

# OVER 5M CHINESE TRAVELED ABROAD AT THE SPRING FESTIVAL



Holidays are the days when consumers usually travel and shop and enjoy luxury services. It is in these days that people find some respite from their jobs and get to relax and explore the world. That is why we saw an increase in the Chinese traveling abroad, mainly for buying new gadgets to suit their exotic tastes.

And exotic they were, with this year's shopping spree ranging from Japanese electronic toilet seats to Swiss luxury watches, showing that Chinese tourists are leaving no stone unturned and are willing to travel anywhere in the world to get quality products during this week-long holiday.

During the holiday the number of Chinese traveling abroad increase significantly, with more than 5 million expected to have left the land of the Dragon, fueled by various factors including a stronger yuan, better visa policies, better economic statuses and an increased focus on luxury from the upper classes living in China.

In addition to this, the Chinese tourists set another milestone this year: the Spring Festival was the first one where more tourists traveled outside of China than the tourists who chose to stay at home and explore the beauties of this vast country. In fact, according to the China Tourism Academy, over 60 percent of tourists headed outside the country.

As expected, various store chains overseas benefited from this influx of Chinese tourists, and made lots of money this Spring Festival.

In Japan, due to the high demand for electronics, such stores were filled to the brim with Chinese customers and various expensive goods was even sold out, showing the power of the Chinese consumer and also showing the demand for such products.

Over 450,000 Chinese tourists traveled to Japan, and together spent over \$941 million, which is unprecedented. This year's 5.19 million turnout is a 10% growth over last year. The Chinese tourism industry will greatly benefit from this interest in countries overseas - it is expected the revenues will reach over 140 billion yuan (about 22 billion U.S. dollars).

In Paris, a large part of the spending went towards shopping, according to HSBC.

An interesting comparison is that European goods are facing lackluster sales within China, while abroad Chinese tourists are falling head over heels to catch a hold of these very same brands.

The tourists increased their spending quite considerably - up to 40 percent of luxury goods sales in France can be accounted to the Chinese. In addition to this, they account for over 35 percent of such sales in Italy and 25 percent of luxury sales in Britain, as per the report.

In fact, their spending has become so noticeable that French politicians are even considering a decision to extend Sunday opening Hours, in order to better benefit from their friends from the East.

Paolo de Cesare, the CEO of luxury store Printemps, provided a very interesting perspective: "In the 1970s, we had shoppers from the United States. In the '80s and '90s we had Japanese and in the

early 2000s we had Russians. But for the past six or seven years, Chinese have been the main tourists shopping at Printemps."

For Printemps, forty percent of their sales come from tourists, and over 50% of this tourists demographic is from China.

Britain too has noticed the spending capability of the Chinese and has been exploring strategies to better benefit from the influx of Chinese tourists. They have been successful for the most part, with several stores in London being surrounded by Chinese crowds and expensive items selling out quick.

Experts say: "It is often seen that a Chinese woman buy five luxury handbags and three watches for her family,"

The importance of the Chinese to Britain's economy was once again proven when Global Blue, an establishment which tracks spending of overseas tourists, revealed that Chinese tourists accounted for over 25% of the spending last year.

Gorden Clark, the manager of the UK and Ireland branches of the Global Blue, said: "Retailers across Britain were set to benefit from the influx of international shoppers for Chinese New Year".

In response to the growing influence of Chinese customers, luxury brands have been launching products tailored towards the interests of the Chinese, and also have introduced tax free shopping, cultural training for marketing staff and payments through Chinese credit card UnionPay to further improve the sales figures.

Prestige British department store Harrods has opened a new Chinese restaurant on its fifth floor. The 90-seat eatery serves signature dishes including Peking duck, lotus root and lily bulb in spicy sauce.

All in all, in the modern world, the influence of the Chinese consumer cannot be underestimated, and with it having the most spending power, brands around the world are in a race to attract more Chinese consumers, as these will prove to be the biggest growth points for these companies for the next few years.

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