



HONG KONG SHOPPING PARADISE: WHAT'S THE NEW NAME OF THE GAME?

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While some people choose to spend their holiday season on the beach of Kata in Thailand, the ski resorts of Yongpyong in Korea, or other popular tourist destinations, many tourists from Mainland China choose to flock to Hong Kong, gathering at popular shopping places like Causeway Bay, Tsim Sha Tsui and Mongkok, and also not-so-popular places, like the corner drug stores & supermarkets.

Mainland Chinese, like Ju Wei, the owner of an advertising company in the northwestern Gansu province, make a 1,800 kilometer trek to Hong Kong at least six times a year. Reason? Shopping - just that simple.

All signs and statistics have been pointing to the strong growth of Chinese tourist spending. The Chinese departures for vacation purposes may reach 130 million in 2015 from almost 50 million last year, according to the research from Frederic Neumann and Song-yi Kim, economists for HSBC Holdings Plc. Spending by mainland Chinese overseas travelers may grow to more than US\$110 billion from US\$43 billion, they said. Between US\$80 billion and US\$100 billion will be spent in Asia, according to the report.

We all know the Chinese have incredible spending power, and the appreciation of the Yuan helps quite a lot, too. The much easier travel access to the rest of the world helps as well.

It is not that Hong Kong has no competition as far as shopping destinations are concerned. You don't have to look far. Macao, which is only one hour away by hydrofoil, for instance, is boosting its shopping industry thanks to its very strong entertainment base – the casinos. Singapore has also been getting a big share of the Chinese big spenders with attractive tourist spots such as the new Universal Studios

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entertainment park, "Singapore Eye" (the official name of which is Singapore Flyer), and, that's right, Marina Bay Sands casino.

Competition comes from within Mainland China as well. Hainan province declared its intention to transform itself into what the media called another "shopping paradise" to rival Hong Kong by providing tax rebate. As everyone has seen how the Chinese hosted the 2008 Olympics and 2010 World Expo, nobody doubts their capacity to build as many shopping malls over a short time when called upon.

Still coming to Hong Kong to shop? What's the new name of the game?

For one thing, Hong Kong may still have some price advantage over other competing cities, but Hong Kong in the region. Think about places like Thailand, Malaysia and even Mainland China, which offer good prices, too. Yet there is something else.

Hong Kong does have the reputation for service and efficiency unrivalled in the region. Of course, you can expect even better service in Tokyo. There is still a long way to go before Hong Kong can match the attentiveness of Japanese retailers. But Hong Kong shop attendants are at least mostly polite and sometimes friendly. Furthermore, non-Japanese speaking tourists sometimes find the language barrier too tiresome (similar experience in Korea also). And, of course, prices in Tokyo are not to be taken lightly.

Well, Hong Kong is a shopping paradise for mainland shoppers for a special reason.

For Ju Wei, "Hong Kong is an international city, and the shopping atmosphere and

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environment is fantastic". She carries a shopping list from her friends in Lanzhou. "The stuff in Hong Kong has higher quality, and it is so cheap."

Higher quality? Yes, that is one major reason that brings these mainlanders to Hong Kong.

We are talking not just about the luxury brands. Isn't a Louis Vuitton handbag in Hong Kong the same as getting it from Shenzhen? Some might say "no".

The same goes for just about everything else, including items such as bottled water, pocket tissues, baby milk powders, salt, vinegar, sugar and soya sauce, even if it is a local China brand. Some serious concerns about the authenticity of branded products in China have been raised quite too often and fake or counterfeit products continue to proliferate in the Mainland.

Imagine how difficult it is to shop while having to be suspicious of anything, even an egg?

Some mainland people, to put it in a very subtle way, have lost some of their confidence in buying things up there, especially when they want to buy technology products such as mobile phones & computers, jewelry such as gold bracelets & diamond rings, and personal care products, such as medicine & cosmetics.

Consumers have great difficulty distinguishing between what's genuine and what's not. List price is never a good indicator, and the consequence of taking a fake item can be very lethal and life threatening and not just losing a few dollars here and there.

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For their hard-earned money, and more importantly, their health and their life (and their loved ones), they prefer to buy from places they can trust.

So, for all you salespeople out there, what have you learnt in this New Year and the first sales ezine of 2011? Perhaps like Hong Kong, you become that person who can match and deliver what the buyers are expecting, and the new name of the game is TRUST!

... and that's exactly what the Chinese mainlanders, including Ju Wei (and all other buyers and consumers of the world) are giving their vote of confidence to.



William is a senior veteran in the business world, also helped to attract and confirm investors to set up overseas companies; and was involved in a few merger and acquisitions throughout his career. He earned his stripes through his practical experience in the actual market.

He is keen to help and coach companies to explore their own potential, understand their core competence, and ride through the adversity of the economy. He is especially interested in situation where companies have to deal with constant changes, new market developments, multicultural environments, fierce competitions, and leadership development, particularly in sales. His expertise lies in building and managing sales and marketing teams, key account management, tactical negotiation and closing deals, forming alliances and partnerships through training and coaching within the organization to develop a sales- and subsequently results-oriented culture.

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