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China's Outbound Tourism - Emerging Trends and Features in the Second Decade of the 21st Century

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Introduction

Market demand for outbound tourism is growing rapidly in China thanks to China's rising economy, continual implementation of the "opening-up" policy, and the government's persistent efforts to improve people's living standards (People Daily, 2011). In 2011, 70.25 million Chinese traveled abroad, which was an increase of 22.42% over the previous year (CNTA, 2011). The top 14 destination countries in 2011 are South Korea (2.36 million), Malaysia (1.73 million), Japan (1.62 million), Thailand (1.52 million), the USA (1.36 million), Cambodia (1.21 million), Vietnam (1.14 million), Singapore (one million), Russia (809,000), Australia (652,000), Indonesia (578,000), The United Kingdom (376,000), Canada (369,000) and Germany (334,000). Among the travelers are tourists whose trips were arranged through travel companies (The operational term of ‘tourists’ in this report specifically refers to the visitors who join tours organized by travel service companies or agencies). The number of China’s outbound tourists reached 16.64 million in 2010, with an increase of 34.8% over the previous year. Outbound tourism has become a lucrative business for travel agencies in China, and heavy spending by Chinese tourists has boosted up the economies of many destination countries. In 2011, Chinese tourists were expected to spend a record high of US$55 billion) on their overseas trips (Xinhua, 2010). The World Tourism Organization estimated that the total number of outbound travelers from China would reach 100 million by 2020.

Chinese outbound tourism is experiencing major changes in outgoing tourists’ travel patterns. A decade ago, most of the travelers from China were government officials or people from state-owned companies for public purposes, but now most of the visitors are in the private sector or for private purposes. In 2011, 91.2% Chinese outbound tourists were for private purposes (CNTA, 2011). Among the outbound tourists are organized tourists whose trips are arranged through travel companies. The number of China’s organized outbound tourists reached 16.64 million in 2010, with an increase of 34.8% (higher than the increase rate of the overall outbound travelers which was 20.4% for the same period). Of the organized outbound tourists in 2010, 52.7% are visiting foreign countries and 47.3% are visiting Hong Kong and Macau (CNTA, 2010). One phenomenon in Chinese outbound tourism is that, as more Chinese join in outbound tours and many become frequent and experienced tourists, the travel patterns and styles are changing and their expectations are escalating. For instance, Chinese visitors typically wanted to see more places in a short time, but now people like to slow down the pace and choose one or two places during each visit in order to stay longer and see more (Xinhua, 2010).

Given the rapid development and thereby huge economic impact of China's outbound tourism, it is important for tourism managers, marketers and researchers, both in China and destination countries, to keep track of the emerging features and trends in a timely manner. Such a good understanding is necessary to ensure a vital and sustainable tourism growth. Previous studies on China's outbound tourism have either been dependent on secondary data published by tourism authorities or surveys of Chinese outbound tourists (Jang & Pearson, 2003; Kim, 2004; Kim, Guo, & Agrusa, 2005; Choi, Lehto, & Morrison, 2008; Xie & Li, 2009; Chow & Murphy, 2011; Tsai, et al., 2011; Li, Zhang, & Deng, 2011; Li & Stepchenkova, 2012). Few have ever attempted to study China's outbound tourism from the perspective of travel professionals specializing in China's outbound tourism business. Such a study is deemed to be a good supplement to previous studies in the same area. Therefore, the main purpose of this study is to identify and discuss the emerging features and trends of China's outbound tourism from the perspective of travel professionals.

