

Optimising your **hospitality** **offering** for the **Chinese Market**



Leveraging the
rapidly growing
outbound tourism
market?

Stay chinese
in a global
marketplace

Digital marketing
strategy including
WeChat



Market Overview

According to a report by ITB Berlin In 2018, China experienced a growth of 18% in outbound international tourism. With this dynamic growth, China is turning into a vital source market for many destinations.

In parallel, the efforts of more destination countries such as the UAE to simplify visa procedures for Chinese tourists has also played a role in stimulating this growth.

The number of Chinese tourists travelling to the GCC is expected to rise 81% from 1.6 million in 2018 to 2.9 million in 2022, with a significant percentage choosing the UAE and Dubai as their preferred holiday destination.

The number of Chinese tourists to Dubai rose by 12% between 2017 and 2018, according to the Dubai tourism office.



While Chinese arrivals in Dubai are expected to rise significantly in 2020 as a result of the World Expo being staged in the city, the potential for further growth is strong over the next decade, according to Arabian Travel Markets's Danielle Curtis.

“It is interesting to note that just 7% of the total Chinese population possess a passport, compared to approximately 40% of Americans and 76% of British people.” Curtis added, “The outbound Chinese market therefore represents a vast, untapped pool of affluent and adventurous travelers and the GCC is stepping up its efforts to ensure it remains a destination of choice.”

“China is set to account for a quarter of international tourism by 2030 – and owing to its many business and investment opportunities, as well as a new generation of leisure attractions and retail destinations, the GCC is set to capitalise on this growth with millions of Chinese tourists about to make their first international trip.”

Danielle Curtis
Arabian Travel Market

The China outbound tourism market is growing rapidly. How can destinations leverage this opportunity?

Given the digitally savvy characteristics of today's Chinese traveller, marketing to them requires a specific, localised approach.

In this white paper, we are going to explore how to make your destination stand out from the crowd and how to attract your Chinese audiences through tailored communications.

Consumer Behavior

Shopping as a tourism objective does not interest the population generally as duty free shopping is already a part of life within China. It's not surprising to find out that the Chinese market has seen decreasing spending within retail - from 91% in 2016 to 41% in 2018.

Much as in the West, experiences such as dining and visiting locations have replaced shopping as the focus of many people's spending. The desire to develop a social media persona is a key part of this change in behavior.

Attaining authentic, social and shareable experiences are now the top reasons for traveling. This could have significant implications for companies connected to Chinese tourism right along the value chain.



A survey by Nielsen in 2018 found that Chinese tourists care most about experiences when considering destinations, and are willing to spend more on dining, sightseeing and relaxation. A study by Hotels.com in 2018 showed that Chinese tourists are looking for adventurous destinations and are increasingly exploring long-haul regions in Europe, the Middle East and the South Pacific.

Hotels, traditionally seen as a functional place to stay overnight, have become an important part of the travelling experience. Chinese travelers are staying in more boutique hotels and the homes of locals to get both luxury and authentic experiences.

Brand Strategy

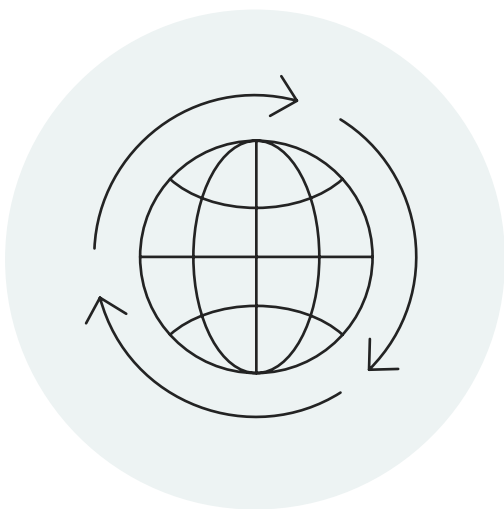
The Chinese market may require an adjustment of your brand in order to appeal to the Chinese consumer.

With the growing power of the middle class, Chinese tourists are gradually switching from a price-concerned consumption pattern to one that values the quality of the experience, even if it costs a little more. Chinese consumers generally prefer to spend more on hotels which provide a unique experience which they are able to share with friends on social media.

What this indicates is that hotel brands, especially in the luxury sector, need to think about the unique and noteworthy offer that could be provided to meet this need.

