



Dragon Trail
INTERACTIVE

Coronavirus and Chinese Tourism

Dragon Trail Interactive

Saxon Booth, Director of Business Development

Dragon Trail Interactive

For more than 10 years, we have specialized in helping international tourism brands reach and connect with Chinese travelers and the Chinese travel trade online



100% China



100% Travel



100% Digital

Dragon Trail Interactive





Agenda

- Impacts on outbound travel
- Marketing responses from travel brands
- Recovery prospects & digital marketing
- Q&A



Impacts on outbound travel & travel industry

Current status: international outbreaks

Welcome to BBC.com



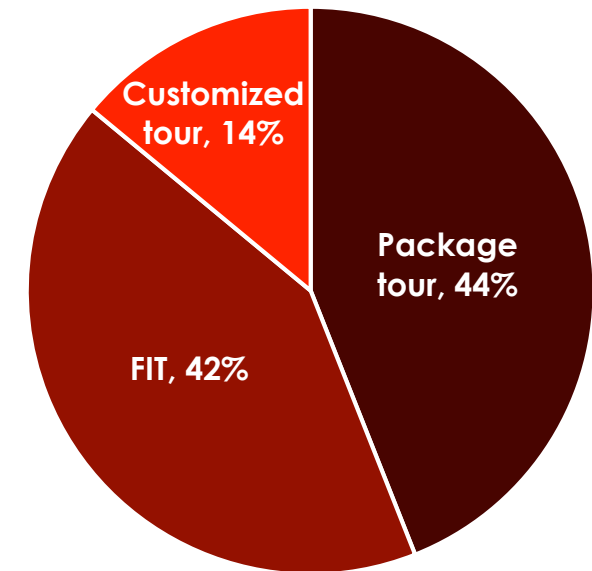
www.theguardian.com > world > feb > irans-deputy-health-minister-i-... ▾

[Iran's deputy health minister: I have coronavirus | World news ...](#)

14 hours ago - Iran's deputy health minister: I have coronavirus. Feverish Iraj Harirchi says disease 'doesn't distinguish between statesman and ordinary ...

Travel restrictions imposed by China

- **Domestic:** All group tourism within China was suspended from January 24.
- **Outbound:** On 24 January, the Chinese Ministry of Culture and Tourism ordered travel agencies to stop all operation of group travel and package tours (flight + hotel package) from China from 27 January
- “FIT” travel (where the traveler purchased flight and hotel products separately from online or offline travel agent, or directly from a supplier) was not affected by this announcement.



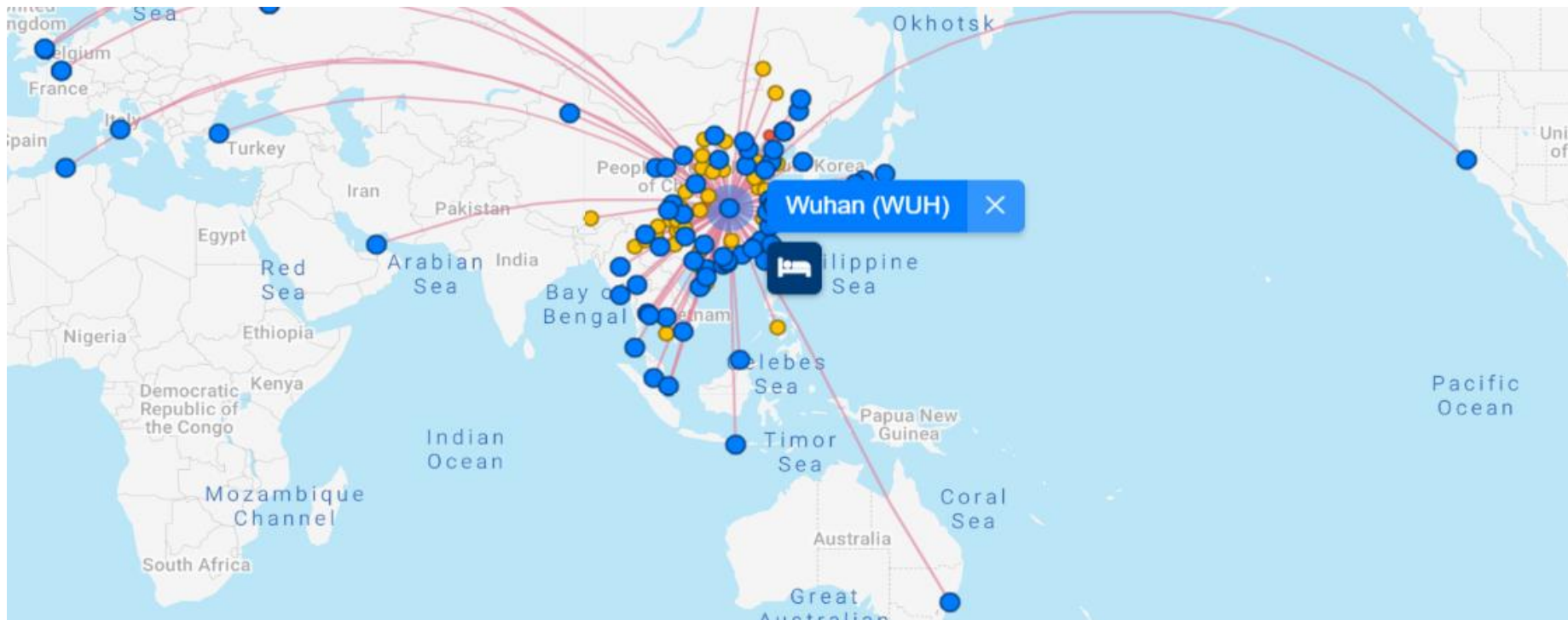
Source: Ctrip, China Tourism Academy

Wuhan's contribution to travel

Wuhan is the 9th largest city in China was announced as a “New First Tier City” in 2019.

9th biggest source market for outbound travel in 2019 (Ctrip & CNTA, 2018)