Interviews with Outbound Tour Operators

The outbound tourist generating markets in China are mainly located along or near the east coast areas of the country, which are, from north to south, Beijing Municipality, Jiangsu Province, Shanghai Municipality, Zhejiang Province and Guangdong (Canton) Province. This is because that China's economy is mainly dominated by three regions: a) the Yangtze River Delta region, b) the region of Beijing and Tianjin, and c) the Pearl River Delta region. The disposable income of Chinese citizens is increasing rapidly over the past 20 years. The township residents' average disposable income is CNY 19,109 in 2010 (CNBS, 2010) (one CNY is approximately 0.16 USD), as compared to CNY 1,510 in 1990 and CNY 6,280 in 2000. The areas with the highest township residents' disposable income are Shanghai, Beijing, Zhejiang, Tianjin, Guangdong and Jiangsu. These three regions are also the main outbound travel generating markets. Nearly 60% of China's organized tourists come from these three regions.

To catch the up-to-date emerging features and changing patterns of China's outbound tourism, a series of interviews were conducted with China's outbound tour operators located in the three areas of the YRD, PRD and Beijing for a consecutive period of five years. The traditional face-to-face semi-structured interview approach was used. Interview questions would be asked around the three theme topics: a) China's outbound tourism market status; b) emerging outbound tour features and trends; and c) market forecast for China' s future outbound travel business. From 2008-2010, annual interviews were conducted in the YRD area including the Municipality of Shanghai and major tourist cities in the provinces of Jiangsu and Zhejiang. Specifically, outbound tour operators in Shanghai, Nanjing (Capital city of Jiangsu) and Hangzhou (Capital city of Zhejiang) were interviewed in 2008; two more cities – Suzhou in Jiangsu and Wenzhou in Zhejiang were added in 2009's interviews; another two cities – Wuxi in Jiangsu and Ningbo in Zhejiang were included in 2010. In 2011, the fourth round of interviews was conducted in the cities of Shanghai, Nanjing, Hangzhou and Beijing. Then in 2012, and the fifth year's interviews included Shanghai, Nanjing, Hangzhou, Beijing and Guangzhou (Capital city of Guangdong Province).

For the first year of interviews, seven to eight large outbound tour companies were selected and interviewed in each selected city based on their business volume. With more cities covered in the following years, since the second year only the top three outbound tour operators in each selected city were interviewed. In Shanghai, interviews were also conducted with three international cruise lines and China's largest online travel company - Ctrip. Shanghai is the home port of Princess Cruise Lines, Royal Caribbean Cruise Lines, and Costa Cruise Lines; of which Royal Caribbean Cruise Lines provides flight plus cruise service for high-end clients, while the other two lines offer service to middle-class markets. The researchers interviewed Ctrip Headquarters in Shanghai each year. In addition to these interviews, visits were also paid to some outbound tour wholesalers located in Shanghai, Beijing and Guangzhou who sold outbound tour products to travel service companies in other provinces.

The qualitative content analysis was employed to conduct data analysis. All the information was compressed and categorized into four tables, each representing one of the pre-assigned themes, i.e., features of destination markets, emerging features of outbound tour products, emerging features of outbound tourists, and trends of outbound travel modes. The row consists of years from 2008 to 2012 and the column is composed of the three regions (under each region is the sub-category of cities). The content analysis along the rows helped trace the outbound travel trends for the recent five years and identified along the columns are the similarities and dissimilarities of outbound travel features between the regions and cities. Through content analysis, the results of the interviews and discussions are narrated below which are focusing on four main topical areas, i.e., 1) the features of the main destination markets, 2) the emerging features of outbound tour products, 3) the emerging features of Chinese outbound tourists, and 4) the emerging trends of popular outbound travel modes.

Features of Main Destination Markets

While tourists from China are visiting many different places in the world, the frequently visited destinations are mainly in Asia/Pacific, Europe, and North America. The analysis and discussion was mainly focusing on the emerging features of the destination markets of these regions. Among them, the destinations in Asia and Pacific were considered as short-haul markets and places in Europe and North America are long-haul markets.

a) The Sustained Development of the Conventional Destination Markets in Asia/Pacific

The Southeast Asian destinations are among the earliest to open to China's tourists. Today these conventional destination markets are still very popular which are sustained mainly due to the four reasons based on interviews with the tour operators.

