



Dragon Trail
INTERACTIVE

Coronavirus and Chinese Tourism

Dragon Trail Interactive

Matt Grayson | International Marketing Forum West

Dragon Trail Interactive

Dragon Trail Interactive is an award-winning digital marketing and solutions agency **helping travel and tourism organizations to reach and connect with China's affluent consumers online.**

We combine our deep market knowledge, extensive industry relations and the diverse skill set of our multi-cultural and multi-lingual team to deliver innovative solutions and excellent service.

Founded in 2009, the company has offices in Beijing, Shanghai, Xi'an, London, and Lexington.



100% China



100% Travel



100% Digital

Some of Dragon Trail's Clients





Agenda

- Coronavirus and its impact on international travel so far
- Responses from US tourism brands
- Looking forward: Prospects for recovery
- Q&A



Coronavirus and its Impact on International Travel

Coronavirus Update

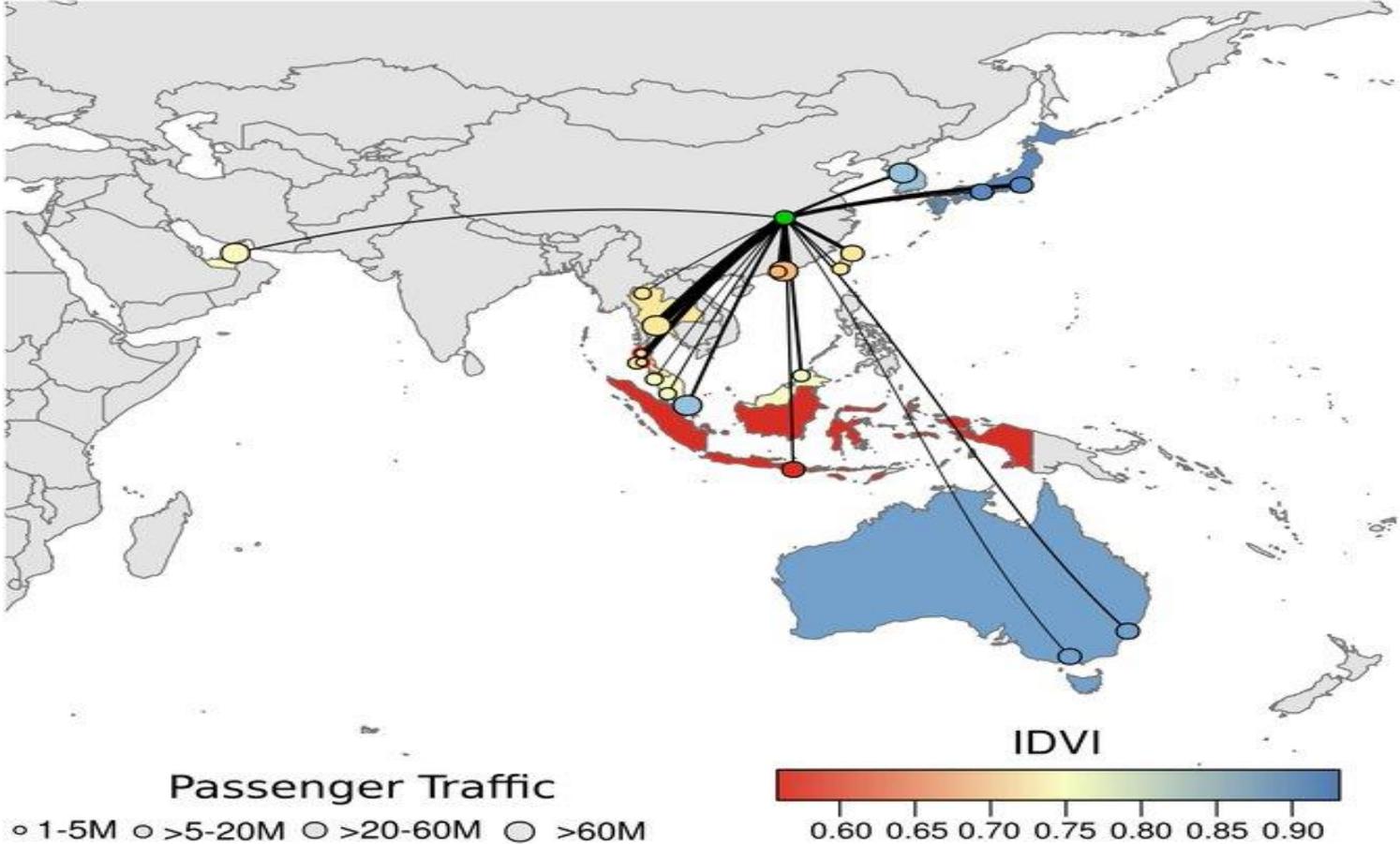
The novel coronavirus outbreak that originated from Wuhan has far eclipsed 2003's SARS in terms of number of infections.

Although the fatality rate is much lower (~3% vs. 10%), more people have died from the coronavirus.

The number of new confirmed and suspected cases has fluctuated wildly (as we will see), while the number of recoveries have been growing.



Coronavirus – The Spread



Coronavirus Update – Comparisons to SARS and MERS

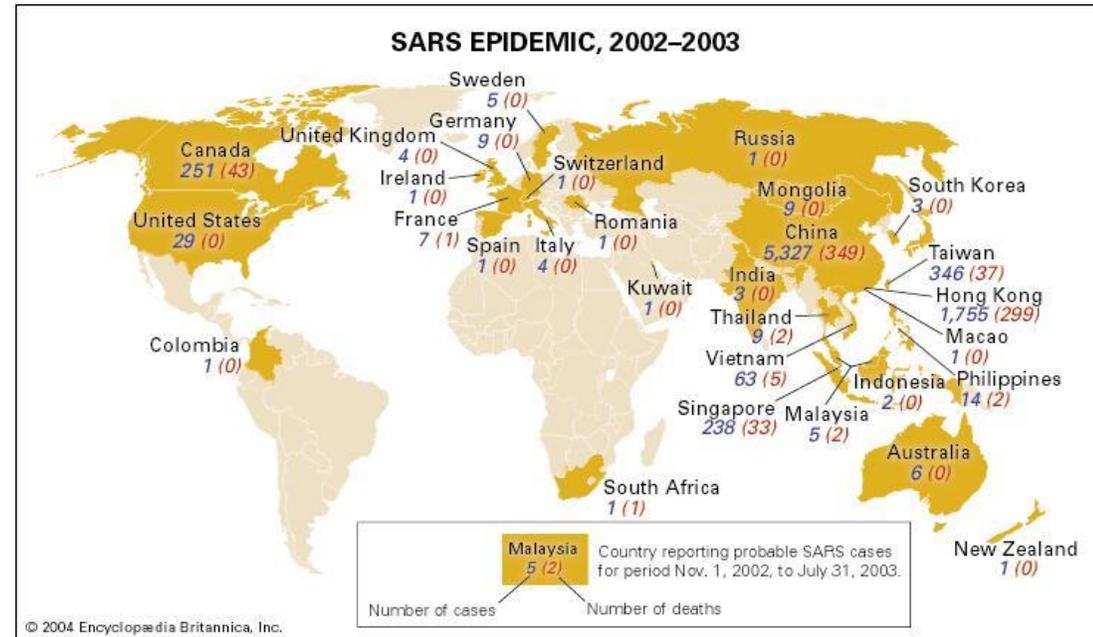
Two of the more recent pandemics have involved SARS (Severe Acute Respiratory Syndrome) and MERS (Middle East Respiratory Syndrome).

SARS (Nov. 2002 – July 2003)

- 8,096 infected; 774 deaths
- US: 29 infections, 0 deaths

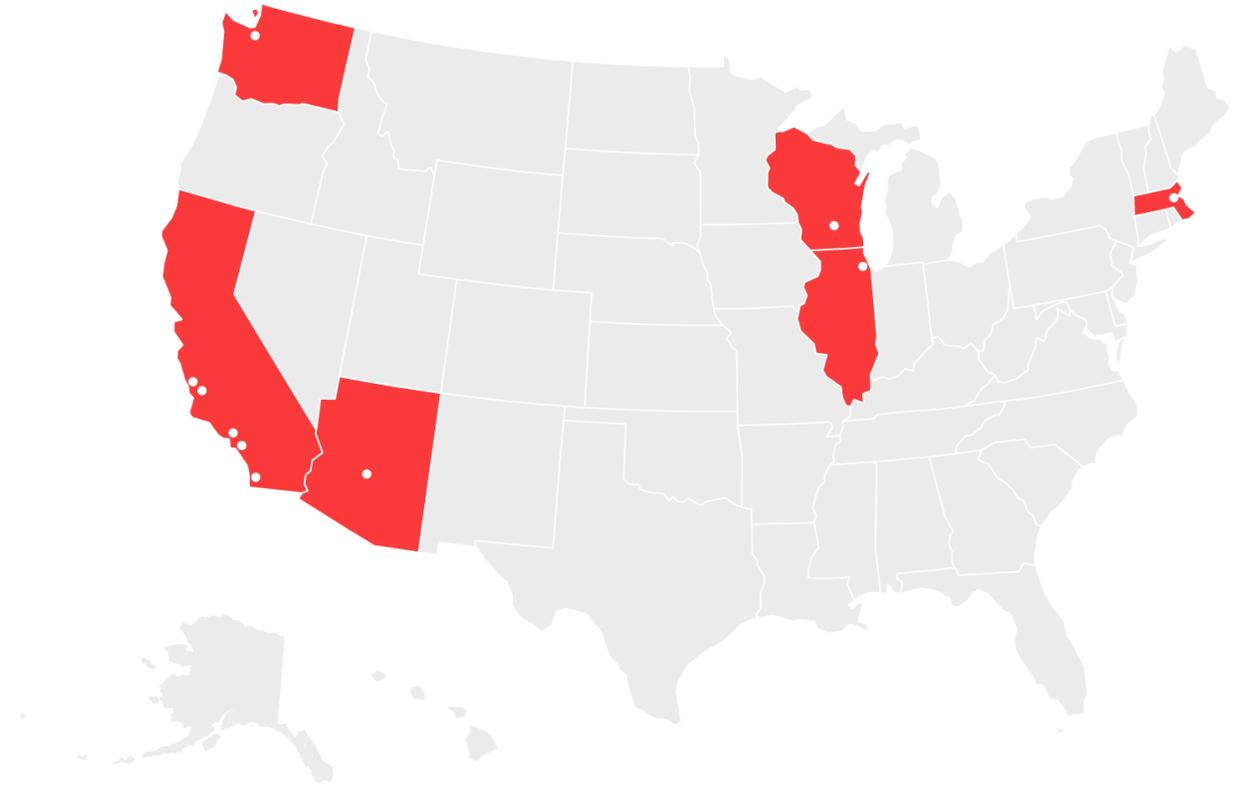
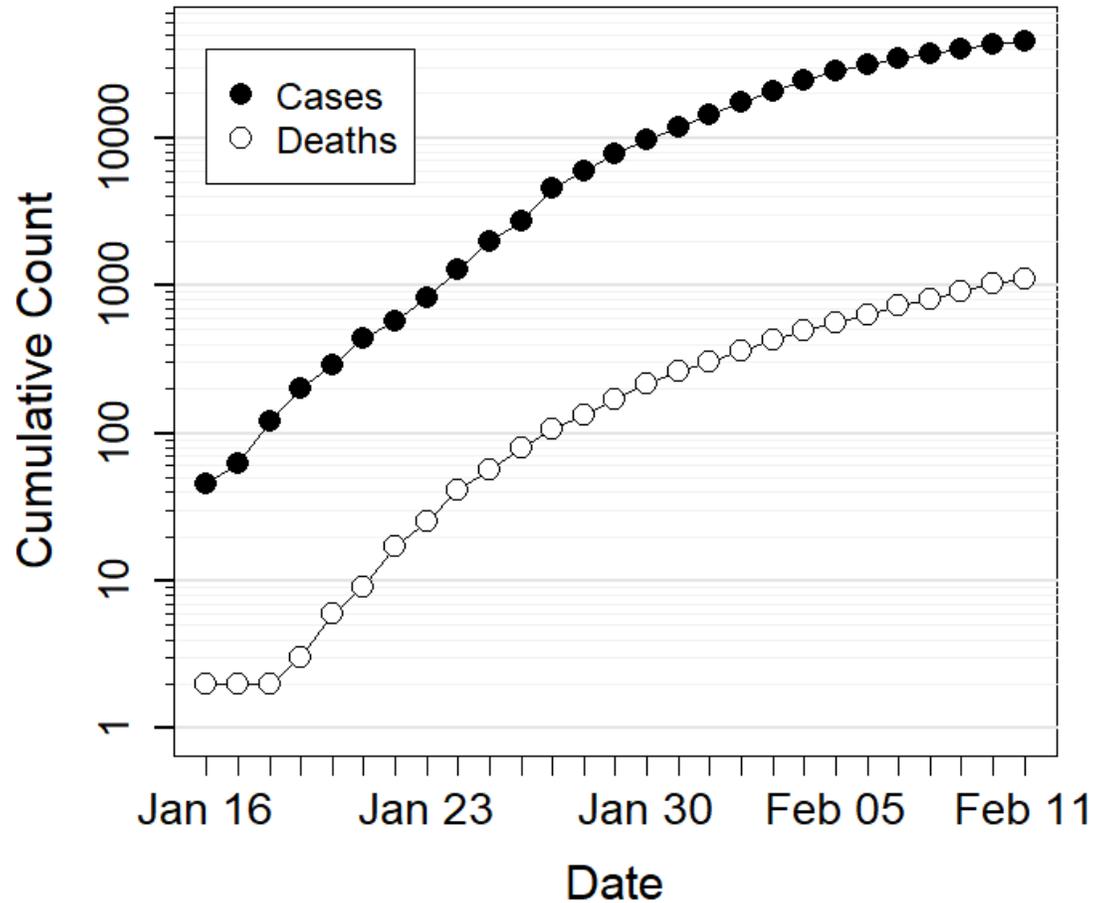
MERS (2012)

