TCI Research

Tourism Competitive Intelligence

The Shopping Experience

A Needs & Gaps Analysis

ARUBA

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Report content

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Needs & Gaps Analysis

Methodology

Needs & Gaps Analysis

Guiding the development of shopping experiences on Aruba

Objectives

- The Needs & Gaps analysis aims at providing **prospects and insights for destination planning**.
- It reports a snapshot summary of travel shopping Trends and destination best practices that, once compared to existing Aruba shopping offering, helps **mapping how to improve the Aruba shopping experience**.

Methodology

The analysis involves a **three-step process**:

1. A desk research-based review of **Shopping Trends and best practices** in terms of authentic and innovative shopping experiences. From this section, a *Competitive Assessment Grid* reports key “must-have” success factors driving an enjoyable shopping experience that fits today’s and future travelers’ demand.
2. An “inventory” of existing products and shopping experiences in Aruba (based on internal ATA and TRAVELSAT sources) so to provide an **Aruba Shopping overall assessment**
3. A **Gap evaluation** assessing how Aruba performs on each success factor of the *Competitive Assessment Grid* , highlighting missing areas and opportunities for boosting the local shopping experience in Aruba.

Key Shopping Trends

Mapping success factors for an enjoyable shopping

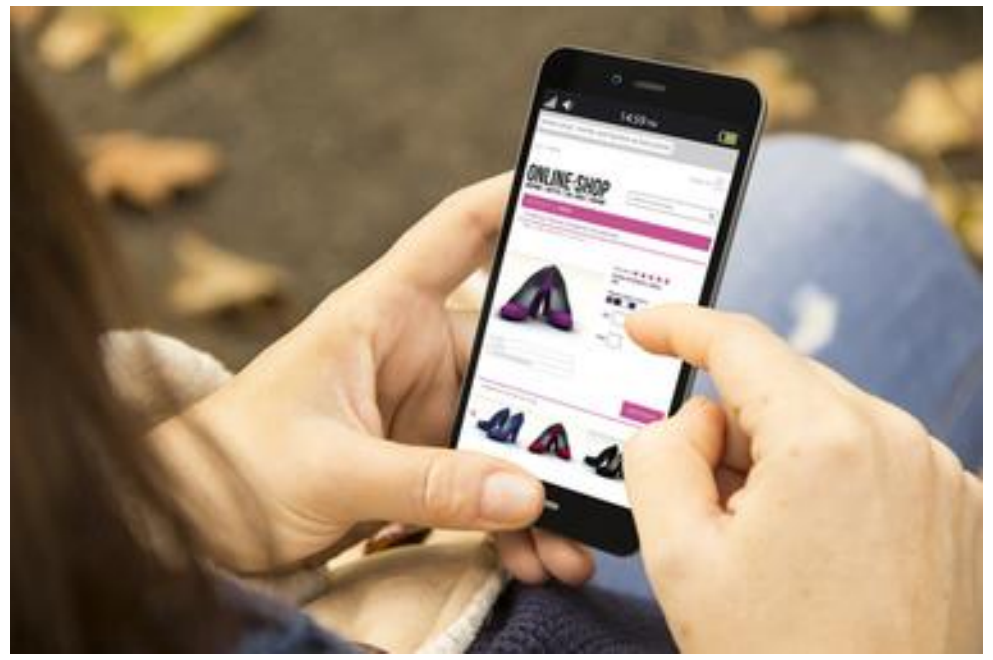
Shopping Environment

Key trends that can influence destination shopping strategy

Shopping has become an omnipresent "leisure" activity in life

▶ Consequence : in travel even more than in daily life, shopping is typically lived as a leisure activity, if not an « attraction ».

- For many markets, shopping changed from chore to leisure pursuit long ago. Today, nearly three-quarters of the world's consumers can be classified as "**recreational shoppers**" defined as people who go to the store for entertainment, rather than to buy necessities.
- On the US market in particular, a day of shopping is a highly popular activity, an activity that is more and more mixed with leisure practices & entertainment as showed by the increased investment seen across the country in outlets, mega malls, and outdoor shopping complexes.



- A shifting activity : the most important thing for retailers used to be foot traffic getting a shopper into a store. Today, shopping happens everywhere: in stores, on the web, on the web while in stores. And **it happens all the time, in micromoments throughout the day and night.**

Lifestyle centers: an alternative retailing format to replace malls

▶ Lifestyle centers Vs Malls can be a contemporary way of showing the local sense of place to travellers while keeping shopping as a leisure activity

- As consumers became tired of America's ubiquitous shopping malls while on the same time were spending more on leisure, retailers and shopping centre developers are seeking **ways to make shopping more of a leisure pursuit**. Thus, for the last 15 years, an alternative retailing format appeared in affluent suburbs —an outdoor streetscape with trees, shops in buildings with convenient front-door parking, restaurants, and sometimes hotels, condos and appartment. A **"city-within-a-city"** with a **sophisticated architecture** made of urban row houses finished with earth tones and pastel stucco evoking Old Europe, antique metalwork, pottery and stone fountains, cobblestone sidewalks, cast-iron lighting, Art Deco-inspired neon signs… and many more details to further instill a sense of history, making the **environment attractive for customers to enjoy shopping trips**.
- **Lifestyle centers** are promoted as a 21st-century, community-oriented alternative to the soulless shopping mall, a place where people could **gather, stroll and socialize**. A success essentially coming from Americans' emotional desire to rebuild their community. Lifestyle centers look like a town's perfectly preserved, picturesque Main Street from yesteryear, even though it's all being created from scratch.
- The ICSC (International Council of Shopping Centers) estimates that 412 lifestyle centers were open in the United States in 2015 (which only comprises a little under 2 percent of the total number of shopping centers). By contrast, not one enclosed mall has opened since 2007.

Pop up stores : the newest and hippest innovation

▶ The temporary aspect of this type of shopping "attraction" makes it both enjoyable and sustainable at destination level (if environmental friendly!)

- Pop-up stores are the newest and hippest trend to hit the retail sector in recent years. Every brand from Jessica Alba's Honest Co. to UGG and especially season-specific stores such as Halloween shops have established small, often temporary, storefronts without having any previous brick-and mortar location or even retail experience.

- This trend has become so large that businesses such as Storefront have come onto the scene, offering established brands and startups the opportunity to secure temporary space in areas with high foot traffic and visibility for setting up shop with a maximum exposure.

Other examples of shopping innovations

- **ATM for local products**: Sprinkles Cupcakes is launching a "cupcake ATM" at its Beverly Hills location — which is sort of like an old-school automat. But you get freshly baked cupcakes at any hour. 24 hours a day. A trend in consumer-centered retail that is taking the waiting out of brick-and-mortar stores. Waiting in line is one of the most frustrating parts of the shopping experience, and long lines will cause customers to abandon their purchases and walk out. Savvy stores are taking a tip from their online counterparts and allowing people to pre-purchase items and pick them up, getting in and out quickly and skipping the checkout line altogether.

- "Magic Mirror" : A giant video screen and camera, that enables shoppers to see outfits from 360 degrees, and compare clothing options side-by-side without getting naked or even going inside a fitting room. It also remembers what customers have already tried on. The device uses movement sensors and a special depth-sensing camera to judge your body size and shape and how far you are from the camera. You can try on clothes from several different retailers, inside the shopping center, and then buy the actual clothes on the spot

Store as media providing immersive unique experience

▶ Tectonic shifts in demographics, economics, technology and media all seem to be conspiring against traditional retail business models.

- Big brands are closing stores, malls are shuttering and consumer spending is increasingly going online, laying waste to power centers and main street merchants alike. The majority of **store chains, malls and shopping centers have become boring for customers**. This does not, however, mean an end to physical retail stores but rather a repurposing.
- There is a shift of expectations from physical stores for brands. Given their innately live, sensorial and experiential, quality, more and more retailers are exploiting the **potential of their stores to become powerful media points for consumer experiences**.
- Brands are starting to right-size their customer experience, seeing stores **not as distribution centers but as live-action pieces of media** that speak to the brand's unique remarkable attributes, fostering a lasting, kinetic and emotional connection with shoppers. They are now trying to deliver **unique and memorable experiences** that customer simply can't find anywhere else.
- Physical stores become interactive environments from which retailers can articulate their brand story, excite consumers about products and then funnel their purchase to any number of channels, devices and distributors.
- Store productivity is not measured solely on sales and profit anymore but also on the experiential value offered to customers.
- Skids of products and rows of shelving are giving way to more **galleryesque store designs and artful merchandising**, allowing space for instore media and interactiv**ity with product**. Social media is starting to infuse into the experience offering at-the-shelf reviews, ratings and comparisons of products.
- The store in essence is becoming an **immersive and experiential advertisement for the products** it represents and a direct portal to the entire universe of distribution channels available. Physical stores also provide a network of shipping and pickup points in the market to offer fast turn-around on online orders.
- Burberry for example, has experienced stronger online sales growth than it has instore but that hasn't deterred it from investing heavily in developing the brand's in-store experience as well as honing its "click and collect" service.
- **Millennials and high-income shoppers** tend to be drawn to these immersive environments, which might include interactive video displays, retail tables with touch-screen technology, personalized fitting-room lighting at the touch of a button, and digital memory mirrors to allow 360-degree viewing in the fitting room

Manufacturers and consumer companies such as Burberry, H&M, and Sport-Chek have launched technology-enabled outlets with minimal inventory and environments that invite consumers to enjoy an engaging, social, and interactive experience. In essence, to meet shoppers' expectations and counter online competition, these stores are offered as an experience alternative to restaurants, coffee shops, and movie theaters.