Non-stop flights from Wuhan go to 22 countries including China



***Direct flights only**

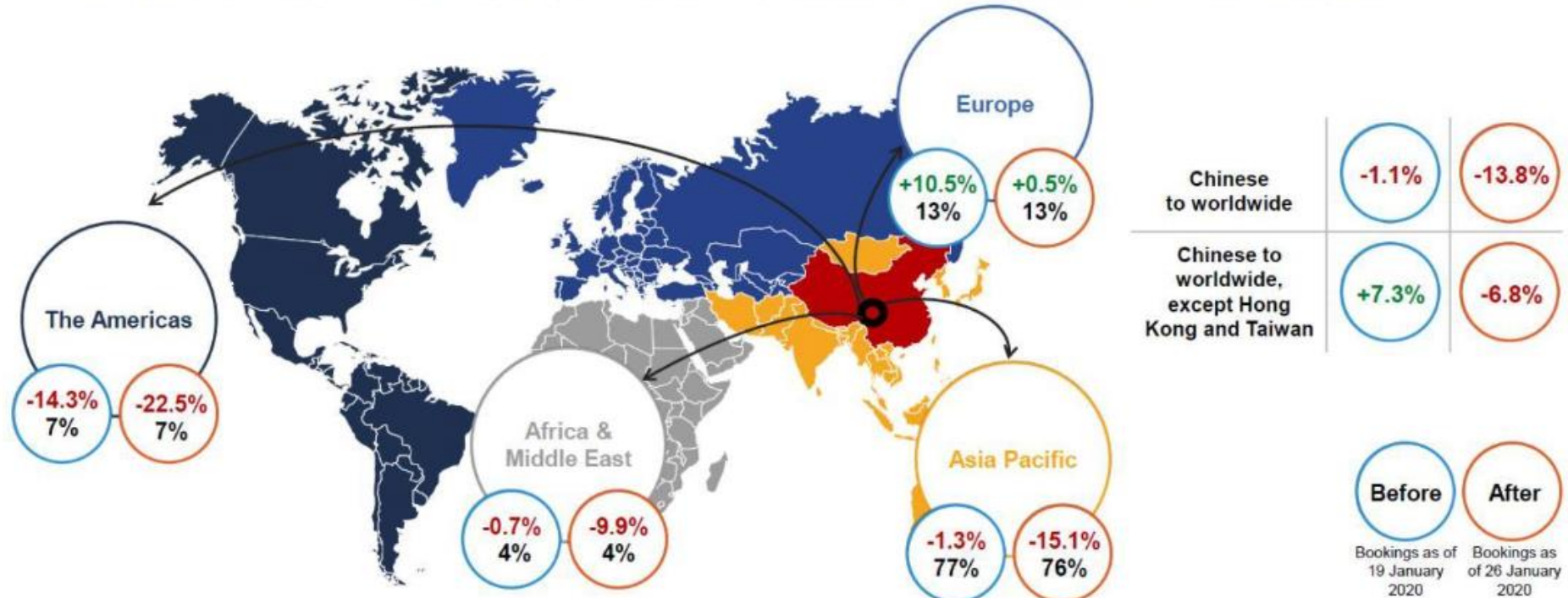
Immediate impact on arrivals



Coronavirus news outbreak affected travel worldwide

Chinese air arrivals in worldwide regions for Chinese New Year, before and one week after the news outbreak.

Chinese New Year (10 January – 6 February 2020), Bookings made as of 19 January and 26 January 2020. Year-on-Year variation and market shares by region



Travel dates from 10 January to 6 February 2020 vs. 21 January to 17 February 2020, according to bookings issued as of 19 January and 26 January 2020.



Only considered pax staying 1 to 21 nights at destinations.



Source: ForwardKeys air reservation data.

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Travel restrictions imposed internationally

USA

The United States is not permitting entry for foreign nationals who have been in China in the past 14 days, with the exception of permanent residents and the immediate family of US citizens.

Singapore

Effective Feb. 1, 2020, Singapore's Immigration and Checkpoints Authority (ICA) suspended the issuance of all forms of new visas to those with PRC passports issued in China with immediate effect. No one who has been to China in the previous 14 days will be allowed to enter Singapore.

Australia

Any foreign travelers who have left or transited through mainland China on or after 1 February 2020 will be refused entry to Australia. Australian citizens, permanent residents and their immediate family, legal guardians and spouses will be exempt from these measures, but will be required to self-isolate for a period of 14 days from their arrival into Australia.

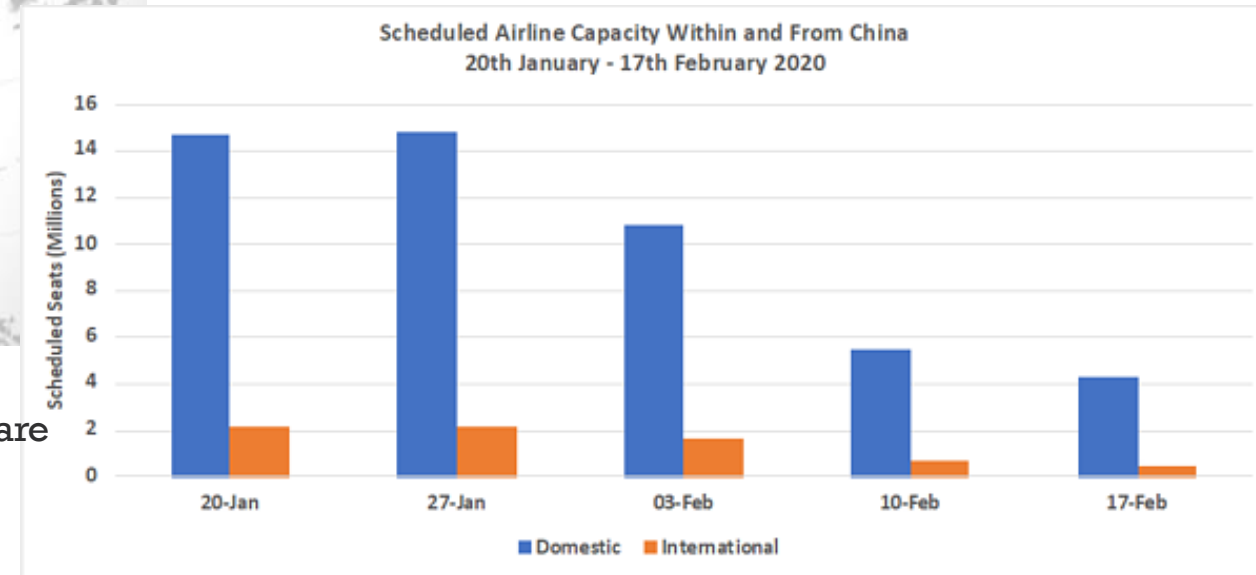
Impact on airlines

February alone, the number of flights that were scheduled to fly to, from and within China are down 80% from a year ago

Qantas suspended Sydney-Beijing and Sydney-Shanghai from 9 February until 29 March 2020



Around 160 flights arrive in Australia from China each week, There are only three flights from Wuhan each week, arriving in Sydney.

