

The Marketing Influence, Changes and Opportunities of China's Tourism Industry under the Covid-19

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ABSTRACT

After the rapid outbreak of Covid-19 at an alarming rate, it has had a catastrophic and unprecedented impact on the tourism industry, and has also profoundly affected the marketing methods related to the tourism industry. This paper collates and explains the intuitive harm of covid-19 to the tourism industry, and predicts that the pandemic will completely change the pattern of China's tourism industry and consumer expectations within a certain period of time. In addition, covid-19 is also an opportunity for the transformation of China's tourism industry. This paper will elaborate on this aspect. This paper argues that the outbreak of covid-19 has almost destroyed international travel, which has forced consumers to pay attention on China's domestic travel. Under the pandemic, the age of consumers in the tourism industry is getting younger, and their tendency to travel in groups is decreasing. In fact, in this context, the role of big data marketing and the Internet is becoming more and more obvious.

Keywords: Covid-19, tourism, China, marketing, lifestyle, consumer expectations

1. INTRODUCTION

As a new and sudden outbreak of the virus, Covid-19 has appeared in all provinces and regions of China in a short period of time. The speed of this spread is shocking enough. In this extremely critical form, the Chinese government declared a state of emergency and blocked Wuhan, a city known as one of China's transportation hubs, until April 2020. A few days later, all provinces and regions across the country had cases of covid-19 and were forced to implement lock downs, which was a near devastating blow to China's tourism industry. Even though the number of corona virus cases in China has decreased significantly after a few months, and Wuhan as the epicenter was unblocked in April 2020, what the Chinese tourism industry and Chinese travelers as consumers have seen after the outbreak of Covid-19. It's a completely different world-the word tourism has been redefined. From a macro perspective, marketing practitioners must conduct an in-depth analysis of the changes in the tourism industry due to the pandemic. This paper will focus on this issue and will also elaborate on the covid-19 pandemic, which is considered as a new opportunity will have an impact on China's tourism marketing. The problem result that this paper wants to get is: whether the pandemic has brought structural changes to the tourism industry, and what is

the relatively positive significance of it from a longer-term perspective. In the view of the future development of the tourism industry, the meaning of this paper is to define the new normal of the tourism industry in a targeted manner, and to find a suitable marketing method that can promote greater profits while coexisting with the pandemic.

2. THE INFLUENCE OF COVID-19 ON THE ECONOMY, CONSUMER BEHAVIOR AND STRUCTURE OF TOURISM

2.1 The impact on the hotel accommodation industry

As a country with a vast territory and a long history, China accounts for a very large proportion of the tourism industry. From the perspective of domestic travel, China's tourism industry had an extremely impressive growth rate before the outbreak. In 2019 alone, the total number of domestic travelers in China increased by 8.4% compared to 2018. The total income of the tourism industry reached 6.63 trillion yuan, and it provided nearly 80 million related people with direct or indirect employment opportunities, which accounted for 10% of the employed population in China (Xinhua, 2020). From an economic point of view, the first impact

of Covid-19 is that the entire Chinese hotel industry has been hit by an unprecedented blow.

Take Hubei Province and Wuhan City, which are the epicenters, for example, all hotels were closed overnight, and most of the small and medium-sized hotels did not even purchase insurance, so they did not have sufficient anti-risk capabilities. Faced with the sudden new corona virus, these hotels can only suffer huge losses or go bankrupt as a result (Knight, D. W., Xiong, L., Lan, W., & Gong, J.2020). Taking the hotel industry as an example, which can estimate the trend of the entire Chinese economy in the first quarter of 2020. The BBC accurately reported the economic situation in China that fell sharply after the covid-19 virus: Due to extremely strict lockdown measures, China's economy shrank by 6.8% in the first quarter of 2020, which is China's weakest quarter economy in recent years history (BBC News, 2020).

However, as a marketing, the greater change brought about by covid-19 lies in the identity and psychological changes of consumers. The market and travelers who recovered from the pandemic have redefined travel, which also necessitated the re-planning of marketing.

