

Market insight



CHINA

Analysis of tourist profiles, traveler flows, transportation and target groups

April 2019



ÍSLANDSSTOFA
PROMOTE ICELAND

Market profile

Economy

Real GDP Growth



GDP per capita



Consumer price inflation



Population



Travel & Tourism

GLOBAL

Total Outbound Trips



Average spend per trip



ICELAND

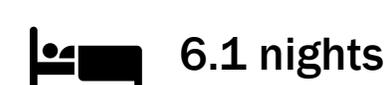
Chinese visitors to Iceland 2018



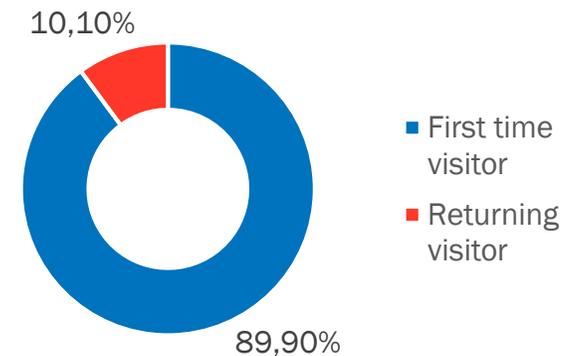
Share of guest nights



Average length of stay



Likelihood of return visit



All year direct flights

At the moment there are no direct flights between China and Iceland.

All major cities in China are reachable from any major airport in Europe.

Finnair has 7 connections from Helsinki but is only no 10 in seat capacity.

All major European airlines fly into Beijing and Shanghai

Of the 30 routes launched in 2018, only three were introduced by European carriers, with the rest originating from China.

Of the routes launched 2018, 21 were from cities that are classed as second-tier cities in China.

2018 there were 128 unique airport pairs linking China and Europe, with this having grown from a total of only 36 in 2009, meaning the route count between the two regions has risen by 256% in the past 10 years..

Europe-China market 2009-2018
Annual two-way seats (millions) and year-on-year growth



Top 12 airlines between Europe and China

Two-way seat capacity offering in 2018
(Seat capacity change 2018 vs 2017)



Seasonality

China has a slightly different pattern of arrivals in Iceland than others. As there is no direct flight there is not the issue of connections opening seasonally. They are arriving more in the winter than others due to two factors. They are very interested in the Northern lights and the long holiday for the Chinese new year in February

COME DURING

SUMMER: 34%

(JUNE - AUGUST,
ALL MARKET AVG 35%)

WINTER: 40%

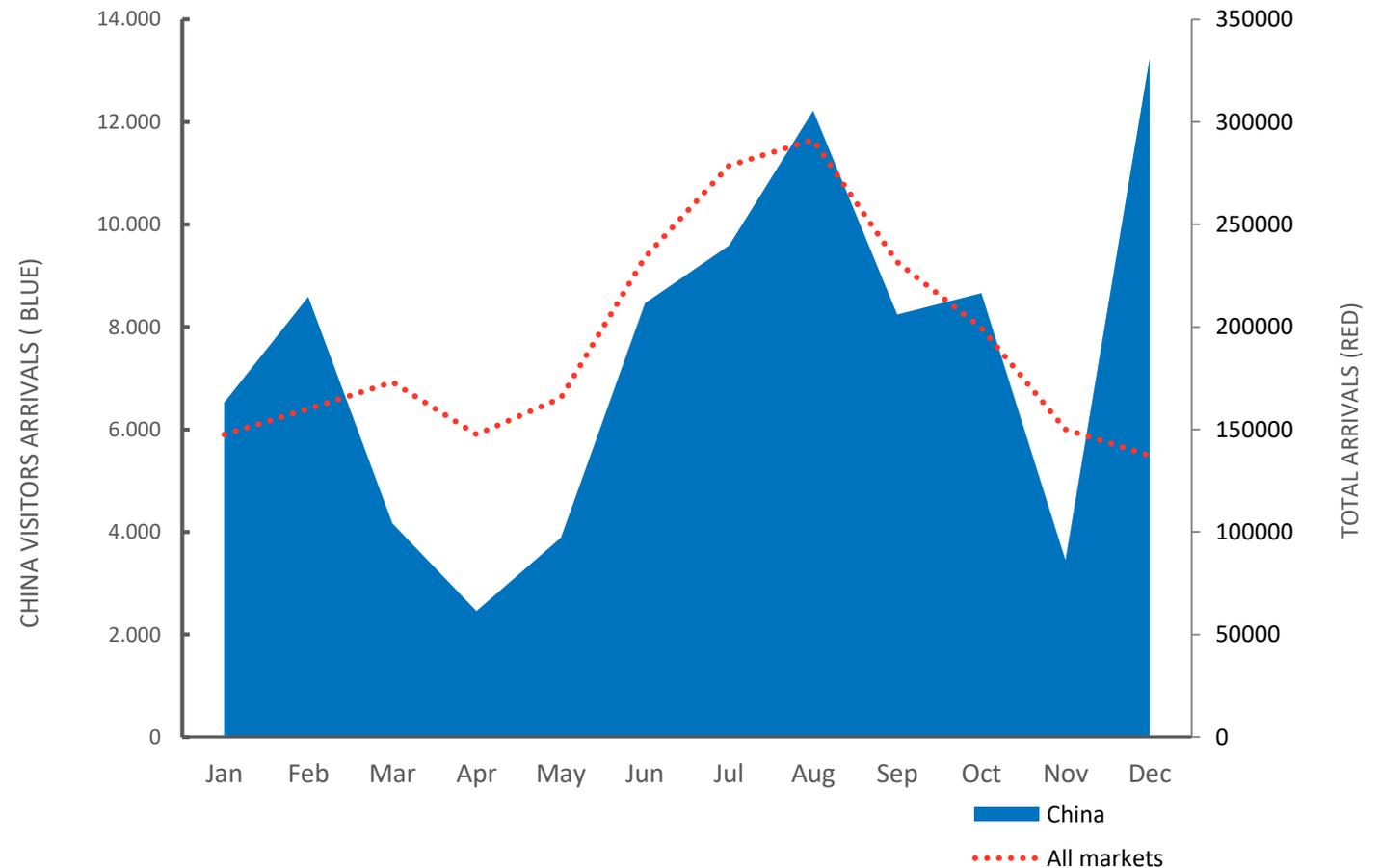
(JAN - MARCH, NOV - DES
ALL MARKET AVG 33%)