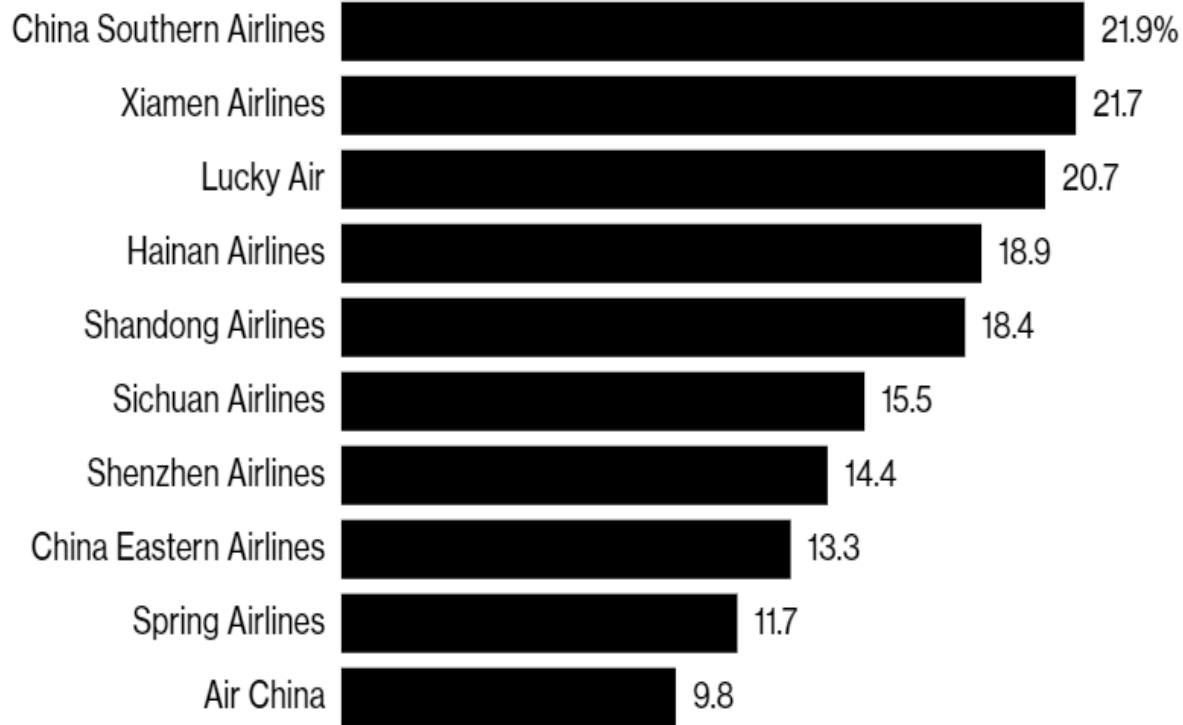


Impact on airlines – cancellations/ passenger loads

Affected Carriers

Chinese airlines with the biggest proportion of canceled flights

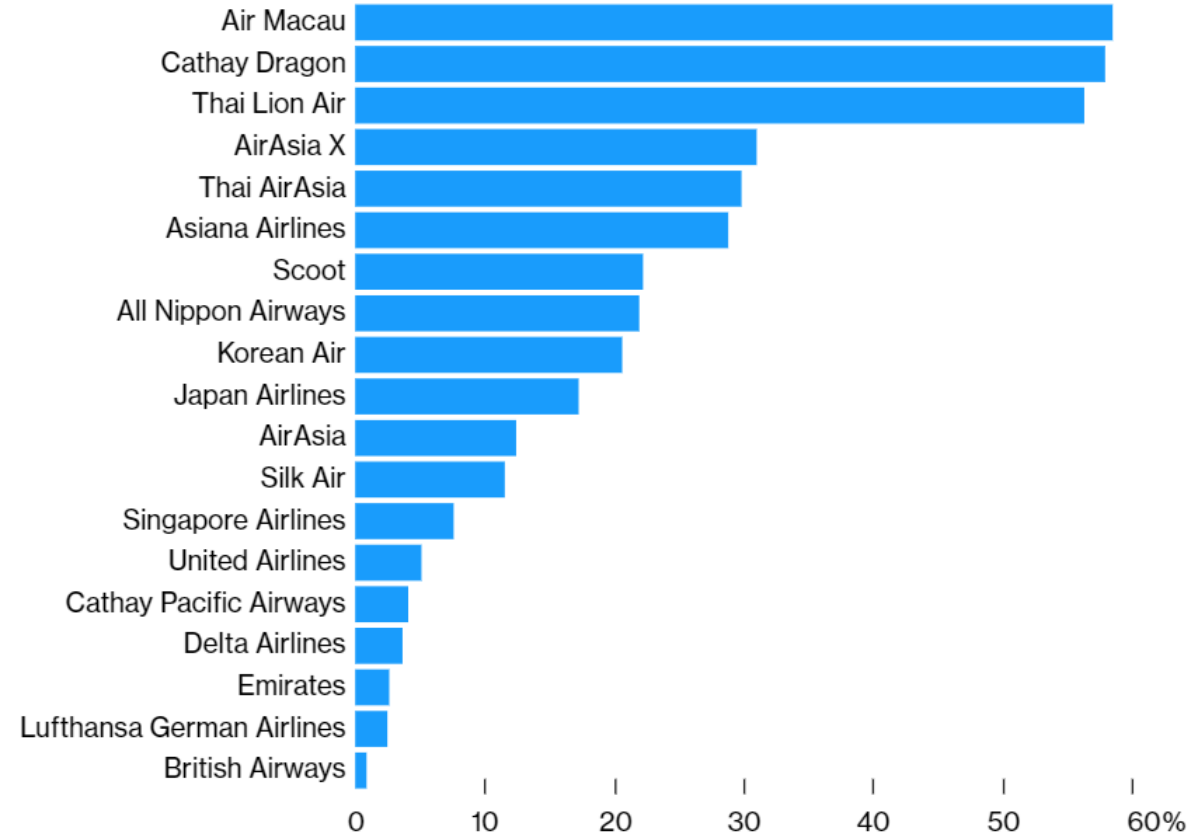
■ Percentage of canceled flights



Chinese Exposure

Asian airlines with significant international capacity exposed to China

■ Proportion of international route capacity dedicated to China

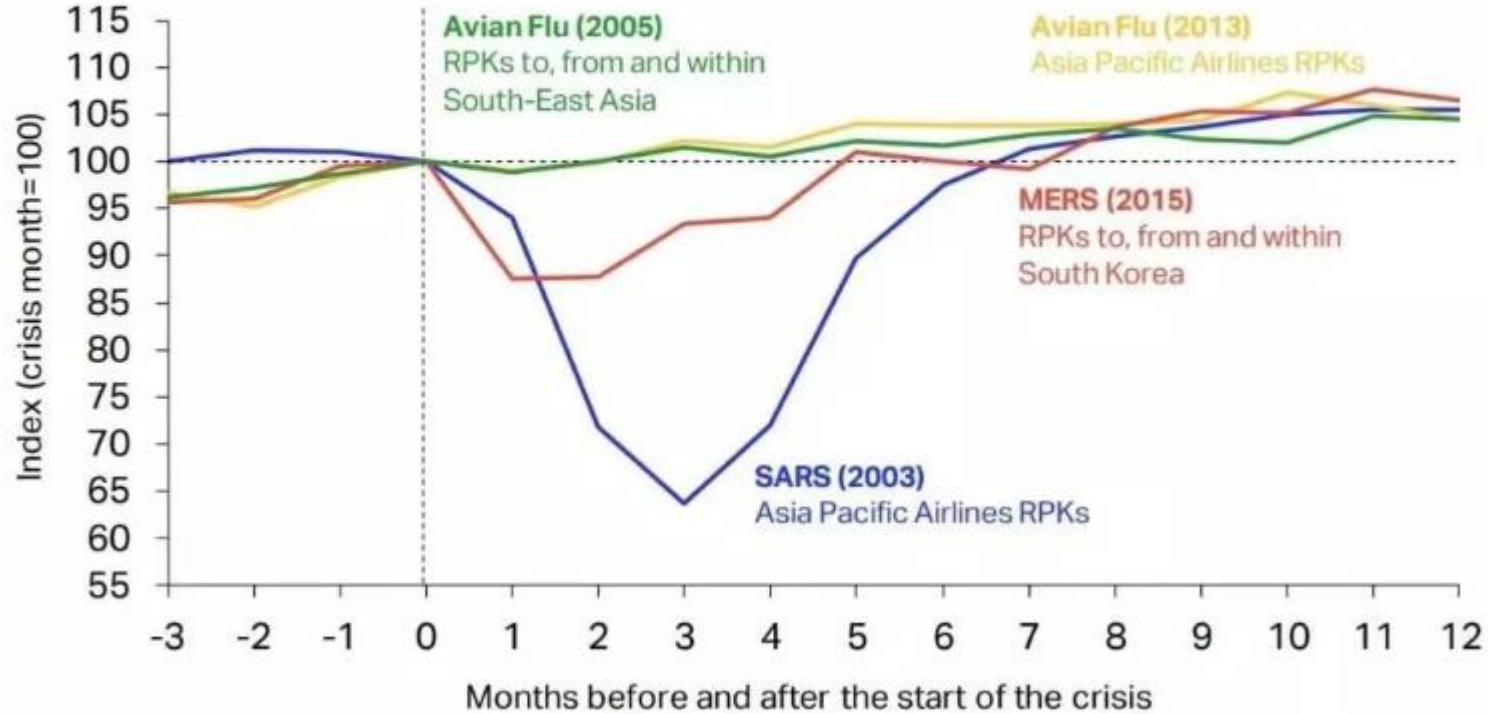


Source: OAG Aviation

Impact on airlines – recovery of passenger numbers

What can we learn from past pandemic episodes?

Impact of past outbreaks on aviation



Source: IATA

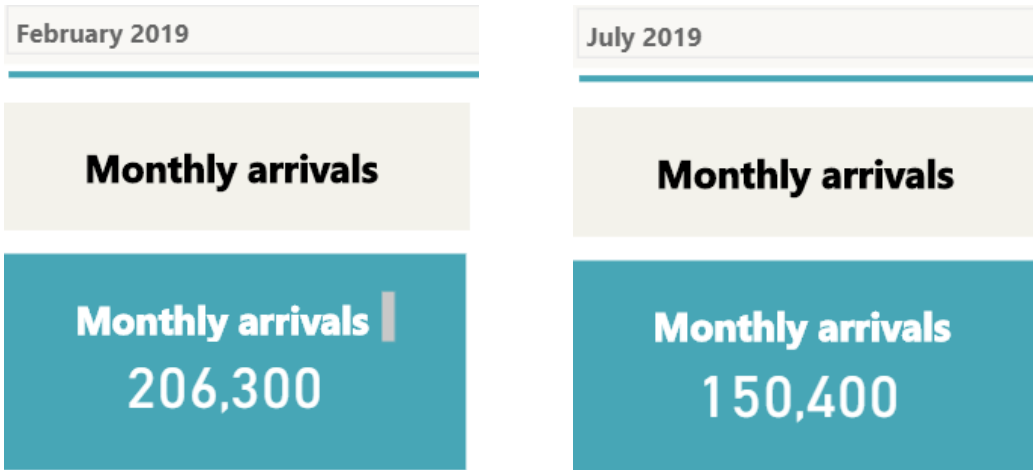
Chinese travel trade

- Cancellation crisis – heavy cancellations through to end of April at this stage
- Employees moved onto minimum wage
- Investing time in training and development
