

New Trends of China Outbound Tourism

Dr. Tongqian (Tony) ZOU
Vice Director Expert Committee, World Tourism Cities Federation
Professor and An Assistant to the President, Beijing International Studies University
Prof. ZOU Tongqian, Ph.D

Email: zoutongqian@bisu.edu.cn
MP: 13910835130

1. Review

2. New Trends

3. Suggestions

Common Perceptions of Chinese tourists

- They flock to travel.

Chinese tourists are omnipresent 😊.

- They only take cursory travel.

Chinese tourists love taking photos instead of experiencing local culture.

- They LOVE shopping.

Chinsumer: Chinese tourists are in a fever of purchasing luxuries.

1. Review

2. New Trends

3. Suggestions

- New People
- New Destinations
- New Consumption Patterns
- New Emerging Influences

1. Being younger

Different generations: the age of the first outbound travel experience



23-30 yrs old

After graduation

The post-80s



19-22 yrs old

At university

The post-90s



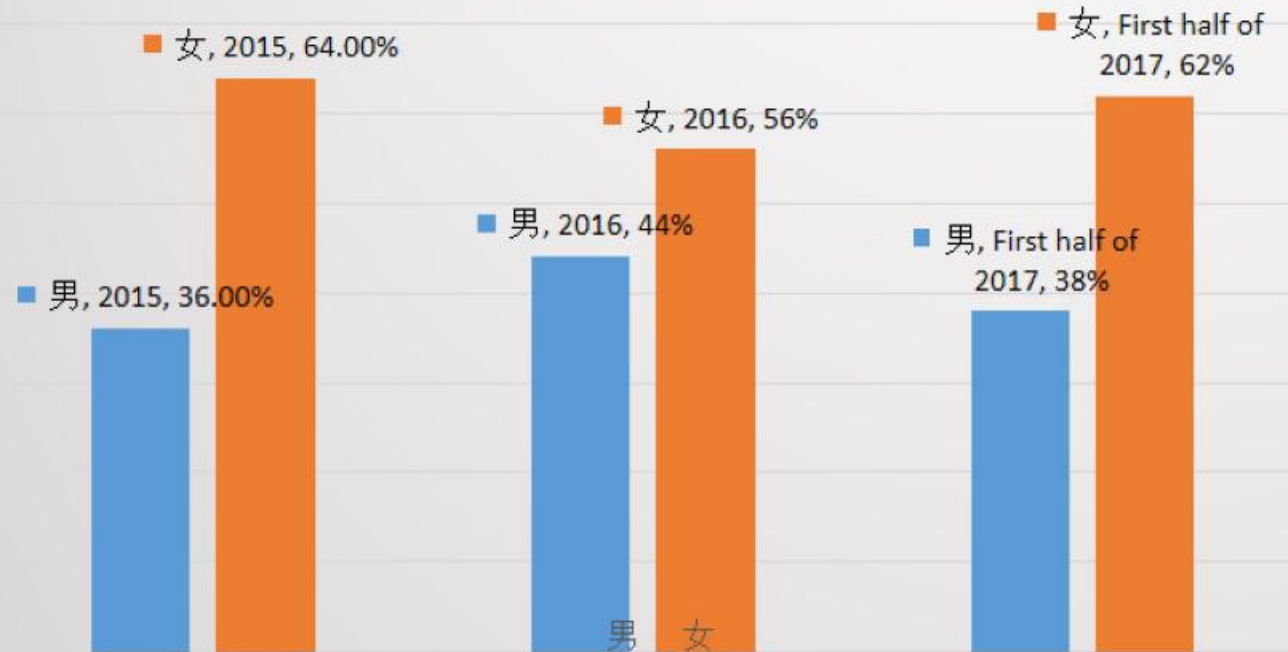
3-7 yrs old

Before school

The post-00s & post-10s

- *First half of 2017: Analysis of online outbound travel consumption (Tuniu)*
 - Post-80s: Primary outbound travel market (52%)
 - Post-70s: 20% of the market
 - Post-90s: increased by 25% over first half of 2016
- *Analysis and forecast: Outbound children travel trend (Fliggy)*
 - Outbound tourists are becoming younger
 - The age of the first outbound travel: the post-00s and post-10s are 20 years younger than the post-80s.

