

UNWTO-WTCF City Tourism Performance Research Beijing Case Study

Note: This document is a working paper

北京

Beijing



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Background

This research is part of the UNWTO-WTCF City Tourism Performance Research Survey, an instrument for evaluating tourism performance of cities worldwide based on collected data. As one of the 16 participating cities of the survey, Beijing has taken part in data collection and interview to present its performance in tourism development.

The UNWTO-WTCF City Tourism Performance Research Survey includes five key performance areas: Destination Management, Economic Perspective, Social and Cultural, Environmental Perspective and Technology & New Business Models.

Based on initial desk-based research and in consultation with Beijing Tourism Commission, two key performance areas have been identified for further studies, i.e. Destination Management and Economic Perspective.

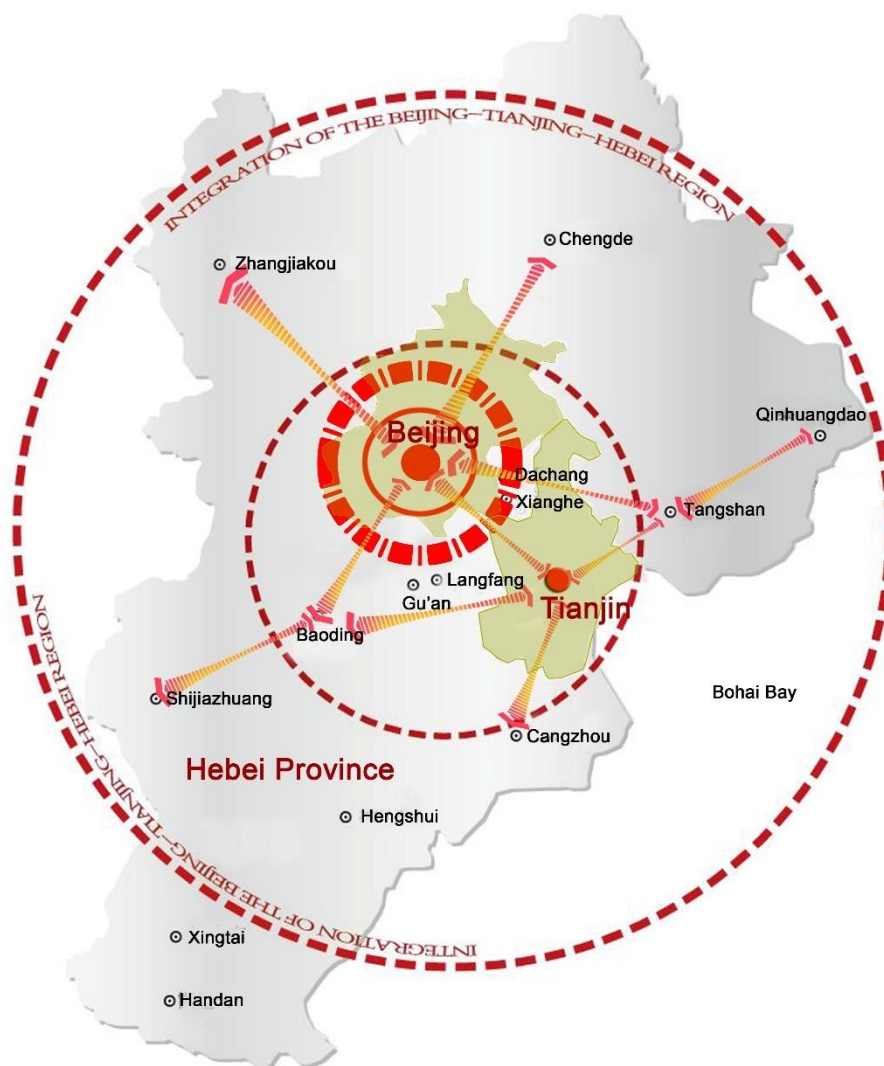
Data of the performance indicators under each performance criteria all came from official sources. In addition, on-site interviews were conducted with Beijing Tourism Commission, Beijing Tourism Association, Beijing Tourism Society as well as tourism-related businesses, experts and other tourism stakeholders to gain further understanding of the city's tourism performance.

The key statistics and survey results carried in this report are up to 2016 and some of the data are up to June 2017.

1. Introduction to Beijing – the City

Beijing, the capital of the People's Republic of China, is one of the four municipalities directly administered by the central government, one of the four ancient capitals and one of the five national core cities in China. According to its latest position, Beijing is the political and cultural center of China and the center for international exchange as well as science, technology and innovation.

Situated in the northern part of the North China Plain, Beijing sits next to the Bohai Bay and on the back of the Yanshan Mountain. It faces the Liaodong Peninsula to the north and the Shandong Peninsula to the south. The city covers an area of 16,410 km², including 6,338 km² of plain, 38.6% of the total, and 10,072 km² of mountains, 61.4% of the total. Beijing has a typical sub-humid continental monsoon climate of the North Temperate Zone, which provides four distinctive seasons, short in spring and autumn yet long in winter and summer.



Source: Mapping according to the Beijing - Tianjin - Hebei urban group

Fig 1.1 Location of Beijing in the Integration of Beijing - Tianjin - Hebei

According to *the 2008/2010 China Human Development Report*, Beijing ranks the second place among Chinese cities in Human Development Index (HDI). In 2016, Beijing registered CNY·2,489.93 billion (US\$·374.99 billion¹) of GDP. As of the end of 2016, the city had a total of 21.73 million of permanent residents, and a per capita GDP of CNY·115,000 (US\$·17,319).

As the main Chinese transport hub on land, Beijing provides convenient transport routes to economically advanced regions in the country, such as Southeast China and Southern China. Beijing-Shanghai railway and Beijing-Guangzhou railway are two major arteries in China's transport system. The annual passenger throughput

¹ It is based on the average exchange rate of RMB against the US dollar by 2016.

of Beijing Capital International Airport, China's aviation gateway, surpassed 90 million on 14 December 2016. The new airport of Beijing, which is expected to be delivered in July 2019, will be the world's largest aviation hub.

With seven UNESCO heritage sites, Beijing is also the city with the largest number of world heritages globally. Beijing has 99 key cultural sites under state protection, five national geological parks, 15 national forest parks and 151 registered museums, including the National Museum of China, the largest museum in the world, and the Palace Museum, one of the world's five largest museums.

Table 1.1 Key Tourism Resources of Beijing

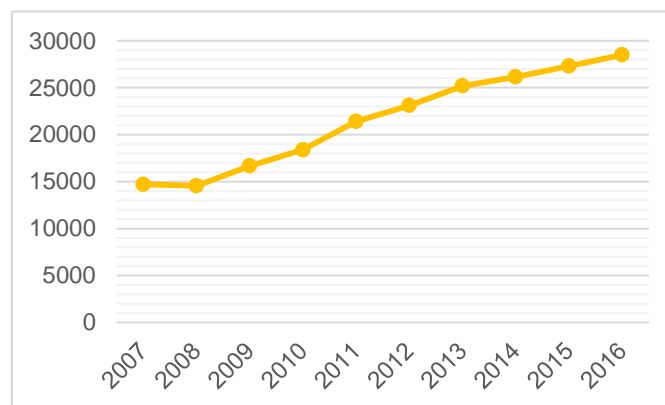
World cultural heritage	The Imperial Palace Museum	The Great Wall	Peking Man Site at Zhoukoudian	
	Temple of Heaven	The Summer Palace	The Ming Dynasty Tombs	Beijing-Hangzhou Grand Canal
World geological park	Beijing Fangshan World Geological Park		China Yanqing World Geological Park	
National scenic area	The Great Wall at Badaling – Ming Dynasty Tombs	Shihua Cave	Eight Great Temples	Prince Gong's Mansion
Famous historical and cultural street in China	Guozijian Street	Yandai Street	Dashilan	Di'an Men Nei Street
Famous historical and cultural town in China	Gubeikou Town, Miyun County	Jiuduhe Town	Ancient Town at Dongba	Wangsiying
Famous historical and cultural village in China	Cuandixia Village, Zhaitang Town	Lingshui Village, Zhaitang Town	Liuliqu Village, Longquan Town	XinchengziJijiaying, Miyun County
Candidate world heritage sites	Grand Canal	Yunju Temple Pagoda	Sutra Cave and stone sutra	Ancient Observatory
	Beihai Park	Marco Polo Bridge		

Source: Beijing Tourism Commission

2. Tourism Development in Beijing

2.1 Size of the Tourism Market

In recent years, tourism development in Beijing has stayed on a fast track. There has been a steady increase in tourist arrivals and tourism revenue, both ranking on top of Chinese cities. In 2015, Beijing received 273 million domestic and international tourists, generating CNY·460.71 billion (US\$ • 73.95 billion dollars, according to the average exchange rate of RMB against the US dollar by 2015) of tourism revenue. Between 2010 and 2015, tourist arrivals increased by 48.3%, or 8.2% per annum; and tourism revenue rose by 66.4%, 10.7% per annum. In 2016, the number of domestic and international tourists visiting Beijing totaled 285 million, up by 4.6% year-on-year, and total tourism revenue reached CNY·502.1 billion (US\$·75.5 billion, according to the average exchange rate of RMB against the US dollar by 2015), up by 9%.

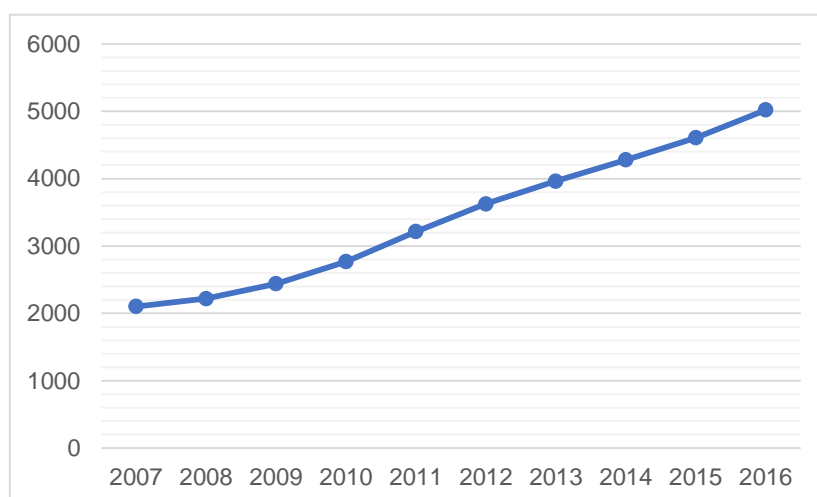


Unit: 10,000

Source: Beijing Tourism Commission

Fig 2.1 Total Tourist Arrivals of Beijing (2007-2016)²

²Unless indicated otherwise, all data used in this report are sourced from Beijing Tourism Commission, Beijing Statistics Bureau and other official institutions.



Unit: CNY·100 million

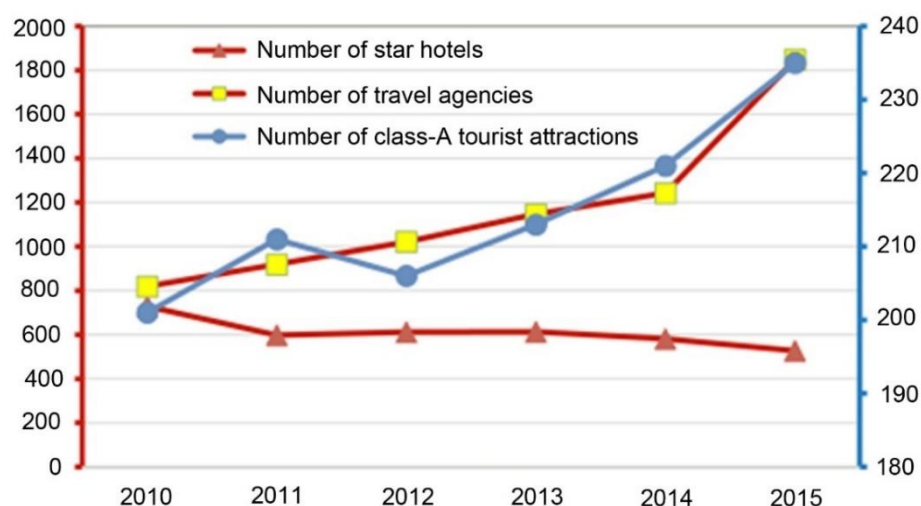
Source: Beijing Tourism Commission

Fig 2.2 Total Tourism Revenue of Beijing (2007-2016)

2.2 Supply of Tourism Industry

As of 2016, Beijing had 235 class-A tourist attractions (including eight 5A ones), 504 star-rated hotels, 1,282 budget hotels, 2,117 travel agencies, 41,811 certified tour guides, 141 star-rated folk villages, 4,008 folk households, 647 distinctive businesses and 33 distinctive tourist towns and villages.

In recent years, Beijing has made continuous efforts to explore potential tourism consumption, with a focus on cultivating “must-buy, must-eat, must-see and must-stay” tourism products. The “Beijing Gift” program launched in 2011 has realized chain operation, with increased number of franchise stores and product varieties expanded from 300 to over 2,000 kinds. The “Taste of Beijing” tourism gourmet festivals stimulated tourist consumption in local restaurants. The “Best Shows of Beijing” handbook of cultural performances was released. Tourist standards such as “Beijing B&B” were improved. New “Beijing Gift” tourist souvenirs were being developed and included in the catalogue of high-end products of Beijing. A group of tourist souvenirs for scenic spots were introduced, and more than 60 old-brand products were added to the “Beijing Gift” series.



Source: Beijing Tourism Commission

Fig 2.3 Number of Star-rated Hotels, Travel Agencies and Class-A Tourist Attractions of Beijing (2010-2015)

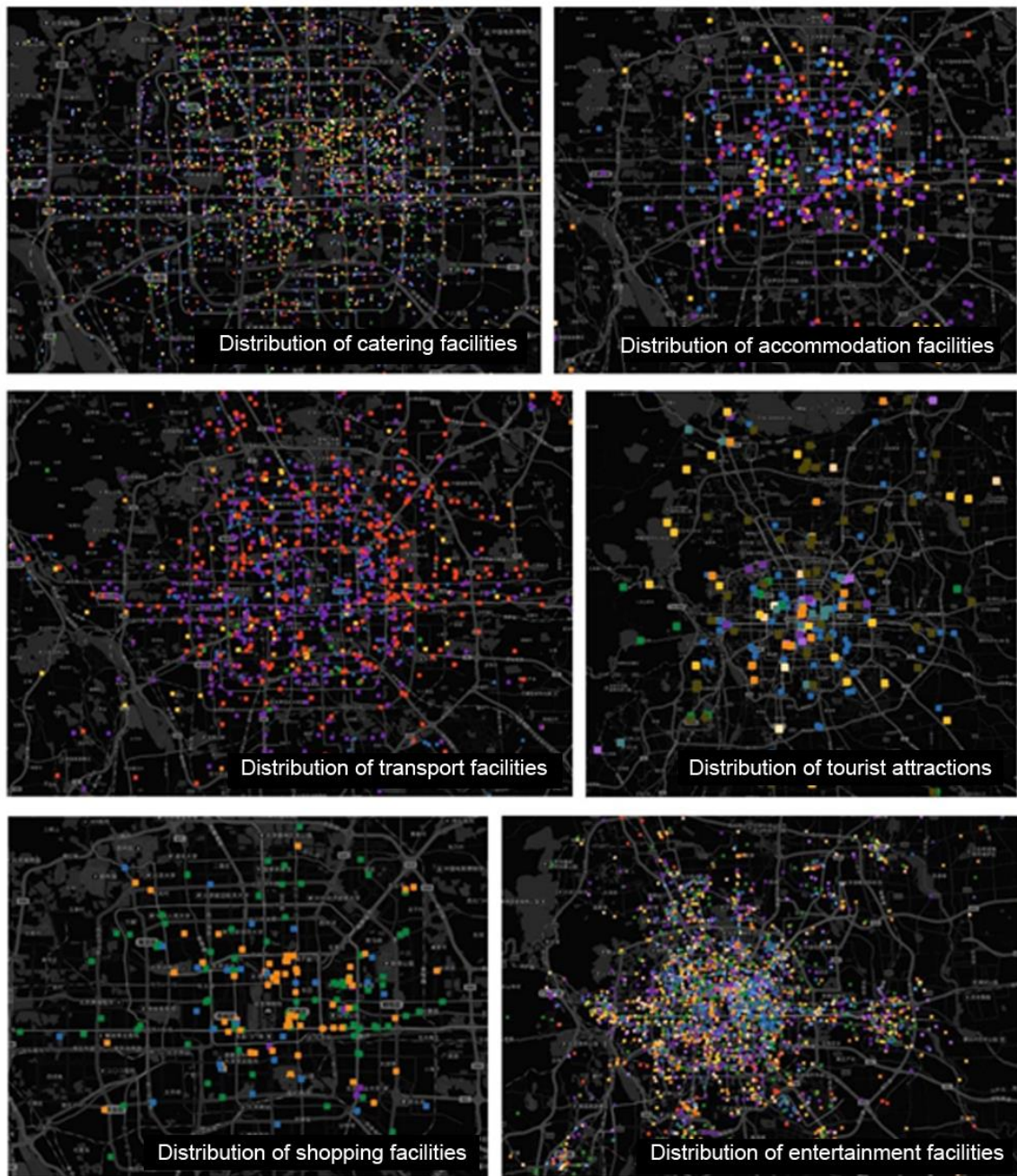
It is noticeable that the decrease of star hotels is accompanying by the increase of other types of accommodation, such as budget hotels, motels, homestay in rural regions, and peer economy.

