

# Booklet 1 of 2

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## Young adults' Preferences and Satisfaction levels in Duty-free shopping in airports

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## **Abstract**

This study aims to explore and understand what young adults' duty free shoppers (18-26 years old) want and are getting from travel retail shopping on airport environments and to evaluate their satisfaction levels with the service. It has important managerial contributions since it is an important target in a fast growing market. An online survey was conducted with 188 young adults and its results show that young adults' are somewhat satisfied with the overall service on duty free stores mainly in what concerns quality of the products and physical evidence of the stores. Results also show that the majority of buyers within this segment are price driven and strongly influenced by promotions associated with price reductions, and do not seem very satisfied with respect to that.

Keywords: Young adults, duty free, airport, satisfaction

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## **1. Introduction**

Shopping is nowadays perceived as an important leisure activity. As malls and shopping centres keep on adding services, comforts and providing customers with access to different facilities, shopping has undoubtedly become much more focused on leisure and the difference between both is becoming blurred (Timothy and Butler, 1995).

As an important leisure activity shopping plays an important role in tourism, being considered a central tourist activity in several destinations. As a matter of fact, some researchers have concluded that for numerous travellers a trip is not over before having spent some time shopping (Geuens, Vantomme and Brengman, 2003).

Due to this relation between tourism and shopping, the transportation of passengers is no longer accepted as the exclusively role of an airport. Actually, airport legislators have in mind that airports might be a key destination and can work as a leisure attraction. As a result, airport shopping can be recognized as a particular form of in-store shopping, where different products are sold and different experiences are available to the shopper, triggering different motivations (Geuens, Vantomme and Brengman, 2003). Having this in mind, both brand and retail operators can benefit from learning travellers' behaviour and by understanding the needs of the shopper. Therefore, the goal of this research is to study the consumer behaviour of young adults in duty free stores in order to evaluate their preferences and level of satisfactions towards this market and, ultimately, to give recommendations on how to best satisfy the needs of this segment.

## **2. Literature Review**

### **2.1 Duty Free Shopping**

Duty-free retail is defined as the sale of all products by businesses to consumers that take place in airports, seaport retail outlets or on-board airplanes, trains and ships inside

delimited travel zones. It does not comprise sales prior to security or sales from consumer foodservice outlets (Euromonitor International, 2012).

A “duty” refers to a tax or fee charged on goods by government entities (Dutyfree.com, 2015). As so, “Duty Free” means that no excise duty needs to be paid to the Government on the appropriate items purchased. This is only valid for products like cigarettes, tobacco and selected spirits, all other items are classified as tax free items (World Duty Free, 2015). The amount of duty free savings depends on the products a person buys and on the country a person is.

## **2.2 Shopping motivations in an airport environment**

By identifying the different motivations for shopping, retailers might easily recognize the reasons why passengers shop and, contrariwise, why they do not (Stasiulevicuis, 2012).

When compared with daily shopping routines and environments, an airport environment might induce many different motivations over different stimuli and situations, being these motivations functional, experiential, airport-infrastructure-related motivation and airport-atmosphere-related motivation (Geuens, Vantomme and Brengman, 2003).

Firstly, an airport can prompt numerous functional motivations such as a good price, convenience, product range and quality shopping. In fact, the vast majority of products at airports are still low-priced when compared with regular shops. Hence, airport shoppers might be price driven (Geuens, Vantomme and Brengman, 2003). Additionally, convenience might also be an important motivator since the existence of shops at airports enables the travellers to buy food or products needed for their trips at any moment, and thus satisfy their immediate needs.

Furthermore, experiential motivations such as promotions and purchasing to indulge oneself can also play an important role in an airport environment. According to some

studies, the atmosphere and surrounding can have a direct effect on consumer spending, often being more responsible for the purchase decision than the product itself (Turley and Milliman, 2000) which reveals the importance of experiential motivations.

