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CEETRA
Travel Retail Association

Travel Retail Trends In CEE

April 2023

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CEE Traffic Outlook – 2023

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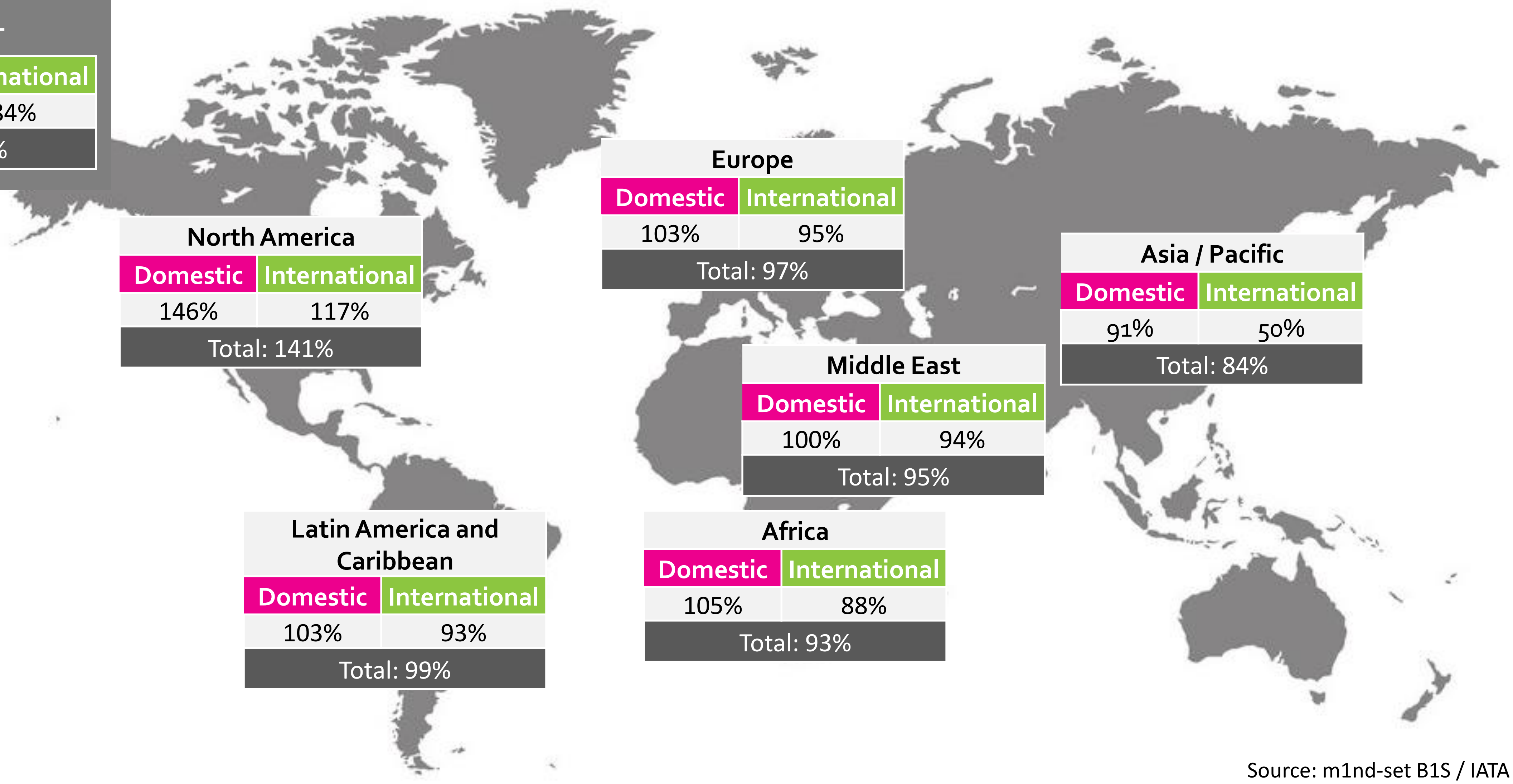
In 2023, International traffic will have practically recovered to pre-pandemic levels in all regions except Asia-Pacific.