Table 2.1 Tourist Suppliers in Beijing

Dimension		Category	Number	Proportion
Catering	Main (>4%)	Snack & fast food	1251	8.6%
		Beijing cuisine	741	5.1%
		Northeast China cuisine	740	5.1%
		Xinjiang cuisine	728	5.0%
		Sichuan cuisine	728	5.0%
		Jiangsu & Zhejiang cuisine	726	5.0%
		Hunan cuisine	714	4.9%
		Western food	706	4.9%
		Northwest China cuisine	698	4.8%
		Halal food	687	4.7%
		Buffet	683	4.7%
		Canton cuisine	677	4.7%
		BBQ	638	4.4%
		Home cooking	635	4.4%
		Korean cuisine	621	4.3%
	Minor (3.3~1.0%)	Private home cuisine/ Seafood/ Creative cuisine/ Southeast Asia cuisine/ Yunnan cuisine/ Shandong cuisine/ Anhui cuisine/ Taiwan cuisine/ Vegetarian food/ Hubei cuisine/ Hotpot		
	Extremely few (<1.0%)	Japanese cuisine/ Rice noodles/ Guizhou cuisine/ Russian cuisine/ Others		
		Total	14500	100.0%

Accommodation	Main	2-star and below	9053	61.5%
	Minor (8.9~1.0%)	High-end chain hotel/ Hotel apartment/ Budget chain hotel/3-star/ Hostel/4-star/5-star/ Boutique hotel		
	Extremely few (<1.0%)	Youth hostel		
		Total	14723	100.0%
Transport	Main	Bus station	6925	80.4%
	Minor (6.1~3.8%)	Flight ticket office/ Car rental outlet/ Train ticket office/ Subway station		
	Extremely few (<1.0%)	Wharf/ Long-haul bus station/ Train station/ Airport		
		Total	8610	100.0%
Travel	Main	Theme park	137	35.9%
		Natural scenery	60	15.7%
		Hot spring	56	14.7%
	Minor (7.3~2.9%)	Ancient monuments & sites/ Countryside vacation/ City tour/ Landscape/ Sports & cultural performance sites/ Museum/ Zoo & botanic garden		
		Total	382	100.0%
Shopping	Main	Shopping mall	148	33.1%
		Gift & souvenir shop	82	18.3%
		Chain supermarket	77	17.2%
		Antique store	55	12.3%
	Minor	Walking street	44	9.8%
		Flee market & bazar	41	9.2%
		Total	447	100.0%
Entertainment	Main (>10%)	Internet café	748	12.4%
		Billiards club	746	12.3%
		Bath center	718	11.9%
		DIY handicraft studio	709	11.7%
		Bar	696	11.5%
		Foot massage	687	11.4%
		KTV	670	11.1%
		Arcade	623	10.3%
	Minor (<10%)	Room escape	330	5.5%
		VR	119	2.0%
		Total	6046	100.0%

Source: POI information point data. *Beijing Tourism Development Report (2017)*, Social Science Academic Press



Source: POI information point data. *Beijing Tourism Development Report (2017)*, Social Science Academic Press

Fig 2.4 Spatial Map of Tourist Service Facilities in Beijing

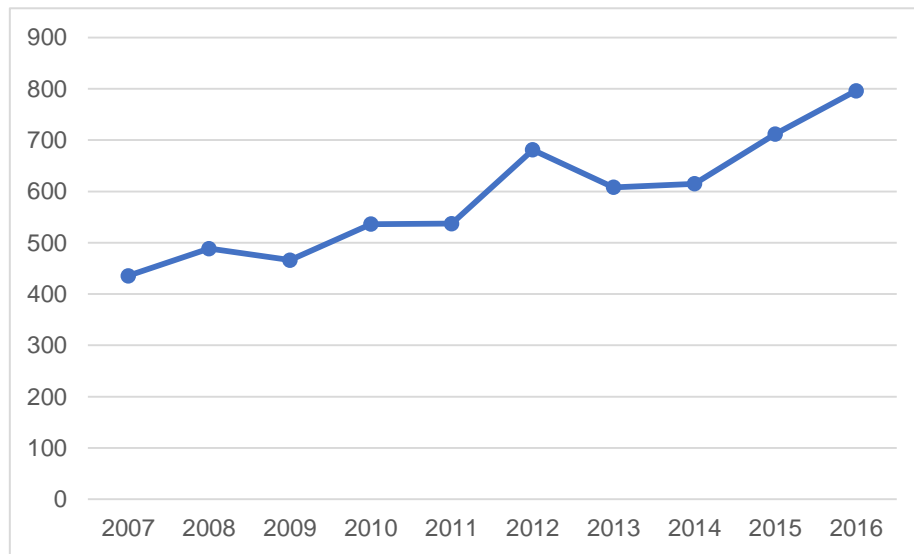


Source: the web

Fig 2.5 “Beijing Gift” Creative Tourist Souvenirs

2.3 Investment in the Tourism Industry

In 2016, fixed-asset investment of tourism-related industries in Beijing reached CNY·79.55 billion (US\$·11.96 billion), up by 11.7% year-on-year, accounting for 9.4% of the total fixed-asset investment of the city.



Source: Beijing Tourism Commission

Fig 2.6 Tourism Investment in Beijing (2007-2016)

2.4 Future Challenges

It should be noted that there are some challenges ahead for the future development of tourism in Beijing.

Firstly, the uncertainty of global economic situation and the transforming of domestic economic structure may have some influence on the tourism development in China, of course, including Beijing Tourism. Globally, the potential growth rate of the world economy may decline, while financial markets suffering from increased vulnerability. The trend towards unequal distribution of income and wealth worldwide will be strengthened. Problems caused by geopolitical risks, refugee crises, political trends of great-powers, terrorism and other related issues, will also affect global economic growth and stability. Domestically, China's economy is in a period of shifting in terms of the speed of economic growth and structure of economic growth powers. The downward pressure on the economy is increasing, and it faces multiple challenges such as steady growth, structural adjustment, and anti-risk. The trend of environmental deterioration has not been fundamentally reversed. The supply of basic public services is still insufficient. All these factors may have significant impacts on the Beijing tourism market.

Secondly, the competition of tourism is getting more and more intensified. Beijing are facing more competitors both at home and abroad. In the age of high-speed railway, the increase of traffic accessibility will also lead to the further increase of competitive intensity of domestic tourist destination. To enhance the

competitiveness of international tourism and improve the domestic tourism service level is the urgent task facing Beijing tourism.

Finally, as other mega cities, Beijing is suffering from "big city disease", such as the high population density, the traffic jam, the high cost of living, as well as air pollution. It is a hard task to improve the service quality for the pouring tourists, as well as the local resident. Currently, the central and municipal governments are trying best to shift Beijing's non-capital functions to neighboring Tianjin and Hebei. The four non-capital functions represented by the general manufacturing industry will be unsolved. This process may be complicated and arduous. During this progress, it is a challenge to provide tourists with high-quality tourism products and high level of tourism services.

3. Findings of Beijing Tourism Performance

Research (1) : Destination Management

Table 3.1 Destination Management

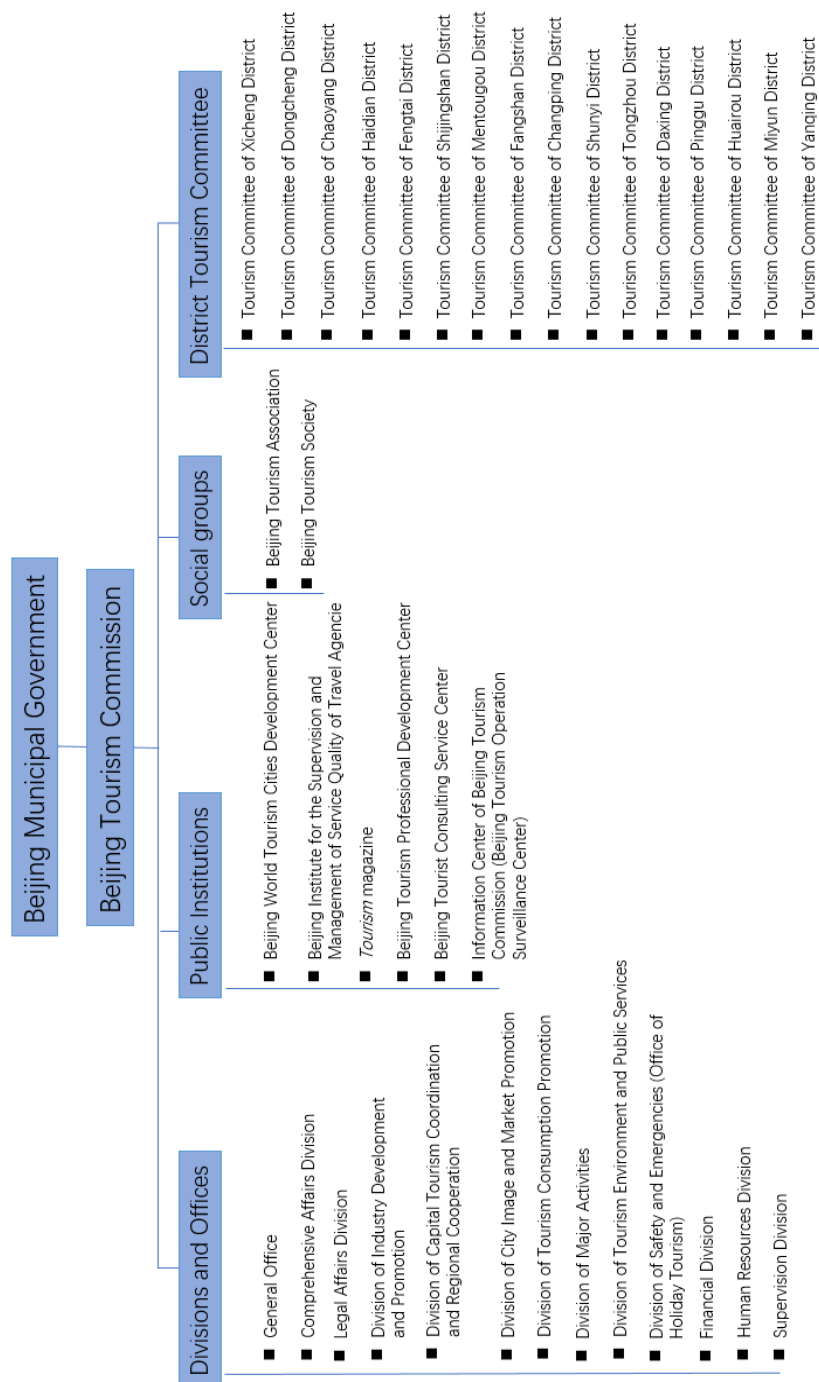
Objectives	Performance criteria	yes (√) /no (×)
Destination growth strategy	● existence of a DMO at the destination	✓
	● clear vision and governance structure for destination in place	✓
	● sustainable tourism policy and regulations within the overall development strategy of the city	✓
	● differentiation of the destination (USP and/or UEP)	✓
	● public and private sectors commitment/involvement	✓
	● collaboration with the stakeholders within and across sectors	✓
	● regular update of the strategy & action plan	✓
	● performance management tools in place (UNWTO proposal (besides the first point) + elaboration)	✓
Visitor satisfaction	● performance measurement tools in place (i.e., long-term trend, benchmarking and impact initiatives with other cities + forecasting the development)	✓
	● repeat visitation (within 5 years)/recommendation (ETIS; UNWTO proposal + elaboration)	×
	● analysis of the visitor satisfaction with different elements of destination (any initiatives in place?) (ETIS; UNWTO proposal + elaboration)	✓
	● analysis of the visitor satisfaction with their overall experience at the destination (any initiatives in place?) (ETIS + elaboration)	✓

3.1 Destination Growth Strategy

3.1.1 Destination Management Organization and Governance

Structure

A comprehensive tourist destination governance system encompassing government departments, industry associations and research institutions has been put in place in Beijing.



Source: Beijing Tourism Commission official website

Fig 3.1 Organizational Structure of Beijing Tourism

·Beijing Tourism Commission

Beijing is the first province-level city taking part in the pilot program of comprehensive tourism reform. At the beginning of 2011, the Beijing Municipal Government took the pioneering step of upgrading Beijing Tourism Bureau into Beijing Tourism Commission, and incorporated the new agency as part of the municipal government. As a result, tourism development became a multi-agency effort instead of the work of one single department, and the functions of industry development, resource allocation, coordination and service supervision were strengthened under the Tourism Commission.

Currently, Beijing Tourism Commission mainly undertakes the following duties:

(1) strategic planning: formulating and organizing the implementation of the city's tourism development strategy, five-year development plan, action plan and policy measures;

(2) tourism development: overseeing the protection and development of tourism resources, coordinating the development of the tourism industry, guiding the planning and development of key tourism regions, tourism destinations and routes and new tourism businesses, coordinating and providing services for tourism investment, promotion and major tourism projects;

(3) marketing: formulating and implementing tourism marketing strategies, presenting and promoting the city's tourism image, conducting tourism exchanges with foreign countries, taking part in regional tourism cooperation, organizing and coordinating major tourism festivals and exhibitions and cultivating tourism brands;

(4) industry management: overseeing the enforcement of tourism laws and regulations, drafting and organizing the implementation of local legislations, supervising the order of tourism market and quality of tourism services, managing the special fund for tourism development, strengthening public tourism services, and overseeing tourist safety regulation, tourism industry organization and management, and tourism professional training.

There are 14 divisions and offices under Beijing Tourism Commission. It also has several affiliated organizations such as Beijing World Tourism Cities Development Center, Beijing Institute for the Supervision and Management of Service Quality of Travel Agencies, *Tourism* magazine, Beijing Tourism Professional Development Center and Beijing Tourist Consulting Service Center as well as social

groups such as Beijing Tourism Association and Beijing Tourism Society, which together form the basis of an organizational structure underpinned by government—business-public partnership (short as PPP) for joint management and development.

• **Inter-agency meeting for tourism development of the capital city**

Beijing Tourism Commission has initiated the mechanism of inter-agency meeting for tourism development of the capital city together with 80 other organizations, including ministries and commissions of the central government, to promote tourism initiatives such as 72-hour transit visa exemption, open day for tourists, tax refund for overseas tourists, customs clearance facilitation and expansion of flight routes.

• **Beijing Tourism Association**

Established in 1993, Beijing Tourism Association is actively engaged in the protection of the interests of tourism businesses and the regulation of tourism market. It has drafted several codes of conduct for the tourism industry, including the *Credibility Convention of Hotel Industry in Beijing*, the *Credibility Convention of Tour Guides in Beijing*, the *Credibility Convention of Tourist attractions (Spots) in Beijing* and the *Credibility Convention of Travel Agencies in Beijing*.

• **Beijing Tourism Society**

Beijing Tourism Society was founded in 1980 and changed into its current name in 1985. It is a public academic organization administered by Beijing Tourism Commission and a group member of Beijing Federation of Social Science Circles. Bringing together the best researchers in various fields, Beijing Tourism Society is actively involved in the research of tourism theories, organization of tourism academic exchanges and publication of relevant journals. Since 2012, Beijing Tourism Society has published the *Beijing Tourism Development Report* (Green Book on Beijing Tourism) each year, which offers a theoretical review of the tourism development in Beijing in the form of annual reports.

