

CHINESE TRAVEL SHOPPERS 2020

WHITEPAPER



COMMENTARY

The outbreak of the novel coronavirus has challenged the global travel industry in unprecedented ways this year. It is business unusual, and huge challenges and uncertainties are overshadowing the travel retail outlook for 2020, posting daunting problems for marketers and advertisers in this sector.

Even the pandemic is subject to great uncertainty and significant downside risks, iClick has had the experience of working with many leading travel retail brands, to reach and deliver their brand messages across the Chinese travel shoppers trotting across the globe over the past years.

This whitepaper leverages the company's proprietary "iAudience" market intelligence platform which boasts 940+ million Chinese internet users anonymously profiled to reveal trends about this highly sought after consumer segment. Not only the whitepaper challenges the market segmentation that has been used traditionally and identifies three diverse and distinct groups of Chinese travelers, but it also identifies some future trends, as well as discusses the implications for marketers of related industries.

Today, it is our pleasure to share our experiences, data capabilities and insightful findings, through this White Paper, to provide marketers in the travel retail industry to cultivate their own strategy to understand, influence, engage and even convert different types of Chinese travel shoppers. And alongside with our amazing strategic partners, the Moodie Davitt Report and ClickInsights, we hope this whitepaper offers related stakeholders in the travel retail industry with unparalleled audience insights to gaze into the changing faces of Chinese travel shoppers but also to help them navigate the turbulence and prepare for the post-coronavirus era.

”



Frankie Ho

*President of International Business,
iClick Interactive Asia Group Limited*

COMMENTARY

It is with pleasure and pride that I offer some words of introduction to the Chinese Travel Shoppers Whitepaper from iClick Interactive, published in association with The Moodie Davitt Report.

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In the run-up to publication, I was interviewed by influential media title Business of Fashion and asked about the importance of China to a travel retail sector that has been thrown into turmoil by the COVID-19 global pandemic. “For now, all roads lead to China and the main highway is going straight to Hainan,” I wrote, a reference to the extraordinarily vibrant resurgence of the travel retail business on the island province since the enhanced offshore duty free shopping policy was introduced on 1 July.

While that quote underlines the lighthouse status that Hainan is fulfilling this year in a sector sailing through dark and dangerous waters and precariously near the rocks, it’s the roads out of China that will, I think, prove equally important as international travel continues its slow but accelerating revival in coming months. Intra-China domestic travel is recovering first, and short haul intra-Asia Pacific will be second. What Singapore’s Transport Minister Ong Ye Kung recently dubbed “Air Travel Bubbles” will become the norm, not the exception. And in time, probably post-vaccine, long haul traffic will begin to come back.

With reduced passenger density, and even once 2019 levels are restored, the travel retail channel has an overwhelming need to ensure those that do travel spend more. To achieve that goal, you need to understand your consumer better than ever before. Cue iClick and this impressive Whitepaper. As with its predecessor in 2018, it reaches beyond the clichés and the stereotypes of “the Chinese traveler”, identifying and profiling three distinct groups – the Family Trip, the New Package Tour, and the “Youthful Characteristics” traveler.

iClick’s data capabilities are extraordinary – its proprietary “iAudience” market intelligence platform embraces over 940 million Chinese internet users – and it backs up that reach with expert analysis that so distinguishes this report from others. Whether the road leads into or out of China, this report will help you traverse it.



Martin Moodie
Founder & Chairman,
The Moodie Davitt Report

TABLE OF CONTENTS

1	Foreword from ClickInsights	5
2	Methodology	6
3	What is iAudience?	7
4	Zooming Out: A Macro View of The Chinese Outbound Travel Shoppers	9
5	Zooming In: A Deep Dive at the 3 Key Types of Travel Shoppers	15
6	Covid-19 Reshapes Travel Behaviors: Travel Destinations Go “LIVE” Streaming	25
7	Implications for Marketers	26
8	Case Study: iClick x JIEDO (Japan International Economic Development Organization) to Boost Tourism in Japan	30
9	About iClick & Moodie Davitt	34



1

FOREWORD FROM CLICKINSIGHTS

The Chinese outbound traveler continues to be one of the main drivers of the global travel retail sector. The Chinese National Bureau of Statistics reports that there were 169 million Chinese outbound travelers in 2019¹, a 4.5% year-on-year increase.

- (1) This makes China the largest outbound tourism source globally, accounting for more than 12% of the 1.4 billion annual international tourist arrivals².
- (2) While the COVID-19 pandemic will have a dampening effect on growth in the immediate future, data from previous travel industry crises and recent consumer surveys indicate that travel brands and retailers should expect a sharp rebound in 2021.

Additionally, research shows that the profile of the Chinese outbound traveler is changing. No longer satisfied with out-of-the-box package tours, Chinese tourists are now seeking high-quality, bespoke travel products, often inspired by the unique and luxurious travel itineraries of Chinese social media key opinion leaders (KOLs).

Travel brands, therefore, need to prepare themselves now for the imminent travel industry recovery in three ways. First, they need to monitor the improving Chinese consumer sentiment, especially regarding outbound travel, and be ready for an upcoming surge of Chinese tourists. Second, they need to understand the different types of Chinese outbound tourists and, third, learn how to resonate with each of them, both while they are still at home and while they are on their travels.

To help better understand Chinese inbound and outbound travelers, ClickInsights leveraged iClick's proprietary market technology platform - iAudience to conduct an audience analysis which has 940+ million internet users anonymously profiled in China per month. This research paper, jointly issued by ClickInsights, iClick & The Moodie Davitt Report, provides its readers to become better informed about all three so that they are fully briefed about the upcoming future rebound of the global travel industry.



Sources:

1. Chinese tourists made 169 million outbound trips in 2019
<https://news.cgtn.com/news/2020-02-29/Chinese-tourists-made-169-million-outbound-trips-in-2019-report-OtlYWwZmOQ/index.html>
2. UNWTO International Tourism Highlights 2019
<https://www.e-unwto.org/doi/pdf/10.18111/9789284421152>

2

METHODOLOGY



2.1 Review Research

For this report, ClickInsights reviewed third-party research reports, data and statistics from our partners and public organizations to assemble a coherent overview of Chinese Outbound Travelers.

2.2 Leverage iClick's iAudience Platform

ClickInsights also leveraged iClick's platform to track and profile over 940 million active online users in China on a monthly basis through its proprietary market intelligence platform iAudience.

2.3 Derive Behavioral Insights

Finally, ClickInsights analyzed the behavioral results of Chinese tourists through iAudience, including their audience demographics & interests, their preferred topics and content so that we could derive behavioral insights and provide strategic recommendations to marketers on how to attract, engage and convert Chinese Outbound Travelers.

WHAT IS **IAUDIENCE**?

iAudience is iClick's proprietary market intelligence platform, empowering marketers with a deeper understanding of the Chinese market landscapes and enabling marketers to grasp potential opportunities. Since its release in 2017, iAudience has helped clients understand their competitive position and provided AI-driven intelligence to explore new business opportunities through data-based audience insights that dramatically improve digital marketing strategy.

iClick's updated version of iAudience 2.5 this year takes the core functionality of the iAudience platform to the next level by leveraging more powerful data sources and easy to use modules in three main ways:

Broadened mobile data sources

The updated version of iAudience 2.5 aggregates diverse sources of data into a single platform, allowing analysis of Chinese user behavior across multiple channels and devices. In addition to iClick's proprietary "Data Map" which tracks more than 940 million active consumers, covering 98% of Chinese netizens, iAudience 2.5 incorporates data from over one billion users of China's most popular social media platforms through partnerships with industry leaders.



