

TRAVEL AND HOSPITALITY

Golden Week's bookings increase reconfirms Chinese interest in European travel

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Image courtesy of Saks Fifth Avenue

By JEN KING

Despite concerns of terrorist attacks, Chinese travelers are booking European trips to celebrate the Year of the Rooster, according to a report by ForwardKeys.

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Tourism to Europe declined significantly in 2016 due to continued security anxieties, but the dates surrounding Chinese New Year, which falls on Jan. 28 this year, hint that interest in European destinations is on the mend. ForwardKeys' "[Chinese New Year International Travel Outlook 2017](#)" report found that bookings to Europe are ahead 68.5 percent compared to a 7.4 percent decline in visitors a year ago.

"Europe has an enormous amount of culture and it is all close at hand," said David Tarsh, spokesperson for [ForwardKeys](#). "But, what we are seeing is that there seems to be a trend of Chinese being more adventurous in terms of the parts of Europe they are willing

to travel to.

"More simply, there's more to Europe than Paris," he said. "We had dreadful events that impacted France, Belgium and the surrounding areas that have subdued the Chinese market. Now, we're seeing good growth in other parts of Europe such as Spain, which is seeing very healthy growth due to its being perceived as safer."

ForwardKeys is a travel intelligence company that monitors future travel patterns. Each day, ForwardKeys analyses 16 million flight reservation transactions.

Bookings for the new year

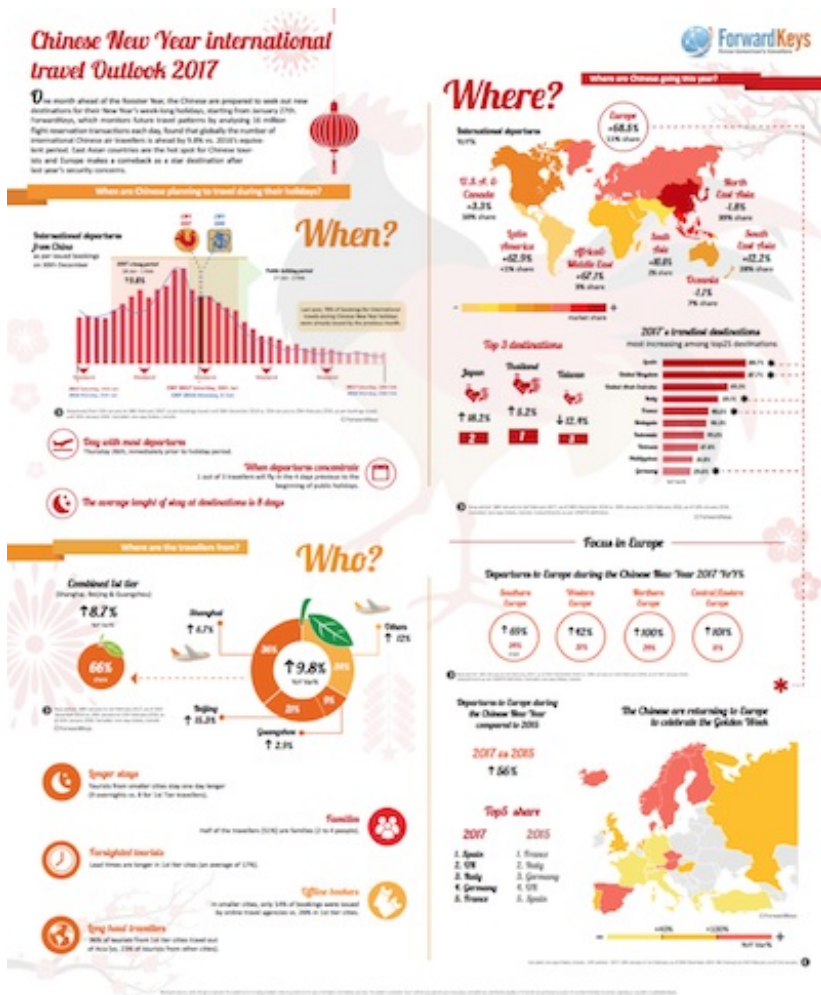
Although bookings have increased 68.5 percent, ForwardKeys cautions that this may not reflect a return to post-terrorism level interest, because the flight reservations may have been placed earlier than the year-ago.

