

TRAVEL AND HOSPITALITY

## China's outbound tourism potential after the coronavirus issue is tackled

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While the coronavirus has temporarily derailed life as we know it for the Chinese, the numbers boggle the mind when we talk about outbound Chinese tourism, the proliferation of zeros after outbound statistics and the tripling and quadrupling of it all as we look forward into the decades to come.

Bear in mind that just 7 percent of Chinese citizens have passports, compared to 40 percent of Americans.

Ctrip CEO Jane Sun predicts that the number of Chinese passport holders will double to 240 million by 2020.

If the numbers hold true, in just over a decade the Chinese will account for a quarter of all international travel around the globe.

Numbers are game

Chinese travelers are perhaps the most significant consumers in a generation, shaping the tourism and retail industries, among others, for decades to come.

The benefits will quickly ripple outside of the gateway cities and across to lesser known cities and destinations as these consumers continue to develop and evolve at a breakneck pace.

Small wonder that the graduation from bus tours and guides to independent travel, road tripping and solo female travel has been breathtakingly swift.

In short, in less than a decade, Chinese travelers have gone from passive observers of the scene from the seat of a bus to active seekers of unique experiences.

Happily, they are ready to pay for it.

A Nielsen/Alipay study of 3,000 overseas Chinese travelers says that "for tourists who are generally well off, tourist attractions and the travel experience are more important factors than the costs."

Fifty-six percent said that beauty and uniqueness were key, while affordability was only fifth on the list. And well off

they are, particularly younger travelers, who have much more disposable income than their parents.

As they wander off the beaten path, Chinese travelers are also straying from well-worn patterns of consumption.

In an increasingly well-traveled and urban China, shopping loses some of its novelty for experienced travelers. Untamed nature calls.

Home truths

The growth of Chinese tourism is influential in other ways, too.

*China Elite Focus Magazine* says that "real estate investment in the United States is now the #1 reason and rarely stated in surveys for affluent and wealthy Chinese outbound travelers, as they have acquired over \$100 billion in U.S. real estate in 2016."

Curbed.com reports that on the West Coast of North America from Los Angeles to San Francisco and Vancouver in Canada, "Chinese visits also lead to real estate and business investment, and many parents make multiple trips to see their children, who are studying in American schools."

All of which means that essentially every destination large and small, five-star and insiders-only, obvious and obscure needs to have Chinese travelers on its radar, and there is almost certainly a Chinese tourism audience for virtually every destination.

ONE MUST also consider the growth of China's domestic market.

China's tourism infrastructure is growing by the minute, with the development of ski resorts and winter sports a matter of current national policy, and Airbnb is thriving in the country.

Even the price of luxury goods is coming down in China.

Ready or not, here they come once the coronavirus issue is resolved.

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