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Luxury shopping abroad: What do Chinese tourists look for?

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Abstract

Considering rapid economic development, rising household income, and the emergence of middle-class consumers in mainland China, a growing number of Chinese consumers are traveling to other countries and regions for tourism and shopping. Studies have shown that Chinese customers often express intentions to engage in luxury shopping, driven by factors such as brand consciousness, social comparison, and innovative fashion (Zhang and Kim, 2013). Although the trend of Chinese outbound tourism aimed at luxury shopping continues to expand, little is known about Chinese luxury shoppers' behavior when abroad. This study attempts to investigate Chinese luxury shoppers' preferences in shopping destinations, relevant attributes of preferred luxury shopping destinations, and potential underlying dimensions among identified attributes. Results revealed an attribute list comprising 3 dimensions (human touch, prestige, and good value) and 17 items. These findings reflect Chinese luxury shoppers' concerns and preferences about shopping overseas. Implications and future research directions are also discussed.

Keywords: luxury shopping, destination attributes, shopping tourism

Highlights

- This study investigates destination attributes, taking luxury shopping as a major travel motivation.
- This study details a measurement scale measuring the attributes of Chinese tourists' preferred destinations for luxury shopping.
- The instrument incorporates three dimensions: human touch, prestige, and good value.
- Human touch appears to be the most important aspect of luxury shopping destination attributes for Chinese travelers, followed by prestige and good value.

Introduction

Mainland China's swift economic development, ballooning household income, and emergence of middle-class consumers has led more Chinese to visit various countries and regions for tourism. According to the Ministry of Culture and Tourism, PRC (2019), 149.7 million Chinese tourists traveled overseas in 2018, a 14.7% increase over 2017. Along with the growing popularity of outbound tourism, Chinese tourists' spending power in overseas destinations is notably disproportionate to their income in many cases (Dai, Jiang, Yang, and Ma, 2017). According to Dai et al. (2017), Chinese tourists spend most of their money on shopping; in some destinations, such spending can constitute as much as 70.4% of tourists' total trip expenditure. The high proportion of spending allocated to shopping overseas may be due to "*daigou*" (buying items for third parties), gift-giving, lower taxes, and brands' pricing policies.

Studies have shown that Chinese consumers express great intentions to engage in luxury shopping, driven by factors such as brand consciousness, social comparison, and innovative fashion (Zhang and Kim, 2013). Mainland Chinese consumers' buying power has attracted considerable research attention; some scholars have even claimed that China now dictates the fortunes of luxury firms (e.g., PwC HK, 2017). Despite a slowing economy, Chinese shoppers' demands for luxury remain robust: in 2018, Chinese shoppers were responsible for one-third of all luxury spending worldwide (McKinsey & Company, 2019).

Chinese outbound tourism and luxury shopping continue to expand, and Chinese luxury shoppers have gradually become a target segment for many overseas tourism destinations. Even so, little is known about these shoppers' behavior when abroad. For example, in terms of luxury shopping destinations, which attributes do Chinese tourists consider? Among all luxury shopping destinations, why do Chinese tourists prefer some over others? Answers to these questions should provide valuable insight for marketers of tourism and luxury retailing companies seeking to target the Chinese market.

This study attempts to investigate Chinese luxury shoppers' preferences for shopping destinations, relevant attributes of their preferred destinations, and potential underlying dimensions of identified attributes. More importantly, this research aims to generate a measurement scale to promote further investigation. Our findings offer important implications for marketers in luxury shopping destinations and related sectors.

Literature Review

1. Shopping tourism and luxury shopping

Shopping is an important element of tourism (Kinley, Kim, and Forney, 2002; Choi, Heo, and Law, 2016) that serves as a prime motivation for some travelers (Timothy, 2005). Shopping is also a major destination attraction (Moscardo, 2004) and can effectively increase tourists' destination spending in addition to extending their stays (Choi, Heo, and Law, 2016). For example, Zaidan (2015) noted that Dubai's mega shopping malls have become urban attractions that positively shape the city's destination image and spur its tourism industry. Shopping tourists purchase a range of products from destinations to fulfill expressive motives (e.g., relaxation, escape, social networks, and status) and instrumental motives (i.e., to acquire travel-associated necessities, to meet social/cultural obligations around souvenirs, and to experience local culture) (Moscardo, 2004). Yet many travelers do not shop in tourism destinations simply for the sake of shopping; rather, this behavior helps them understand local culture and engage in diverse tourism activities (Choi, Heo, and Law, 2016). Shopping has also become an essential activity for Chinese tourists traveling abroad (Zhu, Xu, and Jiang, 2016). Indeed, Zhu et al. (2016) identified shopping as the most important itinerary component for some Chinese tourists visiting Europe.

