Chinese International Travel Monitor 2014

Hotels.com

Introduction

This is the third edition of the Hotels.com™ Chinese International Travel Monitor (CITM) which examines in some detail the phenomenon of the huge growth in outbound tourism by mainland Chinese travellers and its impact on the global travel industry. It analyses research taken directly from both Chinese international travellers and hoteliers worldwide, combined with Hotels.com own proprietary data and other research.

For the travellers' survey, Hotels.com commissioned TNS, a world leader in market research, global market information and business analysis, to conduct a research study amongst Chinese residents in mainland China who had paid for accommodation on an international trip at least once in the past five years. The research was conducted online during April/May 2014 using an online methodology, with a sample of 3,000 eligible respondents across China. Minimum thresholds were set on key demographics such as age, gender and region to ensure a representative sample that would allow analysis of sub-groups. The questionnaire covered topics including, but not limited to, travel behaviour, booking methods and accommodation choices.

For the opinion of hoteliers, Hotels.com carried out a global survey of more than 3,000 Hotels.com hotel partners during May 2014. Responses were received from Argentina, Australia, Brazil, Canada, Colombia, Denmark, Finland, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Russia, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, the UK and the USA.

Figures on different aspects of spending, including prices paid for hotel rooms, are quoted in Chinese Renminbi (RMB) and their US dollar equivalent, with the relevant currency conversion date recorded in the footnotes.

Sydney Opera House, Sydney, Australia

Christ the Redeemer, Rio de Janeiro, Brazil

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Foreword

Welcome to the third Hotels.com Chinese International Travel Monitor (CITM), where we examine the impact of the accelerated growth in outbound tourism from mainland China and the response by the global hotel industry to this rapidly developing trend.

In the three years since we began producing this report, Chinese international tourism has truly become a hot topic and an accepted phenomenon in the travel industry. Many countries and businesses have woken up to the potential in this new market and are now competing amongst themselves to attract increasingly wealthy Chinese travellers to their shores. No-one wants to be left behind when it comes to this burgeoning group of travellers.

What is very apparent from this year's report is that the overall trajectory concerning Chinese international travellers continues apace, whether in terms of the aggregate numbers travelling outbound from China, the move to more independent travel, overall spending patterns or the increased use of the internet. The rising affluence of the growing middle class with higher disposable incomes, a move towards longer holidays in China, the upward trend in the numbers of repeat travellers, more relaxed visa conditions and improved local infrastructure are all dovetailing to expedite this growth.

For the first time since we researched this issue three years ago, more than half of the hoteliers surveyed say that they had seen an increase in the number of Chinese guests in the previous 12 months while 36 per cent of hoteliers believe that the influx of Chinese tourists is one of the factors that will have the most impact on their business in the next 12-24 months.

Technology has become another compelling factor as more and more Chinese travellers go online, particularly via mobile devices, to research and book their travel and then share their photos and experiences via social media.

There is also a growing confidence shown by these new travellers, particularly amongst the young. Hoteliers around the world report on the fact that their Chinese guests are more self-assured and worldly-wise, with improved linguistic skills, either in the local language or in English.

This is also confirmed by the fact that two-thirds of the Chinese consumers questioned say that they now prefer to travel independently and more than 60 per cent of hoteliers have seen a boost in the number of independent travellers in the last two years. This is a clear indication of the move away from the previous preference for group travel.

The forward momentum continues to gather pace but there are still some inhibitors to growth. Still one in four Chinese travellers cite visa issues as something that would definitely stop them visiting a destination. The lack of nonstop air services across the Pacific to Latin America is dampening the appeal of that continent for further exploration. In addition, the Chinese continue to rank safety as the number one factor when it comes to choosing a travel destination. Therefore places with political tensions can see a temporary decline in interest from the Chinese market.

This year's report is more in-depth than before and contains a wealth of information which we hope will prove useful to the travel industry, government officials, analysts, the media and, indeed, to the Chinese travel consumer. We welcome your thoughts and look forward to hearing from you.

Abhiram Chowdhry, Vice President and
Managing Director APAC
of the Hotels.com brand

1. Market overview

The figures surrounding the growth of the Chinese outbound market are impressive enough but, with a population of over 1.36 billion[1], no more than five per cent of whom have passports, the potential for future growth is extraordinary.

According to the Chinese National Bureau of Statistics report, per capita disposable income in China grew 10.9 percent in 2013, compared with 2012, to 18,311 RMB (US$2,993) in 2013. Amongst China's urban residents, disposable income rose 9.7 percent annually to 26,955 RMB (US$4,406) in 2013, compared with 8,896 RMB (US$1,454) in the rural population, recording a 12.4 per cent increase.[2]

In 2013, 97 million Chinese tourists travelled abroad, up 14 million on 2012, according to figures from the Tourism Administration of China, who also predict that this figure will pass the 100 million mark in 2014[3]. The number of Chinese outbound travellers in the first three months of 2014 was estimated by the Chinese Tourism Academy as 26.4 million, an increase of 17 per cent, compared with the same period in 2013.

In terms of spending overseas, China took over at the top of the list in 2012 and, in 2013, extended its lead, increasing expenditure by US$27 billion to a record US$129 billion, according to the UNWTO (the United Nations World Tourism Organisation), widening the gap between the United States in second place.

CITM research shows that online is a priority for Chinese travellers during all stages of their holiday, whether planning, booking or travelling. Internet penetration in China climbed to 45.8 percent at the end of last year from 42.1 percent in 2012. China ended the year with 618 million internet users with 500 million accessing it via a mobile device[4], according to the China Internet Network Information. More than 90 per cent of internet users reportedly have a social media account.

Infrastructure improvements are also contributing to the growth. According to the

Percentage of growth in the number of Chinese travellers, as reported by hoteliers

Chinese government's current five-year plan, the total number of airports in the country is due to expand from 175 in 2010 to 230 in 2015. Last year, Boeing supplied a record 143 aircraft to Chinese carriers, including 14 long-range 787 Dreamliners, while Airbus SAS delivered 133 planes, more than 20 per cent of its global deliveries[5]. International airlines also continue to add new services to the country.

In October 2013, the Chinese government introduced new group travel regulations for fairer trading between travel agencies and tourists, requiring increased transparency of the products included in the package price and prohibiting outbound package groups travelling on what the government considers unreasonably low prices. This has had the general effect of increasing the upfront cost of tour package prices, quite considerably in some cases, and has had an initial impact on sales but some industry leaders, such as the Changi Airport Group, have said that they do not expect the new travel regulations to have a lasting negative impact on the numbers travelling, particularly as the independent market is now so robust.

What hoteliers say

In the global hoteliers' survey, results show that the growth in the number of Chinese guests continued. More than half (53 per cent) of respondents say they have experienced an increase in Chinese guests to their property over last year, up from 45 per cent in 2013. At a regional level, increases are across the board. For APAC, this figure is much higher at 74 per cent (up from 61 per cent last year), with North America on 54 per cent (up from 47 per cent), Europe on 43 per cent (up from 36 per cent) and Latin America on 30 per cent (up from 27 per cent).

Thirty per cent say they have experienced growth of more than 10 per cent, up from 24 per cent in 2013, with this figure rising to 49 per cent in APAC, up from 35 per cent.

Hoteliers are still confident that this is a growing market. Globally, 35 per cent expect an increase of 1-10 per cent in the next three years, 30 per cent say 11-25 per cent, and a further 17 per cent believe it will be 26-50 per cent. In Europe, these equivalent figures are 44 per cent, 28 per cent and 12 per cent respectively. Asian hoteliers are the most bullish as 14 per cent predict growth of 51-100+ per cent.

Globally, 12 per cent of hoteliers say that Chinese travellers now account for as much as 6-10 per cent of their business. APAC takes the lead with 18 per cent, followed by North America on 16 per cent, Europe on eight per cent and Latin America on six per cent. For a further 54 per cent, the proportion is 1-5 per cent so, for two-thirds of the hoteliers globally, Chinese travellers now account for up to 10 per cent of their business.

51%-75%	76%-100%	More than 100%
3%	1%	2%

1 Source: National Bureau of Statistics of China Population Clock
2 Source: http://www.shanghaidaily.com/business/economy/Per-capita-income-grows-81-in-2013/shdaily.shtml
3 Source: http://www.chinadaily.com.cn/china/2014-01/09/content_17224806.htm
4 Source: http://thenextweb.com/asia/2014/01/16/chinas-internet-population-numbered-618m-end-2013-81-connecting-via-mobile/
5 Source: http://europe.chinadaily.com.cn/business/2014-01/23/content_17253858.htm

2. Profile of the Chinese traveller

This chapter examines the profile of the average Chinese traveller by looking at the reasons for their international travel, the length of their trip, whether they prefer to travel independently or as part of an organised group, their preferred travel companions, the most popular travel times and how much they spend.

On average, Chinese international travellers are taking more trips abroad now than ever before. The figure for 2014 is 4.67 times in the past five years, compared with 3.53 trips in 2013.

The CITM shows that China's international travellers are still amongst the wealthier of China's citizens with an average annual household income of 245,729 RMB (US$39,784[6]), compared with the Chinese population average of 49,920 RMB (US$8,082[7]) in 2013. However, 21 per cent of these travellers have a household income of less than 100,000 RMB (US$16,190[6]) per year.

