



CHINESE INTERNATIONAL TRAVEL MONITOR 2018



Hotels.com™



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ABOUT Hotels.com

Hotels.com™ is the most rewarding way to book a place to stay. We really love travel and we know you do too. That's why we make it really easy to book with us. With hundreds of thousands of places to stay around the world and 90 local websites in 41 languages, Hotels.com has it all. So, whether you're looking for value in Vegas, treehouses in Thailand or villas in Venezuela, it's all just a click away.

And with our "Reward-winning" loyalty program you earn free* nights while you sleep and get access to instant savings like Secret Prices... what could be better? Booking just got smarter too. With over 25 million real guest reviews and an app so easy to use that it's been downloaded more than 70 million times, you can be sure to find the perfect place for you.



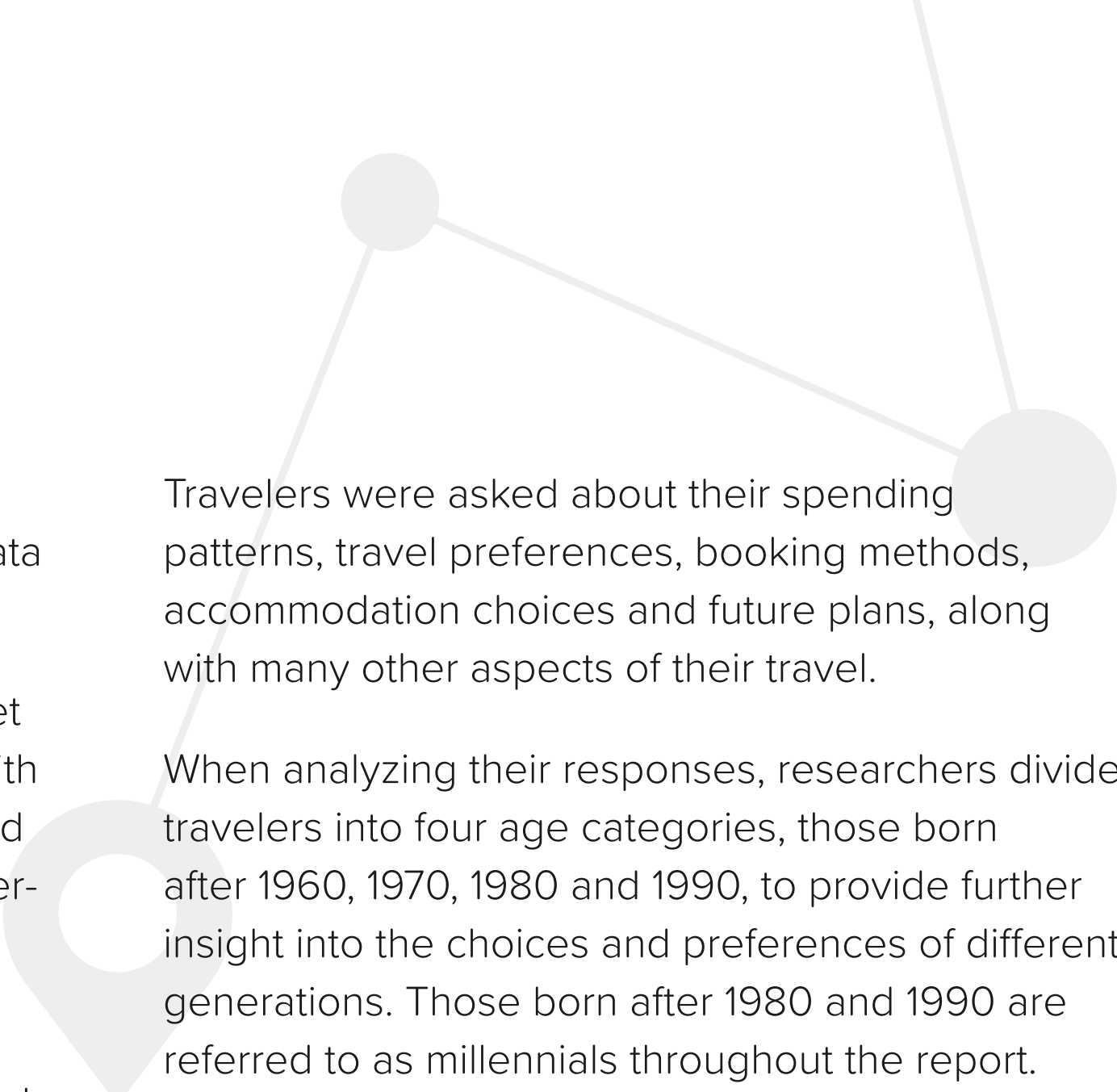
RESEARCH BACKGROUND

This is the seventh edition of the Hotels.com™ Chinese International Travel Monitor (CITM), which takes a comprehensive look at the impact on global travel by mainland Chinese travelers.

The report is based on research involving Chinese international travelers, combined with proprietary data from Hotels.com and other research.

Hotels.com engaged Ipsos, a world leader in market research, to conduct interviews during May 2018 with 3,047 Chinese residents, aged 18-58 years, who had traveled overseas in the past 12 months. A computer-assisted web interviewing technology was used for the different-tiered cities.

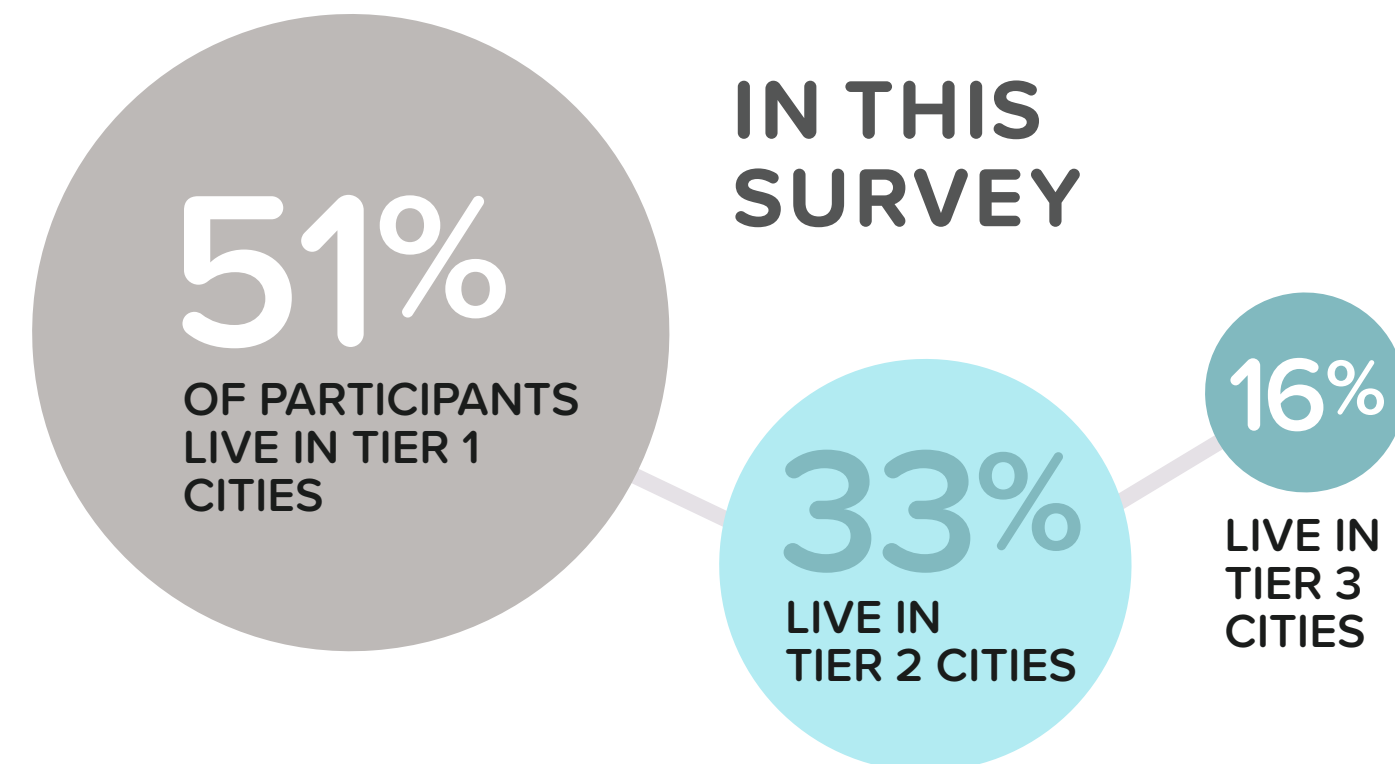
Chinese cities are classified into different tiers based on population, economic size and political ranking. Tier 1 includes cities such as Beijing and Shanghai, Tier 2 provincial capitals such as Chengdu, Tier 3 medium-sized cities such as Zhuhai and Tier 4 smaller-sized cities.



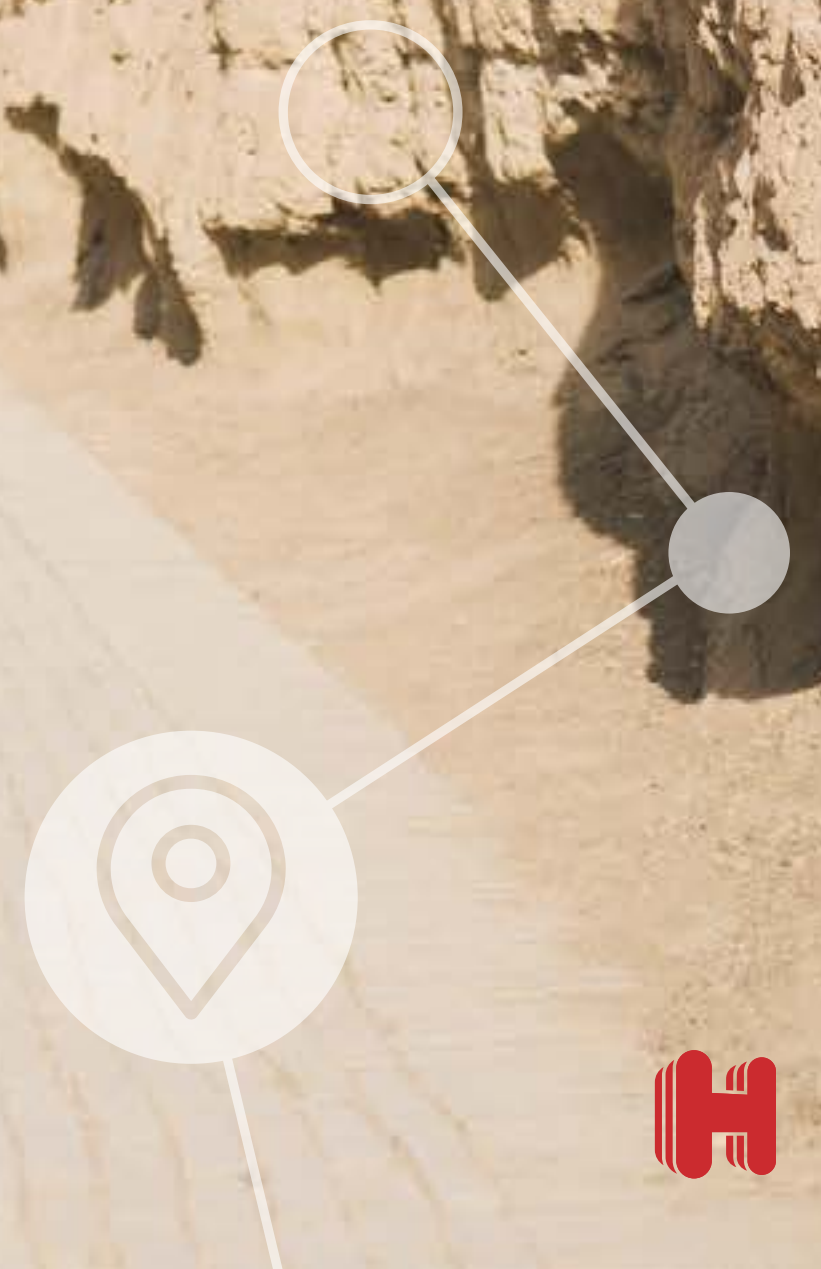
Travelers were asked about their spending patterns, travel preferences, booking methods, accommodation choices and future plans, along with many other aspects of their travel.

When analyzing their responses, researchers divided travelers into four age categories, those born after 1960, 1970, 1980 and 1990, to provide further insight into the choices and preferences of different generations. Those born after 1980 and 1990 are referred to as millennials throughout the report.

Figures on spending, including prices paid for hotel rooms, are quoted in Chinese Renminbi (RMB) and their US dollar equivalent whenever possible. Unless otherwise indicated, the RMB–US\$ exchange rate used in this survey is US1 = RMB6.37, the rate on 20 May 2018, the mid-point of the field research.



FOREWORD



I am excited to present the 2018 edition of the Hotels.com Chinese International Travel Monitor (CITM). This is the seventh edition of our annual report on the global impact of Chinese travelers. This group of travelers has had a profound social and economic effect on international travel markets and will continue to do so for decades to come.



Nelson Allen
General Manager,
Asia Pacific
Hotels.com brand

Over the past seven years, the economic and social changes in China have been dramatic. Every year more and more Chinese residents travel overseas. In 2017, there were 130 million outbound tourists, 7 per cent more than in 2016 and 85 per cent more than in 2011, when we first published CITM.¹

Chinese travelers have benefited this year from a rebound in the Chinese economy and strong results from stock markets in mainland China and Hong Kong. This has put more money in the pockets of Chinese travelers through increases in both salary and non-salary income.

In addition to having more to spend, travelers have increased the amount they spend on travel by 40 per cent this year, compared with last year. The increasingly influential millennials are spending unprecedented amounts on travel, with those born after 1990 increasing their travel spend by 80 per cent this year.

This year's CITM reveals the far-reaching influence of this younger generation of Chinese travelers. Their growing sophistication and affluence is inspiring them to learn more about other cultures and to travel widely, leaving their footprint across the globe, from Latin America to Oceania and Europe to the Middle East. It is a trend with powerful momentum and next year will see millennials traveling even further afield.

These younger Chinese travelers are also inspiring their parents and other travelers born post 1960 and 1970 to do the same. The number of travelers wanting to travel independently instead of in group tours continues to rise, as does the demand for edgier, boutique styles of accommodation.

Cutting-edge technology is a major drawcard in hotels and other accommodation, as is the provision of more authentic local experiences. Chinese travelers want to pursue more adventurous activities and to learn more about local culture and history.

Our research shows there is enormous potential for service providers to adapt to the evolving demands of Chinese travelers. Hotels.com is working hard in this area, expanding accommodation choices, offering special deals and promotions aimed particularly at Chinese travelers, introducing UnionPay and Alipay payment, as well as providing cutting-edge technology as part of our services.

I hope you enjoy this year's report and the fascinating insights it provides into Chinese travelers.

