

Market Research Report on Chinese Outbound Tourist (City) Consumption (2015-2016)

World Tourism Cities Federation
Ipsos

September 2016

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Preface

The Purport and Emphases of This Research Report

World Tourism Cities Federation (WTCF) and Ipsos (a world-leading market research institution) have been jointly conducting market research on Chinese outbound tourist (city)consumption since 2014, and releasing annual market research reports for three years in a row. Research items have been increased and research bases have been expanding, while the consistency and continuity of research contents have still maintained. Through multi-perspective and multi-dimensional consumer research, both WTCF and Ipsos hope to better understand the development trends of China’s outbound tourism market, systematically and comprehensively summarize and display the consumption habits and behaviors of Chinese outbound tourists as well as relevant changes in this regard. WTCF and Ipsos are dedicated to providing valuable reference to the world’s tourism industry, and providing suggestions to member cities and organizations to help them improve market operation and services.

Upholding the philosophy of “gradually understanding market characteristics, encouraging the interests of Chinese tourism to travel abroad”, WTCF and Ipsos optimized the research contents and indicator system in the 2016 market research. Altogether 133 survey items have been designed on the basis of Ipsos’s fixed specimen database; and surveys have been conducted on Chinese tourists¹ who have traveled abroad in the past year by effectively organizing China International Travel Service Limited Head Office, CYTS, UTour Travel, CAISSA and other organizations as well as their online and offline business operations. By gathering 11,173 effective questionnaires, the two parties jointly complete the 2016 Market Research Report on Chinese Outbound Tourist (City)Consumption.

Compared with researches in previous years, the 2016 market research report pays more attention to practicality and guidance. It attaches importance to the changes occurring in the consumption behaviors and habits of Chinese tourists in outbound travel, changes in market models, as well as the relationships among them. Proceeding from the perspectives of

¹ Exclusive of tourists only have traveled to Hong Kong, Macao and/or Taiwan.

market operation and benefits generation, the 2016 market research report explores changes of Chinese tourists in acquiring tourism information, booking tourism products, as well as in their attentions, consumption behaviors and habits. It emphasizes the vast market of overseas tourism and the great potential of Chinese outbound tourists. It shows to member cities and organizations that while the market and industry is developing rapidly, they should seize the opportunities, share the mechanisms, explore the market with larger confidence and capacity, so as to guarantee the sustained development and extensive benefits of tourism industry.

We are glad to discover, through three years' of following up and surveys, that

1. Outbound tourism has become a habit of Chinese citizens, and tourism is now popular for all

More than 75% of Chinese tourists believe that tourism is an important means to improve their life quality and happiness. Moreover, one third of Chinese tourists reckon tourism is of equal importance to love, marriage, family wealth, career development, learning and education, health guarantee and children development.

Most of Chinese tourists have at least one outbound travel every year. On average they each travelled abroad 4.87 times, and traveled to 3-4 overseas cities in the past year. Tourist sources have become more scattered, the scope of optional destinations has become wider, and tourism products have become more diversified. For frequently tourists, tourism has become a habit, as well as necessary supplement and adjustment in life.

2. Outbound tourism gradually returns to the nature of tourism

For Chinese tourists, outbound tourism is no longer a whirlwind tour and shopping. With the increase of outbound travels and improvement in tourism awareness, Chinese tourists gradually returned to the nature of tourism while travelling abroad. They are now paying more attention to comprehensively experiencing the characteristic sceneries and cultures in destinations.

As to food, touring and entertainment, the attention of Chinese outbound tourists lies no longer in Chinese signs and Chinese-language services; instead, they focus on whether they are able to feel characteristic cultures, to experience more local cuisine and services, as well as to enjoy natural sceneries and historical relics. If travel again, more than half of Chinese tourists said that they would increase the number of days abroad.

3. Chinese tourists are becoming more rational in overseas consumption and paying more

attention to tourism quality

Before travelling abroad, Chinese tourists will spend a long time to inquire information through multiple channels, so as to understand more about tourism destinations and improve tourism experiences. Prior to departure, they will make budgets and shopping lists, paying more attention to the performance/price ratio of goods. While travelling abroad, Chinese tourists generally choose self-funded items to enrich their travel experiences. While making independent tours, they will consider hiring travel companions or guide, choose high-end hotels near attractions or transportation hubs. Convenience, comfort and guaranteed services are the priorities for them.

