

# **Chinese outbound tourism to South Africa: a strategic approach**

by

**LI YING**

A thesis submitted in partial fulfillment of the requirements for the degree  
PHILOSOPHIAE DOCTOR (HERITAGE AND CULTURAL TOURISM)

**in the Department of Historical and Heritage Studies at the**

**UNIVERSITY OF PRETORIA  
FACULTY OF HUMANITIES**

Supervisor: Professor Karen L. Harris

Co-supervisor: Professor Peet J. van Dyk

September 2015

# Contents

Contents .....	i
Acknowledgements .....	iv
Abstract.....	v
List of figures and tables .....	vi
List of appendices .....	vii
Abbreviations .....	viii
<b>Chapter One Introduction and select literature overview .....</b>	<b>1</b>
1. An overview of Chinese outbound tourism .....	5
1.1 Chinese outbound tourism in general.....	5
1.2 The ADS system.....	8
1.3 Factors that influenced Chinese outbound tourism.....	10
1.4 The barriers facing Chinese outbound tourism .....	12
1.5 The impacts and issues regarding Chinese outbound tourism .....	14
2. Travel characteristics of Chinese outbound tourists .....	16
2.1 The socio-demographics and trip-related characteristics.....	16
2.2 Motivation.....	18
3. Perception of destinations.....	19
3.1 Images and perceptions .....	19
3.2 Preferences, expectations, satisfaction and destination loyalty .....	23
4. Strategies in the Chinese outbound tourism market .....	26
4.1 The SWOT analysis .....	26
4.2 Marketing strategies in the Chinese outbound tourism market.....	27
5. Structure of the proposed research .....	32
<b>Chapter Two The development of Chinese outbound tourism.....</b>	<b>37</b>
1. Introduction .....	37
2. Evolution of Chinese outbound tourism.....	40
3. Factors that influenced Chinese outbound tourism .....	44

3.1 Economic growth .....	47
3.2 The modifications of tourism policies and regulations .....	49
3.3 The transformation of Chinese society .....	53
3.4 The change in Chinese consumption patterns .....	55
3.5 The revision of the holiday system .....	57
3.6 Barriers.....	58
4. Issues regarding Chinese outbound tourism.....	60
5. Conclusion .....	64
<b>Chapter Three Tourism strategy of South Africa .....</b>	<b>68</b>
1. Introduction .....	68
2. Strategy: definitions and theoretical frameworks .....	71
2.1 Military thinking .....	71
2.2 Business and management .....	72
2.3 Tourism .....	78
3. Tourism strategy in South Africa .....	85
3.1 The white paper.....	86
3.2 Tourism in GEAR .....	88
3.3 National tourism sector strategy .....	89
4. Global tourism strategy in South Africa .....	93
4.1 Tourism growth strategy .....	93
4.2 The global competitiveness project.....	99
5. Conclusion .....	100
<b>Chapter Four Chinese outbound tourism to South Africa .....</b>	<b>104</b>
1. Introduction .....	104
2. Methodology of research .....	104
2.1 Design of the questionnaire.....	104
2.2 Survey .....	105
2.3 Statistical methods: factor analysis .....	106
3. Results of the survey .....	107
3.1 The socio-demographic characteristics .....	107

3.2 The characteristics of the trip to South Africa .....	108
3.3 Perception of South Africa as a tourism destination .....	108
4. Trends in Chinese outbound tourism .....	112
4.1 Gender, age groups, family size and educational level .....	112
4.2 Regional distribution and income .....	113
4.3 Major characteristics of Chinese tourists .....	114
5. Conclusion .....	114
6. Limitations of the study .....	116
<b>Chapter Five Chinese outbound tourism: South Africa and Australia compared ...</b>	<b>118</b>
1. Introduction .....	118
2. The bilateral tourism cooperation .....	120
3. Understanding Chinese tourists .....	122
3.1 The socio-demographics of Chinese tourists .....	123
3.2 The travel characteristics of Chinese tourists .....	123
4. Understanding the Chinese tourism market .....	125
4.1 A SWOT analysis of South Africa and Australia .....	125
4.2 Segmentation of Chinese tourists .....	130
4.3 Selection of the target markets .....	131
5. Marketing strategies of Australia and South Africa .....	133
5.1 The development of tourism experiences .....	133
5.2 The improvement of perception .....	135
5.3 The promotion of accessibility .....	138
6. Conclusion .....	139
<b>Chapter Six Conclusion and future prospects .....</b>	<b>142</b>
Appendices .....	151
Bibliography .....	174
Declaration .....	189

## Acknowledgements

I am deeply and especially grateful to my supervisor Professor Karen Leigh Harris for her guidance in my research on Chinese outbound tourism to South Africa. Her painstaking and meticulous correction of the individual chapters, as well as her contribution to the development and improvement of my thesis from an initial conception to the final completion is much appreciated. I am also grateful to her for her continuous encouragement, patience and love on my arduous and long walk to my doctorate against many odds.

I also sincerely appreciate my co-supervisor Professor Peet Johannes van Dyk for his assistance with quantitative analysis, his guidance in the statistical analysis for an empirical survey on Chinese tourists to South Africa, as well as his comments, encouragement and support.

I would like to acknowledge Bashni Muthaya (the former manager of the Strategic Research Unit of South African Tourism) and Sandile Mkhungo (a research assistant of Strategic Research Unit of South African Tourism) for their efficiency and for providing me with information on Chinese tourists to South Africa; Xiangfeng Liu (a professor at the Liaoning Technical University, China) for providing me with information in Chinese; Zhiling Ren (an associate professor at the Liaoning Technical University, China) and Tiemin Mei (a professor at the Shengyang Ligong University, China) for their assistance with forecasting the trends of tourism in both China and South Africa. I also extend my thanks to all the Chinese tourist guides in South Africa, such as Guiming Shi, Bin Zhang and Huiling Zhong, for their support in the survey on Chinese tourists to South Africa.

I would also like to acknowledge the University of Pretoria and the University of South Africa for their financial support for my doctorate studies on Chinese outbound tourism to South Africa.

I am deeply indebted to my family, as well as my friends in both China and South Africa for their support and encouragement, particularly through difficult times. I thank them for their understanding, tolerance and patience during my long absence in their lives.

My special thanks also go to ALL those who supported me in my working and studying in South Africa over the past decade. It is their generous support that inspired and will inspire me to survive South Africa, a rainbow nation. All my achievements attributed and will attribute to these giants on whose shoulders I always stand during my long walk to success, forever!

## Abstract

China and South Africa are currently two major developing countries that have undergone radical socio-economic development since the reform and opening up of China in 1978 and the founding of the new democratic dispensation in South Africa in 1994 respectively. Both have experienced dramatic changes in terms of their tourism development, as well as their relationships. In the light of this, this study is concerned with Chinese outbound tourism to South Africa within the context of a strategic approach. The study focuses on the strategies that South Africa has and could implement to develop this market of over 1.3 billion people. Using strategy theories from a wide range of disciplines, such as military thinking, business, management and tourism, it compiles a proposed framework for the process of tourism and marketing strategies to address this issue. This framework, which is comprised of strategy formulation, strategy implementation and strategy feedback, is used to assess the tourism strategies of South Africa after 1994. It also considers the marketing strategies in the global tourism market, focusing particularly on the Chinese outbound tourism market to South Africa. The study conducts a SWOT analysis of tourism in South Africa to China, with reference to Chinese outbound tourism to Australia so as to identify the gaps prevalent in the South African development of this market. In addition, the results obtained from an empirical survey on Chinese tourists to South Africa not only underscore a new concept of “strategy feedback” proposed in this study, but provide a SWOT analysis of tourism in South Africa to better understand Chinese tourists, thereby establishing South Africa as a preferred tourism destination in the Chinese tourism market. Moreover, it provides suggestions for South Africa to develop the Chinese outbound tourism sector, which could also serve other developing countries in Africa.

Key words: China, South Africa, Australia, tourism in China, tourism in South Africa, Chinese outbound tourism, strategy theory

## List of figures and tables

### Figures

Figure 2.1 International visitor arrivals and tourism receipts of China 1978-2014 .....	38
Figure 2.2 Domestic tourist arrivals and tourism receipts of China 1985-2014 .....	39
Figure 2.3 Chinese outbound travellers and tourism expenditure 1997-2014 .....	40
Figure 2.4 Three phases of Chinese outbound tourism 1983-the present .....	42
Figure 2.5 Chinese outbound tourism and major economic factors 1997-2015 .....	49
Figure 3.1 International arrivals and tourism receipts of South Africa 1994-2014 .....	70
Figure 3.2 Andrews' framework of corporate strategy .....	74
Figure 3.3 Porter's framework of competitive strategy formulation .....	75
Figure 3.4 Barney and Hesterly's framework of competitive strategy .....	76
Figure 3.5 Macmillan and Tampoe's model of strategic management .....	78
Figure 3.6 Health and Wall's framework for tourism marketing planning .....	79
Figure 3.7 Tribe's framework of strategy for tourism .....	81
Figure 3.8 Moutinho's framework of tourism strategic planning process .....	83
Figure 3.9 Evans' framework of tourism strategic process .....	84
Figure 3.10 A framework for tourism strategy in South Africa .....	85
Figure 3.11 Mandate, objectives and actions of South Africa Tourism .....	94
Figure 3.12 The strategies for the tourist source countries of South Africa .....	97
Figure 4.1 A feedback framework of tourism strategy of South Africa .....	115
Figure 5.1 Chinese arrivals to Australia (1999-2014) and South Africa (1998-2014) .....	120
Figure 5.2 Chinese outbound tourism in the tourism industry cycle .....	126
Figure 5.3 Tourism marketing strategy of South Africa and Australia .....	141
Figure 6.1 Chinese outbound travellers and tourism expenditure 1997-2020 .....	144
Figure 6.2 International arrivals and tourism receipts to South Africa 1994-2020 .....	145
Figure 6.3 Chinese arrivals to South Africa 1998-2020 .....	148

### Tables

Table 2.1 Top ten tourism destinations in the world in 2020 .....	67
Table 2.2 Top ten tourism generating countries and areas in the world 2020 .....	67
Table 3.1 The strategic objectives in the NTSS .....	90
Table 3.2 The specific objectives of tourism in South Africa 2010-2020 .....	90
Table 4.1 General satisfaction of the trip to South Africa .....	110
Table 4.2 A comparison in gender, age groups, family size and educational level .....	112
Table 5.1 Tourism product structure of South Africa and its competitors .....	128

## List of appendices

Appendix 1.1 A comprehensive framework of tourism strategy and marketing strategy .....	151
Appendix 2.1 Dai's framework concerning factors influencing the Chinese outbound tourism market .....	152
Appendix 2.2 A framework concerning major factors that influenced Chinese outbound tourism .....	153
Appendix 2.3 Countries and areas with ADS 1983-2014.....	154
Appendix 3.1 Bécherel's framework of tourism strategy and marketing planning .....	155
Appendix 3.2 A SWOT analysis of Tourism in GEAR.....	156
Appendix 3.3 The strategic clusters and thrusts in the NTSS.....	157
Appendix 3.4 Strategic questions in the tourism growth strategy .....	158
Appendix 3.5 Strategic choice of the international tourism market .....	159
Appendix 3.6 The first review of the international tourism market.....	160
Appendix 3.7 The fourth review of the international tourism market .....	161
Appendix 4.1 Measurement levels of the variables in the survey .....	162
Appendix 4.2 Anonymous questionnaire: Chinese tourists to South Africa (English) .....	163
Appendix 4.3 Anonymous questionnaire: Chinese tourists to South Africa (Chinese) .....	167
Appendix 4.4 The Chinese tourists by originating areas .....	171
Appendix 4.5 The top ten originating areas of the Chinese tourists .....	171
Appendix 4.6 General perception of South Africa as a destination .....	172
Appendix 5.1 The tourism markets of Australia in China 1999 -2014.....	173

## Abbreviations

ADS	Approved Destination Status
BEE	Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CCP	Chinese Communist Party
CIBTM	China Incentive, Business Travel and Meetings
CITM	China International Travel Mart
CNTA	China National Tourism Administration
C-PEST	Competition, Politics, Economy, Socio-culture and Technology
CTC	Canadian Tourism Commission
DA	Destination Attachment
DEAT	Department of Environmental Affairs and Tourism
DIC	Department of Immigration and Citizenship
DIMA	Department of Immigration and Multicultural Affairs
DITR	Department of Industry, Tourism and Resources
DPRK	Democratic People's Republic of Korea (North Korea)
DRET	Department of Resources, Energy and Tourism
DTI	Department of Trade and Industry
ETC	European Travel Commission
EU	European Union
GCP	Global Competitiveness Project
GCS	Global Competitiveness Study
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
HNWI	High Net Worth Individual
IPK	International Prototype Kilogram
KMO	Kaiser-Meyer-Olkin
MPS	Ministry of Public Security
NBSC	National Bureau of Statistics of China
NDT	National Department of Tourism
NSSA	Next Stop South Africa
NTSS	National Tourism Sector Strategy

PRC	People's Republic of China
RDP	Reconstruction and Development Programme
RMB	Renminbi (¥)
RSA	Republic of South Africa
SAA	South African Airways
SADC	Southern African Development Community
SAFE	State Administration of Foreign Exchange
SAT	South African Tourism
SATOUR	South African Tourism Board
SMME	Small, Medium and Micro-enterprise
SMT	Singapore, Malaysia and Thailand
ZAR	South African Rand
SPSS	Statistical Packages of Social Sciences
SSA	Statistics South Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Tourism Australia
TFC	Tourism Forecasting Committee
TGS	Tourism Growth Strategy
TRCCASS	Tourism Research Centre of Chinese Academy of Social Sciences
UK	United Kingdom
UNWTO	United Nations World Tourism Organization
USA	United States of America
VFR	Visiting Friends and Relatives
WEF	World Economic Forum
WOM	Word of Mouth
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

## Chapter One

### Introduction and select literature overview

Since the end of the twentieth century both China and South Africa, two major developing countries in the world, have experienced dramatic socio-economic progression. This occurred after the reform and opening up of China in 1978 and the founding of the new democratic dispensation in South Africa in 1994. The evolution of tourism in both of the countries is aligned with this developmental trend. According to the United Nations World Tourism Organization (UNWTO), over the past three decades, China has risen to be one of the top ten countries in the global tourism market in terms of international and domestic arrivals and receipts, as well as outbound travellers and their expenditure.<sup>1</sup> In the World Bank's research on tourism in Africa, over the past two decades, South Africa has become one of the most dominant countries in Africa as regards international arrivals and tourism receipts.<sup>2</sup> It is to this phenomenon that this thesis turns.

After 1978, tourism in China has been developing dramatically in parallel with the sustainable growth of the Chinese economy. According to the China National Tourism Administration (CNTA), the official tourism organization regulated by the State Council of China, international visitor arrivals in China increased from 1.8 million in 1978 to 128.5 million in 2014; domestic tourist arrivals from 200 million in 1984 to 3.6 billion in 2014; and outbound travellers from 5.3 million in 1997 to 116.6 million in 2014.<sup>3</sup> It was forecast by the UNWTO that, by the year 2020, China would be the top international tourist destination country with about 130 million international tourist arrivals and the fourth largest outbound tourism country with about 100 million outbound tourists.<sup>4</sup> In view of the current trends, outbound tourists from China have exceeded that target by the

---

<sup>1</sup> CNTA, Tourism statistics 1978-2014; National Bureau of Statistics of China (NBSC), The statistical communiqués of the People's Republic of China on national economic and social development 2000-2014; UNWTO, Tourism highlight, 2000-2015; UNWTO, *Chinese outbound travel to the Middle East and North Africa*, pp. xi, 1-4.

<sup>2</sup> The African Development Bank *et al.*, *Africa tourism monitor* 1(1), 2013, pp. 6-7, 9; I. Christie *et al.* (eds), *Tourism in Africa*, pp. xviii, 1-2, 5, 8, 43, 59.

<sup>3</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 3-5; NBSC, The statistical communiqués of the People's Republic of China on national economic and social development 2000-2014.

<sup>4</sup> UNWTO, *Tourism 2020 vision*, p. 5.

year 2014.<sup>5</sup> According to Liping A. Cai, “The world must reckon with the fact that the Chinese tourists are coming and [are] here to stay in greater and greater numbers”.<sup>6</sup>

With the remarkable growth of Chinese outbound tourism in recent years, as well as the deepening of the relations between China and South Africa after 1998, Chinese outbound tourism to South Africa has experienced an unprecedented growth.<sup>7</sup> From 1998 to 2014, Chinese arrivals to South Africa increased from 11 755 to 91 297. In 2012, China became the fourth largest tourist source country of the country with 90747 tourist arrivals.<sup>8</sup> Given this situation, the question arises as to what strategy has and will the South African government and the tourism sector take to develop this market with a population of 1.3 billion. Moreover, how will the government market South Africa as a preferred destination of Chinese tourists? These issues are the focus of this study entitled “Chinese outbound tourism to South Africa: a strategic approach”.

This study reviews Chinese outbound tourism in terms of economic growth; the modification of tourism policies and regulations; the transformation of Chinese society; the change in Chinese consumption patterns; and the revision of the holiday system. It integrates the strategy theories utilized in military thinking, business, management and tourism and applies them to the practices of tourism in China and South Africa so as to establish a framework for the process of tourism and marketing strategies (Appendix 1.1). This tiered framework is comprised of strategy formulation, strategy implementation and strategy feedback. It is used to assess the strategies of tourism and marketing of South Africa adopted in the global tourism market, focusing particularly on the Chinese outbound tourism market to South Africa. The study also focuses on the analysis of the data obtained from an empirical survey on Chinese tourists to South Africa to better understand the Chinese tourist. This will possibly contribute to establishing South Africa as a preferred destination in the Chinese tourism market, thereby contributing to the vision of making South Africa “a Top 20 tourism destination in the world by 2020” . This is the

---

<sup>5</sup> NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2014, 2015-02-26.

<sup>6</sup> B. O’Reilly, How to create good Chinese tourists, *ChinaOutlook*, 2014-12-30.

<sup>7</sup> The Department of Environmental Affairs and Tourism (DEAT), Off to China to sign a MOU for ADS, 2002-11-13; G. Liu, A message from ambassador, *Star*, 2003-10-01, p. 15; Z. Li, Building on past success and working together for a better tomorrow, in *People’s Daily*, Celebrating ten years of freedom in South Africa and the South Africa-China partnership, pp. 4, 6.

<sup>8</sup> The data was provided by South African Tourism (SAT), the national tourism organization under the jurisdiction of the National Department of Tourism (NDT) of South Africa.

aim set up in the “National tourism sector strategy” (NTSS).<sup>9</sup> The results of the survey not only provide a strength, weakness, opportunity and threat (SWOT) analysis of tourism in South Africa, but underscore a new concept of the “strategy feedback” proposed for the first time in this study. It also compares Chinese outbound tourism to both South Africa and Australia to identify the gaps within South Africa in the development of this market. The study considers the impacts of tourism on the socio-economic development of South Africa in terms of the growth of gross domestic product (GDP), job creation and transformation and empowerment of South African society. It also forecasts the trends in the development of Chinese outbound tourism from the perspectives of tourism in China, South Africa, as well as globally so as to speculate about the possible trends to the year 2020.

In the light of the phenomenal development of Chinese outbound tourism, this chapter introduces the scope of this study and its major concerns. It also presents an overview of a selection of the emerging literature on this topic.

The rapid development of tourism in China, particularly Chinese outbound tourism, has attracted the interests of a large succession of tourism scholars, economists, tourism institutions and practitioners all over the world. They have provided a kaleidoscope of research on this topic which highlighted the importance of Chinese outbound tourism in the global and local tourism markets. In a large number of studies that have been undertaken, Yingzhi Guo<sup>10</sup> and her co-authors focused the research on Chinese outbound tourism on four key aspects: the developmental characteristics; the factors that influenced Chinese outbound tourism; behaviour models; and marketing strategies.<sup>11</sup> In a meta-review, Cai and his co-authors divided the research on the Chinese outbound tourism market into three main streams: market overview; destination specific based on secondary data; and destination specific based on primary consumer data. The first stream examined the determinants, characteristics and trends of Chinese outbound travel with a focus on selected countries or areas. The second was related to the characteristics of Chinese tourists in specific markets. The third was about the segments or psychology of the

---

<sup>9</sup> NDT, NTSS, pp. ii, 9.

<sup>10</sup> For the purpose of this study, the Western method of writing a name and surname has been followed. This is also the case in the bibliography.

<sup>11</sup> Y. Guo *et al.*, Development characteristics and implications of Mainland Chinese outbound tourism, *Asia Pacific journal of tourism research* 12(4), 2007, p. 314.

Chinese outbound market to specific destinations.<sup>12</sup> Byron Keating and Anton Kriz, based on a framework of destination image and choice, reviewed the academic literature on Chinese outbound tourism in terms of push and pull factors, as well as internal and external moderators to explore the main issues on destination selection of Chinese outbound tourists.<sup>13</sup> Dongkoo Yun and Marion Joppe also researched the studies on Chinese outbound tourism in terms of tourist characteristics, including travel purposes; motivations; cultural values and differences; shopping behaviour; attitudes and information sources, as well as destinations concerning perceptions, images, expectations, satisfaction, preferences and marketing.<sup>14</sup>

In 2014, Tony S. M. Tse reviewed the research on Chinese outbound tourism to identify the main areas of research interest; analyze how they were related in terms of tourism framework; evaluate the research fields; and explore future perspectives. Like Yun, he found that the research on Chinese outbound tourism was mainly related to both destinations and the tourist source market (China). As regards destinations, the research focused on profiling tourists visiting a destination; understanding the image of a destination; and gauging visitor satisfaction with a destination. As to the tourist source market, the research focused on how the macro-environment, including values; rules and regulations; culture; and policy and politics, shaped tourist flows to various destinations. He concluded that future Chinese outbound tourism research would be concerned with the source market in which the tourist flows were located; the social impacts of Chinese outbound tourism on its own people and destinations; and the legal and ethical aspects in the context of Chinese outbound tourism.<sup>15</sup>

Based on the above encompassing research by eminent scholars from across the globe, this literature review will consider Chinese outbound tourism in four major categories: an overview of Chinese outbound tourism; travel characteristics of Chinese outbound tourists; perception of a destination; and marketing strategies of destinations. Given the vastness of

---

<sup>12</sup> L. A. Cai *et al.*, Research on China outbound market, *Journal of hospitality & leisure marketing* 16(1-2), 2008, pp. 5-20.

<sup>13</sup> B. Keating and A. Kriz, Outbound tourism from China, *Journal of hospitality and tourism management* 15(1), 2008, pp. 32-41.

<sup>14</sup> D. Yun and M. Joppe, Chinese perceptions of seven long-haul holiday destinations, *Journal of China tourism research* 7(4), 2011, p. 464.

<sup>15</sup> T. S. M. Tse, A review of Chinese outbound tourism research and the way forward, *Journal of China tourism research*, 2014, pp. 1-18.

the literature generated, this literature overview is as indicated selective by nature, and therefore considers only those aspects pertinent to this study.

## **1. An overview of Chinese outbound tourism**

### **1.1 Chinese outbound tourism in general**

As indicated, various tourism scholars and institutions have conducted their research on Chinese outbound tourism from various perspectives and with various focuses. As early as 1999, Guangwei He and his research team outlined the development of Chinese outbound tourism in a chapter of a book entitled *The tourism industry of China in fifty years*. This chapter dealt with the evolution of Chinese outbound tourism, its developmental levels, its market characteristics, the emergence of authorized travel agencies and policy administration and management.<sup>16</sup> It was in essence an overview of the major developments in this sector for a five-decade period. From a more qualitative point of view, Guangrui Zhang analyzed the current situation and the future trends of Chinese outbound tourism in the chapters of a series of green papers as regards the development of tourism in China after 2001.<sup>17</sup> This presented information that reflected on the rapid growth that persisted within the tourism sector.

Between 2003 and 2006, Jiang Du and Bin Dai, together with their research fellows, reviewed Chinese outbound tourism in a fairly comprehensive manner. This was done from the perspective of the tourism industry and included market evolution, market environment, tourism industry operation, as well as a specific focus on four major tourist generating areas: Beijing, Shanghai, Guangzhou and Chongqing. They compared the consumption behaviours of Chinese and Western tourists, concluding that culture was the main factor that determined the consumption behaviours of these two groups of tourists. They also considered the impacts of Chinese outbound tourism on the socio-economy of China and speculated about its developmental trends for the future. Finally, they provided

---

<sup>16</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5.

<sup>17</sup> G. Zhang, China's outbound tourism, in G. Zhang *et al.* (eds), *China's tourism development analysis and forecast 2001-2013*.

a number of recommendations to the Chinese government and the tourism industry in China.<sup>18</sup>

After 2007, Dai and his fellow researchers further explored the market environment of Chinese outbound tourism, as well as various relevant destination countries and areas that had emerged. The research also included the characteristics of consumption among the Chinese tourists in major destination countries and areas with approved destination status (ADS), such as Hong Kong, Macao, Taiwan, Japan, the United States of America (USA), Australia and South Africa.<sup>19</sup> They extended the tourist source markets in China from the above mentioned four metropolises and provinces to four regional markets, namely north China, east China, south China and southwest China. They also examined the economic growth and living standards of the people in these regions, as well as the respective development of outbound tourism and the aero industry.<sup>20</sup> This extended focus provided important information for the destination countries and areas to enable them to market themselves in a wider region in the context of Chinese outbound tourism.

From the perspective of the policies to be adopted as regards Chinese outbound tourism, Dai and his co-authors also considered the development in terms of four major aspects. They concluded firstly that the regional disparities resulted in unbalanced tourist distribution. The eastern region had a large capacity of generating Chinese outbound tourists due to its rapid economic growth, while this capacity was relatively smaller in central and western regions. Secondly, nearly seventy percent of Chinese outbound tourists tended to travel to short-haul destinations, such as Hong Kong, Macao and Taiwan. As a result, their travel behaviours were similar to those in domestic travel. Thirdly, according to a large population base of 1.3 billion of China, Chinese outbound tourism had a low rate of travel compared with some developed or developing countries in the world. Lastly, Chinese tourists tended to focus on shopping instead of their cultural experiences. They also concluded that, given the current trends of socio-economic development of China, Chinese outbound tourism was in a preliminary stage of development. They

---

<sup>18</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*; J. Du and B. Dai, *Annual report of China outbound tourism development 2006*.

<sup>19</sup> B. Dai *et al.*, *Annual report of China outbound tourism development 2007 & 2008*; B. Dai *et al.*, *Annual report of China outbound tourism development 2009-2010*; B. Dai *et al.*, *Annual report of China outbound tourism development 2011*; B. Dai *et al.*, *Annual report of China outbound tourism development 2012*; B. Dai *et al.*, *Annual report of China outbound tourism development 2013*.

<sup>20</sup> B. Dai *et al.*, *Annual report of China outbound tourism development 2009-2010*, pp. 121-90.

recommended that orderly guidance and discretionary market policies should therefore be adopted in this market.<sup>21</sup>

By the start of the twenty-first century, Chinese outbound tourism had become such a global phenomenon that the UNWTO conducted a range of research on the topic. In 2003, the UNWTO published its first official report in this field: *Chinese outbound tourism*. The publication focused on its development; policies, particularly the ADS system; Chinese outbound tourists; tourist source regions of China; and destination countries and areas.<sup>22</sup> In 2008, the UNWTO and the European Travel Commission (ETC) focused further research on the Chinese outbound tourism market within the context of Europe to identify the image of Europe as a destination of Chinese tourists, monitor the market and forecast future trends.<sup>23</sup> In 2010, the UNWTO turned its focus on African destinations for developing regional promotion and a marketing strategy in the Chinese outbound tourism market.<sup>24</sup> More recently, the UNWTO produced a study focusing specifically on Chinese outbound travel to the Middle East and North Africa. This was to identify the potential of Chinese outbound tourism in these regions. It considered how the countries and the tourism industry have developed an effective regional strategy to address the Chinese outbound tourism market, meet the specific needs of this market and enhance their attractiveness and competitiveness. This volume thus highlighted the importance of understanding the characteristics and trends of the Chinese outbound tourism market; the patterns of consumption and demand among Chinese travellers; and a solid knowledge base about the profile of outbound travellers from different source regions of China.<sup>25</sup> This international publication in itself is an indication of the global importance of this specific market.

In 2006, Wolfgang Georg Arlt published a monograph entitled *China's outbound tourism*. This was apparently the first Western book on Chinese outbound tourism by a single author. Based on a multitude of sources from China and elsewhere, he comprehensively explored Chinese outbound tourism by looking at such aspects as economics, political

---

<sup>21</sup> B. Dai *et al.*, Stage characteristics and policy choice of China's outbound tourism development, *Tourism tribune* 28(1), 2013, pp. 39-45.

<sup>22</sup> UNWTO, *Chinese outbound tourism*.

<sup>23</sup> UNWTO and ETC, *The Chinese outbound travel market with special insight into the image of Europe as a destination*.

<sup>24</sup> UNWTO, *Study on Chinese outbound travel to Africa*.

<sup>25</sup> UNWTO, *Chinese outbound travel to the Middle East and North Africa*.

sciences, sociology and cross-cultural studies to predict its developmental trends and provide information on major destination countries and areas.<sup>26</sup> In the same year, I reviewed the development of tourism both in China after 1978 and South Africa after 1994 in the historical context of the relations between China and South Africa; the Chinese in South Africa; and South Africa as an international tourism destination. In this study, a framework of destination attractiveness was set up to assess South Africa as a preferred destination based on its primary attractiveness including natural and cultural resources; secondary attractiveness concerning tourism facilities; and tertiary attractiveness regarding the promotion by South Africa. However, Chinese outbound tourism to South Africa was only considered as a part of the development of tourism in China and South Africa in general.<sup>27</sup> Two years later, Noreen Breakey and her co-authors produced an article which compared the growth of outbound tourism between Japan and China in the context of tourism to Australia. They discussed various trends and indicated that in order to sustain the development of Chinese inbound tourism within Australia, positive host-visitor relations should be developed and maintained.<sup>28</sup>

Chinese outbound tourism is thus a growing field of research as more scholars within China and beyond consider specific aspects thereof. Using the seminal work of these tourism scholars, the following key aspects of this topic will be focused on for the purpose of this study: the ADS system; factors that influenced Chinese outbound tourism; its barriers; its impacts; and other issues related to Chinese outbound tourism.

## 1.2 The ADS system

One of the key aspects that have attracted research attention is the ADS system. This can be defined as a unique system based on a bilateral tourism agreement whereby a government, which obtains the approved destination status from China, allows Chinese tourists to travel at their own expense to its territories for leisure or other purposes in groups or in all-inclusive package tours.<sup>29</sup> After its initiation in 1995, the ADS system has been an integral part of any consideration of Chinese outbound tourism.

---

<sup>26</sup> W. G. Arlt, *China's outbound tourism*.

<sup>27</sup> Y. Li, *The development of Chinese tourism to South Africa*, MA thesis, University of Pretoria, 2006.

<sup>28</sup> N. Breakey *et al.*, Impact of Chinese outbound tourism to Australia, *Current issues in tourism* 11(6), 2008, pp. 587- 603.

<sup>29</sup> UNWTO, *Chinese outbound tourism*, pp. 34-5.

Véronique Verhelst researched the probability of an ADS agreement between China and the Schengen areas, focusing on the potential problems in terms of trade and immigration for the European Union (EU). She also examined the limitations of ADS regarding the tour operators of both sides, as well as the concept of group travel. From perspectives of market management and illegal immigration, she highlighted the positive and negative consequences of ADS for both China and destination countries.<sup>30</sup> As regards illegal immigration, it refers to the overstaying of the Chinese tourists who hold ADS visas in an organized tourist groups but do not return to China in the assigned period.<sup>31</sup> In a similar view, Jon Grenke examined the ADS scheme in New Zealand and Australia and found that neither New Zealand nor Australia experienced this challenge, whereas Verhelst perceived it as a potential problem within Europe.<sup>32</sup>

Shawn Arita and his co-authors first considered the economic impacts of ADS on Chinese outbound travel according to Chinese arrivals.<sup>33</sup> They then assessed the impacts based on a model of consumer demand and a series of econometric frameworks.<sup>34</sup> They further explored the positive and negative impacts from the perspectives of a liberalizing and restricting nature. They finally confirmed four major positive impacts that ADS produced: increasing Chinese tourist arrivals; minimizing the outflow of foreign currency; preventing illegal immigration; and strengthening the relations between China and the countries with ADS. However, they argued that ADS restricted the opportunities of Chinese tourists to travel to destinations they preferred due to the determinant preferential policy of the Chinese government.<sup>35</sup> In addition, Joern Herrmann and Allison Dan also focused on the advantages and disadvantages of ADS for both Australia and China. In their research, the advantages were specified as providing economic benefits; preventing the exploitation of Chinese tourists; avoiding illegal immigration; and enhancing diplomatic relations. The disadvantages were related to the unethical practices within the tourism industry of

---

<sup>30</sup> V. Verhelst, *Study of the outbound tourism industry of the People's Republic of China*, MA thesis, Katholieke Universiteit, 2003.

<sup>31</sup> W. G. Arlt, *China's outbound tourism*, pp. 42-3, 221; J. Grenke, *Approved destination status*, MA thesis, Simon Fraser University, 2006, p. iii.

<sup>32</sup> J. Grenke, *Approved destination status*, MA thesis, Simon Fraser University, 2006.

<sup>33</sup> S. Arita *et al.*, Impact of approved destination status on Chinese travel abroad, *Tourism economics* 17(5), 2011, pp. 983-96.

<sup>34</sup> S. Arita *et al.*, How big? Working paper No. 2012-3, 2012.

<sup>35</sup> S. Arita *et al.*, How China's approved destination status policy spurs and hinders Chinese travel abroad, Working paper No. 2012-6, 2012.

Australia, as well as the restrictions on free movement for Chinese tourists, which was regarded as a breach of international human rights.<sup>36</sup>

### 1.3 Factors that influenced Chinese outbound tourism

Most of the writing on the factors that influenced Chinese outbound tourism agreed that two major aspects stimulated this. One was the economic growth in terms of the GDP, particularly the increase of disposable income among Chinese nationals. The other was the relaxation of policies and regulations by the Chinese government.<sup>37</sup> As early as 1994, Murray Bailey referred to two essential factors that determined outbound tourism: the ability to travel in terms of income levels (economy) and the permission to do so (politics).<sup>38</sup> Pui Phin Chai agreed with this view but added the consideration of air capacity.<sup>39</sup> Hanqin Qiu Zhang and Vincent C. S. Heung also cited the two essential factors determining Chinese outbound tourism as being adequate income to be able to afford international travel (economy) and official permission to do so (politics).<sup>40</sup> In addition, some tourism scholars and institutions believed that the growth of Chinese outbound travel could be attributed to the increase of leisure time owing to the revision of the holiday system of China.<sup>41</sup> Moreover, they claimed that the emergence of the

---

<sup>36</sup> J. Herrmann and A. Dang, The China-Australia approved destination status scheme, *Queensland law student review* 2(2), 2009, pp. 109-24.

<sup>37</sup> Y. Wang and P. J. Sheldon, The sleeping dragon awakes, *Journal of travel & tourism marketing* 4(4), 1995, pp. 41-54; P. P. Chai, China's economy and tourism to Australia, a paper presented at the International Conference on China and the Asia Pacific Economy, 1996; H. Qu and I. Li, The characteristics and satisfaction of Mainland Chinese visitors to Hong Kong, *Journal of travel research* 35(4), 1997, p. 37; H. Qiu Zhang and V. C. S. Heung, The emergence of the Mainland Chinese outbound travel market and its implications for tourism marketing, *Journal of vacation marketing* 8(1), 2001, pp. 8-9; The Canadian Tourism Commission (CTC), Research on the Chinese outbound travel market report, p. 8; CTC, Travel trade research in China, pp. 15-6; UNWTO, *Chinese outbound tourism*, pp. 17, 29, 32-4; G. Zhang, China's outbound tourism, a paper at WTM-CHINACONTACT conference, 2006; Y. Guo *et al.*, Development characteristics and implications of Mainland Chinese outbound tourism, *Asia Pacific journal of tourism research* 12(4), 2007, pp. 322-4; L. A. Cai *et al.*, Research on China outbound market, *Journal of hospitality & leisure marketing* 16(1-2), 2008, pp. 6-8; N. Breakey *et al.*, Impact of Chinese outbound tourism to Australia, *Current issues in tourism* 11(6), 2008, pp. 594-5; UNWTO and ETC, *The Chinese outbound travel market with special insight into the image of Europe as a destination*, pp. xi-ii.

<sup>38</sup> M. Bailey, China outbound, *Travel & tourism analyst* 6, 1994, p. 19.

<sup>39</sup> P. P. Chai, China's economy and tourism to Australia, a paper presented at the International Conference on China and the Asia Pacific Economy, 1996.

<sup>40</sup> H. Qiu Zhang and V. C. S. Heung, The emergence of the Mainland Chinese outbound travel market and its implications for tourism marketing, *Journal of vacation marketing* 8(1), 2001, p. 9.

<sup>41</sup> G. Zhang, China's outbound tourism, a paper at WTM-CHINACONTACT conference, 2006; Y. Guo *et al.*, Development characteristics and implications of Mainland Chinese outbound tourism, *Asia Pacific journal of tourism research* 12(4), 2007, p. 326; L. A. Cai *et al.*, Research on China outbound market, *Journal of hospitality & leisure marketing* 16(1-2), 2008, p. 8; N. Breakey *et al.*, Impact of Chinese outbound tourism to Australia, *Current issues in tourism* 11(6), 2008, p. 594.

middle-upper class with increasing spending power was another important factor.<sup>42</sup> Furthermore, Zhang added other factors, such as the change of the consumption ideology of Chinese nationals and the improved international relationship, as well as external promotion.<sup>43</sup> The CTC proposed additional factors, such as the increased desire for outbound travel and the need to reduce costs.<sup>44</sup>

Some tourism scholars also considered these factors from a wider perspective. Du and Dai, for example, successively explored the macro and micro factors in terms of politics, economy, socio-cultural issues and the tourism industry. They finally concluded that the factors, such as politics and diplomacy; the economy; macro supervision and administration; market environment; aero transport; safety of destinations; social culture; and publicity and promotion, were the key determinants.<sup>45</sup> Tse and J. S. Perry Hobson analyzed the macro-environment that shaped Chinese outbound tourism in terms of competition, demographics, economy, technology, culture, nature and politics. They believed that the major forces were related to socio-economics and politics, namely, market-driven economy and state control.<sup>46</sup> Tse further explored these forces and pointed out that the interaction between the market economy and state control determined the socio-economic framework, and that this framework shaped the development of Chinese outbound tourism in terms of the trends and patterns of tourist flows.<sup>47</sup>

The factors that determine Chinese outbound tourism are an important aspect that continues to receive scholarly attention. Given the size of the market and the importance of these factors, this dimension will remain a relevant and contested field of study.

---

<sup>42</sup> Y. Wang and P. J. Sheldon, The sleeping dragon awakes, *Journal of travel & tourism marketing* 4(4), 1995, p. 41; P. P. Chai, China's economy and tourism to Australia, a paper presented at the International Conference on China and the Asia Pacific Economy, 1996, pp. 2-3; B. Keating and A. Kriz, Outbound tourism from China, *Journal of hospitality and tourism management* 15(1), 2008, p. 32; G. Li *et al.*, Comparing Mainland Chinese tourists' satisfaction with Hong Kong and the UK using tourist satisfaction index, *Journal of China tourism research* 8(4), 2012, p. 374; CTC, Research on the Chinese outbound travel market report, p. 8; CTC, Travel trade research in China, p. 16; UNWTO and ETC, *The Chinese outbound travel market with special insight into the image of Europe as a destination*, pp. xii, xvi.

<sup>43</sup> G. Zhang, China's outbound tourism, a paper at WTM-CHINACONTACT conference, 2006.

<sup>44</sup> CTC, Research on the Chinese outbound travel market report, pp. 8-9; CTC, Travel trade research in China, p. 17.

<sup>45</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 1-2, 28-42; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 15-32; J. Du and B. Dai, *Annual report of China outbound tourism development 2006*, pp. 13-30; B. Dai *et al.*, *Annual report of China outbound tourism development 2007 & 2008*, pp. 28-33.

<sup>46</sup> T. S. M. Tse and J. S. P. Hobson, The forces shaping China's outbound tourism, *Journal of China tourism research* 4(2), 2008, pp. 136-55.

<sup>47</sup> S. M. Tse, *Forces shaping the trends and patterns of China's outbound international tourist flows*, PhD thesis, Southern Cross University, 2009.

## 1.4 The barriers facing Chinese outbound tourism

Some tourism scholars and institutions have specifically examined the barriers that faced Chinese outbound tourism from the perspectives of China as a tourist source country; destination countries and areas; and travel characteristics.

As regards the barriers in the development of Chinese outbound tourism, Du and his co-authors identified the Chinese government policies and the level of income and consumption of Chinese nationals as the major concerns.<sup>48</sup> Li Zhou and his co-authors believed that the major impediment was the unpredictability of the political and economic environment.<sup>49</sup> Chai concluded that administrative restrictions were the major constraints in Chinese outbound travel,<sup>50</sup> while Tse argued that policy and politics were the major barriers for the destinations that would like to develop the Chinese tourism market.<sup>51</sup>

As to the barriers from destination countries, firstly, obtaining a visa was recognized as one of the major problems in numerous studies on Chinese outbound tourism.<sup>52</sup> Secondly, crime and safety were identified as another deterrent.<sup>53</sup> This barrier was specified in the reports of the UNWTO,<sup>54</sup> SAT,<sup>55</sup> as well as other research on Chinese outbound tourism

---

<sup>48</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 25-6.

<sup>49</sup> L. Zhou *et al.*, The China outbound market, *Journal of vacation marketing* 4(2), 1998, pp. 110-1.

<sup>50</sup> P. P. Chai, China's economy and tourism to Australia, a paper presented at the International Conference on China and the Asia Pacific Economy, 1996, p. 2.

<sup>51</sup> T. S. M. Tse, Chinese outbound tourism as a form of diplomacy, *Tourism planning & development* 10(2), 2013, p. 149.

<sup>52</sup> Y. Wang and P. J. Sheldon, The sleeping dragon awakes, *Journal of travel & tourism marketing* 4(4), 1995, p. 41; L. Zhou *et al.*, The China outbound market, *Journal of vacation marketing* 4(2), 1998, p. 111; C. H. C. Hsu and T. Lam, Mainland Chinese travellers' motivations and barriers of visiting Hong Kong, *Journal of the academy of business and economics* 3, 2003; S. Huang and C. H. C. Hsu, Mainland Chinese residents' perceptions and motivations of visiting Hong Kong, *Asia Pacific journal of tourism research* 10(2), 2005, p. 202; B. Sparks and G. W. Pan, Chinese outbound tourists, *Tourism management* 30, 2009, pp. 485-6; M. Li *et al.*, Segmenting Chinese outbound tourists by perceived constraints, *Journal of travel & tourism marketing* 28(6), 2011, pp. 632, 640; N. de Sausmarez *et al.*, Chinese outbound tourism to the United Kingdom, *Journal of China tourism research* 8(3), 2012, pp. 268-83; CTC, Travel trade research in China, pp. 5-6, 8, 44, 47; C. Lai *et al.*, Chinese outbound tourists' perceived constraints to visiting the United States, *Tourism management* 37, 2013, pp.136-46.

<sup>53</sup> C. H. C. Hsu and T. Lam, Mainland Chinese travellers' motivations and barriers of visiting Hong Kong, *Journal of the academy of business and economics* 3, 2003; B. Sparks and G. W. Pan, Chinese outbound tourists, *Tourism management* 30, 2009, p. 486; C. Lai *et al.*, Chinese outbound tourists' perceived constraints to visiting the United States, *Tourism management* 37, 2013, pp.136-46.

<sup>54</sup> UNWTO, *Study on Chinese outbound travel to Africa*, p. x.

<sup>55</sup> SAT, Marketing South Africa in China 2004, pp. 58, 64, 67; SAT, Marketing South Africa in China 2007, pp. 69, 75, 102, 115; SAT, Marketing South Africa in China 2010, pp. 66, 69.

to South Africa.<sup>56</sup> Thirdly, health issues concerning HIV/AIDS were emphasized as an additional barrier for Africa, particularly South Africa.<sup>57</sup> Fourthly, the lower market awareness and little knowledge of Africa and South Africa, along with the negative publicity, constituted another obstacle.<sup>58</sup> Fifthly, as regards the barriers within the tourism industry of destinations, the CTC identified the shortage of flight capacity as a major barrier due to the airline industry not being able to keep pace with the rapid expansion of the market.<sup>59</sup> This was corroborated in the research of the UNWTO,<sup>60</sup> as well as my research on Chinese tourism to South Africa.<sup>61</sup> In addition, SAT singled out the high price of travel products in the long-haul travel as one of the major barriers for Chinese tourists with the intention of coming to South Africa.<sup>62</sup> Moreover, Brian King and his co-authors pointed out another barrier, namely the unethical practices in the Chinese outbound tourism market, in their case study of Australia. They assessed the range, nature and impacts of these practices.<sup>63</sup> As regards this, Roger March and his co-authors also identified the impacts of these practices, but further explored the causes and environment in which these practices occurred.<sup>64</sup>

As far as the barriers related to travel characteristics were concerned, language, along with other constraints, such as distance, cost and time, were considered as major constraints.<sup>65</sup>

---

<sup>56</sup> J. Wan, *An investigation of the factors that influence the decision-making of Chinese tourist travelling to South Africa*, MA thesis, Nelson Mandela Metropolitan University, 2005, pp. 45-6; L. Pei, *Perspectives of travel agencies with China with regards to promoting South Africa as a leisure tourist destination*, MA thesis, Cape Peninsula University of Technology, 2006, pp. iv-v, 66-7, 74, 79-80, 85-8; Y. Li, *The development of Chinese tourism to South Africa*, MA thesis, University of Pretoria, 2006, pp. 155, 191.

<sup>57</sup> UNWTO, *Study on Chinese outbound travel to Africa*, p. x; SAT, *Marketing South Africa in China 2004*, pp. 58, 64, 67; SAT, *Marketing South Africa in China 2007*, pp. 69, 75, 102, 115; SAT, *Marketing South Africa in China 2010*, pp. 66, 69.

<sup>58</sup> UNWTO, *Study on Chinese outbound travel to Africa*, p. x; SAT, *Marketing South Africa in China 2004*, pp. 9, 13; SAT, *Marketing South Africa in China 2007*, pp. 52, 56.

<sup>59</sup> CTC, *Travel trade research in China*, p. 6.

<sup>60</sup> UNWTO, *Study on Chinese outbound travel to Africa*, p. x.

<sup>61</sup> Y. Li, *The development of Chinese tourism to South Africa*, MA thesis, University of Pretoria, 2006, p. 192.

<sup>62</sup> SAT, *Marketing South Africa in China 2004*, p. 26; SAT, *Marketing South Africa in China 2007*, p. 33.

<sup>63</sup> B. King *et al.*, *An evaluation of unethical business practices in Australia's China inbound tourism market*, *International journal of tourism research* 8, 2006, pp. 127-42.

<sup>64</sup> R. March, *Towards a conceptualization of unethical marketing practices in tourism*, *Journal of travel & tourism marketing* 24(4), 2008, pp. 285-96.

<sup>65</sup> M. Li *et al.*, *Segmenting Chinese outbound tourists by perceived constraints*, *Journal of travel & tourism marketing* 28(6), 2011, p. 639; B. Sparks and G. W. Pan, *Chinese outbound tourists*, *Tourism management* 30, 2009, pp. 485-6, 491-2; W. Zhang, *The motivations, constraints and decision-making of Beijing outbound tourists*, PhD thesis, University of Waikato, 2009, p. 62; C. Lai *et al.*, *Chinese outbound tourists' perceived constraints to visiting the United States*, *Tourism management* 37, 2013, pp.136-46; M. A. Corigliano, *The outbound Chinese tourism to Italy*, *Journal of China tourism research* 7(4), 2011, pp. 396-410.

Beverley Sparks and Grace W. Pan added the exchange rate in their case,<sup>66</sup> while Songshan Huang and Cathy H. C. Hsu highlighted the barriers of travel information and how this impacted negatively on the outbound tourism market.<sup>67</sup> Chengting Lai and her co-authors emphasized barriers concerning past travel experiences and attractive alternatives,<sup>68</sup> while Magda Antonoli Corigliano specifically examined the barriers regarding tourist interests, expectations, behaviour, trip planning and travel groups.<sup>69</sup>

The scholarly concern with obstacles which hinder the Chinese outbound tourism market is significant. It can be argued that by addressing these issues the market can then reposition and further develop.

## 1.5 The impacts and issues regarding Chinese outbound tourism

As regards the impacts of Chinese outbound tourism, both the positive and negative impacts on the socio-economy of China were researched by Chinese tourism scholars. On the one hand, Du and Dai believed that Chinese outbound tourism contributed to the improvement of the tourism industry of China in overseas markets; increasing foreign currency reserve as a result of more business contacts; and the development of the tourism-related industry. They also confirmed that it strengthened the influence of China in the world, widened the vision of Chinese nationals and promoted bilateral exchange.<sup>70</sup> Zhang agreed with these ideas, but emphasized the positive impacts on social development of China.<sup>71</sup> From the perspectives of “soft power”<sup>72</sup> and diplomacy of China, Tse examined the positive political impacts of Chinese outbound tourism.<sup>73</sup>

---

<sup>66</sup> B. Sparks and G. W. Pan, Chinese outbound tourists, *Tourism management* 30, 2009, pp. 485-6, 491-2.

<sup>67</sup> S. Huang and C. H. C. Hsu, Mainland Chinese residents’ perceptions and motivations of visiting Hong Kong, *Asia Pacific journal of tourism research* 10(2), 2005, p. 201.

<sup>68</sup> C. Lai *et al.*, Chinese outbound tourists’ perceived constraints to visiting the United States, *Tourism management* 37, 2013, pp.136-46.

<sup>69</sup> M. A. Corigliano, The outbound Chinese tourism to Italy, *Journal of China tourism research* 7(4), 2011, pp. 396-410.

<sup>70</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 130-5, 138-40.

<sup>71</sup> G. Zhang, China’s outbound tourism, in G. Zhang *et al.* (eds), *China’s tourism development analysis and forecast 2002-2004*, pp. 89-91; G. Zhang, China’s outbound tourism, in G. Zhang *et al.* (eds), *China’s tourism development analysis and forecast 2004-2006*, pp. 76-7; G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, pp. 90-1.

<sup>72</sup> Comprehensive power of a country consists of hard and soft power. Hard power refers to basic resources, military resources, economic resources, science and technology, while soft power refers to cultural attraction, ideology and international institutions. See J. S. Nye, *Bound to lead*, pp. 174, 188.

<sup>73</sup> T. S. M. Tse, Chinese outbound tourism as a form of diplomacy, *Tourism planning & development* 10(2), 2013, pp. 149-58.

On the other hand, Du and Dai pointed out that Chinese outbound tourism transferred the purchasing power of Chinese nationals to the overseas markets; overshadowed the growth of inbound and domestic tourism as the tourism industry could obtain high profit in the Chinese outbound tourism market; and led to illegal transactions of foreign currency due to the restrictions on foreign currency.<sup>74</sup> Xuefeng Dai and his co-authors specifically considered the negative impacts of the rapid development of Chinese outbound tourism on the socio-economic development of China, particularly the macro-economy; international revenue and expenditure; and the harmony of society.<sup>75</sup>

Chinese outbound tourism as a new phenomenon in China after 1978 has given rise to many issues during its rapid growth over the past three decades. These issues were mainly concerned with its development and the expenditure of Chinese outbound tourists. Dai, from the perspective of the socio-economic development of China, focused on the “overdevelopment” of Chinese outbound tourism and the “overconsumption” of Chinese outbound tourists. He raised concerns about the outflow of foreign currency as a result of this overconsumption.<sup>76</sup> Responding to Dai’s point of view, Zhang explained the “overdevelopment” and the “overconsumption” in terms of “tourist” and “traveller;” first-time travel; and the Chinese custom of giving gifts. He pointed out the normal and reasonable nature of the “overflow” of foreign currency due to high overseas expenditure.<sup>77</sup> Du, Dai and Jun Yang regarded the high expenditure as being “superficially high”, but Yang proposed the idea of “busting and filling a vacancy” in terms of the development.<sup>78</sup> Lingyun Zhang and Chen Yang considered Dai’s concern pertaining to an “overflow” of foreign currency in terms of current foreign currency reserve of China and concluded that there was no problem in this regard.<sup>79</sup>

---

<sup>74</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 135-7, 140-1.

<sup>75</sup> X. Dai *et al.*, A report on Chinese outbound tourism, 2005; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, pp. 41-5.

<sup>76</sup> X. Dai *et al.*, A report on Chinese outbound tourism, 2005; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, pp.41-5.

<sup>77</sup> G. Zhang, China’s outbound tourism, in G. Zhang *et al.* (eds), *China’s tourism development analysis and forecast 2004-2006*, pp. 70-5; G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, pp. 87-92.

<sup>78</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 131-6; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 122-5; J. Yang, An analysis of overgrowth and over-consumption in China’s outbound travel and policy orientation, *Tourism tribune* 21(6), 2006, pp. 65-8.

<sup>79</sup> L. Zhang and C. Yang, From “giving prominence to foreign exchange earnings” to balance of payment, *Tourism tribune* 22(6), 2007, pp. 20-4.

In his recent study, Dai reemphasized his previous views on “overdevelopment” and “overconsumption” proposed in 2006, comparing Chinese outbound tourism with outbound tourism in such countries and areas as Japan, the Republic of Korea (South Korea) and Taiwan, which have similar culture with China. In addition to insisting on these views, Dai further attributed this phenomenon to the distinctive income gap between the wealthy and the poor in Chinese society. He then concluded the rapid increase of the wealthy was the main reason why Chinese outbound tourism was overdeveloped and Chinese tourists overconsumed.<sup>80</sup>

As with other issues related to Chinese outbound tourism there is a considerable degree of debate. The literature on Chinese outbound tourism encompasses numerous focal points and perspectives. It is a vibrant and developing field in the broader domain of tourism development.

## **2. Travel characteristics of Chinese outbound tourists**

The research produced on travel characteristics of Chinese outbound tourists is mainly concerned with socio-demographics and trip-related characteristics, with a considerable focus on travel motivation.

### **2.1 The socio-demographics and trip-related characteristics**

As is the case within the broader realm of tourism studies, many tourism scholars have focused their research on the travel characteristics of Chinese outbound tourists to specific destinations in terms of their socio-demographics. Cai and his co-authors compared Chinese travellers to Singapore, Malaysia and Thailand (SMT) with those to other Asia-Pacific destinations both within and outside the Asia-Pacific Region to identify the differences between these markets in the Chinese outbound tourism market. Findings indicated that the SMT Chinese outbound tourism market was different from the other two geographical segments in terms of socio-demographics and travel characteristics. These findings provided essential information for the SMT destinations to remain competitive in

---

<sup>80</sup> X. Dai, Advanced development of outbound tourism in China, *Tourism tribune* 27(1), 2012, pp. 9-16.

this market.<sup>81</sup> They also compared the Chinese travellers to the USA with those to Asia-Pacific countries and areas designated by the Chinese government as leisure travel destinations, as well as those to Japan/Western Europe. They found that these three markets were significantly differentiated from each other in terms of socio-demographics, but not as regards income. However, the differences between the US-bound and designated-destinations markets were more pronounced and substantial than those between the USA and Japan/Europe-bound travellers. As to travel characteristics, these three markets indicated similar visitation patterns to most attractions. They concluded that there were more similarities between the USA and Japan/Europe-bound Chinese travellers.<sup>82</sup>

Joanne Jung-Eun Yoo and her co-authors compared two groups of travellers with different cultural backgrounds: Chinese and Americans. They identified the differences between Chinese and American travellers to Hong Kong in terms of their trip characteristics as a result of both cultural and physical distance. They also found significant differences concerning the socio-demographics and trip characteristics of these two groups of travellers.<sup>83</sup> Jerome Agrusa and her co-authors identified the attitudinal and behavioural characteristics of Chinese tourists to Hawaii based on their socio-demographics. They found that these Chinese tourists were keen on sports, local cultures and high-end shopping, and they had a low level of complaints.<sup>84</sup> Xin Yu and Betty Weiler examined the Chinese travellers for holidaying to Australia based on their socio-demographics to identify their travel characteristics, lifestyles, and travel benefits sought when choosing Australia as a destination. Findings indicated that tour-based Chinese travellers were the mainstream sources of Chinese tourists to Australia.<sup>85</sup>

In addition, Cai and his co-authors compared the purposes of Chinese travellers to the USA in terms of business only, business and leisure, and leisure only. They found

---

<sup>81</sup> L. A. Cai *et al.*, The Chinese travellers to Singapore, Malaysia, and Thailand, *Asia Pacific journal of tourism research* 3(2), 1999, pp. 2-13.

<sup>82</sup> L. A. Cai *et al.*, Chinese travellers to the United States, *Journal of vacation marketing* 6(2), 2000, pp. 131-44.

<sup>83</sup> J. J. Yoo *et al.*, A cross-cultural comparison of trip characteristics, *Journal of travel & tourism marketing* 16(1), 2004, pp. 65-77.

<sup>84</sup> J. Agrusa *et al.*, Mainland Chinese tourists to Hawaii, *Journal of travel & tourism marketing* 28(3), 2011, pp. 261-78.

<sup>85</sup> X. Yu and B. Weiler, Mainland Chinese pleasure travellers to Australia, *Tourism culture & communication* 3(2), 2001, pp. 81-91.

differences among these three groups of travellers in term of their pre-trip preparation, trip characteristics and destination activities.<sup>86</sup> SooCheong Shawn Jang and his co-authors also compared the purposes of Chinese tourists to the USA between business and visiting friends and relatives (VFR). Their findings indicated significant differences between these two groups in terms of socio-demographics and travel characteristics.<sup>87</sup>

Moreover, from qualitative and quantitative perspectives, the CTC comprehensively examined the travel characteristics of Chinese travellers to Canada based on their socio-demographics. It was found that Canada was not a mature tourism market, but had a great potential in the Chinese outbound tourism market. This finding provided important information for Canada to fulfill its potential in this market.<sup>88</sup>

The research of these various tourism scholars and institutions indicated the importance of the socio-demographics of Chinese tourists in understanding Chinese tourists as regards their travel characteristics.

## 2.2 Motivation

Using various theories, tourism scholars and institutions have examined the motivations of Chinese outbound tourists generally, as well as a range of specific destinations. One of the most widely-used theories has been the framework of “pull and push” factors. Verhelst, from the perspective of the tourism industry, examined the motivation of Chinese outbound tourists in terms of internal and external forces and linked these forces with push factors and demand, as well as pull factors and supply respectively. She believed that the internal forces were related to the economic growth and politics of China, while the external ones dealt with the natural resources and promotion of destinations.<sup>89</sup> In addition, on the one hand, some tourism scholars identified push factors as enhancing the human relationships concerning families and friends; broadening one’s vision, knowledge and

---

<sup>86</sup> L. A. Cai *et al.*, Profiling the U.S.-bound Chinese travellers by purpose of trip, *Journal of hospitality & leisure marketing* 7(4), 2001, pp. 3-16.

<sup>87</sup> S. S. Jang *et al.*, Chinese travellers to the United States, *Tourism geographies* 5(1), 2003, pp. 87-108.

<sup>88</sup> CTC, Travel trade research in China, 2007; CTC, Consumer research in China, 2007.

<sup>89</sup> V. Verhelst, *Study of the outbound tourism industry of the People’s Republic of China*, MA thesis, Katholieke Universiteit, 2003.

experiences in different cultural contexts; and relaxation from their pressured daily lives.<sup>90</sup> On the other hand, they ascribed pull factors to natural and cultural tourism resources; destination-related attributes and its tourism industry, such as services, accommodation, shopping, accessibility, promotion and marketing.<sup>91</sup> Moreover, in their research on Hong Kong as a destination of Chinese tourists, Hsu and Terry Lam emphasized shopping as a major pull factor of Hong Kong.<sup>92</sup> Furthermore, safety in destinations was also considered as a major pull factor in some research work.<sup>93</sup>

It is evident in these various studies that the major motivations of Chinese tourists could be accredited to personal improvement through experiencing different cultures in travelling overseas, as well as the resource of destinations in terms of nature, culture and the tourism industry.

### 3. Perception of destinations

The assessment of various destinations has been the focus of much research work from the perspectives of image, perception and preference. Effects of expectation, satisfaction, word of mouth and repeat visit have also been the concern of some work.

