

BUSINESS EVENTS MARKET PROFILE

CHINA

OVERVIEW

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

Through an integrated trade and marketing strategy aimed at inspiring its target customers, BEA raises awareness and consideration of Australia's quality business events product offering and delivery of incentive events. Activity includes brand and content marketing, educational visits, trade engagement and 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 the year ending September 2016, China was Australia's largest inbound market in terms of expenditure and second largest in terms of visitation. In the same period, information based on the International Visitor Survey (IVS) tracked expenditure of AUD381m from 66,000 Chinese business events arrivals.

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

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

AVIATION UPDATE

New direct flights from south and west China to Australia are providing further opportunities for business events from Chongqing, Chengdu, Fuzhou and Xiamen. New services include:

Air China

- » Chengdu to Sydney three times a week
- » Shenzhen to Melbourne three times a week

Hainan Airlines

- » Xi'an to Melbourne twice a week
- » Changsha to Melbourne twice a week

Beijing Capital Airlines

- » Qingdao to Melbourne three times a week

China Eastern Airlines

- » Hangzhou to Sydney three times a week
- » Kunming to Sydney three times a week

China Southern Airlines

- » Guangzhou to Adelaide three times a week
- » Shanghai to Brisbane four times a week

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

WHICH AIRLINES² DO CHINESE VISITORS USE TO TRAVEL TO AUSTRALIA?

Airline	2015
China Southern Airlines	20%
China Eastern Airlines	14%
Cathay Pacific	14%
Qantas Airways	11%
Air China	9%
Singapore Airlines	5%
Sichuan Airlines	3%
Others	22%

AVIATION ROUTES FROM CHINA TO AUSTRALIA¹



Sources: 1. Department of Infrastructure and Regional Development, December 2015
2. Department of Immigration and Border Protection, December 2015.

BUSINESS EVENT INSIGHTS AND TRENDS

- » Australia continues to be perceived as an aspirational long-haul destination and benefits from being the closest Western destination to China in proximity, with excellent direct flight routes.
- » The Chinese incentive customer is developing and maturing, as travel becomes a more established part of Chinese life. In addition, repeat visitation to Australia by some Chinese incentive groups is driving demand – and expectations – for new, adventurous and unique products and experiences. Bespoke team building activities, unusual forms of transport and more creative theming and activations for gala functions are becoming the norm.
- » Australian food and wine experiences, including those allowing access to fresh produce such as seafood tours, vineyard visits, or team building activities like cooking classes, feature in many programs.
- » Direct selling, finance/insurance, healthcare and IT are the key industries for outbound incentive groups from China.
- » Competition for the incentive customer continues to increase with many destinations such as Dubai, Europe and the USA active in the China market.
- » Beijing, Shanghai and Guangzhou continue to represent the majority of opportunities for Australia. Over a third of direct selling companies in China, a key industry for outbound incentive groups, are based in these three cities.
- » Chinese companies will plan and budget for their incentive trip based on their previous year's profits, sales or revenue, which may affect budgets for incentive programs.
- » Large-scale incentives of over 1,000 people often begin consideration of potential destinations 18 months out, but may not contract until six months from the departure date.
- » Destinations are generally announced within nine months to 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 for the trip.
- » Requests for quotes for an incentive program may originate from the corporation directly, from an incentive agent in China or an Inbound Tour Operator in Australia (see China Business Events Distribution System for details).
- » Average event sizes vary between industry sectors. IT and finance average around 70-200 people; healthcare around 200-500 people; direct selling around 500-2,000 people.
- » Some direct selling events can reach sizes of up to 12,000 people and travel in several waves.
- » Key Australian destinations for large-scale incentive events continue to be Sydney, Melbourne and the Gold Coast, however Hobart and Cairns are increasingly being considered for smaller (70-200 people) events.
- » In 2016, 23 new direct selling companies, including cosmetics and health care brands, acquired operating licenses from the Chinese government, bringing the total number of official direct selling companies operating in China to 82.
- » Local cosmetic companies are also on the increase and offer good opportunities for Australia. Average group sizes are around 300 people with some groups up to 1,000 people.
- » Due to significant growth in incentive business opportunities from Nanjing, Tianjin, Chengdu and Qingdao, Tourism Australia has expanded its work to include these cities.
- » The association sector is changing in China, with the Chinese government announcing an initiative to decouple industrial associations from business councils and administrative institutions. Chinese associations are being encouraged to run commercial operations, including eventually hosting association events overseas. Tourism Australia is keeping a watching brief on this development, to ensure opportunities for Australia are fully utilised.

CHINA BUSINESS EVENTS DISTRIBUTION SYSTEM

In China, business event planners are known as Conference & Incentive or 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.

Conference & Incentive, MICE agencies

Key agencies in China include:

- » China CYTS MICE Service Company
- » CITS International MICE Company
- » CTS MICE Service Company
- » Grand China MICE Service
- » UMICE International Travel

Travel Agencies

Key agencies in China include:

- » Ctrip
- » New View
- » Swallow Travel
- » Tuniu

Inbound Tour Operators (ITOs)

Key Australia-based ITOs include:

- » Auga Travel
- » Australian Tours Management
- » Encounter Australia Pty Ltd
- » Equity Travel
- » Eversun Tours & Travel
- » Experience Tours Australia
- » PTC Express

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 trade activity program in China and to organise additional sales calls during this time in order to maximise trade visits.
- » 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 and the end of the calendar year, which are usually the busiest period for agencies and corporate decision makers.
- » Chinese incentive agencies welcome Australian industry providing a tailored training session for staff in their offices. It's advisable to work in collaboration with the relevant in-market convention bureau and Tourism Australia when organising and delivering these training sessions.
- » 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.

KEY BUSINESS EVENTS TRADE ACTIVITY

Event	Location	Date
Business Events Australia Greater China Showcase	Chengdu, China	19 - 21 April 2017
Best Partner Program	Various	Various

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

The Best Partner Program is a networking initiative that provides information on Australian destinations and business events products to corporate decision makers. The Best Partner Program is delivered by Tourism Australia in partnership with Australian industry active in market.

Other activity in market throughout the year includes engagement activity that demonstrates why there is nothing like Australia for business events. This includes sales calls and training seminars for business events agents.

As part of its trade 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

IN 2016, AUSTRALIA SECURED SEVEN AWARDS FOR BUSINESS EVENTS

- > Golden Chair Award from MICE for **Best International MICE Destination of the Year 2015**
- > TTG China Travel Awards 2016 for **Best Overseas NTO** in China promoting BT-MICE
- > Miracle Workers Award for **Best International MICE Destination**
- > Events Marketing China for **Best MICE Destination Marketing Campaign**
- > China Travel & Meetings Industry Awards for Business Travel & MICE for **Overseas Meeting & Incentive Destination of the Year (Long Haul) Award**
- > Meeting China Award for **Best Long Haul Destination** for Incentive Travel
- > Best Travel Award for **Best Destination for Promoting BT MICE in China**

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For more information please visit

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