



# Engaging Host Communities: *The Impact of Experience Economy on Rural China*

Jul. 28, 2018

Mei Zhang

Founder, WildChina

Author, *Travels Through Dali with a Leg of Ham*

碧山

WILDCHINA



1990  
INSTITUTE

## *Agenda*

# *The Story of Aluo*

Traditional Tourism

Experience Economy

# *In a Remote Corner of China*





























# *Local Tibetan Guide Aluo*







每日一图，穿越滇西北三江并流世界自然遗产腹地迪麻洛雪山上的一角。



上天的恩赐！这座雪山周围的村庄全靠梅里雪山，靠山吃山了！保护生态多么重要啊！

❤ 赞

💬 评论



10

## *Agenda*

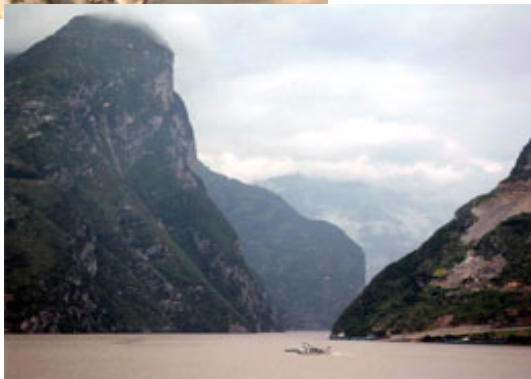
The Story of Aluo

*Traditional Tourism*

Experience Economy

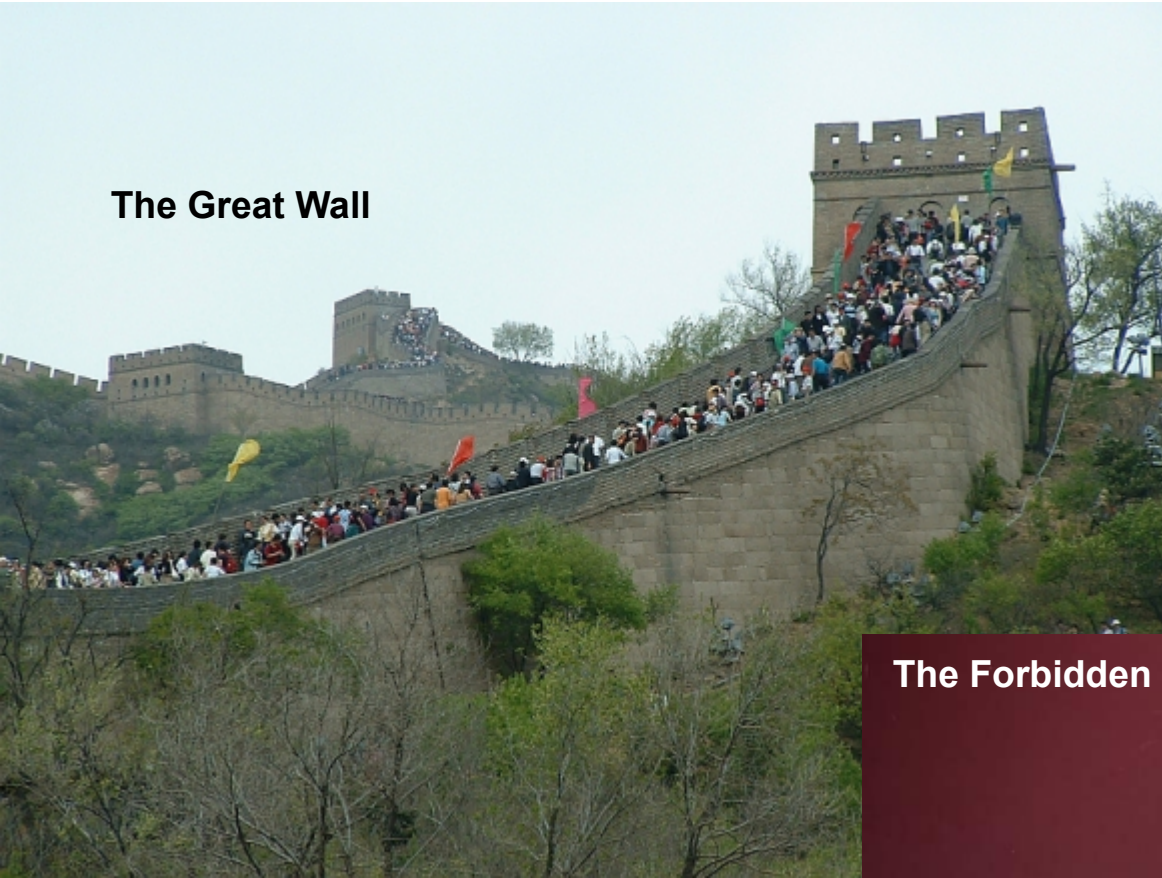


# *The Known China*





**The Great Wall**



# *The Real China*

**The Forbidden City**





# *85% of Foreign Traveler Nights Spent in 20% of China's Land Mass*

■ Coastal and heavily tourist-frequented provinces / municipals



\* Guilin is located in Guangxi province; Chongqing is the departure point for Yangtze River Cruises; and Xian's famed Terracotta warriors are in Shaanxi Province. Source: China Statistics Yearbook, Jan – Dec 2005





