



China Friendly Seminar & Workshop

Produced for the Greater Boston Convention & Visitors Bureau by Scott C. Johnson, President of Travel market Insights Inc.

What We Do

- Visits
- Market Share (competitive position)
- Spending Impact
- Visitor Nights (Hotel)
- Visitor Characteristics

International Travel:

To the USA and

Throughout the USA



CHINA



Boston



China Outbound

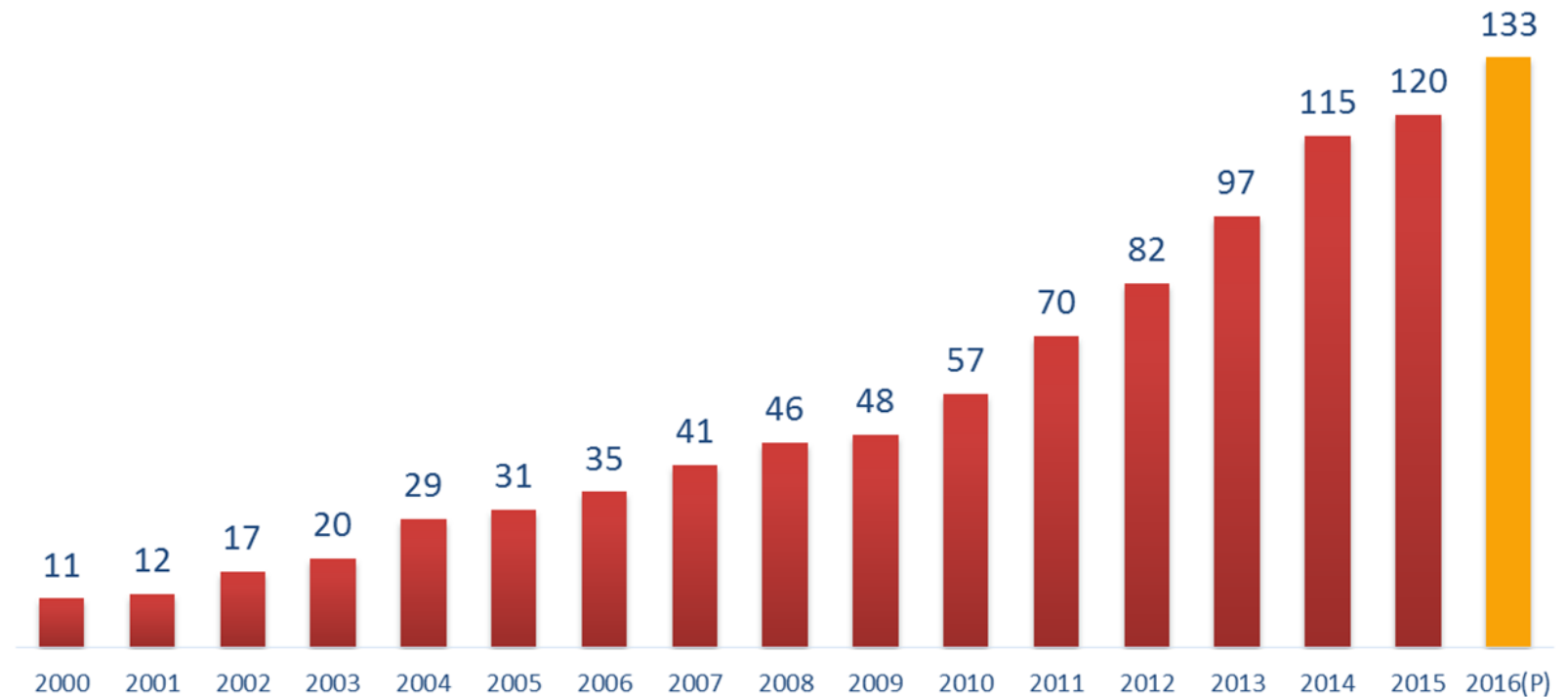
- Over 1.05 Billion adults reside in China.
- In 2015 **120 million** Chinese traveled outside of China.



China Outbound

- 2013 97 million – top outbound source market.
- 2014 Outbound Chinese spent \$164 billion, overtaking the USA.
- 2015 Chinese visitors spent \$215 billion.
- 2016 projected outbound record at **133 million** trips outside of China.

China Outbound (in millions)

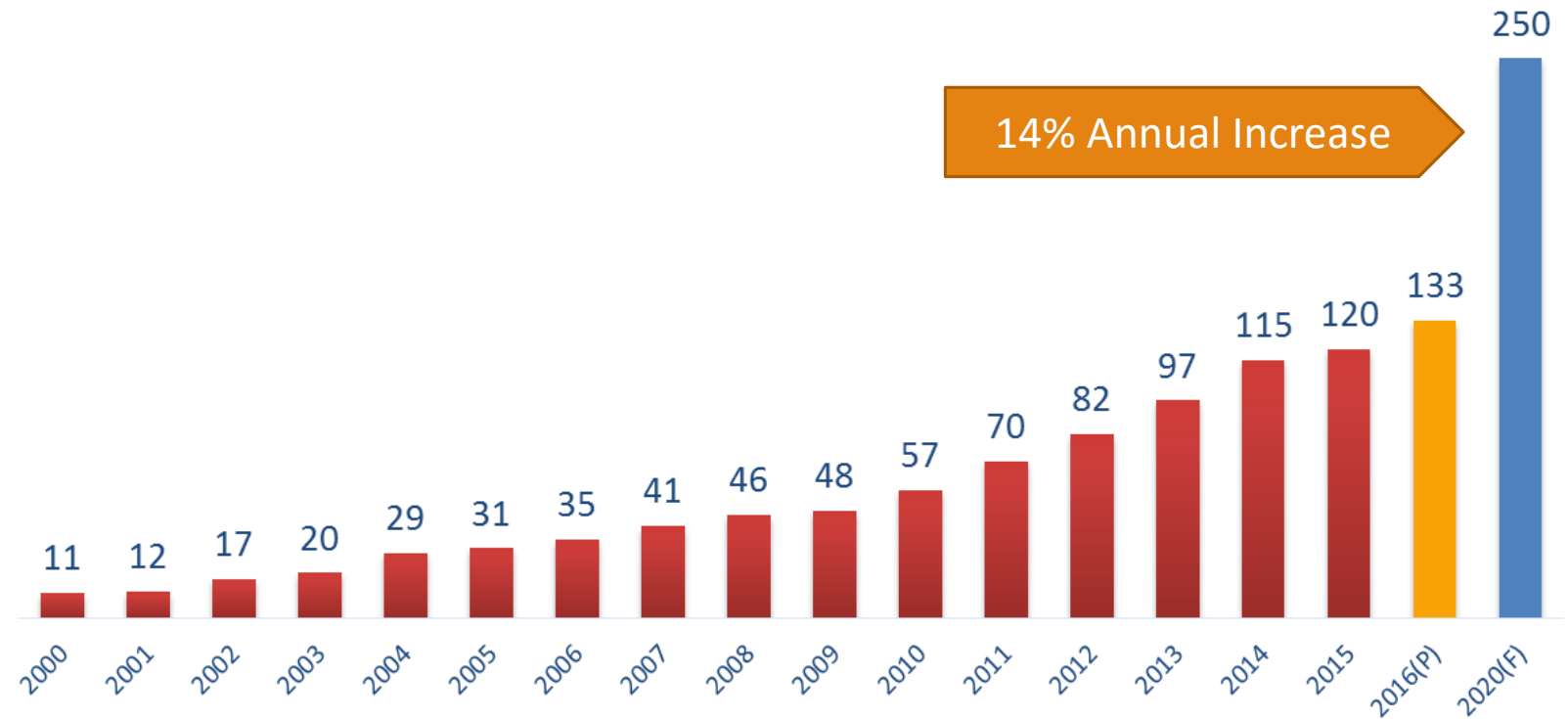


P=Projected

China Outbound

- By 2020 an estimated **250 million** Chinese residents will travel outside of China.
- Projected 14% annual growth.