Nelson Allen
General Manager, Asia Pacific
Hotels.com brand

MARKET OVERVIEW



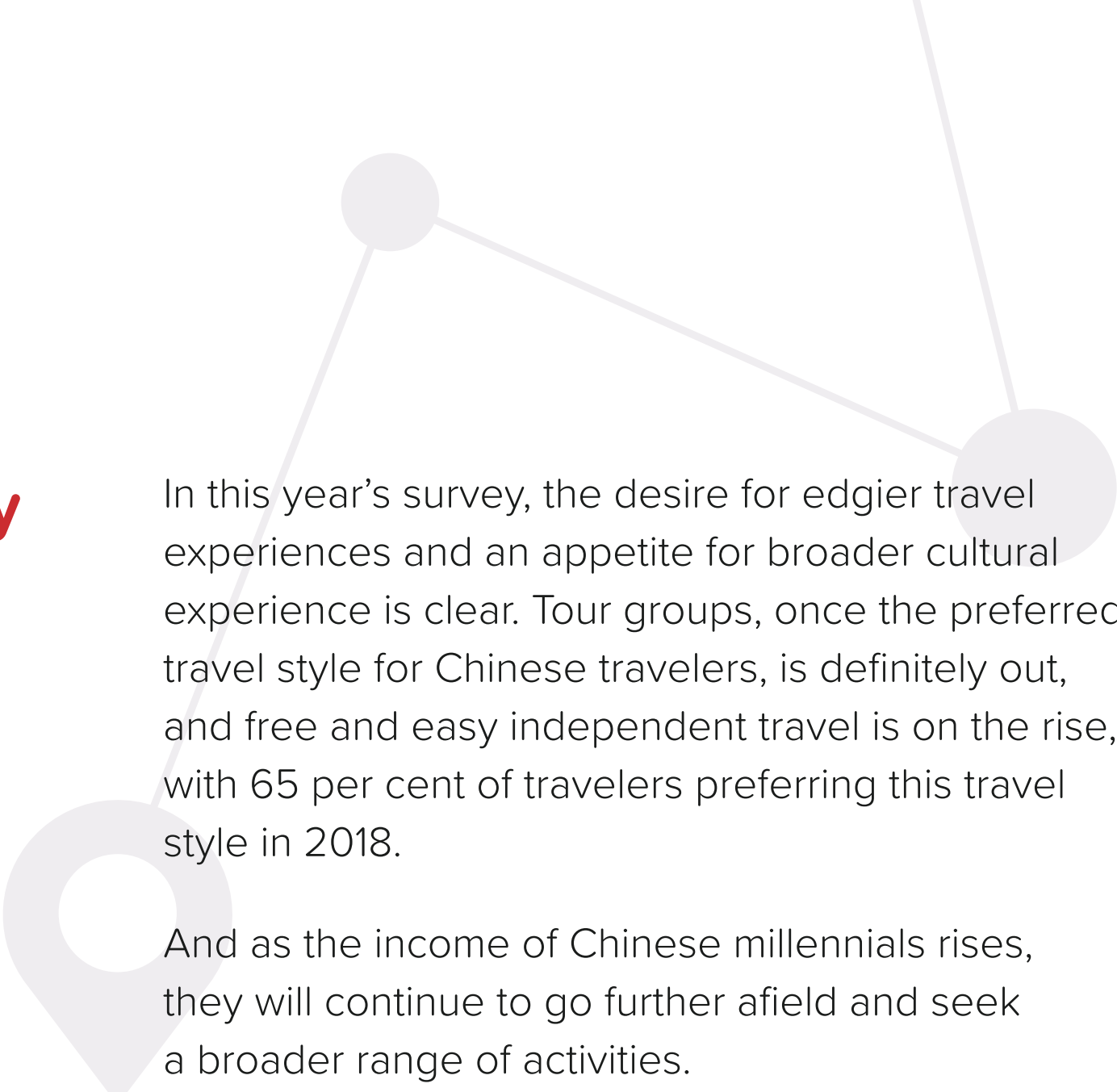


THE YEAR OF PUSHING THE BOUNDARIES

2017 was a year of discovery and adventure for Chinese travelers. This is true for age groups but particularly for millennials, those born post 1980 and 1990. And next year will see even more of this trend.

Millennials across the globe want to ‘experience it all’ and Chinese millennials are no exception. Cutting-edge technology, exotic foods, adventurous activities and accommodation with an authentic local flavor – this is the travel style of the new generation of Chinese travelers. They want to travel further from home and stay away longer to maximise these experiences. They are spontaneous and more likely to book their accommodation at the last minute and outside of peak travel times.

This go-getting generation takes their travel inspiration from social media, film and television but their main influences are each other. They constantly share ideas, travel tips and quirky selfies via social media platforms such as WeChat, Weibo and RenRen. What’s more, they influence their parents’ travel decisions to do the same.



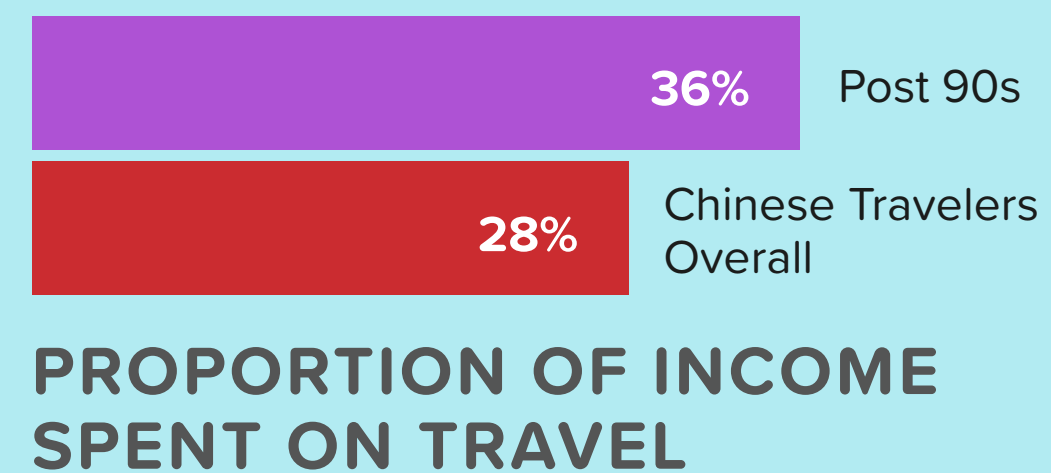
In this year’s survey, the desire for edgier travel experiences and an appetite for broader cultural experience is clear. Tour groups, once the preferred travel style for Chinese travelers, is definitely out, and free and easy independent travel is on the rise, with 65 per cent of travelers preferring this travel style in 2018.

And as the income of Chinese millennials rises, they will continue to go further afield and seek a broader range of activities.



SPENDING CLIMBS AS TRAVELERS GO FURTHER

Not surprisingly, with the increasing appetite for long-haul travel and longer trips, the overall Chinese travelers surveyed are spending more. In the past 12 months, they spent 40 per cent more on traveling than the previous year and almost two thirds (60%) intend to spend more in the next 12 months.



Millennials born after 1990 are driving this big spend. In the past year, they increased their travel spending by 80 per cent. They also spent a larger proportion of their income on travel than other age groups – more than one third (36%) for post 90s, compared with around a quarter (28%) for Chinese travelers overall. Post 80s millennials spent the most each day when traveling – US346 (¥2204) per day vs US320 (¥2038) for Chinese travelers overall.





The amount spent on accommodation is also rising. This year, travelers spent US30 (¥191) more each day on accommodation than the previous year.

This rise in spending is in line with a steady increase in the income of Chinese urban dwellers, who dominate outbound traveler numbers. The change over the past decade has been massive, with the per capita disposable income of Chinese urban households increasing by 164 per cent between 2007 and 2017. In the past year, there has been a rise of 8.3 per cent compared with the previous year. This follows a rise of 7.8 per cent in 2016 compared with 2015.²

The income of middle class households and residents of Tier 1 and Tier 2 cities has been boosted by a stronger Chinese economy over the past year and healthy performance of stock markets in mainland China and Hong Kong. This is reflected in both salary

and non-salary incomes of Chinese households due to the increased level of stock market investment by the Chinese middle class.³ In addition, China has been firm in its commitment to improve income inequality between urban and rural dwellers and to improve connectivity between regions with projects such as the One Belt, One Road Initiative.

It's a trend that is strongly reflected in this year's survey. Overall income of the survey's participants, the majority of whom (86%) come from Tier 1 and 2 cities, increased by 30 per cent this year compared with the previous year.

The income of post 90s travelers in the survey increased by 73 per cent compared with the previous year. This is likely due to many of them entering the workforce upon completing their studies or moving up the pay scale after being in the workforce for several years. These travelers have used their increased income to travel further from home and stay abroad for longer. This year travelers extended their trips by an average of one to two extra days compared with the previous year.



THE LURE OF DISTANT PLACES

MARKET OVERVIEW

The trend towards long-haul destinations that emerged last year, has grown even stronger this year. Europe, North America, Latin America and Australia were favorite destinations over the past 12 months.

Asia is no longer the preferred destination. In the next 12 months, only 49 per cent of travelers plan to travel to Asia next year. Instead, 60 per cent of Chinese travelers intend to travel to a country they haven't yet visited. Even when visiting the same country as previously, Chinese travelers rarely visit the same locations, preferring to try new cities or regions.

Next year, Europe, Africa and the Middle East are the top new destinations for more than half of travelers. North America will continue to be a hot favorite, and Latin America is also emerging as a popular choice, with 26 and 13 per cent of travelers planning a first-time visit to these destinations in the next year respectively. Over a third of travelers plan to visit Oceania next year, with Australia topping the list for future visits.

INDEPENDENT HOTELS WITH LOCAL FLAVOR

Chinese travelers are becoming much more open to types of accommodation and increasingly prefer the local touch rather than simply following hotel stars. This year, 55 per cent stayed at independent hotels with local flavor and 49 per cent at international chain hotels. Another 33 per cent tried boutique hotels, 23 per cent eco-friendly hotels and 21 per cent hotels with cutting-edge technology. Value for money is also a key consideration.



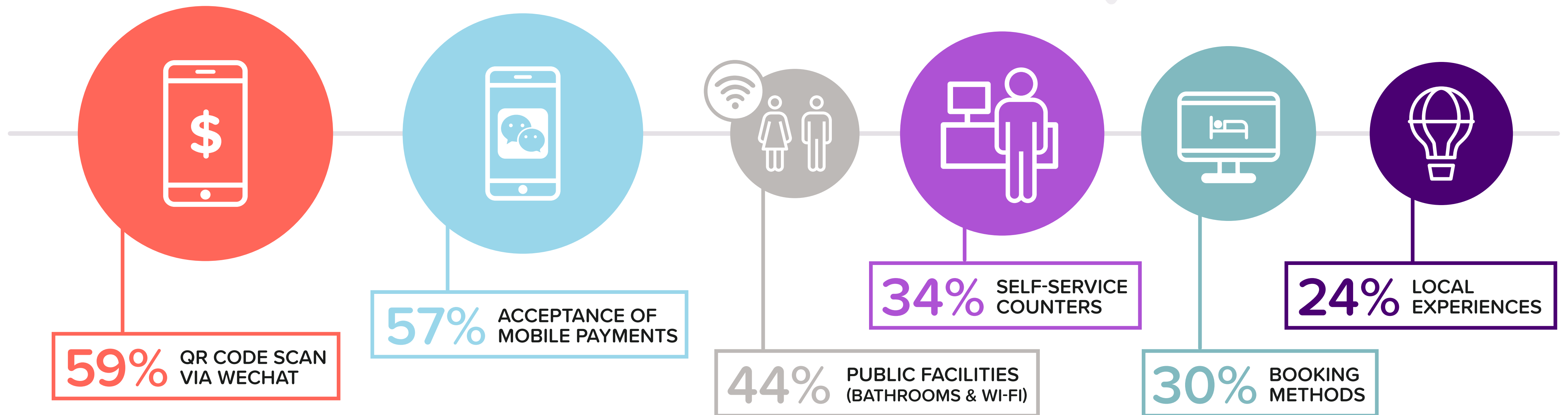
WHERE MARKETS COULD DO BETTER

The increase in education and income of Chinese travelers means greater demand for more authentic experiences in accommodation, services and activities.

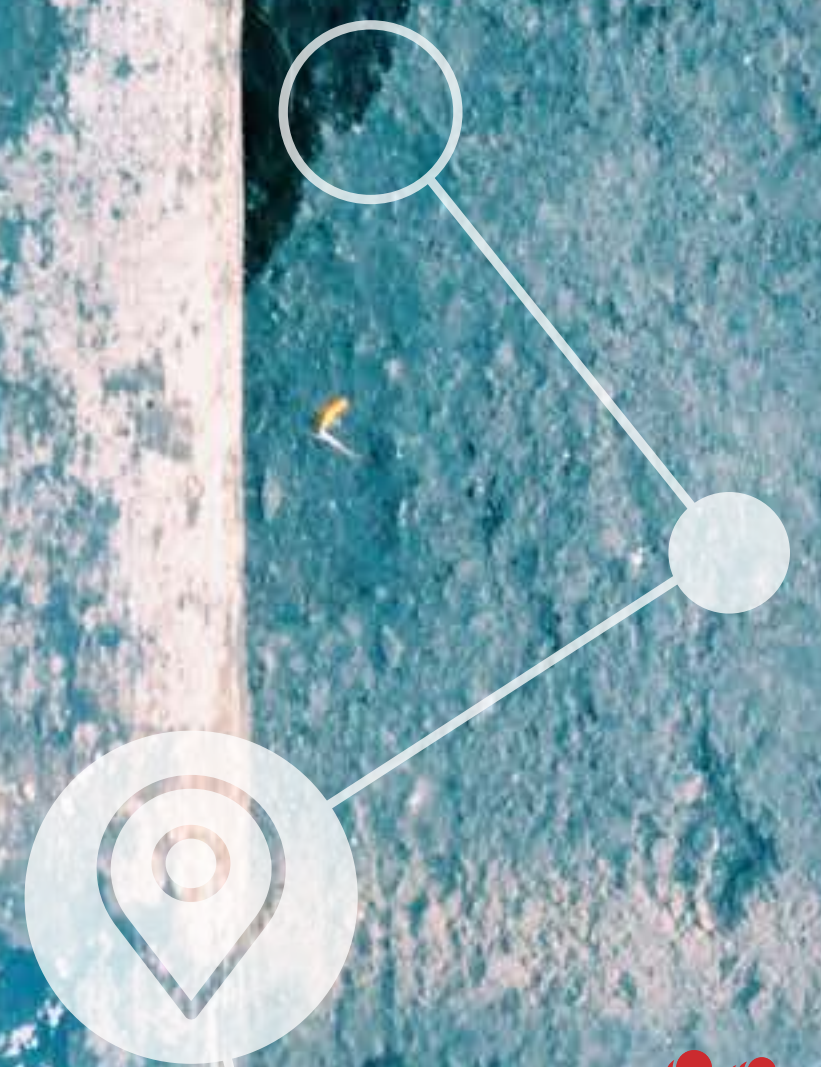
We have identified key areas where services could be improved. A standout area where Chinese travelers would like better service is payment methods such as payment by mobile phone and QR scan via WeChat.

Almost half of travelers also thought facilities, such as bathrooms, and Wi-Fi needed improvement and a third would like more effective self-service counters. Booking and reservation methods were not adequate according to 30 per cent of travelers and almost a quarter wanted more local experiences and activities.

We hope this year's survey will assist our accommodation partners around the world to better understand and meet the needs of Chinese travelers in the future.



ANALYSIS OF CHINESE TRAVELERS



SPENDING POWER OR POWER SPENDING?



Chinese travelers are big spenders.
In the past 12 months, Chinese travelers increased their spending by 40 per cent and next year the majority (60%) intend to spend even more.

Millennials are driving this trend, spending big, seeking novelty, adventure and local flavor wherever they go, and influencing their parents to do the same.