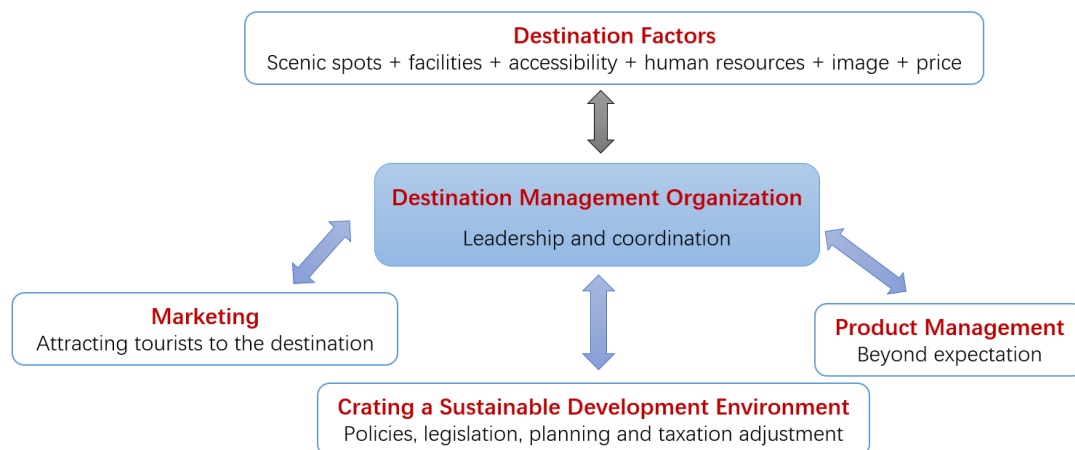
• **The system of public tourism services in Beijing**

A three-tiered management system consisting of municipal tourist service center, district/county tourist consulting service centers and tourist consulting stations has

been put in place in Beijing. The city also has China's first surveillance and control center on the operation of the tourism industry.

- **Umbrella-shaped international destination management organization (DMO)**

According to the *13th Five-Year Plan for Tourism Development of Beijing*, the city will make vigorous efforts to promote innovation in institutional reform during the 2016-2020 period to guide the building of umbrella-shaped international DMO, and invite tourism businesses, tourism operators and representatives of the city's residents to take part in the whole process of tourism destination management in Beijing.



Source: *the 13th Five-Year Plan for Tourism Development of Beijing*

Fig 3.2 Beijing DMO Architecture: Future

3.1.2 Vision for Tourism Development

According to the *13th Five-Year Plan of Beijing Municipality for Tourism and MICE Development*, Beijing will work for the goal of building a “first-class international tourism city” by leveraging the important role of tourism as a key functional industry of the capital city and boosting the stature of tourism as a pillar industry of its economy. Efforts will be made to turn tourism into a leading industry in urban development and regional transformation, a livelihood industry that delivers job opportunities and higher income for the people and a happiness industry for better quality of life, and build Beijing into the most favored destination city for overseas

tourists as well as the leading tourist city in China and the most visitor-friendly capital city.

The specific targets are as follows: by 2020, tourist arrivals will reach 320 million and tourism revenue will exceed CNY·700 billion (US\$·105 billion³), with a faster growth compared with 2016 (the total tourist arrivals received 285million and tourism revenue reached CNY·502.1 billion, that is US\$·75.6 billion⁴). The added value of the tourism industry will account for 8% of GDP, and 1.1 million jobs will be provided by the tourism industry. Tourist satisfaction index will be notably improved, with the goal of surpassing 83. The residents of Beijing will make over 8 trips per person each year. The number of class-A tourist attractions will reach 250.

Table 3.2 Expected Tourism Development Indicators of Beijing During the 13th Five-Year Period (2016-2020)

Indicator		2020
Total tourist arrivals (100 million)		3.2
Growth rate		3.1%
Total tourism revenue (CNY·100 million)		7000
Total tourism revenue (US\$·100 million) ⁵		1051
Growth rate		8.9%
Added value of tourism industry as a share of GDP		8%
Number of employees in the tourism sector (10,000 persons)		110
Number of trips per year made by each resident		≥8
Number of trips per year made by each resident inside Beijing		≥6
Number of class-A tourist attractions		≥250
Tourist satisfaction index		≥83
Inbound tourism	Arrivals (10,000)	530
	Growth rate	5%
	Revenue (US\$ 100 million)	70
	Growth rate	9%
Domestic tourism	Arrivals (100 million)	3.13

³ It is based on the average exchange rate of RMB against the US dollar by August 12, 2017.

⁴ It is based on the average exchange rate of RMB against the US dollar by 2016.

⁵ It is based on the average exchange rate of RMB against the US dollar by August 12, 2017.

	Growth rate	3.1%
	Revenue (CNY·100 million)	994
	Revenue (US\$·100 million)	149
	Growth rate	8.9%

Source: *the 13th Five-Year Plan for Tourism Development of Beijing*

3.1.3 Policies for Tourism Development

In recent years, Beijing has actively implemented the state policies for tourism development and provided systemic support in terms of land, taxation and finance based on the actual needs of tourism development in the city.

Table 3.3 Policies Introduced by Beijing City to Promote Tourism Development

Ensuring land supply for the tourism industry	<ul style="list-style-type: none"> ✓ The management system for tourism land has been reformed and improved to promote differentiated land management and guide the restructuring of tourism supplies. ✓ The development plan of the tourism industry has been incorporated into the city's overall development plan, and the preferred location and required construction land of the relevant tourism projects and facilities will be fully considered. ✓ More land is provided for tourism development in annual land supply. Key tourism projects with big investment and promising prospect receive preferential treatment in terms of the allocation and utilization of land quota. ✓ Tourism projects developed on deserted mountains, slopes and beaches, landfill sites, abandoned mines and stony deserts receive more support. ✓ Rural collective economic organizations are encouraged to set up tourism companies with other organizations or individuals by acquiring shares with the use right of collectively-owned commercial construction land, joint operation and other means and in accordance with law.
Increasing fiscal, taxation and financial support for tourism	<ul style="list-style-type: none"> ✓ The trading platform for the tourism resources of Beijing has been strengthened and expanded to the neighboring Tianjin and Hebei area. ✓ Greater support has been provided to the tourism infrastructures and public service facilities of key tourist sites, tourist routes and rural tourist zones. ✓ The financing channels of tourism businesses have been

	<p>expanded, and companies are encouraged to invest in, construct and operate tourism projects through public-private partnership (PPP).</p> <ul style="list-style-type: none"> ✓ Support has been provided for the listing of qualified tourism businesses, and financial institutions are encouraged to increase credit support to tourism companies. ✓ Efforts have been made to promote the development of asset securitization products backed by tourism investment projects and the building of trading platform for the property right and operation right of tourism projects. ✓ Tourism businesses with high expected returns and brand visibility are encouraged to explore the possibility of financing and fund-raising by way of mortgage on the relevant fee collection and operation rights. ✓ Companies are encouraged to build an integrated tourism industrial chain through such means as resource consolidation, asset reorganization, merger and acquisition, chain operation and management contract.
Improving the openness of the tourism industry	<ul style="list-style-type: none"> ✓ Foreign businesses are encouraged to invest in the tourism industry, take part in the development of profit-making tourist sites and scenic spots, and invest in tourism products and facilities. ✓ The pilot program for joint venture travel agencies to conduct outbound tourism business has been expanded, and greater support has been provided to facilitate such business.
Supporting entrepreneurship and innovation in the tourism sector	<ul style="list-style-type: none"> ✓ Various types of innovation players are encouraged to engage in online tourism start-up and innovation in keeping with tourist needs by fully harnessing the power of the internet. ✓ Support has been given to the development of tourism innovation platforms, maker spaces, innovation bases and other new types of tourism innovation facilities. ✓ Funding and policy support has been provided to encourage the building of “tourism + internet” entrepreneurship parks, state-level “tourism + internet” maker bases and state-level demonstration maker projects. ✓ Incentives have been provided to promote online tourism entrepreneurship and innovation and build “mass entrepreneurship and innovation” communities in the Zhongguancun Entrepreneurship Street.

3.1.4 Sustainable Tourism Policy and Regulations

Beijing is committed to building a resource-conserving and environment-friendly society and promoting the conservation and efficient utilization of resources. It has promulgated a number of local legislations such as the *Regulations of Beijing Municipality on Landscape and Forestry*, the *Regulations of Beijing Municipality on Water Pollution*, the *Regulations of Beijing Municipality on Water and Soil Preservation*, the *Regulations of Beijing Municipality on Air Pollution Prevention and Control*, the *Regulations of Beijing Municipality on the Protection and Management of Rivers and Lakes*, the *Regulations of Beijing Municipality on the Protection of Forest Resources* and the *Regulations of Beijing Municipality on Wetland Protection*, which places high importance on the carrying capacity of resources and environment and increases punishment on law breakers. The city also pays attention to fostering the environmental awareness of the public and promoting a green way of life and production.

In terms of tourism, Beijing has introduced the green certification system for the tourism industry, called for the building of green hotels, developed green tourism products, promoted green restaurants, conducted green marketing and boosted the public awareness of green tourism. The *13th Five-Year Plan for Tourism Development of Beijing* adopted in 2016 pointed out that “vigorous efforts will be made to develop eco-tourism in the ecological preservation zones of Beijing, ecological protection will be strengthened, and logging, pasturing and fish farming activities in these areas will be put under strict control. Motor vehicles will be restricted in eco-tourism zones, and the use of new-energy and clean-energy vehicles will be encouraged for tourism purposes. The tourism environment in Beijing’s suburban areas will be comprehensively improved, and the campaign to reduce or replace the use of coal will be advanced in rural tourism zones. The green tourism plan for resource conservation and environmental protection will be implemented, and the concept of 4R (Reduce, Reuse, Recycle and Recovery) will be advocated in tourist sites, restaurants and hotels. Hotels will be encouraged to take part in the green certification program, with the goal of making all high star-rated hotels pass the certification. The concept of green tourism will be promoted to raise the environmental awareness of tourists.”⁶ The *Tourism Regulations of Beijing Municipality* promulgated on 1 August 2017

⁶ Beijing Tourism Commission, Beijing Municipal Commission of Development and Reform (2016), *the 13th Five-Year Plan for Tourism Development of Beijing*, Beijing

stipulates that the development of tourism resources and construction of tourism facilities should be harmonized with the natural and cultural environment of the local communities, natural resources and historical features should be preserved, and harmony between the environment, landscape and facilities should be maintained. Tourism operators must take appropriate measures to prevent environmental pollution and ecological degradation⁷.

3.1.5 Differentiation of the Destination



Source: Beijing Tourism Commission

Fig 3.3 Beijing Tourism Logo

Following the goal of building a world-class international tourism city, Beijing has conducted a vigorous tourism marketing campaign in recent years. Since 2016, Beijing Tourism Commission has organized a series of tourism promotion events on the theme of “Restart the Maritime Silk Road, Discover New Beijing” in India, Vietnam and Russia, presenting the unique charm of Beijing from six different perspectives, i.e. ancient imperial capital, Peking traditional operas and arts, modern fashion, leisure life, dynamic Winter Olympics and beautiful countryside.

In 2017, Beijing has enhanced cooperation with overseas Chinese restaurants, Confucius Institutes, key Chinese airline companies, major domestic and international airports and important media organizations to showcase Beijing’s magnificent natural landscape, colorful folk culture and distinctive tailor-made tourism resources and products (including traditional Chinese medicine tour, sports tourism, exhibition and festival tourism and tour of classic cultural sites and museums), and launched a tourism promotion campaign on the theme of “Beijing Gourmet”.

⁷ Beijing Tourism Commission (2017), *the Tourism Regulations of Beijing Municipality*, Beijing

3.1.6 Public and Private Sectors Commitment/Involvement

In 2016, Beijing Municipal People's Government issued the *Opinions on Promoting Reform and Development of the Tourism Industry*. Accelerating the transformation of government functions has been identified as the key priority for deepening comprehensive tourism reform. It is stressed that the relations between the government and market should be clearly defined, administrative approval process should be streamlined, the role of tourism associations, societies and other social organizations should be further leveraged, and the development of intermediary organizations should be encouraged.

• Beijing Trading Platform of Tourism Resources

In 2013, following the guidance of Beijing Tourism Commission, Beijing Equity Exchange launched the Beijing Trading Platform of Tourism Resources, the first trading platform of tourism resources in China, for the purpose of providing services such as business investment in tourism projects, financing and equity trading of tourism businesses, trading of physical tourism assets and release of new tourism products for local governments, tourism companies as well as investment and financing institutions interested in tourism development. In 2015, the platform received the innovation award for reform and development of tourism industry in China⁸.

• Beijing Tourism Industry Development Fund

In 2012, Beijing Tourism Commission signed the agreement with HNA Tourism Group on the establishment of Beijing Tourism Industry Development Fund, the first tourism industry fund in China. The fund is mainly used to invest in tourism projects in Beijing's tourism industry function zones and demonstration zones as well as tourism industry projects, products and activities in cultural tourism, tourism services and other tourism sectors with development potential. The investment in the tourism industry of Beijing shall be no lower than 80% of the fund's total resources, and the investment in tourism industry projects, products and activities shall also be no lower than 80% of the fund's total resources. In other words, most of the investment in the Beijing Tourism Industry Development Fund will be used to develop the tourism industry, products and activities in the Beijing region, and a small portion of the funds

⁸ It's from the official website of China National Tourism Administration
http://www.cnta.gov.cn/xxfb/xxfb_dfwx/bj/201508/t20150827_745775.shtml

will be used for other areas investment .As of the end of 2015, the fund had delivered CNY·821 million (US\$·132 million) of investment to Capitalcopter (Capital Helicopter) and several other projects.

• **Tourism PPP**

Responding to the state initiative that encourages the investment, construction and operation of tourism projects with the PPP (Public-Private Partnership) model, Beijing has vigorously promoted PPP projects in the tourism sector. The *Opinions of the General Affairs Office of the Beijing Municipal People's Government on Promoting Public-Private Partnership Model in Public Services*⁹ promulgated in 2015 has identified three types of PPP projects based on the payment mechanism, namely, paid by the user, feasible subsidies for funding gap and paid by the government. For these three types of projects, models such as Build-Operate-Transfer (BOT) and Build-Own-Operate (BOO) may be selected. For the transformation of the existing public service projects of financing platforms into PPP projects, the models of Transfer-Operate-Transfer (TOT) or Renovate-Operate-Transfer (ROT) may be adopted. The *Opinions of the Beijing Municipal People's Government on Encouraging Private Investment in Priority Sectors through Innovation in the Investment and Financing Mechanism*¹⁰ adopted in the same year pledges to promote the development of cultural and creative industries with the support of private capital, carry out such construction projects as the broadcasting studio and industrial cultural tourism zones of the new Beijing Shougang (Capital Steel); encourage private investment in tourism complexes and new tourism businesses, and ensure the implementation of priority projects including the Universal Studio Park.

3.1.7 Cross-regional Collaboration

• **Beijing-Tianjin-Hebei (Jingjinji) tourism cooperation**

Based on the strategy of coordinated development in the Beijing-Tianjin-Hebei (BTH) region, the relevant departments have formulated the *Outline of the Plan for Coordinated Development of Beijing-Tianjin-Hebei Region*¹¹; efforts have been made to accelerate integrated tourism coordination, marketing, management services and planning in the three places, build interconnected tourism market, transportation,

⁹ Beijing Municipal Government (2015), Beijing

¹⁰ Beijing Municipal Government (2015), Beijing

¹¹ Beijing - Tianjin - Hebei Cooperation and Development Leading Group (2015), Beijing

information, service and regulation platforms; integrate the tourism networks of the three places, build the BTH tourism information sharing platform; jointly develop regional travel guides and tourist maps; build a tourism investment and financing service platform covering the whole BTH region based on the Beijing Trading Platform of Tourism Resources; push for the implementation of the *Action Plan of Coordinated Tourism Development of Beijing-Tianjin-Hebei Region (2016-2018)*¹²; seize the opportunity of the 2022 Winter Olympics to promote ice and snow tourism and make it an example of BTH cooperation; develop tourist routes along the Beijing-Hangzhou Grand Canal and strengthen the tourism brand of the Grand Canal as a world heritage site; and forge partnership with the cruise home port of Tianjin.

