Understanding the young Chinese duty free shopper

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TFWA

ASIA PACIFIC TRAVEL RETAIL ASSOCIATION

npd

A major research study

Quantitive interviews

3,042

Young Chinese travellers

2,004

Older Chinese travellers

1,038

Qualitative interview locations

China
Guangzhou

Singapore
Changi

London
Heathrow

A similar traveller profile

Gender	Frequency	Purpose	Travel party	
	1-4			
50%	85%	83%	42%	36%
51%	85%	84%	75%	27%

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Defined by a new set of rules

Experience seekers

Sharing economy and collaborative

Increasingly confident

A different relationship with travel retail

Better than the high street

38%

45%

I enjoy duty free shopping

61%	60%	43%
70%	68%	53%

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Increase interest for young Chinese

Optimise strategies to target a different shopper interest

Adapt to their changing relationship with the channel

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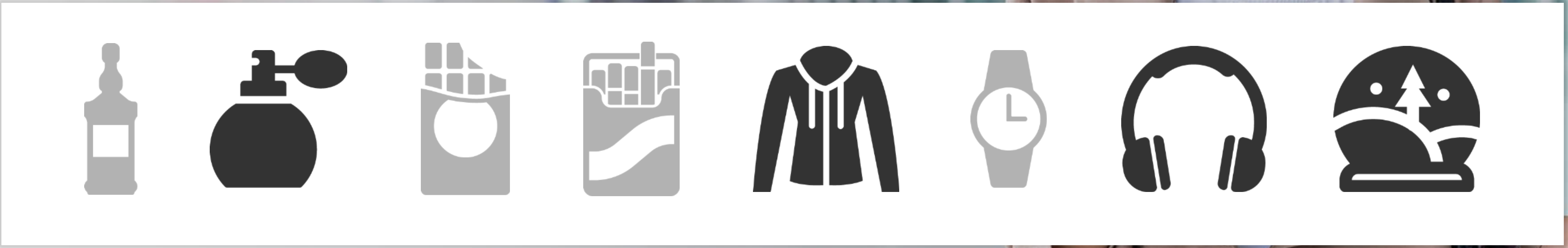
Assess their range expectations



Assess their range expectations

We need to cater for a different shopping style

Purchase reasons

Home	Destination	Travelling	Gift	Request
67%	41%	37%	43%	11%
73%	31%	35%	54%	9%

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Drive increased interest and excitement

Good quality	Guaranteed authenticity	Well-known brands

Drive increased interest and excitement

Good quality

Guaranteed authenticity

Well-known brands

Drive increased interest and excitement

Duty free exclusives

Can’t buy at home

Usual brands

Provide differentiation around their usual brands

	Airport		Downtown		Border	
	Duty free exclusives	Usual brand	Duty free exclusives	Usual brand	Duty free exclusives	Can't buy at home
	28%	27%	25%	27%	32%	31%
	23%	23%	27%	23%	23%	19%

