Market and Trade Profile: China

March 2021

Destination Bristol ©Gary Newman

Overview

- **'Chapter 1: Inbound market statistics'** provides insights on key statistics about Chinese travellers, where they are going, and who they are. It also takes a look at Britain as a destination and its competitive set.
- **'Chapter 2: Experiences and perceptions'** features details about what visitors from China are likely to do in the UK, how they felt during their visit to the UK, and whether they would recommend a stay there to their acquaintances. Perceptions of Britain held by Chinese people in general are also highlighted.
- **'Chapter 3: Understanding the market'** takes a close look at consumer trends in China, and the booking, planning and further travel behaviour of this source market. Some details on how to best reach Chinese consumers are indicated, too.
- **'Chapter 4: Access and travel trade'** shows how people from China travel to the UK, how to best cater for their needs and wants during their stay, and gives insights into the Chinese travel trade. Further ways of working with VisitBritain and other useful research resources are pointed out in the appendix.

Please note that the majority of this report refers to the market conditions for travel from China to the UK prior to the COVID-19 pandemic, and gives some insight on changes which have resulted from the crisis. An international recovery sentiment tracking survey is available.

Contents

Executive Summary

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1: Inbound market statistics

Chapter summary

- China is the most valuable market for international tourism expenditure, spending over US$254bn abroad in 2019.
- China was the 13th largest inbound source market for the UK in 2019, and the 2nd for spend, with new records set for visits.
- Before the COVID-19 pandemic, the Chinese outbound market was booming. Visits abroad almost tripled in 10 years; from 28m overnight stays in 2009, to well over 100m in 2019. Due to the coronavirus outbreak, visits from China to the UK decreased by an estimated 84% in 2020 overall, and are forecasted to recover to 2019 levels by 2026.
- Hong Kong and Macao are usually the most visited destinations by Chinese travellers. However, with more now venturing further away, the USA, France, Germany and the UAE were the most popular destinations outside of Asia and neighbouring Russia for Chinese visitors in 2019. The UK was the 7th most visited country in Europe by Chinese residents in 2019 for overnight stays.

Source: International Passenger Survey by ONS, Oxford Economics, UNWTO

In 2019, China was the most valuable outbound market globally, and second most valuable inbound market for the UK

2: Experiences and perceptions

Chapter summary

- Going shopping is the number one activity which most Chinese visits will feature, followed by dining in restaurants, sightseeing, visiting museums and parks and gardens.
- China is a key source of study visitors, and 8% of Chinese visitors participate in an English language course during their stay, compared to the all-market average of 2%.
- The Chinese have a special interest in British football teams, and are most likely to visit Britain for its cultural attractions.
- Chinese people usually have a good opinion of Britain. In 2020 they ranked Britain 1st among 50 nations overall, 1st for people, 2nd for tourism and 2nd for culture. Ranking for 'would like to visit if money was no object' fell significantly in 2020, perhaps linked to the coronavirus pandemic.
- However, once they visit Britain, almost 3-in-4 holidaymakers would be 'extremely likely' to recommend a holiday to Britain.

Source: International Passenger Survey by ONS, Anholt Nation Brands Index powered by Ipsos 2020, VisitBritain/Arkenford 2013

Main reasons why Chinese people visited Britain:

Cultural attractions, local food/drinks, natural beauty

VisitBritain VisitEngland

3: Understanding the market

Chapter summary

- China has a population of 1.4 billion; the largest in the world, with growing young middle and affluent classes. However, the population has started to age.
- Most Chinese visitors to the UK come from large urban areas (30% from Beijing and 18% from Shanghai), despite a low urbanisation rate in the country overall when compared to neighbouring countries.
- There are 10 Chinese public holidays per year, and going away is a strong aspiration: it is an opportunity to display your social status and learn more about the world.
- Chinese middle and upper classes now explore destinations further away than ever before, and this trend is set to grow. Mobile travel apps and platforms allow them to be more independent in planning their travels. Culture is still an important draw to travel for most, but interests in niche destinations and unique experiences is growing too.
- Despite the profound economic impact of the coronavirus pandemic, China's economy grew in 2020 overall, after significant recovery in Q4. This recovery was reflected in strong performance by the domestic travel market.
- 69% of Chinese travellers plan to take an international leisure trip in the next 12 months, and Britain is the second most popular destination within Europe for this audience. The availability of vaccines will be a strong activator for international leisure trips. However, the reopening of borders may also depend on border policies to control COVID-19 cases.

Source: CIA World Factbook 2021, VisitBritain/IPSOS 2016, OfficeHolidays, TCI/VisitBritain/VisitScotland/VisitWales/London&Partners published February 2021

40%

of Chinese travellers planning to come to Europe would visit Britain

4: Access and travel trade

Chapter summary

- Most Chinese visitors will reach Britain by air. Only 9% of visits from China to the UK in 2019 were made through the tunnel or by sea in total. Looking at Chinese holiday visitors in 2016, 24% paired a visit to the UK and to another country as part of the same trip.
- Airline seat capacity from China to Britain has grown significantly in the past ten years. Chinese carriers have increased their capacity to the UK, creating new routes or converting seasonal routes into year-round services.
- Due to the COVID-19 outbreak, seat capacity from China to the UK hit ‘rock bottom’ in April 2020 at -96% compared to the same month in 2019. Departures are planned to stay at a very low level for at least the first half of 2020.
- There is still a strong presence of offline bookings in the Chinese travel market, especially for long haul trips. However, online travel agents (OTAs) are making progress year on year: 58% of Chinese travellers would use an online travel agent or online tour operator to book their next trip, and 27% would use a travel comparison website.
- Currently, Ctrip dominates the Chinese OTA market, with its rebranded trip.com app attracting more than 1 billion downloads. However, there is no shortage of competitors, including Fliggy and Qunar.

Doubled

seat capacity on direct flights from China to the UK from 2009-2019

Source: IPS, Apex 2019, TCI/VisitBritain/VisitScotland/VisitWales/London&Partners published February 2021, Nijital

Inbound market statistics

Chapter 1

1.1 Key statistics

Key insights

- China was the 13th largest inbound source market for the UK in 2019, and the 2nd for spend.
- 2019 saw China achieving a new record for visits, and seeing growth in all metrics vs. 2018. And this is no surprise: up to 2019, the Chinese outbound market was booming, and with only 29% of Chinese holiday visitors to the UK having been before (vs. 63% across markets), this should hopefully grow further post COVID-19.
- In 2019, 58% of Chinese visits to the UK were made by holidaymakers. 9% of visits are made by students*, which is considerably higher than the all market average of 1%, and due to longer stays, students make up 37% of the nights spent by Chinese visitors in the UK. This demonstrates that China is a key market for study tourism.
- In 2019, visits from China were still very seasonal, with 44% taking place between July and September. Regional spread is more pronounced: Chinese visitors spent 65% of their nights in the UK outside of London.

£1.7bn

Spent in the UK in 2019

Source: International Passenger Survey by ONS. Repeat visitors data from 2015.

*To be included in IPS figures as an overseas study visitor, students must be staying in the UK for less than one year

1.1 Key statistics: global context and 10 year trend

Global context

Measure	2019
International tourism expenditure (US$bn)	254.6
Global rank for international tourism expenditure	1
Number of outbound overnight visits incl. Hong Kong and Macao (m)	103.7
Number of outbound visits excl. Hong Kong and Macao (m)	73.9
Most visited destination overall	Hong Kong
Most visited destination overall (excl. Hong Kong and Macao)	Thailand
Most visited destination in Western Europe	France

Inbound travel to the UK overview

Measure	Visits (000s)	Nights (000s)	Spend (£m)
10-year trend	+573%	+724%	+873%
2009	131	1,751	176
2010	186	4,106	333
2011	270	5,367	450
2012	301	6,583	513
2013	378	9,767	1,008
2014	357	9,386	1,045
2015	526	7,983	1,200
2016	645	13,192	1,358
2017	819	14,916	1,741
2018	860	13,802	1,501
2019	883	14,421	1,710
Share of UK total in 2019	**2.2%**	**5.0%**	**6.0%**

Source: International Passenger Survey by ONS, UNWTO, Oxford Economics

1.1 Key statistics: volume and value

Inbound volume and value

Measure	2019	Change vs. 2018	Rank out of UK top markets
Visits (000s)	883	+3%	13
Nights (000s)	14,421	+4%	5
Spend (£m)	1,710	+14%	2

Due to the Covid-19 outbreak in Q1 2020, visits from China to the UK decreased by 22% in the first three months of 2020 compared to those months in 2019, down to to 93,000*.

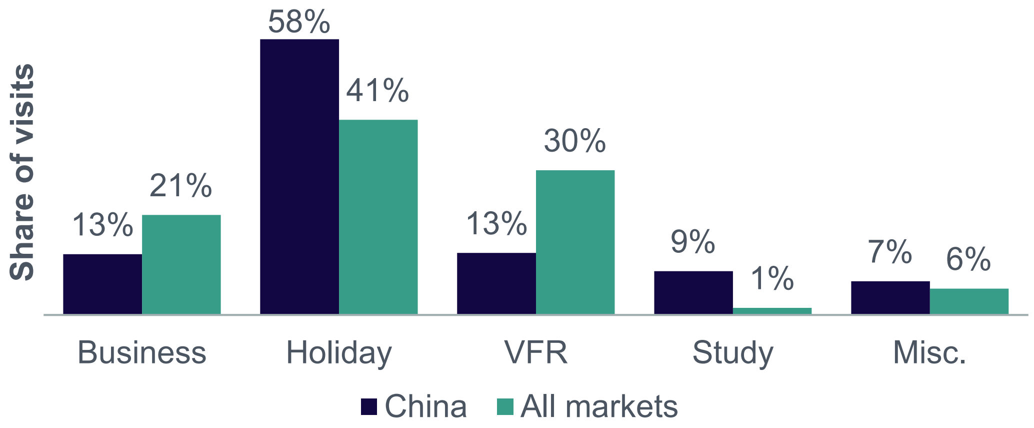
Key metrics by journey purpose (2017-2019)

Averages by journey purpose	Nights per visit	Spend per night	Spend per visit
Holiday	10	£167	£1,597
Business	9	£213	£1,820
Visiting Friends/ Relatives	20	£73	£1,487
Study	76	£70	£5,308
Misc.**	11	£141	£1,486
All visits	17	£115	£1,933

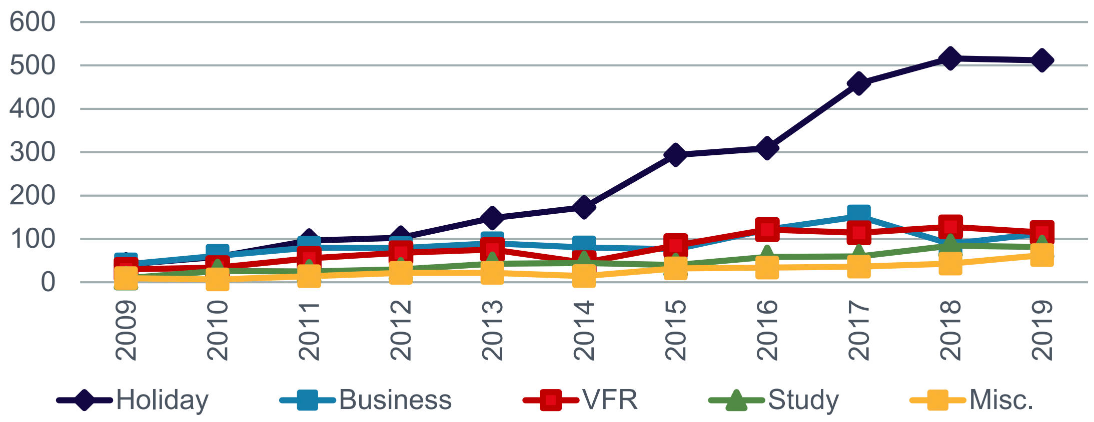
Source: International Passenger Survey by ONS, *provisional data for January-March 2019, latest statistics at time of writing **small base

1.1 Key statistics: journey purpose

Journey purpose 2019



Journey purpose trends (visits 000s)

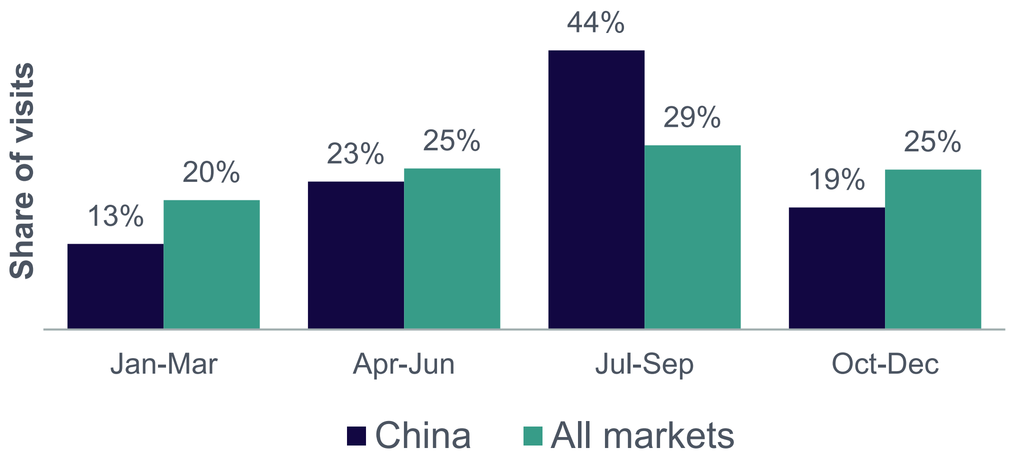


- 58% of all visits to the UK from China were made for holiday purposes in 2019. This is above the all-market average of 41%.
- It also means that there were more Chinese holiday visits than all other purposes added together.
- The joint second most popular reasons why people visited the UK from China in 2019 were to visit friends and relatives (VFR) and for business.
- Holiday visits have led the volume growth in the Chinese market since 2012, with a lull in 2016 followed by strong growth in 2017 and 2018.
- The relative importance of business visits has significantly dropped in the last 10 years due to the rise of holiday travellers, but the number of business visits has remained relatively stable.
- There was also a new record for study visits set in 2018, with numbers still high in 2019. Visitors from China are much more likely to be visiting the UK for study than the all-market average.
- In 2019, 37% of Chinese nights in the UK were spent on a study trip.

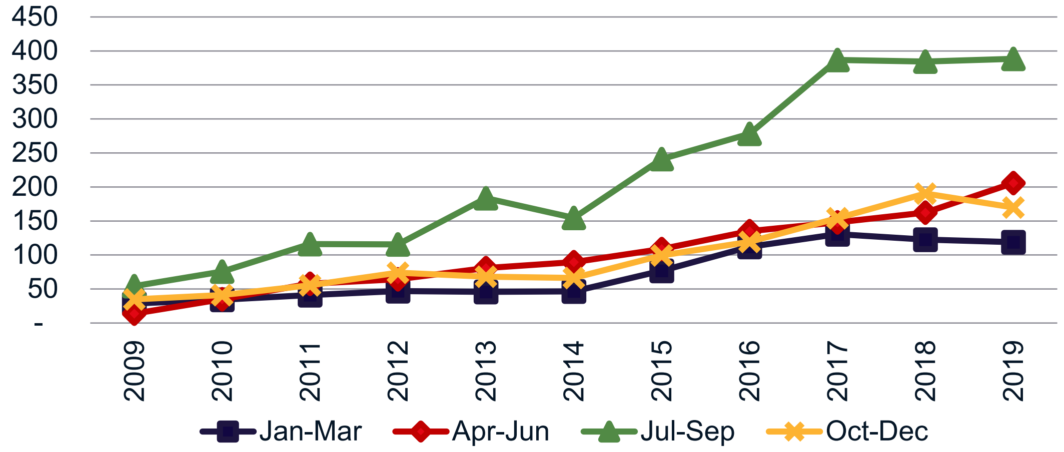
Source: International Passenger Survey by ONS

1.1 Key statistics: seasonality

Seasonality 2019



Seasonality trend (visits 000s)

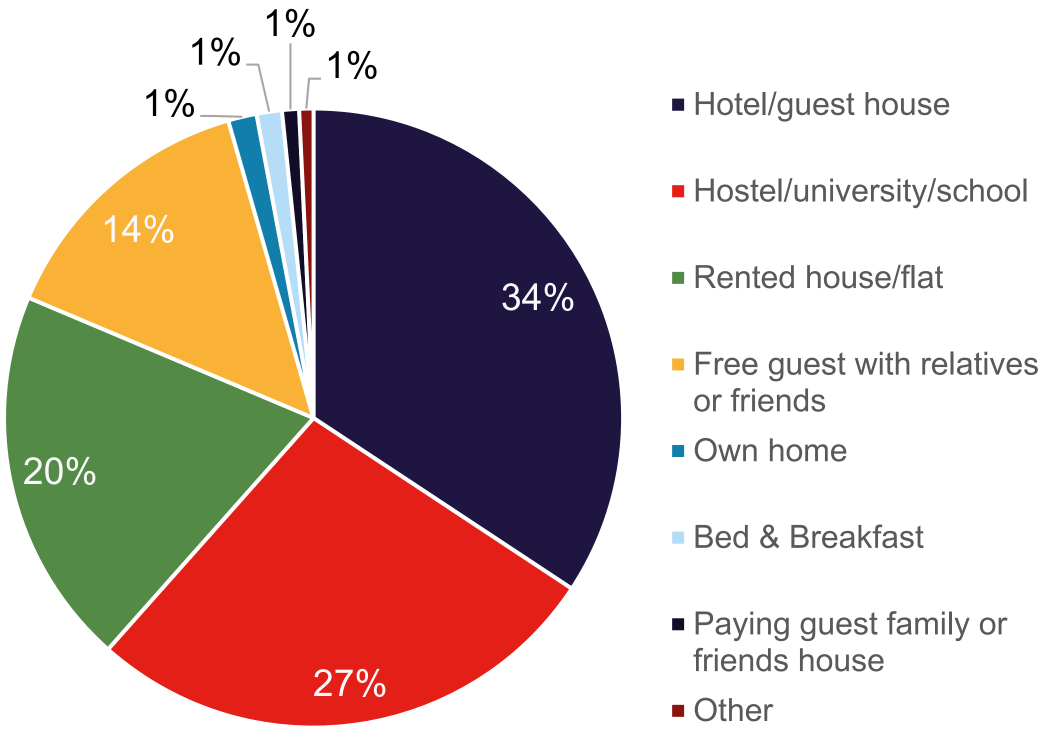


- Visits from China are very seasonal: in 2019, 44% of all visits from China were made in July-September.
- Visits during the summer started driving growth in 2012, around the same time as holiday visits started growing at a faster rate than other journey purposes. Seasonal direct flights between China and the UK also support this trend.
- Chinese visitors are less likely than the all-market average to visit the UK in the other three quarters. An important consideration when it comes to seasonality are the Chinese New Year Golden Week (in Q1) and National Day Golden Week (Q4) which are strong drivers for both domestic and international travel.

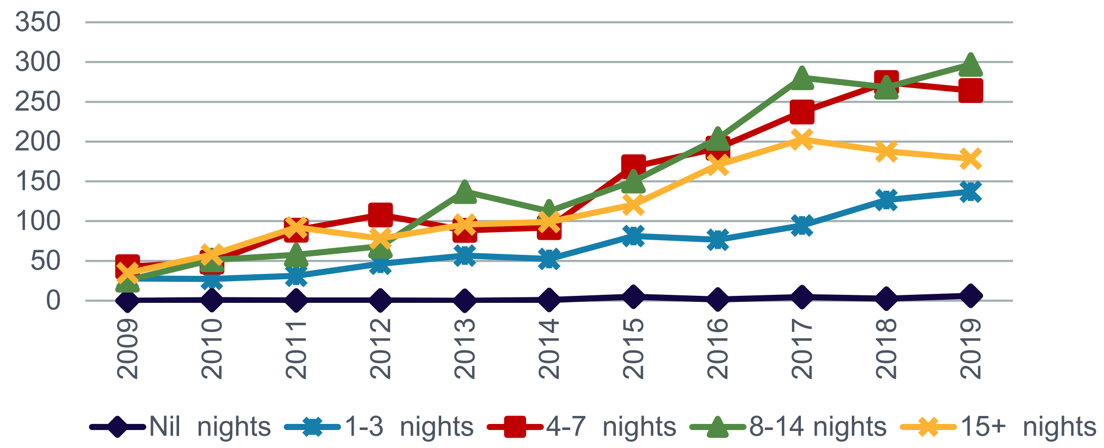
Source: International Passenger Survey by ONS

1.1 Key statistics: length of stay and accommodation

Accommodation stayed in, in 2019 (nights, %share)



Duration of stay trend (visits 000s)

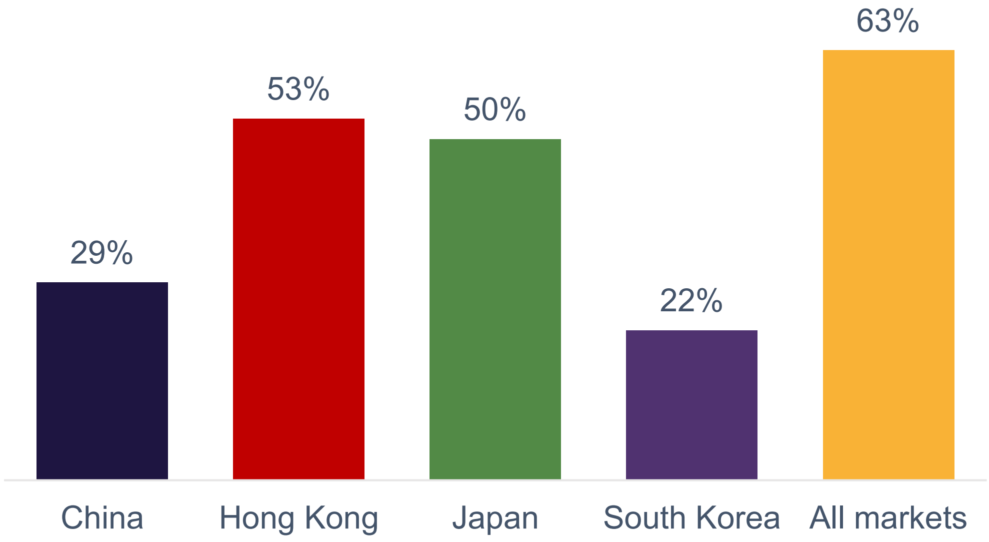


- As a long haul destination, Chinese travellers tend to stay for a medium or long trip, and are less likely to stay 1-3 nights.
- Trips of 15+ nights are also quite popular, especially for VFR and study visits, but also 12% of holiday trips.
- In 2019, the most popular accommodation type among the Chinese visitors was hotels and guest houses, with 34% of all nights spent in the UK spent there.
- Hostel/university/school or a rented house/flat (27% and 20% of all nights respectively) may be boosted by the number of nights spent by study visitors from China in Britain overall.

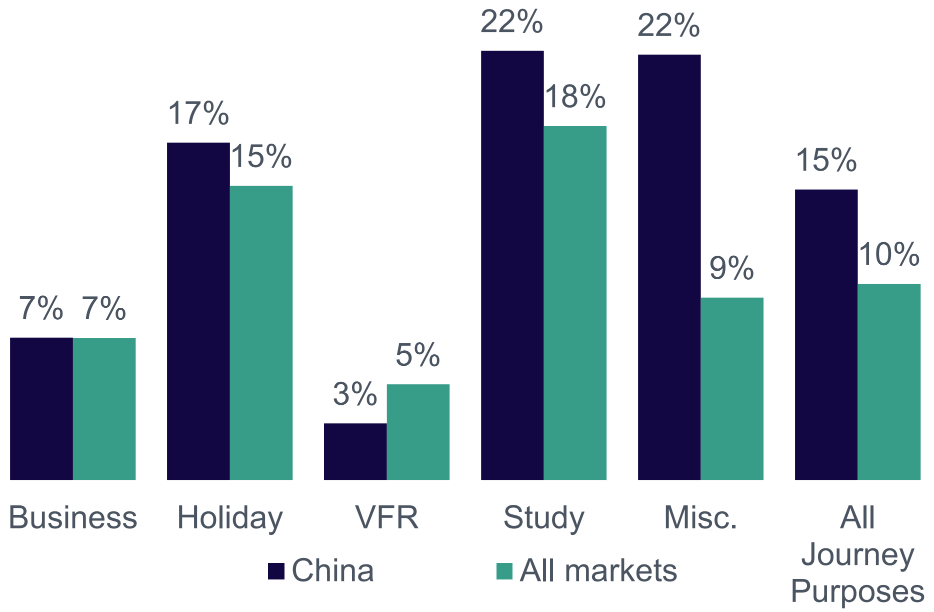
Source: International Passenger Survey by ONS

1.1 Key statistics: repeat visits and package tours

Proportion of overnight holiday visitors to the UK who have been to the UK before*



Proportion of visits that are bought as part of a package or all-inclusive tour in 2019**



- China is still a growing market: in 2015, only 29% of holiday visits from Chinese residents (excluding British expats) to the UK were made by repeat visitors, compared to 63% across all markets. On average a Chinese holidaymaker came 1.6 times to the UK in the past 10 years.
- Chinese visitors are overall more likely to come to the UK as part of a package tour than other visitors, with Study and Misc purposes most likely to travel in this way.

