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FY 20 China Market Wrap Up

1 July 2019 - 30 June 2020

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OFFICE OF TOURISM

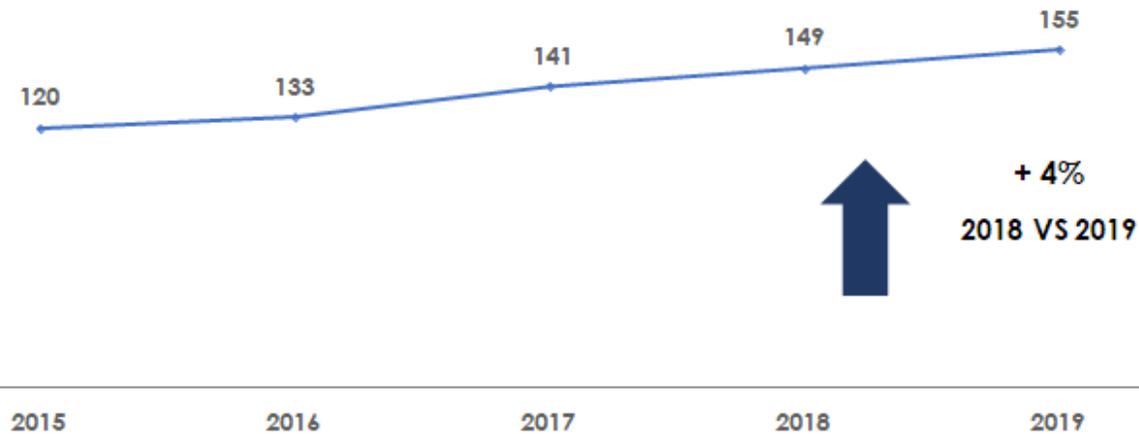
China Market Overview

- **Economy Size:** 2nd largest economy in the world in absolute size; largest economy in the world on a Purchasing Power Parity (PPP) basis; 20% larger than the U.S.
- **Key Gateways:** Beijing (political capital), Shanghai (economic capital), Guangzhou (industrial capital), Hong Kong (global gateway)
- **Economic Growth:** 6.9% GDP growth in 2019
- **Rising Disposable Incomes:** Disposable incomes in China grew 5.8% in 2019; upper-, middle-, & high-income classes are set to make up 30% of the population by 2030
- **Outbound Tourism market:** China now has the largest outbound tourist market and the number of travelers is growing at 7% annually.