#### 3.1 Images and perceptions

Tourism scholars have compared the images and perceptions of Chinese outbound tourists to major destinations. Hsu and Hanqun Song identified the images of Chinese tourists to

---

<sup>90</sup> W. Zhang, *The motivations, constraints and decision-making of Beijing outbound tourists*, PhD thesis, University of Waikato, 2009, p. 146; H. Qiu Zhang and T. Lam, An analysis of Mainland Chinese visitors' motivations to visit Hong Kong, *Tourism management* 20(5), 1999, pp. 587-94; M. Li, *Modeling the travel motivation of Mainland Chinese outbound tourists*, PhD thesis, Purdue University, 2007, pp. ix, 54, 96, 98; Z. Lu, The study of Chinese tourists' motivations to Canada, *Journal of China tourism research* 7(4), 2011, pp. 345-54; S. Huang and C. H. C. Hsu, Mainland Chinese residents' perceptions and motivations of visiting Hong Kong, *Asia Pacific journal of tourism research* 10(2), 2005, pp. 191-205; L. Zhang, *The UK as a destination choice for Chinese tourists*, MA thesis, University of Nottingham, 2006, p. 3; CTC, Research on the Chinese outbound travel market report, p. 2.

<sup>91</sup> W. Zhang, *The motivations, constraints and decision-making of Beijing outbound tourists*, PhD thesis, University of Waikato, 2009, p. 146; H. Qiu Zhang and T. Lam, An analysis of Mainland Chinese visitors' motivations to visit Hong Kong, *Tourism management* 20(5), 1999, pp. 587-94; Z. Lu, The study of Chinese tourists' motivations to Canada, *Journal of China tourism research* 7(4), 2011, pp. 345-54.

<sup>92</sup> C. H. C. Hsu and T. Lam, Mainland Chinese travellers' motivations and barriers of visiting Hong Kong, *Journal of the academy of business and economics*, 2003.

<sup>93</sup> W. Zhang, *The motivations, constraints and decision-making of Beijing outbound tourists*, PhD thesis, University of Waikato, 2009, p. 146; CTC, Research on the Chinese outbound travel market report, p. 2.

destinations, including Hong Kong, Macau, Japan, South Korea, Vietnam and Taiwan in terms of leisure, recreation and culture.<sup>94</sup> Yun and Joppe examined different perceptions of Chinese travellers to seven long-haul destinations, including Canada, USA, Australia, New Zealand, France, Germany and the United Kingdom (UK), with a focus on activities, knowledge and interest. They found that “culture” and “nature” were the most important factors that Chinese travellers considered when taking a long-haul trip. They also found significant differences in Chinese travellers’ perceptions toward these destinations as regards travel activities or experiences; knowledge about holiday opportunities; and interest in visiting each of the destinations.<sup>95</sup>

Tourism scholars have also examined the perceptions of Chinese outbound tourists to some specific destinations. In their research, Huang and Hsu found the predominant image of Chinese tourists about Hong Kong as a unique shopping destination. Hong Kong has therefore benefited from its overall destination image as a “shopping paradise” in terms of commercial prosperity and economic return. This image was perceived and strengthened by Chinese visitors or non-Chinese visitors to Hong Kong, as well as the media in both Hong Kong and China.<sup>96</sup> By analyzing travel blogs, Rob Law and Shannon Cheung examined the image of Hong Kong as a destination of Chinese tourists. The results indicated that the overall image of Hong Kong perceived by Chinese tourists was positive in terms of transportation, the harbor and outlying islands, whereas there were negative perceptions about hotel, meal price, the tourism products and the experiences at attractions.<sup>97</sup> Xue Peng researched the Chinese image of Japan as a destination based on travel advertisements, travel guides and travel blogs on Chinese websites. He found that images of Japan produced in travel advertisements and guides were quite different from those presented in travel blogs.<sup>98</sup> In comparing the perceived image of Chinese tourists to Japan and Hong Kong, Jie Yang and her co-authors found that there was significant

---

<sup>94</sup> C. H. C. Hsu and H. Song, Projected images of major Chinese outbound destinations, *Asia Pacific journal of tourism research* 17(5), 2012, pp. 577-93.

<sup>95</sup> D. Yun and M. Joppe, Chinese perceptions of seven long-haul holiday destinations, *Journal of China tourism research* 7(4), 2011, pp. 459-89.

<sup>96</sup> S. Huang and C. H. C. Hsu, Mainland Chinese residents’ perceptions and motivations of visiting Hong Kong, *Asia Pacific journal of tourism research* 10(2), 2005, pp. 191-205.

<sup>97</sup> R. Law and S. Cheung, The perceived destination image of Hong Kong as revealed in the travel blogs of Mainland Chinese tourists, *International journal of hospitality & tourism administration* 11(4), 2010, pp. 303-27.

<sup>98</sup> X. Peng, A study on the tourism destination image of Japan in the Chinese market, Working paper series Vol. 2013-09, 2013.

implicit preference for their perceived image of Hong Kong over that of Japan, while explicit preference of Chinese tourists between Japan and Hong Kong was insignificant.<sup>99</sup>

Huang and Michael J. Gross examined the image of Chinese tourists visiting Australia in terms of cognitive, affective and multi-sensory image features. Their research focused specifically on the cognitive image in terms of kangaroos and koalas; natural environment; iconic attractions; vastness of land space; living conditions; and the cultural atmospheres.<sup>100</sup> Ying Wang and Michael Davidson investigated the positive and negative pre-trip and post-trip perceptions of Chinese tourists of Australia. They found that the positive perceptions were related to nature, culture and tourism facilities, while the negative perceptions were concerned with accessibility and shopping.<sup>101</sup> Chengcheng Zhao examined the similarities and differences between the northern and southern Chinese tourism markets (Beijing and Guangdong) in terms of the image of Chinese tourists to New Zealand, with a focus on the factors that influenced the image at pre-visit, during-visit and after-visit stages. She found that the pre-visit images were determined by information sources, while in-destination images depended on cultural factors.<sup>102</sup>

Zhe Cui compared the image of both Chinese visitors and non-Chinese visitors travelling to European destinations, such as France, Germany, Italy, Austria, Switzerland, UK and Finland. He found significant differences concerning image between these two groups of visitors for the seven destination countries with various strengths and weaknesses.<sup>103</sup> In another study, Jurgita Lahouati identified the perceptions of Chinese tourists visiting Denmark before and after visiting. It was found that most Chinese tourists were not aware of Denmark before visiting. However, after their visits, they regarded Denmark as a fairy-tale country and a safe destination, which had excellent social security, relaxed lifestyle, democracy and excellent environment. It was also found that negative image was crime against Chinese tourists.<sup>104</sup>

---

<sup>99</sup> J. Yang *et al.*, The implicit measurement of destination image, *Tourism management* 33, 2012, pp. 50-2.

<sup>100</sup> S. S. Huang and M. J. Gross, Australia's destination image among Mainland Chinese travellers, *Journal of travel & tourism marketing* 27(1), 2010, pp. 63-81.

<sup>101</sup> Y. Wang and M. CG. Davidson, Pre- and post-trip perceptions, *Journal of vacation marketing* 16(2), 2010, pp. 111-23.

<sup>102</sup> C. Zhao, *New Zealand's destination image and the Chinese outbound tourism market*, MA thesis, Auckland University of Technology, 2006.

<sup>103</sup> Z. Cui, *Shanghai outbound tourists' images of seven European destinations*, MA thesis, Bournemouth University, 2004/2005.

<sup>104</sup> J. Lahouati, *Attracting Chinese tourists to Denmark*, MA thesis, Copenhagen Business School, 2012.

It was concluded in the research by the CTC that Chinese tourists perceived Canada as being an epitome of a rich and well-developed nation with open spaces and extraordinary scenery. In addition to its nature and scenery, they also regarded Canada as a preferred destination owing to both autumn and winter imagery predominating along with a relaxing environment. These images, juxtaposed with those of modern cities as “top-of-mind” destinations, such as Toronto, Vancouver and Ottawa, constituted Canada as a holiday destination for Chinese tourists.<sup>105</sup> Pengbo Zou also examined the perceived image of potential Chinese tourists of Canada, but in terms of the nature of destination image; image formation (external stimuli); the importance of destination image of prospective, first-time and repeat travellers; and destination image assessment. In contrast, he found that the general image of Chinese tourists of Canada was “vague”, but positive owing to the historically favourable image of Canada in China. This finding not only indicated the travel characteristics of the potential Chinese tourists, but also showed that they had little knowledge of specific tourism sights, except the recognized attractions of Vancouver, Niagara Falls and Toronto.<sup>106</sup>

In the work by Xiang Robert Li and Svetlana Stepchenkova, they identified the perception of the USA as a destination among Chinese outbound travellers. Their findings highlighted the perceptions of the USA as being highly urban with numerous metropolises; advanced economic development; an open and democratic system; and high technology.<sup>107</sup> They also compared the destination image of the USA among these Chinese travellers by applying methodological approach compiled from other disciplines. They, for example, examined destination image richness, evenness and dominance through species analysis in biology; and the pattern of destination image distribution from a perspective of a power-law distribution germane to economic analyses. The results obtained partially supported the travel horizon proposition and indicated that travel experiences and/or destination familiarity of Chinese tourists varied, which may be theorized and reflected by their destination image.<sup>108</sup>

---

<sup>105</sup> CTC, Travel trade research in China, p. 7.

<sup>106</sup> P. Zou, *Image versus position*, MA thesis, University of Waterloo, 2007.

<sup>107</sup> X. R. Li and S. Stepchenkova, Chinese outbound tourists’ destination image of America, *Journal of travel research* 51(3), 2012, pp. 250-66.

<sup>108</sup> S. Stepchenkova and X. R. Li, Chinese outbound tourists’ destination image of America, *Journal of travel research* 51(6), 2012, pp. 687-703.

Close to the concern of her study, Binyan Yu identified the perceptions of South Africa as a tourist destination, and considered the factors that both positively and negatively impacted on the image Chinese tourists have of South Africa, looking in particular at the Western Cape. The findings of this study indicated that positive images were centered on Nelson Mandela; a wide variety of flora and fauna; a growing African economy; diamonds and gold; and different cuisines, while the negative image was dominated by HIV/AIDS.<sup>109</sup> In another study by Jiang Hu, also on the Western Cape, which was based on the relationship between the perceptions and motivation of Chinese tourists coming to this region, Hu revealed that the positive image of Chinese tourists was again Nelson Mandela, diamonds and gold, while the negative image was an overriding concern about the safety problem. He however indicated that the positive perceptions outweighed the negative ones.<sup>110</sup>

Image and perceptions appear thus as key components in the evaluation of destinations across the tourism spectrum. As regards this, Yu confirmed that it was important for South Africa to address these perceptions and consider how to improve its existing image as a destination for Chinese tourists. This she argued could contribute greatly to South African Tourism positioning South Africa as a tourist destination for Chinese tourists, maintaining its competitiveness and developing marketing strategies in this target market.<sup>111</sup>

### **3.2 Preferences, expectations, satisfaction and destination loyalty**

In their research on the preferences of Chinese outbound tourists, scholars and institutions generally agreed that the preferences of Chinese tourists were also related to nature, culture and facilities.<sup>112</sup> In their assessment of seven ADS destinations: Japan, South Korea, Germany, Australia, Singapore, Thailand and Egypt, Samuel S. Kim and his

---

<sup>109</sup> B. Yu, *The image of South Africa among visiting Chinese tourists*, MA thesis, University of the Western Cape, 2004.

<sup>110</sup> J. Hu, *The perceptions of Chinese tourists of the Western Cape region travel destination*, MA thesis, Nelson Mandela Metropolitan University, 2008, pp. 31, 92.

<sup>111</sup> B. Yu, *The image of South Africa among visiting Chinese tourists*, MA thesis, University of the Western Cape, 2004, p. iii.

<sup>112</sup> Y. Liu and P. Ko, Analysis of region preference and tourist satisfaction from China's outbound tourists, *British journal of management & economics* 1(2), 2011, pp. 61-82; I. Chow and P. Murphy, Travel activity preferences of Chinese outbound tourists for overseas destinations, *Journal of hospitality & leisure marketing* 16(1-2), 2008, pp. 61-80; I. Chow and P. Murphy, Travel preferences for foreign destinations, a paper at CAUTHE 2007: Tourism: past achievements, future challenges.

co-authors found that Chinese tourists preferred safe and beautiful environments.<sup>113</sup> In addition, Li and his co-authors found that, in addition to similar needs and desires with other tourists, Chinese tourists specifically prioritized amenities and services in terms of accommodation, tourist guides, itineraries, entertainment, activities and transportation.<sup>114</sup> Moreover, Richard C. Y. Chang and his co-authors examined the food preference of the tourists to Australia from Mainland China, Hong Kong and Taiwan, and compared their tourism dining habits, motivations and behaviours. The results indicated the impacts of Chinese food culture on the Chinese tourists' dining behaviours, as well as the disparities between these three tourist groups. They also considered the way they related tourism dining experiences to their daily routine experiences. These findings provided useful information for destinations and the hospitality sector as how to ensure that food used in catering aligned with the Chinese food culture and dining habits.<sup>115</sup>

Some tourism scholars explored expectation, satisfaction, as well as destination loyalty including word of mouth and repeat visits in this context. It was concluded that “expectation” was the key determinant in terms of satisfaction, word of mouth, repeat visit and other attributes.<sup>116</sup> Hsu and his co-authors found that expectations had a direct effect on motivation and attitude towards the destination in their research on the relations between expectation, motivation and attitude at the pre-visit stage of Chinese outbound travellers.<sup>117</sup> In the research on the relationship between tour quality, expectations, motivations, satisfaction, complaints and loyalty, focusing on Chinese tourists to South Korea, Sangjae Lee and her co-authors found that there was a positive relationship between the perceived tour quality and tourist satisfaction, and between satisfaction and loyalty. They also found that there was a negative relationship between tourist expectations and the perceived tour quality. They revealed the inverse relationships between satisfaction and tourist complaints, as well as between complaints and the loyalty levels.<sup>118</sup> Iris Yue Mao and Qiu Zhang also quantified the relationship between

---

<sup>113</sup> S. S. Kim *et al.*, Preference and positioning analyses of overseas destinations by Mainland Chinese outbound pleasure tourists, *Journal of travel research* 44(2), 2005, pp. 212-20.

<sup>114</sup> X. R. Li *et al.*, When east meets west, *Tourism management* 32, 2011, pp. 741-9.

<sup>115</sup> R. C. Y. Chang *et al.*, Food preferences of Chinese tourists, *Annals of tourism research* 37 (4), 2010, pp. 989-1011.

<sup>116</sup> University of Hawaii, Identifying and analyzing the Chinese outbound market for Hawaii, p. 8.

<sup>117</sup> C. H. C. Hsu *et al.*, Expectation, motivation, and attitude, *Journal of travel research*, 49(3), 2010, pp. 282-96.

<sup>118</sup> S. Lee *et al.*, The impact of tour quality and tourist satisfaction on tourist loyalty, *Tourism management* 32, 2011, pp. 1115-124.

preferences, satisfaction and destination loyalty as regards Chinese tourists to Australia. They examined the relations between the two factors of destination loyalty: word of mouth (WOM) and destination attachment (DA). They found that WOM was affected by destination satisfaction, while the DA was predetermined by the preferences of tourists before visiting. They concluded that the destination experience was a crucial factor for positive WOM about a destination, and that the effective loyalty schemes were implemented by marketing efforts before visiting.<sup>119</sup>

Tourist satisfaction has become an important topic for destinations and tourism sectors. The tourists who were satisfied with a destination would more likely recommend it and visit it again. The word of mouth was the most effective way to promote a tourism destination.<sup>120</sup> As a result, some tourism scholars singled satisfaction out as their research focus. Gang Li and his co-authors compared the satisfaction of the Chinese tourists to Hong Kong and the UK in terms of tourism-related service sectors. They found that the Chinese tourists were more satisfied with Hong Kong than the UK as their travel destination. The fact that Hong Kong had gained more competitiveness over the UK could be ascribed to two major reasons: international level of services with Chinese speaking staff adopted, as well as the short geographical distance between Mainland China and Hong Kong. The contrasts between the two selected destinations indicated that it was important for them to improve their understanding of the cultural characteristics of the Chinese tourism market and adopt cross-cultural strategies in their management and operations.<sup>121</sup>

The “ripple effect” of expectation, satisfaction, word of mouth and repeat visit is so important for destinations in order to gauge their potential for perspective tourists. These factors therefore became key aspects when South Africa was assessed as a preferred destination of Chinese tourists in this thesis.

---

<sup>119</sup> I. Y. Mao and H. Qiu Zhang, Structural relationships among destination preference, satisfaction and loyalty in Chinese tourists to Australia, *International journal of tourism research* 16(2), 2014, pp. 201-8.

<sup>120</sup> G. Li *et al.*, Comparing Mainland Chinese tourists' satisfaction with Hong Kong and the UK using tourist satisfaction index, *Journal of China tourism research* 8(4), 2012, pp. 373-94.

<sup>121</sup> *Ibid.*

## 4. Strategies in the Chinese outbound tourism market

Much has been written on strategies in the Chinese outbound tourism market. The major approaches that have been utilized include the often used SWOT analysis and the other various marketing strategies.

### 4.1 The SWOT analysis

A number of tourism scholars and institutions have conducted the SWOT analysis for specific destinations in the Chinese outbound tourism market. In the SWOT analysis of Canada as a destination, for example, the strengths of Canada were its scenery, safety and cleanliness, as well as other strengths, including a combination of nature and scenery, juxtaposed with highly-developed and modern environments. The weaknesses lay in the perception of Canada as not being a destination with a strong historical offering; its long and cold winters; the high costs of travelling to Canada; the difficulty in obtaining a visa; a lack of quality standards for travel products; and limited airline capacity. The opportunities were the granting of ADS; the socio-economic growth of China; and the strong ties between China and Canada. The threats were generally seen as those originating from its competitors, such as Australia, Europe and USA.<sup>122</sup> Matias Thuen Jørgensen conducted a SWOT analysis to assess the Danish tourism sector and understand Chinese outbound tourism to Denmark. He also examined the relations between the Danish tourism sector and the Chinese outbound tourism market. These conclusions were similar to those of Canada.<sup>123</sup>

As regards South Africa, Grace H. Gao conducted a brief SWOT analysis to identify the strengths and weaknesses of tourism in South Africa, as well as the opportunities and threats that could lead to the failure or success of developing and sustaining the Chinese tourism market to South Africa. In her study, strengths were found as to the diversity of natural and cultural tourism resources. Weaknesses were concerned with negative perceptions about safety and health; limited promotion in China; and insufficient tourism products provided in the Chinese tourism market. Opportunities could be attributed to

---

<sup>122</sup> CTC, Research on the Chinese outbound travel market report, pp. 2-3; CTC, Travel trade research in China, pp. 77-89.

<sup>123</sup> M. T. Jørgensen, *Catering to the dragon*, MA thesis, Aalborg University, 2012, pp. 83-7.

ADS, positive perceptions established by promotion campaigns in China; the exchange rate; the growing tourism industry of South Africa; and Chinese speaking tourist guides. The threat was mainly concerns about high rate of crime and HIV/AIDS.<sup>124</sup>

Peng Jiang presented a SWOT analysis of the Western Cape wine routes in South Africa. In his research, the strengths of the Western Cape wine routes were related to its unique wine history; rich and unique tourism resources; well-developed tourism infrastructure; and mature business operating systems. Weaknesses dealt with little to no awareness among Chinese tourists about this region; weak cooperation between the tourism sector and the wine sector; the lack of specific strategies, market research, financial support and human resources in this market. In addition to ADS, opportunities focused more attention on South Africa within this huge market, as well as the increase of Chinese tourists to South Africa, who could contribute to the development of tourism in South Africa, and in particular the Western Cape wine routes. The threats were about the dwarfing of competitiveness of tourism in South Africa as a result of more African countries obtaining ADS from China. In addition, like South Africa as a whole, the image of the Western Cape wine routes had been damaged by safety and health issues.<sup>125</sup>

SAT explored the opportunities, challenges, strengths and weaknesses of the country in the development of Chinese outbound tourism within the context of the global and South African tourism markets.<sup>126</sup> The SWOT analysis of establishing South Africa as a competitive destination in the global tourism market, particularly the Chinese tourism market, will be considered in detail in Chapter Three and Chapter Five.

## **4.2 Marketing strategies in the Chinese outbound tourism market**

As regards marketing strategies in the Chinese outbound tourism market, the research appears to have been focused on six major aspects: demand and supply; segmentation;

---

<sup>124</sup> G. H. Gao, *A study of the factors that will increase the number of Chinese tourist visits to South Africa*, MA thesis, Durban University of Technology, 2007, pp. 73-6.

<sup>125</sup> P. Jiang, *A conceptual framework of marketing Chinese tourists to the Western Cape wine routes*, MA thesis, Cape Peninsula University of Technology, 2008, p. 212.

<sup>126</sup> SAT, *Marketing South Africa in China 2004*; SAT, *Marketing South Africa in China 2007*; SAT, *Marketing South Africa in China 2010*.

positioning and branding; performances between tourism operators; digital marketing; and other mix tourism strategies.

As regards demand and supply, in their analysis of the Chinese tourists to Hong Kong, Hailin Qu and Sophia Lam found that the travel demand of Chinese tourists to Hong Kong was related to the disposable income and the accessibility of visas.<sup>127</sup> Feng Sabrina Tian examined the relationship between demand and supply to ascertain whether the services offered by Auckland, the biggest city in New Zealand, met the requirements and expectations of Chinese tourists. The findings indicated that Auckland was not ready for the Chinese outbound tourism market in terms of four major aspects. Firstly, most Chinese tourists had no clear requirements or expectations of Auckland before visiting due to limited promotional materials available in China about Auckland. Secondly, Chinese tourists had no opportunities to know Auckland's attractions and activities after arriving in Auckland. Thirdly, most Chinese tourists found tourism attractions in Auckland "unattractive" due to the language barrier and itinerary issues. Fourthly, Chinese tourists suffered due to the lack of accommodation, particularly in the peak seasons.<sup>128</sup> From the perspective of tourism demand, based on population size, socio-economic development and the potential for outbound travel, Li and his co-authors identified primary and secondary tourist-generating cities of China to estimate the demand of the Chinese outbound tourism market. They found that there existed regional economic imbalances between eastern and western China, which affected the demands of this market.<sup>129</sup>

Segmentation is a method that divides the market into distinct groups based on certain criteria such as the geographic, demographic and psychographic characteristics of tourists. It is used to gather market information, identify potential customers, serve customers and improve competitiveness of a destination.<sup>130</sup> The CTC divided Chinese travellers into five major groups based on their motivations: risk-free vacationers; famous sight seers;

---

<sup>127</sup> H. Qu and S. Lam, A travel demand model for Mainland Chinese tourists to Hong Kong, *Tourism management* 18(8), 1997, pp. 593-7.

<sup>128</sup> F. S. Tian, *Is Auckland ready for Chinese travellers?* MA thesis, Auckland University of Technology, 2008.

<sup>129</sup> X. R. Li *et al.*, Estimating the size of the Chinese outbound travel market, *Tourism management* 31, 2010, pp. 250-9.

<sup>130</sup> L. Bécherel, Strategic analysis and strategy formulation, in F. Vellas and L. Bécherel (eds), *The international marketing of travel and tourism*, p. 60; G. T. M. Hult *et al.*, *Marketing*, p. 129; J. C. Hollway, *Marketing for tourism*, p. 103.

economizers; young explorers; and enthusiastic traditionalists.<sup>131</sup> Based on experience, intention and desire, Hsu and John C. Crofts segmented the Chinese tourists to Hong Kong as those who had visited and those who had a strong intention to visit Hong Kong, to highlight the market segmentation process.<sup>132</sup> Mimi Li and her co-authors categorized Chinese visitors into four clusters, including culturally constrained; structurally constrained; absence of sufficient information; and knowledge constrained to identify the constraints that Chinese tourists confronted in their outbound travel.<sup>133</sup> Based on an “overlapped segmentation” analysis, Li and his co-authors divided Chinese outbound tourists into entertainment or adventure seekers; life-seeking experience or culture explorers; and relaxation or knowledge seekers.<sup>134</sup> Also based on travel motivations, Chan Pin Yee Celia divided the Chinese tourists to South Africa into six clusters: generalists; “yuppie”; knowledge; social; cultural and relaxing travellers, and profiled these identified segments according to their demographics, shopping behaviours and perceptions of South Africa.<sup>135</sup> The segmentation of Chinese tourists to some specific destinations provided important information for tourism institutions and operators to understand Chinese tourists, on which they could base their approach to the Chinese tourism market.

Destination positioning and branding is another tool in modern marketing mix to strengthen the competitiveness of a destination; increase awareness; and create positive perception of a destination.<sup>136</sup> Kim and his co-authors positioned a range of destinations, including Japan, South Korea, Germany, Australia, Singapore, Thailand and Egypt, in the Chinese tourism market based on their competitiveness.<sup>137</sup> Zou examined branding and positioning of Canada as a destination of Chinese tourists to strengthen the destination

---

<sup>131</sup> CTC, Consumer research in China, pp. 57-64.

<sup>132</sup> C. Hsu and J. C. Crofts, Segmenting Mainland Chinese residents based on experience, intention and desire to visit Hong Kong, *International journal of tourism research* 8, 2006, pp. 279-87.

<sup>133</sup> M. Li *et al.*, Segmenting Chinese outbound tourists by perceived constraints, *Journal of travel & tourism marketing* 28(6), 2011, pp. 629-43.

<sup>134</sup> X. R. Li *et al.*, Understanding China’s long-haul outbound travel market, *Journal of business research* 66, 2013, pp. 786-93.

<sup>135</sup> P. Y. C. Chan, *Motivations of Chinese leisure tourists and their perception of South Africa as a destination*, MA thesis, University of Witwatersrand, 2002.

<sup>136</sup> J. C. Hollway, *Marketing for tourism*, pp. 134-5; S. Kim *et al.*, Preference and positioning analyses of overseas destinations by Mainland Chinese outbound pleasure tourists, *Journal of travel research* 44(2), 2005, pp. 212-20.

<sup>137</sup> S. Kim *et al.*, Preference and positioning analyses of overseas destinations by Mainland Chinese outbound pleasure tourists, *Journal of travel research* 44(2), 2005, pp. 212-20.

image and provide information for promotion in the Chinese outbound tourism market.<sup>138</sup> Li and his co-authors positioned the USA as a long-haul destination in the Chinese outbound tourism market. They found that the USA differed considerably in terms of its relative strengths and weakness from its major competitors, such as Canada, Australia, UK, France and Switzerland.<sup>139</sup>

As regards the performances of the tourism industry, Wenbin Guo and Lindsay W. Turner explored the possibility of foreign companies entering the Chinese tourism market from the perspective of the Chinese tourism industry structure. They insisted that strategic choices first be taken between the “advantages” of early entry strategies or wait for clear distinctions between the wholesaling and retailing functions before implementing a strategy.<sup>140</sup> Guo further discussed the entry strategies of Australia into the Chinese outbound tourism market and its evolution based on a conceptual framework. This framework was devised in terms of the structure and characteristics of the Chinese outbound tourism industry to strengthen the competitiveness of Australia in the context of Chinese outbound tourism.<sup>141</sup>

Pan and Eric Laws explored the opportunities for the Australian tourism operators in the Chinese tourism market to Australia, focusing on the analysis of the implications of “guanxi”, a relationship underpinning traditional Chinese business networks.<sup>142</sup> Pan also considered the “guanxi” within a theoretical model of business network relationships to conceptualize the strategies of establishing and maintaining the relations between the Chinese travel agencies and the Australian inbound tourism operators.<sup>143</sup> Pan further explored the development of the partnership between the Australian tourism operators and the Chinese travel agents to establish Australia as a preferred destination of Chinese tourists. She considered the impacts of the “guanxi” on the establishment of this

---

<sup>138</sup> P. Zou, *Image versus position*, MA thesis, University of Waterloo, 2007, pp. 36-47.

<sup>139</sup> X. R. Li *et al.*, Positioning USA in the Chinese outbound travel market, *Journal of hospitality & tourism research* 20(10), 2012, pp. 1-30.

<sup>140</sup> W. Guo and L. W. Turner, Entry strategies into China for foreign travel companies, *Journal of vacation marketing* 8(1), 2001, pp. 49-63.

<sup>141</sup> W. Guo, *Strategies for entering the Chinese outbound travel market*, PhD thesis, Victoria University, 2002.

<sup>142</sup> G. W. Pan and E. Laws, Tourism marketing opportunities for Australia in China, *Journal of vacation marketing* 8(1), 2001, pp. 39-48.

<sup>143</sup> G. W. Pan, A theoretical framework of business network relationships associated with the Chinese outbound tourism market to Australia, *Journal of travel & tourism marketing* 14(2), 2003, pp. 87-104.

relationship and indicated that “guanxi” had been playing a significant, but not decisive role in the development of the partnership.<sup>144</sup>

Like Pan and Laws, Nicolette de Sausmarez and her co-authors also considered the establishment of this relationship between British tourism operators and their Chinese counterparts in the context of Chinese outbound tourism to the UK. They found it difficult to establish this partnership between the tour operators of these two countries. This was because most British tour operators believed that the profit from the Chinese tourism market was not worth the work involved, whereas they recognized the importance of this huge market. They also found that there were some problems that could not be solved over time, such as different cultural expectations in terms of accommodation and food; high travel cost; and difficulty in obtaining visas.<sup>145</sup>

Internet and information technology have dramatically changed the marketing environment, in which digital media have created opportunities for tourism institutions to target specific markets more efficiently; develop new marketing strategies; and gather more information about tourists.<sup>146</sup> As regards digital marketing, Zhu Zhu investigated the use of the internet by Chinese outbound tourists for travel decision-making; profiles of internet users; patterns of internet use; and travel information searches, along with the barriers of online product purchase.<sup>147</sup> According to the preferences of Chinese online travellers, Edmond H. C. Wu and his co-authors considered the impact of digital marketing for Chinese outbound tourism via online channels. They highlighted the importance of Chinese webpages and easy online payment as advantages for Chinese outbound tourists.<sup>148</sup>

Marketing mix strategy, including the factors that influence the marketing efforts, combines the marketing capability into a package of actions to compete for tourists in the

---

<sup>144</sup> G. W. Pan, *Business partnership relationships in the Chinese inbound tourism market to Australia*, PhD thesis, Griffith University, 2004.

<sup>145</sup> N. de Sausmarez *et al.*, Chinese outbound tourism to the United Kingdom, *Journal of China tourism research* 8(3), 2012, pp. 268-83.

<sup>146</sup> G. T. M. Hult *et al.*, *Marketing*, p. 250.

<sup>147</sup> Z. Zhu, *Understanding Chinese outbound tourists and their internet use for travel decision-making*, MA thesis, University of Manitoba, 2004.

<sup>148</sup> E. H. C. Wu *et al.*, Electronic marketing for China outbound tourism, in M. Fuchs *et al.* (eds) *Information and communication technologies in tourism 2012*, pp. 368-78.

target markets.<sup>149</sup> Jiang has proposed his strategic ideas on this matter. These ideas were mainly concerned with strategic objectives; tourism market analysis; a SWOT analysis; strategic marketing directions; evaluation of current competition; major strategic resources; strategies concerning the tourism marketing mix, namely product, place, promotion, price, people, physical evidence, process and partnership; and the future research on this topic.<sup>150</sup> These ideas are similar to those applied in terms of marketing strategy in this thesis. Pei also specified a range of strategies for promoting South Africa as a destination of Chinese tourists, such as internet; travel agencies; exhibitions and travel brochures. These strategies were categorized as tangible and digital marketing in a framework of this thesis. He highlighted the importance of the strategies, including gift customs in Chinese culture; word of mouth; different segments; diamonds; gold; wild life; and packaged tours including neighbouring countries. He also emphasized the need for solutions to the problems related to long travel time, high prices, violence, crime and HIV/AIDS.<sup>151</sup>

## 5. Structure of the proposed research

There has been relatively little research focusing specifically on “strategy” of a destination in the Chinese outbound tourism market based on a comprehensive strategy framework. Despite some works entitled “strategy”, for the most part they were only confined within the field of “tourism marketing”. For example, Guo focused on the strategies of entering the Chinese outbound tourism market in the context of the tourism market of Australia,<sup>152</sup> while Yu explored the strategies of positioning and marketing South Africa as a destination for Chinese tourists.<sup>153</sup> Some tourism scholars and tourism institutions only adopted the SWOT analysis to identify the strengths, weaknesses, threats and opportunities of their target destinations.<sup>154</sup> Besides these, the research on the development of Chinese

---

<sup>149</sup> E. Heath and G. Wall, *Marketing tourism destinations*, p. 20.

<sup>150</sup> P. Jiang, *A conceptual framework of marketing Chinese tourists to the Western Cape wine routes*, MA thesis, Cape Peninsula University of Technology, 2008, p. iii.

<sup>151</sup> L. Pei, *Perspectives of travel agencies with China with regards to promoting South Africa as a leisure tourist destination*, MA thesis, Cape Peninsula University of Technology, 2006, pp. iv-v.

<sup>152</sup> W. Guo, *Strategies for entering the Chinese outbound travel market*, PhD thesis, Victoria University, 2002.

<sup>153</sup> B. Yu, *The image of South Africa among visiting Chinese tourists*, MA thesis, University of the Western Cape, 2004.

<sup>154</sup> G. H. Gao, *A study of the factors that will increase the number of Chinese tourist visits to South Africa*, MA thesis, Durban University of Technology, 2007, pp. 73-6; P. Jiang, *A conceptual framework of marketing Chinese tourists to the Western Cape wine routes*, MA thesis, Cape Peninsula University of Technology, 2008, p. 212; M. T. Jørgensen, *Catering to the dragon*, MA thesis, Aalborg University, 2012, pp. 83-7; CTC, *Research on the Chinese outbound travel market report*, pp. 2-3; CTC, *Travel trade research in China*, pp. 77-89; SAT, *Marketing South Africa in China 2004*; SAT, *Marketing South Africa in China 2007*; SAT, *Marketing South Africa in China 2010*.

outbound tourism to South Africa, from a strategic point of view, particularly at a national level, remains a relative no man's land as a result of the barriers in terms of cultural disparity and language.

In this study, the “strategic approach” refers to the assessment of tourism strategies and marketing of South Africa based on a framework in terms of strategy formulation, strategy implementation and strategy feedback (Figure 1.1). The tourism strategies in South African government's documents, such as “The white paper: the development and promotion of tourism in South Africa” issued in 1996; “Tourism in GEAR: tourism development strategy 1998-2000” released in 1998; and the “National tourism sector strategy” promulgated in 2011,<sup>155</sup> as well as the documents of the tourism sector, such as “The tourism growth strategy” (TGS) initiated in 2001 and “The global competitiveness Project” (GCP) launched in 2003, are mainly included in this context.<sup>156</sup>

This framework, which is comprised of a series of separate frameworks, is used to assess the tourism strategies of South Africa in the above mentioned documents in three major aspects. Firstly, as regards strategy formulation, the vision is related to the improvement of quality of life of South Africans, and establishing South Africa as one of the top twenty destinations in the world by the year 2020. The objectives include various objectives in different historical periods ranging from 1994 to 2020. The mission is mainly concerned with the GDP, job creation and the transformation and empowerment of the South African economy and society. The SWOT analysis focuses on natural and cultural tourism resources and tourism facilities. Secondly, strategy implementation is about how South Africa understands the international tourists, including Chinese tourists, as well as establishes itself as a competitive and preferred destination in the global tourism market, particularly the Chinese tourism market. Thirdly, in this study, the concept of “strategy feedback” is proposed for the first time and verified by an empirical survey on Chinese tourists to South Africa. In addition, this framework is also used to compare Chinese outbound tourism to South Africa with Australia, a model and mature destination in the Chinese outbound tourism market.

---

<sup>155</sup> DEAT, Tourism in GEAR; NDT, National tourism sector strategy.

<sup>156</sup> SAT, Tourism growth strategy 2002-2013; DEAT, the Department of Trade and Industry (DTI) and SAT, Global competitiveness programme for the tourism industry in South Africa 2005-2010; SAT, Tourism competitive study.

In this study, as part of the methodology, a survey is used to research on Chinese tourists to South Africa by means of a questionnaire. Issues that are addressed include socio-demographics; travel characteristics of Chinese tourists to South Africa; and perception of South Africa as a tourism destination. The data collected is analyzed by means of software: the Statistical Package of Social Science (SPSS). In addition, factor analysis and content analysis are used to assess the perception of South Africa of Chinese tourists. Moreover, based on the previous data of Chinese outbound tourists, a forecasting analysis is used to predict the prospects of Chinese outbound tourism in the South African and the global tourism market.

As regards the sources, there is very little literature that deals with strategy in the context of Chinese outbound tourism to South Africa. As a result, in addition to the strategy theory works, the research had to turn to a variety of books, theses, official records, governmental documents, annual reports, journal articles and media information on tourism in China, South Africa and globe in both English and Chinese.

This thesis is comprised of the following six chapters:

The first chapter, introduction and select literature overview, sketches the contours of the research of a selection of various tourism scholars, economists, tourism institutions and practitioners in terms of the development of Chinese outbound tourism. It considers the travel characteristics of Chinese outbound tourists; perception of destinations; and strategies adopted in the Chinese outbound tourism market.

The next chapter, the development of Chinese outbound tourism, reviews the development of Chinese outbound tourism after 1978. It looks particularly at the factors that influenced Chinese outbound tourism in terms of economic growth; the official modification of tourism policies and regulations; the transformation of Chinese society; the change in Chinese consumption patterns; the revision of the holiday system; and barriers. It also discusses issues and the socio-cultural impacts in the context of Chinese outbound tourism.

The third chapter, tourism strategy of South Africa, sets up a framework in terms of strategy formulation, implementation and feedback based on a wide range of disciplines,

such as military thinking, business, management and tourism. This framework is used to assess the tourism strategies of South Africa adopted after 1994 and its marketing strategies in the global tourism market. These strategies contribute to establishing South Africa as a competitive destination in the global tourism market.

The fourth chapter, Chinese outbound tourism to South Africa, analyses the data obtained in an empirical survey on Chinese tourists to South Africa, focusing on factor analysis of the perception of Chinese tourists of South Africa. This contributes to establishing South Africa as a preferred destination in the Chinese tourism market. The results of the survey not only provide a SWOT analysis of tourism in South Africa, but also verify the new concept of “strategy feedback” proposed in this thesis.

The penultimate chapter, Chinese outbound tourism: South Africa and Australia compared, is a comparative study, which assesses the strategies of both South Africa and Australia adopted in the Chinese outbound tourism market based on a SWOT analysis. It examines the travel characteristics; segmentation of Chinese tourists; and the selection of the target markets of these two countries. The aim of the comparison is to consider South Africa in a competitive context and identify its gaps according to the success story of Australia in this particular market.

The final chapter, conclusion and future prospects, considers the impacts of tourism on the growth of GDP, job creation and the transformation and empowerment within South African society. It tentatively predicts the trends of the development of Chinese outbound tourism from the perspectives of tourism in China, South Africa and within a global context for the year 2020.

Chinese outbound tourism can be considered in broad and narrow senses. In a broad sense, it involves Chinese travelling beyond the boundaries of Mainland China. In a narrow sense, it refers to travel by Chinese citizens, in the form of tourist groups organized by Chinese travel agencies, which have been granted a franchise to operate outbound travel by the tourism executive departments of China. This may only occur to countries and areas which have obtained “approved destinations status” from the Chinese government

for Chinese outbound travel at the traveller's own expense.<sup>157</sup> In this thesis, the macro-analysis of Chinese outbound tourism will be considered in a broad sense, while a survey on Chinese outbound tourists to South Africa is assessed in a narrow sense.

From a Western perspective, Mainland China, Hong Kong, Macau and Taiwan are known as "Greater China". Hong Kong and Macau are two special administrative regions of China, while Taiwan is seen by some as a special region of China. Given this situation, in its statistical analysis, the UNWTO separates the tourist arrivals of Mainland China from those from Hong Kong, Macau and Taiwan, which were considered as individual regions in their own right. As a result, the Chinese tourists who visit these three special regions are classified as outbound tourists. This thesis has confined its focus to the development of outbound tourism of Mainland China alone, as well as researching Chinese tourists coming from Mainland China specifically so as to identify the regional development of the Chinese outbound tourism market. The development of outbound tourism of Hong Kong, Macao and Taiwan, as well as Chinese tourists from these regions is therefore not included in the thesis.

---

<sup>157</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 1; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 1; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, p. 1; J. Du and B. Dai, *Annual report of China outbound tourism development 2006*, p. 1.

## Chapter Two

# The development of Chinese outbound tourism

### 1. Introduction

This chapter reviews the development of Chinese outbound tourism after the reform and opening up of China in 1978 in three specific phases: travel to Hong Kong and Macao in the period of 1983 and 1986; border travel and travel to Asian countries from 1987 to 1997; and travel to Western countries from 1998 to the present. It presents a framework focusing on five major factors that have influenced Chinese outbound tourism: economic growth; the official modification of tourism policies and regulations; the transformation of Chinese society; the change in Chinese consumption patterns; and the government revision of the holiday system. It further explores the barriers that have obstructed the development of Chinese outbound tourism. Two major issues in terms of the “overdevelopment” and the “overconsumption” of Chinese outbound tourism are also discussed. It summarizes the impacts of Chinese outbound tourism on Chinese society and the tourism industry of China. It concludes by predicting the trends of Chinese outbound tourism in the global tourism market.

After 1978, China entered a new historical period of the reform and opening up. This was as a result of an epoch-making decision by the Chinese government at the third plenum of the eleventh central committee congress of the Chinese Communist Party (CCP). The decision focused on a major shift from political struggles to economic growth. It was at this time that tourism was elevated to the forefront of the reform and opening up owing to its impacts on the socio-economic development of China.<sup>1</sup> The importance of tourism for economic growth was highlighted in five speeches between 1978 and 1979 made by Deng Xiaoping, the then Chairman of the Advisory Commission of the Central Committee of the CCP, as well as the architect-in-chief of the reform and opening up in China.<sup>2</sup> As a result, in a national conference on tourism in 1979, for the first time, the transformation of

---

<sup>1</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 1; Q. Shao, A speech at a conference of the reform and opening up of the tourism industry of China, 2008-12-30.

<sup>2</sup> The Literature Research Center of the Central Committee of the CCP and the CNTA (eds), *Deng Xiaoping on tourism*; G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 1.

tourism from a political activity to an economic factor was emphasized. In 1981, the Chinese government proposed a policy of “actively developing tourism in a steady manner based on capability”. In 1985, tourism was incorporated in the “Seventh five-year plan for the national economy and the social development of the People’s Republic of China (1986-1990)”.<sup>3</sup> In 1992, tourism was singled out as a key industry in the “Decision on quickening the development of the tertiary industry”. In 1997, the Chinese government adopted the policy of “vigorously developing inbound tourism; actively developing domestic tourism; and appropriately developing outbound tourism”. At a central conference on the Chinese economy in 1998, tourism was again identified as a new growth point of the national economy along with real estate and information technology.<sup>4</sup> After that, the Chinese government has consequently modified the tourism policies to confront the challenges in the Chinese and global tourism market. Over the past three decades, tourism in China has taken on the form of the simultaneous development of inbound, domestic and outbound tourism, and has been playing a significant role in global tourism.<sup>5</sup> As indicated earlier, according to the CNTA, from 1978 to 2014, international visitor arrivals increased from 1.8 million to 128.5 million and international tourism receipts from US\$ 0.3 billion to US\$ 56.9 billion (Figure 2.1).

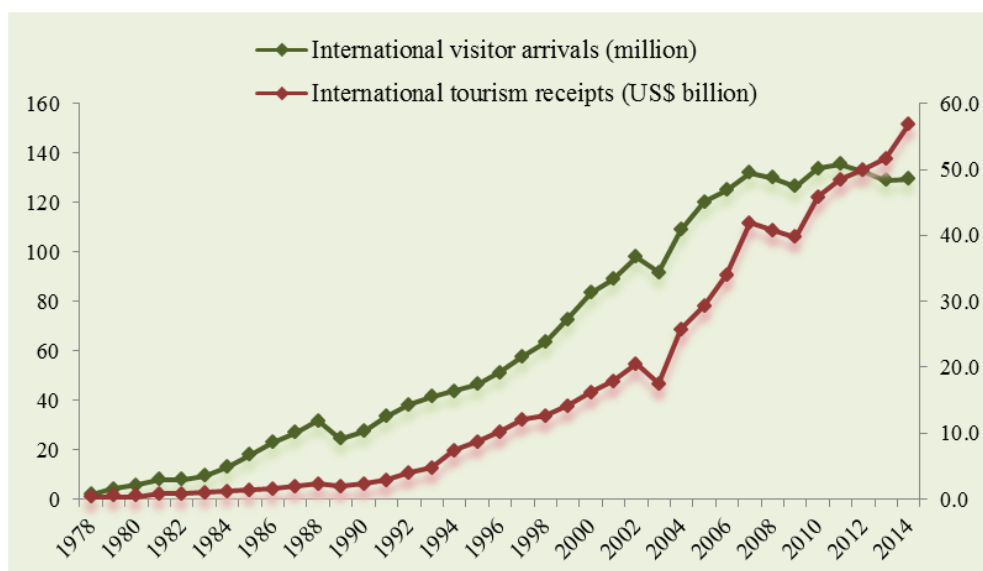


Figure 2.1 International visitor arrivals and tourism receipts of China 1978-2014

Adapted from: CNTA, Tourism statistics 1978-2014; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2000-2014.

<sup>3</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 1.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

From 1985 to 2014, domestic tourist arrivals went up from 240 million to 3.6 billion and tourism receipts from RMB¥ 8 billion to RMB¥ 3.0 trillion (Figure 2.2).

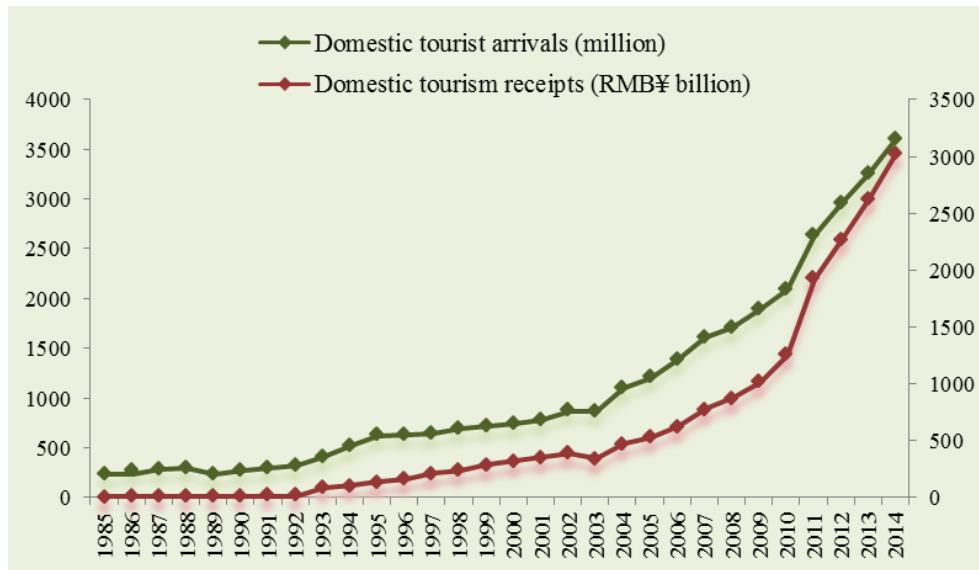


Figure 2.2 Domestic tourist arrivals and tourism receipts of China 1985-2014

Adapted from: CNTA, Tourism statistics 1985-2014; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development, 2000-2014.

Chinese outbound tourism has also sustained the remarkable growth after the late 1990s. From 1997, when the Chinese government relaxed outbound tourism with the promulgation of the “Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense”,<sup>6</sup> to 2014, outbound travellers rose from 5.3 million to 116.6 million and the tourism expenditure from US\$ 10.2 billion to US\$ 140.0 billion (Figure 2.3).

<sup>6</sup> CNTA and the Ministry of Public Security (MPS), The provisional regulations on the administration and management of outbound travel by Chinese citizens at their own expense, 1997.

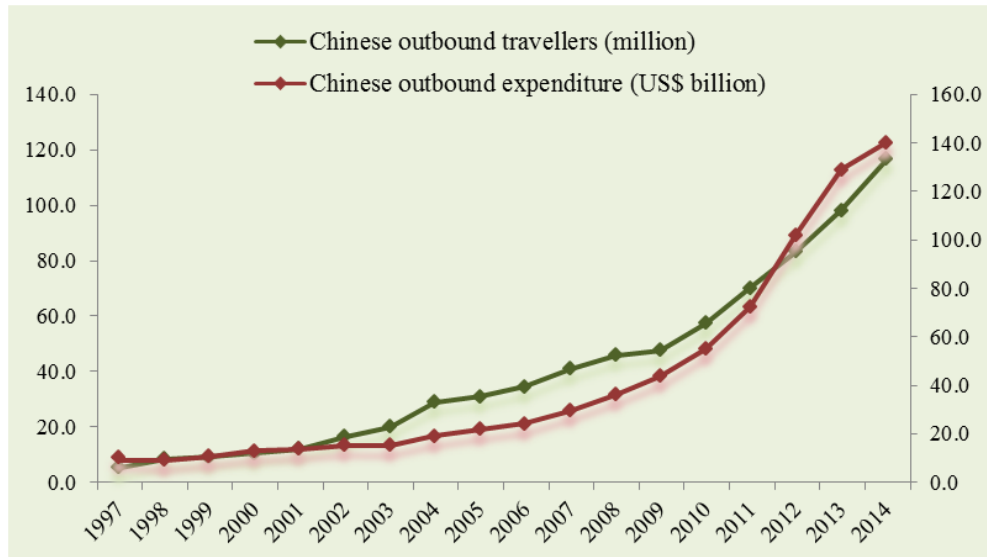


Figure 2.3 Chinese outbound travellers and tourism expenditure 1997-2014

Adapted from: CNTA, Tourism statistics 1997-2014; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2000-2014; NBSC, *China statistical yearbook* 1997-2014 (Beijing, 1997-2014).

This chapter will consider the development of Chinese outbound tourism from a perspective of macro analysis, including its evolution, the factors that influenced it, its socio-economic impacts and its prospective trends.

## 2. Evolution of Chinese outbound tourism

The very first Chinese outbound tourism started in 1983, five years after the reform and opening up of China. The UNWTO and ETC, along with various Chinese tourism scholars, devised various ways of categorizing the development of Chinese outbound tourism. They all divided this development into numerous phases with slightly different periodizations.<sup>7</sup> Du and Dai, together with their research fellows, put forwarded a two-phase division. The initial developing stage (1983-1996) included the VFR travel to Hong Kong and Macao, as well as travel to the countries in Southeast Asia (Thailand, Singapore and Malaysia) and border travel.<sup>8</sup> The steadily developing stage (1997 to the present) started with the

<sup>7</sup> H. Qiu Zhang and V. C. S. Heung, The emergence of the Mainland Chinese outbound travel market and its implications for tourism marketing, *Journal of vacation marketing* 8(1), 2001, p. 8; UNWTO, *Chinese outbound tourism*, pp. 19-20; Y. Li, *The development of Chinese tourism to South Africa*, MA dissertation, University of Pretoria, 2006, p. 50.

<sup>8</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 1-4; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 1-5.

promulgation of the “Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense” in 1997.<sup>9</sup>

Dai and his co-authors believed that Chinese outbound tourism could be considered in four phrases: the trial development (1984-1989), the initial development (1990-1996), the standardizing development (1997-2000) and the rapid development (2001-present).<sup>10</sup> The first phase was also concerned with the VFR travel to Hong Kong and Macao and border travel. The second was related to travel to the countries in Southeast Asia: Thailand, Singapore and Malaysia. The third started with the promulgation of the “Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense” in 1997. The fourth was marked with China entering the World Trade Organization (WTO) in 2001.<sup>11</sup>

Arlt argued that Chinese outbound tourism could be divided into three phrases. The first phase started in 1983, with the official approval of travel to Hong Kong, Macao and Southeast Asian countries. The second phase started in 1997, with the official recognition of outbound travel for leisure in the “Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense”, as well as the signing of the first ADS agreement with Australia and New Zealand. The third stage started in 2005, when modern Chinese outbound tourism began to take its initial shape.<sup>12</sup>

With the rapid development of Chinese outbound tourism, the UNWTO proposed a new three-stage division: the trial stage (1983-1996); the initial opening stage (1997-2001) and the rapid development stage (2002-the present). This division described the development more accurately than its former divisions.<sup>13</sup> In my Masters dissertation on Heritage and Cultural Tourism, a three-phase division was devised, namely travel to Hong Kong and Macao (1983-1986); border travel and travel to Asian countries (1987-1997); and travel to Western countries (1998-the present). In order to maintain the coherence of the research, this thesis will also adopt this three-phase division (Figure 2.4).

---

<sup>9</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 5-8; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 5-12.

<sup>10</sup> X. Dai *et al.*, *A report on Chinese outbound tourism*, pp. 4-12.

<sup>11</sup> *Ibid.*

<sup>12</sup> W. G. Arlt, *China's outbound tourism*, pp. 219-20.

<sup>13</sup> UNWTO, *Study on Chinese outbound travel to Africa*, p. viii.

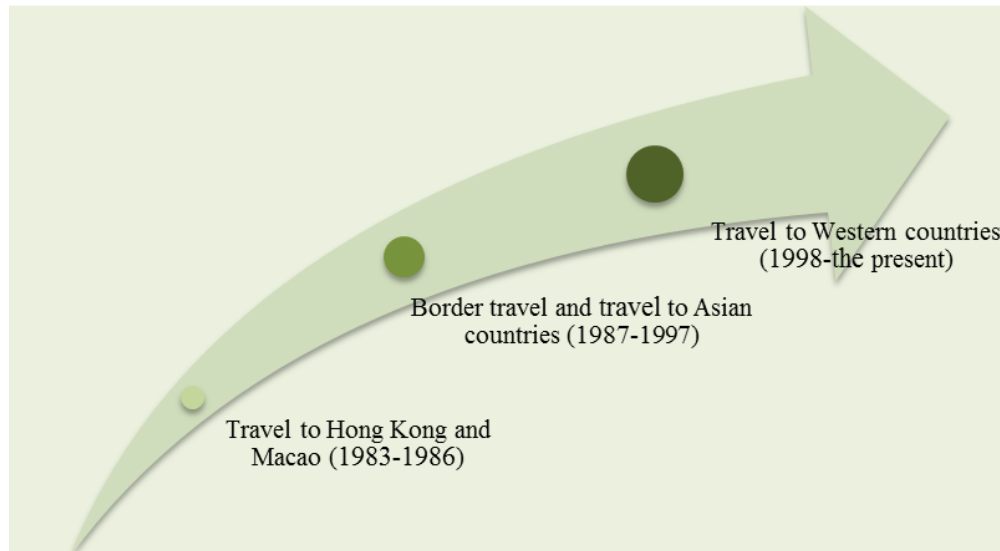


Figure 2.4 Three phases of Chinese outbound tourism 1983-the present

Adopted from: Y. Li, *The development of Chinese tourism to South Africa*, MA thesis, University of Pretoria, 2006, p. 51.

As indicated, the first phase started with travel to Hong Kong and Macao in 1983, when the Travel Corporation of Guangdong province (southern China) began to organize the VFR travel to Hong Kong. In 1984, the Chinese government approved the VFR travel to Hong Kong and Macao and allowed Mainland Chinese to travel to these two areas, but with the proviso that the travel had to be paid by their overseas friends and relatives.<sup>14</sup> Hong Kong and Macao thus became the first two destinations that the Chinese outbound tourists could go to after 1978. Therefore, travel to these territories of China became the prelude of the development of Chinese outbound tourism.<sup>15</sup>

In the second phase after 1987, both border travel and travel to Asian countries close to China developed almost simultaneously. Chinese border travel refers to the travel of Chinese citizens, in the form of the tourist groups organized by the Chinese travel agencies with a franchise to operate outbound travel, entering the bordering countries or areas in a specified time from the given border or ports agreed on by the relevant two countries.<sup>16</sup> As early as 1984, the first one-day trip was conducted between Dandong, a

<sup>14</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 1, 6; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 2; X. Dai *et al.*, A report on Chinese outbound tourism, p. 4; UNWTO, *Chinese outbound tourism*, p. 19; W. G. Arlt, *China's outbound tourism*, p. 36.

<sup>15</sup> UNWTO, *Chinese outbound tourism*, p. 19; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 1; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 2.

<sup>16</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 4.

bordering city of Liaoning province of China, and Sinuiju of the Democratic People's Republic of Korea (DPRK North Korea). In 1987, the one-day trip between these two bordering cities was officially approved by the CNTA and the Ministry of Foreign Trade and Economic Cooperation of China. This marked the official beginning of border travel for Chinese nationals.<sup>17</sup> By 1998, seven border provinces and autonomous regions, including Heilongjiang, Inner Mongolia, Liaoning, Jilin, Xinjiang, Yunnan and Guangxi, were entitled to operate border travel with the Russian Federation, Mongolia, North Korea, Kazakhstan, Kyrgyzstan, Tajikistan, Myanmar, Laos and Vietnam.<sup>18</sup>

Meanwhile, three countries in Southeast Asia - Thailand in 1988, Singapore and Malaysia in 1990 - became the first destinations outside of the sovereign territory of China for Chinese travellers. It was regulated that Chinese citizens could participate in the VFR travel to these three countries as long as the trip was paid by their overseas friends and relatives. The Philippines was added as the fourth destination in 1992.<sup>19</sup> As a result, travel to these countries, which evolved from the VFR travel to Hong Kong and Macao, became the forerunner of travel to Western countries.<sup>20</sup>

The third phase started with the promulgation by the CNTA and the MPS in 1997 of the "Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense". Hereby Australia and New Zealand obtained ADS from the Chinese government in 1999 and thus became the first two "Western" destinations for Chinese tourists. After that, outbound travel of Chinese nationals at their own expense officially started, while the number of countries and areas with ADS increased dramatically.<sup>21</sup>

---

<sup>17</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; UNWTO, *Chinese outbound tourism*, p. 19; X. Dai *et al.*, A report on Chinese outbound tourism, p. 4.

<sup>18</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; UNWTO, *Chinese outbound tourism*, pp. 19-20; X. Dai *et al.*, A report on Chinese outbound tourism, pp. 6-7.

<sup>19</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; UNWTO, *Chinese outbound tourism*, p. 20; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 1-2; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 2; X. Dai *et al.*, A report on Chinese outbound tourism, p. 5; W. G. Arlt, *China's outbound tourism*, p. 36.

<sup>20</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; UNWTO, *Chinese outbound tourism*, p. 20; X. Dai *et al.*, A report on Chinese outbound tourism, p. 5.

<sup>21</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; UNWTO, *Chinese outbound tourism*, p. 20; W. G. Arlt, *China's outbound tourism*, p. 50.

### 3. Factors that influenced Chinese outbound tourism

As regards the factors that influenced international tourism, Chuck Y. Gee and Eduardo Fayos-solá considered a number of factors. These factors included socio-demographic change; technological advances; political change; sustainable tourism and environmental issues; safety and health issues; and human resource development.<sup>22</sup> The UNWTO has identified two broad categories of factors that shaped the development of tourism: the exogenous factors and the market forces. The exogenous factors included economic and financial developments; demographic and social changes; technological innovations and improvements; investment on infrastructure, equipment and facility; political, legislative and regulatory factors; environmental planning and impact issues; trading developments; and safety of travel.<sup>23</sup> The market forces included the growing consumer knowledge of tourism possibilities and the changing of tourist requirements; increasingly varied and extensive destination product development, and finely targeted product or service marketing by the private sector operators; globalization trends in the structure of the travel and tourism operating sector; more extensive and effective marketing; and shortages of skilled and experienced human resources.<sup>24</sup> Of these two categories of factors, the former was not directly related to tourism but influenced the extent and form of demand for tourist activity, while the latter dealt with the demand for, and supply and distribution of tourism products and services.<sup>25</sup>

As regards the factors that influenced the development of Chinese outbound tourism, Du and Dai believed that Chinese outbound tourism developed in a dramatic way as a result of both macro and micro factors. The macro factor was the reform and opening up after 1978, while the micro factors were the demonstration effects of inbound tourism, as well as the pursuit of high-level travel owing to the positive impact of domestic tourism.<sup>26</sup> Given the nature of outbound travel in terms of border crossing, long haul and high cost, they first considered four major factors in terms of economy; policies and regulations; supply and demand; and barriers.<sup>27</sup> They then grouped these factors into two major

---

<sup>22</sup> C. Y. Gee and E. Fayos-Solá (eds), *International tourism*, pp. 33-8.

<sup>23</sup> UNWTO, *Global tourism forecasts to the year 2000 and beyond*, pp. 23-8.

<sup>24</sup> *Ibid*, pp. 28-30.

<sup>25</sup> *Ibid*, p. 23.

<sup>26</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 1-2.

