The European Duty Free Luxury Shopper 2021

Discover how Duty Free Luxury shopping behaviours have changed since the start of the pandemic

Pi Insight

the recovery series

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This report is designed to provide an in-depth insight into the current European Duty Free Luxury shopper across their purchasing behaviours, purchase influencers and purchasing barriers

The Recovery Series: The Duty Free Luxury Shopper

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SECTION 1

INTRODUCTION & BACKGROUND

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Introduction & Background: Background & Objectives

The main aim of this research study is to provide an insight into the current European Duty Free Luxury shopper and how their behaviours have changed compared to pre-COVID-19 pandemic behaviours

RESEARCH BACKGROUND

Since the outbreak of the COVID-19 pandemic, the international travel sector has been heavily impacted with traveller and Duty Free shopper numbers decreasing significantly. However, over recent months, the green shoots of recovery have begun to emerge, particularly in the European region, where traveller numbers are beginning to recover. With this in mind, Pi Insight has developed The Recovery Series of reports focusing on recent European travellers to understand current airport & Duty Free shopping behaviours and how these have changed since before the COVID-19 pandemic.

RESEARCH OBJECTIVES

The main aim of the Duty Free Luxury Shopper Study 2021 is to provide an in-depth insight into the current Luxury shopper, whilst also providing an insight into how behaviours have changed since before the COVID-19 pandemic:

- To identify the Luxury shopper profile across key demographic & traveller tendencies
- To understand key Luxury shopping metrics, including footfall, penetration & conversion, category spend levels, leading sub-categories & brands purchased
- To determine the key Luxury shopper behaviours including purchase planning, purchase reasons, purchase drivers, and non-regular brand purchasing and identify how current behaviours differ compared to the pre-COVID-19 Luxury shopper
- To evaluate key category dynamics, including staff interaction, importance of Duty Free exclusives and promotional mechanic preferences
- To analyse key barriers to Luxury category visiting & purchasing

Introduction & Background: Sample Overview

A total sample of 7,132 interviews were conducted for the Recovery Series of reports, with this consisting of 1,047 in-depth, deep dive Luxury buyer interviews

SAMPLE OVERVIEW

The Duty Free Luxury Shopper study has been developed using data collected as part of the Pi Insight Recovery Series of reports. Data for the series was collected via an online research approach via nationality representative online panels. Specific quotas were placed on individual product categories to allow for robust category analysis and respondents were also required to meet specific criteria in order to take part:

- All respondents to have flown internationally between 1st May and 31st October 2021
- All respondents will be aged over 21 with natural fallout of all other demographic & traveller tendencies
- Natural fallout of categories browsed & purchased
- Total research sample of 7,132 interviews including 1,897 total Duty Free Luxury buyer interviews and 1,047 deep dive Duty Free Luxury buyer interviews

NATIONALITIES SAMPLED

Over 1,000 interviews were conducted across each of the following seven key European travelling & Duty Free shopping nationalities including British, French, German, Russian, Spanish, Swedish & Turkish…

Summary of Key Findings: Changes in European Luxury Shopper Behaviour vs. 2019

There have been several significant changes in Luxury shopper behaviours compared to 2019, with the current shopper being more impulsive, more experimental and more purposeful

EUROPEAN LUXURY SHOPPER BEHAVIOUR CHANGES VS. 2019

DECREASED ITEMS & SPEND

Luxury shoppers are purchasing fewer items and subsequently spending less:

- Average Duty Free Luxury items purchased on last trip of 2.1 in 2021 vs. 3.4 in 2019
- Average Luxury category spend of US$ 243 in 2021 vs. US$ 349 in 2019

A MORE PURPOSEFUL SHOPPER

The Luxury shopper has become more purposeful when entering the store:

- Purposeful visiting drivers (e.g. treating, price checking & gifting) have increased
- Passive footfall drivers (e.g. always browse) are no longer among top visiting drivers

A MORE IMPULSIVE SHOPPER

Impulse purchasing has increased with planning extent levels also weakening:

- 64% purchase on impulse vs. 56% in 2019
- 39% of those planning their purchase plan to a brand level, vs. 70% of planned Luxury buyers in 2019

REDUCED SELF PURCHASING

Self purchasing has declined with purchasing for others increasing:

- Self purchasing has declined significantly (65% in 2021 from 81% in 2019)
- Purchasing for others has increased since 2019 (35% vs. 19%)

MORE EXPERIMENTAL

Luxury shoppers are currently more likely to experiment with non-regular brands:

- 71% of Luxury shoppers purchase a non-regular brand vs. 51% in 2019
- Occasional brand purchasing has driven the change (59% vs. 38% in 2019)

The Recovery Series: The Duty Free Luxury Shopper

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SECTION 2

Luxury Category Metrics

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Luxury Category Metrics: Duty Free Luxury Shopper Conversion

Between May and October 2021, 38% of European travellers visited a Duty Free store in the airport when travelling internationally with 17% browsing the Luxury category and 8% going on to make a purchase

THE EUROPEAN DUTY FREE LUXURY SHOPPER

Base: Total Random Sample (1,709)

DUTY FREE LUXURY SHOPPER PURCHASE RATE 2021

TRAVELLERS	DUTY FREE VISITORS	LUXURY VISITORS	LUXURY BUYERS
100%	**38%**	**17%**	**8%**
vs. **100%** in 2019	vs. **41%** in 2019	vs. **17%** in 2019	vs. **7%** in 2019

Luxury Category Metrics: Luxury Items Purchased & Spend

There has been a significant decline in the number of items Luxury buyers purchased compared to 2019, which has subsequently impacted the average category spend level

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LUXURY ITEMS PURCHASED & SPEND

Base: Main Luxury Buyers (1,047)

2.1 ↓

Average number of Luxury items purchased on last trip

vs. 3.4 items in 2019

US$ 243 ↓

Average Luxury category spend

vs. US$ 349 in 2019

US$ 190 ↓

Fashion & Accessories spend

vs. US$ 254 in 2019

US$ 332 ↓

Watches & Jewellery spend

vs. US$ 412 in 2019

- The number of ***items purchased increases*** among ***Turkish*** shoppers (2.4 items) and ***Russian*** shoppers (2.3 items)
- ***Spanish*** purchase the fewest items (1.8 items)

- Luxury category ***spend levels are highest*** among ***Russian*** (US$377) and ***British*** (US$306)
- Despite purchasing the most items, ***Turkish spend the least*** (US$184)

*Note: **Green** highlighting denotes 5% above pre-COVID 2019 average; **Red** highlighting denotes 5% below pre-COVID 2019 average; Note: Duty Free Basket Spend based on 4 core categories*

Q. You mentioned that you purchased Luxury items, how many of the following did you buy?
Q. And exactly how much did you spend on the Luxury items you purchased?

Luxury Category Metrics: Luxury Sub-Categories Purchased

There are similarities in the Luxury sub-categories purchased in 2021 vs. 2019, although Sunglasses has increased significantly to become the most purchase Luxury sub-category, with purchase incidence also increasing for Handbags & Shoes

SUB-CATEGORIES PURCHASED

Base: Main Luxury Buyers (1,047)

Sunglasses	Watches	Female Clothing	Jewellery	Handbags	Male Clothing	Shoes
Purchased by: **33%** ↑ in 2021	Purchased by: **31%** in 2021	Purchased by: **27%** in 2021	Purchased by: **27%** in 2021	Purchased by: **24%** ↑ in 2021	Purchased by: **20%** in 2021	Purchased by: **19%** ↑ in 2021
Purchased by: **22%** in 2019	Purchased by: **27%** in 2019	Purchased by: **24%** in 2019	Purchased by: **24%** in 2019	Purchased by: **18%** in 2019	Purchased by: **17%** in 2019	Purchased by: **13%** in 2019

The higher rates of individual category purchasing vs. 2019 despite a decline in overall items purchased & spend illustrates a shopper with a greater level of cross Luxury category interaction who is less likely to purchase multiple items within a single Luxury segment but more likely to purchase across segments (e.g. if buying two items, they are less likely to purchase two Jewellery items but more likely to purchase a Jewellery and a Sunglasses item)

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. And which product type(s) in particular did you buy?

