Limiting Factors for the Development of China’s Tourism Shopping and Countermeasures

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Abstract
Tourism shopping remains the weak link in the industrial structure of China’s tourism industry and to accelerate the development of tourism shopping has become the consensus in the academic circle of tourism industry. In this paper, the author analyzes the limiting factors for the development of China’s tourism shopping from three levels, that is, microscopic, mediumscopic and macroscopic, and the author also probes into the countermeasures and suggestions for the accelerating development of China’s tourism shopping on this basis.

Keywords: Tourism shopping, Limiting factors, Countermeasures

1. Introduction
Proportion of tourism shopping expenditure in total tourism consumption is the dominant index, which reflects whether or not the consumption structure in certain country or area is reasonable, and it is also used to evaluate the depth and maturity of the development of tourism industry in certain country or area. Many countries and areas in the world support tourism shopping, which has become the important support in modern tourism economy. Currently, tourism shopping expenditure in western countries such as America, etc, covers 30% to 36% in total tourism consumption and the proportion in China is only about 20% (Zeng Zhonglu,2007). The six essential elements in tourism industry have developed during the development process of China’s tourism industry but the relatively undeveloped Purchasing remains the weak link in the industrial structure in China’s tourism industry, which limits the effective exertion of the further development of China’s tourism industry and its related functions. Tourism shopping is the important tourism requirement of tourists, which is the indispensable link in tourism. To promote the tourism shopping and consumption is favorable for the development of tourism industry with depth and connotation, which has become the consensus in China’s tourism circle.

Recently, tourists have strong objections against problems existing in tourism shopping in both domestic tourism and outbound travel and the number of complaints against tourism shopping remains numerous. Information from Quality Supervision Institute of China National Tourism Administration (CNTA) indicates that complaints against tourism shopping increased greatly with many more problems among complaints formally accepted as cases by quality supervision institutes in different levels in 2006 (Xiong Yan,2007). Recently, some travel agencies, tourist guides or drivers have fully understood the shopping intentions of tourists and exerted immoral black trades, which has disturbed the normal order in China’s tourism shopping market and caused enormously negative influences and it has become one of the main non-harmonious performances in the development of tourism development. Therefore, to analyze the limiting factors for the development of China’s tourism shopping and to probe into promotion countermeasures for development of tourism shopping from the aspect of tourism economy in order to realize Multiple Winnings among tourism areas, tourism enterprises and tourists have become the research subject with certain realistic meanings.

2. Analysis of limiting factors for the development of China’s tourism shopping from three levels
2.1 Microscopic level: Direct factors that limit the realization of tourists’ shopping requirements

2.1.1 Undeveloped tourism commodities
Tourism commodities remain the important precondition and basis of tourism shopping and consumption. In China, there are abundant kinds of tourism commodities. Nevertheless, we also find out that most tourists have the same feeling, that is, the severe phenomenon of monotonous and duplicate commodities such as tourism souvenir and native products, etc, instead of native products with renowned brands, exists in tourism everywhere and there are little purchasing-worthy products, which is unable to effectively satisfy tourism shopping and it just indicates the lagged condition of tourism commodity development. The contradiction between profundity of potentials in the development of tourism commodity and the lagged condition of its practical development remains the principal
contradiction in the development of China’s tourism commodity development, which is the principal problem in front of us.

2.1.2 Fraudulence in commodities and prices

Recently, many problems, namely, impractical quoted prices, virtual height in prices, replacement of quality goods with fakes, replacement of high-quality goods with goods in bad quality, shortage of marked prices of commodities and great difference in quoted prices among similar commodities, etc, are severe in tourism commodity market, which make tourism commodity market bear the notoriety of selling only the commodities with bad qualities, high prices and faked commodities, influence the construction of harmonious relationship between tourism enterprises and tourists and force most tourists to have risk-preventing conscientiousness.

