



GETTING READY FOR RECOVERY

Chinese Traveler Sentiment Report

Dragon Trail Research

December 2022

Marketing Solutions for China and the World

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Introduction: Changing outlook and expectations at the end of a difficult year

Between 7-20 November 2022, Dragon Trail Research surveyed 1,003 mainland Chinese travelers about their travel preferences and behavior, including appraisals of outbound destinations, opinions about China's quarantine-on-arrival policy, and willingness to travel overseas.

This last month has seen significant developments in China. International travel restrictions were loosened from 11 November, although outbound travel for non-essential reasons is still strongly discouraged, and outbound group and package tourism banned. From the end of November, the Chinese government has shifted to a new approach to COVID. This includes ramping up vaccination of the elderly and preparation of supplies and facilities to treat the virus. Officials are now explicitly stating that the Omicron variant is less severe, and emphasizing that adjustments are being made to get people's lives and the economy back to normal. We, and others in the travel industry, see this as the long-awaited beginning of the end for China's stringent COVID controls.

Are Chinese travelers ready for this shift? On one hand, our survey data shows that sentiment around "won't travel" remains higher now than in 2021. However, the proportion of consumers stating they are "eager to travel" has been rising consistently over the past two years. This is despite – or perhaps even because of – a highly restricted and repressed travel market in 2022.

One of the most revealing findings from our survey is a dramatic shift in attitudes towards China's quarantine-on-arrival policy. Now, 59% say they want the policy to be relaxed, an increase of 20 percentage points since the spring. More than one-third of consumers say they would travel outside of mainland China within six months of travel restrictions being lifted.

Chinese consumers are ready to go. Now it's time for destinations and travel businesses to get ready, too. What themes and activities do Chinese travelers desire for their next outbound trip? Where do they plan to go? Which destinations have the most work to do to improve safety perceptions? How can the travel industry offer the sustainability initiatives Chinese travelers are interested in? And which channels will be most effective for travel marketing? Our report covers all of these questions to help kick-start the recovery of China's outbound tourism market.

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Chinese traveler survey findings: 7 recommendations for the travel industry

1) Many travelers are ready to go

The proportion of survey respondents who say they are “eager to travel” has been rising consistently since 2021. Popular opinion about quarantine-on-arrival has changed dramatically since last year, with nearly 60% now saying it should be relaxed. Close to one-fifth say they will travel outside of mainland China as soon as possible when restrictions are released. Pent-up demand is real, and growing, and the travel industry should get ready.

2) Sustainability can stand out in marketing and product development

More than 88% of Chinese travelers consider their impact on local environments and communities when traveling. Their intentions for taking more sustainable trips offer insights into what initiatives will get the best response. Hotels need to go greener. Attractions should stress being animal-friendly. Tour operators should find ways to help visitors give back.

3) Chinese travelers are looking for local experiences

When it comes to future outbound travel, trying local food (60.8%) and experiencing local life (56.7%) are most appealing to survey respondents. Bringing these experiences to Chinese travelers should be part of marketing and product development work.

4) There's a lot of uncertainty about destination safety

When assessing 15 outbound destinations around the world, we can see that Chinese travelers are now less likely to categorize these destinations as “unsafe”. But uncertainty as to whether each destination is safe or unsafe grew across the board. Destinations need to do more marketing, education, and publicity to improve knowledge and public opinion.

5) Asian destinations will benefit first from Chinese tourism recovery

Hong Kong, Japan, Macau, Thailand, and South Korea are at the top of Chinese travelers' wish-lists, and should expect to welcome the first wave of Chinese visitors when borders reopen for leisure travel. At the same time, beach and sea destinations are preferred by 51.8% of survey respondents, creating more opportunities for Southeast Asian destinations.

6) The most important sources of travel information are online

Chinese social media (69%), travel websites and OTAs (49%), and KOLs and travel blogs (45%) are the most important information sources about travel destinations for Chinese consumers. Digital channels, media buy, and influencers will all be key to marketing in the recovery period.

7) Top demands for travel products are pricing, safety, and convenience

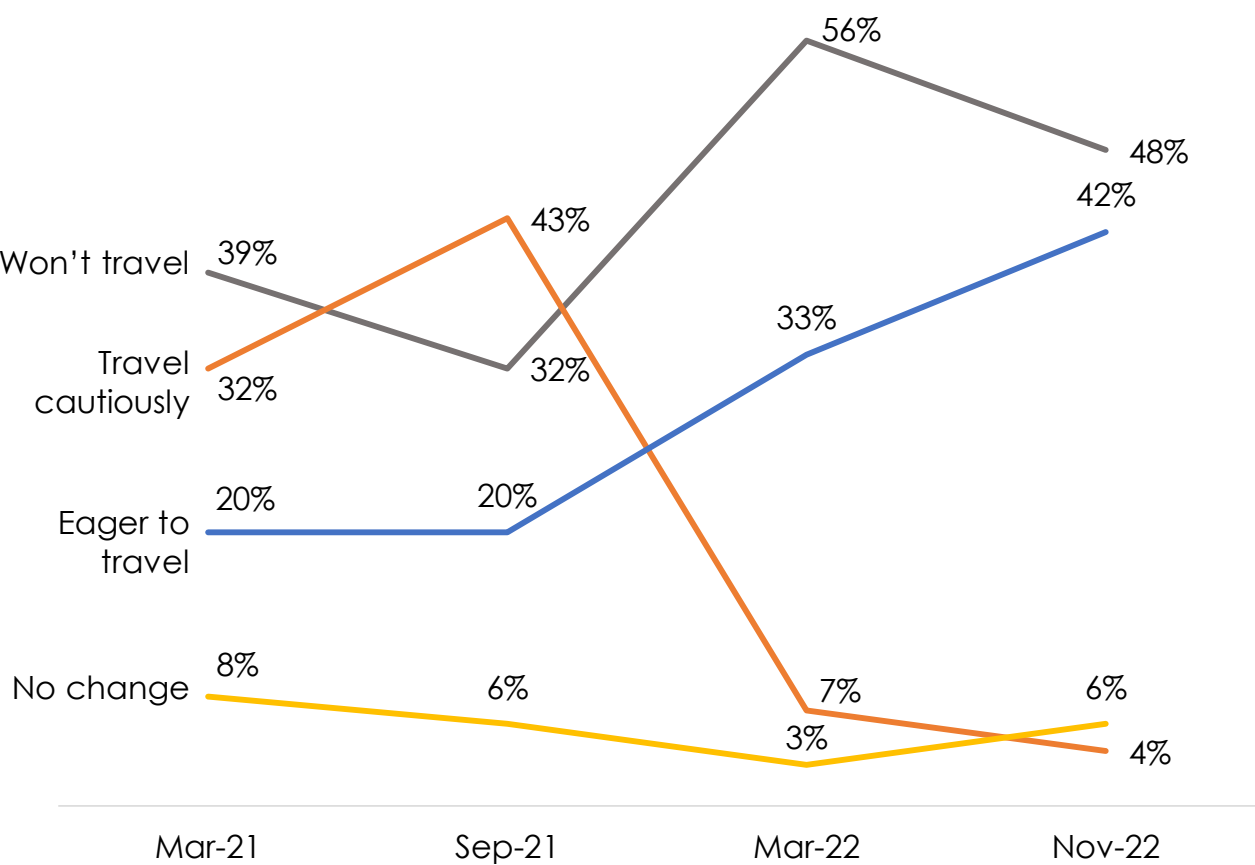
There was nearly no change in Chinese consumers' leading travel product preferences since our March 2022 survey. The most important factors are: pricing (64%), health and safety (63%), and convenience (60%). All three need to be taken into account by product developers.

