



CHINESE INTERNATIONAL TRAVEL MONITOR 2012



Hotels.comTM

Contents

Introduction	3
The Chinese travel revolution	4
The Chinese traveller	5
Hotel hotspots for Chinese travellers	7
Tips for the top service enhancements	9
How hotels are catering to the Chinese traveller	11
About Hotels.com	13
Report disclaimer	14

Introduction

A booming economy, mixed with an exponential rise in the number of millionaires and a rapidly expanding middle class, has ignited a desire amongst the Chinese population to explore, and the country's outbound travel market has become one of the fastest growing in the world. In the period from 2000 to 2020, the number of Chinese international travellers will go from 10 million to well over 100 million¹. Signaling a transformational change, and opportunity, for the global travel industry.

As Chinese travellers spread their wings, the global hotel industry is being forced to sit up, take notice and adapt to capitalise accordingly. The Chinese travel population is a priority for large global hotel chains as well as smaller networks and individual properties, not just in the world's major tourist hubs but also off the beaten tourist track. To cater specifically to this unique market, the more astute hoteliers are reinventing their customer offering and core Chinese services are now not simply "nice-to-haves" but a "competitive necessity".

The **Hotels.com Chinese International Travel Monitor (CITM)** is the first report of its kind produced by Hotels.com, the global hotel experts. The main findings are based on a global survey of more



than 5,000 Hotels.com hotel partners during April/ May 2012. Responses have been sourced from: Argentina, Australia, Brazil, Denmark, Finland, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Korea, Netherlands, New Zealand, Norway, Russia, Singapore, Spain, Sweden, the UK and the US.

The report provides a unique viewpoint as to the rise of the Chinese international traveller, from the eyes of those working on the ground around the world. Its aim is to collate feedback from the industry on the growth of the Chinese outbound market and how the profile of the average traveller is changing as the market matures. It highlights what Chinese guests are requesting and what changes hoteliers are making to ensure Chinese travellers feel at home when travelling abroad. It also pinpoints areas where some hoteliers have been slow to recognise just what they need to do to capitalise on the opportunities offered by these new guests.

Happy reading!

¹ Figures sourced from the World Tourism Organization:
http://www.chinadaily.com.cn/china/2011-06/01/content_12624526.htm

The Chinese travel revolution

Spreading their wings

China is on track to overtake Germany and the US as the world's largest global outbound tourism market in the very near future. In 2011, mainland Chinese travellers made over 70 million international trips, an increase of 22 per cent on 2010¹, according to the Annual Report of China Outbound Tourism Development 2012, from the National Tourism Administration and China Tourism Academy.

Visa relaxation helps spur growth

Although many of these international trips were to the Chinese Special Administration Regions of Hong Kong and Macau, significant growth is being witnessed in Europe and throughout APAC. As a result, tourism authorities across the world are responding. From Canada to Cambodia, multi-million dollar marketing campaigns are being launched and governments are making it easier for the Chinese to obtain travel visas. For example, in 2011 Japan relaxed its visa requirements following the country's devastating earthquake and nuclear disaster. Spain followed in May 2012, after the number of Chinese tourists rose 25 per cent, from 128,454 in 2010².

Big spenders

It comes as no surprise, therefore, that China's expenditure on international tourism increased by US\$ 18 billion to US\$ 73 billion in 2011³, according to the latest UNWTO World Tourism Barometer. Supporting these figures, the **CITM** found the majority of hoteliers surveyed had seen a significant increase in Chinese visitors between 2009 and 2011.

Future growth

Experts are equally optimistic about the future suggesting outbound Chinese demand is still in its infancy. The Annual Report of China Outbound Tourism Development 2012 predicts the number of international trips taken by Chinese travellers will increase by 12 per cent in 2012 to 78 million⁴. Boston Consulting Group has stated that, by 2020, the Chinese outbound market will be valued at US\$590 billion⁵.

New airports fuel expansion

Presently, most outbound travel comes from China's three major cities – Shanghai, Beijing and Guangzhou – but, as scores of airports are being built in regional areas to cater for soaring demand, the number of Chinese travelling abroad will continue to increase.

The Secretary-General of the United Nations World Tourism Organisation, Taleb Rifai, recently commented: "We can expect to see China become the number one country in terms of both receiving and sending tourists in the next five to seven years."⁶

Hoteliers confident

When asked about predictions for growth in Chinese visitors over the next three years, hoteliers were equally confident. On average, one in five (22 per cent) expects to see an increase of more than 40 per cent. Almost 20 per cent in the APAC region anticipate a rise of more than 40 per cent in Chinese guests. In the US, the predicted growth was more modest at 10 per cent, though the US is positioning itself as a luxury shopping destination in a bid to woo Chinese travellers.