The New Customer Experience

▶ Core trends are shaping the way people shop and engage with brands, with consequences on the way travelers shop too!

- **More focus-brand entrants** - New micro, digital-only companies are flooding the market, riding on mobile consumer channels and the proliferation of social media. These retailers distinguish themselves by their well-defined niches and clever, often rebellious, promotional strategies. For them, the product is less a commodity than an art form in which the customer participates.
- **Autonomania**: Save me time! Save me money! Make me a better person! Make everything easier! Although there are still a long way to go to reach a totally automated future, new technologies are reaching consumers sooner than expected. Some autonomous innovations that experts were forecasting for 2020, 2040 and beyond are already here. Automated solutions are enveloping the lives of consumers. For brands, it's serve or get served. In the coming months and years, the number of autonomous products and services, connected and cognitive objects that save consumers time and money should continue to rise.
- **Affluent, hyper-connected consumers are slaves to tedium… and wants to be set free**. Consumers will embrace the brands that free them up from tedious tasks that are no fun and allow them to focus on what matters. Intelligent products and services will find favor by eradicating lifestyle monotony through autonomy. Expectations will however really take off only when the product or service are widely affordable.
- A rising numbers of consumers demand that brands use increasingly powerful and **accessible artificial intelligence technologies** to put truly smart products and services into their pockets, homes, inboxes, and more.

Yuneec's affordable 'selfie drones' follow and film their owners.

Nike has given the world self-lacing sneakers.

The New Customer Experience

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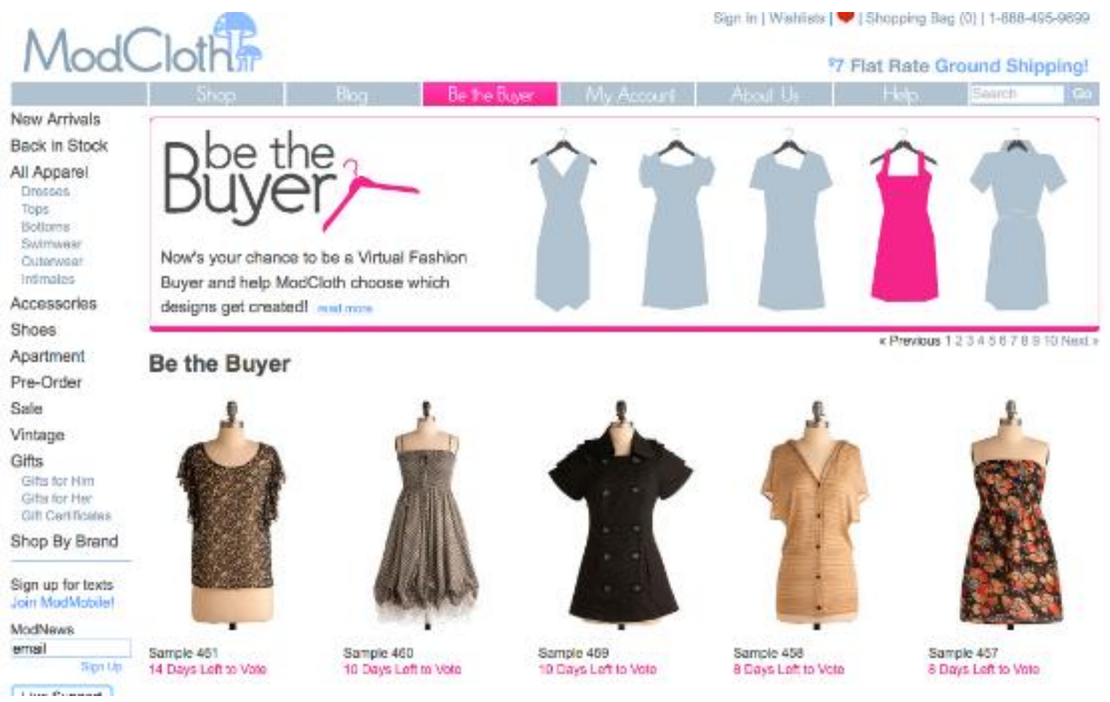
- **Hand made and artisan product -** In the United States today, there is an unprecedented demand for handmade and artisan products in the gift, home and accessories markets as retail and fashion experts say consumers are looking for ways to express individuality. There is a growing desire for products created by artisans with a sense of culture, meaning and differentiated from mass-produced products. Products which give back to the communities from which they come. Publisher's market research analyst predicts the global handicrafts market to grow at a rate of 12%. The growth in international and domestic tourism is also expected to boost the growth of the market.
- **Do it Yourself** - A consumer driven experience trend for those in search for authenticity and meaning but also a way to relieve stress through creativity. Although millennials are driving the growth, the handmade movement is a trend that touches all generations, consumers deciding to seize power, to make time for themselves but also to reject overconsumption and preprogrammed experience.
- **Self-actualization -** The quest for calm and focus as an antidote to daily stress and difficulties with work / life balance is more and more trendy. Books that focus on meditation and mindfulness have become more popular while adult coloring books have taken the US by storm, populating Amazon's list of best-selling books. Luxury brands are also adapting to this trend and offering innovations such as the alliance of Samsung & De Grisogono who created a watch to track physical metrics.
- **Shopping for control** - A backdrop of unsettling world events, personal security worries, financial stress and diminished trust in brands and institutions are catalysing a sense of fear in consumers, driving a quest for greater control. Keen to feel safer and protected alongside smart devices, the broad range of goods and services that consumers spend on includes organic food, financial services, sun protection, security agents and air purifiers. Consumers in developed countries and more emerging economies had generally assumed that they had ticked the boxes of basic needs; the loss of trust in institutions and social fragmentation, as well as global terrorism and instability, have eroded that feeling. Insecurity is influencing many buying decisions.

Rwanda workshop Tour

Transumers: status seekers, leasing lifestyle and acting

▶ Transumerism will certainly affect the way people shop at destination. Enjoying value of experiencing over ownership.

- Transumers adopt a **"leasing lifestyle"** for avoiding hassle: the more things permanently own, the more worry it causes (repairs, going out of style, theft…), but also for getting the latest and greatest: with ever-shorter product development cycles, leasing ensures consumers can always enjoy the latest and the greatest. **Renting accessories** for instance is a way to safeguard one's everyday wardrobe from seasonal mistakes and to experience fashion trends without having to commit to them.
- Even with a limited budget Transumers can now, instead of owning one single expensive object, rent, enjoy, then dispose of many different objects, maximizing the number of experiences. They can therefore climb the ladder: status-conscious consumers resort to luxury fractional ownership because it's the only way for them to be able **to flaunt status symbols**.
- Many exclusive car sharing clubs where clients pay an annual contribution to access and to take advantage of the fleet at any time. Ex: Classic Car Club, P1 Club, Club Sportiva, ecurie 25… Fractional ownership of very light jets and other toys: Ex: NetJets, Club One Air, Jet-Alliance.



Consumer actor – The buyer initiative

- Another trend that appeals to transumers **is to be part of the creation process** of a product. Online indie clothing retailer ModCloth asks its customers to help choose which items to take into production. ModCloth launched the Be The Buyer initiative in 2010 and encourages its fans to add comments on each design, and to share their voting decisions on Facebook and Twitter, turning the voting process into a useful marketing tool for the company. If a design is taken into production, customers who voted for it receive an email notification as soon as it's available, allowing them to be the first to buy and wear it.

Mobile-prompted experience using geolocation

▶ A possibility of enhancing visitor shopping experience but requiring wifization of the destination in place!

- Some retailers start using **geolocation technology** to collect data on consumer behavior and create **more personalized experiences for in-store customers.**
- Geolocation allows stores to send specific promotional messages to customers' phones when they stand in a particular place in the store. These promotional messages might include limited-time offers or coupons for products that appear only when the customer is right in front of that product.
- When a shopper can't automatically predict what the experience will be like, it revitalizes what it means to shop in a brick-and-mortar location.

Hyper Connected Shopping Experiences

- Not long ago, mobile was predominantly utilized for reference only, to research product reviews, compare pricing, and discover coupons and offers. The proliferation of larger screen smart phones and tablets has put shopping within reach of all users, with more than 82 percent of the 1.91 billion smartphone users utilizing mobile devices to shop in 2015. Today's consumers are not only expecting mobile to be part of the shopping experience, but that it is cohesive across all shopping channels.
- Mobile commerce already accounts for 30% of U.S. e-commerce and is expected to grow 300% faster than traditional e-commerce. Thus, smartphones will only continue to dominate the shopping experience. Retailers are starting to leverage technologies across the digital and physical channels to offer their customers the best of both worlds in one seamless experience. They are now offering numerous options as part of their omnichannel services, including curbside pickup (Your order brought to your car for free), online reservation services, same-day delivery and beacon-enabled features including targeted offers, loyalty rewards and mobile payments. 85 of the top 100 retailers are planning to adopt beacon technology by the end of 2016.
- Retailers are also increasingly experimenting with mobile to **facilitate click-and-collect**.

