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SEEING THE POTENTIAL, SELLING THE ADVENTURE

Chinese Outbound Travel Trade Survey

Dragon Trail Research

July 2024



Photo by Ryutaro Tsukata



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It's time to reconnect with the Chinese travel trade



Digital Solutions

Dragon Trail's digital solutions for B2B marketing include training programs and live webinars optimized for WeChat, product catalogues, and data management systems to make sure you get the best results.



Trade Representation

We identify and introduce you to key partners and contacts in the Chinese travel trade, and work with them to promote your product or destination, while keeping you up to date on this dynamic market.



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SELECTED CLIENTS



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Introduction: How to work with China's travel trade in the post-pandemic era

A lot has changed since Dragon Trail conducted its first Chinese Outbound Travel Trade Survey last year. Chinese travel agents can now sell group and packaged travel to more than 130 countries around the world, up from just 60 at this time last year. And Chinese outbound travel has picked up considerably in 2024. Reduced travel restrictions also make it easier for travel agents to attend industry events and FAM trips outside of mainland China.

According to the travel agents we surveyed, there have been major changes in how Chinese tourists like to explore the world. Demand for personalized, customized, and small group tour products has shot up. This creates a greater need for destinations and travel businesses abroad to develop more diverse and bespoke products to support the recovery and growth of the Chinese market.

Amid economic insecurity in China, the market has also become more demanding about outbound travel products' value for money. At the same time, concerns about safety are higher than they were pre-pandemic, and visas remain an impediment despite the recent increase in visa-free destinations for Chinese tourists.

Our survey also reveals the types of outbound travel with the highest potential for growth. Nature and beaches are especially popular now, while family travel continues to be a top theme. Meanwhile, the rise of younger travelers creates more opportunities for traveling with friends.

For travel destinations and brands, we intend this survey and report to serve as a guide for developing your B2B travel marketing for China. Read it to understand where, when, and how Chinese travel agents would like to meet and work with you, and which products and services you must offer to support them in selling outbound trips for 2024 and beyond.

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Methodology

From 24 June - 7 July 2024, Dragon Trail Research conducted a 19-question online survey of travel agents currently selling outbound travel for mainland Chinese travel agencies. Survey respondents were strictly vetted, and our data cleaning process identified and removed invalid responses, resulting in a total of 295 valid responses.

Key findings: Five takeaways from our 2024 Chinese outbound travel agent survey

1) Price sensitivity has become a key feature of the consumer market

A significant change for selling outbound travel from China since the pandemic is the emphasis on balancing affordable prices and good quality, underlining the importance of value of money. The top barrier mentioned to selling outbound travel this year is price: customers may be deterred by prices higher than their expectations. Some agents also mentioned economic downturn, rising travel costs and shrinking consumption. Over half (57%) of survey respondents stated that the majority of customers would choose the most cost-effective outbound travel products and services. However, another 34% stated that customers are willing to pay a premium for better travel experiences.

2) Travelers strongly prefer small groups

When asked which type of travel is most popular in 2024, small, private groups and customized tours rank significantly higher than traditional group tours and FIT. This marks a profound shift in the Chinese outbound travel market since last year. Although Chinese travel agents can now sell group tours to more than 130 countries and regions, up from just 60 at the time of last year's survey, the popularity of group travel has declined, and Chinese outbound travelers have growing demands for personalized and customized products. Now, 92% of travel agents say a group size of 20 people or fewer is the most popular choice.

3) Safety is more important than ever

In the views of surveyed travel agents, the biggest change in customer demands after the pandemic is the value on safety and security, including personal property, health and hygiene, and environmental safety. When asked how overseas destinations or businesses could help them sell more outbound travel, Chinese travel agents often brought up the need to work together to develop customized, personalized, diverse products, and to address traveler concerns about safety.

4) Nature is the leading travel theme of 2024

Nature leapt up to the top position for travel themes in 2024 and was selected by more than half of respondents. Beach and island travel, another nature-related theme, was pushed down to second place, but the percentage of travel agents choosing this option actually increased from 37% in 2023 to 43% this year.

5) Family travel remains a top theme, but younger demographics create more opportunities for travel with friends

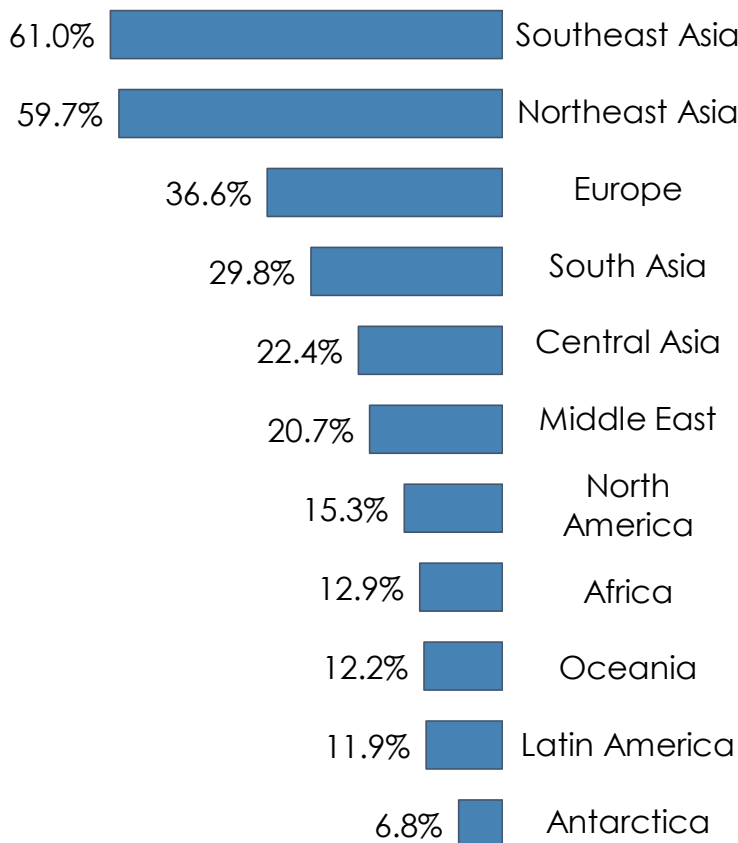
Family travel is steady as the third most-popular travel theme for agents selling outbound trips, chosen by 32%. However, traveling with friends was actually identified as having the highest potential for growth – the travel agents who selected this option are focused mainly on customers born in the 1990s. Those who saw family travel as having the most growth potential were more likely to serve clientele born in the 1980s and 1970s.

