

NYCTM Talks

& Company

A New Era of Chinese Tourism

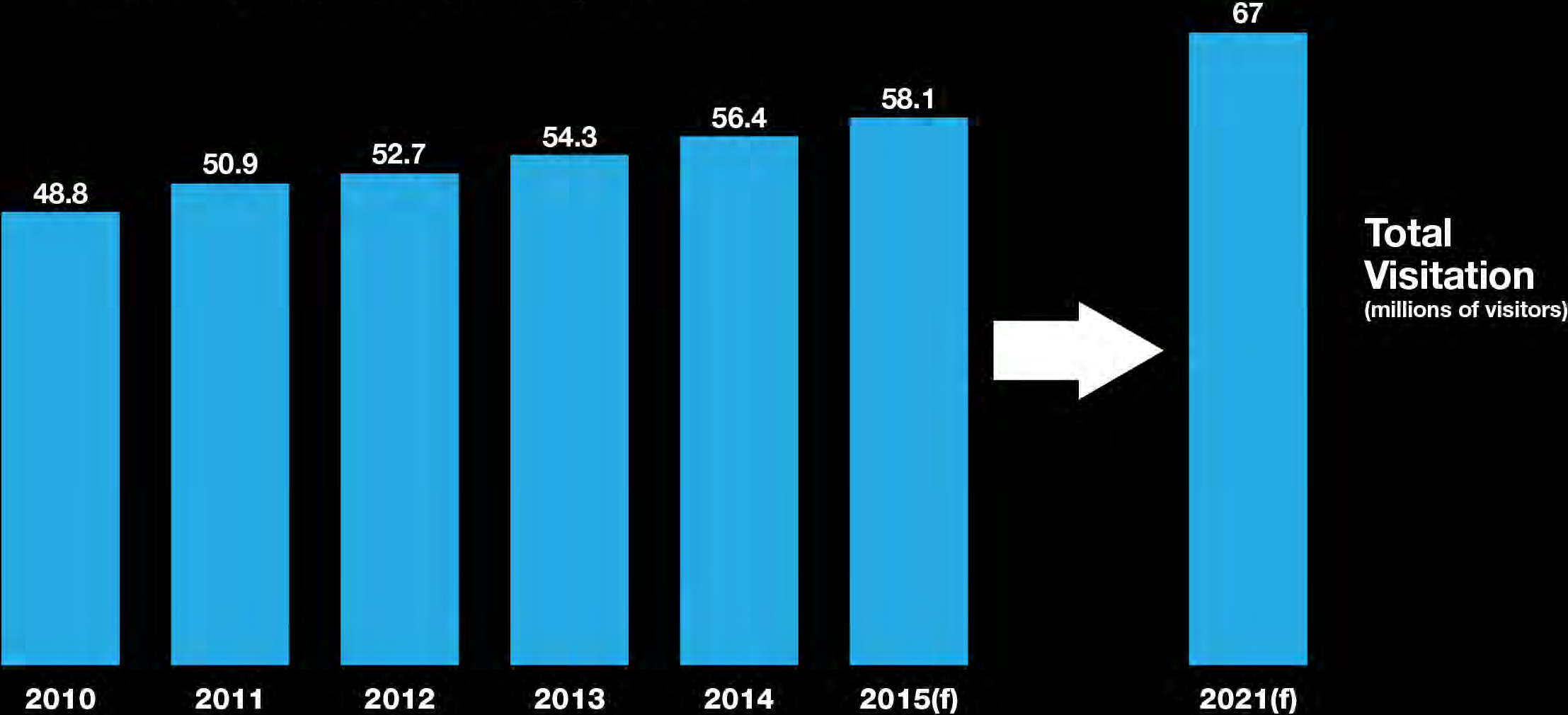
Kelly Curtin

**Executive Vice President
Membership & Destination Services**

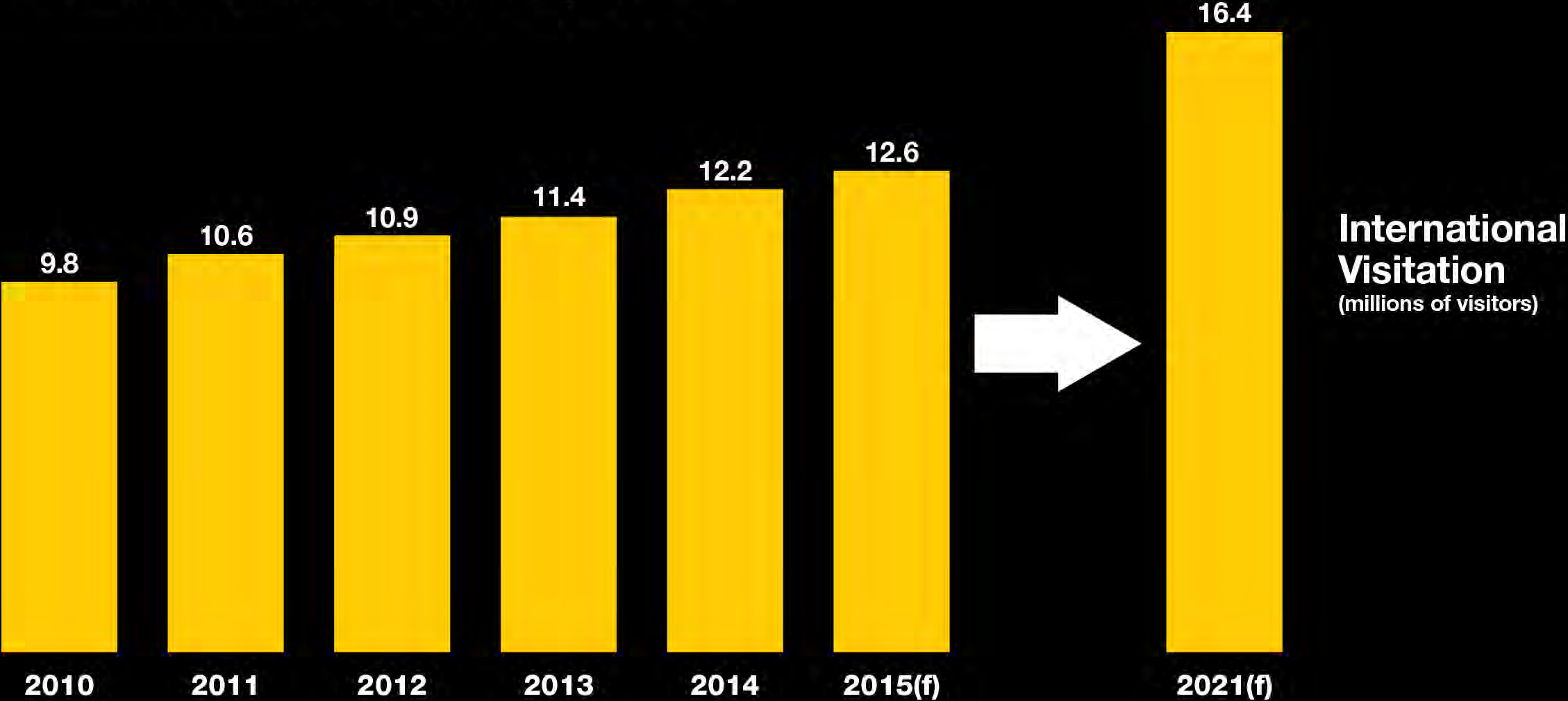
Fred Dixon

President and CEO

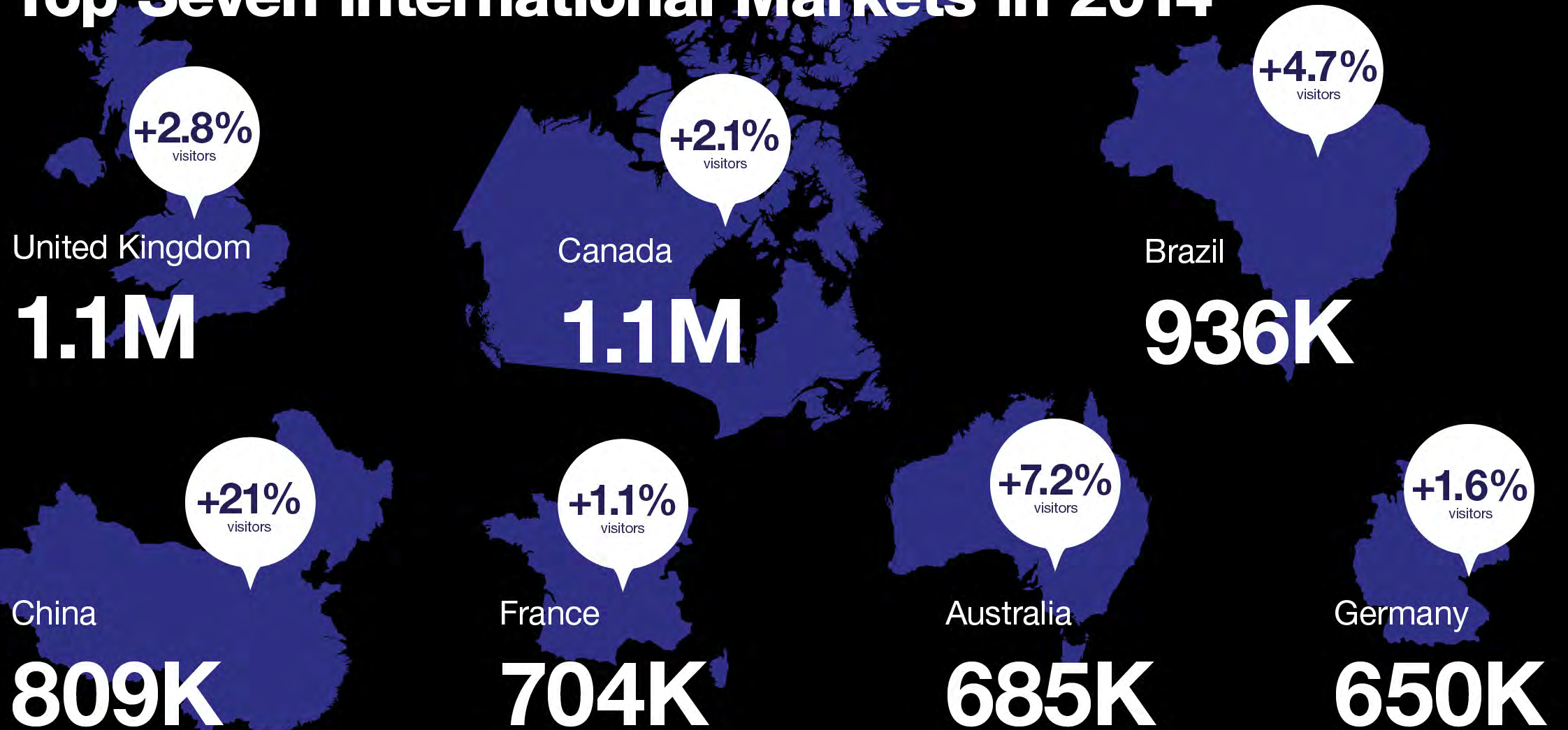
The Road to the Next 10 Million Visitors: 67 Million Annual Visitors by 2021