Chinese travellers do spend considerable amounts when travelling abroad. Fifteen per cent say that their average daily spend, excluding accommodation, is more than 10,000 RMB (US$1,619[6]), with two per cent of these spending more than 50,000 RMB (US$8,095[6]). At the lower end of the scale, 36 per cent of travellers questioned spend between 500 RMB and 2,000 RMB (US$81-US$324[6]) a day with a further 28 per cent using between 2,001 RMB and 5,000 RMB (US$324-US$810[6]) daily.

The mean average spend per day when travelling abroad, excluding accommodation, is 6,707 RMB (US$1,086[6]).

Reasons for travelling abroad

Reasons for travel

Nearly all of China's international travellers have been abroad for leisure reasons (97 per cent), while half (49 per cent) have visited other countries for business or education purposes. As stated earlier, they are also travelling more frequently as the average number of trips taken has risen for both business and leisure. While leisure travellers tend to take trips abroad more frequently than business trips (an average 4.67 leisure trips in the past five years compared to 4.07 for business), the gap between the two has closed.

Hoteliers report that, in general, 22 per cent of their Chinese guests combine business and leisure, two percentage points higher than 12 months ago. This figure rises to 30 per cent amongst North American hotels, up from 24 per cent, and drops to 17 per cent in APAC.

Length of stay

Chinese travellers say that they typically spend between one to two weeks (51 per cent) away when travelling internationally. Trips to see friends and relatives or for education reasons are the longest in length (1.6 weeks on average), while leisure trips are generally shorter (1.4 weeks on average). Under a strategic tourism plan launched in 2013, the Chinese government is encouraging more of its citizens to take holidays by reinforcing existing regulations covering paid leave which could impact how long travellers are able to stay away in future.

Hoteliers report that Chinese guests tend to stay between 2-3 nights (58 per cent) with a further 28 per cent staying one night and just 11 per cent prolonging their visit to 4-6 nights, showing that Chinese travellers do visit more than one destination during their trips abroad.

6 Exchange rate taken on 25th April 2014
7 Exchange rate taken on 26th May, 2013

Travelling companions

Travelling with a partner and children (54 per cent) or other family members (46 per cent) remain the most popular options amongst Chinese international travellers, with friends (45 per cent) in third place.

Eighteen per cent of hoteliers report that they had seen an increase in the number of Chinese travellers staying in their properties with family members and 17 per cent with friends while another 14 per cent state that both business travellers and those travelling without children are also on the increase.

Independent or group?

In a trend first identified in the CITM in 2012, a growing number of Chinese international travellers (67 per cent –v– 62 per cent in 2013) say that they prefer to make their own travel arrangements when travelling abroad, rather than joining an organised group, a growth of five percentage points over 2013.

This development is reflected by hoteliers who say that 71 per cent of their Chinese guests now travel independently, up one percentage point on last year. However, there is a marked geographical split with hoteliers in APAC reporting this figure as 77 per cent, with 75 per cent in Latin America, 72 per cent in North America and 65 per cent in Europe.

Travelling companions

Partner / Spouse with Children

54%

Family members

46%

When to travel

Hoteliers report that the busiest times for Chinese guests in their properties are in February at the time of the Spring Festival (Chinese New Year) and around the Labour Day holiday in May. Other popular months are April and July.

Friends

45%

Partner / Spouse without Children

26%

Alone

16%

3. Booking trends

This chapter examines how Chinese international travellers research their trip and the channels they use to book their travel.

Research methods

When travelling abroad, Chinese travellers like to conduct thorough research about how and where to choose a holiday destination, consulting almost five sources of information to help make their decision compared with four in 2013.

Travel guide books, friends and online travel websites are still the most popular sources of information when making decisions, although there is some evidence that these sources are being used slightly less in favour of sources such as social media: friends are down eight percentage points to 52 per cent compared to 2013, while social media climbed by six percentage points to 33 per cent, rising to 42 per cent for the under-35s.

When looking at the sources that Chinese travellers rely on most to make decisions, ultimately, personal interaction with family and friends coming out on top, chosen by 27 per cent of respondents, with online review sites such as daodao.com, the Chinese version of TripAdvisor, proving their worth, taking 16 per cent of the vote. Similar to 2013, one in ten pick travel agents as their most trustworthy source (10 per cent), the same percentage that choose travel guides.

Booking channels

According to the latest figures from the China Internet Network Information Center, China now boasts more than 618 million internet users, more than 80 per cent of whom access the web via their mobile device[8].

This trend is reflected in the responses from the Chinese international travellers, more than half of whom (53 per cent) are now booking their hotel accommodation either on the web or via mobile apps, either directly with the hotel or via an online travel company. The percentage of those using mobile apps has risen from six per cent in 2013 to 17 per cent in 2014, with younger people aged under-35 most likely to choose this method (22 per cent vs. 14 per cent of those aged over 35) as well as 20 per cent of those favouring making their own travel arrangements.

Moving in the other direction, the number booking through a travel agent has fallen slightly from 36 per cent last year to 34 per cent this year, with older travellers twice as likely to book through a travel agent (40 per cent for 35+, moving to 56 per cent for 55+, vs. 20 per cent for under-35s). Those using the hotel telephone tumbled from 19 per cent to 12 per cent.

Sources of information that Chinese travellers use and rely on most when researching international travel

Use	Source	Rely on
53%	Travel guides	10%
52%	Friends	14%
48%	Online accommodation / travel websites	13%
47%	Travel agents	10%
47%	Online review sites	16%
42%	Family	13%
39%	Travel Magazines / Brochures	4%
33%	Social media	5%
31%	Promotions / Deals	7%
30%	Mobile app searches	5%
22%	Online blogs	2%
16%	Loyalty scheme	2%

8 Source: http://thenextweb.com/asia/2014/01/16/chinas-internet-population-numbered-618m-end-2013-81-connecting-via-mobile/

4. Accommodation choices

This chapter examines the style of accommodation preferred by Chinese travellers and the factors that drive that decision.

Hotel types

Hotels remain the most popular type of accommodation amongst Chinese travellers, having increased in popularity since last year (from 74 per cent to 84 per cent choosing this as their preferred option). More than half (57 per cent) are likely to book 3 or 4-star hotels when they travel abroad with a further 17 per cent electing for a 5-star property and seven per cent preferring all-inclusive resorts.

Two-fifths (43 per cent) of Chinese international travellers prefer to book hotels with an independent local flavour, although this response has decreased nine percentage points since 2013, while international chain hotels have increased in popularity (39 per cent vs. 27 per cent in 2013).

Only 11 per cent prefer to stay in a Chinese-style hotel, down from 15 per cent in 2013, yet further confirmation of the growing confidence and independence of Chinese travellers. There is also a gender bias here with 13 per cent of men choosing this option against nine per cent of women and a marked age difference with 20 per cent of the over-55s preferring the more familiar option.

Similar to last year, on the whole, Chinese travellers are still fairly tolerant when it comes to hotels that might not cater specifically for Chinese needs with nearly two-thirds saying they would consider them if necessary (63 per cent vs. 64 per cent in 2013). Younger travellers (23-29 age group) are more likely to consider this type of hotel (71 per cent vs. 63 per cent total). However, overall 19 per cent say they would only book accommodation that provided services expressly for travellers like them.

Pullman Bangkok King Power Hotel, Bangkok, Thailand

Factors driving decision

A hotel's star-rating, comfort and facilities mainly drive the booking decision, with 30 per cent choosing this as the most important factor, up from 26 per cent in 2013. Its brand or reputation are next on 18 per cent, up from 15 per cent in 2013. Price is again less of an issue (10 per cent in both surveys).

Accommodation booked most frequently by Chinese travellers when travelling internationally

- 29% 3-star hotels
- 28% 4-star hotels
- 17% 5-star hotels
- 7% All-inclusive resorts
- 6% Bed & breakfast
- 5% Hostels and backpackers
- 5% Serviced apartments
- 3% 1/2-star hotels
- 1% Motels

5. Hotel hotspots

This chapter examines the hotel facilities that are most important to Chinese travellers and where they spend the most money. It also takes a look in more detail at the attitude of Chinese travellers to the popular topic of food and drink while on the move.

The provision of food is the most important amenity provided by a hotel, whether in the form of room service (57 per cent) or an on-site restaurant (55 per cent). The business centre comes some way behind on 25 per cent. The figures for shopping again underline how important this activity is to this group with 18 per cent voting for the hotel's own stores.

Although participating in sport does not rate highly in general while away from home, some Chinese travellers certainly take advantage of the hotel's exercise facilities with 17 per cent voting for the swimming pool and 16 per cent for the gym.

The bar and casino are the least important areas, only chosen by eight per cent of respondents, although for the former there is a bias amongst Chinese men (10 per cent) vs. the women (six per cent).

Matching these findings, Chinese travellers spend the most money in the hotel restaurant (50 per cent) and on room service (21 per cent) while the hotel bar and spa are less financially significant on just seven per cent each.

Hoteliers also support these findings with 63 per cent acknowledging that Chinese travellers spend most in the hotel restaurant and on room service (21 per cent). However, when it comes to drinking, their perception is that the hotel bar and minibar feature higher up the list with 39 per cent for the former and 24 per cent for the latter.