RECOVERY BY REGIONS: 2023 DEPARTURES IN % OF 2019 DEPARTURES



GLOBAL

Domestic	International
115%	84%
Total: 102%	

North America

Domestic	International
146%	117%
Total: 141%	

Europe

Domestic	International
103%	95%
Total: 97%	

Asia / Pacific

Domestic	International
91%	50%
Total: 84%	

Middle East

Domestic	International
100%	94%
Total: 95%	

Latin America and Caribbean

Domestic	International
103%	93%
Total: 99%	

Africa

Domestic	International
105%	88%
Total: 93%	

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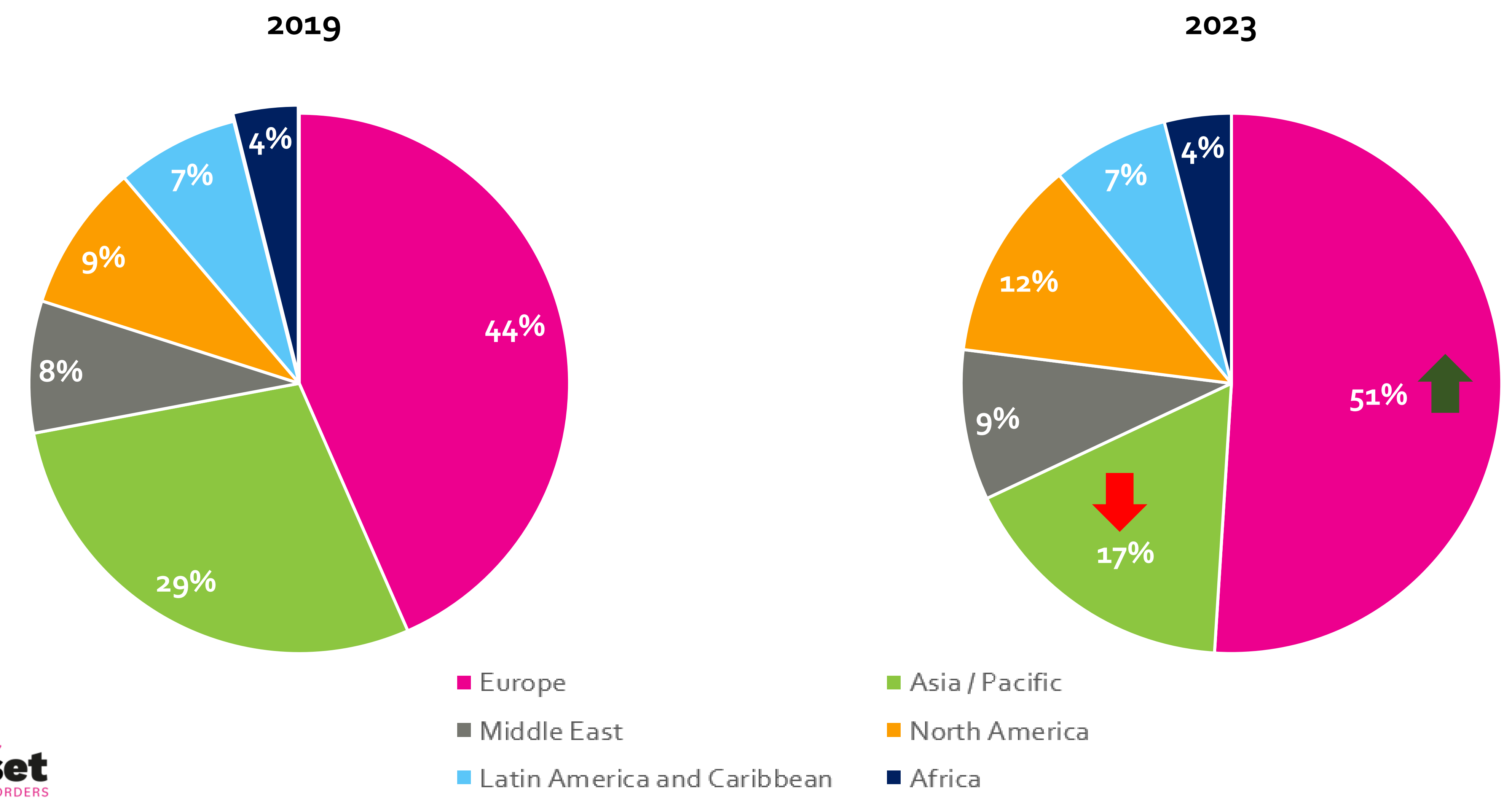
Source: m1nd-set B1S / IATA DDS

In 2023, Europe will be the most important region in terms of international departures, gaining importance vs pre-covid, whilst AsPac will have lost importance vs 2019.

