

DECEMBER 2016



**UNDERSTANDING THE
COMPLEXITIES OF THE
CHINESE TRAVELER**



JENS THRAENHART – WWW.THRAENHART

Dragon Trail Interactive



Localized Web Presence

- Chinese web site Development
 - SEO/SEM
- Email Marketing

Social Media Management

- Social media program management
- Social media campaign development & execution

Integrated Digital Campaigns

- Media Management
- Campaign Management
 - Media Activity

Advanced Technology Solutions

- Chinatravelbuzz.com
- Tripshow.com
- Social Media Applications



Free eBook
DOWNLOAD
NOW



www.chinatraveltrends.com

www.chinatraveltrendsbook.com

The Essential China Travel Trends booklet is a China Travel Trends publication produced in collaboration with Dragon Trail, COTRI and PATA.





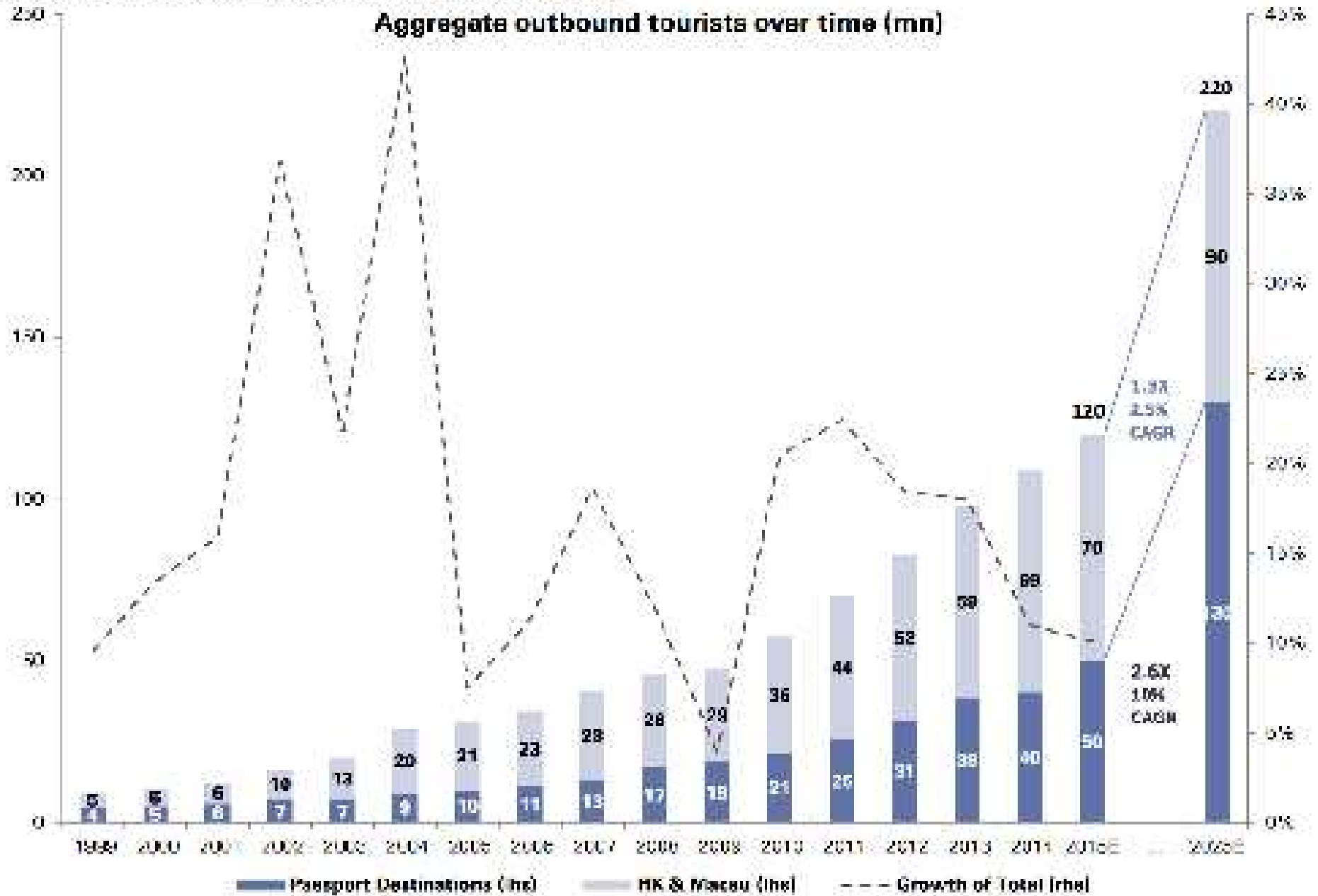
Why China?



The World's largest consumer market by 2020



Exhibit 12: Outbound tourists (other than to Hong Kong/Macau) to rise c2.5X to 130 mn in 2025 from around 50 mn in 2015
Breakdown of Chinese tourists visiting Hong Kong/Macau and other destinations





**“OVER 400 MILLION CHINESE OUTBOUND
TOURISTS IN THE NEXT 5 YEARS”**

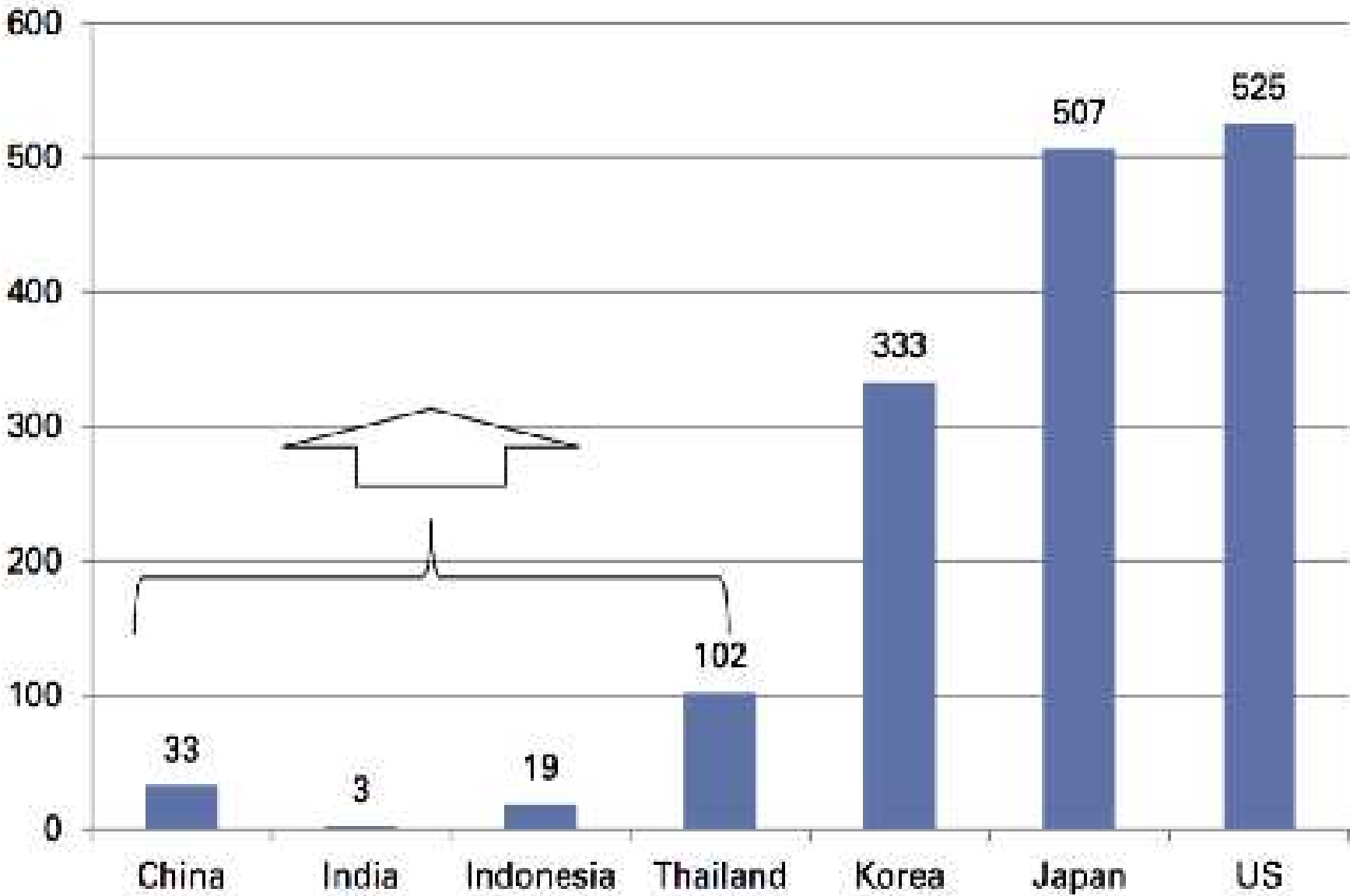
XI JINPING – PRESIDENT, PR CHINA (2013)



“Chinese travelers rank
#1 globally in terms of
overseas tourism spending,
exceeding \$130 billion”

- Forbes

Exhibit 31: Travel spend in China and ASEAN countries is still low in absolute terms
Comparison of per-capita spending on travel (FY2013, US\$)



Source: Euromonitor



**Getting
Your
Share?**



**The Fastest Growing
Consumer Market
in the World**

A man in a dark, quilted jacket and blue jeans is walking on a paved surface. He is holding the handle of a large, patterned suitcase. A young child in a pink winter outfit and boots is sitting on the suitcase. The background shows a parking lot with several cars and buildings in the distance.