The Road to the Next 10 Million Visitors: 67 Million Annual Visitors by 2021



Top Seven International Markets in 2014





28

international
markets

17

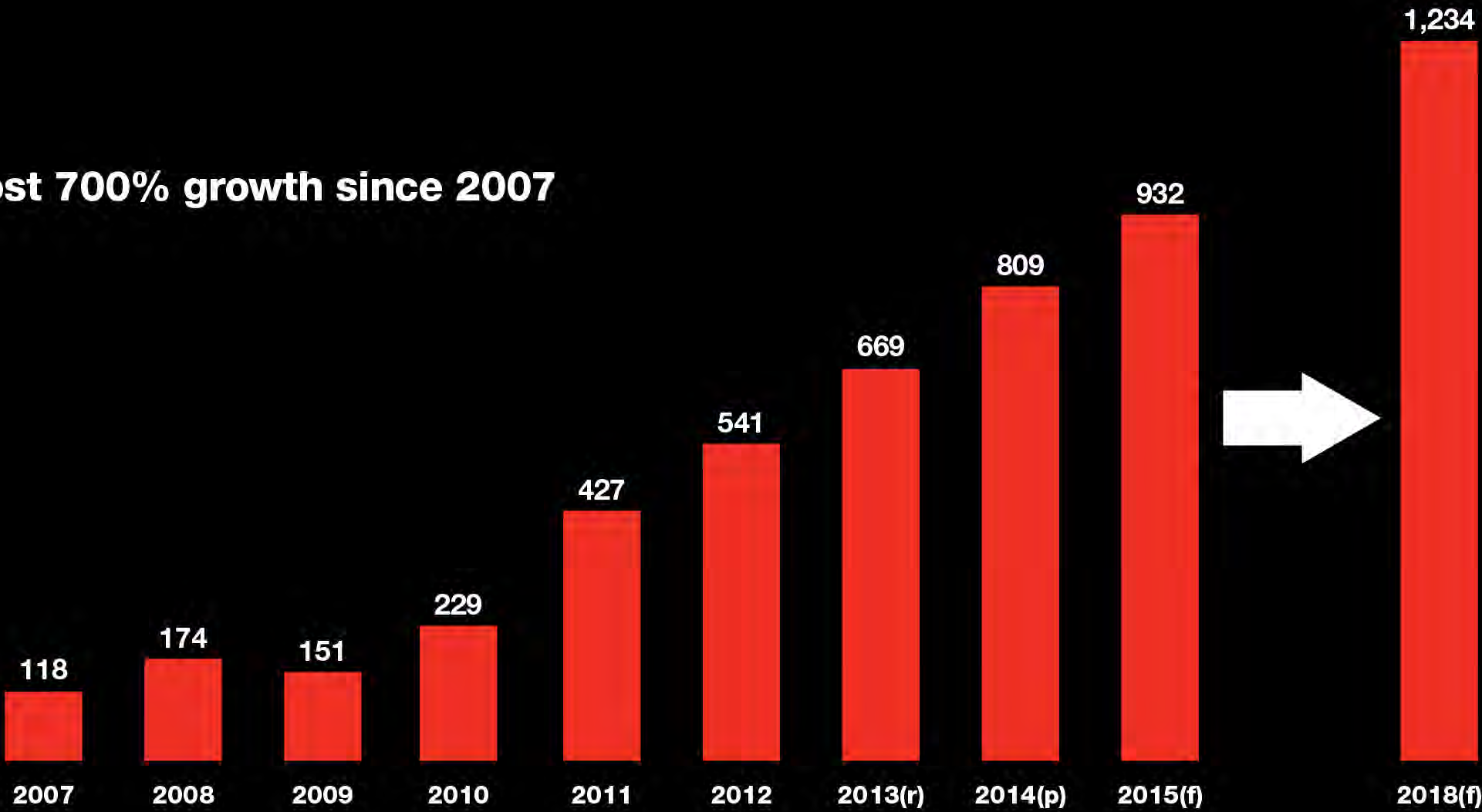
international
offices

Donna Keren

SVP, Research and Analysis

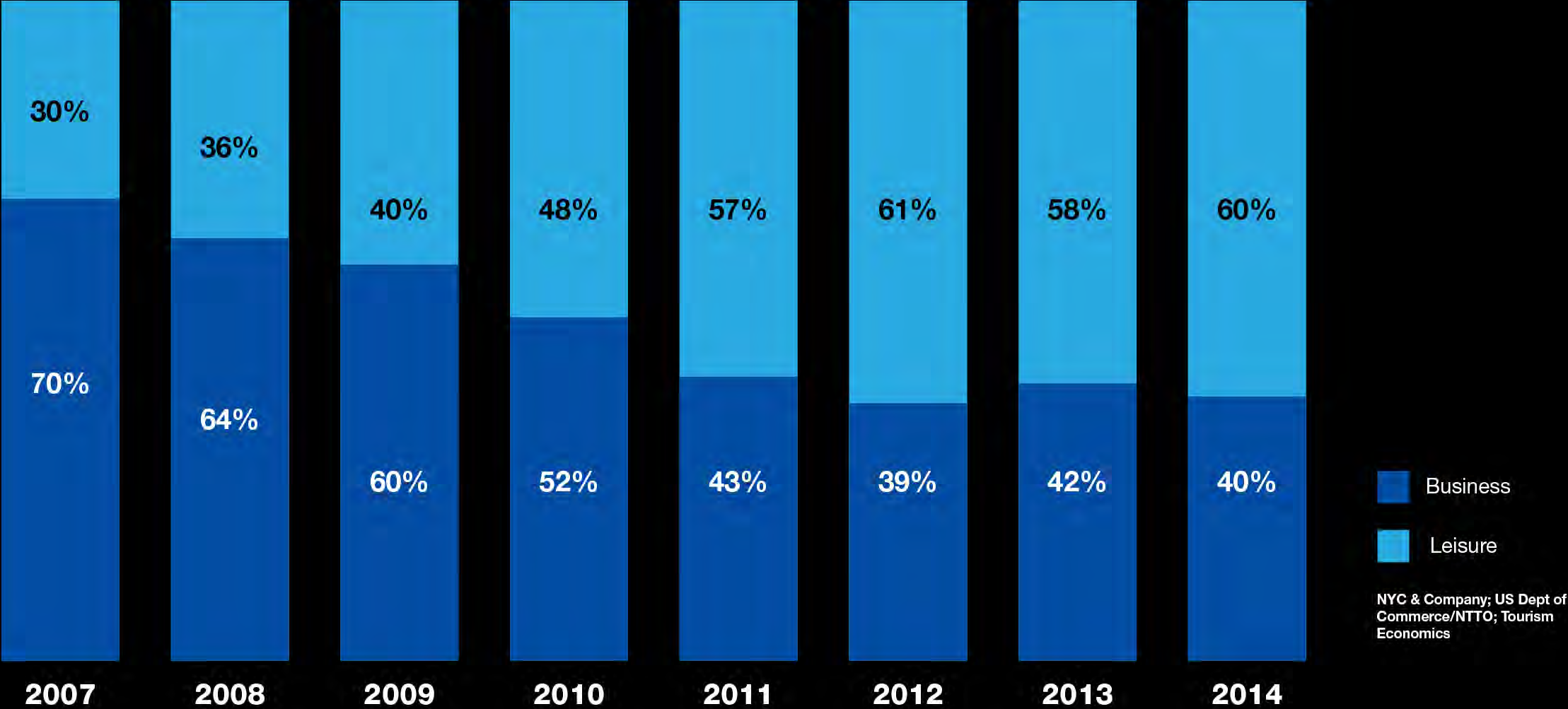
Chinese Visitation

Almost 700% growth since 2007



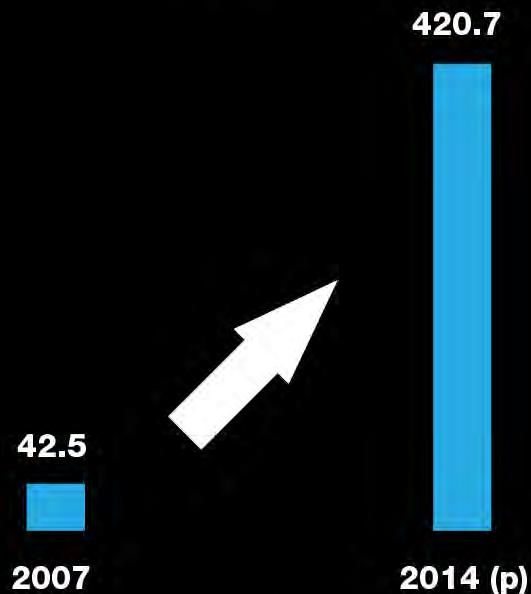
NYC & Company; US Dept of Commerce/NTTO; Tourism Economics

Chinese Shift to Leisure Travel



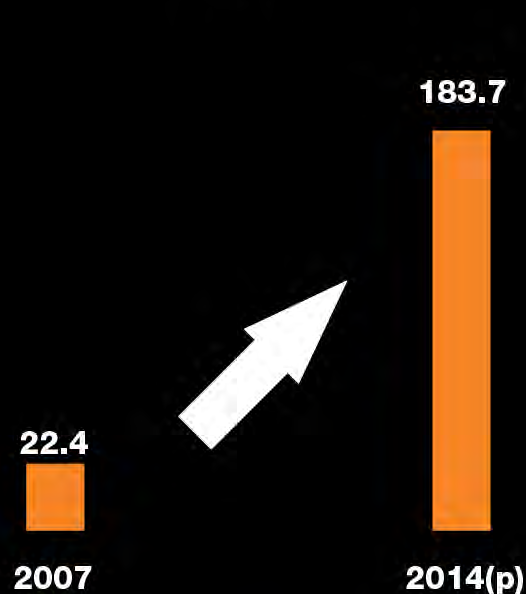
Chinese Affluent Market

Gallery/Museum Goers
(000s)



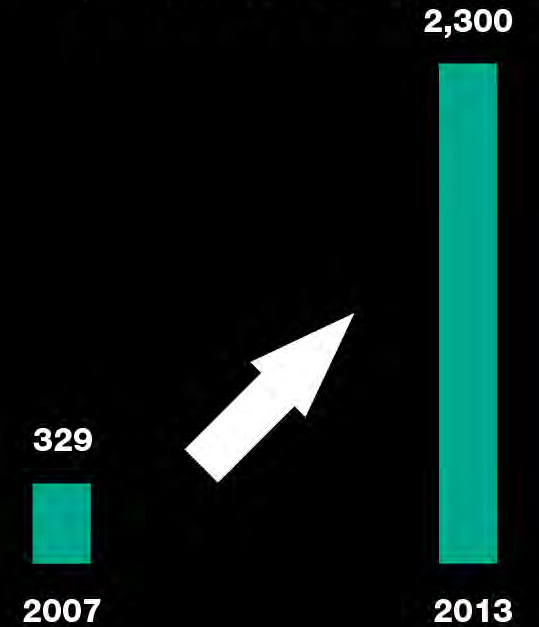
**Museum attendance
Up nearly 900%**

Concert/Play Goers
(000s)



**Concerts/Plays
Up over 720%**

Direct Spending
(millions of dollars)



**Spending
Up 600%**

Makiko Healy

SVP, Global Tourism Development

Bill Liu

Hurun Report

RUPERT HOOGEWERF *Hurun Report Chairman and Chief Researcher*



THE
RICHEST
PEOPLE IN CHINA
百富榜



NOBODY KNOWS CHINA'S RICH BETTER

THE
RICHEST
PEOPLE IN CHINA
百富榜



HURUN REPORT MAGAZINE

Reaches 2.2m readers who have or aspire to US\$5m

Magazine
114,511 pm



Website



