Tourism Management

Research Note

Shopping behaviors of individual tourists from the Chinese Mainland to Hong Kong

Tsan-Ming Choi*, Shuk-Ching Liu, Ka-Man Pang, Pui-Sze Chow

Institute of Textiles and Clothing, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong

Received 19 March 2007; accepted 8 July 2007

Abstract

Since 2003, the Hong Kong and the Chinese Mainland (CM) governments have established Individual Visit Scheme (IVS) which simplifies the process for CM people to visit Hong Kong. The resulting tremendous increase of CM tourists affects significantly the Hong Kong fashion retailing industry (HKFRI). In this research note, we study the challenges and opportunities brought by IVS for HKFRI. Recommendations are proposed and managerial findings are developed.

Keywords: Chinese Mainland tourists; Individual visit scheme; Tourism; Shopping behavior

1. Introduction

Since the Chinese abrogation of tour group quotas in 2002 and the introduction of Individual Visit Scheme (IVS) in July 2003, there is a rapid growth in numbers of Chinese Mainland (CM) visitors to Hong Kong which directly led to a rise in the total tourism expenditure associated with inbound tourism. Amongst the 30 CM cities where IVS was launched, residents from Guangzhou, Shenzhen, Shanghai and Beijing were the major visitors traveled to Hong Kong and a key motivation for their visit is shopping (Zhang & Lam, 1999).

To the best of our knowledge, there is little published research done to identify IVS tourists’ shopping preferences and behaviors. In this study, we focus on the shopping behaviors of IVS tourists from Guangzhou, Shenzhen, Shanghai and Beijing for fashion products during their trips to Hong Kong.

In the literature, tourism and its relationship with shopping behaviors have been investigated, and there are many studies trying to define tourism typologies. Under the four-type tourism typology proposed by Littrell et al. (1994) and according to Yuan and McDonald (1990), CM tourists mainly belong to the styles “Ethnic, Arts & People” and “Urban Entertainment”, as they tend to spend a comparatively large proportion of their time on fashion shopping during the trips. Besides, they enjoy having interactions with salespeople, particularly those having rich product knowledge.

Huang and Hsu (2005) summarize the motivations of CM travelers visiting Hong Kong and shopping is found to be a prominent push factor. On the other hand, they also reveal that time, language barrier and complexity of getting travel documents are some inhibitors for CM tourists to visit Hong Kong.

It is necessary for us to have a better understanding of how the Chinese culture affects CM travelers’ behaviors. According to the theory of Hofstede’s cultural dimensions (Hofstede, 1980), China can be defined as long power distance, collective, masculine, and with high degree of uncertainty avoidance.

In the study of Mehta, Lalwani, and Ping (2001), Asian consumers are found to be less individualistic and adhere more to social norms. Thus, the degree of consumers’ susceptibility to reference group influence tends to be high when compared to the westerners. Hsu, Kang, and Lam (2006) study the reference group influence power of CM...
tourists. Their result reveals that friends, relatives, and reference groups would affect the decision making of CM travelers most. This behavior would be largely attributed to the fact that China is a collective society. The group-oriented behavior of CM people is also revealed in the literature (e.g., Mok & DeFranco, 1999).

Based on the in-store shopping experience construct (ISSEC) developed in Terblanche and Boshoff (2003), we explore in this research note the five dimensions in ISSEC (namely, personal interaction, merchandise value, internal store environment, merchandise variety and assortment, and complaint handling) which would influence the IVS visitors’ purchasing behaviors for fashion products. We will compare our findings with the literature and recommendations are given.

2. Methodology and general findings

A face-to-face street intercept survey was carried out. The target group was IVS tourists and the survey was conducted at four locations. A random sampling was adopted to select the target respondents for the questionnaire survey. When a target respondent was selected, we would ask to ensure that s/he belongs to the target group. A total of 136 successful responses were achieved. The questionnaire is divided into three parts, with Part 1 designed to get the general data on shopping pattern, Part 2 with reference to Terblanche and Boshoff’s (2003) ISSEC model, and Part 3 for demographic data. Statistical analyses, including hypothesis tests, are conducted. Details are available upon request. Some of the general findings are presented as follows.

