

# The Digital Journey: Connecting with the Chinese Consumer Before, During and After Travel



November 2017

## Introduction

Mainland China is the largest outbound tourism market in the world. That alone is impressive but more impressive still is that it continues to grow. According to UNWTO, the Chinese outbound market grew by six percent in 2016 to 135 million. Chinese international tourism expenditure was also the highest of any nation with US\$261 billion spent last year alone. This figure continues to grow by double digits as it has done since 2004<sup>1</sup>. Fuelled by China's rising middle class, numerous sources such as MasterCard's Future of Outbound Travel report support the view that the Chinese outbound market will continue to grow. Keep in mind that only six percent of the Chinese population currently has a passport<sup>2</sup>!



In looking more closely at Chinese outbound travel, it is important to understand that the market is still evolving and that consumer habits change at a much faster pace than many other markets. Over the past 15 years, China has gone from approximately 10.5 million international trips annually to 136.2 million in 2016<sup>3</sup>. This increase reflects not only economic growth but also a shift in the meaning and role of travel itself.

The initial wave of Chinese outbound travel was centred around group tours that packed as many countries into one trip as possible – sometimes as many as seven countries in 10 days. The market evolved quickly with travel seen as a form of investment to learn new skills, a new language and, just as importantly, as a means of improving status through shopping. In recent years a further evolution has taken place.

The Chinese traveller now desires unique experiences that they can share to further validate their newfound status with friends, family and their wider online community.

With the role of travel continuing to evolve, the trend toward independent travel is growing ever stronger. New cohorts of millennial travellers have significant disposable income and are travelling not just once but many times during the year. When it comes to these more experienced Chinese travellers, and millennials in particular, the reasons for travel are not too dissimilar from their Western peers. Travel is seen as an escape from busy city life and an opportunity to relax, enjoy new experiences and learn about different cultures.

In this article we examine how the Chinese independent traveller uses digital before, during and after each trip in order to increase understanding of the distinct habits of this group. We also outline what measures travel organisations can take in order to capture the attention of the Chinese independent traveller across this user journey.

## Chinese Travellers

Chinese travellers are among the most digitally savvy group of consumers in the world. Therefore, to understand the Chinese traveller, we first need to understand the digital ecosystem in China. The first key trait of Chinese consumers is that they are truly ‘mobile first’.

There are currently almost 720 million smartphone users in China and the use of smartphone apps, from chat to digital wallets to mCommerce, is like nowhere else in the world<sup>4</sup>. A typical Chinese mobile user has an average of 40 apps installed on his/her device – a figure that rises to 46 apps in first-tier cities. This is almost double the 26 apps installed by mobile users worldwide and still some 25 percent more than the average 33 apps installed by American users<sup>5</sup>.

The difference here is not only the vast number of apps in China but also their extensive use, especially around mobile commerce. MCommerce plays a huge role in the Chinese payment system, due primarily to the rapid rate of China’s economic and digital development. China jumped into the digital era without first having scalable credit and debit infrastructure in place, thereby prompting consumers to skip from cash-based transactions straight into mobile payments<sup>6</sup>. Ali-Pay and WeChat make mobile payments easy and are fully integrated with the lives of Chinese consumers, who can choose to pay with these mobile methods almost everywhere they go – whether buying expensive jewellery, dining out or purchasing flowers from a roadside vendor.





## Bottom Line

The expectations of the Chinese consumer are high; they are mobile first and highly digital. They expect to be able to find localised information online and in a mobile friendly format. For DMOs, connecting with the higher value middle class outbound traveller requires a sophisticated and targeted strategy for China. They need to understand how their target audience members behave digitally and which digital tools are being used throughout each journey.