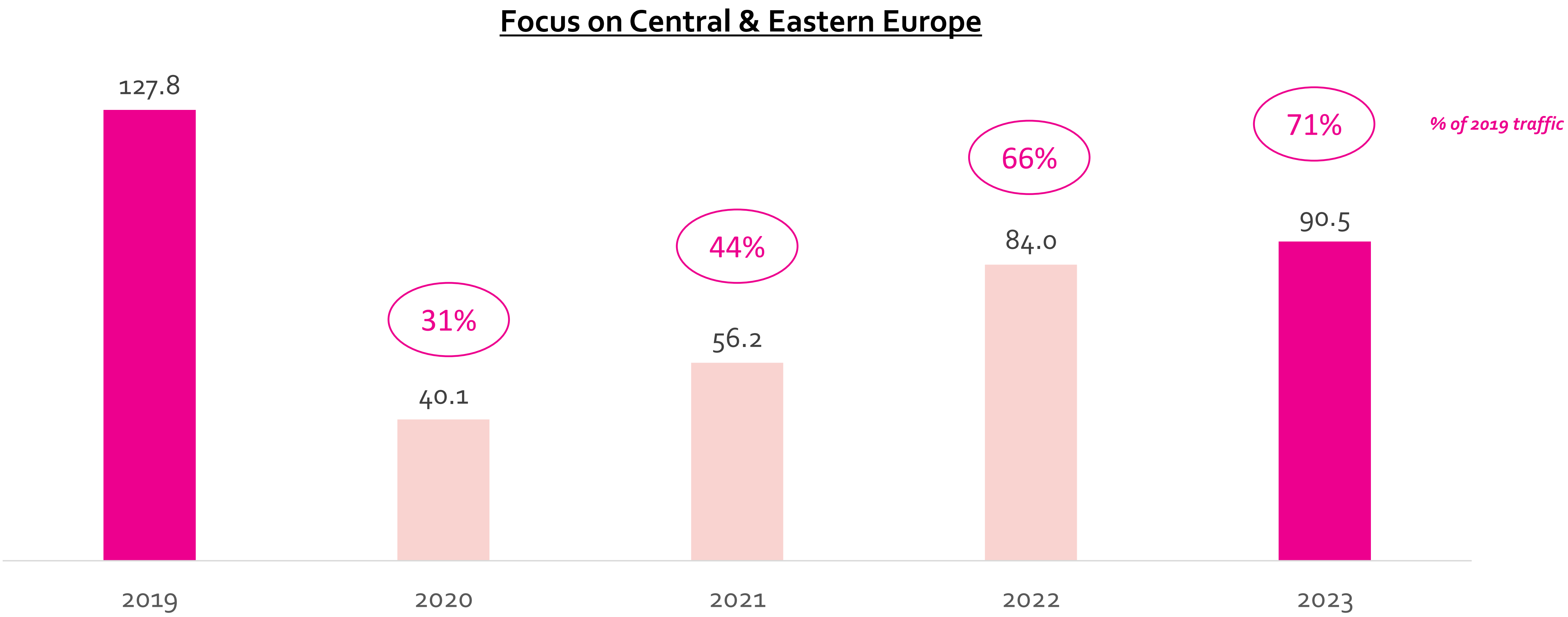
INTERNATIONAL DEPARTURES: WEIGHT OF REGIONS



Source: m1nd-set B1S / IATA DDS

The recovery in Central & Eastern Europe has been strongly impacted by the Ukraine war and therefore is slower compared to Europe overall.

International Departures - in million PAX



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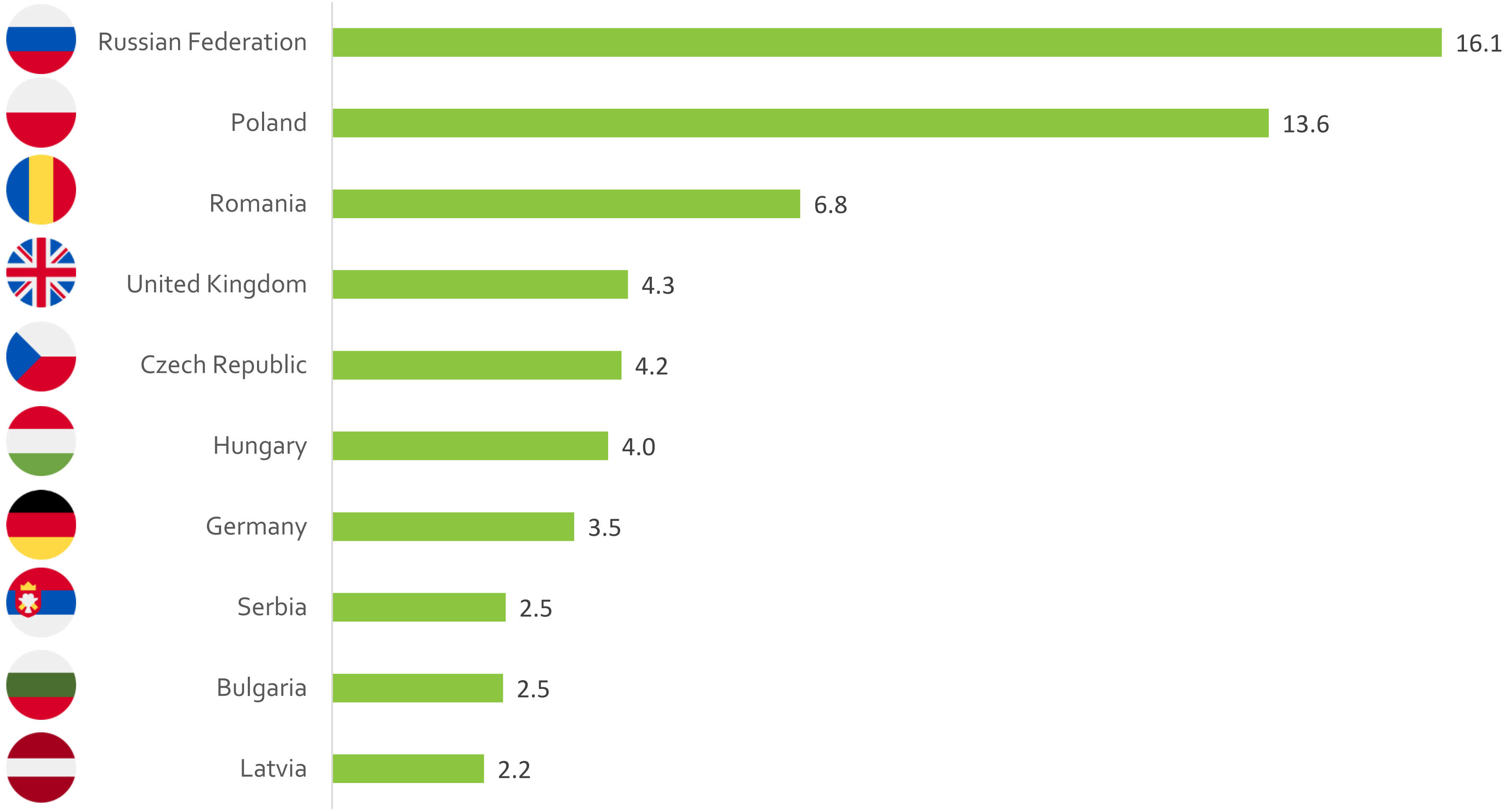
Top 10 nationalities in Central & Eastern Europe - 2023