China Outbound (in millions)



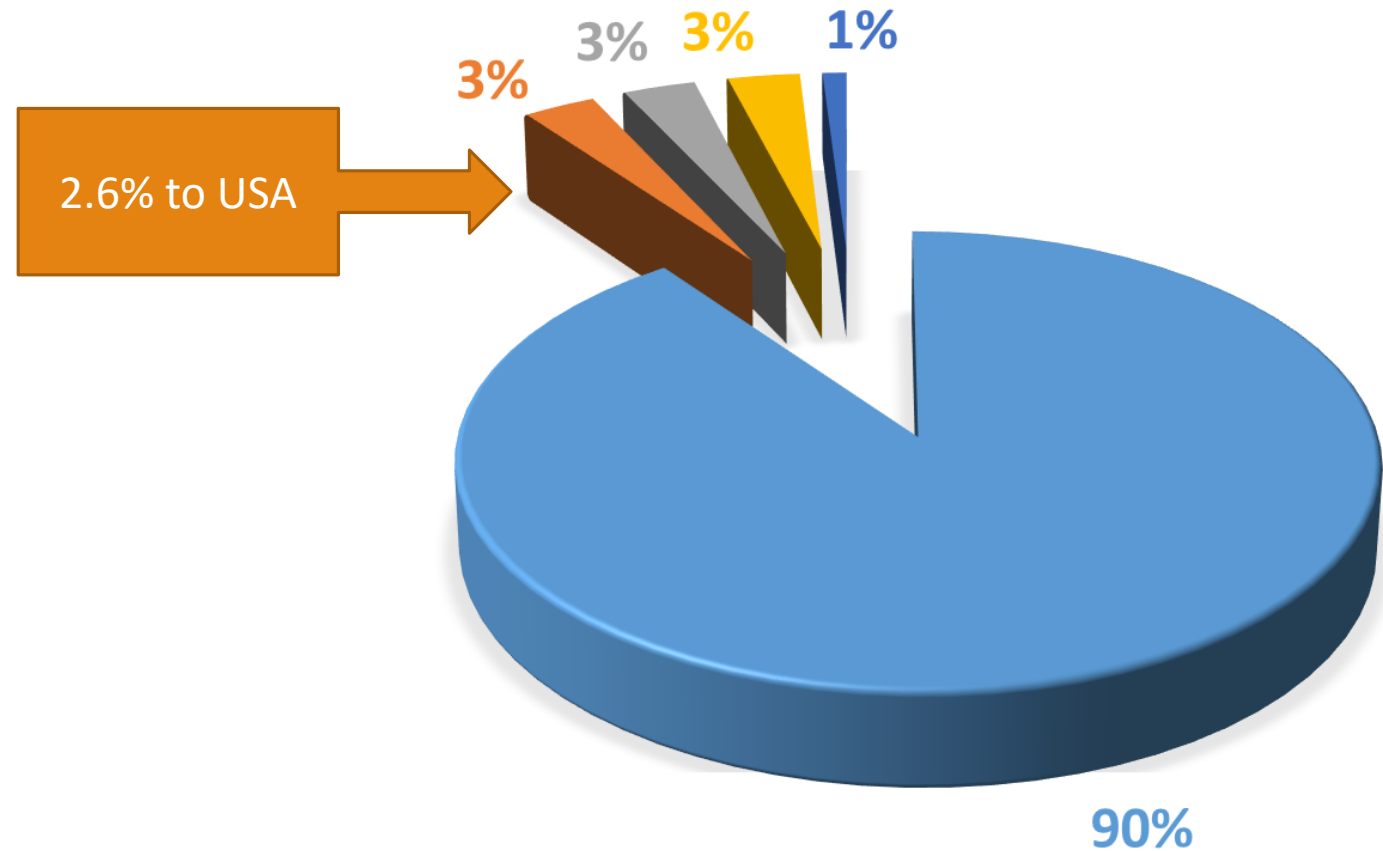
P=Projected
F=Forecast

China Outbound Long-Haul

- Of the 12 million long-haul travelers, 3% visit the Americas
- 2.6% came to the USA
- USA is a top long-haul demand destination for future travel

CHINA OVERSEAS TRAVEL DESTINATIONS

■ Asia ■ Americas ■ Europe ■ Africa ■ Oceania

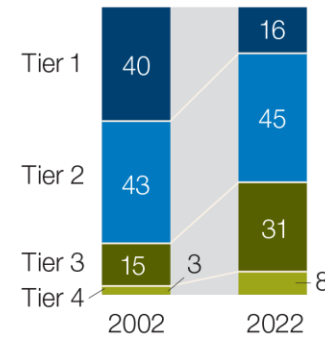


China's Geographic Picture – Middle Class

China's middle class will grow the most in tier 2 and tier 3 cities in the next six years.

(Source: McKinsey Quarterly – mapping China's Middle Class by Dominic Barton, Yougang Chen, and Amy Jin)