2. Female dominance



- Female tourists dominate China's outbound tourism market

3. More from new first-tier cities

Rank—the first half of 2017 Top 20 outbound tourist originating cities

1 Shanghai	11 Xiamen
2 Beijing	12 Changsha
3 Guangzhou	13 Kunming
4 Chengdu	14 Xi'an
5 Shenzhen	15 Shenyang
6 Hangzhou	16 Harbin
7 Nanjing	17 Nanning
8 Wuhan	18 FuZhou
9 Tianjin	19 Qingdao
10 Chongqing	20 Ningbo

Nanjing and **Changsha** have become dark horses with regard to ever-increasing outbound tourism source markets.

Reasons:

- International direct flights.
- No need to go to mega-cities for visas.

3. More from new first-tier cities

Rank—the first half of 2017
Top 20 outbound tourist
generating cities



Previous departure cities
New 2017 departure cities

- | | | | | |
|-------------|--------------|--------------|-------------|---------------|
| 1. Shanghai | 2. Beijing | 3. Guangzhou | 4. Chengdu | 5. Shenzhen |
| 6. Hangzhou | 7. Nanjing | 8. Wuhan | 9. Tianjin | 10. Chongqing |
| 11. Xiamen | 12. Changsha | 13. Kunming | 14. Xian | 15. Shenyang |
| 16. Haerbin | 17. Nanning | 18. Fuzhou | 19. Qingdao | 20. Ningbo |

(*Data sources : China Tourism Academy)

- New People
- New Destinations
- New Consumption Patterns
- New Emerging Influences

New destinations

1. Island cities

Ran k	TOP10 hit outbound cities in 2014	TOP10 hit outbound cities in the first half of 2017
1	Hong Kong	Phuket
2	Seoul	Bali
3	Taipei	Osaka
4	Tokyo	Kyoto
5	Osaka	Paris
6	Siem Reap	Minamitsuru
7	Chiengmai	Rome
8	Rome	Krabi
9	Dubai	Nha Trang
10	London	Fukuoka

- 30% of the outbound tourists visited island cities (Ctrip).
- 4 out of top 10 destinations were island cities in Southeast Asia.

New destinations

2. The United States

- China: No. 1 international tourism market to U.S. in terms of consumption
- In 2016, mainland Chinese tourists to U.S. increased by **15%** (3 million), and travel expenses increased by **9%** (\$33 billion)
- Number of Chinese tourists to U.S.:
 - Growth for 13 consecutive years
 - Increased tenfold since 2005



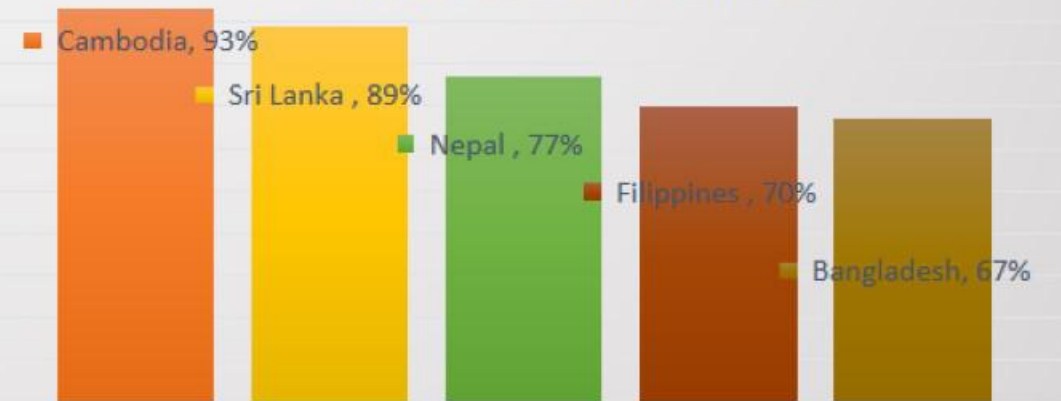
New destinations

3.The Belt and Road Initiative countries

2015-2017(Jan-Jul):Year-on-year change of the number of tourists heading for the B&R countries (million people)



2016: Growth rates of Chinese tourists heading for B&R Southeast Asia countries



Increased popularity of countries along the Belt and Road in the past three years.

