CHINA ANNUAL REPORT
FY 20
(October 2019 - June 2020)
CONTENTS

1. China Market Review
2. Travel Trade
3. Public Relations
4. Social Media
5. COVID-19 Response
Economy

· In 2019, the China economy maintained a stable performance with major economic targets achieved, as well as higher development level and quality. Of the over 1.4 billion population on the Chinese mainland, 60.6% were urban residents.

· GDP grew 6.1% year-on-year to hit 99.09 trillion yuan, per capita GDP reached 70,892 yuan, exceeding 10,000 USD for the first time; consumer spending contributed 57.8% to GDP growth; Consumer price index rose 2.9% year-on-year.

· The government vowed to create 9 million new urban jobs in 2020 and keep the registered unemployment rate from rising above 5.5% (2019 target: below 4.5%).

Outbound Travel

· A total of 155 million outbound trips were made by Chinese people, up 3.3% (China Tourism Academy). Travel spend by Chinese outbound tourists in the first half of 2019 reached US$ 127.5 billion (UnionPay).

· In 2019, there were 10% more female outbound travelers than male; The average expenditure per person of male travelers is higher; There has been a steady growth in outbound tourists from second- and third-tier cities.

· By age, the post-80s and 60+ age bracket made up the highest spending, while people born in the 2000s are following the trend of solo travel; Chinese travelers care significantly about hospitality, dining and booking before arrival.

· Affected partially by trade war, political factors, weakening of the RMB against the US dollar, and stricter visa policies, Chinese tourism to the US, which already declined in 2018, was down by another 6.5% in the first nine months of 2019. However, US still received 2.35 million Chinese visitors during this time and is still one of the most popular long-haul destinations for Chinese tourists.

Trends and Changes

· Consumer profile and spending scenarios increasingly varied, calling for mobile payment services of greater convenience.

· There is substantial growth in online bookings for entertainment and attractions.

· There is a growingly diverse set of travelers, all with different expectations and demands for services.

· Shopping remained firmly atop the list of Chinese travelers’ expenditures.

· Growing segment: the rise in independent travel (and shopping) by Chinese Gen Z consumers, or those born post-2000.

· Trip.com reported nearly 80% of Chinese outbound travelers are now going abroad at least once a year, with 45% traveling abroad more than once a year. These trips are also becoming longer. OTA Tuniu found that in 2019, the average length of FIT trips is eight days or more, which is between 0.5 -1 day longer than in previous years.

· More travelers are now preferring customized travel and travel in multi-generation family groups, or with several families traveling together instead of the traditional large group tour.
INFLUENCE AND IMPACT OF COVID-19

China Economy

· Profits of China’s major industrial firms dropped 36.7 percent year-on-year in the first quarter (Q1) amid the COVID-19 pandemic.

· China’s economic activities continued to normalize as the latest data on industrial output, retail sales and investment showed across-the-board improvements, for example, Vehicle sales in China, the world’s largest auto market, recovered in May with a 1.8-percent increase, ending 11 months of decline, that sales of passenger cars reached 1.609 million units in May 2020.

· The recovery still faces uncertainties and challenges from COVID-19’s global spread.

· Following the Covid-19 outbreak, China top leadership decided to remove traditional annual economic growth target.

Travel & Life Style Changes

· The Tourism sector is currently one of the hardest-hit by the outbreak of COVID-19, for the lockdown and travel restrictions implemented.

· During quarantined, people spend more time online, with social media, short-video and live streaming. Some hotel brands and airlines join in the trend to sell hotels and tickets targeting individual tourists.

· Group outbound travel remained being suspended since 27 January 2020 until further notice, but outbound FIT travel is getting back.

· After the pandemic, the trend will be more obvious that customized travel and family travel are going to be many travelers’ first choice considering the health issues.

· Another continuing trend in 2019 is a focus on the cultural aspects of travel, including seeing how local people live and visiting cultural attractions.

Destination CVBs

· A majority of destinations launch online training programs to stay in touch with travel trade, and keep reminding travel trade to learn more about the destination.