2.2 The impact of consumer travel

The first problem marketers have to face is the extreme restrictions on international travel and consumers' sluggish attitude towards the persistence of international travel. After the outbreak of the epidemic, the United States and some other countries have imposed restrictions on Chinese citizens one after another, so that travelers have to stay in the country and cannot realize their desire to travel overseas. When the number of cases in China is gradually decreasing, the outbreak of covid-19 in other countries has also led the Chinese government to formulate a series of restrictive measures. Foreigners are restricted from entering the country, and the freedom of international travel of their citizens is also restricted-this stems from the "Five One" policy formulated by China. The policy announces that China will only send one flight to and from certain countries every week, and assuming that Chinese citizens return to China from other countries through the "Five One" policy, they must also undergo compulsory quarantine and nucleic acid testing at their own expense. This series of extraordinary measures makes international travel almost impossible under the Covid-19 pandemic (Reuters 2021). Therefore, the Chinese tourism industry that has recovered from the pandemic will face a new normal with only domestic tourists.

The more important change comes from the consumer group itself, which is also attributed to the far-reaching impact of Covid-19. Tourist groups have

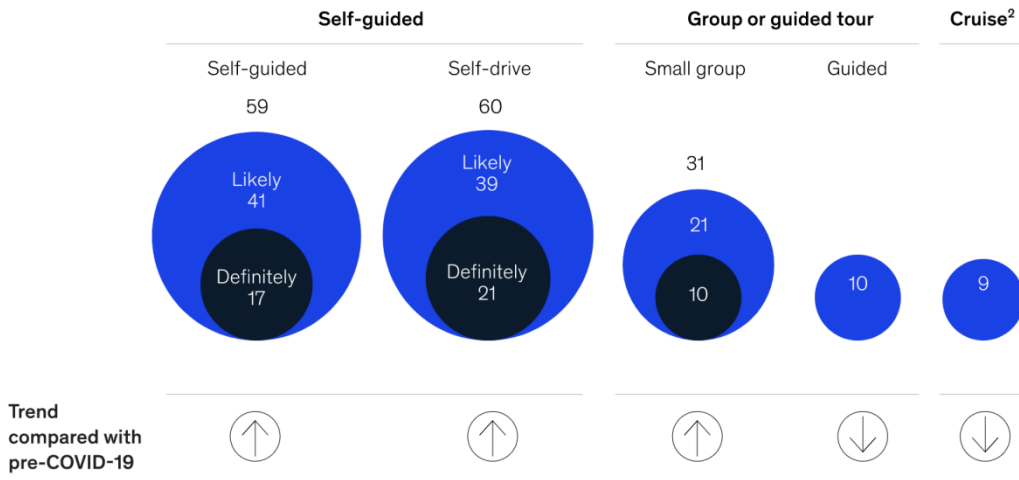
become more cautious than ever. They will choose more areas closer to their homes to travel, and their interest in long-distance travel will decrease because this will cause them to worry about the pandemic. The age of travel consumers and their demand for accommodation during travel have also changed due to the pandemic: Among domestic travelers in 2019, 43% were younger than 30 years old. In April 2020, this number rose to 60%. This group's demand for affordable accommodations has also greatly increased. 85% of domestic tourists believe that their travel budget this year will be less than 10,000 yuan, which means that the luxury hotel industry will be hit to a certain extent. Things were very different before the pandemic. In the 2017 data, only 27% of people think that their travel expenses this year will be less than 10,000 yuan (Eng and, W., Saxon, S., SU O, P., & Y U, J. 2020). According to the previous analysis of international travel and the cautious attitude of consumers, the huge difference in spending between travelers in 2017 and 2020 can be explained: the restrictions on international travel make consumers only focus on domestic travel. Contribute to the recovery of the domestic travel industry.