- First, instead of providing zero-fare tours with required shopping, the conventional Thailand-Singapore-Malaysia tour products are being upgraded, with more and more quality tour products being designed and promoted by tour operators. Shanghai Jinjiang Travel Corporation, for example, promotes quality tours to Thailand in which tourists are arranged to visit historic and cultural Ayutthaya, Chiang Mai in the jungles of northern Thailand, and Thailand's royal summer resort Hua Hin.
- Second, tours to Southeast Asian markets continue to flourish thanks to the product transformation from sightseeing to island and urban tours. For instance, one of CYTS Amazing Free outbound tour product series' 'Island Walk' offered by China Youth Travel Service involves tours to fourteen islands, ten of which are in Southeast Asia, (i.e. Bintan island, Maldives, Bali island, Phuket Island, Pangkor Island, Jane Latin Bay, Langkawi, Sabah, Boracay, and Redang Island).
- Third, tours to Southeast Asian destinations especially the routes of Thailand, Singapore and Malaysia are considered to be good-for-value. For residents of Guangdong, for example, prices of Thailand, Singapore or Malaysia tours are equivalent to prices of tours to China's other provinces. Thailand, Singapore and Malaysia are always first-time visitors' top choice and are also favored by many repeat tourists in China.
- Fourth, tours picked up by tourists from many other provinces are more conventional in comparison with the major tourist generators such as Shanghai, Beijing and Guangdong. In Jiangsu, for example, more people are still taking the conventional Thailand-Singapore-Malaysia tours rather than a tour to a single destination.

Japan and South Korea are the two major destination markets for Chinese tourists. There are various kinds of Japanese tour products available to Chinese tourists all of which are within a length of one week. Japan's selling points include hot springs, gourmet food, shopping, skiing, and exquisite Japanese-style services. However, there are various types of tourists in anticipation of different prices. In Guangzhou, for example, older travelers find the off-season price at CNY 5,000 attractive; summer vacationers are more likely to be family members together who will pay a higher price; on holidays or during traditional festivals, tour prices will exceed CNY 10,000 and the buyers are mainly high salary/wage earners. As for South Korea, Chinese tourists - young, middle-aged, senior, family, corporate and independent – all consider South Korea an ideal destination and are visiting for various kinds of reasons, e.g. leisure and recreation, kimchi, Khan Steam, skiing, cosmetics, corporate incentive travel, or just to fly over to attend a weekend concert.

With regards to Australian tour products, apart from the traditional places of interest such as Sidney, Melbourne, Brisbane and the Gold Coast, more people are interested in exploring other destinations such as the Great Barrier Reef, Tasmania, Uluru, and Hamilton Island, etc. In Guangdong, a noticeable trend is the self-drive tour with a price of over CNY 30,000, which is much more expensive than other conventional tours (over CNY 10,000). Another noteworthy and interesting tour product offered in Guangdong is a kids' study tour to Australia. Such tours last for fifteen-twenty days, at a price of about CNY 30,000. Upon arrival in Australia, every two kids dwell together with a local native family whose daily meals are taken care of by the homeowners. The homeowners take them out for vacations on holidays. The kids are expected to practice English in a natural way and in a real English-speaking environment.

b) The High Growth of the Long-haul Markets in Europe and North America

The high market growth was noted in the long-haul markets in Europe and North America. For the last four years, the volume of tourist flow increased by 59% to France, 61% to the United Kingdom, 75% to the United States and 61% to Canada. Two driving forces are noticeable especially in these regions for the continuous high growth, i.e. loosening visa restrictions and the additional convenient direct flights provided by both the national and foreign airlines.