2.1.3 Misled shopping and forced shopping

Some sales personnel in shops and tourist guides irresponsibly exaggerate in the introduction to tourism commodities, mislead tourists and even force tourists to purchase commodities. According to Investigation on Tourism Service Quality on March 15th released by Ctrip in 2007, Forced Shopping has become the largest Cancer in tourism industry and over 60% consumers list it as the most nauseous thing in tourism. We will find, from the aspect of tourism destinations that the outbound tourism shopping complaints focus on Hong Kong and Macau and domestic tourism shopping complaints center on Zhuhai and Shenzhen (Xiong Yan ,2007) . Prices of guided commodities are higher than market prices with unreliable qualities. Tourists’ negative mentality and resistance against guided shopping by tourist guides become more and more intense.

Furthermore, problems in some areas, such as imperfect shopping facilities, bad service attitudes of some service personnel, imperfect sale service, shortage of materials in propaganda and introduction to tourism commodities, and severe imbalanced information between suppliers and providers, etc, have also become the limiting factors.

2.2 Mediumscopic level: Credibility crisis in tourism industry limits the development of tourism shopping

Recently, behaviors with the deficiency of credibility in some tourism enterprises such as violation against contracts, discounted service, impractical quoted prices, bad qualities and fakes, misled advertisement and fraudulence in prices, etc, occur, which influenced the entire image of China’s tourism industry. The negative influence caused by phenomenon of “Zero tourism group fee” happening in places such as Hainan, etc, that is, tourism group composition in low prices, shopping in high prices, benefits division by three parties (travel agencies, drivers and tourist guides, shopping places), aggravates the credibility crisis in tourism industry. The publication of book titled How can I resist the temptations in killing you written by Guo Jingmin makes people to have further attentions to the problem of credibility in tourism shopping, forces most people to have risk-preventing conscientiousness, which is also the important factor limiting the development of tourism shopping. The author summarizes the main reasons from the following aspects:

2.2.1 China’s tourism agencies remain in low level and cut-throat competition of low prices exists among them

The amount of China’s tourism agencies increases rapidly, 1063 agencies in 1990, 4986 in 1997 and 18475 in 2006, among which there are only about 100 powerful agencies and most agencies are small in size, weak in power, sporadic in location and bad in quality and the contracting of departments makes scale effects of enterprises become less and less. Tourism agency industry enters the state of purchaser’s market and meager profit.

Some agencies, pressed by competition and driven by profits, concentrate only on misleading tourists and ignore cost orientation. They sell their products in the way of cutting prices, which makes their profit margin less and less and the phenomenon of zero tourism group fee emerges thereby.

2.2.2 Imbalanced information and limited combat among main bodies of tourism commodities trading

Imbalanced information indicates that one party owns more information in comparison with that of the other one during the trading process owing to the imbalanced information amount, which causes inverse selection and survival of the un-fittest.

Imbalanced information will make tourism commodity suppliers with advantage of information, according to their principle of maximum profits, adopt opportunistic behaviors, namely, enterprises will choose the unfaithful operations when their unfaithful net earnings are larger than their contracted net earnings. Therefore, the deficiency of credibility of tourism commodity suppliers belongs to the market trading behavior and performance with the target for their own maximum profits under the condition of imbalanced information. The larger the imbalanced information is, the more severe the problem of deficiency of credibility in tourism is.

The combat between tourism enterprises and tourists belongs to the limited combat under incomplete information. Imbalanced information puts tourists in disadvantageous position in the combat, which makes them unable to
distinguish the fake from the real, good from the bad. The limited times of traveling for tourists in tourism destinations make them unable to punish the immoral behaviors of illegal enterprises. The limited combat makes it easy for some tourism enterprises to pursue the motive for maximum profits in short periods in immoral methods and causes the deficiency of credibility in tourism enterprises.

2.2.3 Declining of moral standard of tourism personnel
Declining of moral standard in management personnel, sales personnel in shops and tourist guides, etc, is obvious, which causes the deficiency of credibility consciousness.

The deficiency of tourist guides’ payment security and popularly low prices of tourist guides make them depend mainly upon tips and the rake-off in shopping process for their major economic resources. Some tourist guides in the cooperation with drivers work for tourism shops who take back rake-off from purchasing behaviors of clients, which is obliged behavior to some extent.

