

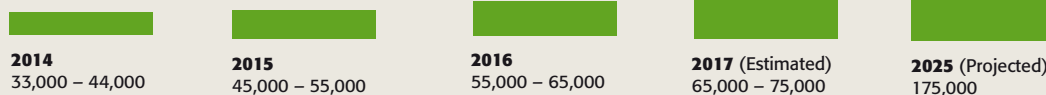


China Market Snapshot



TOURISM DEVELOPMENT OPPORTUNITIES

Visitor Volumes to Ireland



China Market Profile

China Market Profile

Total Market Population

1.415 Bn

equates to 18.5% share of World Population

Average Wage

74,318 CNY

Equivalent to circa €10,500 @ 7.09 CNY to €



Major City & Population Profiles

City	Population	GDP	Currency
Beijing (Capital City)	21.71 million [Capital]*	\$8.123 USD (per capita) (55% of world average)	Renminbi (Abv. RMB or Yuan ¥)
Shanghai	24.15 million	2.8 trillion Yuan	Renminbi
Chengzu	14.4 Million (10.1 in urban centre)	3.1 trillion Yuan	Renminbi
Guangzhou	14.5 million	1.080 trillion Yuan	Renminbi
Shenzhen	12.53 million	2.15 trillion Yuan	Renminbi
Chongqing	30.17 million	2.24 trillion Yuan	Renminbi
Tianjin	15.4 million	> 1 trillion Yuan	Renminbi
Hangzhou	9.46 million	1.8 trillion Yuan	Renminbi
Hong Kong	7.347 million (15 million commute daily into the city)	1.25 trillion Yuan \$ 320.9 US dollar	Hong Kong Dollar HK\$

Guangzhou, Shenzhen & Shanghai Industries could potentially offer opportunities for 3-4* Group Leisure and Incentive trips to Ireland (the latter notably arising from Direct Flights). Hong Kong population is much more westernised in their culture, style, shopping habits/brand preferences, dining and travel influences. & 10% of outbound travel population from Hong Kong reflect Luxury travel.
China offers strong growth in Millennial high net worth (HNW) Population



Languages Spoken

Standard Chinese, commonly known as Mandarin (which has four tones), is the official language of China. They write using simplified Chinese characters.

In Southern China and Hong Kong they speak a Cantonese Dialect (which has six tones and nice notes), and write in Traditional Chinese, although most will also have a certain command of Mandarin.

There are some 20 dialects in China, but all use simplified Chinese characters in written communications.



Irish Business with China

Chinese Business Investment into Ireland

- Ireland – 5th largest market in Europe for Chinese Investment
- Direct investment reached 2.9Bn in 2016
- Popular Investment areas include: Transport, Energy, ICT,

Entertainment, Financial Services & Property



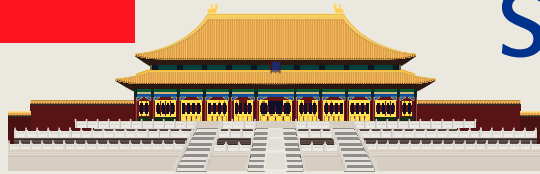
Irish Business with China

Increased by 35% in 2017 alone

Exports include food products from beef to pork, gin to whiskey, baby food to cheese as well as clothing and medical devices ranging from contact lenses, to hearing aids, heart stents to artificial hips. Aircraft & computer parts as well as software and aircraft leasing services has resulted in Irish exports equating to > €5.6 billion worth in goods and a total of €9.1bn including services.



China Market Snapshot



China Market Profile 2017

Traveller Profile

Popular Holiday Periods



Popular Outbound Travel Destinations (outside of HK + Macao)

WORLDWIDE

- No.1 Thailand
- No.2 Japan
- No.3 Singapore
- No.4 South Korea
- No.5 Malaysia

EUROPE

- No.1 Italy
- No.2 France
- No.3 Germany
- No.4 England
- No.5 Switzerland

Av Annual Holidays:



Most families would go on holidays together in summer or during the above periods

Of note:

Chinese New Year (Jan/Feb)

Mid-Autumn Festival (Sept/Oct)

National Holiday is (October 1st)

Singles Day in China (11th November) while not a public holiday, but may suit targeted campaign to solo travellers or on finding romance on Holiday in Ireland!!