<sup>27</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 13-26.

categories: determining factors and restraining factors. The former was about economy, policies and regulations, while the latter was related to transport, leisure time and safety of a destination.<sup>28</sup> Consequently, they identified seven factors as politics and diplomacy; the economy; macro supervision and administration; market environment; aero transport; safety of a destination; and social culture. Of these factors, the first two were regarded as determining factors, while the others as restraining factors.<sup>29</sup> In addition to the analysis of the above mentioned seven factors, Dai and his research fellows added advertisement and promotion as one of the restraining factors. They also detailed the factors that influenced the Chinese outbound tourism market from both tourist generating countries and areas and destination countries and areas. They believed that the key factors were politics and diplomacy between the two countries involved; geographical distance and aero transport; and the exchange rate.<sup>30</sup> For tourist generating countries and areas, the factors were mainly related to economy, technology, socio-culture, macro supervision and administration, market environment and demographics. However, for destination countries and areas, the factors were concerned with the strengths compared with other destinations; marketing and promotion in tourist generating areas; and the special events, such as Olympic Games and the World Cup (Appendix 2.1).

Jianzhong Zhang proposed his ideas regarding the factors from the government perspective. He identified these factors as being economic growth; the building of an “all-round xiaokang” (well-off) society; the increase of the disposable income of Chinese nationals; more leisure time for travel; and integration into the international community owing to the opening up of China.<sup>31</sup> In addition, Zhang also identified six factors in this regard. Two of these were related to the economy: the increase of income and the change of consumption patterns. The other four factors were directly concerned with the policies of the Chinese government in terms of further relaxation of restrictions, increasing leisure time, improving international relationships and supporting promotions.<sup>32</sup>

---

<sup>28</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 28-42.

<sup>29</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 15-32; J. Du and B. Dai, *Annual report of China outbound tourism development 2006*, pp. 13-30.

<sup>30</sup> B. Dai *et al.*, *Annual report of China outbound tourism development 2007&2008*, pp. 28-9.

<sup>31</sup> J. Zhang, A research on the current development of Chinese outbound tourism, its trends and policies, a paper at the 1<sup>st</sup> international forum on Chinese outbound tourism, 2003.

<sup>32</sup> G. Zhang, China’s outbound tourism, a paper at WTM-CHINACONTACT conference 2006.

Some overseas tourism scholars have also presented their ideas on this matter. They generally focused on income related to the economic growth and policies. As indicated earlier, according to the ideas of Bailey in terms of income and the permission to do so,<sup>33</sup> Qiu Zhang and Heung emphasized that the economic growth greatly contributed to the improvement of the living standards of Chinese nationals, particularly the increase of the disposable income in metropolises, coastal provinces and special economic zones.<sup>34</sup> Qu and Isabella Li highlighted the increase of the disposable income of Chinese nationals and the relaxation of outbound travel restrictions by the Chinese government.<sup>35</sup> Julie J. Wen and Clement A. Tisdell claimed that “[g]reater liberation and the continuing rise in income could result in a substantial rise in the number of China’s outbound travellers”.<sup>36</sup> From the political and social-cultural perspectives, Arlt identified two additional major forces that are shaping the development of Chinese outbound tourism. One was the political needs of those who wielded power to connect with the international community, and the other was the desire of the Chinese people to travel.<sup>37</sup>

The UNWTO and the CTC also identified the factors that influenced the development of Chinese outbound tourism. The UNWTO believed that the rapid development was the result of the opening up policy, economic growth and the improvement of the living standards of Chinese nationals.<sup>38</sup> The CTC ascribed the rapid growth of the Chinese outbound tourism market to economic and political aspects, and added a social-cultural dimension as well. Politically, the Chinese government eased outbound travel regulations and provided more leisure time and public holidays for Chinese nationals. The economic aspects were identified as economic growth; the growing affluence of Chinese nationals; and the decreasing costs of outbound travel. At the social-cultural level, there was an increasing desire among the rising Chinese middle class for outbound travel.<sup>39</sup>

---

<sup>33</sup> M. Bailey, China outbound, *Travel & tourism analyst* 6, 1994, p. 19.

<sup>34</sup> H. Qiu Zhang and V. C. S. Heung, The emergence of the Mainland Chinese outbound travel market and its implications for tourism marketing, *Journal of vacation marketing* 8(1), 2001, pp. 8-10; H. Qiu Zhang *et al.*, Mainland Chinese outbound travel to Hong Kong and its implications, in A. A. Lew *et al.* (eds), *Tourism in China*, pp. 278-9.

<sup>35</sup> H. Qu and I. Li, The characteristics and satisfaction of Mainland Chinese visitors to Hong Kong, *Journal of travel research* 35(4), 1997, p. 37.

<sup>36</sup> J. J. Wen and C. A. Tisdell, *Tourism and China’s development*, p. 40.

<sup>37</sup> W. G. Arlt, *China’s outbound tourism*, p. 3.

<sup>38</sup> UNWTO, *Chinese outbound tourism*, p. 17.

<sup>39</sup> CTC, Research on the Chinese outbound travel market report, pp. 8-9.

Based on the above analyses, five major factors will be considered in this research: the economic growth; tourism policies and regulations; the transformation of Chinese society; the change in Chinese consumption patterns; and the holiday system of China. Of these factors, the first two are seen as the determining factors; while the other three are recognized as supporting factors. In addition, the barriers that cramped Chinese outbound tourism will also be considered (Appendix 2.2).

### 3.1 Economic growth

As is evident in the above viewpoints, the economic factors are specified as the growth in the GDP; the increase of foreign currency reserves; the increase of income of Chinese nationals, particularly the disposable income of urban residents; and the improvement of their living standards, particularly the level of consumption of urban residents. According to the NBSC, from 1978 to 2014, the GDP of China increased from RMB¥ 365 billion to RMB¥ 63.6 trillion.<sup>40</sup> This growth contributed to three major “ripple” effects in the context of Chinese outbound tourism.

The first “ripple” effect was the increase of foreign currency reserves. According to the State Administration of Foreign Exchange (SAFE) of China, from 1978 to 2014, the foreign exchange reserves increased from US\$ 167 million to US\$ 3.8 trillion. In 2006, the foreign exchange reserves of China surpassed that of Japan, ranking it the top in the world, a position it has maintained.<sup>41</sup> The second “ripple” effect was the increase of income of Chinese nationals. During this period, the per capita disposable income increased from RMB¥ 240 to RMB¥ 20 167, of which the per capita disposable income of urban residents increased from RMB¥ 343 to RMB¥ 28 844.<sup>42</sup> The per capita disposable income of the urban residents in the coastal provinces and metropolises was even higher than the other provinces and regions of China. In 2013, the top ten provinces, metropolises and regions in terms of disposable income were Shanghai (RMB¥ 43 851), Beijing

---

<sup>40</sup> NBSC, *China Statistical yearbook 2014*; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 1978-2014.

<sup>41</sup> SAFE, The foreign currency reserve, 1978-2014; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2000-2014; NBSC, A series of reports of the 60<sup>th</sup> anniversary of the PRC (1), 2009-09-07; NBSC, A series of reports of the 60<sup>th</sup> anniversary of the PRC (18), 2009-09-29; NBSC, A series of reports of the social and economic development of the PRC from the 16<sup>th</sup> to 18<sup>th</sup> of National Congress of the CCP 2002-2012 (1), 2012-08-15.

<sup>42</sup> NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 1978-2014; NBSC, *China statistical yearbook 2014*.

(RMB¥ 40 321), Zhejiang (RMB¥ 37 851), Guangdong (RMB¥ 33 090), Jiangsu (RMB¥ 32 538), Tianjin (RMB¥ 32 294), Fujian (RMB¥ 30 816), Shandong (RMB¥ 28 264), Liaoning (RMB¥ 25 578) and Inner Mongolia (RMB¥ 25 497).<sup>43</sup> These figures, minimally varying annually, remained similar to those of the year 2014. The third “ripple” effect was the improvement of living standards of Chinese nationals, which was marked by their level of consumption. From 1978 to 2013, the level of consumption increased from RMB¥ 184 to RMB¥ 15 632, of which the consumption level of urban residents increased from RMB¥ 405 to RMB¥ 22 880.<sup>44</sup> The high level of consumption of urban residents were also concentrated in the above mentioned provinces, metropolises and regions in 2013: Shanghai (RMB¥ 41 464), Beijing (RMB¥ 35 836), Guangdong (RMB¥ 30 440), Zhejiang (RMB¥ 30 101), Tianjin (RMB¥ 28 779), Jiangsu (RMB¥ 28753), Liaoning (RMB¥ 25 161), Inner Mongolia (RMB¥ 23 590), Shandong (RMB¥ 23 358) and Fujian (RMB¥ 21 725).<sup>45</sup> These figures, minimally varying annually, also remained similar to those of the year 2014.

The development of Chinese outbound tourism has been in parallel with the increase of the above mentioned economic factors (Figure 2.5). The high level of disposable income and consumption strengthened the position of the coastal provinces and metropolises in the Chinese outbound tourism market and has been attracted the interests of destination countries and areas for these regions. This also apparently inspired the Chinese government to relax some policies and regulations so that Chinese nationals could participate in outbound travel. This has resulted in Chinese outbound tourism accelerating faster than any other economic factor after 1997.

---

<sup>43</sup> NBSC, *China statistical yearbook 2014*.

<sup>44</sup> *Ibid.*

<sup>45</sup> *Ibid.*

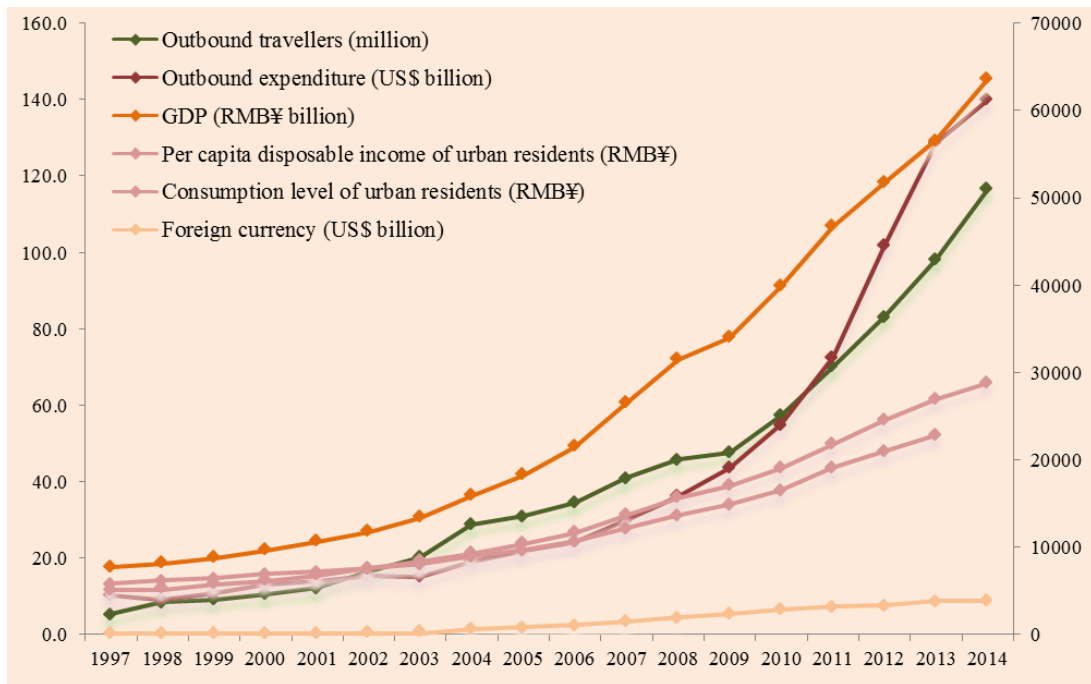


Figure 2.5 Chinese outbound tourism and major economic factors 1997-2014

Adapted from: CNTA, Tourism statistics 1997-2014; SAFE, The foreign currency reserve, 1997-2014; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 1997-2014; NBSC, *China Statistical yearbook 1997-2014* (Beijing, 1997-2014).

### 3.2 The modifications of tourism policies and regulations

Tourism policies and regulations are essentially concerned with the relaxation of the restrictions on outbound tourism. In the earlier period of the development of Chinese outbound tourism, the government policies were formulated based on the viewpoint that China was a developing country and must therefore protect the interests of its domestic industries.<sup>46</sup> As a result, the Chinese government adopted the policy of “appropriately developing outbound tourism” in 1997 to prevent the outflow of foreign currency.<sup>47</sup> This policy implied that outbound tourism should be developed in an “organized”, “planned” and “controlled” manner. The “organized” meant that outbound travel took the form of tourist groups organized by travel agencies authorized by the Chinese tourism executive departments. The “planned” implied that a quota system should be performed to control the supply and demand for outbound tourism. The “controlled” referred to the regulation of qualifications, the number and quota of the authorized travel agencies conducting

<sup>46</sup> UNWTO, *Chinese outbound tourism*, p. 33.

<sup>47</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5.

outbound tourism.<sup>48</sup> This developmental format focused on three aspects: the ADS system, foreign currency and various policies and regulations.

As indicated earlier, the ADS system is an agreement between China and the government of a destination country or area signed for Chinese tourists to travel in its territory beyond China.<sup>49</sup> Based on the principle of “equality and mutual benefit; expanding the bilateral tourism visits; and cooperation for double win”,<sup>50</sup> the Chinese government granted ADS to a country or area with the required qualifications. It implied that the country or area must be a tourist source country or area of China; friendly to China in politics; having attractive tourist resources, standard facilities and good accessibility for Chinese tourists; no discriminatory or restrictive regulations in law and regulations against Chinese tourists; and a guarantee for their safety.<sup>51</sup>

As regards the viability of the ADS system, the UNWTO confirmed that it functioned well given the experiences of countries, such as Australia and Japan, and recommended that these experiences be brought to the attention of the European authorities by the European travel industry.<sup>52</sup> It listed the following advantages of the system: increasing the number of authorized Chinese travel agencies conducting outbound travel to the countries and areas with ADS; saving human resources in terms of visa applications because of the preliminary assessment by the Chinese travel agencies; travelling for leisure instead of being in the name of business trips or other purposes; and reducing the rate of overstay.<sup>53</sup>

However, the World Travel and Tourism Council (WTTC) believed that the realization of the full potential of tourism in China would “require the rapid elimination of approved destination status (ADS) requirements, allowing for unlimited access to the Chinese market by foreign tour operators and national tourism organizations, and removing limits on travel agency outbound sales”.<sup>54</sup> Arlt identified this system as “a major instrument of

---

<sup>48</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 16; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 5-6.

<sup>49</sup> UNWTO, *Chinese outbound tourism*, pp. 34-5.

<sup>50</sup> J. Zhang, A research on the current development of Chinese outbound tourism, its trends and policies, a paper at the 1<sup>st</sup> international forum on Chinese outbound tourism, 2003.

<sup>51</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 16-7.

<sup>52</sup> UNWTO, *Chinese outbound tourism*, pp. 9, 34-42.

<sup>53</sup> W. G. Arlt, *China's outbound tourism*, pp. 36-7.

<sup>54</sup> WTTC, China, China Hong Kong SAR and China Macau SAR, p. 7.

the Chinese government for the attempted control of the development of outbound tourism”. He claimed that the main purpose of the system was to restrict the number of Chinese tourists who spent hard currency abroad. He believed that it would eventually be abolished when important destinations obtained ADS from the Chinese government.<sup>55</sup> Zhang also believed that this system was of a distinctively creative nature in a particular period of development in China. He confirmed that this transitional system would be abolished as more countries or areas obtained ADS from China and as the Chinese tourism market matured.<sup>56</sup>

From the government perspective, the CNTA claimed that as a newly introduced system it was impossible that ADS would be repealed in the near future. However, as a temporary system adapted to the current circumstances, it was likely to evolve.<sup>57</sup> Du and Dai argued that it would be difficult for China to abolish the ADS system in a short period of time, but the Chinese government would continually find an appropriate way to quicken the opening up of the outbound tourism market.<sup>58</sup>

The other control mechanism impinging on Chinese outbound travellers were the regulations on foreign currency. In 1994, the amount of foreign currency that Chinese travellers were allowed to carry in their outbound travel increased from US\$ 60 to US\$ 1000.<sup>59</sup> In 2003, the amount was US\$ 3 000 for one person (excluding border travellers) in one trip within less than six months; and US\$ 5 000 over six months.<sup>60</sup> In 2005, the amount increased to US\$ 5 000 for one person (excluding border travellers) in one trip within less than six months; and to US\$ 8 000 over six months.<sup>61</sup> In 2007, the amount allowed to be out of the country increased to US\$ 50 000.<sup>62</sup> This in itself reflected a loosening up of the regulations and restrictions on outbound travel.

---

<sup>55</sup> W. G. Arlt, *China's outbound tourism*, p. 42.

<sup>56</sup> G. Zhang, China's outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China's tourism development 2004-2006*, p. 75; G. Zhang, China's outbound tourism 2007, in G. Zhang *et al.* (eds), *China's tourism development 2007*, p. 95.

<sup>57</sup> UNWTO, *Chinese outbound tourism*, p. 34.

<sup>58</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 141.

<sup>59</sup> W. G. Arlt, *China's outbound tourism*, p. 47; CTC, Research on the Chinese outbound travel market report, p. 8.

<sup>60</sup> X. Dai and Z. Deng, China's outbound tourism spending has been seriously underestimated, *Finance and Trade Economics* 8, 2008, pp. 101-5.

<sup>61</sup> SAFE Notice, No. 2005: 60, Modification of the regulations on purchasing foreign currency in the current account for the residents within the boundary of People's Republic of China for private purposes, 2005-08-03.

<sup>62</sup> X. Dai and Z. Deng, China's outbound tourism spending has been seriously underestimated, *Finance and Trade Economics* 8, 2008, pp. 101-5.

As indicated earlier, in addition to the policy of “appropriately developing outbound tourism”, the CNTA and the MPS promulgated the first regulation on Chinese outbound tourism in 1997. This was the above mentioned “Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense”.<sup>63</sup> The regulation marked the official beginning of Chinese outbound tourism, as well as the formation of the Chinese tourism market in terms of simultaneous development of inbound, domestic and outbound tourism.<sup>64</sup> It “formally signified the transformation of travel for visiting friends and relatives of Chinese nationals to outbound travel at their own expenses”.<sup>65</sup> In addition, the entrance of China into the WTO in 2001 further stimulated the development of Chinese outbound tourism with the promulgation of the “Regulations on the administration and management of outbound travel by the Chinese citizens” in 2002.<sup>66</sup> This regulation not only emphasized the rights of Chinese outbound tourists and the quality of services, but also relaxed some restrictions and procedures in the context of outbound tourism.<sup>67</sup> As a result, a quota system, which was imposed in 1983 to restrict the number of travellers to Hong Kong, was abolished in 2002.<sup>68</sup> The requirement that invitation letters from overseas had to be submitted when applying for a passport for private purposes was also withdrawn.<sup>69</sup>

With the rapid development of outbound tourism, the Chinese government modified its outbound tourism policy as “standardizing the development of outbound tourism” and “developing outbound tourism in an orderly manner” in 2005 and 2009 respectively. The new policies not only emphasized standardizing the tourism industry to meet the demand of Chinese nationals for outbound travel, but weakened the control and restrictions on its developmental size and speed. In addition, these modifications conveyed significant

---

<sup>63</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 5; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 5-6.

<sup>64</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Zhang, A research on the current development of Chinese outbound tourism, its trends and policies, a paper at the 1<sup>st</sup> international forum on Chinese outbound tourism, 2003; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 5; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 5-6.

<sup>65</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5.

<sup>66</sup> The decree of the State Council, No. 2002:354, The regulations on the administration and management of outbound travel by Chinese citizens, 2002-05-27.

<sup>67</sup> X. Dai *et al.*, A report on Chinese outbound tourism, p. 7.

<sup>68</sup> M. Bailey, China outbound, *Travel & Tourism Analyst* 6, 1994, p. 22; M. Bailey, China outbound, *Travel & Tourism Analyst* 3, 1998, p. 22; W. G. Arlt, *China's outbound tourism*, p. 36; UNWTO, *Chinese outbound tourism*, pp. 20-1; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 6.

<sup>69</sup> UNWTO, *Chinese outbound tourism*, p. 21; G. Zhang, China's outbound tourism 2002-2004, in G. Zhang *et al.* (eds), *China's tourism development 2002-2004*, pp. 80-1; X. Dai *et al.*, A report on Chinese outbound tourism, p. 8.

implications: the changes of the Chinese outbound tourism market; the demise of the planned economy in the Chinese outbound tourism market; and the Chinese outbound tourism market being aligned with the global tourism market. Moreover, they also indicated the neutral stance of the Chinese government on outbound tourism, namely no encouragement and no restrictions.<sup>70</sup>

### 3.3 The transformation of Chinese society

Economic growth was identified as being contributed greatly to the transformation of Chinese society with the formation of two strata: the wealthy and the middle stratum (equivalent to the middle class in the Western sense). These two strata were considered as the mainstream source of Chinese outbound tourism as a result of the available wealth and high income.

After 2003, the state of wealth in China, particularly the increase of the high net worth individuals (HNWIs)<sup>71</sup> and the ultra-HNWIs<sup>72</sup> have been considered in a number of world wealth reports. These include the “world wealth report” and the “Asia-Pacific wealth report”, jointly released by Merrill Lynch and Capgemini.<sup>73</sup> According to these reports, from 2003 to 2014, the HNWIs in China increased from 236 000 to 890 000, with an average growth of 12.8%.<sup>74</sup> In 2007, China was home to the second-fastest-growing HNWI population in the world, with an average growth of 20.3%.<sup>75</sup> The number of ultra-HNWIs increased to 6 038, with an average growth of 22.2%, eclipsing that of Japan

---

<sup>70</sup> G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 79; J. Zhang, The development of Chinese outbound tourism and its policy orientation, a paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005; L. Zhang and C. Yang, From “giving prominence to foreign exchange earnings” to balance of payment, *Tourism tribune* 6, 2006, p. 20; Q. Shao, A speech at the 2005 national tourism forum, 2005-08-31; Q. Shao, A speech at the 2009 national tourism conference, 2009-02-05; Q. Shao, A speech at the 2005 national tourism working conference, 2005-08-31.

<sup>71</sup> HNWIs refer to those who hold financial assets of at least US\$ one million excluding their primary residence in a series of the world wealth reports released by Merrill Lynch and Capgemini.

<sup>72</sup> The ultra-HNWIs refer to those who hold financial assets of at least US\$ 30 million excluding collectibles, consumables, consumer durables and primary residences in a series of the world wealth reports released by Merrill Lynch and Capgemini.

<sup>73</sup> Merrill Lynch and Capgemini, *The world wealth report 2004-2015*; Merrill Lynch and Capgemini, *The Asia-Pacific wealth report 2006-2014*.

<sup>74</sup> Merrill Lynch and Capgemini, *The world wealth report 2004*, pp. 7, 29; Merrill Lynch and Capgemini, *The world wealth report 2015*, p. 7.

<sup>75</sup> Merrill Lynch and Capgemini, *The world wealth report 2008*, p. 6; Merrill Lynch and Capgemini, *The Asia-Pacific wealth report 2008*, p. 7.

for the first time.<sup>76</sup> In 2008, the HNWI's of China became the fourth largest in the world, a position it has maintained since then.<sup>77</sup> Merrill Lynch and Capgemini therefore confirmed that China was currently experiencing what they termed “explosive growth” in its so-called “mass affluent” population.<sup>78</sup>

Chinese private wealth was also examined by some large financial institutions. The China Merchant Bank, together with Bain & Company, released their results of a study entitled the “China private wealth study” in 2009, 2011 and 2013 respectively. It was indicated in these reports that, from 2008 to 2012, the HNWI's in China, who held the investable assets<sup>79</sup> of at least RMB¥ 10 million, increased from 300 000 to 700 000, with an average growth of 23.6 %. The ultra-HNWI's, who held the investable assets of at least RMB¥ 100 million, increased from 10 000 to 40 000, with an average growth of 41.4 %.<sup>80</sup> In addition, the total investable assets held by the HNWI's increased from RMB¥ 8.8 trillion to RMB¥ 22 trillion, and the per capita investable assets increased from RMB¥ 29 million to RMB¥ 31 million.<sup>81</sup> Moreover, it was found that more than 80% of HNWI's concentrated in metropolises and provinces of the coastal and mid-western developed regions, such as Guangdong, Shanghai, Beijing, Jiangsu, Zhejiang, Shandong, Liaoning, Hebei, Fujian, Sichuan, Henan, Anhui, Hubei, Hunan and Tianjin. Of these, more than 50% of HNWI's and 85% of ultra-HNWI's were clustered in Guangdong, Shanghai, Beijing, Jiangsu and Zhejiang.<sup>82</sup> Despite relatively small numbers compared with the total population of China, the newly emerging wealthy constituted what Dai termed the “tribe” which boosted Chinese outbound tourism.<sup>83</sup>

---

<sup>76</sup> Merrill Lynch and Capgemini, *The Asia-Pacific wealth report 2008*, pp. 4, 17.

<sup>77</sup> Merrill Lynch and Capgemini, *The world wealth report 2015*, p. 7.

<sup>78</sup> Merrill Lynch and Capgemini, Merrill Lynch and Capgemini released the 12<sup>th</sup> annual world wealth report, 2008-06-24.

<sup>79</sup> Investable assets are a measurement of the total investable wealth (assets with a secondary market and certain liquidity) of an individual. Investable assets include an individual's financial assets and investable real estate. Financial assets include cash, deposits, stocks (tradable and non-tradable shares of listed companies, hereinafter inclusive), bonds, funds, insurance, bank financing products, offshore assets and other investments (commodity futures, gold, etc.), excluding assets such as owner-occupied real estate, shares of non-listed companies and consumer durables. See China Merchant Bank and Bain & Company, *2009 China private wealth study*, p. 4; China Merchant Bank and Bain & Company, *2011 China private wealth study*, p. 8; China Merchant Bank and Bain & Company, *2013 China private wealth study*, p. 4.

<sup>80</sup> China Merchant Bank and Bain & Company, 2009 China private wealth study, pp. 3-4; China Merchant Bank and Bain & Company, 2013 China private wealth study, pp. 3, 5.

<sup>81</sup> China Merchant Bank and Bain & Company, 2009 China private wealth study, pp. 3-4; China Merchant Bank and Bain & Company, 2013 China private wealth study, pp. 3, 5.

<sup>82</sup> China Merchant Bank and Bain & Company, 2009 China private wealth study, pp. 3-4; China Merchant Bank and Bain & Company, 2013 China private wealth study, pp. 3, 5.

<sup>83</sup> X. Dai *et al.*, A report on Chinese outbound tourism, p. 23.

Another “tribe” in Chinese outbound tourism was the rapid expanding middle stratum that had higher education and medium income. According to Xueyi Lu, by the end of 2009, the middle stratum accounted for 23% of the employed population of China.<sup>84</sup> Based on the employed population of 780 million, this implied that the middle stratum in China was about 179.4 million, 13.4% of the total Chinese population by then.<sup>85</sup> They represented a huge market when compared with the small number of the wealthy. Given their large size, some destination countries or areas planned to capture this growing market as what they lacked in spending power could be compensated for by their large arrivals.<sup>86</sup>

### 3.4 The change in Chinese consumption patterns

Before the reform and opening up in 1978, the Chinese generally experienced low living standards in terms of food, clothing and shelter; and a shortage of daily commodities. Besides maintaining daily expenses, most Chinese families devoted their limited disposable income to buy durable products, such as “three big pieces”, including bicycles, watches and sewing machines.<sup>87</sup> After 1978, the Chinese government set up a goal of feeding and clothing the people by the end of the 1980s, and by the year 2000 affording them a life of “Xiaokang” (well-off) with the per capita GDP of US\$ 800. This goal was reached by then with the per capita GDP of US\$ 854.<sup>88</sup> After the 1980s, the “three big pieces” changed to TV sets, washing machines and refrigerators. Currently, these electronic items have been popularized in rural families, while the urban families have begun to buy high-end electronic products, luxury goods, houses and cars to show their status.<sup>89</sup> After a long struggle for basic necessities, such as food and shelter, the majority of the Chinese population, particularly urban residents in the developed coastal and inland regions, had a decent standard of living - having attained most necessities of life.<sup>90</sup>

---

<sup>84</sup> X. Lu, The golden period of the development of the middle stratum of China, 2010-02-11.

<sup>85</sup> These figures were calculated based on NBSC, the statistical communiqués of the People’s Republic of China on national economic and social development 2009, 2010-02-25.

<sup>86</sup> C. Y. Gee and E. Fayos-Solá (eds), *International tourism*, p. 12.

<sup>87</sup> X. Chen and P. Huang, The emergence of consumerism culture in Chinese society, 2015-07-15.

<sup>88</sup> People.com.cn, The three-step development strategy, 2015-07-15; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2000, 2001-02-28.

<sup>89</sup> X. Chen and P. Huang, The emergence of consumerism culture in Chinese society, 2015-07-15.

<sup>90</sup> H. Li, *China tourism*, p. 133; X. Chen and P. Huang, The emergence of consumerism culture in Chinese society, 2015-07-15; China.com.cn, The transformation of Chinese consumption ideology in 13 years, *Economic daily*, 2002-10-28.

As already indicated, from 1978 to 2014, the per capita disposable income increased from RMB¥ 240 to RMB¥ 20 167, of which the per capita disposable income of urban residents increased from RMB¥ 343 to RMB¥ 28 844.<sup>91</sup> This aligned with the emergence of the wealthy (the HNWIs and the ultra-HNWIs). The improved living standard greatly changed the living styles of most Chinese, as well as their consumption ideology. According to Tom Doctoroff, the Chinese have also become increasingly “modern and international”. In their consumption, they apparently prefer international brands over their domestic ones.<sup>92</sup> After meeting the basic material requirements, the Chinese appeared to have begun to pursue their sensory satisfaction. As a result, travel increasingly became one of the preferences in their leisure time. Like their preference for international brands, their preferences have transferred from domestic travel to outbound travel to experience different cultures, widen their vision and enrich their lives. In essence, travelling abroad is also becoming a status symbol.

It must however also not be forgotten that China is a society dominated for centuries by the Confucian ideology. As regards consumption culture, the Chinese traditionally advocate industry and thrift and reject spending without restraint or ahead of time. As a result, when they consume, most Chinese are rational, planned and less adventurous.<sup>93</sup> However, the economic growth and the internationalization of China have changed the consumption ideology and patterns of the Chinese. They now experience the change to spend money instead of saving money, as well as “spend tomorrow’s money for today’s dream”.<sup>94</sup> As a result, over the past three decades after 1978, the change of the Chinese consumption ideology greatly stimulated the development of tourism in China, particularly outbound tourism. Cai highlighted this new development and claimed that Chinese “equipped with the newly-founded personal spending power and backed by the rising (need for) the national pride, Chinese consumers in the global travel marketplace carry a mission of a seemingly price-insensitive buyer and expect an eager seller out of everywhere they visit”.<sup>95</sup>

---

<sup>91</sup> NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 1978-2014; NBSC, *China statistical yearbook 2014*.

<sup>92</sup> T. Doctoroff, *What Chinese want*, pp. 65, 94.

<sup>93</sup> InterfaceASIA-Holden, 2010 China consumer report, 2015-07-18.

<sup>94</sup> China.com.cn, The transformation of Chinese consumption ideology in 13 years, *Economic daily*, 2002-10-28.

<sup>95</sup> B. O’Reilly, How to create good Chinese tourists, *ChinaOutlook*, 2014-12-30.

### 3.5 The revision of the holiday system

After 1978, the holiday system in China experienced three major changes. These changes were related to the revision and extension of the number of days officially granted for holiday with the introduction of the “five-day working week” after 1995, the three “golden weeks” after 1999 and paid holidays after 2007. This was a key contributor to Chinese outbound tourism.

In the first legal vacation change, the Chinese government promulgated the “Labour Law of the People’s Republic of China”<sup>96</sup> and introduced a trial five-day working week every two weeks in 1994. The holiday system of a five-day working week was officially introduced in 1995, doubling public holidays from 59 days to 111 days per annum.<sup>97</sup>

In the second change in 1999, the Chinese government released the “Regulations on holidays during festivals and memorial days”, which increased the official holidays from seven to ten days. After that, the Chinese nationals began to enjoy 114 holidays per annum. During the important festivals, such as the Spring Festival, the May Day and the National Day, they were entitled to three seven-day holidays, known as the “golden weeks”. These “golden weeks” in particular contributed greatly to the “wellspring of tourism” in China.<sup>98</sup>

In the third change in 2007, the Chinese government promulgated two regulations for the improvement of the holiday system. One was the “Resolution of the State Council on revision of ‘the regulations on holidays during festivals and memorial days’”, and the other was the “Regulations on paid holidays for staff and workers”. The former regulation revised the “golden weeks” of the May Day from three days off to one day off. However, three major traditional Chinese festivals - the Qingming Festival (the 5<sup>th</sup> April), the Duanwu Festival (the Chinese Lunar 5<sup>th</sup> May) and the Mid-autumn Festival (the Chinese

---

<sup>96</sup> The decree of the President, No. 1994:28, Labour law of the People’s Republic of China, Chapter I: Article 2, 1994-07-05; The Tourism Research Center of the Chinese Academy of Social Sciences (TRCCASS), China’s tourism 2007-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2008*, pp. 39-40.

<sup>97</sup> TRCCASS, China’s tourism development 2008-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2009*, p. 20.

<sup>98</sup> TRCCASS, China’s tourism development 2008-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2009*, pp. 20-1; The decree of the State Council, No. 1999:270, The regulations on holidays during festivals and memorial days, 1999-09-18; TRCCASS, China’s tourism 2007-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2008*, pp. 43-4.

Lunar 15<sup>th</sup> August) - were added as official holidays. Since then, Chinese nationals have been entitled to 115 holidays annually.<sup>99</sup> The latter regulation, based on the “Labour Law” and the “Civil Servant Law”, was promulgated to protect the legal rights of staff and workers to take holiday. It was regulated that staff and workers, who work in governmental offices, organizations, institutions, state-owned and private enterprises, were annually entitled to paid holidays with the same amount of salary during their working days.<sup>100</sup> The gradual improvement of the holiday system provided, and would continue to provide Chinese nationals with more leisure time to travel, and as a result, was a key factor in stimulating outbound travel.

### 3.6 Barriers

As indicated before, various tourism scholars have pointed out that a range of barriers still existed in the development of Chinese outbound tourism. Bailey identified the restrictive factors in terms of the movement and the expenditure of Chinese nationals.<sup>101</sup> In his analysis of the current situation and prospective trends of the development of Chinese outbound tourism, Zhang identified the major barriers as unclear national tourism policies; unreliable tourism information; effects of sudden events; and no guarantees of the legal rights of outbound tourists.<sup>102</sup> In addition to the level of income and consumption of Chinese nationals, as well as policies and regulations, Du and Dai also listed other barriers, such as concerns about wars, diseases, violence and terrorism; transportation; the holiday system; language and cultural differences; and worries about safety of destinations.<sup>103</sup> They later added that the restrictions originated from both tourist generating countries and areas and destinations.<sup>104</sup> Wen and Tisdell stated that “there is some suppressed demand for outbound travel from China due to the regulations on such travel and administrative

---

<sup>99</sup> The decree of the State Council, No. 2007:513, The resolution of the State Council on revision of “the regulations on holidays during festivals and memorial days”, 2007-12-14; TRCCASS, China’s tourism 2007-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2008*, p. 44; TRCCASS, China’s tourism development 2008-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2009*, p. 21.

<sup>100</sup> The decree of the State Council, No. 2007:514, The regulations on paid holidays for staff and workers, 2007-12-14; TRCCASS, China’s tourism 2007-2009, in G. Zhang *et al.* (eds), *China’s tourism development 2008*, pp. 40-3.

<sup>101</sup> M. Bailey, China outbound, *Travel & tourism analyst* 6, 1994, p. 19; M. Bailey, China outbound, *Travel & tourism analyst* 3, 1998, p. 19.

<sup>102</sup> G. Zhang, China’s outbound tourism 2002-2004, in G. Zhang *et al.* (eds), *China’s tourism development 2002-2004*, pp. 87-8.

<sup>103</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, pp. 25-6; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 42.

<sup>104</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, p. 93.

obstacles to outbound travellers”.<sup>105</sup> Based on the above analysis, the remainder of this section will consider the internal and external barriers that obstruct the development of Chinese outbound tourism.

The internal barriers can be divided into two major categories: economic factors and tourism policies and regulations. On the one hand, as mentioned earlier, the GDP of China and the income of Chinese nationals increased rapidly over the past three decades. However, compared with developed countries and areas in the rest of the world, the per capita GDP and the income level of Chinese nationals was low given the large population base of 1.3 billion. In fact, most Chinese nationals, particularly the people with low income, could not afford outbound tourism which entailed relatively high expenditure.<sup>106</sup> This could be corroborated by the fact that only 0.4% of the total population could afford outbound travel in 1997<sup>107</sup> and by 2014 the figure had risen to only 8.5%.<sup>108</sup>

On the other hand, in terms of policies and regulations, of the three tourism patterns of inbound, domestic and outbound tourism, outbound tourism was controlled by the Chinese government in the strictest manner.<sup>109</sup> The UNWTO also believed that the official policy on Chinese outbound tourism was “controlled development”.<sup>110</sup> The controlled nature was embodied in numerous policies and regulations, particularly the policy of “appropriately developing outbound tourism”. According to the TRCCASS, “appropriately developing” implied de facto “control” or “restriction”.<sup>111</sup> Arlt also pointed out that these policies in fact discouraged outbound tourism.<sup>112</sup>

Obtaining a visa was identified as one of the major regulatory external barriers. It was difficult for Chinese nationals to obtain a visa to visit countries or areas of their choice.<sup>113</sup>

---

<sup>105</sup> J. J. Wen and C. A. Tisdell, *Tourism and China's development*, p. 40.

<sup>106</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 25.

<sup>107</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; NBSC, The statistical communiqué of the People's Republic of China on national economic and social development 1997, 1998-03-04.

<sup>108</sup> NBSC, The statistical communiqué of the People's Republic of China on national economic and social development 2014, 2015-02-26.

<sup>109</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 15, 35; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, p. 26.

<sup>110</sup> UNWTO, *Chinese outbound tourism*, p. 9.

<sup>111</sup> TRCCASS, China's tourism development 2004-2006, in G. Zhang *et al.* (eds), *China's tourism development 2004-2006*, p. 11; TRCCASS, Comments on highlighted issues of China tourism in 2005, in G. Zhang *et al.* (eds), *China's tourism development 2004-2006*, p. 20.

<sup>112</sup> W. G. Arlt, *China's outbound tourism*, p. 41.

<sup>113</sup> L. Zhou *et al.*, The China outbound market, *Journal of vacation marketing* 4(2), 1998, pp. 109-19.

When issuing a visa, some destination countries and areas took strict measures to prevent illegal immigration due to overstay.<sup>114</sup> Some EU countries had experienced overstays by the Chinese tourists with ADS visas.<sup>115</sup>

#### 4. Issues regarding Chinese outbound tourism

It is evident that Chinese outbound tourism has experienced dramatic development since the 1990s. Tourism scholars have begun to pay attention to this development and indicated that “overdevelopment” and “overconsumption” were major issues in the development of Chinese outbound tourism.<sup>116</sup>

Based on the data between 1995 and 2005, Dai proposed his views on the “overdevelopment” of Chinese outbound tourism. He analyzed the “overdevelopment” in comparison with the GDP growth, the growth of inbound tourism and the forecast for Chinese outbound tourism. Firstly, based on the developmental pattern of outbound tourism, when the per capita GDP of a country reached US\$ 1 000, the motivation of outbound tourism emerged. When the per capita GDP reached US\$ 3 000, outbound tourism developed in a dramatic way.<sup>117</sup> Despite the rapid economic growth in China after 1978, compared to other developed countries in the rest of the world, the per capita GDP was low as a result of a large population: US\$ 1 000 in 2003. As a result, he pointed out that Chinese outbound tourism was in the initial developmental stage instead of the current “wellspring”.<sup>118</sup> Secondly, during this period, the growth of outbound tourism (22.9%) far exceeded the growth of inbound tourism (9.9%). It was forecast that, by the year 2015, the

---

<sup>114</sup> J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 104; W. G. Arlt, *China's outbound tourism*, p. 42.

<sup>115</sup> G. Zhang, China's outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China's tourism development 2004-2006*, p. 69; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, p. 2; W. G. Arlt, *China's outbound tourism*, p. 221.

<sup>116</sup> X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China's outbound travel, *Tourism tribune* 21(2), 2006, pp. 42-5; X. Dai *et al.*, A report on Chinese outbound tourism, pp. 12-3; X. Dai and Z. Deng, China's outbound tourism spending has been seriously underestimated, *Finance & trade economics* 8, 2008, pp. 101-5; S. Wang and S. Qi, An analysis of consumerism and high expenditure behaviour of China's outbound travel, *Tourism tribune* 20(6), 2005, pp. 39-44.

<sup>117</sup> X. Dai, A primary research on the policies of Chinese outbound tourism, 2005-01-17; X. Dai *et al.*, A report on Chinese outbound tourism, pp. 20-2.

<sup>118</sup> X. Dai *et al.*, A report on Chinese outbound tourism, p. 22; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China's outbound travel, *Tourism tribune* 21(2), 2006, p. 42; X. Dai and Z. Deng, China's outbound tourism spending has been seriously underestimated, *Finance & trade economics* 8, 2008, pp. 101-5.

growth of outbound tourism would be 14.4%, while inbound tourism would be 4.8%. He therefore concluded that these differences indicated the imbalanced and ultra-rapid growth of outbound tourism.<sup>119</sup> Thirdly, in “the 10<sup>th</sup> five-year plan and long-term goal outlines up to 2015 and 2020 for the development of tourism in China” formulated by the CNTA, the number of outbound tourists was forecast to reach 16 million in 2005 and 25 million in 2015. However, the number of outbound tourists already reached 16.6 million in 2002 and 28.9 million in 2004. Dai therefore claimed that the development of Chinese outbound tourism was “growth beyond expectation” or “growth ahead of the schedule”. This was not aligned with the national tourism policy of “appropriately developing outbound tourism”.<sup>120</sup>

This perception of “overdevelopment” attracted the attention of a range of Chinese tourism scholars. Most of them disagreed with Dai’s point of view, and proposed their ideas on this issue. Du, Zhang and Dai believed that the development of Chinese outbound tourism was still in its initial stage, and emphasized that despite the rapid increase of Chinese outbound tourists over the past three decades, the share of Chinese outbound tourism was minimal in the context of the total population of China, and much smaller than other developed countries, as well as most developing countries in the world.<sup>121</sup> Zhang further explained that the figures of Chinese outbound tourists released by the CNTA failed to mirror the real development of Chinese outbound tourism. This was because this number included a variety of travellers, such as individual travellers; day trippers to Hong Kong, Macau, Taiwan and bordering countries and areas; travellers for private and public purposes; tourists participating in tourist groups organized by travel agencies; and overseas Chinese holding passports of China.<sup>122</sup> He argued that it was important to classify and differentiate between “travellers” and “tourists”. According to him, the former referred to those who conducted border-crossing departures with passports

---

<sup>119</sup> X. Dai *et al.*, A report on Chinese outbound tourism, pp. 26-7; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, pp. 41-2.

<sup>120</sup> X. Dai, A primary research on the policies of Chinese outbound tourism, 2005-01-17; X. Dai *et al.*, A report on Chinese outbound tourism, p. 27; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, p. 42.

<sup>121</sup> J. Du *et al.*, A research on consumption of Chinese outbound tourists, p. 101; Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, p. 88; G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, pp. 70-1; B. Dai *et al.*, Stage characteristics and policy choice of China’s outbound tourism development, *Tourism tribune* 28(1), 2013, pp. 39-45.

<sup>122</sup> G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 70; G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, p. 87.

of China, while the latter referred to those participating in tourist groups organized by authorized travel agencies for leisure and holidaying. He believed that only the latter should be considered for an assessment of the development of Chinese outbound tourism.<sup>123</sup> Yang agreed with Zhang in terms of the differentiation between travellers and tourists, as well as overestimation of the number of outbound tourists due to the vague classification between these two categories. He also believed that the so-called “overdevelopment” or “growth ahead of the schedule” was inaccurate, and argued that the rapid development of outbound tourism was aligned with the economic growth of China. He attributed the overdevelopment to “busting and filling a vacancy” from the perspective of the tourism industry.<sup>124</sup>

Dai also highlighted the “overconsumption” of Chinese outbound tourists. Firstly, he compared the growth of the per capita income of Chinese nationals and the expenditure of the Chinese outbound tourists during the same period. The average growth of the expenditure of the Chinese outbound tourists was 30%, while the average growth of the per capita disposable income of Chinese urban residents was 10.3%. He therefore concluded that “the per capita expenditure of Chinese outbound tourists and the per capita income of Chinese nationals were extremely out of proportion”.<sup>125</sup> In other words, there was a great disparity between the expenditure of Chinese outbound tourists and the income of Chinese nationals. Secondly, Dai provided data to confirm his viewpoint of “overconsumption”. It was reported by the A. C. Nielsen Company that the per capita expenditure of Chinese outbound tourists for shopping in one trip was US\$ 928 in 2006.<sup>126</sup> In a survey, the per capita expenditure of Beijing outbound tourists was about US\$ 1 776 in 2007.<sup>127</sup> The International Prototype Kilogram (IPK) revealed that the per capita expenditure of Chinese outbound tourists was US\$ 2 090 for a 12-night trip.<sup>128</sup> It was reported that the per capita daily expenditure of Chinese tourists was US\$ 110 for

---

<sup>123</sup> G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, pp. 87-8; G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 70.

<sup>124</sup> J. Yang, An analysis of overgrowth and over-consumption in China’s outbound travel and policy orientation, *Tourism tribune* 21(6), 2006, p. 66.

<sup>125</sup> X. Dai *et al.*, A report on Chinese outbound tourism, pp. 21, 26.

<sup>126</sup> X. Dai and Z. Deng, China’s outbound tourism spending has been seriously underestimated, *Finance & trade economics* 8, 2008, pp. 101-5.

<sup>127</sup> *Ibid.*

<sup>128</sup> *Ibid.*; X. Dai *et al.*, A report on Chinese outbound tourism, p. 16; X. Dai, The spending of Chinese outbound tourism being underestimated, *China statistics* 2, 2005, p. 27; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, p. 42.

shopping in Germany; CHF 400 (about US\$ 313) in Switzerland; and US\$ 3 000 in Australia.<sup>129</sup> He believed that the above data indicated that the expenditure of Chinese outbound tourists was extremely high and could be typified as “overconsumption”. Thirdly, Dai believed that the expenditure of Chinese outbound tourists was much higher than the figures released by the NBSC. The reason was that various credit cards issued by international credit card corporations and the banks of China, such as Visa and MasterCard, were used when travelling abroad. This expenditure however failed to be calculated and included in the official data.<sup>130</sup>

However, some tourism scholars disagreed with Dai’s ideas of “overconsumption”. They argued that the expenditure of Chinese outbound tourists was “superficially high” as a result of the “shadow consumption”. This referred to the expenditure of outbound tourists buying gifts for their families, friends and relatives who were not able to go abroad.<sup>131</sup> In addition, Du and his co-authors attributed this phenomenon to other types of expenditure: the high expenditure resulted only from the high-income groups; travel cost paid by the government or the private employers; high expenditure as a result of “peer pressure” of tourist groups in shopping; and the Chinese consumption tradition -“save at home and spend during travel”.<sup>132</sup> Moreover, Yang accredited this phenomenon to low frequency of outbound travel, and the “transferring consumption”, which implied Chinese outbound tourists spending less in China and spending more abroad.<sup>133</sup> Furthermore, Zhang argued that Chinese outbound tourism was a new phenomenon after the reform and opening up and most Chinese tourists participated in outbound travel for the first time. They preferred to do as much shopping as they could to compensate for what they had not enjoyed before.

---

<sup>129</sup> X. Dai, The spending of Chinese outbound tourism being underestimated, *China statistics* 2, 2005, p. 27; X. Dai *et al.*, A report on Chinese outbound tourism, p. 16.

<sup>130</sup> X. Dai *et al.*, A report on Chinese outbound tourism, pp. 13-6; X. Dai, A primary analysis of the general consumption level of Chinese outbound tourism, 2005-01-17; X. Dai, The spending of Chinese outbound tourism being underestimated, *China statistics* 2, 2005, pp. 26-7; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, p. 42.

<sup>131</sup> J. Du *et al.*, An analysis of the trends of China’s outbound tourism, *Tourism tribune* 17(3), 2002, p. 48; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 71; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 132; J. Yang, An analysis of overgrowth and over-consumption in China’s outbound travel and policy orientation, *Tourism tribune* 21(6), 2006, p. 67; G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, p. 89; G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 73.

<sup>132</sup> J. Du *et al.*, An analysis of the trends of China’s outbound tourism, *Tourism tribune* 17(3), 2002, p. 48; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 71; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 132.

<sup>133</sup> J. Yang, An analysis of overgrowth and over-consumption in China’s outbound travel and policy orientation, *Tourism tribune* 21(6), 2006, p. 67.

This resulted in the high expenditure of an “irrational nature”.<sup>134</sup> As to the fact that the expenditure was higher than that of most of the developed countries or areas during the same period, he pointed out that the expenditure of Chinese outbound tourists would be rational when outbound travel became a regular activity for leisure and holiday. This was a phenomenon that most countries and areas experienced.<sup>135</sup>

## 5. Conclusion

As indicated earlier, over the past three decades after the reform and opening up in 1978, tourism in China has taken on the form of the simultaneous development of inbound, domestic and outbound tourism. Chinese outbound tourism, as a new phenomenon, has experienced the rapid development from the VFR travel to Hong Kong and Macao in the early 1980s to travel at one’s own expense in the late 1990s. Arlt concluded that it has developed from the periods of “childhood” starting in 1983 and “adolescence” commencing in 1997, and subsequently entered a period of “young adulthood” beginning in 2005.<sup>136</sup> In addition, the purpose of outbound travel has transformed from travel for public purposes to travel for private ones, and the latter has subsequently become a mainstream of Chinese outbound tourism. It was estimated by the CNTA that, from 1997 to 2014, travel for private purposes increased from 2.4 million to 110.3 million, far exceeding travel for public purposes with the increase from 2.9 million to 6.6 million.<sup>137</sup> Moreover, destination countries and areas with ADS have spread all over the world. By the year 2014, 117 countries and areas obtained ADS from the Chinese government and was formally initiated (Appendix 2.3). Since 1997, the top ten destinations have been Hong Kong, Macao, Japan, Russia, Thailand, South Korea, Singapore, Vietnam, Australia and the USA. This ranking varies little annually.<sup>138</sup> Hong Kong and Macao have however

---

<sup>134</sup> G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, p. 89; G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 73.

<sup>135</sup> G. Zhang, Sober judgment on China’s outbound tourism boom, *Finance & trade economics* 7, 2005, p. 89; G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 73.

<sup>136</sup> R. Gonzalez, China outbound demands more as it hits early adulthood, *Travel weekly*, 2006-05, p. 1, as quoted by G. Zhang, China’s outbound tourism 2006-2007, in G. Zhang *et al.* (eds), *China’s tourism development 2007*, p. 99.

<sup>137</sup> X. Dai and Z. Deng, China’s outbound tourism spending has been seriously underestimated, *Finance & trade economics* 8, 2008, pp. 101-5; NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2000-2014.

<sup>138</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, pp. 14, 126; CNTA, The report of the tourism industry in China 2001-2014.

remained the top two destinations obviously due to proximity and relaxed factors such as cost. The tourists to these two areas sustained the consecutive growth, particularly after 2003, when “free travel” was launched.<sup>139</sup>

During the development of Chinese outbound tourism, some tourism scholars pointed out that its rapid development tended to produce certain negative impacts on economic growth, particularly the outflow of foreign currency.<sup>140</sup> However, the development has produced many positive impacts on the socio-cultural development of China and the tourism-related industries, thereby far outweighing the negative ones.

On the one hand, the development of outbound tourism has contributed greatly to the socio-cultural development of China. It has promoted the status of China within the international community and strengthened its influence of “soft power” on destination countries and areas.<sup>141</sup> The dramatic increase of the number of Chinese outbound tourists and their strong consumption power have impressed the world and therefore increased their confidence for China.<sup>142</sup> In addition, Chinese outbound tourism has greatly contributed to the improvement of the relations between the governments as it has become one of the most important topics for many visiting foreign leaders who tried to obtain ADS from the Chinese government. In 2004 alone, the former President Jintao Hu and other national leaders attended fourteen international exchanges on tourism.<sup>143</sup> Moreover, it promoted the understanding between the Chinese and other peoples with different cultures via direct contacts. Chinese tourists, as the promoters of Chinese culture and the spokespersons of modern China, showcased the spiritual outlook of China and Chinese nationals to the world.<sup>144</sup> Furthermore, Chinese outbound tourism, as an investment in the human spirit, increased the opportunities of Chinese nationals to understand the world and broadened their vision, knowledge and experiences. Most importantly, it helped Chinese

---

<sup>139</sup> G. Zhang, China’s outbound tourism 2004-2006, in G. Zhang *et al.* (eds), *China’s tourism development 2004-2006*, p. 68.

<sup>140</sup> X. Dai *et al.*, A report on Chinese outbound tourism; pp. 28-31; X. Dai and N. Wu, An analysis of negative impacts of the rapid growth of China’s outbound travel, *Tourism tribune* 21(2), 2006, pp. 41-5; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 135-7, 140-1.

<sup>141</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 9-10, 99-100.

<sup>142</sup> J. Du *et al.*, *Annual report of China outbound tourism development 2005*, p. 138.

<sup>143</sup> J. Zhang, The development of Chinese outbound tourism and its policy orientation, a paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005.

<sup>144</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, p. 140; J. Zhang, The development of Chinese outbound tourism and its policy orientation, a paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005; L. Zhang and C. Yang, From “giving prominence to foreign exchange earnings” to balance of payment, *Tourism tribune* 6, 2006, p. 23.

nationals identify the gaps between themselves and the world, which it is argued could ultimately benefited them by improving their quality of life.<sup>145</sup>

On the other hand, Chinese outbound tourism stimulated the improvement of the tourism industry in China. It inspired Chinese travel agencies to establish transnational partnerships with their overseas counterparts and transfer their focus from inbound to outbound tourism.<sup>146</sup> In the transnational operations, the competition between the Chinese tourism enterprises and these overseas counterparts would produce a “demonstration effect” for improving their services and strengthening their competitiveness.<sup>147</sup> In addition, the development of outbound tourism also improved tourism-related industries in terms of employment, particularly in the fields of accommodation, food and transportation.<sup>148</sup>

The WTTC compared outbound tourism to “the third leg of a tripod” and claimed that travel and tourism was unbalanced and unsustainable without a strong outbound market.<sup>149</sup> Despite being a latecomer to the development of tourism, the simultaneous development of inbound, domestic and outbound tourism increased China’s share in the global tourism market and changed its developmental trends. China has become the largest tourism generating country throughout Asia, as well as one of the countries with the fastest growth, largest potential and widest influence on the global tourism market.<sup>150</sup> It was reported by the UNWTO that after 2000 China has become one of the top ten world destinations in terms of international tourist arrivals and tourism receipts.<sup>151</sup> As indicated before, it was forecast by the UNWTO that, by the year 2020, China would be the top international destination country with about 130 million international arrivals, 8.3% of the global market share (Table 2.1), as well as the fourth tourism generating country with about 100 million outbound travellers, 6.4 % of the global market share (Table 2.2). The number of Chinese outbound tourism had reached that target by the year 2014, six years earlier than

---

<sup>145</sup> General Report Team, China’s tourism development 2002-2004, in G. Zhang *et al.* (eds), *China’s tourism development 2002-2004*, p. 44; J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, p. 139.

<sup>146</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 9, 98-9.

<sup>147</sup> *Ibid*, p. 131; J. Yang, An analysis of overgrowth and over-consumption in China’s outbound travel and policy orientation, *Tourism tribune* 21(6), 2006, pp. 67-8.

<sup>148</sup> J. Du and B. Dai, *Annual report of China outbound tourism development 2005*, pp. 133-5.

<sup>149</sup> WTTC, China, China Hong Kong SAR and China Macau SAR, pp. 7, 59.

<sup>150</sup> J. Zhang, The development of Chinese outbound tourism and its policy orientation, a paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005.

<sup>151</sup> UNWTO, *Tourism highlight 2000-2015*.

that the predicted.<sup>152</sup> Napoleon Bonaparte once said that China “is a sleeping lion”, and “when China wakes up, the world will shake”. In fact, it did, and tourism in China also did!

Rank	Countries/areas	Tourist arrivals (million)	Share (%)	Growth (%) 1995-2020
1	China	130.0	8.3	7.8
2	France	106.1	6.8	2.3
3	USA	102.4	6.6	3.5
4	Spain	73.9	4.7	2.6
5	Hong Kong	56.6	3.6	7.1
6	UK	53.8	3.4	3.4
7	Italy	52.5	3.4	2.1
8	Mexico	48.9	3.1	3.6
9	Russia	48.0	3.1	8.5
10	Czech	44.0	2.7	4.0
Total (1-10)		716.2	45.9	
Total of the world		1 561	100	

Table 2.1 Top ten tourism destinations in the world in 2020

Adapted from: UNWTO, *Tourism: 2020 vision* (Madrid, 1999), p. 5.

Rank	Countries/areas	Total arrivals (million)	Share (%)
1	Germany	152.9	9.8
2	Japan	141.5	9.1
3	USA	123.3	7.9
4	China	100.0	6.4
5	UK	94.5	6.1
6	France	54.6	3.5
7	Netherlands	45.6	2.9
8	Italy	35.2	2.3
9	Canada	31.3	2.0
10	Russia	30.5	2.0
Total (1-10)		809.4	51.8
Total of the world		1 561	100.0

Table 2.2 Top ten tourism generating countries and areas in the world 2020

Adapted from: UNWTO, *Tourism 2020 Vision* (Madrid, 1999), p. 5.

<sup>152</sup> NBSC, The statistical communiqués of the People’s Republic of China on national economic and social development 2014, 2014-02-26.

## Chapter Three

# Tourism strategy of South Africa

## 1. Introduction

This chapter reviews the origin of the concept “strategy” in three separate sectors. It introduces various ideas and theoretical frameworks proposed by strategists, economists and tourism scholars in military thinking; business and management; and tourism sector respectively. Based on these ideas and criteria, a framework of tourism strategy, which is comprised of formulation, implementation and feedback, is devised to assess the tourism strategy of South Africa proposed in three significant documents: The white paper, Tourism in GEAR and the “National tourism sector strategy”. The chapter focuses specifically on the latter, the first ever national tourism strategy released by the South African government. This framework is also used to assess the tourism growth strategy and the global competitiveness project launched by the South African Tourism. The chapter summarizes the impacts of tourism on economic growth, the social transformation and the upliftment of the international status of South Africa. Finally it considers the developmental trends of tourism in South Africa.

After the advent of a democratic dispensation in 1994, the South African government became aware of the importance of tourism in the economic growth. In the white paper, tourism was identified as a leading sector within the national economic strategy, as well as a major force in the reconstruction and development of South Africa.<sup>1</sup> It was stated that tourism, as “the greatest engine of the growth for the South African economy”, must be developed as a strategic industry to achieve the mandate of the economic growth and social transformation of the country.<sup>2</sup> In 1998, tourism was regarded as an integral part of the Growth, Employment and Redistribution (GEAR) initiative, and a national tourism development strategy between 1998 and 2000 was therefore formulated. The Tourism in GEAR strove to create a framework for implementing the policies in the white paper on tourism in the context of the national macro-economic strategy of GEAR in the implementation of the “Reconstruction and Development Programme” (RDP), the South

---

<sup>1</sup> DEAT, The white paper, p. 23.

<sup>2</sup> *Ibid*, p. 18.

African governmental strategy for the fundamental transformation of the country.<sup>3</sup> In the “GEAR: a macroeconomic strategy” launched in 2005, tourism, together with its related industries, export-oriented manufacturing, agro-industrial projects, improved transport and communication services, was already positioned as a sector at the forefront for job creation and improving living standards.<sup>4</sup> In the medium-term strategic framework between 2009 and 2014, tourism was again identified as a leading sector for growth along with automobile, chemical, metal fabrication, clothing and textiles, as well as forestry.<sup>5</sup> In the “2010/11-2012/13 industrial policy action plan”, tourism, together with agro-processing, bio-fuels, forestry, cultural industries and aquaculture, was viewed as the six major areas that were expected to contribute to the development of rural areas.<sup>6</sup> In the “New growth path: the framework” of 2010, tourism was again identified as one of six core pillars for job creation, with the other pillars being infrastructure, the agricultural value chain, the mining value chain, the green economy and manufacturing sectors.<sup>7</sup> In 2011, the South African government tasked the national tourism sector strategy to drive the tourism economy; enhance visitor experiences; position South Africa as a tourism destination; and sustain good governance in the tourism industry. The NTSS, focusing on tourist arrivals, the GDP and job creation, took on the task of positioning tourism as one of the fundamental pillars of the South African economy.<sup>8</sup>

Tourism in South Africa has experienced a strong growth after 1994. It was estimated by Statistics South Africa (SSA) that, from 1994 to 2014, international arrivals increased from 3.9 million to 15.4 million. According to the WTTC, the international tourism receipts increased from US\$ 3.4 billion to US\$ 10.7 billion (Figure 3.1).

