COMRADE UNCENSORED

Digital Marketing for China’s LGBT Travelers

Charlie Gu, China Luxury Advisors
Analysis Model

Chinese LGBT

Chinese LGBT Travelers

Chinese Travelers

Chinese LGBT

Chinese LGBT Travelers
Understand Chinese LGBT Culture
Love and sexual relationship between person from the same-sex are documented throughout Chinese history.

**Duan Xiu** (cut sleeve) and **Fen Tao** (split peach) are probably the two best known.

Emperor Ai from the Han Dynasty famously cut off his sleeve so as not to wake up his male lover Dong Xian, who had fallen asleep on top of it.

The historian Han Fei recorded a more exalted example in the relationship of Mi Zixia and Duke Ling of Wei who reportedly shared an especially delicious peach with each other.

Emperor Ai cuts his sleeve so he doesn’t wake up his male lover
Confucius’ Influence

Confucianism, being primarily a social and political philosophy, focused little on sexuality, whether homosexual or heterosexual. However, many Confucius teachings and principles have a much more profound impact on Chinese people’s view on homosexuality.

Indirectness & “Face”
Collectivism & Conformity
Family Value & Filial Piety
Increasing Visibility and Acceptance

Chinese Couples Tied the Knot in West Hollywood

PFLAG China March in SF Pride

Affluent Chinese Gay and Lesbian Couples Drive High Demand for Surrogacy
The Art of “Mean”

Tight Censorship

Increasingly Visible LGBT Community
Increasing Acceptance from Society

中庸 (Zhong Yong)
Understand Chinese Travelers
China: A Global Economic Power

- Sustained periods of rapid GDP growth.
- Dramatic increase in wealth.
- Gradual loosening of control over citizens’ travel overseas.
- Rise of China as a global economic power.

China’s Middle Class: >230M Affluent or Upper Middle Class Households by 2025
Urban households in China (million)

<table>
<thead>
<tr>
<th>Class</th>
<th>Average Annual Income (SUS)</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affluent</td>
<td>&gt; $34K</td>
<td>6</td>
<td>10</td>
<td>18</td>
<td>38</td>
</tr>
<tr>
<td>Upper middle class</td>
<td>$16K – $34K</td>
<td>15</td>
<td>76</td>
<td>141</td>
<td>182</td>
</tr>
<tr>
<td>Mass middle class</td>
<td>$9K – $16K</td>
<td>124</td>
<td>111</td>
<td>73</td>
<td>59</td>
</tr>
<tr>
<td>Poor</td>
<td>&lt; $9K</td>
<td>81</td>
<td>59</td>
<td>48</td>
<td>49</td>
</tr>
</tbody>
</table>

Total Urban Households | 228 | 286 | 328 | 373 |

% in “Affluent” or “Upper middle class” | 9% | 34% | 57% | 67% |

Source: Based on McKinsey analyses for 2000, 102, 10, '12, '20, '22, and Mobile Forward estimates.
## Highest Spender in the U.S.

<table>
<thead>
<tr>
<th>Country</th>
<th>Spending (in billions)</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>26.9</td>
<td>+12%</td>
</tr>
<tr>
<td>Canada</td>
<td>22.1</td>
<td>-16%</td>
</tr>
<tr>
<td>Mexico</td>
<td>18.9</td>
<td>+1%</td>
</tr>
<tr>
<td>Japan</td>
<td>16.6</td>
<td>-6%</td>
</tr>
<tr>
<td>Brazil</td>
<td>13.6</td>
<td>+1%</td>
</tr>
<tr>
<td>UK</td>
<td>12.6</td>
<td>-7%</td>
</tr>
<tr>
<td>India</td>
<td>10.6</td>
<td>+8%</td>
</tr>
<tr>
<td>South Korea</td>
<td>8.8</td>
<td>+13%</td>
</tr>
<tr>
<td>Germany</td>
<td>6.8</td>
<td>-8%</td>
</tr>
<tr>
<td>France</td>
<td>5.7</td>
<td>-3%</td>
</tr>
</tbody>
</table>

2015 Tourism Spending in the U.S. by Country

Source: National Travel & Tourism Office
Who Are They

Chinese Millennials: The $264 Billion Tourism Industry Target

"Chinese millennials earn, spend and travel more than previous generations."

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Millennials Leading the Growth

87% of Chinese travelers under the age of 40; 80% of whom has a Bachelor degree or above.

Outspend their parents and grand parents by as much as 40%.