Smartphones becoming mainstream payment tools

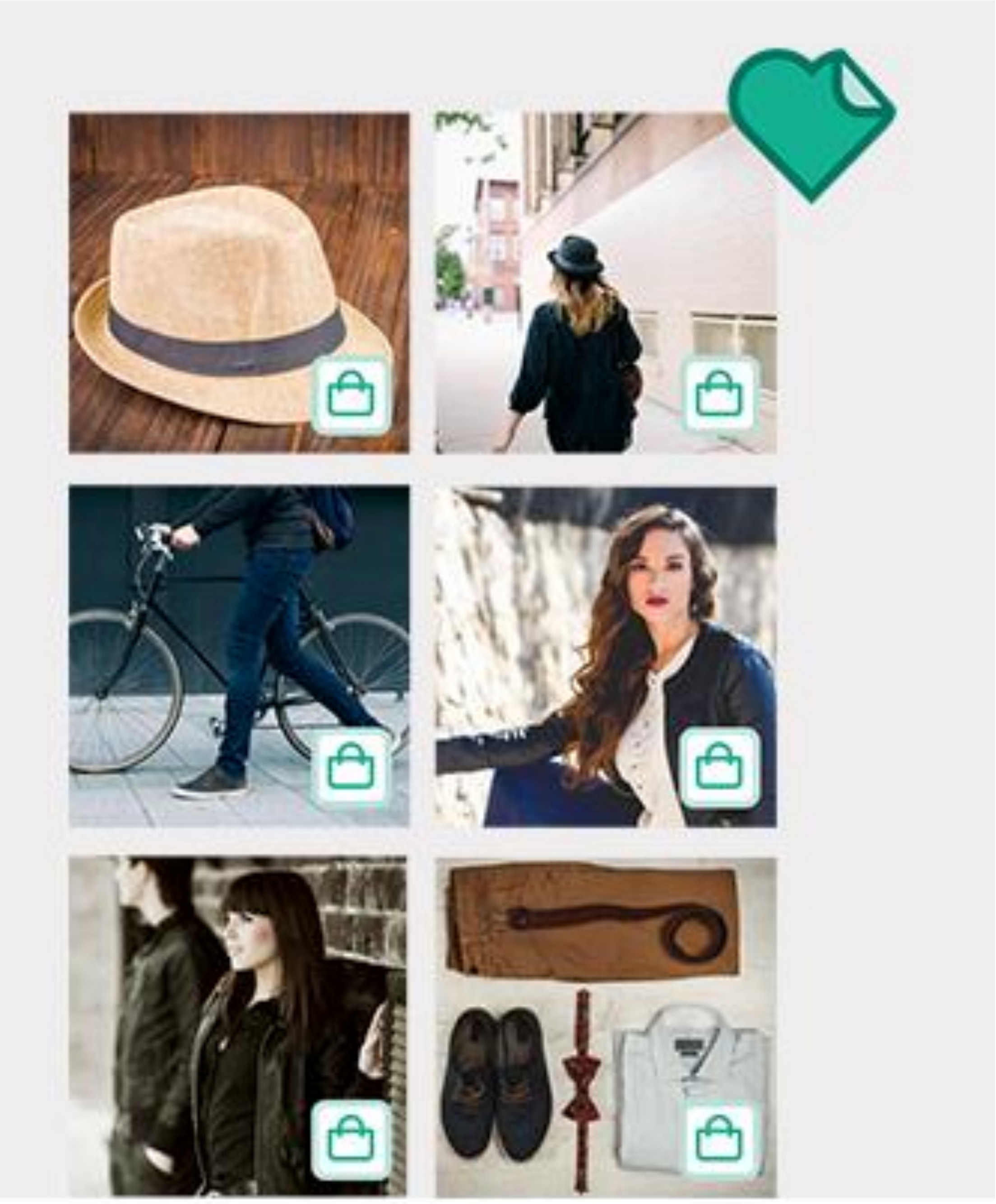
▶ If not anticipated by destinations, this could become a possible obstacle for visitor to spend more in the future

- **45% of internet-connected consumer**s have tried in-store mobile payments at least once…
- Mobile and Alternative Payments **are expected to increase strongly**, mobile payments are transforming commerce.
- As retailers transition terminals and develop eCommerce platforms to engage with shoppers and accept new payment methods, consumers are adopting mobile wallet apps, branded wallets, smartwatches and devices with payment capabilities
- Apple have made some major innovations in retail. Partly, there's just the spare, open design in which clutter has been minimized and the space appears calm and peaceful. But also, there's the fact that every sales associate can check you out right on the floor, using an iPhone as a cash register and swiping your credit card on the spot, using Square's point-of-sale technology. (And some retailers are letting you pay via Square without pulling out your credit card, transferring payments just using your phone.)

Social media growing as part of the omnichannel mix

▶ Shopping can be fully embedded in any destination digital and social network activities

- Social media has been playing a big role in the shopping journey for a while now, and it will continue to do so in 2017 and beyond.
- More retailers will invest in their social media initiatives and adopt social selling solutions such as Soldsie (selling through comments) and Like2Buy (user generated content galleries). Apparel retailer TopShelf Style is a great example of social selling in action using Soldsie. Whenever TopShelf puts something up for sale on Instagram, customers who want to buy it simply need to comment "sold" together with their email address. Soldsie then generates an invoice and sends it to the shopper, so they can complete the transaction.
- Apart from Instagram, no social network has been able to dominate shopping just yet. Facebook, Twitter and Pinterest all released buy buttons in 2015, and while none of them gained widespread adoption, social networks will still continue investing in social commerce.
- There's a lot of debate around whether or not social media does have a true impact on purchases, and research says that it does. Forty-three percent of social media users have purchased a product after sharing or favoriting it on Pinterest, Facebook, or Twitter.



Shopping Sustainable

▶ While on holiday, there is a growing consciousness from visitors for ethical shopping and purchasing organic goods.

- More and more people are **buying sustainable products**. The retail trade is reacting by offering a wide range of attractive products that are no longer relegated to the bottom shelf. And more and more companies are making their production methods and business practices more sustainable
- A recent study of consumer habits confirmed that **shoppers are becoming "more purposeful"** in their purchasing decisions, and another study showed that 87% of consumers in the United States believe that companies should value the interests of society at least as much as strict business interests. 75% of millennials are also **ready to pay more for products and services that come from companies committed to positive social and environmental impact** (Nielsen).
- Consumers today want to know more about **where the products come from**, from the raw material used (type, origin, sustainable forest, reused materials…) to the manufacturing process, but also the working conditions. **Every product needs to have a story,** a purpose beyond its functionality. Customers are also interested in the functionality of product, such as for instance water saving taps or products to save energy.
- Consumers are demanding even **more accountability**: 69% of them say they are more likely to buy from a brand that talks publicly about its CSR results.
- **Provenance matters!** For many products, origin is an essential feature of what the customer buys, even if it is an intangible or a difficult-to-verify quality. Broadly, halal, kosher, and organic foods are indistinguishable from the alternatives—the distinctions are important to certain consumers, but in a blind test most would have no way of identifying them. Few people could actually tell the difference between an authentic and a top-end fake Rolex watch or Louis Vuitton bag. Counterfeiting is such a huge problem because, after all, an ethically made shirt looks and feels identical to the sweatshop alternative. The fact that consumers nevertheless care about ethics and authenticity is indisputable: Provenance is already a big deal—and getting bigger!

More transparency

▶ Needs for transparency when shopping is particularly strong among first timers of a destination who look for building trust

- Consumers, governments, and companies are demanding details about **the systems and sources that deliver the goods**. They worry about **quality, safety, ethics, and environmental impact**. Farsighted many firms make a virtue of provenance. International clothing retailer H&M, for example, declares that it strives to improve labor practices and minimize the adverse environmental effects of not only its suppliers, but its suppliers' suppliers, right back along the chain. Companies are becoming more open and honest making public more information about what they make, how they make it, who they hire, how they treat their employees… Secrets are now considered as liabilities in waiting. Brands are trying to be more proactively transparent.
- **8 of 10 Brazilian** consumers said they want brands to be transparent about the **origin and the production of goods**.
- While many companies in the food industry either defend, deny or hide their use of genetically modified organisms (GMO's), fast food outlet Chipotle made the decision to begin listing the GMO ingredients in its menu for all to see. The motivation, according to Chipotle was to build greater trust with their customers through honesty – which it appears it appears to have done.
- Two brands that made transparency a cornerstone of their business practices are Everlane and Honest by. Honest by sells luxury brands with complete transparency in price and manufacturing, creating a new paradigm in fashion retail. Everlane offers designer goods with transparent pricing and sourcing: Vendor practices, markup, and materials and production processes are laid out online for all to see.
- Patagonia has also long been a sustainability leader. Now the outdoor clothing and gear company is pushing supply chain transparency to a new level. In 2012, it released its Footprint Chronicles, one tool to help customers and stakeholders learn more about the company's global operations and suppliers.

Labels matter!

▶ An internationally renowned green or sustainable label can offer some guarantee to international visitors when travelling

- **Hundreds of different labels** addressing environmental, social sustainability, or consumers' health have been developed by either public institutions (national or supra-national), private certification agencies, NGOs, industry federations, or by retailers themselves.
- **The concept of Hub Shop** - Multi designer stores regrouped at The Hub Shop in Rotterdam, The Netherlands. A place that rents out empty cube-like boxes under attractive conditions for any product or service with a sustainable or social touch. The concept is not only perfect for small brands and designers who can´t afford a retail space, for customers it´s ideal to find so many ethically made products in one location.