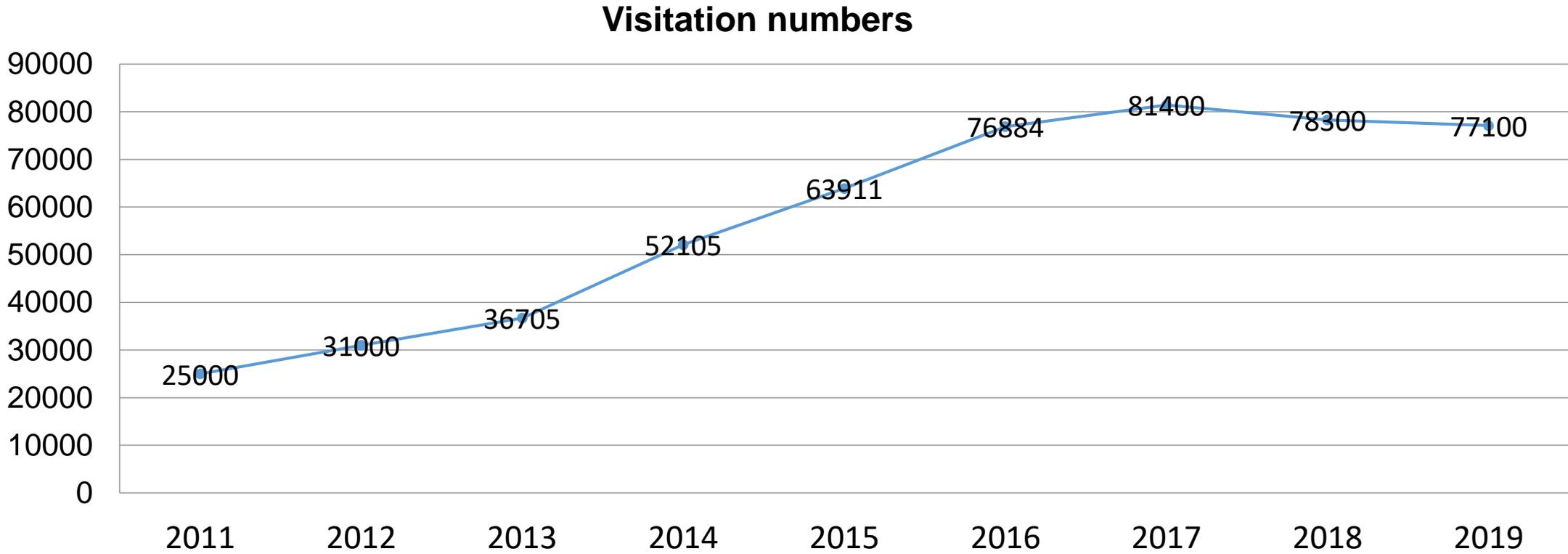
China Outbound Travel

- Chinese tourists made **155 million** outbound trips in 2019, up **by 4%** over the previous year.
- Chinese Urban Residents spending on traveling went up **by 11.6%** in 2019, faster than the growth rate of disposable income per capita(8.7%)
- Overseas travel will continue to grow significantly, increasing 80% into 2025 to 220mn trips.

Source: National Tourism Administration; Sohu.com; Ministry of Culture and Tourism of China, 10 March, 2020



Chinese Visitation to Arizona



Source: Tourism Economics, Longwoods International, Dean Runyan Associates

China Travel Trends

- Chinese outbound travel continues to grow in traveler numbers and trip frequencies
- Chinese outbound travelers are venturing further for long-haul destinations
- Young professionals with high income make up the major consumer segment
- 80% of travelers are searching for information about destinations online
- Online agencies continue to be the dominant booking channel
- Average spending per visit shows double-digit increases, with 35% of budget spent on shopping
- Sharing of travel experience through online platforms is increasingly popular
- Chinese consumers are moving from a price-based towards an experience-based choice model
- Chinese tourists are demanding higher quality services, and moving from traditional tour groups to individual experiences

Booming FIT & Luxury Travel

- In certain areas, FIT represents **40%** of China travel and is rapidly rising
- **Semi-FIT (air/hotel packages):** represents an additional 40% of the market
- **Booming Middle & Upper Class:** translates to booming luxury travel
- **Exclusive Travel:** demand is growing for 5 & 6-star hotels, limos, helicopter transfers, private tours
- **New Luxury Travel Agents:** all major China tour operators have created Luxury Travel subsidiaries

Beyond the Gateways

Converging factors: increasing travel experience, higher disposable income levels and greater sophistication are factors contributing to a new generation of more demanding Chinese travelers. They are no longer satisfied with cookie-cutter itineraries and **are traveling** beyond the gateways.

Been there done that, no more: Social pressure pushes sophisticated Chinese to “up” their peers and what were classic itineraries/destinations are no longer enough.

Attractive to the Trade: high-end Chinese travelers are less price sensitive – the higher costs of tailor-made travel beyond gateways, the more appealing they are to the Chinese travel trade who are only too happy to develop appropriate itineraries.

Opportunities for lesser-known destinations: the tailor-made itinerary trend provides major opportunities for lesser-known destinations or smaller attractions to capture their share of the lucrative Chinese outbound travel market.

Media Trends

- Multiple categories of media channels have significant influence within the travel category.
- Print media also boasts many platforms, e.g. website, Weibo, WeChat, APP, etc.
- Short video is a fast growing phenomenon.
- Content is becoming personalized and customized.



Toutiao's advanced AI algorithm learns consumer preference and precisely direct push content to their mobile devices. These "interest based information streams" completely subverts the model of "using a search engine to find content".



Douyin/Tik Tok is reducing consumers' time spent on Wechat. The rise of Douyin KOLs are also reducing the influence of WeChat official accounts.

Social Media

Increasing diversification of user platforms and consumer demand



Positioning: Connecting a billion people with calls, chats and more.

MAU: More than 1 billion

Official Accounts: 10 million



Positioning: Hot spot birthplace, containing and connecting everything.