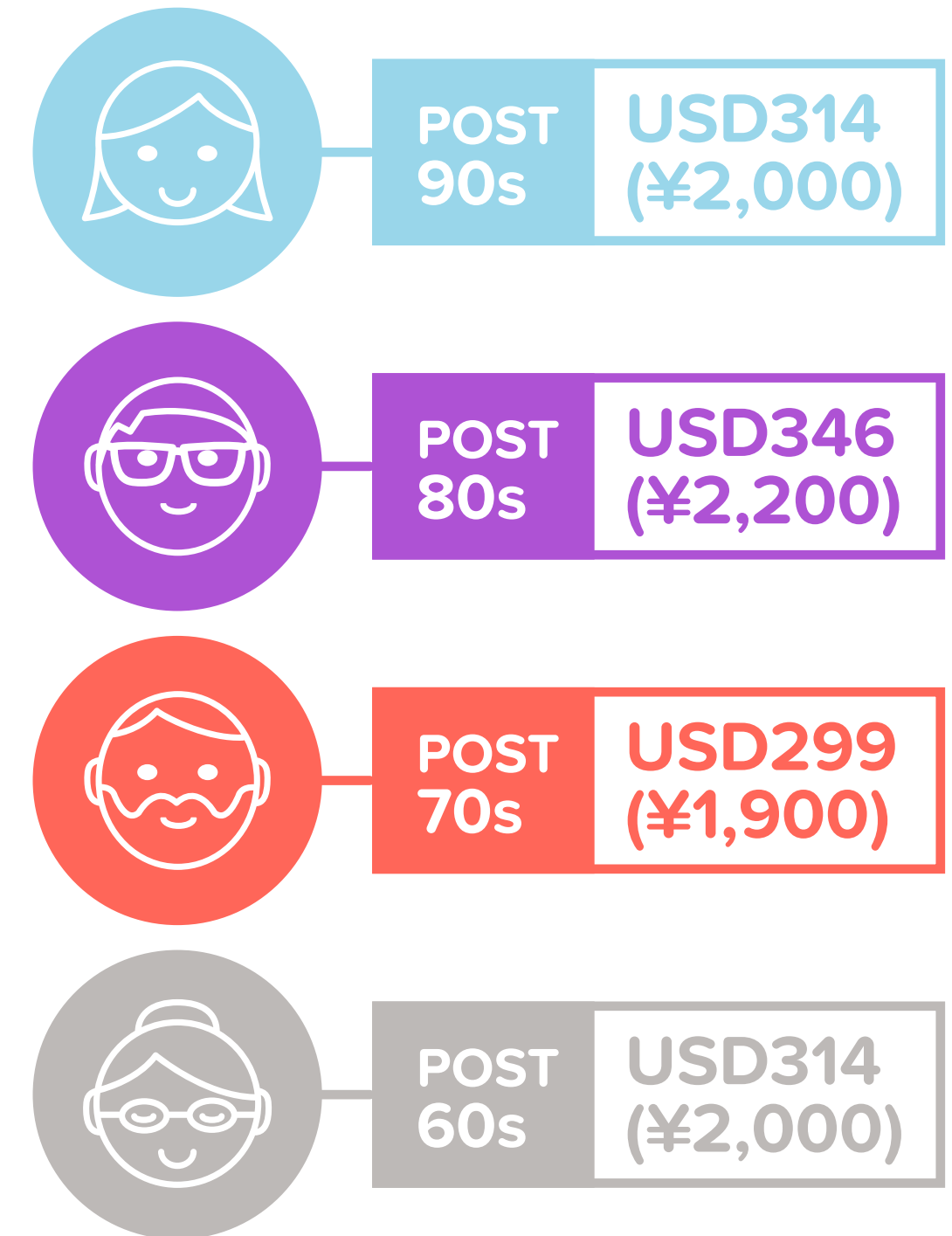
Millennials upped their travel spend dramatically, by 73 per cent for those born post 90s and 50 per cent for post 80s. They also spent a larger proportion of their income on travel than other age groups – more than one third (36%) for post 90s compared with around a quarter (28%) for Chinese travelers overall.

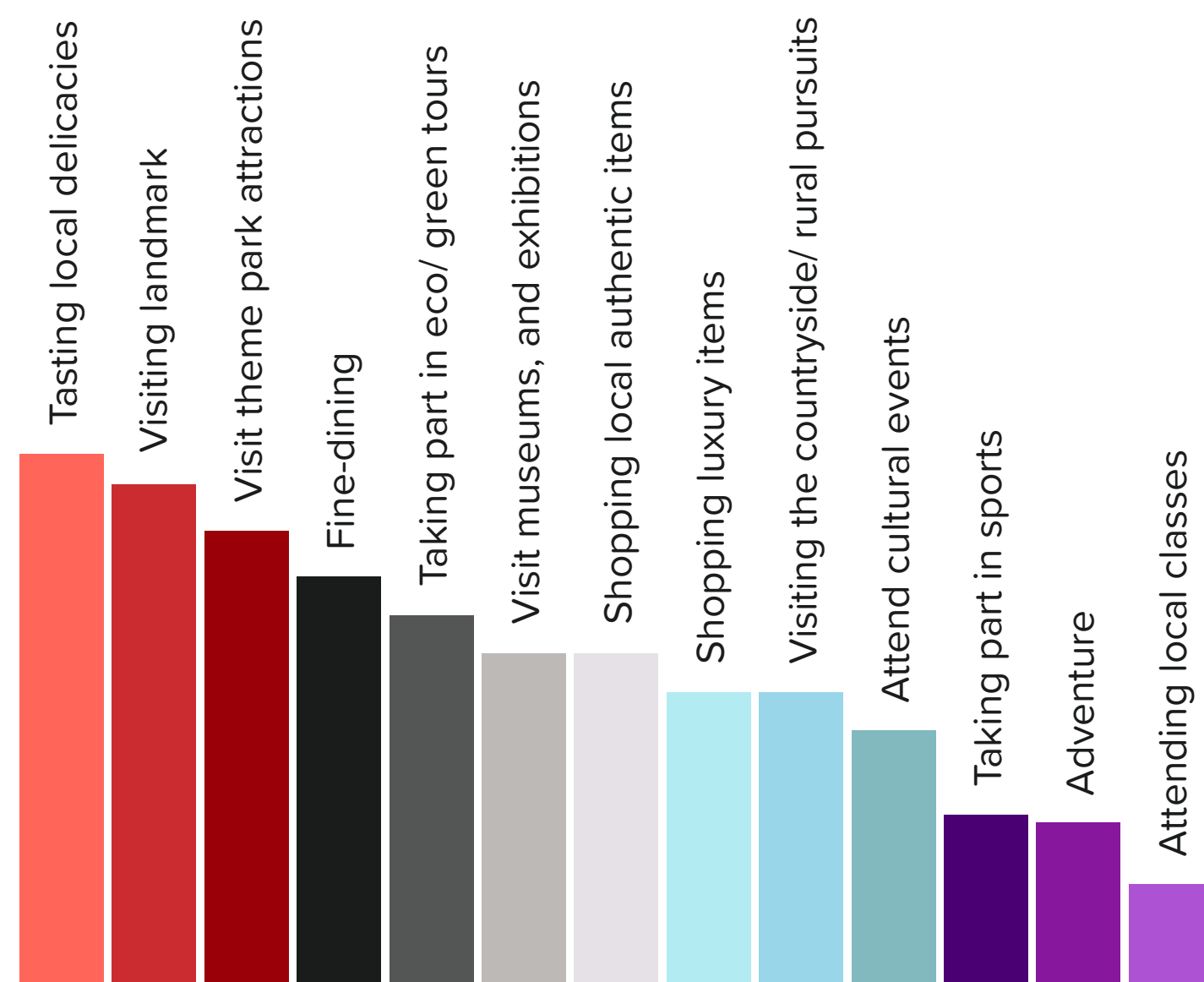
Post 80s millennials spent 5 per cent more of their income on travel compared with last year. They also spent the most each day when traveling – US346 (¥2204) per day vs US320 (¥2038) for Chinese travelers overall.

AVERAGE DAILY LOCAL EXPENSES

**USD320
(¥2,040)**

**↑ USD5
vs 2017**





FAVORITE ACTIVITIES IN PAST TWELVE MONTHS



LOVING LOCAL

When it comes to spending choice, Chinese travelers want local flavor and colorful experiences. Gone are the days when most Chinese focused on their own cuisine when traveling. Tasting local delicacies was a favorite pastime for 69 per cent of travelers in the last 12 months, followed by visiting local landmarks (65%). Shopping for authentic local items was also popular (43%).

The appetite for dining experiences extends to hotels. More than half of travelers are willing to spend money at on-site hotel restaurants and most travelers (92%) are happy to spend on both in-house dining and other services. Overall, Chinese travelers spent US30 (¥191) more per day on hotel facilities and services compared with the year before.

Post 90s millennials are fueling much of this growth. They want a broad range of in-house hotel services and are willing to pay for them. This age bracket spent the most on accommodation facilities and services in the last 12 months at US183 (¥1166) compared with US161(¥1026) for travelers overall. Post 80s millennials were not far behind at US172 (¥1096).

And there's no sign of a slowdown – travelers expect to spend 5 per cent more on dining in the next 12 months. At the same time, travelers expect to spend less on accommodation (-5%), more on entertainment (+3%) and about the same on transport.

LEAVING NO STONE UNTURNED

Chinese travelers want new experiences, not more of the old. They are traveling further afield, staying away longer and spending more money. This trend emerged last year and became even stronger over the past 12 months. Europe, North America and Australia were favorite destinations.

The number of trips this year was 3.9, unchanged from last year but travelers are staying abroad longer. Millennials traveled slightly more, with 4 trips for post 90s and 4.2 for post 80s.

Traveling further from home means longer trips. This year travelers increased the number of days per trip to 8-9 days, 1-2 days more than the previous year. They visited three cities per trip on average - one city more than last year. How long travelers stay is particularly influenced by the amount of annual leave they have (62%), the season (50%) and what sort of activity they are seeking (50%).

Bleisure, combining business travel with leisure, has also become more popular, with 80 per cent of travelers saying they would stay an extra four days after a business trip. This is particularly strong in long-haul destinations such as Australia and the United States.

The USA is the most common destination for bleisure, while Germany was ranked number one as a bleisure destination in EMEA, especially for millennials.



Travelers' reasons for visiting different parts of the world vary but for 93 per cent leisure is the main motivator.

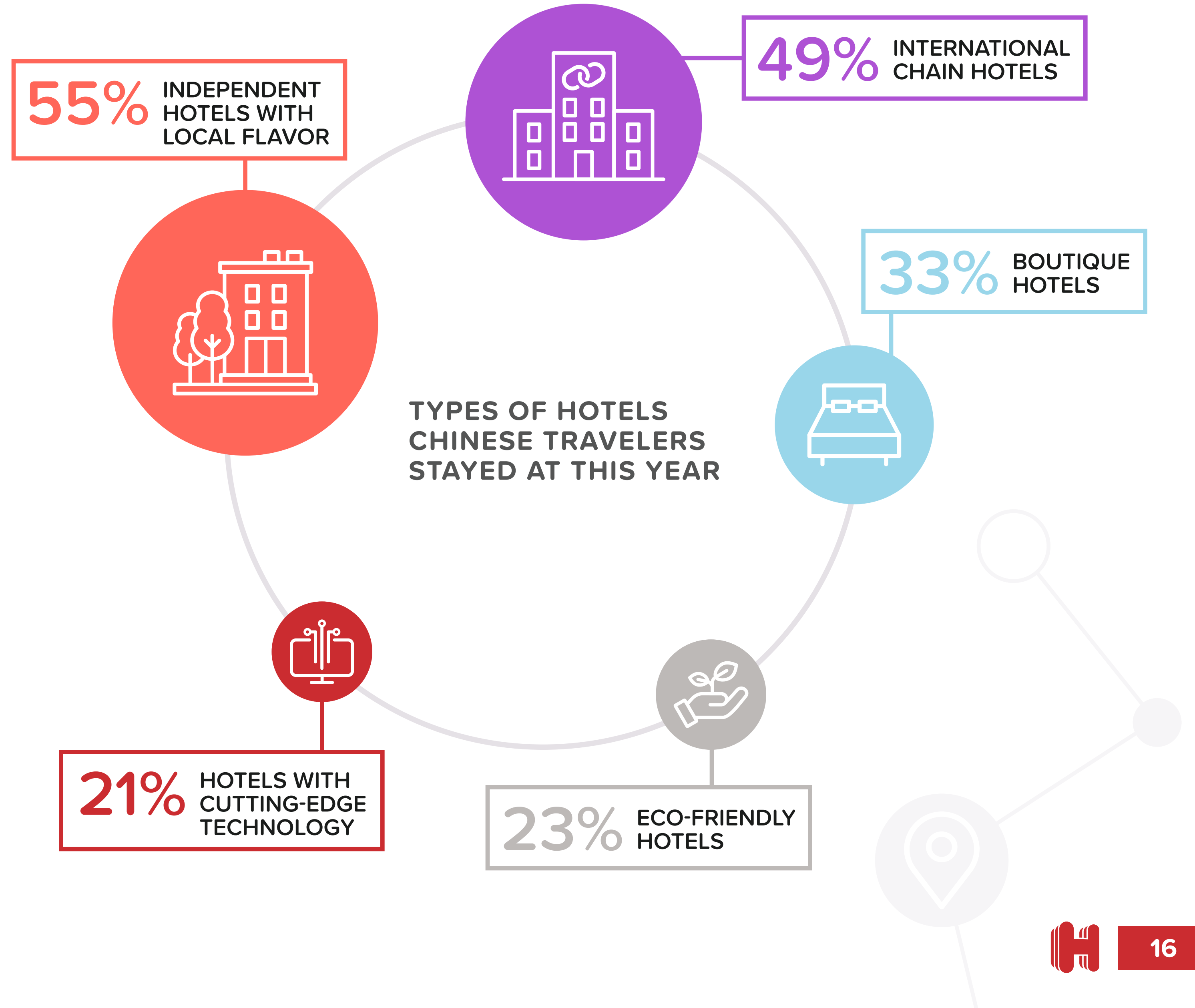
The common denominator is novelty. While Chinese travelers still want to visit Asia for the local cuisine (56%) and shopping (52%), there was a 6 per cent decline in the amount visiting Asian destinations. When traveling to Asia they like to visit new cities.

