Analysis of Consumption Structure Featured by Inbound Tourists in Shandong Province

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Abstracts: In accordance with the data related to the inbound tourism in Shandong province from 2006 to 2015, through adopting the models of consumption level index and the advanced consumption index of inbound tourists in Shandong province, the consumption structure of inbound tourists in Shandong province is analyzed. As the result indicates, the average daily consumption per capita of inbound tourists in Shandong province keeps the pace of development with that of China, indicating the slow rise of development, and yet this trend stops at 2013, and the average daily consumption per capita of inbound tourists in Shandong province starts to fall behind that of China since 2013. The consumption level index of inbound tourists in Shandong province has been around 1 with less fluctuation since 2013, bespeaking that the consumption level of inbound tourists in Shandong province basically keeps pace with the development of foreign exchange receipt from tourism, and the consumption of inbound tourism in Shandong province is deemed as the synchronous consumption. Under the structure of Shandong’s inbound tourism consumption, the basic consumption takes up over 60% of all years’ data, and the $\beta$, the advanced index of inbound tourism consumption, is valued less than 1 among all years’ data. Hence it is bespoken that the inbound tourism consumption in Shandong province is unreasonably structured, and the inbound tourism supply shall be optimized in structure.

Introduction

Shandong province is located in China’s eastern coastal areas, known as the place where Confucian culture originated. This province is the great economy province in China, enjoying numerous globally famous landscapes and remarkable sceneries as Munt Tai, Three Memorial Edifices of Confucius in Qufu and Spouting Spring in Jinan city. In each year, numerous foreign tourists come to Shandong to view the beautiful landscape here, and accordingly the inbound tourism in Shandong has been rapidly developed. From Table 1, it is acquired that the number of inbound tourists in Shandong province has been increased from 1.931 million arrivals in 2006 to 4.61 million arrivals in 2015, indicating an increase by 138.7%, ranking the 7th place among all provinces in China of tourism. The foreign exchange receipt from tourism has been increased from 1.01 billion USD in 2006 to 2.9 billion USD in 2015, an increase by 187.1%, ranking the 8th place among all provinces in China.

The tourism consumption structure is perceived as the important index measuring the development condition of inbound tourism. To more comprehensively analyze the inbound tourist consumption structure in Shandong province, this paper, based on the data related to China’s annual tourism statistics (from 2007 to 2016), Shandong annual tourism statistics (from 2007 to 2016) and the outline of Shandong tourism statistics (from 2007 to 2016), and through adopting inbound tourist consumption level index and inbound tourist consumption advanced index, anatomizes the inbound tourist consumption structure in Shandong province. This paper seeks to provide the reference for the formulation of strategy for developing inbound tourism in Shandong province.
Table 1. Number of inbound tourist in Shandong province and annual variation of foreign exchange receipt from tourism from 2006 to 2015.

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<td>Inbound tourist arrivals (tens of thousands of persons)</td>
<td>193.1</td>
<td>249.6</td>
<td>253.8</td>
<td>310.0</td>
<td>366.8</td>
<td>424.4</td>
<td>469.9</td>
<td>452.7</td>
<td>445.7</td>
<td>461.0</td>
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<td>Foreign exchange earnings from international tourism (0.1 billion dollars)</td>
<td>10.1</td>
<td>13.5</td>
<td>13.9</td>
<td>17.7</td>
<td>21.6</td>
<td>25.5</td>
<td>29.2</td>
<td>27.3</td>
<td>27.1</td>
<td>29.0</td>
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Analysis of Overall Condition of Inbound Tourism Consumption in Shandong Province

The Figure 1 is made through adopting the average daily consumption per capita of inbound tourists in Shandong province and the Excel software. From Figure 1, it is acquired that the average daily consumption per capita of inbound tourists in Shandong province keeps pace with the China’s index in development, indicating the same slow rise in developing. In the early stage, the average daily consumption per capita of inbound tourists in Shandong province was greatly fluctuated. It reached the highest value of 254 USD in 2008 and soon declined in 2009 under the impact of financial crisis. Afterwards, it had been risen since 2010. Before 2012, the average daily consumption per capita of inbound tourists in Shandong province had been slightly above the condition of China, and yet since 2013, this data has fallen behind the condition of China. Given such variation, the specific measures shall be taken to optimize the supply structure of inbound tourism consumption in Shandong province.

![Figure 1. Comparison between average daily consumption per capita of inbound tourists in Shandong and China from 2006 to 2015.](image)

Evaluation of Inbound Tourist Consumption Level

The inbound tourist consumption level can be measured by the index of inbound tourist consumption level, as expressed in formula:

\[ Q = \frac{C_d}{F_d} \left/ \frac{C_s}{F_s} \right. \]

where \( Q \) refers to the average index of inbound tourist consumption level, \( C_d \) refers to the inbound tourist consumption expenditure in the year, \( C_s \) refers to the inbound tourist consumption expenditure of last year in a certain place, \( F_d \) refers to the foreign exchange general receipt from tourism of the year in a certain place and \( F_s \) refers to the foreign exchange general receipt from tourism of last year in a certain place. If \( Q \) is lower than 1, it is bespoken that the inbound tourism consumption of the local place is deemed as the consumption with lagging development. If \( Q \) equals to 1, the inbound tourism consumption of the local place is deemed as synchronized consumption. If \( Q \) is higher than 1, it is deemed as the early-maturing consumption\(^{[1]}\).

