

HOW TO GAIN TRACTION IN THE CHINESE MARKET

AUSTCHAM THAILAND BUSINESS LUNCH
14 NOVEMBER 2018

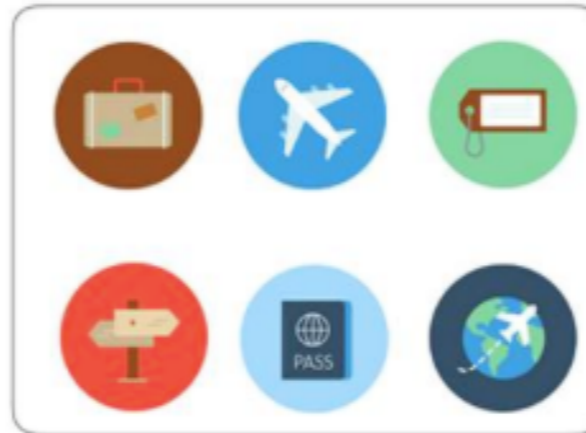
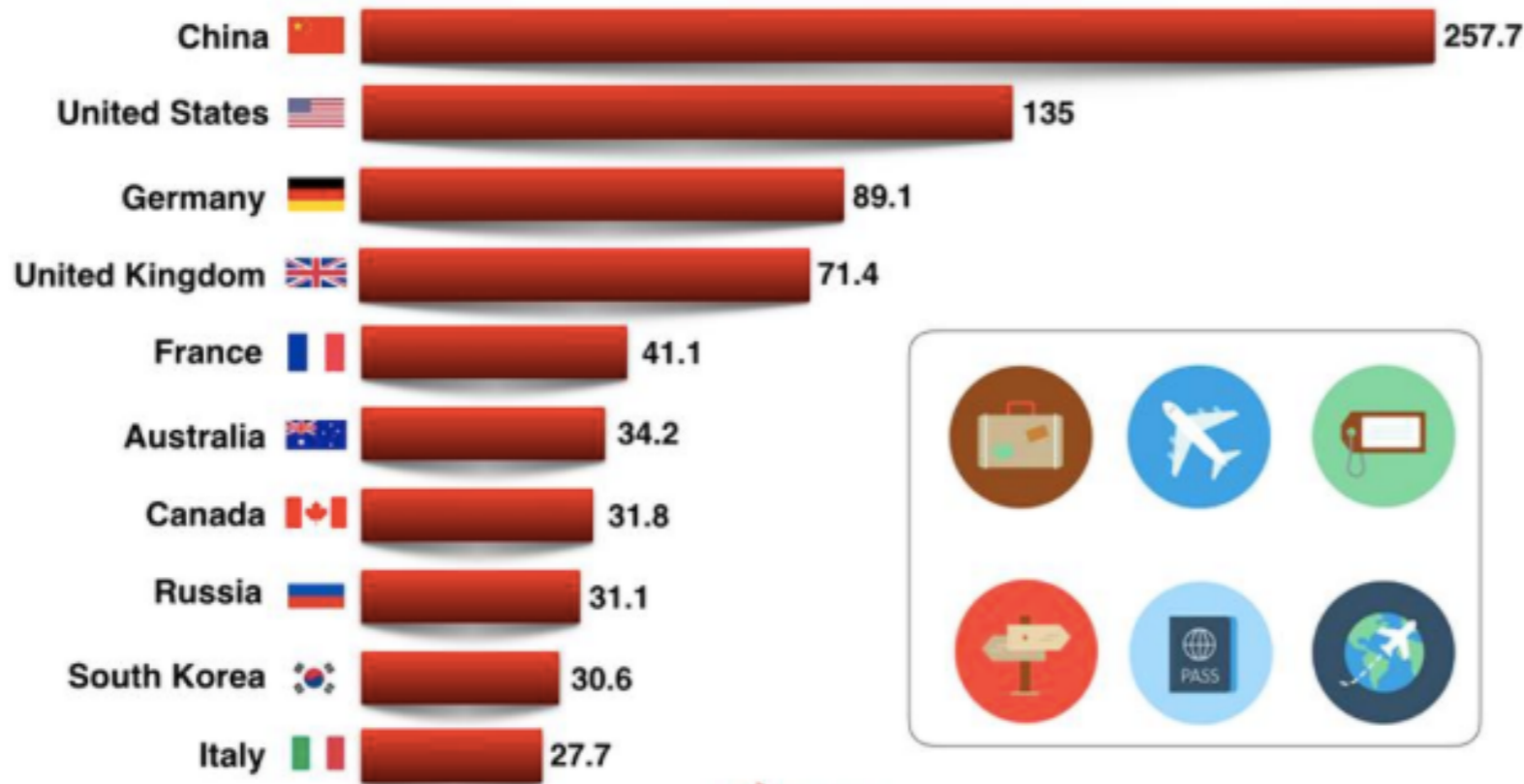
FAUZYA WAROKKA