## Digital Before Travel

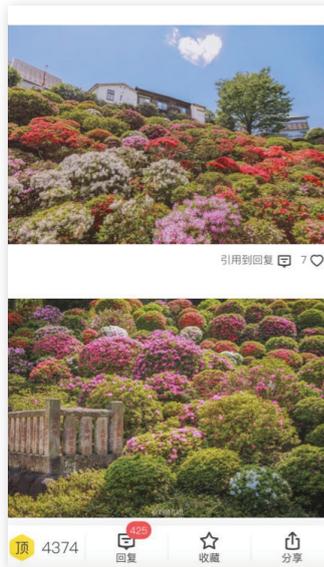
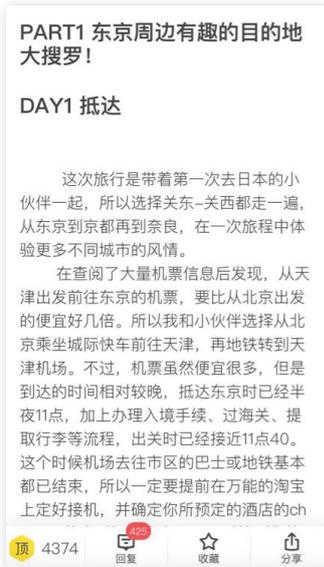
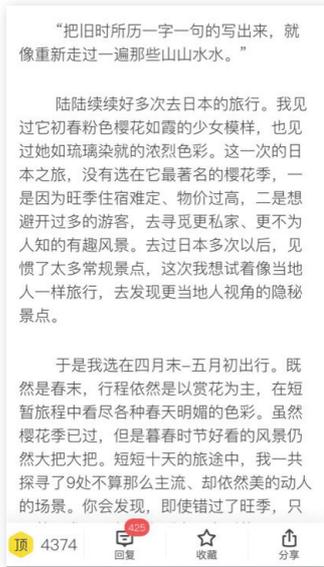
Travellers around the world frequently search for inspiration for their next trip. This is the same for Chinese FITs but with one differentiation – they are searching on Chinese platforms, primarily via WeChat and Weibo. These posts, by friends, family and key opinion leaders (KOLs), show where others are going and what they are doing. Most importantly, they drive feelings of inspiration, desire and even envy to experience these things personally.



Example of a travel-related WeChat post

As in the broader international community, search engines still provide a key part of the user journey to booking. This largely takes place on Baidu, although WeChat is also becoming a popular search tool. According to the World Tourism Cities Federation, WeChat is now the second most used channel for travellers to research information regarding travel destinations, consulted by 45.1 percent of users, second only to official Chinese websites (60.4%)<sup>9</sup>.

Trip planning occurs around travel websites and OTAs. Travellers consult popular sites such as Mafengwo and Qyer to browse the itineraries of previous Chinese travellers and build their own. These Chinese UGC travel platforms and guides play an important role in the user journey due to their uniquely high level of detail. Users post nearly every aspect of their trip, including everything they did and ate each day and the means of travel from place to place. These details are appreciated by other users who spend time reading through them to pick out bits and pieces of trips that they like – or even replicate them completely. This phenomenon is due to the perceived trustworthiness of Chinese traveller experiences as well as the feeling of safety around frequenting destinations and venues that have previously hosted Chinese visitors.