Cultural diversity impacting shopping behavior

Shifts in population flows and rise of minorities impact what and how people want to shop when they travel abroad

- Strong migration flows, combined with higher birth rates among minority populations, have led to an unprecedented level of **ethnic, cultural and religious diversity in developed markets**. This, along with **multicultural consumers' rising incomes**, is profoundly impacting lifestyles and shopping behaviors.
- The US had the highest number of foreign citizens among developed markets, at over 22 million in 2013. Most of the growth in people of ethnic backgrounds has come from higher birth rates among naturalized or second-generation Hispanics.
- **Asian communities** are growing strongly in countries such as the US, Australia and Canada. Asians recently surpassed Hispanics as the largest wave of new immigrants to the US, with increased border enforcement suppressing illegal immigration via Mexico.
- In the US, Asian-Americans are the highest income and best educated racial group in the country, with 61% of those who have come from Asia in recent years having at least a bachelor's degree.
- Higher levels of education among African-American consumers has led to increases in household income, with 44% of all African- American households now earning US$50,000 or more, and 23% earning above US$75,000.
- There has been a significant **rise in the number of Muslims** throughout Europe, North America and Australia. According to the website islamicpopulation.com, Europe (including Russia) is now home to around 51 million Muslims, while a further 7 million live in North America.

Masstige to massclusive shopping in Asia

Destinations – while keeping their authenticity – can benefit from the massclusive trend when attracting Asian visitors

- Millions of consumers are joining Asia's emerging middle class each year and the APAC (Asia Pacific) middle-class population is estimated to grow even more from 516 million people in 2009 to 3.22 billion in 2030.
- More affluent and sophisticated Asian middle-class consumers are **demanding new, innovative and surprising forms of premium**. Conventional masstige (mass-market products infused with prestige elements) is now becoming a little too mass, and no longer delivering the excitement and status boost it once did. The middle-class premium consumer is moving from masstige to massclusive.
- **Massclusivity** : a trend for an emerging middle classes with an appetite for premium, but budgets that do not stretch to true luxury. A form of affordable premium consumption that combines the mass with the truly exclusive: tasteful, rare, experiential, compellingly storied, and more!
- Asian middle classes want products and services that go beyond a higher price point and upgraded quality, and that **truly mark them out from the crowd**. As a result, new kinds of premium offerings emerge such as **novel experiences, storied products, artisanal goods, new mass/premium partnerships**, but also **experiential and intriguing retail spaces.**

Shopping and Tourism

Key trends to watch

Visitor spending grows, as such as interest in shopping tourism

▶ Shopping both as complement activity or primary purpose of visit, continues to grow worldwide

- International tourism receipts earned by destinations worldwide have surged from US$ 2 billion in 1950 to US$ 104 billion in 1980, US$ 495 billion in 2000, and **US$ 1260 billion in 2015** (expenditure by international visitors on accommodation, food and drink, entertainment, shopping and other services and goods in the destinations – source UNWTO).
- China continues to lead global outbound travel, after registering double-digit growth in tourism expenditure every year since 2004, benefitting Asian destinations such as Japan and Thailand as well as the United States and various European destinations. Spending by Chinese travellers increased by 26% in 2015 to reach US$ 292 billion, as the total number of outbound travellers rose by 10% to 128 million. Tourism expenditure from the world's second largest source market, the United States, increased to US$ 113 billion in 2015, while the number of outbound travellers grew to 73 million.
- In just a few years, **retail tourism has also become one of the fastest-growing product in the tourism sector**, having gotten quite a bit of attention due to its huge potential. Shopping has gone from being a complementary activity for tourists to a very relevant motivation (the main one, in many cases), and is also a key factor when choosing a certain destination over another.
- Retail tourism that can **encompass both luxury global brands and local authentic products** is here to stay. An exponential growth is forecasted for upcoming years, especially in emerging markets that have a spending capacity that is well over traditional ones.
- As evidence of growing interest, in 2014, the UNWTO prepared a global report on shopping tourism and in 2015 organized the first conference on shopping tourism at the Fitur event (the International Tourism Trade Fair). Later on, in October 2015 were held the first edition of The Summit Shopping Tourism & Economy in Madrid. An international event focused on analyzing and debating the Shopping Tourism phenomenon and organized by The Shopping Tourism Institute, a Spanish organization with international scope whose mission is to highlight the value of shopping tourism as a specific segment in itself that is set to be a powerhouse behind the economic and social development of cities, a mainspring of value for the brand of Spain and a cultural driving force. In 2016 took place the World Shopping Tourism Summit during the International Travel Week in Abu Dhabi.

WORLD SHOPPING TOURISM SUMMIT

SHOPPING TOURISM& ECONOMY SUMMIT

Shopping whilst on holiday

▶ Shopping has become an destination pillar attraction as such, with a growing demand for both Luxury bands and authentic local interactions

- **Shopping increases whilst on holiday** - Travelling away from home impacts tourists' shopping habits: spending increases, more non-essential items are bought… By straying from the conventional norms of consumption, tourists demonstrate shopping as more of a leisurely activity than their average purchases at home.
- **Gift-giving culture**. Visitors from Russia, the Arab countries and Asia, whose numbers have swelled in recent years are particularly into shopping. This is attributable not only to the strong economic upswing in these countries, but also to the fact that bringing home gifts is inherent in these cultures, especially in Asia.
- **Stores and airports becoming shopping attractions** - Many independent stores, shopping districts, malls and markets around the world have become 'must-see' attractions (and occasionally destinations) in their own. At the turn of the last century, Marshall Field's built the world's biggest chandelier and the first retail escalator in its flagship Chicago location. This turned the fledgling department store concept into a must-see attraction. The concept of "Destination Airport" is also fast becoming a key element of a destinations' infrastructure and marketing strategy, particularly in emerging markets.
- **Tax-driven shopping -** Due to a tax system with high levies on imported goods, luxury goods tend to be more expensive in Brazil than abroad. This has created a window of opportunity for international shopping destinations, as Brazilians increasingly reap the benefits of their rising incomes and relatively inexpensive shopping abroad. Europe in particular, with its multitude of luxury brands, has a great potential as a shopping destination within this market.
- **An increased demand from luxury-loving visitors** from Russia, Brazil, the Arab countries and Asia.
- **No forgery** - Shoppers place a heavy importance on ensuring everything they buy is original rather than a forgery or copy, particularly when buying on holidays typical products from a specific place (Swiss watch…).
- **Authenticity & interaction** - For visitors hungry for unique experiences and a real 'connection' with the destination, visiting a famous store, shopping district, mall or market offers an effective way of interacting directly with a destination's culture, traditions and people.

Shopping tourism strategies adopted by DMOs

▶ Most DMOs are embracing the shopping tourism opportunity, usually focusing on special areas, products or local experiences

- Shopping has converted into a determinant factor affecting destination choice and has become an important component of the overall travel experience. Thus **more and more destinations saw an immense opportunity to leverage this new market trend**. Shopping tourism represents a major opportunity for destinations worldwide for differentiating their offerings and enhancing their appeal and positioning vis-a-vis the global traveller: a weekend break to Germany's Christmas markets, discovering the bustling night markets of downtown Hong Kong or getting lost in the Grand Bazaar of Istanbul…
- Destinations are developing **authentic and unique shopping experiences that add value to their touristic offer** while reinforcing, and even, defining their **tourism brand and positioning**. They have begun to build campaigns promoting their cities as prime shopping destinations.
- For example, **Spain** is in the process of consolidating its image as a shopping destination, particularly with visitors from Latin America, the Middle East and Africa. City tourism and shopping were themes promoted in the latest 'I need Spain' promotion campaign.
- ENIT, the Italian Government Tourism Board has made well publicized efforts to promote the country's image as a shopping destination, building on Italian cities' established reputation for the **fashion and design industries**. Many efforts have been made to cater for the needs of visitors from emerging markets, with greater resources dedicated to customer service training.
- Atout France, the French National tourism development agency has targeted specific outbound markets by promoting shopping opportunities in Paris and other large cities while **partnering with large department stores and tour operators** to create specific shopping products. In Paris itself, the 'Shopping By Paris' campaign includes a package offering visitors a 10% reduction in over 270 stores for a set period. The French 'Tourisme en Ville' program also aims to draw visitors to other cities, thus lengthening visitors' stay in the country and spreading the economic impact of tourism spending beyond the capital. Finally, shops opening days and hours have been extended by the Ministry in specific areas of 6 popular cities.
- Sweden is promoting its shopping uniqueness based on **local Design experience** (Swedish fashion, decoration, furniture…)

Stockholm Design Week™

Shopping related Public-Private Partnership

Successful tourism destinations recognize the importance of harnessing the energies and resources of a range of partners along the destination value chain.

Examples of best practice in two "must-shop" destinations: London and Barcelona

- To enhance the **West End's appeal** to visitors worldwide (a London neighborhood), the New West End Company was created 3 years ago. It is an autonomous, business-led body that works in partnership with the Mayor of London and Westminster City Council, bringing strategy, funding and on-the-ground expertise to the management and promotion of the district. The New West End Company's responsibilities include encouraging investment, making the streets more welcoming, clean and safe for visitors and actively marketing the district worldwide. In terms of promotion, the New West End Company creates marketing campaigns for the West End but also supports the activities of VisitBritain, the Mayor's promotion agency, and London & Partners. New West End Company works together with its local authorities to identify and address key issues of importance to the West End.

- In recent years, **Barcelona has become synonymous of shopping tourism**. The process of improving the city's image and global positioning started in 1999 when Turisme de Barcelona launched the Barcelona Shopping Line. About 165 business establishments are part of the Barcelona Shopping Line, a program funded through an annual fee and providing know-how based on first-hand experience of serving the millions of visitors who visit the city each year across the city's retail establishments.