WeChat



Tablet



Hottest Free Business Magazine, Apple App Store, Dec 2014

Our Findings

Millionaires' New Media Habits:



Sources: Hurun Wealth Report 2013



* Mobile downloads includes smartphone and tablets

**Hurun Report magazine comes out every month with BPA circulation of 114,511, each magazine could cover three audience

With Hurun Report's high brand awareness, as of Dec. 10th, 2014

relevant information in Baidu Search was 34,800,000, relevant news was 566,000.

Our Digital Media Products



Social Media



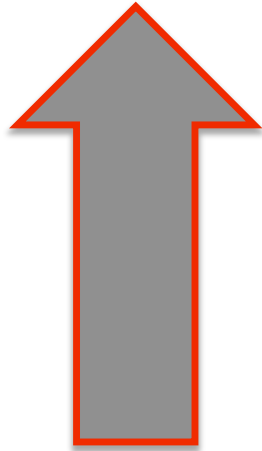
hurun.net



iPad Magazine

Reaches 2.2m who have or aspire to US\$5m

Total Monthly Unique
Visitors: **2,223,946**



Mobile Download : 1,719,800 *

Print Magazine : 343,533 **

Hurun.net : 58,610

Electronic Direct Mail : 35,016

Social Media : 66,987

*Mobile downloads includes smartphone and tablets

**Hurun Report magazine comes out every month with BPA circulation of 114,511 , each magazine could cover three audience

With Hurun Report's high brand awareness, as of December,2014, relevant information in Baidu was 34,800,000 , relevant news was 566,000.

