



# TRAVEL IN CHINA: BUILDING VIRTUOUS ENGAGEMENT

RESEARCH ON TRAVEL SERVICES

Authors: Geoffrey Parsons and Sue Su

July 2017

[WWW.EPAM.COM](http://WWW.EPAM.COM)

# TABLE OF CONTENTS

- INTRODUCTION . . . . . 1
- REGIONAL CONSIDERATIONS FOR THE CHINESE MARKET . . 2
- FINDINGS: INCOMING MINDSET & USER JOURNEY . . . . . 5
- POPULAR APPLICATIONS AT A GLANCE . . . . . 6
- HOW TO BUILD VIRTUOUS ENGAGEMENT . . . . . 8
- WHERE EPAM FITS . . . . . 9

# INTRODUCTION

## WHAT IS VIRTUOUS ENGAGEMENT?

A virtuous cycle refers to the complex chain of events that reinforce one another within a feedback loop, and the word ‘virtuous’ in virtuous engagement refers to that cycle of reinforcement. When it comes to customer engagement in the context of a traveler’s digital journey across all phases of a trip, virtuous engagement is exactly what travel companies should strive to achieve.

By definition, virtuous engagement is a self-sustaining loop of customer behavior, content, data and value achieved by connecting experience design, content, channel, applied data and enterprise architecture strategies. This paper seeks to uncover what it takes for a business to unlock ongoing virtuous engagement with its customers.

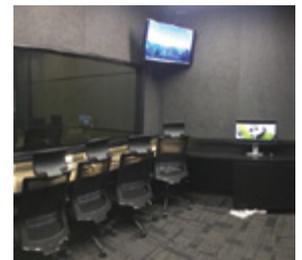
## RESEARCH METHODOLOGY

EPAM, a leading global provider of product development and digital platform engineering services, reviewed several travel and hospitality applications in the Asia-Pacific (APAC) market by conducting in-depth interviews and usability tests with travelers in Shenzhen, Suzhou, Shanghai, Hong Kong and Singapore. In-depth interviews were structured as 1-on-1 interviews in which a moderator explored each participant’s perceptions, feelings, motivations and behaviors around an area of interest. Usability tests were then used to measure the effectiveness of existing products by observing users as they completed key tasks and activities.

Overall, EPAM conducted in-depth interviews with 15 people aged 25-40 who have traveled at least twice in the past 12 months. Participants spoke about their travel experiences, needs, and pain points and walked EPAM researchers through some of the digital tools they use to plan and book travel. As a result of this research, EPAM was able to draw conclusions and make recommendations on how travel companies can build virtuous engagement with customers in the APAC market.

## WHAT’S INSIDE

- *Information that covers various aspects of travel planning and booking in China*
- *An in-depth exploration of the Chinese user journey*
- *A detailed analysis of common functionality offered by select Chinese travel service providers*
- *Recommendations relevant to service providers seeking to gain market share and build virtuous engagement in APAC or provide more relevant, personalized service*



**EPAM’S delivery centers in APAC include state of the art usability labs for product testing and competitive research.**

# REGIONAL CONSIDERATIONS FOR THE CHINESE MARKET

## THE ASIAN MARKET IS COMFORTABLE WITH COMPLEXITY IN PRODUCT UI AND A WIDER BREADTH OF FUNCTIONALITY.

Some of the most successful APAC applications provide a full-scale application ecosystem that allows a user to complete multiple tasks without ever leaving the platform. The most widely-used example of such all-in-one platforms is WeChat, where a user can schedule a dinner date with a friend, research nearby restaurants, hail a cab, and order and pay for dinner without ever leaving the application.

Qyer is a Chinese travel and hospitality application that combines features found in TripAdvisor, Lonely Planet, Kayak, Evernote, Tumblr and many other applications, offering a wide array of services for most aspects of travel, including inspiration, planning, booking, touring, and reflection. Gaining momentum in the APAC market warrants an analysis of core functionality, user needs and the user journey to determine opportunities that more fully support the travel planning process.

