

## A Michigan Opportunity: Getting Her Fair Share of the Increasing Chinese Visitors

----- Koralo Chen, Detroit, Michigan

“The China Opportunity,” has been a hot topic in the Michigan political and business circles for years. There are many trade missions every year; numerous seminars and conferences on this topic normally attract hundreds of people. Wayne County’s “China Conference” in June at the Fairlane Center of the University of Michigan, Dearborn is a good example. More than 200 business people attended; more than a dozen high profile speakers gave presentations.

But one industry is rarely mentioned: the travel industry.



According to statistics from the China Tourism Administration, 34.5 million Chinese traveled overseas last year. That is only about 2 percent of the Chinese population — well below the 15 percent of Americans who travel abroad. But China is catching up. The World Tourism Organization has estimated that China will soon supply 100 million travelers annually, making it the fourth largest outbound market in the world by 2015. Previously, it had been thought that this mark would not be reached until 2020.

The global travel industry is bracing itself for this huge wave of Chinese tourists. Like the droves of Americans who explored Europe in the 1960s and the Japanese who traveled the world in the 1980s, the tastes and preferences of China’s new international tourists are delivering an enormous influence on the entire world tourism industry.

Even without an approved destination status, China is already a major source of travel growth for the United States, with 320,000 visitors in 2006, up 18 percent from 2005. China is now negotiating the details of an approved destination status with the United States, which will allow Chinese residents to travel to the US on tourist exit visas. This will dramatically reduce the regulatory hurdles for Chinese residents wishing to visit the US, leading to even stronger growth.

U.S. states, and cities (e.g., Nevada, Washington, Hawaii, Utah, LA, San Francisco, New York, ...) are positioning themselves to profit from this large tourist boom. Many of them have opened offices in China and have created websites featuring their local attractions in Mandarin, the most popular language in mainland China.

Michigan already has a strong travel industry. She just needs to position herself in the same way, and compete better.

If just one percent of these Chinese visitors to the U.S. came to Michigan, it would mean thousands of additional visitors every year. And reports show a Chinese traveler spends more than \$1,500 per trip, more per capita than



international tourists from the United States, France, or Japan. A few thousand extra visitors would mean millions to the Michigan economy. Michigan has great potential to draw far more than just one percent of these visitors and the revenue they bring.

Some may say that not so many Chinese visitors actually come here yet. That is a sad fact: most Chinese visitors do not know about all the wonderful leisure travel resources of Michigan. So, the few visiting Michigan often have a very limited business only agenda; many of them chose to commute from Chicago, or even stay across the border in Windsor. Michigan doesn't even get a one percent share of the booming Chinese tourists.

Those Chinese visiting Michigan often schedule their tour / golf / shopping / gambling activities in other destinations like Chicago, New York, California, Las Vegas... It's not because they have no time, it is because they don't know Michigan is a great destination not only for business, but for leisure as well.

With the Great Lakes, the Pistons, the Tigers, Somerset Mall, the Northern Resorts, Golf, Casinos, and our wonderful international air hub, Michigan has everything a Chinese visitor is looking for. It is a Michigan opportunity.

Tourism is the second largest industry in the state economy. With the state economy stumbling, the travel industry is not in good shape. Hotel occupancy in the state ranks dead last among the 50 states, with barely half of available rooms occupied each night according to the industry reports. There are so many available resources. Promoting to the booming Chinese outbound tourist market could be the shot cut to return to prosperity.

The typical Chinese overseas travelers are interested in sightseeing, shopping, entertainment, gambling, golfing, boating... Michigan has all these; we only need to make them known to the Chinese.