Chinese Travelers - then



Chinese Millionaire Treats NYC Homeless to Lunch, Sings "We Are the World"

Chinese Millionaire's New York Charity Meal Creates Chaos

Chen Guangbiao's charity lunch event Wednesday ended in disappointment for more than 200 homeless New Yorkers.



Chinese philanthropist Chen Guangbiao walks through a crowd Wednesday outside The Lobby Barhouse restaurant in New York City's Central Park.



中国奢华旅游白皮书

The Chinese Luxury Traveler

2015



- 40 Pages
- Fifth consecutive year
- 2 Bespoke surveys
- New— Greater China
- 5 popular travel destinations

Surveys

1. Hurun Chinese Super Travellers Survey

- 291 China's super-rich
- 40 years old
- with net worth of USD\$13 million
- have a 13 year old child
- have worked, studied or lived overseas 2 years

2. Hurun Luxury Travel Buyers Survey

- 72 luxury hoteliers
- **“Which are the three most important luxury travel buyers from China that you currently do business with?”**
- For the first time, the survey asked for the luxury travel buyers from Hong Kong, Macau, and Taiwan.

THIS IS WHERE WE ARE TODAY

'Known' Wealth

Globally (+202)

2089 US\$ Billionaires

Greater China (+83)

478 US\$ Billionaires

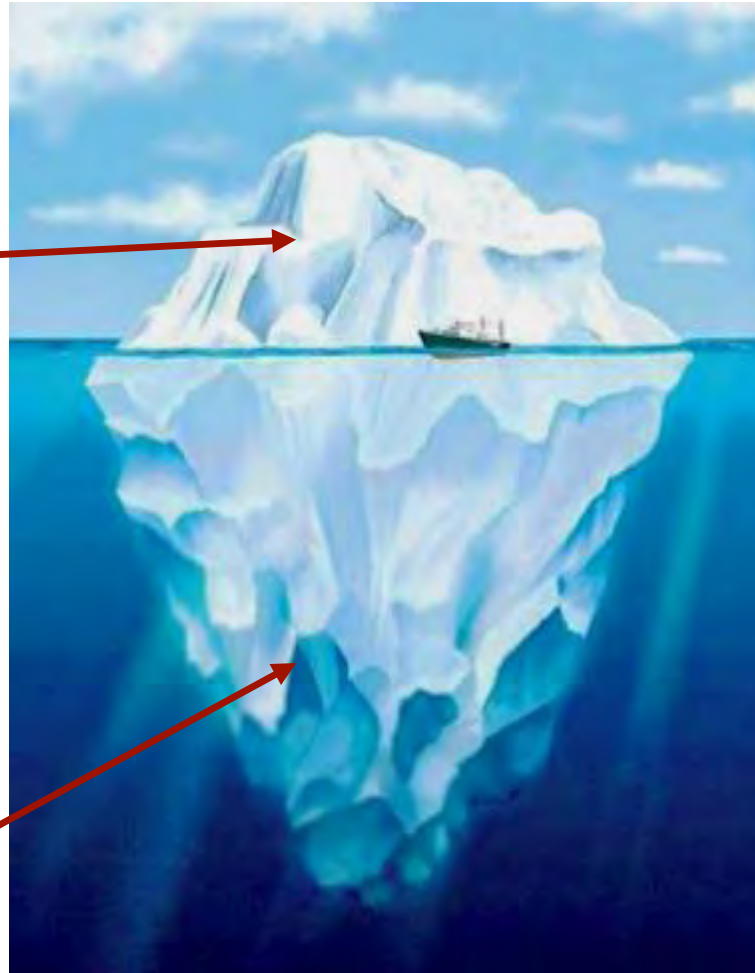
'Hidden' Wealth

Globally

2500 US\$ Billionaires

Greater China

700 US\$ Billionaires



Size of Market

US\$bn Globally

4600 indiv 64yrs

US\$bn Greater
China

1200 indiv 53yrs

Dollar Millionaires

2.9m indiv 39yrs

Source: Hurun Research 2015

1. Fast increase in overseas travel

- 4 times
- 33 days
- 65% of outbound travel for leisure
- Travel days increased from 18 to 20 days
- Outbound trips in 2014— 116 Million
(17.8% Increased)

2. Luxury travel buyers influence grew

The Reason for Preferring to Use a Travel Agent

Rank	Reason	Ratio
1	Customised Service	62%
2	Well Planned Itinerary	61%
3	Innovative Itinerary	41%
4	Effective Problem Solving	38%
5	Specialised Resources	36%
6	Compatible Fellow Travellers	26%
7	Prompt Communication	9%

Source: 2015 Study on Luxury Travel and Lifestyle by Hurun Report

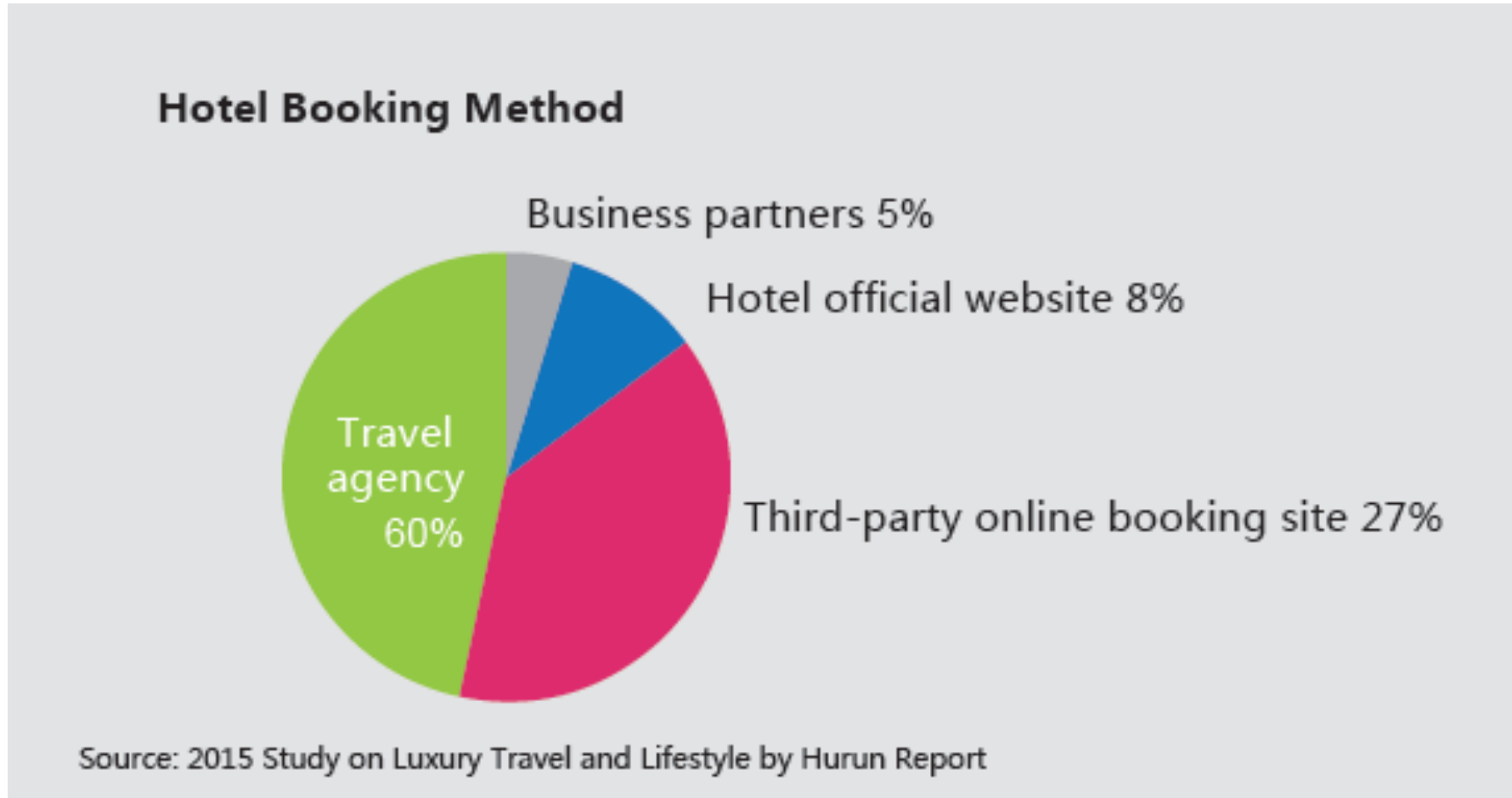
- The **influence** of travel agencies has shown a **dramatic increase**
- When choosing a trip, **37%** of travelers favored **the agency's standard trips**

