

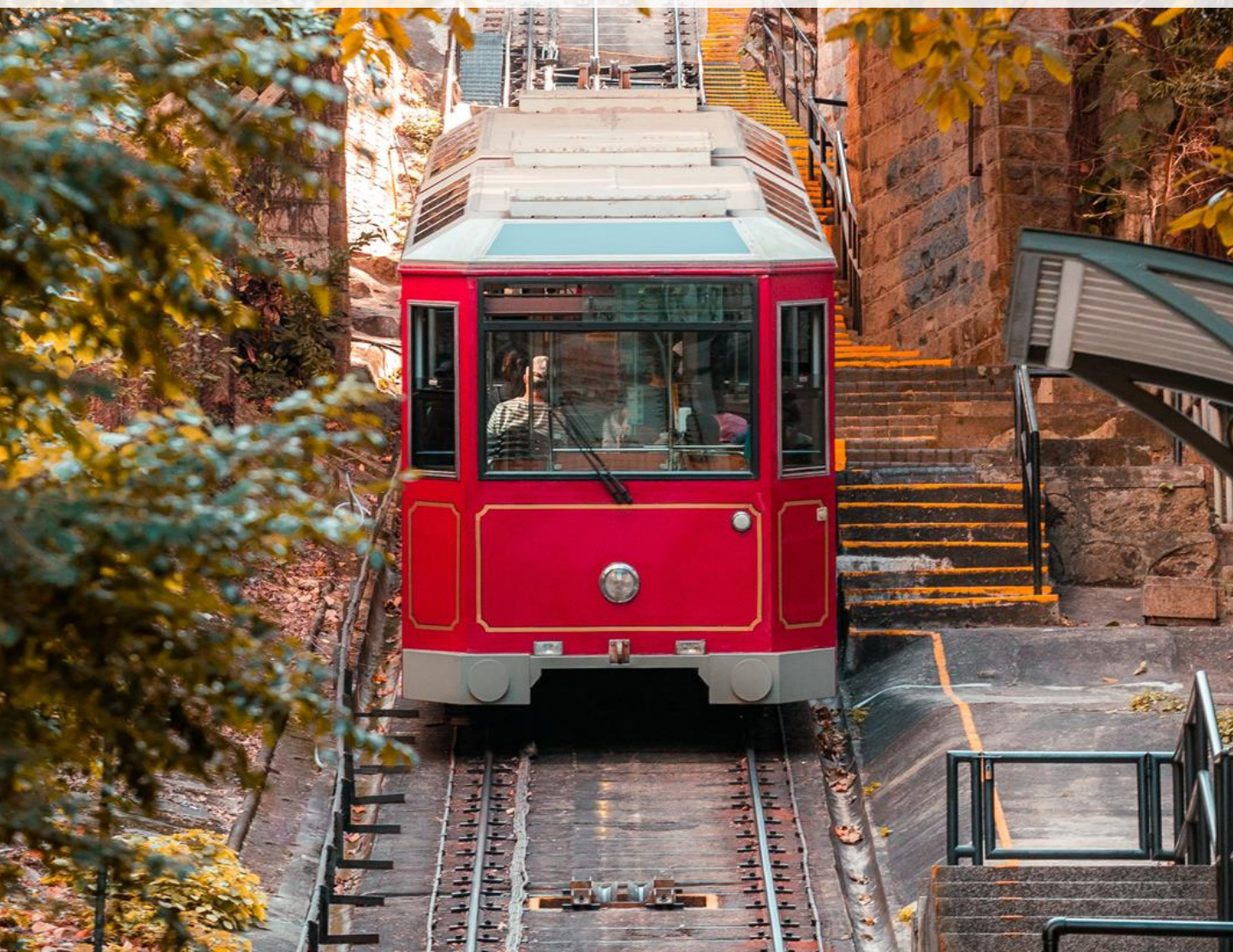


READY TO SEE THE WORLD

Chinese Traveler Sentiment Report

Dragon Trail Research

January 2023



Marketing Solutions for China and the World

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How can we take your business into the future?

