

The Benefits of China's Belt and Road Initiative to the European Tourism Market

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Abstract China's Belt and Road Initiative has a profound influence on the countries along the route and has explored new cooperation opportunities in the tourism industry. Europe has been the third largest destination to China outbound tourism market. Therefore it would be meaningful to get a deep insight into how the European Tourism Market is benefit from the Belt and Road Initiative. This research aims at putting forward some implementable suggestions to China and European countries' government, institutions and tourism corporations.

Key words China's Belt and Road Initiative; European Tourism Market; Benefits

1 Introduction

In 2013, China proposed the Belt and Road Initiative. The Belt and Road which refers to the Silk Road Economic Belt and the 21st-Century Maritime Silk Road running through Asia, Europe and Africa, connecting the vibrant Asian economic circle at one end and developed Europe at the other.

Europe is the biggest trading partner, leading source of foreign investment, a key supporter of Chinese economy. The Belt and Road Initiative will become the crucial link undoubtedly between the two huge markets and two major civilizations and further contribute to the comprehensive cooperation between Europe and China.

Europe is the birthplace of modern tourism and one of the most important tourist destinations in the world. European countries have a long history of tourism development on a large scale and strong competitiveness. The improvement of living standards to stimulate the consumption demand and consumption of consciousness shift. The European tourism market is a tourist destination that is highly attractive to mainland Chinese tourists.

2 Literature Review

2.1 Research Background

2.1.1 Belt and Road Initiative

China's Belt and Road Initiative is an economic and geopolitical megaproject that has been proposed by the Chinese government in 2013 under the leadership of President Xi Jinping. Its aim is to strengthen connectivity and commercial cooperation between Eurasian countries. In the long term, the Chinese government envisages that the initiative will engender closer economic cooperation, reduce the regulatory barriers to trade and investment, strengthen financial collaboration and intensify personal and cultural exchange among the countries along the route. To create the required framework for this win-win situation, investment is needed in infrastructure such as roads, railways, airports, seaports, telecommunications and the power grid. Its future is therefore strongly dependent upon political will and on the active involvement of other countries and economic partners.

It is worth mentioning that, as an important area for the construction of the Belt and Road Initiative, 16 Central and Eastern European countries (CEECs) enthusiastically responded to the initiative. The 16 countries of the CEEC include: the three Baltic countries of Estonia, Latvia and Lithuania; the four Central European countries of Poland, Hungary, the Czech Republic and Slovakia, also known as Višegrad countries; the nine Eastern and Southeast European nations of Albania, Bosnia and Herzegovina, Macedonia, Croatia, Montenegro, Bulgaria, Slovenia, Serbia and Romania, namely the Balkans. In the 16 countries, 13 countries have already signed the Belt and Road cooperation document with China. China is willing to work together with the countries of Central and Eastern Europe to create the Belt One Road to an undertaking zone for integration into the European economic circle. At the same time, China is willing to share its development opportunities with other countries in this process, tap the potential for cooperation.

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa

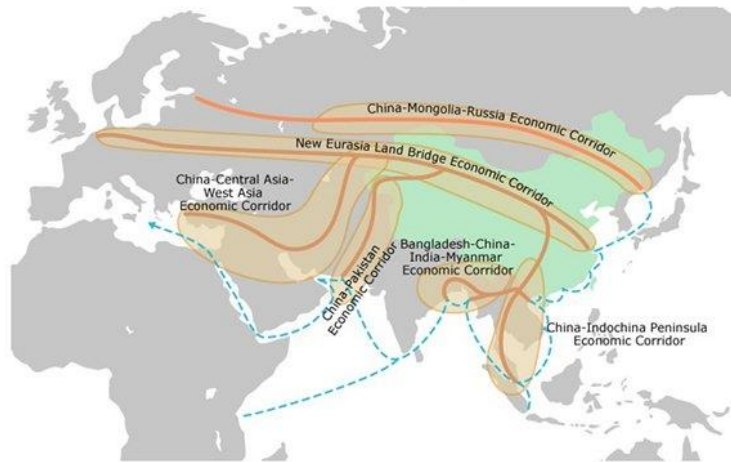


Figure 1 Roadmap for the Belt and Road initiative

(Source: HKTDC Research, <http://china-trade-research.hktdc.com/business-news/article/One-Belt-One-Road/The-Belt-and-Road-Initiative/obor/en/1/1X000000/1X0A36B7.htm>)

