

# THE LEADING COMMUNITY OF CHINA'S TOP TRAVEL BUYERS

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## Earning rewards by elevating the “island experience” among Chinese tourists

Chinese consumers increasingly favour in-depth travel products focusing on a specific destination. In this context, it is imperative for the travel industry to come up with enticing island tour-related options for tourists from China to capitalize on the opportunity.

Island destinations are renowned for food, culture, recreation etc. and all of this can be enjoyed amidst nature, forests and coastlines at a relaxed pace. There is certain serenity that only islands can offer. But peddling all islands as one, and crafting one-size-fit-all travel itinerary would be a huge blunder when it comes to targeting tourists from China.

“The increasing popularity of customized tour option such as island trips among Chinese travellers as of today is being driven by the continuous upgrades of consumer needs and segmentation of Chinese travellers. The customer base of leisure travel is expanding, and Chinese consumers increasingly favour in-depth travel products focusing on a specific destination,” says *Zhu Wenbo, Vice President and General Manager of Business, China Kanghui Tourism Group*.

Going in-depth with an offering is must. And such consideration gains even more credence when one considers what’s at stake as far as the sheer size of China is concerned. “The market of island trips exceeds RMB100 billion. Over the next three years, it is expected that more than 70% of island tourists will take tailored or self-guided tours, who mainly reside in Tier 1-3 cities in China,” shared Wenbo. As for the group’s current island travel business, it facilitated 500,000 trips and more than 5,000 products contribute over RMB2.5 billion in revenue.

“We focus on packaged tours and family-oriented semi-self-guided tours designed for the mass market,” said Wenbo, who is bullish about the compound annual growth rate (CAGR) for such tours. “(Expect) CAGR (to) grow up to 35% (over the next 2-3) years,” he said.

## Evolving scenario

Wenbo observed that Chinese tourists are now drifting away from typical sightseeing tours enjoyed as part of leisure holidays.

Rather they have “growing expectations” when it comes to islands.

“Tourists are interested in their (islands’) unique landscape and cultures. The market potential and growth of island trips in China is far greater than that in other countries,” said Wenbo. He acknowledged that be it for the setting, with beautiful or romantic views by the sea or certain activities, such as water sports or just a feeling of “getting away”, these factors are attracting tourists from the world’s most populous country.

As for the external factors that have influenced the decision-making in favour of customized trips such as island tours, Wenbo referred to the impact of content on TV and Internet.

“In recent years, islands have been popular destinations of reality shows and TV series (for shooting), which are extremely influential and result in a number of tours and products that are appealing to fans. In particular, some islands implying love, romance and family are preferred by China’s emerging middle class,” said Wenbo, explaining the psyche of tourists.

As for the profile of tourists from China, Wenbo segregated the target audience into two, both in terms of age-group:

- The first category includes young and middle-aged travellers between 25 and 40, who are couples or small families preferring water sports. They are often well-educated, enjoy lifestyle and look for customized and in-depth experience.



- The second category includes senior citizens between 50 and 65 years, who want to enjoy the beautiful landscape, delightful climate and health-related services of the island. They have sufficient time and financial strength to sustain their preferred way of enjoying such breaks.

### **Popular islands**

Among the most popular destinations, island trips are dominated by local islands and those in Southeast Asia over other countries. Island trips to Southeast Asia are highly valued for money. Also, island trips to countries that are considered to be time-consuming and expensive are avoided. With insufficient marketing and advertising, islands in other geographies are less known and come across as less attractive options to Chinese tourists," said Wenbo. Wenbo also mentioned that different kinds of islands appeal to different set of travellers - newlywed couples, families with children, and solo adventure travellers. "Different islands provide significantly different experiences. Some islands offer water sports, snorkeling or scuba diving, while the others are suitable for sunbathing on beach and adventures. Essentially, each island destination shall define its unique differentiators to more effectively attract its targeted travellers, while shaping and upgrading its brand image."

Among the islands that are gaining in popularity among travellers from China are:

- Seychelles: With 115 different islands, it provides everything from ultimate relaxation to snorkeling, scuba diving and other adventures. One can enjoy the magnificent tropical landscape as well as luxurious accommodations on the islands.
- Madagascar: Nosy Be Island (an island off the northwest coast of Madagascar), Nosy Boraha (off the east coast of Madagascar), Zinbazza Botanical Garden, Mary Island in the east, rain forests in Andasibe, Amber Mountain and Sacred Cave in Ankarana.
- Coase: Castle Neratzia, Casa Romana built in the 3rd century and its extravagant mosaics. It also boasts beautiful beaches, mild climate and cosmopolitan atmosphere.

For organizations keen on targeting China as a source market, Wenbo recommended that there is a need to introduce more destination marketing campaigns. "Also, one can utilize the network of local travel agents, new media communication and VR (virtual reality) /AR (augmented reality) technologies to enhance scenario marketing of destinations and attract more Chinese travellers," he said.

### **Managing expectations**

As for the overall in-destination experience, there are certain aspects that stand out.

According to Wenbo, an itinerary of an island trip needs to include transport to/ from the destination, accommodation, information about local traffic, local experience and shopping recommendations.

"A seller shall explore its own positioning to discover its own differentiated strength and also identify its target audience. By working with local travel agents in China or building up its own distribution network, it can engage in precisely targeted marketing and advertising campaigns," said Wenbo.

He added that there are certain areas where sellers can improve upon their offering.

Firstly, they can provide more local experience programs, e.g., local life or services. Also, in addition to luxury hotels, they can try to introduce some themed and boutique hostels or even local accommodation options.

"(Sellers) can also offer cultural or adventurous programs for unique and personalized experience," said Wenbo.

Other areas include provision for Chinese-speaking guides and also providing detailed information about trips that can be useful for tourists. "(All this can be enhanced by) reviewing the consumer behaviors and habits of Chinese travellers," said Wenbo.

He went on to add that such detailed analysis can also pave way for new itineraries or even experiences that can step up the interest level of Chinese tourists. "(Semi-) self-guided tours are increasing popular. Therefore, travel agents shall provide high value-added products to attract consumers. Such added value can be derived from travel guidance, value-for-money packages and exceptional experience. It is important to shape consumer behaviors with such detailed and practical offerings," concluded Wenbo.