MAU: More than 0.5 billion

Vertical field: 55+



Positioning: A short video sharing platform to record the good life.

MAU: More than 0.5 billion

Content: KOL+UGC



Positioning: The community for young people's lifestyles sharing.

MAU: More than 0.15 billion

Content: KOL+UGC

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AOT Social Media Channels

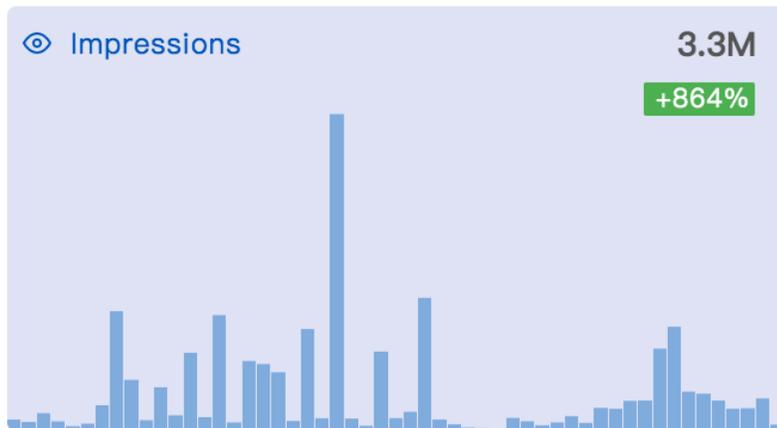
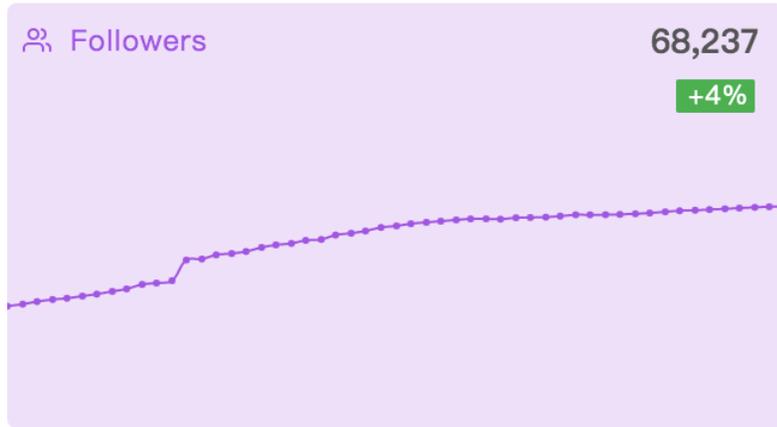
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Arizona Weibo Overview

