

Affluent Insights™ Report Summary:

2016 Chinese Travel Consumer Report



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- Regardless of the recent concerns over China's economy, the amount of travels is still expected to grow by 16% each year until 2020 when it is estimated to reach 234 million. Projections indicate that Chinese travelers were expected to spend \$229 billion in foreign countries in 2015 alone and \$422 billion by the year 2020.*
- It is key to keep monitoring the changing travel and consumption behavior of this key travel source market. And especially the younger generations - in total, there are 322 Million Chinese Millennials, who travel more frequently and spend more freely on travel.

*Source: Fung Business Intelligence Centre (FBIC) and China Luxury Advisors (CLA),



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This CHINA market report is based on findings from the Affluent Insights™ Luxury Travel Survey

- Fielded online in China in April/May 2016.
- We interviewed 300 respondents.
- All of the respondents were defined as affluent with minimum annual household income as per the table below:

Country	Affluent Definition (HHI/a)
China	CNY 200,000+

- 50% of respondents make more than CNY 350,000 and 10% make more than CNY 1 Million
- All respondents have travelled internationally for leisure or business in the past 12 months.

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Extract of Key Implications to Brands:

- Top destinations for planned trips in the next 12 months for Chinese travellers:

RANK	
1	Paris
2	Maldives
3	Tokyo
4	Dubai
5	Seoul
6	Sydney
7	Singapore
8	Osaka
9	Taipei
10	Hong Kong

- **We can expect Chinese source travel to continue growing.** While there is a small downward tick in optimism for the coming 12 months, 4 in 5 Chinese travellers think they are likely to travel more next year than they did last year.
- **You need to meet travelers expectations of luxury.** The new Chinese traveller is increasingly seeking luxury in the way they travel - 7 in 10 Affluent Chinese plan to travel more luxuriously and spend more on luxury items.
- **You need to adjust to shifting expectations about luxury.** While superior quality is the primary motivation for using luxury brands, uniqueness and exclusivity are gaining in importance. Chinese males expect luxury brands also to offer a superior customer experience.

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Key Implications to Brands (continued):

- **Chinese travellers are looking for opportunities to shop for luxury brands.** Travel and luxury shopping go hand in hand, and is a major motivator for choosing travel destinations. Chinese shopping during travel is motivated by the better selection abroad and getting items tax free.
- **Travellers are going beyond sightseeing and looking for experiences.** Chinese travellers are becoming more adventurous, and on the look out for new destinations they have not yet explored, and where they can also get new experiences; e.g., travelers from Chinese have nature tours and safaris at the top of their activity list, after culinary experiences.
- **Just having a website for booking is not enough, it must also be mobile optimized and available through apps.** Travel is no longer only booked online, in markets like China most are now booking travel on their mobile phones.



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