

An Analysis on China Domestic Tourist Market

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Although researches on tourism population mainly came from both tourism study and population study in China, the papers from the former are much more than the latter. There are lots of secondhand data from such as China Tourism Statistics Yearbook, Sample Survey Materials on Domestic Tourists and IMI Consumer Behaviors & life patterns yearbooks concerning domestic tourists. Concerning the data above, some demography analysis methods are applied to describe the natural and social characteristics of domestic tourism population and tourist market, including the domestic tourism population size, structure and transition, demography characteristics of tourism population as age and sex structure, rural-urban structure and space & time (season) distribution. In the end, a brief prediction on the domestic tourist market size in the next 10 years is implemented.

For a long period, China central government's main aim on tourism industry is to gain foreign exchange and improve international communications. National Tourism Administration of People's Republic of China was established in 1964 and it made "enlarging the influence of foreign policy" & "gaining free foreign exchange for the country" to be the aims of Chinese tourism industry. The aims were a little bit different in 1986 which were amended as "increasing foreign exchange income" & "improve the friendly communication with foreigners". Before 1978, which was the beginning year of the open and reform period, the tourism industry was very small and the main component was concerning foreign tourists market while the domestic tourists industry was extremely small. After State Council made a document named *Opinions on Developing Domestic Tourism* in 1993, the domestic tourism industry began to increase. The rapid and great development of domestic tourism had a very close relation with the huge and rapid economic growth and the personal income increase. In 2007, the GDP increased 11.7% and Chinese economy became much more important than before. Under this background, the domestic tourism person*time was over 1.394 billion which nearly equal the population size of China. As the great change of China society and economy, the importance of domestic tourism is keeping increased. First, it is the basic needs for Chinese people while they are getting richer and have enough money to afford the domestic tourism expense. Second, the domestic tourism income in 2007 is 77.06 billion RMB and makes

an important contribution to the whole national income. Third, the tourism will of domestic tourists population keeps increasing in the future absolutely and the importance of domestic tourism keeps enhancing also. As the backgrounds and reasons mentioned above, studies on tourist population have a great meaning. To analysis demography and socioeconomic characteristics of domestic population will be helpful to develop tourism industry for both government and enterprises in researching consumers' market segmentation. Before the analysis, it is necessary to state that as historical reasons domestic tourist market, which does not include the market Chinese Taiwan, Hongkong Special Administrative Region and Macao Special Administrative Region, only refers to mainland China.

Research Review

Researchers used theories and methods of Tourism Sociology to study tourist population in order to understand different tourism consumers' target markets in early 1980s, when the policy of reform and opening-up was initiated and Chinese began to pay more attention on how to attract more foreign tourists in mainland China. The pioneer research papers (Lu Lide, 1985&1986) from the view of tourism sociology were about the characteristics of tourism population. Sample surveys were applied to describe the tourists' characteristics such as sex ratio, age structure, education attainment structure, occupation structure, marriage status and distribution. For instance, a survey on 975 new married couples in Wuhan city which is the capital Hubei Province showed that 51.7% of them have a trip honeymoon. The important relationship between the characteristics of tourism population and tourism industry development began to be realized (Lin Ge, 1993). This kind of researches kept continuing and had some improvements on the variables of characteristics, e.g. the composition of tourism activities' aim types, decision making models and space distribution of tourism population (Zheng Fang, 2007). These works all concerned on China as a tourism destination or a host places (Zhuang Qihui, 1987). Studies on tourist market of elderly people were initiated as the result of population ageing process and the rapid development of industry for old people (Yi Chu, 1993). Many papers on this subject concerned mainly on topics like the characteristics, special desires of aged tourism population and suggestions on tourism products for old tourism population (Tang Junya, 2001 & Zhou Qunqun, 2005 & Wan Wen, 2007). These studies all pay lots of attention on tourism population of the host places, the business and marketing technology in order to develop some specific target consumers' market.

Making surveys in host places is a main method used to study the tourism population. For instance, sample surveys on both national and international tourists were implemented by the Tourism Bureau of China since 1990 (National Tourism Bureau, 1990). The surveys on national tourists include many characteristics such as age, sex, education, occupation, places from, the days

they stay, consumption per person and so on. The surveys on international tourists include not only the same items as national one but also the interests and distribution of them in China. However, a few papers began to realize the influence of population change on tourism industry and market since late 1990s. For instance, several papers on the marketing for aged tourism population came out as a response to the population ageing process in China. At the same time, there was a suggestion that demography methods should be applied to the research of tourism and tourists (Dou Qun & Dou Jie, 1999). Suggestions about using demography analysis methods to study the desire of tourism population and tourist market (Hu Ping, 2000). In a word, there were much more researches from business aspect while much fewer researches from the aspect of population view. However, some scholars began to realize the effects and importance of population study and demography methods which can be applied on tourism studies. Besides, in recent years, several scholars majored in geography had completed some studies on the population characteristic analysis at the tourism destinations through surveys.

Study on tourism population was much earlier outside China mainland. It was recognized that there are some relations between tourism and population migration. A study revealed that vacationers and migrants closely resemble one another in state of origin, state of destination, and timing of their travel; but are quite dissimilar in age, sex, and occupation and suggests that tourism and migration may be age- and income-conditioned responses to similar stimuli. Tourism and migration may be viewed as contrasting expressions of geographic mobility (Robert C. Schmitt, 1968).

Data and Methods

Data used in this paper mainly comes from *China Tourism Yearbooks*, *China Tourism Statistic Yearbooks*, *China Domestic Tourism Sample Survey Materials and IMI Consumer Behaviors & life patterns yearbooks*. The first three categories of data are from the government while the last one is not. Basic demography methods will be applied to describe and summarize the size, distribution, rural-urban structure, sex and age structure and education attainment structure of domestic tourism population. As IMI yearbooks do not contain tourism data until 2001 and they do not focus on the whole China domestic market but only several large cities like Beijing, Shanghai and Guangzhou, etc. It can not be used to analyze whole domestic tourism population. However, IMI yearbooks have a great advantage that it contains much more detailed information about tourists' behavior and will such like "whether or not have a tourism activities in last 1 year", "if have tourism activities, with whom they travel", "travel times", "inner-province travel or inter- province travel", "have or not joined tourism travel groups organized by tourism agencies", "the will to travel in next year" and so on. Especially, IMI yearbooks contain information of marriage status and personal

income status which are not contained in the data from the government data. With the data resource above, this study will have a relative good data base.