### Example:

*The Chinese app Qyer integrates with Qunar booking services to create detailed offline itineraries for travelers. Travelers can plan trips, view their daily spend, receive automatic directions and travel times and hail an Uber between areas of interest on their itinerary.*



# REGIONAL CONSIDERATIONS FOR THE CHINESE MARKET



## TRAVELING IN APAC IS MORE COMPLEX THAN IN OTHER REGIONS.

A three-hour flight from Hong Kong can reach 18 different countries with more than 500 languages, multiple currencies and diverse cultures. As such, the market is more prone to language, communications, currency and visa challenges.

### Example:

*Qunar and cTrip in China support search and price comparison for third-party visa and sim-card operators. Many addresses in countries with character alphabets (e.g. Japan, Korea and China) are written without phonetic equivalents, such as the Romanization system Pinyin.*



*C-Trip offers ancillary services including sim card and airport pick-up*



## DESIGN PATTERNS AND ANTI-PATTERNS TAKE DIFFERENT FORMS IN APAC COMPARED TO THE WEST.

People from China, Korea, and Japan are more comfortable with a wide variety of filter options, with those filters usually found at the top of pages. In contrast, western UI patterns seek simplicity (see above) and as a result usually provide filtering options piecemeal. Generally, APAC cultures are more comfortable with text and information heavy pages than western cultures.

### Example:

*Taobao & Qunar offer multiple tiers of filtering up front, located at the top of the page on mobile.*



*Taobao's travel package service Feizhu provides a typical landing page with most options exposed.*

# REGIONAL CONSIDERATIONS FOR THE CHINESE MARKET



## CONSUMER CULTURE IN APAC RIVALS THAT OF THE WEST.

Import and export tariffs, scarcity of some high-value brands and the proliferation of counterfeit goods complicate an already dynamic shopping culture in APAC. Many Asian travelers are particularly interested in shopping when traveling not only to capitalize on advantageous tax rates and the availability of Western goods, but also for the simple thrill of the purchase. Accommodating APAC preferences suggests careful consideration on how shopping as an interest and activity can be integrated into the digital experience.



*C-trip partners with Duty Free Shopping to entice users with in-app discounts.*



## ACCESSIBILITY IS INFLUENCED BY GOVERNMENT INTERVENTION AND INFRASTRUCTURE READINESS.

APAC internet access is varied and some common Western applications are not available in all APAC regions. In South Korea, Google Maps does not function, while the Great Firewall (网络防火墙) in China limits access to many sources of information. Additionally, connectivity in China can differ from region to region and even city to city.

### Example:

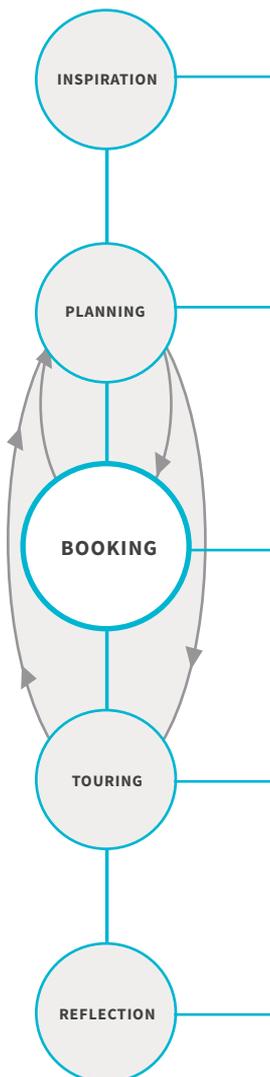
*Trip Advisor and Qyer offer downloadable, offline packets that include itineraries, maps, directions, and information on landmarks and destinations.*



*Trip Advisor allows travelers to download some city packets for offline use.*

# FINDINGS: INCOMING MINDSET & USER JOURNEY

The travel planning process is impacted by several factors and can take different forms depending on timing, price, companions and familiarity with destination, culture and language. At the highest level, the user journey could be divided into five steps: inspiration, planning, booking, touring and reflection. Planning, booking and touring commonly represent a recursive process, with few people arranging all details prior to leaving.



