

## SECTOR REPORT

# ENGAGE AND LAND – *Duty Free*

by POPAI UK *In-Store Insights*



### Preface

With a captive audience naturally predisposed to kill time before boarding by spending money, the travel retail sector flies in the face of many P-O-P conventions. But in an increasingly global market, ensuring in-store activations take-off while delivering a consistent brand experience and navigating strict airside regulations prove a difficult challenge to control.

Marketers often talk about destination retailing and the importance of the journey. Nowhere are these concepts married more closely to their environment than within travel retail. Travel retail executions need to accommodate a variety of shopper types and journeys. From those passing time or enjoying the excitement of travel, to business travellers rushing through to fly. “The key difference between travel and other sectors is the mind-states and journeys of transient shoppers,” explains Samuel Langley-Swain, insights and marketing manager at creative practice, Green Room Retail. “Brands are striving to engage captive audiences who will happily spend money to pass the time.”

However, it is important that retail displays within this sector stand out because they are engaging and not because they stand in the way of passengers getting to their gates. “Travelling can be very stressful, so the shopping areas need to be an oasis between the agony of getting to the airport, checking-in and passing through security,” says Michael Sheridan, founder and chairman of full-service retail design agency Sheridan & Co. “They also need to counteract any nerves that the passenger may have about the actual flight itself.”

For William Grant & Sons’ travel retail marketing manager for Europe, Emma Humphreys, the airside environment provides an opportunity to offer shoppers something they cannot find on the high street. “There used to be very little theatre and experience for the passengers, whereas now this is of great importance to us,” she explains. Despite the big brand statements, retail space is at a premium within the travel environment, so the biggest challenge is around making the most of smaller footprints as well as maximising budgets. “Concourse activity can be extremely expensive,” admits Humphreys.

Whilst FMCG brands are used to working within retailer guidelines, airside retailing has other regulatory considerations to allow for when developing retail campaigns. “There are also various issues regarding health & safety to be considered, such as the materials used and height restrictions. What’s more, there are no ‘tasting bans’ in many airports, such as at Holland’s Schiphol Airport, so we have to focus on finding other ways to communicate and educate shoppers in these countries,” explains Humphreys.

When Sheridan & Co worked on the World of Whiskies store at Heathrow’s T4, it took away the usual clichés, such as the map of Scotland and focused on a small number of target customer groups. These included learners, gifters, first time buyers, upgraders and connoisseurs, helping to create clear areas where each of these stereotypes would be comfortable and have information for their respective propositions. “Generally, trading is dictated by travel routes, and in turn the reason travellers want to get to those destinations,” explains Sheridan.

“So, Heathrow is mostly now about business travel and Gatwick, for instance, is very much more about holiday destinations. Therefore, you would expect a more sophisticated retail offer in Heathrow than Gatwick.”

The key strengths of travel retail activations are their disruptive nature and their ability to be both globally authentic and locally relevant. “It’s important to be ‘true to brand’ so that shoppers can instantly relate to brands in a ‘crowded’ space,” says Langley-Swain. “The principle of authenticity combined with local relevance can provide some useful messaging and merchandising strategies to engage shoppers across different market sectors.”

So what practical considerations do brands have to consider in their attempts to engage such diverse international shopper audiences? “Travel does make you think about the target audience more, rather than just branding. Some local references are going to be meaningless to overseas visitors,” says Sheridan. For Humphreys, the number of international passengers now travelling from emerging markets also has a significant implication on campaign planning. “With the increase in the number of high spending Chinese and Russian passengers now travelling, we have had to focus on providing P-O-P with translations across key European airports, as well as

creating solutions with this specific audience in mind,” says Humphreys. She also points to the example of the company’s recent Age of Discovery Red Wine Cask launch, which reflected the target Asian market by incorporating red and gold into the campaign creative – important colours in localised culture.

Like any retail channel, duty free, or travel retail as it is now more commonly known, has also started to see drastic changes caused by the integration of digital. According to Langley-Swain, this is set to change even further as many brands start to discover the potential of using digital to disrupt shoppers, facilitate self-guided purchasing and encourage data capture.

“In our own projects we have seen how digital technology can interrupt the shopper journey through 'immersive interaction' and a sense of fun, as well as drive purchasing for those customers who are time-poor or prefer self-selection,” he says. As with large retail developments such as London’s Westfield, some countries are now focused on turning their main airport and retail experience into national statements. “We are currently working on brand placement in Baku, Azerbaijan right now for skin care brand Gazelli and the environmental architecture is definitely a glossy statement of pride about their country,” says Sheridan. “I think the 'temple of excellence' now witnessed in multi-category stores in cities around the world has, to a certain extent, been evolved in travel retail.

Perhaps not so much for fashion, but especially for categories with portable products like beauty, spirits and accessories.” He predicts even larger big brand statements and experiential marketing for spirits, brand temples and even bar-type offerings – not just in departure halls, but also in arrivals, too.

Indeed, travel retail has become such an important focus that increasingly it has become the chosen destination not only as a test market, but to launch products that brands hope will quickly find their way on to the radar of shoppers in destinations around the world.

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#### ABOUT POPAI

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