---

<sup>3</sup> DEAT, The white paper, p. 13; DEAT, Tourism in GEAR, p. 2.

<sup>4</sup> The Republic of South Africa (RSA), The growth, employment and redistribution, p. 20.

<sup>5</sup> RSA, The medium term strategic framework, p. 8; J. Zuma, State of the nation address, 2009-06-03.

<sup>6</sup> RSA, The 2010/11–2012/13 industrial policy action plan, p. 16.

<sup>7</sup> RSA, The new growth path, p. 10; NDT, National tourism sector strategy, p. 1.

<sup>8</sup> NDT, Minister launches national tourism sector strategy, 2011-03-24.

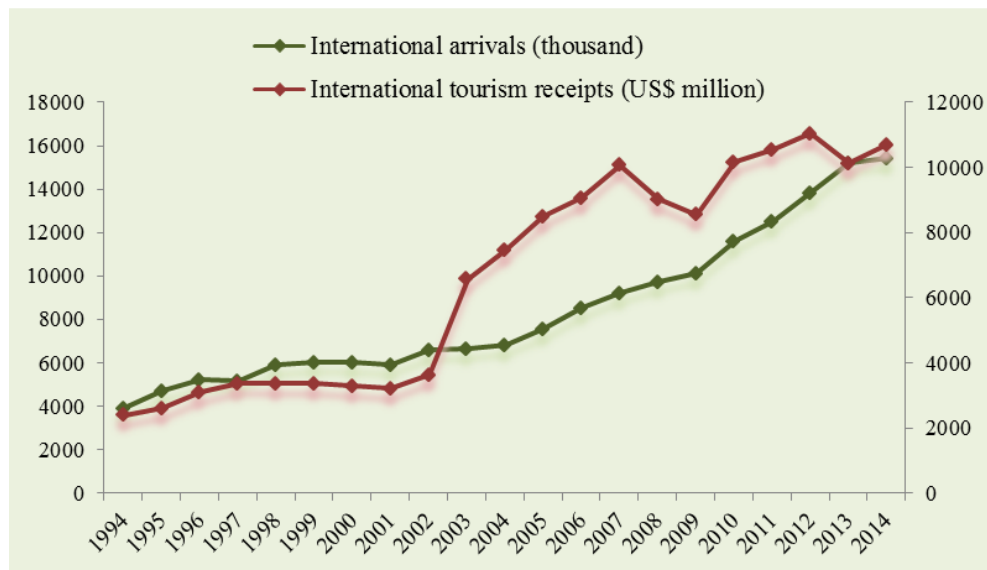


Figure 3.1 International arrivals and tourism receipts of South Africa 1994-2014

Adopted from: SAS, Tourism report 1994-2014; The WTTC, Tourism satellite account of South Africa 1994-2014.

In addition, the South African government also recognized the importance of domestic tourism and launched the “Domestic tourism growth strategy 2004-2007” in 2004 and the “Domestic tourism growth strategy 2012-2020” in 2012 respectively.<sup>9</sup> The result of the strategy was the launching of the marketing campaign “Sho’t Left” to encourage South Africans to travel in and explore their own country. This proved successful as it was estimated that, from 1994 to 2014, domestic trips increased from 17.2 million to 28 million.<sup>10</sup>

The national tourism strategy was on track to deliver on its intention to establish South Africa as one of the top twenty tourism destinations in the global tourism market by the year 2020.<sup>11</sup> This chapter will focus on the national tourism strategy, the tourism growth strategy and the global competitiveness study to explore the strategies that South Africa has adapted to develop tourism, particularly inbound tourism, as well as establish itself as a competitive destination in the global tourism market.

<sup>9</sup> DEAT, The domestic tourism growth strategy 2004 to 2007; DEAT, DEAT and SA Tourism unveil plans to boost domestic tourism - Tourism Indaba, 2004-05-10; NDT, Domestic tourism growth strategy 2012-2020.

<sup>10</sup> DEAT, 10 year review 1994-2004, p. 12; E. Koch and P. J. Massyn, South Africa’s domestic tourism sector, in K. B. Ghimire(ed.), *The native tourist*, p. 148; M. van Schalkwyk, A speech at the launch of the joint venture between SA Tourism and Kulula.com to promote domestic tourism, 2008-03-11; SAT, Highlights of domestic tourism’s performance in 2014, 2015-04.

<sup>11</sup> NDT, National tourism sector strategy, p. 9.

## 2. Strategy: definitions and theoretical frameworks

### 2.1 Military thinking

The word “strategy” is derived from the Greek “strategos”, which was formed by “stratos” (army) and “agein” (to lead). It is a military term that describes the art of a General. It refers to the plan compiled by a General for organizing and manoeuvring his forces to defeat an enemy army.<sup>12</sup> It is believed that strategy as a concept appeared as early as the mid-fourth century BC. A military book *How to survive under siege* written by Aeneas the Tacticus was considered as the earliest surviving Western volume on military strategy. It is primarily concerned with how to deploy human and other resources to best advantage.<sup>13</sup> Another military book *The art of war* written by Sun Zi in about 500 BC was regarded as the earliest and most influential military work in the history of China. In this book, Sun Zi proposed his philosophy on strategy:

Know your enemy and know yourself and you can fight a hundred battles without peril. If you are ignorant of the enemy and know only yourself, you will stand equal chances of winning and losing. If you know neither the enemy nor yourself, you are bound to be defeated in every battle.<sup>14</sup>

A military work *Strategemata*, written by a Roman author Sextus Frontinus (40BC-103 AD) in the first century, is a collection of examples of military strategy in the history of the Greeks and the Romans. In this book, strategy was defined as “everything achieved by a commander, be it characterized by foresight, advantage, enterprise, or resolution”.<sup>15</sup> Karl von Clausewitz (1780-1831), in his military treatise *Vom Kriege* translated into English as *On war*, described strategy as being “concerned with drafting the plan of war and shaping the individual campaigns, and within these, deciding on the individual engagements”.<sup>16</sup>

---

<sup>12</sup> S. Cummings, Brief case, *Long range planning* 26(3), 1993, p. 133; H. Macmillan and M. Tampoe, *Strategic management*, p. 14; Harvard Business School, *Strategy*, p. xi.

<sup>13</sup> *Aineias the Tactician - How to Survive under Siege* translated by D. Whitehead, p. 17, as cited in S. Cummings, Brief case, *Long range planning* 26(3), 1993, p. 134.

<sup>14</sup> *Sun Zi: The art of war Sun Bin: The art of war* translated into English by Wusun Lin, pp. 28-9.

<sup>15</sup> S. Frontinus, *Strategems (Vol 1)*, as quoted in S. Cummings, Brief case, *Long range planning* 26(3), 1993, p. 134.

<sup>16</sup> K. Von Clausewitz, *On war (Vol 1)*, p. 177, as quoted in Harvard Business School, *Strategy*, p. xi.

Military strategic thinking is thus the accepted genesis of strategy and is an essential component in its core development and progress. It laid a foundation for the development of strategies in various fields, such as business, management and tourism. However, it is in the business and management section that “strategy” has evolved into a diversified concept with a range of ideas and criteria. The next section will consider the business and management sector and highlight common characteristics.

## 2.2 Business and management

It must be noted that strategy in military thinking is closely related to business strategy, both emphasizing winning; the importance of leadership; and taking action to achieve the desired results.<sup>17</sup> As early as the fourth century BC, Xenophon (430-354 BC), from the perspective of business, defined strategy as “knowing the business you propose to carry out”. This definition pointed out that strategy required a knowledge of business; an intention for the future; and an orientation towards action. It also emphasized the relationship between leadership and strategy formulation.<sup>18</sup>

The concept of strategy resurfaced in business in the 1950s and has grown to adolescence after the 1960s when the modern thinking on business first evolved into a recognizable form in the USA.<sup>19</sup> Peter F. Drucker was among the first to address the strategy issue. He defined the strategy of an organization as the answers to two questions: “What is our business? And what should it be?”<sup>20</sup> Hereby Drucker was referring to analyzing the core business and pointing to the fundamental importance of which the business is headed, that is the objectives. In 1962, Alfred D. Chandler defined strategy as “the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals”.<sup>21</sup> Not unlike Drucker, Chandler also referred to the long-term goals as coherent and attainable strategic

---

<sup>17</sup> H. Macmillan and M. Tampoe, *Strategic management*, p. 15.

<sup>18</sup> *Ibid*, p. 13.

<sup>19</sup> *Ibid*, p. 16.

<sup>20</sup> P. F. Drucker, *The practice of management*, pp. 49-61, as cited in C. Hofer and D. Schendel, *Strategy formulation*, p. 16.

<sup>21</sup> A. D. Chandler, *Strategy and structure*, p. 13.

objectives; action as the activities for achieving the defined objectives; and allocation of resources as the cost for achieving the objectives.<sup>22</sup>

In 1965, H. Igor Ansoff broadly defined strategy as the decision rules and guidelines of a firm.<sup>23</sup> He summarized the components of strategy from the perspective of firm: objectives, goals and mission; the external environment, including the product-market scope, the growth vectors and the competitive advantage; and the internal environment, including the scope for research, directions within the scope, opportunities and synergy.<sup>24</sup> This laid the foundation for the SWOT analysis proposed by Kenneth R. Andrews in 1980. In 1984, Ansoff simplified his definition of strategy as “a set of decision-making rules for guidance of organizational behavior”. He believes that strategy was the yardstick concerning objectives and goals; and the rules for developing the relationship between a firm and its external environment, as well as establishing the internal relations within the organizations and performance policies.<sup>25</sup> He explained these “rules” to respond to the ideas of Andrews’s strategy formulation and implementation.

A major breakthrough and turning point in strategy analysis was made by Andrews. He defined strategy from the viewpoint of a corporate as

The pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.<sup>26</sup>

Andrews believed that corporate strategy was a process of formulation and implementation (Figure 3.2). On the one hand, strategy formulation included strategic analysis and strategic choice. He pointed out that strategy must achieve a fit between the internal capability (strength and weakness) and the external situation (opportunities and threats) of an organization. This was one of the earliest and most influential conceptual

---

<sup>22</sup> N. Evans *et al.*, *Strategic management for travel and tourism*, p. 11.

<sup>23</sup> H. I. Ansoff, *Corporate strategy*, p. 103.

<sup>24</sup> *Ibid*, pp. 104-5.

<sup>25</sup> H. I. Ansoff, *Implanting strategic management*, p. 31.

<sup>26</sup> K. R. Andrews, The concept of corporate strategy, in H. Mintzberg *et al.* (eds), *Strategy process*, p. 51.

frameworks on strategy formulation: the SWOT analysis.<sup>27</sup> On the other hand, strategy implementation was comprised of a series of administrative sub-activities. These included an effective organizational structure based on information systems and coordinated relationships among subdivided activities; behaviours in the process of performance measurement, compensation and management development; and the role of leadership in the accomplishment of strategy.<sup>28</sup>

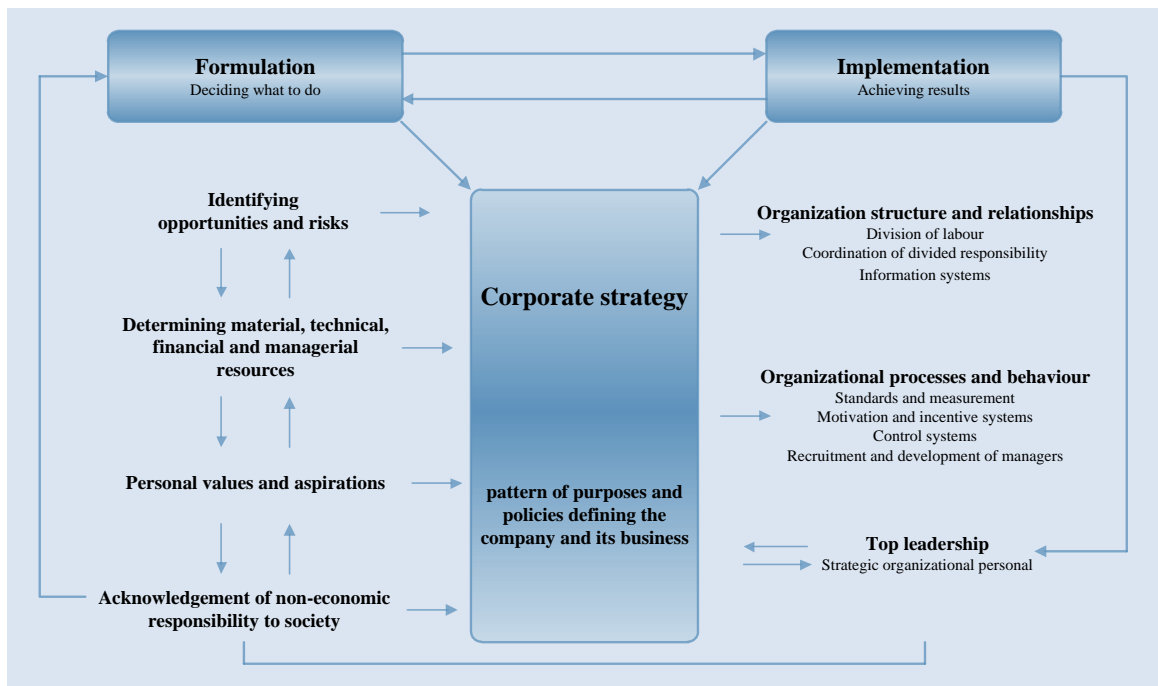


Figure 3.2 Andrews' framework of corporate strategy

Adapted from: K. R. Andrews, The concept of corporate strategy, in H. Mintzberg *et al.* (eds), *Strategy process* (England, 1999), p. 54.

In the early 1980s, Michael E. Porter described strategy as “a broad formula for how a business is going to compete, what its goals should be, and what policies will be needed to carry out those goals”.<sup>29</sup> He set up a framework of strategy formulation, including strengths and weaknesses; personal values; opportunities and threats; and social expectations (Figure 3.3). This framework therefore specified Andrews' SWOT analysis from the point of view of competition. In the framework, strengths and weaknesses were the assets and skills concerning finance, technology and brand identification. Opportunities and threats defined the competitive environment. The personal values were

<sup>27</sup> K. R. Andrews, The concept of corporate strategy, in H. Mintzberg *et al.* (eds), *Strategy process*, pp. 49, 52-3.

<sup>28</sup> *Ibid.*, p. 53.

<sup>29</sup> M. E. Porter, *Competitive strategy*, p. xvi.

the motivations and needs of those who implemented the chosen strategy. Social expectations mirrored the impact of the government policy and social concerns of the company.<sup>30</sup>

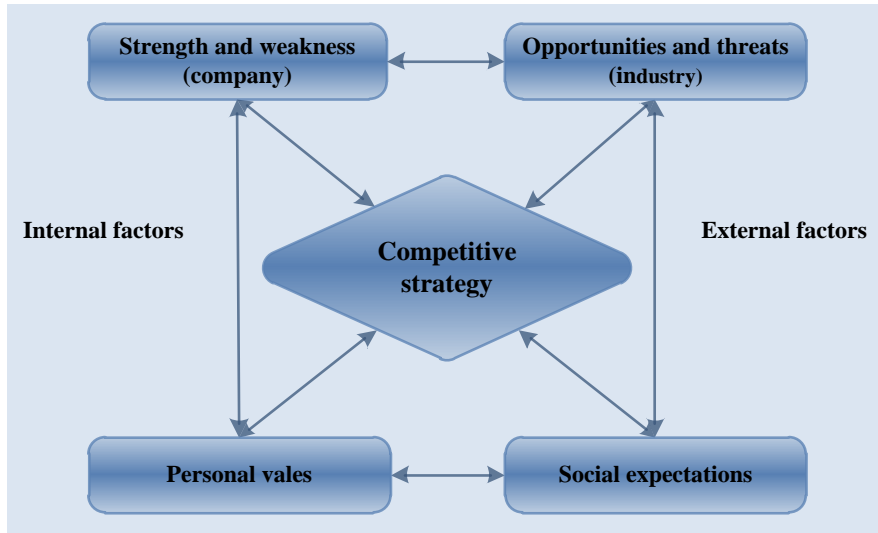


Figure 3.3 Porter's framework of competitive strategy formulation

Adapted from: M. E. Porter, *Competitive strategy* (New York, 1980), p. xviii.

Jay B. Barney and William S. Hesterly defined strategy as “theory about how to gain competitive advantages”.<sup>31</sup> They established a framework, which was comprised of a mission, objectives, external analysis, internal analysis, strategic choice, strategic implementation and competitive advantage (Figure 3.4). This framework also crystallized the ideas of Andrews in terms of strategy formulation and implementation from the viewpoint of competition. It underpinned the framework concerning competitive strategy formulation proposed by Porter, but further emphasized the position of strategy in the context of competition. According to them, the mission was the long-term purposes and values, while the objectives were specific targets for assessing the extent to which the mission was achieved.<sup>32</sup> The external analysis was to identify the threats and opportunities in a competitive environment, while the internal analysis was to assess the organizational strengths and weaknesses. Strategic choice was to choose “theory of how to gain competitive advantage” based on mission, objectives and external and internal

<sup>30</sup> M. E. Porter, *Competitive strategy*, pp. xvii-iii.

<sup>31</sup> J. B. Barney and W. S. Hesterly, *Strategic management and competitive advantage*, p. 5.

<sup>32</sup> *Ibid*, pp. 6, 9.

analyses. Strategy implementation was to carry out the organizational policies and practices that the firm adopted.<sup>33</sup>

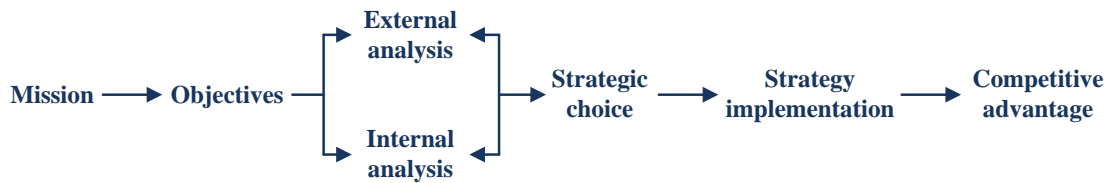


Figure 3.4 Barney and Hesterly's framework of competitive strategy

Adapted from: J. B. Barney and W. S. Hesterly, *Strategic management and competitive advantage* (Victoria, 2005), pp. 5-11.

James B. Quinn pointed out that the essence of strategy, whether in military, diplomatic, business, sport, or in political fields, was to “build a posture that is so strong (and potentially flexible) in selective ways that the organization can achieve its goals despite the unforeseeable ways external forces may actually interact when the time comes”.<sup>34</sup> He defined strategy as “the pattern or plan that integrates an organization’s major goals, policies and action sequences into a cohesive whole”.<sup>35</sup> He also proposed the elements that constituted an effective strategy: the most important goals or objectives to be achieved; the most significant policies guiding or limiting actions; and the major action sequences or programmes for achieving the defined goals within the limits set.<sup>36</sup>

Richard P. Rumelt defined strategy as “a set of objectives, policies and plans that, taken together, define the scope of the enterprise and its approach to survival and success”.<sup>37</sup> He proposed the criteria in terms of consistency, consonance, advantage and feasibility to assess strategy. Consistency referred to goals and policies; consonance to a response to the external environment and the critical changes occurring within it; advantage to creating or maintaining a competitive advantage in the selected areas of an activity; and feasibility to neither overtaxing available resources nor creating sub-problems.<sup>38</sup>

<sup>33</sup> J. B. Barney and W. S. Hesterly, *Strategic management and competitive advantage*, pp. 9-11.

<sup>34</sup> J. B. Quinn, Strategies for change, in H. Mintzberg *et al.* (eds), *Strategy process*, p. 11.

<sup>35</sup> *Ibid.*, p. 5.

<sup>36</sup> *Ibid.*, p. 11.

<sup>37</sup> R. P. Rumelt, Evaluating business strategy, in H. Mintzberg *et al.* (eds), *Strategy process*, p. 92.

<sup>38</sup> *Ibid.*

Robert M. Grant defined strategy as “planning how an organization or an individual will achieve its goals”.<sup>39</sup> He also defined the term in detail: in warfare, strategy was about achieving military victory over the enemy; in politics, it was about managing power and support to attain and hold on to office; and in business, it was about ensuring the survival and prosperity of a firm.<sup>40</sup> He presented four key components of strategy: long-term goals; understanding of the competitive environment; objective appraisal of resources; and effective implementation.<sup>41</sup>

Hugh Macmillan and Mahen Tampoe defined strategy as “ideas and actions to conceive and secure the future”. This definition highlighted the fact that the strategy required the thought about the future and actions.<sup>42</sup> They set up a model including context, strategy content, strategy formulation and implementation (Figure 3.5). In this model, the context was the environment within which an enterprise operated,<sup>43</sup> while the strategy content was the ideas that would secure the future of an enterprise in its particular context at a particular time.<sup>44</sup> Strategy formulation in terms of strategic thinking was a process in which strategies were thought about, conceived, compared and chosen. This process included strategic intent, strategic assessment and strategic choice.<sup>45</sup> Strategic intent was the driver of the strategic process and the highest purpose. Strategic assessment was an overall assessment of the context at a particular time and the effects of the future actions. It provided the relevant knowledge about the context and assessed the external environment, as well as internal resources, capabilities and competences of an enterprise. Strategic choice was to decide what action to take and how to take it.<sup>46</sup> Strategy implementation in terms of strategic action was determined by changes in systems and progresses, culture and organizational structure. Systems and processes were concerned with how work was done; culture dealt with what it was like to work in the enterprise; and organizational structure was related to the patterns of communication and responsibility.<sup>47</sup>

---

<sup>39</sup> R. M. Grant, *Contemporary strategy analysis*, p. 18.

<sup>40</sup> *Ibid.*

<sup>41</sup> *Ibid.*, pp. 7-11.

<sup>42</sup> H. Macmillan and M. Tampoe, *Strategic management*, p. 14.

<sup>43</sup> *Ibid.*, p. 31.

<sup>44</sup> *Ibid.*, p. 164.

<sup>45</sup> *Ibid.*, pp. 7-8, 61-2.

<sup>46</sup> *Ibid.*, pp. 8-9, 64.

<sup>47</sup> *Ibid.*, p. 187.

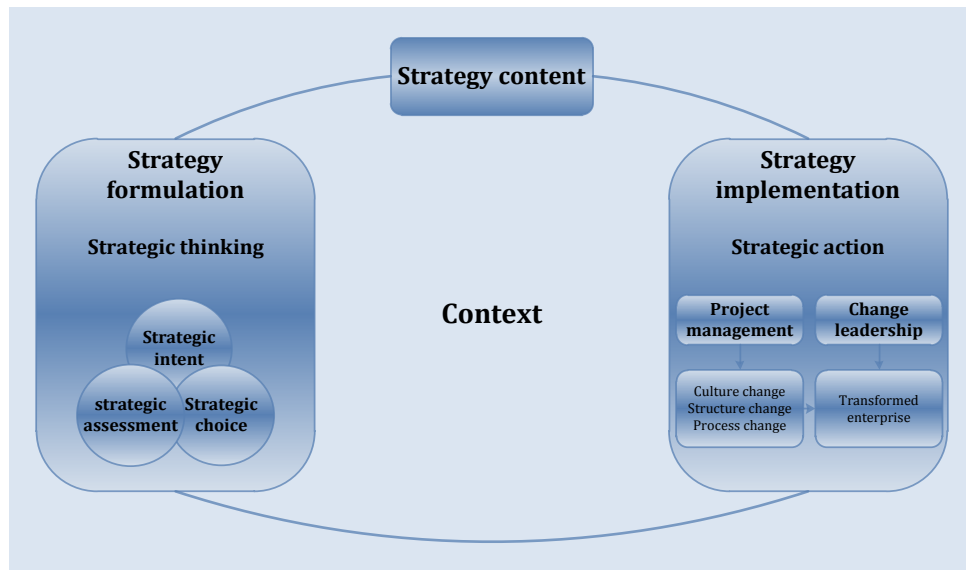


Figure 3.5 Macmillan and Tampoe's model of strategic management

Adapted from: H. Macmillan and M. Tampoe, *Strategic management* (Oxford, 2000), pp. 8-11, 31.

This plethora of definitions and frameworks of strategy in the military, business and management sectors attracted the interest of tourism scholars and inspired them to consider strategy in the context of tourism. Based on various frameworks of strategy in business and management, as well as characteristics of tourism, various scholars set up a range of frameworks to focus on the concept of strategy in tourism. The next section will present a range of strategy frameworks that have emerged in the tourism sector.

## 2.3 Tourism

It was believed that the subject of strategy first appeared in tourism literature in the early 1970s. In 1972, M. E. Bond and Jerry R. Ladman discussed tourism as a “strategy” for development in less-developed and developing countries.<sup>48</sup> However, most works concerning tourism strategy appeared only to have been published after the 1990s. The authors of these works included scholars in the fields of economics, tourism and strategic studies, such as Ernie Heath, Geoffrey Wall, John Tribe, Lionel Bécherel, Luiz Moutinho, Nigel Evans, David Campbell and George Stonehouse. They have all presented their ideas on strategic planning and management in the context of tourism.

<sup>48</sup> M. E. Bond and J. R. Ladman, Tourism: a strategy for development, *Nebraska journal of economics & business*, 11(1), 1972, pp. 37-52.

Ernie Heath and Geoffrey Wall proposed a framework for marketing planning of tourism based on various approaches to strategic planning.<sup>49</sup> The framework consisted of situation analysis; goal formulation; strategy formulation; target marketing strategy; positioning strategy; marketing mix strategy; the organization design; and management supporting systems (Figure 3.6).

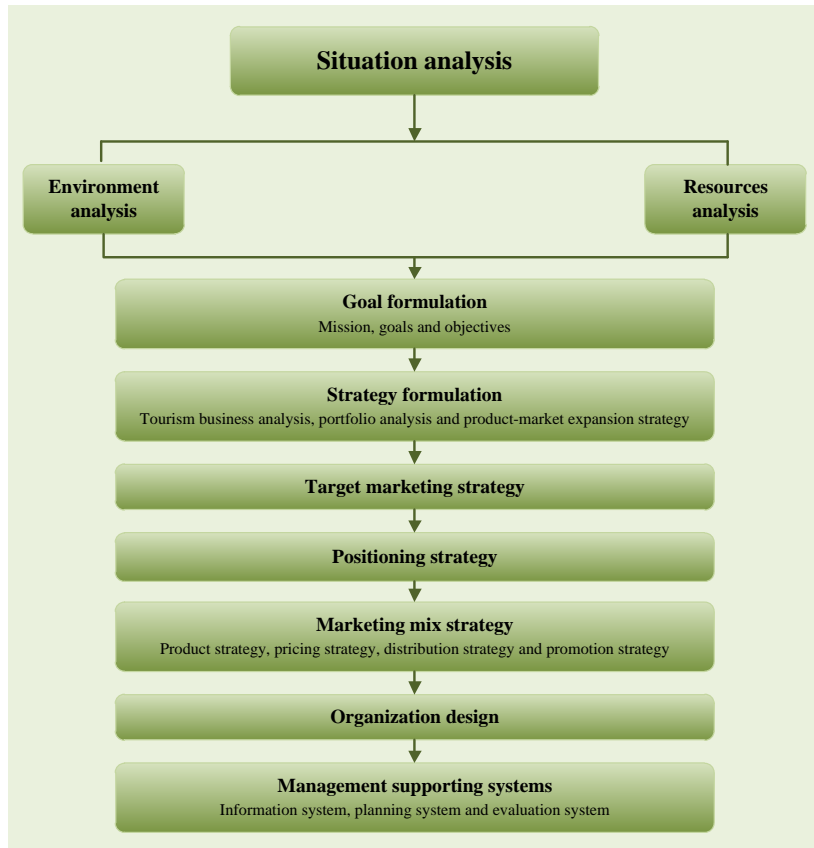


Figure 3.6 Heath and Wall's framework for tourism marketing planning

Adapted from: E. Heath and G. Wall, *Marketing tourism destinations* (New York, 1992), p. 9.

In this framework, the situation analysis focuses on macro-environment analysis and resource analysis. The former, which was comprised of social, political, technological, economic and demographic factors, referred to the forces that created opportunities and posed threats to a destination. The latter was to identify the major resources that an organization or a destination had (strengths) and what it lacked (weaknesses).<sup>50</sup> The goal formulation included a mission concerning philosophy and purpose of a tourism

<sup>49</sup> E. Heath and G. Wall, *Marketing tourism destinations*, pp. 9, 11.

<sup>50</sup> *Ibid*, p. 13.

organization; its goals and objectives in terms of time, magnitude and responsibility.<sup>51</sup> Strategy formulation culminated in an overall strategy for a destination, focusing on feasible strategies in terms of analyzing tourism business units; developing a product portfolio; and developing a growth strategy.<sup>52</sup> Target marketing strategy dealt with defining and analyzing product markets and selecting target markets for a destination.<sup>53</sup> Positioning strategy was to assess the current position in the relevant markets; select a desired position in the market; plan a strategy to achieve the desired position; and implement the strategy. Marketing mix strategy combined the marketing capabilities into a package of actions to compete for the tourists in the target markets. The organization design was about the capabilities of a tourism organization in terms of the effective implementation of the defined strategies. Management supporting systems were to develop the systems concerning information, planning and evaluation to execute the strategies and achieve its goals in the dynamic and changing environments.<sup>54</sup>

From the viewpoint of corporate strategy for tourism, John Tribe defined strategy as “a master plan which has certain key features. It is medium to long term and is concerned with aims”.<sup>55</sup> He presented a framework with mission, strategic analysis, choice and implementation. According to him, mission was what the organization was trying to achieve, what its purpose or aim was and where it was trying to head in the medium to long term. As regards strategic analysis, Tribe adopted the widely accepted SWOT analysis to identify strengths, weaknesses, opportunities and threats based on its internal resources and external environment respectively.<sup>56</sup> In addition, another analysis, that is, competition, politics, economy, socio-culture and technology (C-PEST) analysis, was used to assess the external environment.<sup>57</sup> Strategic choice dealt with the generation of strategic options, evaluation of strategic options and selection of strategy. Strategic implementation was about resource planning, organizational structure, logistic exercises, timetable for implementation and monitoring and review.<sup>58</sup>

---

<sup>51</sup> E. Heath and G. Wall, *Marketing tourism destinations*, pp. 14-6, 24.

<sup>52</sup> *Ibid*, p. 16.

<sup>53</sup> *Ibid*, p. 18.

<sup>54</sup> *Ibid*, pp. 20-1.

<sup>55</sup> J. Tribe, *Corporate strategy for tourism*, p. 11.

<sup>56</sup> *Ibid*, pp. 8-9, 101-5.

<sup>57</sup> *Ibid*, pp. 52, 77.

<sup>58</sup> *Ibid*, pp. 7-10.

Over a decade later, from the perspective of strategy for tourism, Tribe further developed his definition of strategy as “the planning of a desirable future and the design and testing of suitable ways of bringing it about”.<sup>59</sup> In his new framework, he clarified tourism strategy as a process, which consisted of strategic mission and purpose; strategic analysis; strategic choice; and strategic implementation (Figure 3.7). He still focused the mission on three aspects, but modified the “organization” as the “entity” because of this term being used to refer to the strategic decision making unit.<sup>60</sup> He pointed out that strategic analysis involved an understanding of the major factors of the entity’s success concerning the environment it operated in; its uses of resources; and products and services offered. As to strategic choice, Tribe kept the first factor in the old framework, namely the generation of strategic options, and modified the second and third as strategic direction and methods, as well as evaluation of strategic options. Strategic implementation dealt with the issues of organizing and resourcing; managing and monitoring; and strategy articulation.<sup>61</sup> In this framework, the C-PEST analysis and the SWOT analysis were also adopted for the strategic analysis in the context of tourism.<sup>62</sup>



Figure 3.7 Tribe’s framework of strategy for tourism

Adapted from: J. Tribe, *Strategy for tourism* (Oxford, 2010), p. iii-v.

<sup>59</sup> J. Tribe, *Strategy for tourism*, pp. 3, 5.

<sup>60</sup> *Ibid*, pp. 6, 8.

<sup>61</sup> *Ibid*, pp. 9-12.

<sup>62</sup> *Ibid*, pp. 9, 81, 118-21.

Lionel Bécherel also presented some views on strategy formulation and implementation. He set up a framework of strategic planning process, which included six stages: mission; external and internal situation analysis; strategic analysis and choice; short-term strategies; strategy implementation; and control and evaluation.<sup>63</sup> He linked this framework with five questions and the marketing process (Appendix 3.1). Firstly, Bécherel believed that the mission was related to purpose, values, strategies, standards and behaviour of an organization.<sup>64</sup> Secondly, he explained the situation analysis based on the marketing environment; existing strategies; the structure and efficiency of the marketing organization; the marketing system; productivity; and the marketing functions concerning product, price, distribution, promotion and so on. He presented techniques of situation analysis: the PEST analysis, market and consumer analysis, competitive and product analysis, and the SWOT analysis.<sup>65</sup> Thirdly, in the process of strategic analysis and choice, he argued that the demand for the products and the external and internal environment must be considered first based on surveys of buyer intentions, expert opinion, market test method, time series analysis and statistical analysis.<sup>66</sup> He insisted that objectives be set up before positioning, repositioning and branding destinations and products, and finally choosing an appropriate strategy.<sup>67</sup> Fourthly, as regards short-term operating strategies and implementation of strategy, the organization must devise a plan of activities to achieve the desired results on the one hand. On the other hand, the implementation must be monitored to ensure that the actions were achieving the desired results within the scheduled time scale and that the budget was being used efficiently.<sup>68</sup>

Luiz Moutinho also proposed his strategic ideas from the perspective of strategic planning. According to him, strategic planning was the development of a long-term plan for the utilization of the resources within the mission of a tourism organization. This process was comprised of an analysis of the tourism organization, as well as the opportunities and threats from its competitors and the environment.<sup>69</sup> He devised a framework, including a mission, a SWOT analysis, specific goals, strategic options and a portfolio analysis

---

<sup>63</sup> L. Bécherel, Strategic analysis and strategy formulation, in F. Vellas and L. Bécherel (eds.), *The international marketing of travel and tourism*, p. 40.

<sup>64</sup> *Ibid*, pp. 40-1.

<sup>65</sup> *Ibid*, p. 45.

<sup>66</sup> *Ibid*, pp. 74-5.

<sup>67</sup> *Ibid*, pp. 76-84.

<sup>68</sup> *Ibid*, pp. 86, 104.

<sup>69</sup> L. Moutinho, Strategic planning in tourism, in L. Moutinho (ed.), *Strategic management in tourism*, p. 262.

(Figure 3.8). In this framework, the mission was the business definition of a firm. The SWOT analysis was to assess the internal and external environment of the firm to build a firm profile, as well as identify gaps (opportunities) that other firms had not covered or opened up due to changes, competitor actions or social-economic transformation.<sup>70</sup> The specific goals were the achievement that they would attain in a certain area. In the process of the strategic options, Moutinho considered strategic business units, the life cycle, cash flow and the learning curve. As to portfolio analysis, he took the Boston Consulting Group Matrix, a product portfolio matrix, as a guideline to solve the dilemmas of the firm.<sup>71</sup>

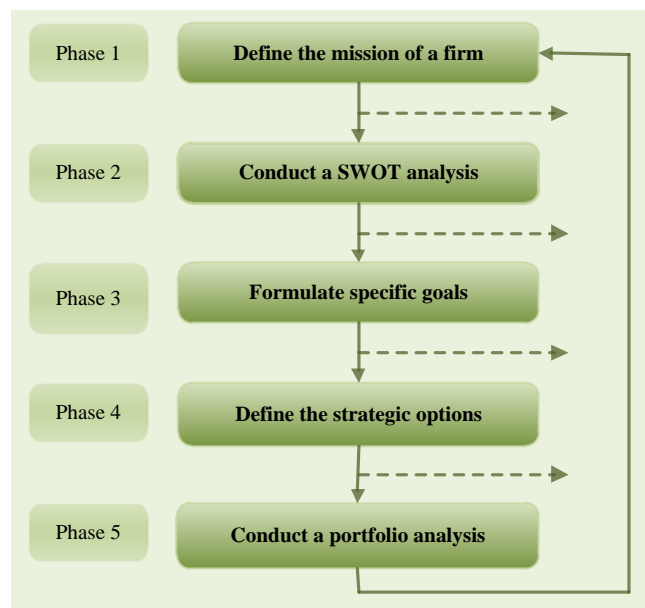


Figure 3.8 Moutinho's framework of tourism strategic planning process

Adapted from: L. Moutinho, Strategic planning in tourism, in L. Moutinho (ed), *Strategic management in tourism* (Wallington, 2000).

From the perspective of business strategy, David Campbell and his co-authors set up a framework of strategy as a process containing strategic analysis, strategic selection and strategic implementation, together with a continual feedback for strategic monitoring and management.<sup>72</sup> Nigel Evans, together with Campbell and George Stonehouse, integrated this framework into the context of tourism (Figure 3.9). In this framework, strategic analysis consisted of internal and external analysis that aligned with the SWOT analysis. Internal analysis was to examine the internal environment of an organization and establish what the organization was good at (strengths) and what it was not good at (weakness).

<sup>70</sup> L. Moutinho, Strategic planning in tourism, in L. Moutinho (ed.), *Strategic management in tourism*, pp. 263-6.

<sup>71</sup> *Ibid*, pp. 266-71.

<sup>72</sup> D. Campbell *et al.*, *Business strategy*, pp. 1-6.

External analysis, which included the analysis of macro and micro environment, was to identify what represented opportunities and what might develop into threats.<sup>73</sup> Strategic selection was a process in which an intelligent and informed choice was made or the most appropriate future action was selected based on the information gathered in the strategic analysis. Strategic implementation was a process in which the selected option was put into practice. In addition, strategy was monitored through continual feedback from the implementation back to the analysis.<sup>74</sup>

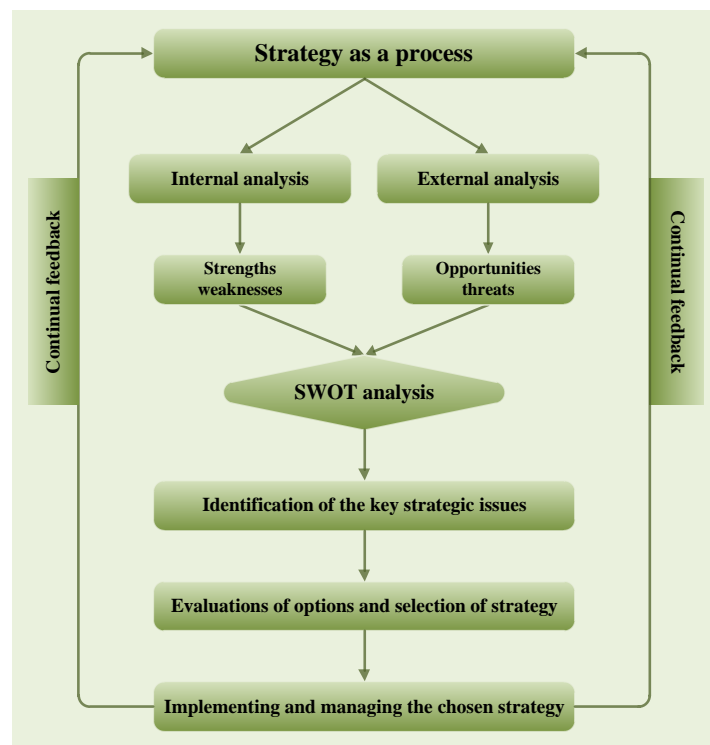


Figure 3.9 Evans' framework of tourism strategic process

Adapted from: N. Evans *et al.*, *Strategic management for travel and tourism* (Burlington, 2003), p. 4.

Based on the above definitions and theoretical frameworks from the military, business, management and tourism domain, a composite model of tourism strategy was developed to assess the tourism strategies in the white paper, Tourism in GEAR, the NTSS, the TGS and the GCP (Figure 3.10). In this framework, strategy is defined as “a vision and mission of an institution and the approaches to achieving them”. It is regarded as a process including formulation, implementation and feedback. Firstly, strategy formulation includes vision, mission and objectives; strategic analysis, with a focus on internal and external

<sup>73</sup> N. Evans *et al.*, *Strategic management for travel and tourism*, pp. 3-5.

<sup>74</sup> *Ibid*, pp. 5-6.

analysis that forms a SWOT analysis; and strategic selection, including strategic orientation and methods, strategic assessment and strategic options. Secondly, strategy implementation is specified in organization structure, resource allocation and specific activation. Thirdly, although Bécherel, Campbell, Evans and their co-authors alluded strategy feedback in the context of strategy in their frameworks,<sup>75</sup> strategy feedback as a new concept is articulated in this research for the first time and constitutes an integral part of tourism strategy in South Africa. It consists of various reports in the above mentioned official documents.

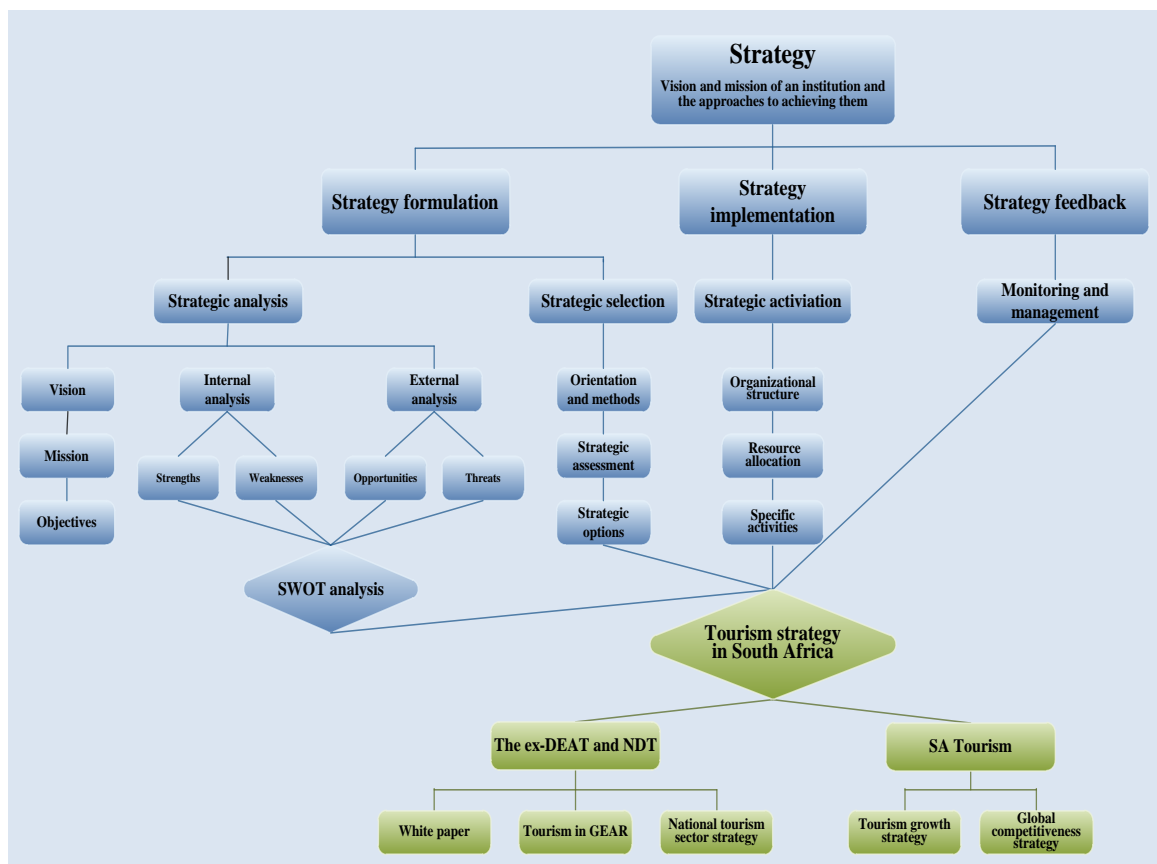


Figure 3.10 A framework for tourism strategy in South Africa

### 3. Tourism strategy in South Africa

In 1991, the term “strategy” appeared in an official release by the former South African Tourism Board (SATOUR) and Development Bank of Southern Africa entitled “A

<sup>75</sup> L. Bécherel, Strategic analysis and strategy formulation, in F. Vellas and L. Bécherel (eds.), *The international marketing of travel and tourism*, pp. 86, 104; D. Campbell *et al.*, *Business strategy*, p. 6; N. Evans *et al.*, *Strategic management for travel and tourism*, pp. 5-6.

strategic framework for tourism development in South and Southern Africa”. In this framework, “strategic” importance and “strategic” guidelines in terms of tourism were emphasized.<sup>76</sup> As indicated at the outset of this chapter, after the transition to democracy in 1994, the development of the tourism strategy of South Africa was embodied in three major official documents: the white paper, Tourism in GEAR and the NTSS. The strategies of tourism included in these documents will be assessed based on the newly established framework.

### 3.1 The white paper

After 1994, the South African government became convinced of the potential of tourism and its economic benefits for the country. In 1995, the government released a green paper as a basis for a future national tourism policy.<sup>77</sup> The following year, the green paper was followed by the white paper, which was regarded as a policy framework and guidelines for the development of tourism in South Africa.<sup>78</sup> Although strategy was in a generic sense in the white paper, the focus was aligned with strategic analysis and implementation and therefore laid a foundation for the strategic thinking of tourism in South Africa.

It was stated in the white paper that the vision of tourism in South Africa was “to develop the tourism sector as a national priority in a sustainable and acceptable manner, so that it will contribute significantly to the improvement of the quality of life of every South African”.<sup>79</sup> The white paper specified the mission of tourism in terms of the GDP growth, job creation and the redistribution and transformation of the economy and society.<sup>80</sup> It set forth specific objectives in the development of tourism between 1996 and 2005 in terms of the GDP, foreign currency earnings, job creation and international arrivals.<sup>81</sup> The vision and mission were achieved through these objectives in terms of the economy, social development and environment.<sup>82</sup>

---

<sup>76</sup> Sator and Development Bank of Southern Africa, *A strategic framework for tourism development in South and Southern Africa*, 1991.

<sup>77</sup> DEAT, *The white paper*, p. vii.

<sup>78</sup> *Ibid*, p. vii.

<sup>79</sup> *Ibid*, p. 23.

<sup>80</sup> *Ibid*, pp. 2, 13.

<sup>81</sup> *Ibid*, p. 27.

<sup>82</sup> *Ibid*, pp. 25-6.

The white paper explored the strengths, weaknesses, opportunities and threats in the development of tourism in South Africa. Strengths lay in natural and cultural resources, facilities and internationally known attractions. The natural resources included climate, wildlife, natural scenery and unspoiled wilderness. Diverse nationalities with various traditional cultures and heritage sites contributed to the unique cultural resources of the country. Facilities consisted of a well-developed infrastructure; excellent conference and exhibition facilities; a wide range of sporting facilities; good communication; and medical services. Internationally renowned attractions, such as Table Mountain, Cape of Good Hope, Sun City, Kruger National Park and Garden Route, constituted the uniqueness of South Africa.<sup>83</sup>

The weaknesses, which were identified as key constraints, originated from the two major aspects: the tourism industry and social development. On the one hand, the constraints in the tourism industry were related to inadequate resourcing and funding; a myopic private sector; poor service and transportation; inadequate tourism education, training and awareness; lack of infrastructure, particularly in rural areas; and lack of structures for the development, management and promotion of the tourism sector. On the other hand, the social development was concerned with the integration of local communities into tourism, particularly previously neglected groups; and inadequate protection of the environment.<sup>84</sup>

Tourism was seen to provide opportunities for the development of South Africa in terms of socio-economic development and environment. It increased the GDP and created business opportunities for its related industries, as well as rural areas. South Africa has become a leader in ecotourism in the world owing to its excellent management and administration in this regard. In addition, tourism also established cross-cultural relations between nations.<sup>85</sup> It was however pointed out that one of the greatest threats to the development of tourism in South Africa after 1994 was the growing levels of crime and violence.<sup>86</sup>

It was suggested that an action plan be developed for tourism strategies. The actions dealt with safety and security; education and training; financing tourism and access to finance; investment incentives; foreign investment; environment management; product

---

<sup>83</sup> DEAT, The white paper, p. 1.

<sup>84</sup> *Ibid*, pp. 5-12.

<sup>85</sup> *Ibid*, pp. 14-8.

<sup>86</sup> *Ibid*, pp. 5, 12.

development; cultural resource management; transportation; infrastructure; marketing and promotion; product quality and standards; regional cooperation; and youth development.<sup>87</sup>

### 3.2 Tourism in GEAR

In 1998, Tourism in GEAR was approved as a strategy for the development of tourism in South Africa. The framework of Tourism in GEAR specified strategy as a process including strategy analysis, strategy implementation and strategy feedback. In this document, the vision in the white paper was re-emphasized, and the specific objectives between 1998 and 2000 were proposed in terms of foreign currency earnings, international and domestic tourist arrivals, direct tourism employment and tourism receipts.<sup>88</sup> In addition, strengths, weaknesses, opportunities and threats were explored based on the standard SWOT analysis (Appendix 3.2).

Tourism in GEAR proposed six strategies from the perspective of the tourism industry to achieve the defined objectives. These strategies were concerned with promotion and marketing in international and domestic markets; strengthening investment, infrastructure improvement and visitor management in underdeveloped areas; broadening and diversifying the offering of cultural products; promoting entrepreneurship and community shareholding in tourism; establishing a friendly workforce to ensure service, hospitality and safety; and promoting natural and cultural resource management for the socio-economic impacts of tourism.<sup>89</sup>

A series of core actions was proposed. The first was to restructure and transform the capability and funding of the government to fulfill the role of tourism as a leading economic sector. The second was to increase foreign currency earnings based on increasing tourist arrivals, appropriate market segmentation and valid research and information. The third was to increase private sector investment in tourism via financing opportunities. The fourth was to initiate programs to improve the ownership and involvement of the communities, particularly the disadvantaged communities.<sup>90</sup> The fifth was to develop and implement a tourism human resource development strategy to enhance

---

<sup>87</sup> DEAT, The white paper, pp. 28-46.

<sup>88</sup> DEAT, Tourism in GEAR, p. 4.

<sup>89</sup> *Ibid*, pp. 4-5.

<sup>90</sup> *Ibid*, p. 6.

the employment and service of the sector. The sixth was to identify infrastructure requirements and public infrastructure investment programs. The seventh was to establish systems to achieve standards and quality of services, facilities and information provision. The eighth was to establish guidelines to ensure the sustainable tourism growth. The ninth was to initiate cooperation to address criminality and to counter poor perceptions of safety among tourists.<sup>91</sup>

### **3.3 National tourism sector strategy**

The strong growth of tourism in South Africa after 1994 inspired the South African government to formulate a new strategy to align with global trends and achieve the mandate of tourism in terms of the socio-economic growth of the country. In 2011, the “National tourism sector strategy” was promulgated by the South African government.<sup>92</sup> It was the first time that tourism in South Africa has been formally considered in the framework of a strategy, whereas strategy appeared in the white paper, Tourism in GEAR and other official documents concerning tourism. The NTSS constituted a complete framework of tourism strategy in terms of formulation, implementation and feedback.

The strategy formulation in the NTSS specifies vision, mission, values, objectives and specific objectives of tourism in South Africa; a SWOT analysis in the global and South African context; and the choice of strategic clusters and thrusts. As indicated earlier, the vision was to be a top twenty tourism destination in the world by the year 2020. The mission was to grow a sustainable tourism economy in South Africa, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships. The values were articulated as trust; accountability; respect for culture and heritage of South Africa; responsible tourism; transparency and integrity; service excellence; upholding the values of the Constitution of South Africa; a commitment to transformation; and flexibility and adapting to change.<sup>93</sup> The strategic objectives focused on three key themes: tourism growth and economy; visitor experience and the brand; and sustainability and good governance (Table 3.1).

---

<sup>91</sup> DEAT, Tourism in GEAR, p. 7.

<sup>92</sup> NDT, Minister launched national tourism sector strategy, 2011-03-24.

<sup>93</sup> NDT, NTSS, p. 9.

<b>Theme 1</b>	<b>Theme 2</b>	<b>Theme 3</b>
<b>Tourism growth and the economy</b>	<b>Visitor experience and the brand</b>	<b>Sustainability and good governance</b>
<ul style="list-style-type: none"> <li>• To grow the tourism sector’s absolute contribution to the economy;</li> <li>• To provide excellent people development and decent work within the tourism sector;</li> <li>• To increase domestic tourism’s contribution to the tourism economy; and</li> <li>• To contribute to the regional tourism economy.</li> </ul>	<ul style="list-style-type: none"> <li>• To deliver a world-class visitor experience;</li> <li>• To entrench a tourism culture among South Africans; and</li> <li>• To position South Africa as a globally recognized tourism destination brand.</li> </ul>	<ul style="list-style-type: none"> <li>• To achieve transformation within the tourism sector;</li> <li>• to address the issue of geographic, seasonal and rural spread;</li> <li>• To promote “responsible tourism” practices within the sector; and</li> <li>• To unlock tourism economic development at a local government level.</li> </ul>

Table 3.1 The strategic objectives in the NTSS

Adapted from: NDT, National tourism sector strategy, p. 10.

Based on these objectives, the specific objectives were set up for a period from 2010 to 2020 (Table 3.2).

<b>Focuses</b>	<b>2009</b>	<b>2015</b>	<b>2020</b>	<b>Growth</b>
Tourism income	ZAR 71.4 billion <sup>94</sup>	ZAR 118.4 billion	ZAR 188 billion	
Total economic impacts	ZAR 189.4 billion	ZAR 318.2 billion	ZAR 499 billion	
Direct jobs	389 100	403 900	461 700	
Total jobs	19 800	968 300	1 097 000	
International visitor arrivals	9 933 966	12 068 030	15 million	3.8%
Domestic tourists	14.6 million	16 million	18 million	2%
Domestic trips	30.3 million	40 million	54 million	5.4%

Table 3.2 The specific objectives of tourism in South Africa 2010-2020

Adapted from: NDT, The national tourism sector strategy, pp. 11-2.

A SWOT analysis of tourism in South Africa was conducted within the context of both global and South African tourism in the NTSS. The strengths and weaknesses were specified in the “Travel and tourism competitiveness report” of the World Economic Forum (WEF) in 2009, as well as the “Global competitiveness study” (GCS) released by

<sup>94</sup> ZAR is the abbreviation of South African Rand.

SAT in 2010. In the “Travel and tourism competitiveness report”, which assessed the tourism performance of 133 countries and areas based on seventy indicators, the strengths of South Africa lay in five indicators: natural sites (10<sup>th</sup>); cultural resources (45<sup>th</sup>); price for accommodation and tax regime (38<sup>th</sup>); air transport infrastructure (43<sup>rd</sup>); and policy rules and regulations (36<sup>th</sup>). Weaknesses were apparent in terms of four indicators: safety and security (128<sup>th</sup>); access to health services (94<sup>th</sup>); ticket taxes and airport charges (70<sup>th</sup>); and human resources including qualified labour (131<sup>st</sup>).<sup>95</sup> In addition, five key competitors of South Africa identified in the GCS, including Australia, USA, Kenya, Thailand and Brazil, were assessed based on tourism resources. Moreover, the strengths and weaknesses of South Africa were also compared with these destinations. The results indicated that tourism in South Africa maintained the second highest growth in the GDP contribution at the rate of 13% among the benchmarked competitors, with Brazil taking the lead at the rate of 24%. South Africa also had the most favourable repeat visitor rate of international arrivals of all the benchmarked countries.<sup>96</sup>

As regards the opportunities, despite the challenges of the global economic situation, global international tourist arrivals increased by almost 7% between 2009 and 2010, and the tourism industry continued to maintain a growth of about 4% per annum.<sup>97</sup> This was as a result of the mega events, such as the Winter Olympics in Canada, the Shanghai Expo in China, the World Cup in South Africa and the Commonwealth Games in India. In addition, in 2009, the UNWTO had proposed the “Roadmap to recovery” for the tourism industry in the aftermath of the global economic crisis. The “Roadmap to recovery” outlined fifteen recommendations in three action areas: resilience, stimulus and the green economy.<sup>98</sup> Moreover, the factors, such as technical changes, particularly the wide use of the internet; the green growth agenda; demographics and lifestyle changes; developing innovative travel packages and new products in response to the value-oriented mindset, also contributed to the growth of tourism.<sup>99</sup>

In South Africa, after 1994, the country has made a significant stride in various fields over the past two decades. The macro-economy was stabilized, and tourism-related industries,

---

<sup>95</sup> NDT, NTSS, p. 8.

<sup>96</sup> *Ibid.*

<sup>97</sup> *Ibid.*, pp. 3-4.

<sup>98</sup> *Ibid.*, p. 3.

<sup>99</sup> *Ibid.*, pp. 4-5.

such as the retail, automobile manufacture and air transport, quickly recovered after the economic crisis.<sup>100</sup> In addition, the hosting of the Confederations Cup in 2009 and the World Cup in 2010 contributed greatly to the economic recovery of South Africa, as well as the upgrading of infrastructure, including roads, telecommunications, safety and security, airports and stadiums. Publicity and improved awareness about South Africa after the World Cup also boosted tourism.<sup>101</sup> Moreover, after the election of 2009, a separate National Department of Tourism was established. This indicated that the tourism industry itself has grown in stature and was being taken seriously by the South African government.<sup>102</sup>

As regards threats and challenges, as one of the largest industries in the world, tourism was hard hit by the global economic crisis. The crisis fundamentally changed the economic and consumer landscape for tourism. Traditional source markets declined in outbound travel and the demand in the Western world remained weak.<sup>103</sup> Factors, such as global exchange rate volatility; oil prices; fuel hedging costs; the policy response to climate change; discriminatory and unilateral taxes; and consumer confidence in the aviation sector, also constituted threats to the growth of tourism.<sup>104</sup> In South Africa, there were concerns as regards the coordination and integration of the economic policies of industrial, fiscal and monetary sectors. The inclusion of the second economy in the mainstream remained a challenge. The spending was underpinned by infrastructure investment including the investment in new tourism products and activities.<sup>105</sup> In addition, challenges, such as seasonality and geographic spread across and within the provinces, were also flagged as problems that obstructed the participation and spread of tourism benefits across the country.<sup>106</sup>

As to strategic choice, in the NTSS, four strategic clusters and thrusts were identified, chosen and prioritized to address the objectives of the tourism industry (Appendix 3.3). As regards implementation, a series of action plan was developed for each strategic thrust.<sup>107</sup> In addition, a monitoring and evaluation unit was to monitor the implementation of the

---

<sup>100</sup> NDT, NTSS p. 6.

<sup>101</sup> *Ibid*, p. 8.

<sup>102</sup> *Ibid*, p. 6.

<sup>103</sup> *Ibid*, pp. 3, 5.

<sup>104</sup> *Ibid*, p. 4.

<sup>105</sup> *Ibid*, p. 6.

<sup>106</sup> *Ibid*, p. 7.

<sup>107</sup> *Ibid*, pp. 20-46.

strategy. In this process, the unit provided the strategic feedback in the form of progress reports on the achievement of the targets identified in the strategy and other documents, while the NDT reported the progress of the implementation in the form of surveys.<sup>108</sup>

## 4. Global tourism strategy in South Africa

With the end of the honeymoon of the “democracy dividend” in 1994, the growth of international arrivals to South Africa became slow after 1998 and began to decline in 2001, far below the average growth of other countries and areas in the world including the rest of Africa.<sup>109</sup> As a result, SAT launched a tourism growth strategy project in 2001 to understand the global tourism market, address the key problems of South Africa and promote the country in this market.<sup>110</sup> The tourism growth strategy was a marketing process including research and analysis to inform which markets and which consumer segments should be focused on, as well as how to activate the growth through marketing and brand positioning in the chosen areas.<sup>111</sup> In addition, a global competitiveness project was jointly conducted by the former DEAT, the DTI and SAT in 2003. It studied the strengths of the South African tourism sector, and initiated actions to adjust the competitive platforms of the tourism industry.<sup>112</sup> In 2010, SAT reviewed the progress that was made after the first study in a report entitled “Tourism competitive study”.<sup>113</sup>

### 4.1 Tourism growth strategy

As regards the TGS, SAT considered five critical strategic questions. These questions were what the goals and aspirations were; where SAT would play; how SAT would win in the chosen markets; what capabilities must be in place to win; and what management systems were required. The first question dealt with the broader goals of tourism and the role of SAT in the tourism value chain. The second was concerned with the countries that SAT

---

<sup>108</sup> NDT, NTSS p. 58.

<sup>109</sup> SAT, Tourism growth strategy 2002, pp. 7-8.

<sup>110</sup> *Ibid*, p. 3; SAT, The development of the tourism growth strategy 2002-2004, p. 2.

