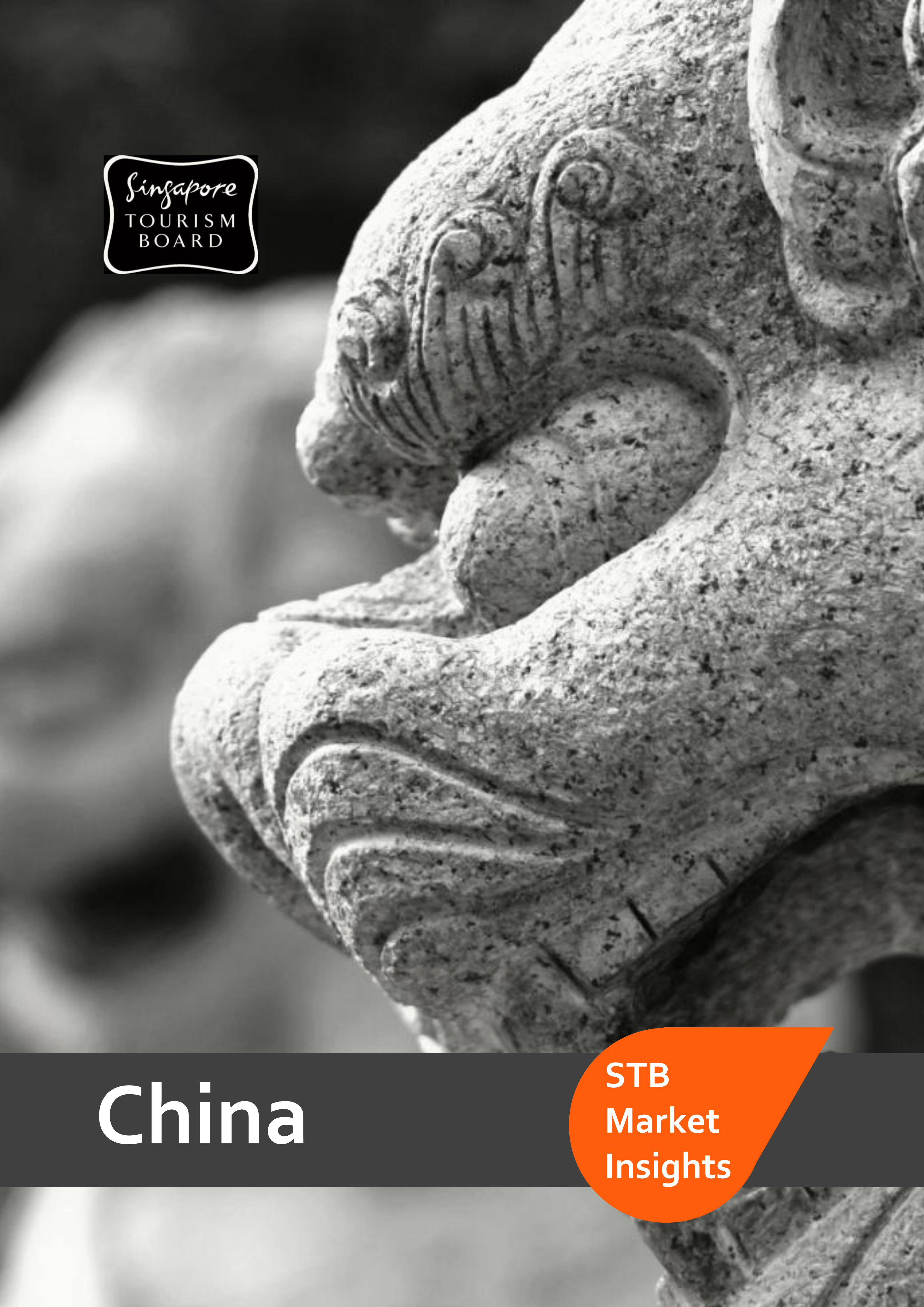

Singapore Tourism Board

# China

STB Market Insights

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# Contents

# Executive Summary

China contributes about 12% of the total number of visitors to Singapore and was our 2nd largest tourist market in 2011. Despite a slowing in China's GDP growth, consumer confidence and appetite for outbound travel remain strong. Visitor arrivals from China to Singapore grew strongly with a compound annual growth rate (CAGR) of 30% over 2009-2011.

Much of China's outbound growth is fueled by rising disposable incomes, increased air connectivity and relaxation on visa restrictions, making overseas travel more accessible. While affluent tier 1 cities such as Beijing, Shanghai and Guangzhou have led the growth in outbound travel in the last decade, strong growth potential resides in secondary cities such as Wuhan and Chongqing. Having benefited from strong government policy support and significant foreign direct investments in recent years, the growing middle class in these secondary cities now enjoy an increased ability and propensity to travel.

Leisure travel drives Chinese outbound travel demand, with major peaks observed around summer school holidays and smaller peaks during major festivals such as Spring Festival and October National Day Holiday.

Novice Chinese travellers typically prefer package tours with fixed itineraries while more experienced and sophisticated travellers prefer free and independent travel, allowing them the flexibility and freedom to enjoy what they like. Given the Chinese's aspirational tendencies, they would not want to miss out on well-trodden, iconic experiences which their peers rave about. However, the more experienced travellers also increasingly demand deeper experiences, which allow them a better understanding of the cultures and heritage of the local population.

Air links between Singapore and China are well-placed to capture the strong Chinese outbound growth, with over 350 weekly flights from over 20 airports in China. Awareness and consideration of Singapore as a leisure destination is high and perception has also been fairly favourable among the Chinese. While the Chinese value Singapore's green and cosmopolitan environment and family-friendly experiences, we face immense competition from destinations which are perceived to offer more differentiated and unique options, with great value proposition, compared to Singapore.

On the business travel front, Singapore is benefiting from China's strong outbound business travel and spending, which is forecasted to continue its upward trend, growing by 15% in 2013.

