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GLOGOU, INC.

HOW TO ATTRACT HIGH VALUE TOURISTS FROM CHINA – A GUIDE FOR TRAVEL AND DESTINATION MARKETING

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Best Digital Strategies for China’s Online Travel Industry

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Executive Summary

China is becoming the world's No.1 outbound tourist country. As the number of Chinese tourists continues to rapidly increase, expenditures on travel have accelerated even more quickly. For many countries, attracting these tourists is very important for local businesses.

The goals of Destination Marketing for China are to:

- Promote a region as the dream travel destination to China tourists
- Attract more Chinese tourists by prolonging their stay
- Improve the quality of their travel experience
- Contribute to the quality of life for local and business residents
- Advance sustainable growth in the local tourism economy
- Grow market share against competing destinations
- Stimulate travel business during shoulder periods

Glogou will also show Destination Marketing Organizations (DMOs) how they can leverage Search Engine Marketing (SEM) and Search Engine Optimization (SEO) engines so that customers can find vital information about destinations, trip planning, and arrangements for their activities.

While many travel agencies provide SEM and SEO services that are not always pertinent to destination marketing, Glogou applies relevant metrics that best fit a region's goals. These technology solutions are at the vanguard of digital marketing innovation, and based upon extensive research into the needs of DMOs.

This white paper presents the best destination marketing practices for targeting Chinese tourists, highlighting the strategies, principles and methods that can apply to many destination countries. Various case studies will show the important aspects of effective marketing to Chinese tourists, and the captivating travel destination of Hawaii will be analyzed for its destination market potential.

China Leisure Market Overview and Characteristics

Over the past decade, the world has seen a steady rise of Chinese visitors. Thanks to the highly stable economic growth and more open and supportive policy adopted by the Chinese government, the average annual growth rate of the Chinese outbound tourism market reached 18%. The year 2012 marked China as the biggest visitor source country with 83.18 million visits (equal to the whole population of Germany), as well as the largest visitor spending group, reaching US \$102 billion in consumption.

According to Chinese Luxury Traveler, in 2013, France and the U.S. were the most popular international travel destinations among Chinese luxury consumers, followed by Singapore, Switzerland, Britain and Italy. A Global Refund report indicated that Chinese travelers purchase a quarter of all duty free goods globally.

China National Tourism Administration reported that nearly 38 million Chinese traveled overseas in the first five months of 2013, up 17.3%; while the number of inbound tourists was 22.93 million, a decrease of 4.06%. The amount of outbound visits from China is expected to reach 94.3 million in 2013, a year-on-year increase of 15%, while spending is to hit a record US \$117.6 billion, a year-on-year increase of 20%. The encouraging policies of the government maintain this growth momentum going for the foreseeable future. World Tourism Organization predicts China's outbound travel in 2020 will hit 100MM visits, however China authorities believe this goal will be met sooner, in 2015.

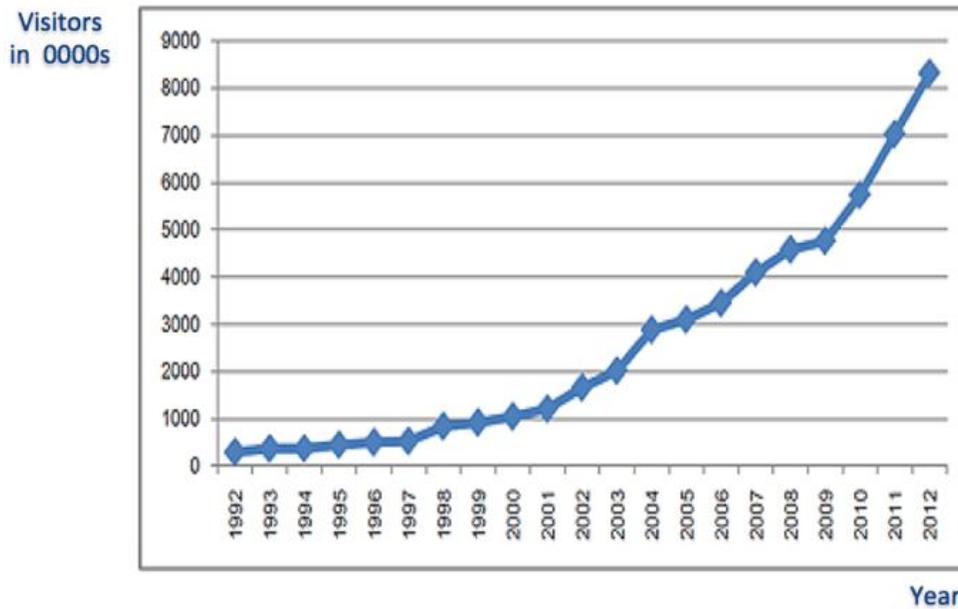


Figure 1: Decade of Chinese Outbound Visitor Growth: 1992 to 2012

Behind the astonishing data, China’s outbound tourism industry is in a transformative stage, representing precious opportunities for foreign travel destinations to establish themselves as the preferred places that Chinese visit.

Expand Through Channels

The industry has shifted from a Sellers’ Market to a Buyers’ Market, so whoever captures Chinese travelers’ hearts wins. Travel destinations should present their awesome qualities to Chinese visitors via the wide assortment of available and emerging channels.

Luxuries More Accessible

In the booming Chinese economy, overseas travel is less of a luxury, no longer limited to the privileged few. Increasingly, more average Chinese citizens can afford to choose international travel. In general, 40% of the Chinese have traveled abroad, however, the average spending per visitor, especially on luxury shopping, is expected to remain level or decline slightly as a result of the change of the travelers’ demographic.

Travel Preferences Evolving

Chinese outbound travelers’ preferences are changing, too. In 2012, first time travelers accounted for 58.9% of the outbound travel population, while more than 40% have traveled abroad multiple times. Repeat travelers’ preferences are becoming more sophisticated, shifting away from the simple sightseeing of newbie travelers whose notion of travelers rarely veered from: “get off the bus to take pictures and get back on the bus”. Having grown more knowledgeable, they now want experiential vacations with deep immersion into the local culture, along with the other usual travel objectives. (See Figure. 2) Also, Chinese are more inclined to travel independently (Family groups or individuals.). They enjoy the newfound freedom and flexibility, instead of taking professional tours with a too-large complement of travelers. F.I.T (Foreign Independent/Individual Tourist) accounted for over 70% of travelers last year.

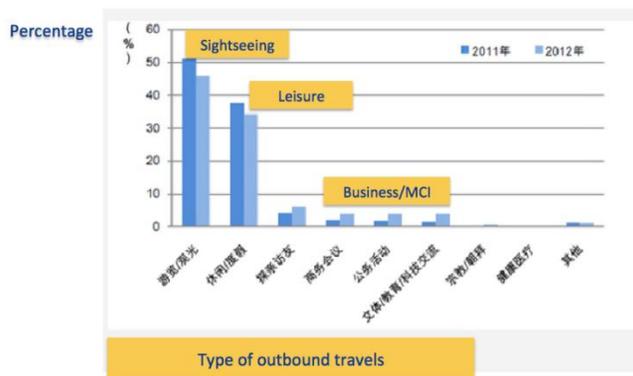


Figure 2: Chinese Outbound Travel: 2011 vs. 2012 Types, Percentage and Composition

Youthful Pursuits

Chinese tourists are younger, with 90% of them under 45 years of age. Travel has become the 2nd life style choice for Chinese women, right after fashion and cosmetics, according to market research conducted by China's Central Television.

Destinations Adapt to Travelers' Preferences

China's outbound tourism market is constantly evolving. It is very important for foreign travel destinations to monitor these changes and adapt to the ever-changing demands and behaviors of Chinese travelers.

Travel Deficit Encouraged

China's economy growing steadily, fostered by a stable political environment, so no major concerns about market volatility are predicted at this point. The new leadership of China is advocating the "China Dream", which explicitly states that the happiness of people and the strength of the nation have the same importance. Travel has become an important indicator of the well-being of Chinese people's lives. The Chinese middle class (350MM in 2012, 630MM by 2020), the continuous appreciation of RMB (China's currency) and the loosening of visa policy are the growth engines of China's outbound tourism. Even though China's international travel deficit has reached US \$51.9 billion in 2012 and is expected to reach US \$68.3 billion in 2013, the government officials have made it clear that they will continue to support outbound travel, and resulting in increased contributions to world economic growth.

China's Travel Industry Value Chain and Overall Strategies

Fulfilling destination marketing goals in China is done via a combination of traditional and digital marketing strategies implemented through a series of offline and online activities.

Traditional marketing channels in China are quite mature and stable, where industry norms are established and changes take place slowly.

Traditional marketing is now being carried out in a wide variety of channels, working as the "push" strategies to make immediate sales:

- Promotional Fairs
- Travel Trade Education Events
- Trade Familiarization Trips
- Consumer Shows

Destination Marketing Organizations (DMOs) are responding to the constantly changing China online travel market by leveraging the capacity of online channels to best promote its travel resources. All the online tools serve as "pull" strategies to draw Chinese travelers' interests to your region.

Given the increasing importance of the Internet on shaping China's travel industry, online media platforms and offline promotions have become inseparable for a successful marketing endeavor in China. According to research conducted by industry experts, the Internet has become the major

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channel for Chinese travelers to obtain travel information, book travel products and file complaints. Over 40% of domestic travelers are searching for information from websites, BBS and forums; 60% for inbound travel, and 50% for outbound travel. It is crucial for DMOs to design and execute an integrated digital marketing presence in China in order to effectively connect Chinese travelers with your destination.

Of course, it is difficult to delineate between online and offline because many of the marketing activities will be promoted across all the channels. But for better understanding, we will lay out the online and offline strategies and solutions separately, pointing out where online/offline cross-promotion exists.

Industry Value Chain of China's Outbound Travel

A brief look at the value chain of China's outbound travel industry shows how our strategies align with DMOs overall marketing goals in China.

It is commonly agreed that 2005 is the dividing point between the traditional and start of the new value chain of the travel industry in China. Figure 5 and Figure 6 illustrate the industry value chain and major players in each sector before and after 2005. Traditionally, brick-and-mortar travel agencies, and later OTA's (Online Travel Agencies) played a critical role in shaping how Chinese traveled abroad. They acted as the only major intermediaries between foreign travel destinations and Chinese visitors. While there were nascent players emerging, they had not yet formed an influential force in the traditional value chain. As a result, in the pre-2005 era, foreign travel destinations depended heavily on the travel agencies to promote their travel resources and build brand awareness in China.



Figure 5: Pre-2005 value chain of China outbound travel industry

Since 2005, the explosive growth of the Internet has disrupted the traditional travel industry. (Figure 6) During this time, the value chain of China's outbound tourism has seen two major changes. The first is

the proliferation of myriad online travel service providers in all market segments connecting Chinese visitors and their foreign travel destinations. The other is the change in interaction between foreign travel destinations and Chinese travelers from a one-way to a two-way relationship. Under this new industry value chain, more players serve as intermediaries between overseas travel destinations and Chinese travelers. This results in a better and healthier industry infrastructure with more channels for DMOs to build their brand image in China, ultimately connecting with Chinese travelers.

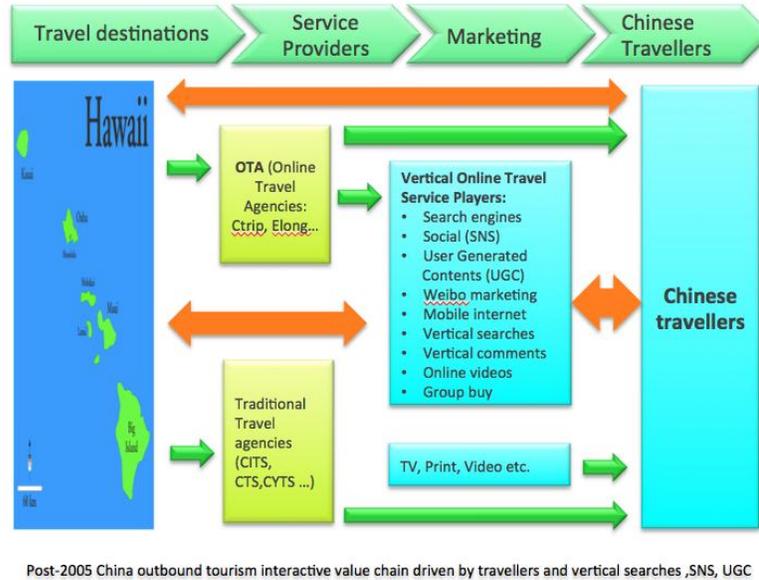


Figure 3: Pre-2005 Value Chain of China Outbound Travel Industry

Travel Content Created Especially for DMOs

Chinese travelers' behaviors have also changed dramatically in the digital age. As illustrated (Figure 7), travel activities now have circling effects. Typically, a travel circle includes pre-travel activities (travel planning, travel research, and travel booking), in-travel activities (activities that happen in the travel destination) and post-travel (sharing travel experience, comments and recommendations). One traveler's comments and/or recommendations would be the incentive for the next traveler's planning, and the circle goes on and on. The circle presents both an opportunity as well as a challenge for travel destinations because both good and bad impressions can be circled and strengthened. Successful formulas for managing a travel destination pay attention to every phase in this circle, which then creates positive brand images all the way through the process. Travel content created for DMOs should be the main focus, which can attract customers, encourage sharing, and attract more visitors. This array of travel resources will become available directly to Chinese travelers and inspire consumption and spending.



