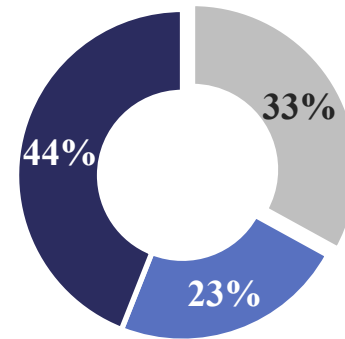
Top 5 Drivers of DF Visit

- Price advantage (37%)
- Look for a gift (26%)
- Purchase in mind (23%)
- Browse around (22%)
- Treat for myself (18%)

Top 5 Barriers to DF Visit

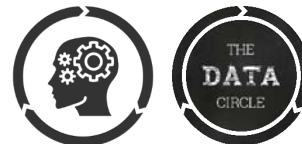
- Unwilling to carry (36%)
- No promotions (28%)
- Other things to do (28%)
- Lack of local touch (27%)
- No shopping mood (26%)

INTERACTION WITH STAFF



- No interaction 33%
- Interaction but no impact 23%
- Interacted and impact 44%

} **67%**





ASPAC – BEHAVIOURAL KPIs (2/2)

First Semester 2018



PURCHASES IN THE DF SHOP

Planning Level

13%

66%

22%

IMPULSE

GENERAL PLANNING

EXACT PLANNING

Top 5 Drivers of DF Purchase

	Price advantage (39%)
	Value for money (37%)
	Unavailable at home (25%)
	Souvenir from trip (22%)
	Convenience (21%)

Top 5 Barriers to DF Purchase

	No promotions (31%)
	Prices vs home (30%)
	Lack of novelties (22%)
	Compare prices (19%)
	Unwilling to carry (19%)

PURPOSE OF PURCHASE



SELF

49%



GIFT

36%



SHARE

9%



REQUEST

6%

DF SHOPPING METRICS

28%

Product
Never
Bought
Before

25%

DF
Exclusive
Product

17%

Product on
Promotion



Strong tail winds...

✓ **ROBUST TRAFFIC GROWTH**
DRIVING **TOP-LINE GROWTH**

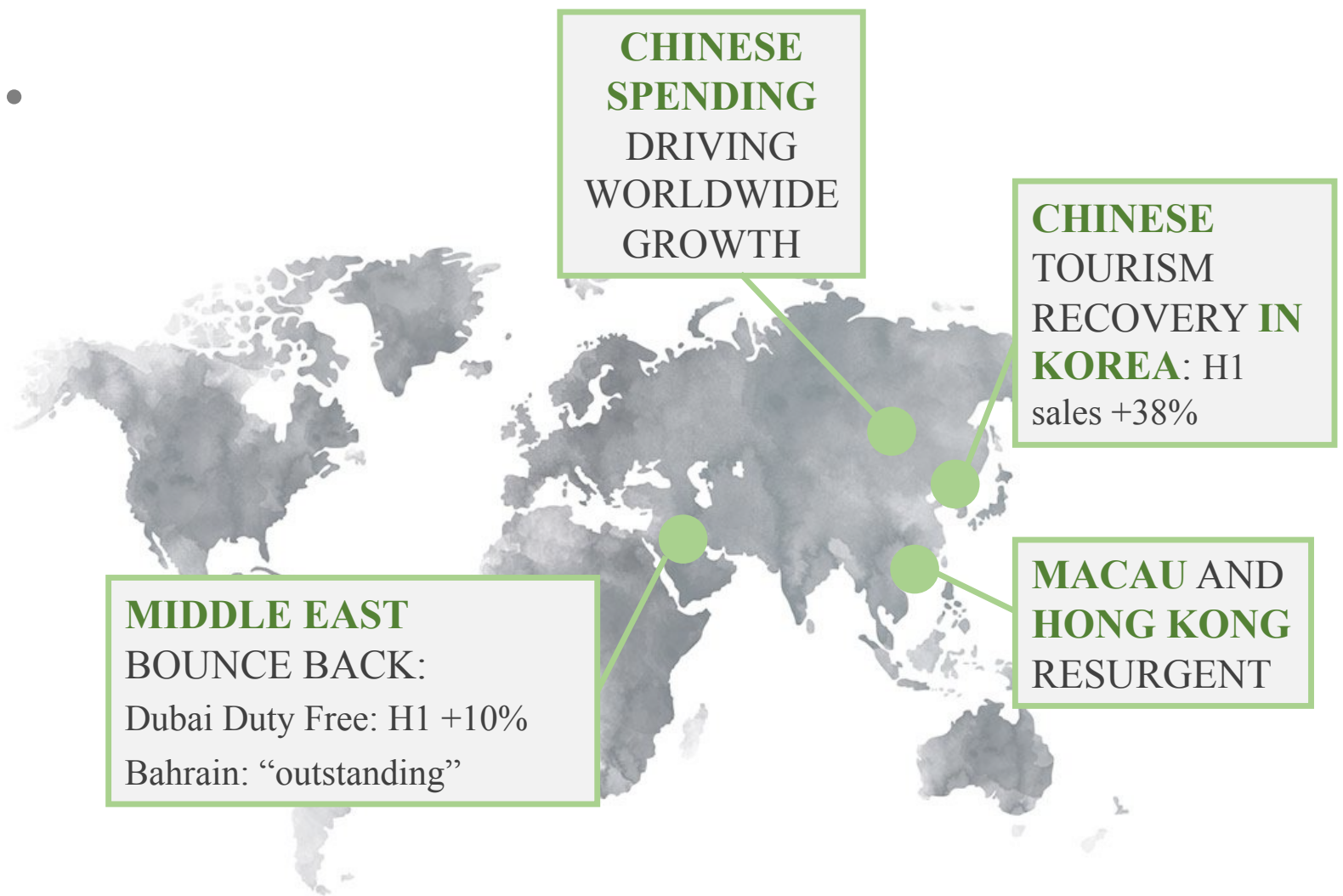
✓ **GLOBAL PERFORMANCE**
STRONG (except Latin America; some European softness)