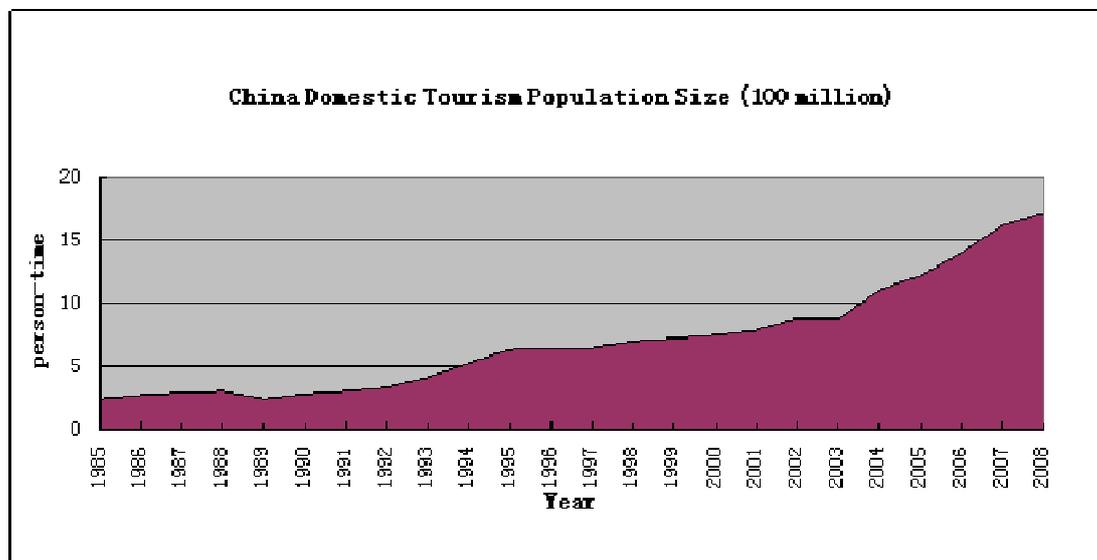
Characteristics of Domestic Tourism Population

Domestic Tourism Population Size

Besides applied the definition of domestic tourists from documents of United Nations, sample surveys on domestic tourists since 1993 in China distinguished domestic tourists from urban area from rural area. The specific and detailed definition of domestic tourist is not given here as it is extremely complicated.

The tourism population size is one of the most basic information for domestic tourist market. It is very necessary to point out that the measure unit of tourism population size is person*time, which means one person complete one time tourism activity, but not person. That is the most crucial distinction between tourism population study and demography research or population study.

FIG 1 Size of China Domestic Tourism Population (100 million)



As FIG 1 shows, the domestic tourism population size had a great increase which is from around 250 million person*times in 1985 to around 1700 million person*times in 2008. The increasing process can be divided into 4 phases.

The first phase is before 1989. At this period, the size has a very small increase and less than 300 million person*times. The size in 1989 has decreased sharply as the serious political movement well known.

The second phase is from 1990 to 1995. The size is keeping increased and beyond 500 million person*times and the increase rate is higher than the first phase.

The third phase is from 1996 to 2003. Although the size still keeps increased, it is not over 1,000 million person*times and the increase rate is lower than the second phase. In 2003, as the influence of SARS, it drops dramatically.

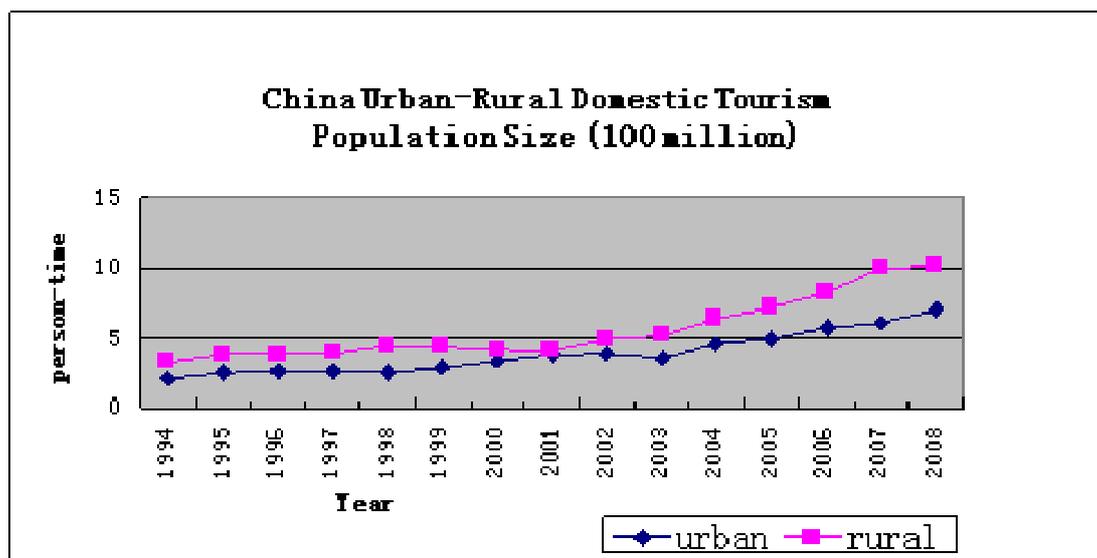
The fourth phase is from 2004 to 2008. The size increase rate is much higher than ever before and beyond 1,700 million person*times.

It is well known that China economy increases a lot since 2001 in which year China joined WTO and then a brief conclusion could be made that domestic population size has very close relation with the economy situation, political condition (e.g. political movement in 1989)and social environment (e.g. SARS in 2003).