1 Dingding, Xin (16 April 2012) More travellers from Chinese mainland going overseas. The China Post Retrieved: 29 May 2012 from <http://www.chinapost.com.tw/china/china-business/2012/04/16/337958/More-travelers.htm>

2 Ing, David (18 May 2012) Spain eases visa red tape for Chinese tourists. TTG Asia. Retrieved: 29 May 2012 from http://www.ttgasia.com/article.php?article_id=3624

3 United Nations World Tourism Organisation, "UNWTO World Tourism Barometer" (March 2012) Retrieved: 30 May 2012 from <http://mkt.unwto.org/en/barometer>

4 Dingding, Xin (16 April 2012) More travellers from Chinese mainland going overseas. The China Post Retrieved: 29 May 2012 from <http://www.chinapost.com.tw/china/china-business/2012/04/16/337958/More-travelers.htm>

5 Boston Consulting Group 2011, China's Emerging Travel Sector Is Rocketing, but a New BCG Study Finds Dissatisfied Travelers at Home and Abroad, media release, accessed 29 June 2012, <http://www.bcg.com/media/PressReleaseDetails.aspx?id=tcm:12-74602>

4 6 Palash R. Ghosh (1 May 2012) China's Outbound Tourist Boom: A Bonanza For Neighboring East Asia Economies International Business Times. Retrieved: 25 May 2012 from <http://www.ibtimes.com/articles/335647/20120501/china-outbound-tourism-cash-upper-class-hong.htm>

The Chinese traveller

Changing profile

The profile of the typical Chinese traveller has changed considerably over the past decade due to the country's robust economy, appreciating currency and the relaxation of visa entry requirements.

More independent

Increasingly, the Chinese are more likely to travel independently, though group travel remains popular. When asked about the breakdown of guests with regards to group travel versus free independent travellers (FITs), respondents to the **CITM** reported a fairly even split between the two. The biggest proportion of FITs was reported in APAC (60 per cent) and the US (59 per cent). Hoteliers in Europe indicated their customer mix was more balanced between FITs (53 per cent) and groups (47 per cent). Hoteliers in South America were the only region to report the group travel market (54 per cent) was more popular than individual travellers (46 per cent), though only by a relatively small margin.

Younger, more sophisticated

Feedback from hoteliers to the survey suggests Chinese travellers are becoming younger, more confident, savvy online and are more familiar with foreign cultures and customs. The internet user population in China of 500 million people means there is a rapid shift already online as a means of both researching and booking travel.

High-end shopping and new experiences

Chinese travellers are known to have high levels of disposable income and a propensity to purchase

high-end items from the world's luxury retailers. Not only do they travel to the renowned shopping hubs like New York and Paris they are increasingly seeking to expand their travel experiences through exposure to different cultures and visiting places of outstanding natural beauty. For instance, from January to September 2011, China was the biggest arrival market for the Maldives up by 61.8 per cent,⁷ and for Vietnam, up 44.9 per cent.

Big spenders overseas

The latest Hotels.com Hotel Price Index⁸, a twice-yearly report based on bookings made on Hotels.com, found the Chinese were among the world's biggest spenders on accommodation when travelling abroad.

In 2011, Chinese travellers spent an average of USD\$169 per night on hotels beyond their borders, the sixth-highest average spend behind Japan (USD\$190); Switzerland (USD\$182); Australia (USD\$177); USA (USD\$174) and Norway (USD\$174).

Popular themes identified by hoteliers when describing Chinese travellers

Confidence
Online reservations
Young Independent
Receptive
Flexible
Affluent
English-speaking
Purchasing power
Family tours
Knowledgeable
Friendly
Maps Informed

7 TTG Asia (2012) TTG Asian Tourism Guide 2011/2012.Singapore/Hong Kong: TTG Travel Trade Publishing

8 Hotels.com, "Hotel Price Index" (2011) Retrieved: 25 May 2012 from http://asiapress.hotels.com/wp-content/uploads/2012/03/HPI_2011_China.pdf

The 2011 Hotels.com Hotel Price Index's top overseas destinations for Chinese travellers:



DEPARTURES



RANK	DESTINATION	RANK	DESTINATION
1	HONG KONG	11	LONDON
2	SINGAPORE	12	PARIS
3	TOKYO	13	LOS ANGELES
4	TAIPEI	14	SAN FRANCISCO
5	SEOUL	15	KUALA LUMPUR
6	NEW YORK	16	SYDNEY
7	OSAKA	17	ROME
8	BANGKOK	18	VANCOUVER
9	PHUKET	19	HONOLULU
10	LAS VEGAS	20	MILAN

Biggest changes in travellers from China compared to ten years ago as identified by hoteliers in the CITM



Hotel hotspots for Chinese travellers

The **CITM** found most Chinese travellers focus their attention during their stay on experiencing the local attractions.

