

# FINANCIAL REVIEW

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HD **DJs targets tourists with Chinese New Year event**  
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David Jones is hoping windows dressed in red and gold, gold Jimmy Choo shoes and the face of model Jessica Gomes will entice shoppers into its stores during Chinese New Year celebrations.

The 175-year-old department store has identified the Asian market as a new revenue growth opportunity and is targeting big-spending Chinese tourists and temporary residents with a taste for luxury brands.

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The retailer kicked off its Asian strategy last May, becoming the first Australian department store to accept UnionPay, China's national credit card.

On Friday, David Jones chief executive Paul Zahra and Jessica Gomes (who was hired as fashion ambassador last year partly because of her Chinese heritage) launched a new promotion timed to coincide with Chinese New Year.

As the clearance period comes to an end, David Jones's window dressers are replacing "sale" signs with red and gold window displays.

Merchandisers have stocked the stores with goods such as gold Jimmy Choo stilettos (a snip at \$1129) red Giorgio Armani handbags, L'Occitane cherry blossom fragrance packs, S&P gold noodle bowls, Michael Aram snack plates and Godiva Chinese New Year chocolates.

David Jones is also selling red and gold gift cards with Mandarin script and is offering UnionPay cardholders a \$50 gift card for every \$500 they spend on their card in-store.

"I truly see this as a real opportunity for the company," said Mr Zahra. "We knew we had an Asian customer base but this is the first time we've overtly celebrated Chinese New Year.

"We did some work last year to dabble in the Chinese market and this year we've strengthened it significantly." "Aspirational" shoppers

According to a Bain report released this month, Chinese consumers have the highest per capita spending on luxury goods in the world and prefer brands such as Balenciaga, Giorgio Armani, Bottega Veneta and Valentino.

Despite a Chinese government crackdown on corruption and excessive consumption, luxury gifting is still a strong cultural ritual driving luxury spending, the report said.

"The Chinese are aspirational and very much into international designers," said Mr Zahra. "They love brands and we are the premier department store for brands."

More than 700,000 Chinese nationals visited Australia last year and numbers are expected to rise rapidly, especially as the Australian dollar weakens.

Mr Zahra said there had been significant use of UnionPay cards in David Jones in the last few months but declined to give figures.

"That customer, particularly the travelling customer, in many cases doesn't speak English and UnionPay has become a swifter form of communication," he said. "We were missing out on the customer who had a card but was shopping at other retailers."

**Chinese** tourists spent \$4.2 **billion** in Australia last year and spending is expected to reach \$10 **billion** by 2020, according to Tourism Australia.

David Jones is not the only **company** targeting the **Chinese** consumer: ANZ Banking Group ran advertisements in **Chinese** at the Australian Open.

**CO** djsaus : David Jones Ltd

**IN** i64 : Retail/Wholesale | i656 : Mixed Retailing | i6560002 : Department Stores | iretail : Retail

**RE** austr : Australia | china : China | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcosz : Developing Economies | easiaz : Eastern Asia

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