

CHINA IN THE INTERNATIONAL TOURISM MARKET :
THE BRITISH EXPERIENCE

BY

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DEDICATED TO MY PARENTS

ABSTRACT

The Chinese tourism industry has expanded rapidly since 1978. However, increased tourism and expanded tourist facilities bring new problems : how to make China more attractive to foreign visitors while still preserving its special identity; how to promote Chinese tours more effectively in the U.K. tourist market; etc.

This thesis attempts to provide some framework for the future development of China's tourism industry and to suggest ways to improve the operation and promotion of Chinese tours in the U.K. tourist market.

The study begins with a description of the theoretical framework of tourism and the application of marketing concepts to the field of tourism. A study of the international tourism trends in the 1980s follows. A discussion of the profile of British overseas tourism, the British travel industry, and the prospects for inclusive tours from Britain are also included. Next, an investigation into the tourism industry in developing countries is undertaken. The structure and administration of China's tourism industry, and the demand for and supply of tourism services for foreigners in China are also examined.

To supplement the desk research, field research was conducted by means of postal questionnaires to 50 U.K. tour operators, 35 hotels in China and the China

International Travel Service (Luxingshe).

Findings from the field research indicate that accommodation, transportation, communication and the pricing policy in China are the most common problems to be faced by U.K. tour operators in organising tours to China. At the present moment, China only accounts for a very small part of the U.K. tourist market. However, U.K. residents are becoming more and more interested in visiting China. More and more people want to get information about China.

Based on these findings, recommendations are made for the future development of China's tourism industry, in order to minimise the problems faced by U.K. tour operators in organising tours to China, and to improve the promotion of Chinese tours in the U.K.

It is hoped that this study can help China to build up a better tourism industry and can improve the marketing of Chinese tours in the U.K. tourist market.

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NOTES

1. TERMINOLOGY :

The name "China" used in this study is referred as "The People's Republic of China".

2. TRANSLITERATION :

Spelling of Chinese proper names and terms in this study follows the "pinyin" system, which was officially adopted by the People's Republic of China in 1979 for dealing with foreign governments and news media. In the past, the "Wade-Giles" system was mostly used by Westerners to render Chinese sounds in the Roman alphabet. To facilitate the study of this thesis, a translation glossary of Chinese place names between "pinyin" and "Wade-Giles" is provided at the end of the Appendixes in this dissertation. (Appendix 18)

INTRODUCTION AND METHODOLOGY

BACKGROUND OF STUDY

Before 1978, only limited numbers of foreign visitors were allowed to travel in China, and tourist facilities were few and unimpressive. Now everything has changed. The Chinese government has opened the door to foreigners and relaxed internal travel restrictions. Tourist arrivals have increased more than six-fold since 1978. Many new hotels have been built, and air services and other tourist facilities developed. However, increased tourism and expanded tourist facilities bring new problems: do the developed tourist facilities meet the tourist's demands; how to price the new facilities; the problem of seasonality relating to the provision of the tourist facilities; what standards of service are required by the tourists; etc.. In order to solve these problems, the application of the marketing concept to China's tourism industry seems to be necessary.

OBJECTIVES OF STUDY

The main objectives of this study are as follows:

- (1) To provide some framework for the future development of China's tourism industry.
- (2) To analyse and evaluate the factors involved in marketing China as a destination in the U.K. tourist market.
- (3) To find out the problems of the tour operators and

travel agents in operating tours to China and to suggest ways to minimise them.

SCOPE OF STUDY

This study includes an investigation into the tourism industry in Asian developing countries to see what problems have arisen in developing their tourism industry, and what difficulties are involved in marketing themselves as a tourist destination in the tourist generating countries.

A review of the U.K. travel industry is also included. This review is aimed at finding out the profile of U.K. long-haul travellers, the characteristics of U.K. long-haul inclusive tours, and the operation methods of the tour operators and travel agents.

The study also involves a review of China's tourism industry, aimed at finding out the Chinese government's policy towards this industry, the problems that are involved and the ways in which China promotes itself in the foreign countries.

METHODOLOGY

This study is based on both desk and field research. Desk research was carried out through a literature review of published books, various reports, journals, magazines, and various reports published by the Chinese government.

Field research was conducted by means of postal questionnaires to 50 U.K. tour operators to elicit their views in operating tours to China. In order to obtain more information relating to the past and present conditions of China's tourism industry, postal questionnaires in Chinese were also sent to the China International Travel Service (Luxingshe), and 35 hotels in China.

ORGANISATION OF STUDY

This study is divided into three parts arranged in eight chapters. The first part is mainly concerned with describing the theoretical framework of tourism; the factors stimulating the growth of tourism; and the application of the marketing concept in the field of tourism industry (Chapter One).

The second part begins with a description of the current dimensions of world tourism, the movement of tourists, the factors that affect the travel patterns of international tourism, and the future trends of the industry (Chapter Two). This is followed by a discussion of the profile of British overseas tourism, the British travel industry, and the prospects for inclusive tours from Britain (Chapter Three). The trends and the economic impact of international tourism on the developing countries; the role of the government, the organisation of tourism, and the place of tour operators in the

development of the tourist industry; and the problems in marketing the developing countries as tourist destinations are described (Chapter Four). This is followed by a discussion of China's tourism industry, its structure and administration and the demand for and supply of tourism services for foreigners in China (Chapter Five).

The third part supplements the desk research and consists of a field research in the form of postal questionnaires to 50 U.K. tour operators, 35 hotels in China and the China International Travel Service (Luxingshe). The objectives of the research, the research methodology, the selection of samples, the covering letters and the questionnaires are all included (Chapter Six). The analysis of the research findings, the research implications and the conclusions of the findings follow (Chapter Seven). Finally, the conclusions of the study, and some recommendations that relate to the development of China's tourism industry, the ways to minimise the problems of operating tours to China, and the marketing of China as a tourist destinations in the U.K. tourist market will be proposed (Chapter Eight).

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CHAPTER ONE : AN INTRODUCTION TO TOURISM

INTRODUCTION

Tourism is not a new phenomenon. Travelling for economic and military reasons, of course, goes back to earliest societies, but even tourism itself -- travelling for non-business purposes -- has a long history. The Pharaohs of ancient Egypt had royal parties in which tours were made for pleasure -- to fish in the Nile or to hunt in the desert. In the Tang dynasty of China (1,200 years ago), the ancient capital of Chang'an was crowded with several thousand visitors. One of the earliest works in English literature, Chaucer's Canterbury Tales, is concerned with a group of tourists on a pilgrimage. In fact, it is likely that the ancient visitors who had made tours to Rome to watch games and other athletic contests were similar to modern Hong Kong citizens making a journey to Macao to watch the dog-racing game at holiday times.

Nowadays, tourism is one of the major industries in the world. In 1984, there were over 300 million international travellers going to and from all countries --- large and small, socialist and capitalist. The total volume of sales in the industry is estimated at \$100,000 million and represents about 5 per cent of the total value of world trade.¹

As the market for tourism services and products is

dynamic and accompanied by rapid changes in the environment due to increased competition, technological changes and inflation, increased attention should be given to the employment of appropriate marketing management methods in the tourism industry.

1.1 ANATOMY OF THE TOURIST PHENOMENON

Tourism is the temporary movement of people to destination outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs. It involves the motivations and experiences of the tourists, the expectations of and adjustments made by residents of reception areas, and the roles played by the numerous agencies and institutions which intercede between the two groups. Tourism is, therefore, a complex combination of interrelated industries and trades. Because it is not mainly an agriculturally or industrially productive activity, it is usually classified in the tertiary sector which is in the main a service sector.

Tourism, however, is more than a service industry because the "tourist product" is a composition of cultural background and historical heritage, different environment, natural endorsements (such as scenery, beaches and ski-runs), hospitality, accommodation and cuisine.

It is, therefore, incumbent on developing countries to treat tourism as an industry worthy of being encouraged by various incentives. However, tourism, especially between countries whose wealth differs considerably, can produce social problems such as prostitution, drugs and crime. Some of the problems of tourism in developing countries will be discussed further in Chapter Four. Tourism, consequently, needs to be developed within the overall plan for the social and economic development of the country.

From a functional viewpoint, Wahab² breaks down the tourism phenomenon into three basic elements. Firstly, the human element, the tourist whose needs and desires are to be catered for. Secondly, the physical element, which includes the place visited and the means of transportation used. Thirdly, the time element, which is the duration of the trip and length of stay at the destination.

Mathieson et al³ divide tourism into three factors. Firstly, the dynamic factor, which involves travel to a selected destination or destinations. Secondly, the static factor, which involves the stay in the destination. And lastly, the consequential factor, resulting from the two preceding elements, which is concerned with the effects on the economic, physical and social sub-systems with which the tourist is directly or indirectly in contact.

Thus, tourism is a multi-faceted phenomenon which incorporates the diversity of variables and relationships to be found in the whole tourist travel process.

1.2 DEFINING "TOURISM" AND "TOURIST"

1.2.1 THE DEFINITION OF TOURISM

To define tourism satisfactorily is not easy, because tourism has many facets that are difficult to bring together under one definition. However, a clear concept and a precise definition of tourism is required for various purposes. For example, it is necessary for the purposes of study : in order to examine any phenomenon systematically, it is necessary to define it accurately and comprehensively.

In attempting to define tourism it is helpful to distinguish between the concept and technical definitions. The concept of tourism provides a broad framework, which identifies its essential characteristics, and which distinguishes tourism from similar, often related, but different phenomena. Technical definitions, evolved through experience over time, provide instruments for particular types of study and for statistical, legislative and administrative, and industrial purposes ; different technical definitions are appropriate for different purposes.

Burkart and Medlik⁴ developed the concept of

tourism as having five main characteristics. Firstly, tourism arises from a movement of people to, and their stay in, various destinations. Secondly, there are two elements in all tourism : the journey to the destination and the stay there, including activities at the destination. Thirdly, the journey and the stay take place outside the normal place of residence and work, so that tourism gives rise to activities which are distinct from those of the resident and working populations of the places, through which tourists travel and in which they stay. Fourthly, the movement to destinations is of a temporary, short-term character, with the intention of returning home within a few days, weeks or months. And fifthly, destinations are visited for purposes other than taking up permanent residence or pursuing employment remunerated from within the places visited.

Technically, tourism has been defined in a number of different ways. The Institute of Tourism in Britain (now the Tourism Society) defined it as "the temporary short-term movement of people to destinations outside the places where they normally live and work, and their activities during the stay at these destinations ; it includes movement for all purposes, as well as day visits or excursions."⁵ Burkart and Medlik⁶ believed that technical definition must at least contain three particular aspects. Firstly, the purpose of travel or visit, which expresses a particular motivation. Secondly,

it is usually necessary to define the time element. The minimum and maximum period, in terms of stay away from home or in terms of length of stay at a particular destination may have to be established for a particular purpose. And thirdly, a technical definition has to recognize particular situations which may obtain for particular purposes and it has to be determined whether they are or are not regarded as tourism.

1.2.2 THE DEFINITION OF TOURIST

Tourists were first recognised by that name in England in the nineteenth century. Burkart and Medlik define tourists as people who travel to destinations outside the places where they normally live and work with a view to returning within a few days, weeks or months.⁷ A nineteenth century dictionary defines tourists as people who travel for the pleasure of travelling, out of curiosity, because they have nothing better to do and even for the joy of boasting about it afterwards.⁸ The term tourist, the Oxford English Dictionary tells us, was used as early as 1800.

The first official definition of the term "tourist" was given by the Committee of Statistical Experts of the League of Nations. The Committee defined tourist as one who travels for a period of twenty-four hours or more in a country other than that in which he usually resides.⁹ The Committee regarded the following

persons as tourists:

- (1) those travelling for pleasure and domestic reasons, including health;
- (2) those travelling to international meetings;
- (3) those travelling for the purposes of business;
- (4) those arriving in the course of a sea cruise, even though they may stay less than twenty-four hours.

According to the Committee's recommendations, the following persons should not be regarded as tourists :

- (1) those persons entering a country, with or without a contract, to take up an occupation;
- (2) those persons arriving to take up residence in a foreign country;
- (3) students and young persons in boarding schools;
- (4) those persons domiciled in frontier zones and crossing the frontier to work in the adjacent country;
- (5) those travellers passing through a country without stopping even though the journey is in excess of twenty-four hours.

In 1963, a revised definition was prepared by the I.U.O.T.O. (now the World Tourism Organisation (W.T.O.)); the definition was : the term "visitor" describes any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation remunerated within the country visited.¹⁰ This definition was to cover two classes of

visitors :

- (1) tourists : temporary visitors staying over twenty-four hours in the country visited, the purpose of whose journey fell under one of the following two categories :
 - (a) leisure, recreation, holiday, sport, health, study, religion;
 - (b) business, family, friends, mission, meeting.
- (2) excursionists : temporary visitors staying less than twenty-four hours in the country visited, including cruise travellers but excluding travellers in transit.

In fact, tourists are defined differently by various bodies. Some studies for the State of Florida restrict the term tourist to persons from out of state and those who are staying overnight for purposes of recreation or vacationing. A 1970 study of tourism in Massachusetts defined tourists as those persons on a pleasure, business, or vacation trip travelling outside their normal commuting radius. A Bureau of Labor Statistics definition described a tourist as being an overnighiter, an out-of-state person who is travelling for purposes of recreation or vacationing (it excludes the person travelling for business or conventioning).¹¹

The term tourist, therefore, has a number of connotations and is very difficult to define

comprehensively. With the advent of mass tourism, perhaps the most accurate definition of a tourist in the future will be someone who travels to see something different, and then complains when he finds things are not the same !¹²

1.3 FACTORS CONTRIBUTING TO THE GROWTH OF TOURISM IN THE WORLD

The remarkable growth of tourism in the last two decades and the qualitative change in the structure of the tourist phenomenon have been due to multiple factors. These are factors of social, technological, economic, cultural and institutional significance.¹³

1.3.1 THE SOCIAL AND TECHNOLOGICAL FACTORS :

These are factors which are related to man's social life. They are :

- (1) Increase of leisure time : the introduction of paid holidays for working people, both by legislation and in practice, has contributed much to the advancement of utilising leisure time in travel. In most developed countries at present this minimum is fixed at two to three weeks. For example, in Japan, the main generator of tourists in East Asia, the average number of annual holidays given by a firm excluding weekends was 17 days in 1982.¹⁴ Faurastie¹⁵ predicted that in the near future, man will be working only 6 per cent of his life time and

the rest will be left for his biological needs, social life and leisure.

- (2) Technological developments and urbanisation : the more industrially advanced countries with high per capita income become involved in technology and urbanisation, the more noisy they become, and the more their citizens hope to escape from their environment on weekends and on annual holidays. They usually go in search of the sun, sand and sea, or to winter resorts, to make up for the monotonous and unhealthy life they pursue.
- (3) Progress in transportation : progress in the field of transport, especially by air, contributed extensively to the advancement of international tourism. Improved methods of transportation have made the world look smaller. Travellers can have access to nearly any place on earth without much trouble and within a reasonable financial range.

1.3.2 THE ECONOMIC FACTORS :

Tourism represents an important human need but not yet a life necessity. One needs to have enough spare money to afford to travel. The increase in marginal disposable income, the introduction of group travel, and the cheaper transportation cost tend to stimulate more people to travel.

1.3.3 THE CULTURAL FACTORS :

Culture is custom, habit, and tradition.¹⁶ Each place may have its own architecture, historical monuments, museums, political, festivals and religion. As educational level increases, more and more people develop an interest in having a look at all these different things. Thus, culture becomes a great incentive to travel.

1.3.4 THE INSTITUTIONAL FACTORS :

The governments of both developed and developing countries are becoming more interested in the development of tourism. In the U.K., for example, the British Tourist Authority was established in 1969 in order to develop and market Britain's tourism.¹⁷ In the developing countries, more and more money is allocated by governments for carrying out promotional projects. Hong Kong, for example, spent US\$6.7 million in 1981 for overseas promotions alone.¹⁸

1.4 FORMS OF TOURISM

Tourism does not fall into a single category. It is a generic term that incorporates several methods of travel and types of stay dependent on the motivations which form the basis for change of environment. People travel for different reasons and to satisfy a variety of different needs. To simplify the pattern of reasons,

Wahab¹⁹ classified tourism into several categories according to different characteristics :

- (1) According to the number of people travelling :
 - (a) individual tourism
 - (b) group tourism
- (2) According to the purpose served by travel :
 - (a) recreational or leisure tourism
 - (b) cultural tourism
 - (c) health tourism
 - (d) sport tourism
 - (e) conference tourism
- (3) According to the means of transport :
 - (a) land tourism
 - (b) sea and river tourism
 - (c) air tourism
- (4) According to geographical locality :
 - (a) national domestic tourism
 - (b) regional tourism
 - (c) international tourism
- (5) According to age (age modifies needs and habits) :
 - (a) youth tourism
 - (b) adult tourism
- (6) According to sex :
 - (a) masculine tourism
 - (b) feminine tourism
- (7) According to price and social class :
 - (a) deluxe tourism
 - (b) middle-class tourism

(c) social tourism

Burkart and Medlik²⁰ further classified tourism into two more categories according to the distance from the tourists' home countries : long-haul and short-haul, and according to the duration of the visitors' stay in their destinations : day visits or excursions (no overnight stay) and longer visits or trips (overnight stay).

1.5 THE TOURIST MARKET

The word "Market" is definable from an economic viewpoint as a network of transactions and dealings in a particular product between buyers and sellers. The product might be tangible (a commodity) or intangible (a service). Market in this sense comprises both the supply and the demand.

Other usages of the word "Market" depend on what the user has in mind in relation to his particular line of business. From a marketing viewpoint, it means the actual and potential demand for a product whether tangible or intangible. The term "tourist market" could, therefore, be used territorially to mean any tourist-generating country.

The tourist market in this sense, forms a part of the travel market which is larger in scope and more diversified in terms of individual products. The tourist

market could be studied both from a destination or enterprise viewpoint.

Another meaning of the "tourist market" is the actual and potential demand for a particular tourist product deriving from travel motivation. In other words, the tourist market would mean in this sense, those who travel or are likely to travel to a certain destination to satisfy a given need that motivated them to travel and those who decide to travel without any specific purpose in mind.

Following this meaning, one could discover many tourist markets within one tourist-generating point (country or region) and similar tourist markets across various geographical units and boundaries.

Wahab et al²¹ classified the tourist markets into three main groups :

(1) According to the purpose of travel :

(a) Holidaying market : which is characterised by a relatively longer stay at a destination and is motivated by an amalgam of motivations like the need to escape from an unfavourable climate, work pressure, every day routine and the need to change the environment, the scenery and perhaps the people around one.

(b) Cultural tourism market : this is the market where demand for various cultural activities is

at its height. It is not a geographical notion, but a state of mind, and a behavioural pattern revolving around the love and the search for manifestations of culture.

(c) Conference tourism market.

(2) According to age :

Modern tourism is no longer a monopoly of those middle-aged and retired people who could normally afford to take part in pleasure or business travel. Younger people are now travelling more than ever before due to several causes : (i) growing affluence, better education, and less working time of the young; (ii) more students like to travel during their holidays; and (iii) the development and promotion of youth travel by both governments and organisations. (The project, "Development and Promotion of Youth Tourism", that organised by the World Tourism Organisation (W.T.O.) in 1985, for example, is to promote youth travel in the world.)²²

(3) According to international tourist trends :

Tourist markets can be classified under three possible classes according to the location of these markets in relation to the destination. A tourist destination should be conscious of the international tourist trends in order to classify, according to certain objective criteria, its tourist markets into : Primary, Secondary and Opportunity markets.

Primary markets are those markets which already generate the main portion of the tourists to the destination. Secondary markets are markets which already yield a worthwhile number of tourists to the destination but whose potential may in fact be greater because these markets generate a considerable number of tourists to other destinations. Opportunity markets are markets that yield negligible numbers of visits or may not provide tourist movement to any destination at all.

Other classifications of tourist markets can be proposed on the basis of tourist arrangements (luxury and mass tourist markets), scope of travel, domestic or international (short distance or long-haul travel), type of transport used (air travel, sea travel and land travel -- motor, rail, coach etc.), number of trips taken per annum or season, education, occupation, and the incomes of the travellers.

1.6 THE MARKETING CONCEPT IN TOURISM

It is not easy to try to define a concept as comprehensive and operational as marketing. Marketing experts tend to view marketing from various angles, largely depending on whether they are theoreticians or practitioners. Moreover, some people who have practised marketing for a long time would find it difficult to devise a satisfactory definition.

The British Institute of Marketing has this definition : "Marketing is the management function which organises and directs all those business activities involved in assessing and converting customer purchasing power into effective demand for a specific product or service and in moving the product or service to the final customer or user so as to achieve the profit target or other objectives set by the company." ²³

Dr. Philip Kotler, Professor of Marketing at Northwestern University offers this definition of marketing : "Marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others." ²⁴

Peter F. Drucker, in his book, The Practice of Management, proposes this definition : "Marketing is not only much broader than selling, it is not a specialised activity at all. It is the whole business seen from the point of view of its final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise." ²⁵

Although these three definitions differ in their phraseology, they all emphasise the same things in relation to marketing :

(1) Marketing is a way of running a business by focusing

on the customer rather than the product. All management functions including organising, planning, decision making and controlling results are channelled into the marketing orientation which represents a coherent set of techniques and strategies to achieve the business objectives.

- (2) Marketing is a means of assessing and converting the purchasing power into effective demand for the product or service and not simply producing products to satisfy demand as it appears.
- (3) Belief in the idea of consumer satisfaction is preponderant in the marketing concept as it is the gateway leading to the profit goal.

So far, marketing as a concept applies without variation to tourism just as it applies to other tangible and intangible products. Therefore, a definition of marketing in the field of tourism would not be different from a generalised definition of marketing.

According to Krippendorff²⁶, marketing in tourism means "The systematic and co-ordinated execution of business policy by tourist undertakings, whether private or state-owned, at local, regional, national or international level, to achieve the optimal satisfaction of the needs of identifiable consumer groups, and in doing so to achieve an appropriate return."

This definition agrees with the previous

definitions of marketing in general in stressing that marketing in relation to tourism involves co-ordination of the policies of several organisations at several levels (not just policies within an organisation), and is concerned with the needs of identifiable consumer groups (not merely with the market at large).

However, Salah Wahab et al²⁷ feel that tourist marketing is not a mere systematic and co-ordinated adaptation of the policy. It is, in fact, formulating policy according to consumer demand. In other words, the starting point in a marketing policy is to inform oneself about consumer needs, desires, tastes and expectations in order to formulate a development plan to meet tourists' requirements and adopt a policy that is always tourist-oriented. They also feel that tourist marketing should be viewed as orienting the management of tourism within the state policy or the management of tourist enterprise. In their view, marketing in tourism can be defined as : "The management process through which the National Tourist Organisation and/or tourist enterprises identify their selected tourists, actual and potential, communicate with them to ascertain and influence their wishes, needs, motivations, likes and dislikes on local, regional, national and international levels, and to formulate and adapt their tourist products accordingly in view of achieving optimal tourist satisfaction, thereby fulfilling their objectives."

The marketing concept, therefore, facilitates a breakthrough in the "tourist system" assigning to it a fourfold function²⁸ :

- (1) Definition of markets , both actual and potential, and a serious study of these markets' structures and the forces influencing them.
- (2) Communications, to attract demand by persuading tourists that the destination with its attractions, facilities and services, will meet their tastes better than any other tourist destination, and therefore, is preferable to any other substitute product.
- (3) Feedback on the "product" helps to develop and improve it to meet the projected and analysed demand.
- (4) Control of results, to evaluate, assess and measure the results and yields reached. Such a control system should aim at achieving efficient utilisation of the tourist resources and maximizing the marketing return.

Although the concept of marketing is a logical one, it is not, however, widely applied by the tourist enterprises or even the National Tourist Organisations, neither of which groups seems to understand the concept completely.²⁹ The whole set-up of marketing information management, marketing mix, the various policies which ought to be clearly defined, and the various marketing strategies that have to be worked out, present a real

dilemma.

1.7 THE TOURISM MARKETING MIX

The marketing mix in tourism is, in practice, different from the traditional marketing mix for products, although basically, selecting a tourist destination is like selecting a product in a shop. The difference arises from the fact that successful tourism marketing operations combine the selection of destination (which is a function of destination images) with the question of the accessibility of the destination chosen (which is largely a function of the method of transport in terms of time and cost).³⁰

The tourism marketing mix includes the traditional four elements : Product, Promotion, Price and Place (distribution).

1.7.1 THE PRODUCT MIX

In practice, the tourism product-mix has three major components³¹ :

- (1) Attractions of the destination : these include those features that determine the choice by the tourist to visit one destination rather than another. They may be site attractions, related to the natural or man-made environment, or attractions related to events.
- (2) Facilities at the destination : these include those elements that do not normally provide by themselves

the motivation for tourist flows but the absence of which may deter the tourist from travelling to enjoy the attractions. Accommodation, catering, entertainment and recreation are those facilities that are normally required.

- (3) Accessibility of the destination : this component is related to the mode of transport to the destination chosen by the tourist.

The combination and final presentation of the tourist product mix rest mainly with tour operators and travel agents. These have played an increasing role in the marketing of tourism in the last decade or so, by offering a greater variety of package tours products.³²

The tourist product should change its "image" regularly according to developments in the tourist market-place. A good example of this image-changing of a tourist destination is Hong Kong. Before 1950s, Hong Kong was a famous entrepot, an exotic gateway to even more exotic China. As more and more shopping centres and restaurants were built, Hong Kong has changed its image as a tourist destination, and has become a shopping and cuisine destination in its own right.

1.7.2 THE PROMOTION MIX

Tourist promotion involves persuasive communication about the various tourist destinations and their service offerings. Various possible advertising objectives can be

devised according to whether their aim is to inform, persuade, or remind. The information category includes objectives such as : telling the tourist market about new products, new uses or price changes, describing services, reducing tourists' fears, and creating a destination image. The persuasion category includes objectives such as influencing destination preferences and encouraging switching from other destinations.

In the tourism advertising campaign, it is important to ensure that essential parts of the promotional message are remembered by a significant proportion of the tourist target groups. The messages must create or reinforce existing positive attitudes or images and remove negative attitudes or impressions.

The tourism communication programme should include the following³³ :

- (1) the establishment of special objectives for each component of the proposed campaign;
- (2) clearly defined audience segments and tourist target groups;
- (3) the creation of effective, striking and creative messages and unique selling propositions through market research;
- (4) utilisation of creative media scheduling to reach the audiences with adequate frequency;
- (5) promotion of well-phased behavioural changes in messages; and

(6) use of feedback to evaluate the campaign's progress over a period of time.

Sales promotion plays an integral role in the total promotional programme of tourist firms. Provision of brochures is often more important than advertisements in the newspapers and magazines. Promotional literature must give descriptive background in advance of destination decision-making. It can describe alternatives to influence the type of vacation to take and areas to visit.

A recurring problem in tourism advertising is³⁴ : at whom should the promotional effort be aimed and what information should be supplied to the prospective tourist ? Normally a basic starting point for the tourism marketing effort is a marketing plan. The market plan should include careful selection of market segments. A systematic and logical selection of target segments will produce more efficient efforts and/or reduce marketing costs while increasing tourist product demand.

1.7.3 PRICING

Pricing in tourism is a complex matter, particularly where the individual suppliers, airlines, hotel groups and so on determine their prices independently of one another. The final price at which the tourist products will be sold is based on the costs incurred in making the product available, the costs of

marketing it, and the desired level of return or profit. Product demand is an important factor in pricing decisions. Since different market segments have differing needs and wants, the intensity of their demand for a given tourist product may vary. Pricing goals pursued by the tour operator or tourist establishment can include pricing to realise a target market share, pricing to meet or prevent competition or pricing based on tourist product differentiation.³⁵

The supplier of tourist products should have two main objectives in view when price setting³⁶ : (i) to attract as many customers as possible to the selected segments; and (ii) to do this under the most profitable conditions. Basically, there are two pricing approaches in the tourism business, namely cost-plus pricing and rate of return pricing.

1.7.4 DISTRIBUTION

One of the key factors which helps the buyer make his buying decision is the availability of the product. Distribution is what makes the product available. In the case of tourism, the product sold may be a single product, or a combination of several product elements : travel, accommodation, entertainment or services, foreign currency, insurance and destination products.

When deciding a distribution policy, the most important factors to be borne in mind by the seller of

the product should be the location of points of sale (availability of product), the cost of distribution, effectiveness in generating sales in terms of market coverage and motivation and the image of the channels of distribution.

The major distribution channels for the tourist product may include sole agents or distributors, wholesalers, and retailers. In some countries, such as U.S.A., individual outlets (such as tobacconists, or supermarkets) may also be used.

The tourist product is mainly sold through :

- (1) Travel agent : These work on a commission basis and their turnover represents between five per cent and forty per cent of the market according to the country in which the agent operates.
- (2) Tour operator-retailers : These firms produce tourist packages but also retail them through retail outlets or by mail order.
- (3) Tour operators : These create a tourist package of their own by buying transport and accommodation and retailing it through the travel agents. The tour operator should be regarded as a "manufacturer" or wholesaler of a tourist package.
- (4) Direct mail : This is the selling of travel by mail order. It is the most popular method in West Germany.
- (5) Producer-retailers : Some producers of the tourist product have integrated vertically into retailing

through their own outlets.

- (6) Institutional selling : Direct sales of tour operators' packages, or even of tourism producers' products to mass institutional markets such as clubs and insurance companies, are a growing feature of the travel scene.
- (7) New mass outlets : The establishment of points of sale for tourist packages in new mass outlets may prove to be a growth feature of the next decade. These may include : (i) supermarkets and hypermarkets; (ii) bookshops; (iii) record-shops; and (iv) air and rail terminals.

1.8 THE TOURISM MARKETING STRATEGY

Before proceeding to discuss the tourism marketing strategy, it would be useful to examine the factors that affect tourist buying decisions, so that the marketing strategy can be regarded as an encounter between the supplier's marketing mix on the one hand, and the tourist's buying-decision factors on the other.

Usually, in the process of decision making, the potential tourist is influenced by three sets of variables³⁷ :

- (1) Social and personal determinants of tourist behaviour: these include personality features, social influences, socio-economic status, attitudes and values, previous tourism experience, tourism

constraints (eg. time and costs), and assessment of "risk" involved in travel.

- (2) Tourism stimuli factors : these include advertising and promotion, travel literature and travel agents' recommendations.
- (3) Destination considerations : the components of this variable include the image of destinations, cost, travel arrangements, travel opportunity, quality and quantity of travel and tourism information and what is expected from a destination.

Tourism marketing plays a critical role in determining and influencing many of the factors included in all three sets of variables.

1.8.1 STRATEGIC DECISIONS IN TOURISM MARKETING

Tourism marketing decisions are particularly bedevilled by the fact that the tourist product and infrastructure (supply) and the tourist buyer (demand) have very different characteristics. Wahab et al³⁰ had pointed out the following differences between supply and demand : (i) a long building-cycle or a permanent product is usually required by the supplier, but the tourist demand is usually of short duration or represents only an impulse purchase; (ii) product supply is static, but demand may move elsewhere; (iii) emotional, irrational, or service aspects are vital in the demand side, but all these features seem to be very difficult to formalise

or build into the product; and (iv) suppliers take risk on irrevocable investment decisions, while purchasers take risks through being unable to test the product before purchasing.

When deciding a strategy, the marketing plan's overall objectives and goals must first be taken into account. Other factors to be borne in mind include : (i) the extent and reliability of information available with which to plan strategy; (ii) the cost in relation to seller's total resources; (iii) the degree of risk involved in attempting to achieve desired result.

Thus, the basic objectives of tourism strategy are : to match the tourism firm's strengths with market opportunities, to avoid threats posed by competition and environmental changes; and to remedy weaknesses in the firm's organisation and operations.

1.8.2 BASIC MARKETING STRATEGIES

Tourism marketing strategies can be broadly categorised in two groups³⁹ : (i) growth strategies, comprising marketing strategies whose overall predominant character is related to a certain pattern of market growth objectives; and (ii) competitive (or market share) strategies, comprising strategies that focus on tourism's market share competitive position. Whichever strategy a tourism firm decides to implement, it is determined to a great extent by the marketing

objectives and the target market.

Basically, there are three major strategies for tourism as follows⁴⁰ :

- (1) Market Penetration Strategy : this usually focuses on gaining market share at the expense of competitors. This may be achieved through creating a differential advantage by means of any of the elements of the marketing mix.
- (2) Market Extension Strategy : this is designed to reach new types of tourists by modifying the firm's present tourist products and planning in advance of the actual launching of a new tourist product.
- (3) Market Development Strategy : this means that the tourist firm will seek new classes of tourists for its products or will add outstanding product characteristics to the existing line. The market development strategies are of three types : (i) tourist product differentiation strategy; (ii) reformulation strategy; (iii) innovatory strategy.

A recent study of tourism marketing strategies by Meidan and Lee⁴¹ indicates that strategy selection in this industry should be based on four factors : (i) the size of the segment or submarket; (ii) tourists' sensitivity to the differences between tourist hotels, airlines, travel agencies, etc. ; (iii) the distinctiveness of these tourist establishments and companies; and (iv) competitors' marketing strategies.

CONCLUSION

Tourism is a complex combination of interrelated industries and trades. It may include the tour operators and travel agencies, the accommodation industry, the transportation industry and many other servicing industries.

If China's developing tourism industry is to operate successfully in an environment of competition, inflation and world-wide recession, greater emphasis must be placed on more efficient and objective-orientated marketing management. The employment of a marketing approach and relevant marketing methods will provide the Chinese tourism industry with improved profitability and a larger market share. This could be achieved, in practice, via tourism marketing which is basically a three-stage process : (i) analysis of the tourists' needs; (ii) design the products and facilities to meet these needs; and (iii) communicating the availability of such products and facilities via advertising, sales promotions and public relations. Moreover, if the Chinese government wants to build and protect a strong position in the market, the selection of an appropriate marketing strategy is important.

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CHAPTER TWO : INTERNATIONAL TOURISM TRENDS IN THE 1980s

INTRODUCTION

The development of the Chinese tourism industry, as with any national tourism industry, takes place within the context of international trends. An analysis and understanding of the international tourism situation is the necessary starting point for national planning.

In this chapter, firstly, the current dimension of world travel will be looked at, and the movements of the tourists will be interpreted. The factors that affect the travel patterns of international tourism will be analysed and, finally, I will try to suggest future trends.

2.1 THE PRESENT DIMENSION OF THE WORLD MARKET

World tourist arrivals, both domestic and international, are estimated at between 3,500 million and 4,000 million in 1984. Domestic tourism continues to be the largest segment. As shown in Table 2.1, since 1979 its share has tended to increase, and has reached over 90 per cent of total tourism demand in 1984. According to W.T.O.'s estimation¹, in 1981, domestic tourism's share of total tourism by region was : Africa 47 per cent; Americas 93 per cent; South Asia 78 per cent; East Asia and the Pacific 75 per cent; Europe 88 per cent; and Middle East 45 per cent.

International travel in 1984 for business or other

specific purposes, such as holidays and leisure, is estimated to account for a total of 300 million movements, 2 per cent more than in 1983. International travel generated 100,000 million current United States dollars (excluding transport), some 5 per cent of the total value of world trade.

Europe, the United States and Canada seem to be the most important tourist-receiving areas since the 1960s. In 1983, 80 per cent of the total arrivals were received by these countries. But there seems to have been a constant downward trend since 1966.

Similar, there seems to be a group of countries which generate a large number of tourist arrivals all over the world. From the figures given by W.T.O., in 1980 and 1981, 53 per cent of total international tourist arrivals were from twelve countries; they are : Austria, Belgium, Canada, France, West Germany, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom, and the United States.

In 1982 international tourism generated about 280 million arrivals. This represents a 1.3 per cent decrease from the previous year and is the first time international tourism demand has fallen since 1960 (see Table 2.2). Cyclical behaviour in international tourism has been observed, however, since the 1960s showing a notable slowing-down of the growth rate every six or

seven years, although only in 1982 was there a negative annual change (see Table 2.3).

