

**The Luxury
Conversation**

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***Next-Gen Luxury Travellers:
Affluent Chinese Families***

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Chinese luxury travellers are changing the global travel market – and this is only the beginning; in the next decade an estimated 100 million new passports will be issued in China.

Behind the enormous numbers, businesses need to gain accurate understanding of this all-important customer. What are their preferences and motivations? What are their evolving views on luxury? How can you connect with them?

Our latest research report, in partnership with ILTM, takes a deep dive into Luxury Chinese Millennials, and specifically how they travel as families.

Born after 1980, Chinese Millennials are growing up. These affluent, luxury-loving consumers not only love to travel – but they are now parents with young children. The decades-long one-child policy and unique socio-cultural factors have concentrated the focus of parents and grand-parents into raising the ‘little emperor’ of the family.

Our survey of over 400 affluent families across China has found that the “luxury little emperors” now play the key role in steering travel destinations: both in terms of experiences, destinations and hotel choices. As just one example, we were amazed to discover that organic menu options for children in hotels were a key decision-defining factor.

Please visit luxuryconversation.com for the full report.

Best wishes,

A handwritten signature in black ink that reads "Chloé Reuter". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Family Life: *The New Luxury*



The luxury holiday-making, or traveller ‘affluency’ of our respondents is made clear by their ability to largely spend over 3,000 RMB (500 USD) per night on accommodation. With this segment of respondents, we look at broad, general behaviours and preferences, before diving deeper into specific expectations and levels of importance.

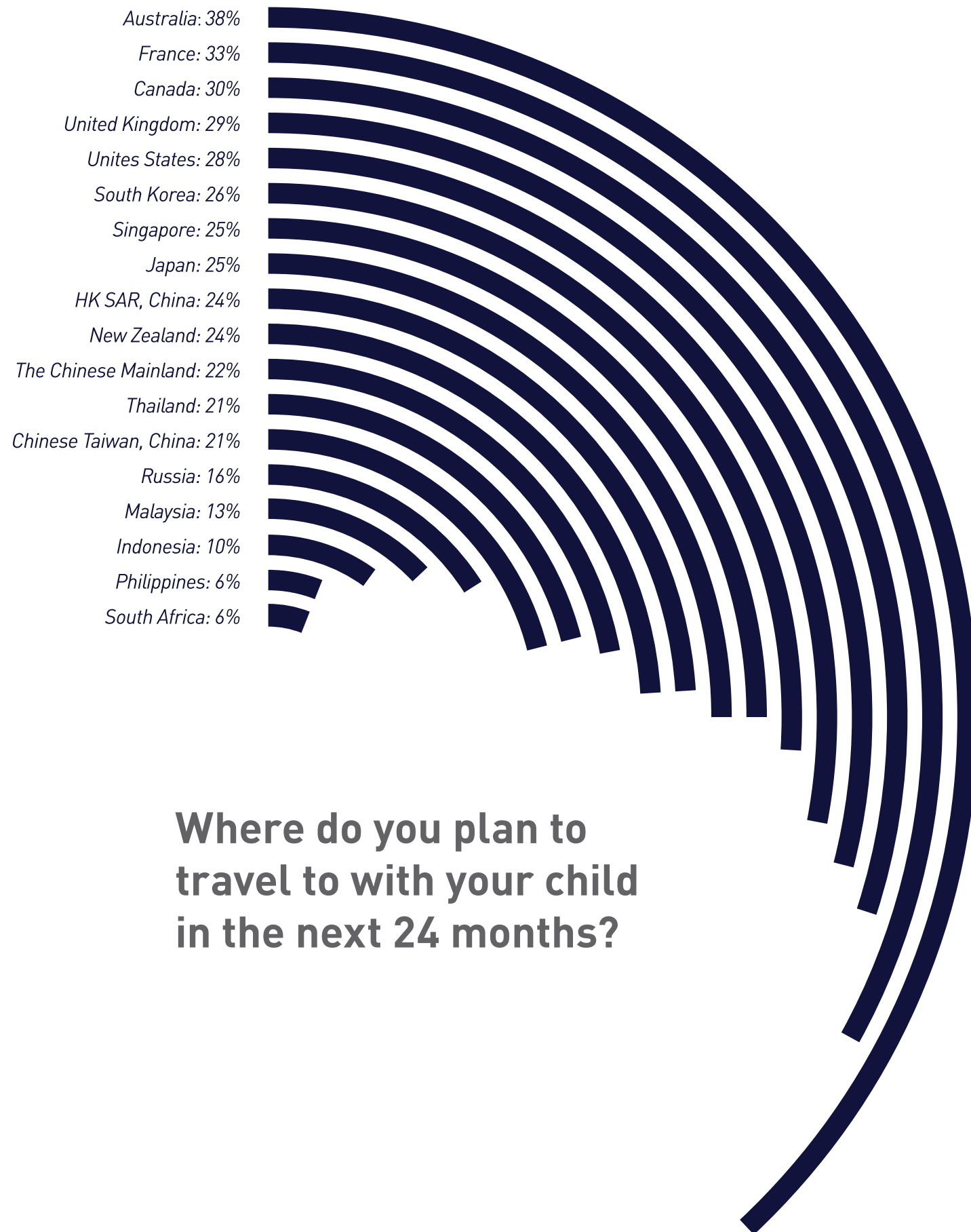
To the questions ‘where do you plan to travel’ and ‘where do you believe is most family-friendly’, Australia and New Zealand were notably popular responses. This is in line with the segment’s trending preference for adventurous, outdoorsy and ‘wild’ travel – with Canada also newly marked as high on the list of places they plan to go to. It also shows eagerness to travel further than they have done recently.

France also remains high in popularity – and what do France and Australia have in common? Wide, sweeping vistas – and wine. With wine booming in China, both tourism boards cleverly emphasise the heritage, culture and sophistication of their wine as both a direct import and impetus for travel, and discovery. The top 3 places in plan to travel to in 24 months were Australia, France and Canada.

Almost 70% spend over 3,000 RMB a night on accommodation.
[the mean spend per night is 5,265 RMB - 750 USD]

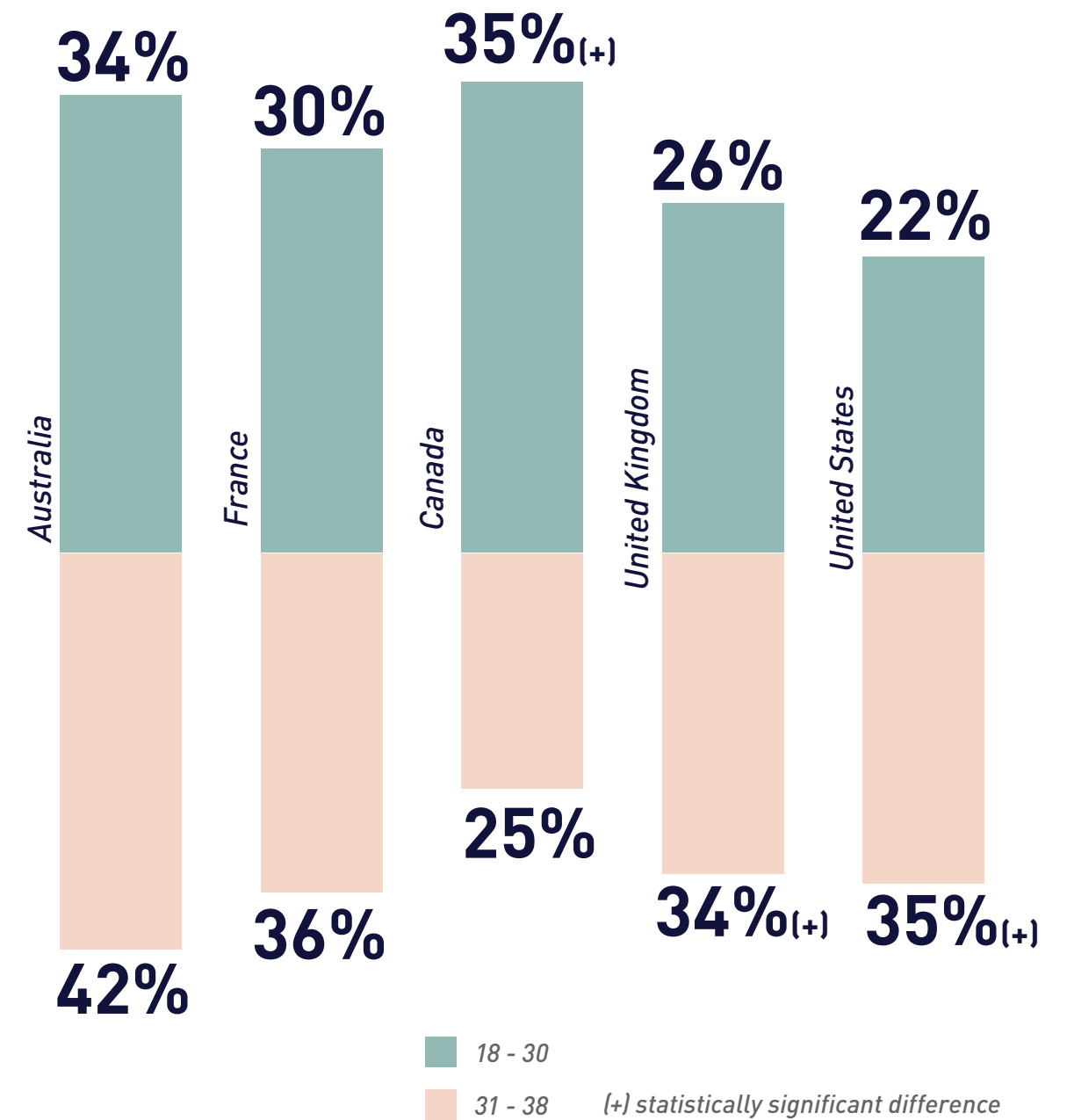


Where have you travelled to with your kids in the last 12 months?

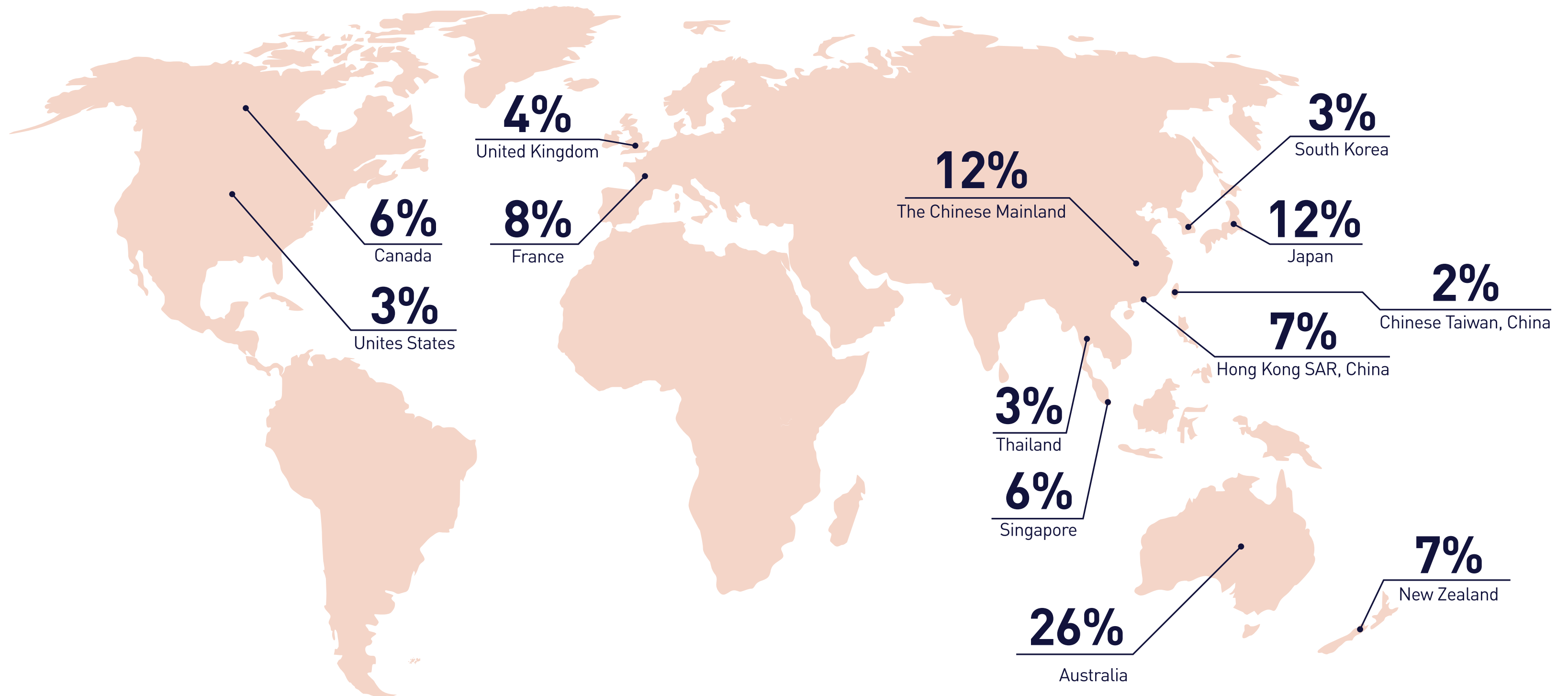


Where do you plan to travel to with your child in the next 24 months?