WHAT TO DO?

SOME QUICK TIPS...



1. Understand the Market

Chinese equivalents

GDP

GDP per person

Population

Exports

Population 2010, millions



Select ▼

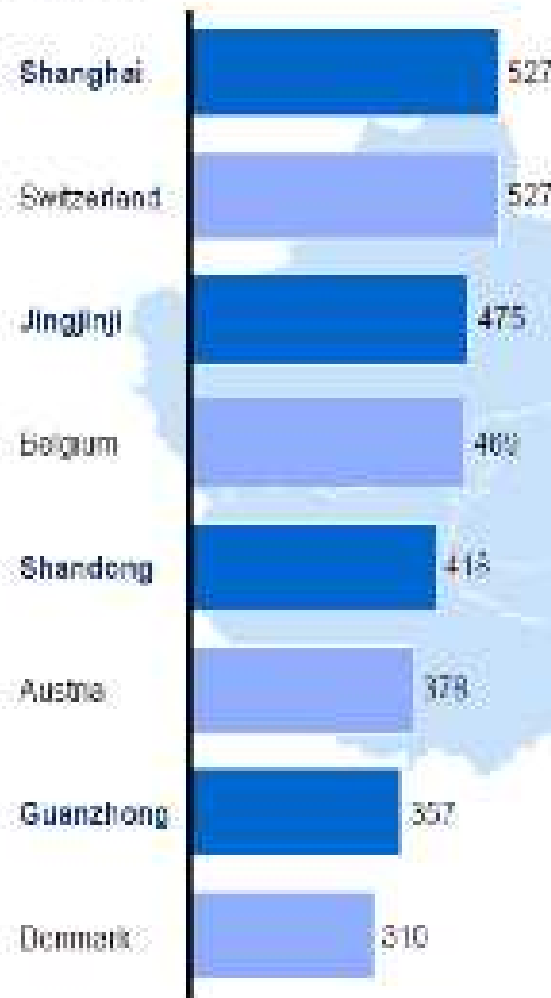


Sources: The Economist; Economist Intelligence Unit; CEIC; WTO

[Embed](#)

Some city clusters are economically larger than entire countries

2010 GDP for urban clusters
\$ Billions



Urban clusters in China and their hub cities



High Spending Power in Tier 2 cities

- Top 10 ranking by spending levels
- Shenzhen replaces Beijing as the top spending city in 2014.
- Watch out for Zhengzhou, Nanjing, Wuhan, Chengdu and Chongqing. They are now in the top 10 !