Figure 4: Chinese Travelers' Decision Circle Shows a Fragmented Market

China's Online Travel Industry: Best Digital Strategies

China's online travel transactions reached over US \$27.4 billion and are expected to rise 26% in 2013 and another 44% by 2016. Although the online transaction amounts are primarily from air tickets and hotels, the fastest growing section in the next 5 years is online leisure travel which totaled US \$3.4 billion and a market share of 12.4% in 2012. Outbound travel accounts for 37.7% of the online leisure travel, with a YOY growth of 63.6% and transactions of US \$1.2 billion.

Chinese consumers are savvy Internet users and quick adapters who leverage online resources to obtain knowledge, make self-educated decisions and finish transactions online. Travel is no longer about tours or packages. With the rapid development of the Internet and mobile devices, the younger generation is quicker than ever to share the concept of fun. They are young people with a free spirit of "I decide my own travel itineraries".

The ever changing preferences of Chinese travelers is shown in the booming world of online travel, where traveling with a tour has morphed to F.I.T. (Foreign Independent Travel), calling for DMOs to incorporate digital media strategy into their overall marketing efforts in China. DMOs can design and execute a winning strategy that produces the highest ROI, presenting its products and services properly to Chinese travelers, letting the digital efforts have a longer lasting effect. Table 2 provides an overview of effective digital solutions (Taking an Overseas Market as an example), which will be elaborated separately.

#	Overview of Digital Solutions
1	Maintain and manage Destination Region Website : e.g. DESTINATIONREGIONWEBSITE.com
2	Run Social Media Campaign on social networks: Weibo and WeChat.
3	TWINS : Twitter/Facebook to Weibo Integration Service
4	Produce and promote Streaming Videos of travel to Destination Region, maintain video account YouKu
5	Build and maintain Destination Region Travel Platform Website to connect Chinese tourists/tour operators with a region’s travel industry and promoting the area’s travel routes, hotels, stores, etc. to the China market.
6	Build and maintain Destination Region Travel Platform Mobile App to connect Chinese tourists/tour operators with a region’s travel industry, promoting the area’s travel routes, hotels, stores, etc. to the China market.
7	Build Destination Region MCI Website that targets Chinese businesses, government organizations, meeting planners, and travel agencies..
8	Develop Social Network Apps
9	Develop Game Apps by inviting game developers to use a Destination Region as a background with specific themes related to that area, e.g.: Hawai’i: Discovering Polynesian Traditions; Colorado River: Riding Rushing Rapids
10	SEO for websites and social network accounts
11	SEM
12	Other digital advertising

Table 2: Overview of Digital Solutions for China Marketing

Under these overall digital solutions, the travel platform, together with social networks and other online presence will act as a hub to connect Chinese tourists with travel experiences in creative, interactive and influential ways. This integration will give Chinese tourists and tour operators fresh new concepts and experiences in destination travel.

China MCI Market Overview and Characteristics

Meetings, Conventions and Incentives

The China outbound MCI market has been rapidly growing as more Chinese companies and organizations are looking at overseas destinations to hold and attend company activities: especially Fortune 500 companies, multinationals and other well-known Chinese companies. On one hand, they can more effectively promote company culture in a foreign destination, while they grant their staff unique experiences with exotic cultures.

The most popular MCI destinations for Chinese companies have been Asian countries and regions such as Macau, Korea and Singapore. But Australia and North America have become popular destinations recently, followed by Europe and the Middle East.

Meeting incentives is still the major part of MCI for Chinese companies. The most promising vertical industries are Destination Marketing, Insurance, IT, Automobile, Pharmaceuticals and Banks. As early players in the outbound travel market in general, travel agencies still play a critical role in influencing companies' choices of travel destination. Large prospective corporate clients, and major MCI travel agencies congregate in geographically 1st tier cities such as Beijing, Shanghai and Guangzhou. Prominent MCI travel destinations have much growth potential in China.

Primary Reasons that Chinese companies Consider a Destination for an MCI Location:
(Some DMOs have already made efforts to address these issues)

- Safety
- Local Hospitality and Openness
- Exotic and Rich culture
- Natural Resources
- Travel Destination's Brand Image
- Ease of Acquiring a Visa
- Travel Time
- Support from the destination, such as "China Ready" program

We see timing as the best opportunity to address the China MCI market. Outbound MCI travel is still new to the China market compared to outbound leisure travel. No single destination outside of Asia has gained a significant leading position in the market. Eying the rapid growth potential of the markets, MCI destinations from all over the world are trying to tap the China market. DMOs can seize the opportunity to build a differentiated image on MCI travel and strive to gain the leadership in a rather fragmented market. On the other hand, Asian countries have lost the allure gradually and Chinese companies are more actively looking for additional exotic locations farther away. Also, MCI travel has double effects: not only can MCI travel itself bring more sizable profits for DMOs, the participants are also more likely to plan family trips to the destinations if the MCI travel experience was pleasant.

We do not see major concerns about the development of the market as what we observed and analyzed in the leisure market. It is a challenge more than a concern when the Chinese government recently banned “Travel at Public’s Expense” to combat corruption. Chinese companies and individuals usually misunderstand MCI, especially incentive meetings as “Travel at Public’s Expense”, so there is a tendency to resist or underplay engagement in MCI activities. The China market’s poor awareness of MCI is exceeded by their lack of expertise regarding how MCI in foreign destinations can be organized and arranged successfully. But these challenges can be opportunities when DMO stake on the challenge to gain expertise and promote its MCI resources.

Chinese governments have made developing China as an MCI destination a strategic goal for promoting China’s travel resources to help attract companies from all over the world. MCI was a rather unknown concept in China and there has been much education in the past several years. When focusing on developing the domestic MCI market, Chinese companies’ management, along with the Chinese public will have a better understanding of how MCI helps to result in a mitigation of the tainted image of MCI as “Travel at Public’s Expense”.

Global Travel Industry: Adapting to Growing Wave of Chinese Tourists

- Arizona Tourism Bureau announced it had established a representative office in Beijing for media promotion, marketing and trade relations in China. Its tourism focus will be on U.S. state's natural wonders, national parks, outdoor sports, self-drive routes and Native American culture.
- Asia ranks second to Europe as a source of tourists to Germany with a 2012 market share of 10.5%. Overnight stays by Chinese in Germany were nearly 1.6 million in 2012, followed by Japanese at 1.3 million. The biggest revenue from tax-free goods in Germany came from China, with a share of 32%. The German National Tourist Board is investing in online travel agencies due to the potential for growth in online platforms in China
- Tourism Australia and Air China signed a three-year agreement to work together to promote travel between Australia and China. The two parties will cooperate on advertising, PR and events to attract the China market”Down Under”. China is Australia's fastest growing international inbound market.
- The rise of China as New Zealand’s second-largest tourism market, and the way Chinese visitors spend their money, is changing the Kiwi tourism industry. China overtook Britain last year to be second to Australia in NZ's inbound visitor market and also produced dramatic contrasts in credit card spending. Chinese tourists last year spent NZ \$651 million (US \$506.61 million) which was more than any other country except Australia.

Complete China Marketing Plan for a Foreign Region Prospective Market: Hawai'i

This section presents a complete China destination marketing plan for a prospective foreign country's regional travel authority (Foreign Travel Authority-FTA). In this sample, the same principles and methods that apply for the prospective region of Hawai'i, can also apply for other regions, organizations and businesses. Other regions can either adapt the whole strategy or employ partial solutions: such as digital marketing (SEO, SEM, Social Media marketing, etc.), leveraging mobile Internet or offline marketing, and instructive lessons on how to work with more industry players in both the online and offline travel industry.

Leisure Market Potential and Opportunities for Hawai'i

Chinese travelers' new demand for high quality, deep immersion travel experiences matches the Hawai'i Region's overall objectives of promoting local culture, as well as building a wider distribution of visitors throughout the region's far flung islands.

The constraints of U.S. visas and the paucity of direct flights to Hawai'i have been two major obstacles to Chinese travelers choosing this exotic locale as their sole travel destination. Chinese are value-minded individuals who want to maximize the value of the visa and the international plane ticket.

The difficulty in getting direct flights for extended stays in Hawai'i has forced the big travel agencies in China to provide travel packages that place Hawai'i as the last piggyback stop on the itinerary, which often results in a comparatively short stay with limited activities.

Facilitating and easing the U.S. visa application process is definitely a big step forward to attract more Chinese visitors to Hawai'i. Also, the anticipated direct flight from Beijing to Honolulu will push the barriers even lower. Glogou sees more opportunities to promote sole destination travel to Hawai'i, which will increase the LOS (Length of Stay) and spread travel distribution throughout the Region's islands, thereby reducing expenditures and giving visitors more time to explore various areas of cultural distinction.

A special opportunity that the Hawai'i region can grasp is to target Chinese visitors from 2nd and 3rd tier cities, southwest regions and the middle kingdom of mainland China. In Singapore, the visitors from China's 2nd tier cities increased 28% in 2012, while the number from 1st tier cities such as Beijing, Shanghai and Guangzhou was merely 18%. The difference is remarkable and indicative: the future growth of China's outbound travelers will come from the growing 2nd and 3rd tier cities.

The Chinese also prefer exotic theme travels, so compared to their competitors in Southeast Asia, Hawai'i has more to offer Chinese visitors, who are always eager to discover the next new travel destinations. Maldives, Bali, and Saipan have been over-traveled and are already losing their allure to the Chinese. Hawai'i can seize this opportunity to establish their region as the new discovery destination for Chinese travelers.

Foreign Region's Current Marketing Presence in China

Compared to its major competitors in mainland China such as Maldives, Bali and Phuket, Hawai'i is less accessible and difficult to understand. Putting aside objectionable reasons such as visas and distance, one of the critical challenges that Hawai'i, or any other foreign region needs to address is the repositioning of their image as a preferred, high-end travel destination, a paradise that exists not only in a "dream", but one that is obtainable by the average Chinese tourist and can provide rich vacation experiences.

We observed some of the following misconceptions of Hawai'i:

- In 2012, the 10 most popular outbound destinations for Chinese travelers included three Asian islands, which are Phuket (Ranked No.3), Maldives (No.4) and Bali (No.6), but Hawai'i did not even get onto the list. While it is true that Asian islands prevail in the China market because of easy visas, geographic proximity and the convenience of direct flights, they have also done a very good job in brand positioning and building a market in China. With its white, silky beaches, emerald water and tranquility, the average Chinese equates the Maldives with the perfect honeymoon locale, however, they lack the information that Hawai'i projects just such an image.
- Figure 3 below shows Hawai'i's general impression among Chinese travelers: an image comparison between Hawai'i and Maldives. Hawai'i needs to differentiate itself from its competitors by developing its own unique and immediate connection with Chinese travelers.



Hawai'i vs. Maldives

(Increase Size of above text: Hawai'i vs. Maldives

Figure 5: Chinese Travelers' impressions of Hawai'i vs. Maldives

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- Big travel agencies such as CITS, CTS, CYTS, Ctrip and Elong had been playing a dominant role in shaping the whole value chain of China's outbound tourism market. Historically, traveling with tours was considered a better and safer choice for Chinese citizens new to overseas travel. As a result, travel agencies controlled the travel choices and experiences for Chinese travelers. Rather than being promoted as an individual travel destination, Hawai'i has always been positioned as the last economical stop in the itineraries of U.S. mainland travel. Thus, Chinese did not get a chance to experience the real, whole Hawai'ian Islands. Visiting Hawai'i was equated to simply seeing O'ahu, Waikiki beach and a few historical sites, an unfortunate image that still has not been altered. In order to break this status quo, Hawai'i, like many other travel destinations, is in urgent need of educating the market about the richness and diversity of the many different facets of their region.
- In recent years, we have seen some independent Hawai'ian travel routes open up due to FTA's strategic efforts, however China tour operators tend to focus on price competition and sell so-called value packages. These "budget" Hawai'i tours are typically just beach tours, volcano sightseeing, shopping, and economy lodging and fast-food dining. This problematic business model is merely an example of low price competition pitting the dominating travel agencies against each other. The good news is that the evolution of the Chinese travel market from highly concentrated to fragmented means many new players have emerged. This diversity has created a better industry infrastructure that Hawai'i can leverage to create and build its own unique image, stand out from competitors and to present a well-rounded image to Chinese travelers.

Hawai'i's brand image in China is in urgent need of a face-lift. By increasing independent travel to all of their islands, Hawai'i can rebrand itself as a world-class resort. The region's unique characteristics and exotic flavor should be highlighted, strengthening the reputation as a place for romance, rich culture, and abundant natural wonders.

China's outbound travel market has been quickly developing and changing in the past decade, while the value chain of the industry has shifted, too. At the core of the changing forces are the new demands of the Chinese travelers. FTA needs to adopt this changing dynamic to capture the heart of Chinese travelers. For the next 5 years, the keywords of the actions are EDUCATE the market, DIFFERENTIATE from competitors and CONNECT with Chinese travelers.



Figure 6: Triangle Positioning to Engage Chinese Travelers for Hawai'i Market

The above overview outlines strategies, plans, activities, and timelines to fulfill HTA's objectives to establish and promote Hawai'i in the China market. The goal is to meet and exceed 2014 HTA targets in the China market and to create a measurable increase in the brand awareness and image of Hawai'i as an international travel destination for Chinese travelers.