Share of middle class,¹ by type of city,² %



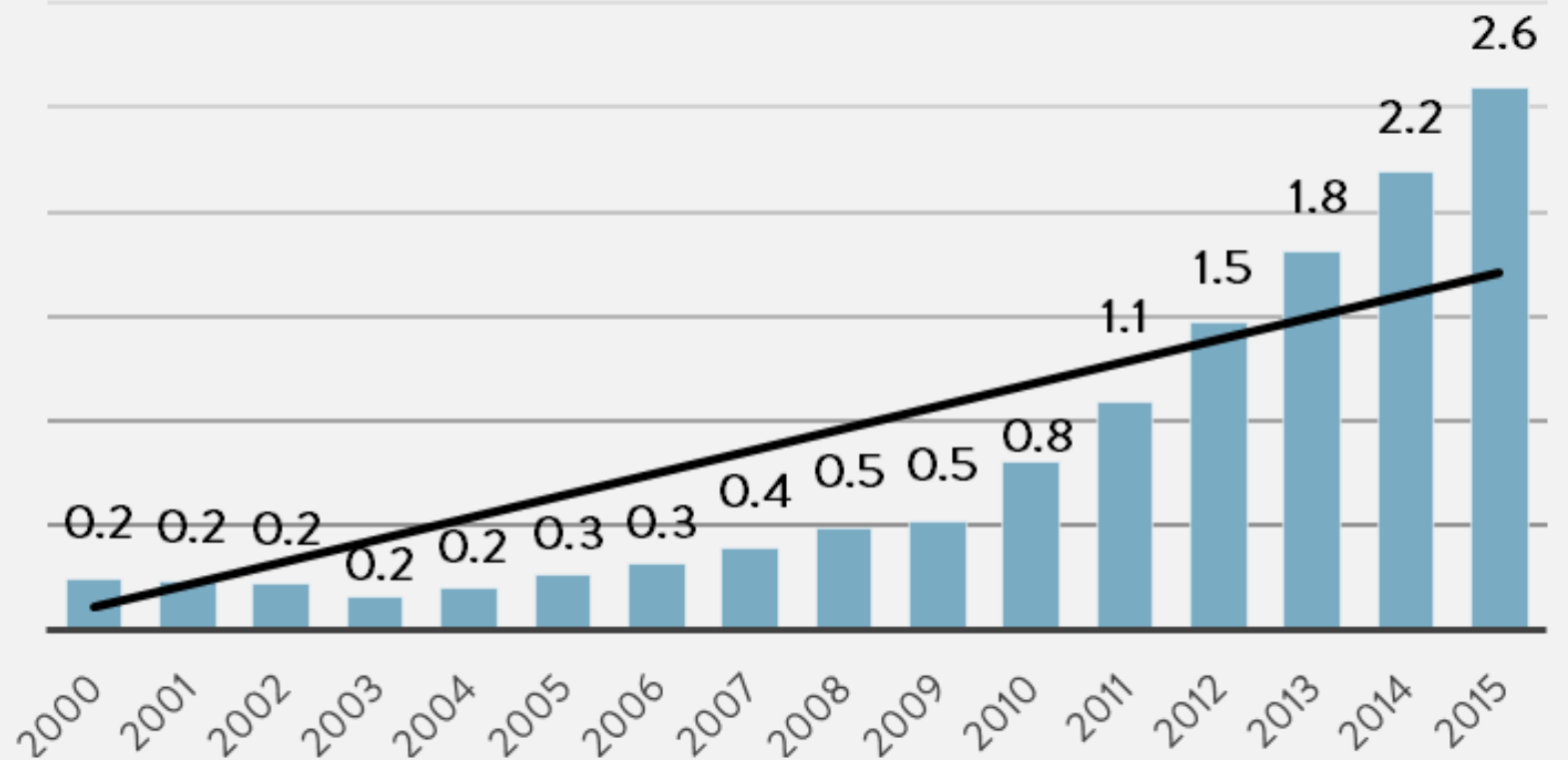
¹Based on information for 266 cities; data for 2022 are projected. Cities in China are grouped into 4 tiers based on their economic development and political importance. For Tier-1 cities, 2010 nominal urban GDP is >932 billion renminbi; for Tier-2 cities, 120 billion–932 billion renminbi; for Tier-3 cities, 22 billion–120 billion renminbi; for Tier-4 cities, <22 billion renminbi.

²Figures may not sum to 100%, because of rounding.

China Visits to the U.S.

- A record **2.6 million** Chinese residents visited the U.S. in 2015.
- Chinese Visitation to the U.S. increased by **18%** over 2014 visits.
- Adding over **400,000** additional visits in 2015 over 2014.

CHINA VISITS TO THE U.S. (IN MILLIONS)



Source: USDOC, NTTO.

China Forecast to the U.S.

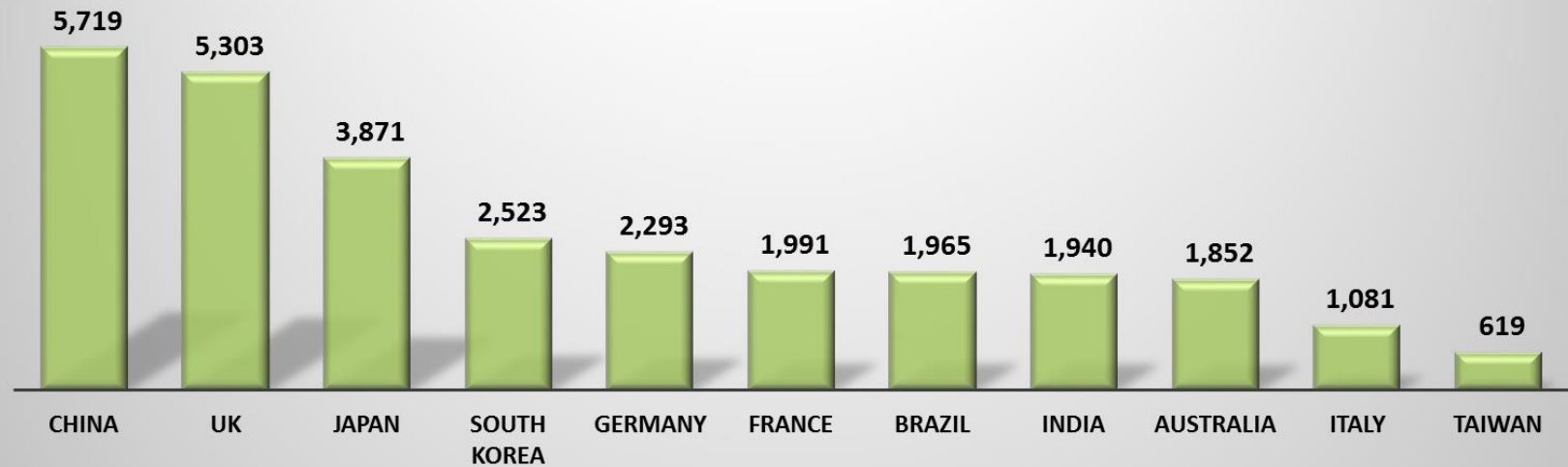
China's visitor arrivals growth overshadows all other top overseas visitor markets to the U.S. in the next five years.



China Forecast to the U.S.

In 2021 China is forecast to be the largest overseas visitor market – ahead of the United Kingdom.

