



Report of China's Online Hotel Reservation Industry in Q2 2018

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Research Review

- Research object: Mobile internet users in China.
- Data resource: Metrics are calculated based on Trustdata's self-built samples - more than 70 million DAU (over 200 million MAU) on Android apps, with factors such as the demographic and geographical distribution of Chinese mobile internet users as well as the proportional distribution between iOS and Android users taken into account.
- Data collection: Data is collected only when users open the investigated app to ensure its authenticity and validity. In terms of the frequency of data collection, data on apps without payment function is collected every 10 seconds, and data on apps with payment function is collected each second.
- Statistical period: Jan, 2015 to Jun, 2018
- Research scope: This report is only focused on individuals using hotel booking apps, excluding data generated by CallCenter and PC-side.

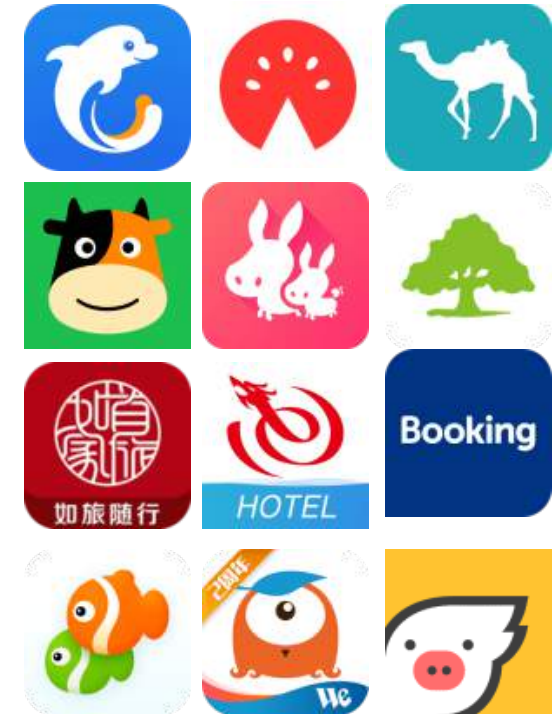
Indicator description:

- DAU — Daily active user
- MAU — Monthly active user
- Customer stickiness — monthly average DAU/MAU
- app usage — % of total time that users spent on all mobile Apps within a month



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- 3 Online Hotel Booking Trends

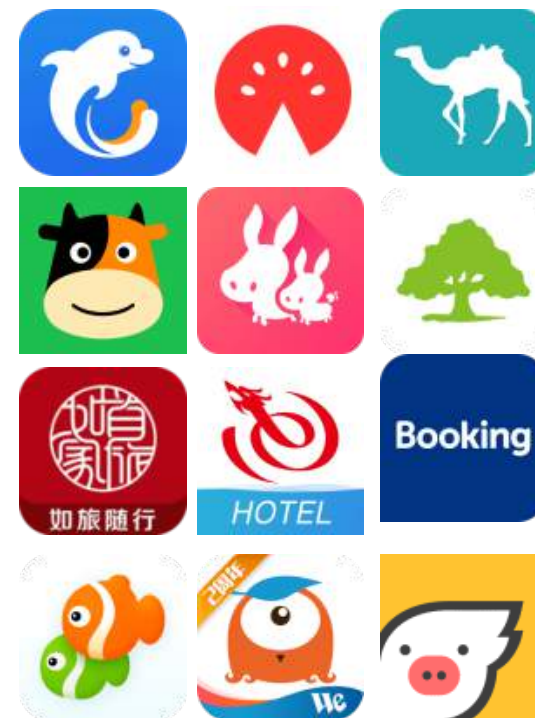


► Part One Online Hotel Booking Industry Overview in Q2 2018

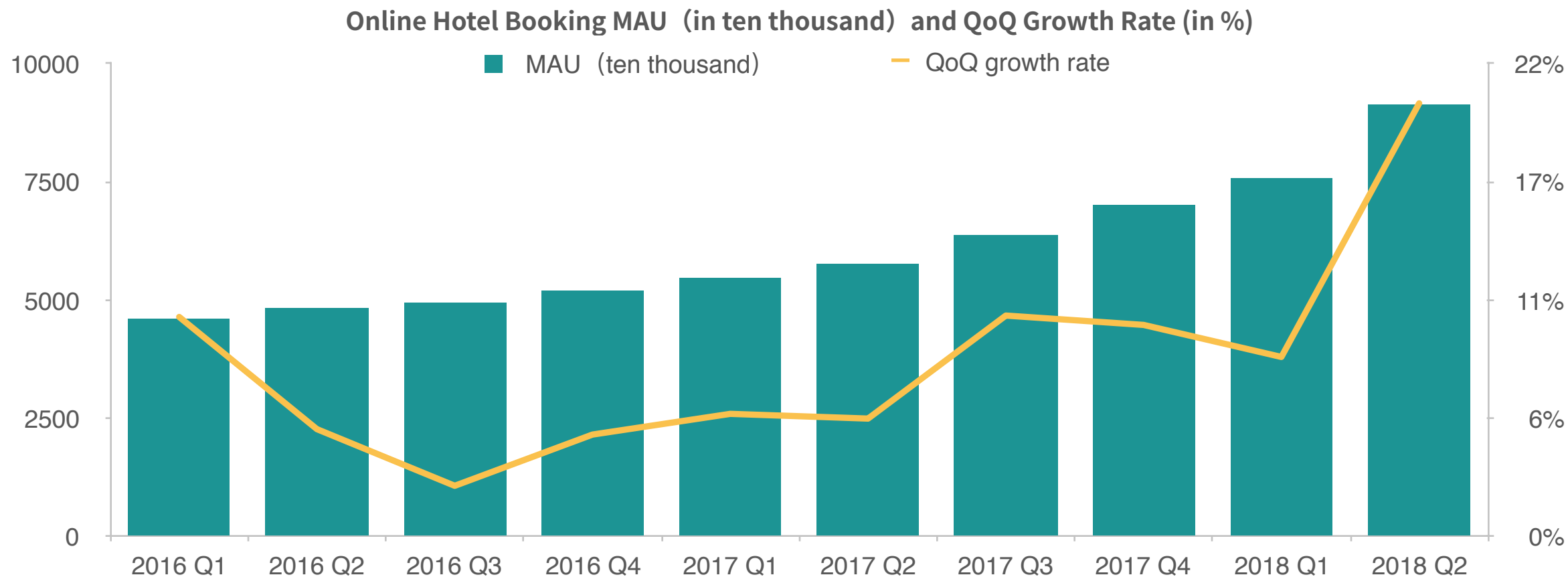
► Hotel booking on mobile continues to grow fast, with MAU reaching more than 90 million.

► New users are mainly from the third- and lower-tier cities, as first-tier cities tend to be saturate.

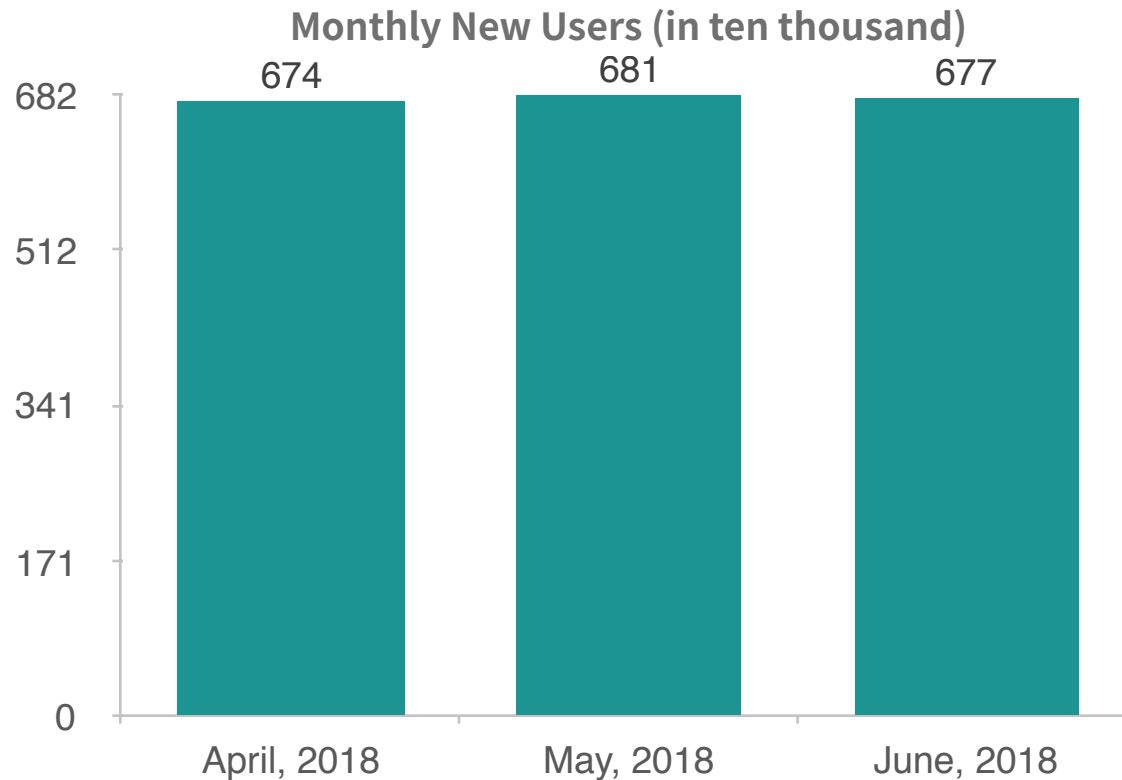
► The post-80s and post-90s are still the major consumption force in online hotel booking, while the demands from the post-00s start to grow.