Average Booking Lead Time:

Groups 8-12 weeks
Note: FIT: 4-8 weeks
(Luxury FITS can be < 4 weeks)

Visitor Mix

Group: 1st time travellers to Europe, large groups (principally 3* hotel). Most visitors to Ireland currently are not first time travellers to Europe, more likely to be on at least second or third visit, all groups.

FIT: Usually seasoned European Travellers, travelling with family or friends (more likely to be affluent and seek 4* property)

Business: Usually seeking urban locations (4-5* property)

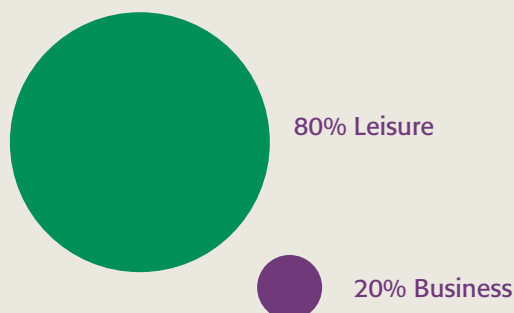
Education & Study Tours: Usually larger groups – for 2 weeks average (unless semester for University Erasmus programmes), use mix of hostel, or 2-3* hotel accommodations, homestays or University onsite accommodations

Solo Travellers: Often backpacker millennials (use hostel accommodations or homestays or budget hotels). Trip may include researching postgrad/University education and career industry internships. Potential for more Gen Z (12-18 year olds) trips now with direct flights

Most visitors from China will have another purpose for visit, e.g. education, investment, business, immigration

Travel Patterns & Behaviours

Outbound Travel Volumes from China:
80% Leisure/20% Business



Tourism Ireland Target Market Segments for Ireland

→ Experienced ADS Group Travellers (approx. 40% of population)

Age 25-45 Middle Class Booking via Tour Op/Agency using 3-4 Star Accommodation Seeking In depth tour - Iconic Experiences & Qualified Service

→ Experienced Affluent FIT Travellers (approx. 6% of total population, higher concentrations in urban cities such as Hong Kong)

Age 25-55 booking via Tour ops & OTA, using 4-5 Star Chain or Boutique Hotels Seeking potentially standalone Ireland tour preferred - tailor-made products/experiences and customised service

→ Incentive & Corporate Business/Investors

Age: 30+. Smaller groups usually bespoke with clear purpose. Using 4/5 star hotels usually in city centres to facilitate meetings. Shorter visits but may have one or two days of leisure incorporated. Considerable interest in Ireland as a business and investment centre from China & continues to increase.



China Market Snapshot

Marketing & Communications

Core Messages in presenting Ireland (to Mainland China)

Fresh Air, Dramatic Landscapes/Sites, UNESCO sites, Outdoor Activities, Great Houses & Gardens, Nature & Farming, Iconic Brands (e.g. for Ireland: Guinness, Giants Causeway, Titanic Belfast, Film tours – Game of Thrones & Star Wars), Shopping, Celebrity associations with a location or Experience, Irish Music & Dance, Whiskey, Fresh Seafood, Golf

For Luxury – consider including reference/images to evoke Escape, Wellness, Golf & Luxury brand shopping, as well as high end F&B especially seafood

Consider including reference to Irish Global export brands to increase market education such as:

- **Gifts:** Waterford Crystal, Newbridge Silverware
- **Health & Wellness:** Organic Seaweeds Voya, Destination Spas
- **Clothing:** Donegal Tweed, Irish linen
- **Food & Drink:** Irish Beef, Irish Dairy – Milk, Butter & Cheese, Irish Seafood, Irish Whiskies

Popular Search Engines:

- **Baidu** Google's equivalent in China -58.3% market share, CTrip owns 25% share in baidu)
- **Sogou** Has unique algorithm, 'SogouRank' index, popular for companies reaching residents of lower tier locations, as it is more affordable for pay-per-click advertising)
- **QiHoo 360** Strong performer in effective, user-friendly internet search & mobile security products
- **Chinaso** Strong usage for online magazines, news, maps, videos, sports, music search
- **Youdo** Includes Hui-hui shopping assistant tool to allow comparison of items and prices
- **Bing** Run by Microsoft supports several languages, including both Simplified and Traditional Chinese. Services include video, web, map search, as well as image
- **Yahoo** Offers interface to about 38 international markets, offering both simplified and traditional Chinese scripts for users in China

Note: While Google access is blocked in Mainland China, many younger and culturally curious travellers use Google when researching outside of China on their trip

Typical SEO terms

Depending on SEM spend, but generally Tourism Ireland concentrate on words like: green, Emerald Isle, Ireland, River dance, Guinness, Wild Atlantic Way, but could also include music and films popular here and other themes

Promotion & Marketing Opportunities

- China Sales Mission (Quarter 2)
- ITB China (usually in May each year)
- B2B co-ops with major travel agents and most airlines with increased cross branding, for example:
 - Tourism Ireland Planned 2018 Co-operative campaign with Cathay Pacific in the Guangzhou/PRD region
 - Tourism Ireland Planned 2018 Co-operative campaign with Hainan Airlines in conjunction with Visit Scotland

Contact Tourism Ireland China Office with proposed special offers from Industry or Industry groups that Airlines can partner with/feature

Consumer & Travel Trade Media

721.4 million Internet users in China

China tech giant 'Tencent' - most valuable social media platform in the world, even ahead of Facebook



Popular Social Media Platforms:

- Wechat** (Part of tech Giant Tencent, almost 1 bn users with 1/3 spending av. 4 hours/day on the site)
- Weibo** (Also known as Sina Weibo - with 34 million active monthly users)
- Renren** (popular among college Students, 31 million active monthly users)
- Youku Tudou & IQiyi** (China's versions of YouTube, less individual curated content)
- Dianping** (Yelp style crowdsourced business review site)
- Douban** (Culture in focus, a blend of Spotify, YouTube Soundcloud and Myspace)
- Lofter, In, Nice & WeChat** (are all similar to Instagram)



Technology Preferences: Chinese Netizens (Internet Users)

2016	2017
731 million Chinese Netizens	772 million Chinese Netizens
695 million Mobile Phone Netizens	753 million Mobile Phone Netizens

QR Codes: Used to direct customers to personalised information, customer service chatbots and also allows small businesses charge customers through Alipay using just QR codes linked to customers bank account, working almost like a pay as you go code

Mobile Payments Payment processor Stripe, founded by Irish entrepreneurs in 2010, is now a partner to digital payment providers Alipay and WeChat Pay. This enables online merchants to integrate the ability for Chinese users to pay with Alipay and WeChat Pay in their websites improving acceptance of payments for Chinese market

Traditional & Online Media

- China Central Television (CCTV)
- China Daily & People's Daily
- Xinhua News Agency
- Traveller magazine
- Netease (www.163.com),
- Phoenix News Media
- Travel Weekly (China) (B2B)
- China Travel News (B2B)





China Market Snapshot

The Travel Journey



Stages/ Influences in the Travel Journey for Chinese Market

1. INSPIRATION

Research and consideration of travel destinations are influenced by social media communications and KOLs. Recommend businesses establish official accounts on Weibo and/or Wechat, Mafengwo or Qiongyou and have a Chinese speaking staff member manage the communication platforms as is active interaction with Chinese visitors who post about you or your destination/area on the above social media platforms

2. PLANNING

Clients looking for practical advice when travelling so user friendly translated microsites carrying practical info on products, transportation options, distance (in travel time) to Iconic experiences, urban centre and ensure site is adapted for mobile is key.