**INSPIRATION:** Triggered by holiday schedule, the need for a break from routine, or a major life change

#### NEEDS & ACTIVITIES

- Settling on a destination generally requires extensive research around major attractions, optimal times to visit, weather, logistics and expenses.
- Any number of things can influence the inspiration process including mood, interests, social media, WOM, travel guides, literature, advertising and multimedia.

**PLANNING:** Acting upon Inspiration by conducting detailed research

#### NEEDS & ACTIVITIES

- Exploring options at a granular level (destinations, companions, culture, landmarks, areas of interest, shopping, etc.), setting an itinerary and identifying dates.
- Users rely on Google/Baidu searches, travel blogs, advice from friends and travel guides to help navigate the planning process.

**BOOKING:** Determining transportation and accommodation availability by date and time, and transacting. Often works in lockstep with planning

#### NEEDS & ACTIVITIES

- Users are concerned about price, availability for dates, location (safety, proximity to restaurants, bars, shopping and landmarks) and amenities. Price and availability will often lead back to Planning, as each may require a change to dates, itinerary or overall destination. Aggregators, price trackers, written notes and travel agents are heavily involved here.

**TOURING:** The act of traveling itself

#### NEEDS & ACTIVITIES

- During this time users need directions to and from major transit hubs, intra-destination route plans, booking and traffic information, restaurant and hotel tips, currency, exchange rates, language support, maps, GPS and connectivity. Often times Touring will lead back to Planning and Booking, as travel plans may change or become more detailed upon arrival.

**REFLECTION:** The traveler's desire to share and remember their trip

#### NEEDS & ACTIVITIES

- Photo management and retouching software, reviews, blog posts, social media curation, story-telling and journals all feature in reflection.
- WeChat Moments is the platform of choice for sharing.

Users feel good about an impending trip when the following areas are well-planned and covered: transportation, accommodation, money (how and where to get), and communication (language and connectivity).

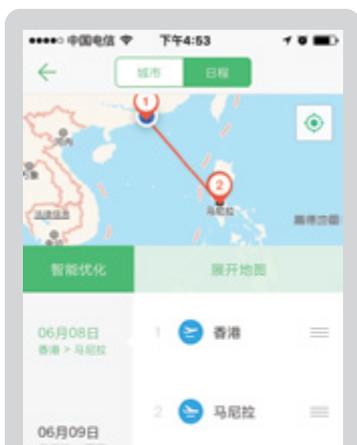
Documented pain points that were mentioned by participants include planning with difficult companions (budget, interests, destinations, amenities and investment can all be sources of friction), language, currency, not knowing where to go, being touristy, booking in general and unclear accommodations.

# POPULAR APPLICATIONS AT A GLANCE

EPAM reviewed the competitive landscape broadly, exploring popular options like Taobao, CTrip, TripAdvisor, Hotels.com, Booking.com and Agoda.com as well as services less commonly known to the West including Qunar, Qyer, Tongcheng and Unique Way. This section provides a brief overview of Qyer's scheduling app and Qunar's travel platform, illustrating how these services seek to accommodate user needs across many stages of the travel planning and booking process.

## QYER SCHEDULE

Qyer is a Chinese travel service provider whose platform allows travelers to write notes, share travel experiences, and to browse travel agency offers for air and hotel. Qyer Schedule is a standalone app that supports planning, booking and touring.



**Planning:** A traveler can create their own itinerary, specifying flights, hotels and activities.



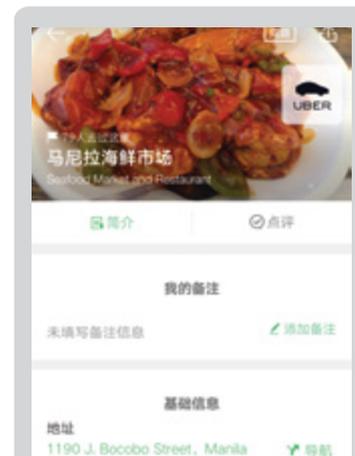
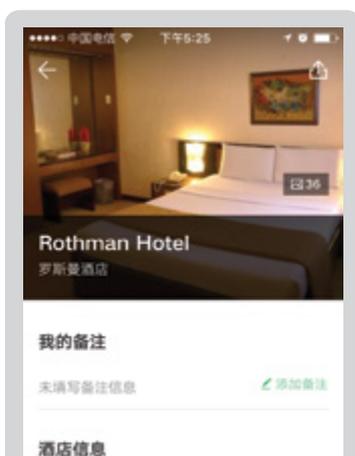
**Planning:** The app will calculate a rough budget per person based on the itinerary.