2.1.2 European Tourism Market's Openness to Chinese Tourists

The European tourism industry has achieved great growth after Belt and Road Initiative launched. This year-2018 is the China-EU Tourism Year which was proposed by both the Chinese government and the European Union. A report published by China Tourism Academy shows that during the first half of 2017, Chinese tourists to Europe growing achieved a 65% year-over-year growth. The number of outbound tourists to Europe in 2017 ranked second among Chinese outbound tourists on all continents, accounting for 9.3% of the total number of visitors.

According to the data published by China's largest online travel e-commerce company Ctrip in 2017, the top destinations for 2017 are Italy, Russia, Germany, UK, France, Spain, Greece, Czech Republic, Switzerland and Hungary. The European destination countries with the largest increase in tourist arrivals are France, Czech Republic, United Kingdom, Bulgaria, Finland, Iceland, Belarus, Denmark, Norway and Ukraine. Among them, the Czech Republic had the fastest growth, with a year-on-year increase of 73%; Germany followed by a year-on-year increase of 56%. Paris, Rome, Frankfurt, London, Moscow, Prague, Lisbon, Athens, Milan, and Barcelona are among the top 10 most popular destination cities. Chinese tourists who travel to Europe generally go to at least three countries and spend an average of 10-12 days.

In recent years, the European tourism market has grown rapidly to welcome Chinese outbound tourists. First, many airlines open new routes which have improved traffic capacity and shortened the length of journeys. Second, the number of visa application centers is rapid increasing which facilitates the submission of applications of people. Finally, relaxation of visa policy simplifies the visa application process. Bai Ming, the deputy director of International Marketing Department of the International Trade and Economic Cooperation Research Institute of the Ministry of Commerce (MOFCOM) of China, said that in the future, through visa-free or simplified visa procedures and more convenient international transportation, tourist routes with more characteristic and personalized will be developed and realized. Thus it may be possible to go to Europe by high-speed train.

The bilateral tourism exchange between China and Europe not only enabled the tourism companies to enjoy the dividends of cooperation, but also promoted the development of related industries such as transportation, finance and insurance, and promoted the balanced development of bilateral trade.

2.1.3 Characteristics of Chinese Tourists who have been to Europe

According to the data from the report of Ctrip in 2017, 85% of Chinese tourists choose to travel to Europe in a tour group. This is related to the factors of the European tourism market such as the differences in language, visas, geopolitics, and cultural. It could be predicted that tour groups from China to Europe will be the main form in the future for a long period of time. At the same time, the continuous and faster rise of the proportion of self-help tour will add a new way of travelling to Europe.

According to another report of Ctrip, the number of visitors to Europe reached a high growth rate of 47% in general, 69% in new first-tier cities and second-tier cities in 2017. The market share of second-tier cities

reached 53% in the third quarter. And first-tier cities and new first-tier cities account for 82% of Europe's overall outbound travel market. First-tier cities represent the most developed areas of the country with the most affluent and sophisticated consumers. The first-tier cities in China refer to Shanghai, Beijing, Guangdong and Shenzhen and the new first-tier cities involve Chengdu, Hangzhou, Chongqing, Wuhan, Suzhou, Xi'an, Tianjin, Nanjing, Zhengzhou, Changsha, Shenyang, Qingdao, Ningbo, Dongguan and Wuxi.

The per capita spending of Chinese tourists in Europe is close to 13700 CNY, of which the per capita spending of self-help tour is about 12320 CNY. Compared with the statistics of the first half of the year, the growth rate of self-help tour, group tour and overall per capita spending are 17%, 10%, 18% separately.

Since most Chinese tourists are traveling to Europe for the first time, the main purpose for travelling is sightseeing, so they usually choose several countries to travel. After they have experience in Europe, they will turn to a destination in a country or a single city and turn into an in-depth travel based on leisure and vacation.