Southeast and Northeast Asia are the top regions for travel trade sales and growth potential

In 2024, Southeast Asia ranks first as the world region with the highest percentage of Chinese travel agents selling products to go there. It is also considered as having the most potential for growth, up from second place (behind Europe) in 2023. Following closely is Northeast Asia. Although this region scored near the bottom of the list for growth potential in our 2023 survey, Japan and South Korea have proved to be particularly popular destinations for the Chinese outbound travel market this year. Europe remains among the top three ranked regions. While the Middle East is the sixth region for travel sales, it ranks fifth for growth potential, selected by 18% of respondents.

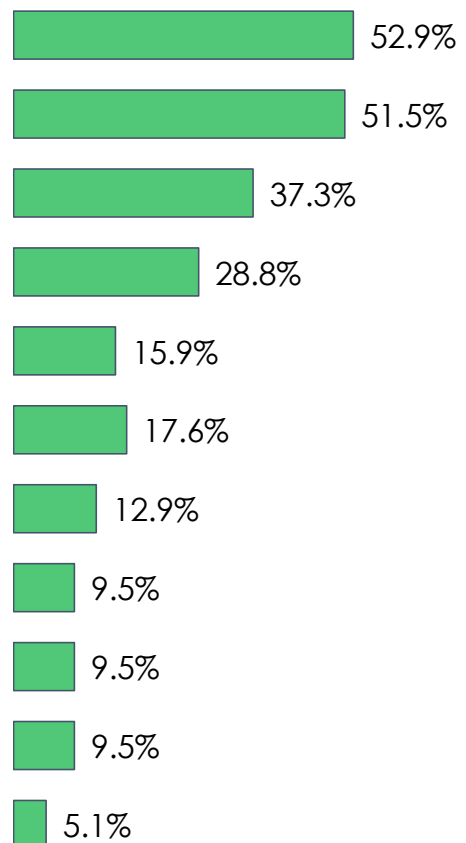
Which world regions do you sell travel to?

N=295



Which regions have the most potential for outbound travel in 2024?

N=295

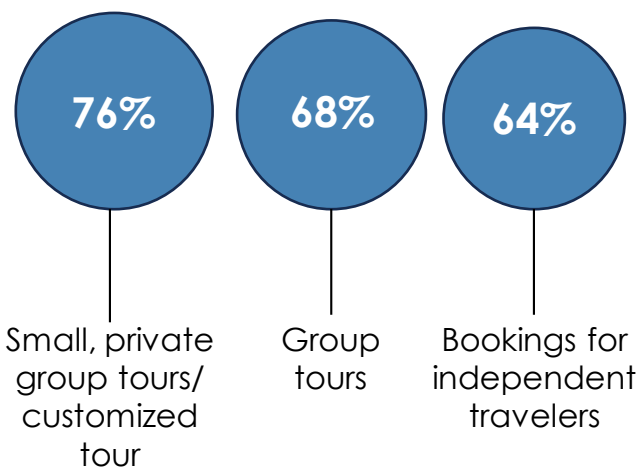


There is a growing trend towards private tours for small groups and customized tours

The proportion of survey respondents selling products for small, private group tours or customized tours (76%), group tours (68%) and independent travel (64%) are relatively close. But when asked which type of travel is most popular in 2024, small, private groups and customized tours rank significantly higher than the other two, chosen by 52% of respondents. This marks a profound shift in the Chinese outbound travel market since last year. Although Chinese travel agents can now sell group tours to more than 130 countries and regions, up from just 60 at the time of last year's survey, the popularity of group travel has declined. In the post-pandemic era, Chinese outbound travelers have growing demands for personalized and customized products.

Which kind of travel products do you sell?

N=295

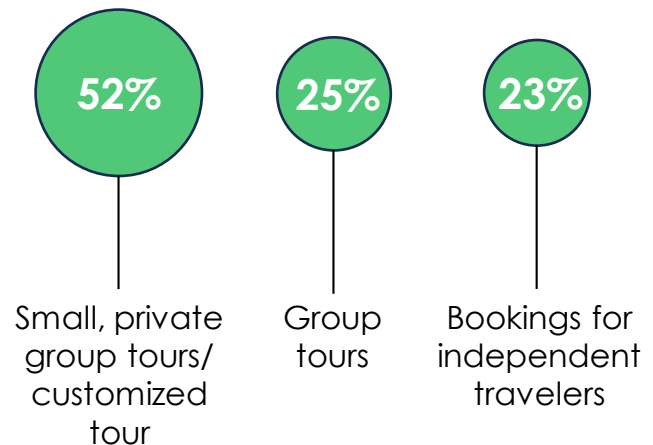


VS 2023

68%	▲	68%	69%
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In your experience, which kind of travel products are the most popular in 2024?

N=295



VS 2023

24%	▲	34%	42%
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Changes in customer demand for outbound travel products in the post-pandemic era

Safety

“They are psychologically more concerned with personal safety at the destination and during the trips, including personal property, environmental and health safety.”

Experiences

“I think the biggest change is from simple sightseeing tours to in-depth experiences and cultural communication, so we need to provide richer and deeper travel experiences.”

“They are more focused on the experiences and enjoyment in travel rather than pursuing the number of tours and check-in attractions.”

Balance between price and quality, good value for money

“The products need to be more affordable, with better prices while maintaining quality.”

“They have higher requirements for both price and quality. They no longer blindly pursue low-priced products but pay more attention to product quality and service.”

