

## Chapter 1

### Introduction

#### Background and Significance of Research Problem

Since the reform and opening China's tourism industry has developed rapidly. Globalization and localization have rapidly changed the distribution pattern of China's tourism industry, and at the same time promoted the rapid movement of tourism flows and their associated flows. At present, China is also the world's largest outbound tourism market. In the past two decades, China's outbound tourism has grown at a high speed, with an average annual growth rate of about 15%. Outbound tourism has become a way of life for more and more Chinese people (Li et al, 2020, p. 1589). Before the pandemic, Chinese tourists were eager travelers. Mainland China had the largest outbound travel market in the world, both in number of trips and total spend (UNWTO, 2021). In 2019, Mainland Chinese tourists took 155 million outbound trips, totaling \$255 billion in travel spending. China is also an important source market for some major destinations. For instance, Chinese travelers made up 28 percent of inbound tourism in Thailand, 30 percent in Japan, and 16 percent of non-EU visitors to Germany (UNWTO, 2009, pp.1-10).

As COVID-19 spreads across the world, many countries are instituting short-term travel restrictions to control the outbreak. When COVID-19 was at its peak, Chinese citizens were essentially forced to protect themselves against COVID-19 by staying close to home, limiting social contact and wearing protective masks when going out in public. As the occurrence of the COVID-19 has brought a heavy blow to the outbound tourism industry. The impact of the pandemic on China's outbound tourism has far exceeded the impact of the severe acute respiratory syndrome outbreak in 2003. As the world's largest source of outbound tourists (Huang and Lu, 2019, pp.307-329), the post-pandemic recovery of the Chinese outbound tourism industry is critical to the sound development of tourism globally. Therefore, it is

necessary to study the factors that impact the after covid-19 pandemic outbound travel intentions of Chinese residents.

According to the United Nations World Tourism Organization (UNWTO), it is estimated that the number of tourists in 2020 will be 20%-30% lower than in 2019, and international tourism revenue will be reduced by US\$300 to 450 billion. Another recent report of the World Tourism Council predicts that 75 million tourism jobs are threatened because of the pandemic, and the output value of the tourism industry is expected to lose US\$2.1 trillion in 2020. Mobility has become one of the most important human-social phenomena of human activities in the era of globalization and has had an important impact on the China natural environment of human existence, social and cultural environment, and regional socio-economic spatial structure. The world before the epidemic benefited from mobility and formed a positive effect of mobility. The global transportation network made the earth a global village with rapid flow of tourists and information. After the outbreak of the epidemic, the world has been constrained by mobility. China tourism mobility has affected the spread of the epidemic to a certain extent and the negative effect of tourism mobility is prominent. Therefore, the supply of China tourism policies in the normalization stage of epidemic prevention and control has always been centered around "flow control" and "industry bailout".

In accordance with the goal of "China's dynamic clearing" and the prevention and control requirements of the new crown pneumonia epidemic of "foreign defense against importation and internal defense against rebound", various Chinese ministries and commissions have introduced a number of policies and measures to restrict and standardize the opening of tourism business sites and the operation and management of tourism business. First, Chinese government is that multiple departments have introduced policies to restrict inbound and outbound travel. Strictly limit the outbound and inbound tourism business by controlling the passenger load factor and canceling the qualification of some travel agencies for inbound and outbound tourism business. Second, The Chinese government "New Coronavirus Pneumonia Prevention and Control Plan (Ninth Edition)" optimizes and adjusts the period and method of isolation management for risk personnel. For

foreign travel, the isolation and control time for inbound personnel has been adjusted from "14 days of centralized isolation medical observation + 7 days of home health monitoring" to "7 days of centralized isolation medical observation + 3 days of home health monitoring" (China Tourism Handbook, 2023, pp. 1-19). Therefore, it can be seen that the change policy of Chinese government about after COVID-19 has had a significant impact on the outbound tourism decisions of tourists.