2.1. Spending

Nearly half (43.8%) of the respondents claimed that their spending on fashion products is around RMB 1000–1999, which is substantial with respect to the income level in CM.

2.2. Shopping pattern

Department stores are ranked first, followed by clothing chain stores, as IVS visitors’ favorite types of fashion retailers. It is consistent with CM consumers’ shopping pattern in their home country.

2.3. Shopping destinations

Our findings show that the most popular shopping destinations are areas with high accessibility. Since IVS tourists are not too familiar with the places in Hong Kong, transportation convenience around shopping areas is very crucial. Another interesting finding is that IVS tourists are interested in both branded and non-branded fashion products because some of these popular shopping destinations are places with big name brands while some are devoted to low-price non-branded apparels.

2.4. Brand preference

We find from the survey that the four most well-recognized brands for IVS visitors are Giordano, Espirit, Baleno, and Bossini. The high awareness of these brands is probably related to their well-developed retail networks and branding schemes in CM. On the other hand, the four most popular international prestigious brands are Louis Vuitton, Gucci, Burberry, and Christian Dior. One common feature of these brands is their long histories and reputations in the fashion market.

2.5. Tendency to purchase new brands

When CM tourists travel to Hong Kong, they have relatively little information about the price and product. Due to their risk-averse attitude (Zhou, Su, & Bao, 2002), they would hesitate in purchasing unknown brands. Surprisingly, our study shows that majority of IVS tourists (78.5%) are willing to purchase unknown brands. Feedbacks from these tourists indicate that the effort by the Hong Kong Tourism Board (HKTB) has successfully strengthened their trust of products sold in Hong Kong.

2.6. Decision-making style

Our survey reveals that IVS tourists would make their own purchase decisions most frequently; whilst in some cases, they would listen to their friends’ or family’s opinions. According to Hsu et al. (2006), CM residents in their home market depend heavily on the information available in the marketplace and salespeople’s recommendations. Our result is hence interesting because IVS tourists show different behaviors in Hong Kong from in CM. Reasons for such difference are the language barrier (a lot of Hong Kong salespeople cannot speak Putonghua), the high education level of the respondents under this study and the risk-avoidance attitude of CM tourists in a new environment. As a remark, such difference is consistent with the literature (see Oh, Cheng, Lehto, & O’Leary, 2004).

Next, we are interested in exploring whether there is a significant difference in the in-store shopping experience among IVS tourists from the four major cities (FMC): Beijing, Guangzhou, Shanghai and Shenzhen. The dimensions under investigation include “product attributes”, “in-store shopping environment”, “salesperson service”, and “store policy”.

2.7. Product attributes

Our findings show that the most important entity in product attributes to IVS tourists is the price, followed by suitable size, style and cutting. This result differs in part
from Leung, Ho, Poon, Tsang, and Yau (2003) where style is found to be the prime consideration. However, our finding is consistent with the proposition made in Choi (2002) in which tourists are found to be more concerned about the price and the product value. A significant difference was observed amongst FMC tourists on the factors of “product attributes”. The findings support the results in Leung et al. (2003) that tourists from Beijing, Guangzhou, and Shenzhen show a relatively high rating on well-cutting, while Shanghai tourists put brand-image as a more important factor in making their purchasing decisions.

2.8. In-store shopping environment

Contrary to “product attributes”, the influence of in-store shopping environment to IVS tourists’ purchasing decision is relatively low. It can be explained by the different fashion culture between Hong Kong and CM, for which Hong Kong people emphasize more heavily on brand-image. Besides, as brand-image is viewed as the least important product attribute among the others, it is not surprising that IVS tourists view store environment, an element of brand-image, as unimportant. Moreover, it is interesting to observe that tourists from the north are more conscious of in-store environment than those from the south. In particular, it was found that Shanghai’s IVS tourists put more emphasis on the in-store environment while Shenzhen’s counterparts put much less emphasis.