Customized needs

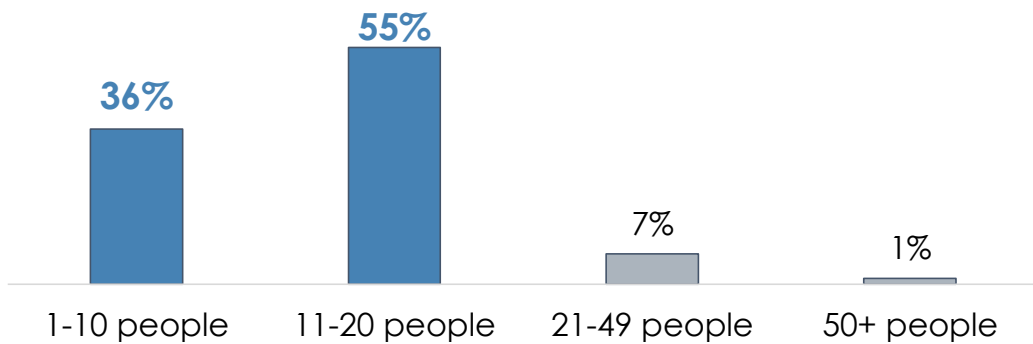
“Tourists prefer in-depth customized tours or small groups of up to 10 people.”

“Nowadays, there is a preference for personalized and tailor-made travel experiences such as exclusive guided tours, personalized accommodation options, and more cultural communication.”

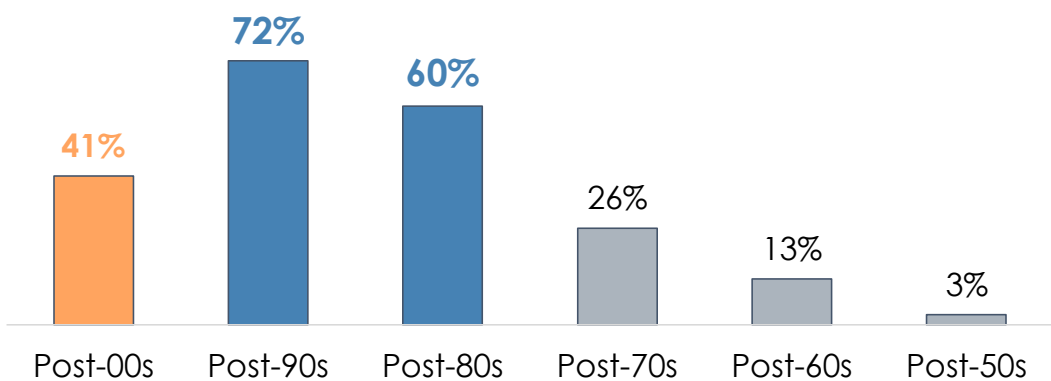
Small group tours and young generations continue to drive the market

For outbound group tours, a group size of 20 people or fewer continues to be the most popular choice for outbound travel, selected by 92% of surveyed travel agents. The age distribution of outbound travel agencies' customers is even more skewed towards younger generations in 2024. Those born in the 1990s and 1980s remain the core segments, selected by 72% and 60% of surveyed agents. Meanwhile, in 2024, more consumers born in the 2000s are likely to purchase travel from travel agencies, with 41% of agents saying their customers are mainly from this generation, up from 33% in 2023.

What size of group tours are most popular now for outbound travel? N=295



What age group are your current outbound travel customers mainly from? N=295



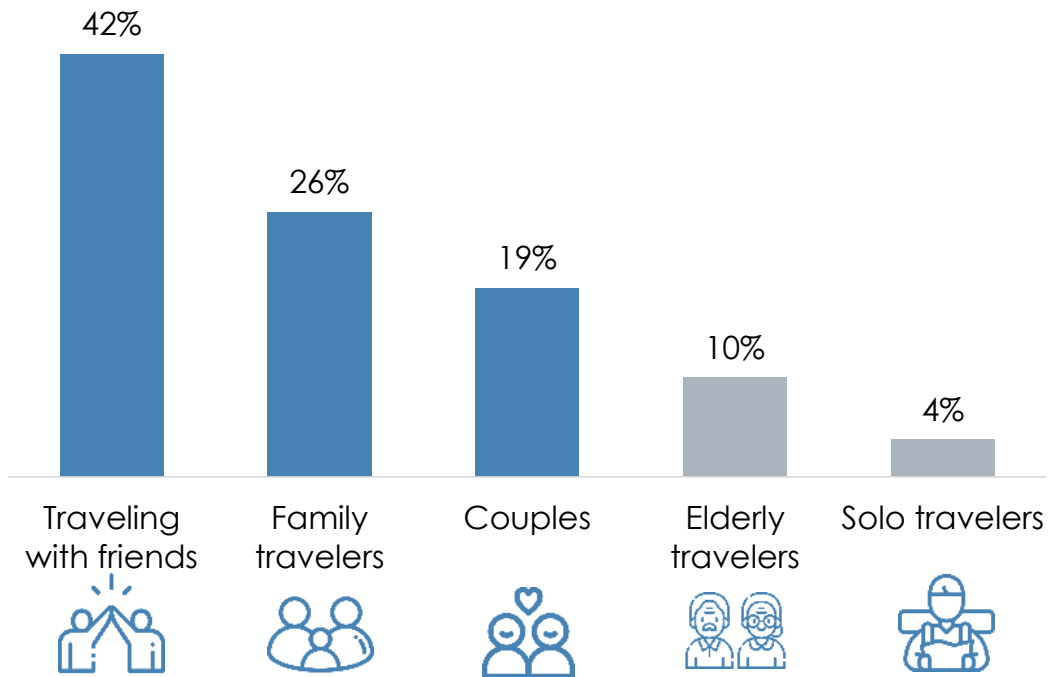
Vs. 2023



Groups of friends, and family travel are considered the most promising segments

To better understand the changing demographics and way of travel in the Chinese outbound travel market, we asked the surveyed travel agents to select the travel segments that they consider to have the most growth potential. Traveling together with friends tops the list, chosen by 42%, followed by family travel (26%) and couples (19%). The perceived potential correlates closely with the agents' customer demographics: 80% of agents selecting 'traveling with friends' are focused on post-90s customers, whereas those seeing high potential for family travel are more likely to sell to customers born in the 1980s and 1970s.