New destinations

4. Africa: Dark horse

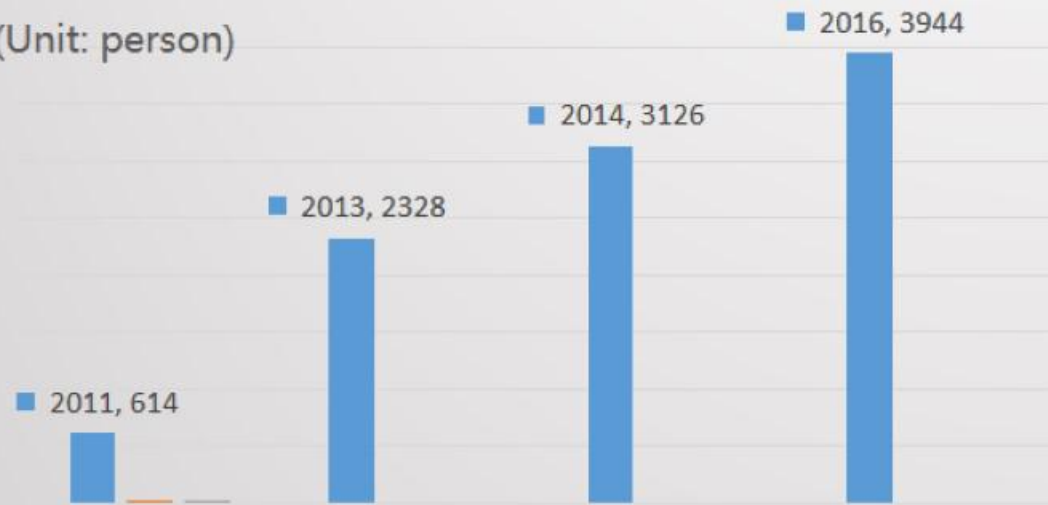


1. **Morocco** ranks No. 1 in growth rate (increased by 6 times), the fastest tourist increase rate in the first half of 2017 (Tuniu)
2. **Kenya, South Africa and Mauritius** became Chinese tourists' favorite "summer resorts".
3. According to World Tourism Organization statistics, the number of mainland Chinese tourists to Africa accounted for **only 3% of the total in 2008 while it rose to 10%** to 11.3 million in 2016 and it increases by 50% per year steadily.

New destinations

5. Polar tourism in great demand

The number of Chinese visitors to Antarctica
(Unit: person)



1. In the past **10** years, the number of Chinese people traveling to Antarctica has risen nearly **40** times.
2. In 2016, Chinese tourists visiting Antarctica accounted for **15%** of the global market share, second only to the U.S.
3. It is expected that from 2016 to 2017, Chinese tourists will reach 6,000 people.

New destinations

6.South America: new favorite in high-end tourism



Chinese tourists to South America increased by **more than 100%** (Tuniu, 2016).

In recent years, Chinese tourists to Argentina has an increase rate of 25% per year. On June 15, 2017, China and Argentina officially signed 10-year multiple round-trip visas, providing China's high-end tourist groups with convenience, which propelled South Africa's high-end tourism market.

- New People
- New Destinations
- New Consumption Patterns
- New Emerging Influences

1. The ways people travel

- **Multiple travel modes**



Car rental tour



Cruise tour



Customized tour



1. The ways people travel

- **Car rental tour**

China online car rental for outbound travel white paper 2017, released by

Zuzuche, the number of **overseas self-driving** tourists reached 4.07 million in 2016.

Family tour encourages car rental businesses.

1. The ways people travel

- **Cruise tour**
- Number of cruise tourists: **3.699 million**
- Cruise consumption: 6.73 billion yuan in 2016 (CNTA).
- **In 2030, China's annual cruise tourists are expected to reach 8 million-10 million, ranked No. 1 worldwide (Shanghai International Shipping Research Center)**