Photo by Susan Meiselas/Magnum photos, WildChina, Yunnan





Photo by the Opposite House Hotel, Beijing



*Dominant Travelers  
Experience*





HOW WE INNOVATE

# *Travelers want Experience not another Tourist site*





HOW WE INNOVATE

*Participate!*





HOW WE INNOVATE

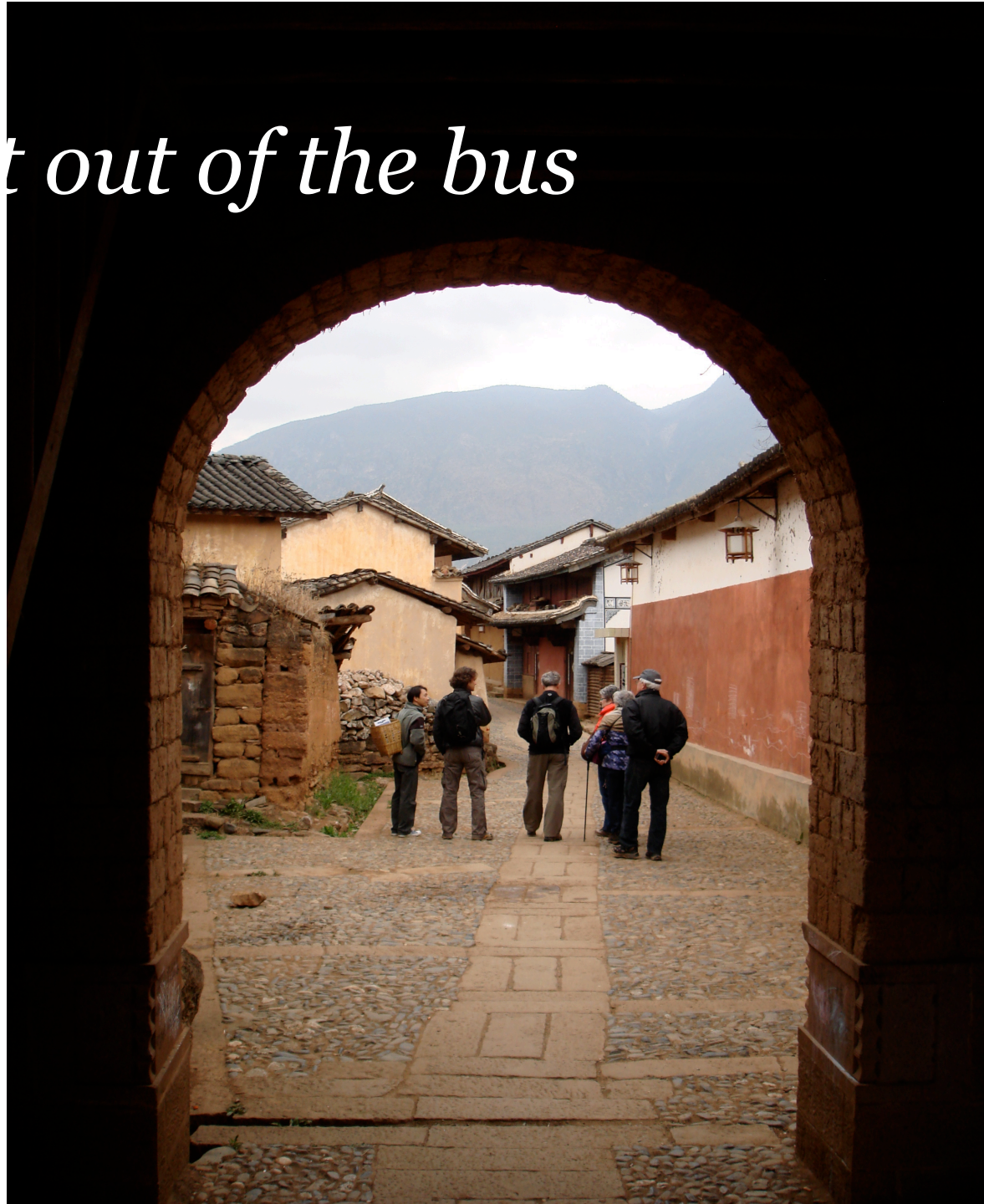
# *Sharpen Focus on Learning*





HOW WE INNOVATE

*They want to get out of the bus*







HOW WE INNOVATE

*They want skip the trinket shops and  
tourist restaurants*





HOW WE INNOVATE

*WildChina screens, trains  
and pays our Guides*

“We got along so well with our guide. He was amazing. He was so flexible and tailored the days to meet our interests and needs...We felt very well taken care of.”

– Mary D., WildChina traveler



HOW WE INNOVATE

*For WOW services, clients will pay*







DANIEL ISENBERG  
SHIRLEY SPENCE

## WildChina (A)

### May 2005: The CEO Offers to Resign

Mei Zhang (HBS 1996), chairperson of WildChina, was smiling as she hung up the phone from a call to her husband and their young son in Los Angeles. The smile quickly faded though as her gaze returned to the smoggy Beijing skyline outside WildChina offices and her thoughts turned to the future of the company she had founded to share her passion for travel and fulfill her dream of starting a business. With \$100,000, she had launched WildChina in the summer of 2000.

The company had overcome a major challenge in 2001 when the 9/11 terrorist attacks in the US resulted in many cancellations. WildChina turned profitable in 2002 but Zhang was not satisfied with growth rates and decided that new leadership was needed to “get to the next level.” She recruited Jim Stent, an ex-patriated American and senior executive at a Thai bank with strong China connections, as COO in March 2003 just as another business crisis was building: the Severe Acute Respiratory Syndrome (SARS) epidemic.

By the end of 2004 business was again booming. Zhang appointed Stent CEO and moved to Los Angeles with her family. In May 2005 she returned to China to lead a tour at the insistence of a concerned client. She was dismayed that WildChina had recently lost some major accounts and asked Stent to get more involved in client work. His reaction: “Perhaps it would be better for you and WildChina if I left in September.”

Zhang protested and Stent agreed to stay until year end. Zhang wondered whether she should try to repair the relationship. Perhaps Stent was not serious about leaving and just wanted her to back off a little. She had, she reflected, been putting a lot of pressure on him recently about financial performance. But maybe she had to accept that things were not going to improve. The prospect of recruiting and bringing in yet another CEO was daunting though and time was short. She began to consider all her options.