**Methodology of STB Primary Research Sources**

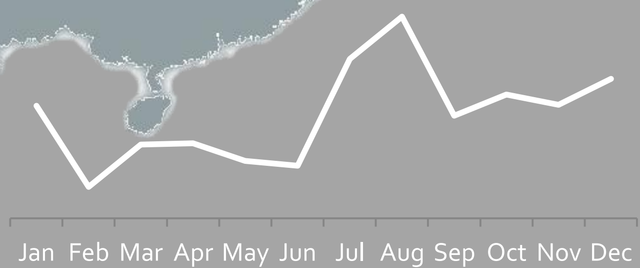
*Figures from this report are gathered from STB internal research as well as publicly available sources. The STB's research sources are STB's Overseas Visitors Survey (OVS) and the Leisure Segmentation Study (SEG), as well as various interviews and focus groups done.*

*Overseas Visitors Survey (OVS) – conducted annually at exit points in Singapore, the OVS covers visitors from every nationality. The sample size is usually around 28,000 per year.*

*Leisure Segmentation Study (SEG) – conducted in 2011 in 9 key markets, SEG sought to understand the needs of different segments of frequent air travellers within our key markets of Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Thailand and Vietnam. The sample size was 500-900 per market, for a total of 6,000.*

*Business Traveller Study (BTS) – conducted over 2011-2012 in Singapore, BTS covers over 2,000 business travellers from our key business source markets to understand their pre-trip and during trip considerations, behaviour and touch points. Markets covered include Australia, China, Hong Kong, India, Indonesia, Korea, Philippines, Thailand, UK, US and Vietnam.*

# About The Market

| | |
|---|---|
| **Population (million)** [1] | **1,354 (2012)** |
| **No. of Households (million)** [1] | **437 (2012)** |
| **Major Cities - Population** [2] | 1. Shanghai: 16.6 million<br>2. Beijing: 12.2 million<br>3. Chongqing: 9.4 million<br>4. Shenzhen: 9.0 million<br>5. Guangzhou: 8.9 million |
| **Outbound Travel (million)** [3] | 2009: 40.7<br>2010: 51.2<br>2011: 62.9 |
| **Top 5 Travel Destinations in 2011 (million)** [3] | 1. Hong Kong: 28.1<br>2. Macau: 16.2<br>3. Thailand: 1.7<br>4. South Korea: 1.9<br>5. Taiwan: 1.8 |
| **Type of Outbound Trips 2011** [4] | • Leisure (68%)<br>• Business (32%) |
| **Seasonality of Outbound Trips 2012 (5)*** |  |



* Seasonality trend is based on year 2012 and Chinese New Year peak will shift depending on its occurrence in the respective years.

## The Chinese Traveller

Despite a slowing in China's GDP growth, consumer confidence and domestic consumption remain strong. Chinese's appetite for outbound travel continues to grow rapidly too, as seen from positive growth in outbound travel.

Based on analyst projections, the total number of Chinese outbound travellers looks set to increase, with departures projected to rise 12-13% year-on-year from 2013-2016 [4]. Increasing affluence, growing aspirations as well as improving air connectivity to secondary Chinese cities are expected to fuel a large part of this growth.

Due to close proximity and more relaxed visa regimes, Asia continues to be the largest beneficiary of China's burgeoning travel market, accounting for 90% of Chinese outbound travel in 2011 [4].

Leisure travel leads the market, with almost 3 in 4 Chinese outbound travellers travelling for leisure in 2011 [4]. While the Chinese have been travelling extensively within China for years, the outbound travel boom was only witnessed in the recent decade. Over 70% of all outbound trips from China were made in the last six years, which means that a significant proportion of Chinese outbound travellers are going overseas for the first time or have just started travelling in the recent few years [6].

As visa application is a major obstacle for many Chinese travellers, most novice travellers choose group package tours for their first outbound trip, where it would be easier to obtain a group visa. They also tend to prefer familiar, short-haul destinations such as Hong Kong and Macau, for their first overseas trip.

As they accummulate more travel experience, these travellers begin to venture beyond Greater China to Southeast Asia and North Asia, where the visa regime is more relaxed and flight duration is acceptable, compared to long-haul destinations. As they travel outside of Greater China, multi-destination package tours tend to be popular for the relatively inexperienced travellers, so that they will be "taken care of" and "shown the way", while "sampling" multiple cultures in a single trip.

More experienced and evolved visitors gradually progress to travelling independently, which allows them to have greater autonomy in planning their itinerary. They also have a preference for mono destination trips, which allow them more time to explore the destination in greater depths.

| | Novice Travellers | More Experienced Travellers | Evolved, Sophisticated Travellers |
|---|---|---|---|
| **Travel Arrangement** | Traditional Package Tours | Free and Easy Travel | Free and Independent Travel |
| **Travel Itinerary** | Tend to prefer Multi-destination (when travelling beyond Greater China) | Multi-destination/Mono destination | Tend to prefer mono destination |
| **Trip Activities** | Packed itineraries of 'touch-and-go' must-see sites & extensive shopping | Focus on sightseeing and relaxation, complemented with elements of shopping | Prefer more relaxed itineraries, deeper experiences and demand higher level of service |
| **Travel Attitudes** | Excited over their newly attained status as a global traveller; Eager to fulfill a list of must-do destinations | Overseas travel is an excellent way to broaden horizons and to experience what other peers have gone through | Travel to relax and look for experiences which are unique and cannot be found in China. Would repeat destinations which they like |