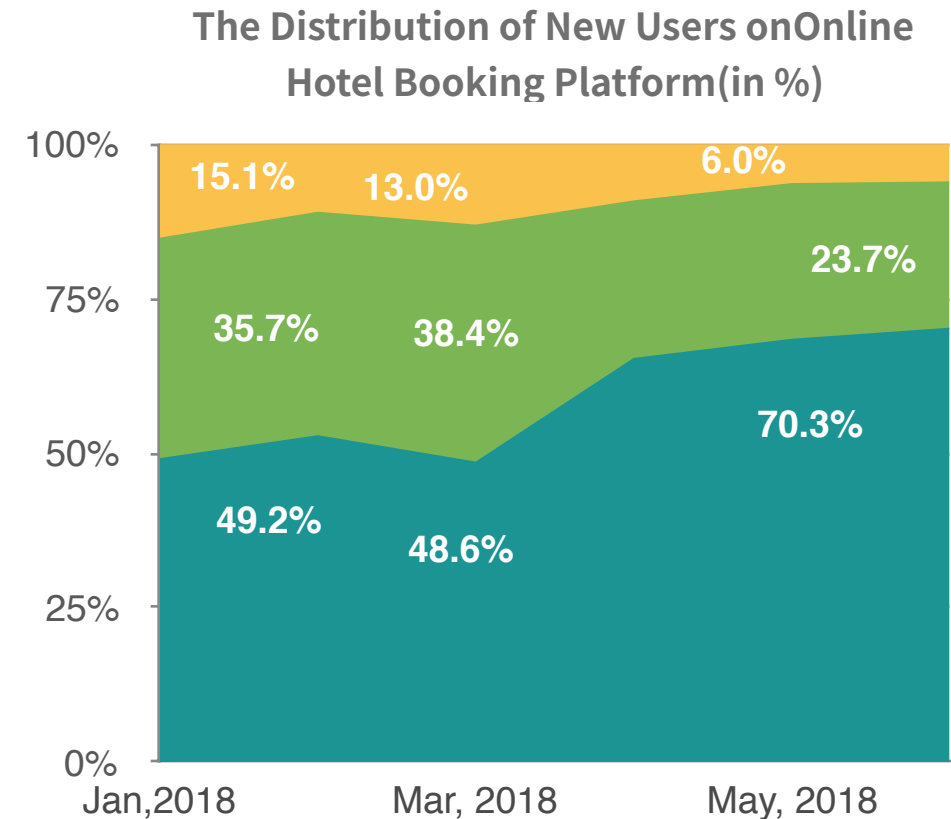
The shift to mobile hotel booking continues to move fast MAU over 90 million in 2018 Q2, QoQ 20.1%, a record high since 2016



Growth rates of online hotel booking users have remained steady, with about 20 million new users added QoQ in Q2 2018. The third- and lower-tier cities become a major growth driver accounting for 70%



- The number of new user is aggregated from each APP, which is non-deduplicated data.

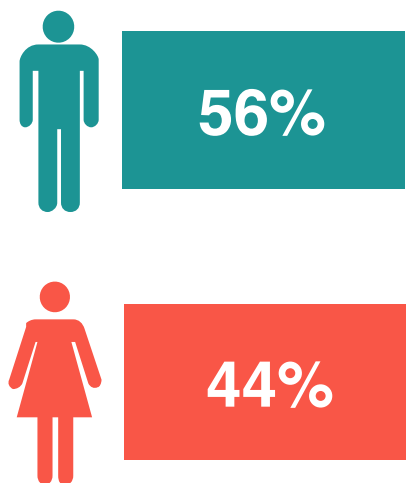


- first-tier cities
- second-tier cities
- third- & lower-tier cities

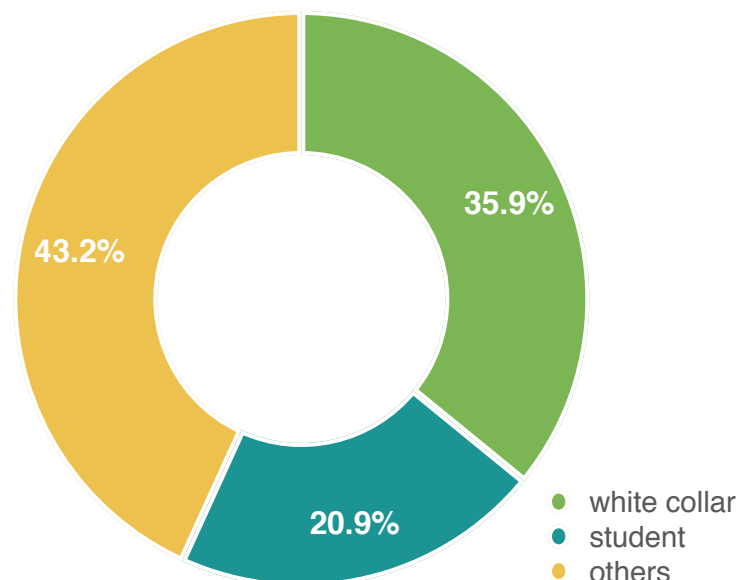
The post-80s and post-90s become the main group

The demand begins to grow among the post-00s

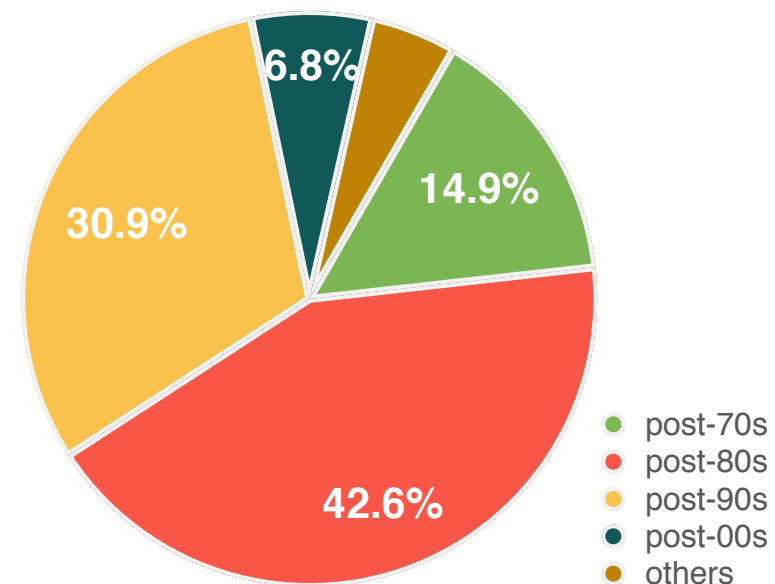
Gender Distribution of Online Hotel Booking Users in Q2 2018 (in %)



