

Updated Hainan research by m1nd-set shows opportunities

Swiss market research agency m1nd-set has released an updated edition of its Hainan market focus research originally published mid-2021. The updates focus more specifically on the Beauty and Alcohol categories.

This research shows that a significant percentage of shoppers in Hainan do not take advantage of their full duty free allowance, whether shopping in person or with online purchasing combined with home delivery



According to m1nd-set, only 18% of shoppers used the full duty free allowance in Hainan. In total, 24% of shoppers said they had either used or plan to use their leftover duty free allowance online after the trip. Forty-five percent of alcohol shoppers said they had used their full allowance during the trip.

Clara Susset, COO at m1nd-set, suggests the culprit is lack of clear understanding of the allowance and home-delivery details. "Around three-quarters of shoppers did not use their full 100,000 RMB (circa US\$15,500) so there is still a great deal of untapped potential for retailers and brands to reach out to travellers with post-trip marketing campaigns."

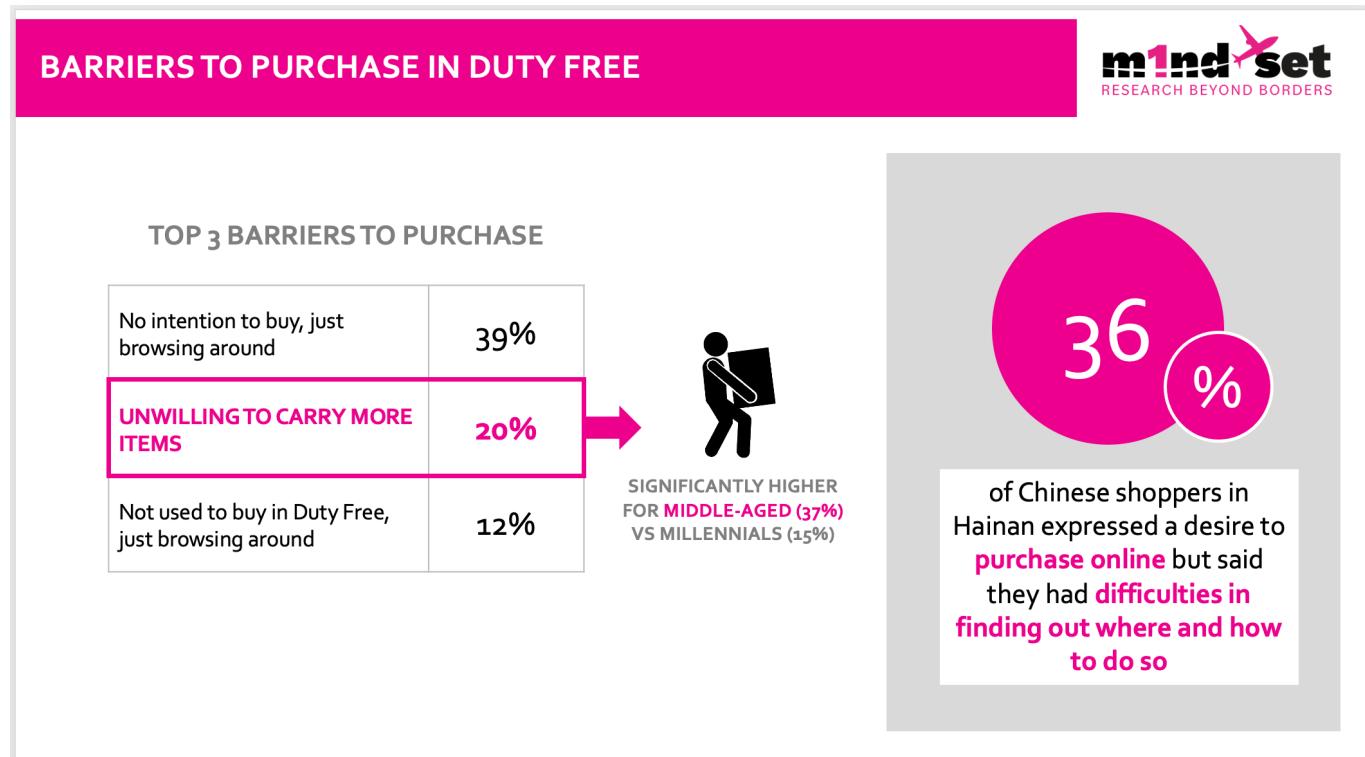
"More than two-thirds (36%) of Chinese shoppers in Hainan expressed a desire to purchase online but said they had difficulties in finding out where and how to do so" she continued.

She goes on to state that brands can help through improved marketing campaigns that address this and encourage shoppers to take full advantage of online shopping and home delivery.

"Communication is key and at a time when duty free sales have fallen across the globe, we must not be complacent and miss out on opportunities such as these in Hainan, where government regulations have enabled the industry to sell to the world's largest consumer market, duty free without having to

travel internationally."

This is especially relevant in Hainan, where more than 20% of travelers who didn't shop said the reason was not wanting to carry more items. For middle-aged travelers that number jumps to 37%.



The research also points to the opportunity presented through exclusives and limited editions. While more than half of shoppers said they had bought new brands or products in Hainan, from 80-90% of shoppers said brand recognition was important, underlining the need for lesser-known brands to invest in customer education and brand-building activities.

"Consumer education is a vital ingredient to successful market entry in Hainan. It's imperative to invest in sales staff education and product training, so they are aware of the brand, its core values and are motivated to promote it to the novelty seeker among Chinese shoppers in Hainan."