Domestic Tourism Population Urban-Rural Structure

It is known that China society includes two distinct parts, one of which is rural area and another one is rural area. Certainly, the rural population size is bigger than urban one for a long time. However, urban population size keeps increasing.

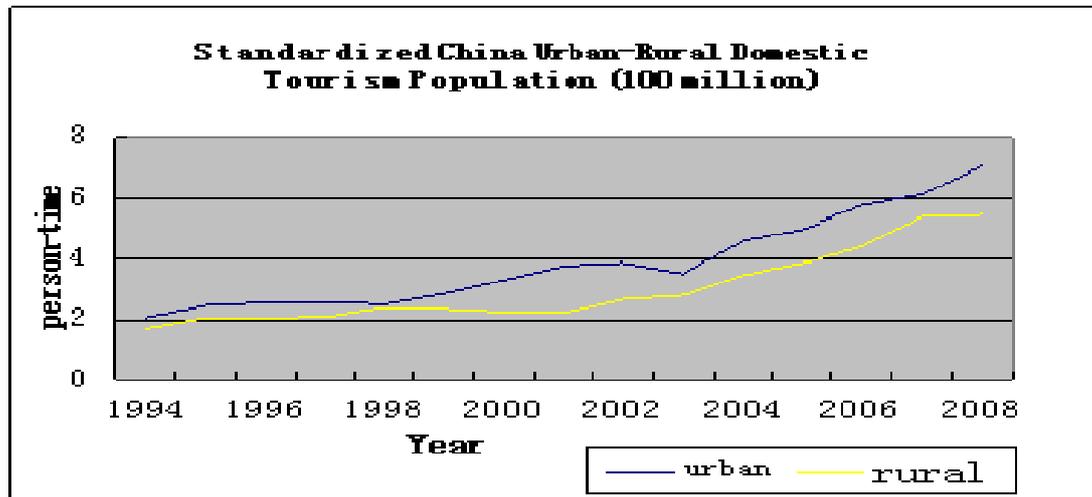
FIG 2 China Urban-Rural Domestic Tourism Population Size (100 million)



As FIG 2 shows, the absolute number of rural domestic tourist population is always higher than urban one and it is over 1,000 million first in 2007. As the urbanization rate are 36.09% and 45.7% in 2000 and 2007, it is assumed that

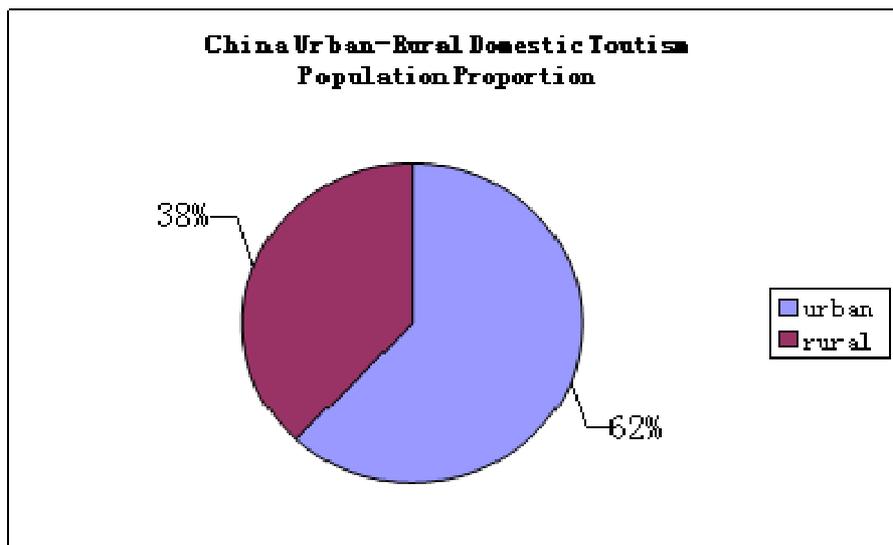
the average urbanization rate in each year from 1994 to 2008 is 35% and then the relative rural domestic tourism population could be roughly calculated . As a result, like FIG 3 shows, urban domestic tourism population size is always bigger than rural one. However, their changes have a similar trend.

FIG 3 Standardized Urban-Rural Domestic Tourism Population Size (100 million)



Both FIG 2 and FIG 3 above show a longitudinal change of the size. What are the proportions of each component at a single time point? FIG 4 below shows that in 2007 urban domestic tourism population makes 62% of the total domestic tourism population.

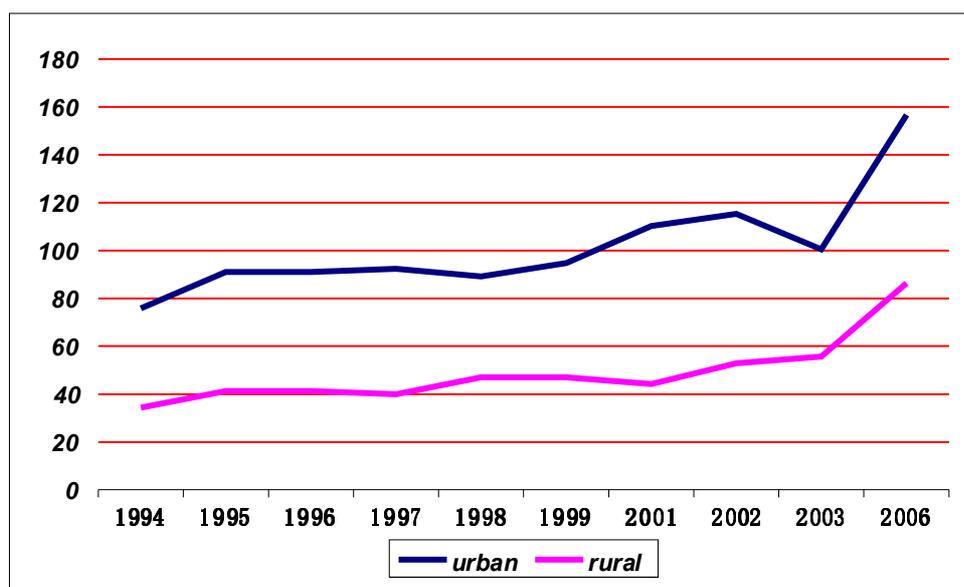
FIG 4 China Urban-Rural Domestic Tourism Population Proportion (%)



Tourism Rate

Tourism rate equals the number of tourism person*time divided by the number of total population. FIG 5 shows that tourism rate of urban population is as twice as that of rural one. It is also proved that urban population has higher tourism activity level than rural one all the time. In 2000, tourism rate of urban population is over 100% while that of rural population is still less than 80% in 2006.