International Passenger Survey by ONS. *2015, excluding British nationals;
**See definition of a package holiday in appendix

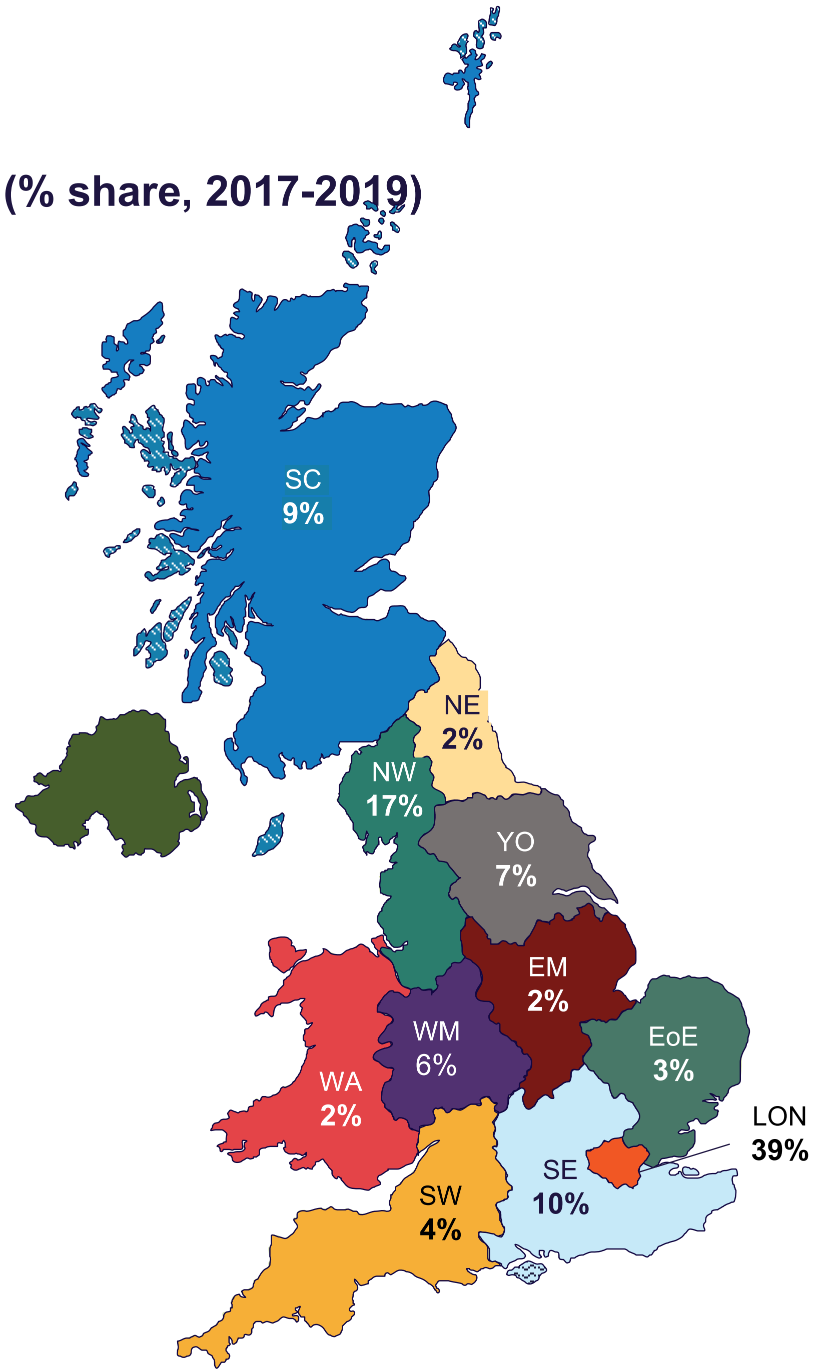
1.2 Getting around Britain

Annual visits to the UK (2017-2019 average)

Region	Nights stayed (000)	Visits (000)	Spend (£m)
Total	14,382	854	1,651
Scotland (SC)	1,248	153	121
Wales (WA)	308	22	15
Northern Ireland (NI)	47	4	3
London (LDN)	5,613	585	865
North East (NE)	233	15	35
North West (NW)	2,389	130	218
Yorkshire (YO)	1,039	70	87
West Midlands (WM)	805	49	69
East Midlands (EM)	224	24	23
East of England (EoE)	383	48	47
South West (SW)	572	52	56
South East (SE)	1,503	110	105
Nil nights (Nil)	N/A	4	0.4

Source: International Passenger Survey by ONS

Nights (% share, 2017-2019)

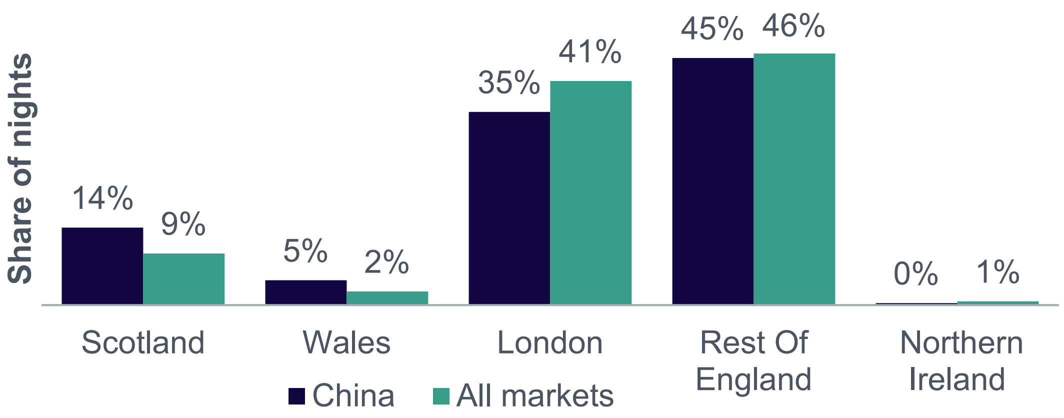


1.2 Getting around Britain: regional spread and top towns/cities

Top towns and cities visited (2017-2019 average)

Town	Visits (000s)
London	585
Edinburgh	131
Manchester	97
Oxford	47
Cambridge	41

Regional spread 2019

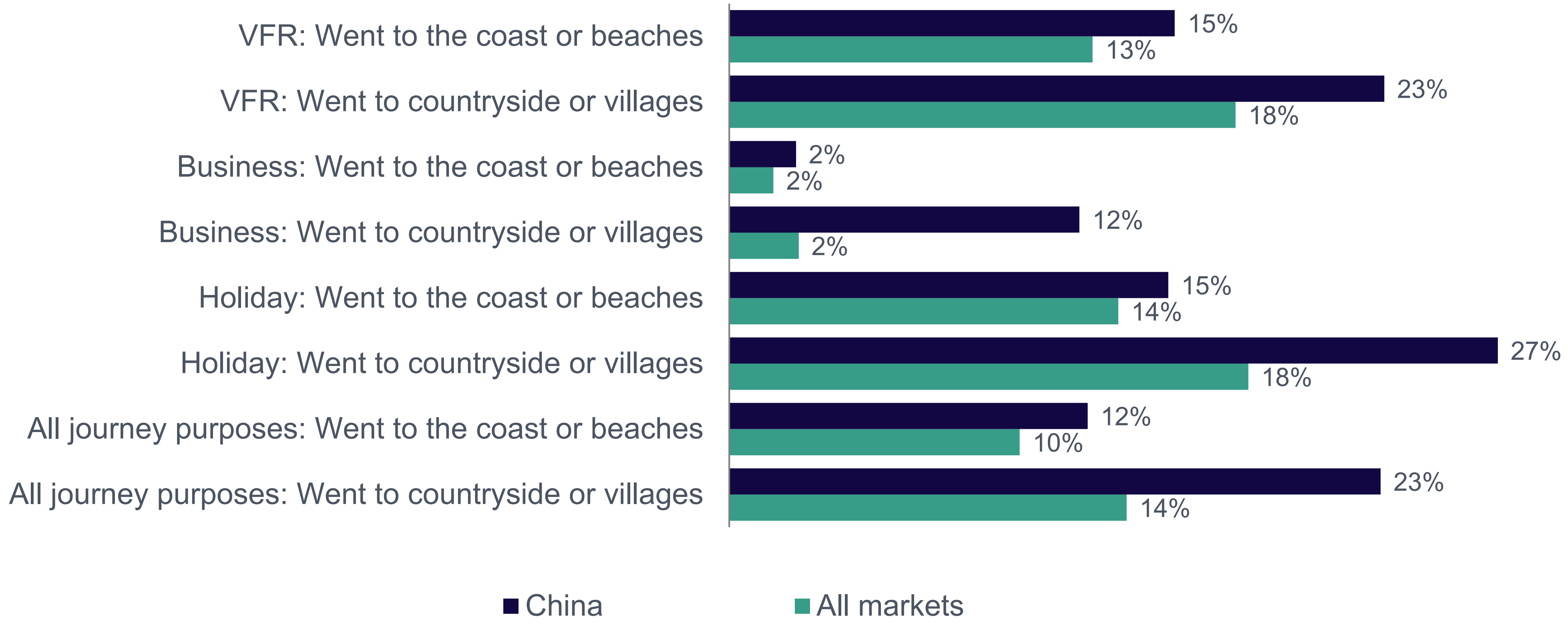


Source: International Passenger Survey by ONS

- Chinese visitors show a spread across the UK's nations and regions which is similar to the all-market average. London is the leading overnight destination whilst in Britain, but Scotland, the North West and South East of England are also popular.
- Indeed, 65% of all nights spent by Chinese visitors in the UK in 2019 were spent outside of London, compared to 59% for the all-inbound all market average.
- Chinese Holiday visitors are more likely than other journey purpose groups to spend time in London, with 60% of nights spent in London in 2019.
- In 2019, the proportion of nights spent overall in Scotland by Chinese visitors was higher than the all market average, and this was particularly high among Study visitors.

1.2 Getting around Britain: visits to coast, countryside and villages

Propensity to visit coast, countryside and villages

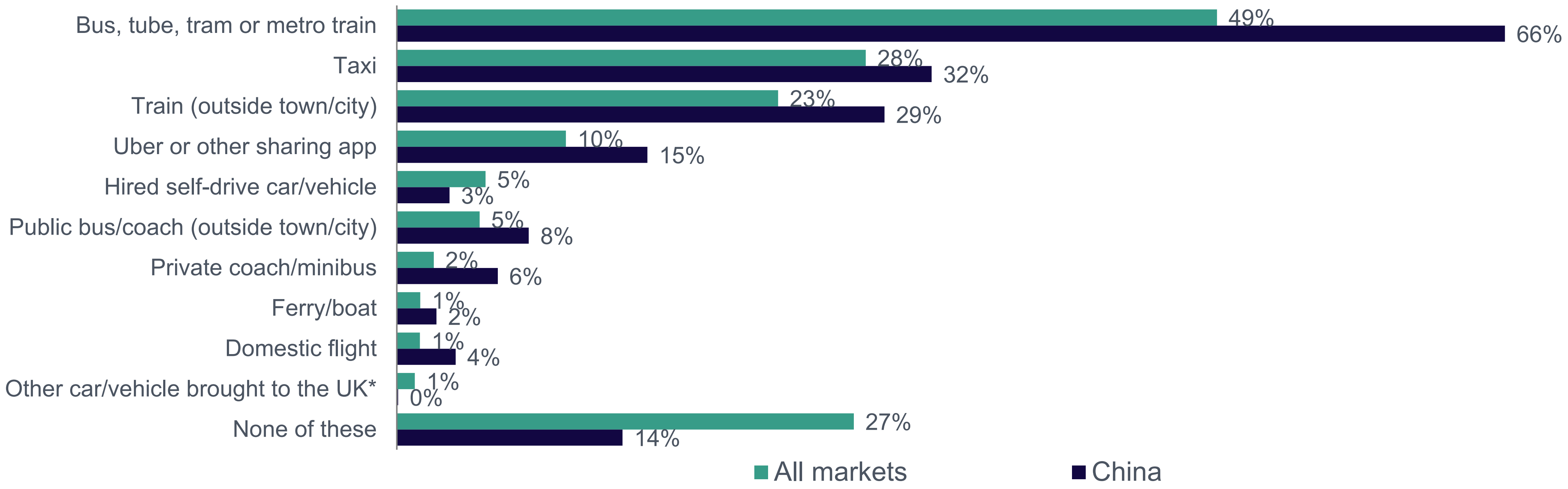


Visits from China have an above average propensity to feature rural and coastal areas of Britain, with rates of exploration particularly high among holidaymakers.

Source: International Passenger Survey by ONS 2016

1.2 Getting around Britain: use of internal modes of transport

Propensity to use internal modes of transport

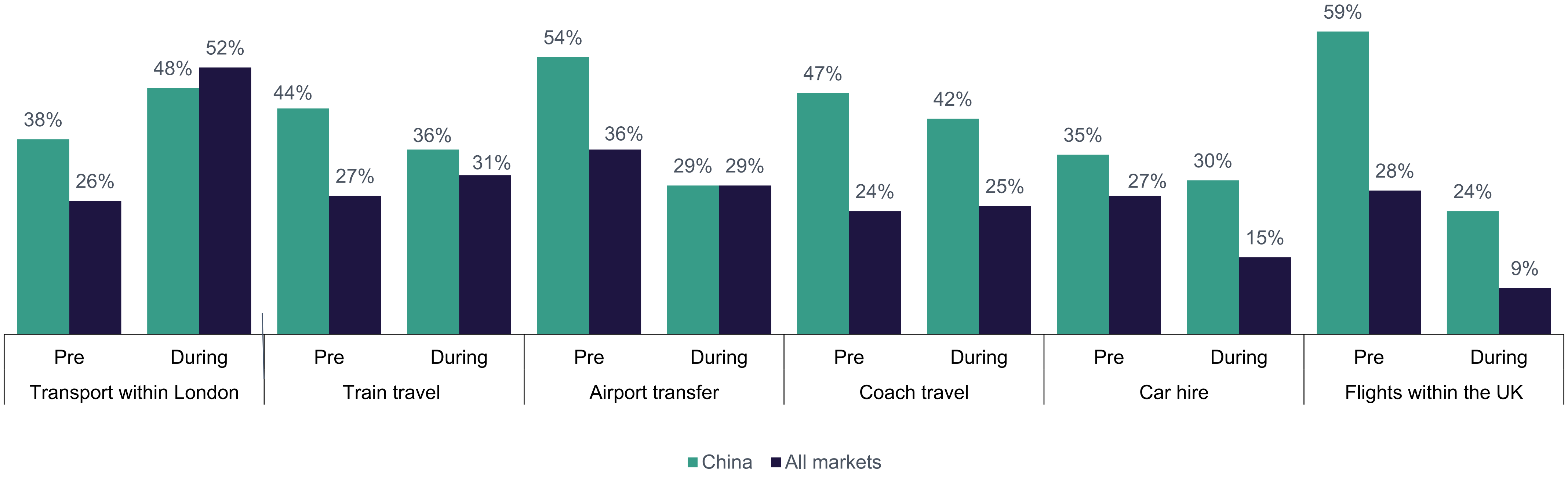


Chinese visitors are more likely than the average to take public transport or taxis when staying in a town or a city, with 66% and 32% respectively doing so, compared to 49% and 28% respectively for the all-market average. When getting out of a town or city, they are also more likely to get on a train (29%), but also to take a public bus or coach (8%), or even a private bus or coach for a group (6%). However, they are less likely to drive a car within the UK, compared to other markets.

Source: International Passenger Survey by ONS 2018; most lorry drivers were not asked this question, and as a consequence, are not taken into account in the results for ‘car/vehicle you/group brought to the UK’

1.2 Getting around Britain: purchase of transport

Transport services purchased before or during trip (%)



Usually Chinese visitors tend to prefer booking transport elements before they travel, with more Chinese holiday visitors booking their airport transfer, train or coach travel, and rental cars before the trip than during.

Source: International Passenger Survey by ONS, VisitBritain/IPSOS 2016, base: visitors

1.3 Visitor demographics

Visitor characteristics

- Chinese visitors tend to be younger compared to other inbound markets. Only 9% of Chinese visitors are aged 55+, compared to the all-market average of 20%.
- In the last three years, though, about 1-in-2 visits from China to the UK were made by people aged 25-44.
- The overall gender ratio of visitors is evenly balanced. However, when looking at trips by journey purpose, there are more women than men coming to study or take a holiday, whereas men dominate among VFR and business visits.
- Most inbound visits to the UK from Chinese residents were made by Chinese nationals (94% of all 2019 visits), but 16% of VFR visits were made by British nationals in the same year.

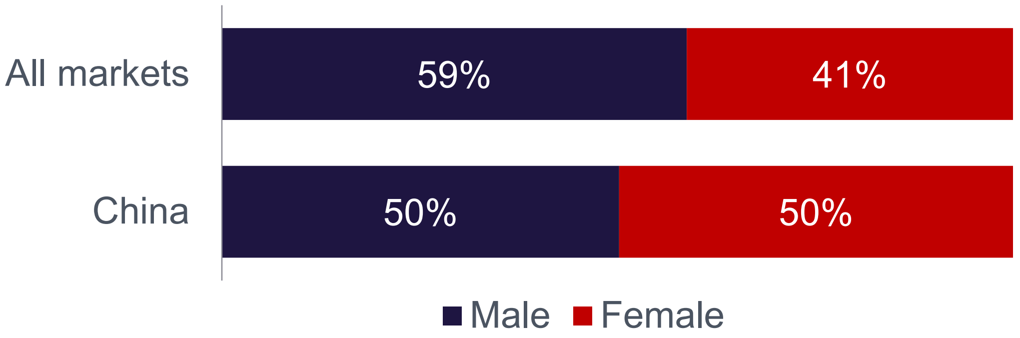
19%

of all 2019 visits from China to the UK were made by 16-24 year olds

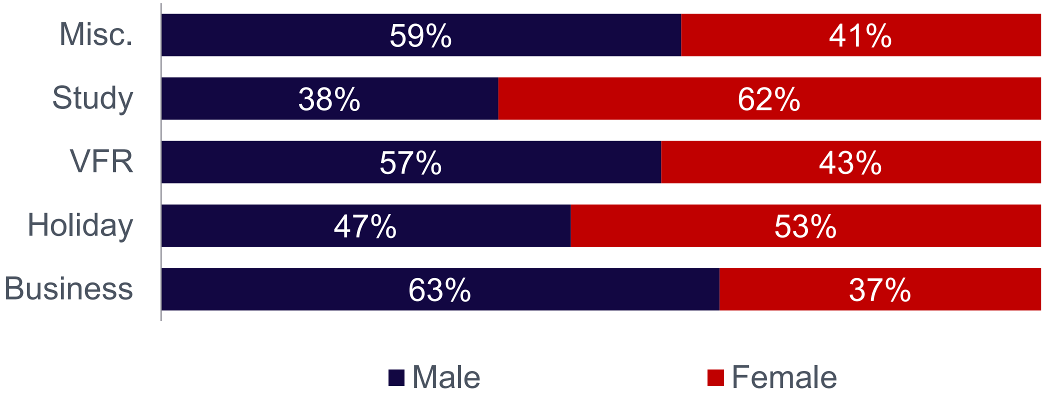
Source: International Passenger Survey by ONS

1.3 Visitor demographics: gender and age groups

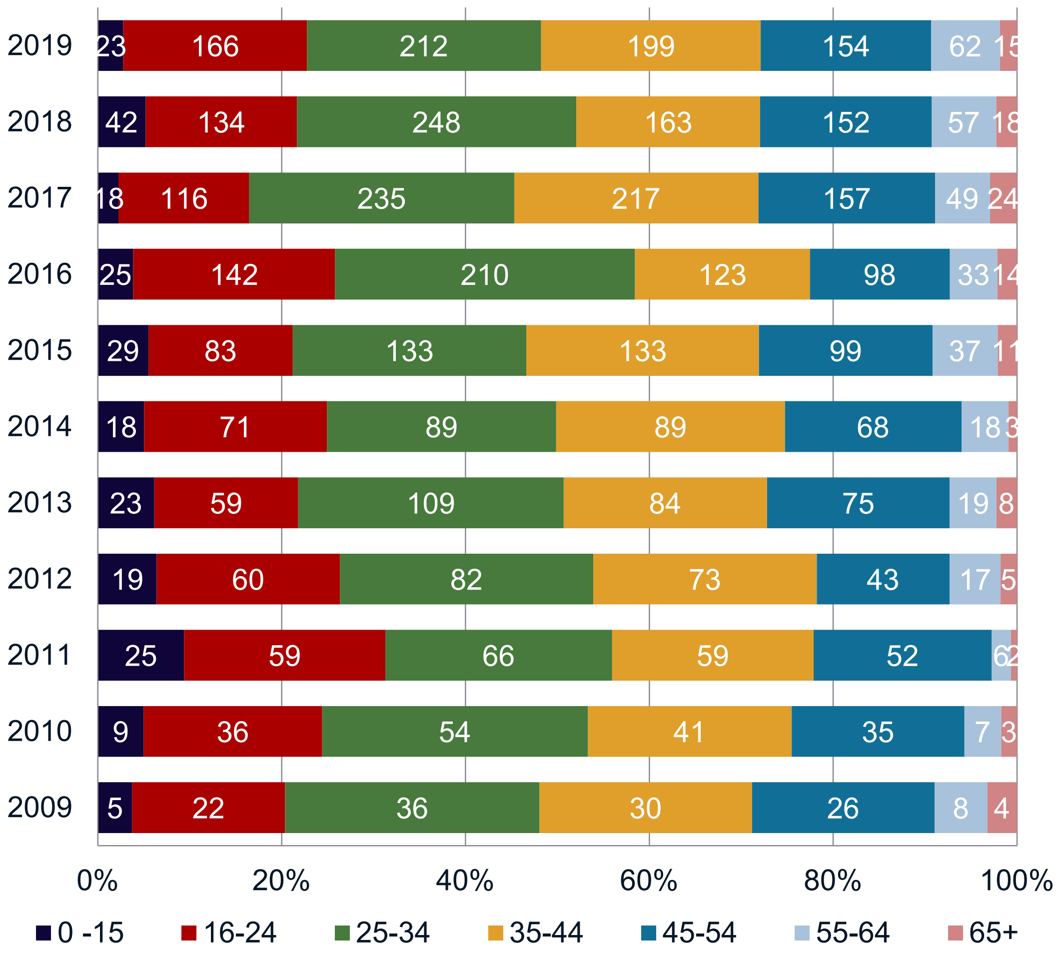
Gender ratio of visits (2019):



Gender ratio of visits from China by journey purpose (2019):



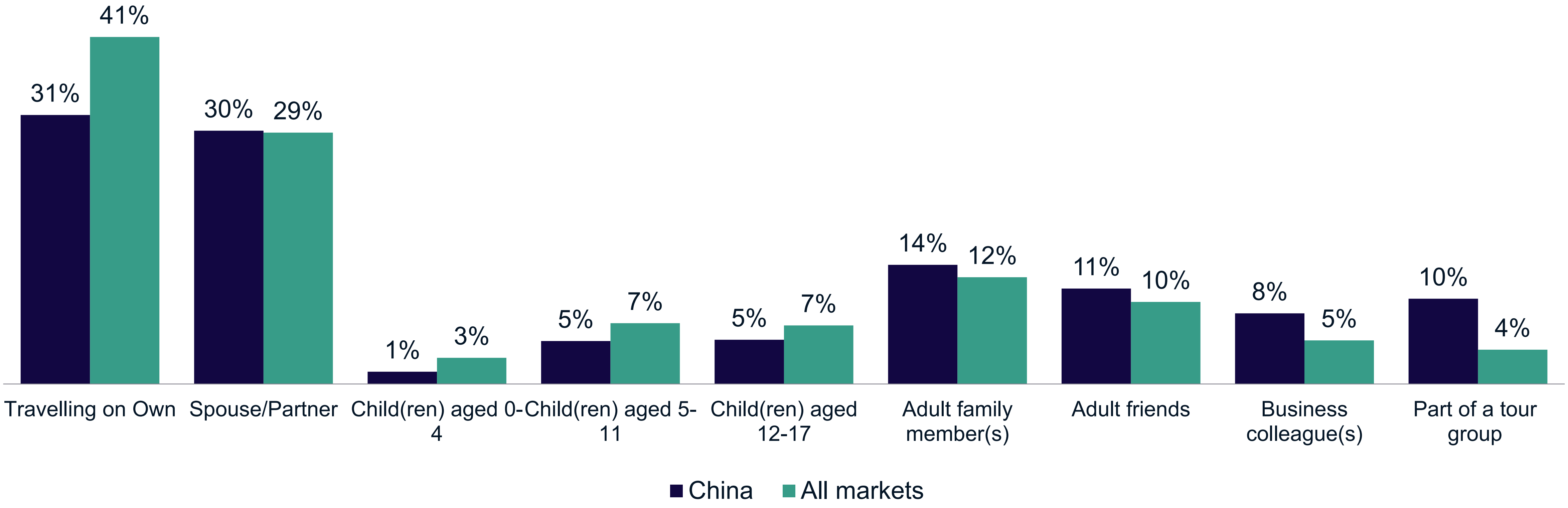
Age group trend (visits in 000s)



Source: International Passenger Survey by ONS

1.3 Visitor demographics: travel companions

Who have Chinese visitors to the UK travelled with?



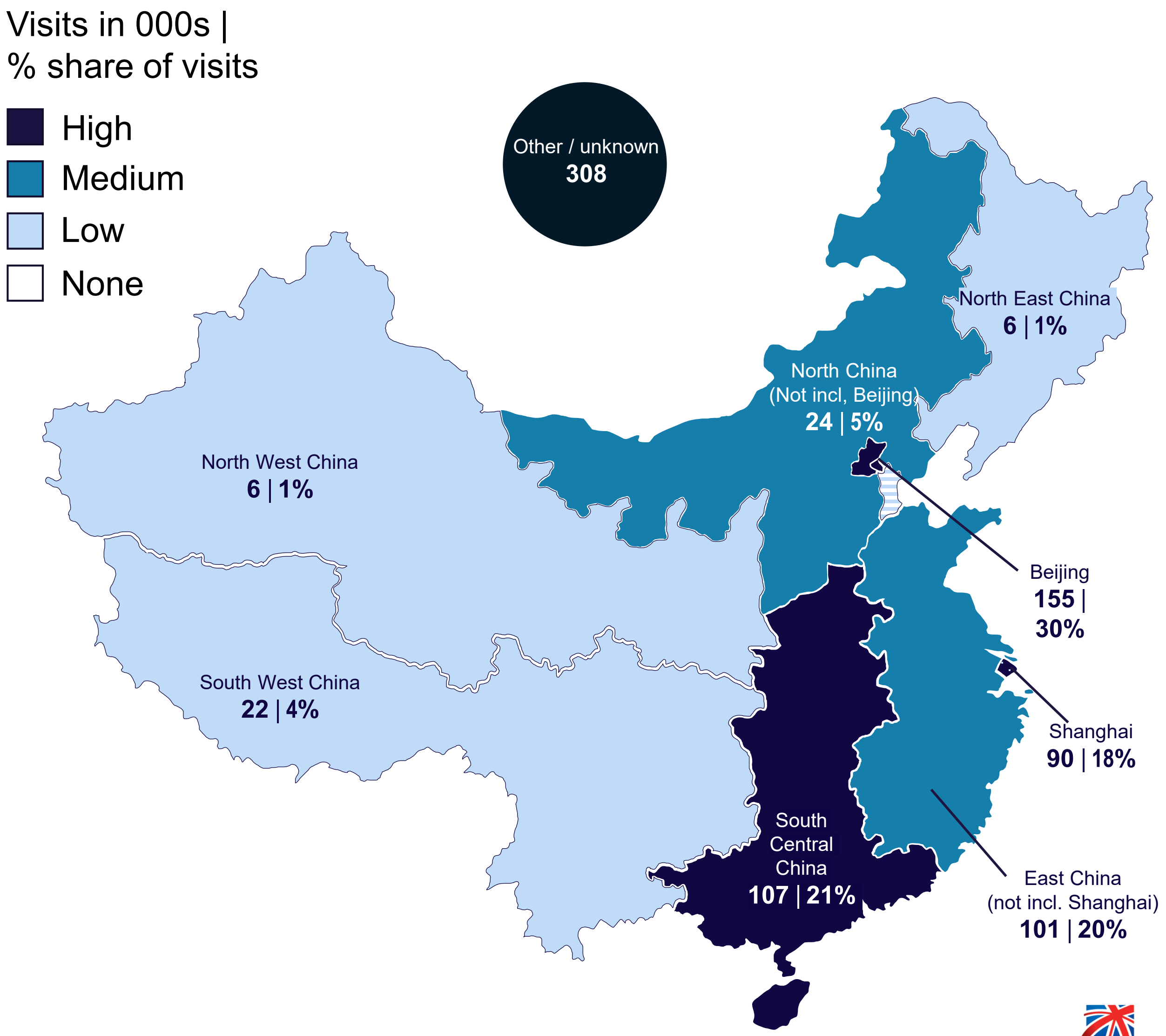
Chinese visitors are similarly likely to be travelling on their own, or with a spouse or partner. However, rates of solo travel are lower than in other markets. They are more than twice as likely to be travelling as part of a tour group (10% vs. 4% all-market average).

