

COVID disrupts fragile holiday travel recovery

Despite open borders and millions of people around the world now fully vaccinated, COVID-19 continued to play havoc over the expected 2021 holiday travel recovery.

U.S. airlines cancelled thousands of flights over the past week due to staff shortages tied to the new Omicron variant of the coronavirus.

In Canada, flights were further impacted by weather, leading to hundreds of cancellations by Canadian carriers as frigid temperatures and arctic air swept the country.

Bloomberg reports that U.S. airlines had cancelled more than 1,000 flights the day before New Year's Eve due to the climbing number of corona cases and heavy snow in the West. This comes on top of the thousands of flights cancelled over the Christmas holiday weekend.

Despite earlier optimistic forecasts, Christmas Eve travel fell well below 2019 levels. More than 1.7 million people passed through Transportation Security Administration (TSA) checkpoints last Friday, TSA spokesperson Lisa Farbstein said on Twitter.

This is more than 800,000 fewer people than the nearly 2.6 million screened in 2019 before the coronavirus pandemic, reports CNN, although it represents 846,520 more people than the agency screened on Christmas Eve of 2020.

In spite of rising coronavirus cases, millions are still flying.

The TSA reported that 2.19 million people were screened at airports across the country last Thursday (Dec. 22), the highest figure since the uptick in holiday travel started a week ago. In 2019, that figure was 1.9 million on the same day.

Yesterday, Dec. 29, TSA reported that it had screened 2.07 travelers at checkpoints around the country.

Globally, CNN reports that airlines canceled about 5,700 flights on Christmas Eve, Christmas Day and the day after, according to FlightAware. That includes about 1,700 flights within, into or out of the United States.

Less than three weeks after Omicron was first detected in the US, it accounted for over 73% of all new cases as of this past Monday, according to data from the US Centers for Disease Control and Prevention and reported by CNN.

New cases are soaring because the new variant is so contagious it

can affect even those fully vaccinated, although data to date seems to point to these "break-through cases" resulting in less serious illness.

The World Health Organization says the number of COVID-19 cases recorded worldwide increased by 11% last week compared with the previous week, with the biggest increase in the Americas. WHO reported nearly 4.99 million cases around the world from Dec. 20-26.

Europe accounted for more than half the total, with 2.84 million, though this is only a 3% increase over the previous week. Europe also had the highest infection rate of any region, with 304.6 new cases per 100,000 residents, according to the AP.

New cases in the Americas were up 39% to nearly 1.48 million, and the region had the second-highest infection rate with 144.4 new cases per 100,000 residents.

The U.S. alone saw more than 1.18 million cases, a 34% increase.

Breaking Cruise News CDC ADVISES

AGAINST CRUISING - AGAIN

U.S. media are reporting that the U.S. Centers for Disease Control and Prevention yesterday advised people against traveling by cruise ship regardless of their vaccination status. The announcement comes after a recent increase in positive COVID cases as the omicron variant sweeps the world.

The CDC increased its travel warning for cruise ships to the highest level.

The Centers for Disease Control and Prevention is investigating or observing almost 90 ships in the wake of COVID-19 outbreaks aboard the vessels, an increase from 68 ships just one day prior, according to an [update](#) from the agency on Dec. 28.

According to the CDC's [website](#), 86 ships have either met the agency's "investigation threshold" of crew or passenger COVID-19 outbreaks, or a health department has alerted the agency of passengers with COVID-19 who disembarked within five days.

The CDC is investigating 38 ships and observing an additional 48 ships amid COVID-19 outbreaks, according to Business Insider.

Some ships have been banned from passenger disembarkation or ports of call, and major cruise lines have begun enforcing stricter masking mandates.

Wishing all of our readers a very healthy, happy New Year, with better days ahead.





INTERNATIONAL

Dubai Duty Free marks its 38th anniversary with sales of US\$23.9 million over three days and wins numerous industry and global awards

Dubai Duty Free continues to shine. The award-winning travel retailer marked its 38th anniversary with a special 25% discount on a wide range of merchandise for passengers traveling through Dubai International Airport (DXB) from Dec. 18-20. The 72 hours anniversary sale, which was also extended to its Home Delivery customers and Click & Collect offer, resulted in sales of Dhs87.155 million (US\$23.878 million) which is 24.51% higher than the same period last year.*

The three-day sale generated sales of US\$6.303 million in Perfumes; US\$2.986 million in Liquor, and US\$2.726 million in Watches. Ticket sales for Dubai Duty Free Millennium Millionaire and Finest Surprise combined reached US\$2.374 million, making it the 4th most popular category for the first time; Cosmetics took the 5th spot with sales of US\$1.555 million.

Over the three-day period a total of 165,924 sales transactions were recorded in store.

Meanwhile, online sales during the same period topped Dhs8.761 million (US\$2.400 million) with a total of 7,134 combined orders received through Click & Collect and Home Delivery service as well as tickets for the Dubai Duty Free Millennium Millionaire and Finest Surprise promotions purchased online.

