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Communication Plan: Attracting upscale tourism to El Corte Inglés, the Lisbon Store

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Resumo

O setor turístico expandiu-se a níveis sem precedents durante as últimas décadas, em Portugal e Lisboa, incluindo de mercados emissores como a Angola, Brasil, EUA, ou China, nacionalidades reconhecidas como compradoras de artigos e marcas *premium/de luxo*, assinalando o advento do *turismo de compras*.

Com a consequente confiança dos retalhistas neste mercados, surgiram oportunidades relevantes para a gestão dos negócios adaptar as suas estratégias a este segmento, cada vez mais exigente e em contante evolução.

O El Corte Inglés Lisboa é, desde a sua abertura, em 2001, um dos retalhistas proeminentes do mercado do *turismo de compras* em Lisboa, ajustando, com sucesso, a sua estratégia de negócio, captando uma significativa quota de mercado do segmento.

Considerando o crescimento e diversificação do *turismo de compras*, a constante evolução dos meios de comunicação e a oferta comercial do El Corte Inglés cada vez mais atrativa para o turismo de luxo, este projeto propõe a criação de uma estratégia de comunicação mais eficiente, segmentada para os turistas com maior poder de compra, interessados em compras de luxo, e para quem *shopping* está na base da decisão de viajar.

Desta forma, foi realizada uma investigação junto de uma amostra de 200 turistas na loja, para estudar os seus comportamento e preferências de compras. A análise dos dados revelou a existência de dois potenciais segmentos de compras de luxo que visitam a loja, compostos por jovens adultos angolanos e brasileiros para quem, em conjunto com os compradores de luxo chineses, o plano vai ser dirigido.

Palavras-chave: Turismo, Retalho, Turismo de Compras, Estratégia de Comunicação, Plano de Comunicação, Marketing Turístico, El Corte Inglés

JEL: L81, M31, M37

Abstract

The tourism industry has expanded at unprecedented levels in Portugal and Lisbon during the last decades, including by outbound tourist markets such as Angola, Brazil, USA, or China, traditionally regarded as *upscale, high-end fashion shoppers,* signaling the advent of *shopping tourism* in Lisbon.

With an increasing reliance of Lisbon's retailers on international shoppers, retail management has relevant opportunities to leverage their businesses' results by attracting the increasingly demanding and ever-evolving recent market segment, the *tourist shoppers*.

El Corte Inglés Lisbon’s store has been, since its opening in 2001, one of the frontline players in the city's *shopping tourism* landscape, successfully adjusted its business strategy, captivating this prominent market segment.

Hence, considering the *tourist shoppers'* growth and demographical diversification in Lisbon, an always expanding mix of communication channels', and the store's commercial offer increasingly appealing to *high-end tourist shoppers,* this project proposes the creation of a more efficient communication strategy, segmented towards *tourist shoppers* with high-purchasing power, interest for *upscale and luxury shopping,* and for whom shopping is one of the primary travel motives.

To that extent, a comprehensive investigation on El Corte Inglés' tourist customers was implemented through an in-store questionnaire with a sample of 200 international shoppers, unveiling their traveling and shopping behaviors and preferences. The data analysis unveiled the existence of two potential upscale segments already visiting the store, the Angolan and Brazilian young adults, to which, jointly with Chinese luxury shoppers, the communication plan will be targeted.

Key Words: Tourism, Retail, Shopping Tourism, Communication Strategy, Communication Plan, Tourist Marketing, El Corte Inglés

JEL: L81, M31, M37

Table of Contents

List of Figures

List of Tables

Executive Summary

This thesis project focuses on one of the most prominent themes in the Tourism field, *Shopping Tourism,* and aims to develop a communication plan for the Lisbon store of El Corte Inglés, one of the biggest department stores' chains worldwide.

The *Shopping Tourism* trend was considered particularly interesting as the main subject for this thesis, given the exponential tourism inflow to Portugal and Lisbon and the recent development of the city's retail to captivate audiences from outbound tourism markets that are widely considered *upscale* shopping consumers and look for *shopping* as one of the primary travel motives, positioning Lisbon as a *fashion city*.

El Corte Inglés Lisbon's store was the chosen company to study and to implement the project, since it has been, over the last two decades, one of the city's leading trendsetters for commercial excellence towards attracting, in substantial volumes, some of the most valuable tourist nationalities regarding shopping expenditure, into the store.

Even though the brand possesses a unique positioning within the shopping tourism market, which is evident by its yearly sales results to non-resident tourists, the competition is becoming fiercer each year, with many competitors adjusting their business focus to integrate the tourism market factor. It poses both an opportunity and a challenge for the brand. If one hand, the city of Lisbon will gain more notoriety within the international fashion landscape; on the other hand, it means that El Corte Inglés will have to upgrade its positioning and communication strategy to remain on the industry's frontline and leverage its own results from the city's global positioning.

Furthermore, it must be considered that the main tourist segments that the store aims at attracting, the high-end tourism with origins in outbound tourism markets such as China, the USA, Russia, Angola, or Brazil, and that all present different communication challenges because of the distinctiveness of their approach, behaviors, and preferences towards traveling and shopping.

In this sense, this thesis's primary goal is to comprehensively investigate these differences to develop a segmented, efficient communication plan. To attain this project's objectives, the thesis provides insights into the roots and conceptual development of *Shopping Tourism* before identifying the most critical concepts in the S*hopping Tourism* literature. Afterward, the Literature Review will aim at disclosing the central segmentation variables regarding *tourist* *shoppers*. Also inherent to the Literature Review, state of the art on *Marketing Communications* and *Retail Communications* was also explored.

It was also critical to investigate the El Corte Inglés Group's business and its international expansion to Portugal, initiated in Lisbon. This analysis also addresses the diversification of the department stores' services and brands, the development of its commercial offer, and the strategic adjustments made to appeal to the tourist audiences.

Next, a brief analysis of the Portuguese *Tourism* and *Shopping Tourism* industries' current landscapes was undertaken, providing relevant insights on what was to be expected in the subsequent primary data analysis and the development of the communication strategy.

Later, it was decided to perform an in-store questionnaire with a sample of its current international customer base to comprehensively understand the differences in perceptions and behaviors through the multiple potential upscale customer segments for a distinctive communication design and planning. The primary data analysis proved the questionnaire effective, disclosing two potential high-end segments for El Corte Inglés Lisbon, which, joint with another identified in the market analysis, were the communication strategy's focus.

Finally, with the information previously collected and a thorough analysis of the results, the communication strategy was developed and divided into four main sections: *cross-segment* initiatives (targeting the three selected audiences), and then separately presenting actions by each of the selected audiences *A*, *B*, and *C*. Hopefully, the communication plan will provide El Corte Inglés with relevant information and proposals to more effectively address and impact target audiences with distinct demographics, cultures, and consuming patterns.

Chapter 1 – Introduction

1.1 Problem Identification

"Over the past six decades, tourism has experienced continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world." (UNWTO, 2014).

Shopping is becoming an increasingly significant part of the tourism value chain. It has evolved into a determinant factor influencing destination choice, a relevant component of the global travel experience, and, in some cases, the primary travel motive.

Tourist shopping satisfies multiple social and psychological needs and is regarded among the most enduring touristic experiences by enhancing tourists' satisfaction (Brochado et al., 2018). Tourists usually buy new goods that they cannot find in their home countries, search for better prices in the destination regions, or are interested in materializing their trip's memories by purchasing in souvenir shops (Genç, 2019).

Most significantly, shopping is one of the pivotal tourist expenditure categories and represents a relevant revenue source for national economies both directly and from the many connections to other sectors of the economy. The average tourist spending was reported at 920$ in 2014, accounting for the second-largest tourism expense after accommodation (Suhartanto, 2018).

In this regard, both destinations and fashion retailers have a massive opportunity to leverage this market segment growing trend by establishing and expanding authentic and unique experiences that increase the benefits of their touristic offer while defining their tourism brand and positioning.

For example, traditional fashion cities and villages, such as Paris, Hong Kong, Milan, or New York, acknowledging the shopping tourist segment as a priority, have adapted their shopping offer and experience, and directed their marketing and communication efforts to attract shopping tourists.

Europe is a notable beneficiary of the shopping tourism market. Roughly one-half (50%) of global income from international tourism is spent in Europe (Economist Intelligence Unit, 2011). Remarkably, Europe is regarded as the world's leading destination for luxury shopping and is searched for mainly by tourists who are most keen to shop during holidays.

In the Portuguese landscape, the Shopping Tourism market has become increasingly relevant in the European paradigm. According to the Globe Shopper City Index, Lisbon ranked seventh among thirty-three investigated European cities, a position that highlights its affordability, convenience, and culture & climate (The Economist Intelligence Unit Limited, 2011).

Global Blue Portugal estimates that, after expanding by 36% in 2018, Portuguese shopping tourism has reached a volume between 400 and 500 milion euros (Jornal de Negócios, 2019).

Furthermore, high-end touristic inflow and the growing international awareness of Lisbon's shopping offer has proven positive for Portuguese retail, with tax-free shopping in Portugal (shopping from residents of the outside of the European Union) recording, between 2015 and 2019, one of the most substantial growth rates in Europe, according to Jacques Stern, President, and CEO of Global Blue, the global leader in tax-free operations (Diário de Notícias, 2019). Consumers from outside of the European Union spend, according to the former Secretary of State for Tourism, Ana Mendes Godinho, "in a single day of shopping, the same amount as European tourists spend in an entire week."

Portuguese Tourism entities communicate and advertise its historic, culturally rich cities and its idyllic Islands worldwide, contributing to expanding the touristic inflow coming to Portugal and, in exceptionally high volumes, to its Capital city of Lisbon. This trend, joint with Lisbon's increasing international recognition as a fashion destination, created significant opportunities for the city's retail operators to explore the potential of growing their businesses by taking advantage of the propensity for upscale shopping.

On the one hand, little investigation has been undertaken on Lisbon's tourist shopper's profiles, and there is a lack of information to evaluate the impact of tourists' purchases in retail businesses. For these reasons, the development of communication strategies directed at the tourist segment has been challenging for players within the city's retail scenery.

On the other hand, the destination's tourism industry players – museums and cultural sites, sightseeing experiences, hotels, rent-a-cars, retailers, restaurants, real estate agencies, among others – target tourists with large volumes of information from the moment they start searching for their next trip. For this reason, it is crucial for retail brands that are looking to attract shopping tourists to their businesses to stand out and communicate more efficiently by profiling customer segments within the larger international one, analyzing their consuming motives, preferences, and behaviors.

Several retail operators acknowledged this market segment as a priority and developed their businesses' strategies around it. For example, Avenida da Liberdade's high-end and luxury stores essentially direct its product selection, service, and marketing communication to tourists. Other shopping venues, such as Amoreiras Shopping Centre, Colombo, Freeport Lisboa Fashion Outlet, and El Corte Inglés Lisbon, also focus their communication efforts on the tourist segment, although secondarily.

As a mandatory shopping venue for hundreds of thousands of non-resident tourists every year, Lisbon's El Corte Inglés store is one of the most relevant players in Lisbon's shopping tourism industry, with unique characteristics, such as its premium location, tourist-oriented service, commercial offer, or worldwide brand recognition, that prompt the department store to a top-of-mind positioning among international visitors.

Lisbon's El Corte Inglés store's number of tourist shoppers and their average purchase have grown every year since the store's opening in 2001. For these reasons, Lisbon's department store has been developing its communication efforts targeting the international tourist segment to increase the positioning of El Corte Inglés as the leading and best place to do shopping while visiting Lisbon. To that effect, the store has been increasingly willing to attract upscale international visitors by adding high-end and luxury brands to its commercial offer and continually developing the international visitor in-Store experience.

Competition in this market segment in Lisbon is growing fiercer each passing year, with luxury and boutique stores opening in the noble parts of the city, outlet shopping malls adding tourist-appealing brands, and other established retail players undergoing communication campaigns with the shopping tourist in sight.

Hence, with more budget allocated to communicate with tourists, an evolved product and services' mix, as well as more communication channels than before, it is vital to update and create innovative, differentiated communication strategies, based on customer profiles' analysis, to attract upscale tourists to the Lisbon store.

Finally, this thesis project's goal is to conceive a communication plan to not only expand the store's market share within the city's global shopping tourism market but, more importantly, attract the tourists' segment(s) visiting Portugal and Lisbon with the highest purchasing power and for which shopping is one of the primary travel motives.

1.2 Thesis structure

The thesis project begins by researching and identifying the most prominent themes in shopping tourism literature, such as the contribution of shopping to the tourism industry, how shopping tourists can be segmented, its motives to engage in shopping while traveling, the products they prefer, their spending patterns, and shopping behavior, among others. The literature review also includes topics concerned with the communication process and planning, brand knowledge, and awareness.

Afterward, a brief analysis of the brand El Corte Inglés and its positioning and strategy for the tourism segment was presented. The analysis of the positioning and background of the brand El Corte Inglés and the Lisbon store concerning the tourist segment stem from the professional knowledge obtained through managing the marketing and communication endeavors towards that segment in the brand's Lisbon store.

To gather the best possible insights and profiling of El Corte Inglés tourist customers, it was determined in the best interest of this project to implement a study on El Corte Inglés' current tourists' customer base. The questionnaire, targeting exclusively non-resident tourists visiting the El Corte Inglés' Lisbon store, was conducted to obtain insights on the tourist consumer profile visiting and shopping at El Corte Inglés Lisbon. Afterward, it was expected to profile these tourists and understand their travel behavior and motives. Finally, the questionnaire analysis should deepen the understanding of the respondents' shopping motivations and preferences and their knowledge and attitudes toward the El Corte Inglés Lisbon store.

Later, an analysis on the Tourism and Shopping sectors analysis was performed in order to obtain additional information on Lisbon's shopping tourism market and its particularities.

Hence, the methodology characterized the respondents' sample and presented the data analysis techniques. One of the performed analysis' techniques was the clustering analysis, through which two potential *upscale/premium-leaning* shopping tourist segments the El Corte Inglés Lisbon store were identified, becoming two of the target segments of the communication plans.

Finally, the communication plan was designed to impact the tourist segments, which both the primary data analysis and the *tourism & shopping sectors* analysis demonstrated to be the potential high-end tourist customers of Lisbon's El Corte Inglés store. The communication plan is therefore presented in four sections, targeting the three current highest potential tourism markets visiting Lisbon. The plan aims at encompassing communication initiatives that will potentially impact *upscale* tourism through multiple communication channels in the origin and in the destination, as well as the decision gatekeepers through the establishment of partnerships with tourism industry operators.

1.3 Thesis objectives

This thesis project, which can be included in the marketing communication domain, is expected to attain multiple objectives, as follows:

- To understand the *connection between the tourism and the retail industries* and thoroughly study the shopping tourism trend and its roots.
- To identify the *main concepts in shopping tourism* and obtain insights on the industry's potential segmentation.
- To examine the current state of the art of the *shopping tourism industry in Portugal*.
- To study the *consumption patterns, habits, and preferences* of El Corte Inglés' tourist customers.
- To *profile El Corte Inglés' tourist customers* and select the segments to which the brand should direct its communication efforts.
- To obtain insights on the potential *upscale tourist customers* for the store.
- To develop a *segmented* communication strategy for Lisbon's El Corte Inglés store that will enable the brand to build up brand knowledge, awareness, attractivity, revisit intentions, word-of-mouth intentions, and consumer preference *among upscale tourist shoppers.*

Chapter 2 - Literature review

This master thesis's primary purpose is to propose a communication plan for the El Corte Inglés Lisbon's store, a unique retail venue in Lisbon, operating in the challenging shopping tourism industry. Therefore, it is essential to explore the connection between the concepts of shopping and tourism, the impact of the industry globally, and the possibilities of segmenting shopping tourists, which will be the primary focus of the literature review. Later in this chapter, multiple concepts within the communication domain, such as communication planning, objectives, among others, will be reviewed.

2.1 Shopping Tourism

2.1.1 The link between tourism and shopping

With the recent growing phenomenon of tourists actively seeking the delight of travel by taking part in diversified activities in destinations, shopping is typically a preferred activity relished by many (Yüksel, 2007). This enjoyment can be attributed to the fact that shopping facilitates people to become knowledgeable about the destination's individual customs and culture, providing delight and satisfaction (Way & Robertson, 2013).

In recent decades, many researchers have attempted to explain and model shopping, both as a functional as well as a recreational experience (Kim et al., 2011). The first investigations on the theme explored the role of shopping as a vital activity that was needed for everyday survival (Stephenson & Willett, 1969, as cited by Kim, 2011). Later, researchers began to explore the role of shopping in society with a focus on leisure, driven by gratification and hedonistic motivations than merely by objective necessity (Finn et al., 1994; Lesser & Hughes, 1986).

In the last decades, investigation on tourism extended this perspective, acknowledging both the importance of shopping on tourism as a recreational activity as well as a primary travel motivation (Heung & Qu, 1998). Most travel practitioners acknowledge shopping is, besides a pleasant recreational activity, a pivotal and pervasive travel motive (Choi et al., 2016a).

Similarly, the conceptualization of tourism evolved significantly during the last decades. Previously, it was narrowed to "experiencing and sightseeing the customs of other regions and countries" (Choi et al., 2016b). However, the scope of tourism has been broadened and is now extended to more diversified activities. One can argue that travel is an experience people engage in to fulfill their pursuits (Wong & Wan, 2013).

Acknowledging the vital role shopping participation has on tourism, Heung & Qu (1998) hint that the traveling experience is not complete without spending time shopping. In fact, it was suggested that there is a close historical link between tourism and shopping through the practice of shopping (Rabbiosi, 2011).

Furthermore, profiling and segmentation principles for tourist shoppers highly depend on the premise that critical motives for traveling are seeking pleasure and enjoyment (Sundström et al., 2011). In 1999, Mak et al. contended that shopping is a complementary experience to other touristic attractions in package tours. Over time, the importance of shopping as a touristic activity has been ever-increasing to assume a vital role in a travel destination mix of offerings (Lehto et al., 2004).

Tömöri (2010) and (Rabbiosi, 2011) asserted that travel operators started to diversify their travel packages to appeal to different tastes, starting to offer shopping tourism packages targeting shopping as the sole purpose of the trip, highlighting the commercial offer of the destination (Jin et al., 2017). The most advertised destinations usually consist of areas with a high concentration of corporate-led retail venues. According to (Rabbiosi, 2011), famous examples are Dubai and its February Shopping Festival, Paris and the “Capital of Shopping” events during sales season, as well as Milan as the most recognized site for shopping tourism in Italy.

2.1.2 The contribution of shopping to the tourism industry

While accounting for a substantial amount of tourism expenditure, previous studies claim that shopping tourists account for lengthier stays at a destination and spend considerably more, 3 to 4 times, than recreational tourists (Lehew & Wesley, 2006; Michalko & Varadi, 2004). Furthermore, Way & Robertson (2013) and Yüksel (2007) suggested that shopping tourists spend substantially more than leisure tourists.

Also, shopping is now a crucial element impacting destination choice (Choi et al., 2016a). In a universal report on tourism shopping by UNWTO (2014), shopping was regarded to have a highly relevant potential for destination promotion, and multiple outstanding examples were presented to stimulate and advise destinations on how to promote shopping tourism.

Shopping for pleasure is no longer a purely incidental activity to dip into while traveling for leisure. Today, it represents the principal – or one of the principal motivations for traveling - for millions of tourists (UNWTO, 2014). Additionally, (Kim et al., 2011) contend that delightful shopping experiences in a tourist destination may play a significant role in leading people to revisit the country. On the other hand, a negative shopping experience might be instrumental in causing a negative perception of the destination, no intention to revisit, and unfavorable word of mouth.

Shopping tourism impacts both the sociocultural and the economic spheres of destinations' societies (Choi et al., 2016b):

From the sociocultural perspective, shopping serves to acquire reminders of the experience (Josiam et al., 2005), connect with the destination's customs and culture, gather memorable images from the destination, and bolster social networks (Jin et al., 2017).

From the economic perspective, tourism is a driver for diversifying the local economic structure to lower disparities by generating revenue and employment opportunities. Foreign exchanges contribute to local and national growth, being decisive to prevail over economic adversities such as deficits in foreign trade (Choi et al., 2016b)

In this sense, several destinations have embraced shopping tourism as the ground for tourism policies and advertising initiatives. (Rabbiosi, 2011; Timothy, 2005).

2.1.3 Conceptualization and main themes on Shopping Tourism

The Shopping Tourism trend resulted from the growing importance of shopping in tourist activities. It became a vital component of tourism, acquiring identical significance as accommodation, dining, and typical cultural activities, instead of just a secondary activity. Due to the increasing importance shopping has on tourism activities, it has become a significant travel motive (Heung & Qu,1998; Moscardo, 2004; Paige & Littrell, 2003; Timothy, 2005; Wong, 2013; Wong & Wan, 2013; Yüksel, 2007). Jansen-Verbeke (1991) regarded leisure shopping as a "magical concept in the tourism industry."

