

Ctrip and Mastercard 2018 Chinese Travel Consumer Report

A summary of the Chinese outbound market since 2016

Young, independent, solo, adventurous

- Young women in charge: Fast growth especially for post-90s and post-00s women
- January to September 2018: The proportion of tourists from the post-90s and post-00s exceeded 30% in total, surpassing the post-80s for the first time. Spending for those born after 2000 is close to 6,000 yuan 30%
- The proportion of female visitors who chose to travel independently has risen from 46% in 2016 to 58% in 2018. This 58% is 16% more than male counterparts.
- Females spend more than males in travel (more than 14%) – total on average 6254 rmb. Females travelling with their friends (female) spent 1000 rmb more than males travelling with their male friends.
- More consumption, emphasizing experience: The number of high-end tourists and the consumption per capita is fast growing with tourists focusing more on experiences rather than shopping.

Where the travellers are from

- 80% of some 7,000 offline Ctrip stores are located in non first-tier cities.
- First-tier cities, such as Beijing, Shanghai, Guangzhou and Shenzhen, are still the main source of outbound tourists. It is worth noting that with more direct air routes and the further opening of visa policies, the number of outbound tourists from second-tier cities are seeing rapid growth e.g. Guiyang, Changzhou, Nanchang, Kunming, Taiyuan, etc., the annual growth rate of these cities has exceeded 250%. Guiyang tops the list with a growth rate of 389%.
- 20% of high-end visitors contribute to 80% of total outbound spending
- The number and consumption from travel-related services and products booked by travelers during their trip rose 110% and 24% respectively.
- Venture further, take more in-depth trips: Niche markets being developed to suit visitors with greater taste for personalized trips

Diversified experiences

- According to the big data report on 2017 China's Outbound Tourism jointly released by China Tourism Academy and Ctrip, Chinese citizens made over 130 million outbound trips in 2017, spending \$115.29 billion USD, making them the world's largest source of outbound tourists. Outbound tourism has become a big measure of happiness for urban families and the young people in China.

- According to a recent data released by Ctrip, young users under the age of 29 are the fastest growing group, accounting for nearly 50%. The percentage of customers under 35 is 70 percent.
- Chinese tourists also need more diversified experiences. Ctrip: number of bookings for overseas entertainment products increased by 110 percent year-on-year, while the per capita consumption of entertainment booking increased by 24 percent year-on-year. Ctrip has added 350,000 products. Tasting wine in Greece, IMG world in UAE and more.
- In addition, different outbound destinations can bring different tourist consumption experiences. If you go to Europe, you think of luxury shops; In Australia and Japan, health and beauty products dominate. In Thailand, food is the focus. In UAE- jewelry is popular.

Other findings

- Private groups with per capita consumption of over 7,000 RMB saw the number of participants surge by 177%
- Parent-child travel is becoming increasingly popular, and the two-child policy contributes to this increase.
- Safety: More attention to safety due to frequent occurrences of events such as natural disasters etc and more. Insurance coverage for overseas travel insurance products has increased by nearly 40% annually.
- Ctrip is the first to offer global travel SOS 24/7. 55% SOS pleas came from parent-child type travel groups/ 68% were about lost goods/ Thailand is the top destination for SOS pleas.
- Nearly 40 percent of people sign up for independent travel, and they are more inclined to in-depth and personalized experiences.
- The number of visitors booking local guides through Ctrip increased by 67% annually from 2016 to 2018. 24% of local tour guides hired by travelers on Ctrip focused on cuisine/food. Users can book through Ctrip some 9,000 local tour guides across 90 countries.
- Ctrip's travel data shows that young people born in the 1990s have the shortest booking cycle for outbound travel= one month. For independent travelers, this is even shorter - one week. Over 50% of activities booked during one's travel.
- Chinese cities also show strong appeal. China's inbound consumption grew by 7% between 2016 and 2018, and the number of arrivals grew by more than 9 per cent.
- Leisure consumption still accounts for the vast majority in terms of proportion but business/corporate consumption has grown at an alarming rate in the past two years.
- Compound annual growth rate of business consumption is 6 times that of leisure consumption.
- One Belt and One Road Initiative has introduced considerable inbound spending by tourists from emerging market countries.
- The main sources for business/corporate consumption are the United States and the United Kingdom. Although Beijing, Shanghai, Guangzhou and

Shenzhen are still the main destinations for business travel, the growth rate of business/corporate consumption in non-first-tier cities surpasses that of first-tier cities.

- The United States remains the largest source of leisure travel.
- In 2017, there were 131 million outbound tourists and 140 million inbound tourists. With the development of transportation, consumption upgrading and policy guidance, as well as the deepening of tourism cooperation among countries, outbound tourism has become an important leisure and entertainment mode for Chinese consumers. Continuous growth of China's inbound tourism market played an important role in promoting cultural and economic exchanges between China and foreign countries.
- According to MasterCard consumption data, United States, Australia, Canada and Japan remain traditional top countries for outbound consumption. Thailand, Japan, Vietnam and Singapore remain high, with more than 10 million Chinese tourists visiting these countries this year.
- Second, in addition to traditional popular destinations, the report found that Chinese consumers are also very willing to revisit countries. Canada, United States and Australia having the highest percentage of visitors going for second-third time visits.
- Chinese tourists are not just concentrated in one or two cities, but in more destinations. In Japan, for example, the five places with the fastest growth in booking consumption are Aomori, Kamakura, Iseko, Takayama and Tomiyama.
- From 2016 to 2018, the compound annual growth rate of parent-child travel trips and booking consumption was as high as 23% and 28%, respectively.
- The destination also reflects the unique consumption demand of parent-child travel: short and convenient travel, nature, safe and easy.
- According to Ctrip's outbound tourism product data, the top 20 parent-child travel destinations are mostly safe and developed countries close to China (Japan, Singapore, Thailand, Vietnam) or with direct flights (Cairns, Melbourne).
- Others focus on study tours such as London and Washington. It is worth noting that nearly half of the popular destinations are beaches or islands.