

**The Luxury  
Conversation**



*Abridged version only -  
for the full report, visit  
[luxuryconversation.com](http://luxuryconversation.com)*



*Next-Gen Luxury Travellers:  
Affluent Chinese Families*

*Oct 2018*



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Chinese luxury travellers are changing the global travel market – and this is only the beginning; in the next decade an estimated 100 million new passports will be issued in China.

Behind the enormous numbers, businesses need to gain accurate understanding of this all-important customer. What are their preferences and motivations? What are their evolving views on luxury? How can you connect with them?

Our latest research report, in partnership with ILTM, takes a deep dive into Luxury Chinese Millennials, and specifically how they travel as families.

Born after 1980, Chinese Millennials are growing up. These affluent, luxury-loving consumers not only love to travel – but they are now parents with young children. The decades-long one-child policy and unique socio-cultural factors have concentrated the focus of parents and grand-parents into raising the 'little emperor' of the family.

Our survey of over 400 affluent families across China has found that the “luxury little emperors” now play the key role in steering travel destinations: both in terms of experiences, destinations and hotel choices. As just one example, we were amazed to discover that organic menu options for children in hotels were a key decision-defining factor.

We hope you enjoy this abridged version – please visit [luxuryconversation.com](http://luxuryconversation.com) for the full report.

Best wishes,

*Chloé Reuter*

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# Family Life:

## *The New Luxury*



The luxury holiday-making, or traveller 'affluency' of our respondents is made clear by their ability to largely spend over 3,000 RMB (500 USD) per night on accommodation. With this segment of respondents, we look at broad, general behaviours and preferences, before diving deeper into specific expectations and levels of importance.

To the questions 'where do you plan to travel' and 'where do you believe is most family-friendly', Australia and New Zealand were notably popular responses. This is in line with the segment's trending preference for adventurous, outdoorsy and 'wild' travel – with Canada also newly marked as high on the list of places they plan to go to. It also shows eagerness to travel further than they have done recently.

France also remains high in popularity – and what do France and Australia have in common? Wide, sweeping vistas – and wine. With wine booming in China, both tourism boards cleverly emphasise the heritage, culture and sophistication of their wine as both a direct import and impetus for travel, and discovery. The top 3 places in plan to travel to in 24 months were Australia, France and Canada.

Almost 70% spend over 3000 RMB a night on accommodation (the mean spend per night is 5265 RMB - 750 USD)



# Where have you travelled to with your kids in the last 12 months?

# Luxury Emperors

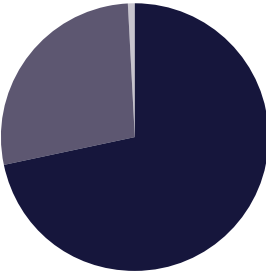


‘Little Emperor Syndrome’ is a famous aspect of China. Due to a cultural hot pot of the one-child policy, a massive population creating scarcity and competition, and with a history of large, doting family circles, the child has always been the ‘leader’ of the family in many ways. With relatively newfound (and enormous) wealth, the child is now seen to also deserve only the very best.

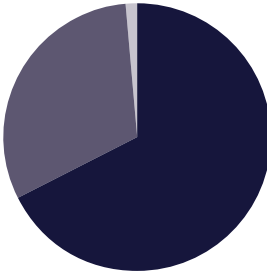
Holiday choices are made very much with looking at the destination’s and the hotel/resort’s child-friendliness, but much more than that, the real quality of what is being offered.

After the general ‘safety’ and ‘duration of holiday’, ‘child-friendly activities’ was the top choice of our respondents in impacting their travel choice.

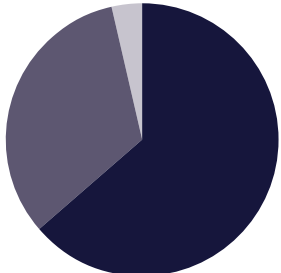
Looking specifically at the kids’ club, aside the babysitting service that a parent of any nationality may treasure, there were strong demands across the gamut of kids clubs possibilities – in other words, they want it all.



*Kids club:*  
**71.8%**



*Kids menu:*  
**67.6%**



*Local experiences/activities:*  
**66.1%**

# When choosing a hotel for family travel, how important are the following?

- Very important*
- Moderate important*
- Not important*

# Fliggy Is The New App

*for Affluent Chinese Parents*



WeChat and Weibo are known as the 'big two', with WeChat having so far dominated in terms of brands' content of every type: via big-name media official accounts, via their own official account, travel agencies, KOLs and bloggers, and of course friends' own posted Moments – not to mention that the payment for anything under the Sun is done by WeChat wallet.