TABLE 2.1 WORLD TOURISM TRENDS, 1979-1984
(Figures are in millions)

YEARS	TOTAL MOVEMENTS	DOMESTIC TOURIST ARRIVALS		INTERNATION TOURIST ARRIVALS	
	mn	mn	(%)	mn	(%)
1979	2370	2100	(88.6)	270	(11.4)
1980	2425	2150	(88.7)	279	(11.3)
1981	2613	2323	(88.9)	290	(11.1)
1982	2980	2700	(90.6)	280	(9.4)
1983	3194	2900	(90.8)	294	(9.2)
1984*	3700	3400	(91.9)	300	(8.1)

* Preliminary estimation

SOURCE : 1979-1981 Data : W.T.O. -- World Tourism in Figures, 1982 Ed., p 2

1982-1984 Data : W.T.O. -- Economic Review of World Tourism, 1984 Ed., p 30;
and W.T.O.--World Travel
Tourisme Mondial, No. 184, p 49

Index & Percentage : self-calculation

TABLE 2.2 INTERNATIONAL TOURISM DEMAND

YEAR	ARRIVALS (millions)	INDEX (1960=100)	ANNUAL CHANGE (percentage)
1960	69	100	
1978	258	372	7.6
1979	270	387	3.9
1980	279	404	4.4
1981	290	409	1.3
1982	280	404	-1.3
1983	294	424	5.0
1984*	300	433	2.0

* Preliminary estimation

SOURCE : 1960-1982 Data : W.T.O.--Economic Review of World Tourism, 1984 Ed., p 33

1983 Data : W.T.O.--Regional Breakdown of World Tourism Statistics, 1984 Ed., p8

1984 Data : W.T.O.--World Travel Tourism Mondial, No. 184, p 49

Index and Annual change : self-calculation

TABLE 2.3 ANNUAL AVERAGE GROWTH OF INTERNATIONAL TOURISM DEMAND

YEAR	AVERAGE GROWTH RATE (percentage)
1950 - 1960	10.6
1960 - 1970	8.7
1970 - 1980	5.7
1975 - 1982	3.8

SOURCE : W.T.O.--Economic Review of World Tourism, 1984 Ed., p 33

2.2 INTERNATIONAL TOURIST MOVEMENTS

International tourist arrivals are currently around 280 million annually. Table 2.4 gives international tourist movements for selected years. It will be seen that there is a remarkable geographical concentration. Europe, easily the principal destination region, in 1982 received almost 71 per cent of world total arrivals; North America ranked second with about 12 per cent; Latin America and the Caribbean with about 7 per cent is ranked third. East Asia and the Pacific become more and more important as a tourist destination for international tourists. In 1982, it received almost 6 per cent of world total arrivals. None of the other world regions could claim more than 2.5 per cent and the Middle East, Africa and South Asia combined had a mere 4.98 per cent.

From the figures of Table 2.4, we can see that over the period 1975 to 1983, the shares of Europe, Africa, and Americas declined while those of the Middle East, South Asia, and East Asia and the Pacific increased.

In order to have a clear view of the international tourist movements, the regional trends of international tourism, interregional and intraregional tourism, and the main purposes of visits will be discussed in greater depth.

TABLE 2.4 International tourist movements

REGIONS	ARRIVALS (millions)			
	1975	1981	1982	1983
	mn (%)	mn (%)	mn (%)	mn (%)
Africa	4.7 (2.2)	7.2 (2.5)	6.7 (2.3)	6.7 (2.3)
Americas	43 (20.0)	54 (18.7)	51 (17.9)	51 (17.8)
North America	29 (13.7)	36 (12.5)	34 (12.0)	34 (11.9)
Latin America & the Caribbean	14 (6.3)	18 (6.3)	17 (6.0)	17 (5.9)
East Asia & the Pacific	8.5 (4.0)	22 (7.6)	23 (8.1)	23 (8.1)
Europe	154 (72.0)	196 (68.3)	195 (68.4)	196 (68.5)
Middle East	3.5 (1.6)	6.2 (2.1)	7.0 (2.4)	6.2 (2.4)
South Asia	1.6 (0.7)	2.4 (0.8)	2.4 (0.8)	2.5 (0.9)
Total	215 (100)	288 (100)	285 (100)	285 (100)

Note : See Appendix 1 for countries involved in each region

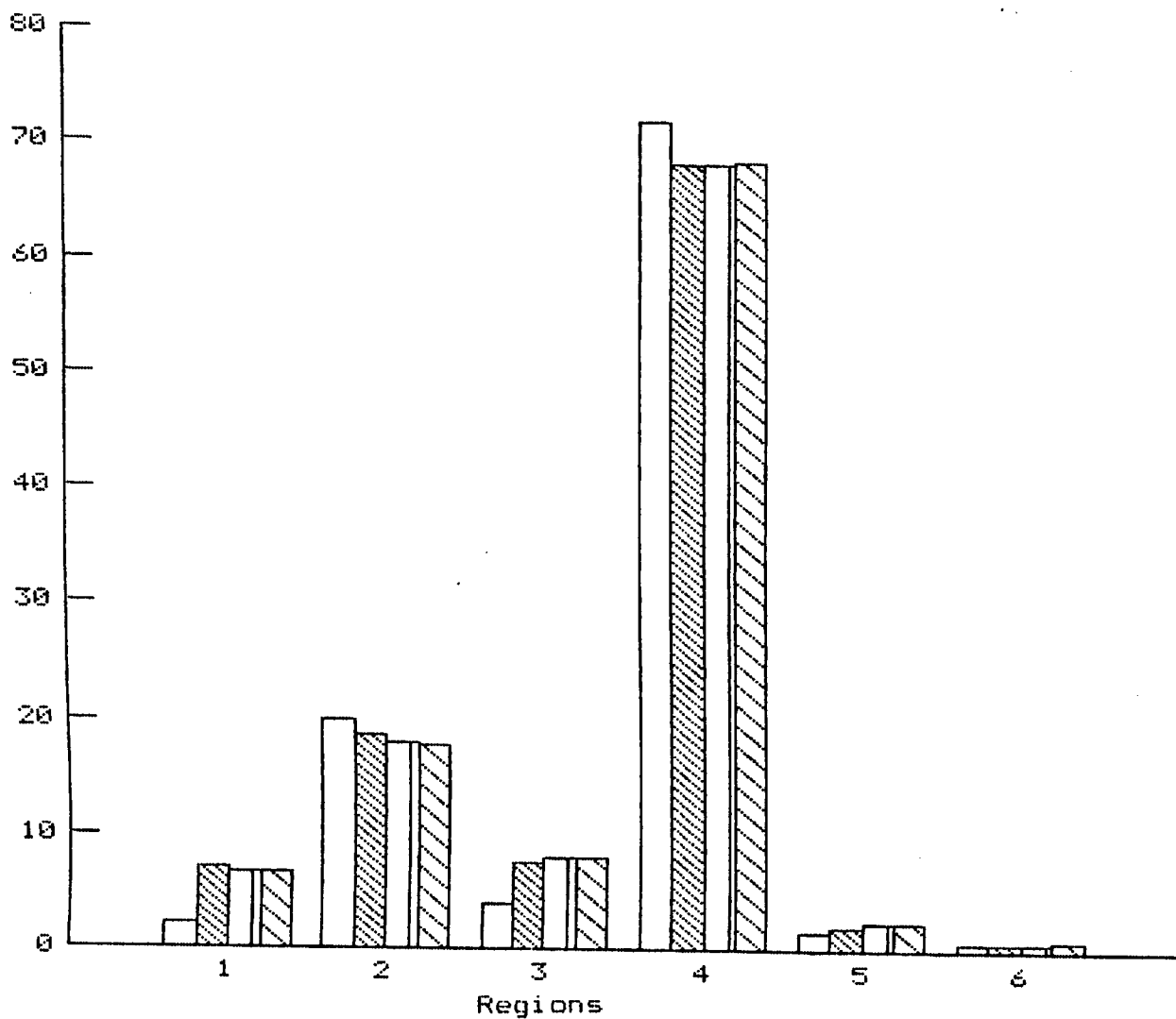
Source : 1975 Data : W.T.O.--Economic Review of World Tourism, 1984 Ed., p 36





1981-1983 Data : W.T.O.--Regional Breakdown of World Travel & Tourism Statistics, 1984 Ed., p 8

Percentage of International Tourist arrivals : self-calculation

FIGURE 2.1 : INTERNATIONAL TOURIST MOVEMENTS

% of International
Tourist arrivals



KEY :  1975  1981  1982  1983

NOTE : 1. Africa
2. Americas
3. East Asia & the Pacific
4. Europe
5. Middle East
6. South Asia

2.2.1 REGIONAL TRENDS OF INTERNATIONAL TOURISM

Africa showed an upward trend for international tourism from 1975 until 1982 when arrivals dropped by 7.5 per cent due to the sharp decline in arrivals in the northern region. A slight recovery was recorded in 1983 which may indicate that government initiatives were introduced to encourage the growth of international tourism.

The number of international tourist arrivals in the U.S. and Canada region reached 53.89 in 1981, which represents a 1 per cent rise over the previous year. In 1982 and 1983 a drop in international tourism was projected for North America. In part, this can be explained by a drop in intraregional tourist travel in this region.

International tourism in the Caribbean registered an increase from 1980 and Latin America did worse than any other regions registered a negative change.

For some years the Asian regions have been registering substained rates of growth in international tourism. For 1975 to 1983, South Asia (4 per cent) exceeded average world growth (3.8 per cent) and East Asia and the Pacific (9.3 per cent) was nearly two and a half times higher. This latter region has profited a lot from the growth of intraregional tourism. For example, half of all Japan tourists going abroad stages within the

Asian region.² The efforts made by this region to improve its tourist-receiving facilities -- both the infrastructure and transport services (especially by air) -- and the sustained tourism promotion campaign have ensured the steady rise in international tourism to this region.

In Europe, the number of international tourism arrivals was stable. From 1975 to 1983 average regional growth was 0.2 per cent below the world average. From 1977 to 1979, the annual growth rates exceeded the average rate, but for the following years the changes were very slight (an increase of 0.4 per cent in 1981 and a decrease of 0.8 per cent in 1982).

During 1982, international tourist arrivals in the Middle East rose by 13.3 per cent. However, in the following year, 1983, there was a drop of 10.6 per cent. Since 1975 there has been a trend towards marked growth in this region with substantial fluctuations from year to year. Because of this promotional activities were undertaken by the tourism authorities of various countries in this region to ensure a steady rise in international travel arrivals. However, the political instability of this region seems to be the major problem in the development of international tourism in this region.

2.2.2 INTERREGIONAL AND INTRAREGIONAL TOURISM

Basically, international tourism is intraregional tourism. In 1982, for example, almost 80 per cent of international tourism came from the countries of the same region. In the period 1977 to 1981, the average annual growth rate of intraregional tourism was about 4 per cent.

In the same period growth was very uneven from region to region. All regions except Europe and the Americas have greatly exceeded world average annual growth. East Asia and the Pacific recorded the highest rate (8.5 per cent), followed by Africa (7.8 per cent).

Europe is the region with the greatest share of intraregional tourism : over 80 per cent. There are two factors that promote intraregional tourism in Europe : (i) the ease of movement between different European countries; and (ii) the substantial existing tourism infrastructure and facilities. The intraregional tourism in Europe, in absolute terms, records five times more arrivals than interregional arrivals.

2.2.3 MAIN PURPOSE OF VISIT

From the world travel and tourism statistics on the main purpose of travel indicates that about 70 per cent of international tourist arrivals was motivated mainly by a desire for a holiday and leisure; 13 to 14 per cent is

attributable to business reasons and the remaining 16 per cent to other motives, including travel for religious, family or sports purposes, etc.

The Americas have shown the highest relative share for holiday purposes. In some countries (e.g. Latin America and Canada) visits to family or friends contain a substantial percentage of total arrivals, and is around 7 per cent; this motive is even more important in Canada: it applied to 20.5 per cent of international tourist arrivals in 1980.

A thorough analysis of the main purpose of visits to a country continues to be valuable for indicating which segments of demand could be targeted for promotion activities, by distinguishing them from other reasons for travel. Moreover, the continued study of the demand motives of the tourist generating countries can help a country continuously adjust the tourism supply to the requirements of the demand.

2.3 SEASONALITY IN INTERNATIONAL TRAVEL

Seasonality usually occurs in the operation of tourist activities. Europe and North America, for examples, show a typically seasonal pattern of the distribution of international tourist arrivals (see Table 2.5 and Figure 2.2). The greatest number of tourist arrivals to Europe and North America occurs in between July and September.

Seasonality will cause many undesirable effects on employment, the utilization of productive capability, infrastructure and facilities that are linked with tourism. Many governments, therefore, have proposed a series of measures aimed at reducing the seasonality of certain sectors of demand.

However, not all countries have the problem of seasonality. Generally speaking, it depends on the specialization and the profile of demand of the destinations.

The more specialised the destination, the more likely it is that seasonality will produce an effect. Some beach, mountain, hunting or fishing destinations, for example, are highly seasonal. This seasonal factor is, therefore, associated with the tourist utilisation of the destination's basic resources.

In countries highly dependent upon certain countries for tourists, there are generally highs and lows in the number of arrivals from month to month. The Japanese and the United Kingdom overseas travellers, for example, show a seasonal fluctuation in their visits. The greatest amount of Japanese overseas travel occurs in summer. Subsequently, there is a lull until the February-April period when recovery is seen. This is followed by a drop once again, until the following summer (see Table 2.6 and Figure 2.3). For the U.K. overseas travel, more

than 60 per cent of the total takes place between June and October. The majority of U.K. holiday-makers travel abroad in August and the smallest number in February (see Table 2.7 and Figure 2.4).

East Asia and the Pacific region, contrasted with North America and Europe, shows only very little or even no seasonal fluctuation (see Table 2.5 and Figure 2.2). One of the reasons for this may be that this region covers a wide range of areas that include both Northern and Southern Hemispheres. Even though this region does not show any seasonal fluctuation, it is impossible to conclude that seasonality does not occur in China. If a study was made of seasonal arrivals, this would give China useful information in the planning and development of its tourism industry.

TABLE 2.5 SEASONALITY

(Percentage of international tourist arrivals by quarter)

REGIONS	1978				1980			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Africa	24.0	22.5	27.3	26.3	21.0	24.3	31.2	23.5
North	23.3	21.8	28.1	26.8	19.8	24.2	33.0	23.0
South	25.8	24.5	24.8	24.9	24.3	24.4	26.0	25.3
Americas	27.9	21.5	25.9	24.7	19.7	25.2	35.4	19.7
North	16.1	26.9	37.9	19.1	16.1	26.0	38.5	19.4
South	29.0	20.9	24.7	25.4	27.1	21.5	20.2	21.2
East Asia & the Pacific	24.0	22.8	25.7	27.5	24.5	24.0	24.8	26.7
Europe	14.1	25.1	43.3	17.5	18.0	24.9	38.4	18.7
Middle East	24.2	23.7	26.4	25.7	23.6	26.6	26.7	23.1
South Asia	25.6	20.6	25.9	27.9	26.8	21.0	23.6	28.6

SOURCE : W.T.O.--Economic Review of World Tourism 1984 Ed., p 42

FIGURE 2.2 SEASONALITY OF INTERNATIONAL TOURIST ARRIVALS TO NORTH AMERICA, EUROPE AND EAST ASIA & THE PACIFIC

% of International Tourist arrivals

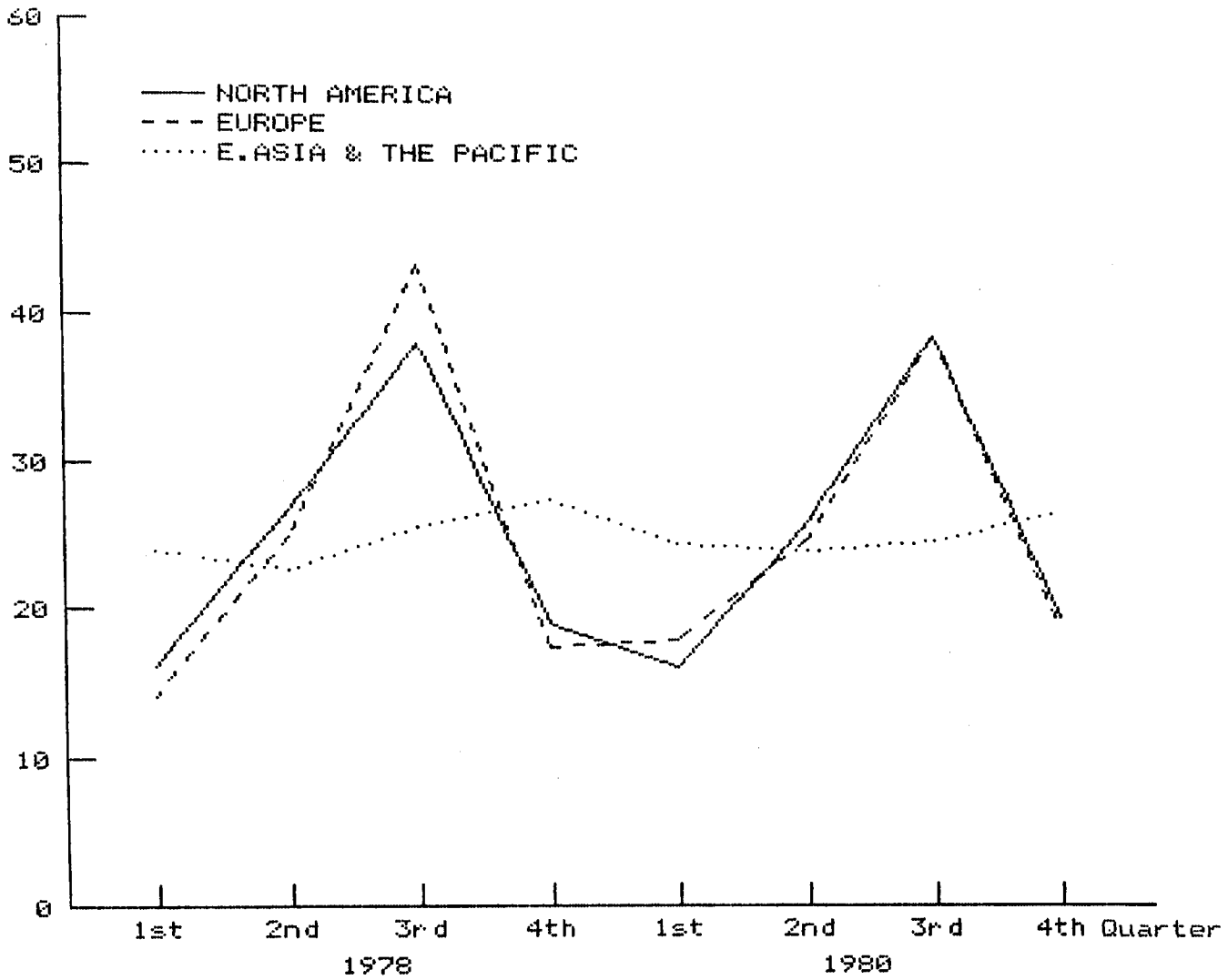


TABLE 2.6 SEASONAL FLUCTUATION OF JAPANESE OVERSEAS TRAVELLERS

MONTHS	TOTAL OVERSEAS TRAVELERS (thousands)	
	1982	1983
January	317	326
February	361	364
March	377	393
April	306	309
May	316	320
June	339	332
July	352	370
August	417	438
September	333	366
October	328	346
November	338	340
December	303	329

SOURCE : Japan National Tourism Organisation -- Tourism in Japan 1984, p 9

TABLE 2.7 SEASONAL FLUCTUATION OF U.K. OVERSEAS TRAVELLERS

MONTHS	TOTAL OVERSEAS TRAVELLERS (thousands)	
	1983	1984
January	947	1034
February	875	887
March	1156	1335
April	1616	1718
May	1646	1826
June	2142	2436
July	2677	2484
August	3187	3155
September	2711	2972
October	2027	2058
November	1098	1235
December	912	949

SOURCE : Business Monitor -- Overseas Travel & Tourism, 4th Qtr., 1984, p 18

FIGURE 2.3 SEASONAL FLUCTUATION OF JAPANESE OVERSEAS TRAVELLERS

Japanese Overseas Travellers (thousands)

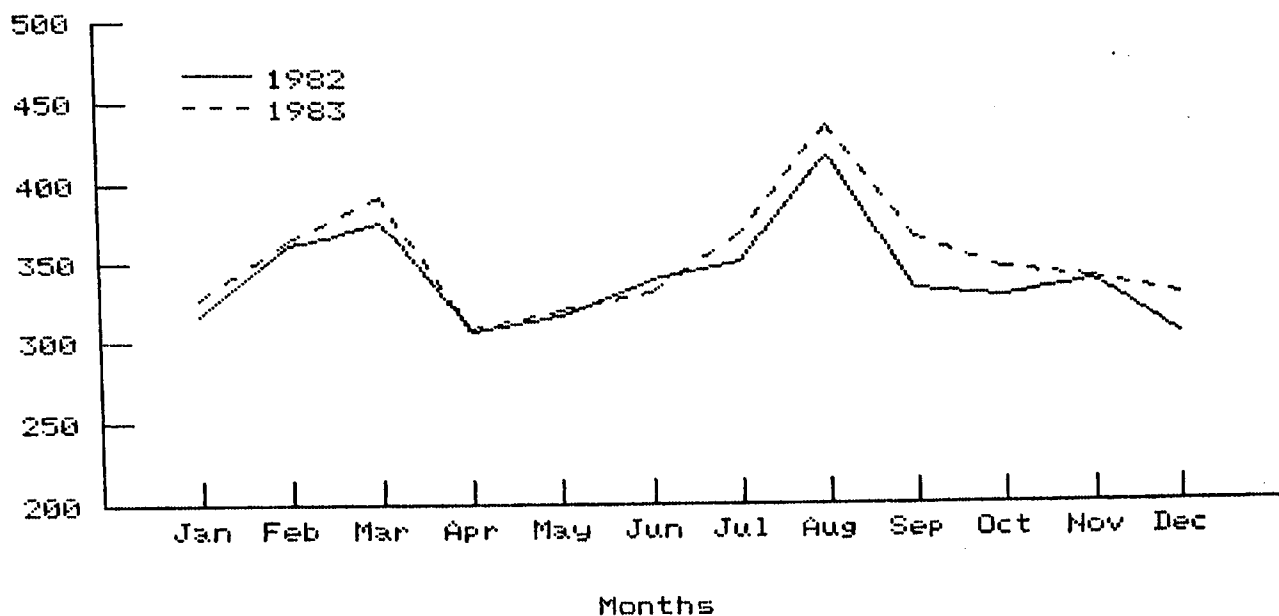
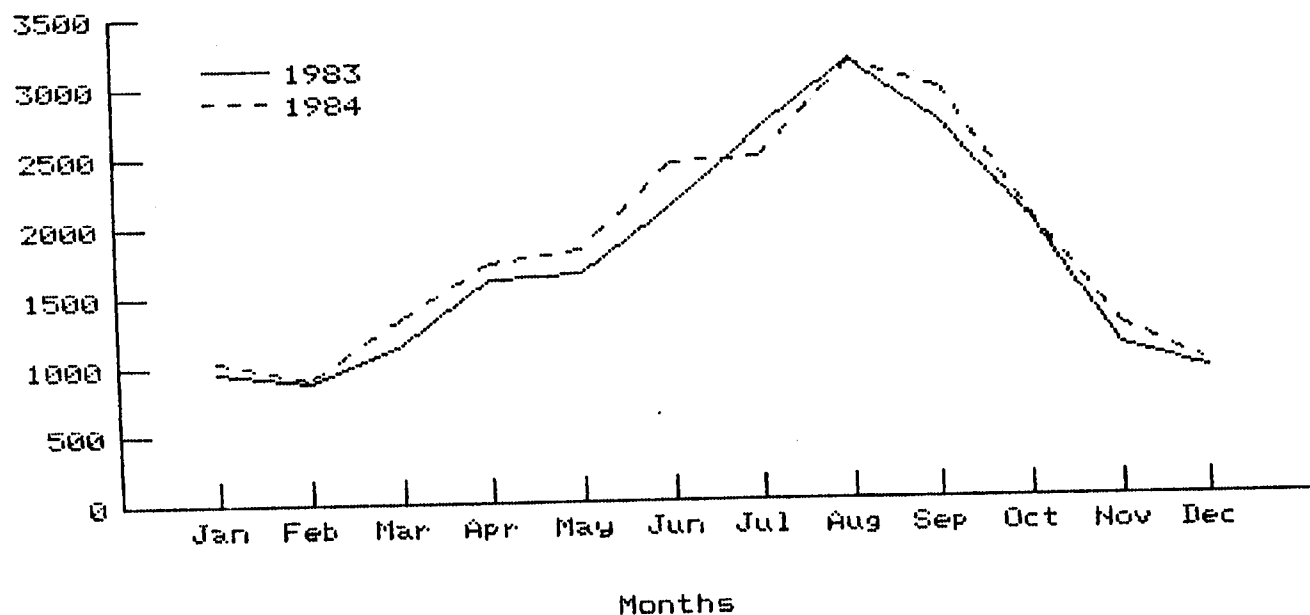


FIGURE 2.4 SEASONAL FLUCTUATION OF U.K. OVERSEAS TRAVELLERS

U.K. Overseas Travellers (thousands)



2.4 MODES OF TRANSPORT FOR INTERNATIONAL TRAVEL

According to Robert Senior³, the main factor which affects methods of travel appears to be geographical. Obviously if a country is landlocked, it is unlikely to witness the arrival of many visitors by sea. If a country is thousands of miles from its principal sources of visitors, most arrivals are likely to be by air. Islands, generally receive most visitors by air because sea travel is an impractical alternative for holiday travellers unless a cruise is involved. In the case of Britain, even with good short sea connections to continental, sixty per cent of the total international tourist arrivals was by air in 1982. The extent of air travel is also dependent on whether the country is a primary or secondary choice of destination; countries which are frequently visited by tourists from neighbouring countries which are perhaps more popular tourist destinations are likely to display more land arrivals. And the presence within the country of a major international airport of airline will be an important factor, too.

On the whole, land transport, particularly by road, has the greatest share of total international tourist movements. According to W.T.O.'s estimates, land transport accounts for 70 per cent of the total, followed by air transport and finally, by sea transport.

According to the records of W.T.O.,⁴ air transport

is especially important in countries in East Asia and the Pacific, 76 per cent; South Asia, 82 per cent; much less in Africa, 52 per cent and Europe, 14 per cent. Sea transport in the East Asia and the Pacific region accounts for 10 per cent of all transportation. Road transport in the region is relatively important and ranges from 10 to 25 per cent of all transportation (depending on whether the country is an inland country or a coastal country : the inland countries are more likely to rely on road transport than the coastal ones).

Rail transport is significant in only a small number of countries, and most of these are in Europe. The share of international tourist arrivals by means of rail transport in these continental countries accounts for 8.5 per cent of the total arrivals.

2.5 FACTORS AFFECTING THE FUTURE TRENDS OF INTERNATIONAL TRAVEL

There are many different kinds of social, economic, and physical conditions and other factors affect international tourism. Differences in weather, language, culture, and customs act as obstacles to some travellers and as attractions for others. Absence of leisure time and disposable income for spending can retard the expansion of tourism. Other factors that hinder tourists from travelling to particular destinations include poor transportation and communications, rise in cost in travelling abroad, fluctuation of exchange rates, war and

civil disturbance, work stoppages, inferior health facilities, insanitary conditions, unpleasant food or lack of familiar food, overcrowding, and inadequate hotel and travel facilities. These conditions are of fundamental importance as factors influencing the volume and direction of international tourist trade.

Wahab³ has identified four factors that affect future tourist development :

- (1) economic uncertainty stemming from inflation, fluctuating currency exchange rates, unemployment and protective measures introduced without previous warning;
- (2) the availability of energy resources at prices affordable to tourists and the operators of tourist services;
- (3) the capital requirements and running costs of the tourist sector; and
- (4) the demand to include environmental, social and cultural issues in tourist development decisions.

However, the greatest problem confronting international tourism arises from government actions or regulations relating to tourism. Such impediments fall into two general groups : those that affect individual travellers and those that affect businesses dealing with travellers. Bernard Ascher⁴ had identified forty specific obstacles to international tourism (see Appendix 2 for details). These obstacles can be divided into five

groups, including three groups of obstacles applicable to business : those affecting companies providing services to facilitate travel (travel agents, tour operators); those affecting companies providing transportation (airlines, railways, coach operators, cruise liners); and those affecting companies providing reception facilities (hotels, resorts, car hire). A fourth group concerns obstacles affecting individual travellers and finally, there is a group consisting of unclassified obstacles.

Further consideration of the factors that affect international tourism prompts a number of questions. What can be done to accelerate the elimination or progressive reduction of barriers (such as air transport agreements between China and other countries) for more foreign tourists to visit China ? What approaches are most appropriate in dealing with these types of barriers ? Under what conditions can the restrictive practices (such as the restrictions on entry visa requirements on foreign visitors and the limitation on the duration of stay in China) be removed ? None of these questions lend themselves to quick solutions in as much as government actions are required to effect changes.

Problems arising between countries on matters related to travel and tourism are often handled on a bilateral basis. For example, by the end of 1982, the United States had bilateral tourism agreements with four countries : China, Egypt, Mexico, and the Philippines;

and bilateral air transport agreements with 81 countries. Because many of the problems generally are not limited to a few countries, the need for dealing with them at international level is recognised.

The future expansion of international tourism not only depends on the advances in transportation and communication, the economic growth, and the development of countries around the world, but also on the government attention to existing problems.

2.6 FUTURE TRENDS OF TOURISM

International tourism represents only about one-fifth of total tourists. As already emphasised, the domestic tourist market is very much greater and probably accounts for about 2,500 million tourists at the present time. In the developed countries there has been a remarkable increase in the numbers of nationals taking a holiday, whether abroad or at home, during the past two decades. In the future this trend seems to be continue, but will growth at a slower rate. The developing countries generate some 8 per cent of total international arrivals in the industrialized countries and account for slightly over 20 per cent of total arrivals in the developing countries.⁷ The movements of persons from the developing to the industrialized countries have become more and more significant.

As disposable incomes increase, standards of living

rise, and the length of paid holidays increases there is likely to be an increase in tourism, whether is a domestic or an international nature. As the developing countries grow, it may be expected that their nationals too will begin to take part in tourism. This has already begun to happen in Brazil and Mexico.⁸

It is obvious that for a long time to come Europe and the Mediterranean will continue to be the main tourist destinations of the international tourism. However, there are indications showing that other areas will also attract tourists in the future, e.g. East Asia and the Pacific. With improved air transport, many people are able to travel further and as the current tourist destinations become increasingly overcrowded, it is very likely that more and more holiday-makers will seek out new, less frequented destinations. As world population increases and more urbanisation develops, it could well happen that those countries providing space will have a highly valued commodity keenly sought by international tourists.

On a long term basis, not only group travel but also individual travelling will experience an upward development. Dr. Anton Wurzl⁹ pointed out that on a long term basis the importance of tourism will increase in direct proportion to man's desire to spend holidays in faraway countries, to his need to travel and visit other countries. For many in the industrial and post-industrial

world this is not only physically desirable but also an intellectual and psychological need.

In future, the characteristics of journeys will change : a shift from short haul to long haul travel, and the increasing relative importance of certain rich countries, such as Saudi Arabia.¹⁰ The proportion of long haul travel will rise because particularly fast travel growth is anticipated from certain countries with a well above average share of long haul travel (e.g. Kuwait, and Saudi Arabia).

For the industrialised countries, L.J. Lickorish, general director of the British Tourist Authority, predicted that long-distance travel is most likely to expand in the higher-educated ranges of the populations, and that younger age groups will be expanded in future travelling.¹¹

As expenditure and the number of nights per trip rise¹², the currently high spending countries may become the main origin countries in the future. It is, therefore, predicted that West Germany, Japan, the United States and the United Kingdom will be the most important origin countries in the coming years.

With the introduction of satellites and computers, travellers both domestic and international, will have more and better information available relating to their travel options. Multiple options are now the trend and

this means that the travel trade is going to have to provide more finely tailored travel arrangements. It will be interesting to see if Travel Weekly's prediction of space travel for the public by the mid 1990s is ever fulfilled !¹³

CONCLUSION

There is a group of countries that generate the major amount of tourist arrivals all over the world. These countries include : Austria, Belgium, Canada, France, West Germany, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom, and the United States. To carry out the promotional campaigns in these countries may prove the most beneficial in terms of increased visitor flows.

In the past decade, international tourist arrivals to East Asia and the Pacific have grown nearly two and a half times. The increase in importance of this region as a tourist destination becomes much clearer. Intraregional tourism in this region seems important, and the main source of tourists is generated from Japan. Air transportation in this region is important and accounts for 76 per cent of the total.

Seasonality may greatly affect the employment, and the utilization of productive capability, the infrastructure, and the tourist facilities of a country. To diversify the pattern of demand and to build more

urban centres, for examples, can minimise the occurrence of seasonality.

The tourism market is very sensitive to social, economic and political conditions : changes in costs, habits, fashions and conditions relating to international events and politics are likely to affect tourism to a great extent. Increasing costs, for example, may diminish demand.

As expenditure and the number of nights per trip rise, the rich countries may become more and more important in the long-haul segment. West Germany, Japan, the U.S.A. and the U.K. will become more and more important in the near future.

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1. W.T.O., 1982, P 1
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3. Robert Senior, 1982, p 113
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CHAPTER THREE : THE STRUCTURE OF THE BRITISH OVERSEAS TRAVEL MARKET

INTRODUCTION

The number of Britons taking holidays abroad has increased rapidly in the past ten years from 10.7 million in 1972 to 20.6 million in 1982. The rapid growth in the numbers of United Kingdom residents going abroad is very largely a reflection of the growth of inclusive tours which are able to offer cut-price holidays.

If China wants to develop a promotional strategy in promoting itself to the U.K. and to find out the difficulties experienced by U.K. tour operators in organising tours to China, it is necessary for China to have a look on the structure of the British overseas travel market.

In this chapter, we can look at the subject from three broad perspectives. Firstly, the profile of British tourism abroad, which will include a discussion of the U.K. tourists needs and wants, their motivations, and the future trends. The second perspective will be based on a review of the British travel industry, and will include the nature of the agents' operations, the characteristics of inclusive tours, the long-haul inclusive tours, and the distribution and promotion of the long-haul inclusive tours. Finally, from a third perspective, the prospect for these inclusive tours from Britain will be appraised.

3.1 THE PROFILE OF BRITISH TOURISM ABROAD

Before we discuss the profile of U.K. overseas tourists, there is a need to examine the segmentation method adopted by the U.K. overseas travel market. This market may be divided into two major segments : the short to medium haul segment and the long haul segment. The short to medium haul segment includes those who take visits to nearby European destinations (such as France, Spain, Greece, Italy and Yugoslavia) and North African destinations (such as Morocco, and Tunisia).

The long haul segment includes those who take visits to destinations further away from home countries (over 1,500 kms). Among such destinations are North and South America, South Africa, the Middle East, South Asia and, particularly, East Asia and the Pacific.

Basically, the difference between the two segments is the distance between the U.K. and the destination countries. However, the cost of the total package (usually include the cost of transfers, hotel accommodation, meals and sometimes excursion) seems to be the main difference between these two segments. The vast majority of U.K. overseas visitors like to choose short to medium haul destinations because these are less expensive and are easier to reach. Long haul destinations attract much smaller numbers because of the higher cost and the longer travelling time involved. As

shown in Table 3.1, only about 12 to 16 per cent of U.K. travellers abroad are in the long haul segment (the main reason for the fluctuation of U.K. travellers abroad may be due to variation in the exchange rate in sterling pounds). (see Table 3.2 & Figure 3.1)

Long haul destinations like East Asia and the Pacific countries, and specifically China, not only have to compete with short haul destinations like Greece or Spain, but also with established long haul destinations in Africa, the Americas and South Asia, in attempting to attract the small long haul segment of the U.K. tourist market.

TABLE 3.1 SHARE OF U.K. LONG-HAUL VISITS

YEAR	TOTAL U.K. TRAVELLERS ABROAD	L. H. VISITS	SHARE OF L.H. VISITS
	(millions)	(millions)	%
1978	13	1.6	12.3 (100)
1979	15	2.1	14.0 (114)
1980	17	2.6	16.3 (133)
1981	19	2.8	14.8 (120)
1982	20	2.7	13.5 (110)
1983	21	2.4	11.5 (93)

NOTES : (1) The figures between the brackets are the index with 1978 equal to 100.
(2) L.H. = Long-haul

SOURCE : Column 1 & 2 : Business Monitor -- Overseas travel and Tourism 4th Qtr. 1983, p 16.
Column 3 : Self-calculation.