Other implementations to enhance shopping tourism

▶ Many destination adopted specific policies and legislation to improve the shopping experience for visitors

- **Loosening restrictions on trade** - In London, the New West End Company also works to remove barriers to high-spending international visitors, and recently this included a successful campaign to ease visa restrictions for Chinese visitors and working on improving the UK's Tax-Free shopping regime.
- **Tax refunds** - The processing of tax refunds on purchases made by eligible non-residents has become a booming industry!
- **Adaptation to emerging markets** - Many merchants are rapidly adapting to the needs of their international guests, as reflected in the growing language skills of employees, as well as in their improved knowledge of the culture, customs and preferences of their customers. Many luxury brand boutiques employees are highly trained staff often being sent to Switzerland for precision watch training or Italy to see handcrafted techniques used by the finest jewelers before being considered eligible to work in a brand's boutique.

Authentic shopping that reflects destinations’ DNA

▶ Destination tries to differentiate their shopping experience from the competition by matching it with the local “sense of place“

Examples in Malaysia, Switzerland and Austria

- In recent years the **Malaysian government has moved to reduce or eliminate tax on a range of items**, helping to drive down prices and increase competitiveness for Malaysia’s tourism and retail economy. Duty free shopping on cameras, sports equipment, footwear and jeweler is available nationwide. Kuala Lumpur, Malaysia’s capital city, ranked fourth in CNN’s 2013 survey on the Top 12 Best Shopping Cities in the World, ahead of well-established shopping hubs such as Paris, Hong Kong and Dubai. An impressive score coming from a winning combination of high-quality shopping, affordable prices and reliable sales. But another government led initiative boost tourism and shopping : The Malaysia Mega Sales Carnival. This event held for approximately 11 weeks each year, combines discounts across a range of sectors (including retailers, hotels, visitor attractions, and restaurants), with a strong cultural offering. The event offers an opportunity for Malaysia to show off its own thriving fashion industry with parades, shows, artistic displays and music.
- **In Switzerland the focus is on the quality** of the products available. The world famous “Swiss Quality” and “Swiss Made” labels ensure the foundation of shopping tourism in this Alpine country with Swiss made chocolate, watches, army knives and cheese almost becoming attractions in themselves. City sightseeing or visiting the countryside and the mountains goes hand in hand with shopping for traditional Swiss products and souvenirs.
- One of the things that make **Vienna unique** is the fact that visitors are very often able to do their **shopping in historic palaces** and against the background of a rich imperial heritage. This ensures that they get an unforgettable shopping experience – one which hardly any other city can offer as intensively and extensively as Vienna. Traditional Viennese handicrafts and traditional Viennese firms complement the range of international brands with with global reputations while also acting as ambassadors for Vienna. Very often they also achieve success abroad that in turn generates new demand for Vienna as a travel destination.

Small and local shopping experiences

▶ Small and local shopping experiences tend to be more attractive for travelers than the big global brands outlets.

Private shoppers for guiding a more authentic experience

- **In Italy**, Chinese and German tourists seem to be quite interested by **personal shoppers**, particularly when doing **factory shopping**.
- With so many touristy shops scattered throughout Paris, visitors rarely get the opportunity to discover what an authentic shopping experience is like in "The City of Love". Guidebooks rarely reveal the secrets to shopping like a true Parisian. This is what brought about the creation of Chic Shopping Paris, **a company dedicated to helping tourists experience authentic Paris shopping**, to help clients see non-touristy parts of Paris. The company aims to help people take home "Paris in their bag". Each shopping spree takes clients behind-the-scenes to secret addresses, giving visitors **a glimpse into the Parisian lifestyle.**
- Shoppers even get their own personal bilingual guide who is full of advice that only a good Parisian friend would normally share with. With Chic Shopping Paris, clients get the chance of a lifetime to hunt for clothing and accessories that wouldn't have been easily purchased back home. The point is to help visitors find items that are new in Paris and not in the U.S. or Canada.

Courses and handicraft on the rise

▶ Getting an immersive and co-creating experience that mixes shopping with other cultural and local art activities

- **Travelers want a new and original side to their travels**. They are often jaded and their expectations extend well beyond simple visits, no matter how interesting. Traditional crafts are sought after by visitors who enjoy experiencing them first hand. More and more artists pass on their skills and knowledge during creative courses, **enabling visitors to craft their own souvenirs while on holiday!**
- Companies specialize in offering tours that are mixing visit, workshop, shopping and other touristy activities for visitors wishing to experience something truly unique.

Examples of immersive guided shopping tours

- **Lyon silk Tour** - A tour for visitors to discover the fabulous history of the Lyon silk. Visitors are taken to a demonstration of weaving made by one of the last family of silk weavers, they also to go meeting with an artist-artisan silk.
- **Be a one-day artisan in Tokyo -** Tokyo has 41 metropolis-designated traditional crafts, which are made with skills, techniques, and material born and sustained in Tokyo through many years. A large part of the creative process involves handwork by artisans. To spread knowledge about these traditional crafts that date back to the Edo period, many artisans hold one day workshops adapted to visitors in their own studios.
- **Venice Hidden Treasure Day** - A tour to explore some exclusive places of Venice and to participate in a Venetian mask creation workshop.
- **Grasse exclusive perfume tour -** On this day tour, visitors discover Grasse, the world Capital of Perfume and a French Riviera jewel. With a local guide, tourists will learn all the secrets of the modern perfumery, visit the most prestigious factories in Grasse, and enjoy a walking tour in the medieval Old Town. They will also participate in a 2-hour perfume creation workshop where they will make their own fragrance.
- **Arts & Craft Routes in South Africa** - Culture, arts and crafts routes to get to know the country and its people. Whether it's a special initiation dance in the dusty Richtersveld, a church ceremony in a fisherman's village along the Southern Cape coast, a San cave painting up in the Drakensberg or a jazz party in Soweto, the culture, arts and craft routes of South Africa takes visitors' breath away.

Farms, Factory visits & more

Factory visits associated to enjoyable product testing or favorite brands delight visitors and build memorable experiences

Choco-tourism in the Caribbean

- Sun & Sean…and chocolate factory and tasting experiences across the Caribbean (St Lucia, Tobago, Dominica, St Vincent, Trinidad, Belize…) with visits of farms and chocolate-themed attractions.
- A tour that is well anchored in the islands' cultural and historical roots, revitalizing the local economy.
- Various types of attractions on the way such as: Cocoa Research Center, Grand-Couva Cocoa fields, Montserrat Cocoa Farms, Grenada Chocolate Company, Cocoa Agro-tourism Park, Cocobel Chocolate Art Gallery, Tobago Cocoa Estate, Hotel Chocolat at St Lucia, Toledo Cacao Festival in Belize…

Tod's factory visit

Factory visit in Italy

- In Italy, the latest shopping trend for tourist is to go directly in the districts that produce their favorite brands.
- Marche is one of the most recognized regions in Italy when it comes to handmade leather goods, and especially footwear. Generations of artisans have devoted their lives to maintaining the highest quality in Italian handmade leather products. The region has prominent designer factory stores such as Tod's and Armani.
- The Altagamma Foundation is working on various projects to develop the Made in Italy's districts tourist destinations, tying Made in Italy's brands, catering and hospitality. In Pesaro, visitors are encouraged to visit the shoe factories of Civitanova Marche and Montegranaro, along with the textile workshops in Cantiano and Mercatello Metauro.
- Visitors can also visit many SMEs in the cashmere's district in Umbria or go to the leather district in Florence.

Shopping in the Caribbean: Luxury Brands *and* local products…

- In the Caribbean like in other world regions, the demand is growing for both luxury brands and local products.

- Shopping and retail in the Caribbean cruise industry have developed and grown tremendously over the years. As the cruise and travel industries evolve and travelers become more discerning, **there is a shift taking place in the Caribbean shopping experience.**
- **Luxury boutiques** - There has been exponential growth of luxury, stand-alone or mono-brand boutiques offering guests a custom, specialized luxury shopping (duty free) experience. Major brands such as Bvlgari, Tag Heuer, Breitling, Omega, Longines and Hublot, are recognizing an untapped market of shoppers on cruise lines and other tourists who are looking for the high-end boutique shopping experience.
- **Local specialties** – On the other hand, with a growing interest in cultural tourism, travelers are more often seeking local handcrafted goods that are authentic and are exclusive to the region. Local shop owners and craftsman have recognized this demand and are capitalizing on it, increasing their offerings of traditional Caribbean designer apparel, accessories, spices, hot sauce, rum, tequila and liqueurs – the most sought-after Caribbean goods among visitors. Most destinations such as Nassau do a good job pushing their local products, but there is a great opportunity for more destinations to grow this critically important segment for the local economy.