Introduction: China's long-awaited outbound tourism recovery starts now

On 26 December 2022, the Chinese government announced the end of most international travel restrictions from 8 January 2023. After nearly three years of strict border controls, Chinese citizens can now travel outbound for the purpose of leisure, apply for new passports for non-essential reasons, and re-enter the country with no quarantine requirements at all.

How do these policy changes impact Chinese consumers' attitudes toward and plans for outbound travel in 2023? In the days leading up to the policy change (3-7 January), Dragon Trail Research surveyed more than 1,000 Chinese travelers. The results give us a snapshot of Chinese consumer sentiment around outbound travel on the eve of the country's reopening, with findings to guide tourism destinations and businesses during this first year of recovery.

"Let's go", "waited for too long", "feels happy", and "enjoy the freedom" were just some of the overwhelmingly positive sentiments shared by the 60.4% of survey respondents who said they wanted to travel outside of mainland China in 2023. While recovery will pick up gradually throughout the first sixth months of the year, we expect a strong comeback to start from July, along with a bumper 8-day Golden Week holiday for Mid-Autumn Festival and China's National Day (29 Sep-6 Oct).

The big winners will include Hong Kong and Macao, as well as Thailand and other Asian destinations. Destination preferences will likely be similar to before the pandemic, though the early days of reopening may set the stage for trends to follow in the rest of the year. As of mid-January, Thailand is standing out for its warm welcome to Chinese travelers, while numerous restrictions and border control policies are making South Korea and Japan look decidedly less friendly and accessible.

2023 is sure to bring some surprises and bumps in the road for China's reopening. While outbound travel for tourism is now allowed once more, outbound group and package travel has still not officially resumed. But the long-awaited recovery of the world's largest outbound tourism market has already begun, and Chinese travelers are ready and eager to see the world once more.

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Chinese traveler survey findings: 6 takeaways for travel destinations and businesses

1) Chinese travelers are ready to go

More than 60% of survey respondents said they wanted to travel outside of mainland China in 2023. This group expressed high expectations about the freedom of cross-border travel this year. Survey respondents said they were excited to relax, as well as to experience scenery, food, culture, and shopping overseas.

2) Hong Kong, Macao, and Thailand are the most popular destinations

The top 7 outbound destinations that Chinese consumers plan to travel to in 2023 are all in Asia. Hong Kong leads the way, chosen by more than 20% of respondents. With 11.1%, Thailand is by far the most popular foreign country.

3) Expect market recovery to really get going in summer

While nearly 40% of respondents said they planned to travel outbound in the first six months of 2023, it's clear that recovery will really start to pick up in the second half of the year. 42% said they would travel outbound in July and August, with 32% planning an autumn Golden Week getaway outside mainland China.

4) Family travel will dominate

With nearly half (48%) of consumers choosing to travel with family, travel destinations and products that cater and appeal to married couples, families with children, and families traveling with elderly parents will best meet market demands. From product design to service and advertising, keeping the family traveler in mind will help stand out in 2023.

5) COVID will have a negative impact

Among the 39.6% of survey respondents who said they will not travel outside of mainland China in 2023, the pandemic was the leading reason. 54.9% cited financial constraints related to COVID, and more than half (52-54.2%) worried about risks to their own health and the health of their families. The inconvenience of applying for travel documents (33.9%), busy schedules at work (37.7%) and destination safety (30.5%) also factored into travelers' decisions to stay at home.