Top 5 most common destinations:
(By age groups)



What do you think is the most family friendly destination?



Responses under 2% not charted.

Luxury Emperors

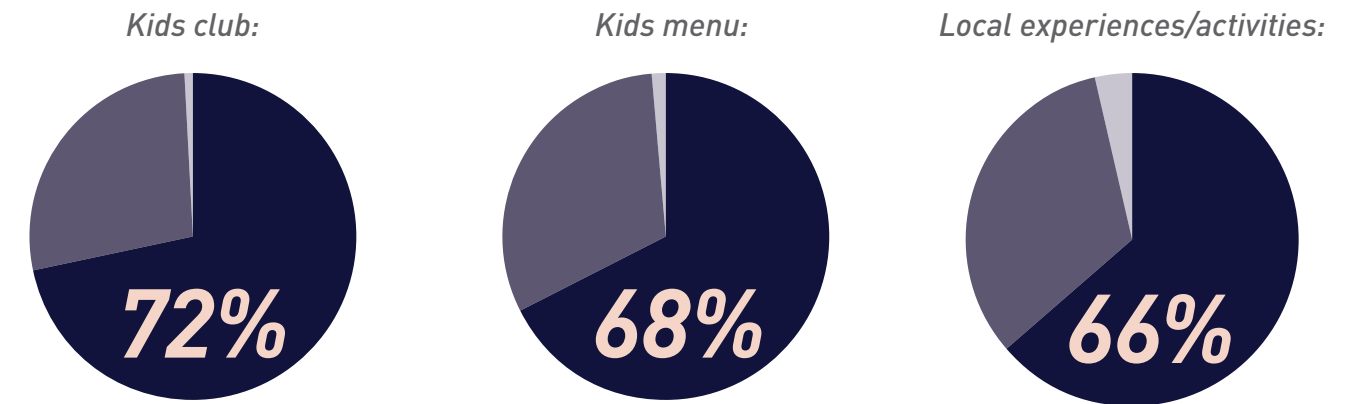


'Little Emperor Syndrome' is a famous aspect of China. Due to a cultural hot pot of the one-child policy, a massive population creating scarcity and competition, and with a history of large, doting family circles, the child has always been the 'leader' of the family in many ways. With relatively newfound (and enormous) wealth, the child is now seen to also deserve only the very best.

Holiday choices are made very much with looking at the destination's and the hotel/resort's child-friendliness, but much more than that, the real quality of what is being offered.

After the general 'safety' and 'duration of holiday', 'child-friendly activities' was the top choice of our respondents in impacting their travel choice.

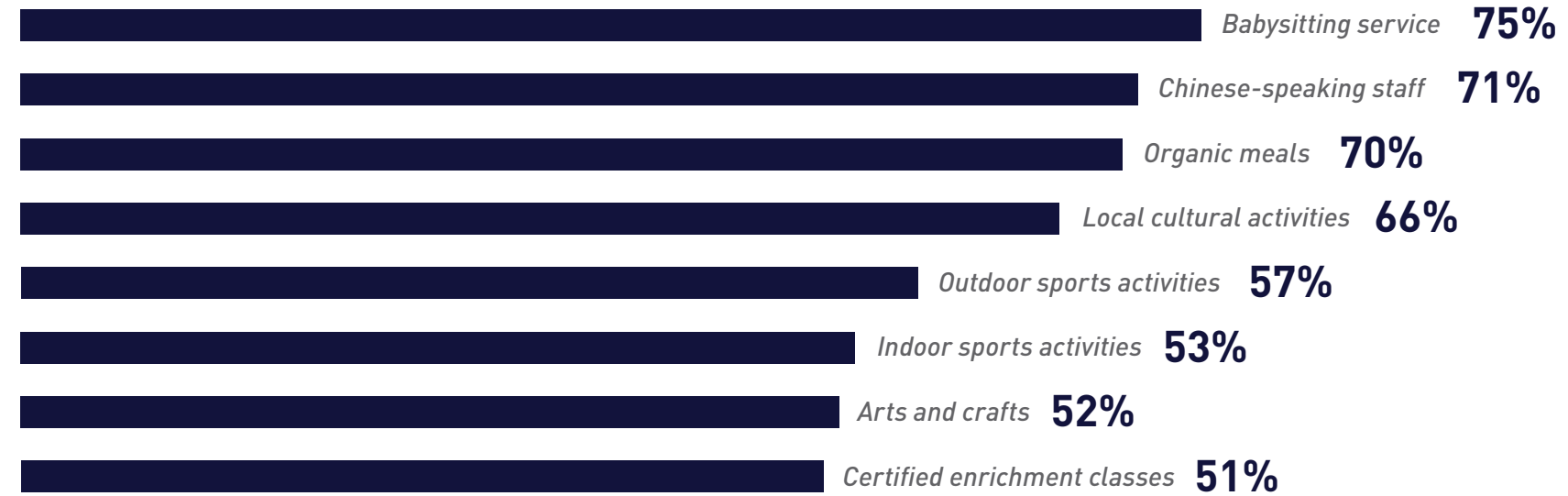
Looking specifically at the kids' club, aside the babysitting service that a parent of any nationality may treasure, there were strong demands across the gamut of kids clubs possibilities – in other words, they want it all.



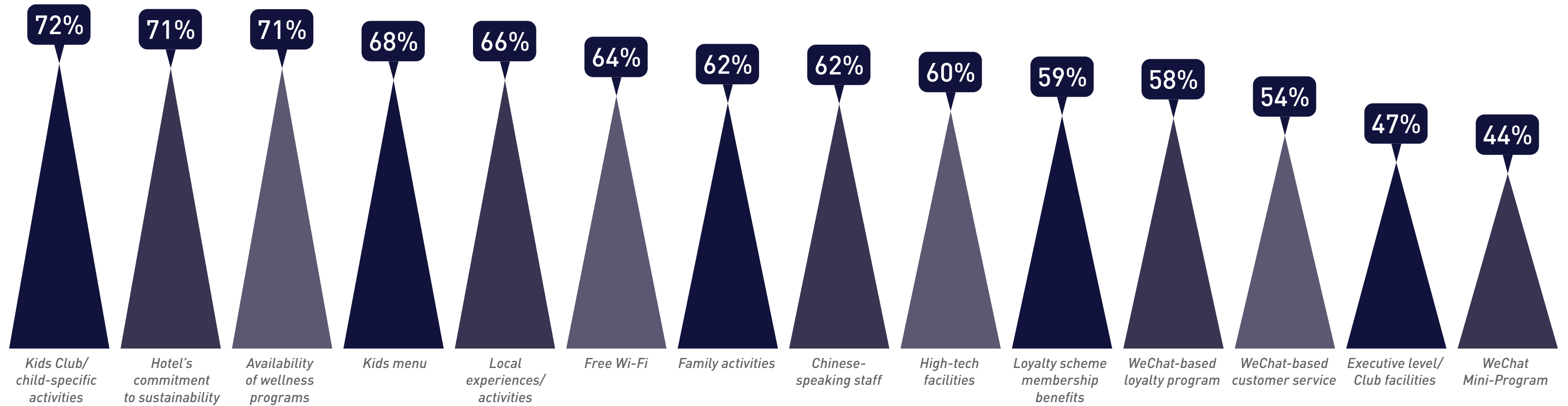
When choosing a hotel for family travel, how important are the following?

- Very important
- Moderate important
- Not important

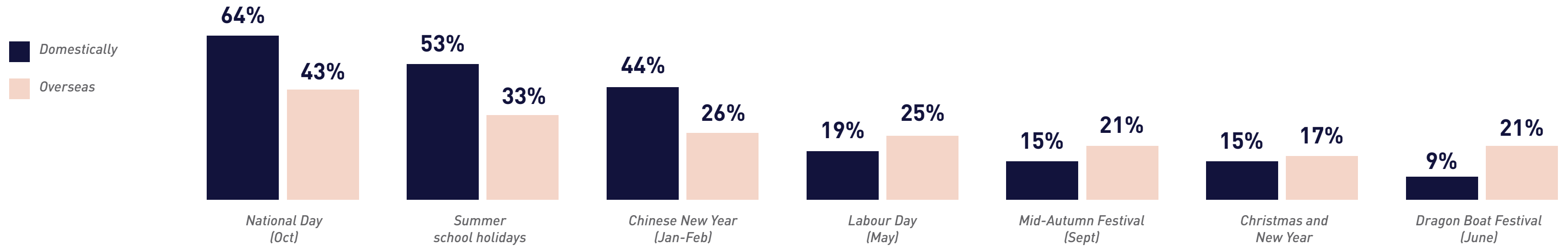
How important are the following in a kids' club? Considered as "very important":



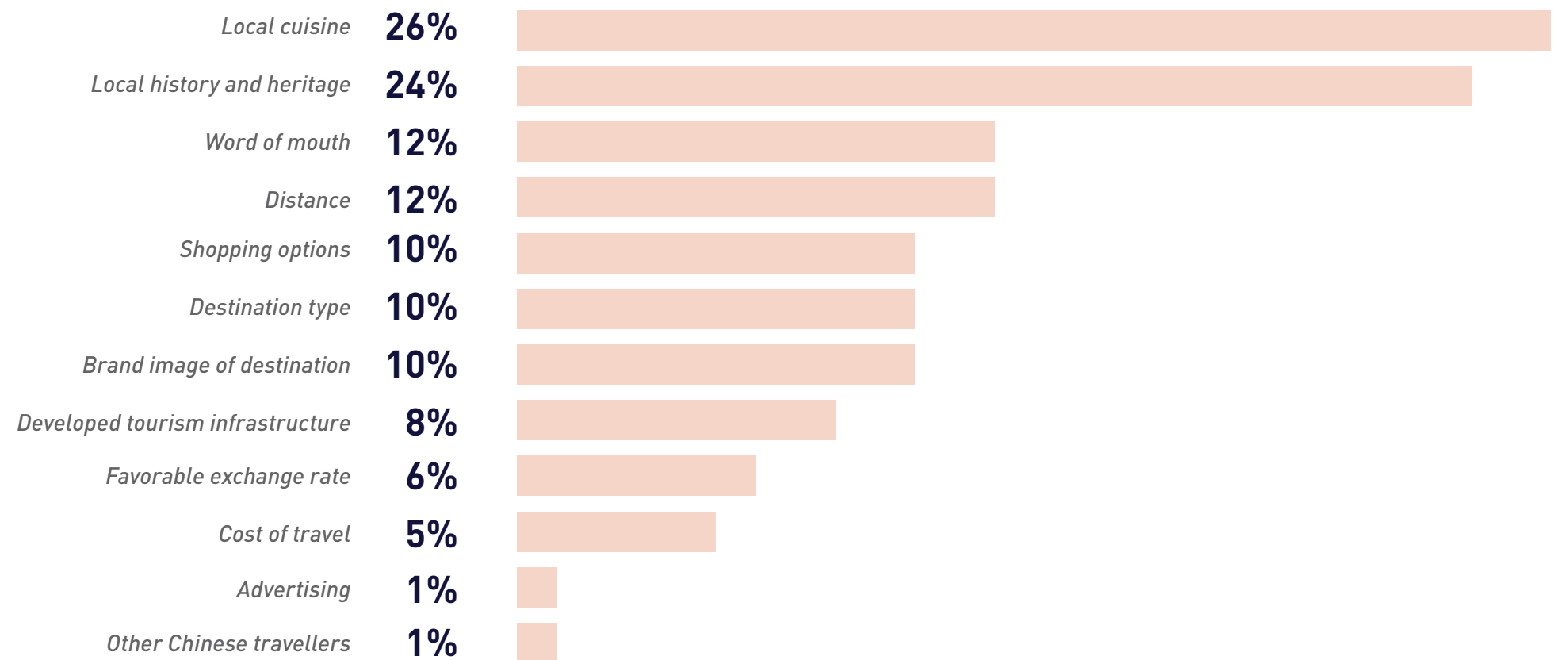
Considered as "very important" in making a hotel choice:



What time of the year do you tend to travel domestically/overseas?



What impacts your choice of destination?