Based on Crowd's experience in helping multinational companies into China, we have found a golden rule which can be applied to hotel brands:

“STAY GLOBAL IN THE CHINESE MARKET, AND STAY CHINESE IN THE GLOBAL MARKET”.



Stay global in the Chinese market

If you run a hotel in China, staying international and keeping your brand aligned with the culture of the brand origin would be a good starting point to make your hotel eye-catching among local Chinese brands and other international brands.

When Chinese consumers are in China, foreign elements are rare and unique to most people. It's an opportunity to show the would-be traveler your culture and your unique national idiosyncrasies which will not only help you stand out among the other hotels, but are of great interest to Chinese people in themselves.

It's a great selling point if you can take your Chinese consumers to an exotic destination simply by inviting them to step into your hotel and give them a memorable international experience without leaving their own country.

This type of internationally flavoured domestic stay can reach a huge group of Chinese people who are not able to go abroad, but wish to visit other countries, or wealthy people who want to repeat an international experience they've had before or even well-educated people who are interested in culture and expanding their horizons. Albeit within their own country.

The Italian luxury accessories brand, Bulgari, opened its high-end hotel brand in Shanghai and is famous for its luxury experience.

B V L G A R I



“Customers for Bulgari jewelry aren’t looking for a deal in the hotel,” General Manager Vincent Billiard said. “What they’re looking for is attention... feeling welcome and at home.”

There's no doubt that the Bulgari hotel has positioned itself as an experience provider rather than a simple room to stay overnight. How does Bulgari differentiate its offering?

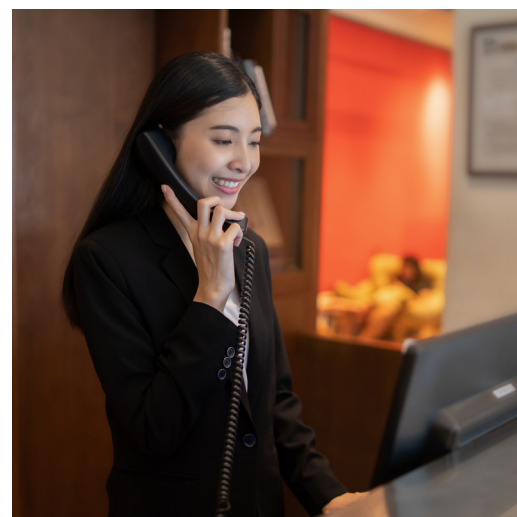
Billiard's strategy is to keep the original brand culture - “It's obviously an authentic Italian hotel with features and services and design and amenities and food that are authentically Italian. Maybe some other hotels you could use another name and it wouldn't matter, but you wouldn't be able to do it in our hotel — it's too linked to our brand DNA.”

The hotel also links closely to the jewelry brand through its Italian heritage. Its interiors are designed by Milanese firm Antonio Citterio Patricia Viel, who have designed all six Bulgari hotels worldwide. There's an Italian flavor: Handblown Venetian glass is a feature of Il Ristorante, an Italian restaurant helmed by three-star Michelin chef Niko Romito, and Maseratis, the Italian sports cars, are parked out front for transporting guests to nearby destinations.



Bulgari also offers virtual travel to Italy, something that would seem especially appealing to Chinese domestic travelers who would like to take their experience further, all from the Shanghai base.

The hotel review on Ctrip, the biggest Chinese travel agency company, is excellent – scoring 4.7 out of 5. Many travelers are willing to share their authentic experiences on the professional online community, Zhihu, to create excellent word of mouth marketing for the hotel.



Stay Chinese in the global market

In the global market, the opposite is true: Chinese customers are surrounded by a new exotic environment that can be overwhelming – culture shock! In this case even small Chinese touches can excite them and make them feel a connection to home. Providing some special services for Chinese visitors can make their trip convenient, demonstrate excellent customer care, and make your hotel the top choice for Chinese visitors.

Burj Al Arab is a good example. Famous for its luxury facilities over the world, Burj Al Arab is also well known for its excellent care of Chinese visitors. This equates to great reviews and more guests from China.

Considering most Chinese tourists are not native English speakers, Burj Al Arab have hired a group of Chinese staff to provide services in Mandarin. For example, a Chinese butler provides a guided tour for the visitors rather than an English-speaking butler.

Burj Al Arab understands that many Chinese customers are not used to the local food, so they hire Chinese chefs to offer familiar Asian cuisines.