FIG 5 China Urban-Rural Population Domestic Tourism Rate (%)



The distribution of tourism rates of different cities in China describes the characteristics of urban tourism population as Table 1 shows. It is more or less clear that the cities with high tourism rate are almost located in eastern China where the development of economic and society is relatively better than other parts of China.

Table 1 Tourism Rate of Some Important Cities in 2006 (%)

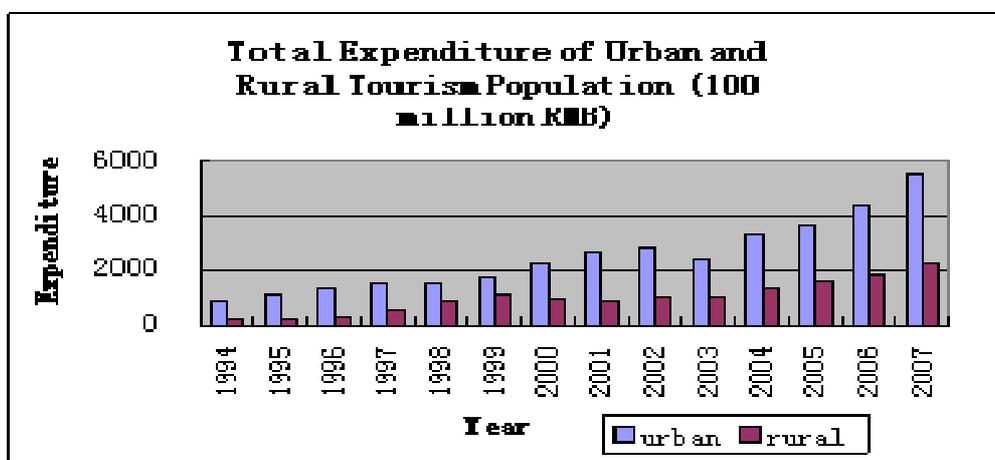
City	TR	City	TR	City	TR	City	TR
Mean	156.7	Shanghai	104.7	Jinan	104.9	Haikou	120.7
Beijing	265.8	Nanjing	102.7	Qingdao	167.1	Chongqing	192.6
Tianjin	210.3	Wuxi	99.2	Zhengzhou	95.7	Chengdu	210.4
Shijiazhuang	106.9	Suzhou	125.2	Wuhan	146.3	Guiyang	253.9
Taiyuan	77.5	Hangzhou	142.6	Changsha	265.3	Kunming	162.0
Huhehaote	81.9	Ningbo	205.8	Guangzhou	197.0	Xi'an	274.8
Shenyang	152.9	Hefei	99.7	Shenzhen	242.6	Lanzhou	176.5
Dalian	203.0	Fuzhou	116.0	Zhuhai	168.7	Xining	110.2
Changchun	79.4	Xiamen	152.4	Nanning	192.2	Yinchuan	98.8
Haerbin	106.8	Nanchang	73.5	Guilin	112.9	Wulumuqi	105.7

The distribution of tourism rates of different provinces does not show a clear law from the data. There are many possible explanations and the most possible one may be from the culture difference which determines the motivations of tourism activity.

Total Expenditure of Urban and Rural Tourism Population

As FIG 6 shows, the expenditure keeps increasing from 1994 to 2007 except the year 1989 and 2003. The reasons are related to political movement and social environment which are mentioned above. The gap between rural tourism population and urban one has decreased before the year 2000 but increased after 2000. Obviously, the gap between the two populations is getting bigger since 2000.

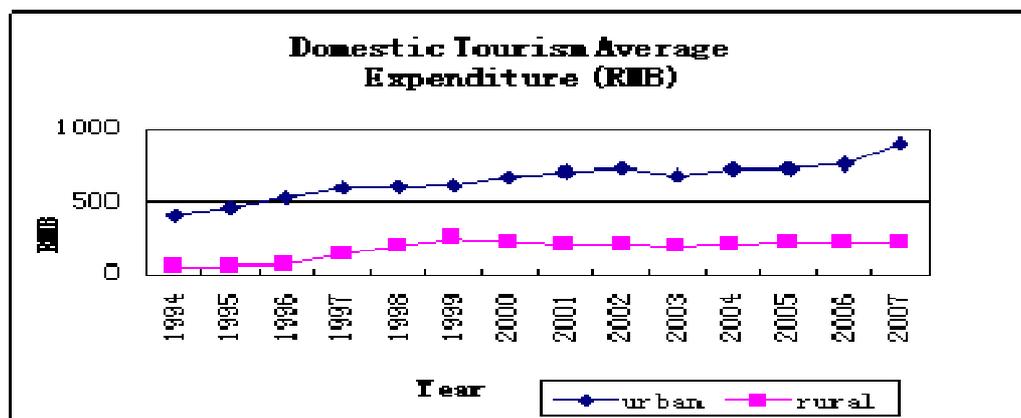
FIG 6 Total Expenditure of Urban and Rural Tourism Population



Average Expenditure of Urban and Rural Tourism Population

FIG 7 shows that the average expenditure for domestic tourism population is less than 1, 000 RMB by 2007. It increases nearly 100% from 1994 to 2007 for urban tourism population while that of rural one increases less. The number of rural tourism population is only one fourth to one thirds of that of urban one in 2007. The average expenditure of urban tourism population is much higher and it increases more obviously.