1. The ways people travel

- **Customized tour**



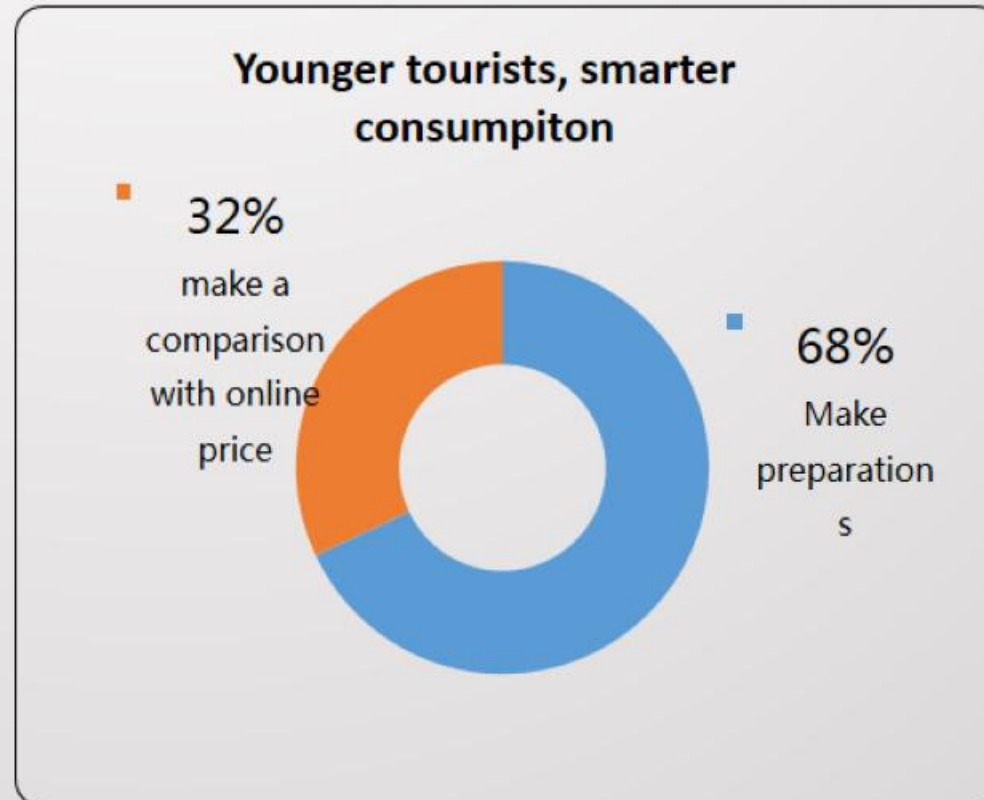
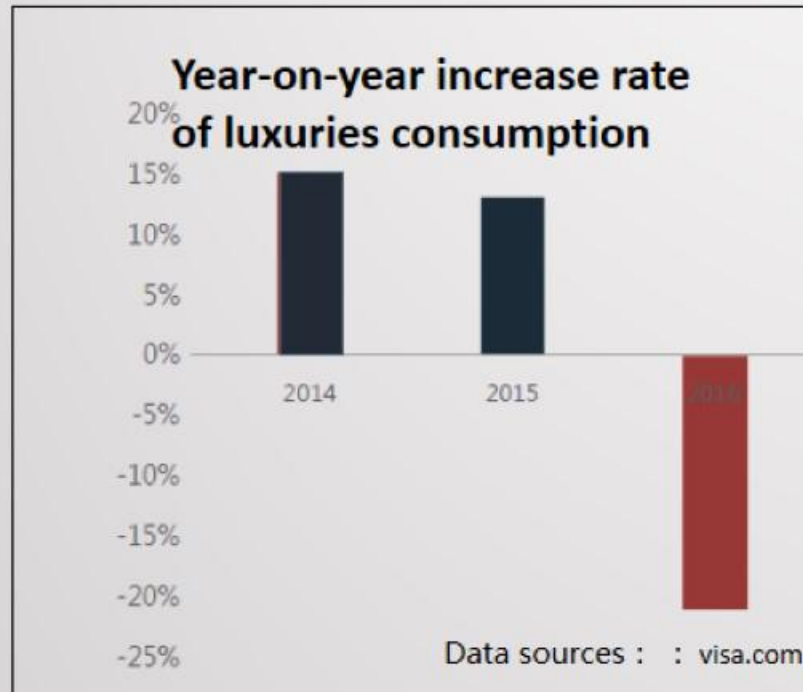
“customized tour”—baidu search index

- **Since 2014, “customized tour” on baidu search index soars.**
- **They are more willing to experience the daily life of the locals and learn more about local culture.**

2. The ways people consume

According to Visa data, year-on-year luxuries consumption decreases by 21%.