Source: UnionPay data based on 1,084,000,000 credit and debit cards in 2014

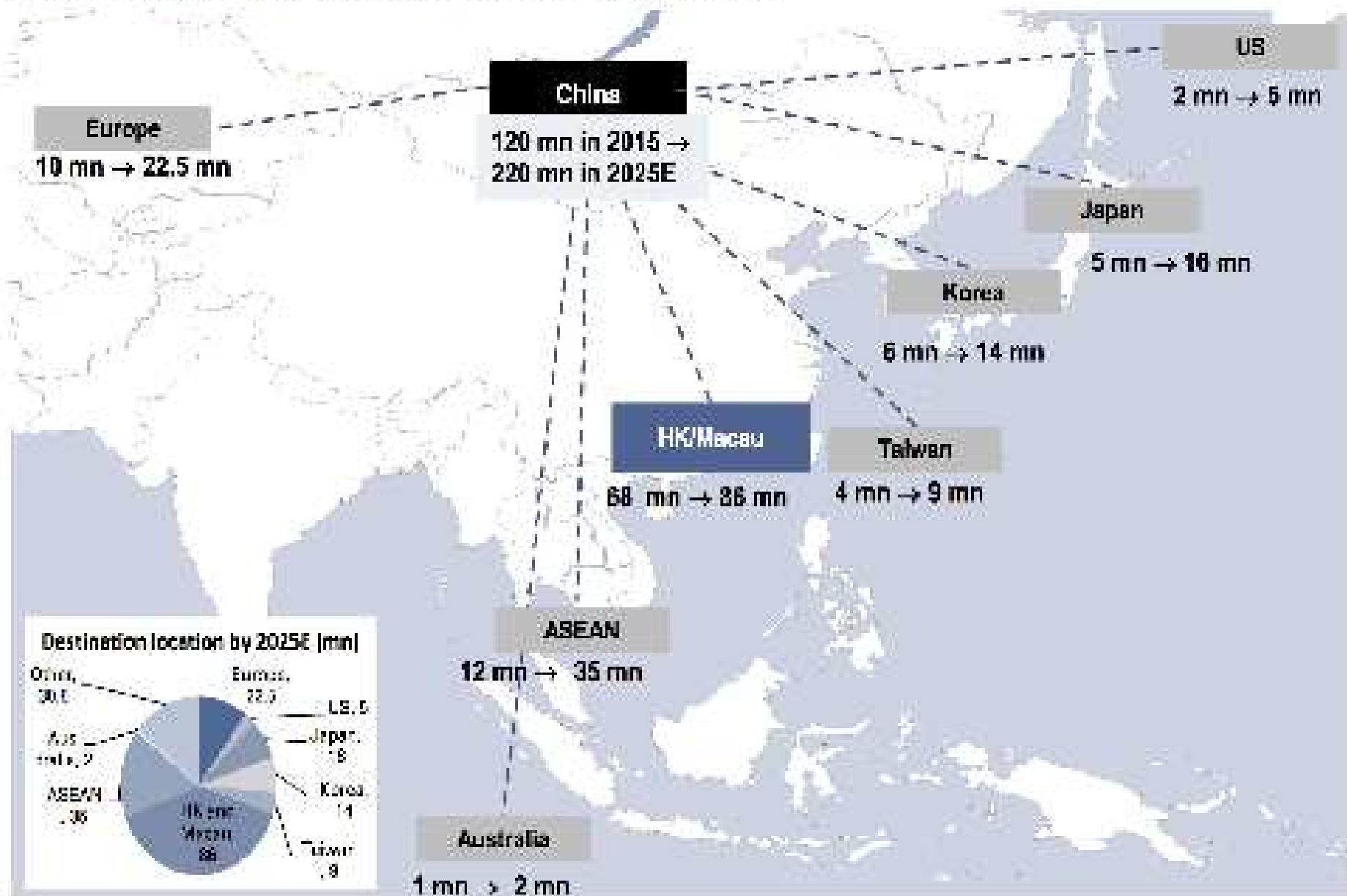


KEY MOTIVATIONAL DRIVERS



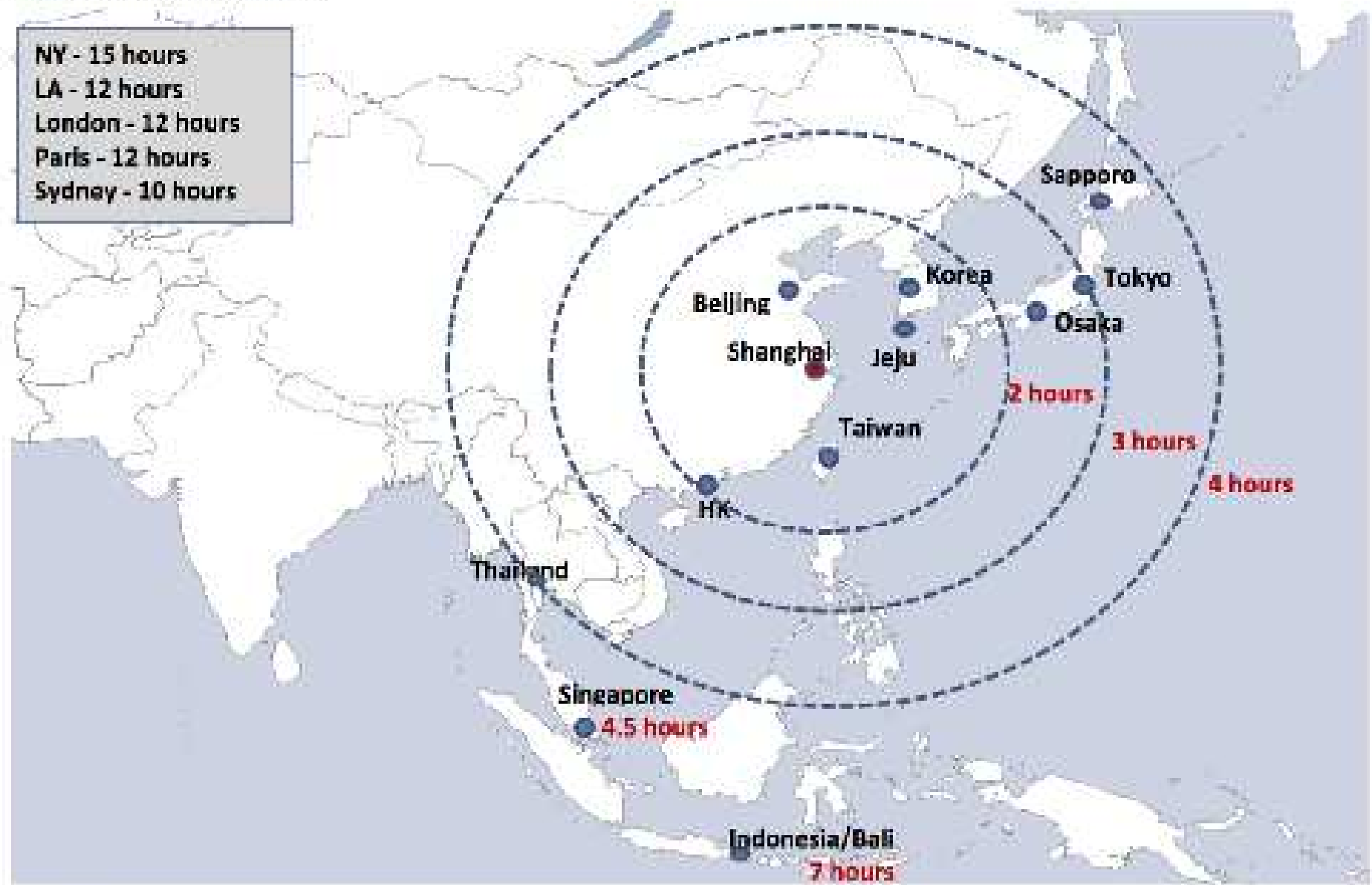
Exhibit 13: Where do Chinese tourists go?

Main travel destinations for Chinese tourists (current forecast for 2015, extended forecast for 2025E)



1) Distance: Number of flight hours, Visa regulation

Exhibit 16: From Shanghai, most Asian countries can be reached in four hours or less
Flight times from Shanghai (within Asia)



中国史上最高票房纪录 4亿 保证让你捧腹的搞笑巨作
China's funniest comedy and highest
grossing movie in history