- Huge increase in our WeChat training platform: +10,000 agents registered in 2 weeks taking total to +50,000

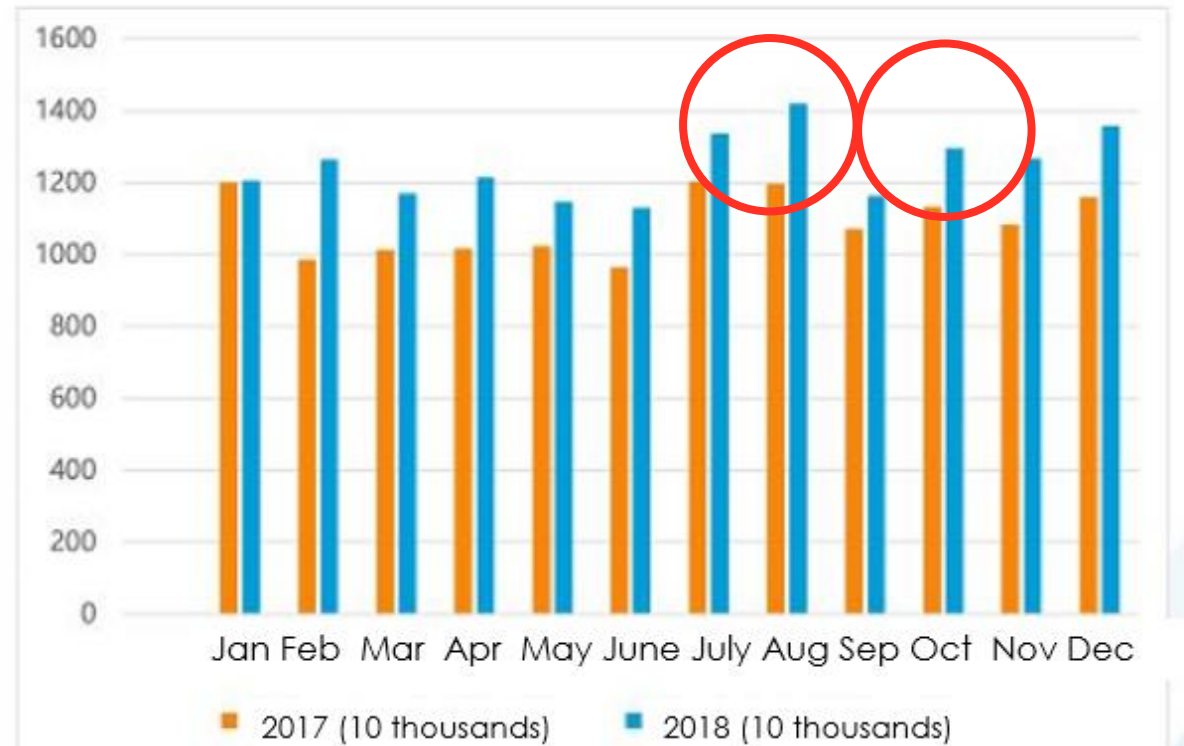


Impact on Australia

Australia depends more heavily on CNY than some other destinations



Number of Chinese Outbound Trips in 2017 and 2018



Impact on Australia



ABC NEWS

Just In Politics World Business Analysis Sport Science Health Arts Fact

Print Email Facebook Twitter More

Coronavirus COVID-19 outbreak delivers a huge hit to tourism, estimated to be \$250 million in WA

By [Eliza Borrello](#)
Updated Fri at 12:22pm



The Federal Government has extended its coronavirus travel ban for another week until **Saturday February 29.**

The Government first **implemented strict new border-control measures** in an effort to halt what it dubbed an "escalating threat" of the coronavirus.