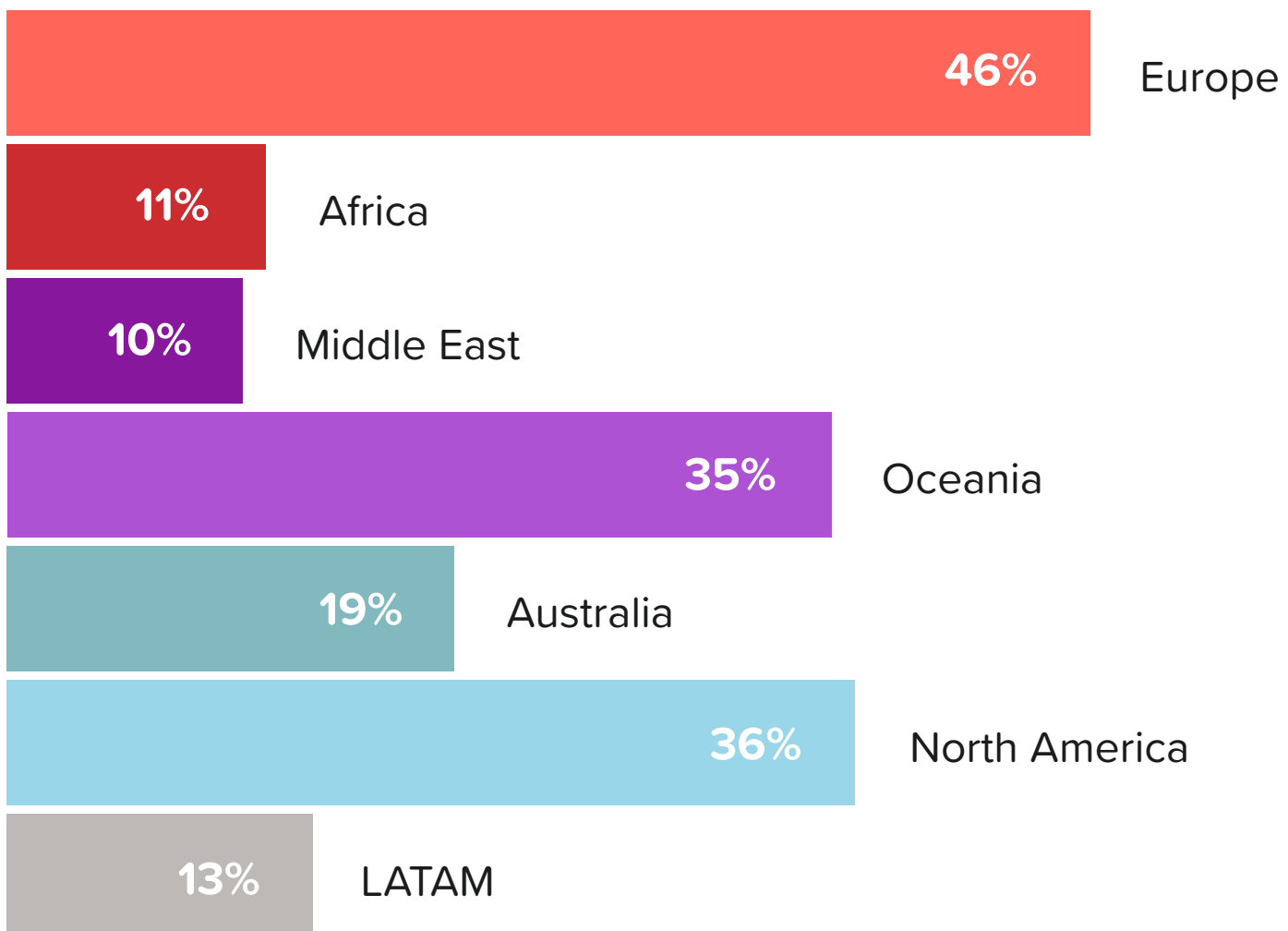


OUT-OF-THE-BOX: THE NEW KID ON THE BLOCK

Chinese travelers are not only looking for more out-of-the-box travel experiences, they are also broadening their accommodation choices. When asked what makes a great travel experience, 56 per cent of travelers said 'living in atypical accommodation.' Over the past 12 months, 68 per cent stayed in a hotel and 48 per cent stayed in a serviced apartment.

When staying in hotels, Chinese travelers want the local touch and no longer simply follow hotel stars. They rely on experience rather than star ratings. Value for money is also a key consideration, with 24 per cent of travelers saying this is a strong consideration when choosing where to stay.





PREFERRED DESTINATIONS FOR FUTURE VISITS



NEW AND IMPROVED

New and distant locations are also on the agenda for the next year. Asia is no longer the preferred destination, with only 49 per cent planning to travel there next year. Instead, 60 per cent of Chinese travelers intend to travel to a country they haven't yet visited.

Europe, Africa and the Middle East are the top new destinations for more than half of travelers. North America and Latin America are also popular with 26 and 13 per cent of travelers planning a first time visit to these destinations in the next 12 months, respectively. Oceania is still a hot favorite, with over a third of travelers wanting to visit next year. Australia is the most preferred destination for future visits.

While new destinations are definitely the focus, more than one third (37%) of travelers still intend to visit countries they've been to before but will go to different cities. Key locations in Asia are top of the list for these travelers. Japan is the standout, with 46 per cent planning to revisit but traveling to different cities there. South Korea, Taiwan and Thailand are also high on the list.

EVOLUTION OF THE CHINESE TRAVELER





GOING SOLO FAR FROM HOME



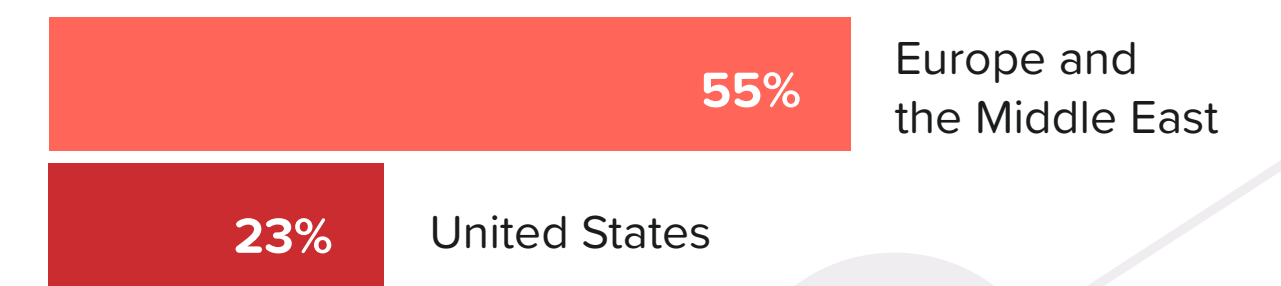
The evolution of Chinese travelers has been profound. Not so long ago, Chinese travelers overwhelmingly preferred group tours and the safety of numbers. Now, they enthusiastically embrace independent travel to unfamiliar destinations. As a result, they travel much further from home and stay for longer. Adventurous activities and out-of-the-box accommodation are the norm.

In the past 12 months, the number of travelers preferring ‘free and easy’ travel has risen by 11 per cent to 65 per cent. Chinese millennials, who speak better English than the older generation, are avid independent travelers, with 71 per cent choosing free and easy travel, up 8 per cent on last year.

Other styles of travel that increased in the past year include eco-tours (+5%), private luxury tours (+7%) and backpacking (+5%).

As their income rises, travelers’ desires for new experiences and intention to travel further also increases. When asked where they would travel if their income doubled over the next five years, travelers prefer long-haul destinations such as Europe, the Middle East, the United States and Canada.

The growing popularity in long-haul travel inevitably means taking longer trips. Trip length in the past year increased by 1-2 days compared with the previous year, to 8-9 days. Travelers visited three cities per trip on average, one city more than last year.



WHERE TRAVELERS WOULD VISIT IF THEIR INCOME DOUBLED OVER THE NEXT FIVE YEARS



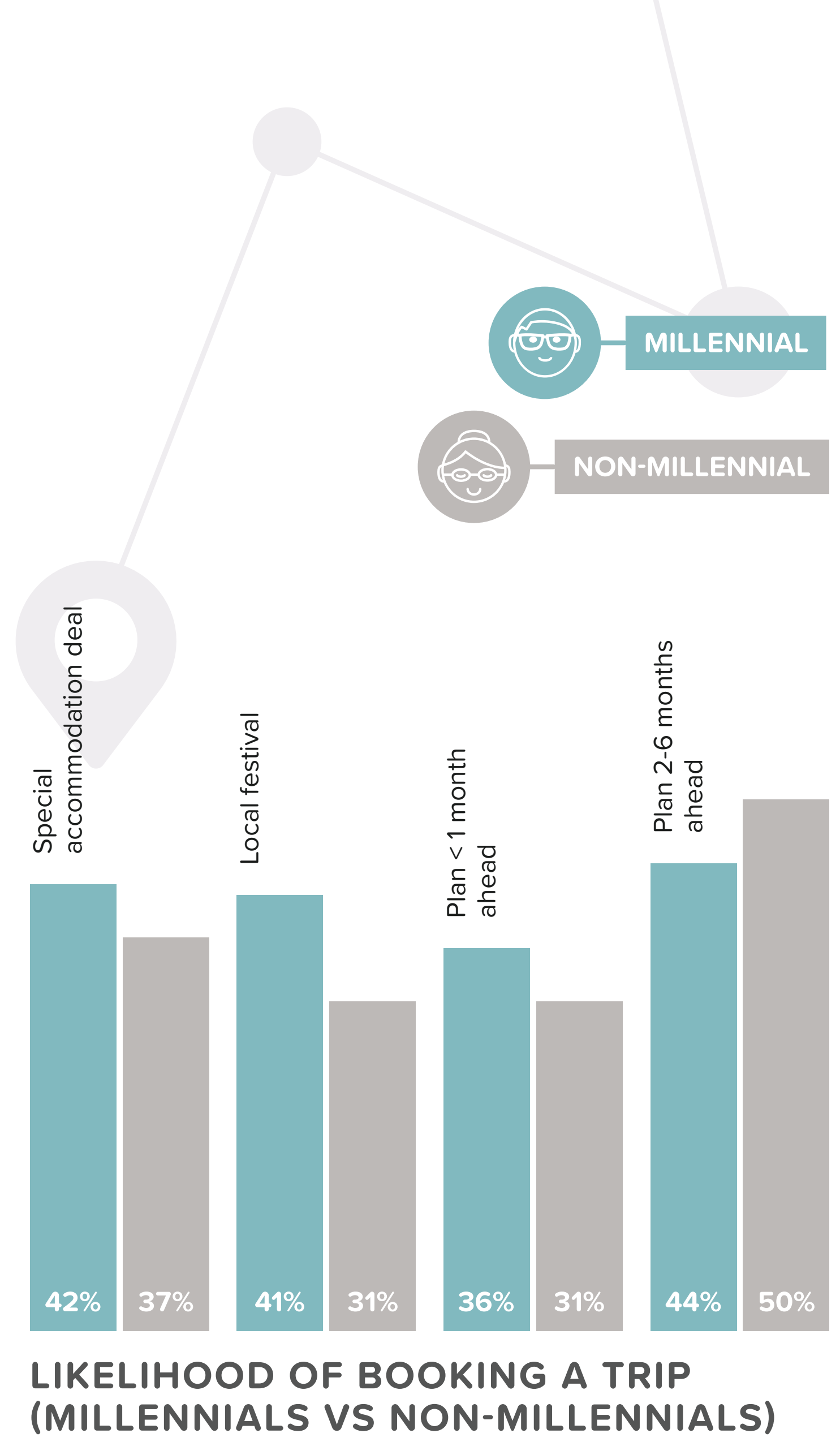
STOP, DROP, TRAVEL

Millennial booking made for rain, hail or shine.

Spontaneous travel-savvy millennials are leading a new wave of off-peak (dates excluding Mar-Apr, Jun, Sep, Nov and Dec) travel. Thanks to them, Chinese travelers overall are more likely to travel during the off-peak and take less time to plan than in the past. In the past year, 58 per cent of travelers took their trip during the off-peak. This will increase in the future with 50 per cent of Chinese travelers saying they would take a trip spontaneously in the future.

As travel seems to be a part of millennials' DNA, they're continually browsing anything related to travel. If a special accommodation deal or local festival comes up, they are more likely than non-millennials to book a trip (42% vs 37% for accommodation and 41% vs 31% for festivals). They also spend less time planning than non-millennials, using technology to keep them abreast of events and special offers.

More travelers are now planning a trip less than one month ahead (up 5% on the previous year). The number of travelers planning one month ahead has risen 2 per cent, with 36 per cent of millennials doing this compared with 31 per cent of non-millennials. Longer planning of two to six months ahead is more popular with non-millennials than millennials (50% vs 44%).





#WANDERLUST AND WALTER MITTY

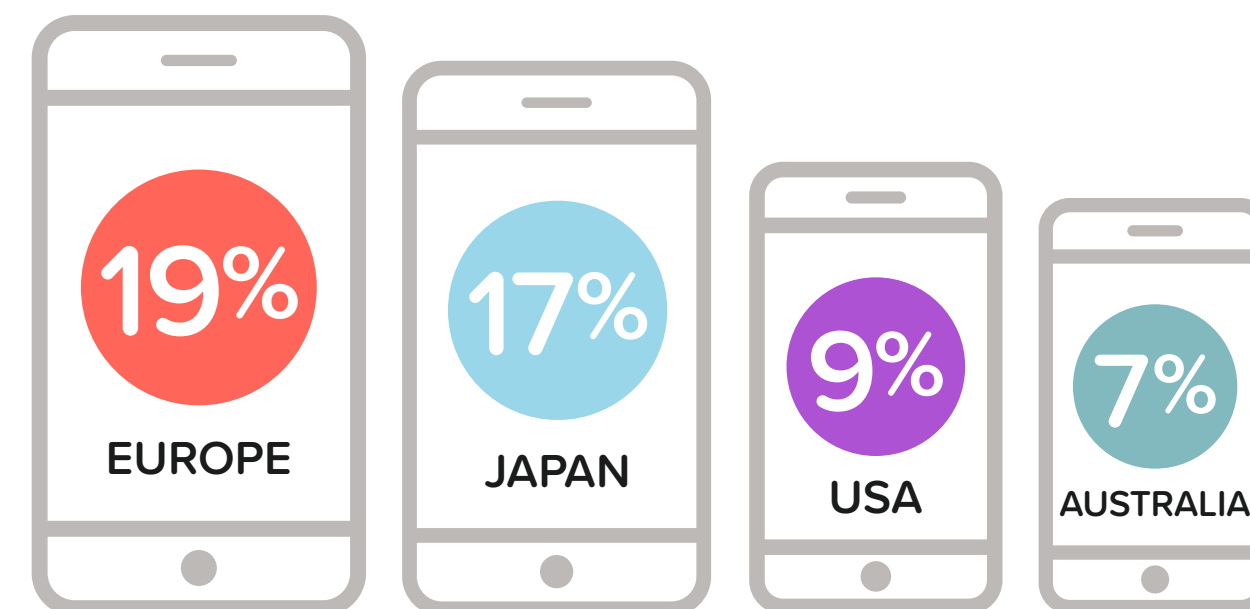
Travel inspiration no longer comes from traditional sources such as books and magazines, even for the older generation.

Film and television are the main influence, with 62 per cent saying this was a key source of travel inspiration. Social media (52%) and video sharing (51%) are also important to all age groups when deciding where to travel and what activities to pursue.

Film, television and sharing on social media are also major influences in attracting Chinese travelers away from Asian destinations. Film and television were particularly influential for those traveling to France (69%), North America (68%), the United Kingdom (72%), and Latin America (73%).

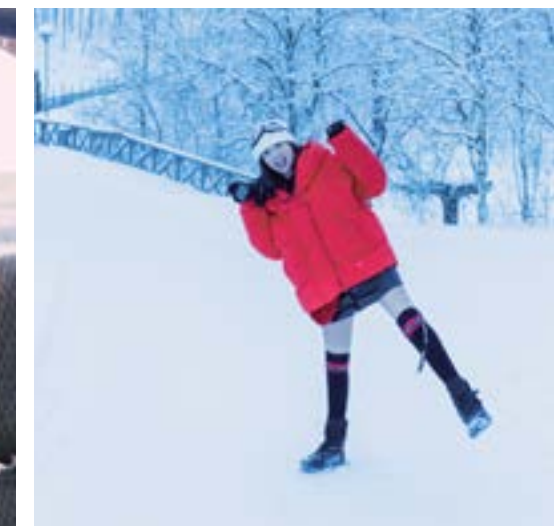
Apart from Japan the main destinations to share on social media are also outside of Asia. New and novel destinations are the most popular for travelers to share with their friends and family.

TOP DESTINATIONS TO SHARE ON SOCIAL MEDIA



Not surprisingly, social media is particularly important for millennials, with 56 per cent of post 90s and 50 per cent of post 80s saying this was a key travel influence. And non-millennials are indirectly influenced by social media through their children, with a third of non-millennials saying their children influenced their travel decisions and behavior.

People and strong personal connections are the driving force that inspire and influence travel decisions and behavior. Partners and spouses are a major influence for two thirds of all age groups, while friends and colleagues are influential for around 40 per cent. For almost a third of millennials, bloggers and celebrities also play an important role in influencing decisions.



CULTURE IN, CATWALK OUT

Luxury shopping has lost the allure it once had for Chinese travelers. Learning about and exploring the culture of new places is now the preferred activity for more than half of travelers.