Itinerary Choice



Source: 2015 Study on Luxury Travel and Lifestyle by Hurun Report

2. Luxury travel buyers influence grew



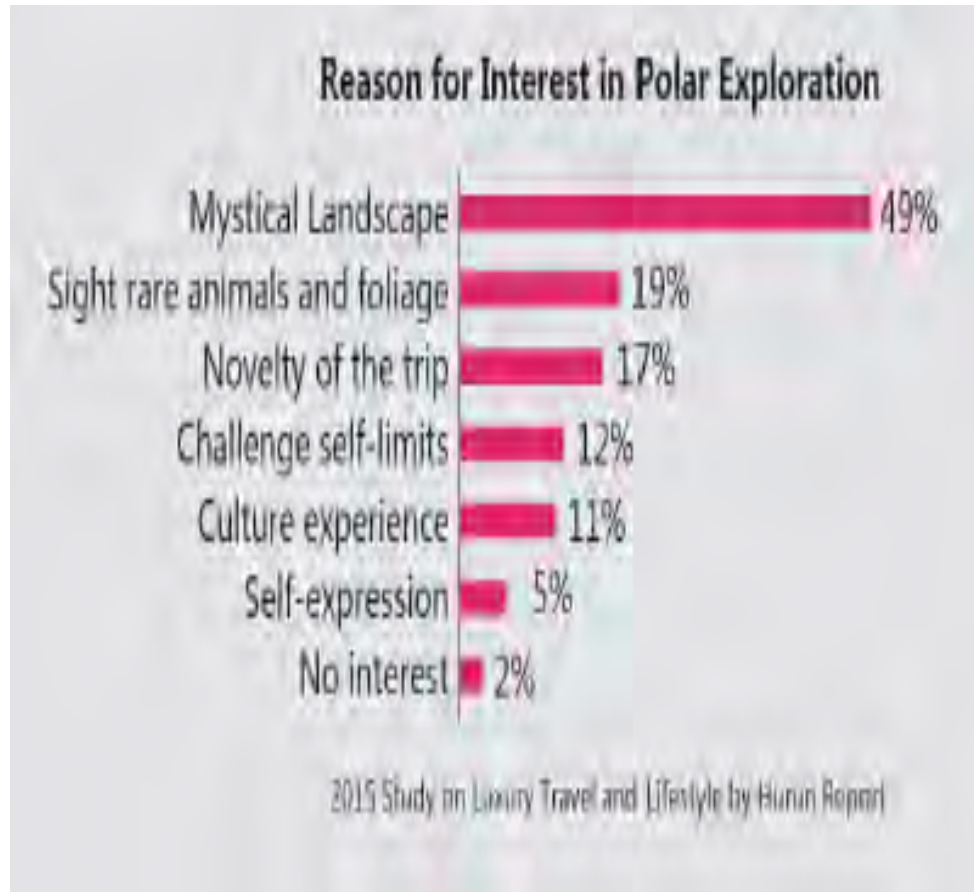
Hotel reservations were mostly made through travel agencies, accounting for **more than half the bookings**

Mainland China Outbound Luxury Travel Agencies 2015 Top 12

Top 12
Mainland China
Outbound Luxury
Travel Agencies
In Alphabetical Order

8 Continents		CYTS		Mytour Travel	
CITS		Diadema		Sinbad Travel	
Ctrip		HH Travel		Wild Travel	
CTS		Magic Travel		Zanadu	

3.Travel destinations with Chinese characteristics



Sanya & Tibet

Antarctica

- 49% —attracted by the mystical landscape
- US\$30,000 —average per capita spend

Most Popular Travel Destinations Within China

Rank	Destination	Ratio
1	Sanya	33.5%
2↑	Tibet	25.3%
3↓	Hong Kong	19.0%
4 new	Taiwan	17.0%
5↓	Yunnan	16.2%
6 new	Shanghai	6.8%
7↓	Macau	6.5%
8↓	Hangzhou	6.0%
9 new	Xiamen	5.7%
10↓	Xinjiang	4.5%

Source: Hurun Best of the Best Awards 2015

Note: ↑ - Increase in ranking from last year; ↓ - Decrease in ranking from last year; - Same rank as last year; new - New in the list

3.Travel destinations with Chinese characteristics

Most Popular International Travel Destinations

Rank	Destination	Ratio
1 -	Australia	26.5%
2 -	France	25.7%
3↑	Maldives	22.1%
4↓	Dubai	15.2%
5↓	Switzerland	14.9%
6 new	Italy	13.3%
7↓	USA	11.0%
8 new	UK	9.4%
9↓	Japan	9.1%
10 -	New Zealand	8.0%
11↑	Hawaii	6.1%
12 -	Thailand	5.3%
13↑	Canada	4.7%
14↓	Singapore	4.5%
15↓	Germany	3.1%

Source: Hurun Best of the Best Awards 2015

Note: ↑ - Increase in ranking from last year; ↓ - Decrease in ranking from last year; - Same rank as last year; new - New in the list

Maldives –have grown in popularity --last two years
Third

Australia --top position

France a firm **second**

Dubai strong growth these past few years **Fourth**

European
UK & Italy

Specific comparison between US, Japan, France, Australia and the UK

- **US**—Been **most frequently**
5 trips in lifetime
plan to go a further **twice** Next 3 years
for **business and visiting friends & family**
- **Japan**—shopping & culinary experiences
- **France**—shopping & business
- **Australia**— highest for **leisure**
- **Culinary**—Japan>UK>France>Australia>the US

4. Most memorable trip last year and Chinese New Year

The most memorable trip

13-day trip

with 6 friends

Chinese New Year

with family

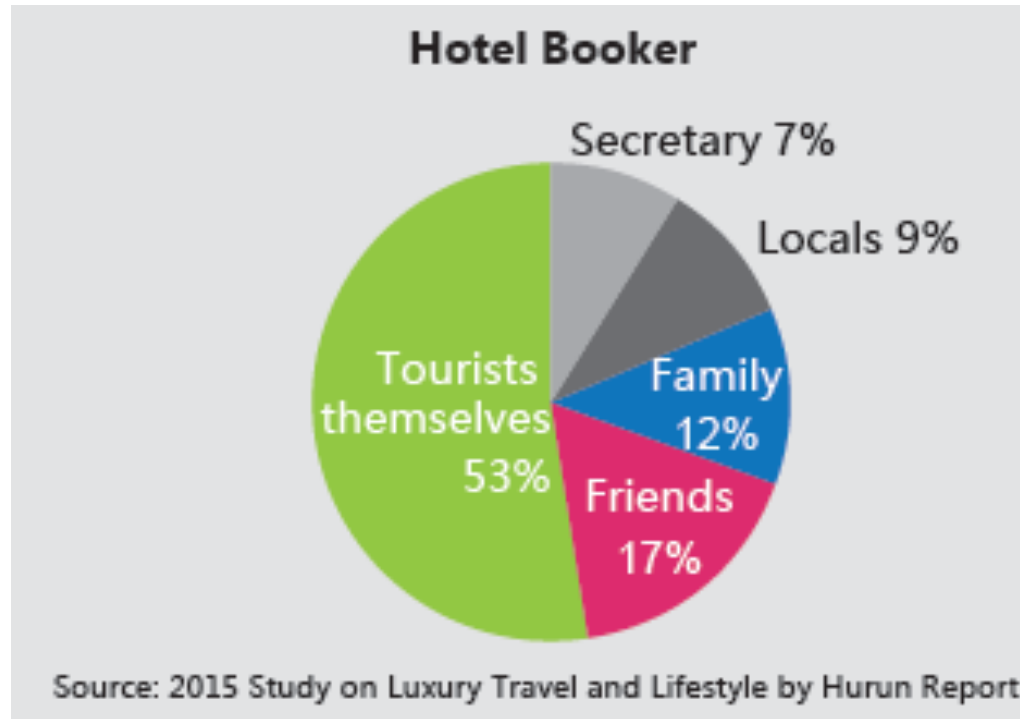
a smaller group of 4 people

- In both cases, **half** travelled **business class**, compared with only a third last year.