Brand new market analysis module

iAudience 2.5 now features a newly-developed standalone "Market Module" that helps brands gain instant understanding of a chosen market segment and offers ready-to-use "Audience Plan" lists. Clients can choose from a selection of 53 pre-defined market segments and benefit from enriched audience profiling, with key analysis metrics including demographic profile, psychographic profile, mobile app usage behavior and outbound travel destinations.



iAudience

Streamlined brand analysis module

The update to iAudience 2.5 also includes a reorganized brand audience profile display that provides even deeper insights into a brand's positioning and competitive landscape. It provides analysis from three dimensions, including "Landscape" – a high-level overview of the entire competitive landscape; "My Brand" – an in-depth user portrait analysis of the brand and its products, and "Competitors" – a closer look into a brand's individual competitors. This new streamlined approach provides clients with intelligence regarding the attributes and topics of most interest to fans of both their own brand and competitor brands, suggesting the most appropriate content and marketing strategies to grow their customer base.



Compared to previous releases, iAudience 2.5's ability to generate value-added user insights has been further enhanced by leveraging Tencent's Marketing API through the two companies' strategic partnership. As brands transition into the era of Smart Retail, iAudience 2.5's tailored insights will be invaluable in supporting data-driven and performance-focused marketing campaigns across multi-media channels.



ZOOMING OUT: A MACRO VIEW OF THE CHINESE OUTBOUND TRAVEL SHOPPERS

- 4.1 The travel industry recovery is underway, starting at home
- 4.2 The optimistic outlook of Chinese people's consumption, especially online
- 4.3 The number of Chinese outbound travelers on a major growth path
- 4.4 Chinese outbound tourists demand high-quality and tailored travel plans
- 4.5 Younger Chinese outbound travelers seek inspiration from Key Opinion Leaders (KOLs)



ZOOMING OUT: A MACRO VIEW OF THE CHINESE OUTBOUND TRAVEL SHOPPERS

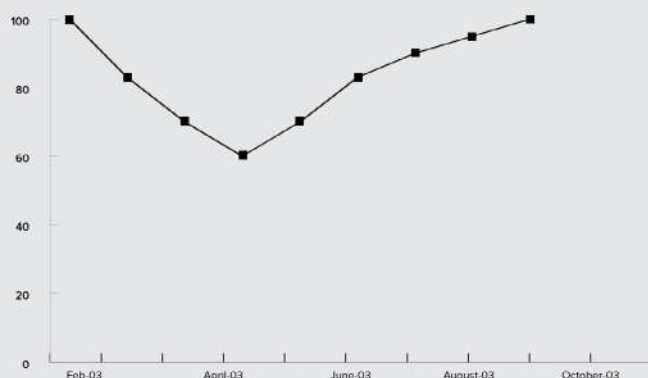
Since countries are still locking down, outbound traveling is not possible in a short period of time. Therefore, we would like to slightly twist the angle from solely discussing outbound traveling but also mentioning the potential of local tourism.

4.1 The travel industry recovery is underway, starting at home

While hard hit by the COVID-19 epidemic, the travel industry in China is coming back strong. The recovery is most evident in domestic tourism, though, as entry to foreign countries remains highly restricted. The boom in domestic travel has led to a sharp rise in flight bookings recently. Between July 1st and 23rd, 26.4 million passengers traveled domestically by air with daily flights returning to nearly 80% of pre-epidemic volume, according to the Civil Aviation Administration of China. China Southern Airlines and Air China each reported a double-digit month-on-month increase in passengers.

Moreover, considering data from the most recent, comparable health crisis (SARS, 2003), following a deep dive in revenue between February and May 2003, bookings recovered quickly, and the industry was reporting year-on-year growth by September of that year.

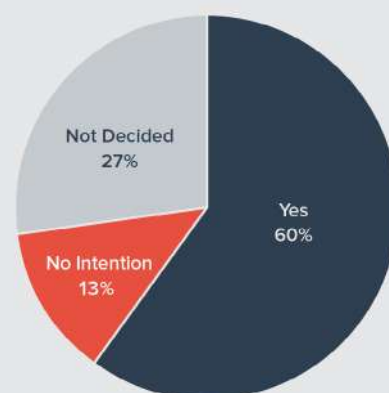
Asia Pacific Airlines RPKs during SARS Epidemic (2003)



Finally, the Survey Report on Chinese Tourists' Travel Intent After the End Of COVID-19 Epidemic¹ conducted in March 2020 found that 60% of Chinese consumers were open to traveling abroad in the current year, only 13% of Chinese consumers have no intention of traveling in 2020.

Survey Report on Chinese Tourists' Travel Intent After the End of COVID-19 Epidemic

Travel Intent in 2020



Source:

1. Survey Report on Chinese Tourists' Travel Intent After the End of COVID-19 Epidemic
https://store.pata.org/publications/survey-report-on-chinese-tourists-travel-intent-after-the-end-of-covid-19-epidemic/?fbclid=IwAR03BDHaWcvjHMaxFtsAOCgPN0YLC0yNy1f4YNwEEU_LQwYA_M_vhMuV-6Lg

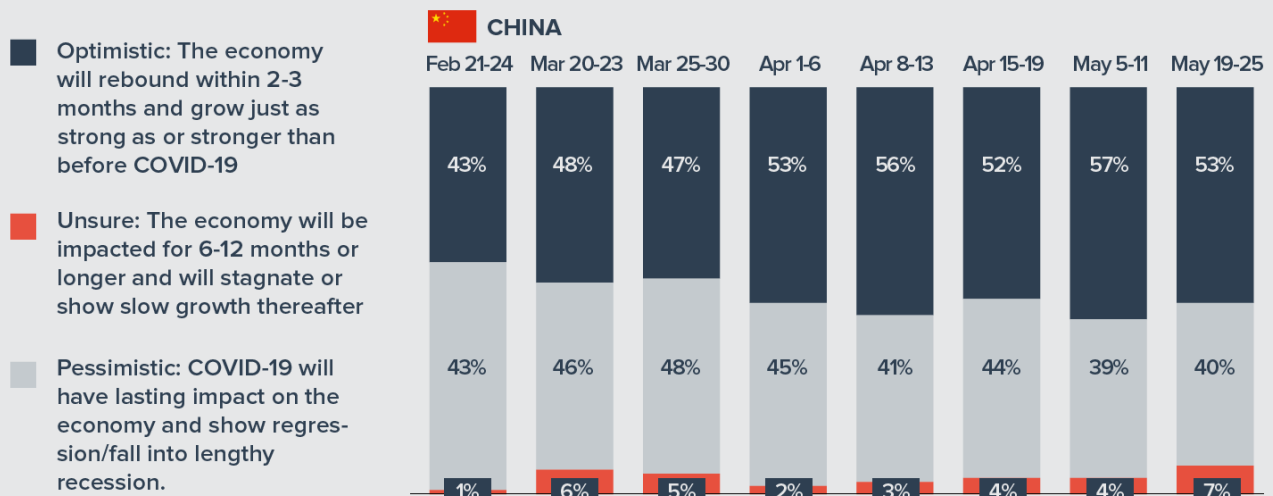
4.2 The optimistic outlook of Chinese people's consumption, especially online

Those not traveling have re-opened their purses recently as well. The 6.18 mid-year shopping festival brought in a reported RMB 1 trillion (US\$144.5 billion) with Tmall Global direct reporting a GMV growth of 199% year-on-year and JD International enjoying a 110% boost over last year's sales.

