

UNDERSTANDING AFRICAN TRAVELLERS

November 2019

THE
MEADFA
CONFERENCE

24-26 NOV. 2019
KEMPINSKI HOTEL
MUSCAT, OMAN



m1nd-set is the worldwide leading agency in travel research, based in Switzerland. Our key sector of activity is **travel retail** research & consulting (Airports, Border Shops, Ferries, Cruises).

m1nd-set has conducted **over 1.000 qualitative and quantitative research studies** around the world over the last decade, and has successfully provided marketing intelligence to various Fortune 500 companies.



m1nd-set is perceived as the leading research agency in the area of air travel, with the special strength of providing their clients with tailor-made research, analysis, actionable results and recommendations.



With **airside access to over 60 airports worldwide**, m1nd-set can easily reach international air travelers.



We have conducted **more than 2 Mio interviews over the last 12 years** with travelers around the globe.



Additionally, m1nd-set runs the **Airs@t survey** (in partnership with IATA) which is recognized as the **industry benchmark** of air passengers satisfaction.

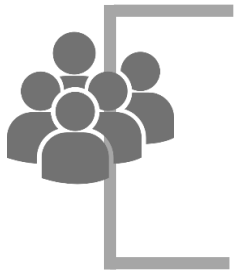
METHODOLOGY



METHODOLOGY



OBJECTIVES: Quantify the path to purchase, relevant KPIs in the **decision-making process**, **expectations** and **satisfaction** with DF/TR offer, choice of purchase channel (online vs physical DF store, vs domestic), etc.



TARGET POPULATION:

- African citizens over 18 y.o.
- Have travelled internationally in the past 6 months
- Have visited a DF store

SAMPLE SIZE: N=1500 DF Visitors, among which N=1000 DF/TR Buyers



DATA COLLECTION: **Online interviews** conducted with m1nd-set's database of airport-recruited international travellers. Fieldwork conducted in **September / October 2019**.

AVIATION LANDSCAPE IN AFRICA



THE MOST COMPREHENSIVE REPOSITORY OF AIRLINE SALES AND TRAFFIC DATA AVAILABLE

 UNRIVALLED GLOBAL COVERAGE



 4 SALES DATA SOURCES



BSP



ASP



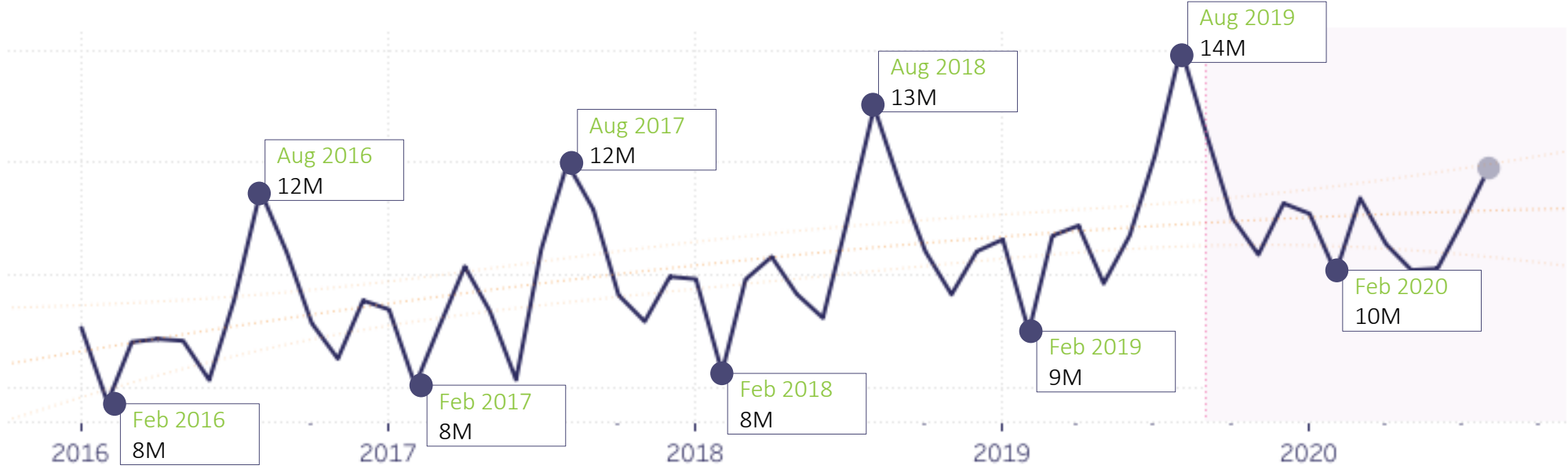
Airline Indirect



Airline Direct

 DIRECT DATA SOLUTIONS

OVERALL INTERNATIONAL TRAFFIC – AFRICAN AIRPORTS



Passengers:

Last 12 Months

130 M

Air Traffic Growth (YoY):

Last 12 Months

↑ +7.1%

Last 3 Months

↑ +10.8%

Next 3 Months

↑ +6.8%



Departures + Arrivals



TOP 15 NATIONALITIES – AFRICAN AIRPORTS



	Passengers:	Air Traffic Growth (YoY):	CAGR – next 5 years:
	2019	2019 vs 2018	2018 -2023
1 Egypt	15.9 M	▲+7,7%	▲+6%
2 France	13.5 M	▲+7,6%	▲+5%
3 Morocco	8.5 M	▲+10,9%	▲+4%
4 South Africa	7.6 M	▲+15,0%	▲+4%
5 Tunisia	6.4 M	▼-0,2%	▲+2%
6 Germany	6.2 M	▲+23,0%	▲+8%
7 United Kingdom	5.9 M	▲+4,2%	▲+5%
8 United States	5.4 M	▲+5,9%	▲+7%
9 Nigeria	3.6 M	▲+20,3%	▼-3%
10 Algeria	3.5 M	▲+5,1%	▲+6%
11 Italy	3.3 M	▼-15,3%	0%
12 Sudan	2.9 M	▲+20,5%	▲+5%
13 Kenya	2.9 M	▼-8,5%	▲+2%
14 Belgium	1.9 M	▼-0,8%	▲+1%
15 Ethiopia	1.8 M	▲+17,7%	▲+6%
21 China	1.3 M	▼-1,2%	▲+6%

Departures + Arrivals

INTERNATIONAL



TOP 15 AIRPORTS – AFRICAN AIRPORTS

	Passengers:	Air Traffic Growth (YoY):	CAGR – next 5 years:
	2019	2019 vs 2018	2018 -2023
1 CAI - Cairo, EG	15.8 M	▲ +4,6%	▲ +5%
2 JNB - Johannesburg, ZA	9.2 M	▲ +0,3%	▲ +4%
3 CMN - Casablanca, MA	8.3 M	▲ +9,7%	▲ +4%
4 ADD - Addis Ababa, ET	7.3 M	▲ +8,2%	▲ +6%
5 TUN - Tunis, TN	6.1 M	▲ +5,9%	▲ +5%
6 RAK - Marrakech, MA	6.0 M	▲ +22,3%	▲ +5%
7 NBO - Nairobi, KE	5.6 M	▲ +6,1%	▲ +5%
8 ALG - Algiers, DZ	5.3 M	▼ -1,1%	▲ +3%
9 HRG - Hurghada, EG	4.1 M	▲ +13,6%	▲ +6%
10 MRU - Mauritius, MU	3.5 M	▲ +3,6%	▲ +4%
11 LOS - Lagos, NG	3.2 M	▲ +7,1%	▲ +6%
12 KRT - Khartoum, SD	2.7 M	▼ -9,9%	▼ -1%
13 CPT - Cape Town, ZA	2.6 M	▼ -0,2%	▲ +4%
14 ACC - Accra, GH	2.4 M	▲ +13,5%	▲ +11%
15 RUN - St. Denis, RE	2.3 M	▲ +3,0%	▲ +4%

Departures + Arrivals

INTERNATIONAL



TOP DESTINATIONS FROM AFRICAN AIRPORTS

Direct Destination Regions

Passengers - 2019:

1	Europe	20.1 M
2	Africa	14.8 M
3	Middle East	9.8 M
4	Asia	1.3 M
5	North America	906 K
6	South America	265 K
7	Southwest Pacific	137 K
8	Central America / Caribbean	4.7 K

Direct Destination Airports

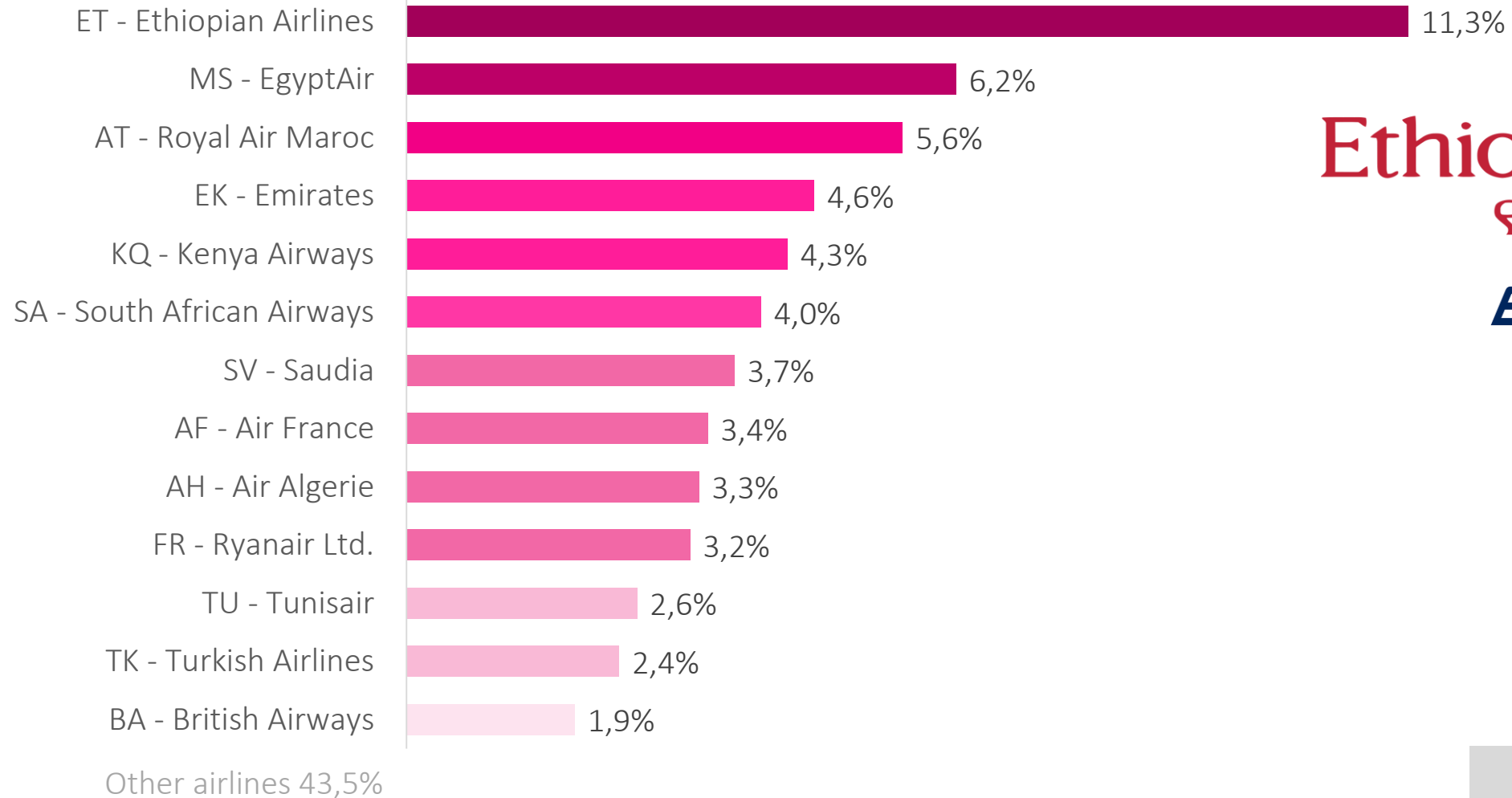
Passengers - 2019:

1	DXB - Dubai, AE	2.9 M
2	CDG - Paris-De Gaulle, FR	2.5 M
3	ORY - Paris-Orly, FR	2.0 M
4	ADD - Addis Ababa, ET	1.8 M
5	JED - Jeddah, SA	1.7 M
6	IST - Istanbul, TR	1.5 M
7	JNB - Johannesburg, ZA	1.3 M
8	LHR - London-Heathrow, EN, GB	1.2 M
9	NBO - Nairobi, KE	1.1 M
10	FRA - Frankfurt, DE	1.1 M
11	AMS - Amsterdam, NL	881 K
12	RUH - Riyadh, SA	772 K
13	BRU - Brussels, BE	769 K
14	DOH - Doha, QA	686 K
15	KWI - Kuwait, KW	648 K



