



Strategy development to attract Chinese
airlines to Aeroporto di Bologna

Prof. Dr. Wolfgang Georg Arlt FRGS FRAS

AGENDA

1. Introduction Aeroporto di Bologna / COTRI
The Big picture
Current situation in China after the Third Plenum: Challenges and policies with focus on increase of consumption and repair of international relations
2. The Jeep Experience
Understanding the interests of regional and national players in China: Airlines and governments, inbound and outbound: It is not just about profit
Lunch break
3. Suitable partners, supporters and lobbyists in China and in the Chinese community in Northern Italy: Leveraging joint interests, China-friendly Bologna and Bologna Airport
4. Conclusion: Strategy development to support establishment of air connection between Bologna and East China

Prof. Dr. Wolfgang Georg Arlt FRGS FRAS

- Born 1957 in West-Berlin, M.A. and PhD FU Berlin, studies in Taiwan and Hong Kong
- First visit to People's Republic of China in 1978
- 1991-1999 owner of Inbound Tour Operator China -> Europe
- Since 2004 Founder and CEO COTRI China Outbound Tourism Research Institute
- Since 2021 Founder and CEO Meaningful Tourism Centre
- 2002 – 2020 Professor for International Tourism Management at German Universities
- 2007 – 2019 Visiting professor at universities in China, United Kingdom and New Zealand
- Since 2003 Research Fellow Japanese Society for the Promotion of Science (Tokyo)
- Since 2012 Fellow Royal Geographical Society (London)
- Since 2015 Fellow Royal Asiatic Society (London)
- Since 2015 Member of UN Tourism (formerly: UNWTO) Expert Panel (Madrid)
- Since 2015 Member of Expert Committee of WTCF World Tourism Cities Federation (Beijing)
- Since 2017 Vice President Western Europe ITSA International Tourism Studies Association (London)
- Since 2017 Fellow of International Association of China Tourism Studies (Guangzhou)
- Since 2022 Vice President Europe EU China Commission (Brussels)

Author of *China's Outbound Tourism* (Routledge, 2006/2011, 2025), Editor in Chief CHINA INTELLIGENCE

The Big Picture: Homo Sapiens Peak



Moving from VUCA times to Schumpeter times:

The future is certain and not embracing creative destruction is economic suicide



Volatility, uncertainty, complexity and ambiguity



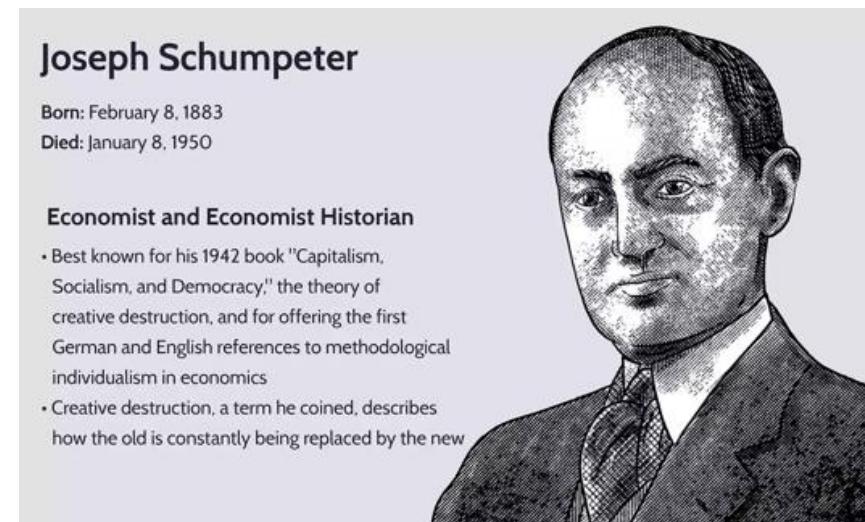
CREATIVE DESTRUCTION

Joseph Schumpeter

Born: February 8, 1883
Died: January 8, 1950

Economist and Economist Historian

- Best known for his 1942 book "Capitalism, Socialism, and Democracy," the theory of creative destruction, and for offering the first German and English references to methodological individualism in economics
- Creative destruction, a term he coined, describes how the old is constantly being replaced by the new



