

# **A Study on the Changing Trends of Domestic Tourism Consumption Composition of Urban Residents Grouped by Travel Purpose in China**

Guo-Ping ZHANG<sup>1,2,a</sup> and Xiao-Ying LIU<sup>1,b,\*</sup>

<sup>1</sup>Institute of Nationalities Studies in Southwest, Southwest University for  
Nationalities, Chengdu, China, 610041

<sup>2</sup>Tourism and Urban-Rural Planning Institute, Chengdu University of  
Technology, Chengdu, China, 610059

<sup>a</sup>707812178@qq.com, <sup>b</sup>lxylxy9881@sina.com

\*Corresponding author

**Keywords:** changing trends, domestic tourism consumption composition, urban residents, grouped by travel purpose

**Abstract.** Domestic tourism of urban residents in China can be divided into five groups by travel purpose: sightseeing, visiting relatives & friends, business, leisure and the others. Then the annual tourism consumption share of every group (i.e. consumption contribution rate) is calculated by processing the sampling survey data during the 1995–2011 period. With the line chart and the fitting model, the paper analyzes the changing trends of the domestic tourism consumption composition of urban residents in China. The conclusions are as follows: In the past decade, the sightseeing's and the leisure's consumption share were on the rise, the sightseeing's was rising much faster than the leisure's; Business' share was on the decline; Both the visiting relatives & friends' and the others' share were almost unchanged. Finally, the paper forecasts the changing trends of domestic tourism consumption composition of urban residents in China in the future.

## **Introduction**

Since the 1990's, China's domestic tourism total spending grew at an average of 19.6 percent annually. It grew so fast that it was far ahead of inbound tourism and became the main source of China's tourism revenue. Urban residents' travel rate and per-capita spending were far higher than that of rural residents. Their domestic tourism consumption share accounted for an average of 72.8 percent of the total annually. Therefore, the study on the domestic tourism consumption of urban residents is of great significance to grasp laws and trends of the tourism industry development in China. It also contributed to drawing up tourism development plans and making tourism industry policies.

In Chinese academia, the research on domestic tourism consumption of urban residents focuses on the following fields: the effect of domestic tourism consumption on economic growth [1-2], the influence factors of domestic tourism consumption (such as per-capita disposable income, consumer price index, population development, transportation, the annual average interest rate, housing consumption, etc.) [3-7], the changing of domestic tourism consumption structure (from the perspective of eating, accommodation, transportation, traveling, shopping, entertainment) [8], the comparison of domestic tourism consumption characteristics between urban and rural residents [9-11]. Take a comprehensive view of the existing research achievements, there is little on domestic tourism consumption composition of urban residents grouped by travel purpose. The change of urban residents' travel purpose reflects the changing trends of the domestic tourism market demand.

It is also directly related to the tourism products' production and supply. Thus studying the subject will help tourism enterprises to track market changes and adjust the tourism products' structure. The paper will analyze the changing trends of the domestic tourism consumption composition of urban residents in China by processing the sampling survey data during the 1995–2011 period.

## Data

The original data of the paper include the number of tourists who came from cities and per-capita spending in China during the 1995–2011 period (grouped by travel purpose). They are derived from the books of the Sample Survey on Domestic Tourism in China "(1995-2008) and the Sampling Survey Data on Tourism (2009-2012), which were published by China Travel & Tourism Press.

In the sample surveys on domestic tourism of urban residents in China from 1995 to 2011, the groups have changed more than three times except sightseeing, visiting relatives & friends, leisure. In order to ensure the data's consistency and comparability, the paper puts meetings, official meetings, communication and professional access, exchanges on culture, education and science & technology, traveling on business into the group of business, it also puts health, religious worship into the group of the others. Table 1 shows the data of the number of tourists who came from the urban and per-capita spending in China during the 1995–2011 period (grouped by travel purpose).