**Planning:** The traveler can share the itinerary with fellow travelers and edit together.



**Booking:** Options to see location details, book rooms, view map to find points of interest nearby, and browse customer reviews.



**Touring:** Accessing a point of interest from your schedule offline, you can find reviews, directions and schedule an Uber.

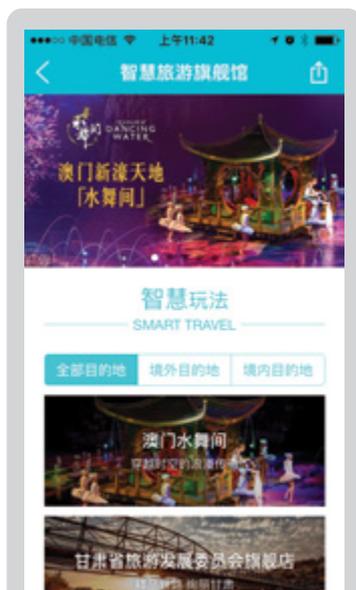
# POPULAR APPLICATIONS AT A GLANCE

## QUNAR

Qunar is a platform that provides hotel, flight, ticket and travel information. Interview participants use Qunar primarily for planning and booking, but the service supports multiple milestones of the travel journey.



*Qunar's landing page, offering links to services supporting the entire travel journey.*



*Inspiration: a "Smart Travel" section provides magazine like coverage of locations and upcoming regional events.*



*Planning: Entering dates, interests location and number of travelers, a user will be connected with a specialist in 30 minutes and receive a customized itinerary in under 5 hours.*



*Booking: All users gain access to an in-app credit card.*

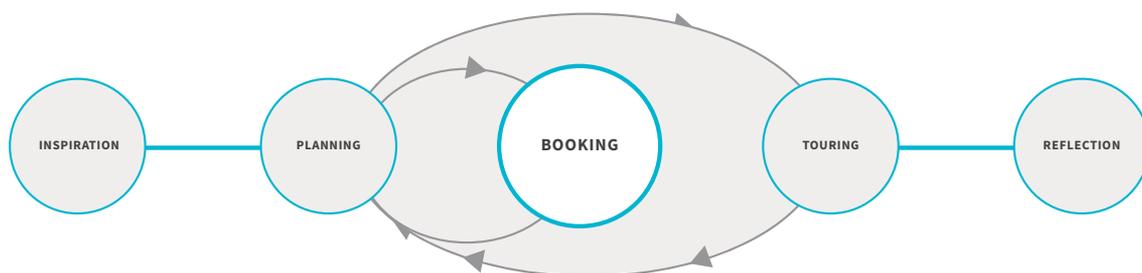


*Booking: Some bookings offer deferred payment or payment plans.*

# HOW TO BUILD VIRTUOUS ENGAGEMENT

1. Given the recursive nature of planning, booking and touring in the planning process, service providers should explore how they can expand and support the user journey to build a reciprocating ecosystem tied to need.
2. Understanding the customer journey is just the first step in determining how a service can be improved to provide more user and business value. Equally critical is understanding the experience of other users – hotels, airlines, travel agents, customer service staff, content creators, IT and backoffice personnel. Mapping these distinct paths and overlaying their breakpoints along a holistic service map helps to identify opportunities, dependencies and impact, which are necessary for creating an iterative roadmap for optimization.
3. User-generated content is critical to booking and also creates a circle of engagement, data and value. Service providers need strategies to encourage user contributions that build trust and the technological savvy to tie behavior to CRM databases across platforms and channels. A well-conceived engagement, analytics and CRM strategy with proper technical architecture can ensure that hyper-personalized, contextually relevant content is available at each step of the journey to drive further conversion and engagement.
4. Part of the engagement process is a consolidated channel strategy. Service providers should know where users are engaging them and for what purpose. Providing users the proper, multi-functional tools to improve their travel experience can elevate a brand or service above the competition. A seamless journey is made possible when data is tracked from channel to channel and aggregated in real-time in a centralized database.