Bega District News The ban means foreign nationals who have been in mainland China are not allowed into Australia for 14 days from the time they left China.



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IN DEPTH FEBRUARY 19 2020 - 5:42PM

Coronavirus impact hits regional Australian tourism



Marketing responses from destinations & travel brands

Sentiment towards travel bans - mixed

 **胡锡进**   +关注

2月2日 23:28 来自 深度报道·视频社区

#胡侃# 美国带头禁止14天内到过中国的所有非美国公民入境。不过，据美国疾控中心最新公布，2019-2020是美国最近十年最为严重的流感季，几个月来已有1900万美国人感染流感，至少死亡1万人，其中至少包括68名儿童。有美媒比较说，今年美国的流感比中国的新冠肺炎更具危害。  [胡锡进的微博视频](#)





0:03/3:31 高清   



 收藏 |  2033 |  5650 |  37618

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 **胡锡进**  +关注 ▷ 214万次播放 02月02日

 **长角的牛蛙**: 完全支持美国做法，有什么理由不这么做呢？把潜在风险降到最低没有问题。 回复 |  3584

2月2日 23:42

为什么我的眼中常含泪水  **铁粉**: 胡锡进这家伙又想借美国转移注意力。自家这么大的问题不去关注。整天煽动大家针对外国。 回复 |  920

2月3日 01:20

- *Totally understand and support US's travel ban action. Why react this way? To minimize potential risk.*
- *Disagree with Hu's opinion, he is using US flu as a distraction. We should keep our attention to our own problems.*

Year-Over-Year Comparisons: WeChat Postings

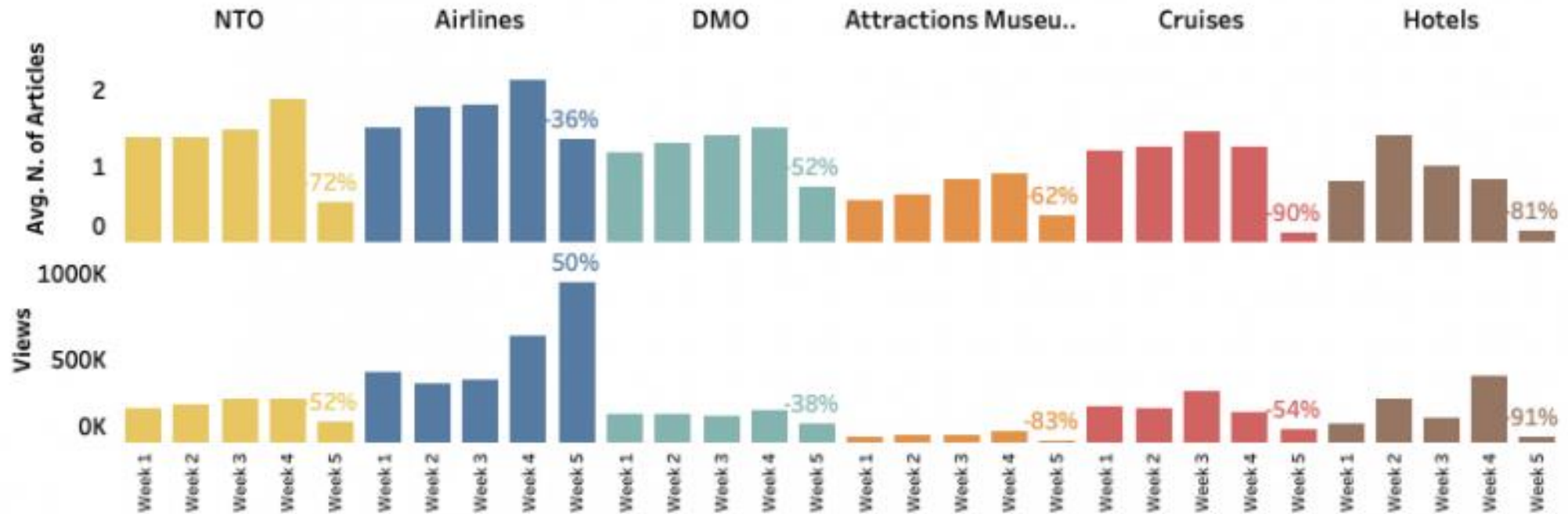
YoY Total Number of Articles Posted
(YoY Difference & %Difference)



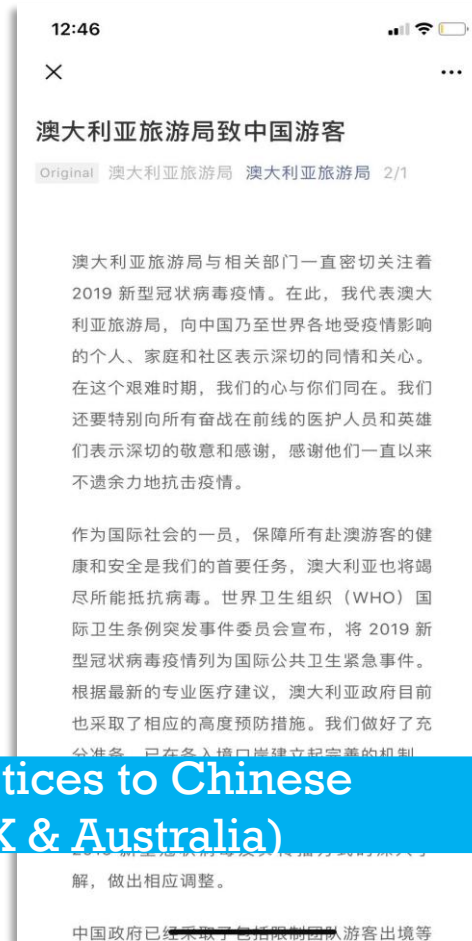
	Week 1	Week 2	Week 3	Week 4	Week 5
2019	268	299	291	315	374
2020	312 16%	362 21%	379 30%	409 30%	173 -54%

WeChat Postings

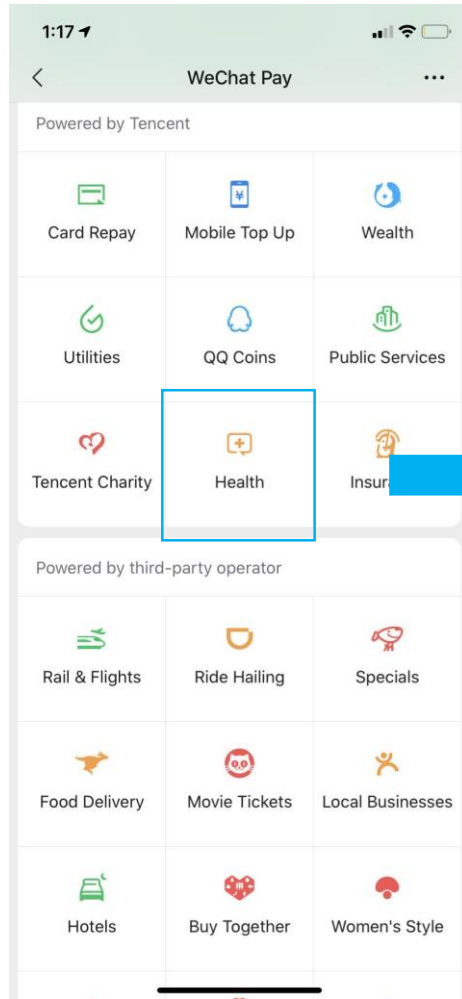
Five-Week Avg. N. of Articles Posted by Category (%growth from previous week)