Luxury Category Metrics: Luxury Brands Purchased

Major international brands dominate each of the key Luxury sub-categories, with European Luxury shoppers being more focused on affordable or mid-priced Luxury items

BRANDS PURCHASED BY SUB-CATEGORY

Base: Main Luxury Buyers (1,047)

Sunglasses	Watches	Female Clothing	Jewellery	Handbags	Male Clothing	Shoes
22% Ray-Ban	14% Casio	28% Adidas	21% Calvin Klein	12% Chanel	32% Adidas	32% Adidas
13% Adidas	14% Calvin Klein	17% Nike	18% Swarovski	10% D&G	14% Nike	19% Nike
11% Burberry	13% Armani	7% Chanel	15% Pandora	10% Gucci	11% Hugo Boss	6% Armani
7% Diesel	8% Diesel	7% Gucci	13% Cartier	9% Burberry	11% La Coste	5% Bally

Q. And which of the following brands did you buy from the Duty Free / specialist retail store?

Luxury Category Behaviours: Summary of Key Findings

Almost 4 in 10 international travellers will visit the Duty Free store, with 8% purchasing at least one Luxury category item; comparing to 2019, the number of items purchased & Luxury category spend has shown significant declines

Traveller Metrics

Of total travellers, 38% visit the Duty Free store and 17% browsing the Luxury category. ***8% of international travellers purchase at least one Luxury item from the airport Duty Free stores***

Items & Spend

The number of Luxury items purchased has reduced significantly compared to 2019 (2.1 vs. 3.4), which has subsequently impacted Luxury category spend levels, with total spend levels falling from US$349 in 2019 to US$243 in 2021

Sub-Categories

There are similarities between the Luxury sub-categories purchased vs. 2019, although ***Sunglasses has become the leading sub-category following a significant increase in purchase incidence***

The increased purchase incidence across each Luxury category in the context of a decline in overall items purchased illustrates a shopper that is more interested in cross-category purchasing (e.g. if purchase two items, they are more likely to buy in two categories as opposed to the same category vs. 2019)

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SECTION 3

Identifying the Duty Free Luxury Shopper

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Identifying the European Luxury Shopper: Buyer Profile

The Luxury buyer profile remains relatively consistent with the pre-COVID Luxury shopper; however, compared to 2019 Luxury buyers are more likely to be travelling on low cost services and for business purposes

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THE EUROPEAN DUTY FREE LUXURY BUYER
Base: Luxury buyers (1,897)

GENDER

FEMALE: 50%
vs. 49%

AGE

UNDER 40

UNDER 40: 65%
vs. 64%

TRAVEL PARTY

ALONE: 17%
vs. 21%

ANNUAL TRAVEL

LT

LIGHT TRAVEL: 68%
vs. 64%

CARRIER TYPE

LOW COST: 33% ↑
vs. 16%

TRAVEL REASON

LEISURE: 81% ↓
vs. 95%

*Note: **Green** arrow denotes 5% above 2019 pre-COVID-19 average; **Red** arrow denotes 5% below 2019 pre-COVID-19 average; Light Travel refers to 1-3 trips per year*

Identifying the European Luxury Shopper: Shopper Profile by Nationality

There are several fairly notable differences between the different nationality profiles, with Swedish Luxury buyers being more likely to be aged under 40 and also more likely to be male

SHOPPER PROFILE BY NATIONALITY

Base: Luxury buyers (1,897)

BRITISH Base: 262	FRENCH Base: 253	GERMAN Base: 202	RUSSIAN Base: 228	SPANISH Base: 251	SWEDISH Base: 251	TURKISH Base: 450
FEMALE: 47% vs. 50%	FEMALE: 56% vs. 50% ↑	FEMALE: 43% vs. 50% ↓	FEMALE: 57% vs. 50% ↑	FEMALE: 53% vs. 50%	FEMALE: 40% vs. 50% ↓	FEMALE: 53% vs. 50%
<40: 69% vs. 65%	<40: 69% vs. 65%	<40: 62% vs. 65%	<40: 66% vs. 65%	<40: 65% vs. 65%	<40: 81% ↑ vs. 65%	<40: 52% ↓ vs. 65%
LIGHT TRAV: 66% vs. 68%	LIGHT TRAV: 72% vs. 68%	LIGHT TRAV: 77% vs. 68% ↑	LIGHT TRAV: 72% vs. 68%	LIGHT TRAV: 75% vs. 68% ↑	LIGHT TRAV: 71% vs. 68%	LIGHT TRAV: 57% vs. 68% ↓
LEISURE: 87% vs. 81% ↑	LEISURE: 85% vs. 81%	LEISURE: 82% vs. 81%	LEISURE: 87% vs. 81% ↑	LEISURE: 83% vs. 81%	LEISURE: 89% vs. 81% ↑	LEISURE: 65% vs. 81% ↓

*Note: **Green** arrow denotes 5% above 2021 average; **Red** arrow denotes 5% below 2021 average; Light Travel refers to 1-3 trips per year*

Identifying the European Luxury Shopper: Shopper Profile by Nationality

There are several noticeable differences also apparent across each of the key nationality profiles compared to 2019, with the Turkish shopper profile being less likely to be female, less likely to be aged Under 40

SHOPPER PROFILE BY NATIONALITY VS. 2019

Base: Luxury buyers (1,897)

BRITISH Base: 262	FRENCH Base: 253	GERMAN Base: 202	RUSSIAN Base: 228	SPANISH Base: 251	SWEDISH Base: 251	TURKISH Base: 450
FEMALE: 47% vs. 46%	FEMALE: 56% vs. 45% ↑	FEMALE: 43% vs. 40%	FEMALE: 57% vs. 48% ↑	FEMALE: 53% vs. 42% ↑	FEMALE: 40% vs. 50% ↓	FEMALE: 53% vs. 61% ↓
<40: 69% vs. 53% ↑	<40: 69% vs. 52% ↑	<40: 62% vs. 42% ↑	<40: 66% vs. 67%	<40: 65% vs. 61%	<40: 81% vs. 70% ↑	<40: 52% vs. 83% ↓
LIGHT TRAV: 66% vs. 65%	LIGHT TRAV: 72% vs. 68%	LIGHT TRAV: 77% vs. 64% ↑	LIGHT TRAV: 72% vs. 57% ↑	LIGHT TRAV: 75% vs. 68% ↑	LIGHT TRAV: 71% vs. 61% ↑	LIGHT TRAV: 57% vs. 64% ↓
LEISURE: 87% vs. 87%	LEISURE: 85% vs. 98% ↓	LEISURE: 82% vs. 95% ↓	LEISURE: 87% vs. 93% ↓	LEISURE: 83% vs. 97% ↓	LEISURE: 89% vs. 95% ↓	LEISURE: 65% vs. 96% ↓

*Note: **Green** arrow denotes 5% above 2019 average; **Red** arrow denotes 5% below 2019 average Light Travel refers to 1-3 trips per year*

Identifying the European Luxury Shopper: Income & Profession

Half of European Luxury buyers are considered higher income earners, with just over half holding either higher management or middle management positions

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MONTHLY INCOME

Base: Luxury buyers (1,897)

50%
Higher income earners

50%
Lower income earners

PROFESSION

Base: Luxury buyers (1,897)