INTERNATIONAL

TOP AIRLINES – AFRICAN AIRPORTS



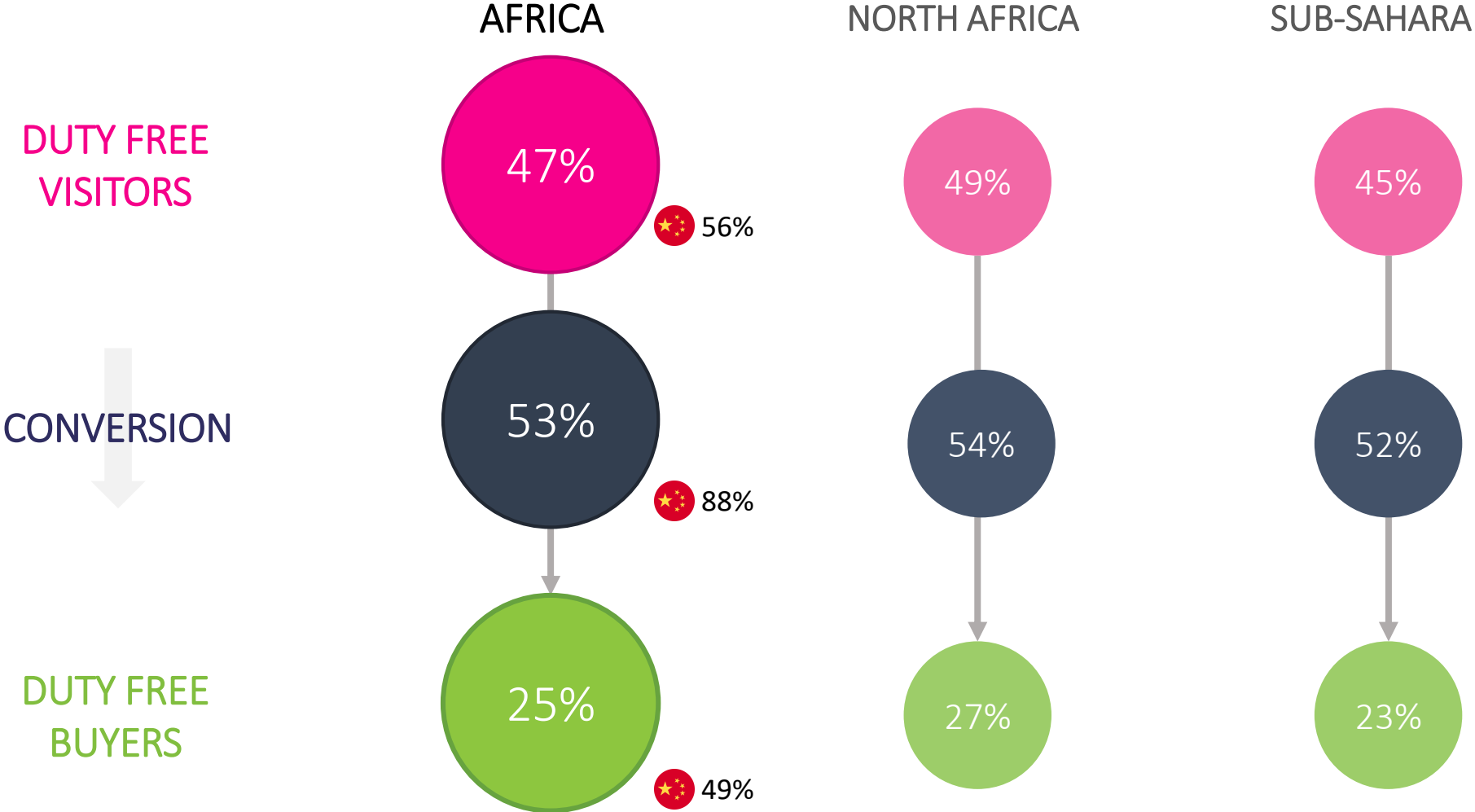
INTERNATIONAL



TRAVEL RETAIL KEY PERFORMANCE INDICATORS



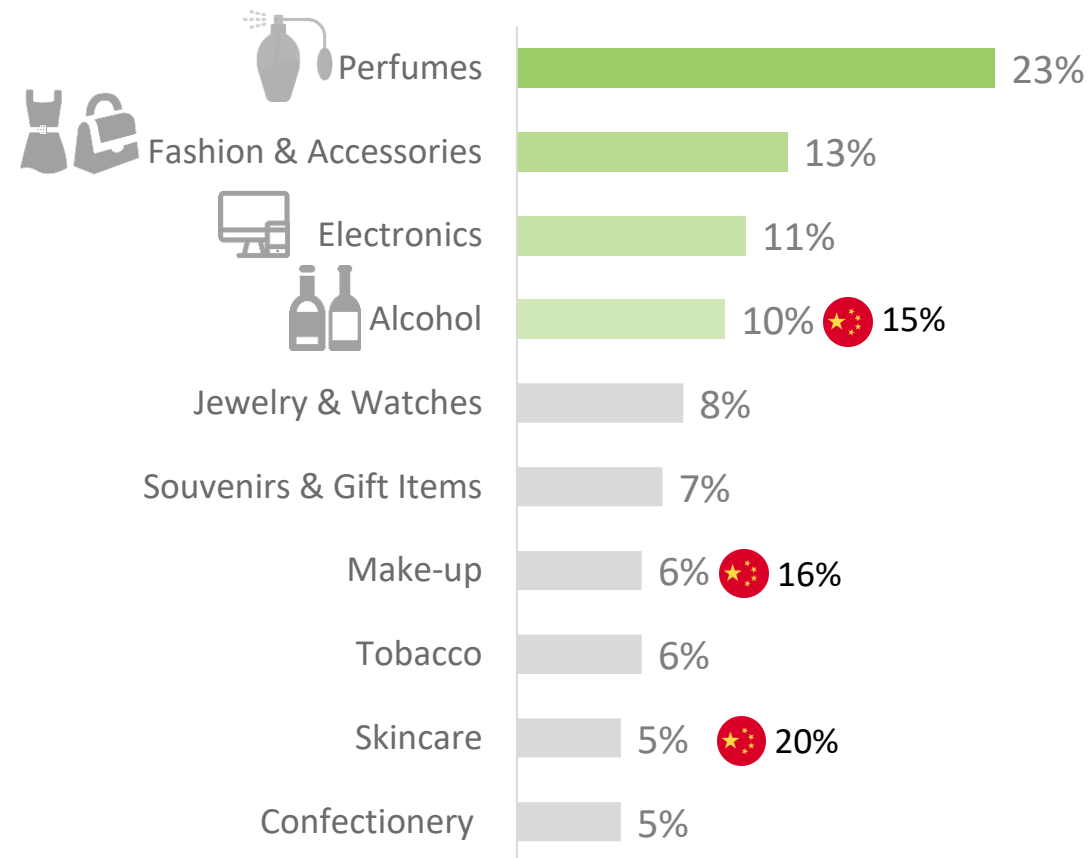
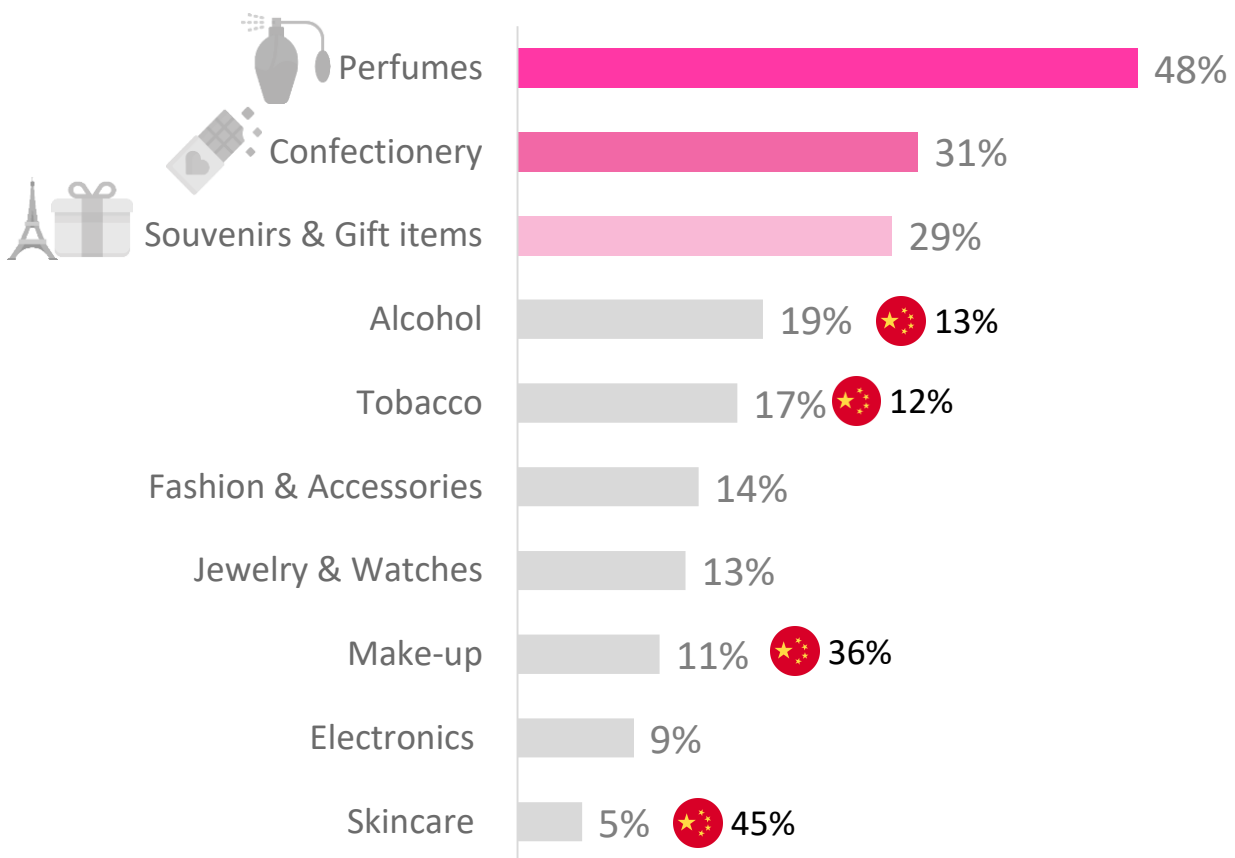
KEY SHOPPING PERFORMANCE INDICATORS