5. When to travel

- The top choice for travel time was the **summer holiday**, followed by **October holiday** and **Spring festival**
- **Spring festival** was the peak season for family travel
- **93%** were travelling **with family members or friends**
- **56%** of respondents chose the **off peak** season, an **11%** increase over the previous year.

6.Hotels



- The most popular was the **Peninsula**, followed by the **Mandarin Oriental**, whose popularity has soared.
- **Reward cards Hilton** and **Marriott** led the way for **29%** and **26%** respectively.

- More than half of China's super travelers made their own hotel bookings.

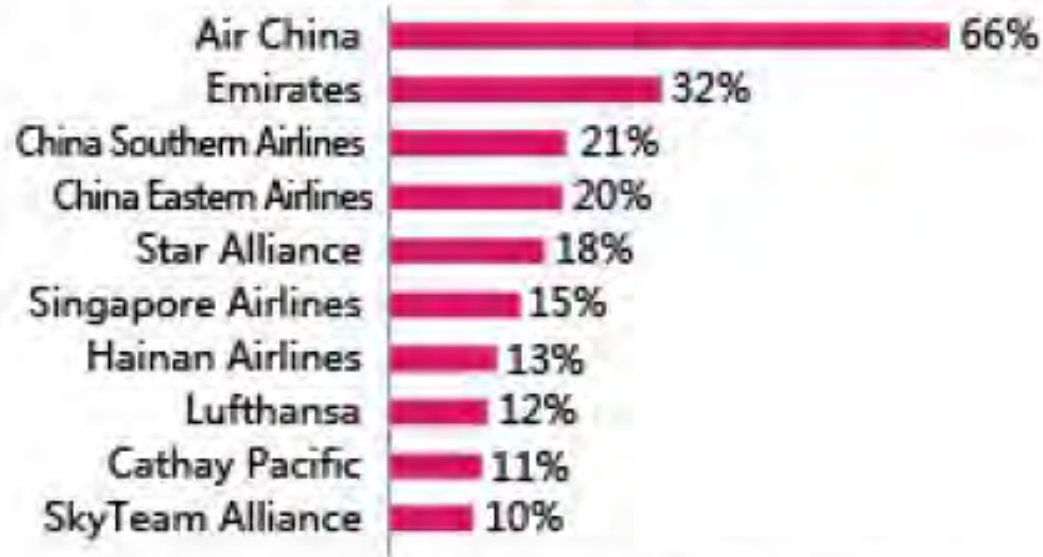
Top 15 Preferred Luxury Hotels

Rank	Hotel	Ratio
1↑	Peninsula	19.8%
2↑	Mandarin Oriental	14.2%
3↓	Ritz Carlton	14.0%
4↑	Park Hyatt	13.9%
5↓	Shangri-La	13.8%
6↓	Four Seasons	13.6%
7↑	The Marriott	12.0%
8↑	The Hilton	11.6%
9↓	Sheraton	8.6%
10 -	Westin	7.8%
11↓	Intercontinental	6.1%
12↓	Kempinski	5.3%
13 new	Sofitel	4.7%
14↓	Grand Hyatt	4.5%
15↓	Fairmont	3.1%

Source: Hurun Best of the Best Awards 2015

7. Air travel

Preferred Airline Loyalty Card



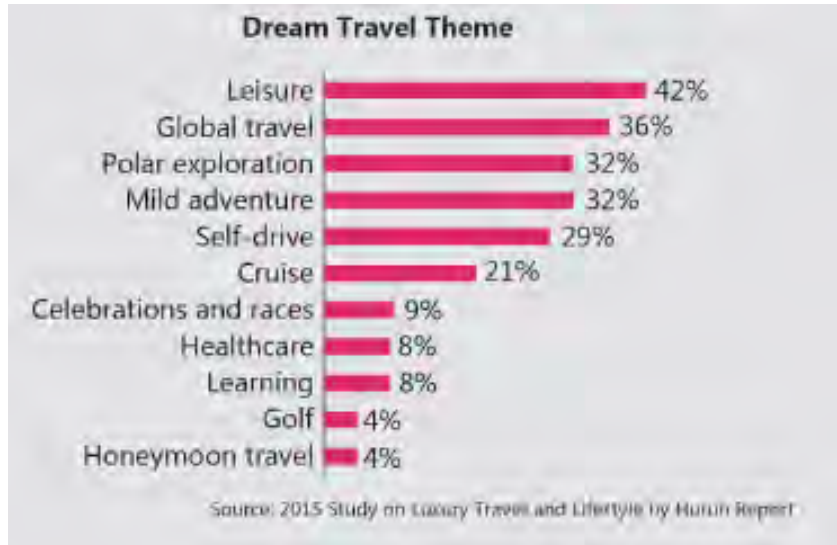
Air China topped the list, with **66%** of respondents reporting activity with the Air China membership.

international airlines: **Singapore Airlines** was preferred business / first class airline.

Source: Hurun Chinese Super Luxury Travellers Survey 2015

- The average group size was **four** travelers, with an average of **12 travel days**
- **47%** travelled business class, while **economy-plus classes** attracted **43%**, a 12% increase over the previous year

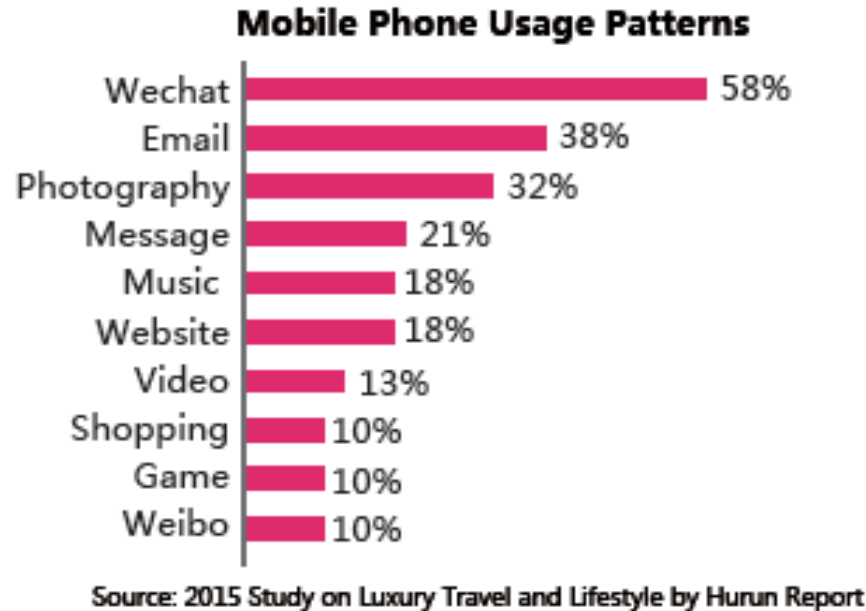
8. Looking forward 3 years



- Leisure travel & seeing the world –most commonly reported motives over the next 3 years.

