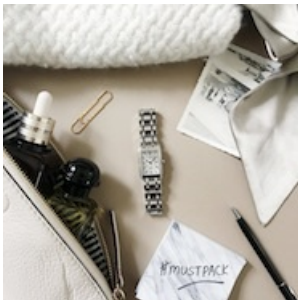


JEWELRY

40pc of consumers purchase brand for first time at travel retail point of sale

July 6, 2016



DFS promotional image featuring a Longines watch

By STAFF REPORTS

The watches and jewelry sector's global duty-free and travel retail market is valued at \$5.7 billion for 2015, according to a new report by the Tax Free World Association.

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TFWA's research suggests that while the power of duty-free is substantial across categories, watch and jewelry brands can benefit directly from the exposure. The duty-free and travel retail channel opens up opportunities for this sector by creating a pathway to new consumers that otherwise would be unavailable.

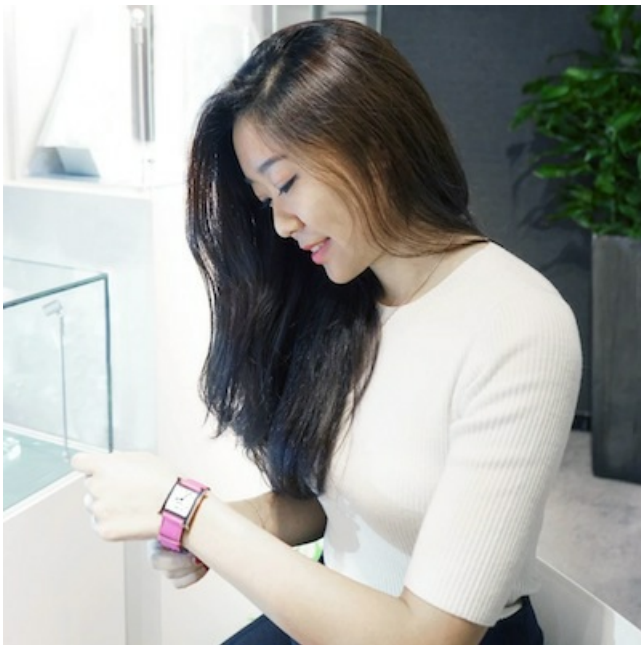
Approximately 1,000 shoppers from four key international airports were interviewed for the report. A minimum of 50 percent of the sample were duty-free buyers.

Layover shopping

In its **Watches and Jewelry Report**, part of TFWA's Category Reports series, in partnership with Counter Intelligence Retail, the association found that 78 percent of duty-free shoppers purchased from a brand that they do not typically buy.

Likewise, 40 percent of consumers purchased the unfrequented brand via travel retail for the first time, and seven of 10 respondents claimed to have no prior awareness of the particular brand.

These findings make it clear that the duty-free and travel retail excels at offering exposure to new consumers, making the channel a "sound springboard." In addition, TFWA suggests that the channel is also the ideal setting to upsell because one in five consumers have traded up in brand when shopping at a duty-free shop.



Herms' Heure H watch, sold by DFS

Consumers shopping watches and jewelry at a duty-free shop are most likely looking for a gift, which offers another layer of opportunity for brands within the sector. TFWA found that only one in two watch and jewelry buyers bought an item for themselves while nearly one in every two purchases were a gift.

"The watches and jewelry category in global duty-free and travel retail was valued at \$5.7 billion in 2015," said Erik Juul-Mortensen, president of TFWA, in a statement.

"However, the sector needs to do more to turn the very substantial amount of watches and jewelry browsers into buyers as currently about one in seven airport shoppers visit the category but only 5 percent buy," he said.



Longines timepiece sold by DFS

"By focusing on improving conversion, the category has plenty of scope to capitalize on the significant opportunity presented by the duty-free and travel retail channel."

Due to high consumer demand and affordable travel rates, the duty-free retail sector is expected to reach approximately \$98 billion in revenue by 2019. Within the sector, hard luxury goods, including watches and jewelry, dominate with revenue shares exceeding 32 percent ([see story](#)).