Given the documented significance of shopping in tourism, increasing integration has been noted between shopping and other tourism destination activities. For instance, Rovai (2016) pointed out that destinations worldwide are trying to create different shopping venues where patrons can engage in tourist activities while shopping. Destinations may even be more appealing if they offer different shopping areas. Bu, Durand-Servoing, and Kim (2017) also noticed a higher level of integration between shopping and other tourist activities.

Recent years have seen an increase in luxury shopping, with the luxury market becoming a large and lucrative segment of the tourism and retail industries (e.g., Park, Reisinger, and Noh, 2010). The term "luxury," as in "luxury shopping," may have different meanings for different people. To some, the term may convey superior quality, uniqueness, exclusivity, or aesthetics (e.g., Park and Reisinger, 2009); for others, "luxury" denotes a sense of prestige often associated with social status (e.g., Park and Reisinger, 2009; Correia, Kozak, and Kim, 2018; Zhan and He, 2012) and a desire to conform (Correia et al., 2018; Zhan and He, 2012). Essentially, "luxury" is the precise opposite of ordinary or utilitarian shopping. Timothy (2005) further distinguished between utilitarian shopping and leisure/hedonic shopping, stating that the former is associated with terms such as "functional," "economic," and "convenience." This type of shopping is often laborious, fulfills unavoidable needs, and tends to be efficient and direct. Conversely, leisure/hedonic shopping is more enjoyable and centered on experiences. It serves as a medium for social interactions, and shoppers may be more influenced by their environment, available amenities, and other factors. In other words, luxury shoppers consider products as well as features far beyond tangible items themselves (Park and Reisinger, 2009).

The concept of "luxury" continues to evolve over time; what is deemed luxurious today may become ordinary tomorrow. Perceptions of luxury can also vary culturally (Park and Reisinger, 2009), individually, or nationally: what is "luxurious" for one person or culture may not be so for another. The origin or purchase place of a product, especially for products that are not produced or commonly sold elsewhere, constitutes a key attribute of the luxury products consumers purchase. Other than pursuing luxury products, an emerging trend involves Chinese consumers indulging in luxury experiences such as hotels/resorts, spas, and travel (Bain & Company, 2015). Shopping has thus become an important tourism purpose for many travelers, especially those going abroad; an estimated 70% of luxury shopping occurs overseas (McKinsey & Company, 2019).

2. Shopping venues and destinations – Attributes and satisfaction

Prior studies have aimed to identify attributes contributing to various dimensions of shoppers' satisfaction (e.g., shopping venues and destinations) in hopes of facilitating more effective marketing practices. Regarding shopping venues, the World Tourism Cities Federation (2018) reported that Chinese outbound tourists prefer to shop at large department stores/shopping centers, duty-free shops, and shopping streets. At most of these shopping venues, attributes such as a convenient location, pleasant atmosphere with friendly staff, clean and safe environment, and engaging surroundings with basic amenities (e.g., comfortable seating) are important (Kinley et al., 2002). Wong and Wan (2013) attempted to develop a measurement scale of tourists' shopping satisfaction, ultimately generating a 4-factor scale consisting of service product and environment, merchandise value, staff service quality, and service differentiation. Wong and Law (2003) compared tourists' perceptions with their personal shopping experiences in Hong Kong; pertinent considerations for tourists included service quality as well as the quality, variety, and cost of goods.

At the destination level, a handful of studies have shed light on pertinent attributes for shopping tourists. For instance, in exploring factors that can influence tourists' shopping satisfaction, Wong and Wan (2013) found that visitors' shopping experiences were heavily molded by destination-level attributes; one example is tourism destination facilities, which were found to consist of characteristics such as safety, transportation, location, cleanliness, and scale. Moscardo (2004) revealed that serious shopper tourists tend to be concerned with patronizing "a fashionable place to go," "a well-known place," "a place to talk about at home," and areas with "friendly local people."

Henderson, Chee, Mun, and Lee (2011) took Singapore as their study context and discussed several determinants of its success as a city shopping destination. Primary attributes included shopping opportunities, the shopping environment, goods sold, service quality, and consumer protection. Secondary attributes were related to Singapore as a popular tourism destination, such as the number of international tourist arrivals, tourism infrastructure and attractions, marketing and product development, access, and domestic market activity. Other peripheral factors included the government's stance and policies along with economic and social conditions and trends. Yeung, Wong, and Ko (2004) compared Hong Kong and Singapore as shopping destinations, highlighting the importance of service-related features such as providers' language ability, service attitudes, and service efficiency. Zaidan's (2015) study of Dubai indicated that advantages such as luxury shopping venues, blending shopping with entertainment and leisure elements, high-quality service, tourist-friendly infrastructure, and appealing promotions and bargains have made the city a shopping paradise for tourists. Kemperman, Borgers, and Timmermans (2009) explored tourist behavior in a historic downtown area of Maastricht and found that elements such as shopping supply, accessibility, physical characteristics, and distance can influence tourists' chosen routes.