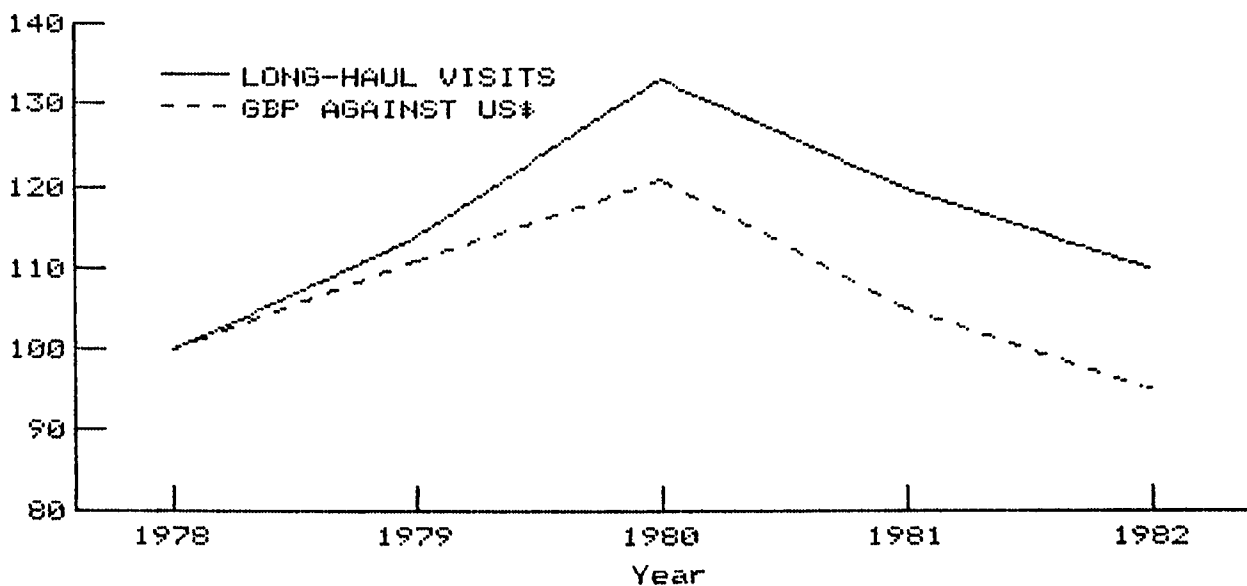
TABLE 3.2 RELATIONSHIP BETWEEN EXCHANGE RATES & LONG-HAUL VISITS

YEAR	SHARE OF L.H. VISITS (1979 = 100)	POUND AGAINST US\$ (1979 = 100)
1978	100	100
1979	114	111
1980	133	121
1981	120	105
1982	110	95

SOURCE : Self-calculation based on data provided in :
 (1) Business Monitor -- Overseas travel & Tourism, 4th Qtr. 1983, p 16
 (2) B.T.A. -- Digest of Tourist Statistics, No. 11, p 9

FIGURE 3.1 RELATIONSHIP BETWEEN EXCHANGE RATES & LONG-HAUL VISITS

Index (1978=100)



3.1.1 PROFILE OF U.K. OVERSEAS TOURISTS

Table 3.3 indicates the percentages of the British adult population that took holidays abroad from 1979 to 1982. The figures indicate that the age distribution of the U.K. adult population remains about the same during that period, the age segments that take most holidays abroad being the 16-24; 35-44; and 45-54 age groups. The 25-35 age group take less holidays abroad may due to the fact that they need to take care of their young children. One point that needs particular emphasis is that there is a trend of increasing importance in the 55-64 age group : this segment has changed from having only 40 per cent of its members taking holidays abroad in 1980 to 49 per cent in 1982. It is predicted that this trend will continue when the present middle age groups, that are accustomed to travel abroad, grow up. These implications for destination marketing can also be used by Chinese travel agents, as will be seen in the proposals for a promotional strategy in Chapter 8.

The social class category (see Appendix 3 for social-economic groupings) shown in Table 3.3 indicates that there is a greater tendency for the upper middle class and middle class to spend their holidays abroad. More than 86 per cent of the population of these two classes had took holiday abroad in the period 1980-1982. It should also be pointed out that it is becoming an increasingly common practice for the lower middle class

to take their holidays abroad : only 53 per cent of this class took holidays abroad in 1980, but this population rose to 60 per cent in 1981, then to 66 per cent in 1982. The implications for Chinese travel agents in setting up the promotional strategy will also be discussed in Chapter 8.

TABLE 3.3 PROFILE OF U.K. HOLIDAY-TAKERS IN SELECTED YEARS : 1976, 1980-82

BASE	ADULT POPULATION (%)				HOLIDAYS ABROAD (%)				% OF POTENTIAL			
	76	80	81	82	76	80	81	82	76	80	81	82
<u>AGE</u>												
16-24	16	17	17	17	20	20	19	21	33	51	51	60
25-34	19	19	19	17	20	19	18	18	28	43	43	52
35-44	17	17	16	17	16	18	17	19	26	45	48	55
45-54	15	14	14	14	21	20	19	17	37	61	61	60
55-64	14	15	16	16	14	14	18	16	26	40	51	49
Over 65	18	18	19	18	9	9	9	10	14	21	21	27
<u>SOCIO-ECON.</u>												
AB	16	15	16	16	33	31	34	28	55	89	87	86
C1	21	22	21	21	31	27	28	28	40	53	60	66
C2	35	33	29	27	24	29	23	24	18	37	36	43
DE	28	30	34	36	12	13	15	20	11	18	20	27

SOURCE : Column 1 & 2 : B.T.A. -- Digest of Tourist Statistics No. 7,9,10,11

Column 3 : Self-calculation

3.1.2 REGIONAL DISTRIBUTION OF HOLIDAY-TAKERS

In the past five years, the South East region of Britain alone has generated more than forty per cent of the total holidays abroad (see Table 3.4) (see Appendix 4 for tourist regions definition in the U.K.). The regions that have highest potential in generating tourist abroad are the South East, Wales and the East Anglia : 60 per cent, 51 per cent and 43 per cent of the population in the South East, Wales and the East Anglia separately had took holidays abroad in 1981. The Chinese promotional strategy must take this into consideration and possibly, assuming that the trend continues, this may provide a valuable pointer as to where to concentrate its future promotion.

TABLE 3.4 REGIONAL DISTRIBUTION OF HOLIDAY-TAKERS IN SELECTED YEARS : 1980-82 (percentage)

REGION	ADULT POPULATION			HOLIDAYS ABROAD			% OF POTENTIAL		
	80	81	82	80	81	82	80	81	82
NORTH	6	6	6	5	5	4	32	35	28
Y. & H.	9	9	9	7	6	6	30	28	28
N.W.	12	12	12	11	12	11	35	43	39
E.M.	7	7	7	6	5	6	33	30	36
W.M.	9	9	9	8	7	9	34	33	42
E.A.	3	3	3	3	3	3	38	43	42
S.E.	31	31	31	41	44	40	50	60	55
S.W.	8	8	8	8	7	7	38	37	37
WALES	5	5	5	4	6	6	31	51	51
SCOTLAND	10	10	9	6	6	8	27	26	38

NOTE : Y. & H. = Yorks & Humberside; N.W. = North West;
 E.M. = East Midlands; W.M. = West Midlands;
 E.A. = East Anglia ; S.E. = South East;
 S.W. = South West

SOURCE : Column 1 & 2 : English Tourist Board : British Home Tourism Survey, 1980, 1981 & 1982
 Column 3 : Self-calculation

3.1.3 PERIODS OF TAKING HOLIDAYS ABROAD

In the past ten years, the British adult population has tended to take one long holiday a year rather than two, three or more short ones (see Table 3.5).

Table 3.6 indicates that over 70 per cent of U.K. holidays abroad of more than one night take place during the summer months between May and September. Table 3.7 shows that July and August are the months most favoured by the British tourist taking holidays abroad partly because this period is also the time when schools are in holiday. Table 3.7 also indicates that each segment (segmented either by age or by socio-economic groupings) has its own favourite periods. For example, in the 55-64 age group, the favourite period in spring is March, and in summer, it is from June to September. The implication for Chinese destination marketing is that promotional efforts should begin well in advance of these months (June to September) or those periods that are most favoured by each target segment. Moreover, the Chinese government can compare the favourite periods of each segment to the conditions of China at these periods and base on the results to set up the most suitable promotional strategies to each target segment, so that each target segment may have the feeling that the best time for visiting China is during its own favourite period.

TABLE 3.5 LEVEL AND FREQUENCY OF HOLIDAY TAKING BY BRITISH ADULT POPULATION (percentage)

FREQUENCY OF HOLIDAY TAKING	YEAR									
	73	74	75	76	77	78	79	80	81	82
ONE HOLIDAY	43	44	41	44	42	42	43	43	40	40
TWO HOLIDAYS	14	13	15	14	12	14	14	14	15	14
THREE or MORE	6	4	4	4	5	6	5	5	6	6
NO HOLIDAY TAKEN	37	39	40	38	41	38	38	38	39	40
TOTAL	100	100	100	100	100	100	100	100	100	100

SOURCE : B.T.A. -- Digest of Tourist Statistics, No. 11

TABLE 3.6 MONTH OF TAKING HOLIDAYS ABROAD 1977-1982

MONTHS	HOLIDAYS ABROAD OF MORE THAN ONE NIGHTS (%)					
	77	78	79	80	81	82
MAY	8	9	10	11	10	11
JUNE	12	13	12	12	11	11
JULY	16	18	16	16	15	16
AUGUST	17	17	16	18	17	17
SEPTEMBER	14	14	14	14	14	14
OTHER MONTHS (Totally)	33	29	32	29	33	31
TOTAL	100	100	100	100	100	100

SOURCE : B.T.A. -- Digest of Tourist Statistics, No. 11

TABLE 3.7 BRITISH ADULT HOLIDAY TOURISTS (4 or more nights) : 1983 (percentage)

BASE	MONTHS											
	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.
<u>AGE</u>												
16-24	3	2	2	6	9	12	38	34	9	6	*	6
25-34	2	5	2	7	11	16	34	29	17	11	3	2
35-44	2	3	5	9	14	15	29	43	17	6	2	2
45-54	2	3	6	9	12	17	30	38	20	9	3	3
55-64	4	2	8	10	14	21	29	23	31	10	4	4
OVER 65	1	3	5	10	20	24	26	27	21	12	2	5
<u>SOCIO-ECONOMIC</u>												
AB	6	8	8	13	15	17	31	31	23	13	2	5
C1	1	1	4	10	15	16	28	36	21	9	4	5
C2	2	2	3	5	9	19	37	30	16	8	2	3
DE	1	2	5	7	14	18	28	33	18	8	1	2

* Less than 0.5 %

SOURCE : British Home Tourism Survey, 1984

3.1.4 THE COST OF TAKING HOLIDAYS ABROAD

The total cost of holidays abroad per person paid by the U.K. tourist has increased rapidly in the past ten years (see Table 3.8). Anthony Edwards¹ in his report "International Tourism Forecasts to 1995" predicted that the relative costs of travel abroad by U.K. travellers will have 0.4 per cent increase per year in the period 1983-1990 and 0.3 per cent in the period 1990-1995. (see

Note No. 1 at end of this Chapter for the meaning of "relative costs of travel abroad") This explains why so many U.K. tourists like to spend their holidays within Britain or undertake short or medium hauls to the European continent and North Africa.

Based on cost criteria, the only hope Chinese long-haul destinations have in attracting U.K. tourists would be either to target their promotional efforts on the less price-sensitive segments (i.e. AB and C1 segments) or rely wholly on inclusive tours, which are able to offer cut-price holidays to the tourists, or both. (According to Kaplan et al², group participants may save more than fifty per cent of the cost they could expect to pay were they to follow the same route on their own.)

TABLE 3.8 ESTIMATED EXPENDITURE INCURRED ON HOLIDAY ABROAD AND PARTY SIZE 1976-1982

	HOLIDAYS ABROAD OF MORE THAN ONE NIGHT						
	76	77	78	79	80	81	82
AVERAGE TOTAL COST OF HOLIDAY PER PERSON* (pounds)	162	175	201	246	287	322	327
INDEX(1976 = 100)	100	108	124	152	177	199	202
AVERAGE SIZE OF EXPENDITURE PARTY	2.0	1.9	2.1	2.0	2.0	2.0	2.0

* Includes cost of accommodation, travel and incidental expenditure

NOTE : Party paid for as one unit (including children)

SOURCE : B.T.A. -- Digest of Tourist Statistics, No. 11

3.1.5 THE LENGTH OF TAKING HOLIDAYS ABROAD

The number of nights spent abroad by the U.K. travellers has risen from 176 million in 1978 to 267 million in 1983, with a growth of 52 per cent (see Table 3.9). More and more Briton like to spend their holidays abroad but on average they are shifting to short-haul destinations. Moreover, the number of nights per trip has dropped from 13.5 in 1978 to 12.7 in 1983, a fall of 6 per cent. This is unwelcome news for long-haul destinations such as China. Better co-operation and communication between the Chinese government and the tour operators appear to be important in setting the marketing strategy, selecting the target segments and carrying out the promotional campaigns.

TABLE 3.9 LENGTH OF U.K. TRAVELLERS ABROAD

YEAR	TOTAL U.K. TRAVELLERS	TOTAL NUMBER OF		NIGHTS PER
	ABROAD	NIGHTS ABROAD		VISIT
	mn	mn	(index 1978=100)	(index 1978=100)
1978	13	176	(100)	13.5 (100)
1979	15	205	(116)	13.7 (101)
1980	17	228	(130)	13.4 (99)
1981	19	251	(143)	13.2 (98)
1982	20	262	(149)	13.1 (97)
1983	21	267	(152)	12.7 (94)

SOURCE : Column 1 & 2 : Business Monitor -- Overseas travel & Tourism, 1st Qtr. 1984, p6 & p 18
Column 3 : Self-calculation

3.1.6 EXPENDITURE OF U.K. TOURISTS IN REGIONS OF ASIA

U.K. overseas travellers spend their money mainly in two regions : North America and Europe. These two regions alone receive more than 85 per cent of the total expenditure of U.K. travellers abroad in 1982 (see Table 3.10). The regions of Asia are classified within the "others" column, and account for only about 5 per cent of the total expenditure. Even though this percentage is small, it was still worth about 193 million pounds in 1982. Moreover, there is an average annual growth of about 36 per cent in the period of 1976-1982. These figures can act as a guide to future marketing and planning by the Chinese tourism authorities.

TABLE 3.10 EXPENDITURE OF U.K. TRAVELLERS ABROAD 1976-1982 (million pounds)

AREAS	YEARS						
	76 (%)	77 (%)	78 (%)	79 (%)	80 (%)	81 (%)	82 (%)
NORTH AMERICA	106 (9.6)	119 (10.0)	167 (10.8)	265 (12.6)	408 (14.9)	518 (15.8)	472 (13.0)
EUROPE	814 (76.0)	886 (74.6)	1169 (75.4)	1535 (72.8)	1942 (70.9)	2264 (69.2)	2618 (72.3)
AFRICA & MIDDLE EAST	79 (7.4)	87 (7.3)	92 (5.9)	122 (5.8)	159 (5.8)	180 (5.5)	175 (4.8)
AUSTRALIA & NEW ZEALAND	17 (1.6)	25 (2.1)	26 (2.1)	35 (1.7)	43 (1.6)	58 (1.8)	80 (2.2)
COMMONWEALTH CARRIBBEAN & LATIN AMERICA	25 (2.3)	30 (2.5)	35 (2.3)	59 (2.8)	69 (2.5)	85 (2.6)	82 (2.3)
OTHERS	32 (3.0)	40 (3.4)	62 (4.0)	93 (4.4)	120 (4.4)	168 (5.1)	193 (5.3)
TOTAL	1070 (100)	1187 (100)	1551 (100)	2109 (100)	2741 (100)	3273 (100)	3620 (100)

SOURCE : B.T.A. -- Digest of Tourist Statistics, No. 11 /
Self-calculation

3.1.7 MAIN PURPOSES OF U.K. TRAVELLERS ABROAD

Independent holiday visits, inclusive holiday visits, and visits to friends and relatives constitute the most common reasons for U.K. overseas travellers to visit the regions of Asia, which are classified within the "others" column in Table 3.11. Holiday visits, either independent or inclusive, account for about 53 per cent of the total U.K. travellers to this region and are becoming an increasingly important motive for U.K. travellers visiting these places. The implications of this trend for the Chinese destination marketing will be discussed in Chapter 8.

3.1.8 METHODS OF TRANSPORT OF U.K. TRAVELLERS ABROAD

During the past decade, air transport seems to have been the most favoured type of transportation used by British tourists taking their holidays abroad (see Table 3.12). Recently, there appears to be a decline in the share of total transportation used on holidays abroad by U.K. travellers, nevertheless, air transport still consists of 66 per cent of the total share, and thus remains to be the most important type of transport of U.K. travellers abroad. Table 3.12 also indicates that while on holiday abroad, British tourists prefer to use package holidays rather than independent travel. The implication of these two preferences for destination marketing by Chinese tourism authorities will also be

discussed in Chapter 8.

TABLE 3.11 MAIN PURPOSES OF U.K. TRAVELLERS ABROAD 1976-1982 (thousands)

PURPOSE OF VISIT	YEAR	REGIONS					OTHERS
		NORTH AMERICA	EUROPE	AFRICA & MIDDLE EAST	AUSTRALIA & NEW ZEALAND	CARIBBEAN & LATIN AMERICA	
HOLIDAY INDEPENDENT VISIT	1976	165	2814	84	10	40	40 (18.8)
	1978	263	3410	105	15	46	72 (25.0)
	1980	510	4564	108	23	71	104 (20.7)
	1982	482	5736	115	39	76	131 (25.3)
HOLIDAY INCLUSIVE VISIT	1976	13	3653	124	*	16	65 (30.5)
	1978	27	4309	107	*	26	60 (20.8)
	1980	225	5559	207	*	53	211 (41.9)
	1982	169	7215	188	1	49	141 (27.3)
BUSINESS VISIT	1976	128	1710	118	10	26	32 (15.0)
	1978	169	1841	168	10	27	47 (16.3)
	1980	246	2186	152	9	35	61 (12.1)
	1982	272	2213	155	16	31	70 (13.5)
VISITS TO FRIENDS & RELATIVES	1976	249	1433	81	44	34	70 (32.9)
	1978	287	1408	107	44	26	97 (33.7)
	1980	355	1625	111	72	39	115 (22.9)
	1982	332	1631	144	96	51	161 (31.1)
MISCELLANEOUS VISITS	1976	24	513	21	3	4	6 (2.8)
	1978	36	695	21	7	4	12 (4.2)
	1980	47	741	19	5	6	12 (2.4)
	1982	45	950	37	12	4	14 (2.7)

* Less than 0.5 thousand

NOTE : The figures between the brackets are the % of share of total visit to this region.

SOURCE : B.T.A.-- Digest of Tourist Statistics, No.11 / Self grouping of areas

TABLE 3.12 TYPES OF HOLIDAY & METHOD OF TRANSPORT USED ON HOLIDAYS ABROAD BY U.K. TRAVELLERS, 1974-1982

METHODS OF TRANSPORT	HOLIDAYS ABROAD OF MORE THAN ONE NIGHT (%)									
	74	75	76	77	78	79	80	81	82	
PLANE	71	66	70	69	69	71	68	68	66	
BOAT	26	30	27	27	27	24	28	28	30	
HOVERCRAFT	3	3	2	3	3	3	4	3	3	
<u>TYPES OF HOLIDAY ARRANGEMENT</u>										
PACKAGE (INCLUDING CRUISES)	59	61	58	59	58	58	61	61	61	
INDEPENDENT	41	39	42	41	42	42	40	38	40	

SOURCE : B.T.A. -- Digest of Tourist Statistics, No. 11

3.2 FORECAST OF KEY SOCIO-ECONOMIC FACTORS INFLUENCING THE U.K. TOURIST MARKET

3.2.1 INCOMES

In 1984, the English Tourist Board³ suggested that by the end of the decade national and personal disposable incomes will increase by a quarter in real terms. But this increase will be smaller than that of most other European countries. Cost consciousness will still be an extremely important factor, but the continuing desire for travel and holidays will ensure that demand is still high for the right products. It is expected that low price travel, particularly air travel, will continue, and people will still go to places because they have been

accustomed to doing so. And if the increase in the personal disposable incomes does not match any increase in fares, people may still go to their planned destinations by other means. For examples, the use of chartered flights rather than scheduled flights. (the important of chartered flights to tourism will be discussed in the next Chapter) The demand for cheaper inclusive tours would increase.

3.2.2 AGE GROUPS

The Matrix Corporate Affair Consultants Ltd.⁴ has predicted that the proportion of retired people, young people and young families in the 16 to 44 age group will increase. Moreover, the impact of new technology will lead to higher unemployment, and will result in a shorter working week, longer holidays and earlier retirement.

As a result of these circumstances, a younger but poorer retired group will develop. This active retired group will have a greater need for holidays and services to occupy their time, particularly in holiday resorts within the U.K.. Consequently, long-haul holidays will suffer a reduction in demand. More young singles and couples will require adventure or fun tours and demand more flexibility in their holiday facilities while continuing to be cost conscious at the same time.

3.2.3 SPENDING ON HOLIDAYS

There is a trend for the higher income groups to spend more on their leisure holidays. In contrast, the young and the unemployed are likely to be more cost conscious and will look for low price inclusive holidays that are suited to their needs.

3.2.4 LENGTH OF HOLIDAYS

The British will become more mobile and look for short weekend-style breaks more frequently during the year. As a result the average length of the main holidays may decrease. These short breaks could well be taken domestically rather than internationally by British people.⁵

However, statutory holidays seem likely to be longer in the future, and the desire to holiday abroad will tend to increase.⁶ This will provide a good opportunity for the travel industry to devise marketing strategies to make this desire a reality.

3.3 THE STRUCTURE OF THE U.K. TRAVEL INDUSTRY

Since the Second World War, the U.K. travel industry has grown rapidly. Both horizontal and vertical integration have taken place. Most of the larger operators spread their activities widely, while the smaller ones tend to specialise in particular fields, e.g. particular destinations or types of holiday.

3.3.1 THE OPERATION OF U.K. TRAVEL INDUSTRY

As noted in Chapter One, the tourism product consists essentially of transport, accommodation and attractions. The producers of these services include air, sea, road and rail carriers, hotels and other forms of tourist accommodation, and the various man-made facilities designed to attract the tourist may be distributed to tourists in a variety of ways, either directly, through travel agents, or through tour operators or brokers. These three sectors form the basic commercial undertakings of the U.K. travel industry.

Brokers are most actively involved in the distribution system in the field of air transport and hotel accommodation. By purchasing these products in quantity, they are able to negotiate lower prices and in turn sell them individually to customers or travel agents at a mark-up that allows them an acceptable level of profit.

The basic function of the tour operators is to act as "bulk purchasers". They buy a range of tourist products in bulk and "package" them for subsequent sale to travel agents or to customers directly.

There are at present more than 650 tour operators⁷; and they can be divided into several types according to their mode of operation. The most important types include the following :

- (1) Mass Market Operators : such operators concentrate their activities on mass-market sun, sea and sand destinations such as Spain, the Canary and Balearic Islands and Greece. They usually subdivide their operations to serve different markets.
- (2) Specialist Operators : such operators may range from local travel agents organising an ad hoc tour for twenty or thirty local passengers up to businesses offering long-distance inclusive tours to exclusive destinations. Specialists may be subsidiaries of carriers or accomodation organisations, their function being to provide a sales outlet for such organisations' products.
- (3) Domestic Operators : domestic operators are those who assemble and sell inclusive tours to a destination within the U.K.

There are over 5,900 travel agents in the U.K.⁹. They act as the retail sector of the distribution chain and buy travel services at the request of their clients. They provide a convenient network of sales outlets catering for the needs of a local catchment area.

3.3.2 RATIONALISATION AND SPECIALISATION WITHIN THE INDUSTRY

During the past two decade, there has been a clear trend of specialisation and rationalisation. While the larger firms offer a wide range of holidays in many countries, some of the smaller ones develop special

markets, targeted at the upper end of the market, for example, and offering a wider choice of resorts and higher quality hotels. Competition in the travel market has led to many of the smaller operators going out of business or, alternatively, being taken over by larger or more successful firms : Thomsons, for example, took over Lunn-Poly and Sunair. But even the giant operators can get into difficulties, as in the case of Clarksons, which lost several million pounds a year, and were bought by Court Line in 1974 (now also out of business). In the tour-operating business profit margins are low and firms can easily get into difficulties. Moreover, the danger arising from fluctuation in exchange rates tends to increase the risk of tour operators in operating overseas tours.

Rationalisation also brings about the phenomenon of market domination by a few very large tour operators. In 1983, for example, the top three of tour operators -- Thomson, Intasun and Horizon -- accounted for 2.4 million holidays, around twenty-eight per cent of the total market.⁹ This phenomenon has increased considerably since 1969 when just over fifteen per cent of the market was accounted for by eight companies (Table 3.13 indicates the eight largest tour operators in 1971, 1981 and 1983).

Other than horizontal integration, a considerable amount of vertical integration also occurred, particularly

between the airlines and the tour operators. Universal Sky Tours Ltd. and Britannia Airways, for example, was one of the early link-ups. Other examples include the link-up of Cosmos and Monarch Airlines; and the British Airways with Sovereign and Enterprise Tours.

TABLE 3.13 BRITAIN'S LARGEST TOUR OPERATORS IN 1971, 1981 AND 1983

1971		1981		1983
CLARKSONS	(0.60)	THOMSON HOLIDAYS	(1.02)	THOMSON HOLIDAYS (1.27)
THOMSON HOLIDAYS	(0.29)	INTASUN	(0.47)	INTASUN (0.55)
HORIZON	(0.27)	COSMOS	(0.42)	HORIZON (0.54)
SUNAIR/LUNN POLY	(0.23)	HORIZON	(0.39)	BA TOURS (0.53)
CASTLE	(0.19)	SWSA	(0.35)	RANK (0.37)
COSMOS	(0.17)	LAKER	(0.32)	COSMOS (0.30)
GLOBAL	(0.15)	WINGS/OSL	(0.28)	BLUE SKY (0.22)
BLUE CARS	(0.13)	GLOBAL	(0.25)	THOMAS COOK (0.20)

NOTE : The figures between brackets are the passengers carried by the tour operators in millions

SOURCE : Column 1 & 2 : Holloway -- The Business of Tourism, 1983, p 156
 Column 3 : I.T.O., 1984, No. 3, p 5

3.4 INCLUSIVE TOURS ORGANISED BY U.K. OPERATORS

An inclusive tour, or a package tour, can be defined as a trip undertaken for recreational purposes, planned in advance in every detail (itinerary,

accommodation, excursions etc.) by a tour promoter for an inclusive price, paid for entirely prior to the commencement of the tour.¹⁰

In the U.K. the formative years of inclusive tour operations were the 1960s. Firms such as Clarksons, Thomson, Cosmos and Wallace Arnold in the U.K. grew fast. In the early 1970s, four separate but connected series of events took place and stimulated the growth of inclusive tours in U.K. :

- (1) Major growth occurred in foreign inclusive tours, particularly by air. This was partly due to economic growth, partly to the availability of better and more economic aircraft, and partly to the easing of foreign exchange controls.
- (2) Considerable integration took place, and tour operators became involved with other sectors of tourism such as airlines or hotels.
- (3) There was cut-price competition which caused inclusive tours to become less expensive.
- (4) Regulations and controls on the industry were progressively introduced. In 1971, for example, the Civil Aviation Act provided for the introduction of a system of licences to control air tour operators.

In the 1980s, the growth of inclusive tours began to decline, but it still account for more than fifty-four per cent of all holidays abroad (see Table 3.14).

Because of the geographical position of the U.K., a generally greater proportion of U.K. tourists going abroad use air travel compared with those from most other tourist generating countries. In air tour operations, two main forms of inclusive tours have developed : (i) inclusive tour by excursion (ITX); and (ii) inclusive tour by charter (ITC). (see Appendix 5 for explanation of ITX and ITC)

Generally, the ITC has tended to be associated with mass-market travel in the cheaper price ranges. The ITX has tended to be identified with slightly more expensive packages, since the flight ticket is more expensive and price does not depend so directly on the number of passengers.

TABLE 3.14 THE GROWTH OF INCLUSIVE TOURS IN THE U.K.

YEAR	ALL HOLIDAYS ABROAD (A)		ALL INCLUSIVE TOURS (B)		(B)/(A) %
	mn	(% change)	mn	(% change)	
1976	6.6	(-)	3.9	(-)	59.0
1980	11.6	(18.9)	6.3	(15.4)	54.3
1981	13.0	(12.1)	7.0	(11.1)	53.8
1982	14.3	(9.6)	7.8	(10.9)	54.5
1983	14.5	(1.8)	7.9	(0.9)	54.2

SOURCE : Column 1 & 2 : I.T.O., 1984, No.2, p 47
 Column 3 : Self-calculation

3.5 LONG HAUL INCLUSIVE TOURS

According to distance, inclusive tours can be divided into two different categories : long haul tours and short haul tours. Short haul tours usually include tours to all North African and European destinations. These destination are usually within 1,500 miles of the U.K.. For long haul tours, longer distances and longer travelling time are involved.

Generally, long haul tourism is a low volume tourism (with only ten to twenty persons in one tour). It is comparatively more highly priced than the short haul type. This is mainly due to the fact that higher air transport costs are incorporated in the package price.

The customers of long haul inclusive tours usually come from the professional and middle-class income groups. These customers are motivated more by "wanderlust" than "sunlust" (see Notes No. 2 at the end of this Chapter). They are less affected by seasonal changes (compared with the short haul type) and their demand for the long haul type holidays is highly income elastic.

3.5.1 LONG HAUL TOUR OPERATORS

The advantages possessed by long haul tour operators are derived from their expertise as producers or manufacturers and wholesalers of the tourism product,

their accumulated knowledge of the market and their contacts with the destinations.

The potential holiday-makers are usually unfamiliar with the various long-haul destinations -- transport to them, their attractions, etc.. They therefore rely on the tour operator to supply them with adequate knowledge of the transport to various destinations.

The long haul tour operators occupy a very important position in the U.K. tourist industry. They seem to have three contributions to make to the U.K. tourist industry :

- (1) They increase the volume of sales : they are specialists in the marketing and distribution of the tourist product and thereby can achieve a higher volume of sales.
- (2) They can obtain low cost charter : since the foreign travel demand is highly price elastic, obtaining low cost charter is of crucial importance.
- (3) They ensure high quality standards : the large U.K. tour operators usually market their packages on the basis of their brand name. This gives an assurance of the quality of the services.

The existence of long haul tour operators also seems to be important to the destination countries for three main reasons :

- (1) The U.K. tour operators have more intimate and

detailed knowledge of demand relating to the travel habits, travel motivations and the preferences of their customers than the National Tourism Organisations of long haul destination countries.

- (2) The tour operators can more easily take into account the differences in demand from one market to another.
- (3) The tour operators permit the long haul receiving countries to concentrate on furnishing the services they specialise in.

3.5.2 DISTRIBUTION AND PROMOTION OF LONG-HAUL INCLUSIVE TOURS IN THE U.K.

(A) Channel of distribution

Long-haul inclusive tours are usually sold through travel agents. It is estimated that over 90 per cent¹¹ of long-haul tours are sold through these outlets and the rest are usually sold directly by the tour operators. Since a large amount of long-haul inclusive tours are sold through travel agents, their opinions and recommendations may become important for the sale of the tours. The destination National Tourism Organisations and the tour operators should strongly support the travel agents with sufficient amount of promotional efforts and provide them with enough information.

Other outlets for the long-haul tours may also exist in the U.K., but are in relatively small scale. These include : Clubs and Societies; mail order; door-to

door selling; banks; and newsagent chains.

(B) Promotion and Advertising

The promotion and advertising of long-haul inclusive tours in the U.K. tour operators business are usually taken in the following forms :

(1) Brochures

The tour operator's brochure is an important marketing tool in informing the customers about the product and persuading them to purchase it. Brochures with fully coloured pictures and highest quality should be available well in advance of each appropriate period or season. The production of a tour brochure represents a major proportion of a tour operator's marketing budget. It is estimated that the brochure costs 1.7 per cent of the total cost of the inclusive tours and is about 50 per cent of the total marketing cost of the tours.¹² The brochures are usually distributed to the public through travel agents, or by direct mail method.

(2) Press, radio and television

It is estimated that advertising alone accounts for 2.8 per cent of the total operating costs of the travel agents.¹³ Press advertising seems to be the most important type, and accounts for 60 per cent of the total advertising cost. The point of sale and window display account for 30 per cent and the rest 10 per cent goes on radio and television

advertising.¹⁴

(3) Personal selling

Personal selling is the most effective tool in building up buyers' preference, conviction, and action.¹⁵ However, due to its high operation costs, only limited number of travel agents and tour operators apply this method as their promotional tool. Regent Holiday, for example, is one of those that apply this method to promote their tours.

3.6 FUTURE PROSPECT OF INCLUSIVE TOURS IN THE U.K.

The growth of the market for inclusive tours seems to have slowed down in the early 1980s. Huge promotional expenditure will be needed to improve this situation. Brochures, and press advertisements will retain their positions as the most important media for advertising and promotion in the travel industry. Several changes in the industry can be expected in the future. The large operators will continue to follow their policy of high spending (especially in promotion) and expanding their market share. The independent travel agent will become more personalised and specialised. Horizontal and vertical integrations will continue. The large tour operators will probably become more concerned with complementary activities such as airline operations and hotel management.

If the prediction of Pannell Kerr Forster and Co.¹⁶

that a further 5 per cent fall in air fares between 1985 to 1990 is correct, then inclusive tours to long haul destinations may increase. Cut-price competition and the array of marketing strategies employed by tour operators will continue to maintain lower price levels for packaged tours in the future.

CONCLUSION

British residents travelling abroad have increased steadily in the past few years and up to 21 millions in 1983. Since 1980, the share of long-haul visits has decreased gradually from 16.3 per cent (2.6 million) in 1980 to 11.5 per cent (2.4 million) in 1983.

The average number of nights spent on overseas trips was 13.5 in 1978 and rose to 13.7 in 1979, and then decreased gradually to 12.7 in 1983. Holiday travel is the most important sector in travelling abroad, and accounting for about 70 per cent of total overseas travel in 1982. Air transport remains the dominant form of transport used on overseas trips, accounting for 67 per cent of long-trips.

Under rationalisation and specialisation, the U.K. travel market will become more competitive. The large tour operators will continue to provide low-priced package tours, and the independent travel agents will become more specialised in one or two destinations services.

China now faces a highly competitive U.K. long-haul market. If the Chinese government wants to build up and maintain a growth position in the market under these conditions, more specific marketing strategies and more promotional efforts will be needed. The provision of more incentives to both travellers and tour operators also seems to be necessary.

NOTES ON CHAPTER THREE

(1) The relative cost of travel abroad is composed of three elements¹⁷ :

(i) the pace of inflation in the U.K., compared with inflation in the main destination countries for tourists from the U.K.;

(ii) the trends of exchange rates between the U.K. and these destination countries;

(iii) changes in international air fares, including the impact of inclusive tour and concessionary fares.

(2) "Wanderlust" and "Sunlust" are the terms used by Burkart & Medlik to express the two main and distinct motivations in tourism conceived as pleasure or holiday travel¹⁸ :

(i) Wanderlust travel -- this type of travel is motivated by the desire to exchange the known for the unknown, to leave things familiar and to go and see different places, people, and cultures or relics of the past in places famous for their historical monuments and associations, or for their current fashions and contributions to society.

(ii) Sunlust travel -- this type of travel depends on the existence elsewhere of better amenities for a specific purpose than are available in the domicile; it is prominent with particular activities such as sports and literally with the search for the sun.

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CHAPTER FOUR : INTERNATIONAL TOURISM AND THE DEVELOPING COUNTRIES

INTRODUCTION

China began expanding the tourism industry a few years ago. Even though China has a different political and economical background in comparison with most developing countries, the problems that are faced by China in developing the tourism industry will be more or less the same. To have a look on these countries' problems can, therefore, give China many lessons for the development, control and management of its own tourism industry.