But, when ForwardKeys looked at 2015, prior to recent terrorist attacks in Europe, notably within France, bookings are 56 percent ahead. During the equivalent 2015 period, destinations in Northern, Central and Eastern Europe saw the greatest gains in popularity.

When looking specifically at Chinese tourists, ForwardKeys found that international Chinese flight bookings have increased by 9.8 percent between Jan. 18 and Feb. 1, dates corresponding with Golden Week Jan. 27 to Feb. 2.

With an average stay of eight days, most departures booked for Chinese New Year are within four days of Golden Weeks' dates. Chinese New Year vacations are also, understandably, a family affair, with 51 percent of travelers going abroad with up to four family members.

Popular European destinations for trips abroad for the new year include Spain—the fastest-growing Chinese New Year destination—the United Kingdom and Italy.



ForwardKeys' Chinese New Year International Travel Outlook 2017 infographic

Interest in Spain and France has flipped since French cities have been targeted by terrorism in recent months. In 2015, France was the most sought-after European destination, with Spain being listed fifth. 2017's bookings show the reverse, with an 89 percent increase in interest for Spain.

Although France has seen lowered interest, the country is still ahead 49 percent in bookings for 2017. Turkey, though, has not fared the same, due to numerous terrorist attacks, most recently the Istanbul nightclub shooting on New Year's Eve. Turkey's security concerns have put the country behind 14 percent.

ForwardKeys' research also analyzes in-country departure locations for Golden Week. Chinese tourists from first-tier cities such as Shanghai, Beijing and Guangzhou are 36 percent more likely to travel than second-tier city residents to travel beyond Asia.

Second-tier, smaller cities in China are poised to see an increase in outbound travel, growing to represent 34 percent of international trips.

Chinese residents will make 90 million outbound trips in 2020, with that number increasing by an additional 36 million over the following decade, according to a March 2016 report by Euromonitor.

As reported in "How to Target Chinese Shoppers Abroad," outbound trips have increased on average by an impressive 13 percent since 2000, helping China overtake Japan as the

second largest consumer market in 2011. With the significance and size of the Chinese tourist market only projected to swell, brands will need to develop a more nuanced understanding of the market in order to reach consumers ([see story](#)).

"Yet again, we see that Chinese traveling abroad for the New Year is a driver of global growth, which is good news for business," said Olivier Jager, CEO of ForwardKeys, in a statement. "But the real news is that Chinese travel trends are evolving – Chinese travelers are becoming more adventurous; they are prepared to seek out new destinations.

"What's also interesting is the return to Europe, demonstrating tourism's resilience to the terrorist threats that impacted the region last year," he said.

Close to home

Europe is not the only destination the Chinese have an interest in for their Golden Week vacations.

ForwardKeys found that Southeast Asia is also a popular destination for Chinese travelers during New Year celebrations. Southeast Asia as a whole is currently ahead 12.2 percent in yearly growth, and by country Malaysia leads by 46.3 percent.

Top destinations include Indonesia, Vietnam, the Philippines, Thailand and Japan.

Nearly 80 percent of affluent Asian consumers plan to increase spending on travel, according to a June 2016 report from Agility Monitor.

While it is no big secret that spending and travel are on the rise in China and elsewhere in Asia, consumers nonetheless plan to stay regional, with Hong Kong, Tokyo and Osaka, Japan being the most popular destinations among all affluent Asian travelers. While some preferred destinations are already luxury hubs, others offer opportunities for brands to be among the first shopping destinations in the locale ([see story](#)).

"If you look back over any number of years, the Chinese market has been growing very significantly in outbound travel," Mr. Tarsh said on behalf of ForwardKeys. "Of course in a country of 1 billion people, only a small proportion are travelers, but the future potential is substantial.

"When looking at flight capacity, along with healthy outbound growth, there's more flight capacity coming on," he said. "Once an airline decides it wants a route, it does not want it to be an empty route. You can look at capacity data and it is increasingly healthy from China, and has been consistently so.

"If you look at Chinese economic growth, it is still growing, it was 8 or 9 percent and it is not as fast as it was but it is faster than anywhere in the West. People are becoming more affluent and passing the threshold at which they can travel abroad."