Regarding the conceptualization of leisure shopping while traveling, definitions of shopping tourism remain unclear and fragmented (Choi et al., 2016). Multiple concepts have emerged to describe shopping activities during trips, with various travel practitioners differentiating tourism shopping, leisure shopping, shopping tourism, and tourist shopping (Rabbiosi, 2011).

One of the first academic essays on the topic indicated that the link between shopping and tourism should have at least two distinct designations: Tourism shopping concerned the activity as an accompanying activity while traveling, while shopping tourism would describe the shopping activity as the primary travel motivation (Timothy & Butler, 1995). In this case, the attractiveness of the destination depended on the shopping commodities' characteristics: quality, quantity, and the convenience that can be purchased on the destination's shopping venues (Butler, 1991).

Furthermore, Michalko (2004) classified shopping tourists as those who spent more than 50% of net travel expenses on shopping, not counting accommodation and transportation costs. On the other hand, Jansen-Verbeke (1991) did not consider the prioritization of shopping in travelers' destination decision, describing tourism shopping as the purchasing habits of tourists at their destination.

Timothy (2005) adopted Jansen-Verbeke's perspective on the significance of shopping (Choi et al., 2016) by categorizing shopping tourism and tourist shopping. According to Timothy (2005), the primary purpose of traveling is shopping in shopping tourism, while defining tourist shopping as the "incidental activity at the tourism destination." The definition for shopping tourism provided by Timothy (2005) was generally accepted, afterward, by other shopping tourism academics (Michalko & Ratz, 2006; Liu & Wang, 2010; Tömöri, 2010; Rabbiosi, 2011).

Shopping tourists seek pleasurable, entertaining experiences, rather than a monotonous shopping trip. Destinations that are remarkable in "turning an ordinary travel activity into a memorable experience will prevail" (Wong, 2013).

Investigation about tourists' shopping patterns and behavior provides destinations with valuable intelligence for tourism planning and promotion. Since tourism shopping is deeply connected to retail commerce, Heung & Qu (1998) contend that the tourism and retail industries should cooperate to drive shopping tourism to become a significant component of the global tourism development and marketing communication of a destination.

Some of the most researched topics in tourism related to shopping and retailing are the shoppers' motivations, satisfaction, behaviors, typologies, travel patterns, the production and consumption of arts and crafts and other souvenirs, purchase intentions, as well as authenticity of product and experience (Timothy, 2005).

2.1.4. Tourist shopping segmentation

Moscardo (2004) divided a sample of 1.630 international and domestic tourists in Australia into four groups: serious shoppers, arts-and-crafts shopper, not-so-serious shoppers, and non-shoppers, according to the importance they reported to “opportunities to shop” as a factor in destination choice. While gender did not account for relevant differences between groups, factors as age, usual place of residence, and travel behavior and activities did. Hu & Yu (2007) identified three different groups regarding tourists' shopping involvement and product selection criteria: shopping enthusiasts, shopping lovers, and indifferent shoppers.

More recently, as an alternative for demographic and socioeconomic segmentation variables, Choi et al. (2015) based their classification of shopping tourists on Schwartz' values to identify four clusters: uncertainty, passion, universalism, and conservation, asserting that the passion and universalism clusters purchased high-end goods, such as watches and jewelry, traveled with their partners, and most visited department stores. Opposing are the shopping and traveling patterns the uncertainty and conservation clusters exhibit, essentially purchased food, alcohol, and tobacco visited shopping outlets and traveled with friends' groups.

Moreover, based on their favored activities and shopping behavior, Littrell et al. (2004) identified three distinct groups of senior tourists: outdoor/cultural, cultural, and moderate travelers. For the younger cluster, cultural tourists, the likelihood of engaging in shopping activities was the highest, and they looked to malls for entertainment during their trips. Contrarily, moderate tourists, the oldest group, the attached interest in shopping was limited.

Another study from Park et al. (2010) demonstrated that travelers who shop frequently and those who attach importance to shopping while traveling attribute more relevance to luxury goods and their characteristics, shopping venues, and destinations than travelers who shop less frequently or those for whom shopping is less critical.

2.1.4.1 Tourist shopping motives

The need and desire to shop have become reasons for traveling, and both are a consequence of the necessity for relaxation, the deviation from everyday life activities, and the acceptance of challenges associated with shopping. (Kim et al., 2011; Rabbiosi, 2011). In some cases, shopping is a factor in a destination's choice (Moscardo, 2004; Timothy, 2005; Wong & Wan, 2013).

Besides the simple desire to purchase something unique or fulfilling a need, many human psychological needs and social desires drive shopping (Timothy, 2005). According to Jin et al. (2017), there are two research perspectives related to shopping motivations:

- The first explains what drives tourists to engage in shopping activities. For instance, Moscardo (2004) classified tourist shopping motivations into two categories: instrumental and expressive. Moscardo (2004) attributes the first to tourists' needs related to meeting social and cultural motivations such as souvenir shopping, while the second is associated with recreational and escape desires and the reinforcement of social networks and status.

Shopping motives differ between groups of tourists and the shopping context. Hsieh & Chang’s (2006) research indicates that looking for unique and original products, exercising and experiencing local culture and customs are primary factors influencing tourists to visit and shop in Tourist Night Markets in Taiwan. On the other hand, an investigation into cross-border shopping shows that lower price is a powerful motivator (Wang & Chan, 2009).

- The second perspective investigates the links between tourists’ shopping motivations and other variables, such as involvement (Josiam et al., 2005), satisfaction (Murphy et al., 2011), expenditure (Alegre & Cladera, 2012), and participation (Alegre & Cladera, 2012). Josiam et al. (2005) reported that highly involved tourists were expected to have planned shopping on their trip.

Moscardo (2004), evaluating tourists’ shopping motivations, identified multiple degrees of seriousness towards shopping, depending on the significance of shopping in destination choice and participation in shopping, usually ranging between serious or passionate shoppers to casual visitors.

Murphy et al. (2011) contend that shopping villages that were able to provide distinctive, enjoyable shopping environments, as well as unique and value-for-money products, attached more significant value to the experience, increasing tourists’ satisfaction levels and the intention to return in the future. Moreover, Alegre & Cladera (2012) stated that tourists’ motivations influence the choice of participating or not in shopping but not the amount of expenditure.

2.1.4.2 Tourist shopping products

In addition to country of origin, travel purpose, travel style, age, and gender have been associated with tourists' shopping preferences and product purchase selection (Lehto et al., 2004; Rosenbaum & Spears, 2005). Lehto et al. (2004) found that females who exhibited higher involvement than their spouses regarding the travel arrangements (selection of tourist sites, length of stay in each site, restaurant and hotel selection, shopping expenditure, and others) spend significantly more on shopping while traveling than males. The same was true with the youngest age group (between the ages of 20 to 29 years old).

In another study, Kim et al. (2011) found that Japanese tourists, widely known as one of the world's higher spending nationalities, are most likely to buy food, duty-free products of international brands, and clothes.

In a study about the shopping preferences of Chinese tourists in the US, Xu et al. (2012) claim that this tourist group was interested in a wide range of products, ranging from watches and jewelry to health products and running shoes, perceiving American products to be consistent with prices lower than the similar in China. Wong (2013) claims that souvenirs were the favored goods to purchase for this group of tourists, followed by apparel and footwear.

Zhu et al. (2015) clustered the major items Chinese tourists purchased when traveling in Europe in three categories, according to the tourists' self-expression of the usage of a certain item: functional goods (mainly used for functional use in daily life), adornments goods (appreciated for their symbolic value, mainly jewelry and watches), and social gifts (chocolate, perfume and local snacks or specialties for friends or relatives). Lower-income tourists were more prone to purchase functional goods, while their higher-income counterparts have been less likely to do so (Lehto, 2004).

Moreover, extensive research has been undertaken on tourist souvenir purchases (Jin et al., 2017). Moscardo (2004) affirms that souvenirs are perceived for more than an evidence or expression of the travel experience: it functions as gifts for friends or relatives, to cultivate social networks, and to meet with relational responsibilities. It has been found that the souvenir purchasing selection was based on a broad range of variables, which include workmanship, sensuous appreciation, cultural linkage, and ease of handling (Hu & Yu, 2007). Accordingly, Chang et al. (2006) claim that arts and crafts and gastronomic products that were deemed to be typical of the destination represented one of the main tourist shopping.

2.1.4.3 Tourist shopping setting

New concepts of shopping settings continuously emerge worldwide due to the sustained development and diversification of the tourism industry (Timothy, 2005; Murphy et al., 2011). For instance, Rabbiosi (2011) described how an industrial area was converted into a shopping venue in Italy. Additionally, Yüksel (2007) asserts that the shopping setting's importance for the overall shopping experience since tourists' shopping satisfaction is not necessarily derived from purchasing goods. The shopping environment is also part of the tourists' experience and influences shopping behaviors and evaluations.

Even though shopping malls are regarded as "placeless urban environments," they are increasingly prominent tourist attractions (Shim & Santos, 2014). The authors advocate that this happens because malls offer similar experiences to the tourists' home countries, enhancing the sense of familiarity with the destination and the shopping venue. The appeal resides in the homogenized interiors, multi-national brands, cosmopolitan settings, and even similarities regarding food offer (Shim & Santos, 2014).

Multiple investigations also focused on the importance of exterior shopping environments. Yüksel (2007) measured the impact of external environments in shopping areas on tourists' emotions, namely pleasure, and arousal, demonstrating that tourists stay longer and spend more on shopping than initially planned when the out-of-store clues were deemed as stimulating. Environmental quality perceptions also positively impacted tourists' emotions, creating more excellent hedonic value, and increasing purchasing intentions. Yüksel (2013) confirms the greater importance the exterior environment had on service quality perceptions and approaching behavior compared to merchandise quality. However, Kim et al. (2011) affirmed that Japanese tourists preferred shopping venues where product quality is guaranteed over venues with attractive shopping environments.

Murphy et al. (2011) contend that shopping villages that provide distinctive, enjoyable shopping environments, as well as unique and value-for-money products, attached more significant value to the experience, increasing tourists' satisfaction levels and the intention to return in the future.

2.1.4.4 Tourist shopping service

“Tourist shopping is a highly social and psychological experience” (Timothy, 2005). Shopping service is, therefore, an essential predictor of shopping behavior and experience.

In an investigation on the moderating factor of salespeople's selling behavior and its effect on tourists’ shopping motivation and satisfaction, Chang et al. (2016) concluded that the interaction between salespeople and shoppers is a significant product delivery component, supporting Yüksel (2004) findings.

It was also found that service-orientated sales behavior positively moderates the shopping motivation and satisfaction in terms of variety of products, quality of products, and shopping habits. In contrast, product selling-orientated behavior had adverse moderating effects in terms of perceived quality of products, uniqueness/fair value, and non-availability.

Exploring the shopping behaviors of Chinese shoppers visiting the U.S., Xu & McGehee (2012) testified that Chinese tourist shoppers, male and female, indicated that the need to have more Chinese-speaking sales assistants as well as Chinese shopping guides and signage. It was also expressed the desire for Chinese credit cards to be accepted in U.S. shopping venues, making tourists’ shopping experience more pleasant and gratifying.

Timothy (2005) confirms Xu & McGehee's (2012) research, affirming that attentions must be paid to specific services to encourage cross-cultural visitors, such as foreign language salespeople, stores' signage, and currency exchange offices.

2.1.4.5 Tourist Shopping experience

The shopping experience is a complex combination of factors that impact tourists' feelings and attitudes regarding visiting and spending time at a destination (Murphy et al., 2011). Those factors include shopping activities, perceptions of shopping dimensions, tourist characteristics, and interactions with others. Hence, retailers' merchandise and staff service are major components of the destination experience (Tosun et al., 2017).

Shopping risk perceptions negatively influence tourists' emotions, satisfaction, and behavioral intentions (Yüksel & Yüksel, 2007). According to Lo & Qu (2015), product quality and staff performance were reported to directly impact behavioral intention and overall satisfaction, respectively.

Tourist shopping satisfaction is normally assessed by comparing shoppers' expectations and the perceptions of shopping quality (Wong & Law, 2003; Murphy et al., 2011).

Wong & Wan (2013) indicate that customer satisfaction may be based on perceived product quality, staff service quality, special services or offers that visitors find interesting, and a tangible store environment.

Additionally, the location, convenience, and size of shopping facilities are attributes that tourist shoppers use to evaluate their shopping satisfaction. Murphy et al. (2011) also found that these attributes are important to attract tourists to a shopping destination. Besides, tourists prefer large-scale shopping venues where they can find a large selection of items and ample leisure and dining options.

There have also been found to exist noteworthy disparities across Western and Asian tourist shoppers' expectations and attitudes towards shopping in Hong King, with Western visitors displaying more satisfaction with nearly all characteristics analyzed than Asian visitors.

Shopping satisfaction and experience also diverges between distinct groups of tourist shoppers, as noted by Jin et al. (2017). For instance, there were significant differences between domestic and international travelers in a retail venue, since local tourists were more negative in the evaluations of retail staff service than international visitors (Yüksel, 2004). Likewise, there were also found significant differences in antecedents and outcomes of customer perceived value between domestic and international tourist shoppers (Sharma et al. 2015). It was demonstrated that customer perceived value has a stronger positive effect on satisfaction, word of mouth, and repeat purchase intentions for domestic tourists. In contrast, satisfaction has a stronger positive impact on word of mouth and repeat purchases for international tourists' shoppers.

2.1.4.6 Tourist shopping expenditure

Tourist shopping consumption frequently accounts for a substantial amount of tourists' travel expenditure (Paige & Littrell, 2003; Yuksel, 2004; Wong & Wan, 2013). Knowledge of visitors' shopping spending habits allows destinations to direct their marketing efforts more efficiently, therefore increasing the economic benefits of the tourism industry (Fredman, 2008).

Due to its economic relevance, shopping in the tourism industry motivated researchers to study the antecedents of tourist shopping expenditure (Jin et al., 2017). Lehto et al. (2004) researched shopping preferences and behaviours of Taiwanese international travellers by associating them with their socio-demographic characteristics and travel behaviours. It was demonstrated that shopping consumption and products purchased were highly dependable on travel purpose, travel style, age, and gender. Contrarily, Alegre & Cladera (2016) contend that travel motivation impacts the decision to engage in shopping activities, although it did not influence consumption amount.

When tourist shoppers decide to engage in shopping activities, tourists who are more familiar with the destination usually spend more on shopping. Also, higher motivation for factors related to the destination's natural and cultural characteristics, being self-employed, and having visited the destination more than three times are all factors related to higher shopping expenditure Alegre & Cladera (2016).

Lehto et al. (2004) described an enthusiastic tourist shopper, the group with the highest spending on shopping, as a female between 20 and 30 years old, who travelled in group for leisure and with friends or family. Brida et al. (2013) highlighted the effect of perceived authenticity on tourists' shopping expenditure in Christmas Markets, revealing that visitors spent considerably more when they perceived the cultural events and products to be authentic.

2.2 Marketing Communications

2.2.1 Communication Strategy

Communication can be described as a "transactional process between two or more parties whereby meaning is exchanged through the intentional use of symbols" (Engel et al., 1994 cited by Holm, 2006, p.27). Communication is also characterized as "the process by which individuals share meaning" (Fill, 1999 cited by Holm, 2006, p.29), meaning that all participants in the communication process should thoroughly understand the content of other's communication messages. Only this way, communication will "achieve their objectives of influencing attitudes, knowledge, and behavior, to persuade" (Holm, 2006, p.29). To persuade is the fundamental reason companies communicate (Fill, 1999 cited by Holm, 2006, p.29).

Communication play a crucial role in companies' marketing efforts. It allows a stable flow of interactions between the brand and the consumer. Fill & Jamieson (2011) agree that many marketing communications have traditionally focused on its promotional aspects, meaning that those definitions regard the "use of communication to persuade people to buy products and services" (p.9). Therefore, the focus is "on products and one-way communication, and a short-term perspective" (p.9). However, Schultz & Shultz (1998, cited by Kliatchko, 2005, p.8) state that the consumer detains the power in the modern market setting. Schultz & Kitchen (2000) attribute the change in power from companies to consumers to four significant factors "digitalization, information technology, intellectual property and communication systems" (cited by Kliatchko, 2005, p.8).

Hence, in this new paradigm, communication initiatives should be planned as a strategic management tool in terms of investments, returns, and how it contributes to business results and the success of the organization as a whole, instead of being thought of as solely a tactical enterprise (Schultz & Schultz 1998 cited by Kliatchko, 2005, p.25).

More recent investigations on the current state in marketing communication, where the mass market is no longer the focal point, emphasizes that marketing communication is not restricted to essential tools such as advertising and public relations. Instead, it involves all other forms of communication: marketing elements, activities, and functions that have an impact on the relationship between the brand and its target audience (Kliatchko, 2005, p.30).

Marketing communication enables brands and organizations to introduce themselves and their offer to its public. The objective is to "stimulate a dialogue that will, ideally, lead to a succession of purchases and complete engagement" (Fill & Jamieson, 2011, p.9).

The performance and enjoyment of the exchange process dictate whether the process will be repeated or not. Fill & Jamieson (2011, p.9) conclude that "communication is a crucial and integral part of the exchange process, and it is the skill and judgment of management that determine, in most cases, success or failure. Marketing communication is an audience-centered activity". Table 1 describes the main stages of the evolution marketing communication:

Table 1: The main stages of the evolution of marketing communication

Orientation	Explanation
Information and promotion	Communications are used to persuade people into product purchase, through mass media communications. The emphasis is on rational, product-based information.
Process and imagery	Communications are used to influence the different stages of the purchase process that customers experience. A range of tools are used. The emphasis is on product imagery and emotional messages.
Integration	Communication resources are used in an efficient and effective way to enable customers to have a clear view of the brand proposition. The emphasis is on strategy, on media neutrality, and on a balance between rational and emotional communication.
Relational	Communications are used as an integral part of the different relationships that organisations share with customers. The emphasis is on mutual value and meaning, plus a recognition of the different communication needs and processing styles of different stakeholder groups.

Source: Fill & Jamieson, 2011, p.27

Indeed, (Fill & Jamieson, 2011, p.27) contend that due to the changes in an ever-evolving marketplace, the array of tools, techniques, tasks, and marketing communication objectives have broadened. There has been a shift from the primary functional information to a relational, more segmented, emotional approach. Alongside awareness and persuasion, "new goals such as developing understanding and preference, reminding and reassuring customers were recognized as important aspects of the communication effort" (Fill & Jamieson, 2011, p.27).

The increasing offer of similar products and services in the market led to a rise in customization offers, therefore shifting "the focus from mass to personal communication," which led to a boost in the importance of one-to-one and direct marketing strategies (Fill & Jamieson, 2011, p.27).

Finally, organizations may use marketing communication to create value and build competitive advantages for their brands. Holm (2006, p.24) states that to enhance the offer's value, the company can use multiple combinations of communication methods to increase benefits and reduce costs. Creating value through the employment of different methods and tools will lead to higher customer value (Kitchen & Burgmann, 2010, p.2).

2.2.2 Steps of Marketing Communication Strategy

Kotler & Keller (2012, p.506) present the steps a brand should engage in to build an effective marketing communication strategy successfully.

Identify target audience: The marketing communication process should begin with the definition of an exact target audience. Distinct targets differently impact the brand's communication strategy. Kotler & Keller (2012) state that the most usual segmentation methods are demographic, geographical, behavioral, and psychographic. Once the brand's target audiences are established, the organization may select which ones to direct its communication to.

Design Communication: Kotler & Keller (2012; p.506) state that it is fundamental to address three main issues: "what to say (message strategy), how to say (creative strategy), and who should say it (message source)," in order to develop communication that convene the established objectives.

Agreed by the same authors is also that, in the "message strategy," a company "searches for appeals themes or ideas that will tie into the brand positioning and help to establish points-of-parity or points-of-difference."

The "creative strategy" is characterized as how brands translate the intended message into a distinct communication. At this stage, companies must consider that successful results rely upon how well the message and its content will be transmitted.

The "message source" is also significant for the communication' design, given that it impacts how the communications are received by the target audiences (Belch & Belch, 2004).

Establish a budget: Determining a communication plan budget is a complex task (Rossiter & Percy, 1996), depending on the type of industries and companies (Kotler & Keller, 2006). Due to the complexity of budget definition, Rossiter & Percy (1996) advocate that managers should consider the entire budget initially in terms of general advertising expenditure and enable a flexible budget implementation. Opposite to generic marketing budgeting practices, investigations suggest that "firms should do more advertising when the market share drops than when it is high" (Prasad & Sethi, 2009: 607).