3. BOOKING

A website that allows for mobile payments in preferred Chinese ecommerce platforms is invaluable as is having your product visible and optimised for sale and reference on online OTA and offline platforms



Air Access

Direct Flights (From June 2018):

Increased Seat Capacity 85,000 p.a. or 1,700 seats per wk

Hainan Airlines: (X Beijing) & Cathay Pacific: (X Hong Kong)

Flight No	Aircraft	DAY OF OPERATION							Origin	Departure	Arrival	Dest.
		Mon	Tue	Wed	Thu	Fri	Sat	Sun				
HU751	A330-300				1			1	PEK	0130	0130	DUB
HU751	A330-300				1			1	DUB	0800	0130	EID
HU752	A330-300				1			1	EID	1110	0130	PEK
HU749	A330-300		1					1	PEK	0130	0130	EID
HU749	A330-300		1					1	EID	0800	0130	DUB
HU750	A330-300		1					1	DUB	1110	0130	PEK
CX301	A350-900	1		1	1				HKG	0045	0130	DUB
CX301	A350-900						1		HKG	0100	0130	DUB
CX306	A350-900				1				DUB	1145	0130	HKG
CX306	A350-900	1		1			1		DUB	1155	0130	HKG

Indirect Airline Connections

Departure City	Flights/wk	No of Seats	Indirect Airlines
Beijing	17	17,850	Air France, Turkish Airline, KLM, British Airways, Etihad, Emirates, Lufthansa, Finnair, Qatar Airways
Shanghai	12	22,600	Air France, Turkish Airline, KLM, British Airways, Etihad, Emirates, Lufthansa, Virgin, Finnair
Guangzhou & Hong Kong	17	18,000	Air France, British Airlines, Emirates, Etihad, Finnair, KLM, Lufthansa, Turkish Airline, Virgin Atlantic
Chengdu	12	10,800	FINNAIR, ETIHAD, KLM

Visa Information

Visa Requirements

Visitor visas under the ADS scheme are available to people travelling in tours organised by travel agents approved by Chinese government authorities. All EU member states are included in the ADS agreement

To Republic of Ireland:
Requires Irish Visa*

To Northern Ireland:
Requires UK Visa*

*British Irish Visa Scheme

Allows short term travel between the UK and Ireland (including NI), on the basis of a single visa, by nationals who are visa-required for the purpose of travel to enter into both jurisdictions. The Scheme involves the mutual recognition by either jurisdiction of certain classes of visa issued by the other i.e. Ireland will accept a UK visa and vice versa.



China Market Snapshot

The Travel Journey (continued)

4. ON HOLIDAY

Connecting the business' physical location to its online presence can be done with WeChat. It allows users 'check-in' to your location (similar to Facebook) and increases sharing of their experiences. Another tool familiar to Chinese visitors is accessing QR codes in locations for more information and /or special discounts. Although they seek authenticity, they also enjoy the familiar. Examples such as Menus translated into Chinese, Chinese breakfasts/buffets, slippers, hot water, free Wifi and Chinese payments all support positive consumer marketing. Designed spaces to take 'the perfect' photo encourage social media sharing and is very effective with Chinese visitors (be sure to feature your brand!)

5. POST-HOLIDAY

Ensure a presence in online channels so your products and services can be reviewed and are visible to others, to drive user generated content. If engaged in Chinese OTA sites, their platforms also serve as review sites. Active engagement with Chinese visitors is important so have your Chinese speaking staff do this for you if possible to engage in real time



Ireland's Strengths & Opportunities

Why Chinese Visitors Choose Ireland



Strengths and Opportunities

Strengths

- Easy Extension to GB visit
- BIVS and Easy Apply Irish Visa
- Popular TV and Movies associations & features in China TV Shows
- Scenic Landscape and Natural Beauty & Fresh Air
- Mild Climate

Opportunities

- Expansion of Flights with launch of direct flights from 2018
- Growing popularity with FITs
- Unique Destination for Family & Study Tours
- Games of Thrones and Star Wars Connections
- Closer Government relationship between both countries

Top 5 Attractions/ Experiences

- Guinness Storehouse
- Titanic Belfast
- Giants Causeway
- Riverdance
- Trinity College



China Market Snapshot



ROUTES TO MARKET

Sales & Distribution

20%
(Direct or OTA)



→ **2015 –80% of Chinese outbound travellers still booking offline**, facilitating complex elements like visa applications and travel insurances.



