

# TOP TRENDS IN LUXURY TRAVEL IN CHINA



China is one of the biggest countries of self made millionaires and billionaires and it has managed a strong position on financial map of the world. The number of millionaire and billionaire has increased considerably and that has a positive impact on the luxury travel industry of China. Many of the rich people are taking trips around the world with better facilities. The demand for business class travel and costly destination with shopping opportunities has increased among the affluent class and at the same time they are demanding to stay in well known hotels with all sorts of modern facilities no matter what they cost.

The rise in private property of Chinese people along with the appreciation of Yuan has induced this growing demand of luxury travel. The rising trend that is seen in the property value and the GDP growth are also two major reasons for this demand. There are millions of millionaires in china with personal wealth of RMB 10 or more who are contributing in this.

## Survey Data

A survey was conducted by the Harun Rich List Authority to understand the travel habits and decision making of the affluent class of China in 2011 between April and November. Here 401 millionaires and billionaires were interviews on one to one basis on their travel habits. Among these 401 people 45 had an asset of more than RMB 100 million. Apart from these people 62 more millionaires were interviewed between April and May.

## Finding from the survey

There are several findings from the survey conducted on these people. Some of the results astonished the whole world. The findings are listed down with proper data.

- 60% of the people who took this survey were male.
- The affluent class people travel abroad three times every year on average. Among these people there are 20% who travel five times or more.
- While millionaires take 15 days of holiday each year, half of the billionaires take more than 20 days on average.
- One third of the millionaires take 10 to 20 days and other one third take more than 20 days of holidays. This has increased considerably in 2011 compared to 2010 when most of the millionaires used to travel for 8 days or less during the year.
- For billionaires the frequency is more with one third of them taking five or more overseas holidays.
- Chinese females take more holidays than male and they contribute more to the wealthy class of China.
- Richer travelers in China are 15 years younger on average compared to the travelers in Europe and America.
- Though there are a lot of young travelers the frequency of their travel is less than the travelers over 30 years of age who actually travel for business.

- Shopping scores more than business when considering the expense made for each of them. In 2010 the spending on shopping was RMB 160000 and RMB 190000 on travel.
- The travelers spent mostly on branded cloths, jewelry, watches, fabrics and cosmetics.
- In 2010 about 60% board business class in a flight but it is noticed that people generally prefer economy class for their first trip and subsequently increases their expense on higher classes.
- 80% do not prefer group travel.
- 40% do not prefer to travel on public holidays.
- Family holidays are most preferred.
- 60% make their travel reservations on their own while 26% ask their secretaries and 23% depend on their family members for it.
- Hotel membership services, agents and professional websites are used to make flight reservation.

### **Education And Luxury Travel**

It is noticed the destination preference change from one generation to another. As the younger people in China are more educated, their choice is also quite different from their parents. People generally visit Australia, Japan, USA and Thailand on their first trip and they consider Singapore, Thailand, Japan and Europe for the second one. While Hawaii is losing its popularity, France and Japan is climbing up the ladder. As far as domestic travel is considered Macau is popular with the more affluent class and Sanya, Hong Cong and Yunnun is also favored.

It is an increasing trend in affluent class of people to send kids to English speaking countries for education. This makes them choose USA, Canada and UK as their travel destination as grownups.

Hotel preference has also changed. Half of the traveler prefers chain hotels while one third prefer boutique hotels. They get impressed by brand, services, facilities and location which choosing their accommodation.

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