- 2494 infected; 858 deaths
- US: 2 infections, 0 deaths

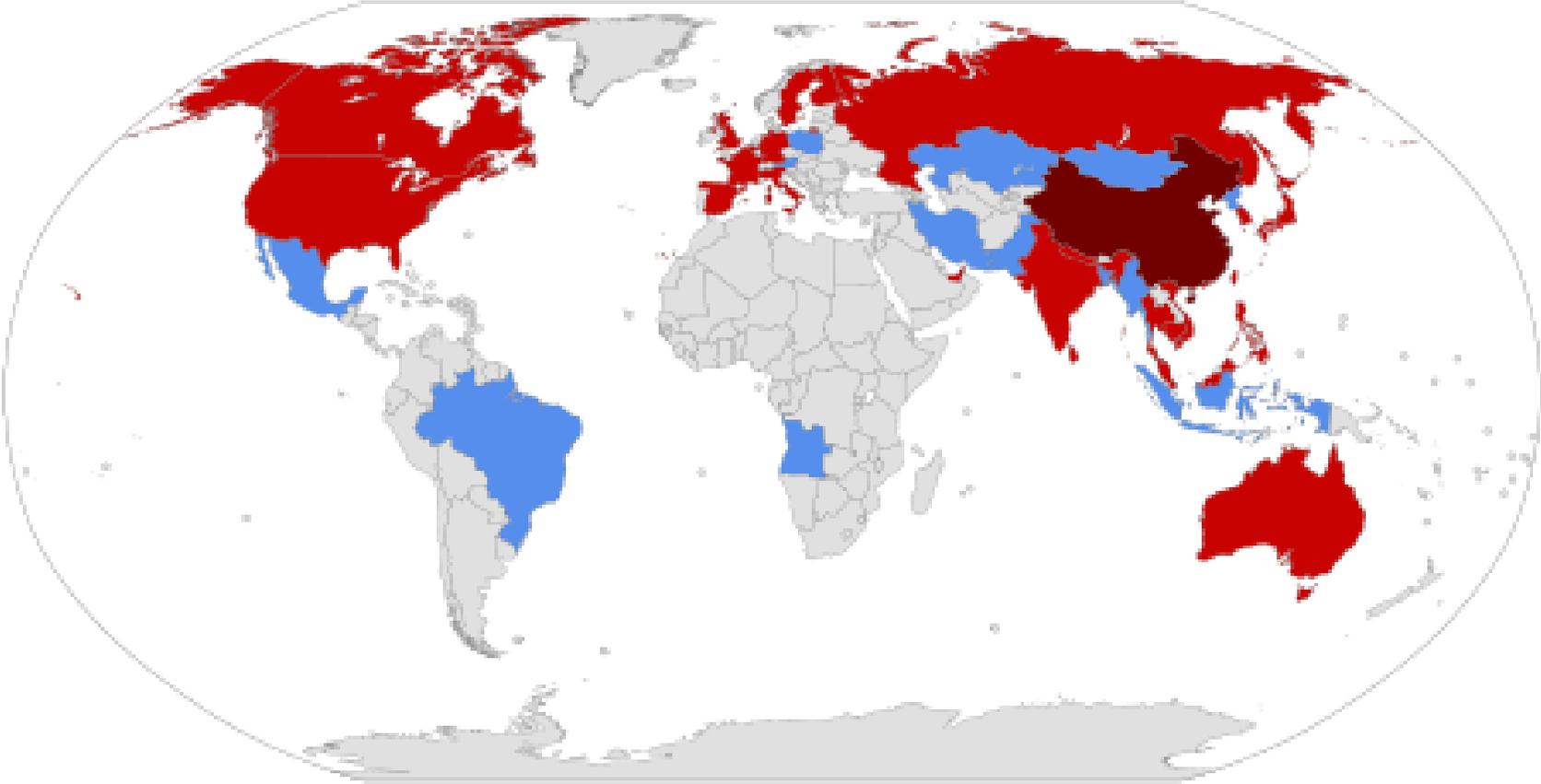


Coronavirus Update – Feb. 12

Coronavirus total cases and deaths in China



Coronavirus Update – Feb. 12



Coronavirus Update – Feb. 13

The Chinese Government changed counting methods...and we had a new ballgame.

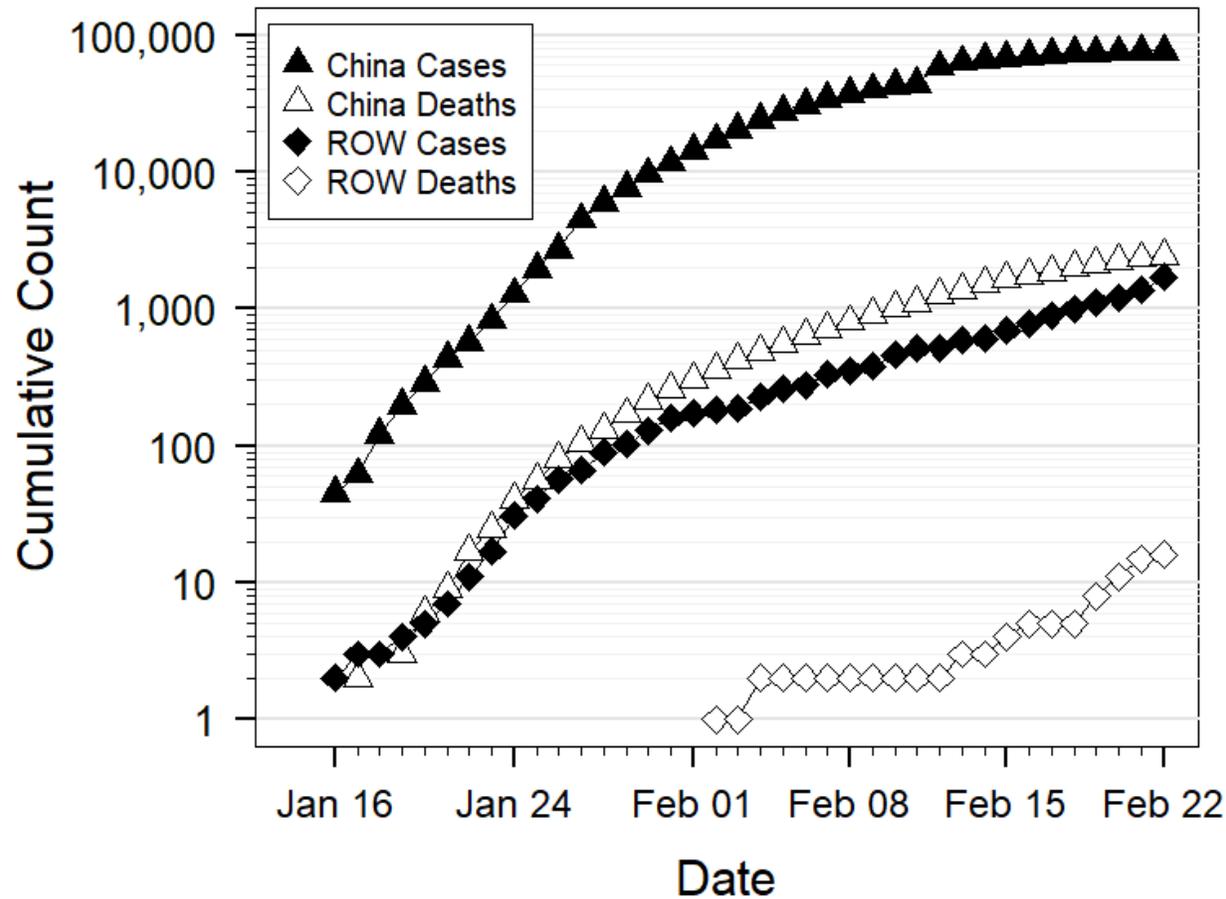
	Infections	Deaths
Feb. 12	45,800	1,116
Feb. 13	59,822	1,367