Which segment has the most potential for outbound travel? N=295



Icons from Freepik - Flaticon

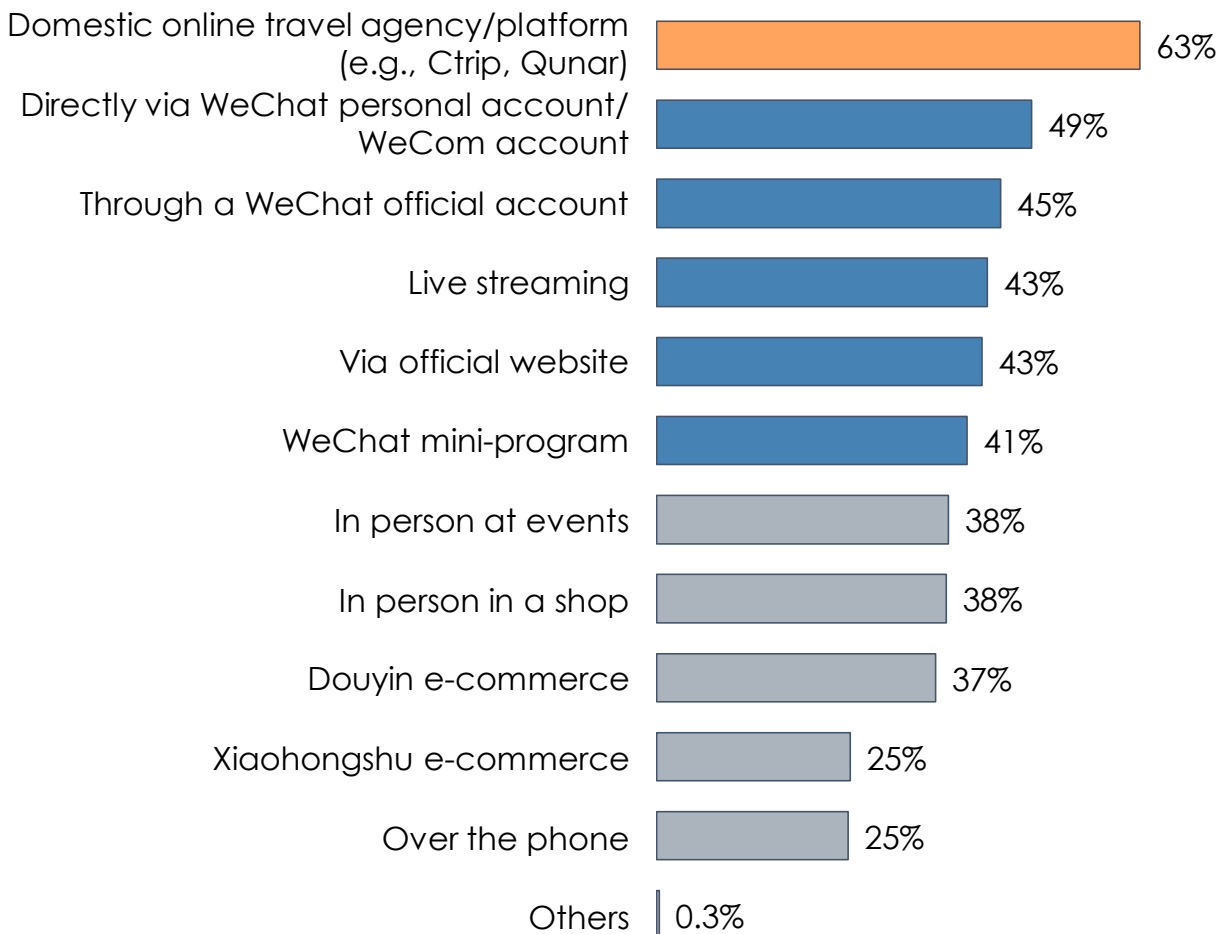
Customer age group

Post-90s: 80%	Post-80s: 79% Post-70s: 45%	Post-90s: 73% Post-00s: 49%	Post-70s: 48% Post-60s: 48%	Post-90s: 91%
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Online channels dominate outbound travel sales in 2024, particularly OTAs

In 2024, 63% of travel agents said they sold outbound travel products through online travel agencies or platforms, including Ctrip and Qunar. Our consumer sentiment surveys also show that OTAs are the most popular channels for buying outbound travel. WeChat is another important online platform for outbound travel sales, with 49% of agents selling directly through WeChat personal accounts or WeCom accounts, 45% through WeChat official accounts, and another 41% through WeChat mini-programs. Live streaming has emerged as an important booking channel (43%), and there are even travel agents now selling through Douyin (37%) or Xiaohongshu (25%). At the same time, offline channels still hold a place in outbound travel sales, with 38% of respondents selling at in-person events or shops.

How do you sell outbound travel products to your clients? N=295



Prices and travel costs remain top challenges to selling outbound travel, followed by visa policy

While it's been over one year since the end of international travel restrictions, the economic stagnation since the pandemic seems to continue to hold back the recovery of China's outbound travel market. The top barrier mentioned to selling outbound travel this year is price: customers may be deterred by prices higher than their expectations. This again reflects Chinese consumers' prioritization of value for money. Some agents also mentioned economic downturn, rising travel costs and shrinking consumption. The second barrier is visa policy. Changing visa requirements are adding challenges for travel agencies to adapt their products. And while more destinations are relaxing visa requirements for Chinese visitors, the visa application processes for many popular countries are still complicated. Safety concerns are another issue for travel agents, along with increased market competition, language communication concerns, customer acquisition, flight capacity, and geopolitics.

What are the biggest obstacles in 2024 for selling outbound travel? N=295



Obstacles for selling outbound travel in 2024

Prices

“The current economy is not very ideal, so if the prices are expensive the products will be difficult to sell.”

“Under economic downturn, customers need cheaper and comfortable travel products. If you recommend products with high prices, some do not accept, [though] some others are willing to pay more money for better travel products.”

