



It's like a
WHOLE OTHER COUNTRY

TEXAS TOURISM FY 2016 MARKETING PLAN

China

OVERVIEW:

The fast growing economy and travel industry in China is valuable due to high levels of spending, lengthy durations of stay, and future growth estimates. As more Chinese enter the middle class they are able to travel abroad and the United States has always been at the top of their destination list. The US tourism industry can expect to see as many as 2.85 million Chinese visitors in 2015, where they will spend more than \$15 billion dollars.

Chinese travel to Texas is primarily for business but leisure travel is not far behind and increasing. Leisure travel from China to Texas as the main purpose of trip is more prevalent than in Japan or India and the Chinese are more likely to add leisure to a business trip. Travelers from China enjoy activities such as shopping, visiting historic sites and dining out. In addition to these activities, a large portion of this market seeks out Western heritage experiences while traveling in the state. Self-driving tours are a relatively new trend that is becoming more common with this market, while traditional group travel remains the norm for their trip.

With a booming growth of China’s outbound tourism, recent years have seen a huge increase in the number of direct flights connecting China’s domestic cities to international destinations. Chinese outbound travelers are now the biggest driver of growth for airlines based in the region. New air service from Shanghai and Beijing to Dallas-Fort Worth provides greater ease of travel for visitors from this market.

In November 2014, the U.S. and China mutually agreed to increase the visa validity for short-term business travelers, tourists, and students. Under the new visa policy, Chinese travelers can continually visit the U.S. for ten years on a single visa. It’s predicted that the new policy will result in up to 7.3 million Chinese visitors to the US by 2021, with an economic impact of \$85 billion, according to a report by the US Department of Commerce.

VISITOR DATA:

An estimated 101,000 travelers from China visited Texas in 2014, an increase of 87% from the previous year. Additional air capacity, growth in travel from the Chinese market nationally and an increase in Texas market share all contributed to the expanding market. Travelers from China stayed an average of 24.4 nights in Texas and generated \$224 million in direct spending. Travel from China to Texas is forecasted to increase by 61.6% by 2020.

CHINA TO TEXAS (2014)
Visitor Volume: 101,000
Direct Travel Spending: \$224 million
Avg Nights: 24.4

Arrivals from China to the United States in 2014 were estimated at 2.19 million, an increase of 21%. China surpassed Germany to become the 6th largest international market in the United States by arrivals. Following nearly a decade of double-digit growth annually, China is now second to Canada when ranked by direct spending. Long lengths of stay and high average spending contributed to \$23.8 billion in direct spending from Chinese travelers in 2014, an increase of 13%. Travel from China to the United States is projected to increase by 163.1% by 2020 with an annual growth rate of 17.5%.



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MARKETING ACTIVITIES:

Texas Tourism is increasing activities in China to reflect the growing importance of this market. Beijing and Shanghai will continue to be primary targets through the Fiscal Year 2016 although new markets within China will continue to be explored. For example, the Asia Trade and Media Mission in October 2015 will include Chengdu for the first time. One of the largest travel trade shows in China is the China Outbound Travel and Tourism Market in April 2016 in Beijing. A sales mission to Guangzhou and Shanghai is being planned to complement this show. FAM trips (trade and media), consumer promotions, and online activities including social (Weibo and WeChat) will be pursued as opportunities are presented throughout the year.

<u>Event</u>	<u>Date</u>	<u>Locations</u>
OUTDOOR FUN China Mission Roadshow September 8 -18, 2015 Beijing, Shanghai, Wuhan, Chengdu	Sept 8 -18, 2015	Beijing, Shanghai, Wuhan, Chengdu, China
Asia trade and Media mission	Oct 19-27, 2015	Chengdu, Shanghai, Beijing, China
China Outbound Travel & Tourism Market Summit (COTTM Summit)	Oct 27-28, 2015	Guangzhou, Shenzhen, China
China International Travel Mart (CITM)	Nov 13-15, 2015	Kunming, China
Mini Sales Media Mission conjunction with COTTM	April 7- 11, 2016	Guangzhou, Shanghai, China
China Outbound Travel & Tourism Market (COTTM)	April 12-14, 2016	Beijing, China
Guangzhou International Travel Fair (GITF)	Feb 25 - 27 2016	Guangzhou, China
Active America China Summit	March 16 - 18, 2016	Fort Worth, Texas