

DestinationQ Masterclass – CHINA: Program highlights for the Queensland tourism industry

On Monday 15th September 2014 a Masterclass was held as part of the 2014 DestinationQ forum. Presented by Tourism and Events Queensland and the Department of Tourism, Major Events, Small Business and the Commonwealth Games, the Masterclass updated the tourism industry on the characteristics of the Chinese traveller with a particular focus on the free and independent traveller. Highlights of the presentations and takeout **tips** are captured below. All presentations can be viewed on the Tourism and Events Queensland website, www.teq.queensland.com/china.

Setting the Scene - Richard Beere, Fastrack Solutions

- China is becoming more modern, not necessarily more Western
- The Asian psyche will always be the Asian psyche
- There is an independent mindset but not an independent travel ability
- **TIP:** The originating city in China is a significant factor in traveller maturity- so know the city, find out about the traveller maturity of the city; finally ask **“Where are you from?”** when taking the booking. Then you will be able to tailor your service to suit the needs of the market. To find out more about Tier 1, Tier 2 and Tier 3 cities, visit the ‘Setting the Directions for the China Market 2012-2017’ resource on the Tourism and Events Queensland website www.teq.queensland.com/china



Today’s Chinese Consumer – Bernard Hughes, Nielsen

- Consumer confidence in China has reached an historic high, in fact it has NEVER been as high as it is today. This is due to:
 - increasing disposable income
 - the emerging middle class
 - the rise of e-commerce for shopping convenience and equality amongst all cities (regional, rural or urban).

- Numbers of Chinese high-end consumers are increasing
- **TIP: Online travel services** play an increasingly important role in the Chinese tourism industry so look into these distribution networks. One example is Baicheng (see next page)
- **TIP:** More socialised consumer behaviour and social media information sharing, calls for **more creative engagement** from you

Domestic Chinese Travellers – Wayne Carlson, Tourism and Events Queensland

Residents of Australia who originate from China all know ‘San ge da’ the Big Three (literally in Chinese), referred to as the Big Rock, the Big Road and the Big Reef (i.e. Uluru, the Great Ocean Road and the Great Barrier Reef).

The ideal Queensland holiday for this market sector in the older age group focus on:

- Being with their family
- Visiting well known landmarks – the more the better
- Enjoying foreign cuisine mixed with a Chinese food
- Eating fresh local produce unique to your destination
- Mild weather
- Being surrounded by limited Chinese tourists
- Nature oriented (preferably large for the WOW! factor)

After living in Australia for two years they will start to look to other international destinations for leisure holidays.

TIP: Use domestic marketing channels to tap into this market as they will look to local services for trip planning.

TIP: Become **contracted** with an Inbound Tourism Operator (ITO) once you are **“China Ready”**. For recommendations of ITOs who utilise the Chinese market and information on becoming China Ready please contact Tourism and Events Queensland on 3535 5255 or www.teq.queensland.com/china

Talking Directly to the Chinese Free and Independent Traveller – Kestrel Lee, The China Gap

- ‘Free and Independent Travellers’ from China are most associated with the “Millennial” age bracket (18-30)
- To them, social media is mobile media – **1,260 million** active mobile users in China
- **TIP:** Don’t underestimate **the importance of a great online video** – make one today
- Fact: 96% of travellers begin their travel planning online, 46% watch travel videos on a regular basis, 57% rely on travel videos when deciding accommodation and 63% rely on travel videos for making destination decisions
- Travel is an outcome of increasing consumption and affluence and is increasingly driven by independent and individualist decision making
- More information on this topic can be found at www.youtube.com/user/TheChinaGap
- **TIP:** Invest in e-commerce or have no commerce!