A hotel's shops, restaurants and bars were the most popular on-site facilities, reflecting the broader consumer spending trends among the Chinese.

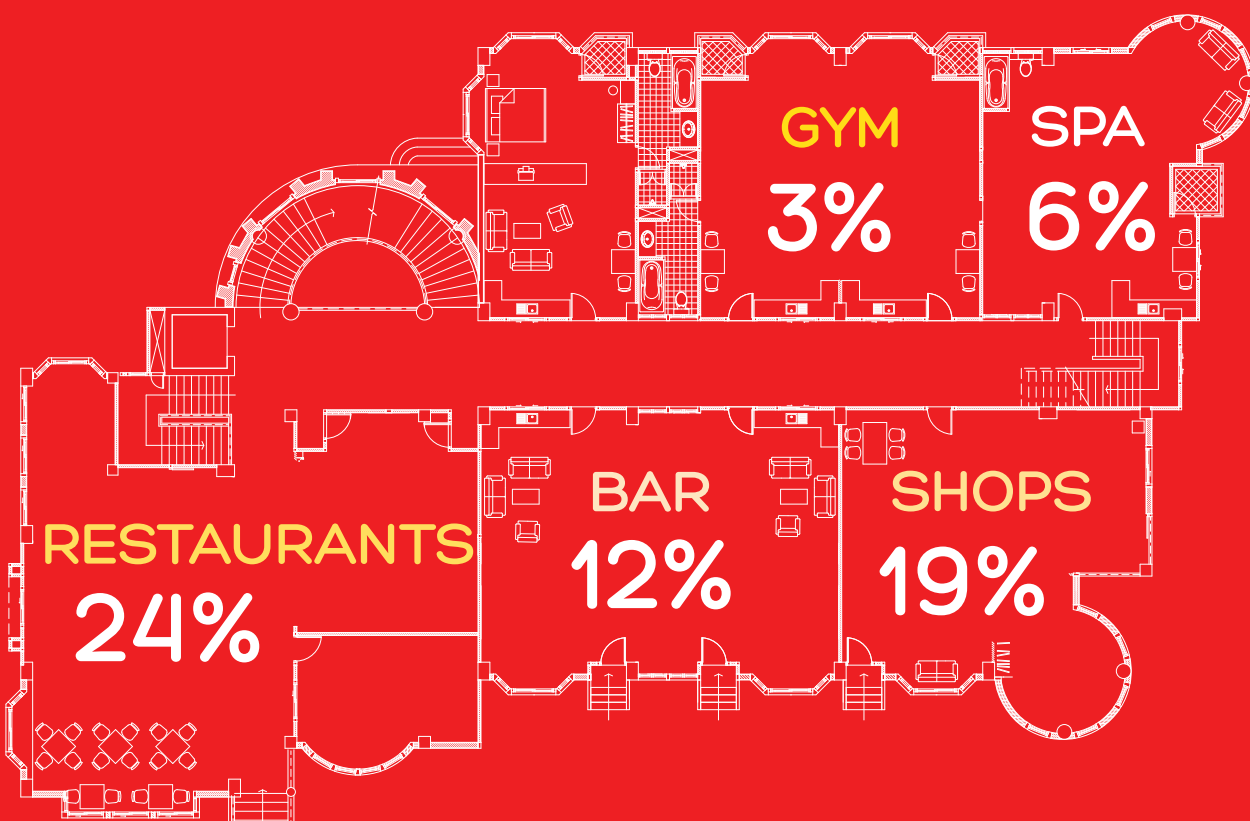
In Europe, the US and South America, hotel restaurants were the most frequented hotel facility whereas, in the Asia Pacific region, hoteliers reported the hotel's shops were the most popular amongst Chinese travellers.

The hotel's spa and gym were the least popular facilities with Chinese guests.

Some popular topics with Chinese guests



The percentage of respondents who say which service or facility is the most popular with Chinese guests



Some popular requests from Chinese guests to hoteliers



Tips for the top service enhancements

These are the most popular hotel services and facilities, identified by the **CITM**, that hotels are planning on implementing to better serve Chinese guests:

Food & beverage



Less than half the hotels surveyed are planning on making any changes to their menus to cater specifically for their Chinese guests.