**Infections increased by 31%,
Deaths increased by 22%**

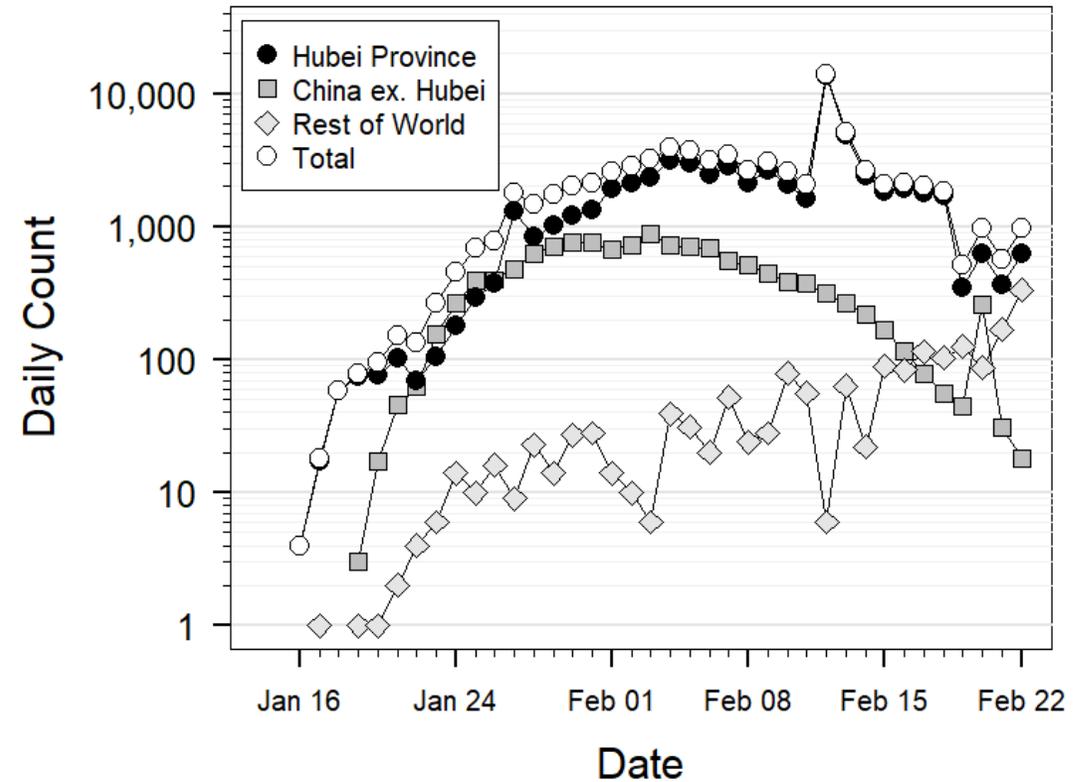


Coronavirus Update – Feb. 23

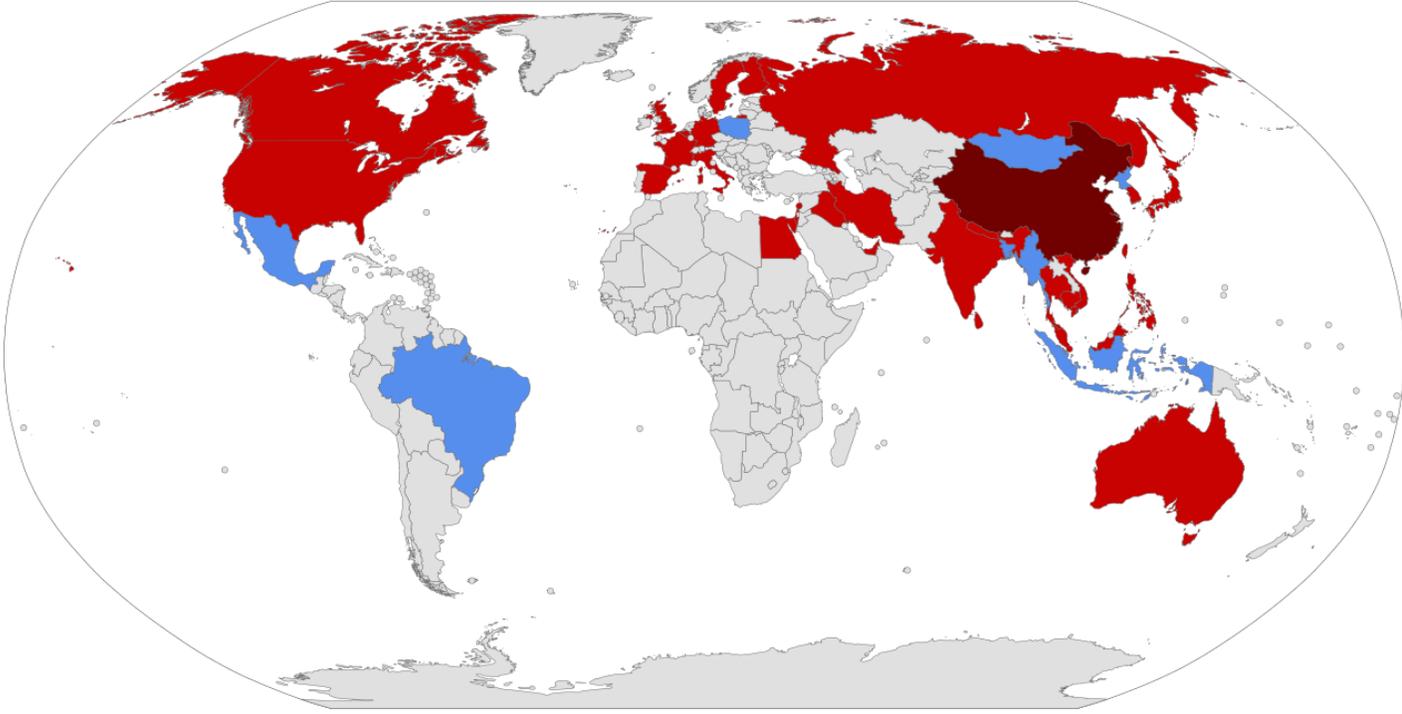
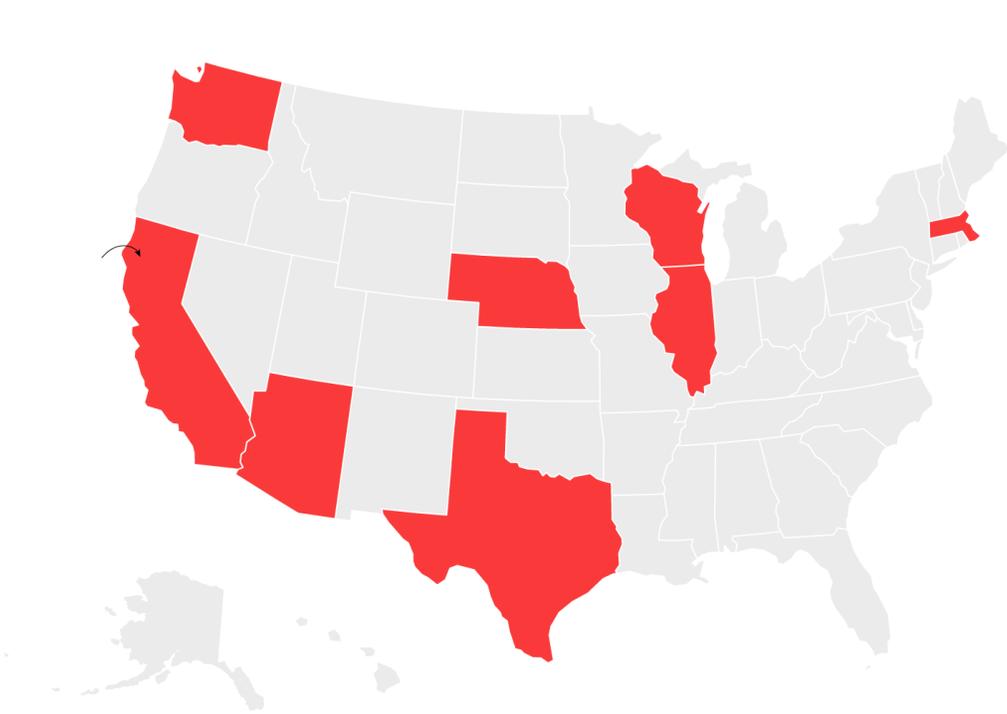
Coronavirus total cases and deaths by region



Coronavirus daily cases by region



Coronavirus Update – Feb. 23



Source: Pharexia, Wikipedia

Coronavirus Update – Italy and South Korea

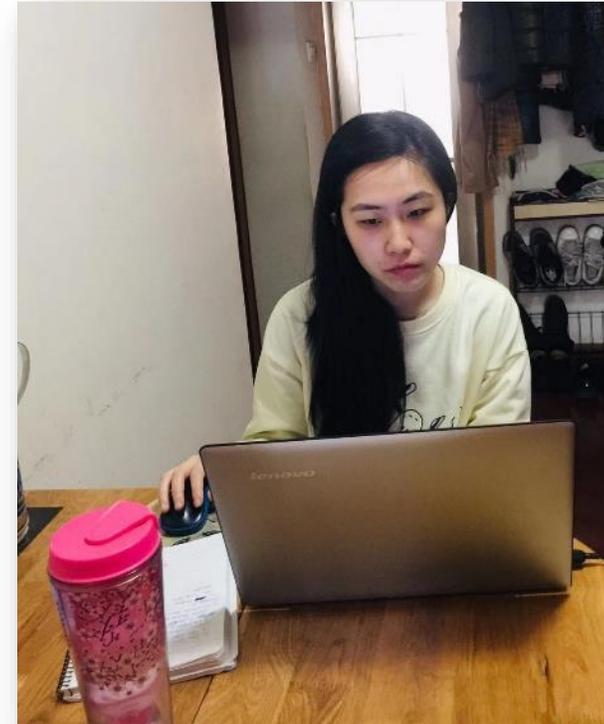


Coronavirus Update – Feb. 25

	Infections	Deaths	Recoveries
Global	80,249	2,705	27,586
China	77,658	2,663	27,323
Rest of World	2,591	42	263

Coronavirus Travel Restrictions within China

- From January 23, Wuhan and 15 other cities in China were put on lockdown with no travel going in or out. Cities with high cases of the coronavirus have stringent controls in place about movement within the city.
- All group tourism within China was suspended from January 24.
- Long-distance travel within other parts of China has been heavily restricted, with long-distance bus stations in Beijing and Shanghai closed.
- Most Chinese have put themselves in semi-quarantine throughout this period, leaving their homes as little as possible. While the country is back at work now after an extended Chinese New Year vacation, anyone who can is working from home.



Dragon Trail's Marketing Manager Cecilia Xu working from home in Beijing

Coronavirus Travel Restrictions from China

文化和旅游部办公厅

关于全力做好新型冠状病毒感染的肺炎疫情防控工作 暂停旅游企业经营活动的紧急通知

发布时间：2020-01-26 13:40

来源：文化和旅游部政府门户网站

编辑：闫霞薇

各省、自治区、直辖市文化和旅游厅（局），新疆生产建设兵团文化体育广电和旅游局：

为贯彻落实习近平总书记重要指示精神，全力做好文化和旅游系统新型冠状病毒感染的肺炎疫情防控工作，有效切断病毒传播途径，坚决遏制疫情蔓延势头，确保人民群众生命安全和身体健康，现将暂停旅游企业经营活动有关事项紧急通知如下：

一、即日起，全国旅行社及在线旅游企业暂停经营团队旅游及“机票+酒店”旅游产品。

二、已出行的旅游团队，可按合同约定继续完成行程。行程中，密切关注游客身体状况，做好健康防护。

各地要深刻认识此项工作的重要性，指导辖区内旅游企业服从服务大局，妥善处理好游客行程调整和退团退费等合理诉求。

特此通知。

文化和旅游部办公厅

2020年1月24日

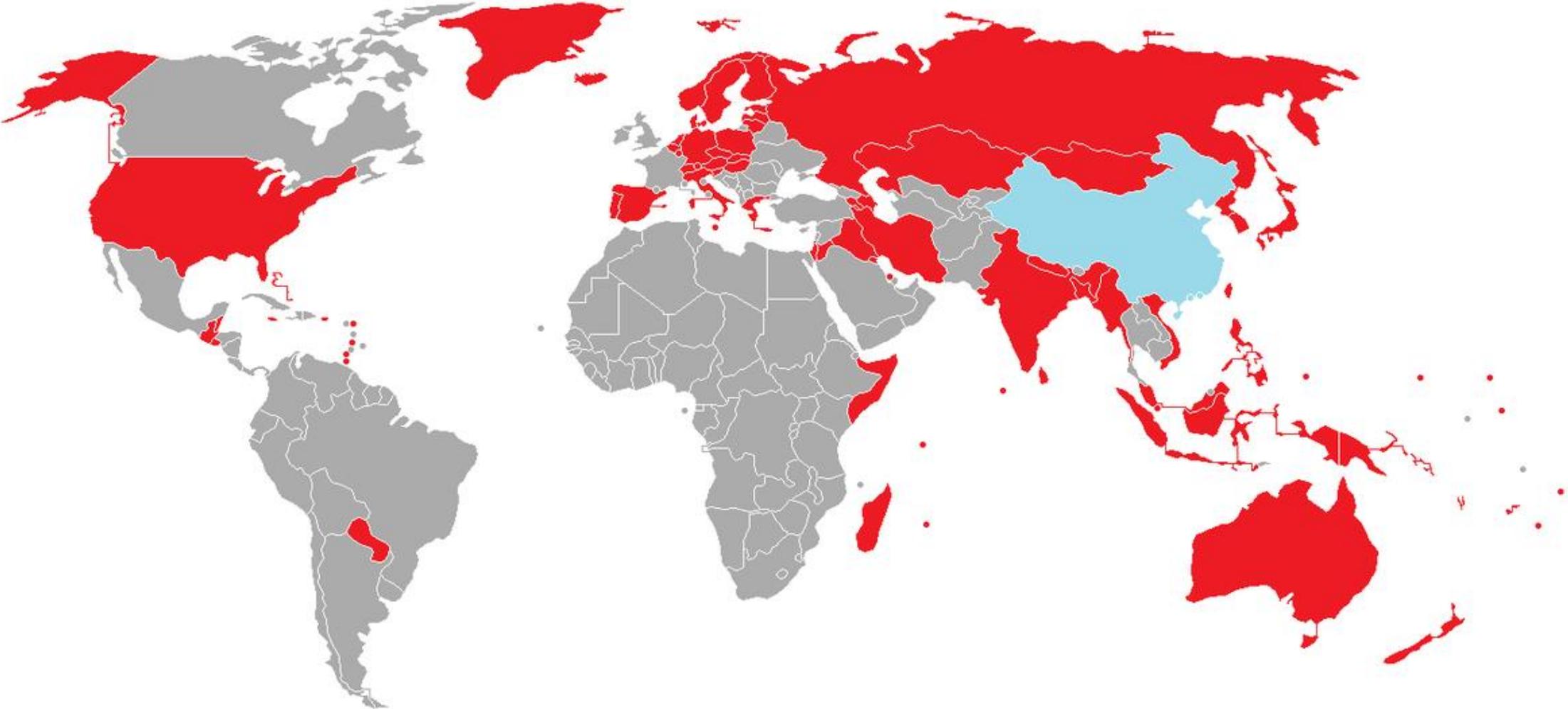
Coronavirus Travel Restrictions from Outbound Destinations

More than 50 countries and territories around the world have closed flights or otherwise suspended arrivals from China, including leading destinations for Chinese tourism like Singapore, Vietnam, and Australia. Other destinations, like Japan, have placed restrictions on arrivals from Wuhan.

Starting February 2, **the United States is not permitting entry for foreign nationals who have been in China in the past 14 days**, with the exception of permanent residents and the immediate family of US citizens.



Coronavirus Travel Restrictions from Outbound Destinations



Coronavirus and Airlines

Two-thirds of international flights to and from China have been cancelled – 10,000 flights in the first six days from January 23 alone.

American Airlines and Delta have suspended mainland China and Hong Kong flights through late April. United (yesterday) announced new flight suspensions through April 24. 20 other carriers have announced cancellations to mainland China.



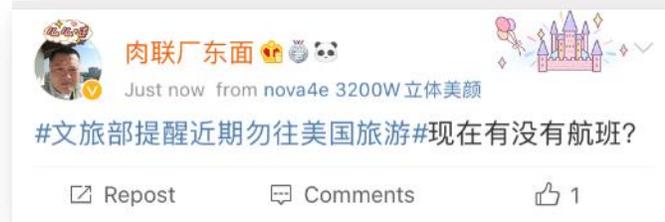
US Travel Warning



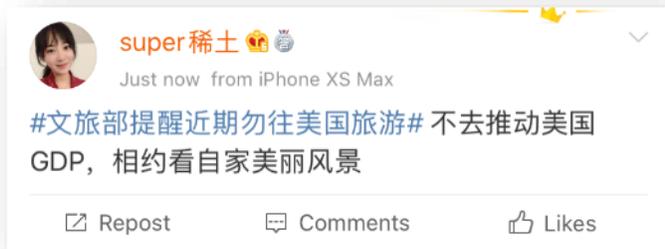
February 24: The Chinese Ministry of Culture and Tourism issued a travel warning for the US.

Citing the US response to the coronavirus crisis, the internal situation in the US, and “unfair treatment” of Chinese travelers, Chinese tourists are advised “**under no circumstances**” to visit the US.

US Travel Warning: Responses and Implications



“Are there even any flights [to the US] right now?”

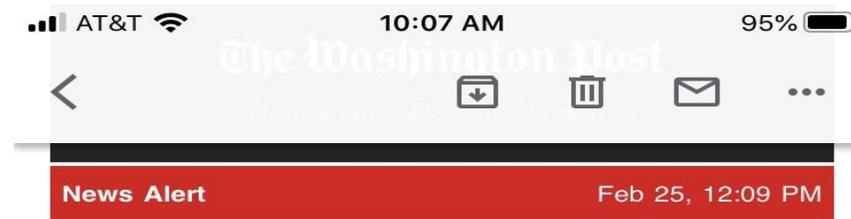


“Don't add to America's GDP, stay and enjoy our own country's scenery”



“Please don't worry, motherland, it's hard to leave our apartment complex!”