However, 71 per cent of hoteliers admit that Chinese travellers tend not to leave a tip when using a hotel's facilities.

Accor Hotels Sydney Olympic Hotel

Food and drink

Bringing together some of the results for food-related questions, there is a very clear indication of the importance of this area for Chinese travellers, shown by the fact that an astonishing 95 per cent of respondents say that they have a meal at the hotel restaurant on their trip. Both travellers and hoteliers alike agree that this is where most money is spent.

Seventy-three per cent rate the provision of Chinese-specific food-related items as among the most important services provided by a hotel, with 37 per cent voting for Chinese room service options and 33 per cent for Chinese breakfast.

Despite this, there is still the desire amongst Chinese travellers to experience local cuisine. The main reason given for eating outside the hotel is the desire to experience the food of their destination more closely. Dining is also given as the second most important activity by Chinese travellers when abroad, particularly amongst the under-35 age group.

Cuisine in general forms part of the decision-making process as to which destination to choose for 29 per cent of respondents. It is more important amongst female travellers (32 per cent) rather than men (27 per cent) as well as independent (33 per cent) compared with organised group (21 per cent) travellers.

Hotel amenities most important to Chinese travellers

6. Service tips

This chapter examines the products and services that the hotels have introduced or adapted for Chinese travellers, how these initiatives are perceived by their guests, where improvements can still be made and the level of investment hotels have made in this area.

Travellers say…

Chinese travellers are fairly open-minded when it comes to hotels that might not cater specifically for Chinese needs with nearly two thirds saying they would consider them, if necessary (63 per cent), particularly those in the 23-29 age group (71 per cent). However, they do have very decided views on the products and services that are important to them and which of these needs to improve.

Language-related products and services, such as in-house Mandarin-speaking staff and translated travel and tourism guides, again rank as the most important amenities for Chinese travellers in international hotels (85 per cent in 2014, compared with 86 per cent in 2013) and is also the area most in need of improvement, moving even higher than last year (80 per cent in 2014 vs. 75 per cent in 2013). Set against this, nearly 20 per cent of hoteliers feel that Chinese travellers have improved their linguistic skills over the last five years, either in English or in the local language.

Highlighting again the importance of nourishment to Chinese travellers, 73 per cent voted for food and drink-related items as one of their priorities, with Chinese room service options (37 per cent) and Chinese breakfast (33 per cent) receiving the most votes.

Free Wi-Fi moved up to join Chinese payment methods at the top of the list of most important individual products and services, both chosen by 59 per cent of travellers, with in-house Mandarin-speaking staff in third place, selected by 50 per cent. This last service is also the area with the most room for improvement, in the same position as 2013 but with a drop of three percentage points.

Older Chinese travellers aged 55+ are more likely to choose in-house Mandarin-speaking staff (61 per cent vs. 50 per cent), Chinese TV programmes (47 per cent vs. 36 per cent), in-room kettle (34 per cent vs. 21 per cent), free Wi-Fi (71 per cent vs. 59 per cent) and slippers (20 per cent vs.15 per cent) as most important. The only facility that they pick less often as important is on-site shops selling luxury goods (six per cent vs.12 per cent in 2013).

Top 10 Chinese-specific products or services that are most important on an international trip

Most Important	Services / Products	Needs improvement
59%	Free Wi-Fi	19%
59%	China Union Pay / Alipay	27%
50%	In-house Mandarin-speaking staff	39%
48%	Translated travel/tourism guides	29%
38%	Hotel website in Mandarin	24%
37%	Chinese room service options	27%
36%	Chinese TV programmes	26%
33%	Chinese breakfast	23%
27%	Translated welcome materials	20%
25%	Chinese newspapers/magazines	18%

Hoteliers' response…

On the whole, hoteliers have recognised and are responding well to the needs of their Chinese guests in many areas. For instance, more than two-thirds (70 per cent) already offer free Wi-Fi, the number one service requested.

There is some discrepancy between what the Chinese travellers say is important to them and what they request from hoteliers. Thirty-nine per cent of travellers say that the provision of in-house Mandarin-speaking staff need improvement but the topic was only raised with 15 per cent of hotels. Nine per cent of hotels already have employees with this language facility and another 11 per cent plan on adding this service in the next 12 months.

Travel and tourism guides are mentioned by 48 per cent of Chinese travellers surveyed but only 17 per cent requested this from their hotel. Ten per cent already supply them with a further 14 per cent intending to provide them over the next year. The same is true with Chinese TV programmes, cited by 36 per cent of consumers but only 17 per cent of hoteliers.

Elsewhere, 23 per cent of hoteliers find that smoking rooms are requested and a quarter of hotels offer this option. On the topic of the all-important language provision, eleven per cent already localise their hotel website in Mandarin and a further 16 per cent plan to do so over the next year. Fifteen per cent are currently providing Chinese TV programmes with a further 12 per cent introducing them over the next 12 months.

One in five hoteliers (20 per cent) say that they offer specific room or floor number requests for their Chinese guests. For instance, eight is seen as a lucky number as the word sounds similar to "prosper" or "wealth". On the other hand, four is considered unlucky, as its pronunciation resembles "death".

Many hoteliers are taking an active role in promoting their hotel to the Chinese market. Twenty-three per cent have dedicated marketing programmes targeting Chinese travellers, 20 per cent have expanded their social media channels to reach this market and 19 per cent offer cultural awareness training for staff.

Investment levels

Globally, 50 per cent of hotels state that they have invested up to US$10,000 in developing programmes and products catering specifically to the Chinese guest over the past 12 months, down from 57 per cent in 2013. North American hoteliers are ahead of their counterparts in the rest of the world with 58 per cent investing up to this level, followed by 52 per cent in APAC, 47 per cent in Europe and 37 per cent in Latin America.

Despite the increasing growth of this market, across the regions only a small portion of hoteliers (four per cent) have invested between US$10,000 and US$50,000 in developing programmes or products specifically for the Chinese market in the past 12 months. However, the picture could be more positive than this as 46 per cent of hoteliers chose not to disclose the sums involved.

Top five Chinese-specific products or services that are most requested by Chinese travellers on an international trip

Most requested

Free Wi-Fi	71%
Kettle	26%
Smoking room	23%
Chinese TV programmes	17%
Translated travel/ tourism guides	17%

Already offer

Free Wi-Fi	70%
Kettle	41%
Slippers	29%
Smoking room	25%
Specific room or floor number requests	20%

Plan to offer

Hotel website in Mandarin	Translated travel/tourism guides	Translated welcome materials	Chinese tea	Chinese TV programmes
16%	14%	14%	12%	12%

7. Where to go

This chapter examines where Chinese travellers say they would most like to visit in the next twelve months in comparison with the destinations they visited in 2013, which countries they consider the most welcoming and which destinations they are currently searching for on the Hotels.com Chinese site.

A growing number of travel options are opening up for Chinese international travellers. Rising incomes, the increased confidence to travel independently and try out new destinations, easier research and booking options with the growth of the internet, the relaxation of visa regulations in many markets and more low cost airlines launching more routes are all driving this trend. Greater flexibility is already leading to more freedom of choice, prompting a likely change in travel habits and the destinations visited.

There is a far greater appetite to see the new rather than returning to former favourites. Ninety-five per cent of Chinese international travellers say they are more interested in visiting different international destinations rather than returning to places they have enjoyed in the past, with little variation by age, interests or trip purpose.

The wish list

Once again, European destinations are the most popular amongst Chinese travellers in terms of places they wish to visit in the next 12 months with 75 per cent of responses. In the Top 10, France and Switzerland keep hold of their second and fifth places respectively, with the UK in seventh, up two places from 2013 and Germany entering the chart in tenth place.

More than one in two respondents (55 per cent, up three percentage points on 2013) named Australasia in their wish list with both Australia and New Zealand maintaining their positions at first and third in the chart. Older travellers are more likely to choose Australia (56 per cent for 35+ vs. 51 per cent for under-35s).

Asia is next with 53 per cent of the vote, although only Singapore in eighth place, down from sixth, and Hong Kong in ninth, down from seventh, make the Top 10. The continent is slightly more popular amongst younger travellers (61 per cent for the under-35s vs. 50 per cent for 35+).

North America is also a popular choice with 42 per cent of respondents, up from 37 per cent last year, placing the USA once again in fourth place and Canada rising four places to sixth.

Although Latin America only received votes from 19 per cent of travellers, this is six percentage points higher than 12 months ago, so the region is the fastest-growing area of interest.

The reality

According to the number of room nights booked on the Hotels.com Chinese website in 2013, the first four places saw no change over 2012 with the USA, Hong Kong, Thailand and Japan all maintaining their positions.

Statue of Liberty, New York, USA

As more and more Chinese travellers journeyed further afield, Europe became a more popular choice during the year with the next three slots occupied by France climbing up five places, the UK as a new entrant and Italy up one.

Three other Asian countries completed the Top 10 with South Korea slipping one to eighth place, Taiwan entering the chart in ninth and Malaysia dropping four places to tenth.

