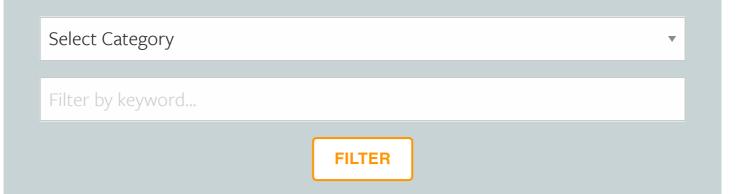




# New Year, New Revenue: Creating An Authentic Experience For Chinese Travelers Now

Blog Webinar Case Study Podcast Infographic





Contributed by Paula Perrin, Sr. Market Analyst, SHR

Happy New Year 新年快乐! It's the Year of the Pig, the last and one of the luckiest of the twelve animals of the Chinese Zodiac. 2019 is predicted to be a very good year to make money, to invest, and will be full of joy, friendship, and love for all because "the pig attracts success in all spheres of life." If you'd like to extend this prosperity to your hotel ADR and RevPAR, and have a brand-new reason to sing gōng xǐ gong xǐ 恭喜,恭喜,read on.

The epic travel rush of the Chinese New Year (CNY), known as "Chunyun," is the

largest human migration in the world, which lasts for nearly 40 days. So, it might not be surprising that the Chinese travel market is also the largest in the world. If anyone still needs proof of this, consider these stats.

According to A.T. Kearney, China has surpassed the U.S. and Germany to become the world's largest source of outbound



travelers, accounting for 30% of the growth in total international tourism. And the latest **UNWTO Tourism Highlights report** states that combined Chinese tourism

expenditures in 2016 exceeded US\$261 billion, which is 21% of all the world's international tourism spending, with Chinese arrivals expected to total nearly 97 million by 2023.

That's impressive, you might say, but aren't these savvy world travelers only attracted to the mega-hotels and mass tourism destinations? According to the latest Financial Times China Tourism Survey, the answer is a resounding "no." Half of the respondents to the survey said that they preferred to stay at "independent hotels with local flavor," with 33% having already tried (and liked) boutique hotels. Traditional tour groups and shopping-oriented treks have also fallen away as a younger generation of travelers who've been educated in English have found new confidence to explore abroad. But authenticity doesn't apply only to the destination. It also means meeting your guests via their preferred technology platforms for reviews, booking, and payment, ultimately coming away with that on-site experience they'll be proud to share on Instagram and TripAdvisor.

# **Dreaming Together—WeChat**

We all want to feel we're making good choices, especially when we're online.

Chinese travelers are no different. Testimonials from other satisfied guests are huge for hotels, and easing fears about traveling abroad is just smart business. The dominant social media and communication channel in China is **WeChat**, a Chinese multipurpose social media mobile app. With over 980 million monthly



active users, its transaction volume is comparable to WhatsApp and Facebook, and is referred to by many as China's "App for Everything" or "Swipe and Go" because of its wide range of functions, including a payment platform and instant messaging. More and more hotels have even experienced success launching creative promotional campaigns to engage with followers on what are referred to as "mini-programs" that act like apps within a page. Check them out.

Sina Weibo is another powerful platform. Known for sharing images and content with a wider audience, it "will guide you through every splendid moment all over the world." Although it cannot match the WeChat user base, as of Q3 2018, Sina Weibo had over 445 million monthly active users. Not bad.

# Booking Where They are—Ctrip, Shiji, Fliggy, and Meituan

Today's Chinese travelers are very savvy planners and, not surprisingly, very mobile.

This means that having a responsive booking engine and mobile booking feature is essential. But you also need to cover yourself for third-party bookings, especially considering that the Chinese



Online Travel Agency (OTA) market reached US\$32.94 billion in 2018. Of that market, Ctrip (known online as trip.com) is the dominant player, owning over half of the Chinese OTA market.

Shiji, a powerful OTA hub, currently connects more than 30,000 hotels in 13 countries to 90 channels, including Fliggy, Alibaba's super popular OTA, and the Meituan OTA. Although initially focused on Chinese hotels, Shiji's vision is now global. This expansion is a good thing for any hotel engaging with them. Having a technology partner that offers a seamless integration with these channels is also a good thing, and arguably essential to attracting and converting more Chinese travelers.

## Paying with Ease—WeChat Pay and Alipay

As far as payment gateways go, there are two platforms that have become the most popular in China, and second-nature to almost the entire population. With 520 million users and counting, Alipay is a secure and reliable way of paying for virtually anything the world over. Part of the Alibaba group, Alipay is a payment option that works like many other eWallet services, where you add payment methods (cards or bank accounts) to your Alipay account, and can then process purchases using them. WeChat Pay is similar, as the payment arm of WeChat, and is another popular way for global businesses to connect directly with Chinese consumers. With WeChat Pay enabled on a smart phone, for instance, users can make transactional payments anytime, anywhere by pressing a button or swiping a QR-code even on a chat forum or group.

# At Your Hotel—Keep It Real

You don't have to go as far as this **gentleman in Germany** did when it comes to sticking to a theme, but you might consider borrowing ideas on some relatively simple upgrades and additions that the mainstream hotels have found successful. Think of services and amenities useful to the Chinese visitor, such as Chinese TV channels geared especially to them. For CNY, some hotels even create bundled packages with restaurant discounts, providing special **lucky meals**, Lo Hei 捞起, or a Reunion Dinner 团圆饭 package, plus access to "prosperous activities" like visiting casinos. These types of special packages also apply beyond CNY. Don't be afraid to get creative!



You could also provide special, culturally-specific, in-room items like slippers, green tea, and a teapot. If you can swing it, having key employees who speak Mandarin is a huge plus. A cheerful welcome note in Chinese at check-in, special foods such as dim sum, or even noodles, plus utensils like chopsticks and

Chinese spoons are all great ideas. Though these items may seem small, we all know it's the small kindnesses and gestures that often leave the most memorable impression of true hospitality. But as you are making your visitors comfortable, don't hold back on sharing your area's own unique charm and traditions. Strike a balance by keeping your hotel true to its own personality as well because that is what your special guests are looking for and wanting to take back home with them. Create packages around key heritage sites, authentic artisans, and historical landmarks.

Where will your hotel be by the next CNY? By meeting Chinese tourists where they are on their tech platforms and their journeys to the ultimate travel experience now, your hotel will be well on its way to a prosperous future—no matter the year.

恭喜发财,万事如意!

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