International Departures - In million PAX



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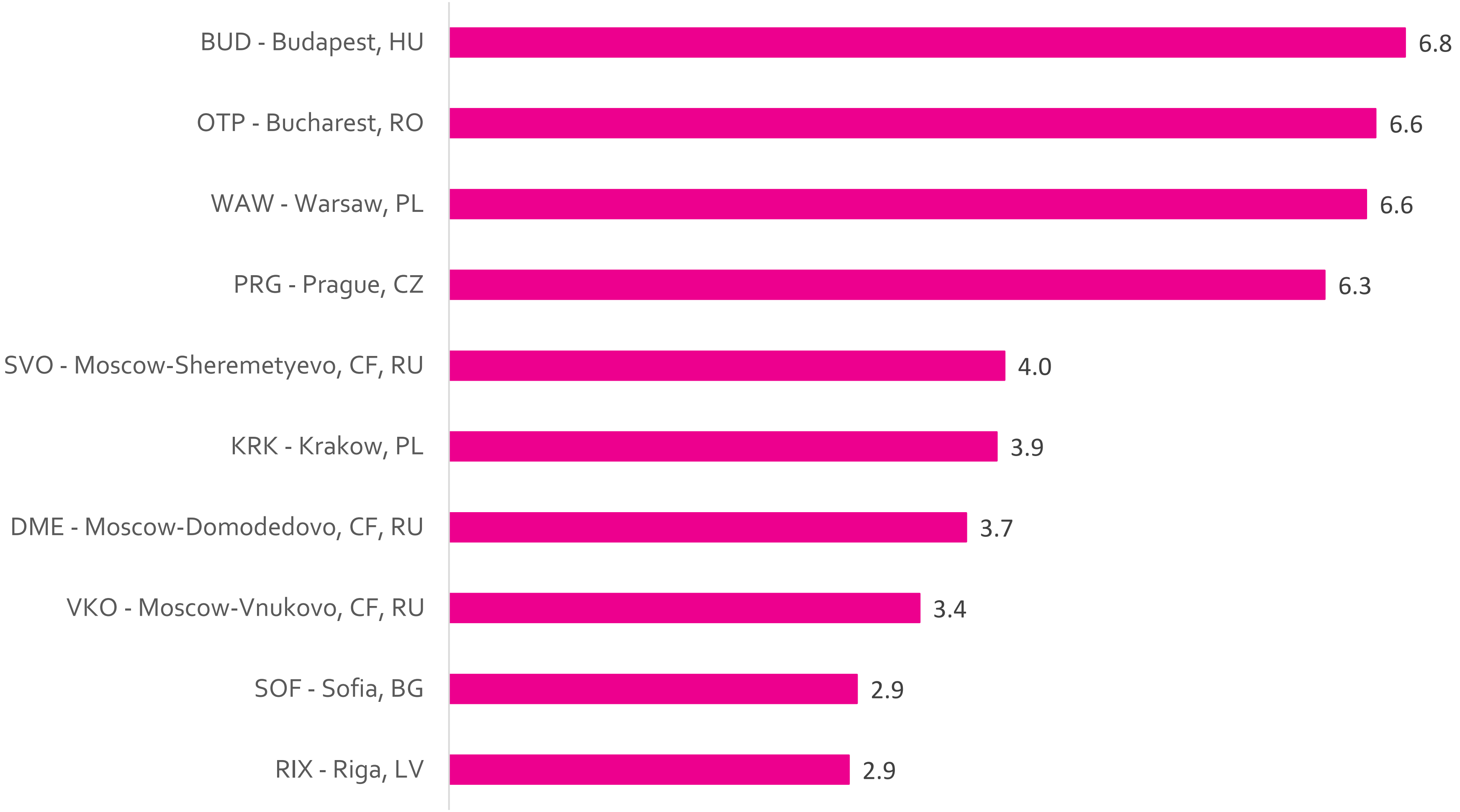
Source: m1nd-set B1S / IATA DDS

