

NEW ZEALAND INTERNATIONAL CONFERENCE ON CONTEMPORARY CHINA

CHINA'S NEW TOURISTS: NEW ZEALAND AND THE YEAR OF CHINESE TOURISM



ORGANISED BY: The New Zealand Contemporary China Research Centre in partnership with the China—New Zealand Tourism Research Unit at Waikato University

DATE: Tuesday 4th December 2018

LOCATION: Oceania Room, Museum of New Zealand Te Papa Tongarewa, Wellington

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About the Centre

The New Zealand Contemporary China Research Centre promotes knowledge and understanding of contemporary China in New Zealand through research, collaboration and knowledge sharing.

Based at Victoria University of Wellington, the China Centre partners with eight New Zealand universities to support international and local conferences, seminars, symposiums and workshops, visitor exchanges, collaborative research and courses on the political, economic and social life of China today.



CONFERENCE NOTE

Chinese tourism is undergoing extraordinary growth and change. China's new tourists are more independent, tech-savvy and seeking authentic experiences abroad. They make up the world's largest outbound market in terms of international arrivals and expenditure. How much do we know about this changing market and the drivers and policies that shape Chinese outbound tourism?

The Chinese Ministry of Culture and Tourism oversees relationships with destination countries and has responsibility for China's national and international tourism strategy. They manage the Year of Tourism strategy to promote two-way tourist flows between China and international partners. Many countries have experienced a Year of Tourism with China. New Zealand's Year is scheduled for 2019. Australia celebrated theirs in 2017 and Canada will complete its at the end of 2018. What lessons can we learn from these markets? What is a Year of Tourism and what does it mean for partner countries?

Tourism is now New Zealand's largest export market and China the second largest source of tourists to New Zealand. Growth from China has not always been linear. Moreover, the makeup of group and independent tourists has been shifting along with changing expectations and preferences. New Zealand will need to work hard to understand Chinese outbound tourism policy, trends and expectations to maintain the value of New Zealand as a destination and grow our reputation with China's new tourists.

This conference brings world-leading experts on Chinese outbound tourism to New Zealand to debate China's outbound tourism policy and the drivers and shifting nature of the outbound tourist market. It provides insights from other markets that have experienced a Year of Tourism and sets the scene for a national conversation between academics, policymakers, tourist attraction agencies and operators on how New Zealand can best position itself for the 2019 Year of Tourism with China.

CONFERENCE SCHEDULE

8.30 am **Registration**

9 am **Welcome and Introductory remarks**

Duncan Small

Tourism Policy Director, Tourism Policy Branch, Ministry of Business, Innovation and Employment (MBIE)

9.15 am **Session 1: CHINA'S OUTBOUND TOURISM**

Chair: Professor Siah Hwee Ang

Professor, BNZ Chair in Business in Asia, Chair of the Enabling Our Asia-Pacific Trading Nation Theme at Victoria University of Wellington, and Director of the Southeast Asia Centre of Asia-Pacific Excellence

Professor Haiyan SONG

Associate Dean and Chair Professor of Tourism, Mr and Mrs Chan Chak Fu Professor in International Tourism, School of Hotel and Tourism Management The Hong Kong Polytechnic University

Title: *Analysing China Outbound Tourism Demand within the Asia Pacific*

Abstract: China outbound tourism demand has experienced unprecedented growth over the past decades along with its economic development. This study analyses the influencing factors of China outbound tourism demand through examining the various demand elasticities. Forecasts of the Chinese outbound travel flows to a number of destinations within Asia Pacific are generated over the next five years using established economic models. Possible policy implications of the forecasts for different destinations are discussed.