Mid-management	**27%**
Higher-management	**26%**
Supervisory / clerical	**14%**
Self-employed	**11%**
Unskilled manual	**7%**
Skilled manual	**6%**

- ***High income earners*** increase among ***British*** & ***Turkish*** Luxury buyers (both 63%)
- ***Low income earners*** increase among ***Spanish*** (68%) and ***German*** buyers (65%)

- The Luxury buyer is most likely to have a ***mid-management position*** (very closely followed by higher-management positions), driven by ***Russian*** (36%) and ***Spanish*** (32%) buyers
- ***Higher managerial positions*** are most prominent among ***Turkish*** (35%), whilst ***supervisory workers*** are more prominent among ***British*** (19%) buyers

Note: High income defined as the following: British: £50,000+; French: €50,000+; German: €75,000+; Russian: RUB 1,500,000+; Spanish €50,000+; Swedish: SEK 750,000+; Turkish: TRY 150,000+

Q. Which of the below best matches your occupation?

Identifying the European Luxury Shopper: Duty Free Shopping Frequency & Other Activities

The majority of Luxury buyers visit the Duty Free store every time they travel, with much of the remaining visiting every other time; food and beverage services are key additional services Luxury shoppers use when in the airport

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DUTY FREE SHOPPING FREQUENCY

Base: Luxury buyers (1,897)

60% Every time I travel

28% Every other time I travel

10% Occasionally when I travel

2% Rarely / never when I travel

- 3 in 5 ***visit Duty Free every time*** they travel, increasing to 67% among ***Spanish*** & 66% among ***British*** shoppers
- ***Swedish*** (20%) are ***most likely to visit occasionally or rarely***

OTHER AIRPORT ACTIVITIES

Base: Luxury buyers (1,897)

64% Buying takeaway food or drink

63% Having a sit-down meal

29% Checking emails or using internet

29% Having a drink in a bar or café

24% Read newspapers or magazines

20% Relaxing in a lounge

17% Using a smoking area

16% Changing currency

- ***Buying take-away food*** is the leading additional activity among Luxury buyers, increasing to 80% among ***Turkish*** shoppers and 69% among ***British*** shoppers; ***having a sit down meal*** is a close second
- ***Checking emails or surfing the internet*** is highest among ***Spanish*** (49%) and also increases among ***Russian*** (39%) buyers

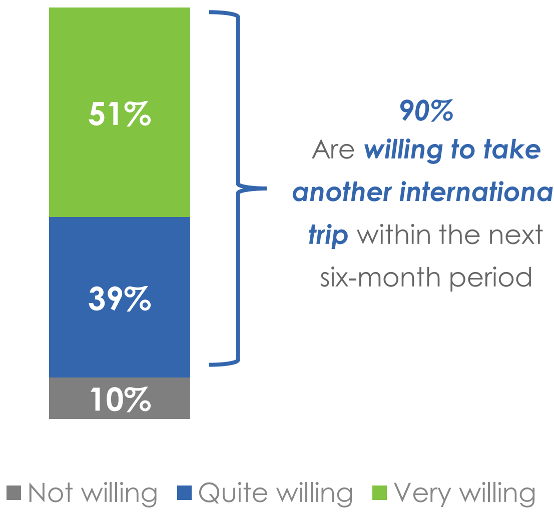
Q. When travelling internationally, how often would you say you visit airport Duty Free / specialist retail stores, if they are available?
Q. Thinking about your time in the airport, which of the following activities did you do whilst waiting for your flight?

Identifying the European Luxury Shopper: Future Travel Willingness

The European Luxury shopper has a very high international travel willingness over the coming 6 months, with half having very strong willing to travel again and 2 in 5 being quite willing to travel

FUTURE TRAVEL WILLINGNESS

Base: Luxury buyers (1,897)



90%
Are ***willing to take another international trip*** within the next six-month period

A ***high majority are willing to take another international trip*** in the near-term future

WILLING TO TRAVEL BY NATIONALITY

Base: Luxury buyers (1,897)

BRITISH	FRENCH	GERMAN	RUSSIAN	SPANISH	SWEDISH	TURKISH
94%	91%	87%	87%	92%	84%	93%
					⬇	

WILLING TO TRAVEL BY DEMOGRAPHICS

Base: Luxury buyers (1,897)

MALE	FEMALE	UNDER 40s	OVER 40s	LEISURE	BUSINESS	LIGHT TRAVEL	HEAVY TRAVEL
92%	88%	89%	92%	89%	94%	89%	95%
							⬆

*Note: **Green** arrow denotes 5% above 2021 average; **Red** arrow denotes 5% below 2021 average*

Q. And considering the COVID-19 pandemic, how willing are you to book another international trip within the next 6 months?

Identifying the European Luxury Shopper: Summary of Key Findings

The Luxury shopper has a fairly similar profile to the 2019 Luxury shopper, although some differences are apparent; the majority will shop every time they travel internationally and a sizeable majority are willing to travel internationally within the next 6 months

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Profile	***The Luxury shopper profile continues to be fairly in line with the 2019 Luxury shopper***. There is however, an increased proportion of business travellers and those travelling on low cost services compared to before the COVID-19 pandemic
Income & Profession	***There is an even split of higher & lower income earners within the Luxury shopper profile***; just over half of Luxury shoppers have either middle or higher management occupations
Shopping Frequency	***3 in every 5 Luxury shoppers visit the Duty Free store every time they travel***, with many of the remaining visiting every other time; just 1 in 10 only occasionally or rarely visit when travelling internationally
Future Travel	***The vast majority (90%) of Luxury shoppers are willing to travel again in the next 6 months***, with half being very willing to travel in the coming months

The Recovery Series: The Duty Free Luxury Shopper

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SECTION 4

Luxury Shopper Behaviours

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Luxury Shopper Behaviours: Visiting Drivers

The Luxury shopper is now more purposeful, with visiting to treat themselves, to look for good prices/promotions & to look for gifts or new items all increasing at the expense of passive drivers, such as always browsing which no longer features as a leading driver

LUXURY CATEGORY VISITING DRIVERS

Base: Main Luxury Buyers (1,047)

To treat myself	47% ⬆	vs. 33%
Airport prices	38% ⬆	vs. 30%
Look for gift	38% ⬆	vs. 26%
Look for new items	34% ⬆	vs. 23%
Look for promos	33% ⬆	vs. 24%
Souvenirs / local items	31% ⬆	vs. 23%
Look for reg. brands	28%	vs. n/a
Look for DF exclusives	27% ⬆	vs. 19%
Passing the time	19% ⬇	vs. 34%
Always browse	18% ⬇	vs. 35%

The Luxury shopper has become more purposeful, with treating, bargain hunting & gift searching all increased in prominence

- ***Visiting the Duty Free store to treat themselves*** is the leading visiting driver, with this being most prominent among ***Russian*** shoppers (54%) and ***Females*** (52%)
- ***To take advantage of airport prices*** drives a higher rate of importance among ***Russian*** (48%) shoppers
- ***Promotional activity*** is an above average driver for ***Turkish*** shoppers (37%) and ***Frequent flyers*** (36%)
- ***Habitual browsing has decreased*** significantly since 2019 (18% vs. 35% in 2019), as has 'passing the time' 19% vs 34% for 2019. Habitual browsing is driven predominately by the ***Russians*** (28%), 'passing the time' is by ***Germans*** (30%)

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. Why did you decide to visit the Duty Free / specialist retail store while waiting for your flight?