*Hottest months
and hottest
days in modern
times in 2024*

*Highest number
of floods and
forest fires ever
recorded*



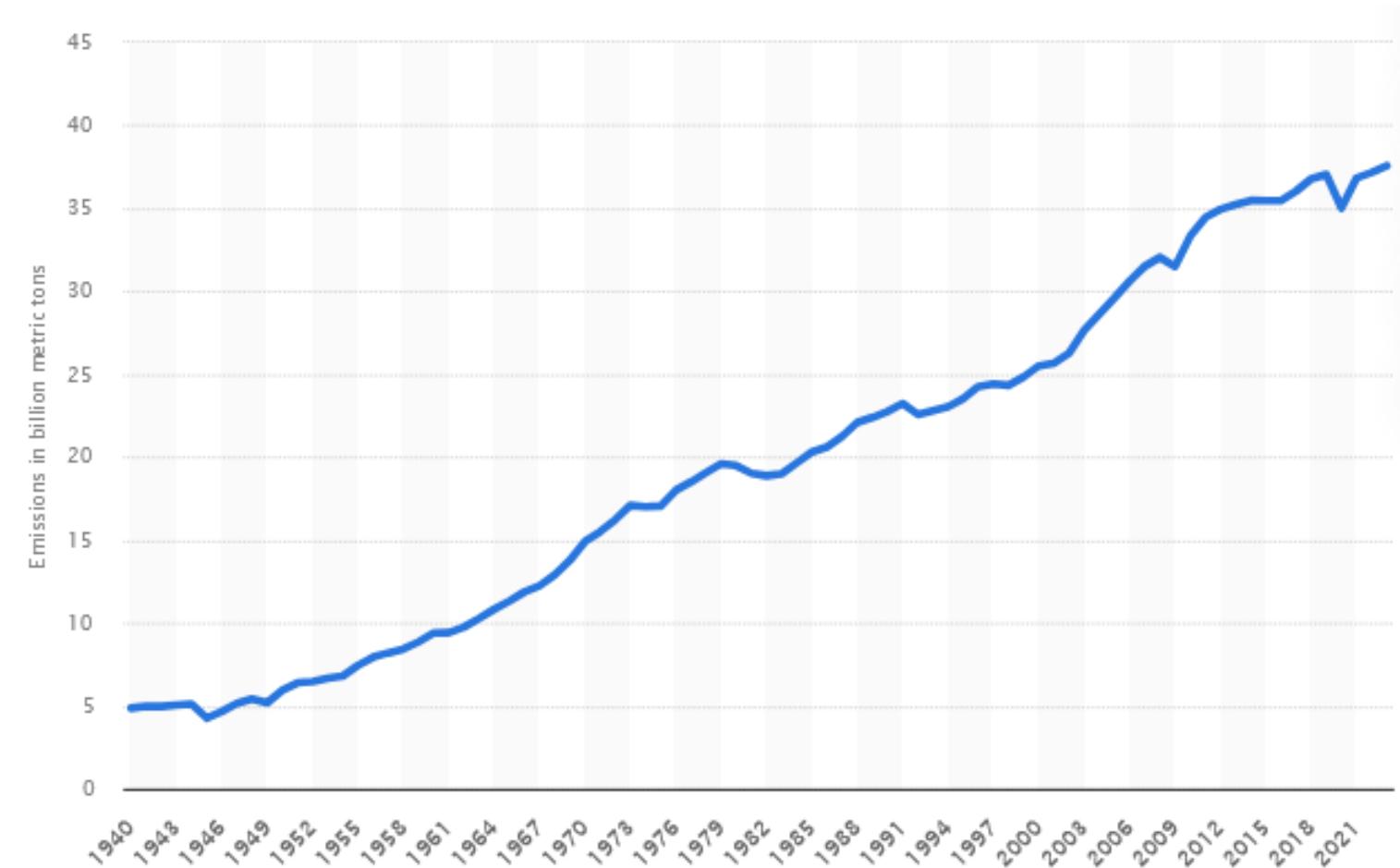
WMO Secretary-General Prof. Petteri Taalas:

„Even if we stop polluting completely tomorrow morning, the situation will get worse every year **for four more decades.**“

*AMOC (Gulf stream) may stop already in 2037,
Northern Europe incl. UK will start disappearing under glaciers*

Not a single one of 17 SDG Sustainable Development Goals to be reached by 2030

Annual carbon dioxide (CO₂) emissions worldwide from 1940 to 2023 (in billion metric tons)



Pope Francis (Apostolic Exhortation Laudate Deum, October 2023): "With the passage of time, I have realized that our responses to Climate Change have not been adequate, while the world in which we live is collapsing and may be nearing the breaking point. It is indubitable that the impact of climate change will increasingly prejudice the lives and families of many persons."

Consequences for Tourism development in Europe:

Short-term (within a decade):

Shift from young travellers and families to more senior travellers

Shift from outdoor activities to indoor activities

Shift from summer main season to other seasons

Shift from leisure travel to special interest / health / education travel

Increase in operational hazards for airports

Mid-term (within two decades):

