<u>Will Chinese technology give hoteliers a fat problem this</u> <u>Year of the Pig?</u>

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By Sam Turner, Wholesale Sales & Sourcing Director, Hotelbeds (article first published as an opinion piece by Travolution on 25 January)

Language barrier or cultural differences: which of these is the single biggest challenge for a European or North American hotel chain trying to attract Chinese travelers?

This week in China marks the Year of the Pig and perhaps hoteliers should give more thought to a fatter problem: technology.

Technology is a major barrier for hoteliers when dealing with the Chinese market. At the core of the problem is the fact that the technology platforms they are used to using are all entirely different from ours. They can't access Google, Gmail, Facebook, Twitter, Instagram or even WhatsApp.

Instead they use three main social media channels: Baidu (a search engine), WeChat (WhatsApp on steroids) and Weibo (similar to Twitter). And they don't have Uber anymore, instead they use something called Didi.

This creates two headaches for hotels, or any inbound tourism service provider. Firstly how to market to Chinese audiences; and secondly for handling customer services via social media.

Just like in the West, Chinese travelers are heavily influenced by social media and the lifestyles promoted on them. Just like in the west content is king, in particular of the video and user generated type. And just like in the west, 'influencers' with millions of followers can make or break a destination or travel brand. There is only one small but vital difference: all of the platforms or tools they use are completely different from ours.

All of this means marketers don't just have to create Chinese language content, the content has to be actually on Chinese only social media channels too. Often this requires different formats, a whole different way of thinking even. To make matters worse, they aren't always so easy to set-up, as in some cases to start an official account you need to be a registered company in China.

Western hoteliers need to embrace the whole range of Chinese tools, Apps, websites and platforms that make up the travel ecosystem. In particular they should look closely at Qyer, with over 80 million subscribers, or the similarly popular Mafengwo. They are both comparable to TripAdvisor in that they feature user-generated content (UGC) and offer travel tips and advice – but additionally they actually sell travel content such as hotels and flights, so it is essential to have your accommodation available via their platforms. Another popular site is Xiaohongshu, a cross between a shopping and lifestyle App popular with young travelers; it doesn't yet have a hotel booking function but they can heavily influence the choice of destination for travel, so gaining a presence in its content is essential (again, video is key).

For inspiration on what to do for your own channels, Western hoteliers should have a close look at what the leading Chinese hotel groups such as Mandarin Oriental and Wanda are doing on their social media channels.

To discover how not to do things, we only need look at the Dolce & Gabbana advertising campaign that backfired massively last year. As consumers boycotted their goods, retailers withdrew them

from sale. An important lesson must be learned here: local cultural sensitivities must be respected at your peril – so getting local support and advice is key before conceiving, let alone launching, any campaigns.

For us at Hotelbeds we've been deeply involved in the Chinese market for many years and have over 250 local employees, including an operations team. In fact, already China has become our fourth biggest source market globally and is still growing fast.

Our success has in part been achieved by embracing these technology changes and working with our hotel partners to help them adjust their offering accordingly – almost 3% of all Chinese inbound hotel reservations for the American market now flow via our platform, thanks to an internal team we have dedicated to sourcing 'China-ready' hotels for this corridor. By partnering with us we allow hoteliers a quick and cost-effective route into the Chinese market, without having to create their own local sales teams, social media presence or customer support teams.

These challenges will only get worse as Chinese travelers begin to travel less in groups and on prepaid package trips, and instead travel alone – a trend which Japanese travelers followed from the 1980s onwards. Technology could enable this, and right now it is not in many cases.

Last year in China it was the Year of the Dog, and whilst some Western tourism organisations continued to make a mess of the situation, signs of improvement have been noticed. For example in Spain travellers can now claim their Duty Free Tax Refund at the airport using AliPay.

This time round it is the Year of the Pig and I truly believe that if more hoteliers continue adapting to Chinese technology they'll be able to bring home the bacon, year after year.



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