

RETAIL

Mobile pay can help retailers attain important Chinese shoppers

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Printemps is one of many retailers allow Alipay to cater to Chinese travelers. Image credit: Printemps.

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Luxury retailers need to embrace Chinese digital payment solutions, as travelers from the country outspend all other travelers combined and are drawn to this technology.

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When traveling overseas, more than 90 percent of Chinese tourists will use mobile payment platforms if the option is available, according to a report from Nielsen and Alipay. While Chinese consumers are more digitally savvy than other travelers, mobile pay also eases the difficulties that can come with language barriers and other issues from traveling abroad.

Chinese spend

According to the whitepaper "Outbound Chinese Tourism and Consumption Trend: 2017 Survey" from Nielsen and Alipay, outbound tourism from China is on the rise again.

This is extremely important for luxury retailers and brands, as these travelers are looking to go shopping while abroad. The whitepaper notes that China National Tourism Administration's statistics show a 7 percent increase in the number of trips from Chinese consumers last year.

A total of 131 million trips on different occasions were made from China in 2017.

Mobile pay can assist these shoppers to make their experience easier, in turn making them want to spend more. Tourists from China use mobile payments 54 percent more than non-Chinese travelers.

About 65 percent of Chinese tourists have used mobile pay, while only 11 percent of consumers who are not from China have while traveling.

Spending from Chinese visitors is also growing, with an expected 3 percent growth of spending average year over year. Last year, Chinese consumers spent an average of \$5,565, and this year that is expected to reach \$5,715.

Shopping is the number one sector these travelers spend on, followed by accommodations and dining. About 25 percent of Chinese tourists spend the most on shopping, 19 percent on accommodations and 16 percent on dining.

Each tourist from China spent an average of \$762 on shopping alone when abroad. Duty-free retailers are the top location for purchasing with this group, at 62 percent, before department stores at 47 percent.

Additional insight

As China's share of global high-net-worth individuals grows, the country's wealthy elites increasingly believe that in the next 10 years it will overshadow the United States as the country with the most ultra-affluent consumers.

Last year, only 30 percent of Chinese affluents believed the country would outpace the U.S. in the next decade, but now that number is up to 37 percent. China's importance in the luxury business has been well known and as more HNWI's are created in China or migrate to China, its central place in the luxury world will grow ([see more](#)).

While the overall global luxury business finished 2017 with a healthy 4 percent growth, this year ahead is teeming with risks and potential pitfalls for brands.

This data comes from Euromonitor's annual luxury goods data research, showing that despite strong showings in 2017, 2018 may not be so easy for the top brands to navigate but the importance will lie with China ([see more](#)).

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