Strong decrease of leisure travel

End of beach holidays

Leisure travel no longer affordable for middle classes

Greater importance of affluent non-European visitors



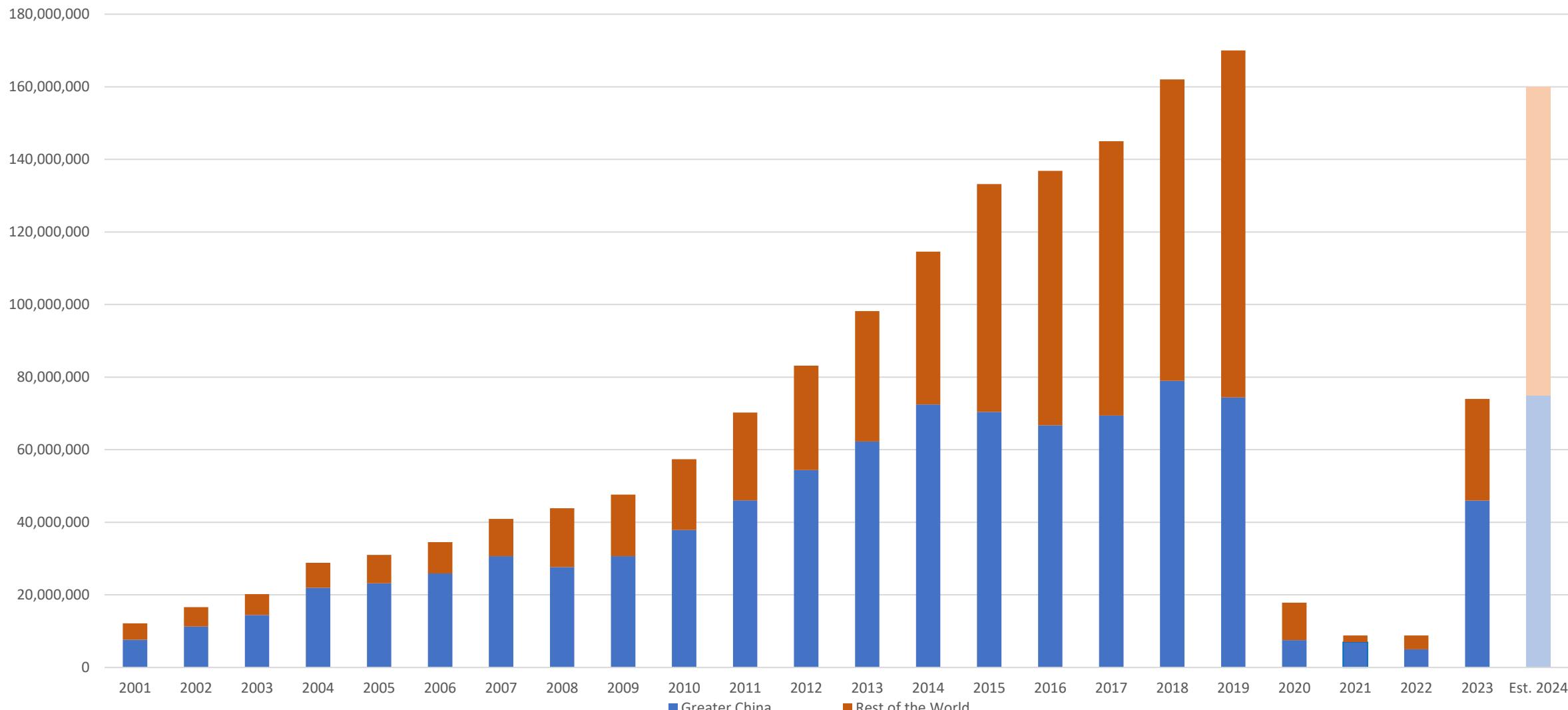
The Big Picture: China Peak



Border crossings from Mainland China

2001-2024

Source: COTRI ANALYTICS



After the pandemic: China's economy slowing

China's annual GDP growth (In percent)



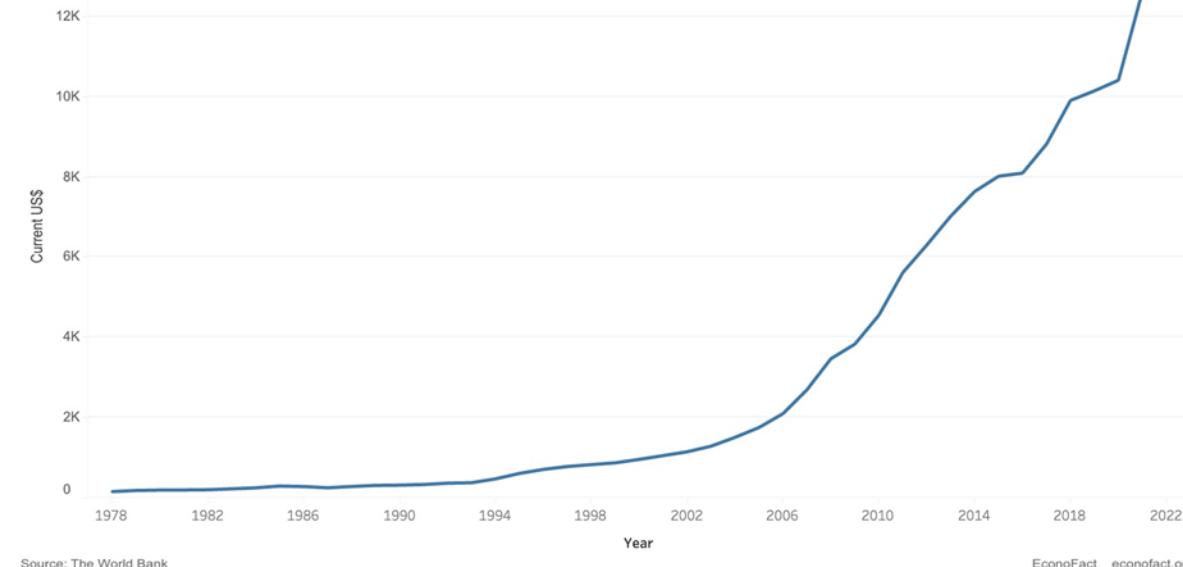
Source: China National Bureau of Statistics, Nikkei Asia, Nikkei Quick News

More than 20% urban youth unemployment
 Public dept equal to annual GDP
 Many county governments bankrupt

2023 5.2% GDP growth - slowest growth outside pandemic period since 3 decades

2024 Q2: 4.7% GDP growth

Per Capita GDP Growth in China 1978-2022



After the pandemic: China's ecological problems increasing

China experiencing the worst heatwaves ever recorded and unprecedented levels of rainfall

China's cities are sinking: Many urban areas react to the weight of the buildings and the receding groundwater levels.

Some parts of Beijing are moving five centimetre per year into the ground.

By 2100 1/3 of China's coastal areas will be under water, SHANGhai will become XIAhai.

China drought causes Yangtze to dry up, sparking shortage of hydropower

Nationwide alert issued with south-west especially badly hit, as major companies forced to suspend work



► China: world's third largest river dries up in drought - video

A record-breaking drought has caused some rivers in China - including parts of the Yangtze - to dry up, affecting hydropower, halting shipping, and forcing major companies to suspend operations.

After the pandemic: Anxiety among the privileged

Number of foreigners working in China halved compared to 2019

Majority of foreign companies in China working on a partial or complete relocation of production home or to other countries

End of the dream for young Chinese to be the next Jack Ma after the remodelling of Alibaba and restrictions for online companies

Less English classes, more Xi Jinping Thought classes – Chinese parents leaving China to provide their child(ren) with education based on critical thinking

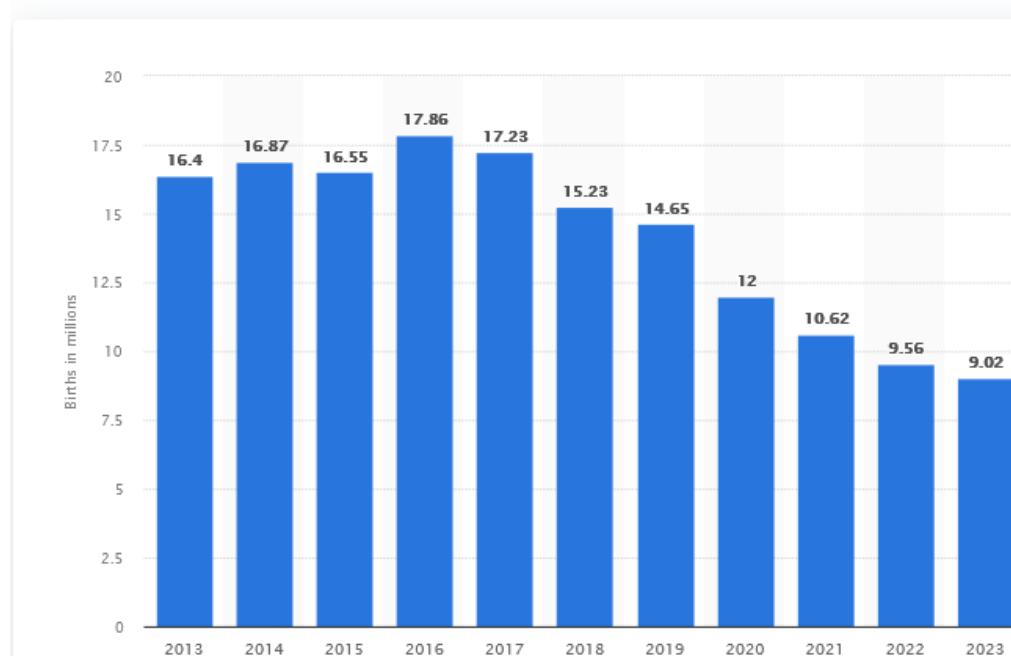
2023: 11,000 Chinese millionaires run away from China, smuggling 150 billion USD out of the country