Decide on the media mix: Depending on the type of organization, communication goals, target audiences, and available budget, companies should decide on the media mix to apply. Nevertheless, this selection is an increasingly difficult one, given the quantity and diversity of communication channels that brands dispose of in the current advertising landscape (Keller, 2001). Further, brands must consider several factors when deciding on the media mix: type of product market – consumer market (B2C) or business market (B2B), buyer-readiness stage, product life-cycle stage (Kotler & Keller, 2006).

Furthermore, Lindon et al. (2004) identified six media “above the line” communication means: cinema, outdoors, press, radio, television, and internet. Similarly, the authors identified six other communication tools referred to as “below-the-line”: relationship marketing, sponsoring and patronage, public relations, promotions, fairs/trade shows, and the internet.

Measure Results: According to Kotler & Keller (2006), managers should measure the communication plan’s effectiveness on the target audiences after its implementation.

2.2.3 Retail Marketing Communication Objectives

McGoldrick et al. (2008) contend that, in fashion retailing, communication objectives should “increase expenditure from existing customers, increase store traffic, increase product sales, and develop store image.” Moreover, Keller et al. (2008) state that the objectives for a fashion brand should set up brand equity, generating positive attitudes towards the brand, while cultivating unique brand associations. When “unique associations” are attributed to the retail brand, retail brands grow stronger in consumers’ minds (Keller, 2007).

Regarding retail marketing communication, Baack & Clow (2012) outlined the objectives as follows: “developing brand awareness, changing consumers attitudes, driving sales through changing purchase behavior, and increased footfall.” These objectives must be attainable, ensuring that the selected tool delivers the established outcomes (McCormick et al., 2014).

2.2.4 Retail Marketing Communication Mix

"Retailers, once thought of primarily as the suppliers of others' brands to end-users, have become strong brands themselves." (Barnes, 2001). One of the reasons retailers grew to be powerful brands and instead of being strictly recognized by the brands they represented, is related to their desire to conquer greater manufacturer power relative to strong retail brands (Barnes, 2001).

Kotler & Keller (2006), identify the following major modes of a communication mix, each of these modes of a communications mix, encompassing several different activities and actions, from which marketers can choose (Annex 2). McCormick et al. (2014) consider the following tools as the essential ones that retailers operating in the fashion industry use:

Advertising: Characterized as "any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor" (Keller et al., 2008). It has been the leading promotional instrument in several categories, and many retail brands continue to rely on it. Nonetheless, advertising in fashion is small compared to other product categories (Easey, 2009).

Considering the technological innovations in communication and its ever-changing environment, advertising is still significant, despite the existing tools that fashion brands use to create campaigns to grow their brand equity (Keller, 2009, p.139). Advertising is related to mass media such as television, press, cinema, posters, and radio and is still considered to be a relevant instrument for building a brand image in terms of "selling the establishment, attracting customers to the premises, and selling goods" (Jefkins & Yadin, 2000).

TV Advertising: According to McCormick et al. (2014), it is expected that the most prominent fashion retailers adopt TV advertising as part of the brand's communication strategy since it can generate media and public buzz about the advertisement, besides reaching large volumes of audiences.

Considering the advancements in consumer behavior and technology usage, television advertising is still impactful for brand building (Heath & Hyder, 2005, p.467). Thus, the association of television and advertising and social media advertising has the power to create extra coverage and conversation about the brand, especially if the campaign is incredibly strong.

Press advertising: For McCormick et al. (2014), advertising in magazines is a pivotal instrument for fashion retailers to communicate their products and brands. The authors also highlight the power and credibility that retail brands enjoy when communicating in "glossy (fashion) magazines" such as Vogue and Harper's Bazaar, even though other publications, newspapers, and brochures are also acceptable ways for retails brands to communicate.

Magazine advertising communicates with consumers in distinct states of mind, and consumers "often read and engage with their magazine for relaxation and research shows that a strong and loyal bond to a particular title can be formed" (Duncan & Moriarty, 2008). Magazine advertising media rates "are calculated by the size of the advertisement and its position in the magazine; more importantly, the magazine circulation and readership are critical in both cost and advertisement performance" (McCormick et al., 2014).

To ensure that the brand's message is adequately communicated to the target audiences, they must be previously targeted so that media buyers can choose the appropriate publications. (Jackson & Shaw, 2008).

Online advertising: Online marketing and advertising exponentially grew in the last decade and are now a fundamental marketing communication channel for fashion retailers. It serves as a reminder "about brands when consumers visit their websites, deliver information in the form of online advertisements, and offer enticements to other websites using banners and buttons" (McCormick et al., 2014).

Nonetheless, the key to successful online marketing communication is Internet Search and user-generated content. Google Search, specifically, allows consumers to discover products, brands, services, and information. Also important is the fact that consumers are also able to get in touch with brands' reviews. Through user-generated content, consumers can get more familiar with the brands and have a more personalized contact with them, increasing trust, and promoting repeat purchases.

Rathnayak (2018) considers that digital communication can be identified as a "form of direct marketing that connects the buyers with the sellers electronically through interactive technologies such as, emails, websites, social networks, online forum as well as newsgroups, interactive television, mobile communications etc."

Because of the high levels of connectivity, digital marketing facilitates many to many interactions and is frequently used to promote products and services in a timely, relevant, personal, and cost-effective manner. Rathnayak (2018) considers that the world of fashion has emerged due to the strengthening of digital marketing, together with branding and the innovative usage of technology embedded with the most recent fashion trends. With the extensive development undertaken by today's world, digital media has become significantly closer for the people as they have easy access to the internet.

Marketers should analyze and forecast the fashion trends before the customers switch to the competitors so that the fashion marketer becomes a trendsetter and digital media becomes the best platform to acquire and convert customers through measuring and optimizing digital media to satisfy customers to retain them loyal for life long.

Figure 1: Role played by digital marketing in the fashion industry
Source: Rathnayak (2018)

Public Relations (PR): "Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics". Seitel (2014) emphasizes the fact that PR is indeed strategic, meaning it is projected and performed in a systematic, thoughtful manner. Easey (2009) contends that PR, besides being instrumental for fashion retailers, also encompasses "managing the corporate identity" of a business, involving several activities to be performed, such as ensuring the appropriate press coverage of products and defending the organizations against bad publicity.

One of the PR activities' main advantages is that it can create excellent media coverage with meager expenses for the company. Jackson & Shaw (2008) contend that other PR tasks include exhibitions, events, product release parties, fashion shows, and sponsorship.

With technology's advent, social media as part of the PR strategy increased opportunities for fashion retail brands to communicate with their audiences at low cost, using Facebook, Twitter, Blogs, and other websites to disseminate positive word-of-mouth (Mangold & Faulds, 2009).

Jackson & Shaw (2008) consider that PR activities require excellent efforts from companies, and although going frequently unnoticed, build brands and support its advertising activities in understated ways.

Celebrity endorsement and sponsorship: McCracken (1989) characterizes celebrity endorsement as: "Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advert." Celebrities are part of multiple advertising endeavors, such as in TV to press and posters, and are pursued to attract attention and to contribute to profound brand attachment, therefore enhancing brand equity.

As brand homogeneity has been enhanced, the audiences find it increasingly difficult to differentiate between brands. This retail communication area has been significantly developed during the last decade and is acknowledged as a vital instrument of marketing communication since it "can help advertising to stand out in a cluttered environment" (Erdogan, 1999).

Using this strategy, the endorser becomes instantly connected with the brand, and powerful feelings will hopefully be transferred (Keller et al., 2008). For this reason, many retail brands use celebrity endorsement since there is strong evidence that the appropriate endorser will draw attention from both consumers and media, generating brand recall and reputation.

Furthermore, Erdogan (1999) sustains that celebrity endorsement can also have negative impacts on the brand; in fact, the behavior of celebrities "overshadow the brand, create negative PR and be a costly waste of investment" (McCormick et al., 2014).

Silvera & Austad (2004) agree that the correct selection of celebrity for the brand/product is critical to make the "relationship credible in the eyes of the consumer."

Sales promotion: The main goals of sales promotion are to "stimulate consumer trial, to improve purchase or repurchase rate and to cement long-term customer relationships." Sales promotions can range from discounted prices, multi-buy options, and BOGOFs (Buy One Get One Free offer) to loyalty schemes and gift coupons (Fill & Jamieson, 2013).

In the fashion industry, sales promotion is pursued to attract consumers to stores and to free stocks. It is beneficial for retailers since it can be used for short periods to encourage sales. It is powerfully used in vital periods, such as in the summer and Christmas, as well as in the mid-season sales and stock markdowns. (McCormick, 2014). However, too many promotions can impact brand perceptions, consequently making customers buy only promotions (McCormick, 2014).

Personal Selling: In fashion, the higher the commercial value of the offer, the more involvement is expected from the sales assistants (Easey, 2009). Many high-end retailers have added personal shopper services to their stores to serve as advisers for clients, being the primary goal to increase the medium ticket.

Direct Marketing: Because fashion is an "image-based industry," direct marketing has lost its status as a communication channel (McCormick, 2014). However, it still holds the advantage of supporting advertising. It has the power to create personal relationships between brands and consumers, the key advantages being the possibility to grow the customers' base and to retain the existing one.

Fashion retailers mostly use direct marketing to promote their loyalty programs. More recently, the Internet started to provide the possibility to communicate with the customers' base directly. This mean has significantly been used by newer fashion brands, which use the medium across multiple online channels. The most usual direct sales channels fashion retailers use are direct email, sending catalogs to stimulate customers to buy, and generating powerful brand conversations with consumers (Easey, 2009).

Visual Merchandising: "Visual stimulations and communication have long been considered important aspects of retailing by practitioners and academics alike" (McGoldrick, 2002). It is a supreme instrument for retailers that plays a significant role in attracting consumers to the store and "bringing the fashion experience and brand to life. Visual Merchandising is defined as "the activity which co-ordinates effective merchandise selection with effective merchandise display" (Walters & White, 1987).

Chapter 3 – El Corte Inglés

This chapter's goal is to present the company and a brief timeline of its development and expansion. Hence, the expansion to Portugal and the creation of El Corte Inglés Grandes Armazéns, S.A. is explored, together with the brand's values and market positioning. Significantly, Chapter 3 also summarizes the services' and commercial mix strategy that appeal to shopping tourists visiting Lisbon.

3.1 The Group El Corte Inglés

El Corte Inglés was established in 1940 in Spain, five years after its founder, Ramón Areces, bought a small tailor shop in Madrid. Twenty-two years later, following its first iconic marketing campaigns and national reputation emergence, El Corte Inglés began its expansion in the 1960s and opened stores in Barcelona, Seville, Bilbao, and Madrid.

Between the 1960s and the 1990s, El Corte Inglés produced advanced business innovations, opening its business model to other areas, such as: Viajes El Corte Inglés (traveling); optical & hearing products and services (Óptica 2000); food retail (Hipercor); insurance broker (Correduría de Seguros); and technology devices (Informática El Corte Inglés).

In 1995, El Corte Inglés acquired a landmark move in the expansion and development of the company, renowned Galerías Preciados, because of the fashion retailer's bankruptcy.

El Corte Inglés eventually expanded to be the largest department stores' chain in Europe and ranks fourth worldwide in business turnover. It is, nowadays, the owner of the brands Hipercor, Supercor, Sfera, Bricor, Primereti, Viajes El Corte Inglés, El Corte Inglés Seguros Correduría y Informática El Corte Inglés.

By the end of the 2018 exercise, the Group had achieved 15,783 million euros in turnover, from which 258 million euros were consolidated net profit, with more than 700.000 employees, a volume of customer traffic of more than 700 million, and 11 million of retained customers (El Corte Inglés cardholders).

The investment increased by 7,3% to 425 million euros in 2018 to maintain its high customer service standards, expand its product and services offer, betting on the development of own brands, and increase the digital business.

3.2 El Corte Inglés in Portugal and in Lisbon

The first El Corte Inglés inaugurated its first store outside of its original country of Spain in Lisbon, in 2001, establishing, at the time, the Portuguese company of the Group: El Corte Inglés Grandes Armazéns, S.A. The Lisbon store endowed the city with an inexistent format to date: the Department Store's commercial offer is different than any other that Lisbon disposed of, especially if one considers that, beyond historical retail formats, the city only disposed of traditional shopping malls – wherein a determined space, different stores are concentrated with auto-service sales formulas.

El Corte Inglés holds a unique identity, resulting from a long historical tradition. The department store concept corresponds to a generous dimensions' commercial surface, organized by departments and, within these, by specialized areas, where the customer can find anything he or she needs in fashion, culture, leisure, household, and food, due to a forerunner mechanism of product exposure.

The brand El Corte Inglés already enjoyed great recognition in the Portuguese and Lisbon market. Despite replicating the Spanish business model, the main challenge to implement the brand in Portugal was to adapt to its culture, with significant parts of the commercial offer and operations suffering changes since the Portuguese consumers' specific tastes and needs had to be considered.

El Corte Inglés has a unique DNA, which El Corte Inglés in Portugal is fully committed to delivering and are difficult to copy by local competitors. Besides the characteristics of a traditional department store, El Corte Inglés possesses others that make it unique. Its culture is based on five key pillars:

Choice: The company targets variety for customers to have the freedom to choose from a wide selection of brands, products, and models "suitable for all needs, tastes, and economic means."

Specialization: Serving customer needs in many different product categories, El Corte Inglés guarantees that every salesperson is highly specialized in the area it supports.

Quality: The company is continuously working to achieve higher standards regarding the quality of every product and service it delivers, hopefully performing above customers' expectations. The stores' environment must be engaging, and customers should feel safe and valued.

Service: Corresponds to the salesperson's ability to serve according to the company's standards and in a pleasant manner. The challenge is having a workforce of about 2.500 people assisting customers in a standardized, coherent way across several business units. Frequent surveys are undertaken, and the investment in salesforce initial and continuous training and development is a priority for El Corte Inglés.

To these characteristics, El Corte Inglés also adds Credibility as its motto. Credibility for being a trustworthy organization, whose prestige is based on products and service quality guarantee and its excellence in customer service. Credibility for being a pioneer in the enforcement of its maximum security: "If the customer is not satisfied, El Corte Inglés refunds the money."

El Corte Inglés' performance in the market is not just about commerce. It comprehends a unique philosophy of integration in the community as El Corte Inglés is also about an attitude of profound commitment in issues of the social, sports, and cultural domains of the people and society it serves.

The Lisbon store is located in the high area of Parque Eduardo VII (Avenida António Augusto de Aguiar) and had its public inauguration on September 23rd, 2001. The entire site dedicated to commerce is about 47.000 m2. The building has eight floors above the ground and five below and has a parking area with a capacity for more than 2.000 vehicles.

Architect Ribeiro Telles signs the urbanistic project of the surroundings, and it includes a connection to Jardim Amália Rodrigues. The building is covered by noble materials, with a deep respect for the urbanistic surroundings and a bet for public space qualification.

The initial investment is of 180 milion euros, from which 20 milion euros were directed for personnel training, creating, at the time, 2.500 direct jobs.

The most significant product categories of El Corte Inglés' commercial offer are:

- Fashion accessories.
- Jewelry & watches.
- Cosmetics, perfumes & beauty.
- Fashion (women, men, children, teen).
- Household & décor.
- Electronic appliances, technology & gadgets.
- Bookstore, culture & leisure.
- Supermarket & Restaurants.

El Corte Inglés Lisbon has been betting on *two primary strategies regarding its fashion products' offer:*

Own brands' development: allowing for greater brand recognition and increased product margins instead of limiting its margins' potential by collecting a commission from the brand exploring at the store. Examples are Woman Brand (Limited, Fiesta, Weekend, Plus), Lloyd's, Cashmere, Sfera, Gloria Ortiz and others in Women's fashion, shoes, and accessories; Emidio Tucci, El Corte Inglés Men, Fórmula Joven in Men's fashion and shoes; among several others in teen and children fashion, as well as household and décor.

High-end brands' development: Upscale, luxury, highly recognized international brands, and niche brands are part of and are being added to El Corte Inglés Lisbon commercial offer, such as Rolex, Panerai, Tag Heuer, Longines, David Rosas among others in Jewellery and Watches; Etro, Red Valentino, Missoni, Carolina Herrera, Burberry, Yves Saint Laurent, Salvatore Ferragamo, Ted Baker, Stella Mccartney, Gucci, Bottega Veneta, and Kenzo in Women's fashion, Corneliani, Ermenegildo Zegna, Armani, DSquared2, Hugo Boss, in Men's Fashion, in between others in fashion accessories, shoes, teen and children's fashion.

These brands are more expensive than the average El Corte Inglés' brands and directly appeal to upscale audiences. Tourists are a significant part of these brands' sales market share, allowing the average customer value to increase.

3.3 El Corte Inglés Lisbon services created communicated for tourists

Being El Corte Inglés, a world-renowned Department Stores' chain, a commercial format typically associated with European capitals' city centers such as Harrods or Selfridges in London, Galeries Lafayette in Paris, La Rinascente in Milan, or Kaufhaus des Westens in Berlin.

Likewise, El Corte Inglés is located in Lisbon's city center, thus enjoying the advantages of being close to relevant tourist sites such as Gulbenkian Museum, Parque Eduardo VII, or Avenida da Liberdade, host to international luxury brands. Furthermore, the majority of hotels are part of internationally recognized hotel chains as Ritz Four Seasons, InterContinental Lisbon, Lisbon Marriott Hotel, Tivoli Avenida Liberdade, Corinthia Hotel Lisbon, or all four hotels in Lisbon from Fenix Hotels. Furthermore, El Corte Inglés Lisbon has a direct entrance to the store from the metro of São Sebastião station, which shares a direct line with Lisbon Airport and Oriente train station.

These facts inevitably make El Corte Inglés Lisbon an attractive shopping venue for tourists in Lisbon, which is why the store has a distinct strategy to communicate with tourists than with national consumers – both inside and out of the store. Likewise, the relevance of the tourist segment for El Corte Inglés Lisbon's sales is coherent with exclusive benefits and services the store offers non-resident tourists (according to El Corte Inglés' website created for tourists and presented in English and Mandarin (https://www.elcorteingles.com/luxe), as follows:

10% Reward Card: El Corte Inglés Lisbon has a price discount strategy to attract tourists to its stores. It communicates the possibility to accumulate 10% of the value of each purchase and subsequently redeem the balance in the following purchases (exclusive for non-resident tourists and valid for five days);

Personal Shopper: A team of professional experts will "analyze (customers' style and wardrobe needs and will help (to) select the items that will enhance (customers') lifestyle."

International or Hotel shipping service: Allows customers to "easily ship (their) purchases" to the destination of (their) choice" or to the hotel where they are accommodated.

Tourist Welcome Desk: Provides personalized assistance in a range of languages (Portuguese, English, Spanish, French, Chinese, and Russian) and helps customers feel welcomed into the store.

Tax Refund Desk: Tourist customers from outside of the European Union enjoy the refund of a percentage (up to 14%) of their purchase's value.

Variety of payment methods: El Corte Inglés Lisbon accepts American Express, Visa, Visa Debit/Delta, Mastercard, JCB, Maestro UK, Maestro International, Chinese Union Pay Card, and Alipay APP.

Currency Exchange Bureau: "Global clients are treated to an on-site currency exchange bureau to ensure an expedited shopping experience."

Apart from the dedicated offer to tourists, El Corte Inglés Lisbon applies an exclusive budget to communicate and attract tourists to the store.

Chapter 4 Tourism & Shopping sectors analysis

Chapter 4 aims to provide an overview of the external factors influencing El Corte Inglés Lisbon's store. Thus, an analysis on the Portuguese tourism industry's evolution and current state was undertaken, followed by the market's patterns in Lisbon. Afterwards, the relatively recent *shopping tourism* trend in Portugal is examined, granting the understanding of the critical factors impacting the development of the *shopping tourism* industry in Lisbon.

4.1 Portuguese tourism sector

The Portuguese tourism industry grew at unparalleled levels during the last two decades (INE, consulted in September 2020). In 2019, Portugal was host to more than 24M tourists, the seventeenth-largest inbound tourism market worldwide (Ambitur, 2019). The country's tourism sector presented a yearly growth above 10% since 2014 and represented, in 2019, 8% of the country's GDP. Overnight stays in touristic accommodations amounted to 70,2 million in 2019, and each trip lasted, on average, 4,1 nights (INE, consulted in September 2020).

According to the WTTC - World Travel & Tourism Council, Portugal is the European Union's country that has been registering the most notable increase within Europe's tourism sector, attributing the trend to the non-European countries' interest.

Figure 2: Evolution of the weight for the city of Lisbon on the total of the Region
Source: (Deloitte & Associação de Turismo de Lisboa, 2019)

There are not yet, estimations of how Portuguese inbound tourism will behave from 2020 onwards, considering the Covid-19 devastating impact on the global tourism industry. However, in an analysis of international bookings to Europe – a study of European Cities Marketing and Forwardkeys – It was found that Portugal has been one of Europe's most resilient destinations. In the Top 10 of "most resilient destinations," Portugal is the country with more cities, with Faro in second place (-48,7%), Porto in sixth place (-74,5%), and Lisbon (-78,8%) (Forwardkeys, 2020). The common factor between the ten cities that composed the list was that all are considered leisure destinations.