Chinese FIT and ITOs - Cheryl Zhong, Equity Travel

- In addition to travelling in large Approved Destination Status (ADS) groups, travellers from China also holiday in small groups that are made up of either family members or family and friends. These groups are very high yield.
- Young professional Chinese men and women are travelling to Australia to see ‘must do’ experiences. They use social media to brag about their experience to their friends and relatives. Students from China studying in Australia are a great source of recommendation to their friends and relatives back in China
- Parents of these students will travel to Australia for the graduation ceremony and will use the opportunity to spend time in Australia on holidays
- Language is not as great a concern for this group as they will have some understanding of English

What High End Chinese Consumers are looking for – Reder Wang, CEPT Travel Services

- The high end Chinese market is large and growing – approximately 20,000,000. 2.9million Chinese have \$1M US or more in net assets
- 35% of outbound travellers use travel agents- for long haul especially
- They are well educated, in their 30s, 40s or 50-60s and are more often using English
- Travel is the most preferred leisure pursuit
- They use all sources of information when planning, including TV, Online social media, newspaper, magazine, word of mouth, including the platforms of WeChat and Weibo



- Main reasons for travelling – sightseeing, shopping, business, visiting relatives, theme culture, medical treatment
- Small group size – 3-15 people is the most popular
- They are travelling for-
 - Enjoyment. Safety is important – they like adventure but not risk/danger
 - Gourmet – a taste for fine dining and luxury wine
 - Shopping
 - Self-identity
 - Exoticism and Curiosity
 - Arts and culture
- **TIP:** Look for opportunities in your business that fit into the ‘reasons for travel’ listed above and tailor your product to suit



Trends on O2O in China – Tony Duan, Baicheng

- O2O is Online to Offline (or Offline to Online) promotion
- Companies like Baicheng offer online and offline tourism and travel services including visa applications and travel bookings
- The ‘Millennial’ travellers (aged 18-30) prefer to order the independent travel products through the internet
- Consumers need to be able to access both online and offline components for an experience; tourism businesses need this in their product for a successful business model
- **TIP:** Ctrip is the largest tourism e-commerce platform in China and a **worthwhile place for Queensland tourism operators to invest**
- **TIP:** List your organisation with **online distribution** companies once you are “China Ready” as a key distribution channel. Consider becoming more China Ready (www.teq.queensland.com/china)

China Fast Facts – Andy Jiang, Tourism Australia

- Snapshot of the China market to Australia – (YE June 2014) is 759,590 with total visitor spend \$5.26billion – average spend per night is \$492
- Direct air capacity from China to Australia is at an all-time high
- About half of Asian leisure expenditure in Australia is generated by just 10% of visitors (the high end users), with a high proportion spent on shopping for items to take home
- **TIP:** China potential continues to grow – **don’t ignore this market.** Consider becoming more China Ready (www.teq.queensland.com/china)

China Fast Facts & how TEQ can help– Grace Pan, Tourism and Events Queensland (TEQ)

- 83% of Chinese visitors come to Queensland for a holiday
- This market continues to grow and are starting to disperse more around regional areas
- **TIP: stay involved by:**
 - **keeping close relationships** with Regional Tourism Operators and TEQ
 - participating in Queensland on Tour **road shows** the (next one is 23-28 March 2015)
 - **supporting famils**
- **TIP:** Let us link together via Weibo and WeChat (social media channels)



General marketing hints:

- Avoid using **only** Chinese talent in collateral, Chinese independent travellers like to experience the local culture and see locals enjoying the experience
- Demonstrate that there is a **good mix of activities** available at your destination/experience
- Chinese independent travellers look for goods and services that provide good **‘value for money’**
- Avoid overly adventurous imagery and language in marketing materials
- Websites with easy navigation and **eye catching pictures** are desired and will help build a positive impression of the destination
- Provide Chinese independent travellers the opportunity to **create their own itinerary** and package inclusion by offering flexible booking options
- Chinese independent travellers are internet savvy and the internet is a key trip planning tool. Include a catchy online video. **Free WIFI is highly desired!**

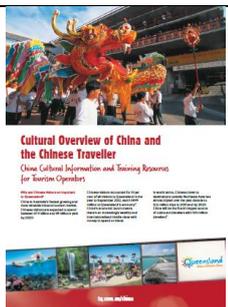
Key Cultural hints for creating successful business relationships in China:

- Focus on building a personal relationship, then business will follow
- Bilingual respect is more important than bilingual ability, although both are the ultimate
- Learn the correct business card etiquette
- Know the importance of using title and surname when addressing Chinese visitors
- Punctuality is valued
- Phrase 'no' in a more appropriate way, such as 'it is difficult'
- Status, including giving 'face', losing 'face', saving 'face' and keeping 'face' is essential - avoid dispute, embarrassment and conflict