Many destination countries in Western Europe and North America are loosening visa restrictions on Chinese outbound tourists. For instance, the volume of tourist flow to Europe continues to grow with high speed. This is because Europe's twenty-five nation border-free Schengen area has adopted a unified visa system, which has simplified visa procedures for Chinese tourists and reduced the visa fees. Chinese tourists can visit an online visa appointment reservation system, which was recently launched by the German Embassy in Beijing, and Chinese tourists who hold a British visa are not required to apply for a visa to visit Ireland. In North America, the United States has begun issuing one-year multi-entry visas to Chinese tourists which will stimulate more repeat visitors from China. Interviewed tour operators explained that, in comparison, Canada is less attractive than the United States partially due to this reason and a combined tour of the United States and Canada is less popular because tourists don't like to apply for two visas when planning to visit North America. All these measures serve as a great stimulus in attracting Chinese tourists.

Thanks to the opening of many direct flights or convenient charter flights connecting China with popular destinations tour operators and tourists in China find it very convenient in planning trips to long-haul destinations. In Europe, the air route capacity was further increased in 2011. For example, Alitalia opened a flight route between Beijing and Rome; Air China connected Beijing with Dusseldorf; Hainan Airlines set up a direct flight to Switzerland from Beijing; Lufthansa opened a direct flight between Nanjing and Frankfurt in 2008 and Zhejiang's big increase of tourist flow to Europe is attributive to the opening of direct flights between Hangzhou and Amsterdam by KLM. In addition, China Southern just opened flights linking Guangzhou and London in 2012.

Popular Europe tours made by Chinese tourists mainly include leisure tours of the 'Three Golden States', namely, France, Switzerland and Italy; taste tours of France and Switzerland; and the experiential tour of France. While the residents in Beijing, Shanghai and Guangdong found it easy to join an outbound tour, other provinces' long-haul outbound tours used to be taken care of by tour wholesalers based in Beijing or Shanghai while the local travel companies mainly functioned as retailers or travel agencies of the wholesalers. Now the local travel companies in these provinces have begun to operate long-haul tours to Europe themselves by taking advantage of newly added direct flights. A good example is Zhejiang. Thanks to KLM's direct flights connecting Amsterdam with Hangzhou, European destinations are coming closer to Zhejiang's outbound tourists. For instance, the eleven-day tour to France, Italy, Switzerland and the Netherlands for CNY 13,000 has become Hangzhou's main product in Europe. Besides, the local travel companies in Hangzhou also have begun to organize outbound tours to the United States.

Destinations in Eastern and Southern Europe are also becoming popular. Tourists to Eastern Europe are more culture-oriented, typically in Hungary and the Czech Republic, without the indulgent shopping sprees by visitors to Western Europe.

Emerging Features of Tour Products: More Flexibility and More Options

One distinctive feature for Chinese tourists to travel abroad today is that joining an outbound tour is become much easier and more flexible; and there are a great variety of tour options for tourists to choose. Diversified tour product supplies become more capable of meeting tourists' various kinds of needs.

With the expansion of China's outbound tourism market, China's tour operators are now more likely to arrange charter flights or reserve blocks of air tickets during hot tourist seasons to plan outbound tours. During the Spring Festival of 2011, for example, a chartered plane flying directly to Chiang Mai from Shanghai proved to be successful; a charter flight service provides Ningbo with 3 day 4 night or 4 day 5 night trips to Jeju in South Korea, and 4 day 5 night trips to Jeju and Seoul, which proved to be prosperous in both purchases and sales, In addition, Nanjing opened a charter flight to Cambodia and all tickets were promptly sold out. As with tour operators in Hangzhou, Nanjing's tour operators tend to self-organize more outbound tours by themselves given the high demand and volume of tourist flow from Nanjing, the northern part of Jiangsu Province as well as the neighboring province of Anhui (i.e. cities of Wuhu, Ma'anshan, Chuzhou, etc.).