4.2 Lisbon tourism sector

According to a study developed by Deloitte, in collaboration with *Associação de Turismo de Lisboa*, tourists in Lisbon present superior average spending than in the rest of the country, come mainly by plane and visit for leisure (Deloitte & *Associação de Turismo de Lisboa*, 2019). The average stay is 2,3 nights, and the average spending is 161,1 euros. Overnight stays in Lisbon accounted for 4,4M and 62% from Brazil, France, Spain, USA, UK or Italy. 76% looks for the city for a City & Short Break (Deloitte & *Associação de Turismo de Lisboa*, 2019).

It is also estimated that the tourism sector's total production (direct and indirect) of the City of Lisbon corresponded, in 2017, to 26,8% of the Region's total GDP. The weight in the job sector was 39%, growing by 3,3% when compared with 2015.

- The study performed by Deloitte & *Associação de Turismo de Lisboa* (2019) considered that the main challenges Lisbon's tourism agents must be prepared to face are:
- The deconcentration of the touristic points of interest.
- The dynamization of the meetings industry from Lisbon's "City-break" association.
- Significantly, it was also projected a diversification of tourists' origin countries: it is expected that the luxury segment could considerably expand. To support the projected growth, tourism entities must reinforce Lisbon's image on international markets. Therefore, it guarantees the increase of tourists' average spending and reduces eventual impact loss by other tourist segments.

Moreover, it is predicted that the digital economy, mobility, and innovation will play an increasingly relevant role in the city's tourism. Increasingly more tourists plan their trips through the internet and mobile apps, and the destination and the tourism value chain's agents must guarantee its regular standout presence on these platforms. Also, the mobility in the Region of Lisbon may be supported by digital tools by accompanying and distributing tourism flows.

It is estimated that, in 2017, activities related to the tourism sector contributed, directly and indirectly, with more than 10,1 thousand million euros to Lisbon's economy. Wholesale trade and retail accounted for 16% of the total macroeconomic impact and was the most expanded economic sector between 2015 and 2017 (Deloitte & *Associação de Turismo de Lisboa*, 2019).

4.3 Portuguese shopping tourism industry analysis

While Europe presents one of the most mature shopping tourism markets globally and attracts a significant proportion of the tourist segments mainly interested in shopping while on holidays (The Economist Intelligence Unit Limited, 2011), Lisbon's shopping offer has been standing out in the European paradigm. The city now ranks among the best in Europe when it comes to the best cities to do shopping (The Economist Intelligence Unit Limited, 2011).

Between 2015 and 2019, tax-free shopping – shopping from tourists from outside of the European Union and apply to receive back the VAT they initially paid for the good acquired – registered a growing compound annual growth rate of 12% in Portugal, twice the evolution recorded in the rest of Europe. According to Global Blue, the buyers from Portuguese-speaking countries were responsible for 60% of the spending (Fashion Network, 2019). Non-EU tourists "spend, on a single day of shopping, the same amount as European tourists spend in an entire week".

It is estimated that, after expanding by 36% in 2018, Portuguese shopping tourism has reached a volume between 400 and 500 milion euros in Portugal, according to Renato Lira, Managing Director of Global Blue Portugal (Jornal de Negócios, 2019).

Additionally, Miguel Júdice, President of the Organizing Committee of December 2019's Shopping Tourism and Economy Summit, stated that it was a moment to rethink the strategic approach of Portuguese tourism: the sector should focus on high added value segments, that have a tremendous economic impact", providing as examples long-distance tourist markets such as the USA, Brazil, China, and other Asian countries, in which the average purchase in their trips to Portugal is much higher than of the traditional tourists (Grande Consumo, 2019).

The average purchase by the five main shopping markets – *China, USA, Russia, Angola, Brazil, and Mozambique*, ascended, in 2018 (Diário de Notícias, 2019) to above 200 euros in each of these top nationalities.

The average spending in shopping by a non-resident tourist was 197,2 euros, while the amount of purchases from tourists outside of the European Union was 315 euros. As illustrated below, the Chinese market had, in 2018, the most significant average spending in shopping in Portugal, with a whopping 671 euros, followed by the American market, the second which has above 500 euros in average purchases. With almost 300 euros separating the two markets, the Russian market has an average of 272 euros, followed by Angola, Brazil, and Mozambique.

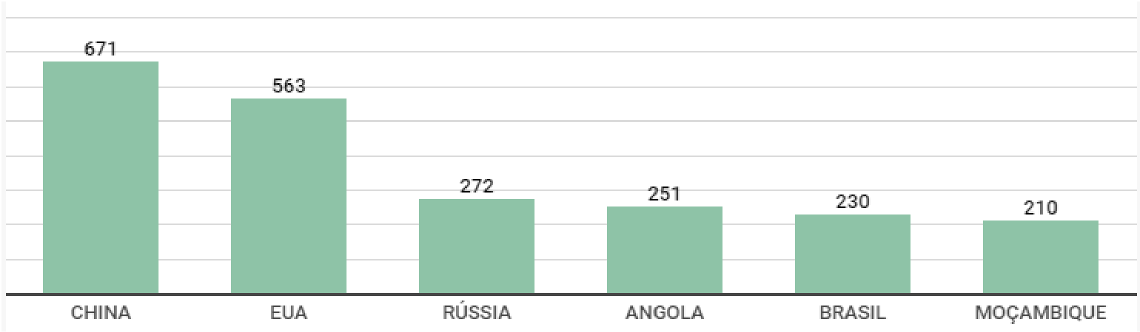

Figure 3: Average purchase by the main five shopping markets in 2018
Source: Diário de Notícias, 2019

The nationalities with more significant weights in the Portuguese shopping market are Brazil and Angola, representing close to 50% - 49,8% of tourists' total purchases. The five main nationalities represent about 67% of the total tourist shopping market in Portugal.

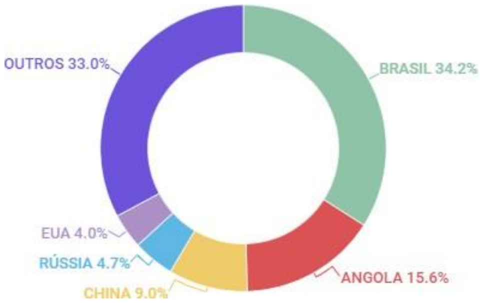

Figure 4: Total Portuguese shopping market in 2018
Source: Diário de Notícias, 2019

The largest increases in average purchases are attributable to Brazilian and Northern American tourists, with 23% and 22%, respectively, to 275 euros and 646 euros. Air travel to Portugal has been crucial for developing inbound tourism from issuer countries like the USA, Brazil, or China. Increasing the connectivity with these countries has been fundamental to consolidating such positive statistics (Publituris, 2019).

The highlights for each of the leading spending nationalities are presented:

Brazil: "Travelling to purchase" (Diário de Notícias, 2019) Brazilians were the nationality that most shopped in Portugal in 2018, representing more than a third (34,2%) of the shopping by foreigners visiting Portugal. The high importing rates, which account for 60% of the imported products, explain the increase of foreign shopping by Brazilians that, according to the

World Tourist Organization (WTO), are dictated by luxury and affirm the status quo (Diário de Notícias, 2019).

Angola: Until recently, Angolan tourists were the main tourist shopping segment in Portugal, being the most traditional one in Lisbon. Angolan outbound tourism consolidates as the market that most spends in shopping in Portugal, despite the average purchase being of only 254 euros, almost a third of what Chinese tourists spend (travelBI, November 2020)

Russia: Russia accounted for 4,7% of the total shopping receipts in Portugal. In 2019, the market (travelBI, November 2020), the market was responsible for 185 thousand guests and 179 milion euros in Portugal's touristic receipts, 16,8% higher than in 2018. Lisbon is the region most Russian tourists choose, attracting 53% of the total market in 2019 (travelBI, November 2020).

USA: In 2019, the US tourist outbound market accounted for 1,2 million tourists in Portugal, and 1.293 million euros of tourists' receipts, a growth of 28,9%.

In 2018, the USA's retail purchases grew by 11%, reaching an average of 562 euros, making the American market the fourth outbound market for shopping tourism in Portugal. Besides attracting 53% of the tourists that visit Portugal, Lisbon is the preferred city for shopping. The category that most attracts American tourists is fashion (71%), followed by jewelry and watches (18%). Besides registering one of the most accelerated increases in tax-free shopping, globally, it grew by 12% in Portugal, twice Europe's average. American tourists spend 4,4% of the total retail shopping receipts (Publituris, 2019).

China: Chinese shopping spending in Portugal increased by 37% during 2019, amounting to 750 euros, being bags, fashion brands, and watches the main consuming drivers among this segment, spending about 60% of the travel budget on shopping (Expresso, 2020). Chinese shopping expenditure represented, in 2019, 15% of the total shopping receipts.

Chinese international trips are mainly from young people, with 27,4% of all travels in 2019 from the age target of 15-24 years old, and 24,3 between 25-34 years old, despite these segments representing only 28,3% of the total population. Around 77% of Chinese trips are in a group or family. Chinese spending in retail venues was the trips' main expenditure category. The average spending by tourists could surpass US$1.000 on a long-way journey (travelBI, November 2020).

Chapter 5 – Methodology

Chapter 5 aims to provide the insights on obtaining the necessary information about El Corte Inglés Lisbon customers to address the thesis objectives. Hereafter will be presented the data collection methods, the investigated sample will be characterized, and the analysis techniques used to reach the conclusions on shopping tourists' behavior, preferences, and patterns will be introduced to afterward implement a segmented communication plan according to the data analysis' results.

5.1 Questionnaire goals and data collection

The quantitative analysis was conducted by asking tourists who were visiting El Corte Inglés Lisbon's store to complete a written questionnaire. The store's chosen location to engage visitors to complete the survey was the store's Tourist Welcome Desk, on the ground floor. That is the place tourists go to register and receive the *10% Reward Card*, available only for tourists aged above 18 years old. The chosen location would guarantee the availability and desired openness from that audience to take the required time to complete the survey.

The survey was conducted every day between the 3rd and the 11th of August 2019 and reached 200 respondents. The respondents were exclusively above 18 years old non-resident tourists (the requirements to be given the 10% reward card). They were selected according to the *self-selection sampling* within the *convenience sampling technique***,** having been requested to participate in the study while waiting in line to receive their *10% Reward Card*. The questionnaire was distributed in Portuguese (for all respondents residing in Portuguese speaking countries) and English (for the others) languages.

The questionnaire consisted of 20 questions and examined three central investigation areas. The investigations that served as a basis for the questionnaire were undertaken in the studies by Hu & Yu (2015), Kim et al. (2011), Littrell et al. (2004), and Moscardo (2004) that mainly intended to segment shopping tourists, understanding their preferences and shopping behaviors, and examining the significance of shopping in destination choice.

- *Demographic and travel behavior*, such as age, gender, residency country, accommodation, travel companion, expected expenditure, duration and reason for the trip, and factors that influenced the decision to visit Lisbon.

- *Shopping preferences and attitudes*, such as the importance of shopping during the trip, favorite shopping format(s), previous visits to one of the brand's stores, and shopping malls' characteristics importance.
- *Preferences and factors that influence shopping decisions towards the brand El Corte Inglés*, such as the information sources that impacted the decision to visit El Corte Inglés Lisbon, purchase motivations, the brands and product categories most searched for, as well as the planned expenditure on the store.

5.2 Sample Characterization

Two hundred people completed the questionnaire.

Most respondents were female (66%), while the most frequent country was Brazil, representing 38% of the total sample. Other prominent residency countries represented in the sample were Angola (13,5%), Mozambique (5,5%), China (4,0%), France (4,0%), and the USA (2,5%).

Most of the population were non-resident tourists aged between 30 and 50 years old, while the least represented age group was people aged above 60 years old (9,5%).

The most frequent daily expenditure in the city of Lisbon was between 100€ and 199€, while the larger part of the sample stayed in a rented apartment during their stay (24%), closely followed by family or friends (23%), and 4-star hotels (21%). 72,5% of respondents identified “leisure” as the main purpose of visiting Lisbon, while only 2% visited the city with shopping as the main reason. Only 26% of the sample is visiting Lisbon for the first time.

5.3 Data Analysis Techniques

Regarding the quantitative analysis, version 25 of SPSS (Statistical Package for the Social Sciences) was the statistical program chosen to analyze the information collected from the survey conducted at El Corte Inglés Lisbon. According to quantitative analysis techniques, tables and graphics will describe and discuss data collected and illustrate some trends found.

The questionnaire included closed questions, multiple-choice questions, and scaled questions. The goal was to make it clear for respondents to answer and achieve more spontaneous answers and create patterns regarding different categories.

Regarding the data analysis techniques performed, exploratory analysis in principal components with VARIMAX rotation was used to form closely correlated groups of factors regarding the several reasons' that impacted the decision to visit Lisbon and the characteristics of shopping malls most relevant for the respondents. The variables were grouped after assessing the correlation between data through the criteria of the *Kaiser-Meyer-Olkin* (KMO) test (when superior to 0,5, there was sample correlation) and rejecting the null hypothesis of the *Bartlett* test.

Finally, the Two-Step clustering analysis was performed to identify homogenous groups within the sample, regarding demographic variables and shopping patterns and preferences.

Chapter 6 - Data Analysis

6.1 General characteristics of the sample

The sample size is equal to 200 respondents. The majority of these respondents are female (66%); the most important categories of the country of residence is *Brazil* (26%) followed by *Angola* (13.5%); 51% of the respondents have *more than 29 years old* and *less than 51 years old* (Annex 2.1).

Regarding the travel characterization (Annex 2.2), the majority of the respondents visited Lisbon for *leisure* (72.5%) and spent *five or more* nights in Lisbon (73.5%). The most important category relating to the average daily expenditure per person is between *100 euros and 199 euros*; only 11% of them spent *1500 euros or more*. Respondents' main accommodation is *rented apartments* (24%), followed by the respondents who stay with *family or friends* (23%). About previous visits to Lisbon, the most answered category is *four or more times* (42%); and, finally, the respondents are traveling with *family or relatives* (42%).

Regarding the shopping profile (Annex 2.3), most of the respondents had visited El Corte Inglés in an*other city or cities* (67%). The main categories on the importance of shopping in Lisbon are: *not that important* and *important or very important* (46% and 44%, respectively); the most answered question about the number of previous visits to El Corte Inglés in Lisbon is *four or more* (43%); finally, from those that can be considered to belong to the upscale segment, 14% are planning to spent in this store *more than 500 euros* and *less than 1000 euros*, while 16% are willing to spend *more than 1000 euros*.

Concerning the most critical factors to visit Lisbon, Figure 5 shows that the mean important factors to visit Lisbon are more significant than the mean point of the ordinal scale (3) for all studied items. The most important factors are, on average, Lisbon being a place that provides:

Good value for money (4.34); *High-quality gastronomy and restaurants* (4.30); and *A chance to escape a busy life* (4.28). The least important factors are, on average: *Opportunities to visit family and/or friends* (3.32); *First-class accommodation* (3.49); and *Good nightlife/entertainment* (3.51).

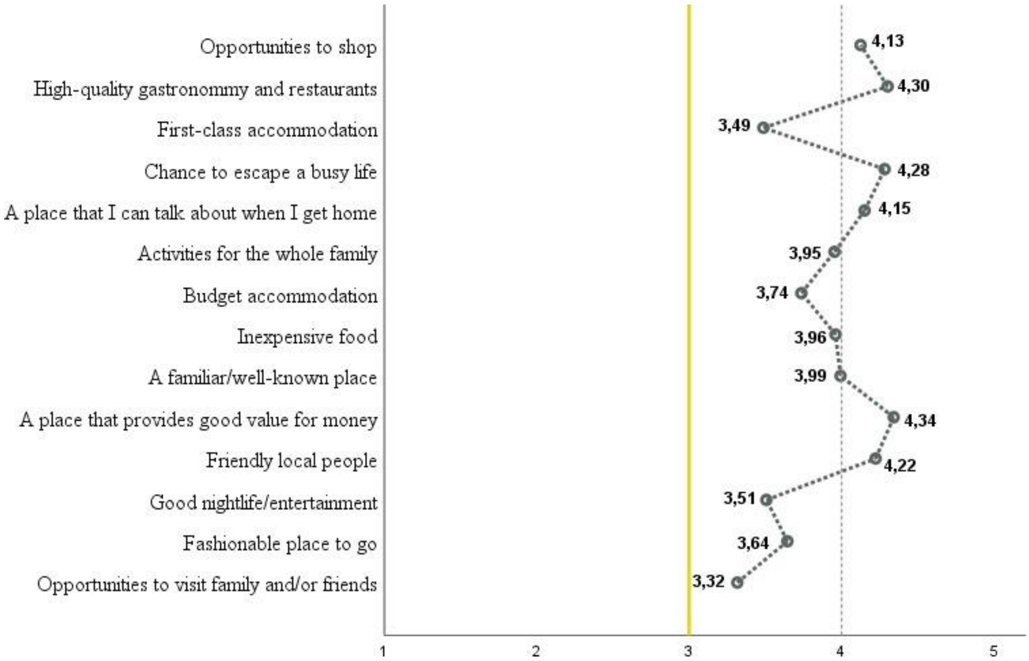

Figure 5: The mean importance given to the main factors to visit Lisbon

Regarding the most important characteristics that the department stores or malls should have on average, for these customers, are, by descending order (Figure 6): *cleanliness and organization of the shops* (4.52), *attitude and efficiency of the sales staff* (4.51), *variety of product selection* (4.48), and *value for money* (4.46); and, the least important factors, but still having in average greater importance than the middle point of the scale, are *personal shopper service* (3.29) and *restaurants' offer* (3.80).

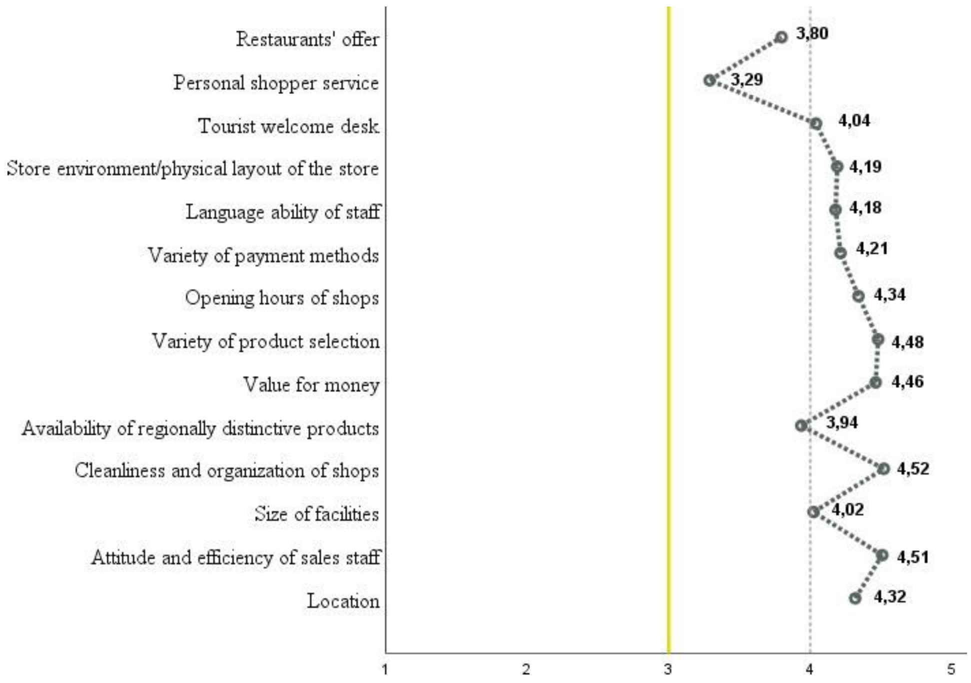

Figure 6: The mean importance of the characteristics of department stores or malls

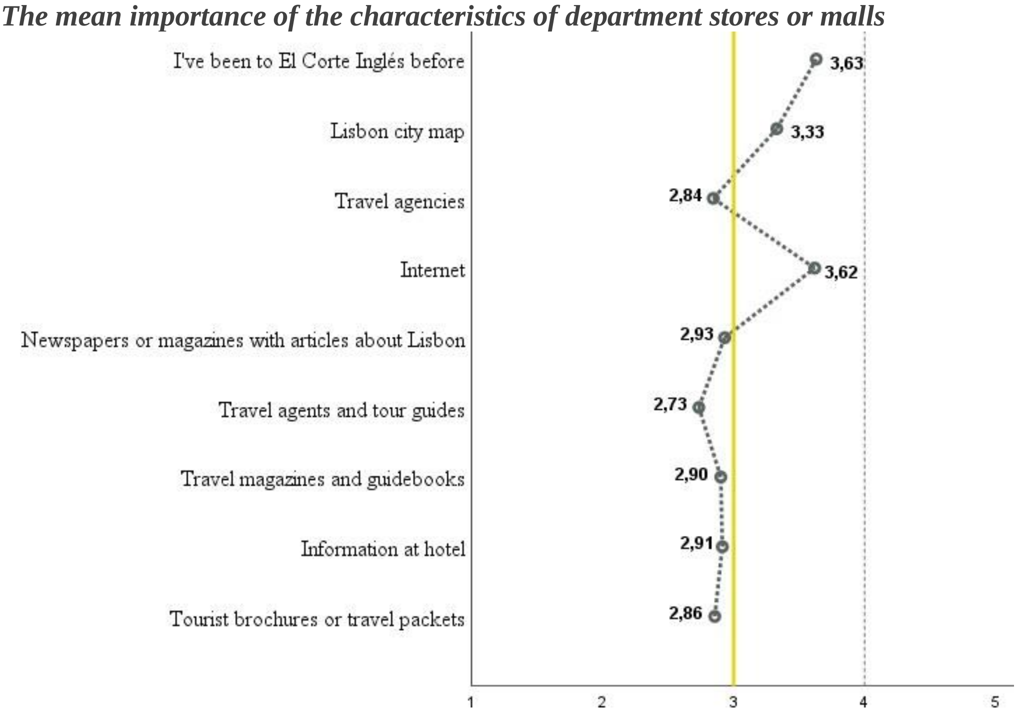

Figure 7: The mean importance of the information sources to visit El Corte Inglés

Figure 7 shows the mean importance of information sources to visit El Corte Inglés. Among several information sources, the most important is, on average, by descending order, *to have been in El Corte Inglés before* (3.63), *the Internet* (3.62), and *Lisbon city map* (3.33). *The travel agents and tour guides* detain the worse position in terms of average importance (2.73) that needs to be improved.