• **Tourism collaboration with other regions**

Beijing has also made efforts to advance “9+10” regional tourism collaboration¹³. Based on existing collaboration with the five provinces and municipalities of the Yangtze River Delta, the mechanism of tourism cooperation has been expanded to the Pearl River Delta and the three Northeast provinces. Beijing has taken part in or initiated several cross-region and cross-sector tourism alliances, such as the Alliance of High-speed Train Tourism, China World Heritage Tourism Promotion Alliance, the Alliance of Inbound Tourism Cooperation, the Alliance of Tourism Media Cooperation, the Alliance of Tourism Research Institution Cooperation, and the Alliance of Tourism Investment Promotion Cooperation.

3.1.8 Growth strategy and action plan

• **Five-year development plan**

To implement the National Five-Year Plan of Economic and Social Development, Beijing Tourism Commission has formulated its own five-year plan of tourism development, which includes eight major tasks, namely, expanding the areas of tourism consumption, developing the expanded tourism industry, making the city more tourist-friendly, boosting the international influence of Beijing tourism,

¹² The tourism commission of Beijing, Tianjin, Hebei (2015), Beijing

¹³To promote the regional tourism cooperation, in early 2008, launched by the Beijing initiative, 5 provinces in the Bohai Sea region (Beijing, Tianjin, Hebei, Liaoning, Shandong), ring Beijing four provinces (Inner Mongolia, Shaanxi, Shanxi, Henan) and 10 domestic hot tourist city (Beijing, Shanghai, Chongqing, Xi'an, Hangzhou, Nanjing, Kunming, Chengdu, Harbin city, Guilin) establish the "9 + 10" of regional tourism cooperation mechanisms.

promoting the development of “internet + tourism”, implementing eight tourism happiness projects and strengthening tourism collaboration in the BTH region.

- **Special action plans**

Over the years, Beijing Tourism Commission has promulgated a number of action plans including the *Outline of the Action Plan on Smart Tourism Development in Beijing (2012-2015)*, the *Action Plan of the Year for Improving the Quality of Tourism Services 2016* and the *Action Plan of Beijing Municipality on Resident Travel*¹⁴.

3.1.9 Performance Management and Measurement Tools

In 2007, Beijing Tourism Commission established the first statistical system of tourist sources in China. The system consists of a sample base covering all permanent residents of Beijing above the age of 16, and conducts sample survey on a completely random basis. Every quarter, 4,000 residents are contacted by way of computer-assisted telephone survey, producing 1,250 samples of tourist behaviors. During the eight years from 2007 to 2014, the system has accessed 128,000 Beijing residents and accumulated 40,000 samples of tourist behaviors and 32 trend analysis points (one analysis point of each quarter), which ensures the reliability of the trend analysis.

According to the results of the tourist survey conducted by the research team on the “surveillance and early-warning of tourism operation of Beijing” in 2014, the following pattern can be established for tourism consumption in Beijing.¹⁵

First, domestic tourism: slower speed of growth and shift in demand structure.

(1) The majority of visitors come from neighboring provinces. According to the results of tourist survey, over two thirds of the domestic visitors of Beijing come from regions within its 500km radius, which is consistent with the results of the 2013 and 2014 surveys. It shows the geographical continuity of domestic tourists to Beijing.

(2) Road and railway are the primary means of transport for tourists. The survey shows that 45.9% of the domestic tourists come to Beijing on long-haul buses,

¹⁴ All are issued by Beijing Tourism Commission.

¹⁵ Peng Jian, Tang Xiaoyun, Consumption Hot Spots in Beijing’s Tourism Market 2014 and Trend Forecast 2015, *Beijing Tourism Development Report (2015)*

ranking the first; train comes in the second place, 35.1% of the total; and private car comes in the third place, 10.8% of the total. Only about 4.8% of the tourists visit Beijing by plane.

(3) Budget hotels are most favored by tourists. Price is the determining factor for tourists in their choice of hotels. Budget hotels are most welcomed and come as the first choice for approximately 39.3% of the respondents. Hotels in the medium price range (mostly 2-star and 3-star hotels, 21.7% of the total) come in the second place, followed by privately run hotels, 18.6% of the total. Only 2.2% of the visitors choose high star-rated luxury hotels.

Second, local residents: tourist demands are diversified.

(1) The survey shows that location and scenery are the key factors for consideration to the residents of Beijing's city area when making travel plans to the countryside, and the northern part of the city is most preferred. The main purpose for city residents to travel to the countryside is to appreciate the natural scenery, and experience the local customs in the village. For rural residents travelling to the city, their main purpose is to go shopping in the commercial center (43.7%) and visit parks in the city (40.6%), followed by visiting friends and relatives and museums (16.3%) and major city landmarks (15.2%).

Table 3.4 Main purpose for rural residents travelling to the city

Main Purpose	Proportion
Shopping in the commercial center	43.7%
Visit parks in the city	40.6%
Visiting friends and relatives and museums	16.3%
Visiting major city landmarks	15.2%

Source: Beijing Tourism Commission

(2) High spending on catering, transportation and shopping. When travelling inside Beijing, local residents spend most on shopping, which accounts for 28.9% of per capita tourist consumption, followed by entertainment (23.4%) and catering (20.8%). These three spending items combined have exceeded 70% of per capita tourist consumption.

Table 3.5 Local residents' spending of travelling inside Beijing

Types of Spending	Proportion
Shopping	28.9%
Entertainment	23.4%
Catering	20.8%
Others	26.9%

Source: Beijing Tourism Commission

(3) Private car is the primary means of transport. In terms of transport vehicles, most of the residents of the city area drive their own cars when traveling to the countryside, accounting for 62.5% of the total in the 2014 survey, which is followed by air-conditioned long-haul buses, suburb-route public buses and city rail transport. Private cars are also the primary means of transport for rural residents visiting the city.

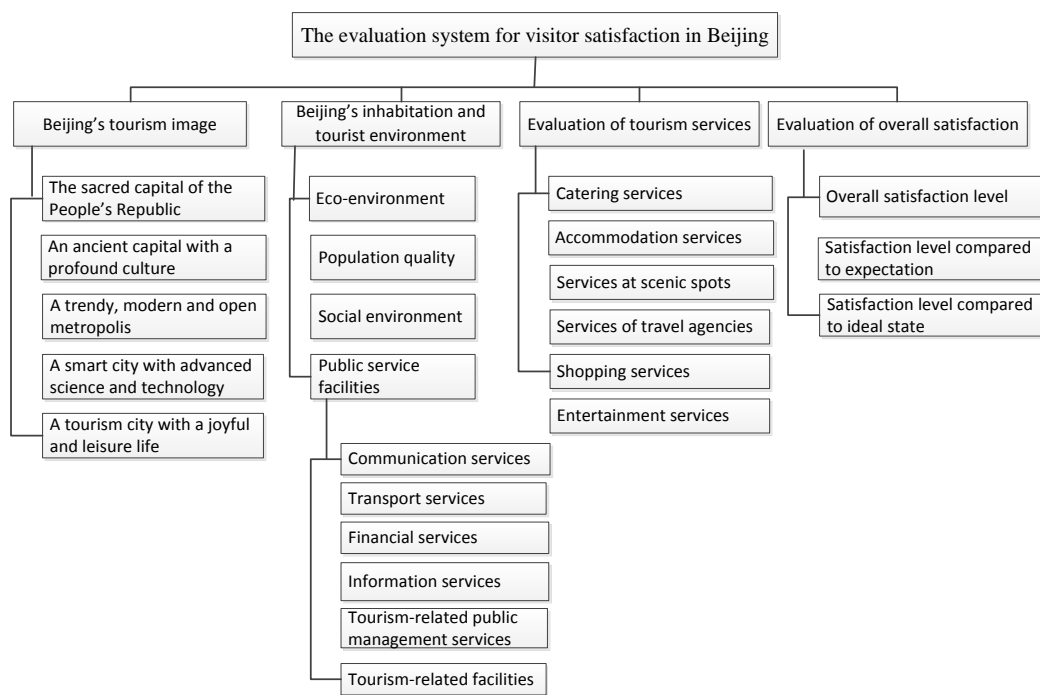
(4) Village hostels are most favored. Most of the residents of city area choose to stay in folk tourism villages and resorts when travelling to the countryside, respectively accounting for 47.4% and 22.8% of the total, followed by chain budget hotels. On the other hand, demand for star-rated hotels and other more expensive accommodation is not high, which shows the price sensitivity of urban residents in countryside tourism.

(5) One-day tour accounts for the majority of countryside tourism. In 2014, the average duration of stay for city residents in the countryside is 0.5 night, and the proportion of one-day tour is 67.2%. For rural residents visiting the city area, the proportion of one-day tour is even higher, over 90% of the total, and their duration of stay is also relatively short.

3.2 Visitor Satisfaction

3.2.1 The Evaluation System for Visitor Satisfaction in Beijing

Under the leadership of Beijing Tourism Commission, the *Research on the Building of the Evaluation System for Visitor Satisfaction in Beijing* has been conducted, which consists of four main categories for evaluation, i.e. recognition of Beijing's tourism image, inhabitation and tourist environment of the city, quality of tourism services and overall satisfaction.



Source: Beijing Tourism Commission

Fig 3.4 Evaluation System for Visitor Satisfaction in Beijing

On the whole, the respondents of the survey are relatively satisfied with their tourism experience in Beijing. Of the 69 questions in the survey, only “air quality” got a “relatively unsatisfied” comment, and “green environment” got an “average” comment. All the other questions got “satisfied” (26 questions) or “relatively satisfied” (31 questions). The highest-scoring questions are “convenience of the use of bank card”, “convenience of online payment”, “convenience of banks and ATM outlets”, “convenience of online and telephone booking” and “accuracy of navigation APP”.

For the main categories of the survey, “Beijing’s tourism image” got 71.18 points, “inhabitation and travel environment of Beijing” got 72.85 points, and “quality of tourism services” got 72.96 points, all of which are in the “relatively satisfied” range.

In the category of “Beijing’s tourism image”, the city’s “political” and “cultural” images are both well accepted, while improvement is still required in the areas of “science and technology” and “openness”. The evaluation of Beijing’s image as a “LOHOS tourism city” is relatively low.

In the category of “inhabitation and travel environment of Beijing”, visitor satisfaction of “eco-environment” is the lowest, only scoring 47.67 points; the score in “performance of the city’s residents” is not high either. On the other hand, visitor

satisfaction in “financial services”, “information services” and “services of tourism-related facilities” is relatively high, particularly in “financial services”.

In the category of “quality of tourism services”, Beijing has the best performance in “services of tourist sites”, with an average score of 75.4 points. The feedbacks of “leisure and entertainment services” and “shopping services” are also quite positive. The scores for the catering and accommodation industries are both lower than the average, and tourists are strongly dissatisfied with the quality/price ratio of the catering and accommodation services.

As for the self-drive tour market, Beijing’s performance is quite good in several key indicators, such as “traffic signs and guides” (satisfied), “accuracy of navigation APP” (satisfied), “convenience of transport access to Beijing” (relatively satisfied), “convenience of parking at tourist sites and public facilities” (relatively satisfied), “convenience of car refueling” (relatively satisfied).

In terms of the market of individual tourists, Beijing also got positive feedback in such areas as transport services, information services and services of tourism facilities. The tourists are generally “satisfied” with Beijing’s performance in such key indicators as “complete public transport network in the city”, “diversity and authenticity of tourism information access through the internet”, “tourist service centers” and “special tourist transport lines”; and they are also “relatively satisfied” in such areas as “convenience of taxi/car-hailing” and “warming against illegal one-day tour information”.

3.2.2 Quality Evaluation of the Operation System with Tourist

Perception

The *Green Book on Beijing Tourism 2015*¹⁶ edited by Beijing Tourism Society evaluates the quality of the operation system of tourism economy from the angle of tourist perception. It consists of indicators such as perception of the operation quality of tourism service industries, perception of the operation quality of public services in the city, perception of the quality of city environment and perception of the overall image of the destination.

¹⁶ Beijing Tourism Society (2015), *the Green Book on Beijing Tourism 2015*, Beijing

On the whole, air quality, eco-environment and traffic congestion are the weak links of Beijing's tourism development. Tourists have given average comment about the city's catering, accommodation and travel agency industries, and visitor satisfaction is relatively high in airports, train and bus stations and the transport transfer system in the city, free WiFi, self-help tour guide system and virtual tourism platform provided by scenic spots, i-travel Beijing APP and other public services. The conclusion is by and large consistent with the findings of the *Research on the Building of the Evaluation System for Visitor Satisfaction in Beijing*.

Table 3.6 Quality Evaluation of Tourism Economy in Beijing

Tier-1 indicators	Score	Tier-2 indicators	Score	Tier-3 indicators	Score
Quality of the Operation System of Tourism Economy in Beijing	76.43	Quality of tourism services	76.19	Tourism transport	76.49
				Catering	74.86
				Accommodation	75.20
				Shopping	76.33
				Culture and entertainment	76.48
				Scenic spots and areas	77.89
				Travel agency	76.26
		Quality of public services	78.15	Public services of the city	78.89
				Taxi services	75.88
				Airport services	80.22
				Train station services	78.89
				Traffic signs	78.47
				IT application	80.23
				Tourist complaint treatment	75.45
				Emergency rescue	77.46
		Quality of city environment	73.93	City landscape	76.85
				Sanitary facilities	75.46
				Gardening	75.88
				Accessible facilities	75.97
				Air quality	66.51

				Cultural atmosphere	76.95
				Folk customs	72.93
				Convenience	74.34
		Overall image of the destination	79.94	Destination image	81.29
				Destination services	78.69

Source: Wang Liangju (2014)

4. Findings of Beijing Tourism Performance

Research (2) : Economic Perspective

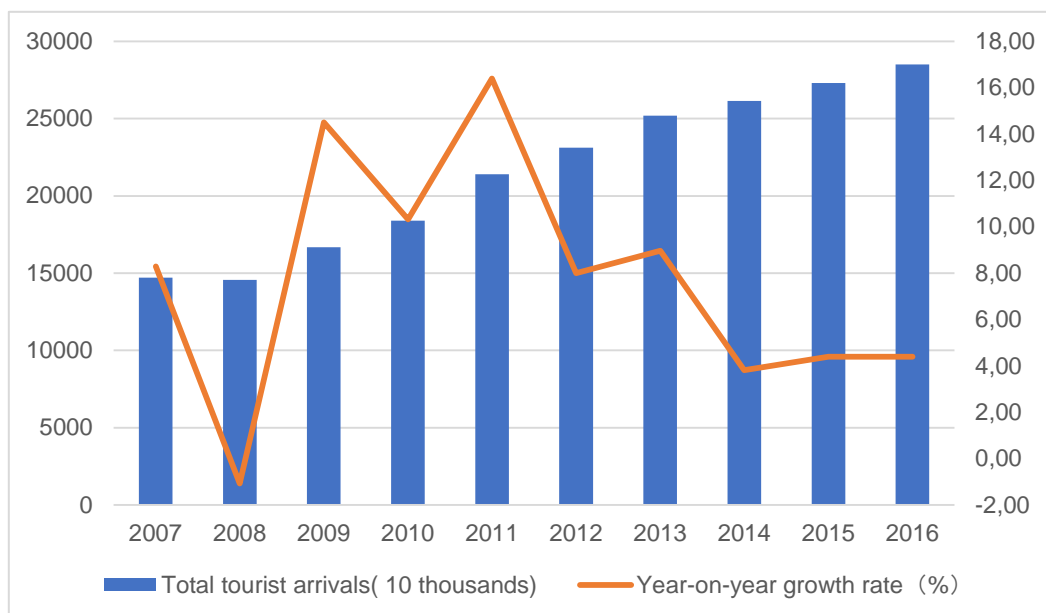
Table 4.1 Economic Perspective

Objectives	Performance criteria	yes (√) /no (×)
Tourism flows	• number of arrivals and/or bed nights (total/total foreign)	✓
	• duration of stay (average length of stay (nights))	✓
	• arrivals by main purpose of the trip (personal/business) and by modes of transport (air/water/land) (<i>UNWTO AM Report: Volume ten</i>)	✓
	• average size of travel party (<i>UNWTO AM Report: Volume ten</i>)	✓
	• seasonality index (<i>UNWTO proposal</i>)	✓
	• occupancy rate in commercial accommodation per month and average for the year (<i>ETIS</i>)	✓
	• number of major incoming markets (e.g., that comprise 80% of the bed nights achieved at the destination)	✓
	• number of same-day visitors per month (if so, which data collection methods are used for monitoring this flow?) (<i>ETIS + elaboration</i>)	✓
	• meetings industry statistics (availability?)	✓
Economic impact	• number of jobs in tourism industry	✓
	• relative contribution of tourism to the destination's economy (% GDP) (<i>ETIS</i>)	✓
	• % of tourism jobs in the local economy	✓
	• % of tourism jobs that are seasonal (<i>ETIS</i>)	×
	• economic impact of events (<i>UNWTO proposal</i>)	✓
	• inbound tourism revenues per visitor by source market (<i>OECD Tourism Papers 2013/02</i>)	✓
	• daily spending per overnight visitor (<i>ETIS</i>)	✓
	• daily spending per same-day visitor (<i>ETIS</i>)	✓
	• % of locally produced food, drinks, goods and services sourced by the destination's tourism enterprises (<i>ETIS</i>)	×
	• exports of tourism services (<i>OECD Tourism Papers 2013/02</i>)	✓

4.1 Tourism Flows

4.1.1 Tourist Arrivals

In recent years, tourist arrivals have been on a steady increase in Beijing.