In the following sections, we identify existing problems, solutions, and five digital solutions in the China market to increase travel demands, build brand images and facilitate transactions for Hawai'i as a travel destination

Hawai'i's Current Digital Presence in China: Room for Improvement

HTA and its contractor have made some digital efforts in China, such as the GoHawai'i Chinese website and Sina Weibo profile page. Hawai'i's Chinese official website is: www.gohawai'i.com/cn. While the website maintains the same look as the major English website, there is a lack of content in Chinese language characters. The most important problem is that the GoHawai'i website is basically invisible to the Chinese from a SEO (Search Engine Optimization) point of view. Baidu, the dominant search engine in China, has not indexed gohawai'i.com/cn at all. When a search for Hawai'i is conducted in Chinese on Baidu, there are NO search results of GoHawai'i Chinese webpages. This limits Hawai'i's digital presence in China.

Additionally, there is an access issue for gohawai'i.com/cn inside China, which is a common problem for websites with servers located outside of China. One option is to use the uxiaweyi.com server in China for easier access so the website can truly act as a direct connection between Hawai'i and Chinese travelers. Given how important a role digital presence plays to directly connect Chinese travelers with travel destinations nowadays, this is a very serious issue to address.

Increase Visibility on Baidu

Chinese webpages indexed by Baidu can quickly achieve high ranking organic search results. This SEO tactic will bring significant organic web traffic to the official Hawai'i website without wasting money that can be better used for advertising.

Create Attractive Web Content

Current Chinese content is very minimal, so it is imperative for Hawai'i to provide more interesting and localized content to attract Chinese travelers and their specific needs. A high conversion rate of web traffic can be attained by a concentrated SEO effort to attract Hawai'i enthusiasts.

Build Web Link to China

Hawai'i needs to build workable search functions and a database in Chinese, so FTA should take advantage of existing software products to solve this problem. For example, Glogou's digital marketing product, EWG (Entire Website Globalizer, see appendix 1.) will translate the many hundreds of activities webpages in English to Chinese across all islands, building a Chinese language data base that is

searchable by Chinese visitors. Also, the EWG is capable of doing translations between many other languages, making it extensible to marketing activities in other countries, too.

Enhance Social Networking Interface

Social features cannot be lacking on the Destination Region’s website. It is imperative to have prominent icons link to Sina Weibo, the Chinese Social website, and to Youku, the video streaming site. The Destination Region’s user interface should be refined and enhanced to make it resemble the local travel area, and for it to be live, dynamic, and eye-catching.

Regional Tourism Bureaus Can Create Their Own Official Webpages at Sina Weibo

Social media platforms have become an essential tool for Chinese travelers to seek travel tips and share travel experiences, pictures, and videos. Weibo marketing is one of the major digital channels to connect Chinese travelers with foreign travel destinations, boasting one of the highest ROI. Chinese are also heavy social media users and sharers. According to research by KPCB (Kleiner, Perkins, Caufield & Byers’ Internet Trends Report), the percentage of respondents from different countries indicates they share “everything” or “most things” online. While the world average is 24%, and USA is 15%, China is far above these levels at an impressive 34%. (See Figure 8) This presents a very promising future for a Region’s social media marketing effort in China, as IBM research has found that 62% of respondents feel that Internet and social media enables them to make travel plans easier and better.

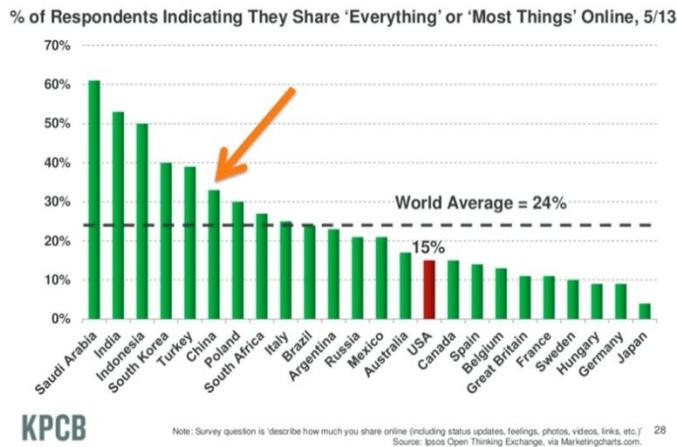


Figure 7: KPCB’s Research on nature of Sharing Among Different Countries

There are huge areas to improve in the current Weibo account management:

Weibo is a very powerful marketing tool with many ways to effectively manage the content and fan base. Content is undoubtedly the key to making Weibo attractive to Chinese travelers. More content, more fans! Weibo’s current content is not managed well, despite a fair amount of material which by nature is very fragmented and inconsistent. Adept management of Weibo’s functional tools can manage the content, thereby maximizing its value to attract and better serve Chinese travelers. Hash

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Tags (#) can be used to aggregate contents, guiding Chinese travelers to explore the abundant resources in categories as varied as remote areas, special attractions, food, entertainment, cultural experiences, shopping, etc.

Weibo's powerful media platform can act as a digital Public Relations (PR) center, targeting both media and tourists. Many things can be done to suit a region's marketing goals in China. For example:

- Repost more high quality travel packages from major agencies
- Start a column to introduce Regional travel agencies services to individual Chinese travelers
- Reduce the negative image tourists have of obtaining a US visa by publishing the latest visa policy and processing time information from the US Embassy
- Share celebrities' travel news in a region to inspire travel choices, etc.

Weibo marketing KPIs are not only fan based, but also rate the quality of fans, OPLs (Opinion Leaders), and inter-activities. Current efforts in this area are very minimal, so look to our later discussion on mobile Internet strategy regarding social sharing.

Wechat, the newcomer and highly influential social media marketing tool in the social sector, is also a very powerful way to engage Chinese travelers and build the virtual community.

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Combinations of Sina Weibo and Wechat, with offline and traditional media for Public Relation Campaigns can give DMOs more advantages. Weibo and Wechat promotions and activities will be involved in the following Public Relation Campaigns:

	PR and Marketing Integrate Campaigns (online and offline)	Deliverables	Impact on KPI	Impact on Overall Marketing Goals
All Year	Promote Destination Region as dream travel destination for Chinese "Dream Travel• 2014 Top 10 destinations" campaign	1. Increase independent destination tours 2. Brand reposition/life style segment -family vacation 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1.Reinforce Region's brand position; 2. Differentiate Region's travel from other destinations 3. Brand Region as dream travel destination for Chinese
Jan/Feb & July/Aug	Promote Region as trendy destination for upscale (Romantic/Golf/Affluent) travel, vacations, events and activities. "Most trendy destinations for romantic and golf vacations" campaign	1.Increase high end trips: (Romantic/Golf/Affluent travel) 2. Brand reposition/life style segment -Romance, Golf and Affluent	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Reinforce Region's brand position; 2. Differentiate Hawai'i travel from other destinations 3. Brand Region as the trendy destination for romantic/Golf/Affluent vacation.
Apr/May & Sep/Oct	Launch Region's Romanic travel campaign during off-peak months "Love in Hawai'i•Perfect Honeymoon and most romantic couples" campaign	1. Brand reposition/life style segment -Romantic travell 2. increase romantic vacations 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Reinforce Hawai'i brand position ; 2. Brand Hawai'i as the best destination for romantic travel. 3. Increase visitors and LOS during shoulder period.
All Year	Promote Hawai'i Culture and Festivals "Hawai'i Culture and Festivals series : monthly featured festivals/events, products and cultural topics"	1. Hawai'i Culture representation 2. Hawai'i Festivals /activities and products promotion 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Increase awareness, familiarization, and understanding of Hawai'i's people , place and culture ; 2. promote HTA industry programs, Signature festivals and events, sports, and county product enrichment programs
All Year	Promote Hawai'i individual islands , resorts and culture "Discover Hawai'i Series : Culture, history and individual islands and resorts" campaign and knowledge contest	1. Hawai'i Culture representation 2. Hawai'i individual islands representation 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Increase awareness, familiarization, and understanding of Hawai'i's people , place and culture ; 2. reinforce each island's brand position
	Media Familiarization Trips to Hawai'i (FAMS)			
Feb	Leisure market media FAM tour (Feb) media reporters, celebrities	Brand reposition /Hawai'i Host Culture presentation/life style segment -Golf and Romantic travel	1. Number of arrivals 2. Average Visitor Length of Stay	Brand Hawai'i as best islands travel destination and romantic/golf/affluent vacation destination
May	MICE media FAM tour (May) media reporters, celebrities	Brand reposition /Hawai'i Host Culture presentation/Bring leads	Nights Hotel Booked Room Nights – New to Hawai'i Conversion	Brand Hawai'i as desired MICE destination in China market

Table 3: Public Relation Campaigns Overview

Weibo and Wechat content and topics will be planned and managed on a monthly, weekly and daily basis. At least two Foreign Travel Association (FTA) signature festivals/events will be covered every month. Featured community and festivals/events will be selected from County Product Enrichment Program (CPEP).

Top 5 Recommended Digital Initiatives

Digital Solution#1: Building a Destination Region's Own Digital Platform

Traditional travel agencies are still a major driving force but can't fulfill FTA's goals, such as:

- Promoting a Region as a sole travel destination
- Satisfying a Region's local stakeholders by distributing traffic evenly among an area's many locations. On the other hand, more and more outbound tourists are utilizing the Internet searching for air tickets, hotels or customized travel packages to suit their individual needs.
- Regions need to build a dedicated travel platform e-commerce website that:
 - Integrates resources of China and the Region's travel industry
 - Attracts Chinese tourists to the Region with a one-stop booking/shopping solution
 - Promotes the Region's travel products online, facilitating online transactions.

This website not only connects Chinese travelers more directly with local Regional service providers to generate revenue, but it also directly benefits Regional travel industries, including hotels, the cruise industry, golf resorts, and other cultural destinations.

Digital media has higher ROI than traditional media in reaching Chinese travelers. Social media marketing and search engine marketing campaigns also make offline promotions and activities more effective. Under the overall digital solution, the travel platform together with social networks and other online presence will act as hubs to connect Chinese tourists with a Region in creative, interactive and influential ways. Chinese tourists and tour operators gain fresh new concepts and experiences traveling throughout a Region.

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A mobile app can also help a Region increase the demand for travel to that area. The Regional e-commerce travel platform website and mobile application will connect Chinese tourists/tour operators with a Region's travel industry; promoting its tours, hotels, destinations, stores, etc.

A Region can consider building a new website with their own domain name e.g: www.region'sspecialname.com (Which literally means travel to the Region in Chinese, refer to screen shots in Appendix 2).

The website will:

- Support major online transaction methods in China such as Unionpay and Alipay. Facilitating online booking helps to lower international transaction barriers for Chinese travelers, while it increases online booking for a Region's hotels, tours, and destination tickets.
- Serve as both a B2C and B2B website, which not only connects Chinese tourists with tour operators, but also connects tour operators and tourists with the Region's local travel industry players, including local tour companies, hotels, the cruise industry, car rentals, and other special destinations.
- Use responsive designs and templates whenever possible to make the site mobile friendly. Advanced search engine optimization (SEO) efforts, especially for Chinese search engines, will be applied to the site to attract more organic search traffic.
- Feature online video Chat function on both website and mobile apps to answer questions from Chinese tourists and tour operators and help them book tours, flights, hotels, and destination tickets online.

Content and service providers should be carefully selected so that they are attractive to Chinese travelers. The following content is preferred by most Chinese visitors:

(Items with ✓ have Online Booking Feature)

- Hotel information with online booking feature
- Shopping information, discounted digital/downloading coupons, shopping is important for many Chinese travelers:
 - ◆ Stores featured with local culture and specialties, etc.
 - ◆ Major outlet malls, super stores, and tourist oriented convenience stores nearby
 - ◆ Luxury shopping centers, such as Coach Stores, etc.
- Travel reviews from Yelp or from China's review sites if available. First time travelers, especially, always do extensive research about an experience before traveling somewhere
- ✓ Local car rental companies
- ✓ Local travel agents and tour information
- ✓ Chinese travel agencies/ meeting planners showcasing the Region's tour information
- ✓ Flight information
- Recommended lists of nearby restaurants, featuring top Chinese eateries, too. While a Region's unique culinary options should be promoted, attention still needs to be paid to the Chinese's stomachs. Chinese comfort food will eliminate the need to eat makeshift meals of instant noodles in hotel rooms, or other sub-par food.

- ✓ Cruise
- ✓ Travel attractions introduction and ticket information
- News and articles related to travel experiences
- Deals and promotions section featuring the Region’s hotels, airlines, and tour operators

Content generation will be done as an on-going process. Constantly refreshing content not only attracts repeat web visitors and caters to changing demands, but also enhances the SEO of the site.

Digital Solution #2: Work with More Players in Online Travel Industry

Figure 8 illustrates the market share composition of China’s online outbound travel. Leading travel agencies such as Ctrip (with a market share of 33.7%) still play a significant role in promoting foreign destination travel in China, though its importance has been declining and will continue to drop in the next 5 years. It is important to cooperate with these big players who have been playing a critical role in promoting a Region in China. The problems are that the packages and itineraries these travel agencies provide generate more to their ROIs instead of fully considering FTA’s overall marketing goals. Adding more single destination travel and spreading traffic distribution throughout the Region are more important to FTA’s. To address this problem, FTA’s need to convey goals more clearly and specifically to these big players and work with them together to design and sell more packages that fit FTA’s overall marketing goals in China.