Table 1, The Number of Tourists Who Came from cities and Per-capita Spending in China, Sampling Survey of 1995-2011 (grouped by travel purpose)

Year	Total		Sightseeing		Visiting relatives & friends		Business		Leisure		The others	
	Tourists	Per-capita spending	Tourists	Per-capita spending	Tourists	Per-capita spending	Tourists	Per-capita spending	Tourists	Per-capita spending	Tourists	Per-capita spending
1995	9377	592.08	3204	481.6	2109	420.7	2159	1115.0	1050	365.6	855	386.3
1996	8743	715.5	3220	571.7	1787	557.8	1614	1462.6	1058	393.3	1064	602.7
1997	9217	709.6	2501	763.5	3245	520.8	1286	1341.4	1198	421	987	720.9
1998	9273	697.3	3062	704.8	2527	472.1	1322	1417.5	1289	448.6	1073	618.0
1999	8575	625.8	2301	566.3	3548	512.3	1124	1249.5	1082	469.2	520	640.5
2000	10971	724.1	4388	729.7	2896	548.3	1248	1512.0	1848	483.4	591	634.1
2001	11647	765.5	4578	868.3	2938	575.9	1383	1391.1	2062	441.1	686	605.3
2002	12754	801.6	5276	836.3	3211	727.4	1267	1503.3	2296	479.2	704	667.7
2003	10229	716.9	4275	725.4	2582	646.3	806	1516.5	2161	477.1	405	766.1
2004	12602	783.8	5683	847.8	2993	611.6	891	1592.0	2483	533.5	552	878.8
2005	14449	789.7	6500	858.3	3397	668.3	1073	1619.6	2681	497.3	798	613.5
2006	16748	817	7150	887.4	3935	751.6	1111	1699.5	3453	543.7	1099	560.1
2007	18055	917.2	7733	1037.3	3974	887.8	980	1863.2	3960	594.3	1408	591.0
2008	36623	849.4	10010	1072.7	13444	703.3	1197	2350.6	9123	682.6	2849	655.9
2009	42946	829.9	12400	1029.2	15400	662.5	1501	2355.8	10061	682.5	3584	634.7
2010	44627	913.1	14671	1211.2	13848	691.1	1589	2272.4	11173	667.9	3346	698.0
2011	21985	1140.2	6486	1212.6	6354	845.5	3342	2039	5210	893.3	593	600.6

Sources: Based on the data of the Sample Survey on Domestic Tourism in China "(1995-2008) and the Sampling Survey Data on Tourism (2009-2012).

According to the data in Table 1, the annual tourism consumption share of every group (i.e. consumption contribution rate) can be calculated. Table 2 shows the data of the annual tourism consumption share of every group.

Table 2, the Data of the Annual Tourism Consumption Share of Every Group[%]

Year	Sightseeing	Visiting relatives & friends	Business	Leisure	The others
1995	27.8	16.0	43.4	6.9	5.9
1996	27.8	16.0	43.4	6.9	5.9
1997	27.8	16.0	43.4	6.9	5.9
1998	27.8	16.0	43.4	6.9	5.9
1999	27.8	16.0	43.4	6.9	5.9
2000	27.8	16.0	43.4	6.9	5.9
2001	27.8	16.0	43.4	6.9	5.9
2002	27.8	16.0	43.4	6.9	5.9
2003	27.8	16.0	43.4	6.9	5.9
2004	27.8	16.0	43.4	6.9	5.9
2005	27.8	16.0	43.4	6.9	5.9
2006	27.8	16.0	43.4	6.9	5.9
2007	27.8	16.0	43.4	6.9	5.9
2008	27.8	16.0	43.4	6.9	5.9
2009	27.8	16.0	43.4	6.9	5.9
2010	27.8	16.0	43.4	6.9	5.9
2011	27.8	16.0	43.4	6.9	5.9

## Analysis

Fig. 1 presents the changes of tourism consumption share of every group during the 1995–2011 period. It breaks the changes down into two periods on the whole: (a) 1995–2007, (b) 2008–2011. Because of Wenchuan Earthquake and the Global Financial Tsunami, a great change happened in 2008. After that, however, the share of every group was closing the one in 2007. Because the total sample decreased by more than half, there was also a great change in 2011. So the changing trends of tourism consumption share of every group during the 1995–2007 period maybe reflect the longer trends.