FIG 7 Domestic Tourism Average Expenditure (RMB)

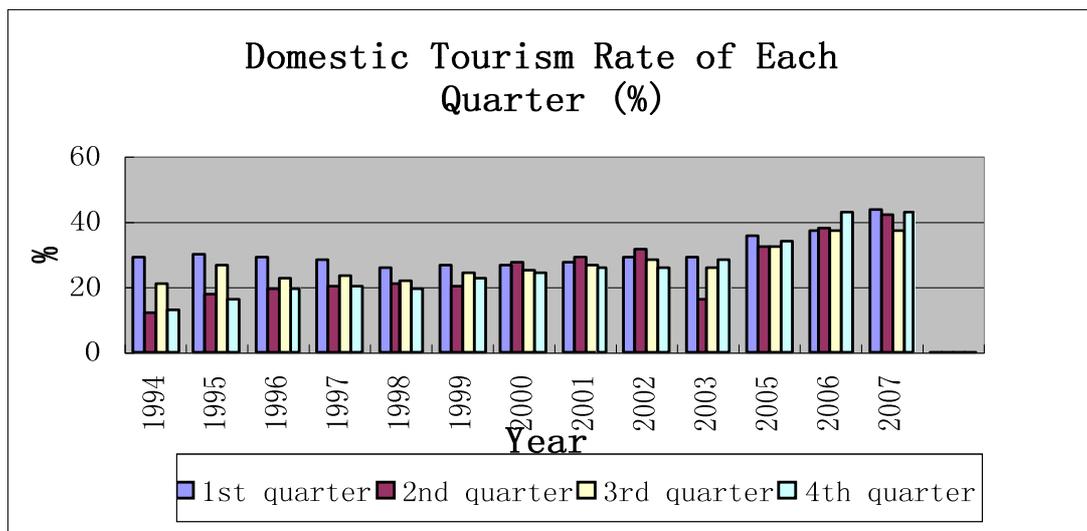


Time and Space Distribution of Domestic Tourism Population

Time Distribution of Tourism Rate

The change of tourism rate of each quarter has an obvious trend that the quarter preference becomes less obvious. In 1994, the tourism rate of first quarter is the highest and that of second and fourth quarter are only slightly over one thirds of first quarter. However, since 2000, except the special year 2003, tourism rates of each quarter are almost equal. Another obvious characteristic is that tourism rate of first and second quarter become higher and higher. There are two main reasons. The first reason is that first quarter contains Spring Festival which is the most important Chinese festival. The second reason is that during second quarter there is one of the most important and longest national holiday - Labors' Day. Although the seven-day Labors' Day was changed to only containing three day by government, it seems that some measures are taken to the change and the importance of Labors' Day has not declined much.

FIG 8 Domestic Tourism Rate of Each Quarter (%)



Space Distribution of Domestic Tourism Population

The space distribution of domestic tourism population is that the eastern part of China has a higher density of tourism population while the western part has a lower density.

Take the distribution of 1999 for example, according to tourism population density which means the tourism person*times in average land area, 30 provinces (cities/regions) are divided into 5 categories follow the standard below (Hu ping, 2002).

Extremely high density area: over 1000 person*times per square kilometers.

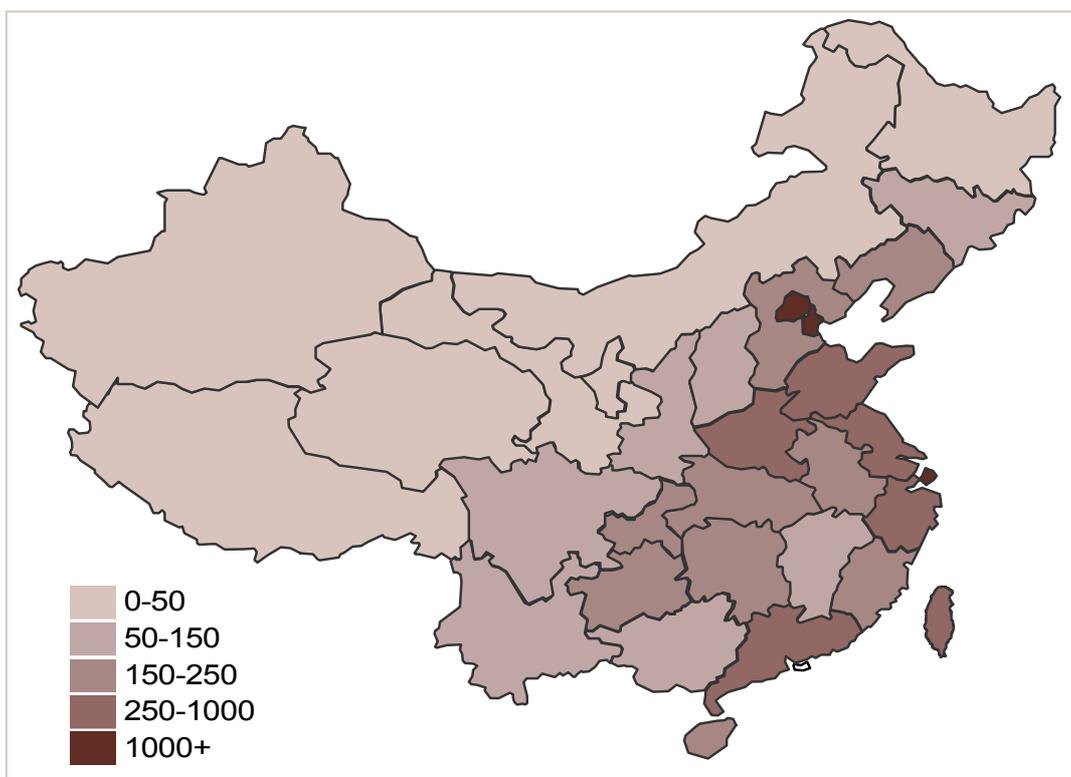
Very high density area: between 250 and 1000 person*times per square kilometers.

High density area: between 150 and 249 person*times per square kilometers.

Medium density area: between 50 and 149 person*times per square kilometers.

