

RAPID GROWTH OF DIGITAL TRAVEL BOOKING IN CHINA



The digital world is changing the real world and with it also the tourism industry. Online travel booking is becoming increasingly popular due to several reasons, such as comfort, better mobile applications as well as lower prices. An increase of 10.4% to almost \$695 billion is projected for digital travel booking all over the world.

However, one market stands out in this rapid rise – China. Digital travel bookings are expected to reach an increase of 20.5% compared to 2017 and should amount to almost \$134 billion this year.

According to the Global Digital Travel Sales report conducted by eMarketer, **Chinese growth is so rapid that it will almost catch up with the USA by the end of the forecast period (2022)**. Between 2017 and 2022, China's digital travel booking growth rate will reach more than triple that of the United States.

The drivers of digital travel sales in China are the millennials. They are accustomed to looking for things on social media and do not focus on group touring and sightseeing as their older compatriots. It is also worth noting that China still has a large part of the population that is not used to booking online, which means there is plenty of room for growth.

India is another rising market benefiting from a large number of millennials. Improvements in technology and mobile connection have also benefited the country's prospects. India is projected to register a 20% growth to \$23.71 billion.

Five hotel platforms dominating Chinese market

Coming back to China, however, there is an interesting statistic to stress. According to an analysis of China's online travel booking market in the second quarter of the year almost the entire market is dominated by five companies.

According to Trustdata, Ctrip, Meituan, Qunar, Tongcheng-eLong and Fliggy represented 96.4% of the bookings in the second quarter. The platforms were equally as fast-growing, which means the dominance might increase.

According to the same report, **a 20% increase in the number of monthly active users was registered**. It also showed that the growth is coming from customers from third and lower tier cities and the ones born after 1980. This corresponds to the information mentioned above and clearly signifies the growth and importance of the Chinese digital tourism market.

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