

# Tujia follows holidaymakers from China

Shared accommodation platform sees growth potential overseas, targets outbound sightseers

By FAN FEIFEI

**T**ujia.com, a Chinese online platform for booking shared accommodation, has ramped up efforts to expand its presence in overseas markets.

Tujia data showed bookings for outbound travel by Chinese users grew more than tenfold year-on-year in the first half.

Cambodia, Indonesia, Thailand and South Korea have seen rapid growth in the number of Chinese tourists.

Besides, European countries are favored by Chinese travelers, with the farthest tourist destination in the region being Iceland.

Cambodia was the fastest growing tourist destination for Chinese sightseers in the first half, with a staggering increase of 3,400 percent year-on-year.

In China, the top 10 tourism destinations were first- and second-tier

cities, with Chengdu topping the list, followed by Beijing, Shanghai, Chongqing and Xiamen.

To cater to Chinese travelers, Tujia lists more than 1.2 million homes across 400 Chinese cities and 1,037 overseas destinations. It offers apartments, homestays, villas and other travel services ranging from family tours, business travel, vacations, team-building tours to short-term transitional renting.

"Demand for home-sharing services appears to be linked to China's consumption upgrade. Compared with hotels, homes offer larger space and well-equipped facilities," said Yang Changle, chief operating officer of Tujia.

"A homestay is more cost-effective, bringing leisure experiences for people in urban areas."

According to the Data Center of the China National Tourism Administration, 131 million Chinese tourists traveled overseas in 2017. Their



Chinese tourists walk past the Louvre Pyramid outside the Louvre Museum in Paris. REUTERS

consumption reached \$115.3 billion, making China the largest source of international tourists, in terms of trips and spending, for the fifth year running.

Unsurprisingly, Tujia targets the rapidly growing number of outbound Chinese travelers. In the last few years, the company's overseas business has grown five times on average every year.

Tujia set up a small team in Japan in 2016. It plans to boost its presence in Japan to take advantage of the 2020 Tokyo Summer Olympics.

Last year, it teamed up with Rakuten Lifull Stay, an e-commerce company in Japan, to expand Japan's homestay market.

In January, Tujia acquired Fishtrip, a Taiwan province-based bed-and-breakfast or B&B booking

platform. The move added about 300,000 quality overseas properties to its listings.

Fishtrip marked Tujia's first foray into the overseas homestay market. Tujia had acquired Mayi and the homestay businesses of both Ctrip and Qunar in China last year. Its strategy reflects its increasing appetite for the overseas B&B business, trade analysts said.

>> FROM PAGE 24

Major home-sharing service providers are ramping up efforts to develop rural tourism and empower locals to pursue new economic opportunities presented by home-sharing.

In February, Airbnb announced a partnership with the Yanqing Tourism Committee in Beijing, as part of its efforts to promote home-sharing services and boost tourism in Yanqing.

Airbnb will leverage its rich experience and extensive resources to help Yanqing transform its tourism industry, and introduce the place to international travelers.

Last year, the company launched the Guilin Rural Community Tourism Program. Through the partnership with the Guilin Tourism Development Committee, Airbnb will train local families in Jinjiang village on home-sharing, hospitality standards and digital literacy.

Nathan Blecharczyk, chairman of Airbnb China, said China has been Airbnb's fastest growing market, and the country is also Airbnb's second fastest growing outbound tourism market.

The company will expand its

operations to several key cities and regions before this year-end as China is projected to emerge as the largest source of tourists for Airbnb by 2020.

According to Airbnb, there have been over 10 million Chinese traveler arrivals on Airbnb listings around the world since Airbnb was founded in 2008, with over half of those occurring just in the past year.

The number of Chinese travelers on Airbnb grew by 100 percent year-on-year in 2017, and the number of Airbnb listings in China has grown more than 125 percent in the past year.

Other home-sharing service firms are also doing well. In July, Xiaozhu teamed up with the Hainan Provincial Tourism Development Commission to promote shared accommodation in villages so as to boost rural tourism.

The two parties will promote the island's beautiful villages and build demonstration villages using bed-and-breakfast, or B&B, accommodation for poverty alleviation. Xiaozhu will also offer home-sharing business courses to help train local residents.

The company rolled out a branded village home-sharing service in 2016. Up to July 2018, it attracted

over 30,000 listings in rural areas. Lijiang in Southwest China's Yunnan province and Tonglu county in Zhejiang province are most favored by young tourists.

Each B&B room can create six local jobs, said Wang Liantao, Xiaozhu's chief operating officer and cofounder.

Founded in 2012, Xiaozhu now has more than 420,000 listings in over 650 cities across the globe, with more than 35 million active users. The startup secured \$120 million in funding last November and signed strategic partnerships with Alibaba Group Holding's travel branch Fliggy and online reservation platform Agoda in the first half of this year.

As of July, the average age of the tenants was 28. And 40 percent of the guests were born after 1995, and the average age of the landlords was 36, according to Xiaozhu.

According to an SIC report, the market for home-sharing services is expanding rapidly in the country. In 2017, the country's home-sharing market earned 14.5 billion yuan in revenues, up 70.6 percent year-on-year.

"Rural tourism has always been encouraged in China. Demand for

short-term leisure tourism is on the rise as more and more people prefer to get close to nature and stay away from the hustle and bustle of cities," said Lai Zhen, an analyst at market research firm iResearch.

Lai said short-term home rentals and homestay services are wide-ranging now to satisfy the needs of various kinds of tourists. Typically, customers hire such services for get-togethers, reunions, team-building activities and to improve parent-child bonding and communication.

The cooperation between the government and enterprises to build tourism projects in rural areas will create more job opportunities for villagers. At the same time, the projects will alleviate poverty to some extent, Lai said.

Although tourism still remains the most important reason why people choose short-term home rentals on online platforms, "holding parties" is fast emerging as a key factor too, according to a report from Xiaozhu.

"We found that the proportion of bookings for holding parties, playing board games and watching movies is on the rise. We'll satisfy consumers' demand by providing bookings for a wide range of homestay services,"

said Yang Changle, chief operating officer of Tujia.

Tujia data showed party bookings for homes with four to five bedrooms increased over 60 percent year-on-year between July 2017 and June this year, with big demand coming from Beijing, Shanghai, Guangzhou, Hangzhou and Chengdu.

The website's customers are mostly aged 18 to 40, and on average six to 10 people check in. The bookings are mainly during weekends and holidays.

"The authorities concerned should step up efforts to formulate standards for the emerging market and implement detailed safety rules, in cooperation with sharing accommodation providers. That kind of approach will help the healthy and orderly development of online short-term rental services," Lai said.

Liu Junhai, a business law professor with the Renmin University of China, said short-term rental websites can help promote optimal utilization of existing resources like rental housing.

"The market is not mature yet. The quality of management should be improved. Online platforms need to strengthen self-discipline," said Liu.