COMPASS EDGE COUNTRY MANAGER INDONESIA KA /THAILAND



CHINA CONTRIBUTE 21% OF WORLD TOURISM INCOME

International tourism expenditure in 2017 (billion U.S. dollars)



Forecast

2018 - 156 million

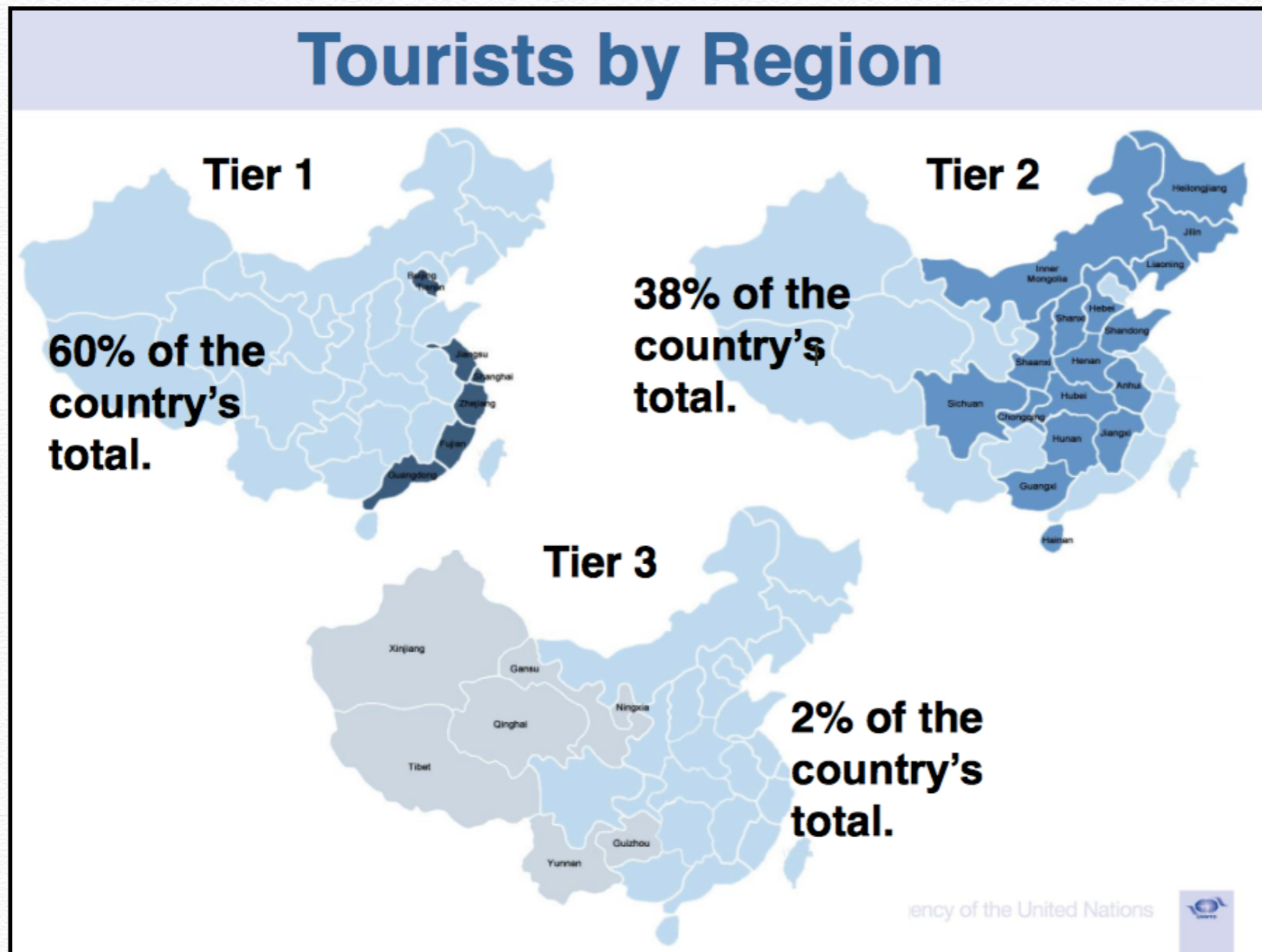
2022 - 200 million

2027 - 300 million

2030 - 400 million

SOURCE: COTRI 2017