Source: International Passenger Survey by ONS, 2017, Who accompanied you on your visit to the UK, excluding UK residents you may have visited during your trip?

1.3 Visitor demographics: Origin

Visits to the UK (2017)

- The overwhelming majority of the Chinese population is found in the eastern half of the country, and 61% of the population lives in cities.
- Data from IPS shows that 37% of inbound visitors form China were from the Eastern region, and 35% from the North.
- 30% of inbound visitors to the UK from China in 2017 were from Beijing, and 18% were from Shanghai.
- Other main cities are also well represented: 11% of 2017 visitors to the UK from China lived in Guangzhou-Shenzhen-Dongguan and 7% came from Wuhan (all located in the South Central region).



Source: International Passenger Survey by ONS 2017, CIA World Factbook 2021

1.4 The UK and its competitors (1)

Market size, share and growth potential

- The UK was the 7th most visited country in Europe by Chinese residents in 2019 for overnight stays.
- France is the most visited destination by Chinese travellers in Western Europe, but the USA was the most visited destination outside of Asia in 2019.
- Overnight visits to the UK from this market have grown steadily over the last decade, however due to the COVID-19 pandemic, visits declined by 84% in 2020 compared to 2019. China is currently forecasted to recover to 2019 levels of visits by 2026. In 2026, the UK is forecasted to rise to the 5th most visited destination in Europe by Chinese travellers.
- Among our competitor set of destinations, the US saw the largest increase in market share between 2009 and 2019, with a growth of 6 percentage points. The UK saw growth of 3 percentage points in this time. Looking further ahead, the US will see further growth of 2 percentage points in share up to 2029, with France forecasted to gain 4 percentage points in the same period, and the UK losing 1 percentage point.

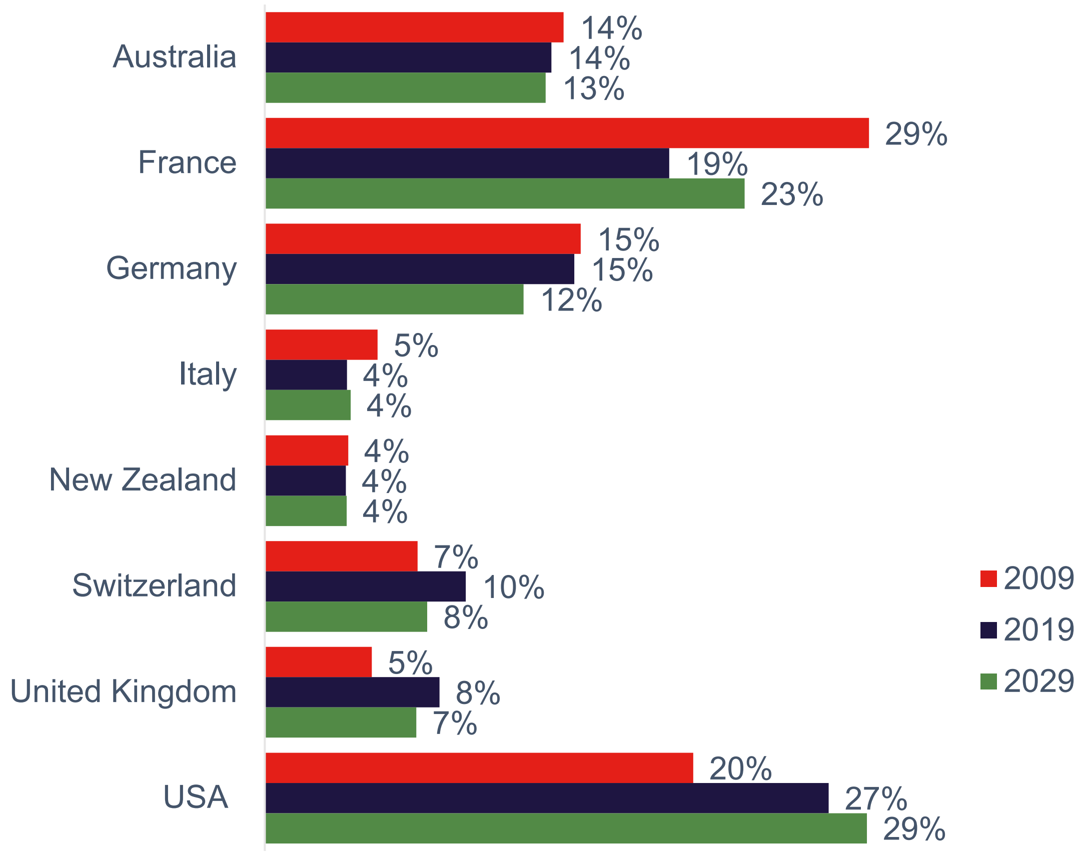
The UK ranks 7th

within Europe for Chinese outbound destinations by volume

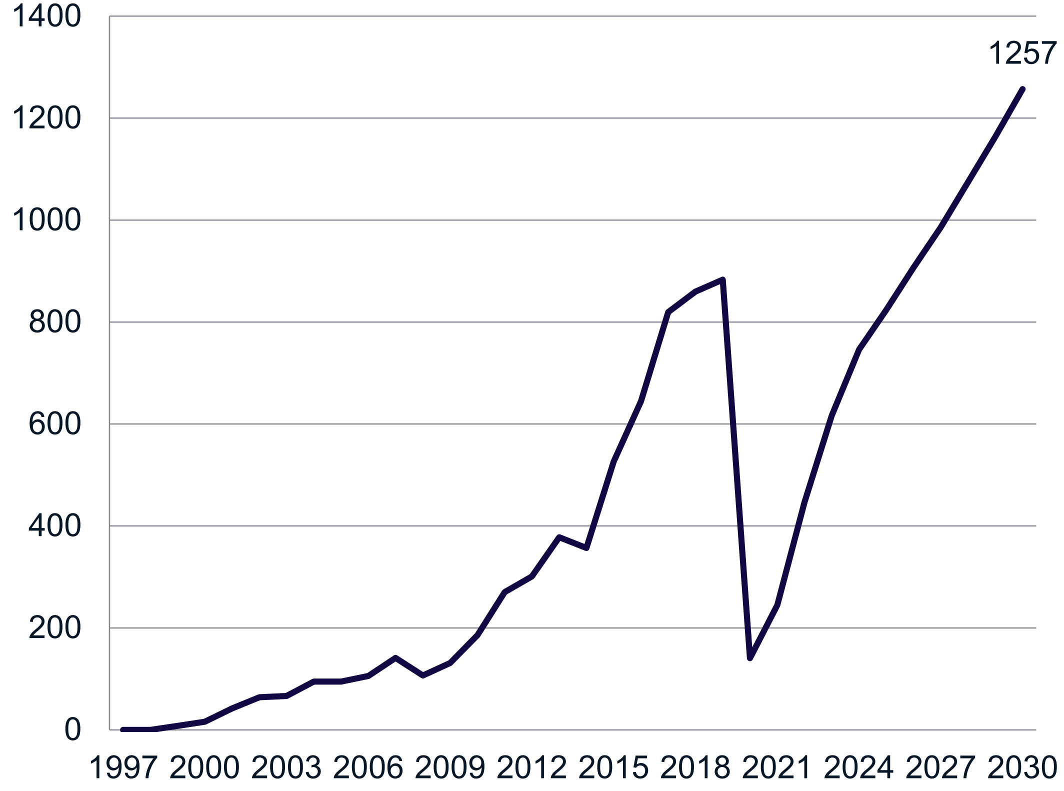
Source: VisitBritain/Oxford Economics

1.4 The UK and its competitors (2)

The UK's market share of Chinese visits among competitor set



Historic and potential visits to the UK (000s)



Source: Oxford Economics for competitor set based on overnight visits, 'Historic and potential visits' displays total visits based on International Passenger Survey historic data and Oxford Economics forecasts with VisitBritain adaptations

Experiences and perceptions

Chapter 2

VisitBritain VisitEngland

2.1 Inbound activities: summary

- Going shopping is the number one activity which most Chinese visits will feature, followed by dining in restaurants, sightseeing famous monuments/buildings, visiting museums or galleries, and parks and gardens. However, it is worth noting that consumer trends suggest that Chinese travellers are becoming less interested in shopping over time, compared to spending on experiences.
- Built heritage sites are important attractions for many visitors from China, as well gaining more knowledge. About a third of all visits to the UK including following a guided tour; however, the number is higher for holiday visitors at 4 in 10.
- Chinese visitors also like to enjoy the green scenery: they are 6% more likely to visit a national park than the all-market average.
- The Chinese also have a special interest in British football teams.

Top 10 activities for Chinese visitors during their visit to the UK

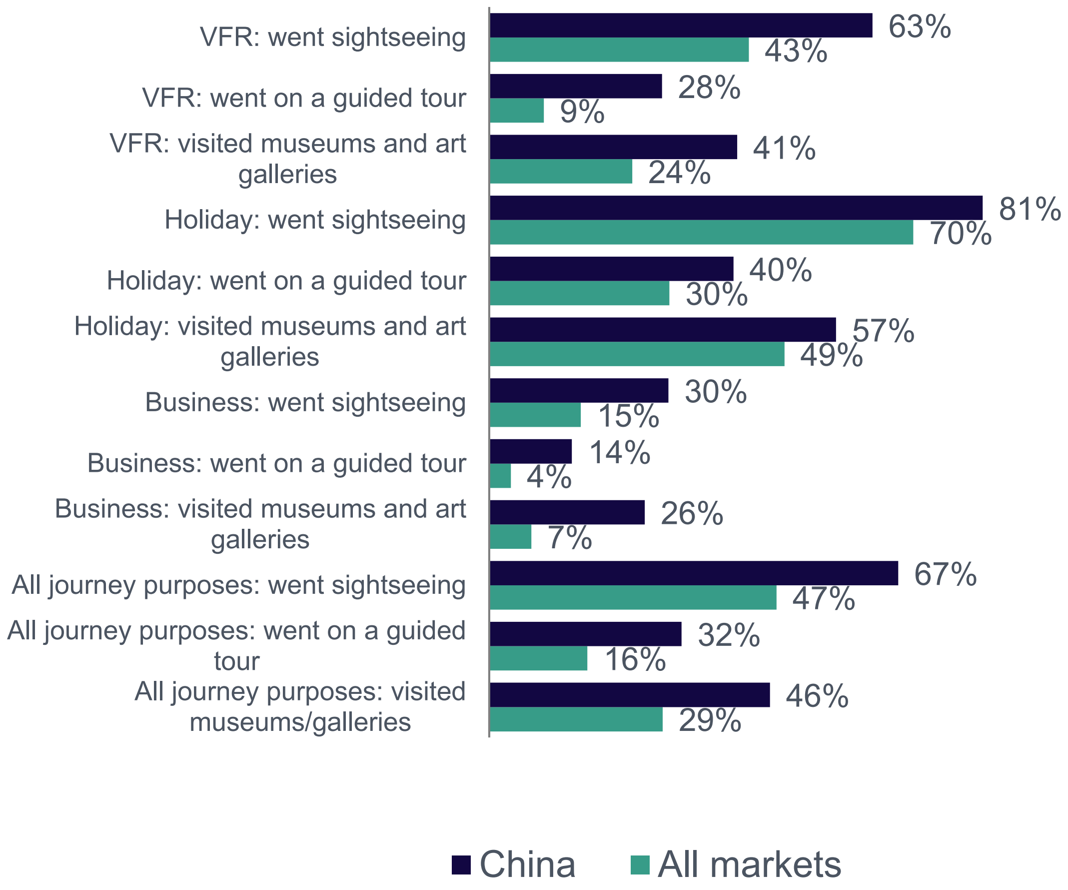
1. Going shopping
2. Dining in restaurants
3. Sightseeing famous monuments/ buildings
4. Visiting museums or art galleries
5. Visiting parks or gardens
6. Visiting castles or historic houses
7. Going on a guided tour
8. Visiting religious buildings
9. Walking in the countryside
10. Socialising with the locals

For more information on activities, please visit our webpage of activities undertaken in Britain

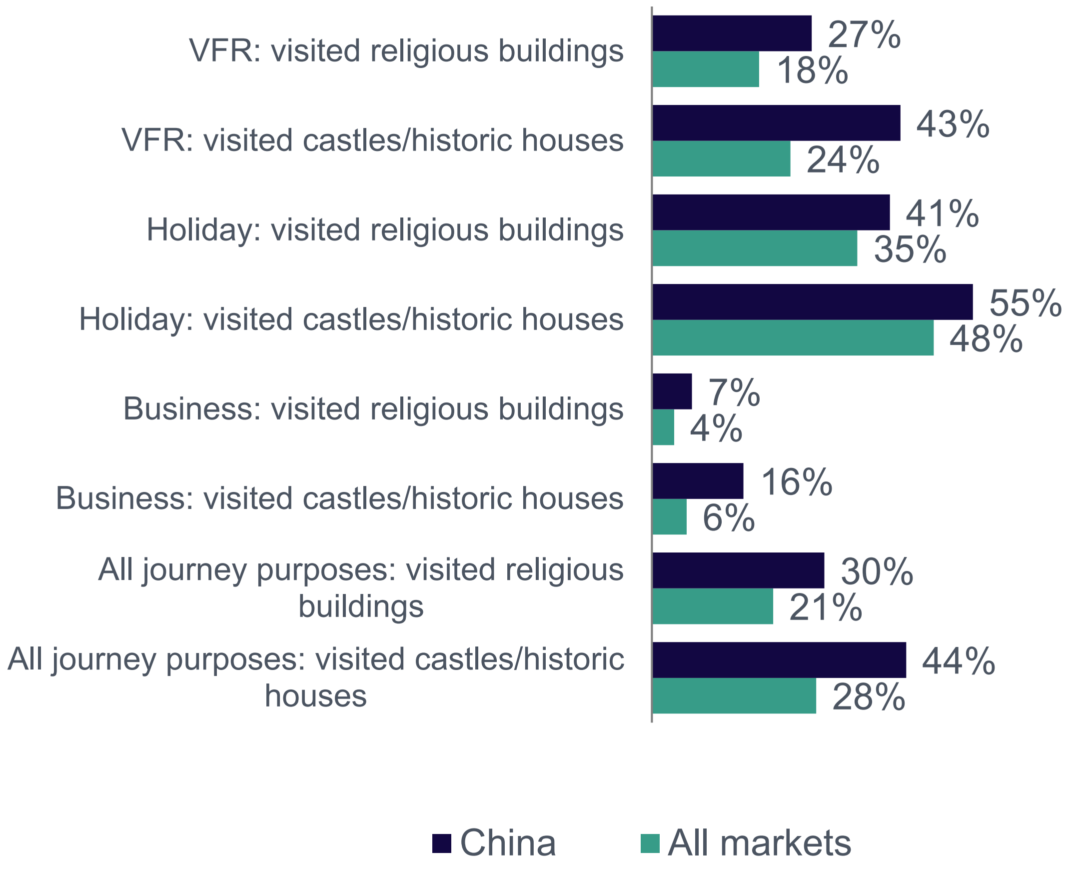
Source: International Passenger Survey by ONS, rankings based on 2006-2019 data

2.1 Inbound activities: tourism and heritage

Propensity to visit museums and galleries



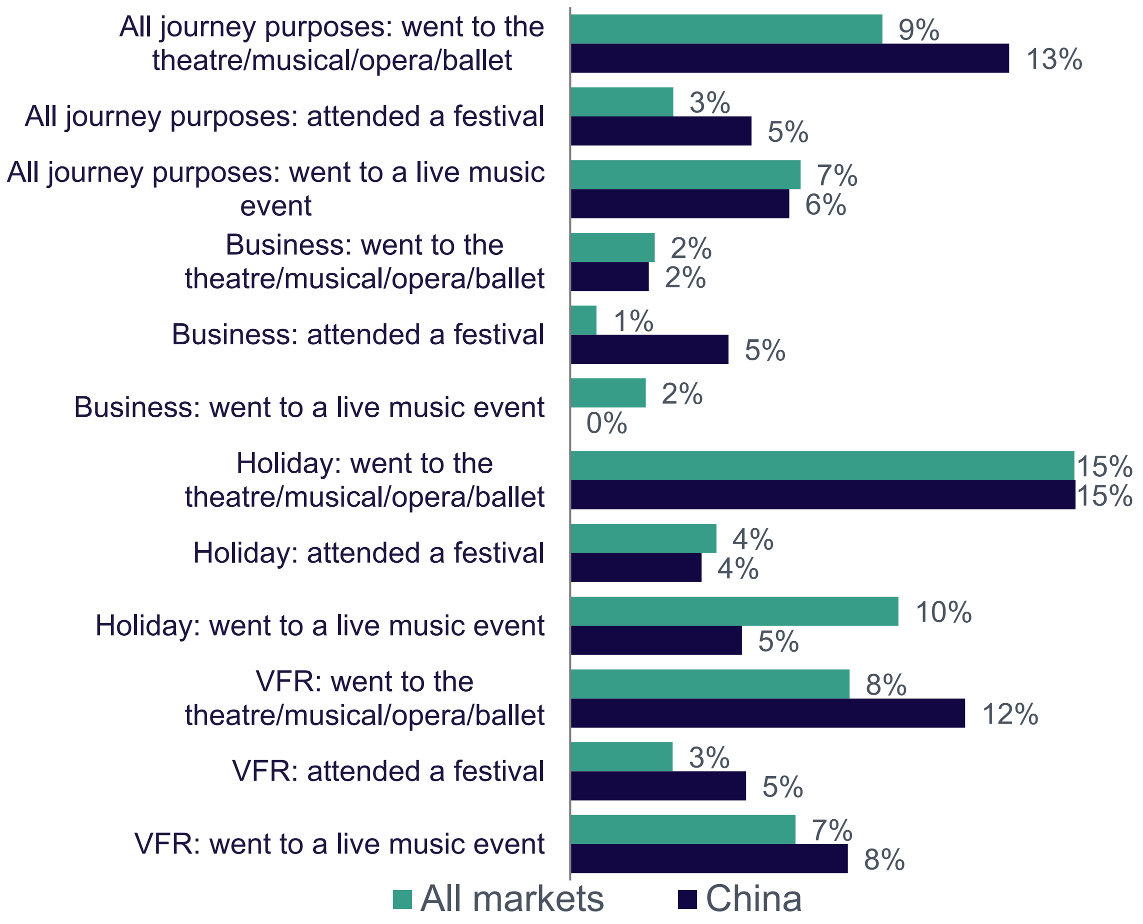
Propensity to visit built heritage sites



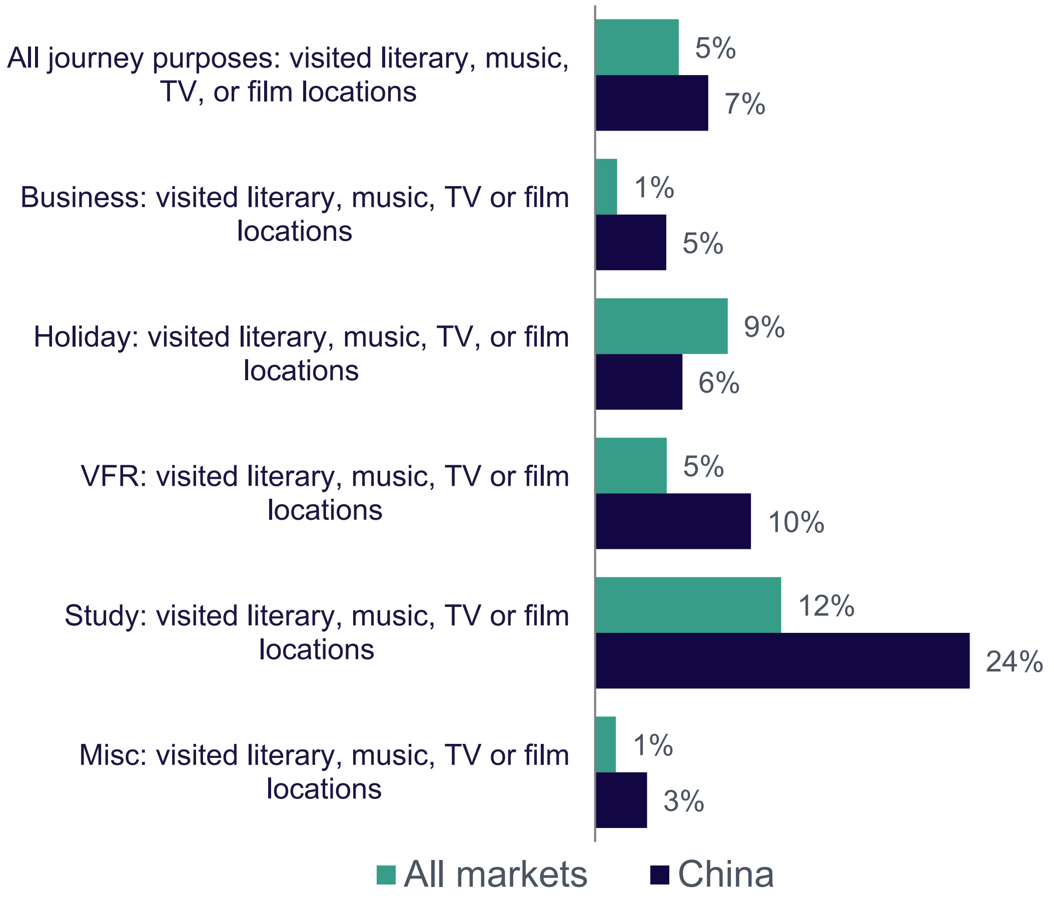
Source: International Passenger Survey by ONS, 2016

2.1 Inbound activities: culture

Propensity to attend the performing arts



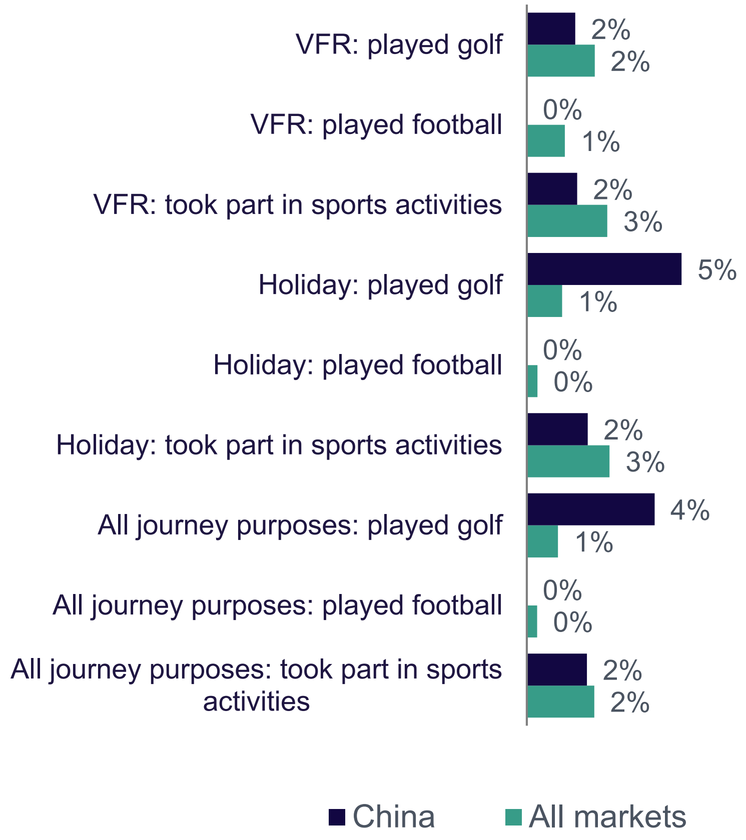
Propensity to participate into other culture-related activities



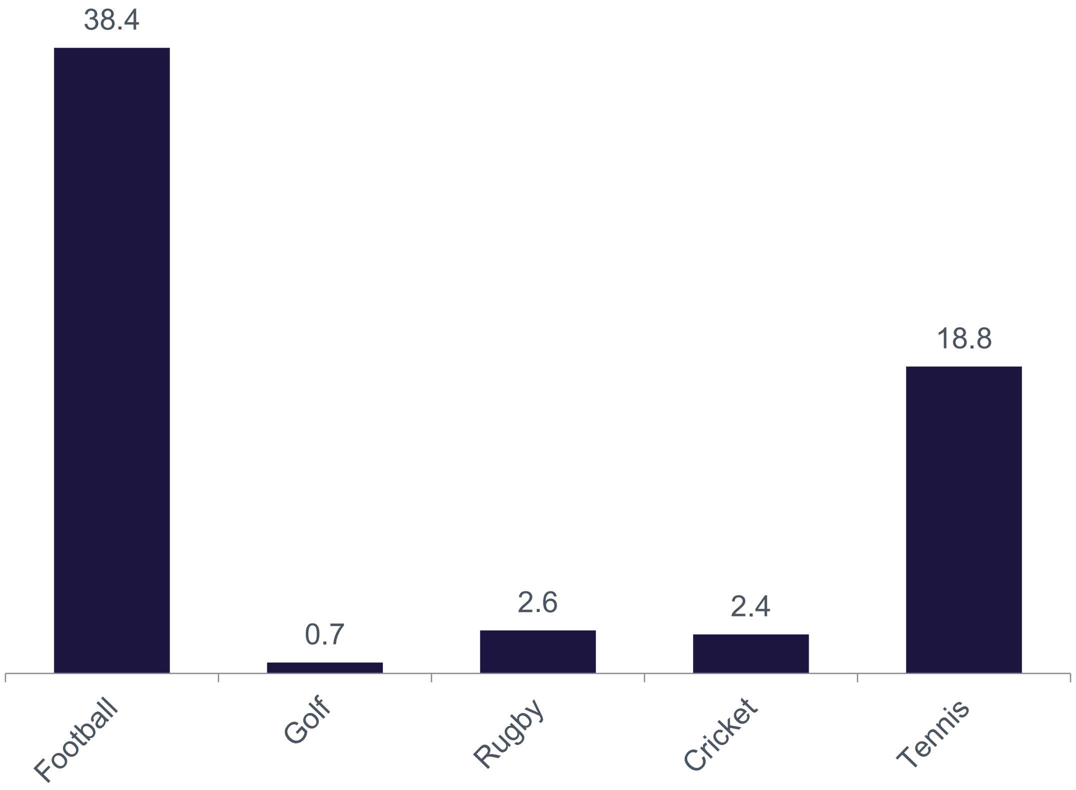
Source: International Passenger Survey by ONS, 2016 & 2017

