OVERTOURISM

- and how Chinese Outbound Tourism can become not only part of the problem but also part of the solution

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“COTRI is the world’s leading institute for research and consulting services related to the Chinese outbound tourism market, and cooperates with all leading international and Chinese tourism organisations.” (China Daily, March 2016)

COTRI offers services around to customers around the world since 2004 as an independent institute research and consulting, led by Prof. Dr. Wolfgang Georg Arlt FRGS FRAS.

Offices are located in Hamburg/Germany and Beijing/China, with a global network of regional partners on all continents.

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COTRI’s founder and director

- First visit to People’s Republic of China in 1978
- 1991-1999 owner of Inbound Tour Operator China -> Europe with offices in Beijing and Berlin
- Since 2004 COTRI founder and director
- Professor for International Tourism Management at West Coast University of Applied Sciences Germany (Heide)
- Visiting professor at universities in China, United Kingdom and New Zealand
- Fellow Royal Geographical Society (London)
- Fellow Royal Asiatic Society (London)
- Research Fellow Japanese Society for the Promotion of Science (Tokyo)
- Board member PATA Pacific Asia Travel Association (Bangkok)
- **Vice President Western Europe ITSA International Tourism Studies Association (Beijing/Greenwich)**
- Fellow of International Association of China Tourism Studies (Guangzhou)
- Member of UNWTO Expert Panel (Madrid)
We all know the UNWTO graph illustrating the strong growth of international tourism, with a forecast of reaching 1.8 billion border-crossing trips by 2030, adding 600 million to the 1.2 billion of 2017. Add to this domestic travel and you reach – depending on your definition – about one trip per earthling by 2030.
Greater China (Hong Kong, Macau, Taiwan) continues to lose market share and slow growth. The Rest of the World however will still see double-digit YoY growth rates. By 2030 more than 400 million outbound trips will originate in Mainland China, most of them going beyond Greater China - meaning ALMOST HALF of the additional outbound travellers will be CHINESE.
China’s outbound tourism – You ain’t seen nothin’ yet

Today no more than 10% of Chinese citizens possess passports
Almost all live in 1st and 2nd tier cities

Until Now Only Four Economic Regions As Main Tourist Source Regions

75% of Chinese tourists believe that travelling is a vital factor for improving their life quality and happiness.

The vast majority of Chinese have yet to experience their first-ever long-distance leisure trip (inside or outside China)
Tourism is in danger of being no longer being perceived as *good*.

Tourism experts know that the triple bottomline of tourism is negative, but the general public, and even part of the stakeholders in the industry still believe our spiel:

Tourism brings
- Happiness, fun, relaxation to the tourists
- Tolerance, peace and global friendship to the world
- Jobs in a smokestack-free industry for youth, women, SME entrepreneurs to the local societies

But: Today tourism faces attacks from several sides at the same time, a tipping point might soon be reached.
Overtourism – Will we stop to be the good guys?

- Environment – No clean jet fuel in sight. Pollution in 10 km height creates only 3% of all pollution, but is responsible for 10% of the effects.
- Social divide – tourism as a tool of the top billion of the global population to rob the other six billion – land being grabbed: fishermen loose the beach to bikinis; locals loose parks, pasture and commons to golf courses and holiday houses.

This has been going on already for 20+ years, but concerned less the top billion of the global population.

- But now this is changing:
- Tourism is taking over the cities WITHIN the world of the top billion – as a consequence locals had enough, they protest, they attack tourists.
- Some reasons: less seasonality in cities, hordes of cruise passengers, AirBnB competing with locals for apartments outside tourist bubble.
Overtourism – Not The Same As Overcrowding

Overtourism describes, according to the widely accepted definition by Harold Goodwin

“... destinations where hosts or guests, locals or visitors, feel that there are too many visitors and that the quality of life in the area or the quality of the experience has deteriorated unacceptably”.

Overtourism – Not The Same As Overcrowding

A WTTC/McKinsey study published in December 2017 is a good example of how to misunderstand it.