Low density area: below 50 person*times per square kilometers.

FIG 9 Distribution of Domestic Tourism Population Density



Demography Structures of Domestic Tourism Population

Sex Structure

The proportion of female tourism population in urban area is higher than male and it is getting increased. While in rural area, the proportion of female tourism population is 25.2% less than male in rural area. The reason for the urban-rural difference may be related to the difference of women social and economic status in urban and rural areas.

Table 2 Sex Structure Domestic Tourism Population

Year	1999		2003	
	urban	rural	urban	rural
male	49.0	—	45.8	62.6
female	51.0	—	54.2	37.4

Age Structure

As the age group category of tourism population is different from demography, the analysis can not meet the demography standard. In 2003, the proportion of older age group like aged between 25 and 44 increases over 5% than that in 1999 in urban area. In 2003, the proportion of 25-44 years old tourism population decreases than that in 1999. In rural area, 25-44 years old group take almost 50% in 2003. In rural area, the proportions of age below 14 years old and 45-64 years old are both lower than the ones in urban areas, especially the proportion of age below 14.

Table 3 Age Group Structure Domestic Tourism Population

Year/ Age group	1999		2003	
	Urban	Rural	Urban	Rural
<=14	7.0	\	6.3	1.4
15-24	9.5	\	10.3	18.4
25-44	43.5	\	35.4	45.4
45-64	35.4	\	40.8	32.1
>=65	4.6	\	7.2	2.7

Tourism Rate of Different Education Attainment Level Population and Population Education Structure

Although the proportion of population with high education attainment level is very small, higher education attainment population has higher tourism rate. The tourism rate increases with the education attainment level increases.

Table 4 Tourism Rate of Different Education Attainment Level Population (%)

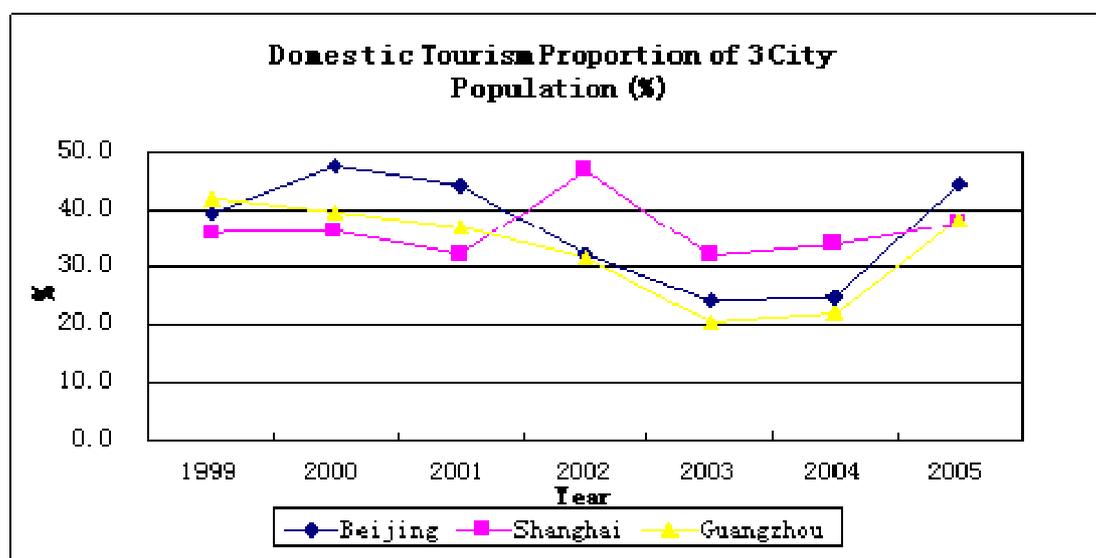
Education	Tourism Rate (%)	Proportion of Total China Population (%)
College above	35.9	5.56
High middle school	36.2	12.44
Primary middle school	19.9	38.35
Primary school	5.6	33.28
Below primary school	2.4	10.37

Description of Tourism Population in 3 Most Important Cities

Domestic Tourism Proportion of City Population

IMI yearbooks contain tourism consumers' information of nearly 20 cities around China. Three most important and well known cities, which are Beijing, Shanghai and Guangzhou, are selected in this paper to analysis.

FIG 10 Domestic Tourism Proportion of 3 City Population



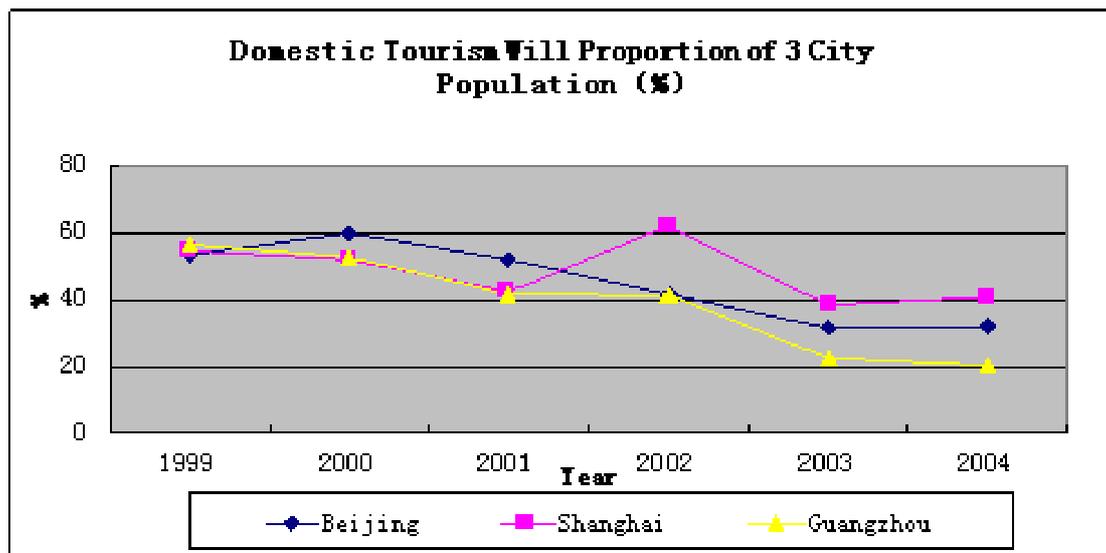
How many percent of these 3 city population have been engaged in domestic tourism activities in the last year? As FIG 10 shows, all the tourism proportions of the 3 largest cities are not over 50% until 2005. The proportions have a big decline in 2003 as the result of SARS. However, they go up dramatically in 2005. The proportions of Beijing and Shanghai are higher than

Guangzhou since 2002. Before 2002, the proportions of Beijing are always higher than Shanghai. After 2002, the proportions of Beijing become lower than Shanghai until 2005. In a word, the tourism proportions of the 3 largest and most developed cities in China are low and over half of the 3 cities' population have not engaged in tourism activities in each year from 1999 to 2005.

