



# THE CHINESE OUTBOUND MARKET

## Long-term Strategies and Marketing Solutions



# LONG-TERM TRENDS

- Prioritized tour content trumps destinations
- Segmentation will become increasingly specialized
  - Sub-segmentation
  - First Mover opportunities
  - Long-term branding possibilities
  - Potential for market loyalty

# CURRENT MARKETING APPROACHES: REACTIONS AND PREDICTIONS

- Reactions to new developments may come too late
- Systems are often not compatible with dynamic markets in China
- Predictions mostly short-term and do not breach the horizon barrier
- Danger of misinterpreting data and the reasons behind new developments
- “Single beacon” approach

# MAXIMIZING THE POTENTIAL OF SEGMENTED MARKETS: CUSTOMER SOURCING

- Step Two: From Predictions to Leading the Markets
  - Customer Sourcing from Segmented Markets allows you to take control of market developments and lead customers towards your product / destination
  - Customer Sourcing from Existing Segments
    - Refinement of products to fit segment perfectly
    - Placement of products directly into already segmented markets
    - Purchase channels from segmented markets to destination

# ONE STEP FURTHER: CUSTOMER SOURCING FROM CREATED MARKETS

- Step Three: Creation of segments in empty markets
  - Demographic profiling to find attractive markets
  - Continuous dialogue with local partners
  - Creation of new market segments
  - Customer Sourcing from Created Markets can build markets quickly
  - “Educating” local markets about new travel opportunities

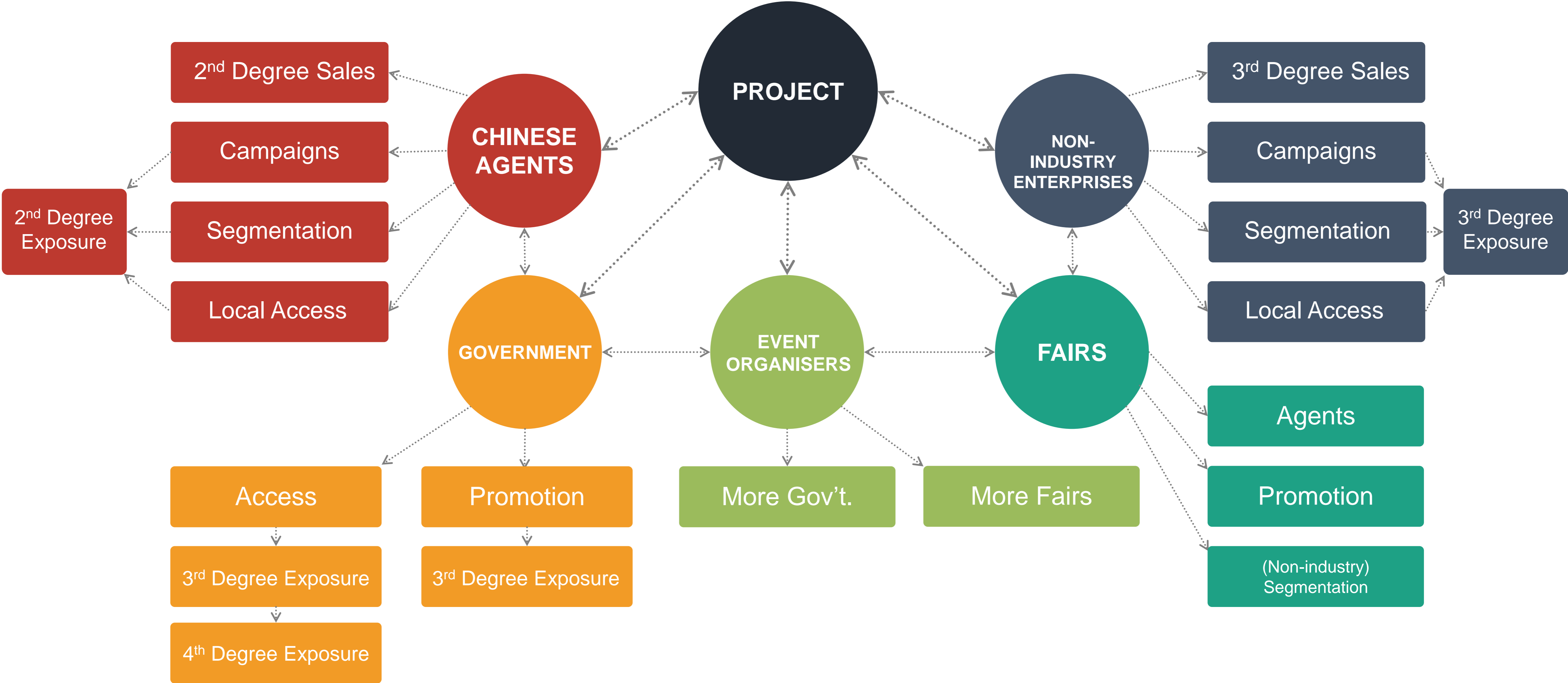
# SOCIAL CROWD SURFING: A SUSTAINABLE CUSTOMER SOURCING SOLUTION

- SCS: Cost-effective strategy using the segmentation of the markets to initiate long-term development and increase results of investments (1+1=3)
  - Large “web structure” of strategic cooperation to penetrate markets
    - Mutually beneficial relationships with the industry
      - Agencies**
        - Give: Added value, marketing solutions, segmentation
        - Get: Marketing solutions, segmentation, access
      - Governments**
        - Give: Cultural content
        - Get: Increased exposure, branding, access
      - Fairs**
        - Give: Added value
        - Get: Co-promotion, preferential treatment
      - Event Organizers**
        - Give: Cultural content
        - Get: Increased exposure, branding
    - Strategic partnerships with entities *outside* the travel industry
    - 2<sup>nd</sup> and 3<sup>rd</sup> (and even 4<sup>th</sup>) degree exposure – “multiple beacons”
    - Building markets at grassroots – near-total market penetration

# SOCIAL CROWD SURFING: A SUSTAINABLE CUSTOMER SOURCING SOLUTION

- Reduction of long-term costs
  - Re-use of branding material
  - “Brick”-system of product design allowing high flexibility in presentations
  - Utilization of partnerships at regional level
  - Accountability at segmented level
  - Multi-dimensional campaign design
- Reaction speed reduced
  - 1-4 weeks reaction time on promotion opportunities
  - 1-2 months reaction time on new segments

# AN EXAMPLE OF SOCIAL CROWD SURFING





THANK YOU

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