

Tax Free World Association Questions for Rohit Talwar, CEO, Fast Future

What key messages will you be conveying to the audience at this year's TFWA Asia Pacific and GATE ONE2ONE Conference?

I will focus on how to drive growth through innovation in the years to come. We are in a very turbulent phase for the global economy and while some economies are booming, others will be flatlining or worse. This will impact consumer behaviour and so the imperative now more than ever is to think broadly about the kinds of innovation we can pursue in the travel retail environment.

I will highlight key consumer trends, discuss case examples of relevant technology and retail advances and provide a set of ideas on how travel retailers can innovate in the years ahead.

What are the key challenges and opportunities facing the travel retail sector in the Asia Pacific region over the next decade?

Economic growth is going to drive a boom in consumer spending across the region. The challenge for the sector is to learn how to penetrate beyond the 10-20% of customers that typically make purchases in the airport environment. We have to think hard about how we attract them in with value propositions that encourage them to spend. We also have to make sure we understand the differing mindsets and buying preferences that span a region of over 5 billion people.

What practical steps can travel retail businesses take to adapt to a changing world and changing consumers?

Technology is transforming what we can do in the retail environment, how we can reach existing and potential customers and how we can extend our relationship with them beyond individual transactions. Social media in particular provides a platform to hear the voice of the customer and to really engage with them. We also have to recognise that environmental awareness is rising across the planet and customers now expect us to be making real efforts to drive down our ecological footprint. If we can save on packaging, cut waste and emissions, reduce energy consumption and control water usage, these will also help lower our operating costs over time.

The world is also becoming more innovative and experimental – this encompasses everything from store layout and product range to pricing and supply chain management. Not everyone is moving at the same pace and in some cases we have to work hard to help our partners see the opportunities presented by innovation and change. However, the travel retail environment is a perfect place to attempt such innovation and gain instant feedback, as we have a constant flow of new potential customers from around the world every day.

What global trends and transformations do you believe are shaping the economic and consumer landscape and what are the implications in Asia Pacific?

The growth prospects for most Asian economies are exciting – over the next few years we can expect to see strong headline economic growth and rising incomes and wealth across the region. With greater spending power we will see a rise in leisure and business travel and consumer tastes will continue to evolve. One particular development we expect to see is a rise in the emergence and popularity of Asian branded products from cosmetics through to clothing. These will increasingly compete on design, quality and price with products from more established western brands.

What opportunities are arising from new retail formats and new technologies?

The focus will be on enhancing the customer experience. We will see design formats that stimulate more of the senses, that engage the shopper in imaginative and humorous ways and which encourage people to spend longer in the store. Technologies such as augmented reality enable customers to see themselves in clothes without trying them on, while others such as 3D holograms enable us to display products in innovative ways.

Greater use of the internet will enable customers to browse online and order goods for collection and payment at the airport of their choice. The growth in smartphones, tablets and mobile internet usage is also going to drive the potential to create tailored offers for passengers as they walk through an airport.

In the not too distant future, advances such as 3D printing will enable us to literally print items on the spot for customers. This means we could create objects customised for each individual. Customers could also submit their own designs either beforehand or in-store and see them being made on the spot.

Rohit Talwar

Rohit Talwar is a global futurist and CEO of Fast Future Research. He has a particular interest in the future of travel, tourism and the meetings industry. He is the author of the Hotels 2020 study and project director of the Convention 2020 research programme.

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Hotels, SAP, Sara Lee, World Tourism Forum and the OECD. Fast Future also works with a range of city and national level government entities around the world.

The Tax Free World Association

The Tax Free World Association is the world's biggest duty free and travel retail association, providing high-quality exhibitions, acclaimed conferences and workshops, and in-depth market research to the industry.

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