



The Chinese Traveller

A segmentation of the China market

China is Australia's fastest growing inbound tourism market in terms of visitor numbers and expenditure. It is Australia's highest yielding market, ahead of the United Kingdom, New Zealand and the United States. The China inbound market to Australia is currently worth A\$3.8 billion per year, or around 14% of total tourism exports (Year ended 2011).

International tourism from China is a large and rapidly growing marketplace where traveller patterns are constantly changing. Competition for the Chinese traveller is also increasing with 111 countries/regions currently having Approved Destination Status (ADS) (November 2011), which permits Chinese tourists to undertake leisure travel in groups to that destination.

Currently the purpose of stay for Chinese visitors in Queensland is predominantly holiday, and from this market holiday visitors are most likely to be on a group tour (IVS, December 2011)¹. For New South Wales and Victoria, a large proportion of their visitors from China are travelling for business or are visiting friends or relatives.

Chinese Travellers to Australia

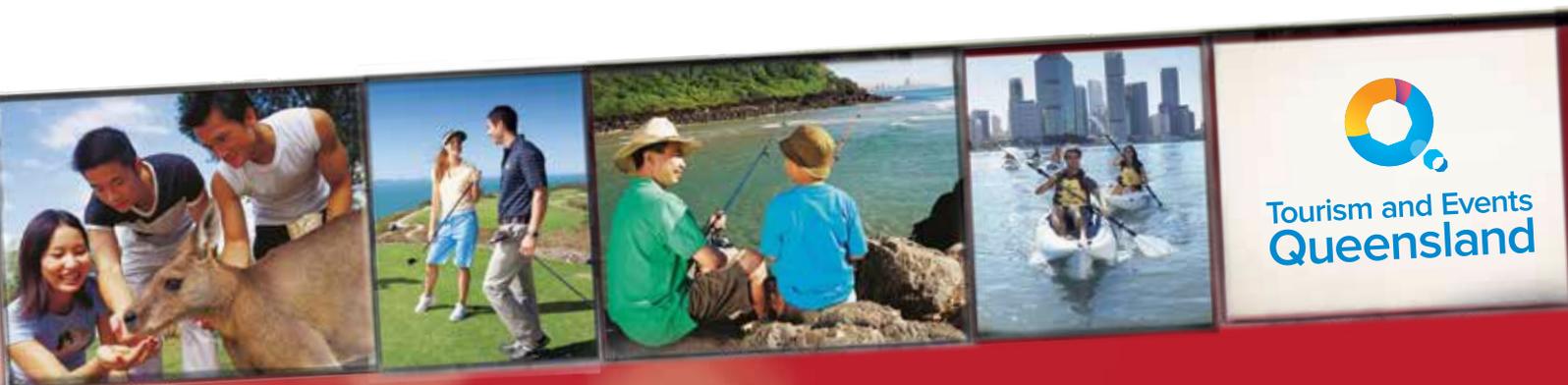
Chinese travellers see Australia as an aspirational destination offering a combination of natural and laid back experiences with the comforts of a developed country, including modern infrastructure and a collection of unique, known attractions (Tourism Australia)². There is strong desire to visit Australia's iconic attractions of the Sydney Opera House, the Great Barrier Reef, koalas

and kangaroos. Awareness of Australia beyond these famous icons is limited; however awareness is higher amongst Chinese travellers from the primary cities of Beijing, Shanghai and Guangzhou.

The natural environment is the key experience that Australia is known for in China. There is strong desire to experience a natural environment that is different

to home; natural landscapes (beaches, islands, mountains, grasslands, country side) and natural wildlife (animals you can't find in Asia). Easily accessible nature is expected where there is a certain level of development as part of that natural environment experience. Key competitors for Australia where Chinese travellers also seek natural environment experiences are the Maldives, Hawaii and New Zealand.

¹ International Visitor Survey, Tourism Research Australia. Holiday visitors include those visitors aged 15 and over who indicate their main purpose of visit to Australia is for holiday.
² TA's *Knowing the Customer in China* Research was carried out in 13 of China's largest and fastest growing cities in 2011.





For holidays, Chinese travellers are most inspired and influenced by traditional travel advertising, travel media and word-of-mouth, with social media progressively more influential. The internet is important to Chinese travellers for researching and planning a holiday, with the majority of them still relying on travel agents to book their travel.