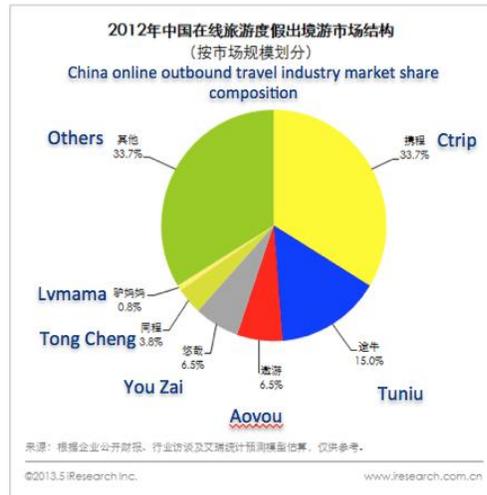


Figure 8: China Outbound Travel Online Market Share Composition in 2012

Figure 8 also shows how the newly emerged players in the vertical online travel market together have much more impact in shaping China’s online travel market. FTA needs to focus especially on developing relationships with these new and prominent players. This is done to take full advantage of the available digital channels, to build the Region’s brand image in China and connect with Chinese consumers directly. While the vertical online travel market can be described as a full circle, we identify a couple of outstanding players to work with:

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- Tuniu.com, a website site that focuses on promoting travel itineraries, is 2nd with a market share of 15%, making it one of the most influential player's in China's online travel market. If a Region lacks interesting itineraries, Tuniu tackles the problem by working with FTA to build the Region as a hot leisure travel destination. While one Regional destination may have a high number of choices and attraction introductions, Tunia designs interesting itineraries that combine traveling resources and rich culture across a Region.
- Mafengwo.com, a travel website that focuses on social travel, is a prominent player in travel blogs and travel tips with 482MM registered users. People who have traveled come to mafengwo.com to share travel experiences regarding everything from primary attractions, to dining, shopping, entertainment, etc. The contents are user generated, have a personal touch and are very viral. We see huge opportunities to cooperate with them to promote all facets of a Region, from local shops, restaurants, and fun spots to everything unique in the Region.
- Websites that focus solely on traveling abroad, such as Qyer.com, are also worth the effort to explore. Do It Yourself (DIY) travel is very likely to become mainstream in the next 5 years. This site offers a great opportunity for a Region to build its "Travel Paradise" image among independent travelers.

There are many more online travel platforms that a Region can work with in China. FTA needs to identify all of them after receiving feedback from market operators. Again, the China travel market is constantly changing, and there are no fixed perfect market plans. The key is to constantly adjust the market plan based on fresh feedback.

Also, FTA needs to work with various partners to facilitate independent trips to a Region through chartered flights and by opening up direct flights to increase the length of stay of independent trips and more extensive trips to areas throughout the Region.

Digital Solution #3: Leverage the Mobile Internet

As smart phones and other mobile devices become standard devices to the average Chinese, the Mobile Internet that serves 1 billion Chinese mobile users will see an explosive growth in the next couple of years. Given that travel is an activity on the go by nature, the combination of mobile and travel is destined to revolutionize the industry. Travel mobile apps are considered "Personal Tour Guides in a pocket".

Research shows that most travelers use mobile for their trips:

- 29.80% - Search for information
- 18.27% - Share travel stories and pictures
- 14.27% - Check out prices of travel products
- 13.79% - Use mobile to make bookings
- 24.77% - Accounted for by others

Figure 9 illustrates how Chinese travelers use mobile during their travels.

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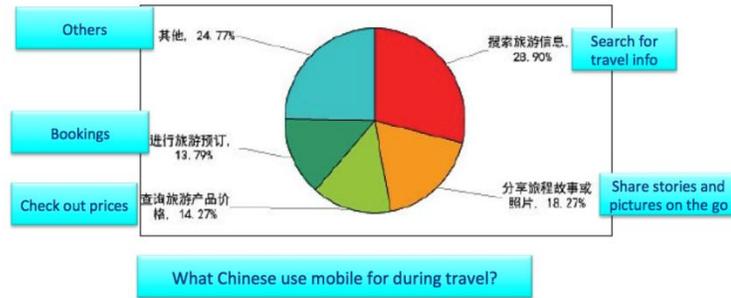


Figure 9: Chinese Mobile Usage for Various Purposes with Search and Share Ranked

Chinese millennials, those born in the 80’s and 90’s, are the generation using mobile the most for travel planning; so having a mobile Internet strategy is even more important to capture these two demographics.

Almost all the players, including most of the Region’s previous local partners have made strides in the mobile Internet market. They will help introduce and sell more of the Region’s travel resources via this channel. FTA needs to understand how its partners’ mobile Internet strategies and products work, and how to align HTA’s general China marketing goals by providing insightful suggestions.

It is crucial that FTA’s design and execute their own mobile Internet strategies.

The best and most effective strategy is to develop mobile apps for Chinese travelers to use while they are traveling to various Regions. The Mobile app that Glogou developed (see Appendix 4) for the prospective market of Hawai’i was designed to address the problems of Chinese travelers (F.I.T), primarily providing information on the spot to help them decide where to eat, stay, go, shop and seek entertainment.



Figure 10: Screen Shot of Mobile Apps for Hawai’i Region

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A Region's custom mobile application will significantly increase the daily spending of Chinese visitors in a given destination. Consumption at the travel destination is usually impetuous and the string on most Chinese' wallets' tends to be very loose. Traditionally, tour guides controlled this part of consumption, but for the growing group of F.I.T. Chinese travelers, a Region's custom developed mobile app will help them to explore everything freely in in the Region, no matter what attractions, restaurants, local cultural experiences, shops or special local merchandise are being sought by the traveler. The app will integrate with LBS (Location Based Search), SNS (Social Network Services) and Weibo (Microblog) so that the travelers can search, explore and share in real-time. With the LBS feature, the app can make various recommendations for travelers based on their default or selected locations. The integration with SNS and Weibo will create more user generated digital content and more social sharing. The more pleasant/rich traveling experience the travelers have in a Region, the more social sharing, and therefore more future visitors will come from China. The virtuous circle previously mentioned would be formed and strengthened. Many more features ought to be added to the Region's custom mobile app, aiming to promote a more even distribution of visitor traffic to the local culture.

Other mobile Internet solutions include game apps featuring Regional travel resources and culture to engage, educate and interact with Chinese consumers in a fun way.

Digital Solution #4 SEM, SEO and Other Online Advertising

An essential part of online advertising is SEM (Search Engine Marketing) and SEO (Search Engine Optimization). China SEM, SEO plans for a Regional online presence are listed below:

1. SEO for a Region's websites and social network accounts:
 - Content optimization in SEO
 - Keyword optimization in SEO
 - Common SEO good practices
 - Use of proper keyword and description
 - Make page content relevant to page title, keyword, description
 - Make search engine easier to navigate
 - Plan website structure carefully, making deeply embedded content easier to reach by search engines.
2. SEM (Search Engine Marketing):
 - Launch Baidu pay-per-click keywords campaign and banner campaigns on content network to promote a Region's travel and integrated activities.

3. Other Digital Advertising:

- Advertising will be placed on social networks, portal websites and travel related websites to promote a Region’s travel and integrate activities based on market feedback, adjusting constantly to achieve the highest ROI.
- Figure 11 illustrates China’s online market share composition in Q1 2013. We can see that except for Baidu, Alibaba is a prominent player. Taobao, the most powerful B2C e-commerce website, owned by Alibaba, recently joined the online travel market as well.

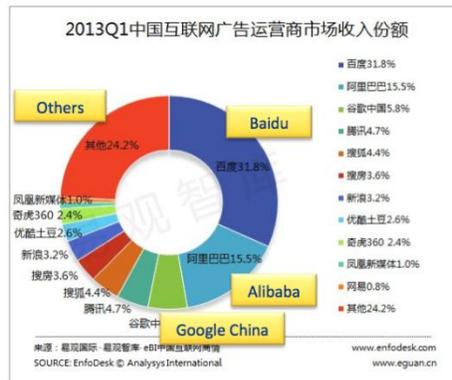


Figure 11: Clear Leaders of China’s Online Advertising Market: Baidu and Alibaba

Digital Solution #5: Multimedia and Other Tools

It is important be on the forefront of new technologies that bring significant results, but with less cost. Some other digital solutions include, but are not limited to:

1. Hosting online Webinars to connect Travel Trade and to provide training programs in both Leisure and MCI segments
2. Target Chinese tourists by producing and promoting streaming videos via the video website YouKu. These videos can act as the most direct visual connection between a Region and Chinese travelers.
3. Identify and build social network applications that serve social marketing and other purposes.

A Region’s travel platform, website, social media presence, webinars and SEM campaigns are designed for the China market by considering the special preferences and the needs of Chinese travelers. The strategies and plans serve the goals to achieve measurable KPIs, and the general promotional goals of a Region’s travel industry and local culture. FTAs can create and increase demand in China by providing fresh online Regional experiences through these integrated digital channels.

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Integrated Public Relations and Marketing Campaigns

Table 4 gives an overview of a prospective Region’s integrated Public Relations and Marketing campaigns for 2014. These campaigns can be Online and/or Offline, providing webinars and virtual events in the China market, while positively impacting KPI and the Region’s general marketing goals.

The following campaigns and integrated activities will be conducted through multiple channels including social networks, websites, media (Digital and Traditional), and online and offline activities and promotions.

Hawai'i PR and Marketing Integration Campaigns (online and offline), Webinars and Virtual Events in China Market				
Description				
Time	Webinars: Travel Trade Educational Events	Deliverables	Impact on KPI	Impact on Overall Marketing Goals
Sep, Nov	Organize Virtual Events for China Outbound Tourism Market : MICE tour operators and major targeted companies	1. Build relationships and establish cooperation with Chinese MICE (meeting, Incentive, Convention, Exhibition) tour operators. 2. Build relationships with major targeted companies .	Nights Hotel Booked Room Nights - New to Hawai'i Conversion	Promote Hawai'i as desired MICE destination in China market
Apr, Jun	Organize Virtual Events for China Outbound Tourism Market : Leisure tour operators	1. FIT trip, immersion trip, independent destination tour 2. Introduce new Hawai'i's tour routes and accommodation in other islands besides O'ahu 3. Joint marketing program/the special promotion agents in China	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Cooperate with Chinese tour operators to develop independent destination tour and immersion tours to Hawai'i; 2. Increase group tours through chartered direct flights. 3. Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance /
PR and Marketing Integrate Campaigns (online and offline)		Deliverables	Impact on KPI	Impact on Overall Marketing Goals
All Year	Promote Hawai'i as dream and independent islands travel destination for Chinese "Dream Travel•2014 top 10 islands destinations" campaign	1. Increase independent destination tours 2. Brand reposition/life style segment - family vacation 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. reinforce Hawai'i brand position; 2. Differentiate Hawai'i travel from other islands trip; 3. Brand Hawai'i as dream and independent islands travel destination for Chinese
Jan/Feb & July/Aug	Promote Hawai'i as the trendy destination for up-scale (romantic/Golf/Affluent) travels, vacations, events and activities. "Most trendy destinations for romantic and golf vacations" campaign	1. Increase high end travels (Romantic/Golf/Affluent travel) 2. Brand reposition/life style segment - Romance, Golf and Affluent	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Reinforce Hawai'i brand position; 2. Differentiate Hawai'i travel from other islands trip; 3. Brand Hawai'i as the trendy destination for romantic/Golf/Affluent vacation.
Apr/May & Sep/Oct	Launch Hawai'i Romantic travel campaign during off-peak months "Love in Hawai'i•Perfect Honeymoon and most romantic couples" campaign	1. Brand reposition/life style segment - Romantic travel 2. increase romantic vacations 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Reinforce Hawai'i brand position; 2. Brand Hawai'i as the best destination for romantic travel. 3. Increase visitors and LOS during shoulder period.
All Year	Promote Hawai'i Culture and Festivals "Hawai'i Culture and Festivals series: monthly featured festivals/events, products and cultural topics"	1. Hawai'i Culture representation 2. Hawai'i Festivals/activities and products promotion 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Increase awareness, familiarization, and understanding of Hawai'i's people, place and culture; 2. promote HTA industry programs, Signature festivals and events, sports, and county product enrichment programs
All Year	Promote Hawai'i individual islands resorts and culture "Discover Hawai'i Series Culture, history and individual islands and resorts" campaign and knowledge contest	1. Hawai'i Culture representation 2. Hawai'i individual islands representation 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	1. Increase awareness, familiarization, and understanding of Hawai'i's people, place and culture; 2. reinforce each island's brand position
Media Familiarization Trips to Hawai'i (FAMS)				
Feb	Leisure market media FAM tour (Feb) media reporters, celebrities	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romantic travel	1. Number of arrivals 2. Average Visitor Length of Stay	Brand Hawai'i as best islands travel destination and romantic/golf/affluent vacation destination
May	MICE media FAM tour (May) media reporters, celebrities	Brand reposition/Hawai'i Host Culture presentation/Bring leads	Nights Hotel Booked Room Nights - New to Hawai'i Conversion	Brand Hawai'i as desired MICE destination in China market
Virtual Consumer Shows				
Jan, Apr, Sep	Virtual Consumer shows-Fresh Hawai'i experience, luxury tours, Hawai'i culture and festivals	1. Enhance brand image and reposition Hawai'i as the trendy destination for Romance/Golf/Affluent travel and family vacation. 2. increase awareness, familiarization, and understanding of Hawai'i's people, culture and individual islands.	1. Number of arrivals 2. Island Distribution of Visitors 3. Total expenditure	1. Brand Hawai'i as best islands travel destination and romantic/golf/affluent vacation destination; 2. Increase awareness, familiarization, and understanding of Hawai'i's people, place and culture;

Table 4: Prospective Region: 2014 Integrated Public Relations and Marketing Campaign (Featuring online and offline activities, webinars and virtual events)

Offline Promotional Strategies and Activities

FTAs need to execute a series of promotional activities and attend travel shows to implement the “push” strategy to increase travel demands and immediate travel sales for a Region. They also need to integrate the resources of tour operators, meeting planners, and the Regional travel industry. Cooperating with them to develop new routes and new markets in China, can create new demand and increase leisure and MCI trips to the Region in the following ways:

1. Partner with a Region’s travel industry to develop new routes and new services catered for Chinese visitors
2. Partner with Chinese tour operators to develop independent destinations and deep immersion tours to the Region through chartered direct flights
3. Create campaigns, events and activities catered for peak season, off-peak season and shoulder time around the year.
4. Target theme campaigns and events to specific groups
5. Ensure that campaigns and activities are designed for all areas of a Region to reinforce its brand position and maintain cultural integrity

Make sure to choose subcontractors who have extensive experience in executing foreign destination marketing strategies, professional networks and government relationships in China.