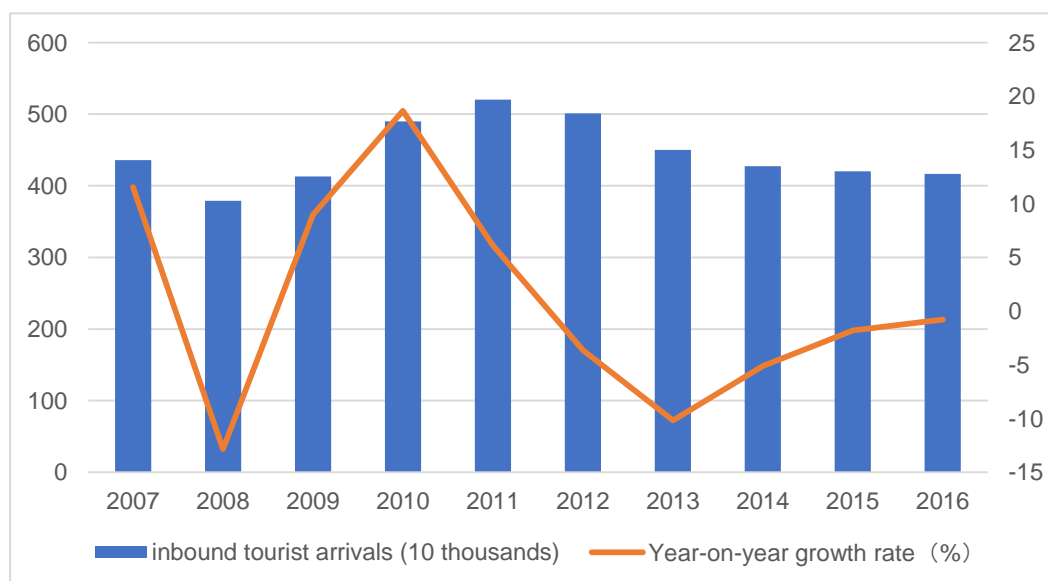


Source: Beijing Bureau of Statistics

Fig 4.1 Tourist Arrivals in Beijing and Year-on-Year Growth Rate (2007-2016)

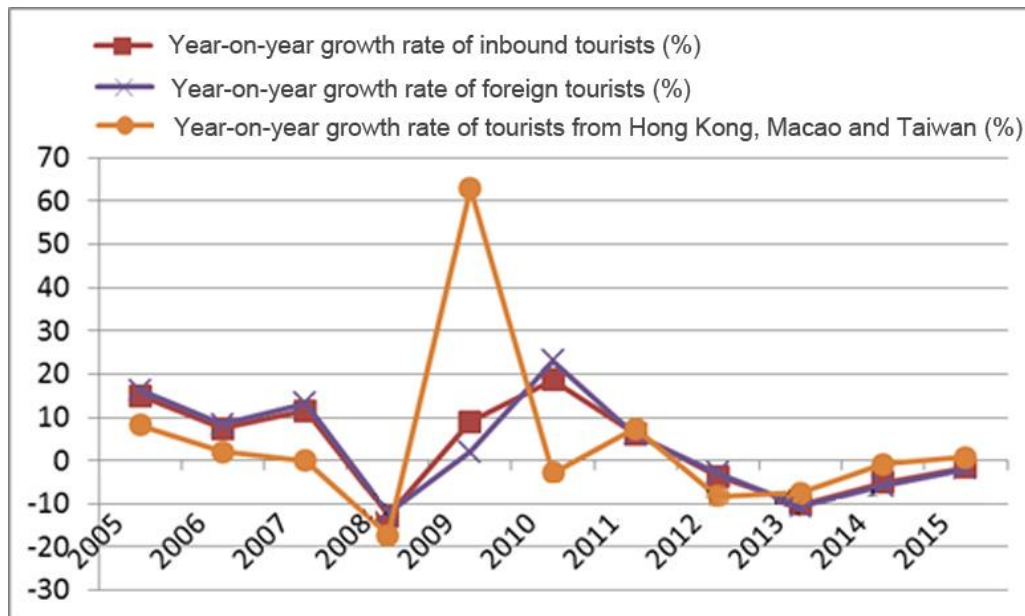
4.1.2 Inbound Tourists Flow

Beijing's inbound tourism flow has been declining in recent years, but with moderating margin. In 2016, the number of inbound tourists reached 4.165 million person-trips, down by 0.8% year-on-year, which is the smallest margin since 2012.



Source: Beijing Bureau of Statistics

Fig 4.2 Year-by-Year Comparison of Inbound Tourism in Beijing (2007-2016)

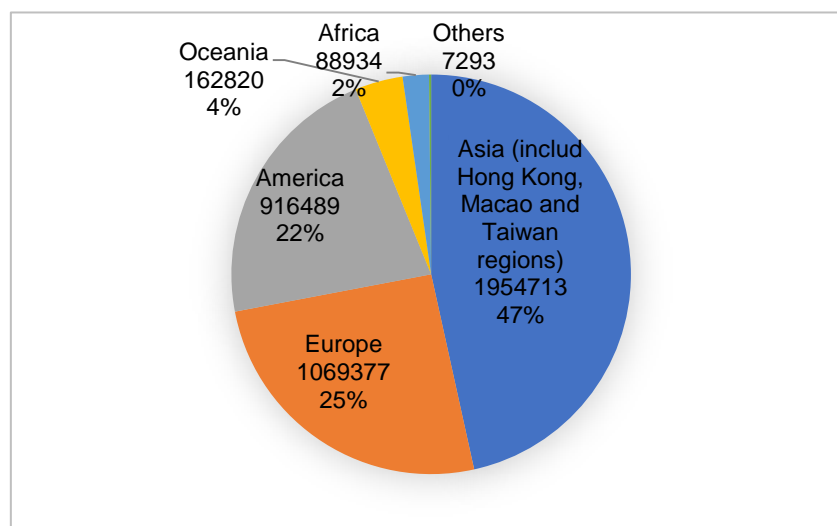


Source: Beijing Tourism Commission

Fig 4.3 Year-on-Year Growth Rate of Inbound Tourists in Beijing (2005-2015)

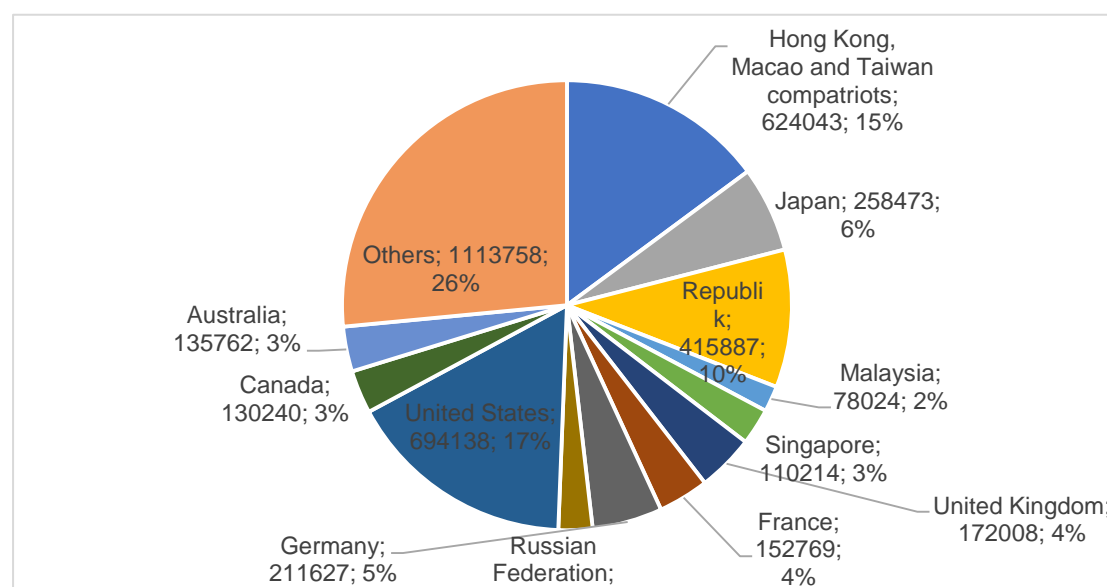
• Source of inbound tourists

According to the 2015 data, Asia is the largest source of inbound tourists for Beijing (47%), followed by Europe (25%) and America (22%). The three regions combined represent roughly 94% of the total, and tourists coming from Oceania and Africa only account for 4% and 2% respectively. In terms of countries and regions, tourists from Hong Kong, Macao and Taiwan account for some 15% of the total, while foreign tourists account for about 85%. Among all foreign sources, the US, the ROK and Japan rank the top three, and together represent about 1/3 of the inbound tourism market. the countries behind include Germany, the UK, France, Canada, Singapore and Russia. It should be noticeable that China's inbound tourism include foreigners and Hong Kong, Macao and Taiwan compatriots.



Source: Beijing Bureau of Statistics

Fig 4.4 Beijing's Inbound Tourism Market Divided by Continents (2015)



Source: Beijing Bureau of Statistics

Fig 4.5 Beijing's Inbound Tourism Market Divided by Countries/Regions (2015)

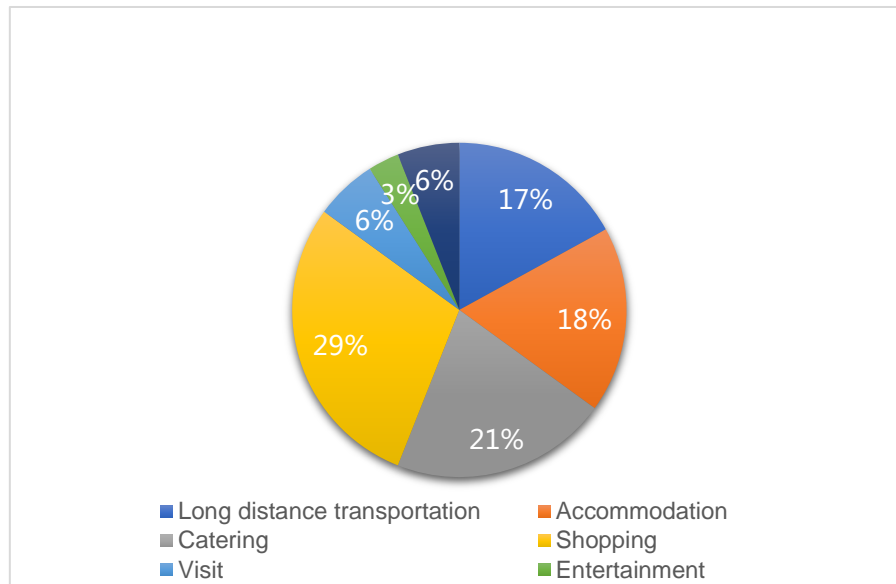
4.1.3 Key Sources of Revenue

In the 2016 tourism revenue of Beijing, 16.57% comes from long-distance transportation, 18.38% from accommodation, 21.08% from catering, 29.16% from shopping, 9.24% from sight-seeing and entertainment, and 5.58% from others (transport in the city, post and telecommunication). This shows catering and shopping are the main sources of tourism revenue for Beijing.

Table 4.2 Breakdown of Tourism Revenue in Beijing (2016)

Type		Total spending		Share (%)
		(CNY·10,000)	(US\$·10,000) ¹⁷	
Long-distance transport		9063145	1362879	16.57
	Airplane	4663116	701220	8.52
	Train	4251147	639270	7.77
	Car & bus	148882	22388	0.27
Accommodation		10052480	1511651	18.38
	Hotel	9470711	1424167	17.31
	Secondary residence	581769	87484	1.06
Catering		11531394	1734044	21.08
Shopping		15955008	2399249	29.16
Sight-seeing		3515708	528678	6.43
Entertainment		1538281	231320	2.81
Others	Transport in the city	2912019	437898	5.32
	Post and telecommunication	138720	20860	0.25
Total		54706754	8226580	100.00

Source: Beijing Bureau of Statistics



Source: Beijing Bureau of Statistics

Fig 4.6 Composition of Tourism Revenue in Beijing (2016)

• Revenues by purpose of tourism

¹⁷ It is based on the average exchange rate of RMB against the US dollar by 2016.

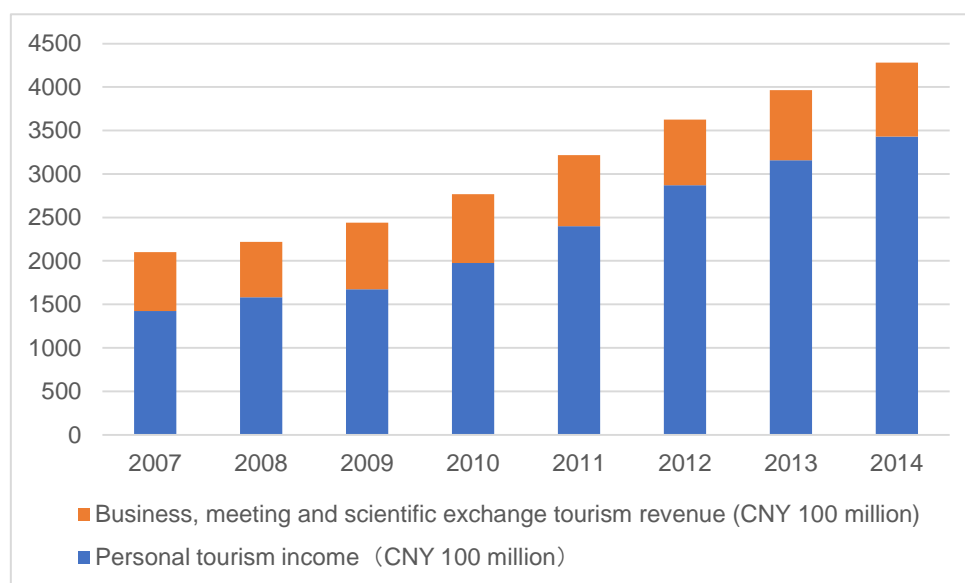
As the country's political, cultural, international exchange, science, technology and innovation centers, MICE and business tourism account for a fairly large share in the city's tourism.

Table 4.3 Revenue of Business, Meeting and Science and Technology Exchange
Tourism in Beijing¹⁸

Item	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Total tourism revenue	CNY 100 million	2103	2219	2442	2768	3216	3627	3963	4280
	US\$ 100 million	277	319	358	409	498	575	640	688
Revenue of business tourism	CNY 100 million	492	445	537	550	567	420	425	443
	US\$ 100 million	65	64	79	81	88	67	69	71
Revenue of meeting tourism	CNY 100 million	116	118	155	171	172	229	261	290
	US\$ 100 million	15	17	23	25	27	36	42	47
Revenue of cultural and sports/science and technology exchange tourism	CNY 100 million	72	73	74	71	77	106	120	118
	US\$ 100 million	9	11	11	10	12	17	19	19
Share in total tourism revenue	%	32.35	28.67	31.39	28.61	25.38	20.82	20.32	19.87

Source: Beijing Bureau of Statistics

¹⁸ The conversion is based on the average exchange rate of RMB against the US dollar by each year.



Source: Beijing Bureau of Statistics

Fig 4.7 Comparison between Personal Tourism Revenue and Business Meeting and Scientific Exchange Tourism Revenue (2007-2014)

4.1.4 Tourism Seasonality

· The prosperity index of tourism industry shows a notable fluctuation of tourism activities across seasons.

