

The State of China Duty Free

2023



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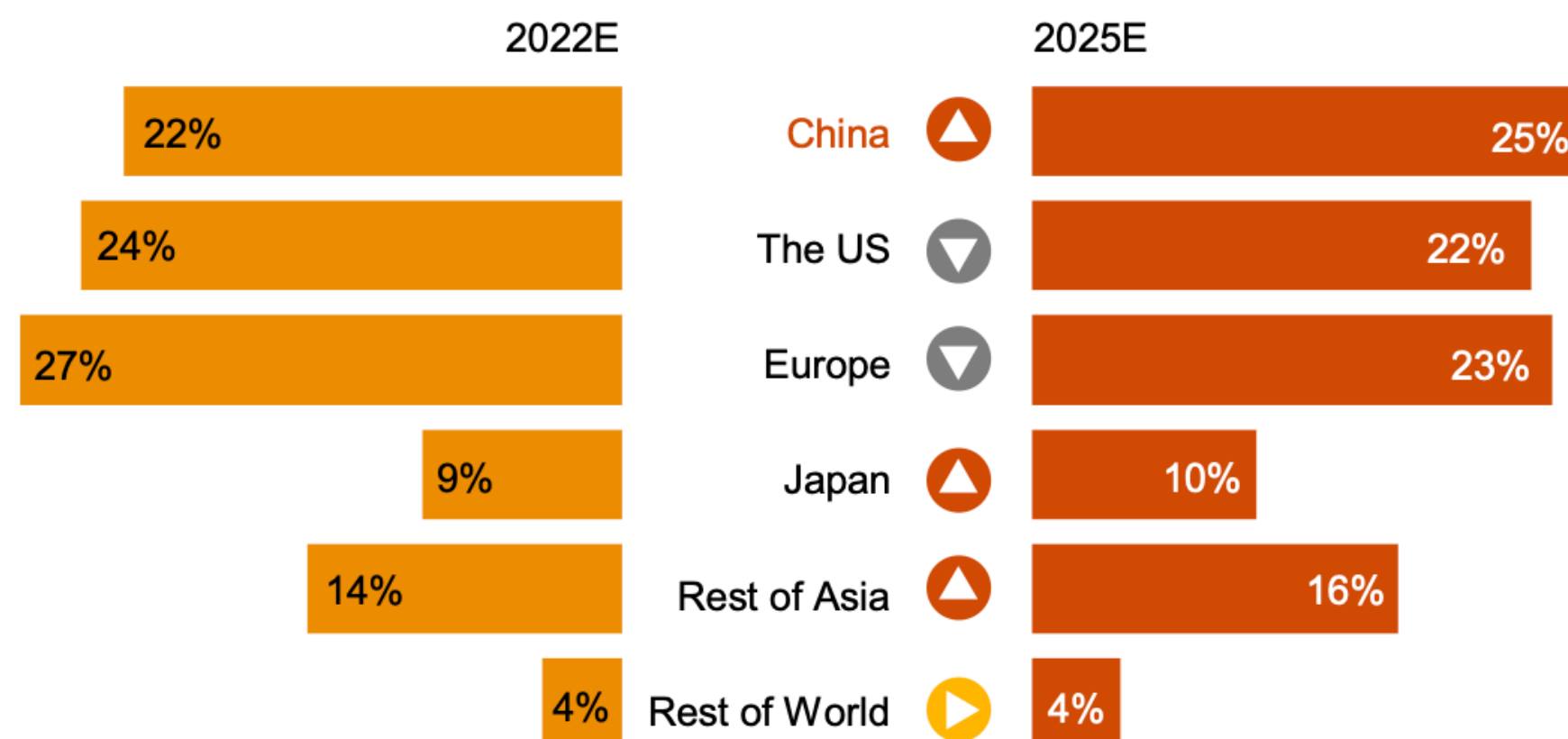
KOL and celebrity economy

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China luxury market

Luxury Market Share by Region



- **APAC region:** was impacted by the lock down of China in 2022 H1 and prolonged COVID-19 restrictions in H2, and **growth rate slowed down, but still has unleashing potential** due to the higher internet penetration, social media exposure and increasing consumption power of young generations