Airport shopping might also prompt travel-related motivations. Many authors believe that the shopping and buying behaviours of a tourist frequently differs significantly from his/her pattern at home (Timothy and Butler, 1995). For instance, travellers who have to wait for their flights might shop because they are bored and try to search for entertainment in shopping. Additionally, the tradition of purchasing souvenirs and gifts as well as the offer of exclusive packaging from travel retail and convenient travel sets also encourages travellers to shop (Geuens, Vantomme and Brengman, 2003).

Finally, airport-infrastructure-related motivation such as the excellent staff skills and service provided at airport is also recognized as an important motivator (Geuens, Vantomme and Brengman, 2003).

### **2.3 . Tourist Shopping Satisfaction**

There are three important components when assessing tourist shopping satisfaction: product, service quality and shopping environment (Lin and Chen, 2013).

Attributes like price, quality, variety of goods offered, packaging, and exclusivity can help measuring shopping satisfaction. Moreover, in-store environment and atmosphere, product variety and store planning and design, have also an impact into shoppers' feelings, insights, behaviours and satisfaction (Lin and Chen, 2013).

As a final point, according to some authors, culture strongly influences the perceptions of the service received. In fact, according to Lee and Kacen (2008), there are important fundamental differences between consumers in Western individualist and Eastern collectivist cultures. Also, factors such as language skills of staff, staff knowledge of products, sales assistant's politeness and helpfulness, lighting and cleanliness of the

store and location or store's atmosphere can also help measuring shopping satisfaction (Lin and Chen, 2013).

## **2.4 . Research Objective and Research Question**

According to Herrmann (1970) each generation is moulded by its own unique experiences and, in a fast-changing world, the experiences of one generation and the next might diverge significantly. He believes that these differences in generational experiences are clearly enlightened when we compare the experiences of young adults with those of their parents. As a result of the differences of what they have experienced throughout their lives, it is not shocking that both the attitudes and the behaviour of the two generations differ. One aspect of behaviour which seems particularly likely to differ between the two generations is their behaviour as consumers.

Since age is one of the passengers' attributes that influence their shopping choices (Perng et al., 2010), the purpose of this research is twofold. Firstly, one intends to understand 1) what young adults' duty free shoppers (18-26 years old) want and are getting from travel retail shopping on airports environments. Secondly, 2) their satisfaction level with regard to products, service quality and shopping in duty free shops will be empirically explored. The aim is to find what can be done to best serve this new generation.

## **3. Methodology**

### **3.1. Sample**

Young adults' duty free shoppers were considered as the target population, no matter their nationality. According to Herrmann (1970) young adults corresponds to the 18-24 age group. Still, since the majority of the respondents were Portuguese, for the purpose of this research the upper limit was increased to twenty-six years old as that was the appropriate age indicated by Albuquerque (2009) as being the Portuguese breakup time.

Within the week dedicated to data collection, 240 surveys were entirely completed. From these completed questionnaires, 20 respondents did not meet the age requirements and 32 were not duty free shoppers. As a consequence, those answers were eliminated from the sample. Therefore, the total sample considered for data analysis is constituted by 188 participants.

### **3.2. Research Design**

The research tool used in this study was an online survey (**exhibit 1**), using the software Qualtrics. The survey was shared with the potential respondents essentially via e-mail and Facebook.

The questionnaire used open-ended questions, multiple choice questions and non-comparative scales measures. Considering the non-comparative scale measures, Likert Scales were used in order to classify the respondents' degree of agreement or disagreement with a range of statements that were presented.

The survey was conducted in English and respondents took on average 10 min to fill out the questionnaire. It was first pre-tested within a small group of 15 respondents in order to ensure respondents' comprehension of all questions.

## **4. Findings and Results<sup>1</sup>**

### **4.1. Sample characterization (**exhibit 2**)**

With the purpose of obtaining an accurate portrayal of the final sample and to create different profiles of the respondents, some demographic characteristics as well as travel and consumer behaviour aspects were analysed.