This Just In: CDC warns Americans to begin preparing for possible outbreak



Health officials warn that spread of coronavirus in U.S. appears inevitable

The comments were made in separate briefings to lawmakers and reporters on Tuesday, marking an escalation in tone and urgency.

"Ultimately we expect we will see community spread in the United States," Nancy Messonnier, a top official at the Centers for Disease Control and Prevention, told reporters. "It's not a question of if this will happen but when this will happen and how many people in this country will have severe illnesses."

[Read more »](#)

This Just In: Coronavirus Vaccine in Trials

Moderna (NASDAQ: MRNA) announced on Monday afternoon that the company's experimental mRNA COVID-19 vaccine, known as mRNA-1273, is ready for human testing. The initial batch of the vaccine has already been shipped to U.S. government researchers from the National Institute of Allergy and Infectious Diseases (NIAID).



Global Responses to the Coronavirus Crisis

Year-Over-Year Comparisons: WeChat Postings

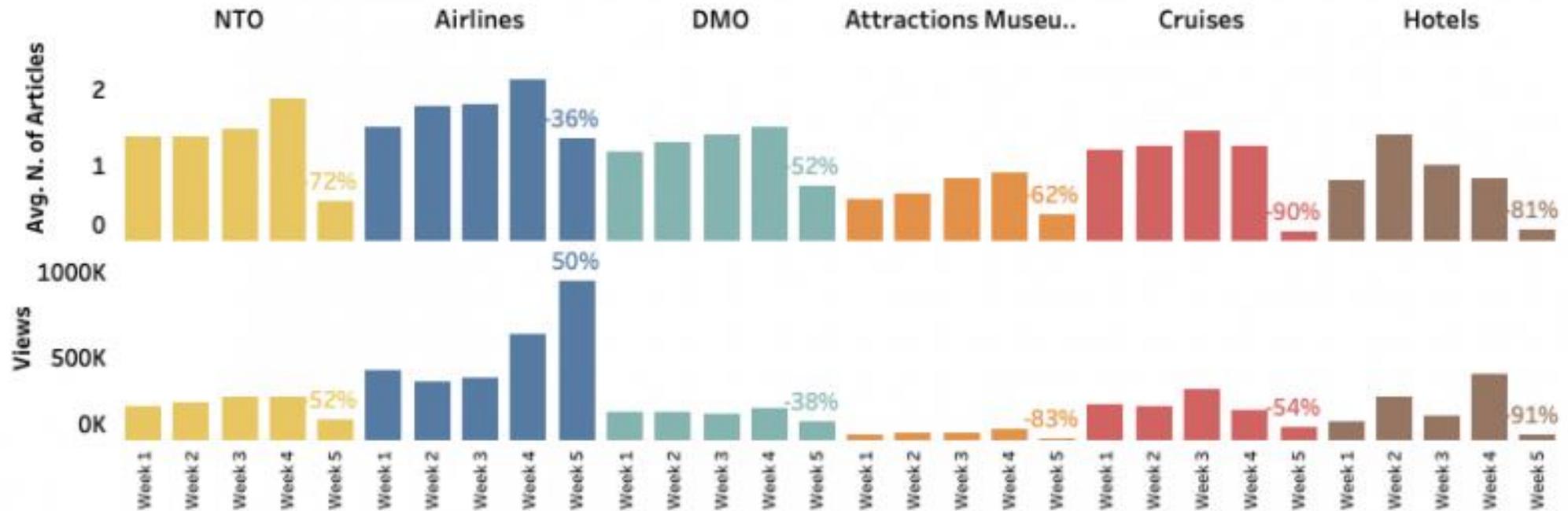
YoY Total Number of Articles Posted
(YoY Difference & %Difference)



	Week 1	Week 2	Week 3	Week 4	Week 5
2019	268	299	291	315	374
2020	312 16%	362 21%	379 30%	409 30%	173 -54%

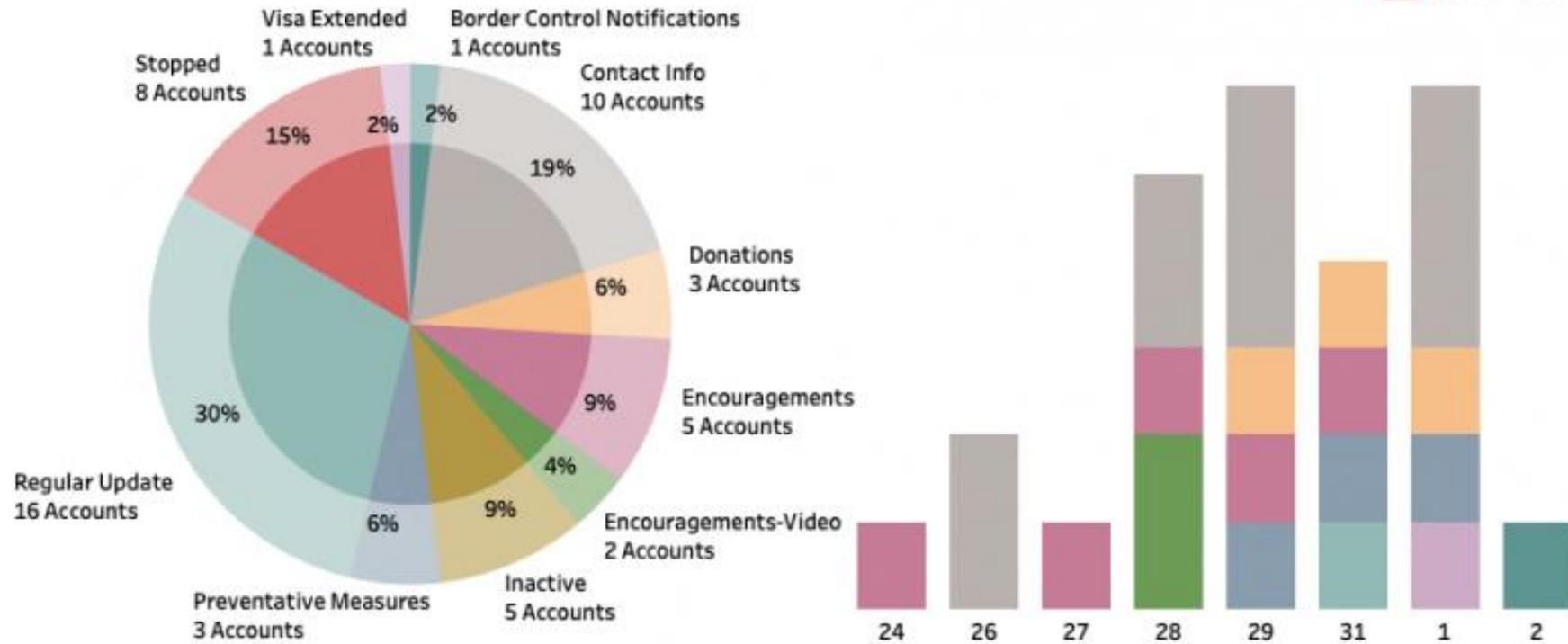
WeChat Postings

Five-Week Avg. N. of Articles Posted by Category (%growth from previous week)



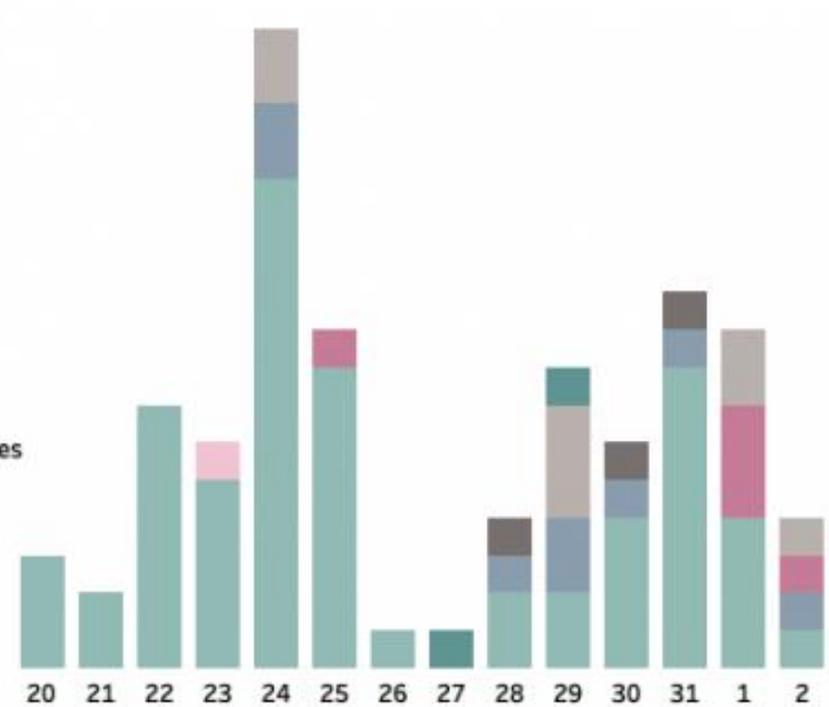
WeChat Postings - NTOs

Article Topics and Response Timeline



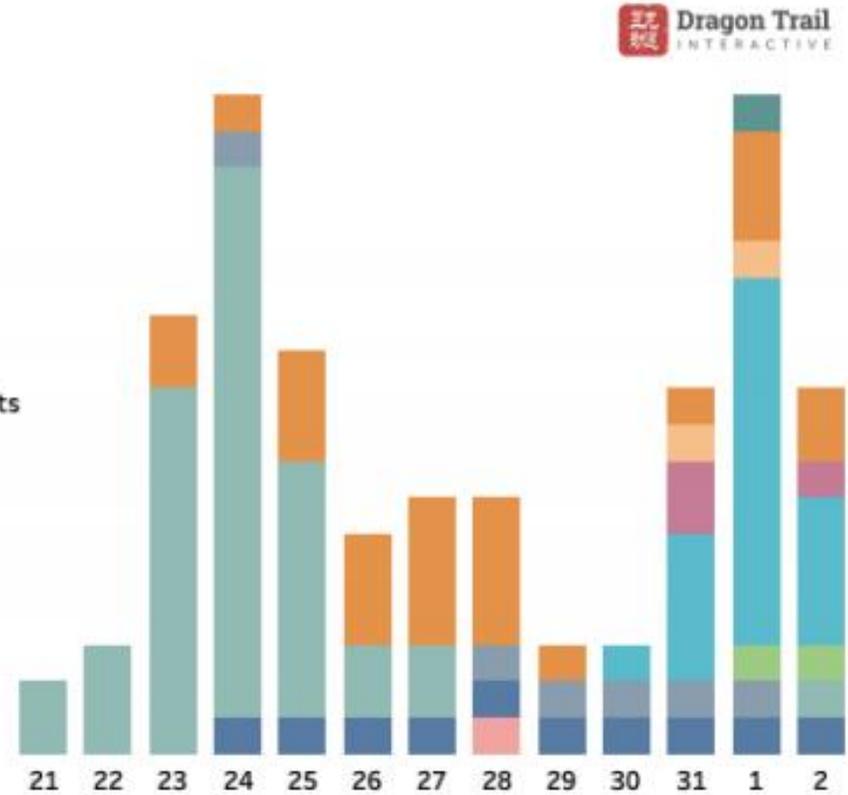
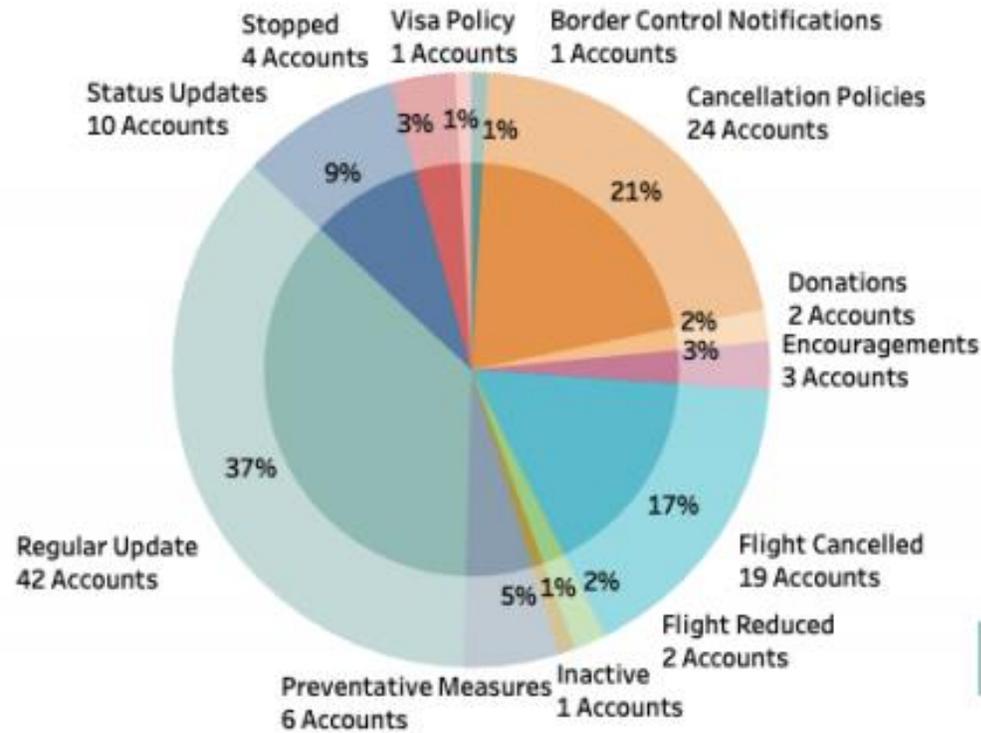
WeChat Postings - DMOs

