



## OUR DIRECTION IN CHINA

2012 – 2015  
Summary Document



## OVERVIEW

### WHY A STRATEGY?

The China Tourism Academy estimated that Chinese tourists made 70 million overseas trips in 2011 and spent \$US69 billion. Australia has experienced faster international arrivals and expenditure growth from China than from any other market. A record 542,000 Chinese visited Australia during 2011, almost 20 per cent growth on 2010.

While this presents a significant opportunity for Western Australia, competition for the Chinese visitor market is fierce. The United States alone has a budget of US\$21 million to market to the Chinese while Japan holds a budget of US\$6 million. As a result, it is imperative that Government and industry work together to grow the market in a sustainable way.

### CHINA STRATEGY GOAL

In line with the National Long Term Tourism Strategy (Tourism 2020), the State Government Strategy for Tourism in Western Australia and the China 2020 Plan, Tourism Western Australia has identified a goal for 2020.

It is recognised that the current level of investment is not sufficient to achieve this goal and as an industry we will need to assess current resources and reallocate accordingly.

On June 8 2011, Tourism Australia launched the national China 2020 Strategic Plan aimed at ensuring Australian tourism stays ahead of the game, identifying a clear direction for enhancing tourism business from China.

Development of the China market was also identified as a key pillar in the State Government Strategy for Tourism in Western Australia 2020. The China Strategy has therefore been developed to identify opportunities for Western Australia to grow its share of the 'China pie' and become a must see Australian destination.

This is a summary of the main document which is designed to identify the key priorities for Tourism Western Australia to undertake in conjunction with a wide variety of China tourism stakeholders over the next three years to reach our goal for 2020.

If Western Australia reaches its goal of 100,000 visitors and Australia also reaches its goal of 860,000, Western Australia will have an 11.6 per cent share of the Chinese market in Australia. This is an improvement from Western Australia's 2011 share of 3.7 per cent.

### THE KEY OBJECTIVES OF THE DOCUMENT ARE TO:

- Clarify and communicate our direction for the future of the Chinese market into Western Australia
- Clearly identify our target markets so that resources may be allocated accordingly
- Provide a driver to form key strategic partnerships and leverage activity
- Provide industry with a guide to enable them to develop individual strategies for the market
- Address knowledge gaps and communicate outcomes to our key partners
- Leverage activity being undertaken as part of National and State planning documents including the Tourism Australia China 2020 strategy

This goal is also dependent on the development of appropriate infrastructure to meet the influx in Chinese visitation, particularly hotel capacity in Perth.

	2011	GOAL 2020
Chinese visitors	18,900	100,000
Chinese visitor spend	\$102 million	\$500 million

## KEY FIGURES (2011)

### GLOBAL

- 70 million Chinese citizens travelled abroad, each spending an average of US\$3,000.

### AUSTRALIA

- Chinese visitors to Australia spent \$2.7 billion.
- Between now and 2020, average annual growth in arrivals of 7.8 per cent is forecast, with arrivals to increase to 958,000 while tourism exports are expected to double to \$6.3 billion.

### WESTERN AUSTRALIA

- Western Australia received 18,900 Chinese visitors who spent a total of \$102 million, an increase of 27.5 per cent on the previous year.

## KEY MARKET TRENDS – A GLOBAL PERSPECTIVE

### GROWTH IN FULLY INDEPENDENT TRAVEL (FIT)

- The population of FIT and semi-independent travellers is increasing, particularly in Beijing, Shanghai and Guangzhou.
- This travel segment generally consists of small groups (4-8 people) of friends and acquaintances that are heavily influenced by web based research and the opinions of peers and idols.
- These travellers are becoming more discerning and are constantly looking for unique and personalised travel experiences.

### THE NEW LUXURY TRAVELLER

- China is undergoing strong economic growth resulting in rising incomes, which means the Chinese have more discretionary funds available to them for items such as travel.
- The country is home to more than 500,000 people with disposable assets of US\$1.6 million. More than 50 per cent of China's wealthy remain clustered in five provinces: Guangdong, Shanghai, Beijing, Zhejiang and Jiangsu.