Eagerness to travel continues to rise, despite significant constraints to travel in 2022

2022 has been a difficult year for travel in China, with strict lockdowns and ever-changing policies. Immediately following our spring 2022 survey, Shanghai residents began two months at home. In August, thousands of tourists were stranded in Hainan.

Despite all this, sentiment around “won’t travel” has fallen by eight percentage points – although it still remains higher than in 2021, and accounts for nearly half of survey respondents. On the other hand, sentiment around “eager to travel” has increased by nine percentage points during the same period, and more than doubled since 2021.

Chinese travelers: How has your attitude toward travel changed since the pandemic?



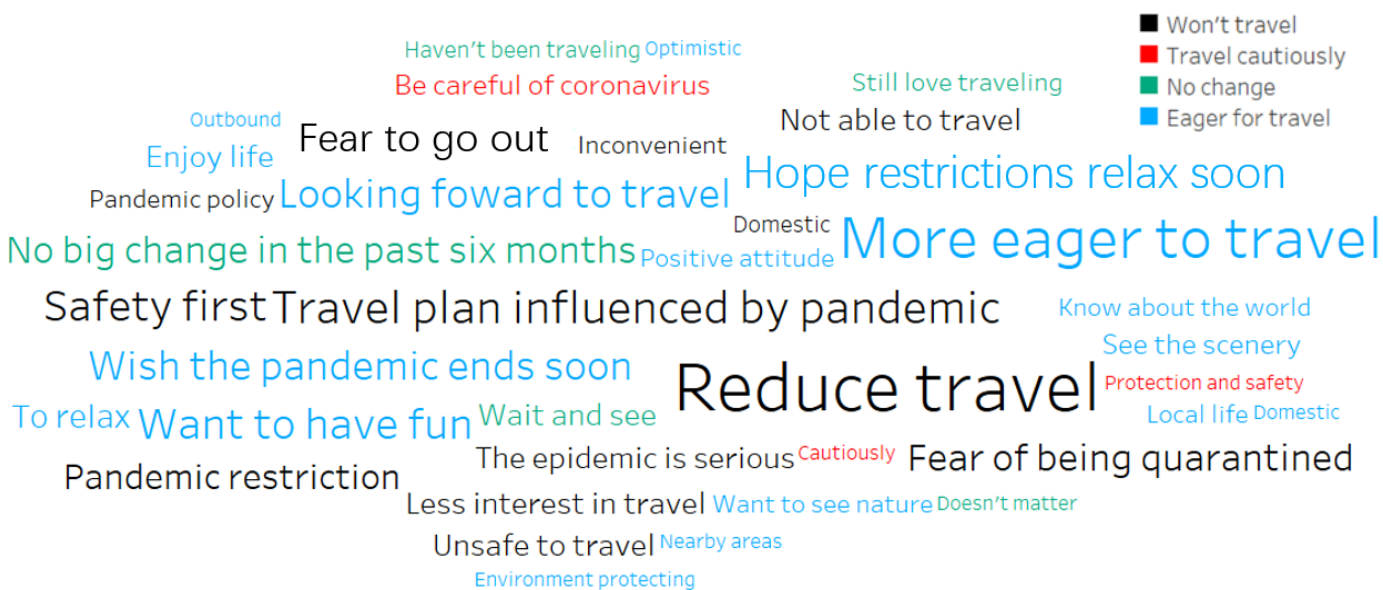
Consumer sentiment highlights the value of travel, and the impact of China's restrictions

Analyzing the key words and phrases that survey respondents used when discussing their attitudes to travel, we can see that many people wish for the pandemic and its associated restrictions to end soon so that they can travel freely. Many said they have made their destination lists already, and are looking forward to traveling longer distances. Recent restrictions on movement have made them realize the importance of traveling for relaxation, relieving stress, and seeing the world. Natural scenery and cultural experiences are especially appealing.

Those who would opt not to travel in the current environment are waiting until they feel safe and are allowed to travel. In addition, quarantine, strict policies, and inconvenience were mentioned as the top barriers for travel.

In addition, many travelers want to be cautious and would prefer to travel in the nearby area, choose safer places, and control the frequency and days of the trip.

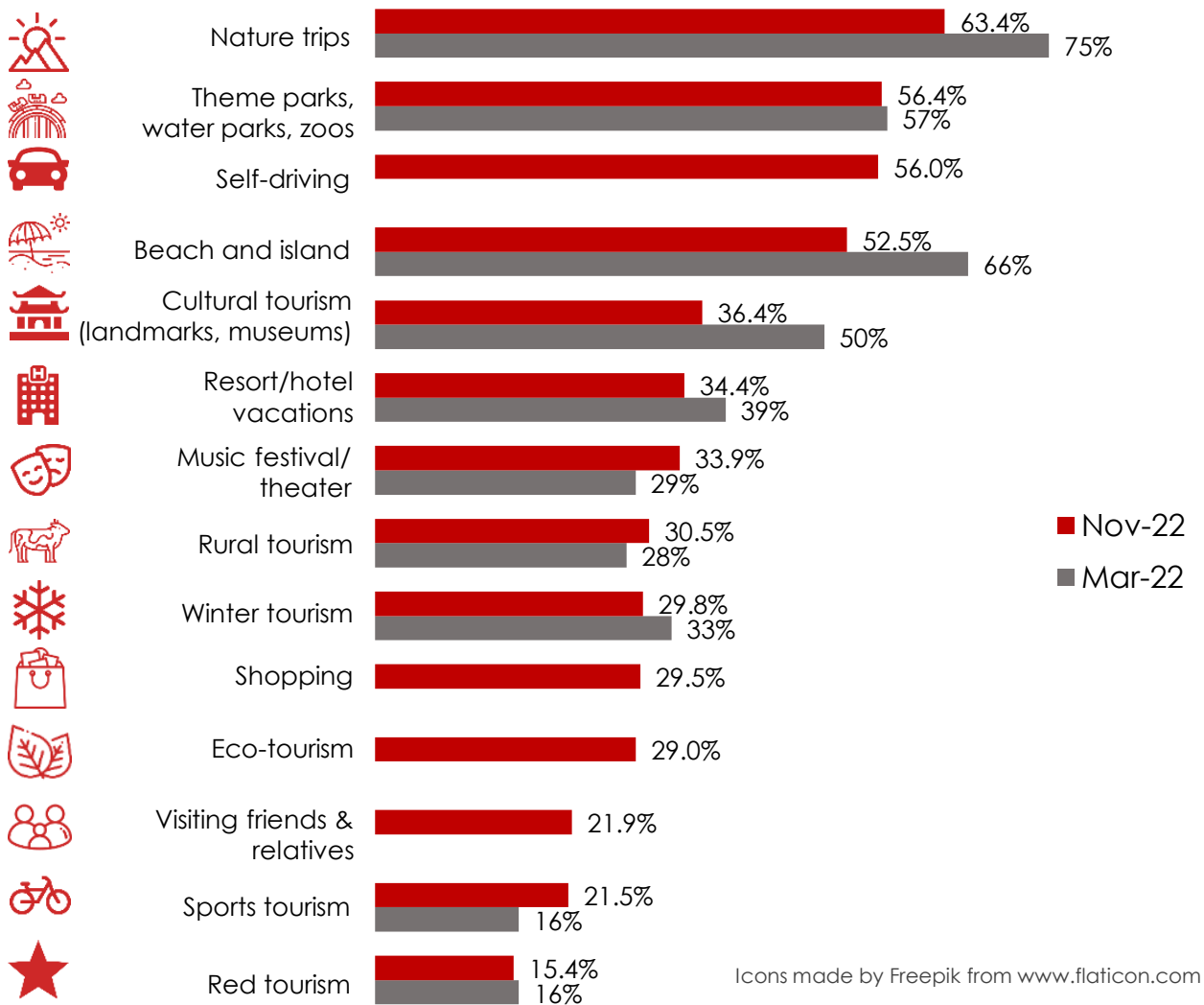
Chinese travelers: How has your attitude toward travel changed since the pandemic?