More women than men (Q2) completed the questionnaire (67.6% females and 32.4% male). The large majority of respondents (Q3) live in Portugal (64.9%) and, for that

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<sup>1</sup> For the sake of clarity and easiness of reading the results, the number of the specific question from the survey is indicated in parenthesis.

reason, the specific country of residence parameter will not be taken into account since it is not representative and, instead, we distinguished between respondents that are currently living in Portugal and respondents that are not living Portugal. Nevertheless, there were no significant differences except for the frequency of traveller.

When asked about the purpose of the trip (Q6), respondents were allowed to answer only the major purpose - business, leisure or both. The majority of the respondents reported “leisure” as the main purpose of their trips (76.1%) whilst only 3.2% of the respondents affirmed that the main reason of their trips was for business, and 20.7% of the respondents disclosed that they travelled for both business and leisure.

In order to assess how often the respondents travelled by plane (Q5), a 7-point likert scale question was asked. Subsequently, a new variable was created “frequency of traveller” and respondents were allocated into two different groups “heavy travellers” – those who travel once in 3 months or more frequently and “light travellers” – those who travel less than once in 3 months”. According to this criterion, 66% of the respondents were classified as “light travellers” and 34% as “heavy travellers”. As referred above, 79% of “light travellers” live in Portugal while 62.5% of heavy travellers do not live in Portugal (**exhibit 3**).

In terms of shopping behaviour, the preferred location of purchases (Q11), the frequency of shopping (Q10) and the time spent (Q12) were also assessed. The large majority of the respondents (79.3%) claimed that usually buy on departure duty free stores while 13.8% buy both on departure and arrival duty free stores and only 6.9% admitted that usually buy on arrival duty free stores. In what concerns the frequency of shopping (Q10), a 4-point likert scale was used and later recoded into a new variable “frequency of shopping”. In this case, respondents were divided into two groups “light buyers” – those who affirmed that buy rarely or only when they have plenty of time- and “heavy buyers”- those who admitted to buy every time or almost every time they

are at an airport. The majority of the respondents were “light buyers” (68.6%) and only 31.4% were “heavy buyers”. Accordingly, 38.3% of the respondents affirmed that they usually spend half (or more) of the time they have available shopping on a duty free store, while 61.7% admitted that they spent less than half of the time they have.

## 4.2. What do young adults value? What do they prefer?

### 4.2.1. Reasons to enter a duty free store

With the intention of evaluating the reason why the respondents visit a duty free store, a question in the form of a ranking was asked where 1 stood for *the most important reason* and 6 for the *less important* one (Q13). The average mean as well as the mode obtained for each and every item are shown in **table 1**. It is also important to mention that the order of the answers obtained is not the same as the one presented in the questionnaire.

Purpose on visiting a Duty free store	Mean	Mode
To browse the store and pass time	2,27	1
To take advantage of airport prices/offers	3,16	2
To buy a gift	3,23	2
Someone asked me to buy an item	3,98	3
To treat myself	4,05	5
To buy products to use during my trip	4,35	6

**Table 1: Purpose on visiting a Duty free store**

Furthermore, one decided to assess whether there were significant differences between gender, trip reason, frequency of shopping, frequency of traveller and time of purchase. To do so, one reduced the values of each variable to two dimensions: *Important* – those who ranked the variable on the first or second place- and *Not So Important* - those who ranked the variable on the third, fourth, fifth or sixth place. Finally, as all the variables were categorical, cross tabulation with the associated qui-square tests were applied.

The results indicated a statistically significant difference between *light travellers* and *heavy travellers* with respect to the reason *To buy a gift* ( $p = 0.043$ ). In fact, 45.5% of the light travellers considered it as an important reason while only 30.2% of heavy

travellers ranked it as the first or second motive (**exhibit 4**). Additionally, it was also found a significant difference between *light travellers* and *heavy travellers* with respect to the reason *To take advantage of airport offers/prices* (p=0.001). In this case, while 62.9% of the heavy travellers considered it as an important reason only 37.4% of the light travellers ranked it on the top 2 motives (**table 2 and exhibit 5**).