Visas

“Although some countries waived visa requirements, there are still many popular destinations that require cumbersome visa and entry procedures, which impact the travel cost for the customers.”

“Now the outbound travel market is more competitive, and then visa policy requirements of different countries are being adjusted at any time, and consumers have changing needs.”

Safety issues

“The biggest obstacle is probably security; they feel unsafe abroad, and there is the problem of price.”

“Clients are concerned about language barriers and security issues.”

Market competition

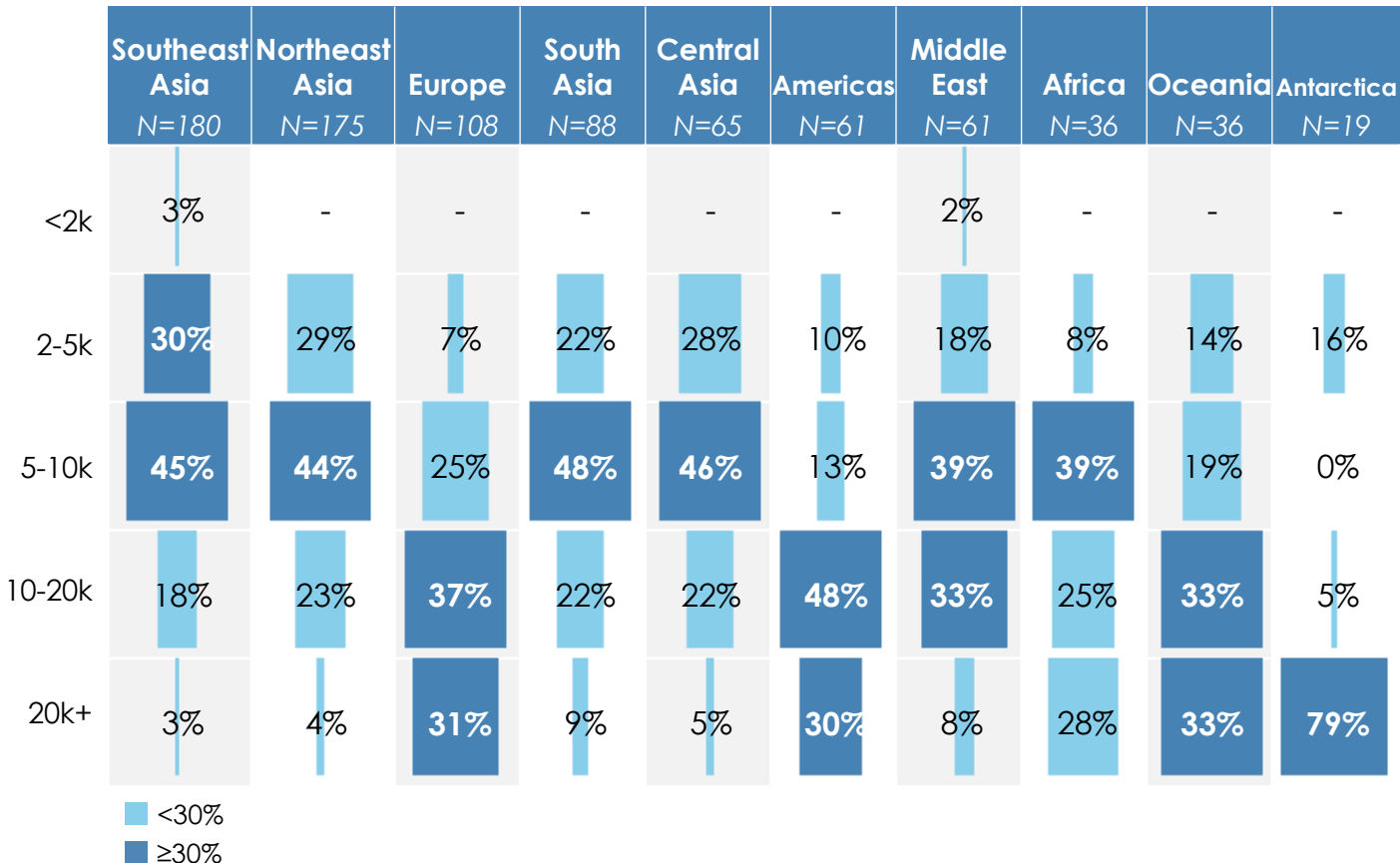
“There is a lack of creativity in tourism product development, and competition is fierce, which makes it difficult to impress consumers.”

“The market is very competitive, customer confidence is slow to return, and costs are climbing.”

Chinese outbound travel pricing: Trips to long-haul destinations cost the most

We asked travel agents how much their customers are paying on average for a single trip to the world regions that they sell outbound travel to. The prices of trips to long-haul destinations are generally higher than those of destinations closer to China. Although there were only 19 respondents who sell travel to Antarctica, 79% of these agents sell trips priced over RMB20,000 (US\$2,752). For travel agents who sell travel to Europe, the Americas, and Oceania, more than two-thirds say average trips cost over RMB10,000 (US\$1,376) per person. Most trips to Africa (92%) are priced over RMB5,000 (US\$688) and 72% of respondents sell trips to the Middle East at prices between RMB5,000-20,000 (US\$688-2,752). The prices of trips to Asian destinations are relatively lower, with the majority in the range of RMB5,000-10,000 (US\$688-1,376) per person.

What is the average price per person for a trip to the following destinations that you are selling now (RMB)?