Nature tourism remains a top preference, with theme parks and road trips close behind

Travelers were asked about preferred themes for their next trip, which is likely still to be domestic, given China's ongoing travel restrictions. Even though fewer people chose **nature trips** than in March, this continues to be the top travel theme. A new option added to the survey, **self-driving trips** ranked just behind the no. 2 theme of theme parks, water parks, and zoos. **Sports tourism** increased in popularity, likely attributable to the FIFA World Cup in Qatar. In comparison, **cultural tourism** saw a sharp decrease, potentially due to Chinese tourists' need for relaxation overtaking their need for cultural knowledge after prolonged restrictions. Interest in **beach and island tourism** also decreased – this may be seasonal, or influenced by travel restrictions that disrupted tourism to the island province of Hainan from August 2022.

China: Preferred Travel Themes

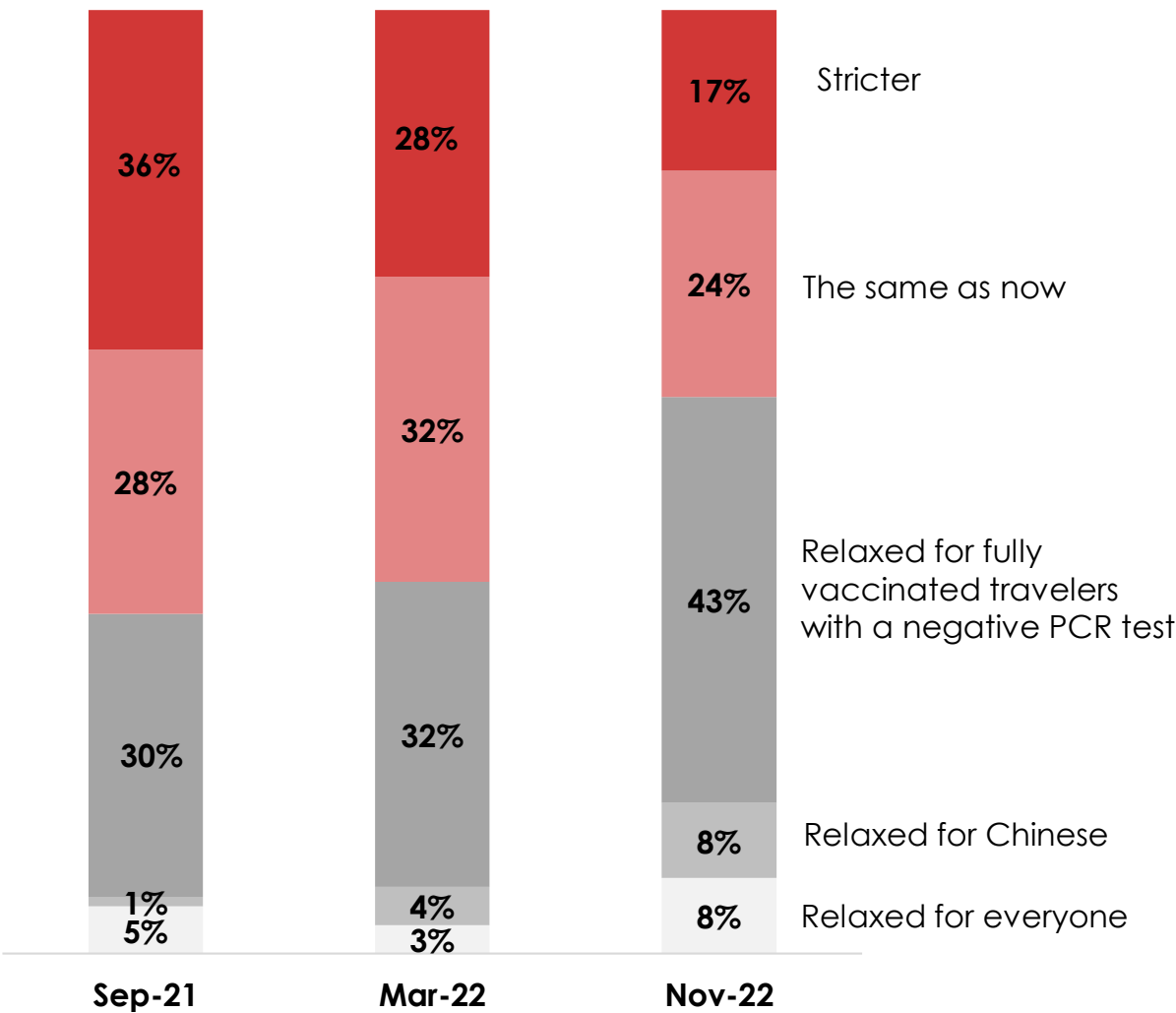


Almost 60% want quarantine to be relaxed

Attitudes towards China's quarantine-on-arrival have shifted considerably, with 59% wanting the policy to be relaxed, an increase of 20 percentage points since the spring. Meanwhile, the proportion of survey respondents who would like to see even stricter quarantine measure continues to shrink, down to 17%, compared to 36% in September 2021 and 28% in March 2022.

In June 2022, China reduced inbound quarantine to 7 days in a hotel followed by 3 days at home. Before then, hotel quarantine could vary from 10 to 28 days depending on the location. As of 11 November 2022, quarantine for international arrivals has been reduced still further to 5 days in a hotel and 3 days at home.

Chinese travelers – In your opinion, quarantine on arrival should be:

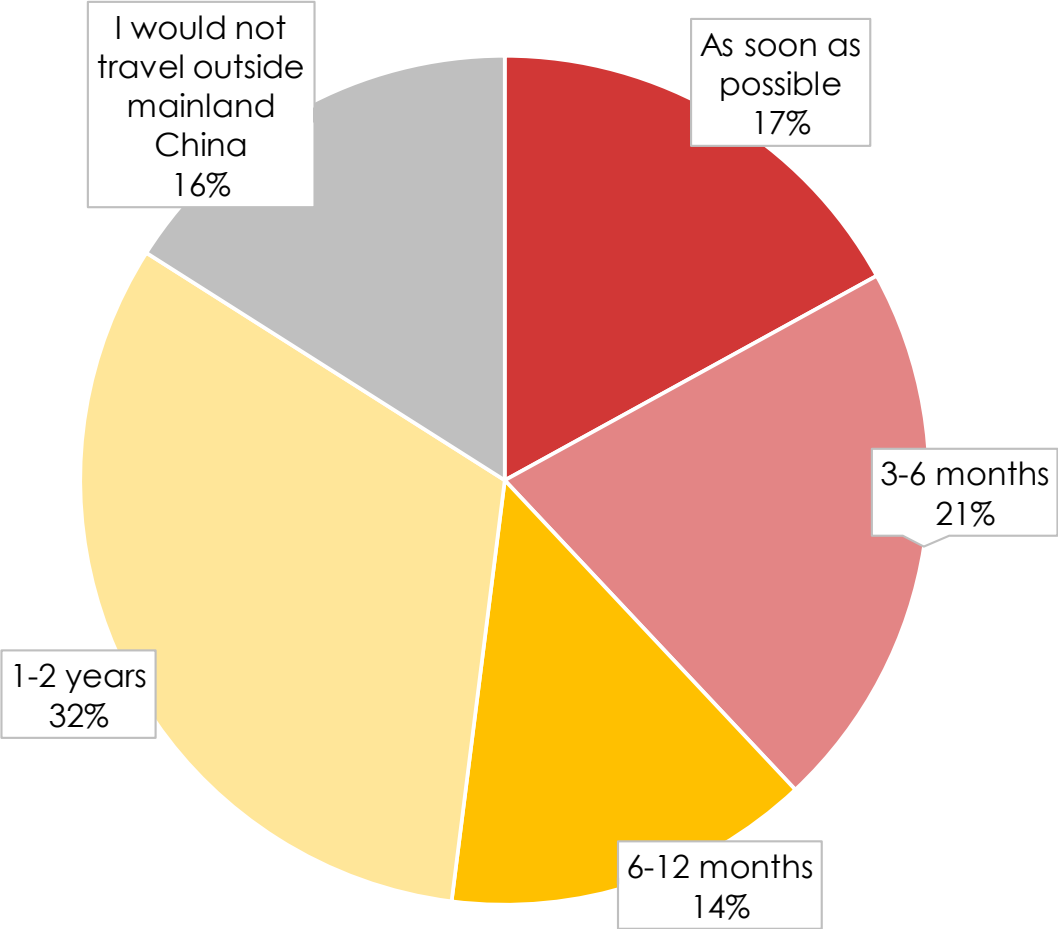


More than half of respondents would travel outside China within one year of reopening

Even if restrictions on outbound travel were dropped, how likely would Chinese consumers be to take an international trip? Overall, the result is positive with 17% of travelers likely to travel as soon as possible once travel restrictions are lifted. Over half (52%) would plan to travel outside mainland China within one year, and 84% would plan a trip within two years of reopening. However, 16% of respondents state that they would not travel outside mainland China.

Our results also show a gender difference, with women more likely than men to plan on traveling as soon as restrictions are relaxed.

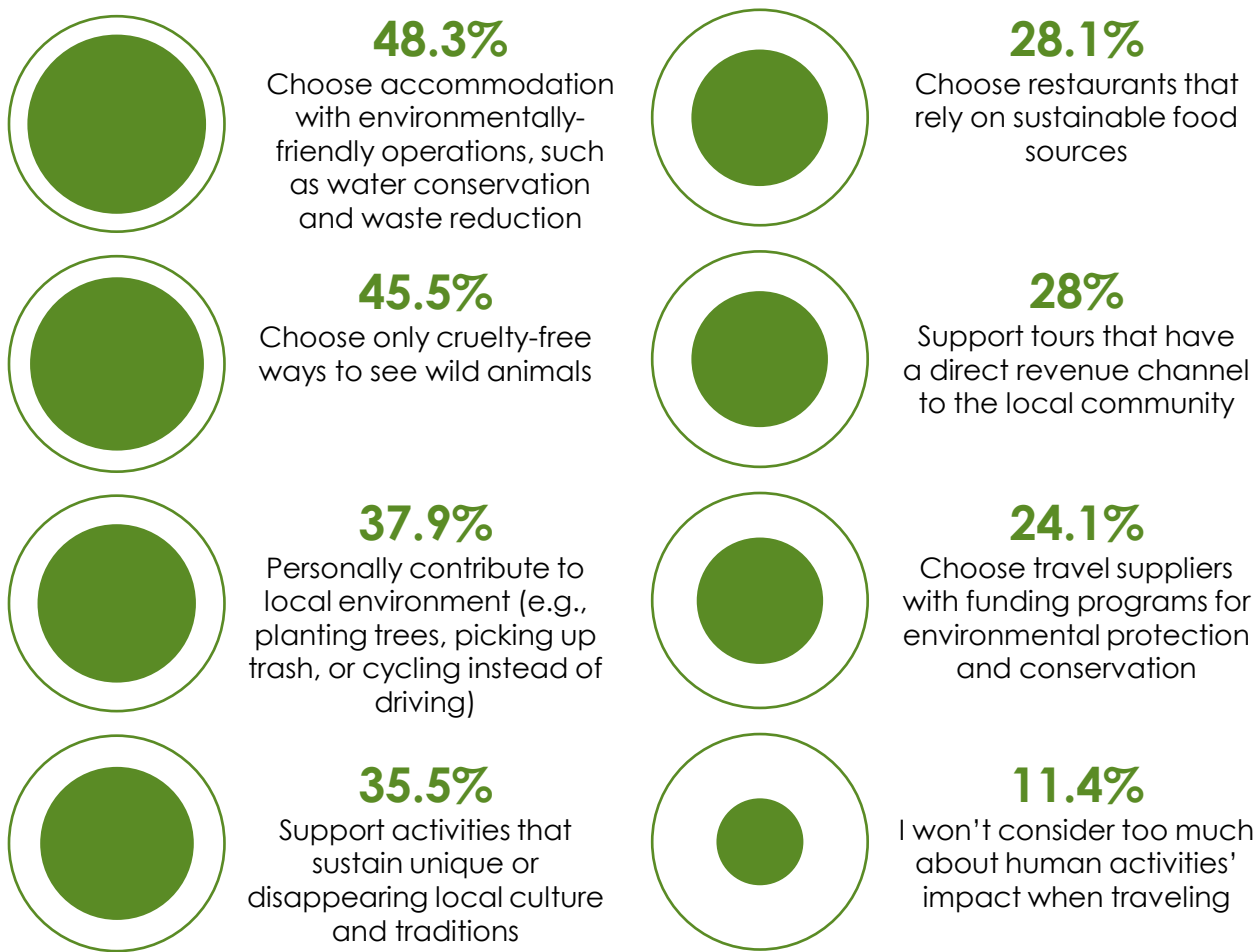
If international travel restrictions were lifted, when would you plan to travel outside mainland China?



What will sustainable travel mean to Chinese consumers in the post-pandemic era?

Sustainability is a buzzword in the travel industry, but what does it mean to Chinese consumers? When it comes travel intentions regarding environmental issues, approximately half of travelers prefer to choose accommodation that has environmentally-friendly operations, such as water conservation and waste reduction. Choosing only cruelty-free ways to see wild animals is another of the most popular intentions. More than one-third said they would plan to take personal action to benefit the local environment when traveling – a development opportunity for tour and activity providers. Just 11.4% of consumers admitted that they don't think too much about the environmental impact of human activities when traveling.