Luxury Shopper Behaviours: Purchase Planning

Planning levels have reduced among Luxury shoppers, with less than 2 in 5 now planning their purchase; among those who do plan, planning extent has also weakened illustrating a greater opportunity to influence in-airport Luxury purchase decision making

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PURCHASE PLANNING

Base: Main Luxury Buyers (1,047)

36% ↓

of Luxury buyers plan their purchase

vs. 44% vs. 2019

64% ↑

of Luxury buyers purchase on impulse

vs. 56% vs. 2019

- ***Purchase planning*** is highest among ***British*** (42%),and ***Swedish*** (40%) , ***Under 40s*** (38%), ***Males*** (39%) and ***business travellers*** (41%)
- ***Purchase planning*** is highest among ***Watch*** (40%) ***and Jewellery*** (40%) buyers

EXTENT OF PURCHASE PLANNING

Base: Planned Main Luxury Buyers (375)

INCREASED OPENNESS TO INFLUENCE

18% ↓	21% ↓	17% ↑	14% ↑	21%	10% ↑
KNEW THE EXACT ITEM THEY WILL BUY	KNEW THE BRAND THEY WILL BUY	HAD A RANGE OF BRANDS IN MIND	KNEW WHAT WANTED TO SPEND	PLANNED TO BUY LUXURY ITEM	JUST PLANNED TO BUY IN DUTY FREE
vs. 36%	vs. 34%	vs. 6%	vs. 1%	vs. 22%	vs. 1%

- Of those that plan, ***39% plan to a brand level vs. 70% in 2019***
- ***Planning to a brand level is highest*** among ***business*** (44%) and ***frequent flyers*** (45%); ***brand level planning is weakest*** among ***German*** (32%) shoppers
- From a sub-category perspective, ***Jewellery*** (50%) shoppers are most ***likely to plan to a brand level***; ***Male Clothing*** shoppers (32%) are least likely

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. Had you planned to buy this item from the Duty Free / specialist retail store?
Q. To what extent had you planned to buy this item from the Duty Free / specialist retail store?

Luxury Shopper Behaviours: Purchase Reasons

Luxury purchasing reasons have shown a shift compared to 2019, with gift purchasing increasing significantly at the expense of self purchasing

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PURCHASE REASON: SELF

Base: Main Luxury Buyers (1,047)

65% vs. 81% ↓
PURCHASE FOR THEMSELVES

USE AT HOME

36%
SELF HOME
vs. 37%

USE WHEN AWAY

29% ↓
SELF AWAY
vs. 44%

Self purchasing has shown a significant decline compared to 2019

PURCHASE REASON: FOR OTHERS

Base: Main Luxury Buyers (1,047)

35% vs. 19% ↑
PURCHASE FOR OTHERS

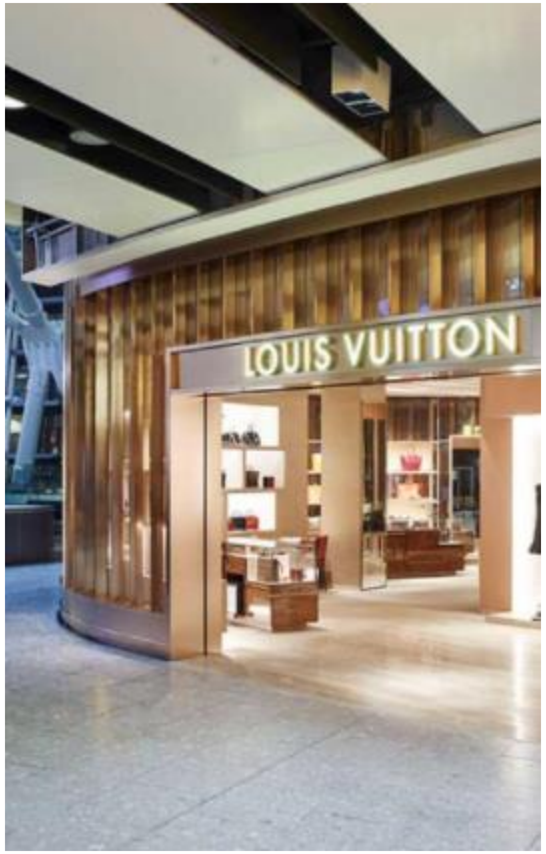
FOR A GIFT

28% ↑
GIFTING
vs. 18%

IT WAS REQUESTED

7% ↑
REQUEST
vs. 1%

Purchasing for others has shown a significant increase compared to 2019



*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

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Q. For what reason did you purchase this item from the Duty Free / specialist retail store?

Luxury Shopper Behaviours: Purchase Reasons by Nationality & Sub-Category

The increased gifting trend is apparent across each of the key nationalities & categories, with Russian being the only group to have not shown a dynamic shift in this area

LUXURY SHOPPER PURCHASE REASONS BY KEY SUB-GROUP
Base: Main Luxury Buyers (1,047)

		TOTAL	NATIONALITY							SUB-CATEGORY						
		TOTAL	BRITISH	FRENCH	GERMAN	RUSSIAN	SPANISH	SWEDISH	TURKISH	FEM. CL	MAL. CL	SHOES	SUNGLA.	BAGS	WATCHES	JEWELS
PURCHASE FOR THEMSELVES	2021	65%	65%	57%	65%	80%	62%	68%	67%	70%	73%	69%	72%	74%	57%	53%
	2019	81%	85%	81%	84%	82%	77%	85%	78%	84%	82%	97%	92%	79%	79%	69%
PURCHASE FOR OTHERS	2021	35%	35%	43%	35%	20%	38%	32%	33%	30%	27%	31%	28%	26%	43%	47%
	2019	19%	15%	19%	16%	18%	23%	15%	22%	16%	18%	3%	8%	21%	21%	31%

*Note: **Green** highlighting denotes 5% above 2019 average; **Red** highlighting denotes 5% below 2019 average*

Q. For what reason did you purchase this item from the Duty Free / specialist retail store?

Luxury Shopper Behaviours: Gifting Dynamics

Partners are the leading gift recipient, followed by friends, with both recipient types showing growth since 2019; leading gifting occasions include treat gifting, travel gifting and birthday or anniversary gifting

GIFT RECIPIENTS

Base: Luxury Gift Buyers (359)

45% vs. 40% in 2019 ⬆
Partner / spouse

25% vs. 16% in 2019 ⬆
Friend

12% vs. 17% in 2019 ⬇
Other family member

6% vs. 5% in 2019
Business associate

10% vs. 22% in 2019 ⬇
Children

GIFTING OCCASION

Base: Luxury Gift Buyers (359)

34% For a treat

28% As a gift from your travels

23% Birthday or anniversary

20% To say thank you

12% For a special occasion

9% To reconnect with someone

6% For a public celebration

- ***Treat gifting is the leading gifting occasion*** driven by ***French*** shoppers, and ***Male Clothing*** (47%) buyers
- ***Travel gifting*** over-indexes among those shopping for ***Sunglasses*** (37%) and ***Jewellery*** (33%), as well as Russian (41%) buyers
- ***Birthday or anniversary*** is a key gifting occasion for ***British*** (34%) and those purchasing ***Female Clothing*** (29%), ***Watches*** (27%) and ***Jewellery*** (28%)

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. You mentioned that you purchased this item from the Duty Free / specialist retail store to give to someone else, what relationship is that person to you?
Q. And for what reason did you purchase the item from the Duty Free / specialist retail store to give to someone else?