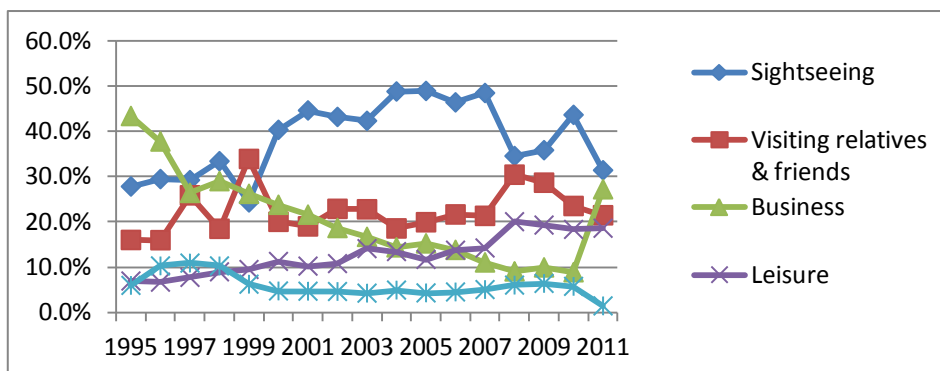


Fig.1 The Change of Tourism Consumption Share of Every Group during the 1995–2011 Period

In order to know precisely how tourism consumption share of every group changed during the 1995–2007 period, we can build a fitting binary regression model below, using year as the dependent variable, and using the shares as the independent variables.

$$Y_i = a_i + b_i t + \varepsilon_i \quad (t=1,2,3, \dots; i=s,v,b,l,o) \quad (1)$$

In Equation (1),  $Y_i$  stands for the share,  $t$  stands for year, both  $a_i$  and  $b_i$  stand for parameters to be estimated,  $\varepsilon_i$  stands for a random perturbed variable,  $i$  stands for different groups ( $s$  stands for sightseeing,  $v$  stands for visiting relatives & friends,  $b$  stands for business,  $l$  stands for leisure,  $o$  stands for the others).

According to the results of regression analysis, we build five regression equations as follows:

$$Y_s = 0.247 + 0.02t \quad (2)$$

$$Y_v = 0.206 + 0.001t \quad (3)$$

$$Y_b = 0.393 - 0.023t \quad (4)$$

$$Y_l = 0.062 + 0.006t \quad (5)$$

$$Y_o = 0.093 - 0.004t \quad (6)$$

From the results of regression analysis, the coefficients of determination  $R^2$  of the five regression equations are 0.794, 0.006, 0.897, 0.879, 0.472. The results show that Equation (2),(4),(5) show higher fitting degree, Equation (6) shows low fitting degree, and Equation (3) shows extremely low fitting degree. They mean Equation (2),(4),(5) have high level of statistical significance, but Equation (3),(6) have low level of statistical significance.

Equation (2) shows that the sightseeing's consumption share was rising at an average 2 percent a year during the 1995–2007 period. Equation (4) shows that the business' was declining at an average 2.3 percent a year. Equation (5) shows that the leisure's was climbing up at an average 0.6 percent a year. Because Equation (3),(6) have low level of statistical significance, the changes of the consumption share of both the visiting relatives & friends and the others were no clear trend.

## Conclusions

The conclusions are as follows: In the past decade, both the sightseeing's and the leisure's consumption share were on the rise, the sightseeing's was rising faster than the leisure's. The business' consumption share was declining fastly. Both the visiting relatives & friends' and the others' consumption share were almost unchanged.

## Forecasts

1. The business' consumption share will continue to decline. There are at least two reasons: (1) Economic growth in China has showed downward trend, the budget for business travel from the government and enterprises is hard to increase. (2) Since the Chinese Communist Party held the 18th national congress, the CCP has started a big campaign against corruption and waste, which will greatly reduce official travels.

