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# From Mass to Multi-Niche.

Switzerland Tourism's strategy to conquer the maturing Chinese outbound travel market.

Place, Region © Photographer

# Chinese Dimensions.



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# Market Size.





# China's Regional Markets, Tier 1.

6 Cities, 78 Mio Inhabitants.



=





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# China's Regional Markets, Tier 2.

10 Cities, 61 Mio Inhabitants.



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# China's Regional Markets, Tier 3.

7 Cities, 21 Mio Inhabitants.



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# China's rising middle class ...

Goldman Sachs<sup>1</sup>.

- Four Tiers of Consumers
  - “Movers & Shakers”: 1,4 Mio, PCI<sup>2</sup> USD 500'00/yr or more
  - “Urban Middle”: 146 Mio, PCI USD 12'000/yr or more
  - “Urban Mass”: 236 Mio, PCI USD 6'000/yr or more
  - “Rural Workers”: 387 Mio, PCI USD 2'000/yr or more

**11%**

OF CHINA'S POPULATION CAN  
BE CONSIDERED MIDDLE  
CLASS

WORKING POPULATION

**2%**

OF EARNERS PAY INCOME TAX



CHINA

**770.4**

MILLION



UNITED STATES

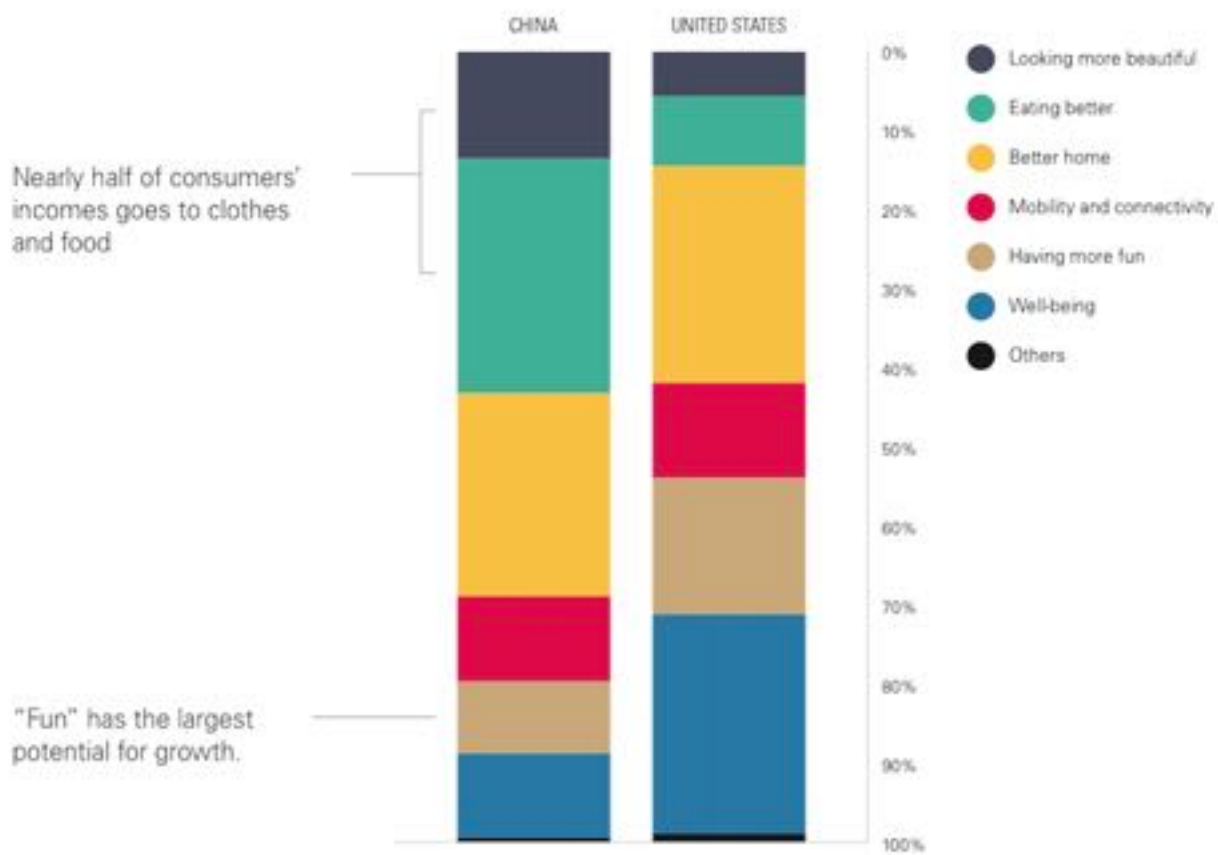
**146**

MILLION

<sup>1</sup> Source: <http://www.goldmansachs.com/our-thinking/macro-economic-insights/growth-of-china/chinese-consumer/>