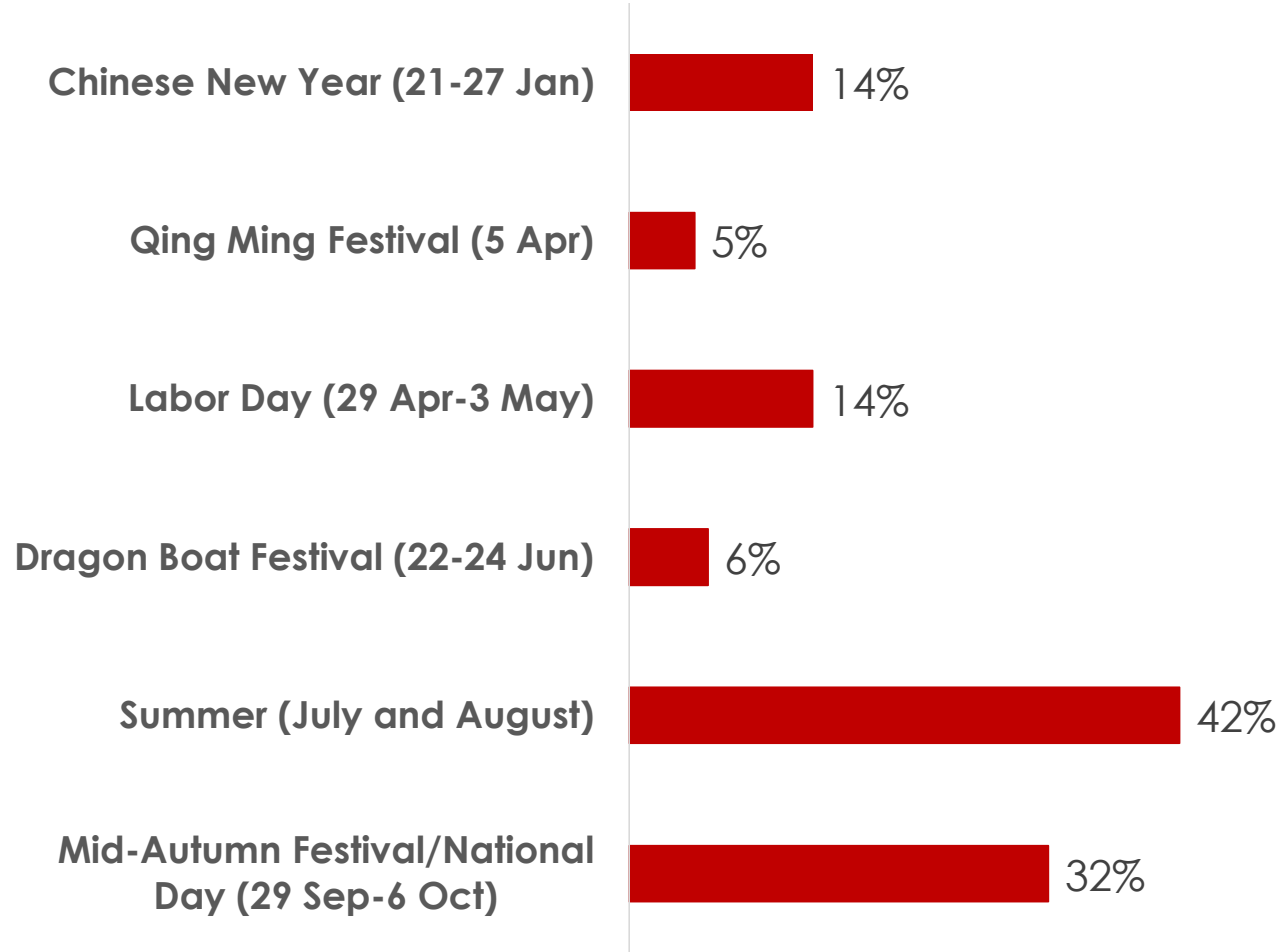
6) OTAs stand out for travel planning, but don't underestimate Xiaohongshu

OTAs (57.9%) like Ctrip and Qunar are unsurprisingly the leading tool for outbound trip planning. But Xiaohongshu's top billing (36%) among social media platforms is a new development. This result highlights how the aspirational travel app has become increasingly important not just for travel inspiration, but for planning, too. Travel brands wanting to establish a presence on the app can consider two options: opening an account, and/or working with travel KOLs who already have a sizeable following.