## WHERE TO EMPLOY VIRTUOUS ENGAGEMENT STRATEGIES IN THE TRAVEL PLANNING & BOOKING PROCESS



**TRAVEL APPS/ BLOGS**  
Mafengwo, Qyer, Ctrip, Fliggy, Emails from travel websites

**SEARCH ENGINE**  
Baidu

**SOCIAL PLATFORMS**  
WeChat (Moments, Official Account articles), Weibo, Zhihu, RED



**TRAVEL APPS**  
Qyer, Ctrip, Fliggy

**HOTEL/ AIRLINES OFFICIAL SITES**  
Check hotel details

**TRAVEL AGENCIES ON TAobao**  
Consider discounts, consulting with service assistants



**TRAVEL APPS**  
Qyer, Ctrip, Fliggy

**SOCIAL PLATFORMS**  
WeChat (Moments, Official Account articles), Weibo



**TRAVEL APPS/ BLOGS**  
Mafengwo, Qyer

**SEARCH ENGINE**  
Baidu

**SOCIAL PLATFORMS**  
WeChat (Moments, Official Account articles), Weibo, Zhihu, RED

# WHERE EPAM FITS

*Global household brands and blue chip clients across diverse industries rely on EPAM's strategists, user experience and visual designers, software developers and quality assurance engineers to envision, design, build and evolve world-class digital solutions.*

## **DIGITAL ENGAGEMENT**

EPAM's Digital Engagement Practice provides one-stop shop capabilities for digital transformation initiatives to support omni-channel and cross-channel user journeys, including O2O experiences, mobile-first and mobile-only consumer and enterprise solutions.

## **CONTENT STRATEGY**

Great experiences emerge when content, UX, visual design and technology work together. EPAM's content strategists deliver engaging, dynamic, personalized content across channels to inform, inspire and delight end users.

## **APPLIED DATA**

Best-in-class, individualized experiences occur when data can be tracked and applied holistically across channels. EPAM's Applied Data specialists create and implement measurement strategies that enable dynamic segmentation and anticipatory personalization.

## **WECHAT**

WeChat is a key digital engagement channel for Chinese consumers. EPAM has a dedicated competency center with experts on WeChat services and APIs, and a suite of Accelerator components to enable rapid development and integration. Our Accelerator can be quickly deployed to provide deeper engagement, messaging, loyalty, eCommerce and customer service capabilities in the cloud, integrated with clients' back-end.





# EPAM'S APAC PRESENCE

EPAM has more than 800 delivery consultants, designers and technologists in the APAC region, along with client management locations in Hong Kong, Singapore, China (Shanghai, Shenzhen, Suzhou, Guangzhou), Japan, Australia (Sydney, Melbourne, Perth) and Malaysia. EPAM's clients include several Fortune 500 firms across a wide range of industries including travel, retail, financial services, healthcare and life sciences.

## TO FOLLOW UP ABOUT OPPORTUNITIES IN APAC, PLEASE CONTACT



### **Balazs Fejes**

Chief Technologist  
fb2@epam.com  
+852 5976 0072



### **Mike Jessick**

Director,  
UX & Service Design  
mike@epam.com  
+852 9249 9078

## ABOUT THE AUTHORS

### **Geoffrey Parsons**

Leads EPAM APAC's Research & Insights practice and works closely with designers, technologists, and clients to understand audiences and opportunities throughout the region.

### **Sue Su**

UX Designer working out of EPAM's delivery center in Shenzhen, China. Previously, Sue led UX and research initiatives with Samsung and Tencent.