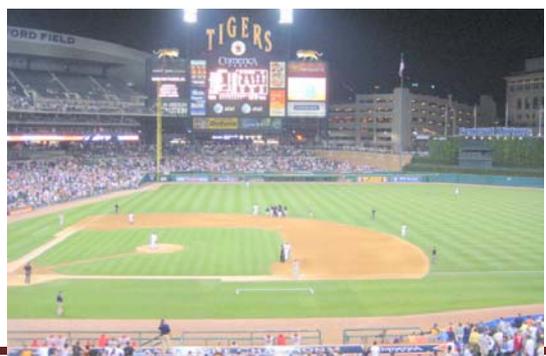
Here are some typical stories from Chinese business visitors who visited Michigan:

### **Burberry**

Chinese travelers are shopping for brand products. Earlier this year, a call from China asking for Burberry scarves. After knowing that there are four to five stores at Somerset Mall have this brand at \$228.88 per piece, the buyer from China said "It's cheaper than in Korea and Japan, please buy at least 10 of them." It was a firm order and the Somerset Mall did sell more than 10 Burberry scarves that evening. Michigan malls and outlets do have advantage of pricing and quality service; it is a hidden shopping heaven for the brand products hunting Chinese travelers.

### **Detroit Pistons, Tigers, and Red Wings**

In April, the owner of T-max in Hangzhou visited the US; he spent one week in California and two 2 days in Michigan. He attended the Pistons game on May 23<sup>rd</sup> at Auburn Hills; he was so happy there and kept saying he



felt like he was in a dream. Two days later, on May 25<sup>th</sup>, the Detroit Regional Chamber of Commerce hosted a Tigers game evening for a few local business members and foreign guests; they walked through the Tigers Club Restaurant, where a lot of well-prepared Chinese food was on display. The NBA and many other US sports are the most watched programs in China. Many Chinese dream to see the actual games of the Pistons, Tigers, and Red Wings, (they know the Chinese names of almost every player.). Michigan also features the UM and MSU football games, which Chinese travelers may enjoy attending too.

### Casinos

Chinese love casinos, and Michigan has 18 across the state. The day after the Pistons game, the same guest from China T-max, asked to visit a casino after his business meeting with a Troy firm. He selected the MGM Detroit. “I did very well at MGM Las Vegas last year,” he said. He put \$500.00 down to start, and he said that’s his normal plan for each casino visit. He was there for about 5 hours before he had to leave to return to his hotel in Troy. “I will stay here next time so I can play overnight at a casino you must not be in a hurry, more time brings better fortune.” He had learned that the MGM hotel will be open later this year. He was surprised how little he knew about Michigan and regretted that he had no time to explore the big lakes. “Next time, I will plan a longer time, and I will bring my family for a vacation here.” T-max is a successful brand in China for Winches.



### Golf



Michigan has.

In 2006, two Chinese businessmen from Chongqing visited Detroit; one is a golf fan; he used to fly from Chongqing to Shenzhen (3 hours) every month to play golf with his business friends. “I would like to bring a group to play golf in Michigan; we will stay for one week.” He said this when told about the many famous golf courses

### Fishing

Mr. Tang, another very successful business owner from Chongqing, has his office in Dearborn and is a frequent visitor to Michigan. One time he was invited for charter fishing on Lake Erie. “Michigan is so beautiful, these Great Lakes are a dream for us Chinese” he said.



Obviously, Michigan would be attractive to many Chinese visitors. With a little more prompt promotion, it would not be difficult to give them a positive view of the State. Chinese visitors are visiting other destinations. Why not Michigan? As long as Michigan is easy to reach, they will come. More and more will come.

It's not a question of whether the Chinese tourist boom is a Michigan Opportunity; it's a question of how soon Michigan tourism officials start to prepare for it. Travel Michigan has just completed its 5-year Strategic Plan and this opportunity was not mentioned.

The state tourism industry will need to adapt quickly and appropriately to the demands of Chinese visitors—the prize is huge for those who can manage it.

Attracting more Chinese visitors is not only good for the travel industry, but it contributes to better communication, cultural awareness and a healthier state economy.

*Koralo Chen lives in Riverview of Wayne County, Michigan, and is an international business travel consultant. He has been in export service business (Trade Star International Inc.) in Michigan for more than 13 years. In 2005, upon a call from a visiting Chinese group, he started the business travel service named Motown Travel Service LLC. Motown Travel successfully led/coordinated many Trade Missions, MBA groups to China. (e.g.: the 2006 Automation Alley's, and the 2007 Oakland University's.) He has been promoting Michigan wherever he goes and is hosting a blog 'Pure Michigan' in Chinese. He welcomes comments and ideas relating to the article topics. He can be reached at [koralo@motowntravel.com](mailto:koralo@motowntravel.com), and direct phone line at 313-529-8888.*