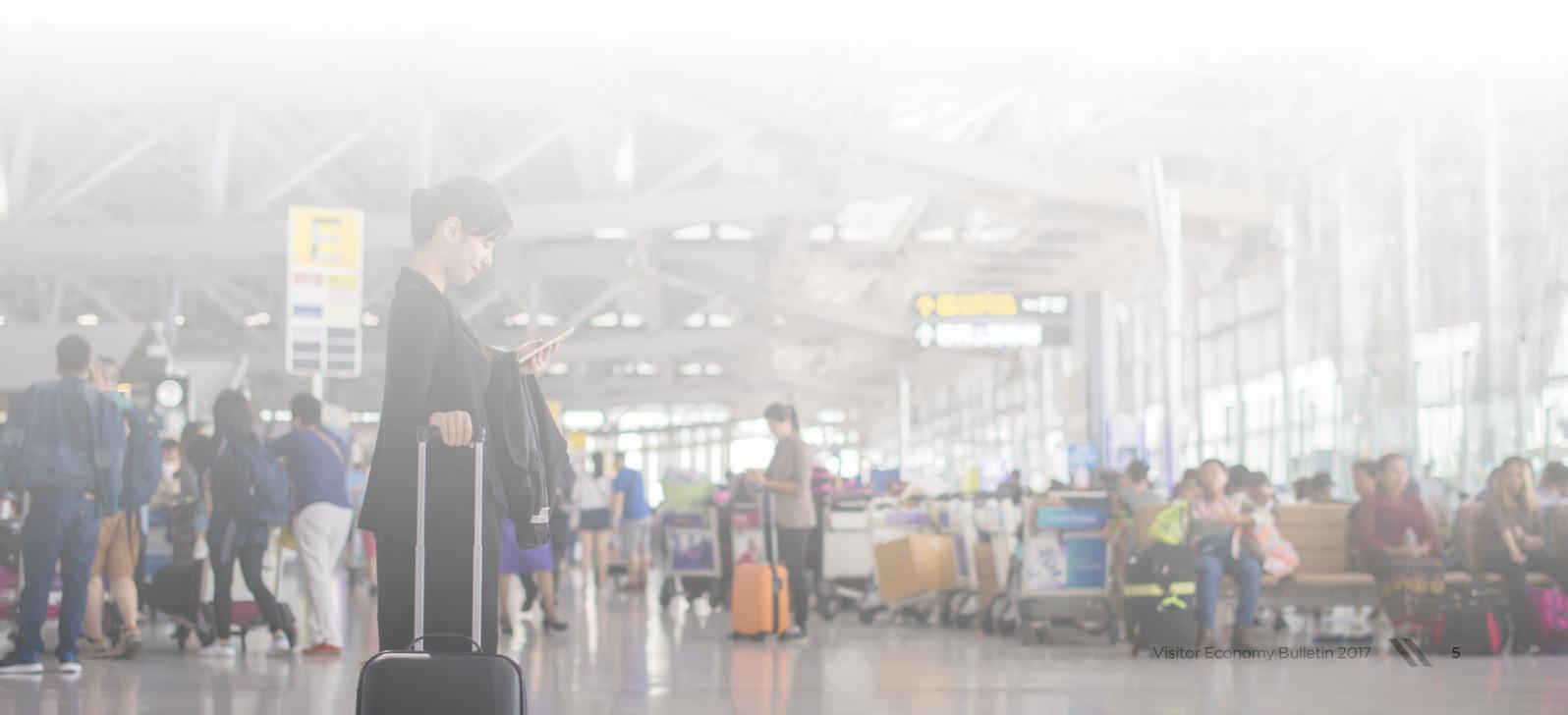
The above itinerary in Mafengwo of a 10-day trip to Japan includes 254 photos and nearly as many paragraphs of text. In just five days after being posted it was read 4326 times and generated 423 comments.

OTAs are the primary booking choice for the independent traveller as they are seen as reliable and having the best prices. Ctrip is the most popular of these OTAs and is a dependable brand name; it features multiple packages and products for independent and group travellers alike. The market, however, is highly competitive and other OTAs are gaining traction including Qunar, Tuniu and notably Ali-Trip's 飞猪 (Fliggy), which is part of the Alibaba digital ecosystem and often features lower prices than Ctrip.

In order for destination marketing organisations to connect to digitally savvy audiences while they are considering their next vacation, DMOs need to be where their consumers are. This entails investing in a branded presence on platforms such as Baidu, WeChat and Weibo as well as understanding what travellers are saying about a given destination.

Knowing what types of itineraries are being shared on platforms such as Mafengwo and Qyer allows DMOs to understand how destinations are being perceived. Additionally, creating brand-owned itineraries for these sites allows DMOs to take an active role in the content to drive users to specific places and experiences.

The final consideration is leveraging a DMO's official website as a digital call to action. This site should be hosted on a Chinese server and include content that has been translated and localised for Chinese audiences. The official website serves as an important brand hub around which partner sites, OTAs and UGC guides can be linked for easy access and a shortened user journey to booking.



## During Travel

Independent Chinese travellers are less likely to ‘switch off’ during their holidays. On the contrary, they expect to be able to use their mobile phones throughout their journey and look to DMOs to help them stay connected via Wi-Fi.

Internet is easily accessible to Chinese consumers at home. One of the first questions diners ask when entering a restaurant in downtown Shanghai is ‘What’s the Wi-Fi password?’, despite the fact that they will likely be on an unlimited 4G data plan. Chinese consumers have come to expect easy Wi-Fi access in restaurants, airports, shopping malls and popular tourist attractions. In a recent review conducted by ASAP+ for a client on Chinese travel site feedback, it was astonishing to read so much negative feedback about the availability of Wi-Fi in international cities. Numerous posts recommended travellers go to McDonald’s to use Wi-Fi as the availability and sign-up process is relatively simple.

