

CHINA OUTBOUND - Synopsis

MAJOR CHANGES IN CHINA'S OUTBOUND TOURISM

1. CHANGES IN DESTINATION SELECTION

Chinese tourists will no longer simply consider whether the destination is "near" or "far away", but will pay more attention to whether it is "picturesque" or not, whether it is "fun" or not, whether it has "uniqueness" or not, and whether it has "irreplaceable scarcity" or not.

2. CHANGES IN THE PURPOSES OF TRAVEL

The travel mode has shifted from urban tourism between large cities to "series-style" tourism, that is, from cities to mountains and lakes, and then to the countryside.

3. CHANGES IN HOTSPOTS OF VISIT AND CONSUMPTION

In urban sightseeing tours, Chinese tourists pay more attention to the opportunity to taste food and go shopping ("bargaining") than to visit places of historic interest.

4. CHANGES IN THE STRUCTURE OF THE GROUP

The post-80s and the post-90s have become the main force of travel.

5. POPULARITY OF ONLINE TRENDING TRAVEL

Compared with other tourist groups, female travelers are more interested in online trending travel mode. With the increase of the post-90s and the post-00s young female tourists, online travel trending travel will become more and more popular.

6. A TRIP DECIDED ON A WHIM BECOMES MORE FREQUENT AND EASIER

For many post-80s and post-90s, outbound travel is no longer a difficult task. They can spend less time and even no time on searching for destination information and travel guides.

7. SMARTPHONES MAKE TRAVEL MORE INTELLIGENT AND CONVENIENT

According to relevant surveys, the penetration rate of smartphones in China is up to 70%. Searching for travel guide, applying for a visa, booking a hotel, purchasing a flight ticket, booking tickets for attractions/entertainment projects and paying for all kinds of expenses, all can be completed on mobile phones.

8. CHANGES IN THE BUSINESS MODE

Travel agencies in China are no longer stressing on the global coverage density and breadth of tourism products, but rather give more prominence to prioritised issues, centralised sales, and joint sales to focus on the part that captures the largest share of the market, or the part that creates the greatest profit.

9. CHANGES IN CONSUMPTION SCALE

With the continuous upgrading of consumption structure and the rising disposable incomes of Chinese consumers, the overseas tourism consumption of Chinese tourists is growing rapidly.

10. ADVANCEMENT OF THE INTERNET/MOBILE INTERNET TECHNOLOGY PROMOTES PERSONALISED TRAVEL METHODS

With the continuous advancement and rapid development of the Internet/mobile Internet technology, the supply of products and services from travel agencies can effectively keep in line with the individual needs and behaviors of consumers.

CHINA MARKET OVERVIEW

OVERVIEW OF CHINA OUTBOUND TOURISM DEVELOPMENT IN 2017

In 2017, China's outbound tourists reached 130,51 million, a year-on-year growth of 7%.

The total overseas consumption of Chinese tourists in 2017, it reached 258 billion US dollars (about 1,69 trillion yuan).

THE YEAR OF PUSHING THE BOUNDARIES

2017 was a year of discovery and adventure for Chinese travellers. This is true for age groups but particularly for millennials, those born post 1980 and 1990.

Chinese millennials want to 'experience it all'. They want to travel further from home and stay away longer to maximise these experiences. They are spontaneous and more likely to book their accommodation at the last minute and outside of peak travel times.

SPENDING CLIMBS AS TRAVELLERS GO FURTHER

Millennials born after 1990 increased their travel spending by 80%. They also spent a larger proportion of their income on travel than other age groups – 36% for post 90s, compared with around a 28% for Chinese travelers overall. Post 80s millennials spent the most each day – US\$346 (¥2204) per day vs US\$320 (¥2038) for Chinese travellers overall.

ANALYSIS OF CHINESE TRAVELLERS

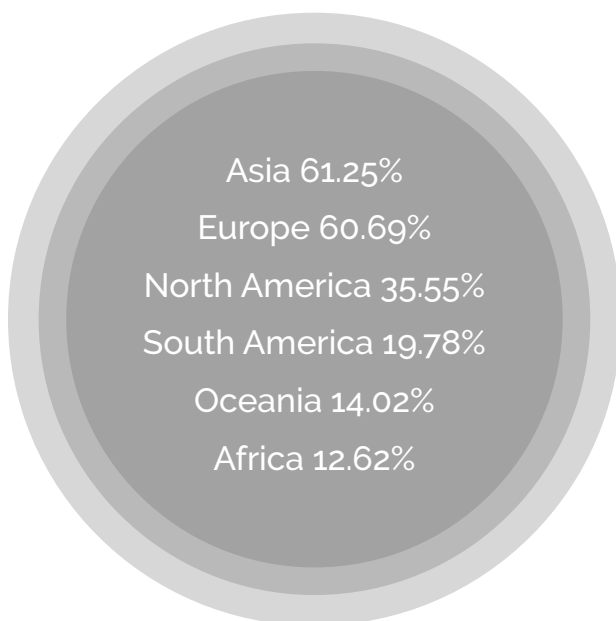
WHERE ARE THEY FROM?