→ **June 2017 3,839 Agencies licensed to sell outbound travel in China.**



→ **Verify Operators and Agency enquiries are licensed for outbound on Ministry of Culture and Tourism for China** at www.cnta.gov.cn

Sales Channels & Travel Intermediaries

Major B2B Offline Channels:

→ CITS, CITS (Amex), CTS (HK) group, CYTS (China Youth Travel Service) H&H travel; CCT, ETI Holidays, Imperial CnTours; My Tour China; Wild China and ChinaZanadu., Cathay Pacific Holidays, Wincastle Westminster, U-Tour, Meiya (wholesaler)

B2C Online Channels

→ **OTA's: OTA Market in China is valued at 37.4bn (2017)**

CTrip (the biggest OTA in China, currently pulls bedstock from bookings.com, but now interested in contracting directly); **Fliggy** (Travel brand of Alibaba group); **Tongcheng Travel** (ly.com); **Tuniu; Tujia & Xiaozhu** (Both are short term/private rentals - equivalent of Air BnB in China)

Top 10 Travel Trade for UK & Ireland:

TRAVEL TRADE	CURRENTLY PROGRAMMING
1. Guangdong Nanhu	UK & Irl 5/7/11/12 day tours
2. Beijing UTour	UK & Irl 11 day tours
3. Shanghai UTour	UK & Irl 11 & 15 day tours
4. Shanghai ETI	UK & Irl 11 & 12 day tours
5. Gunagzhou ETI	UK & Irl 12/13/14 day tours
6. Tuniu.com	UK & Irl 12/13/14 day tours
7. CTrip.com	UK & Irl 12/13/14 day tours
8. New Planet	UK & Irl 12 & 15 day tours
9. Beijing Caissa	UK & Irl 9/12 day tours
10. Phoenix Travel	UK & Irl 10/12 day tours

Preferred E Commerce/Mobile wallet payment platforms

2016 - China market spent €5.5 tn on mobile wallet payments/ platforms, €42.9 bn on travel

Alipay and WeChat combined control 90% of China mobile payments market

Most common credit & mobile payment platforms in China

Credit Payments:

→ **Union Pay:** China's main credit card payment is Union Pay and is also accepted by Paypal

Popular Mobile Payment Platforms:

- ***WeChat Pay** also known as Weixin in Mainland China has 806million active monthly users
- **Alipay** 450 million active monthly users
- ***Tenpay**
- ***QQPay**

Note: * owned by Tencent.

Tencent collaboration with German payments firm Wirecard in 2016 allows European retailers to accept WeChat pay as a payment option in Europe. Prior to this, businesses were required to have a bank account and business address in China to adopt WeChat Pay

Metasearch:

Qunar (Part of CTrip group); **iGola** (strong on flight deal comparisons); **Tianxun** (Skyscanner brand in China)

Peer Review Sites: Qiongyou & Mafengwo (Chinas versions of Tripadvisor)

GDS in China: **Travelsky** (4th largest GDS in the world - now handles insurances, hotel reservations and travel packages)





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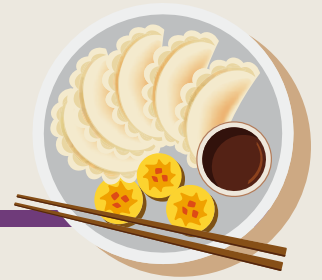
Driving tourism business with Chinese Market

