

VR, AR replace travel brochures

High technology is changing the ways tourist content is packaged, both to drive sales and for on-site experiences

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China's travel firms, including online-and-offline entities such as Ctrip, are using high technology to enhance their customer communications, so as to entice travelers into booking trips.

They are seeking to evolve beyond brochures, magazines, PowerPoint presentations, PDFs, websites and apps, and use virtual reality or VR content and augmented reality or AR headsets, industry insiders said.

The idea is to enable potential customers to have immersive experiences of various travel destinations and sightseeing spots first at booking centers and online.

Once potential travelers get a 3-D feel of the place, they are much more likely to book a trip, they said.

Such technologies are also used to enrich experiences of tourists at destinations.

Typically, when a potential traveler visits a travel agency, or logs in to a booking website or app, the VR headset can help him or her to walk along, say, the fairy-tale streets of Disneyland accompanied by Mickey Mouse and Donald Duck.

The customer can also experience a buoyant boat ride on the Lijiang River surrounded by mountains in Guilin, South China's Guangxi Zhuang autonomous region.

In August, Ctrip said it would equip its offline stores across China with VR facilities that can bring alive over 1,000 attractions. The content



A prospective traveler experiences virtual reality images in Qingdao, East China's Shandong province, in June.

ZHANG JINGANG / FOR CHINA DAILY

in them would leave nothing to the imagination.

Zhang Li, general manager of Ctrip's marketing communications, said new technologies have helped changed the traditional way of packaging content to drive sales and for on-site experiences.

Chinese internet giant Baidu launched its AR mini program, which is a micro app within a major app, in late July to improve tour experiences at Chimelong Safari Park in Guangzhou, capital of South China's Guangdong province.

The virtual animal appearing on the screen gets superimposed on a real-life background, creating the illusion that it is walking or playing on the grass in front of the tourist.

Using such gadgets, tourists can also listen to the introductions to different animals, control virtual animals' movements, feed them or take pictures with the surroundings as a backdrop. Inside the Safari Park, the location guide of the AR set can lead tourists to over 20,000 wild animals from more than 500 species, according to Baidu.

Shen Dou, vice-president of Baidu, said at the launch that in the future, visitors can buy entrance tickets and publish personal travel diaries on the mini program.

Xing Xiaoliang, an analyst with market consultancy Analysys, said a combination of technology and tourism will be a future trend, given the preferences of the younger consumers born in the 1990s and later.

"The application of VR and AR has changed the traditional way of describing tourist attractions using words or images," he said. "For offline

travel agencies, VR can improve efficiency in customer communications and help increase sales."

Li Lei, an analyst at global consultancy Roland Berger, said the new technologies are more suitable for attractions that emphasize sensual experience, such as theme parks, and high-end travel products like overseas trips that require a big expense and more time for clients to decide.

They can also improve the problem of homogenization in the market and help make travel products more diverse, Li said.

"An attraction tends to make a limited impression on tourists if they are left to experience it the traditional way. But immersive technologies like VR can enhance the overall experience of a place, especially scenic spots in spring and winter, which could result in repeat visits of tourists," he said.

Xing said VR could eventually take in even useful shopping information and advertisements, which could generate additional revenue.

There are signs the related hardware market may fare well in the future. China's VR headset market grew 200 percent year-on-year in the first quarter of this year, compared with 16 percent growth worldwide, according to a report from Canalys, a research firm.

As for challenges, some users had complained that wearing such devices made them feel dizzy. High costs of hardware and content tend to make them prohibitive for some service providers, according to a report on business news website Lanjinger.

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mobiles, scan a QR code provided by Tripidi, type in the amount they wish to pay, and confirm the transaction. The customers pay in yuan, Tripidi receives euros, and Alipay makes the conversion in between.

From there, Alipay expanded to many other well-known shopping locations, including Harrods in London and Printemps in Paris. In 2016 alone, 120 million outbound Chinese travelers used Alipay overseas.

WeChat Pay, which processes payment through its own app in a method similar to that used by Alipay, became available in Europe last year, with a key venue being Camden Market in London.

Meanwhile, Chinese outbound tourist numbers are growing rapidly, pointing to more opportunities.

Last year, Chinese travelers made more than 130 million outbound trips and spent \$115 billion overseas, making China the world's biggest source of outbound tourism, according to a report published in March by the China Tourism Academy and the

online travel service Ctrip.

Further growth appears imminent, given that China's middle-class population of 300 million is forecast to rise to 550 million by 2022.

Jurg Schneider, a spokesman for Six Payment Services in the Swiss city of Zurich, which supports merchants across Europe in accepting Chinese payment platform transactions, said: "Across luxury brands, souvenir shops, hotels and restaurants, so many merchants are keen to offer their Chinese customers UnionPay, Alipay and WeChat Pay."

In 2006, Six Payment Services made payments through UnionPay cards available for its customers, and did the same for Alipay 10 years later. It is now in talks with WeChat Pay.

"Our client merchants want all three, because they want to enable Chinese shoppers to pay using a method they prefer, know and trust," Schneider said.

Six Payment Services has processed UnionPay and Alipay transactions worth more than 2 billion Swiss francs (\$2 billion), and not one

has encountered difficulties or fraud.

Other international banking institutions helping Chinese cross-border payment systems to receive payment include Wirecard in Germany, Ingenico and BNP Paribas in France, Unicredit in Italy, Barclays and Santander UK in Britain, and ePassi in Finland.

Alipay and WeChat Pay also operate as platforms to help international retailers communicate their products and services to Chinese customers.

Alipay's mobile app has a "discovery platform", which allows Chinese outbound travelers to search for shops, restaurants and tourist attractions in the country they are visiting.

The platform has become so popular in informing users about these retailers' products that, to date, 570,000 European merchants in 20 countries have signed up.

Similarly, many merchants who accept WeChat Pay have also started official WeChat accounts, which they use to promote their products through descriptions, photos and

stories. They can also share the latest information about shops' opening hours or seasonal promotions to aid customer experience.

Meanwhile, UnionPay has targeted the outbound student market to offer secure and convenient tuition transactions that benefit both outbound students and their schools. It has partnered with more than 2,000 schools and universities in the US, the UK, Australia and New Zealand, among other countries.

Some academic institutions accept online payment, meaning students can pay while they are still in China preparing to travel overseas to study. Others accept payment in-person, where students just need to present their UnionPay card and have the transaction processed immediately. UnionPay is being increasingly accepted in university dormitories, libraries and student centers.

Despite their rapid growth, the acceptance rate of Chinese payment platforms among non-Chinese customers remains low.

One key challenge is the limited

potential for mobile payment growth in markets where customers are accustomed to credit card payments.

A survey conducted by US online transaction service provider PayPal found that only 3 percent of Singaporeans use mobile wallets regularly, in sharp contrast to 48 percent in China.

This year, Tencent announced a change of direction, saying it would not seek to offer more local payment wallets to overseas customers in the next three years.

UnionPay faces an equally tough journey to compete for market share with rivals Visa and Mastercard. While UnionPay transactions accounted for 15 percent of global card transactions in 2016, just behind Visa and Mastercard, most of these transactions were made in China.

Less than 2 percent of the UnionPay cards in use are issued outside China, showing there is a long way to go in penetrating the international market.

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