

BUSINESS EVENTS MARKET PROFILE

CHINA



OVERVIEW

Under the Business Events Australia (BEA) brand, Tourism Australia focuses on the incentive sector in China, recognising that international incentive events bring high economic value to Australia.

Through an integrated trade and marketing strategy aimed at inspiring the target customer, Tourism Australia raises awareness and consideration of Australia's quality business events product offering and delivery. Activity includes brand and content marketing, educational visits, distribution development and engagement events that allow the Australian business events industry to meet with qualified buyers to grow their business.

Tourism Australia also supports the work undertaken by Australian industry in securing incentive events from the China market.

In 2018, China was Australia's largest inbound market for visitor arrivals and total expenditure. In the same period, information based on the International Visitor Survey (IVS) tracked expenditure of AUD700m from 101,000 Chinese business events arrivals.

For more information on the China market, visit www.tourism.australia.com/en/markets-and-stats/market-regions/greater-china.html

For more information on Tourism Australia's business events work and how to get involved, visit www.australia.com/businessesevents

IMPORTANT FACTORS WHEN CHOOSING A BUSINESS EVENTS DESTINATION

Excellent business event facilities

A safe and secure destination

Friendly and passionate event staff

Clean cities and good infrastructure

A range of quality accommodation

A destination that offers value for money

Direct flight access

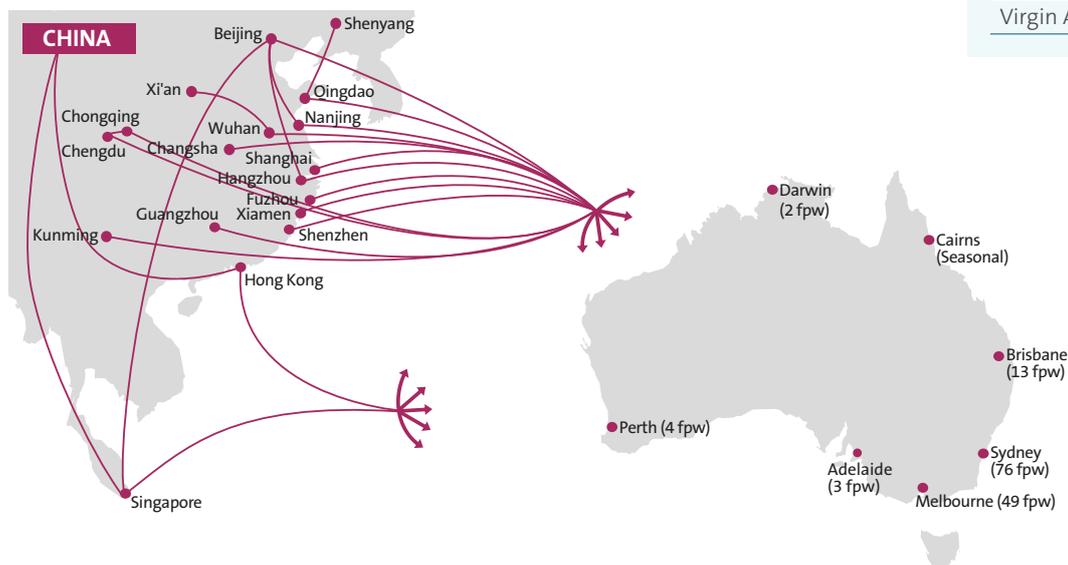
AVIATION UPDATE

New air routes from China continue to increase both choice and capacity between Australia and China. In addition, new gateways are increasing non-stop direct services to Australia and providing greater ease of access for Chinese customers. New routes launched in 2018 include:

- » Hainan Airlines - Haikou to Melbourne twice weekly from December 2018
- » Donghai Airlines - Shenzhen to Darwin twice a week from May 2018
- » Tianjin Airlines - Tianjin to Sydney twice a week from January 2018

AVIATION ROUTES FROM CHINA TO AUSTRALIA¹

FLIGHTS PER WEEK (FPW)



WHICH AIRLINES² DO CHINESE VISITORS USE TO TRAVEL TO AUSTRALIA?