Caribbean shopping challenged by the global competition

Driven by both Asia and Gulf Countries / Emirates

Shopping Quality Index

Caribbean islands 120

Asian sun & sea destinations 191

Gulf & Emirates 215

A global race led by Asia and Gulf destinations / Emirates

Both well-established sun & sea destinations in Asia and emerging competition from the Gulf / Emirates region are delivering a better experience for shopping to their international visitors. In the Caribbean, the *shopping range* and *diversity* is the main aspect that tends to be lower rated, impacting also the *value for money perception.*

Source TCI RESEARCH / TRAVELSAT Competitive 2013-2016
Index average for shopping

Best-In-Class Shopping Destinations

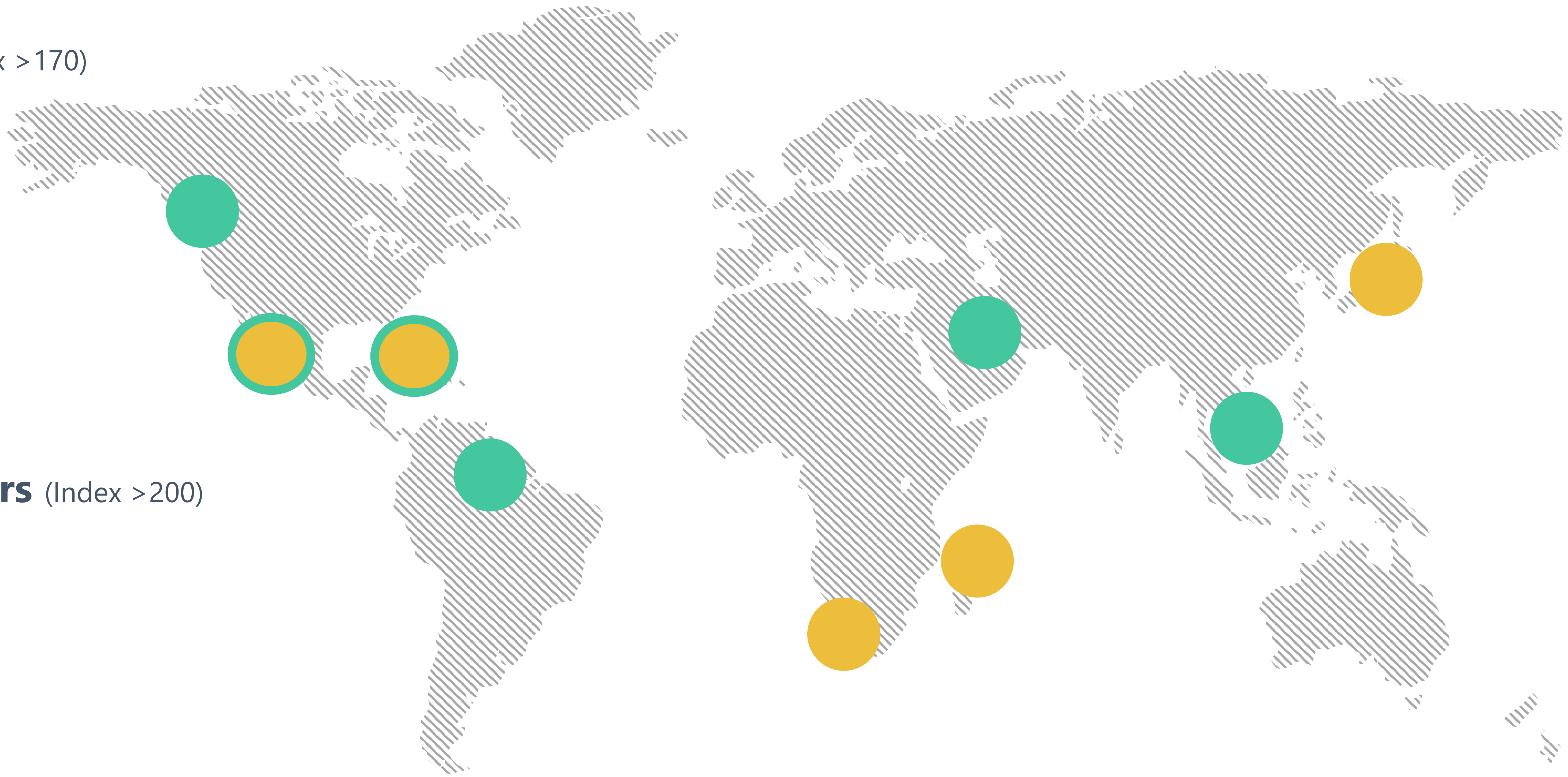
Examples of destinations offering highly competitive shopping experiences

Best for value for money (Index >170)

Thailand
Dubai
Jamaica
South Africa
Mexico

Best for local craft & souvenirs (Index >200)

Japan
South Africa
Madagascar
Jamaica
Mexico



Source TCI RESEARCH / TRAVELSAT© Competitive 2013-2016 - TRAVELSAT© Indexes reflect the quality of experience as rated by visitors

Competitive Assessment Grid

Summarizing key success factors for destination shopping

Competitive Assessment Grid

20 Factors driving successful Destination Shopping

1. **Lifestyle Center Design**
   Is there a specific lifestyle center design on Aruba?
2. **Pop up stores**
   Are there any ephemeral pop up stores taking place in Aruba?
3. **Immersive, interactive**
   Any in-store immersive, media and interactive shopping experiences in Aruba?
4. **Co-creation**
   Any workshops with local Aruban craftsmen, artists, producers?
5. **Transumerism**
   What can be rented short term on Aruba?
6. **Mobile shopping**
   Is mobile shopping experience active on Aruba? Can visitors pay using contactless options?
7. **Social media shopping**
   Are social media actively used by vendors on the island?
8. **Shopping guidance**
   Any shopping guidance given in visitor info centers? Dedicated Apps ? Maps? Private guides?
9. **Sustainability, Labels**
   Is the shopping on Aruba environmentally and socially responsible? Any local labels?
10. **Transparency**
    Is the shopping on Aruba delivering transparency on Origins, Quality, Price, Ethics?
11. **Luxury brands Vs Local**
    Is the balance fair btw luxury brand stores and local authentic shopping experiences on Aruba?
12. **Cultural diversity**
    Is cultural diversity reflected in shopping products and shops' behaviors on Aruba?
13. **Private-Public**
    Is there a formal PPP in place gathering local shopping stakeholders in Aruba?
14. **Airport stores**
    How unique is the shopping experience at the Aruba airport?
15. **Tax-driven shopping**
    Does the tax environment generate opportunities for visitors to shop brands cheaper?
16. **Entertaining**
    Are shopping activities fun / in a recreative atmosphere?
17. **Informative**
    Do shopping activities include educational/cultural content?
18. **Accessible**
    Are shopping areas easily accessible?
19. **Safety**
    Are shopping areas usually safe at days and nights?
20. **All-segments**
    Are they things to shop for all types of travelers (High-end, Mass-clusive, Families, Budget…)?

Assessment & Gaps

Mapping Aruba’s shopping experience & opportunities

Aruba Shopping

Assessing the shopping experience on Aruba

What can visitors shop on Aruba?

▶ The diversity of existing products than can be found on Aruba is actually pretty large in terms of both product categories and range, with a few “icons”. However, the range of specific / unique / guided or self-guided *shopping experiences* is more limited.

Popular products to shop on the island…

- Luxury brands
- Local jewelry
- Local Art & Artisans work (Cosecha, Artisa, Galleria Azul…)
- Clothes, Bags, Apparels, Designer fashion
- Table linens
- Cigars
- Wine, Rum, local Beers, Kukui
- Dutch Cheese and Delft
- Cosmetics, Perfumes, Aloe, Soaps, Jabon
- Local books
- Leather goods
- Antiques
- Beachwear and lingerie
- Pica di Papaya…

Shopping experiences & guided tours

- Local markets / Flea market
- Shopping malls (Renaissance Mall…)
- Art galleries
- In-hotel local art & shopping exhibitions
- Aloe Vera factory visit
- Craft Making Classes

What is the shopping-related sentiment shared by visitors?

▶ The 2016 TRAVELSAT© Pulse reported key positive and negative sentiment towards shopping experience in Aruba, as reflected on the social web

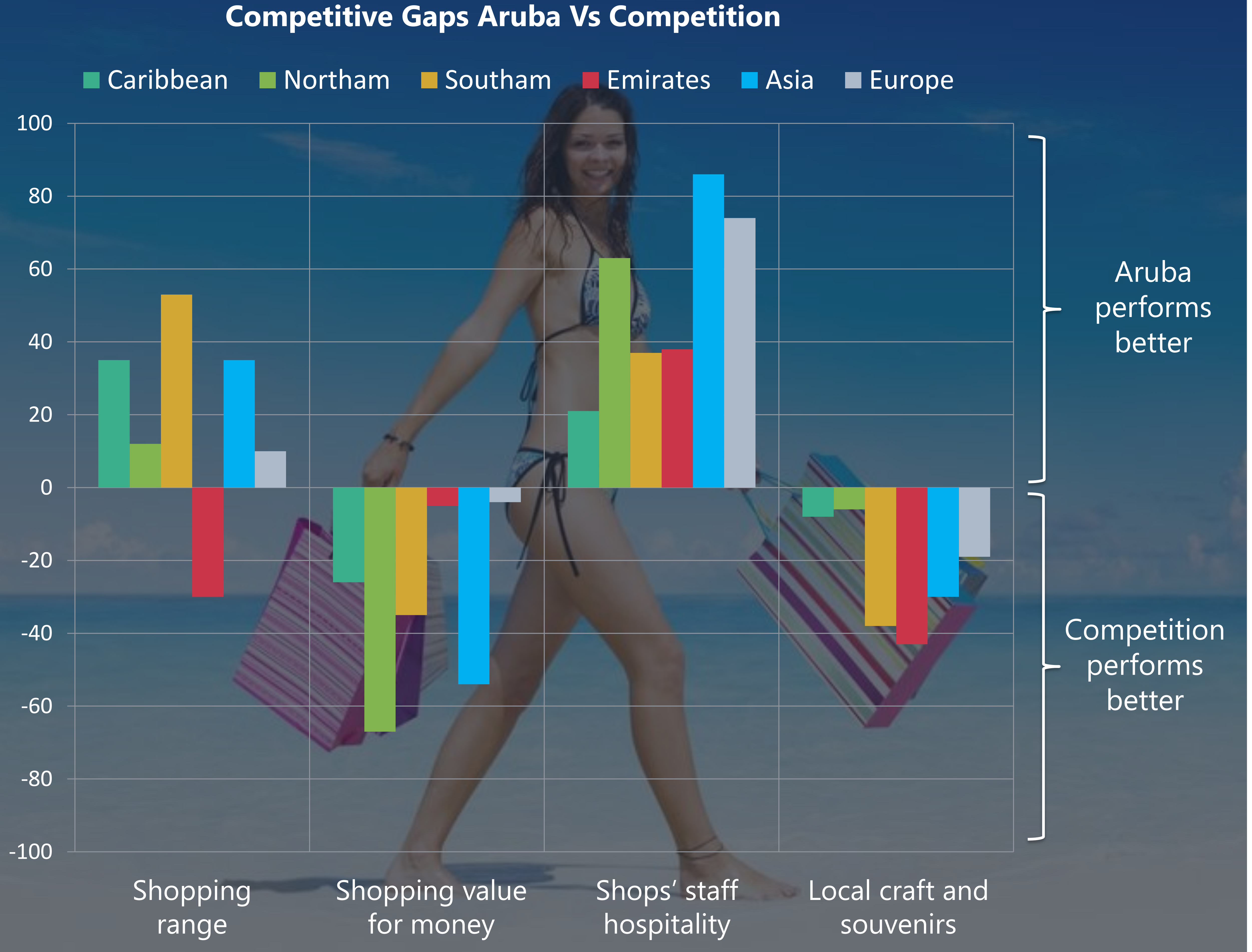
For further details please refer to the TRAVELSAT Pulse Sentiment Report, Shopping section