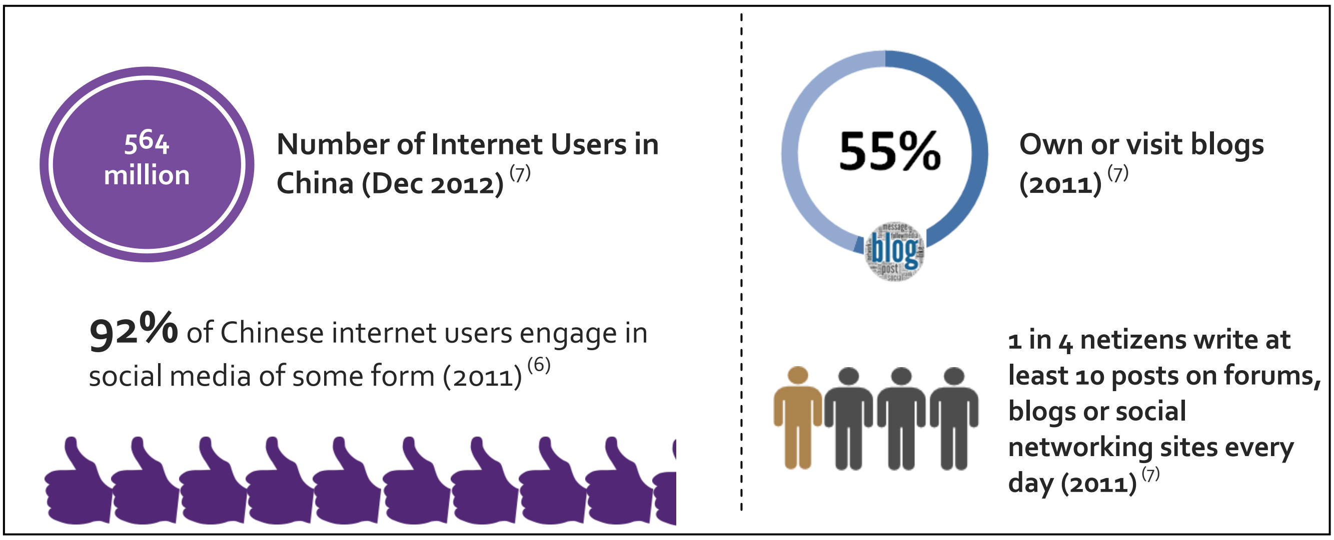
Looking at seasonality of Chinese outbound travel, the peak period is usually during the summer school holidays in the months of July to August. Smaller travels peaks can also be observed around the Spring Festival (Chinese New Year) period and October National Day Holiday (Golden Week) period where there are longer national holidays [5].

## No One-Size-Fits-All strategy

While global travel players are convinced of the strong outbound travel potential from China, one of the key challenges lies in the vast economic and demographic differences across China, which resulted in travellers with diverse travel experience and needs. This has significant implications when marketing to Chinese consumers as there is no one-size-fits-all model which can be applied to the emerging and fast growing market.

To compete effectively, having a good understanding of the differences in consumer needs, travel preferences and behaviour across China is important, in order to tailor relevant and appealing travel experiences for the targeted Chinese travellers. The rest of the article will explore and highlight differences across first tier and secondary cities, where relevant.

## Media Consumption Habits




The Internet has revolutionised the way Chinese consumers learn about the world and find out about new destinations and travel services. Over 2005 to 2012, the number of internet users in China has grown exponentially by 400%. With over 500 million Internet users in China by 2012 [7], more than 80% of Chinese travellers look online for information about destinations [6].

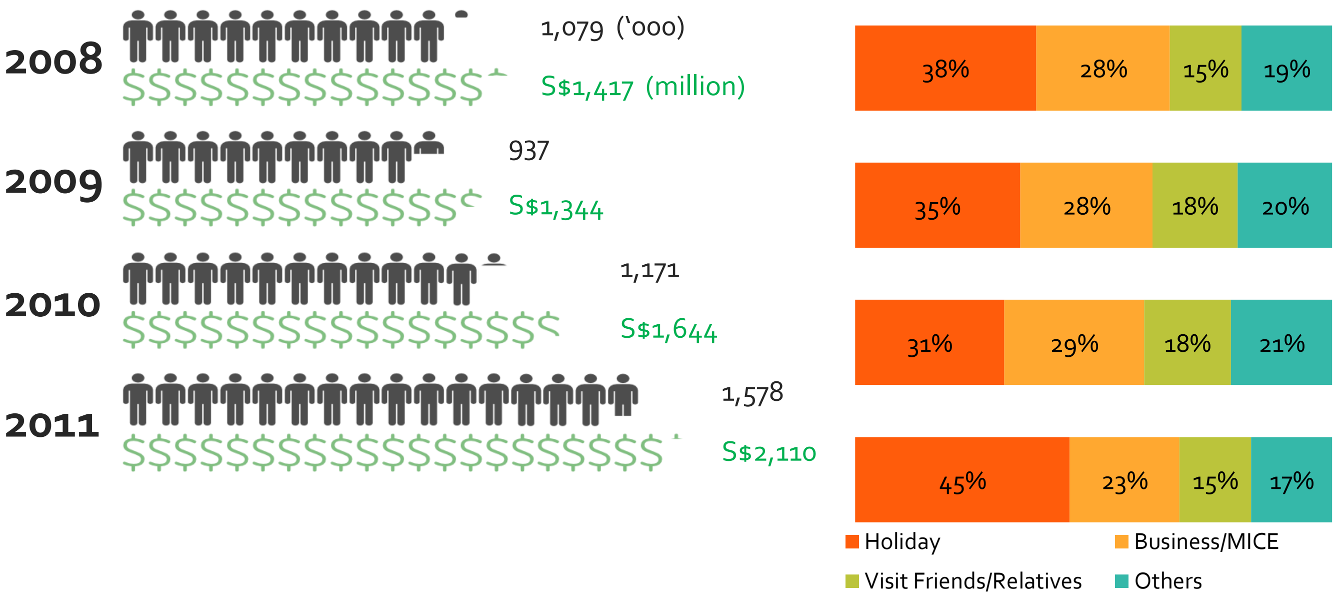
Unlike many Asian countries, the Chinese digital landscape is largely dominated by local players, as the Great Firewall of China has blocked many internationally renowned social networks such as Facebook, Twitter and YouTube. The top 5 websites in China are 'Baidu' (百度), 'QQ' (腾讯网), 'Taobao' (淘宝网), 'Sina' (新浪网) and 'Youku' (优酷网) [6].