SPRING: 7%

(APRIL - MAY,
ALL MARKET AVG 14%)

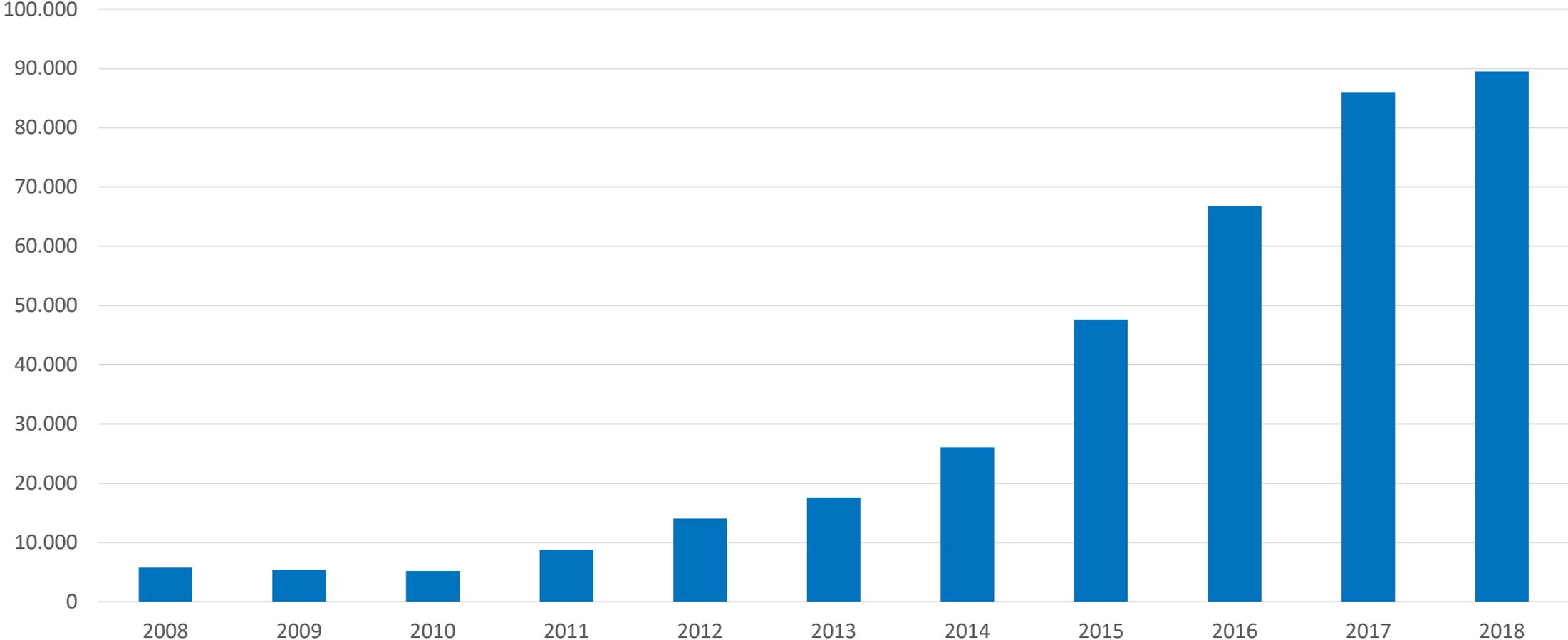
AUTUMN: 19%

(SEPT - OCT,
ALL MARKET AVG 19%)