Southwest China Solutions

Over 1.2 billion Chinese live outside of China’s 1st tier cities (Beijing, Shanghai, Guangzhou) and the wealth gap between 1st and 2nd /3rd tier cities has been shrinking very quickly. For marketers, this means that more opportunities lie in these 2nd and 3rd tier cities. FTA’s acknowledge the importance of those Chinese living outside of 1st tier cities and for the last two years has made efforts to target 2nd tier cities by having promotion fairs in Hangzhou..

The best next stop to have a Region’s Travel Promotion Fair is in Chengdu. The promotional fair is expected to receive extensive media coverage in this southwestern area with spill-over effect to the whole country, and is likely to bring a large amount of 1st time travelers to a Region. Chengdu, the capital city of Sichuan Province and Chongqing, the fourth largest municipality in China, are the two most important 2nd tier cities in southwestern China. The two largest airports in inland China are also located in these two cities. In 2012, Chengdu ranked No. 7 and Chongqing ranked No. 10 among the biggest outbound departure cities in China. In recent years, the economy of Southwest China has been developed very quickly with the Chinese government’s support.

Travel consumption is highly correlated with economic growth, with research showing that from January to November 2012, travel agencies in Shanghai organized 1,530,600 outbound trips, a YOY growth rate of 27.88%, while the number from Chongqing was 620,600, or 84.14% YOY.

Figure 12 illustrates travel agency distribution among China’s major cities by the end of 2012, with Beijing and Guangdong on top, followed by Zhejiang and Shandong, where Hangzhou and Qingdao, the last two stops of a Region’s Promotion Fair are located separately. The Region’s Promotion Fair held in Chengdu will cover the southwest region, which includes Chongqing, Sichuan and Yunan. The combined size of travel agencies in the area is bigger than Zhejiang or Shandong and close to the size of Guang Dong province. This further proves the choice will not only be a strategic move, but also will attract a large crowd of travel agencies to the fair, resulting in more visitors to the Region for both leisure and MCI.

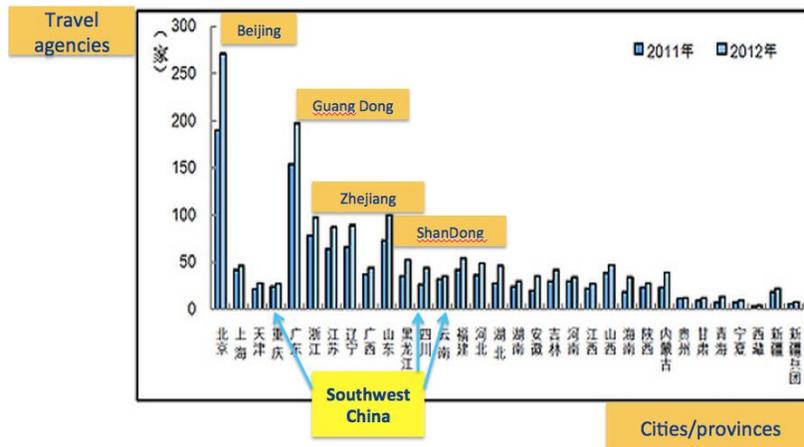


Figure 12: Travel Agencies Distribution Across China in 2012

Below is a brief description of the fair:

Foreign Region Travel Promotion Fair: Southwestern China – Chengdu stop (2 days)

Organizers: A digital agency, contractor in Sichuan, Sichuan Tourism Administration and Sichuan Tourism Association

Attendees: FTA representatives, officials from the American consulate, government officials from southwestern provinces such as Sichuan, Chongqing, Yunnan and Guizhou, travel agencies, representatives from big corporations and organizations, Sichuan golf club, major media outlets (Estimated 400 people)

Description:

In lieu of the big promotion fair, digital agencies work with local partners to execute promotions throughout the year in the southwest region. Online and offline marketing maximizes the buzz created by the fair, utilizes the capabilities of the partner’s extensive media networks and connects with governments to promote a Foreign Region’s travel resources with Chinese travelers, corporate clients

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(for MCI) and industry players in the area. It is a commonly recognized challenge for foreign destinations to market MCI travel to inland cities. FTA needs to choose a marketer with a strong presence and network in Southwest China to help the Foreign Region become the first foreign travel destination to successfully tackle the market.

Travel Trade Education Events with Key Chinese Travel Agencies

FTA and the digital agency organize three more events in Tier 1 cities (Beijing/Shanghai/Guangzhou) to promote leisure and MCI of the Foreign Region's Tourism. These events showcase the quality and diversity of the Region's scenery, arts & culture, heritage sites, activities, unique attributes and conventions. Newly designed routes and pricing enrich the customer experience, extend stays and manage a more even distribution among areas of the Foreign Region.

The purpose of Trade Education is to change the current negative images associated with a Foreign Region as previously analyzed, and to reposition the Region as a luxury and relaxation paradise with emphasis on golf, honeymoon and family travels. The events also focus on promoting the Foreign Region as a sole travel destination by presenting the multifaceted features that are prevalent throughout the Region.

FTAs also emphasize free trip and deep immersion trip introductions by cooperating with a Foreign Region's local travel operators, restaurants, and hotels to design new routes and dig out special features of each area.

Event promotions are built on the past successful experiences of A & H International Travel Co., Ltd (A & H) in promoting over 30 international destinations with leisure and MCI in the China Market. FTAs can increase distribution channels to 14 top China agencies and 3 special agents targeting East China, South China and North China separately, while establishing strategic MCI cooperation with CYTS and CITS' head office. Chart shows a partial list of travel agencies FTAs may want to work with.

Trade Familiarization Trips (FAMs)

FTAs can use FAMs to promote a Foreign Region's tourism as multiple themes (Real Estate, Family, Golf, Honeymoon) to China travel agents, travel media, airlines, wholesalers, and MCI/Corporate targeted clients during spring shoulder period. Foreign Regions can leverage Special Theme Months for Travel Professionals. The participating agents will first experience the new enriched routes, and accordingly sell the travel products to a larger group of Chinese clientele within their sales network.

The two FAM trips will target the leisure market and MCI with 20 agents respectively. For MCI, FTAs should target corporate clients such as Amway, Lenovo, Haier, Gree, and some private banks for incentive traveling cooperation.

The two FAMs aim to increase awareness, familiarization and understanding of a Foreign Region's people, places and culture among China travel industry players, who will further push the unique experiences to broader audiences and make the sales. It will also serve the purposes of promoting the

Foreign Region as a single travel destination while extending stays, and increasing the number of visitors and total expenditures.

Trade and Consumer Shows

There are two key trade shows worth attending: the China Outbound Travel & Tourism Market Show in April and U.S. Tourism Industry Road Show in October. Destination booths of the Foreign Region will be set up with professionally designed high impact displays to effectively deliver the Region's premium image as a travel destination.

FTAs can also hold a consumer show to showcase the Foreign Region's local culture. These consumer shows are typically held in early summer months and will feature photos and videos of individual cultural aspects of the Region. Online marketing promotion will be used to enhance the participant and news coverage, and the show will bring direct interaction with consumers to stimulate sales.

- Potential participants include: large audiences of tourists, travel enthusiasts, photographers etc.
- Description of the event:
 - ✓ Set up displays of the Foreign Region's local attractions on foam core boards, banners, hanging flags, etc.
 - ✓ Set up promotional desk sets, promotional materials and arrange onsite consulting to tourists to explain and educate passengers. Activities in the background can be attached to the respective Foreign Region's LOGO and pictures, with brief text description of the impact of tourists.
 - ✓ Distribute promotional materials and giveaways to participating visitors in the game to facilitate a direct impact on them.
 - ✓ A main exhibition auditorium will be set up with projectors to share the beautiful scenery of the Foreign Region, along with pictures, recommended travel routes, food, culture, special activities and shopping.
 - ✓ Set up an onsite lucky drawing to attract eye balls
 - ✓ Prepare a one week Foreign Region Scenic Photography Show

Educating Tour Operators

Building a marketing relationship is a two-way effort, where focusing on cultural intricacies can really show hospitality and care to Chinese travelers. Aside from authentic Chinese breakfasts and Mandarin-language signs, many other fine touches can show genuine care, like: Chinese concierges, in-room tea kettles with loose tea leaves and boiling water, slippers, toothbrush and toothpaste, translated restaurant menus, on-site translation services, among other things.

Table 5 gives an overview of 2014 offline promotions and activities:

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2014 Hawai'i Integrate Activities (offline) in China Market					
Time	Descriptions	Location	Deliverables	Impact on KPI	Impact on Overall Marketing Goals
	Travel Trade Education - Joint Agent Trade Education				
Mar	Organize Show for China Outbound Tourism Market : introduce new Hawai'i travel routes to industry & MICE (200 persons from 100 agencies)	Beijing	1. FIT trip, immersion trip, Single tour destination 2. Joint marketing program/the special promotion agent in North China 3. Strategic cooperation with China Youth Travel Service (CYTS) and China International Travel Service (CITS) head office	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD 5. Nights Hotel Booked Room Nights – New to Hawai'i Conversion	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance / Promote MICE to meet KPI target
Mar	Organize Show for China Outbound Tourism Market : introduce new Hawai'i travel routes to industry (200 persons from 100 agencies)	Shanghai	1. FIT trip, immersion trip, Single tour destination 2. Joint marketing program/the special promotion agent in North China	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance /
Apr	Organize Show for China Outbound Tourism Market : introduce new Hawai'i travel routes to industry (200 persons from 100 agencies)	Guangzhou	1. FIT trip, immersion trip, Single tour destination 2. Joint marketing program/the special promotion agent in North China	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance /
Sep	Hawai'i Travel Promotion Fair in Chengdu Attendees: HTA , American consulate, officials from southwestern provinces, travel agencies, big corporations, Sichuan golf club, major medias (Estimated 400 people)	Chengdu	1. FIT trip, immersion trip, Single tour destination 2. Joint marketing program/the special promotion agent in North China	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance /
Trade Shows					
Apr	participate COTTM (April, 2014)	Beijing	1. Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance 2. CPEP programs 3. Shoulder period promotion	1. Number of arrivals 2. Average Visitor Length of Stay 3. Island Distribution of Visitors 4. PPPD	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance /
Oct	participate CITM (Oct, 2014)	Shanghai	1. Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance 2. CPEP programs 3. Shoulder period promotion	Number of arrivals/Average Visitor Length of Stay/Island Distribution of Visitors/PPPD	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance /
Trade & Media Familiarization Trips (FAMS)					
Feb	Leisure market FAM tour (Feb) 20 key agents	Hawai'i	Brand reposition/Hawai'i Host Culture presentation/life style segment -Golf and Romance	1. Number of arrivals 2. Average Visitor Length of Stay	Brand Hawai'i as best islands travel destination and romantic/golf/affluent vacation destination
May	MICE trade FAM tour (May) 20 key agents	Hawai'i	Brand reposition/Hawai'i Host Culture presentation/Bring leads	Nights Hotel Booked Room Nights – New to Hawai'i Conversion	Brand Hawai'i as desired MICE destination in China market
Consumer Shows					
July	Consumer show-Hawai'i festivals-Maui Plein Air Painting Invitational	Chengdu	Introduce Hawai'i special culture	1. Number of arrivals 2. Island Distribution of Visitors 3. Total expenditure	1. Brand Hawai'i as best islands travel destination and romantic/golf/affluent vacation destination; 2. Increase awareness, familiarization, and understanding of Hawai'i's people, place and culture;
Aug	Consumer show-Hawai'i festivals-Heiva I Kaua'i Ia Orana Tahiti	Chengdu	Introduce Hawai'i special culture	1. Number of arrivals 2. Island Distribution of Visitors 3. Total expenditure	1. Brand Hawai'i as best islands travel destination and romantic/golf/affluent vacation destination; 2. Increase awareness, familiarization, and understanding of Hawai'i's people, place and culture;
Consumer Promotions					
Sep	One couple free honeymoon trip -Dream honeymoon destination-competition	Chengdu	1. Reposition brand image/Position honeymoon theme/ 2. increase awareness, familiarization, and understanding of Hawai'i's people, place and culture/ 3. Promotion	1. Number of arrivals 2. Island Distribution of Visitors 3. Total expenditure	1. Brand Hawaii as best islands travel destination and romantic/golf/affluent vacation destination; 2. Increase awareness, familiarization, and understanding of Hawai'i's people, place and culture;

Table 5: Offline Campaign Overview – promotions and activities

Other Marketing Strategies

According to KPCB’s newest research released last month, China leads the US in time spent on both Mobile and Internet. Conversely, Radio and Print have become a very small part of Chinese lives. See Figure 13.