· People concern about their health and safety, the demand for a higher degree of protection increases. Private aviation, small group travel and RV travel see a higher demand due to the extreme value it creates by “protection; while destinations of smaller population of tourists and outdoor places are more welcomed, which lead to many destinations CVBs turn to promote its “nature” and “fresh” and “outdoor” segment.
TRAVEL TRADE
EXECUTIVE SUMMARY

East West Marketing as the representative in the China market, has conducted a series of travel trade activities including:

- We have summarized the tool kit and updated a training PPT slides theme for “cuisine” for travel trade use.
- Conducted 63 sales calls and 9 trainings in total, attended 4 industry events and activities to maintain travel trade relations and promote Minnesota to travel trade agents and operators.
- Promote the “Headwaters”, “Greater Lakes”, “University of Minnesota”, “Autumn beauty” and “Winter fun”.
- Participate in Brand USA’s Southern China trainings to help local agents to get familiar with the destination.
- Participate in Brand USA’s Western China workshop to update local agents.
- Facing the challenges of COVID-19, summarize video and marketing materials to distribute to travel trade, keep reminding travel industry and partners about our destination.
- Assist L & L’s new product “Chicago + Yellowstone Park”
# RESULT OF THE YEAR

<table>
<thead>
<tr>
<th><strong>63</strong> sales call conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9</strong> trainings &amp; workshop</td>
</tr>
</tbody>
</table>

- Ctour in-house training
- Nanhui Travel in-house training (Nov. 2019)
- DISTA in-house training
- Nice Tour in-house training
- Shenzhen Meiya in-house training
- Shenzhen Port Travel in-house training
- Champion Holiday in-house training
- Nanhui Travel in-house training (Jan. 2019)
- Brand USA Chengdu workshop

<table>
<thead>
<tr>
<th><strong>4</strong> Travel Trade Events and Activities Participated / supported</th>
</tr>
</thead>
</table>

- Participate in Brand USA Guangzhou & Shenzhen in-house training
- Attend Guangzhou CTS 70th Anniversary
- Attend the United Airlines Annual Appreciation Event
- TTWG Membership (Suspend due to COVID-19)

| **1** product assisted with L & L |

| **COVID-19** Response |

COVID-19 Response
TOOL KIT UPDATE

- We upload videos, images, Chinese brochures online and share the links to travel trade.

- Based on the information we have got and experienced, we update our training PPT slides add more slides of “eat and drink” besides iconic travel attractions.
SALES CALLS

• Total 63

• Keep updating destination with travel operators

• Get involved and maintain relationship and activeness

• Discuss the potential to be involved in the panorama product

• Contact US based operator to update their travel product information on Ctrip

• Get involved with industry partners, to gain more exposure and potential co-op opportunities

• Tighten the connection with air carriers to seek co-op opportunity, leading more operators to travel to Minnesota
BRAND USA
IN-HOUSE TRAINING

- Participate in Brand USA Guangzhou and Shenzhen in-house training during November 4th - 8th, 2019

- Over 700 travel trade clients from Southern China market attended via both online and offline, thus increasing exposure of the travel resource of Minnesota, enhancing knowledge of all participated tour operators and sales staff, and potentially influence more tourists.
RECAP

IN-HOUSE TRAINING

The agencies include:

- Ctour
- Nanhu
- DISTA
- Nice Tour
- Shenzhen Meiya
- Shenzhen Port Travel
BRAND USA
WORKSHOP & TRAINING

- Participated in Brand USA Chengdu workshop on January 7th 2020 and distributed flyers to the participating delegates.

- Training presentation with the theme of “American Foodie Tour”.

- Observe cell group itinerary discussion and join in interactions.
CHAMPION HOLIDAY

IN-HOUSE TRAINING

Date: January 9th, 2020

- Champion Holiday is one of the top wholesalers in western China area.

- We held an in-house training with 7 staff participated, including staff from product and sales team.

- We briefed key industries of Minnesota, outstanding autumn views and major attractions including the University of Minnesota and Mayo Clinic, providing assistance to reach out medical and business inquiries.
NANHU TRAVEL
IN-HOUSE TRAINING
Date: January 15th, 2020

- Nanhu Travel is a leading B2C agent in Southern China area. We held an in-house training with 5 staff members participating from its product and sales team.

- We introduced the iconic landmarks and attractions, autumn views and the University of Minnesota and Mayo Clinic.