Top 10 destinations Chinese travellers would like to travel to compared with the destinations they actually travelled to

RANK	WISHLIST	REALITY
1	AUSTRALIA	USA
2	FRANCE	HONG KONG
3	NEW ZEALAND	THAILAND
4	USA	JAPAN
5	SWITZERLAND	FRANCE
6	CANADA	UK
7	UK	ITALY
8	SINGAPORE	SOUTH KOREA
9	HONG KONG	TAIWAN
10	GERMANY	MALAYSIA

Most welcoming

When asked which countries Chinese travellers think are most welcoming to them, Australia, the country that also heads the wish list, came out on top with an impressive 39 per cent of respondents, with Singapore (29 per cent) in second place and three countries tying for third on 28 per cent: France, New Zealand and South Korea.

Asia, with four entries in the Top 10, and Europe, with three, emerged as the continents Chinese travellers consider are most welcoming to them (62 per cent each) with Australasia on 49 per cent and North America some way behind on 37 per cent.

Top 10 countries deemed most welcoming to Chinese travellers

2014 trends

Looking ahead, Hong Kong is at the top of the list of destinations searched for on the Hotels.com Chinese website during the first five months of 2014, with a further five Asian destinations occupying the next five places and a further seven elsewhere in the table. These are primarily the major capitals of the region but three holiday hotspots are also featured: Phuket in eleventh place, Chiang Mai in sixteenth and Boracay Island taking the final spot.

The highest ranked city outside Asia is New York in seventh place and there are three other US cities: Las Vegas in tenth, Los Angeles in twelfth and San Francisco in seventeenth. Paris in ninth place is the most popular European choice with London the only other destination from the region in thirteenth.

Dubai, the city where Chinese travellers paid the most on average for hotel rooms in 2013, is in nineteenth place.

Top overseas destinations by number of searches during Jan-May 2014 on the Hotels.com Chinese website

Rank	Destination
1	Hong Kong
2	Taipei
3	Seoul
4	Singapore
5	Bangkok
6	Tokyo
7	New York
8	Macau
9	Paris
10	Las Vegas

Rank	Destination
11	Phuket
12	Los Angeles
13	London
14	Osaka
15	Kuala Lumpur
16	Chiang Mai
17	San Francisco
18	Kyoto
19	Dubai
20	Boracay Island

8. How to choose

This chapter examines the factors that help Chinese travellers decide where to go and what would stop them travelling altogether to a particular spot.

A wide range of factors are taken into account by Chinese travellers when making a decision about where to go abroad, from personal security, value-for-money and local events to cleanliness, the ease of the visa application process and the weather. Several of these are critical enough to deter many travellers from visiting.

Safety is the primary concern and a growing one chosen by just under half the respondents (48 per cent, up five percentage points from 2013), while almost three out of five (59 per cent) say that anxieties over safety would put them off booking altogether. Forty-six per cent also say the political situation would also be a deterrent to travelling. Political tensions, most recently with Malaysia over the missing Malaysian Airlines aircraft but also in other areas, can cause a switch of allegiance over where to go, whether for the medium or long-term remains to be seen.

The availability of historical and heritages sites is again the second most important consideration when deciding where to visit (37 per cent), followed by the cuisine (29 per cent).

Chinese travellers show themselves to be slightly less cost-conscious this year with 26 per cent listing value-for-money as one of the top decision-making factors, compared with 30 per cent in 2013. Shopping is also gaining ground at 23 per cent, up six percentage points from last year.

As more and more countries improve their visa application process for Chinese travellers, the ease of applying for a visa has fallen slightly in importance (16 per cent in 2014 vs. 19 per cent in 2013) but a quarter of respondents (25 per cent) say that this is still an issue that would stop them visiting a particular destination.

Older travellers are more likely to be concerned with safety (51 per cent for 35+ vs. 40 per cent for under-35s) and are more interested in historical/heritage sites (39 per cent vs. 32 per cent respectively), and value-for-money (27 per cent vs. 23 per cent respectively).

Younger travellers are more inclined to say that cuisine of the destination is an important factor (36 per cent for under-35s vs. 26 per cent for 35+), as is shopping (27 per cent vs. 22 per cent) and local seasonal/festive events (13 per cent vs. 11 per cent).

Of least importance to Chinese travellers are issues such as the medical facilities (two per cent, the currency exchange rate (three per cent) and the nightlife (three per cent).

Unfortunately, outside the remit of governments and the travel industry alike, the climate and/or weather played a key role in the minds of 23 per cent of respondents who say that whether a destination is too hot/too cold or too wet/too dry is enough to prevent them visiting.

Most important factors when choosing the next international holiday destination

48%
Safety

37%
Historical and heritage sites

29%
Cuisine

26%
Value-for-money

23%
Shopping

17%
Reputation

16%
Ease of visa application process

16%
Climate/weather

15%
Quality of accommodation available

12%
Local seasonal/ festive events

12%
Political situation

9%
Cleanliness

8%
Bad public transport system

9. Spending power

This chapter examines where Chinese travellers pay the most for their hotel rooms while travelling abroad and the countries where they have become the top spending nation on accommodation.

Where Chinese travellers pay the most

This section looks at the average prices paid per night by Chinese travellers for their hotel accommodation on the Hotels.com Chinese website during 2013, according to the Hotels.com Hotel Price Index™ for that period.

Dubai, with its high occupancy levels and range of upmarket hotels, occupied the top of the table on an average 1,862 RMB for the year, followed by two US favourites not far behind: Honolulu on 1,812 RMB and New York on 1,713 RMB.

Prices paid in Europe are farther back with the highest average of 1,555 RMB recorded in Zurich, followed by London on 1,535 RMB and Paris on 1,479 RMB.

The highest placed Asian destination is Singapore on 1,437 RMB with the popular Thai holiday island of Koh Samui on 1,391 RMB.

Top 10 average hotel prices paid in 2013

Where the Chinese are top spenders

According to the Hotels.com Hotel Price Index for the full year 2013, Chinese international travellers were the top spenders for hotel accommodation in four countries – Australia, Japan, Netherlands and New Zealand, up from just one in 2012.

Overall, Chinese international travellers were the seventh highest spending nationality on hotel rooms when travelling abroad in 2013 with an average rate of 1,031 RMB (US$168[9]) per room night.

Countries where Chinese travellers were amongst the Top 10 biggest spenders on hotel accommodation

Country	2013
Australia	1st
Japan	1st
Netherlands	1st
New Zealand	1st
France	2nd
Germany	3rd
Thailand	3rd
Sweden	5th
Singapore	6th
South Korea	6th
Switzerland	6th
Canada	7th
Taiwan	8th
UK	8th
Italy	9th
Denmark	10th
India	10th

Tokyo Tower, Japan

9 Exchange rates applied at the time of booking

10. What to do

This chapter examines the types of activities away from the hotel that are most popular amongst Chinese travellers and on which of these they spend the most money.

Most popular activities

When travelling abroad, Chinese travellers say that sightseeing (73 per cent), dining (64 per cent) and shopping (56 per cent) remain the most popular activities, with the latter adding five percentage points from 2013. Older travellers (aged 35+) tend to show a higher level of interest in more traditional holiday pursuits such as sightseeing (74 per cent), visiting beaches (38 per cent) and museums, galleries etc (22 per cent). They are also twice as likely as younger travellers to want to go on organised tours (14 per cent vs. 7 per cent).

Younger travellers (under-35s) are more interested in urban pastimes such as dining (69 per cent), shopping (61 per cent) and going to see shows/concerts (10 per cent).

Taking part in sport and gambling both dropped two percentage points to three per cent each in 2014, compared with 2013, staying the least popular pastimes, in spite of the high number of travellers who visit Macau for this purpose.

Spending habits

By far the most money is spent by Chinese travellers on shopping (52 per cent) with sightseeing (18 per cent) and dining (14 per cent) some way behind in second and third place. There are some variations between different types of travel: business travellers are more likely to spend more on shopping (61 per cent), accompanied by a notably higher spend per day (9,159 RMB/US$1,483 vs. 6,707 RMB/US$1,086[10] for all travellers).

Christ the Redeemer, Rio de Janeiro, Brazil

Most popular activities for Chinese tourists

Most popular activities for Chinese travellers when travelling internationally	Activities where Chinese travellers spend the most money
Sightseeing **73%**	**18%** Sightseeing
Dining **64%**	**14%** Dining
Shopping **56%**	**52%** Shopping
Visiting beaches **36%**	**3%** Visiting beaches
Museums & galleries **20%**	**2%** Museums & galleries
Countryside/Rural pursuits **17%**	**2%** Countryside/Rural pursuits
Organised tours **12%**	**6%** Organised tours
Arts & culture **7%**	**2%** Arts & culture
Taking part in sport **3%**	**1%** Taking part in sport
Gambling **3%**	**2%** Gambling

10 Exchange rate taken on 25th April 2014

11. The online bias

This chapter brings together some earlier insights in the report on the importance of the internet for Chinese international travellers, together with some new data on the trend for sharing details of their trip more publicly.

With more than 618 million internet users in the country[11], Chinese travellers use many online sources throughout the travel process before they travel to research and book the trip, while they are at their hotel and to share photos and experiences with family and friends, either during the journey or on their return.

Before they go, they use a range of online sources when they are deciding on their holiday destination, such as online accommodation/travel websites (48 per cent) and online review sites (47 per cent).

Over a third use online booking methods to reserve accommodation (36 per cent), while nearly a fifth book through mobile apps (17 per cent).

As described earlier, the availability of free Wi-Fi is a very important hotel facility for Chinese travellers with over half (59 per cent) rating it as important and one in five saying it is something that needs improvement (19 per cent).

