

RETAIL

## Galeries Lafayette harps on service, comfort for Asian welcome center

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*Image courtesy of Galeries Lafayette*

By STAFF REPORTS

French retailer Galeries Lafayette is welcoming Asian tourists to its brand with a dedicated Haussmann boutique.

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As a popular Parisian tourist destination, nearly half of Galeries Lafayette's 35 million yearly visitors come to its flagship at 40 Boulevard Haussmann from abroad. A large percentage of these foreign visitors are Asian travelers visiting Paris with tour groups, but due to France's recent string of terrorist attacks, interest in the City of Lights as a destination has suffered.

"The Galeries Lafayette Shopping and Welcome Center will certainly appeal to the particular needs of time sensitive Chinese tourist groups," said Brian Buchwald, CEO of **Bomoda**, a consumer intelligence company focused on the Chinese outbound consumer.

"Many of the visitors arrive with a list of items to purchase, complete with images of the products and knowledge of the local French prices," he said. "Before they are on to the next stop in their tour, efficiency is important to getting everything they seek.

"However, this model does seem more attendant to past needs rather than future needs. Many of these same tourists do not come to Paris looking for the purely efficient experience. They want to mix the buying of goods with the overall sightseeing experience.

"They want to feel cosmopolitan shopping and rubbing elbows with the French and other nationalities in the great Maisons."

Mr. Buchwald is not affiliated with **Galeries Lafayette**, but agreed to comment as an industry expert. **Galeries Lafayette** was reached for comment.

### Welcome wagon

China's economy has reached a slowdown, and during the same period, Paris' tourism industry has also slowed.

Despite this, consumers are planning to keep their wallets open. A third of Chinese travelers plan to travel more this

year, and a whopping 92 percent plan to maintain or increase spending in the same timeframe, according to a 2016 report from Hotels.com ([see story](#)).

For a retailer such as Galeries Lafayette that relies heavily on foreign visitors, notably from China and other parts of Asia, ensuring tourists feel welcome can help to keep consumers spending.

On March 16, Galeries Lafayette opened the doors to a new boutique at 21 Boulevard Haussmann, across the street from its flagship. The space, described as a Shopping and Welcome Center, was created with Asian consumers in mind.



*Galeries Lafayette at 40 Boulevard Haussmann*

Asian consumers, visiting mainly with tour groups, can expect the same seamless shopping experience and standards of service found at Galeries Lafayette, but in a setting that is more comfortable and welcoming for foreign guests.

Designed by French architect Ora-to, Galeries Lafayette's shopping and welcome center will offer Asian consumers bespoke services that will ease the shopping experience.

For example, shoppers can take advantage of the boutique's multilingual welcome services, dedicated mobile application, private rooms for hosting groups and swift tax refunds via an automated service.

The 30,000-square-foot boutique will carry popular product categories such as leather goods, cosmetics, accessories, jewelry, eyewear, small gifts and gourmet foods.

#### Shopping with ease

In a similar move to Galeries Lafayette, Japanese department store Isetan Mitsukoshi opened an airport-style duty-free store within its Ginza, Tokyo location to appeal to the increasing number of tourists visiting the country.

Isetan opened the Japan Duty Free Ginza store in January 2016 on the 8th floor of the Mitsukoshi department store, in partnership with Tokyo's airport authorities and the NAA Retailing Corp. As time of opening Japan Duty Free Ginza was the first of its kind, offering foreign and domestic travelers outside Japan's main airports the perks of duty-free shopping ([see story](#)).

There has also been a rise in technology solutions to help assist Chinese travelers with their shopping ventures while abroad.

Chinese consumers prefer to shop abroad for the experience and to avoid high prices at home, but the tax refund system upon returning to China can be complicated and time consuming.

When goods are purchased in markets such as Europe and the United States, Chinese consumers must claim the items when returning from their time abroad. Safety Tax Free, a new mobile application based out of Beijing and Munich, is looking to simplify the tax refund system to ensure that every traveler's refund request is filled out properly to yield the best returns ([see story](#)).

"The newer and younger breed of wealthy Chinese tourists is not necessarily traveling in groups at all," Bomoda's Mr. Buchwald said. "For them, this experience will be superfluous to the fun of shopping at 40 Boulevard Haussmann.

"Tour operators are still very powerful in channeling Chinese tourists to specific brands and retailers," he said. "The symbiotic relationship benefits the retailer in guaranteed revenues from the consumer. And it benefits the tour operator as they compete with our operators in offering unique amenities to those who choose them.

"However, at some level this is diminishing the position of Galeries Lafayette from an experiential tourist destination to a shopping mall such as Bicester Village outside London or Woodbury Commons on Long Island, NY."

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