- Besides, we shared the contacts of the receptive and the farm experience.
GUANGDONG CTS 70TH ANNIVERSARY EVENT

EVENT

Date: November 19th, 2019

- Guangdong CTS is a local brand, with a vast business scope including inbound and outbound travel, transpiration, immigration service, hotel and accommodation and etc. The company is a member of Guangdong Provincial enterprises, serving over 2.3 million people per year. China representative was invited and attended its 70th anniversary.
UNIVERS AIRLINES 15TH ANNIVERSARY OF GUANGZHOU OFFICE AND ANNUAL CLIENT APPRECIATION EVENT

EVENT

Date: November 26th, 2019

• China representative was invited and attended the United Airlines’ 15th anniversary of Guangzhou office, and met with invited key agents of travel products and air tickets. We delivered our sincere thanks and congratulations for the United Airlines’ great achievement for the past year, and wishing to work more closely in the future.
PRODUCT DEVELOPMENT

- L & L Travel’s new product “Chicago + Yellowstone Park” starting from Chicago, driving all the way to Yellowstone Park.

- The itinerary includes visits to Minneapolis, Mill City Museum (optional), sightseeing of Mississippi River, Spam Museum and etc. 1 night stay in Blue Earth in Minnesota.

- We provided advice on the itinerary and shared some high-resolution images for their use.
3

PUBLIC RELATIONS
ANNUAL PUBLIC RELATIONS ACTIVITY SUMMARY

$1,567,759
Total generated media value
($1,541,159 media value + $2,000 social media value + $24,600 in-depth articles)

30
Number of media calls

175
Total number of clippings generated

4
Number of press releases
WEBSITE PROOF READING

- Review the newly developed Chinese-language webpage, correct translations of attractions and cities to keep consistency within the market
CLIPPING PERFORMANCE REVIEW

Analysis:

1 press releases were distributed to Chinese media outlets every month.
Total generated media value of press releases FY19: $1,541,159
Total number of stories published in the media: 172
Peak figures: Novy: The highest media value was about Ice Climbing in Minnesota.
**OUTSTANDING PRESS RELEASE**

**CLIPPINGS FROM MEDIA OUTLETS**

### October clipping:
**Outdoor Paradise: Minnesota**

- **Clipping number:** 42  
- **Media value:** $329,052

### November clipping:
**Snowmobile: The New Winter Activity in Minnesota**

- **Clipping number:** 41  
- **Media value:** $374,823
OUTSTANDING PRESS RELEASE
CLIPPINGS FROM MEDIA OUTLETS

December clipping:
Experience Ice Climbing in Minnesota

Clipping number: 44
Media value: $ 432,191

January clipping:
Winter fun, winter biking guide of Minnesota

Clipping number: 45
Media Value: $ 405,093
OUTSTANDING STORY PITCHING

Media: National Tourism
Headline: Director interview
Exposure pages: 1P
Generated media value: $14,800
OUTSTANDING STORY PITCHING

Media: Fresh New
Headline: Experience of ice climbing in Minnesota
Exposure pages: 1 Page
Generated media value: $9,800
OUTSTANDING STORY PITCHING

Media: Yi Magazine
Headline: 3 foreigners and their food chain
Reviews: 10,000+
Media Value: $2,000
MEDIA CALLS

- Conducted 30 Media calls to key media, such as: National Geographic Traveler, Tencent, National Tourism, Vogue, Sina, Lonely Planet, Voyage, and etc.

- We promoted Minnesota as a winter fun destination, introducing winter outdoor activities.
AWARD

The Best Overseas Destination for Family Travel
Awarded by National Tourism
SOCIAL MEDIA
## RESULT OF THE YEAR

<table>
<thead>
<tr>
<th>Followers Summary</th>
<th>Contents Summary</th>
</tr>
</thead>
</table>
| Total Followers Number by the end of June 2020: 130,211  
Total New Followers Increased: 14,078 | Total Posts Number: 262  
Total Pageviews: 19,452,554  
Total Interaction Number with Followers: 16,895  
( Including Retweet, Comments and Likes ) |

<table>
<thead>
<tr>
<th>Highlights Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaigns of Sina Tourism: 3</td>
<td></td>
</tr>
</tbody>
</table>
FOLLOWERS ANALYSIS

EWM started to operate Weibo account of Explore Minnesota from October 2019, so all data is from October 2019.

Due to Covid-19, we suspended our posts in February and April, 2020.