According to the prosperity index research of China Tourism Academy¹⁹, the tourism prosperity index of Beijing in the fourth quarter is lower than the third quarter from both the company's and industry's perspectives. The drop in the prosperity index of scenic spots is particularly notable, which fully shows the seasonal feature of scenic spots in northern China that makes winter the slack season for tourism

Table 4.4 Prosperity Index of Beijing Tourism (Q3 and Q4 2014)²⁰

Classification	Q3	Q4
Comprehensive Enterprises	118.6	108.7
Scenic spots	130.0	123.9
Travel agencies	113.8	107.8
Star-rated hotels	114.0	112.2
Budget hotels	118.65	116.75

Source: Tang Xiaoyun, Song Changyao, Consumption Hot Spots in Beijing's Tourism Market 2014 and Trend Forecast 2015, Beijing Tourism Development Report (2015)

¹⁹ China Tourism Academy (2014), Beijing

²⁰ The latest available data about Beijing

• **Average occupancy rate in star-rated hotels**

The average occupancy rate of the 504 star-rated hotels in Beijing also demonstrates a visible seasonable feature: January and February are the slack season. Occupancy rate is the highest in July and August, and mostly between 60% and 70% in other months.

Apart from star-rated hotels, as of 2016, Beijing had 1,282 budget hotels. According to the annual reports of listed companies, the occupancy rate is over 80% for most of the budget hotels. With the rapid expansion of budget hotels, the market space for low star-rated hotels has been further squeezed. Two-star hotels that provide homogenous services will be gradually eliminated by the market. In addition, Beijing also has 141 star-rated folk villages and 4,008 folk households, as well as numerous motels, hostels and B&Bs, providing a diverse package of accommodation facilities for tourists.

Table 4.5 Average Occupancy Rate of Star-rated Hotels in Beijing

(Jan. 2016 – April 2017) (Unit: %)

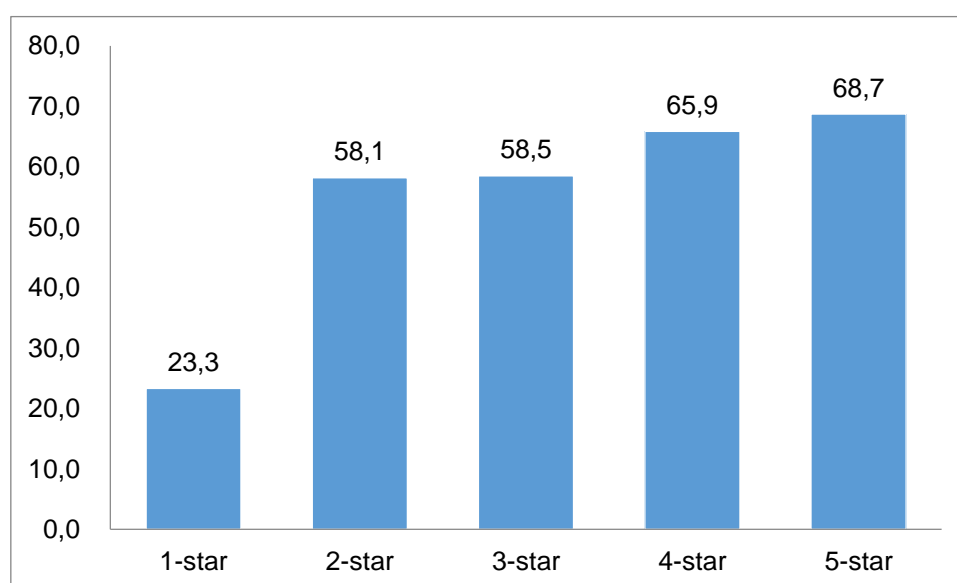
	2016											2017		
Month	1~2	3	4	5	6	7	8	9	10	11	12	1~2	3	4
Occupancy Rate	46.7	62.9	64.3	63.1	63.2	72.4	72.7	64.3	66	64.9	60.1	53.9	68.4	67.7

Source: Beijing Tourism Commission

Table 4.6 Average Occupancy Rate of Hotels with Different Star Ratings in Beijing (2016) (Unit: %)

Period	Jan. – Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1-star	54.7	52.8	28.3	30.6	17.1	9.2	14.7	12.6	12.2	12.2	12.2	23.3
2-star	42.2	60.2	60.8	60.2	56.5	66.5	68.7	58.6	60.3	53.7	51.9	58.1
3-star	43.2	56.4	58.3	58.0	57.3	68.3	69.1	58.7	61.2	59.2	53.5	58.8
4-star	46.7	65.8	67.0	65.2	65.2	75.0	74.4	65.6	66.6	68.6	64.4	65.9
5-star	51.5	66.9	68.6	66.8	69.2	75.6	75.9	70.4	72.2	70.0	64.1	68.7

Source: Beijing Tourism Commission



Source: Beijing Tourism Commission

Fig 4.8 Average Occupancy Rate of Hotels with Different Star Ratings in Beijing (2016) (Unit: %)

4.1.5 Surveillance of Tourism Flows

Beijing has the country's first province-level surveillance and dispatch center for tourism industry, the Capital Surveillance and Dispatch Center for Tourism Industry Operation, to monitor the tourism resources and tourism industry operation in the city and give directions in emergency situations. In the meantime, the dispatch center monitors tourist flow in key scenic spots and places with high concentration of visitors, releases real-time data of tourist comfort index in key tourist attractions, and provides traffic and weather information of scenic spots to tourists and tourism organizations based on the real-time data of Beijing Transport Commission and Beijing Meteorological Bureau. The data obtained by the dispatch center is released

on a real-time basis through such platforms as Beijing Tourism Net, Beijing Tourism Weibo and Beijing Tourism Mobile News. In addition, media organizations such as CCTV, BTV and Beijing Communication Radio also send their staff to the dispatch center to publish monitoring information and travel tips to help tourists make the best travel plans.

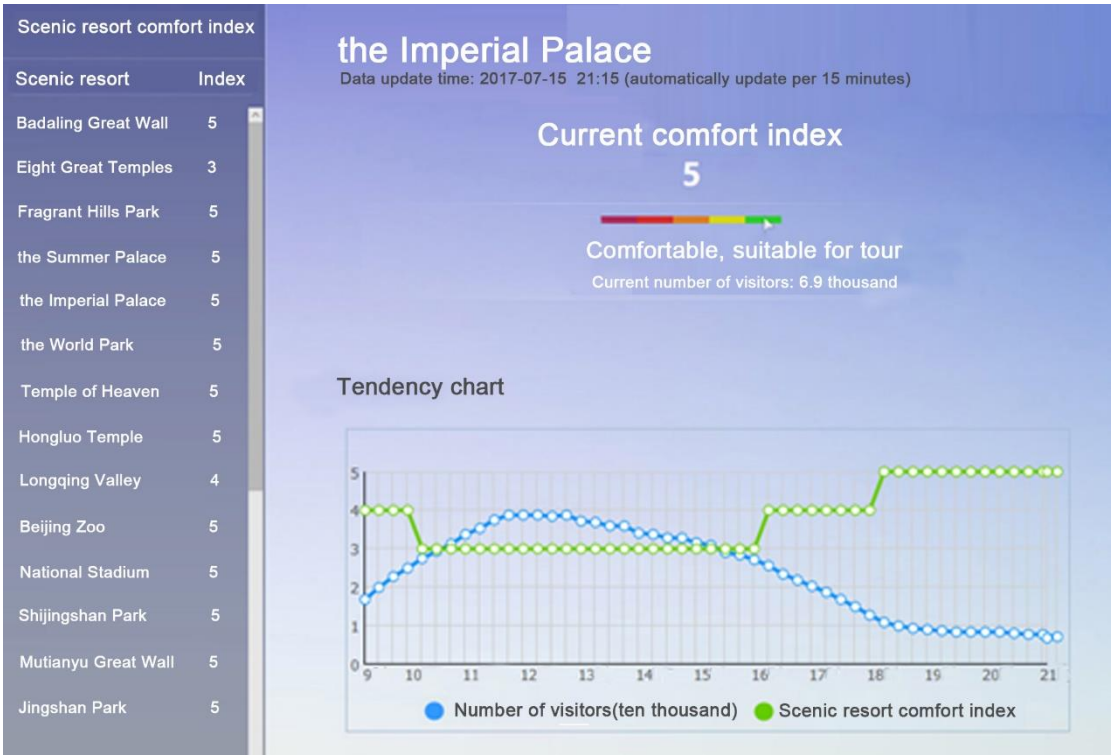


Fig 4.9 Real-time Information of Tourist Flow Monitoring in the Imperial Palace Museum

Source: Beijing Tourism Net

4.2 Economic Impact

4.2.1 Economic Contribution of the Tourism Industry in Beijing

Between 2011 and 2015, the added value of the tourism industry in Beijing grew 3.2 percentage points faster than that of the third industry, and 3.7 percentage points faster than GDP. In 2015, the added value of the tourism industry reached CNY·172.02 billion (US\$ 27.66 billion), marking an average annual growth of 11.2% during the 2010-2015 period. The share of the added value of the tourism industry in the city's GDP rose from 7.2% in 2010 to 7.5% in 2015, and close to 10% of the third industry. In 2016, the added value of the tourism industry increased to CNY·184.6 billion (US\$ 27.8 billion), accounting for 7.3% of GDP.

Table 4.7 Tourism's Economic Contribution in Beijing (2011-2015): Comprehensive Indicators

Indicator		2011		2012		2013		2014		2015	
		Volume	Year-on-year growth (%)	Volume	Year-on-year growth (%)	Volume	Year-on-year growth (%)	Volume	Year-on-year growth (%)	Volume	Year-on-year growth (%)
Added value of the tourism industry	Absolute volume (CNY·100 million)	1190.4	17.7	1336.2	12.2	1448.70	8.40	1596.10	10.20	1720.2	7.80
	Absolute volume (US\$·100 million)	179.8		212.1		230.3		260.0		276.1	
	Share in the added value of the third industry (%)	9.8	0.03 percentage point	9.8	0.01. percentage point	9.7	-0.16 percentage point	9. 6	-0.07 percentage point	9.4	-0.20 percentage point
	Share in the city's total GDP (%)	7.4	0.2 percentage point	7.5	0.1 percentage point	7.43	-0.07 percentage point	7.48	0.05 percentage point	7.5	0.02 percentage point
Tourist spending on	Absolute volume (CNY·100	1702.0	17.3	1880.9	10.5	2044.10	8.70	2142.00	4.80	2318.2	8.20

catering and shopping	million)										
	Absolute volume (US\$·100 million)	257.1		298.6		325.0		348.9		372.1	
	Share in total retail sales (%)	24.7	1.4 percentage point	24.4	-0.3 percentage point	24.40	No change	23.50	-0.9 percentage point	22.4	0.2 percentage point
Fixed-asset investment by industries with tourism features	Absolute volume (CNY·100 million)	537.2	—	681.0	26.8	607.90	-10.70	614.90	1.20	712.3	15.80
	Absolute volume (US\$·100 million)	81.1		108.1		96.6		100.1		114.3	
	Share in total fixed-asset investment (%)	9.1	—	10.5	1.4 percentage point	8.60	-1.9 percentage point	8.10	-0.5 percentage point	8.9	0.8 percentage point

Data source: Li Xiang, Zhang Xuemei and Li Pengliang (2016)

Note: The conversion is based on the average exchange rate of RMB against the US dollar by each year.

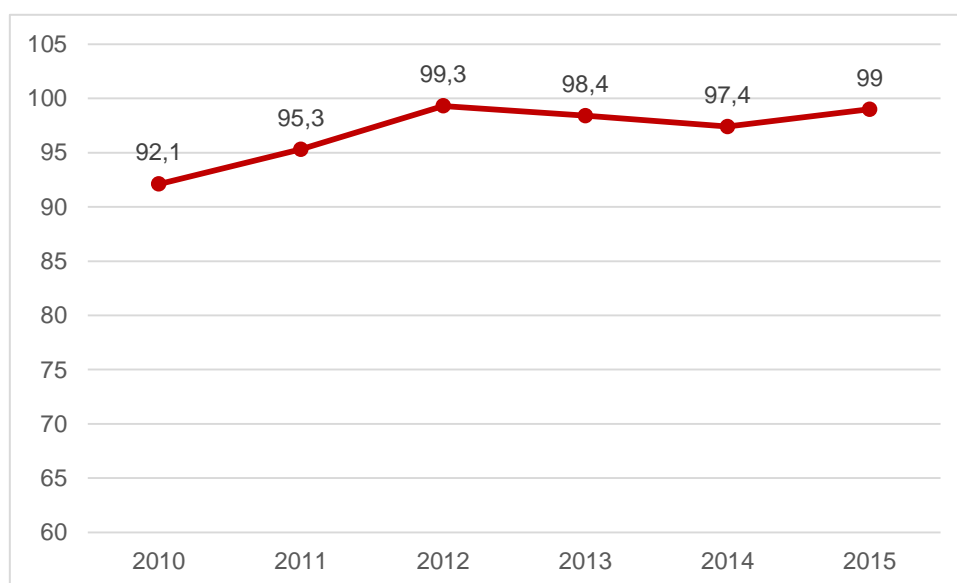
Table 4.8 Added Value of the Tourism Industry in Beijing and Its Share in GDP (2007-2016)²¹

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Added value of the tourism industry (CNY 100 million)	740	704	802	1011	1190	1336	1449	1596	1720	1846
Added value of the tourism industry (US\$ 100 million)	97	101	117	149	184	212	234	257	276	278
Share of the added value of the tourism industry in GDP (%)	7.5	6.3	6.60	7.20	7.4	7.5	7.4	7.5	7.5	7.3

Source: Beijing Tourism Commission

4.2.2 Tourism jobs

As of the end of 2015, the number of jobs provided by the tourism industry totaled 990,000 in Beijing, up by 69,000 over the 2010 figure, accounting for approximately 8.4% of the total jobs in the city.



Source: Beijing Tourism Commission

Fig 4.10 Year-by-Year Comparison of Tourism Jobs in Beijing (2010-2015)

(Unit: 10,000 persons)

²¹ The conversion is based on the average exchange rate of RMB against the US dollar of each year.

4.2.3 Tourist Spending

In recent years, there has been a continuous increase in the average spending of tourists in Beijing, especially that of domestic tourists. Between 2010 and 2015, the per capita spending of domestic and foreign tourists increased by 4.9% and 1.29% per year respectively. In 2016, the per capita spending of domestic tourists reached CNY·2,498 (US\$ 376), which is 2.66 times that of the national average of CNY·937.5 (US\$·141.2).

Table 4.9 Per Capita Spending of Tourists in Beijing (2010-2016)²²

Year	Unit	2010	2011	2012	2013	2014	2015	2016
Per capita spending of domestic tourists	CNY	1902	2042	2220	2258	2268	2412	2498
	US\$	281	316	352	365	365	387	376
Per capita spending of inbound tourists	US\$	1029	1042	1028	1065	1078	1096	1217

Source: Beijing Tourism Commission

4.2.4 Tourism's Impact on Poverty Alleviation and Income

Generation

Rural tourism has had a positive impact on the poverty alleviation and income generation of farmers living in the suburb of Beijing. Between 2011 and 2015, tourism revenue in the rural area continued to grow, and its share in the total output of agriculture, forestry, husbandry and fishery industries rose from 8.37% in 2011 to 10.6% in 2015. The development of rural tourism has brought about a shift toward agriculture in city countryside. In 2015, the per capita disposable income of farmers living in Beijing's suburb increased to 1.4 times that of 2011, the first year of the 12th Five-Year period. The analysis of the "per capita disposable income" of farmers and the "share of rural tourism revenue in the total output of agriculture, forestry, husbandry and fishery industries" (Table 16) shows that with the development of rural tourism, tourism revenue has become a major source of income for farmers living in Beijing's suburb, and rural tourism has played a significant role in the poverty alleviation and income generation of the rural communities.

²² The conversion is based on the average exchange rate of RMB against the US dollar of each year.