Lee and Choi (2020) presented a comprehensive discussion of shopping-specific and destination-level attributes. In their case, shopping-specific elements were related to products, prices, service, and the environment. Destination-related characteristics included tourism resources (e.g., culture and climate), infrastructural factors (e.g., accessibility), and government-initiated or political-environment-related factors: affordability (partly based on destinations' tax policies and stable exchange rates), safety (political stability), and government promotion.

In addition, scholars have sought to elucidate the psychological dimensions of tourists' shopping behavior. For example, Choi, Law, and Heo (2016) scrutinized the dimension of trust and its importance in shoppers' behavior when visiting destinations distinct from their usual environment. As consumers often express higher levels of uncertainty when making purchases in a less familiar environment, the perceived risk is higher. Therefore, consumers' degree of trust in a shopping destination is paramount, especially when purchasing expensive products (Choi, Law, and Heo, 2016). While the term "trust" refers to shoppers' subjective perceptions of a destination, it is often associated with destination image. Choi, Law, and Heo (2016) considered factors that influence tourists' attitudes, such as trust toward the destination. They then identified 11 factors, some of which were related to merchandise and others that were related to people and the broader destination environment. Albayrak, Caber, and Çömen (2016) focused on determinants of perceived shopping value in tourism destinations and found that tourists' perceived value can be influenced by factors such as tangibles, staff, and products. The authors also developed a three-dimensional scale of the value construct, consisting of hedonic-enjoy value, hedonic-escapism value, and utilitarian value (Albayrak et al., 2016).

In short, the existing literature on tourism shopping destination has covered a range of attributes: merchandise-related factors on the micro level; destination-environment- and policy-related factors on the macro level; and from more tangible/concrete aspects to less tangible/concrete aspects such as trust and value. However, the current body of knowledge is mostly limited to general tourism shopping; more investigation is needed in terms of specific market segments, such as luxury tourism shopping.

3. Chinese outbound tourists' luxury shopping behavior overseas

Numerous reports focusing on Chinese tourists have unveiled a growing trend of luxury shopping within this market, especially overseas; scholars have therefore set out to better understand this market segment. Demographically, Ngai and Cho (2012) noted that the average age of luxury shoppers in China is relatively lower than in other markets, such as Europe, for several reasons; most Chinese luxury shoppers are younger than 40. The World Tourism Cities Federation (2018) recently pointed out that 56.75% of Chinese outbound tourists were born after the 1980s, 23.18% after the 1990s, and 15.08% after the 1970s, with meager proportions belonging to other age groups. In addition, these groups devote 40–50% of their budget to shopping. McKinsey & Company

(2019) confirmed that post-80s and post-90s shoppers are the main consumers of luxury products as measured in consumer numbers and total spending. McKinsey & Company's (2019) report also pinpointed Chinese young luxury shoppers' characteristics, including strong preferences for fashion and art, greater demands for staff service, and frequent media activity (online and offline). Other demographic features included being well-educated, earning a relatively high income, having enjoyable travel experiences, and being brand-conscious.

Studies have also revealed distinct rationales behind Chinese tourists' hunger for luxury shopping. Correia et al. (2018) examined Chinese tourists in Hong Kong and found their luxury shopping behavior to be heavily driven by social needs such as conformity (i.e., the desire to be accepted by a particular social group or to conform to that group's social norms) and social status (i.e., hopes to improve one's self-esteem or to enhance one's self-concept and earn respect), apart from materialism (i.e., the importance of possession). Ngai and Cho (2012) made similar observations: Chinese luxury shoppers appeared to emphasize collective value and to purchase luxury products to exemplify their success and elevate their social status. Focusing on Chinese middle-class consumers, Zhan and He (2012) identified three psychological traits that these shoppers tend to exhibit when consuming luxury items—value consciousness, susceptibility to normative influence, and the need for uniqueness—which differ somewhat from traits characterizing other markets. Given the above findings, it is not difficult to understand why key opinion leaders hold great influence in China (McKinsey & Company, 2019).