In this section, the trends and the economic impact of international tourism on the developing countries will be looked at. After that, the role of the government, the organisation of tourism and the place of tour operators in the development of the tourist industry will be discussed, and finally, the problems in marketing the developing countries as tourist destinations will be considered.

4.1 THE IMPORTANCE OF INTERNATIONAL TOURISM TO DEVELOPING COUNTRIES

In developing countries, even though there was a slightly drop in average international tourism receipts in 1982, an average annual growth rate of 6.6 per cent was recorded during the period 1979-1983 in nominal terms

(see Table 4.1). Other than in 1982, international tourist arrivals to the developing countries also increased as did the share of the world total. In 1979, for example, developing countries received 34.7 per cent of international tourism; in 1983 this figure was five percentage points higher. During the same period, international tourist arrivals rose 22.4 per cent in developing countries, while in developed countries, there was a drop of 0.8 per cent.

International arrivals to destinations in developing countries had an average annual growth rate of about 6 per cent per year during the period 1979-1983. It is, therefore, likely that the developing countries will continue to play an increasingly significant role in the international tourism industry. At the same time, their tourism industries will tend to make an increased contribution to their economies. Consequently, their governments are expending more effort, more time on exploiting available opportunities to improve the operation of their tourism industries.

The importance of international tourism to China will be discussed, in depth, in the next chapter.

TABLE 4.1 The growth of International Tourism in developing countries, 1979-1983

YEAR	TOURIST ARRIVAL			% OF WORLD TOTAL
	(millions)		DEVELOPING COUNTRIES	
	WORLD TOTAL	(index 1979=100)		
1979	274.0	(100)	95.1 (100)	34.7
1980	285.3	(104)	99.5 (105)	34.9
1981	288.9	(105)	101.4 (107)	35.1
1982	287.5	(105)	94.3 (99)	32.8
1983	293.9	(107)	116.4 (122)	39.6

YEAR	TOURIST RECEIPTS			% OF WORLD TOTAL
	(\$ thousand millions)		DEVELOPING COUNTRIES	
	WORLD TOTAL	(index 1979=100)		
1979	83.3	(100)	24.4 (100)	29.3
1980	97.1	(117)	28.7 (118)	29.6
1981	97.5	(117)	30.9 (127)	31.8
1982	94.6	(114)	29.5 (121)	31.2
1983	96.2	(115)	30.9 (127)	32.1

SOURCE : W.T.O.--Regional Breakdown of World Travel & Tourism Statistics, 1984 Ed., pp 6-8

4.2 THE IMPACT OF TOURISM AND PROBLEMS OF ECONOMIC DEVELOPMENT

Within developing countries, a transformation from a traditional agricultural economy to an industrial economy is required to enable modernisation and economic development to take place. Such a transformation requires enormous amounts of capital and foreign earnings or loans. However, many developing countries have a well established function of exporting primary commodities and

the export of primary products has usually been insufficient to meet the financial requirements of the proposed economic transformation. This has encouraged governments in the developing world to turn to tourism as an additional means of acquiring the financial resources required for industrialisation. However, the rapid injection of income from tourism and foreign investment in developing countries can produce a number of effects (either positive or negative) :

(1) The impact of tourism receipts : as shown in the previous section, the overall growth of tourist receipts in developing countries has been rapid, and this source of income can be an important contributor to the balance of payment. On the other hand, the cost of setting up and developing some tourist facilities may lead to a negative effect on the balance of payment. China, for example, in the past few years, has spent a vast amount of foreign exchange on items such as aeroplanes and hotels which tourists demanded. The current benefits of tourism to China seem to be limited.¹

(2) Employment effect : the tourist industry is a labour-intensive service industry and so is a valuable source of employment. For China, with population over 1,000 million, this effect can be important.

(3) Government expenditure : Governments are financially involved in the tourism sector in a variety of ways, but only some are recognized. The main categories of

expenditure incurred by the Chinese government are -- (i) development expenditure on research, planning, publicity and training; (ii) expenditure on supervision of the industry; (iii) infrastructural costs; (iv) running tourism facilities (eg. airlines); and (v) incentives to different sectors of the industry (e.g. giving incentives to foreign investors to build joint-venture hotels).

(4) Effect on the general level of prices : tourism, in several different ways, can have an inflationary effect. In an attempt to deal with inflation, the Chinese government imposed a price freeze in December 1980. By the end of 1984, about eighty-five per cent commodities in China were state-set priced.²

(5) Social effects : the social effects of tourist development may be negative as well as positive. On the positive side, it improves mutual understanding between countries, which is one of the objectives of China in developing tourism. It also contributes socially to economic development by generally encouraging "development-mindedness". Moreover, the improved infrastructure, equipment and services provided by the growth of the industry may be enjoyed by the population at large. On the other hand, some social disadvantages may emanate from tourism. The "demonstration effect" that may set standards for desirable change can also operate to encourage other changes that are regarded as less

desirable.

- (6) Environmental effects : there are both positive and negative environmental effects -- positive effects include the considerable conservation measures that have ensured the survival of physical features of the environment, of historic sites and monuments, and of wildlife (these features are in themselves tourist assets, whose preservation is necessary for the successful development of the industry); negative effects have included both disturbance to and destruction of various ecological elements. To minimise this effect, China, on June 1985, has issued an act to regulate the planning, protection and management of the historical sites and scenic spots.³
- (7) Problems of dependence : the more the developing countries' international tourism industries establish themselves and expand, the greater their dependence on the developed countries may become. This dependence stems firstly from the fact that the international tourism industry caters primarily for demand generated in developed countries. The markets are predominantly the same few industrialised countries that account for the bulk of world trade and are the main markets for commodities produced by developing countries. The second form of dependence that is said to flow from tourism is that involved in the use of foreign capital and imported goods, material and manpower.

4.3 PLANNING FOR TOURISM IN THE DEVELOPING COUNTRIES

It is essential for developing countries to introduce tourism programmes to develop their tourism industries. According to Dr. Robinson⁴, planning for development is essential for four main reasons : first, since most of tourism development is part of national economic development, then this sector of the economy should also be the subject of planning; secondly, the success of tourism development depends very largely upon appropriate facilities being available in the right place at the right time and these can only be provided following adequate research into national tourist assets and markets; thirdly, planning is required to ensure that the natural and man-made assets are conserved and protected to maintain tourist appeal, for lack of care and co-ordinated development may impair and even ruin those assets upon which the tourist industry is founded; and fourthly, tourism development must correspond to the inherent characteristics and needs of the region, its society, and the customers sought; this will require some planning to ensure satisfactory development.

Fundamentally, the planning process involves five things⁵ :

- (1) It must make an inventory of all existing and potential resources.
- (2) It must assess the tourism markets and attempt a projection of future tourist flow.

- (3) It must look for areas where the demand is greater than the supply.
- (4) It must investigate investment possibilities, both domestic and foreign, since the financial commitment in tourism development is likely to be substantial.
- (5) It must attempt to conserve (as well as promote) the natural endowment, cultural legacy and social amenities.

Planning, after all, is really about supply and demand, and the planning process requires an assessment of the supply of resources and the potential demand for them. The planning of the development of China's tourism industry will be discussed in the next chapter.

4.4 THE STATE'S ROLE IN TOURISM

China's tourism industry is a centrally controlled industry, and this is the main difference between China and most other developing countries. Since the tourism industry of China is a centrally controlled type, the Chinese government tends to play a more important role in the development, control, and management of tourism than those of other developing countries. Generally speaking, the role of the government in the tourism industry is seven fold⁶ :

- (1) It has to decide what the appropriate rate of growth for tourism is and whether to encourage mass tourism or a more selective form.

- (2) It has to determine the respective shares of domestic and foreign capital, decide priorities as regards the areas to be developed and strike a proper balance between the development of tourism facilities and the promotion of demand.
- (3) It has an important role to play in enacting and enforcing tourism legislation and regulations designed to safeguard the interests of the travelling public and build up a viable national tourism industry.
- (4) In an endeavour to raise productivity in the tourist industries, the government has an important role to play in providing adequate facilities for the training of personnel at all levels.
- (5) Inventories of national tourist attractions, enquiries into the holiday habits of foreign tourists and surveys of market prospects -- all these are required by the state in order to formulate a national tourism policy.
- (6) The publicity promoting the country and its tourist assets and creating those conditions of good-will, interest, ease of entry, etc. which will not only attract the tourist but ensure that when he has been he will go away with a good impression and wish to return.
- (7) It has the duty of making whatever arrangements that are deemed necessary for tourism promotion with other governments : whether it be establishing cordial

relationships, facilitating exchange movements or co-operating with neighbouring governments to attract a regional market.

Other than the above responsibilities, the Chinese government also needs to coordinate and plan for the work of the various organisations in China connected with the tourism sector. Moreover, it also needs to do a lot of work to facilitate tourism operations within China. For example, to review the exchange control system, to speed up foreign payments and encourage tour operators to compile Chinese programmes and to investigate the possible use of credit cards within China.

4.5 THE FUNCTION OF ORGANISATION OF TOURISM

Organisation is the framework within which tourism operates. It is the function of purpose and is concerned with maximising opportunities for tourism. The basic determinants of success in tourism are threefold : (i) attractions, e.g. climate, scenery, historical and cultural features; (ii) accessibility, i.e. distance of destination and transport facilities; and (iii) amenities, e.g. accommodation, catering, entertainment. An appropriate mix is necessary for success, and it is the task of the organisation to achieve this success.

Precisely how the tourist industry is organised in any country varies very widely, but there are a number of considerations which help to influence the nature of the

organisational set-up : (i) the political, economic and social system in a particular country; (ii) the importance of tourism in the national economy; (iii) the stage of tourism development reached by a country; and (iv) certain historical considerations which may influence the nature of the tourist organisation.

4.5.1 NATIONAL TOURISM ORGANISATIONS (N.T.O.s)

The term National Tourism Organisation is used to designate the organisation entrusted by the state with responsibility for matters relating to tourism at national level. It may be a full-fledged ministry or a directorate general or a department or corporation or board.⁷ In China, the government department in charge of tourism is the National Tourism Administration of China (N.T.A.).

The N.T.O. is the body responsible for the formulation and implementation of national tourist policy. The functional responsibilities of a national board are likely to include all or most of the following^a :

(1) Planning and control functions :

- (a) product research and planning for tourism organisations or facilities;
- (b) protection or restoration of tourism assets;
- (c) manpower planning and training;
- (d) licensing and supervision of sectors of the

tourism industry; and

(e) implementation of pricing or other regulations affecting tourism.

(2) Marketing functions :

(a) representing the nation as a tourism destination;

(b) undertaking market research and forecasting studies;

(c) producing and distributing tourism literature;

(d) providing and staffing tourism information centres; and

(e) advertising, sales promotion and public relations activities directed at home and overseas markets.

(3) Financial functions :

(a) advising industry on capital development; and

(b) directing, approving and controlling programmes of government aid for tourist projects.

(4) Co-ordinating functions :

(a) linking with trade or professional bodies, government and regional or local tourist organisations;

(b) undertaking co-ordinated marketing activities with private tourist enterprises; and

(c) organising "workshops" or similar opportunities for buyers and sellers of travel and tourism to meet and do business.

4.6 THE ROLE OF TRAVEL AGENTS AND TOUR OPERATORS IN THE DEVELOPING COUNTRIES

At present most developing countries depend on foreign tour operators for their supply of tourists and the arrangements in getting them to their destinations. Similarly, China also depends on foreign operators for the supply of tourists.

In most cases, foreign operators also handle domestic activities in the developing countries, but in China this is done by the China International Travel Service (Luxingshe). The package tours for foreign visitors in China are usually arranged by Luxingshe, which provides a wide range of itineraries, with different costs and duration, to the tour operators. Based on the prices quoted by the C.I.T.S., the tour operators are free to add their markup on the package tours according to their pricing policy. The tour operators can also ask the C.I.T.S. to offer tour packages tailor-made for them, but the prices for such packages may be higher than those arranged by the C.I.T.S.

The C.I.T.S. focuses on cooperating with tour operators while leaving most advertising and marketing of packages to them. The foreign tour operators and travel agents, therefore, have an important role in distributing and promoting the package tours of China.

Inside China, there has three types of travel agencies¹⁰ :

- (1) Agencies bringing tourists into China and looking after them in the country. (usually collectively-owned)
- (2) Agencies dealing with overseas tourists in China but doing no business abroad. (usually collectively-owned)
- (3) Agencies for Chinese tourists in China only. (usually state-owned)

The work of these agencies is to operate local sight-seeing tours for foreign visitors, especially for individual foreign visitors, and local Chinese.

Due to the rapid increase in number of tourists, the Chinese government is now encouraging collectives and individuals to open more travel agent companies and compete.

4.7 GENERAL PROBLEMS IN THE MARKETING OF DEVELOPING COUNTRIES AS TOURIST DESTINATIONS

As discussed in Chapter One, a marketing policy must cover every single aspect of the product, i.e. prices, distribution channels, advertising, public relations, personnel, sales promotion etc.. When examining the marketing of developing countries as tourist destinations, six subject areas have to be considered : (i) tour operators; (ii) charter airlines;

(iii) liaison with foreign tourist operators; (iv) foreign exchange fluctuations; (v) promotion and marketing activities; and (vi) availability of enough hotels of international standard.

4.7.1 TOUR OPERATORS

The economic interests of tour operators and the service enterprises in the destination country are not completely identical. The destination country's interest is first and foremost low fares, since this attracts more customers because of lower total holiday costs to them, diverts customers from other competing destinations and makes travel over longer distances financially feasible. The tour operator's interest lies not primarily in low fares but in achieving a total package cost as low as possible and he may be tempted to achieve this by putting pressure on the cost of local services.

Since China's tourism industry is centrally controlled, this will enable China to have a stronger bargaining power with foreign tour operators in setting prices and deciding which services will be provided in the Chinese tours.

4.7.2 CHARTER AIRLINES

The air fare element of package tours is greater for long haul destinations (i.e. China from the major tourist generating areas) than it is for short haul

destinations. To have cheap air fares tends to be an essential factor in the marketing of China.

Charter (non-scheduled) airlines' appeal has been essentially one of price; by setting a very high break-even load factor (typically 85-90 per cent) and by keeping overheads low, prices have been dramatically reduced compared with those of the scheduled services.

It is advisable for China to develop more charter airlines to connect with major tourist generating areas to support the N.A.T.'s marketing efforts.

4.7.3 LIAISON WITH FOREIGN TOURIST ENTERPRISES

The marketing strategies of the developing countries may be limited by the goodwill of the tour operators based in the generating countries. Mutual co-operation between the National Tourism Organisations and the foreign tour operators is important for a successful marketing strategy. This is because the bulk of the marketing effort eventually falls on the tour operator who is ideally placed to monitor the market for the destination. The provision of promotional material by the N.T.O.s to the tour operators seems to be the most basic element of co-operation between them.

4.7.4 FOREIGN EXCHANGE FLUCTUATIONS

Exchange rate fluctuations, inflation rates in the destination countries and increases in fuel or other

costs will affect the actual cost of operating tours to developing countries. Most contracts with airlines permit the carrier to pass on higher fuel costs resulting from price increases or fluctuations in exchange rates. All these factors tend to make tour pricing more difficult for the tour operators. In practice, they generally pass the risk element on to the customers and charge them a higher price. This will consequently affect the competitive power of the developing countries compared with developed countries which usually have more stable exchange rates and are closer to the tourist generating countries. Even though the "Renminbi", the currency of China, is not traded on international markets, it can still fluctuate against the dollar.¹¹

4.7.5 PROMOTION AND MARKETING ACTIVITIES

In carrying out promotion and marketing activities in major tourist generating markets, problems that arise are usually related to the structure and control of distribution channels :

- (1) Most developing countries seem to face the same problem of limited funds to carry out their promotional projects. The extent of the advertising which they are able to undertake is limited and, consequently, much of the burden of promoting developing countries fall on the foreign tourist enterprises themselves. Promotion of Chinese tours also relies heavily on foreign tour operators or

travel agents.

- (2) Structure of wholesale-retail distribution in tourist-generating countries : there is little incentive for travel agents to promote one destination rather than another since their profit is based on commission. However, if the commission is based on a percentage of the retail price, there is an incentive to promote the more expensive holidays. Prices of Chinese tours usually range from 1,500 to 2,000 pounds.¹² Compared with other Asian countries, the average price per night of Chinese tours is similar to Singapore, Philippines and Hong Kong, but is higher than Thailand, India and Sri Lanka (see Table 4.2).

4.7.6 AVAILABILITY OF ENOUGH HOTELS OF INTERNATIONAL STANDARD

The lack of enough hotels of international standard in a country can seriously affect the marketing policies of that country's National Tourism Organisation in its attempt to increase visitors from the main generating countries. Moreover, an insufficient number of rooms can hinder the N.T.O.'s effort to increase visitor flows and discourage tour operators from sending tourists. Tour operators in the generating countries will only be keen to package holidays to those destinations that have guaranteed hotel beds with an international reputation or good service and high standards. By mid 1985, China has

318 hotels suitable for foreign visitors. Efforts are being made by the Chinese government to build more hotels of international standard. There are as many as 200 hotels planned, with 100 due to open before 1987.¹³

TABLE 4.2 The average prices of tours from the U.K. to Asian countries for single person per night (All prices based on single centre)

COUNTRIES	POUNDS PER PERSON PER NIGHT
China	104
Hong Kong	108
India	82
Indonesia	119
Japan	155
Korea	160
Malaysia	116
Philippines	104
Singapore	105
Sri Lanka	84
Taiwan	142
Thailand	94

Sources : Compiled from booklets like :

- (1) Premier Holidays -- Faraway 1985
- (2) Hayes & Jarvis -- Holidays worldwide Dec. 1984-Nov. 1985
- (3) Sun & Supertravel -- Exotic Holidays for discerning travellers

CONCLUSION

Tourism which has proved to be resilient in weathering inflationary trends brought about by oil price increases in the 1970s and the recession of the early 1980s, has become "a leading source of income" for many developing countries. Tourism, therefore, has an important contribution to the economy of a developing country. However, tourism can also bring in a lot of problems in its wake.

As the China's tourism industry is a centrally controlled one, the Chinese government therefore has to play a more important role in the development, control, and management of the tourism industry. The National Tourism Administration of China is the government department in charge of tourism, and it has the responsibilities of planning, controlling, marketing, financing and co-ordinating all tourism activities in China.

Since China and other developing countries depend heavily on the foreign tour operators for the supply of tourists, good relation with them is, therefore, important for marketing. The N.T.O. in setting promotional strategy, therefore, needs to take into account the fact that the supply of correct information and adequate promotional materials to the foreign tour operator will make the difference between one destination

being much more successfully promoted than the other.

The effectiveness of a country's marketing strategy may depend on the availability of sufficient airline seats and, more important, on the availability of promotional fares. Lack of these may destroy any marketing effort of the National Tourism Organisations as such fares are essential to the development of long-haul destinations such as China. The price of the airline ticket can therefore limit the N.T.O.'s marketing plans and strategies to a great extent. The desirabilities for Chinese government to develop its national airline to assist the N.T.A.'s marketing efforts will be discussed in Chapter 8.

The availability of enough hotels of international standard seems to be important for the marketing policies of the N.T.O.. Destinations with sufficient number of hotels at international standard can encourage tour operators to send more tourists to there, and consequently, package more holidays to these destinations.

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CHAPTER FIVE : TOURISM IN CHINA

INTRODUCTION

Before the late 1970s facilities for visitors to China were few and unimpressive. Only a limited number of foreign visitors were allowed to travel in China at that time. Between 1949 and 1978, for example, over 1 million Americans applied for Chinese visas; 14,000 were granted.¹ Now everything has changed, as the Chinese realise what an important contribution the proceeds from tourism can make to its modernisation.

The Chinese government now plays an active role in promoting tourism. Even remote areas like Tibet, the Gobi Desert and the Silk Route (in northwest China) are now open to foreign visitors.

As China relaxed restrictions on internal travel by foreigners, the number of tourist arrivals in China has increased rapidly, in terms of both independent and group travel. Tourist facilities, at the same time, are rapidly improving also. Getting to China is much easier than it was just a few years ago.

In this chapter, the subject is looked at from three broad perspectives. Firstly, the general background including a discussion of the importance of tourism to China's development. The second perspective will be based on the profile of China's tourism industry, and will

include the structure and administration of China's international travel; the objectives, strategy and planning of the Chinese government in the field of tourism; group and individual travel to China; and the Chinese government tourism policy. Finally, in a third perspective, the tourist demand and supply in China will be discussed.

5.1 GENERAL PICTURE OF CHINA

The People's Republic of China (P.R.C.) covers an area of about 9.6 million square kilometres. It is the second largest country in Asia and the third largest country (after the U.S.S.R. and Canada) in the world.

China has 22 provinces (including Taiwan Province which is under the control of the Republic of China), 5 autonomous regions and 3 municipalities directly under the central Government (Beijing, Shanghai and Tianjin) (see Appendix 6 for the Map of Provinces and Autonomous Regions of the P.R.C.). There are altogether over 2,000 cities in China. (After 1997, Hong Kong may also be counted as a city of China.)

China is a state with over 1,000 million people and a number of nationalities. The Han nationality makes up about 94 per cent of the total population, while the remaining 6 per cent are taken up by over 50 minority nationalities including the Mongol, Hui, Tibetan, Uygur, Miao, Yi, Zhuang, Bouyei, Korean, Kazak and Dai.

China has a varied climate which includes the tropical, temperate and high frigid zones. There is a big disparity in temperature between the north and the south, with a difference of over 30 degrees between Guangzhou and Harbin, for instance. The annual rainfall ranges from 1,500 mm in the southeast to 50 mm in the northwest.

The Chinese nation has a long culture and history. The written history of the Chinese nation can be traced back over 4,000 years.

The official spoken language of the P.R.C. is putonghua, or "Standard Speech", which is based on the Beijing dialect and is also known as Mandarin. However, a variety of dialects are spoken in south and southeast China. These dialects are often as different from each other as they are from putonghua. In the Shanghai area, the Wu dialect is spoken. The Min dialect is spoken in Fujian and Taiwan, and in Guangdong Province, Cantonese predominates. Each of these dialects encompasses various subdialects.

The Chinese written language is the unifying element among all the dialects. Since Chinese is not written phonetically, a character may be pronounced differently in each dialect, although the written form and meaning remain the same. (Chinese characters are also used in Japan and South Korea.)

In order to solve the problem of communication

between foreign visitors and the Chinese people, the Chinese International Travel Service provides guide-interpreters for foreign visitors : at least one guide-interpreter accompanies each package tour; for individual travellers, guide-interpreters can be arranged on request.²

5.2 THE IMPORTANCE OF INTERNATIONAL TOURISM TO CHINA'S DEVELOPMENT

In spring 1978, China's leadership announced the "Four Modernisations" programme, an economic development strategy that would provide the country with a "powerful socialist economy" by the year 2000. The modernisation thrust was to focus on agriculture, industry, national defence, and science and technology.

In 1979, the China's leaders have estimated that their modernisation program will require capital investments totaling at least US\$600 billion. This figure is roughly equal to the P.R.C.'s total industrial investments over the entire twenty-eight years of its prior existence from 1949 to 1977.³

The success of the "Four Modernisations" will, therefore, depend largely upon China's ability to earn foreign exchange to support this programme. Tourism, as previous chapters have shown, is a substantial foreign exchange earner and has become more and more important to China.

In fact, the tourism industry has brought into China a substantial amount of foreign exchange. Income from tourism in 1984 was US\$1130 million, nearly 2 per cent of China's trade turnover, up 20.2 per cent over 1983.⁴ In nominal terms, there was an average annual growth of 26.8 per cent of receipts from tourism to China in the period of 1978-1984 (see Table 5.1).

TABLE 5.1 INTERNATIONAL TRAVEL RECEIPTS OF CHINA

YEAR	RECEIPTS (US\$ million)	INDEX (1978=100)
1978	260	100
1979	401	154
1980	555	213
1981	780	300
1982	843	324
1983	941	362
1984	1130	435

SOURCE : 1978 Figures : I.T.O., 1983, No. 2, p 17

1979-1983 : W.T.O.--Regional Breakdown of World Travel & Tourism Statistics, 1984 Ed., p 60

1984 : China National Tourist Office -- News on China's Tourism Vol. 1, No. 1

Apart from its economic contribution to China's development, tourism also upgrades the country's services to attract foreign investment. As tourism develops, more hotels, recreational centres and apartment buildings are planned. The infra-structure (railways, airports and telecommunications facilities) at the same time are also subject to or scheduled for considerable improvement. Consequently, a good investment environment for overseas businessmen is being built up.

Moreover tourism can increase employment in China and, at the same time, can promote increased consumption and production by the people. The Chinese people and the State can both benefit from the development of tourism.

5.3 STRUCTURE AND ADMINISTRATION OF CHINA'S INTERNATIONAL TRAVEL

China established the China International Travel Service (C.I.T.S.) in 1954 with branches in a number of cities open to foreign visitors. The Bureau of Travel and Tourism was set up in 1964. In 1978, the Bureau was extended to become a general administration branch functioning directly under the State Council. With sub-administrations in most of the provinces, municipalities, and autonomous regions, the function of the Bureau is to take care of general policies for travel and tourism.

The need to increase the attention given to tourism was underscored in April 1981, when a new "leading group"

(the Travel and Tourism Leading Group) was set up under the State Council to approve principles and policies regarding tourism in China, as well as to coordinate and plan the work of the various organisations in China connected with the tourism sector.

The National Tourism Administration of China (N.T.A.) is the Chinese government department responsible for implementing the policies established by the "leading group". N.T.A. includes all the travel agencies in China, namely the China International Travel Service (C.I.T.S.), the China Travel Service (C.T.S.), the Overseas Chinese Travel Service (O.C.T.S.), and the Youth Travel Service (Y.T.S.)⁹ (see Figure 5.1).

The C.I.T.S. (Luxingshe) is a state-owned enterprise under the N.T.A. of China. Its purpose is "to promote friendly exchanges between the Chinese people and people of other countries in the world, and to serve China's modernisation programme". Its major functions are : "(i) to look after foreign tourists travelling in China; (ii) to provide international conferences (congresses) held in China with various services; and (iii) to offer non-package services to foreign transit passengers and foreigners staying in China. Services include :

- (1) guide interpreter.
- (2) meeting and seeing off.
- (3) travel arrangements in and outside China.

- (4) luggage service.
- (5) application of entry, exit and transit visas, and residential and travel permits.
- (6) hotel room reservations and hiring of taxis.
- (7) buying, booking and endorsing train, aeroplane and steamer tickets.
- (8) arrangements for customs declaration and inspection."

The C.T.S. provides services to travellers and tourists including overseas Chinese, whether born in China or not, and Chinese residents from Hong Kong, Macao and Taiwan (visitors from these three places are treated as compatriots by the Chinese government). It is necessary to note that because the C.T.S. does not have branches in Taiwan, travellers from Taiwan need to pass through Hong Kong before they can enter into China.

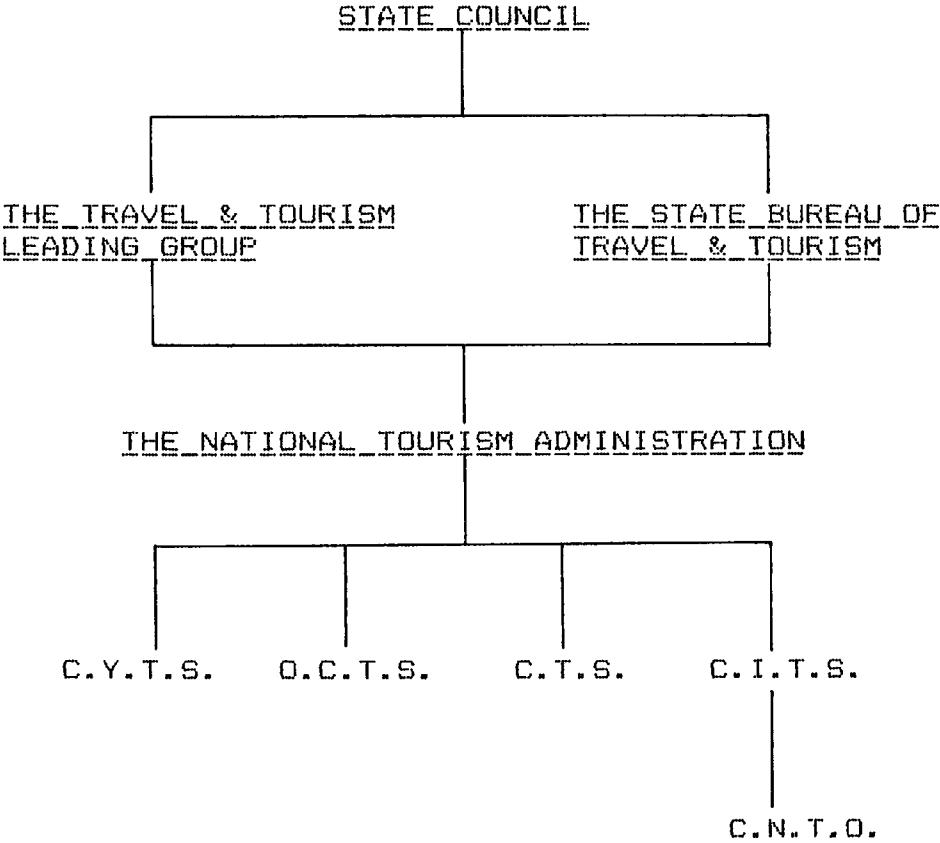
The O.C.T.S. handles all travel requests and arrangements for overseas Chinese.

The C.Y.T.S. provides services to young travellers and tourists (young in China is defined as under thirty).⁴

The C.I.T.S. has a branch known as the China National Tourist Office (C.N.T.O.), which is an official organisation responsible for the promotion of tourism to China. The C.N.T.O. provides to both tourists and businessmen a whole range of services. There is a free distribution of brochures, maps and posters. Literature

is posted free of charge. Slides and films on China are also available for rental. The C.N.T.O. also answers enquiries from the general public. There are joint promotions between C.N.T.O. and tour operators and agents featuring China. C.N.T.O. also offers suggestions and assistance to companies who wish to develop tours to China.

FIGURE 5.1 THE ADMINISTRATION CHART OF CHINA'S INTERNATIONAL TRAVEL



SOURCE : Compiled from data in Kaplan & Sobin -- Encyclopedia of China Today, 1985, p 354

5.4 OBJECTIVES, STRATEGIES AND PLANS OF THE CHINESE GOVERNMENT IN THE FIELD OF TOURISM

5.4.1 OBJECTIVES

The objectives of the Chinese government in relation to developing tourism are four fold⁷ :

- (1) To "develop tourism as an economic undertaking".
- (2) To "develop tourism as a mean of expanding internatinal communication and exchange and promoting mutual understanding and friendship between the Chinese people and people in other countries".
- (3) To "display the Chinese tradition of being hospitable towards visitors, and providing good service to tourists so as to make their stay in China enjoyable".
- (4) To "incorporate tourism in the state plan and the plans of the various localities for developing the national economy".

5.4.2 THE STRATEGY FOR DEVELOPMENT

In order to achieve the objectives listed above, the Chinese government has a long term strategy for the development of the tourism industry and which may be outlined as follows :⁸

- (1) To make full use of the tourist resources : China is an ancient civilized country and her splendid culture and countless scenic spots of historic interest provide China with unique tourist resources. China

also has a reputation for time-honoured and exquisite arts. Its architecture, horticulture, dances, operas, elegant handicraft products and cuisine are world famous. The Chinese government is now planning to make full use of all these resources in order to enable tourists to become familiar with China's magnificent culture.

- (2) Diversification of the tourist activity : In order to satisfy tourist interest and demands, the tourist activity should be diversified. For example, to satisfy foreign young people, special routes and facilities, including some camping sites have been developed.
- (3) To develop tourist facilities which have national characteristics : Hotels, restaurants, scenic spots and other tourist facilities are planned to reflect as much as possible the Chinese style and characteristics. Each new tourist facility will be designed along Chinese architectural lines, have its own unique style and embody socialist material and symbolise a spiritual civilisation.
- (4) To study the experience of foreign countries : The Chinese government has planned to employ all the useful experience of foreign countries and at the same time, retain the fine Chinese traditions and national style in developing the tourism industry.

5.4.3 PLANNING FOR DEVELOPMENT

The long-term plan for China's tourism development is divided into two phases.⁹ The objective in the first phase (1985-1990) is to initiate and develop China's tourism up to the level achieved by developed countries, in order to reach an annual target of 3 million foreign visitors (excluding Chinese residents from Hong Kong and Macao visiting relatives and friends). The objectives in the second phase (1990-2000) is to place China among the ranks of the world's developed countries in respect of tourism and to achieve the advanced world level of tourism infrastructure and management to enable China to cope with about four million foreign tourists a year.

The main undertakings planned as a means of reaching these targets include the following¹⁰ :

- (1) Construction of tourist facilities should be achieved through the concerted efforts of the state, local authorities, various departments, collectives and individuals, as well as foreign investors. Individual households should be encouraged to run hotels and restaurants and sell souvenirs.
- (2) The N.T.A. should give greater decision-making power to local authorities. The administration should formulate policies and regulations concerning tourist expansion and draw up development plans. It should also coordinate economic links between various departments, localities and enterprises, and

distribute tourism information.

- (3) Efforts must be made to improve air and railway transport services.
- (4) Efforts must also be made to boost production of tourist souvenirs, arts and crafts.
- (5) Overall construction plans should be drawn up relating to tourist attractions, while new tourist areas and scenic spots should be developed.
- (6) More new hotels should be built in popular tourist cities including Beijing, Shanghai, Xian and Guilin, and more inexpensive hotels should be built.
- (7) All workers and staff members should be employed by new tourist enterprises only after they have received special training and passed examinations.

5.5 CHINA TRAVEL OPTIONS : GROUP TOURS & INDEPENDENT TRAVEL

5.5.1 GROUP TOURS TO CHINA

Today, travellers who wish to visit China may do so simply by purchasing tickets from one of the hundreds of travel agents around the world now authorised to arrange group tours to China. (Foreign visitors need to apply for a visa when going to China and this will be discussed in Section 5.6.2)

Within the guidelines established by the China International Travel Service, tours have become sufficiently varied in terms of itinerary, cost and

duration to satisfy virtually every form of tourist interest in China.

Tour operators and travel agencies receive annual tour allocations from C.I.T.S., with authorisations usually granted nine to fifteen months in advance. The final decisions as to itineraries in China are in the hands of C.I.T.S. and subject to change by C.I.T.S. at any time. However, most groups cannot be one hundred per cent certain of their exact itineraries until they arrive in China (and sometimes not even then).

A standard tour usually extends from 12 to 21 days in China and covers three to five cities. Beijing, Xian, Shanghai and Guangzhou are the most common cities covered by these tours.¹¹

Special-interest or professional tours are also arranged by some operators in the U.K.. During 1985, Regent Holidays, for example, offered two cookery tours to China for those who wish to learn the skills and techniques of Chinese cooking.¹²

5.5.2 INDIVIDUAL TRAVEL

In 1983, China started to receive individual foreign tourists. Han Kehua, Director of N.T.A., in a tourism policy conference in October 1982, stated that China would begin accepting applications for visits by individual tourists with a view to increasing the

proportion of individual tourists to 20-30 per cent of China's total tourist volume by 1990, and to 30-40 per cent by the end of the century.¹³

5.6 CHINA'S TRAVEL POLICY

Beginning in 1977, more cities and sites have been opening up one after another to tourists from abroad. By 1985 the number of cities and scenic spots opened to foreign tourists had reached 220 (see Appendix 7 for the cities that are open to foreign tourists). While fewer than 120 of these sites have as yet developed facilities capable of handling foreigners on a regular basis, the general direction of tourism policy remains clear -- continued expansion with emphasis on a significantly broadened range of itineraries and travel options.

5.6.1 THE PRICING POLICY

China's official policy is to maintain prices and fees for tourists at levels comparable to prices on the world market.¹⁴ This policy was introduced in 1981 and caused a sudden increase in the number of services subject to separate billing. For example, beer, soft drinks and tea, formerly considered as part of the prepaid hotel fare, are now charged as extras. In fact, the price of Chinese tours has been increasing sharply since 1978. For example, the cost of group visits to Tibet has increased from US\$200 per day in 1982¹⁵ to US\$350 per day in 1985¹⁶. Under this policy, various

aspects of Chinese tourism which made it the price seem a bargain, will soon disappear.