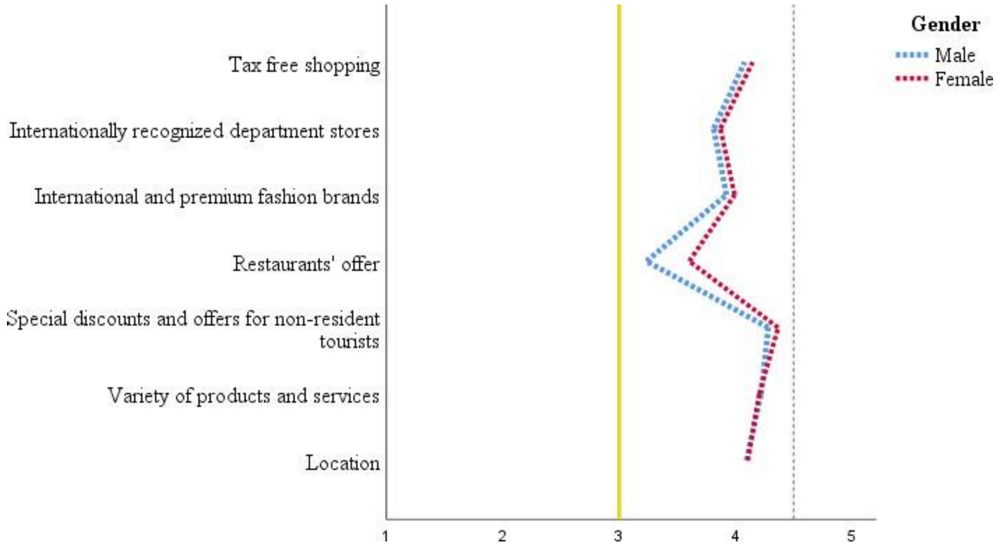

Figure 8: The mean importance given to the factors to visit El Corte Inglés by male and female customers

From Figure 8, the female respondents give greater importance, on average, to all the factors that influence the decision to visit El Corte Inglés than males, except for the item location, which both groups give equal mean importance. Males give lesser importance, on average, to *Restaurants' offer* than female tourists.

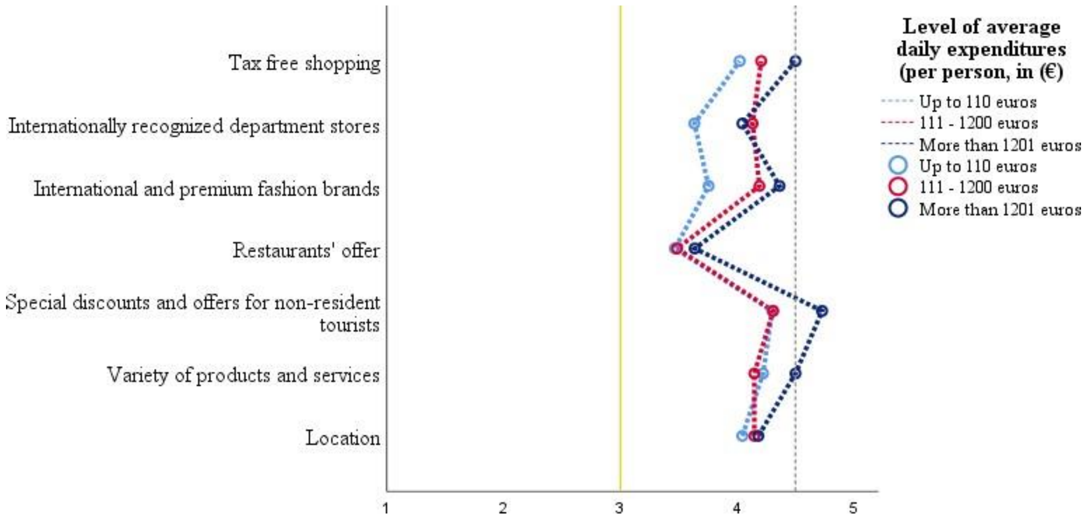

Figure 9: The mean importance given to the factors to visit El Corte Inglés by levels of average daily expenditures per person, in (€)

It is noticed in Figure 9 that those planning to spend the most significant amount in shopping in El Corte Inglés, per person, in (€) give greater mean importance to all the observed items, especially *Special discounts. It offers non-resident tourists a Variety of products and services*, *International and premium fashion brands*, and *Tax-free shopping*.

Table 2 reveals that the types of the store most chosen in Lisbon by these respondents are *Department stores / multi-brands* and *multiproduct stores like* El Corte Inglés (74%) of the cases followed by *Shopping malls* (44.5%).

Table 2: Multiple responses given to the type of store chosen in Lisbon

	Responses		Percent of Cases
	n	Percent	
Department stores / multi-brands and multiproduct stores like El Corte Inglés	**148**	42.7%	**74.0%**
Shopping malls	89	25.6%	44.5%
Independent store/Boutique store	67	19.3%	33.5%
Independent store of touristic products/Portuguese brands	43	12.4%	21.5%
Total	**347**	**100.0%**	**173.5%**

For a total of 99% of the respondents, the most critical items when visiting El Corte Inglés (Table 3) are those related to *Women's fashion* (63.6%) and *Accessories* (59.6%) followed by *Cosmetics and perfumes* (48%) and *Men's fashion* (46.5%).

Table 3: Multiple responses given to the shopping item(s) searched for at El Corte Inglés, in Lisbon

	Responses		% of cases
	n	%	
Accessories (bags, sunglasses, etc)	**118**	18.6	**59.6**
Cosmetics, perfumes	95	15.0	*48.0*
Jewellery, watches	36	5.7	18.2
Souvenirs	27	4.3	13.6
Men's fashion	92	14.5	*46.5*
Women's fashion	**126**	19.9	**63.6**
Children's fashion	48	7.6	24.2
Technology/gadgets	35	5.5	17.7
Gourmet products (Regional and traditional Portuguese food and wines)	57	9.0	28.8
Total	634	100.0%	320.2%

6.2 Multivariate data analysis

Let us start by reducing the input variables concerning each subject using exploratory factor analysis in principal components with an orthogonal rotation (varimax rotation). Then, clustering analysis is going to be applied to the extracted components that work as classification variables.

6.2.1 Exploratory factor analysis

6.2.1.1 Important factors in the decision to visit Lisbon

To evaluate the internal structure of the perceptions about the important factors in the decision to visit Lisbon, an exploratory analysis in principal components with the varimax rotation was conducted to the extraction of five components (Annex 3).

Table 4: The extract components in terms of the factor in the decision to visit Lisbon

	Component				
	1	2	3	4	5
Inexpensive food	**.834**	.210	.110	-.077	.155
Budget accommodation	**.785**	.199	.184	.164	-.016
A place that provides good value for money	**.677**	.159	-.024	.373	.104
A place that I can talk about when I get home	.264	**.672**	.295	-.049	.183
Chance to escape a busy life	.091	**.643**	.231	.170	.322
Opportunities to shop	.329	**.576**	-.165	.132	-.095
Fashionable place to go	.119	**.478**	-.021	.269	.314
Opportunities to visit family and/or friends	-.098	.169	**.770**	-.024	-.185
Activities for the whole family	.208	.062	**.697**	.239	.162
A familiar/well-known place	.294	-.066	**.574**	.059	.383
Friendly local people	.219	.061	.130	**.819**	.159
Good nightlife/entertainment	.049	.451	.100	**.599**	-.040
High-quality gastronomy and restaurants	.102	.286	.037	-.064	**.765**
First-class accommodation	.017	.052	.052	.462	**.663**
% of explained variance	**15.521**	**13.308**	**11.819**	**11.427**	**10.992**

These five components explain about 63.1% of the total variance of the input variables with a Kaiser-Meyer-Olkin (KMO) coefficient of 0.789, meaning that the input variables are correlated in the sample and also in the population because the null hypothesis of the Bartlett's test of sphericity is rejected ($\chi^2_{(91)} = 528.313; p - value < 0.001$). The components are designated as (1) Cost-related, (2) Emotional, self-gratification, (3) Family-friendliness, (4) Social life and entertainment, and (5) Quality of hospitality services.

6.2.1.2 Importance of the characteristics of department stores or shopping malls

Eliminating the item ‘opening hours due to a low community’, four components were obtained, using the same statistical approach:

Table 5: The identified components regarding the importance of the characteristics of department stores / shopping malls

	Component			
	1	2	3	4
Personal shopper service	**.790**	.082	.135	-.106
Restaurants' offer	**.689**	-.098	.133	.236
Size of facilities	**.531**	.477	.099	.050
Store environment/physical layout of the store	**.488**	.440	.124	.292
Location	.132	**.829**	.046	.079
Attitude and efficiency of sales staff	-.134	**.756**	.279	.156
Cleanliness and organization of shops	.114	**.609**	.017	.477
Variety of payment methods	.138	.073	**.782**	.199
Language ability of staff	.371	.187	**.716**	-.157
Tourist welcome desk	.475	.066	**.520**	.346
Variety of product selection	.111	.254	.043	**.822**
Value for money	-.177	.287	*.507*	**.514**
Availability of regionally distinctive products	.410	.044	.265	**.478**
% of explained variance	**17.390**	**17.389**	**14.342**	**13.588**

These four components explain about 62,7% of the total variance of the input variables.

The KMO coefficient is rejected, with a coefficient of 0.829. Therefore, the input variables are correlated in the sample and also in the population because the null hypothesis the Bartlett's test of sphericity is rejected ($\chi^2_{(91)} = 644.602; p - value < 0.001$).

The components are named as (1) General characteristics and services, (2) Shopping experience, (3) Aptness to welcome tourists (4) Product characteristics.

6.2.1.3 Importance of information sources to influence the decision to visit El Corte Inglés

Using the same statistical procedure, two components are extracted, which explain 73,2% of the total variance of the original variables. The KMO coefficient is rejected (0.908) and the null hypothesis of the Bartlett's test of sphericity is rejected ($\chi^2_{(91)} = 1125.987; p - value < 0.001$), meaning that the input variables are correlated in the sample and in the population.

Table 6: The extract components in terms of the importance of information sources to visit Lisbon

	Component

	1	2
Travel magazines and guidebooks	**.905**	.029
Travel agents and tour guides	**.883**	.078
Newspapers or magazines with articles about Lisbon	**.878**	.010
Tourist brochures or travel packets	**.848**	-.028
Information at hotel	**.848**	-.053
Lisbon city map	**.829**	.062
Travel agencies	**.761**	.210
Internet	**.680**	.148
I've been to El Corte Inglés	.049	**.983**
% of variance explained	**61.563**	**11.629**

These two components are designated as (1) Online and offline communication (2) Previous knowledge about El Corte Inglés.

6.2.1.4 Importance of the main characteristics of El Corte Inglés to deserve a visit

Concerning the importance of the main characteristics of El Corte Inglés to deserve a visit, two components were extracted, as Table 7 shows.

Table 7: The revealed components regarding the main characteristics of El Corte Inglés to deserve a visit

	Component	
	1	2
Internationally recognized department stores	**.880**	.149
International and premium fashion brands	**.864**	.168
Tax free shopping	**.564**	.315
Restaurants' offer	**.537**	.399
Variety of products and services	.240	**.807**
Location	.124	**.791**
Special discounts and offers for non-resident tourists	.303	**.677**
% of variance explained	**32.752**	**29.209**

These components are named as (1) Recognition and familiarity and (2) Shopping convenience.

6.2.2 Clustering analysis

One segmentation method is the Two-Step Clustering method that is suitable for either qualitative or quantitative variables or a combination of both types of variables, and it is going to be used in this analysis.

The segmentation variables are the levels of the average daily expenditures per person, in (€), and the components Fashion and Gastronomy offer with international recognition and Product selection and special conditions for non-resident tourists. The determination of the optimum number of clusters to be formed is made using the Schwarz's Bayesian Criterion

(BIC), which is a measure of the quality of the fit where the log-likelihood function distance matrix is minimized. In the first stage, small groups (pre-clusters) are formed, and in the second stage, the hierarchical grouping of the pre-clusters is made.

6.2.2.1 Clusters' identification

Three clusters of size ranging from 12.2% (with 22 subjects) to 50.0% (with 90 subjects) are identified, and the largest cluster is 4.09 times larger than the smallest cluster (Figure 10).

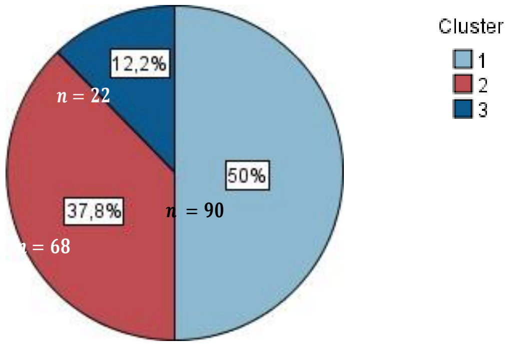

Figure 10: Cluster sizes

The cluster quality measure given by the silhouette coefficient of cohesion and separation of the clusters is fair (Average Silhouette = 0.5) visible in Figure 11. These clusters are relatively homogeneous within the classification variables and quite heterogeneous between them.

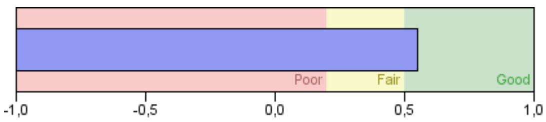

Figure 11: Silhouette coefficient of cohesion and separation of the clusters

6.2.2.2 Clusters' Characteristics

The characteristics of the three identified clusters by this segmentation method are shown in Table 8 and distinguished by their specificities in certain variables.

Table 8: Clusters' characterization

Input variables	Evaluation fields

	Levels of expected average expenditure per person, in (€) (Input importance = 1.0)	Importance of fashion and gastronomy offer with international recognition (Input importance = 0.04)	Importance of product selection and special conditions for non-resident tourists (Input importance = 0.01)	Gender	Age groups	Country of residence	Number of previous visits to Lisbon
Cluster 1 (n = 90; 50%)	Up to 110 euros	*Average* = −0.23	*Average* = 0.04	Female (71.1%)	30 – 40 (27.8%)	Brazil (45.6%)	None (34.4%)
***Cluster* 2** (n = 68; 37.8%)	111 – 1000 euros	*Average* = 0.28	*Average* = −0.12	Female (64.7%)	Up to 29 years old (23.5)	Brazil (30.9%)	Three (44.1%)
***Cluster* 3** (n = 22; 12.2%)	More than 1000 euros	*Average* = 0.32	*Average* = 0.29	Male (54.5%)	30 – 40 (36.4%)	Angola (50.0%)	Three (72.7%)

Comparing the identified clusters by this method, the following can be concluded:

CLUSTER 1: it is the most significant cluster with 50% of the total respondents (90); the majority of these subjects are female (71.1%); 45.6% of them are Brazilians; for 34.4% of them, this visit corresponds to their first time in Lisbon; 27.8% belong to the age group of 30 years old and 40 years old (which is the most crucial category); and, expect to spend per day, in average, an amount up to 110 euros; also, they assign, respectively, a negative average or an average close to zero regarding the importance given to fashion and gastronomy offer. This group gives positive importance to the store's brands' international recognition and product selection and special conditions for non-resident tourists.

The most critical clusters in terms of being formed by the potential upscale customers who are the most relevant customers to this project are clusters 2 and 3.

CLUSTER 2: It is made up of 68 subjects that planned to spend an average daily amount up to 1000 euros and the majority of them are female (64.7%); 23.5% of them belong to the youngest subjects with ages up to 29 years old (the most crucial category); almost half of them are from Brazil, and 44.1% of them have already been in Lisbon before (three times); finally, they attribute positive mean importance to fashion and gastronomy offer with international recognition and a negative mean of the importance to the product selection and special conditions for non-residents tourists.

CLUSTER 3: it is the smallest cluster with 22 subjects that planned to spent daily the most significant amount on average (more than 1000 euros); the majority of them are male (54.5%) with ages between 30 years old and 40 years old, have been in Lisbon before three times (72.7%); half of them are from Angola, and it is the cluster that gives the most importance to fashion and gastronomy offer with international recognition as well as to product selection and special conditions for non-residents tourists.

6.2.2.2 Cluster comparisons

The cluster comparisons can be summarized in the following figure:

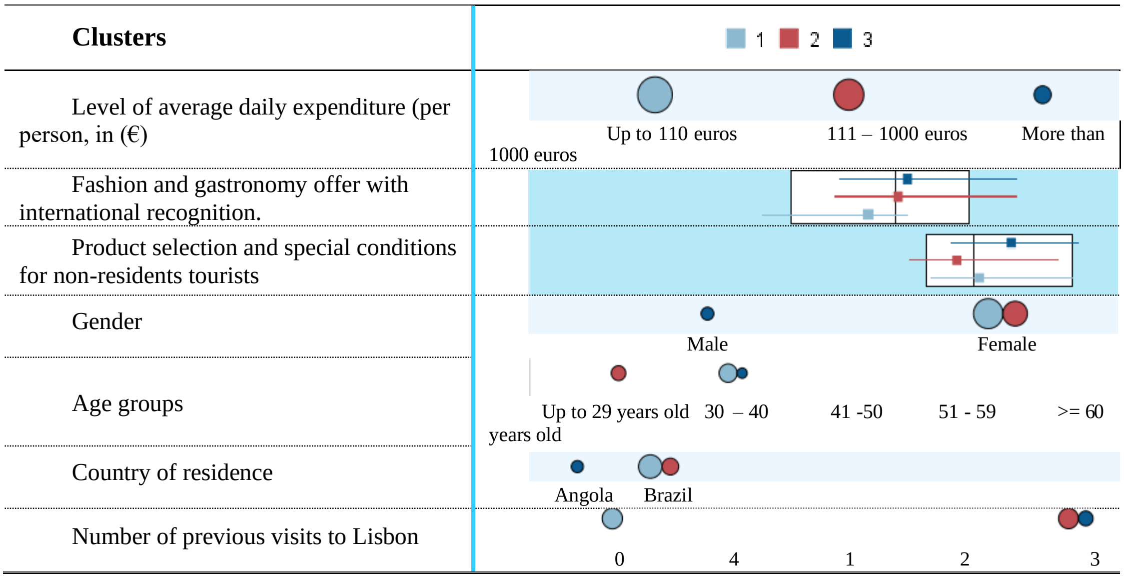

Figure 12: Cluster comparisons

6.2.2.2 Clusters' Scenarios

Since the communication plan's primary goal is to increase visits from tourists with higher levels of expected expenditure, the previous chapter suggests that the communication strategy will be directed at customers represented in clusters 2 and 3 – the upscale market for El Corte Inglés Lisbon.

The nationalities of the identified clusters are non-European (mainly from Angola and Brazil) therefore enjoying tax-free shopping in Portugal. The other stated advantages of shopping as a non-resident, international tourist at El Corte Inglés Lisbon's store.

To better understand the targets to which the communication plan will be directed, it was essential to learn the product category that the most relevant clusters are searching for when visiting the El Corte Inglés Lisbon store. For that, a filter condition was created, targeting the gender and the residence country, according to the cluster's analysis.