Forecast for Top Visitor Markets to the U.S.
Rank by Arrivals in 2021



Source: Travel Market Insights - Based on USDOC, NTTO Forecast Fall 2016

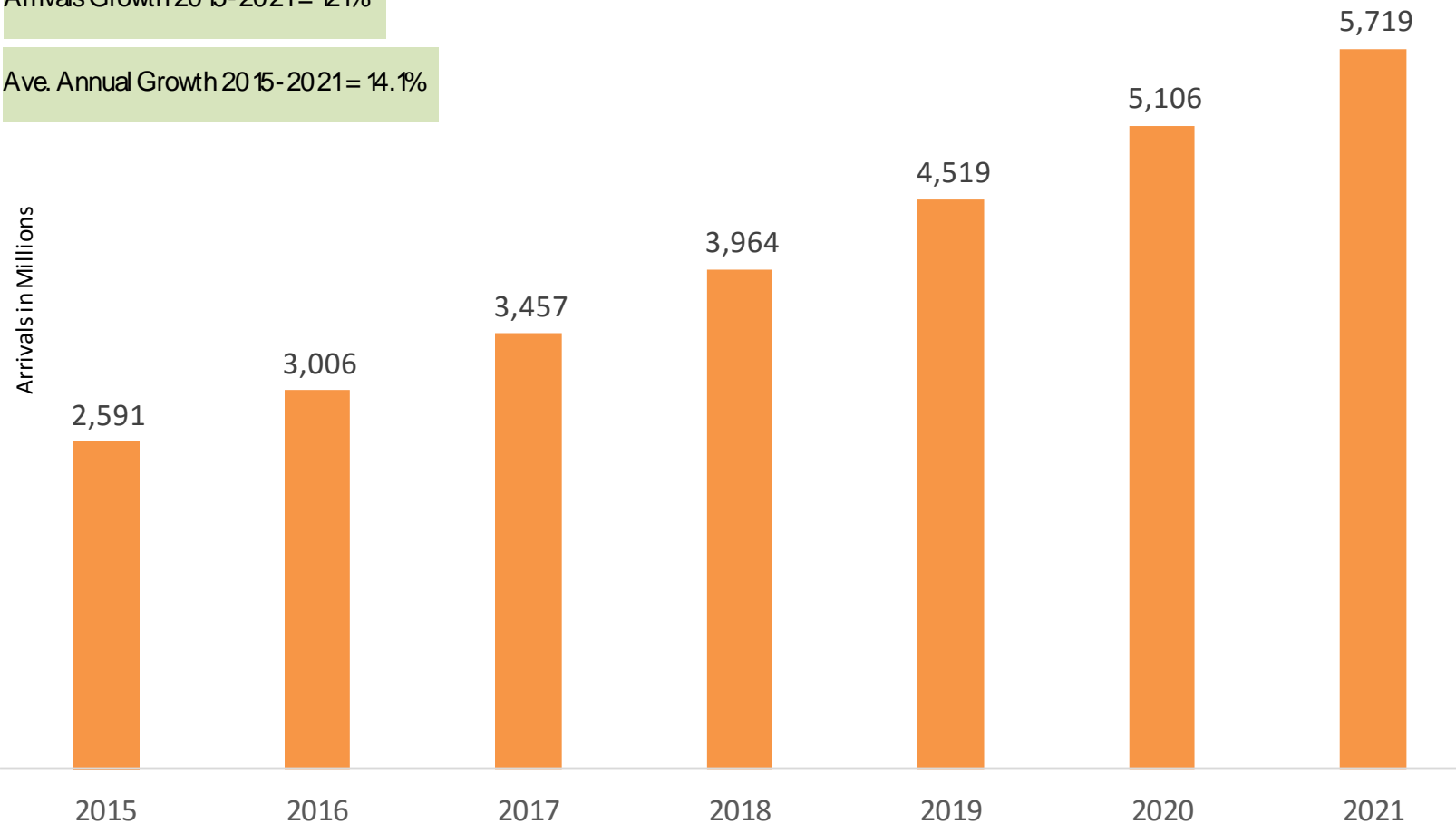
China Forecast to the U.S.

- Arrivals from China will grow an estimated **14%** annually.
- Adding **3.13** million more arrivals between 2015 and 2021.
- Arrivals forecast to increase **121%** between 2015 and 2021.

Forecast - China Arrivals to the U.S.

Arrivals Growth 2015-2021 = 121%

Ave. Annual Growth 2015-2021 = 14.1%

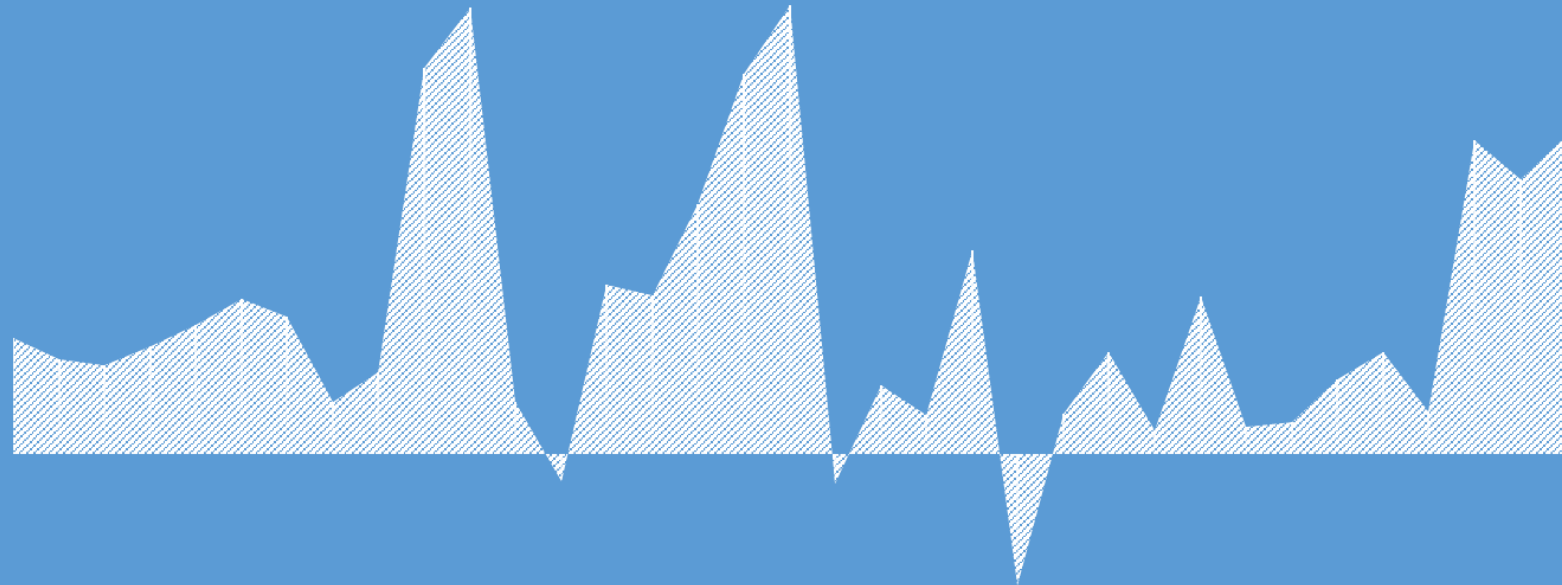


Sources: Travel Market Insights Inc. - Based on USDOC, NTTO Forecast Fall 2016. Forecast subject to adjustments.

China Visits to the U.S.

- In 2015 East Coast destinations registered an increase in market share.
- In contrast, the West Coast registered a decline in market share.
- Boston registered growth in market share as Chinese travelers sought out destinations on the East Coast.
- Nearly one in ten (8%) Chinese visitors to the U.S. visited Boston in 2015.