Service/facility per cent of global respondents planning to offer to Chinese guests

Chinese restaurants	40
Instant noodles	45
Chinese tea	47
Chinese food menus	46
Chinese breakfast	51

Regional spotlight:

- 66 per cent of hoteliers in Europe are planning to add Chinese breakfasts
- 52 per cent of hoteliers in the USA are planning to add Chinese teas
- 70 per cent of hoteliers in APAC already offer Chinese food menus

Guest services



Many hotels are introducing additional guest services to make their Chinese guests feel more at home.

Service/facility per cent of global respondents planning to offer to Chinese guests

On-site shops selling luxury goods	43
In-house Mandarin-speaking staff	42
On-site translation services	54
Translated travel guides	58
Partnership with China UnionPay to process payments from Chinese guests	62

Regional spotlight:

- 58 per cent of hoteliers in Europe are planning to add Mandarin-speaking staff and 68 per cent will introduce Mandarin translated travel guides
- 71 per cent of hoteliers in the USA are planning to partner with China UnionPay and 63 per cent intend to establish on-site translation services
- 30 per cent of hoteliers in APAC are planning to add Mandarin-speaking staff and 41 per cent will open shops selling luxury goods

Marketing



Most hoteliers do recognise the need to have materials available in Mandarin to help attract the attention of Chinese travellers.

Service/facility per cent of global respondents planning to offer to Chinese guests

Translated welcome materials	66
Chinese-language website	54

Regional spotlight:

- 64 per cent of hoteliers in APAC are planning to add translated welcome materials
- 57 per cent of hoteliers in Europe are planning to translate the hotel's website into Chinese
- 46 per cent of hotels in the USA already offer a Mandarin-version of its website

Media and entertainment



Hoteliers in Europe are lagging behind their counterparts in the USA and APAC when it comes to providing Chinese newspapers and TV channels.

Service/facility per cent of global respondents planning to offer to Chinese guests

Chinese newspapers and magazines	53
Chinese TV programmes	41

Regional spotlight:

- 53 per cent of hoteliers in Europe are planning to add Chinese TV programmes
- 59 per cent of hoteliers in the USA are planning to add Chinese newspapers or magazines
- 59 per cent of hoteliers in APAC already offer Chinese newspapers or magazines

How hotels are catering to the Chinese traveller

As Chinese travellers broaden their travel horizons, the global hotel market has needed to adapt quickly across the whole booking and travel process.

Multinational hotel chains are leading the way, seeing the opportunity to benefit from the profitable Chinese traveller as customers from some other geographic areas decrease due to economic uncertainty. By enhancing their existing offering to cater to the unique requirements of this market, many of the world's leading hotel groups have introduced programmes specifically designed to make Chinese travellers feel even more at home during their hotel stay.

Undoubtedly, other hotel groups and independent hotels will have to follow suit and implement services for Chinese guests if they too are to compete for this lucrative market. The **CITM** found hoteliers are not solely focusing on one particular area of operations to increase their appeal to the Chinese traveller. Instead, changes are planned across the board. From employing Mandarin-speaking staff to offering typical Chinese meals, many hotels are working hard to meet the increasing demand.

Case study – The Ritz, London

The Ritz London, one of the world's most iconic luxury hotels, was the first hotel in Britain to install China UnionPay terminals to cater for the increasing number of Chinese guests. Guests are now able to use China UnionPay cards throughout the hotel, to pay for accommodation, dining, souvenir gifts and beauty treatments. The hotel has also launched a programme of bespoke luxury shopping and lavish suite accommodation with personal butler service, available exclusively to China UnionPay card holders.

Case study – ACCOR Optimum Service Standards

In response to the booming number of Chinese travellers visiting Australia, Accor has introduced Optimum Service Standards, accrediting 25 of Accor's Australian hotels. This enables them to meet the expectations of Chinese travellers with the inclusion of Chinese dishes on the menu, Chinese newspapers and television channels, Chinese language welcome kits and Chinese adaptors to make guests from China feel at home. An integral component of the Optimum Service Standards is special training for Accor's staff in cultural differences that will assist them to more respectfully serve Chinese guests.

Case Study – Starwood Personalised Traveller programme

To cater for Chinese guests that travel to its hotels around the world, Starwood Hotels & Resorts launched its Starwood Personalized Traveller programme in 2010. The programme offers Chinese guests an in-hotel specialist fluent in Mandarin for the duration of their stay. This specialist provides translation assistance and facilitation of transport, if required. Upon arrival, guests also receive a welcome pack full of local information including shopping, sightseeing and key hotel information. In-room facilities include slippers, kettles, instant noodles and tea. Hotel restaurants also have Chinese-friendly menu items like congee, noodles and rice.