Cluster 2, mostly composed of female Brazil residents, is mainly interested in three types of commodities: Accessories (73.3%), Women's fashion (66.7%), and Gourmet/Portuguese products (73.3%).

Table 9: Cluster 2 with the filter Sex = Female2 & Residence = Brazil

	Cluster 2 (%)
Fashion accessories	**73.3**
Cosmetics, perfumes	60
Jewellery, watches	20
Souvenirs	26.7
Men's fashion	46.7
Women's fashion	**66.7**
Children's fashion	33.3
Technology/gadgets	26.7
Gourmet products/Regional and traditional Portuguese food and wines	**73.3**

In its turn, Cluster 3, formed by male visitors with residence in Angola who are interested in searching for fashion products, specifically men's, women's, and children's fashion.

Table 10: Cluster 3 with the filter Sex = Male & Residence = Angola

	Cluster 3 (%)
Fashion accessories	25
Cosmetics, perfumes	50
Jewellery, watches	50
Souvenirs	0
Men's fashion	**100**
Women's fashion	**75**
Children's fashion	**75**
Technology/gadgets	0
Gourmet products/Regional and traditional Portuguese food and wines	0

Additionally, to increase the communication strategy's effectiveness, the mean importance given to the variables (that resulted from the PCA analysis) that influenced the decision to visit Lisbon's El Corte Inglés store were evaluated. The analyzed variables were: 'Online and offline communication actions,' 'Previous knowledge about El Corte Inglés,' 'Fashion and Gastronomy offer with international recognition,' and ''Product selection and special conditions for non-residents.''

In the Cluster2, there is a negative mean of importance given to 'Product selection and special conditions for non-resident tourists' (-0.1) with 'Fashion and gastronomy offer with international recognition' having the highest average importance (0.3), meaning that Cluster2 is more concerned with distinctive products than special pricing conditions.

In the Cluster3, the mean averages regarding the importance of all variables are positive. The most critical variable to visit Lisbon's El Corte Inglés store is the previous knowledge that respondents already have about the brand, followed by factors related to the product selection and special conditions for non-resident tourists.

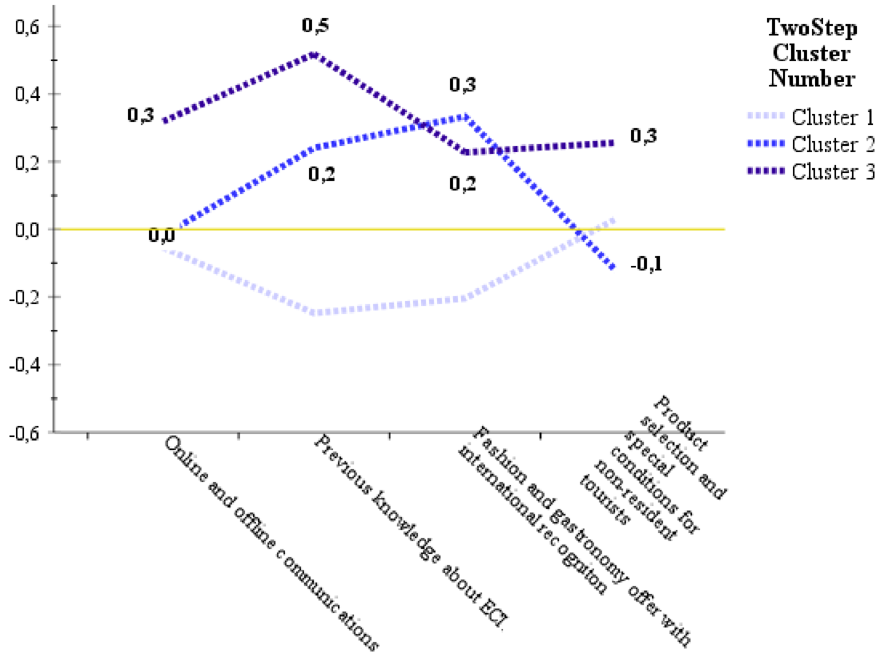

Figure 13: Mean importance given to the 'Online and offline communication actions', Previous knowledge about El Corte Inglés', Fashion and Gastronomy offer with international recognition', and Product selection and special conditions for non-resident tourists

Furthermore, according to Figure 5 (page 40), the study reveals that opportunities to shop, high-quality gastronomy and restaurants, and good value for money are determinant factors influencing tourists' decision to visit Lisbon. Therefore, these aspects' relevance must be regarded as crucial for creating and developing the communication strategy, given that El Corte Inglés is a department store with a unique discount strategy for tourists and offers since late 2017 high-gastronomy from national and international awarded chefs.

Also, to communicate with these segments more accurately than the competition, El Corte Inglés Lisbon must advertise the most relevant shopping malls characteristics that were evaluated for tourists (Figure 6 on page 41), such as:

- Cleanliness and organization.
- Attitude and efficiency of the sales staff.
- Product selection.
- Value for money.
- Store's opening hours (the factors with the highest importance, on average).

Regarding the information sources by which tourists are impacted in their decision to visit the store, the most significant are: *previous knowledge of the brand* resulting from past visits to an El Corte Inglés store; *online sources;* and *Lisbon City maps*, the majority of which contain advertisements of the Lisbon store. El Corte Inglés is also responsible for producing the official city map, a partnership with Visit Lisboa (Associação de Turismo de Lisboa). The map has a yearly distribution of around 1,5 million copies and a great El Corte Inglés brand's presence. These are information sources that El Corte Inglés cannot overlook when selecting the media communication channels. Nonetheless, the brand must also invest and grow other communication means to reach other potential upscale audiences, such as the Chinese, Japanese, and residents from middle eastern countries.

Chapter 7 – Communication Plan

The proposed communication plan follows the five steps suggested by Kotler & Keller (2012, p.506). The plan starts by defining the target audiences using the previous section's results to segment the *upscale* market for El Corte Inglés Lisbon. Next, in Section 7.2, the communication design's strategy is presented. Afterward, Section 7.3 establishes the budget, namely, the maximum ceiling. In Section 7.4, the media mix is discussed, and the final budget by each target audience is presented. Lastly, section 7.5 proposes some metrics to measure the results.

7.1. Target Audience(s)

Starting with the first step – identifying the target audience – the *Clusters' scenarios* section suggests two distinct target audiences in the potential upscale market for El Corte Inglés Lisbon.

Additionally, and according to the *Tourism & Shopping sectors analysis,* a third strategic target audience must be considered to communicate with the upscale market visiting Lisbon. Considered the most prominent force in global luxury spending (Mckinsey, 2017), the Chinese visiting Lisbon. Despite not figuring, yet, within the strongest outbound tourism markets in Portugal, this segment has the potential to be the most impacting for Lisbon's tourism shopping market soon. Besides being the leading worldwide luxury consumers, the Chinese tourists are already the segment with the highest average purchase in Lisbon, amounting to 750€.

Table 11 presents the *main characteristics* that define each of the *strategic target audiences* that will be considered to develop the communication plan.

Table 11: Characteristics of the three upscale main target audiences

Public	Name Code	Characteristics
Brazilian Women up to 29 years old	**Target Audience A**	• Visited Lisbon before. • Plan on spending up to 1.000€ • Mainly interested in accessories, fashion, and gastronomic products. • Brand communications did not impact their visit to the store. • Decision to shop not influenced by special commercial conditions.
Young adults' Angolan men	**Target Audience B**	• Visited Lisbon before. • Plan on spending more than 1.000€. • In search of fashion brands with international recognition. • Prefer to shop with special conditions for non-residents tourists.
Chinese adults up to 39 years old	**Target Audience C**	• Still a small, high-potential upscale cluster. • Traditionally moved by bags, watches, and luxury of niche and traditional luxury fashion brands.

Source: Own elaboration

Given the differences between these three target audiences, the proposed communication plan will encompass *three distinct communication strategies*, one for each target audience, as well as a *cross-segment* outdoor, press and digital plan with the goal of impacting the three segments.

7.2 Communication design

After defining the target audiences, the communication plan continues to the design of the communication. According to Kotler and Keller (2012), the creation of communication must address three issues.

Firstly, one should define the message strategy, i.e., the appeals, themes, or ideas that will tie into the brand positioning and establish points-of-parity or points-of-difference. In this issue, it is necessary to analyze each target audiences' concerns to define which theme the message strategies should integrate.

On the one hand, Target Audience A is more concerned with distinctive products than with pricing conditions. Thus, the message strategy to this audience should focus on the exclusiveness of El Corte Inglés' products.

On the other hand, Target Audience B is more concerned with fashion, namely fashion products with international recognition, and special conditions for non-resident tourists, such as tax-free shopping. Thus, this audience's message strategy should focus on an array of world-class fashion brands available in El Corte Inglés and on the special conditions for non-resident tourists.

Finally, regarding Target Audience C, since the questionnaire's sample did not capture sufficient specific information on this target audience, it was determined that the general strengths associated with El Corte Inglés should be promoted, namely the distinctiveness of the brand's products and the variety of brands available in the Lisbon store.

As stated in the previous section, the most impacting variable defining the visit to El Corte Inglés is the previous knowledge on the brand, the Internet, and the Lisbon City map. Since had already visited one of El Corte Inglés' stores is the most significant factor, the brand does a great job offering its customers a positive experience and increasing revisit intentions and behavior. Thus, the creative strategy should focus on bringing clients for the first time, given that, after visiting El Corte Inglés for the first time, people become loyal.

Moreover, as there are at least three target audiences with different demographics, the creative strategy should be flexible enough to encompass these differences. Thus, the communication channels' choice will have to consider these differences, meaning that there will be a myriad of communication channels to transmit the brand's message more efficiently.

Finally, the third issue when designing communication is to define the message source, i.e., who should transmit the brand's message. The message source is also critical for the communication' design because it influences how the target audiences receive communication (Belch & Belch, 2004).

Table 12 defines the messages that should be transmitted to each of the selected target audiences.

Table 12: Message guidelines for each target audience

Public	Name Code	Messages guidelines
Brazilian Women up to 29 years old	**Target Audience A**	• Transmit the exclusivity, quality, luxury, and authenticity of the brands, products, and the store's service. • Address the main product categories the audience is most interested in: Accessories, Women's Fashion, and exclusive gastronomical offer. • Focus on conveying the idea "All the luxury and quality at your reach." • Targeting some of the most appealing brands for the segment, highlighting the quality/price relation of the store's offer.
Angola Men up to 29 years old	**Target Audience B**	• Anchored on specific internationally renowned, premium brands. • Settled on the accessibility and convenience of purchasing high-end brands at El Corte Inglés. • Focus on discount policies, tax-free regimen, and on the possibility of shipping the purchases to the country of origin service.
Chinese luxury shoppers	**Target Audience C**	• Target audience C prefers shopping at Avenida da Liberdade stores. Therefore, the communication messages must make this audience feel that the department store shopping experience will allow them to be in an upscale/premium branded environment and still have the brand's unique, tailored experience and service, and a sense of exclusivity while shopping. • Communication of a trendy, youthful, and luxury shopping experience and environment. • Communication focused on globally known, luxury, timeless luxury fashion brands.

Source: Own elaboration

7.3 Budget

Determining a communication plan budget is a complex task (Rossiter and Percy, 1996), depending on the type of industries and companies (Kotler and Keller, 2012). Nonetheless, Kotler and Keller (2012) present four methods that can be used to decide on the communication budget:

- There is the affordable method, where the communication expenditures are determined considering the amount that the company can afford.
- The percentage-of-sales method uses a specific percentage of sales or the sales price to set communication expenditures.
- The competitive-parity method, where the communication budget is set to achieve share-of-voice parity with competitors.
- The objective-and-task method, where the communication budget is reached by determining the cost of specific tasks, can be done to achieve specific communication objectives.

Two of the methods presented by Kotler and Keller (2012) will be used to determine the communication plan's budget. In this section, the percentage-of-sales method to determine a maximum ceiling will be used. In the following section, after presenting the media mix, the objective-and-task method is followed, always bearing in mind the maximum ceiling computed in this section.

Thus, to determine a maximum ceiling, El Corte Inglés' annual revenue from these particular targets is analyzed. According to internal documents from El Corte Inglés Lisbon, yearly revenue from tourists rounds up to 70M€. If this communication plan increased this revenue by 1%, it would bring 700.000€ extra. Considering a 10% margin to protect for some degree of mischance, spending a maximum of 560.000€ is a conservative budget ceiling. Table 13 shows in more detail how to compute the budget's maximum ceiling.

Table 13: Communication Plan's Budget – Maximum Ceiling

	Thousands of Euros
El Corte Inglés' Annual Revenue from tourists	70.000
1% Increase	700
-20% to account for risk	-70
Communication Plan's Budget – Maximum Ceiling	630

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

7.4 Media Mix and Communication proposals

This section presents in more detail the media mix to apply in the communication plan. According to Keller (2001), this selection is increasingly difficult, given the quantity and diversity of communication channels that brands dispose of in the current advertising landscape. Because of this diversity, instead of presenting the media mix per type of media, the media mix will be present per target audience, starting with communication initiatives targeting the three primary and other potential upscale segments, advancing to the proposal of communication actions towards each of the three identified target audiences, A, B, and C. This chapter will not only encompass Keller's (2001) suggested media mix of Chapter 2 (2.2) but also communication segmented communication initiatives focused on attaining the project's objectives.

7.4.1 Cross segment communication

The communication plan will include many communication channels in the media mix starting with the cross-segment communication endeavors.

7.4.1.1 Outdoor advertising

First, starting with general advertising, the communication plan proposes an outdoor media plan, advertising at Lisbon's main tourist gathering points, such as the Lisbon Airport, Lisbon Cruise Terminal, and traditional trams. Table 14 presents the outdoor media plan (details and costs):

Table 14: Outdoor communication plan - details and costs

Advertising place	Location	Format	Concession holder	Monthly table value	Period	Total Value
Lisbon Airport	Luggage claim area – Schengen flights	Videowall - 18 seconds spots	JCDecaux	3.000 €	12 months	36.000 €
	Luggage claim area – Non-Schengen flights	Decoration of 18 Columns		5.500 €	12 months	66.000 €
Lisbon traditional trams	N/A	Decoration of tram's backside and side panels	MOP	3.600 €	6 months	21.600 €
Lisbon Cruise Port	N/A	Digital pannel	Media Projects	1.600 €	12 months	19.200 €
Total						**164.400 €**

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

7.4.1.2 Press advertising

Secondly, it is proposed a press media-advertising plan. According to McCormick et al. (2014), advertising in magazines is a pivotal instrument for fashion retailers to communicate their products and brands. El Corte Inglés' press advertising plan will dive into three types of press and specific audiences (table 15):

Table 15: Press communication plan - details and costs

Publication title	Periodicity	Circulation	Table Value	Period of insertion	Total Value
In-Flight Press					
Up Magazine - TAP	Monthly	60.000	6.430 €	July, August, and December	19.290 €
MyPlan - Sata	Bimonthly	Summer - 15.000	1.840 €	July and August	3.680 €
		Winter - 12.000	1.400 €	December	1.400 €
Tourism Press					
Time Out for Visitors Lisbon (Spring/Summer)	Biannual	20.000	6.300 €	Spring/Summer edition	6.300 €
Time Out for Visitors Lisbon (Autumn/Winter)	Biannual	20.000	6.300 €	Autumn/Winter edition	6.300 €
Best Guide Lisboa	Annual	30.000	2.925 €	Annual insertion	2.925 €
Best Shopping Guide	Annual	100.000	7.000 €	Annual insertion	7.000 €
Press at the Origin					
Mundo Português	Weekly - On Fridays	350.000	5.005 €	1 insertion in July, August and September, each month	15.015 €
Total					**61.910 €**

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

7.4.1.3 Digital advertising

Third, an online-advertising plan is proposed, given it is now a fundamental marketing communication channel for fashion retailers. According to McCormick et al. (2014), online advertising reminds consumers of the brands when they are online. This online-advertising plan will include four digital platforms. Tables 16 and 17 presents the expected expenses with the online-advertising plan.

Table 16: Costs and details - Digital communication plan

Network/ Website	Location/ Segmentation	Timing	Display					Total Cost
			Type of puchase	Impressions (estimated)	CPM (cost per thousand impressions)	Clicks (estimated)	CPC (cost per click)	
Google Adwords								
Google Search Ads	Lisbon Metropolitan Area Keyword targeting. Searches for: - fashion stores and shopping centers (shopping mall, shopping center, stores, where to buy, department stores, specific upscale brand-names, Etc.) - by activities to do in Lisbon (what to do, what to visit, where to eat, Etc.) Ads and keywords written in English	July 1 to September 30	CPC (cost per click)	460.000	19,20 €	19.200	0,35 €	6.720€
Google Display (standard banners)	Lisbon Metropolitan Area / All Devices - Segmented for the languages: Chinese, Russian, English, Japanese, Germain, French, among others. - Contextual segmentation: what to do, what to visit, where to eat, Etc. (advertise on travel blogs and similars)	July 1 to September 30	CPC (cost per click)	800.000	13,13 €	35.000	0,30 €	10.500 €
Display								
Edreams	Segmented for the origin countries: Brazil, USA, Russia, Angola, China, and Mozambique Mobile and desktop users that search for flights, hotels, or rent-a-cars for Lisbon	May 1 to July 31	CPM (cost per milion views)	400.000	15,00 €	N/A	N/A	6.000€
Trip Advisor	Segmented for the origin countries, and at the target destination, Lisbon. Countries: UK, USA, Brazil, Mozambique, Angola, France 1) Before the trip (impact on the country of origin close to tourists who are searching for information on touristic activities, hotels, Etc. in Lisbon on TripAdvisor) 2) In Lisbon, targeting foreign IP addresses	June 1 to September 30	CPM (cost per milion views)	950.000	8,00 €	N/A	N/A	7.600€

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

Table 17: Costs and details: Digital communication plan (SMS Marketing)

SMS Marketing							
SMS Marketing	SMS communication with standard international access codes that have registered on Go-Wifi hot spots on downtown Lisbon's main touristic spots.	Timing	Type of puchase	Cost per SMS	Impressions (estimated)	**Total Cost**
		June 1 to June 30 September 1 to September 30	Per SMS	0,37 €	50.000	18.500€

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

Table 18: Total costs: Digital communication plan

Digital Plan Summary	Total Impressions	Total Media Cost	CPM (cost per thousand views)
Total Digital Plan	2.660.000	49.320 €	18,54 €

Source: Own elaboration

7.4.1.4 Other initiatives

A. Reinforce partnerships with Hotels *(year-long action plan)*:

Hotels' management teams and frontend staff are traditionally one the primary decision gatekeepers regarding their guests' experience at the cities. While management teams establish partnerships within the tourism industry and vertically implement them, frontend staff – *reception, doorkeepers, or concierge services* – are the key advisors to which guests resort when in need of recommendations. In this regard, it is essential to build and continuously develop partnerships with 4-and-5 star and boutique hotels, mainly in El Corte Inglés' primary area of influence.

Two dynamics are proposed:

- *Gamification & incentives program:* A challenge would be launched into a partners' network of 20 hotels with the premise that the five hotels' frontend teams, which most guests registered at El Corte Inglés, coming from the respective hotels, would win monetary prizes.

All frontend staff would be encouraged to offer their customers whose main interests during the trip were shopping, an El Corte Inglés' *Welcome Drink voucher*, and *an information flyer about the 10% discount campaign tax-refund*. The voucher would have a specific hotel code that would be registered in the name of the respective hotel when it was redeemed in the store. At the end of each month, the five hotels which frontend teams would have *sent* more customers to El Corte Inglés would win, in order of guests received at the store, the first, second, and beyond awards, respectively.

The prizes would be El Corte Inglés' *Gift Cards* to spend in the Lisbon store in the value of 60€ for the first place, 50€ for the second place, and 40€ for the third, fourth and fifth places. Table 19 presents the costs associated with the initiative:

Table 19: Costs of Gamification and incentives program

	First place	**Second place**	**Third, fourth, and fifth place**	**Total**
Offer	10 Gift Cards of 60€ each	10 Gift Cards of 50€ each	10 Gift Cards of 40€ each	**2.300€/month** **27.600€/year**
Costs	600 €	500 €	1.200	

Source: Own elaboration

- *Car Transfer and Personal Shopper service available for guests of 10 selected Hotels:* For all guests interested in shopping at El Corte Inglés and in enjoying the store's *Personal Shopper* service, hotels' frontend staff from 10 selected hotels would have the possibility to directly book an El Corte Inglés' car *transfer service* and *Personal Shopper* service for their guests.

The image accessory service provides personalized fashion and beauty solutions, helping customers save time in their shopping, while fashion experts will analyze their personal style and wardrobe needs, helping customers select their luxury items, focusing on the customers' unique physical characteristics.

