OTA Platforms Online Travel in the Post-Epidemic Era - Case Study of Trip.com Group

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Abstract. In order to study the countermeasures of online travel OTA under the epidemic situation, taking Ctrip as the research object, this paper analyzes explicitly its corporate strategy and business strategy and puts forward suggestions and prospects for the future development of Ctrip. The results showed that Ctrip adopted the strategy of tourism marketing hub and the strategy of rural tourism revitalization in the face of the epidemic's impact. Specific performance through live presale, pay attention to the surrounding tour and domestic and foreign development of three aspects. These ways to enable Ctrip to pass the epidemic smoothly

Keywords: OTA Platforms, Online Travel, Post-Epidemic Era, Trip.com Group.

1. Introduction

Global travel reached a record low in 2020 amid the pandemic[1]. Among them, the tourism industry, which mainly includes hotels, tourist transportation, and scenic spots, also suffers from reduced reservations, staff turnover, and lack of supply chain[2-4]. Moreover, the impact on the tourism industry is characterized by tremendous pressure and long time, making it suffer huge losses and worsening the economic situation of declining growth. In the face of the epidemic, the invention of travel codes to reduce the spread of the outbreak by reducing mobility, together with different epidemic prevention policies and nucleic acid once every three days, many people do not dare to travel at will. As the middleman connecting upstream suppliers and downstream demand side, OTA is also greatly affected by the 'shrinkage' of business and the loss of performance. Facing this background, different online travel OTAs have made timely strategic adjustments to adapt to the current changes. Taking Ctrip as an example, this paper analyzed how Ctrip responded to the impact of the epidemic by using relevant enterprise management theories, and putting forward and implementing coping strategies. Combining these strategies and the former research, the essence of the problem is analyzed, and the targeted suggestions are put forward, which have certain theoretical and practical significance[5].

2. Online travel OTA platforms Market

1999, known as the First Year of the Internet, was when major OTA Internet platforms blossomed everywhere, and Internet giants such as Tencent, Alibaba, and Baidu were all founded in this year. Online travel OTA also began to appear. Elong and Ctrip were the first online travel OTA platforms established in 1999. In the next five years or so, starting from 2004, the emergence of Web2.0 marked the turning point of the Internet economy, and the establishment of same-trip, budget travel, Where-go and hornet's nest, and the increasing number of online travel OTA platforms. After 2013, the pattern of the Internet gradually became clear and entered a period of stability. The era of big data came. All travel, a subsidiary of Alibaba, changed to pig-flying travel; Meituan founded Watermelon Travel; Ctrip merges where net, merges with Cheng Yilong, buys shares with Cheng Yilong again to Ctrip. Since 2019, Pinduoduo, Red, and Tiktok have entered the tourism industry. The industry pattern of online travel OTA is gradually taking shape[6].

3. Case description

3.1 Industry Pattern of online OTA tourism

(1) There are substantial shareholders behind major online tourism. Online travel OTA mainly includes Ctrip, Qunar, Meituan, Feizhu, and TongCheng Yi long. They all have potent backers behind them. C trip is backed by Baidu and has an 11.75% stake. Meituan is backed by Tencent and has an 18 percent stake; Tongcheng Yilong is backed by Both Ctrip's Baidu, with which it shares inventory, and Tencent, with a 22.22 percent stake. Flying Pig is a subsidiary of Alibaba.

(2) Ctrip department has a monopoly position. As far as it is concerned, Ctrip, the leading enterprise of online travel OTA, has a monopoly position in the industry and has a dominant trend. Ctrip accounted for 36.3% of the online travel OTA market share in 2021; Meituan accounted for 20.6%; Same journey 14.8%; Qunar 13.9 %; Flying Pigs and other online OTA's accounted for 7.3% and 7.1% respectively. Ctrip's acquisition of Qunar, holding a 45% stake, brings the two online OTA companies together and strengthens Ctrip's leading position in online travel OTA. Since then, Ctrip has become elong Dongcheng's major shareholder, and the Ctrip family has expanded accordingly. In 2021, Ctrip's GMV accounted for 65% of the total.

3.2 The challenge of the epidemic

(1) Overall impact. The overall transaction scale of China's online travel market has shrunk amid the pandemic. The volume of transactions decreased from 1.81 trillion yuan in 2019 to 0.99 trillion yuan in 2020. In 2021, with the improvement of the epidemic and good prevention and control measures, the volume of transactions increased to 1.33 trillion yuan, but still not as large as before the epidemic. Ctrip's total revenue was 35.66 billion yuan in 2019 before the epidemic, and 18.32 billion yuan in 2020 after the epidemic, with a sharp drop of 48.7%. In 2021, the total revenue was 4.18 billion yuan, which is still declining [7].