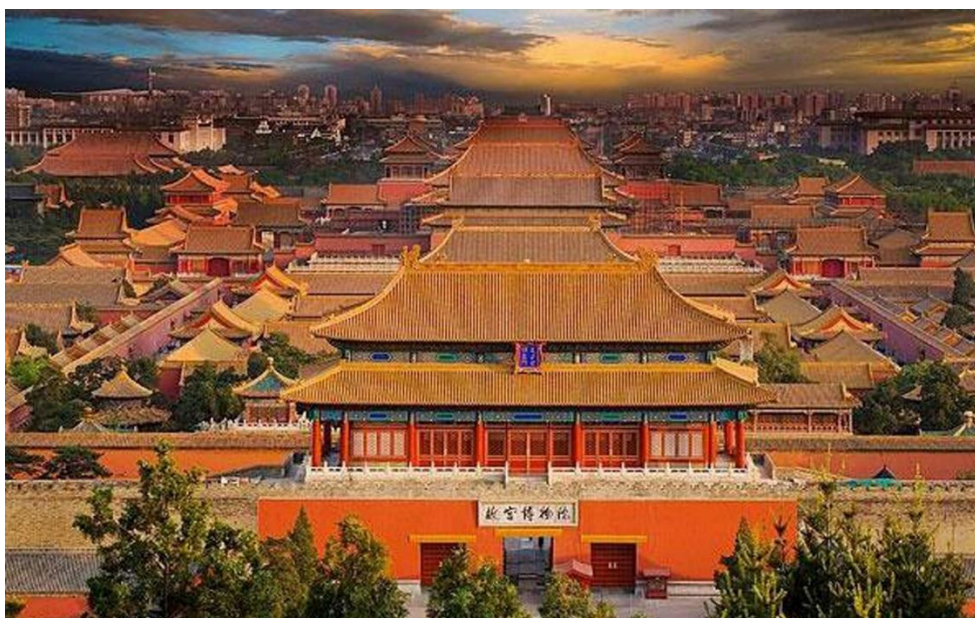
Table 4.10 Impact of Rural Tourism on the Poverty Alleviation and Income Generation of Farmers in Beijing (2011-2015)²³

Indicator	Unit	Related analysis	2015	2014	2013	2012	2011
Per capita disposable income	CNY	Correlation coefficient	20569	20226	18337	16476	14736
	US\$		2281	2611	2962	3252	3302
The proportion of rural tourism income to agriculture, forestry, animal husbandry and fishery	%		10.64	8.62	8.91	9.07	8.37
Correlation coefficient		Significant correlation	0.6				

Data source: Li Xiang, Zhang Xuemei and Li Pengliang (2016)

5 Case Study: Best Practice

5.1 Public Tourism Services of the Imperial Palace Museum²⁴



Source: the website of the Imperial Palace Museum

Fig 5.1 The Imperial Palace Museum

²³ It is based on the average exchange rate of RMB against the US dollar of each year.

²⁴ The research team on the public tourism services of the Palace Museum (2017)

5.1.1 The Imperial Palace Museum and Its Missions

The Palace Museum is the emperor's residence in Ming and Qing Dynasties. It was renamed the Palace Museum in 1925, and holds the title of key cultural site under state protection (1961), UNESCO world cultural heritage (1987), 5A scenic spot (2007) and class-one national museum (2008). The Palace Museum mainly undertakes the following three missions.

First, as the world's largest and most well-preserved wooden-structured Palace Museum compound with a history of almost 600 years, and the national museum with the largest collection of ancient Chinese cultural relics, the primary mission of the Palace Museum is to "leave a magnificent Forbidden City in its entirety to the generations in the next 600 years". Therefore, facing the huge pressure of visitor flow, the most important thing is to ensure the renovation, protection and inheritance of the ancient architecture and preserve the 1.8 million+ pieces of cultural relics.

Second, the Palace Museum is the only museum in the world that receives over 10 million visitors every year. To present its splendid imperial buildings and precious cultural relics to the visitors and help more people learn to appreciate its cultural value is the second mission of the Palace Museum and also one of its key functions as the world's fifth largest museum. These functions are realized mainly through exhibition and demonstration, publicity and education, cultural promotion, digital media, tour guide services, customized tour and creative cultural products.

Finally, to provide services with more dignity and quality to the visitors is the third mission of the Palace Museum and its primary responsibility as a world cultural heritage site and a national 5A scenic spot. The main efforts in this regard include renovating service facilities, upgrading the sign system, improving information services, fostering a sound tourist atmosphere, undertaking social responsibilities, managing community relations, handling visitor complaint and conducting visitor survey.

5.1.2 Public Tourism Services of the Imperial Palace Museum

(1) Properly handling the relations between protecting cultural relics and serving visitors

The biggest challenge for the Palace Museum is to properly handle the relations between protecting cultural relics and serving visitors. In recent years, the Palace Museum has made the following explorations to address the challenge:

The model of cultural relics protection and renovation guided by the philosophy of “minimum intervention” and “maximum visitor access”

Wooden-structured buildings are highly vulnerable to damage, and the outlook and structure of the buildings in the Palace Museum cannot be altered at will. Repair and precautionary protective measures are needed for over 1 million pieces of collections in the museum, and many cultural relics have shown signs of decay, erosion, cracking and damage. The Palace Museum has taken the following measures to address these challenges.

(1) Two major projects, i.e. “comprehensive protection and renovation of the ancient buildings of the Palace Museum” and “safe Palace Museum”, have been launched to check the conditions of the buildings and cultural relics for better protection.

(2) Keeping the practice of daily maintenance and conducting both “scheduled” and “ad hoc” fixing to make sure that the ancient buildings always stay in healthy conditions.

(3) Ensuring “minimum intervention” in fixing, trying to keep the original status of the cultural relics and preserve the historical information in the best way possible, and paying attention to the inheritance of traditional techniques.

(4) The *Integrated Plan for the Protection of the Palace Museum (2013-2025)* has laid out detailed instructions on how to manage the relations between protecting and displaying cultural relics and handling visitor flow beyond comfortable level, and priority has been given to the renovation of ancient buildings with serious safety risks yet significant social benefits and functions in order to gradually expand the space that can be open to the visitors.

• **Including visitor flow management into the plan for cultural relics protection and the agenda for the management of the Palace Museum**

During the decade from 2002 to 2011, the number of visitors to the Palace Museum had doubled to 14 million person-trips per year, and topped 16 million person-trips in 2016, which is unrivalled by any museum both home and abroad in terms of the speed and size of growth. The number of single-day visits surpassed 182,000 at its peak, which not only puts huge safety pressure on the 600-year-old Forbidden City and the ancient treasures in the museum, but also affects the tourist experience of the visitors. Therefore, to restrict and properly divert visitor flow became an urgent task for the Palace Museum. After several years of planning, a series of visitor flow restriction and diversion measures were introduced in 2015.

Table 5.1 Visitor Flow Management Measures Introduced by the Imperial Palace Museum Since 2015

Formulating and implementing the maximum visitor load system	Based on the results of multi-year research, the information platform of world cultural heritage surveillance at the Palace Museum calculated the maximum single-day visitor load of the Palace Museum as 80,000 person-trips. In 2015, restrictive measures on visitor flow were formally introduced, combining real-name ticket purchase and online booking. The proportion of tickets booked online increased from 17.34% in 2015 to 41.14% in 2016.
Introducing the system of museum close on Monday	Following a one-year trial of half-day close in the afternoon, the system of full-day close on Monday (except for statutory holidays and summer vacation) was formally implemented in January 2014.
Improving lining management	Starting from 2013, the Palace Museum has increased the number of ticket windows from 16 to 30, resulting in an 87.5% expansion in ticket-selling capacity and significantly reducing the waiting time of tourists. In the meantime, the number of screening gates has increased from 2 to 18,

	making it faster for tourists to pass through the security check. In congested sections (such as the Imperial Garden and the Exhibition Hall), temporary visitor diversion measures have been taken, including on-site direction, kiosk closing, one-way route and limited access.
Increasing the space open to the public	In 2015, 65% of the space in the Palace Museum was open to visitors, 13% larger than 2014, including five areas that had never been opened to the public before. In 2016, part of the office and research facilities of the Palace Museum were moved outside, and the space open to visitors was further increased to 76%.
Strengthening surveillance	The Palace Museum has installed about 3,000 CCTV cameras to monitor day-to-day operation and conduct real-time surveillance on the visitor flow in entry/exit points and key areas.
Restricting motor vehicle access to public area	In 2013, the Palace Museum banned the access of all motor vehicles to the public area. All visitors, including state dignitaries, must get off the vehicle outside the Meridian Gate and walk into the Palace Museum. Such arrangement has prevented the potential conflict between the motorcade and visitors and the safety risks it may cause.

Source: the research team on the public tourism services of the Palace Museum (2017)

(2) Expanding the function of cultural communication

Due to the constraint of existing exhibition facilities, only less than 1% of the 1.8 million+ pieces (sets) of cultural relics in the collection of the Palace Museum are on display. In recent years, while stepping up the efforts of the exhibition and display of cultural relics, the Palace Museum has also taken a host of measures to promote its culture.

• Promoting exhibition and presentation

Over recent years, the Palace Museum has launched several permanent exhibitions (such as the calligraphy and painting pavilion in the Hall of Martial Valor, the ceramics pavilion in the Hall of Literary Brilliance, the gold and silver ware pavilion in the Palace of Great Brilliance and the jade ware pavilion in the Palace of Accumulated Purity), and organized a series of temporary shows, which have attracted a large number of visitors who are interested in cultural relics. The special exhibition on the cultural relics from the Yongle and Xuande Reigns in the Ming Dynasty and the exhibition on Lanting (Orchid Pavilion) Preface in 2010-2011, and the exhibition on the birthday celebration of the imperial court and the exhibition on Shi Qu Bao Ji (the imperial collection of calligraphies and paintings) in 2015 all triggered massive public interest. In addition, the Palace Museum has worked with partner museums both home and abroad to organize joint exhibitions, and held exhibitions in the museums of various Chinese provinces and cities or in collaboration with local museums.

• Reaching out to schools and communities

The Palace Museum has developed a customized education program for primary and secondary schools. In addition, famous scholars and experts of the Palace Museum have been invited to give lectures in universities, and customized tours are being offered to university students. In the meantime, the Palace Museum has launched a host of public programs such as the “Palace Museum Lecture Hall”, Palace Museum theme day and Palace Museum classroom.

(3) Improving tour guide and information services

The tour guide and information services of the Palace Museum are provided in multiple forms, through multiple channels and with multiple contents. While most of the international museums offer audio guide services in ten languages, the Palace Museum provides 40 languages. Most of the museum guides at the permanent, temporary and special exhibitions of the Palace Museum are volunteers. The Palace Museum has developed a “digital Palace Museum” system, which consists of official website, WeChat, APP, multi-media data resources and other information sub-systems. By connecting online with offline, it provides convenient and comprehensive digital information of the museum to the visitors. The visitors can look up for information

about ticket booking, tourist routes, exhibition, cultural relics collection, safety and emergency instructions on the system. To stimulate young people's interest in traditional Chinese culture, the Palace Museum has opened a special website for the young people, using their language and animation tools to promote the Chinese culture. The digital museum at the Gate of Uprightness, a brand new interactive digital exhibition hall, provides information about the history, collections and attractions of the Palace Museum to the tourists. Social media platforms such as the Palace Museum on WeChat, the "Palace Museum Exhibition" APP and "Made in the Palace Museum" APP are also hugely popular among the tourists.

(4) Developing creative cultural products

The Palace Museum has developed an extensive portfolio of exquisitely designed, inexpensive, quality and creative souvenirs with the mark of Palace Museum. As of the end of 2015, the Palace Museum had developed 8,676 kinds of creative cultural products. In the first half of 2015, total sales reached CNY·700 million (US\$·112.36 million²⁵), generating a profit of close to CNY·80 million (US\$·12.84 million). The success of the creative cultural products has not only produced additional revenue for the Palace Museum, but more importantly introduced its rich culture into people's daily life and generated a far-reaching cultural impact.



²⁵ The conversion is based on the average exchange rate of RMB against the US dollar by 2015.



Source: from Baidu.com

Fig 5.2 Creative Cultural Products Developed by the Imperial Palace Museum

(5) Improving the quality of tourism services

• Keeping the low-price strategy

Following the principles of using public resources for public purposes, setting prices based on cost and upholding public interest, the Palace Museum has kept a low ticket price for many years, i.e. CNY·40 in slack season and CNY·60 in peak season. In addition, starting from 2014, free access to the Palace Museum is offered on a designated day of each month (during slack season) to one particular group, including teachers, medical workers, volunteers, servicemen, policemen, university and college students.

• Improving service facilities

The basic tourist facilities of the Palace Museum have been upgraded and renovated. For example, the signboard system has been updated, with increased category and number, and the colors and patterns have been re-designed to match the majestic atmosphere of the Forbidden City. The locations of the signboards have been rearranged to facilitate the tour of the visitors. QR code is printed on the signboards so that the visitors could easily get information about the cultural relics and exhibition;

In terms of sanitation, the Palace Museum has introduced the strictest ever standards, requiring “absolutely clean environment inside the buildings, and no litter of paper in the open space”;

Efforts have been made to ensure that the tourists can “visit and rest with dignity”. In order to provide rest areas for visitors who have walked for long hours, over 1,400 chairs have been installed in public squares and suitable places, and wooden benches have been placed around ancient trees, which adds space to the rest area, so that the visitors will no longer need to sit on the ground, by the tree or on the railings as in the past. To create a sound tourist atmosphere and prevent the noises of loudspeakers used by tour guides, the Palace Museum requires all tour guides to use oral interpretation. If oral interpretation cannot be conducted because of the number of visitors, the Palace Museum will provide automatic audio guides to tourist groups at a discounted price.

5.2 Innovation of Beijing’s Tourism Industry in the Sharing

Economy²⁶

The sharing economy is making an extensive and far-reaching impact on the tourism development of Beijing and many other cities.

5.2.1 Online Short-term Apartment Renting

(1) Current status of the market

The accommodation services provided by Beijing’s main online platforms for short-term apartment renting are listed below. These five well-known platforms provide nearly 50,000 apartments for renting across the city. These rental units are of various types, including private houses, apartments, villas, RV camps, castles as well as Beijing’s classic courtyard and alley houses. The types of renting services include whole-unit renting, single-room and shared apartment. In terms of price range, there is a visible differentiation in the prices offered by various platforms, which can satisfy all kinds of consumer demands. However, most of the consumers choose apartments in the medium price range. Take Beijing Tujia as an example, it offers over 13,000 rental units at the price range of CNY·200-800, which accounts for 69% of Tujia’s

²⁶ Li Xinjian, Fu Linfeng, Chen Lijia (2016)

rental apartments in Beijing. In addition, for competition purpose, various rental platforms have provided a variety of distinctive supporting facilities, such as cooking, parties and story sharing between the landlord and tenant, thus offering a more personalized accommodation experience for the visitors of Beijing.

Table 5.2 Rental Opportunities Provided by the Five Major Short-term
Apartment Renting Platforms of Beijing (April 2017)

Brand	Apartments for renting (units)	Main types of apartments	Price range / night (CNY)	Types of renting services
Airbnb	300+	Apartments, courtyard and alley houses	69-5,000+	Whole unit, single room, sharing
Tujia	19,000+	Apartments, villas, RV camps and courtyard houses	51-11,200	Whole unit, single room
Mayi	13,900+	Private houses, apartments, courtyard houses and tree houses	80-8,500	Whole unit, single room
Muniao	3,930	Private houses, hostels, courtyard houses and villas	25-8,000	Whole unit, single room, bed renting, living with the landlord
Xiaozhu	10,000+	Private houses, apartments, gardens, courtyard houses and Loft apartments	35-9,999	Whole unit, single room, sharing

Source: websites of Airbnb and the other four online short-term apartment renting platforms

(2) Development outlook

• **The market of middle-aged and young consumers and family trips enjoys a broad prospect**

Currently, most of the consumers of online short-term apartment renting were the 80s and 90s generations, who care more about price/performance ratio, environment, art and culture when renting apartments. Compared to the standard services provided by the traditional tourism accommodation industry, online short-term apartment renting can better meet diversified tourist needs. As the consumption capability of the

80s and 90s generation grows, short-term rental apartments with distinctive features will become their preferred choice in future trips. In the meantime, Chinese people have a strong family tradition. By renting short-term apartments, tourists that travel as a family can cook and wash clothes even not at home. With the promulgation of the second-child policy, family trips and parent-child trips will enjoy even bigger development. Therefore, more emphasis should be placed on middle-aged and young consumers and family trips in the development of short-term apartment renting market.