- There is a clear trend towards experiential travel
- More business travel than ever before.
- Physical and spiritual relaxation lies at the heart of their leisure travel needs
- demonstrated in the rise of medical tourism
- Europe 47% and America 45% --expect to lead the way for Chinese luxury travelers

9. Impact of smartphones



- WeChat overtook email as the most used function on smartphones at 58%, up 19%.
- WeChat was also the most widely accessed source for travel news, at 42%, followed by travel apps

9. Impact of smartphones



10.Travel retail

Comparison in Global Duty Free Shopping by Country	
Country/Region	Total Consumption Ratio
Mainland China	30%
Russia	13%
USA	4%
Indonesia	3%
Japan	3%
Taiwan	3%
Hong Kong	2%
Thailand	2%
Saudi Arabia	2%
Kuwait	2%

Source: Global Blue 2015

Note: ↑ - Increase in ranking from last year; ↓ - Decrease in ranking from last year; - Same rank as last year; new - New in the list

- . In the past five years, tourists from the **Mainland, Hong Kong, Macau and Taiwan** have sat firmly atop the chart for international travel and shopping, making up **35%** of the total world consumption in those areas
- . **Russia** trailed by a large margin at **13%**

10.Travel retail

Rank	Destination	Total tax-free shopping consumption
1	France	22%
2	Germany	13%
3	UK	12%
3	Italy	12%
5	Singapore	11%
6	Korea	8%

Sources: Global Blue 2015

- **Europe** was the destination of choice for luxury shopping, with France leading the pack for **22%** of respondents
- About **54%** of the pieces purchased by Chinese tourists were **fashion or clothing items**
- For **gifting**, **Apple** overtook **Hermes** to become the preferred luxury brand to gift, although spending on gifting **declined 5%** year on year, on the back of the government's **anti-corruption campaign**

Chinese Travelers



Chinese Travelers' Profile

Background/context

97 million
traveled overseas
from mainland
China in 2013.

**US\$129
billion**
total spend while
traveling abroad.

**618
million**
internet users in
China.

90%
internet users have
at least one social
media account.

67%
prefer to travel
independently.

81%
age 35 and under
prefer to travel
independently.

US\$ 1288
daily spend vs \$679
for group tour
travelers.

Chinese traveler profile

US\$ 1086
average daily spend
excluding
accommodation.

97%
travel for leisure,
49% for business or
education.

67%
prefer to travel
independently, not
with a tour group.

What to do?



What to do?



Travel Companions

Travelling companions



Partner / Spouse with Children

54%



Family members

46%



Friends

45%



Partner / Spouse without Children

26%



Alone

16%

Foods

How foods influence their decisions

95%

have a meal at their
hotel restaurant.

73%

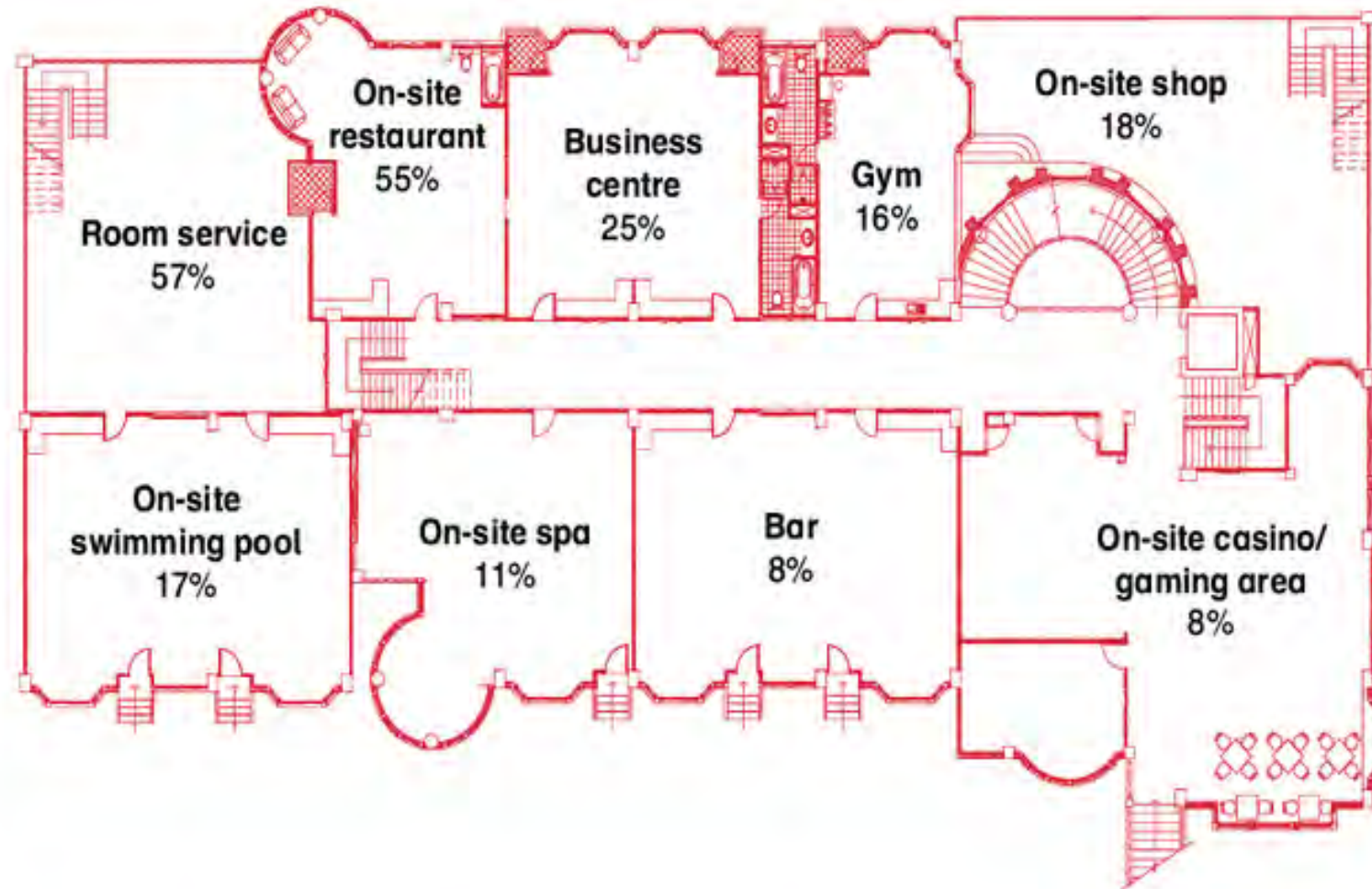
rate Chinese foods
among most
important services
offered at a hotel.

No. 2

most important
activity when
traveling abroad.

Important hotel amenities

The hotel amenities most important to Chinese travelers are room service options (57%), followed by onsite restaurant (55%). Not so much for bars (8%), however.



Hotel amenities considered most important to Chinese travelers.

Product/Services most requested

Top five Chinese-specific products or services that are most requested by Chinese travellers on an international trip