Ninety-one per cent of Chinese internet users reportedly have a social media account[12]. Many Chinese travellers now share their photos and experiences on social media during and after an international trip (84 per cent total), rising to more than nine out of 10 among younger travellers aged under-35 (93 per cent), although it is also popular with older travellers (81 per cent).

Method of sharing photos and experiences during or after an international trip

Nearly a third (31 per cent) of those aged 35 and under also share their photos/experiences on travel review sites.
Older travellers are more likely to use email to send messages/pictures (31 per cent for 35+ vs. 23 per cent for under-35) and they are more inclined to show people conventional printout photos in person compared to younger travellers (17 per cent for 35+ vs. 14 per cent for under-35).

Travellers who prefer to make their own travel arrangements lean more towards social media (88 per cent vs. 77 per cent) and travel review sites (32 per cent vs. 20 per cent) for sharing, compared to those preferring to travel in organised tour groups.

Those travelling in organised tour groups on the other hand are more prone to showing friends and relatives conventional printout photos compared to independent travellers (19 per cent vs. 15 per cent).
Those using mobile apps to book their accommodation are more likely to use social media (94 per cent vs. 84 per cent total), with WeChat the most popular (73 per cent vs.68 per cent total).

Those with a higher income (100,000+ RMB/US$16,190+[13]) are inclined to use any of the photo and experiences sharing methods compared to those in lower income bands.

11 Source: http://thenextweb.com/asia/2014/01/16/chinas-internet-population-numbered-618m-end-2013-81-connecting-via-mobile/
12 http://socialmediatoday.com/richard-simcott/2213841/social-media-fast-facts-china
13 Exchange rate taken at 25th April 2014

12. A closer look at traveller profiles

This section brings together the results recorded by various traveller groups, highlighting the differences from the norm.

Female travellers

Chinese women travel slightly more frequently for leisure than Chinese men (4.86 trips abroad vs. 4.49 for men in the past five years) and there is evidence that the number of international trips Chinese women take is increasing (4.86 vs. 3.61 for 2013).

As seen previously, Chinese women are more likely than men to travel abroad to see friends and/or relatives (27 per cent vs. 22 per cent for men) and for leisure (90 per cent vs. 85 per cent), though there has been a decline in women travelling for education purposes since last year (6 per cent vs. 12 per cent seen in 2013).

Sightseeing, dining and shopping are particularly popular amongst Chinese female travellers (sightseeing 74 per cent vs. 72 per cent, dining 67 per cent vs. 61 per cent and shopping 60 per cent vs. 51 per cent). This is a change from last year when women were slightly less interested in sightseeing compared to men (72 per cent vs. 78 per cent for men).

Women are slightly more likely than men to choose to make their own travel arrangements rather than pick an organised tour (68 per cent vs. 65 per cent for men)

Women are also keener to use friends (54 per cent vs. 50 per cent for men), family (44 per cent vs. 40 per cent for men), promotions/deals (33 per cent vs. 29 per cent) and online blogs (24 per cent vs. 20 per cent) when making their holiday decisions. Other people's experiences/ opinions are still important to Chinese female travellers as they rely most on online review sites (15 per cent), family (14 per cent) and friends (14 per cent).

Women most prefer to stay in independent hotels with local flavour (42 per cent) and international chain hotels (41 per cent). In contrast to 2013, Chinese women are now slightly less likely to prefer independent hotels with local flavour compared to men (42 per cent vs. 44 per cent).

Last year, women had been particularly keen to book hotels with an independent, local feel (54 per cent in 2013). However, this has declined and women are now equally keen to book international chain hotels (42 per cent independent vs. 41 per cent chain hotel).

When it came to hotel facilities, having Wi-Fi/ internet access is most important (69 per cent women), compared to the on-site restaurant being most important in 2013; women are slightly more inclined to say the on-site spa is important (13 per cent vs. 9 per cent for men) and less so the bar (six per cent vs. 10 per cent for men).

The gap between men and women spending the most money on the spa facilities in hotels has closed and now men are nearly as likely as women to spend the most on this part of the hotel (eight per cent vs. six per cent).

When thinking about their next holiday destination, women more often mention cuisine (32 per cent vs. 27 per cent for men) and slightly less frequently historical and heritage sites (35 per cent vs. 39 per cent for men). All other factors are equally important to both women and men.

On average, women spend more per day during their international trips compared to men (7,902 RMB/US$1,279 vs. 5,524 RMB/US$894[14] for men).

Women and men use the same online channels to share experiences and photos from their trip: the two preferred sites are WeChat (68 per cent) and Weibo (62 per cent). They also use online photo albums (38 per cent) or show others their photos on a screen (32 per cent) or conventional printout photos (16 per cent both women and men).

4.86

The average number of trips abroad in the last 5 years taken by Chinese women

68%

of Chinese women make their own travel arrangements

7,902

Average daily spend in RMB when travelling abroad

14 Exchange rate taken 25th April 2014

Business travellers

Business travellers continue to be younger on average (36 per cent under-35 compared to 30 per cent of leisure travellers) and half (51 per cent) of all business travellers live in one of China's most prosperous provinces.

As seen previously, business travellers are more likely to book top-end accommodation such as 4 star (32 per cent vs. 28 per cent total) or 5-star (27 per cent vs. 17 per cent total) hotels.

International hotel chains are clearly the most popular choice for business travellers (53 per cent), having seen a substantial increase since 2013 (from 35 per cent to 53 per cent).

When choosing accommodation, comfort/star-rating is most important (36 per cent vs.30 per cent total and 32 per cent in 2013) while price matters slightly less (six per cent vs. 10 per cent total).

When thinking about their next holiday destination, value for money is slightly less of a concern for business travellers (21 per cent vs. 26 per cent total) whilst shopping opportunities are considered a higher priority (32 per cent vs. 23 per cent total).

They are inclined to spend more on an average day during their trip (average 9,159 RMB/ US$1,483 vs. 6,707 RMB/US$1,086 total[15]).

Looking at individual countries, business travellers' top three countries most welcoming to Chinese travellers are Australia (43 per cent), New Zealand (33 per cent) and France (32 per cent).

36%

of business travellers are under 35

59%

of business travellers stay in 4 or 5 star accommodation

9,159

Average daily spend in RMB by business travellers when travelling abroad

Independent travellers

The CITM research explodes the myth that Chinese travellers only travel in groups. Two-thirds (67 per cent) of respondents say they now prefer to make their own international arrangements, and there is evidence that this is increasing when compared to 62 per cent in 2013.

Younger travellers still prefer to travel independently than their older counterparts (81 per cent for those under-35 vs. 52 per cent for those over 35).

Independent travellers tend to be wealthier (271,883 RMB/US$44,018 average annual salary vs. 245,729 RMB/US$39,783 total[16]) and, on average, they have a much higher daily spend (7,956 RMB/US$1,288[15]) compared to those preferring organised tour groups (4,195 RMB/US$679).

Trips organised independently are more likely to be longer than those organised through tour groups (1.5 weeks vs. 1.3 weeks respectively).

Consumer reviews are evident in terms of their impact on independent Chinese travellers. Online review sites are the most influential (19 per cent, on par with levels seen in 2013), followed by recommendations from friends and families (15 per cent) and online accommodation sites (15 per cent).

Similar to Chinese travellers overall, independent travellers list safety as the most important factor when thinking about their next international holiday destination but less so than group travellers (45 per cent vs. 54 per cent). Historical and heritage site are also important, though again less important than for group travellers (32 per cent vs.

67%

of Chinese travellers prefer to make their own international arrangements

73%

use social media share their photos and experiences of travel abroad

271,883

Average annual salary in RMB of independent Chinese travellers

15 Exchange rate taken on April 24th 2014
16 Exchange rate taken on April 24th 2014

47 per cent). Independent travellers are more likely, however, to consider cuisine (33 per cent vs. 21 per cent for group travellers) and shopping (26 per cent vs. 18 per cent for group travellers) as most important.

Independent travellers are most keen to book online, either through a website or mobile device (67 per cent).

This year, they are more interested in staying at an international chain hotel (42 per cent) compared to 2013 when independent hotels with a local flavour were preferred most (54 per cent in 2013).

Independent travellers are more inclined to share their experiences: three quarters use social media to post their photos and experiences during or when they return from an international trip (73 per cent vs. 55 per cent for group travellers), such as WeChat (70 per cent vs. 64 per cent for organised groups) and Weibo (68 per cent vs. 52 per cent organised groups) as well as travel review sites (32 per cent vs. 20 per cent for group travellers).

Under-35s

It is a truism but social media has much more of an influence on younger travellers when deciding on travel destinations, with two fifths using this as a source of information (42 per cent vs. 29 per cent for 35+). One in ten under-35s say that this is the source they rely upon most. Social media is also important to younger travellers when travelling abroad, with nine in ten (93 per cent) saying that they share their experiences and photos on social media while away. The most popular networks are WeChat (76 per cent) and Weibo (74 per cent).

As was seen in 2013, younger travellers are more interested in booking accommodation directly (57 per cent vs. 42 per cent 35+) or through an online travel company (22 per cent vs. 17 per cent). Older travellers are twice as likely to use travel agents as those under-35 (40 per cent vs. 20 per cent under-35).