Top 10 airports in Central & Eastern Europe - 2023

International Departures - In million PAX



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Source: m1nd-set B1S / IATA DDS

Shopping Behavior in Central & Eastern Europe – Past 6 months

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Slightly less than half of travellers in CEE visited Duty Free stores, among which half purchased at least one item. Among all PAX, this results in a purchase rate of over 1 out of 4. DF buyers spent an average of $100. Conversion rate and the average amount spent decreased compared to pre-covid.

SUMMARY OF SHOPPING KPIS (Past 6 months)

FOOTFALL	CONVERSION	PURCHASE RATE
(% of DF visitors out of total PAX)	(% of DF buyers out of DF visitors)	(% of DF buyers out of total PAX)
45%	52% ↘	25%

AVERAGE AMOUNT SPENT IN DF: $100 ↘

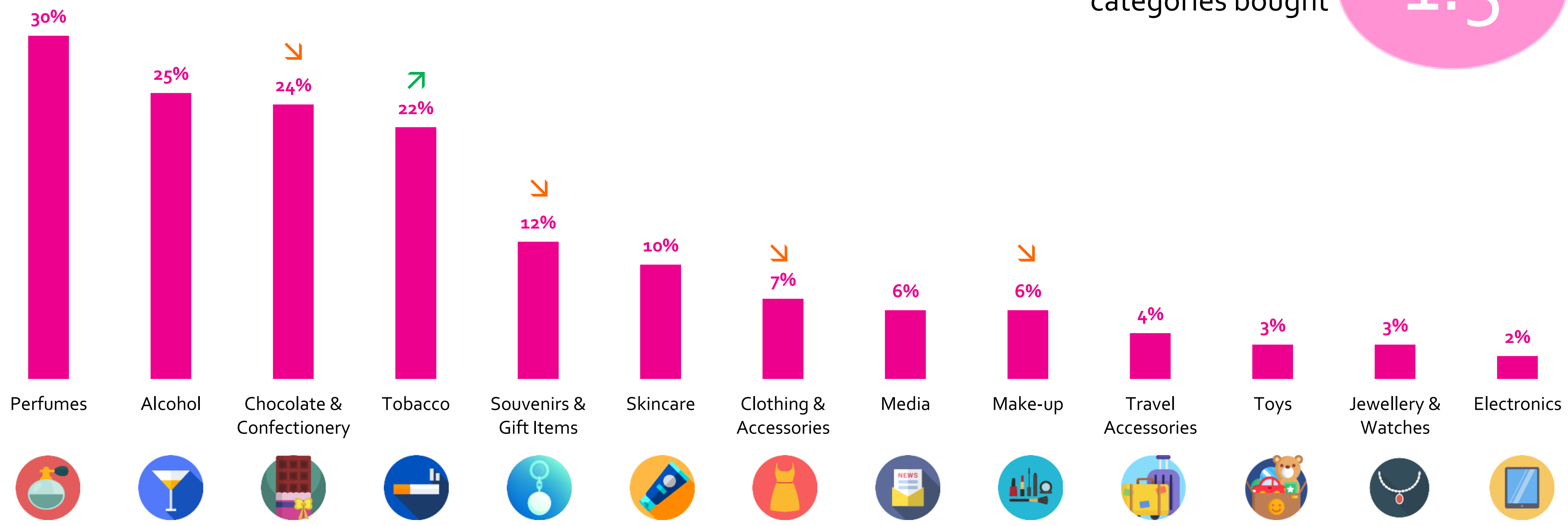
↗↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

The category most purchased amongst travellers in CEE is Perfumes, followed by Alcohol and Chocolate & Confectionery. Tobacco increased in importance compared to pre-covid at the expense of other categories such as Chocolate, Souvenirs, Clothing and Make-up.

CATEGORIES PURCHASED AMONG DF BUYERS (Past 6 months)