This year 70 per cent of travelers said tasting something they could only find in that location was a key element for a great travel experience. For post 90s millennials this was particularly important (73%).

More than half (56%) wanted to stay in atypical accommodation such as a tree house, warehouse or to go glamping (61% for post 90s and 60% for post 80s). Learning and exploration was also important for 56 per cent of post 90s.

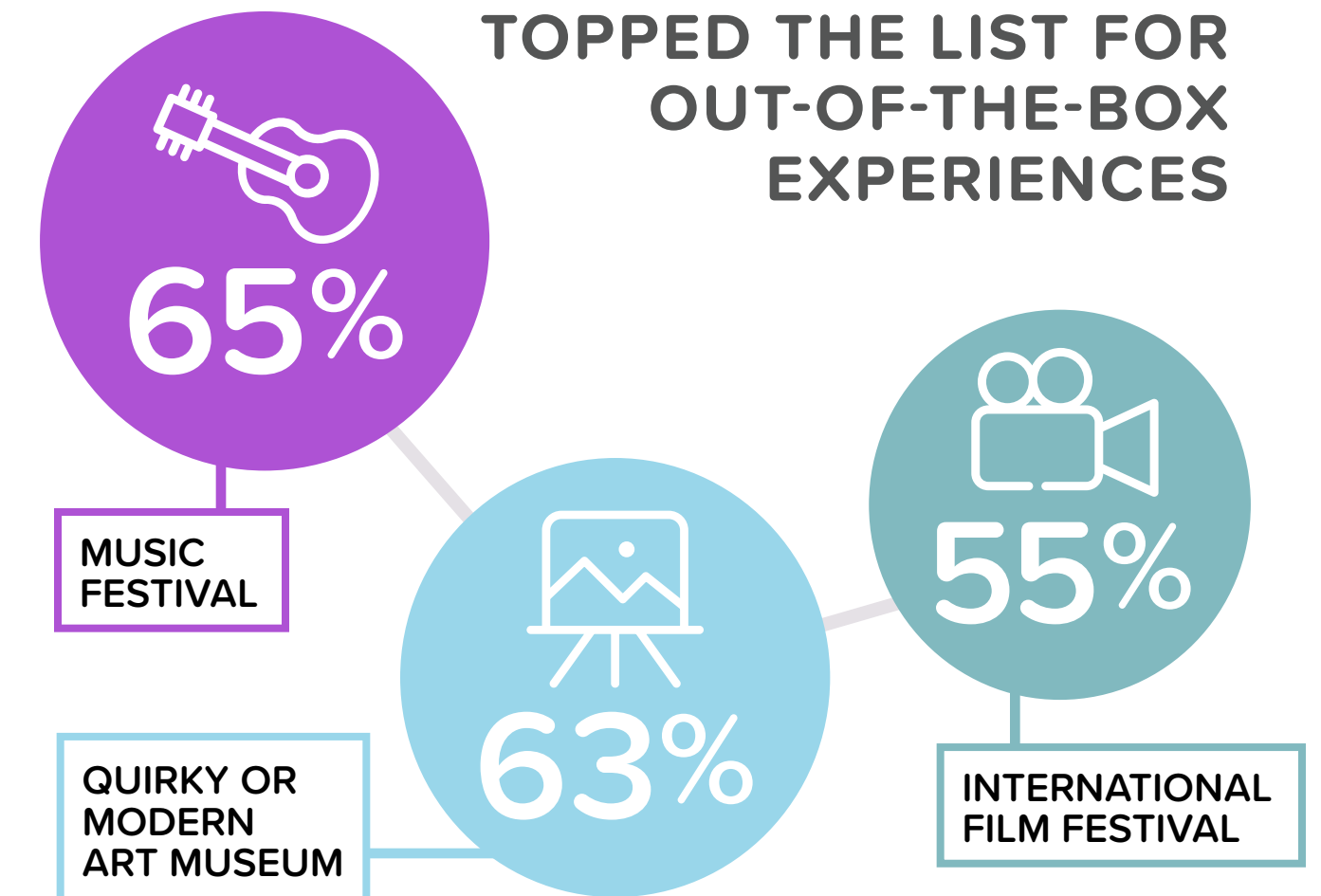
A high proportion of travelers wanted to experience adventurous activities that were only found in that location. When offered specific activities, walking on the salt flats in Bolivia was chosen by 65 per cent of travelers and stargazing in the Californian desert by 59 per cent. Stepping on the Giants Causeway in Ireland (56%) and visiting the Burning Man Festival in the US (47%) were also popular.

When offered types of activities in different regions, visiting famous landmarks was chosen by more than two thirds of travelers (69%). This was particularly important in Oceania, Europe, the Middle East and North America. Visiting small local authentic shops was also very popular, with 65 per cent choosing this activity, while visiting an artistic area was listed by more than half of travelers (59%).

More than a third of travelers attended cultural events; this was especially popular with post 90s millennials (38%) and post 80s (35%).

Millennials also love to share local culture through social media, with 42 per cent doing so via selfies.

CULTURAL EXPERIENCES TOPPED THE LIST FOR OUT-OF-THE-BOX EXPERIENCES



While shopping is still an activity for 96 per cent of Chinese travelers, it is no longer about going to key locations to buy luxury items. Only 38 per cent said their favorite activity was shopping for luxury items, while 43 per cent nominated shopping for local authentic items as their favorite. 65 per cent said they were interested in visiting a local authentic shop.

No matter where they traveled, Chinese travelers had at least one extra piece of baggage to bring home their mementos. Millennials had some interesting local items in their baggage – Indigenous art from Australia, handicrafts and traditional soaps from France, fabrics from Thailand and ceramics from Germany.

DIGITAL DOMINATES AS AGENCIES DECLINE

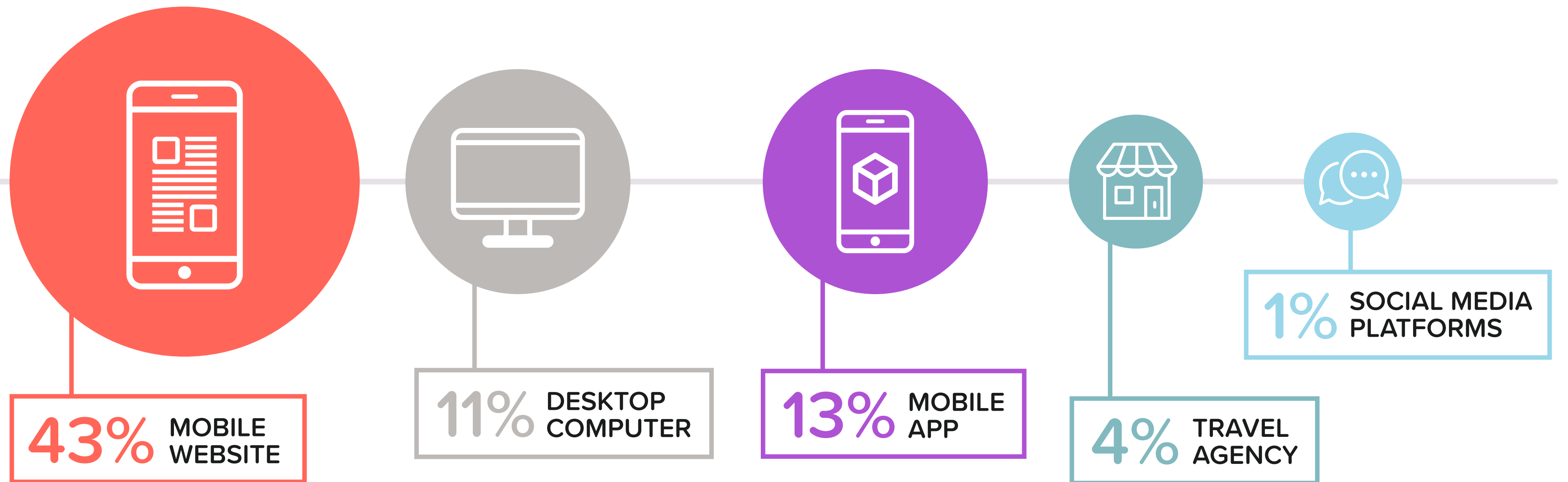
Travelers continue to move away from traditional booking methods, preferring digital booking.

The most popular booking method for accommodation is through the mobile website of an online travel agency, using a smart phone or tablet (43%). More than half of 90s millennials (51%) prefer this option versus 36 per cent for post 60s travelers. This is a slight

increase on last year. Only 11 per cent of travelers prefer to use a desktop computer to book online.

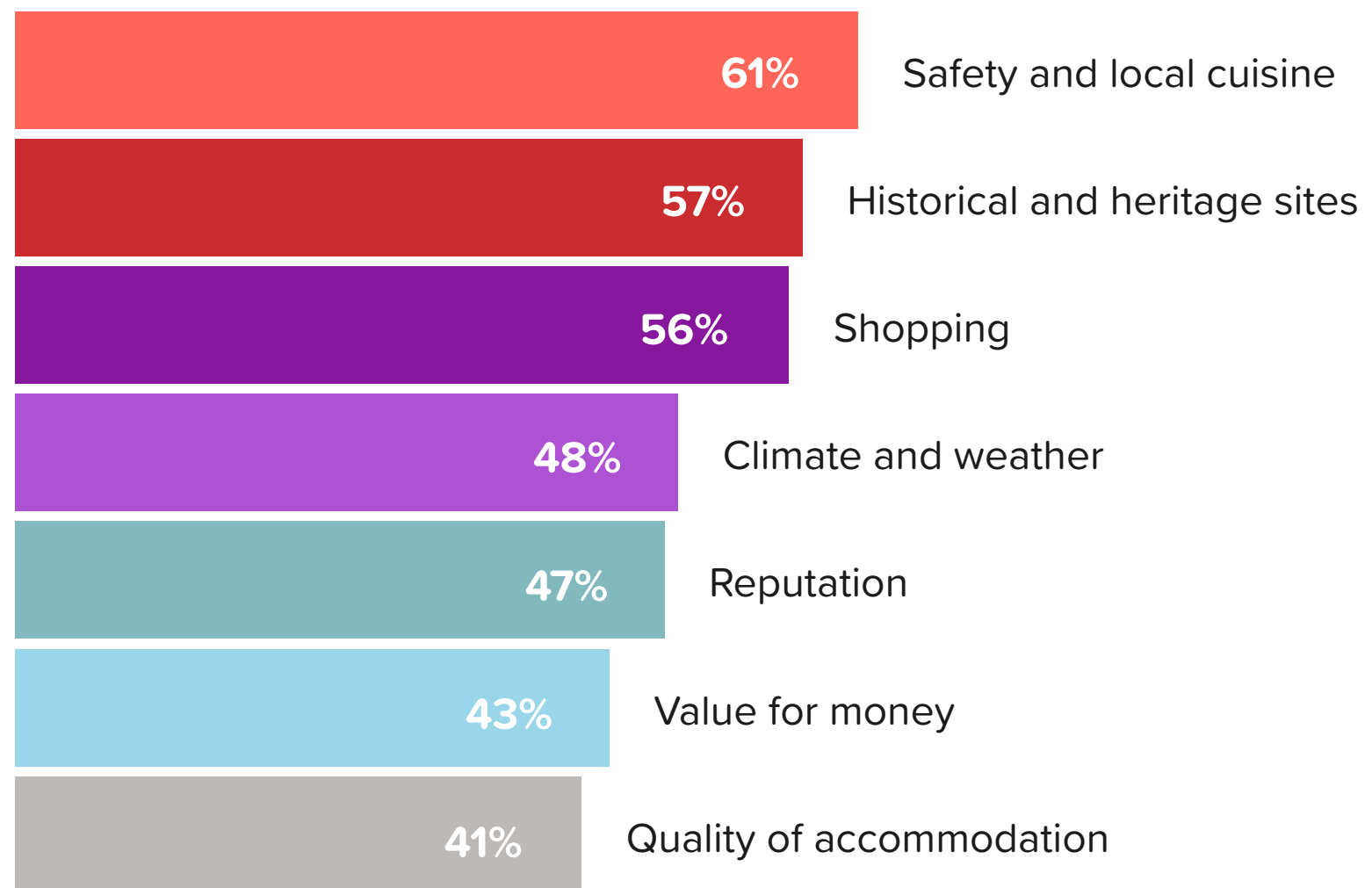
Using mobile apps of online travel agencies is preferred by 13 per cent, while only 1 per cent book via social media platforms such as WeChat. Visiting a nearby travel agency is a thing of the past, with only 4 per cent of travelers choosing this option.

MOST POPULAR BOOKING METHODS





SAFETY FIRST, FOOD NOT FAR BEHIND




KEY CONSIDERATIONS WHEN DECIDING WHERE TO TRAVEL

When deciding where to travel, the number one considerations are safety and local cuisine, with 61 per cent listing these as a key consideration. Historical and heritage sites came next at 57 per cent, followed by shopping at 56 per cent. Climate and weather rank highly (48%), as does reputation (47%), value for money (43%) and quality of accommodation (41%).

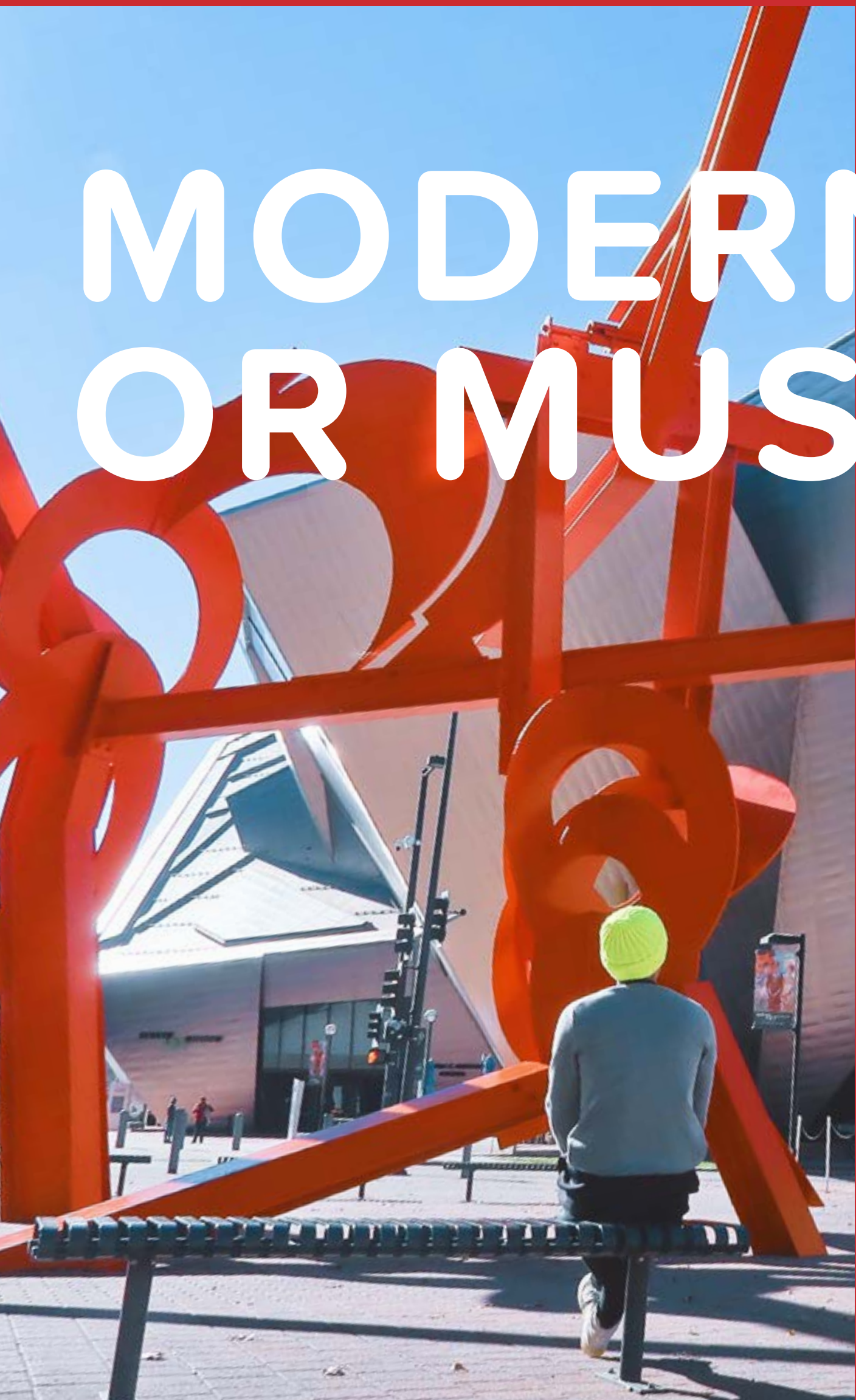
Millennials are less concerned about value for money and more interested in local festivals than their older cohorts.