According to a research conducted by Fleishman-Hillard on China internet users [8], social media is currently the most influential medium, ahead of travel agents, newspapers, magazines or television. This is true for both first tier as well as secondary Chinese cities. Chinese Internet users spend more time (46 min/day) on social media sites than their counterparts in the United States (37 min/day) and Japan (7 min/day) do [9].

In the recent decade, micro-blogging or 'Weibo' (微博) has become a growing phenomenon in China. Chinese travellers use micro-blogs to share travel experiences as well as seek recommendations from friends and relatives about destinations they have been to. Sina Weibo (新浪微博) is by far the biggest and most popular micro-blogging service in China, claiming nearly 60% of the micro-blogging market with 300 million registered users as of 2011. A significant proportion of Sina Weibo users also post messages from their mobile devices via the 'Weibo' smartphone application. Another fast growing micro-blog is Tencent Weibo (腾讯微博), which was launched only in 2010. Sina Weibo's user base tends to be from the larger and more educated first tier cities while Tencent Weibo has a stronger base in smaller and less economically developed areas secondary cities [6].

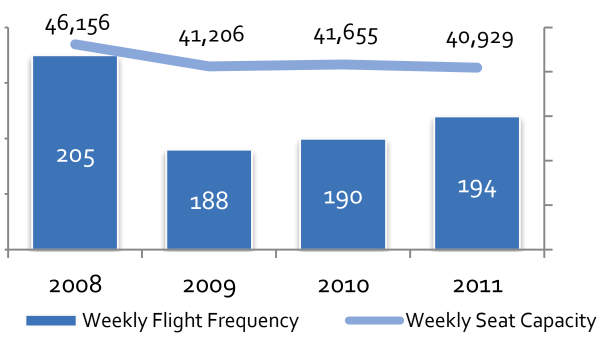
# Chinese Travellers to Singapore

## Visitor Arrivals, Tourism Receipts and Purpose of Visit [10]




## Tourism Receipts – Per Capita


## Weekly Flight Statistics [10]




* Sightseeing & entertainment expenditure has been excluded from tourism receipts in the country breakdown due to commercial sensitivity of information.
* Other TR components include expenditure on airfares, port taxes, local transportation, business, medical, education and transit visitors.

## The Chinese Visitor to Singapore

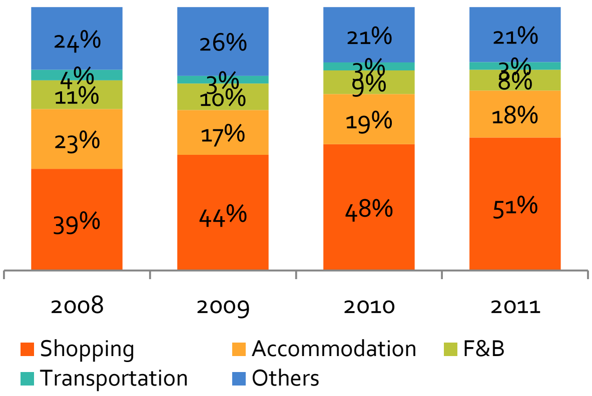
China is currently the 2nd largest market in terms of both visitor arrivals and tourism receipts to Singapore. The number of Chinese visiting Singapore has been growing steadily at 30% CAGR from 2009 to 2011 (10), outpacing the growth in total Chinese outbound traffic over the same period (17% CAGR).

Tourism receipts continued to grow strongly, albeit at a slower rate compared to visitor arrivals (25% CAGR over 2009-2011) (10). However, per capita expenditure of Chinese in Singapore is consistently higher (20%) than that of the average visitor in Singapore.

Strong air connectivity with China, proximity and travel visa requirements that are not overly restrictive has allowed Singapore to leverage on the strong Chinese outbound growth trend. Having said that, competition for the Chinese visitor remains intense as competitors such as Europe, Japan, Thailand and Korea continue to ease visa restrictions on Chinese visitors, simplify the visa application procedures as well as court them with aggressive marketing campaigns.

While first tier cities such as Beijing, Shanghai, Guangzhou and Hangzhou continue to be strong source markets for visitor arrivals to Singapore, demand from secondary cities is rapidly catching up. Singapore is high on the consideration set of consumers from these secondary cities due to our cultural and language similarities and the availability of Chinese food.

### Tourism Receipts by Major Items (10)




### Top Shopping Items in Singapore

- Fashion and accessories
- Watches and Clocks
- Genuine jewellery

## Expenditure While in Singapore

Chinese visitors spent proportionally more on shopping in Singapore than on other components when compared to the average Singapore visitor. The Chinese recorded twice as much shopping expenditure as visitors from other markets (10). This is unsurprising given the fact that shopping is integral to their holidays and is one of the main factors influencing destination choice for the Chinese (11). Past focus group research done in China also revealed that the Chinese are highly discerning shoppers with exposure to foreign goods and services and would conduct detailed pre-trip research on what to buy and where to shop.

The Chinese also generally have a strong gifting culture. Souvenirs are a way of showing their friends and relatives that they had gone on a vacation as well as a personal keepsake on the destinations they have been to. Hence, the Chinese tend to prefer items which can reflect the local identity of the destination or brands or items that they cannot find back home (11). It would be a bonus if the item originates from an internationally recognized brand or high profile local shops as it is an assurance of quality and a reflection of their social status.

* Sightseeing & entertainment expenditure has been excluded from tourism receipts in the country breakdown due to commercial sensitivity of information.
* Other TR components include expenditure on airfares, port taxes, local transportation, business, medical, education and transit visitors.

In addition, the Chinese are also known to travel with long shopping lists （清单）from their friends and relatives. Such behaviour is also a way of telling their peers that they are going on an overseas vacation, which is an important indicator of social status to the Chinese. This behaviour tends to be more prevalent among secondary cities as compared to first tier cities, where there may be less need to shop for their peers, who also travel. These shopping lists typically consist of products from internationally renowned brands, ranging from cosmetics, bags, accessories and electronic devices, which are perceived to be either more authentic or cheaper compared to buying in China.