In terms of Chinese shoppers' behavior when traveling abroad, Bu et al. (2017) noticed greater sophistication among wealthy Chinese consumers. For example, Chinese luxury shoppers now care more about brand preeminence (i.e., is the brand globally well-known and recognized?) and "timeless" style. They tend to be impulsive when making purchasing decisions but rely heavily on word of mouth and need reassurance about product authenticity (*ibid*.), hence why Chinese luxury shoppers tend to buy items through official channels such as department stores. This pursuit of authenticity was echoed by Zhu et al. (2016), who examined Chinese tourists' shopping behavior in Europe and underscored the importance of Chinese tourists' trust in products. These tourists tend to demonstrate stronger trust in the quality and genuineness of the products they buy in destinations such as Europe (Zhu et al., 2016). In addition, they are more sensitive to the price differential between luxury products sold in their place of origin and those available overseas (Bu et al., 2017; Zhu et al, 2016).

Overall, shopping is an important component of tourism activities and serves as a major motivation for some tourists. Luxury shopping is on the rise, particularly among Chinese travelers. Studies have provided insight into aspects such as tourists' shopping preferences, satisfaction with shopping, and luxury shopping attitudes and motivation; even so, little remains known about Chinese tourists' luxury shopping behavior overseas. The current study aims to fill this gap.

Methods

In this study, we followed Churchill's (1979) key steps for scale development, including item generation, factor exploration, and scale validation. Item generation involved semi-structured interviews, a panel review, and a pilot study. Factor exploration and scale validation were based on a sample size of 1,200 for exploratory factor analysis (EFA; $n = 600$) and confirmatory factor analysis (CFA; $n = 600$). Validity and reliability were each established.

1. Item generation and instrument design

In-depth interviews were first conducted to develop a list of destination attributes preferred by mainland Chinese luxury shoppers. Thirty mainland Chinese who had traveled overseas and engaged in luxury consumption within the past 12 months participated in interviews. Among them, 12 respondents were recruited in the destination (i.e., Hong Kong) where luxury shopping occurred during travel; 18 were recruited in mainland China and had previously engaged in luxury shopping experiences anywhere in the world. This sampling strategy allowed for a more inclusive sampling approach by recruiting customers in action as well as individuals interested in luxury shopping destinations. Participants were asked about their preferred destination attributes in the interviews. Interviews were transcribed verbatim prior to being entered into NVivo 11 for data analysis. The analysis process included four major steps as recommended by Creswell (2007): data managing, reading and memoing, describing/classifying/interpreting, and representing/visualizing. Raw data were reviewed multiple times and compared within and across study participants. Data were then deconstructed and reconstructed to classify key measurement items. Thirty-one preferred destination attribute items were ultimately identified on the basis of content analysis of the interview transcripts (Table 1).

Table 1. Luxury Shopping Destination Attributes
Patient service providers
Friendly service providers
Respectful service providers
Helpful service providers
Customized in-store service
Destination cleanliness
Reasonable population control to avoid crowding
Good air quality
Lower prices for luxury products compared to other destinations
Low travel costs to the destination
Low local costs
Tax refund policies
Exchange rate of the destination's currency
Travel distance to the destination
Convenience of transportation in the destination
Ease of customs procedures
Authentic luxury products
Having a mechanism for ensuring reliable sources of luxury products
Reliable post-purchase service
Hospitality of local residents
Friendly local residents
Political stances of local residents
Abundant natural resources in the destination
Rich culture, history, or art-related resources
Having theme parks
Rich entertainment
Providing a wide range of luxury brands
Providing a wide range of products apart from luxury products
New product releases
Limited editions
Centralized shopping area

An expert panel was subsequently organized to further examine the representation and appropriateness of initial measurement items. The expert panel comprised six tourism scholars who had engaged in luxury shopping while traveling. After merging similar items, deleting poorly represented items, and proposing new items, 28 preferred destination attributes were generated. These items were included in the questionnaire in addition to demographic and screening questions. The questionnaire was then pilot tested with 53 mainland Chinese respondents; based on their feedback, adjustments were made to improve the clarity, sequence, and readability of the questionnaire.

Two rounds of an online survey were conducted via a reputable survey company. First-round data were subjected to EFA to purify the measure, whereas second-round data were used to assess the reliability and validity of the developed measure (n = 600 per survey round). All respondents were at least 16 years old, earned an above-average annual household income in their place of residence, and had traveled overseas within the last 12 months to destinations such as Hong Kong, Macau, and Taiwan. Participants were recruited from Guangzhou, Shenzhen, Shanghai, and Beijing, the four major cities in mainland China. General definitions of luxury shopping and luxury products were provided at the beginning of the survey to ensure respondents' consistent understanding of key terminology; in this case, *luxury shopping* referred to the act of purchasing luxury products, whereas *luxury products* encompassed those offering functional utility as well as prestige or status when consumers either used or displayed them. Invitations were sent randomly to qualified members in the collaborating survey company's database. The first and second rounds of data collection had a 3.47% and 4% response rate, respectively.