Purpose on visiting a Duty free store	Important reason		p-value
	Heavy travellers	Light travellers	
To buy a gift	30.2%	<b>45.5%</b>	0.043
To take advantage of airport prices/offers	<b>62.9%</b>	37.4%	0.001

**Table 2: Heavy travellers & Light travellers vs Reasons to enter a Duty free store**

The results also showed a statistically significant relationship between the time of the purchase – *arrival/departure/both duty free store-* and the reason *To browse the store and pass time* (p= 0.033). It is not surprising that 68.7% of the respondents who claim to buy on departure duty free stores consider it as an important reason while only 46.2% who buy on the arrival and on both stores ranked it as a relevant motive (**exhibit 6**). The same happened with the relationship between the frequency of shopping and the reason *To browse the store and pass time* (p = 0.000) with 74.8% of the light buyers ranking it as an important reason and only 40.7% of the heavy buyers thinking the same way (**table 3 exhibit 7**).

To browse the store and pass time	Important reason	Departure vs Arrival			Frequency of shopping	
		Departure	Arrival	Both	Heavy buyer	Light buyer
		<b>68.7%</b>	46.2%	46.2%	40.7%	<b>74.8%</b>

**Table 3: Reason to browse the store and pass time vs time of the purchase & frequency of shopping**

With respect to the motive *To take advantage of airport offers/prices*, airport offers and prices appeal more to heavy buyers (66.1%) than light buyers (36.5%), attracting them to enter a duty free store (**table 4 and exhibit 8**).

To take advantage of airport offers/prices	Important reason	Frequency of shopping	
		Heavy buyer	Light buyer
		<b>66.1%</b>	36.5%

**Table 4: To take advantage of airport offers/prices vs frequency of shopping**

#### 4.2.2. Which products do young adults buy?

Regarding the different type of products that the respondents usually buy (Q15), on average the candy and chocolates are the products that are mostly bought by all respondents followed by the category of perfumes and cosmetics. Jewerelly is the category that less appeals to young adults (**exhibit 9**).

Moreover, a new variable was created *Number of categories bought* with two dimensions: less than three different categories and three or more different categories. Once again, as the variables were categorical, the qui-square test was applied in order to take valid conclusions.

An obvious result was that customers that bought more than 3 different categories of products were more prone to be buyers of all the categories. In terms of wine, spirits and beers, it represents 41.9% of buyers who usually buy three or more categories and 19.3% who buy less than three categories ( $p= 0.01$ ) (**exhibit 10**). The same happens with perfumes and cosmetics, with percentages of, respectively, 72.4% against 47% ( $p= 0.000$ ) (**exhibit 11**), with tobacco (respectively 33,3% and 13,3%,  $p= 0.001$ )(**exhibit 12**), and food shoppers (respectively 62% and 25.3%,  $p= 0.000$ ) (**exhibit 13**).

Other interesting fact is that some categories present gender differences. Around 46% of men buy products within the wine, spirits and beer category against 25.2% of women ( $p=0.004$ ) (**exhibit 14**). This difference is also noticeable within the perfumes/cosmetics ( $p=0.003$ ) and electronics categories ( $p=0.048$ ) with 68.5% of women buying perfumes/cosmetics whereas only 45.9% of men are purchasers (**exhibit 15**). Contrarily, 11.5% of men are buyers of electronics while only 3.9% of female respondents admitted to purchase these products (**exhibit 16**).