Luxury Shopper Behaviours: Purchase Drivers

Compared to 2019, well-known brands has become a lower priority for Luxury shoppers when selecting an item to purchase, with trying items on items increasing in prominence

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PURCHASE DRIVERS

Base: Main Luxury Buyers (1,047)

Good quality	33%	vs. 32%
Attractive promotion	21%	vs. 18%
Cheaper price	20%	vs. 17%
Well-known brand	18% ↓	vs. 23%
Tried item on	18% ↑	vs. 13%
Looks new/different	18%	vs. 14%
Liked design	16%	vs. N/A
Attractive display	16%	vs. 12%
For a treat	16%	vs. 16%
Usual brand	11%	vs. 9%

Well-known brands has reduced in prominence, with ***trying items on now having a greater impact***

- ***Items being high quality*** has remained static in its importance but remains the leading purchase driver, driven by ***Turkish and Russians*** (40%) shoppers
- ***Attractive promotions*** are now a slightly more prominent purchase driver compared to 2019, with importance driven by ***Purchasing for themselves*** (24%), ***Russians*** (27%) and those buying ***Watches*** (23%)
- ***Cheaper prices*** remain key, particularly among ***French*** shoppers (24%) and those purchasing ***Male Clothing*** (26%)
- ***Well-known brands,*** although decreasing between 2019 and 2021 remains high among ***Russian*** (26%) and ***Watch*** shoppers (23%) but falls slightly for ***Jewellery*** & ***Sunglasses*** shoppers (both 15%)

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. Why did you choose to purchase this item in particular from the Duty Free / specialist retail store?

Luxury Shopper Behaviours: Purchase Drivers by Sub-Category

There are several clear similarities in the purchase drivers between the different Luxury sub-categories, with items being good quality and cheaper prices featuring heavily throughout; cheaper prices is however, a less prominent driver for Watches & Jewellery

PURCHASE DRIVERS BY SUB-CATEGORY

Base: Main Luxury Buyers (1,047)

Fem. Clothing	M. Clothing	Shoes	Sunglasses	Handbags	Watches	Jewellery
33% Good quality	**30%** Good quality	**36%** Good quality	**36%** Good quality	**34%** Good quality	**31%** Good quality	**33%** Good quality
23% Promotion	**26%** Cheaper price	**23%** Looks new/diff	**26%** Trying On	**20%** Cheaper price	**23%** Promotion	**22%** Promotion
20% Cheaper price	**18%** Promotion	**21%** Cheaper price	**23%** Cheaper price	**20%** Well-known brand	**23%** Well-known brand	**21%** Looks new/diff
19% Trying On	**17%** Looks new/diff	**19%** Treat	**23%** Promotion	**19%** Promotion	**23%** Looks new/diff	**20%** Att. display

Q. Why did you choose to purchase this item in particular from the Duty Free / specialist retail store?

Luxury Shopper Behaviours: Non-Regular Brand Purchasing

Non-regular brand purchasing has increased significantly among Luxury shoppers, with less than 1 in 3 now purchasing an item they consider to be a regular brand

NON-REGULAR BRAND PURCHASING

Base: Main Luxury Buyers Purchasing for Themselves (688)

29% ↓

Purchase their regular brand

vs. 49% in 2019

59% ↑

Purchase an occasional brand

vs. 38% in 2019

12%

Purchase a brand for the first time

vs. 13% in 2019

- ***Regular brand purchasing*** has shown a significant decline compared to pre-COVID levels; ***Turkish*** (43%), ***males*** (34%) ***business travellers*** (36%) and ***frequent flyers*** (39%) are most likely to purchase their regular brands. Also driven by those purchasing ***male clothing*** (41%) and ***shoes*** (42%)
- ***Occasional brand purchasing*** has increased significantly, with ***Spanish*** (68%) and ***German*** (63%) shoppers and ***Female Clothing*** (63%) and ***Sunglasses buyers*** (63%) being he most likely to purchase occasional brands; ***first time brand purchasing*** increases among ***Russian, German*** and ***Swedish*** (all 17%) shoppers

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. And to what extent do you consider this to be one of your regular brands?

Luxury Shopper Behaviours: Non-Regular Brand Purchasing by Nationality & Sub-Category

There has been a significant increase in non-regular brand purchasing, illustrating a Luxury shopper that is currently more open to experimentation compared to 2019 and before the COVID-19 pandemic

NON-REGULAR BRAND PURCHASING

Base: Main Luxury Buyers Purchasing for Self (688)

71% ↑

Of Luxury buyers purchase a non-regular brand

Non-Regular brand purchasing has increased significantly from 51% in 2019 to 71% in 2021

NON-REGULAR BRAND PURCHASING BY NATIONALITY

Base: Main Luxury Buyers Purchasing for Self (688)

BRITISH	FRENCH	GERMAN	RUSSIAN	SPANISH	SWEDISH	TURKISH
70%	69%	80%	76%	77%	76%	57%
		↑	↑	↑	↑	↓

NON-REGULAR BRAND PURCHASING BY SUB-CATEGORY

Base: Main Luxury Buyers Purchasing for Self (688)

F. CLOTHING	M. CLOTHING	SHOES	SUNGLASSES	HANDBAGS	WATCHES	JEWELLERY
74%	59%	58%	78%	80%	71%	66%
	↓	↓	↑	↑		↓

*Note: **Green** arrow denotes 5% above 2021 average; **Red** arrow denotes 5% below 2021 average*

Q. And to what extent do you consider this to be one of your regular brands?

Luxury Shopper Behaviours: Non-Regular Brand Purchasing by Nationality & Sub-Category

The increase in non-regular brand purchasing is a trend seen across each of the key nationalities as well as each of the core Luxury product categories

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NON-REGULAR BRAND PURCHASING BY KEY GROUPS

Base: Main Luxury Buyers (1,047)

	TOTAL	NATIONALITY							SUB-CATEGORY						
	TOTAL	BRITISH	FRENCH	GERMAN	RUSSIAN	SPANISH	SWEDISH	TURKISH	FEM. CL	MAL. CL	SHOES	SUNGLA.	BAGS	WATCHES	JEWELS
2021	71%	70%	69%	80%	76%	77%	76%	57%	74%	59%	58%	78%	80%	71%	66%
2019	51%	61%	47%	71%	63%	55%	42%	32%	63%	47%	34%	46%	60%	50%	55%

*Note: **Green** arrow denotes 5% above 2019 average; **Red** arrow denotes 5% below 2019 average*

Q. And to what extent do you consider this to be one of your regular brands?

Luxury Shopper Behaviours: Summary of Key Findings

The Luxury shopper has become more purposeful when entering the store but is less planned compared to pre-COVID-19 levels; Luxury shoppers are also far more likely to experiment outside their regular brands compared to 2019 levels

Visiting drivers	***The Luxury shopper has become more purposeful*** with leading browsing drivers including self treating (47%), to look for good prices (38%) and to look for gifts (38%) increasing vs. 2019; in contrast passive browsing drivers have reduced
Purchase planning	***Purchase planning has reduced vs. 2019***, with 64% of Luxury shoppers now purchasing their item on impulse (vs. 56% in 2019); planning extent levels have also weakened with 39% now planning to a brand level vs. 70% in 2019
Purchase reasons	***Self purchasing continues to be the leading Luxury purchase occasion despite a decline vs. 2019;*** in contrast purchasing for others has shown an increase in comparison to pre-COVID-19 shopping behaviours
Purchase drivers	***Perceptions of quality is the leading purchase driver, followed by perceptions of value***; the role of well-known brands continues to be a key purchase consideration despite a decline in importance vs. 2019
Non-regular brands	***Luxury shoppers are now much more likely to experiment outside of their regular brands***; 71% will now purchase an item they consider to be an occasional or new brand compared to just 51% in 2019

5

SECTION 5

Luxury Purchase Influencers

5

Luxury Purchase Influencers: Staff Interaction

Half of Luxury shoppers interact with staff when shopping in the Luxury category, with this being relatively in line with interaction levels in 2019. Spanish shoppers & Frequent flyers are the most likely to engage; Turkish are the least likely

STAFF INTERACTION

Base: Main Luxury Buyers (1,047)

49%

Of Luxury shoppers interact with staff

vs. 53% in 2019

- ***1 in 2 Luxury shoppers interact with staff*** with 30% approaching a member of staff & 19% having a member staff approach them

STAFF INTERACTION BY NATIONALITY

Base: Main Luxury Buyers (1,047)

BRITISH	68%	▲
FRENCH	54%	▲
GERMAN	48%	
RUSSIAN	44%	▼
SPANISH	57%	▲
SWEDISH	50%	
TURKISH	30%	▼

STAFF INTERACTION BY DEMOGRAPHIC

Base: Main Luxury Buyers (1,047)

MALE	52%	
FEMALE	47%	
UNDER 40s	50%	
OVER 40s	49%	
LEISURE	49%	
BUSINESS	50%	
LIGHT TRAVEL	47%	
HEAVY TRAVEL	60%	▲

*Note: **Green** arrow denotes 5% above 2021 average; **Red** arrow denotes 5% below 2021 average*

Q. When you were in the Luxury section of the Duty Free / specialist retail store, to what extent did you interact with staff?

