

WTTC launches the power of Retail Tourism

- A Monitor Desk Report

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Singapore : The World Travel & Tourism Council (WTTC) has launched “Global Retail Tourism: Trends and Insights”, a report set to change how we think about shopping tourism.

The joint research between WTTC and the Hospitality & Tourism Research Centre of The Hong Kong Polytechnic University, in collaboration with The Bicester Collection, was published during a recent event which took place at La Roca Village, part of The Bicester Collection in Barcelona, Spain, to coincide with the Village’s 25th anniversary.

In 2019, retail tourism represented a substantial USD178 billion, comprising 6% of the Travel & Tourism sector’s value and exceeding 15pc in some destinations. Despite this significant boost to economies globally, it has historically been under-researched, leading to a lack of critical data for strategic foresight.

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The latest WTTC report addresses this gap, offering insights into travellers’ shopping habits, including visits to out-of-town retail destinations, and highlights emerging trends such as sustainable retail.

The report sheds light on the immense untapped potential of retail tourism for both destinations and businesses. The shopping segment began to recover from the Covid-19 pandemic in most markets in 2021, with the Americas and Europe leading the way. Demonstrating remarkable growth, it outpaced overall economies in almost all markets pre-pandemic, showcasing its resilience and future growth prospects.

Retail tourism is playing a pivotal role in the recovery of the Travel & Tourism sector, which saw inbound tourism revenues surging by 82pc in 2022. Shopping is no longer just a leisure activity; it shapes travel decisions, enhances destination appeal, boosts foreign exchange earnings, and supports local brands and products.

The report highlights emerging themes, including ‘retailtainment’ – the fusion of retail and entertainment – to incentivise shopping and enhance the customer’s experience.

WTTC president & CEO Julia Simpson said: “Retail tourism is no longer just about buying souvenirs; it’s a driving force behind the recovery of the Travel & Tourism sector, contributing significantly to revenue, job creation, and overall economic growth.

“This report underscores the untapped potential of retail tourism and the need for stakeholders across the Travel & Tourism sector to adapt to changing traveller preferences. Travellers are looking for authentic brands that capture the culture and uniqueness of their destination and luxury brands in a luxurious setting.

The report provides valuable insights into today’s shopping tourists’ spending patterns and preferences. It underscores the merging of experiential tourism with shopping, meeting the demands of retail tourists.

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While high-street shops remain popular shopping destinations, out-of-town retail is also gaining popularity, with around one-third of survey respondents reporting visits to such destinations. Additionally, online shopping complements rather than substitutes traditional retail experiences.

It also offers valuable recommendations for stakeholders in retail tourism, guiding how to navigate these emerging trends successfully.

While the future of retail tourism looks positive, it’s essential to acknowledge and address certain obstacles, including challenges related to labour laws and the impact of tax-free shopping policies.

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