



# Re-engage: driving customer loyalty

**ARI**

*Experience  
is Everything*

Knowing your consumer, creating a personal relationship and delivering key benefits builds customer loyalty and the reward is sustained, repeat purchase



# Loyalty is difficult to build and increasingly hard to maintain

AND I PROMISE TO BE LOYAL,  
FORSAKING ALL OTHER BRANDS,  
UNLESS YOU'RE OUT-OF-STOCK,  
YOUR COMPETITOR IS ON SALE,  
OR YOU'RE JUST NOT MEETING  
MY NEED STATES AT THE TIME.



as these brands found to their cost




NETFLIX



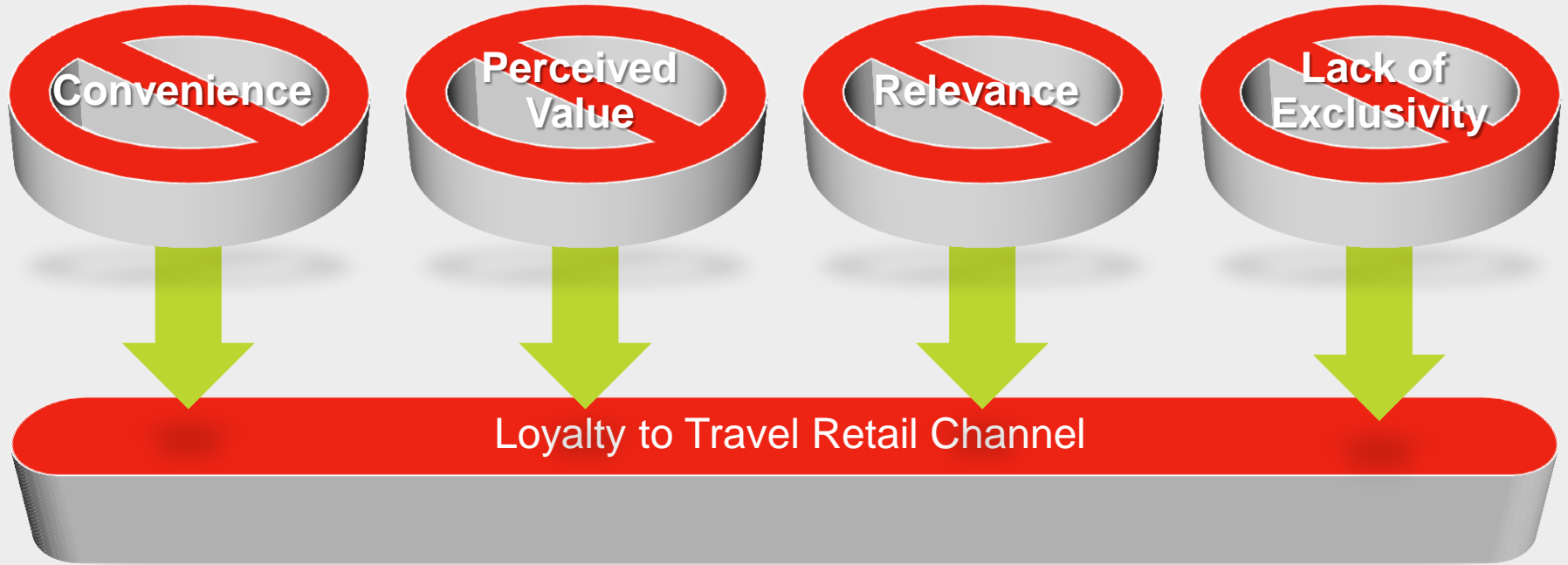
amazon





**In travel retail how loyal are our customers and what are our challenges ?**

There are a number of factors negatively impacting customer loyalty in our channel



# Traditionally we have taken a tactical approach to building loyalty relying on points and reward schemes

WAIT, I MAY HAVE  
A CARD SHOWING MY  
LOYALTY TO WHATEVER  
STORE THIS IS





# The dynamics of our channel mean these programmes are high cost but with limited reach

Transient and infrequent customer



Expensive to set up and run















Retailer brands have low awareness – Duty Free is the brand





This tactical approach has meant we have only focussed on delivering one of the key benefits required to build loyalty

- |   |  |                         |  |
|---|--|-------------------------|--|
| 1 |   | Perceived value         |   |
| 2 |   | Trust                   |   |
| 3 |   | Relevance               |   |
| 4 |   | Satisfaction            |   |
| 5 |   | Differentiated / Unique |   |
| 6 |  | Rewards                 |  |

Travel Retail has a strong heritage of delivering exceptional and special customer experiences. We need to work harder to recapture this



# Our critical focus must be on transforming the consumer mindset, driving reappraisal and rebuilding preference for Travel Retail as a channel

FROM

TO

“Duty free isn’t really relevant to me anymore. I prefer to shop online or downtown.

I always **wait to shop at the airport**, it’s one of the highlights of my trips abroad.

Always the same old products and brands, why would I bother shopping?

There are **products I can’t get anywhere else** and new brands.