<sup>111</sup> SAT, Tourism growth strategy 2005-2007, p. 74; SAT, Tourism growth strategy 2008-2010, p. 106; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 3.

<sup>112</sup> DEAT, DTI and SAT, Global competitiveness programme for the tourism industry in South Africa 2005-2010; SAT, Tourism growth strategy 2005-2007, p. 74; SAT, Tourism growth strategy 2008-2010, p. 106; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 3.

<sup>113</sup> SAT, Tourism competitiveness study, 2010.

should focus on; the segments within these countries that SAT needed to target; and the segments in which SAT should maintain its share. The third was about the marketing, facilitation, product and channel levers that must be addressed for the growth and the brand building. The first three questions ran through the tourism strategy of South Africa as a process. The fourth and the fifth, which are concerned with industry issues, fell out of the scope of this research (Appendix 3.4).

The mandate and key objectives of SAT were considered to answer the first question and constituted the main factors of strategic analysis. SAT was mandated to achieve the mission of tourism, as already mentioned, the GDP growth, job creation and redistribution and transformation of the economy and society. This mandate was delivered through six key objectives: to increase tourist volume; to increase tourist spend; to increase length of stay; to improve geographic spread; to improve seasonality patterns; and to promote transformation (Figure 3.11).

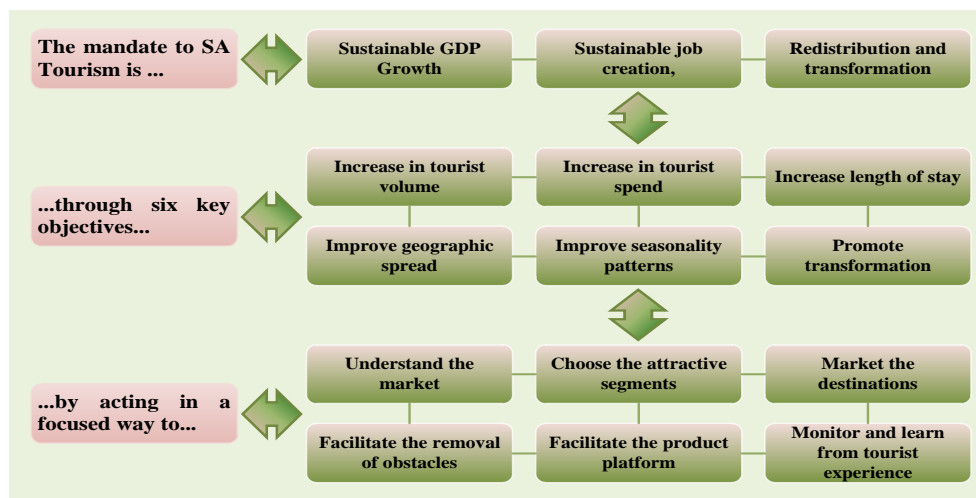


Figure 3.11 Mandate, objectives and actions of South Africa Tourism

Adapted from: SAT, The development of the tourism growth strategy 2002-2004, pp. 9, 21; SAT, Tourism growth strategy 2005-2007, p. 12; SAT, Tourism growth strategy 2008-2010, p. 13; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 18.

The key strategic challenges were also analysed based on its objectives of volume, value, distribution, seasonality and transformation. Firstly, the long-haul global markets with high volume should be focused on.<sup>114</sup> Secondly, the tourist spending and the relationship

<sup>114</sup> SAT, Tourism growth strategy 2005-2007, p. 14; SAT, Tourism growth strategy 2008-2010, p. 16; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 24.

between volume and value in the chosen markets should be maximized.<sup>115</sup> Thirdly, opportunities for the markets in underdeveloped provinces were sought due to the gap distribution of tourist arrivals in nine provinces of South Africa.<sup>116</sup> Fourthly, efforts should be made to extend the season and reduce the level of the gap between high and low months as a result of seasonality, a major constraint on the capacity for tourism growth.<sup>117</sup> Fifthly, the direct participation by the previously disadvantaged majority in tourism should be strengthened to unlock the new opportunities for growth.<sup>118</sup>

The strategic choice, as the core of the tourism growth strategy, answered the second question. The core principle of the strategic choice was to maintain the current position while looking for and pursuing opportunities for growth in the global market.<sup>119</sup> This implied where SAT should grow and maintain its market share, as well as invest for returns in the future.<sup>120</sup> SAT narrowed its choice focus on tourist source countries and areas; customer segmentation; and purpose markets.

In the choice of tourism markets, SAT reviewed all tourist source countries and areas in the world. After the assessment of the cost and benefit, they excluded some markets, such as the markets in sub-Saharan Africa; the markets with less than three million people or the GDP per capita of less than US\$ 2 000; and the markets with less than 20 000 arrivals per annum or no airlift. Finally, the four categories of tourism markets, namely core market, tactical market, investment market and watch-list markets were identified (Appendix 3.5). From tourism marketing point of view, core markets refer to those very attractive, having easier access and delivering the “bread and butter” in terms of tourism in South Africa. Tactical markets refer to those less attractive, but very easy to access. Investment markets refer to those very attractive, but more difficult to access. Given the

---

<sup>115</sup> SAT, Tourism growth strategy 2005-2007, p. 19; SAT, Tourism growth strategy 2008-2010, p. 21; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 31.

<sup>116</sup> SAT, Tourism growth strategy 2005-2007, p. 26; SAT, Tourism growth strategy 2008-2010, p. 28; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 37.

<sup>117</sup> SAT, Tourism growth strategy 2005-2007, pp. 28-9; SAT, Tourism growth strategy 2008-2010, pp. 30-1; SAT, The marketing tourism growth strategy for South Africa 2011-2013, pp. 39-40.

<sup>118</sup> SAT, Tourism growth strategy 2005-2007, p. 25; SAT, Tourism growth strategy 2008-2010, p. 27; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 36.

<sup>119</sup> SAT, Tourism growth strategy 2005-2007, p. 39; SAT, Tourism growth strategy 2008-2010, p. 42.

<sup>120</sup> SAT, Tourism growth strategy 2005-2007, p. 8; SAT, Tourism growth strategy 2008-2010, p. 9.

potential of these markets, it is of great importance to invest in them ahead of future returns. Watch-list markets refer to those less attractive and more difficult to access.<sup>121</sup>

SAT conducted portfolio reviews in terms of tourist source countries between 2002 and 2013 and consecutively revised its markets to confront the changes of the global tourism market. The first review categorized the tourist source countries into core, tactical and watch-list markets. Of the chosen tourist source countries inside and outside Africa, SAT focused on the top twenty markets, which covered 90% of the international arrivals to South Africa, as well as the top eleven outbound markets of the world, which generated over one million long-haul travels, 18% of arrivals and 40% of revenue for South Africa (Appendix 3.6).

Africa, particularly the neighbouring countries of South Africa, was seen to be a major tourist source. Africa accounted for over 70% of the tourist arrivals to South Africa, while the neighbouring countries delivered over 60% of the tourist arrivals to South Africa.<sup>122</sup> As a result, the “defending” strategy, which refers to maintain existing tourists and extracting additional value from them, was adopted for the neighbouring countries, including Namibia, Botswana, Zimbabwe, Mozambique, Swaziland and Lesotho, as well as other countries of the Southern African Development Community (SADC), including Zambia, Angola and Malawi.<sup>123</sup> These countries, except Angola and Malawi, were categorised as the core markets. Nigeria and Kenya were also identified as core markets.<sup>124</sup> For the eleven countries outside Africa, except Sweden, the “defending” strategy was adopted for Australia, Canada, Italy and Netherlands; the “defending and growth” strategy was set up for France, Germany and UK; and the “investing for growth” strategy was for USA, Japan and China. These countries, except Canada and Sweden, were regarded as the core markets (Appendix 3.6, Figure 3.12).

---

<sup>121</sup> SAT, 2012/2013 annual tourism report, p. 2; SAT, Tourism growth strategy 2005-2007, pp. 42-3; SAT, Tourism growth strategy 2008-2010, pp. 50-1.

<sup>122</sup> SAT, Tourism growth strategy 2002, p. 13; SAT, The development of the tourism growth strategy 2002-2004, p. 45; SAT, Tourism growth strategy 2005-2007, p. 44; SAT, Tourism growth strategy 2008-2010, p. 52.

<sup>123</sup> SAT, The development of the tourism growth strategy 2002-2004, pp. 40, 45; SAT, Tourism growth strategy 2005-2007, p. 44; SAT, Tourism growth strategy 2008-2010, p. 52.

<sup>124</sup> SAT, The development of the tourism growth strategy 2002-2004, p. 41.

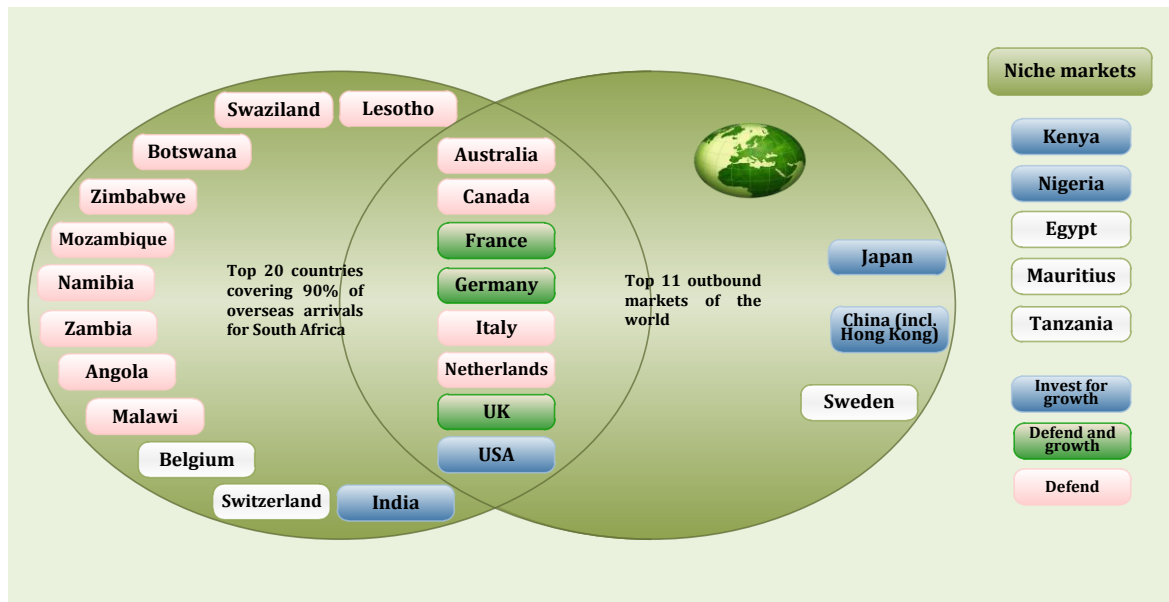


Figure 3.12 The strategies for the tourist source countries of South Africa

Adapted from: SAT, The development of the tourism growth strategy 2002-2004, p. 40.

In the second review, investment markets and strategic hubs (air links) were positioned. Given the changing of the global tourism market, as well as the decline in tourist arrivals from the neighbouring countries and the SADC countries, some core markets in the first review were modified as investment and tactical markers. In Africa, Kenya and Nigeria remained the core markets, while Mozambique, Zambia and Zimbabwe were classified as investment markets; and Botswana, Lesotho, Swaziland and Tanzania as tactical markets. Outside Africa, UK, France, Germany, the Netherlands and Australia maintained their status as the core markets. China and Japan were identified as investment markets. Some core and tactical markets, such as Italy, Belgium, Brazil, Ireland, New Zealand, Sweden and Switzerland, were classified as the watch-list markets.<sup>125</sup> In the third review, the markets of strategic importance and the strategic hubs were separated. The markets, such as core markets, investment markets, tactical markets and watch-list markets, as well as strategic hubs were revised in a minimal way based on the second review.<sup>126</sup> The fourth review conducted a benefit analysis for South Africa based on the three previous reviews. The four markets, strategic hubs and strategic importance in this review were refreshed geographically (Appendix 3.7).

<sup>125</sup> SAT, Tourism growth strategy 2005-2007, p. 45; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 54.

<sup>126</sup> SAT, Tourism growth strategy 2008-2010, p. 53; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 55.

Through the strategic choice of tourist source countries, another focus, namely customer segmentation, was considered in the TGS. The customer segmentation constituted the foundation of the consumer-focused marketing strategy of South Africa.<sup>127</sup> It included six generic typologies: next stop South Africa (NSSA)s, wanderlusts, family travellers, positive convertibles, senior explorers and purpose travellers. Of these segments, NSSAs and wanderlusts were identified as the core segments. The former, who were wealthy, experienced and aged between forty and sixty, sought natural beauty and authentic cultural experiences, preferred independent or small group travel, and looked for luxury and comfort as part of their experiences.<sup>128</sup> The latter, who were singles or couples aged between twenty-five and forty, were urban professionals with higher incomes and rich in travel experiences. They desired natural and cultural experiences, as well as adventure with a strong liking for “urban vibe”.<sup>129</sup>

Of various purpose-driven travels evaluated, leisure and business travel were chosen as focuses for the marketing strategy and became the tourism brands of South Africa.<sup>130</sup> Leisure travel including holidaying and the VFR travel was based on two major aspects: maximizing yield from the marketing investments, as well as balancing the portfolio to limit over-exposure to one or two regions. The leisure travel market review was to identify which position must be maintained, seek opportunities for the growth in volume and revenue, as well as reduce seasonal variation.<sup>131</sup>

Business tourism referred to a trip with the purpose of attending conferences, meeting, exhibition, events or as a part of an incentive.<sup>132</sup> The focus of South Africa was on three types of business tourism: inter-governmental meetings; corporate meetings; and association and academic meetings.<sup>133</sup> As mentioned, SAT, based on its strong competitive position with its world class facilities in the business market, strove to seek the marketing possibilities of mega events, such as the Cricket World Cup and the World

---

<sup>127</sup> SAT, Tourism growth strategy 2005-2007, p. 11; SAT, Tourism growth strategy 2008-2010, p. 12.

<sup>128</sup> SAT, Tourism growth strategy 2005-2007, pp. 53-4; SAT, Tourism growth strategy 2008-2010, pp. 59-60; SAT, The marketing tourism growth strategy for South Africa 2011-2013, pp. 71-2.

<sup>129</sup> SAT, Tourism growth strategy 2005-2007, p. 53; SAT, Tourism growth strategy 2008-2010, p. 60; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 72.

<sup>130</sup> SAT, Tourism growth strategy 2005-2007, p. 39; SAT, Tourism growth strategy 2008-2010, p. 42.

<sup>131</sup> SAT, Tourism growth strategy 2005-2007, p. 41; SAT, Tourism growth strategy 2008-2010, p. 48.

<sup>132</sup> SAT, Tourism growth strategy 2005-2007, p. 79; SAT, Tourism growth strategy 2008-2010, p. 111; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 11.

<sup>133</sup> SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 12.

Summit Sustainable Development in 2003, as well as the World Cup in 2010.<sup>134</sup> These events greatly contributed to the increase of volume, value and awareness of South Africa as a tourism destination.<sup>135</sup>

Strategy implementation answered the third question with a focus on strategic activation. These included actions for achieving six key objectives of SAT in terms of understanding the market; choosing the attractive segments; marketing the destination; facilitating the removal of obstacles; facilitating the product platform; and monitoring and learning from tourist experience (Figure 3.11). In addition, SAT changed its focus to the consumer. The TGS was therefore based on the “demand” of tourists instead of what South Africa offered or what South Africa believed what tourists would like.<sup>136</sup> The customer-focused tourism strategy was aligned with the viewpoint of marketing proposed by Richard George in terms of marketing tourism in South Africa: how to find customers; how to satisfy them; and how to keep them.<sup>137</sup>

As regards strategic feedback for monitoring strategy in the global tourism market, SAT has redefined the strategies every three years to understand the global tourism markets, and set up a new portfolio for the next three years.<sup>138</sup>

## 4.2 The global competitiveness project

In 2003, SAT launched a global competitiveness project to understand the challenges that South Africa had to confront in the development of tourism.<sup>139</sup> It examined these challenges in term of market access; air access; public transportation; safety and security; access to information; innovation; product development; investment; the development of small, medium and micro-enterprise (SMME)s; skills development; quality assurance; local clusters; and the role of the government. It also suggested a series of actions for each issue to overcome these challenges.<sup>140</sup> In addition, the GCP benchmarked what South Africa was doing as a destination and as an industry. It improved the insights into what

---

<sup>134</sup> SAT, Tourism growth strategy 2005-2007, p. 11; SAT, Tourism growth strategy 2008-2010, pp. 12, 75.

<sup>135</sup> SAT, Tourism growth strategy 2005-2007, p. 39; SAT, Tourism growth strategy 2008-2010, p. 42.

<sup>136</sup> SAT, Tourism growth strategy 2002, pp. 3-4.

<sup>137</sup> R. George, *Marketing South African tourism*, p. 4.

<sup>138</sup> SAT, Tourism growth strategy 2005-2007, p. 8; SAT, Tourism growth strategy 2008-2010, p. 9.

<sup>139</sup> SAT, Tourism competitive study, p. 5.

<sup>140</sup> DEAT, DTI and SAT, Global competitiveness programme for the tourism industry in South Africa 2005 -2010, pp. 29-77.

was driving the performance in terms of strengths and weaknesses; developed an approach to fixing the weaknesses; and created and strengthened platforms for overall performance and innovation.<sup>141</sup> Moreover, it reviewed the competitiveness of tourism in South Africa and benchmarked South Africa's performance against its competitors: Kenya, Australia, Thailand, Brazil and USA.<sup>142</sup>

In 2010, SAT refreshed the results of the GCP in its "Tourism competitiveness study" in four key aspects. The first aspect was again dealt with the external benchmarking of South Africa with the above mentioned key competitors. The second was related to internal benchmarking of the tourism sector in South Africa in terms of its performance and contribution compared with other major economic sectors of the country. The third was to assess the current state of tourism; analyze the key drivers and barriers in the tourism sector; and consider tourism products and services offered and their accessibility to the tourists. The fourth identified the gaps in desirability, expectation, experience, satisfaction level of tourists, and tourism products and services.<sup>143</sup>

## 5. Conclusion

Over the past two decades after 1994, tourism has grown from a "Cinderella" industry to one of the most vibrant economic sectors in South Africa.<sup>144</sup> It is committed to the delivery on the mandate of the South African government in terms of economic growth, job creation and the social transformation and empowerment. According to WTTC, from 1994 to 2014, the total contribution of tourism to the GDP increased from ZAR 24.6 billion to ZAR 357 billion, the average growth of 14.3%, and its share to the GDP increased from 5.1% to 9.5%. The direct contribution of tourism to the GDP increased from ZAR 8.7 billion to ZAR 113.4 billion, the average growth of 13.7%, and its share to the GDP increased from 1.7% to 3%. The international tourism receipts increased from ZAR 8.5 billion to ZAR 112.9 billion, the average growth of 13.8%.<sup>145</sup> The international tourism receipts exceeded the foreign exchange earnings of automotive manufacturing,

---

<sup>141</sup> DEAT, DTI and SAT, Global competitiveness programme for the tourism industry in South Africa 2005 -2010, p. 5.

<sup>142</sup> *Ibid*, pp.13-28.

<sup>143</sup> SAT, Tourism competitive study, 2010.

<sup>144</sup> Anon., Entrepreneurs flock to tourism sector, *Business Day*, 2005-09-21, p. 11; M. van Schalkwyk, Speech at the world tourism day business breakfast, 2012-09-26.

<sup>145</sup> WTTC, Tourism satellite account-South Africa 1994-2013; WTTC, Travel & tourism economic impact 2015 South Africa.

chemical manufacturing, agriculture, financial services, education and construction. This positioned tourism as the second largest growing sector in South Africa after the mining industry.<sup>146</sup> Tourism has also become one of the sectors that had a higher yield for fiscal investment through its multiplier effects on other economic sectors, such as transportation, agriculture, construction, arts, culture and sport.<sup>147</sup>

In addition, during this period, the total contribution of tourism to the employment increased from 572 500 to 1 497 500 and its share increased from 4.7% to 9.9%. Of these, the direct contribution to the employment increased from 230 200 to 679 500 and its share increased from 1.9 % to 4.5%.<sup>148</sup> President Jacob Zuma reiterated the mission of tourism as one of the job drivers that was emphasized in the “New growth path framework” launched by the South African government in 2010.<sup>149</sup> He confirmed that tourism has “an enormous job creation potential” and “we boost our tourism sector and promote the creation of much-needed jobs in our country”.<sup>150</sup>

Moreover, tourism has also become one of the pioneers in the development of sector charters. The tourism black economic empowerment (BEE) charter launched in 2004 and 2014 respectively has been implemented and monitored effectively. The industry transformation and the participation of SMMEs were promoted through the BEE ratings. These ensured South Africans equitably sharing the benefits of tourism.<sup>151</sup>

What South Africa has achieved in the development of tourism can be attributed to various efforts: the government, the tourism industry and South African people.<sup>152</sup> At the national level, after the political and social transformation in 1994, the South African government released the tourism green paper in 1995, which signaled the first attempt of the government to use tourism for the economic growth and ensure the objectives of the

---

<sup>146</sup> M. van Schalkwyk, Speech at the world tourism day business breakfast, 2012-09-26.

<sup>147</sup> NDT, Medium-term strategic plan 2010/2011-2014/2015, p. 1.

<sup>148</sup> WTTC, Tourism satellite account-South Africa 1994-2013.

<sup>149</sup> J. Zuma, State of the nation address, 2011-02-10; J. Zuma, State of the nation address, 2012-02-09.

<sup>150</sup> NDT, President Zuma welcomes news of tourism growth, 2012-10-15.

<sup>151</sup> RSA, No. 53 of 2003 Black economic empowerment act, 2004-01-09; RSA, No. 46 of 2013 Black economic empowerment amendment act, 2014-10-28; NDT, Medium-term strategic plan 2010/2011-2014/2015, p. 2; NDT, Strategic plan and annual performance plan 2010/11– 2014/15 and 2012/13 review, pp. 4-6.

<sup>152</sup> NDT, President Zuma welcomes news of tourism growth, 2012-10-15.

RDP.<sup>153</sup> Following the green paper, the white paper issued in 1996 articulated the development of tourism in South Africa from the perspective of the strategic thinking, including vision, mission, the SWOT analysis and a series of action plans.<sup>154</sup> Tourism in GEAR launched in 1998 detailed the policy proposed in the white paper with a short-term strategy, including objectives, specific projects, actions, roles, targets and priorities concerning market segmentation.<sup>155</sup> As a result, the tourism policy of South Africa has been developed from a “process focus” in the green paper, to a “product development focus” in the white paper, and finally to “customer-based focus” in the Tourism in GEAR.<sup>156</sup> In addition, the role of the government in the development of tourism has been modified from being solely government driven in the green paper and the white paper and finally to being government led, private sector driven and being community based in the Tourism in GEAR.<sup>157</sup>

With the remarkable development of tourism in the world in the new century, tourism in South Africa confronted a series of challenges. One of the biggest challenges was that tourism in South Africa was not incorporated in the experiences of other countries and was not aligned with the changing nature of global tourism. Its key weakness was that it lacked competitiveness in the global tourism market compared to the rest of the world.<sup>158</sup> The NTSS was therefore promulgated in 2011 from the overall strategic perspective to envisage this reality. It crystallized the vision of tourism in South Africa to be a top twenty tourism destination in the world by the year 2020, and therefore started “a new chapter in the marketing of South Africa as a world-class tourist destination”.<sup>159</sup>

At the industry level, SAT launched the tourism growth strategy and the global competitiveness project to be the follow-up strategies of the white paper and the Tourism in GEAR. TGS and GCP, two parallel, but integrated processes, provided the insights for South Africa to inform strategic choices for the development of tourism.<sup>160</sup> The TGS

---

<sup>153</sup> Satour, The green paper; G. Phillips and J. Govender, Overview of the South African tourism and hospitality sector, pp. 21-2.

<sup>154</sup> DEAT, The white paper.

<sup>155</sup> DEAT, Tourism in GEAR.

<sup>156</sup> G. Phillips and J. Govender, Overview of the South African tourism and hospitality sector, pp. 22, 24, 31.

<sup>157</sup> *Ibid*, pp. 34-5.

<sup>158</sup> *Ibid*, p. 29.

<sup>159</sup> *Ibid*, pp. 25-6; NDT, National tourism sector strategy.

<sup>160</sup> SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 3.

established the goals and objectives for how tourism became a major contributor to the development of tourism, while the GCP, as the second core pillar, formed an overall strategy for tourism in South Africa.<sup>161</sup>

However, South Africa has not reached its full tourism potential yet. On the one hand, crime and safety has been a major impediment for the growth of tourism in South Africa. Strong international perceptions that South Africa is not a safe destination have been bothering the country after 1994.<sup>162</sup> According to the “Travel and tourism competitiveness report”, safety and security remained serious concern (119<sup>th</sup>).<sup>163</sup> It was suggested in the NTSS that it was vital to develop and implement a major campaign to improve the perceptions regarding safety and security in the global tourism market through concerted public relations and information provision. Meanwhile, it was suggested that the tourism safety and security strategy be finetuned and implemented.<sup>164</sup>

On the other hand, other barriers, such as visa processing, airlift, enabling infrastructure and the development of cultural industries, also prevented international tourists from coming to South Africa.<sup>165</sup> As regards these, President Zuma emphasized that “we will amongst other measures, look into flexible visa requirements, improve landing slots at foreign airports as well as improve tourism infrastructure”.<sup>166</sup> He stated confidently that “[w]e have a great country, we must work together to make the world realize its full potential and boost economic growth and job creation through tourism”.<sup>167</sup> What the President said confirmed the importance of tourism and the determination of the South African government to try to do their best to overcome various barriers and dedicate to the development of tourism for socio-economic development of the country.

---

<sup>161</sup> DEAT, DTI and SAT, Global competitiveness programme for the tourism industry in South Africa 2005-2010, p. 4.

<sup>162</sup> NDT, National tourism sector strategy, p. 44

<sup>163</sup> WEF, The travel & tourism competitiveness report 2015, p. 22.

<sup>164</sup> NDT, National tourism sector strategy, p. 44.

<sup>165</sup> NDT, Strategic plan and annual performance plan 2010/11– 2014/15 and 2012/13 review, p. 3.

<sup>166</sup> J. Zuma, State of the nation address, 2011-02-10.

<sup>167</sup> NDT, President Zuma welcomes news of tourism growth, 2012-10-15.

## Chapter Four

# Chinese outbound tourism to South Africa

## 1. Introduction

This chapter presents the methodology and the results of an empirical survey conducted amongst Chinese tourists coming to South Africa. The questionnaire used for the survey consists of three sections: socio-demographic characteristics; the characteristics of the trip to South Africa; and the perception of South Africa as a tourism destination. In this chapter, the key findings of the survey are explored, and the similarities and differences are compared between this survey and the previous surveys conducted by myself, the UNWTO and SAT. It identifies the strengths, weaknesses, opportunities and threats of South Africa in the Chinese outbound tourism market based on the results of the survey. It finally points out the limitation of the research and predicts future trends in this field. It must be again noted that in the context of this thesis, as indicated in Chapter One, the reference to “Chinese tourists” specially indicated the Chinese tourists from Mainland China. In other words, it intentionally does not include the so-called “Greater China” including Hong Kong, Macau and Taiwan as the focus is on this developing market.

## 2. Methodology of research

### 2.1 Design of the questionnaire

A self-completing questionnaire for Chinese tourists coming to South Africa was designed based on the previous research on Chinese outbound tourism.<sup>1</sup> The questionnaire consists of twenty-five questions, which are classified into three above mentioned sections: socio-demographic characteristics; the characteristics of the trip to South Africa; and the perception of South Africa as a tourism destination. These questions are categorized into

---

<sup>1</sup> UNWTO, *Chinese outbound tourism*; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*; J. Du and B. Dai., *Annual report of China outbound tourism development 2004-2006*; B. Dai *et al.*, *Annual report of China outbound tourism development 2007-2013*; University of Hawaii, *Identifying and analyzing the Chinese outbound market for Hawaii*; SAT, *Marketing South Africa in China 2004*; SAT, *Marketing South Africa in China 2007*; SAT, *Marketing South Africa in China 2010*.

two types of questions: closed-ended and open-ended questions (Appendix 4.1). The closed-ended questions, with a single response, consist of 5-point Likert scales and include Q20, Q21, Q22, Q23 and Q25a-m. In these scales, 1 indicates the weakest agreement and 5 the strongest agreement in Q20, Q21, Q22 and Q23, whilst in Q25a-m, 1 indicates “very bad” and 5 “excellent”. The results for the closed-ended questions with multiple responses (Q12, Q19 and Q24) are presented as frequencies. The open-ended questions include eight variables (Q2, Q4, Q8, Q9, Q10, Q11, Q17 and Q18) and “Comments, ideas and suggestions”. Of these variables, Q17, Q18 and “Comments, ideas and suggestions” were analyzed by using content analysis as suggested by Gayle Jennings.<sup>2</sup>

During the designing of the questionnaire, both one-way and back translation was adopted to identify possible inconsistencies, mistranslation, cultural gaps and lost words and phrases in the questionnaire.<sup>3</sup> The questionnaire in Chinese was translated into English by myself first (Appendix 4.2), and then the English version was retranslated into Chinese by a native Chinese speaker with excellent knowledge of English (Appendix 4.3). Based on this process, some modifications were made to the Chinese questionnaire to eliminate less suitable words, sentences and inconsistencies.

## 2.2 Survey

The Chinese questionnaire were distributed among Chinese tourists coming to South Africa by using a “convenient sample”<sup>4</sup> of the Chinese tourists who visited the Union Buildings and a Chinese restaurant in Pretoria between November of 2013 and February of 2014. The tourists were invited to voluntarily fill in the questionnaire. In seven hundred questionnaires distributed, five hundred and ninety copies were returned, constituting an 84.3 % return rate.

---

<sup>2</sup> G. Jennings, *Tourism research*, p. 252.

<sup>3</sup> R. W. Brislin, Back-translation for cross-cultural research, *Journal of cross-cultural psychology* 1(3), 1970, pp. 185-216; American Psychological Association, Standards for educational and psychological testing, as cited in C. Glidden-Tracey and A. K. Greenwood, A validation study of the Spanish self-directed search using back-translation procedures, *Journal of career assessment* 5(1), 1977, p. 106; S. Y. McGorry, Measurement in cross-cultural environment, *Qualitative market research* 3(2), 2000, p. 76; E. Cha et al, Translation of scales in cross-cultural research, *JAN research methodology* 2007, pp. 387-8; U. Ozolins, Back translation as a means of giving translators a voice, *International journal of translation and interpreting research* 1(2), 2009, p. 1.

<sup>4</sup> H. Coolican, *Research methods and statistics in psychology*, p. 46.

## 2.3 Statistical methods: factor analysis

SPSS 22 was used to do descriptive and inferential statistical analysis and a significance level of below 0.05 was accepted for the study. Instead of only considering individual questions, factor analysis was used to explore the data (Q20-Q25m) for the possibility of constructing various scales.

Seventeen variables were subjected to factor analysis (Q20-Q25m) based on the principal component analysis. Five hundred and ninety cases were sufficient for factors analysis, exceeding the recommended minimum of 300 cases, as suggested by Andrew Comrey, Howard Lee, Barbara Tabachnick and Linda Fidell.<sup>5</sup> In addition, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was used to determine whether the covariance matrix was suitable for factor analysis. The returned value of 0.858 exceeded the recommend minimum value of 0.6 as suggested by Tabachnick and Fidell.<sup>6</sup> Moreover, the value of Bartlett's test of sphericity reached statistical significance ( $p=0.000$ ) further suggesting that the data could be used for factor analysis.<sup>7</sup> Principle component analysis extracted four factors which in total explained 57.7% of the total variance.

- Factor 1 was named "Facilities" and included questions about accommodation, food, safety and facilities (Q25e, Q25f, Q25d and Q25h). The values for these four questions were added together and divided by four to yield a value between 1 and 5 on the "Facilities" scale for each participant. When tested for reliability, the scale returned a Cronbach's Alpha value of 0.763, which is above the suggested minimum value of 0.7 as suggested by Jum C. Nunnally.<sup>8</sup>
- Factor 2 was named "General satisfaction" and included questions about meeting expectations, satisfaction, recommendation and visiting South Africa again (Q20, Q21, Q22 and Q23). The "General satisfaction" scale was calculated by adding the values of the four questions together and dividing them by four to yield a value

---

<sup>5</sup> A. L. Comrey and H. B. Lee, *A first course in factor analysis*, p. 217, as cited in B. G. Tabachnick and L. S. Fidell, *Using multivariate statistics*, p. 613, J. Pallant, *SPSS survival manual*, p. 183.

<sup>6</sup> B. G. Tabachnick and L. S. Fidell, *Using multivariate statistics*, p. 614, as cited in J. Pallant, *SPSS survival manual*, pp. 183, 187.

<sup>7</sup> J. Pallant, *SPSS survival manual*, pp. 183, 187.

<sup>8</sup> J. C. Nunnally, *Psychometric theory*, p. 245; J. C. Nunnally and I. H. Bernstein, *Psychometric theory*, p. 265, as cited in J. Pallant, *SPSS survival manual*, p. 6.

between 1 and 5. The Cronbach's Alpha value for this scale was at a favourable level of 0.798.

- Factor 3 was named "Services" and included questions about tourist guide, itinerary, shopping, trip price, service and transportation (Q25j, Q25k, Q25l, Q25m, Q25i and Q25g). The "Services" scale was calculated by adding the six questions together and dividing them by six to yield a value between 1 and 5. The internal reliability of this factor was slightly below the recommended value (Cronbach's Alpha=0.657), but it was considered sufficient to use the scale.
- Factor 4 was named "Tourism attractions" concerning cultural attractions, natural attractions and attitudes of the locals (Q25b, Q25a and Q25c). The "Tourism attractions" scale was calculated by adding the values for the three questions together and dividing them by three, resulting in a value between 1 and 5 for each participant. The scale returned a Cronbach's Alpha value of 0.6, which is also slightly below the recommended value, but it was decided to nonetheless use this scale with caution.

### **3. Results of the survey**

#### **3.1 The socio-demographic characteristics**

The results showed that 59.3% of the participants were male and 40.7% were female. The age ranged between 18 and 77, with an average age of 40.78 years (SD=11.783, N=590). The age was divided into six groups for statistical analysis and the major groups were aged between 25 and 34 (28.3%), between 35 and 44 (25.4%) and between 45 and 54 (27.5%). The family size of the participants ranged between 1 and 6, with an average family size of 2.57 persons (SD=0.828, N=496). The family size was divided into four groups and the major group came from three-person families. The majority of the participants had a higher educational level with a bachelor degree (54.9%) or postgraduate qualification (18.8%). They were at the average English level (50.7%). The participants were mainly manager/entrepreneur (23.9%), office worker (19.7%), technical/professional (12.4%), businessman (10.8%), civil servant (8.5%) and teacher/researcher (8.5%).

The participants originated from twenty-six provinces, metropolises and autonomous regions, which almost covered all over Mainland China, except for some remote and poverty-stricken areas, such as Tibet, Qinghai, Gansu and Guizhou. The tourists from Hainan failed to be sampled, whereas this province is an economically developed area in the south of China. In this survey, 43.6% of the participants originated from the coastal areas; 30.3% from the metropolises; and 26.1% from the inland areas (Appendix 4.4). The top ten originating areas, including Beijing (19.7%), Zhejiang (18%), Guangdong (9.5%), Shanghai (8.5%), Jiangsu (5.1%), Shan'xi (5.1%), Shandong (3.4%), Sichuan (3.4%), Liaoning (3.2%) and Jilin (3.1%), accounted for 78.8% of the participants (Appendix 4.5).

### **3.2 The characteristics of the trip to South Africa**

It was found that 93.2% of the participants came to South Africa for the first time. The tourist group size ranged between 1 and 80, with an average group size of 16.60 persons (SD=12.021, N=590). The tourist group size was divided into six groups, and was found that the groups with more than 16 persons accounted for 52%. When surveyed, the majority of the participants (84%) had been in South Africa for two or more days. This implied that they had already visited other places before being surveyed and that they had a broader perception of the country. Length of stay ranged between 2 and 40, with an average of length of 7.88 nights (SD=3.732, N= 590). The length was divided into four groups and the participants (65.1%) stayed in South Africa for 7 to 9 nights. The most important information was from tourism departments (37.8%) and relatives and friends (20.8%). The main purposes to South Africa were holidaying/sightseeing (64.4%) and working/business (31.4%). Most participants travelled with families (45.1%) and colleagues (42.4%). They preferred group travel (54.2%) and chose the all-inclusive package including airfare, accommodation, coach tours and food (94.6%).

### **3.3 Perception of South Africa as a tourism destination**

#### **3.3.1 Perceptions before and after visiting South Africa (Q17 & 18)**

Questions 17 asked the participants to comment on their perceptions before they visited South Africa, whilst Question 18 asked them what current (after their visit) perception

they had about the country. Content analysis of the replies was used to classify the responses into various categories, and the perceptions before and after visits were then compared. In general, perceptions about South Africa became more positive after Chinese tourists visited South Africa. Whereas only 21% of the participants had a positive (very good or good) perception about South Africa before their visit, this positive perception increased to 36.3% after their visit. Negative perceptions (so-so) also decreased from 13.7% to 8.8%. These results suggested that Chinese tourists in general experienced their visit to South Africa in a positive light, which caused them to have a more positive perception of South Africa after their visit. It was especially positive perceptions about the environment which increased from 4.9% to 13.2%, and concerns about safety which decreased from 19.7% to 7.1%. However, the fact that only 36.3% indicated that they had a positive perception about South Africa is rather low, suggesting that more could be done by the South African tourism industry to improve perceptions about the country amongst foreign tourists, particularly Chinese tourists.

### 3.3.2 Facilities (Factor 1)

As indicated in the methodology section, four questions (Q25e, Q25f, Q25d and Q25h) were loaded on Factor 1, which were then added together to form a scale called “Facilities”. This scale included perceptions about accommodation, food, safety and facilities. The average score of the participants on this scale was 3.42 (SD=0.545, N=504) out of a possible range between 1 to 5, where 1 indicated a “very bad” perception and 5 an “excellent” perception about the facilities. On average, the participants therefore assessed South African facilities between average (3) and good (4).

Detail analysis (Appendix 4.6) of the specific questions suggested that safety was especially considered a possible concern with only 22.1% regarding it is “good”, whilst 51.1% thought it was “average”. Accommodation basically met the expectation of Chinese outbound tourists who preferred high-end accommodation<sup>9</sup> with the percentage of 57.9% indicating “excellent” and “good”. Food was also regarded as rather average with 47.9% of participants choosing the category “average”. This may possibly be explained in terms of cultural food preferences which differ between the Eastern and Western countries.<sup>10</sup>

---

<sup>9</sup> SAT, Marketing South Africa in China 2004, p. 49; SAT, Marketing South Africa in China 2007, p. 57.

<sup>10</sup> UNWTO, Study on Chinese outbound travel to Africa, p. x; R. C. Y. Chang *et al.*, Food preferences of Chinese tourists, *Annals of tourism research* 37 (4), 2010, pp. 989-1011.

The facilities of South Africa basically met the demand of the Chinese outbound tourists with the percentage of 63.9% of being “excellent” and “good”.

### 3.3.3 General satisfaction (Factor 2)

This scale included questions about to what extent expectations were met (Q20); how satisfied the participant was with the trip (Q21); whether they would recommend South Africa as a destination (Q22); and whether they would like to visit South Africa again. The mean score for this scale was 3.78 (SD=0.565, N=520), suggesting that the trip in South Africa met the expectation of most Chinese tourists. They were satisfied with their trip; would recommend South Africa; and would consider visiting it again.

Detail analysis (Table 4.1) of the individual questions showed that most participants reckoned that the South African trip met their expectations (58.1%) or exceeded their expectations (34.2%). A very high percentage (85.1%) of the participants was generally satisfied and very satisfied with the trip, and only 1.3% of participants indicated that they were dissatisfied. Most participants (83.6%) would recommend South Africa, whilst 57.4% would consider visiting South Africa again.

<b>Did the trip to SA meet your expectations?</b>	Strongly exceeded expectation	Exceeded expectation	Met expectation	Did not meet expectation	Strongly did not meet expectation
(M=3.39, SD=0.808, n=535)	12.3%	21.9%	58.1%	7.3%	0.4%
<b>Are you satisfied with the trip to SA?</b>	Extremely satisfied	Satisfied	Undecided	Dissatisfied	Very dissatisfied
(M=4.04, SD=0.633, n=563)	20.6%	64.5%	13.7%	1.1%	0.2%
<b>Would you recommend SA?</b>	Strongly recommend	Recommend	Undecided	Do not recommend	Strongly not recommend
(M=4.02, SD=0.661, n=552)	20.7%	62.9%	14.3%	2.2%	0.0%
<b>Would you like to visit SA again?</b>	Absolutely yes	Yes	Undecided	No	Absolutely no
(M=3.62, SD=0.787, n=559)	12.0%	45.4%	35.4%	7.2%	0.0%

Table 4.1 General satisfaction of the trip to South Africa

Adapted from: A survey on Chinese tourists to South Africa between November of 2013 and February of 2014

### **3.3.4 Services (Factor 3)**

This scale included such diverse questions covering tourist guides (Q25j), itinerary (Q25k), shopping (Q25l), trip price (Q25m), services (Q25i) and transportation (Q25g), which may explain why the reliability for the scale is slightly below the recommended minimum value. The mean score for this scale was 3.52 (SD=0.391, N=485), indicating that most participants were fairly satisfied with South African services.

In general, the participants believed tourist guides (82.3%) and service in general (74%) were good to excellent (Appendix 4.6). They regarded transportation as either average (30.4%) or good (55.9%); shopping as either average (50.3%) or good (39.7%); and trip itinerary as either average (31.6%) or good (60.2%). The aspect with which participants were less impressed was the trip price. 47.3% of the participants pointed out that the price was bad to very bad, suggesting that it was considered as rather expensive.

### **3.3.5 Tourism attractions (Factor 4)**

The tourism attraction scale included only three questions regarding natural attractions (Q25a), cultural attractions (Q25b) and attitudes of the locals (Q25c). The mean score on this scale was 4.03 (SD=0.489, N=503) which is the highest of all four scales. This would suggest that Chinese tourists were most impressed with South African attractions. The participants were especially impressed by South Africa's natural attractions (95.2%) and regarded them as excellent or good (Appendix 4.6). Although at a lower level than the natural attractions, cultural attractions were also positively evaluated and 68.9% regarded them as excellent or good. The majority of the participants (72.9%) regarded the attitudes of the locals in a positive light.

### **3.3.6 What attracted the participants to South Africa (Q19 and Q24)**

The "big five" of South African attractions were listed by the participants as follows: natural attractions (82.5%), climate (46.3%), wildlife (35.9%), local customs (23.2%) and the beaches (22%). These choices suggested that by far the biggest lure for Chinese tourists had to do with the natural environment including climate and the beaches, whilst cultural aspects played a far smaller part. This conclusion was corroborated by the

preferences expressed for their possible future visits. The majority of the participants indicated that, on their future trips, they would prefer to visit natural attractions (63.6%); watch wildlife (34.4%); and go to the beaches (28.3%). Only 17.8% indicated that they would like to visit cultural and historical sites, and 14.2% expressed the wish to visit theme parks.

### 3.3.7 Comments, ideas and suggestions

The results from the open-ended question regarding “Comments, ideas and suggestions” indicated that two major concerns of the participants. One was safety. The participants (16.1%) expressed their concerns about their safety when travelling in South Africa. The other was related to the tourism industry. They suggested that transportation, accommodation and services should be further improved (13.4%).

## 4. Trends in Chinese outbound tourism

### 4.1 Gender, age groups, family size and educational level

Compared with my 2005 survey and the 2003-2008 SAT surveys, more females are now participating in Chinese outbound tourism, as suggested by the fact that 40.7% of the participants in the current survey were females. The age, family size and educational level of the participants in the current survey were also comparable to those in my previous survey and the SAT surveys (Table 4.2).

Variables	Current survey (%)	My 2005 survey (%)	SAT survey (%)
<b>Gender</b>	59.3/40.7	86.4/13.6	70/30
<b>Age group (25-54)</b>	81.2	85.4	84.9
<b>Three-member family</b>	65.1	80	
<b>Bachelor’s degree</b>	54.9	53.6	

Table 4.2 A comparison in gender, age groups, family size and educational level

Adopted from: Y. Li, *The development of Chinese tourism to South Africa*, MA thesis, University of Pretoria, 2006, pp. 179, 184; SAT, Marketing South Africa in China 2010, p. 45.

## 4.2 Regional distribution and income

According to the UNWTO, Chinese outbound tourists originated from the metropolises and the prosperous provinces in the coastal areas of the east of China, particularly in three major urban belts and economically developed areas. These three areas were the Beijing and Tianjin belt including Beijing, Tianjin and other cities; the Yangtze River Delta belt including Shanghai, Jiangsu and Zhejiang; and the Pearl River Delta belt including Guangdong and the special administrative regions of Hong Kong and Macao.<sup>11</sup> It was also found by SAT that most Chinese tourists coming to South Africa originated from Beijing, Shanghai and Guangdong.<sup>12</sup> These findings indicated that the increasing demand of Chinese nationals for outbound travel basically paralleled to economic growth and the geographical distribution. As indicated in Chapter Two, according to the NBSC, from 1997 to 2013, the top provinces, metropolises and autonomous regions in terms of urban disposable income and the level of consumption were Shanghai, Beijing, Zhejiang, Guangdong, Tianjin, Fujian, Jiangsu, Shandong and Chongqing. This ranking varies minimally annually.<sup>13</sup> In addition, it was reported by Merrill Lynch and Capgemini that the majority of the HNWIs of China were spread along the coastal cities within easy reach of Shanghai, Beijing and Guangzhou.<sup>14</sup> Moreover, according to the China Merchant Bank and Bain & Company, more than 50% of the wealth of China remained clustered in Guangdong, Shanghai, Beijing, Jiangsu and Zhejiang.<sup>15</sup> These findings were basically aligned with the findings in the current survey that most Chinese tourists coming to South Africa came from the above mentioned metropolises and prosperous provinces in the coastal areas of the east of China (Appendix 4.4).

In addition to the above mentioned economic factors, the geographical importance of the metropolises and the coastal areas also provides a great opportunity for Chinese outbound travel. It is easy for prospective tourists in these areas within easy reach of the foreign embassies and consulates to obtain the information on destinations, as well as deal with

---

<sup>11</sup> UNWTO, *Chinese outbound tourism*, pp. 9, 11, 56-82.

<sup>12</sup> SAT, *Marketing South Africa in China 2004*, pp. 43-4; SAT, *Marketing South Africa in China 2007*, pp. 49-50; SAT, *Marketing South Africa in China 2010*, p. 48.

<sup>13</sup> NBSC, *China Statistical yearbook 1998-2014*.

<sup>14</sup> Merrill Lynch and Capgemini, *The Asia-Pacific wealth report 2006*, p. 17.

<sup>15</sup> China Merchant Bank and Bain & Company, *The 2009 China private wealth study*, pp. 3, 7; China Merchant Bank and Bain & Company, *The 2011 China private wealth study*, pp. 7, 17; China Merchant Bank and Bain & Company, *The 2013 China private wealth study*, p. 3.

the transactions concerning outbound travel. The location of the hubs of international airlines can also provide convenient land and air transport.<sup>16</sup>

### 4.3 Major characteristics of Chinese tourists

SAT found that most Chinese tourists travelled overseas for the first time and tended to choose the pattern of group travel.<sup>17</sup> The current survey confirmed these findings with the results of first-time visits (93.2%) and tourists in groups (99.3%). The high rate of the first-time visits underpinned that South Africa as a travel product in the Chinese tourism market remained in its emerging phase. The preference of the group tour could be accounted to three major reasons. Firstly, the group package tour provided greater convenience. Most Chinese tourists had little knowledge about foreign countries. The group travel could help them overcome language barriers and provide them a sense of safety.<sup>18</sup> Secondly, visa was a major barrier for those who would like to travel overseas. Only the travel agencies could help the tourists overcome the barrier of applying for a visa in the form of group travel. ADS therefore became the most accessible form of visa because it simplified the visa application.<sup>19</sup> Thirdly, the group package tour was better value for money. This form of travel was cheaper than the individual travel owing to the better bargaining position and less trial and error scenario.<sup>20</sup> In addition, according to the UNWTO, in 2014, travel for holidays, recreation and other forms of leisure accounted for over half of all international tourist arrivals (53% or 598 million) all over the world.<sup>21</sup> This current survey confirmed this global trends and found that the Chinese tourists coming to South Africa mainly for holidaying/sighting (64.4%).

## 5. Conclusion

The empirical survey on the Chinese tourists coming to South Africa constitutes an integral part of the strategy of South Africa in the Chinese outbound tourism market. It collected the primary data to understand Chinese tourists to South Africa in terms of

---

<sup>16</sup> B. Dai *et al.*, Annual report of China outbound tourism development 2007&2008, p. 19.

<sup>17</sup> SAT, Marketing South Africa in China 2004, pp. 45, 51; SAT, Marketing South Africa in China 2007, pp.51-2, 85; SAT, Marketing South Africa in China 2010, p. 18.

<sup>18</sup> SAT, Marketing South Africa in China 2004, p. 51; SAT, Marketing South Africa in China 2007, p. 52.

<sup>19</sup> SAT, Marketing South Africa in China 2004, p. 51; SAT, Marketing South Africa in China 2007, p. 52.

<sup>20</sup> SAT, Marketing South Africa in China 2004, p. 51; SAT, Marketing South Africa in China 2007, p. 52.

<sup>21</sup> UNWTO, Tourism highlight 2015, p. 4.

socio-demographics, travel characteristics and the perception of South Africa as their preferred destination. It provided information for South Africa to identify the specific target markets in the Chinese tourism market. The quantitative and qualitative analysis of the data obtained in the survey entrenched the concept of the “feedback” of tourism strategy of South Africa. The former focused on the statistical analysis, while the latter on the content analysis, namely the qualitative analysis based on the quantitative analysis (Figure 4.1).



Figure 4.1 A feedback framework of tourism strategy of South Africa

In addition, based on the perception of South Africa as a destination of Chinese tourists, a SWOT analysis was conducted to reveal strengths, weaknesses, opportunities and threats of South Africa in the Chinese tourism market. Strengths lay in unique natural tourism resources of South Africa. As mentioned above, Chinese tourists were attracted by natural attractions, climate, wildlife and the beaches and would like to visit South Africa again for these. The high score of natural attractions (M=4.43) in the survey confirmed the strengths of South Africa in the Chinese outbound tourism market. Weakness was the trip price, which was identified as the lowest score (M=2.49) of thirteen tourism destination attributes. In their comments and suggestions, the Chinese tourists also suggested that South Africa lower the price of the trip.

The results of the survey indicated the opportunities of South Africa in the Chinese outbound tourism market. The trip to South Africa not only changed the previous negative image of Chinese tourists of South Africa, but deepened their understanding for the country. As pointed out above, the high level of meeting expectations ( $M=3.39$ ) and satisfaction ( $M=4.04$ ) in their trip to South Africa strengthened the confidence of Chinese tourists for South Africa. As regards the future trends, they would like to recommend South Africa ( $M=4.02$ ) and visit South Africa again ( $M=3.62$ ).

One of the biggest threats for South Africa in the Chinese tourism market was safety. Before coming to South Africa, what worried the Chinese tourists was safety (19.7%). Safety was still a major problem for the Chinese tourists coming to South Africa, whereas the worries lessened to some extent after visiting (7.1%). As indicated by their comments, the participants (16.1%) expressed their concerns about their safety when travelling in South Africa. Safety obtained the second lowest score ( $M=2.69$ ) of the thirteen tourism destination attributes in the survey also illustrated this threat.

The above SWOT analysis indicated that South Africa has strong strengths and great opportunities in the Chinese outbound tourism market. The positive perceptions provided opportunities for South Africa to develop the Chinese outbound tourism and establish itself as a preferred destination of Chinese tourists. However, safety has been a biggest problem that has bothered South Africa in the global tourism market, including the Chinese tourism market.

## **6. Limitations of the study**

As indicated earlier, in the sampling for the survey on Chinese tourists to South Africa, the Union Buildings and a Chinese restaurant were chosen as the major sampling sites. This was as a result of consultation with the tourist guides who specialize in Chinese tourists coming to South Africa. They advised the researcher that these two places would be convenient for questionnaires as time for relaxation had been assigned. Other places, such as the OR Tambo International airport, were not suitable as the tourists would be preoccupied with departure affairs. The Union Buildings was also chosen as one of the major sampling sites, based on the 2005 survey completed for my Master's dissertation, as

it has become one of the most important visiting sites for Chinese tourists to South Africa. At the Union Buildings, the Chinese tourists were invited to voluntarily complete the questionnaires on the spot. This guaranteed a good return rate. However, in some cases, the Chinese tourists stayed there for a shorter time resulting in some of them completing the questionnaires in a hurry or failing to complete the questionnaires. This made the data obtained not as accurate and complete as expected and can thus be regarded as a limitation. As regards this, future surveys must again be conducted in collaboration with tourist guides but assurance must be gained that adequate time will be available. In addition, other sites which are suitable for sampling should be attained. Moreover, online sampling is a possible consideration.

## **Chapter Five**

# **Chinese outbound tourism: South Africa and Australia compared**

### **1. Introduction**

This chapter reviews the development of Chinese outbound tourism to both Australia and South Africa after being granted ADS by the Chinese government in 1997 and 2002 respectively. It considers the bilateral tourism cooperation between China and Australia, and China and South Africa. It analyses Chinese tourists to Australia and South Africa based on their socio-demographics and travel characteristics. It examines the Chinese outbound tourism market in terms of a SWOT analysis, segmentation of Chinese tourists and market selection. It focuses on the marketing strategies adopted by both countries for the Chinese outbound tourism market. It summarizes the impacts of Chinese outbound tourism on the economic growth of these two countries. It finally proposes some recommendations for the two countries in this comparative context.

The reasons for comparing South Africa with Australia are numerous. Firstly, both South Africa and Australia are long-haul destinations for Chinese tourists. Secondly, they are both Western countries which are located in the southern hemisphere. Thirdly, they share a comparable colonial history and have historically experienced a dominant Western culture. Fourthly and most importantly, they were both countries with ADS granted by the Chinese government, which provided them with the opportunity to develop their inbound tourism within the Chinese outbound tourism market. However, a marked difference is that Australia is the first Western country to obtain ADS from China and has thus become the pioneer among the global long-haul destinations in the Chinese outbound tourism market. In the light of this, it can be argued that its success story in this market sets up an example for all destinations of Chinese tourists. Comparing South Africa with Australia would help South Africa find its strengths and weaknesses, opportunities and threats and thereby set up their own appropriate strategies in this market.

Australia, along with New Zealand, obtained ADS from the Chinese government in 1999.<sup>1</sup> From 1999 to 2014, Chinese arrivals to Australia increased from 92 600 to 849 500, the average growth of 15.9% (Figure 5.1). Since 2013, China has been Australia's second largest inbound market for visitor arrivals after New Zealand and the largest market for total visitor expenditure.<sup>2</sup> It was forecast by the Tourism Forecasting Committee (TFC) that Chinese arrivals would be 958 000 by the year 2020, with an average growth of 7.8%.<sup>3</sup>

With more and more countries and areas obtaining ADS from China, South Africa realized that China, as one of the fastest-growing tourism markets in the world, represented a particular opportunity for the country. Once obtaining ADS, South Africa would become one of the most important destinations in the Chinese outbound tourism market and could capture significant gains in this huge market.<sup>4</sup> The obtaining of ADS in 2002 positioned South Africa officially as the first sub-Saharan African country and the second country in Africa (the first being Egypt earlier in 2002) to have been granted this status by the Chinese government for Chinese to travel at their own expense.<sup>5</sup> From 1998 to 2014, Chinese arrivals to South Africa increased from 11 755 to 91 297, the average growth of 13.6% (Figure 5.1).

---

<sup>1</sup> CNTA, Countries and areas with ADS 1983-2014, 2014-09-24; Department of Resources, Energy and Tourism (DRET), China approved destination status (ADS) scheme, 2012-09-25; DRET, The executive summary of China approved destination status scheme 2009 evaluation report; Australian government, A tourism success story, p. 3.

<sup>2</sup> NBSC, The statistical communiqués of the People's Republic of China on national economic and social development 2014, 2015-02-26. The Australian government, Tourism forecasts, 2014.

<sup>3</sup> DRET, China approved destination status (ADS) scheme, 2012-09-25; TA, 2020 China strategic plan - progress report, pp. 1, 5.

<sup>4</sup> SAT, Tourism growth strategy 2002, pp. 18-9.

<sup>5</sup> DEAT, Off to China to sign a MOU for ADS, 2002-11-13; G. Liu, A message from ambassador, *Star*, 2003-10-01, p. 15; Z. Li, Building on past success and working together for a better tomorrow, in *People's Daily*, Celebrating ten years of freedom in South Africa and the South Africa-China partnership, pp. 4, 6.

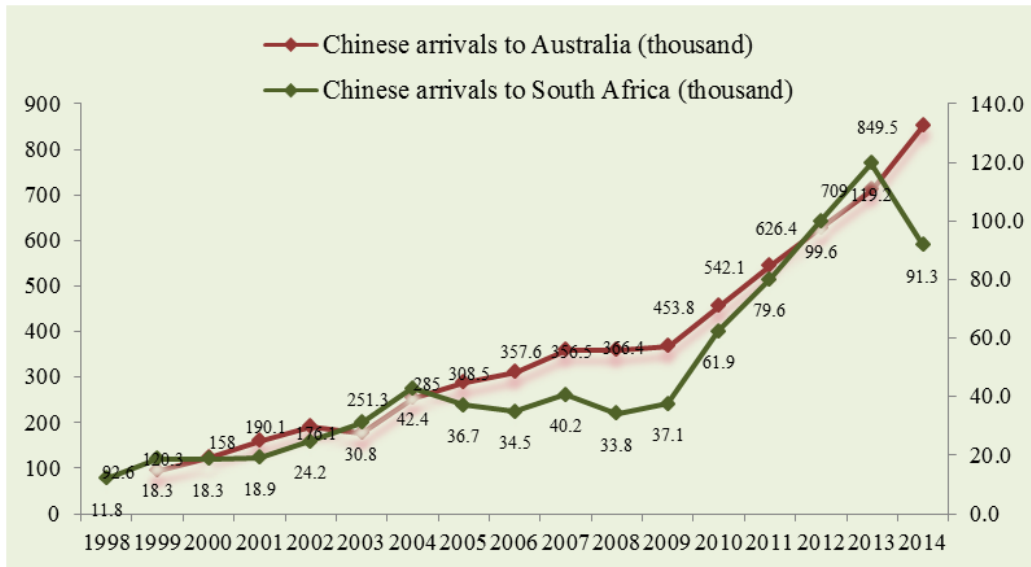


Figure 5.1 Chinese arrivals to Australia (1999-2014) and South Africa (1998-2014)

Adapted from the data provided by Tourism Australia and South African Tourism

The rapid increase of the number of Chinese arrivals inspired both Australia and South Africa to focus on developing this market. This chapter will consider various efforts that the two countries made in terms of bilateral tourism cooperation; understanding Chinese tourists and the Chinese tourism market; and marketing strategies.

## 2. The bilateral tourism cooperation

Diplomatic relations between China and Australia were established in 1972.<sup>6</sup> The long-term relations encouraged the Chinese government to make Australia one of the first destinations to which Chinese nationals could travel at their own expense. The ADS scheme was launched in 1997 and formally implemented in 1999.<sup>7</sup> Since then, Australia and China have been dedicated to the development of Chinese outbound tourism.

At the first Australia-China tourism summit in 2006, a five-year memorandum of understanding on the ADS scheme was signed between the Australian and Chinese governments. The memorandum was to foster the growth of Chinese outbound tourism to Australia based on a friendly and cooperative relationship between the two countries, as well as to ensure the best possible environment for the strong growth of the Chinese

<sup>6</sup> Ministry of Foreign Affairs of the PRC, Bilateral relations between China and Australia, 2012-01-17.