In FY 2020, we got 14,078 new followers in total and the total followers number has increased to 130,211 by the end of June 2020.


Launching a Campaign is an effective way to get new followers and enhance interactions. The campaigns proved to be of great value.
In FY 2020, we posted 262 contents on Weibo in total. Among these contents, 166 were original contents and 96 were forward contents.

These contents introduced Minnesota on various theme to Chinese people such as attractions, outdoors, festivals & events, shopping, food & drinks, hotels and so on.
In FY 2020, Explore Minnesota Weibo contents caused 16,895 engagement (including retweet, comments and likes) with followers in total. Due to COVID-19, we suspended Weibo posts in February and April 2020.

As presented in the left chart, December 2019 had the highest interaction number because of the coming of winter, especially the coming of New Year and Spring Festival. As the epidemic broke out, the data dropped from Feb 2020.

As the epidemic in China has eased, the data has begun to gradually recover from May 2020, which shows still strong interest of the Chinese market to Minnesota.
In FY 2020, the total pageviews is 19,452,554, and average pageviews per day is 79,724 (From October 2019).

The chart presents the total pageviews in each month and we can see a high peak in December 2019, which is greatly higher than other months.

As the epidemic, our pageviews began to decline from February 2020, and gradually recovered from May 2020.
CONTENTS ANALYSIS
The Clippings of Top hits in Each Month

October 2019

<table>
<thead>
<tr>
<th>Topic</th>
<th>Minneapolis Institute of Art</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pageview</td>
<td>82,000</td>
</tr>
<tr>
<td>Retweet</td>
<td>36</td>
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<tr>
<td>Comment</td>
<td>17</td>
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<tr>
<td>Like</td>
<td>52</td>
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## CONTENTS ANALYSIS

The Clippings of Top hits in Each Month

<table>
<thead>
<tr>
<th>Topic</th>
<th>Fillmore</th>
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<tbody>
<tr>
<td>Pageview</td>
<td>81,000</td>
</tr>
<tr>
<td>Retweet</td>
<td>32</td>
</tr>
<tr>
<td>Comment</td>
<td>17</td>
</tr>
<tr>
<td>Like</td>
<td>50</td>
</tr>
</tbody>
</table>
## CONTENTS ANALYSIS

The Clippings of Top hits in Each Month

<table>
<thead>
<tr>
<th>December 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Topic</strong></td>
<td>Have Fun Indoors This Winter In Minnesota</td>
</tr>
<tr>
<td><strong>Pageview</strong></td>
<td>160,000</td>
</tr>
<tr>
<td><strong>Retweet</strong></td>
<td>26</td>
</tr>
<tr>
<td><strong>Comment</strong></td>
<td>17</td>
</tr>
<tr>
<td><strong>Like</strong></td>
<td>38</td>
</tr>
</tbody>
</table>
# CONTENTS ANALYSIS

The Clippings of Top hits in Each Month

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pageview</th>
<th>Retweet</th>
<th>Comment</th>
<th>Like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milkjam Creamery’s epic Jam Bun ice cream sandwich</td>
<td>101,000</td>
<td>14</td>
<td>14</td>
<td>47</td>
</tr>
</tbody>
</table>
## CONTENTS ANALYSIS
The Clippings of Top hits in Each Month

<table>
<thead>
<tr>
<th>March 2020</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Tweed Museum of Art</td>
</tr>
<tr>
<td>Pageview</td>
<td>51,000</td>
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<tr>
<td>Retweet</td>
<td>25</td>
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<tr>
<td>Comment</td>
<td>10</td>
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<tr>
<td>Like</td>
<td>31</td>
</tr>
</tbody>
</table>
## CONTENTS ANALYSIS

### The Clippings of Top hits in Each Month

**May 2020**

<table>
<thead>
<tr>
<th>Category</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>360° PHOTOGRAPHY TOURS of Canal Park</td>
</tr>
<tr>
<td>Pageview</td>
<td>96,000</td>
</tr>
<tr>
<td>Retweet</td>
<td>34</td>
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<tr>
<td>Comment</td>
<td>12</td>
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<tr>
<td>Like</td>
<td>50</td>
</tr>
</tbody>
</table>

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![Image](image-url)
# CONTENTS ANALYSIS