Most requested



Free Wi-Fi

71%



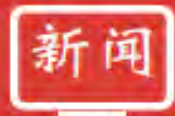
Kettle

26%



Smoking room

23%



Chinese TV programmes

17%



Translated travel/ tourism guides

17%

Already offer



Free Wi-Fi

70%



Kettle

41%



Slippers

29%













Smoking room

25%

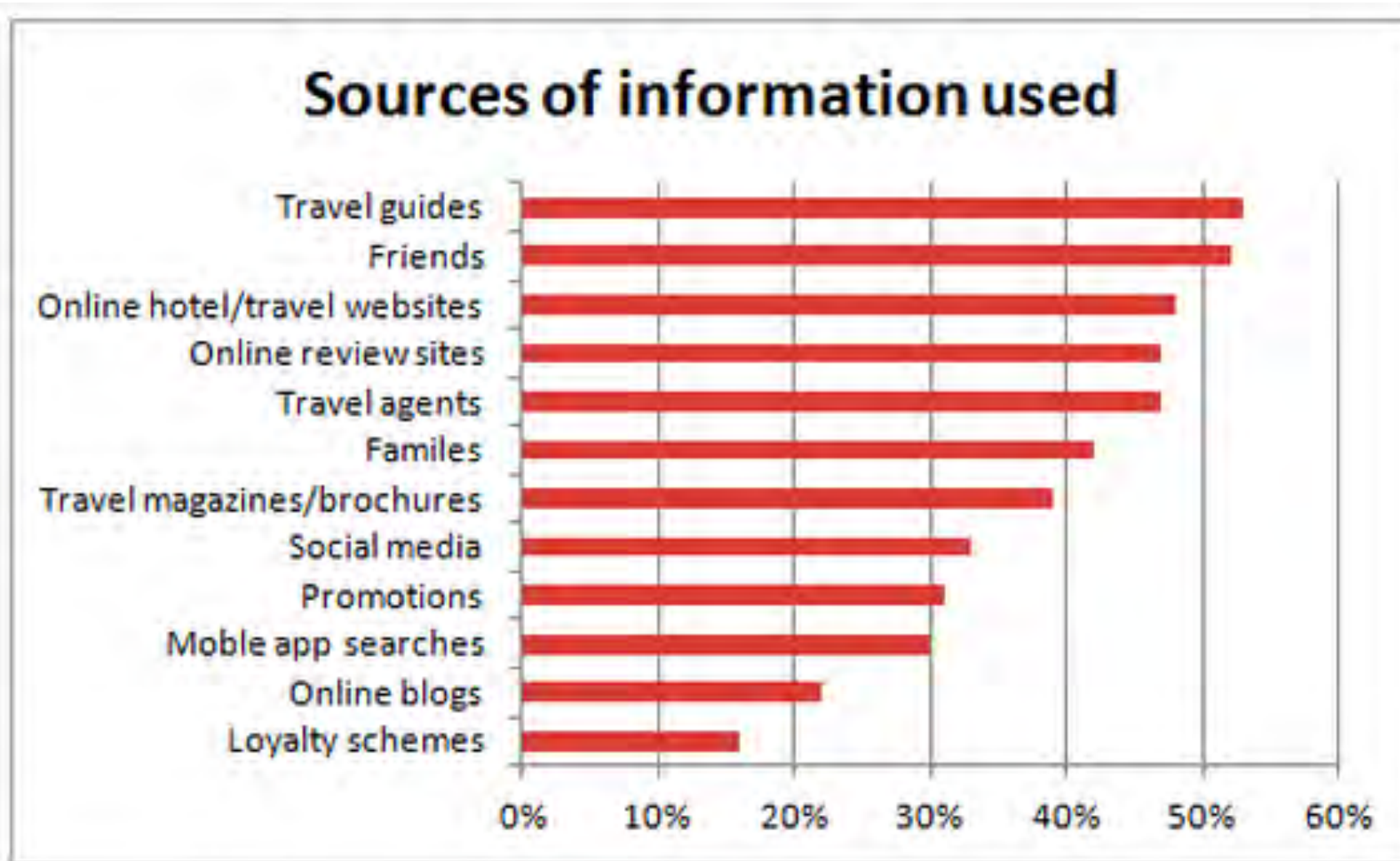


Specific room or floor number requests

20%

Most important	Service/Product	Needs improvement
59%	 Free Wifi	19%
59%	 China Union Pay / Alipay	27%
50%	 In-house Mandarin speaking staff	39%
48%	 Translated tour guides	29%
38%	 Hotel website in Chinese	24%
37%	 Chinese room service options	27%
36%	 Chinese TV programs	26%
33%	 Chinese breakfast	23%
27%	 Translated welcome materials	20%
25%	 Chinese newspapers/magazines	18%

Sources of information used



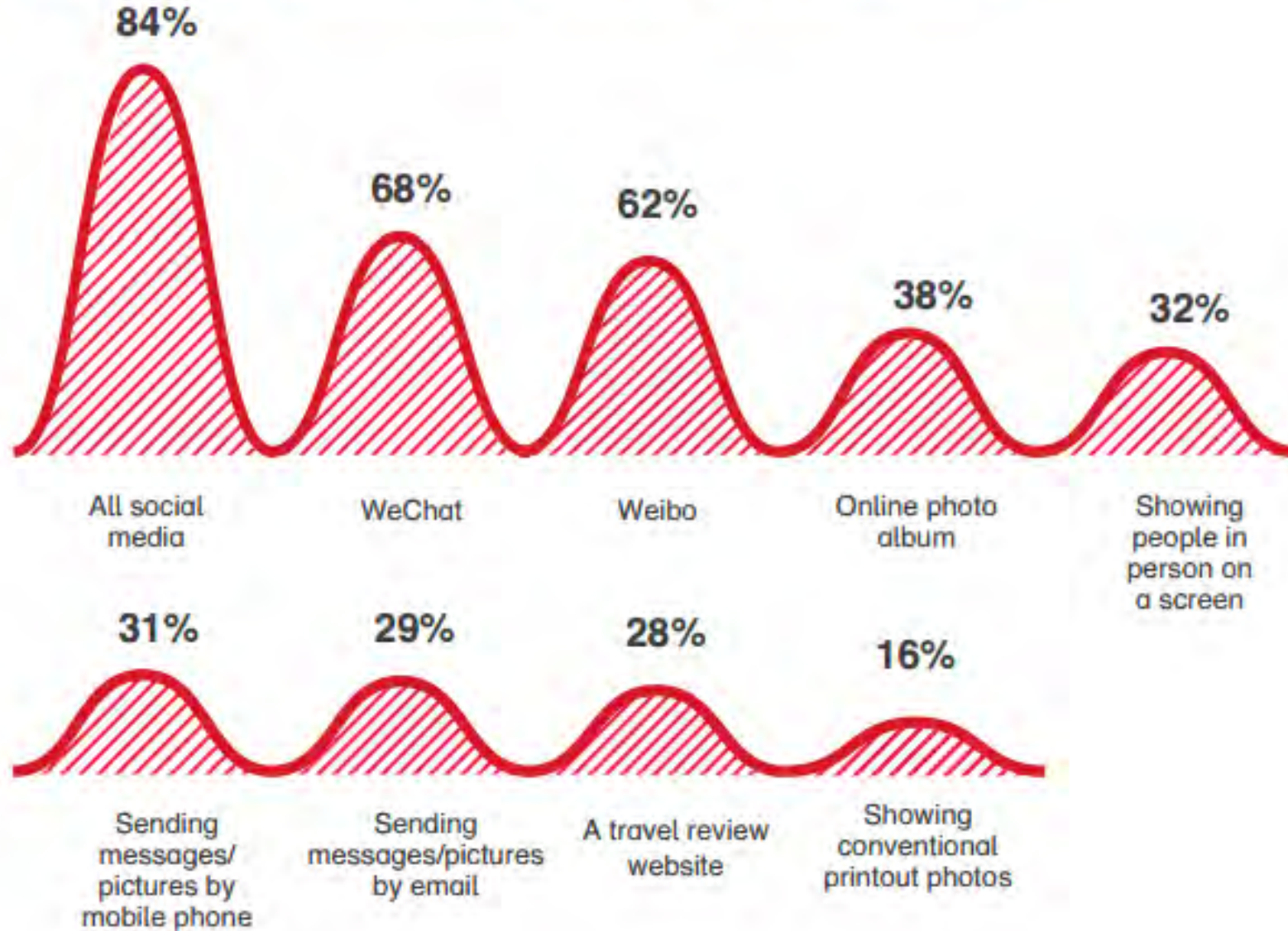
Information sources used by Chinese travelers for their hotel research

How they book their trips?



How travelers share their experiences

Method of sharing photos and experiences during or after an international trip



Travelers' Profile

42%

of under-35s consult social media when planning a trip away.



81%

of under-35s prefer to travel independently.



54%

under-35s spend the most money on shopping when abroad.

67%

of Chinese travellers prefer to make their own international arrangements



73%

use social media share their photos and experiences of travel abroad

271,883

Average annual salary in RMB of independent Chinese travellers

4.86

The average number of trips abroad in the last 5 years taken by Chinese women



68%

of Chinese women make their own travel arrangements

7,902

Average daily spend in RMB when travelling abroad

Travelers' Profile

36%

of business travellers
are under 35

279,972

Average annual salary
in RMB of international shoppers



59%

of business travellers
stay in 4 or 5 star
accommodation

7,991

Average daily spend
in RMB of international
shoppers when
travelling abroad

9,159

Average daily spend in RMB
by business travellers
when travelling abroad



72%

of international
shoppers prefer to
travel independently

Independent traveler profile

The critical role of internet

48%
do their hotel
research using
online websites.

36%
book a hotel online.

91%
netizens have a
social media
account.

84%
share their
experiences during
and after their
international trip.



Conclusions



Hurun Report Q&A

NYCTM
& Company

Talks

Marilou Morado-Castro

Amerilink International Corporation

Arthur Chin

Diamond International
GD TianTian Holiday International

Cindy Ying

Shanghai Ukubang Network Technology Co., Ltd

Travel Trade Q&A

Makiko Healy

SVP, Global Tourism Development

A New Era of Chinese Tourism

Thank You.