

THE STRONG RECOVERY OF THE CHINESE TOURISM INDUSTRY



During this year's "Mid-Autumn Festival + National Day" double holiday in China, which lasted eight consecutive days, people's eagerness to travel was evident. The tourism industry is recovering rapidly and has strong momentum. Tourism consumption demand has been effectively met, and the confidence in tourism development has been further strengthened. According to the latest data from the Chinese Ministry of Culture and Tourism, the number of domestic travelers during the Mid-Autumn Festival National Day holiday reached 8 million, showing a year-on-year increase of 26.7%. Moreover, the revenue generated from domestic tourism reached 3.8 billion yuan, a year-on-year increase of 3.1%.

The more extended travel holiday in 2023

The peak travel period for this year's Mid-Autumn Festival and National Day holiday they have occurred earlier than in previous years. Additionally, the peak period lasted longer than in past years. The first wave of travel peaked on September 23, and many people lamented that they still encountered traffic congestion even if they set off early.

As travel days increase, Chinese consumers prefer more unrestrained travel. This year, there is a significant opportunity for expanding the scale of independent travel. This trend is particularly noticeable this year, as there are fewer group tours and more people opt for independent travel.

Unlike the traditional method of booking a group trip and having all the itineraries arranged by the tour group, consumers now value the freedom and personalization of their itineraries. Data shows that tourists traveling abroad are more willing to plan their trips and book several entertainment services with local characteristics, such as snorkeling and helicopter tours.

During the National Day holiday on the Fliggy platform, the scale of overseas local entertainment service contracts increased nearly nine times year-on-year. Merchants operating overseas local entertainment services also experienced a higher sales rate than in the same period in 2019. Accommodation is an essential part of travel, and this year, homestay-themed tours are becoming more popular among consumers, differing from the previous trend of prioritizing hotels.

Chinese outbound travel market recovers

With the eight-day long holiday during this year's "Mid-Autumn Festival + National Day" being the last long holiday in the second half of the year, it will undoubtedly stimulate the recovery of the Chinese tourism industry. Favorable policies have been frequent in recent years, further accelerating the high-quality development of the domestic tourism industry, especially inbound and outbound tourism.

According to Ctrip, outbound travel orders during the National Day holiday increased more than eight times yearly. The post-90s generation is still the "main force" among outbound passengers, accounting for nearly 30% based on air ticket booking data. The post-00s generation has the fastest growth rate, and its proportion is equivalent to the post-80s generation, reaching 22%.

Among the most popular destinations for Chinese travelers are Hong Kong, China, Macau, and others. Tuniu data shows that on October 1 alone, the National Day fireworks display in Victoria Harbor attracted more than 430,000 people, far exceeding the previous average of more than 200,000.

Chinese travelers consume more rationally

According to major Chinese travel platforms, this year's National Day holiday saw a surge in bookings for air tickets, hotels, and tickets to popular domestic cities. This surge exceeded pre-epidemic levels. Qunar's big data reveals that air ticket bookings in popular domestic cities during the holiday increased by almost 50% compared to before the epidemic. As a result of the rise in consumer demand, the tourism market is changing in new ways. For instance, travelers from third- and fourth-tier cities are now visiting destinations further away, infrastructure in small cities has improved, travelers are more selective in spending, more thematic games are on offer, and service quality is prioritized.

Small Chinese cities have become increasingly popular among tourists during this year's National Day holiday. Many travelers opt for small cities as transit stops to save travel expenses. Consequently, small cities' tourism service capabilities have strengthened. According to Qunar, the coverage rate in third-tier and lower cities has reached 96%. Additionally, high-star hotels in these cities are cheaper than in larger cities. In more than 50 cities, the price of high-star hotels is less than 500 yuan (about US\$ 70).

Tourists currently give more importance to the travel experience. National Day is a big test for the tourism industry. While it's good that performance has improved, the quality of reception and customer experience are equally important.

During this year's National Day holiday, there has been a surge in demand for high-quality travel experiences. According to Fliggy platform data, the number of high-star hotel room nights booked during the holiday period in China increased by over 50% compared to the same period in 2019. Additionally, there was a more than 20% increase in customized travel product fulfillment compared to the same period in 2019.

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