In 2012, the hashtag #overtourism appeared on Twitter for the first time. But only last year the deterioration of the quality of life of the citizens in European cities as diverse as Venice, Barcelona, Passau, Cinque Terre, and Dubrovnik was blamed on this new phenomenon.

Hundreds of journalistic articles were published and several conferences organized by UNWTO, WTTC and the WTM London discussed the growing number of – sometimes violent – protests by the inhabitants of destinations.
The report shies away from using the word Overtourism, even though the phenomenon it discusses is clearly not overcrowding.

Travellers have complained about too many other travellers they have to share a destination with since the beginning of tourism.

However, a recent (not yet published) research conducted by Markus Schuckert of Hong Kong Polytec University and myself showed that international visitors do not consider the 40 million Mainland Chinese descending on the Hong Kong SAR as overcrowding, but as an expected element of the experience of visiting a bustling Asian megacity. The local inhabitants however perceive the Mainland visitors as responsible for Overtourism.
The McKinsey study provides a good guideline how not to address the topic.

It starts by looking at the future international arrival numbers to countries, when Overtourism is happening in cities and is fueled in most cases by domestic visitors as well.

In fact, 97 out of 100 visitors on the Great Wall in Beijing are Chinese, the majority of visitors to Barcelona share the same passport with the local inhabitants.

The study then develops a mechanistic tool to measure “overcrowding” a.k.a. overtourism, using nine benchmarks including 

- Number of visitors per square kilometer
- Share of top 20 TripAdvisor attractions that are historic sights

An impressive amount of data for 68 cities is collected, but when the tool is tested, it fails miserably, as even the authors admit, finding for instance no problem in Barcelona.
Feelings, according to Goodwins definition, especially of hosts, are not really influenced by the number of historic sights and even less by the Difference in arriving-flight seats between high and low month, another benchmark used, which fails to understand that exactly the decline of seasonality in big city tourism bereaves locals from having the city at least during the off-season for themselves and increases their feeling of being dispossessed.
The second part of the McKinsey study than gives a lot of good advice how to mitigate overcrowding on four points:

1. Build a comprehensive fact base and update it regularly
2. Establish a sustainable growth strategy through rigorous, long-term planning
3. Involve all sections of society—commercial, public, and social
4. Find new sources of funding

This is good advice indeed, albeit for almost any activity related to tourism: looking carefully at facts, developing a good plan accordingly, involving all stakeholders and getting lots of money to finance your venture will help you, regardless if you open a fast food outlet in Istanbul, a contemporary art gallery in Buenos Aires or a new airport in Chengdu.
With so little help from the big guys, let's try to find ourselves somewhat more specific solutions.

Seven approaches:

1. Yield management – scarce resources to highest bidder
2. Discourage international visits
3. If you can’t make it – fake it
4. Deny the existence of the problem
5. World Heritage belongs to all – local have to accept or leave
6. Rename the neighbourhood
7. Convince repeat visitors to go elsewhere
1. Yield management – scarce resources to highest bidder

From an economist's point of view the answer is simple: In a market-based economy scarce resources are traded at a premium price:

- Ask for 100 Euro entrance fee for Venice for visitors without hotel reservation
- Increase the landing fees for cruise ships in Dubrovnic tenfold
- Auction off tickets to Angkor Wat and Macchu Pichu
- Slap a substantial tourism tax on each overnight on Mallorca

BUT: Reaction will be negative: *UNFAIR*. The social divide between have’s and have-not’s becomes too obvious. And what about the friends of the locals coming to visit?
2. Discourage international visits

At the highest point – until now – of oil prices in 2011 Paul Peeters presented a paper during the RGS Annual conference in London proposing to close down Amsterdam. He demanded that Amsterdam DMO stops Marketing for non-neighbouring source markets, discourages air transport and fills the hotel beds with Belgians and Germans coming per train or hopefully by bicycle.

Nowadays a less *green* version of nationalism is moving in a similar direction: Hungary has dismantled its NTO and closed all international representative offices, Poland is moving in the same direction, several Schengen countries have re-introduced border controls.