2.2 Positive influences of Belt and Road Initiative to the European tourism industry

The New Silk Road is the most dynamic and potential golden tourism route of the world, involving approximately 65 countries, with a total population of 4.4 billion people and a total production value of 21 trillion US dollars, accounting for 62.5% and 28.6% of the world respectively. It is clear to see that tourism is an important part of the Belt and Road Initiative. The vision of this initiative could strengthen tourism cooperation, expand the scale of tourism, and jointly create a characteristic tourism route and tourism products with the characteristics of the Silk Road, and improve the level of visa facilitation for tourists from all countries along the route.

Yang Yanfeng, an associate researcher at the China Tourism Academy, said that for Chinese domestic tourism companies, the Belt and Road initiative can increase the scale of investment of Chinese tourism corporation in foreign countries. Compared to investment such as mineral investment, investment in tourism is a more environmentally friendly investment. At present, domestic Chinese tourism enterprises are encouraged to take the lead in exploring the international tourism market through overseas mergers and acquisitions, joint operations, establishment of branches, and equity acquisitions. Besides, the development of local tourism products will enable tourists to obtain more unforgettable experience of the destination.

Zou Tongqian, the former director of China Tourism Administration, he suggested that the cities along the route could be the nodes that we could carry out cultural tourism and natural sightseeing including ethnic and religious tourism, plateau tourism, desert exploration, etc. And ports along the road can be a node to develop cultural tourism activities and beach resort products which includes coastal vacations, cruises, and food tasting, etc. The construction of a tourism distribution center and the international cruise home ports will become a key component of the "Belt and Road" tourism development. These tourism infrastructures will further be linked together to establish an integrated transportation and information network. Therefore, the tourism destination system will continue to restructure. So that tourism could benefit from the improved accessibility of travel destinations and potentially tap new markets for travel to Europe.

In summary, the Belt and Road Initiative has a positive influence on the European tourism market in many aspects, so it is necessary to provide feasible suggestions for both China and the European countries.

2.3 Customer Satisfaction Concept

Since the 1960s, scholars have done a lot of research on customer satisfaction and have achieved considerable results. The research can be summarized as follows: Cardozo^[1] published a paper on customer satisfaction in which he proposed the concept of customer satisfaction and introduce the concept of customer satisfaction to marketing for the first time. Howard and Sheth define customer satisfaction as a state of psychological sensation in which customers compare their sense of reasonableness with their own costs. Oliver and Linda considered customer satisfaction to be an emotional state, a state of mind when the consumer's consumption experience matched the original expectations. Tse and Wilton^[2] defined customer satisfaction as the "evaluation of the difference between the perceived quality of the product before the purchase behavior and the perceived quality after consumption" in the study of the formation of customer satisfaction. Oliver^[3] defines customer satisfaction as a perceived state of customer satisfaction with demand in the consumer experience.

Many related literatures in tourism field indicate that overall visitor satisfaction is affected by the quality of service, the price of tourism products or services, and perceived value. Based on the analysis of Chinese tourists' satisfaction, Kau and Lim^[4] pointed out that the factors affecting Chinese tourists'

satisfaction mainly include attractions or activities, local attitudes, hospitality, service quality, food and accommodation, consumption levels, shopping, language communication, whether the environment is clean and safe, destination airport and local transportation. Chi and Qu^[5] believe that factors affecting Chinese tourists' satisfaction mainly include shopping, activities and events, accommodation, accessibility, attractions, environment and diet.

3 Methodology Description

The data used in the paper consists of both secondary data and first-hand data. The first-hand data comes from the online survey. The target population of this survey was the Chinese tourists who have been to some European countries and who have been planning to go there. The questionnaires were spread through WeChat-the most widely used social software in China. The survey was conducted from July to August 2018. The collected data were analyzed with IBM SPSS Statistics 22.

A closed questionnaire contained 17 questions. For determining Chinese tourists' opinion, Likert's scale - scaling method, measuring either positive or negative response was used. Respondents used values from 1 (the most negative answer) to 5 (the most positive answer). Descriptive statistical analysis was used as well. The number of respondents was 242 in total and 90 who have been to Europe for a trip.