WHERE THEY CAME FROM WHERE THEY GO



10 TOP DESTINATION TOURIST 2017

1. THAILAND
2. JAPAN
3. SINGAPORE
4. REPUBLIC OF KOREA
5. MALAYSIA
8. U S A
7. INDONESIA
8. VIETNAM
9. PHILIPINES
10. AUSTRALIA

SOURCE: UNWTO

THAILAND

2017 : 9.828.200

(Increase 10.67% from total 2016 : 8.779.116)

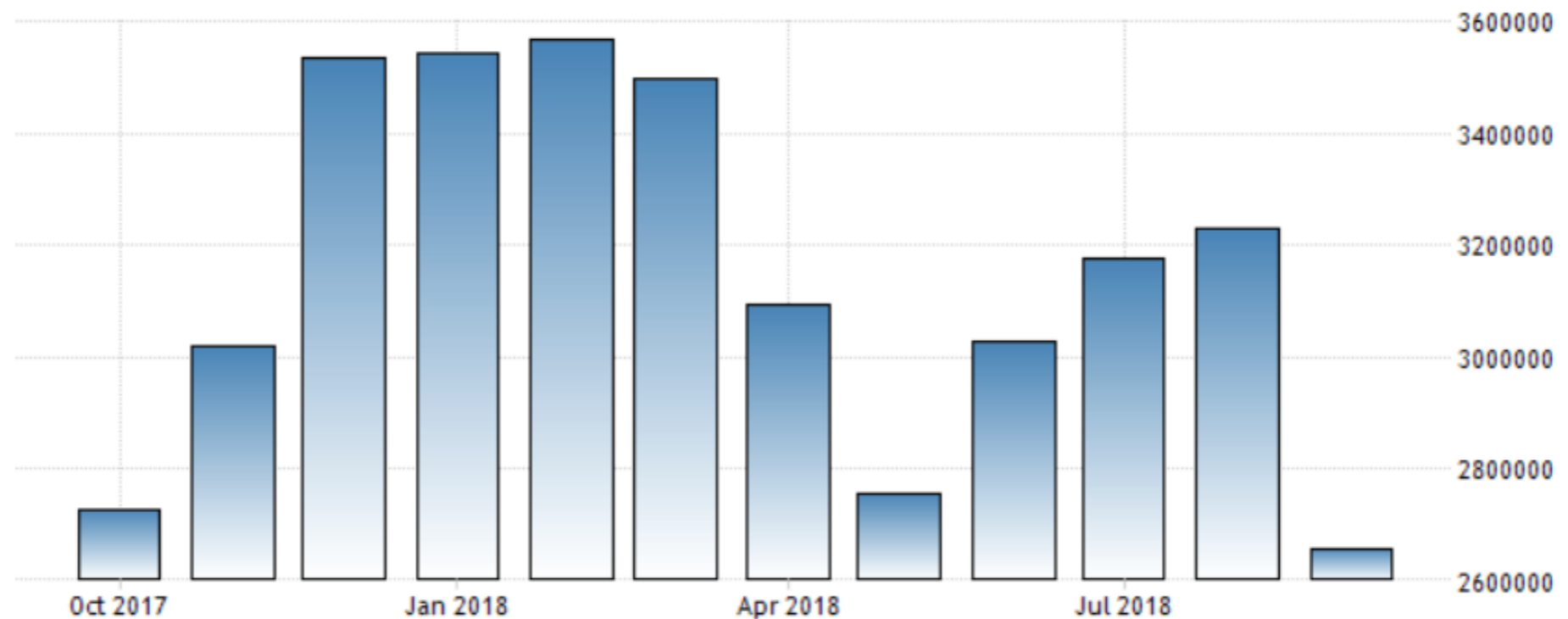
Distribution :