2.9. Sales service

Our findings show that sales service is an important factor influencing IVS tourists’ purchasing decisions on fashion products, which is consistent with the strategies adopted by HKTB to strongly promote Hong Kong as a place with high-quality sales services. Therefore, IVS tourists would have a high expectation to get quality service in Hong Kong. Moreover, the shopping motives of many IVS tourists include buying what they want and obtaining information. Owing to the tight time schedule, many IVS tourists would depend greatly on salespeople’s assistance. Our survey data show no significant difference amongst FMC tourists on their perception to the importance of sales service. It is quite understandable as all IVS tourists have been well-informed by HKTB’s promotion materials about the sales service quality in Hong Kong.

2.10. Store policy

Amongst the five factors for store policy under study, namely: product return/exchange policy, after-sales services, payment methods, opening hour and complaint handling, the last two are the least important factors in IVS tourists’ minds. An explanation is that IVS tourists have a fewer chance to get in touch with these two policies. It is interesting to observe that there is a significant difference among FMC residents on product return/exchange policy and payment methods, whereas they show no significant difference on other factors. Essentially, we can see that Shanghai’s IVS tourists pay more attention to the product return/exchange policy and payment methods than the others. On the one hand, they are more knowledgeable about consumer rights as the retailing industry is relatively more well-established and service-oriented there. On the other hand, Shanghai is also a financial hub in CM with which residents there are more experienced in using a large variety of payment methods in shopping.

3. Recommendations

As suggested by Timothy (2005), the most common ways of catering to the needs of foreign visitors include using the language(s) of the primary markets, providing currency conversion services, and being sensitive to the specific cultural norms and customs of foreign visitors. Similar approaches can be adopted to facilitate IVS tourists’ shopping in Hong Kong.

3.1. Enhancing communications

Unlike findings in some literature review, ours show that CM tourists are less dependent on salespeople’s advice and points-of-purchase (POPs) information in making their purchasing decisions. Communication barrier is a reason for this as reflected by some IVS respondents. It is thus suggested that fashion brands targeting IVS tourists should put more efforts on enhancing Putonghua fluency of their sales-floor staff. Besides, the POPs in the stores should provide information in simplified-Chinese so as to stimulate IVS tourists’ purchasing intention as they can read the POPs and understand key promotion campaigns. HKTB could also provide some simplified-Chinese translations of those commonly used traditional Chinese/Cantonese terms in their leaflets for IVS tourists’ easy reference. By doing so, effective communication and useful information can be delivered to IVS tourists.

3.2. Developing promotional campaigns

According to our findings on product attributes, IVS visitors are price-conscious. They would be attracted by appropriate promotional activities (e.g. discounting week). Since a lot of IVS tourists will visit Hong Kong during the festival seasons like the National Day Golden Week, HKTB can cooperate with Hong Kong fashion retailing industry (HKFRI) to organize promotional programs to further attract these IVS visitors and stimulate their purchases. According to the survey conducted by Hong Kong Trade Development Council (HKTDC) in 2002, it is found that (i) offering discount, (ii) offering free gift, and (iii) conducting TV/outdoor/Internet advertisements are the three major and most influential promotional channels
for residents in Beijing, Shanghai, Dalian and Guangzhou. Therefore, we suggest HKFRI to adopt similar approaches for their promotion scheme. They can also issue cash coupons for IVS visitors exclusively to induce their re-purchase during their next visits and foster their brand loyalty. Also, retailers can establish a simplified-Chinese version of their websites to provide more up-to-date information on the promotional activities and products to IVS tourists.

3.3. Promoting Hong Kong as an attractive travel destination

Among the Asian cities, there are numerous travel destinations for CM travelers to choose. In order to differentiate Hong Kong from the counterparts, destination branding (Ritchie & Ritchie, 1998) should be adopted to promote Hong Kong (Morgan, Pritchard, & Pride, 2002). This is especially important as the degree of similarity between cities is increasing (e.g., most cities claim to have five-star hotels, unique culture, and an excellent service-oriented tourism industry). In order to establish a competitive edge in destination branding, favorable factors for Hong Kong to attract CM tourists such as geographic advantage, cultural similarity and difference, travel and living convenience, safety, and special benefits to CM tourists should all be strengthened.