Not only beating Ctrip and fellow review app Mafengwo, Fliggy is dominating all forms of information and learning on travel – both generally and for family content. Fliggy (FeiZhu or 'flying pig') is Alibaba Group's travel app, which gives it obvious promotional power, as well as being able to offer indirect travel shopping by syncing up with Tmall (also under Alibaba).

Fliggy is focused on collaborations to give its users even more value, such as by partnering with Singapore Airline's Krisflyer mileage points programme and more. Fliggy does not specifically position itself as a luxury app, yet our affluent respondents show a clear preference for it in terms of research and information.



*Browsing Fliggy application, website or WeChat*



*Through WeChat and/or Weibo posts of friends/family/other parents*



*Reading brand or business (not travel agency/booking service)  
WeChat and/or Weibo Official Account/Mini Program*



**How do you typically get information about destinations and travel products (airplane tickets and hotels) for travel with your child?**

# Hyper Connected Travellers

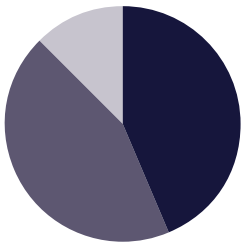


China is absolutely pioneering digital developments. Cash is as good as obsolete in the country, and brands of all types are already using VR, AR, AI and next-gen technology, from payment by facial recognition and more. Entire provinces are already connecting personal ID with WeChat, with people's driving licences and such being held digitally. Use of personal devices is mobile, and WeChat is the internet. A brand's WeChat mini-program is its website, CRM, booking system, loyalty program app and more.

Preferences from our affluent respondents make it clear that a destination or resort, even outside of China, needs to have strong digital and WeChat integration. Among the preference for all things WeChat-related, over 60% even considered mobile-controlled lighting and in-room features as 'very important'.

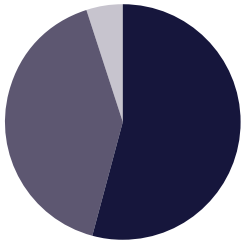
When hospitality brands talk about connectivity, they need to realise that Chinese guests already experience an absolute seamless connectivity in their daily lives already, and expect the same digital thread to be sewn as they visit high-end overseas properties.

# When choosing a hotel for family travel, how important is it that the property has a:



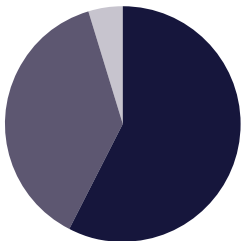
## *WeChat mini-program*

|                       |       |
|-----------------------|-------|
| Very important:       | 43.8% |
| Moderately important: | 43.8% |
| Not important:        | 12.4% |



## *WeChat customer service*

|                       |       |
|-----------------------|-------|
| Very important:       | 54.2% |
| Moderately important: | 40.8% |
| Not important:        | 5%    |













## *WeChat loyalty program*

|                       |       |
|-----------------------|-------|
| Very important:       | 57.7% |
| Moderately important: | 37.6% |
| Not important:        | 4.7%  |

# Big Data:

## *Consumer Sentiment*

Complementing our consumer survey, we collaborated with Go Capture on big data analytics. They gathered data from China's major OTA apps - Ctrip, Qunar, TuNiu, Yilong, Tongcheng - as well as Fliggy, WeChat and Weibo. Of the various analyses that Go Capture carried out, one aspect was looking at sentiment data of particular country destinations to gauge regional differences. When searching for 'family travel', aside the usual 'price' and 'room' search inputs, what were the further popular search terms? For big data analysis and travel KOLs ranking by Go Capture, read the full report on [luxuryconversation.com](http://luxuryconversation.com)

|   |   |
|---|---|
|    | Australia - Activities & recreation                 |
|    | Germany - Entertainment & fun                       |
|   | Russia - Food options in the hotel                  |
|  | France - Shopping near the hotel                    |
|  | South Korea - Hotel amenities                       |
|  | Canada - Outdoor activities & food near the hotel   |
|  | Malaysia - Hotel design & style                     |
|  | U.S. - Entertainment & online booking options       |
|  | Japan - Hotel style & atmosphere                    |
|  | Thailand - Shopping and nearby dining options       |
|  | Spain - Hotel style & nearby dining options         |
|  | Singapore - Activities & recreation                 |
|  | New Zealand - Food options in hotel & room style    |
|  | Italy - Food options in hotel & food options nearby |
|  | UK - Tour guide & shopping nearby                   |

# About

## *The Luxury Conversation*

The Luxury Conversation – an initiative by Reuter Communications – is created to inform, connect and showcase the issues shaping the luxury industry in China and Asia. We are about people, content, events, insight and thought-leadership.