Traditional advertising in TV, print and radio are very expensive in China and less measurable, thus are gradually being abandoned by marketers. Internet and mobile marketing have much higher ROI, and are more tractable and measurable. Therefore, we suggest putting more emphasis on digital marketing than traditional media marketing.

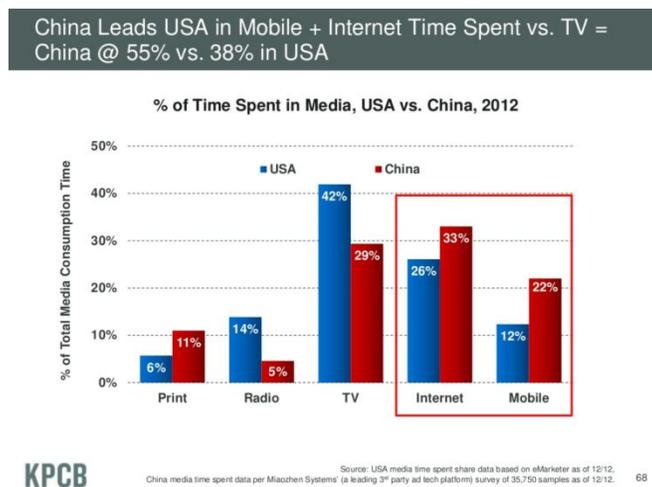


Figure 13: China leads USA in Mobile + Internet time spent vs. TV

A good marketer can help identify opportunities to cooperate with well-known movie/TV directors to feature your destination as the shooting location. One popular song – “My Year of 1997” prompted an influx of Chinese travelers to Hong Kong, as did a popular TV sitcom did to New York, and a recent movie - “When Beijing meets Seattle” is also doing to Seattle, WA. Embedded marketing works, and can have a huge impact on instantly drawing visitors to a Foreign Region’s brand image, helping it become a premier travel destination.

Typical China MCI Market Strategies for Foreign Regions

FTAs need to focus on the pyramid of EDUCATE, POSITION and CONNECT in the market. Given the fact that leisure is targeting individual customers and MCI is targeting corporate clients, FTA needs to focus more on B2B (Business to Business) marketing practices.

As analyzed in the market overview above, both Chinese companies and the public are not only lacking knowledge about MCI, but also have a misunderstanding about incentive travel. So education about the MCI market is even more critical than the leisure market. FTAs can start a series of initiatives to help Chinese companies better understand MCI resources and thus benefit from MCI travel activities.

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MCI travel is a corporate purchasing behavior, where the decision process is similar to most other corporate purchases. Our research shows 7 criteria China's corporate clients employ in choosing a destination for MCI and how a Foreign Region can address these questions to score high in a company's choices.

1. Safety comes first. MCI involves flying a large amount of company employees to an overseas destination. The challenge of logistics is paramount to Chinese companies that are generally still lacking knowledge about foreign destinations. The Foreign Region needs to emphasize it is a stable political environment, with well-managed communities and low crime rates. The goal is to let Chinese know the Region is definitely a very safe place.
2. Chinese are starting to look further beyond Asian countries for MCI travel. This is good news for most Foreign Regions. The opportunity and challenge here is for the Foreign Region to clearly position and differentiate itself from its competitors.
3. The overall image as a travel destination is an important element. The Foreign Region's travel image as a preferred travel destination for leisure travel will contribute to this decision criterion.
4. Switching from big metropolitan cities to natural settings is another trend for China's MCI travel, especially places with beautiful natural scenes and rich cultures. The Foreign Region can place a major focus on this point to make their travel location stand out from competitors. The challenge here for a Foreign Region is how to convey the natural beauty and culture to Chinese in a direct and interesting way.
5. The lengths that local residents and communities go to extend hospitality to Chinese travelers are very important. The personal experience of MCI travelers will be enhanced when their language is considered in a friendly manner, making them feel welcomed. When a Foreign Region emphasizes the open, passionate, hospitable traits of their native spirit, they are likely to win the game. A good marketer can help the Foreign Region to understand the cultural intricacies in these areas, helping the Region to become "China Ready".
6. Local support and infrastructure is important. The Foreign Region's numerous choices, rich experiences and leading position in the MCI industry are just a few of the items that need to be presented clearly, visually, personally and directly to China's perspective clients.
7. The ease of acquiring a visa, especially group visas and direct flights are also major considerations that assist Chinese companies' management in making informed choices. Similarly in the leisure area, a good marketer can help FTA achieve the goals of opening more direct flights from China's major cities to Foreign Regions.

Most MCI travel happens at the end or at the beginning of the year, as the booking season usually starts in September, so, a pre-September period is the decision making stage. MCI annual marketing cycles will obey companies' decision cycles and adopt marketing activities accordingly.

MCI Online Promotion Solutions

There is often a complete lack of a digital presence of some Foreign Region's MCI travel in China. As a B2B service, a dedicated official Foreign Region MCI website in Chinese is extremely important, because the target clients are corporate clients, whose preferences are very different from that of the leisure market. Such a website should address the 7 decision criteria that Chinese corporate management consider. They wish to see the Foreign Region present their MCI resources in a comprehensive, interesting and business-centered way. This website should integrate all the resources that are relevant to MCI travel in the Foreign Region, focus on the benefits of having MCI in the Region and feature special messaging for Chinese corporate clients that highlight successful case studies. Featuring these case studies will show how MCI meetings held in the Foreign Region can be a very effective way to strengthen company culture, team spirit etc. The website needs to be very well designed, featuring MCI resources descriptions, pictures, videos, case studies and presenting MCI experiences in a dynamic way. FTA needs to build and maintain the B2B website as a direct and efficient communication platform that offers one-stop shopping, as well as the options to plan business activities and preferred experiences.

SEO/SEM is a proven effective method for B2B business to get sales leads. As MCI is a big executive decision for companies, extensive 1st hand research of destinations is usually conducted via major online search engine giant Baidu. FTA needs to hire an experienced digital agency to run search engine marketing for the B2B website on Baidu by carefully selecting the keywords such as overseas incentive meetings, targeting corporate clients precisely and capturing the sales leads. Both CPC (Cost Per Click) and display ads (Image Ads) will be played on all the major online websites and are expected to bring large amounts of quality leads. The digital agency will also constantly utilize SEO on the website to achieve high organic rankings on search engines that bring targeted traffic to the B2B website.

FTA also needs to take full advantage of social media marketing to promote the Foreign Region's MCI travel resources. For example, adding a dedicated section for MCI travel on Sina Weibo will allow use of MCI hash tags to organize MCI topics on Weibo to achieve the highest exposure in the social media space. It is also necessary to build an official Foreign Region MCI Travel Weibo, as both are seen as necessary to better target and serve corporate clients.

E-mail marketing, coupled with brochure distribution is also a proven effective method to market MCI travel resources. This is achieved by compiling the e-mail list of all prospective Chinese companies and sending monthly newsletters to educate and inform them of the Foreign Region's travel resources.

To better educate the corporate market, FTAs need to publish a large amount of well-written, high quality articles. These pieces should introduce MCI and the Foreign Region's MCI resources in various interesting ways to catch broader interest from the public. This is similar to the leisure market, where FTAs can conduct online webinars to promote a Foreign Region's travel resources.

MCI Offline Promotions

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Travel agencies, as previously analyzed, still play a critical role in influencing corporate buyers via their own established network. FTA needs to work with the major travel agencies, especially those specialized in MCI travel. An example of this is working with CYTS and CITS headquarters to focus on incentive travel. As the 7 criteria pointed out above, China Ready is very important in determining the final deal closure, as are the service level and flexibility of the packages in negotiating with big corporate clients. A good marketer can help FTAs facilitate multi-lateral parties to make sure the needs are met to increase the deal closure rate. A drawback of travel agencies is that they over protect their clients by keeping MCI travel activities of their clients low key, whereby the Foreign Region's MCI travel resources won't be able to spread broadly. So, a Foreign Region shouldn't depend on travel agencies to promote MCI solely. Their future success depends on direct integration and building strong relationships with targeted clients.

FTAs also needs to attend the MCI trade shows available in the China market. Based on the way trade shows can influence industry expertise in the MCI market, there are two major trade shows to attend in 2014: COTTM Beijing in April and CITM Shanghai in October.

Travel Promotion Fairs can highlight a Foreign Region in Chengdu, while Trade Travel Education Events, FAMs, and Trade and Consumer Shows introduced in the leisure travel market can also feature MCI promotion. The focus is to inform and educate the China travel market about MCI travel resources and abundant varieties, high quality services, established international recognition and infrastructure, rich culture, and gourmet and cruise lifestyles.

Building upon the monthly e-mail marketing newsletters, FTAs need to design and print quarterly marketing brochures and deliver them directly to the corporate management. This will further engage with corporate clients directly to seize sales opportunities.

Foreign Region Marketing Expenditure Estimates

Regarding marketing expenditures , FTAs have 11 campaigns that include travel trade education, trade shows, FAMs, consumer shows, and various Internet marketing campaigns targeted to bring significant amounts of visitors to Foreign Regions in 2014. Integrated marketing efforts focus on immersion and FIT trips of 8 days or longer, and LOS can be extended to 6.5 days. More funds should be allocated to Q2 shoulder period to facilitate:

- Airlift strategy for direct flights from Beijing to Foreign Regions
- Targeting big jumps in visitor numbers from northern regions of China
- Increasing unique web visitors by leveraging SEO strategy
- Interactively solving visitor's issues in real-time

Details of expenditure plans and budgets are in the attached EXCEL worksheet.

- 2014 Expenditure Plan Worksheet
- 2014 Leisure KPI Worksheet
- 2014 MCI KPI Worksheet

Case Studies on China Tourism Marketing

Glogou tourism team has been helping worldwide clients promote tourism resources in China. As a leader in China digital marketing, we offer extensive experience in creative online marketing to Chinese tourists, and cooperate closely with top travel agencies in China.

Case 1: Search Engine Marketing: Dubai Government Agency in China

In 2012, Glogou helped the government agency Dubai Events & Promotions Establishment (DEPE) plan and manage a China digital marketing campaign designed to promote Dubai as a destination for conferences, concerts, exhibitions, and festivals related to culture, art, fashion, health, and sports.

DEPE hosts the Dubai Calendar, the official listing of business and leisure events in that country, at www.dubaicalendar.ae/en. The desire was to drive more traffic to that website and thus attract more Chinese tourists and business travelers through digital means.



Figure 14: Dubai Calendar Interface

The campaign set a goal of attracting 20,000 clicks or 1 million impressions within 20 days from targeted internet users through Baidu Content Network display ads.

The challenge was to get a huge number of impressions within the client's limited budget, and in an extremely short period of time. In order to get the best results, the Glogou team hand-picked and

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managed more than one thousand keywords related to the events on the Dubai Calendar and created eye-catching web content. Furthermore, our team carefully selected the popular travel-related websites, such as www.qunar.com, www.lotour.com and www.mipang.com sites which are most likely to deliver to targeted audiences.

The campaign started in late December 2012, as the Glogou team worked around the clock during the Christmas holidays, closely monitoring the campaign progress to ensure that the promotional messages had been successfully delivered to the targeted audiences.

Our delivery of the results depended upon a particular best practice that Glogou adopted: constantly monitoring campaign results and giving immediate feedback to our clients, which allowed adjustments to be made in a timely manner. In the beginning of the project, the client required us to run the campaign using the keywords they provided. We monitored the campaign for about three days and based on the KPI report, our SEM team discovered that the effect was far from the client's expectations. We communicated the problem to the client, broadened the keywords list via our researched suggestions, and initiated more creative display ads. Ultimately we fulfilled all of the client's requirements and turned the campaign into a great success.

Case 2: China Website and Digital Marketing for USA Regions

Glogou is currently helping to promote the Capital Region in the USA (CRUSA) located in the Washington, D.C., Virginia and Maryland region, as travel destinations to Chinese tourists. As CRUSA's China marketing contractor, we are in charge of design and operation of the entire digital marketing plan in the years of 2013 and 2014.

CRUSA is the official regional destination for a marketing organization whose mission is to attract more overseas visitors to the Washington D.C., Virginia, and Maryland area, and to get those tourists to stay longer and spend more money during their visit.