Airline	2019
China Southern Airlines	21%
China Eastern Airlines	15%
Qantas Airways	12%
Air China	10%
Cathay Pacific	7%
Hainan Airlines	6%
XiamenAir	4%
Virgin Australia	3%

BUSINESS EVENT INSIGHTS AND TRENDS

- » Australia continues to be perceived as an aspirational long-haul destination in China and benefits from being the closest Western destination to China in proximity.
- » As travel becomes a more established part of life in China, travellers are maturing and becoming more confident and this is also reflected in the incentive customer.
- » The average age of incentive delegates from China has also lowered, from 35 years of age to 25.
- » In addition, repeat visitation to Australia by some Chinese incentive groups continues to drive demand for new, adventurous and unique products and experiences in new destinations. Clients are also looking to differentiate their program from those of other competitor companies.
- » Creative and tailored experiences including team building activities, unusual forms of transport, original concepts and activations for gala functions are all expected by the Chinese incentive customer. Consideration should also be given to providing ideas for highly shareable group photos.
- » Australian food and wine experiences, including those allowing access to fresh produce such as seafood tours, vineyard visits, and activities like cooking classes are popular inclusions, highlighting Australia's abundant and quality produce.
- » Direct selling, Fast Moving Consumer Goods, Information Technology/Technology, finance/insurance, pharmaceutical, Chinese beverage brands, automotive and manufacturing are the key industries for outbound incentive groups from China.
- » 'Weishang' - online start-up micro-businesses managed via personal WeChat accounts, are growing in number and value and provide new opportunities for Australia. Incentive groups are generally between 500 and 3,000 people and tend to have short lead times – from three to six months.
- » There are currently over 90 Chinese government-approved direct-selling companies in China. Demonstrating Australia's appeal, approximately 40% of these companies have travelled to Australia at least once on an incentive program.
- » Beijing, Shanghai and Guangzhou continue to be key markets for Australia. Nanjing, Tianjin, Chengdu, Xiamen and Qingdao are also growing in significance for incentive business opportunities.
- » Requests for quotes for an incentive program may originate from the company directly, from an incentive agent in China or an Inbound Tour Operator in Australia (see China Business Events Distribution System for details).
- » Incentive destinations are generally announced within one year from the proposed travel date to allow enough time for promotion of the trip to staff and to inspire them to increase their performance to qualify.
- » Chinese companies will budget for their next incentive trip based on the previous year's profit. This can affect budgets for future, confirmed incentive programs and inclusions. Delegate numbers will also fluctuate depending on the final number who qualify to attend.
- » Large-scale incentives of over 2,000 people often begin the seeking potential destinations up to two years out, however, may not contract until six months from the departure date.
- » Some direct selling incentive programs can have up to 10,000 delegates. Groups this size are generally open to splitting the group to travel in several smaller waves if required (delivering the same itinerary), for example to visit smaller or regional destinations.
- » Key Australian destinations for large-scale incentive events continue to be Sydney, Melbourne and the Gold Coast, however Cairns, Adelaide, Brisbane and Perth are increasingly being considered as companies look for new destinations or arrange repeat visits to Australia.
- » Incentive program event sizes vary between industry sectors. IT and finance average around 70-200 people; micro-business around 500-1,000 people; healthcare around 200-500 people; direct selling around 500-2,000 people.
- » Incorporating corporate social responsibility (CSR) elements into an incentive program is a continuing trend in China as companies look to provide legacy benefits to host communities and inspire their staff. Environmental initiatives such as tree plantings, visiting animal recovery programs or building wildlife shelters are popular choices for CSR activity.
- » Cruises are currently an attractive option for Chinese incentive planners, offering the advantages of a variety of destinations, food and beverage, entertainment, activities and team-building within one 'place' and being cost effective against destination-based programs.
- » Competition for incentive business continues to grow in China with destinations including New Zealand, UAE (Dubai and Abu Dhabi), Canada and the USA (particularly Hawaii) active in the market.
- » Some competitor destinations are also easing visa requirements and costs for Chinese incentive groups, providing them with significant cost savings and improving their offer. Cost-free and/or multiple entry visas can significantly lower the cost of travel for groups.
- » The association sector is changing in China, with the Chinese government continuing to focus on the development of associations as viable commercial enterprises. Chinese associations are being encouraged to reform to new business models, and Tourism Australia is keeping a watching brief on this development, to ensure opportunities for Australia are fully realised.