Two thirds (66%) of this group belong to the high-income bracket.

Will drive 55% expansion in China’s consumption spending over the next 5 years.

Source: China Daily; National Bureau of Statistics of China
What They Like

For many affluent Chinese travelers, the definition of luxury is shifting from conspicuous spending to experiential luxury.

A report by PR firm Ruder Finn shows that affluent mainland Chinese consumers spent more on travel than on luxury goods in 2015.
Areas of Interest

- Natural Beauty
- Connection with Pop Culture
- Arts and Culture
- Historic Sites
- Food and Wine
How They Like to Travel

★ Future growth from Chinese outbound tourism led by an entirely new generation of free independent travelers (FIT).

★ Love out-of-the-ordinary experiences rather than a laundry list of the usual attractions.

★ Demand more individualized travel products and services, requiring DMOs to target them with a range of strategies and communication channels.
China FIT Potential

In the next 2 years, nearly half of outbound Chinese FITs plan to take more trips:
- 52% for a longer period
- 54% with a bigger budget

Source: TripAdvisor China Unbounded
Market to Chinese LGBT Travelers
More often than not, China’s LGBT travelers are young, educated and tech savvy. They prefer traveling independently, and are eager to share their extraordinary travel experience with their peers.
LGBT Travel Potential

• China’s LGBT consumers are formidable in spending power, leading trends in travel and lifestyle

• With a LGBT population of 50-70 million, it is estimated that China’s “Pink Economy” is worth $300 billion, only after Europe ($870 billion) and United Sates ($750 billion)
The Billion Dollar Question

How does one market to China’s increasingly active but elusive gay FIT travelers under government censorship?
Their Travel Journey
Social & Dating Apps

BLUED  
GAY  
15 MILLION

Aloha  
GAY  
5 MILLION

Rela  
LESBIAN  
1.5 MILLION
There are more than 200 live streaming platforms in China.
Influencer marketing is extremely effective in China, as these key opinion leaders are perceived to be authentic.
WeChat: China’s Life Operating System

More than 840 million monthly active users

55% of users open WeChat more than 10X per day

93% penetration in China’s Tier 1 cities
WeChat Official Account

- Menu interface provides easy navigation to rich content.
- News articles can be translated and posted in news feed, pushed automatically to opt-in subscribers on a daily or weekly basis.
- Business can set up auto reply functionality to automatically answer FAQs and allow mobile customer service.
WeChat Push Message
Word of Mouth Through WeChat
Travel Booking Integration

Weibo, the Chinese equivalent of Twitter and Facebook, is integrating travel booking into its platform.
Qyer, a Chinese website that started as an online forum for travelers to share travel tips and reviews, is now offering hotel booking, tickets and themed local tours.
AirBNB recently launched its Local Experience services in China
mister b&b is offering Chinese language destination guide to its customers
CASE STUDY: “WE DO”
Case Study: “We Do” Campaign

Overview:

CLA was tasked by Taobao, China’s largest online e-commerce platform, to bring 10 LGBT couples from China to Los Angeles to get married. The campaign was supported by several LGBT organizations in China, as well as the City of West Hollywood.

Tactics:

CLA designed an itinerary to include popular LA travel destinations including Universal Studios, Starline Tours, Malibu Family Wines, and shopping destination Beverly Center.

CLA also worked closely with City of West Hollywood and GLAAD to secure media coverage for the campaign.
Case Study: “We Do” Campaign
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Case Study: “We Do” Campaign

Results:

The WeDo campaign was covered by 70 major media articles, including the BBC, the Los Angeles Times, the New York Times, and the Huffington Post.

The story became the headline story on Baidu News, the online news platform powered by China’s dominant search engine.

The campaign has generated over 800 million media impression in English media alone.

On June 26, 2015, the day the U.S. Supreme Court ruled in favor of marriage equality, the video of the seven couple’s wedding was promoted in Chinese social media and has been viewed over 40 million times.
CLA tailors proven strategies for target market, product offerings, and brand positioning. Specialties include market intelligence, digital strategy, translation, localization, and Chinese influencer, student, and media relations. Clients include luxury brands and retailers, tourism organizations, high-end shopping venues and more.

- Boutique consulting firm with offices in Los Angeles, San Francisco, New York, Paris and China
- Decades of experience in China retail and tourism market
- CLA advises brands on reaching and influencing GlobalChinese Consumers

Selected Clients
Thank You!

谢谢