01 Jul 2019 – 30 Jun 2020 (Weekly)

The Visit Arizona Weibo account gained a total of 2,759 Followers in FY20

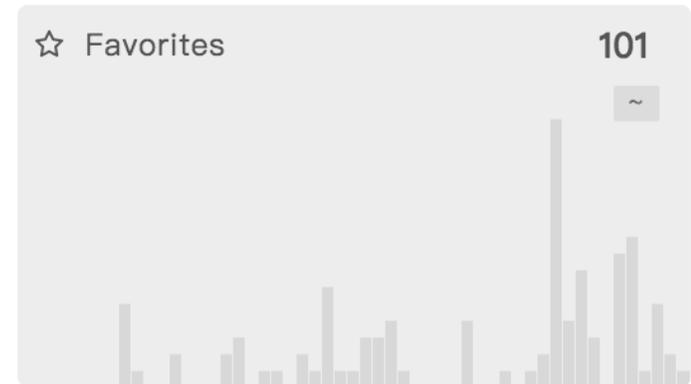
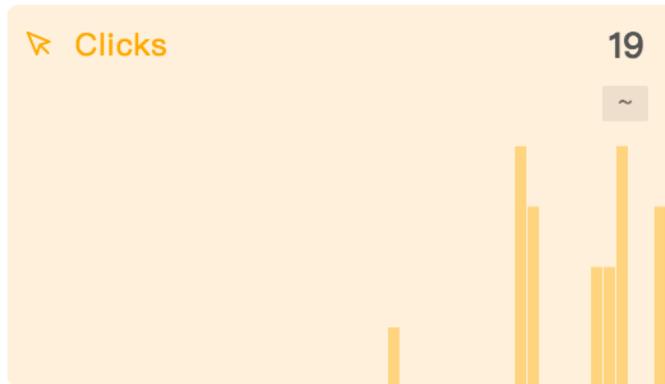
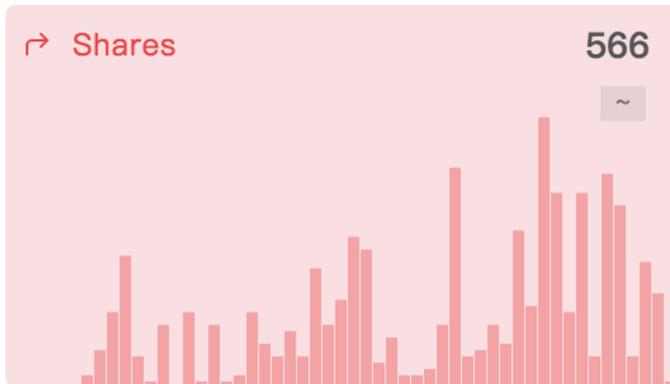
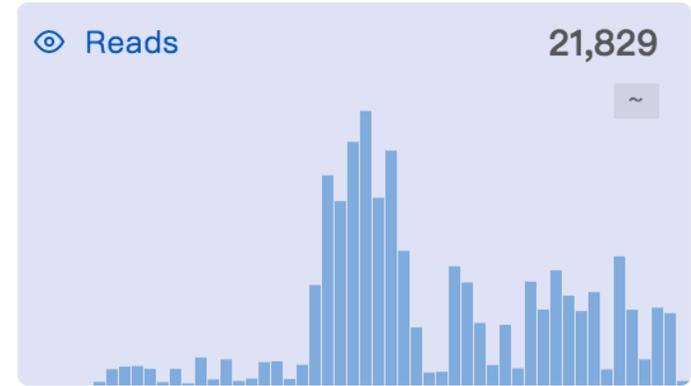




Arizona WeChat Overview

01 Jul 2019 – 30 Jun 2020 (Weekly)

The rebranded Visit Arizona WeChat account launched in August 2019 and accumulated 3,660 followers by the end of FY20



Best Performing Posts in FY20

- List of experiences typically perform better rather than single destination
- Readers seek unique experiences off the beaten path



**Two Wheeled Touring:
Cycling in Arizona**

Read 773 times
Shared 11 times
1/18/2020



**COVID-19 Public
Announcement**

Read 657 times
Shared 21 times
2/27/2020



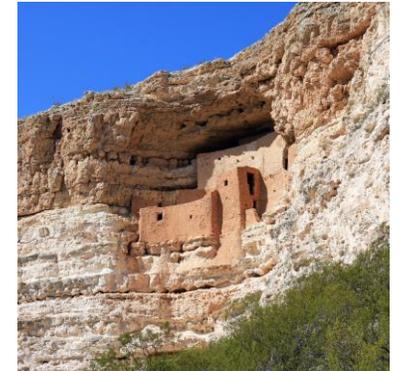
**8 Experiences You Can
Only Have In Arizona**

Read 593 times
Shared 33 times
5/9/2020



**Arizona Night-In
Movies**

Read 576 times
Shared 28 times
4/24/2020



Montezuma Castle

Read 559 times
Shared 23 times
4/9/2020

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Sales Missions

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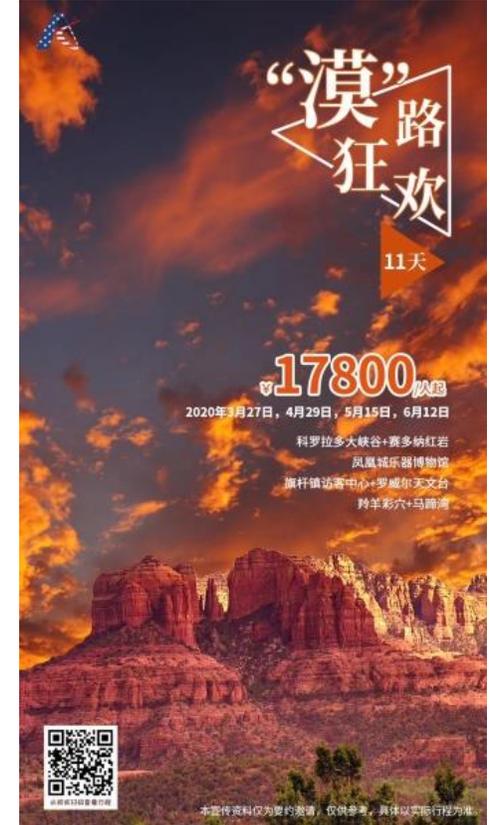
FY20 AOT Trade and Media China Mini Mission *Wuhan, Hangzhou and Shanghai*