Fliggy Is The New App *for Affluent Chinese Parents*



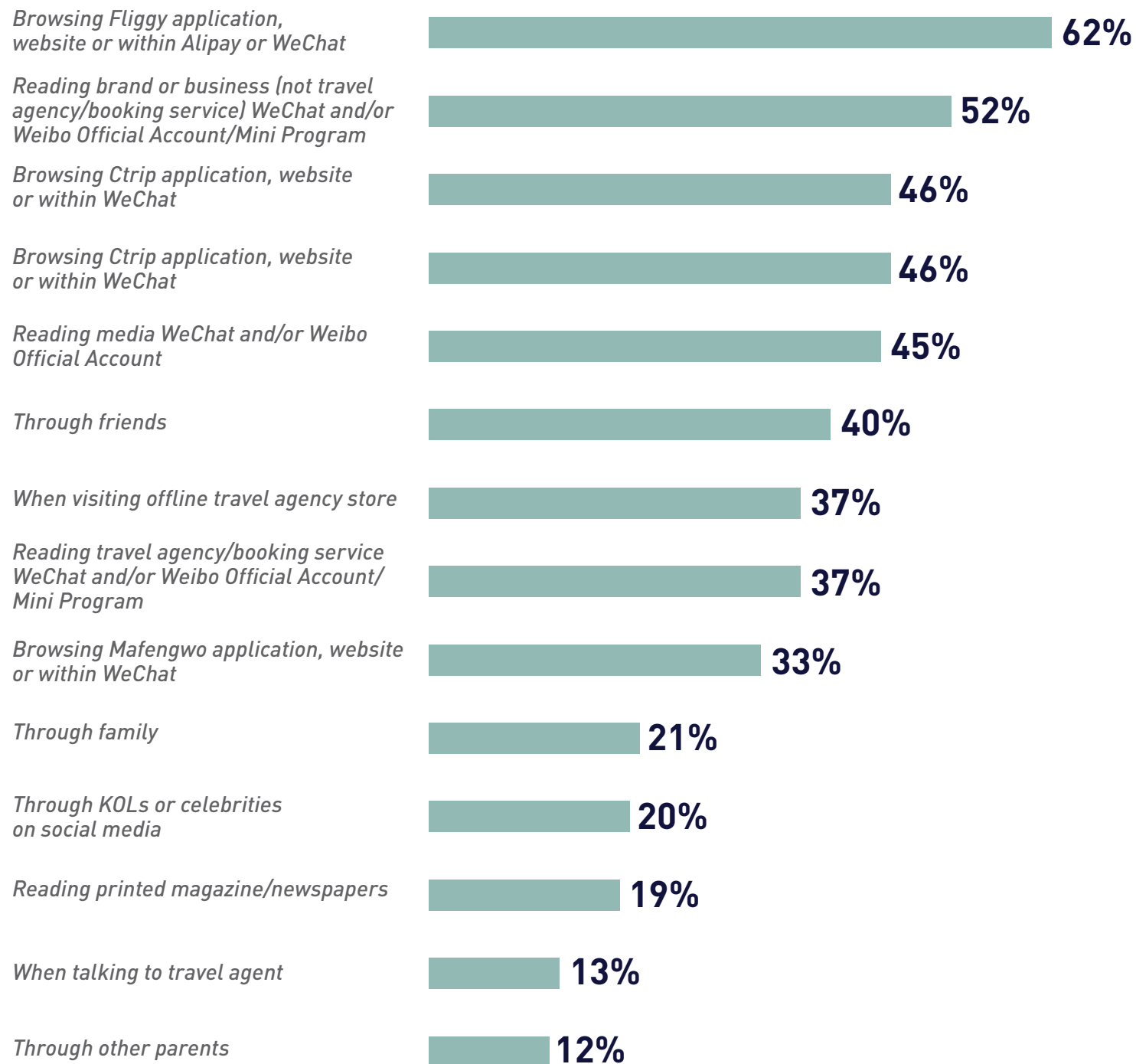
WeChat and Weibo are known as the ‘big two’, with WeChat having so far dominated in terms of brands’ content of every type: via big-name media official accounts, via their own official account, travel agencies, KOLs and bloggers, and of course friends’ own posted Moments – not to mention that the payment for anything under the Sun is done by WeChat wallet.

Not only beating Ctrip and fellow review app Mafengwo, Fliggy is dominating all forms of information and learning on travel – both generally and for family content. Fliggy (FeiZhu or ‘flying pig’) is Alibaba Group’s travel app, which gives it obvious promotional power, as well as being able to offer indirect travel shopping by syncing up with Tmall (also under Alibaba).

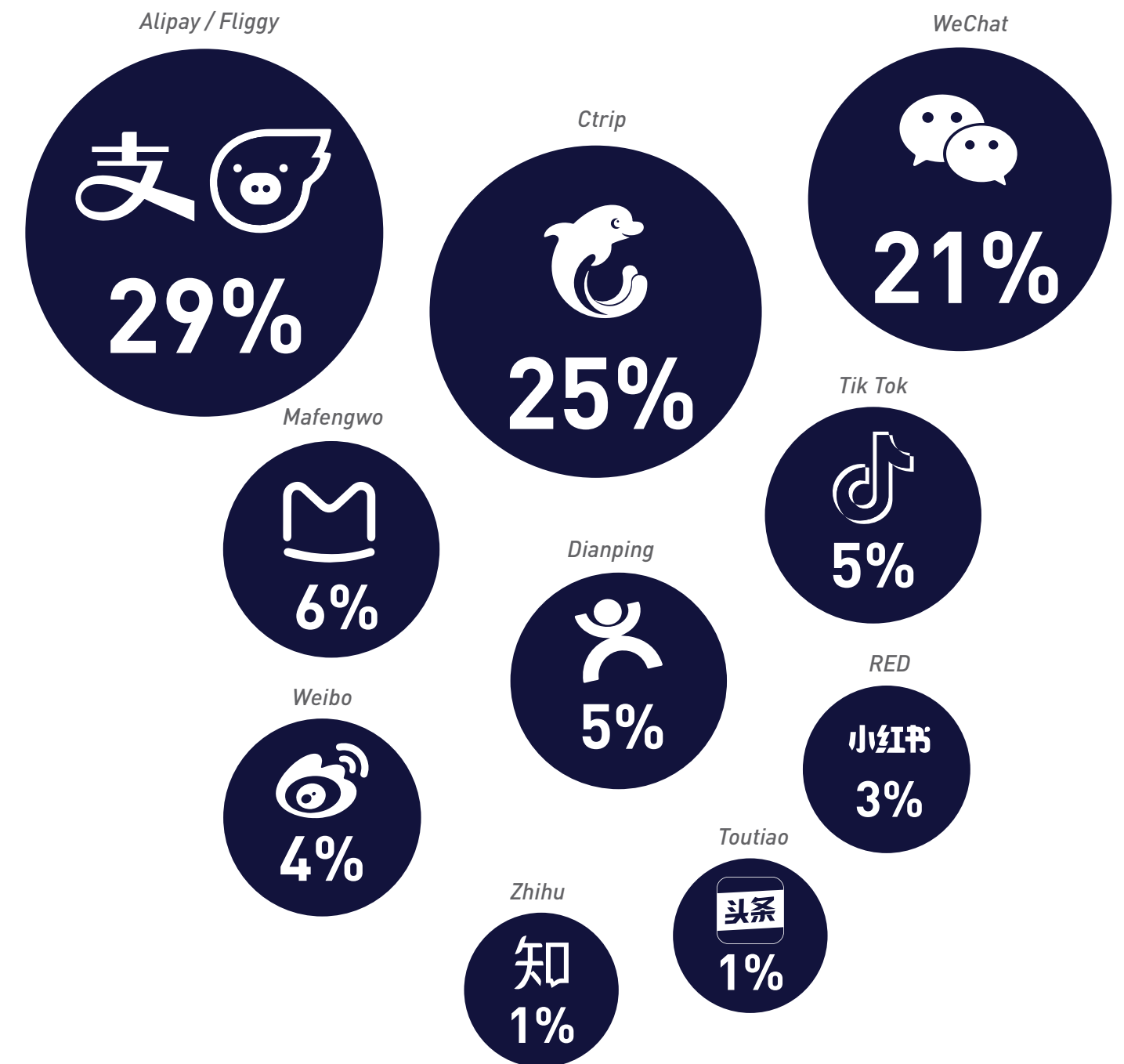
Fliggy is focused on collaborations to give its users even more value, such as by partnering with Singapore Airline’s Krisflyer mileage points programme and more. Fliggy does not specifically position itself as a luxury app, yet our affluent respondents show a clear preference for it in terms of research and information.



How do you typically get information about destinations and travel products (airplane tickets and hotels) for travel with your child?



Which one of the following mobile applications do you feel is the most useful for obtaining information about destinations for travel with children?