**Bangkok: 52.13%, Phuket: 29.78%, Chon Buri: 28.62% ,
Chiang Mai: 18.20%, Krabi: 9.20% Surat Thani: 3.42%**

TAT Intelligence Centre



THAILAND TOURIST ARRIVALS



Total Chinese Tourist arrival Jan - Sept 2018 : 8.476.049

SOURCE: TRADINGECONOMICS.COM | BANK OF THAILAND

Source : Wikipedia

FREE INDEPENDENT TRAVELLERS (F.I.T) INCREASED +8.6 %

Perception Vs. Reality – Chinese are no longer just group travelers and the percentage of Free Independent Travelers (FIT) is rising year over year

TRANSITING FROM GROUP TOUR EXPERIENCES TO PERSONALIZED EXPERIENCES



Int'l air passenger departures from China, pax per booking, year-to-date YoY %Var.

FREE INDEPENDENT TRAVELLERS (F.I.T.)



+8.6%

GROUP TRAVELLERS



-3.4%

Int'l departures between 1st January and 8th October 2017 vs. same dates in the previous year. Only considered pax staying 1 to 21 nights at destinations, as part of a round trip. Excluded South Korea as a destination. F.I.T.: 1 to 9 pax per book. Group travellers: 10+ pax

Shifting Tastes

BEFORE

All-inclusive package tours

Conventional travel agencies

Concentration in 1st tier regions

Quantity

TODAY

Diversified tours and the rise of the FIT

Online travel agencies (OTAs)

