

LUXURY HOTELIERS

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Neil Jacobs

Chief Executive Officer, Six Senses





REACHING CHINESE TOURISTS

By Lise Alain

Disposable Personal Income in China reached 39251 CNY (US\$5,635.09) in 2018. Given that only 10% cent of the Chinese population of 1.42 billion people owns a passport (40% of Americans, 76% of Britons), the potential for growth is considerable.

The China Outbound Tourism Research Institute (COTRI) predicts that the total number of Chinese outbound trips will reach more than 400 million by 2030, a significant increase from 149.7 million in 2018. (source: China Outbound Tourism Research Institute)

Chinese travelers are also the world's highest spenders per single trip, and according to McKinsey & Co., this spending is on an upward trend of 6.1 percent growth annually.²

China's outbound tourists are no longer new to travel, and their preferences reflect increasingly more sophisticated behaviors.

WHAT CHINESE TRAVELERS WANT

Although group travel is still in demand for older generations and first-time travelers, the largest and fastest growing segment of Chinese tourists, Millennials, are now a lot more adventurous in planning their trips, and authentic experiences have replaced shopping as the central objective in their planning. To reach

these independent travelers, it is important to understand the travelers' journey in planning their trip.

REACHING & ENGAGING: WECHAT

The social media platforms we're familiar with in the West are all blocked in China. Behind the Great Firewall, there's a Chinese version for all the apps you can think of. The one platform that stands out from this vast jungle is WeChat.

With over 1 billion daily active users³, WeChat is often referred to as the swiss knife of apps. It allows users to plan their holiday, to stay in touch with family, to get information at their destination and to learn pretty much anything a traveler would want to know by following a local account at their destination. There are Chinese residents in most parts of the world, and in most North American, Australian, Asian and European cities Chinese travelers and residents go to WeChat to get local information. Through WeChat groups and influential accounts, they learn about local legislation, activities, shopping and more. Given that WeChat also includes a payment component, many companies who engage with their guests on WeChat realize the value of accepting WeChatPay and other convenient digital payment options from their Chinese customers.

WEBSITES AND OTHER POPULAR PLATFORMS

The digital revolution in China is creating a whole new generation who no longer wants to abide by the rules that framed their parents’ life. Marriage is no longer a priority for Millennials,

who aspire to discover the world and have experiences their parents would have

only dreamed of. It is Chinese millennials that are fuelling the growth of

global tourism. The influences behind their fascination for travel are digital

platforms, where key influencers share their own experiences with their

followers. Mobile phone users account for 99.1 percent of the total netizens.⁴

LEVERAGING KEY OPINION LEADERS

Many brands and destinations work with KOLs and celebrities to feature their attractions. These campaigns are expensive, but will often generate many views and, eventually, conversions. In addition, brands can also set up their own official WeChat account and do their own campaigns on Tencent Moments. These allow for deeper engagement and builds brand loyalty. Popular campaigns will generally include an incentive to follow the account, given the competition for viewers’ attention.

REACHING A WIDER AUDIENCE WITH WEIBO

The challenge with WeChat is that it is a ‘closed’ platform. To grow followers requires a solid content strategy, along with marketing campaigns and advertisements. Another great option to reach Chinese travelers is Weibo. Like Facebook, Weibo is an open platform where brands can take part in trending topics with hashtags, and @ other accounts who will hopefully like or share your content with their own

audience. With 465M active users, Weibo allows people to post, share and interact, as well as to stay on top of the latest trends and news. Weibo is an excellent platform for content to go viral and for KOLs (and brands) to build their online communities.

OTHER CHINESE PLATFORMS TO KEEP AN EYE ON...

TikTok (Douyin): top short-video sharing media app in China

Founded in 2016, TikTok has 500M monthly active users. Often compared to Instagram, the target audience is young people who like creative, funny and cool Internet content, living in tier 1 and tier 2 cities.

TikTok provides a platform for users to produce, watch, and share funny and creative videos through special effects and filters. These 15-second clips can easily attract attention and get users addicted in keeping on refreshing for new ones. It is now considered to be one the trendiest platforms in China. Businesses can use the platform to post advertisements and create content. Brands are expected to get more and more experienced at creating short videos in 2020 (most likely with the help of some KOLS)

Xiaohongshu (RED): Cross-boarder E-commerce & social media platform

Founded in 2013. RED has roughly 30M MAU. Its target audience is mostly female shoppers living in tier 1 and tier 2 cities, 18-30 years old, who have experience in traveling abroad and enjoy shopping and sharing pictures of their purchases.