Not great value, hassle bringing my shopping on the flight”

There is guaranteed value and **Shop & Collect** is so convenient



Our strategy to communicate our value proposition needs to be more holistic and multi level in terms of approach



## Industry / Channel

Industry led programmes and greater collaboration are needed vs “divide and fail to conquer”

Revenue based model to finance  
Regional Marketing and PR Fund



Relevance



Marketing programmes that promote  
the benefits of Duty Free



Value



Deliver more product exclusives  
to drive differentiation



Unique



Encourage greater transparency  
“we can’t innovate behind closed doors”



Trust



As a retailer we need to constantly understand who our customer is and re orientate the retail offer to keep it relevant

### 10 THINGS YOU NEED TO KNOW ABOUT YOUR CUSTOMERS:

1. Who they are
2. What they do
3. Why they buy
4. When they buy
5. How they buy
6. How much money they have
7. What makes them feel good about buying
8. What they expect of you
9. What they think about you
10. What they think about your competitors

**YOU HAVE GOT TO  
KNOW YOUR  
CUSTOMER BETTER  
THAN THEY KNOW  
THEMSELVES.**



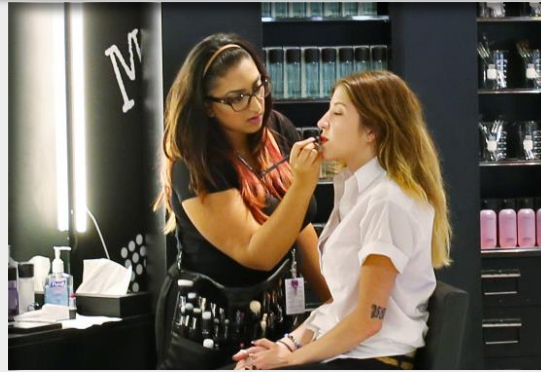
# Then use this information to create relevant and motivating retail offers

Business people – frequent flyers, infrequent shoppers



Candy Clouds

Female Travellers – plan MAC Consultations



MAC

Millennials – Experience driven



GUINNESS EXPORT HOUSE



Relevance



Satisfaction



Unique



Identify who our high value customer segments are and direct loyalty building tactics to them

**"EVERYONE  
IS NOT  
YOUR  
CUSTOMER."**

**SETH GODIN**

# Create services and build CRM programmes that target and reward high value segments at every stage of their journey



# Partnerships

Multiple brands competing for share of mind only serves to distract the travelling consumer

CHANEL



L'ORÉAL



JOHNNIE WALKER.



# Partnerships

Travel Retailer brands have low awareness and loyalty compared to other brands that are part of the customer's journey

High

Brand Awareness



CHANEL



L'ORÉAL



Dior



JOHNNIE WALKER.

LOTTE



Low

Perceived Brand Loyalty

High



Experience is Everything

# Partnerships

Working in partnership with these brands and their programmes will be more efficient and effective

High

Brand Awareness



A central box with a blue border contains the following logos: Emirates Skywards (top left), AERCLUB (top center), STARBUCKS REWARDS (top right), HILTON HHONORS (middle right), and Hertz Gold Plus Rewards (bottom right).

CHANEL

L'ORÉAL

Dior



JOHNNIE WALKER

Low

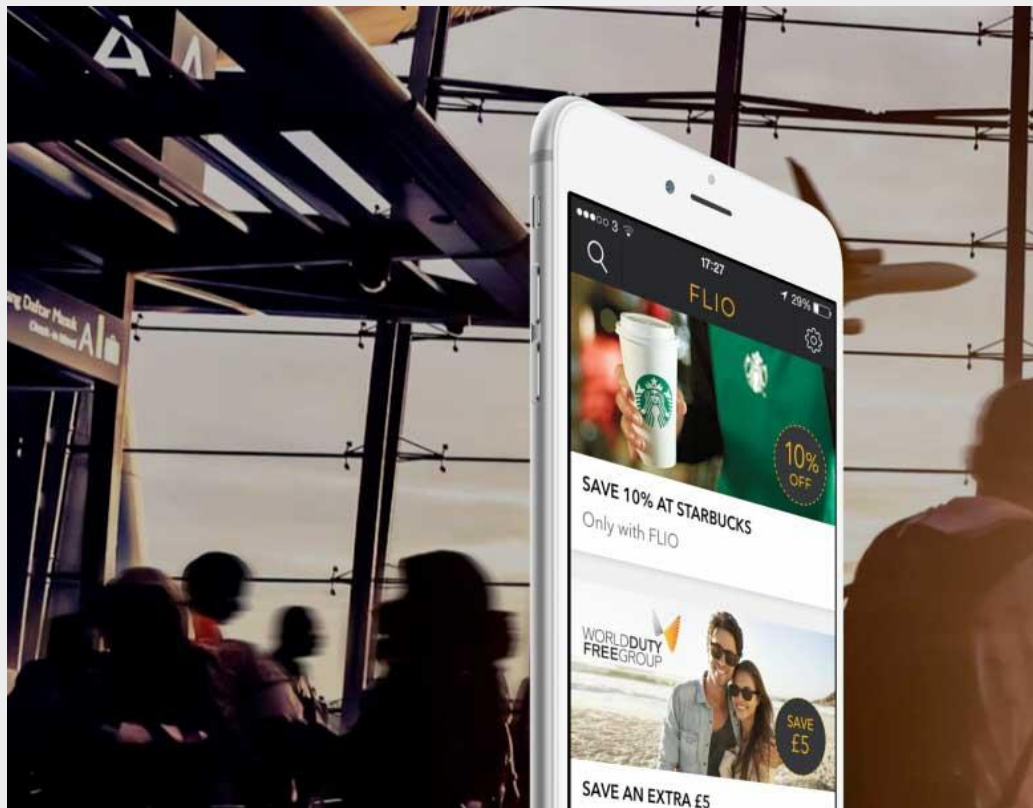
Perceived Brand Loyalty

High



Partner with programmes and technology that deliver a one stop solution to the consumer where ever they are travelling

FLIO   
THE GLOBAL AIRPORT APP



# Partnerships

We should get involved in partnerships beyond travel retail – loyalty schemes that put us at centre of consumers everyday lives



# AER CLUB



LOYALTY PROGRAMME OF AER LINGUS



-  Value 
-  Relevance 
-  Trust 

# A holistic, multi level approach enables us to deliver against the key criteria essential to build loyalty



Industry / Channel

36



Partnerships



Retailer