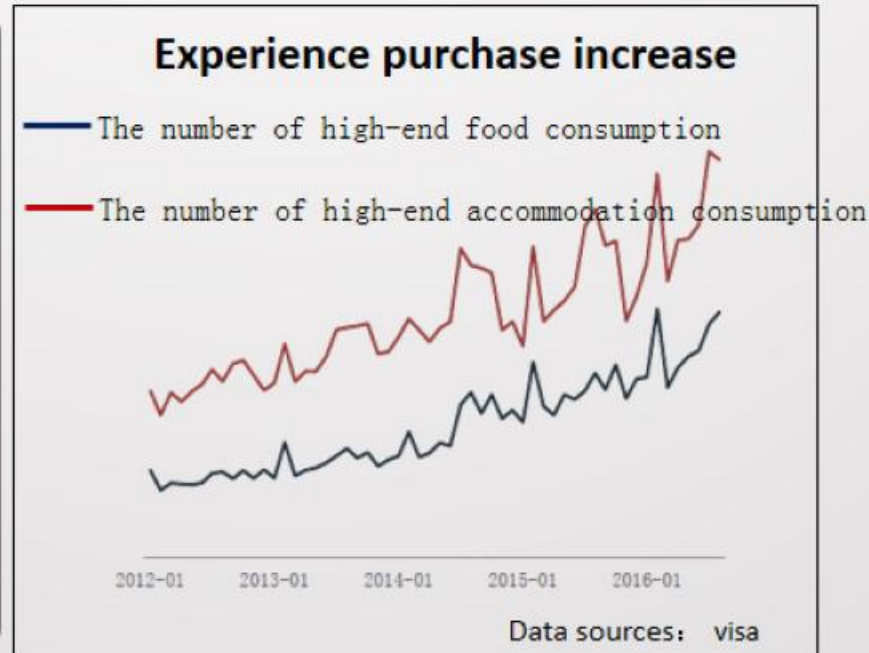
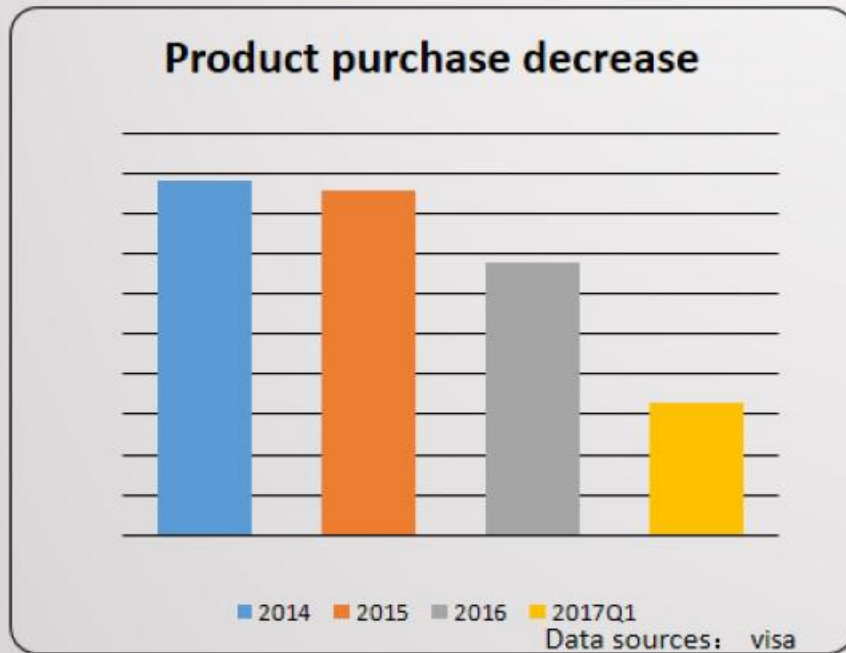
From product to experience