ELEMENTS DRIVING POSITIVE SENTIMENT	ELEMENTS DRIVING NEGATIVE SENTIMENT
Shopping is often associated with other activities (dining out, tours, strolling around in streets / strips, cultural events …)	Lack of truly authentic Aruban products or memorable shopping experiences. Too much US-focused shopping offer
Easy access to shopping areas (walking distance or with a short public bus/ car / taxi ride)	Lack of Caribbean flavors
Excellent safety conditions for shopping at all time, incl. evening / night shopping	Jewelry authenticity concerns / quality checks
Well-defined locations associated with specific products	Art rarity
Local flea markets are enjoyable and offer a more authentic experience	Overall sentiment of a relatively pricy shopping
Shops' staff is friendly and adds personal touch. Family atmosphere	Unfavorable comparison Vs Curacao seen as more authentic
A few iconic / unique products (Aloe Vera, Gouda…)	Discount transparency not always clear
Co-creation / creative shopping (Terrafuse, Glas bead making…)	Tax transparency / hidden taxes
Contact / interactions with local artists / craftsmen	Inconsistent / unclear shops opening hours / days
No / limited selling pressure on beaches	Unprofessional complaint dealing from vendors
Craft fairs inside resorts	Hard-selling attitudes
Familiar grocery brands	Payment with credit card only
Shopping locations' sense of place creating a favorable context	Debit card charges
US$ price tags and payment facilities	Dealing with cruise visitors centric shopping

TCI Research
Tourism Competitive Intelligence

Shopping Experience

Aruba Vs Sun & Sea competition – US Market



Source TCI RESEARCH / TRAVELSAT© Competitive 2013-2016 (Focus US market)
TRAVELSAT© Indexes reflect the quality of experience as rated by visitors post-visit

The Aruba Shopping Experience partly rivals global competition

Patterns of TRAVELSAT© Indexes gaps clearly indicates that Aruba delivers a competitive shopping experience to its primary market (US) in terms of **diversity**, as well as **staff hospitality** standard in shops.

The challenges relies in the destination capability of generating **higher value for money perceptions**, in particular by **enhancing the quality of local craft and souvenirs** that visitors can bring back at home.

Working on those two facets in the long-run is **essential to face the regional and global mature and emerging competition** on the shopping segment, and to foster visitors' spending whilst at destination.

Aruba Shopping Gaps Evaluation

How does Aruba perform on the 20 Shopping Success Factors?

Evaluation based on multiple sources including TRAVELSAT insights, desk research and ATA viewpoints

High
Average
Low

Gap Analysis – Shopping in Aruba

1. **Lifestyle Center Design**
   Is there a specific lifestyle center design on Aruba?
   → Though not truly "lifestyle" centers, Aruba provides a good range of architecture, design and "sense of place" of shopping locations. Moreover blending shopping with other activities is already part of visitors' behaviors

2. **Pop up stores**
   Are there any ephemeral pop up stores taking place in Aruba?
   → (Hardly) no pop up stores are to be reported on the island

3. **Immersive, interactive**
   Any in-store immersive, media and interactive shopping experiences in Aruba?
   → (Hardly) no in-store unique media or interactive experiential shopping reported

4. **Co-creation**
   Any workshops with local Aruban craftsmen, artists, producers?
   → A few workshops and making classes exist and seem delighting visitors, but their number are limited and not always well marketed for tourists.

5. **Transumerism**
   What can be rented short term on Aruba?
   → Apart from usual rental products and services (cars, equipment…), no particular leasing options are available

High

Average

Low

Gap Analysis – Shopping in Aruba

6	**Mobile shopping** Is mobile shopping experience active on Aruba? Can visitors pay using contactless options?	No specific mobile-based services have been implemented for shopping. It is also not possible to pay with smartphone (contactless)
7	**Social media shopping** Are social media actively used by vendors on the island?	Presence of shopping vendors on social media is active and pretty well developed
8	**Shopping guidance** Any shopping guidance given in visitor info centers? Dedicated Apps ? Maps? Private guides?	The Aruba website shopping section is complete, but no specific instructions are given to staff for guiding visitors to shopping areas. No local products sold inside info centers. No or limited dedicated shopping apps or maps are available. No / limited private shopping guides or tours
9	**Sustainability, Labels** Is the shopping on Aruba environmentally and socially responsible? Any local labels?	No particular communication on shopping sustainability provided. A few "made in Aruba" logos displayed, but no global or local official labels are used promoting the local environmental and social impact
10	**Transparency** Is the shopping on Aruba delivering transparency on Origins, Quality, Price, Ethics?	Except for jewelry that provides certificates, transparency about product origins, quality, price and vendor ethic is limited

High
Average
Low

Gap Analysis – Shopping in Aruba

11	**Luxury brands Vs Local** Is the balance fair btw luxury brand stores and local authentic shopping experiences on Aruba?	The current balance seems fair but the truly authentic Aruban shopping options still remain a relatively vague concept for visitors.
12	**Cultural diversity** Is cultural diversity reflected in shopping products and shops' behaviors on Aruba?	Multiculturalism is commonly adopted by shops' personnel who knows how to adapt clients' diversity. However discrimination feeling risks and cultural adaptations should be monitored towards non-English, future large or emerging markets (Asians, Muslims) requiring specific staff attitudes.
13	**Private-Public** Is there a formal PPP in place gathering local shopping stakeholders in Aruba?	There are low developments of formal Private-Public Partnerships aiming at managing and enhancing the shopping experience in Aruba
14	**Airport stores** How unique is the shopping experience at the Aruba airport?	Except for some liquors or cheese, the Airport Shopping does not provide a unique and memorable local experience to visitors
15	**Tax-driven shopping** Does the tax environment generate opportunities for visitors to shop brands cheaper?	Duty-free shopping exists but no Tax Refund process is in place

TCI Research
Tourism Competitive Intelligence

High

Average

Low

Gap Analysis – Shopping in Aruba

16	**Entertaining** Are shopping activities fun / in a recreative atmosphere?	Aruba delivers a very entertaining shopping environment, fostering combination of shopping with other activities (casino, visits, dining out, events…)
17	**Informative** Do shopping activities include educational/cultural content?	The number of workshops, courses, classes and educational shopping experiences (factory visits, co-creation…) reflecting the Aruba culture is limited.
18	**Accessibility** Are shopping areas easily accessible? Delivery service? Vending machines?	Most popular shopping places are very easily accessible both at day and night, but delivery services or innovative vending machines are not developed.
19	**Safety** Are shopping areas usually safe at days and nights?	Shopping places on Aruba are safe and build confidence for shopping (a massive asset in the Caribbean competitive landscape)
20	**All-segments** Are they things to shop for all types of travelers (High-end, Mass-clusive, Families, Budget…)?	Shopping options are available to most core segments: seniors, families, youth, high-ends, budget, couples, honeymooners, luxury brand lovers, epicureans… however the offer seems more limited for authentic shopping seekers, co-creative, educational and mobile-addict shoppers, and Transumerists

Gap Analysis – Overview

Mapping possible actions for embracing shopping Trends opportunities

Needs fully covered in Aruba

MAINTAINING / PROMOTING

- Shopping is entertaining
- Shopping places are safe
- Shopping areas are easily accessible
- Shops social media presence is active
- Design of some shopping centers is unique
- Cultural diversity is generally taken into account by shop staff

These existing assets offer a great visitor environment and platform for developing new shopping activities

Needs partly covered in Aruba

POSSIBLE ACTIONS TO CONSIDER

- Sustainable pop up stores in busy places and/or integrated in natural attractions
- Immersive / media interactive stores
- Reactivating shopping experiences based on past Aruban traditional products / craft, with innovative adds-on (virtual reality for ex.)
- Co-creation / art workshops and classes
- Delivery services
- Vending machines selling local products
- Tax-driven shopping / VAT refund regime
- “Market-ready” training of shops’ staff to enhance cultural diversity adaptations
- Private shopping guides / shopping tours
- Leasing of Aruban lifestyle products (jewelry, clothes, electronics…)

These actions may not drastically impact the shopping experience but can help differentiate / innovate

Needs not/insufficiently covered in Aruba

PRIORITY ACTIONS TO CONSIDER

- Improved current Shopping Map and Mobile App
- Mobile payment deployment
- Info center training on shopping guidance
- Local products selling inside info centers
- Lifestyle centers blending shopping with culture, leisure fitting the Aruban heritage
- Ephemeral / regular local shopping events inside / around architectural landmarks
- Flea market optimization engaging with locals
- Sustainable shopping / label(s) adoption
- Formal Public/Private Partnership with local shopping stakeholders
- Airport regular / pop shopping markets at gates

Some actions can be implemented short term, other requires long-term process, but all can impact!