- The China Mini Mission was held in Wuhan, Hangzhou and Shanghai from September 2-6, 2019.
- During the one week mission, AOT met with Key Tour Operators, Wholesalers, Luxury Travel Agencies and Media Outlets.
- AOT also visited the U.S. General Consulate in Wuhan to exchange market information, market trends and new visa office opening updates.
- Met with **102 trade partners** during the Mini-Mission.



Marketing Co-operation - America International Travel Services(AITS)

- AOT China worked with AITS to design two in-depth Arizona tour packages.
- Pre-launch luncheon was held during the mini mission from September 2-6 in Hangzhou.
- The itinerary includes meal and hotels options in Phoenix, Scottsdale, Tucson, Flagstaff, Sedona, Page and Grand Canyon National Park, Antelope Canyon, Horseshoe Bend, as well as new attractions like Petrified Forest National Park and Musical Instrument Museum.
- **27 B2B trade partners with AITS and 12 media outlets** were in attendance.



FY20 AOT Trade and Media China Mini Mission

- During the week, three media sessions were conducted in respective formats, including media roundtable; luncheon with FAM trip experience sharing and one-on-one appointments.
- Total met with **23 key media outlets** in all 3 cities (Wuhan, Hangzhou and Shanghai).

Media Round-table including interview by Wuhan TV



Media FAM Experience Sharing including interview by Zhe Jiang Radio Station



FY20 AOT Trade and Media China Mini Mission

- Coverage: Placement in **26** outlets
- AD Value **US\$ 126,600**
- Number of Impressions: **10.2 million** (including TV & Radio)



亚利桑那州旅游局2019中国巡回路演

2019年09月05日 19:33
凤凰网浙江综合

美国西部的奇妙地貌和地标你知道哪些? 大峡谷国家公园、羚羊峡谷、66号公路、仙人掌国家公园、马蹄湾.....其实他们都在一个州——亚利桑那州!

9月4日, 亚利桑那州旅游局代表一行, 首次来到杭州与美国国旅联合举办新产品推荐午餐会。旅游局代表来自“大峡谷之州”的朋友们与美国国旅一起向杭州游客发出邀请, 前往亚利桑那感受晴天阳光, 欣赏风景及户外探

FY 20 AOT Trade and Media China Sales Mission *Shanghai, Chengdu and Beijing*

- The delegation visited the cities of Shanghai, Chengdu and Beijing from December 2-6, 2019
- Participating partners included Arizona State University, Discover Flagstaff and Best Western Premier Grand Canyon Squire Inn
- Two one-on-one meetings were organized to invite key trade and media partners to communicate with AOT and AOT's partners in Shanghai and Beijing. A luncheon was arranged to present destination information to the trade and media in Chengdu.
- The targeted group included the luxury travel segment during this mission (besides traditional travel agencies and media outlets).
- In total, the delegation met with **75 trade representatives in all three cities.**



FY 20 AOT Trade and Media China Sales Mission

- During the week, three media sessions were conducted including one-on-one meetings, luncheon with destination presentation and networking sessions.
- Met with **46 key media representatives**
- Coverage: **22 placements**
- AD Value **US\$ 230,000**
- Number of Impressions: **5.12 million**



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Travel Trade

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FY20 Sales & Marketing Overview:

- Total number of trade FAMs hosted: 1
- Total number of trade FAM attendees: 10
- Total number of sales calls: 44
- Total number of agents trained: 4,214
- Total number of tradeshow: 1
- Total reach: 4,329

- **Activities postponed due to Covid-19:**
 - I. Meetings and Destination Trainings in Xi'an - February
 - II. AITS Road Show/New Arizona Product Destination Trainings with America International Travel Services(AITS) - March
 - III. Post-IPW Trade and Media FAM Trip - June
 - IV. IPW - June

FY 20 Trade Activities - Brand USA China

Participated in Brand USA China activities targeting Northern China.