After the pandemic: China's getting older before it gets rich

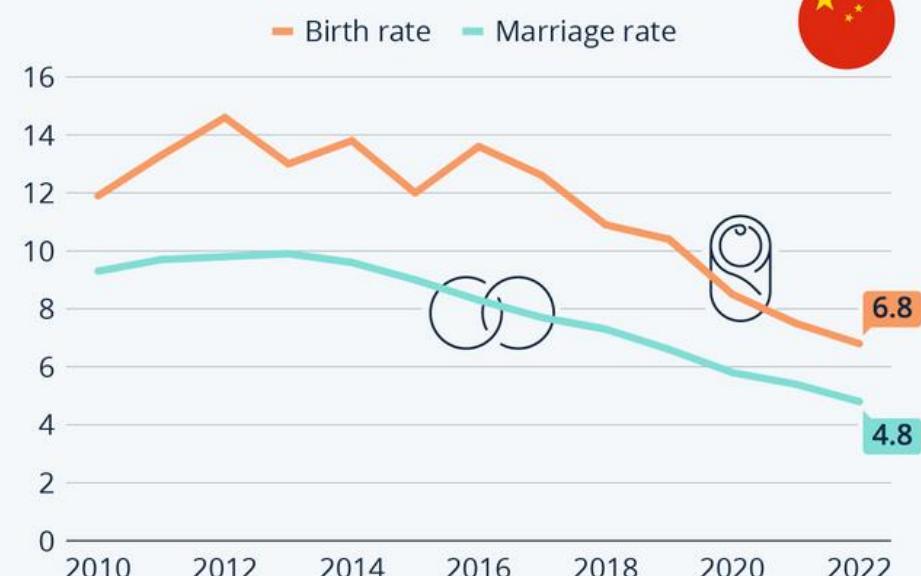
Government now support families with three children, but number of DINKies and single women is increasing.

Number of births per year in China from 2013 to 2023
(in millions)