SHARE OF BUYERS AND SHARE OF WALLET

SHARE OF DF BUYERS






















SHARE OF WALLET



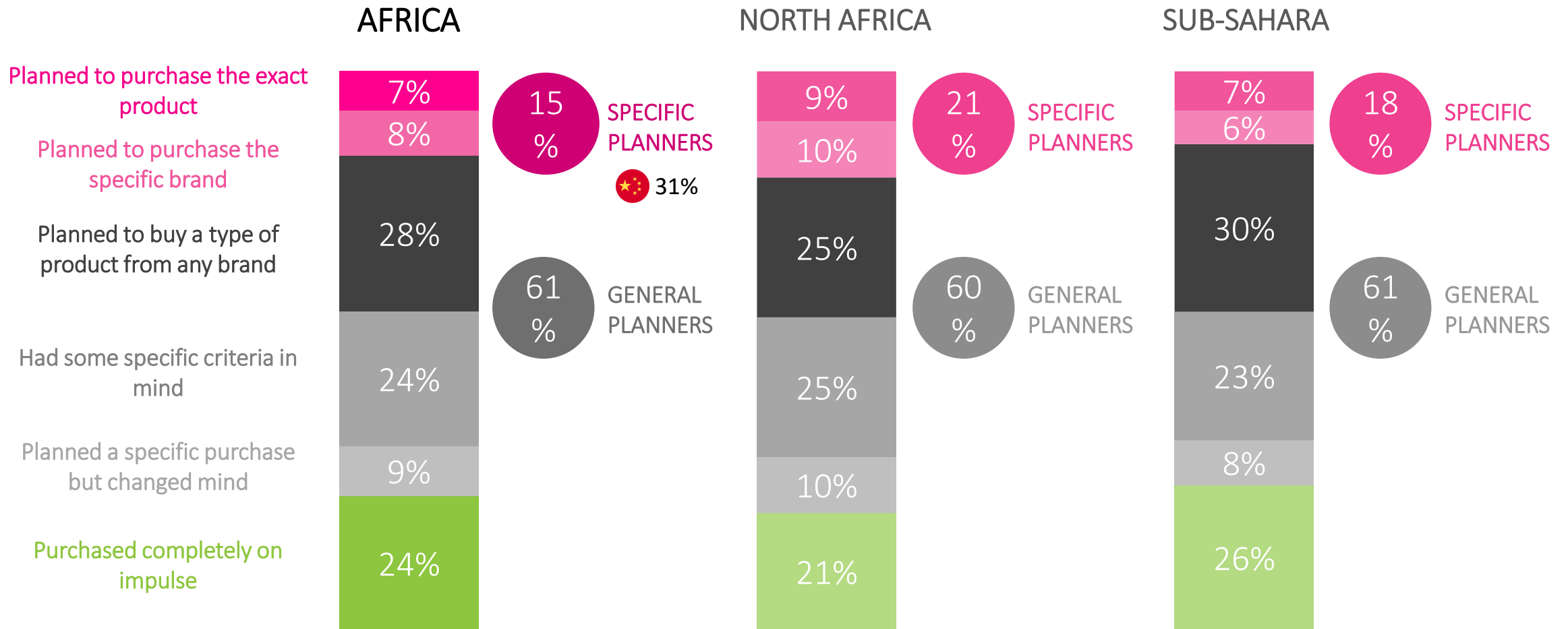
DECISION MAKING PROCESS FOR PURCHASES



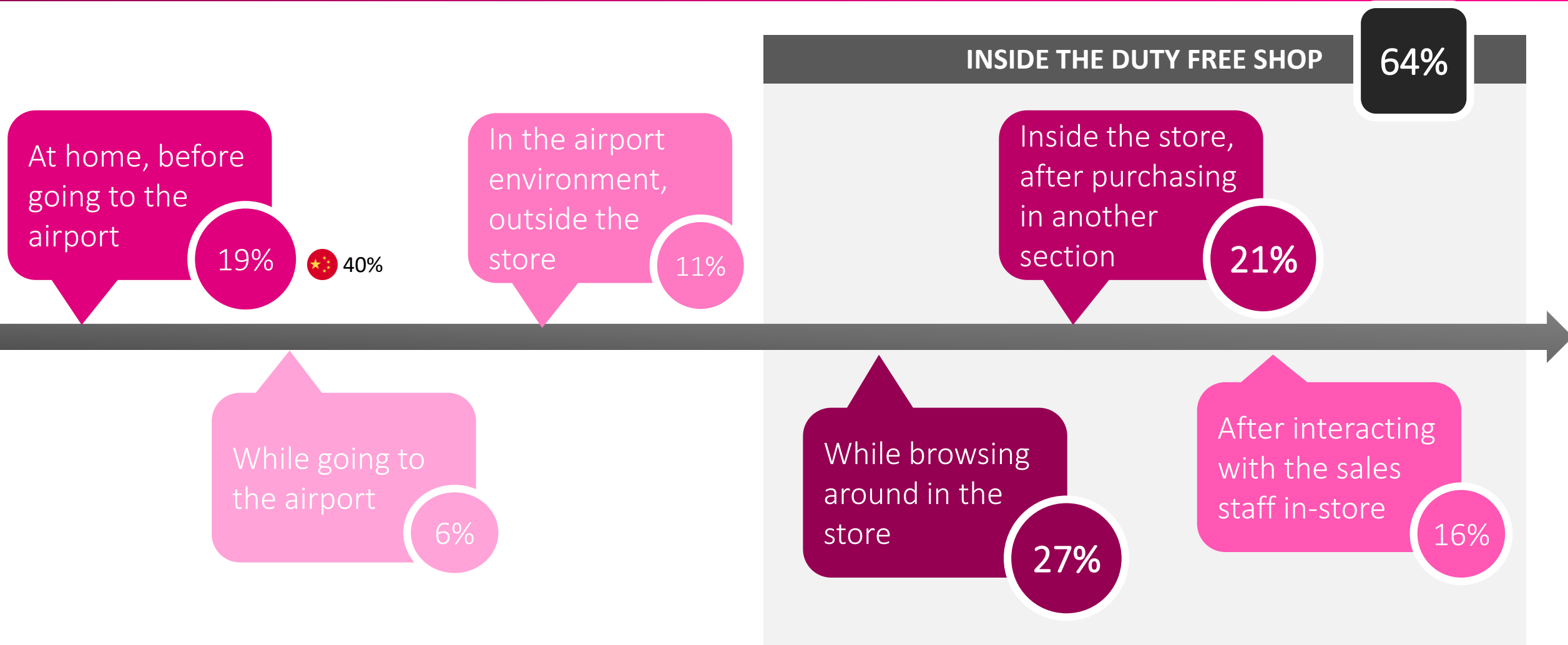
DRIVERS TO VISIT THE DUTY FREE STORE

	AFRICA	NORTH AFRICA	SUB-SAHARA
#1	 I know there is a clear price advantage vs stores in home country 41%  44%	 I was looking for a gift to purchase for someone 39%	 There was a clear price advantage vs home country 42%
#2	 I was looking for a gift to purchase for someone back home 38%	 There was a clear price advantage vs home country 37%	 I was looking for a gift to purchase for someone 27%
#3	 I wanted to purchase as a treat for myself 27%	 I wanted to see if there were any promotions in the DF store 25%	 I wanted to see if there were any promotions in the DF store 24%
#4	 I wanted to see if there were any promotions in the DF store 23%	 I wanted to purchase as a treat for myself 21%	 I had a specific purchase in mind 22%
#5	 I noticed a promotion(s) from outside the DF shops 19%  26%	 I often shop in the Duty Free store when travelling 19%	 I wanted to purchase as a treat for myself 18%
#6	 I had a specific purchase in mind / mission 16%  35%	 I had a specific purchase in mind / mission 15%	 I noticed a promotion(s) from outside the DF shops 17%