<sup>7</sup> Australian government, A tourism success story, p. 3.

tourism market to Australia.<sup>8</sup> The memorandum included three major aspects: sharing information through regular interaction and exchange between the relevant authorities; jointly ensuring the efficient and effective administration of the ADS scheme in both countries; and building a successful and sustainable ADS scheme to ensure that Chinese tourists enjoying a quality holiday experience in Australia. The signing of the memorandum signalled the continued commitment of both governments to fostering the growth of sustainable and quality tourism.<sup>9</sup>

In 2011, the dedication of Australia and China was reaffirmed through the signing of a broader memorandum on tourism cooperation. The new memorandum was to increase tourism flows and strengthen people-to-people links between the two countries. It confirmed the continuation and enhancement of the ADS scheme to provide a superior customer experience by improving quality standards.<sup>10</sup> According to the memorandum, an annual Australia-China tourism dialogue was to be held to report on the activities under the memorandum and determine future cooperation in the tourism sector.<sup>11</sup>

Compared with Australia, tourism cooperation and contact between China and South Africa was still in its initial stage. This was as a result of the more recent normalization of diplomatic relations in 1998 and the later obtaining of ADS in 2002. Compared with Australia, this amounted to a twenty-six-year gap in terms of official relations and six-year gap as to ADS. The official diplomatic relations between China and South Africa contributed to the exchange and cooperation between the two countries in various areas, one of which was tourism.<sup>12</sup> The two countries signed “The memorandum of understanding on the implementation plan for organized group travel by Chinese citizens to South Africa” in 2002 and the scheme was officially implemented in 2003.<sup>13</sup> In this year, the first-ever full-time tourism attaché was appointed to Beijing to usher in a new era

---

<sup>8</sup> DRET, China approved destination status (ADS) scheme, 2012-09-25; Australian government, the Department of Industry, Tourism and Resources (DITR), the Department of Immigration and Multicultural Affairs (DIMA) and TA, China ADS focus 1, 2006-09, p. 1.

<sup>9</sup> Australian government, DITR, DIMA and TA, China ADS focus 1, 2006-09, p. 1.

<sup>10</sup> DRET, Memorandum of understanding, 2012-09-25; TA, 2020 China strategic plan - progress report, p. 7.

<sup>11</sup> DRET, Memorandum of understanding, 2012-09-25.

<sup>12</sup> Ministry of Foreign Affairs of the PRC, Bilateral relations between China and South Africa, 2011-08-22; G. Liu, China-South Africa relations herald an even brighter future, in *People's Daily*, Celebrating ten years of freedom in South Africa and the South Africa-China partnership, p.13.

<sup>13</sup> DEAT, Off to China to sign a MOU for ADS, 2002-11-13; G. Liu, A message from ambassador, *Star*, 2003-10-01, p. 15; Z. Li, Building on past success and working together for a better tomorrow, in *People's Daily*, Celebrating ten years of freedom in South Africa and the South Africa-China partnership, pp. 3, 6.

of tourism marketing between China and South Africa.<sup>14</sup> In 2005, the two countries signed the “Memorandum of understanding pertaining to the Chinese training” to acknowledge the need for Chinese-speaking tourist guides in South Africa.<sup>15</sup>

### 3. Understanding Chinese tourists

Both Australia and South Africa realized that it was important to understand Chinese tourists in developing the Chinese tourism market. As a result, knowing the customer was put at the center of all marketing activities in tourism of both countries.<sup>16</sup> On the one hand, as early as 2002, when South Africa released the first document regarding tourism growth strategy, the customer-focused principle was defined in the development of tourism in South Africa.<sup>17</sup> This principle traversed their marketing strategies for the global tourism market including China. The customer, namely Chinese tourists, was emphasized in the detailed market research entitled “Marketing South Africa in China” released in 2004, 2007 and 2010 respectively.<sup>18</sup>

On the other hand, in “The China 2020 strategic plan” launched by Australia in 2011, the strategy of knowing the customer was implemented, along with another four strategies: a dedicated geographic strategy; delivering quality Australian tourism experiences; a healthy aviation development environment; and strong partnerships between the government and industry. These became the five pillar strategies in the Chinese tourism market to Australia. Australia also emphasized that knowing the target customer was the foundation on which to base all marketing activities.<sup>19</sup> Andrew McEvoy, the Managing Director of the TA, put it that Australia would be concentrating their efforts on understanding Chinese consumers as their needs changed and the market matured.<sup>20</sup>

---

<sup>14</sup> H. Hagen, First SA tourism attaché for Beijing, *Citizen*, 2003-06-02, p. 7.

<sup>15</sup> The Embassy of the PRC in the Republic of South Africa, A Chinese teacher is to conduct Chinese training course for local tourist guides, 2005-01-20; South African government, South African tourist guides graduate in Chinese language, 2006-02-09; D. Jackson, High-profile visits set stage for economic co-operation, *Business Day*, 2004-10-01, p. 20.

<sup>16</sup> SAT, Tourism growth strategy 2002, pp. 3-4; TA, 2020 China strategic plan - progress report, pp. 1-3; TA, 2020 China - building the foundations, pp. 1-5.

<sup>17</sup> SAT, Tourism growth strategy 2002, pp. 3-4.

<sup>18</sup> SAT, Marketing South Africa in China 2004; SAT, Marketing South Africa in China 2007; SAT, Marketing South Africa in China 2010.

<sup>19</sup> TA, 2020 China strategic plan - progress report, pp. 1-2; TA, 2020 China - building the foundations, pp.1-5.

<sup>20</sup> TA, 10-year plan to realise the future potential of tourism from China, 2011-06-08.

As a result, in the implementation of their marketing strategies, Australia and South Africa first focused on the socio-demographics and travel characteristics of Chinese tourists to understand their needs and behaviours for further development.

### **3.1 The socio-demographics of Chinese tourists**

SAT conducted surveys on Chinese tourists to South Africa between 2003 and 2008. It was found that the Chinese tourists were mostly males (70%); aged between 25 and 54 (85%); and originated mainly from Beijing (27.5%) and Shanghai (15.8%). Professionals became the mainstream with their proportion having increased from 36% to 59% in the five-year period.<sup>21</sup> Australia shared similar findings with SAT in terms of gender and age group with the percentage of 55% and 63.8% respectively in their surveys on Chinese tourists between 2006 and 2009.<sup>22</sup> However, compared with South Africa, there was a smaller difference in gender in Australia. This indicated that the Chinese tourism market to Australia was more mature than that of South Africa. In addition, Australia revealed more information on leisure tourists, one of their target customers. It was found that the Chinese leisure tourists were affluent couples aged between 30 and 49 years old. They originated from both the primary cities (Beijing, Shanghai and Guangzhou) and the secondary cities (Chongqing, Chengdu, Hangzhou, Nanjing, Shenyang, Shenzhen, Tianjin, Wuhan and Xiamen). They were experienced travellers with an independent travel mindset and preferred local culture.<sup>23</sup> This is a trend that will follow later in South Africa.

### **3.2 The travel characteristics of Chinese tourists**

It was found that, between 2003 and 2005, 76.6% of the Chinese tourists came to South Africa for the first time.<sup>24</sup> The peak times that they came to South Africa were closely related to the three “golden weeks” (the Chinese New Year, May Day and the Chinese National Day), as well as the public holidays of China.<sup>25</sup> October was the most popular

---

<sup>21</sup> SAT, Marketing South Africa in China 2010, pp. 44-5, 47-8.

<sup>22</sup> TA, China visitor profile 2006, p. 6; TA, China visitor profile 2007, p. 5; TA, International visitor profile 2008 - China, p. 3; TA, International visitor profile 2009 - China, p. 2.

<sup>23</sup> TA, TA, 2020 China strategic plan - progress report p. 2; TA, 2020 China - building the foundations, p. 2; TA, Summary of Tourism Australia's China 2020 strategic plan, p. 2.

<sup>24</sup> SAT, Marketing South Africa in China 2007, p. 85.

<sup>25</sup> *Ibid*, pp. 25, 84; SAT, Marketing South Africa in China 2004, p. 15.

season for the Chinese to travel to South Africa,<sup>26</sup> while there was a distinctive decline of seasonality in February, May, September and November.<sup>27</sup> Most of them came to South Africa for holidaying (43%) and business (33%). From 2003 and 2008, the main purpose changed from holidaying to business with the decrease of holidaying from 53% to 38%, while business travel increased from 28% to 43%.<sup>28</sup>

In Australia, between 2003 and 2009, 54.2% of Chinese tourists came to Australia for the first time and 45.8% were repeat tourists.<sup>29</sup> The small difference between the first-time tourists and the repeaters indicated that Australia was a mature destination for Chinese tourists. February was the peak season, followed by January and July, while there was a decline of seasonality in May and June.<sup>30</sup> It was found that December to February (the Chinese New Year) and October (the National Day) tended to be the most popular season and March to June was a low period.<sup>31</sup> Between 2006 and 2007, in addition to holidaying (46.8%) and business (21.1%), education (12.8%) and VFR (12.2%) also became main purposes.<sup>32</sup> However, between 2008 and 2009, holidaying (-2%) and business travel (-18%) decreased due to the global economic crisis. The growth was however driven by increases in education, VFR and employment.<sup>33</sup>

It was found that group travel was preferred by the Chinese tourists, particularly those who visited South Africa and Australia for the first time.<sup>34</sup> In addition, as regards the preferred activities of Chinese tourists, their major activities in South Africa were visiting natural attractions, watching wildlife, visiting a casino, visiting historical and cultural heritage, and doing business.<sup>35</sup> These activities in Australia were concerned with going to the beaches; surfing and diving; sightseeing; visiting natural and cultural parks; eating out;

---

<sup>26</sup> SAT, Marketing South Africa in China 2004, p. 50.

<sup>27</sup> SAT, Marketing South Africa in China 2007, p. 84.

<sup>28</sup> SAT, Marketing South Africa in China 2010, p. 51.

<sup>29</sup> TA, China visitor profile 2006, p. 3; TA, China visitor profile 2007, p. 3; TA, International visitor profile 2008 - China, p. 2; TA, International visitor profile 2009 - China, p. 2.

<sup>30</sup> TA, China visitor profile 2006, p. 7; TA, China visitor profile 2007, p. 6; TA, International visitor profile 2008 - China, p. 3; TA, China market profile, 2012-05, p. 12.

<sup>31</sup> TA, China market profile, 2012-05, p. 12.

<sup>32</sup> TA, China visitor profile 2006, p. 2; TA, China visitor profile 2007, p. 2.

<sup>33</sup> TA, International visitor profile 2008 - China, p. 1.

<sup>34</sup> SAT, Marketing South Africa in China 2004, pp. 45, 51; SAT, Marketing South Africa in China 2007, pp. 51-2, 85; SAT, Marketing South Africa in China 2010, p. 18; TA, 2020 China strategic plan - progress report, p. 2; TA, 2020 China - building the foundations, pp. 1, 5.

<sup>35</sup> SAT, Marketing South Africa in China 2010, p. 56.

and shopping.<sup>36</sup> Moreover, it was also found that the developed regions, such as the Western Cape and Gauteng in South Africa, and New South Wales in Australia, were most widely visited, accounting for about 80% and 75% of the Chinese tourists respectively.<sup>37</sup>

As regards expectations, South Africa was a new and emerging destination for Chinese tourists. They expected high-end accommodation; rich and colourful nightlife; and different cuisine.<sup>38</sup> However, Australia, as a preferred destination for Chinese tourists with a high awareness and familiarity, they expected a “laid back and easy going” holiday, including a mix of natural environment; culture and history; direct flights; easy visa application processes; comfortable accommodation; local shopping; Chinese speaking tourist guides; and Chinese food. Of these expectations, “laid back and easy going” ranked the top, accounting for 61%.<sup>39</sup>

## **4. Understanding the Chinese tourism market**

### **4.1 A SWOT analysis of South Africa and Australia**

Starting with the analysis of the economic growth of China, South Africa and Australia identified opportunities, barriers, strengths and weaknesses in developing the Chinese outbound tourism market. Both countries shared the similar ideas that rapid economic growth, large population and the potential of the Chinese tourism market provided them with a range of opportunities.

China has a population of 1.3 billion, accounting for 20% of the world’s population. In 2008, China became the second largest economy in the world with the GDP of US\$ 4 327 billion.<sup>40</sup> The Chinese tourism market, as an emerging tourism market, was entering the growth phase in the tourism industry life cycle (Figure 5.2). It has become one of the top ten outbound markets and one of the top twenty long-haul outbound

---

<sup>36</sup> TA, China visitor profile 2006, p. 10; TA, China visitor profile 2007, p. 9.

<sup>37</sup> SAT, Marketing South Africa in China 2010, p. 58; TA, China visitor profile 2006, p. 9; TA, China visitor profile 2007, p. 8; TA, International visitor profile 2008 - China, p. 3.

<sup>38</sup> SAT, Marketing South Africa in China 2004, pp. 45, 49; SAT, Marketing South Africa in China 2007, pp. 51, 57.

<sup>39</sup> TA, 2020 China - building the foundations, p. 4.

<sup>40</sup> SAT, Marketing South Africa in China 2007, p. 5; SAT, Marketing South Africa in China 2010, pp. 5, 8; DITR, National tourism emerging markets strategy, pp. 1, 7.

markets in the world. The UNWTO predicted that China would be one of the biggest tourism markets in the world by the year 2020.<sup>41</sup>

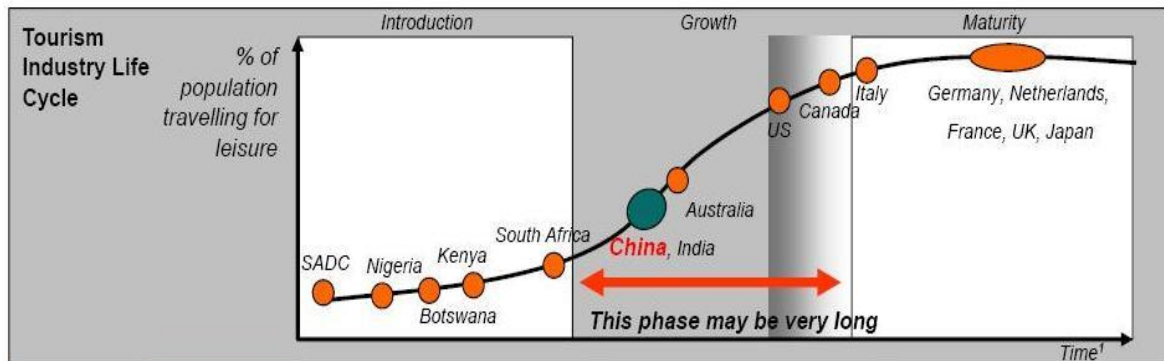


Figure 5.2 Chinese outbound tourism in the tourism industry cycle

Adapted from: SAT, Marketing South Africa in China 2004, p. 7; SAT, Marketing South Africa in China 2007, p. 4; SAT, Marketing South Africa in China 2010, p. 4.

Australia further explored these opportunities. Firstly, the consumer confidence of China has risen as a result of the increase of household savings, disposable income and consumer spending. According to the Mastercard Master index, Chinese consumer sentiments reached a high record in terms of the economy, quality of life, income and employment.<sup>42</sup> Secondly, the increase of the upper and middle class contributed to the development of this market. Thirdly, the tourism-related factors also provided the opportunities, such as the emergence of independent travellers; the growing demand for business events; a strong digital and social media environment; expanding aviation capacity; and increased awareness of the opportunity of China by governments and industry stakeholders.<sup>43</sup>

However, both South Africa and Australia were not fully capitalizing on the Chinese outbound tourism boom in terms of the market share. The market shares of the two countries were small compared with the total Chinese outbound market. In 2014, the market share of South Africa was 0.1%, while Australia was 0.7%.<sup>44</sup> As a result, South Africa and Australia identified their barriers in this huge market.

<sup>41</sup> SAT, Marketing South Africa in China 2004, pp. 5-6; SAT, Marketing South Africa in China 2007, pp. 11-2; SAT, Marketing South Africa in China 2010, p. 15; DITR, National tourism emerging markets strategy, p. 1.

<sup>42</sup> DITR, National tourism emerging markets strategy, p. 7.

<sup>43</sup> TA, 10-year plan to realize the future potential of tourism from China.

<sup>44</sup> NBSC, The statistical communiqués of the People's Republic of China on national economic and social development 2014, 2015-02-26; SAS, Tourism report 2014; TA, China market profile 2015.

South Africa identified four major barriers. Firstly, Chinese tourists were not aware of South Africa due to a lack of knowledge of the country. It was found that 41% of the Chinese tourists did not know South Africa.<sup>45</sup> In the assessment of awareness and familiarity, compared with its competitors, such as France (79%), Australia (77%), USA (76%), UK (75%), Italy (75%), Egypt (51%), Brazil (44%) and Kenya (39%), South Africa received low total awareness scores and low quality of awareness (44%), ranking just above Brazil and Kenya.<sup>46</sup>

Secondly, safety and health constituted major problems for Chinese tourists to South Africa. It was found that the Chinese tourists were worried about their personal safety (42%) and health (30%) when travelling in the country.<sup>47</sup> As regards whether they would like to visit in the future, their concerns also focused on general safety (60%), personal safety (52%) and health (30%).<sup>48</sup>

Thirdly, there was fierce competition on tourism products among its prioritized competitors, such as USA, Australia, Italy, UK, India, Egypt and Brazil. Of these competitors, USA, Australia and Brazil competed on beach experiences; Kenya competed on nature, wildlife and adventure; and UK and Egypt competed on historical and cultural experiences.<sup>49</sup> Between 2003 and 2007, India and Egypt experienced a rapid growth of Chinese arrivals: 42.9 % in India and 39.3% in Egypt. However, the growth of South Africa was only 2.6%.<sup>50</sup>

Fourthly, South Africa was a long-haul and expensive destination for Chinese tourists. Long flights and infrequent flights between China and South Africa made South Africa less attractive.<sup>51</sup> Travel to South Africa was priced relatively high compared with its competitors: Europe, South East Asia, Australia, New Zealand and Russia. The package price and the price per day were also higher than its competitors, while length of stay was shorter (Table 5.1).

---

<sup>45</sup> SAT, Marketing South Africa in China 2004, pp. 12, 47; SAT, Marketing South Africa in China 2007, p. 56.

<sup>46</sup> SAT, Marketing South Africa in China 2004, p. 9.

<sup>47</sup> *Ibid*, pp. 14, 47; SAT, Marketing South Africa in China 2007, p. 56.

<sup>48</sup> SAT, Marketing South Africa in China 2007, p. 99.

<sup>49</sup> SAT, Marketing South Africa in China 2010, pp. 41-2.

<sup>50</sup> *Ibid*, p. 40.

<sup>51</sup> SAT, Marketing South Africa in China 2004, pp. 14, 26; SAT, Marketing South Africa in China 2007, p. 33.

Destinations	Price (RMB¥)	Length of stay (day)	Price per day (RMB¥)	Flight time (hours)	Direct flight
Europe	10 000-16 800	9	1 489	13	Daily
South East Asia	4 000-9 600	7	800	7	Daily
Australia New Zealand	12 000-23 000	10	1 500	9	Daily
Russia	11 000-18 000	10	1 500	8	2/per week
South Africa	14 000-16 000	8	1 875	14	3/per week <sup>52</sup>

Table 5.1 Tourism product structure of South Africa and its competitors

Adapted from SAT, Marketing South Africa in China 2004, p. 26; SAT, Marketing South Africa in China 2007, p. 33.

Like South Africa, Australia also identified four major barriers in the Chinese outbound tourism market. Firstly, with the rapid increase of destinations being granted ADS, the early lead that Australia had was eroded and its growth was overshadowed.<sup>53</sup> Secondly, the positive perception that Australia had established over the past decade was not mirrored in the overall satisfaction of the Chinese outbound tourism market. Compared with its competitors, such as Malaysia, Thailand, France, New Zealand, USA, South Korea, Italy, UK, Canada, Singapore and Japan, Australia scored the second lowest percentage just in front of South Korea.<sup>54</sup> Thirdly, Chinese tourists were dissatisfied with commission shopping, namely “forced-to-buy shopping”. They complained that the commission shopping tainted their holidays and would therefore not recommend Australia to others.<sup>55</sup> Fourthly, they complained of overcharging of certain groups, such as seniors, children and young couples, as well as paying high prices for inferior quality goods.<sup>56</sup>

As regards strengths, the Chinese tourists to South Africa were satisfied with the scenery, wildlife, friendly people and business opportunities. Culture (67%) and scenery (59%)

<sup>52</sup> In 2012, South African Airways (SAA) opened the direct flight between Johannesburg and Beijing with three flights per week. See South African Airways, South African Airways (SAA) introduces non-stop flights to Beijing, China, 2012-01-31; SouthAfrica.info, SA airways to fly non-stop to Beijing, 2011-12-19; SouthAfrica.info, SAA makes first non-stop flight to China, 2012-02-01. However, South African Airways cancelled the direct flight due to its financial problems in April, 2015. See Traveller24, SAA cancels R1bn loss-making Beijing route, 2015-01-30.

<sup>53</sup> TA, 10-year plan to realize the future potential of tourism from China, 2011-06-08; DITR, National tourism emerging markets strategy, p. 9.

<sup>54</sup> DITR, National tourism emerging markets strategy, p. 34.

<sup>55</sup> Australian government, DITR, the Department of Immigration and Citizenship (DIC) and TA, China ADS focus 5, 2007-09, p. 2; Australian government, DRET, DIC and TA, China ADS focus 6, 2007-12, p. 3; Australian government and DRET, China ADS e focus 7, 2008-04, pp. 1-2.

<sup>56</sup> Australian government and DRET, China ADS e focus 7, 2008-04.

became two key drivers for their future visits. According to SAT, Chinese tourists would like to experience various cultures (67%), relax (61%), visit nature (59%), enjoy the warm climate (49%) and communicate with friendly locals (44%).<sup>57</sup> In addition, the other attractions, such as special offers on safaris (57%) and visiting neighbouring counties (46%) using South Africa as a base, has become an alternative drawcard for Chinese tourists.<sup>58</sup>

For Australia, the position of one of the first Western destinations with ADS has given them a competitive advantage in the Chinese tourism market. As an ADS pioneer, Australia has streamlined the processes in terms of tourism management and immigration under the ADS scheme. Its visa processing is regarded as the best practice and has been used as a benchmark for other ADS destinations.<sup>59</sup> In addition, Australia was a highly aspirational destination. Most visitors (63%) rated it as a “must visit” holiday destination, above Hawaii (59%), Maldives (55%), France (51%) and South Africa (15%).<sup>60</sup> Australia also ranked the best in the ten most preferred destination survey conducted by the MasterCard Master Index of Travel in 2005.<sup>61</sup> Moreover, Australia was a destination with excellent tourism products, which offered nature with unique and iconic attractions; a laid back lifestyle of a developed country; culturally sensitive products; and high quality tourism experiences.<sup>62</sup>

As regards weaknesses, South Africa has not yet developed a complete demand or supply structures, as well as mature products in the Chinese tourism market. The former was specified as the low level of market penetration, transparency, consumer sophistication and experience; increasing growth rates; high price levels; and profitability driven by market access. The latter was embodied in the low level of market share, variety of packages, frequency of tour groups; relative high price; and limited knowledge of the product by sale staff.<sup>63</sup>

---

<sup>57</sup> SAT, Marketing South Africa in China 2010, pp. 57, 66.

<sup>58</sup> *Ibid*, p. 67.

<sup>59</sup> DITR, National tourism emerging markets strategy, p. 29; TA, Summary of Tourism Australia’s China 2020 strategic plan, p. 1.

<sup>60</sup> TA, 2020 China strategic plan - progress report, p. 2; TA, 2020 China - building the foundations, pp. 1, 3.

<sup>61</sup> DITR, National tourism emerging markets strategy, p. 9.

<sup>62</sup> TA, 2020 China strategic plan - progress report, p. 2; TA, 2020 China - building the foundations, pp. 1, 3; DITR, National tourism emerging markets strategy, p. 19.

<sup>63</sup> SAT, Marketing South Africa in China 2004, p. 17; SAT, Marketing South Africa in China 2007, p. 23.

In Australia, weaknesses were unethical and illegal practices in the Chinese tourism market. These practices were that operators quoted prices considerably below the cost to win business, with the expectation of recouping costs through exorbitant shopping commissions and other kick-backs. Other illegal or improper practices included downgrading advertised itineraries and accommodation, and charging the tourists for entry or services that were actually free.<sup>64</sup>

## 4.2 Segmentation of Chinese tourists

According to Cai, distinct segments began to emerge as the market grew in maturity. Segmentation therefore could be applied to selectively attract Chinese tourists through different communication strategies.<sup>65</sup> South Africa and Australia segmented the Chinese tourists to understand their needs. In South Africa, the segmentation focused on demographics, travel behaviours, information sources, purchasing behaviours, past and future long-haul travel, trip purpose and activities, importance of associations, and perceptions of South Africa.<sup>66</sup> Based on the six segments indicated earlier, four segments, such as organised wanderlusters; experienced wanderlusters; upcoming wanderlusters; and purpose travellers, were segmented as the key target segments, accounting for 49% of the market.<sup>67</sup> In Australia, segmentation was based on a range of factors: demographics; approach to long haul travel; perception of Australia; inspiration; media communication; timeline for planning holidays; sources information; travel profile; holiday activities; and long haul destinations. Australia identified five segments: self-challengers; family connections; sightseers; ready to leave and close to home.<sup>68</sup> Of these five segments, self-challengers and sightseers were selected as target segments, accounting for 40% of the long haul market. These two segments represented the target segments for achieving sustainable growth of Australian tourism in the Chinese tourism market.<sup>69</sup>

---

<sup>64</sup> DITR, National tourism emerging markets strategy, p. 27.

<sup>65</sup> B. O'Reilly, How to create good Chinese tourists, ChinaOutlook, 2014-12-30.

<sup>66</sup> SAT, Marketing South Africa in China 2004, pp. 55-6, 59, 62, 65, 68; SAT, Marketing South Africa in China 2007, pp. 62-3, 64, 67, 70, 73,76.

<sup>67</sup> SAT, Marketing South Africa in China 2004, p. 55; SAT, Marketing South Africa in China 2007, pp. 62-63; SAT, Marketing South Africa in China 2010, pp. 27-30.

<sup>68</sup> TA, The Chinese traveller, pp. 3, 5.

<sup>69</sup> TA, The Chinese traveller, pp. 6, 12, 19.

### 4.3 Selection of the target markets

It was concluded that the Chinese tourism market was not a single market as a result of its size, complexity, rapid but not even development, different levels of Western exposure, sophistication, communication, lifestyles and income levels.<sup>70</sup> As a result, both Australia and South Africa identified the cities and provinces where they could prioritize and focus their resources strategically to maximize the potential growth opportunities.

After obtaining ADS, Australia first focused its market on the primary cities and provinces: Beijing, Shanghai and Guangdong. In 2004, it expanded its focus to six metropolises and provinces: Chongqing, Hebei, Jiangsu, Shandong, Tianjin and Zhejiang. In 2006, it further expanded its markets to China nationwide and prioritized secondary cities, such as Chengdu, Kunming, Shenyang, Dalian, Wuhan and Xiamen.<sup>71</sup> TA developed a three-tier strategy in these markets. The first tier included Beijing, Shanghai, Guangdong and selected cities in Jiangsu and Zhejiang. The second tier included Tianjin, Chongqing, Hebei and Shandong. The third tier included Chengdu, Dalian, Kunming, Shenyang, Wuhan and Xiamen.<sup>72</sup> By the year 2011, thirteen primary cities and secondary cities were identified as the target markets. The marketing efforts were however mainly concentrated on five key cities: Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou (Appendix 5.1).<sup>73</sup>

In “The China 2020 strategic plan” of Australia, a three-phase geographic expansion plan was proposed based on an assessment of 600 cities in terms of economic growth, demographics, distribution, visas and aviation. It was estimated that, by the year 2020, the marketing activities would expand to thirty cities with households with an income of RMB¥ 120 000 as a base.<sup>74</sup> The first phase (2011-2014) was the period of building the foundation, in which the target markets would expand from thirteen to twenty-four cities with 3.8-9.4 million households. The second phase (2014-2017) was the period of gaining

---

<sup>70</sup> DITR, National tourism emerging markets strategy, p. 19.

<sup>71</sup> Australian government, DITR, DIMA and TA, China ADS focus 1, 2006-09, p. 2; Australian government, DITR, DIC and TA, China ADS focus 3, 2007-03, p. 2; DRET, A Strengthened China ADS scheme; Australian government, DRET, DIC and TA, China ADS focus, 2009-04-22, pp. 1, 3.

<sup>72</sup> Australian government, DITR, DIC and TA, China ADS focus 3, 2007-03, p. 2.

<sup>73</sup> TA, Summary of Tourism Australia’s China 2020 strategic plan, p. 2; TA, 10-year plan to realise the future potential of tourism from China, 2011-06-08.

<sup>74</sup> TA, Summary of Tourism Australia’s China 2020 strategic plan, p. 3; TA, 2020 China strategic plan-progress report, p. 6; TA, 10-year plan to realise the future potential of tourism from China, 2011-06-08.

momentum, in which the target markets would expand to over twenty-four cities with over 9.4 million households. The third phase (2017-2020) was the period of achieving the potential, in which the target markets would expand to over thirty cities with over 22 million households.<sup>75</sup>

The target cities were also identified as “hubs, growth cities and developing cities”. TA concentrated its marketing efforts on the hubs and the key growth cities. The primary cities (Beijing, Shanghai and Guangzhou), which accounted for about 40% of the target customers, were identified as the hubs owing to their direct air services and well-established distribution networks. The growth cities have developed travel distribution networks, while the developing cities have relatively immature travel distribution networks.<sup>76</sup>

As mentioned earlier, wealth and the travelling populations were concentrated in the coastal areas and metropolises of China. As a result, these areas became the target markets of South Africa. Like Australia, Beijing, Shanghai and Guangdong, from where the Chinese tourists mainly originated, became the first target markets of South Africa.<sup>77</sup> In the choice of target markets, the urban population in Beijing, Shanghai, Guangzhou and Shenzhen was taken as criteria to identify the current number of Chinese tourists in the South African tourism market. It was found that the actual market size was about 2.5 million tourists. This result was based on the data, such as Chinese outbound tourism market size (46.6 million); urban residents aged between 25 and 60 (27.2 million); long-haul leisure travellers over the last five years (2.9 million); and urban residents with monthly incomes of RMB¥ 10 000 (2.5 million).<sup>78</sup> In addition, the urban population in the wealthiest metropolises and provinces was also taken as a criterion to predict the maximum potential number of the Chinese tourists in the expanded market of South Africa. It was found that the actual market size was about 12.9 million. This result was based on the data, such as Chinese outbound tourism market size (241.9 million); urban residents aged between 25 and 60 (129.6 million); long-haul leisure travellers over the last five

---

<sup>75</sup> TA, Summary of Tourism Australia’s China 2020 strategic plan, p. 3; TA, 2020 China strategic plan-progress report, p. 6.

<sup>76</sup> TA, 2020 China strategic plan - progress report, p. 6.

<sup>77</sup> SAT, Marketing South Africa in China 2004, pp. 42-3; SAT, Marketing South Africa in China 2007, pp. 48-50.

<sup>78</sup> SAT, Marketing South Africa in China 2004, p. 41; SAT, Marketing South Africa in China 2007, pp. 58-9, 62.

years (15 million); and urban residents with monthly income of RMB¥ 10 000 (12.9 million).<sup>79</sup>

## 5. Marketing strategies of Australia and South Africa

Since 1999 and 2003, Australia and South Africa have been devoted to the development of the Chinese tourism market in terms of three major aspects: tourism experiences, perception and accessibility.

### 5.1 The development of tourism experiences

The development of tourism experiences started with the administration and management of the Chinese outbound tourism market. In Australia, firstly, the government strengthened the management of the ADS scheme. The scheme authorization was conducted annually to assess the performances of the tour operators.<sup>80</sup> The “ADS code of business standards and ethics” was also introduced in 2005 and 2010 respectively to monitor the service of the ADS operators.<sup>81</sup> An ADS advisory panel, which was comprised of members from the DRET, DIC, TA and other relevant associations, was established in 2007 to provide an interface between the government and the tourism industry on ADS matters.<sup>82</sup> In addition, TA launched various forums, such as the ADS development forum and the ADS roadshow training forum, to further understand this scheme and plan for future direction.<sup>83</sup>

Secondly, TA set up a distribution network of over 6 000 trained and qualified “Aussie” specialist travel agents in China. These Australian specialists, who are educated and

---

<sup>79</sup> SAT, Marketing South Africa in China 2004, p. 41; SAT, Marketing South Africa in China 2007, pp. 58, 60, 63.

<sup>80</sup> TA, 2020 China strategic plan - progress report, p. 7.

<sup>81</sup> *Ibid*; Australian government, DRET, DIC and TA, China ADS focus, 2009-04-22, p. 1; Australian government, A tourism success story, p. 6; Australian government, DRET, DIC and TA, China ADS focus 18, 2010-12, p. 2.

<sup>82</sup> TA, 2020 China strategic plan, p. 7; Australian government, DRET, DIC and TA, China ADS focus, 2009-04-22, p. 1; Australian government, A tourism success story, p. 4; Australian government, DRET, DIC and TA, China ADS focus 8, 2008-06, p. 2.

<sup>83</sup> Australian government, DITR, DIC and TA, China ADS focus 5, 2007-09, p. 2; Australian government, DRET, DIC and TA, China ADS focus 6, 2007-12, p. 1.

trained in the “Aussie specialist program”, were a specialized group of retail travel agents for marketing Australia all over the world.<sup>84</sup>

Thirdly, the restrictions on Chinese tourists holding ADS visas were relaxed. It had initially been regulated in the Australian migration law that ADS visa holders may not discontinue or deviate from the approved tour arrangements.<sup>85</sup> In 2008, a free time trial was introduced into ADS itineraries to meet the demands of the Chinese tourism market. It was newly regulated that the ADS tours could include one fixed period of free time in their tour itineraries. The Chinese tourists were allowed to deviate from the approved tour arrangements for individual sight-seeing and visiting friends or relatives for a short period of time. The free time component has become a permanent option after 2009.<sup>86</sup>

Fourthly, a concerted effort was made to improve communication between Australian tourism-related departments and Chinese tourists. A customer feedback management system was launched in 2011 to support tourism quality accreditation. The system provided industry stakeholders with access to a database to obtain the feedback from Chinese tourists.<sup>87</sup> In addition, an online complaint facility was established in simplified Chinese and could be accessed via the DRET website. Moreover, there was a national telephone complaints hotline available for calls within Australia.<sup>88</sup>

Fifthly, Tourism Research Australia conducted a survey concerning satisfaction in terms of the quality of tourism experiences in Australia. The questions focused on tour experiences, tourist guides, shopping and payment. TA also developed a quality Australian experiences action plan in 2011 to identify key priorities and to encourage agencies to improve the quality of Chinese visitors’ experiences.<sup>89</sup>

---

<sup>84</sup> TA, 2020 China strategic plan, p. 7; Australian government, DITR, DIC and TA, China ADS focus 5, 2007-09, p. 1; DITR, National tourism emerging markets strategy, p. 26.

<sup>85</sup> Australian government, DRET, DIC and TA, China ADS focus 6, 2007-12, p. 2; Australian government, DRET, DIC and TA, China ADS focus 8, 2008-06, p. 2.

<sup>86</sup> Australian government, A tourism success story, pp. 7, 9; Australian government, DRET, DIC and TA, China ADS focus 10, 2008-12, p. 2; Australian government, DRET, DIC and TA, China ADS focus 11, 2009-03, p. 2; Australian government, DRET, DIC and TA, China ADS focus 14, 2009-12, p. 1; Australian government, DRET, DIC and TA, China ADS focus 21, 2011-12, pp. 4-5.

<sup>87</sup> TA, 2020 China strategic plan - progress report, p. 7.

<sup>88</sup> Australian government, A tourism success story, p. 9; Australian government, DITR, DIC and TA, China ADS focus 5, 2007-09, p. 2.

<sup>89</sup> TA, 2020 China strategic plan - progress report, p. 7.

Sixthly, in the initial development of the Chinese tourism market, Australia launched an “Australian Travel Mission to China” for the tourism industry to develop and establish business relationships. The platform was developed into the “Greater China Travel Mission” in 2009.<sup>90</sup> In 2012, a forum “China Tourism Industry” was also held to discuss the issues in the Chinese outbound tourism market as regards building industry capacity; developing the quality of tourism products; stimulating investment; and improving demand and aviation capacity.<sup>91</sup>

Since 2003, SAT has been conducting research to understand the Chinese tourism market and Chinese tourists. As mentioned earlier, the results of this research were disseminated in the reports entitled “Marketing South Africa in China” released by SAT in 2004, 2007 and 2010 respectively.<sup>92</sup> Secondly, the Beijing representative office of SAT was opened in 2010 to better promote South Africa as a destination in the Chinese tourism market.<sup>93</sup> Thirdly, SAT entered into the marketing agreements with seven trade and marketing partners in China in 2012. The purpose of this was to educate the Chinese about South Africa; package and promote a variety of products and experiences; and make South Africa as affordable and accessible as possible.<sup>94</sup> Fourthly, in 2012, in order to share its promotional strategies with overseas tourism practitioners, South Africa participated in the “China Incentive, Business Travel and Meetings” (CIBTM) Exhibition, the leading exhibition for meetings, incentives and events industry in China and Asia, as well as the China International Travel Mart (CITM), the largest professional travel mart in Asia.<sup>95</sup>

## 5.2 The improvement of perception

Australia and South Africa established social and digital platforms to implement their marketing strategies for enhancing perception of the two countries within China. TA launched “There’s Nothing Like Australia”, the biggest and most influential marketing

---

<sup>90</sup> DIMA and TA, China ADS focus 2, 2006-12, p. 1; Australian government, DRET, DIC and TA, China ADS focus 14, 2009-12, p. 2.

<sup>91</sup> Australian government, DRET, DIC and TA, China ADS focus 25, 2013-01, p. 3.

<sup>92</sup> SAT, Marketing South Africa in China 2004; SAT, Marketing South Africa in China 2007; SAT, Marketing South Africa in China 2010.

<sup>93</sup> SAT, South African Tourism inaugurates Beijing office, 2010-05-27.

<sup>94</sup> SAT, Minister van Schalkwyk visits China, 2013-01-23; SAT, China now SA’s 4<sup>th</sup> largest overseas tourist market, 2013-01-23.

<sup>95</sup> SAT, Minister van Schalkwyk visits China, 2013-01-23; SAT, China now SA’s 4<sup>th</sup> largest overseas tourist market, 2013-01-23.

campaign ever held in Australia. This campaign has developed into a global marketing campaign to showcase Australia's unique and distinctive experiences to the world via social media and digital channels. The campaign in the form of social media focused on six cities in China: Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou and Nanjing.<sup>96</sup> The digital marketing of this campaign featured a Chinese language website with 3 500 holiday experiences and a consumer digital promotion with twenty-four holiday experiences for Chinese consumers to vote for their favourite experiences.<sup>97</sup>

In addition, "Dream Come True" was also initiated by TA. The Travel Channel on television and the website of Sina.com are both leading travel channels in China with an audience of 400 million, and one of the biggest websites in China respectively. In this initiative, Chinese consumers shared their Australian holiday experience with a chance to win a holiday to Australia. The trip of the winners who were coming to Sydney was filmed and broadcast through various channels.<sup>98</sup> TA launched the "Trip in a Minute" campaign in which TA sponsored a Chinese couple to travel to Uluru, Canberra and Sydney and also filmed their holiday experience. The video was promoted as a film clip on Sina Weibo, a micro-blogging website with 300 million registered users, as well as Tudou.com, one of the largest video sharing websites in China with over 300 million monthly unique visitors.<sup>99</sup> An online drama "Discover Your Australia", performed by popular Taiwanese singers and actors, Show Lo and Rainie Yang, was filmed. Five episodes, which were filmed in New South Wales, Victoria and Tasmania, have generated over 86 million viewers in Greater China across major online viewing platforms.<sup>100</sup>

Moreover, TA launched two online projects. The one was to translate tourism information of the Australian Tourism Data Warehouse, including accommodation, product and experience, into simplified Chinese. This provided direct access of Australian tourism operators to Chinese consumers. The other was to build a website hosted in China to

---

<sup>96</sup> TA, 2020 China strategic plan - progress report, pp. 1, 5.

<sup>97</sup> Australian government, DRET, DIC and TA, China ADS focus 17, 2010-10, p. 4; DRET, \$30 million and high level forum to boost tourism from China, 2010-06-21.

<sup>98</sup> TA, 2020 China strategic plan - progress report, p. 4; Australian government, DRET, DIC and TA, China ADS focus 21, 2011-12, p. 4.

<sup>99</sup> TA, 2020 China strategic plan - progress report, p. 4.

<sup>100</sup> *Ibid*; Australian government, DRET, DIC and TA, China ADS focus 22, 2012-04, p. 7; TA, Discover Your Australia online drama launched in China, 2012-09-25.

provide Chinese customers with tourism information on Australia in their own language with improved connectivity and usability.<sup>101</sup>

As regards marketing using social media in South Africa, in 2005, SAT sent its largest stand-alone travel exhibition to Shanghai to tap into the burgeoning tourism market of China. The exhibition “Nan Fei Total” (being Mandarin Chinese for South Africa) was described as SAT’s most ambitious global tourist promotional and marketing project ever.<sup>102</sup> In 2009, SAT unveiled an exhibition entitled “South Africa through the Chinese Lens” in Beijing to showcase South African natural scenery, culture and urban life from various perspectives, as well as it as an accessible, friendly and welcoming destination.<sup>103</sup> In 2010, the first South African travel book in Chinese entitled *SA! SA!* was published by SAT in China. The book included individual travel stories, pictures, as well as practical information on hotels, airlines, restaurants and other useful travel tips.<sup>104</sup>

As to digital marketing, as early as 2004, SAT launched China websites to target Chinese tourists,<sup>105</sup> and overcome the language barrier that challenged the marketing of South Africa.<sup>106</sup> In 2010, several familiarization tours were organized for the media during the Cape Town International Jazz Festival and the World Cup. A popular Chinese musician, Yadong Zhang, was invited to join the Cape Town Jazz Festival media tour. His trip was recorded, filmed and published in a magazine *Voyage*, and broadcasted on the Hong Kong Phoenix TV.<sup>107</sup> During the period of the 2010 World Cup, another popular Chinese music poet Jian Li filmed a music video for his song “Cape Point”, which combined with beautiful scenery, culture and South African locals. This video was broadcast on various TV channels and websites.<sup>108</sup> In addition, SAT also partnered with the *World travel magazine* to promote the effects of word of mouth and encourage consumers to interact with the South African brand. Moreover, readers were invited to upload videos, pictures and music concerning South Africa onto the kaixin.com or renren.com, two of the most popular websites in China. The two winners with the most uploads were hosted in South

---

<sup>101</sup> TA, 2020 China strategic plan - progress report, pp. 1, 5; Australian government, DRET, DIC and TA, China ADS focus 23, 2012-06, p. 4.

<sup>102</sup> Anon., SA Tourism takes diversity of South Africa to China, *Star*, 2005-09-22, p. 12.

<sup>103</sup> SAT, South African Tourism annual report 2009/10, p. 86.

<sup>104</sup> SAT, South African Tourism annual report 2010/11, p. 88.

<sup>105</sup> D. Slabbert, China and Japan...here we come, *Enterprise*, 2004-05-31, p. 42.

<sup>106</sup> SAT, South African Tourism annual report 2009/10, pp. 80, 87.

<sup>107</sup> SAT, South African Tourism annual report 2010/11, p. 88.

<sup>108</sup> *Ibid.*

Africa. Their holiday experiences in South Africa were filmed and broadcast on subway TV in Beijing and Shanghai.<sup>109</sup> Furthermore, in order to increase interaction and communication with Chinese tourists, SAT also launched the “DIY Sunny Holiday in South Africa” online campaign in 2012 on its official website and on Sina Weibo. This online campaign attracted huge interest and promoted South Africa as a preferred long-haul destination among Chinese consumers, particularly the free and independent travellers. More than 3 000 Sina weibo users participated in the campaign with more than 4 000 posts on their ideal holiday in South Africa.<sup>110</sup>

### 5.3 The promotion of accessibility

Both Australia and South Africa made great efforts to improve accessibility in terms of visa process and airline services. TA launched “Australia Prefers Visa” campaign in 2000,<sup>111</sup> and developed effective partnerships with its major carriers: Qantas in Australia; and China Southern, Air China and Hainan Airlines in China to meet the growing demand of the Chinese tourism market.<sup>112</sup> In South Africa, the Shanghai Consulate began to issue visas in 2003 for Chinese tourists from the provinces and metropolises in east China: Shanghai, Guangdong, Anhui, Fujian, Jiangsu, Shandong and Zhejiang.<sup>113</sup> In 2012, two new visa application centers were opened in Beijing and Shanghai to make South Africa more accessible.<sup>114</sup> In addition, SAA launched its first non-stop flight between Johannesburg and Beijing with three flights per week in 2012 to promote tourism between China and South Africa.<sup>115</sup>

---

<sup>109</sup> SAT, South African Tourism annual report 2010/11, p. 88.

<sup>110</sup> SAT, Minister van Schalkwyk visits China, 2013-01-23; SAT, South African Tourism annual report 2012/13, p. 41.

<sup>111</sup> Australian government, A tourism success story, p. 6; TA, Summary of Tourism Australia’s China 2020 strategic plan, p. 1.

<sup>112</sup> TA, Summary of Tourism Australia’s China 2020 strategic plan, p. 3; TA, 2020 China strategic plan-progress report, p. 10; Australian government, DRET, DIC and TA, China ADS focus 17, 2010-10, p. 3.

<sup>113</sup> Anon., Easier travelling to South Africa, 2003-11-14; Anon., Chinese citizens apply visas in Shanghai from Nov 17<sup>th</sup>, 2003-11-14.

<sup>114</sup> SAT, Minister van Schalkwyk visits China, 2013-01-23; SAT, China now SA’s 4<sup>th</sup> largest overseas tourist market, 2013-01-23; SAT, Tourism from China set to soar, 2012-03-19.

<sup>115</sup> South African Airways, South African Airways (SAA) introduces non-stop flights to Beijing, China, 2012-01-31; SouthAfrica.info, SA airways to fly non-stop to Beijing, 2011-12-19; SouthAfrica.info, SAA makes first non-stop flight to China, 2012-02-01; SAT, Minister van Schalkwyk visits China, 2013-01-23; SAT, South African Tourism annual report 2012/13, p. 41.

## 6. Conclusion

Over the past decade, China has become one of the fastest growing and most valuable inbound markets for both South Africa and Australia. In 2008, the average per-trip spending of Chinese tourists in South Africa reached R 18 400, much higher than the average per-trip spending of R 11 400 of South Africa, and therefore ranked the highest in the inbound tourism market of the country.<sup>116</sup> China has been regarded as one of South Africa's most important and valued partners in terms of tourist arrivals, and a market that the South African government was committed to strongly investing in.<sup>117</sup> In Australia, the Chinese tourism market contributed A\$ 5.7 billion to Australia in 2014. It was estimated that by 2020 this market was to contribute \$ 13 billion to the Australian economy.<sup>118</sup>

In the development of Chinese outbound tourism to Australia, the Chinese government acknowledged Australia as a model ADS partner and the Australia-China ADS model was showcased as the best practice in the world.<sup>119</sup> The success story of Australia's involvement in the Chinese tourism market was as a result of four major reasons. Firstly, as indicated earlier, Australia was one of the first Western destinations granted ADS by the Chinese government in 1999. This position gave Australia a head start over the other Western countries to maintain its competitiveness in the Chinese tourism market.<sup>120</sup> Secondly, the mature Australia-China tourism relationship was built on a strong foundation of cooperation in terms of the ADS scheme owing to the enthusiasm and commitment of the two governments.<sup>121</sup> The ADS scheme was an excellent example of the two governments working together to maximise the positive benefits of tourist flows, as well as ensure a quality tourism experience for Chinese tourists to Australia.<sup>122</sup> Thirdly, a strong partnership was formed between the government (DRET and DIC) and the

---

<sup>116</sup> SAT, Marketing South Africa in China 2004, p. 48; SAT, Marketing South Africa in China 2010, pp. 23-4, 54.

<sup>117</sup> SAT, Tourism growth strategy, p. 18; SAT, The development of the tourism growth strategy 2002-2004, pp. 40-1, 55.

<sup>118</sup> TA, China market profile 2015.

<sup>119</sup> DRET, A Strengthened China ADS scheme - key facts; Australian government, DRET, DIC and TA, China ADS focus 20, 2011-09, p. 2; Australia government, A tourism successful story, p. iii; DRET, Upgrades for China Approved Destination Scheme, 2012-08-23.

<sup>120</sup> Australian government, DRET, DIC and TA, China ADS focus: ADS 10<sup>th</sup> anniversary special edition, 2009-04-22, p. 3; DRET, The executive summary of China approved destination status scheme 2009 evaluation report.

<sup>121</sup> Australian government, DRET, DIC and TA, China ADS focus 20, 2011-09, p. 2.

<sup>122</sup> Australian government, DRET, DIC and TA, China ADS focus: ADS 10<sup>th</sup> anniversary special edition, 2009-04-22, p. 5.

tourism industry (TA). In the operation of the ADS scheme, DRET focused on all aspects of ADS travel in terms of quality tourism experiences and coordinated the administration of the ADS scheme with the DIC and TA. The DIC engaged in visa issues in the context of the scheme, while TA devoted to marketing Australia as a preferred destination in China.<sup>123</sup> Fourthly, “The China 2020 strategic plan”, as a core element in the “Tourism 2020 strategy” of the Australian government, indicated that the key strategic intention of Australia for China was to “set the foundation to generate sustainable, profitable and quality growth from a developing market in a rapidly changing environment”.<sup>124</sup>

The significant progress Australia and South Africa made in the Chinese outbound tourism market can be attributed to various efforts of the respective governments and the tourism industries of the two countries. However, in the fiercely competitive environment of this market, there is a long way for Australia and South Africa to maintain their competitiveness among 117 ADS countries and areas, particularly the long-haul destinations. For Australia, it was crucial to enact legislation and strengthen the management of the tourism industry to stamp out unethical and illegal practices in the Chinese tourism market. These practices negatively impacted on tourist satisfaction; overshadowed the image of Australia and the potential of the Chinese tourism market; threatened Australia’s hard fought reputation as an international destination; and endangered the long-term sustainability of the market.<sup>125</sup> For South Africa, the management of the ADS scheme should be strengthened and streamlined, following the example of Australia. In addition, the efficient and strong partnerships between the government (NDT and the Department of Home Affairs) and the tourism-related industry (SAT, SAA and Chinese airlines) should be developed and sustained to ensure the quality of tourism experiences and accessibility. Moreover, a platform, like the Australia-China tourism summit, should be set up to strengthen the cooperation between China and South Africa, as well as improve academic exchanges between the two countries.

The practices of South Africa and Australia in the development of the Chinese outbound tourism market constituted their strategic thinking, on which was based to develop a

---

<sup>123</sup> DRET, The executive summary of China approved destination status scheme 2009 evaluation report; Australia government, A tourism successful story, p. 3.

<sup>124</sup> TA, 2020 China strategic plan; TA, 2020 China - building the foundations; National tourism emerging markets strategy, p.10.

<sup>125</sup> DITR, National tourism emerging markets strategy, p. 27; Australian government, DRET, ADS e focus 7, 2008-04.

framework in the context of marketing (Figure 5.3). This framework included market analysis, market selection, marketing activation and marketing feedback. Marketing analysis, with a focus on the customer, was concerned with tourist analysis, specific objectives in tiers, and a SWOT analysis. Marketing selection was related to determining the target markets and segmenting these markets. Marketing activation included social and digital marketing. Marketing feedback is verified through tourist portfolios, questionnaires and annual reports of the industry performances and research.



Figure 5.3 Tourism marketing strategy of South Africa and Australia

## Chapter Six

### Conclusion and future prospects

Over the past six decades, since 1950, when international travel started to become accessible to the general public, tourism has experienced continued expansion and diversification. It has evolved into a global phenomenon and become one of the largest and fastest-growing economic sectors, as well as one of the most important social activities in the world.<sup>1</sup> From 1950 to 2014, international tourist arrivals increased from 25 million to 1 133 million, and international tourism receipts from US\$ 2 billion to US\$ 1 245 billion, the average growth of 6.1% and 10.6% respectively.<sup>2</sup> In 2014, the total impact of tourism accounted for 9% of the GDP, and tourism provided one job out of eleven jobs.<sup>3</sup> It was forecast by the UNWTO that, by the year 2020, international tourist arrivals would be about 1.6 billion and international tourism receipts would be US\$ 2 trillion, the average growth of 4.1% and 6.7 % respectively.<sup>4</sup> It was also predicted by the UNWTO that by the year 2030, international tourist arrivals would be 1.8 billion, the average growth of 3.3%.<sup>5</sup> Tourism in China and South Africa has aligned with this trend and has undergone extraordinary growth after the reform and opening up of China in 1978 and the foundation of the new democratic dispensation of South Africa in 1994.

As indicated earlier, over the past three decades, tourism in China has taken on the form of the simultaneous development of inbound, domestic and outbound tourism, and has consolidated its position in the global tourism market, not only as one of the major tourism destinations, but as a growing outbound market.<sup>6</sup> From 1978 to 2014, international visitor arrivals and tourism receipts sustained the average growth of 12.6% and 15.7% respectively.<sup>7</sup> Between 2000 and 2014, China maintained the position of one of the top ten tourism destinations in the world, and its ranking rose from the fifth (31 million) to the fourth (56 million) in arrivals, as well as from the seventh (US\$ 16 billion) to the third

---

<sup>1</sup> UNWTO, *Tourism highlight 2015*, p. 2; UNWTO, *Tourism towards 2030*, p. 5.

<sup>2</sup> UNWTO, *Tourism highlight 2015*, pp. 2-3.

<sup>3</sup> *Ibid*, p. 3.

<sup>4</sup> UNWTO, *Tourism 2020 vision*, p. 3.

<sup>5</sup> *Tourism highlight 2015*, p. 2; UNWTO, *Tourism towards 2030*, pp. 5, 15, 30.

<sup>6</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; J. Du *et al.*, *A research on consumption of Chinese outbound tourists*, p. 5; J. Du and B. Dai, *Annual report of China outbound tourism development 2004*, p. 5; J. Zhang, The development of Chinese outbound tourism and its policy orientation, a paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005.

<sup>7</sup> CNTA, *Tourism statistics 1978-2014*; NBSC, *The statistical communiqués of the People's Republic of China on national economic and social development 2000-2014*.

(US\$ 57 billion) in receipts.<sup>8</sup> In addition, after 1985, China has developed into the top domestic tourism country in the world with the average growth of 9.8% and 22.7% in both arrivals and receipts.<sup>9</sup> Moreover, Chinese outbound tourism has experienced an unprecedented growth since the 1990s and became the biggest outbound tourism market in Asia and one of the fastest-growing tourist source markets in the global tourism market.<sup>10</sup>

This unprecedented growth was as a result of the economic growth of China; the official modification of tourism policies and regulations; the transformation of Chinese society; the change in Chinese consumption patterns; and the Chinese government revision of the holiday system. The economic growth was concerned with the growth of the GDP, as well as the increase of disposable income, individual wealth and the foreign currency reserve. The transformation of Chinese society was embodied in the formation of a wealthy and middle stratum. The modification of outbound tourism policies and regulations dealt with the policies of “appropriately developing outbound tourism” proposed in 1997, “standardizing the development of outbound tourism” released in 2005, “developing outbound tourism in an orderly manner” issued in 2009, as well as the regulations, such as the “Provisional regulations on the administration and management of outbound travel by the Chinese citizens at their own expense” promulgated in 1997 and the “Regulations on outbound travel by the Chinese citizens” released in 2002. The change in Chinese consumption patterns attributed to the increase of disposable income of Chinese nationals and the improvement of their living standards. The revision of the Chinese holiday system was related to the introduction of “five-day work week” in 1995, the three “golden weeks” after 1999 and paid holidays after 2007.<sup>11</sup>

From 1997 to 2014, Chinese outbound tourism registered the average growth of 19.9% and 16.6% in terms of outbound tourist number and expenditure.<sup>12</sup> China has been the top spender in the global tourism market since 2012. In 2012, China leaped to the first place

---

<sup>8</sup> UNWTO, *Tourism highlight* 2001-2014.

<sup>9</sup> CNTA, *Tourism statistics 1978-2014*; NBSC, *The statistical communiqués of the People’s Republic of China on national economic and social development 1985-2014*; Q. Shao, A speech on the 2007 national tourism conference, 2007-01-20.

<sup>10</sup> J. Zhang, *The development of Chinese outbound tourism and its policy orientation*, a paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005; Q. Shao, A speech on the 2007 national tourism conference, 2007-01-20.

<sup>11</sup> See Chapter Two in this thesis, pp. 37-67.

<sup>12</sup> G. He *et al.*, *The tourism industry of China in fifty years*, Chapter 5; X. Dai and Z. Deng, *China’s outbound tourism spending has been seriously underestimated*, *Finance & trade economics* 8, 2008, pp. 101-5; NBSC, *The statistical communiqués of the People’s Republic of China on national economic and social development 1997-2014*; NBSC, *China Statistical yearbook 1998-2014*.

of the tourism expenditure with US\$ 102 billion, overtaking both the top spender Germany (US\$ 83.8 billion) and the second largest spender the USA (US\$ 83.5 billion).<sup>13</sup> In 2013, China extended its lead further, increasing expenditure to a record US\$ 129 billion. The gap in expenditure between China and the second (USA) and third largest spenders (Germany) widened to over US\$ 42 billion.<sup>14</sup> In 2014, Chinese travellers spent US\$ 165 billion, contributing to 13% of global tourism receipts. The gap in expenditure between China and the second largest spender (USA) and the third largest spender (Germany) widened to US\$ 54 billion and US\$ 73 billion respectively.<sup>15</sup> As mentioned before, it was forecast by the UNWTO that by the year 2020, Chinese outbound tourists would be 100 million.<sup>16</sup> The dramatic increase of Chinese outbound tourists confirmed the idea of Arlt proposed in his monograph *China's outbound tourism* that this number would probably turn out to have been too conservative<sup>17</sup> because this number had exceeded the predicted figure of the UNWTO and reached 116.6 million in 2014.<sup>18</sup> According to the current trends, it was forecast in this thesis that Chinese outbound travellers would be 156.7 million and the international tourism expenditure would be US\$ 183.6 billion by then (Figure 6.1).

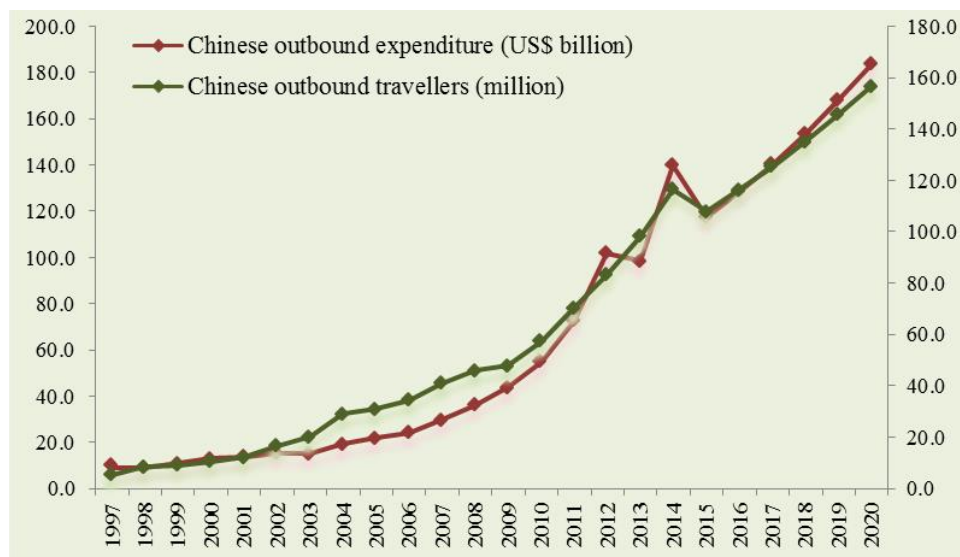


Figure 6.1 Chinese outbound travellers and tourism expenditure 1997-2020

Adopted from: G. He *et al.*, *The tourism industry of China in fifty years* (Beijing, 1999), Chapter 5; NBSC, The statistical communiqués of the People's Republic of China on national economic and social development 2000-2014; NBSC, *China Statistical yearbook* (Beijing, 1998-2014).

<sup>13</sup> UNWTO, *Tourism highlight 2013*, p. 13.

<sup>14</sup> UNWTO, *Tourism highlight 2014*, p. 13.

<sup>15</sup> UNWTO, *Tourism highlight 2015*, p. 13.

<sup>16</sup> UNWTO, *Tourism 2020 vision*, p. 5.

<sup>17</sup> W. G. Arlt, *China's outbound tourism*, p. 2.

<sup>18</sup> NBSC, The statistical communiqués of the People's Republic of China on national economic and social development 2014, 2015-02-26.

South Africa has enjoyed an impressive growth of tourism after the inauguration of the democratic government in 1994. According to the SSA, international arrivals to South Africa experienced the average growth of 7.9% between 1994 and 2014.<sup>19</sup> It was forecast by the UNWTO that this figure would be 30.5 million by the year 2020,<sup>20</sup> similar to the number of 31.8 million international arrivals forecast in this thesis. It was estimated by the WTTC that international tourism receipts experienced the average growth of 5.9% during this period and would increase to US\$ 13.7 billion by the year 2020 (Figure 6.2).