2.1 Inbound activities: sports

Propensity to partake in sports-related activities



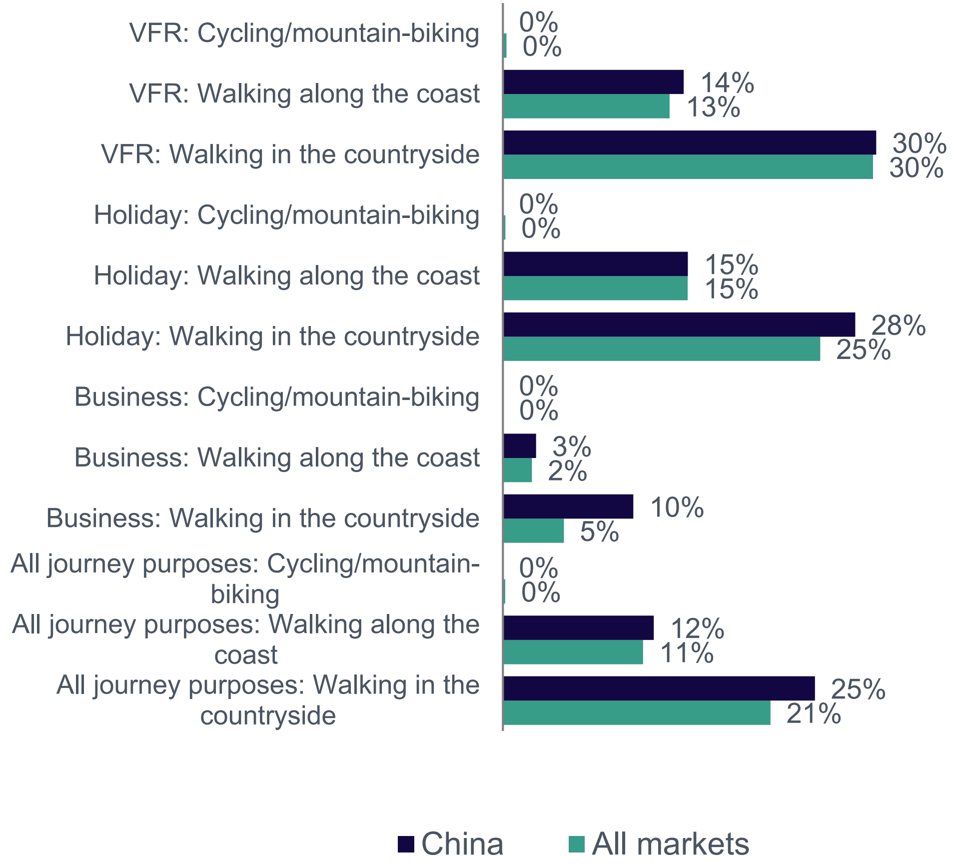
Number who watched sports live during trip (000s)



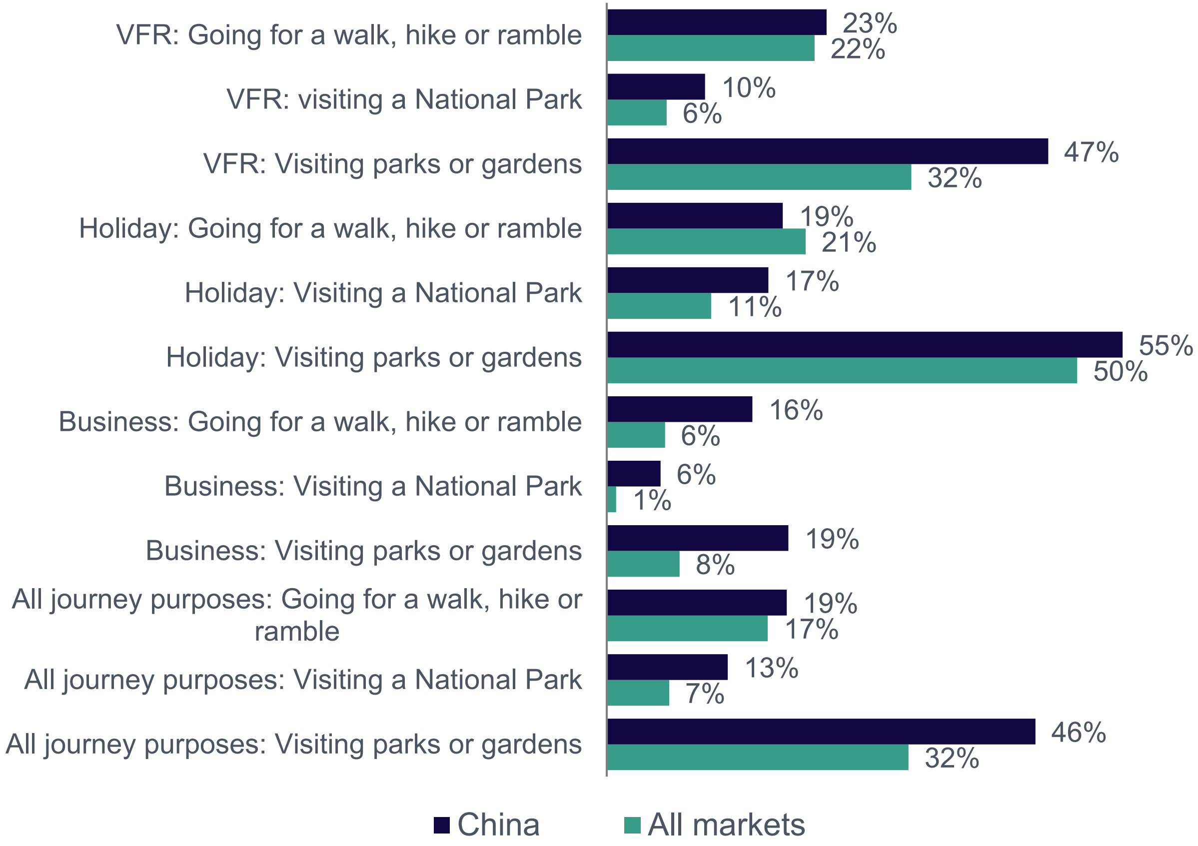
Source: International Passenger Survey by ONS, 2011 & 2014

2.1 Inbound activities: outdoors

Propensity to go for a walk or cycle



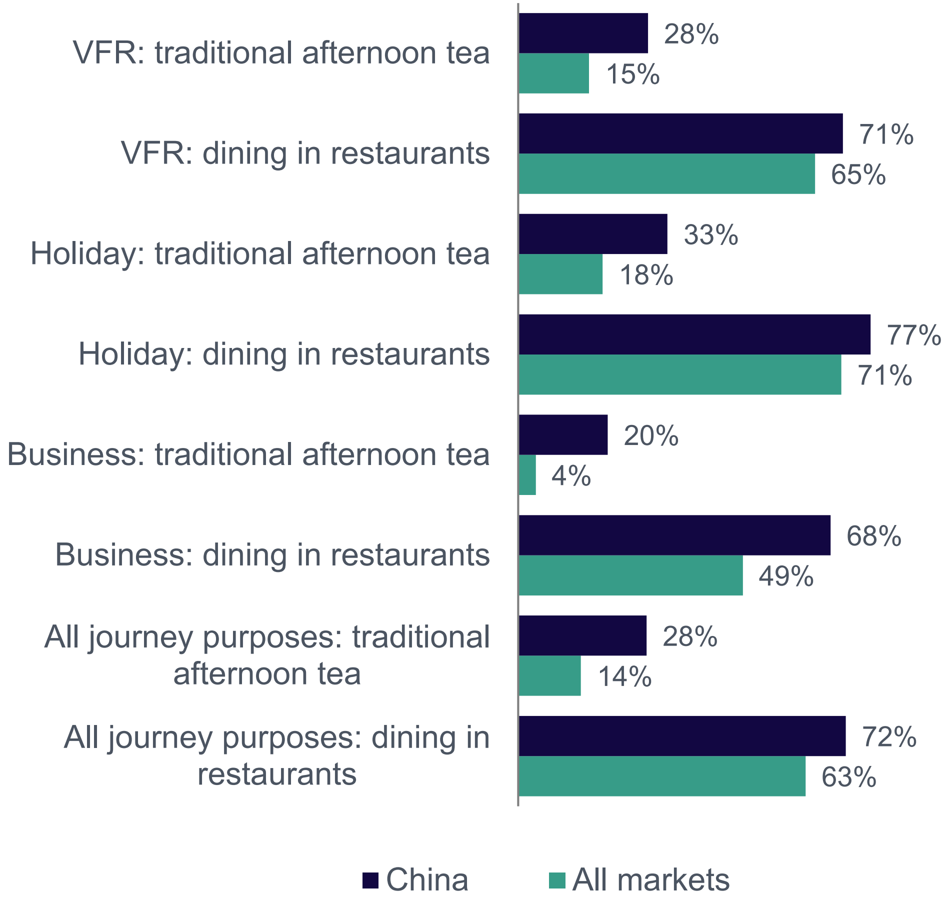
Propensity to enjoy the outdoors



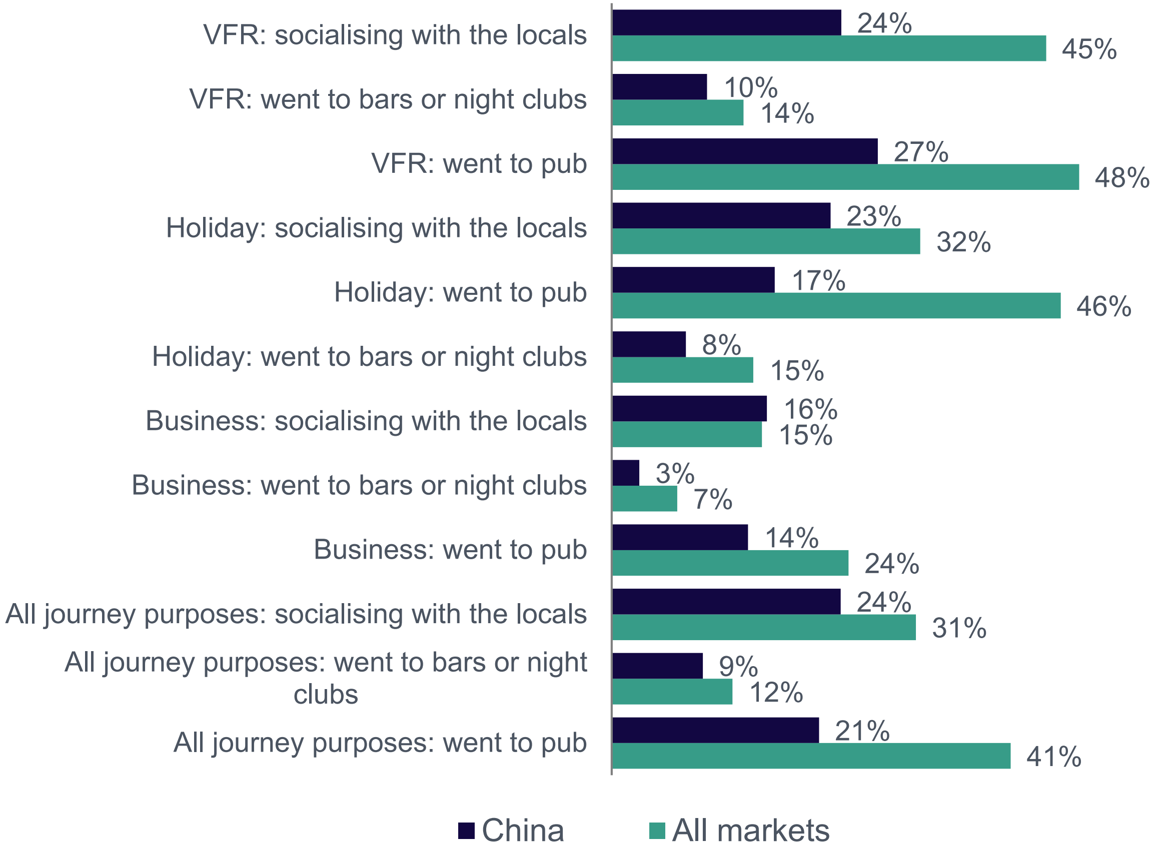
Source: International Passenger Survey by ONS, 2011, 2014, 2016 & 2019

2.1 Inbound activities: going out

Propensity to go to restaurants, or to have a traditional afternoon tea



Propensity to go to the pub or bars and night clubs, or to socialise with locals

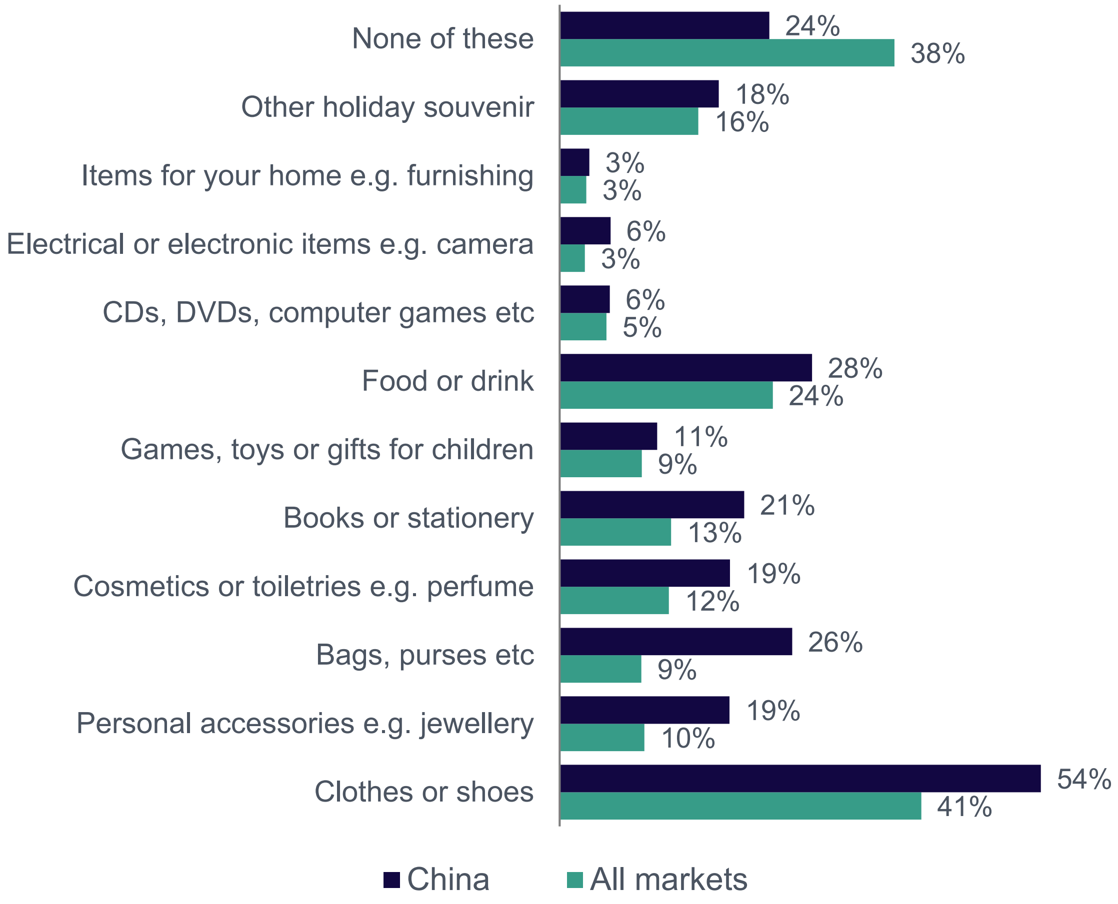


Source: International Passenger Survey by ONS, 2017 & 2019

2.1 Inbound activities: shopping

Propensity to go to shopping

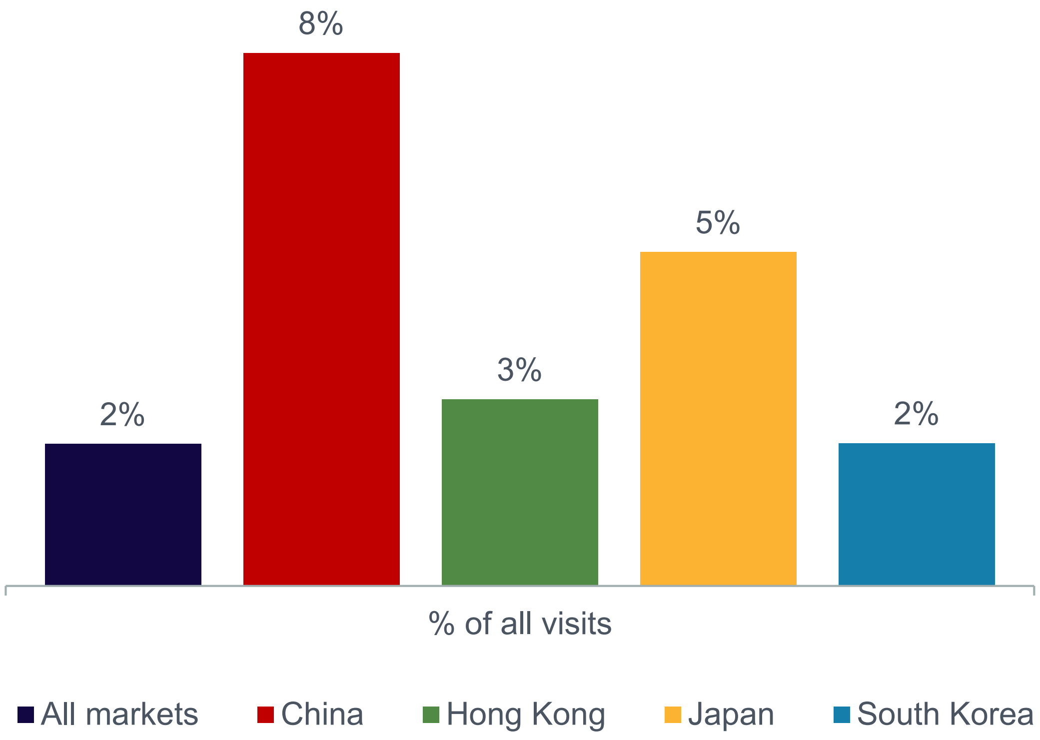
Propensity to purchase selected items



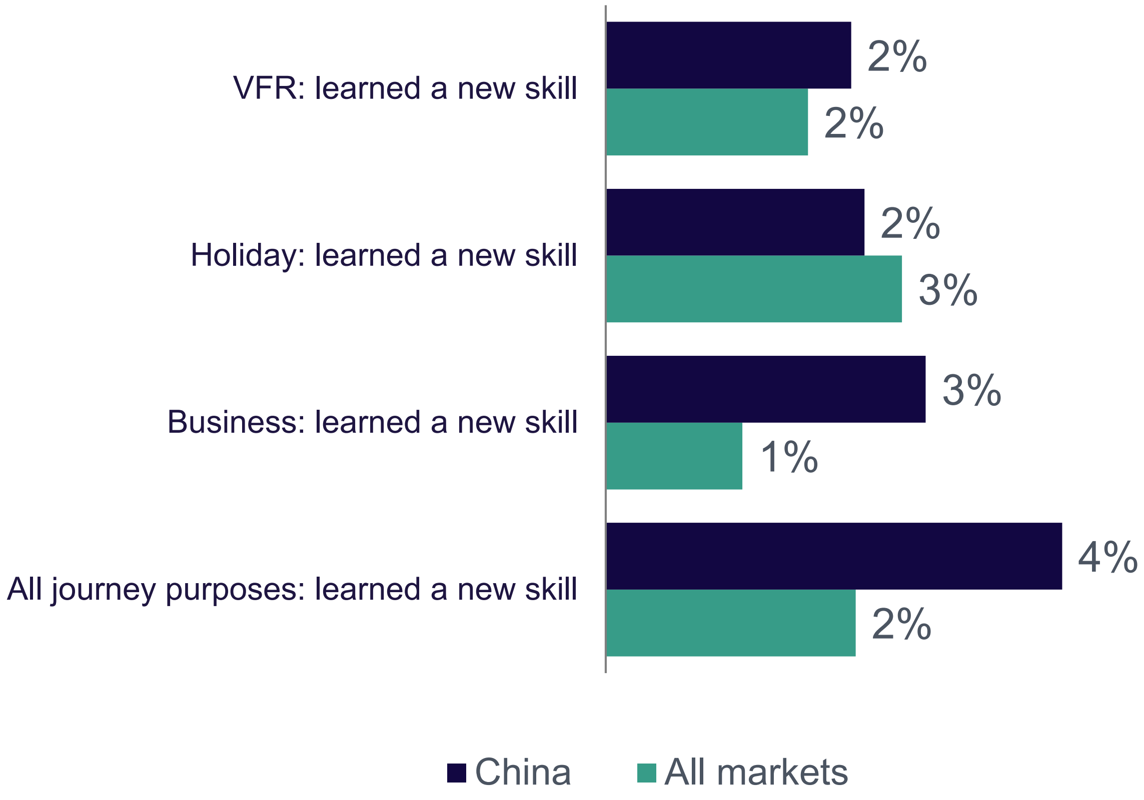
Source: International Passenger Survey by ONS, 2017 (shopping) and 2013 (purchase of selected items) – please note that the data about purchased items is to be updated shortly given the revision of the 2009-2018 IPS data in May 2020

2.1 Inbound activities: learning

Propensity to participate in an English language course during a visit to the UK



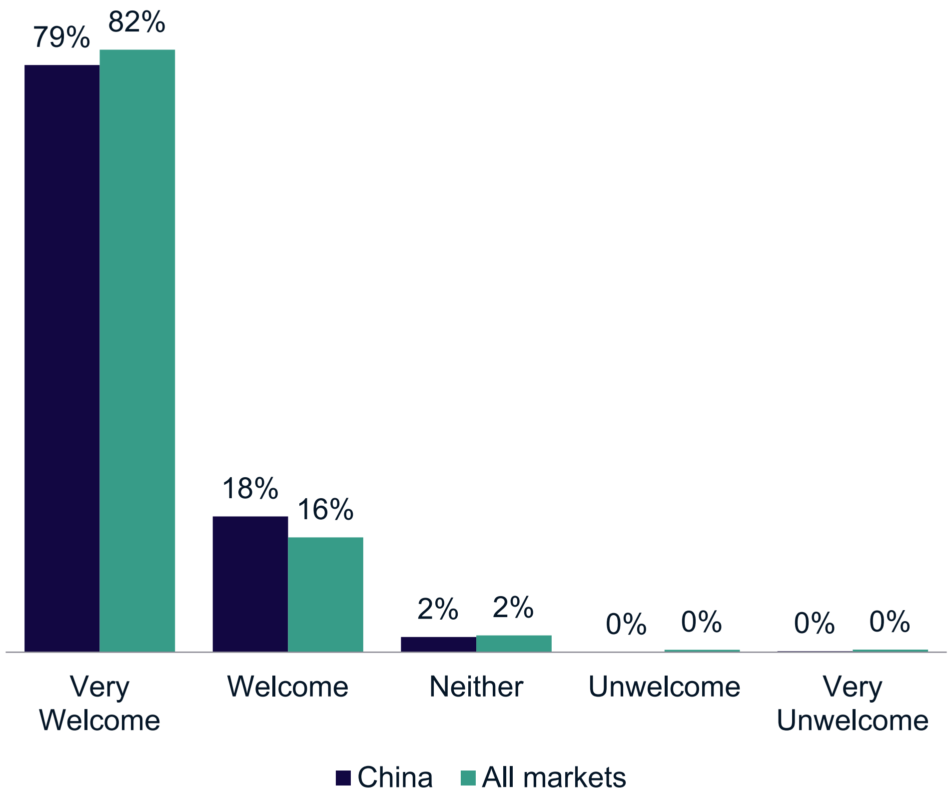
Propensity to learn a new skill or craft



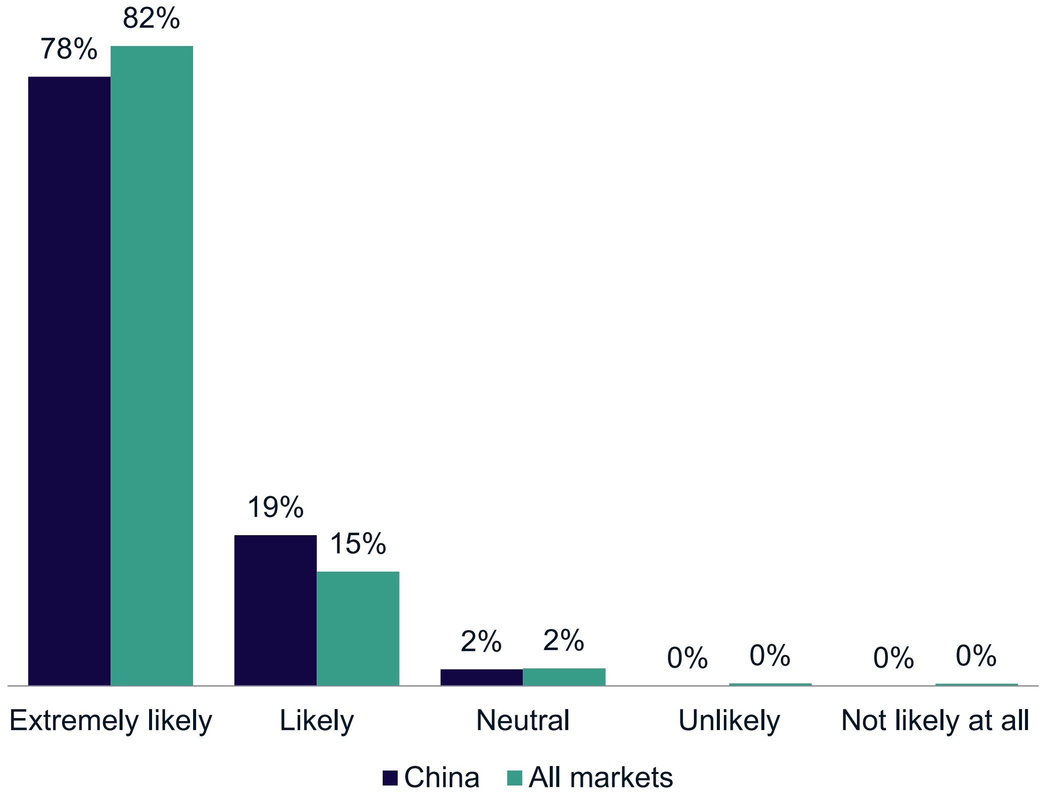
Source: International Passenger Survey by ONS (2018 & 2019), Did you go on any English language courses during this visit? Displayed as % of all visits in this market, visits incl. participation in an English language course might be based on a small sample.