Considerations influencing travel decisions change according to destination. Australia, for example, attracts Chinese travelers because of its climate and outdoor activities so climate and weather are much more important factors than in other destinations where shopping may be more of a consideration (Hong Kong for example).

Local cuisine is a strong factor for Asia (56%) but not so much when traveling to Africa (26%) or the Middle East (29%).



EDGY IS THE
NEW BLACK
FOR CHINESE
TRAVELERS



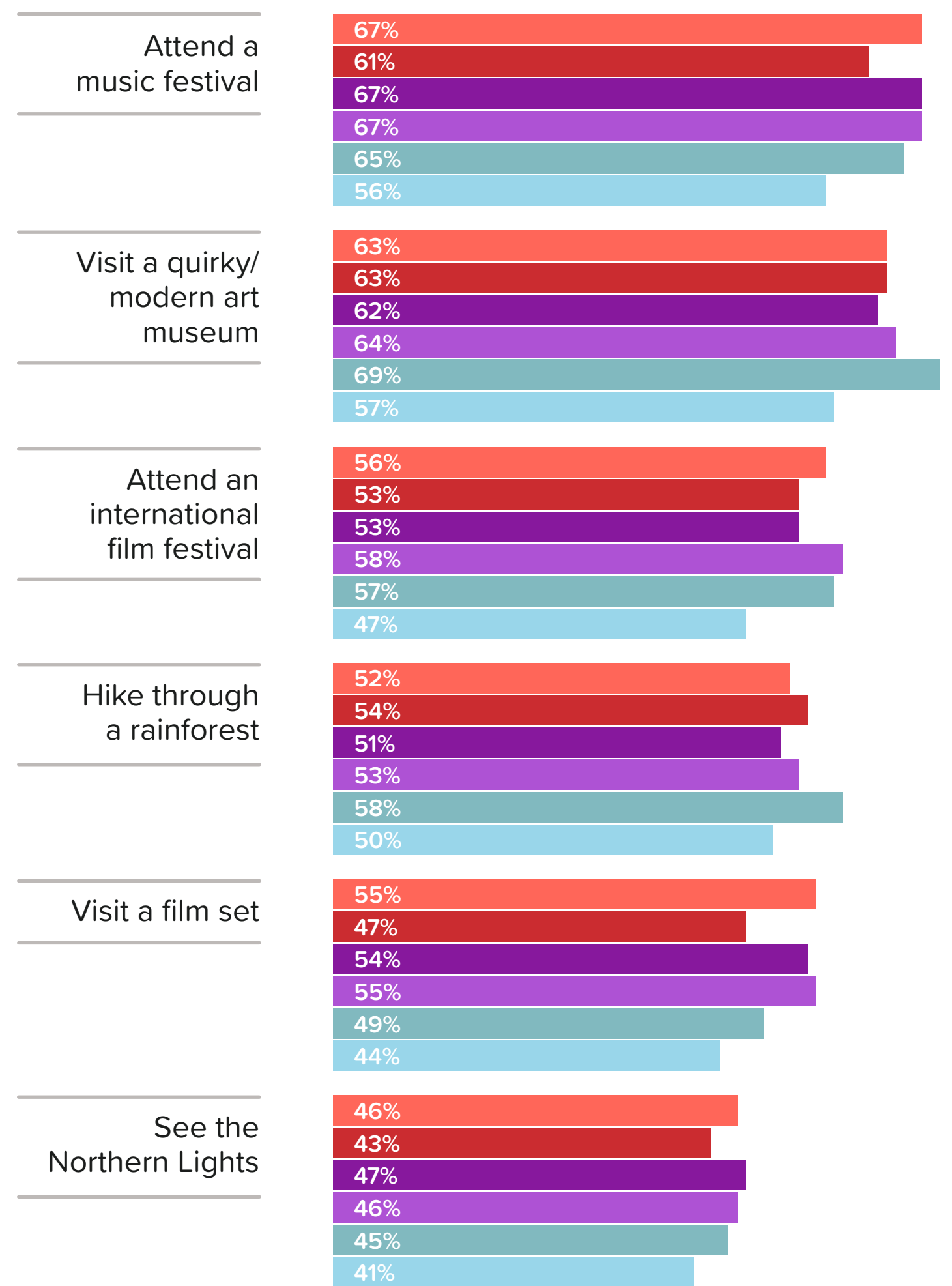
MODERN OR MUSICAL?

One of the standout findings in this year's report is just how edgy Chinese travelers are becoming in their travel preferences and behavior. Both millennials and non-millennials are keen to try new activities in the future.

Local festivals are particularly popular, with 67 per cent of millennials and 61 per cent of non-millennials saying they want to attend a music festival when traveling to new locations. More than half of millennials (55%) and just under half (47%) of non-millennials want to visit a film set and over half (56%) want to go to an international film festival.

Millennials showed a greater enthusiasm for these new activities than older travelers but post 70s were more keen than millennials to hike through a rainforest or visit a quirky/modern art museum.

CHINESE TRAVELER ACTIVITY PREFERENCES



MILLENNIALS		NON-MILLENNIALS	
POST 90s	POST 80s	POST 70s	POST 60s

EXTREME EXPERIENCES SEE POPULARITY SOAR TO NEW HEIGHTS

The strong pull for edgy activities was also obvious in the number of travelers visiting cities known for their adventure opportunities.

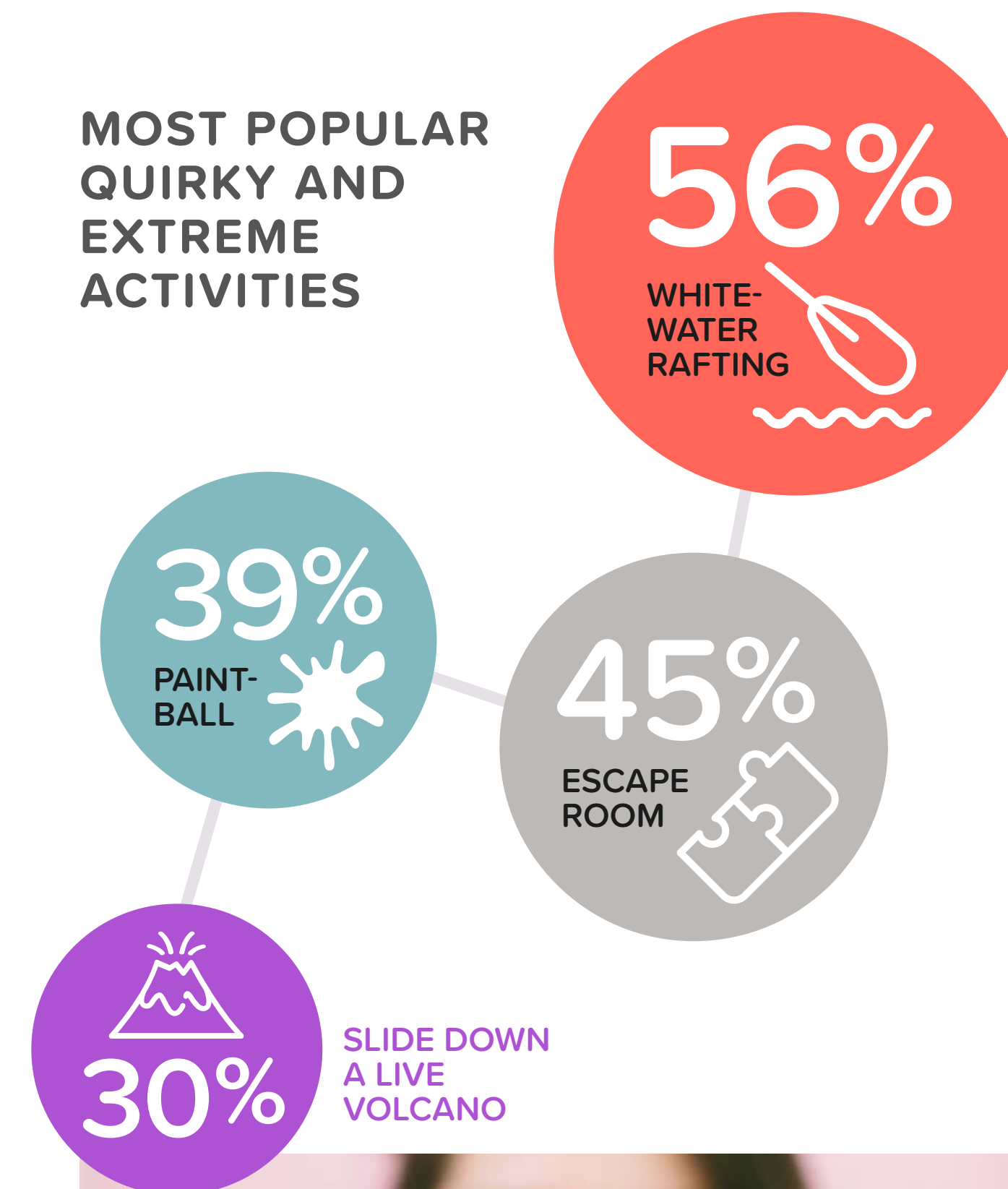
Over the past 12 months, 38 per cent of Chinese travelers visited at least one such city. The majority of these visited Macau (19%) and Bangkok (13%). Other similar cities visited included Pattaya, Manama, Berlin, Amsterdam, Hamburg, Moscow, Las Vegas and Rio.

Of those travelers who did visit these cities, 73 per cent visited just one city, 21 per cent visited two cities and 6 per cent three cities.

Whether it's food or outdoor activities, Chinese travelers want to push the boundaries. While half still opt for fine dining, the majority (70%) also want to try local specialties that can only be found in that location. Around 80 per cent said they wanted to try quirky food. This includes things such as crossushi – a hybrid of croissant and sushi (31%), deep-fried Mars Bar (27%), snails (25%), haggis/black pudding (20%), garlic ice cream (20%) and jellied eels (20%).

But the desire for quirky and extreme does not end with food. For some millennials, testing the limit means trying activities that provide an adrenalin rush or even an element of danger. When provided with specific options, some of the most popular activities were whitewater rafting (56%), an escape room (45%), paintball (39%) and sliding down a live volcano in Nicaragua (30%).

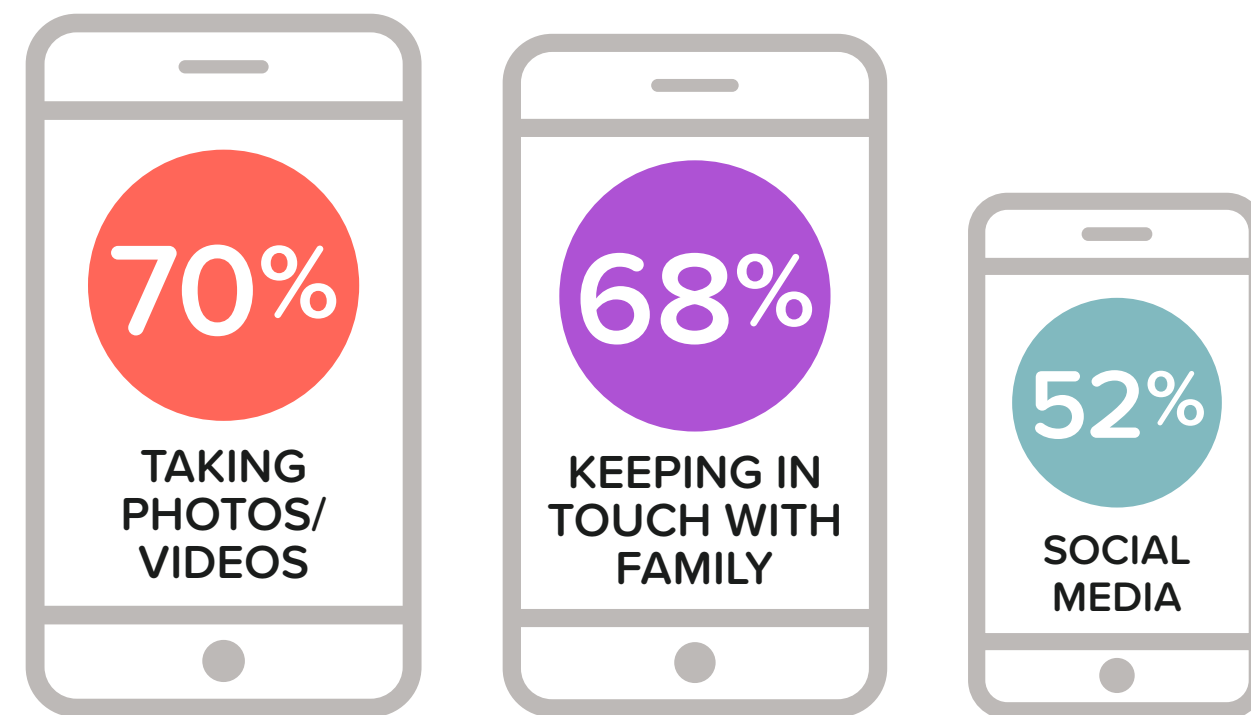
MOST POPULAR QUIRKY AND EXTREME ACTIVITIES





NAVIGATING THE NETWORKS

Social media is the postcard of the digital era and a key travel influencer for post 90s (56%) and post 80s (53%) millennials. It is the dominant tool for sharing experiences and feelings about travel with important people in their lives – friends, partners and family. It enables instant sharing of anecdotes and colorful travel snippets.