Dr Rui SONG

Director, Tourism Research Centre, Chinese Academy of Social Sciences

Title: *New Trend of China's Outbound Tourism and its Implication to New Zealand*

Abstract: China's outbound tourism has grown rapidly over the last few years driven by incentive factors in supply and demand. At the same time new trends have emerged in tourist demographic profiles, travel behaviour and tourist preferences. Destination regions for China's outbound tourists will need to familiarise themselves with the "5W3H" of Chinese outbound tourism markets. New Zealand, not only the tourism industry but also the society, needs to be ready for increasing flows of Chinese tourists in the future

Professor Chris Ryan

Director, China-New Zealand Tourism Research Unit, Professor of Tourism, Waikato University

Title: *China—its Middle Class and Tourism—Grounds for Optimism?*

Abstract: Much has been made of the increasing levels of income in China and the rise of China's middle class. Chinese statistics imply a middle class that numbers 400 million, but that is based on incomes that start at 25,000RMB – a very low threshold. A 2015 report by UBS and PricewaterhouseCoopers narrowed it to 109 million Chinese with wealth of between US\$50,000 and US\$500,000 – a relatively high standard. However calculated, it is clear that China's middle class is large in numbers but still relatively small as a share of China's 1.4 billion population. Currently there are signs that the Chinese middle class is facing some stress and marketing companies are reporting switches to

lower priced alternatives as the middle class cope with increasing rents, property prices and inflationary pressures. From a New Zealand perspective, one key point to note is the high Gini coefficient in China, and a demand for travel from an above average group is likely to continue. What might they look for?

10.45 am

Morning tea

11 am

Session 2: CHINA'S NEW TOURISTS

Chair: Mark Frood

International Market Development Manager, Auckland International Airport

Professor Philip Pearce

Foundation Professor of Tourism, James Cook University

Title: The Edge of the New: Identifying Emerging Trends for the Chinese Market

Abstract: Building on very recently completed studies, and accessing key Chinese informants, the presentation reviews some trends in Chinese tourist behaviour which offer opportunities for New Zealand as a destination. The edge of the new topics include recreation vehicle driving, gap time holidays, pop culture play, an interest in the mundane, astronomy tourism, and image photography. The fit between new thematic tourism interests and the destination design and management for enabling the fulfilment of these interests is a core part of the talk. The new edges of Chinese interests have regionally different implications, thus facilitating a whole of country approach to providing supplementary marketing for New Zealand's international appeal.

Professor Honggang XU

Dean of School of Tourism Management, Sun Yat-sen University

Title: Food Behaviour of Outbound Tourism

Abstract: Food plays an important but diverse role in tourism. Yet, how and why food plays these diverse roles depends greatly on cultural interpretation of the food. It has been observed that food related behaviour of Chinese outbound tourists is quite different from other tourists in terms of the attraction of food in their travel experiences, their decision to dine and to buy things. This study attempts to provide an overview of the food behaviours of Chinese outbound tourists from the mobility perspective. The materiality of food, information and the dining decisions are examined.

Dr Mingming CHENG

Lecturer, Tourism Department, University of Otago

Title: Young Chinese Tourist Wave: How New Zealand Can Prepare for it

Abstract: Chinese outbound tourism has enjoyed rapid growth over the last decade with the potential to grow much larger. However, many tourist destinations underestimate the importance of a culturally sensitive approach when servicing this group, particularly with the emerging young Chinese, who are gradually becoming the largest driving force for Chinese outbound travel. Most of the information in the news media about young Chinese tourists is opinion-based without substantial verification. Using an evidence-based approach, this talk will look into the young Chinese tourists and discuss how New Zealand can prepare for the young Chinese tourist wave.

CONFERENCE SCHEDULE cONT

Dr Claire Liu

Head of Department, Tourism and Event Management, Auckland University of Technology

Title: Understanding the Chinese tourist market: How Long Are We Going to “Wait and See”?

Abstract: This presentation highlights the changing patterns of Chinese outbound tourism and New Zealand tour operators’ perception of the emerging Chinese market. Research conducted in 2008 found that inbound tour operators lacked understanding of the Chinese market and visitor expectations of New Zealand. Research in 2012 studied ADS approved operators to identify their perception of the growing Chinese market and tour operators’ strategies and practice in meeting the expectation of Chinese tourists. More research was conducted in 2015 in China to identify the motivation and experiences of Chinese self-drive and FIT tourists to visit New Zealand as a destination. Research has provided implications to the tour operators and marketers who are interested in serving the Chinese market.