Optimism is further fueled by an uptick in consumer travel spending. Duty-free products in Hainan province saw RMB 1.07 billion (US\$167 million) in sales from July 1 to 15, with daily sales hitting RMB 71 million (US\$10.3 million), a 30 percent rise over daily sales in June. This boost was helped by an increase in the tax-free shopping quota in Hainan from RMB 28,000 (US\$4,261) to RMB 100,000 (US\$14,451) per person each year.

Chinese consumer's optimism has held steady since April, with about half of consumers optimistic about an economic recovery

Confidence in own country's economic recovery after COVID-19



Source

1. COVID-19 case tracker

<https://covid-tracker.mckinsey.com/consumer-sentiment>

4.3 The number of Chinese outbound travelers on a major growth path

In recent years, the Chinese passion to travel abroad has grown unabated. According to China's National Bureau of Statistics (NBS), the number of Chinese outbound tourists exceeded 169 million, up by 4.5%, compared to 2018¹.

The growth of Chinese outbound tourists, contingent on the travel restrictions being lifted, is forecasted to continue growing. Year-on-year growth in Chinese outbound travel averages over 5% for the last 3 years and once travel returns to normal this growth rate should continue.

One reason to expect future growth is that, currently, only around 10% of China's 1.4 billion citizens hold passports. By 2027, this percentage will double, and China will have 300 million new outbound travelers.



Source

1. Chinese tourists made 169 million outbound trips in 2019
<https://news.cgtn.com/news/2020-02-29/Chinese-tourists-made-169-million-outbound-trips-in-2019-report-OtIYWszmOQ/index.html>

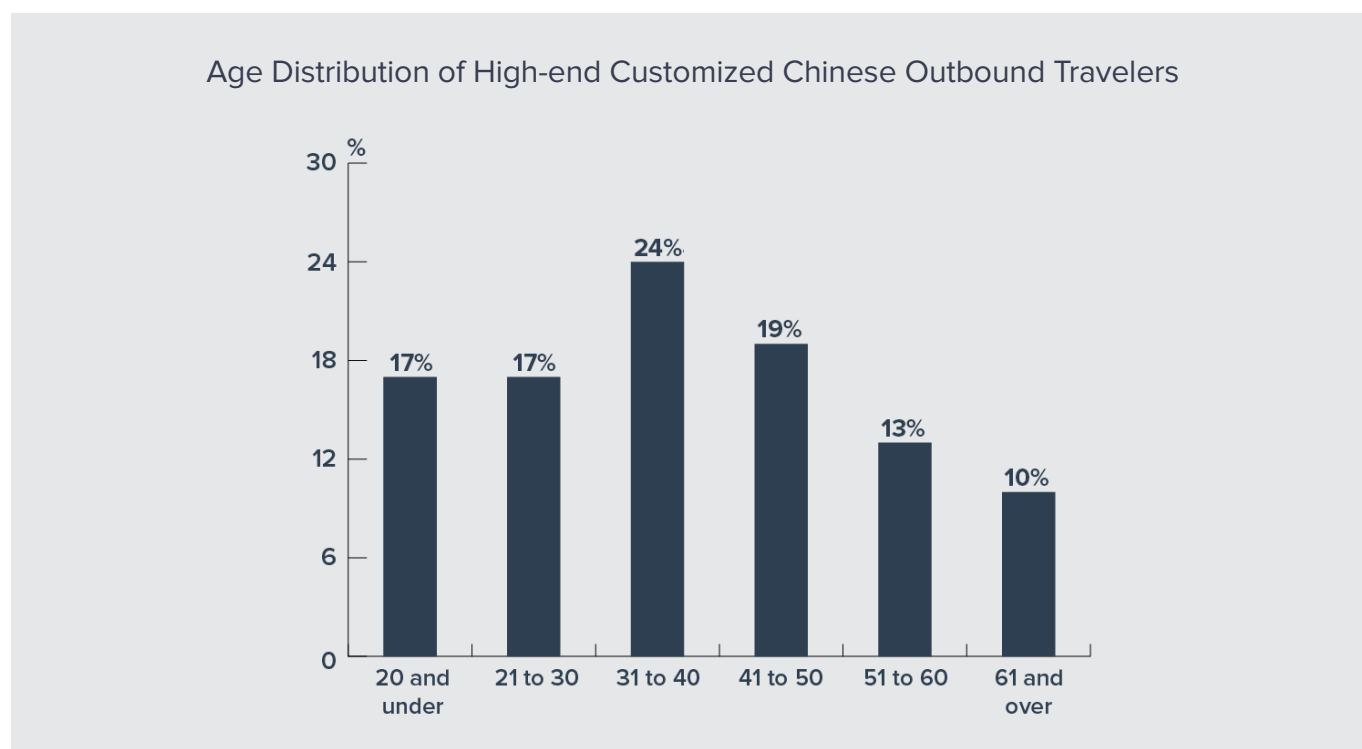
4.4 Chinese outbound tourists demand high-quality and tailored travel plans

While Chinese outbound travelers may be increasingly buying their travel from the same top 5 agencies, the travel products that they purchase are becoming more diverse.

Ctrip and COTRI report that the amount of orders on Ctrip's customized travel platform increased 180% year-on-year, in 2018, indicating that high-end customized travel is now mainstream.

As agencies provide high-quality services using scarce resources for these packages, the average expenditure per person for these trips are much greater than for standard packages. A high-end customized travel package buyer spends RMB 23,800 (US\$3,410) on their purchase, compared with RMB 5,500 (US\$790) for those buying standard packages.

Consumers for these packages are quite diverse. While those aged 31 to 40 years old are the largest cohort of high-end customized travelers, over 1 in 3 (34%) people of this group are aged 30 years old and under.



As customized outbound travel products offer boutique fragmented destinations, these packages create development opportunities for agencies savvy enough to take advantage of them.

The key attributes of these packages are customization and quality, values appreciated by Chinese travelers who are looking for complex, unique experiences, that showcase local cultures and flavors¹.