In contrast to shopping, the Chinese are not known to splurge on accommodation. Correspondingly their accommodation expenditure in Singapore is almost 30% lower that of the average visitor to Singapore, with economy hotels being the most popular choice for leisure visitors [10]. However, Chinese's expenditure on accommodation in Singapore has been increasing over the past 3 years, driven mainly by a shift in trend from staying with their friends and relatives to a hotel stay here. Furthermore, there is also an increase in the proportion of Chinese visitors who chose upscale and luxury hotels in Singapore over 2009 to 2011 [12].

# The Chinese Leisure Traveller

## Top Travel Needs [11]

- Discovery and enlightenment; sense of achievement
- Keep up with their peers
- Break from routine and stress; to recharge

### Needs of the Chinese Leisure Traveller

Travelling provides the opportunity for the Chinese to acquire greater social prestige as overseas travel is seen as an indication of social status in the emerging Chinese economy. This is especially true for many consumers from secondary Chinese cities, where overseas travel carries a significant social value as a means for self-actualisation as well as a newly-acquired status badge.

Travelling is also seen as an excellent opportunity for Chinese to discover the world and acquire knowledge as they soak up new experiences and knowledge in order to keep up with their peers. As a result of their aspirational tendencies, Chinese visitors seek well-known and iconic experiences ("biggest", "tallest", "newest") which cannot be found back home, as well as keep up with the "must-dos" which others have raved about [11].

For consumers from Tier 1 cities especially, the need to escape from the routine of their daily lives and stresses back home is another key driver for vacations. Coming from more stressful environmental conditions back home, these consumers tend to appreciate destinations which are clean and offer greenery, or allow them to relax (e.g. beaches).

## Top 5 Travel Considerations [11]

- Has good shopping
- Number of days available for the trip
- Travel promotions
- Interesting culture / heritage
- Have never been there before

## Major Hindrances to Overseas Travel

- Language concerns
- Security concerns
- Costs too much
- Not accustomed to foreign food

## Considerations for Travel

The top considerations when choosing a destination is the availability of good shopping, followed by the number of days available for the trip, which would affect how far they are willing to travel. The Chinese typically go for short haul and more impulse-driven trips during long weekends or shorter national holidays such as Mid-Autumn festival (中秋节) or Tomb-sweeping festival (清明节). Proximity destinations such as Hong Kong, South Korea and Thailand tend to be more popular due to the shorter duration required for the trip. Mid or long haul destinations, which tend to need more planning, are usually taken during longer national holidays or school holidays.

Anecdotal evidence also suggest that, for consumers from emerging secondary cities, where air connectivity is less developed, the availability of direct air links is an important consideration for destination choice. This reduces the need to travel to nearby satellite cities such as Beijing or Shanghai before flying to their end destination, saving both time and money.

## Emerging Trends for the Chinese Leisure Traveller

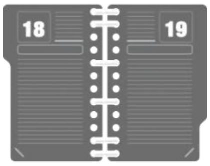
As the Chinese get more travel-savvy, they also become more demanding about their travel experiences. While they still seek a certain quantity of experiences during each trip, to make sure they get value for their money, Chinese travellers are increasingly going beyond just visiting major sights or indulging in extensive shopping. They are more prepared to explore new places and activities that are beyond the well-trodden travel paths and also seek more in-depth experiences (深度游) which allow them to interact and learn more about the local cultures and population. The Chinese, however, still prefer to keep to safe and enjoyable experiences as they are not big risk-takers when it comes to holidays. Well-known attractions or locations, which enjoy strong awareness and high profile among their peers, are preferred.

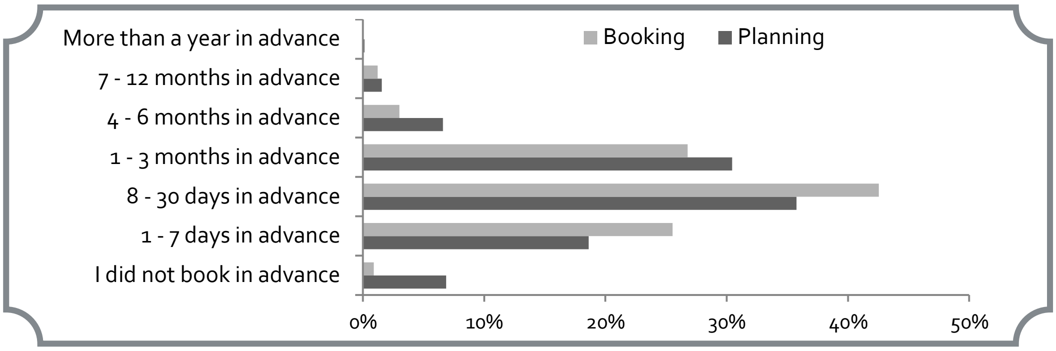
As more experienced travellers tend to be well-travelled and discerning, they are also more demanding in terms of customer services. Although many of them may have a good command of English, they still appreciate seeing the Chinese culture being respected when there are efforts made to customize their experience. As a result, many destinations competing for the Chinese visitors have responded with more accessible Mandarin services such as Mandarin websites, Mandarin-speaking staff, Mandarin signage, Mandarin menus in restaurants and Mandarin guided tours.

Apart from language, the Chinese also prefer accommodation with familiar amenities such as slippers, hot water facilities to make beverages and the reassurance of Chinese dishes at breakfast. Many also prefer familiar international hotel chains when they travel or well-known brands which are recommended by others.