5.6.2 VISA-ISSUING POLICY

In early 1985, the N.T.A. of China transferred the power of visa-issuing to thirty tourism administrations at provincial and municipal level. They were also empowered to have direct contact with foreign travel agencies to organise tours to China. Thereby, the system has been reformed. Before that, only the N.T.A. was in a position to authorise Chinese embassies abroad to issue visas and to contact foreign travel agencies in order to organise tours.¹⁷ The transfer power from the N.T.A. to the local authorities can make the tourism operation in China more easier.

By mid 1985, the Chinese government simplified the entry and exit procedures for overseas Chinese nationals. They will no longer need visas, or exit permits when visiting China.¹⁸ Now only foreign visitors need to apply for visas when coming to China.

Basically, there are two types of tourist visas for foreign visitors :

- (1) The Tour Group Visas -- these visas are for those travelling to China in a general tour group and will be granted to tours on a group basis.
- (2) The Individual Tourist Visas -- these visas are for those travelling to China on their own. In early

1985, C.I.T.S. began to grant visas to individuals under its new "China-to-FIT" (Foreign Independent Travel) programme. The conditions relating to applications include¹⁹ : (i) the individual tourist must be in possession of a valid visa authorized by C.I.T.S. and issued through a Chinese embassy or consular office. Applications for such visas should be submitted at least six weeks prior to the requested date of entry; (ii) the proposed itinerary, with all dates, domestic connections, and cities it is proposed to visit, must be submitted and approved in advance of departure; and (iii) advance deposits and payments for certain services included in the itinerary (e.g. hotels, intercity transportation etc.) may be required.

5.6.3 DEPOSIT REQUIREMENT FOR CHINA PACKAGE TOURS

As discussed in Chapter Four, package tours within China are arranged by the C.I.T.S.. The travel agents of the U.K. are required to pay a deposit for reservation of a package tour which usually consists of a minimum of ten passengers per group. They are also required to pay the balance thirty days before the date of departure. Moreover, the travel agents are required to submit the number of passengers in the tour to the C.I.T.S. at least 40 days before the group's departure. Generally speaking, the deposits by the travel agents are non-refundable. However, deposits will not be forfeited if at least 80

per cent of the loading factor is achieved for each group booking. (In most cases, the U.K. operators also handle domestic activities in other developing countries and, therefore, have fewer problems than when organising tours to China)

This policy seems to give many tour operators a bad impression of China's package tours and causes great problems in the marketing of package tours to China.

5.7 TOURIST DEMAND IN CHINA

China's tourism growth has been significant since 1978. The number of people visiting the People's Republic of China increased five-fold during the period 1978-1983 (see Table 5.2). In 1983, Chinese officials reported that 9.5 million persons had visited the country, compared to 1.9 million in 1978. In 1984, this figure increased further to 12.9 million, about 35.8 per cent more than in 1983.

The vast majority of tourists visiting China come mainly from the East Asia and Pacific region. In 1981, this region alone generated about 366,000 visitors (visitors other than Chinese residents in Hong Kong, Macao and Taiwan) to China representing 54.2 per cent of the total international tourist arrivals in China that year. Even though its importance has slightly diminished because of the rapid increase in arrivals from Europe and the North and South American regions, the East Asia and

Pacific region still had 43.7 per cent of the tourist trade to China in 1983. (It is necessary to note that further break-down of tourist visiting China from this region into overseas Chinese and foreign visitors is not available in this case.)

North and South America had an average annual growth of about 13.4 per cent in this trade during the period 1981-1983, generating about 2 million visitors to China. Europe has had a lower rate of growth (about 13.0 per cent), and generated about 1.7 million visitors to China in 1983 (see Table 5.3 which shows the regional breakdown of international tourist arrivals to China).

The overseas Chinese and Chinese residents of Hong Kong, Macao and Taiwan provide the greatest number of visitors to China, this group alone generating about 11.7 million visitors to China in 1984. Foreign visitors totalled 1.13 million, representing 8.8 per cent of the total, a 30 per cent increase over 1983 (see Table 5.2).

Two countries -- Japan and the United States -- accounted for more than half of China's foreign visitors in 1982, with totals of 245,000 and 145,000 respectively. Other countries sending relatively large numbers of visitors included Australia, the U.K., the Philippines, Singapore, France, Indonesia, West Germany and Canada (see Table 5.4).

TABLE 5.2 FOREIGN VISITORS ARRIVAL TO CHINA

YEAR	TOTAL TOURIST ARRIVALS		FOREIGN VISITORS		% OF FOREIGN VISITORS TO TOTAL
	mn	Index (1978=100)	mn	Index (1978=100)	
1978	1.9	(100)	0.12	(100)	6.3
1979	4.2	(221)	0.16	(133)	3.8
1980	5.7	(300)	0.53	(442)	9.3
1981	7.8	(411)	0.66	(550)	8.5
1982	7.9	(416)	0.76	(633)	9.6
1983	9.5	(500)	0.87	(725)	9.2
1984	12.9	(679)	1.13	(942)	8.8

NOTE : Foreign Visitors -- visitors excluding overseas Chinese and Chinese residents from Hong Kong, Macao and Taiwan

SOURCE : Compiled from :

1. Beijing Review, 7 July 1980, No. 27, p 14; 19 July 1982, No. 29, p 20
2. China Reconstructions, Feb. 1983, p 31
3. TTG UK & Ireland, 17 Aug. 1984, p 35
4. I.T.O., 1980, No. 4, p 8; 1981, No.3, p 10; 1983, No.2, p 17
5. W.T.O.--Regional Breakdown of World Travel & Tourism Statistics, 1984 Ed., p 54
6. C.N.T.O.--News on China's Tourism, Vol. 1, No. 1

TABLE 5.3 REGIONAL BREAKDOWN OF INTERNATIONAL TOURIST ARRIVALS IN CHINA (hundred thousand)

YEAR	REGIONS					
	AFRICA	NORTH & SOUTH AMERICAS	EAST ASIA & PACIFIC	EUROPE	MIDDLE EAST	SOUTH ASIA
	(%)	(%)	(%)	(%)	(%)	(%)
1981	0.03(0.41)	1.55(22.9)	3.66(54.2)	1.36(20.1)	0.02(0.27)	0.14(2.02)
1982	0.03(0.35)	1.71(21.2)	4.31(53.4)	1.46(18.0)	0.02(0.23)	0.11(1.37)
1983	0.05(0.55)	1.99(21.8)	3.99(43.7)	1.73(19.0)	----	----

"-----" : Records not available.

(%) : Percentage of total international tourist arrivals in China.

SOURCE : Compiled from : W.T.O.--World Tourism Statistics Vol. 36,37

TABLE 5.4 THE TOP TEN INTERNATIONAL TOURIST GENERATING COUNTRIES TO CHINA (hundred thousand)

COUNTRIES	1981	(%)	1982	(%)	1983	(%)
JAPAN	2.24	(33.1)	2.45	(30.4)	2.65	(29.0)
UNITED STATES	1.30	(19.3)	1.45	(18.0)	1.68	(18.4)
AUSTRALIA	0.40	(6.0)	0.53	(6.6)	0.54	(5.9)
U.K.	0.42	(6.2)	0.42	(5.2)	0.51	(5.6)
PHILIPPINES	0.28	(4.1)	0.34	(4.2)	0.36	(3.9)
SINGAPORE	0.16	(2.4)	0.22	(2.8)	----	
FRANCE	0.21	(3.2)	0.22	(2.7)	0.23	(2.5)
INDONESIA	0.17	(2.6)	0.21	(2.6)	----	
WEST GERMANY	0.18	(2.7)	0.21	(2.6)	0.27	(3.0)
CANADA	0.14	(2.1)	0.16	(2.0)	0.22	(2.4)
TOTAL	5.5	(78.6)	6.21	(77.1)	6.46	(70.8)

"-----" : Records not available.

(%) : Percentage of total international tourist arrivals in China.

NOTE : Priority of countries are based on the results of 1982.

SOURCE : Compiled from W.T.O.--World Tourism Statistics Vol. 36,37

5.8 TOURIST PRODUCT IN CHINA

As China's popularity as a holiday destination grows, facilities ranging from hotel accommodation and transport to recreational and other services are proving inadequate. Planning to provide improvements is essential. In the Sixth Five-Year Plan of the P.R.C. (1981-1985), the expansion of the tourist industry is planned: more hotels will be built, more tourist areas will be opened up and better services will be provided.²⁰ Although some problems still exist, the Chinese government has developed considerable efforts to improving tourist facilities, and these have, in fact, produced great improvements in this field.

In this section, the tourist products will be categorised for discussion under four different headings: (i) tourist attractions; (ii) tourist transportations; (iii) accommodation; and (iv) shopping, amusement and entertainment facilities.

5.8.1 TOURIST ATTRACTIONS

The following extract illustrates how the N.T.A. sees China as a tourist destination²¹:

"The vast and beautiful land of China is well endowed with scenic wonders including the Qinghai-Tibet Plateau, known as the "Roof of the World". Many lofty mountains such as Taishan, Emei, Huangshan, Lushan and the three spectacular gorges on the Changjiang (Yangtze)

River are among these beautiful sights, as are the picturesque Stone Forest at Kunming, and the landscape beauty of Guilin and the West Lake at Hangzhou.

China is famous throughout the world for its rich legacy of splendid culture and historic sites. There is the Great Wall of China which, running 6,200 Km., across the northern part of China, has stood for more than 2,000 years. There is the pottery army buried underground to guard the tomb of Emperor Qin Shi Huang some 2,000 years ago. The former imperial palace, known as the Forbidden City, is located in Beijing. Twenty-four feudal emperors ruled over China from there for more than 560 years. The largest stone Buddha in the world is found in Sichuan province, in southwest China. It took sculptors ninety years to complete the work twelve centuries ago. All the great grottos of Dunhuang, Longmen and Yungang have a history of more than a thousand years. They are extremely rich treasure houses of stone sculpture, painted clay figures and murals, each and every piece a priceless object of Oriental art.

The sister arts of Chinese Calligraphy and painting date back to ancient times and have unique features, while the precious handicraft articles of a high standard of craftsmanship are indescribably fascinating. Chinese cuisine also has a long history, and can be treated as an exquisite art."

5.8.2 THE TOURIST TRANSPORTATION

Since the P.R.C. started to develop its tourism industry in 1978, efforts have been made to improve transportation in respect of both international and domestic routes. Getting to China is much easier than it was a few years ago.

(A) International travel

(1) By air

Beijing, Shanghai and Guangzhou are the most common points of entry into China by air. Since 1978, when China's airline, the Civil Aviation Administration of China (C.A.A.C.), inaugurated a regular charter air service connection between Hong Kong and Guangzhou, direct flights from Hong Kong to several other Chinese cities have been added, including Beijing, Shanghai, Hangzhou, Tianjin, and Kunming.

By 1985, more than twenty international carriers were authorised to fly into China. In addition to C.A.A.C., major airlines now flying into Beijing include Pan Am, Japan Air Lines (J.A.L.), Swiss Air, Air France, British Airways, Aeroflot, Lufthans, Philippine Air Lines, Tarom, Thai International, Pakistan International Airlines (P.I.A.) and Qantas.²² (See Appendix 8 for the Map of main international air routes of China.)

By the end of 1984, China had signed air travel

agreements with more than forty countries and established business relations with airline companies in one hundred and eighty countries and regions. China now operates air services to twenty-four cities in nineteen countries.²³

(2) By Rail

China can also be reached by rail from Europe and Hong Kong. The railway route from London to Hong Kong passes through Paris, Berlin, Warsaw, Moscow, Irkutsk and Ulan Bator before entering China.

Travellers from Hong Kong may take trains to the Hong Kong/P.R.C. border and then take another train to Guangzhou. In 1979, a daily non-stop passenger service between Kowloon and Guangzhou was available. At present, express trains leave Kowloon twice a day at 1 p.m. and 2:55 p.m.

(3) By Sea

By sea, there are hovercraft and liner services between Hong Kong and Guangzhou. In 1984, journeys by sea from Hong Kong to Shanghai, Xiamen, Fuzhou, and Tianjin were also available. Moreover, many world cruise liners now feature shore excursions in China as highlights of their world voyages. For example, during 1985 and 1986, the M/S Pearl of Scandinavia will offer twenty such excursions on its twenty-day China explorers' cruise, calling at Xiamen, Shanghai, Qingdao, Yantai, Tianjin

(Beijing), Dalian.²⁴

(B) Internal Travel

Most travel by foreign visitors between the major cities of China is by air. Shorter intercity travel is by train. Most foreign visitors will not have to buy their own tickets for air or train travel; the C.I.T.S. will handle all reservations, ticket purchases, and appropriate clearances with the public security bureau (Police).

(1) By Air

C.A.A.C. has expanded its domestic services greatly in recent years. Now C.A.A.C. has more than 200 routes and uses an array of jet aircraft -- Boeing 707s, British Tridents, and Soviet Ilyushin 62s and 18s -- between the three major cities of Beijing, Shanghai, and Guangzhou as well as between other points. Propeller planes such as the Soviet Antonov are used between small cities. Air travel in China has become increasingly more comfortable, and schedules more convenient. However, flights are almost always crowded, mainly with officials, People's Liberation Army personnel, and foreign tour groups. Flight departures continue to be subject to inordinate delays or even cancellations.²⁵ (See Appendix 9 for the Map of China's intercity flights.)

In order to improve the present conditions,

C.A.A.C. expects to buy many more new aircraft, and by 1990, it hopes to increase its capacity to 10 million passengers a year.²⁶ C.A.A.C. also plans to improve existing airport facilities, construct and enlarge some airports and equip itself with a computer-operated reservation system as soon as possible in order to improve the service it provides.²⁷

In the near future, the National Tourism Administration of China will set up a Charter Airline Company to carry tourists from the main tourist generating countries to relieve the burden on C.A.A.C.²⁸

(2) By Rail

The major means of transportation in China is the railways system which links up all the major cities and tourist centres. Chinese trains generally run on time, and are more reliable than planes with respect to schedules. (See Appendix 10 for the Map of China's major rail routes.)

The Chinese divide their trains into "hard seat" and "soft seat" coaches and "hard" and "soft" sleepers, with the "soft" categories reserved for foreigners and high-ranking Chinese (e.g. army personnel and government officials).

The rapid expansion in the number of tourist arrivals to China has brought problems to the Chinese

railway service. Passenger loading has nearly doubled since 1978.²⁹ Over-crowded conditions have caused what was once the most pleasant means of going about China to disappear.

China's Ministry of Railways has plans for improving the present situation. Over the next five years, emphasis will be put on the electrification of China's railways. Towards 1990, this will be carried out on a section of the Beijing - Guangzhou line and other trunk routes southwards and to the coast.³⁰

(3) By Long-distance bus

China still lacks a modern, long-distance highway system. The intercity bus services exist mainly to supplement the railways. Thus, there are not many places in China that use buses for travel between cities. Links between cities, for example, can be found along the coast of Fujian, or from Hangzhou to Huangshan.

Two types of long-distance buses can be found in China : (i) cruisers operated by C.I.T.S. (usually large and air-conditioned); and (ii) public buses (usually crowded with local people).

(4) By Coastal and Inland ships

Coastal ships carrying passengers between Dalian, Tianjin, Qingdao, Shanghai, and Guangzhou have been available since 1981. Tourist boats for visitors to

travel along the major rivers such as the Huangpu in Shanghai or the Pearl River in Guangzhou are also available now.

(C) Transportation within the cities

(1) Taxis : Taxis are available in most Chinese cities. Taxi dispatchers can be found in the lobbies of most hotels. In late 1984, Guangzhou was the only city in China where taxis could be hailed from the street. The Guangzhou system is now being studied carefully for adoption in other cities, particularly Beijing and Shanghai.

(2) Mini-bus : Mini-bus services are now available in Guangzhou, Shenzhen and Beijing. Travellers can ride a public mini-bus in these cities by hailing it along the route or get off by asking the driver to stop. These services will be extended to other tourist cities in the near future.³¹

(3) Bicycles : Bicycles are now available to rent in Beijing, Chengdu, and in some other cities. With a bicycle, the traveller can go just about anywhere he wants (within the city), and at his own pace.

5.8.3 ACCOMMODATION

Since 1980, projects have been launched with state-investment or joint Chinese-foreign investments to build a number of hotels in Guangzhou, Hangzhou, Xian, Kunming,

Zhengzhou and Beijing. In Beijing, for example, seven major new hotels were opened for business by late 1984 : the Yanjing and Huadu, designed and built by China; and the Jianguo, Xiang Shan, Great Wall, Lido, and Jinglun, built through various modes of foreign participation.

Some hotels, characteristic of traditional and national architectural styles have also been built. The Huilongguan Hotel in suburban Beijing, for example, consists of a compound with one-storey, bungalow-like houses joined by walls on four sides -- a traditional Beijing architectural style.

Apart from building new hotels, the National Tourism Administration of China also devoted its efforts to expanding or reconstructing existing ones. Some highclass government guest houses have been partly or completely opened up to tourists.³²

The Chinese government also encourages localities, departments, collectives, and individuals to develop tourism. They are allowed to open tourist hotels, restaurants, and handicraft and souvenir shops. The first peasant-run hotel (collectively owned) was opened at the end of 1984 on the outskirts of Beijing.³³

The Chinese government also plans to increase the number of hotel beds to 40,000 by 1990. The main tourist cities of Beijing, Shanghai, Xian and Hangzhou will be the first to benefit, to be followed by Dalian, Qingdao,

Wuhan and Chongqing. Many of these hotel projects will be built in joint ventures with Chinese companies overseas.³⁴

The most reliable hotels in terms of comfort, amenities, and service are those that were established in the 1980s under joint venture agreements with foreign investors. Hotels such as the Great Wall in Beijing or the China Hotel in Guangzhou rely heavily on Hong Kong trained management and service staffs and thus more closely adhere to international standards than their wholly Chinese-owned counterparts.

In most Chinese-owned hotels, problems of management, operations and services tend to exist. To improve this condition, travel and tourism schools have been set up in Beijing, Shanghai, Hupei, Sichuan and Jiansu. Moreover, China has also established tourism faculties at universities in Nankai and Dalian. In the past few years, students have been sent to the United States, Switzerland, Italy, West Germany and Thailand to study the operation and management of the tourist industry, and to gain experience abroad.³⁵

5.8.4 SHOPPING AND AMUSEMENT FACILITIES

(1) Shopping -- China is not a consumer society. Shopping will usually disappoint many visitors. Generally, the Chinese government only emphasises everyday Chinese products and practical items. Splendid handicrafts,

high quality artefacts and jewelry are sold only in Friendship stores (Friendship stores are specifically established to sell export items to foreign visitors). These stores accept only foreign exchange certificates, which allow tourists to buy luxury items not normally available to the Chinese.

(2) Amusement Parks -- China has only a limited number of amusement parks, and the largest one, the Changjiang Amusement Park, was built in 1983 in Zhongshan.³⁶ The Chinese Government now plans to build more amusement parks and golf courses in China. These include an amusement park near Beijing, a Tang dynasty style complex at Xian (Xian was the Tang capital), a golf course in the Ming Tombs area, an amusement park in Shenzhen adjoining Hong Kong, the Longtan Amusement Park near the Ming Tombs, and a golf course at Zhongshan.³⁷

(3) Entertainment -- There is no "night-life" in China of the type usually expected by foreign tourists and there are few entertainment facilities. In Beijing, indoor sports facilities such as bowling, table tennis, snooker, video games, etc. can be found in the Minzu Palace Club and the International Club. The Summer Palace Lake provides skating facilities in winter and rowing in summer. In Shanghai, indoor games facilities and a swimming pool can be found in the Jinjiang Club. In Guangzhou, indoor games and pre-

recorded films to be shown on guests's televisions are available in some western-style restaurants, e.g. Dongfang Hotel. Massage facilities are available in some cities.³⁸

CONCLUSION

Tourism plays an important role in the Chinese government's plans for building its economy. Tourism in China is not only a method of earning foreign exchange, but also a tool for fostering cultural and political understanding. China's official emphasis on tourism is relatively recent -- while the door to tourists was officially opened in 1978, it was not until 1981 that the government began to explore ways of actively promoting tourism.

The rapid expansion in the number of arrivals in the early 1980s created a lot of problems for China's tourism sector. Hotels, travel facilities, organisations, and service staff were quickly taxed beyond their limits by this sudden onrush of tourists.

In the past few years, many new hotels were built and existing ones expended. New tourist attractions, such as "trip to the Three Gorges" and "travel on the Suzhou and Wuxi sections of the 1,400-year-old Grand Canal" were arranged for foreign tourists. Efforts are being made to open up more and more famous scenic spots and

places of historical interest, improve transportation and hotel facilities, and train competent people for this industry.

Today, almost anyone who wants to visit China may do so. However, problems still exist relating to the pricing policy and the requirements of advance visa applications and prearrival itinerary planning (on a group tour, the itinerary is usually fixed by the tour operator).

Compared with countries where tourist services are developed, China still lags behind. However, under the decentralisation of the development, control, management and planning of the facilities and the scenic, historical and cultural sites in China, tourism in China could grow much bigger in future, and the target of three million foreign visitors be achieved in 1990.

REFERENCES FOR CHAPTER FIVE

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CHAPTER SIX : METHODOLOGY FRAMEWORK

6.1 RESEARCH OBJECTIVES

The main objectives of this research can be summarised as follows :

1. To find out the problems involved in operating tours to China.
2. To find out which Asian countries China competes with in the U.K. tourist market.
3. To examine whether or not the assistance provided by the China International Travel Service (Luxingshe) to the travel agents is adequate.
4. To provide recommendations as to how the Chinese destination could be better marketed in the U.K. tourist market.
5. To provide some suggestions relating to the future development of China's tourism industry.

6.2 RESEARCH METHODOLOGY

Questionnaires were mailed to fifty U.K. tour operators, addressed to the Managing Directors (the names of these Managing Directors not being available), on 5th July, 1985. The time allowed for responses was two months, which was considered to be sufficient, and the survey was completed by September, 1985.

Half of the samples of this study had experience of operating tours to China while the other half did not.

All samples were selected from the Travel Trade Directory 1983 by means of a judgement sampling method (selection of the sample depends on human judgement and not on the rigorous application of probability theory)¹.

A questionnaire, together with a covering letter and a reply-paid envelope, was sent to the Managing Director of each selected tour operator. In order to increase the response rate, a copy of the research findings was offered as an incentive for cooperation.

Detailed instructions were given in the questionnaire and the respondents were asked to complete and return it to the researcher in the reply-paid envelope provided.

In order to obtain more information relating to the past and present situation of China's tourism industry and to supplement the information derived from the desk research, postal questionnaires, typewritten in Chinese, were also sent to the China International Tourism Service (Luxingshe), and to 35 hotels in China, in each case addressed to the Managing Director, on 16th August, 1985. The time allowed for responses was also two months, and the survey was completed by October, 1985.

Sending the questionnaire to the Promotion Department of C.I.T.S. was recommended by the China National Tourist Office, which is the C.I.T.S. representative in the U.K.. The sample of the China

hotels was selected, by means of the judgement sampling method, from the China Handbook Series -- Tourism.²

To ensure that the covering letters and questionnaires could be understood by all the Directors of the hotels and the C.I.T.S., a Chinese version of the covering letters and the questionnaires was used. The translation work was done by Cai Ming-Nan, a lecturer in the South China Institute of Technology in Guangzhou. The covering letters and the questionnaires were typed in Chinese and photocopied on quality paper so that they could be easily read by all respondents.

The method of approach and the incentives offered to the respondents were similar to those relating to the research undertaken on tour operators. However, due to problems connected with obtaining postal stamps from China, only reply envelopes could be provided.

6.3 RESEARCH SAMPLES

6.3.1 TOUR OPERATORS

The ideal sample for this research would have been those who had operated tours to China, those who were operating tours to China, those who were preparing to operate tours to China, and those who do not intend to operate tours to China. Since it was impossible to send questionnaires to every individual tour operator in the U.K., two modified sample groups were selected as

information sources, and they are : (i) tour operators which were operating tours to China in 1983; and (ii) tour operators which were not operating tours to China in 1983.

According to the Travel Trade Directory '83, which was published by the Travel Trade Gazette, there were twenty-five tour operators who were operating tours to China in 1983. In order to provide a balance, another twenty-five tour operators who were not operating tours to China in 1983 were selected by means of a judgement sampling method from the same Directory to make up a total of fifty operators.

The criteria for selecting those firm which had not operated tours to China before 1983 were :

1. Only those operators with full membership of both the A.B.T.A. and the I.A.T.A. were considered.
2. Only the "head officies" of the operators were selected as samples.

The advantages of selecting samples from the two groups mentioned above are that :

1. The first group have some experience in operating tours to China which will enable them to provide useful information.
2. The second group may have great experience of operating long-haul tours from the U.K. to many overseas destinations and therefore, should be in a

better position to operate such tours to China. They could supply information concerning the reasons why they did not operate such tours despite their clear potential for doing so.

6.3.2 HOTELS IN CHINA

The sample for this part of the research was based on names and addresses of hotels in China as provided by the China Handbook Series -- Tourism.

According to this handbook, there were seventy hotels in twenty-five cities in China. In order to obtain an evenly distributed sample throughout China, half of the hotels listed in the Handbook in each city were selected for the sample. A total of thirty-five hotels was selected for inclusion in the sample for this research.

6.3.3 CHINA INTERNATIONAL TRAVEL SERVICE

The sample for this research was recommended by the Director of the China Tourist Office, who is the C.I.T.S. representative in the U.K.. According to her recommendation, the questionnaire was sent to the Promotion Department of the C.I.T.S. in Beijing in China.

6.4 REASONS FOR CONDUCTING MAIL SURVEY

6.4.1 TOUR OPERATORS

Due to the fact that all of the selected sample members are widely distributed throughout the U.K., and most of them are at a great distance from Glasgow, it would have been difficult for me to carry out face-to-face interviews.

For similar reasons, the idea of a telephone survey was discounted and the mail survey method was chosen. Not merely is it more economical, but also, since the questions in the mail survey are printed, the respondents can take more time to prepare the answers and confer with others if they so desire.

However, the mail survey can suffer from a number of possible drawbacks. Perhaps the most important of these are the low response rate and errors resulting from non-response. Other disadvantages of a postal survey include the danger of receiving returns derived from an invalid and biased sample, and a lack of flexibility. In other words, once a questionnaire has been mailed, it is impossible to change questions which later are found to be unsatisfactory.

Full consideration having been given to the weaknesses and strengths of the mail survey method and the conditions faced by the researcher -- in terms of

both time and financial constraints -- it was decided to use mail survey for the purpose of this research. This was mainly due to the fact that mail questionnaires constitute the most cost-efficient survey method.

6.4.2 HOTELS IN CHINA AND THE C.I.T.S.

Having considered the above mentioned advantages and disadvantages of using mail questionnaires, within Britain, it was clear that it was the only practicable way of carrying out research on hotels in China and the C.I.T.S..

6.5 COVERING LETTERS AND QUESTIONNAIRES

6.5.1 TOUR OPERATORS

In this part of the research, the covering letters and the questionnaires were printed on high quality paper by the computer, so that the respondents could read the texts without difficulty (see Appendix 11).

The covering letters outlined the objective of the survey and invited the respondents to complete and return the questionnaire in the reply-paid envelope provided. It also stressed that the information provided by the respondents would be treated confidentially.

To increase the response rate, a copy of research findings was offered as an incentive to cooperation. The respondents could use the sheet attached to the

questionnaire to indicate that they wished to receive a copy of the research findings. (In this research, twenty respondents expressed a desire to have a copy of the research findings)

Instructions were printed on the questionnaire to guide respondents concerning the method to be used in answering the questions. These instructions were clearly worded, and printed in heavy type.

In order to simplify subsequent analyses and to ensure that all respondents could cope with the questionnaire easily, a structured questionnaire was used.

The questionnaire was divided into three sections. The first section was used to identify the characteristics of the respondents and to find out the problems of those respondents who did not operate tours to China. The second section applied only to those who were operating or who had operated tours to China, and covered questions about marketing and about operating such tours. The last section was to be answered by all respondents and was used to show whether or not the help from the C.I.T.S. was sufficient and to find out the effectiveness of competition by China in the U.K. travel market (see Appendix 12).

The questions asked were dichotomous, multiple-choice, ranking or open-ended. Dichotomous questions were

used when the selected samples were asked, for example, whether or not they thought special interest groups were important in operating tours to China. In such cases, a straight "Yes" or "No" answer was required. This type of question was generally used to obtain factual data.

When the respondents were asked to select, from the alternatives provided, the main cities covered by China tours, the peak season(s) for operating tours to China, the promotional method(s) used, the main difficulties associated with operating tours to China, and China's competitors as a tourist destination, multiple-choice questions were used. With this type of question, a fixed set of options can be offered to the respondents, and this makes such questions much easier to answer. However, with reference to questions where there might be so many possible alternatives that they could not all be included, the option of "Others (Please specify)" was added to allow respondents to give answers other than the ones listed in the questionnaire.

In order to facilitate the subsequent analysis and to elicit the particular reasons underlying the choice(s) made, the question "Any particular reason(s)?" was asked in certain cases following the list of choices offered. Nevertheless, the respondents were free to decide whether or not to answer the supplementary questions. If they so preferred, the space for answering could be left blank.

Two ranking questions were used in this questionnaire relating to the status of customers and the promotion factors that the tour operators emphasised when operating tours to China.

Three open-ended questions were provided at the end of the questionnaire to allow the respondents to express their views freely concerning the future prospects of China's tourism industry, the methods that should be used to increase the number of tourists to China from the U.K. and any other matters appropriate to the area of research.

6.5.2 HOTELS IN CHINA AND THE C.I.T.S.

In this part of the research, the covering letters and the questionnaires were translated into modern standard Chinese employing the simplified characters used in the P.R.C., and were typed and photocopied on quality paper to ensure that the respondents could understand and read the text without difficulty (see Appendix 13 & 14). (See Note No.1 at the end of this Chapter for the meaning of "standard Chinese".)

As for tour operators, incentives and assurances were provided : a copy of the research findings was offered as an incentive to obtain cooperation and it was emphasised that all information provided would be treated confidentially. (A total of three correspondents from both parts of the research expressed a wish to have a

copy of the research findings.)

(A) Questionnaire for hotels in China

The objectives of this research can be summarised as follows :

1. To find out what services are provided by hotels in China.
2. To find out the type, the status, and the age groups served by the hotels.
3. To find out whether there is a direct connection between the China hotels and foreign tour operators.
4. To see to what extent seasonality affects tourism in China.

To obtain the above information, a structured questionnaire was again used, and dichotomous, multiple-choice, ranking and open-ended type questions were asked (see Appendix 15). In order to persuade the respondents to answer the questionnaire and to arouse their interest, the questions were so arranged that general questions were asked first and more specific ones later.

(B) Questionnaire for the C.I.T.S.

The main objectives of this research can be summarised as follows :

1. To examine the efforts made by the C.I.T.S. to promote tourism in the past.
2. To examine the previous development of tourist

facilities in China.

3. To find out the strategy used by the C.I.T.S. for developing China's tourism industry.
4. To find out the future plans of the C.I.T.S. for the tourism industry.

Basically, the type of questions used were similar to the ones used in researching hotels in China, except that there were more open-ended questions. The reason for this was that the researcher wanted to get more information concerning the Promotion Department of the C.I.T.S. and its present and future marketing strategy. Therefore, the use of open-ended questions allowed the researcher to obtain more detailed information concerning the topic under study (see Appendix 16).

NOTE ON CHAPTER SIX

1. Meaning of "standard Chinese" :

In October 1955, Putonghua (Mandarin) was adopted by the Chinese government as the common language for written Chinese.³ So Chinese written in Putonghua is called "standard Chinese".

REFERENCES FOR CHAPTER SIX

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3. Kaplan & Sobin, 1982, p 311

CHAPTER SEVEN : ANALYSIS OF FINDINGS

7.1 RESEARCH ON TOUR OPERATORS

7.1.1 METHOD OF ANALYSIS

When the completed questionnaires were received, the first step was to divide them into two sets : the usable responses and the non-usable responses. A usable response had satisfy the following two conditions at least : (i) the questionnaire must have been completed according to the instructions printed on the questionnaire; and (ii) the first two questions relating to the respondent's characteristics must have been completed. The purpose of imposing these two criteria was to facilitate comparison and classification of the data obtained.

The questionnaire returns classified as usable were then edited carefully. The number of responses to each question were summed up and consolidated into totals from usable questionnaires. In order to ensure that the complete report can be easily understood, the quantitative data of the research was summarised, arranged and presented in the form of tables and/or figures; the qualitative data is studied and classified into similar groups.

In presenting an analysis of the findings, the recorded data was arranged into different groups

according to the objectives of the research. By studying the data thoroughly, inferences that might contribute to the objectives were made. Finally, the relevant data, the graphs and tables, and the inferences were organised meaningfully for the purpose of presentation. Throughout the analytical process, the objectives of the research were constantly referred to so that meaningful inferences could be drawn from the relevant data.

7.1.2 GENERAL PROFILE OF RESPONSE

After one and half month's of preparation, the questionnaires, together with covering letters and reply-paid envelopes, were sent to the fifty selected tour operators on 5th July, 1985. The field research ended on 5th September, 1985, a two month period being considered to be sufficient. As Table 7.1 shows, of the fifty questionnaires, thirty-one were returned over the two months' period which amounted to sixty-two per cent of the total sample size. Of the thirty-one responses, twenty-six (fifty-two per cent of the total sent) could be regarded as usable responses, and five (ten per cent) of them were rejected as non-usable responses : two of the returned questionnaires were blank, and the respondents stated that they were not qualified to complete the questionnaire and they provided only general comments related to operating tours to China; one of the respondents returned the questionnaire with incomplete answers; one was unwilling to answer until he had

completed his World Wide Brochure in November 1985; and one returned a blank questionnaire stating that he was not qualified to answer the questionnaire and that he had sent a photocopy of the questionnaire to the wholesaler from whom he bought packages of China tours. However, no response was obtained from this wholesaler. Since this copy of the questionnaire had not been sent by the researcher (and, therefore, could not be considered as part of the research sample, even if the wholesaler had returned the questionnaire), it would not have been regarded as an acceptable response, but treated simply as an additional reference.

TABLE 7.1 PROFILE OF THE RESPONSE IN THE RESEARCH ON TOUR OPERATORS

	NUMBER	%
NUMBER OF RESPONSES	31	62
NUMBER OF USABLE RESPONSES	26	52
NUMBER OF NON-USABLE RESPONSES	5	10
NUMBER OF NON-RESPONSES	19	38
TOTAL	50	100

To sum up, twenty-six usable responses to the fifty questionnaires issued were recorded. This represents a total positive response of fifty-two per cent. Compared with the number of tour operators in the United Kingdom, twenty-six tour operators appear to constitute a very small total, but within the sample frame of fifty, a

usable response of fifty-two per cent is quite high and can be regarded as satisfactory.

7.1.3 RESEARCH FINDINGS

It should be noted that the questions included in the questionnaire relating to this research can be divided into six parts : five are related to the objectives of the research as stated in Chapter Six and one is related to the respondents' characteristics. In the following section, questions on each part will be discussed and analysed. Relevant implications and inferences will be provided. Tables and/or figures will be used to present responses to each question where appropriate.

As mentioned in Chapter Six, the questionnaire was divided into three parts and each part might be answered by different groups of respondents. For example, Part B was designed only for those who operated or had operated tours to China. Even though there were twenty-six usable responses in this research, the base to be taken for each part of the questionnaire might be different. In order to have a clear view of the base for responses to each question, it is necessary to examine the respondents' characteristics first.

(A) RESPONDENTS' CHARACTERISTICS

This part of the questionnaire involved two questions (Question 1 and 2). These questions were designed to measure the characteristics of the respondents who had participated in the survey.

The results showed that the majority of the respondents are travel agents who operate both wholesale and retail activities : fifteen (fifty-eight per cent) out of twenty-six are primarily wholesalers but with some retail activities; three (twelve per cent) out of twenty-six are primarily retailers but with some wholesale activities. Seven (twenty-seven per cent) respondents classified themselves entirely as wholesalers and only one (four per cent) respondent classified himself/herself as a tour operator who retailed directly to the clients without going through other agents (see Table 7.2 (Q.1)).

The results (Q.2) also showed that thirteen (fifty per cent) respondents are at present operating tours to China, six (twenty-three per cent) respondents had operated tours to China, and seven respondents (twenty-seven per cent) had never operated tours to China (see Table 7.3 (Q.2)).