Immediate responses from tourism brands – value and support



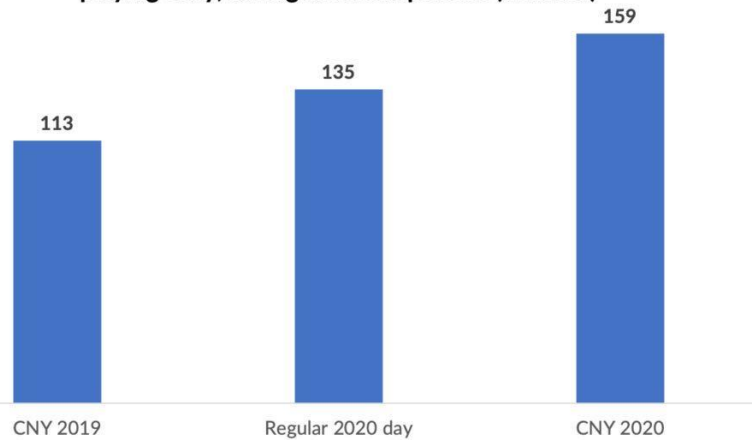
WeChat's own approach



Total infected – total recovered – total deaths

Impact on digital consumption

Average time Chinese mobile gaming users spent playing daily, during different periods (minutes)



Source: Questmobile Mobile Internet "Coronavirus" Report, WalktheChat Analysis

Gaming

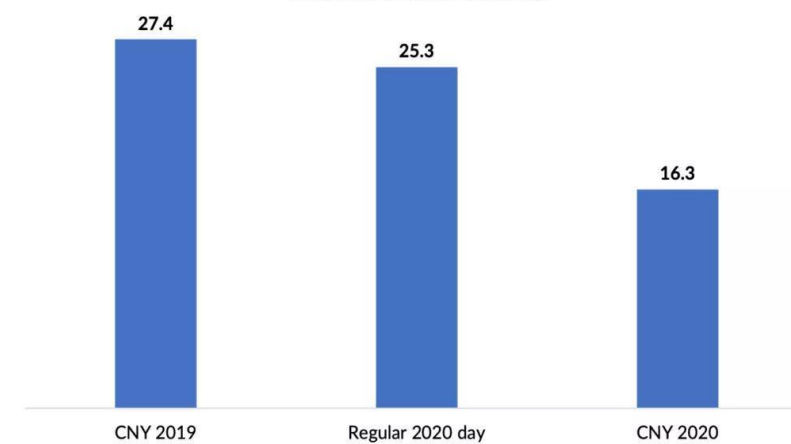
Monthly Active Users of short video platforms in China, during different periods (million)



Source: Questmobile Mobile Internet "Coronavirus" Report, WalktheChat Analysis

Short video

Daily Active Users of travel platforms in China, during different periods (million)



Source: Questmobile Mobile Internet "Coronavirus" Report, WalktheChat Analysis

Travel

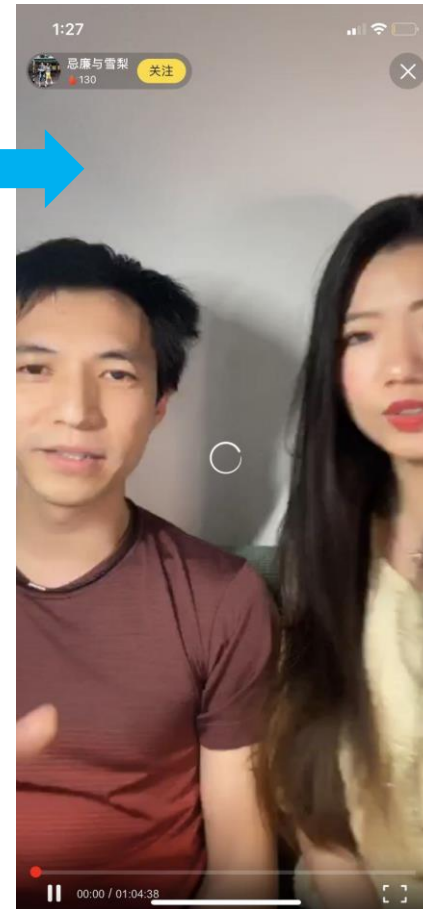
Major travel platforms



Ctrip



Mafengwo



Qyer



Recovery prospects & digital marketing actions

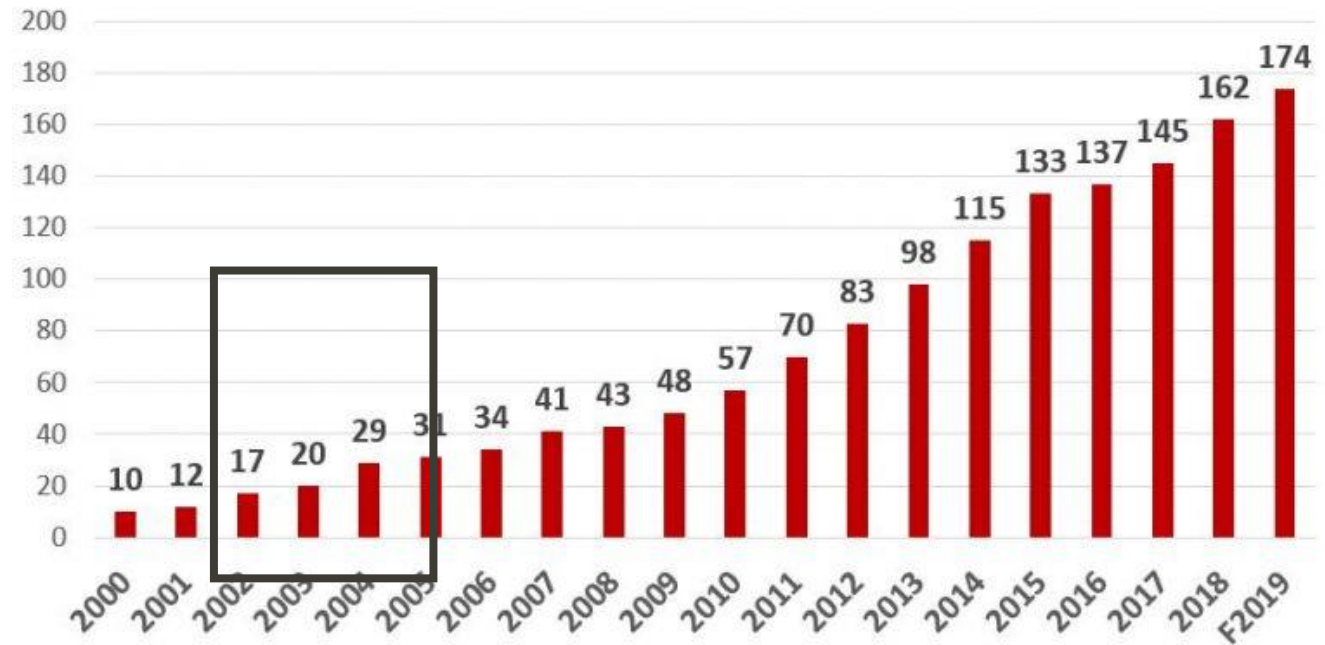
The Post-SARS Tourism Rebound

Tourism grew significantly after SARS

Chinese outbound travel grew by 22% in 2003 compared to 2002, and by another 43% in 2004.