The importance of keeping Chinese visitors digitally connected during their stay cannot be understated. They post moments on WeChat throughout their trip, using the platform to talk to friends and family back home and even purchase goods on their behalf. During the recent National Holiday, WeChat released some interesting insights on its app usage<sup>10</sup>:

- The most remote location for check-in was Greenland
- WeChat check-ins abroad increased in every outbound market with Southeast Asia almost doubling to over 700,000
- WeChat mobile payments continued to increase abroad

Because apps such as WeChat are used to keep in constant contact with travellers’ social circles throughout their vacation, it’s important to treat every Chinese consumer as a travel influencer, or KOL as they are known in China. Be aware that each traveller’s experience will be broadcast to everyone they know and even those they don’t know – so be sure to make a good digital impression.

### Internet Activities Conducted via Smartphone During Most Recent Overseas Trip\* According to Travelers in China, June 2017

% of respondents

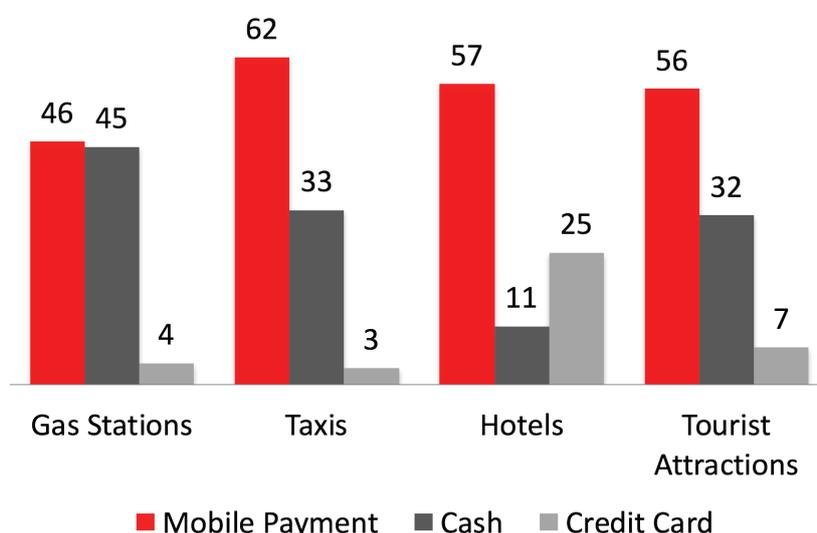
<b>Communication-related</b>	<b>82%</b>
- With friends and relatives in China	66%
- With travel partners	62%
<b>Shopping-related</b>	<b>73%</b>
- Search for shopping locations	59%
- Compare prices with those in China	39%
<b>Search for restaurant/cuisine</b>	<b>65%</b>
<b>Finding way/map</b>	<b>65%</b>
<b>Translation</b>	<b>40%</b>
<b>Did not bring/use smartphone</b>	<b>2%</b>

Note: n=841 ages 18-59; \*most recent of all trips taken in the 12

Source: eMarketer

Another interesting development in consumer behaviour during travel is the pursuit of unique experiences. According to a study conducted in 2016 by Airbnb, 94 percent of Chinese millennials said that they were always looking for unique experiences and 93 percent stated that the best way to really learn about a destination was to 'live like a local'<sup>11</sup>. These figures indexed well ahead of their British and American counterparts.

Digital payments are an important aspect of the lives of Chinese consumers at home but this also holds true while they travel. Within China, mobile payments are standard practice, with Chinese travellers using Ali-Pay and WeChat Pay for all aspects of domestic travel, from filling up their tank at the gas station and paying for taxis, to purchasing big products and services like hotels and airfare.



Source: FOMO Pay

The ability to use these digital payment systems outside of China is currently limited but Alibaba and WeChat are working with banks around the world to provide their services in more locations. Destinations hoping to appeal to Chinese travellers should take advantage of these local partnerships to provide mobile payment services to inbound Chinese visitors.

