How to Manage the Chinese Market

1. **China general information**
2. **X & Y generation and travel behaviors**
3. **'China ready'**
4. **Digital and social platforms in China?**
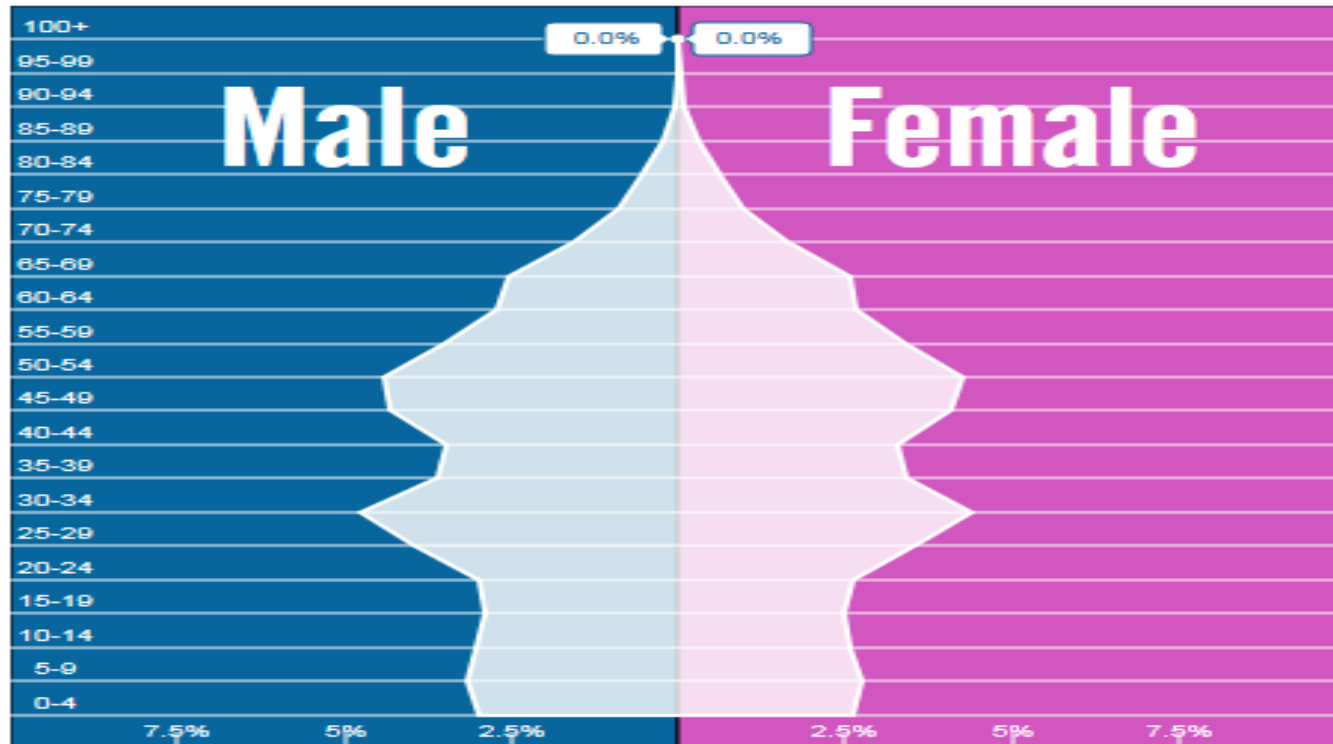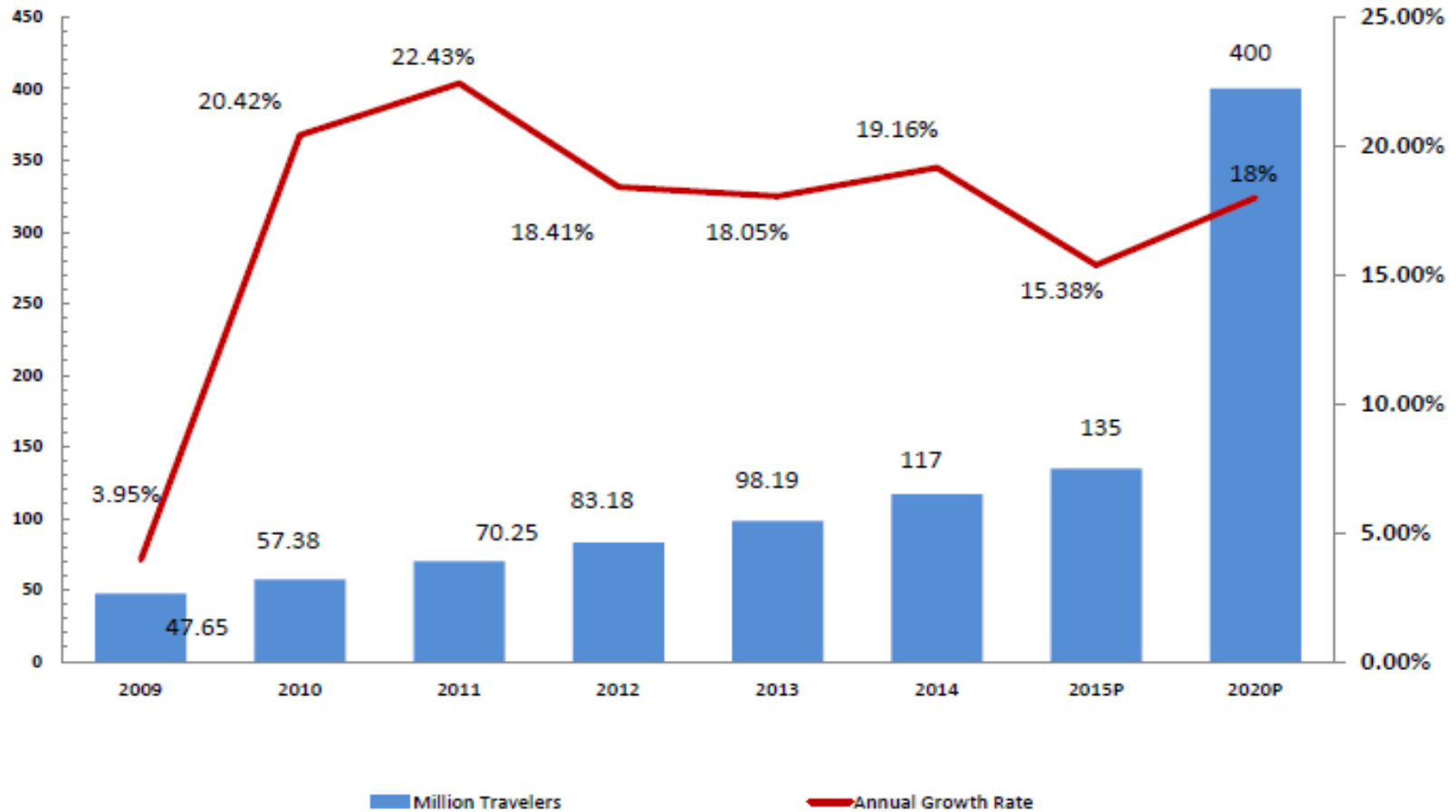5. **How to target your right Chinese customer?**
6. **Opportunities**