Source:

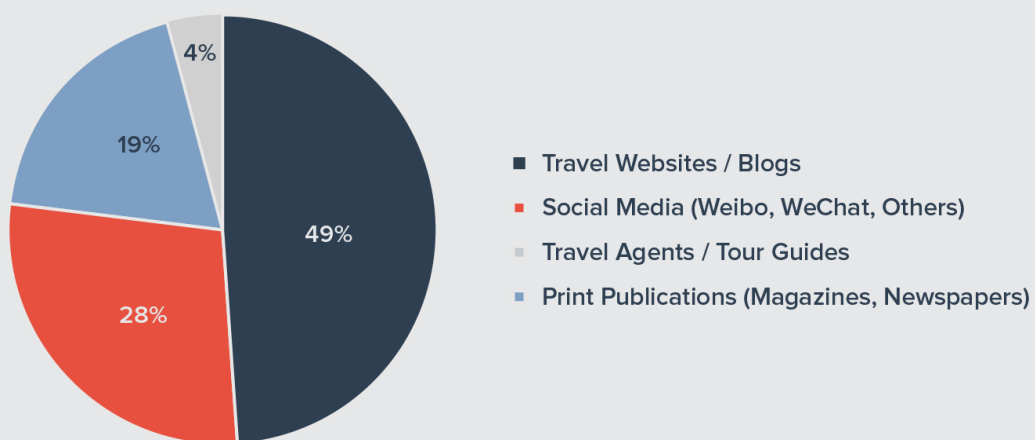
1. Chinese High-end Outbound Customized Travel
<https://mp.weixin.qq.com/s/qYFXXc9hyP5mVe0UWSXFUA>



4.5 Younger Chinese outbound travelers seek inspiration from Key Opinion Leaders (KOLs)

For Chinese international travelers aged 18-29, using online resources means consulting social media platforms. More than 7 in 10 young Chinese consumers prefer buying products directly from social media, such as Weibo and WeChat, according to a recent Accenture report¹.

Most-Used Resources for Overseas Trip Planning by 18-29 Year Olds in China



Source:

1. How China's online opinion leaders - or KOLs - convert fans to sales, creating a nearly US\$9 billion industry
<https://www.scmp.com/tech/big-tech/article/3001599/how-chinas-kols-convert-fans-sales-creating-nearly-us9-billion>

ZOOMING IN: A DEEP DIVE AT THE 3 KEY TYPES OF TRAVEL SHOPPERS

- 5.1 The Family Trip: Sufficient Money, No Sufficient Time
- 5.2 New Package Tour: Sufficient Money, Sufficient Time
- 5.3 Youthful Characteristics: No Sufficient Money, But Sufficient Time

ZOOMING IN: A DEEP DIVE AT THE 3 KEY TYPES OF TRAVEL SHOPPERS

5.1 The Family Trip: Sufficient Money, No Sufficient Time

Family travel is one of the fastest-growing segments of China's outbound travel market. A recent report by the China Tourism Academy found that 76 percent of all travels includes parents with their children.

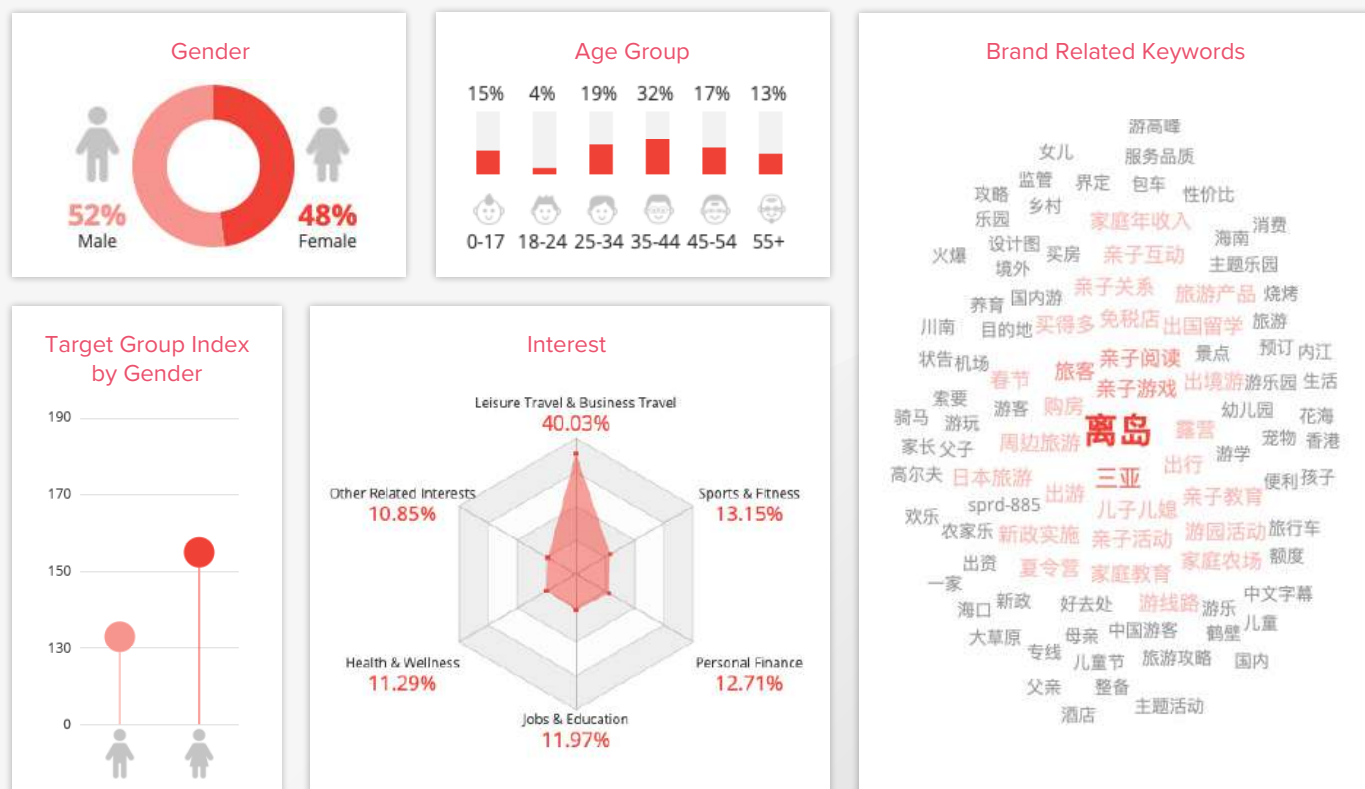
Destinations which offer family-friendly facilities and activities have been able to attract a growing number of Chinese tourists. Yet, like China's new breed of

luxury travelers, Family Trip tourists are becoming more discerning and expect travel experiences which offer more than the generic package tour.

New demands have forced travel agencies to provide more personalized tour options to meet Family Trip tourists' requirements.

Audience Profile of The Family Trip

52/48 Male & Female and aged 35-44, interested in Leisure Travel & Business Travel, Sports & Fitness and Personal Finance.



Source:

iAudience
powered by iClick

The Topics that the Family Trip Travelers Pay Attention to

1. Shopping – is a distraction, not an objective of its trip

Everything the Family Trip traveler does involves the family, including shopping. Keywords include: “Baby”, “Couple” and “Parents”.

2. Activity: What can we do?

When searching for travel ideas, this group is looking for activities which involve everyone including “camping”, “family activities” and “family games”.

3. Activity: Safe adventures

Not as risk-loving as the Youthful Characteristics, this group is looking for well-managed adventures like staying in a “farmhouse”, trying “Park activities” or taking a “surrounding tour”.

4. Destination: Staying nearby

While Family Trip travelers like to go abroad, “Singapore”, “Thailand”, some are just looking “inside China”.

5. Outbound travel: The whole journey

This group plans ahead (“bring children”), wants to know how to prepare (“traveling guideline”) and even has “return home” on their mind when searching.