Destination markets are offering a great variety of tour products to attract Chinese tourists. To cite tours in Asia as an example, there are increased demands of various types of Hong Kong and Macau tours, ranging from CNY 2,000 independent tours to CNY 4,000-5,000 high-end tours. The Southeast Asian markets show a steady growth, sustained by the offerings of various new tour products such as quality tours, independent tours, island tours and experiential tours. The conventional Thailand-Singapore-Malaysia tour products are now refined into high, middle and low classes because people can always find a match in this market. There are at least ten optional products in Thailand alone available to Chinese tourists, ranging from the traditional routes of Bangkok, Pataya and Phuket to other places of interest such as Hua Hin, Elephant Island, Hin Tok River, Chiang Mai, Chiang Rai, etc. Chinese tourists - young, middle-aged, senior, family, corporate and independent – all consider South Korea an ideal destination and are visiting for various kinds of reasons, e.g. leisure and recreation, kimchi, Khan Steam, skiing, cosmetics, corporate incentive travel, or just to fly over to attend a weekend concert.

Emerging Features of Today's Chinese Tourists: More Quality Product Oriented and Less Price Sensitive

With more accumulated travel experience, Chinese tourists are modifying their travel patterns from wholly inclusive tours to flexible arrangements. For instance, Beijing's tourists tend to request more time for free activities. When making a choice of the tour products, the clients will check the itinerary to see if there is some free-time arrangement for which they are willing to pay more. Beijing's tourists prefer 7+1 (seven-day organized tours and one day free) or 8+1 tour products, in which they can have one day for free activities. To comply with such requests, tour operators usually exclude meals from the tour package as much as possible and when traveling tourists are dropped off in downtown areas that have meals themselves. One example is tourists ask for one day off for free activities in Venice where they can visit the urban district and go shopping all by themselves. Today's tourists are making more specific travel requirements, e.g. requiring to stay in name-brand hotels, have in-depth engagement in farm and ranch activities, join in groups composed of members of the same quality, or have family members, relatives and friends stay in the same group.

Tourists from Beijing, Shanghai and Guangdong are more product-sensitive and less price-sensitive. The tourists want a high quality and valuable product for the money and not simply a cheap tour experience. Compared with tourists from other regions, they are more matured and rational and have a strong sense of safeguarding their rights and interests. Using Guangzhou as an example, tourists from Guangzhou seek fun and pleasure when traveling, focusing on a tour's comfort, convenience, and distinct characteristics. In planning an outbound trip, Guangzhou's tourists like to compare different destinations of the same type and pick the one perceived to be the most comfortable and have the most value. Guangzhou's tourists usually make four-five trips, each of which lasts for two-three days, including within-the-province tours, out-of-the-province tours, and overseas tours. Because of the high frequency of travel, they pay close attention to tour quality. Though these tourists are willing to pay a high price for what they like, a low-cost product should not sacrifice its overall quality and luxury.

Once a reservation is made with a tour operator, the tourist tends to double check the airfare and travel quote and compare with other tour operators' based on the available online travel information. Frequent tourists are interested in getting more information about the destination and even attaining more direct engagement with destinations before departure. For instance, experienced tourists from Shanghai would read the magazine of Elegant Figaro (Chinese version) which is published by the agents of Europe's luxurious commodities before departure for Europe. As a result, they know exactly what to buy and how many are needed. Some tourists make online orders directly from European stores' websites. Upon arrival, they walk directly to the stores, make payments and pick up their commodities.

The Emerging Trends of Popular Outbound Travel Modes

With more and more travel experience, it is becoming a trend for today's Chinese tourists to look for new travel styles or modes to meet their special needs. Based on the results of the interviews, these special tours are summarized as independent tours, island tours, in-depth experiential tours, and high-end outbound tours and cruise tours

Independent Tours

Among all the independent tour products offered by the tour operators, the most famous brand is CYTS Amazing Free tour products. In the destination markets of Hong Kong, Macau, and Southeast Asia, more people are traveling independently than in tour groups. There are two Amazing Free series of products for outbound travel, i.e. 'Island Walk' and 'Enjoy the City'. 'Island walk' occupies 70% of its independent outbound travel business and 'Enjoy the City' covers the remaining 30%. The 'Enjoy the City' tour includes the Asian cities of Hong Kong, Macau, Singapore, Seoul, Tokyo, Kuala Lumpur and other cities in Italy, France, Greece, United States, Australia, and New Zealand. 'Enjoy the city' tours usually contain one or two cities if traveling in Asia such as Tokyo and Sapporo, or Kuala Lumpur and Malacca.