### CHANGING CONSUMPTION OF MEDIA CHANNELS, PARTICULARLY DIGITAL MEDIA

- China has become the world's largest social media market in a relatively short time. There are currently 457 million internet users, more than the entire US population, and this figure is expected to reach 587 million by 2014.
- Compared with the average Chinese citizen, internet users are richer, more educated and younger.

### TAILORING PRODUCTS AND ITINERARIES FOR THE CHINESE MARKET

- The population of FIT and semi-independent travellers is increasing, particularly in Tier 1 cities.
- This travel segment generally consists of small groups (4-8 people) of friends and acquaintances that are heavily influenced by web based research and the opinions of peers and idols.
- These travellers are becoming more discerning and are constantly looking for unique and personalised travel experiences.

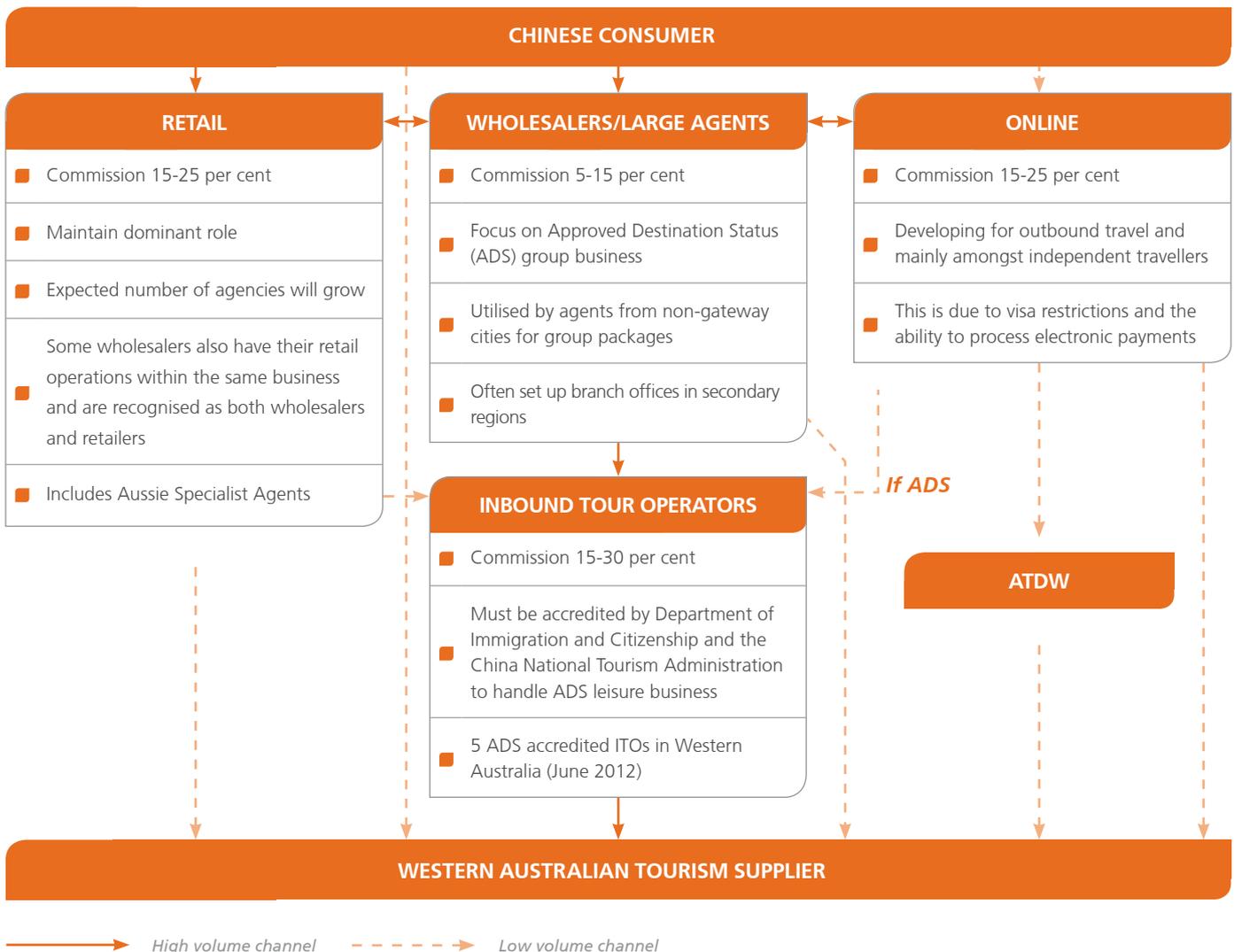
## TOURISM WA TARGETING STRATEGY

The following table outlines Tourism Western Australia's targeting strategy for the Chinese consumer.

	KEY SEGMENTS	CITY/PROVINCE	BUDGET SPLIT
<b>PRIMARY MARKETS</b> Beijing, Shanghai and Guangdong will be the focus of TWA's trade and cooperative marketing programs	GIT Semi FIT/FIT SIT	Beijing Shanghai Guangdong <i>Nanjing</i> Hangzhou	70%
<b>SECONDARY MARKETS</b> For these markets TWA will focus on education and Meetings, Incentives, Conferences and Exhibition (MICE) opportunities with key stakeholders  Undertake trade development in line with TA/STOs  Consumer activity focused on digital/PR.	GIT SIT FIT	<i>Chengdu</i> Chongqing Tianjin Ningbo Suzhou	30%

**GIT** – Group Inclusive Tour    **FIT** – Fully Independent Travel    **SIT** – Special Interest Travel

## DISTRIBUTION PROCESS



## OUR STRATEGIC DIRECTION

Five key strategic pillars of focus have been identified and are each key to the success of this strategy. For a complete list of actions within each strategy, see full version of the strategy document at

[www.tourism.wa.gov.au/china\\_industry\\_toolkit](http://www.tourism.wa.gov.au/china_industry_toolkit)

### STRATEGIC PILLAR

### AVIATION DEVELOPMENT

Development of direct and indirect services into and within Western Australia

#### STRATEGIES

- Further strengthen partnerships with international and domestic airlines to expand their existing services into Western Australia, particularly during peak travel times, thus offering increased and sustainable aviation access options for Chinese visitors to our State