LEVEL OF PLANNING OF THE PURCHASE



MOMENT OF DECISION TO PURCHASE THE SPECIFIC PRODUCT



FAMILIARITY WITH THE PRODUCT / BRAND PURCHASED

It's my usual / one of my most frequently used product / brand

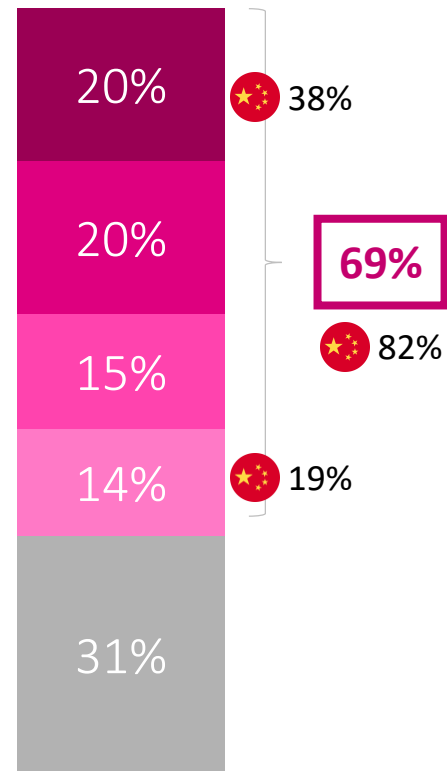
I have used it a few times before / use it occasionally

I tried the product before but never bought it

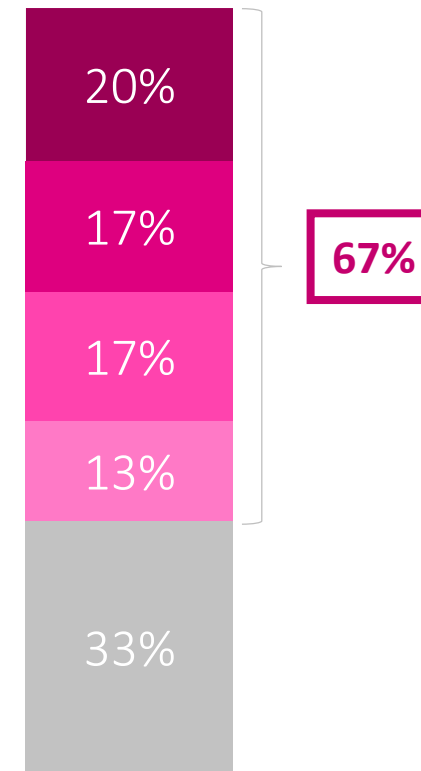
I knew about the product but never tried it

I was not familiar with the product at all

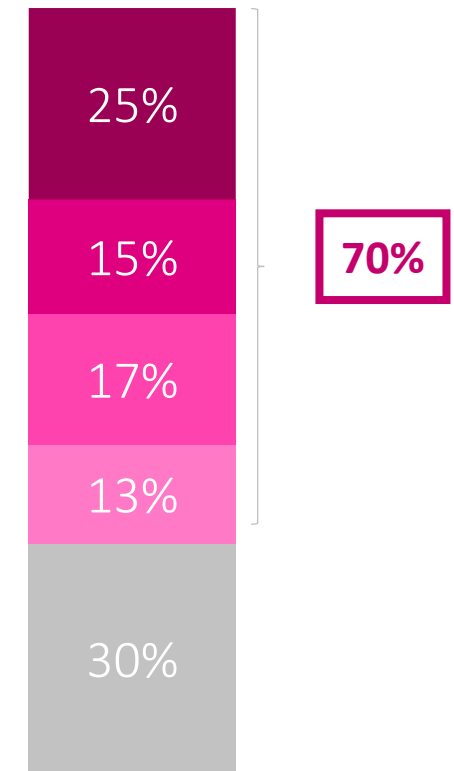
AFRICA



NORTH AFRICA



SUB-SAHARA

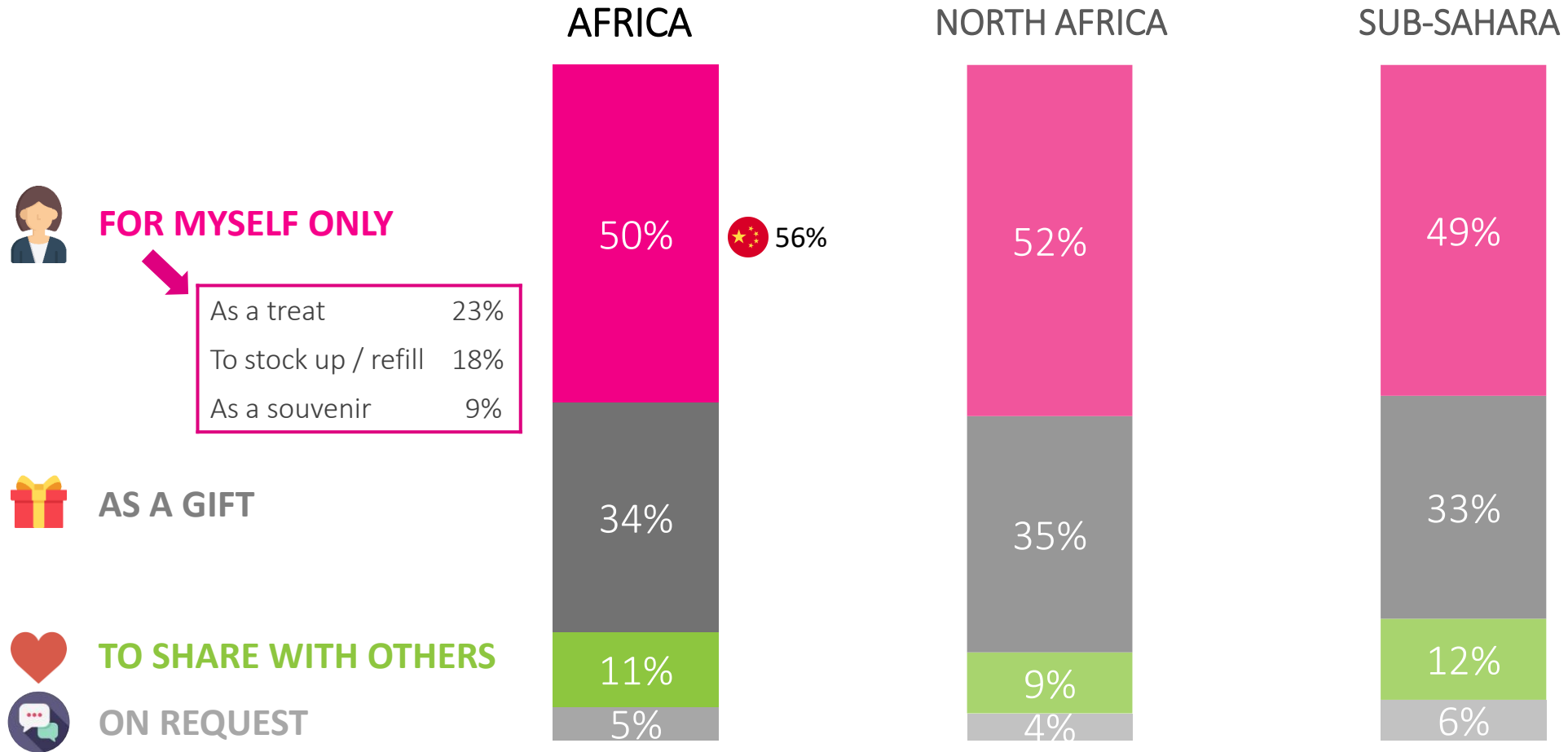


Familiar to some extent
























PURPOSE OF PURCHASE

PURPOSE OF PURCHASE

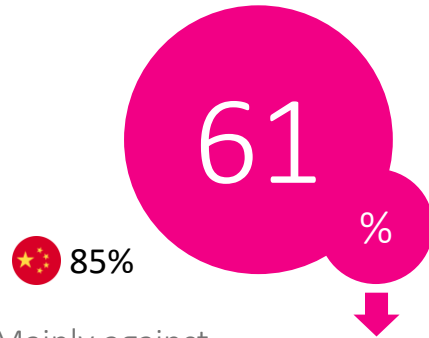


PERCEIVED DRIVERS TO PURCHASE THE SPECIFIC PRODUCT

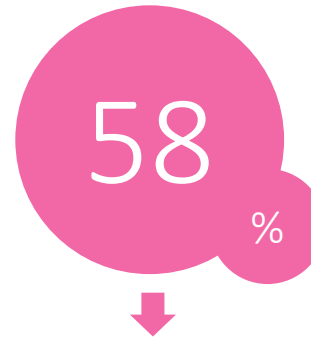
	AFRICA		NORTH AFRICA		SUB-SAHARA	
#1	 It offered good value for money	36%  45%	 It offered good value for money	38%	 There was a clear price advantage vs home country	37%
#2	 There was a clear price advantage vs home country	35%  40%	 I cannot find this product at home	35%	 It offered good value for money	32%
#3	 I cannot find this product at home	33%	 There was a clear price advantage vs home country	30%	 It saves me from going to another store, it was convenient	30%
#4	 Perfect product to buy for gifting	29%	 It was recommended by the sales staff	26%	 Perfect product to buy for gifting	30%
#5	 It saves me from going to another store, it was convenient	25%	 It saves me from going to another store, it was convenient	19%	 I cannot find this product at home	26%
#6	 I am loyal to the brand purchase / my usual one	24%  27%	 Perfect product to buy for gifting	15%	 I am loyal to the brand purchase / my usual one	12%