Increase interest for young Chinese

Optimise strategies to target a different shopper interest

Adapt to their changing relationship with the channel

We need to consider their overall shopping style

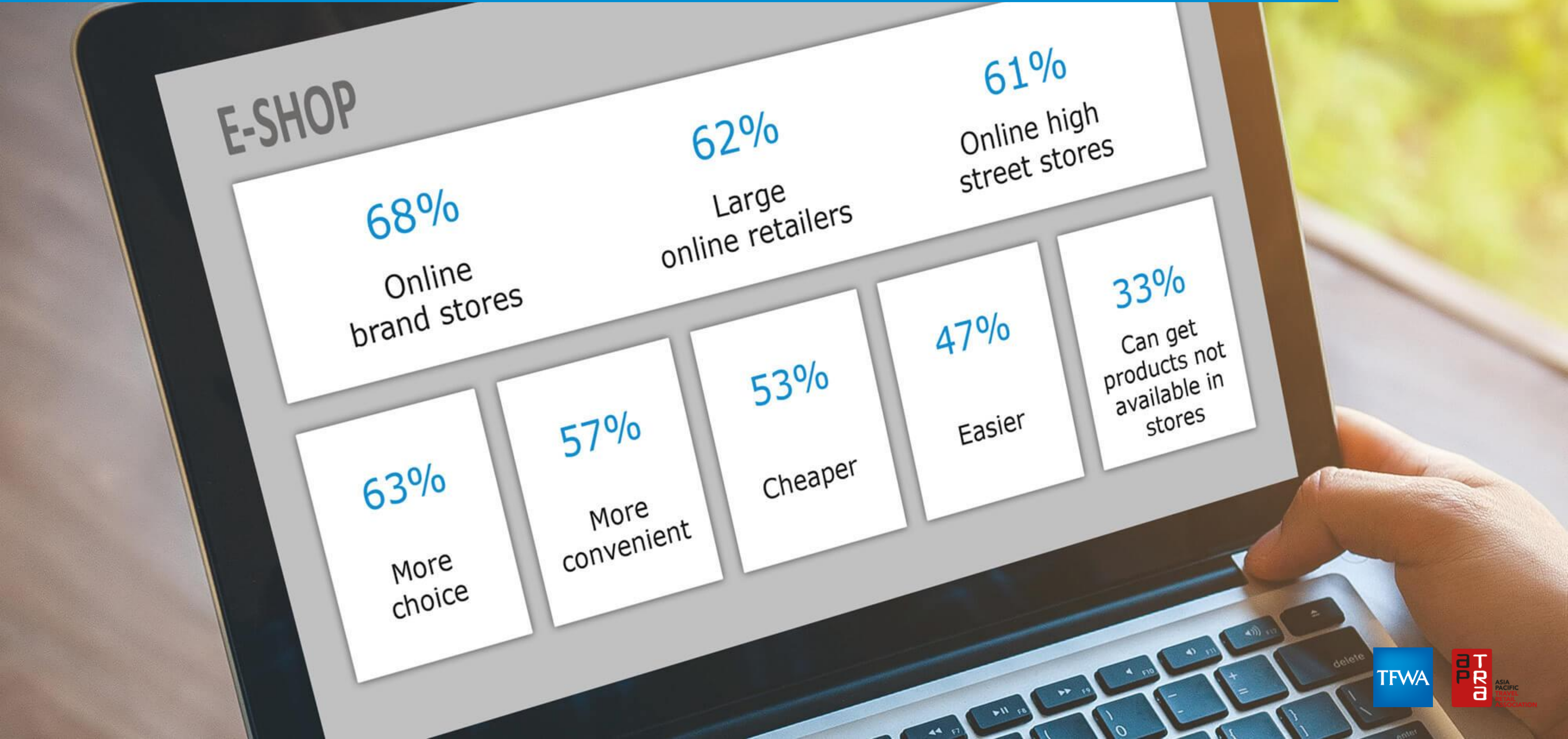
76%

Regularly visit brick & mortar high street stores

50%

Strongly enjoy online shopping

Online is integrated into their shopping behaviour



Digital could overcome key purchase barriers

Carriage concerns	Item not available	Allowance concerns	Comparatively expensive	Stores too crowded
26%	21%	19%	19%	18%

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New ways for them to interact with the channel

Daigou

A travelling personal shopper that sources goods from foreign markets and sells them back to consumers in mainland China avoiding local custom duties or taxation.

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Which the young Chinese are taking advantage of

68%

Likely to use Daigou services

- Products that are not available in China
- High quality products
- Cheaper products
- Wider range of products
- Ensures authenticity

All the benefits of duty free shopping

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Conclusions and recommendations

Optimise range communications
to drive increased channel relevance

Highlight differentiated familiarity
to emphasise the clear point of difference

Look at the online channel
to support traditional brick and mortar stores

Coming Soon

Full, in-depth research study available soon to all TFWA & APTRA members

Thank you