

**Forth Meeting of the 16+1 Local Leaders "GLOBAL THINKING, LOCAL ACTION"**

**20 October 2018**

**National Palace of Culture, Hall 3**

**Четвърта среща на местните лидери по инициативата „16+1“, 20  
октомври, 2018,**

**HOW TO INCREASE THE VISIBILITY OF BULGARIA AND THE REGION AS A  
TOURIST DESTINATION FOR THE CHINESE TOURISTS**

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***Vice Chairman of the National Board of Tourism Bulgaria***

**The significance of regional and cross-border cooperation for the development and implementation of joint tourism products and packages designed for long distance markets as China**

*In the context of 2018 EU – China Tourism Year, the panel discussion will focus on the recent important developments, projects and initiatives concerning the cooperation in tourism between Europe and China. The role of the Silk Road connecting two of the world’s largest economic powers and ancient cultures in Europe and China will be examined. The discussion will underline the significance of the regional and cross-border cooperation for the development and implementation of joint tourism products and packages designed for long distance markets as China. The discussion will focus on the opportunities for attracting more Chinese visitors to Europe and the Balkan region in particular.*

***Technology and Innovation Seen as a Big Boost to Cultural Tourism***

*The significance of innovation in managing and promoting cultural tourism, which is one of the largest global tourism markets, and the opportunities of integrating innovative governance into the management of cultural tourism destinations. Through disrupting the sector and creating opportunities for improving governance, competitiveness and cultural resource preservation, innovation and technology are instrumental in enhancing cultural tourism development.*

*The seminar will feature three panels, exploring how big data, innovative business models, digital services and marketing, and other new technology*

*can ensure long-term sustainability, profitability and competitiveness for cultural tourism products while preserving their authenticity. The keynote panel will explore how innovation and technology generate new opportunities for, and motivate new players to enter, the cultural tourism sector.*

*An estimated 4 out of 10 tourists choose their destination based on its cultural offering. The conference will explore how this choice is increasingly motivated by intangible factors such as a place's culture, history, traditions and atmosphere, or its association with famous people, ideas or events.*

Dear Honourable guests,

Dear Ladies and gentlemen,

The legendary Marco Polo, in the Middle Ages, traveled on the Silk Road hundreds of years ago bridge the gap between the West and the East. He was the first European citizen who left a detailed chronicle of his experience. This amazing adventure takes him years. Today for us, the modern people, it's a matter of a few hours by direct flight between Europe and China, but it could be even faster. Only a few seconds if you use your mobile via WeChat – to speak with somebody in China, to pay your bill, or with CTrip – to book a hotel, restaurant, concert or air ticket. Unbelievable easy and millions of people are using this every day.

### **The Political Agenda**

2018 marks the 15th anniversary of the establishment of a comprehensive strategic partnership between China and the EU. On 12 July 2016, the President of the European Commission, Jean-Claude Juncker, and the Chinese Prime Minister, Li Keqiang, announced that 2018 will be the EU-China Tourism Year. European Commission is preparing this initiative in close cooperation with the China National Tourism Administration (CNTA). Its main priorities are: various marketing campaigns to offer to Chinese visitors; facilitate business summits; (B2B) matchmaking meetings for tourism operators at the most important fairs. Understandable - China National Tourism Administration" (CNTA) is responsible for the implementation of the EU-China Tourism Year (ECTY) on the Chinese side. The European Commission's "Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs" (DG GROW) is responsible for the implementation of the ECTY on the EU side. ETC is responsible for marketing

activities campaign promoting EU destinations in China during 2018, as part of its Joint Promotion Platform for Destination Europe