Article Topics and Response Timeline



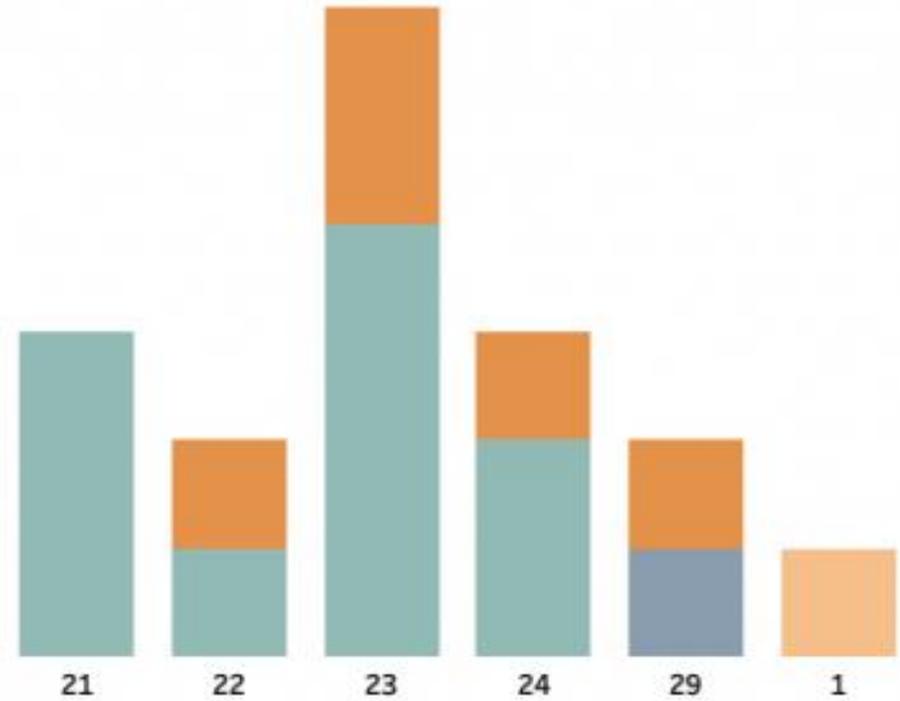
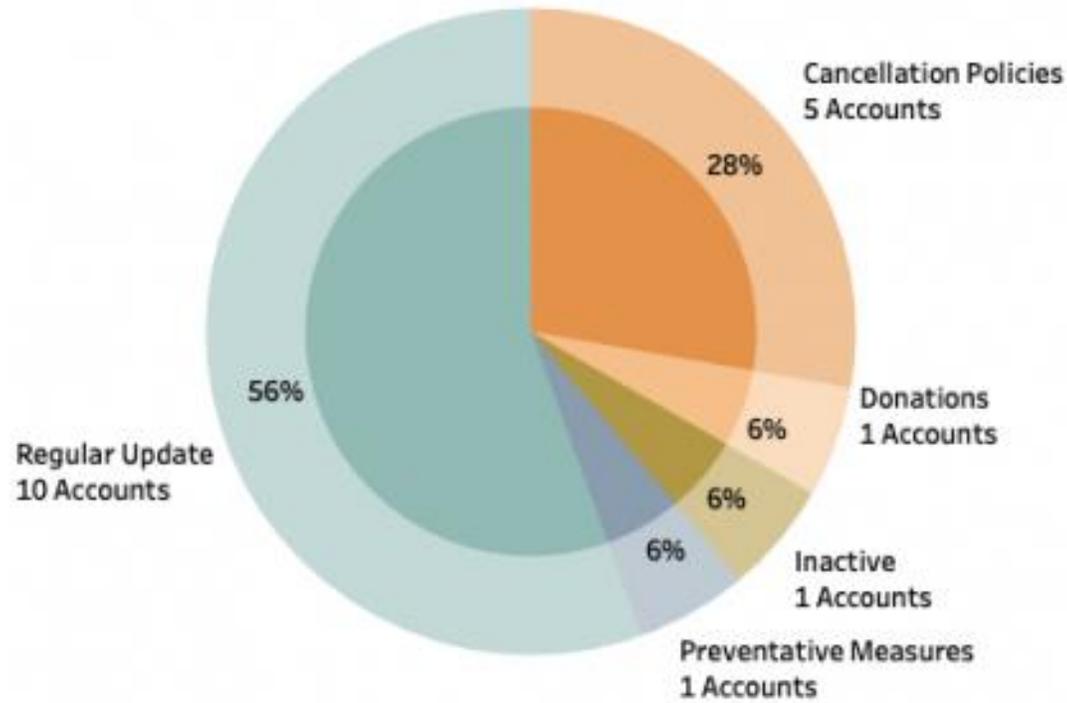
WeChat Postings - Airlines

Article Topics and Response Timeline



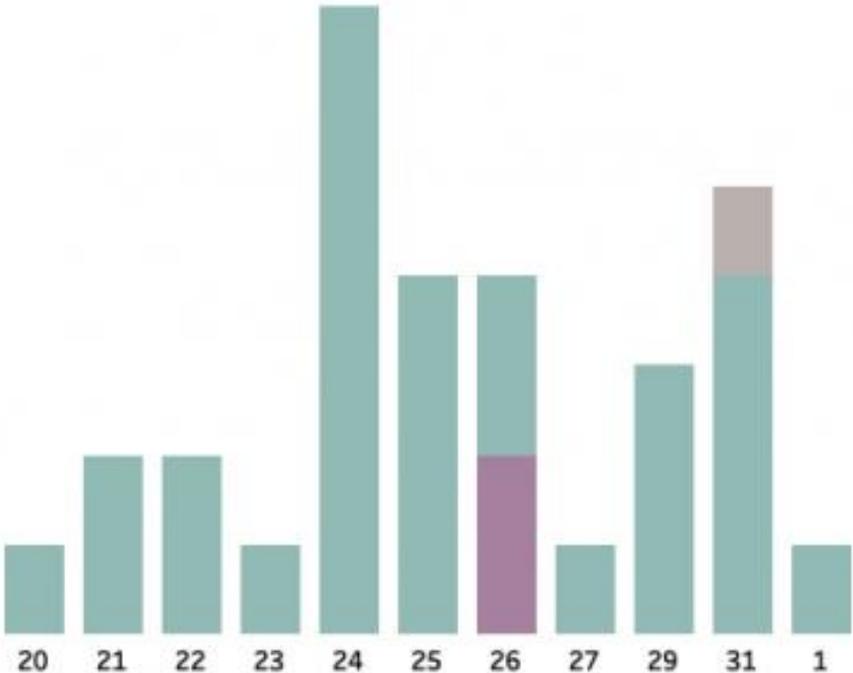
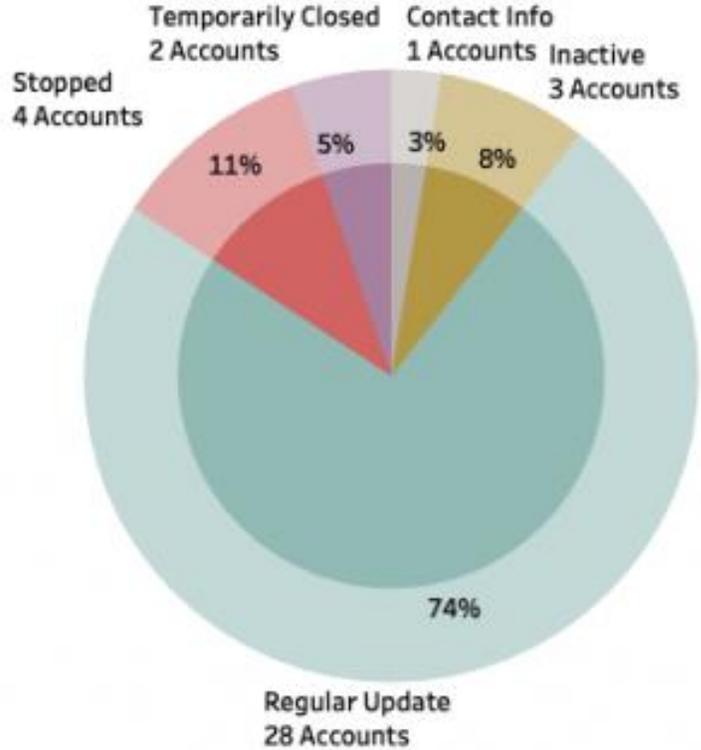
WeChat Postings - Cruises

Article Topics and Response Timeline



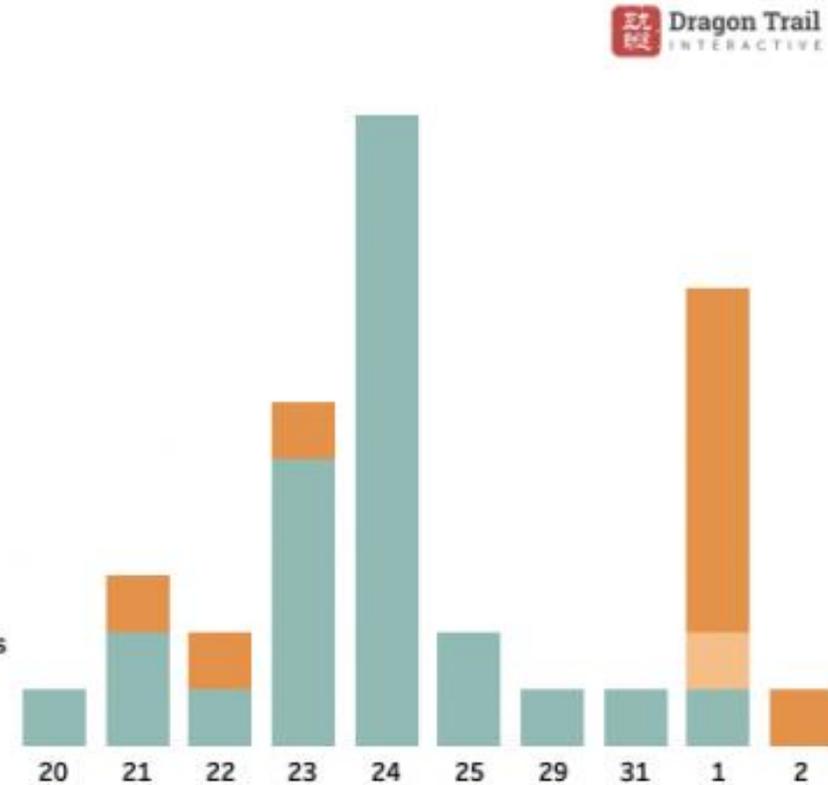
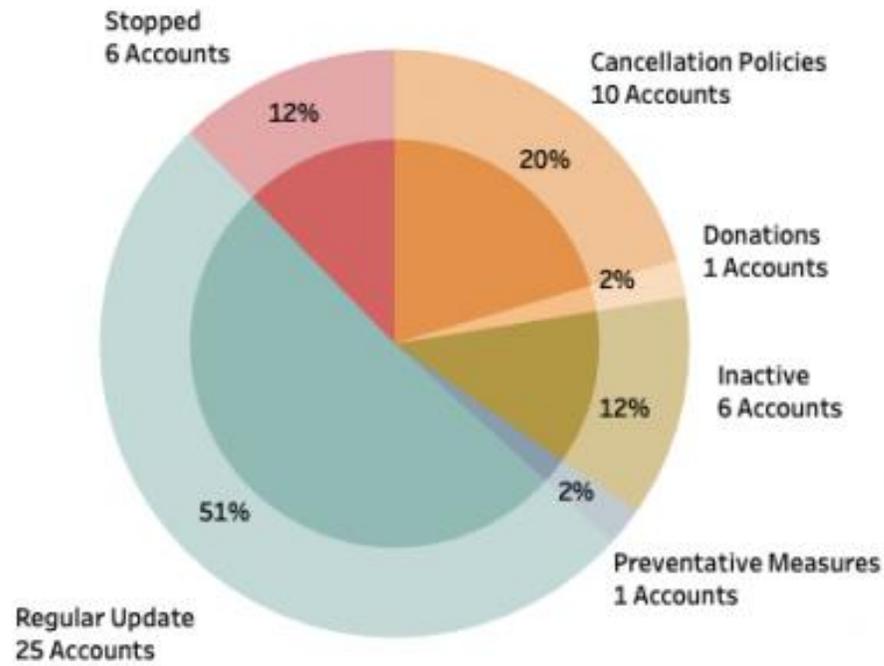
WeChat Postings – Museums and Attractions

Article Topics and Response Timeline



WeChat Postings – Hotels

Article Topics and Response Timeline





Responses from US Tourism Brands

Brand USA: WeChat Communications

美国国家旅游局致广大旅客

Original 美国国家旅游局 美国国家旅游局GoUSA

4 days ago

在这个艰难又特殊的时期，美国国家旅游局时刻关注疫情发展，衷心希望疫情早日消退，并对所有参与疫情工作的医务人员、社会志愿者等表示敬意。

截至美国东部时间2月7日，美国确认了12例新型冠状病毒感染病例。在当前疫情状况下，为保障国际旅客的安全与健康，美国政府决定实行暂时性的防疫入境规定：除美国公民、永久居民及其直系亲属外，于最近14日内到访过中国的国际旅客将被暂时限制入境。最近14日内曾到访过湖北省的美国公民，需进行14日的强制隔离。最近14日内从中国大陆其他省份返美的美国公民，则需在特定入境口岸接受检疫。

在这个特殊时期，我们与国际大家庭站在一起，并再次感激所有奋战在抗击疫情一线的人员们所付出的努力与贡献。美国国家旅游局真诚欢迎且期待广大旅客在疫情过后再次开启精彩的玩美之旅！

更多信息请查询：

美国国土安全部: <https://www.dhs.gov/news/2020/02/02/dhs-issues-supplemental-instructions-inbound-flights-individuals-who-have-been-china>.