## After Travel

Upon returning home, Chinese travellers turn to the same platforms that they used for their own travel research, namely Mafengwo and Qyer, to leave their own travel guides and itineraries. These will often be as detailed as the ones they reviewed previously, covering every step of their journey and posted as inspiration to the next round of travellers.

It goes without saying that posting and sharing also continues on social media platforms once travellers have returned home. According to iResearch, 62.9 percent of Chinese travellers shared their experiences through WeChat in 2016<sup>12</sup>.

However, WeChat is not the only platform used; around 41 percent of travellers posted their experiences on Weibo, which has seen a resurgence of interaction in recent years due largely to extensive KOL activity. A key recommendation for destinations is to attempt to orchestrate referrals; this means giving the traveller the ability to take that magical photograph or amazing video at the destination experience. There are many operators starting to do this in a sophisticated way; some going so far as to help visitors take photos with professional cameras and then sending them the results. Orchestrating referrals digitally also includes creating hashtags for the destination experience, which may then be used when uploading and tagging content. Destinations can leverage this UGC for their own content or campaigns. The ability to re-use this content on Chinese digital platforms and channels is vital as it not only provides a heightened level of authenticity for your destination but also serves the very practical purpose of keeping your digital marketing content fresh and energised. It is important to always acknowledge the user that provided this content, as it promotes the feeling of celebrity and encourages others to use the hashtag to promote themselves.

## CHANNELS USED TO SHARE OUTBOUND TRAVEL EXPERIENCES POST JOURNEY



Another important aspect of Chinese travellers' user journey is the desire to begin planning and researching the next trip upon returning home. Now that travel has evolved from a rare or even once-in-a-lifetime experience to a lifestyle necessity for younger generations of Chinese, planning one trip begins when the previous trip ends. The role of post-trip UGC is therefore twofold as it serves to document previous experiences while inspiring the next round of potential visitors. The Chinese public holiday calendar also ensures that there will be frequent opportunities for travellers to plan both last minute getaways and longer trips. The implication of this shift within the travel industry is that NTOs and brands must leverage an 'always on' approach to get the most out of a consumer base that is almost always planning their next trip.

## Final Thoughts

While the focus of this article has been on the independent traveller, all Chinese travellers, from millennial FITs, to high net worth individuals (HNWIs), to 'aunties' travelling as a group, interact with digital touch points at virtually every step of their journey. It is therefore vital that destinations be as digitally savvy as their target consumers.

Destinations must understand the digital process and be present at each step before, during and after travel on digital platforms including social apps, travel sites and branded websites so as to ensure that their products are easily accessible.

It is also vital for destinations to look at what people are saying about their products online in forums and UGC in order to adapt to their target market and improve the visitor experience. The Chinese consumer is willing to, and in many cases, already communicating with destinations online by providing useful feedback that can help shape marketing communications strategies and plans; all brands need to do is look.

It is imperative for industry practice to match up with consumer behaviour and expectations; only then can brands reap the full benefits of Chinese outbound travellers. By actively leveraging digital across the user journey, destinations can not only see increased awareness and visitation, but also create a trusted reputation among Chinese consumers that can generate value for years to come.



## About the Author



**David Rumsey** has over 20 years experience working in both the technology and tourism industries. His last role was as the CIO of Tourism Australia, establishing and delivering the first phase of their digital transformation. During his five years there, he was named one of the Top 50 CIOs in Australia. Dave has most recently been appointed CEO of ASAP+, with the objective of linking international organisations to the Chinese marketplace.

**ASAP+** is a Shanghai-based digital agency that specialises in helping international organisations successfully navigate China's unique digital landscape and connect to Chinese consumers. By serving as the bridge between China and the world, ASAP+ is able to implement the latest digital technologies and strategies across every relevant aspect of their clients' operations to ensure maximum ROI and further optimize business activities in China and beyond.

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**Visitor Economy Bulletin** is published ten times per year online and is made available in hard copy at supported events.

November 2017 Edition  
Writer **ASAP+**  
Design & Layout **Nusreen Ekachon, PATA**



Please contact PATA Publication team at [publications@PATA.org](mailto:publications@PATA.org).

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