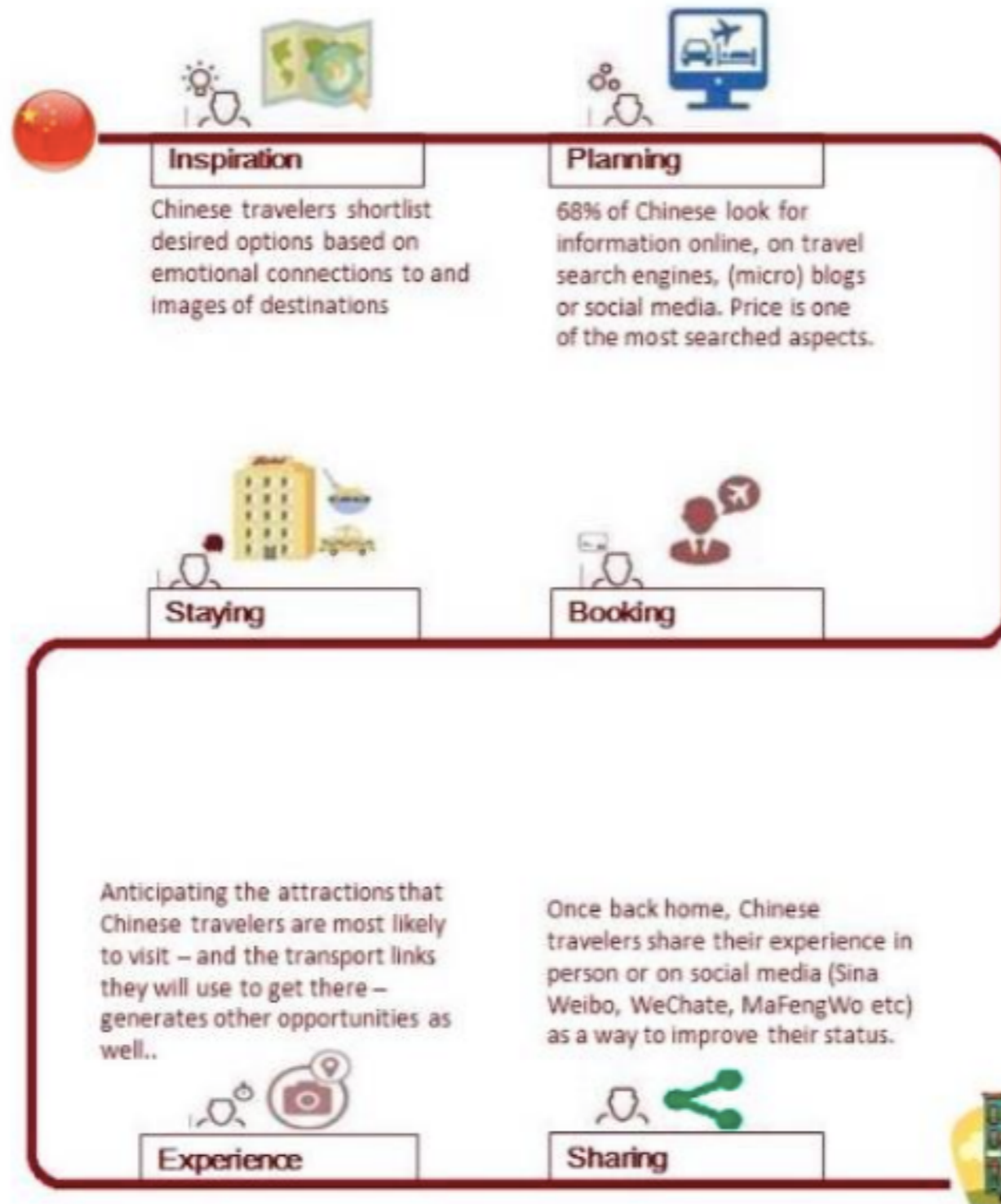
Expanding to 2nd & 3rd tier regions

Quality



THE CHINESE TRAVELLER'S JOURNEY

THE CHINESE TRAVELLER'S JOURNEY



KEY OPINION LEADER (KOL) SOCIAL MEDIA



Forbes

Nearly \$150K Per Post? What You Need To Know About China's Key Opinion Leaders

Joe Escobedo Contributor

May 22, 2017, 8:21 am • 10,341 views • #GettingFuzz



Chinese KOL Zhang Dayi has over 4M followers on Sina Weibo. CHINA DAILY

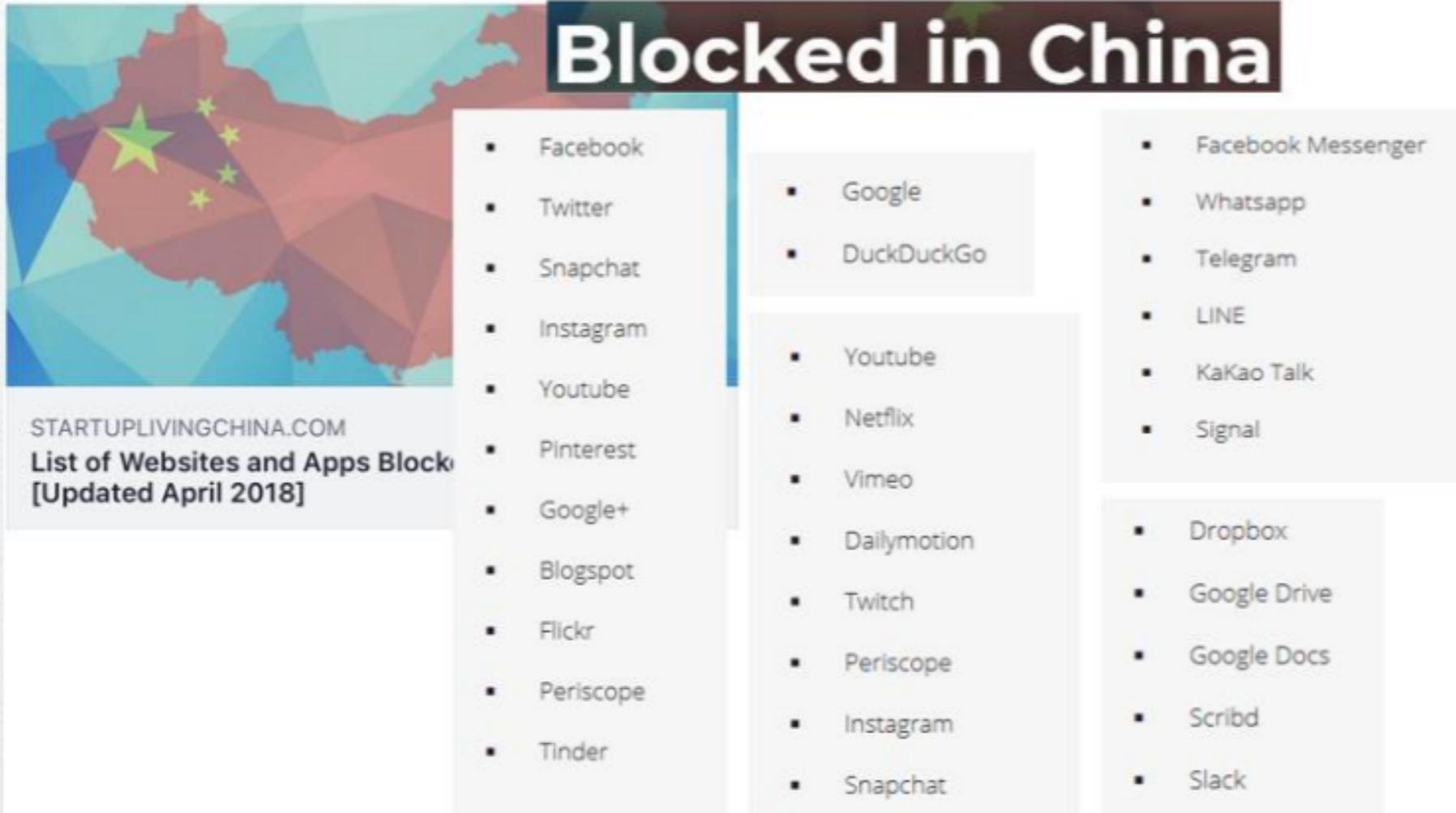


Travel KOLs are Key in Influencing Chinese Millennial Tourists

Anyone involved in the tourism industry is well aware that China is a massive, rapidly growing market. And everyone is trying to get a piece of the pie.

CHINA FIRE WALL & RESTRICTION

And a huge “blocked” list followed



Blocked in China

STARTUPLIVINGCHINA.COM
List of Websites and Apps Blocked
[Updated April 2018]

- Facebook
- Twitter
- Snapchat
- Instagram
- Youtube
- Pinterest
- Google+
- Blogspot
- Flickr
- Periscope
- Tinder
- Google
- DuckDuckGo
- Youtube
- Netflix
- Vimeo
- Dailymotion
- Twitch
- Periscope
- Instagram
- Snapchat
- Facebook Messenger
- Whatsapp
- Telegram
- LINE
- KaKao Talk
- Signal
- Dropbox
- Google Drive
- Google Docs
- Scribd
- Slack

USE THE ' CHINA VERSION '

Doesn't look familiar?