<sup>2</sup> PCI: Per Capita Income

... spends its money on:





**Chinese Lifestyle.**

China is proud.





掌握真正的财富

THERE'S MORE  
TO WEALTH THAN  
MONEY ALONE

Money is not all anymore.

Bad air sucks.





China is mobile.

China changes damned quick ...

... and the bike is back.





**Travel Market.**



# Serial Group Travellers.

- Characteristics
  - High-volume business
  - Large groups of 35-50 participants
  - Low margins
  - Small number of unvarying travel routes
  - Pressure on infrastructure and environment of few spots
- Still the “daily bread”
  - Mountain Railways
  - Calculable base load, as well with bad weather



## Individual Travellers.

- "Fully Independent Travel" (FIT):
  - travellers assemble their journey on various travel portals
- Modular system:
  - TO assembles trip for the client from "prefabricated" travel modules.
- Bespoke (or tailor-made) travel:
  - TO assembles a customized individual trip for the client
- Ad Hoc group travel:
  - specific theme routes, different from classical itineraries, single departures



## Meetings participants.

- Characteristics
  - Predominantly incentive groups
  - Average size: 20 – 2'000 pax
  - Meeting (at least ½ day), gala dinner with award ceremony, excursions
  - Main industries: insurance, banking, retail, automotive, pharma
- Substantial business
  - 17,7% Swiss overnights. In Asia probably lower, but with potential of growth in all markets
  - Important chance for the shoulder season



# Industry Stakeholders.

- Operator types in the market
  - Wholesalers
  - Tour Operators
  - Hybrid Operators
  - Online Travel Agents
- Strong disruption, and shift from traditional operators to online sellers
  - Consolidation among traditional players
  - Innovative new business models



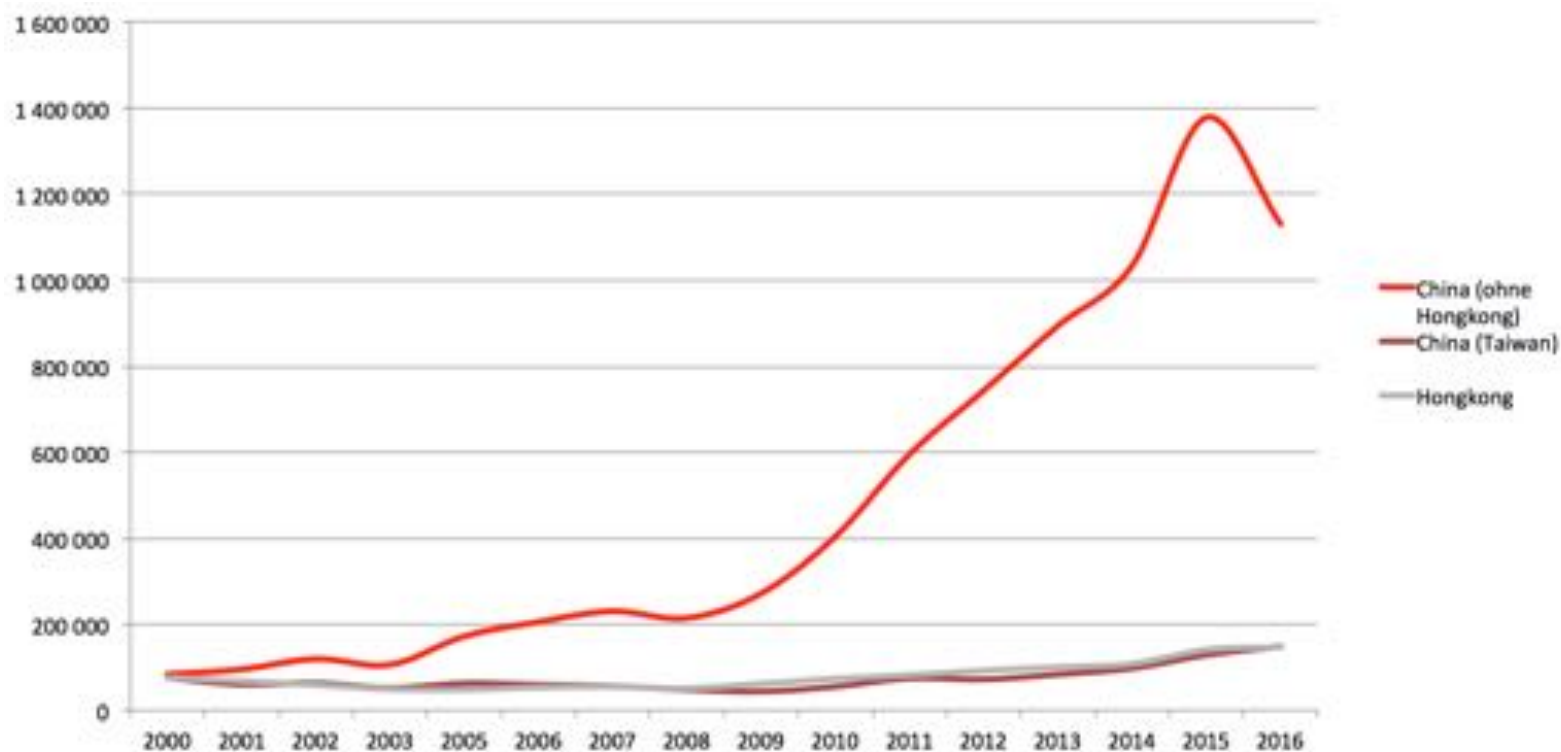
# Switzerland Tourism's Strategy and Activities in China.