According to data from the NTTO, it took two years for Chinese arrivals to the US to recover after SARS.

Border Crossings from Mainland China in Millions



Source: COTRI

China: 2003 vs. Today

2003	Now
US\$1.5 trillion GDP, 4.3% of world total	US\$14.3 trillion GDP in 2019, 16.9% of world total
20 million outbound trips	168 million trips in 2019 (China Tourism Academy)
157,326 Chinese arrivals to the US	2.35 million Chinese arrivals to the US in 2019
Tourism mostly business and official delegations, and group travel within Asia	45% of tourism is FIT, with a much higher % of FIT for the Australian market
Australia and New Zealand are the only long-haul countries that have signed ADS agreements with China. The US got ADS in 2008.	More than 130 countries have ADS agreements with China, allowing them to accept group tours and market tourism in China.
Ctrip first listed on NASDAQ	Ctrip – now the Trip.com group – is the second-largest OTA in the world, with US\$4.5 billion in revenue in 2018.
6.2% of the Chinese population uses the internet.	61.2% of the Chinese population uses the internet. More than 99% are mobile users.

COVID-19: Projections and Cases

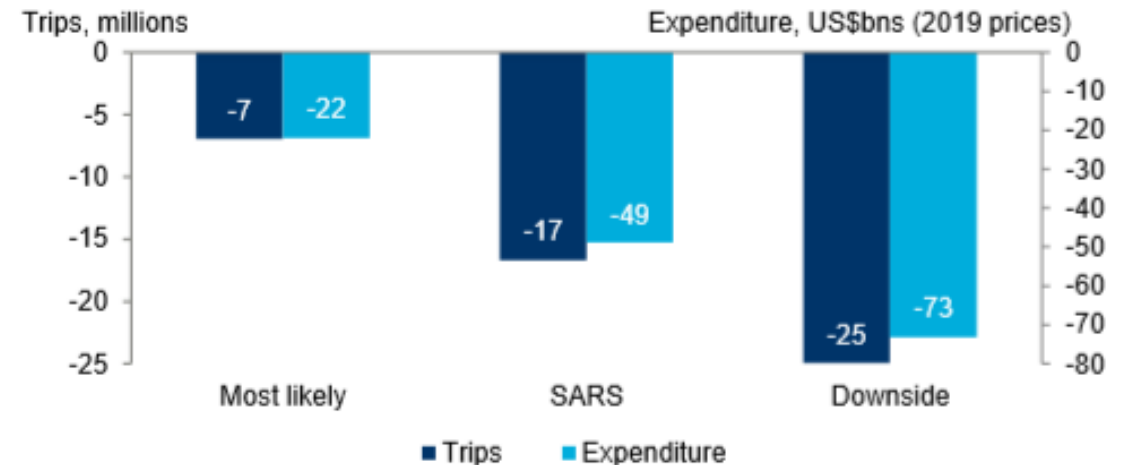
The “most likely” scenario now seems optimistic

The situation is tracking closer to the SARS outbreak in terms of reduced travel and expenditure

USA will need four years to recover to where it would have been but for the virus

China's outbound travel, coronavirus impact, 2020

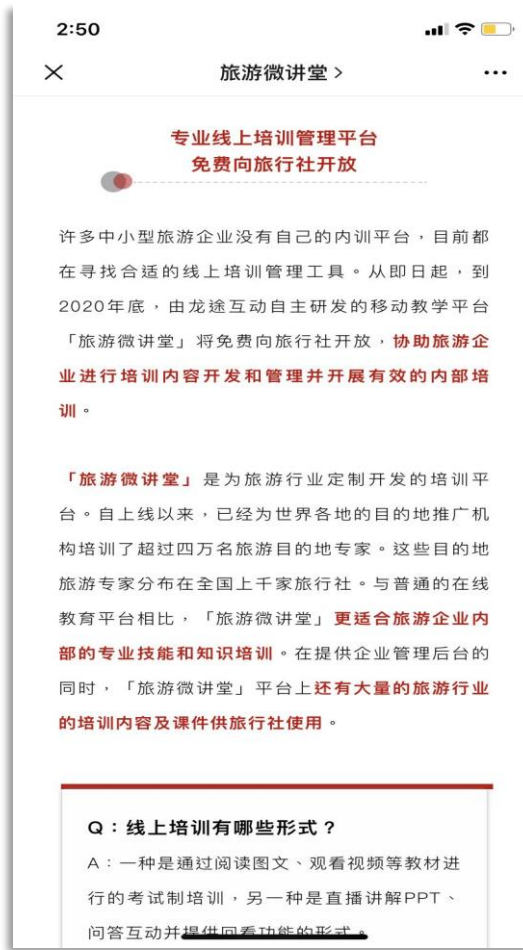
Difference relative to counterfactual scenario (no crisis)



Source: Tourism Economics

The chart above shows the reduction in outbound trips for each scenario when compared to a pre-crisis forecast. In other words, when comparing to counterfactual scenario in which the coronavirus crisis never came into being.

Recovery actions: Chinese travel trade



Travel Trade Recovery Program

- Free integration of our WeChat agent training platform with travel agency training systems
- Free, fast access to +130 training module and webinars from destinations, airlines, cruise and more
- Learning management platform enables agencies to set training performance KPIs, incentives
- Create their own sales & marketing training content

300 agencies have signed up since announcement on 7 Feb

Tourism businesses: training & govt assistance

Training & support

- Consider capacity building training for your own team
- ATEC offers Japan Host, China Host and India Host training programs which could be easier to manage during the downturn



Destination support

- Talk to destination offices and govt about new marketing programs and other actions being rolled out to attract customers from other markets during the downturn

Tourism businesses: industry support and marketing actions

Immediate priorities – support partners

- Support your Chinese partners to help them minimize losses due to cancellations or changes.
- Proactively offer compensation and information about refund/cancellation policies wherever possible.
- This will help your partners to stay afloat during the crisis and build long-term trust.