Hotel Brands Go Big or Go Home

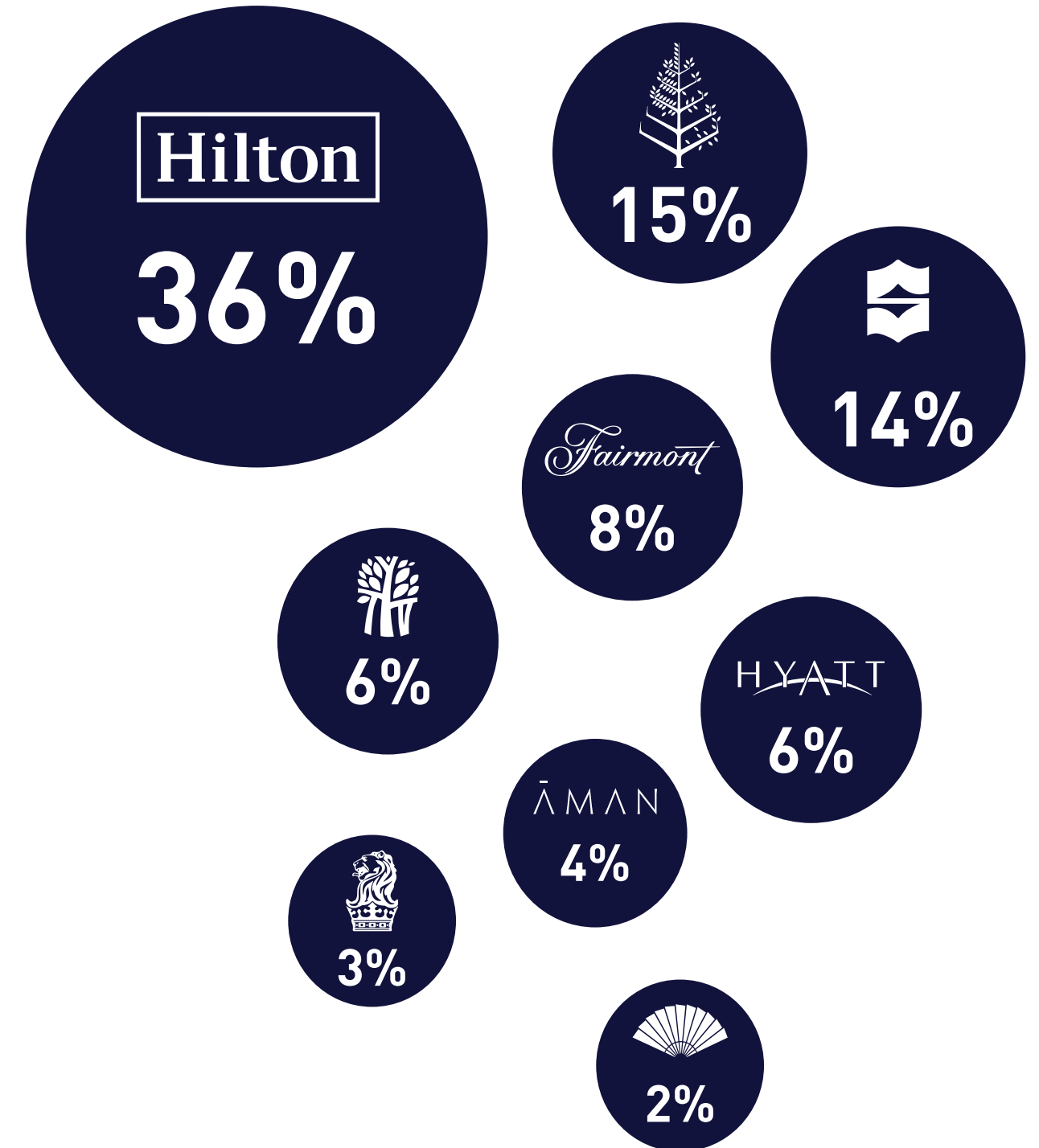
On Family-Friendliness



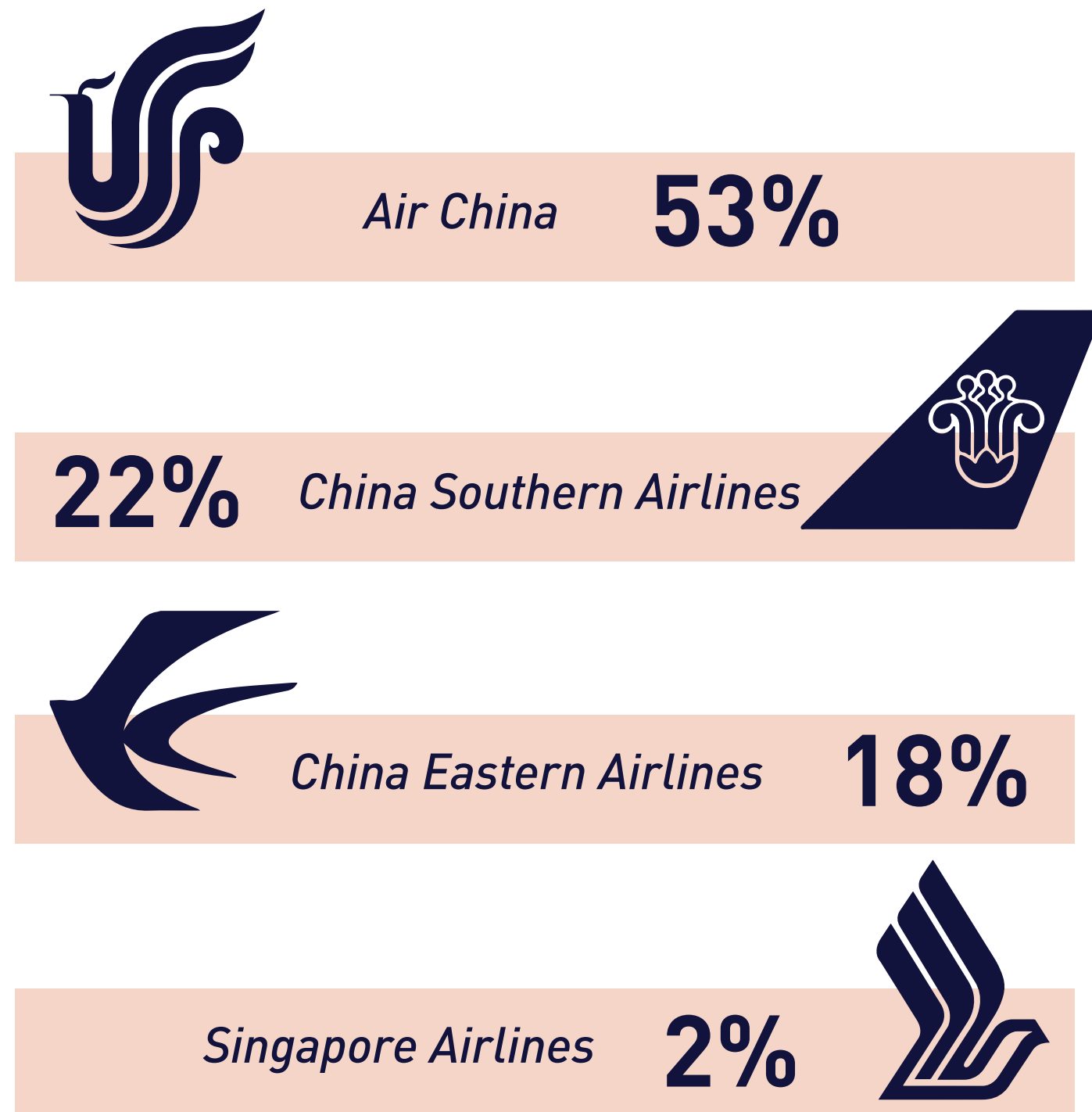
Hotels – from individual properties up to the brand level – are recognising that China is their leading market for affluent families travelling both domestically and overseas. Our respondents were asked which hotel brand they saw as being the ‘most family-friendly’, resulting in the answer ‘Hilton’ as number one.

Even certain brands and individual properties which previously called themselves ‘business hotels’ have evolved into becoming much more welcoming to family customers. Such hotels – previously having tried to focus only on a ‘young’ or ‘stylish’ segment – realised that their guests may be young, stylish business-people yet still travel with their families and like to include their children. This has led to the smartest brands building in highlights such as kids’ amenities and activities, even with ‘in-room camping’ and the like being seen across first-tier cities in China.

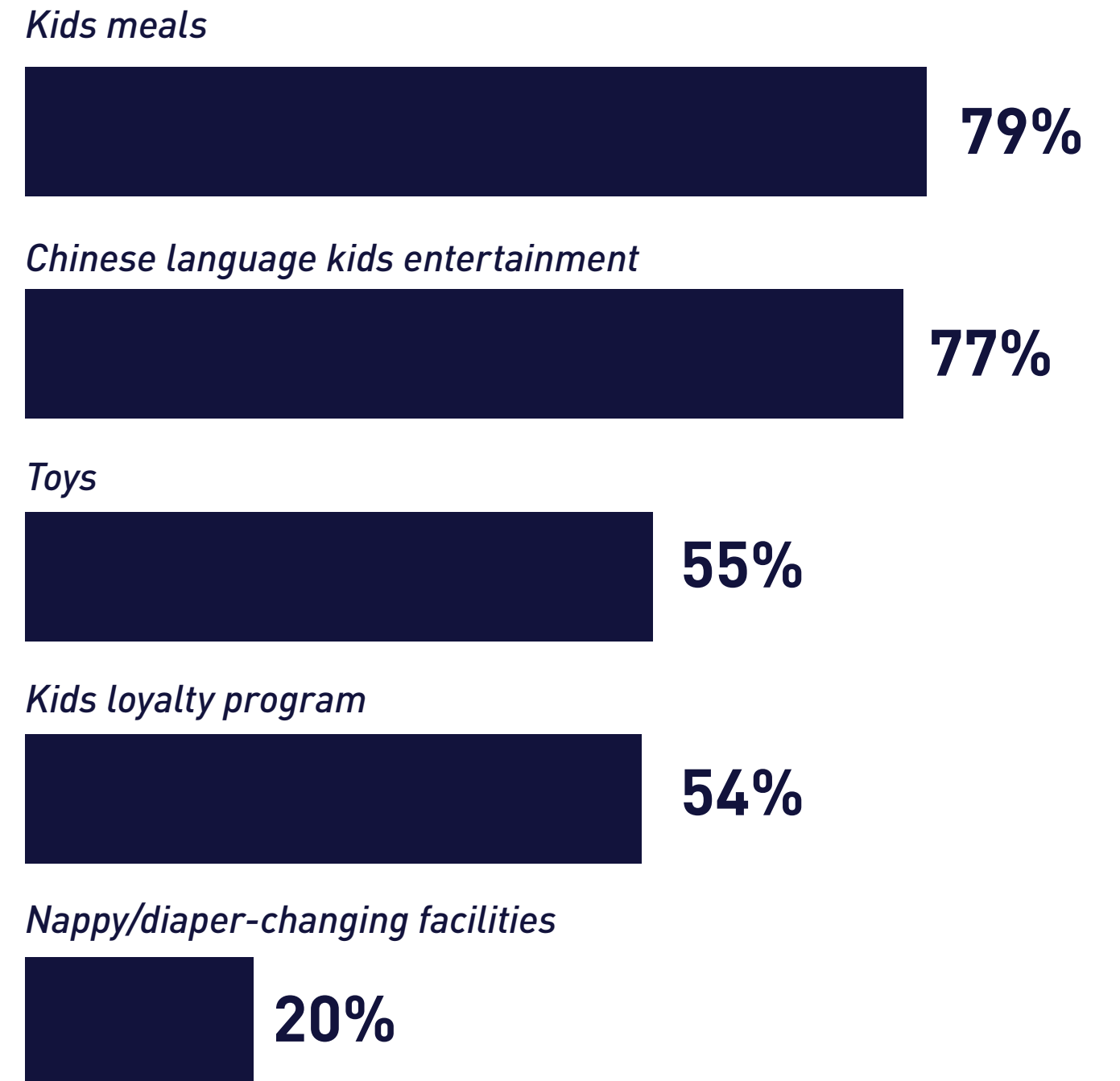
Which hotel brand do you believe is the most family-friendly?



Which airline do you consider to be the most family-friendly?



What do you expect airlines to provide?



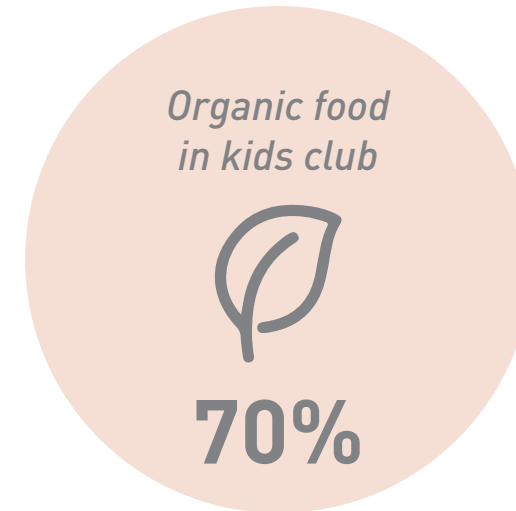
Green Is The New Gold



Health really is the new wealth in China – the modern, aspirational generations view ‘all things healthy’ as desirable additions to the lifestyles that they live and present, and this is in all forms; not only exercise and fitness, but eco-friendliness, sustainability and holistic wellbeing.

Even with this trend already growing solidly, our respondents made it overwhelmingly clear how crucial this is to their holiday experience (and no doubt that which they represent back to their peers, via their own social media posts).

Not only did our respondents see these values as ‘very important’ to the tune of over 70%, but the same figure was seen in their top preferences for the kids’ club features, with 70% selecting ‘organic food’ as a key aspect.



**Rated as
‘very important’
for family travel
destination choice.**

Hyper Connected Travellers



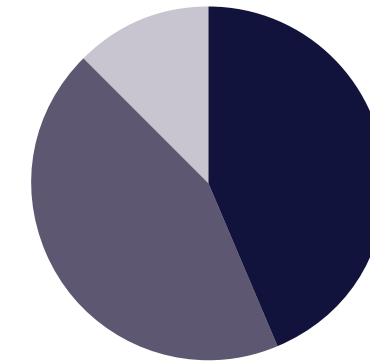
China is absolutely pioneering digital developments. Cash is as good as obsolete in the country, and brands of all types are already using VR, AR, AI and next-gen technology, from payment by facial recognition and more. Entire provinces are already connecting personal ID with WeChat, with people's driving licences and such being held digitally.

Use of personal devices is mobile, and WeChat is the internet. A brand's WeChat mini-program is its website, CRM, booking system, loyalty program app and more.

Preferences from our affluent respondents make it clear that a destination or resort, even outside of China, needs to have strong digital and WeChat integration. Among the preference for all things WeChat-related, over 60% even considered mobile-controlled lighting and in-room features as 'very important'.

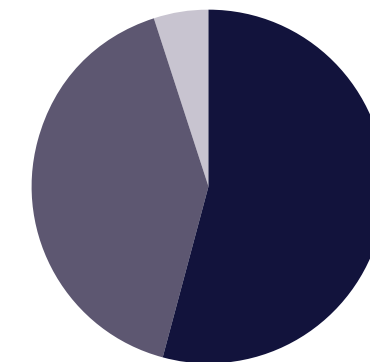
When hospitality brands talk about connectivity, they need to realise that Chinese guests already experience an absolutely seamless connectivity in their daily lives, and expect the same digital thread to be sewn as they visit high-end overseas properties.

When choosing a hotel for family travel, how important is it that the property has a:



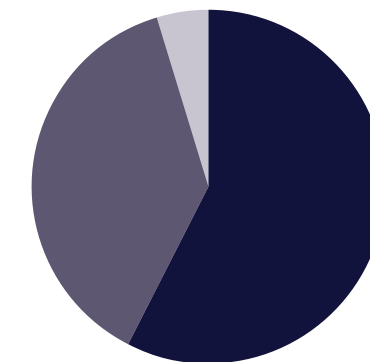
WeChat mini-program

Very important: 44%
Moderately important: 44%
Not important: 12%



WeChat customer service

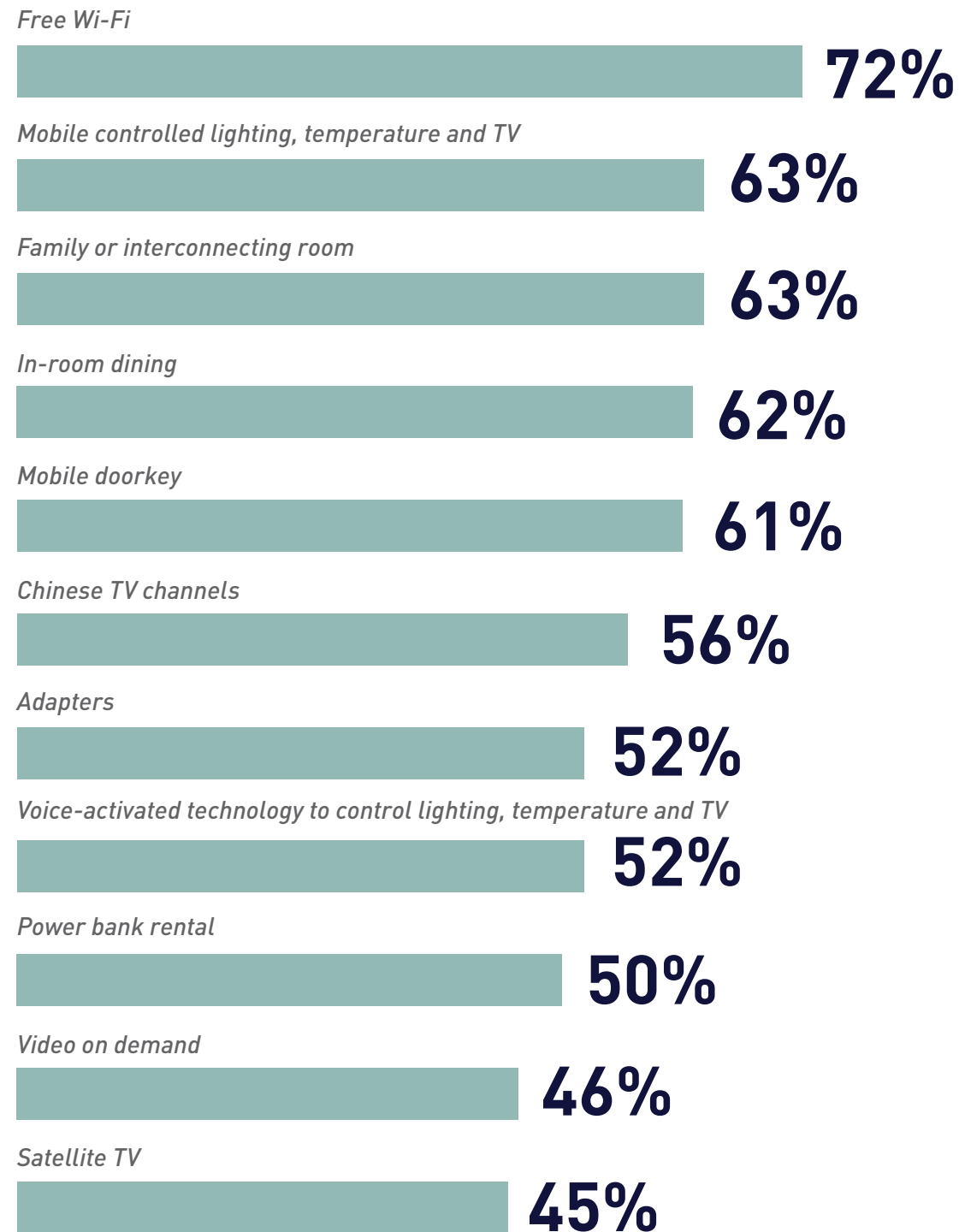
Very important: 54%
Moderately important: 41%
Not important: 5%



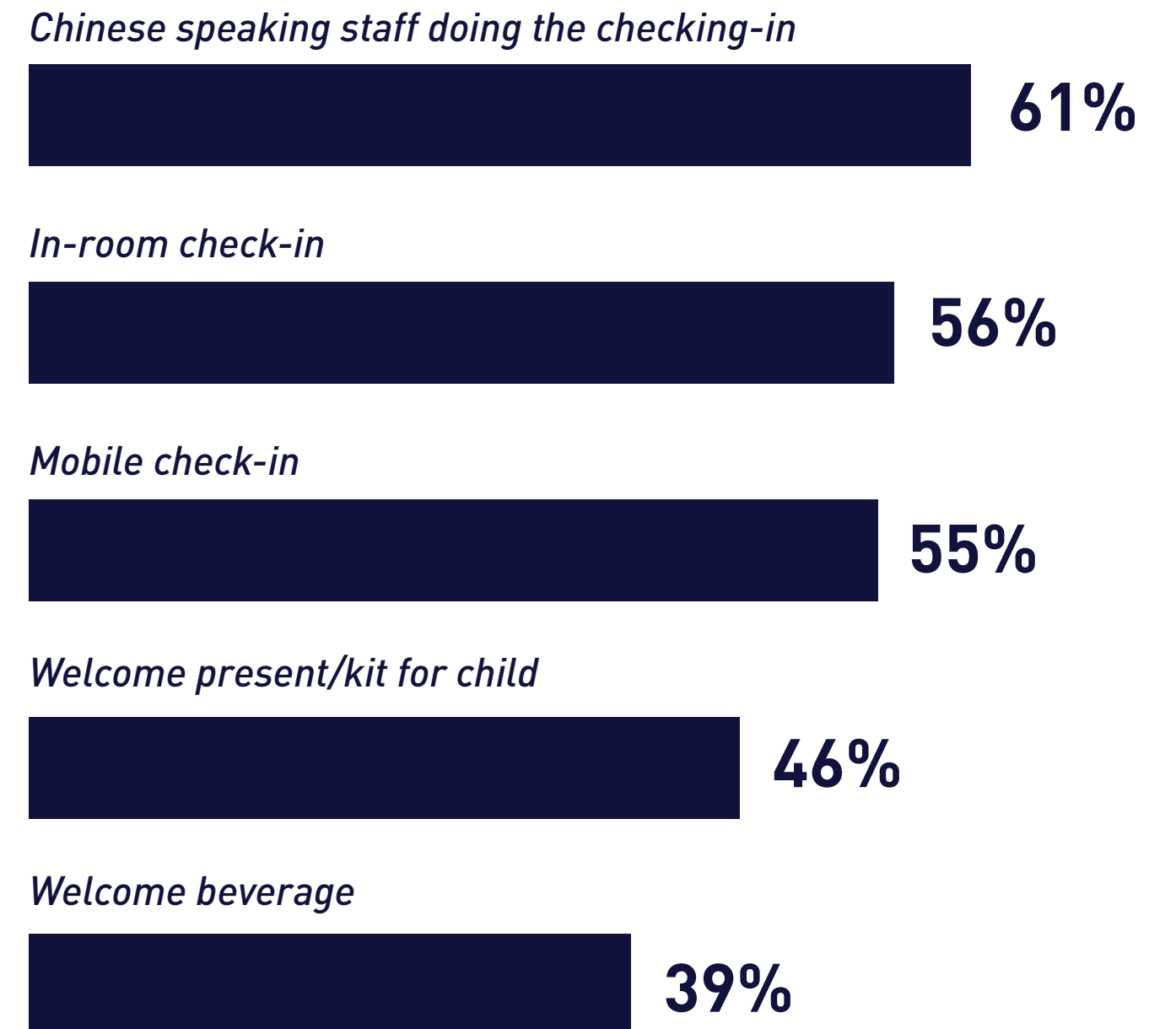
WeChat loyalty program

Very important: 58%
Moderately important: 38%
Not important: 5%

Respondents believe these in-room features are “very important”



When checking in to a hotel with your child - selected as “very important”:



Experiential & Authentic



Two big keywords in the travel world – experience and authenticity. But what do they really mean?

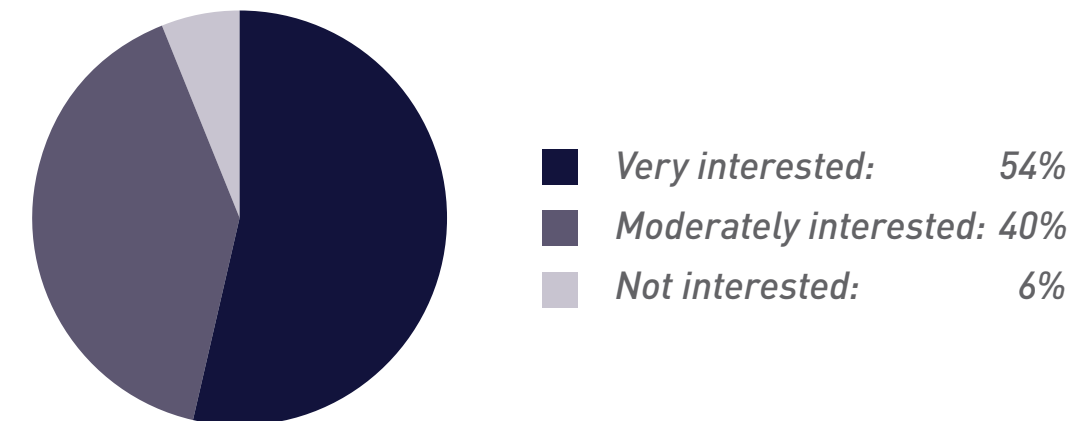
For affluent Chinese families, it means discovering and interacting with local aspects. Stated as ‘very important’ in overall travel preferences by over 65% of respondents, it’s clear that affluent Chinese families don’t want to recline on a lounge all day, they want to be up, out and doing.

Local cultural activities in the kids’ club are also demanded. They want their children to take relevant local learnings from the trip and to get more in touch with the location and surroundings in a real sense.

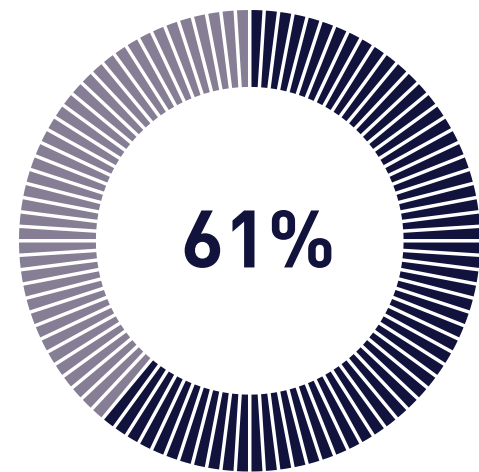
66% say local experiences/ activities are very important when choosing a hotel for travel with child.

68% say local cultural activities in a kids’ club are very important.

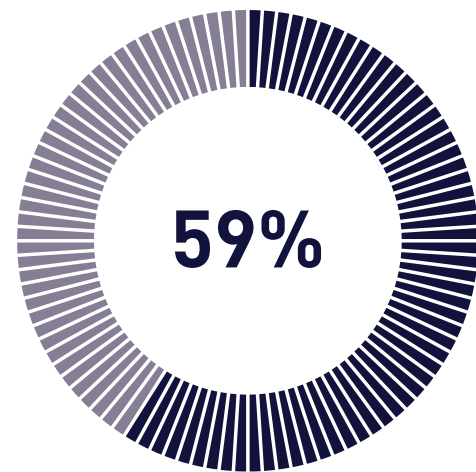
How interested are you in experiential family travel, such as visiting the Antarctic or going on an African safari?



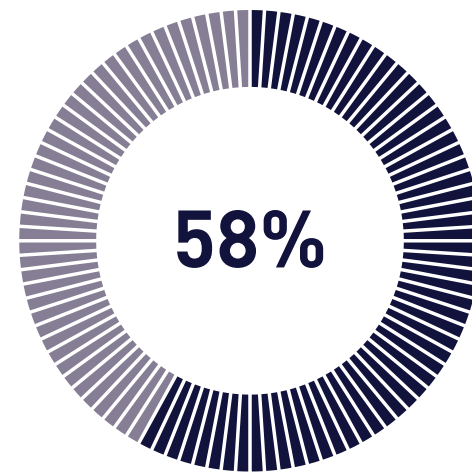
How interested are you in the following for future travel with your child?



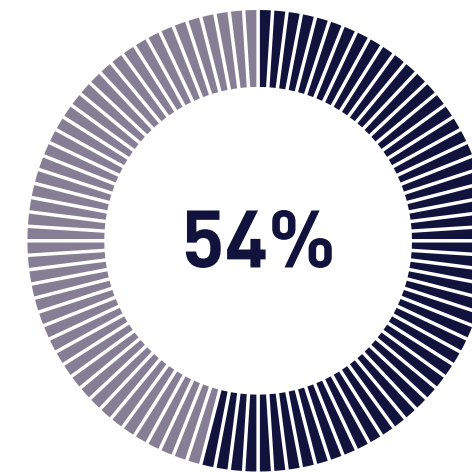
Travel within China



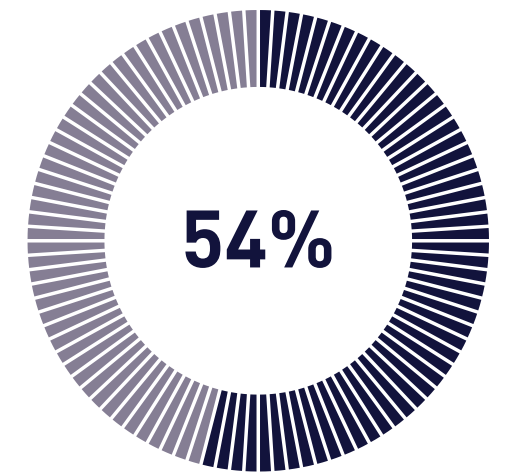
An all-inclusive resort holiday



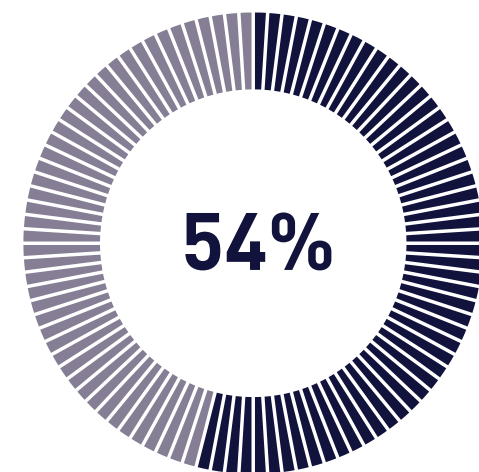
Private rental accommodation, such as Airbnb