We are performing ongoing SEO analysis of the CRUSA websites, micro-sites, and landing pages, and providing pragmatic recommendations to manage their SEM campaigns. Given the importance and effectiveness of social media marketing on travel destination promotions, Glogou has developed the all-around social media content strategy below to meet Capital Region USA's general marketing goals:

Goal	Social media will communicate the brand strategy of Capital Region USA (CRUSA): "Experience the best of the Capital Region USA!"
Target	International tourists, including Chinese tourists
Positioning	Social media is used to build an online platform and community to introduce CRUSA to more international users, and to increase the number of Chinese

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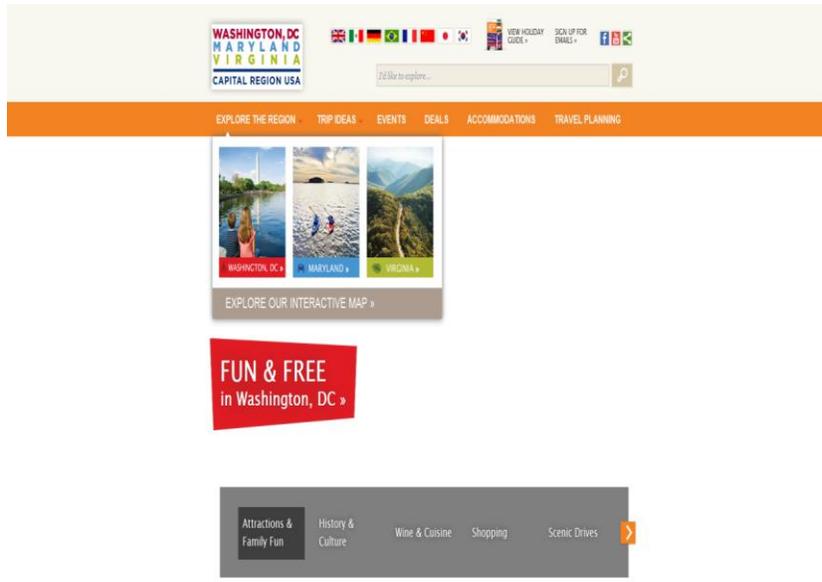
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	visitors and their travel expenditures
Content Strategy	<p>Topics include: lifestyle information, such as the great outdoors, urban excitement, indulgence, history and culture; travel information such as visa requirements, accommodations, shopping, food, transportation, money, insurance; sharing of travel-related posts from influencers’ blogs, celebrities, Q&A</p> <p>Form: videos, postings, photos, etc.</p> <p>Sources: capitalregionusa.org web portal and Facebook/Twitter pages, YouTube videos, influencers’ blogs, news outlets, etc.</p> <p>Update deal, event, and accommodation information</p> <p>Load links of videos onto social media page and display them on a pre-determined rotation schedule (which also gives exposure to CRUSA’s partners)</p>
Social Media Design	Consistent with the style of CRUSA’s existing Facebook and Twitter presence, but adding Chinese elements to catch Chinese eyeballs and interest
Key Performance Indicators (KPIs)	Number of followers, Key Opinion Leaders (KOLs), posts, shares, comments, interactions, etc.
Reporting	Weekly update for KPI, key comments, feedback, and sentiments
Social Media Management	<p>Operated by Glogou Social Media Team</p> <p>Glogou Team: overall strategic planning, content planning, development and posting, comment response, weekly update report and development</p>

Table 12: Social media strategies for Capital Region USA project

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We invite you to explore the Capital Region USA.
Iconic monuments and inspiring museums are just the beginning. Discover breathtaking

Figure 15: Screen shot of the website for Capital Region USA

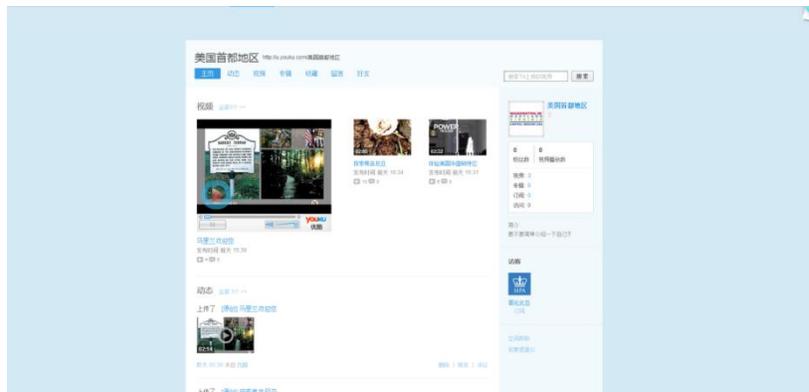
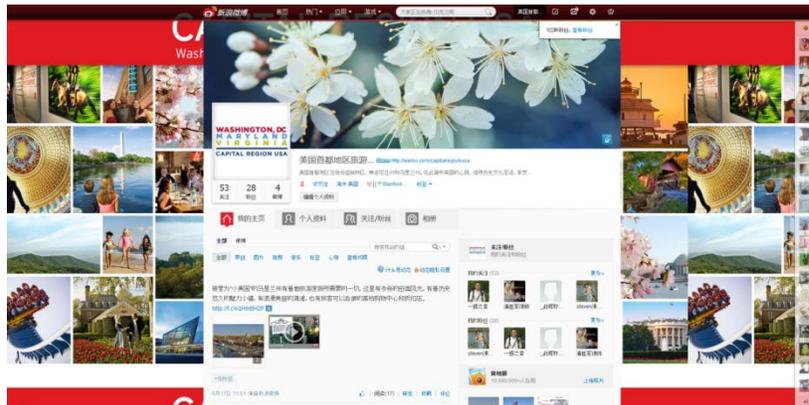


Figure 16: Capital Region USA, Social Media Presences in China

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In order to meet and exceed the client's expectations by maximizing the branding and marketing effort overseas, the Glogou team has formed a complete strategy and developed detailed plans based on in-depth market research into the tourism industry, consumer behavior, competitor's activities, and marketing promotion channels. Glogou is building an integrated digital platform for the ongoing campaign. A large amount of work has already been completed during the preliminary phase, including the creation of a detailed weekly content calendar, bulk translating, art design, website and social platform design and setup, content localization, SEM, SEO, and Social Media Marketing (SMM), etc.

Glogou has proven experience in helping clients achieve high KPI on a limited budget. Based on the scope of the tasks for the CRUSA China campaign, we provide a number of KPI related reports through different channels, including:

- ✓ Website KPI
- ✓ Number of webpages created
- ✓ Number of webpages indexed by Baidu
- ✓ Daily unique traffic
- ✓ Daily organic traffic
- ✓ Daily page views
- ✓ Number of people signed on with email and mobile phone number
- ✓ Daily Repeat visitors

During the campaign period, Glogou's SEM team generated various reports including Keywords reports, Creative Description Report, and the KPI report on a weekly basis.

KPI			
For the two months of May 09 to July 09			
Total days	62		
Total Impressions	224,349	Average Daily Impressions	3,619
Total Clicks	2,493	Average Daily Clicks	40
Total Cost (RMB)	5,600	Average Daily Cost (RMB)	90.32
Total Cost (USD)	888.89	Average Daily Cost (USD)	14.34
Average Cost Per Click (RMB)	2.25		
Average Cost Per Click (USD)	0.36		
Click Through Rate(CTR)	1.11%		
Average Rank on the Page	8		

Figure 17: Destination Marketing for Capital Region USA, KPI report

Social media daily management work includes:

- ✓ Content planning and content research, creation, editing, and posting
- ✓ Video/graphic content design and generation
- ✓ Interaction and engagement with fans: replying to their private messages, answering their comments and questions, reposting their tweets
- ✓ Fan base growth: designing and implementing a fan following strategy to increase the fan base

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- ✓ Key Opinion Leader Management
- ✓ Analysis of data and optimization of social media operation

The Glogou team is very experienced with Weibo analytic tools (Weibo Analytics). It is a very effective and visual way to track the performance of Weibo. We generate and translate weekly updates and monthly reports to the client.

For weekly updates, we provide the KPIs (number of fans, number of comments, and number of reposts), as well as a complete list of the posts with fan responses.

For monthly reports, we provide the KPIs and a list of posts/responses, plus an analysis of Weibo analytic data to derive key insights into the campaign. Important comments, questions, and private messages from fans are highlighted in order to identify trends and other strategically important information. And finally, if a promotional event began during this period, its progress is monitored and reported.

Case 3: Marketing European Travel Packages to China

Back in 2011, Europe travel packages were very popular in China. While big travel agencies sell travel itineraries targeting 8-10 countries in Europe, Glogou and A&H discovered the niche market and designed creative travel routes that only target two spots in Italy for 9-day, deep immersion FAM trips. With a clear target for high-end customers who really want to enjoy a relaxing tour that familiarizes them with the local people and culture of the destination, 25 agents from Chinese travel agencies and airlines were invited. It was a big success, where we not only scored a large amount of orders after the trip, but also got very positive feedback from Italian media, hotels, restaurants and related industries. In lieu of the success of the pivot FAM trip, we pioneered deep immersion travel in China and have been developing and promoting various deep immersion travel routes all over Europe. Here are two screen shots for the media coverage both in Italy and China:



Figure 18: Creative Content Example, DM for Destination and Tour Promotion

What to look for in An Agency for China Destination Marketing?

In summation, a marketing agency should understand the China tourism industry thoroughly and be able to provide fully integrated solutions.

- Extensive experience conducting China marketing campaigns for large numbers of American clients and global government tourism agencies.
- Professional teams focused on the tourism industry to help world-wide clients promote tourism resources to the China market, leading to substantial growth in the China market.
- In-depth knowledge of the China tourism industry should include travel trade, travel operators, meeting convention, leisure travel, and marketing through airline distribution
- Firsthand experience in Chinese tourists' travel behaviors, shopping preferences and choice of travel destinations;
- Building strategic partnerships with China travel industry players across the entire industry value chain, online and offline
- Extending the marketing and distribution channels to the broadest China territories, including first tier, as well as second tier cities such as Chengdu, Chongqing in the Southwest region, with prominent strategic partnership with Sichuan Provincial Travel Bureau.
- Strong technical team providing the most advanced digital marketing technologies to monitor and analyze market data, thus helping to craft the best marketing strategies for the clients.
- Innovative digital technology solutions such as mobile apps to enable tourists to get handy information on the go, discover travel resources around their location, and share their exciting journey experiences with friends in real-time via social features. A good digital agency should also be able to help the businesses engage with their potential customers interactively.

All in all, experts in China digital marketing must show expertise in mobile ads, paid search, social media, display ads, media buys, and media planning.

Appendixes

Appendix 1: Multi-language Translation of a Website

Glogou EWG (<http://ewg.glogou.com>): Entire Website Globalizer, automatically translates entire websites into any language, which will enable your website to rank at the top when people conduct local search in their local language.



You must have Glogou EWG

- You want to embrace Global market especially emerging market
- About 70% of internet users do NOT speak English
- Your customers prefer to do search in their native language in local search engines

Reasons

- EWG will create unique content into multiple languages for your websites.
- More customers will find your website easily by doing search in their native language
- Your website will be ranked higher in native language keywords
- EWG can often increase web traffic to your website 50% to 300%

Benefits

- FAST: Automatically translate any websites to multiple language in hours. It takes other services months to do this work.
- Support more than 60 languages

Key

- Your customers can NOT find your website in native language even if you have Google Translator and other translation tools on your site.
- Google Translator and other tools do not help improve your position in Google search.

Features

Difference

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Appendix 2: Social Media Marketing China

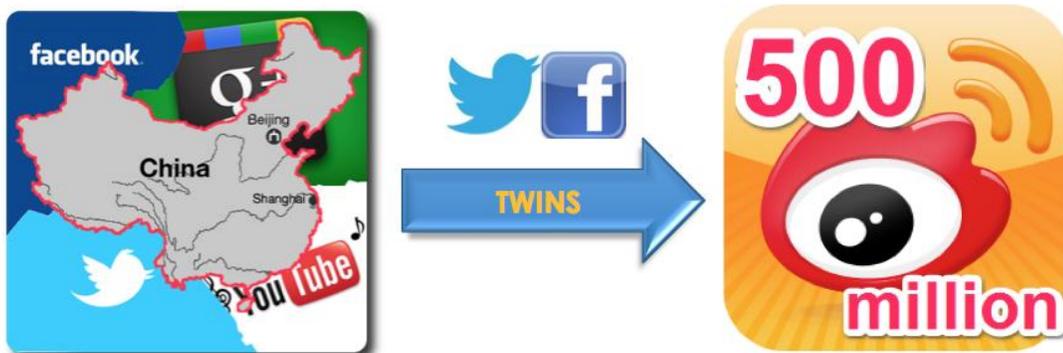
Glogou TWINS (<http://twins.glogou.com>): enables Social Media to reach any country in any language, automatically translates social media updates into any language, and synchronizes to Weibo, Facebook and Twitter.