Independent tours are becoming very popular in Shanghai and the scope of these independent tours continues to widen. Besides the traditional Hong Kong and Macau tours and tours to Thailand, Singapore and Malaysia, visa applications to the countries of Vietnam, the Philippines, Cambodia, India or Nepal are also becoming very convenient.

Australia, United States and Russia also accept independent tour visa applications now. As a result, independent tours are moving toward long-haul destinations. The format of an independent tour is usually point-to-point, i.e. from Shanghai to another overseas city or island. The majority of independent tourists are middle-aged (35-45 years old), in pursuit of independent, free and in-depth experiential travel styles. To take Ctrip's clients as an example, since Taiwan allows independent tours, half of Ctrip's clients to Taiwan today are independent tourists.

Guangzhou’s independent tours are mainly concentrating in Hong Kong and Macau, with only transportations and hotels being arranged through tour operators. Independent tourists are no longer required to travel in groups. Independent tours to Southeast Asian destinations need to at least be with two passengers, which are not popular yet mainly due to language barriers. There are very few independent tours to long-haul destinations. This is because the format of Guangzhou’s independent tours is mainly point-to-point (i.e. from one departure city to one destination city or destination island) and the tour operators’ online travel reservation system is not capable of handling connected tours for independent tours as of now.

Island Tours

Island tours have had brisk buying and selling in all the provinces and municipalities of these three regions. To Chinese tourists, island tours in Asia are becoming more matured with big volume of sales which account for 1/3 of all outbound tours and are very popular during holidays and traditional festivals. Tour operators usually charter direct flights to islands destinations. One trend of island tours in Asia is that tour products are divided into different tiers to meet demands at different levels.

Island tours continue to be Shanghai tourists’ favorite. Hawaii, Guam, Tahiti are becoming more and more familiar among the island tourists who want the tours to be luxurious and wholly inclusive with no extra fees, plus a variety of outdoor activities. One of the hot spots of island tours in 2011 was Hawaii. The charter flights from Shanghai to Hawaii provided by China Eastern during the Spring Festival in 2011 were well received by Shanghai’s island tourists. Island tours are not yet popular among Nanjing’s tourists. Nanjing’s tourists choose to visit Phuket, Bali, and Maldives, mainly during festivals or holidays by taking charter flights. Nanjing’s local travel companies book charter-flight tickets through Ctrip. Island tours have been popular for the past five to six years in Guangzhou, with Maldives, Bali, Thailand, Sabah and Brunei as favorite choices of family tourists in hot seasons. In contrast, long-haul island tours such as the six-day tour to the three islands of Saipan, Tinian and Warship or seven-day tour to Hawaii are not popular in Guangzhou. This is mainly because tourists feel that a long-distance journey can affect the coziness of the tour which will make the product not good for value. Park tours such as the twelve-day Yellowstone tour in the United States is not popular either, due to the nearly five-hour extra flights within the country upon arrival in the United States.

In-depth Experiential Tours

Long-haul travel is generally designed for high-end outbound tourist-generating markets which have a big potential for growth. Long-haul tour products are also moving in the direction of in-depth experiential tours. Demands for in-depth tours in Europe and the United States were growing in 2011. As a result, in-depth experiential tours are gradually becoming a new fashion in these three regions and are more and more favored by Chinese tourists.