#Multi-Generational Travelers

According to iAudience proprietary data, most popular keywords searched from the Family Trip travelers are highly related to family members, such as “baby”, “child”, “parents”, “family” and “whole family”. This indicates a growing trend of Chinese tourists traveling with their extended family, including members from 3 generations.

Many of these trips are instigated by young professionals who have relocated to first-tier cities or other countries for their careers. Multi-generational travel allows the whole family to reconnect by spending quality time together.

Often, this travel group will choose hotels which cater to Chinese tastes as the older generation are less likely to be satisfied with Western food daily. Hotels, too, can design packages for the multi-generational “6+1s” travelers, which includes two sets of grandparents, the parents and one young child.



#Mother-Led Trips

Not all family trips include all generations, or even all members of the family. Many Chinese family trips are now “mother-led” since school holidays do not align with national holidays allowing all family members to travel together. Mothers have higher travel intent to look for overseas education destination and prepare for early childhood education. The Target Group Index derived from iAudience data showed that females have higher preference on Family Trip. The keyword analysis also reflects that “parent-kid game”, “family education”, “study tour” and “safari” are some major activities that the parents are highly interested in.

According to travel site Jing Travel, though, mothers are not satisfied with the current selection of travel products. Most tour packages aren’t specifically geared toward families traveling with children, and more importantly, they don’t provide activities which Chinese parents view as beneficial to their children’s education.

Cassia is one agency which is working to improve the situation. The firm has recently designed tours for mothers and their children which include themes such as art, history, music, modern technology, nature and wildlife, and local festivals.

Source:
Chinese Travel Agencies Try to Be More ‘Family-Friendly’
<https://jingtravel.com/chinese-family-friendly-travel/>



#Cost Efficiency

Yet, the demand for bespoke travel packages does not mean that Family Trip tourists are willing to spend any amount to get what they want. Topics in which Family Trip travelers show interest include “cost” indicating a strong interest in a trip which will not break the family budget.

Moreover, recent research found that Chinese tourists are opting for budget-friendly destination closer to home. Ctrip reports that the four most popular overseas destinations for outbound Chinese tourists were Thailand, Japan, Indonesia and Singapore, all within a 7-hour flight of China. Australia, according to another report, was also on the list¹.

Tourists’ age group between 25 to 44 are attentive to personal finance planning. Since the young professionals need to support for children and parents at this life stage, they prefer high price-performance ratio trips.

Source:
Cost-conscious Chinese tourist staying closer to home for Lunar New Year
<https://www.reuters.com/article/us-lunar-newyear-china-travel/cost-conscious-chinese-tourists-staying-closer-to-home-for-lunar-new-year-idUSKCN1PP0SD>



5.2 New Package Tour: Sufficient Money, Sufficient Time

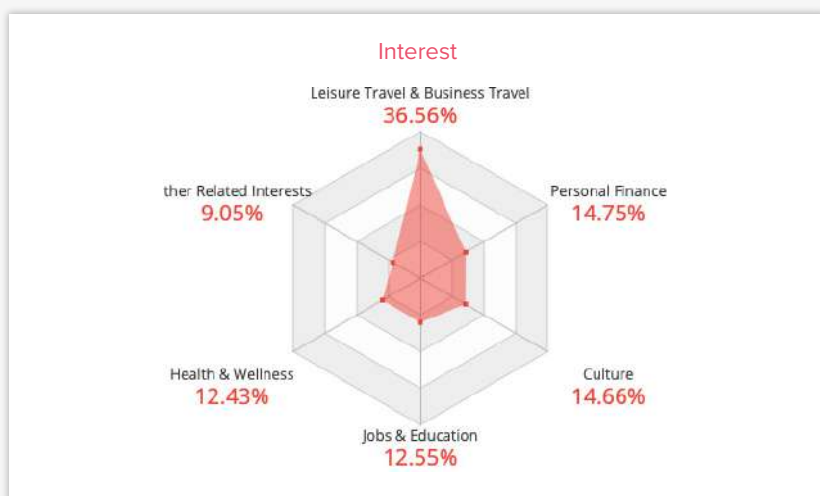
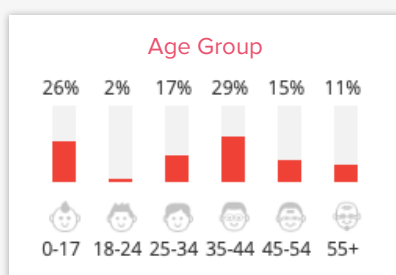
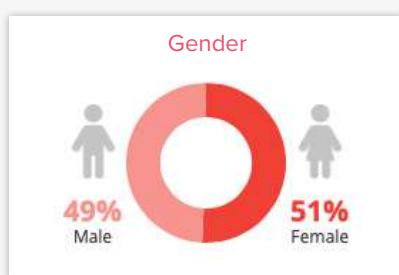
As Chinese tourists have become increasingly likely to travel abroad, a growing number of travelers, the New Package Tour travel consumers, are looking for more travel experiences than the standard package tour offers.

Some are looking for a more customizable, personalized

travel experience whereas others are seeking high-quality transport, accommodation and dining options. And it's not only the younger generation who are looking for more diverse travel options, seniors, too, are shopping for travel packages which suit their own, specific needs.

Audience Profile of The New Package Tour

Slight majority of Female aged 35-44, interested in Leisure Travel, Personal Finance and Culture.



Source:

 **iAudience**
powered by iClick



The Topics that the New Package Tour Travelers Pay Attention to

1. Shopping: Only the best

This group is always looking for the best in everything including their shopping. Keywords include “First Class”, “high quality”, and “fashion icon”.

2. Shopping: Exclusive

Quality isn't the only factor for this group. They also want to be exclusive, searching for “private”, “brand”, and “custom goods”.

3. Travel style: Letting loose

New package tours don't want to be held back. They search for ways to break out: “roaming”, “self-driving tour” and “free exercise”.

4. Destination: Asian resort

While New Package Tour travelers like to go abroad, “Singapore”, “Thailand”, some are just looking “inside China”.

5. Outbound travel: Agencies

This group is looking to go outbound via a known travel operator. “Caesars”, “Ctrip”, “Tuniu” are all on the New Package Tour's keyword list.

#Luxurious Customized Tour

Seeking a personalized and customized trip experience is becoming more popular among Chinese overseas travelers. In a recent report, Chinese research firm iResearch reported that the China's customized travel market has now exceeded US\$1 billion (RMB 6.8 billion) and is growing year-on-year.

Driving this growth is the Luxurious Customized Tour consumer who wants to be the first to see niche and unique places and shops for customized trip experiences.

Global consultancy McKinsey, in their report “Chinese Tourists: Dispelling the Myths”, state that this category of Chinese tourists is often willing to exceed their budgets while on holiday and seek the highest-quality and most private facilities wherever they go.

They are interested in simplicity when booking travel with topics such as “first-class”, “custom edition”, “deep tour”, “personalization”, and “jewellery” catching their attention online.



#Seniors Package Tour

The changes to the China travel market are not, however, only happening for the young and adventurous. As China's population ages, one of the fastest growing segments is the Senior Package Tour travelers.

According to family travel site - Lvmama, the number of senior tourists over the age of 60 increased by 50% in the past year and 70% of senior travel buyers chose package tours.