Number of categories bought

1.5



Indicate significantly higher / lower vs the pre covid-19 2017-2020

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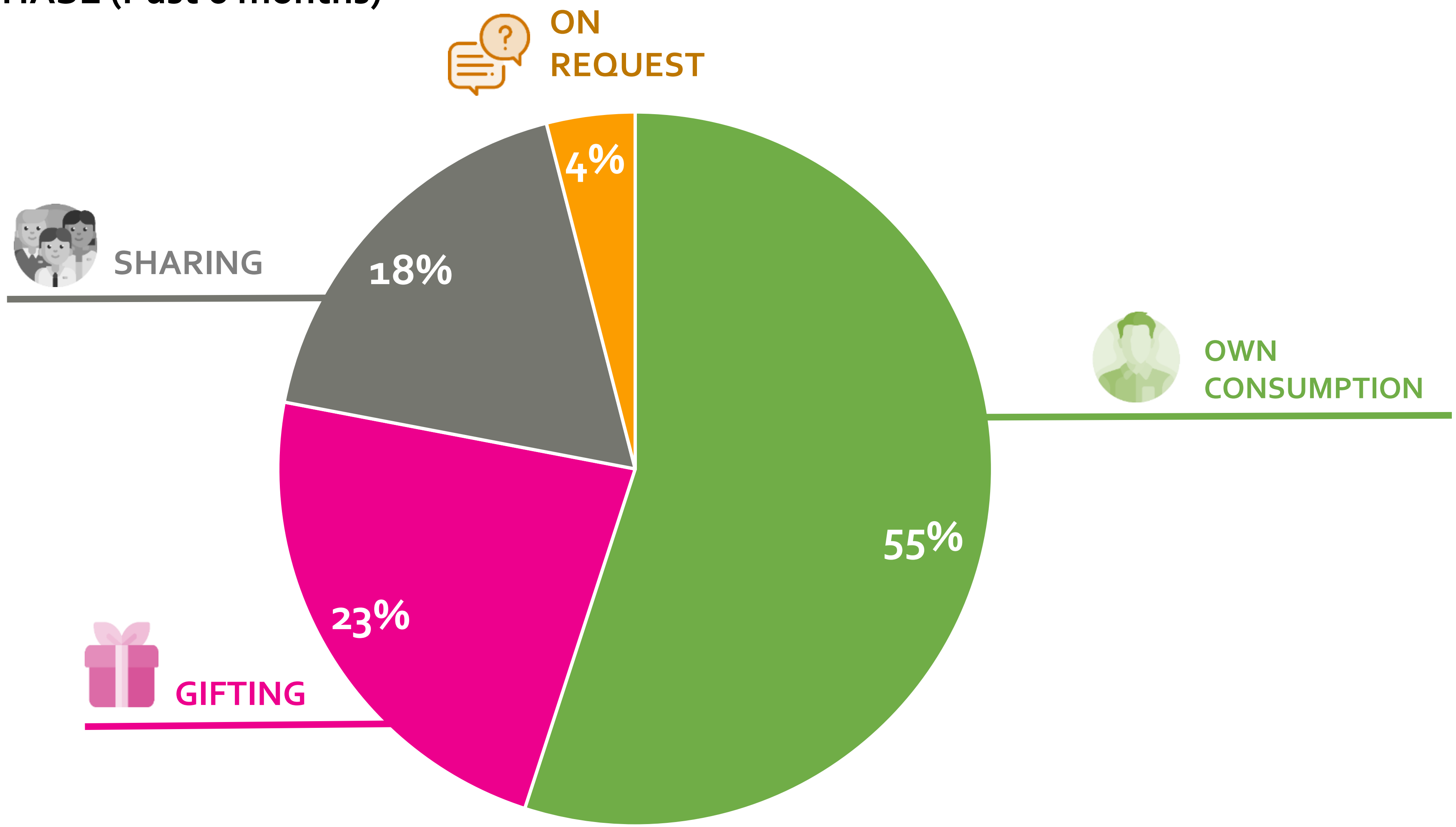
Over half of travellers in CEE bought in Duty Free shops for their own consumption and approximately one quarter made purchases with a gifting purpose. Sharing represents around 1 out of 6 purchases and only few travellers buy on request.

PURPOSE OF PURCHASE (Past 6 months)



Indicate significantly higher / lower vs the pre covid-19 2017-2020

Convenience is the main purchase driver, followed by value for money and brand loyalty.

TOP 10 DRIVERS OF PURCHASES (Past 6 months)

Convenience	Value for money	Loyalty to brand	Enough time to choose	Price advantage
20%	**19%**	**17%**	**13%**	**13%**

Suitable as a self-treat	Trendy brand	To indulge myself	Different from usual	Suitable as a souvenir
13%	**13%**	**12%**	**12%** ↘	**11%**