4 Survey analysis

4.1 Demographic characteristics

The next table illustrates the sample's gender, education level and age. According to the respondents' gender structure there is a slightly smaller share of male, 29.8%, compared to a larger share of female, 70.2%. The education level of majority of the respondents was undergraduate (43%), then graduate and above (32.2%), two or three-year college (18.2%), high school (5.4%) and junior and below (1.2%). The number of the respondents whose age from 19 to 25 was the largest (34.7%), then with age from 50 to 59 (25.6%), 60 to 69(14%), 33 to 49(12.8%), 26- 32(11.6%).

Table 1 Gender, Education Level and Age Structure of the Sample

Variable	Secondary Variable	Frequency	Percentage	Variable	Secondary Variable	Frequency	Percentage
Gender	Male	72	29.8	Age	18 years old and below	1	.4
	Female	170	70.2		19-25	84	34.7
Education level	Junior and below	3	1.2		26- 32	28	11.6
					33-49	31	12.8
	High school	13	5.4		50-59	62	25.6
	Two or three-year college	44	18.2		60-69	34	14.0
	Undergraduate	104	43.0	70-79	1	.4	
Graduate and above	78	32.2	80 years old and above	1	.4		

As for the occupation, the majority of the respondents were student (22.3%), then retired (19%), staff of public institution (18.2%), freelancer (13.6%), professional technician (7.9%), manager(7%), staff of foreign company(4.6%),teacher(3.7%), civil servant(2.1%), and self employed households(0.8%).

The respondents were mostly from first-tier cities (66.5%), then new first-tier cities (14.7%), other cities in China (8.7%), other foreign regions except from Europe (5.0%), second-tier cities (4.1%) and Europe (0.8%). The types of cities were divided by the Chinese government according to the status of each city in the political, economic and other social activities of the country.

As indicated in the chart of travel budget of the respondents, most of them going to spend 20000 CNY to 40000 CNY (44.6%) for their European trip, then 20000 CNY or less (38%), and 40001 to 60000 CNY (13.2%). Fewer tourists want to spend more than 60000 CNY (4.13%).

4.2 The reliability and validity of the questionnaire

The Cronbach's alpha of the Likert's scale in the questionnaire which measured the rate of respondents' latest European tour experience is 0.855, represents good reliability of this test.

KMO and Bartlett's Test is used to examine the appropriateness of data for performance of factor analysis. It can be seen that the KMO value is 0.922 when all the subjective questions was selected, and the Bartlett sphericity test is also significant under the 1% confidence level. Therefore, the questionnaire is suitable for constructing a factor analysis method.

4.3 Multiple choice questiones analysis

When it is comes to the multiple choice question “where your preferred destinations for your European tour are”, according to findings of the survey, 57.4% of the respondents chose Germany, France, Italy, Switzerland as their preferred destinations, then Nordic countries (52.5%), UK(33.1%), Spain and Portugal(25.2%), Greece(21.5%), Russia(20.2%), Eastern European countries(16.5%), Turkey(16.5%) Balkans countries are less attractive compared with other European area with only 8.7% respondents want to go. The classification of European countries in this question refers to the route classification method of Ctrip.

When we asked for the main purpose of the tour to Europe, a majority of respondents chose appreciate the natural scenery (83.9%), followed by experience folk customs(59.1%), for vacation and leisure(53.3%), visit cultural monuments(52.5%), shopping(23.6%), study tour(8.3%), visit friends and relatives(2.9%), then business travel(2.1%).

As for the question “rate your latest European tour experience”, the respondents used values from 1 (the most negative answer –strongly disagree) to 5 (the most positive answer – totally agree). Among all the important aspects during their European tour, respondents who have been to Europe for travelling gave the highest marks to food hygiene by giving high average mark (4). Very good marks they gave to convenient use of public facilities (3.87), then to convenient transportation (3.83), comfortable accommodation (3.76), cultural attractions are reasonably priced (3.76), and visa handling process is convenient (3.71). And the lowest marks were given to strong security (3.32), and language communication barrier-free (3.24). It could be concluded that Chinese tourists are very satisfied with food hygiene, public facilities and transportation. They are relatively satisfied with accommodation, the price of cultural attractions and visa handling process. With additional aspects including security and language, Chinese tourist are not satisfied enough. The overall satisfaction of the European tour is 3.92 on average, represent Chinese tourists are basically satisfied with their experience of European journey.