人囧途之**泰**園 LOST IN THAILAND
徐峥 黄渤 王宝强 主演

王宝强
WANG BAOQIANG

徐峥
XU ZHENG

黄渤
HUANG BO

出品：北京光线影业 监制：陈永辉 导演：徐峥 主演：王宝强 黄渤 徐峥

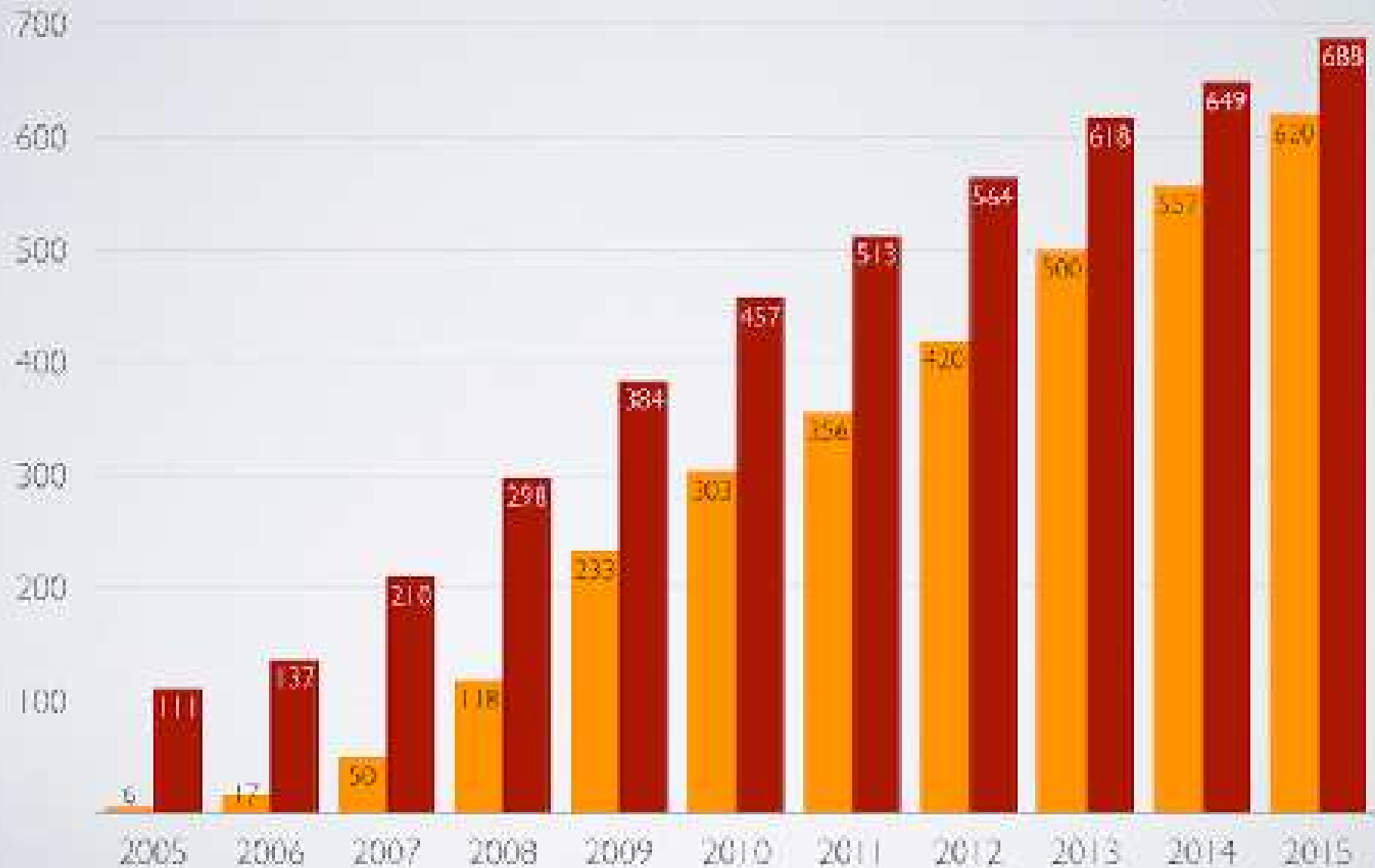


China's internet & mobile internet users

- Mobile internet users
- Total internet users

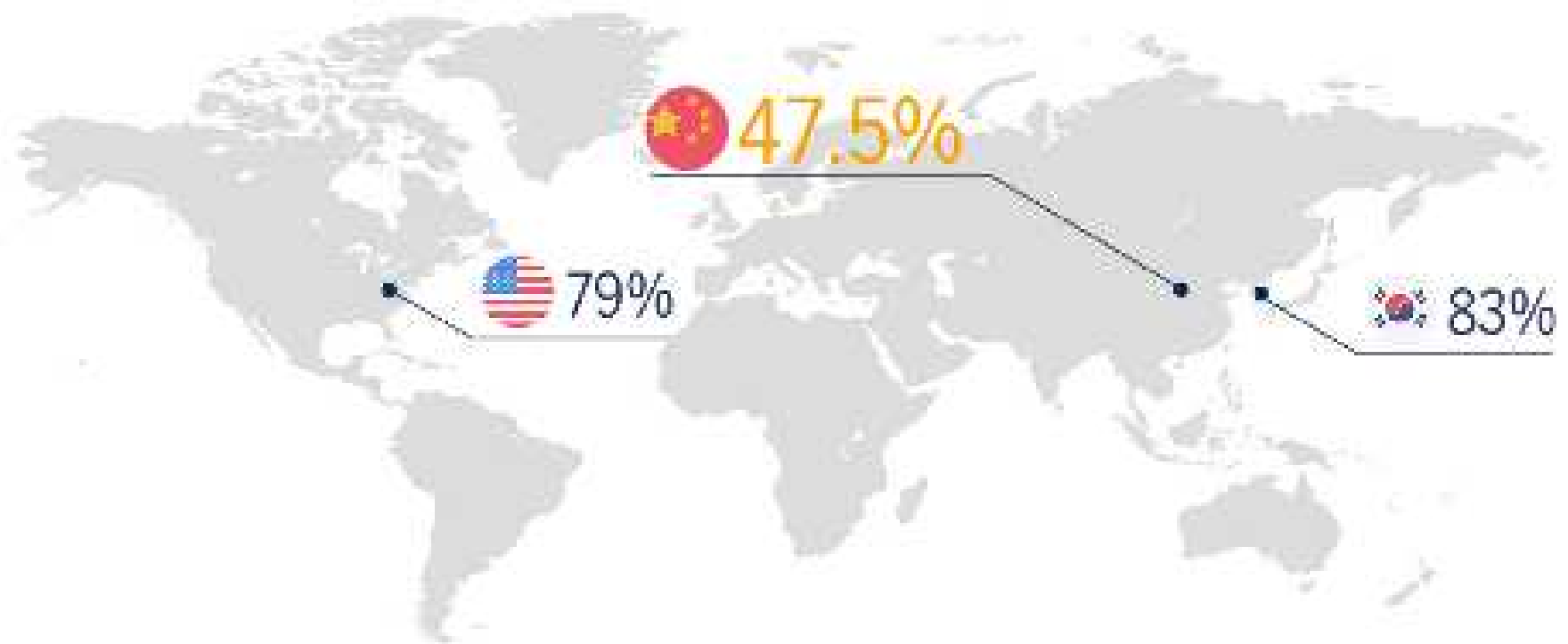
Quoted by **TECH ASIA**

Data by CNNIC
(x million)



WITH ONLY 47.5% PENETRATION, CHINA STILL HAS ROOM FOR GROWTH

INTERNET USERS AS PERCENTAGE OF POPULATION

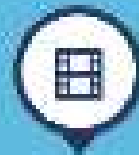




SEARCH ENGINES



SOCIAL NETWORKS



VIDEO SITE



B2C E-COMMERCE



B2B E-COMMERCE



MICROBLOG



Google

facebook

YouTube

ebay

amazon

twitter



Baidu 百度

微信 微信

YOUKU 优酷

淘宝网

支付宝 支付宝

新浪微博 weibo.com



2. DEVELOP A STRATEGY

China Marketing Approach: Either?

Clicks



- Over 650 million users
- 92% social media engaged
- Web = THE source of information

or

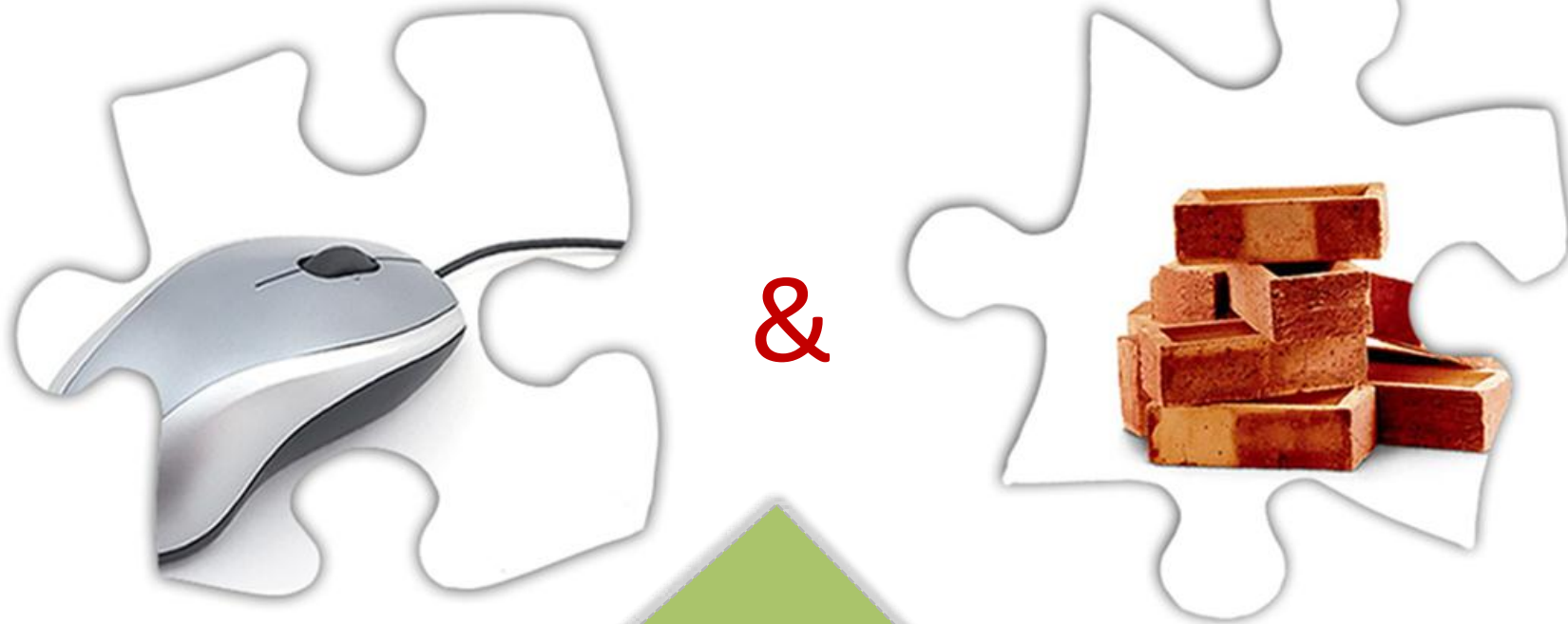
Bricks



- Call to Action
- Digital WOM > Retail Marketplace



China Marketing Approach: Both!



All Touch Points - Reach consumer online and offline in integrated way



3. TARGET THE RIGHT CHINESE CONSUMER

Three decades of communism were followed by three decades capitalism.
Now China slowly transitions into three decades of consumerism.



Let's take a closer look at the attitudes, needs & habits of Chinese Leisure Travelers as segmented by travel experience:

	THE NOVICE Traveler 	THE EXPERIENCED Traveler 	THE EVOLVED Traveler 
ATTITUDES & MOTIVATIONS	<ul style="list-style-type: none"> - Excited over new standards as good traveler - Expect ability to multi-task multiple activities 	<ul style="list-style-type: none"> - Overseas travel as an opportunity to gain new experiences and knowledge - Keep up to date with latest info 	<ul style="list-style-type: none"> - Travels to read and seek new, unique experiences - Wants to be destination if they enjoyed it
HABITS & TRAVEL PREFERENCES	<ul style="list-style-type: none"> - Traveling packages more appealing than local destinations - Travel primarily within Asia region - Slides to discover more domestic destinations 	<ul style="list-style-type: none"> - Free & easy travel - Mix of multi & mono destinations - Used to more foreign but not popular destinations 	<ul style="list-style-type: none"> - Free & independent travel - Largely mono destinations - Short & long-haul travel - Highly non-foreign locale destinations
NEEDS & PREFERENCES	<ul style="list-style-type: none"> - Focused on price & must see sites - Local attractions - Safety, security & environment - Shopping opportunities - Chinese related experiences (language & food party in company) 	<ul style="list-style-type: none"> - Focus on sight seeing and relaxation - Growing opportunities - Chinese related experiences - language & food (night market) 	<ul style="list-style-type: none"> - Travel beyond their local, deeper experiences - Demands higher quality of service

Novice

Chinese Leisure Travelers



Over 70% of all outbound trips from China were made in the last 5 years, which means a significant proportion of Chinese are traveling for the first time or in recent years.

CHINESE NOVICE TRAVELERS ARE:

1. **RISK AVERSE AND HAVE HIGH PROPENSITY FOR THE FAMILIAR AND PREDICTABLE**

2. **HIGHLY DEPENDENT ON CHINESE-CATERED SERVICES & TRAVEL-SERVICE PERSONNEL**

CH travelers value the human element behind conventional travel services. Less experienced travelers especially depend on hotel concierge and travel agents for travel support.