CHINA

China 2020
Population: 1.402.847.000

Population Distribution

There are 656 cities in China

Largest cities or towns in China
Sixth National Population Census of the People's Republic of China (2010)

Rank	Name	Province	Pop.	Rank	Name	Province	Pop.
1	Shanghai	Shanghai	20,217,700	11	Chengdu	Sichuan	6,316,900
2	Beijing	Beijing	16,446,900	12	Nanjing	Jiangsu	6,238,200
3	Chongqing	Chongqing	11,871,200	13	Shenyang	Liaoning	5,718,200
4	Guangzhou	Guangdong	10,641,400	14	Hangzhou	Zhejiang	5,578,300
5	Shenzhen	Guangdong	10,358,400	15	Xi'an	Shaanxi	5,399,300
6	Tianjin	Tianjin	9,562,300	16	Harbin	Heilongjiang	5,178,000
7	Wuhan	Hubei	7,541,500	17	Suzhou	Jiangsu	4,083,900
8	Dongguan	Guangdong	7,271,300	18	Qingdao	Shandong	3,990,900
9	Hong Kong	Hong Kong	7,055,071	19	Dalian	Liaoning	3,902,500
10	Foshan	Guangdong	6,771,900	20	Zhengzhou	Henan	3,677,000

Shanghai

Beijing

Chongqing

Guangzhou

China Outbound Travel Growth

: CNTA

Million Travelers ▬ **Annual Growth Rate**

Chinese Tourists Spent $165 Billion Abroad In 2014

International tourism expenditure in 2014 (U.S. dollars)

Country	Expenditure
China	$164.9bn
United States	$110.8bn
Germany	$92.2bn
United Kingdom	$57.6bn
Russia	$50.4bn
France	$47.8bn
Canada	$33.8bn
Italy	$28.8bn
Australia	$26.3bn
Brazil	$25.6bn

- Chinese middle class have at least 2-3 overseas holidays in a year.
- Chinese readily engage and buy local products, try local foods, and react well to "education marketing"
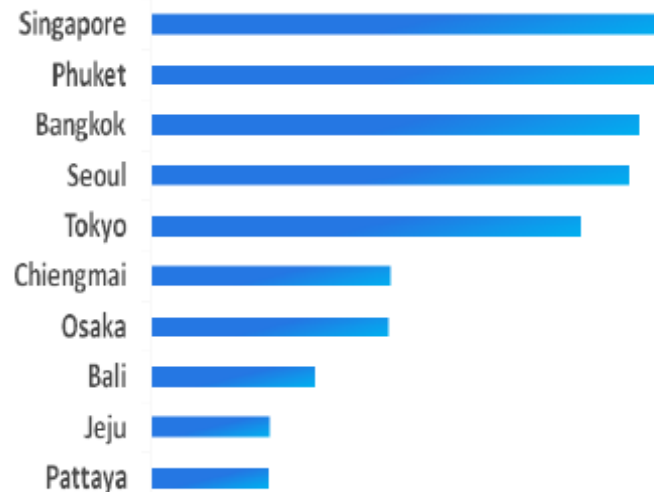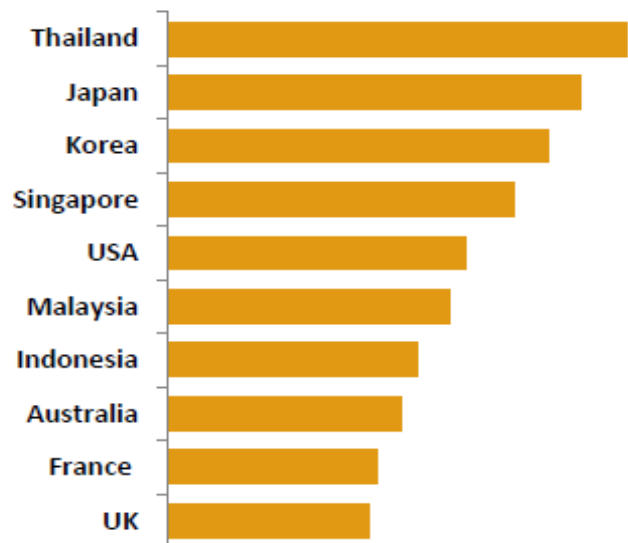
Top Destinations

Thailand has been growing fast and remained the most popular destination for Chinese outbound travelers.

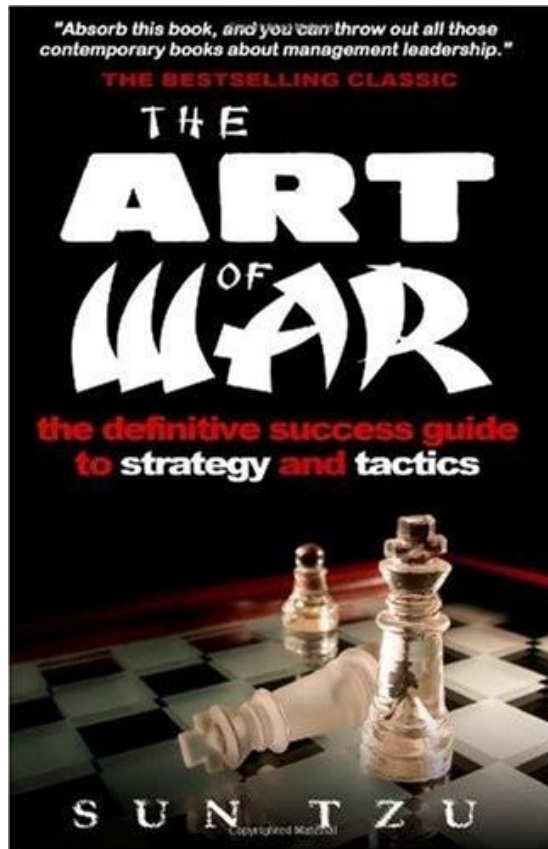**Japan boomed up rapidly as the runner-up.**

South Korea slipped down to No. 3 due to the outbreak of MERS.

