

Recovery monitor shows communications efforts working

While recovery is not moving at the previously anticipated pace thanks to new waves of infection and new variants, the good news is that marketing messaging is getting through to travelers, according to the second quarterly ETRC recovery monitor.

According to the recovery monitor, which is published for the European Travel Retail Confederation (ETRC) by Swiss research agency m1nd-set, over the past few years a declining number of travelers noticed brand marketing, from 20% in 2017 to just 14% in 2020. In 2021 this number has increased dramatically to 53% of passengers. Billboards in the travelers home country saw gains of 20%, to 37% of passengers. This is 15% more than the previous four years in Europe and 28% higher than the global average.

m1nd-set's b1s recovery monitor



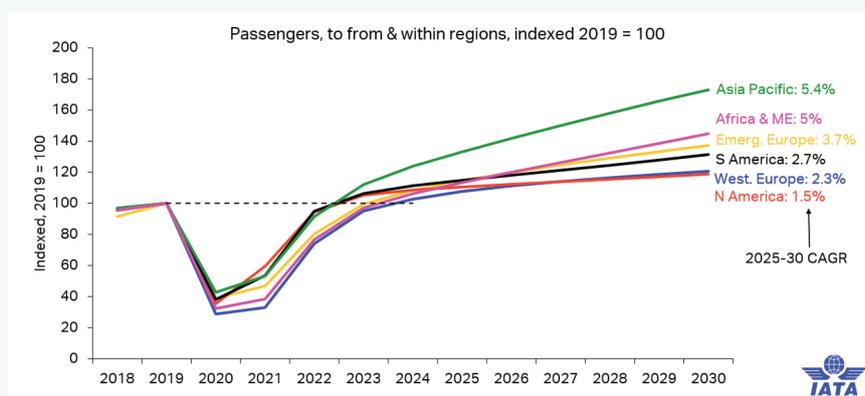
M1nd-set partner IATA shares a positive long-term view for post-COVID-19 passenger demand recovery which underlines the assertion that people remain eager to travel by air in the short and long term.

The highlights of their forecasts include:

- In **2021** global passenger numbers are expected to **recover to 52%** of pre-COVID-19 levels (2019).
- In **2022** global passenger numbers are expected to **recover to 88%** of pre-COVID-19 levels.
- In **2023** global passenger numbers are expected to **surpass pre-COVID-19 levels (105%)**.
- By **2030** global passenger numbers are expected to have **grown to 5.6 billion**. That would be 7% below the pre-COVID-19 forecast and an estimated loss of 2-3 years of growth due to COVID-19.

Regions with large domestic markets recover first.

European, Africa & Middle East regions lags due to international markets.

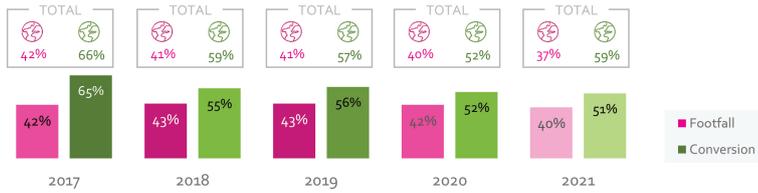


In their home markets, 26% of Europeans are noticing the website and apps of shops. This is 12% higher than in previous years and almost triple the global average (9%).

Sales staff interaction has also improved dramatically, with 63% of European passengers stating they interacted with sales staff. This is 20% more than in 2020 and in previous years, though lower than the global average of 72%.

Also below the global average but greater than previous is the increase in the impact of sales staff, with 78% of European travellers saying the interaction with sales staff positively influenced their purchase decision. Despite this number being slightly lower than the global average of 80% (44% in 2020), it is 31% higher than in 2020.