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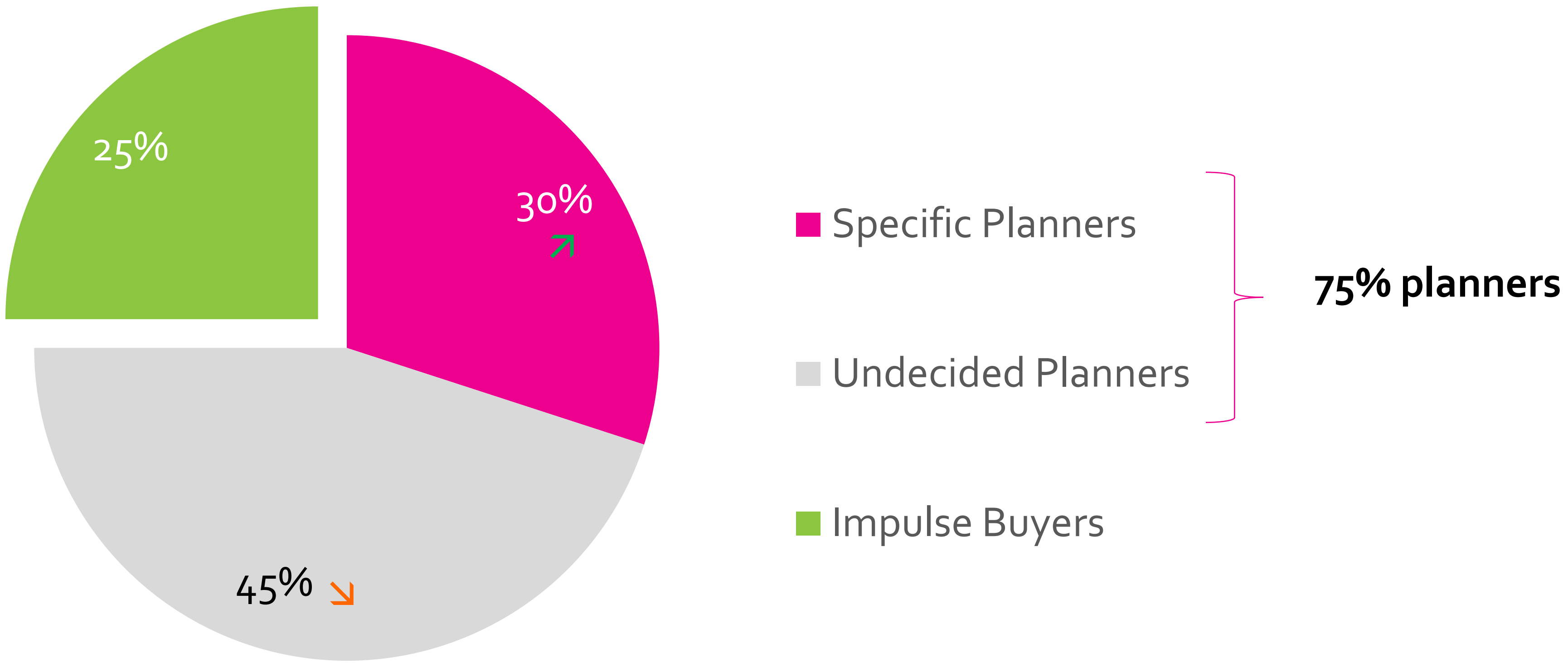
3 out of 4 Duty Free buyers in CEE plan their purchases in advance. Compared to pre-covid, they have become more likely to plan their purchases specifically (i.e. knowing the brand / product wanted).

PLANNED VS IMPULSE PURCHASES (Past 6 months)



Indicate significantly higher / lower vs the pre covid-19 2017-2020

There is a clear interest for discovering new products in Duty Free, as well as for Unique & Exclusive products – on the rise vs pre-covid. Moreover, purchases on promotion are also frequent.

PURCHASES OF PROMOTIONS, FIRST TIME BUYERS & DF EXCLUSIVES (Past 6 months)

PURCHASES OF PRODUCTS ON PROMOTION

60% ↗

PURCHASES OF PRODUCTS NEVER BOUGHT BEFORE

(FIRST TIME BUYERS)

63% ↗

PURCHASES OF UNIQUE / DF EXCLUSIVE PRODUCTS

60% ↗

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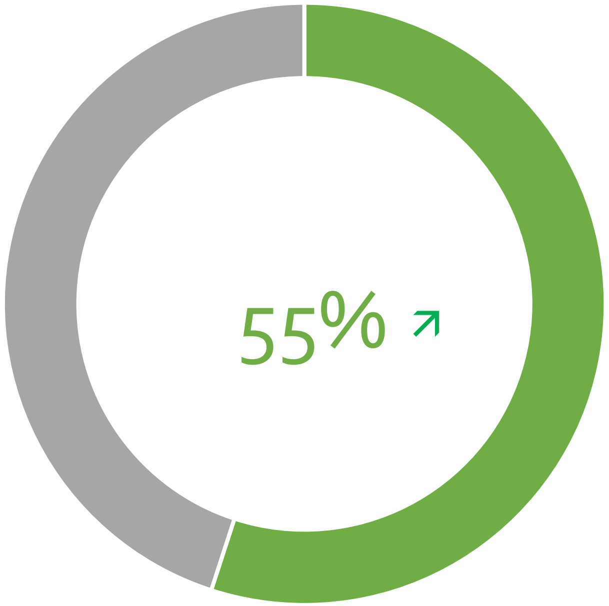
↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