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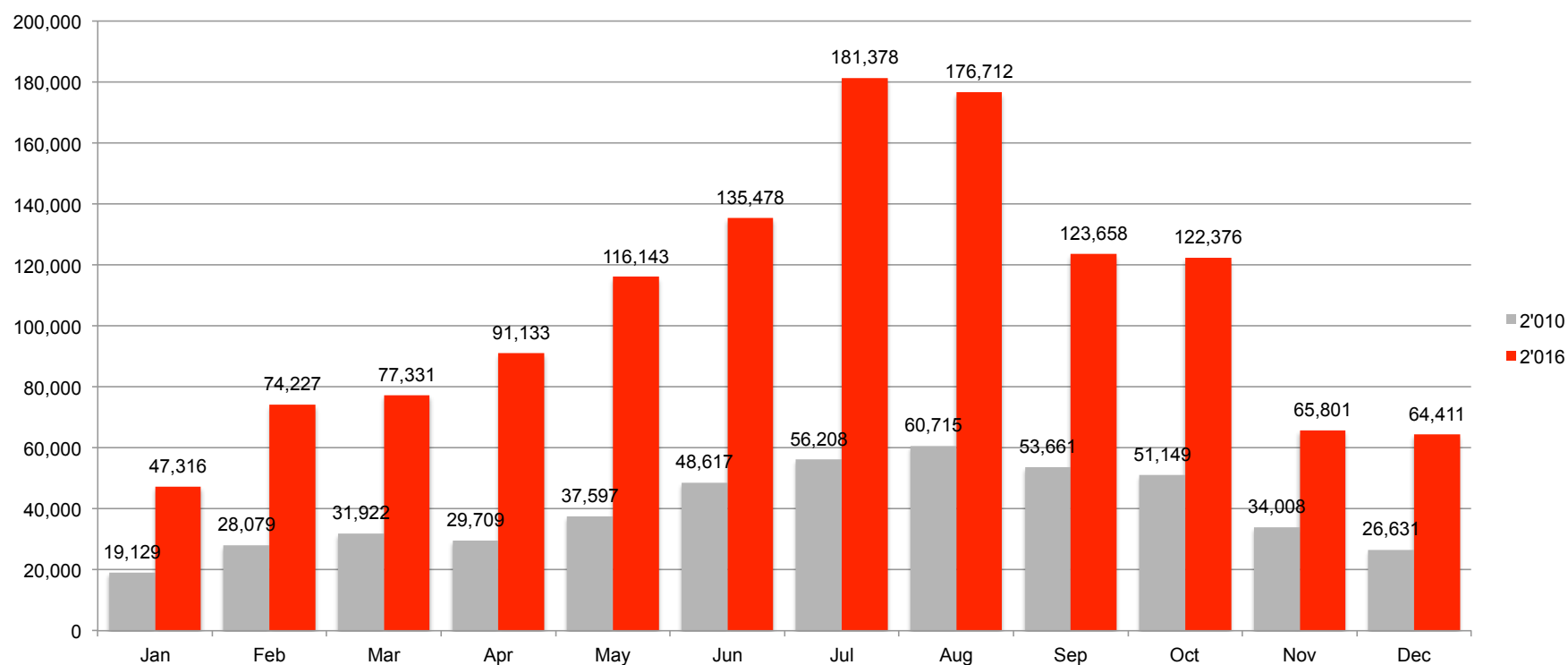
# Overnight Development Greater China, 2000 – 2016.