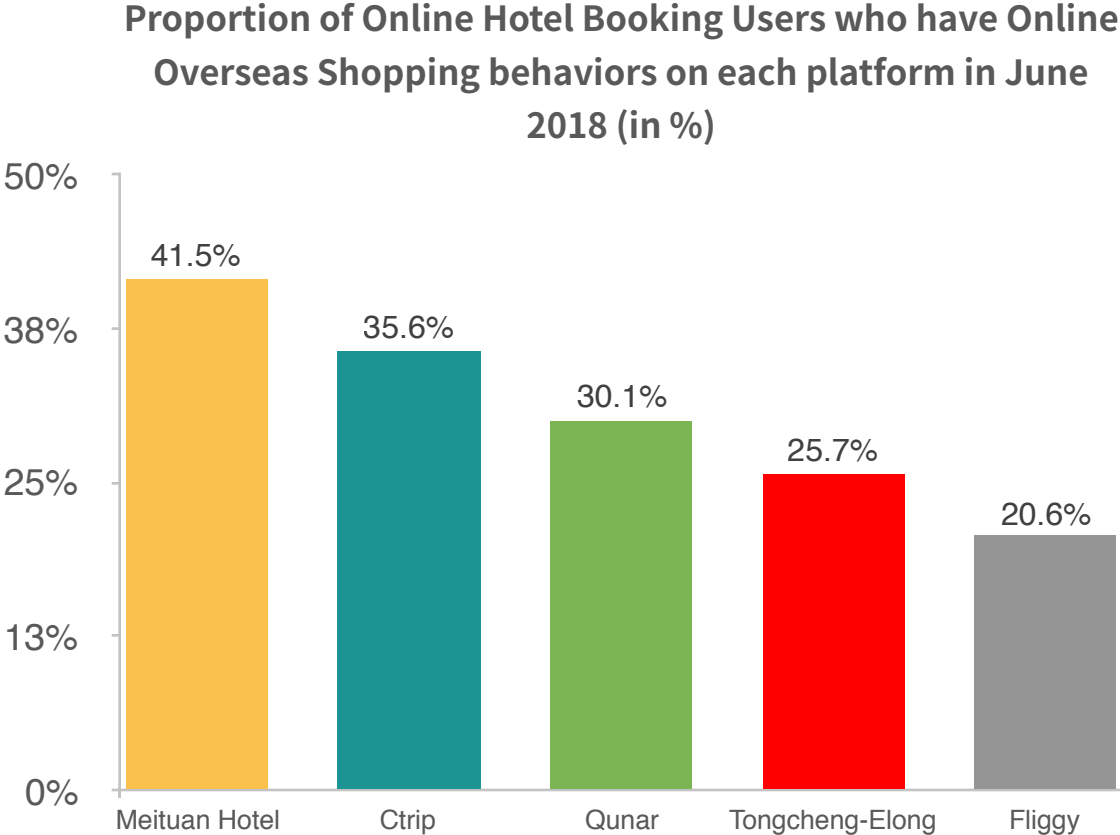
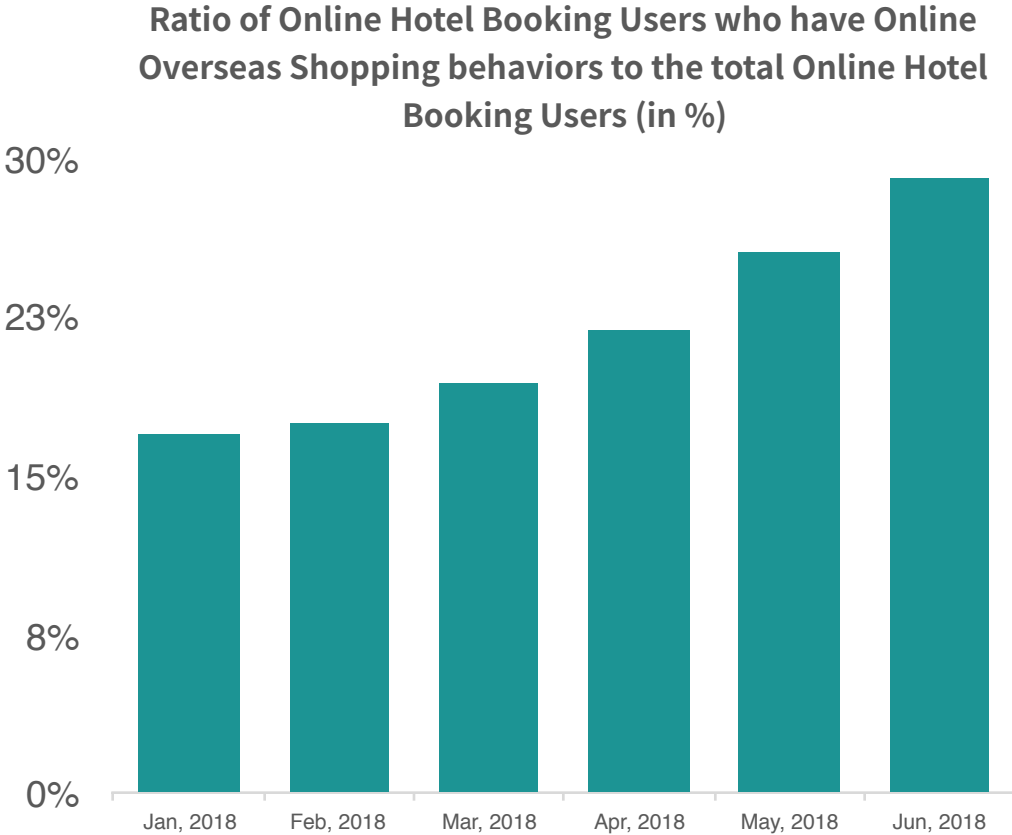
Occupation Distribution of Online Hotel Booking Users in Q2 2018(in%)



Age Distribution of Online Hotel Booking Users in Q2 2018 (in %)

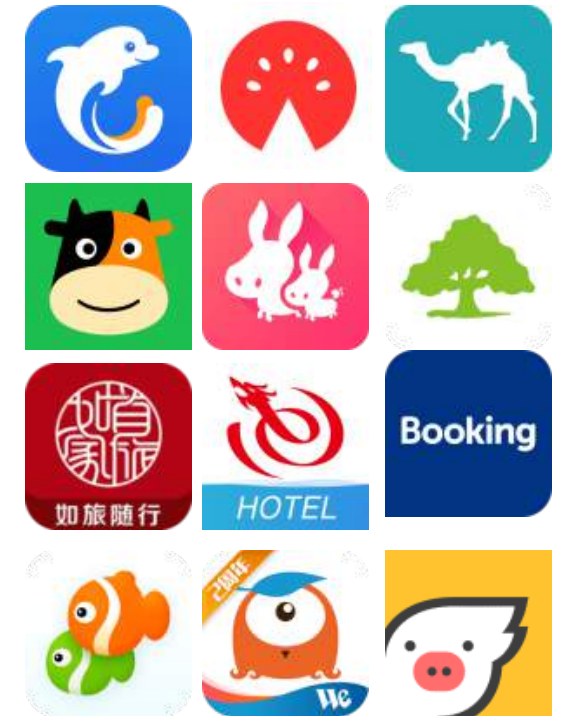


More online hotel booking users were high-value consumers, having the habit of overseas shopping online. The proportion of potential high-value users on Meituan is even higher, ranking No.1



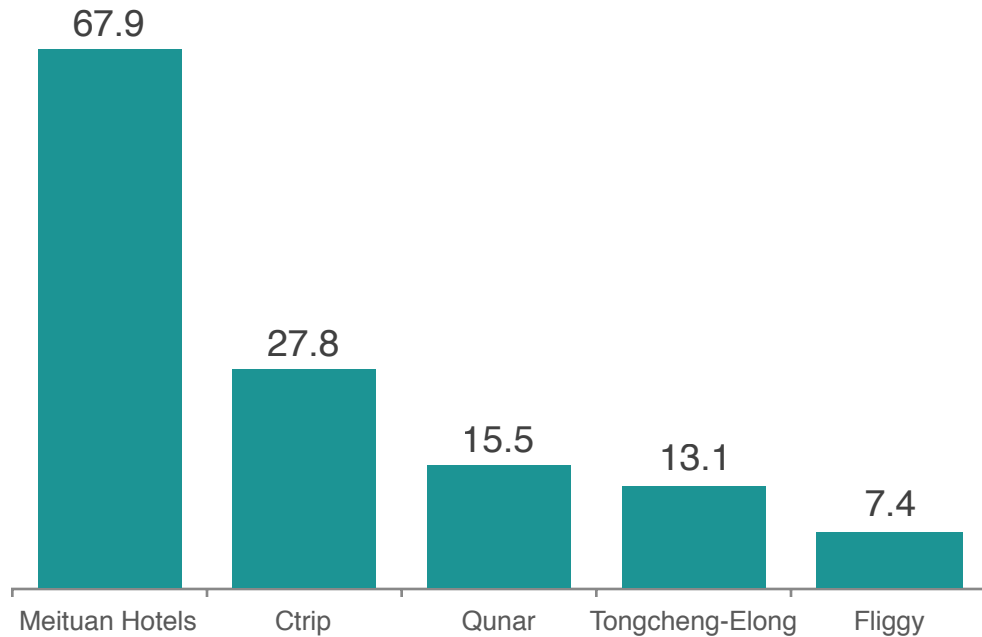
► **Part Two** Competitive Landscape of Online Hotel Booking Market

- In Q2 2018, Hotel bookings via Meituan Hotels hit nearly 70 million, ranking No.1 among all players.
- In Q2 2018, room nights on Meituan Hotels exceeds the total of Ctrip and its affiliates.
- In Q2 2018, Meituan Hotels developed a more loyal user base in comparison with Ctrip.