A Rising Tide Lifts All Boats

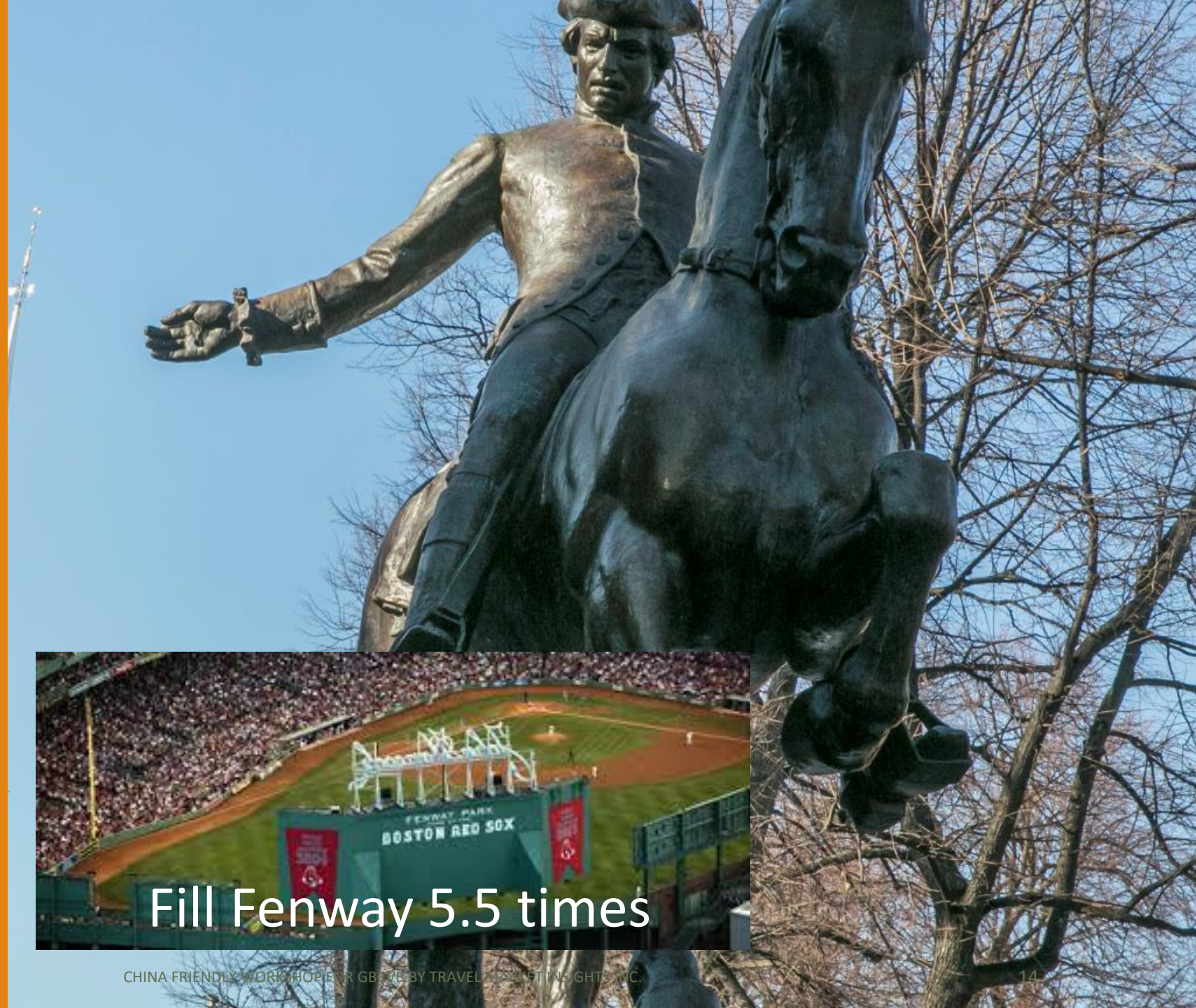


China Visitors - Some are lifted more!

Slide based on actual visitor arrivals to select U.S. destinations for 2015 over 2014. Sources: Travel Market Insights Inc. NTTO custom SIAT.

China Visitors to Boston

- A record **208,000** Chinese residents explored Boston in 2015.
- The city increased Chinese visits by **20%** over 2014 visits.
- Adding **35,000** additional visits in 2015 over 2014.

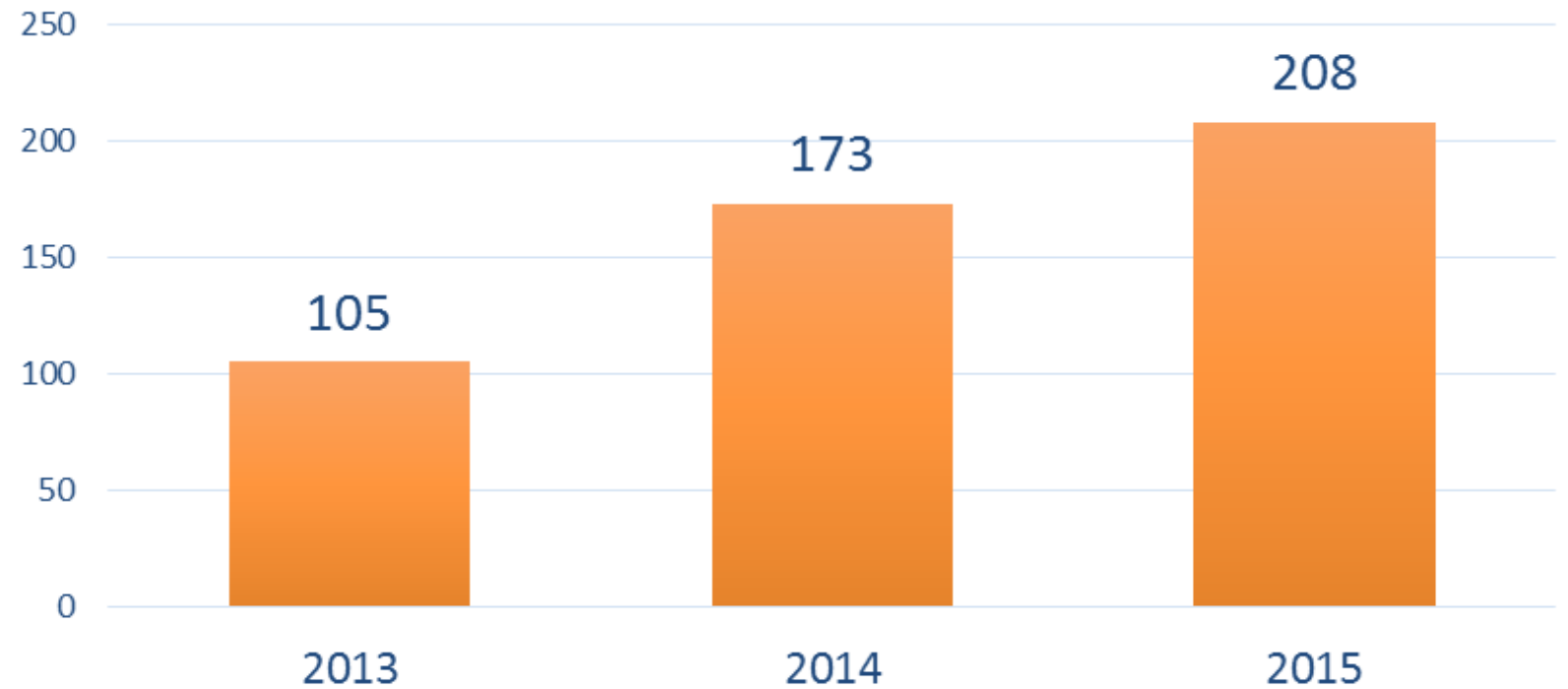


Fill Fenway 5.5 times

Boston China Arrivals

- Boston registered **record arrivals** from China in 2015.
- Arrivals have increased three years in a row.
- Visitation is up 20% in 2015 over 2014; and **up 98%** in the last two years!