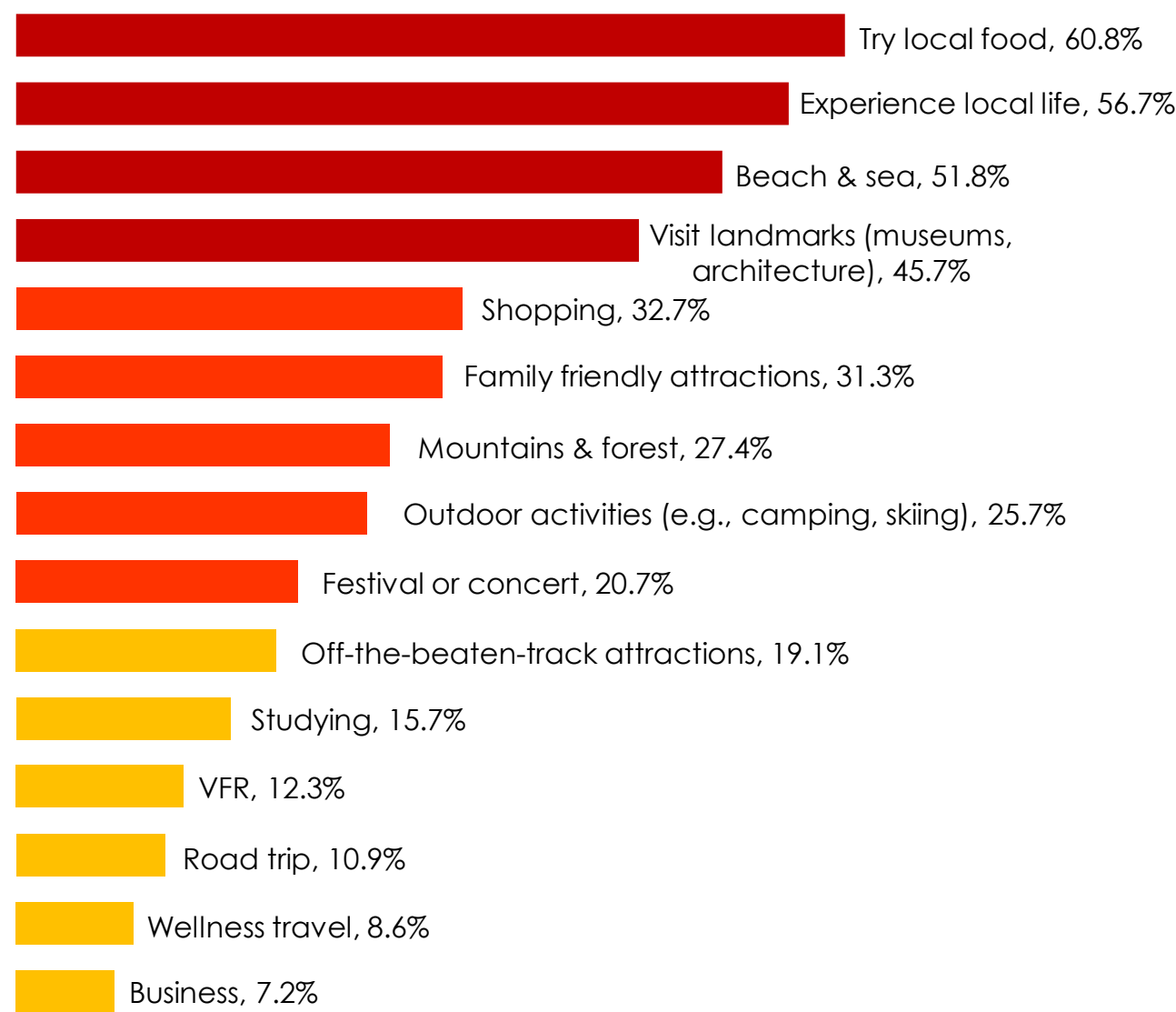
Chinese travelers: Which sustainable travel options resonate with your post-pandemic travel intentions?



Why travel outbound? Experiencing local food and local life are the top reasons

Experiencing local food and lifestyle are the main purposes of Chinese travelers for their next trip outside mainland China. Beach and seaside destinations are also on the wish-list for more than half of survey respondents, while visiting landmarks such as museums and iconic architecture still ranks high.

Chinese Travelers: Purpose of Next Outbound Trip

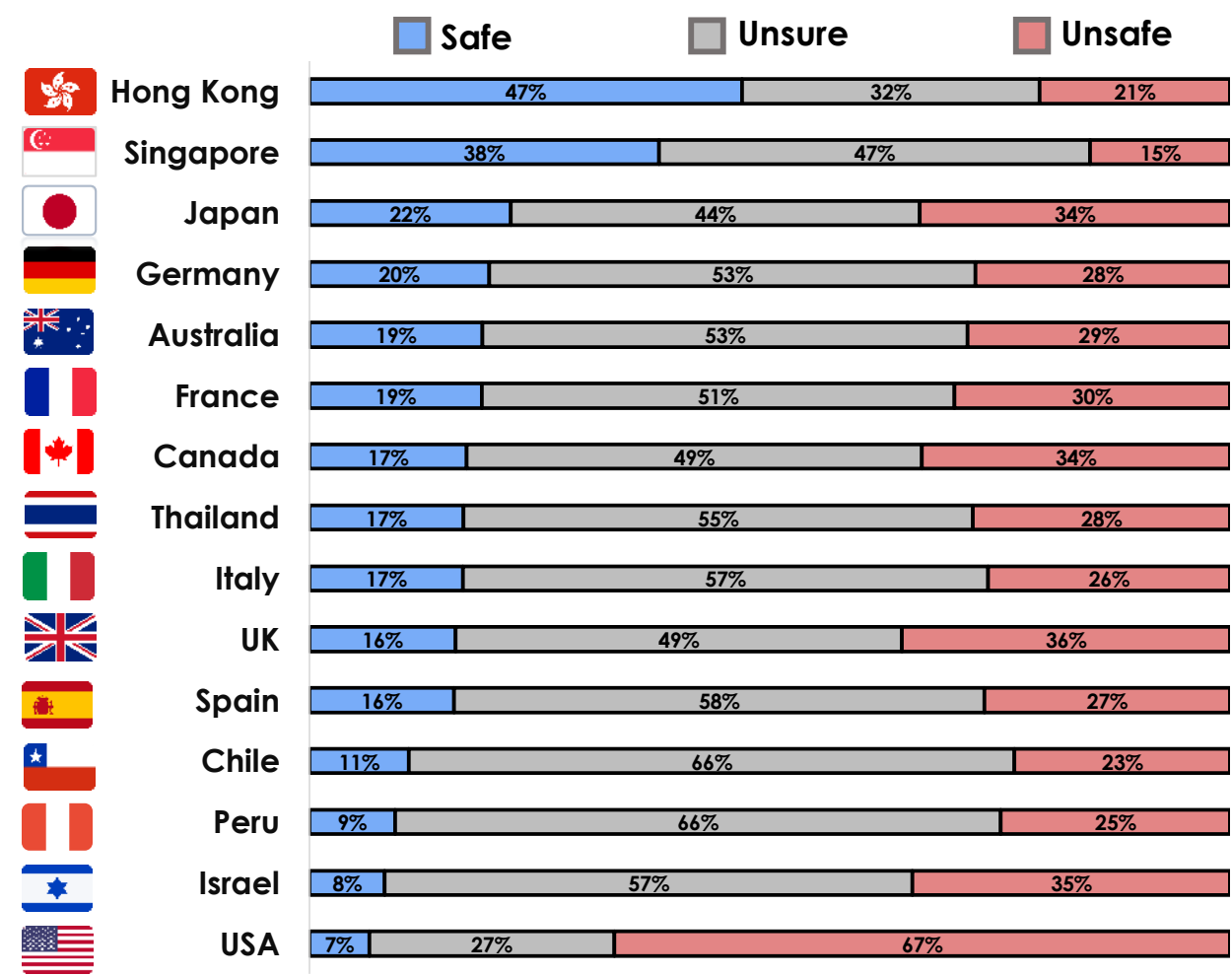


Safety perceptions of outbound destinations continue to improve, but uncertainty prevails

Compared to March 2022, all 15 outbound destinations on our survey list are now perceived as less “unsafe”. Notably, “unsafe” ratings for Hong Kong, Australia, Canada, and Israel each dropped by around 10 percentage points.

On the whole, uncertainty about destination safety has risen considerably, creating an important need and opportunity for destinations to provide consumers with more information. Only Hong Kong saw a significant increase in being perceived as “safe” (47%, compared to 37% in March). This growth is in line with Hong Kong becoming the most popular outbound destination for Chinese travelers (see next page). While its “unsafe” rating is 20 percentage points lower than it was in September 2021, the USA continues to be considered as the most “unsafe” destination choice by far.

