



### **Chinese island lovers fall for themed and customized tours**

Foreign island tours, a lucrative holiday segment in China, demands deep introspection considering what can influence the decision-making and how Chinese travellers go about their trips.

Island tours as part of the outbound travel pie from China stand out for their popularity. Correlating such trips with any other holiday option would be a big mistake, as every aspect of island tours needs to be carefully crafted.

For example, shopping tends to be perceivably high on the agenda of tourists from China. But this activity takes a backseat when it comes to island tourism.

"Island trips present some unique characteristics. Consumers pay lower attention to shopping, which is quite different from general tours; and beach, sea and other island-related features are of paramount importance, a consideration which is extensively described in their reviews," said *Susie Sun, Director of Island Division, Tongcheng Travel Co., Ltd.*

One of Tongcheng's strength is the ongoing analysis of search and booking pattern on its platform. In 2015, Tongcheng integrated all overseas trips and established its Island Division to further explore this segment. It has served 600,000 outbound trips over the years, mentioned Susie.

Based on such analysis, the team at Tongcheng has tailored offerings for different locations.

"There are many islands in other countries, but each has its own characteristics," said Susie.

"For example, many people choose to get married in Bali, including some popular celebrities. There are a variety of wedding venues in Bali: beach weddings, church weddings, cliff weddings, lawn weddings, sky water weddings and more. In the tourism industry in Bali, the wedding-related services are quite mature, with a perfect value chain and wide range of prices, which makes it the preferred choice for overseas weddings," shared Susie. "Similarly, visitors who like diving can choose Manado (the capital city of the Indonesian province of North Sulawesi), which is sunny and beautiful, with a water temperature of 28°C year round. With very little commercial development, the marine resources are unbelievable and the underwater world is really amazing. Bunaken is the first national marine sanctuary in Manado, with more than 50 dive sites. The fantastic corals and diverse marine life make it a world-class diving attraction."

"2017 is regarded as the "first year of customized tourism" in the industry. As the purchasing power and travel knowledge of Chinese consumers continue to increase, more tourists choose themed and customized tours to meet their individualized travel needs. In addition to the natural sceneries of emerald sea, white sand beaches, colorful underwater world and various thrilling water sport activities, visitors can also climb up to the top of an active volcano, watch whales or engage in ocean and jungle adventures," said Susie.

As for the size of the market, she pointed out that as per the industry statistics in 2016, among all outbound trips from China, 30% were island trips, which are one of the typical leisure destinations. Meanwhile, island trips also boast a number of favorable factors, such as no need of visa application and direct flights. At present, the islands popular on Tongcheng's platform include Phuket, Bali, Jeju Island, Okinawa, Boracay, Maldives, Sabah, Nha Trang, Saipan and Sri Lanka. Susie also shared that more than 70% of tourists from China are between 20 and 39 years. "They are the core consumers of island trips, looking for honeymoon, pre-wedding pictures and family holidays," she said. "3% are below 19 years of age, including 0-9-year-olds as 1.7%, which implies that families are an important segment in island trips."

### **In-destination assistance**

According to the data of Tongcheng's travel-related products, for popular destinations such as Bali, Phuket and Boracay, consumers favor semi-self-guided trip as 50%, while packaged tours cover the other 50%.

In addition to ascertaining the level of assistance required, holiday companies also need to ensure travel isn't restricted by the language barrier.



"As per the feedback from our users, the main focus of Chinese tourists are accommodation and services. The quality of accommodation is the most concerned element for most travellers, followed by service staff, including the service attitude and professionalism of guides and tour leaders who deal with travellers throughout the trips, which may even become the key factor affecting the final rating of tourists," explained Susie.

### **Influential factors**

Susie highlighted that several factors are paving way for new trends, and one of them is access to different sources of information and content.

"With the visible trend of consumption upgrades (expectations around high-end product or one of premium quality), the demand of China's outbound travel market is shifting from traditional "sightseeing" to "leisure vacations"," said Susie. She added, "With fresh air and sunshine, islands are increasingly favored by Chinese tourists."