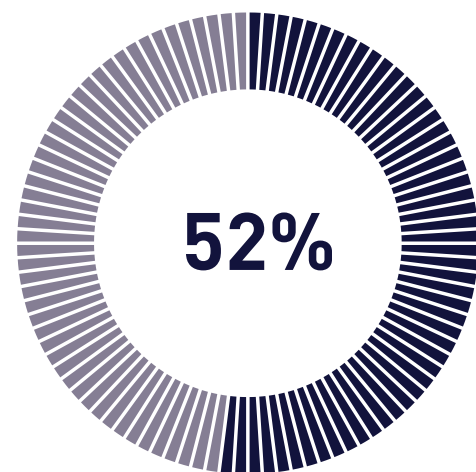
Whole-family experiences, related to drama, music, science or art



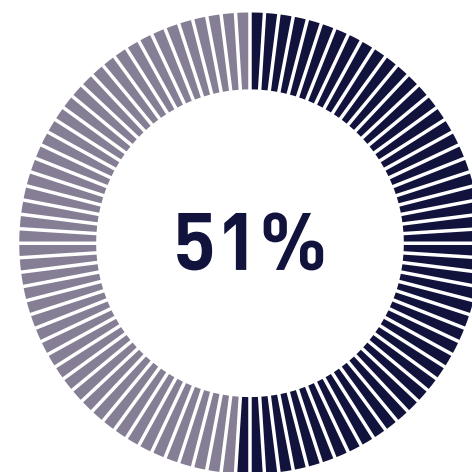
Experiential travel, such as visiting the Antarctic or going on an African safari



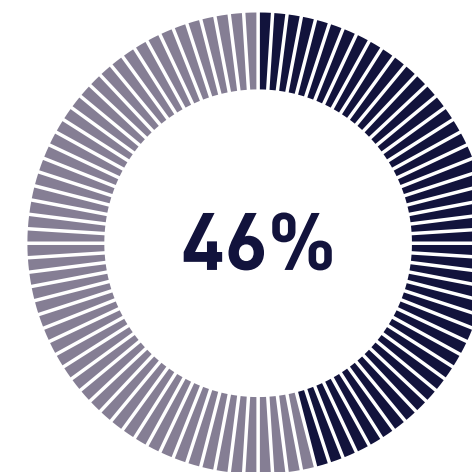
Around the world trip



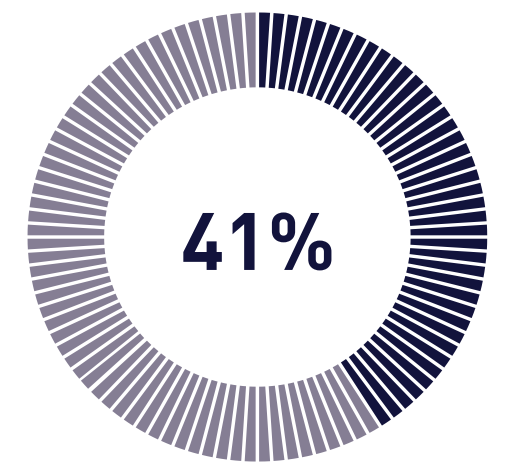
A cruise holiday



Travel together with other families



'Glamping'



Volunteer holiday

Travel Platform Content Analysis

provided by Go Capture

While KOLs shouldn't be thought of as a simple, fail-safe promotional strategy, they are nonetheless a powerful tool when collaboration is done effectively. Read more about KOLs on The Luxury Conversation to learn about how to work with China's influencers. We started researching China's unique travel apps to discover – outside the typical WeChat and Weibo world that is becoming saturated with KOL after KOL – how brands can look to highly relevant travel content platforms that affluent parents like to browse. Here are just two examples of this nascent community which have high potential for brand collaboration.

Guo WenWen

Guo WenWen is a parent KOL who, since beginning to post in 2016, has made 34 posts about her trips with her family. Her most popular post received over 350,000 views, with over 1,200 likes.

WenWen has made posts about travel to Hong Kong, Harbin, Guilin, Guangzhou, Inner Mongolia, and many other destinations in China, as well as when visiting the Maldives, Japan and Thailand. During her travel, the emphasis of the content is on her son's experience, and specifically how it can enrich his childhood in terms of creating memories and giving him life-skills. Wherever they've travelled to, outdoor activities are the highlight, whether horse-back riding in Inner Mongolia, scuba diving in Thailand or hiking in Japan.

Xi Lin

Xi Lin is popular on travel review app Mafengwo, with 10 out of her 15 articles related to family travel in Japan. The most viewed reached 587,000 views and was saved over 700 times, with her other posts also receiving around 60,000 views.. Viewership of her other Japan-related articles are also keep at a high level, ranging from 20,000 to 60,000.

Xi Lin also has her own WeChat official account (hello_xlynn) which posts richer content, with more comments, stories and images. The focus of the posts is on her daughter and her travel experiences, and Xi Lin recommends detailed itineraries which suit young children. Even small aspects are considered for her daughter – such as she will choose a hotel with a view that her daughter will like. Most of the comments on her posts are asking for more child-pleasing info, showing that Chinese parents really want the intricate details that will ensure the best family experience.

New collaboration with travelling parent KOLs

There are many different 'types' of KOL, whether a famous celebrity, blogger and so on, as well as various apps that are unique to China – which is explained in detail in the above link to The Luxury Conversation. One type of KOL is the micro-influencer, who is not a celebrity name, does not have a million followers but makes a real impact to a loyal, niche audience. We noticed that the Chinese travel apps are ripe with this budding form of blogger who is making real influence to a targeted audience of affluent families yet is currently an untapped resource for brands to draw on.

Looking at the parent influencers, we can see that they more often opt for destinations such as Canada, Australia and New Zealand, seeking smaller towns and cities which are less-visited by mass tourists and represent outside, natural environments.

The most popular mode of transport in such destinations of self-drive via renting their own car. The most popular content involved highly detailed guides on the typical family choices such as farms, zoo and aquariums. The urge to discover more demonstrates a large potential for giving Chinese families vastly more information than is already made available directly by tourism boards and hotels.

Users are so impressed by the quality of the influencers travel photos that it's common to see questions and even promotion of high-quality SLR cameras.

Influencers are happy to have their child in the spotlight, which prompts a sort of 'following' for the child herself/himself, which is yet another untapped resource of promotion by brands. Users are keen to observe how the posting parent's child found the travel experience and then makes comments about how their own child is similar or different.

The Takeaways

Two things are immediately clear: what the particular preferences of our respondents are – and that their expectations are extremely high. In order to win with this next generation of leading consumer, the offer and the experience has to go to the next level to match and exceed their demands.

For the little VIPs

A so-called ‘kids club’ that consists of a padded play-room and some crayons won’t cut it. Chinese travellers can visit a hotel in countryside areas outside of Shanghai and enjoy a timetable of kids activities, a buffet dinner with a children’s selection and child-size toothbrush and slippers in the room. If you want to truly delight them, then you have to go to the next level. Your French cooking class could include a certificate from Cordon Bleu, your swimming club could have instruction from an Olympic Champion, and the property’s ‘play area’ should look like something out of Disneyworld. A kids menu of mini-burgers and fish fingers almost feels like the 1990s – why not include the same storytelling of how ingredients are sourced, how the special Swiss cheese contains more calcium or that the Iberico ham is acorn-fed? Consider the care and effort needed to impress the adults who are staying in the Penthouse and Villa – and then see their children as smaller yet equally discerning versions!

The sophistication of clean living

Being green and caring for the planet is nice, but taking a photo of your abs and hash-tagging *#plasticfree* *#savetheturtles* is even better. Earth goodness and

personal health are intertwined aspects of modern, affluent living in first-tier China – so much so that simply being plastic-free and telling a guest they can re-use a towel to save the planet is eco-passé. Instead, the power of WeChat mini-programs allows a destination of property to offer innovative ways toward clean living: provide options to offset their carbon footprint in fun ways that they can share back to their WeChat Moments. Ensure the fitness centre doesn’t have the same motley crew of machines but really cutting-edge equipment and instructor-led sessions – more creative than a few yoga mats slung by the pool. Clearly communicate these green goals throughout all communications.

The luxury of space

Still relevant to the holistic health and wellness drives of affluent Chinese travellers, adventure and the great outdoors are attributes well sought after. This doesn’t mean you have to be the first brand to build on Antarctica, but can speak to these elements, promoting concepts of discovery and nature where suitable. Chinese cities are concrete meccas of shopping malls and traffic-jams with even the ‘small’ ones having populations of 5 million plus. Getting away from the crowds and finding both personal space and oneself are tempting points to pick up on.

The meaning of seamless

The digital experience they had when browsing and booking their holiday when in China should continue when overseas. The smartest tourism boards, luxury department stores and resorts connect with these travellers in WeChat, with guides, maps, payment, loyalty clubs and more integrated within the app.

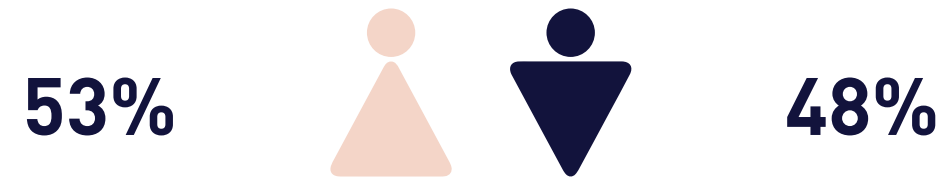
That China is a land not dominated by Google, Amazon, Facebook and such shouldn’t be seen as a challenge but an amazing opportunity to use the powers of WeChat and China-unique platforms that are integrated in ways that western versions are not. Having a personal butler is nice but even making a call on their mobile – let alone locating the room telephone – seems like a hassle; ordering room service, arranging dinner on the beach or asking the concierge to book a winery tour should all be possible within the same mobile apps they use in their daily lives. Show the target traveller how China-friendly the entire travel experience will be and tell them that their special, unique preferences have been well prepared for.

Swipe right and go beyond WeChat

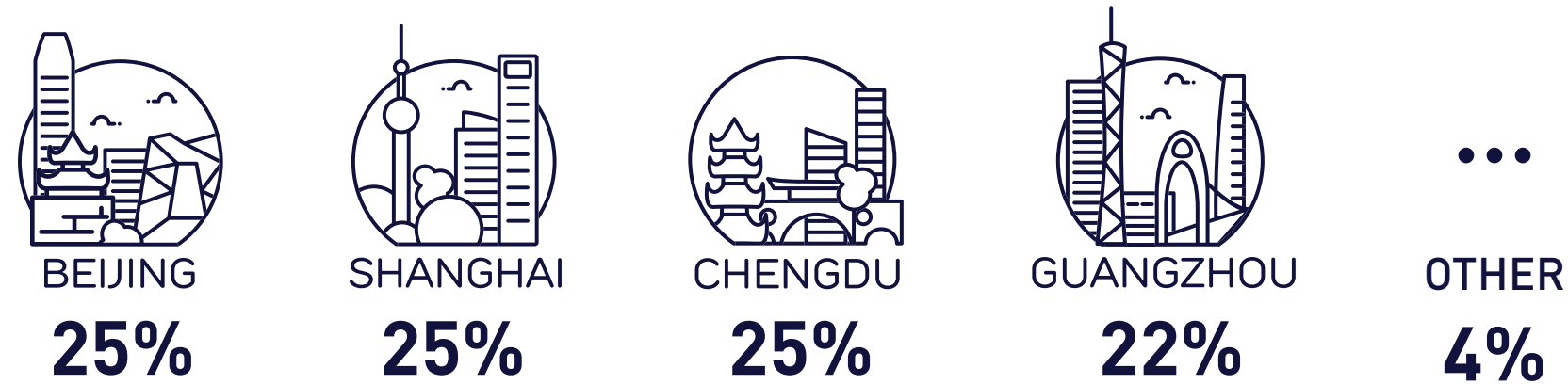
In terms of reaching this customer, being visible and available on the Chinese platforms is just the basic start. Having WeChat and Weibo accounts is not the ‘method’ for capturing, just as having a website is not the method for capturing western luxury travellers. Moreover, the communications strategy cannot be the same as elsewhere in the world or even ‘for Asia’. The Chinese marketing must be for China, with true understanding of the consumer, who they are, where are they from and what content, campaign and story will inspire them to find out more about your destination or brand, versus the thousands of others all promoting their uniqueness.