They are interested in simplicity when booking travel with topics such as "tourist routes", "tourist attractions", and "one-stop shop" catching their attention online.

#Special Occasion Package Tour

Demand is relatively high for special occasion tour such as wedding trips. There is an increasing trend for Chinese couples to arrange their wedding ceremonies in overseas destinations. Based on iAudience data, wedding-related keywords such as "wedding service", "wedding photos", "diamond" and "chaumet" rank top searches among the Chinese travelers. In addition, they have high interests in some of the hottest wedding destinations like Phuket, Bali and Koh Samui.



Youthful Characteristics: No Sufficient Money, But Sufficient Time

For the first time, the proportion of Chinese post-90s and post-00s exceeded post-80s, meaning that the typical Chinese traveler will increasingly have Youthful Characteristics.

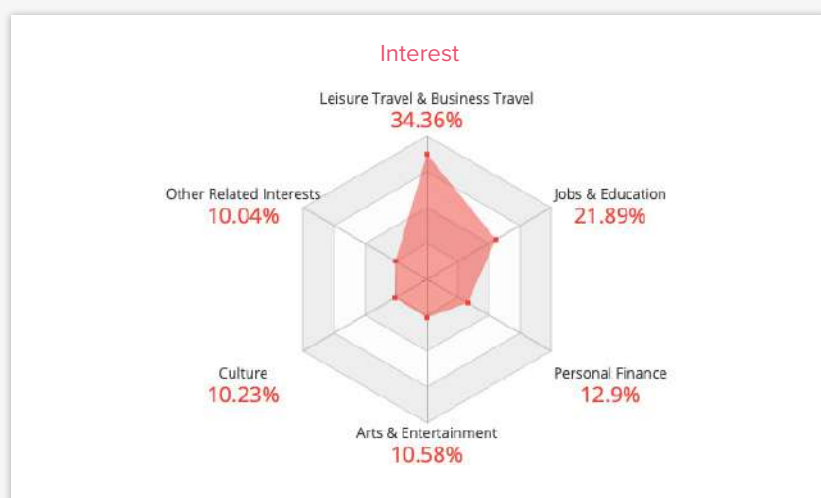
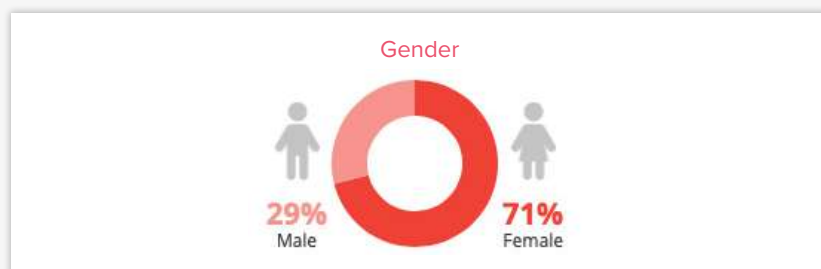
A Youthful Characteristic traveler will have the energy

and desire to explore, restricted only by their budgets.

Fortunately, their budget is sizeable. According to Travel Daily Media, many young Chinese are from “6 parent” families (parents and two sets of grandparents) in which they want their kid to see the world and fund their travel.

Audience Profile of The Youthful Characteristics Trip

Mostly Female aged 25-34, interested in Leisure Travel, Overseas Education and Personal Finance.



Source:

 **iAudience**
powered by iClick



The Topics that the Youth Characteristics Travelers Pay Attention to

1. Shopping – Looking for the genuine article

The searches reveal that Youthful Characteristics are looking for beauty and style, but the items must be “genuine”, too!

2. Travel style – Exploring

Keywords for this group reveal a strong interest in going off the beaten path. “Traveling by car”, “summer camp” and “new experience” are all keywords which reveal their innermost thoughts about an adventurous trip.

3. Destination: Local travels

Tight budgets for some may keep travel aspirations local for now.

4. Destination: Overseas bound

Unsatisfied with local fare, Youthful Characteristics often look for adventurous destinations, thousands of miles away from home: “Los Angeles”, “Australia”, “Europe”.

5. Outbound travel: Standard fare

While destinations are unusual, Youthful Characteristics also need the same amenities as everyone else: “hotels”, “tickets” and “visa”.

#Uniqueness

For a generation raised on creative media such as anime, comics and online games, the standard travel packages do not have the uniqueness the Youthful Characteristics desire.

According to McKinsey, in their report “Chinese Tourists: Dispelling the Myths”, only around 30% of Chinese Youthful Characteristics travelers (aged 25 to 34) choose packaged tours, far less than those aged 45 to 59, of whom half opt for more arranged travel. Instead, as we see from their online interests, Youthful Characteristics are looking to travel independently to exotic overseas destinations such as the Grand Canyon, New Zealand and Osaka¹.



Source:

1. Chinese tourists: Dispelling the myths
<https://www.mckinsey.com/~/media/mckinsey/industries/travel%20transport%20and%20logistics/our%20insights/huanying%20to%20the%20new%20chinese%20traveler/chinese-tourists-dispelling-the-myths.ashx>



#Social Traveling

Social media also plays a significant role in their travel decisions, too. Youngsters tend to rely on social media to get information, share their traveling experiences and travel with their good friends. A survey conducted at CITIE (China International Tourism Industry Expo) found that 62% Chinese travelers are influenced by KOLs and other social media posts when choosing destinations. And nearly all (96%) share their travel experiences on social media, inspiring the travel choices of the next cohort of Youthful Characteristics².

#In-depth

In addition to exotic destination, Youthful Characteristics travelers are also looking for more than the usual visits to iconic landmarks at their destinations.

Ctrip estimates that more than 1 million young Chinese travelers joined study tours in 2019, up 80% from 2018, and spent more than US\$4.5 billion. These tours are often a coordinated series of events such as outdoor experiences and ranch-life living and provide Youthful Characteristics travelers real-life learning experiences³.

Youthful Characteristic travelers are also eager to escape the crowd and explore on their own. Tuniu's Post-90s Tourism Consumption Report found that 70% of post-90 travelers want to interact with locals and nearly all sought out local markets and performances⁴.

Source:

2. Young Chinese Travelers Journey

<https://www.traveldailymedia.com/survey-result-young-chinese-travelers-journey/>

3. More Chinese Parents Opting for Overseas Study tours

<https://www.straitstimes.com/asia/east-asia/more-chinese-parents-opting-for-overseas-study-tours-says-ctrip>

4. Jing Travel: Post-'90s Chinese travellers want shareable vacations

<https://www.moodiedavittreport.com/jing-travel-post-90s-chinese-travellers-want-shareable-vacations/>

COVID-19 RESHAPES TRAVEL BEHAVIORS: TRAVEL DESTINATIONS GO “LIVE” STREAMING

Facing a sudden drop of income due to COVID-19 travel restrictions, many tourist sites have started to think creatively about how to replace lost revenue. One way some destinations are now trying has been called “live tourism”, which offers a livestream of tourist destinations which are, for the moment, out of reach of most travelers.

Museums, historical sites, and even scenic areas have partnered with platforms such as Douyin, Taobao and MaFengWo (MFW) to provide live tourism virtual destinations which both educate and inspire internet users to consider visiting once travel restrictions are lifted.