Arrivals over time

Visitor arrivals from China



Source: Icelandic Tourist Board

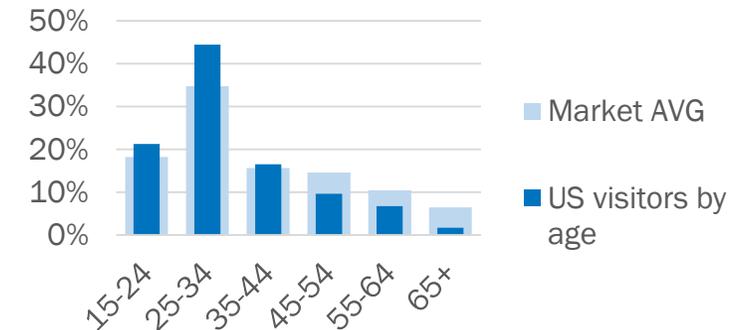


Traveler profile

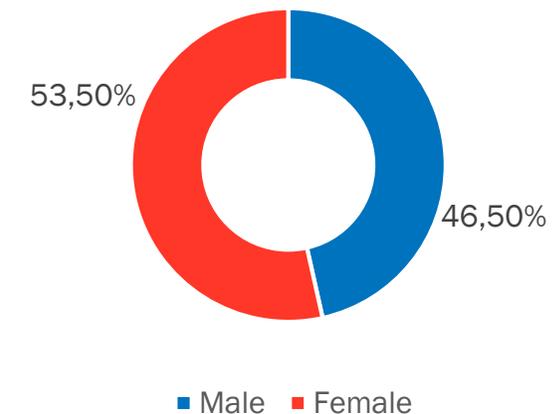
- Tourists from tier-1 cities dominate international travel. Travelers from cities such as Shanghai, Beijing, and Chengdu tend to be more experienced; as they travel more, their demands are becoming more refined and they prefer to travel independently.
- Outbound travel from secondary cities in China is growing rapidly, as more air routes are inaugurated, connecting such cities to the rest of the world. The majority of people from tier-2 cities in China are first-time travelers and prefer to travel in groups.
- Europe is the second most visited region by Chinese visitors; however, it accounts only for 9.6% of outbound travel.
- The Chinese New Year, or Lunar Year, usually takes place between the end of January and mid-February and it is traditionally the most popular period for Chinese holidaymakers, with a total of 320.7 million domestic and international trips taken in 2017.

- October is the second most popular month for traveling in China because of the Golden Week, a seven-day national holiday commencing on October 1 of every year
- In the last two year the length of stay has increase considerably.
- Iceland is perceived as a adventure destination and not a short stop amongst Chinese travelers.
- Chinese visitors are considerably younger compared to other nationalities that visit Iceland with 44,5% of visitors in the 25-34 year age group (28% above average).

Chinese visitors by age



Chinese visitors by gender



How to Attract Chinese Tourists

• Invest in technology

- Destinations with high numbers of Chinese visitors must invest in Wi-Fi in public places, as it is very important for tourists from China to stay connected and communicate with friends and relatives when far away from home. Most importantly, the development of digital platforms and apps that allow Chinese visitors to find information about a destination, check-in, amend their booking, and receive live information about their flights is much valued by Chinese travelers.

• Hire Mandarin-speaking personnel or translate content to Mandarin

- Companies who predominantly target Chinese tourists must hire Mandarin-speaking staff and translate content, including marketing brochures and websites, into Mandarin. Often, language barriers deter Chinese consumers from traveling independently abroad. Instead, they seek travel as part of a group, since Mandarin-speaking guides offer them a sense of security and convenience. However, even for English-speaking tourists, interacting with personnel in their own language and finding information in Mandarin makes them feel more welcomed in a destination, ultimately creating a better travel experience.

• Invest in social media

- Given that Chinese millennials are a leading force driving outbound tourism, tourist players must capitalize on the unparalleled influence of the internet and social media on their everyday lives. For instance, WeChat, with over one billion active users, is integrated into the lives of Chinese people. Tourism boards, airlines, hotels, tour operators, and other industry players wanting to lure Chinese tourists must capitalize on the social app to effectively raise brand awareness and engage with consumers on their own terms.



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Promote Iceland aims to enhance Iceland's good image and reputation, to support the competitive standing of Icelandic industries in foreign markets, to attract foreign tourists and investments to the country, and assist in the promotion of Icelandic culture abroad.

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