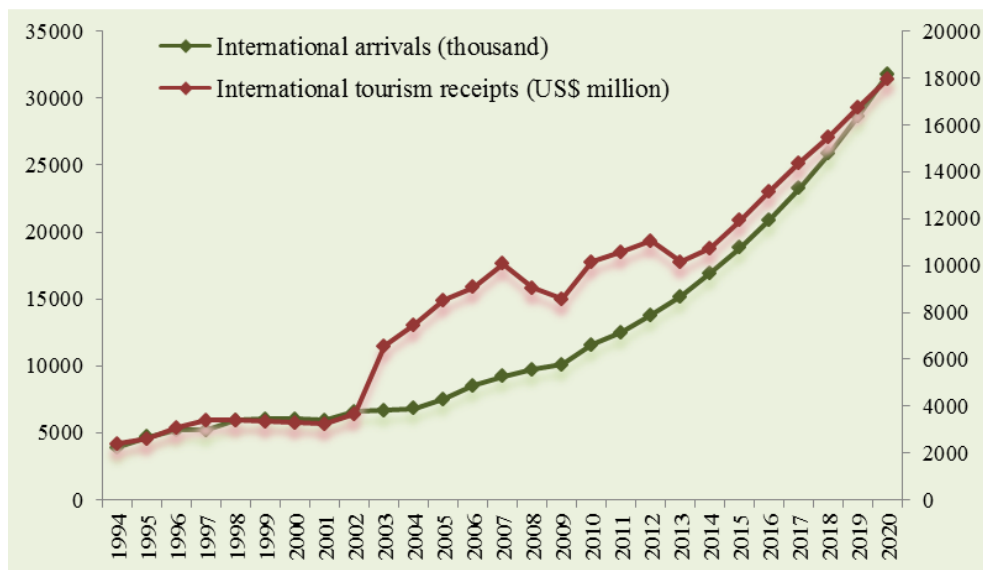


Figure 6.2 International arrivals and tourism receipts to South Africa 1994-2020

Adopted from: SAS, Tourism report 1994-2013; WTTC, Tourism satellite account - South Africa 1994-2020.

The remarkable growth of tourism in South Africa established the quantitative importance of tourism to the socio-economic development of the country. Over the past two decades between 1994 and 2014, the contribution of tourism to the GDP increased from 5.1 % (ZAR 24.6 billion) to 9.5% (ZAR 353 billion), and the direct impact of the tourism sector on the GDP rose from 1.7% (ZAR 8.6 billion) to 3% (ZAR 113.7 billion).<sup>21</sup> According to the current trends, it was estimated in the NTSS that by the year 2020, the total economic impact would be ZAR 499 billion, and direct impact of the tourism sector would be ZAR188 billion, 2.9% of the GDP.<sup>22</sup> In addition, during this period, the total contribution of tourism to employment rose from 4.7% (572 500 jobs) to 10.1% (1 438 500 jobs), and

<sup>19</sup> SAS, Tourism report 1994-2015.

<sup>20</sup> UNWTO, *Tourism 2020 vision - Africa*, p. 63.

<sup>21</sup> WTTC, Tourism satellite account - South Africa 1994-2014; NDT, Speech by Minister Van Schalkwyk at Indaba 2014 opening ceremony, 2014-05-10.

<sup>22</sup> NDT, *National tourism sector strategy*, p. 11.

direct jobs in the tourism sector increased from 1.9% (230 200 jobs) to 4.7% (664 500 jobs) of the total employment.<sup>23</sup> It was estimated in the NTSS that by the year 2020, the tourism sector would contribute 1.1 million jobs to the total employment.<sup>24</sup> Moreover, the Tourism BEE charter provided guidelines for the transformation of the tourism sector. According to the charter, a series of tourism infrastructure programmes and projects were initiated for unemployed youth, women, people with disabilities and SMMEs.<sup>25</sup> Until 2013, the SMME programmes and projects have created 4 040 fulltime equivalent jobs, trained 2 757 enterprises, assisted 977 businesses with market access and supported 891 rural enterprises with skills development.<sup>26</sup>

The significant stride that South Africa has made in the context of tourism basically aligned with strategy as a process. In this strategic process, the South African government formulated and implemented the strategies to develop its tourism. As indicated earlier, the tourism strategies have been articulated in three major documents: the white paper, the Tourism in Gear and the NTSS. For these documents, the white paper provided a framework and guidelines for the development and promotion of tourism; the Tourism in Gear crystallized the strategy proposed in the white paper; and NTSS proposed a blueprint for the tourism sector in the pursuit of the growth targets contained in the economic policy of South Africa.<sup>27</sup> In addition, a new Tourism Act was promulgated in 2014 as a legal framework for the development and promotion of tourism in South Africa. It further provided for the marketing of South Africa as a tourism destination; promoted quality tourism products and services; quickened the growth and development of the tourism sector; and enhanced cooperation and coordination among all spheres of the South African government.<sup>28</sup> These documents considered the development of tourism from the perspectives of the macro development of South Africa in terms of economy and society.

From the perspective of the tourism industry, SAT developed the tourism growth strategy and the global competitiveness project to promote tourism in South Africa in the global

---

<sup>23</sup> WTTC, Tourism satellite account - South Africa 1994-2014; SAT, The impact of tourism on the economy of South Africa, pp. 1, 18; NDT, Speech by Minister Van Schalkwyk at Indaba 2014 opening ceremony, 2014-05-10.

<sup>24</sup> NDT, *National tourism sector strategy*, p. 12.

<sup>25</sup> NDT, *Annual report 2012/13*, pp. 12, 23; NDT, *Annual report 2013/14*, pp. 9, 14.

<sup>26</sup> NDT, *Annual report 2013/14*, p. 59.

<sup>27</sup> *Ibid.*, p. 20; NDT, *Annual report 2011/12*, p. 56; NDT, *Annual report 2012/13*, p. 9; G. Phillips *et al.*, *Overview of the South African tourism and hospitality sector*, pp. 22-6.

<sup>28</sup> RSA, No. 3 of 2014 Tourism Act, 2014-04-07; NDT, *Annual report 2013/14*, pp. 9, 12, 20, 25, 28, 37.

tourism market.<sup>29</sup> In the selection of tourism markets, SAT incorporated five key market portfolios, namely Regional Africa, Domestic, Americas, Asia and Australasia, Europe and the UK, and identified the tourism markets in these portfolios as core markets, investment markets, tactical markets and watch-list markets.<sup>30</sup> According to the principle of being customer-focused, the consumer insight research on the key markets was conducted to explore how to market South Africa in these markets.<sup>31</sup>

In the process of strategy implementation, the SATOUR was reconfigured to form South African Tourism in 1999 and became one of the foremost destination marketing organizations in the world. The DEAT has been developed into the progressive and multi-disciplinary National Department of Tourism in 2009.<sup>32</sup> In the development of tourism in South Africa, the NDT is responsible for the development and growth of tourism in South Africa, while SAT for marketing South Africa as a competitive and preferred tourist destination home and abroad.<sup>33</sup> In addition, the government increased the budget of tourism to R 1.6 billion from R 81 million in 1994.<sup>34</sup> Moreover, SAT was mandated to launch marketing strategies in its key markets to optimize the efficiency and strategic marketing activities in specific market segments. It promoted scenic beauty, diverse wildlife, eco-tourism and variety of cultures and heritage of South Africa.<sup>35</sup> It participated in travel shows; co-ordinated advertising, public relations and direct mailing campaigns; and held educational work sessions with the international partners. It also embarked on an e-Business tourism growth strategy, including fully-fledged research, social media engagement and a website: [www.southafrica.net](http://www.southafrica.net).<sup>36</sup>

The strategy and marketing feedback was based on various reports and portfolios of the tourism markets, particularly the global tourism market. SAT revised the tourism growth

---

<sup>29</sup> SAT, *The tourism growth strategy 2002-2013*; SAT, *Global competitiveness programme for the tourism industry in South Africa 2005-2010*; SAT, *Tourism competitiveness study 2010*; SAS, *Tourism satellite account*, p. 32.

<sup>30</sup> SAT, *Annual report 2012/13*, pp. 2-3.

<sup>31</sup> SAT, *The tourism growth strategy 2002-2013*.

<sup>32</sup> NDT, *National tourism sector strategy*, p. 6; NDT, *Reflecting on the past 20 years of tourism growth*, Bojanala 2, 2014, p. 8; NDT, *National tourism sector strategy*, p. 6.

<sup>33</sup> NDT, *Annual report 2011/12*, p. 3; NDT, *Annual report 2012/13*, p. 8; NDT, *Annual report 2013/14*, p. 19; SAT, *Annual report 2007/08*, p. 5; SAT, *Annual report 2009/10*, p. 3; SAT, *Annual report 2010/11*, p. ii; SAT, *Annual report 2012/13*, p. 2.

<sup>34</sup> NDT, *Annual report 2013/14*, p. 15; NDT, *Speech by Minister Van Schalkwyk at Indaba 2014 opening ceremony*, 2014-05-10.

<sup>35</sup> SAT, *Annual report 2009/10*, pp. 5-6; SAT, *Annual report 2010/11*, p. iii; SAT, *Annual report 2012/13*, p. 3.

<sup>36</sup> SAT, *Annual report 2009/10*, p. 6; SAT, *Annual report 2010/11*, p. iii; SAT, *Annual report 2012/13*, p. 3.

strategy and its marketing strategy in defined periods to envisage the changes and trends of the South African tourism market and the global tourism market.<sup>37</sup>

With the globalisation of tourism in recent years, tourist arrivals from the emerging economies, including China, have become a growing economic market.<sup>38</sup> As indicated earlier, Chinese outbound tourism to South Africa has developed phenomenally since the normalization of the diplomatic relations between the two countries in 1998, particularly with South Africa obtaining ADS from China in 2003. From 1998 to 2014, Chinese arrivals to South Africa experienced the average growth of 13.6%.<sup>39</sup> According to the current trends, it was forecast in this thesis that, by the year 2020, Chinese arrivals to South Africa would be 175 580, 0.1% of Chinese outbound tourists and 5.7% of the South African international arrivals (Figure 6.3).



Figure 6.3 Chinese arrivals to South Africa 1998-2020

Adapted from the data provided by SAT.

Despite the small market share of the Chinese outbound tourism market to South Africa, China has been reckoned as one of the investment markets and an important tourist source market. This was owing to its impressive economic growth as the second largest economy in the world; its large population of 1.3 billion as a base; its strong spending power; and the relations of strategic partnership that have been established between the two countries

<sup>37</sup> SAT, The tourism growth strategy 2002-2013.

<sup>38</sup> NDT, Strategic plan and annual performance plan 2014/15-2018/19, p. 12.

<sup>39</sup> The data of Chinese arrivals to South Africa was provided by the SAT.

after 1998.<sup>40</sup> In addition, after 2009, China has become the biggest trade partner and export destination of South Africa, and South Africa in turn has become the largest trading partner of China in Africa.<sup>41</sup> Given this situation, it therefore made strategic sense for South Africa to further develop this market.

The practices of tourism in South Africa, particularly Chinese outbound tourism to South Africa, were integrated into a framework for the process of tourism and marketing strategies in terms of formulation, implementation and feedback, with a reference to Chinese outbound tourism to Australia. In this study, Chapter Three, tourism strategy of South Africa, focused on the formulation and implementation of tourism and marketing strategy of the country. Chapter Four, Chinese outbound tourism to South Africa, mainly dealt with the analysis of a survey on Chinese tourists to South Africa to identify the strengths, weaknesses, opportunities and threats of South Africa in the Chinese outbound tourism market, as well as strengthen the concept of “strategy feedback” proposed in this study. Chapter Five, Chinese outbound tourism: South Africa and Australia compared, was related to the marketing strategies of South Africa in the Chinese outbound tourism through a comparison with Australia in terms of market analysis, market selection, marketing activation and marketing feedback (Figure 5.1).

As early as 1995, the UNWTO rated South Africa as “one of the most promising tourism destinations of the African continent”.<sup>42</sup> The natural endowment, cultural diversity, the excellent tourism industry, international facilities and its unique location in Africa positioned South Africa on a platform for international arrivals with leisure and business purposes.<sup>43</sup> These contributed to the global competitiveness of South African in terms of establishing itself as a premier destination in the global tourism market. According to “The travel & tourism competitiveness report 2015”, of 141 countries and areas benchmarked in 2014, South Africa led the regional ranking and was ranked the 48<sup>th</sup> in the overall ranking, the 22<sup>nd</sup> for its natural resources and the 20<sup>th</sup> for its cultural resources. It also benefited from international meetings (36<sup>th</sup>), abundant wildlife (25<sup>th</sup>), the world heritage sites (15<sup>th</sup>)

---

<sup>40</sup> NDT, *Annual report 2013/14*, p. 49.

<sup>41</sup> Embassy of the PRC of South Africa, China-South African relations on fast track. 2015-07-19; Embassy of the PRC of South Africa, South African newspaper *Pretoria News* published H. E. Ambassador Tian Xuejun’ s article titled “Mission to strengthen ties”, 2014-12-10.

<sup>42</sup> DEAT, *The white paper*, p. 1.

<sup>43</sup> SAT, *A framework/model to benchmark tourism GDP in South Africa*, p. 2; NDT, *Annual report 2013/14* p. 11.

and online searches (24<sup>th</sup>).<sup>44</sup> However, the two weaknesses that hampered the growth of tourism in South Africa were crime and HIV/AIDS. Pallo Jordan, the former Minister of the DEAT, put it that “the chief impediment to tourism growth is the perception that South Africa is an unsafe place”. South Africa therefore lost bid to host the 2004 Olympics as a result of being blamed on the high rate of crime.<sup>45</sup> In addition, concerns over HIV/AIDS also undermined the increase of international arrivals to the country.<sup>46</sup>

Over the past two decades, tourism in South Africa has experienced the spectacular growth from a small industry benefiting only the privileged few in 1994 to a multi-million sector, which is identified as one of the core pillars for inclusive economic growth in South Africa.<sup>47</sup> South Africa has formulated and implemented appropriate policies and strategies to build a more competitive and sustainable tourism sector and maximize the economic potential of tourism for the country and its people.<sup>48</sup> In addition, South Africa established relations with important global tourism markets, particularly African tourism markets, to provide opportunities for the expansion of its market share in these markets.<sup>49</sup> Moreover, the involvement of South Africa in Brazil, Russia, India, China and South Africa (BRICS) not only presented opportunities for the country in economic, political and social relations among South-South countries, but held the potential of the growth of tourism in its economy.<sup>50</sup> The successes that South Africa has registered as a tourism destination; the lessons that have been learnt to improve its planning for even better achievement; and the measures that have been implemented to fix weaknesses, have become a valuable asset of South Africa on the way to establishing itself as a preferred tourism destination in a fiercely competitive global tourism market, including the Chinese tourism market.<sup>51</sup> Through the concerted efforts of the government, private sector partners and its people, South Africa is set to realize its vision of becoming one of the top twenty tourism destinations in the world by the year 2020, and make a more significant stride to a better South Africa and to a better and safer Africa and world for all.<sup>52</sup>

---

<sup>44</sup> WEF, The travel & tourism competitiveness report 2015, p. 22.

<sup>45</sup> S. Ferreira and A. Harmse, Crime and tourism in South Africa, *South African geographic journal* 82 (2), 2000, pp. 80-85; The United Nations, Crime and development in Africa, p. 86.

<sup>46</sup> J. D. Lewis, Policies to promote growth and employment in South Africa, p. 85.

<sup>47</sup> NDT, Letter from the editor, *Bojanala* 2, 2014, p. 1.

<sup>48</sup> SAT, Annual report 2007/08, p. 5; SAT, Annual report 2009/10, p. 3; SAT, Annual report 2010/11, p. ii; SAT, Annual report 2012/13, p. 2.

<sup>49</sup> NDT, Strategic plan and annual performance plan 2014/15-2018/19, p. 12.

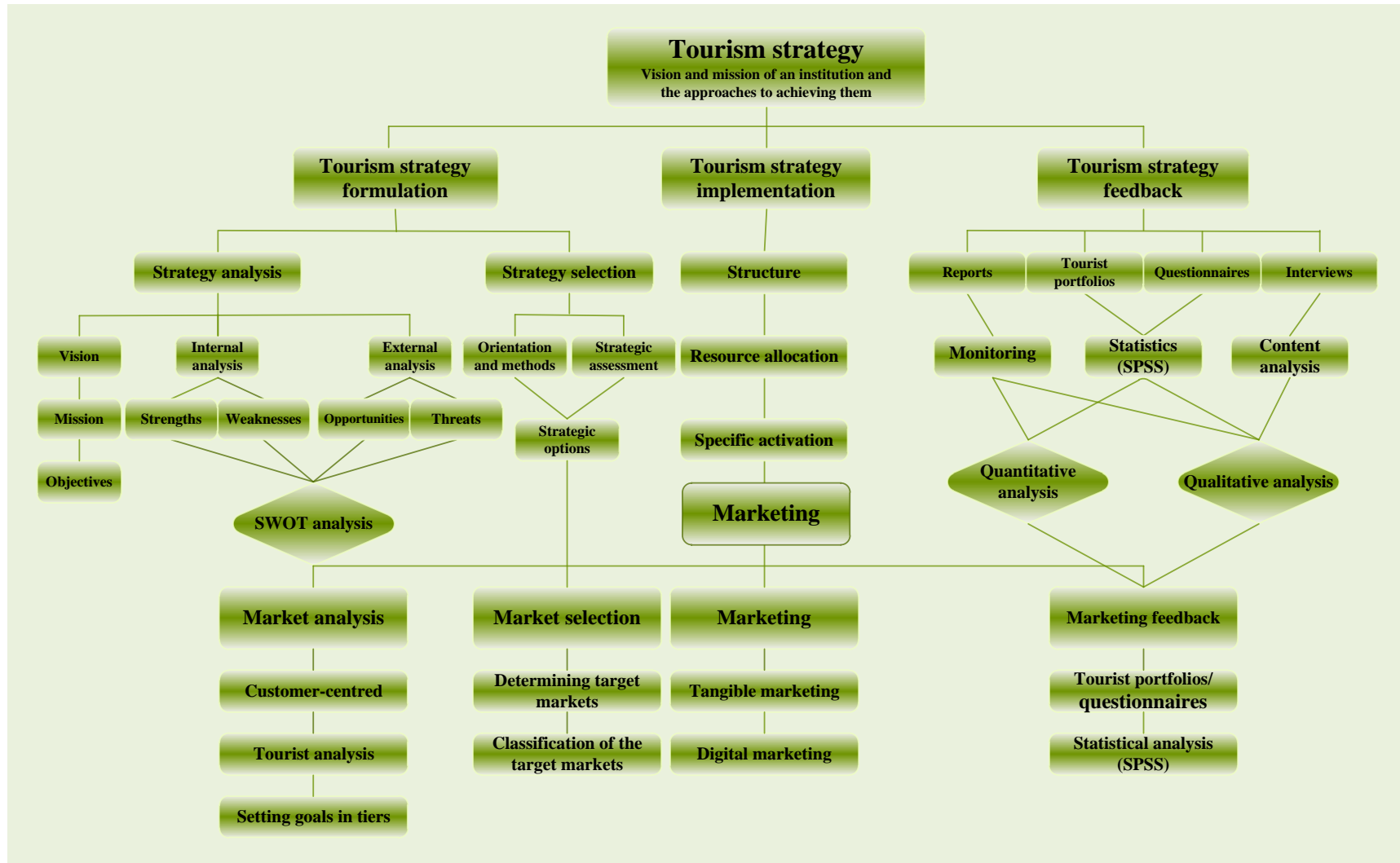
<sup>50</sup> *Ibid.*

<sup>51</sup> NDT, *Annual report 2013/14*, p. 9.

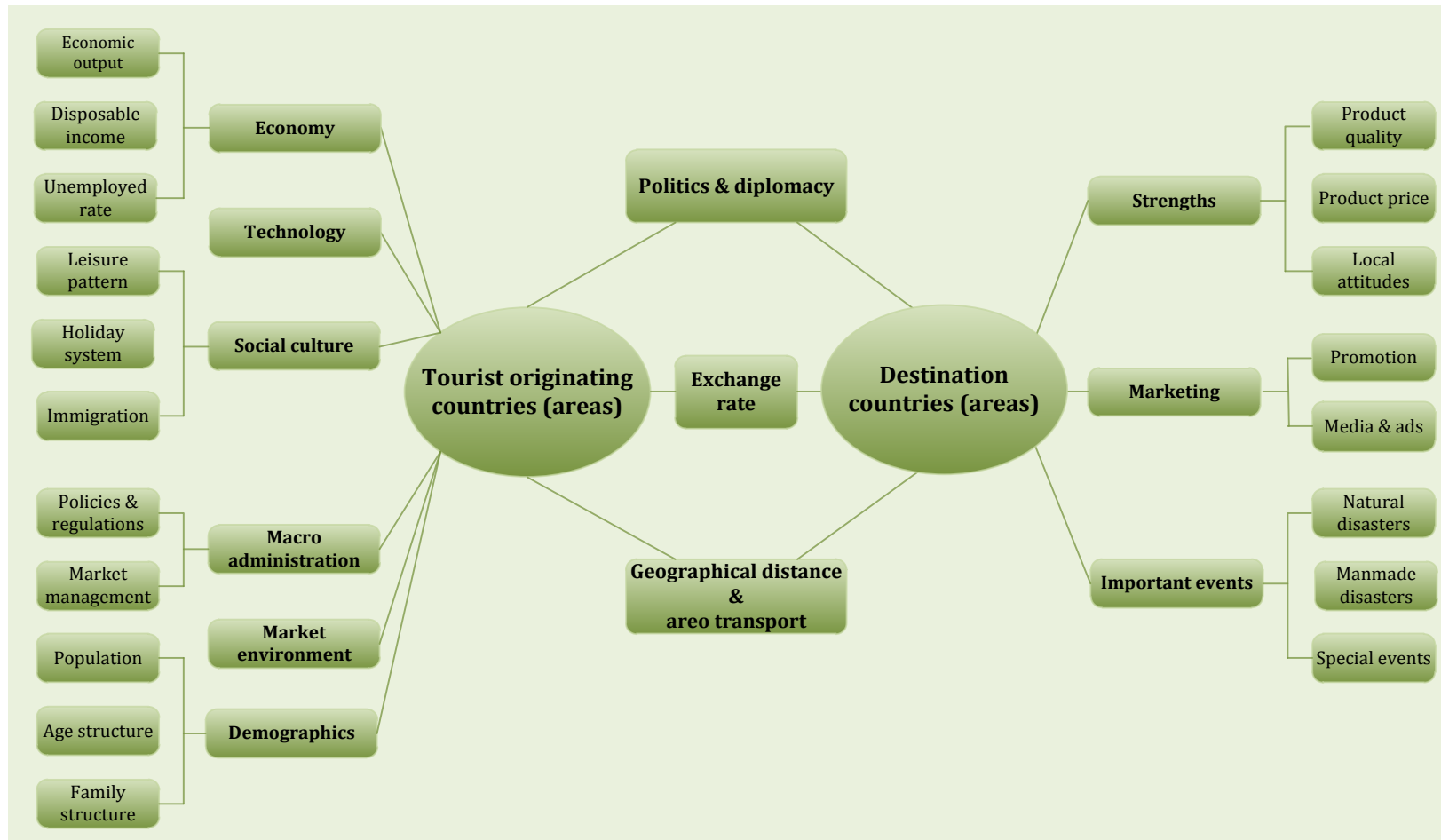
<sup>52</sup> NDT, *National tourism sector strategy*, p. 9; NDT, *Annual report 2013/14*, p. 29.

# Appendices

## Appendix 1.1 A comprehensive framework of tourism strategy and marketing strategy

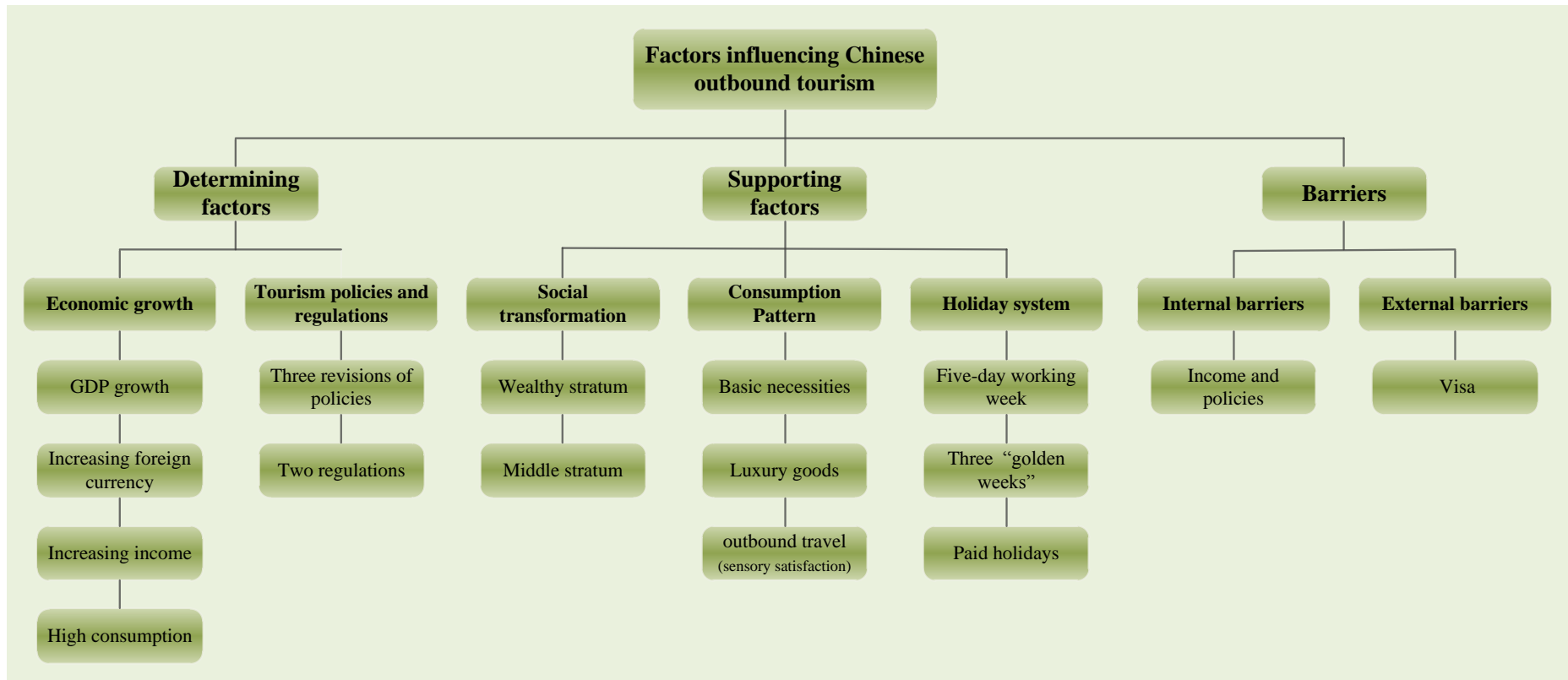


## Appendix 2.1 Dai's framework concerning factors influencing the Chinese outbound tourism market



Adapted from: B. Dai *et al.*, *Annual report of China outbound tourism development 2007&2008* (Beijing, 2009), pp. 28-9.

## Appendix 2.2 A framework concerning major factors that influenced Chinese outbound tourism

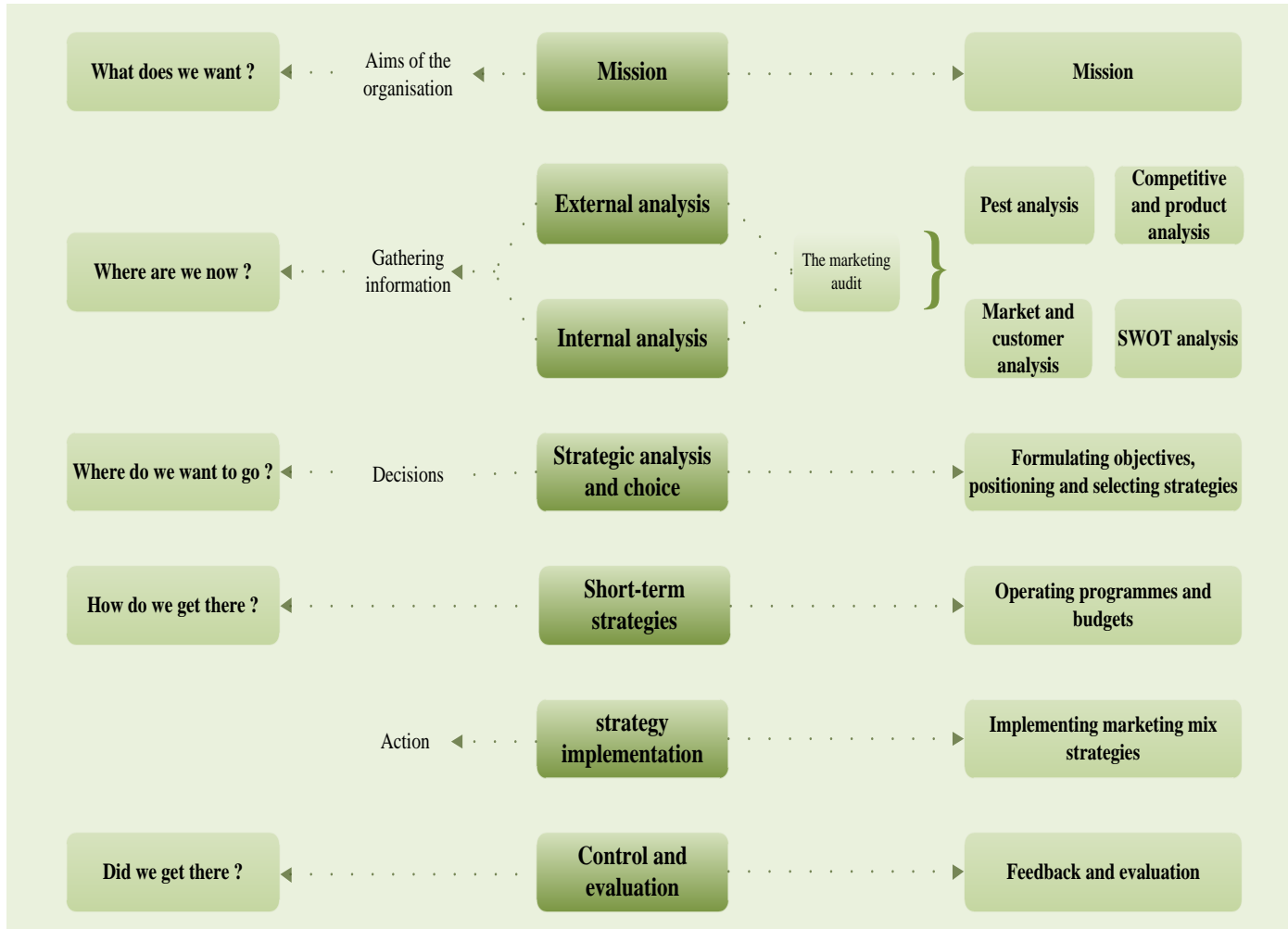


### Appendix 2.3 Countries and areas with ADS 1983-2014

	Asia	Oceania	Europe	Africa	America
1983	Hong Kong, Macao				
1988	Thailand				
1990	Singapore, Malaysia				
1992	Philippines				
1998	South Korea				
1999		Australia, New Zealand			
2000	Japan, Vietnam, Cambodian, Myanmar, Brunei				
2002	Nepal, Indonesia, Turkey		Malta	Egypt	
2003	India, Maldives, Sri Lanka, Pakistan		Germany, Croatia, Hungary	South Africa	Cuba
2004	Jordan, Cyprus		Greece, France, Holland, Belgium, Luxemburg, Portugal, Spain, Italy, Austria, Finland, Sweden, Czech, Estonia, Latvia, Lithuania, Poland, Slovenia, Slovakia, Demark, Iceland, Ireland, Norway, Romania, Switzerland, Liechtenstein	Ethiopia, Zimbabwe, Tanzania, Mauritius, Tunisia, Seychelles, Kenya, Zambia	
2005	Laos	Northern Marianas, Fiji, Vanuatu	UK, Chile, Russia		Jamaica, Brazil, Mexico, Peru, Antigua and Barbuda, Barbados
2006	Mongolia	Tonga			Grenada, Bahamas
2007	Bangladesh, Syrian, Oman		Andorra, Bulgaria, Monaco	Uganda, Morocco, Namibia	Argentina, Venezuela
2008	Taiwan, Israel	French Polynesia			USA
2009	United Arab Emirates	Papua New Guinea	Montenegro	Cape Verde, Ghana, Mali	Guyana, Ecuador, Dominica
2010	Norte Korea, Uzbekistan, Lebanon	Micronesia	Serbia		Canada
2011	Iran				
2012		Samoa		Madagascar, Republic of Cameroon	Colombia
2013			Ukraine	The Republic of Rwanda	
2014			Ukraine		

Adapted from: CNTA, Countries and areas with ADS 1983-2012, 2015-03-24.

### Appendix 3.1 Bécherel's framework of tourism strategy and marketing planning



Adapted from: L. Bécherel, Strategic analysis and strategy formulation, in F. Vellas and L. Bécherel (eds), *The international marketing of travel and tourism* (London, 1999), p. 39.

## Appendix 3.2 A SWOT analysis of Tourism in GEAR

---

### Internal analysis

#### Strengths

- Diversity of attractions and unique selling features;
- well-developed core tourism infrastructure for absorbing and accommodating high growth;
- largely deregulated, privately operated;
- competitive airspace policy; and
- offering a good value for money owing to a favourable currency.

#### Weaknesses

- Lacking of a clear product branding and fresh marketing strategy;
- poor international promotion coverage due to lack of marketing funds and weakening currency;
- poor product diversification;
- lacking of institutional capacity at all tiers;
- fragmentation and lacking of partnerships;
- lacking of access and tourism activity;
- lacking of ownership and spread of benefits to the disadvantaged communities;
- poor service ethics and cultures;
- lacking of skilled manpower;
- poor perception of safety; and
- lacking of sustainable management.

---

### External analysis

#### Opportunities

- Growing world tourism market to tap into;
- products complementing global trends and market needs;
- freedom of airspace introducing competition and affordable access;
- availability of community resources with tourism potential;
- the economic growth is needed in underdeveloped areas with tourism potential
- increasing new markets after the election;
- tourism sector conducive to SMME development; and
- opportunities for human resource development

#### Threats

- The negative impact of crime against tourists on the industry;
- danger of becoming unknown in the market due to lacking of marketing funds;
- potential irreparable damage and over-development of resources;
- danger of overpricing in some industries; and
- potential degradation of service and product quality.

---

Adapted from: DEAT, *Tourism in GEAR* (Pretoria, 1998), p. 3.

### Appendix 3.3 The strategic clusters and thrusts in the NTSS

---

#### **Cluster 1 Policy, strategy, regulations, governance and monitoring and evaluation**

- Research, information and knowledge management;
- Policy and legislative framework;
- Collaborative partnerships; and
- Prioritizing tourism at national, provincial and local government level.

#### **Cluster 3 People development**

- Transformation;
- Decent work;
- Service excellence; and
- Community beneficiation.

#### **Cluster 2 Tourism growth and development - demand and supply**

##### **Demand**

- Marketing and brand management;
- Domestic tourism;
- Regional tourism; and
- Business tourism.

##### **Supply**

- Relevant capacity building;
- Niche-product development and rural tourism;
- Product information;
- Responsible tourism;
- Investment promotion; and
- Quality assurance.

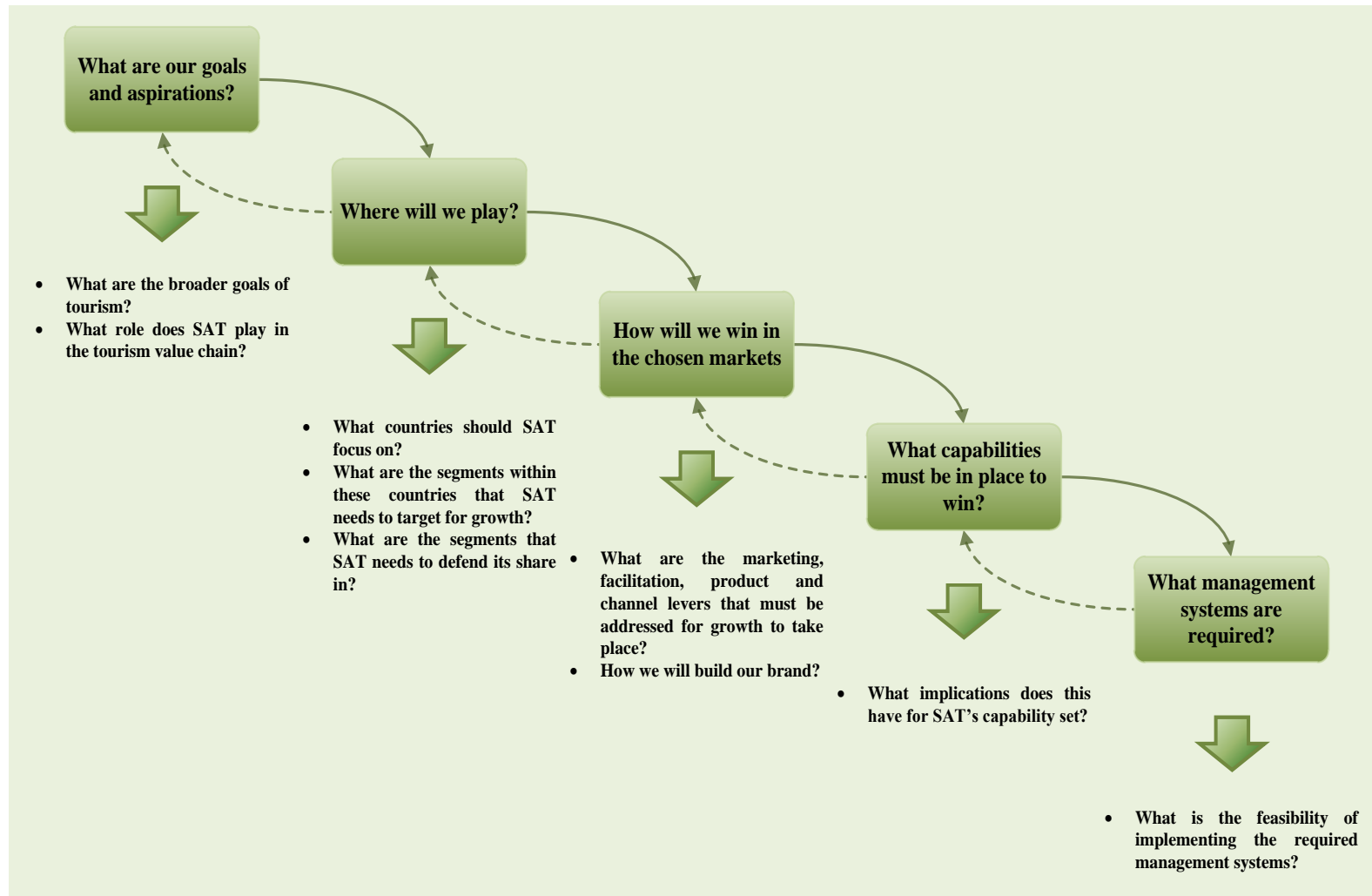
#### **Cluster 4 Enablers of growth**

- General tourism awareness among South Africans;
- Safety and security;
- International and regional airlift;
- Ground transportation; and
- Domestic airlift.

---

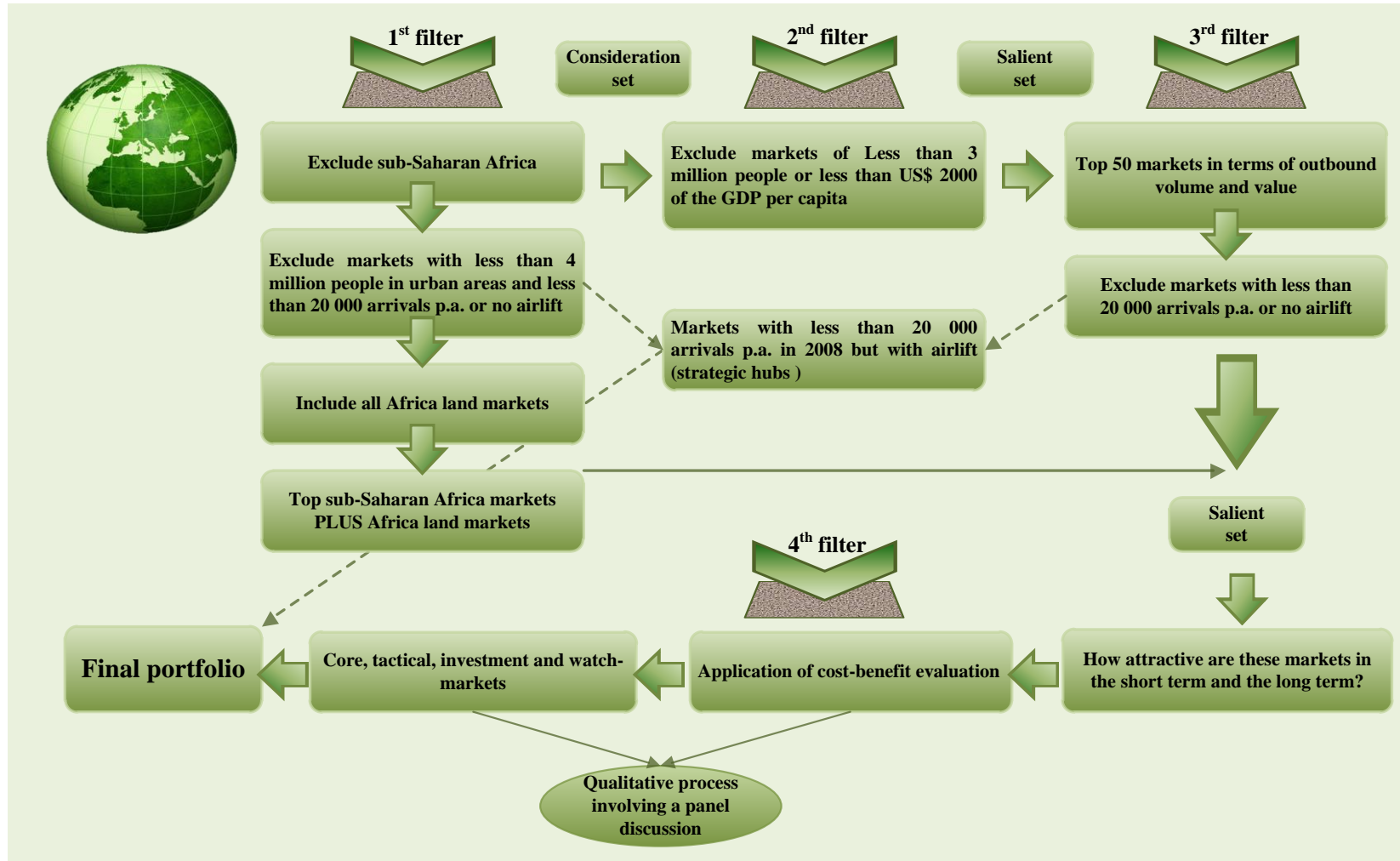
Adapted from: NDT, National tourism sector strategy, p. 19.

### Appendix 3.4 Strategic questions in the tourism growth strategy



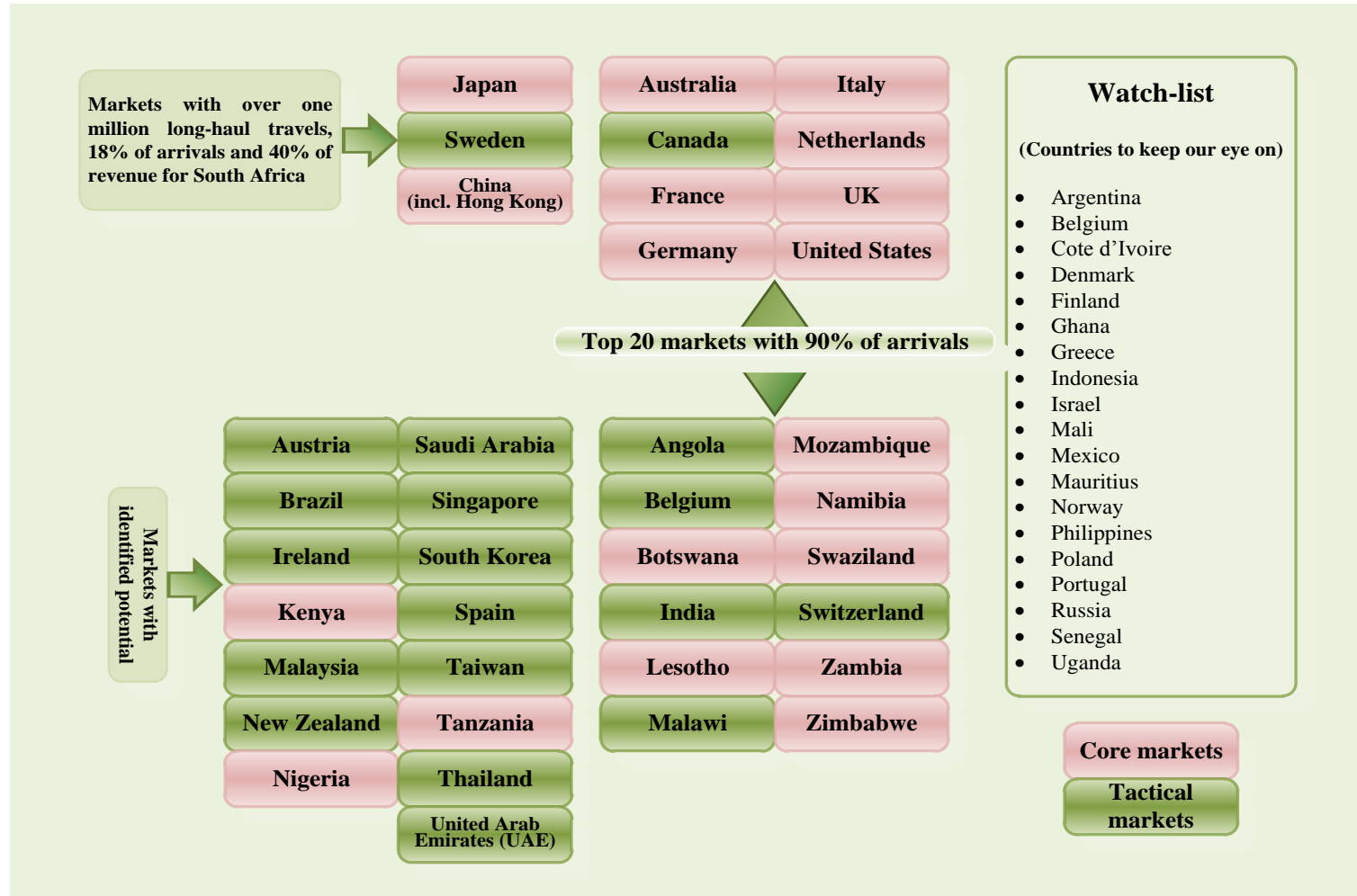
Adapted from: SAT, Tourism growth strategy 2005-2007, p. 9; SAT, Tourism growth strategy 2008-2010, p. 10; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 17.

### Appendix 3.5 Strategic choice of the international tourism market



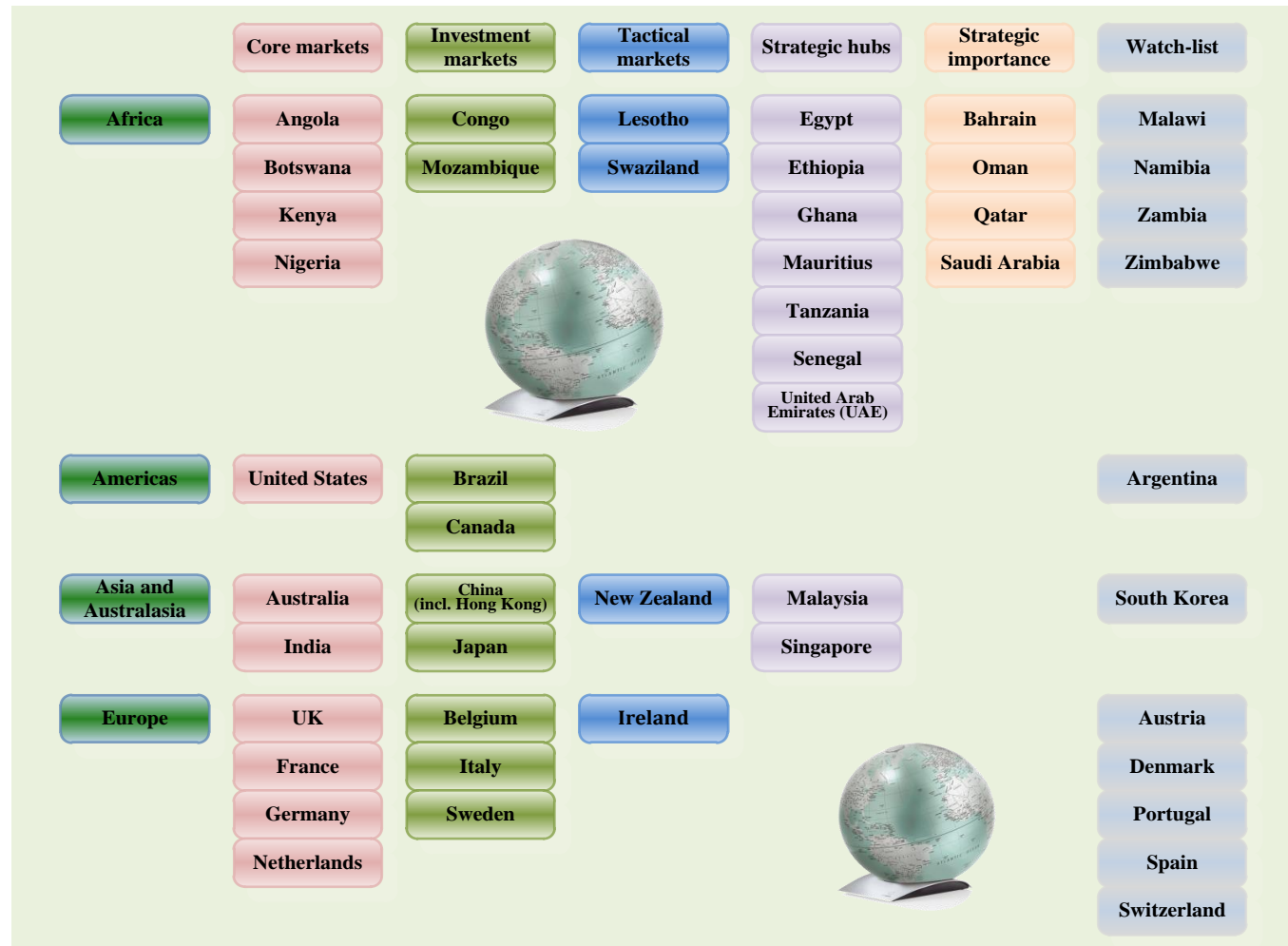
Adapted from: SAT, The marketing tourism growth strategy for South Africa 2011-2013, pp. 56-7.

### Appendix 3.6 The first review of the international tourism market



Adapted from: SAT, The development of the tourism growth strategy 2002-2004, p. 41; SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 53.

### Appendix 3.7 The fourth review of the international tourism market



Adapted from: SAT, The marketing tourism growth strategy for South Africa 2011-2013, p. 55.

### Appendix 4.1 Measurement levels of the variables in the survey

Section	No	Question	Question type	Scale
<b>Socio-demographic characteristics</b>	Q1	Gender	Closed-ended	Nominal
	Q2	Age	Open-ended	Interval/rational
	Q3	Residential place	Closed-ended	Nominal
	Q4	Family size	Open-ended	Interval/rational
	Q5	Education	Closed-ended	Ordinal
	Q6	English	Closed-ended	Ordinal
	Q7	Occupation	Closed-ended	Nominal
<b>Characteristics of the trip to South Africa</b>	Q8	Visiting times to SA	Open-ended	Interval/rational
	Q9	Tourist groups	Open-ended	Interval/rational
	Q10	Days coming to SA	Open-ended	Interval/rational
	Q11	Length of stay	Open-ended	Interval/rational
	Q12	Information sources	Closed-ended (multiple-response)	Nominal
	Q13	Main travel purpose	Closed-ended	Nominal
	Q14	Travel partners	Closed-ended	Nominal
	Q15	Preferring travel type	Closed-ended	Nominal
	Q16	Trip type	Closed-ended	Nominal
<b>Evaluation of South Africa as a destination</b>	Q17	Perceptions before visiting SA	Open-ended	Nominal
	Q18	Perceptions after visiting SA	Open-ended	Nominal
	Q19	Preferring attractions	Closed-ended (multiple-response)	Nominal
	Q20	Meeting expectation	Closed-ended	Ordinal
	Q21	Satisfaction	Closed-ended	Ordinal
	Q22	Word of mouth	Closed-ended	Ordinal
	Q23	Loyalty	Closed-ended	Ordinal
	Q24	Future activities	Closed-ended (multiple-response)	Nominal
	Q25	Tourism-related attributes	Closed-ended	Ordinal

Adapted from: A survey on Chinese tourists to South Africa between November of 2013 and February of 2014





**22. Would you recommend South Africa?**

- ① Strongly recommend
- ② Recommend
- ③ Undecided
- ④ Do not recommend
- ⑤ Strongly do not recommend

**23. Would you like to visit South Africa again?**

- ① Absolutely yes
- ② Yes
- ③ Undecided
- ④ No
- ⑤ Absolutely no

**24. If visiting South Africa again, what activities would you like? (You can choose more than one)**

- ① Visiting natural attractions
- ② Going to beach
- ③ Watching wildlife
- ④ Adventuring
- ⑤ Visiting theme parks
- ⑥ Visiting cultural and historical sites
- ⑦ Visiting a casino
- ⑧ Going shopping
- ⑨ Doing business
- ⑩ Studying/Research
- ⑪ Visiting friends and relatives
- ⑫ Attending sport activities
- ⑬ Other (Please specify \_\_\_\_\_ )

**25. Please assess the following attributes**

Natural attractions

- ① Excellent
- ② Good
- ③ Average
- ④ Bad
- ⑤ Very bad

Cultural and historical attractions

- ① Excellent
- ② Good
- ③ Average
- ④ Bad
- ⑤ Very bad

Attitudes of the locals

- ① Excellent
- ② Good
- ③ Average
- ④ Bad
- ⑤ Very bad

Safety

- ① Excellent
- ② Good
- ③ Average
- ④ Bad
- ⑤ Very bad

Accommodation

- ① Excellent
- ② Good
- ③ Average
- ④ Bad
- ⑤ Very bad

Food	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Transport	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Facilities	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Service	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Tourists guide	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Itinerary	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Shopping	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad
Trip price	① Excellent ② Good ③ Average ④ Bad ⑤ Very bad

**Comments, suggestions and ideas:**

---

---

## Appendix 4.3 Anonymous questionnaire: Chinese tourists to South Africa (Chinese)

人文学院历史遗产系

### 南非中国游客问卷调查 (请在方框划/附简短回答)

亲爱的游客朋友们:

您好!我是比勒陀利亚大学历史遗产系在读博士研究生李婴(学号 23062658),师从 Karen Harris 教授。我的博士论文题目是“南非中国出境旅游发展的战略研究”。真诚邀请您协助我们完成该研究的问卷调查部分。该问卷调查旨在获取南非中国游客的基本信息——要求、期望和期待改进之处。您的信息是保密、匿名的,谨作学术研究之用。15年后即销毁。您在任何时候都可以抽回您的问卷,无任何负面后果。谢谢!