12.30 pm

Lunch

1.30 pm

Session 3: LESSONS FROM OTHER MARKETS

Chair: Professor Karen Smith

Professor of Tourism Management, School of Management, Victoria University of Wellington

David F. Goldstein

President and Chief Executive Officer of Destination Canada

Title: Leveraging the Canada-China Year of Tourism for Long Term Growth

Abstract: China is one of Canada’s fastest growing and highest yield markets with over 700,000 visitors spending over \$1 billion CAD annually. The governments of Canada and China signed an agreement to make 2018 the Canada-China Year of Tourism (CCYT) so both countries could capitalize on unprecedented growth in two-way travel. David Goldstein, President and CEO of Destination Canada, Canada’s national tourism marketer will speak about how his organization leveraged CCYT to not only increase visitation and visitor spend but to address some industry challenges such as compression in high season, research and competitiveness to set the country up for future success in this market.

Senthil Danapalan

Head of Business Development, Maxis Berhad

Title: 10 Lessons from the Aviation Industry to Maximise Opportunity from the Chinese Tourist Market

Abstract: In this talk Senthil will present 10 lessons on Chinese outbound tourism garnered from his time working in the aviation industry in Kuala Lumpur. Senthil has many years’ experience with AirAsia, the establishment of direct flights and marketing in the rapidly growing Chinese outbound tourism market.

Professor Sam Huang

Professor of Tourism and Services Marketing, Edith Cowan University

Title: The China-Australia Year of Tourism and its implications for Chinese Outbound Tourism to Australia

Abstract: The Year of Tourism Scheme (YTS) seems to be an effective apparatus that the Chinese government uses to boost the tourism relationship between China and a destination country, once its predecessor the Approved Destination Status (ADS) Scheme has faded into history. The experiences of the China-Australia Year of Tourism in 2017 are discussed with a critical academic lens. Implications beyond destination marketing are elaborated. It is acknowledged that a country serving as a Chinese outbound tourist destination can utilise the government will and power as an invaluable collaborative asset to maximize the benefits derived by the YTS. To achieve this, collaboration among government, industry, and academia is highly recommended.

3 pm

Afternoon tea

3.15 pm–

Session 4: TAKEAWAYS FOR NEW ZEALAND

4.45 pm

Chair: Pania Tyson-Nathan

Chief Executive, New Zealand Maori Tourism

Graham Budd

Chief Executive, Destination Queenstown

Kate Deng

Director, Kate Travel

Ken Freer

Project Director, Alibaba, Christchurch International Airport

Bruce Bassett

Industry Strategy Manager, Tourism Industry Aotearoa

4.45 pm

SUMMING UP

Associate Professor Jason Young

Director, New Zealand Contemporary China Research Centre

5 pm

Close

BIOGRAPHIES



Duncan Small

Duncan Small is a Tourism Policy Director in the Tourism Policy Branch at the Ministry of Business, Innovation and Employment. The Tourism Policy Branch accepts responsibility for the design of a robust and sustainable tourism system in New Zealand that delivers a high-quality visitor experience and strong economic, social and environmental outcomes for New Zealanders. Before joining MBIE, Duncan held roles at Air New Zealand, The Department of Prime Minister and Cabinet and accounting firm KPMG.



Professor Siah Hwee Ang

Professor Siah Hwee Ang is Professor of International Business and Strategy and the inaugural BNZ Chair in Business in Asia, a position sponsored by the Bank of New Zealand (BNZ), Victoria University of Wellington, Ministry of MFAT, MBIE, and NZTE. In this role, Siah works closely with various stakeholders and companies on their strategies in Asia and Asia's engagement in NZ. Siah chairs Victoria University of Wellington's *Enabling Our Asia Pacific Trading Nation Research Distinctiveness Theme*, one of the eight pan-university research areas. In January 2018, Siah also became the Director of the Southeast Asia Centre of Asia-Pacific Excellence (SEA CAPE), a national centre operated by University of Auckland, University of Otago, University of Waikato, and Victoria University of Wellington. Siah also sits on the national assessment panels for Prime Minister's Business Scholarships, Prime Minister's Scholarships for Asia, and Marsden Fund.



Professor Haiyan SONG

Professor Haiyan Song has a strong background in Economics. His major research areas include tourism economics with a particular focus on tourism demand modelling and forecasting as well as tourism forecasting using big data. He was educated both in China and the UK, and has extensive research and consultancy experience in areas such as foreign direct investment (FDI) in China and economic issues related to China's tourism sector. Over the years, Professor Song has been involved in a number of projects on tourism demand forecasting in the Asia Pacific region. He has spoken frequently, as an invited speaker and presenter of research papers, at various international conferences on issues related to tourism impact assessment and forecasting. The International Council on Hotel, Restaurant and Institutional Education honoured Professor Song with the John Wiley & Sons Lifetime Research Achievement Award in 2010 and the University of Delaware honoured him with the Michael D. Olsen Research Achievement Award in 2014.