The 1,200 respondents (600 per round) shared similar demographic profiles. Participants in each round were balanced between men and women (50% each in Round 1; 49.8% men and 50.2% women in Round 2). Most respondents ranged from young to middle-aged, with 73.5% of the sample in each round being between 26 and 55 years old. In terms of education, most respondents had obtained a bachelor's degree or higher (74.1% in Round 1; 77.9% in Round 2). Most respondents in both rounds reported being married without children (79.3% in Round 1; 75.2% in Round 2). Respondents' monthly household income tended to fall within the 10,001–40,000 RMB range ($1,400–5,600 USD) (65.4% in Round 1; 64.6% in Round 2). In terms of job status, most respondents were employed full-time (76.5% in Round 1; 77% in Round 2). Therefore, the sample was generally young, well-educated, relatively high-earning, and free from family obligations such as raising children.

2. Exploratory factor analysis

Exploratory factor analysis was performed in SPSS 21 using principal component extraction. A 3-factor solution with 17 items emerged, accounting for 61.3% of the total variance. The Kaiser-Meyer-Olkin (KMO) test for sampling adequacy returned a value of 0.95, indicating an adequate sample size. The Cronbach's alpha value for each of the three factors exceeded .70, suggesting sufficient reliability. More details are provided in Table 2.

Eight items loaded on the first factor, five of which concerned service personnel (e.g., staff members' patience, friendliness, respectfulness, and helpfulness along with the reliability of post-sale service). In luxury shopping and shopping tourism contexts, service quality has been shown to be of paramount importance (e.g., Wong and Wan, 2013; Timothy, 2005). Our findings confirmed this trend: service quality was identified as a major contributor to Chinese tourists' satisfaction and repeat patronage. The remaining three items also pertained to people; the item concerning authentic luxury products generally captured retailers' honesty. This consideration is presumably important for Chinese luxury shoppers for several reasons, such as the notoriously widespread phenomenon of counterfeit products in some parts of China. Another item concerned local residents' friendliness, which was found to be similarly valuable in shaping tourists' overall experiences in a shopping destination. The final item loading on this factor involved the ease of customs procedures, which constituted tourists' first and last impressions of local people and the destination during travel. This factor was therefore labeled "human touch" and accounted for 45.88% of the total variance.

Six items loaded on the second factor. These items revealed Chinese luxury shoppers' concerns about numerous aspects of luxury products, brands, and reputation. The first two items included the availability of limited editions and new product releases, reflecting shoppers' desire to possess an item that is not commonly sold everywhere. This finding echoes the literature suggesting that luxury shoppers seek uniqueness (e.g., Zhan and He, 2012). The third item captured the availability of shoppers' favorite brands in multiple stores, which afforded tourists easy access to products and allowed them to compare products and prices in-store. Having access to the same brands also helped to reassure shoppers of the prestige and popularity of labels in which they were interested. The other three items on this factor were related to the degree of importance attached to these luxury products/brands and their popularity. These characteristics were also evidenced by other trends: the frequency of fashion-conscious activities in shopping destinations; the good reputation of certain brands on social media, which is becoming increasingly important (Ren and Qiu, 2019); and brand recommendations in fashion magazines. This factor was ultimately named "prestige" and accounted for 8.8% of the total variance.

The third factor included three items, namely low transportation costs to the destination, low local costs, and lower prices for the same products in target destinations. In other words, Chinese luxury shoppers seek value when purchasing luxury products in their chosen destinations. Such value is derived from lower prices for luxury products compared to other destinations, due to features including lower taxes, favorable exchange rates, and more frequent sales. Tourists' value-seeking behavior was further demonstrated by their willingness to pay for luxury products while seeking to reduce transportation costs by booking less expensive flights and cheaper routes. Visitors were also less willing to spend considerable amounts of money on other needs, such as local accommodations and meals, which substantiated a phenomenon highlighted in overseas media. For example, Hawaii Business reported that Chinese tourists spend more than the Japanese but stay in three-star hotels (Pan, 2014). We labeled this factor "good value," and it accounted for 6.66% of the total variance.