In accordance with the relevant data, and through adopting the Excel software formula (1), \( Q \), the inbound tourist consumption index in Shandong from 2006 to 2015 is computed (as shown in Figure 2). From Figure 2, it is acquired that the inbound tourist consumption index in Shandong has
basically been risen with fluctuation. Before 2013, Q had been valued less than 1, and since 2013, Q has been basically 1, bespeaking the inbound tourist consumption level in Shandong province basically keeps pace with the foreign exchange receipt from tourism. Hence, the inbound tourist consumption of Shandong province is perceived as the synchronized consumption.

Figure 2. Trend chart of Shandong’s inbound tourist consumption level index from 2006 to 2015.

Analysis of Inbound Tourist’s Consumption Structure

Variation of Inbound Tourist’s Consumption Structure. The inbound tourist consumption consists of basic consumption and non-basic consumption. The basic consumption is composed by accommodation, catering, transportation (including long-distance transportation and urban transportation) and scenic spot sightseeing. The basic consumption is deemed as the necessary expense of tourists. The non-basic consumption is composed by shopping, entertainment, posts and telecommunications and other consumptions, and it is the unnecessary consumption of tourists. The non-basic consumption is more elastic than basic consumption. From Figure 3, it is acquired that in the inbound tourist consumption structure of Shandong province, the transportation takes up the greatest place. However the occupancy of transportation in the overall inbound tourism consumption has been declined year by year from 34% in 2006 to 31.9% in 2015. The sightseeing of scenic spot ranks the second place with the slow rise in developing occupancy from 17.7% in 2006 to 21.6% in 2015. The other consumption items are less fluctuated, and rank from large to small as accommodation, sightseeing in scenic spot, catering, entertainment and posts and telecommunication.

From Table 2, it is acquired that the basic consumption takes up over 60% of all years’ data, and yet its occupancy among the consumption structure has been progressively declined. The non-basic consumption takes up the relatively less place with less than 40% of all years’ data. However, the non-basic consumption in countries with advanced tourism has taken up 60% of the total consumption\(^\text{(3)}\). Therefore, it is bespoken that the inbound tourist consumption level in Shandong province is lower, with unreasonable inbound tourist consumption structure and huge distance with other countries with advanced tourism.

Figure 3. Variation trends of all inbound tourist consumption items in Shandong province from 2006 to 2015.

Change of inbound tourist consumption structure. To more scientifically analyze the structure of inbound tourist consumption, the advanced index of inbound tourist consumption can be adopted for the analysis\(^\text{(3)}\). Such index can be expresses in formula as:
\[ \beta = \frac{X}{Y} \]  \hspace{1cm} (2)

Where \( \beta \) refers to the advanced index of inbound tourist consumption, \( X \) refers to the proportion of non-basic inbound tourist consumption expense to the total consumption expense and \( Y \) refers to the basic inbound tourist consumption expense to the total consumption expense. The larger \( \beta \) is valued, the higher the tourism development level and the tourist consumption level shall be, the higher the tourism consumption shall be and the more reasonable the consumption structure shall be. The less \( \beta \) is valued, the over large the proportion of basic inbound tourist consumption expense to the total consumption expense shall be, the lower the tourism consumption quality shall be, and the more unreasonable the consumption structure shall be.

From Figure 1, it is acquired that, the advanced index of inbound tourist consumption, has been steadily raised from 2006 to 2015. The \( \beta \) has been slightly changed before 2013, fluctuated from 0.54 to 0.57. The lowest value reached 0.54 in 2011. Since 2013, \( \beta \) has been slightly increased to 0.62 whereas the \( \beta \) has been overall less valued than 1. For this reason it is indicated that the inbound tourism product is low in quality, the foreign exchange receipt from tourism is highly dependent on the increase of quantity and the inbound tourism consumption structure is unreasonable. The supply structure of the inbound tourism shall be optimized as to provide more high-quality tourism products for the inbound tourists.

Table 2. Advanced index of inbound tourist consumption in Shandong province from 2006 to 2015.

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<tbody>
<tr>
<td>The proportion of non-basic consumption</td>
<td>36.5</td>
<td>36.4</td>
<td>36.5</td>
<td>36.5</td>
<td>36.4</td>
<td>35.1</td>
<td>35.9</td>
<td>38.1</td>
<td>38.2</td>
<td>38.2</td>
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<tr>
<td>The proportion of basic consumption</td>
<td>63.5</td>
<td>63.6</td>
<td>63.5</td>
<td>63.5</td>
<td>63.6</td>
<td>64.9</td>
<td>64.1</td>
<td>61.9</td>
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<td>( \beta ) value.</td>
<td>0.57</td>
<td>0.57</td>
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<td>0.57</td>
<td>0.54</td>
<td>0.56</td>
<td>0.62</td>
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Conclusions

The average daily consumption per capita of inbound tourists in Shandong province keeps the pace of development with that of China, indicating the slow rising trend. However this value has fallen behind the China’s condition since 2013.

The consumption level index of inbound tourists in Shandong province has been around 1 with less fluctuation since 2013, bespeaking that the consumption level of inbound tourists in Shandong province basically keeps pace with the development of foreign exchange receipt from tourism, and the consumption of inbound tourism in Shandong province is deemed as the synchronous consumption.

Under the structure of Shandong’s inbound tourism consumption, the basic consumption takes up over 60% of all years’ data, and the \( \beta \), the advanced index of inbound tourism consumption, is valued less than 1 among all years’ data. Hence it is bespoken that the inbound tourism consumption in Shandong province is unreasonably structured, and the inbound tourism supply shall be optimized in structure.

References