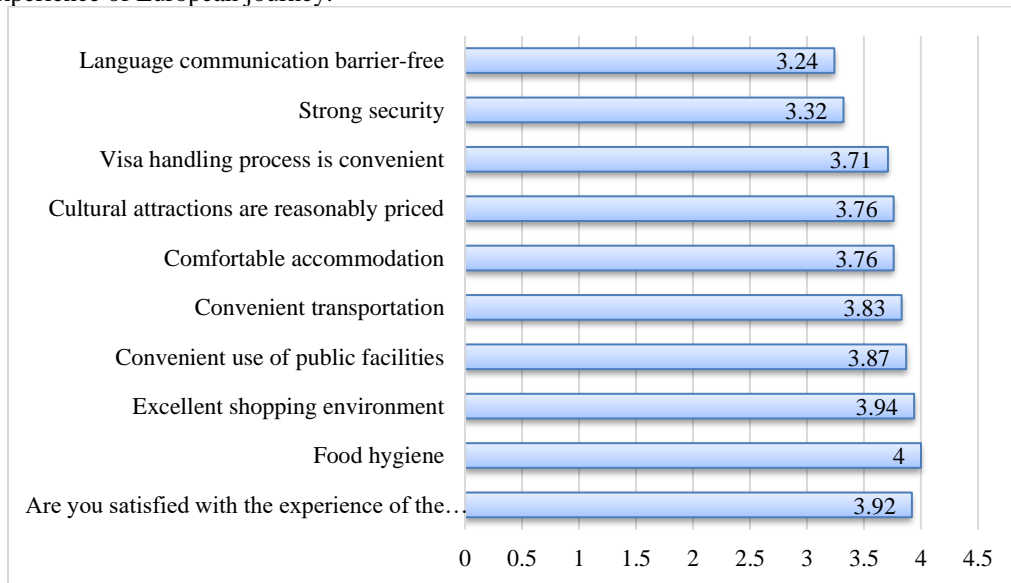


Figure 2 Rate of the European Tour

4.4 Travel preferences

From the perspective of the tourism service industry, the way tourists travel can be divided in to four forms: group tour, self-help tour, half self-help tour and high-end customization. Self-help tour is an advanced way to travel compared with the traditional ones, since it can provide us with more opportunities to enjoy the trip. Half self-help tour is done by a travel service company to help book tickets and hotels. The

destination's travel schedule is designed by the tourists themselves. As the result shows, respondents preferred self-help tour (42.15%) and half self-help tour (30.99%) more than traditional group tour (23.55%), and 3.31% of the respondents chose the high-end customization tourism for their European tour.

For "if you preferred travel in one country or a multi-national tour in Europe", more respondents chose multi-national tour (54.96%), but the proportion of deep tour of one country is relatively high (45.04%).

When we asked respondents about the ideal time for Europe tour, most chose annual leave (40.5%), then other period (32.64%) that enjoyable to retired people and who does a flexible work, and winter and summer vacation (21.1%) which is suitable for family with children.

4.5 Questions related to the Belt and Road Initiative

When it comes to the questions about the Belt and Road Initiative, let's focus on the policy of comprehensive visa exemption. For the question "do you know that Serbia and Bosnia and Herzegovina have implemented a comprehensive visa exemption for China", about half (49.6%) of the respondents chose "No, I don't know", 30.6% chose "I have heard of it", only 19.8% have known this policy.

Then we asked for "could visa exemption increase your willingness", most of respondents said "Yes" (76.9%), then "I don't know" (12.4%) and "NO" (10.74%)

5 Conclusions

5.1 Characteristics and Tourism preference of the Chinese tourists

Chinese tourists over the age of 50 with money and leisure time will continue to be the mainstream of European travel. Tourists aged 30 to 50 are mostly travelling with family. They may focus on the quality of tourism products and services. Tourists aged from 20 to 30 are potential customers of European tourism market.

From the point of view of the source of tourists, Chinese tourists to Europe are concentrated in economically developed regions and cities. These cities have a large population, high incomes, and strong tourism willingness and spending power.