Holiday companies need to be spot on with what can inspire tourists.

"If you watched the movie, *The Ex-File 3*, you must know Manado. Compared with Bali and Phuket, Manado is quite unfamiliar to most tourists. *The Ex-File 3* boasted a box office of RMB1.9 billion and also surprised countless audiences with the small island of Manado. Many tourists have visited Manado since then, which directly enhances its popularity," said Susie. Other than alluring content, companies can also make use of technology to inspire people. "It is possible to use augmented reality (AR), virtual reality (VR) and other technologies to attract the attention of Chinese consumers. Tongcheng has a network of owned stores all over China, which can introduce AR and VR technologies, so that users can experience the islands in their home cities, in order to facilitate and encourage their decision-making on the trips."

She picked three destinations that have gained popularity: Sri Lanka, Sabah and Manado.

- Sri Lanka has great diplomatic relations with China over the years. Local people are friendly to Chinese tourists. Moreover, Sri Lanka is more than a relaxing island. It also features rich culture, world heritages and original wild parks, which meet in-depth cultural needs, ranging from island vocation and experience in exotic cultures, to sea watching, mountain climbing, expeditions and pilgrimages.
- Sabah provides an express visa policy for Chinese travelers and it is known as the "Land Below the Wind".
- Manado, as a new island that has just been developed, has pure marine resources, pleasant scenery and low consumption, especially seafood and durian. The local community has not yet been commercialized, and the residents are very simple, warm and friendly. Meanwhile, it is also a treasure to professional and amateur divers and astronomy fans.

Tongcheng's island products are enriched and diversified, covering major islands in the Philippines, Malaysia and Vietnam as well as high-end islands such as Fiji and Tahiti. In addition, Komodo, New Caledonia and other new products are also being developed.

### **Provide a better experience**

Susie mentioned that there is an issue that needs to be sorted. "This year the island travel market isn't going smoothly due to a number of reasons and it has resulted in excess capacity. Many operators take advantage of travellers' quest to buy at low prices, and then make profit by adding a large number of shopping sites throughout the itinerary." she said. She added that authorities in China have taken initiatives to curb the same. Plus, the Indonesian Tourism Association intensively regulated the low-cost tours in Bali. "All tour-related shopping sites in Bali are closed," she said. "Unreasonable low-cost tours don't allow travellers to enjoy their trips, the quality of tourism goes down and it also damage tourists' trust in travel agencies." Eventually the business takes a beating.

In fact, she felt the industry needs not only needs to be forthright, rather it also should take an extra step to delight travellers. "In addition to the agreed standards of "what you see is what you get", including no random change of itinerary, no compromise in quality of meals and professional instructions of guides, tourists also hope to have surprises, such as birthday wishes or honeymoon flowers."

Tongcheng provides one-on-one travel advisors to solve problems of their customers at any given point of time. Other customer-friendly initiatives include a service, Tongcheng Travel, in which users can easily purchase island trip products via WeChat. "We pay close attention to comments, travel guides, travel notes and Q&As of prior travellers," she said. "(Also), in response to the call for personalized travel experience, Tongcheng designed diversified travel routes, selected overseas attractions and interesting itineraries according to the specific needs of tourists to offer them satisfactory travel experiences."

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*Additional Company Info:*

In 2015, Tongcheng integrated all overseas trips and established its Island Division to further explore this segment. It has served 600,000 outbound trips over the years. Tongcheng Tourism launched the brand of "Tongcheng Special Line", which has won the recognition of a wide range of users with good reputation, high quality and differentiated and excellent services. On this basis, the upgraded version of "Extraordinary Collection" further improves user experience with eight updated services. The "Extraordinary Collection" of Tongcheng's Island Division have served over 10,000 trips with 100% satisfaction. Its pursuit for service quality and high standards in terms of transportation, accommodation, itinerary and local services has been highly recognized by tourists.