### **What is the Strategic Agenda for Cooperation?**

For EU countries this a way to create economic opportunities, because tourism is the 3rd largest sector in EU. For example, the increasing the number of Chinese tourists in the EU countries and giving the tourists the opportunity to experience EU brands and local products, will create a demand for the latter on Chinese e-commerce platforms such as Alibaba-Taobao or JD. Also, China and EU each has plenty to offer one another: long history, rich culture, scenic landscapes and warm hospitality. Tourism, powered by hotels, restaurants, shops and attractions, supports a lot of local jobs. As an industry involving many businesses, tourism plays a unique role in promoting growth, increasing employment and boosting consumption

There is every reason to be optimistic: the number of visitors is ever increasing; trade between China and EU is growing steadily; connectivity between the two has reached new highs. In promoting a new type of international relations and building a community of shared future for mankind, China and the EU can become close partners.

### **Economic impact**

Europe is now the third largest destination for Chinese citizens traveling abroad, after neighboring Southeast Asia and East Asia, nearly 3.5 million Chinese citizens visited the EU countries in 2016. That brings about 11.49 billion U.S. dollars to Europe. Meanwhile, the number of EU citizens going to China was over 3.1 million, yielding an estimated 14.17 billion U.S. dollars to China. Now, the world's second-largest economy ranks first in outbound travel arrivals and overseas travel consumption. It's second in travel revenue in the world, after only 37 years of work. Official forecasts indicate that China's total outbound travel will exceed 500 million trips in the next five years. President Xi Jinping announced that Chinese would be making 700 million overseas visits in the coming five years. Statistics show that currently none of the top five destinations where Chinese tourists spent the most money, were European. The first EU country, Italy, comes only ninth place.

Overall, about 122 million Chinese travelled abroad (worldwide) in 2016, spending some 109.8 billion U.S. dollars, according to data by the Chinese Tourism Academy. What is most impressive is that the number of Chinese citizens traveling to Europe has been rapidly rising in recent years, increasing by 65 percent in the first half of 2017. But there is still a huge potential of growth! Chinese outbound tourism is forecasted to increase even more as only a small percentage of the Chinese population owns a passport. It is expected that this huge population of Chinese who have never left the country will make their first departures in the coming years. All of these signs point to a dramatic increase in Chinese outbound tourism over the coming years.

### **How to increase this numbers?**

Marketing to Chinese tourists can be incredibly difficult, especially when you're trying to reach out to people who don't speak the same language and have a completely different set of wants and needs than your normal customers. If you want to know how to attract Chinese tourists, you should first understand what they really want and why your service would appeal to them. A good tour is not just about landscapes, foods or souvenirs, but more about exploring a new world, which has different customs, culture, lifestyle and thinkings. Failure to understand your customers can lead to dissatisfied, and in the world of social media your reputation can be destroyed before you even know it. This is especially true when it comes to Chinese social media. So before you start marketing, put in the extra effort to understand your customers and do your best to make a good impression. Adventure, Leisure, Shopping...What do they want?!

The short answer is all three, but it really comes down to breaking Chinese tourists into categories. Chinese tourists come from variety of age groups, regions, and incomes. Depending on these factors Chinese tourists will prefer different things.

As Chinese travelers begin traveling independently more options will become attractive to them. As many people around the world are traveling for the first time they naturally want to see the most famous of attractions, however Chinese tourists have begun branching out to new locations with less oppressing crowds and more time for relaxation. Older Chinese tourists, who have traditionally been the largest customer base for group travel, have even begun traveling independently. They have typically traveled domestically throughout China, but more have begun traveling abroad to locations like France, Italy, and a variety of tropical destinations. This represents a seismic shift in the tourism market, as this group represents a significant proportion of

China's total population. However, this population has a strong desire for travel, as indicated in a survey conducted by Ctrip in which 87% of participants age 50 and older stated that they planned to travel that year.

Although they are more price sensitive than the younger more adventurous Chinese, they are still willing to spend during their travels. In general the tourism industry generally fails to cater to senior citizens, so this represents an opportunity for tourism marketers. By creating tailored services for seniors, you can create a lasting impression with an impressively large population of new independent travelers.