X & Y Generation

The Art of "WAR"

"Precise knowledge of self and precise knowledge of the threat (target audience) leads to victory"

"Absorb this book, and you can throw out all those contemporary books about management leadership."

THE BESTSELLING CLASSIC

THE ART OF WAR

the definitive success guide to strategy and tactics

SUN TZU

谋攻篇

孙子兵法

知彼知己，百战不殆；
不知彼而知己，一胜一负；
不知彼不知己，每战必败。

解读：了解敌方也了解自己，每一次战斗都不会有危险；不了解对方但了解自己，胜负的机率各半；既不了解对方又不了解自己，每战必败。

50s: Generally lacking in formal education, as they were learning 'Mao's Book' when they were in youth. Experienced the poor life when they were children. Most of them are the parents of 80's born children.

60s: The beneficiary of more education after the "Great Cultural Revolution", and the re-positioning from a "Planned Economy" to "Market Economy"; most of them are the parents of 90's born children.

50s & 60s: Most of them join tour groups, like to go to travel with their friends. Prefer Chinese food. Price sensitive. "Sleeping on bus, taking pictures off bus".

Most effective way to target them: Face to face sales, picture painting printouts, telemarketing, and friends referrals.

Booking time: Most through travel agency, like to plan as early as possible.

70's: The beneficiary of transition from the "Planned Economy" to "Market Economy", they occupied the main management positions in China, most of them are the parents of 00's.

80's: They are the generation experienced a lot of changes, generally speaking high education, flexible, and aggressive.

90's & 00's: They grew up with modern technologies, everything is on digital and social, want to be different and unique, more self-centered.

70's & 80's: 60% vs 40% individual travel vs group travel. Focus on "value for money", "face", "quality & experience".

Most effective way to target them: Brand awareness & marketing campaigns through multiple channels, loyalty and closed user group activities.

Booking time: Around 1 month in advance.

GRADUATION JOURNEY

90's & 00's: 87% vs 13% individual travel Vs group travel. Focus on "new adventures", " freedom", "destination with story", more than 50% of them are solo travelers.

Most effective way to target them: Interactive campaigns, travel games, focus on: "graduation travel" as a key word.