Younger travellers are still notably more likely than older travellers to prefer travelling independently (81 per cent vs. 60 per cent for 35+) and are more interested in doing so than last year (81 per cent vs. 73 per cent for 2013).

The under-35s lean towards travelling with family members other than a spouse or children (50 per cent vs. 44 per cent for 35+) and friends (50 per cent vs. 42 per cent for 35+).

In 2013, younger travellers were slightly more prone to opt for budget accommodation (1-3* hotels, hostels, B&Bs) than those 35 and over. However, this year travellers under-35 are as likely as older travellers to book both budget and luxury accommodation.

Although European destinations are most popular overall with younger visitors (77 per cent), they are notably more interested in visiting Asian destinations than their older counterparts (60 per cent vs. 50 per cent for those 35+), perhaps because the older generation often travel with families and therefore choose somewhere closer or because they may have already visited their closest neighbours and want to spread their wings further.

In terms of what is important to younger travellers when thinking about their next international holiday destination, safety is still the number one concern (40 per cent) although they are still less worried about this than older travellers (51 per cent for those 35+). The cuisine of the destination and shopping are still more important aspects of a destination for young Chinese travellers compared to those over 35 (36 per cent vs. 26 per cent for cuisine, and 27 per cent vs. 22 per cent for shopping). They are less interested in historical or heritage sites (32 per cent vs. 39 per cent for 35+).

Sightseeing remains the most popular activity for the under-35s, as for all travellers. However, shopping is the activity that younger Chinese travellers spend most of their money on while travelling (54 per cent), being slightly more likely to do so than their older counterparts (51 per cent for 35+).

42%

of under-35s consult social media when planning a trip away.

81%

of under-35s prefer to travel independently.

54%

under-35s spend the most money on shopping when abroad.

International shoppers

The term shopper here is defined as someone who choses shopping as one of their top three favourite activities when travelling internationally. They are somewhat more likely to be female (54 per cent vs. 50 per cent total) and travel more often for leisure (5.6 trips over the last five years vs. 4.7 total) and business (5.1 trips over the last five years vs. 4.1 total).

They are slightly more inclined to opt for independent travel (72 per cent vs. 67 per cent total) and, like other travellers, are more inclined to book accommodation directly (48 per cent). Shoppers tend to consult a wider range of information sources before deciding on destinations (5.1 compared to 4.8 total) and are more likely to use social media (38 per cent vs. 33 per cent overall).

In terms of the factors that are important when choosing a destination, obviously shopping is of greater significance to this group than other Chinese travellers (35 per cent vs. 23 per cent total), but they also tend to mention cuisine more often (32 per cent vs. 29 per cent total). Historical/heritage sites appeal slightly less to Chinese shoppers than other Chinese travellers (33 per cent vs. 37 per cent total).

As may be expected, they are more affluent (279,972 RMB/US$45,327 vs. 245,730 RMB/US$39,784 total[17]) and spend notably more on an average day abroad than most Chinese travellers (7,991 RMB/US$1,294 vs. 6,707 RMB/US$1,086 total[17]). They are also more disposed to opt for luxury accommodation types than other travellers (58 per cent vs. 52 per cent total).

In terms of their tastes, shoppers are more interested in international chain hotels than other travellers (48 per cent vs. 39 per cent total) and prefer accommodation that caters specifically to them but will consider others where necessary (63 per cent). Comfort/star-rating/facilities are slightly more important to them when choosing accommodation (34 per cent vs. 30 per cent total).

As with other travellers, shoppers saw the provision of facilities such as China Union Pay and Alipay as the most important Chinese service to be provided by accommodation when travelling internationally (61 per cent). They are also more likely to mention having a hotel website in Chinese language (43 per cent vs. 38 per cent total), having a Chinese restaurant on site (34 per cent vs. 31 per cent total) and Chinese newspapers or magazines (28 per cent vs. 25 per cent total).

On the whole, Chinese shoppers do not differ significantly from travellers overall in terms of the destinations they would like to visit, although they would choose Asian destinations slightly more (57 per cent vs. 53 per cent total). Shoppers are also aligned with other travellers in believing Asian and European destinations to be most welcoming to Chinese visitors (63 per cent and 64 per cent respectively).

279,972

Average annual salary in RMB of international shoppers

7,991

Average daily spend in RMB of international shpppers when travelling abroad

72%

of international shoppers prefer to travel independently

17 Exchange rate taken 25th April 2014

13. Case studies

Many of the world's leading hotels have already introduced specially-designed services and products aimed at providing a warm reception for their Chinese guests. Hilton Hotels group has its Huanying ("Welcome") programme and Marriott has Li Yu ("Serve with courtesy), while the Intercontinental Hotels Group introduced its HUALUXE brand of properties in China (HUALUXE translates from Hua, which means majestic China and luxe, representing luxury). However, smaller independents have taken on

Hyatt Regency, Chicago, USA

Hyatt Regency, Chicago

Alongside more than 40 other Hyatt hotels, the Hyatt Regency in Chicago has introduced the Nin Hao programme, a new initiative tailor-made for Chinese guests, in response to the increasing number of Chinese guests it is welcoming.

Nin Hao means "a warm welcome with respect" in Mandarin and includes a welcome letter, maps and information brochures in Chinese, a Chinese TV channel and a direct 24-hour line to a Mandarin-speaking associate. There are also slippers, robes and a tea kettle with special cups and teas, as well as a Chinese food menu on request.

The hotel has noted that their Chinese guests have appreciated this attention to detail and the extra services being provided, particularly by their tour group visitors.

board the issues raised by Chinese travellers in the CITM and have also recognised the need to offer a more tailored approach.

Latte Hotel, Jeju, South Korea

Lotte Hotel, Jeju

China took over as South Korea's largest inbound market for the first time in 2013. On Jeju, Lotte Hotel Jeju is a luxury resort, part of Lotte Hotels & Resorts, which opened in 2000 in the heart of Jungmun Tourism Complex in the south of the island. They have seen their Chinese guests more than double in number in recent years and predict that this growth will continue as more and more Chinese travellers are attracted to the province.

Amongst other service and marketing initiatives, the hotel organises activity programmes specifically for their Chinese guests, including various outdoor pursuits such as Olle hiking. They have also designed a character room based on the cartoon character Hello Kitty which is very popular with their Chinese clientele.

Pullman Bangkok King Power Hotel, Bangkok, Thailand

Pullman Bangkok King Power Hotel

With more than four and a half million Chinese travellers visiting Thailand last year, the Pullman Bangkok King Power recorded a 66 per cent increase in Chinese guests between 2012 and 2013, with 85 per cent now travelling independently rather than in an organised group.

The hotel has introduced a number of services to help such as Mandarin-speaking staff to welcome their guests and provide any assistance. They have also prepared various materials in Mandarin such as welcome and other internal signage as well as the hotel website. The majority of their Chinese guests are keen to eat in the hotel and have a preference for Thai or Chinese food as opposed to more Western items. Their large international breakfast buffet offers a Chinese corner with dim sum, congee, noodles, etc, is particularly popular.

Harnessing the power of social media amongst this group, the hotel initiated a promotion through Weibo to win cash vouchers. With the Chinese interest in shopping, the hotel also offers discounts at the King Power Duty Free Shopping Mall, which has direct access from the hotel.

dusitD2 Hotel, Chiang Mai, Thailand

dusitD2 Hotel, Chiang Mai

With so many Chinese travellers now visiting Thailand, the dusitD2 Hotel in Chiang Mai is doing its best to make sure that it attracts its share of these guests. The hotel's website is available in several languages including Mandarin to help travellers research and plan their trip. Twenty-four hour Mandarin-speaking staff are on hand to offer further assistance, Chinese tea is offered in the guest rooms and the Devarana Spa's menu is also produced in Mandarin.

At the hotel's Moxie restaurant, a variety of noodles is served all day while, for their group customers, Chinese-style breakfast is also available upon request.

The location of the hotel is also appealing to Chinese guests as the dusitD2 Chiang Mai is located in the midst of the seven-day shopping street Night Bazaar, selling everything from upmarket clothes to antiques and handicrafts.

It is perhaps no surprise that Chinese tourist numbers have spiked so dramatically since the film Lost in Thailand, positioning Thailand as a wonderful holiday destination, was released in 2012. It was mostly shot in Chiang Mai and was successful throughout China, where it is one of the top three highest grossing films of all time. This prompted the hotel to introduce more high-tech connectivity to its property to draw in more Chinese guests.

Accor Hotels Sydney Olympic Hotel

Accor Hotels

Chinese visitors to Australia and New Zealand now form the second largest inbound tourism group to both countries.

In response to this, Accor in Australia was the first hotel group to introduce Optimum Service Standards for Chinese guests. The programme includes Mandarin-speaking staff, translation of hotel welcome kits, business cards, area maps and in-room menus, adaptor plugs and Chinese newspapers provided to guests. Hotel mini-bars stock Chinese teas and the breakfast buffet include Congee, soups and noodles with Chinese utensils.

Accor Hotels also noticed that Chinese visitors are becoming increasingly sophisticated and have high expectations in terms of service. It is no longer just about big group shopping tours, although they still exist. Chinese travellers come to Australia and New Zealand to experience natural wonders, food & wine and personalised travel experiences. So an integral component of the Optimum Service Standards is special training for Accor staff in cultural differences that will assist them to serve Chinese guests more respectfully.