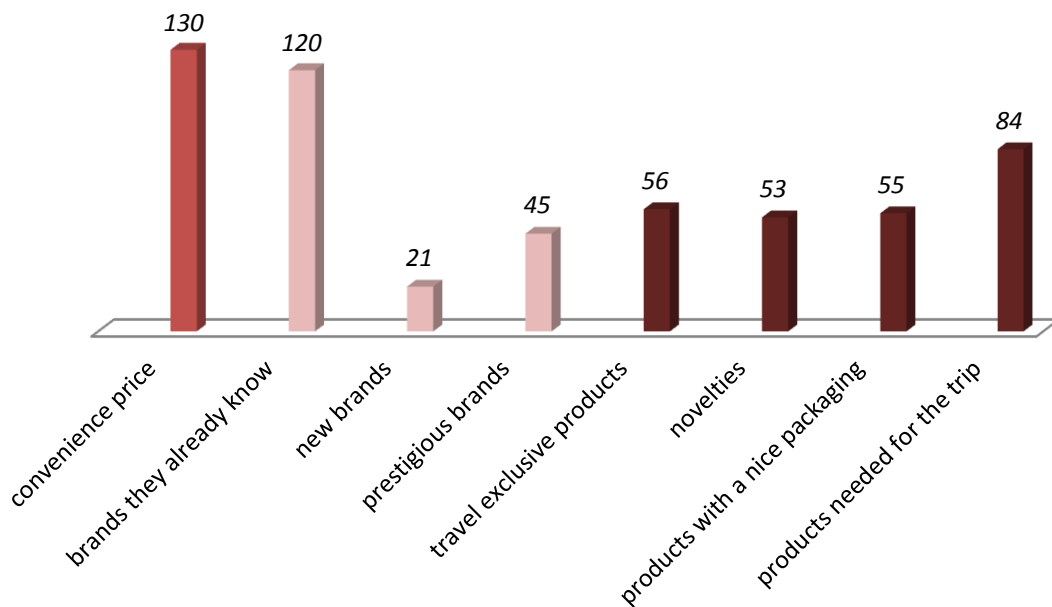
Additionally, it was also found a relationship between the frequency of shopping and the products bought within the category of perfumes and cosmetics ( $p= 0.026$ ). In fact,

around 73% of heavy buyers are purchasers within this category against 56% of light buyers (**exhibit 17**).

Finally, one decided to assess whether there was a difference between the frequency of travellers within the different categories. According to the results, there is a statistically significant difference between heavy and light travellers within the category of wine, spirits and beer and candy and chocolates. In the first case, 56.3% of heavy travellers buy items from the category against 19.4% of the light travellers ( $p=0.000$ ) (**exhibit 18**) On the other hand, 79% of light travellers buy chocolates and candies while only around 55% of heavy travellers do the same ( $p= 0.001$ ) (**exhibit 19**).

### 4.2.3. What do young adults value?

With the goal to understanding what this target really values, several aspects about the way the respondents choose an item - item price, item brand and item characteristics- were examined (Q16).



**Graph 1:** Young adults' preferences when choosing a brand/product in a Duty free store

Regarding the item price, not surprisingly, the large majority (69%) admitted to opt for the convenience price. Additionally, 64 % of the respondents select the brands they

already know, 11% pick new brands and 24% choose prestigious brands. Lastly, concerning the item characteristics, 30% of the respondents value travel exclusive products, 28% look for novelties, 29% of the respondents choose products with a nice packaging and 44.7% choose products they really need for their trip.

The results indicated that there is a statistically significant relationship between the gender and the item price with 59% of men opting for the convenience price against 74% of women ( $p= 0,037$ ) (**exhibit 20**). Likewise, it was found that 33.9% of heavy shoppers select the prestigious brands while only 19.4% of light buyers do the same ( $p= 0,030$ ) (**exhibit 21**) and that 75% of heavy travellers against 59% of light travellers select brands they already know ( $p= 0,029$ ) (**table 5 and exhibit 22**)

	Male	Female	p-value
Convenience price	59%	74%	0,037
	Heavy shopper	Light shopper	p-value
Select prestigious brands	33.9%	19.4%	0,030
	Heavy travellers	Light travellers	p-value
Select brands they already know	75%	59%	0.029