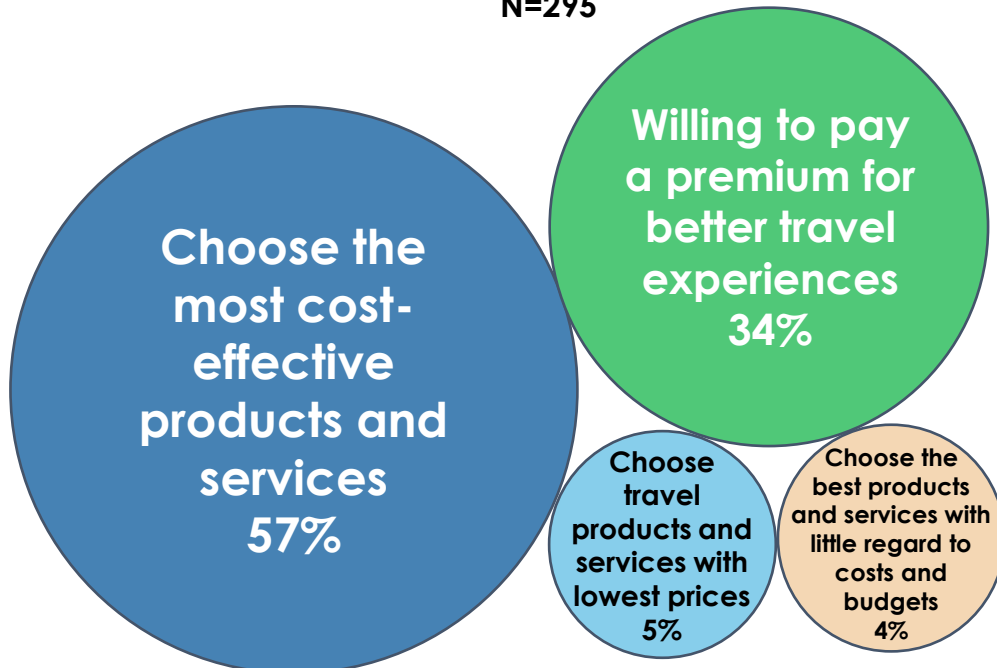
Over half of Chinese outbound travel customers prioritize cost performance

In Dragon Trail's spring 2024 consumer sentiment survey, we asked Chinese travelers about their attitudes towards spending on outbound travel. To understand the same question from the trade's perspective, we asked travel agents to identify the statement related to price sensitivity that best describes their outbound travel customer base in 2024.

Over half (57%) stated that the majority of customers would choose the most cost-effective outbound travel products and services. Another 34% stated that most customers are willing to pay a certain premium in exchange for better travel experiences. Only a few respondents said the majority of their customers would choose travel products with the lowest prices (5%) or choose the best products regardless of price (4%).

Which approach to spending characterizes the largest share of your outbound travel customers in 2024?

N=295

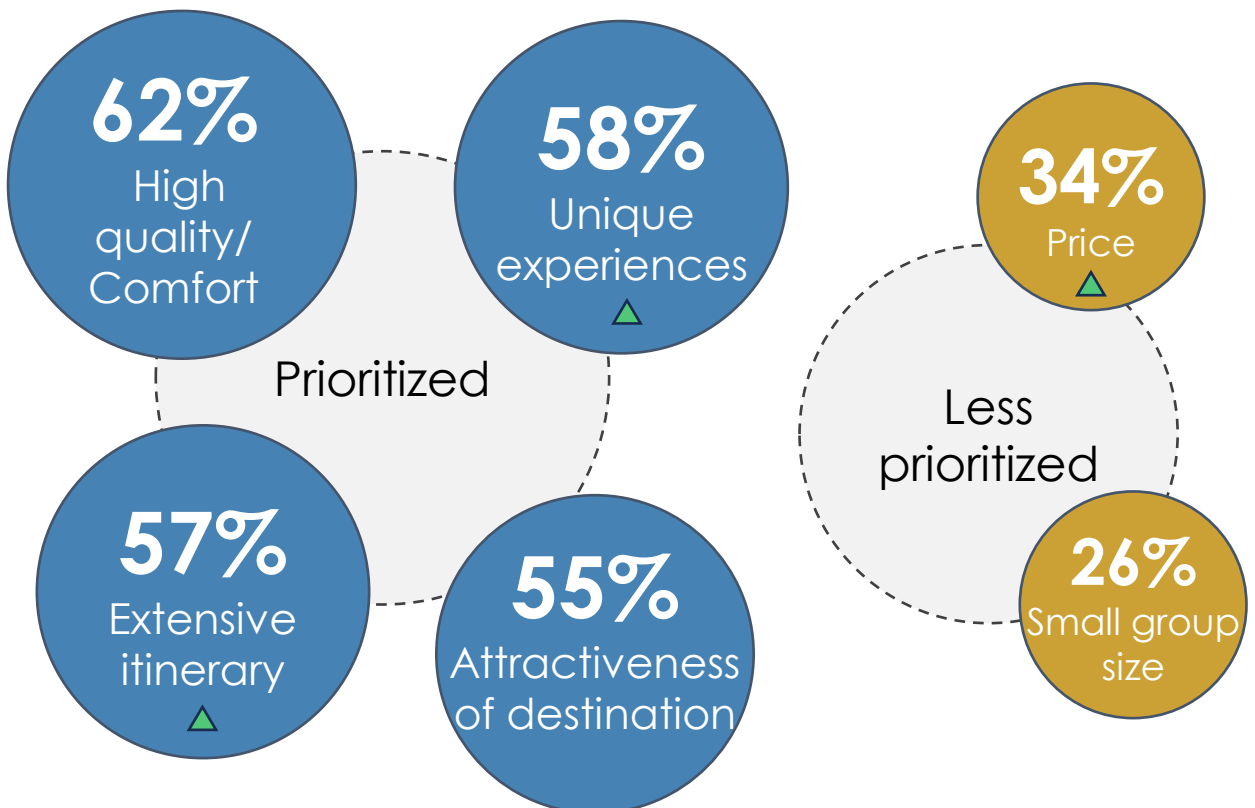


Quality and comfort, as well as experiences are most valued by customers

Same as the responses to this question one year ago, high quality and comfort is seen by Chinese travel agents as the most important element for outbound travel products in 2024. Experiences have become more valued, with unique experiences (58%) and rich itineraries (57%) ranked as the second and third most important factors to consider. An attractive destination is still key, selected by 55% of surveyed travel trade professionals. This year, price has moved up in the priorities to become the fifth most important factor when booking outbound travel, chosen by 34%.

What do you think are the most important factors your customers are looking for when choosing outbound travel products?