Domestic Tourism Will Proportion of Population in 3 Cities

How many percent of these 3 cities' population want to engage in tourism activities in the next year? As FIG 11 shows, the tourism will proportions decreases in 2003 and 2004 as SARS, especially Guangzhou city which is the origin of SARS. However, before 2003, the will proportions of the 3 cities range from 40% to 50% and the level of tourism will proportion is more or less higher than the level of tourism proportion. Besides, the tourism will proportion of Shanghai is highest since 2002.

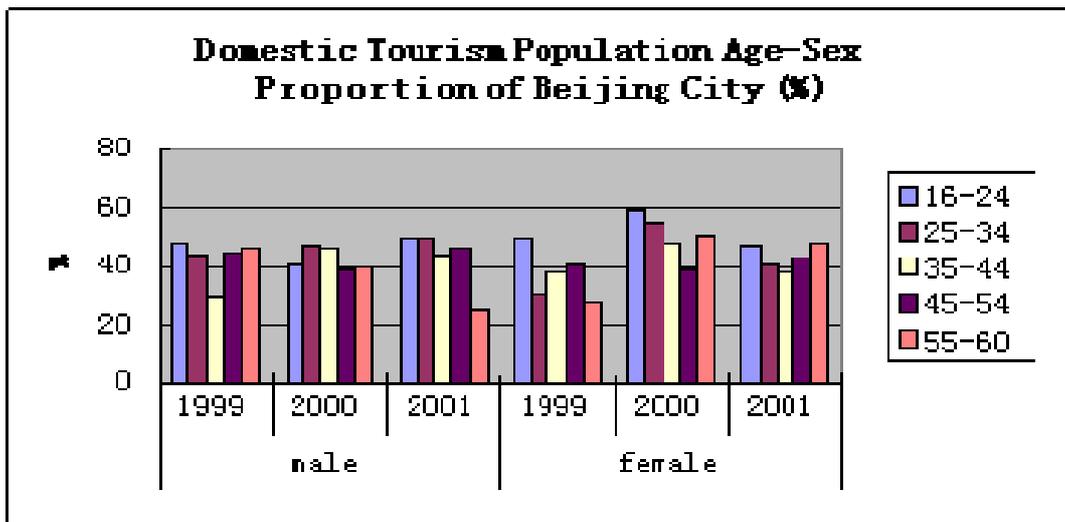
FIG 11 Domestic Tourism Will Proportion of Population in 3 Cities



Age-Sex Specific Proportion of Domestic Tourism Population in Beijing

IMI yearbooks have more similar age group categories compared to demography. AS FIG 12 shows, the sex difference of domestic tourism population proportion is not too much in total though the female proportion is a little higher than male in 2000. For the age group 55-60 population, the proportion of male decreases when the one of female increases.

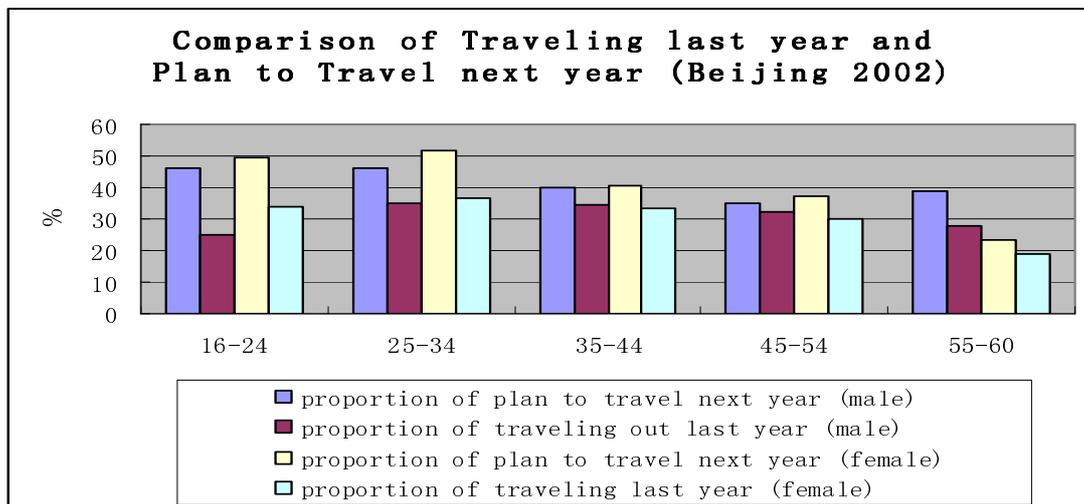
FIG 12 Age-Sex Proportion of Domestic Tourism Population in Beijing City (%)