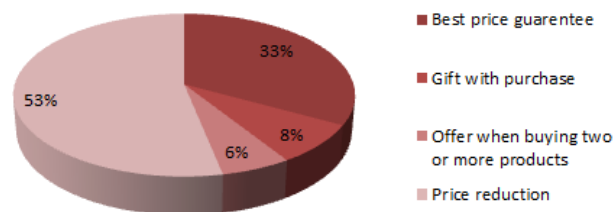
*Table 5: Gender, frequency of shopping & frequency of traveller vs preferences*

#### 4.2.4. What do young adults want?

The second main objective of this study is to understand what young adults want from duty free stores in order to give some recommendations on how to best serve this target. To do so, three questions were asked regarding the type of promotions and services the respondents would be interested and most likely to use (Q20, Q21 and Q22).

On the subject of promotions (Q21), the majority of the respondents would be mostly motivated to buy a product if they had a promotion associated with a price reduction

(see graph 2).



**Graph 2:** Types of Promotions

Additionally, results suggested that there is a statistically significant relationship between the type of promotions and gender ( $p= 0,016$ ) (**exhibit 23**). In truth, 47.5% of men would prefer to have a *Best price guaranteed* promotion while only 26% of women think the same way. Moreover, 58.3% of female respondents against 42.6% of male respondents would prefer to have a *price reduction* promotion. Regarding the *gift with purchase promotion* only 3.3% of men against 10.2% of women would like to have that opportunity (**table 6**).

Type of promotion	Gender		p-value
	Male	Female	
Best price guaranteed	47.5%	26%	0.016
Price reduction promotion	42.6%	58.3%	0.016
Gift with purchase	3.3%	10.2%	0.016

**Table 6: Gender vs type of promotions**

Furthermore, a Likert scale question (from 1 “*Not interested at all*” to 7 “*Totally interested*”) that aimed to measure if the respondents would like to have a dedicated area for different categories proposed was asked. Six options were given: (1) Special offers and promotions, (2) new products, (3) duty free exclusive products, (4) ideas for gifts, (5) top 10 bestsellers per category and (6) super luxury goods (Q20). The mean values were computed for each item and are shown in the **table 7**. On average, respondents would prefer to have a special area dedicated for special offers and promotions within the duty free shops.

Variable	Mean
Special offers/promotions	5,77
Duty free exclusive products	5,39
Ideas for gifts	5,06
New products	4,95
Top 10 bestsellers per category	4,59
Super luxury goods	3,20

**Table 7: Mean for the different categories**

In order to understand if there was a difference in preferences according to the frequency of traveller, frequency of shopping and gender, one conducted an independent sample T-test. By analysing the p-value, one could recognize that there

were some significant differences regarding the frequency of traveller and frequency of shopping. Concerning the frequency of shopping, the means between the heavy travellers and light travellers were statistically significant for the variables *Special offers and promotions* ( $\mu=6,07$  for light travellers and  $\mu=5,19$  for heavy travellers), *New products* ( $\mu=5,23$  for light travellers and  $\mu=4,41$  for heavy travellers) and *Top 10 bestsellers per category* ( $\mu=4,81$  for light travellers and  $\mu=4,17$  for heavy travellers). Regarding the frequency of shopping, the mean between heavy buyers and light buyers was only statistically significant for the variable *Top 10 bestsellers per category* ( $\mu=4,40$  for light buyers and  $\mu=5,00$  for heavy buyers) (**table 8, exhibit 24 and 25**).