N=295



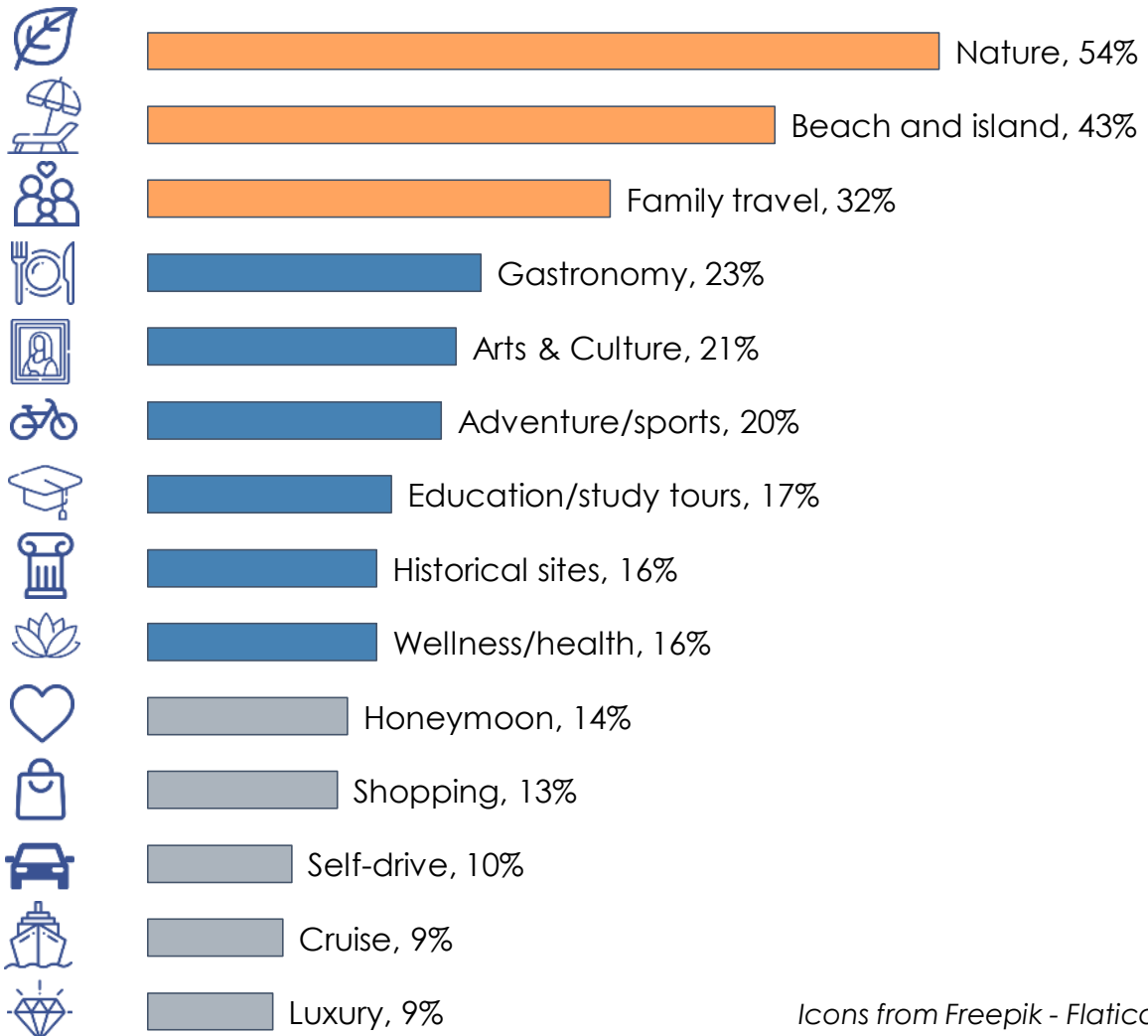
▲ Factors ranking higher than in 2023

Nature stands out as the most popular travel theme, followed by family trips

Ranked third and chosen by 31% of travel trade professionals in last year's survey, nature leapt up to the top position for travel themes in 2024 and was selected by more than half of respondents. Beach and island travel was pushed down to second place, but actually increased from 37% in 2023 to 43% this year. Family travel is steady as the third most-popular travel theme for agents selling outbound trips, chosen by around one-third. Another change this year was the popularity of gastronomy as a theme – ranked 10th with just 15% last year, in 2024 it's the fourth most-popular theme, chosen by 23%.

Which travel themes are most popular in 2024?