AS A RESULT THEY PREFER:

(1) **International hotel chains** due to safety & security and familiarity of these services and amenities

(2) **Chinese language, food and customs** integrated into their travel experience.

(3) **Booking accommodation through trusted local travel agents** - since they handle all travel services in one shot: visa applications, flights, tour bookings, etc.

Experienced & Evolved

Chinese Leisure Travelers



Experienced Chinese travelers

progress to traveling independently which allows them to have greater autonomy in planning their itinerary. While they do prefer mono-destination trips which allow them to explore the destination in greater depths, majority of CE travelers still prefer visiting popular destinations as driven by the need to keep up with their peers.

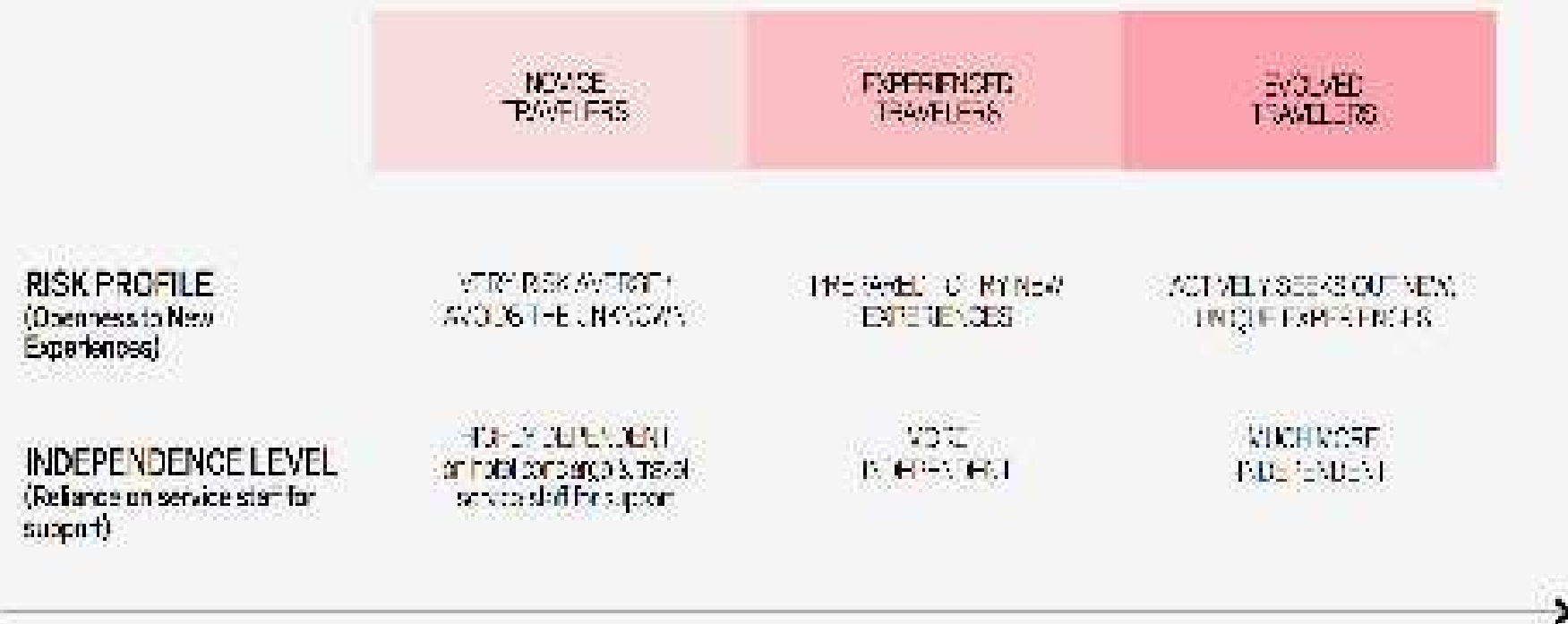


Evolved Chinese travelers

are much more open to exploring new places and activities beyond the well-trodden path. They actively seek more in-depth experiences which allow them to interact, immerse and learn more about local cultures and people.

In summary:

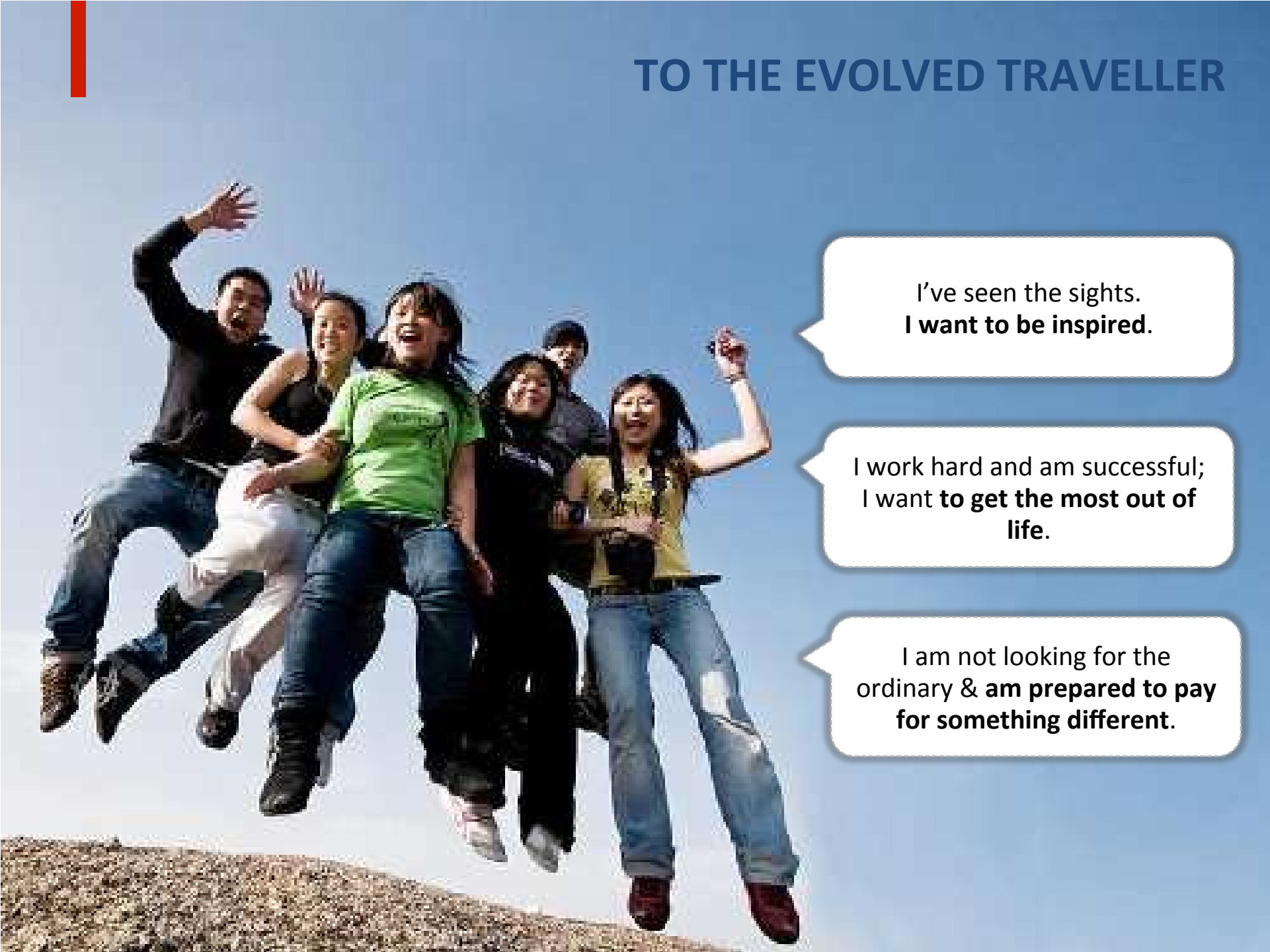
Given Chinese Leisure Travelers' different attitudes towards new experiences and confidence in traveling independently, brands like Airbnb must be prepared to make special adaptations to appeal to the right segment.



FROM THE NOVICE TRAVELLER



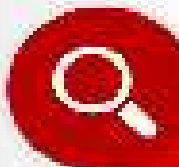
TO THE EVOLVED TRAVELLER



I've seen the sights.
I want to be inspired.

I work hard and am successful;
I want to get the most out of
life.

I am not looking for the
ordinary & am prepared to pay
for something different.



Group travel still dominates, but independent travellers are becoming more conspicuous.