Data sources : : Hotels

2.The ways people consume

- *From product to experience*

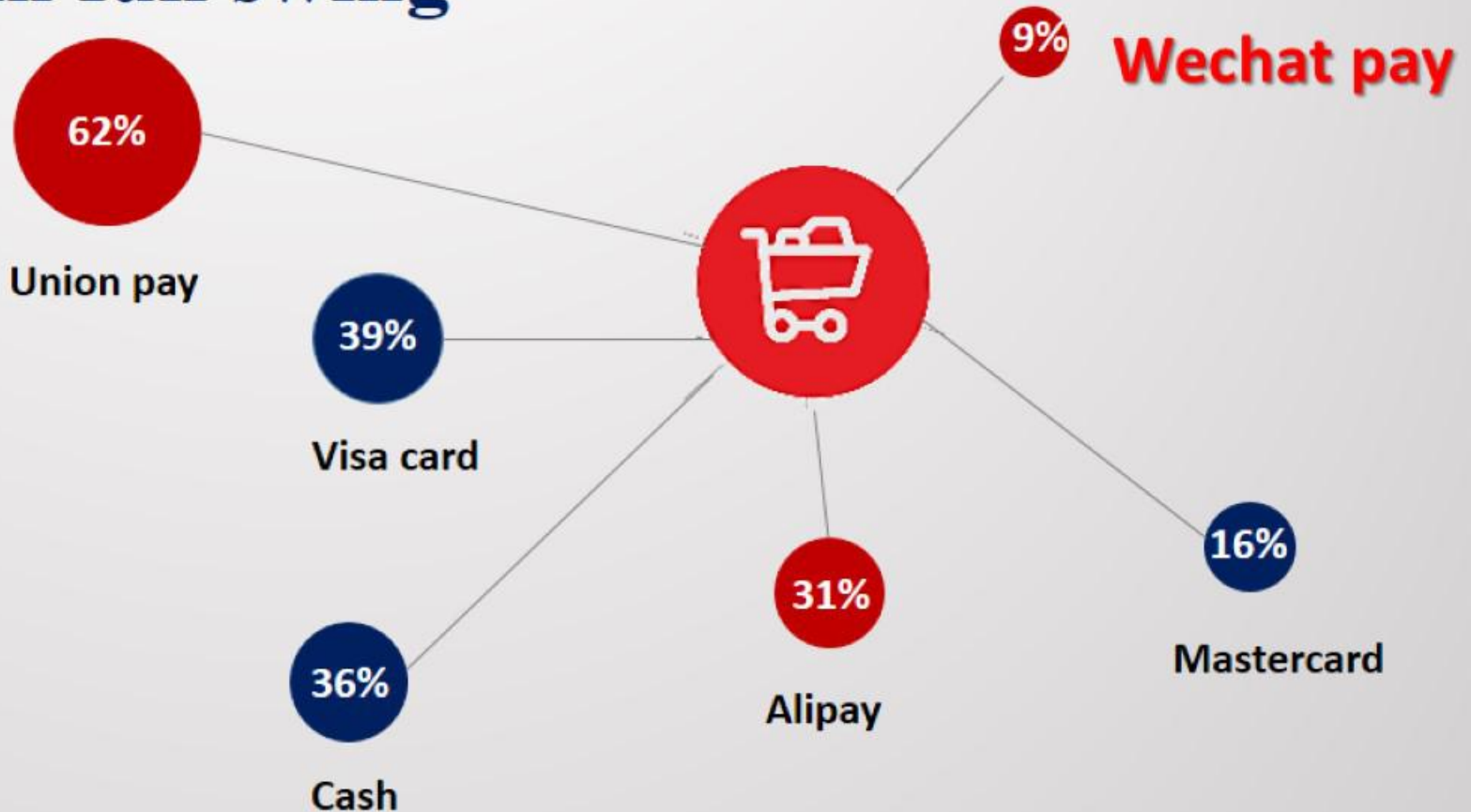


With the maturity of national tourism consumption habit, the ratio of “play as you go” is on an increase. According to Fliggy, 45% experience products were paid overseas, and it took 0-2 days to consume. Half of the tourists chose “play as you go”—they are calm.

3. The ways people pay

- **Online payment in full swing**

1. **Union pay** still comes first among multiple payments
2. **Mobile payments** are in full swing due to their overseas promotion, which are safer and more convenient.