### Mei Zhang: Path to Entrepreneurship

Zhang was born in 1971 in the town of Dali in Yunnan Province. At the time, this southwestern corner of China was considered “backward” compared to coastal areas and was essentially closed to foreigners. Zhang described her childhood in socialist China:

Senior Lecturer Daniel Isenberg and Research Associate Shirley Spence prepared this case. HBS cases are developed solely as the basis of class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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HOW TO INFLUENCE

# *Become a catalyst for change*

*National Geographic  
“Best Travel Company  
on Earth”  
for China*

*Condé Nast Traveler  
Top Travel Specialist*

*Travel + Leisure  
A-List Travel Agent  
Trips of a Lifetime*

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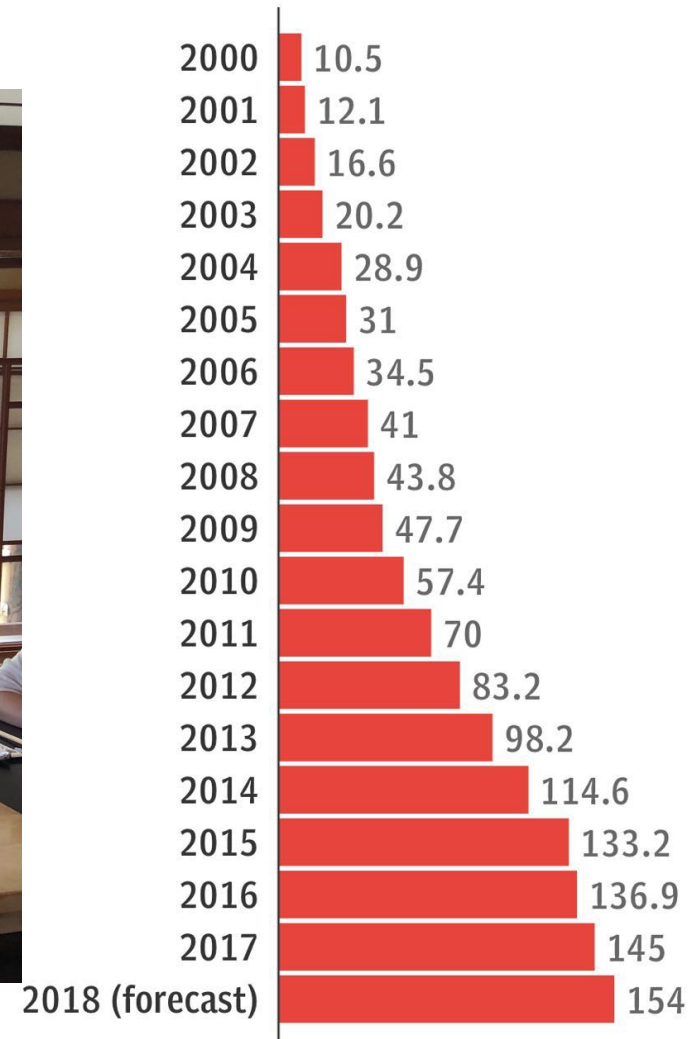
# Unstoppable Rise of Chinese Travelers

