

People travel more, spend less

The 2018 Global Traveler Report reveals that despite record numbers of air travellers, up from 415 million in 2012 to a projected 808 million this year, the size of the travel retail market is slowly shrinking. Global travel retail spending has dropped by \$15bn from \$397bn in 2016 to a projected \$382bn this year. The average travelling consumer is now spending \$491 per trip, almost \$170 less than in 2012, says the report.



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Bucking the trends in almost every category is China. Between 2016 and 2018 Chinese travellers increased in outward bound traffic by a staggering 50% and now account for 40% of the money spent on travel retail around the globe. Chinese travellers are not just spending more in airport duty-free, but also increasing in numbers – and keeping travel retail afloat while many other nationalities decrease their spending and their travel abroad.

The lowest spenders are Western Europeans; South Americans are most likely to be shopping for a bargain and North Americans and Eastern Europeans are more interested than other nationalities in buying items the country they are visiting is known for.

"It's a big concern that despite the numbers of people travelling, the amount of money they are spending is going down," said Ian L. Cesa Horizon's founder. "That's a worrying trend."

"Multi-billion dollar decisions, particularly in relation to airports, are made on the basis of assumptions about what will appeal to travellers in airports, but we all know that spending in airports is only a fraction of what travellers spend on merchandise when they are travelling," says Cesa. "Competition for duty-free for share of wallet is not other airports, but other shops in the places travellers visit."

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