- Learn the dos and don'ts in successful entertaining such as share plates and toasting
- Be careful when bargaining and use flexible sales processes
- Understand the position of Taiwan in mainland Chinese politics
- Be aware of the symbolism and meanings of significant colours and numbers
- Be careful of using humour; in particular understand how jokes may be translated
- Ask about a person's Chinese name can be a great show of interest and respect
- Be mindful of relationships and social connections

Factsheets

Tourism and Events Queensland offers Factsheets on the China market on the website for free download: www.teq.queensland.com/china

<p>China Ready Fact Sheet - Key Cultural Tips Learn more about Chinese travellers, who are a diverse market with varying needs and expectations depending on their travel experience, where they live, age and travel style.</p>		<p>The Chinese Traveller – A segmentation of the Chinese market Chinese Travellers see Australia as an aspirational destination offering a combination of experiences with the comforts of a developed country. Read more about Chinese traveller segments.</p>	
<p>Chinese Cultural overview Learn more about Chinese visitors and key aspects of their culture</p>		<p>Understanding the Chinese Independent Traveller Learn more about this growth market, who prefer to follow their own schedule and independently decide what they will do and see.</p>	
<p>Chinese Visitor Expectations Learn about the expectations of your Chinese visitors, and how to meet them.</p>		<p>Communication Guidelines Travel Safety Cards (English and Chinese versions) Useful Chinese Greetings</p>	

Additional Resources

www.teq.queensland.com/china

Found on the Tourism and Events Queensland website, additional resources include:

- Welcome your guest poster
- Online video of an insightful Digital Marketing for the China market workshop
- Link to learn Mandarin online
- Tourism Australia's China 2020 Strategic Plan
- A link to [all presentations](#) on Youtube of the China Masterclass from Sept 2014.

Welcome your Chinese guests (and have fun learning some Mandarin)

Hello (to one person)	Ni hao	你好
Hello (to more than one person)	Ni men hao	你们好
Welcome	Huai xing	欢迎
Goodbye/ see you again	Zai jian	再见
Thank you	Xiexie	谢谢
You're welcome	Bu cheng wen	不客气
Can I help you?	Ni shu yue bu?	你有什么问题?
I'm sorry, excuse me	Duo de bu qǐ	对不起

Remember
Remember to smile in Chinese (and all other) languages, and all other people. A smile speaks all languages!



www.atec.net.au

The Australian Tourism Export Council (in conjunction with AVANA) have previously offered China specific programs for tourism operators that provides your business with knowledge and insights developed in conjunction with leading, China based, tourism experts. Check the ATEC website for more details.

<http://www.tourism.australia.com/markets/market-regions-greater-china.aspx>

Tourism Australia focusses its activities in China and Hong Kong. Tourism Australia's activities in the region are managed from offices in Shanghai, Beijing, Guangzhou, Chengdu and Hong Kong. Market insights are included on the Tourism Australia website, including:

- [Latest arrival statistics](#)
- [China Market Profile 2014](#) – snapshot of market performance, aviation and distribution (published May 2014)
- [Understanding the Chinese consumer](#) – research into how Chinese consumers view Australia and what motivates them to visit the country (published May 2014)
- [Quarterly Market Update](#) – brief overview of market performance updated quarterly (published March 2014)
- [China Market Profile 2013](#) – overview of market performance, aviation and distribution (published April 2013)
- [China 2020 Consumer Research](#) – carried out across 13 of China's largest and fastest growing cities and is being used by Tourism Australia to further enhance its ten year strategic marketing plan aimed at China (published March 2012)
- [Tourism Australia's China 2020 Strategic Plan](#) (published June 2011)
- [China 2020 Strategic Plan - One Year on Progress Report](#) (published June 2012)
- [Highlights from Tourism Australia's activity in China](#) (published October 2013)
- [Chinese Visitor Satisfaction research](#) - conducted by Tourism Research Australia (published January 2014)