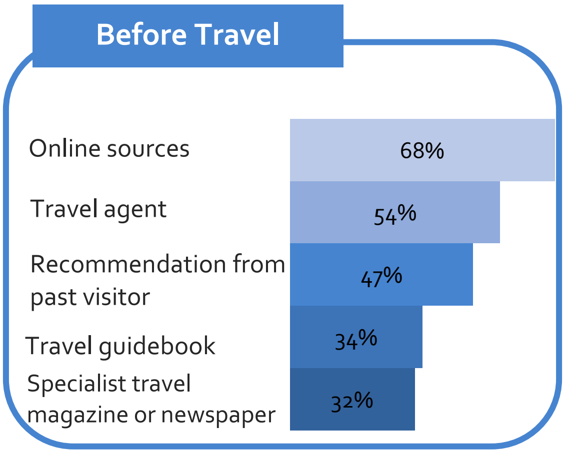
# Planning and Booking Trends

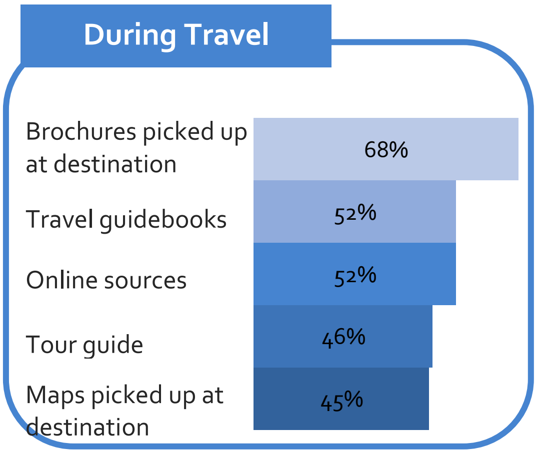
## Trip Planning/Booking Duration [11]



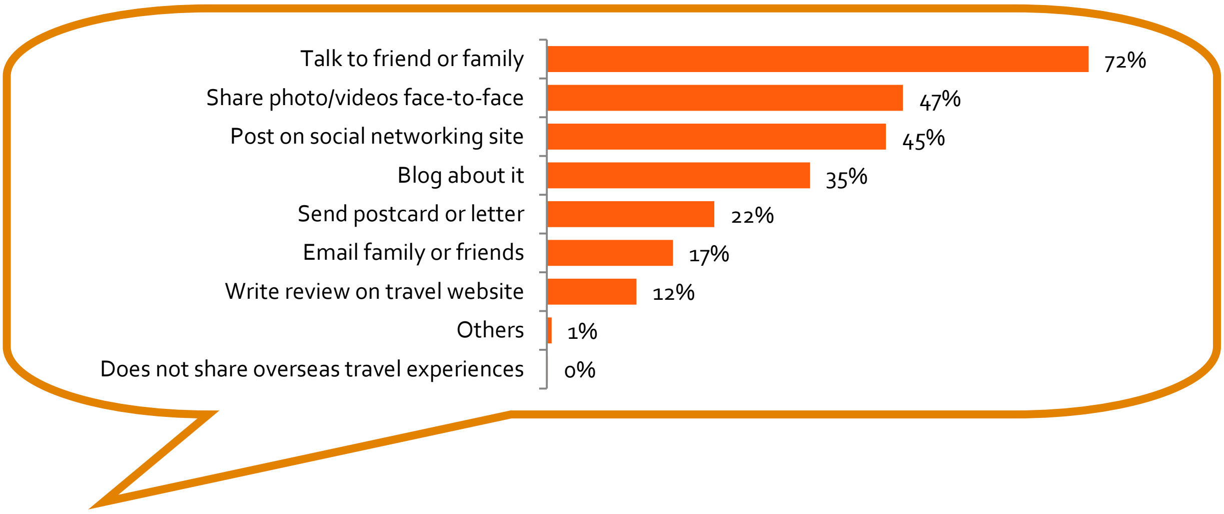




## Information Sources [11]




## Channels used to Share Travel Experiences [11]



## Planning and Booking Trends

Overall, 4 in 10 respondents planned their trip more than 1 month ahead of their planned travel, compared to only 19% and 7% who planned their trip "1-7 days in advance" and "Did not plan in advance at all" respectively. As for booking, 1 in 3 respondents booked their trip more than 1 month ahead, compared to only 26% who booked their trip "1-7 days in advance" [11].

While many Chinese travellers search for travel information online, majority still book through brick-and-mortar travel agents currently. This is seen across first tier as well as secondary cities, although the trend is more prevalent among secondary cities, where more consumers are travel-inexperienced. Travel agents offer destination information, one-stop hassle-free visa application, address concerns regarding safety of online transactions as well as other "going-the-extra-mile" services such as refunds for cancelled trips. For relatively inexperienced travellers who may have greater apprehension about overseas travel, the face-to-face element of traditional travel agents is still considered important to alleviate their concerns, especially during the consideration and booking stages.

However, as Chinese travellers become more confident and experienced, the importance of traditional travel agencies is diminishing. Online travel agents (OTA) and online booking sites are growing in popularity, especially among the younger Chinese, as a result of their more attractive value proposition and convenient price comparisons. Home-grown OTAs dominate the market with nine out of the 10 most visited OTA sites being local. CTrip (携程) is currently the top OTA player in China, followed by eLong (艺龙), which is partly owned by Expedia.

## Information Sources Before Travel

Before travelling, most respondents (2 in 3) sought information from online sources. Online sources are also rated as the most useful source [11] as travellers can obtain very detailed and comprehensive review and guidance from other experienced travellers.

The next most useful source cited was relatives or friends who have been to the destination before, indicating the importance of word-of-mouth in influencing travel decisions, both online and offline [11].

Among respondents who refer to online sources, 65% consulted online travel review sites [11] such as 'mafengwo' (蚂蜂窝), 'daodao' (到到网) and 'lvmama' (驴妈妈旅游网), where detailed itinerary suggestions and recommended sights with pictures are shared by past travellers. These are very influential in the decision making process for holiday destinations and hotels. Travel search engines such as 'Ctrip' (携程旅游网) and 'Qunar' (去哪儿网), where information on the destination as well as flights and accommodation can be found, are also commonly used. Micro-blogs are rapidly emerging media, which feature not only useful information on the destination, but also occasional promotions which may trigger travel intentions.

## Information Sources During Travel

While travelling, Chinese predominantly turn to maps that they picked up at the destination for information, with over two-thirds of respondents saying so. Other popular sources of information consulted are tour guides and online sources via either their mobile phones or other electronic devices [11].

