

RESEARCH

81pc of Chinese travelers plan to shop while abroad in 2016

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Shopper at DFS' T Galleria in Hong Kong

By STAFF REPORTS

Tax-free shopping by Chinese consumers dropped 24 percent year-on-year in March, according to a new report from Global Blue.

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Following a 58 percent rise in duty free sales from Chinese consumers in 2015, 2016 has seen slower growth so far, attributed partly to considerations such as the European terrorist attacks and visa accessibility. Even with this slowdown, China continues to be the number one global shopper market, generating a third of tax-free sales internationally.

Global Blue's "Globe Shopper Report: China Edition" is based on data from 27 million tax-free transactions and a survey of 5,000 regular Chinese travelers.

Going abroad

When choosing a destination, 56 percent of Chinese travelers prioritize a safe and secure locale. The ability to easily obtain a visa was a concern for 22 percent of Chinese vacationers.

May and October of this year are stacking up to be the busiest travel months, corresponding to the holidays Labour Day and Golden Week. Chinese travelers will be flocking to Europe, South Korea and Japan in May, while October is a popular month for trips within Asia Pacific, including Australia and Singapore.

Of the 73 percent who plan to travel within Asia this year, the most number of jetsetters are planning to visit South Korea, with Japan a close second.

Forty-one percent of Chinese travelers are planning a trip to Europe. Sixteen percent intend to visit France, making it the most sought-after destination within Europe. Germany, Italy and the United Kingdom round out the top four.



Image courtesy of Peninsula Hotels

When considering a destination, 35 percent of Chinese travelers seek a variety of shopping malls and retail outlets, while 33 percent are concerned about finding key international brands when they arrive. With pricing disparities between China and other nations, 31 percent say they look for a destination that will offer goods at lower retail costs.

In terms of services, the availability of duty-free shopping, the ability to use of Union Pay or local currency, the opportunity to engage with Chinese-speaking staff and in-store WiFi were the top desires of respondents.

When researching a destination, Web sites that cover travel, fashion and shopping was the top source of information, followed by friends and family recommendations. Social media content from brands or friends also has influence on shopping decisions.

According to the report, the yuan's turbulent value is unlikely to have large-scale effects on sales, but travelers do weigh currency exchange rates when deciding where to venture. Forty-six percent of Chinese would alter their travel plans around the weakened yuan, while 47 percent would cut their budget for shopping while abroad.

March 2015 saw a 122 percent bump compared to 2014, largely due to the Chinese New Year falling in that month, making it difficult for 2016 to live up to the benchmark. In comparison, sales from Chinese shoppers were up 11 percent in January and 5 percent in February from the same months in the 2015.

Chinese tourists spent \$229 billion in 2015, according to a recent report from GfK, Germany's largest market research institute.

Although some of this money is spent in Hong Kong or in Southeast Asian countries where luxury brands do not yet have a large presence, such as Thailand and Taiwan, tourism to Europe, North America, South Korea and Japan is also way up. Beyond illustrating once again the importance of reaching Chinese travelers, the data reveals trends in movement and spending that can help luxury brands reach the group ([see story](#)).

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