Luxury Purchase Influencers: Reason for Staff Interaction

Locating an item is the leading interaction driver; shoppers are now more likely to engage to try on items compared to 2019 with all other areas remaining relatively consistent

REASONS FOR STAFF INTERACTION

Base: Main Luxury Buyers Interacting with Staff (518)

Locating an item
34%
vs. 33%

Specific item advice
34%
vs. 35%

Trying an item on
29% ⬆
vs. 21%

Price checking
26%
vs. 28%

New item advice
25%
vs. 21%

Advice on promo
24%
vs. 22%

Interacting to try on items has increased in importance since 2019

- ***Locating an item*** is the leading interaction driver, increasing among ***French*** (43%), ***and gift buyers*** (43%)
- ***Interacting to try on a product*** has increased since 2019, with this being a key driver among ***Swedish*** (37%), ***self buyers*** (33%), and from a sub-category perspective; ***Sunglasses buyers*** (37%)
- ***Specific item advice*** is a key interaction driver for ***Russian*** (49%), ***British*** (38%) and ***Turkish*** (38%) shoppers, as well as ***Watch*** buyers (38%)

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. When you were in the Luxury section, what was the reason for your interaction with staff?

Luxury Purchase Influencers: Impact of Staff Interaction

Almost 7 in 10 of those interacting with staff are positively impacted as a result of their interaction with almost 1 in 4 converting to buyers directly due to staff engagement; engagement impact has remained relatively similar to 2019 levels

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IMPACT OF STAFF INTERACTION

Base: Main Luxury Buyers Interacting with Staff (518)

POSITIVE IMPACT: 68%

43%
Were choosing between items & staff assisted

vs. 47% in 2019

25%
Would not have purchased without staff assistance

vs. 26% in 2019

NO IMPACT: 32%

23%
Would have purchased item without interaction

vs. 19% in 2019

9%
Bought something different from what staff suggested

vs. 8% in 2019

- ***7 in 10 shoppers interacting with staff are positively impacted*** as a result of their staff interaction, increasing to 76% among ***Russian*** shoppers, 72% among ***British*** shoppers, 74% among ***Frequent flyers***, 74% among ***Jewellery*** buyers and 73% among ***Watch*** buyers,
- ***Interaction impact reduces*** among ***Germans*** (58%) shoppers

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. Did your interaction with staff influence your purchase decision?

Luxury Purchase Influencers: Promotional Mechanic Preferences

Price discounts drive the highest level of appeal followed by product-related gifts; supporting gift based services are also considered of high interest among Luxury shoppers

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INTEREST IN PROMOTIONAL MECHANICS

Base: Main Luxury Buyers (1,047)

Price discount	40%
Product related gifts	23%
Gift wrapping	22%
Multi-buy offers	21%
Brand accessories	19%
Free vouchers	15%
Loyalty points	15%
Product personalisation	13%
Free luggage	11%
Prize draws	9%

Price discounts & ***product related gifts*** drive the highest promotional activity-based interest

- ***Price discounts*** are considered the most favourable mechanics, driven by ***Spanish*** (46%), ***over 40s*** (45%) and ***Sunglasses*** buyers (49%), as well as those purchasing for ***themselves*** (47%)
- ***Product related gifts*** are of above average interest among ***Russian*** (41%) shoppers
- ***Multi-buys*** interest is driven by the ***Spanish*** (25%) and ***Swedish*** (24%) shopper and ***females*** (25%)
- ***In 2019, the following promotional mechanics were considered most favourable***:
  - *Price discount: 34%*
  - *Multi-buy discounts: 30%*
  - *Free gifts: 27%*
  - *Personalisation: 16%*
  - *Prize draws: 16%*

Q. Thinking of when you shop in the Luxury section of airport Duty Free / specialist retail stores, which of the following promotional offers do you prefer the most?

Luxury Purchase Influencers: Importance of Travel Retail Exclusives

The role of Duty Free exclusives has increased among Luxury shoppers since 2019, with 87% now considering exclusives to be an important part of the Duty Free shopping experience

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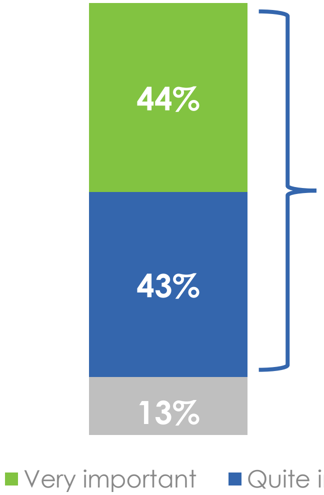
TRAVEL RETAIL EXCLUSIVES IMPORTANCE

Base: Main Luxury Buyers (1,047)



87% ⬆

Consider ***Duty Free exclusives to be an important element*** of their shopper experience

vs. ***81%*** *in 2019*

The availability of ***Duty Free exclusives has increased in importance*** since 2019

IMPORTANCE OF TRAVEL RETAIL EXCLUSIVES BY NATIONALITY

Base: Main Luxury Buyers (1,047)

BRITISH	FRENCH	GERMAN	RUSSIAN	SPANISH	SWEDISH	TURKISH
89%	88%	83%	92%	92%	67%	95%
			⬆	⬆	⬇	⬆

IMPORTANCE OF TRAVEL RETAIL EXCLUSIVES BY DEMOGRAPHICS

Base: Main Luxury Buyers (1,047)

MALE	FEMALE	UNDER 40s	OVER 40s	LEISURE	BUSINESS	1-3 TRIPS PA	4+ TRIPS PA
87%	87%	85%	92%	86%	91%	86%	93%
			⬆				⬆

*Note: **Green** arrow denotes 5% above 2021 average; **Red** arrow denotes 5% below 2021 average*

Pi Insight

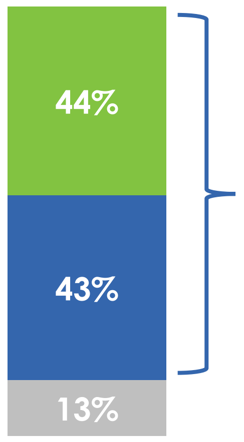
Q. How important is the availability of Duty Free / airport Exclusive products to you when shopping in the Luxury section of the airport Duty Free store?

Luxury Purchase Influencers: Importance of Travel Retail Exclusives

Shoppers in each of the Luxury sub-categories consider the availability of Duty Free exclusives to be an important aspect of their shopping experience, although importance does decrease among clothing shoppers

TRAVEL RETAIL EXCLUSIVES IMPORTANCE

Base: Main Luxury Buyers (1,047)



87% ↑

Consider ***Duty Free exclusives to be an important element*** of their shopper experience

vs. ***81%*** *in 2019*

🟩 Very important 🟦 Quite important ⬜ Not important

The availability of ***Duty Free exclusives has increased in importance*** since 2019

IMPORTANCE OF TRAVEL RETAIL EXCLUSIVES BY SUB-CATEGORY

Base: Main Luxury Buyers (1,047)

Watches	91%
Shoes	90%
Sunglasses	89%
Jewellery	88%
Handbags	87%
Fem. Clothing	81% ↓
Male Clothing	80% ↓

*Note: **Green** arrow denotes 5% above 2021 average; **Red** arrow denotes 5% below 2021 average*

Q. How important is the availability of Duty Free / airport Exclusive products to you when shopping in the Luxury section of the airport Duty Free store?