SMARTPHONE USAGE

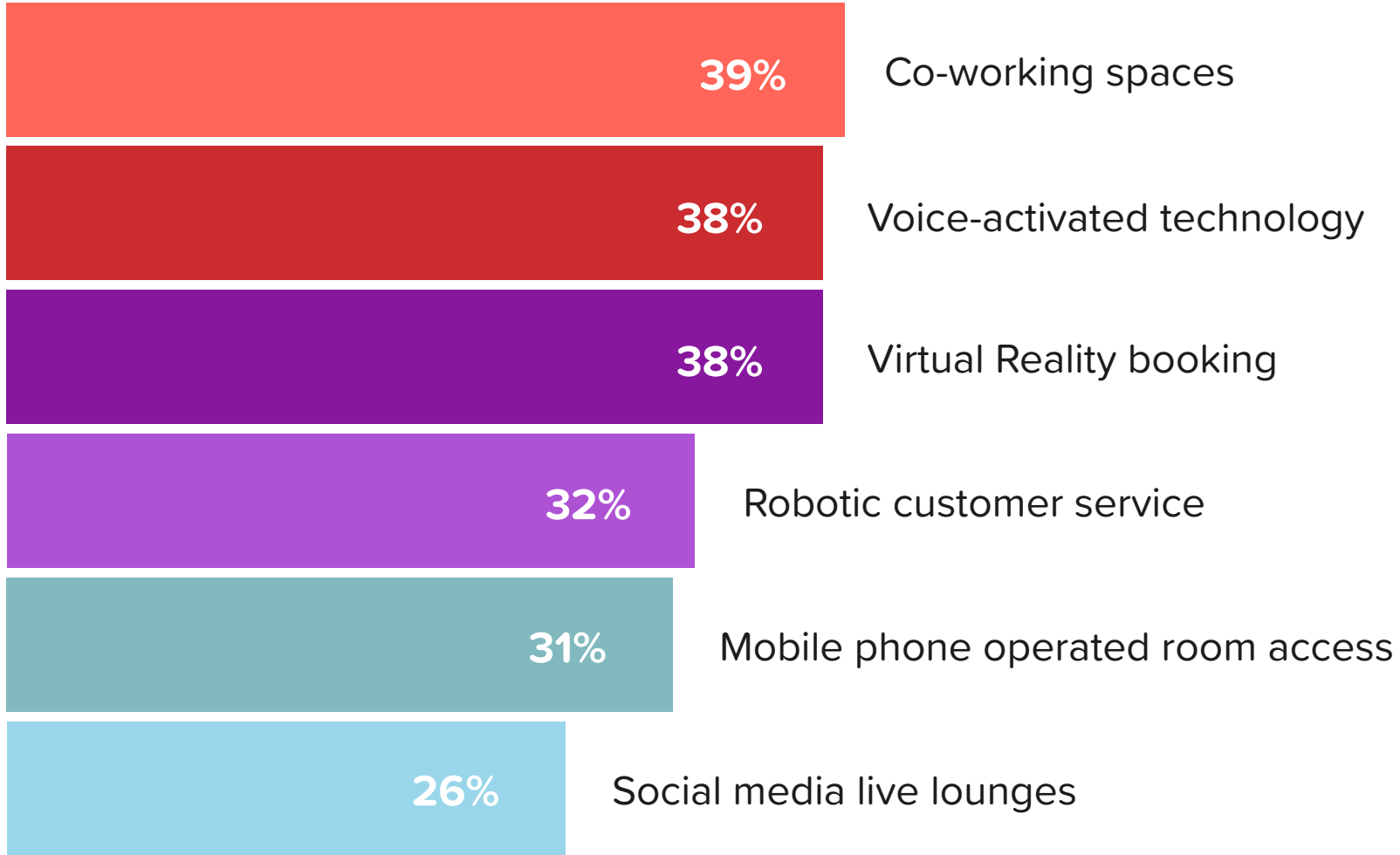
Apps like WeChat are a powerful source of inspiration. They allow millennials to express their feelings about their travels and document favorite experiences and locations.

Posting on social media is frequent. Almost two thirds of travelers (60%) post three to five times a day and 16 per cent post more than five times.

Selfies are particularly powerful for expressing both a key moment and the feeling of ‘being there’. More than half (56%) of travelers said they used selfies to express feelings. Around two thirds take selfies to record a beautiful moment in their travels and 63 per cent do so to share the moment with friends. Introducing a new place to friends and family was more important for exotic locations such as Latin America.

Many like to post quirky selfies that reveal local culture, with 60 per cent saying they post selfies in streets full of local characteristics.

The smartphone is the dominant digital device, with 90 per cent of travelers taking one with them. It was used for taking photos or videos (70%), keeping in touch with family (68%) and posting on social media (52%).



NEW TECHNOLOGY THAT APPEALS TO TRAVELERS

EDGY IS THE NEW BLACK FOR CHINESE TRAVELERS




THE WEIRD AND THE WIRED

Chinese millennials may have wholeheartedly embraced technology and edgy experiences, but they are surprisingly superstitious, much more so than their elders. When choosing where to stay, 40 per cent of post 90s said they would not want a mirror opposite the bed, compared with 35 per cent of those post 70s. And 41 per cent of post 90s would not stay at the end of a corridor compared with 29 per cent for post 60s and 35 per cent post 70s. Millennials were also more reluctant to stay on a 4th or 7th floor than those born post 70s (20% vs 12%).

Despite this, they don't avoid activities traditionally frowned upon. The desire for the new extends to taboo areas. Almost half of travelers said they'd like to check out the Door to Hell in Turkmenistan and more than a third wanted to explore the catacombs of Paris. Even taking a tour of Chernobyl was chosen by 13 per cent.

Cutting-edge technology is a big drawcard for all Chinese travelers. This is particularly true for millennials, with 64 per cent of millennials versus 58 per cent of travelers overall saying they would book a hotel based on advanced technology.





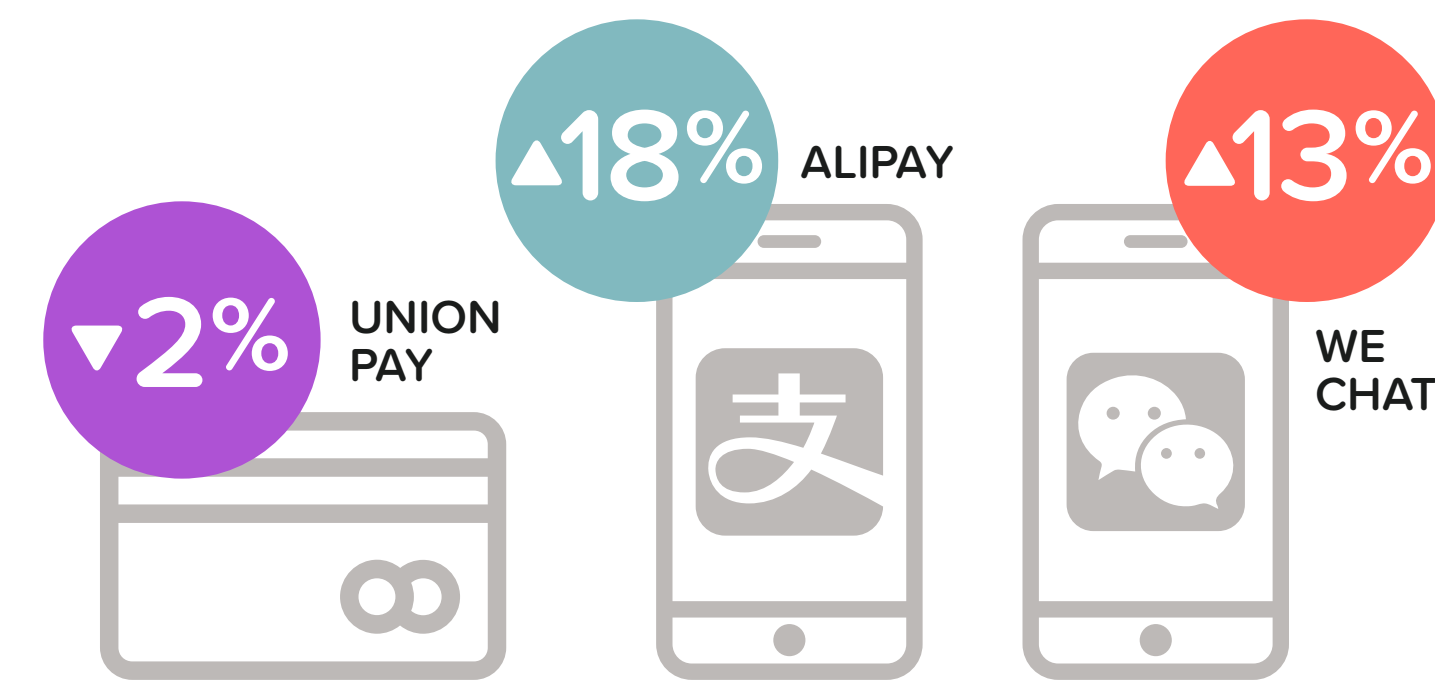
**AN ANALYSIS OF
TRAVEL MARKET
FOR CHINESE
TRAVELERS**

MEETING DEMAND IN A MAMMOTH MARKET

Chinese travelers might be ready to explore the world, but international destinations are not always ready for them. There is a lot of variation in how well different regions cater to their needs.

The key areas that Chinese travelers would like to see improved include QR code scan via WeChat and acceptance of payment via mobile phone. Almost half (44%) of travelers thought public facilities such as bathrooms and Wi-Fi needed improvement and a third were unhappy with self-service counters. Booking and reservation methods were not adequate according to 30 per cent of travelers and almost a quarter (24%) wanted more local experiences and activities.

Some destinations performed better than others. Oceania and North America scored badly with QR code scan via WeChat, with 66 per cent and 64 per cent unhappy with this, respectively. High spenders were particularly unhappy with the lack of WeChat QR code scanning across all destinations (62%). Latin America needed improvement in most areas, with more than half (57%) saying accommodation facilities and self-service counters (52%) needed to be better.



PAYMENT METHODS USED BY CHINESE TRAVELERS

Payment methods used by Chinese travelers have changed slightly compared with the previous year. The majority (60%) still used UnionPay but there was a small decline (-2%) versus the year before, whereas Alipay had increased in use by 18 per cent, with almost half (49%) using this payment method. Payment by WeChat Pay also rose by 13 per cent.

Alipay Mobile Wallet is used by more than half of travelers, mainly in Asia because it is not widely available elsewhere. Where it is available travelers feel much more welcome.



BOOKING A ROOM FOR IMPROVEMENT?



The changing needs of Chinese travelers is not always reflected in the services available to them in hotels. Payment facilities are very important, particularly familiar methods such as China Union and Alipay facilities. This was especially important to post 70s travelers (65%). Local transport arrangements and Mandarin speaking guides and hotel staff were also high on the list, even with post 90s millennials.

Almost a third of travelers would like the hotel website to be available in Mandarin and 29 per cent would like a Chinese restaurant on-site. The availability of non-smoking rooms is valued by 45 per cent of travelers.

Not surprisingly, six of the top 10 countries where Chinese travelers feel most welcome are in Asia. Japan tops the list, moving up from the number two spot in 2017. Australia comes in fifth, slipping from third place last year. New Zealand in tenth place makes the top 10 for the first time.