**1,380 per cent** | How the number of Chinese tourists has skyrocketed

*Annual overseas visits (millions)*

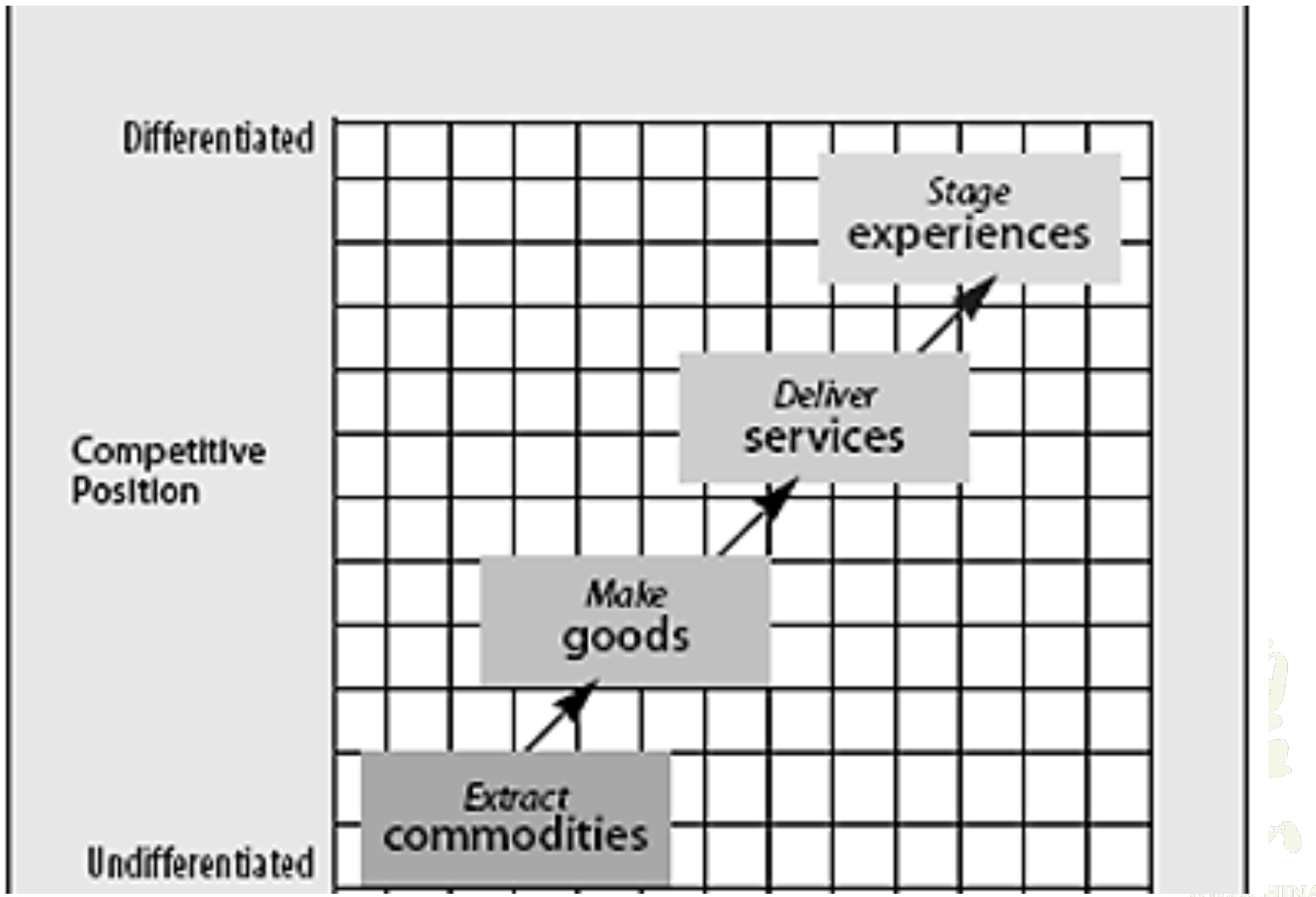


Source: The Telegraph





# *The Progression of Economic Value*



Source: Harvard Business Review



# *Must have China Experience*



Image Source: Internet



*Must have China Experience*

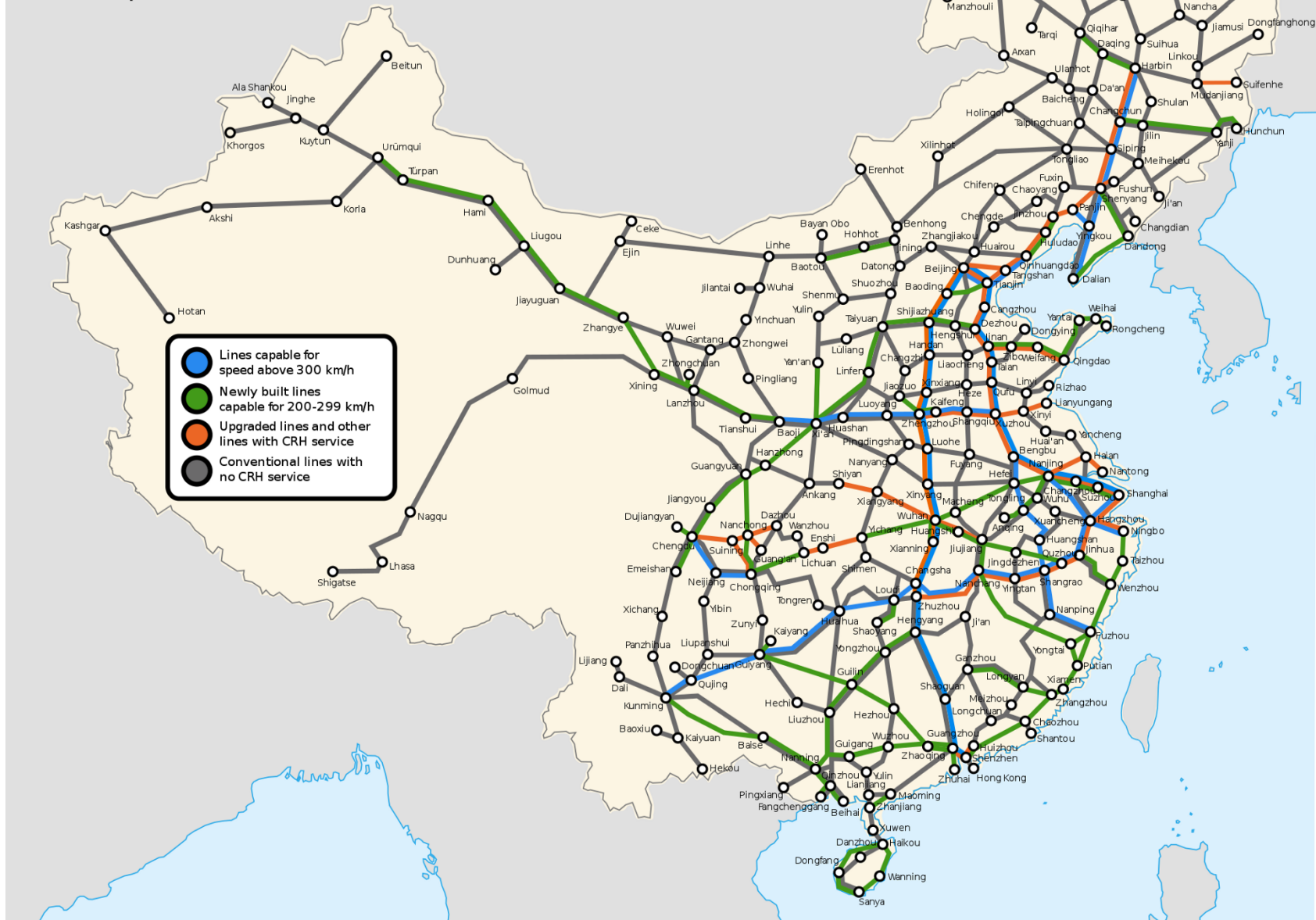




# Railway map of People's Republic of China

Colored lines showing CRH and other high speed rail services

Last update: 2018-01-15





# *Designer Lodges Abundant*



Image Source: Alila Yangshuo



































# *Challenges for non-CN Speakers*

- Innovation largely caters to Chinese travelers, little available to non-speakers*
- Train system remains daunting*
- Wechat pay requires Chinese bank Cards*



# *Benefits to Rural China*

- The call for “conservation” is beginning*
- Technology equalizes access to market*
- More opportunity for entrepreneurship*
- More opportunity for innovation*





WILDCHINA

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*Thank you! Visit us on [www.wildchina.com](http://www.wildchina.com)*