On this platform, users can post reviews, join in discussions, and post their own content. Content tends to focus on product photos and shopping experiences, including shopping tips, deals, and experiences from their trips abroad. Aside from its social aspects, Xiaohongshu is an advanced e-commerce platform. The homepage features items that have received the

most shares. This allows users to select which items are featured on the home page and to create trends.

KOLs on this platform can directly influence sales through the content that they generate, making this a very attractive platform for foreign luxury brands. Xiaohongshu is a solid potential partner for a luxury hotel’s boutique store.

Zhihu: Q&A website & social media platform, similar to Quora & Reddit.

Founded in 2011, Zhihu has 26M daily active users⁵ who are generally well-educated, wealthy, and live mainly in tier-1 and tier-2 cities.

Zhihu users are highly engaged, with many posts accruing tens of thousands of upvotes/downvotes and hundreds of comments.

Users often include charts, graphics, and other media to further demonstrate their point and improve the quality of their answers. Zhihu has also introduced several new features which Quora has yet to emulate, such as Zhihu Column, Zhihu Roadtable, Zhihu Bookstore and Zhihu Live.

While advertising in the traditional sense might not be very effective, providing users with useful content will almost certainly result in increased brand awareness. Businesses can answer questions that relate to their industry and post links to their company website or contact form. However, businesses must be careful not to come off as too sales-oriented and self-promotional.

One way to ensure good visibility for your content on this platform is to promote through KOLs. While they might not consider themselves KOLs in the traditional sense, top contributors on Zhihu have managed to gain massive followings on the platform. Collaborating with these top contributors can help brands reach their target audience and impart a sense of trust to Zhihu users.

Bilibili: Chinese video-sharing and gaming site. Average monthly active users reached 127.9 million⁶ in 2019. Videos uploaded from users cover a great variety of topics that young people are interested in.

Mafengwo: the one-stop site for Chinese independent travelers (FITs)

Owned by Tencent, the company was founded in 2010. One of the most popular peer to peer site in China until very recently, it was hit by allegations of generating fake reviews in Oct 2018, which caused a lot of damage to its reputation. It claimed 120M monthly active users as recently as last summer, so it is unclear what the future holds. In a recent release (hotelmarketing.com, Dec 16), the company announced that it was letting go 40% of its staff.

On Mafengwo, users can go through the latest travel information, glance at Q&As and reviews, as well as book hotels, travel destinations and local tours.

Mafengwo rose to popularity due to its social aspects. Users can share information about their trip and post content for other users to discuss and

up/down vote, which caters to the growing number of Chinese FITs. The site hosts over 1 million user-generated travel guides and sees massive amounts of engagement on its content.

Advertising is available on the platform, but as with almost any platform in China, KOL promotion may be the most effective. Seasoned travel experts with large followings on Mafengwo are often willing to collaborate with brands to promote them.

CONCLUSION

According to Daniel Langer, CEO of the luxury, lifestyle and consumer brand strategy firm Équité (in an article for JingDaily), brands need to do three things to stay ahead in the fast-changing environment of luxury consumers:

- 1. Focus on brand equity building
- 2. Install a state-of-the-art digital infrastructure
- 3. Create brand communities

China is ahead of the rest of the world in digital transformation. Leading this fast-changing landscape is the race to create experiences that enhance

the customer journey. In the words of Brian Solis⁷, “In Digital Transformation, Customers are Number One”.

Companies in China are taking a more offensive role, using digital transformation as a way to differentiate, drive revenue, enhance customer experiences and acquire new customers.⁸

CUSTOMER SERVICE: KEY TO THE ONLINE EXPERIENCE

Once you’ve set up an official WeChat account, you can now advertise on Moments and produce great content. But keep in mind that however important engaging content and cool marketing campaigns are to your success on WeChat, the key to long term customer allegiance remains customer service.

Understanding the culture and providing cultural training to your staff, adapting your hotel amenities and services to meet Chinese travelers’ preferences and making sure your communications are translated into Chinese will go a long way in growing your sales with this important demographic.



About the author

Lise Alain is the founder and president of LAT Multilingual & Marketing, a communications agency based in Vancouver, BC (Canada), specialized in helping the tourism industry engage with Chinese travelers online. LAT developed a cultural training program ‘The Golden Dragon’ (dragonweb.ca) to help hotels, restaurants, retailers and attractions better serve Chinese tourists. LAT’s clients include Vancouver Int’l airport (YVR) several DMOs and a multitude of hotels, attractions, retailers and restaurants who understand the importance of engaging with Chinese customers on their own social platforms. Contact Lise at: lise@latmultilingual.com or call 1-866-936-3833, ext 101.