More than 60% of survey respondents plan to travel outbound now that China has reopened

More than 60% of respondents say they want to travel outside mainland China this year. The remaining 39.4% either have no plans to travel, or will only travel domestically. So when can we expect the Chinese travel market to return? While 29% might travel in the first six months of the year, it will be the second half of 2023 that truly sees a recovery. 42% said they plan to travel outbound in July and August, with a further 32% planning cross-border trips for the Mid-Autumn Festival and National Day Golden Week holiday from 29 September-6 October.

When Do You Plan to Travel Outbound in 2023?













Top destinations: Greater China appeals to more than one-third of travelers, while Thailand leads among popular Asian countries

Chosen by more than 20% of survey respondents who are planning an outbound trip in 2023, Hong Kong stands out as the most popular destination for mainland tourists. Altogether, Greater China destinations (Hong Kong, Macao, and Taiwan) account for 36.8% of responses – and more than half of outbound trips from the mainland before the pandemic.

Thailand stands out among Asian countries, chosen by almost twice as many respondents as the next most popular destination, Japan. While the results indicate that Chinese outbound travel recovery will be most pronounced within Asia, this should be expected based on pre-pandemic travel trends. The below list is actually very similar to the top outbound travel destinations in the years before COVID.

Where Do You Plan to Travel in 2023?

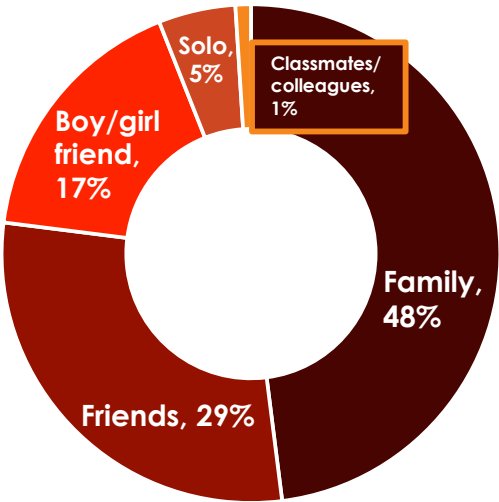
Destination			Repeat vs. 1 st time visitors
#1	Hong Kong (20.7%) 		34.5% vs 65.5%
#2	Macao (11.4%) 		29.5% vs 70.5%
#3	Thailand (11.1%) 		37.1% vs 62.9%
#4	Japan (5.9%) 		27.8% vs 72.2%
#5	Taiwan (4.7%) 		14.3% vs 85.7%
#6	South Korea (4.4%) 		14.8% vs 85.2%
#7	Singapore (4.2%) 		12.0% vs 88.0%
#8	France (3.4%) 		5.0% vs 95.0%
#9	Australia (3.1%) 		25.0% vs 75.0%
#10	Russia (2.7%) 		37.5% vs 62.5%

¹ 36.1% of survey respondents have outbound travel experience, n=382

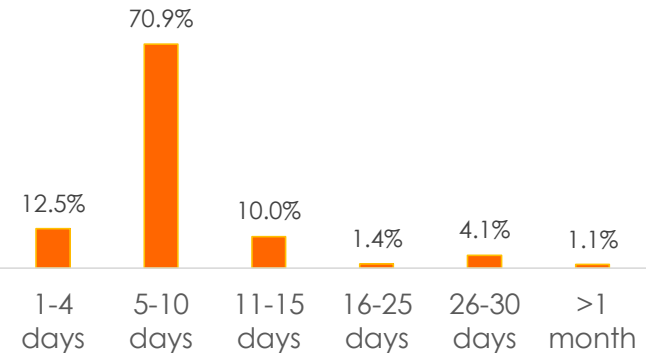
2023's typical Chinese outbound trip will be with family, for 5-10 days, and cost within RMB30,000

Nearly half (48%) of survey respondents who plan to travel outside of mainland China want to do so with family – including spouses, children, and parents – to enjoy this travel experience with loved ones after three years of closed borders. Travel with friends (29%) and boyfriends/girlfriends (17%) were also popular choices. The large majority (70.9%) plan to travel overseas for 5-10 days – something to consider when creating travel products for the Chinese market in 2023. How much will Chinese travelers be spending? 45% say they'll keep travel budgets within RMB20,000 (around US\$3,000). In the aftermath of COVID, travel spending will be somewhat constrained for many.