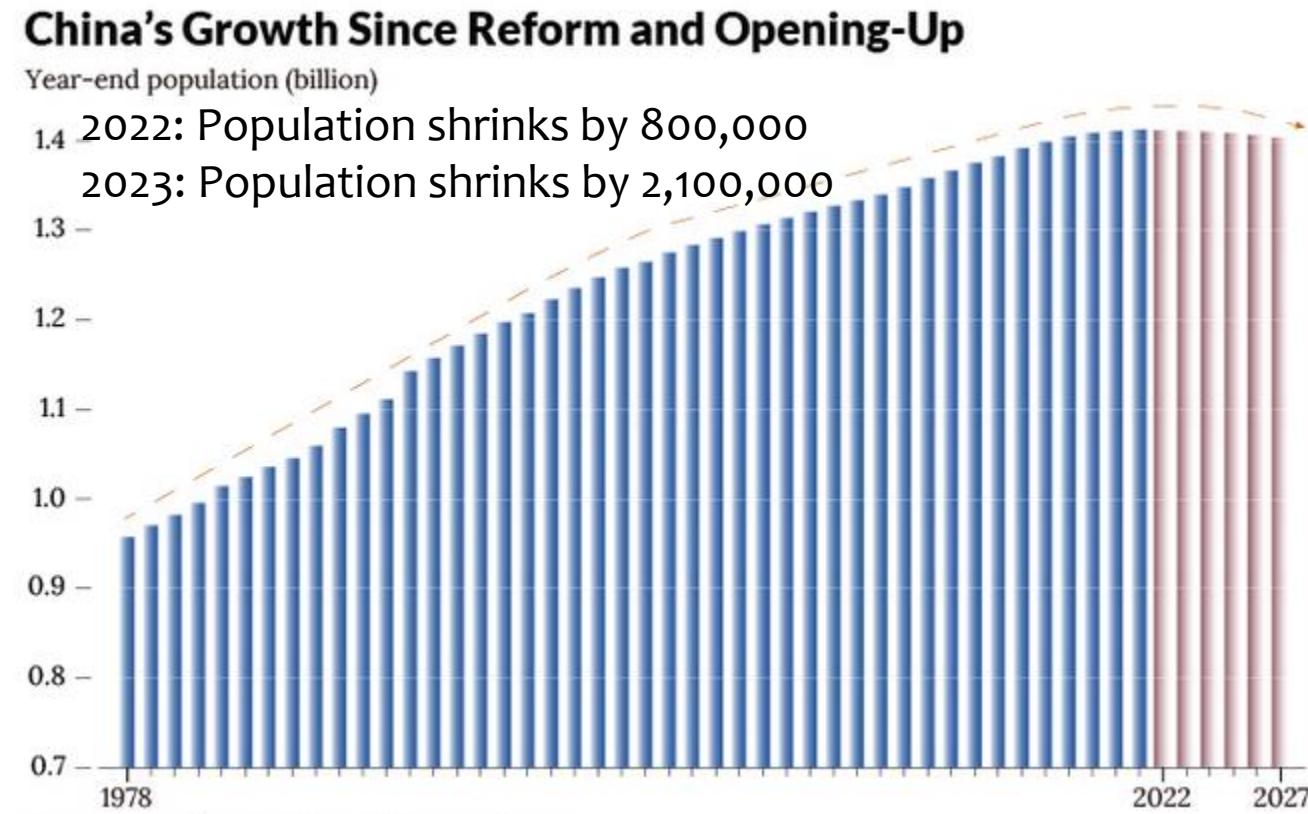
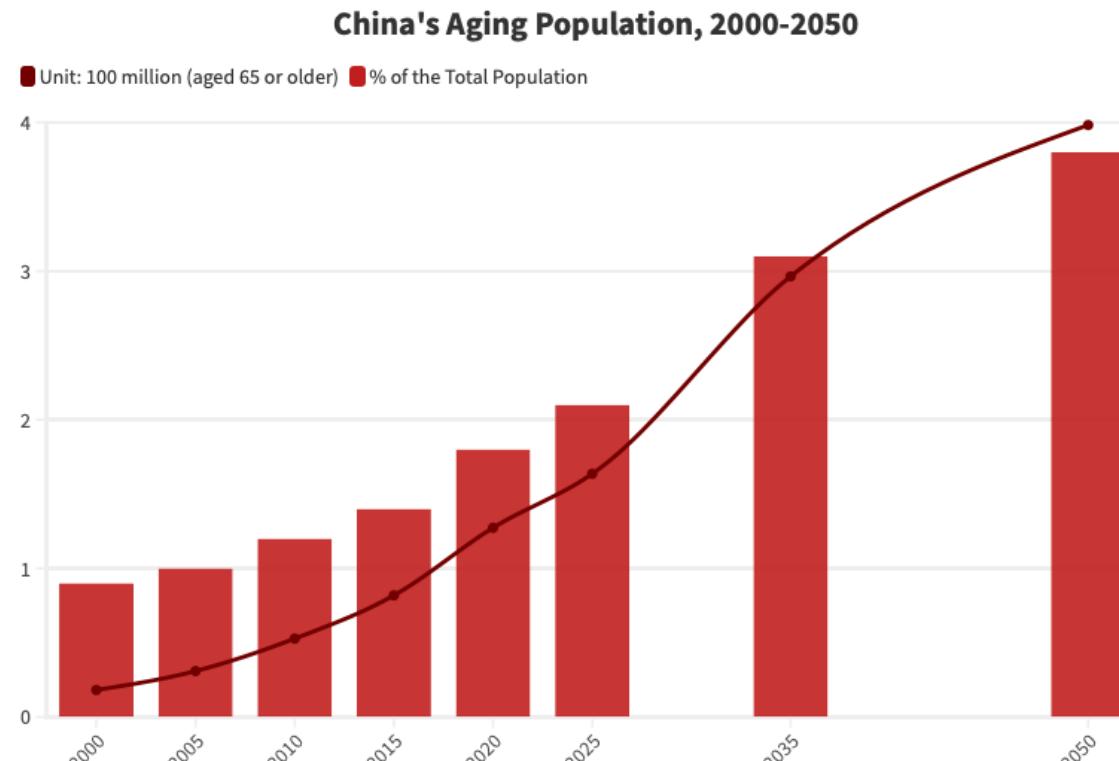
Not Married, No Kids

Number of new marriages and births per 1,000 people in China



Sources: Chinese Ministry of Civil Affairs, National Bureau of Statistics of China

Demographic challenge also has advantages:
 Old folks do not have to care about grand-children anymore,
 can use time and money for travel



100 million Chinese can (still) afford long-distance tourism to Europe

| | Population | Number of people as % of total | Wealth (RMB) | Wealth as % of total | Wealth per capita (RMB) |
|---------------|--------------|--------------------------------|---------------------|----------------------|-------------------------|
| Rich people | 4.6 m | 0.33% | 290 trillion | 67% | 63 m 8 m Euro |
| Middle class | 99 m | 7% | 110 trillion | 26% | 1.1 m 150,000 Euro |
| Common people | 1.3 bn | 92.67 | 30 trillion | 7% | 23,000 3,000 Euro |
| TOTAL | 1.404 | | 430 trillion | 100% | |

Border crossings from Mainland China per quarter (rounded numbers)

| Quarter | 2018 | 2019 | 2023 | 2024 |
|--------------|--------------------|--------------------|-------------------|------------|
| Q1 | 38,000,000 | 43,000,000 | 9,800,000 | 27,000,000 |
| Q2 | 41,000,000 | 46,000,000 | 16,500,000 | 25,000,000 |
| Q3 | 43,000,000 | 44,500,000 | 24,500,000 | |
| Q4 | 40,000,000 | 36,500,000 | 23,200,000 | |
| TOTAL | 162,000,000 | 169,000,000 | 74,000,000 | |

Source: COTRI ANALYTICS.

China's outbound market

New demand structures, new opportunities

- Less package tours, more independent travellers
- Less First-time visitors to main destinations
- More DINKIEs, more LOHAS, more Silver-hair traveller
- Exclusivity (luxury hotels, gourmet private groups)
- Nature (outdoor hiking, camping/glamping)
- “Discovering” new destinations
- Authentic experiences
- Meeting local people
- Special interest tours: bleisure, health, education, immigration, events
- Less shopping brands, more shopping regional goods
- Less language problems thanks to translation Apps