Age-Sex Travel Preference of Domestic Tourism Population in Beijing

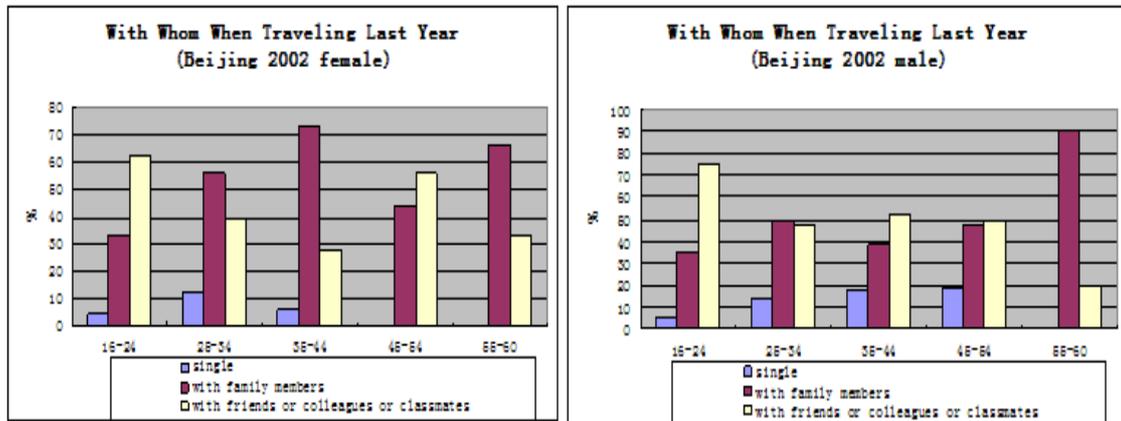
It is a dramatically law that the proportion of traveling last year is lower than the proportion of planning to travel next year for both male and female in Beijing 2002 as FIG 13 shows.

FIG 13 Comparison of Traveling Last Year and Plan to Travel Next Year (Beijing, 2002)



There is a sex difference in the mode of traveling with some kind of people. As FIG 14 shows that in 2002 Beijing, compared with female, male tend to travel less with family members but more single. However, when people aged over 55, male tend to travel with family members more than female and to travel with friends and colleges less than female.

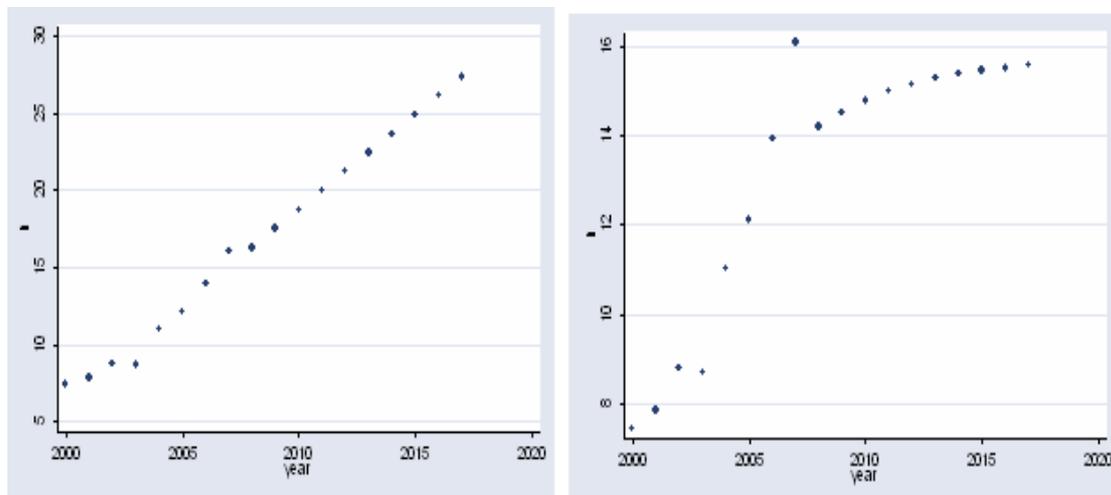
FIG 14 Sex Comparison of Traveling Mode (Beijing, 2002)



Simple Prediction of Domestic Tourism Population Size

Both linearity fitting and curve fitting are applied to fit the data of tourism population from 1994 to 2007 and then extended the linearity or curve to 2017. The result is not good enough. The reason may due to the so long time as 23 years and the various tiny influence factors. As a result, the period for fitting is changed to from 2000 to 2007. The fitting and extended linearity are better than that of curve. FIG 13 and FIG 14 describe the reality and future trend for both linearity and curve fitting. As the better fitting is linearity one whose function is $N = -2456.902 + 1.231667 * year$, it is crude predicted that from 2008 to 2017, the domestic tourism population size will increase 23.17% each year.

FIG 13 Linearity of Fitting and Extending FIG 14 Curve of Fitting and Extending



Conclusion

First, the domestic tourist market is keeping increased as the domestic population size keeps increasing almost all the time. Second, the rural tourism population is bigger than urban tourism population but the reason mainly because rural population is much larger than urban population. Both rural and urban tourism populations keep increasing. Third, the tourism rate of urban population is obviously higher than rural population. Fourth, the change of tourism rate of each quarter has an obvious trend that the quarter preference becomes less obvious but second quarter becomes relatively popular for domestic tourism population. Fifth, the tourism proportion of female population is higher than male in urban area while the condition is reverse in rural area. Sixth, higher education population have higher tourism rate. Seventh, the tourism will proportion is more or less higher than tourism proportion in the 3 biggest cities. Lastly, the increase rate of tourism population may be 23% from 2008 to 2017.

There are 3 requirements, which are spare time, money and will, when a person take a tourism activity. As the rapid economic development, the population which can meet the 3 requirements for tourism activities will keep increasing. The domestic tourism market becomes very important for both people and the country. More researches will be needed in the future. Besides, after the domestic tourism desire are fulfilled, people will think about go to travel abroad,

Insufficiency and Improvement Needed

There are several problems of this paper. First, the definition of tourism market is not given clearly. For most of the time, tourism population is used instead of tourism market. Second, as the restriction of data, most analysis are data description, which are also very simple and crude. Third, demography methods are only applied as the idea of distinguishing sex and age category and very professional demography analysis methods are not applied.

Improvement should be mainly from three aspects. First, detailed segmentation of tourism population or tourist market should be implemented. Second, more analysis should be taken concerning the characteristics of tourism behaviors. As a matter of fact, these two points have a close relation. Third, the most important one is how to apply the proper demography methods to study tourism population.

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