The above results indicated that all the respondents were involved in tour operating activities (ranging from completely to partly wholesale). They were therefore qualified to provide appropriate information

for this study. Moreover, since over seventy per cent of the respondents had experience of operating tours to China (either at present or in the past), their opinions and attitudes in organising tours to China could be regarded as reliable sources of information.

According to the results relating to the respondents' characteristics as discussed above, the base number for Questions 3 and 4 is thirteen, for Section B (that is Questions 5-11) it is nineteen, and for Section C (that is Questions 12-17) it is twenty-six.

TABLE 7.2 RESPONDENTS' CHARACTERISTICS

	NUMBER	%
AN ENTIRELY WHOLESALE OPERATION	7	27
PRIMARILY WHOLESALE WITH SOME RETAIL ACTIVITIES	15	57.7
OTHERS :		
(1) PRIMARILY RETAIL WITH SOME WHOLESALE ACTIVITIES	3	11.5
(2) TOUR OPERATOR, BUT SELL DIRECTLY TO CLIENTS	1	3.8
TOTAL	26	100.0

TABLE 7.3 EXPERIENCE OF RESPONDENTS IN ORGANISING TOURS TO CHINA

	NUMBER	%
YES	13	50
NO, BUT HAVE IN THE PAST	6	23
NO, NEVER	7	27
TOTAL	26	100

(B) PROBLEMS EXPERIENCED IN OPERATING TOURS TO CHINA

Problems faced by tour operators in arranging tours to China can be divided into two parts for the purpose of discussion : (i) problems that existed when operating tours to China; and (ii) problems that prevented tour operators from organising tours to China. These two parts will now be discussed separately.

(1) PROBLEMS THAT EXISTED WHEN OPERATING TOURS TO CHINA

This section was covered by only one question (Question 11). The respondents were asked to make a selection from a series of difficulties that might occur while operating tours to China. They were also free to explain their difficulties in the "Others" column. Spaces were also left for them, if they chose to do so, to give reasons for their choices and more than half of the respondents (fifty-eight per cent) made use of these spaces for this purpose.

As shown in Table 7.4, more than eighty-four per cent of the respondents felt that accommodation was one of the problems they faced in operating tours to China. Their reasons for choosing this particular type of problem can be summarised as follows :

1. Tour operators had no control over the choice of hotels.
2. Hotel standards were poor outside the main cities.

3. The refusal of the C.I.T.S. to book single rooms.
4. Many hotels were far from town centres.
5. In China there were few economy rate hotels for foreign visitors.

In order to help tour operators to organise tours to China, the Chinese government should increase the flexibility available to tour operators in respect of both choosing hotels and booking rooms; improve the facilities of the hotels outside the main cities; improve transportation between hotels and town centres (if necessary); and build more economy rate hotels for foreign visitors.

The second problem faced by most tour operators was transportation. Over sixty-three per cent of the respondents felt that transportation was one of the difficulties encountered in operating tours to China (see Table 7.4). Their reasons for choosing this problem can be summarised as follows :

1. Insufficient services provided by C.A.A.C. between the U.K. and China.
2. The unreliability of the domestic air network and poor local transportation.
3. Itineraries and modes of travel are quite often changed by the C.I.T.S. without advance notice to passengers or agents.

Improving the C.A.A.C. services at both domestic

and international levels and improving local transportation facilities together with the provision of more reliable itineraries to tour operators would tend to increase their confidence when organising tours to China.

Communication was the third problem that might be faced by tour operators in arranging tours to China. About fifty-eight per cent of the respondents felt that communication between the C.I.T.S. was inadequate (see Table 7.4). They also pointed out that there was a lack of understanding between the C.I.T.S. and the tour operators; letters to the C.I.T.S. were not always answered; the communication network in China was poor; and China lacked facilities for communication. For example, not all branches of Luxingshe in China had automatic telex facilities for communicating with foreign tour operators. The main implication from these responses is that the C.I.T.S. needs to improve its communication facilities and generally to speed up its communication.

About fifty-three per cent of the respondents felt that pricing was a problem in operating tours to China. Their comments on the price of such tours can be summarised as follows :

1. The prices of tours to China were rocketing, were becoming more expensive than other East Asian destinations.
2. The prices of tours to China were not flexible enough and could be quite confusing.

3. The prices of tours to China were particularly high in peak seasons.

The above findings corroborate the information derived from the literature review in that the pricing policy of China will cause a lot of trouble for tour operators organising tours to China. (see Chapter Five section 5.6.1)

About thirty-two per cent of the respondents regard the level of services provided by China as creating a problem for those operating tours to China. Their comments relating to services can be summarised as follows :

1. Services provided in China were not consistent, and the standard of the guides provided was variable.
2. Most hotels in China lacked proper management.
3. Services provided did not reach the standard expected.

According to the comments made, there was a need for China to standardise services at different levels and prices according to the level of services selected by foreign visitors. In order to increase the confidence of tour operators, establishing standards to be observed in the selection of guide-interpreters is obviously important and such standards should be strictly observed.

Other difficulties faced by tour operators in this field are related to seasonality (twenty-six per cent),

documentation (twenty-six per cent), inadequate promotion budgets in China for inviting travel writers and for promotion by C.I.T.S. offices abroad (sixteen per cent), language (five per cent) and finally, China does not employ enough professional people in the tourism field (five per cent). The implications of these findings are that in order to help tour operators to organise tours to China, more accommodation and tourist facilities are required; the procedures for visa applications need to be simplified; and higher budgets for the promotion of China are required. In fact, the increased accommodation and tourist facilities provided for the peak seasons should be utilised during off-peak seasons. Appropriate promotion activities could be undertaken as a means of attracting tourists to China during the off-peak seasons.

TABLE 7.4 MAIN DIFFICULTIES IN OPERATING TOURS TO CHINA

	NUMBER	% (N=19)
ACCOMMODATION	16	84.2
TRANSPORTATION	12	63.2
SERVICE	6	31.6
SEASONALITY	5	26.3
DOCUMENTATION	5	26.3
PRICING	10	52.6
COMMUNICATION	11	57.9
LANGUAGE	1	5.3
OTHERS :		
(1) INADEQUATE PROMOTION BUDGETS IN CHINA	3	15.8
(2) CHINA DOES NOT EMPLOY ENOUGH PROFESSIONAL PEOPLE IN THE TOURISM FIELD	1	5.3

(2) PROBLEMS PREVENTING TOUR OPERATORS FROM ORGANISING TOURS TO CHINA

This part consisted of two questions (Questions 3 and 4). They were designed to identify the problems faced by tour operators by which they were prevented from operating tours to China, and to seek their views on tours to China.

Table 7.5 (Q.3) shows that about forty-six per cent of the respondents do not operate tours to China because of pricing problems. This further corroborates the above finding that China's pricing policy is a main obstacle to the development of tours to China from the U.K..

About thirty-nine per cent of the respondents felt that China was not a good market in the U.K. and for that reason they did not operate tours to China. This result indicates that China only accounts for a very small part of the U.K. tourist market. If China wants to improve this situation, more specific marketing strategies and more promotional efforts will be needed.

TABLE 7.5 REASONS FOR NOT OPERATING TOURS TO CHINA

	NUMBER	% (N=13)
PRICING PROBLEM	6	46.1
PROMOTION DIFFICULTIES	0	0
LACK OF INFORMATION	0	0
NOT A GOOD MARKET	5	38.5
OTHERS	2	15.4
TOTAL	13	100.0

TABLE 7.6 RECOMMENDATION OF RESPONDENTS TO CHINESE TOURS

	NUMBER	% (N=13)
HIGHLY RECOMMEND	1	7.7
RECOMMEND	9	69.2
NO IDEA	2	15.4
NOT RECOMMEND	0	0
DEFINITELY NOT RECOMMEND	1	7.7
TOTAL	13	100.0

Table 7.6 (Q.4) shows that about sixty-nine per cent of the respondents recommend China to their clients and about eight per cent recommend China highly. More than sixty per cent of the respondents give reasons for such recommendations and these reasons can be summarised as follows :

1. China was a country one would recommend to seasoned travellers who have travelled widely.
2. There was no need to recommend, people simply expressed a wish to see China.
3. China has much to interest the tourist and to date it is comparatively unspoiled.

The above responses suggested that a large proportion (seventy-seven per cent) of tour operators who are not operating tours to China would like to recommend China as a tourist destination to their clients, especially those who are experienced and seasoned travellers. The implication, that the C.I.T.S. should take this group of people into consideration when

deciding promotion strategy, will be discussed in the next chapter.

The above results also show that there is a growing interest among U.K. residents in the possibility of visiting China. More and more people are inclined to ask for information about China. The main implication of this finding is that China needs to provide more information to the U.K. residents to broaden their view of China and raise their interest to the point of making a visit to China.

(C) PROMOTIONAL FRAMEWORK FOR THE C.I.T.S.

This section analyses the nature of the clients the tour operators aim at for tours of China and the promotional method(s) generally used in promoting such tours. The results obtained can be used as a complement to Chapter Three in building up a promotional framework for the C.I.T.S. in U.K. tourist market. Factors that the tour operators emphasised for promoting tours to China will also be analysed to provide guidelines to C.I.T.S. concerning the supply of appropriate information to tour operators.

(1) THE SOCIAL STATUS AND AGE GROUP OF THE CLIENTS OF CHINESE TOURS

When the respondents were invited to rank the social status of the clients they aimed at for tours to China (Q.5), about seventy-four per cent of the

respondents ranked the "Middle class" in the first position, about sixteen per cent ranked this class in the second position, and five per cent ranked it at the third position. Twenty-six per cent of the respondents ranked the "Upper middle class" in the first position, forty-seven per cent ranked this class in their second position and five per cent ranked it at the third position. When the first three ranked positions were taken together, it was revealed that ninety-seven per cent of the respondents took the "Middle class" into consideration. The other client groups aimed at were the "Upper middle class" (seventy-nine per cent), the "Lower middle class" (thirty-seven per cent), the "Skilled working class" (twenty-six per cent), the "Student" (sixteen per cent), and the "Working class" (five per cent) (see Table 7.7). The results of these findings indicate that tour operators in the U.K. usually aimed at the "Upper middle class", the "Middle class" and the "Lower middle class" as their sources of clients for tours to China.

When the respondents were asked to rank the age group of the clients they aimed at for Chinese tours (Q.5), about sixty-eight per cent of the respondents ranked the "above 50" group in the first position, eleven per cent ranked it at the second position, and five per cent ranked it at the third position. About sixteen per cent of the respondents ranked the "41-50" group in the first position and fifty-eight per cent ranked it at the

second position. By taking the first three rankings into consideration, it could be seen that eighty-four per cent of the respondents selected the "above 50" group as their clients. The next groups that the tour operators usually aimed at were the "41-50" group (seventy-four per cent), the "20-30" group (twenty-six per cent), and the "31-40" group (sixteen per cent) (see Table 7.7). The results indicate that the tour operators in the U.K. usually aimed at the "41-50" and the "above 50" groups as the sources of clients for tours to China.

TABLE 7.7 THE SOCIAL STATUS AND AGE GROUP OF THE CLIENTS OF CHINESE TOURS

	No. OF RESPONSE	%	RANKING											
			1	2	3	4	5	6	7	8	9	10	11	12
	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)
<u>SOCIAL STATUS</u>														
UPPER MIDDLE CLASS	16	84	5	9	1	1	5	-	-	-	-	-	-	-
MIDDLE CLASS	18	95	14	3	1	5	-	-	-	-	-	-	-	-
LOWER MIDDLE CLASS	8	42	-	2	5	26	-	-	-	-	1	5	-	-
SKILLED WORKING CLASS	8	42	-	2	11	3	16	2	11	1	5	-	-	-
WORKING CLASS	4	21	-	-	-	1	5	1	5	1	5	1	5	-
STUDENT	6	32	-	1	5	2	11	2	11	1	5	-	-	-
UNKNOWN	0	0												
<u>AGE GROUP</u>														
LESS THAN 20	3	16	-	-	-	-	-	-	-	3	16	-	-	-
20-30	10	53	1	1	5	3	16	5	26	-	-	-	-	-
31-40	11	58	2	1	5	8	42	-	-	-	-	-	-	-
41-50	15	79	3	11	58	-	-	1	5	-	-	-	-	-
ABOVE 50	17	89	13	2	11	1	5	1	5	-	-	-	-	-
UNKNOWN	0	0												

NOTE : " - " Indicate no response

(2) PROMOTIONAL METHODS USED IN PROMOTING CHINESE TOURS

When the respondents were asked about the types of promotional method(s) used in promoting Chinese tours (Q.8), all of them answered that they used sales promotion. Ninety per cent of them also used advertising, while thirty-two per cent used personal selling methods to promote such tours. Among other methods frequently mentioned by the respondents were personal recommendation from previous clients, and marketing through various retail agencies (see Table 7.8).

TABLE 7.8 PROMOTIONAL METHODS USED IN PROMOTING CHINESE TOURS

	NUMBER	% (N=19)
ADVERTISING	17	90
RADIO & T.V.	1	(6%)
NEWSPAPERS	14	(82%)
MAGAZINES	8	(47%)
TRAVEL & TRADE JOURNALS	7	(41%)
OTHERS	-	
SALES PROMOTION	19	100
PRINTED LITERATURE	10	(53%)
DIRECT MAIL	6	(32%)
BROCHURES	17	(90%)
OTHERS	-	
PERSONAL SELLING	6	32
OTHERS :		
(1) PERSONAL RECOMMENDATION FROM PREVIOUS CLIENTS	3	16
(2) MARKETING THROUGH VARIOUS AGENCIES	2	11

NOTE : " - " Indicate no response

These findings suggest that China is best promoted through the methods of sales promotion and advertisement. The most successful media for sales promotion are brochures (ninety per cent) and printed literature (fifty-three per cent). The best media for advertising are newspapers, magazines, and travel and trade journals.

(3) FACTORS EMPHASISED IN PROMOTING CHINESE TOURS

When the respondents were invited to rank the factors that they emphasised in promoting tours to China (Q.9), about ninety per cent of them ranked "Historical and Cultural attractions" in the first position, and about ten per cent ranked it in the second position. With reference to "Scenic attractions", five per cent of the respondents ranked it in the first position, seventy-four per cent ranked it at the second position, and eleven per cent ranked it at the third position. By counting the first three rankings together, it was found that all respondents regarded "Historical and Cultural attractions" as important. The next factors considered by the respondents were "Scenic attraction" (ninety per cent), the "Society and Politics of China" (thirty-two per cent), the "Friendliness towards visitors" (twenty-one per cent), and the "Multi-stage destination" (twenty-one per cent) (see Table 7.9). The results suggested that China needs to provide tour operators with more information related to the historical and cultural aspects, the scenic attractions, and the society and

politics of China to facilitate their promotional work concerning tours to China.

TABLE 7.9 FACTORS EMPHASISED IN PROMOTING CHINESE TOURS

	No. OF RESPONSE	%	RANKING															
			1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8
			(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	(N=19)	
FRIENDLINESS TOWARDS VISITORS	6	32	1 5	1 5	2 11	- -	- -	- -	1 5	1 5	- -	- -	- -	- -	- -	- -	- -	
CLIMATE	4	21	- -	- -	2 11	- -	- -	- -	1 5	- -	- -	1 5	- -	- -	1 5	- -	- -	
HISTORICAL & CULTURAL ATTRACTIONS	19	100	17 90	2 11	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
SCENIC ATTRACTIONS	17	90	1 5	14 74	2 11	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
SOCIETY & POLITICS OF CHINA	8	42	- -	1 5	5 26	1 5	1 5	1 5	- -	- -	- -	- -	- -	- -	- -	- -	- -	
CHINESE FOOD	8	42	- -	- -	2 11	3 16	2 11	1 5	- -	- -	- -	- -	- -	- -	- -	- -	- -	
CHINESE ARTS	10	53	- -	- -	1 5	5 26	4 21	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
MULTI-STAGE DESTINATION	7	37	- -	1 5	3 16	- -	2 11	- -	1 5	- -	- -	- -	- -	- -	- -	- -	- -	
NO PARTICULAR EMPHASIS	0	0																
OTHERS	0	0																

NOTE : " - " Indicate no response

However, the above factors are applicable only to general tours to China. For some special tours, different factors may need to be emphasised. When the respondents were invited to give suggestions about the importance of special interest groups in operating tours to China

(Q.10), only forty-two per cent of them felt that this was important (see Table 7.10). According to the data given by the respondents, these special interest groups can be sub-divided into the following five categories :

1. Youth travel group.
2. Medical group.
3. Education or learning group.
4. Agricultural group.
5. Athletic group.

These findings suggest that if China wants to become accessible to more people, special information relating to the above five groups should be supplied at the request of the tour operators.

TABLE 7.10 SPECIAL INTEREST GROUPS OPERATION

	NUMBER	% (N=19)
YES	8	42
NO	11	58
TOTAL	19	100

(D) ASSISTANCE OF THE C.I.T.S. TO U.K. TOUR OPERATORS

This section consisted of two questions, one of them aimed at measuring the assistance of C.I.T.S. to the tour operators, and the other seeking the views of tour operators concerning the provision of better conditions

for operating tours to China.

Table 7.11 (Q.12) shows that nineteen respondents out of twenty-six (seventy-three per cent) felt that the assistance provided by the C.I.T.S. was inadequate. When the respondents were invited to suggest ways of improving present conditions, sixty-three per cent of them felt better communication was necessary and fifty-eight per cent felt that the supply of more information was essential (see Table 7.12 (Q.13)). Among other suggestions frequently mentioned by the respondents were the following four points :

1. More flexibility of itineraries and confirmations of these in advance.
2. The C.I.T.S. needs more staff to handle the large number of enquiries.
3. An increased supply of maps, leaflets etc..
4. The encouragement of free competition and allowing privately run travel agents or tour operators in China.

The above results clearly demonstrate that assistance provided by the C.I.T.S. to the tour operators was inadequate. The findings suggest that China should have better communications with tour operators and supply them with more of the information they required for operating tours to China. The findings also reveal that China should make greater efforts to provide more reliable itineraries for the tour operators and employ

more staff to handle the rapidly increasing number of enquiries from every part of the world.

TABLE 7.11 ASSISTANCE FROM THE C.I.T.S. (Luxingshe)

	NUMBER	% (N=26)
YES	7	27
NO	19	73
TOTAL	26	100

TABLE 7.12 IMPROVEMENTS FOR ORGANISING TOURS TO CHINA

	NUMBER	% (N=26)
BETTER COMMUNICATION	17	65
SUPPLY MORE INFORMATION	15	58
OTHERS	14	54

(E) CHINA'S ASIAN COMPETITORS

This section consisted of one question (Question 14). The aim of this question was to find out who were China's competitors in the U.K. tourist market. The respondents were invited to choose from a list of Asian countries that were most popular in the U.K. tourist market. Apart from the choices specified, spaces were left for respondents to express their own views.

The results presented in Table 7.13, show that sixty-five per cent of the respondents regard Thailand as

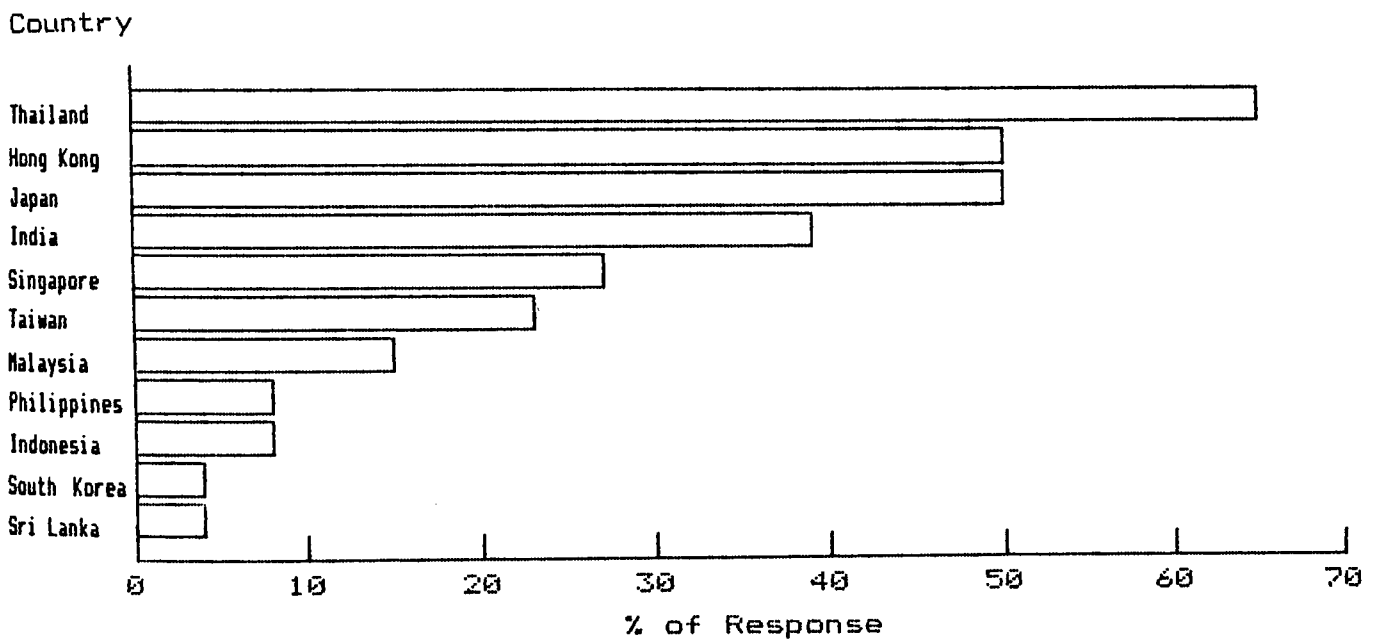
the most important competitor to China in the U.K. tourist market. The next most important competitors are Hong Kong and Japan (fifty per cent), India (thirty-nine per cent), Singapore (twenty-seven per cent), Taiwan (twenty-three per cent), Malaysia (fifteen per cent), Philippines and Indonesia (eight per cent), and finally, South Korea and Sri Lanka (four per cent) (see Figure 7.1). About twenty-three per cent of the respondents used the "Other" column to express the view that China was unique and that no comparison could therefore be made.

The implication of these findings is that China is in practice competing with all its neighbouring countries for tourists from the U.K. tourist market. The reason for that may be due to the fact that the U.K. tourist market observes Chinese and other Asian countries' cultures and traditions as similar or even identical and classifies them generally as "Oriental". Tour operators, therefore, promote China and these Asian countries together in the same booklet under the headings "Far East" or "Oriental". When clients want to select a destination from these booklets, competition between China and these countries emerges.

TABLE 7.13 CHINA'S ASIAN COMPETITORS IN THE U.K. TOURIST MARKET

	NUMBER	% (N=26)
HONG KONG	13	50
TAIWAN	6	23
SOUTH KOREA	1	4
INDIA	10	39
JAPAN	13	50
MALAYSIA	4	15
PHILIPPINES	2	8
SINGAPORE	7	27
SRI LANKA	1	4
THAILAND	17	65
INDONESIA	2	8
OTHERS	6	23

FIGURE 7.1 CHINA'S ASIAN COMPETITORS IN THE U.K. TOURIST MARKET



(F) PROPOSED DEVELOPMENTS FOR THE C.I.T.S. TO IMPROVE AND DEVELOP CHINA'S TOURISM INDUSTRY

This section consisted of four questions (Questions 6,7,15 and 16). The aim of these questions was to find out the ways by which China could improve and develop its tourism industry.

(1) MOST POPULAR CITIES COVERED BY TOURS TO CHINA

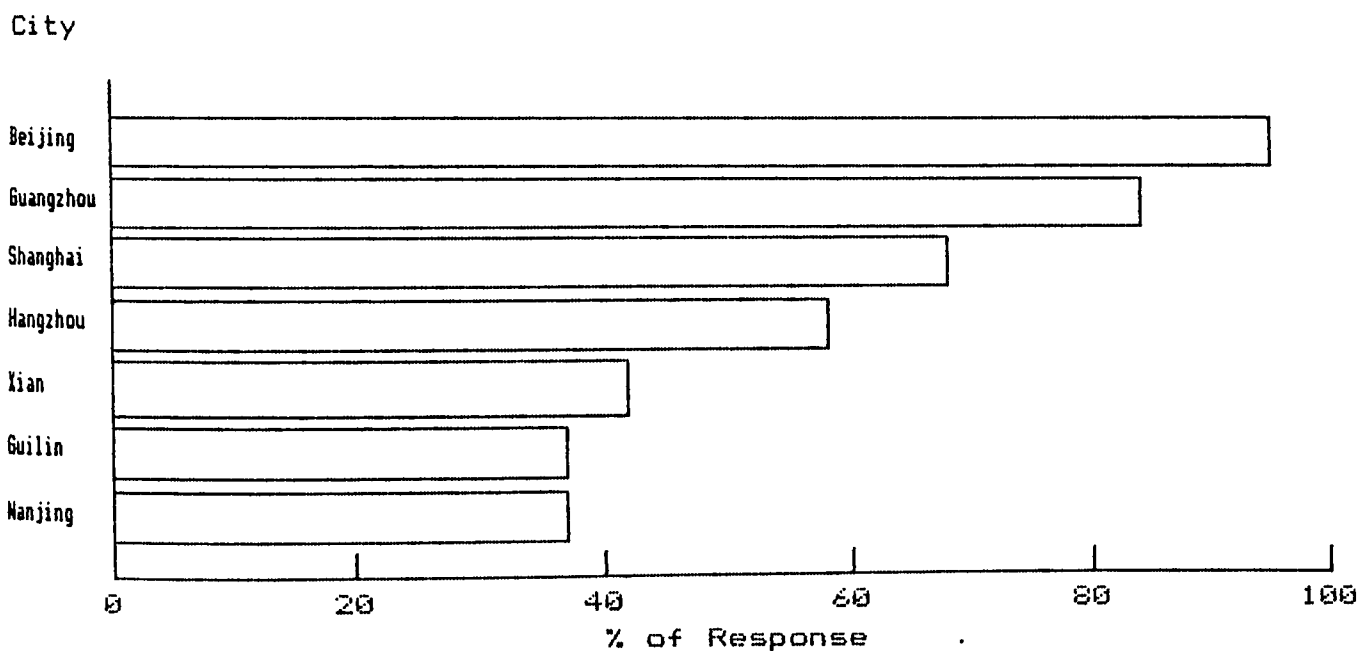
When the respondents were asked to indicate which cities were usually covered by their Chinese tours, (Q.6), the following results emerged. Beijing appears to be the most common destination in Chinese tours from the U.K. (ninety-five per cent). The next most common destinations are Guangzhou (eighty-four per cent), Shanghai (sixty-eight per cent), Hangzhou (fifty-eight per cent), Xian (forty-two per cent), Nanjing (thirty-seven per cent), and Guilin (thirty-seven per cent) (see Table 7.14 and Figure 7.2).

The results indicate that the above cities are already familiar to U.K. tourists. The C.I.T.S. can make use of these cities to develop other tourist destinations by, for example, including the less famous cities together with the already familiar ones in the same itineraries, and thereby aiding the promotion of these cities in the U.K.

TABLE 7.14 THE MOST POPULAR CITIES COVERED BY TOURS TO CHINA FROM THE U.K.

	NUMBER	% (N=19)
BEIJING	18	95
NANJING	7	37
SHANGHAI	13	68
HANGZHOU	11	58
GUANGZHOU	16	84
OTHERS :		
(1) XIAN	8	42
(2) GUILIN	7	37

FIGURE 7.2 : THE MOST POPULAR CITIES COVERED BY TOURS TO CHINA FROM THE U.K.



(2) PEAK SEASONS IN OPERATING TOURS TO CHINA FROM THE U.K.

When the respondents were asked to indicate the peak season(s) in operating tours to China (Q.7), ninety-five per cent of them selected autumn as the peak season. The next most popular seasons are Spring (sixty-three per cent), Summer (forty-seven per cent), and Winter (sixteen per cent) (see Table 7.15). In this question, more than half of the respondents (fifty-eight per cent) gave reasons for their selection, and these can be summarised as follows :

1. The best weather for visiting China was in September and October.
2. Autumn was the best time for people from the U.K. to visit China.
3. The temperature in Spring was suitable for U.K. visitors to China.
4. Most people took their holidays in the summer.
5. China was too cold to visit during winter (except South China).

TABLE 7.15 PEAK SEASONS IN ORGANISING TOURS TO CHINA FROM THE U.K.

	NUMBER	% (N=19)
SPRING	12	63
SUMMER	9	47
AUTUMN	18	95
WINTER	3	16
UNKNOWN	0	0

The implication of the above findings is that China in fact experiences fluctuations in the number of tourists from the U.K.. Following a peak season in spring, there is a drop in the number of tourists from the U.K. in the summer; another peak season occurs at autumn, then a drop in numbers again occurs in winter. The Chinese government, on the one hand, needs to develop more accommodation and tourist facilities to face the needs of U.K. tourists in peak seasons, and on the other hand, needs to attract more tourists in the summer and winter periods. In addition to provide cheaper tours, the Chinese government can also develop some special facilities to attract U.K. tourists to China in summer and winter. It is advisable for China to make better use of the range of geographical zones it covers and develop North and South for the summer and winter visitors respectively.

(3) FUTURE PROSPECTS OF CHINA'S TOURISM INDUSTRY

When the respondents were asked for their opinions on the future prospects for China as a tourist destination, twenty out of twenty-six respondents (seventy-seven per cent) gave their opinions. These opinions are summarised as follows :

1. Future prospects will be great, but there is a need to be more flexible in the area of pricing.
2. The future prospect will be good, but there are limitations, because the cost of getting to China

will remain high.

3. The prospect will be great, providing that China does not become too like Hong Kong.
4. The future will continue to be good, the standard of service should improve, given time and more overseas investment will provide some degree of formal training for the people employed in the field of tourism.
5. The future will be good, but more hotels will have to be built in major cities and more and better facilities for tourists should be provided.
6. China will be a better tourist destination if there is further development in hotel management, local transportation and methods of communication.

Such findings are quite consistent with earlier findings that indicate that the Chinese government should take steps to improve its accommodation, transportation, communication, services and pricing policy.

(4) OPINIONS ON HOW TO INCREASE U.K. TOURISTS TO CHINA

When the respondents were asked for their opinions on the best way(s) to increase the number of U.K. tourists to China. Seventy-seven per cent of the respondents offered opinions, which can be summarised as follows :

1. There should be improved hotel and airline facilities, lower air fares and provision of more

attractive land packages.

2. Better communications with U.K. tour operators and better representation in the U.K. are highly desirable.
3. China needs to provide quality services, at competitive rates, supported by good promotion methods.
4. Promotion of China through advertising and sales promotion should carry out.
5. Both internal and external transportation systems should be improved and these should be more communication with those people who intend to visit China.

These findings further corroborate the findings of Section A by showing that problems relating to accommodation, transportation, communication, and the pricing system in China are the main causes of the difficulties faced by tour operators in organising tours to China.

7.2 RESEARCH ON HOTELS IN CHINA AND THE C.I.T.S.

Two months after sending covering letters and questionnaires to the thirty-five hotels in China and the C.I.T.S., there were only three responses from hotels and, even more serious, there was no response at all from the C.I.T.S.. Due to the limitation of time, I felt that it was impossible to write reminder letters to the hotels

and the C.I.T.S. and then wait perhaps for another one or two months.

Information obtained from the responses provided by the hotels are grouped into five sections to act as a supplement to the desk research. Analysis of these two parts of the research concentrates on finding out the reasons for having such a low response rate. Suggestions are proposed for improving this situation where future research is conducted.

7.2.1 FINDINGS FROM RESEARCH ON HOTELS IN CHINA

(A) PROFILE OF RESPONDENTS

This section analyses the nature of the hotels that participated in the survey. Of the three that responded, two belong to the "wholly government owned" type and one of them belongs to the "joint-venture" type. The first two hotels graded themselves in the "standard" class, while the other one graded itself in the "first-class" group (see Table 7.16 (Q.1) and Table 7.17 (Q.7)). (See Appendix 17 for the grading of hotels in China.)

The responses show that the "joint-venture" hotel has a higher grading than the "wholly government-owned" types. This is quite consistent with the primary research findings referred to in Chapter Five.

TABLE 7.16 NATURE OF THE RESPONDENTS

	NUMBER
JOINT-VENTURE	1
FRANCHISING	-
WHOLLY GOVERNMENT-OWNED	2
WHOLLY FOREIGN OWNED	-
OTHERS	-
TOTAL	3

NOTE : " - " Indicate no response

TABLE 7.17 THE GRADING OF THE RESPONDENTS

	NUMBER
SUPERIOR	-
FIRST CLASS	1
STANDARD	2
BUDGET	-
OTHERS	-
TOTAL	3

NOTE : " - " Indicate no response

(B) SERVICES PROVIDED BY THE HOTELS

This section consists of three questions (Questions 2,3, and 8). The aim of these questions is to find out the type of services available in the China hotels and which services are particularly emphasised by them.

Table 7.18 (Q.2) shows that none of the respondents had ever operated local sight-seeing tours. The explanations given by each of them for not doing so are similar and can be summarised by stating that many developments were planned for the future, and organising local sight-seeing tours would be one of them.

This suggests that at least some hotels in China are trying to improve and diversify the services they provide to customers.

TABLE 7.18 LOCAL SIGHT-SEEING TOURS OPERATION

	NUMBER
YES	-
NO, BUT HAVE IN THE PAST	-
NO, NEVER	3

NOTE : " - " Indicate no response

When the respondents were asked to rank the services and facilities that they provided to customers (Q.8), different results were obtained. Even the two hotels in the same "standard" class ranked services differently (see Table 7.19). This result indicates that the services provided by hotels in China in the same class are not necessarily identical.

TABLE 7.19 RANKING OF IMPORTANCE OF SERVICES BY THE TWO GOVERNMENT-OWNED HOTELS

	RANKING OF ONE HOTEL	RANKING OF OTHER HOTEL
POSTAL SERVICES	5	9
BANKING SERVICE	6	15
TELEGRAPH SERVICE	7	8
TELEX SERVICE	4	7
HOTEL SHOPS	11	10
CUISINE	16	-
ARRANGEMENT OF TAXIS	14	11
WAKE UP CALLS	9	12
RESTAURANT RESERVATIONS	10	13
ROOM SERVICE	13	14
INTERPRETATOR	15	-
MEDICAL SERVICE	17	6
LAUNDRY	3	1
STORAGE	8	-
HAIRDRESSERS	12	2
AIR-CONDITIONING	2	3
PRIVATE BATHROOM	1	4
SAUNA	19	-
MASSAGE	18	5

NOTE : " - " Indicate no response

(C) NATURE OF THE CUSTOMERS

Table 7.20 (Q.4) shows that the majority of the customers of the two wholly government-owned hotels were in the "tourist" category, while the joint-venture hotel clientele was predominantly the "business" type. One of the wholly government-owned hotels and the joint-venture hotel indicated that foreign visitors were their main customers. Overseas Chinese and the residents of Hong Kong, Macao and Taiwan were the main customers of the other hotel. The age groups of the customers of the

government-owned hotels were mainly in the "40 to pre-retirement" group, while the joint-venture hotel was used by the "26 to 40" group, who would probably be businessmen.

As the results are so varied, no general conclusion can be drawn from only three responses.

TABLE 7.20 THE TYPE, THE STATUS AND THE AGE GROUP OF THE CUSTOMERS OF HOTELS IN CHINA

	G1	G2	J
<u>TYPES</u>			
BUSINESS	3	2	1
TOURISM	1	1	3
VISITING RELATIVES	-	-	3
CONFERENCES	2	3	2
OTHERS	-	-	-
<u>STATUS</u>			
FOREIGN VISITORS	1	2	1
OVERSEAS CHINESE	2	1	2
RESIDENTS OF HONG KONG MACAU & TAIWAN	3	1	2
STUDENTS	-	3	3
OTHERS	-	-	-
<u>AGE GROUP</u>			
UNDER 25	3	3	2
26-40	-	2	1
40 TO PRE-RETIRE	1	1	2
RETIRED	2	3	3
OTHERS	-	-	-

NOTE : G -- Wholly government-owned hotel
 J -- Joint-venture hotel
 " - " Indicate no response

(D) CONNECTIONS WITH OVERSEAS TRAVEL OPERATORS

Two hotels indicated that they did not have any connection with overseas travel operators. The third indicated that it had indirect connection with overseas travel operators, and the connection was through Luxingshe.