Brand USA: Chinese Consumer Response on WeChat



“Exceptional circumstances. I support this. Reducing the transmission of the virus is the highest priority.”

“I support the decision of the US government, and letting everyone know about this decision.”

“We’re all people from the same planet, fighting the virus!”

“Stay strong, China! Stay strong, USA!”

“I’ll wait for the virus to be over and then go for an incredible trip to America.”

“I was planning to go to Miami this year, but it’s fallen through now. But I understand. Tell us when you have good news.”

“After the virus is resolved, we’ll definitely go! We’re going to America to see the landscape.”

Los Angeles' Social Media Response: WeChat

《天使之爱》 | 跨越山川河海，洛杉矶用音乐为中国加油

Original 洛杉矶旅游局 洛杉矶旅游局 1 week ago



从洛杉矶到武汉，爱会如何传递？
一份谱，两大洲，四种乐器，七十秒……
我们邀请多位洛杉矶艺术家，
原创并演奏了一曲弦乐五重奏——
《天使之爱》



× 洛杉矶旅游局 > ...

想与他们一起合奏，
用音乐传递爱与力量吗？
我们将**《天使之爱》**的乐谱
展现给每一位想用音乐为武汉加油的朋友。

Full Score

Commissioned by Los Angeles Bureau of Convention Board
天使之爱
2020.3.20.01 | 中国加油!

Ben Shabay



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<< 滑动查看乐谱 >>

当语言难以承载情感，
就需要无言的音乐传递力量。

Los Angeles' Social Media Response: Weibo

 洛杉矶旅游局
2-14 from 微博视频 Edited

新型冠状病毒疫情的发生，牵动着中国和全世界人民的心。

洛杉矶旅游局局长恩武德先生对疫情的防控过程高度关注，并为中国游客送来了最诚挚的问候。

洛杉矶愿做你的守护天使，同气连枝... [Full Text](#)



远在中国的各位朋友，

5 2 29

 洛杉矶旅游局
2-19 from 旅游综合 · 视频社区

从洛杉矶到武汉，爱会如何传递？
一份谱，两大洲，五重奏，七十秒.....

我们邀请多位洛杉矶艺术家，原创并演奏了一曲弦乐五重奏——《天使之爱》。
在这个特殊时刻，为爱插上音符的翅膀，跨越山川与河海，传递给奋战在抗疫前线的中国... [Full Text](#)



武汉疫情的消息不断传到洛杉矶，非常让人揪心

旅游频道 旅游综合 · 1.9M views

161 79 688

Best Practice: US DMOs on WeChat

Aloha! 您有一份出行提示请查收
夏威夷州旅游观光局 1 week ago



也许您早已计划了夏威夷之行
却对目前情况有着种种疑虑
夏威夷针对国人暖心之举
现在
重要的事情有以下两点:

夏威夷州目前没有发现武汉冠状病毒的确诊病例

夏威夷州没有任何限制中国游客入境的举措



夏如果您在出行中发现身体不适,并同时符合以下
条款,请您务必向专业医务人员求助。

Hawaii Tourism

夏威夷州旅游观光局 >



立春已到
春天还会远吗
花儿会开 🌸
鸟儿会自由自在 🐦
彩虹会随之而来 🌈

冲浪碗poke在夏威夷给武汉热干面加油鼓励儿哟
我们向奋战在一线的医务工作者致敬 🙏🙏🙏

我在夏威夷
向奋战在一线的医务工作者致敬



冲浪碗Poke 给武汉「热干面」加油



美国费城会议旅游促进局
众所周知,费城历史悠久,蕴藏着说不完
的故事。这座世界遗产城市将历史融入... >

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城市信息 | 了解我们

1 Feb 2020 04:00



Read by 5 friend(s)

中国加油!
祝大家旅途平安!

Philadelphia CVB

纽约旅游局官方声明
NYCgo 纽约旅游局 1 week ago

一起去纽约!

纽约旅游局对此次疫情表示持续关注,我们的心与所有国际旅客在一起,希望每位旅客都能有一个安全、无忧、健康的返乡旅程。我们衷心希望疫情早日消退并祝愿患者们早日康复。纽约旅游局在此对所有参与疫情工作的医务人员、社会志愿者等表示敬意。

如您有关于航班变更的任何疑问,请第一时间联系相应航空公司获取信息。

如您在美国境内,需要来自本国大使馆及领事馆的紧急帮助,请在这里查询:
<https://travel.state.gov/content/travel/en/consularnotification/ConsularNotificationandAccess.htm>

更多信息请查询:
美国疾病控制与预防中心:
<https://www.cdc.gov/coronavirus/index.html>

美国驻华大使馆和领事馆:
<https://china.usembassy-china.org.cn/>

NYC & Co.

Best Practice: US Attractions on WeChat and Weibo



Asian Art Museum:
“Feeling lonely at home? Let us take you on a tour of the Asian Art Museum!”

Art Institute of Chicago:
“Famous artworks’ guide to being stuck at home. Join in and let us know what’s your favorite book you’ve read recently.”



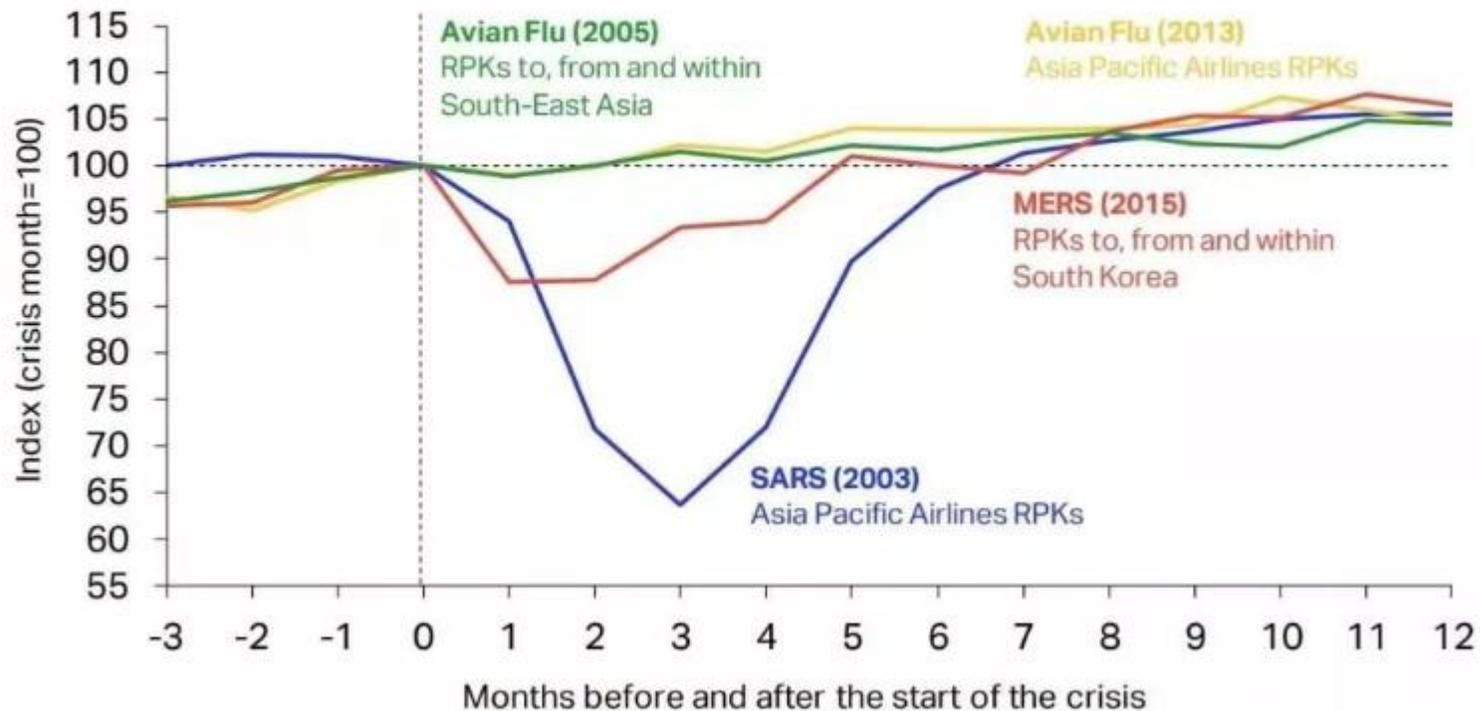


Looking Forward: Prospects for Recovery

Coronavirus Update – Pandemics and Travel

What can we learn from past pandemic episodes?

Impact of past outbreaks on aviation



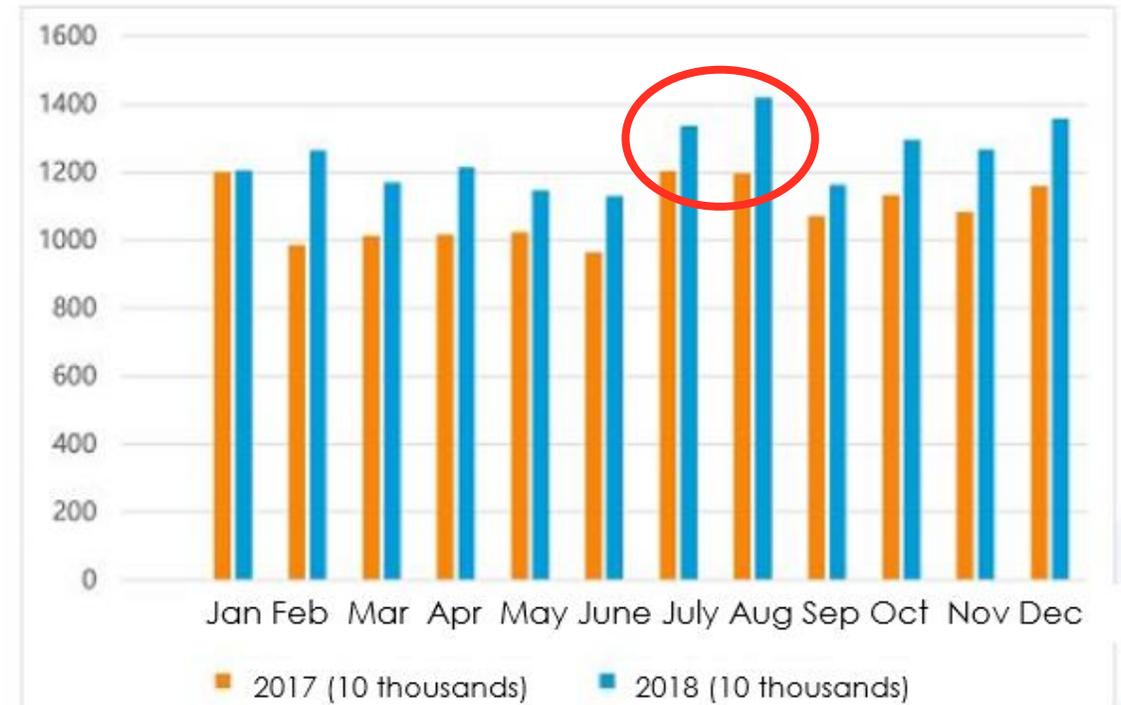
When Will the Chinese Outbound Tourism Market Recover?

We cautiously predict market recovery to start in Q2, 2020.

China's May Labor Day holiday was extended to five days for 2020, from Friday, May 1-Tuesday, May 5. This is the first opportunity for outbound tourism to rebound, with potential for both short-haul and long-haul travel.

Summer is the real peak of Chinese outbound travel, closely followed by the October National Holiday. Families, in particular, will be looking for their well-earned summer vacation with their kids on school holidays in July and August.