The Luxury Conversation delivers inspiring content and insights which help brands make smarter business decisions.

Partnering with The Luxury Conversation is a unique opportunity for your brand to gain visibility with a high quality audience across the world.



### **Content**

Regular updates sent to over 10,000 executives in brands, agencies & media



### **Events**

A range of exclusive events in cities around the world & in China



### **Research & Reports**

Co-branded insights published by international media & sent to our audience

# About

## Reuter: Communications

We are a luxury intelligence, digital, communications and marketing agency connecting luxury brands and businesses with Asia's affluent consumer. We help luxury businesses understand, engage and sell to Asia's growing class of luxury consumers through innovative, insight-led, digital communications and marketing solutions.

With offices in Shanghai, Hong Kong, Dubai and Singapore we deliver campaigns across Asia.

## Reuter: Intelligence

Reuter: Intelligence is the research and insights arm of Reuter Communications.

By harnessing insights from qualitative and quantitative research as well as big data, Reuter: Intelligence specialises in consumer understanding, market landscaping, market entry and strategy, and trends.

We have a proprietary panel of Chinese luxury consumers in addition to an established network of partners, which allows us to handle smaller and larger scale projects in China and Asia.

# About



## Digital & Social

Digital is an integrated part of our business, from setting up new digital platforms and ecosystems for clients, to rolling out engaging digital and social campaigns.



## Public Relations

PR is in our DNA; we've built relationships with all the key online and offline media in China and Asia.



## Influencer Management

We engage with leading luxury and lifestyle influencers, driving content to commerce for tangible results.



## Events & Experiences

We plan and manage events of all shapes, sizes and needs.



## Creative & Content

Our team of in-house creatives develop ideas, direction and content.



## Partnerships & Alliances

Our network reach allows us to help brands identify and forge new partnerships and alliances.

# Methodology

Reuter: Intelligence conducted a quantitative survey of 404 affluent Chinese millennial parents in partnership with MobileMeasure. The online survey was fielded among respondents aged 18 to 38 who had at least one child and a combined minimum monthly household income of RMB50,000. The research covered the cities of Beijing, Shanghai, Guanzhou and Chengdu. Fieldwork was conducted in September 2018. Our data analysis is robust and all findings reported are statistically significant to a 95% confidence level.

Big data analytics was provided by Go Capture. We identified the top search terms co-mentioned with 'family travel' and 'family holiday' across the top online travel aggregator (OTA) sites and reported sentiment by count and % rate. Non-travel social platforms Weibo and WeChat analysis included posts and articles by count and % rate. We also selected all key terms specifically co-mentioned with selected 'destinations' + 'family' +/- 'travel' / 'holiday' across the key OTA platforms. Buzz share results were reported. All data was for 12 months.



**Go Capture** ([www.go-capture.com](http://www.go-capture.com))

*Go Capture (GC) is a smart people business, experts in providing applied big data analysis for some of the world's largest brands. They aid and define critical business thinking and tactical market plays by having an in-depth understanding of the Chinese consumer, based on crunching data on a massive scale.*



**MobileMeasure** ([mobile-measure.com](http://mobile-measure.com))

*Headquartered in Shanghai, MOBILEMEASURE started as a Mobile Market research service and has rapidly evolved into a full service digital market research service with mobile consumers at its core. Focused on consumer engagement solutions, its highly intuitive mobile + web survey platform cover both quantitative & qualitative methods.*



**ILTM** ([www.iltm.com](http://www.iltm.com))

*Each ILTM event introduces an unrivalled selection of luxury travel brands to ILTM's extensive network of hand-picked luxury travel advisors, through bespoke appointment programmes and networking sessions.*

*Alongside the global flagship events in Cannes and Asia Pacific, ILTM has four core local events; ILTM Arabia, ILTM China, ILTM Latin America and ILTM North America, as well as one specialist event; ILTM Africa.*



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