**Table 1.1** Examples of relevant tourism policies after the outbreak of COVID-19

Reference/ release time	Publishing authority	Policy	Information Topic
Interprovincial travel Business/ 2021/12/17	Ministry of Culture and Tourism office	Ministry of Culture and Tourism Enhanced 2022 Tourism team during New Year's Day and Spring Festival.	Suspension of entry and exit from land border port cities (with Hong Kong, Macau has a port connection) inter-provincial group tour And "air ticket + hotel" business
Interprovincial travel Business/ 2021/08/05	Ministry of Culture and Tourism office	About the General Office of the Ministry of Culture and Tourism. Actively respond to the new crown pneumonia epidemic.	Suspend or resume travel in strict accordance with the risk level of the epidemic situation in various places. Travel agencies operate Inter- provincial team travel and "air ticket + hotel" business.

**Table 1.1** Examples of relevant tourism policies after the outbreak of COVID19 (Cont)

Reference/ release time	Publishing authority	Policy	Information Topic
Bailout support Measure/ 2022/02/18	National Development and Reform Committee and other 14 departments	Regarding the difficulties in promoting the service sector. Some Policies for the Recovery.	Introduced 7 support measures for the tourism industry, aiming at Transportation, catering and other related industries related to tourism services. A number of bailout support measures have been introduced.
Exit, entry travel business/ 2020/03/13	Transportation Department	The Ministry of transport on accurate and Orderly.Resumption of transportation services, a solid push.	1) Strictly prevent and control the transportation of inbound personnel. 2) District and graded control of passenger load factor
Exit, entry travel business/ 2020/03/26	China Civil Aviation air bureau	Continuing to adjust during the epidemic prevention and control period. Notice on Reducing the Volume of Passenger Flights.	1) Airlines can use passenger aircraft to carry out all-cargo flights. 2) The passenger load factor of flights arriving and departing from China is not higher than 75%.

**Table 1.1** Examples of relevant tourism policies after the outbreak of COVID19 (Cont)

Reference/ release time	Publishing authority	Policy	Information Topic
Exit, entry travel business/ 2020/10/23	Ministry of Culture and Tourism Office	Ministry of Culture and Tourism strictly focus on culture and tourism. The urgency of the industry's epidemic prevention.	1) Travel agencies and online travel companies are not allowed to operate entry and exit. Group tourism and "air ticket + hotel" business shall not be. What kind of flexibility.

At present, Chinese government stated that starting from January 8, 2023, it will resume in an orderly manner the acceptance and approval of ordinary passports for Chinese citizens traveling abroad and visiting friends, resume the processing of visas for mainland residents traveling to Hong Kong for tourism and business, and cancel the entry quarantine policy (China Tourism Handbook, 2023, pp.1-19). After the policy was updated, the US embassy in China and visa application centers in many places in Europe followed up and indicated that visa services would resume. In order to return to China or traveling abroad and visiting friends when the new policy took effect, they spent thousands of dollars more in ticket change fees. Furthermore, Some countries, such as Japan, the United States, Italy, and India, have imposed nucleic acid testing requirements on passengers departing from China. Relatively few flights still cost tens of thousands of air tickets to return home. Therefore, it can be seen that the spent thousands of dollars more in Air ticket change fees about after COVID-19 has had a significant impact on the outbound tourism decisions of Chinese tourists.

The Chinese government took a series of measures, including suspending team outbound tours, closing scenic spots, and canceling various large-scale activities, to curb the spread of the epidemic. After conducting empirical analysis on the

influencing factors of Chinese tourists' decisions to travel abroad, it was found that among the decisions that affect Chinese tourists' travel abroad, according to the degree of impact attitude of local tourism service personnel towards Chinese tourists, options for flights and other modes of transportation, accommodation prices, and free cancellation of reservations for accommodation that you have direct transportation to China, classification and grading of hotels, convenient access to tourist destination information, and marital status (China Tourism Handbook, 2023, pp. 1-19). Thus, this research takes the post epidemic era of the COVID-19 epidemic as the research background, starts from the theory of Porter's diamond model that include the government policies variables, chances events variables, factors conditions variables, demand conditions variables, related industries variables and corporate strategy variables (Sunil- Tiwari et al, 2023, pp. 177-202; Xu, J. 2019, pp. 565-569; Luo, X. 2019, pp. 828-832; Yuhang; Li et al, 2020, p.1589; Wang Li et al, 2019, pp.1-16) and the theory of tourism decision-making behavior to build a model of influencing factors for Chinese tourists to travel abroad (Tourism market research website, 2023, pp. 172-191; Fernando, 2021, pp. 1-30).