Table 2. Dimensionality exploration (*n* = 600)

Dimensions and items	Cronbach's alpha	Communalities	Factor loading	Item-to-total correlation	Eigenvalue	Variance explained %
V1 Human touch	.908				7.8	45.881
Patient service providers		.602	.721	.701		
Friendly service providers		.661	.890	.726		

Respectful service providers		.617	.845	.699		
Helpful service providers		.612	.710	.715		
Authentic luxury products		.602	.824	.685		
Reliable post-purchase service		.638	.793	.722		
Friendly local residents		.611	.769	.703		
Ease of customs procedures		.575	.584	.677		
V2 Prestige	.875				1.497	8.803
Limited editions		.597	.852	.626		
New product releases		.622	.771	.672		
Multiple store/same brands		.590	.721	.656		
Fashion-conscious activities		.579	.817	.632		
Social media evaluation		.586	.692	.656		
Fashion magazine recommendation		.571	.738	.632		
V3 Good value	.704				1.131	6.655
Lower transportation costs		.692	.863	.545		
Lower travel expenses in the destination		.719	.888	.531		
Lower price of luxury products compared to other destinations		.552	.403	.490		

KMO: .952; Chi-Square: 4931.888; Sig.: .000; Total variance explained: 61.340%.

3. Scale validation – Confirmatory factor analysis

After identifying the above three factors with a total of 17 items, we conducted CFA on data collected in the second survey round (n = 600). Round 2 respondents exhibited similar demographic profiles as those in Round 1. AMOS 21 was used for this analysis. Two models, first-order and second-order, were included in this study. The first-order model depicts the relationship between latent variables and observed variables; the second-order model represents a higher level of analysis in which latent variables in the first-order model are further predicted by another latent factor (Bollen, 1989). In our work, the first- and second-order models were tested simultaneously through structural equation modelling. The results of both models appear in Table 3. Relevant indices (χ^2 = 325.793, df=116, $p <$ .001, χ^2/df = 2.809, GFI = .940, CFI = .951, RMSEA = .055) demonstrated a good model fit, and reliability and validity values were mostly within the acceptable ranges. In the first-order model, all factor loadings were above 0.5. The first two composite reliability (CR) values were greater than 0.7, and the third was close to 0.7. In the second-order model, all factor loadings were above 0.6.

Table 3. Confirmatory factor analysis (*n* = 600)

Destination attributes (*n* = 600)			**Estimate**	**S.E.**	**CR**	***p***	**Std FL**	**SMC**
Human touch								
17	<--	Human touch	1.103	.064	17.337	***	.742	.550
15	<--	Human touch	.874	.054	16.278	***	.672	.452
14	<--	Human touch	.833	.052	16.162	***	.668	.446
4	<--	Human touch	.957	.053	18.042	***	.740	.520
3	<--	Human touch	.993	.053	18.614	***	.762	.560
2	<--	Human touch	.954	.052	18.256	***	.748	.580
1	<--	Human touch	.897	.051	17.549	***	.721	.548
18	<--	Human touch	.907	.052	17.388	***	.720	.518
CR = 0.897								
Prestige								
21	<--	Prestige	1.102	.071	15.441	***	.748	.559
28	<--	Prestige	.932	.057	16.270	***	.701	.491
27	<--	Prestige	.882	.057	15.450	***	.666	.443
26	<--	Prestige	.877	.060	14.535	***	.627	.394
25	<--	Prestige	.883	.057	15.629	***	.674	.454
22	<--	Prestige	.905	.059	15.367	***	.662	.439
CR = 0.838								
Good value								
7	<--	Good value	1.459	.196	7.450	***	.589	.347
9	<--	Good value	1.322	.128	10.352	***	.703	.494
8	<--	Good value	1.150	.115	9.962	***	.612	.374
CR = 0.670								
Second-order model								

Destination attributes (n = 600)			Estimate	S.E.	CR	p	Std FL	SMC
Human touch	<--	Preferred destination	1.723	.206	8.343	***	.884	.781
Prestige	<--	Preferred destination	.980	.095	10.314	***	.846	.716
Good value	<--	Preferred destination	.581	.070	8.343	***	.626	.392
χ^2 = 325.795, df =116, p < .001, χ^2/df = 2.809, GFI = .940, CFI = .951, RMSEA = .055								

Note: *** Significant at p < 0.01; ** Significant at p < 0.05.

Discriminant validity is considered acceptable as long as the correlation between two variables is lower than .85 (Kline, 2005). Despite the initially satisfactory discriminant validity of our measure based on Kline's (2005) principle, discriminant validity did not reach a satisfactory level when we adopted a more stringent validity measure by comparing the correlations among constructs with the square root of the average variance extracted for each factor (Fornell and Larcker, 1981). The common practice is to modify the measure until reaching perfect discriminant validity. However, over-modifying the model could result in an arbitrary measurement scale with limited applicability to other research contexts. Therefore, we did not modify the proposed measurement scale to avoid this problem. Nevertheless, our scale satisfied Kline's (2005) recommended discriminant validity threshold, demonstrating values below .85 for all inter-construct correlations. Therefore, the discriminant validity of our scale was deemed acceptable. Table 4 presents correlations among the three factors.