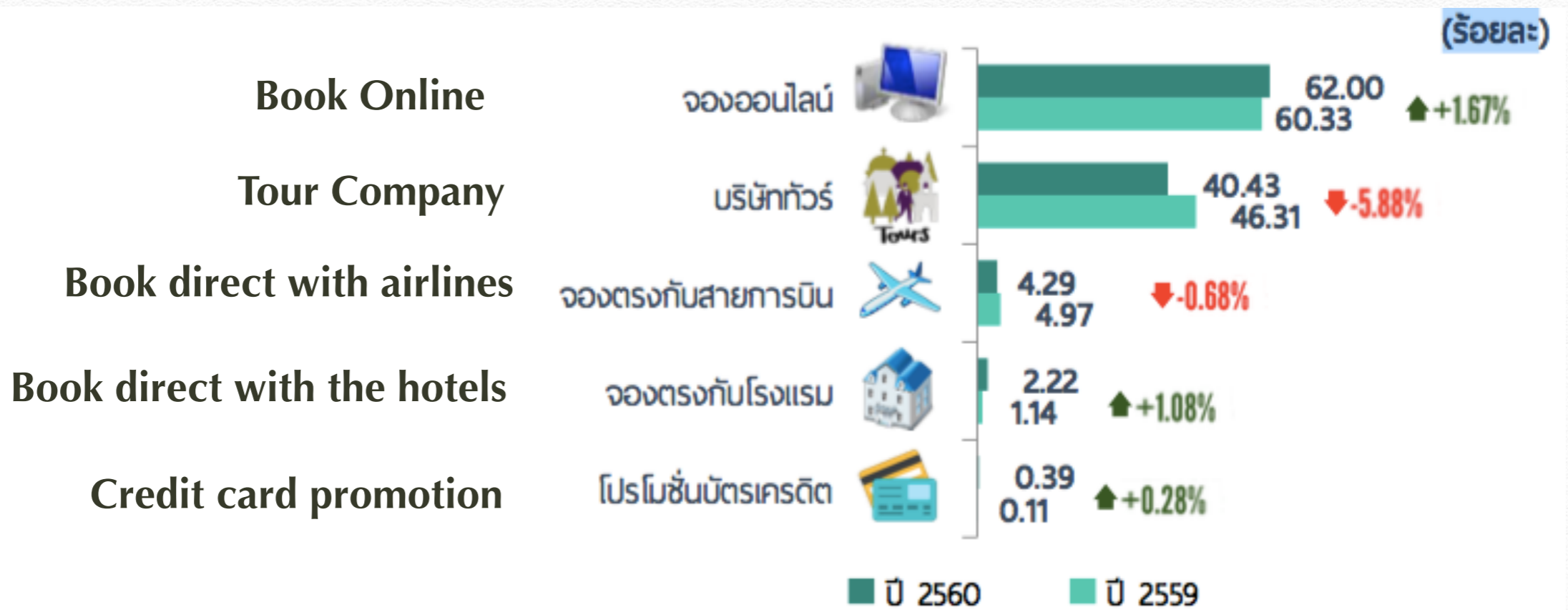
China has its own "western-equivalent" on everything

China vs. US – Top Players for Key Verticals



TREND OF BOOKING

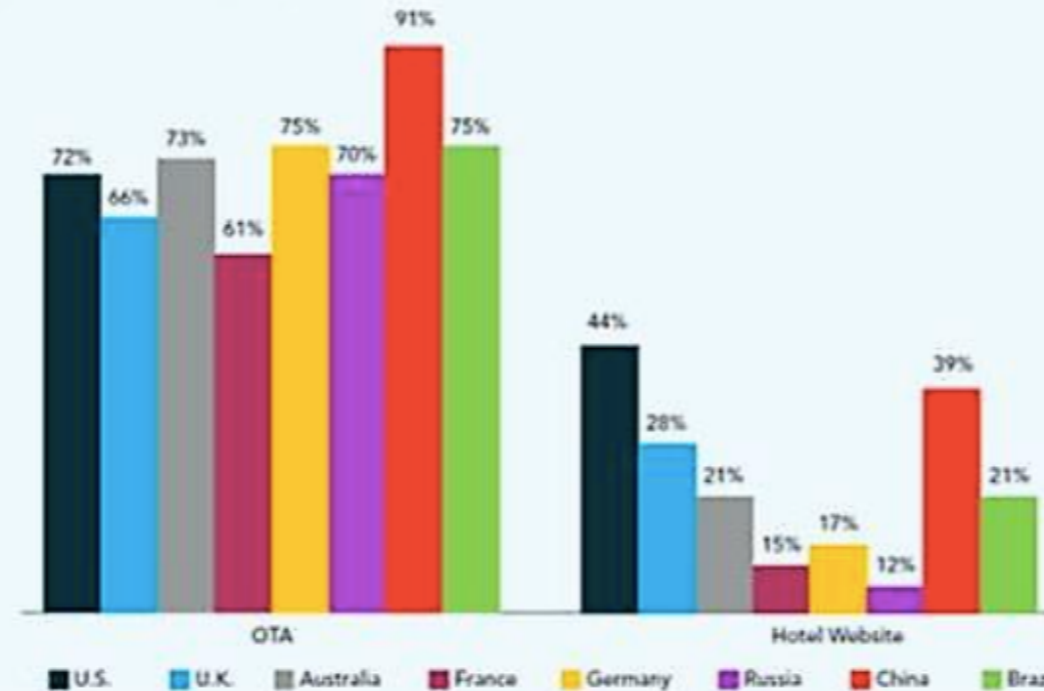
How Chinese Travellers book their travel activities in Thailand year 2017 vs 2016