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## 2016: Still the 2<sup>nd</sup> best year ever!





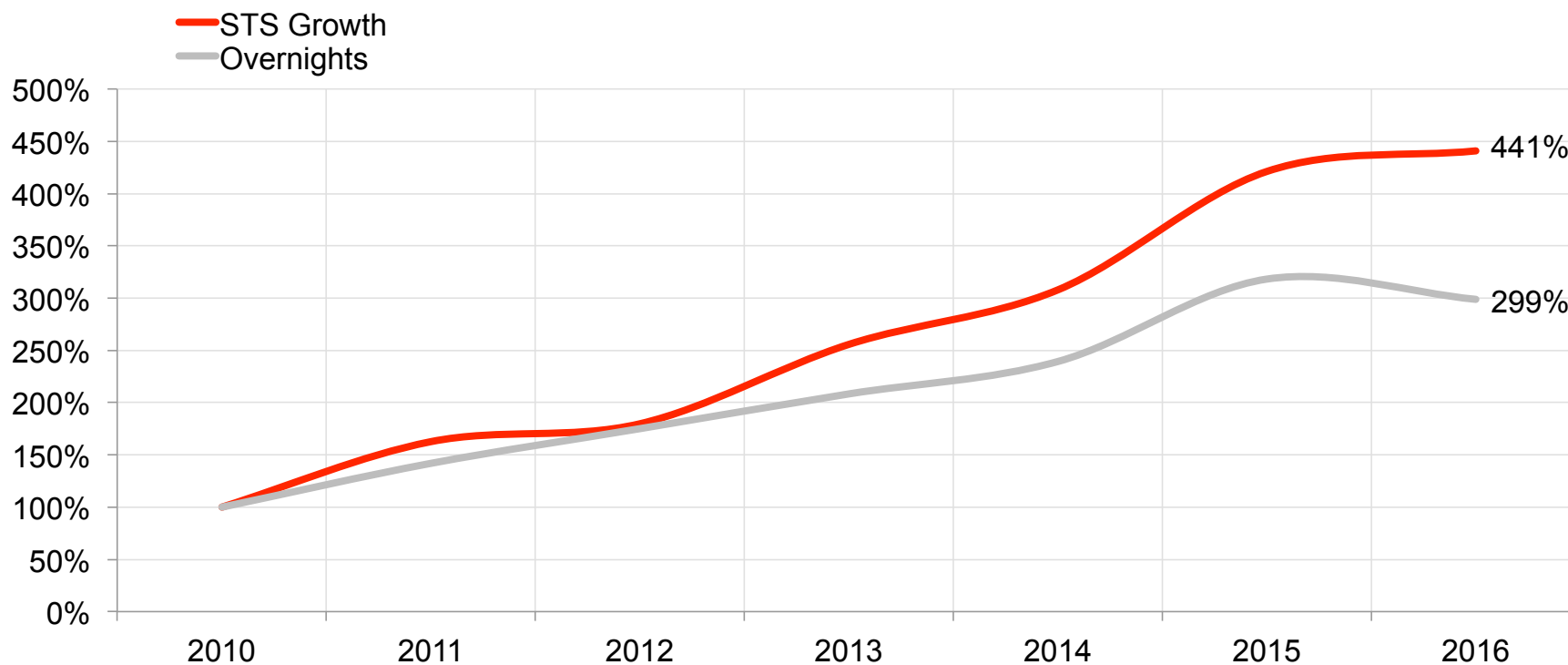


Once upon a time ...