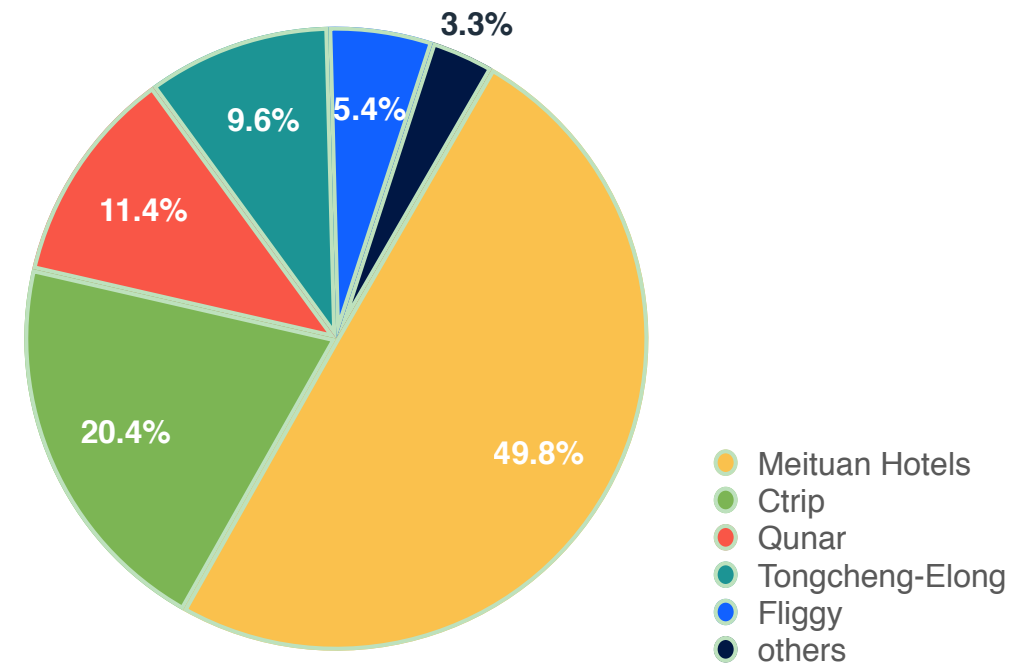


Meituan Hotels ranks No.1 by Order Volume in Q2 2018

Order Volume of Online Hotel Booking Platforms
in Q2 2018 (in million)



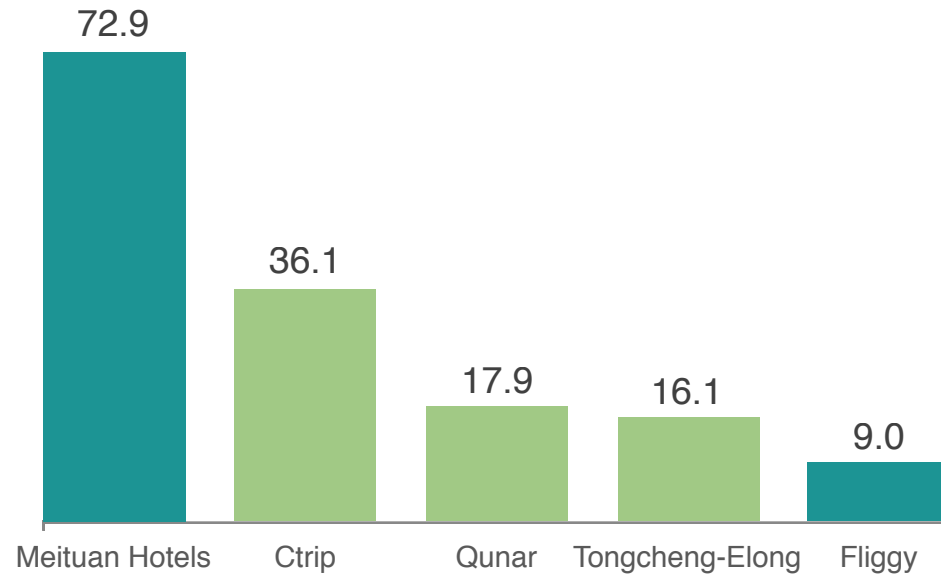
Online Hotel Booking Market Share in
terms of Order Volume in Q2 2018 (in %)



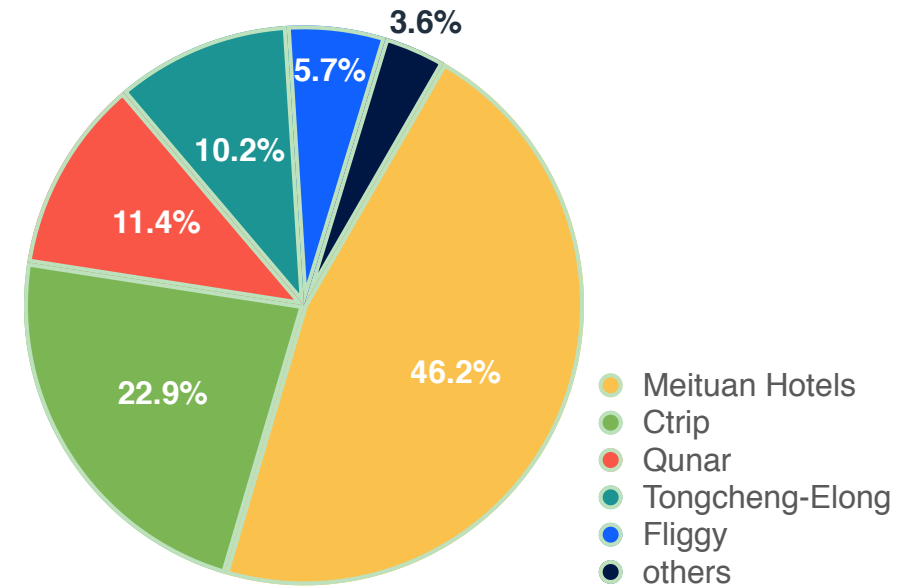
- The data on this page is calculated basing on the users in Chinese Mainland. The order volume here refers to the paid order volume.

Meituan Hotels ranks No.1 by room nights , which exceeds the total of Ctrip and its affiliates in Q2 2018

Room Nights on Online Hotel Booking Platforms in Q2 2018 (in million)