## Advocacy After Trip

Sharing of travel experiences through social media is increasingly popular, especially among the younger Chinese. More Chinese are writing about their travel experiences through personal blogs as well as social media, either real time during the trip or after the trip.

Chinese are generally likely to be advocates of Singapore, with slightly over 80% “Very Likely” or “Likely” to recommend Singapore as a leisure travel destination to others [11].

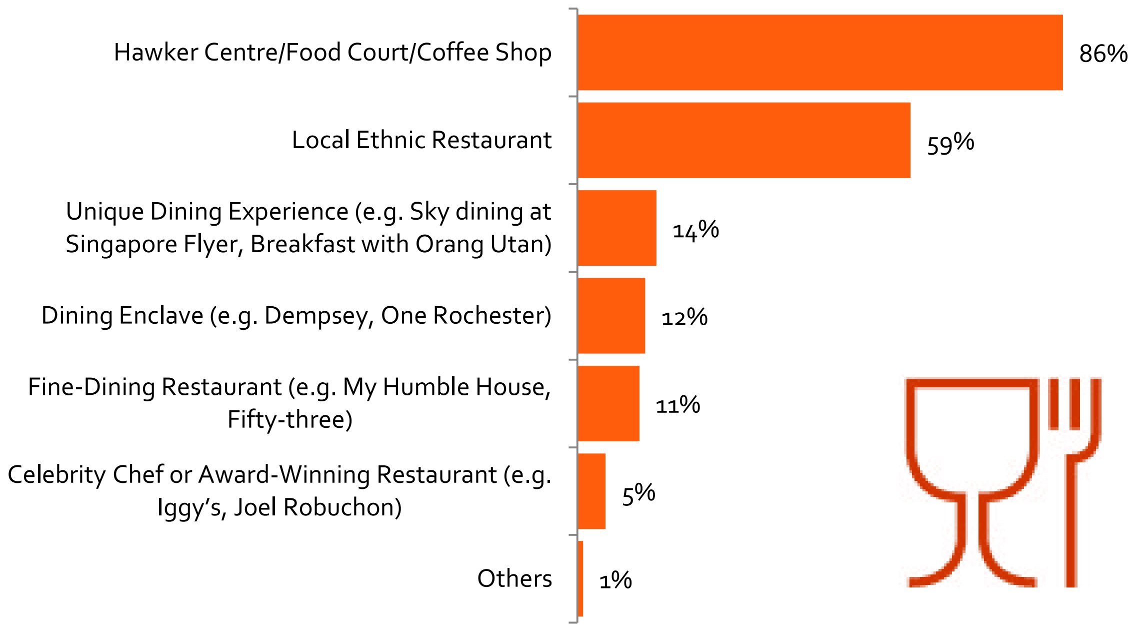
While a high proportion of Chinese visitors are willing to recommend Singapore, only two-thirds of the respondents indicated likelihood of revisiting Singapore [11]. This could be attributed to the checklist mentality of many Chinese, who still prefer to travel to new and different destinations each time. This is also corroborated with the fact that majority of visitors to Singapore are first-timers as compared to repeat visitors.

# Leisure Traveller in Singapore

## Top 5 Leisure Activities [11]

- Went shopping
- Visited a well-known landmark or tourist icon
- Went to a casino
- Visited a nature or animal-related attraction
- Visited a museum or gallery

## Top Dining Preferences [11]



## Leisure Activities in Singapore

Chinese leisure travellers typically perceive Singapore as a safe, modern and clean destination that offers high quality experiences suitable for family vacations. Majority of the Chinese know Singapore as the 'Garden City' (花园城市) and most Chinese who came were impressed by how greenery was interspersed into our cityscape. Singapore is also regarded as a comfortable choice for new travellers due to cultural and language similarities and the availability of Chinese food.

Singapore also has a reputation among the Chinese for being a model city, having forged a leadership position in many areas from economic development, to urban planning and innovation. Our stability, progress and efficiency have also attracted some Chinese travellers who are interested to witness the Singapore "success story".

As shopping is an important component of vacations to the Chinese, it is unsurprising that their top activity in Singapore was "shopping". They particularly enjoy Singapore's breadth of retail options and our reputation for authenticity.

In line with their need to broaden horizons and keep up, "visiting well-known landmarks or tourist icons" was the next most popular activity done in Singapore. Our attractions are highly regarded among the Chinese for their quality. Hence, well-known attractions such as the Marina Bay Sands SkyPark, Singapore Flyer and Universal Studios are considered must-dos by the Chinese travellers when they visit Singapore.

Chinese are generally food lovers. Their need to broaden horizons also extends to their culinary pursuits while in Singapore. The majority of Chinese favour trying out ethnic restaurants and hawker centres, with local dishes such as Hainanese Chicken Rice, 'Bak Kut Teh' (pork rib soup) and Chili Crab deemed as must-try dishes when they are here. While they value the opportunity to try dishes which are authentic of the destination, accessibility to Chinese food remains important. This is especially so among the less experienced travellers and those travelling with young children or the elderly, who tend to be more anxious about accustoming to foreign cuisine.

## Barriers to Visiting Singapore

While the Chinese value Singapore for hygiene factors such as safety and cleanliness, they have limited and outdated knowledge of Singapore's offerings. This results in the perception that Singapore is a small city-state with few attractions which might warrant only a short stay [11]. This mis-perception is further propagated among travellers who come on a multi-destination package tour. Due to the higher cost of accommodation and paid attractions in Singapore, travel agents typically bundle a Singapore component which is no more than 2 days and features only free sights and extensive shopping. As such, Chinese tend to feel that they already know or have experienced everything that Singapore has to offer.

Other reasons for not visiting Singapore for leisure include the lack of differentiation and uniqueness when compared to other destinations [11]. The absence of natural scenic options and depth of cultural heritage in Singapore propagates a typical city experience. This is compounded by the fact that Singapore is perceived as an up-market destination in Southeast Asia, due to our high hotel rates and air fares, hence Singapore is not perceived to have a strong value proposition compared to our regional neighbours.