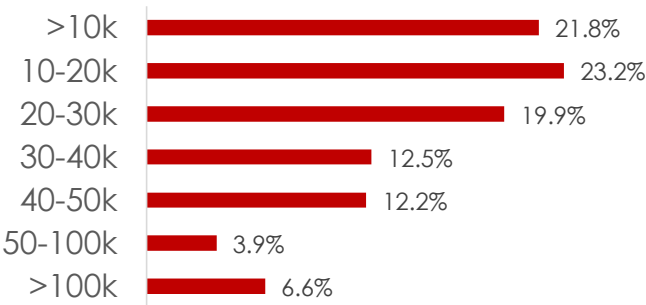
Travel Companions



Trip Length



Trip Budget (RMB)

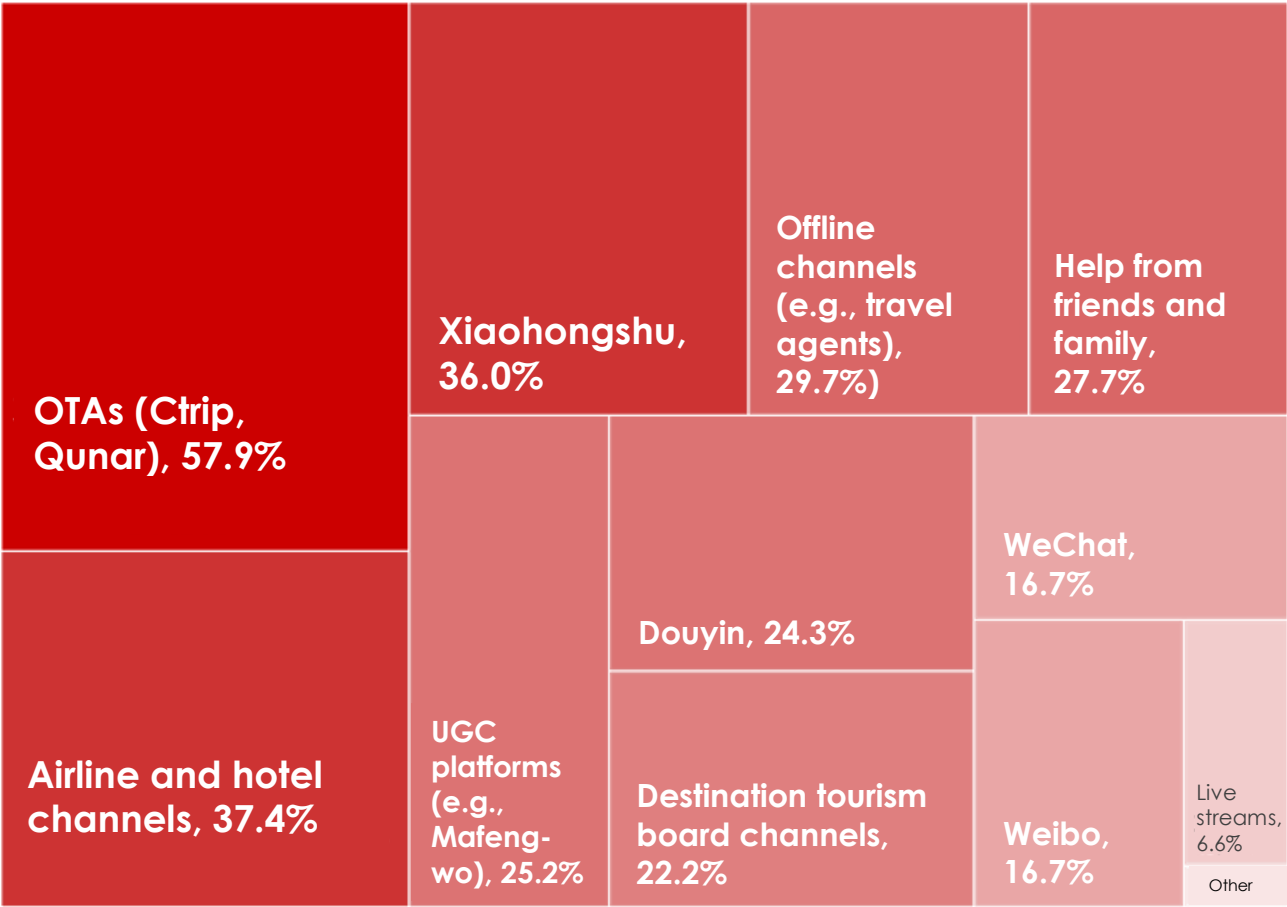


Xiaohongshu is more relevant for travel than ever, while OTAs are the most-used planning channels for outbound travel

Chinese travelers are most familiar (57.9%) with using OTAs to plan outbound travel – platforms like Ctrip offer both reliable information and good deals. Next, the official channels of airlines and hotels were used by 37.4% of respondents.

While respondents used a diverse array of social media in their outbound travel planning, Xiaohongshu (aka Little Red Book, or Red) stood out as the most popular (36%). This highlights how the channel has evolved over the years, becoming not just a source of travel inspiration, but also one where users can find practical information on visas, travel itineraries, trip budgeting, accommodation and dining recommendations, and more.

Channels Used to Plan Outbound Travel



Chinese consumers are ready to go, and full of expectation about the freedom of cross-border travel in 2023

After three years, Chinese travelers are full of expectation for outbound travel, with surging interest in outbound trips. Survey respondents said they were excited to relax, as well as to experience scenery, food, culture, and shopping overseas. Hong Kong, Macao, Korea, Japan, and Thailand were all mentioned as anticipated destinations. Travelers will be planning their trips carefully and taking safety into consideration, but very few of the survey respondents who said they planned to travel outbound in 2023 expressed anxiety about COVID.

How Would You Describe Outbound Travel in 2023?