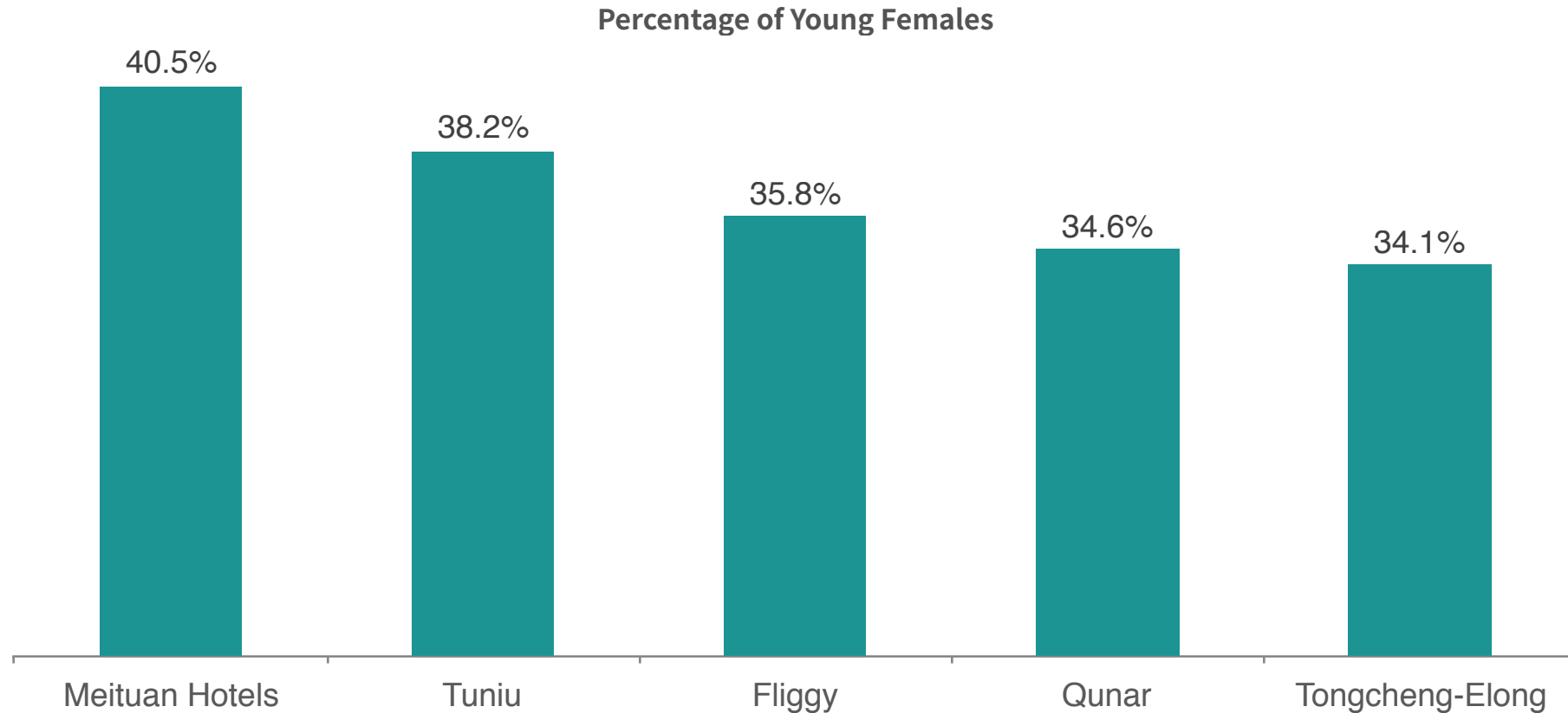


Online Hotel Booking Platforms Market Share in terms of Room Nights in Q2 2018 (in %)



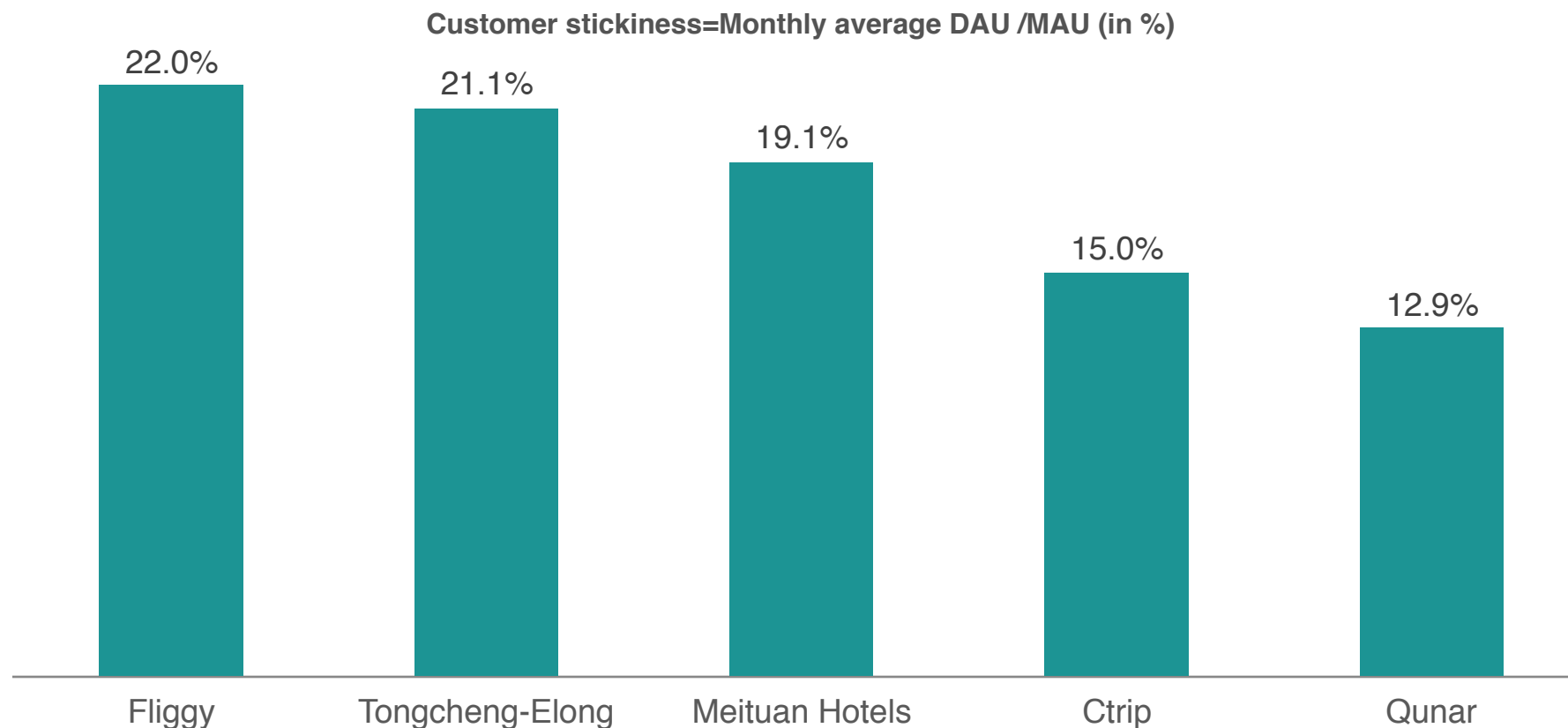
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Over 40% Users of Meituan Hotels are Young Females, ranking the next are Tuniu and Fliggy



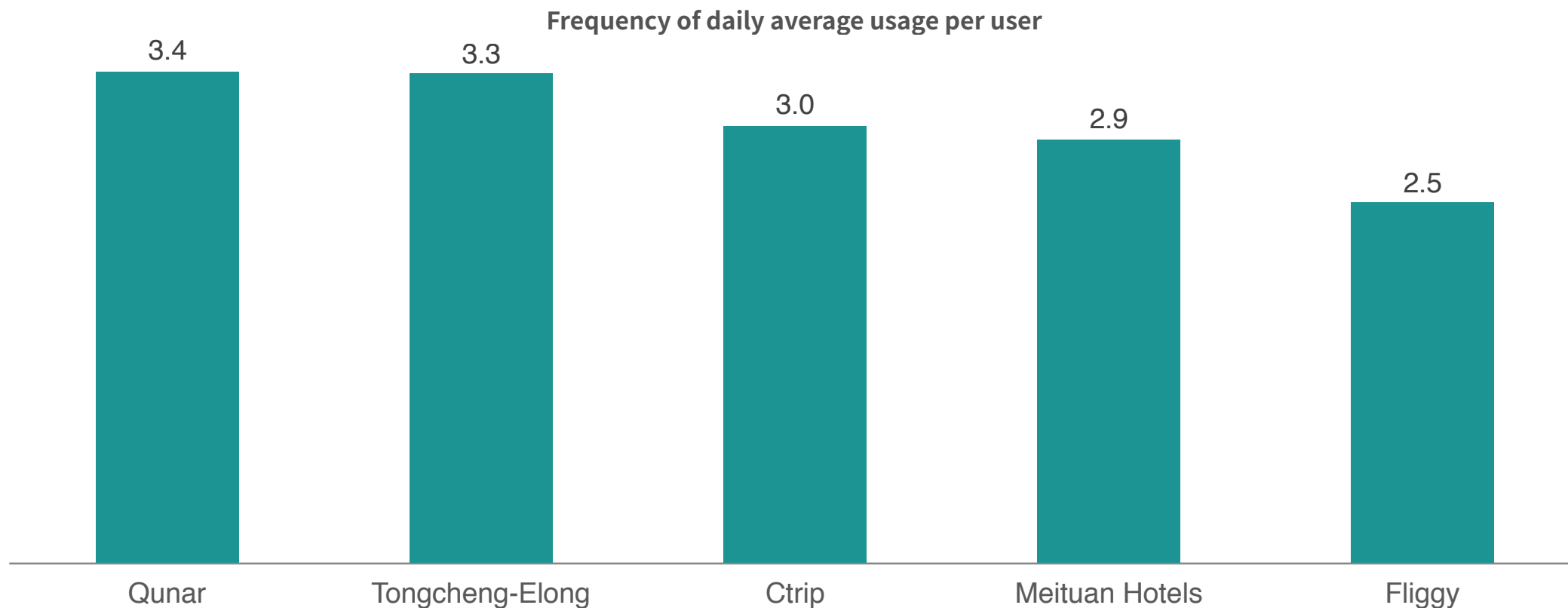
- Note: Research sample only includes the top 5 Online Hotel Booking Platforms.