CHINA BUSINESS EVENTS DISTRIBUTION SYSTEM

- » In China, business event planners are known as Meetings Incentive, Conference, Events (MICE) Agencies. Most agencies are divisions of large travel management companies.
 - » Large online travel agencies such as Ctrip, Tuniu.com and JD.com have invested in business events divisions and have successfully targeted smaller, premium incentive groups of 100 to 300 people.
 - » An Inbound Tour Operator (ITO) is an Australian-based business that provides itinerary planning and coordinates the event program within Australia on behalf of their overseas clients. This includes accommodation, tours, transport, functions and meals. ITOs can have offices in both China and Australia.
 - » It's important to note that the Chinese travel distribution system is highly regulated by the Chinese government.
- ### MICE agencies
- Key agencies in China include:
- » Bravolinks Integrated Marketing Co. Ltd / China CYTS MICE Service Co. Ltd
 - » CITS International MICE Company
 - » CTS MICE Service Company (merged with CITS International MICE Company in March 2019)
 - » Comfort International MICE Service Co.
 - » UMICE International Travel
 - » Ctrip MICE

Inbound Tour Operators (ITOs)

Key Australia-based ITOs include:

- » A-China Travel Service
- » Auga Travel
- » Australian Tours Management
- » Encounter Australia Pty Ltd
- » Equity Travel
- » Eversun Tours & Travel
- » Experience Tours Australia
- » PTC Express/Mandarin Travel
- » Aus Highway Travel

PLANNING A VISIT TO MARKET

- » Tourism Australia encourages the Australian industry to undertake trips to China to develop their knowledge of the market and recommends contacting the in-market BEA team to gain relevant insights.
- » The Australian business events industry is encouraged to join Tourism Australia's distribution development activity in China and to organise additional sales calls during this time in order to maximise visits.
- » Your product information should be tailored to the Chinese market and be translated or created in Simplified Chinese. It is also recommended that business cards are in both English and Simplified Chinese
- » The main form of digital communication in China is WeChat for both business and personal communication so it is recommended you establish a WeChat account to directly communicate with Chinese customers.
- » There are no peak or off-peak seasons for sales calls in China, however it's advisable to avoid the month before Chinese New Year, any Golden Week Chinese public holidays plus the months of May/June when incentive groups tend to travel. These are usually the busiest period for agencies and corporate decision makers.

KEY BUSINESS EVENTS TRADE ACTIVITY

Event	Location	Date
Business Events Australia Greater China Showcase	Shanghai, China	24 to 26 September 2019
Business Events Australia Seminars	Beijing, Shenzhen, Chengdu, Shanghai, Qingdao, Changsha and Xiamen	July 2019 to June 2020

The Business Events Australia Greater China Showcase, provides the Australian industry with the opportunity to meet and do business with qualified buyers and media.

Other activity in market throughout the year includes distribution development activity and engagement events that demonstrate why there is nothing like Australia for business events. This includes Best Partner Programs, training seminars for business events agents and sales calls.

As part of its distribution activity, Tourism Australia also conducts educational visits to Australia from the China market.

For more information on any of these trade activities, contact bea@tourism.australia.com

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