Luxury Purchase Influencers: Impact of Travel Retail Exclusives

Two thirds of Luxury shoppers would be more likely to purchase an item if it was a Duty Free exclusive, illustrating the role of exclusivity as a potential conversion driver

IMPACT OF DUTY FREE EXCLUSIVES

Base: Main Luxury Buyers (1,047)

▲

66%

Would be more likely to purchase a Duty Free exclusive

=

28%

An item being Duty Free exclusive would not impact my decision

▼

6%

Would be less likely to purchase a Duty Free exclusive

- ***Duty Free exclusive impact*** is high among the majority of shopper types but decreases slightly among ***French*** (58%), ***German*** (49%), and ***Swedish*** (58%). More influential among ***Business travellers*** (71%), ***Frequent flyers*** (73%) and ***Sunglasses*** shoppers (72%)

Note: 2019 benchmark not available due to Duty Free exclusive impact added in 2021

Q. If you notice that a Luxury item is a Duty Free Exclusive in an airport Duty Free / specialist retail store, how does this influence your purchasing decision?

Luxury Purchase Influencers: Summary of Key Findings

Staff interaction has remained relatively consistent compared to 2019 levels; there continues to be a relatively high level of appeal across a range of promotional mechanics and Duty Free exclusives have increased in importance

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Staff interaction

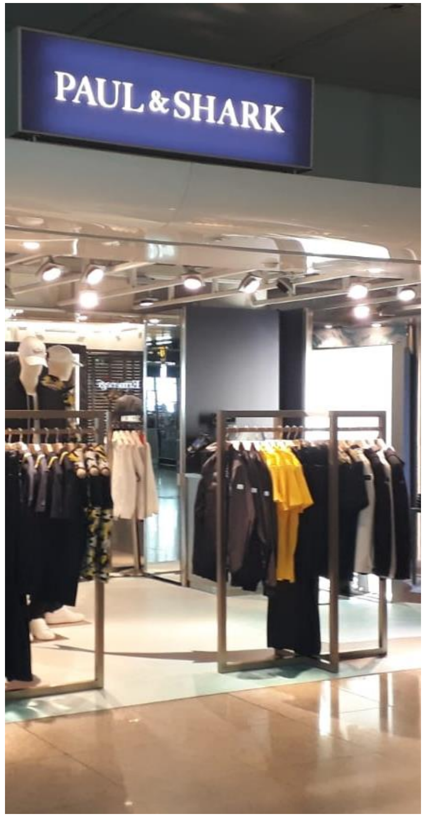
Half of Luxury shoppers interact with staff, with locating an item and specific item advice among leading interaction drivers, and trying items on becoming a more prominent interaction driver vs. 2019. ***Of those interacting with staff, 68% are more positively influenced as a result***

Promo mechanics

There continues to be wide appeal across a range of promotional mechanics although direct price discounts (40%) are by far the most appealing. Other key promotional mechanics of interest include product related gifts (23%), gift wrapping (22%), and multi-buy offers (21%)

DF exclusives

Duty Free exclusives continue to drive a high level of importance, with this increasing compared to 2019 (87% vs. 81% in 2019). Importance is high across each of the Luxury shopper groups and sub-categories, with 66% of shoppers being more likely to purchase an item if it is exclusive to the Travel Retail channel



The Recovery Series: The Duty Free Luxury Shopper

6

SECTION 6

Luxury Shopping & Purchase Barriers

6

Luxury Barriers: Luxury Visiting Barriers

Not needing a Luxury item plays by far the most prominent role in reducing Luxury category footfall, although negative perceptions of pricing and time constraints also play a key role

LUXURY CATEGORY VISITING BARRIERS

Base: Luxury Non-Visitors (4,885)

Did not need anything	**53%**
Prices are always too expensive	**30%**
I did not have time	**21%**
I do not enjoy DF Luxury shopping	**18%**
The Luxury section was too crowded	**15%**
Do not use Luxury products	**14%**
My travel partner did not want to browse	**13%**
I did not see the Luxury section	**13%**

Not needing anything is by far the most prominent Luxury category footfall barrier

- ***Not needing a Luxury item*** is by far the most prominent footfall barrier, driven by ***Swedish*** (58%), ***Over 40s*** (57%) non-visitors
- ***The perception of prices always being too expensive*** is a key barrier for 3 in 10, with this being driven by the ***French*** (32%), ***Spanish*** (34%) and ***Turkish*** (34%)
- ***Not having time*** is a more prominent footfall barrier among ***Turkish*** (28%) non-visitors
- ***Not enjoying shopping*** the category is most prominent among ***Germans*** (24%)

Note: 2019 benchmark not available due to category specific footfall barriers added in 2021

Q. And why did you decide not to browse the following product types in the Duty Free / specialist retail store?

Luxury Barriers: Luxury Purchasing Barriers

There being nothing of interest has increased in prominence to become the leading Luxury category purchasing barrier; improving perceptions of pricing & promotions is also key to overcome the category conversion challenge

LUXURY CATEGORY PURCHASING BARRIERS

Base: Luxury Visitor Non-Buyers (1,049)

Nothing of interest	35% ↑	vs. 26%
Expensive prices	33%	vs. 32%
Lack of promos	30% ↑	vs. 17%
Didn't need anything	23%	vs. 26%
Just killing time	20%	vs. 18%
Item not available	22% ↑	vs. 5%
No suitable gift items	23% ↑	vs. 9%
Spend elsewhere	18% ↑	vs. 9%

Not findings items of interest has increased in prominence to be come the leading Luxury purchase barrier

- ***There being nothing of interest*** has increased in prominence to become the leading purchase barrier among Luxury visitor non-buyers and increases among ***Females*** (38%), ***Swedish*** (44%) and the ***Spanish*** (38%)
- ***Expensive prices*** continues to be a leading Luxury category purchasing barrier, driven by ***Swedish*** (40%) and ***German*** (39%) shoppers
- ***A lack of attractive promotions*** is currently playing a greater role compared to 2019, driven by ***Germans*** (39%) and ***Turkish*** (38%). ***Business travellers*** (40%) are more sensitive
- ***Not needing anything*** has reduced in prominence but remains key for over 1 in 5 shoppers, however, not for ***Russian's***, where only 1 in 10 cited this as a barrier to purchase

*Note: **Green** arrow denotes 5% above pre-COVID 2019 average; **Red** arrow denotes 5% below pre-COVID 2019 average*

Q. You mentioned that you did not purchase the following, why was this?

Luxury Barriers: Other Categories Browsed & Purchased by Luxury Visitor Non-Buyers

The Luxury browser non-buyer is increasingly active in several alternative categories, with Beauty & Confectionery the most visited & purchased; Alcohol & Tobacco have increased in purchasing rates since 2019

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CATEGORIES LUXURY VISITOR NON-BUYERS BROWSE & PURCHASE

Base: Luxury Visitor Non-Buyers (1,049)

BEAUTY

63% browse
vs. 66% in 2019

45% purchase
vs. 46% in 2019

CONFECTIONERY

60% browse ↑
vs. 55% in 2019

47% purchase
vs. 41% in 2019

ALCOHOL

53% browse ↑
vs. 48% in 2019

39% purchase ↑
vs. 36% in 2019

TOBACCO

45% browse ↑
vs. 35% in 2019

33% purchase ↑
vs. 24% in 2019

- ***Beauty drives the highest browsing interest*** among Luxury browser non-buyers, however ***Confectionery provides the greatest purchasing***, increasing among ***Swedish*** (55%) and ***Turkish*** (54%).
- ***Beauty purchasing*** increases significantly among ***females*** (60%) and ***Over 40's*** (49%) Luxury visitor non-buyers
- ***Alcohol*** is the third most purchased category by Luxury browser non-buyers, driven by ***Russian*** (55%), ***British*** (47%) ***male*** (49%) and ***frequent flyers*** (44%) shoppers

Note: Sample based on Duty Free store buyers

Pi Insight

Q. You mentioned that you visited an airport Duty Free / specialist retail store; which of the following types of products did you look at?
Q. You mentioned that you made a purchase from an airport Duty Free / specialist retail store; which of the following types of products did you buy?