THINGS THAT MAKE CHINESE TRAVELERS FEEL MOST WELCOME



44% MANDARIN SPEAKING SHOP ASSISTANTS

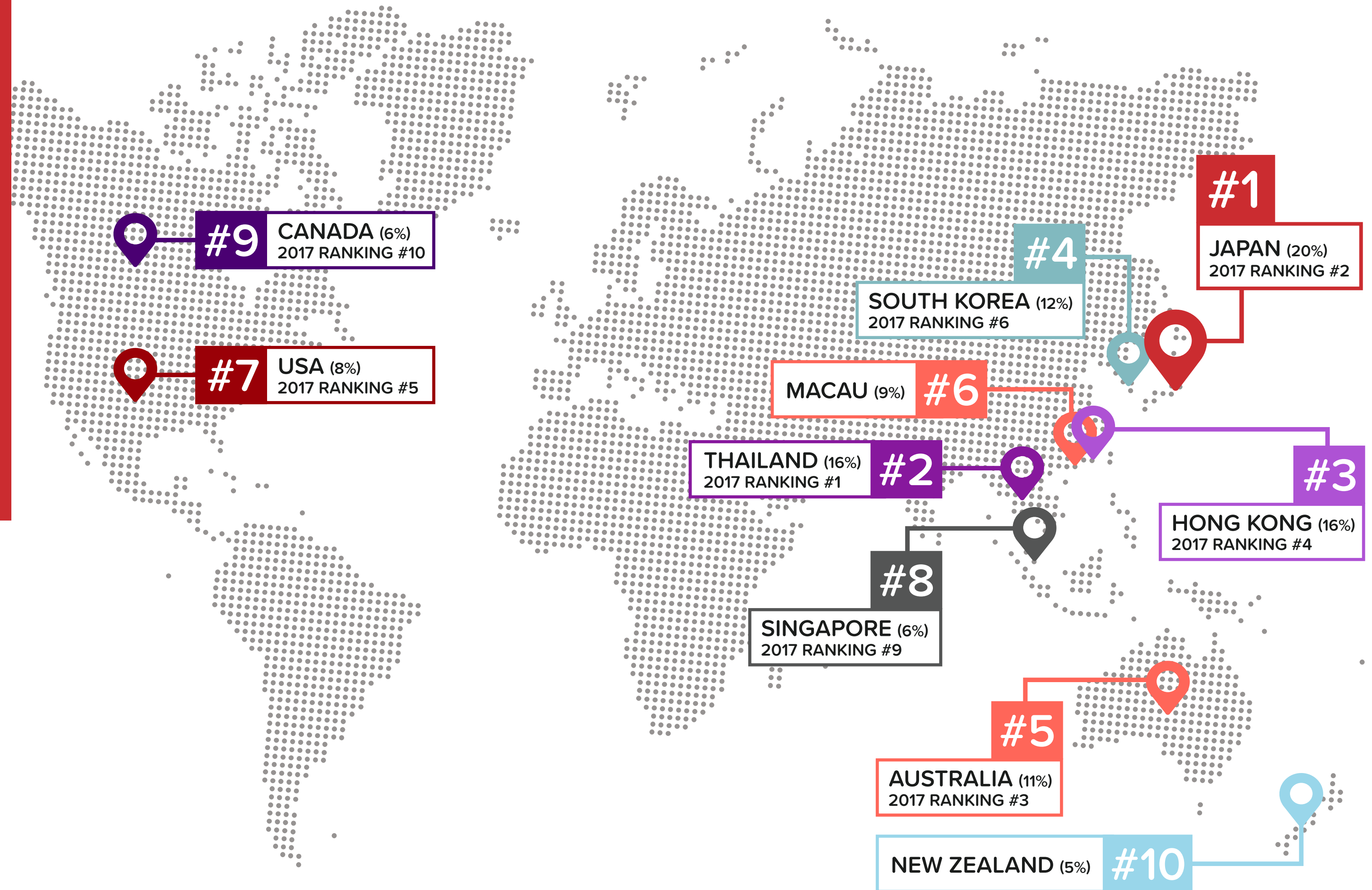


44% CHINESE MOBILE WALLET ACCEPTED



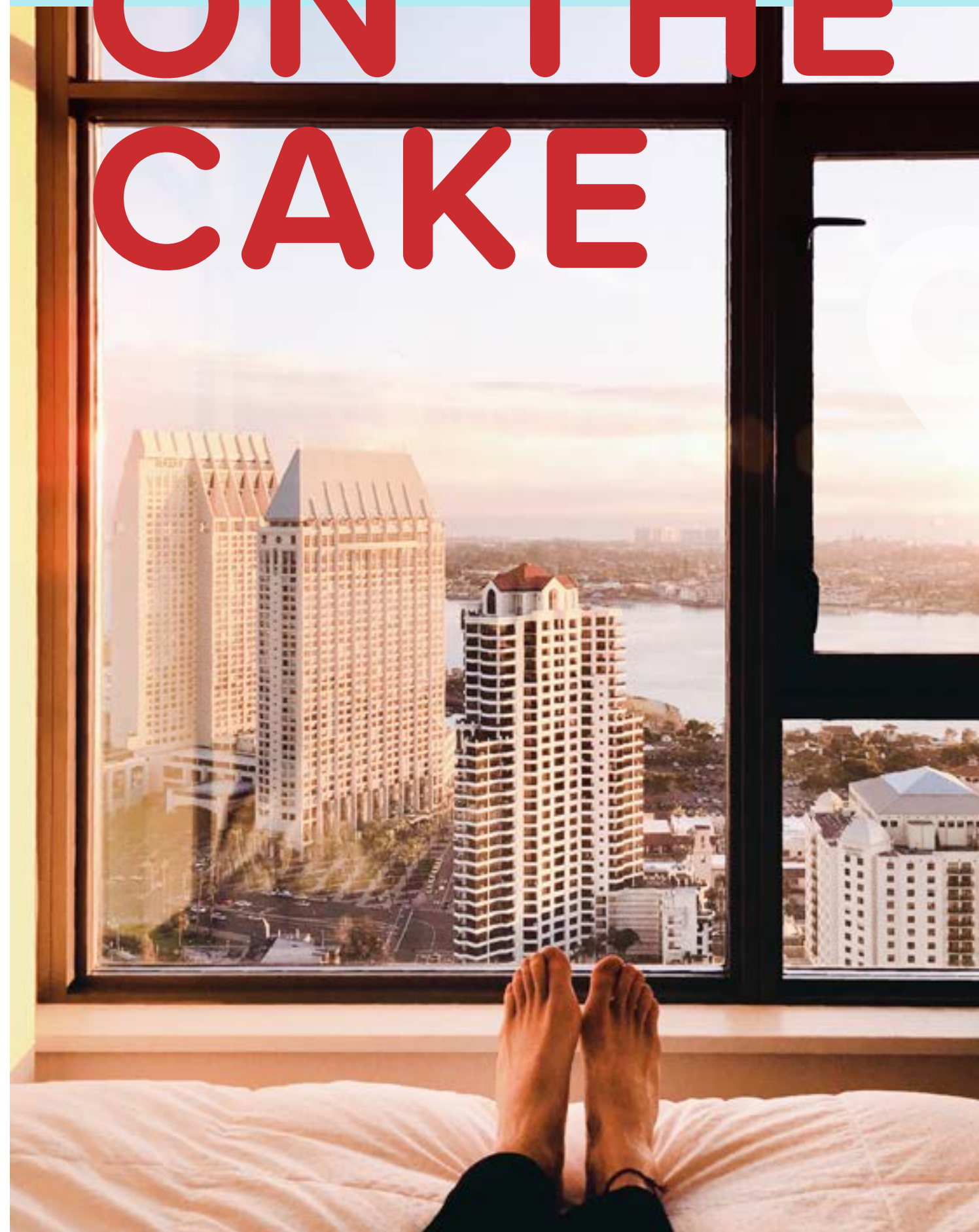
42% SIGNAGE IN MANDARIN

TOP 10 COUNTRIES WHERE CHINESE TRAVELERS FEEL MOST WELCOME





ICING ON THE CAKE



When booking their accommodation, travelers put a high value on Wi-Fi and internet facilities, with 60 per cent of travelers listing this amenity as a key consideration. For post 70s travelers this was particularly important (70%), possibly as a cost-saving factor.

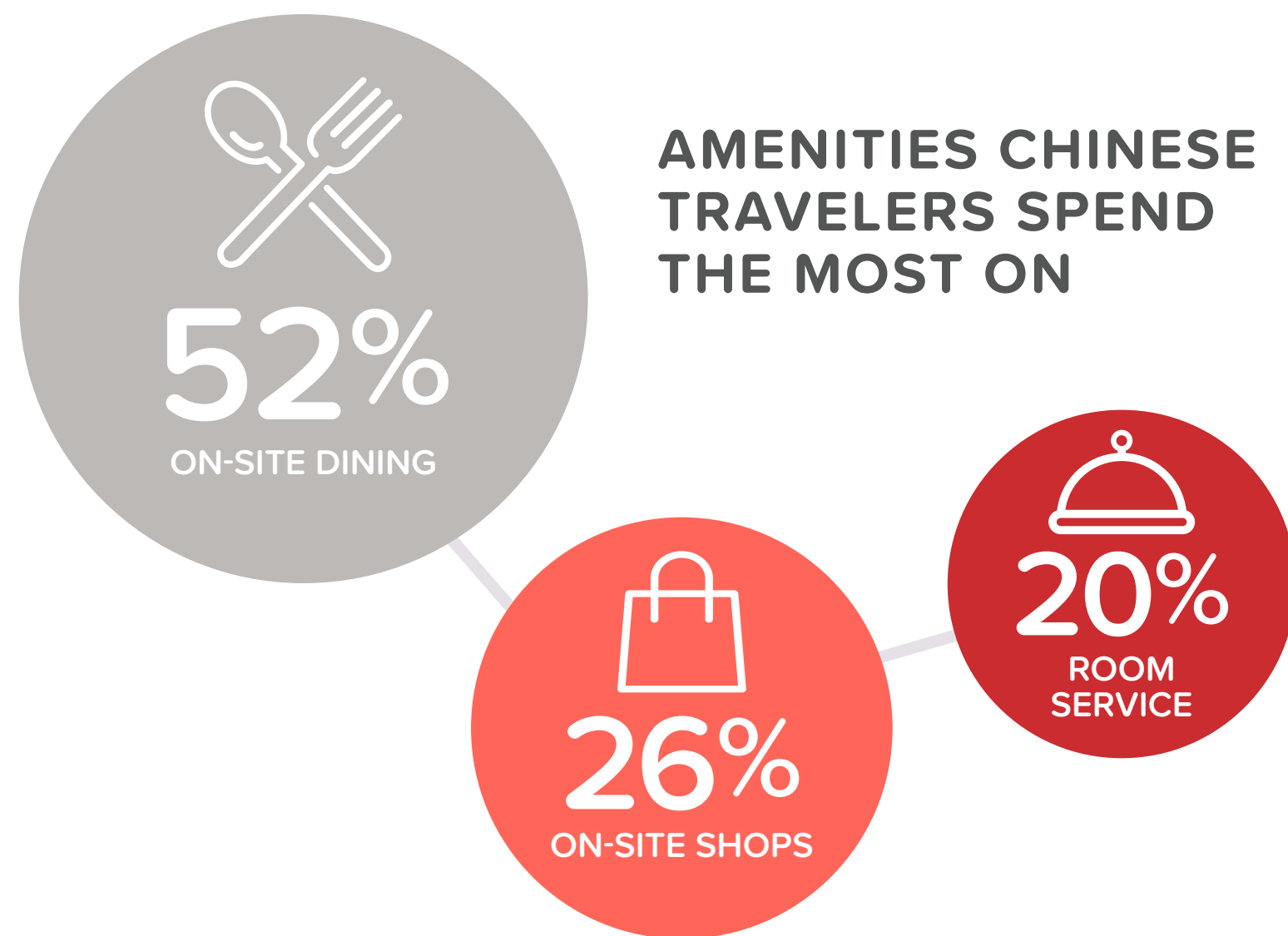
Having an on-site restaurant was important to half of travelers, again even more so to post 70s (56%). Room service was also high on the list (36%) as was in-room entertainment (33%).

On-site dining was the amenity Chinese travelers spent the most on (52%), followed by on-site shops (26%) and room service (20%). The two amenities travelers spent the least on were on-site casinos/gaming rooms and in-room mini bars.

Many Chinese travelers are increasingly sophisticated in their use of technology and want more than just Wi-Fi and internet access. They are influenced by the availability of cutting-edge technology when they choose accommodation.

When asked what technology would draw them to book accommodation, the top three technologies were co-working spaces with quality technology (39%), Virtual Reality (VR) technology that allows guests to view hotel rooms 'in person' (38%) and voice-activated technology (38%).

Robot customer service was rated highly (32%), as was room access via a mobile phone (31%).





WHEN TRAVELERS WERE ASKED TO RANK SPECIFIC REASONS WHY TECHNOLOGIES WERE ATTRACTIVE, THEY RANKED THEM IN THE FOLLOWING ORDER:

22% THINGS THAT MAKE LIFE EASIER



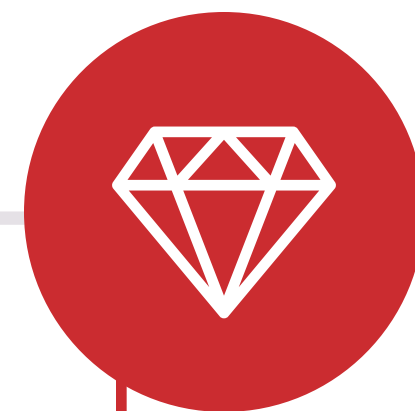
18% THINGS THAT MAKE YOU FEEL GOOD ABOUT LIFE



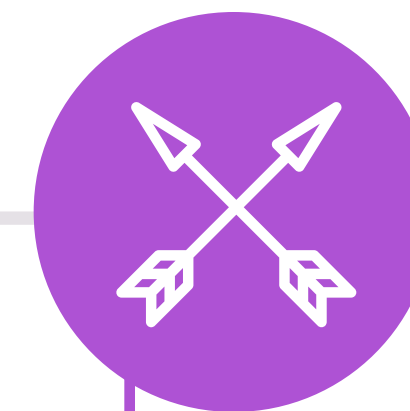
16% THINGS THAT ARE SPECIAL TO YOU



15% THINGS THAT ARE EXTRAVAGANT



15% THINGS THAT ENHANCE YOUR SOCIAL MEDIA PROFILE



15% THINGS THAT ARE A LITTLE BIT WILD



The top two reasons Chinese travelers left comments on social media about accommodation or restaurants over the past 12 months were quality of customer service and hygiene.

Half of travelers nominated customer service and 44 per cent hygiene. Travelers are also concerned with safety and law and order, with 40 per cent listing this. The friendliness of staff is important for 34 per cent of travelers and the convenience of location for 33 per cent.

With the increasing proficiency in English and other languages, Chinese travelers were less concerned with staff not knowing how to speak Mandarin or understanding particulars of Chinese culture. Only 14 per cent were concerned about an outdated or unappealing setting.



Travelers were attracted to different regions for various reasons over the past 12 months but the main purpose of travel for 93 per cent of Chinese travelers was leisure. The lure of more exotic long-haul destinations is strong and will continue to be so in the future.



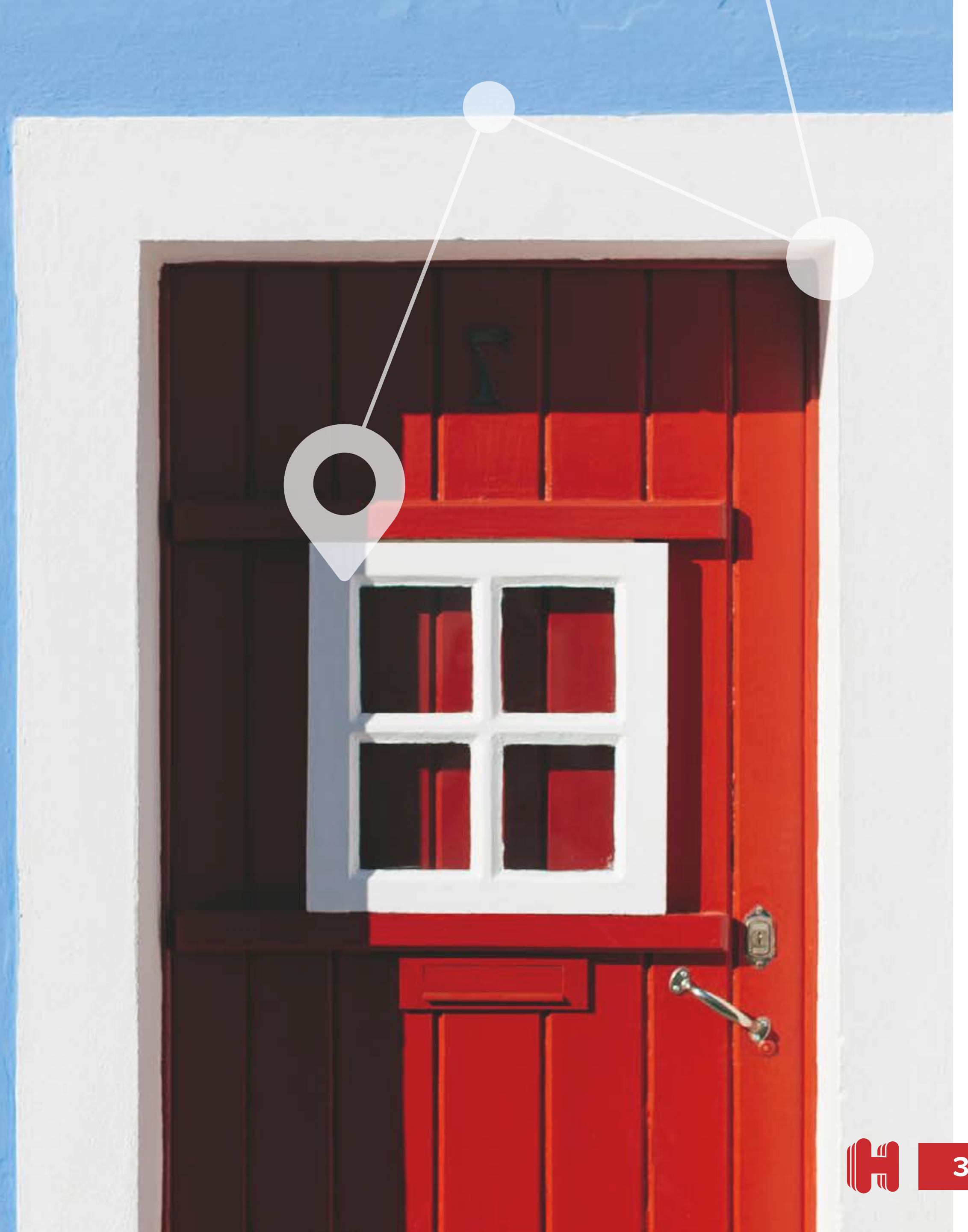
WHAT MAKES DESTINATIONS ATTRACTIVE?

In Europe, historical and heritage sites were a major drawcard (54%). In the Middle East eco-tours (30%), private luxury tours (20%) and historical and heritage sites (29%) were all popular, as was backpacking (17%). In the United States the quality of the accommodation (29%) and visiting friends and family ranked highly (15%). And in Australia climate and beaches were a major attraction (42%).

While feeling welcome is clearly an important factor in choosing destinations, it doesn't necessarily override the desire for new experiences. Chinese travelers are still visiting Asia but they want to expand their horizons, even if it means going outside their comfort zone and doing without some of the familiar services.



HOW Hotels.com IS ADAPTING TO THE CHINESE MARKET





In 2009, recognizing the growing importance of the Chinese travel market, Hotels.com launched a website in simplified Chinese. The site is a comprehensive travel service aimed at Chinese travelers, with special deals and promotions, customer reviews, destination guides and even visa application information. It has a new starter guide advising travelers how to use the site.

As the Chinese traveler has evolved so has Hotels.com. In 2014, Hotels.com launched its Chinese name, Hao Ding, which means 'easy and good booking experience'. This name reflects our commitment to delivering the best booking experience for Chinese travelers.

To help travelers easily and quickly find the information they need to book the perfect trip, Hotels.com revamped this homepage, featuring a more intuitive, search-based user interface. UnionPay and Alipay have also been introduced for Chinese travelers.

The Hotels.com range of apps for smart phones and tablets is available in Mandarin. These apps allow Chinese travelers to research and book their travel anywhere, any time, and includes access to thousands of last minute deals. As of 2018, Hotels.com had more than 70 million mobile app downloads.

In addition, the Hotels.com call centre has Mandarin-speaking agents available to assist with booking enquiries.

Hotels.com offers customers more than 665,000 accommodation options around the world, from popular destinations in Asia such as Hong Kong and Seoul, to Europe, Australia and the USA.

Hotels.com Rewards™

The Hotels.com Rewards program is available to Chinese travelers, giving them the chance to earn a free* night for every 10 room nights booked and stayed. The program has surpassed over 30 million members that have redeemed over 10 million Rewards nights since the program began in 2008. Travelers can earn Rewards nights at more than 300,000 places to stay.



Hotels.com™

For more information or press enquiries, please contact

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