

# **Studies on Relationship between Tourist Industry Integration and Structure Evolution: Taking Tourist Industry in Wuhan as an Example**

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**Key word:** Tourist Industry; Integration; Structure; Evolution

**Abstract:** Economically, the structure evolution of tourist industry is closely associated with tourism integration. However, present development runs counter to economic principle since the integration is ignored when the structure advances. The paper takes tourist industry in Wuhan as an example to analyze the relationship between tourist industry integration and structure evolution.

## **Introduction**

With economic globalization, industrial integration has been one of the most effective manners to make industrial structure advance. For tourist industry in Wuhan, it has a tendency of diversified development and further integration with various forms of tourism in blossom.

It is urgent to make strategic transformation of tourist industry since it is the only way to solve increasingly serious demand contradiction and structure contradiction problems.

## **Overview on Tourist Industry Integration and Structure Evolution**

Tourist industry structure is comprised of various parts that are related to and constrained by each other, including sectors, areas, kinds of economic components and economic activities. Analyzing its structure aims to promote tourism development whose premise is that the scale and speed of overall development can be adapted to the development of domestic economy. From industrial supplying, tourist industry contains restaurants, hotels, transportation, sightseeing, commodities and entertainment businesses, all of which are concerned about people's daily lives. These businesses belong to different to industry sectors, together forming economic, social and cultural position of tourism and thus being a complex system open to the world. Tourist industry integration refers to that tourist industry search for cooperation and integration with other industries for more development spaces with new technologies and ideas by focusing on tourism resources, talents and market. Such integration will maximize economic benefits and drive structure evolution.

## **Studies on Tourist Industry Structure Evolution**

Studies on tourist industry structure evolution have been conducted mainly from several aspects: 1) studying on the evolution of tourist destinations based on life cycle; 2) working on measures to optimize tourist industry structure based on the structure of tourism sectors and products; 3) beginning with dynamical system of the industry development to analyze evolution manners and rules of its structure; 4) studying on dynamical system of the industry structure advancement. Related researches have made great achievements, for example, the essence of structure evolution has been recognized. On the other hand, the researches need to be deepened further in, such as

dynamical system, which is too simple to be systematical and unfit into present industrial development.

Recently, driven by tourist industry integration, tourism has been advanced quickly and attracted more and more attention from related researchers. In addition, some initial successes have been obtained including integration system and effects, which can be observed from various books and reports. However, it is necessary to carry out more enhanced studies on the domestic tourism integration since its importance and impacts are still unclear yet and lack systematical illustrations.

The improvement of regional tourism structure requires industrial integration innovation, which actually is not realized now. In other words, tourism workers have limited knowledge about industrial integration and dynamical system of structure evolution. In this research, the author will focus on the relationship between structure advancement and industrial integration using cooperated dynamical models based on current situation of tourist industry.

### **Dynamical System of Tourist Industry Integration in Structure Advancement**

Various factors can affect the advancement of tourist industry structure. And on the basis of dynamical system, it is found out that the main drive forces of industrial development are interior force and exterior forces. Interior force of internal tourist industry is one of the important elements to promote industrial development while external environment is the other element for tourism to make progresses, namely, exterior forces. Comparing with exterior forces, interior force shows tourism own innovative thinking which ensures sustainable and stable development. Specifically, the innovation of techniques and business types play a significant role in tourism. Moreover, the source of innovation is the integration with other industries. With independent innovation, tourism economic system can make tourism structure promote. And in turn, the industry structure promotion also helps innovative activities, and determines which manner the industry chooses to take to innovate.

Essentially, tourist industry integration is a kind of innovative activity produced by innovative technology and service to make sure that the whole tourism is developing towards the same direction. It expands tourism development space to some extent and accordingly improves the comprehensive level of tourism. The expanding scale of production resulted from integration and innovation attracts numerous investments from different industries. These industries promote their places in tourism when investing, and then have massive influences on tourism structure. Through the cooperation of interior force and exterior forces, tourist can be successful in structure evolution.

The introduction of innovation will break existed economic balance, and as a result, the supply will increase and new tourism form will generate. The following part will lay emphasis on the impacts of independent innovation on tourist structure evolution: 1) With industrial integration going on, the tourism scale will expand with more novel tourism projects and high-end product, which will provide better service for customers; 2) The enhancement of industrial integration leads to increasing demands of tourists for tourism products, which is an important breakthrough for developing new tourism projects; 3) With fierce competition, tourist industry with innovative ideas and integration strategy will get its ultimate victory by renewing supporting equipments and putting into abundant labors and funds; 4) The innovative achievements refer to the tourism projects with rich knowledge about tourism market, the torrent of money and advanced technology. The utilization of relationship between technology, knowledge, fund and industry will enormously improve comprehensive level of the industry.

Although there is intense competition in tourism, externally or internally, tourism companies with innovative integration can find its place in market because industrial integration is coordinated

and sized, and can substitute other companies. Apart from above advantages, tourism companies also are flexible in development paths and thus promote economic benefits of tourist industry. It is competition that makes traditional companies innovate and step into a different way from others. To sum up, innovation is beneficial for tourism to form market and technology basis and to accelerate its structure evolution.

### **Studies on Coordinated Evolution of Tourist Industry Integration and Structure—Taking Tourist Industry in Wuhan as an Example**

As a famous ancient city with prolonged history, Wuhan has advanced quickly formed with “Wuchang, Hankou, and Hanyang” after years’ development and reform and opening-up. For Wuchang, it has tourist attraction centering on the East Lake Scenic Area. With reference to Research Report of Tourist Industry in Wuhan in 2012-2015, this research discusses the development situation of tourist industry since integration and structure evolution have been conducted.

**Tab. 1 The initial loading matrix**

	Principal component		Percentage in variance (%)
	Z1	Z2	
Technology integration	0.907	-0.176	88.17
Business integration	0.272	0.717	82.65
Market integration	0.180	0.913	91.03
Integration of R& D funding	0.895	0.103	86.39
Integration of R& D personnel	0.874	-0.272	85.78

From table 1, it is easy to know that the loading matrix of integration of R&D funding and personnel are distinctly higher than other integrations, which implies the technology index is very clear. And in second principal components, the loading matrix of integration of market and business are higher than others, which show that the basic integration index is clearly informed.

Then, according to the comprehensive model of principal component expression, the formula is shown as following:  $M_{06} = 0.33 z_{m1} + 0.37 z_{m2} + 0.42 z_{m3} + 0.35 z_{m4} + 0.31 z_{m5}$ . From the formula, it is clear that the foundation of industry integration is business integration, and market integration should be taken into consideration in order to achieve industry integration. Moreover, only by technical innovation, market innovation and business innovation, can tourist industry integration and structure evolution achieve perfectly.

### **Conclusion**

Based on the above research, it concludes: 1) During tourist industry structure evolution, the innovative degree of integration decides the evolution degree; 2) The coordination of innovative integration and structure evolution will accelerate tourism development; 3) Since Wuhan does not construct a feedback mechanism in industry integration, it should make more efforts on resources integration and fund investment, as well as talents introduction so as to develop a novel tourist industry. In one word, the tourist industry integration and structure evolution are significant for tourism development.

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