Customer stickiness : Fliggy ranks No.1, followed by Tongcheng-Elong and Meituan Hotels



- Note: Research sample only includes the top 5 Online Hotel Booking Platforms.

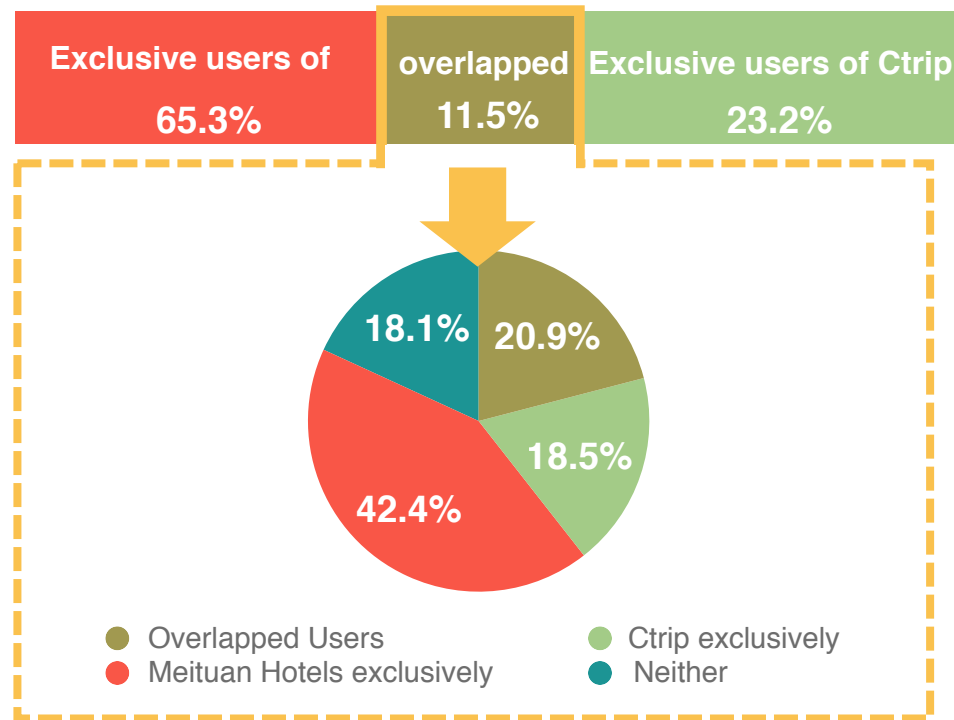
Daily Usage Frequency: Qunar ranks No.1, followed by Tongcheng-Elong and Ctrip



- Note: Research sample only includes the top 5 Online Hotel Booking Platforms.

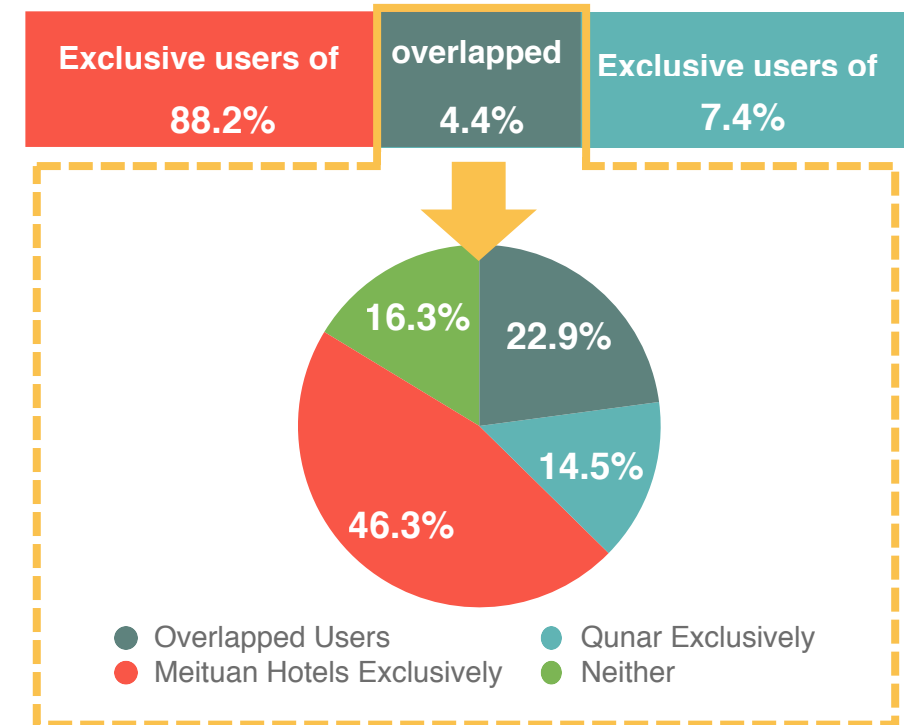
Overlapped Users Among Top 3 Online Hotel Booking Platforms Meituan Hotels Customer loyalty is significantly higher than Ctrip and Qunar

Overlapped users between Meituan Hotels and Ctrip in May 2018



Among these overlapped users in May, 42.4% of them

Overlapped users between Meituan Hotels and Qunar in May 2018

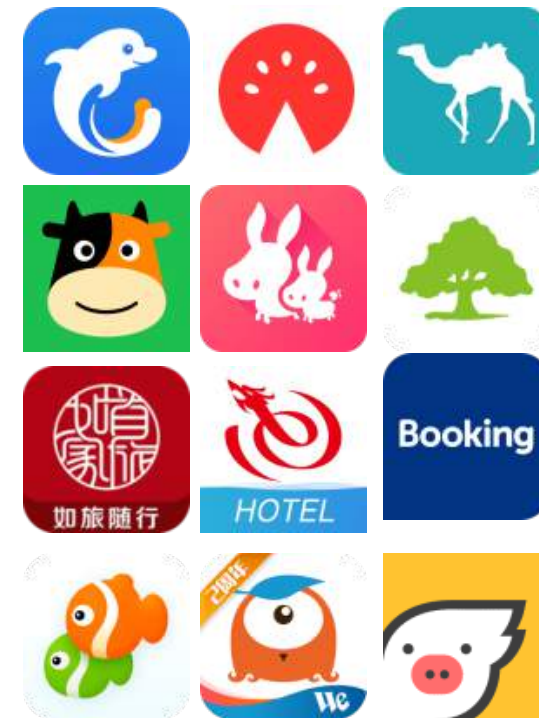


Among these overlapped users in May, 46.3% of them
became Meituan's exclusive users in June

- Note: The booking order volume of Meituan Hotels, Ctrip and Qunar accounts for over 80% of the total market.

► Part Three Online Hotel Booking Trends

- The Tongcheng-Elong is shifting from traditional OTA to a super platform. The competitive landscape of online hotel booking becomes clear-cut.
- Key competition advantages: Lower-tier Market, New Generations, Hotel Booking Scenarios for Travelers & Locals, Diversified Accommodation Demands



Traditional OTA VS. Super Platform Tongcheng-Elong is shifting to a super platform

The competitive landscape of online hotel booking industry becomes clear-cut.

Traditional OTA expands to all travel-related services



- Selling the independent goods, such as hotels, airline tickets, and travel services, to accumulate the related resources. Now the traditional OTA offers all the travel-related services.



Relying on WeChat Pay access and WeChat Ecosystem, Tongcheng-Elong is shifting to a super platform.

Super platform: services penetrate into all aspects of travel



- Relying on super platforms such as Meituan and Taobao;
- Basing on existing daily-life service, online shopping and other high-frequency services;
- Promoting low-frequency services such as travel and accommodation

Key to the Future Competition: the Change of Consumers' Preference and Consumption Behavior

Third- and lower-tier cities

- While the online hotel booking industry rapidly expands into the third- and lower-tier cities, the third- and lower-tier markets will become the key battlefield.

New generation

- The key to become a successful hotel booking platform is to fulfill the demands of new generations and to retain young users.