China Visitors to Boston Trend (000s)



Note: Visitor estimates are rounded.

Source: Travel Market Insights, based on 2015 custom SIAT.

China Nights in Boston

- In 2015 the 208,000 Chinese visitors stayed an average of **16.2** nights in Boston.
- Those guests stayed in paid and non-paid lodging (with family, friends and other forms of lodging)
- Paid Lodging: **70%** stayed in a paid lodging an average of **8.7** nights.
- Overnight guests are categorized as business, leisure, corporate, convention, or education visitors.
- Paid lodging nights increased **40%** in 2015 over 2014 (twice the growth rate of visits).

3.37 million Chinese Visitor nights!

662,000* Chinese Room Nights!

*Based on 70% of Chinese visiting Boston using lodging for 8.7 nights on average, and a 1.9 average party size.



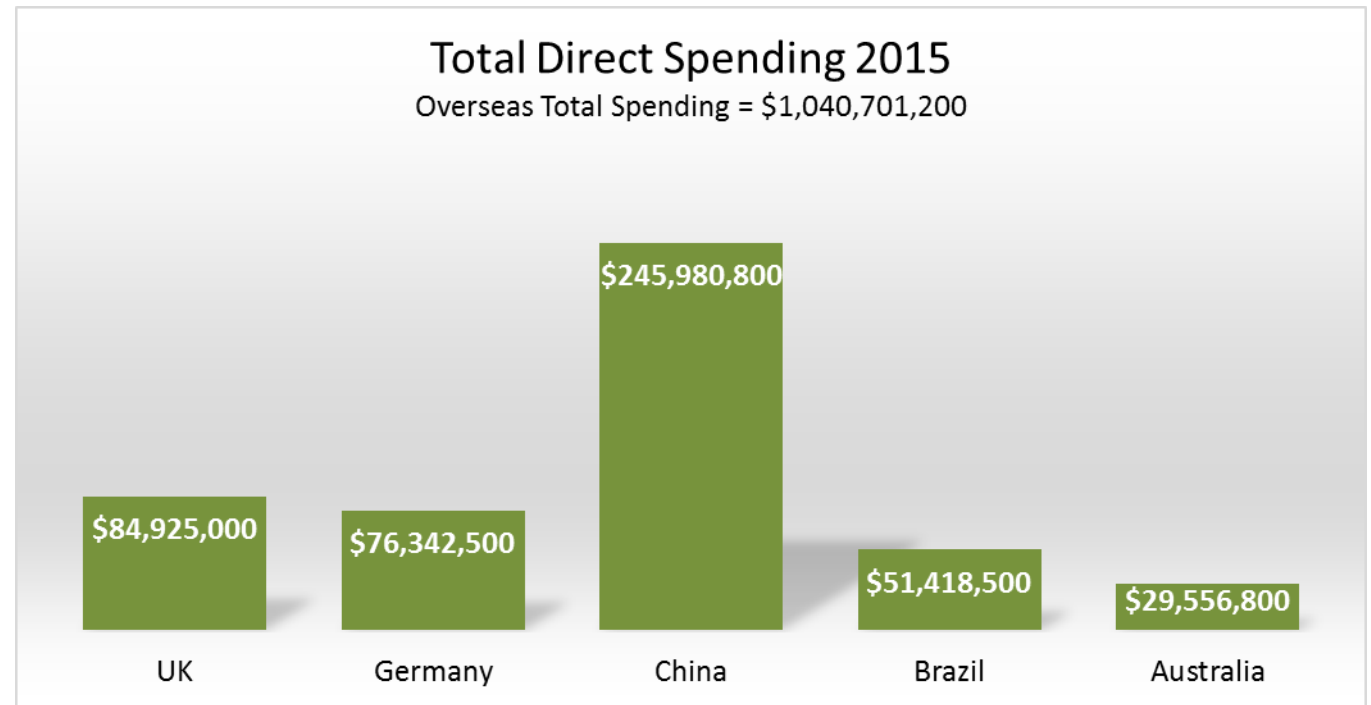
GBCVB



Amy He (China Daily USA – The Seaport Hotel)

Boston China Direct Spending

- In 2015 208,000 Chinese visitors traveled to Boston.
- Stayed an average of 16 nights in the city.
- While visiting, each Chinese visitor spent an average of **\$1,183** per stay.
- Resulting in **\$246** million in total direct spending by Chinese while visiting Boston.



Boston China Entry Point

- Boston Logan was the port of entry for only 17% of the 208,000 Chinese visitors.

Other Ports Used then Visited Boston:

- 25% New York City Airports (NJ 6%)
- 15% Chicago Airports
- 8% Los Angeles Airports
- 6% Washington DC Airports
- 5% San Francisco Airports



Non-Stop Air Travel

Hainan:  海南航空
HAINAN AIRLINES
Boston-Beijing 7 times a week
Boston-Shanghai 3 times a week

Cathy Pacific Airlines: 
Boston-Hong Kong 4 times a week
(5 times summer 2016 and
7 times a week year round starting in
March 2017)

Transportation Used by Chinese Visitors to Boston

- 58% of the Chinese took a domestic flight to visit.
- 30% took a motor coach between cities.
- 15% used rail between cities.
- 46% drove a car (personal or company).
- 31% rented a car.
- Increased lift into Boston from China has bolstered visitation.