Independent travellers tend to be:

Younger



25 to 34 years old



35 to 44 years old

More educated



have a Bachelor degree or higher

Wealthier



have an annual income **2.5x higher** than average



of the luxury consumer market is **under 45 years old**

Prefer authenticity



prefer a hotel with local flavour



4. WATCH CHINESE MILLENNIALS

CHARACTERISTICS OF CHINESE MILLENNIALS

They're more inclined to spend more than their parents. However, these consumers aren't spending recklessly: 80 percent stated that spending wisely is more important than earning a lot of money.

Social media is an integral part of their lives. More than half of Chinese millennials clearly see social media as a key part of their identity. Amazingly, 51 percent say that when things they post online aren't shared or commented upon, they actually feel bad about themselves as a result.

They're global citizens. Chinese millennials are looking for education and work opportunities worldwide. Seventy-eight percent agreed that going to college abroad helps career prospects, while 55 percent said they would consider moving to another place for work. 74 percent of them believe they have more in common with young people in other countries than with old people in their own country.

Social responsibility is important. 90 percent say that their generation is thinking less about "me" and more about what "we" can do together to address global issues.



纯悦

追求品质,
快乐行善!

纯悦

纯悦

纯悦

可口可乐中国+壹基金
www.coca-cola.com



【纯悦】“Ice Dew”及【纯悦】系列可口可乐公司注册商标

详情请见: www.coca-cola.com



"Brands can reflect my status and my taste/aspiration in life."

-ELAINE, 30, BEIJING

Brands win if they power the peer conversation

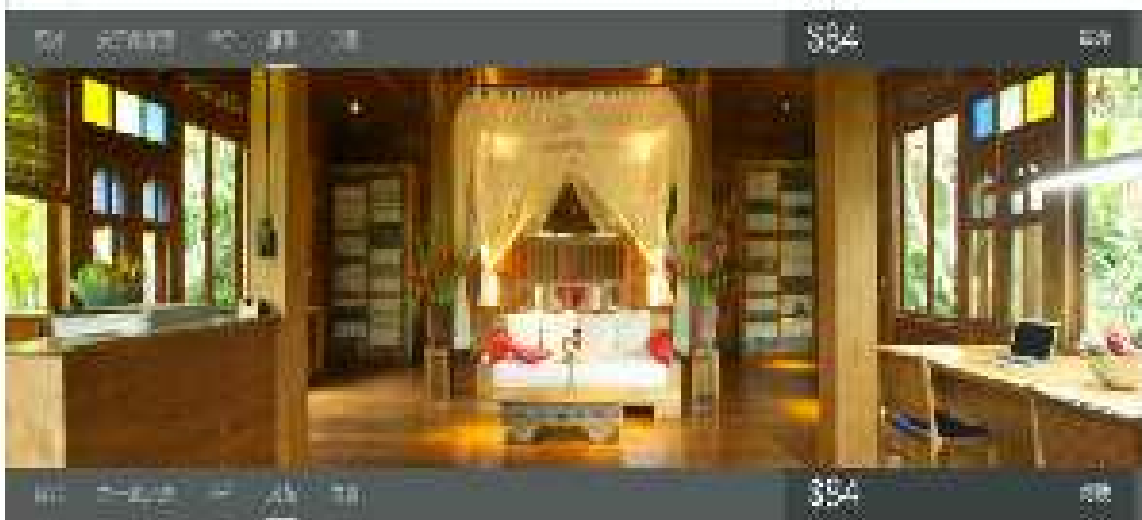


Q35. How much do you agree or disagree with the following statements? in China

"Our unique asset is our host community."

Nathan Blecharczyk, founder of Airbnb





25条评价 ★★★★★

好评	非常满意	★★★★★	好评	★★★★★
好评	非常满意	★★★★★	好评	★★★★★
好评	非常满意	★★★★★	好评	★★★★★

好评如潮



2014

非常满意，房间干净整洁，服务人员态度很好，下次还会再来。

2014-11-18



2014

The room is very nice, the service is very good, and the price is very reasonable. I will come back next time.

关于酒店 Made



2014

非常满意，房间干净整洁，服务人员态度很好，下次还会再来。

2014

非常满意

非常满意

2014

好评

276



好评

非常满意

好评	非常满意	好评
好评	非常满意	好评

好评

好评

好评

好评	非常满意	好评
----	------	----

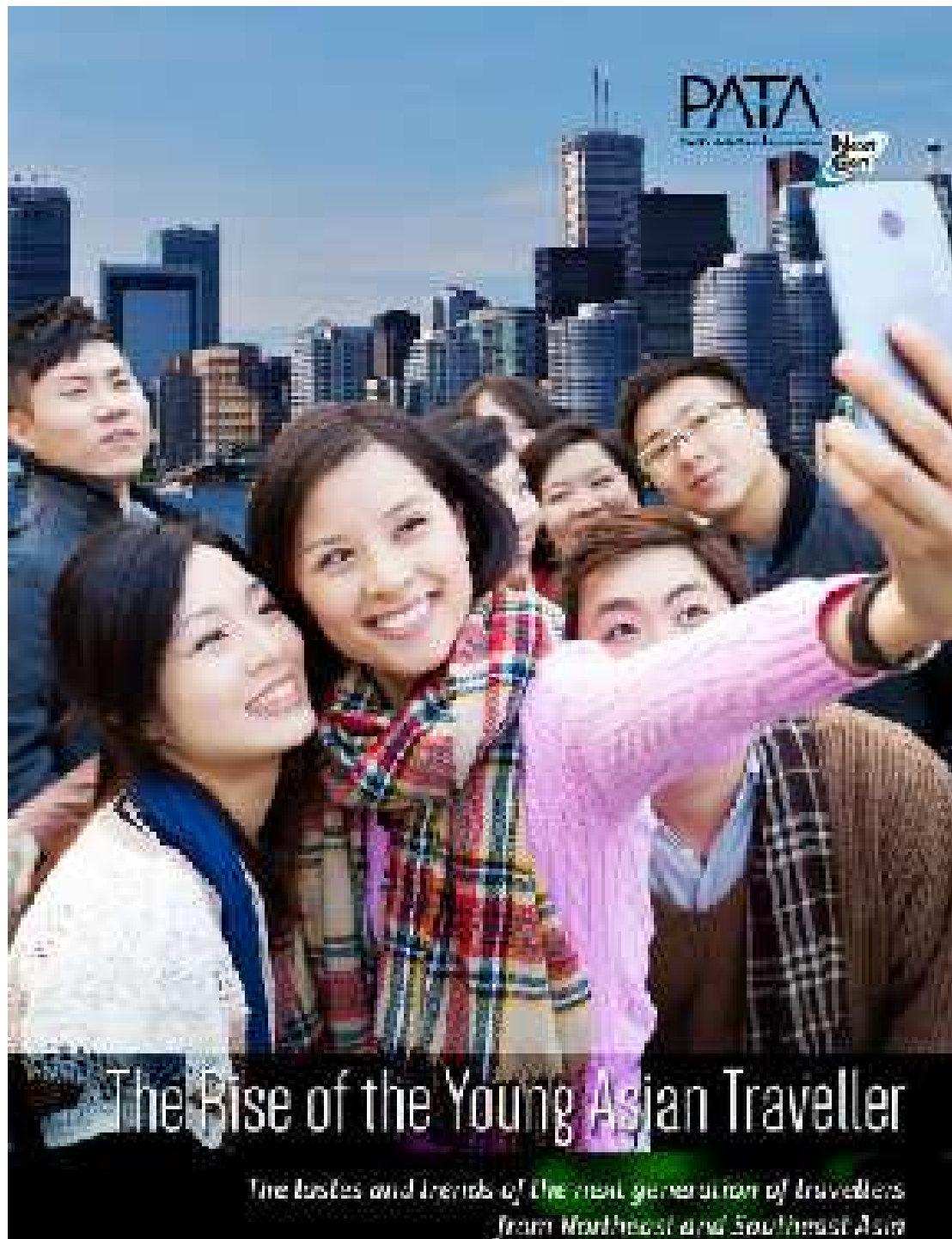
The channels consumers rely on to be reassured are peer-to-peer, rather than brand-to-consumer

When millennials want to learn about brand innovation, their go-to channels are peer-to-peer.