Luxury Consumers To Watch

42%



HNWIs =
networth \$1.4
million



Gen Z,
born after
1990s

46%



DUTY-FREE MARKETS

H Hainan

- O: Fully duty-free by 2025
- top holiday destination
- Tax free + discounts

S South Korea, Japan

- forecast to see resurgence of Chinese shoppers
- Heavily rely on daigou trade
- geopolitical tensions

T Thailand

- Surpassing South Korea and Japan as a favorite destination
- entry fee backlash

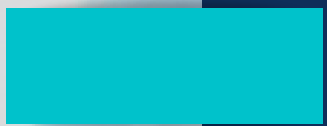
W Western

- Not yet prepared to welcome Chinese tourists
- merchandise
- personnel

Travel Retail

"39 percent of Gen Z - China's most powerful consumer group - were eager to take a trip within a few weeks of China's borders reopening."





Pop Up

- Branding
- Experience
- Storytelling
- Localization
- Cultural Relevance
- Creativity
- Interactivity
- O2O
- Innovative Tech
- Limited Edition



Idols & fan culture

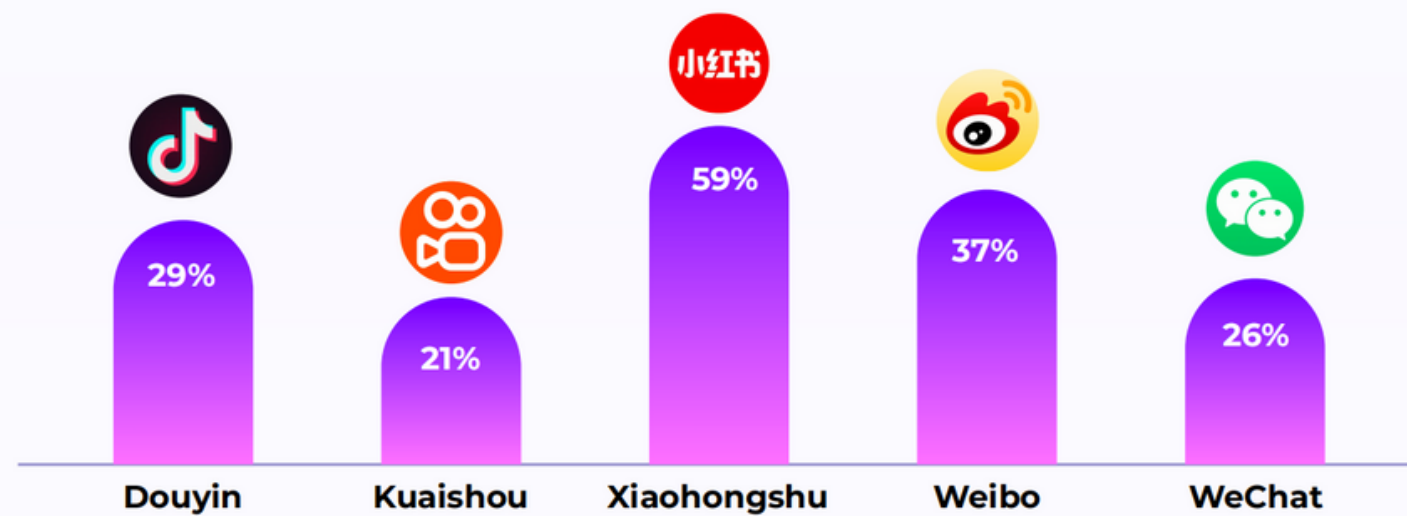
China's idol economy was worth about \$724 billion (RMB 4.94 trillion) in 2021, and will grow to \$940 billion (RMB 6.42 trillion) by 2023

- EqualOcean



KOLs

MOST EFFECTIVE PLATFORM FOR BRANDING PURPOSES VIA INFLUENCER MARKETING



The Importance of Influencer Marketing in the Eight Communication Types by Key Categories





Q&A