It seems likely that accommodation for foreign visitors is largely controlled by Luxingshe.

(E) SEASONALITY IN CHINA

Two respondents pointed out that the peak seasons for their hotels were spring and autumn, while the other (the Joint-venture hotel) reported that spring, summer and autumn were its peak seasons.

The results obtained are quite consistent with that obtained from the research referred to earlier which indicated that autumn is the most popular season for travelling to China, while the next in popularity are spring and summer.

7.2.2 POSSIBLE REASONS FOR THE LOW-RESPONSE RATE

As mentioned in Chapter Six, low-response rate is one of the drawbacks of the mail survey method. However, with a response rate that is too low, as in the two parts of the research undertaken, there must be some particular reasons for the below-average returns.

There are seven possible reasons that can produce a low-response rate in these researches and they are listed as follows :

1. The style of the questions in the Chinese version of the questionnaires may have been unfamiliar -- these questions were translated from the English questionnaires rather than written directly in Chinese. However, they were translated by a lecturer in the Department of Naval Architecture and Marine Engineering, in South China Institute of Technology in Guangzhou (Canton, P.R.C.), who is familiar with mainland usage.
2. The format of the Chinese version questionnaires may have been different from the type used in China. Since it was difficult to find out the format of questionnaires used in China, I could only apply the English format to the Chinese version of the questionnaires. This might have been the wrong approach, thus producing a low-response.
3. The Chinese directors may have needed more time to complete the questionnaires. I had estimated that a period of two months was sufficient for the return of completed questionnaires by both U.K. and Chinese respondents. However, there could well be unforeseen differences between the directors in the two countries and the Chinese directors might have needed a longer period of time in which to complete the questionnaires.

4. The low-response rate may be due to the absence of a pre-paid envelope. Using pre-paid envelopes, the research on U.K. tour operators had a response rate of about sixty-two per cent.
5. The low-response rate may be due to the fact that the Chinese directors did not understand the meaning of some terms used in the questionnaires and, therefore, were not interested in completing them.
6. The hotels in China and even the C.I.T.S. may not have had adequate records to enable them to complete the questionnaire and so they simply ignored it.
7. The low-response rate may be due to the fact that the Chinese directors did not care to answer questions from foreign sources, such as the U.K..

7.2.3 SUGGESTIONS TO INCREASE THE RESPONSE RATE

Taking into consideration the reasons mentioned above, it is proposed that five possible courses of action require to be undertaken in order to increase the response rate, and they are :

1. The questionnaire should be written directly in Chinese.
2. The format of the questionnaire must be the same as those used in China.
3. A longer period of time should be provided for Chinese respondents to complete the questionnaire. If possible, send reminder letters to them after a certain period of time to persuade them to answer the

questionnaire.

4. Pre-paid envelopes should be used for any survey on China.
5. The terms used in the questionnaire must be simple and easy to understand.

However, if the low-response rate is due to the Chinese Organisations' habit of never answering letters and questionnaires, then mail survey will not be a good tool for obtaining information from China. Other methods, such as joint project with, for example, the Universities in China, or by face to face interviews also need to be considered in such circumstances.

7.3 CONCLUSION

7.3.1 CONCLUSION OF RESEARCH ON TOUR OPERATORS

Accommodation, transportation, communication and pricing policy in China are the most common problems faced by U.K. tour operators in organising tours to China. No control over the choice of hotels by tour operators, poor services in Chinese hotels, the refusal of the C.I.T.S. to book single rooms and the lack of economy rate hotels for foreign visitors are the main sources of problems cited by U.K. tour operators in relation to accommodation. Insufficient air services are provided by C.A.A.C. between the U.K. and China. The domestic air network and local transportation facilities in China are poor. Moreover, the itineraries and modes of

travel within China are always being changed by the C.I.T.S. without advance notice to passengers or agents. All these tend to build up problems for the U.K. tour operators in arranging tours to China.

Communications between China and tour operators are inadequate. There is a lack of understanding between the C.I.T.S. and tour operators. The communication network in China is unsatisfactory, and letters to the C.I.T.S. are not always answered. Communication facilities in China are in short supply.

The prices of tours to China are increasing rapidly and expensive compared with other East Asian destinations. Moreover, the prices of such tours are especially high in peak seasons. The cost of the tours to China tend to present many difficulties for tour operators organising tours to China.

Many U.K. tour operators, due to the pricing policy in China and the fact that China occupies only small part of the U.K. tourist market do not wish to operate tours to China. However, most of them still recommend China as a tourist destination to their clients, especially those who are experienced and seasoned travellers. U.K. residents are becoming more interested in visiting China. More and more people want to get information about China.

The "Upper middle class", the "Middle class", and the "Lower middle class" are at present the main sources

of clients for the tours to China. Moreover, such visitors are mainly from the "41-50" and the "Above 50" age groups. However, further research is required by China to find out the true potential market of Chinese tours in the U.K. market.

The findings suggest that the best methods for promoting the tours to China are sales promotion and advertisements. The best media used for sales promotion are brochures and printed literature. For advertisements, the best media are newspapers, magazines and Travel and Trade Journals.

In promoting tours to China, the U.K. tour operators usually emphasise the following three factors : (i) the historical and cultural attractions; (ii) the scenic attractions; and (iii) the society and politics of China. About forty per cent of the tour operators in the U.K. organise special interest groups to China. Such special interest groups will usually require special information from China.

The assistance provided by the C.I.T.S. to tour operators is inadequate. The findings suggest that China should have better communication with tour operators and supply them with more information, maps, leaflets etc. to facilitate their promotion and operation of tours to China.

The geographical position of China is such that

China is competing with many countries, especially the Asian ones, for the U.K. long-haul tourist market. The successes of China as a tourist destination for U.K. overseas visitors will largely depend on its ability to provide a relatively stronger appeal as compared to its main competitors, namely Thailand, Hong Kong, Japan and India. However, in terms of tourist facilities, China still lags behind its Asian competitors. What China now has that enables it to compete with other Asian countries is its aura of mystery.

Beijing appears to be the most popular destination for tours to China. Other popular destinations include Guangzhou, Shanghai, Hangzhou, Xian, Nanjing, and Guilin.

The U.K. tourist arrivals to China show a pattern of seasonality. There are two peak seasons, spring and autumn.

7.3.2 CONCLUSION OF RESEARCH ON HOTELS IN CHINA AND THE C.I.T.S.

Information related to China's tourism industry is difficult to obtain and of limited range. As mentioned before, China's tourism industry is centrally controlled, all development decisions being determined by the central government. The only source of information related to the future development of China's tourism industry is the C.I.T.S..

There are seven possible reasons to account for the

low-response rate in this research and they are : (i) the style of the questionnaire; (ii) the format of the questionnaire; (iii) the period for respondents to return the questionnaire was too short; (iv) the absence of pre-paid envelopes; (v) some terms might have involved problems in understanding the questionnaire; (vi) the hotels in China and the C.I.T.S. did not have enough records for completion of the questionnaires; and (vii) the Chinese Organisations were unwilling to answer foreign letters and questionnaires.

The first five reasons can be acted upon and the situation can be improved when a researcher undertakes a similar type of research. The last two reasons relate to conditions that can only be improved by China itself.

If China wants to expand its tourism industry to attract more foreign tourists, and to persuade more tour operators to organise Chinese tours, better communications, greater willingness to answer questions and to provide more information to the outside world are necessary. Reluctance to answer questions or delays in answering them constitute serious obstacles for tour operators in the U.K. or elsewhere who wish to extend their operations or operate tours to China. It is obviously important that information should be provided both willingly and expeditiously.

CHAPTER EIGHT : CONCLUSION AND RECOMMENDATION

8.1 CONCLUSION OF STUDY

China should apply the marketing concept to its developing tourism industry. The employment of a marketing approach and relevant marketing methods would provide the Chinese tourism industry with improved profitability and a larger market share. Moreover, an appropriate marketing strategy would enable the Chinese government to build and maintain a strong position in the market. However, a sound marketing strategy requires to be supported by many other factors and these are :

1. improved communication with overseas tour operators;
2. the provision of correct information and adequate promotional materials to tour operators;
3. the development of better airline connections between tourist generating countries and China and cheaper air fares; and
4. a sufficient number of hotels of international standard.

The study indicates that there is a group of countries that generates most of the tourist arrivals from all over the world. This information provides a valuable indication to the China International Travel Service, Luxingshe, as to where to concentrate its promotional efforts.

Seasonality may greatly affect employment, the

utilisation of productive capability, the infrastructure, and the tourist facilities of a country. It is advisable for China to study this factor and develop some measures to minimise its effects.

The tourism market is very sensitive to social, economic and political conditions. Any change in costs, habits, fashions and conditions relating to international events and politics is likely to affect tourism to a great extent. It is advisable for China to have stable prices for tours to China and constantly to analyse and monitor the international tourism situation.

The rapid increase in the number of arrivals in the early 1980s created a lot of problems for the Chinese tourism sector. Hotels, travel facilities, organisations and service staff were quickly taxed beyond their limits by this sudden onrush of tourists. In the past few years, many new hotels have been built, and air services and tourist facilities developed. However, such hotels and tourist facilities may not be appropriate to the requirements of the tourists. In order to find out how it should develop its tourism industry, China should undertake some research on the needs of tourists.

The research on tour operators indicates that accommodation, transportation and communication are still inadequate in China. The pricing policy and the cost of travelling to China are the main obstacles faced by U.K.

tour operators in organising tours to China.

China at present only accounts for a very small part of the U.K. tourist market. In the short term, China could improve this situation by giving more incentives to travel agents who operate tours to China (e.g. lower prices or discounts for tours involving a certain number of tourists), and introducing more effective promotional campaigns advertising the Chinese market. In the long term, China needs to improve its services, tourist facilities and management methods in the tourism industry, so that any promotional campaign can be matched by a worthwhile product so that more people will choose to visit China.

In setting the marketing strategies for the U.K. tourist market, the Chinese government need to take the following points into consideration :

1. British tourists prefer to use package holidays rather than travel independently when taking holidays abroad.
2. Air transport is the most favoured type of transportation used by British tourists taking their holidays abroad.
3. Holiday visits constitute the most common reason for U.K. overseas travellers visiting the regions of Asia.
4. The number of nights per trip spent abroad by U.K. oversea travellers is decreasing.

5. The cost of travelling to China is high.
6. Most U.K. overseas travellers take their holidays abroad in summer.
7. Spring and autumn are the favourite seasons for U.K. travellers visiting China.
8. The South East, Wales and the East Anglia are the regions with the highest potential for generating tourists.
9. 16-24, 35-44 and 45-54 are the age groups that take most holidays abroad. A trend of increasing importance is the increasing number in the 55-64 age group taking holidays abroad.
10. The "Upper middle class", the "Middle class" and the "Lower middle class" tend to take their holidays abroad.

On the whole, the future prospects for China as a tourist destination are great, but there is a need for China to improve its accommodation, transportation, communication and services. A more flexible pricing policy and the provision of more tourist facilities are also necessary.

8.2 RECOMMENDATIONS

8.2.1 RECOMMENDATIONS FOR THE DEVELOPMENT OF CHINA'S TOURISM INDUSTRY

(A) THE APPLICATION OF THE MARKETING CONCEPT IN THE DEVELOPMENT OF THE CHINESE TOURISM INDUSTRY

The master plan for China's tourism industry development seems to have been adequate, and services, accommodation and transportation have been developed. However, the planned improvements and developments may not be in line with the needs of foreign visitors. The application of marketing concept to China's tourism industry is obviously highly desirable. In fact, more research work is required by the Chinese government to find out tourist needs and demands in order to provide essential data on which China can base its plans for the development of its tourist facilities.

(B) THE PROVISION OF FACILITIES TO SUPPORT THE MARKETING OF CHINA AS A TOURIST DESTINATION

The distance of China from the major tourist generating areas (apart from Japan and overseas Chinese in East Asia) makes it basically a "long-haul" destination. To have cheap air fares is important in the marketing of China. Indeed, air-transportation is an essential factor in the development of tourism in the Far East and the Pacific region. To increase the number of charter flights to connect China and the major tourist generating countries is obviously essential.

In setting the marketing strategies that China should establish in order to promote itself as a tourist destination in foreign countries, it should be borne in mind that the supply of appropriate information and adequate promotional materials to the tour operator may be critical and may make the difference between one destination being much more successfully promoted than another. The C.I.T.S. must have improved communication with overseas tour operators and supply them with more information.

China's ability to provide enough hotels of international standard is an important factor in the marketing policies of the C.I.T.S.. However, further investigation is required to establish what standard of hotels is required by foreign visitors and to determine the range of facilities they need.

(C) MONITORING INTERNATIONAL TRENDS

Analysis and understanding of the international tourism situation is the necessary starting point for China to plan the development of its tourism industry.

A thorough analysis of the main purpose of visits to China is valuable for indicating which segments of demand should be targeted for promotion activities, by distinguishing them from other reasons for travel.

The study suggests that there is a group of

countries that generate most of the tourist arrivals from all over the world. Carrying out promotional campaigns in these countries might prove to be most beneficial in terms of increased visitor flows. The continued study of the demand motives of the tourist generating countries can help China to adjust its tourism supply to the requirements of demand.

China now depends heavily upon the U.S.A., Japan, Australia, and the U.K. for foreign tourists and there are generally peaks and troughs in the number of arrivals from month to month. However, as most overseas Chinese come from South East Asia, they might be used to counter-balance the seasonality of U.S.A., Japan and Europe. Still, it is advisable for China to study these aspects and develop some measures to minimise the effects of seasonality.

(D) GREATER PROMOTION AND ADVERTISING CAMPAIGNS

The findings indicate that there is an inadequate promotion budget in China for inviting travel writers and for promotion by the C.I.T.S. offices abroad. China should now increase its budget for promotion and advertising campaigns. In particular, the increased accommodation and tourist facilities provided for the peak seasons ought to be utilised during off-peak seasons, and appropriate promotion activities could be undertaken as a means of attracting extra tourists to

China during the quieter periods.

(E) A MORE FLEXIBLE PRICING POLICY

The price of Chinese tours is increasing rapidly. The demand for such tours will be decline as a result of this; such price increases will produce a negative effect so that no positive rise in income from tourism will be achieved by the Chinese government. To have a more flexible pricing policy is obviously necessary if the Chinese government is to persuade more tour operators to organise tours to China.

(F) IMPROVEMENT IN SERVICES

It is necessary for China to improve local transportation facilities together with the provision of more reliable itineraries to tour operators. The C.I.T.S. also needs to improve its communication facilities and generally to speed up its communication.

To standardise China's services at different levels and prices according to the level of services selected by foreign visitors is also important.

The development of some special facilities to attract foreign visitors to China in the off-peak seasons is necessary. For example, golf courses and skiing facilities should be developed for the summer and winter periods respectively.

(6) OTHER IMPORTANT ASPECTS

As China's tourism industry expands, many problems will emerge. For example, the increase in the number of tourist arrivals in China may cause disturbance to and destruction of various ecological elements of China. As one of China's strengths is that it is "unspoiled" and different, it is necessary to have control over these effects. More legislation and regulations are required to regulate these effects by means of planning, protective measures and appropriate management.

The findings indicate that standards and regulations relating to China's tourism industry are inadequate. This may be due to the rapid growth of China's tourism industry. Thus, there are no set standards for selecting guide-interpreters and regulations for controlling the operation of the tour operators are lacking. As a result, improved standards and regulations are required to guide and control developments in China's tourism industry.

8.2.2 RECOMMENDATIONS FOR ACTION BY CHINA TO MINIMISE THE PROBLEMS FACED BY U.K. TOUR OPERATORS ORGANISING TOURS TO CHINA

Accommodation, transportation, communication and the pricing policy of China are the main problems faced by U.K. tour operators organising tours to China. In order to increase the number of tourists from the U.K. to China, hotel and airline facilities need to be improved,

the domestic transportation system requires upgrading, more hotels need to be built and better communication networks with U.K. tour operators need to be established. The cost of tours to China is the main obstacle preventing U.K. residents from visiting China, therefore economy tours must be introduced if China wants to become accessible to more U.K. visitors.

If China wants to persuade more U.K. tour operators to organise tours to China, a more flexible pricing policy is necessary. Moreover, incentives must be provided to persuade them to operate more tours to China.

The C.I.T.S. should stimulate the growth of interest by the U.K. residents in visiting China. It should provide them with more information, broaden their view of China, and attempt to raise their interest to the point of wanting to make a visit to China.

In order to help U.K. tour operators to organise tours to China, the C.I.T.S. needs to increase its promotional budgets in the U.K. and aim at promoting itself to the "Upper middle class", the "Middle class", and the "Lower middle class", as well as to the "41-50" and the "Above 50" age groups. Further discussion of the promotional framework required by China in the U.K. will be provided in the following section.

The assistance of the C.I.T.S. to tour operators must be increased. Apart from improved communication, the

supply of more information, maps and leaflets to tour operators is also important.

8.2.3 PROMOTIONAL FRAMEWORK REQUIRED BY CHINA FOR THE U.K. TOURIST MARKET

(A) TARGET SEGMENTS

The three factors that affect China in selecting the target segments for its promotional campaigns are :

1. The cost of travelling from the U.K. to China.
2. The profile of U.K. oversea travellers.
3. The target segments aimed at by tour operators for Chinese tours.

By taking the above factors into consideration China can promote itself to the "Upper middle class", the "Middle class" and the "Lower middle class" which are less price sensitive and have a greater tendency to take holidays abroad. The promotional campaign should also aim at the "41-50" and the "Above 50" age groups. This is because these two groups are more likely to spend their holidays abroad and are usually targeted by tour operators as sources of clients for tours to China.

Since tours to China are more suited to experienced and seasoned traveller, to promote China to this group is obviously important and highly desirable. Moreover, since the customers of long-haul inclusive tours usually come from the professional group, it is necessary for China to take this group into consideration when preparing its

promotional campaign.

(B) REGIONS FOR PROMOTION

The findings indicate that the regions that have the highest potential for generating tourists abroad are the South East, Wales and the East Anglia regions. To carry out promotional campaigns associated with these regions may prove most beneficial in terms of increased visitor flows.

(C) PERIODS OF PROMOTION

The general statistics indicate that over seventy per cent of U.K. holidays abroad take place during the summer months (June to September). However, the findings of this study indicate that autumn and spring are the favourite seasons for U.K. tourists visiting China. In setting the periods for promotion, the Chinese government, therefore, need to consider what segments it wants to aim at for the Chinese tours : the summer holiday-takers or the seasoned travellers, or both. Further research is required by the Chinese government to find out the potential segments for Chinese tours in the U.K. in order to facilitate the setting of target segments and consequently the periods for promotion.

The general statistics also indicate that each segment has its own favourite periods for taking holidays abroad. It is advisable for the Chinese government to

compare the periods favoured by each segment with the conditions in China at those periods and, using this information, to devise the promotional strategies best suited to meet the needs of each target segment, so that each segment feels that the best time to visit China is during its most favoured period. In addition, the promotional efforts of the Chinese government should begin well in advance of those periods that are most favoured by each segments.

(D) MEDIA USED FOR PROMOTING CHINA

The best methods for promoting tours to China are sales promotion and advertisements. The best media for sales promotion are brochures and various types of printed literature. The Chinese government should supply tour operators with more information to help them to compile suitable brochures and the printed literature. The supply of more general information about China to the media, the public at large, schools, special interest groups, etc. is also important. For advertisements, the best media are newspapers (eg. The Sunday Times, The Observer, The Sunday Telegraph and The Guardian), magazines (eg. Vogue and New Statesman) and Travel and Trade Journals (eg. TTG, Travel News, Travel Bulletin, and Asia). Carrying out promotions through these media might prove to be most beneficial to China in terms of increased visitor flows. However, the degree of coverage and the quality of the advertisement design may affect

the result of the advertisement to a great extent. Further investigation into these two areas is essential if China wishes to promote itself more effectively in the U.K..

(E) FACTORS EMPHASISED IN PROMOTION

The "Historical and cultural attractions", the "Scenic attraction" and the "Society and Politics of China" are factors usually emphasised by U.K. tour operators in the promotion of tours to China. The Chinese government can promote itself along the same lines as the tour operators or simply supply them with information relating to the above factors and carry out its own promotion in other directions, for example, by laying emphasis on "Friendliness towards visitors", "Chinese arts" and "Chinese foods", thus providing a complement to the features emphasised in the tour operators' promotional campaigns.

Since holiday travel is the most important reason given for U.K. travellers visiting Asia, promoting China as a place for them to enjoy their holiday is also important. However, promotions of this kind have to be supported by the variety and quality of the tourist facilities provided. Further investigation should be undertaken by the Chinese government to find out what facilities are required and, where necessary, these should then be developed.

China is now competing with many countries, especially neighbouring countries in Asia, for tourists from the U.K. market. The success of China as a tourist destination for U.K. visitors will largely depend on its ability to provide a relatively stronger appeal than its main competitors. Compared with these Asian countries in terms of price, accessibility and other non-tangible factors, such as reputation and any available guarantees, China cannot compete successfully under present conditions. The competitive advantages China possesses over neighbouring countries at present are its novelty and uniqueness. Therefore, China should attempt to retain its uniqueness while developing its tourism industry. However, the novelty of China may wear off, hence, much more promotion, better services, cheaper tours and easy accessibility supported by a sound reputation will be increasingly necessary.

APPENDIXES

APPENDIX 1 : COUNTRIES INVOLVED IN THE REGIONS DEFINED BY
W.T.O.

(A) AFRICA :

Eastern Africa : Burundi, Comoras, Ethiopia, Kenya,
Madagascar, Malawi, Mauritius, Rwanda, Seychelles,
Somalia, Uganda, United Rp. Tanzania, Zambia,
Zimbabwe

Middle Africa : Cameroon, Central Africa Rp., Congo,
Gabon, Zaire

Northern Africa : Algeria, Morocco, Sudan, Tunisia

Southern Africa : Botswana, Lesotho, Swaziland

Western Africa : Benin, Burkina Faso, Gambia, Ghana,
Ivory Coast, Liberia, Mali, Mauritania, Niger,
Nigeria, Senegal, Sierra Leone, Togo

(B) AMERICAS :

Central & South America : Argentina, Belize, Bolivia,
Brazil, Chile, Colombia, Costa Rica, Ecuador, El
Salvador, Guatemala, Guyana, Honduras, Mexico,
Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay,
Venezuela

Caribbean : Anguilla, Antigua & Barbuda, Aruba,
Bahamas, Barbados, Bermuda, Bonaire, Br. Virgin
Islands, Cayman Islands, Cuba, Curacao, Dominica,
Dominican Rp., Grenada, Guadeloupe, Haiti, Jamaica,

Martinique, Montserrat, Neth. Antilles, Puerto Rico, St. Kitts-Nevis, St. Lucia, St. Maarten, St. Vincent Grn., Trinidad & Tobago, Turks & Caicos Island, U.S. Virgin Islands

North America : Canada, U.S.A.

(C) EAST ASIA & THE PACIFIC :

Australia, Brunei, China, Cook Islands, Dem. Kampuchea, Fiji, French Polynesia, Hong Kong, Indonesia, Japan, South Korea, Lao P. Dem. Rp., Macao, Malaysia, Marianas, New Caledonia, New Zealand, Papua New Guinea, Philippines, Samoa, Singapore, Thailand, Tonga, Vanuatu

(D) SOUTH ASIA :

Afghanistan, Bangladesh, Bhutan, Burma, India, Iran, Maldives, Nepal, Pakistan, Sri Lanka

(E) MIDDLE EAST :

Bahrain, Dem. Yemen, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jm., Qatar, Saudi Arabia, Syrian Arab Rp., Yemen Arab Rp.

(F) EUROPE :

Eastern Europe : Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, U.S.S.R.

Southern Europe : Andorra, Cyprus, Gibraltar, Greece,
Italy, Malta, Portugal, San Marino, Spain, Turkey,
Yugoslavia

Western Europe : Austria, Belgium, France, West
Germany, Luxembourg, Monaco, Netherlands, Switzerland

Northern Europe : Denmark, Finland, Iceland, Ireland,
Norway, Sweden, United Kingdom

Others : Israel

SOURCE : W.T.O.-- Regional Breakdown of World Travel &
Tourism Statistic 1979-1983, 1984 Ed.

APPENDIX 2 : TYPES OF OBSTACLES TO INTERNATIONAL TOURISM

(A) OBSTACLES AFFECTING THE INDIVIDUAL INTENDING TO TRAVEL

1. Imposed by the home country :
 - a) Currency restrictions imposed upon residents.
 - b) Conditions and procedures for issue of travel documents.
 - c) Customs allowances for returning residents.
 - d) Restrictions on overseas travel.
2. Imposed by the host country :
 - a) Currency restrictions imposed upon visitors.
 - b) Entry visas, identity documents, limitations on duration of stay.
 - c) Formalities concerning entry of motor vehicles, pleasure boats or other craft.
 - d) Formalities concerning applicability of drivers licences, car insurance, etc.
 - e) Restrictions on acquisition of property by non-nationals (e.g. holiday flats).
 - f) Taxes on foreign visitors.

(B) OBSTACLES AFFECTING COMPANIES PROVIDING SERVICES TO FACILITATE TRAVEL (e.g. Travel agents, tour operators)

3. Limitations on foreign investment/equity participation.
4. Restrictions on the establishment of foreign owned entities (branches and subsidiaries).
5. Requirements for qualifications for operating professionally which are either directly

discriminatory or more difficult for non-nationals to acquire.

6. Restrictions on non-national personnel and employment (e.g. visas, work permits).
7. Difficulties in obtaining licences to operate.
8. Relevant restrictions on transfer of funds in and out of the country (not covered under "A" above).
9. Restrictions upon the ability of non-established foreign companies to solicit for custom, advertise or sell direct to clients without locally established intermediaries.

(C) OBSTACLES AFFECTING COMPANIES PROVIDING TRANSPORTATION (e.g. airline, railways, coach operations, cruise liners)

10-17. Categories as under "B" (3-9)

18. Restrictions on non-national airlines, coach operators or cruise liners.
19. Limitations on movements of passengers by foreign airlines or cruise ships.
20. Discriminatory landing dues, taxes or port charges.
21. Lack of reciprocal recognition of qualifications (e.g. air crew, site guides, etc.).
22. Requirements for government employees to use national airlines/ferry services.
23. Discriminatory access to special terms from state enterprises (e.g. airlines, railways), including differential commissions.
24. Limitations on access to reservation systems.

(D) OBSTACLES AFFECTING COMPANIES PROVIDING RECEPTION FACILITIES (e.g. hotels, resorts, car hire firms)

25-32. Categories as under "B" (3-9).

33. Restrictions on imports of essential goods.

34. Requirements for placing of contracts (e.g. for site development) with local enterprises.

35. Discriminatory tax regimes for foreign entrants (including tax holidays not available to nationals).

36. Restrictions on ownership by non-nationals (e.g. leasing only permitted) and problems related to security of tenure or repatriation of investments.

37. Limitation on access to reservation systems.

(E) OTHER OBSTACLES

38. Discriminatory regulations on health inspection or consumer protection, etc.

39. Compulsory use of centralized governmental or municipal organizations or middlemen.

40. Others.

SOURCE : Journal of Travel Research, Vol. XXII, No. 3, 1984, p 14

APPENDIX 3 : SOCIO-ECONOMIC GROUPINGS

SOCIAL GRADE	SOCIAL STATUS	OCCUPATION
A	Upper Middle Class	Higher managerial, administrative or professional
B	Middle Class	Middle managerial, administrative or professional
C1	Lower Middle Class	Supervisory or clerical, junior management
C2	Skilled Working Class	Skilled manual workers
D	Working Class	Semi- & unskilled manual workers
E	Those at lowest level of subsistence	Pensioners, casual or lowest-grade worker, unemployed

SOURCE : Baker, 1983, p 83

APPENDIX 4 : STANDARD REGIONS OF GREAT BRITAIN

SCOTLAND :

The whole of Scotland.

WALES :

The whole of Wales.

ENGLAND-Standard Regions :

North : Cumberland, Durham, Northumberland, Westmorland, Yorkshire (North Riding).

Yorkshire and Humberside : Lincolnshire (Parts of Lindsey), Yorkshire (East Riding), Yorkshire (West Riding).

East Midlands : Derbyshire (part)¹, Leicestershire, Lincolnshire (parts of Holland & parts of Kesteven), Northamptonshire, Nottinghamshire, Rutland.

East Anglia : Cambridgeshire and Isle of Ely, Huntingdon and Peterborough, Norfolk, Suffolk (East), Suffolk (West).

London and South East :

(1) Greater London : The City of London (with the Inner Temple and Middle Temple) and the London Boroughs

(2) Remainder of South East : Bedfordshire, Berkshire, Buckinghamshire, Dorset (part)², Essex Hampshire, Hertfordshire, Kent Oxfordshire, Surrey, Sussex (East), Sussex (West), Wight (Isle of).

South__West : Cornwall, Devon, Dorset (part)³,
Gloucestershire, Somerset, Wiltshire.

West__Midlands : Herefordshire, Shropshire,
Staffordshire, Warwickshire, Worcestershire.

North__West : Cheshire, Derbyshire (part)⁴,
Lancashire.

Notes :

1. All except the areas stated below at 4.
2. Poole M.B. only.
3. All areas except Poole M.B.
4. Buxton M.B.; Glossop M.B.; New Mills U.D. and Chapel
en le Frith R.D.

APPENDIX 5 : THE EXPLANATION OF ITC AND ITX

(A) INCLUSIVE TOUR BY CHARTER (ITC) :

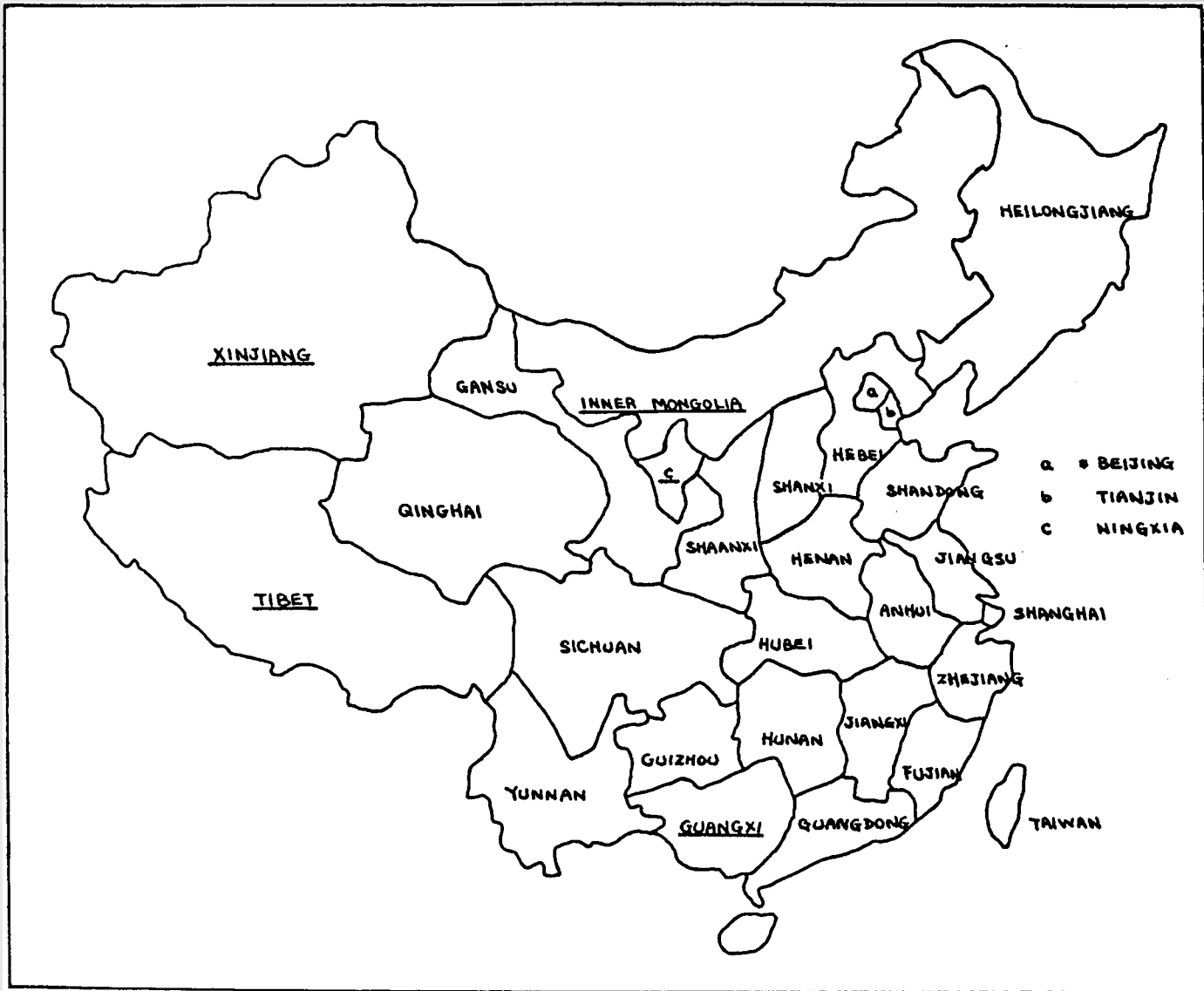
The tour operators can charter a plane, or part of a plane for special routes or destinations. The tour operators, in this case, can sell the seats directly to individual members of the public. The resulting package includes this air fares is called an inclusive tour by charter or ITC.

(B) INCLUSIVE TOUR BY EXCURSION (ITX) :

The airlines can sell the scheduled services to the tour operators very cheaply but in the conditions that they cannot resell the seats directly to the travellers and need to buy the seats on a return basis, which in airline terms means an excursion ticket. The tour operators build this air fares into a package called an inclusive tour by excursion or ITX.

SOURCE : Holloway, 1983, pp 51-52

APPENDIX 6 : MAP OF PROVINCES AND AUTONOMOUS REGIONS OF THE P.R.C.



NOTE : Those underlined are Autonomous Regions.