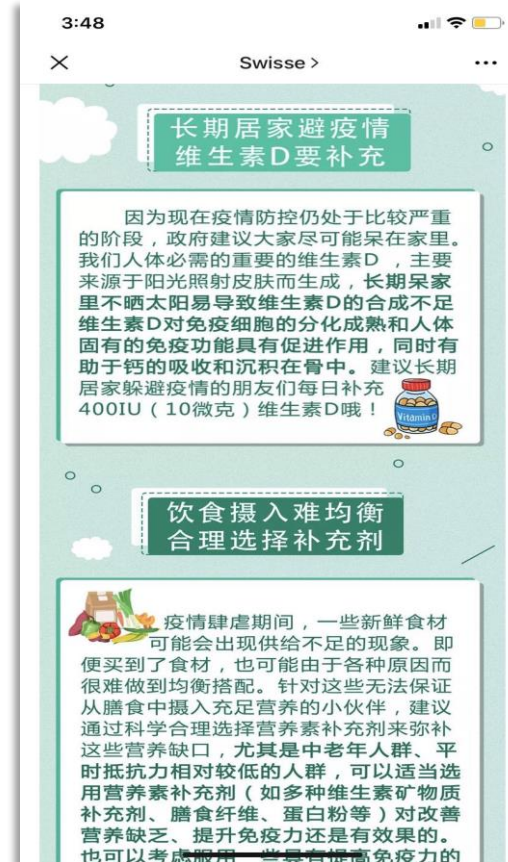
Consumer marketing pivot – offer value

- Pause sales-oriented campaigns
- Messages of support, tips for staying healthy at home or other educational content about art, culture and history have all been welcomed
- Webinars and podcasts
- Remix existing video assets to be more educational and even plant the seeds of an “escape from it all” message

Tourism businesses: industry support and marketing actions



Movies set in California
(Visit California)



Benefits of vitamins (Swisse)

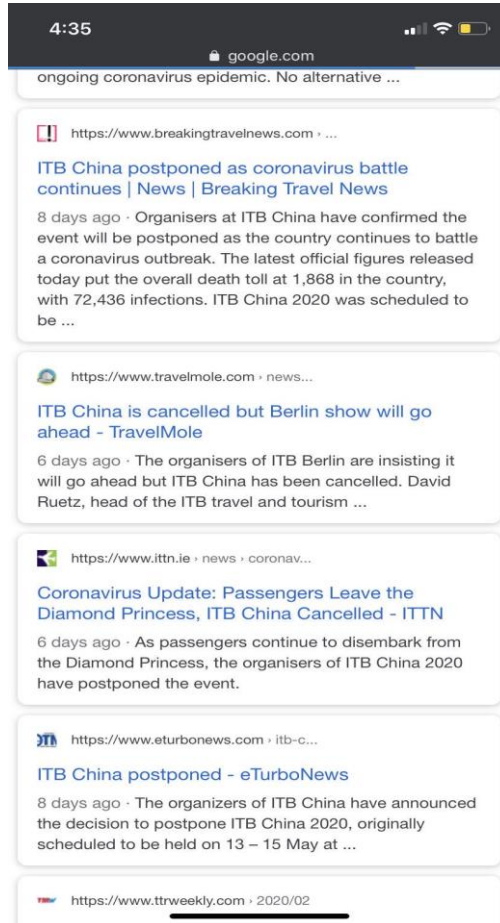


Signature hotel dishes
(Small Luxury Hotels of
the World)

Tourism platforms: “After the virus I want to go to ...” campaign



Travel trade recovery: use WeChat & digital to do business



All travel roadshows and tradeshow for B2B have been postponed or cancelled in H1 2020. ITB China has been pushed back to 2021

Travel trade recovery: use WeChat & digital to do business

WeChat travel trade training

Tourism Australia's **Aussie Specialist** e-learning platform has experienced a spike in registrations.

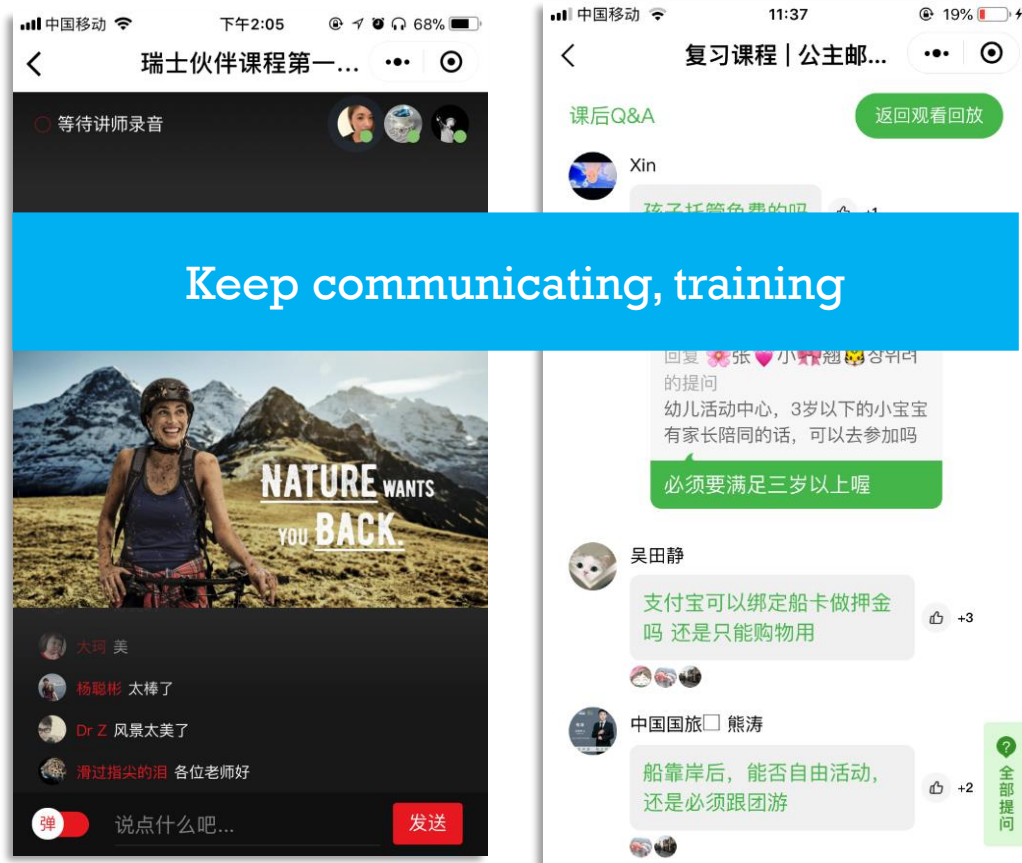
Our own WeChat-based e-learning platform – **China Travel Academy** – has jumped from around 40,000 users to more than 50,000 over the past two weeks.

Student numbers for all our client courses are increasing daily.



Los Angeles Tourism online training on China Travel Academy; Aussie Specialist Program

Travel trade recovery: use WeChat & digital to do business



WeChat webinars promoted to 50,000 agents with live Q&A and biz dev functions



WeChat Tradeshow/Workshop – support receptive and suppliers to do business online with 50,000 agents and 250 hosted buyers

Resources

Dragon Trail: <https://dragontrail.com/resources>

Australian Tourism Export Council: <https://www.atec.net.au/bushfire-trade-information/>

WHO Situation Reports:

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports>

[here](#)

ForwardKeys: <https://forwardkeys.com/coronavirus-travel-setback-spreads-beyond-china/>





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