# Our Chinese guests become FITs

## Development STS Sales vs Overnights China.



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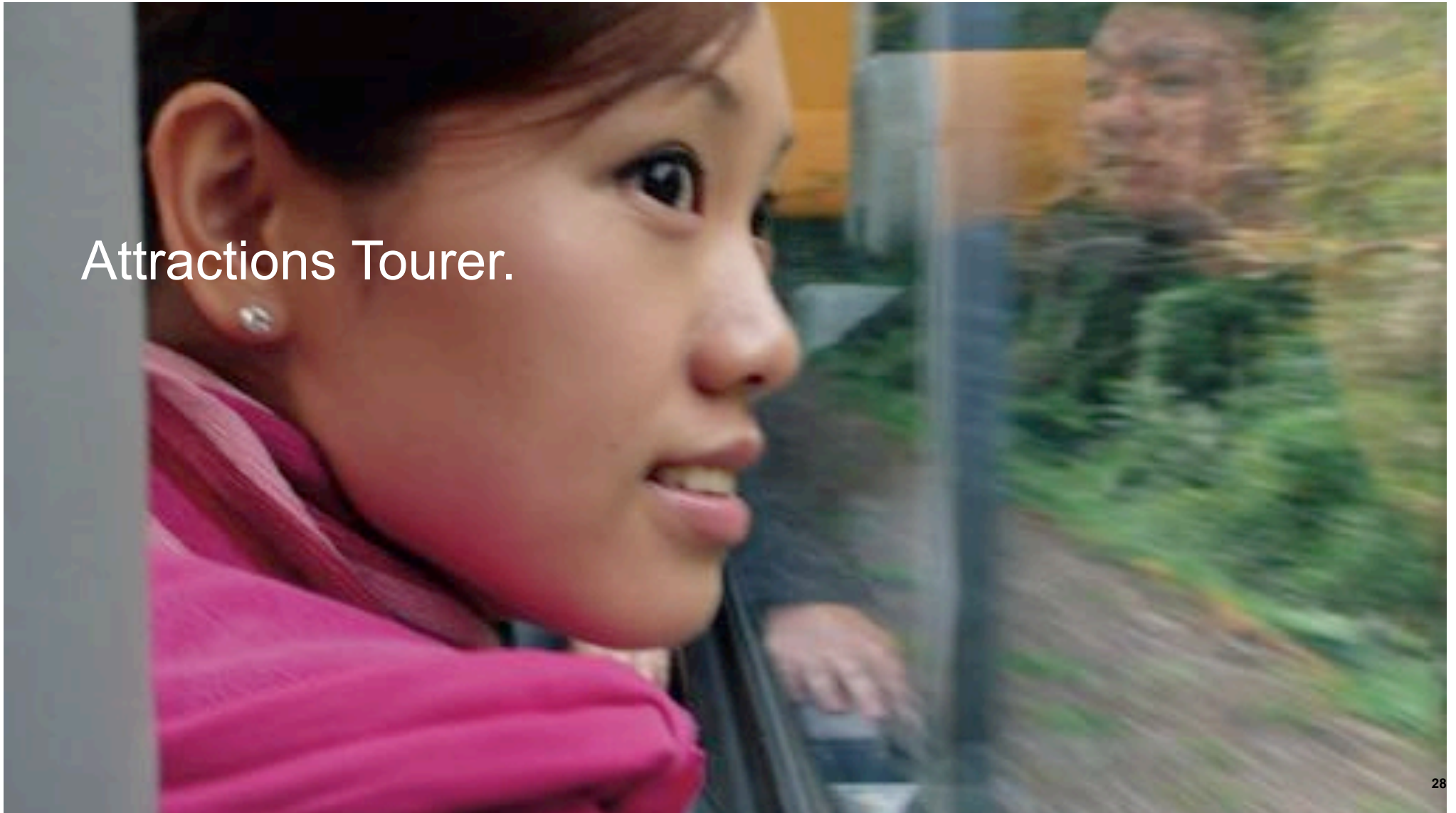


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# Overview Segments Leisure - China.