SOURCE : Kaplan, Sobin & Keijzer, 1985, cover page

APPENDIX 7 : CITIES AND SITES OFFICIALLY OPEN TO FOREIGN
TOURISTS (1985)

Beijing, Shanghai, Tianjin (including Dagong and Yancun)

AUHUI -- Hefei, Huangshan, Ma'anshan, Jiuhuashan

FUJIAN -- Fuzhou, Quanzhou, Xiamen, Zhangzhou

GANSU -- Dunhuang, Jiayuguan, Jingyuan, Lanzhou

GUANGDONG -- Conghua, Foshan, Hainan Island, Guangzhou,
Xiqiao, Zhaoqing

GUANGXI -- Binyang County, Guilin, Guiping County,
Linzhou, Nanning, Wuming County, Yangshuo

HEBEI -- Beidaihe, Chengde, Gangan Reservoir, Handan,
Qinhuangdao, Shashiyu, Shijiazhuang, Tangshan,
Xibaipo, Zhaoqiao Bridge, Zhuoxian County,
Zunhua

HEILONGJIANG -- Daqing, Harbin

HENAN -- Anyang, Gongxian County, Linxian County,
Luoyang, Sanmen Gorge, Xinyang (Jigongshan),
Yuxian County, Zhengzhou

HUBEI -- Danjiang, Shashi, Wuhan, Xiangfan, Xianning

HUNAN -- Changsha, Hengyang, Shaoshan, Xiangtan, Yueyang
(Dongting Lake)

INNER MONGOLIA -- Baotou, Hohhot, Xilinhote

JIANGSU -- Changzhou, Huai'an County, Lianyungang,
Nanjing, Suzhou, Wuxi, Xuzhou, Yangzhou,
Yixing, Zhenjiang

JIANGXI -- Jingdezhen, Jingganshan, Lushan (including
Jinjiang and Xingzi counties), Nanchang

JILIN -- Changchun, Jilin

LIAONING -- Anshan, Dalian, Fushun, Shenyang

SHAANXI -- Xi'an, Yan'an

SHANDONG -- Changwei (including Anqiu and Linqu counties
and Weifang), Jinan, Qingdao, Qufu, Shengli
Oilfield, Tai'an County (Taishan), Yantai,
Zibo

SHANXI -- Datong, Dazhai, Taiyuan, Yangquan

SICHUAN -- Chengdu, Chongqing, Dazu, Emeishan Leshan
County, Wanxian County

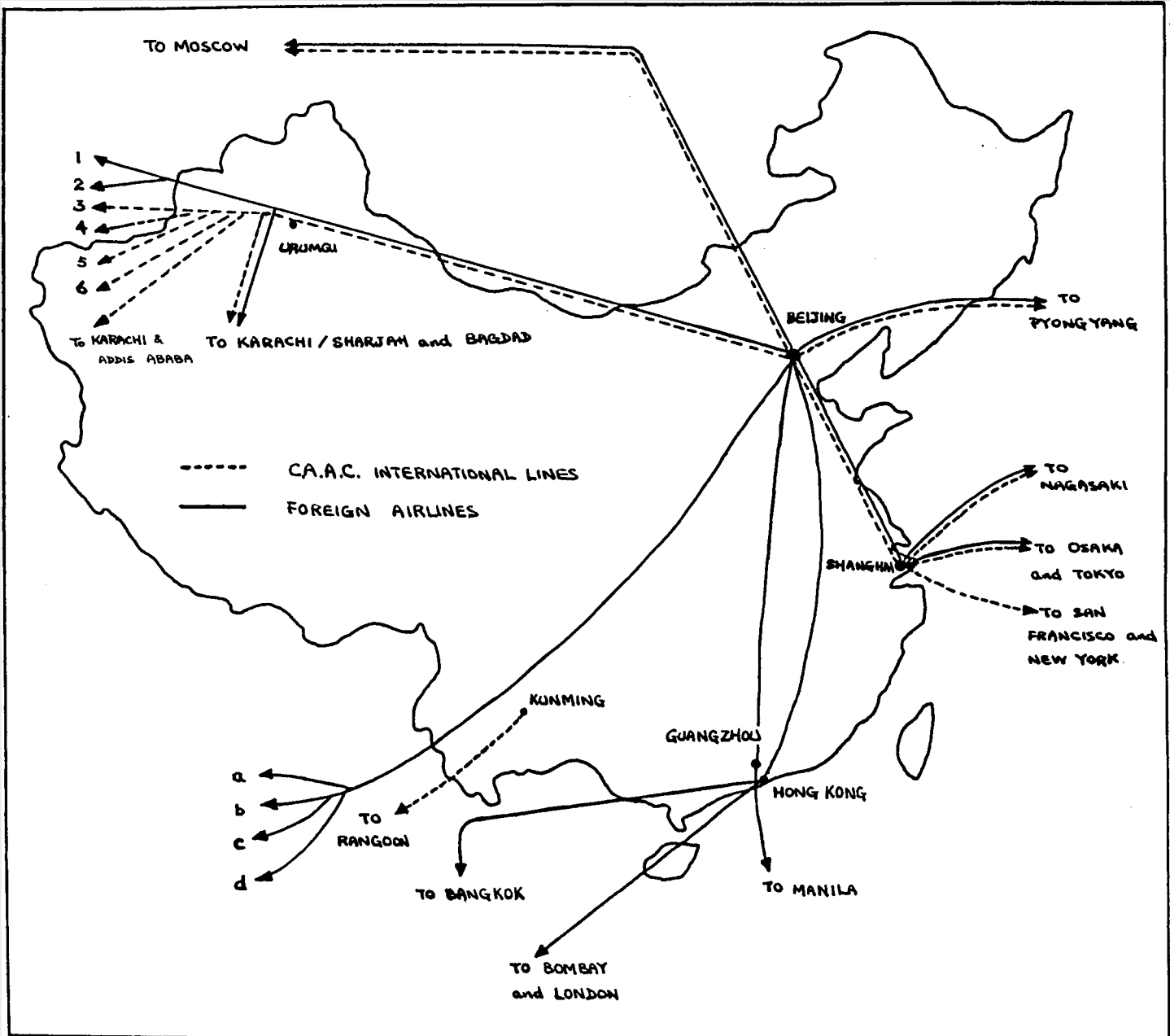
XINJIANG -- Shihezi, Turpan, Urumqi

YUNNAN -- Dali, Jinghong (Xishuangbanna) County, Kunming
(Stone Forest), Lunan County

ZHEJIANG -- Hangzhou, Leqing (Yandangshan), Moganshan,
Ningbo, Shaoxing, Wenzhou

SOURCE : Kaplan, Sobin and Keijzer, 1985, p 51

APPENDIX B : MAP OF MAIN INTERNATIONAL AIR ROUTES OF CHINA

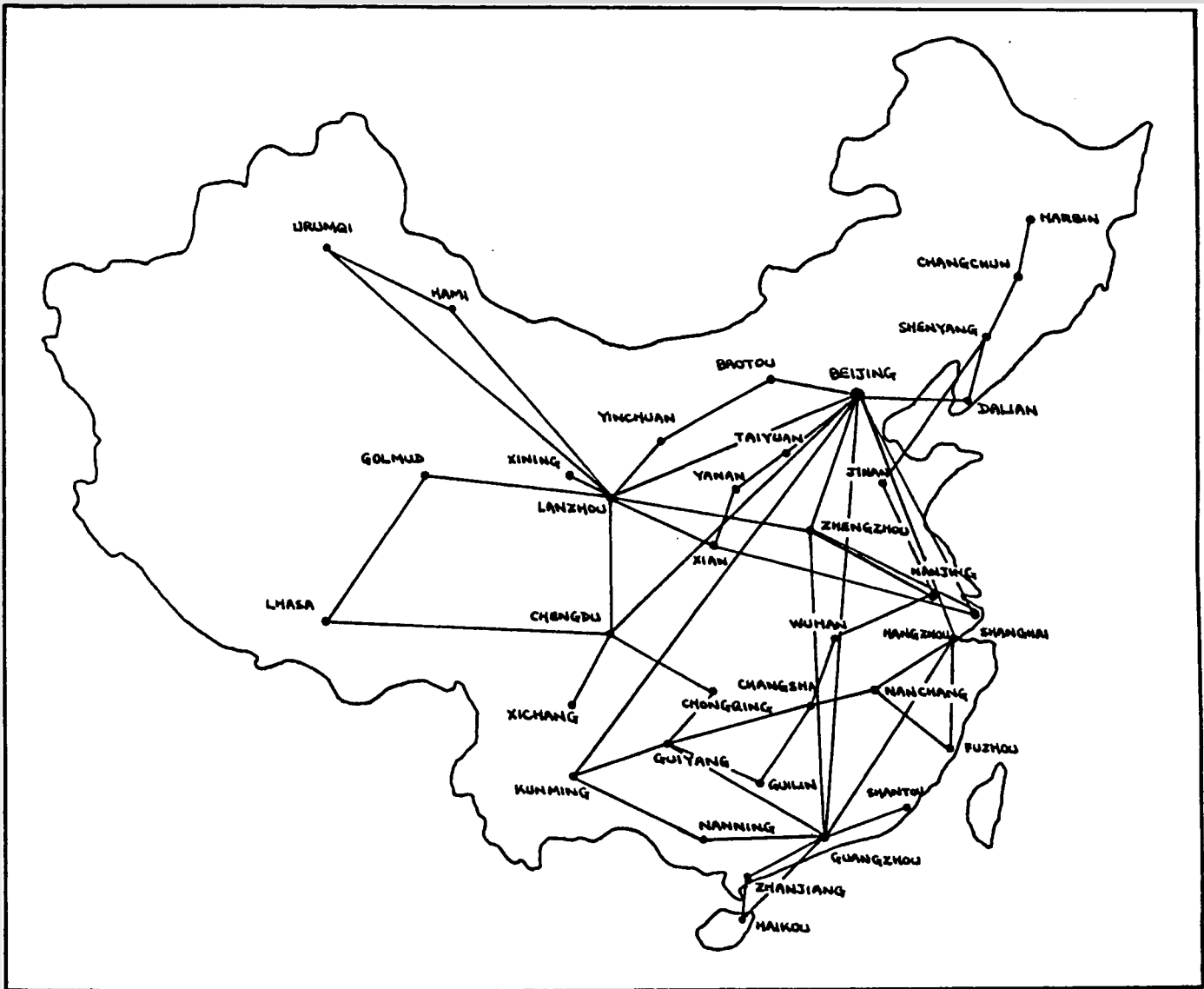


NOTE :

- | | |
|------------------------------------|--|
| 1. To Dubai & Belgrade. | a. To Karachi & Bucharest. |
| 2. To Karachi & Rawalpindi. | b. To Karachi, Athens & Paris. |
| 3. To Karachi & Bucharest | c. To Bombay & Addis Ababa. |
| 4. To Sharjah, Frankfurt & London. | d. To Bombay, Athens, Geneva & Zurich. |
| 5. To Sharjah/Karachi & Paris. | |
| 6. To Karachi, Belgrade & Zurich. | |

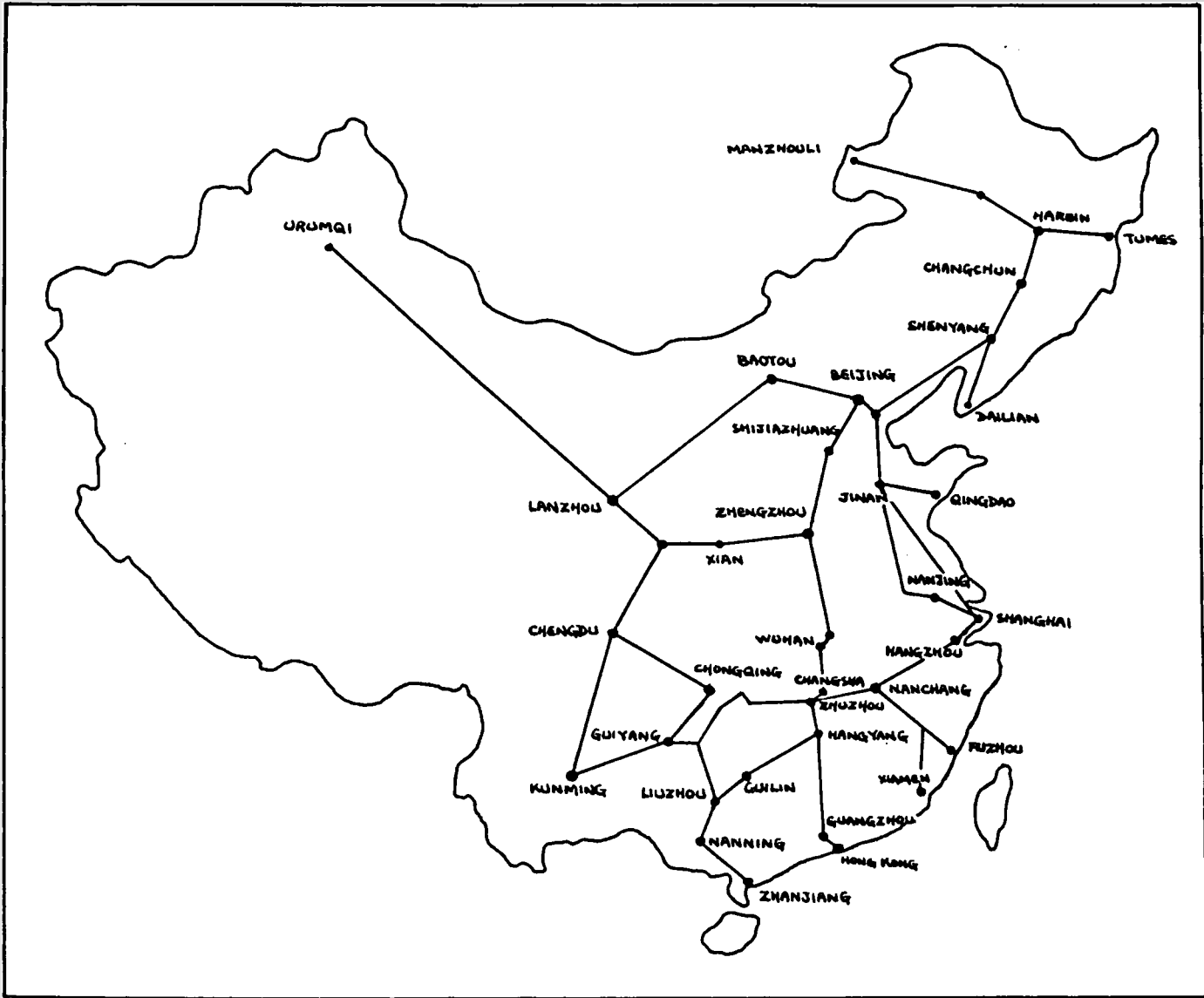
SOURCE : Kaplan, Sobin & Keijzer, 1985, central map

APPENDIX 9 : MAP OF CHINA'S INTERCITY FLIGHTS



SOURCE : Summerfield, 1985, p 41

APPENDIX 10 : MAP OF CHINA'S MAJOR RAIL ROUTES



SOURCE : Summerfield, 1985, p 43



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

5th July, 1985

Dear Sir,

REQUEST FOR INFORMATION

The objective of my Master's degree research is to find out the problems travel agencies have encountered in operating tours to China and to suggest ways of minimising them. I would greatly value your opinion and experience as an input to my dissertation.

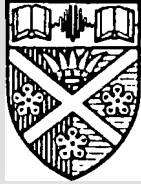
The enclosed questionnaire is very short. I hope you will feel able to return it to me in the reply-paid envelope at your earliest convenience. All replies will be treated in the strictest confidence.

If you would like to see a copy of my findings, simply identify yourself on the questionnaire.

May I take this opportunity to thank you in advance for your help.

Yours sincerely,

.....
LUNG Yiu Hung, Gary



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

Please return this questionnaire in the reply-paid envelope
provided, to :

Mr. Gary Lung
Student Research Projects
University of Strathclyde
Department of Marketing
Stenhouse Building
173 Cathedral Street
Glasgow G4 0RQ
United Kingdom

If you want to receive a summary of my research findings,
please write your name and company address below :

NAME :
ADDRESS :
.....
.....
.....

*Student research projects are an integral part of the undergraduate and post graduate curricula of the department.

(PLEASE TICK THE MOST APPROPRIATE ANSWERS)

SECTION A :

Q1. What kind of agency do you run ?

- () An entirely wholesale operation
- () Primarily wholesale with some retail activities
- () Others (Please specify)

.....
.....

Q2. Do you operate tours to China or not ?

- () YES (Please go to SECTION B)
- () NO, but have in the past
- () NO, never

Q3. What is/are the reason(s) for not operating tours to China ?

- () Pricing problem
- () Promotion difficulties
- () Lack of information
- () Not a good market
- () Others (Please specify)

.....
.....
.....

Q4. Would you recommend China as a tourist destination to your clients or not ?

- () Highly recommend
 - () Recommend
 - () No idea
 - () Not recommend
 - () Definitely not recommend
- Any particular reason(s) ?

.....
.....

(IF YOU HAVE NEVER OPERATED TOURS TO CHINA, PLEASE SKIP SECTION B)

SECTION B :

Q5. Could you specify the social status and age group of your customers ? Could you rank them in order of importance by putting 1, 2, 3, etc. on the corresponding bracket ? (1 is the most important, 2 is less, and so on)

<u>SOCIAL STATUS</u>	<u>AGE GROUP</u>
<input type="checkbox"/> Upper middle class	<input type="checkbox"/> Less than 20
<input type="checkbox"/> Middle class	<input type="checkbox"/> 20 - 30
<input type="checkbox"/> Lower middle class	<input type="checkbox"/> 31 - 40
<input type="checkbox"/> Skilled working class	<input type="checkbox"/> 41 - 50
<input type="checkbox"/> Working class	<input type="checkbox"/> Above 50
<input type="checkbox"/> Student	<input type="checkbox"/> Unknown
<input type="checkbox"/> Unknown	

Q6. What are the main cities usually covered by your tours ?

- Beijing
- Nanjing
- Shanghai
- Hangzhou
- Guangzhou
- Others (Please specify)

.....
.....
.....
.....

Q7. What is/are the peak season(s) in operation tours to China from your country ?

- Spring
- Summer
- Autumn
- Winter
- Unknown

Any particular reason(s) ?

.....
.....
.....
.....

Q8. What promotional method(s) do / did you use ?

- Advertising Radio and T.V.
- Newspapers (Please specify)

.....
.....
.....

- Magazines (Please specify)

.....
.....
.....

- Travel & Trade journals
(Please specify)

.....
.....
.....

- Others (Please specify)

.....
.....
.....

- Sales promotion... Printed literature
- Direct mail
- Folders / Brochures
- Others (Please specify)

.....
.....
.....

- Personal selling
- Others (Please specify)

.....
.....
.....

Q9. What factor(s) do/did you emphasize when promoting your tours ? Could you rank them in order of importance by putting 1, 2, 3, etc. in the corresponding bracket ? (1 is the most important, 2 is less, and so on)

- Friendliness towards visitors
- Climate
- Historical and Cultural attractions
- Scenic attractions
- Society and Politics of China
- Chinese food
- Chinese arts
- Multi-stage destination
- No particular emphasis
- Others (Please specify)

.....
.....
.....
.....

Q10. Do you happen to think the special interest groups (eg. Rural Development Study Tour ; Cycling Tour ; etc.) are important in operating tours to China or not ?

- YES (Please give examples of such tours)

.....
.....
.....
.....

- NO

Q11. What are the main difficulties in operating tours to China ?

<u>FACTORS</u>	<u>ANY PARTICULAR REASON(S)</u>
() Accomodation
() Transportation
() Service
() Seasonality
() Documentation
() Pricing
() Communication
() Language
() Others (Please specify)

SECTION C :

Q12. Do you happen to think assistance from China International Travel Service, Luxingshe, (in the form of information supply, self-promotion, etc.) is sufficient or not ?

- () YES
- () NO

Q13. In your opinion, how can the present condition be improved ?

- () Better communication
- () Supply more information
- () Others (Please specify)

.....
.....
.....
.....

Q14. What countries do you think are the major competitors to China as a tourist destination ?

- () Hong Kong
- () Taiwan
- () South Korea
- () India
- () Japan
- () Malaysia
- () Philippines
- () Singapore
- () Sri Lanka
- () Thailand
- () Indonesia
- () Others (Please specify)

.....
.....
.....
.....

Q15. In your opinion, what are the future prospects for China as a tourist destination ?

.....
.....
.....
.....

Q16. In your opinion, how can the number of tourists to China from your country be increased ?

.....
.....
.....
.....

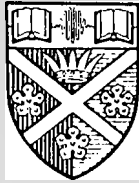
Q17. Do you have any other suggestions to make concerning this research ?

.....
.....
.....
.....

- THANK YOU FOR YOUR HELP -

ENGLISH VERSION

Professor Michael J. Baker TD BA BSc (Econ) DBA



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

5th August, 1985

Dear Sir,

REQUEST FOR INFORMATION

I am a M.Com. student in Marketing Department of the University of Strathclyde in Glasgow, and I am now undertaking my dissertation. The aim of my Master's degree research is to find out the problems China has encountered in developing its tourism industry and to suggest ways of minimising them. Accommodation seems to be one of the most difficult problems and I would greatly value your opinion and experience as an input to my dissertation.

The enclosed questionnaire is very short. I hope you will feel able to return it to me at your earliest convenience. All replies will be treated in the strictest confidence.

If you would like to see a copy of my findings, simply identify yourself on the questionnaire.

May I take this opportunity to thank you in advance for your contribution to my dissertation.

Yours sincerely,

LUNG Yiu Hung, Gary



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

尊敬的先生：

我现就读于英国格拉斯哥，斯特拉思克莱德大学市场学系硕士课程。我的硕士学位研究论文课题是要找出中国在估计发展它的旅游业中所包含的问题和尽力解决这些问题的可能途径。食宿问题，在发展中中国旅游业中，似乎是最难解决。您的意见和经验将会提供十分宝贵的材料给我的论文。

附入的问题表很简短。我希望您填满后，能尽早寄回给我。所有的回件，我将慎重保密。

如果您对我的研究结果感兴趣的话，请填入问题表中的有关项目。

最后，请允许我借此机会对您的大力协助与支持表示衷心的感谢。

谢。

致礼

敬上

一九八五年八月十六日

ENGLISH VERSION

Professor Michael J. Baker TD BA BSc (Econ) DBA



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

5th August, 1985

The Managing Director
The Promotion Department
CITS (Luxingshe)
6 East Changan Avenue
Peking, China

Dear Sir,

REQUEST FOR INFORMATION

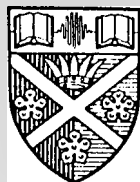
Since 1978, China's tourism industry expanded rapidly. To study the trends of the China's tourism industry now become an attractive area for many students. I am a M.Com. student in Marketing Department of the University of Strathclyde in Glasgow, and I am now undertaking my dissertation. The objective of my Master's degree research is to find out the problems in developing China's tourism industry and to know the ways in which China promote itself to foreign visitors, especially to the United Kingdom. I would greatly value your opinion and experience as an input to my dissertation.

The enclosed questionnaire is very short. I hope you will feel able to return it to me at your earliest convenience. All replies will be treated in the strictest confidence.

May I take this opportunity to thank you in advance for your contribution to my thesis.

Yours sincerely,

LUNG Yiu Hung, Gary



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

尊敬的先生：

自一九七八年起，中国的旅游业发展迅速。目前，许多学生对中国旅游业的趋势研究很感兴趣。我现就读于英国格拉斯哥，斯特拉思克莱德大学，市场学系硕士课程。我的硕士学位论文研究课题是找出发展中国旅游业中存在的问题，了解中国本身在吸引外国旅游者方面采取的措施（尤其是对英国）。您的意见和经验将会提供十分宝贵的材料给我的论文。

附上的问题表很简短，我希望您填完后能尽早寄回给我。所有的回件，我将慎重保密。

最后，请允许我借此机会衷心感谢您对我的帮助与支持。
致礼

敬上

一九八五年八月十六日



University
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Please return this questionnaire in the reply envelope provided to :

Mr. Gary Lung
Student Research Projects
University of Strathclyde
Department of Marketing
Stenhouse Building
173 Cathedral Street
Glasgow G4 0RQ
United Kingdom

If you want to have a summary of my research findings, please
identify yourself in the following :

Name of the Hotel :

Address :

.....

.....

.....

*Student research projects are an integral part of the undergraduate and post graduate curricula of the department.

(Please tick the most appropriate answers)

Q1. What is the nature of your hotel ?

- () Joint-venture
- () Franchising
- () Wholly Government owned
- () Wholly foreign owned
- () Others (Please specify)

.....
.....

Q2. Do you operate local sight seeing tours or not ?

- () Yes (Please give examples of such tours)
- () No, but have in the past
(Please give examples of such tours)

.....
.....
.....
.....

- () No, never

(If 'YES' Please Skip Q3.)

Q3. What is/are the reason(s) for not operating local sight seeing tours ?

- () Promotion difficulties
- () Pricing problem
- () Customers do not show interest
- () Others (Please specify)

.....
.....
.....
.....

Q4. Could you specify the type, the status, and the age group of your customers ?
 Could you rank them in order of importance by putting 1, 2, 3 etc. on the corresponding bracket ? (1 is the most important, 2 is less and so on)

<u>Types</u>	<u>Status</u>	<u>Age groups</u>
() Business	() Foreign visitors	() Under 25
() Tourism	() Overseas Chinese	() 26 - 40
() Visiting relatives	() Residents of Hong Kong Macau & Taiwan	() 41 - Pre-retire
() Conferences	() Students	() Retired
() Others (Please specify)	() Others (Please specify)	() Others (Please specify)
.....
.....
.....
.....

Q5. Do you have connection with travel operators in other countries or not ?

() Yes, directly connected
 () Yes, but indirectly connected
 (Please specify the channel of connection)

() No

Q6. What is/are the peak season(s) for your hotel ?

- () Spring
- () Summer
- () Autumn
- () Winter
- () No particular season

Any particular reason(s) ?

.....
.....
.....

Q7. What is the Grading of your hotel ?

- () Superior
- () First class
- () Standard
- () Budget
- () Others (Please specify)

.....
.....

Q8. What services and facilities do you provide to your customers ?

Could you rank them in order of importance by putting 1, 2, 3 etc. on the corresponding bracket ? (1 is the most important, 2 is less and so on)

- | | |
|-----------------------------|-----------------------------|
| () Postal service | () Laundry |
| () Banking service | () Storage |
| () Telegraph service | () Hairdressers |
| () Telex service | () Air-conditioning |
| () Hotel shops | () Private bathroom |
| () Cuisine | () Sauna |
| () Arrangement of taxis | () Massage |
| () Wake up calls | () Others (Please specify) |
| () Restaurant reservations | |
| () Room service | |
| () Interpretator | |
| () Medical service | |

Q9. In your opinion, what role can hotels help to improve China's tourism industry ?

.....
.....
.....
.....
.....

- THANK YOU FOR YOUR HELP -

Professor Michael J. Baker TD BA BSc (Econ) DBA



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

填完问题表后，请寄回下列地址：

Mr. Gary Lung
Student Research Projects
University of Strathclyde
Department of Marketing
Stenhouse Building
173 Cathedral Street
Glasgow G4 0PQ
United Kingdom

如果您想要我的研究结果摘要，请将您的地址填于下列项目：

宾馆名称：

地址：

(请将最合适的回答打钩)

问题 1。贵宾馆的种类?

- () 合营
- () 私营
- () 国营
- () 外资所有
- () 其它(请注明)

问题 2。有没有经营国内旅游观光?

- () 有(请举出这种旅游的例子)

- () 曾经有过(请举出这种旅游的例子)

- () 从未有过。

(如果“有”，请跳过问题 3)

问题 3。未经营国内旅游观光的理由?

- () 广告宣传困难
- () 费用问题
- () 顾客不感兴趣
- () 其它(请注明)

问题 4。请将你们的顾客按类型、地位和年龄分组，并用 1、2、3 等按重要性大小顺序填入相应的空格中（1 为最重要，2 为其次，等等）

<u>类型</u>	<u>地位</u>	<u>年龄分组</u>
<input type="checkbox"/> 办理公事	<input type="checkbox"/> 外宾	<input type="checkbox"/> 25 岁以下
<input type="checkbox"/> 旅游	<input type="checkbox"/> 海外华侨	<input type="checkbox"/> 26—40 岁
<input type="checkbox"/> 探亲	<input type="checkbox"/> 港、澳、台湾同胞	<input type="checkbox"/> 41 岁—退休前
<input type="checkbox"/> 会议	<input type="checkbox"/> 学生	<input type="checkbox"/> 已退休
<input type="checkbox"/> 其它（请注明）	<input type="checkbox"/> 其它（请注明）	<input type="checkbox"/> 其它（请注明）
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

问题 5。贵宾馆有否与其它国家的旅游企业联系？

- 有，直接联系
- 有，间接联系（请注明联系渠道）

没有

问题 6。哪个季节是贵宾馆的旺季？

- 春
- 夏
- 秋
- 冬
- 没有一定的季节

特殊的原因？

问题7。贵宾馆的等级？

- () 超级
- () 一级
- () 标准
- () 普通
- () 其它(请注明)

问题8。贵宾馆向顾客提供哪些服务设施？按重要性大小用1、2、3等顺序填入相应的空格中（1表示最重要，2其次，等等）

- | | | |
|------------|-----|-----|
| () 邮政服务 | () | () |
| () 银行服务 | () | () |
| () 电报服务 | () | () |
| () 电传服务 | () | () |
| () 宾馆商店 | () | () |
| () 烹调法 | () | () |
| () 预订出租汽车 | () | () |
| () 唤醒服务 | () | () |
| () 餐厅订座 | () | () |
| () 房间服务 | () | () |
| () 翻译 | () | () |
| () 医疗服务 | () | () |
-
- | | | |
|-------------|-----|-----|
| () 洗衣房 | () | () |
| () 储物间 | () | () |
| () 理发(美容)室 | () | () |
| () 空调 | () | () |
| () 单人浴室 | () | () |
| () 蒸汽浴室 | () | () |
| () 按摩、推拿 | () | () |
| () 其它(请注明) | () | () |

问题9。根据您的看法，宾馆在促进中国的旅游业中起什么作用？

Q3. With the development of tourism industry, the tourist services within China are improving as well. Could you rank them in order of importance by putting 1, 2, 3 etc. on the corresponding bracket ? (1 is the most important, 2 is less and so on)

- () Sight seeing opportunities
- () Recreational & sport facilities
- () Shopping
- () Entertainment
- () Cleanliness & hygiene
- () Culture
- () Historical sights
- () Others (Please specify)

.....
.....
.....

Q4. Tourism industry is well-developed in many places, especially in Asia. In your opinion, what place(s) do you think is/are successful in developing their tourism industry ?

- () Singapore
- () South Korea
- () Thailand
- () Sri Lanka
- () Hong Kong
- () Others (Please specify)
- () Japan
- () India
- () Philippines
- () Malaysia
- () Taiwan

.....
.....

Q5. Do you plan to learn from their experiences in developing China's tourism industry ?

- () Yes
- () No

Any particular reason(s) ?

.....
.....
.....

Q6. As tourism industry is under intense competition, in your opinion, what tourist destination do you consider to be your main competitor(s) ?

- () Singapore
- () Japan
- () South Korea
- () India
- () Thailand
- () Philippines
- () Sri Lanka
- () Malaysia
- () Hong Kong
- () Taiwan
- () Others (Please specify)

.....
.....
.....

Q7. Do you take your competitor(s) into consideration when developing your own tourism strategy ?

- () Yes
- () No

Any particular reason(s) ?

.....
.....
.....
.....

Q8. According to the 'Sixth Five Year Plan (1981-1985)', the tourism industry is to be expanded. Have you planned to improve services such as transportation, accomodation and scenic spot services in the future ?

() Yes

Facilities

Improvements

1. Transportation

.....
.....
.....
.....

2. Accomodation

.....
.....
.....
.....

3. Scenic spot services

.....
.....
.....
.....

4. Others (Please specify)

.....
.....
.....
.....

() No

Q9. Could you indicate the type of training schemes you have or intend to introduce in the future ?

.....
.....
.....
.....
.....

Q10. In your opinion, what are the future prospects for China as a tourist destination ?

.....
.....
.....
.....
.....

Q11. In your opinion, how can the number of tourists to China be increased ?

.....
.....
.....
.....
.....

Q12. Do you have any other suggestion(s) to make concerning the development of tourist industry in China ?

.....
.....
.....
.....
.....

- THANK YOU FOR YOUR HELP -

问题 3。随着旅游业的发展，旅游服务在中国也正在改善，您能否按重要性大小的顺序以 1、2、3 等填入相应的空格中（1 为最重要，2 为次之，等等）

- () 旅游观光机会
- () 文体设备
- () 购物
- () 娱乐
- () 清洁卫生
- () 文化
- () 古迹游览
- () 其它（请注明）

问题 4。旅游业在许多地区，特别在亚洲，发展很快，根据您的看法，您认为哪些地区在发展旅游业方面是成功的？

- | | |
|-----------------|--------------|
| () 新加坡 | () 日本 |
| () 南朝鲜 | () 印度 |
| () 泰国 | () 菲律宾 |
| () 斯里兰卡 | () 马来西亚 |
| () 香港 | () 台湾省 |
| () 其它（请注明） | |

问题 5。您有否打算学习它们的经验来用于发展中国的旅游业？

- () 有
- () 没有

任何特殊的理由？

问题6。旅游业正处在激烈的竞争之中，根据您的看法，您认为哪一个旅游地区是您的主要竞争对手？

- () 新加坡
- () 日本
- () 南朝鲜
- () 印度
- () 泰国
- () 菲律宾
- () 斯里兰卡
- () 马来西亚
- () 香港
- () 台湾省
- () 其它(请注明)

问题7。当在发展您自己的旅游对策时，您有否考虑您的竞争对手？

- () 有
- () 没有

特殊的理由？

问题 8。根据“第六个五年计划(1981-1985)”，旅游业将扩大，您有没有打算改善今后的服务项目，例如，交通运输、食宿供应和风景区的服务等？

() 有

设施

改善措施

1. 交通运输

2. 食宿供应

3. 风景区服务

4. 其它(请注明)

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

() 没有

问题 9。您能否指明今后您已经或打算进行的培训计划？

问题 10。根据您的看法，中国作为一个旅游区的展望如何？

问题 11。根据您的看法，怎样才能增加去中国旅游者的人数？

问题 12。您有否与发展中国的旅游业有关的其它建议？

APPENDIX 17 : GRADINGS OF HOTELS IN CHINA

Hotels in China are ranked according to four categories :

1. **Superior** -- indicating facilities and services generally adhering to first-class international standards. (Most of these hotels were built with foreign participation.)
2. **First-Class** -- the best of Chinese-built and managed hotels.
3. **Standard** -- older hotels that have been renovated or upgraded at least in part to receive foreign guests; most rooms are air-conditioned and have Western-style baths.
4. **Budget** -- low-cost facilities that mainly serve overseas Chinese guests but have been known to accept foreigners.

SOURCE : Kaplan, Sobin & Keijzer, 1985, p 268

APPENDIX 18 : TRANSLATION GLOSSARY OF CHINESE PLACE NAMES
 BETWEEN "WADE-GILES" SPELLING AND "PINYIN"
 SPELLING

(A) PROVINCES AND AUTONOMOUS REGIONS

WADE-GILES SPELLING (COMMON ENGLISH NAMES)	PINYIN SPELLING	CHINESE
Anwei	Anhui	安徽
Chekiang	Zhejiang	浙江
Fukien	Fujian	福建
Heilungkiang	Heilongjiang	黑龙江
Honan	Henan	河南
Hopei	Hebei	河北
Hunan	Hunan	湖南
Hupei (Hupeh)	Hubei	湖北
Inner Mongolia Auton. Region	Nei Menggu Zizhiqu	内蒙古自治区
Kansu	Gansu	甘肃
Kiangsi	Jiangxi	江西
Kiangsu	Jiangsu	江苏
Kirin	Jilin	吉林
Kwangsi Chuang Auton. Region	Guangxi Zhuangzu Zizhiqu	广西壮族自治区
Kwangtung	Guangdong	广东
Kweichow	Guizhou	贵州
Liaoning	Liaoning	辽宁
Ningsia Hui Auton. Region	Ningxia Huizu Zizhiqu	宁夏回族自治区
Shansi	Shanxi	山西
Shantung	Shandong	山东
Shensi	Shaanxi	陕西
Sinkiang Uighur Auton. Region	Xinjiang Uygur Zizhiqu	新疆维吾尔自治区
Szechwan	Sichuan	四川
Taiwan (Formosa)	Taiwan	台湾
Tibet Auton. Region	Xizang Zizhiqu	西藏自治区
Tsinghai	Qinghai	青海
Yunnan	Yunnan	云南

(B) CITIES AND OTHER LOCALITIES

WADE-GILES SPELLING (COMMON ENGLISH NAMES)	PINYIN SPELLING	CHINESE
Anshan	Anshan	鞍山
Changchun	Changchun	长春
Changsha	Changsha	长沙
Chengchow	Zhengzhou	郑州
Chengtu	Chengdu	成都
Chungking	Chongqing	重庆
Foochow	Fuzhou	福州
Foshan	Foshan	佛山
Hainantao	Hainandao	海南岛
Hangchow	Hangzhou	杭州
Harbin	Harbin	哈尔滨
Huhehot	Hohhot	呼和浩特
Hsiamen	Xiamen	厦门
Hwang Shan	Huangshan	黄山
Ihsing	Yixing	宜兴
Kunming	Kinming	昆明
Kwangchow (Canton)	Guangzhou	广州
Kweilin	Guilin	桂林
Loyang	Luoyang	洛阳
Nanch'ang	Nanchang	南昌
Nanking	Nanjing	南京
Nanning	Nanning	南宁
Paot'ou	Baotou	包头
Peking	Beijing	北京
Shanghai	Shanghai	上海
Shaoshan	Shaoshan	韶山
Shenyang	Shenyang	沈阳
Shih Chia Chuang	Shijiazhuang	石家庄
Sian	Xi'an	西安
Soochow	Suzhou	苏州
Taching	Daqing	大庆
Talien	Dalian	大连
Tatung	Datong	大同
Tientsin	Tianjin	天津
Tsinan	Jinan	济南
Tsingtao	Qingdao	青岛
Urumchi	Urumqi	乌鲁木齐
Wuhan	Wuhan	武汉
Wuhsi	Wuxi	无锡
Yangchow	Yangzhou	扬州
Yenan	Yan'an	延安

SOURCE : Kaplan, Sobin & Keijzer, 1985, pp 654-656

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