Glogou TWINS

TWINS

(Twitter/Facebook Weibo INtegration Solutions)
was originally designed to “auto-sync” Twitter/Facebok
posts and Weibo posts real-time

A problem to solve in global social media space: Facebook,
Twitter, Youtube, G+ are all blocked in China



Appendix 3: Redesigning a Regional Website



Appendix 2: Descriptions and mockups for www.UXiaWeiYi.com



Hawaii Local Hotel Booking, Car Rental, China Flight



Appendix 4: Mobile App for Destination Marketing

Appendix 4: uXiaWeiYi mobile app screen shot video

<http://screencast.com/t/Wu819nKf3QY>



About Apps



Menu



Travel Guide



Islands



Hotel



Map



Search

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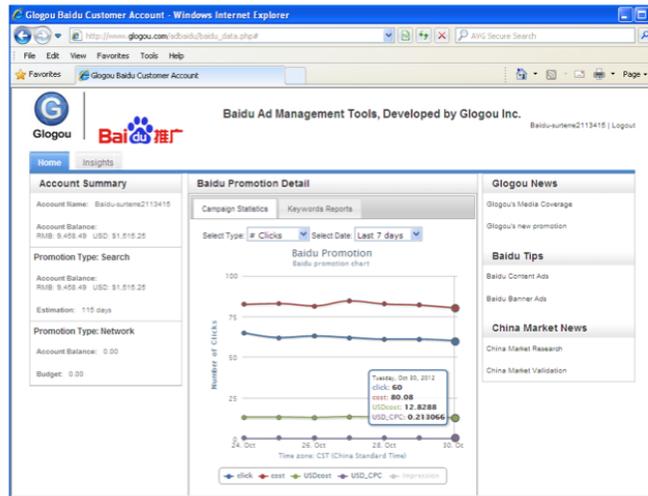
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Appendix 5: Search Engine Marketing in China

Glogou ENDU (<http://www.glogou.com/adbaudu>): the world's first English Interface for Baidu Advertisement platforms, enables a business to do search engine marketing in China.

ENDU: World's English 1st English interface for Baidu ads backend management platform

Don't know Chinese? want to runs ads on Baidu by yourself? ENDU is here to help!



Glogou ENDU:
Empowers world-wide businesses to run search engine marketing on Baidu in English, to reach China market and export more to China.
****Baidu only has Chinese ads management interface**

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Appendix 6: 10 key accounts for MCI travel from China

10 promising key accounts for MCI travel from China as in 2013.

1. **Amway China:** Amway China sent 15,000 visitors to Korea for incentive travel in 2012. Amway's specific requirements, like visa support, special flight arrangements, special shows and customized services were provided with Chinese characteristics needed to facilitate a cooperative process.
2. **Baojian China:** In the last two consecutive years, Baojian China sent 10,000 visitors to Korea for incentive travels. Glogou is targeting cooperation with CITS head office to build up a long-term relationship with Baojian China.
3. **NU SKIN China:** NU SKIN invested \$16MM and sent 4,000 visitors to Phuket for incentive traveling in 2013
4. **MARY KAY China:** sent 10,000 employees for incentive travelling each year
5. **Herbal Life China:** in 2013, sent over 1,000 employees to Australia for a 5-day incentive travel trip
6. **Gree:** Since 1995, Gree has offered incentive travelling plan for their employees
7. **Haier:** Conglomerate of white goods
8. **Lenovo:** the leading computer manufacturer in China spends \$16MM yearly for incentive travelling
9. **AIA:** Life insurance company
10. **Ping An:** Life insurance company

Appendix 7: Complete China Marketing Plans for Hawaii

We propose the following strategies to increase the market share of China's outbound tourism market in Foreign Regions. enhancing the brand position of of their Leisure and MCI travel in China. Under each strategy, we have specific plans to assures the execution of deliverables and achievement of KPIs and marketing goals.

	Overview of Strategies and Plans
Strategy 1.	Create demand for Foreign Region travel and connect Chinese tourists/tour operators with the Region's Travel Industry

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<p>Plans</p>	<ol style="list-style-type: none"> 1. Build and maintain a Foreign Region’s travel E-commerce platform website and mobile app to connect Chinese tourists/tour operators with the Region’s travel industry and promote their travel routes, hotels, destinations, stores, etc. in the China market. 2. Cooperate with Chinese tour operators to develop independent destination and immersion tours to Foreign Regions through chartered direct flights. 3. Work with airlines on opening new direct flights to Foreign Regions 4. Cooperate with travel trade, airlines and a Foreign Region’s travel industry 5. Travel trade education and Trade shows 6. Trade and Media FAM tours 7. PR and marketing campaigns 8. Consumer shows and promotions
<p>Strategy 2.</p>	<p>Increase Foreign Regions i travel market share in China MCI segments</p>
<p>Plans</p>	<ol style="list-style-type: none"> 1. MCI travel accounts for 40% of outbound tourism market in China 2. Build Foreign Region’s MCI website targeting Chinese businesses and government organizations, meeting planners and travel agencies. 3. Build and maintain Foreign Region’s travel E-commerce platform website and mobile app to connect Chinese tourists/tour operators with Foreign Region’s travel industry and promote their travel routes, hotels, destinations, stores, etc. in China market. 4. Cooperate with Chinese tour operators/meeting planners to increase MCI travel to Foreign Regions through chartered direct flights. 5. Build relationships with key event planners such as CYTS and CITS, focus on big company’s incentive travelling award and participate in industry tradeshow that will cultivate and foster new and return business 6. Work with airlines on opening new direct flights to Foreign Regions 7. Cooperation with travel trade, airlines and Foreign Region’s travel industry 8. Travel trade education and Trade shows 9. Trade and Media FAM tours 10. PR and marketing campaigns
<p>Strategy 3.</p>	<p>Increase independent destination tours and immersion tours</p>

<p>Plans</p>	<ol style="list-style-type: none"> 1. Promote more areas of a Foreign Region as dream travel destination for Chinese 2. Cooperate with Chinese tour operators to develop independent destination and immersion tours to Foreign Regions through chartered direct flights. 3. Work with airlines on opening new direct flights to Foreign Regions 4. Build and maintain Foreign Region’s travel E-commerce platform website and mobile app to connect Chinese tourists/tour operators with the local travel industry, promoting their travel routes, hotels, destinations, stores, etc. in China market. 5. Cooperate with travel trade, airlines and Foreign Region’s travel industry 6. Travel trade education 7. Trade and Media FAM tours 8. PR and marketing campaigns 9. Consumer shows and promotions
<p>Strategy 4.</p>	<p>Increase Romantic/Golf Outings/Affluent travel</p>
<p>Plans</p>	<ol style="list-style-type: none"> 1. Promote Foreign Regions as the trendy destination for up-scale travels(Romantic/Golf/Affluent travel), vacations, events and activities. 2. Build and maintain Foreign Regions travel E-commerce platform website and mobile app to connect Chinese tourists/tour operators with the local travel industry and promote Foreign Regions travel routes, hotels, destinations, stores, etc. in China market. 3. Cooperation with travel trade, airlines and Foreign Regions travel industry 4. Travel trade education and Trade shows 5. Trade and Media FAM tours 6. PR and marketing campaigns 7. Consumer shows and promotions
<p>Strategy 5.</p>	<p>Shoulder period promotion</p>
<p>Plans</p>	<ol style="list-style-type: none"> 1. Cater campaigns, events and activities for off-peak months around the year. 2. Launch Foreign Region’s Romantic travel campaign during off-peak months 3. Cooperate with travel trade, airlines and Foreign Region’s travel industry 4. Travel trade education 5. Trade and Media FAM tours 6. PR and marketing campaigns 7. Consumer shows and promotions
<p>Strategy 6.</p>	<p>Increase awareness, familiarization, and understanding of a Foreign Region’s people, places and culture.</p>

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Plans	<ol style="list-style-type: none"> 1. Promote Foreign Region’s Culture and Festivals 2. Foreign Region Culture and Festivals series: monthly featured festivals/events, products and cultural topics" campaign 3. Cooperate with travel trade, airlines and Foreign Region’s travel industry 4. Travel trade education 5. Trade and Media FAM tours 6. PR and marketing campaigns 7. Consumer shows and promotions
Strategy 7.	Promote Foreign Region’s individual places of interest and reinforce each of these location’s brand position
Plans	<ol style="list-style-type: none"> 1. Campaigns and activities designed to each all places in a Foreign Region to reinforce brand position and maintain their cultural integrity. 2. Promote Foreign Region’s individual locations, resorts and culture 3. Cooperation with travel trade, airlines and Foreign Region’s travel industry 4. Travel trade education and Trade shows 5. Trade and Media FAM tours 6. PR and marketing campaigns 7. Consumer shows and promotions
Strategy 8.	Put importance on Digital marketing and solutions due to the higher ROI and the development of online travel tourism market in China
Plans	<ol style="list-style-type: none"> 1. Maintain and manage local marketing campaigns in Foreign Regions 2. Run social media campaign on social networks (Weibo and WeChat) 3. TWINS: Twitter/Facebook to Weibo INtegration Service 4. Produce and promote streaming videos of Foreign Region’s travel and maintain steaming video account YouKu 5. Build and maintain Foreign Region’s travel E-commerce platform website to connect Chinese tourists/tour operators with the local travel industry, thereby promoting the Foreign Region’s travel routes, hotels, destinations, stores, etc. in the China market. 6. Build and maintain Foreign Region’s travel E-commerce platform mobile app to connect Chinese tourists/tour operators with llocal travel industry and promote local travel routes, hotels, destinations, stores, etc. in China market. 7. Build Foreign Region’s MCI website targeting Chinese businesses and government organizations, meeting planners and travel agencies. 8. Develop social network applications 9. Invite game developers to use Foreign Region as a background to develop games 10. SEO for websites and social network accounts 11. SEM 12. Other digital advertising

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Strategy 9.	Develop emerging Southwest China market, which has the greatest potential to increase arrivals and expenditures.
Plans	<ol style="list-style-type: none"> 1. Strategic partnership with Southwest China tour operators 2. Trade educational events in Southwest China 3. Build and maintain Foreign Region’s travel E-commerce platform website and mobile app to connect Chinese tourists/tour operators with local travel industry and promote local travel routes, hotels, destinations, stores, etc. in China market. 4. Cooperation with travel trade, airlines and Foreign Region’s travel industry 5. Trade and Media FAM tours 6. PR and marketing campaigns 7. Consumer shows and promotions in Southwest China
Strategy 10.	Build strategic partnerships and cooperate with Foreign Region’s local industries to improve the local travel experience and brand image
Plans	<ol style="list-style-type: none"> 1. Strategic partnership with Foreign Region’s tour operators, creating tours unique to the locality. 2. Create cultural educational events to Foreign Region’s hotels and resorts 3. Build and maintain Foreign Region’s` travel E-commerce platform website and mobile app to connect Chinese tourists/tour operators with local travel industry and promote local travel routes, hotels, destinations, stores, etc. in China market. 4. Cooperation with Golf Resorts 5. Leverage CPEP programs to strengthen the cooperation with varied businesses organizations in different areas.
Strategy 11.	Airlift strategy to manage air seats, track demands vs. air seats capacity, and establish strategic relationships with more airlines to increase direct flights and manage chartered direct flights to meet peak season demand.
Plans	<ol style="list-style-type: none"> 1. Continuously track current variances between air seats and seasonal demands. 2. Leverage chartered direct flights to fulfill peak season requirements 3.Keep and strengthen the cooperation with China Eastern Airline and facilitate opening of the fourth direct flight from Shanghai 4.Set up strategic cooperation with Air China and facilitate communication between FTA and Air China and target to open direct flight from Beijing in 2014 5.Open talks with other airlines such as Foreign Region’s airlines, and support the opening of direct flight from Beijing.

Table 1: Glogou Strategy Overview

Appendix 8: 5-year Hawai'i Destination Marketing Plan in China Market

Below is a sample marketing plan of a Foreign Region in China for the next 5 years:

2014:

- ✓ Continue using the existing channels and travel routes to bring Chinese visitors to the Foreign Region. Meanwhile, redesign and repackage the existing routes to gradually shift focus from the combined trips to independent trips.
- ✓ Partner with new Foreign Region's travel agencies and new China travel agencies to increase independent trips and deep immersion trips from China. Assist on the facilitation of Air China's new direct flight from Beijing to Foreign Regions..
- ✓ Leverage the Foreign Region's team member's and partners' deep understanding of local characteristics of travel and host culture to develop characteristic localized travel plans.
- ✓ Explore emerging market for Foreign Region's travel in Southwest China and 2nd tier cities in China.
- ✓ Build Foreign Region's travel platform FOREIGNREGIONSITE.COM to connect Chinese visitors/China travel agencies directly with local travel industry business providers.
- ✓ Through the online travel platform and social media presence, build a community of visitors/fans for Foreign Region 'si leisure and MCI travel, family vacations or luxury trips.
- ✓ Elevate Foreign Region's brand image in China by differentiating it from Southeast Asia islands trip and repositioning ttheir travel towards high end and independent destination tour through online and offline promotions, activities, and educational campaigns.
- ✓ Increase demand for Golf/Romance/Affluent travel, cultural exhibition travel and relatively long duration family vocation by providing specially designed travel services and routes for the groups

2015:

- ✓ More focus on creating new channels and developing strategic partnerships in terms of customized services and travel routes targeting varied groups.
- ✓ Foreign Region's travel platform FOREIGNREGIONSITE.com begins to play a more important role in connecting Chinese visitors with their country, providing desired travel routes and customized travel services to varied groups.
- ✓ More integrated activities through Foreign Region's social media promotion and its online/offline activities.

2016, 2017, and 2018:

- ✓ Continue to improve the hosting and service level of a Foreign Region's travel agencies and tour guides, and provide high-end travel services to Chinese visitors, especially Romance/Golf/Affluent.
- ✓ Foreign Region's travel platform and social media presence has gathered millions of members/fans and the numbers continue grow.

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- ✓ Establish online Foreign Region's club and introduce club-member only luxury travel products and premium services, organize specially designed luxury travel and vacation services and activities to meet the need of high-end leisure and MCI visitors.
- ✓ Visualize the Foreign Region's dream travel/vacation to Chinese!