Accor is constantly building on its Chinese relationships and developing new ways to target this market. Since launch, the 50+ Australian hotels in the programme have recorded a 20 per cent increase in market share and 31 per cent growth year-on-year. In New Zealand, the eight accredited hotels have seen an 11.7 per cent increase in Chinese guests in 2013 compared to 2012.

London Edition Hotel, London, UK

London Edition Hotel

The UK hotel industry is planning for higher numbers of Chinese visitors, following the recent announcement from the government of the relaxation in visa regulations.

Opened in September 2013, the London Edition Hotel tends to attract younger, more affluent independent Chinese travellers with its focus on high levels of individual design, great style and outstanding service. Mandarin-speaking staff are on hand to help guests and its convenient location just north of Oxford Street, the capital's major shopping thoroughfare, is an added draw.

The hotel's signature concept restaurant, the Berners Tavern, is run by British Michelin-starred chef Jason Atherton who also has several establishments in Singapore and Hong Kong where he is well-known. The Chinese clientele come from both within the hotel and off the street as they feel comfortably familiar with his name. The profile of its Chinese customers means that they are more adventurous when it comes to trying the locally-inspired dishes served in the restaurant, rather than their more accustomed fare at home.

The Edition brand is moving into China, opening hotels in Sanya, Shanghai and Wuhan over the next couple of years and will always instill its one-of-a kind properties with a their own sense of place to reflect their environment.

14. Country initiatives targeting Chinese outbound visitors

This chapter examines some of the initiatives taken around the world by countries to attract more Chinese visitors, whether by increased marketing activity, relaxing visa regulations or increasing flight services.

Australia

According to Tourism Australia, there were more than 750,000 Chinese visitor arrivals to the country during the past year (May 2014 year end), an increase of 12 per cent on the previous year, generating A$5 billion in total expenditure in 2013. The Tourism 2020 Strategy estimates that China has the potential to grow to as much as $13 billion annually in total expenditure by 2020. Chinese visitors are now only behind New Zealand in terms of visitor numbers to Australia, having overtaken the UK.

One in four of Tourism Australia's international marketing dollars go towards promoting Australia to China. Tourism Australia has a key focus on attracting Chinese visitors to Australia and continues to roll out the China 2020 strategy, which was launched in 2011. During 2013, the organisation implemented the following as part of that strategy:

- A new Chinese consumer website, australia.cn, was launched. It provides a tailored user experience and links to translated information from the Australian Tourism Data Warehouse as well as key Chinese social media platforms.
- Partnership marketing campaigns were undertaken with States and Territory Tourism Organisations, Wine Australia and the Great Golf Courses of Australia, Tourism Victoria and Crown, Tourism and Events Queensland as well as all major airlines in China, collectively reaching more than 22 million Chinese consumers.
- Marketing agreements were signed by Tourism Australia with China Southern Airlines, China Eastern Airlines, Air China, China Union Pay, and China Travel Service.
- Leveraging the Asia Marketing Fund, Tourism Australia accelerated its geographic expansion strategy in China, beginning trade and consumer marketing activities in Chengdu, Chongqing and Qingdao.
- A campaign which retains the "There is nothing like Australia" brand translated into Mandarin in Shanghai was unveiled.

A $600,000 Strategic Tourism Investment Grant was awarded to a consortium, which includes the Australian Tourism Export Council (ATEC), to deliver a National China Ready programme. It will tap into the knowledge of experts who will teach tourism businesses how to cater for the China market.

In addition, Sichuan Airlines began its Chengdu - Melbourne service in February 2013, marking the first direct service from Western China to Australia.

Palace of Versailles, Paris, France

France

According to CITM findings, France is the highest European country on the Chinese traveller wish list and is also considered the most welcoming European nation. Chinese tourists are now the second biggest group of visitors to France after the US.

Since January 2014, the time it takes for the visa application process has been reduced from 12 to two days. According to the French foreigner minister Laurent Fabius, there are more than one million Chinese travellers each year in France but, thanks to the new visa regulations, this could jump to between three and five million. Since the revisions were put in place, Chinese visa demand has already increased by 40 per cent.

Chinese President Xi Jinping visited Paris in March to mark the 50th anniversary of full diplomatic relations between the two countries. France recognised the People's Republic of China in 1964, earlier than many Western countries, and this forms part of the French assertion of a special relationship.

A year-long celebration of this event began at the Grand Palais museum in Paris and included a solo performance by Lang Lang, the celebrated Chinese pianist. In China, there are exhibitions showcasing the works of leading French artists such as Monet and the sculptor Rodin. China was also the guest of honour at the Paris art fair in March, while France will be in the spotlight at the Western China International Fair in Sichuan province, home of the country's pandas, later in the year.

India

2014 has been designated the Year of Friendly Exchanges between India and China which will see wide-ranging interactions at different levels in the field of culture, business and defence. This includes a large scale cultural extravaganza entitled 'Glimpses of India', organised by the Indian Tourism Ministry, featuring Indian performing arts, exhibitions of modern Indian art and calligraphy, visual and photographic exhibitions on Buddhist heritage of India and its links with China. This was launched in Beijing in May with a dance performance by a troupe from the famous Chennai-based Kalakshetra.

The year-long festival will be spread across major Chinese cities and will depict India's scientific achievements, food and films as well as events involving eminent Indian and Chinese scholars and writers. Tourism and business promotion events will also constitute key components. An effort will be made to connect with Chinese youth by holding lectures and cultural events in universities.

Ahead of this festival, India announced a new streamlined visa policy under which business and tourist visas will be processed within two days to encourage Chinese visitors with immediate effect and without any extra charges.

Taj Mahal, Agra, India

Auckland, New Zealand

New Zealand

According to the New Zealand Tourism Board, the number of Chinese tourists visiting New Zealand in 2013 jumped 16 per cent year-on-year to 228,928 and total expenditure by Chinese tourists rose seven per cent on year to NZ$723 million. China is now New Zealand's second largest tourist market.

In April 2013, New Zealand began to allow Chinese tourists to extend the length of multiple-entry visitor visas for independent travellers. If they return within two years, they don't have to repeat the visa application process. A new bi-lingual China section on the Immigration New Zealand website has also been introduced to make it easier for Chinese visitors to lodge a visa application.

Tourism New Zealand launched its Premier Kiwi Partnership (PKP) programme in 2013. Eleven inbound tour operators and eighteen China-based travel sellers were selected to participate in this incentive-based programme aimed at developing, marketing and promoting longer stay and higher quality itineraries for Chinese tours to New Zealand.

Five of China's best-known celebrities fronted an advertising campaign for Tourism New Zealand in which they shared their personal holiday stories to encourage potential travellers to travel like a star in New Zealand. The five celebrities included the editor of the largest Chinese language infotainment web-portal Sina Outdoor, a TV celebrity with a love of good food, a fashion designer, a chief journalist and online TV talkshow host, and a music producer and TV host. Together they profiled the five key travel themes for Chinese travellers: adventure, food and wine, romance, Middle-earth and relaxation.

A new website, the China Toolkit, was launched to help the New Zealand tourism sector deliver quality experiences to Chinese visitors. The Toolkit is an output of the China Market Review, released in early 2013 by the Prime Minister and Tourism Minister John Key.

Tourism New Zealand is continuing to build its presence in China using Chinese social media, with two successful events promoted using Douban for the first time. The Douban account complements Tourism New Zealand's main social activity on Weibo in promoting New Zealand as a holiday destination. The first event, the 'Who's your favourite Hobbit character?' flash campaign, was launched to support the first Hobbit film release in China in February 2013. The Hobbit was released in China, as one of only 34 Western films to be released in China every year, in January 2013. A second campaign in April called 'DIY your own NZ trip' increased Tourism New Zealand Weibo fans more than six-fold.

South Korea

China became the largest inbound market for South Korea for the first time in 2013[18], as the number of its visitors exceeded those from Japan, with 4,327,000 Chinese travellers visiting the country in 2013, a 52.5 per cent increase on 2012.

In July 2013, the government announced the expansion of the issuance of multiple visas for Chinese nationals to their spouses and children. Seoul will also issue multiple-entry visas to Chinese nationals who have memberships in condominiums in South Korea worth 30 million KRW (US$27,000) or higher and family register holders in Beijing and Shanghai. Students from 112 colleges designated by the Chinese government are also included on the list. Also, foreign tourists visiting via cruises are cleared to stay for three days on land for sightseeing without immigration screening.

Local governments implemented various marketing activities to attract Chinese travellers. Suncheon generated promotional materials and videos, arranged FAM tours inviting major travel agencies and media from China; Busan organised a FAM tour for Chinese power bloggers, while cities on the Eastern Sea Coast hosted a tourism promotion event inviting major travel agencies and related organisations from China.

During 2013, several new air routes were added. Eastar Jet launched Cheongju-Shenyang route and Jeju-Kunming, China's Juneyao Airlines introduced Yangyang-Shanghai, its first flight route to Korea, Jeju Air opened three new routes: Incheon-Weihai, Busan-Zhangjiaje and Jeju-Wuhan, T'way Air started a chartered plane operation for Jeju-Guangzhou route and Korean Air Air began Busan-Nanjing. Jin Air, which had operated irregular flight services from Jeju to Mudanjiang, Zhengzhou, Xi'an and Nanchang in 2013, made them a permanent service in April 2014.

