

## YOUR FORESIGHT IN PREPARING FOR SINGAPORE'S REOPENING OF BORDERS



*"With Affluent and Frequent shoppers set to return to the stores first, it is important that retailers are ready to welcome these valuable shoppers and can accommodate a particular set of needs that have emerged from the pandemic. Online-to-offline solutions, limited social interaction and exceptional hygiene are key.*

*It is highly encouraging to see a strong desire to travel amongst international shoppers. Although we are still amid the Covid-19 crisis, we hope that these findings along with the news of an effective vaccine and the opening of travel corridors, particularly in Asia Pacific, signal a healthy restart to the international shopping industry in 2021."*

Mathieu Grac, VP Intelligence at Global Blue

## A FOREWORD

In Global Blue's recent quarterly Observatory report of insider Tax Free Shopping news, the Tourist Shopper is eager to return to their travel lifestyle.

This newsletter will provide a breakdown of this finding from the willingness assessment of the Tourist to travel and spend by the different Shopper demographics (Elite, Frequent, Infrequent).

In addition, Global Blue will share on the Tourist nationalities the different regions can anticipate in their stores, after borders have reopened.

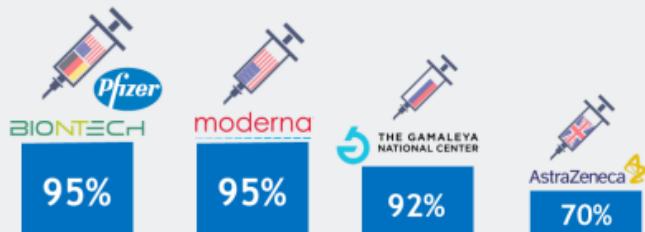
Global Blue's latest research and analysis revealed that 66% of Tourists are willing to travel in the next month, should border restrictions be lifted. This figure was up from 50% in June 2020.

The light to the end of the 2020 tunnel is in sight as the world inches towards a cure for COVID19; the pandemic that plagued us for the past year.

## Vaccine Race: and the winner is...

*Global Blue Observatory - November 2020*

### #1 Top 4 vaccines in terms of efficacy



### #2 Particularities of each vaccine

	STATUS	CAPACITIES
Pfizer/BioNTech	» Phase 3 completed	1.3 Bn doses/year
moderna	» In clinical phase 3	1.0 Bn doses/year
THE GAMALEYA NATIONAL CENTER	» Approved locally or for emergency use	<0.1 Bn doses/year
AstraZeneca	» In clinical phase 3	3.0 Bn doses/year

Based on information available on November 24, 2020



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With that, too, the restlessness in the avid Traveller of post-COVID times, is anticipated to increase.

## Understand the growing desire for international travel

Global Blue Observatory - November 2020

### #1 An increasing appetite for overseas travel



### #2 Affluent & Frequent Travellers: a stronger desire to travel again

Affluent & Frequent travellers willing to travel overseas next month

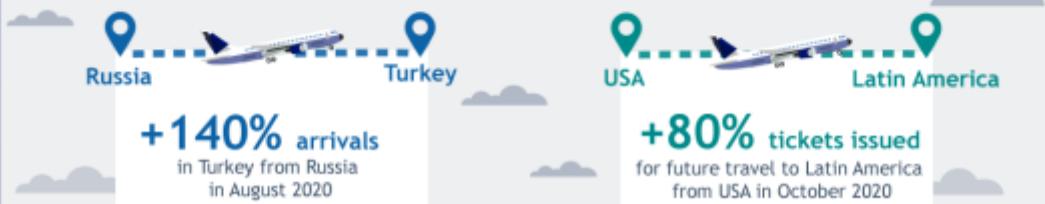


72%  
vs. 66%  
of total  
travellers

- » 99% Russians
- » 92% Gulf Countries
- » 73% Chinese

### #3 2 examples of booking surges thanks to travel corridors

(2020 vs. 2019, same period)



Based on an October Global Blue survey & ForwardKeys data

## WILLINGNESS TO TRAVEL | THE ELITE, FREQUENT AND INFREQUENT SHOPPER'S TAKE

72% of Elite and Frequent Shoppers are the most likely demographic of the International Shoppers to travel soon.

This differs from the Infrequent Shopper's registered interest of 53% in the cohort to travel and shop overseas.

**The Elite Shoppers** are those whose Tax Free Shopping is worth more than 40,000 € over 2 years whilst the **Frequent Shoppers** are categorised to have made more than 3 trips over the same period.

**The Infrequent Shopper** travels only once a year.

## ASIA'S POSSIBLE RECOVERY

The retail landscape across Asia destinations is anticipated to enjoy faster recovery of post-pandemic spend from the spending of the Chinese and South-East Asian Shoppers. This can be attributed to the new travel corridors and lower concentration of COVID-19 cases in the region and gradual easing of travel restrictions.

50% of Chinese Shoppers and 66% of South East Asian Shoppers feel Asian destinations are safer destinations to visit, as opposed to 15% and 25% respectively, for Europe.

Supported by CNBC and the South China Morning Post, this anticipated trend could be due to the fact that borders are being softened thanks to new reciprocal travel agreements. An example would be leisure visitors from Hong Kong can now visit Singapore without quarantine.

As reported by ForwardKeys, the Chinese Shopper's readiness to travel regionally within Asia could be preluded by the recovery of domestic air travel in China - figures are back at 2019 levels since August 2020.

## THE ELITE AND FREQUENT SHOPPER'S RETURN TO ASIA

For a second consecutive quarter, these Shopper demographics have shown the strongest desire to return to lifestyle of travel and luxury shopping, with 72% indicating they would travel when quarantines are lifted, an increase of 5pts from July 2020.

This figure grew to 73% amongst the same Shopper demographics of the Chinese, 92% amongst the Elite and Frequent Shoppers of Gulf Cooperation Council (GCC) with 100% registered by the Russian International Shoppers.

Retailers can anticipate good sales if these Shopper nationalities are carefully received when they make their way in-store for their shopping therapy.

**The GCC Shoppers** comprise the Tourists from Saudi Arabia, Kuwait, UAE and Qatar.

**The Chinese Shoppers** comprise Tourists deriving from Continental China, Taiwan, Hong Kong and Macao.

## THE TOURIST'S RETURN TO EUROPE

Conversely, the American and Russian Shoppers are anticipated to be the initial fuel for Europe's recovery because, 65% and 50% respectively, perceive European destinations to be safe.

With the American Shopper's perception of European destinations being comparatively safer, coupled with consistently high desire to travel, Europe can leverage from these nationalities' spend. This is exemplified by the level of arrivals to Latin America - mostly to Mexico from United states which, thanks to softer border restrictions, reached almost 80% of pre-COVID levels, in October 2020.

The Russian Shopper's appetite to visit European destinations is highlighted by the 5.2% year-on-year increase in flight bookings to Turkey in early August 2020. This was just after the Turkey-Russia travel corridor was established.