In the analysis of the travel preferences of tourists to Europe, Chinese tourists prefer to see the natural scenery, folk customs and cultural and artistic attractions. Chinese tourists need to buy local gift products with well-known brands for their network of friends and relatives^[6]. Due to the high cost of travel, most tourists travel to Europe at a lower frequency, longer time. Chinese tourists like to arrange the tour in their annual leave, winter and summer vacation or othertime. Conventional low-standard tourism products are no longer able to satisfy Chinese tourists. Tourists' demand for high-end tourism products has been significantly improved. Tourism has paid more attention to comfort and personalized experience. More tourists are not satisfied with traditional tourist routes. They are selecting a self-help tour and are willing to explore new experience of travelling. In the choice of deep tour of one country or multi-national tour in more European countries, Chinese tourists will choose the deep tour increasingly in the future.

5.2 Simplify visa procedures

The Chinese government and the Foreign Ministry are working to make Chinese citizens' outbound trips not only easier but also safe and trouble-free. China has so far signed visa exemption agreements for various passports with 99 countries and 59 visa simplification agreements or arrangements with 37 countries, making it much easier for Chinese passport holders to travel abroad.

For instance, Turkey is the biggest hot destination among the foreign tourist destinations along the "Belt and Road". As the only spot of the ancient Silk Road, it is also the only country in the world that has both Western and Oriental culture. Under this trend, Turkey has implemented simplified visa procedures for China. Tourists could apply and get the visa on the same day. This measure has increased the sales of related routes in Turkey by two or three times.

The Chinese government should work further intensify their consultation with other European countries to promote visa facilitation and provide overseas Chinese with efficient and high-quality consular protection and assistance so that they can enjoy a "fast-track" and smooth trips.

5.3 Promoting tourism on the internet

Traditional newspapers, television, magazines and other media are a commonplace for information display of bilateral tourism. According to their respective strengths, government departments, tourism

enterprises and scenic attractions could carry out a tourism destination promotion on the other's main authoritative media. In addition, various tourism fairs and exhibitions are also a great indispensable publicity platforms and information channels.

Under the trend of "Tourism + Internet", it is necessary to give full play to the comprehensive advantages and driving effects of the tourism industry, actively use the internet to promote tourism products between China and Europe, improve the efficiency of cooperation, and enhance the tourism competitiveness of both.

Currently Chinese tourists' major channel of communicating tourism information is through texting messages to their friends via WeChat, the Chinese mobile application equivalent of Facebook and Whatsup combined. European destination marketers will need to launch their own WeChat account using Chinese language to reach and communicate with Chinese tourists. The use of Chinese social media applications can be particularly influential, as Chinese tourist decision making is shaped more by friends' opinions in social media than information disseminated via mass media^[7]

5.4 Other aspects for Europe to attract Chinese tourists

Tourism has the characteristics of "distance attenuation". With the advancement of Belt and Road Initiative, China and European countries should strengthen their interaction and relationship.

With the continuous growth of Chinese outbound travel market, safety and security in the tourism industry has become the focus of social attention and plays a very important role in tourism activities. During the Europe trip, both Chinese tourists and destination should pay attention to travel safety. As a tourist attractions of the destination, it is necessary to fulfill the obligation to warn the tourists before their tour; as a tourist, it is necessary to fully understand the information related to tourism security and make a safety travel arrangements.

Tourism routes are important links between tourists, tourism companies and tourist destinations, and play an important role in the development of regional tourism and the improvement of tourists' experience. Europe is a continent with a long history and a splendid culture. It has both modern metropolis and quiet towns. As a tourist destination, we must know the preferred routes of most tourists in advance, to do better in tourism services.

In terms of flight routes, the overseas destinations could subsidize for aviation companies, creating conditions for the arrival of Chinese tourists.

As for the food, Chinese cannot do without Chinese food, despite being eager to try Western and different cultures' foods for novelty or intellectual curiosity^[8]

Tourist shopping contributes positively to a destination's economy. This is also a valuable opportunity for destinations that wish to attract Chinese tourists. Chinese tourists have a fame of "looking for branded sights and attractions, as well as spending large sums of money on shopping". Therefore, European destination tourism managers could do more to make shopping more accessible to Chinese tourists.

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