# Business Traveller in Singapore


"Likely" or "Very likely" to revisit Singapore in the next 1-2 years for leisure (15)

## Top reasons for revisiting for leisure (15)

- I would like to visit Singapore with a different set of travel companion(s)
- I have always wanted to visit Singapore for holiday/ leisure
- I did not manage to cover the sights and attractions that I wanted to cover during this trip

## Top barriers for revisiting for leisure (15)

- Prefer to visit other destinations I have not been before
- Nothing new / interesting
- Have already been to the key sights & attractions

## Perceptions of Business Experiences in Singapore (15)

- Good reputation for safety
- Good infrastructure (e.g. accessibility, connectivity)
- Stable business environment
- Has world class business facilities
- Has adequate business opportunities

## Perceptions of Leisure Experiences in Singapore (15)

- Is a modern and cosmopolitan destination
- Perfect destination to mix business and leisure
- Has friendly & efficient service
- Easy to get around & enjoy
- Let me do & see many things in a day

## Top Shopping Items Purchased on Business Trip (12)

- Fashion and Accessories
- Cosmetics, Perfumes & Toiletries
- Watches & Clocks

## The Chinese Business Traveller

According to the Global Business Travel Association, China's business travel spending has increased by 16% yearly over 2000 to 2012. With growth forecasted at 15% from 2013 to 2015, China is on track to become the largest business travel market in the world after 2015 (13). Hong Kong remains the most popular destination for Chinese business travelers, followed by Singapore and Thailand.

## What Chinese Business Travellers Spent On and What They Bought

Outbound business travel from China has been increasing rapidly as Chinese companies bring their operations global. This is in line with the increasing number of Chinese business travellers visiting Singapore over the last 3 years as well as their expenditure.

According to a research conducted by the Wyndham Hotel Group among 4,300 business travellers from China, United States, United Kingdom, Canada and Brazil, Chinese business travellers were found to be more likely to mix business with leisure compared to other business travellers, with 2 out of 3 admitting to inviting a spouse or family member to join them while on business. Extending a business trip for leisure was also found to be more prevalent among Chinese compared to the other nationalities surveyed (14).

1 out of 3 Chinese business travellers regard business trips as a way to experience a higher-end hotel than normal, while a similar proportion views business travel as an opportunity to indulge in an all-expenses-paid trip (14). This explains the higher accommodation expenditure by Chinese business travellers in Singapore compared to leisure visitors, and also the preference business travellers have for hotels classified as "Mid-tier" and above, vis-à-vis leisure visitors who tend to go for economy accommodation choices.

The strong gifting culture of the Chinese also extends to business trips as Chinese business travellers typically buy gifts for their families, friends and colleagues while on business trips. This explains why Chinese business travellers tend to spend more on shopping than the average business traveller in Singapore. They generally prefer to buy items or brands which they cannot find back home or which reflects the local identity of the destination (15).

While 3 out of 10 business travellers would let their local hosts make dining decisions for them, the majority would prefer to try the destination's local food, even if the food is unfamiliar to them. While 40% of Chinese business travellers engage in night time leisure activities during their business trips to Singapore, most of them prefer bars or clubs that are within convenient reach of their hotels or offices (15).

## Information Sources

Chinese business travellers typically conduct very little research on their destination. For those who did, most of this research was done during the trip and revolves around dining and shopping places to visit. Others rely mainly on personal recommendations from colleagues or friends residing in Singapore. Consulting printed sources such as guide books, maps or brochures picked up at the destination is uncommon among Chinese business travellers (15).

## Perception of Singapore

Chinese business travellers are generally satisfied with Singapore, with over 80% agreeing that Singapore is a modern, cosmopolitan and safe destination that is perfect to mix business with leisure. However, Chinese business travellers generally perceive Singapore to be less value for money and also lack a variety of differentiated activities as a leisure destination.  These remain the top barriers for business travellers returning again for a purposeful leisure trip (15).

# Key Findings

**5 Salient Points**

to remember about selling to the Chinese

While growth in Chinese outbound departures has been stellar in the past decade, the total outbound volume is still modest relative to the size of China's population. Given the favourable socio-economic environment and growing sophistication and travel experience, the Chinese's propensity to travel overseas is expected to continue growing in the coming decade, with significant growth coming from secondary cities.

1. **Go Digital.** With rapidly increasing internet penetration, the majority of Chinese travellers are already searching for and sharing travel information online. Given the influence and trust in online sources, it is important to leverage online media to reach out effectively to the Chinese. However, local players dominate the digital landscape and therefore it is imperative to adapt communications strategies and touch points to the Chinese market. Also, simply leveraging on established online platforms used for other markets may not work as many of these have been blocked.
2. **Emphasize on what appeals.** Trip itineraries targeted at the Chinese should take into account their interest in well-known, iconic experiences ("biggest", "newest") which cannot be found back home and communications should highlight them. Given their growing desire for deeper experiences, an in-depth story-telling approach which allows a better understanding of the cultures and heritage would better captivate the Chinese, in addition to listing the experiences.
3. **Pay attention to the basics.** With language being the top concern for overseas travel, it is important for travel players to offer Chinese-friendly services. Having Mandarin-speaking concierges or Mandarin maps, collaterals and signages at major attractions would help ensure the Chinese feel appreciated and can fully enjoy their experiences while travelling. Also, minute details such as the availability of hot water facilities and an extensive range of toiletries in hotel rooms and Chinese dishes at breakfast are important to Chinese travellers.
4. **Souvenirs are important.** Gift-giving remains integral to a Chinese traveller's overseas trip. Souvenirs targeted at the Chinese should reflect the local identity of the destination or feature brands or items that cannot be found back home. Internationally-recognised brands are preferred, although not a must-have, as it is an assurance of quality and would be a reflection of their social status.
5. **No one-size-fits-all model.** While a sizeable proportion of Chinese outbound travel still originates from first tier cities, demand from secondary cities is rapidly catching up. Travel players would need to understand the diverse consumer needs and preferences across China and adapt strategies and communications accordingly.

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