The Clippings of Top hits in Each Month

<table>
<thead>
<tr>
<th>June 2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Northernestaster</td>
</tr>
<tr>
<td>Pageview</td>
<td>111,000</td>
</tr>
<tr>
<td>Retweet</td>
<td>51</td>
</tr>
<tr>
<td>Comment</td>
<td>16</td>
</tr>
<tr>
<td>Like</td>
<td>65</td>
</tr>
</tbody>
</table>
Campaigns of Sina Tourism

“Weibo Hashtag Campaign #Crazy Travel Go#”

**Date:** November 6 – November 14, 2019

**Introduction:**
We joined the Weibo hashtag campaign #Crazy Travel Go# held by Sina Tourism (Weibo official tourism account with 3,501,000 followers) from November 6 to November 14.

In this campaign, we forwarded the campaign post of Sina Tourism, then our followers could follow our account and forward this campaign Weibo post to their page. A winner was selected in randomly and got a Mi Band 4 provided by Sina Tourism. And Sina Tourism helped to promote this content.

**Topic:** Weibo hashtag campaign #Crazy Travel Go#

**Pageviews:** 219,000  
**Retweet:** 40  
**Comment:** 19  
**Like:** 9
Campaigns of Sina Tourism

“Koi Sweepstakes” Campaign

Date: January 20, 2020

Introduction:
We joined a “Koi lucky draw” campaign held by Sina Tourism. The “Koi lucky draw” is a very popular form of activity in China, usually initiated by some very influential accounts, and other accounts add prizes in the comment zone, a lucky “koi” will win all the prizes mentioned in the comments.

The campaign was organized by Sina Tourism and we added a prize—a Travel Bag of Explore Minnesota in the comment zone and forward this campaign post. Sina Tourism helped to promote this content.

This content of Sina Tourism has received a lot of interaction (80,000+), our comments are on the first page.

Topic: “Lucky Draw” Campaign Held by Sina Tourism
Campaigns of Sina Tourism

“Lantern Riddle” Q&A Campaign

Date: January 21, 2020

Introduction:
We organized a “guessing lantern riddle” campaign with Sina Tourism, and we asked a question “what’s the name of the most famous university in Minnesota”. We would randomly select a lucky person from all the correct answers and gave away our prize, a Mi Band 4, which provided by Sina Tourism.

Topic: “Lantern Riddle” Q&A Campaign

Pageviews: 356,000    Retweet: 161    Comment: 147    Like: 40
COVID-19 RESPONSES
TRADE TRADE

1. Reach travel trade partners to find out suitable proposals to update marketing plan

2. Summarize key selling points and video download links, promote to the travel trade agents across China. In total 76 travel trade agents and 3 media in China has received our download link materials, including wholesalers, local travel agents as well as tour operators.

3. Keep a regular contact with the travel agents in the markets and find that groups from January 27th up until to be noticed have been canceled

4. Collect tourism industry update from airlines, Chinese authorities and global tourism partners.

5. Monitor the reaction and update from all the main travel agencies including the future direction of working.

6. Many companies organized trainings to staff. Training demand becomes higher than before.

PUBLIC RELATIONS

1. Contact media to learn their publish and release plan

2. Find out their point of interest and forward materials they may need

SOCIAL MEDIA

1. Considering the COVID-19, we suspended posts of Weibo account in February. Keep looking for opportunities to get exposure and campaigns, including “Pray for China” campaign together with Tencent and campaign with Qyer.com “supporting China”

2. Collect and analyze social media postings from other U.S. destinations and national destinations, conduct WeChat and Weibo weekly updates

3. Prepare humanitarian care, encourage message and medical-related content, post on social media at first time after HO approval.
“PRAY FOR CHINA” CAMPAIGN COLLABORATED WITH TENCENT
“STAY STRONG” CAMPAIGN
COLLABORATED WITH QYER.COM

**Date:** February 18, 2020

**Introduction:**
Qyer.com is a famous tourism industry resource promotion platform in China. Explore Minnesota held the “Stay strong” campaign with them. We designed the posters to encourage people who have been affected by the Covid-19!

**Topic:** Pray for people affected by the epidemic.

**Pageviews:** 149,000  **Retweet:** 24117
**Comment:** 16  **Like:** 40
WE LOVE THE JOURNEY

&

WE ARE WITH YOU EACH STEP OF THE WAY

EAST WEST

www.eastwestmarketing.cn