Number of Chinese Outbound Trips in 2017 and 2018



Source: China Tourism Academy

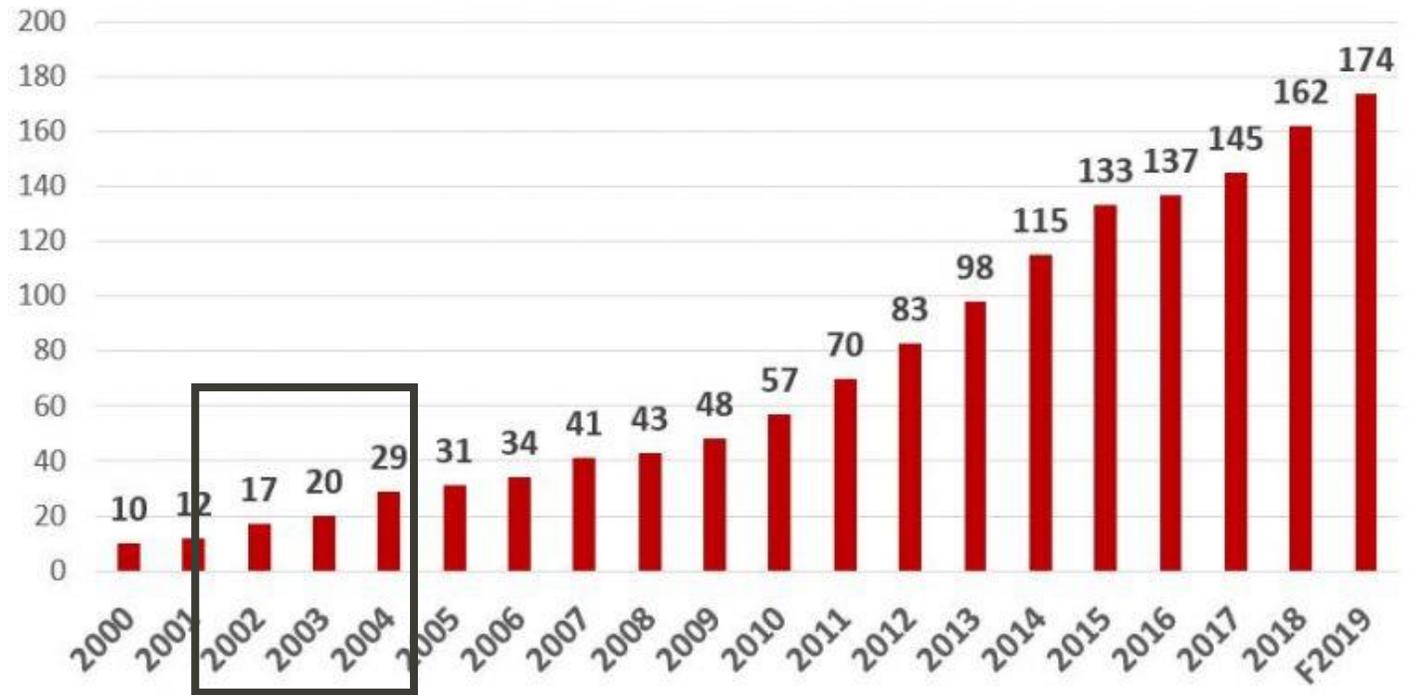
The Post-SARS Tourism Rebound

The 2003 SARS crisis lasted from February until July. Chinese outbound tourism not only rebounded, but grew significantly, immediately following the resolution of the crisis.

In August 2003, Chinese outbound travel grew by 34.5% compared to the same period in 2002.

Chinese outbound travel grew by 22% in 2003 compared to 2002, and by another 43% in 2004.

Border Crossings from Mainland China in Millions



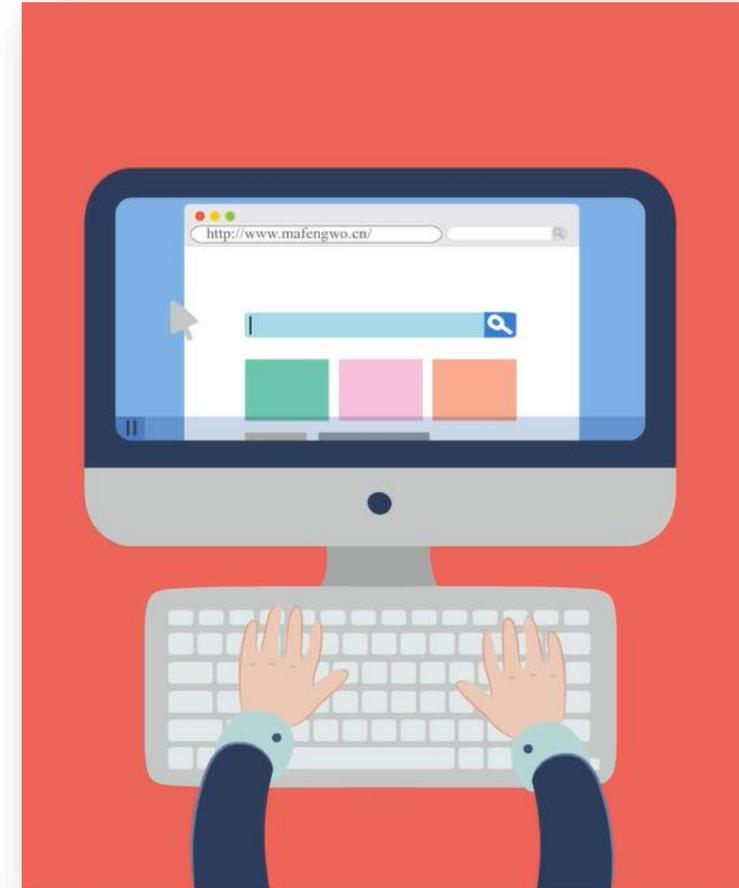
Source: COTRI

Recovery: Chinese Consumer Sentiment

According to Ctrip data reported on February 12, searches for travel during the three-day Qingming national holiday (April 4-6) have decreased significantly.

However, the volume of searches for the May Labor Day holiday (May 1-5) is still higher than it was in 2019.

In 2019, the May holiday was extended from three days to four. In 2020, it will be five days.



The Impact on Chinese Tourism to the US

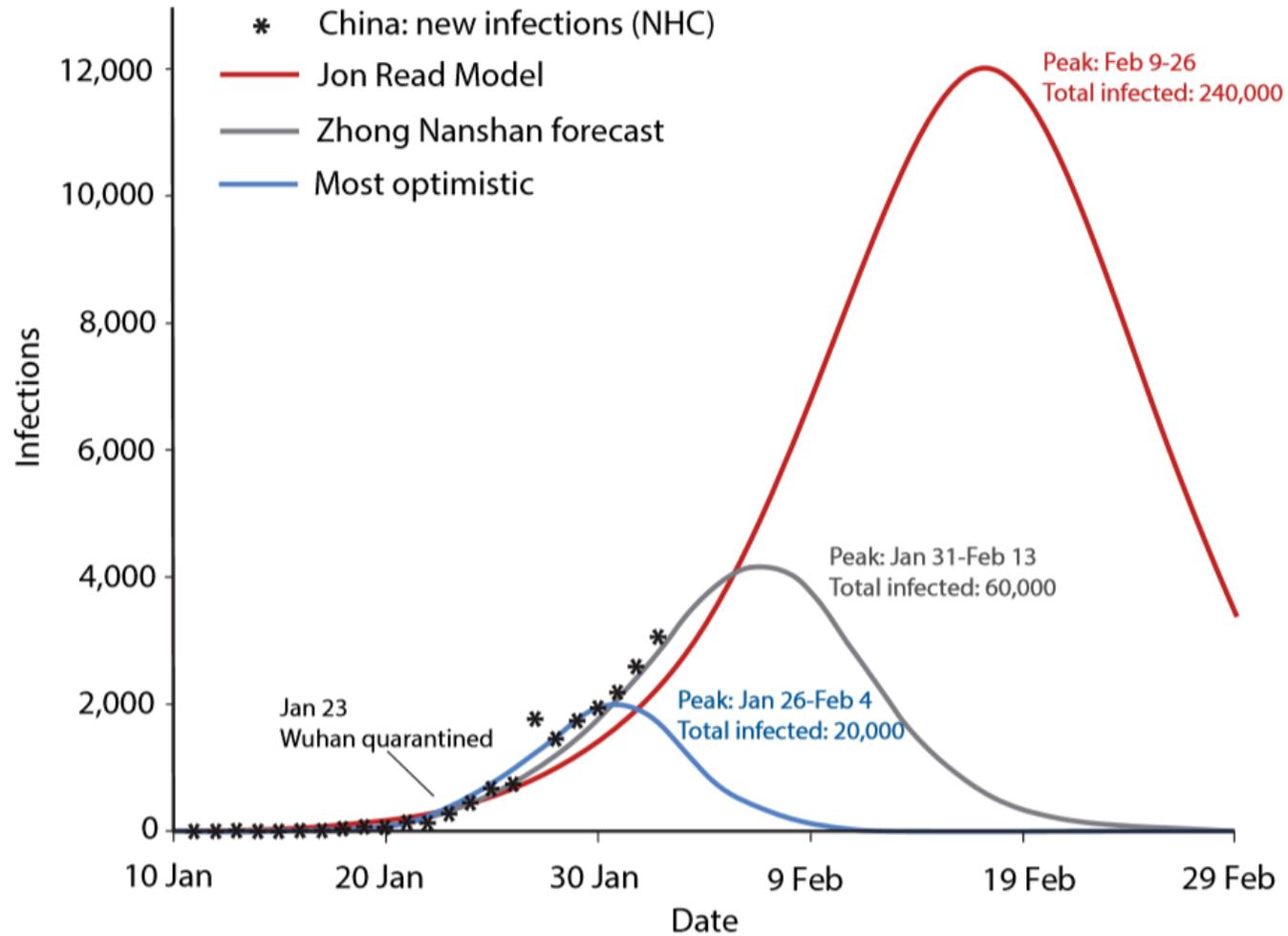
The impact of coronavirus on Chinese tourism to the US will depend on both the resolution of the crisis in China, and the lifting of the travel ban to the US.

In 2019, 2.35 million Chinese visited the US, of which 1.55 were visiting for the purposes of leisure. Losing one quarter of these visitors would be a 388k reduction in tourist arrivals. With Chinese tourists spending an average of US\$6,700 per trip, this leads to a loss of US\$2.6 billion.

According to data from the NTTO, it took two years for Chinese arrivals to the US to recover after SARS.



COVID-19: Projections and Cases

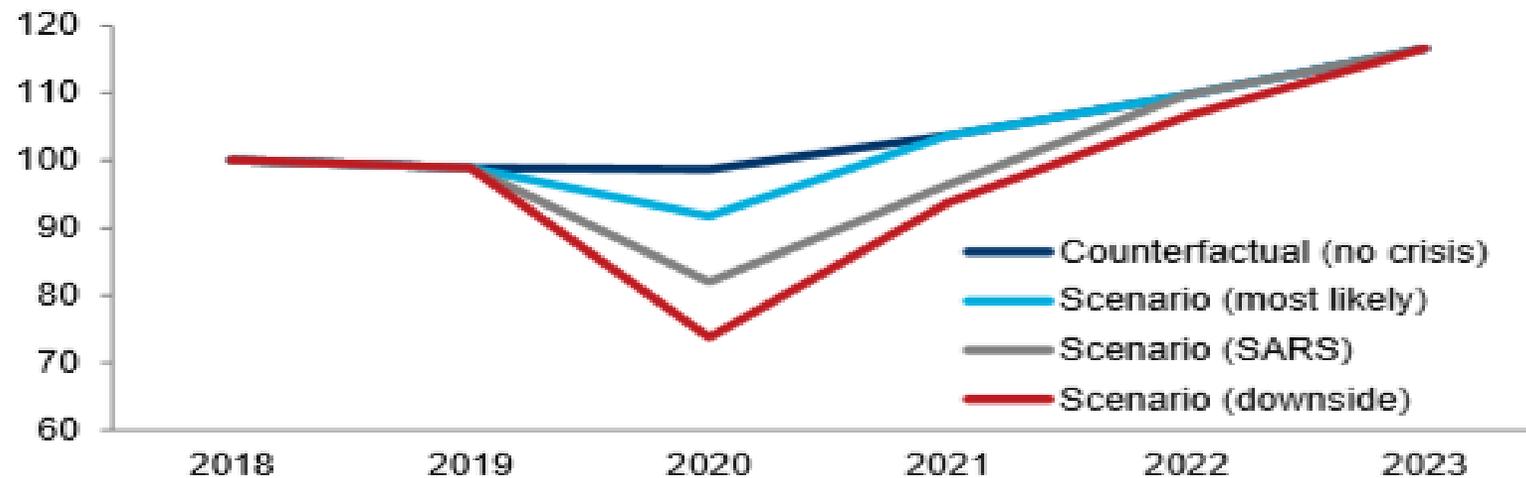


Source: Simon Rabinovitch

COVID-19: Projections and Cases

China's outbound travel, counterfactual vs scenario impacts

Trips, millions



Source: Tourism Economics

Most likely—assumes that the coronavirus is contained in shorter time frame than SARS, by end-February. Average monthly impacts remain broadly in-line with 2003.