### **Shop till They Drop**

In 2016 the number of outbound tourism in China reached 122 million people, and Chinese visitors spent €100 billion (about 760 billion RMB) in overseas destinations. One of the key stereotypes attributed to Chinese tourists is that they absolutely love to shop. Chinese tourists definitely enjoy shopping when they travel whether it be for luxury goods or souvenirs. In previous years, they would travel abroad simply to purchase luxury goods, cosmetics, and other items for cheaper prices and from a distributor that they trust. Chinese tour and hotel providers should be prepared to direct Chinese travelers to outlets and shopping malls where they can do their shopping. Providing maps with transportation options and other logistical information will surely leave a positive impression.

### **What Chinese like to do**

Middle class Chinese often travel in groups, and coaches are a frequent feature, along with their umbrella-wielding Chinese guides. On these tours, they're after a whirlwind of culture and history - it would not be unprecedented to visit a few European countries in a week time. The Young Chinese will tell you, that the travelling to appreciating culture, but they are mainly after the goods: specifically, European brands they can buy in situ, and bring home to lord over their non-travelling neighbours (this may go some way to explaining the extraordinary spending figures). There will often be impressive photographic equipment. The Chinese sense of Western geography can be unpredictable. But before you judge, consider this: China has the second-most Unesco World Heritage sites of any country after Italy. Fifty-two in total. How many of those can you name? In the analysis of travel preferences of tourists traveling to Europe, it can be seen that Chinese tourists prefer

humanities and arts attractions and have pronounced preference for art exhibitions such as traditional European buildings and museums. Due to the high cost of travel, most tourists travel to Europe at low frequency and stay for a long time during each visit. Most of the tourist routes includes more than three countries. The demand of high- end tourism products increased significantly, due to greater emphasis on comfort and personal experience of travel. Self-coordinated group tours are growing rapidly. More tourists are not satisfied with the traditional traveling routes. They seek for leisure travel with greater freedom and are willing to explore new things.

### **Issues to be solved**

Logistical and technical barriers will have to be overcome. For example, more flexible visa arrangements are desired. Visa is an important obstacle to the tourism cooperation among countries. Granting Chinese and European citizens with a five-year visa to visit the other region would create an important incentive for travelers to return for a second trip, taking advantage of the policy facilitation.

Payment by mobile phone, widely accepted by Chinese retailers, has yet to be adopted by European counterparts and financial institutions and banks. Hopefully, China and Europe will enhance regional coordination mechanisms and policy communication in travel visas, port building, travel routing and travel investment - for instance, adding direct flight between more European and Chinese cities, offering charter flights and special trains for the convenience of travelers; improving port and harbor clearance infrastructure; focusing on building cross-border travel cooperation zones and international travel ports. Top 10 Departure Cities for Chinese Tourists Traveling to Europe – Shanghai is N1, followed by Beijing and Guangzhou, Shenzhen etc.

### **...and Go Digital!**

One of the main questions is how digital tools and in particular online booking platforms and social media can boost the number of Chinese tourists in Europe. Today, China is the world's largest travel market in terms of expenditure and the second largest in terms of outbound travel, and European destinations can improve their position in this market AND HOW TO INCREASE THE VISIBILITY OF BULGARIA AND THE REGION AS A TOURIST DESTINATION FOR THE CHINESE TOURISTS.

This could happen with large marketing campaigns targeting China, for example with the new tool developed by the European Travel Commission – Joint Promotional Platform for Destination Europe, like [visiteurope.com](http://visiteurope.com) portal to enhance the user experience of online visitors and make it become an

inspirational tool for potential travellers to Europe, as well through the social media and via participation in travel and tourism fairs in order to increase the visibility of Europe as a tourist destination. Given that Chinese tourists are the most connected in the world, the digitization of the EU tourism industry should be a priority. In 2017, 57 % of the tourists to Europe booked via mobile channel on Ctrip and the reason for that is because the mobile booking channel is faster, much more convenient and the tourists depend more and more on their mobile devices while travelling.