Live tourism¹ also satisfies people who are no longer satisfied with simply viewing pictures and reading posts about destinations. Instead, with live tourism, they have more genuine experiences of the destinations through guides or travel KOLs.

Travel industry marketers are advised to research live tourism to see how their product or service could be integrated with this exciting new online trend.

For Alibaba's cross-border e-commerce arm - Tmall Global, sales saw a dramatic increase of 43% YoY². The Tmall Global direct import business saw GMV grow by 199%. JD.com's cross border e-commerce segment JD International witnessed a year-on-year growth rate of 110%. Luxury products saw a surge of 400% in the first 60 minutes on June 18th, JD.com reported. Over 1000 new brands saw transactions grow by 150% during these 18 days.



Source:

1. China Tourism Live Streaming
<https://www.vfluencer.com/post/china-tourism-live-streaming>
2. China's 618 E-Commerce Festival Nearly Tops 1 Trillion RMB in Sales
<https://www.azoyagroup.com/blog/view/chinas-618-e-commerce-festival-nearly-tops-1-trillion-rmb-in-sales/>

IMPLICATIONS FOR MARKETERS

7.1 Be prepared for early travel planners

Our research has shown that China has three distinct travel shoppers, each of which has their own special requirements. Still, one thing that they have in common is that they prepare in advance.

According to Ipsos Research, Millennials are more spontaneous, as 36% of them plan a trip one month before, compared to 31% of non-Millennials. Still, the number of Chinese travelers who have made arrangements up to one month prior to departure increased by 5%.

The most important traveling periods are Chinese New Year and the country's national holidays, such as Labor Day.

Marketers are therefore encouraged to be prepared for inquiries months in advance of the trip and travel brands are advised to start running holiday-period promotions around one to two months before.

Moreover, by engaging with consumers while they are still in China, retail and hospitality brands may collect information on their audiences and use it to develop persuasive, memorable experiences on premises.



7.2 Win online clicks from online travel researchers

As noted previously, Chinese consumers are very active online shoppers and more than 3 out of 4 plan their trips using online resources including travel websites, official online tourism board channels and blogs.

Before they visit these sites, though, Chinese travelers will use search engines and social media as their first point of contact. Travel related content which ranks highly on search engines or catches a travel shopper's eye on social media will be more likely to get the clicks and shares that brands seek.

In this context, marketers should focus on creating web-based content which is well-formatted for search engines, as well as writing engaging posts which will enjoy viral reach on social media.

7.3 Booking travel online is the trend

Chinese travel shoppers are also increasingly booking their travel online, too. iResearch 2019 China's Online Outbound Travel Industry Report estimates that the China Online Outbound Travel Industry grew by over 20% each year since it started reporting figures in 2012, exceeding RMB 90 billion in 2019.

Online bookings, however, are made on a wide variety of digital channels. Ipsos reports that the most popular method for booking online travel is via a mobile website, with 44% of consumers preferring this method. Around 1 in 8 (13%) use online travel agency apps and slightly fewer (11%) prefer to use a desktop computer. Fewer than 1 in 20 (4%) choose to book at an offline store of a travel agency, Ipsos reports. Given the discouragement of unnecessary interactions, associated with the pandemic, this figure is expected to decrease even more.

Brands are, thus, advised to engage with Chinese consumers, throughout the year, using an omnichannel approach, that involves something of everything – offline channels, owned, direct-to-consumer platforms, such as websites and apps, Baidu search engines, as well as the audience's preferred social networks - WeChat, Xiaohongshu, Weibo, Douyin etc.



7.4 Attract online business from Chinese tourists while they are traveling

While abroad, Chinese tourists are often on their phones, a behavior that has set the foundation of independent traveling.

Consumer research firm Coresight reports that 98% of Chinese tourists rely on mobile devices while abroad. The practice enables them to communicate, socialize, navigate, discover local attractions, restaurants and take advantage of shopping discounts. This user behavior offers marketers additional opportunities to engage with Chinese consumers even while on their trips.

Marketers are also encouraged to assure that their facilities cater to the Chinese outbound tourists' needs. Indications that brands understand and value Chinese culture and norms will ensure that each destination, experience or service enjoys a share of the outbound traveler's wallet.



7.5 The social traveler

The Chinese travelers' use of digital channels does not stop at the end of their trip either. Chinese tourists are increasingly booking travel to exotic locations so that they can share their unique experiences on social media.

Tongcheng-ELong, a leading online travel service platform, found that nearly 2 out of 3 users had shared travel experiences online in the past year, mainly featuring local scenery and cuisine.

Destinations aiming to capitalize on this trend are advised to make Wi-Fi available to guests and to get a Chinese name for their business so that Chinese travelers can tag and share it - and inspire future Chinese outbound travelers to pay a visit¹.

Source:

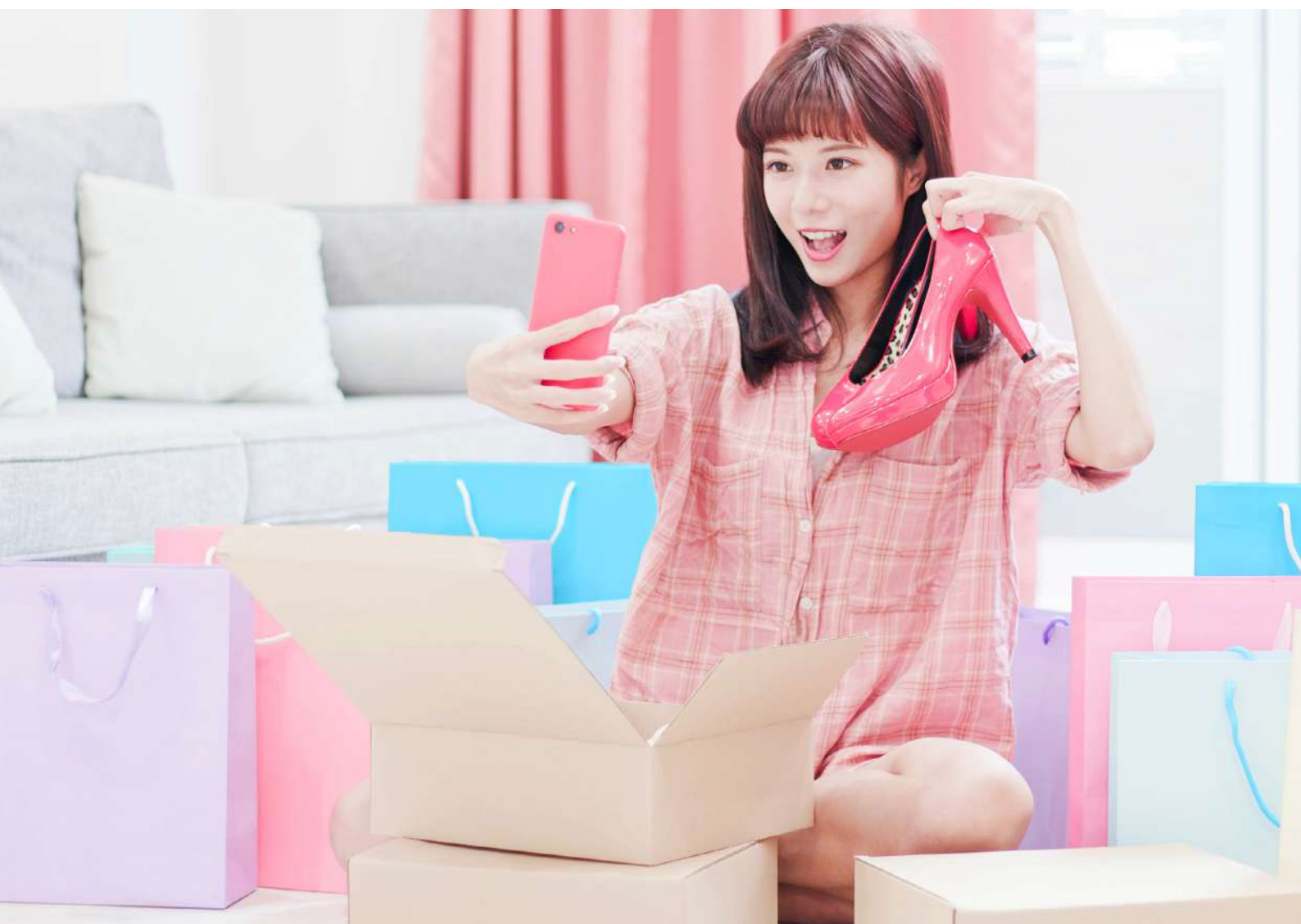
1. More Chinese share travel experiences online
http://www.xinhuanet.com/english/2019-05/25/c_138088485.htm