Chinese travelers: Preferred outbound travel themes for 2024

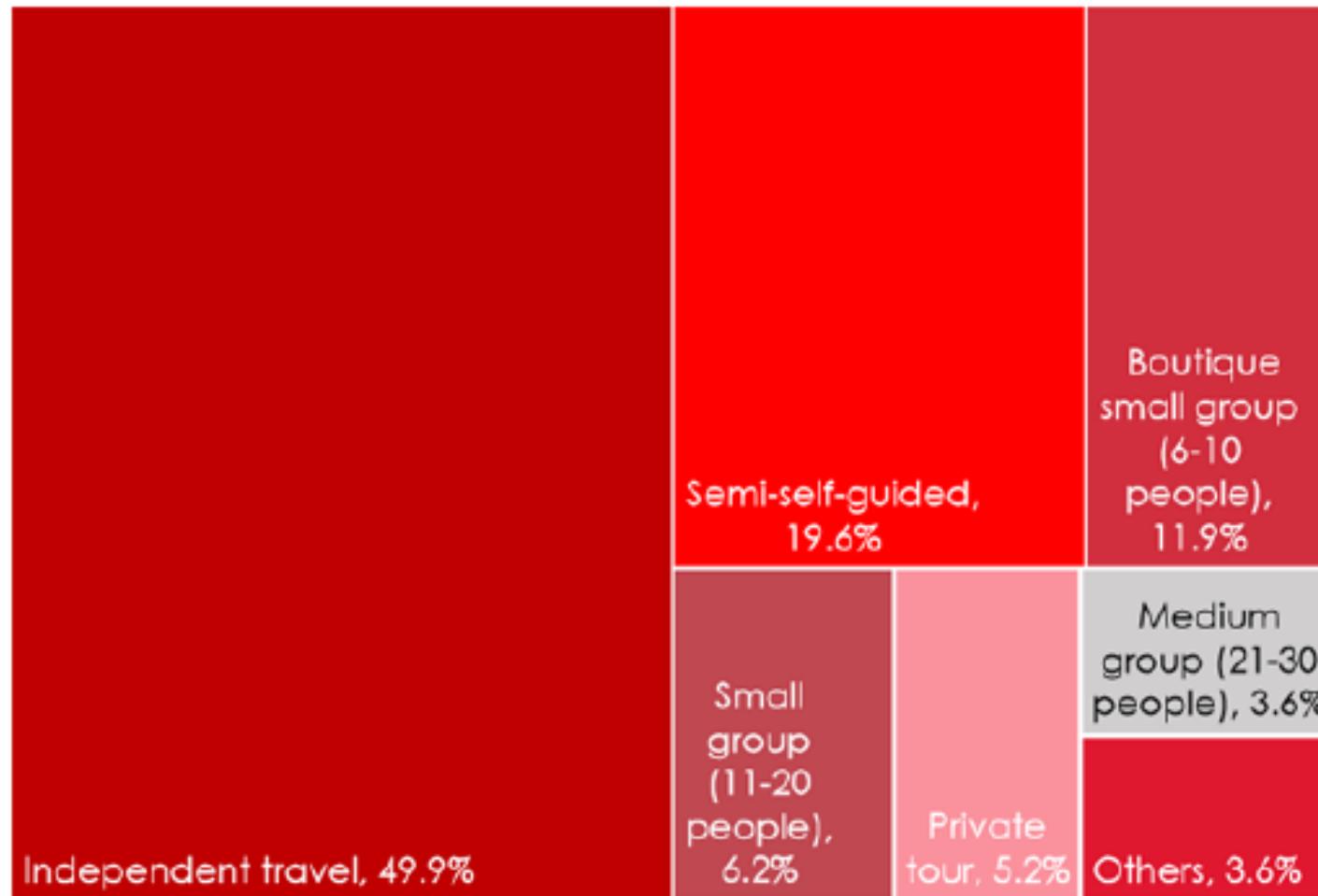
N=636



Shopping down to No. 6
1/3 for Slow travel and
Wellness

Which travel type do you prefer for your next outbound trip?