4. Chinese tourists improve their sense of tourism safety, and pay attention to tourism risks prevention

As Chinese tourists gaining more experience in outbound tourism, they now attach more importance to potential risks in outbound travel, and their sense of tourism safety is also improving. More than 90% of Chinese outbound tourists will buy overseas tourism insurance. What worth special attention is that the proportions of accident insurance, travel accident health and medical assistance insurance voluntarily bought by Chinese tourists have increased greatly from 38.7% to 49.81% and from 11.53% to 22.57%, respectively.

5. Online tourism has become an important part of outbound tourism for Chinese tourists

The Internet has profound influence on the behaviors of Chinese outbound tourists, which shows in the various aspects of outbound tourism. Tourists may access the official websites of travel agencies and tourism websites through search engines to acquire relevant tourism information. They may also book tours through online channels. They acquire dining information on the Internet from search engines and tourism websites; they book hotels, air tickets and entrance tickets to attractions and entertainment venues at the official websites of travel agencies/tourism websites, the APP booking systems of travel agencies/tourism websites and e-commerce websites; and then they share their tourism experiences on WeChat Moments.

Surveys in three consecutive years have helped WTCF accumulated abundant data regarding the consumption behaviors and habits of Chinese tourists in overseas tourism. WTCF is ready to share such data with member cities and organizations upon their requests.

The Growth Trend of Chinese Outbound Tourism Will Maintain Momentum for a Long Time to Come

Whether Chinese outbound tourism will maintain a long-term, strong growth trend is another attention point of the world's tourism industry. In this survey, WTCF and Ipsos leveraged big data search systems, relevant research results and data collected by the relevant columns of the questionnaire. They hope to interpret the trend from multiple perspectives and provide references to the industry.

Since its founding in 1949, the People's Republic of China has experienced more than 60 years of peaceful development. For a long time, China has been dedicated to economic development featuring large accumulation and high investment. Round after round of industrialization and infrastructure construction, especially since China adopted the reform and opening up policy in 1978. This helped China become a huge workshop for the world. But after the production capacity saturated, China gradually entered a postindustrial phase, with consumption becoming the main growth engine on the market.

Though there are still poor people in some regions, undoubtedly China has witnessed tremendous accumulation of social wealth. How to convert surplus wealth and assets into capital as well as maintain increase in both value and quantity have become new points of attention for the society as a whole. These new points of attention will inevitably occur in emerging service industries such as asset management, education, life and health guarantee. Asset management, especially the real estate sector, has the best performance. However, people are not happy in following this trend. It is another option of the people to transfer accumulated wealth to tourism consumption and life and health guarantee. Various research projects conducted by the world's tourism industry show that assets price is closely related to significant growth in the number of tourists, as these two growths are synchronous.

Extensive exchanges result in sophistication, while lacking of communication leads to seclusion. The difference between the two situations is self-evident, and Chinese people have a profound understanding in this regard. Chinese citizens broaden their vision and gain knowledge through tourism. This practice will be carried forward by future generations. Changes may occur in the consumption behaviors and habits of Chinese tourists, but there is an irrevocable growth trend in the scale growth of tourism.

Today, people around the world usually pay attention to peaceful and sustainable development,



harmonious coexistence of mankind and nature, life quality, physical and psychological health, and historical inheritance and cultural continuity. Tourism, which concerns people's life quality as well as peace and friendship among people, will inevitably become a pillar industry in the sustained development of national economy.

The definition and scale development mode of tourism industry are now far different from what we know in the past. The tourism industry has developed into a huge industry featuring rapid changes in business models, extensive interaction with the market and huge cross-boundary potential and effect. Countries around the world all emphasize comprehensive utilization and development of natural resources. They advocate supporting and improving social infrastructure. They define the development of tourism industry in the aspects of society, ecology, environmental protection, multitude and quality. This echoes people's expectations and follows the trends of tourism and life. The comprehensive development of tourism in all aspects has become an effective growth point in the sustainable development of economy.

The rapid update and popularization of Internet and Mobile Internet technologies have greatly accelerated the resources integration and scale development of tourism industry. Changes in business models and development will never stop. We expect that the world's tourism will develop in an orderly manner within the framework of global peace and development.

Last but not the least, we once again extend our respect and gratitude to all those who have helped in the 2016 annual market research!