4. Summary and conclusions

We have explored in this research note several shopping preferences of IVS tourists. We have identified their favorite shopping store-types for fashion products. The shopping destinations where most tourists would visit during their trips are also found. Besides, we have observed that IVS tourists are willing to purchase fashion brands that are new to them in Hong Kong. This partially reveals their high confidence towards Hong Kong’s products and brands, which is probably a result from the promotional efforts of HKTB. Regarding their decision making style, our results indicate that IVS tourists would mainly make their purchasing decisions based on their own thought. Only occasionally would they listen to peers’ suggestions in making a purchase decision. It is thus interesting to observe that salesperson’s opinions (P.S.: NOT sales services) and in-store product information are insignificant in affecting their decision-making. We argue that this finding is partially due to the difficulty in communication such as the language barrier and partially because tourists are more skeptical when they are not in their home place. Among the four dimensions of the in-store shopping experience, product attributes and sales services are weighted as the two most important factors influencing tourists’ purchasing decision. In particular, price and suitable size are the two most significant factors about product attributes. More interestingly, we find that there are significant differences in many areas among the preferences of IVS tourists from Beijing, Guangzhou, Shanghai, and Shenzhen, in terms of product attributes, in-store environment, and store policy. In particular, Shanghai tourists are most concerned about in-store environment and product return/exchange policy compared to their counterparts.

We believe that this study has identified many important features of the shopping behaviors of IVS tourists. These findings are useful for both HKTB and HKFRI in understanding more about the needs and thought of this group of tourists. This is especially important for HKTB and HKFRI to provide more tailor-fit services and promotion activities to tourists from different places in CM.
Appendix A

**QUESTIONNAIRE**

No: __________________

This questionnaire aims at investigating the shopping behavior of the individual tourists from the mainland China. This questionnaire is separated into three parts. All information collected will only be used for academic purpose only. Thanks for spending time on finishing this questionnaire!

**Part One: Shopping Pattern**

1. When shopping during the trip, what is your favorite store type? (Please tick one only)

   □ 1 Department Store □ 2 Fashion Chain Store □ 3 Individual Shop in Shopping Mall □ 4 Individual Shop on street

   □ 5 Hypermarket □ 6 Duty Free Shop □ 7 Others: (please specify) __________________