(2) Influence on travel mode and distance. Before the epidemic, China was already the world's largest outbound tourism market, as well as the largest domestic tourism market. In 2019, the number of Chinese outbound tourists exceeded 150 million. The number of trips per capita was four, with 6.06 billion trips made annually. Overseas travel, long-distance travel, and long-distance travel are almost the first choices of domestic tourists. Tourism and tourist destinations were heavily dependent on foreign visitors before the pandemic. According to data, Guangzhou received 8.4891 million foreign tourists during the National Day Golden Week in 2018, accounting for 57.65% of the total number of tourists. In 2019, Hangzhou received 81.6% of the total number of foreign tourists. During the pandemic, the invention of travel codes to reduce the spread of the disease by lowering mobility, along with different epidemic prevention policies and three-day-a-day nucleic acid, has discouraged many people from traveling as they wish. Domestic tourism habits also change from outbound, long-distance, long-distance, peripheral, short-distance, and local travel. In the fourth quarter of 2021, Ctrip's hotel bookings in the province grew by more than 30% compared with 2019, with local hotel bookings up by more than 50%. Strong growth in short trips continued into the Spring Festival, with local hotel bookings up more than 20 percent year-on-year during the holiday.

(3) Influence of tourism product sales. In early February 2020, Ctrip completed millions of orders for refund and reform, with a 405% year-on-year increase in the total volume of refund and reform requests and inquiries and a 650% increase at the peak. Liang Jianzhang was very nervous about the media. Frankly, at that time, Ctrip faced service pressure, financial pressure, bad debts, and enormous pressure. Ctrip's leading businesses, hotel bookings, transportation tickets, and group travel revenues also declined to vary degrees. Among them, accommodation booking revenue was 7.132 billion yuan, a sharp drop of 47.2% compared with 13.514 billion yuan in 2019; Traffic ticketing revenue was 7.146 billion yuan, a decline of 48.7% from 13.952 billion yuan in 2019.

3.3 Measures Ctrip has taken in the face of the epidemic

"The crisis is also forcing Ctrip to innovate. Liang Jianzhang believes every innovation is also an opportunity; if you do not seize an innovation, the opportunity may fall behind, which is dangerous for enterprises". Ctrip faced the strong impact of the epidemic and had to make strategic adjustments. In 2020, Ctrip held the first global partner summit after the epidemic, put forward a new overall strategy, namely "deep domestic and global," and launched the "Rejuvenation V Plan" to revitalize the tourism economy impacted by the epidemic. Specific performance is tourism marketing hub strategy and tourism rural revitalization strategy. The proposal of this strategy makes Ctrip undergo a particular transformation and upgrading under the epidemic.

(1) Focus on developing peripheral, short-distance, and local tourism and create new consumption hotspots in line with the rural revitalization strategy[8]. In the post-epidemic period, the popularity of short-distance, peripheral, and local tourism has driven tourism development in the third and fourth-tier cities around the first and second-tier cities. Ctrip itself is positioned in first-tier and second-tier cities. Under the change of tourism mode, Ctrip has to choose to "sink" and pay more attention to hotel business in third-tier and fourth-tier cities to maintain its leading position in tourism OTA. In 2021, the transaction volume of peripheral and local travel products sold by Ctrip's top suppliers achieved positive growth compared with 2019; The number of domestic private group suppliers increased by 32% compared with the same period last year, and the transaction volume increased by nearly 40% compared with 2019; The transaction volume of Ctrip's themed travel products increased by more than 160% compared with the domestic segment in 2019. In addition, the sinking unique combining proprietary, rural development strategy, the outbreak of ctrip, as a result of business lockout knows not to blindly make the connection of upstream suppliers and downstream demand middlemen, ctrip choose to merge the upstream suppliers or himself as a supplier, formed a certain degree of proprietary, improve their bargaining power to face the upstream suppliers. On the one hand, Ctrip, combined with the country's emphasis on rural development, almost from scratch, found that urban residents' demand for tourism brings more possibilities for the products of these destinations and even the upgrade of the whole goal. Ctrip hopes to combine these destinations' resources and other advantages to create some new consumption hotspots to digest this part of the market and expand new strategic ideas. Ctrip's data shows that Ctrip's rural tourism order volume in 2021 increased by 6% compared with the same period in 2019, among which rural hotel orders increased by 32% compared with the same period in 2019; In terms of travel distance, more than half of the users choose the countryside around where they live.