The Dubai Duty Free Anniversary offer was first introduced when the airport retailer marked its 20th Anniversary in 2003 and continues to be popular over what is traditionally a busy travel period.

The company reports that it expects to end the year with annual sales of Dhs3.5 billion or US\$960 million.

**In 2019, DDF had generated a record US\$57.39 million over the three days of its 36th anniversary celebration as it posted a new annual sales high of more than US\$2 billion for all of 2019.*

Awards, accolades & more

Dubai Duty Free continued to win accolades across the industry and the world in 2021. Among the new honors are:

As part of the second The Moodie Davitt Virtual Travel Retail Expo in October, Dubai Duty Free won four awards in the Middle East & Africa category for the inaugural Travel Retail Superstars Awards including “Star Team – Shopfloor” for DDF Brand Ambassadors Team for Pernod Ricard, “Star Team - Back Office” for DDF Operations and HR Team, “Star Individual – Shop Floor” for DDF Sales Assistant, Ali Attia Ali Elsayed and “Innovation - Back Office” for DDF IT Team for the Home Delivery Specials service.

At the same event, Dubai Duty Free also won two awards at The Moodies Travel Journey Digital Awards which included the “Best Creativity and Innovation during Covid-19” for the Home Delivery Specials service and “Best Use of Social Platform”.

At the Frontier Awards ceremony in Cannes, Dubai Duty Free won its record tenth “Airport Retailer of the Year” Award.

At the annual Global Traveler – GT Tested Reader Survey Awards held in Los Angeles, California in December, Dubai Duty Free was named the ‘Best Duty-Free Shopping in the World’ for the fifteenth consecutive year by the publishers of US-based magazine Global Traveler. The win also gave the retailer a Crystal Status award.

On the retail front, DDF opened a 100-sqm Christian Dior in Concourse B of Dubai International Airport in September and a second 100-sqm Christian Dior boutique in Concourse A this month. Dubai Duty Free has also opened a 254-sqm Louis Vuitton shop in Concourse B of Dubai International Airport.



Top: The Dubai Duty Free Shopping Complex in Terminal D at Dubai International Airport. Above: The first Maison Christian Dior in Dubai Duty Free opened in September in Concourse B of Dubai International Airport.

Dubai reopens the Bottega Prosecco Bar

Bottega SpA and HMSHost reopened the Prosecco Bar, located inside Terminal 3 at Dubai International Airport, on Dec. 22.

Due to the pandemic, the location had been closed since March 2020.

“We are particularly satisfied with this reopening, which testifies to our ability to readjust to the new specificities imposed by the pandemic,” said Sandro Bottega, Bottega S.p.A. president.

The excellent results achieved when the Bar first opened in 2019 prompted Bottega and HMSHost to reopen as soon as conditions made it possible, said the company.



m1nd-set presents Europe and Americas regional analysis of the post-pandemic shopper psyche in travel retail

In its latest edition of its **Why they buy and what they buy** insights report, m1nd-set presents a regional analysis on how international travelers from Europe and the Americas (North America and Latin America) are influenced when shopping in the travel retail environment.

The report analyzes the impact of sales staff and digital touch points, and looks at which categories were visited and purchased and how promotions in duty free impacted traveler's intent to buy.

Please note that the research refers to international travelers exclusively across both the Americas and Europe, and within Europe travel retail behavior refers to both duty free and duty paid shopping.

Purchasing power and travel behavior shifts

The impact of the pandemic appears to have been lesser for travelers from the Americas and Europe than it was for travelers in the Middle East, Africa and Asia Pacific, reports mind-set.

Less than half (48%) of travelers from the Americas and 54% of European travelers said they had

been impacted negatively, lower than the global average of 55% and lower than for travelers from the MEA and Asia Pacific regions.

Around a quarter (24%) of travelers from the Americas said they had been impacted positively compared to only 11% of European travelers significantly lower than the global average 17%. And 26% of travelers from the Americas also said that COVID had a positive impact on their household income, compared to 17% of travelers globally and only 11% of Europeans.

The impact on purchasing power and shopping behavior among European and Americas travelers is also less significant than their Asian and Middle East counterparts as well as compared to the global average. m1nd-set reports that 49% of European travelers and 46% of travelers from the Americas say they are spending less as a result of the pandemic, compared to the global average of 50%. Spending on discretionary items such as skincare, alcohol, gifts, perfumes and chocolate was reported to be less by 29% of travelers from Europe and 30% of those from the Americas, also

lower than the global average of 35%.

While three in four travelers from the Americas said they will travel less for leisure and holidays, in line with the global average, less than two thirds of European travelers said the same.

Shopping drivers and influencers

Footfall in the duty free shops among international European and Americas travelers since the pandemic is in line with the global average of 39%, as seen in Chart 2. Conversion is slightly higher than the global average among international travelers from the Americas (57% vs 56%), while the conversion rate among international European travelers is the lowest globally at 51%.