#### (一) 社会经济状况

- |   |   |  |
|---|---|--|
| <p><b>1. 性别</b></p> <p>① 男<br/>② 女</p> <p><b>2. 年龄</b></p> <p><b>3. 居住地(省/市)</b></p> <p><b>4. 家庭人口</b></p> <p>① 单身<br/>② 二人世界<br/>③ 三口之家<br/>④ 四口以上<br/>⑤ 两代同堂<br/>⑥ 三代同堂</p> | <p><b>5. 教育程度</b></p> <p>① 研究生<br/>② 大学<br/>③ 大专<br/>④ 高中/中专<br/>⑤ 初中</p> <p><b>6. 英语水平</b></p> <p>① 非常高<br/>② 高<br/>③ 一般<br/>④ 低<br/>⑤ 非常低</p> | <p><b>7. 职业</b></p> <p>① 国家公务员<br/>② 经理/企业家<br/>③ 专业/技术人员<br/>④ 教师/研究人员<br/>⑤ 学生<br/>⑥ 商人<br/>⑦ 职员<br/>⑧ 工人<br/>⑨ 农民<br/>⑩ 离退休人员<br/>H 其他(请写出 _____)</p> |
|---|---|--|

#### (二) 南非之旅的特征

8. 您是第( )次来南非旅游。
9. 您的旅行团一共( )人。
10. 这是您来南非的第( )天。
11. 您在南非逗留( )天。
12. 您来南非旅游的信息来自
- ① 印刷材料  
② 亲朋介绍  
③ 政府部门  
④ 旅游部门  
⑤ 电视/电台  
⑥ 网络  
⑦ 其他(请写出 \_\_\_\_\_)
13. 您来南非旅游的主要目的是
- ① 工作/商务  
② 度假观光  
③ 探亲访友  
④ 学习/研究  
⑤ 其他(请写出 \_\_\_\_\_)
14. 本次旅行,您是
- ① 单独出游  
② 家人同游

- ③ 同事同游  
⑥ 其他（请写出 \_\_\_\_\_）
15. 您喜欢的旅游方式
- ① 单独出游  
② 旅行团  
③ 任何形式
16. 您来南非的旅行类型为包括
- ① 非包价  
② 半包价  
③ 全包价
- （三）感知南非之旅**
17. 您来南非前对南非的印象如何？
- （请写出） \_\_\_\_\_.
18. 您来南非后对南非的印象如何？
- （请写出） \_\_\_\_\_.
19. 南非吸引您的是（可以多选）
- ① 气候  
② 自然景观  
③ 动植物  
④ 海滨  
⑤ 文物古迹  
⑥ 当地民俗文化  
⑦ 探险  
⑧ 其他（请写出 \_\_\_\_\_）
20. 您的南非之旅
- ① 完全超过预期目的  
② 超过预期目的  
③ 达到预期目的  
④ 没有达到预期目的  
⑤ 完全没达到预期目的
21. 您对南非之旅
- ① 非常满意  
② 满意  
③ 不确定  
④ 不满意  
⑤ 非常不满意
22. 您是否会推荐来南非旅游？
- ① 绝对推荐  
② 推荐  
③ 不确定  
④ 不推荐  
⑤ 绝对不推荐
23. 您是否愿意再次来南非旅游？
- ① 绝对来  
② 来  
③ 不确定  
④ 不来  
⑤ 绝对不来
24. 如果再来南非，您想参加的活动是（可以多选）
- ① 参观自然景观  
② 海滨疗养  
③ 观看动植物  
④ 探险  
⑤ 参观主题公园  
⑥ 参观文物古迹  
⑦ 参观赌场  
⑧ 购物  
⑨ 做生意  
⑩ 学习/研究  
11 探亲访友  
12 观看体育比赛  
13 其他（请写出 \_\_\_\_\_）
25. 您认为此次旅行的
- 自然景观
- ① 极好

	② 好 ③ 一般 ④ 差 ⑤ 极差
文物古迹	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
南非居民的态度	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
治安	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
住宿	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
饮食	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
交通	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
设施	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
服务	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
导游	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差
行程安排	① 极好 ② 好 ③ 一般 ④ 差 ⑤ 极差

购物

- ① 极好
- ② 好
- ③ 一般
- ④ 差
- ⑤ 极差

旅行价格

- ① 极低
- ② 低
- ③ 一般
- ④ 高
- ⑤ 极高

您的建议和要求 (请写出)

---

---

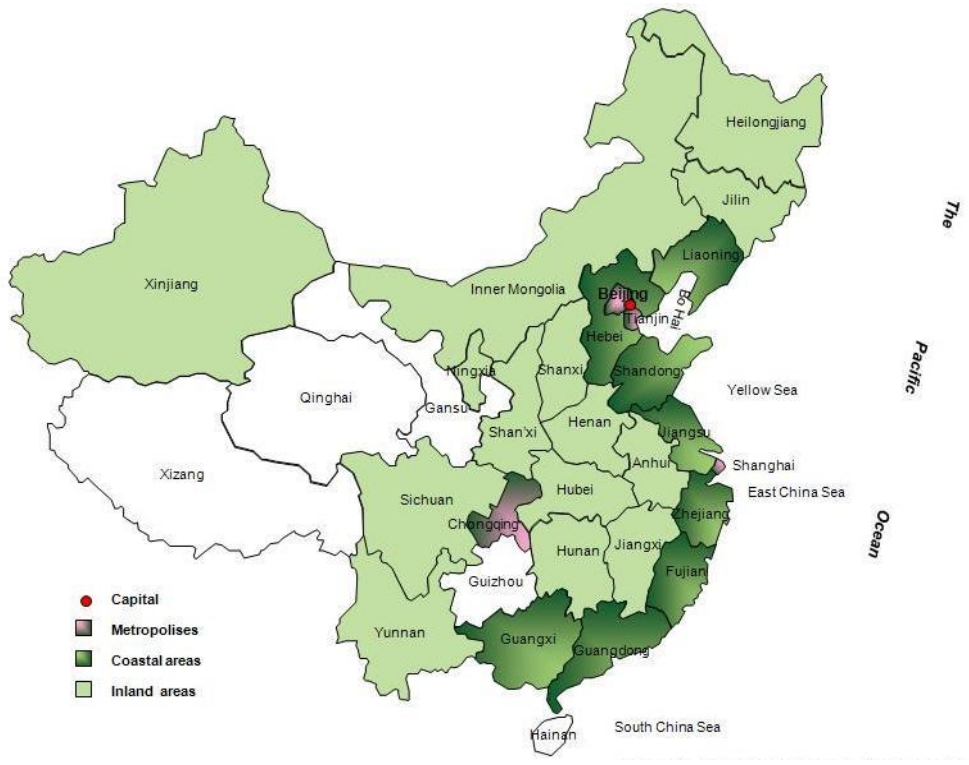
---

---

University of Pretoria  
Pretoria  
0002  
South Africa

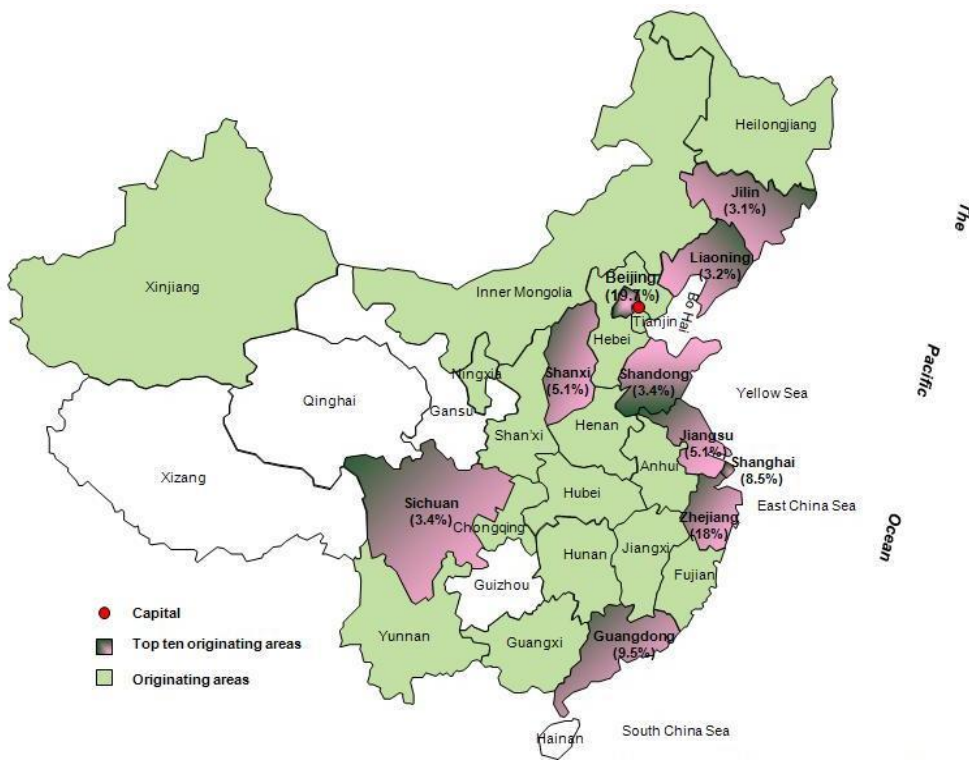
Telephone: 012 420 2323  
history@up.ac.za  
Fax: 012 420 2656  
www.up.ac.za

### Appendix 4.4 The Chinese tourists by originating areas



Adapted from: A survey on Chinese tourists to South Africa between November of 2013 and February of 2014

### Appendix 4.5 The top ten originating areas of the Chinese tourists



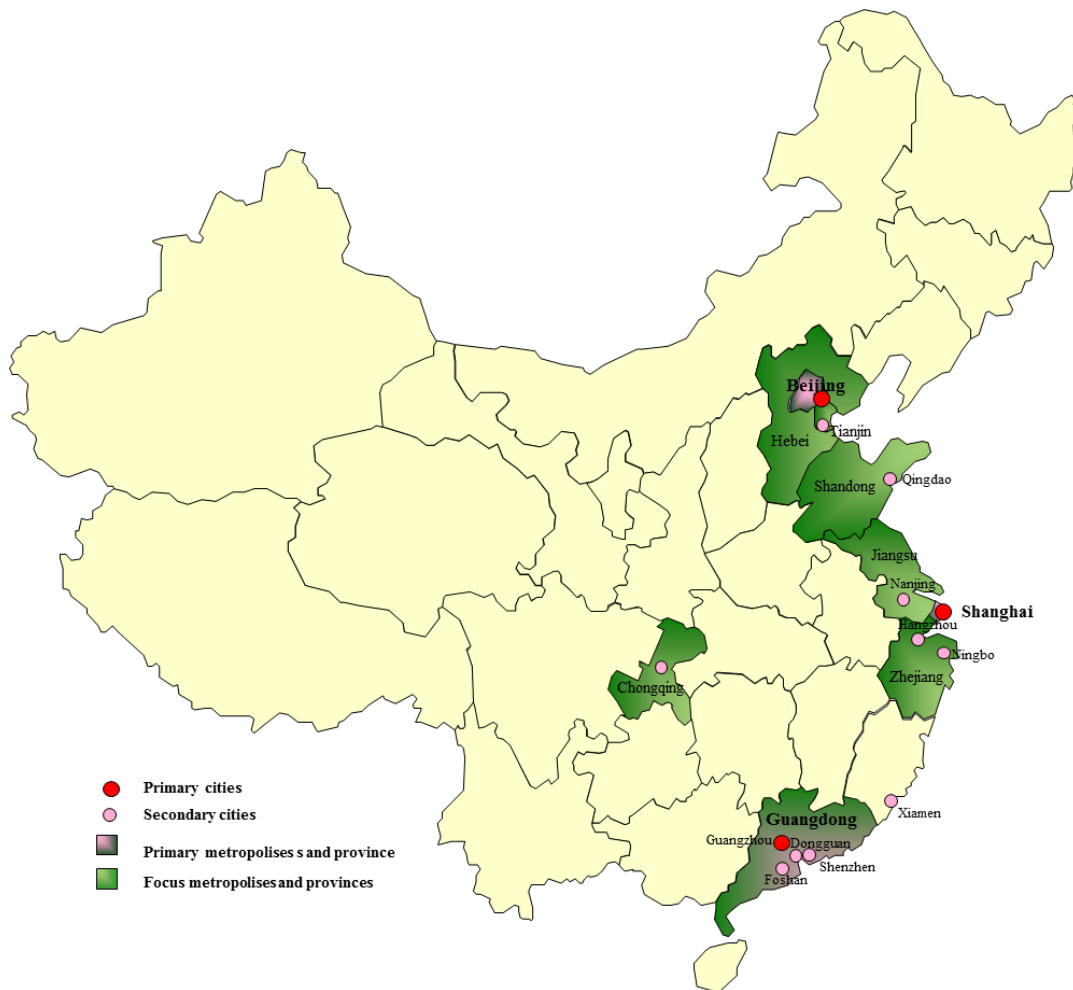
Adapted from: A survey on Chinese tourists to South Africa between November of 2013 and February of 2014

## Appendix 4.6 General perception of South Africa as a destination

Attributes	Excellent	Good	Average	Bad	Very bad
<b>Natural attractions</b> (M=4.43, SD=.591, n=560)	48.4%	46.8%	4.6%	0.2%	
<b>Cultural and historical attractions</b> (M=3.82, SD=.675, n=521)	14.2%	54.7%	29.9%	1.2%	
<b>Attitudes of the locals</b> (M=3.84, SD=.699, n=533)	14.4%	58.5%	24.4%	2.3%	0.4%
<b>Safety</b> (M=2.96, SD=.853, n=526)	2.3%	22.1%	51.1%	18.8%	5.7%
<b>Accommodation</b> (M=3.61, SD=.688, n=540)	7.0%	50.9%	38.1%	3.5%	0.4%
<b>Food</b> (M=3.45, SD=.714, n=535)	5.6%	40.6%	47.9%	5.2%	0.7%
<b>Transport</b> (M=3.70, SD=.717, n=537)	9.7%	55.9%	30.4%	3.4%	0.7%
<b>Facilities</b> (M=3.69, SD=.620, n=531)	6.8%	57.1%	34.5%	1.7%	
<b>Service</b> (M=3.83, SD=.587, n=534)	9.6%	64.4%	25.5%	0.6%	
<b>Guide</b> (M=4.00, SD=.635, n=536)	19.2%	63.1%	16.6%	1.1%	
<b>Itinerary</b> (M=3.73, SD=.602, n=538)	6.9%	60.2%	31.6%	1.3%	
<b>Shopping</b> (M=3.41, SD=.688, n=511)	3.9%	39.7%	50.3%	5.3%	0.8%
<b>Trip price</b> (M=2.49, SD=.595, n=522)		1.0%	51.7%	43.1%	4.2%

Adapted from: A survey on Chinese tourists to South Africa between November of 2013 and February of 2014

## Appendix 5.1 The tourism markets of Australia in China 1999 -2014



Adapted from: Australian government, DITR, DIMA and TA, China ADS focus 1, 2006-09, p. 2; Australian government, DITR, DIC and TA, China ADS focus 3, 2007-03, p. 2; DRET, A Strengthened China ADS scheme - key facts; TA, Summary of Tourism Australia's China 2020 strategic plan, p. 2.

# Bibliography<sup>1</sup>

## Government documents

- CNTA and MPS, The provisional regulations on the administration and management of outbound travel by Chinese citizens at their own expense. 1997, <http://www.cnta.com>. (Chinese)
- DEAT, The white paper: development and promotion of tourism in South Africa. Pretoria, 1996.
- \_\_\_\_\_, Tourism in GEAR: tourism development strategy 1998-2000. Pretoria, 1998.
- \_\_\_\_\_, Domestic tourism growth strategy 2004 to 2007. 2004-05-10, <http://www.info.gov.za/view/DownloadFileAction?id=70153>.
- NDT, Medium-term strategic plan 2010/2011-2014/2015. 2010-04-29, <http://www.tourism.gov.za/AboutNDT/Branches1/Administration/Documents/Strategic%20Plan%202010-11%20%202014-15.pdf>.
- \_\_\_\_\_, National tourism sector strategy. 2011-03-24, <http://www.tourism.gov.za/ResourceCentre/Pages/StrategicDocuments.aspx>.
- \_\_\_\_\_, Strategic plan and annual performance plan 2010/11-2014/15 and 2012/13 review. 2012-03-07, <http://www.tourism.gov.za/AboutNDT/Branches1/Administration/Documents/9665%20Strat%20Plan%20for%20sign%20off.pdf>.
- \_\_\_\_\_, Strategic plan and annual performance plan 2014/15-2018/19. 2014-07-21, <http://www.tourism.gov.za/ResourceCentre/Pages/default.aspx>.
- \_\_\_\_\_, Domestic tourism growth strategy 2012- 2020. 2012-04-30. <http://www.tourism.gov.za/ResourceCentre/Pages/StrategicDocuments.aspx>.
- RSA, 2010/11–2012/13 industrial policy action plan. 2010-02-18, <http://www.info.gov.za/view/DownloadFileAction?id=117330>.
- \_\_\_\_\_, The growth, employment and redistribution: a macroeconomic strategy for South Africa. 2005-06-18, <http://www.info.gov.za/view/DownloadFileAction?id=70507>.
- \_\_\_\_\_, The medium term strategic framework: a framework to guide government's programme in the electoral mandate period 2009-2014. 2009-07-01, <http://www.info.gov.za/view/DownloadFileAction?id=103901>.
- \_\_\_\_\_, The new growth path: the framework. 2010-11-23, <http://www.info.gov.za/view/DownloadFileAction?id=135748>.
- \_\_\_\_\_, No. 3 of 2014 Tourism Act, 2014-04-07, <http://www.tourism.gov.za/ResourceCentre/Pages/StrategicDocuments.aspx>.
- \_\_\_\_\_, No. 46 of 2013 Black Economic Empowerment Amendment Act. 2014-10-28, <http://www.tourism.gov.za/AboutNDT/BEECharter/Pages/default.aspx>.
- \_\_\_\_\_, No. 53 of 2003 Black Economic Empowerment Act. 2004-01-09, <http://www.tourism.gov.za/AboutNDT/BEECharter/Pages/default.aspx>.

---

<sup>1</sup> All sources that are in Chinese have been indicated as such in brackets. Translations of the titles are included given the target market of study.

SAFE Notice, No. 60 of 2005 Modification of the regulations on purchasing foreign currency in the current account for the residents within the boundary of People's Republic of China for private purposes. 2005-08-03, <http://www.safe.gov.cn>. (Chinese)

The decree of the President, No. 28 of 1994 Labour law of the People's Republic of China. 1994-07-05, <http://www.gov.cn>. (Chinese)

The decree of the State Council, No. 270 of 1999 The regulations on holidays during festivals and memorial days. 1999-09-18, <http://www.gov.cn>. (Chinese)

\_\_\_\_\_, No. 354 of 2002 The regulations on the administration and management of outbound travel by Chinese citizens. 2002-05-27, <http://www.gov.cn>, <http://www.cnta.com>. (Chinese)

\_\_\_\_\_, No. 513 of 2007 The resolution of the State Council on revision of "the regulations on holidays during festivals and memorial days". 2007-12-14, <http://www.gov.cn>. (Chinese)

\_\_\_\_\_, No. 514 of 2007 The regulations on paid holidays for staff and workers. 2007-12-14, <http://www.gov.cn>. (Chinese)

## Journal articles

African Development Bank Group *et al.*, China-Africa travel & tourism. *Africa tourism monitor* 1(1), 2013.

Agrusa, J. *et al.*, Mainland Chinese tourists to Hawaii: their characteristics and preferences. *Journal of travel & tourism marketing* 28(3), 2011.

Arita, S. *et al.*, Impact of approved destination status on Chinese travel abroad: an econometric analysis. *Tourism economics* 17(5), 2011.

Bailey, M., China outbound. *Travel & tourism analyst* 3, 1998.

\_\_\_\_\_, China outbound. *Travel & tourism analyst* 6, 1994.

Bond, M. E. and Ladman, J. R., Tourism: a strategy for development. *Nebraska journal of economics & business* 11(1), 1972.

Breakey, N. *et al.*, Impact of Chinese outbound tourism to Australia: reviewing the past; implications for the future. *Current issues in tourism* 11(6), 2008.

Brislin, R. W., Back-translation for cross-cultural research. *Journal of cross-cultural psychology* 1(3), 1970.

Cai, L. A. *et al.*, Profiling the U.S.-bound Chinese travellers by purpose of trip. *Journal of hospitality & leisure marketing* 7(4), 2001.

\_\_\_\_\_, Research on China outbound market: a meta-review. *Journal of hospitality & leisure marketing* 16(1-2), 2008.

\_\_\_\_\_, Chinese travellers to the United States: an emerging market. *Journal of vacation marketing* 6(2), 2000.

\_\_\_\_\_, The Chinese travellers to Singapore, Malaysia, and Thailand: a unique Chinese outbound market. *Asia Pacific journal of tourism research* 3(2), 1999.

Cha, E. *et al.*, Translation of scales in cross-cultural research. *JAN research methodology*, 2007.

Chang, R. C. Y. *et al.*, Food preferences of Chinese tourists. *Annals of tourism research* 37 (4), 2010.

Chow, I. and Murphy, P., Travel activity preferences of Chinese outbound tourists for overseas destinations. *Journal of hospitality & leisure marketing* 16(1-2), 2008.

- Corigliano, M. A., The outbound Chinese tourism to Italy: the new graduates' generation. *Journal of China tourism research* 7(4), 2011.
- Cummings, S., Brief case: the first strategists. *Long range planning* 26(3), 1993.
- Dai, B. *et al.*, Stage characteristics and policy choice of China's outbound tourism development. *Tourism tribune* 28(1), 2013. (Chinese)
- Dai, X. and Deng, Z., China's outbound tourism spending has been seriously underestimated, the international tourism has become an industry with the trade deficit rapidly expanding. *Finance and trade economics* 8, 2008. (Chinese)
- Dai, X. and Wu, N., An analysis of negative impacts of the rapid growth of China's outbound travel. *Tourism tribune* 21(2), 2006. (Chinese)
- Dai, X., Advanced development of outbound tourism in China. *Tourism tribune* 27(1), 2012. (Chinese)
- \_\_\_\_\_, The spending of Chinese outbound tourism being underestimated; outbound travel becoming travel of spending foreign currency. *China statistics* 2, 2005. (Chinese)
- De Sausmarez, N. *et al.*, Chinese outbound tourism to the United Kingdom: issues for Chinese and British tour operators. *Journal of China tourism research* 8(3), 2012.
- Du, J. *et al.*, An analysis of the trends of China's outbound tourism. *Tourism tribune* 17(3), 2002. (Chinese)
- Ferreira, S. and Harmse, A., Crime and tourism in South Africa. *South African geographic journal* 82(2), 2000.
- Glidden-Tracey, C. and Greenwood, A. K., A validation study of the Spanish self-directed search using back-translation procedures. *Journal of career assessment* 5(1), 1977.
- Guo, W. and Turner, L. W., Entry strategies into China for foreign travel companies. *Journal of vocation marketing* 8(1), 2001.
- Guo, Y. *et al.*, Development characteristics and implications of Mainland Chinese outbound tourism. *Asia Pacific journal of tourism research* 12(4), 2007.
- Herrmann, J. and Dang, A., The China-Australia approved destination status scheme: free to be restricted. *Queensland law student review* 2(2), 2009.
- Hsu, C. H. C. and Crotts, J. C., Segmenting Mainland Chinese residents based on experience, intention and desire to visit Hong Kong. *International journal of tourism research* 8, 2006.
- Hsu, C. H. C. and Lam, T., Mainland Chinese travellers' motivations and barriers of visiting Hong Kong. *Journal of the academy of business and economics* 3, 2003.
- Hsu, C. H. C. and Song, H., Projected images of major Chinese outbound destinations. *Asia Pacific journal of tourism research* 17(5), 2012.
- Huang, S. and Hsu, C. H. C., Effects of travel motivation, past experience, perceived constraint, and attitude on revisit intention. *Journal of travel research* 48(1), 2009.
- \_\_\_\_\_, Mainland Chinese residents' perceptions and motivations of visiting Hong Kong: evidence from focus group interviews. *Asia Pacific journal of tourism research* 10(2), 2005.
- Huang, S. S. and Gross, M. J., Australia's destination image among Mainland Chinese travellers: an exploratory study. *Journal of travel & tourism marketing* 27(1), 2010.
- Jang, S. *et al.*, Chinese travellers to the United States: a comparison of business travel and visiting friends and relatives. *Tourism geographies* 5(1), 2003.

- Keating, B. and Kriz, A., Outbound tourism from China: literature review and research agenda. *Journal of hospitality and tourism management* 15(1), 2008.
- Kim, S. *et al.*, Preference and positioning analyses of overseas destinations by Mainland Chinese outbound pleasure tourists. *Journal of travel research* 44(2), 2005.
- King, B. *et al.*, An evaluation of unethical business practices in Australia's China inbound tourism market. *International journal of tourism research* 8, 2006.
- Lai, C. *et al.*, Chinese outbound tourists' perceived constraints to visiting the United States. *Tourism management* 37, 2013.
- Law, R. and Cheung, S., The perceived destination image of Hong Kong as revealed in the travel blogs of Mainland Chinese tourists. *International journal of hospitality & tourism administration* 11(4), 2010.
- Lee, S. *et al.*, The impact of tour quality and tourist satisfaction on tourist loyalty: the case of Chinese tourists in Korea. *Tourism management* 32, 2011.
- Li, G. *et al.*, Comparing Mainland Chinese tourist's satisfaction with Hong Kong and the UK using tourist satisfaction index. *Journal of China tourism research* 8(4), 2012.
- Li, M. *et al.*, Segmenting Chinese outbound tourists by perceived constraints. *Journal of travel & tourism marketing* 28(6), 2011.
- Li, X. R. and Stepchenkova, S., Chinese outbound tourists' destination image of America. *Journal of travel research* 51(3), 2012.
- Li, X. R. *et al.*, Estimating the size of the Chinese outbound travel market: a demand-side approach. *Tourism management* 31, 2010.
- \_\_\_\_\_, Positioning USA in the Chinese outbound travel market. *Journal of hospitality & tourism research* 20(10), 2012.
- \_\_\_\_\_, Understanding China's long-haul outbound travel market: an overlapped segmentation approach. *Journal of business research* 66, 2013.
- \_\_\_\_\_, When east meets west: an exploratory study on Chinese outbound tourists' travel expectations. *Tourism management* 32, 2011.
- Liu, Y. and Ko, P., Analyses of region preference and tourist satisfaction from China's outbound tourists: an empirical study conducted in Taiwan. *British journal of management & economics* 1(2), 2011.
- Lu, Z., The study of Chinese tourists' motivations to Canada. *Journal of China tourism research* 7(4), 2011.
- Mao, I. Y. and Qiu Zhang, H., Structural relationships among destination preference, satisfaction and loyalty in Chinese tourists to Australia. *International journal of tourism research* 16(2), 2014.
- March, R. Towards a conceptualization of unethical marketing practices in tourism: a case-study of Australia's inbound Chinese travel market. *Journal of travel & tourism marketing* 24(4), 2008.
- McGorry, S. Y., Measurement in cross-cultural environment. *Qualitative market research* 3(2), 2000.
- Ozolins, U., Back translation as a means of giving translators a voice. *International journal of translation and interpreting research* 1(2), 2009.
- Pan, G. W. and Laws, E., Tourism marketing opportunities for Australia in China. *Journal of vacation marketing* 8(1), 2001.
- Pan, G. W., A theoretical framework of business network relationships associated with the Chinese outbound tourism market to Australia. *Journal of travel & tourism marketing* 14(2), 2003.

- Qu, H. and Lam, S., A travel demand model for Mainland Chinese tourists to Hong Kong. *Tourism management* 18(8), 1997.
- Qu, H. and Li, I., The characteristics and satisfaction of Mainland Chinese visitors to Hong Kong. *Journal of travel research* 35(4), 1997.
- Sparks, B. and Pan, G. W., Chinese outbound tourists: understanding their attitudes, constraints and use of information sources. *Tourism management* 30, 2009.
- Stepchenkova, S. and Li, X. R., Chinese outbound tourists' destination image of America. *Journal of travel research* 51(6), 2012.
- Tse, T. S. M. and Hobson, J. S. P., The forces shaping China's outbound tourism. *Journal of China tourism research* 4(2), 2008.
- Tse, T. S. M., Chinese outbound tourism as a form of diplomacy. *Tourism planning & development* 10(2), 2013.
- Tse, T. S. M., A review of Chinese outbound tourism research and the way forward. *Journal of China tourism research*, 2014.
- Wang, S. and Qi, S., An analysis of consumerism and high expenditure behaviour of China's outbound travel. *Tourism tribune* 20(6), 2005. (Chinese)
- Wang, Y. and Davidson, M. C. G., Pre- and post-trip perceptions: an insight into Chinese package holiday market to Australia. *Journal of vacation marketing* 16(2), 2010.
- Wang, Y. and Sheldon, P. J., The sleeping dragon awakes: the outbound Chinese travel market. *Journal of travel & tourism marketing* 4(4), 1995.
- Yang, J. *et al.*, The implicit measurement of destination image: the application of implicit association tests. *Tourism management* 33, 2012.
- Yang, J., An analysis of overgrowth and over-consumption in China's outbound travel and policy orientation. *Tourism tribune* 21(6), 2006. (Chinese)
- Yoo, J. J. *et al.*, A cross-cultural comparison of trip characteristics: international visitors to Hong Kong from Mainland China and USA. *Journal of travel & tourism marketing* 16(1), 2004.
- Yu, X. and Weiler, B., Mainland Chinese pleasure travellers to Australia: a leisure behaviour analysis. *Tourism culture & communication* 3(2), 2001.
- Yun, D. and Joppe, M., Chinese perceptions of seven long-haul holiday destinations: focusing on activities, knowledge, and interest. *Journal of China tourism research* 7(4), 2011.
- Zhang Qiu, H. and Heung, V. C. S., The emergence of the Mainland Chinese outbound travel market and its implications for tourism marketing. *Journal of vacation marketing* 8(1), 2001.
- Zhang Qiu, H. and Lam, T., An analysis of Mainland Chinese visitors' motivations to visit Hong Kong. *Tourism management* 20(5), 1999.
- Zhang, G., Sober judgment on China's outbound tourism boom: argument for future China's outbound tourism policy. *Finance & trade economics* 7, 2005. (Chinese)
- Zhang, L. and Yang, C., From "giving prominence to foreign exchange earnings" to balance of payment: rethinking about the developing strategy of China's outbound tourism. *Tourism tribune* 6, 2006. (Chinese)
- Zhou, L. *et al.*, The China outbound market: an evaluation of key constraints and opportunities. *Journal of vacation marketing* 4(2), 1998.

## Literature

- American Psychological Association, *Standards for educational and psychological testing*. Washington DC: American Psychological Association, 1985.
- Ansoff, H. I., *Corporate strategy: an analytic approach to business policy for growth and expansion*. New York: McGraw-Hill, 1965.
- \_\_\_\_\_, *Implanting strategic management*. New Jersey: Prentice/Hall International, 1984.
- Arlt, W. G., *China's outbound tourism*. London: Routledge, 2006.
- Aeneas the Tactician- How to Survive under Siege* translated by D. Whitehead. New York: Oxford, 1990.
- Barney, B. J. and Hesterly, W. S., *Strategic management and competitive advantage: concept and cases*. New Jersey: Pearson/Prentice Hall, 2006.
- Campbell, D. et al., *Business strategy: an introduction (2<sup>nd</sup> edition)*. Burlington: Elsevier Butterworth-Heinemann, 2002.
- Chandler, A. D., *Strategy and structure: chapters in the history of the American industrial enterprise*. Cambridge: M.I.T. Press, 1962.
- Christie, I. et al. (eds), *Tourism in Africa: harnessing tourism for growth and improve livelihood*. Washington DC: The World Bank, 2014.
- Coolican, H., *Research methods and statistics in psychology*. London: Hodder & Stoughton, 2004.
- Comrey, A. L. and Lee, H. B., *A first course in factor analysis (2<sup>nd</sup> edition)*. New Jersey: Lawrence Erlbaum Associates, 1992.
- Dai, B. et al., *Annual report of China outbound tourism development 2007 & 2008*. Beijing: China Travel & Tourism Press, 2009. (Chinese)
- \_\_\_\_\_, *Annual report of China outbound tourism development 2009-2010*. Beijing: China Travel & Tourism Press, 2010. (Chinese)
- \_\_\_\_\_, *Annual report of China outbound tourism development 2011*. Beijing: Tourism Education Press, 2011. (Chinese)
- \_\_\_\_\_, *Annual report of China outbound tourism development 2012*. Beijing: Tourism Education Press, 2012. (Chinese)
- \_\_\_\_\_, *Annual report of China outbound tourism development 2013*. Beijing: Tourism Education Press, 2013. (Chinese)
- Doctoroff, T., *What Chinese want: culture, communism, and China's modern consumer*. New York: Palgrave Macmillan, 2012.
- Drucker, P. F., *The practice of management*. London: Heinemann, 1955.
- Du, J. et al., *A research on consumption of Chinese outbound tourists*. Beijing: Tourism Education Press, 2003. (Chinese)
- Du, J. and Dai, B., *Annual report of China outbound tourism development 2004*. Beijing: Tourism Education Press, 2005. (Chinese)
- \_\_\_\_\_, *Annual report of China outbound tourism development 2005*. Beijing: Tourism Education Press, 2006. (Chinese)

- \_\_\_\_\_, *Annual report of China outbound tourism development 2006*. Beijing: Tourism Education Press, 2008.  
(Chinese)
- Evans, N. *et al.*, *Strategic management for travel and tourism*. Burlington: Butterworth-Heinemann, 2003.
- Fuchs, M. *et al.* (eds), *Information and communication technologies in tourism 2012: proceedings of the international conference in Helsingborg*. Vienna: Springer, 2012.
- Gee, C.Y and Fayos-Solá, E. (eds), *International tourism: a global perspective (2<sup>nd</sup> edition)*. Madrid: UNWTO, 1999.
- George, R., *Marketing South African tourism*. Cape Town: Oxford University Press, 2004.
- Ghimire, K. B. (ed.), *The Native Tourist: mass tourism within developing countries*. London: Earthscan Publications, 2001.
- Grant, R. M., *Contemporary strategy analysis (5<sup>th</sup> edition)*. Victoria: Blackwell publishing, 2005.
- Harvard Business School, *Strategy: create and implement the best strategy for your business*. Boston: Harvard Business School Press, 2005.
- He, G. *et al.*, *Fifty years of tourism industry in China*. Beijing: China Travel and Tourism Press, 1999, <http://www.cnta.gov.cn/ziliao/lyjjvj/50.asp>. (Chinese)
- Heath, E. and Wall, G., *Marketing tourism destinations: a strategic planning approach*. New York: John Wiley & Sons, 1992.
- Hofer, C. W. and Schendel, D., *Strategy formulation: analytical concepts*. St. Paul: West Publishing, 1978.
- Hollway, J. C., *Marketing for tourism (4<sup>th</sup> edition)*. England: Pearson, 2004.
- Hult, G. T. M. *et al.*, *Marketing (16<sup>th</sup> edition)*. Cengage learning: globe, 2012.
- Jennings, G., *Tourism research (2<sup>nd</sup> edition)*. Milton, Qld.: John Wiley & Sons, 2010.
- Lew, A. A. *et al.* (eds), *Tourism in China*. New York: Haworth Hospitality Press, 2003.
- Li, H., *China tourism: exploring a dreamland*. Beijing: China Intercontinental Press, 1998.
- Macmillan, H. and Tampoe, M., *Strategic management: process, content, and implementation*. New York: Oxford University Press, 2000.
- Mintzberg, H. *et al.* (eds), *Strategy process (revised European edition)*. Harlow: Financial Times/Prentice Hall, 1999.
- Moutinho, L. (ed.), *Strategic management in tourism*. Wallingford: CABI publishing, 2000.
- NBSC, *China statistical yearbook 1978-2014*. Beijing: China Statistics Press, 1979-2015. (Chinese)
- Nunnally, J. C. and Bernstein I. H., *Psychometric theory (3<sup>rd</sup> edition)*. New York: McGraw-Hill, 1994.
- Nunnally, J. C., *Psychometric theory (2<sup>nd</sup> edition)*. New York: McGraw-Hill, 1978.
- Nye, J. S., *Bound to lead: the changing nature of American power*. New York: Basic Books, 1990.
- Pallant, J., *SPSS survival manual: a step by step guide to data analysis using SPSS (4<sup>th</sup> edition)*. England: Open University Press, 2010.
- Porter, M. E., *Competitive strategy: techniques for analysing industries and competitors*. New York: The Free Press, 1980.
- Sun Zi: *The art of war Sun Bin: The art of war* translated into English by Wusun Lin. Beijing: Foreign Languages Press, 2001.
- Tabachnick, B. G. and Fidell, L. S., *Using multivariate statistics*. Boston: Pearson Education, 2007.

- The Literature Research Center of the CPC Central Committee and the CNTA (eds), *Deng Xiaoping on tourism*. Beijing: Central Party Literature Press, 2000, <http://www.cnta.com/ziliao/den/index.asp>. (Chinese)
- Tribe, J., *Corporate Strategy for Tourism*. London: International Thomson Business Press, 1997.
- \_\_\_\_\_, *Strategy for tourism*. Oxford: Goodfellow Publishers, 2010.
- UNWTO, *Chinese outbound tourism*. Madrid: UNWTO, 2003.
- \_\_\_\_\_, *Chinese outbound travel to the Middle East and North Africa*. Madrid: UNWTO, 2014.
- \_\_\_\_\_, *Global tourism forecasts to the year 2000 and beyond: the world (Vol.1)*. Madrid: UNWTO, 1995.
- \_\_\_\_\_, *Study on Chinese outbound travel to Africa*. Madrid: UNWTO, 2012.
- \_\_\_\_\_, *Tourism 2020 vision - Africa*. Madrid: UNWTO, 1999.
- \_\_\_\_\_, *Tourism 2020 vision: executive summary*. Madrid: UNWTO, 1999.
- \_\_\_\_\_, *Tourism towards 2030: global overview*. Madrid: UNWTO, 2011.
- UNWTO and ETC, *The Chinese outbound travel market with special insight into the image of Europe as a destination*. Madrid: UNWTO, 2008.
- Vellas, F. and Becherel, L. (eds), *The international marketing of travel and tourism: a strategic approach*. London: Macmillan Press, 1999.
- Von Clausewitz, K., *On war (Vol 1)*. London: Routledge and Kegan Paul, 1968.
- Wen, J. J. and Tisdell, C. A., *Tourism and China's development: policies, regional economic growth and ecotourism*. New Jersey: World Scientific, 2001.
- Zhang, G. et al. (eds), *China's tourism development: analysis and forecast 2001-2013*. Beijing: Social Sciences Documentation Publishing House, 2001-2013. (Chinese)
- Zhou, X. et al., *Survey of the Chinese middle class: the living status*. Beijing: Social Sciences Documentation Publishing House, 2005, [http://vip.book.sina.com.cn/book/index\\_39546.html](http://vip.book.sina.com.cn/book/index_39546.html). (Chinese)

## Reports

- Australia, A tourism successful story: the place of ADS in the Australia-China tourism relationship. 2011, <http://www.ret.gov.au/tourism/Documents/ads/2011/ATourismSuccessStory.pdf>.
- Australian government, Tourism forecasts 2014. <http://www.tourism.australia.com/documents/Statistics/Consumer-demand-project-CHINA.pdf>.
- China Merchant Bank and Bain & Company, The 2009 China private wealth study. 2009-06-15, <http://www.bain.com/publications/articles/china-private-wealth-study.aspx>.
- \_\_\_\_\_, The 2011 China private wealth study. 2011-04-19, <http://www.bain.com/publications/articles/china-private-wealth-report-2011.aspx>.
- \_\_\_\_\_, The 2013 China private wealth study. 2013-08-13, <http://www.bain.com/publications/articles/china-private-wealth-report-2013.aspx>.
- CNTA, The report of the tourism industry in China. 2001-2014, <http://www.cnta.gov.cn/html/zh/index.html>. (Chinese)
- CTC, Consumer research in China: quantitative research. 2007, [http://www.corporate.canada.travel/docs/research\\_and\\_statistics/market\\_knowledge/AsiaPacific/Final\\_Consumer\\_V2\\_2007.pdf](http://www.corporate.canada.travel/docs/research_and_statistics/market_knowledge/AsiaPacific/Final_Consumer_V2_2007.pdf).

- \_\_\_\_\_, Research on the Chinese outbound travel market report. 2001, [http://www.canadatourism.com/ctx/files/publication/data/en\\_ca/research/ market research/asia\\_pacific marketing/research\\_on\\_the\\_chinese\\_outbound\\_travel\\_market\\_2001/ChineseOutbound.pdf](http://www.canadatourism.com/ctx/files/publication/data/en_ca/research/ market research/asia_pacific marketing/research_on_the_chinese_outbound_travel_market_2001/ChineseOutbound.pdf).
- \_\_\_\_\_, Travel trade research in China: qualitative research. 2007, [http://www.corporate.canada.travel/docs/research\\_and\\_statistics/market\\_knowledge/AsiaPacific/ChinaTravelTradeDecimaDraftV2\\_2007.pdf](http://www.corporate.canada.travel/docs/research_and_statistics/market_knowledge/AsiaPacific/ChinaTravelTradeDecimaDraftV2_2007.pdf).
- Dai, X. *et al.*, A report on Chinese outbound tourism: negative effects of the overdevelopment of Chinese outbound tourism on social economy. A research report of a project of Financial and Trade Research Institute of CASS, 2005, <http://www.casstourism.com/center/ThemeDetails.aspx?id=22>. (Chinese )
- DEAT, 10 Year Review 1994-2004. <http://www.environment.gov.za>.
- DEAT, DTI and SAT, Global competitiveness programme for the tourism industry in South Africa 2005-2010. 2010-06-23, [http://www.southafrica.net/sat/action/media/downloadFile?media\\_fileid=28872](http://www.southafrica.net/sat/action/media/downloadFile?media_fileid=28872).
- DITR, National tourism emerging markets strategy: China and India. [http://www.ret.gov.au/tourism/Documents/Tourism/Tourism%20Policy/Tourism%20Investment/National\\_Tourism\\_Emerging\\_Markets\\_Strategy\\_China\\_and\\_India\\_Dec\\_05.pdf](http://www.ret.gov.au/tourism/Documents/Tourism/Tourism%20Policy/Tourism%20Investment/National_Tourism_Emerging_Markets_Strategy_China_and_India_Dec_05.pdf).
- DRET, The executive summary of China approved destination status scheme 2009 evaluation report. 2009, [http://www.ret.gov.au/tourism/Documents/ads/Executive%20Summary%20%20RET%20ADS%20Evaluation\\_8053042\\_1\(Client-Job\).pdf](http://www.ret.gov.au/tourism/Documents/ads/Executive%20Summary%20%20RET%20ADS%20Evaluation_8053042_1(Client-Job).pdf).
- InterfaceASIA-Holden, 2010 China consumer report. 2015-07-18, <http://www.ifa-hd.com/MarketReportDetails.aspx?id=1>. (Chinese)
- Merrill Lynch and Capgemini, The Asia-Pacific wealth report. 2006-2014, <http://www.ml.com>, <http://www.capgemini.com>.
- \_\_\_\_\_, The world wealth report. 2004-2014, <http://www.ml.com>, <http://www.capgemini.com>.
- NBSC, A series of reports of the 60th anniversary of the PRC. 2009-09, <http://www.stats.gov.cn>. (Chinese)
- \_\_\_\_\_, A series of reports of the social and economic development of the PRC from the 16<sup>th</sup> to 18<sup>th</sup> of National Congress of the CCP 2002-2012 (1). 2012-08-15, <http://www.stats.gov.cn>. (Chinese)
- \_\_\_\_\_, The statistical communiqués of the People’s Republic of China on national economic and social development 1978-2014, <http://www.stats.gov.cn/tjgb>. (Chinese)
- NDT., 2011-2014, <http://www.tourism.gov.za/ResourceCentre/Pages/Reports.aspx>.
- SAS, Tourism satellite accounts: linking government strategies and the tourism satellite account in South Africa. 2007, [www.statssa.gov.za/publications/D04056/D04056.pdf](http://www.statssa.gov.za/publications/D04056/D04056.pdf).
- SAT, A framework/model to benchmark tourism GDP in South Africa. A research conducted by Pan African Research & Investment Services, 2010, [www.southafrica.net](http://www.southafrica.net).
- \_\_\_\_\_, Annual report 2002-2014. [www.southafrica.net](http://www.southafrica.net).
- \_\_\_\_\_, Marketing South Africa in China 2004. <http://www.southafrica.net/research/en/landing/research-home>.
- \_\_\_\_\_, Marketing South Africa in China 2007. 2010-06-23, <http://www.southafrica.net/research/en/landing/research-home>.
- \_\_\_\_\_, Marketing South Africa in China 2010. 2010-06-30, <http://www.southafrica.net/research/en/landing/research-home>.

- SAT, South African Tourism annual report 2009-2013. [www.southafrica.net](http://www.southafrica.net).
- \_\_\_\_\_, The impact of tourism on the economy of South Africa. 2007, <http://www.southafrica.net>.
- \_\_\_\_\_, Tourism competitive study: results from the tourism industry performance assessment. 2010, <http://www.southafrica.net>.
- \_\_\_\_\_, Tourism growth strategy. 2002-2013, <http://www.southafrica.net/research/en/landing/research-home>.
- Satur and Development Bank of Southern Africa, A strategic framework for tourism development in South and Southern Africa. 1991.
- TA, 2020 China - building the foundations: knowing the customer. 2012-03, [http://www.tourism.australia.com/China2020-Building\\_the\\_Foundations-Online-version2.pdf](http://www.tourism.australia.com/China2020-Building_the_Foundations-Online-version2.pdf).
- \_\_\_\_\_, 2020 China strategic plan: progress report. 2012-06, [http://www.tourism.australia.com/TACP7018\\_China2020\\_1YearOn\\_Sept\\_12\\_WEB.pdf](http://www.tourism.australia.com/TACP7018_China2020_1YearOn_Sept_12_WEB.pdf).
- \_\_\_\_\_, China visitor profile 2006. <http://www.tourism.australia.com>.
- \_\_\_\_\_, China visitor profile 2007. <http://www.tourism.australia.com>.
- \_\_\_\_\_, China market profile 2012. [http://www.tourism.australia.com/en-au/downloads/MarketProfiles2012\\_China.pdf](http://www.tourism.australia.com/en-au/downloads/MarketProfiles2012_China.pdf).
- \_\_\_\_\_, China market profile 2015. [http://www.tourism.australia.com/documents/Markets/Market\\_Profile\\_2015\\_China.pdf](http://www.tourism.australia.com/documents/Markets/Market_Profile_2015_China.pdf).
- \_\_\_\_\_, International visitor profile 2008 - China. <http://www.tourism.australia.com>.
- \_\_\_\_\_, International visitor profile 2009 - China. <http://www.tourism.australia.com>.
- \_\_\_\_\_, Summary of Tourism Australia's China 2020 strategic plan. 2011-06, [http://www.tourism.australia.com/TA\\_China\\_2020\\_Strategic\\_Plan.pdf](http://www.tourism.australia.com/TA_China_2020_Strategic_Plan.pdf).
- \_\_\_\_\_, The Chinese traveller: segmentation of the Chinese market. [http://www.tourism.australia.com/en-au/downloads/Research\\_Segmentation\\_Study\\_china.pdf](http://www.tourism.australia.com/en-au/downloads/Research_Segmentation_Study_china.pdf).
- The United Nations, Crime and development in Africa. 2005-06, [https://www.unodc.org/pdf/African\\_report.pdf](https://www.unodc.org/pdf/African_report.pdf).
- University of Hawaii, Identifying and analyzing the Chinese outbound market for Hawaii. 2003, [www.tim.hawaii.edu/ctps/chinese\\_outbound.pdf](http://www.tim.hawaii.edu/ctps/chinese_outbound.pdf).
- UNWTO, Tourism highlight. 2000-2015, <http://unwto.org/facts/menu.html>.
- WEF, The travel & tourism competitiveness report 2015. 2015-07-19, [http://www3.weforum.org/docs/TT15/WEF\\_Global\\_Travel&Tourism\\_Report\\_2015.pdf](http://www3.weforum.org/docs/TT15/WEF_Global_Travel&Tourism_Report_2015.pdf).
- WTTC, China, China Hong Kong SAR and China Macau SAR: the impact of travel & tourism on jobs and the economy. 2003, [http://www.wttc.org/bin/pdf/original\\_pdf\\_file/chksar2003eng.pdf](http://www.wttc.org/bin/pdf/original_pdf_file/chksar2003eng.pdf).
- \_\_\_\_\_, Tourism satellite account - South Africa. 1994-2014, <http://www.wttc.org/focus/research-for-action/economic-data-search-tool/>.
- \_\_\_\_\_, Travel & tourism economic impact 2015 South Africa. 2015-07-18, <http://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/southafrica2015.pdf>.
- \_\_\_\_\_, Tourism satellite account-South Africa 1994-2020. <http://www.wttc.org/focus/research-for-action/>.

## Theses

- Chan, P., *Motivations of Chinese leisure tourists and their perception of South Africa as a destination*. MA thesis, University of Witwatersrand, 2002.
- Cui, Z., *Shanghai outbound tourists' images of seven European destinations: a comparison of visitors and non-visitors*. MA thesis, Bournemouth University, 2004/2005.
- Gao, G. H., *A study of the factors that will increase the number of Chinese tourist visits to South Africa, with a particular reference to the Chinese tourism industry in Shanghai*. MA thesis, Durban University of Technology, 2004.
- Grenke, J., *Approved destination status: New Zealand, Australia and lessons for the Canadian immigration system*. MA thesis, Simon Fraser University, 2006.
- Guo, W., *Strategies for entering the Chinese outbound travel market*. PhD thesis, Victoria University, 2002.
- Hu, J., *The perceptions of Chinese tourists of the Western Cape region travel destination*. MA thesis, Nelson Mandela Metropolitan University, 2008.
- Jiang, P., *A conceptual framework of marketing Chinese tourists to the Western Cape wine routes*. MA thesis, Cape Peninsula University of Technology, 2008.
- Jørgensen, M. T., *Catering to the dragon: is the Danish tourism sector "China ready"?* MA thesis, Aalborg University, 2012.
- Lahouati, J., *Attracting Chinese tourists to Denmark: a focused study on Chinese tourists' perceptions*. MA thesis, Copenhagen Business School, 2012.
- Li, M., *Modeling the travel motivation of Mainland Chinese outbound tourists*. PhD thesis, Purdue University, 2007.
- Li, Y., *The development of Chinese tourism to South Africa: a historical perspective*. MA thesis, University of Pretoria, 2006.
- Pan, G. W., *Business partnership relationships in the Chinese inbound tourism market to Australia*. PhD thesis, Griffith University, 2004.
- Pei, L., *Perspectives of travel agencies with China with regards to promoting South Africa as a leisure tourist destination: an explanatory study*. MA thesis, Cape Peninsula University of Technology, 2006.
- Tian, F. S., *Is Auckland ready for Chinese travellers? An analysis of Chinese tourists' urban destination requirements and Auckland's capability to provide them*. MA thesis, Auckland University of Technology, 2008.
- Tse, S. M., *Forces shaping the trends and patterns of China's outbound international tourist flows*. PhD thesis, Southern Cross University, 2009.
- Verhelst, V., *Study of the outbound tourism industry of the People's Republic of China: the probability of a bilateral ADS agreement between the PRC and the Shengen area*. MA thesis, Katholieke Universiteit, 2003.
- Wan, J., *An investigation of the factors that influence the decision-making of Chinese tourist travelling to South Africa*. MA thesis, Nelson Mandela Metropolitan University, 2005.
- Yu, B., *The image of South Africa among visiting Chinese tourists: implication for destination positioning and marketing strategy*. MA thesis, University of the Western Cape, 2004.

- Zhang, L., *The UK as a destination choice for Chinese tourists: an analysis of tourist motivation factors*. MA thesis, University of Nottingham, 2006.
- Zhang, W., *The motivations, constraints and decision-making of Beijing outbound tourists*. PhD thesis, University of Waikato, 2009.
- Zhao, C., *New Zealand's destination image and the Chinese outbound tourism market: a comparative study between the Beijing (north) and Guangdong (south) markets*. MA thesis, Auckland University of Technology, 2006.
- Zhu, Z., *Understanding Chinese outbound tourists and their internet use for travel decision-making*. MA thesis, University of Manitoba, 2004.
- Zou, P., *Image versus position: Canada as a potential destination for Mainland Chinese*. MA thesis, University of Waterloo, 2007.

## Conference, research and working papers

- Arita, S. *et al.*, How big? The impact of approved destination status on Mainland Chinese travel abroad. Working paper No. 2012-3, 2012, [www.uhero.hawaii.edu/assets/WP\\_2012-3.pdf](http://www.uhero.hawaii.edu/assets/WP_2012-3.pdf).
- \_\_\_\_\_, How China's approved destination status policy spurs and hinders Chinese travel abroad. Working paper No. 2012-6, 2012, [www.uhero.hawaii.edu/assets/WP\\_2012-6R.pdf](http://www.uhero.hawaii.edu/assets/WP_2012-6R.pdf).
- Chai, P. P., China's economy and tourism to Australia. A paper presented at the International Conference on China and the Asia Pacific Economy, 1996.
- Chow, I. and Murphy, P., Travel preferences for foreign destinations: evidence of Chinese outbound tour group tourists traveling to Australia. A paper at CAUTHE 2007: Tourism: past achievements, future challenges, 2007.
- Dai, X., A primary analysis of the general consumption level of Chinese outbound tourism. 2005-01-17, <http://www.casstourism.com/>. (Chinese)
- \_\_\_\_\_, A primary research on the policies of Chinese outbound tourism. 2005-01-17, <http://www.casstourism.com/>. (Chinese)
- Lewis, J. D., Policies to promote growth and employment in South Africa. A discussion paper released by the Southern Africa Department of the World Bank on aspects of the economy of South Africa, 2001.
- Peng, X., A study on the tourism destination image of Japan in the Chinese market. A working paper No. 2013-09, 2013, [assets.conferencespot.org/fileserver/file/.../101.pdf](http://assets.conferencespot.org/fileserver/file/.../101.pdf).
- Phillips, G. and Govender, J., Overview of the South African tourism and hospitality sector. A research paper prepared for the National Labour and Economic Development Institute, 2001.
- Zhang, G., China's outbound tourism: an overview. A paper at WTM-CHINACONTACT conference, 2006, <http://www.som.surrey.ac.uk/WTM/GuangruiWTMChinaOutboundTourism2006text.pdf>. (Chinese)
- Zhang, J., A research on the current development of Chinese outbound tourism, its trends and policies. A paper at the 1<sup>st</sup> international forum on Chinese outbound tourism, 2003. <http://www.outbound-tourism.cn/Chinese/First.htm>. (Chinese)

\_\_\_\_\_, The development of Chinese outbound tourism and its policy orientation. A paper at the 2<sup>nd</sup> international forum on Chinese outbound tourism, 2005,  
<http://www.outbound-tourism.cn/Chinese/index.asp>. (Chinese)

## Speeches

NDT, Speech by Minister Van Schalkwyk at Indaba 2014 opening ceremony. 2014-05-10,  
<http://www.tourism.gov.za/Media-Statements/Speeches/Pages/Speeches.aspx?p2014=2>.

Shao, Q., A speech at a conference of the reform and opening up of the tourism industry of China.  
2008-12-30, <http://www.cnta.gov.cn>. (Chinese)

\_\_\_\_\_, A speech at the 2005 national tourism forum. 2005-08-31, <http://www.cnta.gov.cn>. (Chinese)

\_\_\_\_\_, A speech at the 2005 national tourism working conference. 2005-08-31, <http://www.cnta.gov.cn>.  
(Chinese)

\_\_\_\_\_, A speech at the 2009 national tourism conference. 2009-02-05, <http://www.cnta.gov.cn>. (Chinese)

\_\_\_\_\_, A speech on the 2007 national tourism conference. 2007-01-20, <http://www.cnta.gov.cn>. (Chinese)

Van Schalkwyk, M., A speech at the launch of the joint venture between SA Tourism and Kulula.com to promote domestic tourism. 2008-03-11, <http://www.environment.gov.za>.

\_\_\_\_\_, A speech at the world tourism day business breakfast. 2012-09-26,  
<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=30974&tid=84935>.

Zuma, J., State of the nation address. 2009-06-03,  
<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=266&tid=54>.

\_\_\_\_\_, State of the nation address. 2011-02-10,  
<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=16154&tid=27985>.

\_\_\_\_\_, State of the nation address. 2012-02-09,  
<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=16154&tid=27985>.

## Media release

Anon., Chinese citizens apply visas in Shanghai from Nov 17<sup>th</sup>. 2003-11-14,  
<http://sh.sina.com.cn/news/20031114/154222018.shtml>. (Chinese)

Anon., Easier travelling to South Africa, visa issued in Shanghai and direct airline expected soon.  
2003-11-14, <http://news.tom.com>.

Anon., Entrepreneurs flock to tourism sector. *Business Day*, 2005-09-21.

Anon., SA Tourism takes diversity of South Africa to China. *Star*, 2005-09-22.

Australian government, DRET, DIAC and TA, China ADS focus 1-25.  
<http://www.ret.gov.au/tourism/publications/Pages/Publications.aspx>.

Australian government, DRET, DIAC and TA, China ADS focus: ADS 10<sup>th</sup> anniversary special edition.  
2009-04-22.

Chen, X. and Huang, P., The emergence of consumerism culture in Chinese society. 2015-07-15,  
<http://blog.boxun.com/sixiang/000711/3.html>. (Chinese)

- China.com.cn, The transformation of Chinese consumption ideology in 13 years. *Economic daily*, 2002-10-28, <http://www.china.com.cn/chinese/EC-c/223891.htm>. (Chinese)
- DEAT, DEAT and SA Tourism unveil plans to boost domestic tourism - Tourism Indaba. 2004-05-10, <http://www.environment.gov.za>.
- \_\_\_\_\_, Off to China to sign a MOU for ADS. 2002-11-13, <http://www.satsa.com/news/messages/108.html>.
- DRET, \$30 million and high level forum to boost tourism from China. 2010-06-21, [http://minister2.ret.gov.au/mediacentre/mediareleases/pages/\\$30millionandhighlevelforumtoboosttourismfromchina.aspx](http://minister2.ret.gov.au/mediacentre/mediareleases/pages/$30millionandhighlevelforumtoboosttourismfromchina.aspx).
- DRET, Upgrades for China Approved Destination scheme. 2012-08-23, <http://minister.ret.gov.au/mediacentre/mediaReleases/Pages/upgradesCADS.aspx>.
- Embassy of the PRC of South Africa, China-South African relations on fast track. 2015-07-19, <http://www.chinese-embassy.org.za/eng/zngx/gk/t942572.htm>.
- Embassy of the PRC of South Africa, South African newspaper *Pretoria News* published H. E. Ambassador Tian Xuejun's article titled "Mission to strengthen ties". 2014-12-10, <http://www.chinese-embassy.org.za/eng/sgxw/t1220290.htm>.
- Gonzalez, R., China outbound demands more as it hits early adulthood. *Travel weekly*, 2006-05, [http://www.chinaoutbound.com/fileadmin/template/pdf/Media\\_references/2006/0506\\_China\\_outbound\\_demands\\_more\\_as\\_it\\_hits\\_early\\_adulthood.pdf](http://www.chinaoutbound.com/fileadmin/template/pdf/Media_references/2006/0506_China_outbound_demands_more_as_it_hits_early_adulthood.pdf).
- Hagen, H., First SA Tourism attaché for Beijing. *Citizen*, 2003-06-02.
- Jackson, D., High-profile visits set stage for economic co-operation. *Business Day*, 2004-10-01.
- Liu, G., A message from ambassador. *Star*, 2003-10-01.
- Lu, X., The golden period of the growth of the middle stratum of China. 2010-02-11, <http://www.chinaelections.org/article/93/169061.html>. (Chinese)
- Merrill Lynch and Capgemini, Merrill Lynch and Capgemini released 12<sup>th</sup> annual world wealth report. 2008-06-24, [http://www.capgemini.com/m/en/doc/WWR08PRMain\\_FINAL.pdf](http://www.capgemini.com/m/en/doc/WWR08PRMain_FINAL.pdf).
- Ministry of Foreign Affairs of the PRC, Bilateral relations between China and Australia. 2012-01-17, <http://www.fmprc.gov.cn>. (Chinese)
- \_\_\_\_\_, Bilateral relations between China and South Africa. 2011-08-22, <http://www.fmprc.gov.cn>. (Chinese)
- NDT, Letter from the editor. *Bojanala 2*, 2014.
- \_\_\_\_\_, Reflecting on the past 20 years of tourism growth. *Bojanala 2*, 2014.
- \_\_\_\_\_, Minister launched national tourism sector strategy. 2011-03-24, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=17255&tid=30675>.
- \_\_\_\_\_, President Zuma welcomes news of tourism growth. 2012-10-15, <http://www.tourism.gov.za/AboutNDT/Ministry/News/Pages/President-Zuma-welcomes-news-of-tourism-growth.aspx>.
- O'Reilly, B., How to create good Chinese tourists, *ChinaOutlook*, 2014-12-30. <http://chinaoutlook.com/create-good-chinese-tourists/>.
- People's Daily*, Celebrating ten years of freedom in South Africa and the South Africa-China partnership. 2008.
- SAA, South African Airways (SAA) introduces non-stop flights to Beijing, China. 2012-01-31, <http://www.flysaa.com/za/en/flyingSAA/News/Saa-introduces-non-stop-flights-to-beijing-china.html>.

- SAT, China now SA's 4<sup>th</sup> largest overseas tourist market. 2013-01-23,  
<http://www.southafrica.net/trade/en/news/entry/news-china-now-sas-4th-largest-overseas-tourist-market>.
- \_\_\_\_\_, Minister van Schalkwyk visits China. 2013-01-23,  
<http://www.southafrica.net/media/en/news/entry/press-release-minister-van-schalkwyk-visits-china>.
- \_\_\_\_\_, South African Tourism inaugurates Beijing office. 2010-06-21,  
<http://www.southafrica.net/za/en/news/entry/news-media-and-stakeholder-south-african-tourism-inaugurates-beijing-office>.
- \_\_\_\_\_, Tourism from China set to soar. 2012-03-19,  
<http://www.southafrica.net/za/en/news/entry/news-southafrica.net-tourism-from-china-set-to-soar>.
- Slabbert, D., China and Japan...here we come. *Enterprise*, 2004-05-31.
- Traveller24, SAA cancels R1bn loss-making Beijing route. 2015-01-30,  
<http://traveller24.news24.com/News/Flights/SAA-cancels-loss-making-Beijing-route-20150130>.
- RSA, South African tourist guides graduate in Chinese language. 2006-02-09,  
<http://www.info.gov.za/speeches/2006/06021008151001.htm>.
- SouthAfrica.info, SA Airways to fly non-stop to Beijing. 2011-12-19,  
<http://www.southafrica.info/travel/saabeijing-131211.htm>.
- \_\_\_\_\_, SAA makes first non-stop flight to China. 2012-02-01,  
<http://www.southafrica.info/travel/saa-china.htm>.
- TA, 10-year plan to realize the future potential of tourism from China. 2011-06-08,  
[http://www.media.australia.com/en-au/mediareleases/7762\\_6487.aspx](http://www.media.australia.com/en-au/mediareleases/7762_6487.aspx).
- \_\_\_\_\_, Discover your Australia online drama launched in China. 2012-09-25,  
[http://www.tourism.australia.com/en-au/news/6609\\_6646.aspx](http://www.tourism.australia.com/en-au/news/6609_6646.aspx).
- The Embassy of the PRC in the Republic of South Africa, A Chinese teacher is to conduct Chinese training course for local tourist guides. 2005-01-20, <http://www.chinese-embassy.org.za/chn/znlj/t180596.htm>.

## Other

- CNTA, Countries and areas with the ADS 1983-2014. 2014-09-24, <http://www.cnta.com>.
- \_\_\_\_\_, Tourism statistics 1978-2014. <http://www.cnta.com>.
- DRET, A Strengthened China ADS scheme - key facts.  
[http://www.ret.gov.au/tourism/Documents/Tourism/Tourism%20Policy/China%20Approved%20Desitnati%20Scheme/ADS\\_Fact\\_Sheet.pdf](http://www.ret.gov.au/tourism/Documents/Tourism/Tourism%20Policy/China%20Approved%20Desitnati%20Scheme/ADS_Fact_Sheet.pdf).
- \_\_\_\_\_, China approved destination status (ADS) scheme. 2012-09-25,  
<http://www.ret.gov.au/tourism/business/china-ads-scheme/mou/Pages/mou.aspx>.
- \_\_\_\_\_, Memorandum of understanding. 2012-09-25,  
<http://www.ret.gov.au/tourism/business/china-ads-scheme/mou/Pages/mou.aspx>.
- People.com.cn, The “three-step” development strategy. 2015-07-15,  
<http://cpc.people.com.cn/GB/64156/64157/4509545.html>. (Chinese)
- SAFE, The foreign currency reserve 1978-2014. <http://www.safe.gov.cn/>.
- SAS, Tourism report 1994-2014. [www.statssa.gov.za](http://www.statssa.gov.za).
- SAT, Research in the website of SAT. <http://www.southafrica.net/research/en/landing/research-home>.
- UNWTO, Facts and figures. [www.unwto.org](http://www.unwto.org).

**UNIVERSITY OF PRETORIA  
FACULTY OF HUMANITIES  
RESEARCH PROPOSAL & ETHICS COMMITTEE**

## DECLARATION

Full name: Li Ying

Student Number: 23062658

Degree/Qualification:

PHILOSOPHIAE DOCTOR (HERITAGE AND CULTURAL TOURISM)

Title of thesis:

**Chinese outbound tourism to South Africa: a strategic approach**

I declare that this thesis is my own original work. Where secondary material is used, this has been carefully acknowledged and referenced in accordance with university requirements.

I understand what plagiarism is and am aware of university policy and implications in this regard.



2015-03-31

---

**SIGNATURE**

---

**DATE**