Booking time: Very flexible, sometime 1-2 weeks in advance, sometimes book and go.
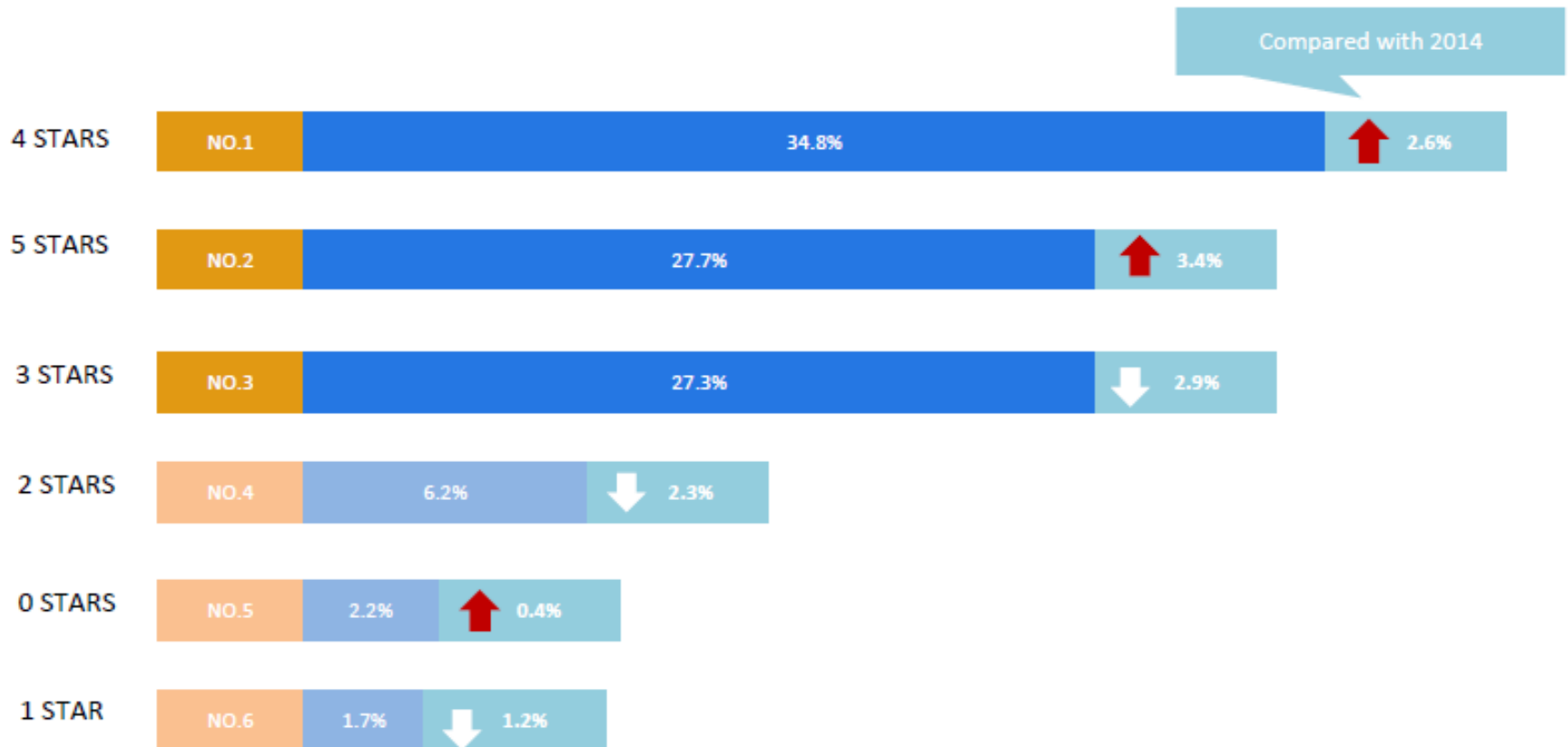
How To Target Your Right Chinese Customers?

China's 2016, 2017 and 2018 Public Holiday Calendar

Holiday Name	Statutory Days of Holiday	2016 Date	2016 Days Off	2017 Date	2017 Days Off (TBC)	2018 Date	2018 Days Off (TBC)	Summary
New Year's Day	1 day	Jan. 1	Jan. 1 –3	Jan. 1	Dec. 31– Jan.2	Jan. 1	Dec. 30 – . 1–3	The beginning of a new year based on the Gregorian calendar.
Chinese New Year	3 days	Feb. 8	Feb. 7 –13	Jan. 28	Jan. 27– Feb. 2	Feb. 16	Feb. 15 – 21. 2	It is also called Spring Festival, and is the most important festival in China.
Qingming Festival	1 day	Apr. 4	Apr. 3 –5	Apr. 4	Apr. 2–4	Apr. 5	Apr. 5	Beginning one of the 24 Chinese solar terms in China, it is also called Tomb Sweeping Day, and is for commemorating the dead.
May Day	1 day	May. 1	May. 1 –3	May 1	Apr 29 – May 1	May 1	Apr. 29 – May 1	China's celebration of International Labor Day.
Dragon Boat Festival	1 day	Jun. 9	Jun. 9 –11	May. 30	May. 28–30	June 18	June 16 –18	A traditional Chinese festival with activities such as dragon boat racing and eating zongzi (sticky rice wrapped in leaves).
Mid-Autumn Day	1 day	Sep. 15	Sep. 15 –17	Oct. 4	Oct. 4 (within the National Day holiday)	Sep. 24	Sep. 22 – 24	A day for Chinese family reunions and a harvest festival in China.
National Day	3 day	Oct. 1	Oct. 1 –7	Oct. 1	Oct. 1 – 7 (be prolonged to Oct. 8)	Oct. 1	Oct. 1 – 7	The celebration of the founding of the People's Republic of China.

Are You 'China Ready'?