PRICE COMPARISON PRIOR TO DF SHOPPING

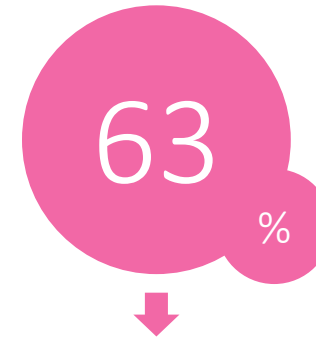
AFRICA



NORTH AFRICA



SUB-SAHARA



Other airports' Duty Free shops in my home country	20%	Downtown stores in my home country	20%	Other airports' Duty Free shops in my home country	24%
Downtown stores in my home country	20%	Other airports' Duty Free shops in my home country	20%	Downtown stores in my home country	15%
Other airports' Duty Free shops abroad	11%	Other airports' Duty Free shops abroad	10%	E-commerce websites	13%
E-commerce websites	10%	E-commerce websites	8%	Other airports' Duty Free shops abroad	11%

ROLE OF PROMOTIONS IN DRIVING PURCHASES

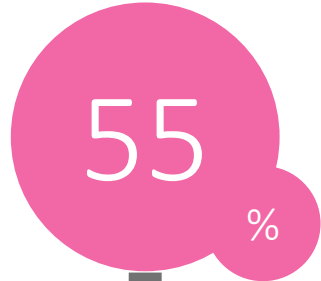
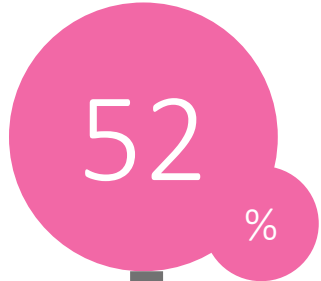
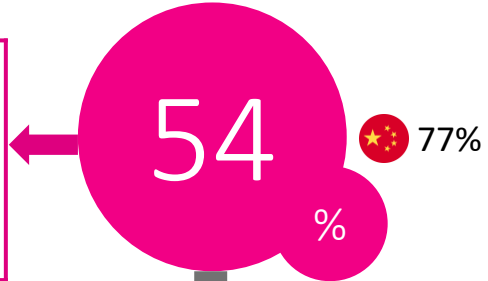
AFRICA

NORTH AFRICA

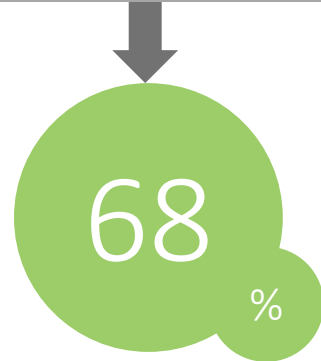
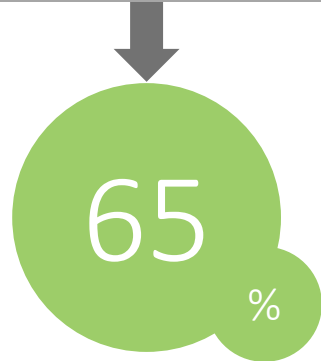
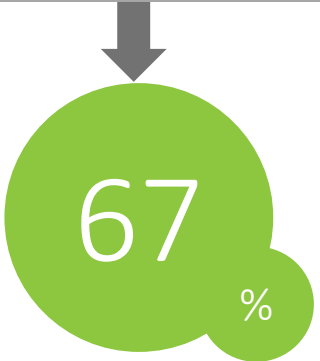
SUB-SAHARA

SHARE OF BUYERS WHO PURCHASED ON PROMOTION

<i>Top 3 most mentioned</i>	
% Discount	25%
Saving vs downtown	18%
Gift with the purchase	11%



SHARE OF BUYERS WHO CONSIDERED THE PROMOTION THE MOTIVATOR TO PURCHASE



ROLE OF DUTY FREE EXCLUSIVES IN DRIVING PURCHASES

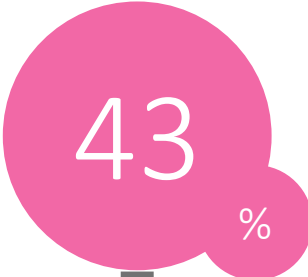
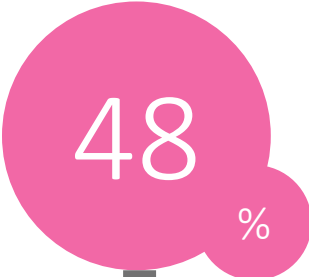
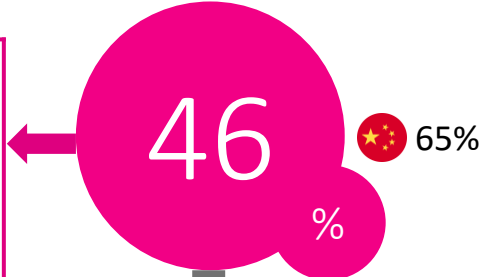
AFRICA

NORTH AFRICA

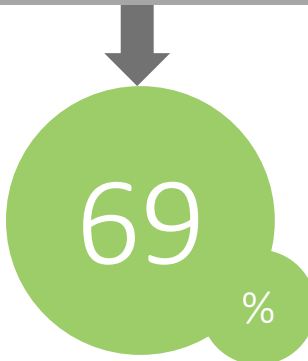
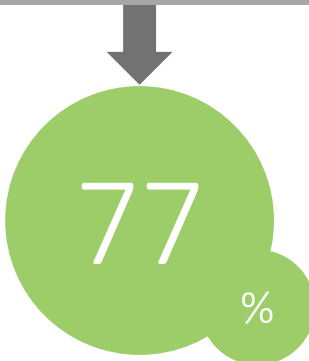
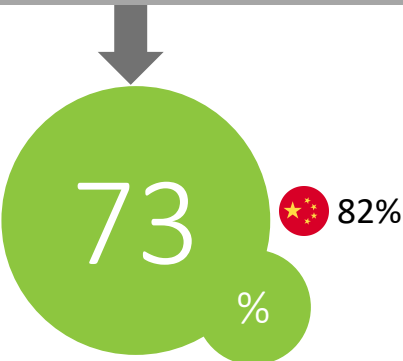
SUB-SAHARA