2.2 Welcome and recommending Britain

Feeling of ‘welcome’ in Britain



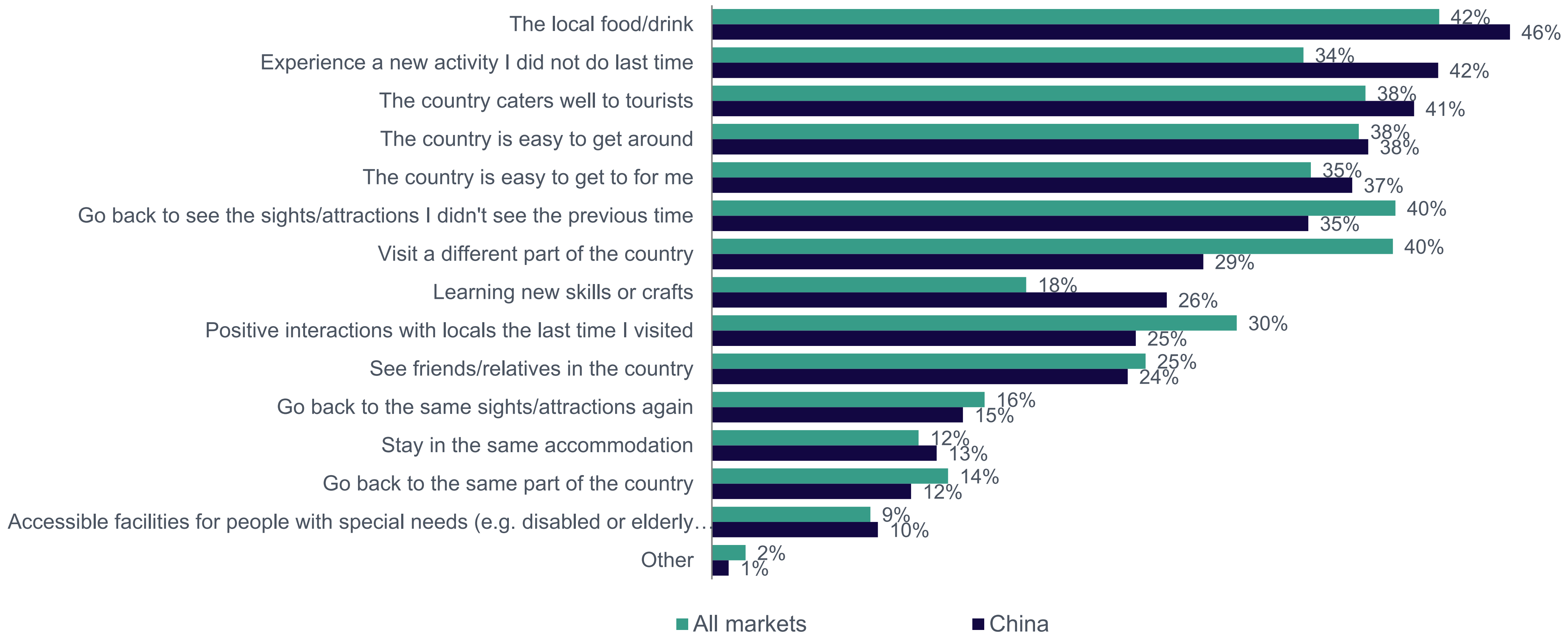
Likelihood to recommend Britain



Source: International Passenger Survey by ONS, 2017

2.2 Reasons to return to a holiday destination

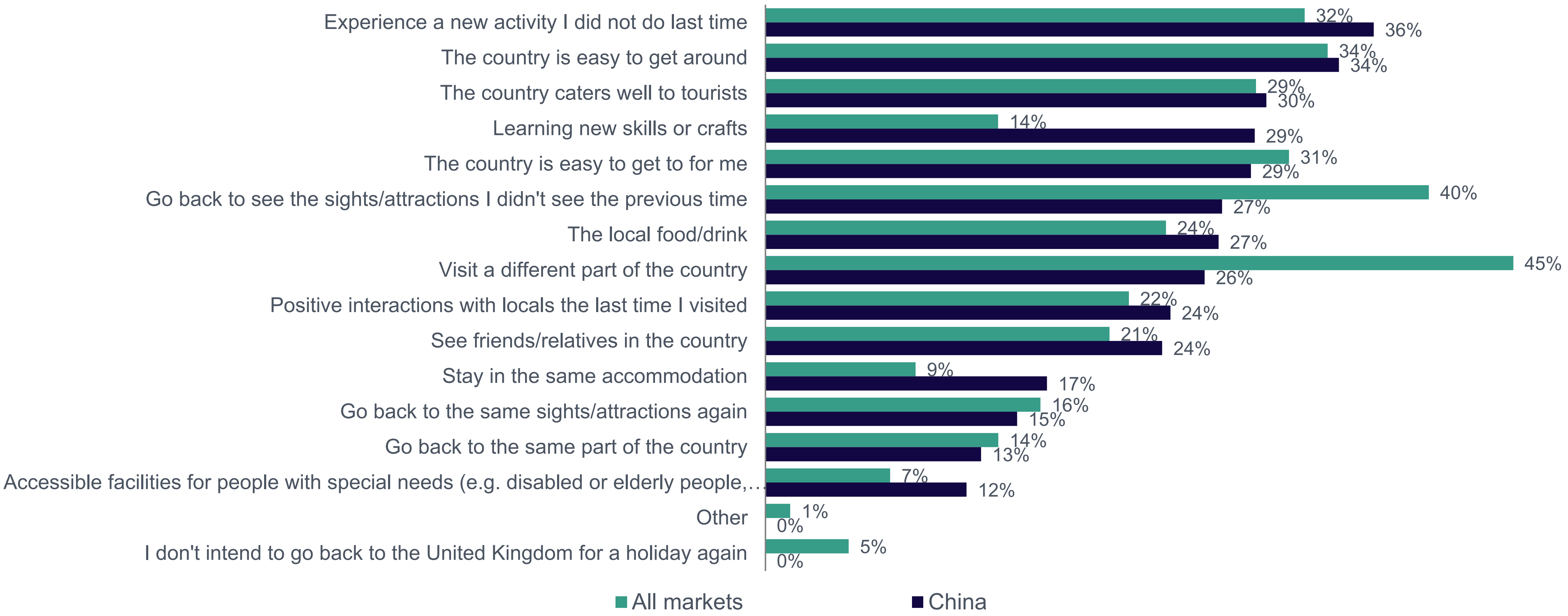
Reasons to return to a destination in general



Source: Anholt Nation Brands Index, powered by Ipsos 2019

2.2 Reasons to return to the UK

Reasons to return to the UK



Source: Anholt Nation Brands Index, powered by Ipsos 2019

2.3 Perceptions of the UK (1)

- The Chinese rate Britain highly overall: they ranked the UK nation brand first overall among 50 nations in 2020, as well as first for people, second for culture and second for tourism. Chinese people also ranked Britain first for its vibrant city life and urban attractions, and second for contemporary culture. However, ranking for 'would like to visit if money was no object' fell by a significant six places between 2019 and 2020, perhaps due to the coronavirus pandemic.
- Chinese travellers would be most likely to expect a trip to Britain to be 'romantic' and 'spiritual'.
- They are interested in famous cultural symbols: the Royal Family, Shakespeare, Sherlock Holmes, Harry Potter and Downton Abbey.
- Australia and France are the destinations that the Chinese consider the 'best place' for delivering many of the aspects they want from a holiday destination. Areas of strength for Britain include the ease of getting around the country as well as its historic sites.
- Cultural attractions are the top motivation for Chinese visitors to come to Britain.

Main reason why Chinese people visited Britain:
Cultural attractions, local food/drinks, natural beauty

Source: Anholt Nation Brands Index, powered by Ipsos 2020, VisitBritain/ Arkenford 2013, Ipsos/Visitbritain 2018

2.3 Perceptions of the UK (2)

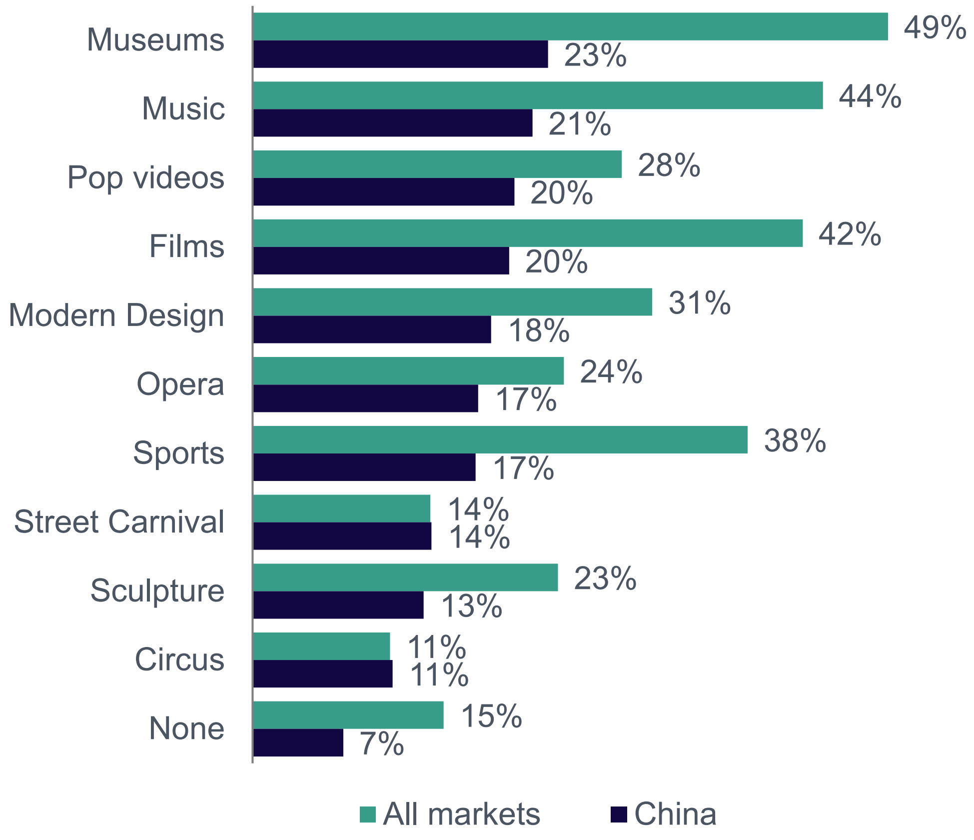
UK's ranking (out of 50 nations)

Measure	Chinese respondents	All respondents
Overall Nation Brand	**1**	**2**
Culture (overall)	**2**	**3**
The country has a rich cultural heritage	4	6
The country is an interesting and exciting place for contemporary culture such as music, films, art and literature	2	4
The country excels at sports	5	3
People (overall)	**1**	**4**
If I visited the country, the people would make me feel welcome	7	11
Tourism (overall)	**2**	**4**
Would like to visit the country if money was no object	10	5
The country is rich in natural beauty	10	23
The country is rich in historic buildings and monuments	3	5
The country has a vibrant city life and urban attractions	1	4

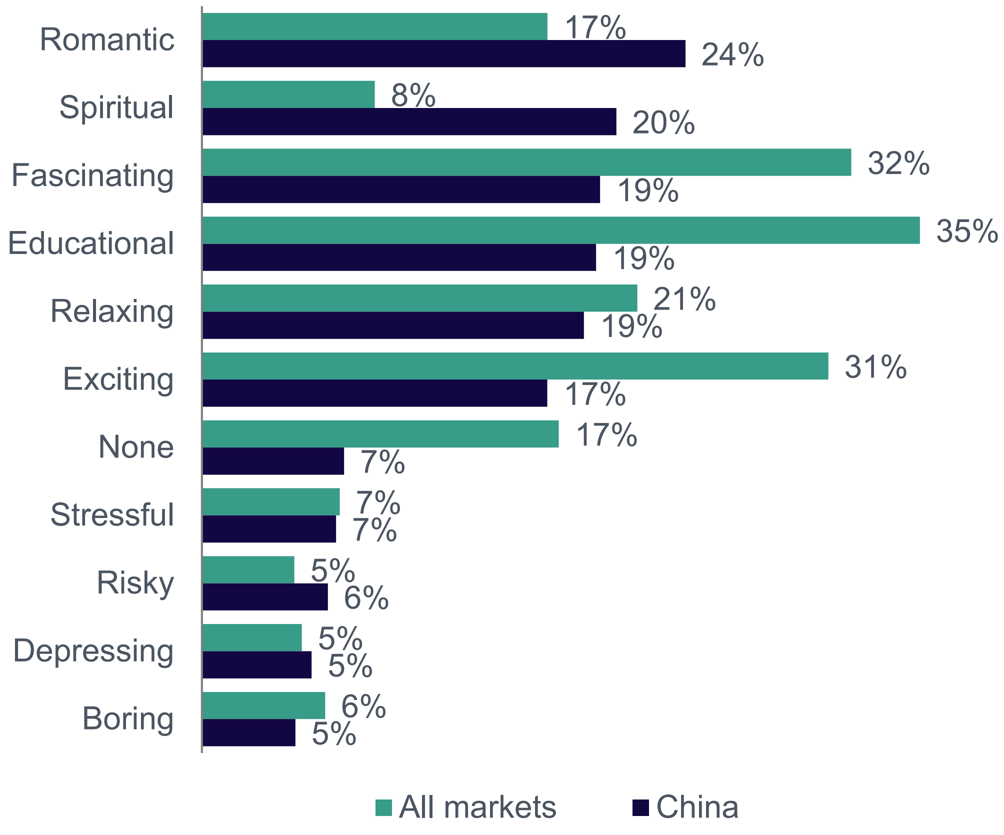
Source: Anholt Nation Brands Index, powered by Ipsos 2020

2.3 Perceptions of the UK (3)

Cultural associations



Adjectives describing a potential trip to the UK



Source: Anholt Nation Brands Index, powered by Ipsos 2020

2.3 Perceptions of the UK (4)

Holiday wants and % saying destination is best place for… top 20

Importance	Perception	GB	FR	IT	AU	US	GE
6.44	Enjoy the beauty of the landscape	25%	48%	47%	64%	35%	23%
6.42	Feel connected to nature	15%	26%	22%	66%	34%	20%
6.4	Have fun and laughter	15%	35%	15%	70%	23%	18%
6.38	Chill/ slow down to a different pace of life	26%	50%	33%	62%	30%	16%
6.38	Be physically healthier	30%	44%	35%	66%	40%	27%
6.35	See world famous sites and places	46%	62%	58%	49%	46%	29%
6.32	Soak up the atmosphere	23%	44%	35%	55%	23%	26%
6.24	It offers unique holiday experiences	39%	56%	50%	63%	43%	34%
6.23	Enjoy peace & quiet	28%	40%	28%	66%	24%	24%
6.23	Offers good value for money	36%	52%	43%	60%	42%	32%
6.21	Experience activities/places with a wow factor	33%	47%	35%	54%	46%	21%
6.19	Experience things that are new to me	29%	55%	45%	59%	37%	24%
6.17	Enjoy local specialities (food and drink)	29%	70%	69%	39%	28%	28%
6.15	Get some sun	31%	48%	37%	73%	34%	20%
6.14	Visit a place with a lot of history/historic sites	48%	73%	64%	22%	21%	28%
6.14	Enjoy high quality food and drink (gourmet food)	23%	67%	61%	24%	38%	19%
6.14	Provides a wide range of holiday experiences	37%	54%	45%	59%	52%	31%
6.09	The people are friendly and welcoming	33%	49%	42%	54%	40%	32%
6.08	Do what I want when I want spontaneously	28%	26%	17%	27%	15%	11%
6.08	Broaden my mind/ Stimulate my thinking	32%	61%	40%	48%	51%	33%

Source: VisitBritain/Arkenford 2013

2.3 Perceptions of the UK (5)

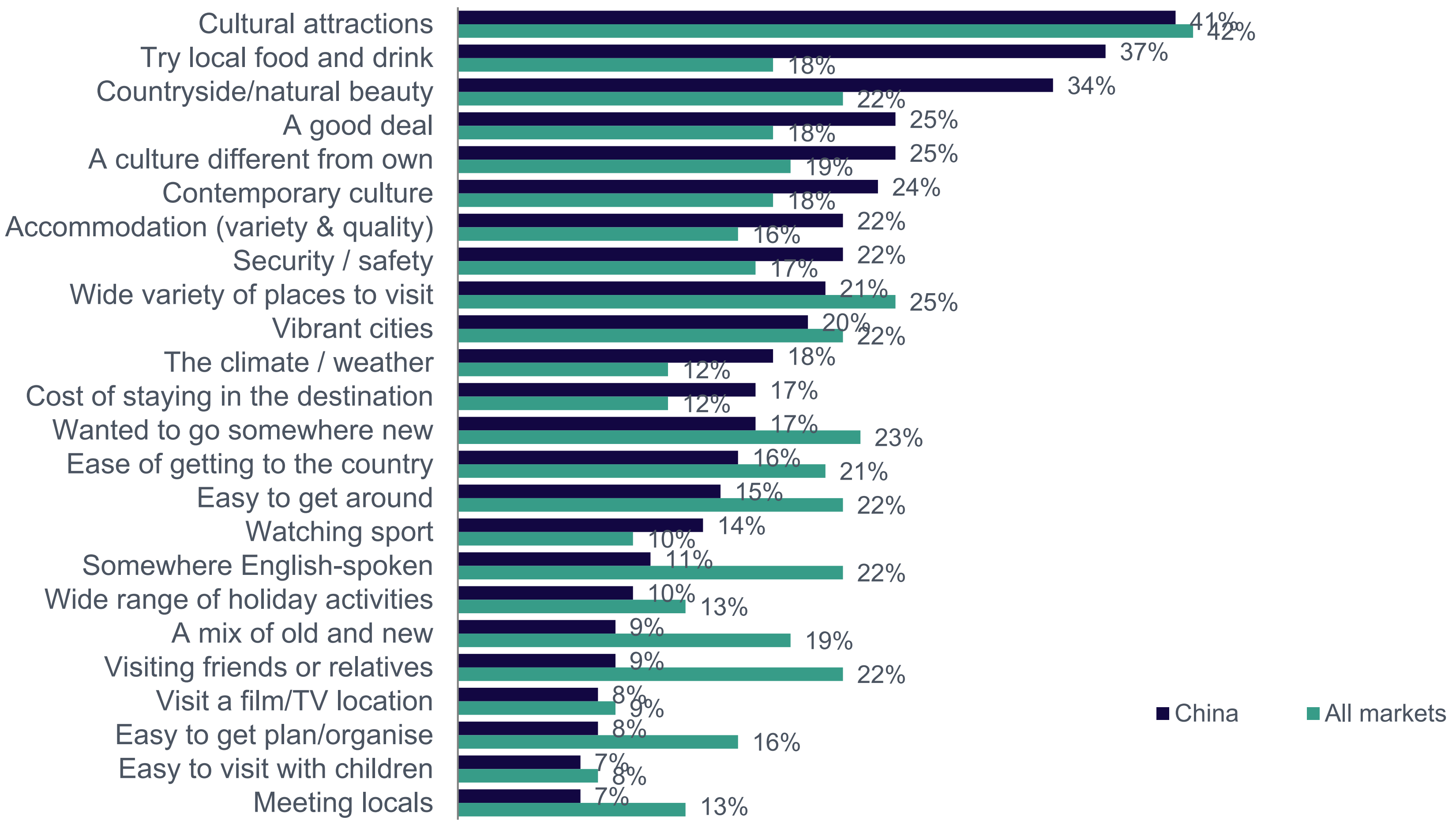
Holiday wants and % saying destination is best place for… bottom 20

Importance	Perception	UK	FR	IT	AU	US	GE
6.07	Do something the children would really enjoy	37%	45%	36%	63%	54%	30%
6.07	Have dedicated time with my other half	35%	54%	37%	60%	38%	30%
6	Easy to get around by public transport	54%	56%	43%	48%	63%	51%
5.96	Explore the place	15%	50%	37%	49%	48%	23%
5.88	Good shopping	38%	66%	48%	41%	64%	24%
5.87	Feel special or spoilt	31%	56%	37%	53%	37%	19%
5.82	Do something environmentally sustainable	40%	53%	66%	44%	33%	40%
5.8	A good place to visit at any time of year	26%	45%	40%	60%	41%	24%
5.79	Revisit places of nostalgic importance to me	21%	37%	39%	12%	24%	14%
5.66	Get off the beaten track	21%	57%	39%	36%	34%	46%
5.63	Meet and have fun with other tourists	30%	72%	42%	59%	45%	31%
5.56	Fashionable destination	37%	66%	49%	49%	49%	25%
5.47	Meet the locals	43%	45%	32%	51%	33%	22%
5.46	Visit places important to my family's history	30%	43%	25%	34%	31%	13%
5.42	Do something useful like volunteering to help on a project	34%	28%	29%	57%	38%	27%
5.41	Experience adrenalin filled adventures	46%	37%	36%	36%	28%	29%
5.36	Party	39%	57%	36%	34%	49%	28%
5.35	Go somewhere that provided lots of laid on entertainment/nightlife	45%	53%	47%	38%	66%	30%
5.29	Watch a sporting event	42%	33%	58%	40%	44%	40%
5.18	To participate in an active pastime or sport	26%	54%	51%	35%	31%	28%

Source: VisitBritain/Arkenford 2013

2.3 Perceptions of the UK (6)

Motivations for choosing Britain as a holiday destination



Source: VisitBritain/IPSOS 2016, adjusted data, base: visitors (Market scores have been adjusted so that the sum of all motivations for each market is equivalent to the global total, to enable meaningful comparisons)

VisitBritain VisitEngland

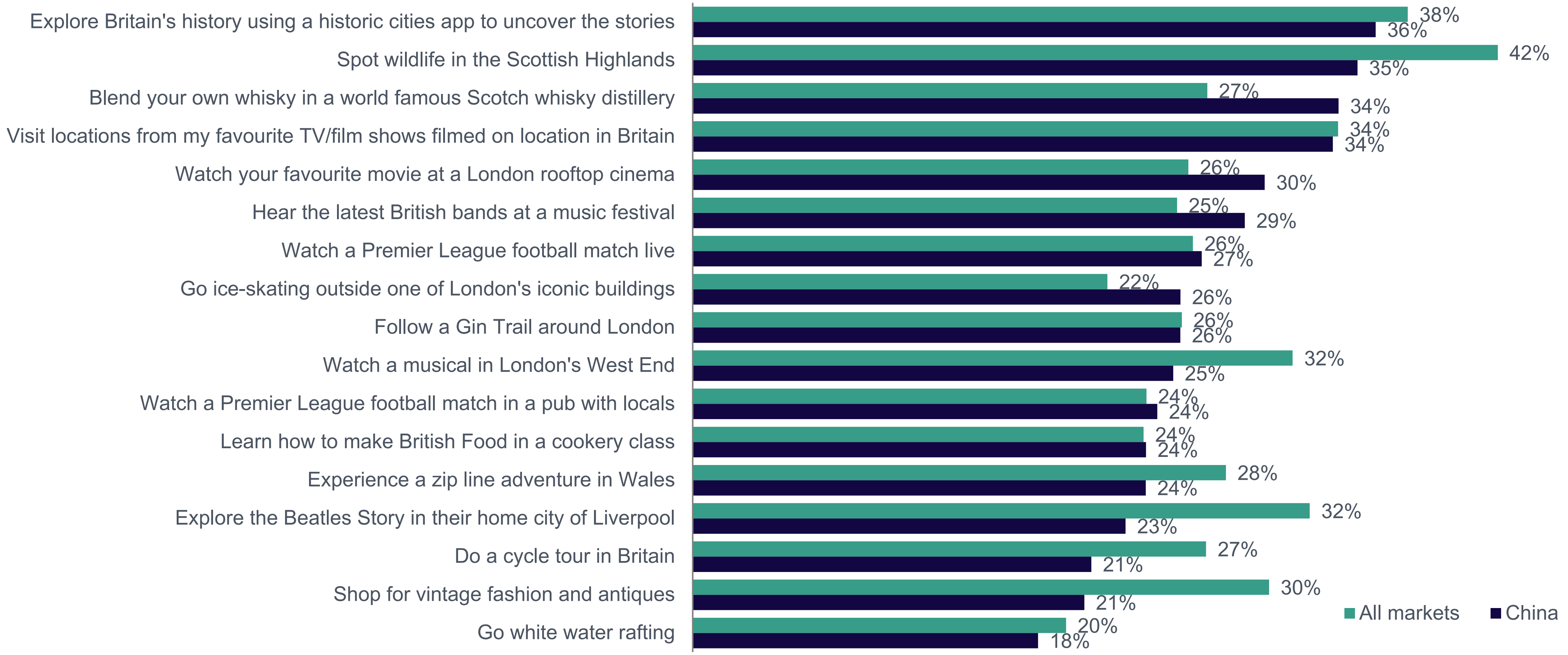
2.3 Perceptions of the UK (7)

Sought-after Britain activities – top 18

Source: Anholt Nation Brands Index, powered by Ipsos 2020; Rankings based on market-level scores that have been adjusted so that the sum of all activities for each market is equivalent to the all-market total, to enable meaningful comparisons, including across markets

2.3 Perceptions of the UK (8)

Sought-after Britain activities – bottom 17



Source: Anholt Nation Brands Index, powered by Ipsos 2020; Rankings based on market-level scores that have been adjusted so that the sum of all activities for each market is equivalent to the all-market total, to enable meaningful comparisons, including across markets

Understanding the market

Chapter 3

3.1 Structural drivers

- The Chinese economy is still growing rapidly. In 2019, the number of High Net Worth Individuals (HNWIs, those with investable assets worth more than US$1million) was 1.32m.
- With a population of more than 1.4 billion (2021), China is still the most populated country in the world. However, with an ageing population, it is set to be overtaken by India by 2030, and the population will start to decline.
- The rapid increase of Chinese urban income is expected to drive overall income growth. Growth in per capita disposable income is now faster in rural areas than in urban areas, indicating narrowing of the urban-rural income gap.
- The number of Chinese passport holders has grown rapidly, and it is estimated that around one tenth of the Chinese population currently holds one.
- Standard Chinese or Mandarin is the nationwide official language. Some regions may use others though, such as Cantonese (or Yue) which is Guangdong's official language. China is the 4th largest country in the world: cultures in the different regions and cities vary, as do languages.

By 2040, the average Chinese person will be aged

46

Source: Oxford Economics, UN 2019 World Population Prospects, Capgemni World Wealth Report 2020, CIA World Factbook 2021, China.org

3.1 Structural drivers: demographic and social indicators

Population dynamics

Measure	2021 estimate Unless otherwise specified
Total population (bn)	1.4
Population growth	0.26%
Urban population (2020 est.)	61.4%
Urbanisation rate (2015-2020 est.)	2.42%

Indicator	2010	2020	2030	2040
Fertility rate (live births per woman, over 5 years ending in year shown)	1.62	1.69	1.72	1.73
Median age (in years)	35.0	38.4	42.6	46.3

- The Chinese population is set to increase slightly until 2030 when it is forecast to start decreasing. The fertility rate in China is indeed under the threshold for population renewal, as a consequence of the one-child policy, which was changed in October 2015 for a two-child policy. The Chinese population is also showing signs of ageing, with a median age above the global average since 2015.
- Capgemini's World Wealth Report suggests that in 2015 Chinese HNWIs (High Net Worth Individuals) surpassed 1 million people for the first time, and continued growing to 1.32 million HNWIs in 2019. Along with Japan, China leads the wealth growth in Asia Pacific. In terms of HNWI volume, it ranks in 4th place behind the US, Japan and Germany.
- Urban population rate is still quite low (61% in 2020). However, it is still increasing. According to the Academy of Social Sciences of China, the middle class* accounts for about 19% of the Chinese people.