Table 4. Correlations of CFA measurement scale

	Correlations		
	Human touch	Prestige	Good value
Human touch	1		
Prestige	.748	1	
Good value	.664	.617	1

Conclusion, Implications, and Future Studies

This study presents a systematic attempt to explore luxury shopping destination attributes that matter to Chinese tourists and to develop a corresponding measurement scale. A mixed-method approach consisting of three main procedures was adopted, resulting in a 3-factor measure containing 17 items. The three factors are human touch, prestige, and good value, indicating that Chinese luxury shoppers enjoy good service and the prestige associated with luxury shopping but still seek a good deal.

Some of the 17 scale items have appeared frequently in extant literature. For example, service has often been cited in prior studies such as Wong and Wan (2013), Henderson et al. (2011), and Yeung et al. (2004). However, our findings suggest that Chinese luxury shoppers are more concerned with the general attitudes of people they encounter in destinations and shopping venues rather than with a reasonable degree of service skills and efficiency. Specific items developed and confirmed in this study further delineate desirable service personnel qualities. Customers must feel as though they are genuinely cared for and respected, and an overall harmonious atmosphere is essential. Although the notion of "good service" is abstract, attributes such as being friendly, patient, respectful, helpful, and reliable are concrete and actionable. Our scale also includes items related to local residents' attitudes and how tourists are treated during customs procedures. These features were discussed somewhat less in earlier studies, reflecting the changing behavior of Chinese luxury shopping tourists. Moreover, echoing Choi, Law, and Heo's (2016) concern, it is important that Chinese tourists are treated with honesty; that is, they should be offered authentic products and reliable service to foster trust.

In terms of luxury products themselves, items identified in our research were less often associated with quality and were instead tied to perceptions of rarity and exclusivity; desirable features such as limited editions and new product releases convey these preferences. In addition, it is important for shopping venues to offer famous brands in the major stores and malls that tourists may patronize. Luxury brands can also attract more attention and interest from Chinese luxury shoppers if such brands are frequently mentioned in fashion-related venues (e.g., at fashion shows or in fashion magazines) and have good reputations on social media. These patterns are also distinct from those identified in previous research.

The above findings illuminate several characteristics of the Chinese luxury shopping market and serve as a reference for marketers in overseas luxury shopping destinations. On a macro level, destinations with luxury shopping as a key selling point should carefully consider the constellation of shopping venues, products, and sales personnel. Chinese luxury shoppers are becoming more sophisticated and discerning in expecting a holistic shopping experience when traveling. An overall unwelcoming atmosphere may drive visitors away and push them toward alternative destinations. Establishing this understanding among local residents and all receiving parties in destinations, from entry to exit, is therefore necessary. Tourists may be amenable to following strict rules, but the personnel who interact with visitors (e.g., customs and immigration officers) should be aware of Chinese tourists' expectations; these personnel often contribute to tourists' first and final impressions of a destination's general friendliness.

On the micro level, provided service and products need to be revisited. Service remains the cornerstone of Chinese luxury shoppers' experience. Apart from possessing sufficient knowledge and skill, sales assistants should seek to ensure a positive rapport and sense of harmony with luxury shoppers. Staff members' language, eye contact, facial expressions, and other gestures and etiquette can demonstrate such positivity. Regarding the products themselves, perceived quality (Bu et al., 2017) now pales in comparison to social meaning. Chinese luxury shoppers often have a few "top-of-mind" brands when shopping overseas (Bu et al., 2017). As our results imply, it is important for Chinese luxury shoppers to be able to find the same brands in different stores. In addition, the marketers of luxury product retailers should be especially sensitive to Chinese luxury shoppers' desire for exclusivity by offering periodic limited editions and seeking to attract customers with products that are only sold in a certain store or destination.

Moreover, to reassure Chinese luxury shoppers of the high standards and prestige of luxury brands sold in a destination, brand marketers should publicize promotions through various channels such as social media and fashion magazines. These promotions function as advertisements but also reinforce the perceived popularity and prestige of represented brands. Social media has come to play an increasingly important role in luxury shoppers' decisions. For instance, recent trends have pointed to celebrities as effective key opinion leaders/influencers in promoting certain luxury brands and destinations. According to McKinsey & Company (2019), all Chinese luxury shoppers gather information online prior to buying luxury products, and 92% purchase such products offline. Luxury brand operators must consider the state of the virtual world to adapt their marketing strategies in a timely manner.