Our respondents:

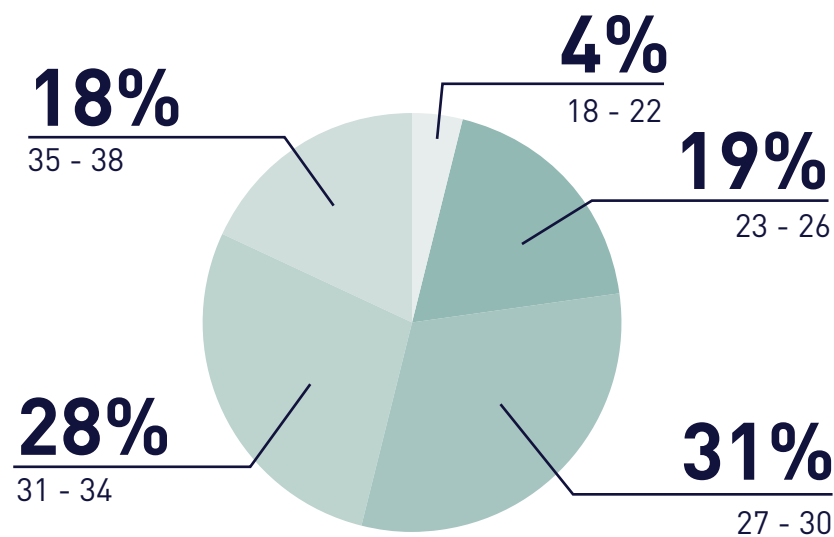
Gender:



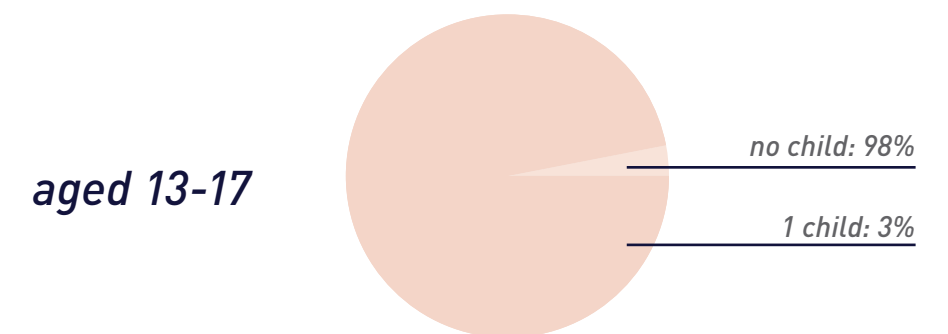
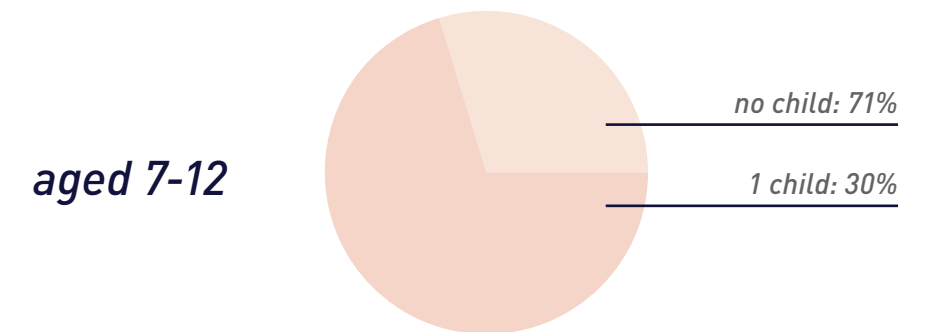
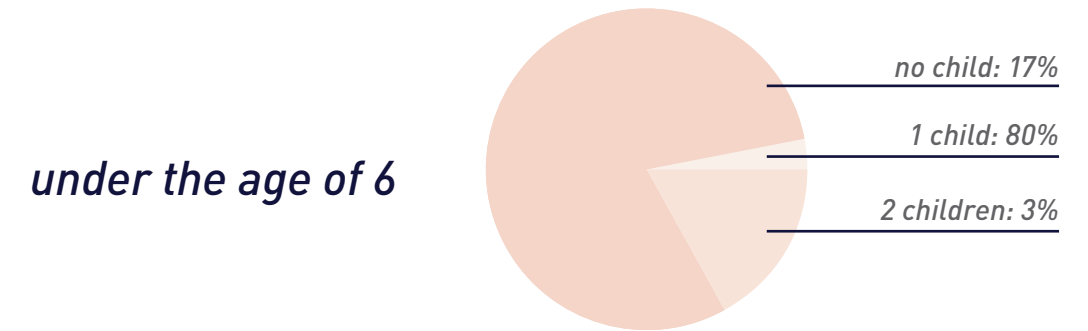
City:



Age:

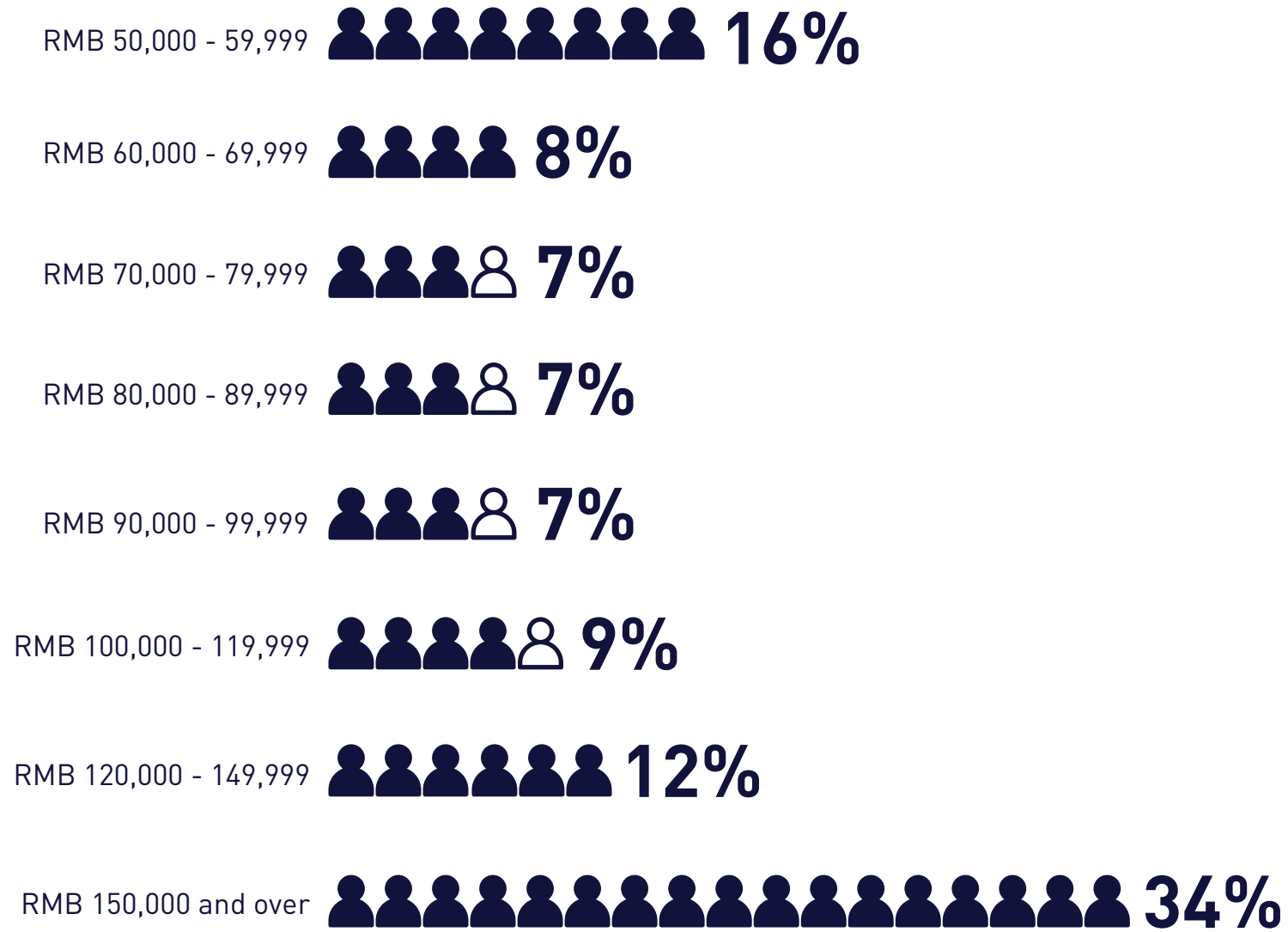


Number of children: (By age group)

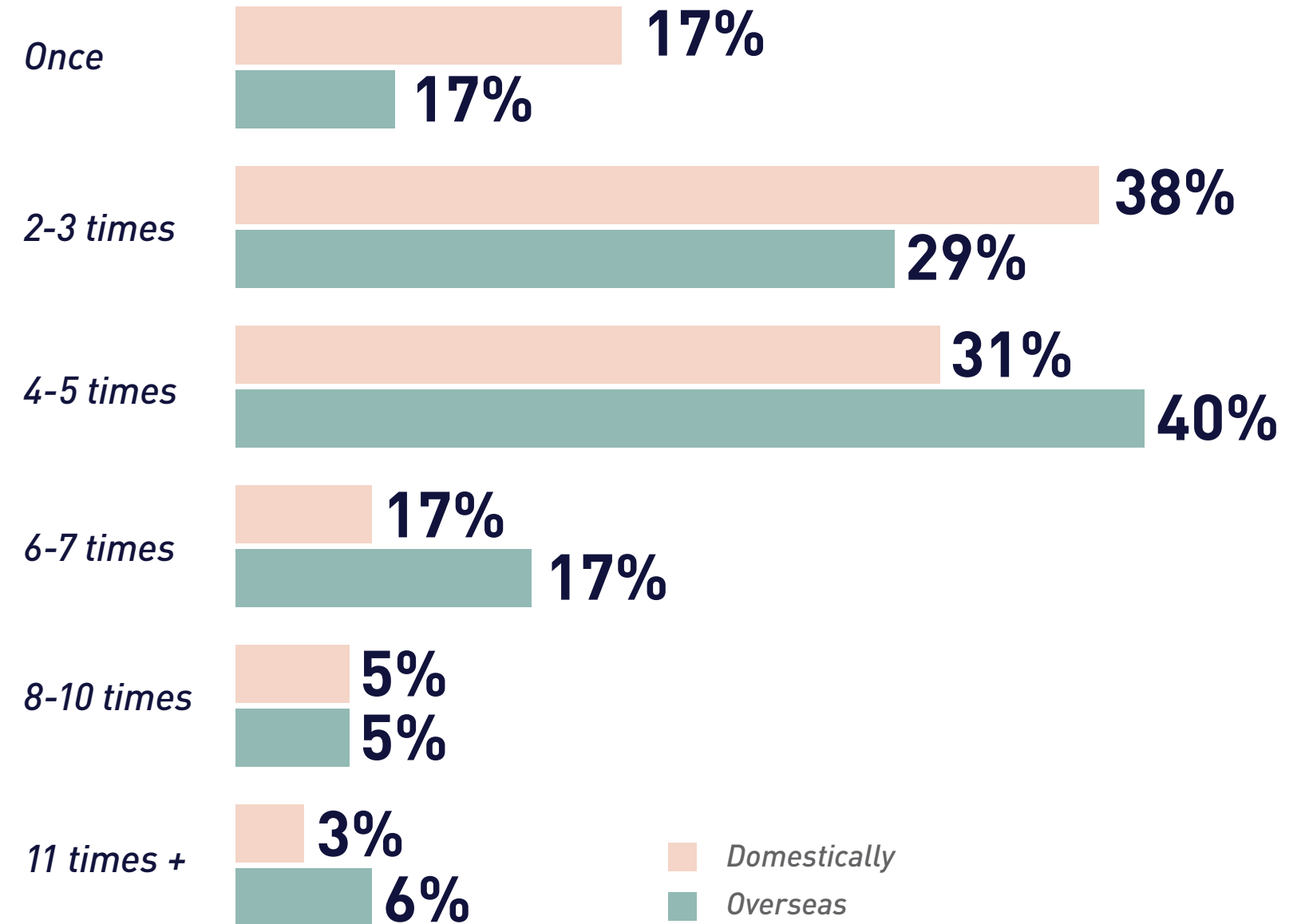


* Due to rounding, may not add to 100%

Monthly household income in RMB:

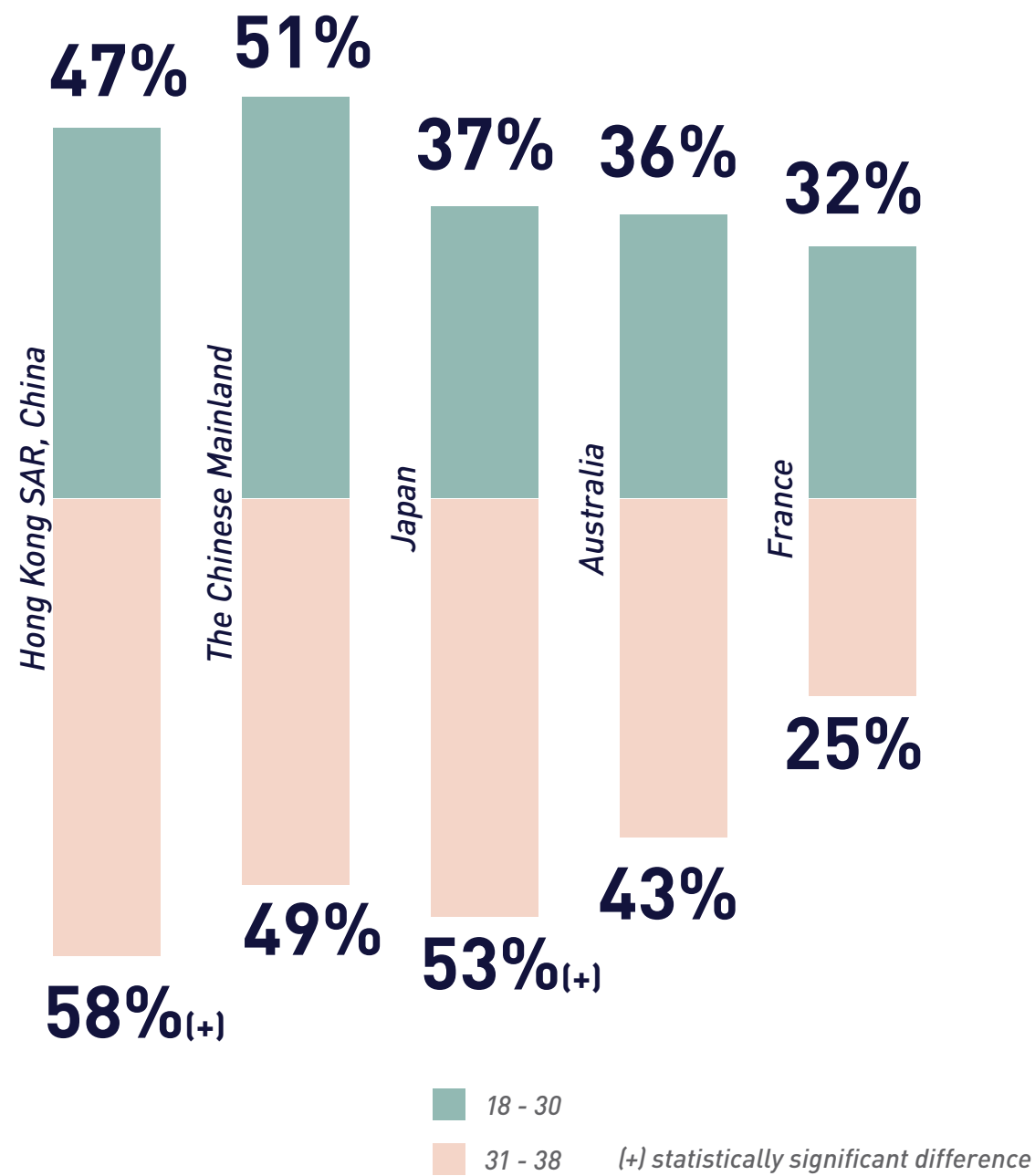


How many times have you travelled with child in the past 12 months?

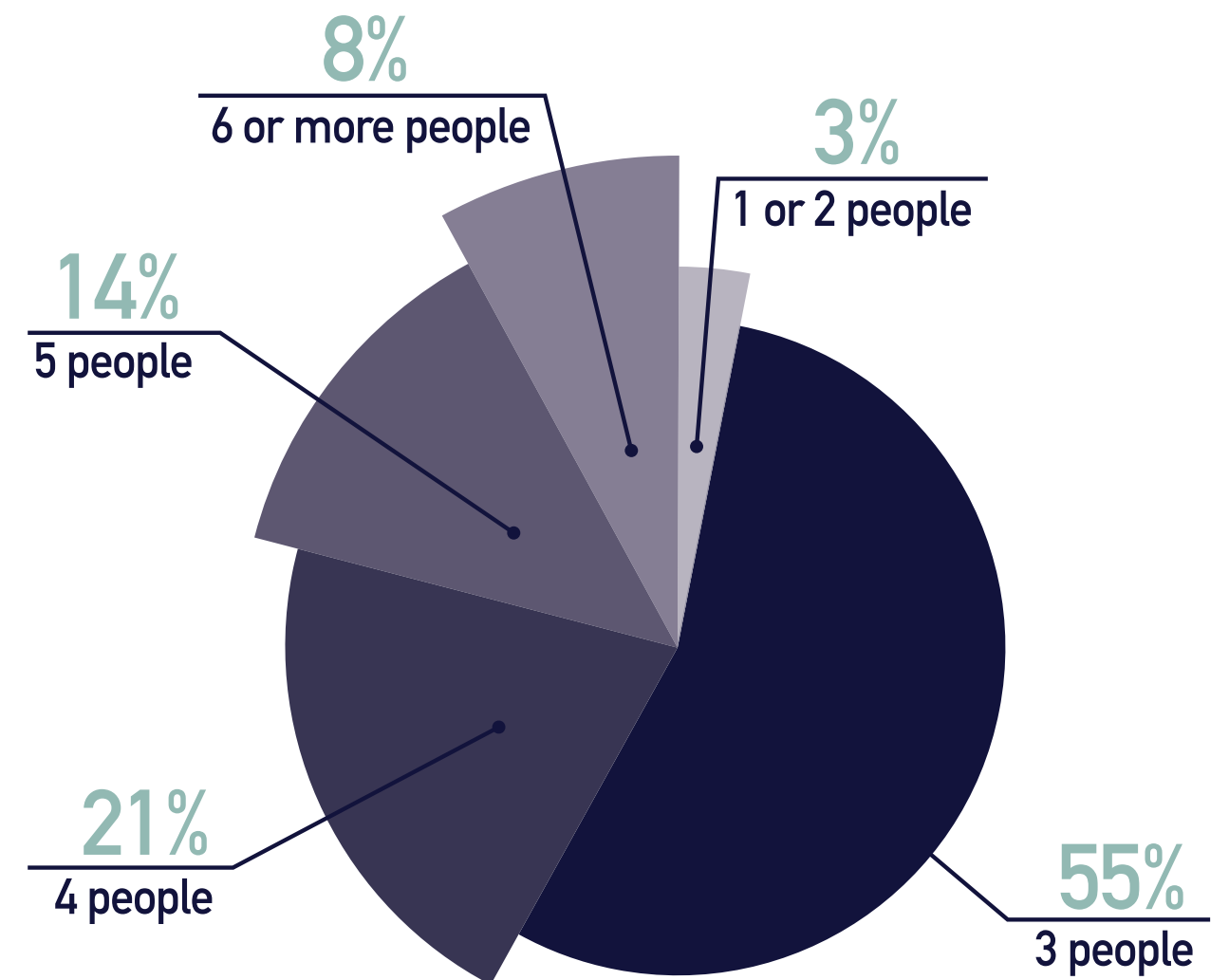


Which destinations did you travel to with your child in the past 12 months?

Top 5 most common destinations:
(By age groups)



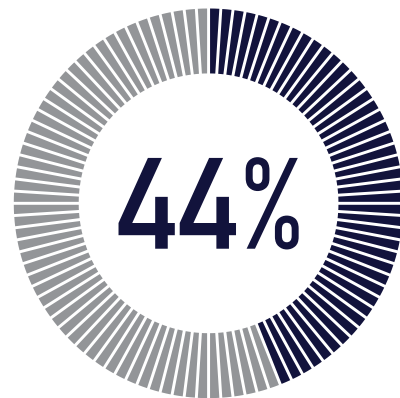
Thinking about the last trip abroad with your child, how many people including yourself travelled together?



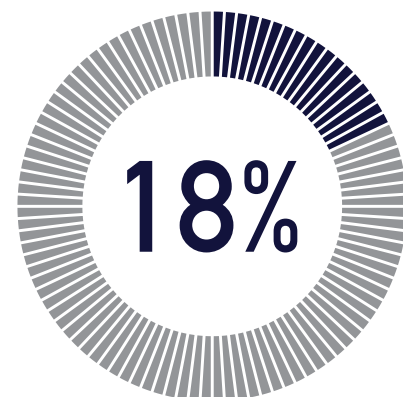
How many nights did your most recent trip last for?



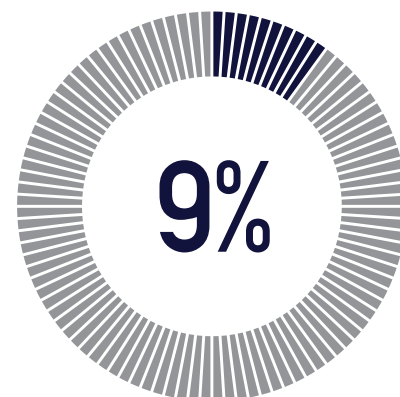
4 or fewer



5 to 6



7 to 8



9 or more

How much do you usually spend per night on holiday accommodation?

RMB 999 and under
(USD150 and under)



RMB 1,000-1,999
(USD150-300)



RMB 2,000-2,999
(USD300-450)



RMB 3,000-3,999
(USD450-600)



RMB 4,000-4,999
(USD600-750)



RMB 5,000-5,999
(USD750-900)



RMB 6,000-6,999
(USD900-1,050)



RMB 7,000-7,999
(USD1,050-1,200)



RMB 8,000-8,999
(USD1,200-1,350)



RMB 9,000-9,999
(USD1,350-1,500)



RMB 10,000 and over
(USD1,500 and over)



About

The Luxury Conversation

The Luxury Conversation – an initiative by Reuter Communications – is created to inform, connect and showcase the issues shaping the luxury industry in China and Asia. We are about people, content, events, insight and thought-leadership.

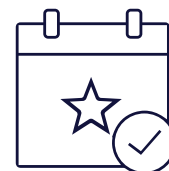
The Luxury Conversation delivers inspiring content and insights which help brands make smarter business decisions.

Partnering with The Luxury Conversation is a unique opportunity for your brand to gain visibility with a high quality audience across the world.



Content

Regular updates sent to over 10,000 executives in brands, agencies & media



Events

A range of exclusive events in cities around the world & in China



Research & Reports

Co-branded insights published by international media & sent to our audience

About

Reuter: Communications

We are a luxury intelligence, digital, communications and marketing agency connecting luxury brands and businesses with Asia’s affluent consumer. We help luxury businesses understand, engage and sell to Asia’s growing class of luxury consumers through innovative, insight-led, digital communications and marketing solutions.

With offices in Shanghai, Hong Kong, Dubai and Singapore we deliver campaigns across Asia.

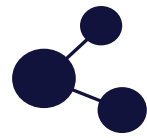
Reuter: Intelligence

Reuter: Intelligence is the research and insights arm of Reuter Communications.

By harnessing insights from qualitative and quantitative research as well as big data, Reuter: Intelligence specialises in consumer understanding, market landscaping, market entry and strategy, and trends.

We have a proprietary panel of Chinese luxury consumers in addition to an established network of partners, which allows us to handle smaller and larger scale projects in China and Asia.

About



Digital & Social

Digital is an integrated part of our business, from setting up new digital platforms and ecosystems for clients, to rolling out engaging digital and social campaigns.



Public Relations

PR is in our DNA; we've built relationships with all the key online and offline media in China and Asia.



Influencer Management

We engage with leading luxury and lifestyle influencers, driving content to commerce for tangible results.



Events & Experiences

We plan and manage events of all shapes, sizes and needs.



Creative & Content

Our team of in-house creatives develop ideas, direction and content.



Partnerships & Alliances

Our network reach allows us to help brands identify and forge new partnerships and alliances.

Methodology

Reuter: Intelligence conducted a quantitative survey of 404 affluent Chinese millennial parents in partnership with MobileMeasure. The online survey was fielded among respondents aged 18 to 38 who had at least one child and a combined minimum monthly household income of RMB50,000. The research covered the cities of Beijing, Shanghai, Guanzhou and Chengdu. Fieldwork was conducted in September 2018. Our data analysis is robust and all findings reported are statistically significant to a 95% confidence level.

Big data analytics was provided by Go Capture. We identified the top search terms co-mentioned with 'family travel' and 'family holiday' across the top online travel aggregator (OTA) sites and reported sentiment by count and % rate. Non-travel social platforms Weibo and WeChat analysis included posts and articles by count and % rate. We also selected all key terms specifically co-mentioned with selected 'destinations' + 'family' +/- 'travel' / 'holiday' across the key OTA platforms. Buzz share results were reported. All data was for 12 months.



Go Capture (www.go-capture.com)

Go Capture (GC) is a smart people business, experts in providing applied big data analysis for some of the world's largest brands. They aid and define critical business thinking and tactical market plays by having an in-depth understanding of the Chinese consumer, based on crunching data on a massive scale.



MobileMeasure (mobile-measure.com)

Headquartered in Shanghai, MOBILEMEASURE started as a Mobile Market research service and has rapidly evolved into a full service digital market research service with mobile consumers at its core. Focused on consumer engagement solutions, its highly intuitive mobile + web survey platform cover both quantitative & qualitative methods.



ILTM (www.iltm.com)

Each ILTM event introduces an unrivalled selection of luxury travel brands to ILTM's extensive network of hand-picked luxury travel advisors, through bespoke appointment programmes and networking sessions.

Alongside the global flagship events in Cannes and Asia Pacific, ILTM has four core local events; ILTM Arabia, ILTM China, ILTM Latin America and ILTM North America, as well as one specialist event; ILTM Africa.

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