(2) Start live presale and create new ecological marketing. The upstream suppliers have a severe problem of unsalable products. The Ctrip team thought of a way to keep pace with The Times to save itself and the contracted suppliers in danger, presell and sell their products through BOSS live broadcast. Liang Jianzhang, chairman of Ctrip, visited the studio in person. In each live program, Liang Jianzhang and his guests COSPLAY into different roles in movies and TV series and promote various tourism resources to users through camera shots and live broadcasts[9]. As a new marketing method tried by Ctrip, this "BOSS costume live broadcast" has a novel form, strong attention, and is an entirely online participation mode. In a short period, Ctrip has become a new model for the tourism industry to take the lead in breaking the game. Ctrip's new live content system includes: BOSS live broadcast on Wednesday, brand Day special broadcast, live business broadcast, ecological chain personal live broadcast, and other IP matrix revisions. Among them, the "official co-brand special live broadcast" is the upgraded IP in 2021. The service focuses on a deep combination with merchants and customized live broadcasts. In addition to satisfying fans' sense of exclusivity and realizing users' long-term and immediate travel product selection needs, Ctrip is also committed to developing new ecological marketing. Star is a brand new tourism ecological community product launched by Ctrip for merchants and users. On Star, up to 220 million platform users create high-quality tourism content through Star. These original high-quality content can bring ecological value such as traffic and brand diversion for businesses and provide accurate recommendation functions for consumers with consumer needs. Ctrip's weakness lies in the content; the tourism marketing hub strategy is the

purpose of learning from each other. One advantage is the high conversion rate of content. With the little red book and trill less, strip closer to deal, and strip users, there are both consumption ability and consumption of power. In 2021, according to data, about 30% of visited Ctrip platform content users will place an order in a month. For some head star brands, the content conversion rate has been maintained at 10% and 20%, compared to other cargo platforms. That's an increase of several orders of magnitude. The second advantage is that Ctrip has many users, and users have a strong sense of belonging and identity to Ctrip, with high stickiness. The third advantage is a complete and stable supply chain and system. If the three "content + flow + commodities" can be accurately connected, Ctrip's competitive strength can be significantly improved in the future.

(4) Adhere to the domestic and foreign double moat strategy. Ctrip has been adhering to keeping in step with domestic and foreign markets. In the domestic market, Ctrip and Qunar, two independent brands known to consumers, are adopted to provide services to different user groups in other regions and backgrounds to achieve differentiated marketing and strategic layout and thus gain a larger market share[10]. In foreign markets, we use our brand Trip.com and several direct investments in Sky Scanner, Make My Trip, and other brands to provide services for global consumers. Expand its global reach. Therefore, Ctrip can achieve both sides in the epidemic era. Due to the excellent effect of epidemic control in China, the domestic hotel reservation volume will increase by more than 20% in 2021. Ctrip's private group, the rural tourism business, has also seen significant growth. Ctrip's overseas business has grown due to COVID-19 control measures gradually opening up overseas. In the Asian market, Ctrip's domestic/regional hotel bookings in overseas markets rose more than 30 percent in 2021 compared with 2019 - with around triple-digit growth in Hong Kong, Singapore, and South Korea, the data showed. Bookings for the European market recovered further in the fourth quarter. They continued into early 2022 - Ctrip's overseas brands saw year-on-year growth of more than 200 percent in the first two months of this year, with faster growth in the European region. For the whole year of 2021, the order volume of overseas destination entertainment products on the Ctrip platform increased by more than 30% compared with 2019; Ctrip's total number of entertainment products in overseas markets increased threefold year on year, with the number of online products exceeding 200,000, covering more than 2,000 destinations.

4. Suggestions

The new strategies put forward by Ctrip in the face of the epidemic are generally feasible, combined with Ctrip's development situation, and have certain uniqueness and scale. However, it takes time to implement, and different competitive strategies have additional difficulty and speed. The first is the tourism marketing hub strategy. The most crucial point of this strategy should be to combine the three segments of content, traffic, and merchandise. Ctrip's current board should be in range, is focused on trading before, because as we these young users consumer decision-making reference, channels have been changed, the elements of the text, short video and live more real scene trading also to become the mainstream, so ctrip now will pay attention to content up constantly. Trill, the little red book destination grass, the content of interaction of mature, how to cultivate the range of strip KOL, how to stimulate the stock user triggered by inspiration, or trill little red book this young and robust grass blogger and the content of the large group of grass could quickly transfer to the strip, carries on the marketing transformation, realize the weeds, Is a more thought-provoking problem. The second is the rural tourism revitalization strategy. Unlike Meituan, which has diversified industries, Ctrip focuses more on tourism and shoulders the critical task of tourism development. Unlike elong Hornet's Nest, Ctrip is larger and more committed to business development and innovation. Ctrip Cloth this bureau is a long-term development bureau, is a massive bureau, needs to invest many funds, mobilize the overall resources, plus time precipitation. Except for Ctrip, none of its competitors can do this strategy. However, many new destinations Ctrip wants to develop are challenging to meet or reach a certain high standard of service initially, which may take 3-5 years or as long as ten years.

5. Conclusions

Ctrip's strong perseverance under the epidemic can be reflected in this study. Through the use of a tourism marketing hub and rural tourism revitalization of the enterprise strategy for Ctrip to bring a turnaround. In the future, Ctrip can also improve its competitiveness under the pandemic by combining digitalization, such as intelligent tourism and VR house viewing. As a leading enterprise in online tourism, I hope Ctrip can survive the epidemic smoothly.

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