The largest amount of outbound tourists come from Beijing, Shanghai and Guangdong, followed by Jiangsu, Shandong, Zhejiang, Tianjin, Fujian, Liaoning, and Hebei, etc.

In terms of cities, China's outbound tourists from first-tier cities (Beijing, Shanghai, Guangzhou and Shenzhen 48.61%).

Second -tier cities (other provincial capitals) 41.61%.

WHERE HAVE THEY VISITED?



Most popular Asian countries, Thailand, Japan, South Korea, Singapore and Malaysia.

Most popular Asian cities: Bangkok, Tokyo, Osaka, Pattaya, Seoul.

Most popular European and American countries: UK, France, USA.

Most popular European and American cities: London, Paris, New York, Los Angeles, Edinburgh.

EXPERIENCE IS THE FOREMOST PRIORITY FOR CHINESE TOURISTS

PRICE IS NOT A DECISIVE FACTOR WHEN CHOOSING TRAVEL
DESTINATIONS OR TOURIST ATTRACTIONS.

Chinese tourists care most about:

The beauty and uniqueness of tourist attractions (56%)

Local environment/ safety (47%)

Ease of visa procedures (45%)

Friendliness of locals to tourists (35%)



OUTBOUND CHINESE TOURISM TRENDS

"FREE YOURSELF": "WHAT AND HOW TO ENJOY" DURING OVERSEAS TRAVEL"

Chinese tourists travel overseas mainly for leisure, such as dining and shopping, with 78% choosing leisure as their top priority.

The post-90s generation is the most adventurous group, with 16% choosing adventure as the theme of their travel. The post-80s respondents are focused on "food" (58%) and "shopping" (49%), while the post-70s prefer a relaxing travel experience, with leisure as their primary goal (82%).

49% of Chinese tourists prefer independent travel; 42% prefer semi-independent travel; 34% of Chinese tourists prefer package travel; 25% prefer customised travel.

LOVING LOCAL

When it comes to spending choice, Chinese travellers want local flavour and colourful experiences.

GOING SOLO FAR FROM HOME

Now, they enthusiastically embrace independent travel to unfamiliar destinations. As a result, they travel much further from home and stay for longer. Adventurous activities and out-of-the-box accommodation are the norm.

OUTBOUND CHINESE TOURISM TRENDS

TRAVEL INSPIRATION NO LONGER COMES FROM TRADITIONAL SOURCES SUCH AS BOOKS AND MAGAZINES, EVEN FOR THE OLDER GENERATION

Film and television are the main influence, with 62 per cent saying this was a key source of travel inspiration.

MILLENNIAL BOOKING MADE FOR RAIN, HAIL OR SHINE

Spontaneous travel-savvy millennials are leading a new wave of off-peak (dates excluding Mar-Apr, Jun, Sep, Nov and Dec) travel.



OUTBOUND CHINESE TOURISM CONSUMPTION TRENDS



OUTBOUND CHINESE TOURISM CONSUMPTION HAS RISEN STEADILY, WITH MARKED DISPARITIES IN SPENDING AND TOTAL COSTS ACROSS DIFFERENT TOURIST GROUPS AND TRAVEL DESTINATIONS



HOTELS ARE NO LONGER THE ONLY CHOICE OF ACCOMMODATION FOR OUTBOUND CHINESE TOURISTS, WITH HALF OF SURVEY RESPONDENTS HAVING TRIED HOMESTAYS

Chinese tourists no longer invariably choose to stay in hotels, expanding accommodation options to places such as homestays, inns, and guesthouses.



OUTBOUND CHINESE TOURISTS NOW ENJOY A WIDE VARIETY OF LOCAL SPECIALTIES AND DELICACIES

The kind of food purchased by Chinese tourists varies by travel destinations and depends on the local specialties.



A HIGH PROPORTION OF CHINESE TOURISTS SPEND MONEY WITHIN TOURIST ATTRACTIONS WHILE TRAVELLING ABROAD

99% of Chinese tourists travelling abroad have spent money while visiting tourist attractions, with many tourists spending money on food (75%) and shopping (68%).



TAXIS AND PUBLIC TRANSPORTATION ARE THE PRIMARY MEANS OF TRANSPORTATION USED BY OUTBOUND CHINESE TOURISTS



SPENDING ON CULTURAL, RECREATION AND SPORTING EVENTS WHILE TRAVELLING OVERSEAS HAS INCREASED

86% of Chinese tourists have tried to experience more of the local life and local customs by visiting exhibitions, attending musical performances, watching sporting events, or relaxing at a local bar or spa.