Shopping Best Practice

Examples of destinations inspiring shopping activities

Case 1: Jamaica – The Devon House

▶ The Devon House Heritage Site: a winning concept mixing culture, architecture, history, leisure and shopping

Devon House: the site

- The Devon House, an **11 acre property including a 19th century Georgian-style mansion**, was the home of Jamaica's first black millionaire. The house's decoration, with 19th century antiques from Jamaica and the Caribbean region, unveil an interesting overlook on the life of the wealthiest of that time. After being restored and becoming a National Heritage Site, Devon House has been opened to visitors. Nowadays, the kitchen, the stables and other buildings are used to harbor some of the city's nicest **restaurants**, **pastry** and **souvenir shops**. There we can also find the flagship store of the first Jamaican ice-cream brand, creatively named Devon House I Scream. A playground area for the little ones, named "**Kid's Zone**", is also available, which makes the attraction even more **interesting for families**. This sort of global experience is widely appreciated by visitors, who tend to **spend more time** on site due to the **variety of activities and consumption options** available.

The Devon House

Starfish Oils products

Zoom at a local shop: Starfish Oils

- Starfish Oils is a Jamaican company specialized **on aromatherapy**, **bath** & **shower** goods. Started in 1995, their goal is to provide customers with products that "**evoke the true spirit of Caribbean**". With a staff of 19 people plus the support of craftsman and women who create their original indigenous packaging, Starfish Oils is the perfect example of a prosper local SME. They opened their second concept store at the Devon House, where they can sell and display their goods, which are already exported to other Caribbean destinations and the USA.

Aruba could also further blend shopping with cultural, history and leisure, taking advantage of its architectural uniqueness for creating new in-site permanent or ephemeral "staged" shopping experiences promoting local products. Another inspiring examples of immersive blended experience is the Guinness Store in Dublin

Case 2: Mexico – Mercado 28

Mercado 28: a cultural cauldron where you can shop among locals!

The market…

- Tired to see the same faces at your all-inclusive resort? Then this is the place to go in Cancun! Market 28 is a big **downtown flea market** where you can find anything from **shoes**, **clothes**, **jewelry** and **food** to **typical Mexican handicraft** and a **postal office**. The variety of products and services available at this site is highly appreciated by visitors, as is the **contact with locals**, specially while bargaining with some stall owners. Its location on downtown Cancun, instead of the tourist or Hotel Zone, adds to the "**authenticity**" of the market and the shopping experience. Visitors' also find that Mercado 28 has rather **lower prices** for the same kind of goods compared to other markets, which is of course widely appreciated. While some recognize that the articles for sale there are not necessarily unique, most agree that Mercado 28 is a place that one should absolutely visit while in Cancun.

Mercado 28

Some souvenirs found at Mercado 28

… where most traditional souvenirs can be found !

- The pursuit of perfect quality **handicrafts**, **souvenirs** and **gifts** can be quite challenging, specially in very popular destinations such as Cancun. According to online reviews and comments, it is however not the case if you go to Mercado 28. Most of traditional Mexican handicrafts and souvenirs such as sombreros, hand painted margarita glasses, hammocks, weaved baskets, Mayan jewelry, handmade Zapotec rugs and leather goods can be easily found there.

The Aruba flea market also drives visitors' delight, but it could be interested to further engage with shops owners, locals and visitors to make it evolve to a next level that would fit all benefits and increase the local immersion expected by visitors.

Case 3: South Africa – The Diamond Tour

▶ Diamond tours: be seduced by the tale, the technique and the beauty. A perfect blend between shopping, culture, education and local roots immersion

Cape Town Diamond Museum entry

From the Diamond Museum

- South Africa history is embedded with **diamond** extraction and trade tales. Therefore, it is only natural that Cape Town has its own Diamond Museum at one of the most prestigious locations of the city, the Waterfront. There, **visitors can learn** not only about the **shared history between South Africa and diamonds**, but also how these precious rocks are **formed**, **mined**, **polished** and **cut**. Replicas of famous diamonds are also on display, along with the stories that made them known. A museum about such a fascinating stone is the **perfect pairing to a unforgettable jewelry shopping experience**. Shimansky, a local jewel designer and builder of the museum, was quick on taking that opportunity and creating the South African Diamond Tour.

Though already popular, the Aloe Vera factory visit could certainly enhance its visitor experience by benchmarking Vs similar best–in-class types of attractions in the world. Other culinary-based factory or farm visits could be organized (local brewer? Chocolates? Jewelry making?...)

To a world-class jewelry

- Shimansky's South African Diamond Tour is an **immersive**, **full-scale experience**. Visitors **start at the Diamond Museum**, where they can have a glance at diamond's 3 billion year old story, since its formation up to the polished stones they see on the galleries. The next step is the **Diamond Cutting & Polishing Factory**, where one can observe the first steps of transformation of the stones from their natural state into "creations of fire and light". Finally, visitors can witness the jewelry creation process at the **Jewelry Manufacturing Factory**, where stones are finally added to unique design jewelry. The tour ends at **Shimansky's showroom**, where visitors can enjoy a glass of South African wine or coffee while considering which pieces they might take home…

Jewelry manufacturing and the Shimansky jewel shop

Case 4: Arts & Crafts

Other transverse best practices on a shopping segment that touches most destinations

Building memories

- It is not a coincidence that the French word *souvenir* translates into **memory**. Since men started to travel, specially for learning or leisure purposes, they were interested into bring home **objects that reminded them of their experiences** while travelling. This dynamic remains relevant nowadays, even with all changes perpetrated by globalization and mass production. Local arts & crafts were, and remain, the souvenirs *par excellence*. As today's traveler turns more exigent, the **interest on "original" local arts & crafts** is rising. Its association with a story or a memory make it even more desirable, linking it to an experience instead of a commercial transaction. Local authorities play an important role on this domain, not only **providing the structure** needed to artists and craftspeople, but also **putting forward the local production** at key sites. **The Art Program at the Sangster International Airport, in Jamaica,** was designed to do exactly that. Art works from both local and international artists are on display at its halls, that millions of travelers cross each year.

Art works in exhibition at the Sangster International Airport

Jamaican craftsman, Harbor Street Craft Market in Montego Bay and visitor in a craft market at Johannesburg

How to engage visitors in a meaningful arts & crafts shopping experience?

- The idea is simple: to associate the **consumption of local arts & crafts** with a **memory**. But how to achieve that? First of all, the environment **where the shopping takes place** is of great importance. In Jamaica and Mexico, most of handicrafts are sold in local markets where the all kinds of goods can be found. It gives visitors a glance of the **local life**, with all its **colors** and **smells**, and a sense of "authenticity". The Jamaican tourism authority is taking this element into account while it renovates the Falmouth market and launches a project to build artisan villages. Second, the opportunity to **meet the artists**, craftspeople is highly valued. This "reunion" can take place at various places, such as **markets** (like the Harbor Street Craft Market, in Jamaica), **workshops** (such as Mossel's Bay Craft Art Workshop, in South Africa) and **galleries**. Finally, the opportunity to **learn a new craft** is highly appreciated. Many Mexican resorts offer among its activities local handicraft workshops, where guests can engage with local crafts in a meaningful way.

The logistic provided to artists and craftspeople to expose their work is focal to success. Jamaica has already some initiatives on this area, but Aruba could to a lot more to enrich visitors' experience.

Conclusions

Key Take-Aways

Key Take-Aways…

Pushing the Aruba shopping experience to the next level!

While Aruba already offers a large range of shopping options to its visitors, in a great entertaining, easily accessible and safe environment, the global competitive shopping standard and trends call for **pushing the experience to the next level** so to meet the **new customer experience and demand for authenticity** besides unavoidable luxury brands.

The quest for authenticity may not necessarily means developing access to many more products, but designing **appropriate experiences and ways of shopping** them: **more local, immersive, co-creative, interactive, blended** with culture and leisure, smartly using – without denaturing them- **architectural or natural heritage as "shopping windows"** for hosting regular or ephemeral shopping experiences that **truly reveals the Aruban lifestyle**.

Investment could concern both the **enhancement of existing shopping attractions** and the development of **unique tech-based (and mobile-based) innovations**.

A strong focus for increasing visibility of CSR, **sustainability and transparency** will also make Aruba stand out from the competition while responding a well-established demand.

Actions can be both **tactical** (airport fairs, vending machines, improvement of existing offer like the flea market or Aloe factory visit, private shopping guides, Maps & Apps…) and **strategical** (mobile payment, tax refund,…). They require building **more formal Public-Private Partnership** with local players acting in the shopping experiences: shops, malls, cultural attractions, hotels, residents, airport authorities, Tour Operators, Tax-free operators…

About TCI Research

Competitive insights for smart destinations

MISSION

We provide local and international destinations in the world with competitive insights covering the whole visitor experience, by using standard and custom advanced research solutions based on conventional surveys and controlled Big Data integration

VISION

Research is instrumental to efficient destination marketing and management. We help you navigate the complex and competitive visitor economy, measure your performance, detect trends and opportunities for making your destination brand stand out from the competition

ENDORSMENTS

In 2011, our TRAVELSAT© Index global survey was given the UNWTO Innovation Award. Since then, 100+ destinations and travel organizations have trusted us, fostering our team to constantly innovate in quality research solutions for destination leaders

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