Source: Oxford Economics, UN revised 2019 World Population Prospects, CIA World Factbook 2021, Capgemni World Wealth Report 2020, Santander's 'China: reaching the consumers' profile
*Note: McKinsey defines upper middle class as annual disposable income from 106,000RMB to 229,000RMB, mass middle class as annual disposable income from 60,000RMB to 106,000RMB

3.1 Structural drivers: economic indicators

Economic indicators
(% growth unless stated)

Indicator	2019	2020	2021	2022
Real GDP	6.0	2.3	8.9	5.4
Real consumer spending	5.9	-3.4	10.0	9.5
Unemployment rate (%)	4.2	6.8	4.4	3.7

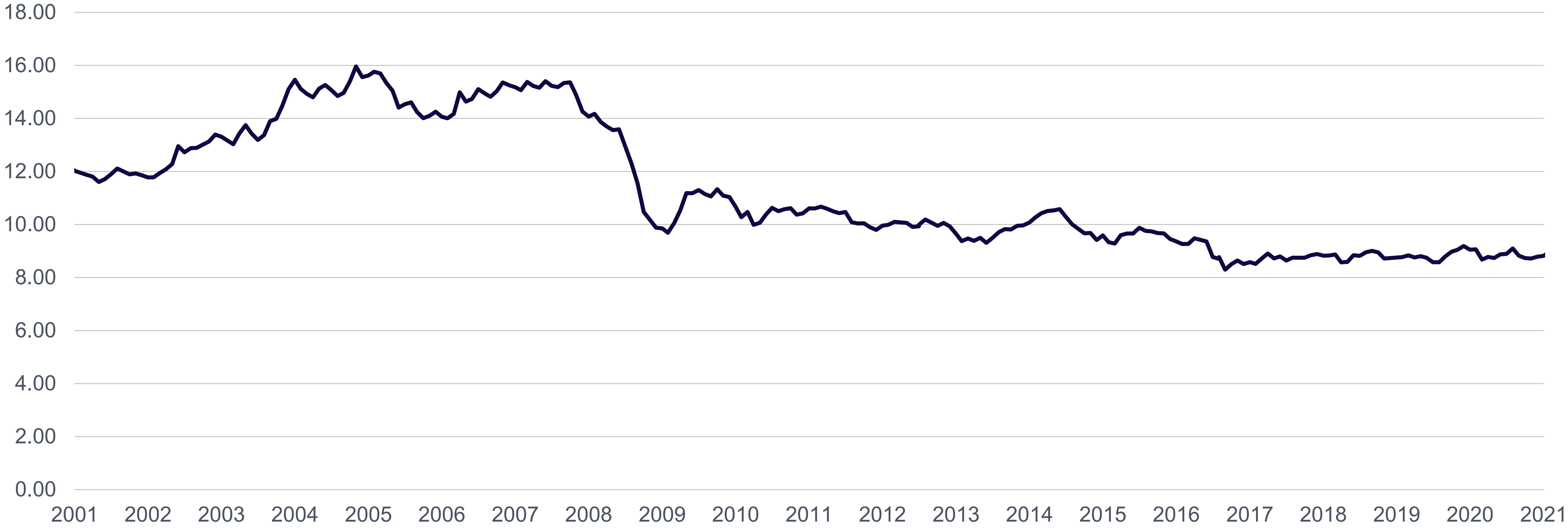
- China has the second largest economy in the world, and the growing white collar urban middle classes have more disposable income, and are taking more trips abroad.
- In recent years economic growth has slowed down from previous highs. This slowdown is monitored and paced to achieve a more sustainable growth, driven by domestic consumption and promotion of the service industry (as opposed to manufacturing, exports and investment).
- The ongoing US-China trade war contributed to a further slowdown in the rate of economic and industrial output growth; however, Oxford Economics reports that a Biden government is expected to pursue a more pragmatic and steady China policy.

- In 2019, fourteen Chinese cities exceeded a GDP of 1 trillion yuan, with recent entrants being Qingdao, Zhengzhou and Changsha. The development of communication technologies has benefited the economic growth of some cities, such as Shenzhen, nicknamed the Chinese silicon valley.
- As opposed to the 2020 recession seen in many other global markets due to the impact of the coronavirus, China's economy experienced a stagnation, before returning to growth in Q3. GDP growth was seen in 2020 overall. In the absence of a significant jump in coronavirus cases, Oxford Economics predicts that growth will strengthen further throughout 2021. This economic recovery has been reflected in the strong performance of China's domestic travel market in the latter half of 2020, with domestic air arrivals reaching 2019 levels in time for the autumn Golden Week national holiday.

Source: Oxford Economics, Statista, ForwardKeys

3.1 Structural drivers: exchange rate trends

Exchange rate trends (cost of GBP in CNY)



Please find the most up-to-date exchange rate trend based on monthly averages on our website.

Source: Bank of England

3.2 Consumer trends

- More and more Chinese people have access to travel thanks to economic growth and the rise of Chinese purchasing power, especially in the main cities. Today, the number of Chinese passport holders is said to exceed 200 million, with 30 million passports issued in 2018 alone.
- As Chinese travellers are becoming more like their Western counterparts, new trends emerge. With new visa-free destinations or easier application processes, the FIT segment is growing (only 15% of Chinese travellers to the UK were package tourists in 2019). Family travel, experiences and winter sports are also gaining momentum.
- Tour groups and organised trips are still dominant though: residents of lower tier cities are newer to travelling abroad, and still need more guidance. But mobile/digital capabilities has significantly impacted travel behaviours, including a shorter planning phase and greater tendencies to make bookings on the spot or during the journey.

85%

of Chinese luxury travellers would say that ‘authentic experience/activities’ are an essential element of their luxury trips

Source: IPS, Goldman Sachs’ 2015 Chinese consumer profile, UNWTO/GTERC Asia Tourism Trends, Euromonitor‘s ‘Cracking the Chinese Consumer Code‘, Resonance Consultancy/ China Luxury Advisors ‘The Future of Chinese International Travel‘, VB/Kantar Millward Brown 2017 research, China-Outbound, XinhuaNet

3.2 Consumer trends: travel trends pre COVID-19

Motivation and attitudes to holidays

- Before 2020, China's outbound market was booming. China surpassed 100 million international arrivals in 2018, and in 2019, it was the third largest market in volume of international arrivals after the US and Germany. Despite the impact of COVID-19, it is forecast to retain this ranking in 2024.
- The rising urban middle class in China is primarily responsible for the growth of the outbound travel market. In 2019, around 400 million of China's population could be considered as part of the middle class. With 9% of Chinese personal spending going on recreational activities, spending on 'fun' activities, which includes travel, is much lower than in other countries. However, the young urban mass affluent segment, which is set to grow in the coming years, are spending more on these activities, creating a sizeable growth opportunity for the Chinese outbound market. Overall, Chinese millennials are more likely than previous generations to spend rather than save.
- Millennials and Gen Z Chinese, often only children of increasingly affluent tier-1 cities' residents, are usually educated and often have a higher disposable income than their parents had. They might still live with their parents, and thus would have more to spend on travel.
- 2018 was the EU-China tourism year. This helped draw both markets closer in terms of tourism and investment, with European countries, including the UK, Italy and France, lowering the threshold for the approval of certain visas and simplifying the visa issuing procedure to attract more Chinese tourists. The Belt and Road initiative has also benefitted some lesser know destinations in Europe, highlighting them to Chinese travellers.
- Tier-3 and tier-4 cities are gaining greater access to overseas travel: as of 2019, China had plans to build more than 200 new airport facilities. However, the pandemic may impact airport construction, and restrictions over passport issuance and renewal may have lead to a negative trend in international travel.
- As those in the top tier cities are becoming more mature travellers, they are looking for more unique experiences and destinations. They also become more and more independent in the planning of their trip, thanks to the information available on their smartphones.

Source: Oxford Econmics, Goldman Sachs' 2015 Chinese consumer profile, UNWTO/GTERC Asia Tourism Trends 2018 Edition, Resonance Consultancy/ China Luxury Advisors 'The Future of Chinese International Travel' 2018, CNN

3.2 Consumer trends: rise of the FIT travellers

Millennials and Gen Z are leading growth

- Millennials and Gen Z travellers are highly represented in China. The country's birth rates were higher in 1985-1995, and it boasts the second largest Gen Z group in the world. Both groups live in top-tier Chinese cities and tend to be experienced travellers as they have more disposable income than previous generations, some having even studied abroad. Chinese Gen Z's households have a higher average income than their Indian counterparts. They spend more on entertainment and travel than other age groups in China. 67% of bookings on Chinese travel giant Ctrip are made via mobile, which may be linked to this audience's influence.
- Technology solutions to which their parents did not have access to enable those travellers to fulfil their desire for more control and ownership of their trips. Thus, they can be more adventurous whilst reassured, having all information just in a few clicks.
- Across China, 28% of all international travellers will still prefer to 'purchase a pre-planned tour to handle all accommodation and tour guides'. However, millennials would mostly pick 'purchase a package, but travel on my own without a guide', 'purchase my travel arrangements on my own, but hire a tour guide or driver', or 'completely on my own with no package tour or tour guide'
- Mobile technologies also allow millennials to be more confident travelling on their own, or picking more adventurous, unique destinations and experiences.

In China, before the COVID-19 pandemic, VisitBritain focused on two audience segments among the international travellers. Buzzseekers are most likely to be aged 25-34, and so their attitudes and behaviours reflect the Millennial market:

Buzzseekers in China: affluent and seasoned travellers; opinion leaders of their friends and social contacts, who prefer premium experiences and adventures.

During the pandemic, and in the lead up to full recovery, VisitBritain aims to inspire the broadest range of audiences who are able and ready to travel internationally.

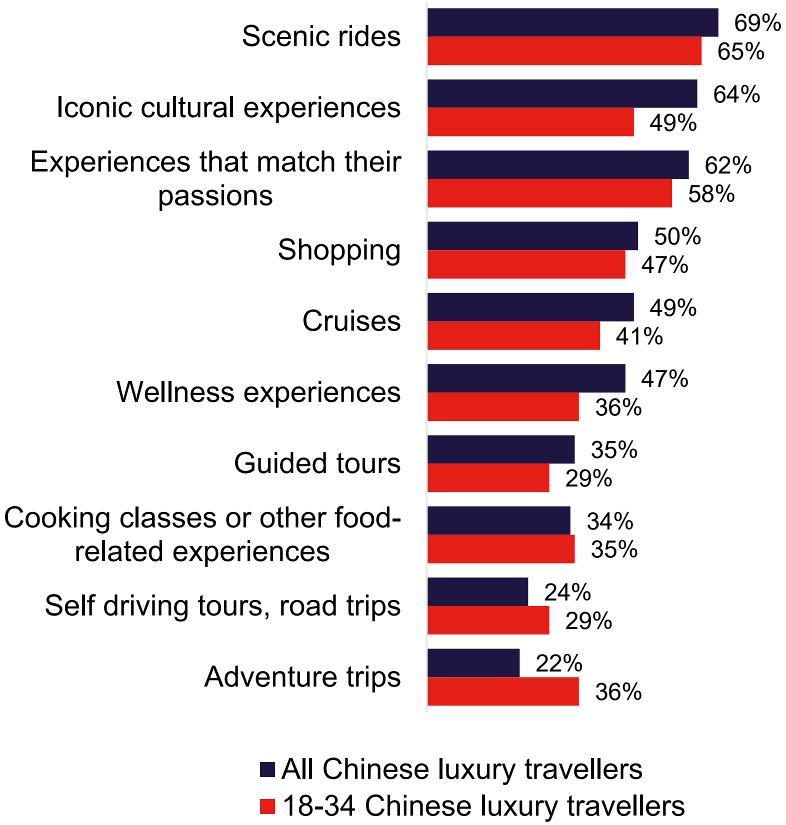
Source: Euromonitor's 'Cracking the Chinese Consumer Code' 2018, Resonance Consultancy/ China Luxury Advisors 'The Future of Chinese International Travel' 2018, ChinaTravelNews.com, Kubi Kalloo, Ctrip

3.2 Consumer trends: luxury travel trends

Travel trends among the more affluent travellers

- China is the most valuable outbound market in the world: Chinese travellers spent a total US$254.6 billion abroad in 2019. When in the UK, they spend 3 times the all-market average per visit.
- The luxury travel segment is key in this market, with Mass Affluent and HNWI* people being an important group among Chinese travellers. Chinese luxury travellers tend to be younger than the global profile, and so their trends are similar to trends of millennial travellers, such as the importance of experiences.
- 50% or more of Chinese luxury travellers would define a 'luxury trip' by a trip including 'premium/exclusive food and drinks experiences', 'VIP treatment/excellent service from all touch points', and 'accommodation in a location that will astonish'. It is followed by 'unique and exclusive experiences' and 'time to enjoy and lose oneself in the place visited'.
- Shopping is no longer the prime motivation to travel, but most would still be likely to search for a bargain at a luxury outlet village.
- Chinese luxury travellers associate Britain with classic and royal attributes, so they would enjoy visiting royal buildings in a unique way, or staying at historic houses or stately homes. British university cities (Oxford, Cambridge) also hold a luxury appeal for them.

Top 10 experiences in a luxury holiday

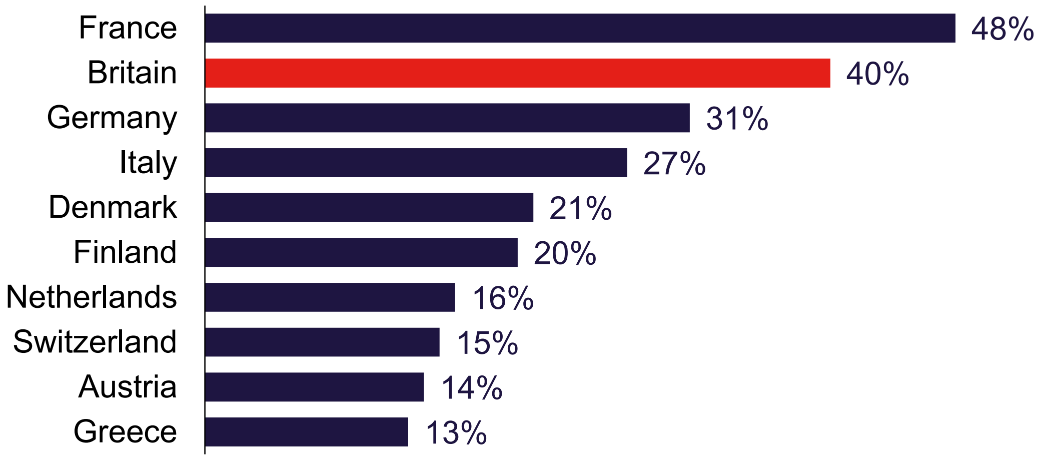


Source: UNWTO, International Passenger Survey by ONS, VB/Kantar Millward Brown 2017 research

* See definitions in appendix

3.2 Consumer trends: impact of COVID-19

Top European destinations for an international leisure trip*



- Due to the COVID-19 outbreak, visits from China to the UK decreased by 22% in the first three months of 2020 compared to those months in 2019**, and Oxford Economics estimates that total visits were down by 84% throughout the year.
- The first wave of VisitBritain's International Recovery Sentiment tracker (fieldwork 2nd-16th December 2020) reveals strong travel sentiment from China, with 69% of Chinese respondents 'definitely' or 'probably' considering taking an international leisure in the next 12 months.

Key activators for an international leisure trip

	China	All markets
Availability of a vaccine/treatment against the virus	40%	41%
Hygiene and safety protocols in place at destination	38%	34%
Significant decrease in coronavirus cases at destination	35%	38%
Stable political environment in destination country	35%	20%
Removal of quarantine policies in destination country	33%	36%

- Of these, 57% are considering travelling to Europe, and 23% are considering Britain. This preference for Britain is particularly high compared to the all-market average (13%), and Britain is ranked second among European destinations, after France.
- Chinese travellers' top activators for an international trip do not stray too far from the trend seen at a global level, with a strong focus on health relating to COVID-19. However, they are particularly likely to value a stable political environment in the destination compared to other global travellers.

Source: IPS, VisitBritain/Oxford Economics, TCI/VisitBritain/VisitScotland/VisitWales/London&Partners February 2021 *percentages show proportion within those considering a trip to Europe **provisional data for January-March 2020, latest statistics at time of writing. Note: Sentiment data is from a tracking study, and results may change in subsequent waves

3.3 Booking and planning

- Chinese travellers have a very short lead-in time: 75% of Chinese visitors to Britain booked their trip within 2 months of their departure.
- However, 53% had decided to visit Britain at least 3 months before their date of travel.
- Previously, short lead times may have been influenced by lack of planning in a less mature travel market, however, more recently, this trend is linked to the convenience of digital travel platforms which facilitate short term and on the spot booking.
- They are more likely than average to plan their trip with precision before leaving their country.
- When travelling to Britain, they would prefer to book travel and accommodation together, mostly online.
- They would also be more likely to purchase tickets for their activities before they travel.

75%

of Chinese visitors to Britain booked their trip within 2 months of travel

Source: VisitBritain/IPSOS 2016

3.3 Booking and planning: booking channels and ticket sales (1)

How trips to Britain were booked

Booking method	China	All markets
Online	80%	85%
Face-to-face	9%	10%
By phone	6%	4%
Don’t know	5%	1%

- Online bookings are the Chinese travellers’ favourite booking methods when arranging their travel to Britain.
- Chinese visitors to Britain still tend to book their travel to Britain and accommodation together (71% of visitors).
- Among those who booked them separately, the Chinese share of visitors who stayed with friends or relatives is on par with the all-market average.

How trips to Britain were booked: accommodation only

Booking method	China	All markets
Online	69%	70%
Face-to-face	9%	7%
By phone	4%	3%
Did not book/stayed with friends/relatives	17%	17%
Don’t know	2%	2%

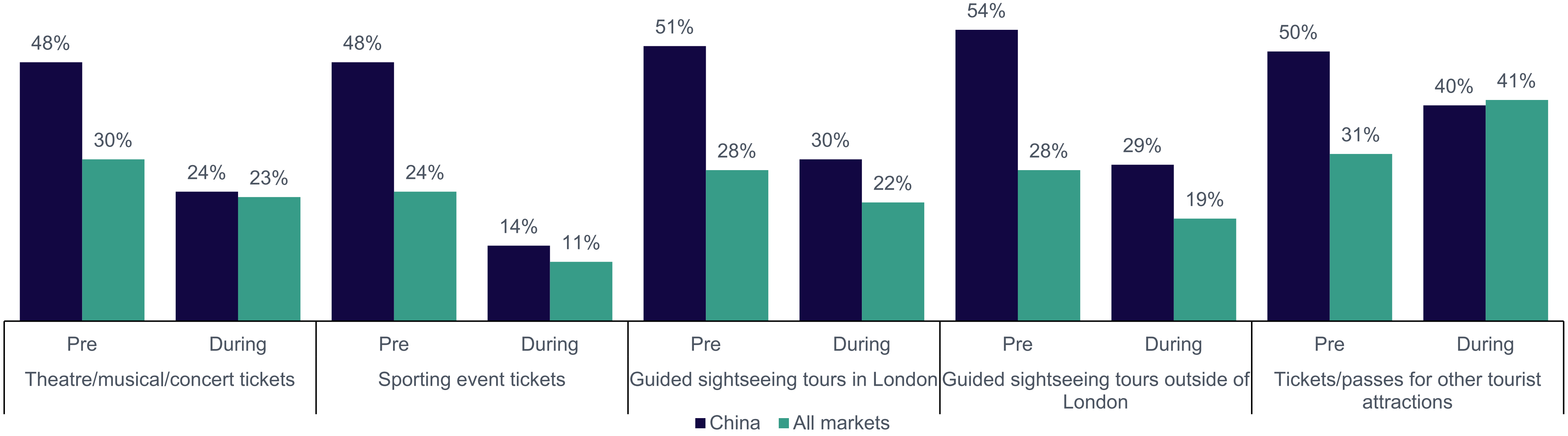
How trips to Britain were booked: travel + accommodation

Booking method	China	All markets
Online	82%	64%
Face-to-face	13%	27%
By Phone	5%	8%
Don’t know	0%	1%

Source: VisitBritain/IPSOS 2016, base: visitors (online survey)

3.3 Booking and planning: booking channels and ticket sales (2)

Propensity to make a purchase before or during trip



- Chinese visitors tend to book their various travel elements before they start their journey, especially for guided sightseeing tours and tickets to other tourist attractions.
- 89% of Chinese international travellers tend to plan their holiday abroad carefully before they leave China, which is above the all-market average (70%).

Source: VisitBritain/IPSOS 2016, base: visitors (online survey)

3.3 Booking and planning: lead-times (1)

Decision lead-time for visiting Britain

Starting to think about trip

Lead time	China	All markets
6+ months	42%	49%
3-6 months	33%	31%
1-2 months	18%	13%
Less than 1 month	6%	5%
Don't know	2%	3%

Deciding on the destination

Lead time	China	All markets
6+ months	18%	32%
3-6 months	34%	38%
1-2 months	30%	19%
Less than 1 month	15%	7%
Don't know	2%	3%

Looking at options/prices

Lead time	China	All markets
6+ months	10%	21%
3-6 months	24%	37%
1-2 months	35%	27%
Less than 1 month	29%	12%
Don't know	2%	4%

Booking the trip

Lead time	China	All markets
6+ months	8%	14%
3-6 months	13%	32%
1-2 months	32%	28%
Less than 1 month	44%	21%
Don't know	3%	5%

Source: VisitBritain/IPSOS 2016, base: visitors

3.3 Booking and planning: lead-times (2)

Decision lead-time for visiting Britain: commentary (tables on previous page)

- The Chinese tend to think about a trip to Britain fairly far in advance as 42% of visitors to Britain started to think about it more than six months before the trip. An additional 33% did so in the three to six months window before the trip.
- Just over half had decided to travel to Britain either three months before their trip or earlier. This is below the all-market average, showing the short lead-in time of Chinese travellers to Britain.
- They also start looking at options and prices for their trip to Britain later than the all-market average with about a third doing so 3 months or more in advance of their trip, about another one-in-three 1-2 months before, and the rest less than 1 month before.
- Finally, 75% of Chinese visitors to Britain had booked their trip within 2 months of the trip.
- Booking through a travel agent, tour operator or travel comparison website is usually preferred to booking directly with the carrier/provider, whether Chinese visitors to Britain chose to book travel and accommodation together or separately.

Source: VisitBritain/IPSOS 2016, base: visitors

3.4 Reaching the consumer

- Talking to friends, relatives and colleagues is the key source of influence for Chinese travellers trying to decide on their holiday destination.
- Travel agents or tour operators – whether through direct advice or via websites – have almost as much influence as word-of-mouth.
- Travellers' destination reviews on websites completes the Chinese top 3 influences*.
- Compared to other markets, Chinese travellers tend to be more influenced by TV travel programmes, TV adverts, and also their traditional travel agent or tour operator through discussions or their brochures.
- Almost 1-in-2 Chinese people said they have travelled for a holiday to a place they had chosen at least in part because it featured in a TV series or film. A further 4-in-10 would also consider doing so.

Word of mouth

#1 Influence for the destination choice of Chinese travellers

Source: VisitBritain/IPSOS 2016, * Considering talking to friends, relatives and colleagues directly or on social media as only one same source of influence.

3.4 Reaching the consumer: print media landscape

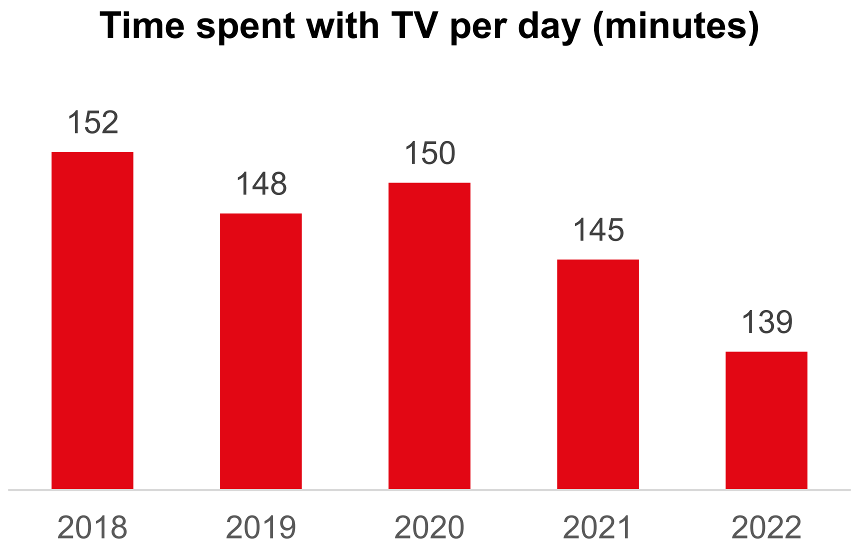
- The Chinese are highly exposed to media and increasingly media driven overall, but outlets operate under tight control. The opening up of the industry has extended to distribution and advertising, but not necessarily to editorial content. China is the third largest publishing sector for exporters, after the US and Germany. However, it is very fragmented with around 1,900 newspapers.
- There are also over 40 major press conglomerates publishing 100 million copies of newspapers every day. There are over 10,000 magazines across China. However, it is mostly state-controlled: city newspapers are usually owned by local government or the local Communist Party. Sensitive information is monitored and can eventually be censored, but it might depend on the city, or region. Tourism information is not considered sensitive, however, tourism (as part of economic measures) can sometimes be politicised to gain levers within international affairs.
- Travel magazines are popular, such as *World Traveler* (or *The Traveler* in Chinese) with the middle class.
- Digitisation of media is particularly prominent in China, and has had a profound impact on Chinese media consumption. Online support is challenging the market situation as many publications are being digitised to gain more market share and penetration. Conde Nast Traveller and Harper's Bazaar Chinese editions are good examples of this.