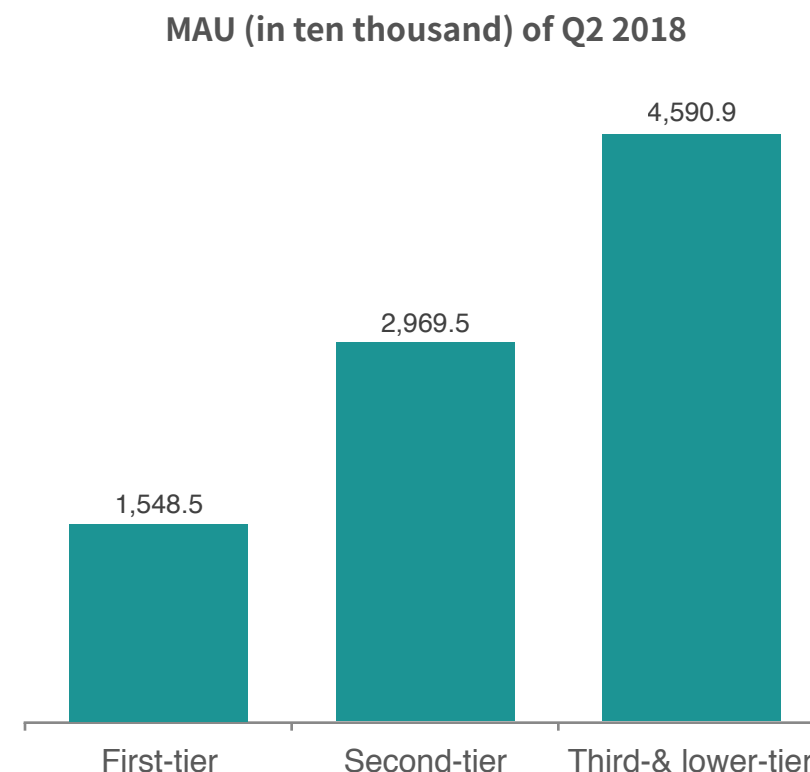
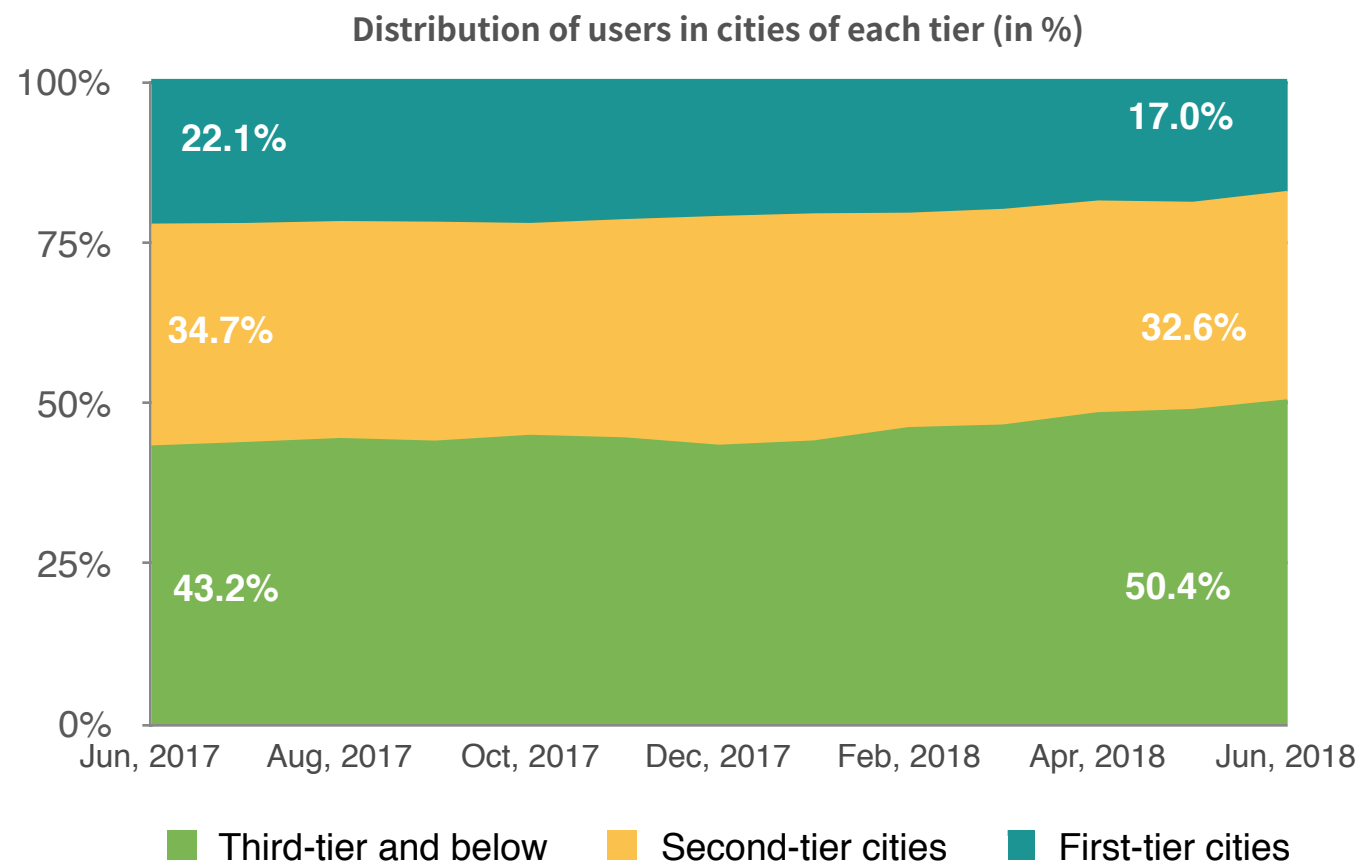
Hotel booking scenarios for travelers & locals

- The hotel bookings of local scenario is increasingly popular.
- It is necessary to consider the booking demands of both locals and travelers.

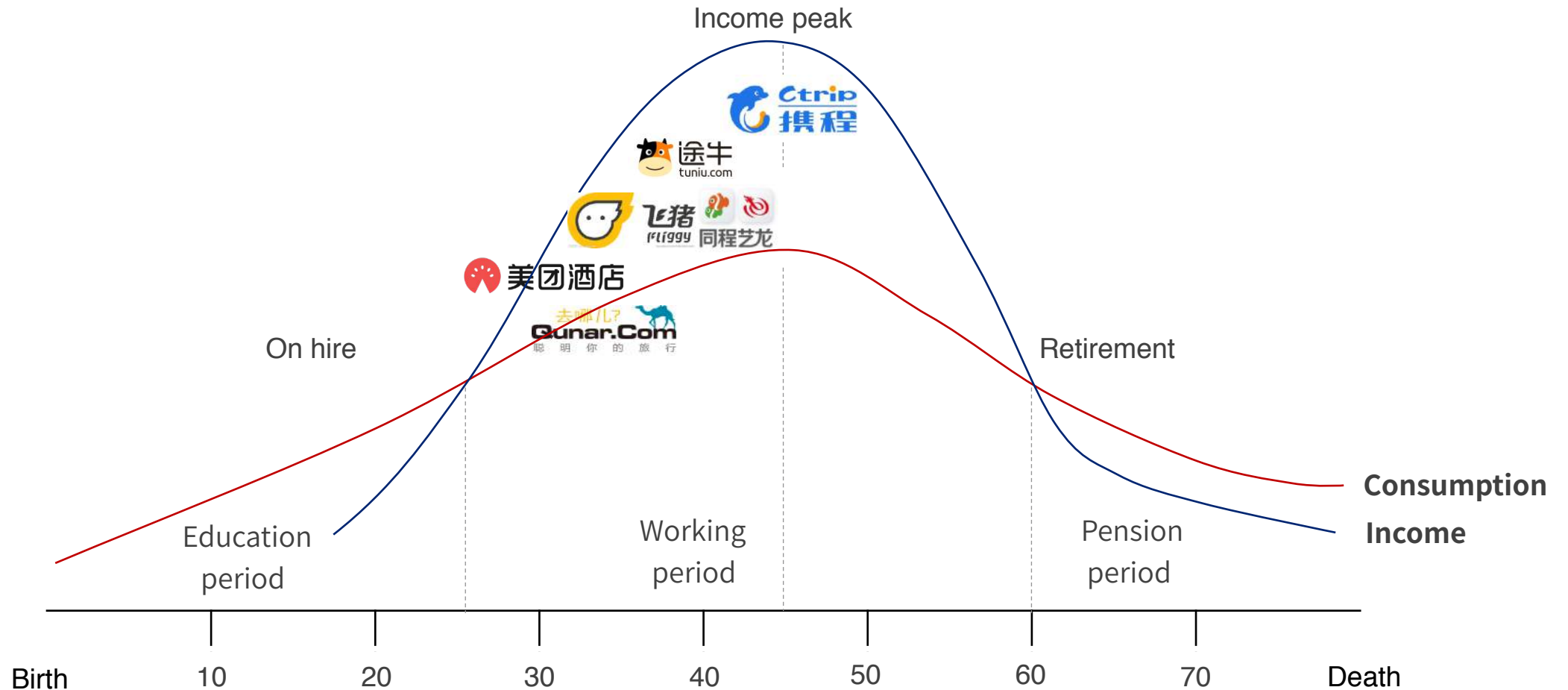
Diversification of consumption patterns

- Against the backdrop of China's consumption upgrading, domestic demands for top-rated hotels, sea-view rooms and resort hotels are booming.
- The shared accommodation has become a typical lifestyle and important supplement to standard hotels. This segment is likely to become the future battlefield.