2.3 Macroscopic level: Ignorance and deficiency of government’s management on tourism shopping

2.3.1 Insufficient recognition of its importance
Development of tourism shopping resources has been ignored for a long time and nobody takes shopping as one kind of precious resource. Insufficient development of tourism commodities in depth is related to insufficient leading and support by administrative management departments over development, production and sale of tourism commodities.

2.3.2 Deficiency of information introduction service
Purchasing of tourism commodities belongs to the consumption in different place. Therefore the integrated providing of service information by government is favorable for lowering purchasing risks with governments’ credits and reducing imbalanced commodity information. We will find, after we have consulted web pages of tourism bureaus in many provinces and cities, that information on tourism shopping is extremely limited.

2.3.3 Imperfect market administration
Tourism quality supervision institutes in all places often compose of few or over ten people and the costs for execution mainly come from meager interests of quality security earnest money paid by tourism agencies, which determines lower execution amount and frequency in tourism market, causes short-sighted operating behaviors with malignant price declination and common practices of Gresham’s Law due to insufficient punishment, makes fakes and commodities of bad qualities flood in the market and damages the general image of tourism commodities.

Insufficient joint control conducted by tourism administrative management department and other administrative management departments.

3. Countermeasures and suggestions for development of China’s tourism shopping

3.1 Aspect of tourists
He Guangwei, Director of CNTA, once pointed out in the work conference aimed to regulate tourism market orders that the immaturity of tourism consumers fosters unhealthy ways and customs in tourism market. Currently most tourists are unknown of their rights and benefits who indulge the irregularities of tourist guides and tourism agencies. Besides, the deficiency of maturity in purchasing and consumption makes them depend on enthusiasm of tour guides and shop personnel in making purchasing decisions instead of being on their own wills. To strengthen self-protecting consciousness and independent consumption consciousness of tourists plays important role in monitoring and promoting the regulation and control of tourism market order.

3.2 Aspect of tourism enterprises

3.2.1 Deepen the leading in tourists’ requirements
Development of tourism commodities shall be based upon the study on market requirements and insist on tourist oriented development thought, which shall not only provide commodities with obvious characteristics, abundant categories, nice packaging, excellent quality, low price, genuine goods at fair prices, and comfortable shopping environment, but also gradually develop operations such as mail order, consignment and free delivery, etc, which will get rid of tourists’ fear of trouble in the rear. Besides, tourism commodity manufacturing enterprises shall strengthen cooperation with dealers and constitute production and marketing alliance, which will better satisfy diversified and individualized shopping requirements of tourists and promote the effective supply of tourism commodities.

Strengthen consciousness of brand and establish brands of tourism commodities, which shall be related to uniqueness of tourism destinations and features of tourism resorts, by which it will enable the commodity to become
spokes commodity of area image or spokes commodity of tourism resort and improve attractiveness and competitive strength.

3.2.2 Improve sales methods and strategies

Enterprises such as tourism commodity developers and dealers, etc shall cooperate with administrative departments, make great efforts in promoting sales and improve acquisition capability of tourism shopping information. In the aspect of sales methods, it shall utilize both traditional and modern diversified propaganda methods to increase the transparency of information and improve credibility of information. The only way to form concurrent consumption with preparations is to enable tourists to master full shopping information.

Tourism enterprises such as tourism agencies shall carry out differentiated product strategy and brand strategy. The establishment of brand is mainly based upon the differentiation of commodities, which will increases characteristics of commodities and promote competitive strength of enterprises.

3.2.3 Strengthen establishment of its own credibility

Strengthen moral construction and foster credibility culture. Firstly the idea of credibility must exist in moral thoughts of leaders and the moral philosophy and individual quality of leaders in the enterprises determine the development direction of the enterprises and the credibility of tourism enterprises mainly comes from the operation ideas of enterprise leaders. Secondly, carry out education training on employees, form active enterprise culture and promote employees to have excellent professional ethics.