11 Things to consider

- 1 Legal restrictions in selling outbound travel** Sell through OTA or sell through China owned agency licensed to sell outbound
- 2 Invest time to ensure collaboration with Chinese partners work** Doing business with China operators can feel messy, in comparison with other markets. Allow time to ensure buy –in from all Chinese stakeholders and can require a lot more investment in communications owing to language and cultural differences. Offline channels also expect to negotiate discounts so build this into rate negotiations.
- 3 Chinese OTA's often sidestep European agencies** Opportunity for suppliers to contract direct (but is driven by low-price strategy by OTAs so careful consideration of margins is key)
- 4 Outdated technical systems can lead to unexpected costs** Connecting to Chinese technical systems including incompatible APIs may require European systems adaptation to ensure standardised & fast data transfer
- 5 Find your niche** Opportunities for personalisation and specialisation are evident particularly in luxury end of market
- 6 Include Contemporary elements in your offering** While Europe is considered attractive for culture and heritage by Chinese, contemporary themes easing aesthetic fatigue help ensure destination is not labelled as a once off visitor experience
- 7 Share of budget spent on shopping** Unlike other destinations Chinese visitors can spend up to 30% of their travel budget on shopping, worth considering if you have retail opportunity with Chinese mobile payment systems available to optimise spend
- 8 Accommodation preferences** 78% of outbound visitors will choose 3 star properties or above
- 9 Millennials travel independently & seek authentic experiences** Millennials are more aspirational and spend more on travel and eating out. More Chinese millennials are foodies and have interest in exploring food cultures, but still like the familiar cuisine as part of their trip
- 10 Growing demand for tailor-made services** There is a move towards more bespoke trip planning by Chinese agencies to service a growing range of niches. Opportunities also exist for unusual experiences to be sold through online channels



China Market Snapshot



Servicing China Market Visitors

Cultural Norms & Preferences

Tip 1



Make guests feel welcome by learning a few Mandarin phrases.

Hello	Ni hao	PRONUNCIATION 'Knee-how'
Welcome	Huan ying	PRONUNCIATION 'Hwan-ying'
Thank you	Xie xie	PRONUNCIATION 'Shay-shay'

Tip 2

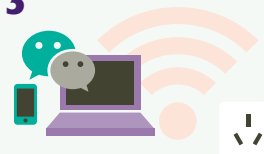


Provide kettles in rooms and slippers (inside room entrance) as well as Chinese Adapters. When servicing diners, provide warm/hot water to drink. Authentic Chinese tea menus/choices are also welcome in bedrooms as well as restaurants & cafes

Accommodation providers should include Mandarin TV channels along with translated TV guides, welcome letter, maps and magazines.

Accommodate Chinese dining preferences with breakfast options like chicken-rice soup, hard boiled eggs and hot soy milk.

Tip 3



Maximise the visitor's ability to share their experience online by providing free Wi-Fi and Chinese adaptors. Chinese consumers respond well to QR codes so include them on your marketing material.

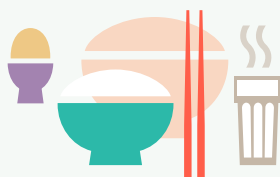
Tip 4



UnionPay credit cards are the preferred payment option for Chinese travellers. Accepting payment via UnionPay cards will allow visitors to easily claim their tax back and make them feel more comfortable about using their credit cards.

If possible provide mobile payment options like WeChat pay or Alipay for Retail and Attraction payments as well as on ecommerce sites for advance purchase of day tours. Also, consider adoption of QR codes in payment systems.

Tip 5



For breakfast consider offering Congee: A traditional rice based porridge style breakfast, often cooked/ flavoured with a chicken or veg broth and presented with a buffet style accompaniment of various marinated, pureed finely chopped cooked meats, fish or vegetables including onions, squash, ginger, scallions, mushrooms, ginger, garlic with soy or sesame flavourings

Boiled Eggs and Steamed Dim Sum dumplings are also popular on breakfast and dinner buffets

Warm Soymilk and soy yoghurts, cooked bean curd as popular on buffets, alongside cheeses

Sweet pastries are also preferred to western style breads