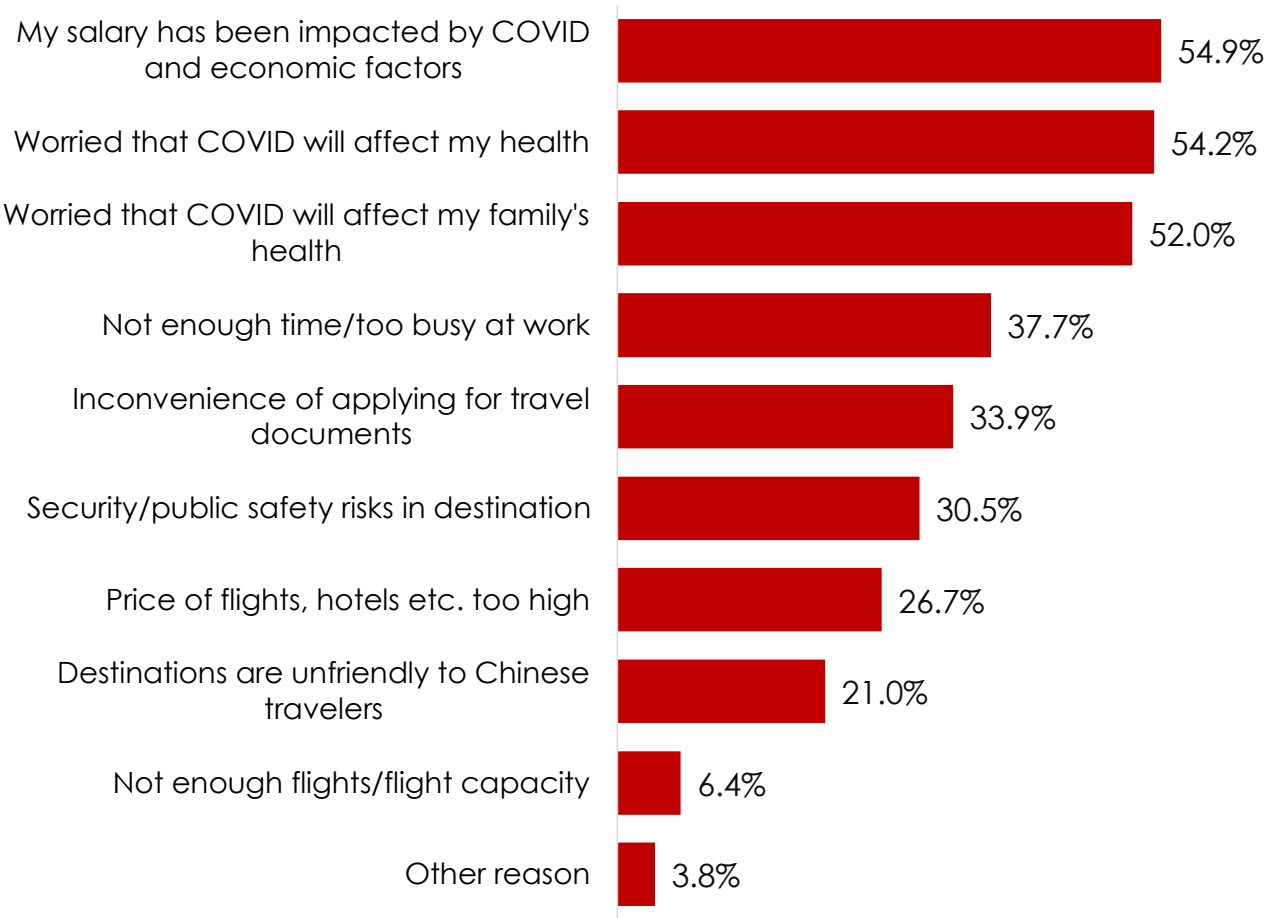


From financial constraints to health worries, COVID is the top reason for Chinese travelers to stay home in 2023

Of the 1,058 survey respondents, 419 had no international travel plans in 2023. These respondents planned to travel domestically, or not travel at all. The leading reason for not traveling abroad was the financial impact of the pandemic over the last three years (54.9%). Travelers also worried about health risks from COVID for themselves (54.2%) and their families (52%). One third or more of travelers are staying at home because of time constraints, or because of the inconvenience of applying for a passport or visa.