That's why it is becoming more and more crucial for European destinations to explore and adopt the most effective channel to attract them and make them want to come back and the mobile platforms are target number one like a successful marketing channel. As having a mere presence on the web or an online travel agency is no longer sufficient to tell a customized story to the Chinese free independent travellers, other solutions are today available! The marketing of any destination through dedicated applications that allow to bypass the language gap (all content offered in Chinese), and convert such content into e-commerce, enabling tourists to find out, in real time, location of tourism attractions, accommodation, dining and shopping malls and book and pay tickets online through their mobile device. This is today possible through solutions such as the WeChat mini-programs.

WeChat is not social media. It is not, as many people put it, China's version of WhatsApp. WeChat is a tool, an operating system which integrates all different functions of life. In order to attract Chinese tourists, Europe needs to become smarter and link to the these tools used by Chinese travelers, such as e-wallet solutions like WeChat Pay and Alipay, online booking apps like Ctrip and Dianping, and leading mapping platform Baidu Maps. This model guarantees Chinese tourists to feel comfortable, travel easily and feel welcomed. It helps hotels/resorts, museums, amusement parks and all sightseeing and tourist destinations increase their reach in the Chinese outbound tourism market.

WeChat was used monthly by 900 million Chinese inside and outside the country. The Chinese tourists spend 8 hours per week on average on social networks and they like to share their experience during and after the trip on the social network. Probably every single smartphone user in China has a WeChat App. This is the best option creates to reach out to Chinese customers without necessarily having a physical presence in the country. In addition on that, observers see WeChat Pay as the next payment phenomenon in Europe.

The air transport sector is also digitizing. Not only for reservations and online check in, but also for the planning of new connections.

Baidu Maps has more than 500 million active users around the world and global searches on Baidu, the most popular search engine in China, number 10 billion per day. Baidu maps offers maps of tourist attractions, restaurants and hotels. Baidu can explain how being referenced on online maps is a must for attractions seeking to increase the number of tourists.

Another phenomenon is the booking platform Ctrip. Ctrip is a leading provider of accommodation reservation, transportation ticketing, package tour and corporate travel management and other travel-related services in China. Since its inception in 1999, Ctrip has become China's largest travel company and one of the world's largest online travel agents, with a market cap of roughly USD 27 billion. Europe is one of the top destinations for Chinese people, if today less than 10% of Chinese people travel abroad. Today, Ctrip put its users in contact with a network of 425 airlines and hotels from more than 5,000 cities worldwide. This year, Ctrip expects to sell no less than 400 million flight tickets and 200 million hotel rooms this year.

That's what we call a Digital transformation in tourism sector. There is a new player on the ground and we call him the "online tourist" and the question is - How the EU tourist industry could respond to this demand.

We know that Tourism provides a good example of how digital can provide huge benefits to horizontal industries, but the EU Roaming regulation – which was discussed the last few years in the Assembly – does not extend to China. Chinese tourists are therefore very interested only in free WIFI, so let's develop more and more free WIFI zones across our cultural hubs that met the diversified needs of tourists in all aspects. From the perspective of tourist departure cities, Chinese tourists to Europe mostly originated from economically developed regions. Online traffic for European tourism websites were also heavily concentrated in the eastern coastal areas and developed inland regions. These areas are economically developed. People's living standards and economic status are relatively high, bearing strong willingness to travel abroad and demand quality tour service.

## **The Potential of Bulgarian tourism**

Bulgaria as an all year-round tourist destination by developing cultural, SPA and gourmet, winter and summer and all other tourist services, as is the Slogan of our National Board of Tourism – 4 SEASONS 4 YOU!