- U.S. Consulate Shenyang Independence Day Event July 4th
 - Promotional materials were displayed and distributed onsite
 - **400 people** attended the event. AOT China presented destination image and one lucky draw item was awarded
- Road Show to Dalian and Shenyang July 1 -5, 2019
 - In total trained **345 travel agents** through in-house trainings and seminars with local banks
- Road Show: Jinan and Qingdao August 20-24, 2019
 - In total **158 travel agents and 100 Bank VIP clients** were trained through round table meetings, seminars and VIP event



FY 20 Trade Activities - Brand USA FAM

- Brand USA China & American Airlines Northern China FAM Trip
- November 11-15, 2019
- **Total 10 selected travel trade top tour operators**



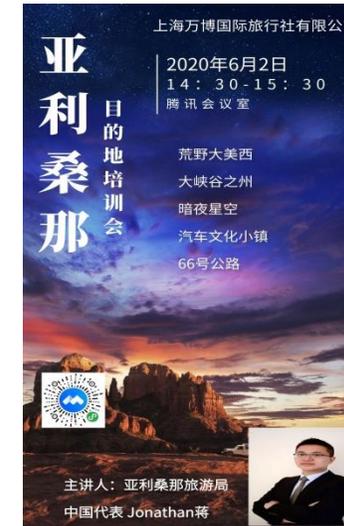
FY 20 Trade Activities - ILTM Shanghai

- AOT China attended ILTM Shanghai October 30-November 1, 2019 – a travel trade show focused on luxury and in-depth travel experiences to B2B travel agencies.
- Total **48 appointments** were held.
- In-depth itineraries with unique travel experiences including shopping and culinary were introduced to the attendees. Some of the inspirational ideas were given to create the new concept of Road Trip, Glamping or just experiencing luxury hotel & resorts for vacation in the Greater Phoenix Area.



FY 20 Trade Activities Online Training Webinars

- Since the COVID-19 outbreak, AOT China has conducted monthly webinars to educate travel trade partners on the destination and to inspire them. Besides building connections with them during this period, it also shows support from AOT by providing updated key destination information and this learning opportunity.
- Worked with **28 travel agencies, OTAs & Tour Operators.**
- As of June 30th, trained a total of **3,406 sales/product staff** through **28 live webinars.**
- Training topics include: General Presentation, Dark Skies, Adventure, Road Trip and Lesser Known Arizona.



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Media Relations

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FY20 Public Relations-Overview

- Total Media Hosted: 2
- Total AVE: \$1,649,350
- Total Circulation/Audience: 304 million
- Total Posts: 241



对任何一个有着公路情结的人来说，驾驶哈雷机车，沿66号公路风驰电掣于旗杆镇，是这段狂野之路最好的开始。

在Flagstaff 随处可见的66号公路元素和路边摩托车俱乐部
狂野的西部基因

TRAVELING

大旗杆国家公路

TOP10-榜单
ARIZONA
亚利桑那设计

感受西部的狂野



这就是一个拥有独特魅力的地方，大旗杆也是一个非常适合度假的胜地。这里有一个美丽的日落，这里有一个美丽的日出，这里有一个美丽的日落，这里有一个美丽的日出...



Medical Instrument Museum

博物馆是艺术收藏场 (Art Gallery) 的延伸...

ARIZONA CULTURE / 艺术·文化

Eric Caputo 和 "爵士乐手" 乐队...

Key Opinion Leader – Ludo @地球浪旅人

Weibo

- Followers: 800,000+

WeChat

- Followers: 20,000+

Communities Visited

- Phoenix, Tempe, Scottsdale, Williams, Kingman, Page, Flagstaff, Cottonwood



Key Opinion Leader – Ling Wei

Weibo

- Followers: 1.8M+

WeChat

- ID: 另维和Yellow
- Followers: 56k+

Communities Visited

- Flagstaff, Williams, Grand Canyon National Park, Seligman, Kingman, Wickenburg



Thank You!

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