Price advantage and promotions are the key reasons for shoppers from both the Americas and Europe to visit the duty free shops. Price advantage is cited by 30% of Europeans and 25% of travelers from the Americas compared to 29% globally; 26% of Europeans and 21% of Americas travelers visit the shops in search of promotions versus 23% globally

Browsing and killing time are

other reasons European travelers say they visit the duty free shops, higher than the global average of 20% for browsing and 18% for killing time.

For travelers from the Americas, external touch points are seemingly effective as one in five say they visit the shops both because of a promotion seen outside the store or an advert seen before arriving at the airport.

Gifting is one of the other key reasons travelers from the Americas visit the duty free shops.

Planned vs impulse purchases

m1nd-set reports that 88% of shoppers from the Americas planned their purchases, either partially or with a specific product or brand in mind, whereas 13% of shoppers from the region purchased on impulse.

It also reports that 10% of shoppers from the region planned to purchase a specific brand and 5% a specific product. 73% planned their purchases only partially with only some idea of product and budget.

For Europeans, 82% planned their purchases, either partially or with a specific product or brand in mind and 18% purchased on impulse. 17% of Europeans planned to purchase either a specific brand (10%) or product (7%) while 65% of Europeans are more undecided and planned only partially.

Reasons to purchase

Shoppers from the Americas tend to purchase more than the global average for gifting and purchasing souvenirs, when finding promotions or because the product is unavailable at home. They are also more likely than average to make a purchase because it was recommended by the sales staff or a friend.

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Performance indicators and drivers to visit the Duty Free shops



m1nd-set's regional analysis of the post-pandemic shopper psyche in travel retail

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Online touchpoints

m1nd-set says that the tendency among all shopper segments to shop online, pre-order, click and collect has grown significantly since the pandemic first broke out. The research agency says that it is important therefore to monitor the efficacy of online advertising and promotions as well as the brands' and retailers' own websites.

While nearly all travelers globally said they saw online promotions and adverts, Americas and European travelers are more sensitive to billboard adverts than travelers from other regions.

The main touch points noticed by European travelers include online adverts (36% vs 30% globally), as well as the websites of the duty free shop, the brand and high street store website. Around one third of travelers from the Americas notice communications about the duty free shop offers while in the process of booking the trip, as well as by looking on the duty free shop website, or via online adverts. One quarter said they saw information on the brand's official website while 23% said they saw posts on social media about the duty free shops.

Around three quarters of shoppers from the Americas and just less than two thirds of European shoppers said they compare prices, with just over one fifth of travelers from both regions comparing prices online.

And six out of ten shoppers from both regions said they are likely to shop for duty free products online and collect on arrival or at the departure gate if this service is offered.

Promotions, exclusives and novelties as proven purchase drivers, says m1nd-set. There are also quite stark variations in shopper behavior regarding how travelers from different regions react to shopping drivers such as promotions, exclusives and new and unique items in the duty free shops, reports m1nd-set.

Shoppers from the Americas are particularly sensitive to the promotions available with nearly 8 out of 10 shoppers from the region purchasing a promotion, higher than the global average of 73%.

Americas shoppers also have above average tendency to purchase products they have never bought before, (76% vs 72%

globally). They seem to be less interested in purchasing travel retail exclusives than travelers globally though, as 43% of shoppers from the Americas region purchased a TR exclusive compared to the global average of 45%.

Staff interactivity trends

Travelers from the Americas are

also considerably sensitive to the advice given by sales staff: 86% said they were positively impacted in their purchasing decision as a result of the interaction, higher than the global average of 80% and the highest among all world regions.

European travelers reported a lower-than-average 76% reporting a positive impact.



Chloé launches new natural origin signature fragrance

Chloé has launched a new signature fragrance, **Eau de Parfum Naturelle**.

The 100% natural origin fragrance has been developed with ethically sourced ingredients and lower-impact packaging. The new Chloé is a modern woody rose which the company says resonates in the atmosphere of today.

Chloé Eau de Parfum Naturelle is vegan and formulated with 100% natural origin fragrance, naturally derived alcohol, and water. It contains neither filters nor artificial coloring.

Chloé signature has always featured a fresh, faceted, rose. Rose is at the heart of the new fragrance created by Michel Almairac. The rose joins with neroli, blackcurrant buds and mimosa absolute to produce a floral with cedar base notes.

The Chloé signature bottle is presented in a fresh shade of a green-grey accented with the ribbon tied around the bottle's neck. 25% of the glass bottle and 100% of the polyester in the ribbon are made with recycled materials, which also make up 40% of the cardboard box.

Lucy Boynton, the Chloé woman, is featured in a natural setting for the new campaign directed by Jonathan Alric.

Chloé Naturelle has been available in Europe and Asia Pacific travel retail since October, and will be rolling out in the Americas in May 2022.