2. Where have you shopped or planned to shop? (You may tick more than one)

   □ 1 Park Lane □ 2 Pacific Place □ 3 Times Square □ 4 Festival Walk

   □ 5 Sogo □ 6 Harbor City □ 7 Langham Place □ 8 Argyle Centre

   □ 9 Grand Century Place □ 10 New Town Plaza □ 11 Others: __________________

3. Which brands have you bought or planned to buy? (You may tick more than one)

   □ 1 Baleno □ 2 Bossini □ 3 Burberry □ 4 Calvin Klein

   □ 5 Christian Dior □ 6 Crocodile □ 7 DKNY □ 8 Elle

   □ 9 Episode □ 10 Esprit □ 11 G2000 □ 12 Giordano

   □ 13 Giorgio Armani □ 14 Goldlion □ 15 Gucci □ 16 Levi’s

   □ 17 Louis Vuitton □ 18 Michel Rene □ 19 Montagut □ 20 Pierre Cardin

   □ 21 Ralph Lauren □ 22 Prada □ 23 Tommy Hilfiger □ 24 U2

   □ 25 Valentino □ 26 Versace □ 27 YSL □ 28 Chicks

   □ 29 Others: ____________________________ □ 30 No preference

4. Did you make any information search of the products before visiting Hong Kong?

   □ Yes: (Please Specify) □ No

5. Will you buy products of the brands which you have never heard of?
   ☐ 1 Yes
   ☐ 2 No

6. How many days will you stay in Hong Kong?
   ☐ 1 day
   ☐ 2 2 days
   ☐ 3 3 days
   ☐ 4 4 days
   ☐ 5 5 days or above

7. How many days will you spend on shopping?
   ☐ 1 day
   ☐ 2 2 days
   ☐ 3 3 days
   ☐ 4 4 days
   ☐ 5 5 days or above

8. Which is your major payment method? (Please tick one only)
   ☐ 1 HK Dollars
   ☐ 2 RMB
   ☐ 3 Credit Card

9. How much will you spend on purchasing fashion products?
   ☐ 1 Below ¥ 1,000
   ☐ 2 ¥ 1,000 - ¥ 2,000
   ☐ 3 ¥ 2,000 - ¥ 3,000
   ☐ 4 ¥ 3,000 - ¥ 4,000
   ☐ 5 ¥ 4,000 - ¥ 5,000
   ☐ 6 ¥ 5,000 or above

10. How will you make your purchase decision during the trip?

<table>
<thead>
<tr>
<th></th>
<th>Seldom</th>
<th>Sometimes</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Based on Own Opinion</td>
<td>☐ 1</td>
<td>☐ 2</td>
<td>☐ 3</td>
</tr>
<tr>
<td>2. Based on Friends’ / Relatives’ Opinions</td>
<td>☐ 1</td>
<td>☐ 2</td>
<td>☐ 3</td>
</tr>
<tr>
<td>3. Based on Salesperson’s Opinion</td>
<td>☐ 1</td>
<td>☐ 2</td>
<td>☐ 3</td>
</tr>
<tr>
<td>4. Based on In-Store Product Information</td>
<td>☐ 1</td>
<td>☐ 2</td>
<td>☐ 3</td>
</tr>
</tbody>
</table>
**Part Two: In-Store Shopping Experience**

Please choose the most suitable number to reflect the importance of the factors influencing your purchase decision on fashion products.

### A. Product Attributes

<table>
<thead>
<tr>
<th></th>
<th>Very Important</th>
<th>Unimportant</th>
<th>Fair</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fashionable Style</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>2. Cutting</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>3. Price</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>4. Brand Image</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>5. Material / Quality</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>6. Suitable Size</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
</tbody>
</table>

### B. In-Store Shopping Environment

<table>
<thead>
<tr>
<th></th>
<th>Very Important</th>
<th>Unimportant</th>
<th>Fair</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Window Display / In-Store Decoration</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>2. Merchandise Display</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>3. In-Store Physical Facilities (Fitting Room)</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>4. In-Store Materials (Shopping Bags, Promotional Materials)</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>5. In-Store Merchandise Information (Product Posters…)</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
</tbody>
</table>
C. Salesperson Service

<table>
<thead>
<tr>
<th></th>
<th>Very Unimportant</th>
<th>Unimportant</th>
<th>Fair</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salesperson Appearance</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>2. Salesperson Service Attitude</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>3. Initiative of Salesperson</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>4. Product Knowledge of Salesperson</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
</tbody>
</table>

D. Store Policy

<table>
<thead>
<tr>
<th></th>
<th>Very Unimportant</th>
<th>Unimportant</th>
<th>Fair</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Opening Hours</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>2. Product Return / Exchange Policy</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>3. After-sales Services (Free alternations...)</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>4. Payment Methods</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
<tr>
<td>5. Complaint Handling Methods</td>
<td>□₁</td>
<td>□₂</td>
<td>□₃</td>
<td>□₄</td>
<td>□₅</td>
</tr>
</tbody>
</table>

**Part Three: Background Information**

1. Cities of Origin

2. Age

   - □₁ 20 or below
   - □₂ 21–30
   - □₃ 31–40
   - □₄ 41–50
   - □₅ 51–60
   - □₆ 61–70
   - □₇ 71 or above
Appendix B. Supplementary materials

Supplementary data associated with this article can be found in the online version at doi:10.1016/j.tourman.2007.07.009.

References