- New People
- New Destinations
- New Consumption Patterns
- New Emerging Influences

1. International relations

- **The loss of South Korea**

Before



After



In the first half of 2017, the number of Chinese tourists to South Korea dropped by **40.97%** to 225.3 million, a decrease of 1.56 million.

- **Reason:**

The Deployment of the **THAAD** system.

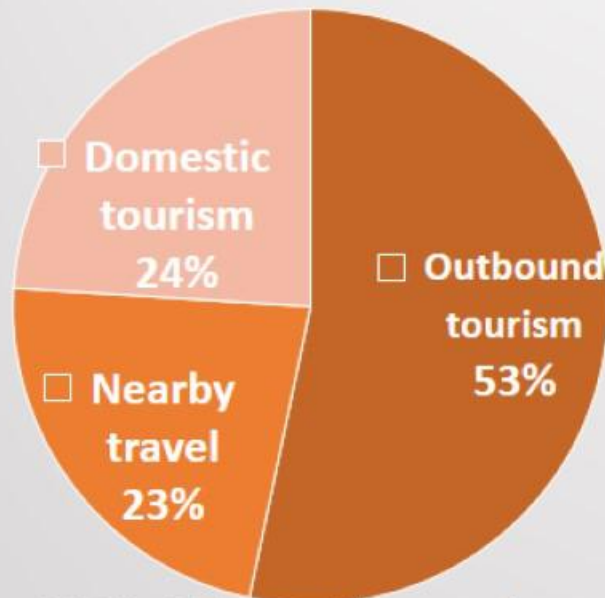
2. Fan economy

- **The post-90s pay for idols**
- **Lost in Thailand encourages visiting Thailand**
- **Singer Dimash helps promoting Kazakhstan**

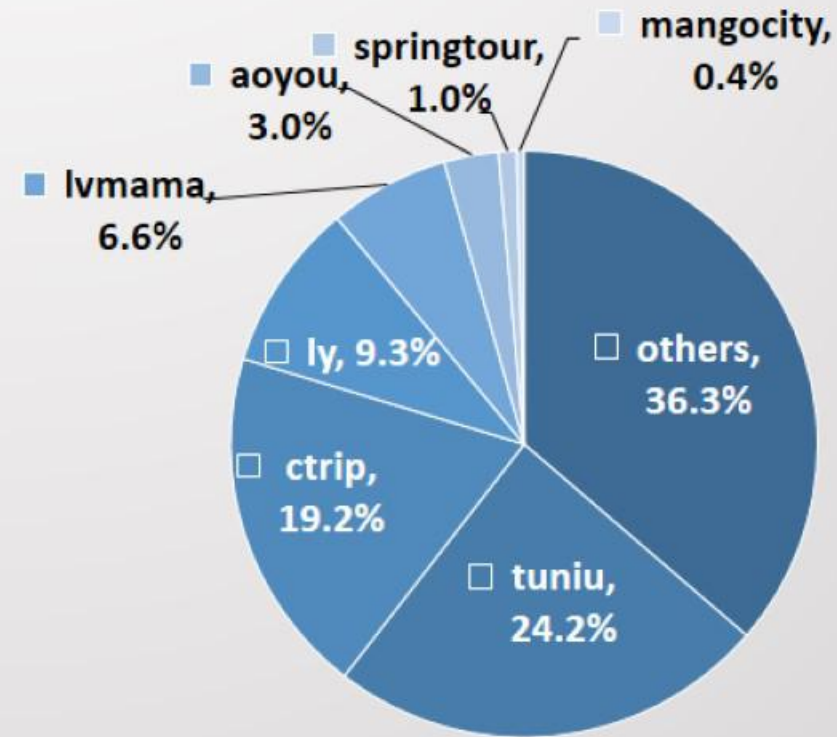


3. Online travel agencies

Online booking boost for outbound travel



2016: China online tourism market structure



2016: Online outbound market share
(by transaction size)

1. Review

2. New Trends

3. Suggestions

Suggestions: Pay more attention to the following needs and trends

- Young generations.
- New first-tier cities as tourist markets.
- More convenient online payment methods.
- New destinations and new products/experiences.
- Friendly relationship with China.
- New media marketing and make use of cewebrities (web celebrities) for destination marketing.

THANKS!