How safe is it to travel to the following destinations?



Outbound destination preferences: Asian destinations – plus France – top the list

As in Dragon Trail's 2021 and March 2022 surveys, top destination countries are consistently: Japan, Thailand, South Korea, France, the Maldives and Australia – a diverse list in both geography and environment. In this most recent survey, Hong Kong moved into first place, from second (behind Japan) in September 2021. South Korea also moved up from 8th place to 5th, overtaking France. In contrast to previous surveys, both Macau and Taiwan made the top 10 list of destinations outside the Chinese mainland. Not surprisingly, Russia has dropped out of the top-10 list since our last survey, due to the ongoing war in Ukraine.

If restrictions allowed, where would you most like to travel?

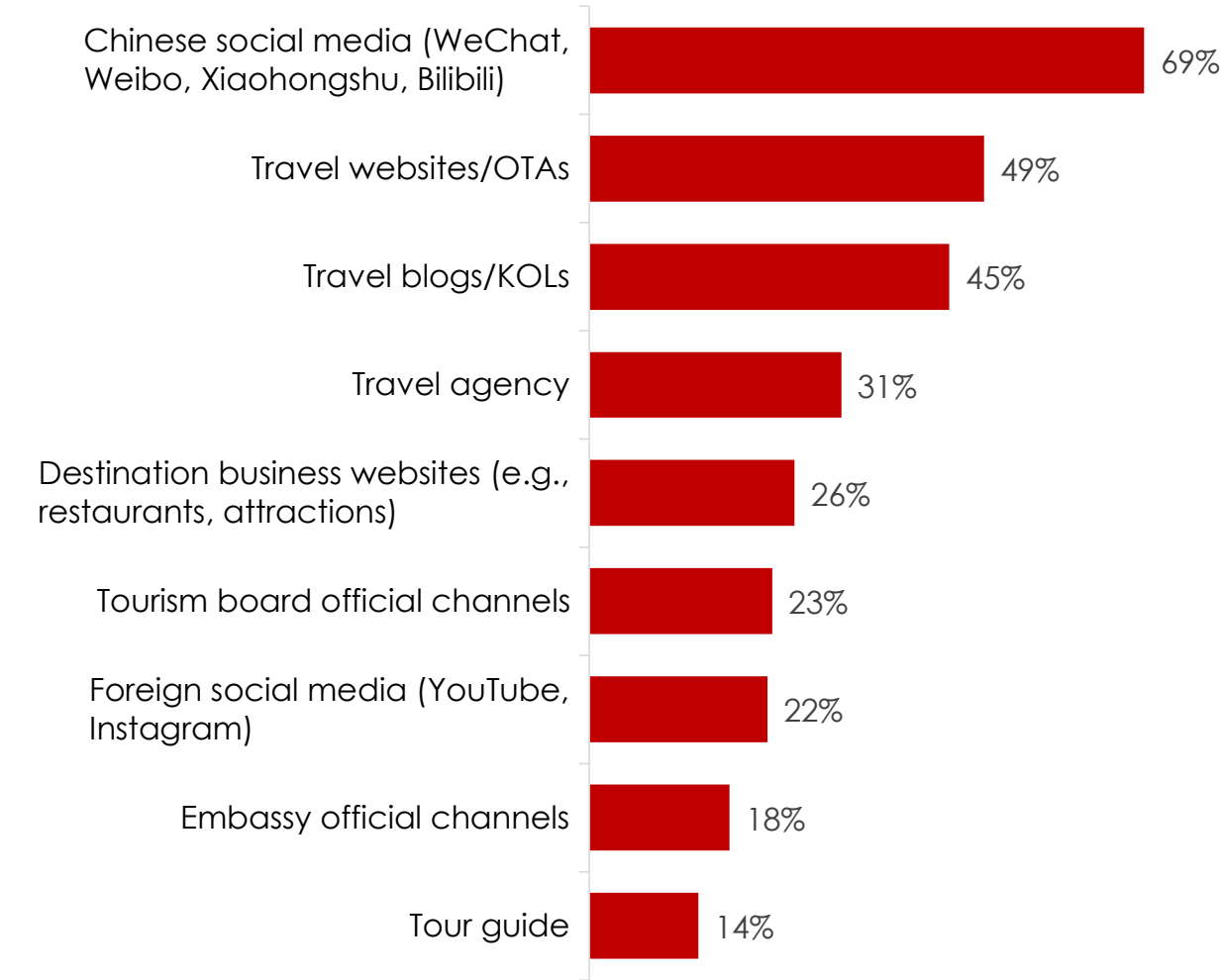
Destination		Repeat vs. 1st Time
#1	Hong Kong	39% vs. 61%
#2	Japan	23% vs. 77%
#3	Macau	31% vs. 69%
#4	Thailand	27% vs. 73%
#5	South Korea	13% vs. 87%
#6	France	9% vs. 91%
#7	Taiwan	12% vs. 88%
#8	Maldives	14% vs. 86%
#9	Singapore	4% vs. 96%
#10	Australia	12% vs. 88%

¹ 45.6% of respondents in this survey have outbound travel experience, n=457.

Online sources remain the leading channels for travel destination information

Chinese social media platforms, websites, and OTAs continue to be the leading channels for consumers to access travel destination information. This emphasizes the ongoing importance of using Chinese digital channels to reach potential visitors. Travel bloggers are also preferred by nearly half of mainland travelers.

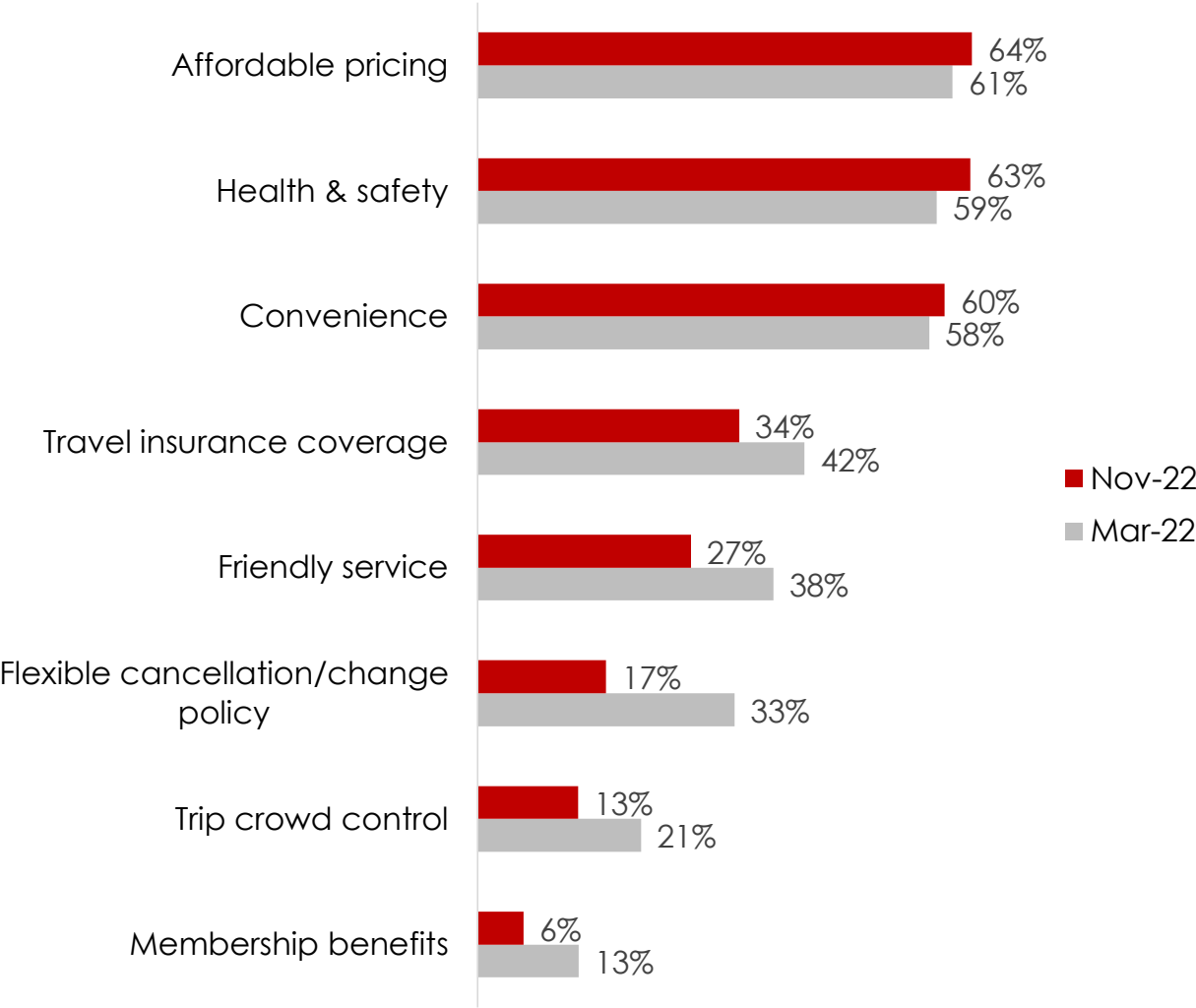
Chinese Travelers: Channels Used for Destination Information