Frequency of traveller			
	Heavy travellers	Light travellers	p-value
Special offers and promotions	5.19	<b>6.07</b>	0.000
New products	4.41	<b>5.23</b>	0.001
Top 10 bestsellers per category	4.17	<b>4.81</b>	0.014
Frequency of shopping			
	Heavy buyers	Light buyers	p-value
Top 10 bestsellers per category	<b>5,00</b>	4.40	0.024

**Table 8: Different categories vs Frequency of traveller & frequency of shopping**

Lastly, five suggestions of services were given and respondents were asked to rank them according to their level of interest, being 1 the *most important reason* and 5 the *less important* one (Q22). The average means as well as the mode obtained for each and every item are shown in **table 9**. Once again, it is important to denote that the answers obtained are not in the default order that was presented on the questionnaire.

Services respondents would be interested and most likely to use	Mean	Mode
Pick-up the product on the return	<b>2,32</b>	<b>1</b>
Pre-order opportunity via internet	<b>2,72</b>	<b>1</b>
Gift wrapping service	<b>3,09</b>	<b>3</b>
Loyalty program	<b>3,28</b>	<b>4</b>
Personal shopping consultant	<b>3,77</b>	<b>5</b>

**Table 9: Services respondents would be interested in - mean & mode**

According to these results, respondents seem to be more interested and most likely to use a pick-up the product on the return service or on having the opportunity of pre-

ordering the product via internet. In addition, one could not find any statistically significant relationship between the variables presented and the gender of the respondents, frequency of travellers, frequency of shopping and time spent on duty free store.

### 4.3. How satisfied are young adults?

In order to measure the respondents' degree of satisfaction towards the overall service on duty free shops, a Likert Scale was used from 1 "Very Dissatisfied" to 7 "Very Satisfied" (Q19). On average, the respondents admitted to be somewhat satisfied with the overall service, with a mean value of 5,05. Additionally, the level of satisfaction towards eleven aspects of Duty Free stores was accessed. Again, a 7 point Likert Scale with the same measurement level was used. The mean values were computed for each item and are shown in the **table 10**.

<b>Variable</b>	<b>Mean</b>
Cleanliness of the store	5,65
Quality of products	5,45
Language skills of staff	5,14
Variety of products/brands	5,13
Atmosphere of the store	5,06
Ease of finding products	4,99
Store entrance	4,96
Friendliness of staff	4,84
Staff knowledge of products	4,68
Price levels	4,28
Offers and promotions	4,25

*Table 10: Satisfaction level - mean*

In order to better understand which of those factors affected the satisfaction towards service, a linear regression was performed using the overall satisfaction towards the service (question 18 of the questionnaire) as the dependent variable, and all the others (store entrance, atmosphere of the store, cleanliness of the store, ease of finding products, friendliness of the staff, staff knowledge of products, language skills of the staff, variety of products/brands, quality of products, price levels and offer and promotions) as independent variables. With an adjusted R square of 0.358, the model

was considered significant (sig. 0,000). Still, the coefficients only indicated as significant the variables *quality of products* (p=0,001) and *price levels* (p=0,034).

**(exhibit 26.1)**

Furthermore, with the purpose of reducing the dimensions considered, a factor analysis was done **(exhibit 26.2)**. In the factor analysis, one got a KMO of 0,755, which means that correlations between pairs of variables can be explained by other variables, meaning that factor analysis was a good choice. Moreover, having a sig. of 0,000, one rejected the hypothesis of the variables not being correlated.

By analysing the total variance explained, it is perceptible that the components with Eigen Value lower than 1 were excluded from the analysis and it is possible to explain around 59% of the variance only using the first three components. As a final point, through the rotated component matrix, one defined three different labels for the three different categories. The first one was called as “Physical evidence of the stores”, the second one as “Staff” and the third one as “Price and promotions”. Still, since the variable “Quality of products” did not fit in any of these categories, it was preserved as an individual variable.

Variable	Mean
Quality of products	5,45
Physical evidence	5,23
Staff	4,88
Price and promotions	4,27

*Table 11: Satisfaction level - mean (after factor analysis)*

Finally, considering these four independent variables, one ran, once again, a regression analysis. All the independent variables became statistically significant – Physical evidence of the stores (sig. 0,001), Staff (sig. 0,002), Price and Promotions (sig. 0,004) and Quality of products (sig. 0,000). With an adjusted R squared equal to 0.364, one concluded that the 36.4% of the overall satisfaction towards the service on duty free stores is explained by these four variables **(exhibit 26.3)**.