N=295



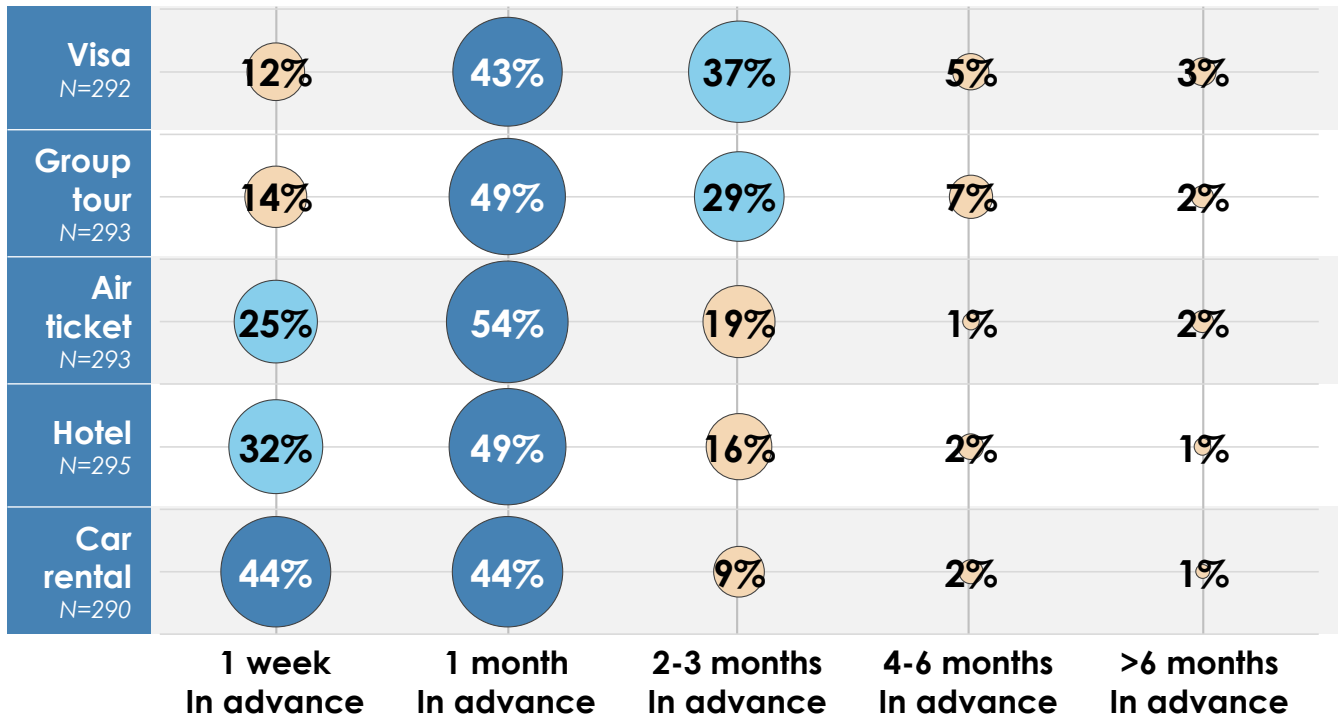
Icons from Freepik - Flaticon

Most outbound travel services are booked just one month in advance

The Chinese outbound travel market is known for short lead times that have become even shorter since the pandemic. We asked travel agents how far in advance their clients usually book for visas, group tours, flights, hotel, and car rentals.

All products and services are most likely to be booked around one month before traveling, with the longest lead times for visas and group tours. It is quite rare for Chinese travelers to book any part of an outbound trip more than four months in advance. A quarter of Chinese travelers will book their international flights through a travel agent just one week in advance, with around one-third waiting until the last week to book hotels, and 44% making car rental bookings a week before travel.

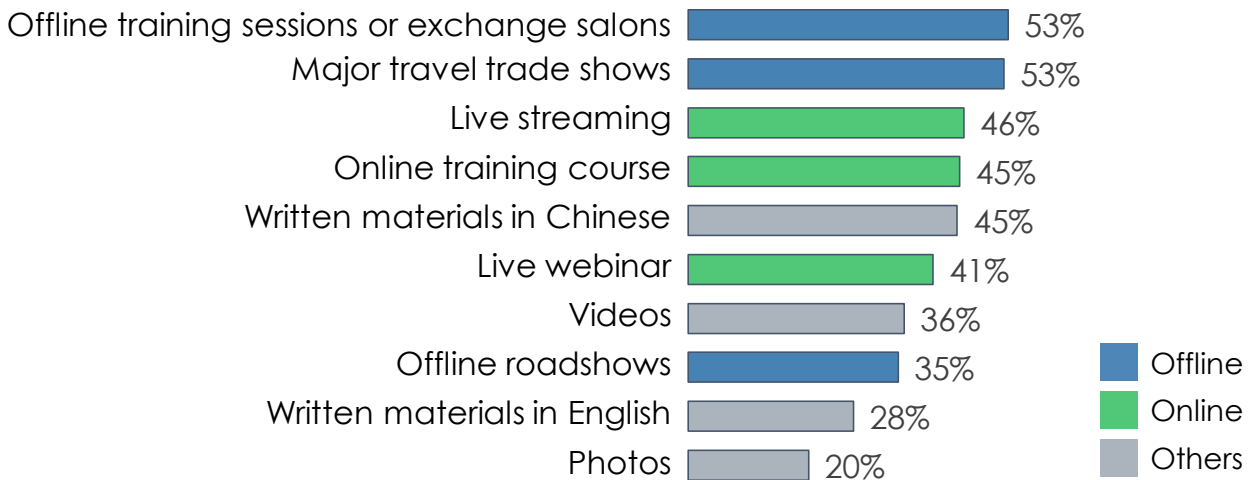
When do your customers usually book for the following outbound travel services?



Offline events are slightly favored, but online training and events are popular too

The Chinese travel trade is back to attending offline events, including roadshows in China, and major exhibitions both at home and overseas. But while offline training and trade shows are slightly favored (53% each), online resources like live streaming (46%) and online training courses (45%) are close behind.

If you were working with an overseas destination or travel business, what information/resources would help you the most? N=295



What trade events for outbound travel have you attended in the past year that you found helpful? N=295



How can overseas destinations or travel businesses help to improve outbound business?

Enhance destination marketing and promotion

“Increase the promotion of national tourism videos to increase the stickiness of tourists. Organize more tourism fairs and events to attract more tourists. Introduce incentive schemes to encourage tourists to visit the destination.”

Cooperation and resource exchange

“Strengthening co-operation with Chinese travel operators, such as offering preferential agency prices and stepping up marketing efforts, will enable us to promote and sell their products more easily.”

Facilitate visa requirements and entry policies

“Optimize visa and entry procedures to shorten visa processing time and reduce unnecessary waiting and hassle.”

Information and training

“Provide detailed information such as destination introduction, attraction recommendations, and local culture experiences to help customers better understand and plan their trips.”

“Organize more systematic training on destinations and popular tourist attractions.”

Product development

“Develop customized tourism products such as themed tours, cultural experience tours, adventure tours, etc., to meet the personalized needs of different customer groups.”

“Jointly develop new tourism products and routes, combining local characteristics and market demand.”

“Improve the quality of service, provide more preferential packages to attract tourists.”



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Dragon Trail Research empowers decision-making for the travel industry. Founded in 2019, Dragon Trail Research delivers quantitative and qualitative research fueled by statistics to help our clients uncover market trends, evaluate tactics, and engage their target audience.

SERVICES WE PROVIDE

- Traveler Sentiment Analysis
- Awareness & Satisfaction Studies
- Competitor Analysis
- Travel Trade Surveys
- Customized Research

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