Language: Website, Marketing Content, Menu, Signage, Instruction Book:
1. Google translation vs translation
2. Translation vs trans-creation
3. Trans-creation vs trans-creation with local culture
4. Chinese speaking staffs

Culture & Habit:
1. Hot water vs ice water
2. Air-condition (temperatures)
3. Tea vs coffee

Hotel Operations:
1. Chinese TV channels
2. High speed Wi-Fi
3. Small gift means a lot
4. Chinese people love attention, conversation, and feel recognized. (Chinese speaking GRO / GRM)

Digital & Social Platforms

1. Baidu vs Google

2. Weibo vs Twitter

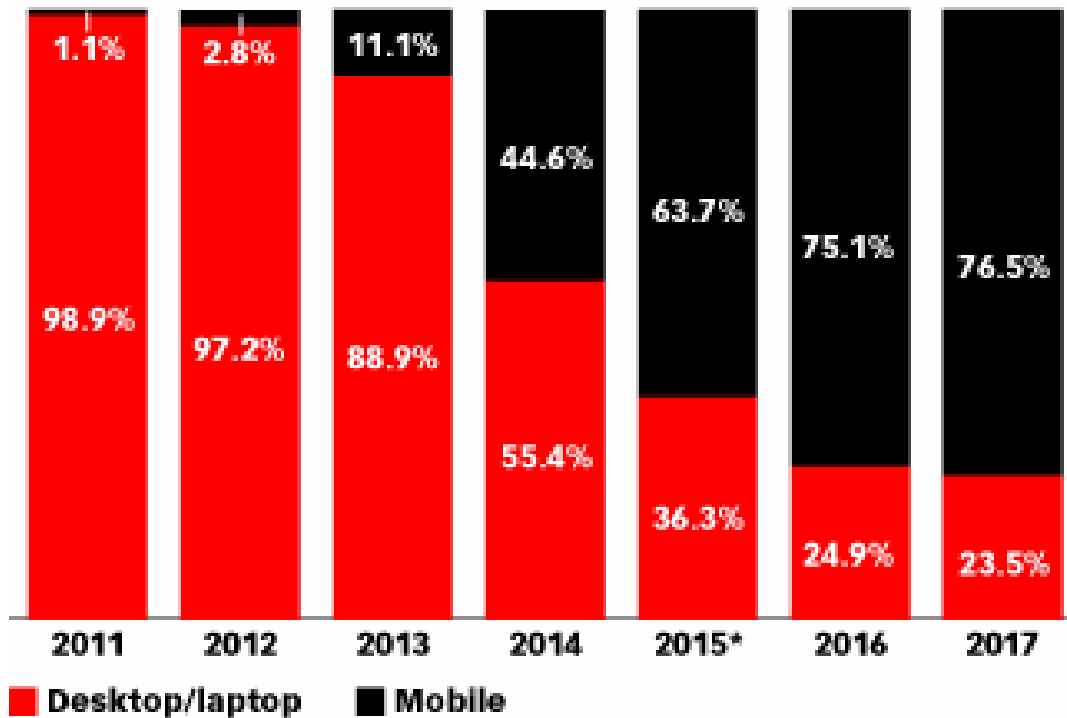3. YouKu vs YouTube

4. WeChat vs WhatsApp

Know Yourself

1. Market positioning

2. Business mix

3. Price structure

4. Feeder markets

5. Competitors

6. Do you have "value-add" stories?

7. USP

8. FAB

Social Network

Advertising

Packaging

Public Relations

Marketing & Strategy

Live events

Location Promotion

Pricing

Website Design

Opportunities

Digital Travel Sales In China

Digital Travel Sales Share in China Desktop / Laptop vs. Mobile

Year	Desktop/laptop	Mobile
2011	98.9%	1.1%
2012	97.2%	2.8%
2013	88.9%	11.1%
2014	55.4%	44.6%
2015*	36.3%	63.7%
2016	24.9%	75.1%
2017	23.5%	76.5%

■ Desktop/laptop ■ Mobile

Note: *estimate

Mobile travel sales 2015
RMB 224.5 billion ($36.5 billion)
+80% y-o-y increase
In 2019 it will be $105.06 billion

1. Interactive marketing

2. Live experience sharing

3. Influencer / blogger marketing

4. How to build up your "value add stories"

5. Education marketing

6. How to engage with 00s, build up loyalty in a early stage

Thank You
谢谢