Dr Rui SONG

Dr Song Rui is Director of the Tourism Research Center at the Chinese Academy of Social Science (CASS). Her research fields are sustainable tourism and leisure research. Dr Song has been Editor-in-chief of the Tourism Green Book of China and the Leisure Green Book of China for more than a decade. Dr Song has led more than 20 research projects funded by the National Foundation of Social Sciences, CASS, UNWTO, EU-China, the China National Tourism Administration, Ministry of Culture and Tourism, the Asian Development Bank, World Tourist Cities Federation (WTCF), WWF and other organizations. She was a Visiting Scholar at Gothenberg University (Sweden) and Penn State University, and has published numerous books and articles.



Professor Chris Ryan

Chris Ryan is Professor and Director of the China-New Zealand Tourism Research Unit at the University of Waikato Management School. He gained his doctoral degree in 1994 from Aston Management School, Birmingham, UK, and has been lecturing and conducting research in Tourism since 1980. He has over 200 refereed journal articles and another 200 publications in conference papers, books and book chapters. His research looks at both tourism in China and Chinese tourists in New Zealand. He is currently a consultant to Huaiyang County, Henan Province, which is spending 20 billion RMB on the total reconstruction of the old town.



Mark Frood

Mark Frood is Auckland International Airport's International Tourism and Market Development Manager. The role is to develop the market strategies for targeting quality growth from Asia with a focus on China and India, supporting airline connectivity and the New Zealand travel and trade industries. Mark came to the Auckland Airport after living in Shanghai for 5 years with Tourism New Zealand as General Manager Asia. Prior to this Mark had senior roles in regional tourism, adventure tourism, accommodation and leisure snow sport industries. Mark is on the Board of Eat New Zealand. This organisation is focussed on growing awareness of NZ food stories, our chefs and the regions. He contributed to the recent New Zealand China Council Belt and Road report, to help New Zealand and Chinese organisations develop China's Belt and Road opportunities, such as the hub between China via Auckland to South America. Mark has an MBA from Massey University, and is from Tauranga.



Professor Philip Pearce

Philip Pearce has written books on tourist behaviour (1982, 1988, 2005, and 2011), positive psychology and tourism (2011, 2014), and tourism and humour (2015). He has a doctorate from the University of Oxford and was appointed as the First Professor of Tourism in Australia. His published papers are in the areas of tourist experience, emerging markets, and communities and tourism. He has concentrated recently on Asian tourism topics (Pearce & Wu (Eds.) (2017) *The World meets Asian Tourists*.) He is an active PhD supervisor with over 40 successful doctoral graduates and a current team of students from 6 countries. He was awarded the title Distinguished Professor at James Cook University in 2016, the first social scientist to achieve this accolade.



Professor Honggang XU

Professor XU Honggang is Dean of the School of Tourism Management at Sun Yat-Sen University. She obtained her PhD from the Asian Institute of Technology, Thailand. She received the Roy Wolfe Award from the Tourism Commission of the American Geography Association for contribution in tourism geography research. She is a key expert in the UNWTO sustainable tourism monitor centre (MCSTO). She serves on the editorial board of several tourism journals, such as *Tourism Management*, *Journal of Sustainable Tourism and Mobilities*. She is also Associate Editor of *Tourism Geographies*. She is the team leader and key member of the National Criteria of Ecotourism Tourism Attractions, National Criteria of Demonstration Cities of Leisure, National Criteria of Wetland Tourism and National Criteria of Wellness Tourism.



Dr Mingming CHENG

Dr Mingming Cheng is a Lecturer in Tourism at the University of Otago, New Zealand. Mingming's core research interests and expertise deal with Chinese outbound tourists with a strong focus on Chinese young generations, the sharing economy (e.g. Airbnb), data science (big data) and digital economy. His philosophy, as a researcher and lecturer, is to translate research to society, creating positive impacts for those involved. Mingming has been a consultant for a number of organisations, providing industry training and advice on Chinese consumers. Mingming has conducted/assisted a number of projects on Chinese outbound tourists with various organizations, most recently Ngāi Tahu Tourism.