Summer	 <b>Nature Lover</b> <ul style="list-style-type: none"><li>• Ecotourist</li><li>• Typically Swiss Romantic</li></ul>	 <b>Outdoor Enthusiast</b> <ul style="list-style-type: none"><li>• Hiker</li><li>• Biker &amp; Cyclist</li></ul>	 <b>Attractions Tourer</b> <ul style="list-style-type: none"><li>• Attractions, History &amp; Heritage Explorer</li></ul>	 <b>Lifestyle Traveller</b> <ul style="list-style-type: none"><li>• Luxury Traveller</li><li>• Gourmet</li></ul>	 <b>Spa &amp; Vitality Guest</b> <ul style="list-style-type: none"><li>• Spa &amp; Vitality Guest</li><li>• Well Ager</li></ul>	 <b>Family</b> <ul style="list-style-type: none"><li>• Family with Toddlers</li><li>• Family with Kids</li></ul>
Winter	 <b>Snow Lover</b> <ul style="list-style-type: none"><li>• Winter Magic Romantic</li></ul>	 <b>Snow Sports Enthusiast</b> <ul style="list-style-type: none"><li>• Skier</li><li>• Free Rider</li><li>• Cross-country Skier</li></ul>	 <b>Attractions Tourer</b> <ul style="list-style-type: none"><li>• Attractions, History &amp; Heritage Explorer</li></ul>	 <b>Lifestyle Traveller</b> <ul style="list-style-type: none"><li>• Luxury Traveller</li><li>• Gourmet</li></ul>	 <b>Spa &amp; Vitality Guest</b> <ul style="list-style-type: none"><li>• Spa &amp; Vitality Guest</li><li>• Well Ager</li></ul>	 <b>Family</b> <ul style="list-style-type: none"><li>• Family with Toddlers</li><li>• Family with Kids</li></ul>
Cities	 <b>City Breaker</b> <ul style="list-style-type: none"><li>• Urban Lifestyle Seeker</li><li>• Sightseer</li></ul>	 <b>Culture Traveller</b> <ul style="list-style-type: none"><li>• Culture Traveller</li></ul>	 <b>Attractions Tourer</b> <ul style="list-style-type: none"><li>• Attractions, History &amp; Heritage Explorer</li><li>• Day Tripper</li></ul>	 <b>Lifestyle Traveller</b> <ul style="list-style-type: none"><li>• Luxury Traveller</li><li>• Gourmet</li></ul>		

Attractions Tourer.



## Attractions Tourer: Cooperation Image Ambassador Huang Xuan.

- TV Star, #InLoveWithSwitzerland
- Embodies the future Chinese guest:
  - Young individual traveler, interested in culture and outdoor sports
- Activities:
  - Presence Events (summer press launch, residence reception)
  - Media Trips Summer / Winter (Cosmo, Condé Nast Traveler, Sina Live Broadcasting, Fanbook-Shooting)
- 132 Mio Media Contacts in 2016



## HiGuides Cooperation over “Grand Tour of Switzerland”.

- GToS deep training and certification for driver guides in Switzerland
- 3 GToS products prominently promoted on HiGuides portal
- Joint Marketing Activities
  - Media Kick Off with 80 journalists in Beijing (Apr 2017)
  - Early Booker Incentives (Voucher Booklet)



Outdoor Enthusiast.



# Outdoor Enthusiast: Hikers and Bikers from Hong Kong.

- Cooperation with specialized tour operators
  - Since 2010
  - Mono-Switzerland products with focus on hiking and road biking
  - Partners: Tonichi, Sincerity, EuropeRail, Charming Holidays, GEG Travel
- Activities
  - Product planning
  - Promotional activities (advertisement, customer seminars, sales materials, etc.)