This is a real trend amongst brands with hotels in destinations favoured by Chinese tourists. Offering home comforts and services in Chinese creates a snow ball effect: the services are recommended on review sites and more visitors are encouraged to stay. These types of services are now actively sought out and form a key part of the decision making process when travelers are looking for places to stay. Booking.com even listed Chinese-speaking staff as one of the top 5 reasons for Chinese tourists to choose an overseas hotel.

一定要来住这里的5大理由

- ✓ 价格优惠不容错过!
- ✓ 你的订单你做主
- ✓ 员工会讲中文
- ✓ 安全的预订
- ✓ 迪拜精选推荐之一

As well as providing the basic services, Burj Al Arab has built on this and gone the extra mile in welcoming visitors from China. They noticed that the spring festival in China is a peak time for Chinese people to travel abroad, so the hotel hosts Chinese dignitaries and their families to witness the traditional lighting of the lion's eyes to initiate a series of traditional lion dances.



To the accompaniment of the Chinese zither music, Chinese delicacies hand-selected by Chef Foong are served from live cooking stations, while children's Chinese craft activities will entertain the younger guests. The celebrations continue for one week in Junsui, with traditional dishes including Fa Gao (Chinese-style cupcakes) and Nian Gao (New Year cake) served alongside Dim Sum and Peking Duck.

This year, Jumeirah Hotels and Resorts marked their 10th year of Chinese New Year events at its luxury Dubai and Abu Dhabi properties — they attracted 16,939 guests during the 2018 lunar festival. It's all part of a huge regional marketing push by the UAE and other Gulf nations to welcome 2.9 million Chinese tourists annually by 2022, an 81% increase from the total in 2018.

Digital marketing strategy

We have seen that the experience sought by Chinese travelers both domestically and internationally tends to change depending on whether they are in China or outside it. But how do we tailor our messaging to appeal to the would-be tourist?

A China Tourism Academy Report in 2017 found that 60% of Chinese travelers are influenced by social media. In order for non-Chinese managers to have access to this growing market, you must have expertise in local culture and spending habits, and the unique challenges associated with having an online marketing presence in China.

Digital marketing that is tailored and presented in Chinese with precise and relevant content is just the beginning. It is imperative to be active on local social networks that are used exclusively in China — especially WeChat.

Eighty percent of respondents in the survey reported sharing their experiences on WeChat, and according to international consulting firm Oliver Wyman, nothing beats WeChat to generate positive word of mouth for your company. By creating a presence on social channels, including platforms dedicated to reviews, companies can manage their reputation, resolve any problems and cultivate positive interactions between their company and the community online—ultimately drawing Chinese travelers to their offerings.



WeChat

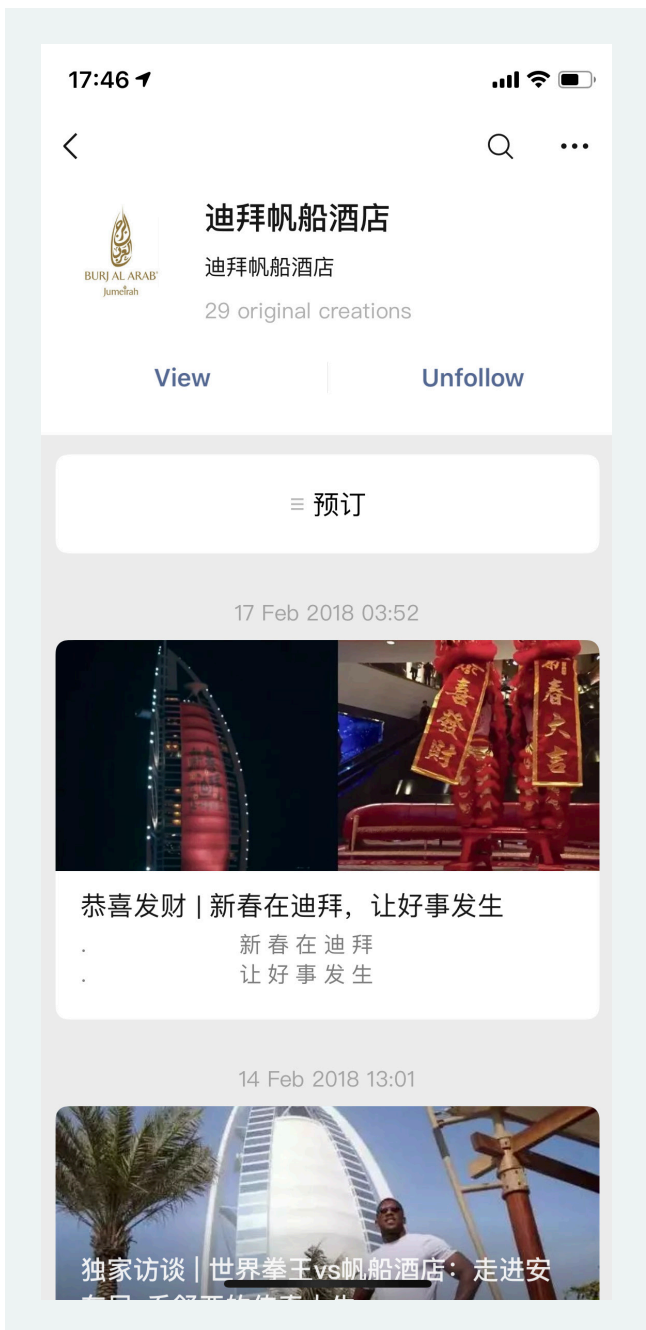
At its core, WeChat is an instant messaging app. We have listed some important statistics about WeChat as below:

- 1 billion monthly active users.
- 60% of users open WeChat 10 times a day - and 1 in 5 users open it more than 50 times a day.
- 85% of users are aged 18-35.
- WeChat has 93% penetration of smartphone users in China's tier-one cities.
- Just over 1 in 6 (17%) of users spend more than four hours a day on the platform.

More and more international hotels have realised that WeChat is the best communication channel to increase brand awareness as well as interact with the audience directly. There are various ways to utilise your WeChat account.

Let's take Burj Al Arab as an example again. First of all, it has established an alternative Chinese name, but the name does not derive from a direct translation. To make the brand name easy to remember they call themselves 'Dubai Sailing Ship Hotel', directly connecting the brand to their distinctive architecture.

At the navigation bar, they provide a booking link and direct people to their Chinese website, to explore more about the rooms, discounts, restaurants, activities and other services.



They understand that people go to Dubai mainly for an exotic experience, so they also promote articles introducing interesting Dubai culture, presenting themselves as a Dubai tourism expert who aims to provide great overseas experiences.



Besides booking services, they post WeChat articles to promote their exclusive offerings, including food and wedding facilities for example.



They also noticed that many Chinese clients have trouble booking at the restaurant in the hotel, so they post tutorials and guide people step by step.

During the Chinese festival, they promoted a celebration article full of Chinese visual design - Chinese red, Chinese zodiac, Chinese character, and even the Chinese traditional font, which is very rarely seen among international brands.

The hotel posted a festival celebration post from the ruler of Dubai, Sheikh Mohammed Bin Rashid Al Maktoum. These Chinese friendly messages resonate with people and result in much greater sharing as a result.



Chinese people would prefer that every conversation happened in WeChat, because they put an emphasis on the convenience that they don't need to switch between apps.

Over the last few years, WeChat has grown into a vast ecosystem of features from communications to shopping, gaming, banking, appointments and travel. It essentially allows you to do anything you'd want to do online and has the equivalent functions of many popular Western apps such as Slack, Tinder, Uber and other services.

Hyatt has understood this Chinese behavior and capitalised on it.

In the Hyatt WeChat account, the online customer service is embedded in the navigation. The chat is powered by real people at the hotels and not by chatbots, ensuring that they retain the human connection that is so important to a guest's experience and that service is never compromised.



Online chatting meets the needs of modern Chinese travelers where social media and chat are an intrinsic part of their digital interactions. WeChat allows guests to access hotel team members and services at their convenience, anytime, anywhere, resulting in a seamless travel experience.



Conclusion

We have seen that depending where your hotel is located, the offering and marketing needs to be adapted to highlight different aspects of the experience on offer.

The needs of the Chinese tourist differ depending on whether they are on a domestic or international trip equating to an almost opposing set of requirements which should make the domestic hotel seem exotic and the international hotel seem homely.

We have also seen how the WeChat ecosystem forms such an important part of daily life that it must be used to reach the traveler. Converting your brand into a recognizable Chinese name that describes some aspect of your offering will make you stand out and how extending a friendly greeting to would-be visitors goes a long way in creating a good impression.

Crowd have established an office in mainland China and have expertise in creating successful campaigns for both international brands looking to develop their Chinese audience and also Chinese destinations looking for international visitors.





Talk to us about your next marketing campaign



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