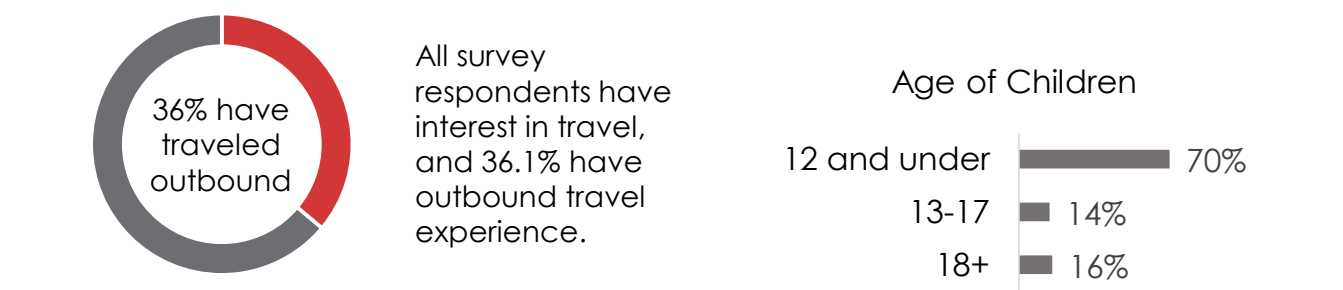
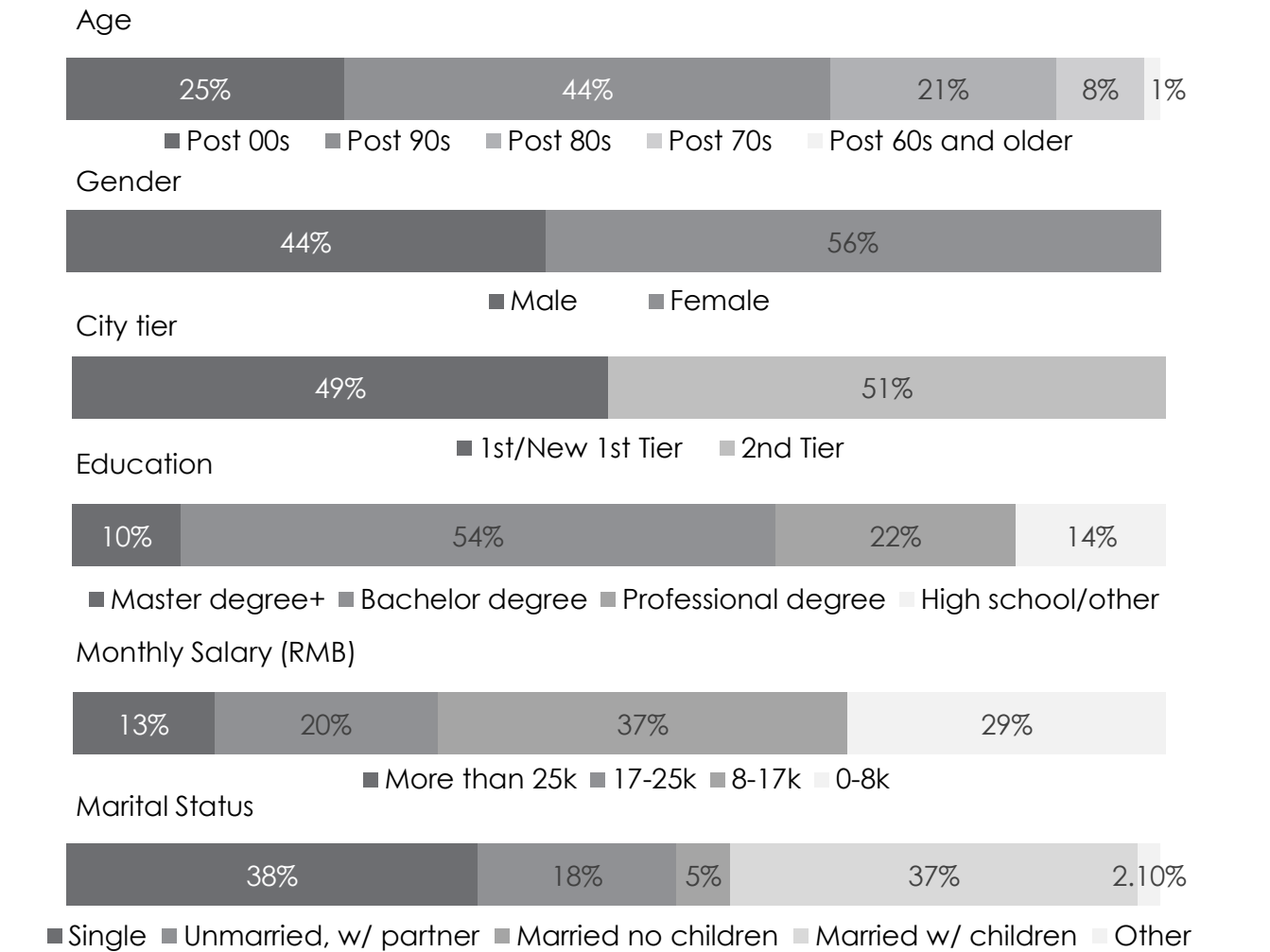


Chinese Travelers: Why Not Travel Abroad in 2023?



Methodology

From January 4-7, Dragon Trail Research conducted a 15-question 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 1,058 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.





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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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