Thus, hotels will be adding value to their guests' experience by providing them exclusive solutions and experiences, while El Corte Inglés will acquire potential high-adding value customers, improving their in-Store experience and consequent word-of-mouth.

The car transfer service would be contracted directly by El Corte Inglés to an external company. The costs are presented in table 20.

Table 20: Costs of Transfer & Personal Shopper service

	Bookings of Transfer + Personal Shopper service (estimation)	**Total monthly cost** (estimation according to projected appointments)
Personal Shopper service	60 appoitments/month	Since it is a store owned service, there are no additional costs.
Transfer Chosen car: Mercedes S Class	120 hours/month Price per hour: 50€*	6.000 €

****Source: Gold Limousine website: https://www.goldlimousine.pt/service-rates/***

- *Newsletters for Hotels' frontend staff:* A bimonthly magazine will be created to keep hotel frontend staff informed and updated on the store's commercial additions and changes, news, events, tourist services' development, and special conditions for non-resident tourists.

The magazine will be created by El Corte Inglés' communications and design departments and digitally sent, so there would be no external added costs associated with this action.

B. <u>Creation of El Corte Inglés' branded Fashion & Lifestyle Magazine *(year-long distribution plan of the two editions)*:</u>

To build and/or strengthen the relationship with upscale tourists visiting Lisbon and the brand, El Corte Inglés should create a biannual magazine that focuses on presenting its most qualified audiences the unique benefits and experience of shopping at the Lisbon store. The magazine would be named *For Shopping Lovers*, affiliating the name of the *tourism 10% discount campaign*, therefore building more brand recognition throughout the communication.

In this regard, the magazine would feature fashion productions photoshoots with the store's high-end and luxury brands made in trendy cultural sites, also providing details about the in-store shopping experience and special price conditions for non-resident tourists. The design would have a distinct iconography and contemporary, innovative design.

Furthermore, to gather widespread interest from both the public and potential distributors, the magazine would also promote lifestyle issues, fashion trends, cultural themes, and present personalities from the Portuguese cultural landscape. The editorials would be translated to English and Chinese, appealing to the customer segments from the outbound tourist markets China, Brazil, Angola, the USA, and Mozambique.

The Magazine would be distributed in:

- 4-and-5 stars hotels in Lisbon Metropolitan Area through many of the already established partnerships.
- Occasional promotional actions on the Lisbon airport.
- Inside El Corte Inglés' *welcome packs* distributed to tourists when registering at the store through partnerships with several travel agencies.

Table 21 presents the projected costs for the production and printing of the Magazine.

Table 21: Costs of For Shopping Lovers Magazine

	Magazine production - Fashion editorials, design, texts & pagination	**Printing** (0,79€/unit)	**Distribution** Undertaken by El Corte Inglés own channels	**Sub-total** **1 edition**	**Total** **Year - 2 editions**
Costs	14.800 €	11.850 € (15.000 copies)	- €	**26.650 €**	**53.300 €**

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

Lastly, considering that the Lisbon Maps are one of the leading information sources that visitors use to get to El Corte Inglés – only after previous knowledge on the brand and online information – the partnership with *Visit Lisboa* (Associação de Turismo de Lisboa) must continue and El Corte Inglés will continue to produce the Maps and use the available advertising space (cover, back cover and two more inside pages of the Map) to its benefit. This initiative will allow the brand to use a very effective communication platform and widely communicate its brand and its special offers through a credible, official tourism source. Table 22 presents the expected printing costs of the Maps.

Table 22: Costs of Lisbon City Map's production

Lisbon City Maps	**Total cost**
1,5 milion maps	44.000€ (around 0,03€/unit)

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

7.4.2 Target Audience A

As stated above, Target Audience A is mostly composed of young Brazilian women interested in Accessories, Women's fashion, and Gourmet/Portuguese products. The segment is more concerned with distinctive products than with special pricing conditions. Moreover, it was decided to hire a digital influencer to transmit El Corte Inglés' message because these women are relatively young and especially sensitive to social media communications. Also, the target has already visited Lisbon multiple times. Therefore, the communication must be focused on brand positioning and strategic *reminding* messages.

The following three aspects justify the decision to hire a digital influence:

According to several studies from Nielsen, most consumers trust more in families and friends' recommendations than of brands.

- According to eMarketer, more than 40% of millennials use adblockers.
- The constant changes in the platform algorithms make it harder to connect directly with the pretended audience.
- To this end, given the communication plan is intended to penetrate an exclusive young audience concerned with distinctive products, the choice of hiring a digital influencer should be straightforward.

Regarding the costs of this plan, according to Klear (2019), selecting a powerful digital influencer (30-500K followers), well connected with rich young women, should cost 430€ per post on Instagram.

Table 23 presents the expected expenses with a digital influencer plan, considering three influencers' posts week in and week out on Instagram - *total of 78 posts throughout the year*.

Table 23: Cost of digital influencer Plan

	Cost per Instagram post	Total cost
Digital Influencer	430 €	33.540,00 €

Source: Klear (2019) https://klear.com/

Additionally, the communication plan will aim at captivating this audience by presenting the brand in an impacting fashion during the flight. The goal is to capture potential store visitors' attention during a time when people usually have a larger attention span and could properly receive information on the destination where they are about to arrive. Therefore, it is proposed to insert a booklet inside the food & drinks menus of TAP's flights first class, presenting high-end and luxury brands' fashion seasonal collections and latest additions.

Table 24 presents the expected expenses with these vouchers. The expenses were calculated considering that five weekly TAP flights with origin in Brazil (São Paulo and Rio de Janeiro) travel with *forty* first class seats, to which the menus with the *El Corte Inglés* booklets are distributed.

Table 24: Cost of booklets in First-Class Flights to Lisbon

	Unit cost	Total cost
Welcome Packs	1,75 €	18.200 €

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

Furthermore, the communication plan proposes to attract this target audience at arrival in Lisbon. To promote El Corte Inglés' distinctive products, it is proposed to establish partnerships with tourism operators working with the segment at Lisbon and at the origin. In this regard, travel agencies would offer something exclusive to their shopping-interested customers, while El Corte Inglés would have the opportunity to engage this segment experientially and memorably, guaranteeing their return and positive word-of-mouth. The special offer would be a branded *Welcome Pack*, containing samples of Club del Gourmet products, as well as store and tourist-specific communication materials. The agencies could directly contact El Corte Inglés' so the *Welcome Packs* would be delivered directly to the Hotels as a welcome gift from the store or delivered in the store's Tourist Information Desk on tourists' arrival. Table 25 presents the expected expenses with this action, considering the delivery of an average of ten *welcome packs* a day.

Table 25: Cost of Welcome Packs

	Unit cost	Total cost
Welcome Packs	3,75 €	13.688 €

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

Lastly, El Corte Inglés should have an exhibition space in the most prominent Latin America's tourism fair, ABAV (Associação Brasileira de Agências de Viagens) Expo. The fair is a gathering point between the commercialization and communication of all the touristic sector's production chain, joining travel agencies and tourism professionals representing touristic attractions, destinations, hotels, media agencies, among others, to bring and establish new trends into the sector. In this regard, El Corte Inglés should be an exhibitor in the fair, establishing close relations with travel agencies and presenting its unique positioning in Lisbon's retail towards this segment. The contacts and relationships would hopefully translate into meaningful partnerships between both parties.

7.4.3 Target Audience B

As stated above, Target Audience B is mostly composed of young Angolan men in fashion brand with international recognition and is highly concerned with product selection and special conditions for non-residents tourists. Moreover, since this target visits Lisbon regularly and already possesses an in-depth knowledge of El Corte Inglés offers, a more traditional communication plan is proposed, with its primary focus on brand positioning. This strategy follows in the footsteps of the brand's communication with national consumers, presenting the latest news (promotional and sales campaigns, new collections, and brands' additions), with the difference of acting as a reminder regarding the special price conditions for non-resident tourists: the tax-free regime; and the *For Shopping Lovers 10% discount* campaign.

Table 26 presents the expected expenses with the TV-advertising plan in Angola, considering a plan of four slots of 40 seconds per day in the two most-watched TV channels in Angola.

Table 26: Cost of TV Advertising Plan

	Total cost
Zimbo	25.000 €
TPA1	20.000 €
Total	**45.000 €**

Source: (Media Booking, 2019)

Furthermore, it is proposed to impact this audience before the flight by using similar communication messages to those of the TV plan. Thus, El Corte Inglés should communicate through TAP airline's channels and use its e-mail marketing platform to its advantage.

It is part of TAP’s communication strategy to send its customers a *reminder* e-mail with information about the flight and suggesting commercial partners’ activities to engage in the destination to those who already purchased the tickets and did not yet travel. The communication proposal is for El Corte Inglés to purchase media space and have a headline within the *shopping suggestions* section in the *reminder* e-mail. Table 27 presents the costs.

Table 27: Cost of E-mail Marketing

	Total cost
10 thousand e-mails/month	1.275 €
12 months	**15.300 €**

Source: Own elaboration

Finally, according to the clusters' analysis, the most critical variable for this segment to visit El Corte Inglés is the personal store's previous experience and knowledge. In this sense, it is critical to guarantee an excellent, memorable experience every time this target visits the store. Therefore, it is proposed to offer a "Thank you and hope to see you soon." gift for every tax-free filled form equal or above 800€. Considering that the target is notably sensitive to special price conditions, it is assumed that, in the shopping experience's final step – filling of the tax-free form – it is the best way to guarantee the most customers are impacted while promoting the in-store tax-free service. Also, given the segment's prioritization of fashion items in their shopping, the gift will consist of an El Corte Inglés own brand's fashion accessory. This initiative is believed to boost customer satisfaction and revisit intentions and hopefully increase the store's average purchase and loyalty. Table 28 presents the expected costs for this initiative.

Table 28: Cost of Gifts

	Costs
Gift (cost price)	Up to 10 €
Units offered estimation	3.650
Total cost	**36.500 €**

Source: Own elaboration

7.5.4 Target Audience C

As stated above, Target Audience C is mostly composed of Chinese tourists, a small target audience that is recently growing in the Lisbon tourism landscape. Moreover, this group of people is traditionally known as great spenders. Therefore, the communication plan proposes two communication channels in Lisbon to capture this target’s attention.

On the one hand, it is proposed an online-advertising plan through WeChat. In this regard, the communication plan suggests the purchase of advertising space for WeChat users located in Lisbon. Table 29 presents the expected expenses with this online-advertising plan.

Table 29: Cost of WeChat Advertising

WeChat Advertising	Total
1 announce per day	28 €
200 announces package	**5.600 €**

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

On the other hand, it is proposed a historically impacting type of advertising. First, it is intended to leverage the Chinese Golden Week and the Chinese New Year celebrations', the years' periods during which there is a massive Chinese international flow. In fact, the luxury goods sector also has a strong tourist appeal, as visitors can purchase high-end goods at a much lower cost than back home, while the country's strong gift culture means international travelers often search for presents to take back to China. To benefit from the influx of Golden Week and Chinese New Year celebrations, retail players "must be prepared and deliver effective customer service". The better the customer environment, the greater the chance of gaining tourist sales, and the more positive experience in the customer's eyes (ShopperTrak, 2014).

In these celebrations, Chinese tourists tend to spend much more than during the rest of the year. Because of that, El Corte Inglés should prepare special offers designed for them and should use the online-advertising plan to communicate with these tourists through WeChat.

Secondly, Chinese groups and families are usually accompanied by Chinese tour guides when at the destination. In Lisbon, there is a large stream of Chinese tourist guides who often establish commissioned partnerships with some of the city's retailers (i.e., Avenida da Liberdade's stores). In this sense, it is proposed to establish partnerships with tour guides that take customer groups to the El Corte Inglés. The negotiated commission would be 5% over all purchases of Chinese customers who spend at least 800€ at the store. Table 30 presents the projected costs.

Table 30: Cost of Guide comissioning partnerships during Golden Week and Chinese New Year

Guides comissioning partnerships	2-week Chinese New Year traveling period	2-week Golden Week traveling period	Total
15 tourist guides	150 projected customers	150 projected customers	300 projected customers
Sales estimation (average of 1.000€/customer)	150.000 €	150.000 €	**300.000,00 €**
Estimation of 100 customers	**7.500 €**	**7.500 €**	**15.000 €**

Source: Own elaboration

Furthermore, given the identified periods' sales volumes, the communication plan suggests a special promotional action at the Lisbon Airport.

Considering there are three weekly flights from Beijing to Lisbon, operated by Beijing Capital Airlines, it is suggested that El Corte Inglés' promoters could be present during the two weeks period of each of the celebrations to present the El Corte Inglés Lisbon experience and unique brands' offer while delivering the store's communication materials. Thus, tourists would be welcomed in Lisbon and personally presented with one of the main interests they potentially have for the trip, shopping. The promoters would be Chinese-born or native speakers to reduce the language barriers and build the relationship faster so they can more easily present the unique benefits of shopping at El Corte Inglés in Lisbon. The costs are presented in table 31.

Table 31: Cost of promotional actions at the Airport during Golden Week and Chinese New Year

Chinese New Year and Golden Week airport promotion	Chinese New Year - 6-day promotion (18 hours)	Golden Week - 6-day promotion (18 hours)	Total
Cost of Airport space (JCDecaux)	3.450€ (two-week price)	3.450€ (two-week price)	**6.900 €**
Cost of Chinese promoters	450 €	450 €	**900 €**
Total cost	**3.900 €**	**3.900 €**	**7.800 €**

Source: Own experience by managing Marketing communications towards the tourist segment to the brand

7.4.5 Final Budget and yearly communications calendar per audience and type of communications

Finally, in this subsection, the communication plan's budget by each media channel is summarized. Table 32 presents the expected expenses for this communication plan, aggregated by each target audience.

Table 32: Final budget by target audience

Audience	Communication actions	Investment	Proportion on sub-totals and total
Cross-segment	Outdoor	142.800 €	32%
	Press	51.985 €	12%
	Digital	49.320 €	11%
	Other initiatives	196.904 €	45%
	Sub-total	**441.009 €**	**70%**
Audience A	Digital influencer	33.540 €	51%
	In-flight communication	18.200 €	28%
	Welcome Packs	13.692 €	21%
	Sub-total	**65.432 €**	**10%**
Audience B	TV advertising	45.000 €	46%
	E-mail marketing TAP	15.300 €	16%
	After-purchase Gifts	36.504 €	38%
	Sub-total	**96.804 €**	**15%**
Audience C	WeChat advertising	3.920 €	15%
	Tourist guides partnerships	15.000 €	56%
	Promotion at the airport	7.800 €	29%
	Sub-total	**26.720 €**	**4%**
Total	**629.965 €**		**100%**

Source: Own elaboration

To support the communication planning, hereafter is presented (Table 33), the communications yearly calendar by target audience and type of communications actions.

Table 33: Yearly communications calendar

Public	Comunication Actions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cross-segment	**Outdoor -** Lisbon Airport	■	■	■	■	■	■	■	■	■	■	■	■
	Outdoor - Lisbon Trams					■	■	■	■	■	■		
	Outdoor - Lisbon Cruise Port	■	■	■	■	■	■	■	■	■	■	■	■
	Press - In-Flight							■	■				■
	Press - Origin				■						■		
	Press - Destination							■	■	■			
	Digital - Google Search Ads							■	■	■			
	Digital - Google Display							■	■	■			
	Digital - Edreams					■	■	■					
	Digital - TripAdvisor					■	■	■					
	Digital - SMS Marketing						■			■			
	Partnerships w/ Hotels - Gamification & Incentives	■	■	■	■	■	■	■	■	■	■	■	■
	Partnerships w/ Hotels - Car Transfer and Personal Shopper	■	■	■	■	■	■	■	■	■	■	■	■
	Branded Fashion & Lifestyle Magazine					■						■	
	Offial Lisbon City Maps	■	■	■	■	■	■	■	■	■	■	■	■
Target Audience A	Digital Influencer	■	■	■	■	■	■	■	■	■	■	■	■
	In-flight booklets in First-Class Flights to Lisbon	■	■	■	■	■	■	■	■	■	■	■	■
	Welcome Packs - Partnerships with Travel Agencies	■	■	■	■	■	■	■	■	■	■	■	■
	Exhibition at ABAV									■			
Target Audience B	TV Advertising Plan	■	■	■	■	■	■	■	■	■	■	■	■
	E-mail Marketing	■	■	■	■	■	■	■	■	■	■	■	■
	After-purchase Gifts	■	■	■	■	■	■	■	■	■	■	■	■
Target Audience C	WeChat Advertising		■	■	■	■	■	■	■				
	Chuinese guides comissioning partnerships		■								■		
	Promotional actions at the Airport		■								■		

Source: Own elaboration

7.5 Measuring Results

The last step in the development of the communication plan, according to Kotler & Keller (2006), is the measurement of the communication plan's effectiveness on the target audiences after its implementation. To do so, one must define metrics so that the communication plan's evaluation is easy and objective.

Moreover, considering that the proposed plan was directed at three distinct target audiences, El Corte Inglés should evaluate the communication effectiveness by measuring each of their specific results.

According to McGoldrick et al. (2008), these metrics should encompass expenditures from existing customers, store traffic, product sales, and store image in fashion retailing. These metrics are enough to account for the communication plan's general effectiveness.

It is accessible for El Corte Inglés to measure sales and expenditure results with a quick analysis of the credit card payments and its origin country in the store. When customers receive the *10% Reward Card* at the *Tourist Information Desk*, the customers' nationality is registered. Therefore, all the tourists' purchases participating in the campaign are tracked by product category, brand, and purchase date. The combined data of debit or credit cards and the 10% Reward Card allows a useful examination of tourist sales.

However, many of the proposed communication initiatives, as well as the communication plan's objectives, are not intended to have an immediate repercussion on sales results. Thus, if the store's management determines to analyze the communication plan's effectiveness, it should incorporate other metrics that include customer satisfaction, revisit and word-of-mouth intentions, brand knowledge, attractivity, and consumer preference.

Hence, the store could implement a small questionnaire, with only three or four multiple-choice questions at the end of the tourists' visits, in-store market studies, analysis of digital communication results (advertising impressions, CPM, CPC, visits to the website, social media engagement), as well as feedback from partners of the tourism industry (hotels, touristic guides, or travel agencies).

Finally, the store should also monitor the tourism shopping market evolution in Lisbon and compare to its own results to understand if there are customer segments or trends that are not being contemplated in the communication plan, and to obtain data on how to leverage the existing markets.

Chapter 8 – Conclusions

This final chapter addresses the critical conclusions from the development of this master thesis. Chapter 8 will also present the project's limitations and potential contributions and developments for the marketing communications targeting high-end tourism with the potential to be implemented by El Corte Inglés Lisbon's store.

8.1 Project's main practical conclusions

To begin with, this project helps demonstrate the existence and relevance of upscale tourist shoppers in Lisbon that are redefining the city's retail landscape. The data analysis of the survey, applied in-store to the tourists' customers, shows the *Clusters' scenarios* evidence that El Corte Inglés is captivating two of the upscale tourist shoppers' segments visiting Lisbon: the Brazilian and the Angolan tourists. Hence, the market analysis determined there was a third segment that should also be contemplated in the brand's retail communications strategy: the Chinese shopper. These two targets addressed in the communication plan results of suggesting two distinct target audiences in the potential upscale/luxury market for El Corte Inglés Lisbon.

Additionally, and according to the *Tourism & Shopping sectors analysis,* a third strategic target audience must be considered to communicate with the upscale market visiting Lisbon. Considered the most prominent force in global luxury spending (Mckinsey, 2017),

Furthermore, the investigation on shopping tourists visiting El Corte Inglés granted the company critical information that it never possessed: insights stemmed from the analysis of primary data collected from international customers visiting the store regarding their travel behavior and patterns, shopping preferences, and previous knowledge and perceptions about the brand and its Lisbon's store.

As such, the collected data was vital to develop a comprehensive communication plan that aimed at attracting to El Corte Inglés upscale tourist shoppers' segments identified as a result of the data analysis. Thus, the communication plan realized the thesis goals of profiling El Corte Inglés tourist customers and selecting the segments to which the brand should direct its communication endeavors, and created a segmented communication strategy, according to the investigation findings on each of the segments, with the objectives of building up brand knowledge, awareness, attractivity, and increase consumer preference among its targets. The comprehensive, multi-channel, partnerships focused, using a variety of digital platforms, along with traditional communication techniques, is believed to boost the store's positioning among upscale international shoppers within Lisbon's tourism retail.

Finally, the communication plan is supported on several media and communication channels and divided by target audience, which will allow the store to evaluate the commercial impact of each of the initiatives, therefore easily adapting its communication strategy to other potential actions or future target audiences.

8.2 Project contributions and survey results' discussion

This thesis findings may present significant contributions for both marketing research practitioners and academics searching for information on two topics, fashion tourism and segmented communication plans within the tourism retail landscape. The results from the empirical data analysis highlighted for the El Corte Inglês store in Lisbon, the need of a deep segmentation strategy, as they follow the previous studies findings concerning different profiles of the shopping tourist (Choi et al., 2016; Way & Robertyson, 2013).