5. LEVERAGE CHINESE BACKPACKERS



PATA

THE ASSOCIATION OF
PHYSICAL AND AIR TRAVEL AGENTS

Member

The Rise of the Young Asian Traveller

*The tastes and trends of the next generation of travellers
from Northeast and Southeast Asia*

CHARACTERISTICS OF CHINESE BACKPACKERS

CHINESE BACKPACKER	WESTERN BACKPACKER
Mostly Female	Both Male and Female
More educated and get married later	During School and University
Interested in Culture and Shopping	Interested in Having Fun
Quality Accommodation	Cheap Accommodation
Restaurants (good food)	Street Food (cheap food)
Backpacking as Adventure & Romance (don't want to join tour groups)	Backpacking as Saving Money (cannot afford luxury travel)
Travel mostly with friends from home	Travel many times alone and find friends
Share their travel on social media to wide audience (ie Weibo)	Share their travel on social media among their friends (ie Facebook)
Influencing Chinese people where to travel – all segments (also luxury)	Are not influencing luxury travelers (only possibly other budget travelers)
Can gain 'celebrity' status as people follow their travels and adventures	Are considered as cheap travelers

Source: 2013 PATA – The Rise of the Young Asian Traveler – “The Chinese Backpacker” by Jens Thraenhardt

A photograph of two women on a dirt path. The woman in the foreground is wearing a red top and a white bag, holding a smartphone up to take a picture of the woman in the background. The woman in the background is wearing a yellow dress and is smiling. The path is surrounded by lush greenery and trees. The sky is blue with some clouds. The text 'CHINESE BACKPACKERS....' is overlaid in the top right corner, and '...TRAVEL INFLUENCERS & BRAND BUILDERS' is overlaid in the bottom left corner.

CHINESE BACKPACKERS....

...TRAVEL INFLUENCERS & BRAND BUILDERS



5. BE LOCALLY RELEVANT



BMW之悦。天人合一，悦为己任。

BMW 中国有限公司
BMW 中国有限公司
BMW 中国有限公司

BMW EfficientDynamics
BMW 中国有限公司



酒店住宿

餐館美食

觀光旅遊景點

租車服務

買票與訂位

TW



多倫多



让人感动

ROYAL ONTARIO MUSEUM

TOURISM TORONTO

多倫多旅遊 多倫多住宿 多倫多餐館 多倫多租車 多倫多買票

多倫多酒店 多倫多機票 多倫多交通 多倫多旅遊 多倫多觀光

酒店与旅行套票

出发日期:

From To

数量: 客房数:

1

成人: 儿童:

0 0

开始搜索

取消搜索

高级搜索

多倫多旅遊 多倫多住宿 多倫多餐館 多倫多租車 多倫多買票

T-8000-494-7610

多倫多參團指南


更多信息 >

探索多倫多街區

更多信息 >

尼亞加拉一日遊

更多信息 >

A close-up photograph of a person's hands. One hand is holding a smartphone, and the other is resting on a laptop keyboard. The laptop screen is visible in the background, showing some text. The lighting is warm and slightly blurred, suggesting an indoor setting with natural light.

CHINESE CONSUMERS ASSOCIATE IRRELEVANT ONLINE
EXPERIENCES WITH BAD OFFLINE EXPERIENCES

CHINATRAVELTRENDS.COM (2012)



6. MARKET VIA SOCIAL MEDIA



**Social Media
has become
the most
influential
media channel
in modern
China.**

***Source:
McKinsey
Consulting***

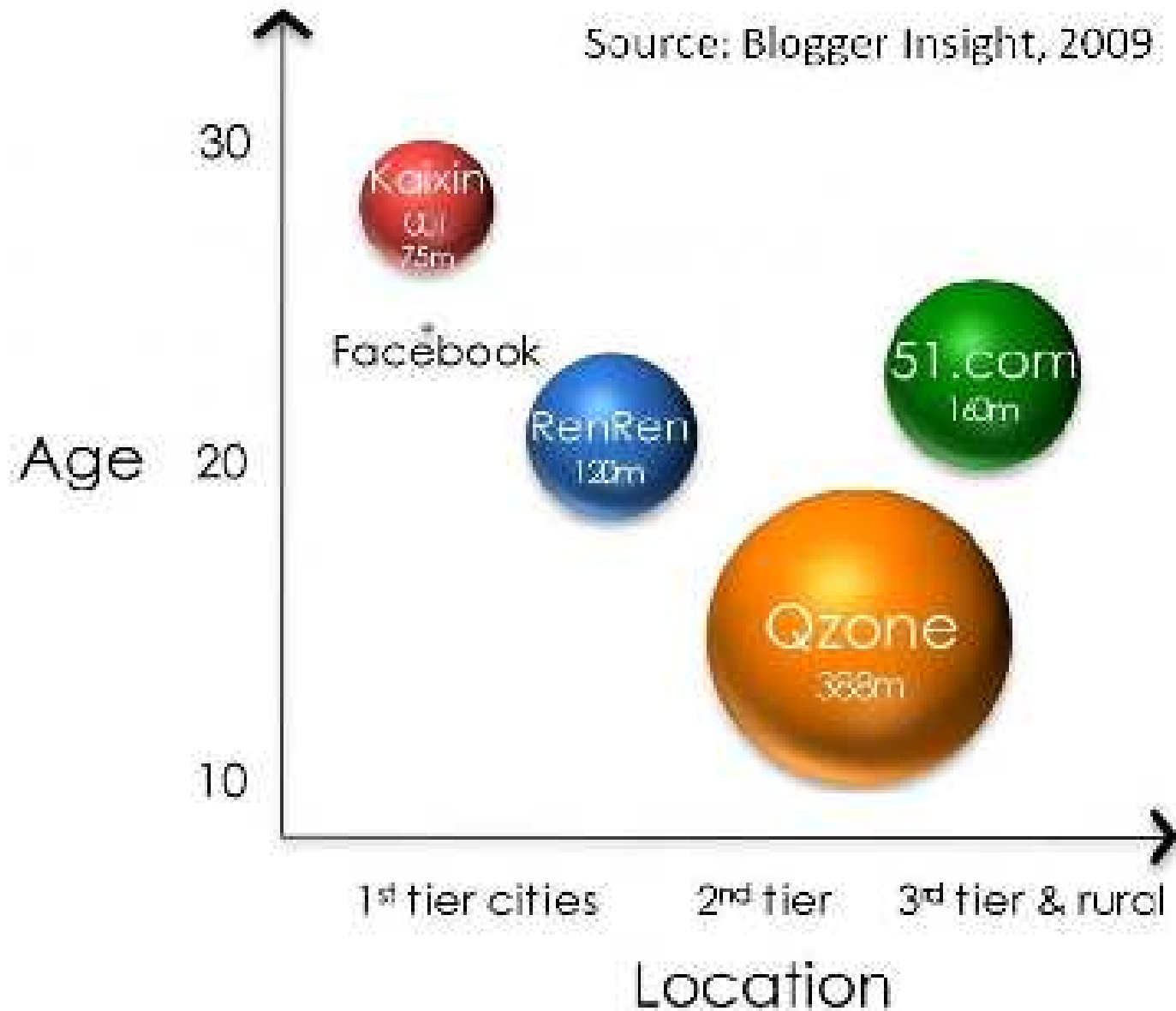
**The Internet
has become
the most
popular
medium for
Chinese
travellers
seeking
information
about their
trips**

***Source: Nielsen
China
Outbound
Travel Monitor***

China's Social Network Universe

By Number, Age, & Location of Users

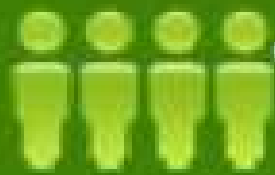
Source: Blogger Insight, 2009



MADE IN CHINA

中国制造







微信支付

必须体验!

如何购买

点击

选择商品

扫描

扫描商品二维码

确认

支付金额完成



7. FOCUS ON MOBILE

Xiaomi phone
100,00



The Year Of
The
Android?

Despite the booming popularity of Apple in China, the clear winners are the masses of people purchasing low end smartphones powered by Google's Android OS. This is the default platform on hundreds (soon, thousands) of cheap, low-end smart phones and subsequently the first choice for many consumers beyond Tier 1 cities (whether or not they know the software is Google).