SHARE OF BUYERS WHO PURCHASED DUTY FREE EXCLUSIVE PRODUCTS

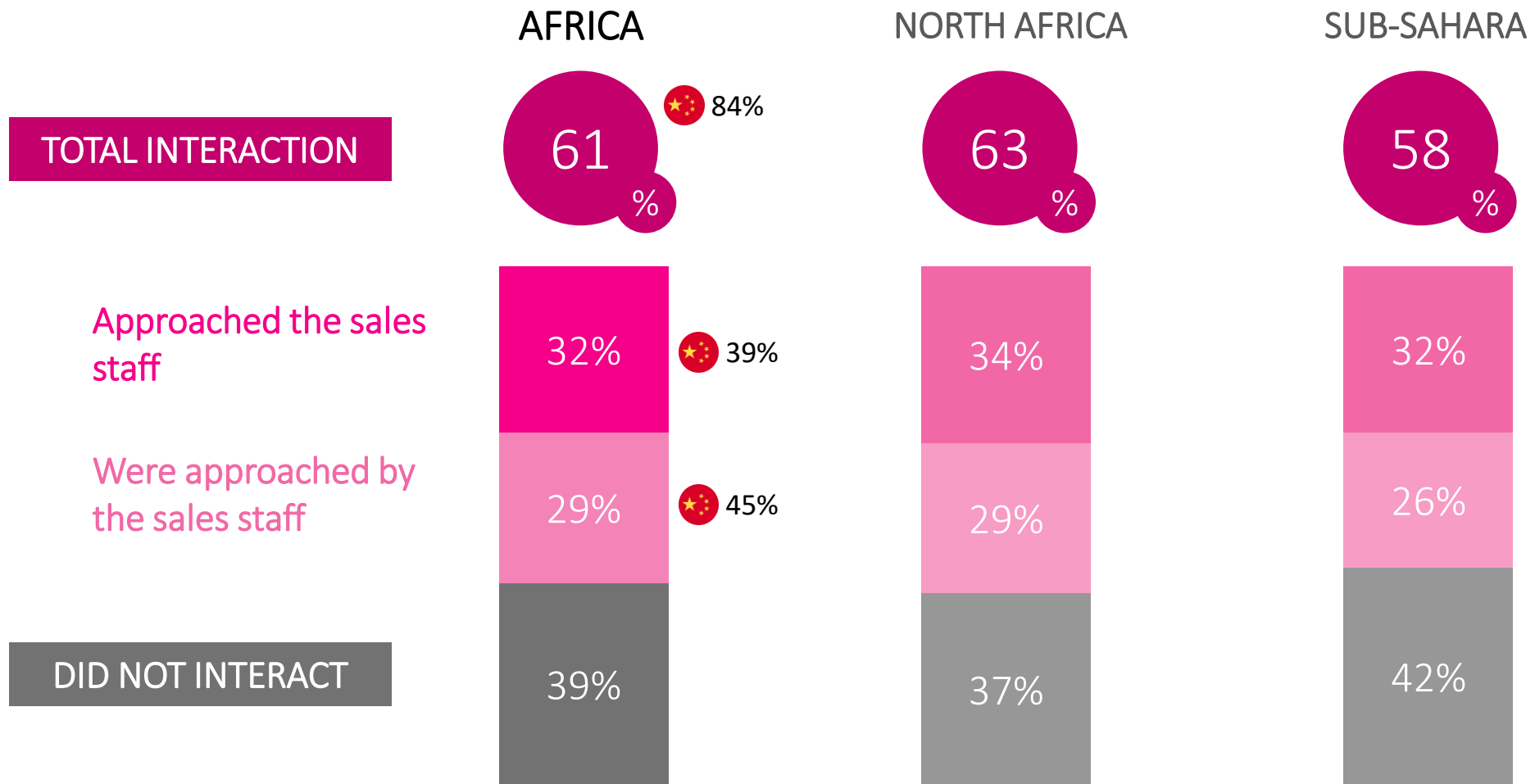
Top 3 most mentioned	
Exclusive Product	20%
Exclusive Set	19%
Exclusive Packaging	7%
























SHARE OF BUYERS WHO CONSIDERED THE BEING "DF EXCLUSIVE" THE MOTIVATOR TO PURCHASE



INTERACTION WITH SALES STAFF INSIDE THE DF STORES



KEY TOPICS OF INTERACTION WITH STAFF IN THE DF STORES

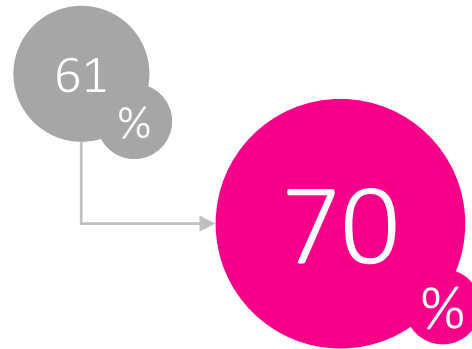
	AFRICA		NORTH AFRICA		SUB-SAHARA
#1	 Information about prices / special offers 46%		 Information about prices / special offers 44%		 Information about prices / special offers 47%
#2	 Information about where I can find the product(s) 41%		 Information about where I can find the product(s) 40%		 Information about the specific product(s) , e.g. ingredients, COO, etc. 43%
#3	 Information about the specific product(s) , e.g. ingredients, COO, etc. 37%		 Personalized advice about best product(s) for me / as a gift 37%		 Information about where I can find the product(s) 39%
#4	 Personalized advice about best product(s) for me / as a gift 35%  41%		 Information about the specific product(s) , e.g. ingredients, COO, etc 37%		 Personalized advice about best product(s) for me / as a gift 30%
#5	 Information about most trendy product(s) / best-sellers 31%  45%		 Information about most trendy product(s) / best-sellers 35%		 Information about DF / TR Exclusive products 25%
#6	 Information about DF / TR Exclusive products 29%  33%		 Information about DF / TR Exclusive products 28%		 Information about most trendy product(s) / best-sellers 25%

SALES STAFF'S INFLUENCE ON THE FINAL DECISION TO PURCHASE

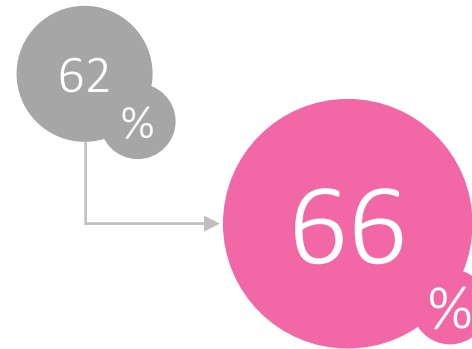
Among those who interacted...

WERE INFLUENCED IN THEIR FINAL DECISION TO PURCHASE

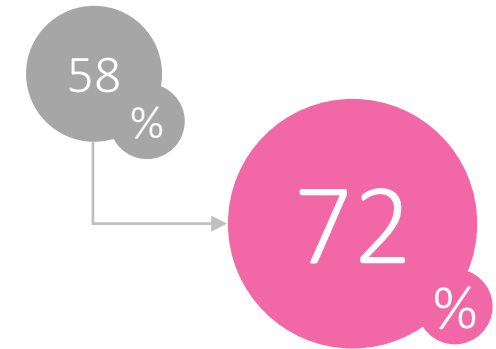
AFRICA



NORTH AFRICA



SUB-SAHARA



Was hesitating between products and helped me choose
Bought something different than planned after staff's advice
Would not have purchase anything without the advice
Would have purchased the same without the advice from the staff
Bought something different than advised by the sales staff

41%
20% 🇨🇳 31%
9%
24%
6%

34%
19%
13%
29%
5%

38%
23%
11%
20%
8%

SHOPPING EXPERIENCE SATISFACTION

AFRICA

NORTH AFRICA

SUB-SAHARA



OVERALL SATISFACTION WITH THE SHOPPING EXPERIENCE



MORE SATISFIED WITH

Gifting assortment

Variety and range of products



LESS SATISFIED WITH

Atmosphere / design of the DF shops

Range of affordable products

Information about products / brands available

Technology offer (e.g. digital screens, DF apps, etc.)