• Combining short-term apartment renting with village tourism homestays

Village tourism is a hot spot in the domestic tourism market, yet the problem of “all villages showing the same look and providing the same types of accommodation” exists. Given its non-conventional nature, the sharing economy can help solve the problem of “homogenous” accommodation supplies. With online short-term apartment renting, the idle houses in the countryside can be used to develop homestay tourist programs, creating the opportunity for tourists to closely interact with the village residents, experience localized tourism accommodation and listen to the locals sharing their own stories.

5.2.2 Bike Sharing



Source: from Baidu.com

Fig 5.3 Bike Sharing in Beijing

(1) Current status of the market

Since its launch in 2016, bike sharing has expanded rapidly in Beijing. While Mobike, OFO and other bike sharing companies continue to put more bikes in the streets, electric bike sharing and car sharing have also emerged. Although bike

sharing is not “sharing economy” in the strict sense, its convenience and low price have greatly facilitated people’s travel. Currently, the number of shared bikes in Beijing has exceeded 300,000, and cyclists can be seen in every corner of the city. The launch of bike sharing has solved the last-mile problem for the travel of residents and tourists of Beijing and eased the traffic congestion on the road. According to the relevant survey, the number of people who choose to drive their own cars for trips less than 10 km has notably dropped, and the proportion for trips less than 5 km is even lower.

(2) Development outlook

• Bike sharing facilitates leisure and personalized alley tours

Alleys are Beijing’s unique tourist features. Alley tours are the main appeal of Beijing to both Chinese and foreign tourists. Rickshaws, because of their preservation of traditional Beijing culture and unique tour guide services, used to be the preferred means of transport in alley tours. However, due to constraints such as fixed routes, low accessibility and lack of regulation, rickshaw tour has also caused inconvenience to the residents of the alleys and created problems for the tourists. As a means of transport, bike sharing has created comfort and convenience to alley tourists. They have addressed the weaknesses of the traditional rickshaw tours, enabled self-help tourists to reach more places in the alleys and created a different tourist experience for the visitors.

• Conducting big data analysis on the preferred tourist routes in the alleys and the city area

With the application of internet and space technologies, bike sharing APP can decide whether its users are riding bikes in their familiar environment and thereby determine their tourist identity. At the same time, as more and more tourists choose to move between places in city tours with shared bikes and even take bike sharing as an important part of their tours, the GPS device installed on each bike becomes a carrying vehicle of the mobility data of tourists inside the city area, including information about their cycling routes and where and how long they have stopped during the trip. Through big data analysis, these resources can be used to locate the preferred cycling routes of tourists in the alleys and Beijing’s city area. In scenic spots

or public areas where tourists often stop and for long time (AOI, Area of Interest), the relevant tourist service and public service facilities will be constructed.

5.3 Eco-friendly Demonstration Zone of Yanqi Lake ²⁷

The Eco-friendly Demonstration Zone of Yanqi Lake covers a planned area of 2,093 hectares. With the application of multiple eco-friendly low-carbon technologies, it has realized 100% sewage treatment and clean energy utilization. As the venue of the APEC Economic Leaders Meeting in 2014, it is a showcase of Beijing’s history, culture and natural landscape and the city’s progress in green development and environmental protection.

5.3.1 Low-carbon Tourism with the Support of Low-carbon and Eco-friendly Technologies

Low-carbon and eco-friendly technologies provide important support for the development of low-carbon tourism. The Eco-friendly Demonstration Zone of Yanqi Lake has adopted a variety of low-carbon and eco-friendly technologies.

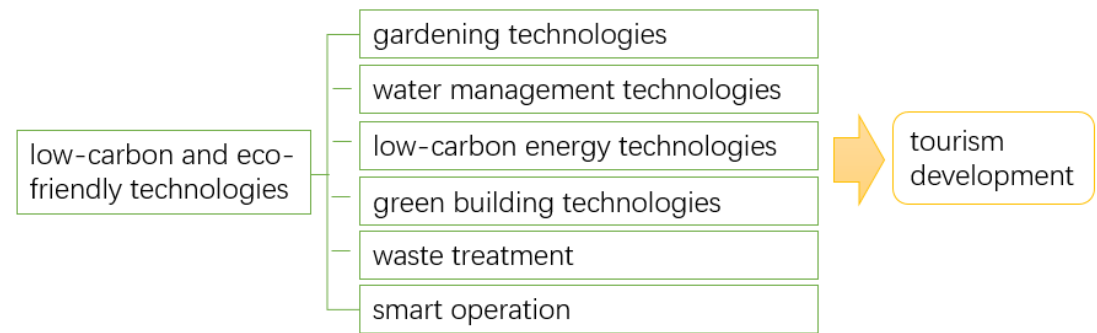


Fig 5.4 Low-carbon Tourism Supported by Low-carbon and Eco-friendly Technologies

(1) Landscaping technologies

In the landscape project of the Green Demonstration Zone of Yanqi Lake, eco-friendly technologies that use local materials for energy conservation have been applied and integrated with the local culture in the form of landscape presentation, thus realizing the harmony between eco-environment, culture and natural landscape.

²⁷ Hou Guohua, Yang Yongfeng (2016)

The key measures adopted include the following: preserving and utilizing the original topographic features, fostering natural landscape, expanding the green ecological system and reserving living space of biological population. In the areas along the Yanqi Lake, the topographic features damaged by human activities have been restored as much as possible, artificial facilities have been reduced, and the original mountain slopes have been recovered. Through simulation of natural geographic features, the retention time of rainwater on green land has been extended, which reduces the amount of soil erosion. Indigenous trees have been planted on the mountain slope to restore the original eco-environment of the Yanqi Lake. The land features destroyed by construction have been repaired, and indigenous plants have been planted on naked cliffs to increase green coverage. Activity spaces and parking lots in tree shades have been provided along the green walkways, and shade trees have been planted on a priority basis. The original land features of the forest have been preserved to create space for the natural evolution of the indigenous environment. In areas close to river dykes, buffer zones have been created with stones and rocks to provide migration route for fish schools. Drainage culverts have been reserved in road construction for the migration of animals in the ecological zone. The eco-friendly landscaping technologies used in the demonstration zone are mainly for water and soil protection and resource recycling purposes.

(2) Water management technologies

Through on-site sewage treatment, ecological overhaul of rivers and lakes, integrated rainwater management and building of water-conserving demonstration zone, the Eco-friendly Demonstration Zone of Yanqi Lake has maintained the balance of the water ecological system, increased efficiency in the utilization of water resources, fostered a positive ecological cycle, and achieved zero sewage discharge.

To address the multiple sources of pollution in the upper reaches of the Yanqi Lake, i.e. villages, restaurants and fish ponds along the Changyuan River and Yanqi River, membrane bio-reactors, cloth filters and other technologies have been used to “reduce source pollution” of the water environment.

The system of on-site sewage treatment and recycling technologies based on small watersheds has been established in the demonstration zone, and low-energy-consuming, easy-to-manage domestic sewage treatment technologies have been developed and applied. In the scenic spots of folklore tourism, separated and

centralized sewage treatment procedures have been integrated, and a long-term mechanism for village sewage treatment has been put in place.

As for river management, the demonstration zone has carried out a series of projects to protect and improve the water environment, including the construction of eco-friendly and clean small watersheds in the upper reaches, comprehensive overhaul of river courses in the lower reaches, control of scattered point source pollution and overhaul of the ecological environment of the lake area. A model for the prevention and control of watershed pollution guided by the principles of reducing pollution at the source, blocking pollutant transmission in the middle and managing remaining pollutants at the end has been established.

(3) Low-carbon energy technologies

A clean energy-based CCHP (Combined Cooling, Heating and Power) generation, distribution and utilization system has been developed in the demonstration zone with a comprehensive mix of clean energy technologies such as photovoltaic power generation on river dams, lake-water cooling system and ground source heat pump. The application of devices such as electric boats, solar collector pumps and solar-powered lights generates flexible, controllable and intelligent payload to the energy interconnection. Through intelligent power transformer substations, controllable and visible connection of clean energy and intelligent payload is realized. The energy management system enables time and space collaboration of energy supply and consuming units. The utilization rate of clean energy is at 100%, and renewable energy accounts for 16% of total energy use on the Yanqi Island, saving about 5,016 tons of standard coal each year.

Electric vehicles and boats are used for the land and water transport in the demonstration zone. Charging piles are available in all the main buildings of the demonstration zone and on the river banks of the Yanqi Lake to support the operation of electric equipment. The use of intelligent power devices has reduced the discharge of pollutants and realized intelligent and green transport inside the demonstration zone.

(4) Green building technologies

Water-saving utensils are installed across the demonstration zone, automatic cold/hot water mixers are installed on public showers, and inverter washing machines are provided. Thanks to these measures, the water utilization rate in the demonstration zone is over 90%. In the meantime, the irrigation control system enables precision irrigation with automatic adjustment based on the water needs of different plants in different seasons. The integrated membrane bio-reactors on the Yanqi Island can process domestic sewage on site, and the quality of processed water is compliant with the class-A standard for sewage discharge of Beijing.

(5) Waste treatment

With the introduction of classified waste management system, the non-recyclable wastes of the demonstration zone are sent to the domestic waste processing plant of Huairou District for treatment, while recyclable wastes are transported separately by recycling companies. And plastic bottle recycling machines are installed in public areas.

In the operation of the demonstration zone, whole-set equipment for on-site recycling of gardening wastes has been installed, which solves the problem of the absorption and processing of branches, laves and other landscape wastes. Through fermentation, the wastes will be processed into green fertilizer and utilized locally, thus realizing on-site recycling of landscape wastes.

Kitchen wastes are being processed 100% on the ground in multiple places. Turned into aerobic composting fertilizers, they can be used for landscaping and gardening purposes. All these measures have resulted in a 90% waste reduction in the demonstration zone.

(6) Smart operation

The demonstration zone has adopted a comprehensive mix of information technologies, including 4G, cloud computing and next-generation internet. Through embedded sensors and intelligent surveillance system, automatic information collection, transfer and integrated application have been realized in the aspects of

water, transport, building and eco-environment, resulting in closer interconnection of materials and humans.

The cloud platform of the demonstration zone provides such functions as public website, email, video conference management, meeting room management, office management, transport management, integrated energy efficiency management, collection and display of environmental parameters. The intelligent building system has been strengthened with a focus on the collaboration and coordination between intelligent system designs and building structure.

5.3.2 Tourism Development

Yanqi Lake got its name from the flocks of wild geese that dwell in the lake during spring and autumn seasons. In 2014, the APEC Economic Leaders Meeting was held in the Yanqi Island, giving a strong boost to the popularity and influence of the Yanqi Lake scenic spot. After the APEC meeting, there has been a surge in the number of tourists visiting the Yanqi Lake.

The APEC meeting in 2014 made the name of the Yanqi Lake known to the world, and the upgrade and renovation of the scenic spot raised the quality of its tourist environment to a new level. The film carnival of the fifth Beijing International Film Festival in 2015 triggered a new wave of tourist visits to the Yanqi Lake in the post-APEC era. Building on such a positive momentum, the management team of the Beijing Yanqi Lake Tourism Development Company introduced further steps to improve the tourist environment of the scenic spot, and at the same time, opened new tourist routes, stepped up tourism promotion, explored innovative models of intermediary tourism services and capitalized on mobile internet technologies to attract the visits of travel agencies and tourist groups. Through concerted efforts, tourist activities in the Yanqi Lake continue to thrive, with record-high growth in both tourist reception and tourism revenue.

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Annex 1

General Data Form and Questionnaire for Expert Interviews

1. DESTINATION MANAGEMENT

Criterion 1: Destination Growth Strategy

1. Does the destination have an organization (DMO) dedicated to its management? ☐ Yes
☐ No

2a. Is there a clear vision and governance structure for your destination in place? ☐ Yes
☐ No

2b. Could you please elaborate more on this? _____

3a. Does the DMO have a sustainable tourism policy and regulations which are within the overall development strategy of your city?
☐ Yes ☐ No

3b. Could you please elaborate more on this? _____

4. What would be the main differentiating factor(s) of your destination? Do you have an identifiable USP (unique selling proposition) and/or UEP (unique emotional proposition)?

5. To what extent does the DMO involve the stakeholders from public and private sectors into the strategy plans? Could one argue that the various stakeholders are committed to the DMO's goals?

6a. How often are the strategy and action plans updated?

6b. In your opinion, is there a need to do it on a more frequent basis? ☐ Yes ☐ No

6c. Why/why not? Who is held responsible for these processes?

7a. Are there any performance management tools in place? In other words, does your DMO engage into any type of long-term trend, forecasting, benchmarking, and impact initiatives with other cities?
☐ Yes ☐ No

7b. Could you please elaborate more on this? _____

Criterion 2: Visitor Satisfaction

1a. Are there any initiatives undertaken by DMO that look into analyzing the repeat visitation (within 5 years) at the destination?
☐ Yes ☐ No

1b. If yes, what type of initiatives are undertaken?

2a. Are there any initiatives undertaken by DMO that look into analyzing the visitor satisfaction with different elements of the city (e.g., accommodation, public transport, tourism attractions, etc.)?

☐ Yes ☐ No

2b. If yes, what type of initiatives and which element of the destination is mostly looked at and why?

3a. Are there any initiatives undertaken by DMO that look into analyzing the overall visitor satisfaction at the destination?

☐ Yes ☐ No

3b. If yes, what type of initiatives are undertaken?

2. ECONOMIC PERSPECTIVE

Instructions: For each of the below criteria, please provide the figures and the corresponding sources. Please provide estimates in case that the exact figures are not available and label figures as such. If you do not collect the data for any of the criteria, please mark as NA (not applicable). Unless otherwise stated, data collected are on the annual basis.

Criterion 1: Tourism Flows

Year of analysis: _____

Performance criteria	Value / Source / Definition / Comment
<ul style="list-style-type: none">• Arrivals:<ul style="list-style-type: none">○ Total arrivals○ Total foreign arrivals	
<ul style="list-style-type: none">• Bednights:<ul style="list-style-type: none">○ Total bednights○ Total foreign bednights	
<ul style="list-style-type: none">• Average length of stay (nights)	
<ul style="list-style-type: none">• Total arrivals by main purpose:<ul style="list-style-type: none">○ Personal○ Business	
<ul style="list-style-type: none">• Total arrivals by modes of transport:<ul style="list-style-type: none">○ Air○ Water○ Land	
<ul style="list-style-type: none">• Average size of travel party	
<ul style="list-style-type: none">• Seasonality index (measured by the Gini coefficient)	

<ul style="list-style-type: none"> • Occupancy rate in commercial accommodation: <ul style="list-style-type: none"> ○ January ○ February ○ March ○ April ○ May ○ June ○ July ○ August ○ September ○ October ○ November ○ December ○ Yearly average 	
<ul style="list-style-type: none"> • Number of major incoming markets (e.g., that comprise 80% of the bednights achieved at the destination) 	
<ul style="list-style-type: none"> • Number of same-day visitors: <ul style="list-style-type: none"> ○ January ○ February ○ March ○ April ○ May ○ June ○ July ○ August ○ September ○ October ○ November ○ December ○ Yearly average 	
<ul style="list-style-type: none"> • Please elaborate which data collection methods are used for monitoring the above flow of the same-day visitors. 	
<ul style="list-style-type: none"> • Are the meeting industry statistics available at your destination? 	<input type="checkbox"/> Yes <input type="checkbox"/> No If so, please indicate what type of statistics are available and who is responsible for the provision.

Criterion 2: Economic Impact

Year of analysis: _____

Performance criteria	Value / Source / Definition / Comment
<ul style="list-style-type: none"> • Number of jobs in tourism industry 	

<ul style="list-style-type: none"> Relative contribution of tourism to the destination's economy (% GDP) 	
<ul style="list-style-type: none"> % of tourism jobs in the local economy 	
<ul style="list-style-type: none"> % of tourism jobs that are seasonal 	
<ul style="list-style-type: none"> Is the economic impact of events measured at your destination? 	<input type="checkbox"/> Yes <input type="checkbox"/> No If so, please indicate the measures used and the corresponding values.
<ul style="list-style-type: none"> Inbound tourism revenues per visitor by source market 	Source market: Value:
<ul style="list-style-type: none"> Daily spending per <ul style="list-style-type: none"> Overnight visitor Same-day visitor 	
<ul style="list-style-type: none"> % of locally produced food, drinks, goods and services sourced by the destination's tourism enterprises 	
<ul style="list-style-type: none"> Exports of tourism services (a measure showing the contribution of tourism to exports) 	

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