This thesis is supported by a comprehensive state of the art review on shopping tourism themes, complemented by an analysis of Lisbon's shopping tourism industry and an in-depth investigation of tourist shoppers traveling and shopping behaviors, which may be relevant to potential studies of tourism players or academics aiming to analyse shopping tourists and shopping tourism destinations. The survey results have showed that different variables contribute to the store choice and shopping experience satisfaction, according to the study of Jin at al. (2017), who highlighted that shopping satisfaction and experience also diverges between distinct groups of tourist shoppers. Also, the tourists' shopping motivations and behaviours may differ according to expenditure (Alegee & Cladera, 2012 or the services (Timothy 2005). Also, for the chosen products the results confirmed the difference between the shopping tourists behaviour aligned with the Zhu et al (2015) study for the Chinese when travelling in Europe.

Additionally, this project presents evidences of the immense potential and added value of the high-end/upscale tourism market that could be beneficial for retailers and tourism entities aiming at increasing the attractiveness of retail businesses and the city's overall retail landscape. Finally, in addition to country of origin, travel purpose, travel style, age, and gender have been associated with tourists' shopping preferences and product purchase selection (Lehto et al., 2004; Rosenbaum & Spears, 2005).

8.3 Project limitations

The main project limitation is related with the sample used for the questionnaire and consequent data analysis. The questionnaire was implemented to El Corte Inglés Lisbon's store current customer base. It would be important to not only target current customers but also the potential ones that are not visiting the store, but other shopping venues, such as Avenida da Liberdade, or are not shopping in Lisbon at all because of lack of knowledge of the city's retail offer or lack of perception of the city as a fashionable place to shop. For example, the sample did not include some growing outbound tourist markets such as from eastern Asian and Arabic countries visiting Lisbon, which are starting to be regarded as relevant nationalities among the shopping tourism industry.

Furthermore, it was not possible to use secondary data from El Corte Inglés, which could have proven valuable to compare with the primary data analysis and find points of parity and difference that could be further explored in the communication plan.

Finally, some of the costs presented in the communication plan had its source on previous experience working for the company, and do not translate the full reality and complexity of the costs' estimations. For example, the projected costs do not include those of the development of certain initiatives by the workforce of El Corte Inglés, as well as the agency fees of media buying, and advertising agency fees.

8.4 Future theoretical research

It is suggested, in future research, to be pursued a more comprehensive primary data collection that encompasses not only customers one of a single shopping venue, but of multiple retailers, as well as other touristic city sites. Thus, the research will potentially add more information on the potential upscale shopping tourists' segments.

Additionally, given there is still limited and segregated information on tourists behaviors, it could be beneficial to integrate market data through the tourism value chain, such as cultural, hotels, dining, and transportation businesses, in a process that could be oriented by the city's *official tourism entities*, in order to develop an information platform accessible by all tourism industry operators and take the most advantage to their businesses.

Also, considering that Lisbon has proven to possess the potential to attract to upscale tourist shoppers, it could be relevant to explore, on an international level, the perceptions of upscale fashion consumers about Lisbon as a fashion city, so that both the *retail players* and the tourism official entities could use the intelligence to better advertise and communicate their offer.

Finally, it is proposed to perform, in the future, a comparative analysis between Lisbon’s shopping tourism market and those of the geographically closest countries of Spain and France, in order to understand the potential of attracting to Lisbon the upscale tourists that usually visit other fashion cities such as Madrid, Barcelona, or Paris for high-end shopping.

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Annexes

Annex A – Questionnaire

ISCTE BUSINESS SCHOOL

1. Gender: ☐ Male ☐ Female **2. Country of residence:** ____________________

3. Age: ☐ Less than 21 ☐ 21-30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐ 61-70 ☐ More than 70

4. Number of times you visited Lisbon before: ☐ None ☐ 1 ☐ 2 ☐ 3 ☐ 4 or more

5. Time spent in Lisbon (number of nights): ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 or more

6. Main accommodation in Lisbon: ☐ Hostel, Guest house or hotel up to 3 stars ☐ 4-star hotel
☐ 5-star or boutique hotel ☐ Rented apartment ☐ Family or friends

7. Please fill in the spaces according to your daily expenditure in Lisbon – in € (planned and actual):

	Planned	Actual
Less than 50		
100-199		
200-299		
300-499		
500 or more		

8. You are travelling with: ☐ Alone ☐ Friends ☐ Souse/partner ☐ Family/relatives ☐ Tour group

9. Main purpose of the trip to Lisbon: ☐ Leisure ☐ Business ☐ Visit to friends or relatives ☐ Only Shopping

10. Please rate each of the following factors according to the importance they had in your decision of visiting Lisbon. Scale: 1 - Not important at all to 5 - Very important:

	1. Not at all important	2. Not important	3. Indifferent	4. Important	5. Very important
Opportunities to visit family and/or friends					
Fashionable place to go					
Good nightlife/entertainment					
Friendly local people					
A place that provides good value for money					
A familiar/well-known place					
Inexpensive food					
Budget accommodation					
Activities for the whole family					
A place I can talk about when I get home					
Chance to escape a busy life					
First-class accommodation					
High-quality gastronomy and restaurants					
Opportunities to shop					

11. Please rate the importance that shopping has for you during your stay in Lisbon. Scale: 1 - Not important at all to 10 - Very important: ____

12. Number of times you visited El Corte Inglés Lisbon before: ☐ None ☐ 1 ☐ 2 ☐ 3 ☐ 4 or more

13. Have you visited another El Corte Inglés in other city? ☐ Yes ☐ No **If yes, in which city(ies)?** ___________

14. Please i ate each of the following depai tment stoi es/shopping malls characteristics accoi ding to the impoi tance each has for you. Scale: I - Not important at all to 5 - 4’ery important:

	1. Not at all hnportant	2. Not hnportant	3. Indifferent	4. Important	5. 4’ery important
Loccltioii					
.4ttitnde mid e icieiim’ off mcs stnff					
Six-e of fclcilities					
Cleniiliiies s mid orgniii-ntioii off hope					
.4i’oi/clbi/ia’ *of regioiicllx’ dis* tiiicfii’eyrodiicts					
Vnliie for motif’					
VclrieA’ of product s election					
Opeiiiiig homes off hope					
VclrieA’ of pclx’riieiit methods					
Lcliigiclge clbilik’ off tclff					
Store ciii’iroiinieiit/ *plus’s icnl lnx’oiit oftlie store*					
Tom-is t› i’elcoriie dev k					
Perl ount s hopper s en’ice					
flee foiiroiifs *offer*					

15. Please i ate each of the following sour ces ofinfoi mation accoi ding to the impoi tance they had in youi decision to risit El Cor te Inglés. Scale: I - Not important at all to 5 - 4’ery important:

	1. Not at all hnportant	2. Not hnportant	3. Indifferent	4. Important	5. 4’ery hnportant
Tom-is t broclim-es or o-oi’cl *prackets*					
IiJornintioii nt hotel					
Froi’e/ *mngor-ivies mid guidebook*					
Trn1’cl ngeiits mid tom- guides					
Newspapers or magazines with articles about Lisbon					
Internet					
Travel agencies					
Lis boar cix’ ninp					
Ih’e beeii to El Corte liiglés Lis boar before					

16. Please i ate each of the following factoi s accoi ding to the impoi tance they had in youi decision to risit El Cor te Inglés. Scale: I - Not important at all to 5 - 4’ery important

	1. Not at all hnportant	2. Not hnportant	3. Indifferent	4. Important	5. 4’ery important
Locintioii					
VnrieL’ of products mid s en’ices					
Spectral dis coimts mud offers for non-res ideiil tourists					
Restaurants offer					
International and premium fashion brands					
Internationally recognized department stores					
Tax free shopping					

17. Please select the shopping item(s) category(ies) you ai e looking to buy at El Cor te Inglés **Lisbon:**

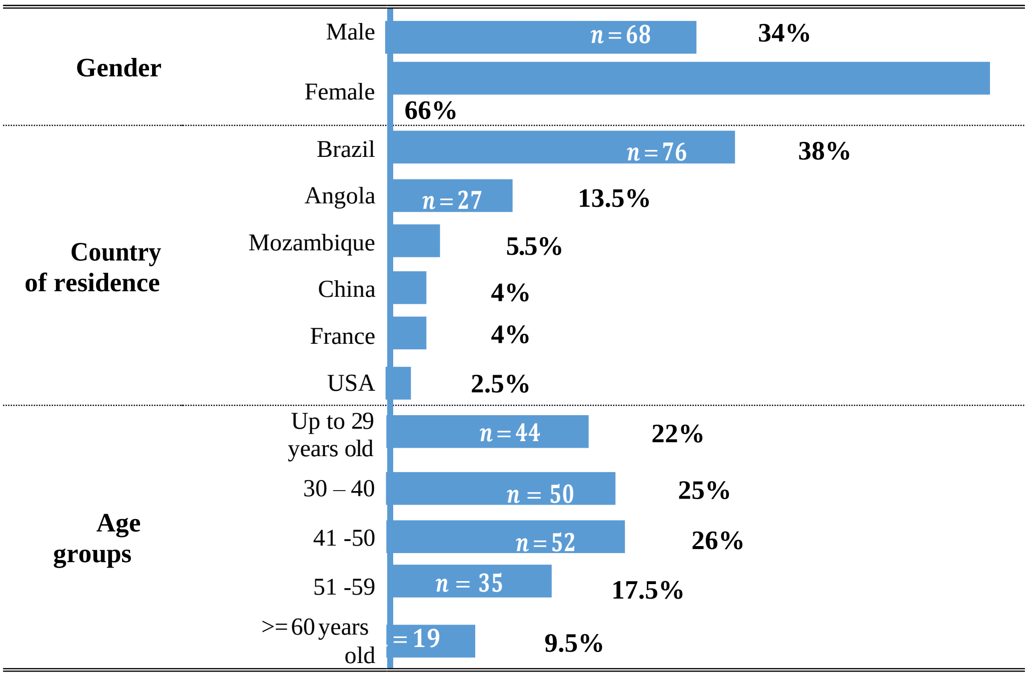
☐ Accessories (bags, smiglasses, etc) ☐ Cosmetics, perfumes ☐ Jewellery, watches ☐ Souvenirs
☐ h4en’s fashion ☐ V'oinen’s fashion ☐ Children’s fashion ☐ Tecluiology/gadgets
☐ Gourmet products/Regional and traditional Portuguese food and whies

18. Please wi ite the name(s) of the bi and(s) you ai e looking to buy at El Cor te Inglés **Lisbon:**

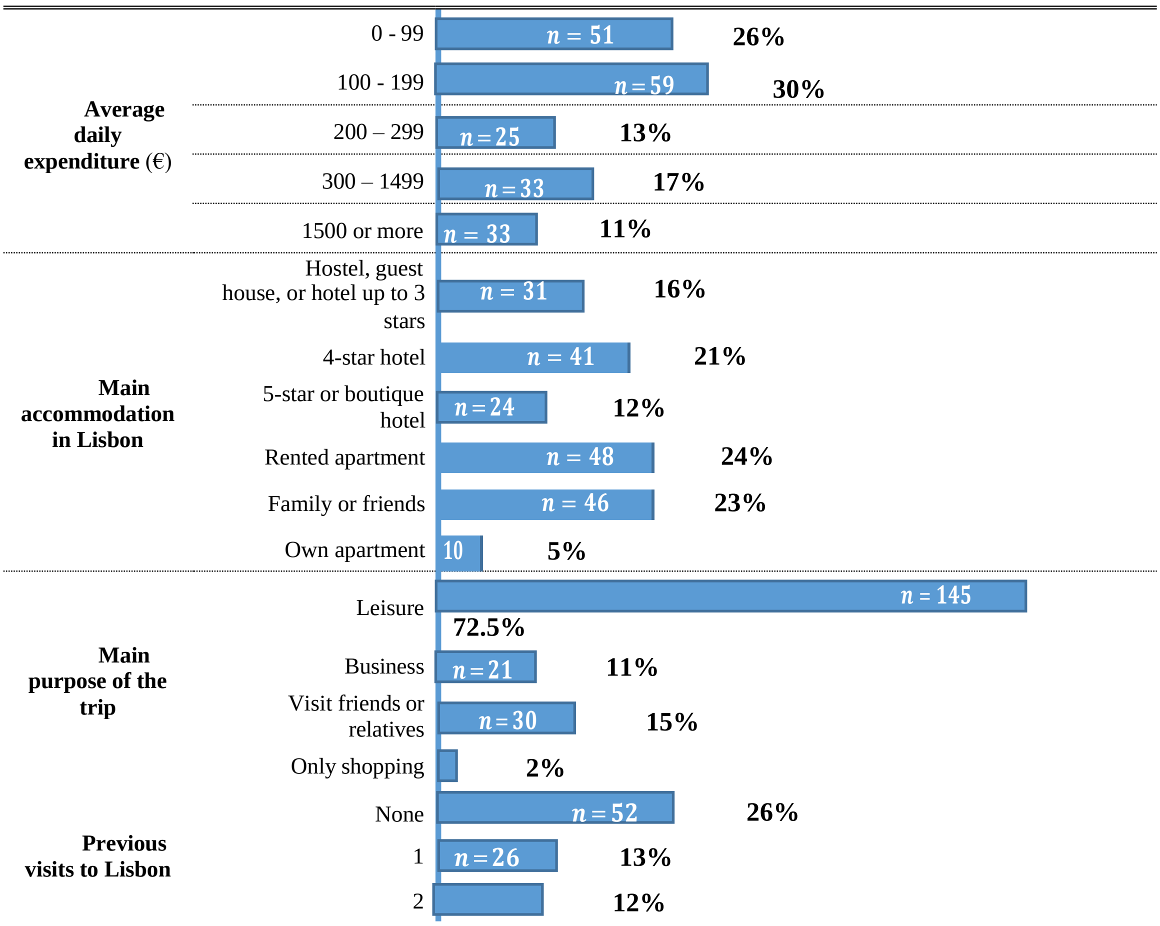
19. Planned expenditui e at El Cor te Inglés Lisbon, in C: ☐ 0-100 101-200 201-300 ☐ 301-500 500-1.000 h4ore than 1.000

Annex B – Respondents' profiles

2.1 General characteristics of the respondents



2.2 Respondents' travel characterization



	3	$n = 6$	8%
	4 or more	$n = 83$	42%
Nights spent in Lisbon	1		3.5%
	2		1.5%
	3	$n = 25$	12.5%
	4	1	9%
	5 or more	$n = 147$	73.5%
Companion during trip	Alone	$n = 28$	14%
	Friends	$n = 27$	14%
	Spouse / partner		29%
	Family / relatives		42%
	Tour group		2%

2.3 Respondents' shopping behaviour characterization

Importance of shopping in Lisbon	Not important	= 53	10%
	Not so important	$n = 91$	46%
	Important or very important	$n = 88$	44%
Previous visits to El Corte Inglés	None	$n =$	26%
	1	16	
	2	$n = 21$	8%
	3	$n = 26$	11%
	4 or more	$n = 95$	43%
Visited El Corte Inglés in other city(ies)	No	$n = 85$	33%
	Yes		67%
Planned expenditure at El Corte Inglés (€)	0 - 100	$n = 18$	9%
	101 – 200	$n = 3$	20%
	201 – 300	$n = 36$	18%
	301 - 500	$n = 36$	18%
	501 - 1000	$n = 28$	14%
	More than 1000		16%

Annex C – Principal component analysis

3.1 Important factors in the decision to visit Lisbon

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.789
Bartlett's Test of Sphericity	Approx. Chi-Square	528.313
	df	91
	Sig.	.000

Communalities

	Initial	Extraction
Opportunities to visit family and/or friends	1.000	.667
Fashionable place to go	1.000	.414
Good nightlife/entertainment	1.000	.576
Friendly local people	1.000	.764
A place that provides good value for money	1.000	.634
A familiar/well-known place	1.000	.571
Inexpensive food	1.000	.782
Budget accommodation	1.000	.717
Activities for the whole family	1.000	.617
A place that I can talk about when I get home	1.000	.645
Chance to escape a busy life	1.000	.607
First-class accommodation	1.000	.659
High-quality gastronomy and restaurants	1.000	.683
Opportunities to shop	1.000	.494

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.258	30.414	30.414	4.258	30.414	30.414	2.173	15.521	15.521
2	1.346	9.615	40.029	1.346	9.615	40.029	1.863	13.308	28.829
3	1.275	9.110	49.139	1.275	9.110	49.139	1.655	11.819	40.649
4	1.009	7.211	56.350	1.009	7.211	56.350	1.600	11.427	52.075
5	.940	6.717	63.067	.940	6.717	63.067	1.539	10.992	**63.067**
6	.878	6.269	69.336						
7	.818	5.841	75.177						

8	.6 95	4.9 67	80.14 4		
9	.6 43	4.5 95	84.73 9		
10	.5 68	4.0 54	88.79 4		
11	.5 52	3.9 46	92.73 9		
12	.3 90	2.7 87	95.52 6		
13	.3 43	2.4 51	97.97 7		
14	.2 83	2.0 23	100.0 00		

Extraction Method: Principal Component Analysis.

3.2 Importance of department stores/shopping malls characteristics

Eliminating the item *opening hours* due to a low community, it is obtained the following output:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,82 9
Bartlett's Test of Sphericity	Approx. Chi-Square	644 ,602
	df	78
	Sig.	,00 0

Communalities

	Init ial	Extra ction
Location	1,0 00	,713
Attitude and efficiency of sales staff	1,0 00	,693
Size of facilities	1,0 00	,522
Cleanliness and organization of shops	1,0 00	,612
Availability of regionally distinctive products	1,0 00	,469
Value for money	1,0 00	,635
Variety of product selection	1,0 00	,754
Variety of payment methods	1,0 00	,675
Language ability of staff	1,0 00	,710
Store environment/physical layout of the store	1,0 00	,533
Tourist welcome desk	1,0 00	,620

	Initial	Extraction
v service	1,000	,660
Restaurants' offer	1,000	,557

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4,393	33,790	33,790	4,393	33,790	33,790	2,261	17,390	17,390
2	1,724	13,260	47,049	1,724	13,260	47,049	2,261	17,389	34,780
3	1,096	8,432	55,481	1,096	8,432	55,481	1,864	14,342	49,121
4	,940	7,228	62,709	,940	7,228	62,709	1,766	13,588	**62,709**
5	,770	5,920	68,629						
6	,702	5,398	74,027						
7	,658	5,064	79,091						
8	,577	4,437	83,528						
9	,535	4,113	87,641						
10	,463	3,558	91,199						
11	,439	3,380	94,579						
12	,376	2,895	97,474						
13	,328	2,526	100,000						

Extraction Method: Principal Component Analysis.

3.3 Importance of information sources in decision to visit El Corte Inglés

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,908
Bartlett's Test of Sphericity	Approx. Chi-Square	1125,987
	df	36
	Sig.	,000

Communalities

	Initial	Extraction
Tourist brochures or travel packets	1,000	,721
Information at hotel	1,000	,722
Travel magazines and guidebooks	1,000	,820

	Initial	Extraction
Travel agents and tour guides	1,000	,786
Newspapers or magazines with articles about Lisbon	1,000	,771
Internet	1,000	,485
Travel agencies	1,000	,623
Lisbon city map	1,000	,691
I've been to El Corte Inglés before	1,000	,969

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,575	61,945	61,945	5,575	61,945	61,945	5,541	61,563	61,563
2	1,012	11,247	73,192	1,012	11,247	73,192	1,047	11,629	**73,192**
3	,694	7,715	80,906						
4	,483	5,369	86,275						
5	,370	4,109	90,384						
6	,319	3,546	93,930						
7	,234	2,598	96,528						
8	,184	2,039	98,568						
9	,129	1,432	100,000						

Extraction Method: Principal Component Analysis.

3.4 Importance of the main characteristics of El Corte Inglés to deserve a visit

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,775
Bartlett's Test of Sphericity	Approx. Chi-Square	430,242
	df	21
	Sig.	,000

Communalities

	Initial	Extraction
Location	1,000	,641
Variety of products and services	1,000	,710
Special discounts and offers for non-resident tourists	1,000	,550
Restaurants' offer	1,000	,448
International and premium fashion brands	1,000	,775
Internationally recognized department stores	1,000	,796
Tax free shopping	1,000	,417

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3,340	47,713	47,713	3,340	47,713	47,713	2,293	32,752	32,752
2	,997	14,247	61,961	,997	14,247	61,961	2,045	29,209	**61,961**
3	,810	11,567	73,528						
4	,681	9,735	83,264						
5	,528	7,542	90,806						
6	,397	5,665	96,471						
7	,247	3,529	100,000						

Extraction Method: Principal Component Analysis.