ANDROID DOMINATES IN CHINA

MARKET SHARE BY DEC 2014



iOS
21.5%



ANDROID
77%

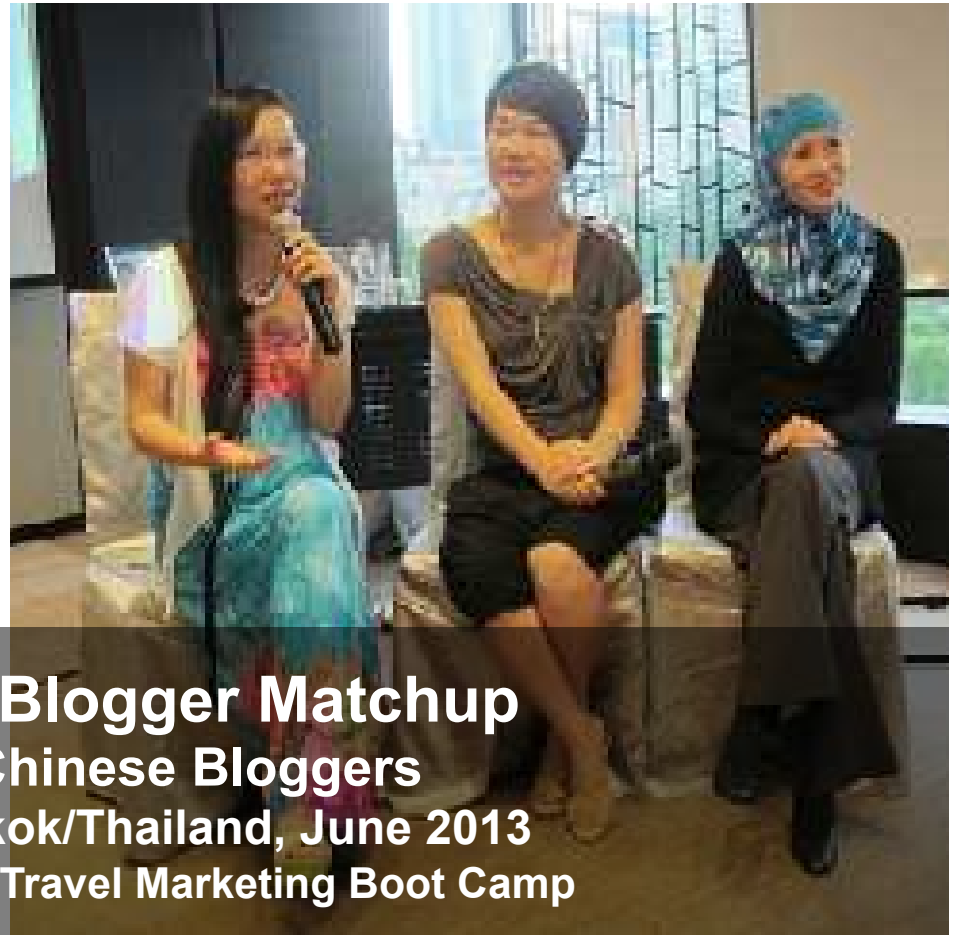
BUT iOS USERS SPEND MORE



4/5 MOBILE PURCHASES ON TAobao PLATFORMS
ARE MADE VIA IPHONES AND IPADS



8. ENGAGE WITH TOP BLOGGERS (KOLs)



DIA Blogger Matchup

Chinese Bloggers

Bangkok/Thailand, June 2013

@ China Travel Marketing Boot Camp



amazing
THAILAND



137

PILLARS HOUSE

CHENG MAI

Social

Blogger Match Up



Matched Up!



- 137 Pillars House in Chiangmai, Thailand requested an influencer campaign
- Influencers matched up from Tripsnow's travel Influencer database
- Bangkok airways sponsorship secured
- 13,000,000 impressions were generated from dozens of posts to social media sites

高洪雁 (Shirley)

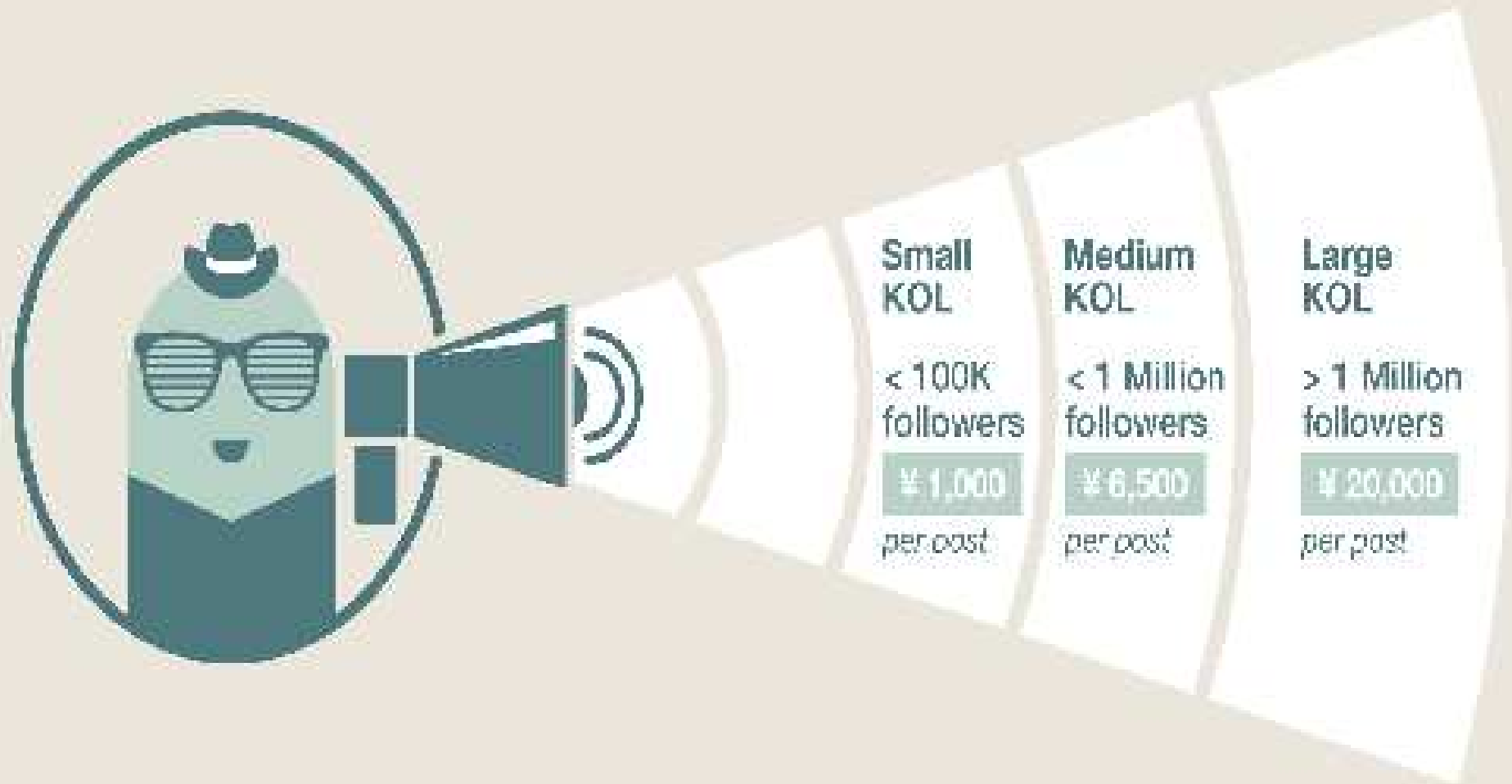


137

PILLARS HOUSE

CHIANG MAI

TYPICAL COST PER KOL POST AND KOL SIZES:





9. BUILD RELATIONSHIPS VIA CAMPAIGNS

首页

目的地

目的地

目的地

加拿大 | 目的地: 加拿大

Hi,
加油!



加油记录

添加好友加入我的群组

关注我的好友加入我的群组

选择出发城市

北京 BJS

选择飞行线路

西海岸线路

东南岸线路

东西岸经典环线

返回搜索



Integrated Mobile Campaign

Canada, You Can Be a Star



FOR CENTURIES, THE BRITISH
ROAMED THE WORLD,
SLAPPING ENGLISH NAMES ON
JUST ABOUT EVERYTHING.

NOW THE CHINESE ARE
RETURNING THE FAVOR.

China's new wave of globalization has led to a surge in British names being adopted in the country. According to a report by the Chinese government, the number of British names in use in China has increased by 10% in the past year.

One of the most popular British names in China is "David". There were 1,237 children named David in China in 2015, up from 1,000 in 2014. The government's report also noted that the number of British names in use in China has increased by 10% in the past year.



Robert, Robert, and Robert. The British name Robert is popular in China. David is also a popular name in China.

VIDEO:
<https://www.youtube.com/watch?v=Fq7PqcKZ3PO>



Generations of Chinese Travellers Yet to Come!



WHERE DO WE GO FROM HERE?



Experience
China





CONTACT:

JENS THRAENHART

W: WWW.THRAENHART.COM

E: JENS@THRAENHART.COM

T: +66-8555.44234



JT