For tourists from Shanghai, for instance, while first-time tourists tend to pick up a three-country tour to Europe, experiential tourists would choose a one-country tour such as a single destination trip to France, Italy, Switzerland, or an Eastern European destination such as the Czech Republic. Favorite experiential tour places are the Rhone-Alps region of France, Lyon’s old streets and small lanes, on-slope villages in Delong Province, and big olive oil plantations and lavender plantations in France, and the Blanc Peak and the small Evian Town well-known for producing mineral water in the France-Italy border region. In-depth experiential tours are also becoming popular in Zhejiang. Such popular destinations are Italy, Greece, England, and France. To attract these types of tourists, Switzerland is promoting its Placenta Health Tour to Hangzhou’s residents, which is an eight-day tour for CNY 200,000; which for now has a small volume of demand. To compare with Shanghai, Jiangsu’s in-depth experiential tour is still at a low ebb.

In contrast, for tourists from Beijing, to visit one state or two in one trip to Europe has become a norm. Popular two-state tour products include France and Italy, Germany and Switzerland, Italy and Greece, and the United Kingdom and Ireland. One-state destinations include France, Italy, Switzerland, the Netherlands, Spain, Greece, Russia, or the Czech Republic. Moreover, special-interest tours to Europe are emerging in Beijing’s tour market, such as ‘In Search of Smurfs’ in Belgium, and ‘Take trains and get away at small stations’ in Switzerland. Special interest tours are small scale in nature and often attract intellectuals such as painters, writers, architects, doctors, experts and their spouses who prefer to travel to long-haul destinations such as South America and New Zealand. One example is a club of senior photographers in Nanjing whose members like to order tailor-made experiential tours to Europe such as a countryside of the Netherlands or France. Repeat visitors to Europe would choose to visit places with distinct specialties such as the Nordic countries where they can visit or experience Santa Clause’s village, the Arctic Circle, ice-breaking boats, angling in leather clothing, riding dog sleds, motoring on ice, and reindeer watching in winter.

High-end Outbound Tours and Cruise Tours

Among these regions, an emerging market trend is the customization of high-end outbound tour products: The nature of high-end products is to individualize customer services. Instead of making tourists follow the pre-arranged itinerary and watch, listen and accept things passively, tourists can physically involve themselves in the process and enjoy an authentic experience. High-end tour products are essentially made for small groups, ranging from six-ten members in a tour group. This will allow tour operators to provide more exquisite services to tourists who get more time to participate and engage, this type of tour is relatively more expensive, though. Examples of such tours are Nordic/Russia for fourteen days at CNY 35,999 and Mediterranean Sea for sixteen days starting from CNY38,999. High-end products do not own a huge market share but it is constantly increasing.

High-end outbound tour products in Shanghai are in high demand now. For instance, in 2011, Shanghai China Travel Service promoted cruise plus landscape tours to the United States. Tourists fly from Shanghai to Miami, take a cruise tour to the Caribbean Sea (Haiti and Mexico) and then back to Miami, visiting the United States for four more days, to either the eastern United States (New York, Washington D.C.) or western United States (Los Angeles and San Francisco). The travel mode of flight plus cruise and Caribbean Sea plus the United States is especially attractive to frequent tourists. Ctrip set up a Tour Department in 2011 specifically to take care of high-end tourists' needs. When its sixty-day tour-across-the-world product priced at CNY 500,000 per person was brought up to the market, all the tickets were sold out immediately after it was announced online.

Shanghai is the largest cruise trip generator in China. To cite the Royal Caribbean Cruises as an example, for the year of 2011 starting from March 14, Shanghai as a starting port offered fifteen cruises; Hong Kong offered thirteen cruises and Tianjin only four cruises. Among the cruise passengers, more independent and family cruise passengers were found from the YRD area including Shanghai; and more corporate groups were found from Beijing and Northern China. In Jiangsu, through years of promotions, cruise trips started to show a bourgeoning sign of demand in 2011 which were mainly for short-distance tours. Unlike tourists in Shanghai, very few liked the long-haul cruise tours especially flight plus cruise tours.

