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## Trends in Tourism

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We will take a look at some of the trends in tourism. As in many industries, technology has a huge effect in terms business operations, customer information and interaction and how people consume products.

For each of the issues below, **please make notes** in the space provided as to *what they mean* and *how they impact* the trend or growth in tourism.

1.  Ecotourism

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2.  Number of tourist arrivals will continue to increase

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3.  Governments will continue to recognize importance of tourism

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4.  Increase in number of bi-lateral treaties

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5.  Internet booking will increase

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6.  Technology will continue to advance

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7. Social media will play a greater part and give more power to consumers.

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8. Marketing partnerships and corporate alliances will continue to improve

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9. Ticket-less air travel (and e-tickets in general) will become commonplace

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10. Managing destinations has become a challenge

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11. Increase in number of "boutique" hotels, airlines and other HAT products

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12. Increase in use of automatic airport check-ins

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13. Continued expansion in the cruise industry (especially in developing countries)

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14. Increased concern for health and safety of travel and tourism

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**Some trends and statistics for China:**

Tourism Flows Inbound in China

## LEISURE

- Leisure arrivals accounted for the majority of total inbound tourists in 2010; however, the percentage of arrivals for most inbound source countries for leisure purpose was lower in 2010 compared with 2009. For instance, leisure arrivals from Japan accounted for 68.3% of total inbound Japanese visitors in 2010; slightly lower than 69.4% in 2009. This is mainly because after the decline in business travel during the recession in 2009, economic recovery in 2010 helped to bring business travel to a faster pace of growth.
- **Organised tour groups** still accounted for the biggest share of leisure tourists in 2010 (28%), as the vast size of China, and, more importantly the language barrier for most international travellers, makes tour groups the ideal choice for travel. The more adventurous backpackers and single leisure travellers accounted for a minority of arrivals, at 6% and 4% respectively in 2010.
- Tourist arrivals to China increase by 8%, from **50** million trips in 2009 to **54** million trips in 2010
- The 26 million trips from Hong Kong forms the biggest share of inbound tourists, ranking in first place in terms of country of origin
- Incoming tourist receipts increase by **10%** in current value terms to RMB293.0 billion in 2010, due to economic recovery
- Tourist arrivals is expected to see a volume average growth of 6% in the forecast period, with the total number of trips reaching 72 million by 2015

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# Challenges for China's tourism industry:

China's tourism industry may be **booming**; however, it faces many challenges in the near future if its growth is to *continue* and the *economic benefits* are reaped (Gong and Kruse, 2003; Mak, 2003). These challenges may be described as:

- **External competition**
- **Environmental costs**
- **Infrastructure**
- **Seasonality**
- **Possible overcapacity**

China will face increased competition from enterprises that are outside of its borders. China has been effectively opened up to competition by its entry into the WTO in 2000. The effect of this is that China's travel market is now open to **external competition** in the tourism market place. This may be **multinational** operators in hotels, attractions and transport. Consider Hilton, Sheraton and Disneyworld as examples of these.

The question that this raises is **– Can China's tourism enterprises survive this competition when there is no longer any protectionism?**

Tourism may have adverse environmental impacts upon China. Tourism and travel come at cost, not the least of which is the environment. China already has a very high proportion of the world's most polluted cities. ***How will tourism's environmental impacts be dealt with?***

- Increased air travel will add to global warming
- Historic sites could be endangered
- Tourism resources may be insufficient to deal with the increased number of visitors.

Although great strides have been made, problems with its tourism infrastructure remain. Mak (2003) claims that transport remains one of the biggest barriers to tourism and its development in China. The reason given for this is that transport **varies** in standard across the provinces, and schedules are poor. Across all transport sectors, there are **inefficiencies** and **relatively low economies of scale**.
- Airlines are lacking in **punctuality**, and there are **poor safety records**.
- Roads are poor with few major motorways
- Cities are **congested** and there are many **accidents** leading inevitably to fears about the *safety of tourists*.

Tourism in China could suffer from seasonality, that is, that demand depends upon the time of year. Domestic tourism in China has its peaks, and these peaks coincide with the **three long**, **major public holidays**. Cities with major tourism attractions that attract international tourists, such as Beijing, may be extremely cold and unwelcoming in winter. This can lead to peaks and troughs in tourism that can in turn lead to employment being subject to season and give rise to seasonal unemployment, which would have attendant negative impacts upon incomes.

There is a possibility that there may be overcapacity in the travel and tourism industry. Gong and Kruse (2003, p. 99) suggest that tourism in China has become a "**development fad**" based upon the notion that tourism is "good everywhere". If tourism becomes **too big** and **grows too quickly**, there may be **oversupply** in the industry that may lead to **greater rivalry** and **competition**, which, in turn, may lead to **inefficiencies** in operations as operations are not at their capacity. While greater competition can be **good** for customers, for businesses there is always the possibility of a 'race to the bottom' – each business lowering their prices until they lose money. No business generally wins and can often drive good companies out of the market.

From the international arrivals figures, much of international demand for China as a tourism destination is from compatriots from Hong Kong, Taiwan, Macau and overseas Chinese. Many of these tourists are merely "*popping over*" the border or are visiting friends and family. Their expenditure may be low when compared to other more "*traditional*" tourists. The challenge to China is to **widen** its **international tourist** base. Further, the foreign tourists tend to concentrate on only a few destinations. These are Beijing, Shanghai, Guangzhou, Xi'an, Guilin, Shenzhen and Hangzhou, and it will be noted that two of these, Shenzhen and Guangzhou, are very close to the Hong Kong border. The remainder indicates a concentration of tourism expenditure in relatively few locations.

China is not the only tourism destination in Southeast Asia. Other destinations such as **Vietnam** and **Cambodia** are becoming popular; a consequence of this may be that China faces competition from these emerging destinations.

*Taken from the book: 'Contemporary Hospitality and Tourism Management Issues in China and India'.*

## Other references:

Gong, X. and Kruse, C. (2003). Economic impact of tourism. In Lew, A.A., Yu, L., Ap, J. and Guangrui, Z. (eds), Tourism in China, Bridghampton, NY, Howarth, pp. 83–101.

Mak, B. (2003). China's tourist transportations: Air, land and water. In Lew, A.A., Yu, L., Ap, J. and Guangrui, Z. (eds), Tourism in China. Bridghampton, NY, Howarth, pp. 165–193.

**Individual task:**

**Choose 3 of the issues facing China**. Can you suggest some solutions for these issues? Your solution should be feasible (real) and workable.

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| Summary of worksheet | Summary of worksheet in Chinese |
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In your opinion, what is the most important thing to remember?

What are the keywords from this worksheet?

| English: | Chinese translation: |
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