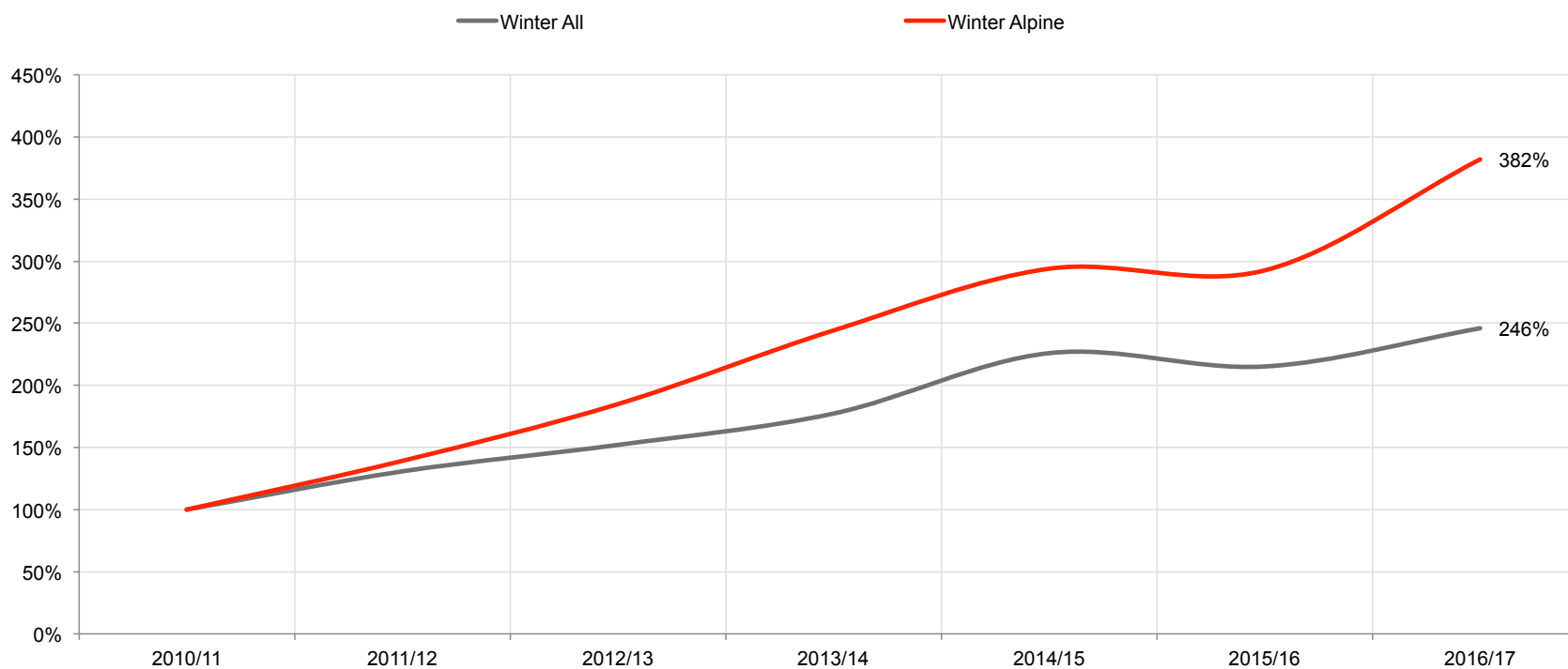
Snow Lover.



Snow Sports Enthusiast.

# Chinese seek for Alpine Winter

Overnights Winter alpine vs. Winter all.



Quelle: BFS 2010 - 2017.  
2016/17: nur Nov -Feb.

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## Snow Lover and Snow Sports Enthusiast:

- Specific products for Chinese winter guests:
  - Chinese speaking Ski instructors
    - Since Winter 2013/14
    - Since Winter 2016/17: available 10 resorts
- First time ski experience
  - All-inclusive: Instructor + Equipment + Ski Pass
  - Since Winter 2016/17: available in 19 resorts



## Snow Lover and Snow Sports Enthusiast: World Winter Sports Expo, Beijing.

- 2017: “Switzerland - Home of Snow Sports” for the 2<sup>nd</sup> time
  - National Pavilion, together with SGE and Embassy
  - Switzerland is Guest Country of Honor
  - Largest foreign booth with 300sqm and 18 Swiss exhibitors present
  - Numerous Swiss key note speakers a during the winter symposium



Culture Traveller.



## Culture Traveller: Switzerland guest at Westbund Art & Design.

- Important art fair in East China, Shanghai's "Art Basel"
- Thematic presence: 100 years of tourism promotion / poster design
  - Selected poster works from the ongoing exhibition
  - City focus on Basel, Zurich, Lucerne and Bern
  - Integration City Key Stories
- Activities
  - Media Reception
  - Switzerland Culture Travel talk (tbc)









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