Luxury Barriers: Summary of Key Findings

Not needing anything acts as the leading Luxury category footfall barrier. In terms of conversion barriers, there being nothing of interest and value-based factors are key

Footfall barriers

Not needing anything is by far the most prominent Luxury shopping barrier, with negative perceptions of pricing also a leading factor. Other key barriers include time constraints, not enjoying Luxury category shopping in the airport; the Luxury section also being too crowded plays a role

Conversion barriers

There being nothing of interest has increased in prominence since 2019 to become the leading Luxury conversion barrier; other price related factors including prices being too expensive and promotional activity continue to also play a key role, with promotional activity increasing in incidence compared to before the COVID-19 pandemic

Other Categories

The Luxury browser non-buyer is relatively active in several alternative categories, with the Beauty & Confectionery categories driving the highest rates of purchasing. Luxury browser non-buyers are also significantly more likely to purchase Alcohol and Tobacco category items compared to 2019

The Recovery Series: The Duty Free Luxury Shopper

7

SECTION 7

Summary of Key Findings

7

Summary of Key Findings: Changes in European Luxury Shopper Behaviour vs. 2019

There have been several significant changes in Luxury shopper behaviours compared to 2019, with the current shopper being more impulsive, more experimental and more purposeful

EUROPEAN LUXURY SHOPPER BEHAVIOUR CHANGES VS. 2019

DECREASED ITEMS & SPEND

Luxury shoppers are purchasing fewer items and subsequently spending less:

- Average Duty Free Luxury items purchased on last trip of 2.1 in 2021 vs. 3.4 in 2019
- Average Luxury category spend of US$ 243 in 2021 vs. US$ 349 in 2019

A MORE PURPOSEFUL SHOPPER

The Luxury shopper has become more purposeful when entering the store:

- Purposeful visiting drivers (e.g. treating, price checking & gifting) have increased
- Passive footfall drivers (e.g. always browse) are no longer among top visiting drivers

A MORE IMPULSIVE SHOPPER

Impulse purchasing has increased with planning extent levels also weakening:

- 64% purchase on impulse vs. 56% in 2019
- 39% of those planning their purchase plan to a brand level, vs. 70% of planned Luxury buyers in 2019

REDUCED SELF PURCHASING

Self purchasing has declined with purchasing for others increasing:

- Self purchasing has declined significantly (65% in 2021 from 81% in 2019)
- Purchasing for others has increased since 2019 (35% vs. 19%)

MORE EXPERIMENTAL

Luxury shoppers are currently more likely to experiment with non-regular brands:

- 71% of Luxury shoppers purchase a non-regular brand vs. 51% in 2019
- Occasional brand purchasing has driven the change (59% vs. 38% in 2019)

Summary of Key Findings: Luxury Category Metrics

Luxury category metrics have shown some change since 2019, with the average number of Luxury items purchased falling significantly

Luxury Category Metrics

- ***The Luxury category is driving a similar rate of footfall & conversion as before the COVID-19 pandemic***, although the rate of Duty Free shoppers visiting the Luxury category & purchasing has shown a slight increase
- ***The number of Luxury items purchased has decreased significantly*** compared to 2019, which this subsequently causing a significant decline in average Luxury category spend levels
- ***Sunglasses is the leading sub-category***, following a significant increase in purchasing

Of total travellers, 38% visit the Duty Free store, 17% browse the Luxury category and 8% make a Luxury category purchase. Footfall conversion levels have increased slightly vs. 2019 (44% vs. 40%), with purchase conversion also showing a positive trend (47% vs. 45% in 2019)

The number of Luxury category items purchased has decreased significantly since 2019, falling from 3.4 items to 2.1 items in 2021. This has been a key driver in the decline in average Luxury category spend levels, which has decreased to US$243 from US$349 in 2019

Sunglasses is the most purchased Luxury sub-category, followed by Watches and then Female Clothing. Compared to 2019, sub-category purchasing rates have remained relatively consistent although there has been a significant increase in Sunglasses purchasing, along with growth in Handbag & Shoes purchasing

Summary of Key Findings: Luxury Shopper Behaviours

Fairly significant changes have occurred in the Luxury shopper's purchasing behaviour compared to 2019, with shoppers now more purposeful, more experimental and more impulsive

Luxury Shopper Behaviours

- Fairly ***significant changes have occurred*** in Luxury shopper behaviours
- The ***Luxury shopper is more purposeful*** with purpose driven visiting drivers increasing at the expense of passive drivers
- The ***Luxury shopper is more impulsive*** and among those that plan, planning levels have weakened
- The ***Luxury shopper is more experimental***, with a much greater proportion purchasing non-regular brands compared to levels experienced in 2019

Leading browsing drivers including ***treating (47%), to look for good prices (38%) and to look for gifts (38%) have increased*** vs. 2019; in contrast passive drivers e.g. habitual browsing has reduced significantly

64% of Luxury shoppers purchase their item on impulse vs. 56% in 2019; of those planning their purchase, just 39% plan to a brand level vs. 70% in 2019

Purchasing for others (35% vs. 19% in 2019) has increased at the expense of self purchase; self purchasing however, continues to be the leading purchase reason

Purchase drivers have only shown subtle changes since 2019 although well-known brands (18% vs. 23% in 2019) has reduced in importance. In contrast, trying items on has increased (18% vs. 13%)

The Luxury shopper is more experimental, with 71% purchasing an item they consider to be an occasional or new brand compared to just 51% in 2019

Summary of Key Findings: Luxury Purchase Influencers & Barriers

Staff interaction levels have remained relatively consistent, although Duty Free exclusives have increased in importance to Luxury shoppers; not needing anything and negative price perceptions are among the leading category footfall barriers

Purchase Influencers

- ***Staff interaction levels (49%) and impact (68%) have remained relatively consistent*** with 2019; locating an item continues to be the leading interaction driver (34%), followed by specific item advice and trying items on which has shown an increase compared to 2019 (29% vs. 21%)
- ***Luxury shoppers continue to be interested in a range of promotional mechanics***, although direct price discounts (40%) are the most appealing, with product related gifts (23%) and gift wrapping (22%) also key
- ***Duty Free exclusives have increased in importance to Luxury shoppers since 2019*** (87% vs. 81% in 2019); 87% of Luxury shoppers are more likely to buy an item if it is exclusive

Luxury Category Barriers

- ***Not needing anything is by far the most prominent Luxury shopping barrier*** (53%), with negative perceptions of pricing (30%) and time constraints (21%) also playing a role, albeit to a much lesser extent
- ***Not finding anything of interest has increased in prominence vs 2019 (35% vs. 26% in 2019) to become the leading category conversion barrier***. Expensive prices continue to also play a key role (33%) with a lack of good promotions (30%) also preventing purchasing
- ***Luxury browser non-buyers are prominent in other Duty Free categories,*** with Beauty & Confectionery leading, and Alcohol & Tobacco increasing vs. 2019

Pi Insight

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