Various kinds of cruise products are available in Guangzhou to meet the multi-level demands. Popular cruise tours such as Costa Classic (five nights and six days, CNY 6,308 per person, to Hong Kong and Vietnam) and Star Cruises' SuperStar Virgo (six days, CNY 8,290 per person, to Singapore, Malaysia and Thailand). The flight plus cruise product for the middle-class and high-end tourists is Costa Luminosa (ten days, CNY 22,999-26,999, to Dubai, Fujairah, Abu Dhabi, Bahrain and Oman). There are also other luxurious flight plus cruise products for top-end clients such as Royal Caribbean's Ocean Charm to the Caribbean Sea for twelve days and Princess' Diamond Princess to North America's west coast for twelve days. Cruise trips in Guangzhou, however, are not as popular as in Shanghai or Beijing.

Summary

The interviews with Chinese tour operators on outbound business show that, as more individual Chinese citizens are traveling abroad, the tourism patterns and styles are changing. While Asian countries (especially Southeast Asia and East Asia) and regions have long been the conventional destinations for China's outbound tourism, Europe and North America are becoming popular long-haul destinations for more and more Chinese tourists.

Demand for independent tours is on a rise with more and more countries choosing to issue individual tourist visa to Chinese citizens and simplifying application procedures. China's independent tours are becoming a fashion for many outbound tourists as fostered by China's big tour operators such as the largest online travel service company Ctrip in Shanghai and CYTS's Amazing Free independent tours in Beijing. These independent tours vary in terms of the 'independent' extent, from semi-independent and semi-inclusive tours, city-to-city or city-to-island tours, to connected tours with several European destinations in one trip.

There is a trend that in-depth tours have much more market potential than sightseeing tour and demand for high quality products emerges. In the past, Chinese tourists wanted to see more places in a limited period of time. Now, they have begun to slow down and stay longer in one place or two places for an experiential travel. It is observed that, tourists' in-depth travel patterns may vary depending on where they come from. For instance, the portion of one-state in-depth experiential tours is increasing in the category of Shanghai's Europe tour, not only in Western Europe (France, Italy, and Switzerland), but also in Southern Europe (Greece) and Eastern Europe (Czech Republic). Along with the market growth of one-state tours is the increase of two-state tours. In contrast, among the European tour products offered in Beijing by the tour operators who make direct sales to Beijing's local residents, three-state tours approximately occupies 45-50% while demands for two-state and one-state tours are starting to grow. Guangdong's in-depth experiential tours, however, are still dominated by three-state tours.

More Chinese tourists are becoming more and more interested in island tours. For instance, Hawaii is a popular destination for tourists from Beijing and Shanghai; Tourists from the north of the Yangtze River are more interested in visiting Asian islands such as Thailand's Samui Island; and Guangzhou tourists are more sensitive to the comfortableness of an island tour which can be affected by conditions of local hotels, length of flights or level of difficulty in traveling.

As for the group of high-end tourists, it is noted that customization is the main characteristic of high-end tour products. Products targeted at high-end clients are designed and modified based on clients' specific needs. One challenge in China's market is that specialized high-end tour operators are available in Europe and America but not in China. China's large tour operators usually look after both the mass market as well as the high-end market, but the top-end market in China is now looking for the arrangement of specialized high-end tour operators to focus on their special needs.

In short, based on the face-to-face interviews with China's leading outbound tour operators, this study provides the primary and conclusive information and discussion on China's outbound tourism, in terms of the current status of destination markets, emerging features of outbound tour products, heightened expectations of Chinese tourists and emerging trends of popular travel styles. The findings of this article will help the tourism marketers and managers interested in China's outbound tourism business better understand the up-to-date characteristics of China's outbound tourism based on which to explore new business opportunities and pay attention to the new appealing market segments of China's outbound tourism. It is recommended that future studies on China's outbound tourism focus more on the newly appeared market segments and trends as specified in this study.

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