For more information on TA's 'Knowing the Customer in China' Research go to: www.tourism.australia.com/

Chinese Traveller Segments

The most attractive consumer segments for Queensland in the China market, based on Tourism Australia's needs-based consumer research³ include those that have a greater propensity to visit Australia,

are frequent travellers, desire a degree of challenge and have considerable spend on holidays. This research provides information about the needs and desires of the Chinese traveller and looks beyond the demographics to understand the Chinese traveller's expectations and how, where and who to target.

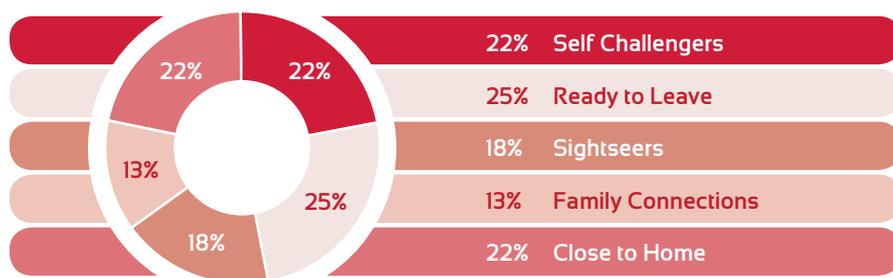
Within the China market five distinct segments were revealed: Self Challengers (22%), Sightseers (18%), Ready to Leave (25%), Family Connections (13%) and Close to Home (22%). The five segments are different from each other in a number of ways, including: the products and activities they seek out at a destination; how they search for the information; and what they want to do at a destination.



Tourism and Events Queensland's consumer target markets

Sightseers and *Self Challengers* have been identified as Tourism and Events Queensland's target markets. *Sightseers* are currently an established target market for Queensland. Tourism and Events Queensland would like to attract more *Self Challengers* and they have been identified as our growth target market.

Chinese Traveller Segments



³ Around the world in 80 days: China segmentation study; November 2004, Tourism Australia. Motivations, expectations and needs are inherent and do not change in a period as short as eight years. What may change is how those needs are met – and this means the activities they want to undertake to meet those needs may change. The delivery is the same; delivering to the same needs and expectations.

Sightseers

This target market is averse to challenging themselves while on holiday, however a number have travelled before and are more likely than other segments to travel to Australia within the next 12 months. This established travel market for Queensland is willing to travel as part of a group, usually as a couple or family. Tourism and Events Queensland targets Sightseers that travel as a couple or family and are the decision maker aged 30 to 49 years.

Type of traveller

- Like a combination of being part of a tour and independence
- Want to appreciate the sights and see the icons at the destination
- The safety of the destination is important
- Like the comfort of being guided (and pampered) when on holiday
- Like to share their experience with those back home
- Not interested in immersion in the destination through mixing with local people
- Less confident travellers; generally, they like to stay within their comfort zone
- Appreciate the value and convenience of packages
- More likely to have all components of their trip organised, including meals and activities, in advance of their departure



Sightseers are driven by their desire to see world famous sights in a comfortable, secure fashion and which may give them some status amongst people they know.

Profile

- Likely to travel as part of an organised group of six or more people
- More likely to be married, and be parents

- Have a higher than average household and personal income
- More likely to own their own house or flat

Planning sources

- Use Internet travel sites and tour operators as a source of information
- Chinese travel agents are often used for booking accommodation as well as flights

Holiday activities

Sightseers have a wide range of interests. Examples of activities they are likely to do on holiday are:

- Visit famous landmarks
- Visit historic sites
- Go on guided tours
- Enjoy local lifestyle experiences such as shopping and dining
- Have wildlife experiences

Self Challengers

The travel needs and desires of this growth target market for Queensland are more aligned with consumers with the mindset of a more independent traveller⁴. Tourism and Events Queensland targets Self Challengers that are aged 20 to 35 years and travel as a couple, or as a single travelling with friends.