Tourism enterprise especially tourism agencies and shops shall consciously participate in the establishment of credible tourism, conquer the three deficiencies, that is, centering on profits and ignoring credibility; centering on operations and ignoring management; focusing on immediate profits and ignoring long-term benefits, operate with credibility, provide genuine goods at fair prices, provide excellent service, which will satisfy tourists materially and spiritually.

3.2.4 Rationalization of tourist guides’ payment system

Currently the unreasonable tourist guides’ payment system largely impacts tour guides’ enthusiasm, which makes tour guides providing best service quality become shopping guide in order to make a living. Therefore, the reformation of currently existing tour guides’ payment system is imperative.

Tourism agency shall establish a kind of payment system, which will not only fully reward responsible tour guides, but also punish those who violate against rules by paying all costs, by which tour guides will put all their minds on how to satisfy tourists instead of how to attract tourists to purchase more commodities and force them to go shopping. They will treat the problem of leading tourists in shopping in a correct and active attitude.

3.3 Aspect of government

As to the aspect of tourism shopping market, we shall, when we let market, the invisible hand give better play in resource distribution, strengthen the dominant function of government to create an excellent tourism shopping environment. Creditable and harmonious tourism shopping environment belong to typical public belong, which possesses obvious positive externality and needs the correct leading by government.

3.3.1 Governments at all levels shall take tourism shopping as the component of tourism industry in developing it

Tourism shopping system is relatively complicated and it is hard to make great achievements relying only on tourism management departments and it is necessary for relative administration departments in governments such as industrial and commercial management department, etc and all essential elements to cooperate together in joint efforts to propel it. Currently all places shall strengthen the basic construction of tourism commodities, make efforts in the establishment of sales networks of tourism commodities in all places, implement refined product project of tourism commodity, start establishing tourism commodity brand in every place, promote the propaganda and strengthen HR training in tourism commodities. Besides, the realization of brand development of native products in different places shall be emphasized.

3.3.2 It is necessary to constitute organizational and management platform for tourism shopping

Establish management and organizational institute for tourism shopping, for example, strengthen the establishment of tourism commodity associate or tourism shopping associate, try to make tourism commodity development and sales market more normalized and scientific, encourage and regulate research, development and design for innovated tourism commodities, support the sales of tourism commodities and development of service network, and improve the acquiring capability of tourism shopping information.

3.3.3 Strengthen the tourism credibility system establishment and system building, maintain competition orders

It is necessary to strengthen credibility consciousness, improve credibility system in tourism industry and establish
relevant local codes, rules and systems, etc, which will be favorable for establishing good social credit and image for enterprise industry, training professional ethics of related personnel and building an equal and fair market competition environment. The basic framework for tourism credibility system includes: the establishment of tourism credibility database, which will publicly open credibility records of tourism enterprises and relative tourism personnel; establishment of credibility evaluation system for tourism enterprises and relative tourism personnel; establishment of credibility awarding and punishing system for relative tourism personnel, etc. Choose through public appraisal model credibility tourism enterprises and excellent tourist guides to establish models for creditable operations of tourism enterprises and relative tourism personnel. Tourism enterprises without credibility shall be punished to avoid the awkward situation, that is, tourists hesitate to purchase.

3.3.4 Implement combining-four supervision system for tourism shopping market

In order to actually maintain legal rights and profits of tourists, it is necessary to constitute the combining-four, namely, centering legal supervision, administrative supervision, social group supervision and supervision by public opinion, and mutually coordinated model tourism enterprises, establish social mechanism for protecting tourists’ rights and benefits, create a fair, equal and credible market competition environment, all of which shall play an important and fundamental role in establishing harmonious society and regulating industrial structure in tourism industry.

Certainly the development of China’s tourism shopping is very complicated with numerous influencing factors. But we firmly believe that China’s tourism shopping and consumption market will become more and more prosperous and mature with the joint efforts made by all circles in the society, which will greatly promote more continuous, rapider and healthier development of China’s tourism industry.

References