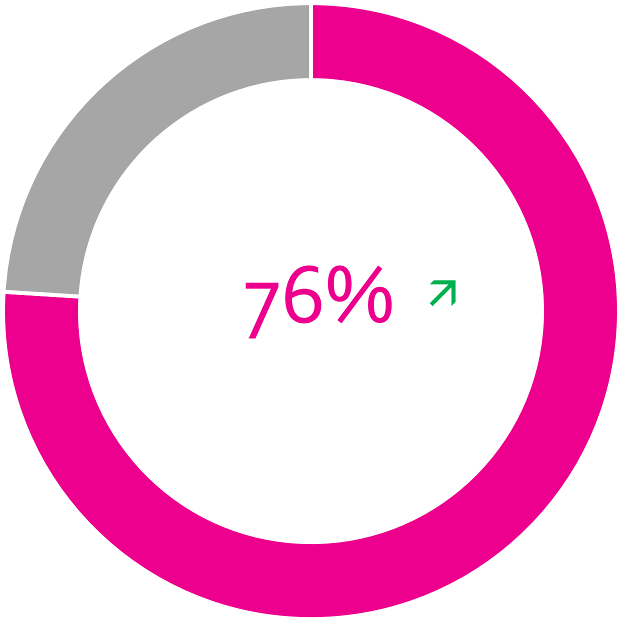
Over half of DF visitors in CEE interacted with the sales staff. Among them, slightly more than 3 out of 4 were influenced by this interaction, demonstrating the high impact of the store personnel in the decision-making process of DF shoppers. Both indicators have increased significantly vs pre-covid.

INTERACTION WITH THE SALES STAFF & IMPACT (Past 6 months)

INTERACTED WITH THE STAFF



WERE IMPACTED BY STAFF INTERACTION
(out of those who interacted)



↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

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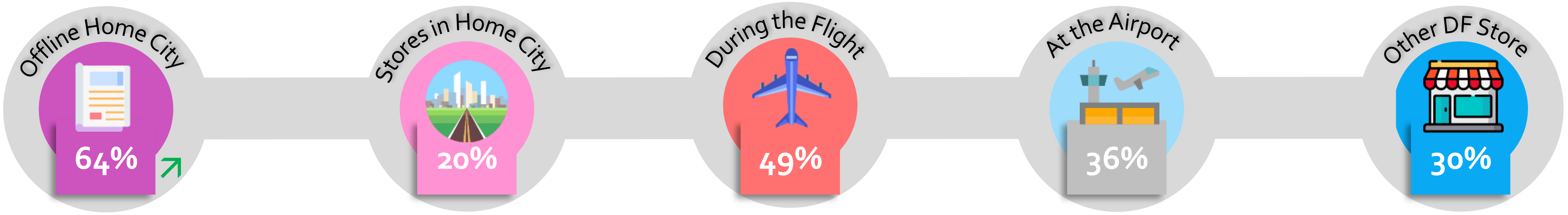
2 out of 5 travellers are exposed to touch points during their DF shopping experience, with Online being the most important source of information. Interestingly, offline touch points in home city become more relevant vs pre-covid.

EXPOSURE TO TOUCHPOINTS (Past 6 months)

↗ **40%** of shoppers are **exposed to touch points** about DF shopping pre-store

MOST FREQUENT MOMENTS IN WHICH DF SHOPPERS RECALL TOUCH POINTS:

% out of those who noticed touch points



Online

74%

(Throughout the entire trip journey)

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↗ ↘ Indicate significantly higher / lower vs the pre covid-19 2017-2020

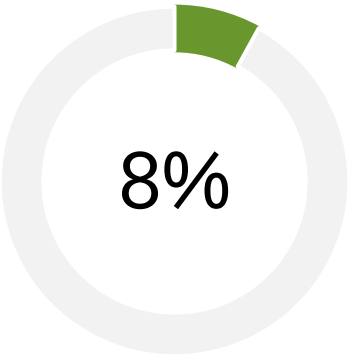
The Duty Free retailer's website is the most important online touch point, followed by seeing online advertisement and searching information on brand's official websites.

MOST IMPORTANT ONLINE TOUCHPOINTS (Past 6 months)

#1	DF retailer's website	20%
#2	Online advertisement	16%
#3	Brand's official website	15%
#4	Content on social media	13%
#5	General internet search	11%
#6	Airline's website	10%
#7	Shopping sites	9%
#8	Travel app / websites	7%
#9	E-mail / newsletters	5%
#10	Livestream video	4%

Less than one in ten DF buyers have used an online pre-ordering service in the past and awareness is quite low overall. However, more than half would be willing to use these services, especially with home delivery.

DF PRE-ORDERING: USAGE & AWARENESS (Past 6 months)



HAVE PRE-ORDERED AT LEAST ONE OF THEIR DF PURCHASES IN THE PAST

ORDER ONLINE & PICK-UP AT AIRPORT DF STORE

30% are **aware** of this service

55% would be **willing to use it**

ORDER ONLINE & HAVE THE PRODUCTS DELIVERED AT HOME

25% are **aware** of this service

57% would be **willing to use it**

Note: these questions are only asked since Q3 2021, so tracking of trends is not possible m1nd-set

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Thank you!

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