7.6 Live Ecommerce: Stay-at-home shopping based entertainment

Another source of entertainment for homebound Chinese consumers is virtually attending online shopping events, such as the recent “618” shopping festival which ran from June 1st to 18th, 2020.

Participants such as Austin Li Jiaqi and Viya Huang Wei who promoted specials from all the major marketplaces started livestreams via their websites as well as video platforms Douyin and Kuaishou. Alibaba reported that each of its 13 livestream rooms generated over RMB 100 million (US\$14.5 million) and the value of the sales grew 250% year-on-year. JD.com, Tmall and Alibaba all reported record figures for the event which may be an early indicator that the current economic malaise may finally be nearing its end.

Travel industry marketers seeking to take advantage of post-crisis consumer confidence should reach out to the marketplaces and platforms to discover livestreaming sponsorship opportunities for what they have to offer.



CASE STUDY

iClick x JIEDO (Japan International Economic Development Organization) to Boost Tourism in Southern Kansai, Japan

Background

8.38 million Chinese tourists visited Japan in 2018. Still, most travelers headed north, towards Kyoto, ignoring the southern part of Osaka. Although rich in cultural heritage and home of beautiful landmarks - such as the largest pre-Buddhist burial mound, in Sakai, famous for its knife and sword-making traditions, as well as Tennoji, one of the few Shinto shrines in Osaka that were not destroyed by bombing, in WWII, the southern part of Osaka has been less explored and that was mainly due to the train system, which is underdeveloped, compared to the north.

iClick Interactive collaborated with JIEDO (Japan International Economic Development Organization), to develop a campaign for the Osaka and Wakayama Prefectural Governments, with the intent of raising awareness and driving Chinese traveler visits to the southern part of Osaka.





Objectives

1. To help the prefectural governments of Osaka and Wakayama attract more Chinese tourists to the relatively less-traveled southern Kansai region
2. To position self-drive holidays and road trips as a fun way to approach the region

Challenges

The Chinese tourists who have entered Kansai to visit Japan went to the northern cities more often rather than the southern cities due to the transportation reason.



Strategy

iClick recommended a range of Chinese social media to engage with potential travelers, including content focused platforms such as RED (also known as “Xiaohongshu”), Weibo and Douyin, as well as platforms that are more travel-specific such as Ctrip. In addition, iClick then selected several online influencers (known in China as “Key Opinion Leaders” or “KOLs”) to promote travel in the region.

STEP 1

Identify the right social media channel enabling cross-platform seeding



STEP 2

Select the RIGHT KOLs to build storytelling



Tuan Zi E Fei

Popular China KOL

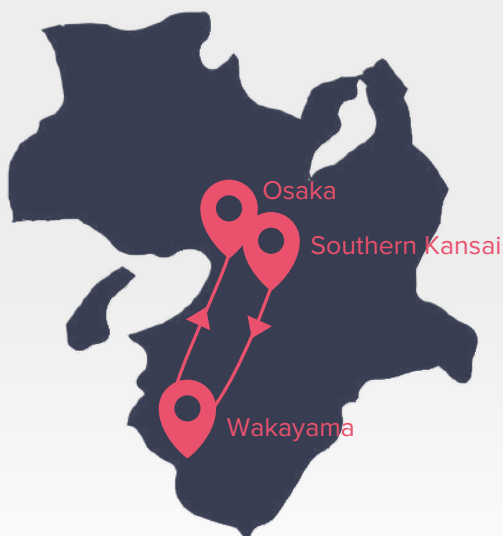


Tang Xuan

Popular China KOL

STEP 3

Develop a ready-to-use travel itinerary



STEP 4

Make use of video content

#日本旅行VLOG#

(京佐野神社酒店)



(今天我们去我们住的一家日式民宿)

淡岛神社



神庭道路 古木参天 苍翠欲滴

iClick worked with the influencers to create custom content based on JIEDO's requirements, including travel itineraries, a popular form of online travel content in China and video content, reflecting the fact that 80% of internet users in China stream videos on their smartphones. Holiday car rentals were also strategically promoted by the influencers due to the region's less developed transport links.

Results

The campaign lasted from January to February 2020 and was a strong success, achieving 197% of the guaranteed level of engagement in just two months. The campaign achieved a total of 49,845 engagements (defined as the combined number of likes, comments or shares), greatly surpassing the guaranteed number of engagements of 25,250 and attracting over 2 million views.

25,250

Guaranteed
Engagement KPI

49,845

Achieved
Engagement

197%

Completion
Rate

Tuan Zi E Fei

团子E菲

Social Media used



Social Media used



Tang Xuan

唐璇



iClick Interactive Asia Group Limited (NASDAQ: ICLK) is an independent online marketing and enterprise data solutions provider that connects worldwide marketers with audiences in China. Built on cutting-edge technologies, our proprietary platform possesses omni-channel marketing capabilities and fulfils various marketing objectives in a data-driven and automated manner, helping both international and domestic marketers reach their target audiences in China. Headquartered in Hong Kong, iClick was established in 2009 and is currently operating in ten locations worldwide including Asia and Europe.

Visit us at www.i-click.com

Sales contact: sales_hk@i-click.com



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The Moodie Davitt Report, founded by Martin Moodie, is published by independent UK company Moodie International, one of the world's most successful multi-media business-to-business publishers and event organisers.

The website was launched as The Moodie Report in March 2003 and quickly became established as an indispensable source of reliable and real-time business intelligence on the global travel retail sector. It now attracts over 500,000 page views a month.

The company also owns and organises (with Airports Council International) The Trinity Forum – the most influential airport commercial revenues conference – and The Airport Food & Beverage (FAB) Conference & Awards. In October 2020 it launched the Moodie Davitt Virtual Travel Retail Expo, the sector's first-ever virtual exhibition and conference.