Newspapers	Other information
People's Daily (Renmin Ribao)	Communist Party daily, web pages in English
China Youth Daily (Zhongguo Qingnian Bao)	State run, linked to Communist Youth League
China Daily	Official English-language paper
Global Times (Hangiu Shibao)	State-run, editions in English and Chinese, focuses on world affairs
People's Liberation Army Daily (Jiefangjun Bao)	Web pages in English
Reference News (Cankao Xiaoxi)	Published by official news agency Xinhua
21st Century (21 Jingji)	Leading business newspaper, privately owned

Source: BBC Media Profile, AHK China, 2016 ITA Media and Entertainment Top Markets Report, WorldPress.org, PwC's 'China entertainment and media outlook 2016-2020'

3.4 Reaching the consumer: broadcast media landscape

- Most households own a TV set. There are over 3,300 local, regional and national TV channels in China, and over 2,600 radio stations. All are state-owned.
- Main radio broadcaster include China National Radio and China Radio International.
- The biggest TV players are:
  - China Central TV (CCTV), largest broadcast media in China with national coverage, state-run and based in Beijing but with overseas offices, including in London.
  - China Global TV Network (CGTN), a state-run international broadcaster with networks in 5 other international languages, including French and English.
- Regional TV stations, with support of satellites, are gaining more popularity with a focus on lifestyle and entertainment programmes.
- China is also the largest cable TV market in the world with over 216 million subscribers.
- Main players are Tencent and Baidu. Most traditional TV channels and radio stations have to face the competition of streaming and OTT companies, like iQiyi, Youku, Tudou, Sohu and Bilibili (the latter being particularly popular among millennials and Gen Z).



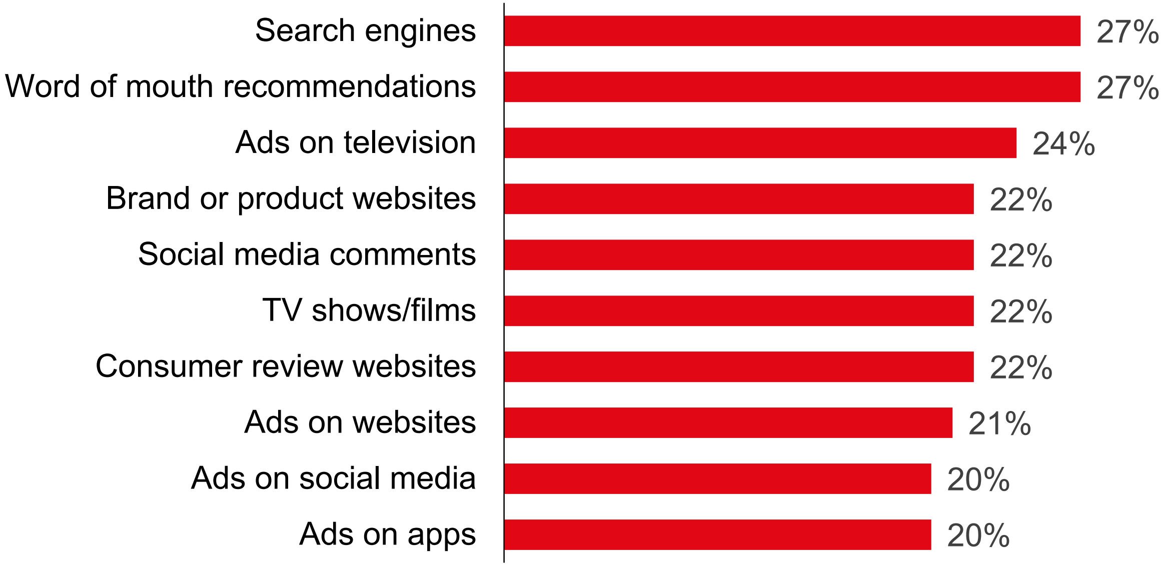
Source: BBC Media Profile, AHK China, 2016 ITA Media and Entertainment Top Markets Report, WorldPress.org, PwC's 'China entertainment and media outlook 2016-2020', eMarketer

3.4 Reaching the consumer: internet and social media

- China is the world's largest online population with 855 million internet users and an Internet penetration rate of about 59% in early 2020. Chinese internet users aged 16-64 use the internet for almost 6 hours per day; the second highest across Northeast Asia after Hong Kong.
- A system nicknamed the "Great Firewall of China" can block access to foreign or domestic websites, filtering URLs or censoring some keywords.
- Chinese users are most likely to spend their time online watching online videos and streaming music.
- Social media penetration was at 72% in early 2020, with 15 million more social media users when comparing 2019-2020, and an average of 9 social media accounts per internet user.

Most used social media platforms	Mobile app rankings
WeChat	WeChat
Sina Weibo	Alipay
Baidu Tieba	QQ
Xiaohongshu	Taobao
Tencent Weibo	Baidu
Kuaishou	TikTok
Douban	Wifi Master Key
Douyu	Pinduoduo
LinkedIn	Toutiao
Meitu	Amap

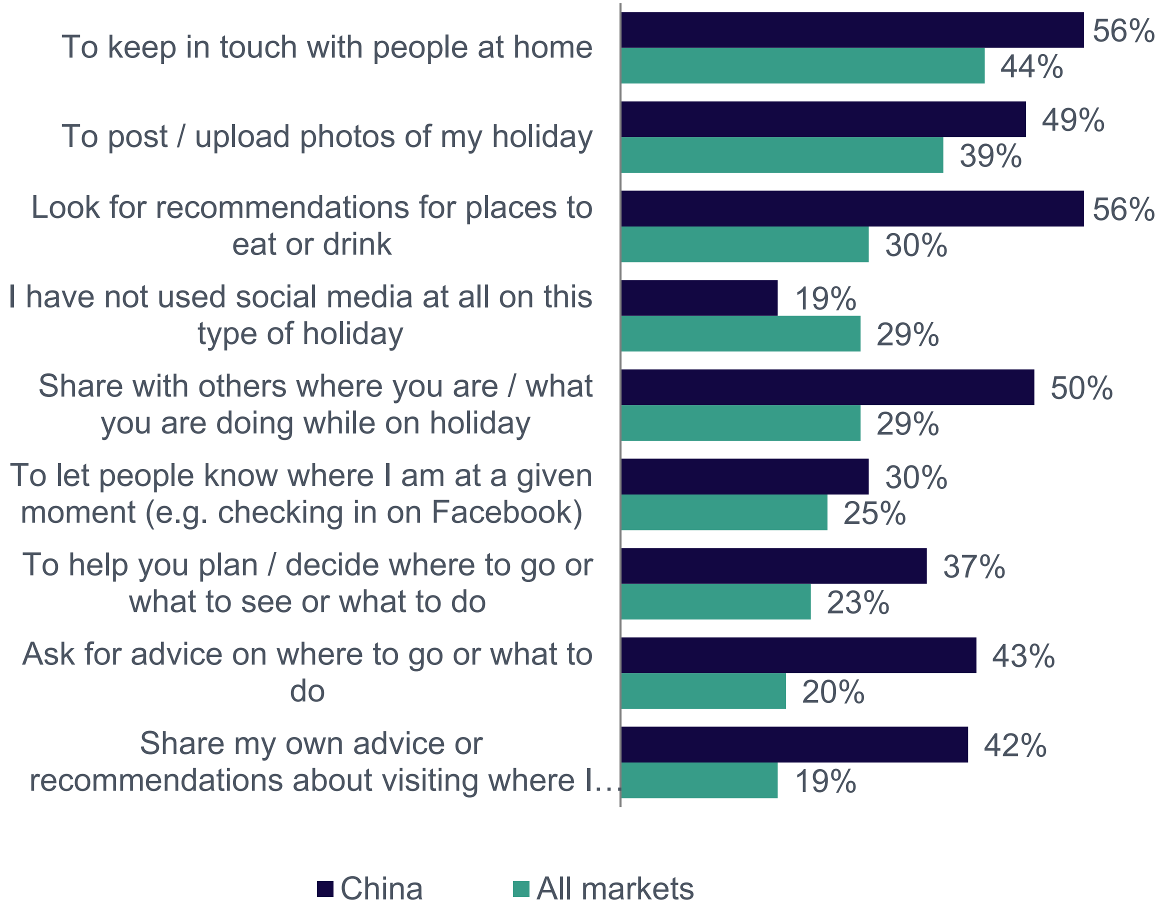
Sources of new brand discovery



Source: Hootsuite Digital 2020

3.4 Reaching the consumer: social media on holiday

Use of social media on holiday

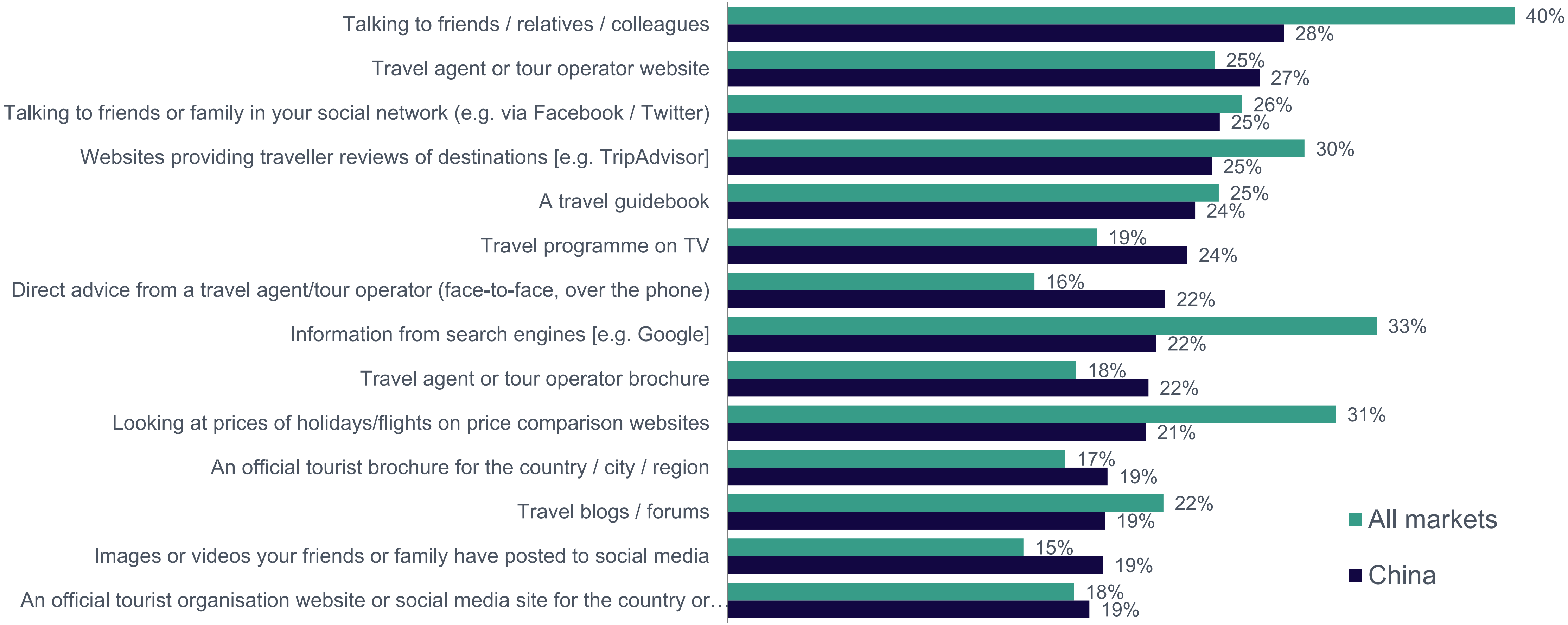


- Chinese travellers tend to use more social media on holidays than the all-market average: only 19% of Chinese international travellers have not used social media during their last holiday abroad, compared to 29% across all markets.
- 88% of Chinese international travellers regard their smartphone as essential whilst they are on holiday, and 65% their tablet.
- 82% of Chinese travellers like to be able to stay connected when they are on holidays, with 87% wishing it were cheaper to use their smartphone abroad.
- While on holiday, the Chinese tend to use more social media than the average international traveller, especially when finding or sharing recommendations on where to go to eat, drink or visit.

Source: VisitBritain/IPSOS 2016, base: all respondents

3.4 Reaching the consumer: influences (top 14)

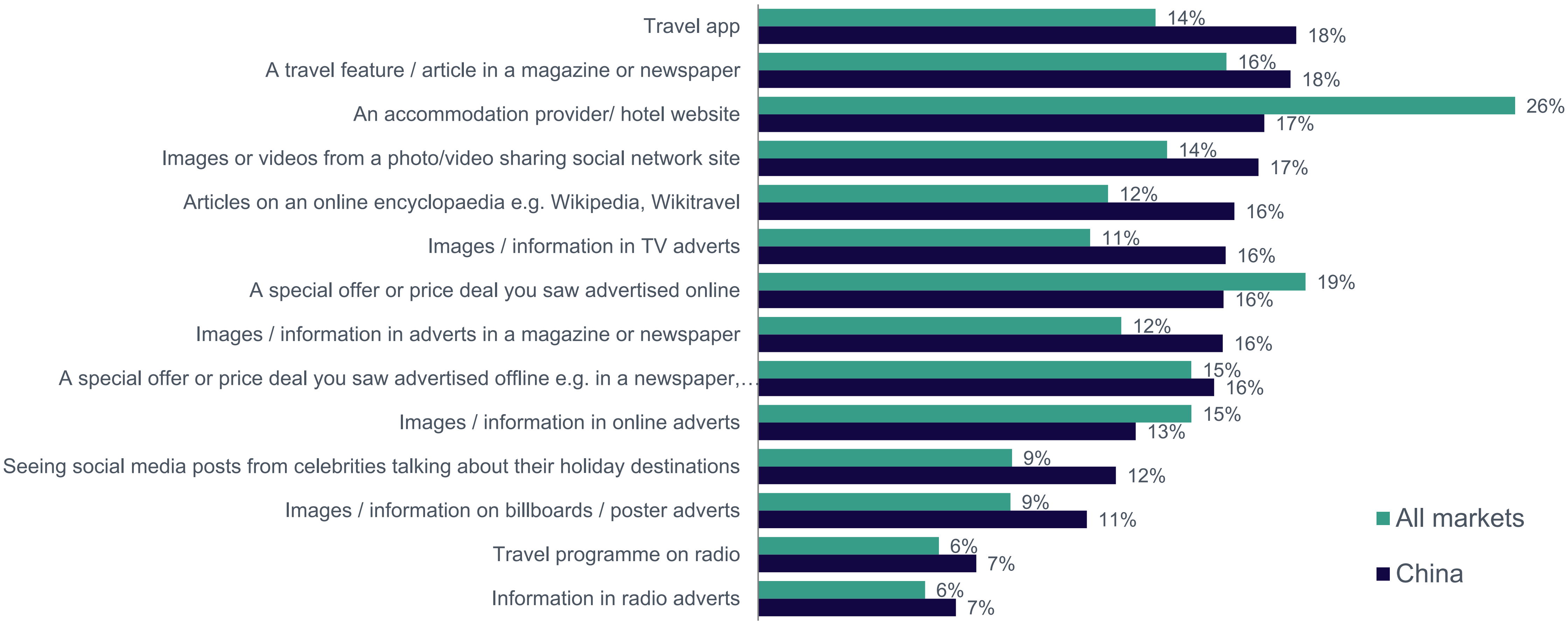
Influences on destination choice – top 14



Source: VisitBritain/IPSOS 2016, base visitors & considerers. Which of the following sources influenced your choice of destination? (Market scores have been adjusted so that the sum of all influences for each market is equivalent to the global total, to enable meaningful comparisons)

3.4 Reaching the consumer: influences (bottom 14)

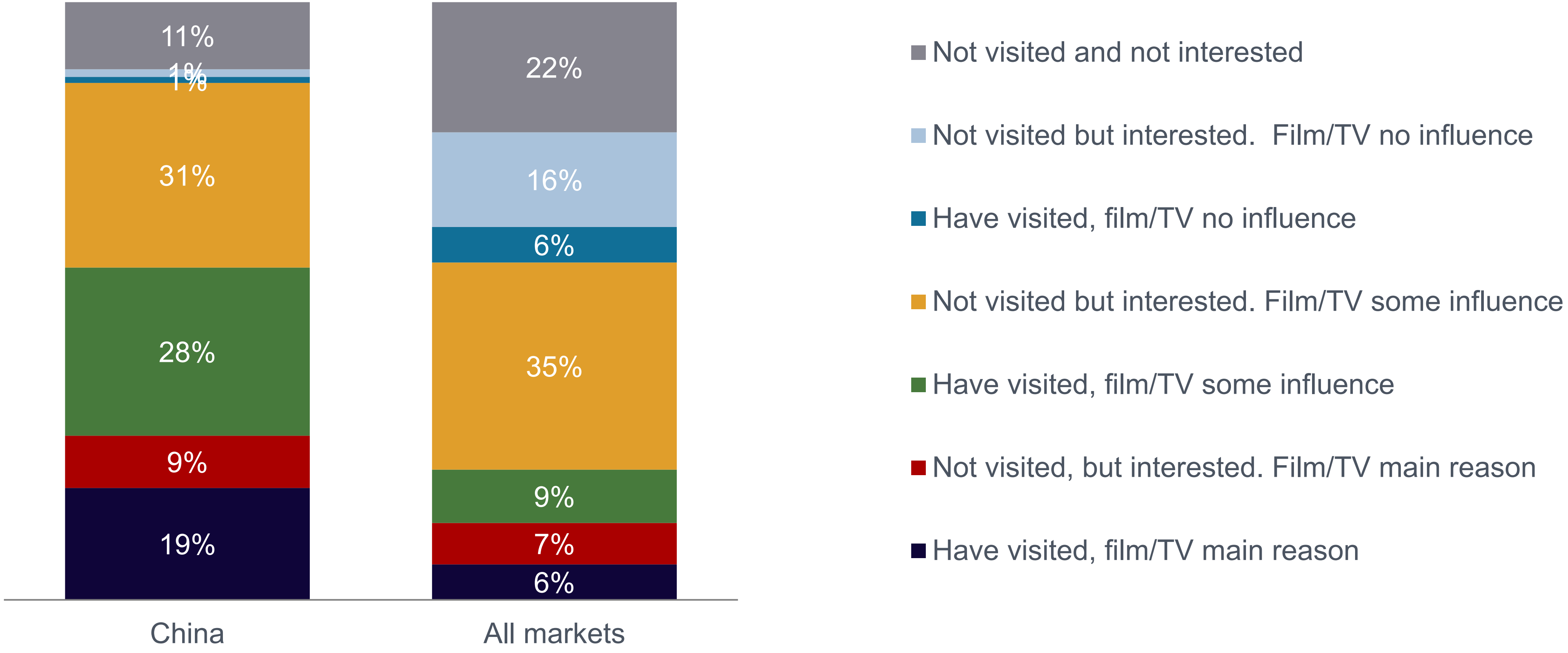
Influences on destination choice – bottom 14



Source: VisitBritain/IPSOS 2016, base visitors & considerers. Which of the following sources influenced your choice of destination? (Market scores have been adjusted so that the sum of all influences for each market is equivalent to the global total, to enable meaningful comparisons)

3.4 Reaching the consumer: influences

Likelihood to visit a place featured in a movie, TV series or book



Source: Anholt Nation Brands Index 2017: Have you ever visited a film or TV location whilst on a holiday/vacation abroad? If yes: To what extent was the film or TV location a reason for you choosing to take a trip to that destination? If no but would be interested: To what extent would a film or TV location be the reason for you choosing to take a trip to a specific destination?

Access and travel trade

Chapter 4

Getty Images/ Gordon Edgar Images

4.1 Access: key facts

- Most Chinese travel to the United Kingdom by plane. A growing number of carriers are serving this route directly, and some have converted their seasonal flights to the UK into year-round services.
- Seat capacity on direct flights from China to the UK has increased steadily since 2010, and by 2019, capacity had more than doubled in ten years.
- Chinese visitors departing Britain by air pay £80 in Air Passenger Duty when travelling in economy class.
- Several of the largest cities in China boast direct routes to the UK, with new flights from Zhengzhou and Chengdu added in 2019.
- Outside of London, Manchester had been the only UK city served by direct, non-stop routes from China, until a new route was announced to Edinburgh from Beijing, launched in June 2018 by Hainan Airlines.
- 9% of Chinese visitors depart via sea or tunnel, visiting the UK and continental Europe in the same trip.

Due to the COVID-19 outbreak, seat capacity from China to the UK had dropped by 96% by April 2020 compared to the same month in 2019, with seats at 22% of 2019 levels on average through the year. Departures are planned to stay at a very low level for at least the first half of 2021.

92%

of Chinese visitors travel to the UK by plane

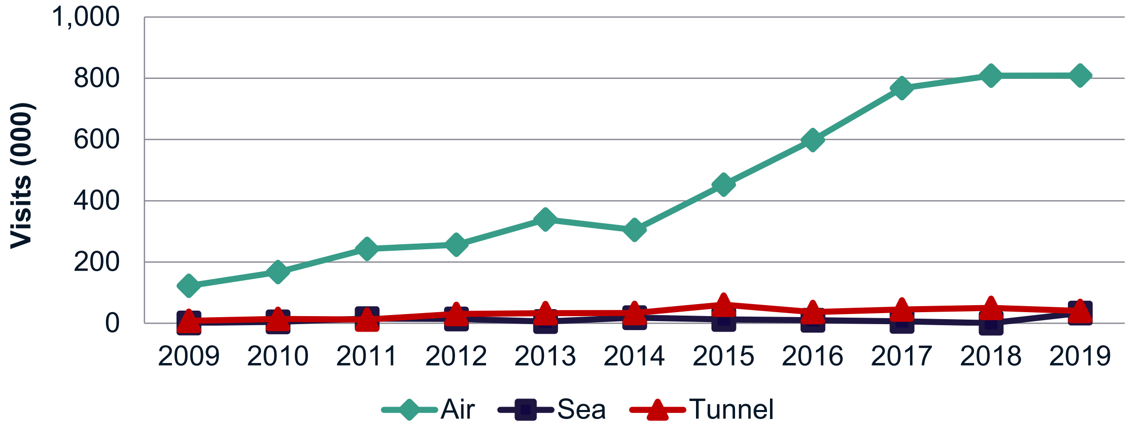
Access to Britain

Measure	2019
Weekly aircraft departures	86
Weekly seat capacity	23,191
Airports with direct routes in China	13
Airports with direct routes in Britain	4

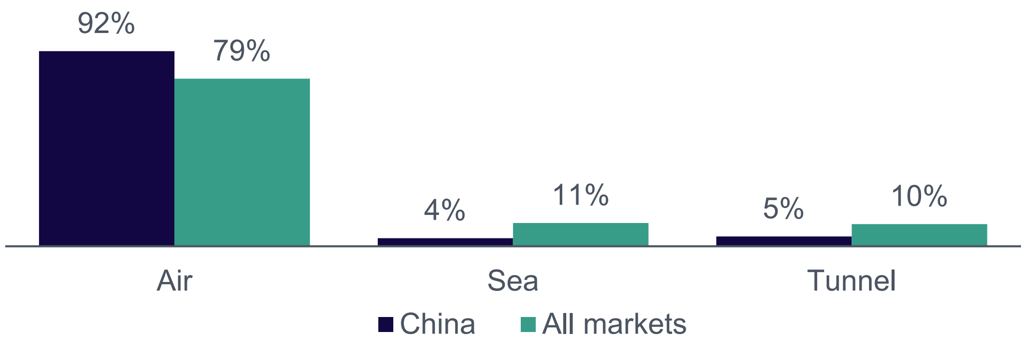
Source: Apex 2019, non-stop flights only

4.1 Access: mode of transport

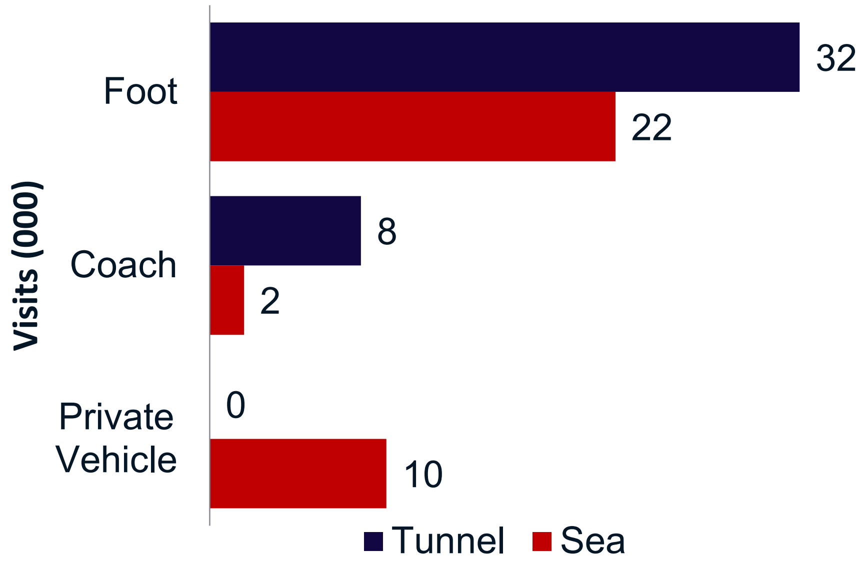
Visits by mode of transport



Annual share by mode (2019)