DAVID L. RYAN/GLOBE STAFF



Rentalcareviews.com



Amtrak



METRO

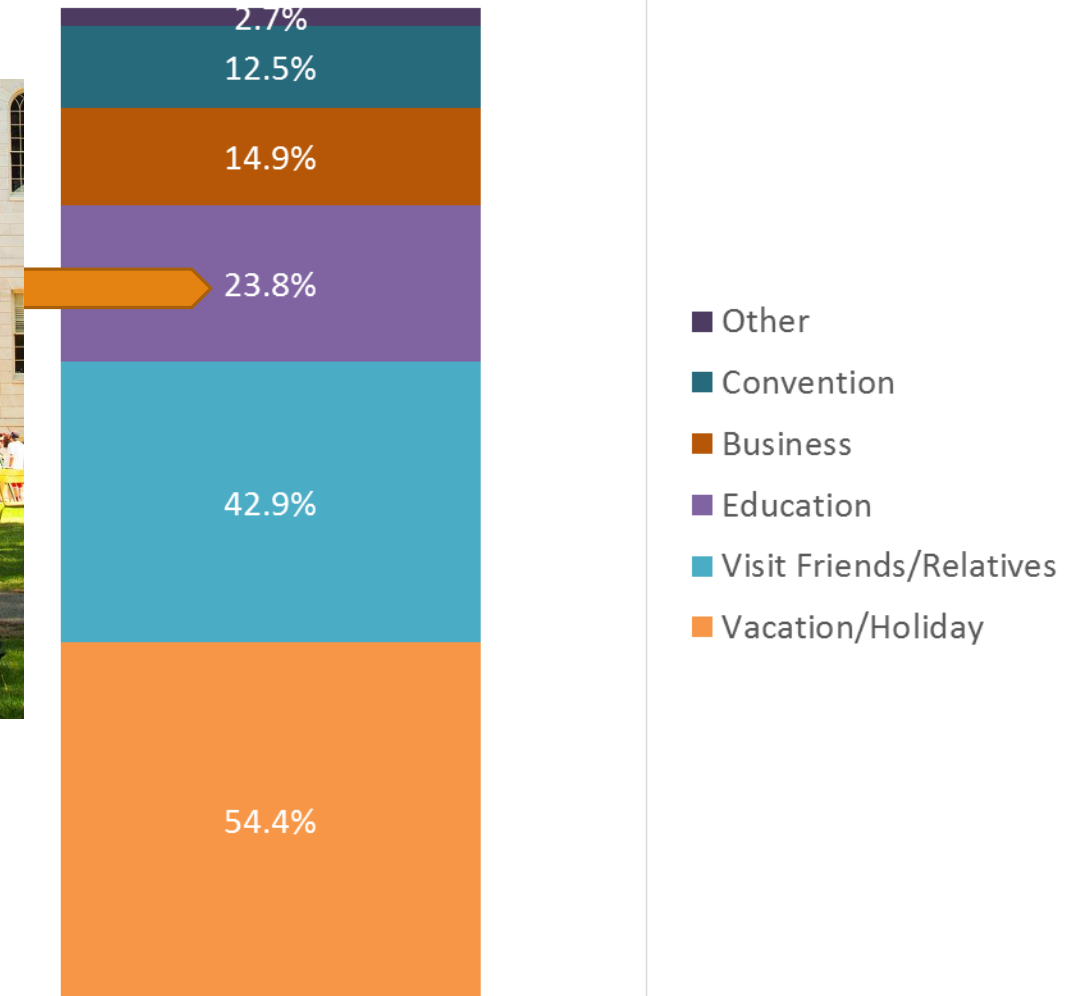
Boston China Purpose of Visit*

- The majority of Boston's visitors from China are leisure travelers (54%).
- As an emerging market still, visiting friends and family is considerable (43%).
- Education is large. Nearly one quarter (24%) of Chinese to Boston traveled for education.
 - Student only travel: 19,435 in Boston and Massachusetts.
- Businesses 15% and Convention 13% combined are also important.

*Multiple purpose of trip



CHINESE TO BOSTON - 2015 TRIP PURPOSE



Note: Based on Multiple Purpose of Trip.

Chinese Visitors to Boston

Chinese Visitors to Boston:

- 53% first time / 47% repeat visitor
- Visit 3 states on average (travel regionally)
- Majority (58%) flew within the U.S.; but 46% drove (personal/company car) and 31% rented a car.
- Gender is split half and half
- 51% traveled alone
- 25% with family
- 17% with spouse
- 12% friends
- \$77,000 average household income (U.S. avg. \$72,000)

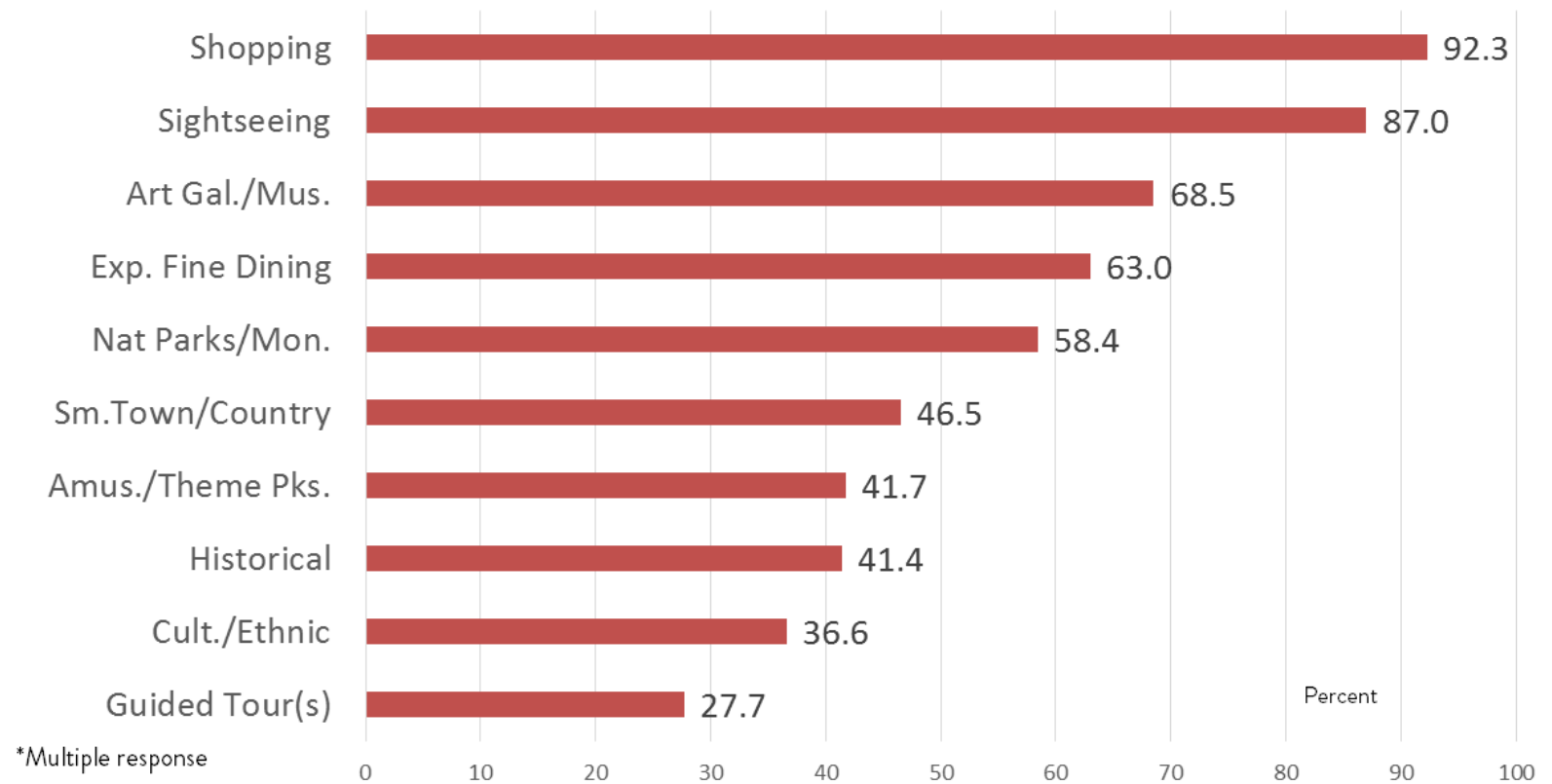


Chinese Visitors to Boston - Activities

- It's no surprise that shopping is important to Chinese visitors.
- Sightseeing is key.
- Museums and experiencing art and culture, national monuments, historical experiences...
- And exploring beyond Boston and into smaller towns and the countryside.