Local identity / touch of DF shops

ON A 5 PTS SCALE



TOUCH POINTS AND INFORMATION SEARCH



SOURCES OF INFORMATION RESEARCHED/ NOTICED ABOUT DF PRODUCTS THROUGHOUT THE TRIP



AFRICA

Respondents mentioned 3.9 touch points on average

7.1

BEFORE THE TRIP

DURING THE TRIP

Downtown in home country

54%

During trip booking / online check-in

26%

Online
90%

56% before the trip

44% during the trip

95%

At the airport / DF shop / During the flight

58%

At destination / During the trip

44%

Recommendations from friends, family, colleagues	27%
Ads inside the downtown shops	19%
Ads in the streets	12%
Testers in downtown shops	9%
Information on the packaging	7%

Ads / Discount coupon	20%
Travel apps/websites	18%


















DF shop website / app	35%	42%
Official brand websites	24%	35%
Social Media	15%	29%
Shopping Apps / websites	14%	
Specialized websites / blogs	12%	

In-flight magazine	25%
Ads at the airport, but not in the DF shop	22%
In-flight DF sales catalogue	18%
Promotional area inside the Duty Free shop	11%
Ads in the DF shop	8%


















Recommendations from friends, family, colleagues	22%
Ads in the airport	19%
Interaction with staff	12%
Ads in the streets / public transportations	8%
Special activities for a brand / product	7%



REASONS FOR SEARCHING INFORMATION ONLINE ABOUT DF SHOPPING

AFRICA		NORTH AFRICA		SUB-SAHARA	
 Read reviews / recommendations	52%  63%	 Read reviews / recommendations	57%	 More information on special offers / deals	55%
 More information on special offers / deals	51%	 More information on special offers / deals	49%	 Easier to compare prices on a wider scale	49%
 Easier to compare prices on a wider scale	46%	 More information about brands / products	44%	 Read reviews / recommendations	48%
 More information about brands / products	36%  44%	 Easier to compare prices on a wider scale	43%	 Possibility to download and use vouchers	42%
 Possibility to download and use vouchers	32%	 Check availability of products in the DF store	37%	 More visually appealing content	39%




















TYPE OF INFORMATION RESEARCHED WHILE AT THE AIRPORT

AFRICA			NORTH AFRICA			SUB-SAHARA		
	Price	43%  45%		Price	45%		Promotions	41%
	Promotions	39%		Reviews	40%		Price	40%
	Reviews	33%  48%		Promotions	34%		Reviews	38%
	Trends / Best-sellers	29%		Brand in general	28%		Trends / Best-sellers	33%
	Brand in general	22%		Store's assortment	26%		Novelties / New launches	27%

FOCUS ON NON-BUYERS

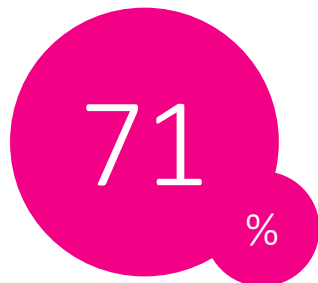


MAIN BARRIERS TO PURCHASE AMONG DF VISITORS

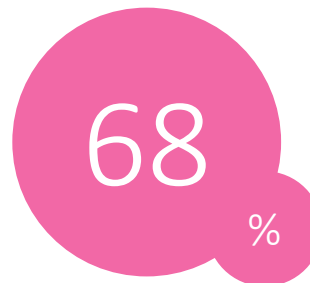
	AFRICA		NORTH AFRICA		SUB-SAHARA
#1	 The prices were too high vs stores in home country 41%		 The prices were too high vs stores in home country 42%		 There were no promotions that motivated me to purchase 39%
#2	 There were no promotions that motivated me to purchase 38%		 There were no promotions that motivated me to purchase 40%		 The prices were too high vs stores in home country 36%
#3	 I wanted to compare prices vs other locations before purchasing 38%		 I wanted to compare prices vs other locations before purchasing 38%		 The prices were higher vs stores at destination 31%
#4	 The prices were higher vs stores at destination 29%		 Inconvenient to carry the items 21%		 I wanted to compare prices vs other locations before purchasing 29%
#5	 Inconvenient to carry the items 24%  29%		 I was not attracted by any of the products / nothing stand out 19%		 I was not attracted by any of the products available 25%
#6	 I was not attracted by any of the products / nothing stand out 22%		 I was just browsing around , with no intention to purchase 13%		 Inconvenient to carry the items 22%

PRICE COMPARISON AMONG DF VISITORS WHO DIDN'T BUY

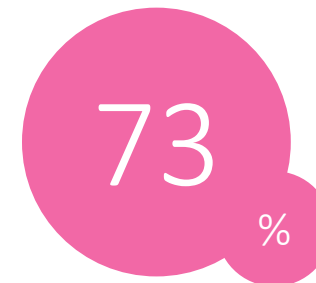
AFRICA



NORTH AFRICA



SUB-SAHARA



Mainly against...

Downtown stores in my home country	27%	Downtown stores in my home country	29%	Downtown stores in my home country	28%
Other airports' Duty Free shops in my home country	21%	E-commerce websites	17%	Other airports' Duty Free shops in my home country	26%
E-commerce websites	14%	Other airports' Duty Free shops in my home country	14%	E-commerce websites	10%
Other airports' Duty Free shops abroad	9%	Other airports' Duty Free shops abroad	8%	Other airports' Duty Free shops abroad	9%

CONCLUSIONS & RECOMMENDATIONS



OVERALL OUTLOOK FOR TR IN AFRICAN AIRPORTS



CONSISTENT GROWTH OF **INTERNATIONAL PAX NUMBERS** IN THE REGION— FORECASTED TO CONTINUE GROWING - STRONGLY DRIVEN BY EGYPT, FRENCH, MOROCCO AND SOUTH AFRICA NATIONALITIES.



POSITIVE FOOTFALL AND **CONVERSATION** RATES, BUT **LOWER** COMPARED TO CHINESE SHOPPERS.

DRAW MORE DF STORE FOOTFALL AND BOOST CONVERSATION RATE



ADDRESS KEY DRIVERS TO VISIT THE DUTY FREE SHOP BY CLEARLY HIGHLIGHT ATTRACTIVE PROMOTIONS / PRICES AND OFFERINGS OF SPECIAL PRODUCTS (E.G. GIFTING ITEMS).



PROVIDE APPEALING AND INTERACTIVE WAY TO COMMUNICATE VALUE-FOR-MONEY IN TRAVEL RETAIL SHOPS AND THE UNIQUENESS OF ITS PRODUCTS.




ENSURE ALSO A CONSISTENT AND SATISFACTORY RANGE OF OFFERINGS, FOCUSING ON TR EXCLUSIVITY AND SOPHISTICATION OF GIFT OFFERINGS IN PARTICULAR, WHICH ARE THE MAIN ASPECTS TRIGGERING PURCHASES.

DRAW MORE DF STORE FOOTFALL AND BOOST CONVERSATION RATE



THE IMPORTANT SHARE OF UNDECIDED SHOPPERS COMBINED WITH INTENSE PRE-TRIP INFORMATION SEARCH, CREATES OPPORTUNITIES TO FURTHER **ENHANCE PRE-TRIP ENGAGEMENT** BY **COMMUNICATING WHAT THE BRAND / RETAILER HAS TO OFFER** AND ENSURING **HIGHER EXPOSURE TO TOUCH POINTS** IN ORDER TO INCREASE THE SHARE OF SPECIFIC PLANNERS HENCE **LOCK PURCHASE INTENTION**.



HOWEVER, ENGAGING WITH UNDECIDED SHOPPERS THROUGH **COMPELLING IN-STORE ELEMENTS** AND **ENTERTAINING SHOPPING EXPERIENCE** REMAINS CRUCIAL TO **BOOST CONVERSION**, ESPECIALLY GIVEN THAT THE MAJORITY TAKES THE FINAL PURCHASE DECISION INSIDE THE STORE.



FOCUS ON DEVELOPING **PROACTIVITY OF SALES STAFF & RELEVANCE OF INTERACTION** TO BENEFIT INCREASE **POTENTIAL IMPACT ON DECISION MAKING**.



THANK YOU

November 2019

THE
MEADFA
CONFERENCE

24-26 NOV. 2019
KEMPINSKI HOTEL
MUSCAT, OMAN