N=1015



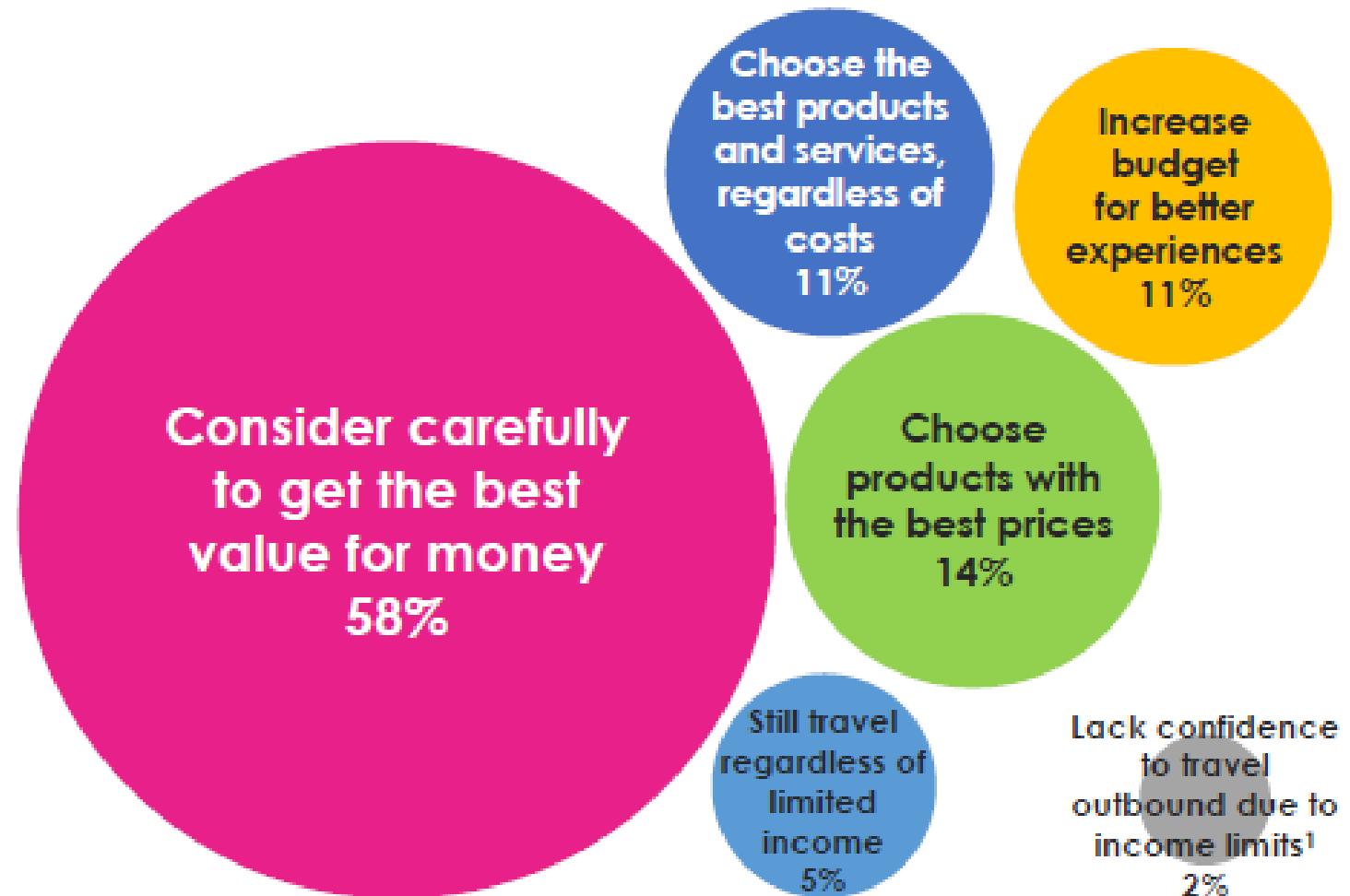
Large group 0.9%
Independent 49.9%

* Others category includes local group tour (1.1%), customized tour (1.3%), and large group (30 or more people) (0.9%)



Which of the following descriptions best matches your current attitude toward outbound travel?

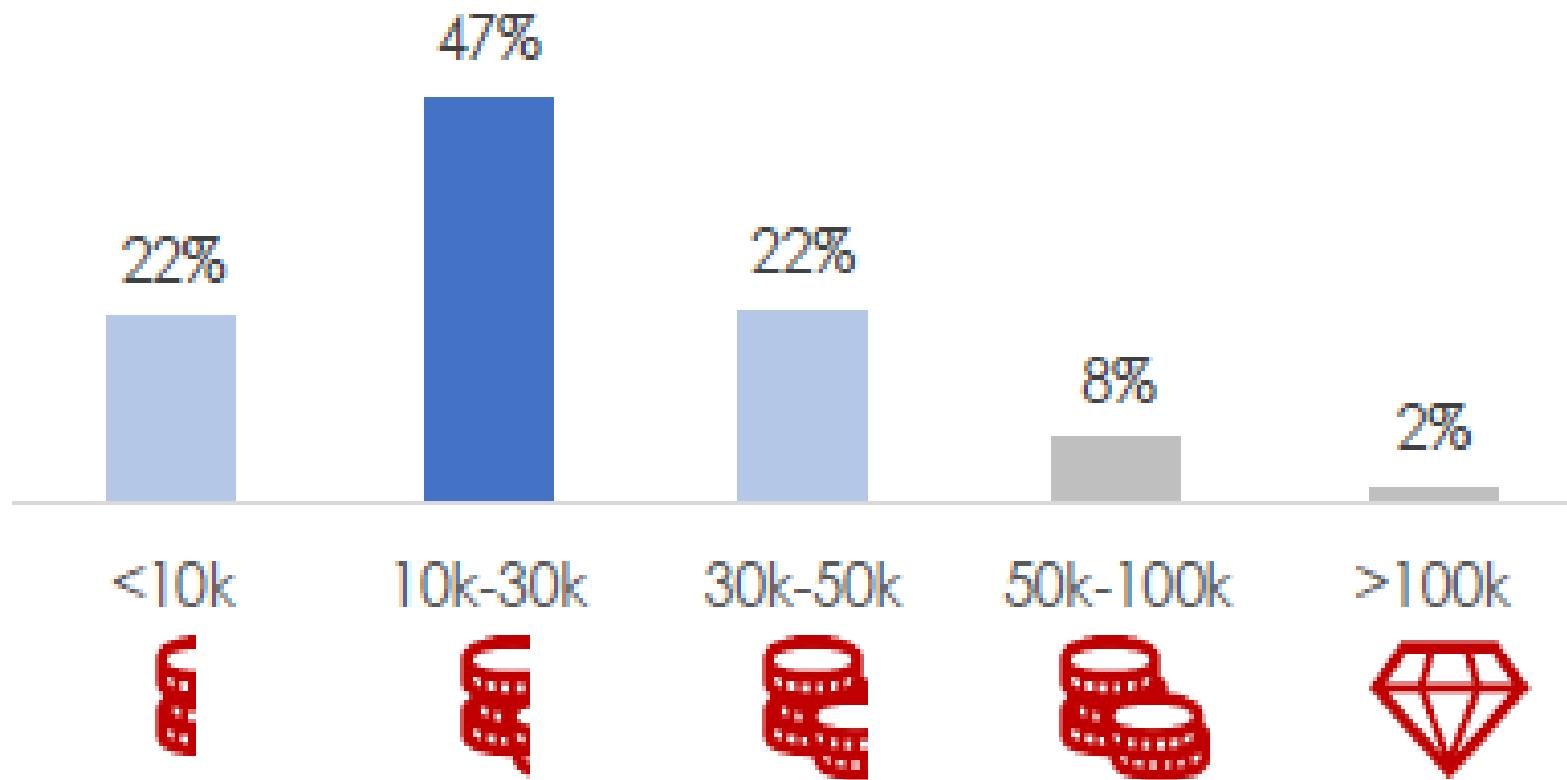
N=1015



From conspicuous
consumption to
Value for money

¹This option was only shown to respondents who said they definitely won't travel outside mainland China in 2024