## **Research Objectives**

1. To study travelling abroad behavior of Chinese tourists.
2. To examine factors affecting Chinese tourists' decision to travel aboard.

## **Research Hypothesis**

According to the theory of Porter's diamond model, we believe that tourism competition is mainly affected by the following six assumptions:

- H1: Government policies affects Chinese tourists' decision to travel aboard.
- H2: Chances events affects Chinese tourists' decision to travel aboard.
- H3: Factors conditions affects Chinese tourists' decision to travel aboard.
- H4: Demand conditions affects Chinese tourists' decision to travel aboard.

H5: Related industries affects Chinese tourists' decision to travel aboard.

H6: Corporate strategy affects Chinese tourists' decision to travel aboard.

## **Scope of the Study**

### **1. Scope of Contents**

Researcher takes the post epidemic era of the COVID-19 epidemic as the research background, starts from the theory of Porter's diamond model that include the government policies variables, chances events variables, factors conditions variables, demand conditions variables, related industries variables and corporate strategy variables.

### **2. Scope of Population Sampling**

Chinese tourists aged 18 or above who have experience traveled aboard more than one times or who will travel abroad after the epidemic.

### **3. Scope of Area**

The scope of the area will all customers who live in China.

### **4. Scope of Timing**

Data collection will be completed in August 2023.

