

TripAdvisor Unveils China's Emerging Free Independent Traveller Who Increasingly Shuns Escorted Travel In Favour Of Spontaneous Exploration Half of Chinese Free Independent Travellers plan to travel more and spend more in the next two years

TripAdvisor®, the travel planning and booking site, today shared findings from a Phocuswright study providing insights into the behaviour, spending patterns, and preferences of more than 3,000 outbound Chinese travellers. Entitled *China Unbounded: The Rapid Rise of China's Outbound Millions*, the study (sponsored in part by TripAdvisor), which looked at all facets of Chinese outbound travel out of the mainland, has allowed TripAdvisor the opportunity to examine and thus unveil the changing profile of China's emerging free independent traveller (FIT).

In 2015, the number of Chinese outbound leisure trips grew 20% year-on-year to 120 million, based on figures released by the Chinese National Tourism Administration ¹, with expenditure reaching £142.38 billion according to *China Unbounded*.

"China's growing number of FIT present vast, untapped opportunities for global tourism service providers and hospitality businesses," said James Kay, TripAdvisor Spokesperson. "Businesses with the goal of attracting Chinese FITs not only need to come up with a strong, tailored strategy, but be prepared to constantly adapt to evolving expectations."

Who they are

China's FIT is young, well-off, self-reliant and increasingly experienced

The study revealed that more often than not, China's FITs are young, well-educated and relatively affluent. Nearly nine out of ten (89%) Chinese FITs are adults aged 18-44, with 41% of them belonging to the Post-80s generation (aged 25-34). Three in four (77%) Chinese FITs had an undergraduate degree or higher and 44% earned a monthly income of £1,599 or more. Not surprisingly, a bigger share of Chinese FITs comes from 1st tier cities than in other tiers. Interestingly, more than a quarter of Chinese FITs surveyed lived in southern China's Guangdong province, followed by Shanghai, Sichuan province, Beijing and Jiangsu province.

Chinese FITs are increasingly becoming more experienced outbound travellers. On average, Chinese FITs have taken 5.5 international trips in their lifetime, higher than the overall average Chinese outbound traveller at 5.2 international trips.

English proficiency is reasonably high among Chinese FITs with 41% saying they can understand most English. This type of Chinese traveller is also increasingly self-reliant, preferring to organise their own itinerary and shifting away from the antiquated stereotype of pre-packaged large and escorted group tours. In fact, nine in 10 Chinese FITs purchased travel components individually for their most recent international leisure trip.

Where they're going, when they travel and for how long

They're ready to go on holiday at the drop of a hat

Chinese FITs have a short travel planning cycle with nearly one-third (32%) choosing their destination one to two weeks prior to their departure for their last trip. Nearly one in five (18%) Chinese FITs decide on where to go within less than a week of their departure.

Chinese FITs have a propensity for longer trips, with travel peaks in early October

The outbound travel season for Chinese travellers kicks off with the May 1st holiday, and peaks at the early-October National Day. Over a quarter (29%) of outbound trips are taken in October, and 77% of outbound trips occur between May and October. One in three (34%) Chinese FITs spent three nights or less on their last international trip, compared to 40% who spent 4-6 nights and over a quarter (26%) who spent 7 or more nights abroad. Nearly a third of trips taken around National Day holiday (October 1st) consist of 7 nights or more.

Short haul travel to neighbouring destinations continues to dominate outbound trips

Short-haul destinations in Greater China, North Asia and Southeast Asia account for more than 9 in 10 outbound FIT trips. The top three countries visited by Chinese FITs on their last leisure trip were Japan, Thailand, and South Korea.

Top countries visited by Chinese FITs on their last outbound leisure trip

1. Japan
2. Thailand
3. South Korea
4. United States
5. Malaysia
6. Singapore
7. France
8. **United Kingdom**
9. Italy
10. Canada

For those who visited Europe in the past 12 months, the most popular countries were France, U.K, Italy, Germany, the Netherlands, and Spain. The top five U.S. states visited by Chinese FITs were New York, California, Hawaii, District of Columbia and Washington.

Why they travel and what they want

They intend to shop but are looking for a more holistic holiday experience

The study showed that 42% of Chinese FITs said shopping was an important motivation for their trip, especially to North East Asian countries including Japan and South Korea. However, quality of shopping rated relatively low in importance in choice of destination, indicating that whilst travellers are expecting good shopping options in many travel spots, other factors play a big role in the final selection.

In fact, 56% of this segment are motivated to travel internationally simply by the desire to get away and relax – which seems to be the case especially for travel to South East Asia – and 47% are lured by the desire to see natural, cultural and historical attractions.

The top three most important deciding factors ultimately boiled down to whether a destination was deemed safe or politically stable (65% rated this "extremely important"), followed by whether it featured a clean environment with low pollution (36%), and if it had natural features and landscapes (35%). Australia and New Zealand were rated most highly on these destination characteristics by Chinese FITs who have travelled there.

How they're spending

Their wallets are wide open when they are on holiday

The Chinese FIT spends on average £1,888 per trip, with 29% having spent £2,132 or more on their last trip abroad. Chinese FITs from bigger cities spent the most per trip. Surprisingly however, the difference in average spend by FIT in Tier 1 and Tier 2 cities is a mere 17%, pointing to the rise in purchasing power by FITs in Tier 2 cities. The biggest spenders were from Beijing (£2,818), Sichuan province (£2,362), and Shanghai (£2,353).

With an average spend of £730, shopping accounted for the lion's share of Chinese FITs' international travel budget regardless of destination. Chinese FITs are the biggest shoppers during trips to the U.S. and Canada with an average shopping spend of £1,874.

Second to shopping, Chinese FITs spend an average spend of £479 on airplane tickets and £328 on accommodation. The average spend on dining for Chinese FITs was £222.

And they plan to spend more and travel more in the next two years

Whilst short haul destinations in East Asia (especially in Greater China) remain a top choice for outbound Chinese FITs, there is also strong interest in long-haul travel to Europe, Australasia and North America in the next two years.

Nearly half (49%) of outbound Chinese FITs plan to take more trips in the next two years as compared to the last 12 months, and more than half of them plan to take longer trips (52%) and spend more (54%) whilst abroad.

-Ends-

¹Source: The Chinese National Tourism Administration (CNTA)

Methodology: China Unbounded: The Rapid Rise of China's Outbound Millions is based on an online survey conducted from 2-17 November 2015 by Phocuswright, a leading travel research firm. The sample is made up of 3,143 outbound travellers from mainland China who took at least one leisure trip outside of mainland China in the last year and played an active role in planning their trips.

Prices in CNY were converted to GBP on 9 May 2016 using XE.com.

About TripAdvisor

TripAdvisor® is the world's largest travel site**, enabling travellers to plan and book the perfect trip. TripAdvisor offers advice from millions of travellers and a wide variety of travel choices and planning features with seamless links to booking tools that check hundreds of websites to find hotel prices. TripAdvisor branded sites make up the largest travel community in the world, reaching 340 million unique monthly visitors***, and 350 million reviews and opinions covering 6.5 million accommodations, restaurants and attractions. The sites operate in 48 markets worldwide.

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**Source: comScore Media Metrix for TripAdvisor Sites, worldwide, February 2016

***Source: TripAdvisor log files, Q1 2016