

m1nd-set reveals latest post-pandemic megatrends

Concerns about sustainability translate into travellers' shopping behaviour and willingness to spend

84%

think that a greater focus on sustainability by manufacturers has a **positive impact on their perception of brands**

72%

think that a greater focus on sustainability by manufacturers **increases the likelihood of purchasing a brand**

64%

would be prepared to **pay more for a product if it is environmentally friendly**

Especially Females (70%), Europeans (69%) and North Americans (68%)

43%

will **actively look for more sustainable / environment-friendly products** when shopping at the airport

Especially Millennials (55%), Females (55%), Europeans (52%) and North Americans (50%)

Source: m1nd-set Sustainability Study (2020)

Note: % are out of Duty Free / Travel Retail shoppers

m1nd-set
expert in travel market research

According to the latest consumer research from m1nd-set, changing consumption patterns due to COVID-19 is causing the emergence of new megatrends; the research explains how many of these trends will apply to TR & DF given how consumer expectations are evolving

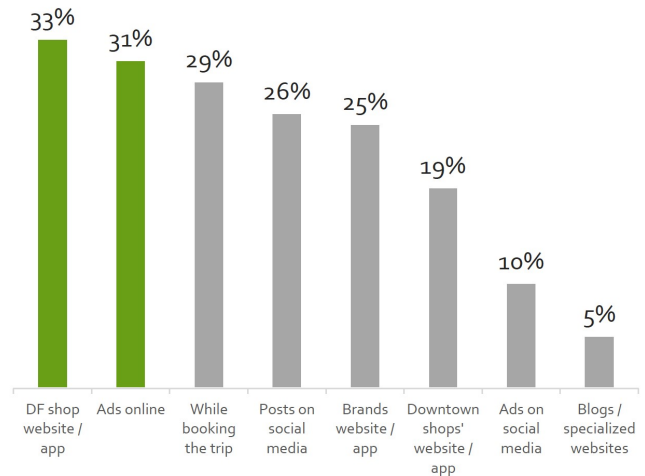
In 2021, exposure to pre-trip touch points is mostly Digital

ONLINE touch points:

98%



OUT OF THE 69% OF DF VISITORS WHO NOTICE TOUCH POINTS



Source: mind-set's B1S (Business Intelligence Service) – 2021 data

mind-set
expert in the retail industry

The data introduces a range of new consumer trends that are affecting shopper behavior and highlights, several of which will be specific to the travel retail sector. According to the Swiss research agency, some of the megatrends emerging include an increased migration of price-sensitive shoppers to online marketplaces, enhanced tracking of human behavior both physical and online, with more advanced analytics and targeting technology leading to greater personalization, an increase in contactless shopping experiences, as well as a greater focus on zero-waste production and more sustainable consumption practices.

The research explains how many of these trends will inevitably apply to the travel retail sector given how consumer expectations are evolving. The accentuated shift to digital following the global pandemic is one of the most prominent trends, which will inevitably impact the TR channel. Almost two-thirds of travelers spend more time on social media and more than half say they purchase more online than they did pre-pandemic. The research points to a continuation of this tendency as novice online shoppers such as the senior age-group become more accustomed to the e-commerce experience.

The significant increase in the percentage of travelers who say they notice communication touchpoints more often, further underlines the growing importance of digital communications in travel retail. 69% of travelers note that they notice these touchpoints, the majority (98%) of which are digital, now in 2021, compared to only 14% in 2020.

International travelers are also more disposed to (and expectant of) a sophisticated e-commerce experience in travel retail. More than half (53%) of travelers say they are willing to shop or pre-order online and collect their goods either upon boarding their flight or on-arrival at the destination airport. Chinese passengers are especially keen on the shift to e-commerce in the sector, with 62% stating they would choose this shopping channel in travel retail. The global figure is significantly higher than in 2020 when only 24% said they would be willing to shop for their duty free and travel retail items online.

A greater focus on health and wellbeing is another megatrend that will be reflected in travel retail. Around three quarters of travelers share that they will prioritize their health and mental wellbeing

more now when they travel than they did pre-COVID. Shoppers say they prefer to purchase natural products across a variety of product categories, citing skincare, cosmetics, multi-vitamins, dietary supplements and sleep enhancers. Health and wellness conscious shoppers will spend more on anti-aging products, beauty supplements and nutrition products in particular.

Since the pandemic, consumers have also become more conscious about social and environmental issues. The research indicates that shoppers are looking to purchase more environmentally-friendly produced and packaged goods. More than 80% of travelers say their perception of certain brands has improved as a result of the increased focus by manufacturers on sustainability. This positive brand perception will be positive for sales; according to m1nd-set, 72% of travelers say the positive brand perception linked to sustainability will incite them to purchase a product. Approximately two-thirds of travelers are even willing to pay more for a product if it has been produced and packaged in an environmentally-friendly manner. The segments most sensitive to the environment and willing to pay more are Europeans and North Americans.

Many of the new trends reflected in high street and other domestic retail locations will also need to be reflected in travel retail to avoid a dichotomy between the two retail sectors.

“The challenge the travel retail industry faces is navigating through these numerous new trends and ensuring that the airport and onboard passenger experience is consistent with new business practices experienced in society at home. The post-COVID-19 consumer is likely to be less forgiving and show less brand loyalty if the service or product experience does not cater to the new post-pandemic consumer mindset, particularly where health and safety is concerned.

“The travel retail experience has often been besmirched for lagging behind the high street on digitalization or behind the online retail environment for personalization and fulfilment. In the post-pandemic environment, travel retail will not only need to meet the level of innovation in the high street, but also match the modernization in society generally,” explains Peter Mohn, Owner & CEO, m1nd-set.