- Encourage new airlines to commence direct services from China into Western Australia in the longer term (beyond 2016) and in line with infrastructure availability
- Facilitate growth of air services into regional WA and encourage partnerships (codeshare/interline) between international and domestic carriers to improve regional accessibility for Chinese visitors

### STRATEGIC PILLAR

### CONSUMER MARKETING

Confirming our brand proposition and identifying appropriate marketing channels

#### STRATEGIES

- Better understand our target consumer and tailor brand and event campaigns in line with Chinese visitor needs
- Identify potential traditional and non-traditional partners and engage with them to provide an increased range of marketing opportunities
- Address the lack of awareness of WA and overcome negative perceptions of the State by increasing consumer marketing and public relations efforts
- Maximise return on investment via highly targeted marketing initiatives which encompass geographic and segment based priorities
- Promote our extraordinary natural tourism and unique product offerings (e.g. pink diamonds, pearls, premium wines) to assist in positioning WA as a premium destination
- Leverage existing events and consider development of new events to increase consumer awareness

### STRATEGIC PILLAR

### INDUSTRY DEVELOPMENT

Ensuring our WA industry are prepared for the increase in Chinese visitors

#### STRATEGIES

- Undertake a coordinated approach to addressing Chinese visitor requirements involving industry and the local Chinese population
- Work with key partners to ensure the Western Australian tourism industry is equipped with the knowledge and training required to service Chinese visitor expectations
- Leverage existing national programs aimed at increasing Chinese visitor satisfaction

## OUR STRATEGIC DIRECTION *Continued*

### STRATEGIC PILLAR

### TRADE DEVELOPMENT

Engaging our trade partners in market to educate and gain support

#### STRATEGIES

- Increase packaging of Western Australia through education of retail trade, trade media and Australian based ITOs
- Work with trade to develop all market segments including business, education and leisure
- Undertake tactical trade cooperative initiatives aimed at enhancing consumer awareness of Western Australia in line with our brand strategy and increasing visitation to the State
- Leverage Tourism Australia's trade strategy in China and broaden its focus on natural iconic experiences

### STRATEGIC PILLAR

### STRATEGIC PARTNERSHIPS

Leveraging the activities of existing products and business in market and aligning our activity.