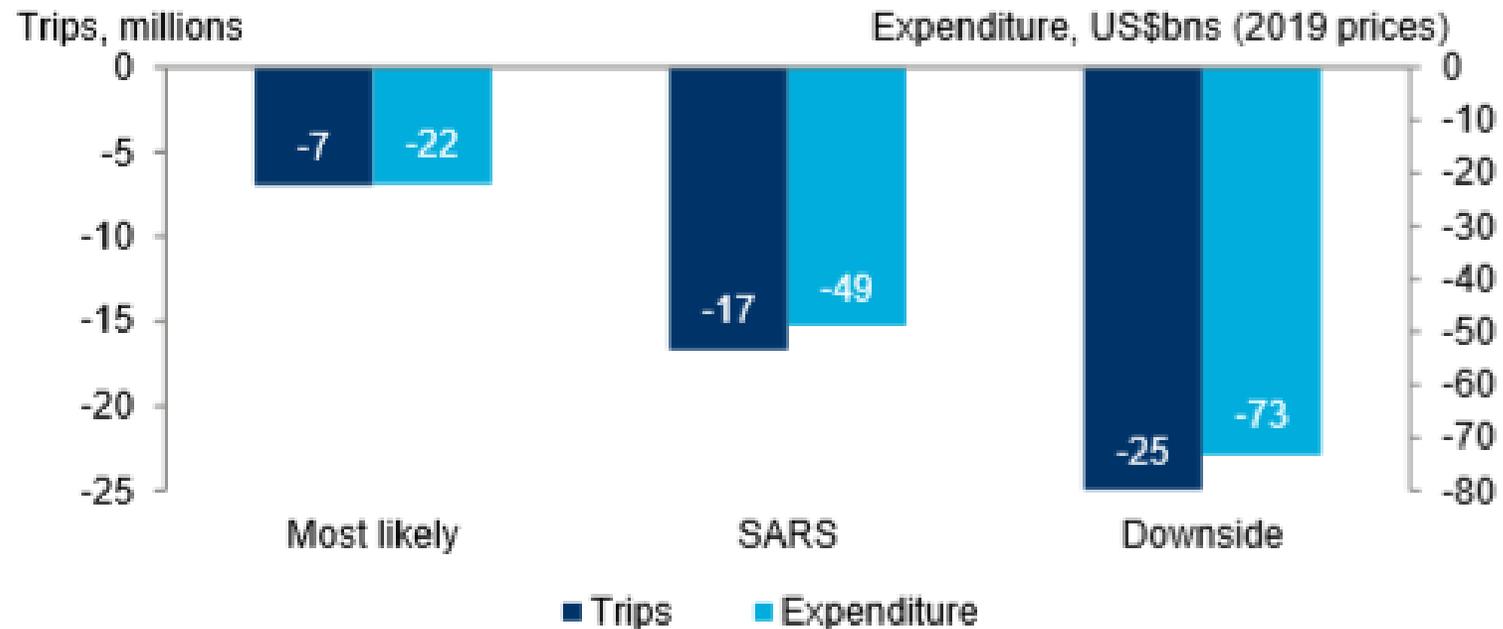
SARS—assumes duration and average monthly impacts are broadly comparable to SARS in China in 2003.

Downside—assumes that the coronavirus lasts longer and is more severe than SARS.

COVID-19: Projections and Cases

China's outbound travel, coronavirus impact, 2020

Difference relative to counterfactual scenario (no crisis)



Source: Tourism Economics

The chart above shows the reduction in outbound trips for each scenario when compared to a pre-crisis forecast. In other words, when comparing to counterfactual scenario in which the coronavirus crisis never came into being.

COVID-19: Projections and Cases

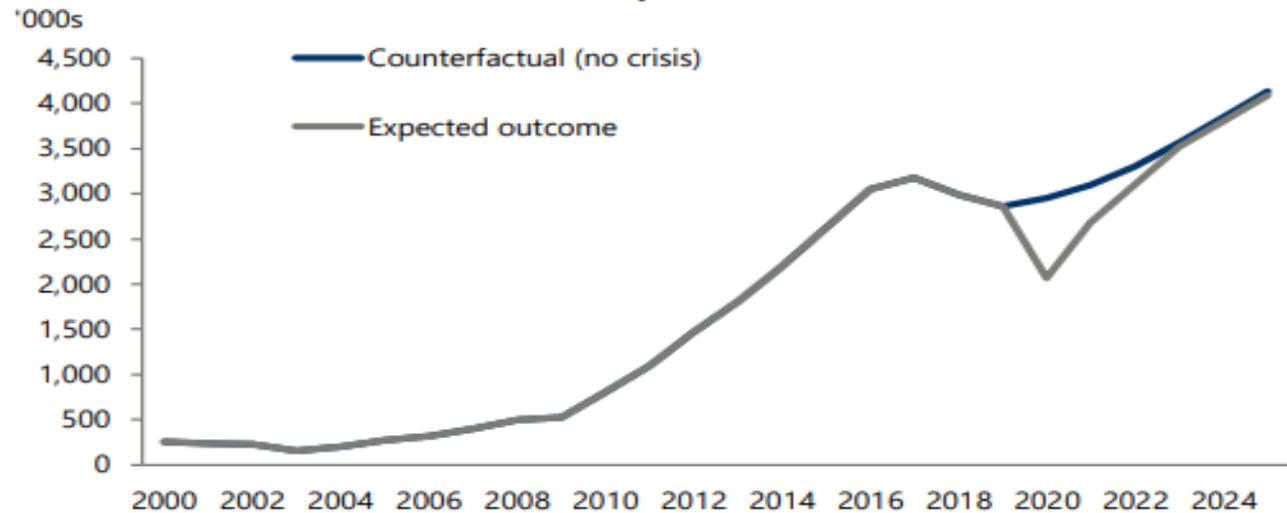
We expect the most significant declines will be experienced in 2020 with recovery beginning in the latter part of this year.

While growth will accelerate in 2021, the entire recovery will span four years, like the SARS experience.

A total of 1.6 million visits from China will be lost, with 56% of the loss occurring in 2020.

Tourism Economics modeled a decline in expected visits based on SARS and compared this with our pre-crisis forecast for visits from China to determine the potential losses by year and the time to full recovery.

US Arrivals from China, Coronavirus Impact



Source: Tourism Economics, NTTO

China: 2003 vs. Today

2003	Now
US\$1.5 trillion GDP, 4.3% of world total	US\$14.3 trillion GDP in 2019, 16.9% of world total
20 million outbound trips	168 million trips in 2019 (China Tourism Academy)
157,326 Chinese arrivals to the US	2.35 million Chinese arrivals to the US in 2019
Tourism mostly business and official delegations, and group travel within Asia	45% of tourism is FIT, with a much higher % of FIT for the US market – as much as 78% (Skift)
Australia and New Zealand are the only long-haul countries that have signed ADS agreements with China. The US got ADS in 2008.	More than 130 countries have ADS agreements with China, allowing them to accept group tours and market tourism in China.
Ctrip first listed on NASDAQ	Ctrip – now the Trip.com group – is the second-largest OTA in the world, with US\$4.5 billion in revenue in 2018.
6.2% of the Chinese population uses the internet. The first iPhone isn't launched until 2007.	61.2% of the Chinese population uses the internet. More than 99% are mobile users.

What Can You Do Right Now?

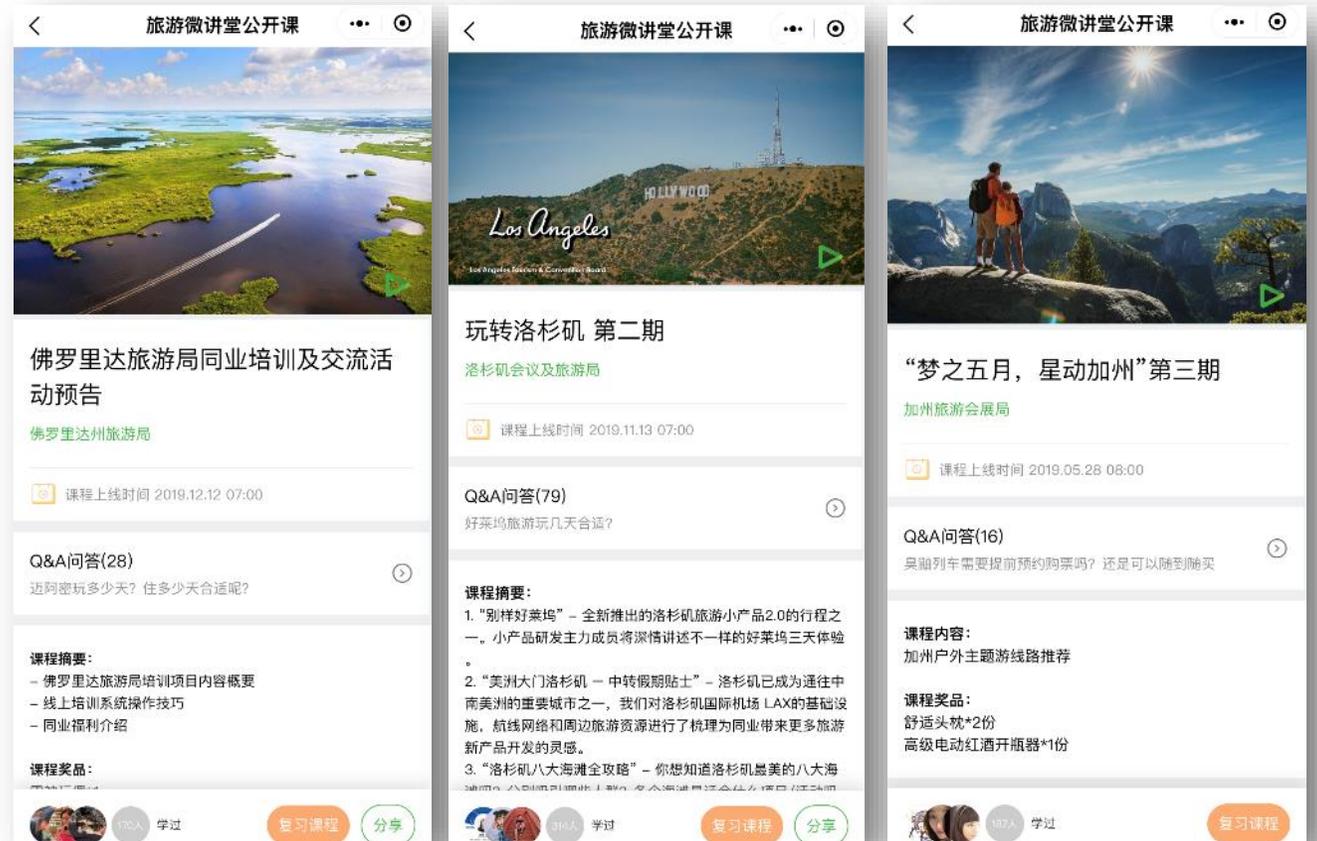
- Support your Chinese partners to help them minimize losses due to cancellations or changes. Proactively offer compensation and information about refund/cancellation policies wherever possible. This will help your partners to stay afloat during the crisis and build long-term trust.
- Pause tactical campaigns and consider how to adjust branding so that you stay relevant to your Chinese audience.



2020 Recovery Plan – Online Learning and Training

With Chinese travel agents and tour operators working from home (and many roadshows and trade shows being canceled or deferred), the best way to engage with and support partners now is online.

E-learning is booming now that most Chinese are under self-imposed quarantine, and the Chinese travel trade is actively interested in and requesting it. More than 2,100 travel agents signed up for Dragon Trail's China Travel Academy (CTA) WeChat-based training platform during the week of 2-9 February alone, taking our database past 44,000 members.



CTA Live WeChat webinars for Florida, Los Angeles, and California

2020 Recovery Plan – Embrace Technology

Once we start to see signs of market recovery and the Chinese travel trade can begin to put together products for future sales, a B2B online workshop can help them to connect with suppliers and start making plans – while offline meetings are best, this will help to substitute for China’s major trade fairs that have already been postponed until H2 2020.

At this point, you can also plan new B2C campaigns, aimed at promoting upcoming holiday periods.

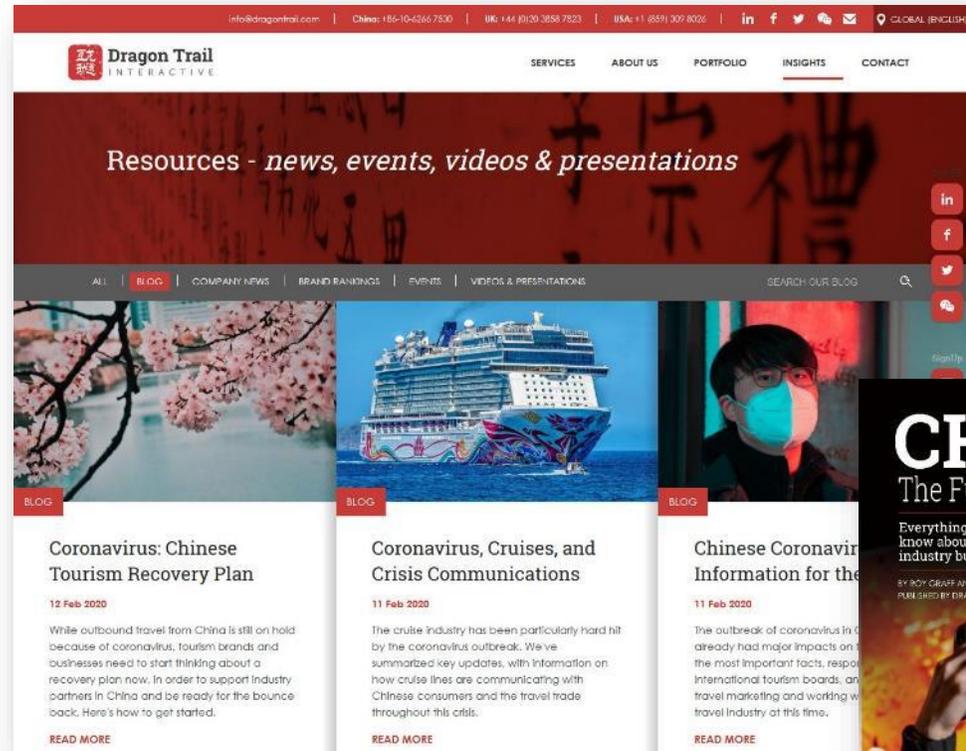
Stimulate interest and engagement and help the travel trade generate leads and bookings through an online pop-up store – even before the coronavirus crisis, more consumers were communicating with travel agents over WeChat, and we expect this trend to grow.



Learn More

Visit www.dragontrail.com for more information and updates on the coronavirus crisis, as well as other resources on trends in Chinese outbound travel and digital marketing, including articles, reports, videos, free webinars, and more.

For regular updates, sign up for our monthly newsletter, and follow us on LinkedIn, Twitter, and Facebook.



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