Boston Activities - China*

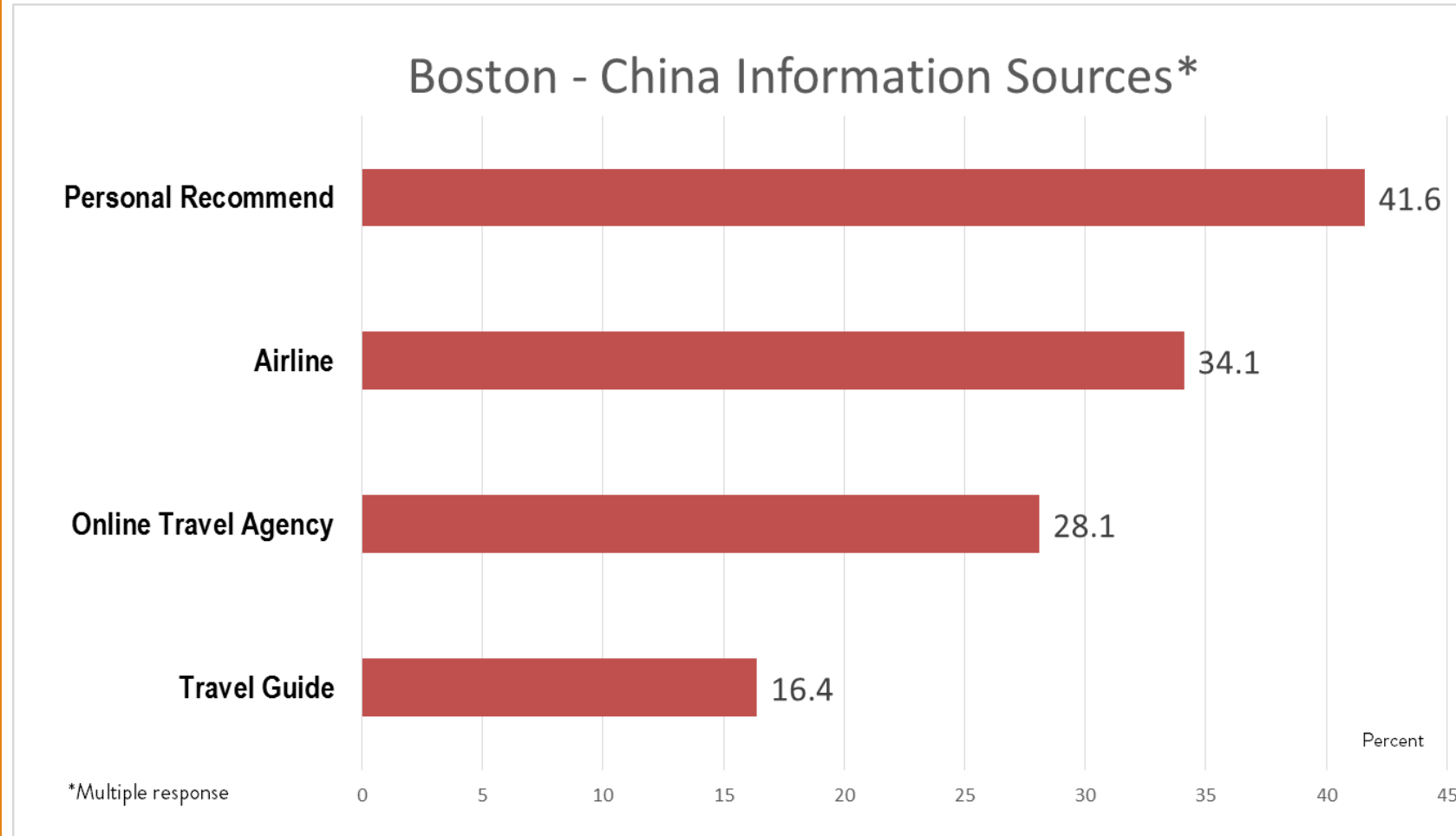


Chinese Visitors to Boston – Top Information Sources

Means of obtaining Information:

- 84% web/electronic
- 41% talking to a person
- 11% other media

Multiple Response



Overall China U.S. Trends...




- Visitor Growth – outpacing all other overseas markets in the next five years.
- Growth in Airlift: 35% increase in lift from China to the U.S. – 14 China gateways (including Boston).
- First-Tier Cities: Repeat travelers and primary driver for Semi-FIT (independent) travel. Travel more frequent but shorter trip.
- New Growth Interior Cities (secondary). First-time travelers still looking for full-packaged travel.
- U.S. Policy – 10 year visas for Chinese visitors (Nov. 2014).
- Strong growth in student travel.
- Family and friends are a major part of their travel psyche.
- Brand USA – U.S. has highest likelihood to visit for long-haul travel.
- Economy is projected to continue to grow.
- More potential long-haul travelers projected to increase.
- Quality and safety are important.

Boston's Outlook is Strong

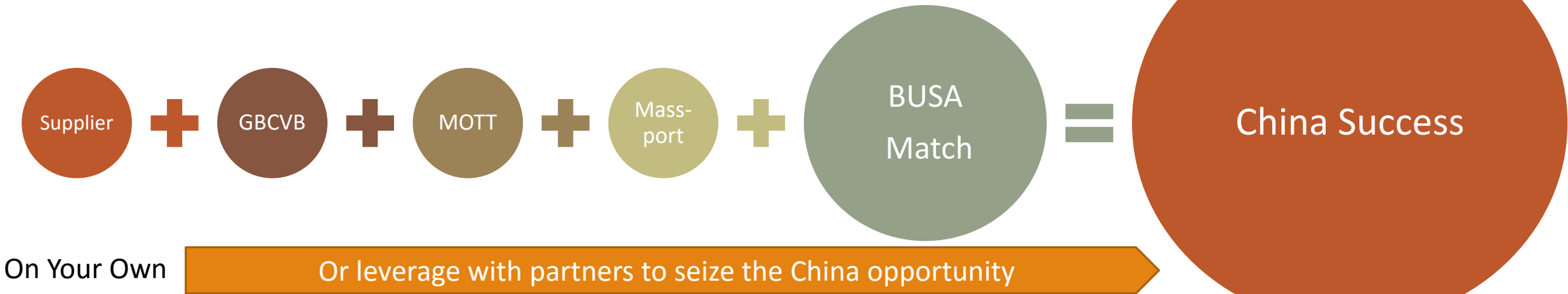
In 2021 Boston could be visited by nearly 500,000 or more Chinese residents!

(Based on increasing market share and current forecast for Chinese visits to the USA.)

- 
- Focus on both repeat and first-time visitors from both first-tier cities and the growing interior cities.
 - Experiential travel and cultural experiences (especially for repeat).
 - Multi-purpose travelers.
 - It's all about Chinese visitors feeling welcomed and comfortable.
 - Making connections with family and friends matters.
 - Leverage promotional efforts: partners within Boston, Massachusetts, Massport, and beyond (Brand USA and potentially mega-region partners).

Boston China - Leverage Opportunity

- Greater Boston Convention and Visitors Bureau
- MOTT
- Massport
- Brand USA – National Promotional Partner



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*Helping U.S. destinations and
companies seize the
international visitor
opportunity.*



Travel Market Insights