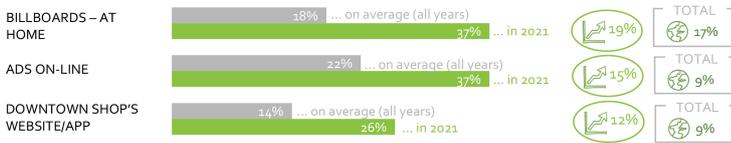
FOOTFALL AND CONVERSION



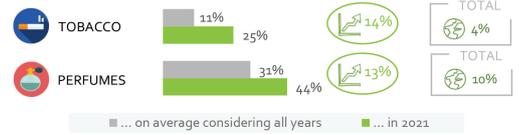
PLANNING THE PURCHASE VS NOTICING TOUCH POINTS



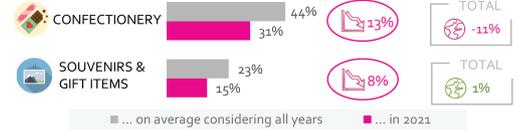
TOP 3 TOUCH POINTS THAT BECAME MORE IMPORTANT IN 2021



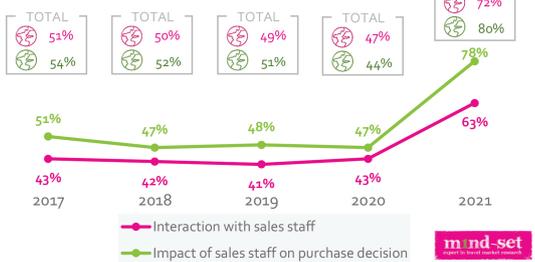
CATEGORIES THAT BECAME MORE POPULAR IN 2021



CATEGORIES THAT BECAME LESS POPULAR IN 2021



SALES STAFF

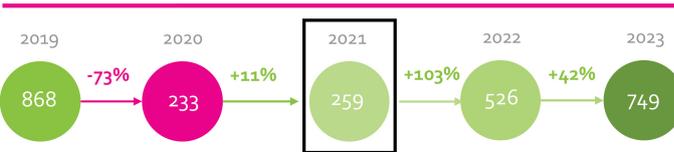


Perfumes in particular are seeing the biggest increase in interest among European travellers so far in 2021, with 44% saying they have purchased Perfumes compared to 31% on average between 2017 and 2020. Tobacco also showed gains, with 25% of Europeans say they have purchased tobacco products from duty free shops compared to only 11% over the previous four years.

Meanwhile Confectionery (31% vs 44% in previous years) and Souvenir/Gift items (15% vs 23%) both declined in popularity in 2021 among European travelers.



International departures from Europe



Traffic growth projections forecast +11% in 2021, down from the 55% growth forecast in Q1 this year, to reach 259 million passengers instead of the 361 million initially predicted. In 2022, international traffic is set to increase 103%, from 259 million international passengers in 2021 to 526 million in 2022.

Europe's traffic growth had been consistently below the global average over the past twelve months, but traffic in Q2 grew almost four-fold from 21 million international passengers in Q1 to 78 million in Q2. During the same period, global passenger growth increased 55 million to 158 million.

In the longer term, growth in Central and Eastern European countries is expected to be greater than in Western Europe. IATA is forecasting a 3.7% annual growth rate for Central and Eastern Europe, whereas the forecast growth rate for Western Europe is just 2.3% between 2025 and 2030.

m1nd-set's Anna Marchesini, Head of Business Development, commented: "The most marked change in European traveller shopper behaviour this year compared to previous years is clearly the impact of touch points across all channels: web, out-of-home media and in store interaction. This demonstrates a higher than usual potential for brands to reap greater returns on their media spend. It's also a clear sign that brands and retailers need to place greater importance on training brand ambassadors and sales staff. When we break down into the detail of the data by customer segment, Marchesini continued, "we are able to determine which customer segments are more or less responsive to staff interaction. This is important to understand the high potential segments for staff to approach and interact with, as well as those where greater effort is needed."

ETRC Secretary General Julie Lassaigne said: "The quarterly monitor reports are proving invaluable as a means for ETRC members to obtain a clearer picture of how shopper behaviour is evolving in the post-Covid era. The insights are particularly useful in providing greater understanding of the fluctuations in consumer interest in specific categories from the pre to post-Covid environment. We see how traffic forecasts are evolving from one quarter to the next in the monitor also, due to the continued lockdowns in many parts of Europe that have suppressed the revival of international traffic; this enables members to plan ahead with greater clarity."