Dr Claire Liu

Dr Claire Liu is the Head of the Department of Tourism and Events and Senior Lecturer from the School of Hospitality and Tourism, Auckland University of Technology, New Zealand. Dr Liu holds a PhD in Tourism Management from Massey University. Her main research areas include sustainable tourism management, SME and tourism entrepreneurship, Chinese outbound tourist behaviour and tourism and hospitality education. Dr Liu has conducted research on tourist operators' understanding of Chinese tourists and their business strategies for meeting Chinese market expectations, as well as young Chinese tourist market behaviours. Dr Liu serves on the Editorial Boards for the International Journal of Tourism Cities and the Journal of China Tourism Research.



Professor Karen Smith

Karen is a Professor in Tourism Management at Victoria University of Wellington. Much of her research concerns volunteers and their management in the tourism and events sectors, and more broadly in non-profit organisations in areas as diverse as health, emergency management, and conservation. She is interested in why and how people give time to support a range of causes, and how organisations in the community and voluntary sector (and beyond) respond to and maximise the impact of these donations of time. Specific areas of research interest include event volunteering, recruitment and selection of volunteers, the career paths and professional development of managers of volunteers, and approaches to valuing volunteers. Recent research projects have included a study of the volunteering infrastructure legacy of the Sydney 2000 and London 2012 Olympic Games (funded by the International Olympic Committee), and a project on the experiences and legacies of Rugby World Cup 2011 volunteers (funded by Sport New Zealand). She is co-Editor of Third Sector Review journal, and is on the Executive Boards of CAUTHE (Council for Australasian Tourism and Hospitality Education) and ANZTSR (Australia and New Zealand Third Sector Research Inc.).



David F. Goldstein

David F. Goldstein is the President and CEO of Destination Canada, which promotes Canada as a premier four-season tourist destination in key international markets. Before joining Destination Canada, David led the Tourism Industry Association of Canada (TIAC) where he worked to increase industry alignment and positioned the organization to forge a more forceful and credible voice for tourism issues at the national level. Previous to this, David spent over 14 years in the broadcast and media industry. Away from work, David immerses himself in Canada's winter experiences as an enthusiastic skier - but he has long since given up hope of keeping up with his kids.



Senthil Danapalan

Senthil Danapalan is an experienced business executive with significant networks across Southeast Asia through leadership roles within technology, telecommunications and the airline industry. He is currently the Head of Business Development at Maxis Berhad, a leading telecommunications provider in Malaysia, where he works to maximise opportunities in the digital revolution. Senthil was the Southeast Asia Director of Business Development for Uber between 2015 to 2017. Prior to that he was Regional Director of Route Planning & Regulatory Affairs (managing route/hub expansion in both South East Asia and Asia Pacific) and Commercial Director (driving revenues across Asia Pacific) for AirAsia. He is in New Zealand with SEA CAPE.



Professor Sam Huang

Sam Huang is a research professor in the School of Business and Law at Edith Cowan University (ECU) in Australia. Before entering academia, he worked as a government official in Beijing at the China National Tourism Administration (CNTA). Professor Huang is an internationally recognized scholar researching Chinese tourism. He is a founding fellow of the International Association for China Tourism Studies (IACSTS) and the Director of the Australia-China Tourism Research Network (ACTReNet). Fluent in Mandarin Chinese, and with both industry and academic experiences in China, Hong Kong and Australia, he is ideally positioned to bridge tourism academia and industries between China and Australia.



Pania Tyson-Nathan

Rongomaiwahine, Ngāti Kahungunu

Since becoming CEO of NZ Māori Tourism Pania has focused on highlighting the unique opportunity that a Māori experience offers manuhiri (visitors) domestically and internationally. Having grown up in business with her parents in the Hawke's Bay and then owning businesses, Pania understands intimately both the pains and passion of a 24 hour personal and financial commitment. Fast forward to the mid 90's she moved on to local and central government where she gained an appreciation of the important role that policy plays in our everyday lives. Pania has used all that she has learned over the years (and continues to learn) to position NZ Māori Tourism as a key contributor, participant and influencer within the tourism industry today.



