

Hotels - China - January 2016

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"The hotel industry in China has grown rapidly in recent years, thanks to the development of the low-end budget hotels segment and the high-end luxury hotels segment.

Projections for future growth are also positive.

Competition among companies is extremely fierce, especially among economy hotel chains and online travel agents."

— Lei Li, Research Analyst

This report looks at the following areas:

- How technology and the internet is changing the market
- Lifestyle change – Travelling at home versus abroad
- Parallel development – Luxury hotels and budget hotels

What you need to know

The total volume (based on the numbers of outlets) of the travel accommodation market in China grew by an estimated 161.8% between 2010 and the end of 2015, with a market structure comprised of 5% classified hotels and 95% unclassified hotels. Mintel forecasts the continued shrinking of the classified sector but a growing unclassified sector to 2020, and sustained growth of the overall market between 2016 and 2020 of 13%, based on the total number of outlets.

The competition in the hotel industry in China is extremely fierce regardless of channel. The top five hotel group chains in China dominate the market with a significant 48.42% of total market share. The share of sales via the online hotel bookings format is expected to see rapid growth to account for 40% of the overall travel market by 2015, from only 15% in 2013. The top four OTAs (online travel agents) together represent 79.9% of the total online travel accommodations booking market.

There are more and more Chinese consumers who travel, hence there are more varied travel needs. Hoteliers should target those consumers with diverse travel needs separately and strategically, in order to meet the diverse needs of increasingly sophisticated consumers when planning and choosing travel accommodation.

Scope of the report

For the purposes of this report, Mintel has used the following definitions:

Travel accommodation in China is classified according to star ratings, as well as unclassified (ie non star-rated) types of accommodation.

These are:

Classified

- 1 star
- 2 star
- 3 star
- 4 star
- 5 star.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Unclassified

- Economy/Budget hotels
- Guest houses/B&Bs/Service apartments
- Hostels.

Additionally:

- 7 star (see The Market for more information).

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Culture focused – Themed hotels

Monster Hotel and Harry Potter Hotel

Heritage Hotel

Lifestyle focused – Retail therapy

Retail Hotel and Room Shopping

The Consumer – What You Need to Know

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