✓ **HEAVY AIRPORT / RETAILER / BRAND INVESTMENT IN TR**
PAYING OFF

✓ **BIG DIGITAL CAMPAIGNS** NOW
A TRADEMARK OF TR

✓ **F&B DYNAMIC**

✓ **SPECIALIST & CONVENIENCE RETAILING** BUOYANT (WH Smith – travel division “driving growth”)



✓ **TR LEADERS** (Dufry, DFS, Lotte, Lagardere, CDFG etc.) –
ALL STRONG FIRST HALVES

... But some buffeting



SPEND PER PAX on duty free retail down in key European airports (Schiphol, Frankfurt, Istanbul, Paris airports, Spanish airports)



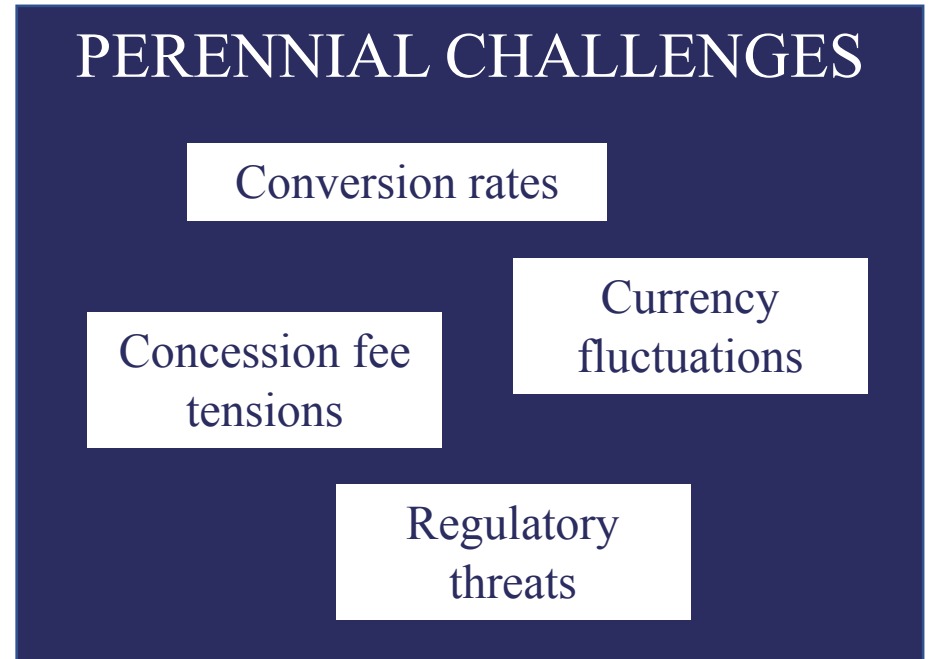
LOW PENETRATION RATES remain greatest barrier



CURRENCY FLUCTUATIONS a constant challenge (Argentina, Brazil)



DAIGOU BUSINESS: buoyant, but short term (open to Chinese crackdown, law changes)



Travel retail's star in the firmament for brands as never before

K E R I N G


“Healthy momentum”
(Gucci standout)

R I C H E M O N T

Investment in Dufry underlines belief

L V M H

Aggressive growth strategy in TR across brands

L'ORÉAL

HI TR +27.3%
“TR one of two driving forces”

ESTÉE
LAUDER
C O M P A N I E S

Travel retail “outstanding”

C O T Y
BEAUTY, LIBERATED

“Strong momentum”

SHISEIDO

“Travel retail soars”



RÉMY COINTREAU

“Travel retail contributed strongly”



Pernod Ricard

“All TR regions in growth”

DIAGEO

“TR key performer”





Travel Retail Insights
Partnership

Please contact us at
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State of the Industry Report 2018/1

will be released in a few weeks