That same month, Cheongju International Airport was designated as an airport that travellers transferring between flights could enter without any visa and stay for more than 72 hours.

Incheon Metropolitan Government is promoting a visa waiver program for the Chinese travellers to attract more to the casino in the free economic zone in Yeongjong Island of Incheon as well as to attract more travellers to the Incheon Asian Games, later this year.

Busan, South Korea

Taiwan

In 2013, the total number of Chinese travellers from mainland China visiting Taiwan was 2,874,702, against 972,132 in 2009 when Chinese visitors officially overtook Japanese visitors and became the top inbound market for the first time. The most significant growth happened in 2011, when Taiwan started opening up to Chinese independent travellers. According to the National Immigration Agency, up until March 2014, the total number of Chinese independent travellers had increased 177 per cent year-on-year, while Chinese group travellers increased 17 per cent.

There were five times more visa applications for the Chinese inbound travellers during the Chinese New Year holiday in February 2014 and the number of Chinese group travellers and independent travellers in April 2014 was 223,400 and 87,000 respectively, which both broke the record of Chinese visitors in a single month, according to the Tourism Bureau.

In 2013, restrictions for multiple-entry visas were relaxed and, in April this year, the quota for Chinese Flexible Independent Travellers has risen from 3,000 per day to 4,000 per day. Starting from 2015, the daily quota for Chinese group travellers will be 5,000 people.

Taiwan has always been a popular destination among Chinese travellers. The geographical location across the Taiwan Strait allows easy flight arrangements, ideal for long weekend getaways. The Ministry of Foreign Affairs, is promoting cross-strait business collaboration through its “Meet Taiwan” project.

Chinese independent travellers like to stay at fun-themed motels in Taiwan. Many motels have culture-themed or playful décor design, which makes them one of the must-see places when visiting the country. Taiwan HSR (high speed rail) is teaming up with 19 hotels throughout Taiwan, offering rail and hotel packages to promote independent travelling, offering discounts on quality hotels. Hualien B&B owners offer rail ticket plus accommodation package, targeting Chinese independent travellers who have trouble booking popular Hualien rail tickets.

Later this year, China Airlines plans to open four new air routes from Taiwan, which brings the number of destinations operated by the airline in Mainland China to 32 cities with 150 cross-strait flights per week.

Thailand

Chinese travellers were Thailand's top inbound tourist market in 2013 and 2012, although the difference between the two years was dramatic. The number in 2012 was 2,786,860, rising dramatically to 4,637,335 last year, according to the Thailand Department of Tourism.

The Tourism Authority of Thailand (TAT) and Thai Airways International have invited media representatives from five major cities of China for a trip to survey touring routes in Bangkok, Chonburi and Rayong to form a better understanding of Thailand and build confidence among Chinese tourists. The campaign is expected to reach at least five million people.

There is also the "I Love Thailand" project to penetrate the youth tourist market. The TAT organised an online competition to select five Chinese bloggers with the highest number of followers from Chengdu City, Sichuan Province and Chongqing, who traveled to Thailand in March to visit tourist attractions in Rayong, Chonburi, Ayutthaya and Angthong.

Everyone loves a good romantic comedy and it is claimed that Lost in Thailand, a Chinese film launched in 2012 encouraged Chinese fans of the movie to travel in Thailand in greater numbers to visit the filming locations.

Pathum Wan District, Bangkok, Thailand

United Kingdom

According to the Office of National Statistics, the UK recorded a nearly 40 per cent rise in the number of visitor visas granted to Chinese nationals in 2013, rising to 291,919, but this pales in comparison to the 1.4 million Schengen visas granted during the same period to visit 26 other European countries.

In June 2014, the British government bowed to pressure and announced plans to make UK visas easier for Chinese travellers by extending a pilot scheme whereby selected Chinese travel agents could apply for UK visas using the Schengen form to all visitors from China. Chinese visitors who have secured a visa for Ireland will, from the autumn, be allowed to visit the UK without completing a second application form. A new 24-hour "super priority" visa service will also become available from this summer, while the possibility of extending this VIP mobile visa service outside of Beijing and Shanghai is being examined.

VisitBritain launched its GREAT China Welcome programme to support businesses that are already "China-ready" and help those who are not. Retail establishments are doing all they can to woo visitors through their doors: Harrods has 75 UnionPay terminals installed throughout its Knightsbridge store.

Birmingham Airport became the country's first gateway to offer UK charter package tours from China and the first UK airport outside of London to launch direct charter flights to China with the start of services by China Southern Airlines this summer.

Westminster, London, United Kingdom

Trevi Fountain, Rome, Italy

Elsewhere in Europe

Italy has eased its visa application process by allowing Chinese travellers to apply at the Italian Embassy in Beijing or at one of the consulates general closest to their place of residence. In the past, they had to visit the Embassy or consulate general assigned to the location of their household registration or temporary residence permit. This is in recognition of the fact that more people work in a city but have their household registration elsewhere.

Chinese tourists to Switzerland increased rapidly during the review period, registering just under one million tourists in 2013, at a CAGR of 35 per cent. This makes Switzerland the fastest-growing European nation in terms of inbound Chinese tourism. In response to this, Switzerland Tourism began to train ski instructors to speak Mandarin in 2014, in the hope of attracting more Chinese skiers.

Norway has opened an additional visa application centre in Shanghai where it can process a higher number of applications each day, compared to the restricted facilities at the consulate.

About Hotels.com

Hotels.com is a leading online accommodation booking website with more than 290,000 properties around the world through the Expedia® group network, ranging from international chains and all-inclusive resorts to local favourites and bed & breakfasts, together with all the information needed to book the perfect stay.

Starting as a telephone service in 1991, the first website was launched in the US in 2002 with the first international version launched in the UK later that year. There are now more than 85 Hotels.com sites worldwide in Europe, North and Latin America, Asia/Pacific, the Middle East and South Africa, the majority of which are in localised languages.

Hotels.com benefits from one of the largest hotel contracting teams in the industry, constantly working to bring more hotels to the sites and ensuring best value pricing for its customers with frequent sales, special deals and promotions. Regular customer e-newsletters provide exclusive offers and advance notice of up-coming sales. There are more than 11 million reviews on the site from users who have actually stayed in the hotels to ensure customers can make an informed choice when booking.

Through its industry-leading loyalty programme Welcome Rewards™ available in all markets, customers can earn a free* night for every 10 nights stayed, subject to Welcome Rewards terms and conditions as set out at www.hotels.com. They can accumulate their ten nights across more than 100,000 independent and chain hotels and redeem their free night* at more than 90,000 eligible hotels around the world, including many that do not have loyalty programmes of their own. Since launch, Hotels.com has rewarded its customers with more than one million free nights*.

Under its Best Price Guarantee, if a customer can find a lower price on a prepaid hotel, Hotels.com will refund the difference, subject to the terms and conditions set out on www.hotels.com.

Travellers can book online or by contacting one of the multilingual call centres. A portfolio of special apps for mobile phones and tablets can also be downloaded at www.hotels.com/deals/mobile enabling customers to book on the go with access to 20,000 last minute deals.

Hotels.com is part of the Expedia group, one of the largest travel companies in the world with an extensive portfolio that includes some of the world's best-known brands. Follow Hotels.com on Facebook,Twitter and on YouTube.

How Hotels.com is adapting to the Chinese market

Recognising the growing importance of the Chinese travel market, Hotels.com launched a website in simplified Chinese in 2009. As well as special deals and promotions aimed particularly at Chinese travellers, it also includes customer reviews and destination guides, as well as visa application information and a new starter guide, advising travellers how to use the site, all in local language. In line with the findings in the report, Alipay has been introduced as one of our

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payment options for Chinese customers. The Hotels.com range of special apps for smart-phones and tablets is also available in Chinese, giving customers the ability to research and book away from their laptop or computer, including access to thousands of last minute deals.

In March this year, Hotels.com launched its Chinese name “Hao Ding” which means easy and good booking experience. This Chinese name reflects our value and commitment to delivering the best booking experience for our mainland Chinese customers. There is also a revamped homepage, featuring a more intuitive, search-based user interface that allows travellers to quickly and easily locate the hotel information they need to book the perfect trip.

In addition, the Hotels.com call centre has native Mandarin-speaking agents available to help bookers. Hotels.com also has a presence on major social media sites such as Sina Weibo, where travellers can find further travel tips and information as well as providing feedback.

Hotels.com offers its customers more than 290,000 hotels around the world, many of them in destinations popular with Chinese travellers across Asia, such as Hong Kong and Seoul, but also farther afield in Australia, Europe and the USA.

The Hotels.com Welcome Rewards programme is available to Chinese travellers and gives them a chance to enjoy a free night* stay for every 10 room nights booked and stayed. Travellers can accumulate their free night* in any of 100,000 properties around the world.

Hotels.com also publishes its Hotel Price Index (HPI) and Club Sandwich Index (CSI) regularly in Chinese to update Chinese travellers on the hotel spending trends across the world. Chinese travellers can refer to the data to help them choose the right holiday destination.

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* The maximum value of the free night is the average daily rate of the 10 nights stayed. The free night does not include taxes and fees.

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