Pricing, safety, and convenience still top the list for travel products

When it comes to travel products, pricing and safety continue to be vital, which reiterates the need for these incentives to be met. In addition, convenience needs to be addressed in travel products to provide motivation for travel. The ranking of product preferences remains completely unchanged from our spring 2022 survey – this consistency allows for travel companies to develop products with confidence as to consumer demands.

Product Preferences for Chinese Travelers

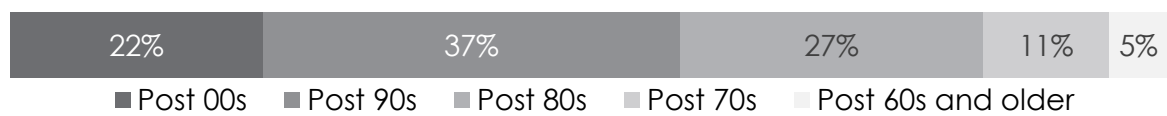


Methodology

From 7-20 November 2022 Dragon Trail Research conducted a 22-23 question online survey on the overall sentiment of mainland Chinese travelers, using Tencent's survey panel. Our data cleaning process identified and removed invalid responses, resulting in a total of 1,003 valid responses.

Target respondents were selected from a total of 49 tier 1, new tier 1 and tier 2 cities. Respondent age and gender were controlled with quotas.

Age



Gender



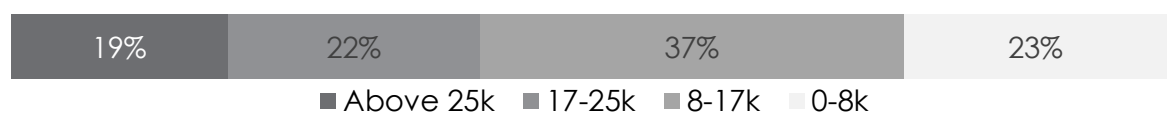
City of residence



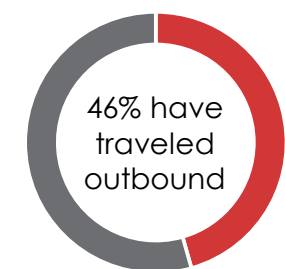
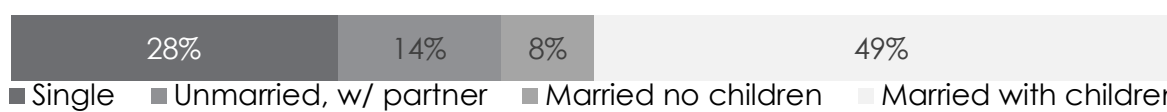
Education



Monthly salary (RMB)

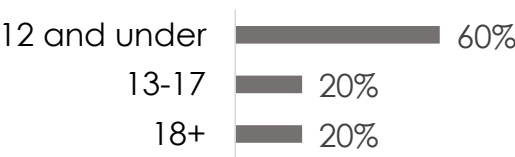


Family



All survey respondents had interest in travel. 46% had previously traveled outbound.

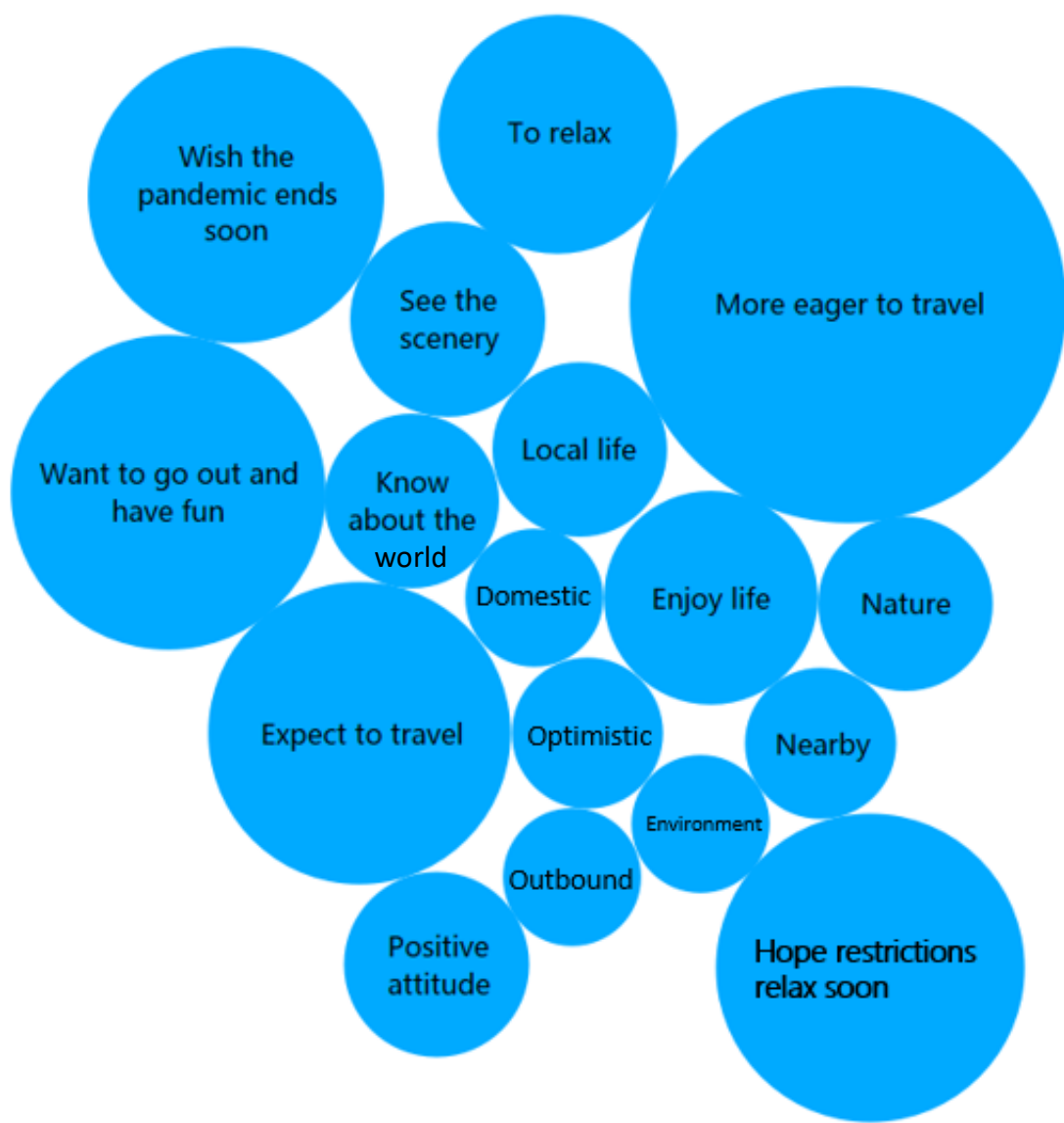
Age of Children



Appendix: Visualizing traveler sentiment

These visuals are based on responses to open-ended survey question:
How has your attitude towards traveling changed since the pandemic?