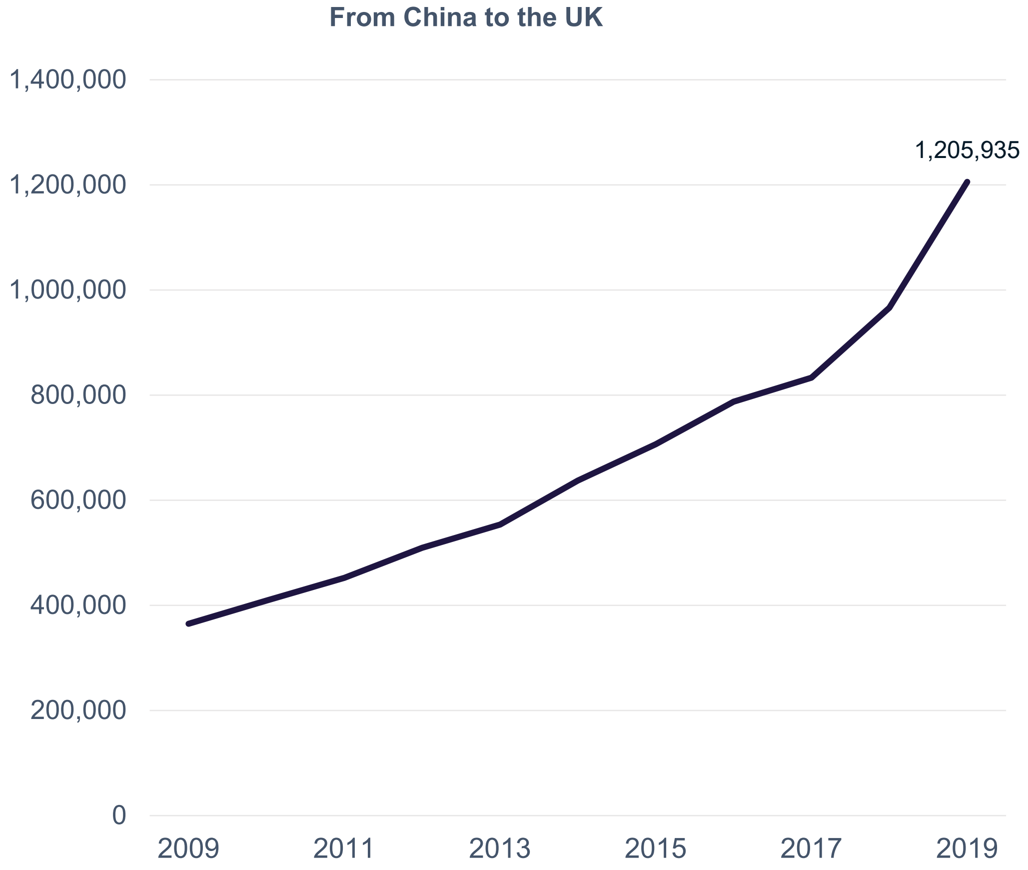
Sea and tunnel travel (000s) in 2019



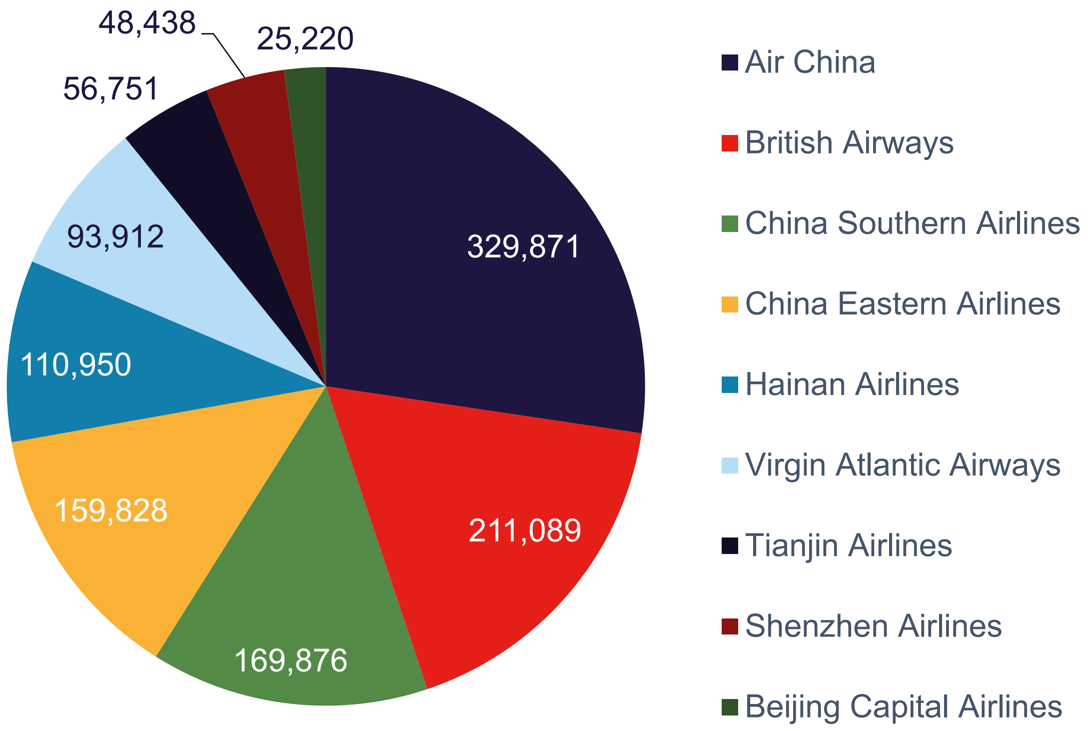
Source: International Passenger Survey by ONS

4.1 Access: capacity (1)

Annual airline seat capacity trends



Airline seat capacity by carrier (2019)

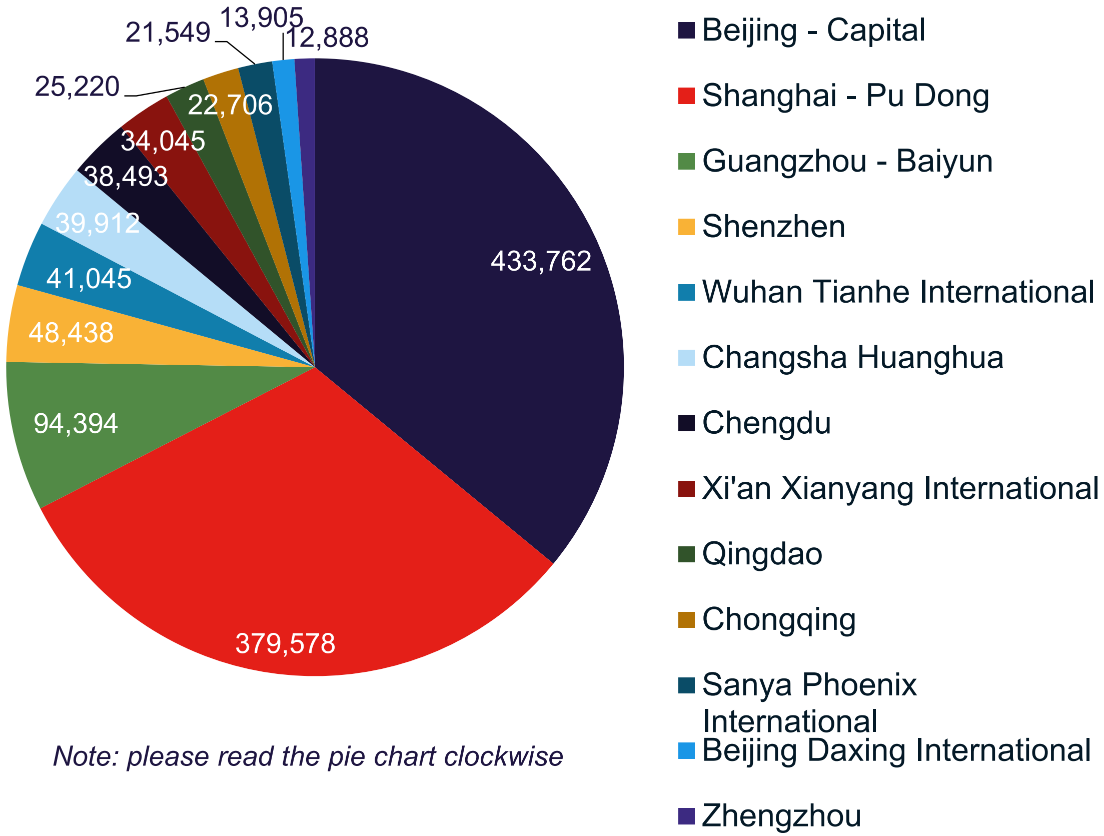


Note: please read the pie chart clockwise

Source: Apex 2019, non-stop flights only

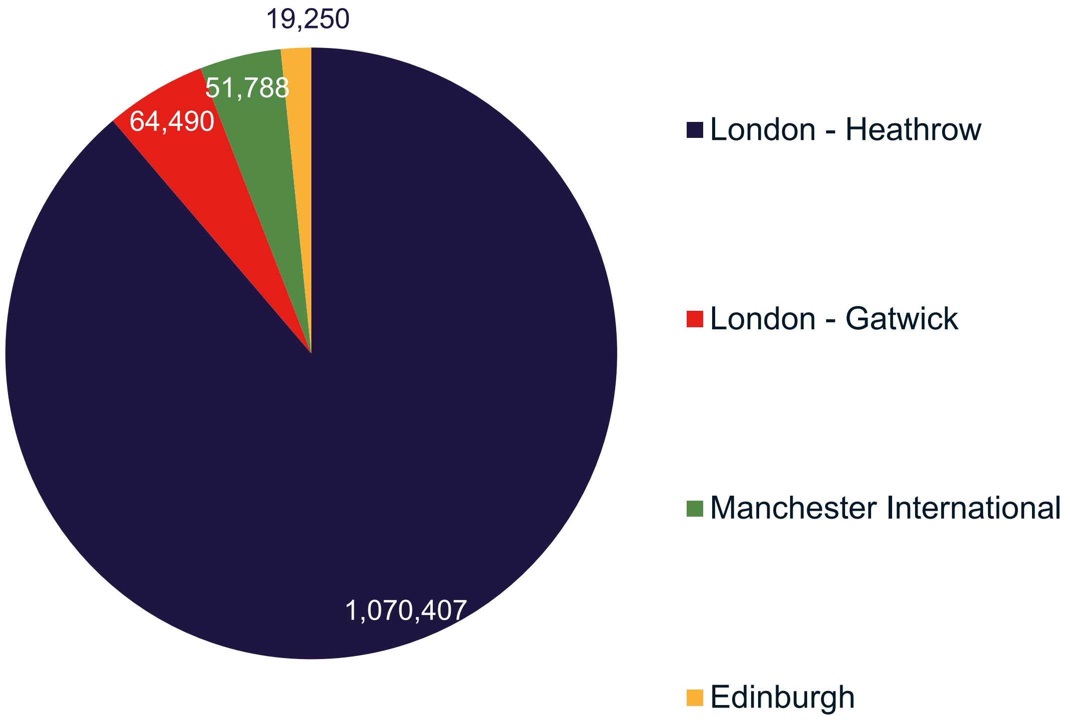
4.1 Access: capacity (2)

Origin airport annual seat capacity (2019)



Note: please read the pie chart clockwise

Destination airport seat capacity (2019)



Note: please read the pie chart clockwise

Source: Apex 2019: non-stop flights only

4.2 Travel trade: general overview

- The Home Office recognised over 200 travel agents under the 'Approved Destination Status' agreement in China in 2017, and the number has remained similar since then. They are the only agents who can process leisure ADS visa applications, and thus operate leisure tours. However, agents who do not have this status may be able to find ways for their applications to be processed.
- The Chinese government is responsible for promoting the Chinese tourism industry as well as negotiating with overseas governments on ADS-related matters.
- The main drivers of using an agent for international travel are: convenience; language barriers; visa preparation; knowledge gaps; value. Many Chinese visitors book group travel as a lot of them are first time international travellers and being part of a group can reassure them. However, the FIT segment keeps growing and the trade offer adapts with more semi-independent tours, and more niche themes.
- Traditional agencies now have to face the competition of online travel agencies as the sector is growing: the e-commerce value of the travel category grew by 12% in only one year from 2018-2019.

Major tour operators
Caissa Tourism (HNA-Caissa)
CYTS
Utour Group
China International Travel Service (CITS)
China Comfort Travel Group
Beijing Tourism Group
Jinjiang Travel (Shanghai Jin Jiang Tours)
Shanghai AirLines Tours International
Shanghai Fasco
Shanghai Spring
Ctrip
GZL (largest in South China)
Nanhu Travel (based in Guangzhou)
Qunar (Baidu Travel)

Key meetings, incentives, conferences and events agencies
China CYTS MICE Service Company
CITS International MICE Company
CTS MICE Service Company
Grand China MICE Service
UMICE International Travel

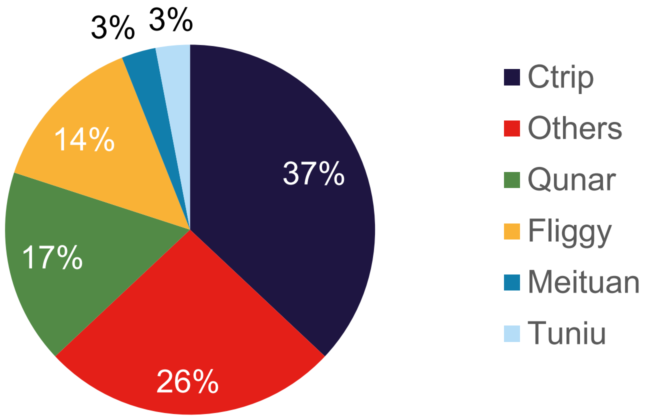
Source: CNNIC's 41st report, UKVI Factsheet, Hootsuite

4.2 Travel trade: online travel companies

Primary sources of inspiration when choosing a travel destination (2018)

- The Chinese OTA market was valued at $44.7 billion in 2018, only behind the United States. However, the Chinese travel industry is both complex and nuanced. While a few giants lead the tourism industry, there's no monopoly of any sort.
- Currently, Ctrip dominates the Chinese OTA market, but there's no shortage of competitors. Ctrip's competitors come from an unlikely industry, with Alibaba's online travel marketplace Fliggy specifically leading the charge. Alibaba reworked Alitrip and Taobao Travel into Fliggy, which became a key player in China's OTA market. Meituan Travel is another giant making a strong push.
- Ctrip has rebranded as trip.com, reflecting their ambition for global growth, however they continue to be referred to by the same Chinese name.

Popular Chinese OTAs



Source: Nijital, Resonance Consultancy/ China Luxury Advisors 'The Future of Chinese International Travel' 2018, Skift

4.2 Travel trade: Chinese holidays

Public and local holidays

Dates in 2021	National Holiday
1 January	New Year Day & Holiday
11-17 February*	Chinese New Year (Spring Festival)
5 April	Ching Ming Festival
1-5 May	Labour Day Holiday
14 June	Dragon Boat Festival
20-21 September*	Mid Autumn Festival (Moon Festival)
1-7 October	National Day Holiday (Golden Week)

- Chinese workers have a statutory 5 to 15 days of paid annual leave (depending on years of service).
- In addition to the standard national holidays, working women also receive a paid half-day off on Women's Day (8 March). Normally the nearest weekend to a public holiday can be swapped with working days to create a longer break, in order to stimulate consumption and enable travelling.
- Many families travel during school holidays to look at higher education options abroad. The best periods to do so are often in between the two semesters that divide the academic year (September-January and February/March-June/July), or before the start of the new year. Most universities also follow the same rhythm, although some are trying out the quarterly system.

Source: Office Holidays, JobMonkey. *The Chinese government swap weekends on either end of three day national holidays to stretch to a longer holiday period of normally 7 days

4.2 Travel trade: practical information

General practical information:

- Business hours are usually 09:00–17:00 Monday to Friday.

Meetings:

- To understand China could be a daunting task for any foreigner. Traditional values and local business practices are different and diverse. What works in one part of China might not work in other parts of it.
- Try to understand the local perspective. Be adaptable and patient, and don't be afraid to ask.
- Always prepare to be introduced through a middleman and use guanxi (connection) as much as you can. Don't forget to give face (show respect) to the host and your partners.

Hospitality etiquette

- "Face" is an important part in Chinese culture. Avoid embarrassing Chinese clients, even for a joke.
- Kissing and hugging are not a common form of greeting with the Chinese. Many of them would feel embarrassed, and so it is best to avoid it.
- Avoid politics as a conversation subject as it can be very sensitive.

Business meeting etiquette:

There are a few simple steps to follow here:

  - Be punctual and prepared.
  - Bring a small token gift to leave a good impression.
- At the start of the meeting, the exchange of business cards is important: try to have a good supply of cards, possibly with contact details printed in Chinese on one side. You should present it with two hands, the right way round allowing the recipient to read the information.
- Titles are very important: address people directly by using their professional title or Mr, Mrs, or Miss, followed by the surname, starting with the most senior person in the room to begin and guide conversations.
- Chinese communications rules imply "saying it without saying it": you will have to learn to read between the lines.
- To show humility when complimented, a Chinese person tends to deny it.
- The Chinese are interested in different cultures and etiquettes and appreciate tips on understanding Western/British ways of doing things.

4.3 Caring for the consumer

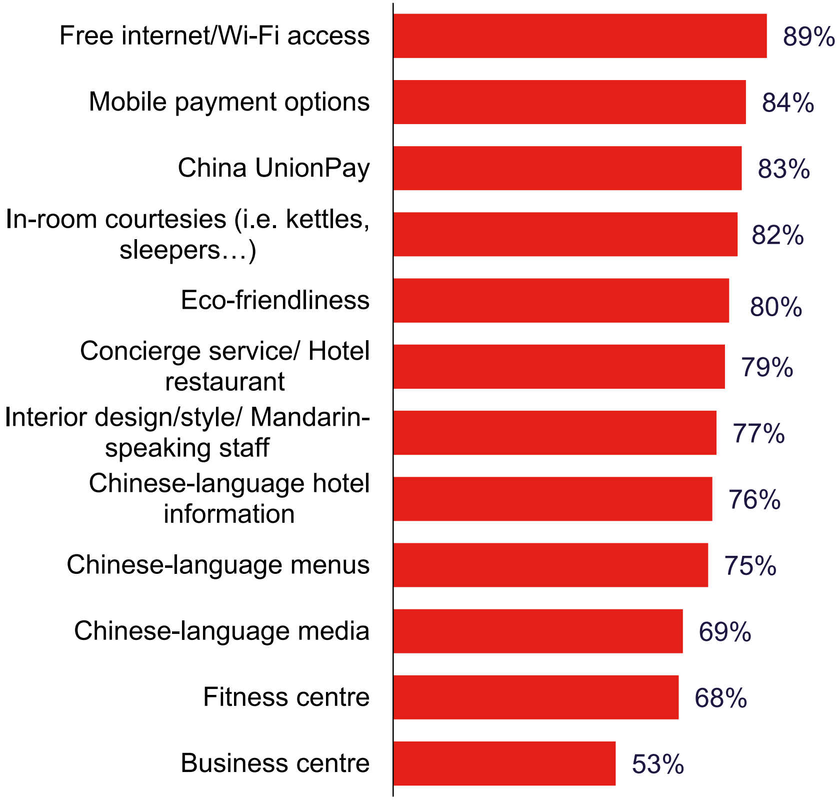
Accommodation

- Chinese travellers increasingly prefer authentic accommodation options that reflect best the destination where they are staying. Luxury travellers, in particular, would be more likely to like staying a castle or historic house than other inbound luxury travellers.
- However, they would still require some modern comfort, and prefer when some information is available in their language.

Food and drink

- With more and more affluent and younger consumers increasingly exposed to Western culture through their cosmopolitan lifestyle, especially in urban coastal regions, more Chinese might appreciate cheese, dairy products, dessert, wine or whisky. However, whisky is now most commonly associated with Japan due to successful promotion by leading brands in that market. The Chinese are also interested in trying British cheeses. While in Britain, afternoon tea will also be a must as it is considered a genuine experience, and there is growing interest in artisan coffee, craft beer, gin and cocktails as Chinese new affluent middle class gear towards more cosmopolitan lifestyles.
- However, many Chinese tourists will recourse to familiar Chinese food once in a while. Dinner can be served quite early. The general perception of Chinese food in the UK, especially in London, is very positive.

Accommodation preferences in 2018
(selected amenities and services)



Source: Resonance Consultancy/ China Luxury Advisors 'The Future of Chinese International Travel' 2018, VB/Kantar Millward Brown 2017 research, VB/DEFRA "Food is GREAT" 2017, OMD

4.3 Caring for the consumer

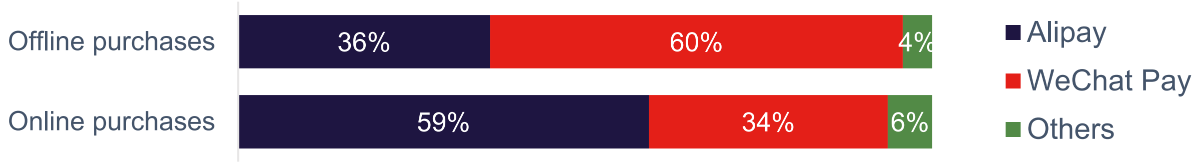
Language

- Chinese visitors value services with Chinese support and entertainment in their language. Mandarin is the most widely spoken language in China, and simplified Chinese the most widely read.
- 39% of Chinese people find sign/information in their language ‘very important’, and 44% ‘quite important’ in making them feel welcome.

Payment preferences

- Chinese authorities have recently capped the amount of cash money that can be withdrawn, or changed and carried on holidays. However, since digital payments started to boom in 2012-2013, they have become omnipresent for Chinese consumers across generations, and are narrowing the gap between urban and rural consumers. In Q1 2018 the mobile payment market surpassed US$16 trillion. This trend was driven by AliPay and WeChat pay, and the challenge for Chinese tourists is levels of acceptance of these payment platforms overseas.

Mobile payment preference



Source: Anholt Nation Brands Index 2017, Business Insider UK, Resonance Consultancy/ China Luxury Advisors ‘The Future of Chinese International Travel‘ 2018, IIMedia Research/China Channel

Useful links and further information

Appendix

Appendix 1: Working with VisitBritain (1)

We can help you extend your reach through:

- Digital and social media such as through Twitter, our Facebook page – Love GREAT Britain, or Pinterest.
- Press and PR by sending us your newsworthy stories or partnering to host journalists, influencers, and broadcast shoots
- Leisure, and the business travel trade via our programme of sales missions, workshops and exhibitions or promotion to our qualified Britagents and supplier directory
- Retailing your product through the VisitBritain shop
- Joining the Tourism Exchange GB platform – giving you access to a wide range of international customers, via connected distributors. Connection to the platform is free.
- Or as a major campaign partner

We are here to support you and look forward to working with you. To find out more browse our:

Opportunity search or trade website

or contact the B2B events team
(Email: events@visitbritain.org)

or campaign partnerships team
(Email: partnerships@visitbritain.org)

or trade support team
(Email: tradesupport@visitbritain.org)

or VisitBritain shop team
(Email: product@visitbritain.org)

Appendix 1: Working with VisitBritain (2)

VisitBritain's strategy to grow tourism to 2025

- **Developing world-class English tourism product:** VisitBritain has collaborated with VisitEngland to develop and deliver the **Discover England Fund** since April 2016
- **Collaborating globally:** VisitBritain's network extends in four regions: Europe, the Americas, APMEA and North East Asia. Meet those teams and their trade partners at VisitBritain's different trade events, VIBE, ExploreGB, or Destination Britain events in market.
- **Inspiring the world to explore Britain** as a **GREAT Britain** campaign partner and through our **'I Travel For…'** marketing campaign.
- **Acting as trusted partner and advisor** to the industry, but also our Government and Public Diplomacy partners by generating and offering them world-class market insights.

VisitBritain also develops and promotes products for Business Events, food & drinks, rail, luxury, regional gateways, and the Discover England Fund. Find out more at our Discover England Fund page.

To find out more information, browse:

VisitBritain's mission

The Government's Tourism Action Plan

VisitBritain's events

'I Travel For…' campaign

The tourism sector deal

Appendix 1: Working with VisitBritain (3)

VisitBritain's global audience segments

- From 2017, VisitBritain has carried out a research project across all its main inbound target markets to define global audience segments and identify best opportunities in each of those international travellers' market. On the right is a summary of VisitBritain's 5 global audience segments. To learn more visit our page on understanding our customers.

- In China, VisitBritain focuses on two audience segments among the international travellers:
  - **Buzzseekers in China:** affluent and seasoned travellers; opinion leaders of their friends and social contacts, who prefer premium experiences and adventures.
  - **Culture Buffs in China:** regular travellers who look for experiences that will help them grow as a person and create lifelong memories.

Segments (& global attributes)	**Global market share**	**Market share in China**
Buzzseekers (free spirited and spontaneous, they like holidays full of action and excitement)	38%	39%
Explorers (they enjoy outdoors, must-see sites, and embracing local cultures at a more relaxed pace)	23%	17%
Adventurers (they live to go off the beaten track, spending time outdoors and trying out new experiences)	16%	2%
Sightseers (they prefer staying within comfort zone, preferring cities to countryside, planning in advance)	12%	7%
Culture Buffs (image and brand conscious, travel is seen as a status symbol; they like well-known, safe destinations)	12%	30%

Source: VisitBritain/Kubi Kalloo, 2017

Appendix 2: Useful research resources (1)

We have dedicated research and insights available which include:

- Latest monthly, quarterly overall and quarterly by area data from the International Passenger Survey by ONS.
- Inbound Tourism Trends by Market
- Inbound activity data
- Inbound nation, region and country data
- Inbound town data
- Sector-specific research which includes topics such as accomodation, countryside and coast, culture heritage and attractions, food and drink, football tourism, shopping, transport and visits with a health condition or impairment.
- 2021 Inbound Tourism Forecast
- Britain's competitiveness

We are here to support you and look forward to working with you.

To find out more about China or other inbound markets browse our:

Markets & segments

Inbound research & insights

Inbound COVID-19 sentiment tracker

Or contact us directly
(Email: research@visitbritain.org)

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Appendix 2: Useful research resources (2)

We have dedicated research and insights available which include:

- Perceptions of Britain overseas
- Planning, decision-making and booking cycle of international leisure visitors to Britain
- Gateways in England, insights on overseas visitors to England's regions, participation in leisure activities, multi-destination trips and more
- Food & drink research

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Appendix 3: Definitions, sources and information on this report (1)

Details on main sources:

- The **International Passenger Survey** (IPS) is a UK-wide departure survey, carried out by the Office for National Statistics (ONS). All data are based on data collected as visitors are about to leave the UK about what they did, not on their intentions or perceptions. Except when specified, IPS refers to people according to their country of residence, not nationality. Where we talk about mode of transport, it refers to what is used on departure to leave the UK, with the presumption that shares are similar on arrival. To find out more and consult the release calendar, browse our IPS page.
- **Oxford Economics** tourism forecasts are from the March 2021 update of the 'Global Travel Service' databank.
- **Apex** data was last updated with March 2021 data.
- **UNWTO** data are based on their latest Tourism Barometer and Statistical Annex, January 2021.
- **VisitBritain/IPSOS 2016** refers to the 'Decisions & Influences' research project carried out in Australia, Brazil, Canada, China, Denmark, France, GCC (UAE and Saudi Arabia), Germany, India, Italy, Japan, Netherlands, New Zealand, Norway, Russia, South Korea, Spain, Sweden, and USA. Its all-market averages are based on weighted average of those markets. Only international travellers participated, half of each market sample having travelled to Britain before.
- The **Anholt Nation Brands Index** (NBI), now powered by Ipsos, was carried out online in July/August 2020 in Argentina, Australia, Brazil, Canada, China, Egypt, France, Germany, India, Italy, Japan, Mexico, Poland, Russia, South Africa, South Korea, Sweden, Turkey, UK and USA. Its all-market averages are based on those markets. It is based on nation-wide representative samples. More detail in our 'How the world views the UK' foresight.

Appendix 3: Definitions, sources and information on this report (2)

Useful definitions and abbreviations

- **VFR** means Visiting Friends and/or Relatives.
- **Misc** journey purpose means Miscellaneous – other journey purposes.
- In IPS, to be defined as a **package**, a holiday must be sold at an inclusive price covering both fares to and from the UK and the cost of at least some accommodation. Neither the respondent nor the travel agent from whom the package was bought will know how much of the inclusive price is accounted for by fares or by accommodation.
- **High Net Worth Individuals**, or HNWIs, are people with liquid assets valued over USD1million.

Other useful information

- **Top 10 activities in Britain** is based on propensity for visitors to have undertaken activities whilst in Britain, data having been collected between 2006 and 2019. Where an activity was asked about more than once, only the most recent answers were taken into account.
- **Repeat visits** are visits made by people who had already visited the UK before; British expats have been excluded for better representation of the market's propensity to visit Britain repeatedly. IPS question asked in 2015.
- **Likelihood to recommend Britain** as a destination is based on holiday visits, of at least one night, excluding British expats.

Market and Trade Profile: China

March 2021

Destination Bristol ©Gary Newman

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