Moreover, with respect to price levels and offers and promotions, heavy buyers seem to be more satisfied than light buyers ( $p=0,000$ ). (**table 12 and exhibit 27**)

Satisfaction towards...	Light buyers	Heavy buyers	P-Value
Price levels	4,02	<b>4,86</b>	0,000
Offers and promotions	4,02	<b>4,75</b>	0,000

*Table 12: Price levels & Offers and promotions vs frequency of shopping*

## 5. Conclusions and Recommendations

In a fast growing market as is the case of the duty-free channel, young adults are perceived as an important target. Hence, it is vital for managers, retailers and marketers to identify and comprehend the reasons why this target buys at these stores, what it values the most and what the perceptions and satisfaction levels of this segment towards service are.

In order to know how to best serve this target, managers should start by shaping the profile of this range of duty free shoppers. Results suggest that a large part of young adults travel less than once in 3 months, mostly for leisure and that the majority of them are not heavy buyers. Furthermore, results revealed that the categories of candy/chocolates and perfumes/cosmetics are the ones that most appeal to this segment and that the majority of the consumers within the category of perfumes and cosmetics also buy products from three or more categories.

This research provided two main insights. The first conclusion concerns the fact that young adults seem to be price driven, considering the reason “To take advantage of airport prices/offers” as an important reason to enter a duty free store and giving emphasis to the importance of promotions associated with price reductions. This suggests that they would strongly respond to price-off promotions on their usual products. Moreover, results also propose that besides opting for the convenient price,

they tend to select the brands they already know and look for products needed for their trips.

Additionally, the overall satisfaction rate towards the service on duty free stores was 5.5 on a scale of 1-7 which suggests that there is a fairly overall contentment with it. The good news is that young adults seem to be pleased with the physical evidence of the stores, appreciating the efforts retailers are putting on the store planning and design. As a matter of fact, having a good store design and atmosphere can help creating an environment that attracts customers, inviting them in and encouraging them to buy products. Additionally, the quality of the products presents the highest satisfaction rate which suggests that this parameter is highly rated.

Nevertheless, while they seem to be satisfied with the quality of the products, the same does not happen with the price levels and promotions. As mentioned above, the consumers within this segment are price driven, opting for the convenient price and looking for promotions. Therefore, managers should try to improve their shopping experience by offering special offers and promotions on the categories that appeal to this segment.

As a final point, managers should take into account the existing opportunities in this market, starting by considering the niches that are not yet properly exploited like the case of the products needed for young adults' trips. As a result, retailers and brands could create a dedicated area for it with special promotions associated with young adults' favourite products. In addition, this target seems to be interested on a "pick-up the product on the return" service and on having the opportunity of pre-ordering the product via internet. Given so, managers should try to meet these consumers' expectations by providing those services.

## **6. Limitations and Further Research**

This study faced three main limitations. Firstly, given the limited time, the number of respondents was not too high. With a higher number of responses more accurate conclusions could have been taken. Secondly, the purchasing power of the respondents was not assessed. Therefore, in future research, a socio-economic analysis could be done in order to better evaluate the buying behaviour of this segment. Thirdly, since the large majority of respondents live in Portugal (64.9%), comparisons in term of country of residence and nationality were not representative and we did not find any significant differences between those who live in Portugal and those who do not. In future research, a larger and wider nationality diversity sample should be explored and researchers need to be aware of cultural differences when extending research findings to consumers in other countries. Given so, to identify young adults' preferences and concerns on a global level, the next research step could be a cross-cultural study in order to find the way culture affects their choices and satisfaction levels.

Finally, in order to make sure that the right people are being targeted, a complementary qualitative research conducted in airports could be realized.

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