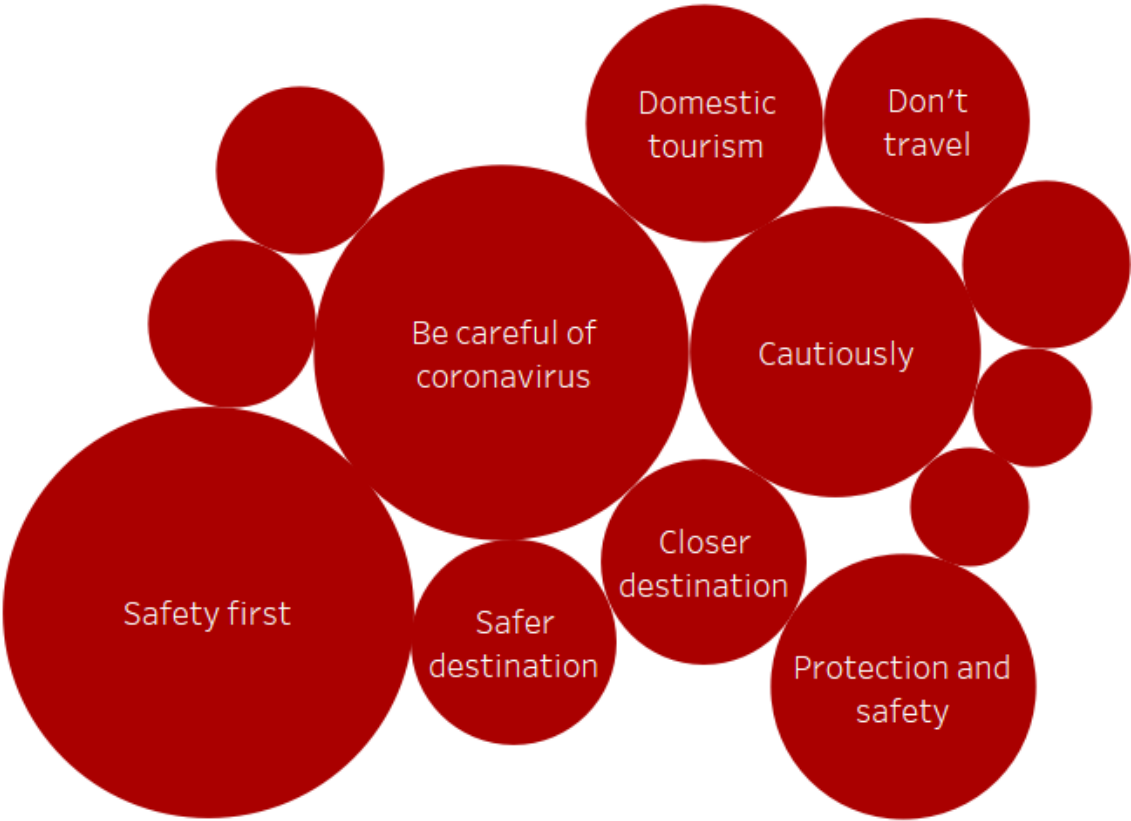
Eager for travel



Appendix: Visualizing traveler sentiment

These visuals are based on responses to open-ended survey question:
How has your attitude towards traveling changed since the pandemic?

Travel cautiously



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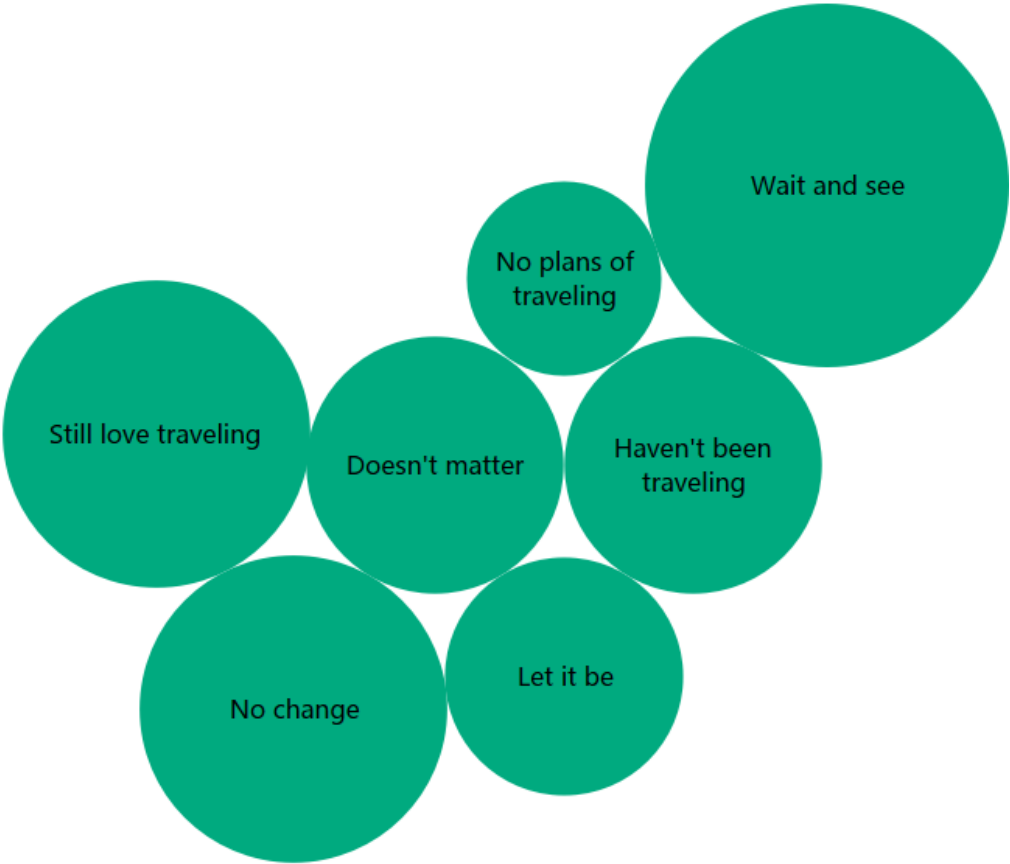
Won't travel



Appendix: Visualizing traveler sentiment

These visuals are based on responses to open-ended survey question:
How has your attitude towards traveling changed since the pandemic?

No change





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Dragon Trail Research empowers decision-making for the travel industry. Founded in 2019, Dragon Trail Research delivers quantitative and qualitative research fueled by statistics to help our clients uncover market trends, evaluate tactics, and engage their target audience.

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