Type of traveller

- Like to get under the skin of a destination by mixing with local people
- Want to experience the true culture at the destination
- They are confident travellers seeking memorable experiences
- Largely independent – although may use group travel to get a visa
- Will consider a wider range of destinations than other Chinese travellers
- Not restricted by financial barriers
- While Visiting friends and relatives are not a strong influence in their choice of destination, they can be a source of information

Profile

- Are more likely to travel alone
- Are less likely to travel in a group of six or more people
- More likely to be between 25 and 34 years
- Mostly married; if single, they are likely to live alone
- Have the highest competency in English and most likely university educated



Self Challengers are driven by an inner drive to immerse themselves in other cultures through travel and learn about themselves and the world.

- Of all the segments, they have the highest personal income if they are single; or an average income if not
- Range of interests include fitness, dancing, bars & coffee shops, racquet sports

Planning sources

- Use tour operators and Internet travel sites as a source of information
- Use friends and relatives living at the destination for information
- Less likely to get pricing information from the China National Tourism Association

Holiday activities

Self Challengers have a wide range of interests. They desire new and different experiences that they can tell others about. Currently, they are visiting similar Queensland destinations to Sightseers however they are more likely to experience more of the destination. Examples of activities they are likely to do on holiday are:

- Have nature and wildlife experiences
- Explore the backstreets
- Get to know the locals
- Enjoy the nightlife and attend live theatre or a musical performance
- Visit the beach and participate in water sports

Additional information about each of the five consumer segments for the China market is provided in Tourism Australia's website document 'The Chinese Traveller – Segmentation of the Chinese Market'⁵ (Link provided in footnote).

⁴ Free Independent Travellers (FITs) are consumers that structure their own travel and it may include some aspects purchased through a travel agent (traditional or online). The FIT, in the context of China, refers to a person with a mindset of more independent travel. They tend to search for information themselves and make decisions based on experiences rather than available packages.
⁵ http://www.tourism.australia.com/en-au/documents/Corporate%20-%20Research/Research_Segmentation_Study_china.pdf



What can I do to target these markets effectively?

The following guidelines are applicable across **both** of the target segments:

1. Ensure your product is suitable for promoting internationally. For more information see Tourism and Events Queensland's international ready program: www.tq.com.au/international.
2. Understand the cultural behaviours and expectations of Chinese travellers. For more information see Tourism Australia's Planning for Inbound Success document: www.tourism.australia.com/documents/Planning-for-Inbound-Success.pdf
3. Be familiar with marketing practices in China. For more information see Tourism and Events Queensland's Top 10 Marketing Hints for Queensland product marketing in China: www.tq.com.au/tqcorp_06/fms/tq_corporate/international/Top%20Ten%20Hints/TopTenMarketing_FINAL.pdf
4. Offer value-add components in your promotion, such as additional activities or experiences - these can help convert interest into bookings.
5. Be careful when offering discounted rates - these consumers will not sacrifice a quality experience based on price alone.
6. Ensure your product can be found online and consumers can book with you directly or through a third party agent (traditional or online). Ensure your product is listed on the Australian Tourism Data Warehouse (ATDW). For further information on ATDW, visit www.tq.com.au/atdw.

7. Work with operators within your region to promote multiple experiences that appeal to Chinese travellers.
8. Encourage reviews and recommendations in editorials, blogs and online forums - these media are more effective than advertisements.
9. Work in partnership with Tourism and Events Queensland as part of the Media & Trade Famils program.

Also for **Self Challengers**:

10. Demonstrate the variety of activities and experiences of your offering in promotional imagery that reflects the appropriate level of engagement with the activity for the target market. Imagery should depict consumers' key needs of feeling inspired, inquisitive, enriched and intrepid. Only small numbers of people should be shown in imagery, to help portray the exclusive and unique nature of your destination and/or product and be aligned with Chinese consumer needs.
11. Provide consumers the opportunity to create their own itinerary and package inclusions, by offering flexible booking options.

And for **Sightseers**:

12. Demonstrate the variety of activities and experiences of your offering in promotional imagery that reflects the appropriate level of immersion for the target market. Imagery should depict consumers' key needs of feeling safe, organised, efficient and respected. Icons and key tourist sights along with well developed infrastructure in imagery, to help portray the comfort as well as unique nature of your destination and/or product.

What should I avoid?

1. Imagery in your marketing materials that depict extreme activities or 'fly and flop' messaging.
2. Offering only fully-planned, all-inclusive packages and/or structured itineraries to Self Challengers.
3. Experiences that appear staged, "touristy" or not authentic to Self Challengers.

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