

# Targeting Chinese tourists along their customer journey

By <u>Eugene Yiga</u>

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Dr Berenice Pendzialek, a Chinese outbound tourism specialist, speaks to Eugene Yiga about China's technological trends and how to connect with Chinese tourists along different touchpoints of the customer journey.



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#### What's the current consumer opportunity from Chinese outbound tourism?

China has grown into a major economic power and its people have developed a taste for travel to foreign countries. From 2000 to 2014, outbound tourism grew by almost 90%. And in 2016, the China National Tourism Board reported 135 million border crossings. That's quite a number. But I think it's important to emphasise that most of these end up in Greater China – Hong Kong, Macau, and Taiwan – so it's important to look at this carefully.

We can't just talk about big numbers and think it's profitable for the whole world. However, it's good news that the share of border crossings to Greater China is decreasing (62% in 2014 and 54% in 2015), which is good for the long haul destinations, especially Europe and the US.

#### How much are we talking about in terms of travel expenditure?

The expenditure has been growing at double-digit rates since 2014 and the United Nations World Tourism Organisation estimates that Chinese travellers spent \$220bn abroad in 2016, overtaking Germany in 2012. But Chinese tourists are not just keen on travel and spending abroad. I think they are also fast followers of digital technology.

### What are the trends we're seeing in digital technology?

In many ways, China is playing a key role in the area of digitalization and becoming a place where companies are figuring out how to reshape marketing landscapes. And if you talk about digitalization in China, they're leapfrogging their peers elsewhere. It's exciting to see how Chinese customers are developing and using these technologies. They are becoming

leaders in unexpected ways such as distribution, logistics, infrastructure, online, offline, communication, and ecommerce possibilities.

#### How many people are online?

With around 731 million digital users, China is the country with the most internet users in the world. In 2016, half of China's population went online at least monthly (versus Germany, for example, which has an 89% penetration rate). It's exciting to see how the key Chinese internet companies – Alibaba, Tencent, and Baidu – are developing and how they are competing with each other to hold market dominance.

#### What are the key trends?

First, China is mobile with close to 95% of internet users connecting via phones. One of the reasons is the selling price of smartphones in China. Second, the Chinese are increasingly social. The activities on social media platforms are not just about sharing and searching for information but are also about enquiring, interacting, and shopping.

Social media is important because word-of-mouth plays an important role in Chinese culture. In fact, 95% of Chinese netizens trust a brand if they have seen it before on social media channels, 43% are interested in products shared by friends on social media, and 38% base their shopping decisions on social media recommendations.

#### How does all this relate to the digital customer journey for travellers?

Chinese travellers, especially young and independent travellers, are keen on doing homework before the trip (56% plan activities before travel and 45% book them). So it's important not to neglect the customer's preparation phase. It's also important to adapt content and marketing messages.

#### How do Chinese travellers book trips?

To book a trip; Chinese are keen on online travel booking sites like Qunar, eLong, and Ctrip, which are the three big ones where you can find every kind of offer. But there are also booking possibilities on normal e-commerce sites and directly from WeChat.

Speaking of WeChat, what's the best way to inspire travel through this platform? For WeChat, there are so many posts going up daily that it's important what kind of content you have. Almost every segment of the Chinese tourism market is asking for some kind of deal or something extra. So if you can connect with some kind of coupon or game, that's also a way to engage.

# What should travel brands so at their destinations to further engage with Chinese tourists?

Once tourists are on their way to the destination, it's important to make them feel welcome. This could be by showing some assistance in Chinese or having displays and promotions, especially for Chinese tourists. At the destination, companies can make use of online/offline campaigns to engage with Chinese tourists. An example is the QR code mania.

Western companies thought that QR codes were dead and buried, but they are alive and well in China. Even Chinese professionals include QR codes in their business cards. It's also a good way to get product information, make mobile payments, and even get more followers for your WeChat account.

## What's the main takeaway for travel providers?

The biggest trend is the growth of mobile connectivity. About 100,000 new users go online every day and 7 out of 10 connect via phones so it's necessary to either go mobile or go home when targeting Chinese tourists. The technological

developments are there and can help us reach more people and build awareness. But the fundamentals of marketing continue being the same.
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You have to know your market preferences and adapt your content accordingly. It's not just about showing how great you are; it's about using storytelling, awakening emotions, and being there to engage with Chinese tourists. With so many touchpoints, it's easy to lose sight of the bigger picture. That's why it's necessary to coordinate across the marketing messages, tools, and platforms to get your strategy right.

#### ABOUT EUGENE YIGA

Eugene graduated from the University of Cape Town with distinctions in financial accounting and classical piano. He then spent over two-and-half years working in branding and communications at two of South Africa's top market research companies. Eugene also spent over three-and-a-half years at an elearning start-up, all while building his business as an award-winning writer. Visit www.eugeneyiga.com, follow @eugeneyiga on Twitter, or email hello@eugeneyiga.com to say, um, hello.

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