50% of online hotel bookings came from the third- and lower-tier cities, where the second half of the industry competition mainly took place



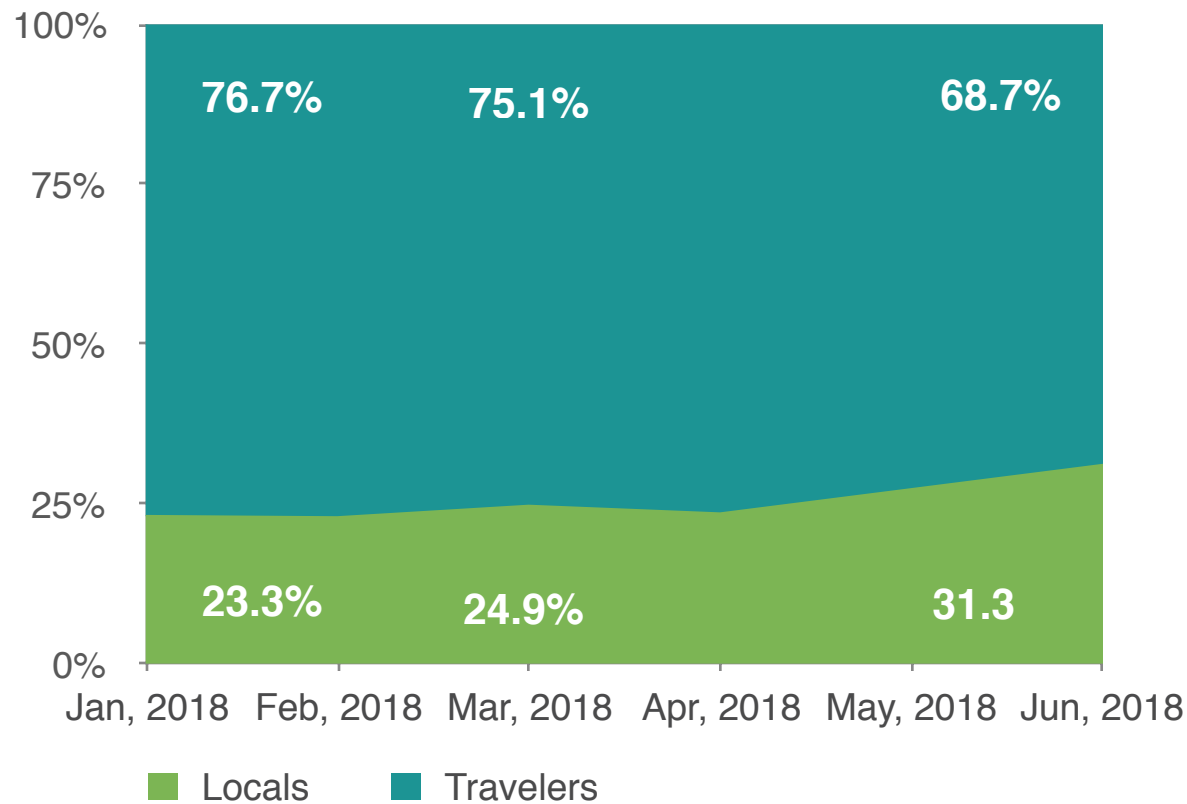
Life-Cycle Patterns of Income and Consumption. The main users of Ctrip tend to be middle-aged, with strong consumption capacity. Although users on Meituan Hotels and Fliggy are younger, their consumption capacity can be strong in future



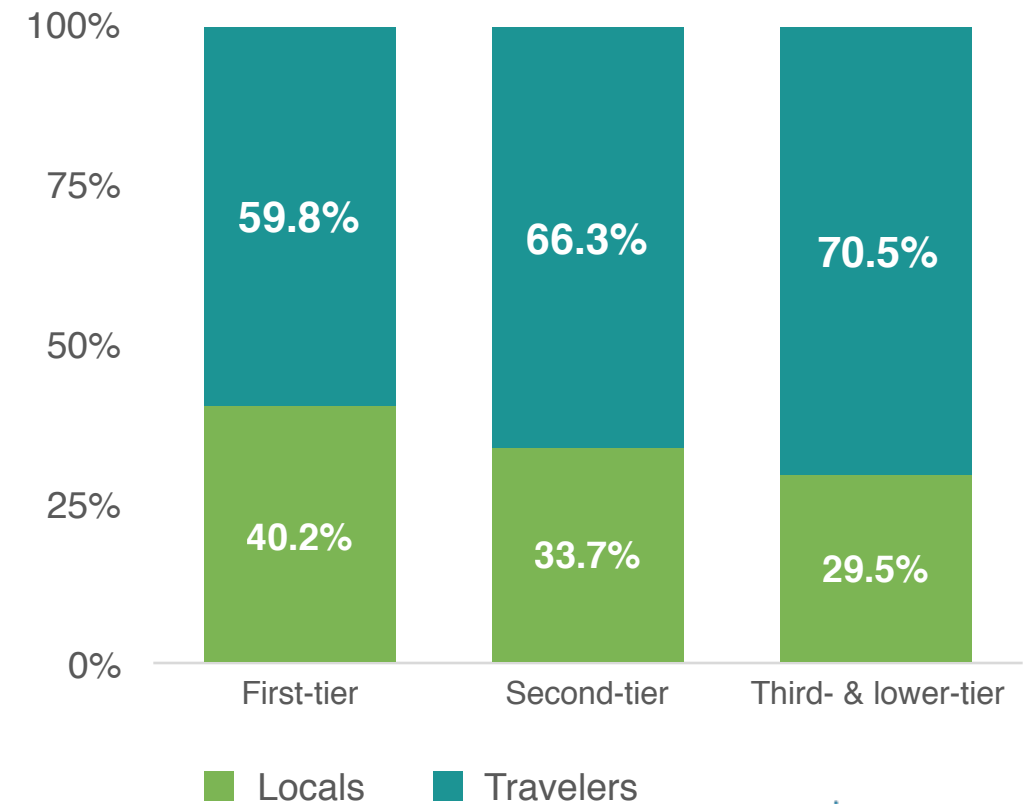
The hotel bookings of local scenario is increasingly popular

The proportion of reservations made by locals exceeds 30%

ratio of online hotel bookings made by locals/travelers to total online hotel reservations (2018 Q1& Q2, in %)



ratio of online hotel bookings made by locals/travelers to total online hotel reservations in different city tiers (2018 Q2, in %)



**Given the upgrade of consumption, online hotel bookings are more diversified.
While demands for high-starred, sea-view and resort hotels become strong,
the shared accommodation becomes an important supplement**

Tense competition among high-starred Hotels



The trend of consumption upgrade is significant. The midscale hotels and high-starred hotels become the core demand of Online Hotel Reservations. Ctrip has the competitive advantage in high-starred hotels, but it is challenged by Meituan Hotels and Fliggy, both of which have the huge scale of users.

Demand of resort hotels



With strong demands from weekend tours, child-friendly tours, and overseas self-guided tours, online bookings of sea-view and resort hotels are on the rise. The concept of 'Hotel is a way of travel' becomes a broad consensus among the new generations, and the hotel itself can be a travel destination.

Increasing acceptance of shared accommodation



The concept of shared accommodation has been widely accepted. Platforms such as Airbnb, Tujia, Xiaozhu and Zhenguo have developed rapidly. Ctrip, Meituan Hotels and Fliggy cooperate with these platforms to offer users with more accommodation options.



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