## Conceptual Framework

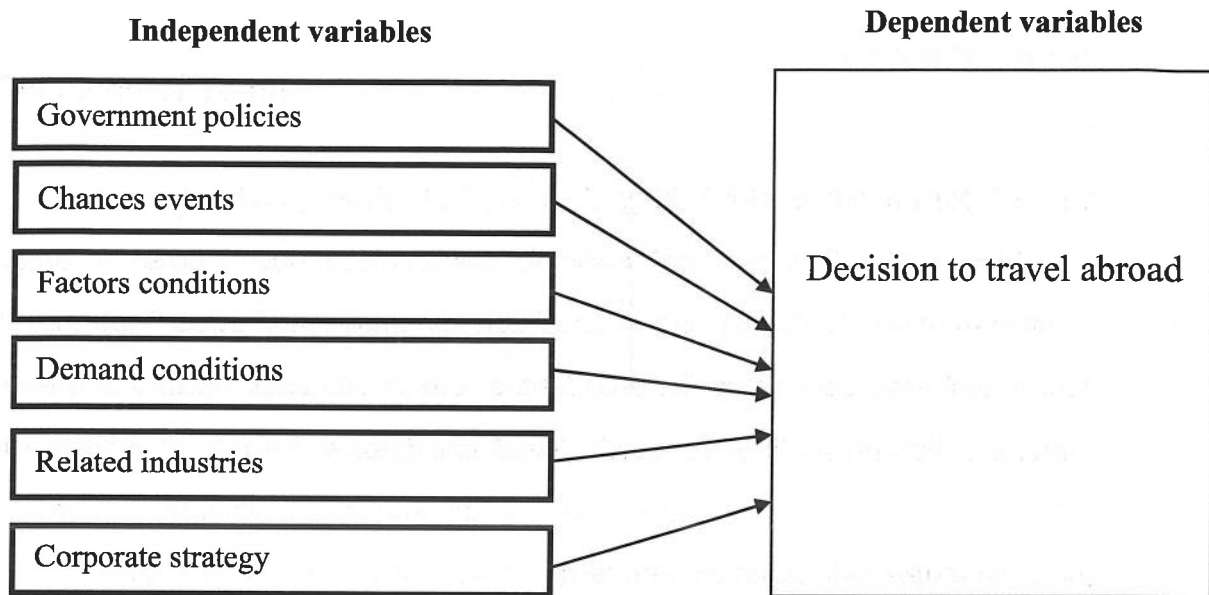


Figure 1.1 Conceptual framework

## Definition of Terms

Outbound tourism refer to Tourism is divided into outbound tourism and domestic tourism. Outbound tourism usually refers to traveling to countries or regions outside your own country for holidays. It is the most direct way to experience exotic customs and civilizations. The content covered can be subdivided into various destinations, such as Southeast asia travel, European tourism, Australian tourism, American tourism, Middle East and Africa tourism, etc.

Travel abroad refer to Traveling to other countries or regions with a passport, including border travel, Hong Kong and Macau travel and overseas travel. Traveling to different regions requires different travel documents. At present, my country's overseas travel refers to Chinese citizens traveling abroad at their own expense, that is, Chinese citizens are organized by Chinese tourism companies to travel abroad at



their own expense in a team, including visiting relatives, visiting friends and other short-term private trips abroad. Adopt the guideline of "planned, organized, and controlled development" for self-funded overseas travel by citizens.

Michael Porter diamond Model: refer to six elements are the diamond model proposed by Michael E. Porter, which is widely used in the research on international trade in services (Zhang, 2023, p. 03009; Yao et. al., 2023, p.79; Xian, 2022,p.4).

Factors condition: refer to the status of a country's production in specific industry competition, including human resources, natural resources, knowledge resources, capital resources, and infrastructure.

Demand conditions: refer to what is the domestic market demand for the product or service provided by the industry. Refers to the nature of domestic demand for a product or service in an industry. Porter's theory places great emphasis on the role of domestic demand in stimulating and enhancing a country's competitive advantage. Generally speaking, businesses are most responsive to the needs of their closest customers. Therefore, the shortcomings of domestic demand play a particularly important role in shaping the characteristics of domestic products, generating technological innovation and pressure to improve quality. Porter believes that if a country's domestic consumers are mature, complex and demanding, it will help the country's enterprises to gain an international competitive advantage.

Related industries: refers to whether there are domestic suppliers with international competitiveness and associated auxiliary industries. Whether the related industries and upstream industries of these industries are internationally competitive.

Corporate strategy: refer to the foundation, organization and management of the business in a country, and the performance of competitors in the domestic market. The "diamond model" formed by the above four key elements is a two-way strengthening system. These elements may strengthen the speed at which domestic enterprises create domestic competitive advantages, and may also cause the

development of enterprises to stagnate. Indeed, even in the most dynamic national environments some firms fail due to the uneven distribution of resources. However, once it can stand out within a country, it will inevitably become a winner in international competition.

Government policy: refer to Porter pointed out that it is enterprises, not the government, that engage in industrial competition, and the creation of competitive advantages must ultimately be reflected in enterprises. What the government can do is to provide the resources needed by enterprises and create an environment for industrial development. Only when the government plays its role well can it become a force to expand the diamond system. The government can create new opportunities and pressures.

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[https://www.gov.cn/fuwu/2022-06/28/content\\_5698267.htm](https://www.gov.cn/fuwu/2022-06/28/content_5698267.htm)

Chance events: refer to opportunities can be encountered but not pursued, and opportunities can affect changes in the four major elements. Opportunities are actually two-way. It often makes the original competitors lose their advantages while new competitors gain advantages. Only manufacturers that can meet new demands can have development "opportunities".

### **Expected Benefits**

This study is of great significance for the development and policy formulation of the tourism industry and tourism market.

By deeply understanding the decision-making behavior and influencing factors of Chinese tourists traveling abroad, we can better provide targeted products and services for the tourism market, and further promote the development of the tourism market.

For reasonably guiding Chinese tourists to make outbound tourism decisions after the epidemic, efforts in epidemic prevention and control can also be strengthened to better maintain public health and the long-term development of the tourism industry.

At the same time, this paper also provides a new perspective and method for the academic community to expand research in related fields.