Unlike tourists from other markets, Chinese luxury shoppers are greatly concerned about the cost and value of the luxury products they purchase. They may travel to destinations with lower transportation costs and other lower-cost destination attributes. Destinations that offer lower prices or higher discounts may be particularly appealing. Although Chinese luxury shoppers are willing to spend money, they constantly compare prices; this may explain the popularity of apps such as Jessica's Secret, which focuses on overseas travel shopping and provides pricing and discount information as well as coupons to world-renowned malls and duty-free airport shops. Therefore, shopping destinations should be aware of such media and develop tailored promotions. Some overseas destinations could also offer additional discounts on items specifically for this travel market, which has proven to be an effective strategy. Marketers should be alert to the information sources to which Chinese luxury shoppers are exposed and adjust brand marketing channels accordingly. Additionally, marketers in luxury shopping destinations should be attentive to exchange rate fluctuations. When the exchange rate becomes less favorable for RBM, more store promotions and sales activities could counterbalance negative value perceptions associated with a poor exchange rate. Shop assistants should also be able to instantly identify price differences between products sold in their destination compared to in mainland China, thus leading to greater perceived value.

On the destination level, destination marketers and government departments can consider several strategies. First, implementing rules and regulations to ensure the authenticity of luxury products and establishing a reputation as a city/destination without counterfeit products may win Chinese luxury shoppers' trust. Second, if a destination plans to position itself as a tourist destination with luxury shopping as a main attraction, then having sufficiently sized shopping malls and offering numerous options are essential. Offering free shuttles or low-cost but frequent bussing from one place to another is recommended. In addition, frequent fashion activities such as fashion shows may draw visitors' attention and confirm the prestige of luxury brands and individual destinations. From a more strategic perspective, providing frequent and low-cost flights and other modes of transportation to major cities in mainland China could promote tourism and retail business in destinations. Lastly but most importantly, it is vital to establish an overall destination image that is tourist-friendly, welcoming, and shopping-centric. The fact that the "human touch" dimension accounted for the largest proportion of total variance in preferred luxury shopping destinations implies that destinations should excel in this aspect to earn Chinese luxury shoppers' loyalty.

Attributes falling under the other two dimensions (i.e., "prestige" and "good value") are surely fundamental to luxury shopping destinations; however, attributes in the "human touch" dimension require multi-party involvement, from the entry point to exit point, which is relatively difficult to achieve. Residents must therefore be involved in building a preferred destination for luxury shopping, as their attitudes are one determinant of a friendly shopping environment as perceived by Chinese shoppers. Consistent messaging to all regarding the strategic positioning of a destination and the effort required to reach strategic goals might be useful.

The findings from this study should enhance understanding of Chinese travelers' destination choices for luxury shopping. While some researchers have aimed to examine tourists' destination choices (e.g., Crompton, 1992; Sirakaya, McLellanh, and Uysal, 1996; Decrop, 2010), luxury shopping has not been considered in such investigations. Luxury consumption differs from commodity consumption in that it extends beyond necessity or utilitarian functions; luxury shopping typically involves the pursuit of quality, social status, prestige, and affection. Experiencing foreign destinations is also not luxury shoppers' ultimate goal; the context in which luxury shopping takes place is most important. Therefore, the key attributes that luxury shoppers seek when choosing a shopping destination may differ from those deemed important in leisure travel. However, our understanding of consumers' mindset when choosing luxury shopping destinations remains limited. The main contribution of this study is that it enriches the literature on luxury shopping destination attributes. We have established three dimensions of consumers' preferred attributes in luxury shopping contexts, ultimately presenting a valid and reliable measurement scale. Such an instrument is crucial for predicting tourists' behavior and can benefit academics and industry practitioners. In addition, the developed scale is market-specific and serves as a suitable instrument with which to examine particular types of tourist behavior. Given that the Chinese market continues to play an important role in the global tourism industry and has great purchasing potential, most destinations are trying to draw Chinese tourists to visit and spend as much as possible. The measurement scale presented in this paper should foster subsequent research on this tourist segment.

In terms of this scale, the next logical step is to test the relationships between identified factors and associated variables, such as tourists' satisfaction and behavioral intentions. A limitation of the current study is that 12 out of 30 interviews involved tourists only visiting Hong Kong, one of the most popular overseas tourism and shopping destinations among mainland Chinese at the time of this investigation. It would have been preferable to include other luxury shopping destinations such as Dubai, Paris, or London to recruit more customers in action for interviews. However, this was not feasible given the researchers' limited time and resources. Future studies should thus explore the scale's applicability with more culturally and geographically diverse samples.

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