2.3 Impact on consumers' attitudes and costs towards travel in the tourism industry

Consumers' attitude of "traveling nearby" has also reduced their transportation costs, and the frequency of annual trips will also be reduced due to the pandemic, thereby reducing the total cost of annual travel. It is obvious that the marketing of tourism must follow the new normal under the pandemic: consumers' psychology, location choices, expectations, and spending power have all changed more. These changes prompted adjustments in marketing for the tourism industry. The more revolutionary change lies in the way of travel, which is different from the group tourism industry before the pandemic. Due to various uncertainties after covid-19, only 10% of travelers declared that they would choose a group tour on their next trip. And 68% of respondents have a negative attitude towards group travel. Eger believe that this tendency is a fundamental change in China's domestic tourism industry: in the past few years, Chinese travelers have been more inclined to the existence of professional tour guides, and they can follow other group tours and tour guides. . Because it provides more convenience to travelers, this type of group travel is the most popular in the field of overseas travel. In addition, another variable in the field of group travel is the "popularity of small groups." Thirty-one percent of respondents believe that a group of less than 10 people is more appropriate, which is three times the result in 2019 (Enger, Will, et al, 2020).

Chinese travelers prefer self-guided and self-drive trips over group tours.

Planned group size on next trip,¹% of respondents



¹Question: Which group size will be the most popular? (n = 1,682 respondents, data collected from April 13–18, 2020.)
²The 2020 COVID-19 Travel Sentiment Survey focuses on outbound cruises while 2019 Consumer Survey only had "River Cruise" in the domestic module.
 Source: COVID-19 Travel Sentiment Survey, 2020

Figure 1: The proportion of Chinese travelers with elf-guided and self-drive.

According to Figure 1, changes are not only in group travel, but also in individual travel due to the pandemic. The crowd who choose self-guided and self-driving tours have already accounted for the majority. 17% and 21% of those who think they will “absolutely” choose self-guided and self-driving tours in their next travel plans. Correspondingly, these data have an increasing trend than before the pandemic. In general, these changes have led to the need for corresponding changes in the world faced by consumers after the epidemic and marketers’ strategies. The psychological changes of consumers are the foundation of the changes in marketing strategies. Due to changes in consumer preferences and the sudden stagnation of international travel, the structure of group travel has almost collapsed, and individual travel, especially the revival of planned travel for individuals and self-driving travel, is the most fundamental for the re-adjustment of marketing Problem.

2.4 Impact on consumers' destination choices and rural tourism

After the changes in travel methods and attitudes towards travel, consumers’ choice of travel locations has

also changed due to the pandemic. With the Covid-19 virus still present, China's rural tourism industry has been further developed. According to data from Xinhuanet, until March 2021, the total number of rural tourists in China has increased by 300% year-on-year, which is an explosive figure. The main target of Chinese tourists is not only the city with a long history and cultural landscape, but also some different things: fishing, picking mulberry, and tasting the local products of the countryside (Xinhua, 2021).

The Figure 2 is from Li, Zhiyong, it clearly shows the relationship between various roles and variables in rural tourism. The government promotes the development of rural tourism through policy support, thereby revitalizing the rural economy that has been affected by the outbreak of covid-19. And tourists are more inclined to natural scenery because of safety and health considerations (Li, Z., Zhang, X., Yang, K., Singer, R., & Cui, R. 2021).