BUT: Economic suicide for tourism service providers, also: for *Chinese* visa regulations are eased, Hungary still runs China-CEEC 16+1 office in Budapest.
3. If you can’t make it – fake it

Royal Caribbean Cruise Co. has created CocoCay Island, a tropical paradise with the right kind of palm trees and without crime, drugs or prostitution – because all inhabitants are employees of the cruise company, pretending to be locals.

So: Pay the remaining 1,500 inhabitants of the old city of Dubrovnik for continuing with their normal daily life without protesting against the tourists which make noise in the night and pee into their little gardens.

BUT: Difficult to achieve in a democratic society. For European tourists also too obviously providing a front stage without „authenticity“
4. Deny the existence of the problem
Jim Butcher:
“Overtourism, in so far as it describes a problem, is very much a first-world problem. Elsewhere, talk of ‘undertourism’ would be more apposite. The continent of Africa generates and receives far, far fewer tourists per head of the population than Europe. ... So called pro-poor and community-based approaches – frequently favoured by development experts and ethical campaigners – often buy into this holiday Malthusianism, and reflect a lack of vision and ambition to transform things for the better. ... Capacity issues are real, of course, as is a desire to protect valued aspects of culture. Yet the overtourism hype pessimistically assumes tourists and locals are at loggerheads – the cultural freedom of one enjoyed at the expense of the other. It has rapidly become an argument against development. With tourism set to expand for the foreseeable future, we need a more optimistic, future-oriented, technologically informed, infrastructurally enabled vision of how to generalise the advantages that tourism brings to both tourists and their hosts. Critics of overtourism need a holiday.” [http://www.spiked-online.com/newsite/article/in-praise-of-the-holiday-revolution/20438#Wn11bX2yAm8](http://www.spiked-online.com/newsite/article/in-praise-of-the-holiday-revolution/20438#Wn11bX2yAm8)

BUT: Putting your hands before your eyes does not make the tiger go away
5. World Heritage belongs to all – locals have to accept or leave

Many overtourism-hit destinations are UNESCO World Heritage places. According to this designation the heritage is owned by mankind, not by the locals. *Common heritage of mankind* is a principle of international law which holds that defined territorial areas and elements of humanity's common heritage should be held in trust for future generations and be protected from exploitation by individual nation states or corporations.

So: Tell the locals that their community earns a lot of taxes and they get a lot of jobs from the tourism invasion, they should *shut up or pack up*.

Example: Pingyao in China after receiving UNESCO World Heritage status kicked out almost all local inhabitants and demolished modern buildings to make room for hotels, shops and restaurants in „authentic“ style.

BUT: That does not stop the locals from throwing horse shit at the tourists
6. Rename the neighbourhood

"i amsterdam," the organization that oversees the city’s tourism, started packaging outlying districts more overtly as standalone destinations in 2015: For example, one strip of sand, 18 miles from the city center, known as Zandvoort, was renamed Amsterdam Beach.

Copenhagen and Malmö are selling themselves across the Öresund bridge as Greater Copenhagen, achieving that more visitors to Copenhagen also visit attractions and events in Malmö.

BUT: Good idea, but not feasible everywhere.
7. Convince repeat visitors to go elsewhere

It is very hard to keep first time visitors to Paris from going up on the Eiffel Tower, and very hard for first time visitors to Beijing to keep them from going up on the Great Wall. Therefore concentrate on repeat visitors and on visitors without fixed ideas what is the “must see” location and/or change the “must see” locations especially for new source markets by new stories, first of all for CHINA.

COTRI mantra when working with destinations: Many destinations represent a white sheet of paper for Chinese visitors, by creating attractions adapted to the needs of the Chinese source market (example: Saxophone festival in February in Dinant) temporal and spatial dispersion possible.

BUT: Might prevent the problem of overtourism from getting bigger, but no solution for the original problem, still better than nothing.
Overtourism – a problem which cannot be solved without attention to China’s outbound travellers

Thank you for your attention!

Looking forward to your comments and questions!

For more information on China’s outbound tourism:

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