OTA HOLD SIGNIFICANT ROLES

Then it comes to hotels shopping stage. 91% of Chinese will shop on OTAs. Good news is, 39% will also go to Hotel Websites

Figure 5: Hotel Shopping – OTAs vs. Hotel Websites



Question: Which of the following travel websites or apps did you use to shop for hotels and accommodation(s)? Please indicate if you used each website on your desktop computer, smartphone or tablet. Select all that apply.

Base: Online Hotel Shoppers: U.S.: (N=578); U.K.: (N=482); AUS: (N=589); FRA: (N=476); GER: (N=414); RUS: (N=419); CHN: (N=777); BRA: (N=589)

Source: Phocuswright's Search, Shop, Buy: The New Digital Funnel

MAJOR MISCONCEPTION ABOUT GETTING DIRECT BOOKING



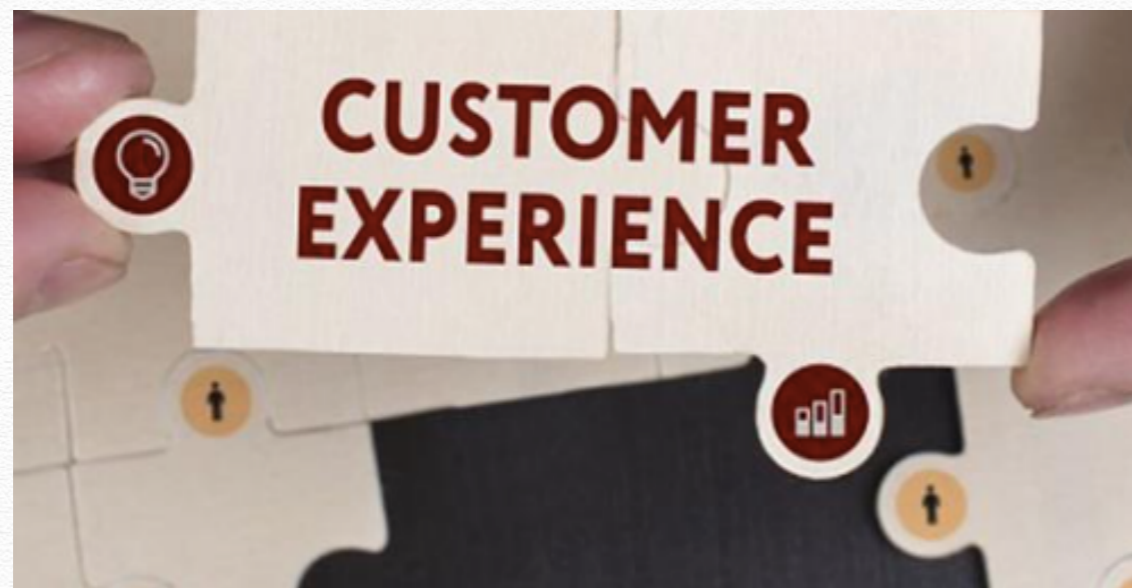
Honestly you won't like...Do not expect direct bookings to cover the China marketing cost

UNDERSTAND & ACCOMMODATE THEIR NEEDS

China's digital : working with OTA, digital payment, social media, localise website

Convenience : safety, friendliness of people, amenities, informations & menus in Chinese

Experiences : local attraction, nature/scenery, adventure, luxuries



COMPASS-EDGE.COM

10 Practical Tips to Serve Chinese Luxury Travelers | Welcome to Compass Edge



JINGTRAVEL.COM

How Ctrip Plans to Dominate the Travel Activities Market | Jing Travel

Compass Edge

A cost-effective trade agency leading your
China Journey



WEBSITE LOCALIZATION
Dedicated Servers on Alibaba Cloud



Weibo & WeChat Official Accounts; Video App;
Mini Program to market unique experiences



46Million+ Loyalty Chinese
Travelers Program



In-house bloggers, KOLs engagement



O2O Online to Offline Marketing