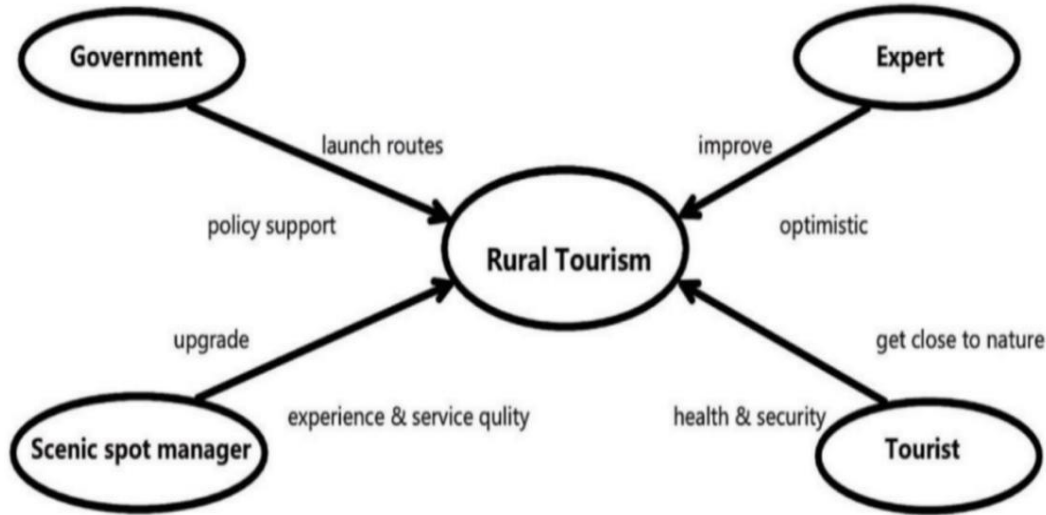


Figure 2: Relationship between stakeholders and rural tourism

In fact, this is also a fundamental change, and the rapid growth of rural tourism has accelerated the recovery of China's domestic tourism to some extent. In the hearts of Chinese travelers after the pandemic, it is generally considered unsafe to leave their home city too far, especially those tourist cities that are famous for their nightlife. Unstable factors make Chinese tourism consumers become particularly cautious when choosing large cities as their travel destinations. Although cities like Chengdu are well-known throughout the country for their gourmet food and rich nightlife, these cities have a large population base, and the possibility of an outbreak of covid-19 is greater than in rural areas, which leads to uncertainty and Consumers' distrust of city travel. However, rural travel is safer in comparison. consumers will able to chat with each other and enjoy life among the mountains or a lake far away from the city without having to worry too much about the virus outbreak like traveling in the city. Perceiving and analyzing the above changes are the core issues for marketing in the tourism industry. For marketers in the tourism industry, principles like how to design products that users really need, how to manage user experience, and how to improve the expressiveness of products and increase the perceivable user value are the principles of the new tourism model.

3. NEW OPPORTUNITIES UNDER THE COVID-19 PANDEMIC

On the other hand, the Covid-19 pandemic is also an opportunity for reforms in the domestic tourism industry. According to the changes in consumer psychology mentioned above and the impact of the pandemic on the economy and consumers, marketers can classify different consumers and use innovative technologies such as big data and the Internet to carry out new marketing models. First of all, marketers should

appropriately adjust their marketing objectives and marketing targets. For the past travel industry marketers, international travel accounts for a large part. Judging from the current situation, marketers should seize the opportunity of domestic travel brought by the pandemic to increase their efforts to promote domestic travel. The opportunity for marketers is to ensure the safety and health of consumers through linkage with scenic spots without losing the fun of travel. In this way, a large number of consumers can be attracted under the new normal, thereby creating a new tourism model under passive conditions that coexisting with the covid-19 virus. For potential consumers who are still cautious and unwilling to travel, "cloud tourism" has become crucial. Thanks to big data and the ability of Internet operations, although these consumers have not clearly expressed their travel intentions at present, cloud tourism allows them to choose their destinations in advance, and can use this as a basis for further marketing in the future. Xinhuanet reported that cloud tourism is a new, non-contact immerse sight-seeing experience. It can perfectly fit with live streaming, 5G and virtual reality (Xinhua,2020). Therefore, it can be used as a new marketing method. For example, if you link this cloud tourism with Tiktok, the benefits will be very large. Because Tiktok, as a platform with huge users, has a positive effect on the marketing and promotion of the tourism industry.

4. CONCLUSION

In conclusion, this paper explains the impact of covid-19 on China's tourism industry and China's economy. It has destroyed international travel to a certain extent, and it has also caused China's domestic travel in the first quarter of 2020. Blow. With the decline in the number of patients in Chinese hospitals and the spread of vaccines, the tourism industry has

gradually recovered. At the same time, the profound changes brought about by the pandemic will affect the entire Chinese tourism industry. It changes consumers' expectations for travel, including health, accommodation and destination choices. At the same time, group trips have decreased, while self-guided tours and self-driving trips have increased. With the younger age of travelers, these changes will reshape the marketing model of the tourism industry. Moreover, the opportunity presented by Covid-19 is that marketers can use contemporary technology to create a safer and more diversified travel experience for consumers, thereby accelerating the recovery of the tourism industry and expanding tourism based on this. The marketing adds value on the industry.

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