#### STRATEGIES

- Build relationships and clearly communicate our objectives with State and local WA government departments and academic providers to influence their activity and encourage them to support our strategy
- Develop partnerships with traditional and non-traditional government/private sector including event holders and leverage their activity in market
- Capitalise on the Australian and WA government's credibility in the market by building trust and maintaining close relationships with key stakeholders in China



## PRIORITISING OUR DESTINATIONS

### PRIORITY DESTINATIONS

Suited to the majority of Chinese visitors and immediately ready to meet Chinese expectations.



#### EXPERIENCE PERTH

- Core Messages - cosmopolitan capital overlooking a stunning river, outdoors lifestyle and easy access to scenic hinterland and pristine coastline; good climate and compact region offering a wide range of seasonal experiences
- Hero Experiences - Swan River cruising; Kings Park; Fremantle for heritage attractions, shopping, Crown Perth, Fishing Boat Harbour and café scene; magnificent beaches and Hillarys Marina; Rottnest Island; Swan Valley for wine tasting and wildlife park; Rockingham for dolphins, seals and penguins; Mandurah for dolphins, canal cruising and beaches



#### AUSTRALIA'S SOUTH WEST

- Core Messages - diverse range of premium tourism product and experiences, beautiful natural environment, abundant forest and wildlife
- Hero Experiences - premium food and wine including breweries; local product and boutique shopping opportunities; farm stays and native animal interaction; dolphins, festivals and events; wildflowers and tall forests; coastal experiences – whales, fishing, surfing

### OPPORTUNITY DESTINATIONS

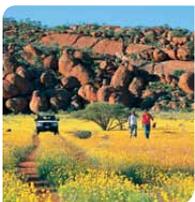
Suited to a limited number of Chinese visitors, however has growth potential for broader market in the medium to long term.

May include experiences immediately ready for promotion and packaging (e.g. The Pinnacles, Wave Rock).



#### AUSTRALIA'S CORAL COAST

- Core Messages - a world class unspoilt marine environment with clear blue skies in a region containing two World Heritage listed areas
- Hero Experiences - The Pinnacles; wildflowers; Ningaloo and swimming with whale sharks. Potential for linkage with Caversham Wildlife Park and Gingin Observatory



#### AUSTRALIA'S GOLDEN OUTBACK

- Core Messages - outback scenery and wildlife, golf and gold
- Hero Experiences - Wave Rock, wildflowers, golf, Chinese history, kangaroos on Australia's whitest beaches, educational experiences (mining, gold etc)



#### AUSTRALIA'S NORTH WEST

- Core Messages - Australian outback in comfort and luxury, excellent weather, accessibility
- Hero Experiences - Broome; Chinese history; resorts; soft adventure; diamonds and pearls; World Heritage; Staircase to the Moon

## SETTING MILESTONES AND EVALUATING THE PLAN

The first convention of the working group was held following the release of the China Strategy document for public consultation. The aim of the first session was to confirm key deliverables for year 1 and complete Terms of Reference for the group.

In order to effectively implement the China Strategy, the working group has responsibility for the following;

- Monitoring and reviewing progress of key deliverables in Year 1
- Reviewing existing deliverables and (if necessary) setting new deliverables for Years 2 and 3
- Monitoring and reviewing the progress of phased visitation and spend targets
- Reporting back to all stakeholders after each meeting on the key deliverables and milestones and performance against visitation and spend targets

This reporting process will be repeated for the fiscal years 2013-14 and 2014-15.

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*To access the complete China Strategy document of for more information on the China market, please visit*

*[www.tourism.wa.gov.au/china\\_industry\\_toolkit](http://www.tourism.wa.gov.au/china_industry_toolkit)*