What is your budget for your next outbound trip (RMB)? N=1015

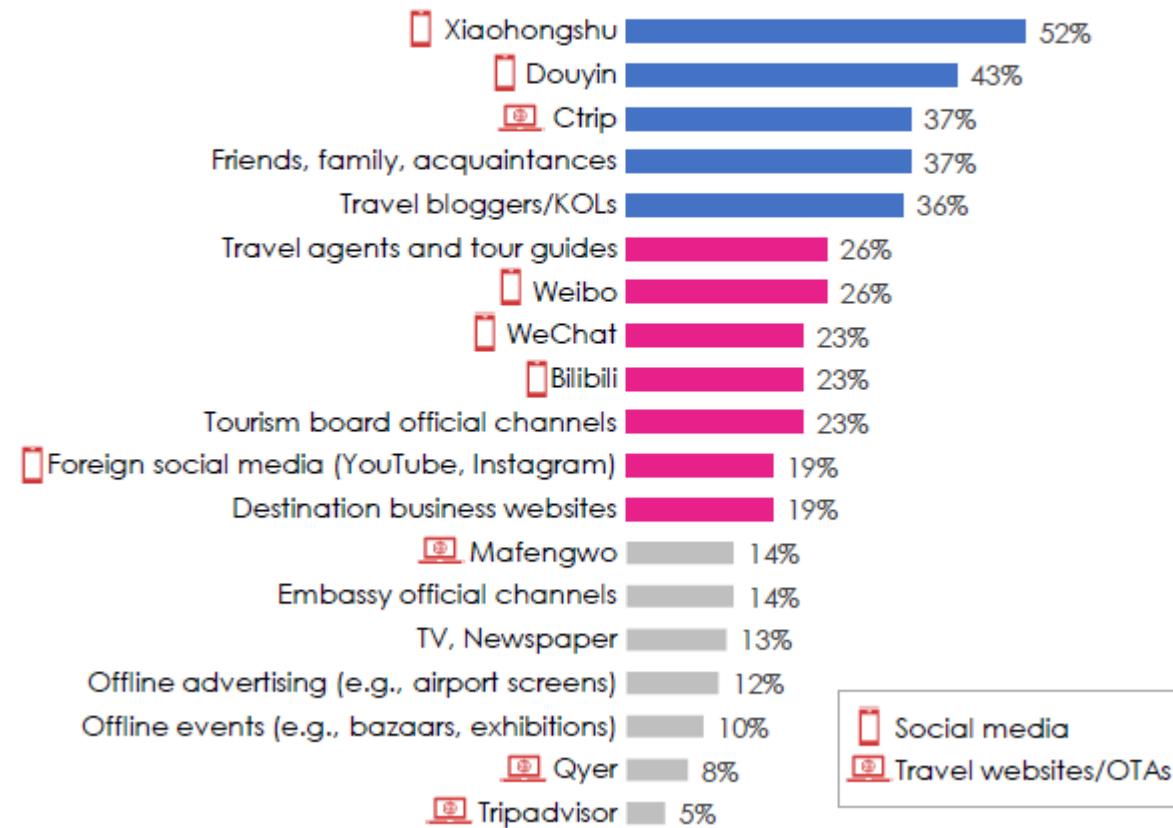


100k = 14,000 USD

10% plan to spend
more than 7,000 USD

Chinese travelers: Channels used for destination information

N=1015



Xiaohongshu the new leader

Third Plenum results: Onwards with the same

July 2024 major CCP meeting happening every five years to decide economic policies.

Some reforms and subsidies for boosting private consumption and FDI, but no major change from politics over economy.

China going further down the drain.

Meaningful
Tourism



The Jeep Experience

Understanding the interests of regional and national players in China:
Airlines and governments, inbound and outbound: It is not just about profit
Influence, market share, successes
Catering to the interests of the Chinese partner

Suitable partners, supporters and lobbyists in China and in the Chinese community in Northern Italy

Wenzhou community – Important partner for legal business in Northern Italy

Tongs – Important player for different kinds of business in Italy

Influential, interested in direct flights

China friendliness as argument for selection of airport (Juneyao Manchester)



Strategy development to support establishment of air connection
between Bologna and East China:

Alignment of interests

Arguments why to add Bologna to Venice and Milano

Meaningful
Tourism



Earning more per Chinese passenger



Earning more per Chinese passenger

Give them more time.

Earlier opening of check-in
Faster security controls
Faster VAT return



Earning more per Chinese passenger

Tell airport users in advance
what attractions & events
await them at the airport

Using Xiaohongshu, WeChat,
Douyin, KOCs



Earning more per Chinese passenger

Use additional time for special offers

Fine dining: Excellent local cuisine / Healthy food

Duty free photo ops:

engraving Chinese characters in whisky bottle,
autographed shirt hours with football stars etc.

Playground: With Chinese speaking staff Photo opp:

Next to holograms of local celebrities at airport



Earning more per Chinese passenger

Support loyalty to the airport

Create electronic airport loyalty program on Alipay etc.

Airport Fan club on WeChat / Xiaohongshu with
special offers, quizzes, vouchers



Earning more per Chinese passenger

Understand why they are buying

For own consumption Value for Money, last chance



Earning more per Chinese passenger

Understand why they are buying



For gifting

boss / mentors (prestige, image)

family (personal taste items, shopping list)

friends (for each appropriate price)

colleagues & neighbours (many similar items)

Earning more per Chinese passenger

Understand why they are buying

For optimizing hand luggage allowance
(pans and pots)

Buying pre-pact bundles for
last-minute shopper



Earning more per Chinese passenger

Understand why they are buying

For regional authenticity in local products area



Earning more per Chinese passenger

Understand why they are buying
Wine not for taste but for bargain hunting and level of prestige
(Discount of the month – Bestseller – Experts choice)



Earning more per Chinese passenger

Differentiation of market segments

Conspicuous consumption out of fashion for experienced travellers

Emotional values for Gen Z - Presents for Gen X

Everything expensive and educational for kid and kids best friend

Some happy for help from shopping assistants, some feel
disrespected as fools



Earning more per Chinese passenger

Differentiation of market segments

React to:

Lower number of children travelling

Lower number of inexperienced travellers

Higher number of Best Agers (55+)



And do not forget:
No red lantern outside of Chinese New Year
(and no maps, you can only get it wrong)

Things you already did right:
Accepting mobile payment
Teaching your staff a few words of
Mandarin and Cantonese



Free WiFi
Chinese signage
but not like this

Thank you very much for your attention!

Looking forward to an interesting discussion.

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