2. The sightseeing's and the leisure's consumption share will continue to rise. There are three main reasons: (1) All the scenic spots in China were always very crowded during Golden Week holidays in the past decade, which shows tourists' demands for sightseeing and leisure were increasing very fast and there was huge market potential for sightseeing and leisure tourism product. (2) The State Council of China has introduced the Outline for National Tourism and Leisure (2013-2020) in February 2013, which made a very important suggestion to execute the Paid Leave Act in almost the whole country by 2020. Maybe, the outline will promote sightseeing and leisure tourism. (3) With the country urbanization advancement speeds up unceasingly, a large number of rural workers gradually become citizens who are willing to spend their money on sightseeing and leisure.

3. The fact will be sustainable in the long term that the sightseeing's share accounts for the largest single share of domestic tourism consumption. There is an opinion in academia that the tourism is transforming from sightseeing-type into holiday-spending-type in China. In my view, the transformation does not exist now even in the future. Why? There are three reasons as follows: (1) There are unusually rich resources for sightseeing in China but a little resources for leisure relatively. (2) According to the conclusions of the paper, the sightseeing's share was rising much faster than the leisure's in the past decade. (3) The data in Table 1 show that the sightseeing's per-capita spending is 1.5 times as much as the leisure's. So leisure spending is not high level of consumption actually.

4. Both the visiting relatives & friends' and the others' consumption share will fall at last. In the past decade, the sightseeing's and the leisure's consumption share was rising fast with the business' consumption share fall. But now, the business' share is very poor. So the sightseeing and the leisure will drain the share of the visiting relatives & friends' and the others'.

5. After years of changing, five groups consumption share may be in a state of dynamic equilibrium.

## **Acknowledgement**

This research was financially supported by the Subject Construction Fund of Southwest University for Nationalities (No. 2013XWD-S1202)

## **References**

- [1] Zhang Lifeng, An empirical analysis on the influence of urban residents tourism consumption on economic growth in China, *Consumer Economics*, 24 (2008) 71-74.
- [2] Yang Jianchun, Liu Xiaoying, An analysis on the dynamic relationship between urban residents tourism consumption and economic growth in China, *Journal of Southwest University for Nationalities (Humanities and Social Science)*, 6(2010)209-212.
- [3] Zhou Wenli, Li Shiping, An empirical study on the relationship between tourism consumption and income based on Keynes' consumptive function theory, *Tourism Tribune*, 25 (2010) 33-38.
- [4] Weng Gangmin, Xu Xiaona, Shang Xuemei, An analysis on influence factors of Urban residents domestic tourism demand in China, *Urban Issues*, 4 (2007) 31-35.
- [5] Ren Xue, A study on influence factors of urban tourism per capita consumption in China, *Science & Technology Information*, 17 (2009) 100-102 & 139.

- [6] Ji Wenting, An empirical analysis on the urban residents' tourism consumption in China, *Business Economy*, 11 (2008) 106-107 & 110.
- [7] Liu Wenbin, An analysis on the relationship between urban and rural residents' housing consumption and the tourism consumption in China, *China Business & Trade*, 10(2010) 225-226.
- [8] Li Yiwei, Xia Lingen, An analysis of tourism consuming structure of China's urban residents, *Tourism Science*, 18 (2004) 30-32 & 38.
- [9] Zhou Wenli, The statistical analysis on urban and rural residents' domestic tourism consumption characteristic, *Tourism Forum*, 8 (2011) 35-42.
- [10] Zhou Wenli, Li Shiping, An empirical analysis on consumption structure of urban and rural residents' domestic tours: based on ELES theory, *Tourism Science*, 24 (2010) 29-38.
- [11] Liu Jiwen, Feng Xuegang, An Empirical Study on the Relationship between Income Gap and Average Propensity to Tourism Consumption in China, *Journal of East China University of Science and Technology (Social Science Edition)*, 6(2010) 57-66.