In 2017, we have around 30 000 Chinese tourists visited Bulgaria (+25% compared to 2016), for tourism purposes (+ 42.9% compared to the same period in 2016). Only 0,2% of all arrivals from China to Europe have Bulgaria as a destination – compared to the population this ~7 times less than the European average. This shows great growth potential. Just an example from Central & Eastern Europe (Czech Republic): the introduction of a direct connection from Prag to Beijing and Shanghai saw an increase of Chinese visitors by ~70% within less than 2 years. In order to accelerate the growth, we envision as next steps the development of interesting regional and cross-regional tourist products and travel packages, fostering the exchange between travel agencies from our neighboring countries for the promotion of the Balkans region as an attractive tourist destination, and continue working towards introducing a direct flight.

In September 2017 the Bulgarian government together with a Chinese counterpart ACN Worldwide have open the first in China Tourism and information centers in Shanghai. The next step is to open this year another one in Beijing. The main focus for the Bulgarian government is to open a direct flight between Sofia and China this year. The Chinese-Bulgarian Tourism Forum (CBTF) will be in the second half of 2018 (within the framework of the 16+1 Initiative). The idea was born during the Bulgarian-Chinese intergovernmental meeting on the occasion of the 6th Summit of the Heads of State and Governments of the Countries from Central and Eastern Europe and China, held in Budapest, Hungary on 27th of November 2017, under the patronage of Mr. Li Keqiang, Premier of the State Council of the People's Republic of China and the Prime Minister of the Republic of Bulgaria, Mr. Boyko Borisov. Organized in cooperation with the State Council of People's Republic of China and European commission, CBTF's will be held for the purpose of discussing the possibilities of developing practices to facilitate the inflow of foreign tourist into Bulgaria and China.

The forum will entail a high-level meeting on current status and perspectives of tourism cooperation with the participation of the Bulgarian Prime minister Mr. Boyko Borisov, Chinese Premier of the Mr. Li Keqiang, Bulgarian Minister of Tourism Mrs. Nikolina Angelkova, and the President of the Chinese National Tourist Administration Mr. Li Dzindzao, showcasing the tourism potential of Europe, Bulgaria and China as attractive tourism destinations, offering

opportunities for business and investments (panel discussions, reports, multimedia and video).

As a National Board of Tourism, we are planning this year to organize a FAM trip for Chinese Tour agencies introducing them Bulgaria's most interesting tourist sites on a 7 days round tour - "The Best of Bulgaria". On this tour they will visit the largest and most beautiful cities in Bulgaria - the capital of Bulgaria - Sofia, the medieval town - Veliko Tarnovo, the pearl of the Black Sea coast - Varna, the oldest city in Europe - Plovdiv and the Rose capital - Kazanlak. They will also visit five sites in UNESCO Heritage List - the beautiful town of Nessebar, Thracian tomb in Kazanlak, Madara Horseman, Boyana church and the biggest and most important monastery in Bulgaria - Rila monastery. They will spend time in two of the most famous SPA resorts in Bulgaria - the Golden Sands - on the Black Sea coast and Hissarya - in the heart of Bulgaria and will taste the delicious Bulgarian wines and cuisine.

The Bulgarian Ministry of Tourism, in its capacity of a leading government institution, is working towards promoting Bulgaria as an all-year-round tourism destination in China. Every year we participate in the China-Central Eastern European Countries Tourism Cooperation and Exchange Conference in Ningbo and also in the China International Travel Mart – CITM.

Dear Ladies and Gentlemen,

China is big, fast growing and more and more reachable, but it can't be quick'n' easy!

Chinese people want our style, our brands, want to see our great history and beautiful nature, but they "speak" their own language, so we have to cross the border first, telling them about what our Europe is!

The new technologies, like WeChat, Ctrip and other mobile apps and platforms are the shortest cut, the best tool to find our language with the Chinese tourists.

That should be our current focus today and in the next few years!

*Martin Zahariev,*

*Vice Chairman of the National Board of Tourism Bulgaria*

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