Graham Budd

Graham Budd has been Chief Executive of Destination Queenstown since May 2012. As CEO, his responsibilities entail driving the strategic direction and management of the organisation and ensuring all marketing strategies are in line with Destination Queenstown's business plan. He is Chair of Regional Tourism New Zealand (RTNZ) and on the Tourism Industry Aotearoa board of directors. Graham has more than 25 years of marketing experience, including five with Destination Queenstown as General Manager of Marketing, prior to his promotion to CEO. He also has a strong corporate background in developing and executing targeted brand strategies and marketing plans and managing teams of varying sizes. Originally from Wellington, Graham has previously held marketing and management positions for leading multinational companies including Unilever, Wrightson, Colgate Palmolive, Lexis Nexis and General Cable.



Kate Deng

Kate Deng's career in the tourism industry started in Christchurch, NZ with i-Site in 2004, where she quickly became one of the top sales representatives of the entire i-Site network. After moving back to China, Kate joined Flight Centre in 2012 where she worked as an award-winning travel consultant at Flight Centre Shanghai. During this time, she noticed how the popularity of New Zealand was growing in China's FIT market. A move back to New Zealand signified the beginning of KateTravel, a tour company that started in 2013 with a focus on FIT travel and tailor-made itineraries. Since then KateTravel has been the official business partner for Sina Travel and Weibo and has made remarkable progress in the Chinese FIT market. KateTravel has become one of the top tour retailers for independent tourists from China and has worked with a number of regional companies in New Zealand. Kate is dedicated to introducing more of the Chinese FIT market to New Zealand.



Ken Freer

With over twenty years senior marketing and management experience across the travel, financial services and government sectors, Ken has worked in several international markets including China, the United States, Europe, Australia and Fiji. Ken has held travel industry marketing leadership roles at Tourism New Zealand, Tourism Fiji and House of Travel, working to better understand and grow both inbound and outbound tourism, and has been internationally awarded for his work. In his current role, leading the South Alibaba programme at Christchurch Airport, Ken is tasked with growing the success of New Zealand businesses in the Chinese market – attracting more high value FIT guests, growing their geographic dispersal around the country, and providing opportunities for New Zealand businesses to sell more goods and services to these guests, before, during and after their trip.



Bruce Bassett

Bruce is Industry Strategy Manager at New Zealand's peak industry body, Tourism Industry Aotearoa. He has a career focussed on tourism policy and research with the public sector, and more recently in tourism advocacy and strategy development with TIA. Bruce's is responsible for the tourism industry's Tourism 2025 Growth Framework that has been important for driving strong industry performance over recent years. Bruce is currently leading a project to being repositioned Tourism 2025 to reflect the New Zealand Tourism Sustainability Commitment developed by the TIA team in 2017. The new framework will be released in early 2018 and will establish a sustainable growth framework for the industry to 2025, and beyond.

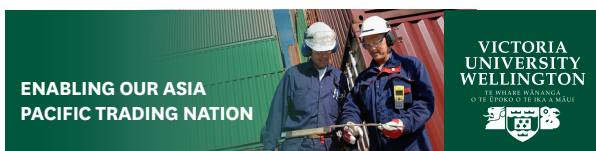


Associate Professor Jason Young

Jason Young is Director of the New Zealand Contemporary China Research Centre and Associate Professor in International Relations and Political Science at Victoria University of Wellington. His research interests focus on Chinese politico-economic reform, socio-economic change, Chinese foreign policy and New Zealand–China relations. Jason is author of *China's Hukou System* (Palgrave, 2013), *Politics in Pacific Asia* (2017, with Xiaoming Huang) and a number of journal articles and chapters in both English and Chinese and is a frequent commentator in New Zealand and international media.

SPONSORS

The New Zealand Contemporary China Research Centre would like to thank our major sponsors for the event:



The Ministry of Business, Innovation and Employment (MBIE) plays a central role in shaping and delivering a strong New Zealand economy. As part of this, we work with the tourism sector to help tourism businesses to become more productive and internationally competitive, and regions to maximise the value of their visitor economies. MBIE is leading work on the 2019 China-New Zealand Year of Tourism www.cnzyot.govt.nz.





New Zealand Contemporary China Research Centre

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