Case Study – Galaxy Macau

To ensure Galaxy Macau™ is the destination resort of choice for Chinese travellers, the company strategically chose a SE Asian resort theme with the insight that Chinese travellers tend to visit SE Asia on holiday. The luxury resort then chose two award-winning, Asian, 5-star, hotel brands (Banyan Tree and Hotel Okura) to compliment Galaxy Hotel in delivering the same flawless and heartfelt service standards they call “World Class, Asian Heart”. Knowing that food plays an integral part in any Chinese traveller holiday, the resort also caters for Chinese palates by offering a wide variety of Chinese foods and Macau’s largest selection of pan-Asian cuisine. Furthermore, all property signage is bilingual, simplified Chinese and English, for easier navigation of the 550,000 square meter resort. And finally, Galaxy Macau was Macau’s first integrated destination resort to feature Alipay in its booking engine, giving Chinese travellers the ease and convenience of access to China’s largest online payment gateway.

Case Study – Hilton Huanying

In response to the growing number of Chinese guests at its hotels, in 2010, Hilton Worldwide introduced the Hilton Huanying programme. Huanying, which means “welcome” in Mandarin, currently operates in 65 Hilton Hotels & Resorts around the world. The programme offers Chinese guests authentic products and services. On arrival they are greeted by at least one Mandarin-speaking staff member. Rooms have two pairs of slippers, at least one Chinese-language TV channel, electric kettles with an assortment of teas and a welcome letter in Chinese. The breakfast menu at participating hotels features congee, dumplings and other traditional Chinese breakfast items.

A Hilton Huanying Programme Toolkit ensures hotel staff members are adequately trained to deliver a consistently high-quality guest experience for Chinese travellers.

About Hotels.com

Hotels.com is a leading online accommodation booking website with more than 150,000 properties around the world, ranging from international chains and all-inclusive resorts to local favourites and bed & breakfasts, together with all the information needed to book the perfect stay. There are more than 85 Hotels.com sites worldwide in Europe, North, Central and South America, Asia Pacific, the Middle East and South Africa, the majority of which are in localised languages. The China site was launched in 2009.

Hotels.com benefits from one of the largest hotel contracting teams in the industry, negotiating the best rates for its customers, and offers frequentsales, special deals and promotions. Regular customer e-newsletters provide exclusive offers and advance warning of up-coming sales. There are more than 6.5 million reviews on the site from users who have actually stayed in the hotels to ensure customers can make an informed choice when booking.

Through its industry-leading loyalty programme, Welcome Rewards, customers can earn a free night for every 10 nights stayed at more than 65,000 hotels, subject to Welcome Rewards terms and conditions as set out at www.hotels.com. Under its Price Match Guarantee, if a customer can find a lower price on a prepaid hotel, Hotels.com will refund the difference, subject to Price Match Guarantee terms and conditions as set out at www.hotels.com.

Travellers can book online or by contacting one of the multilingual call centres. Special apps for mobile phones and tablets can also be downloaded at www.hotels.com/deals/mobile enabling customers to book on the go with access to 20,000 last minute deals.

Amongst other awards through the years, in 2012 ByteLevel recognized Hotels.com as a Top

5 Best Global Website for 2012. The ByteLevel report card evaluates websites on global reach, global navigation, global/mobile architecture and localization and social efforts. Hotels.com was also once again named "Best Overall Customer Experience" according to a study by Keynote Competitive Research.

For the last eight years, Hotels.com has published an award-winning twice-yearly review of international hotel room price trends called the Hotels.com Hotel Price Index™ which is now produced in more than 31 individual country editions.

Hotels.com is part of Expedia, Inc. the largest online travel company in the world with an extensive portfolio that includes some of the world's best-known brands. Follow Hotels.com on Facebook, on Twitter and on YouTube.

For more global information or to interview one of our spokespeople, please contact:

Zoe Chan

zchan@hotels.com
+ 852 3607 5719

Yvonne Bonanati

ybonanati@hotels.com
+44 (0) 207 019 2815

Kate Hopcraft

khopcraft@hotels.com
+44 (0) 207 019 2165

Alison Couper

acouper@hotels.com
+44 (0) 207 019 2360

Report disclaimer

This report is a generic report, its sole purpose is to provide a generic industry summary of a general nature. As such this report should not be relied upon for any purpose other than as providing general industry information.

© 2012 Hotels.com, L.P. This report and its contents are the copyright of Hotels.com, L.P. All rights reserved.
Any reproduction of this report or its contents must acknowledge www.hotels.com as the source.