

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Diploma Thesis

**Chinese Outbound Tourism in Europe with focus
on the Czech Republic**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Fang Qi Ye

Economics and Management

Thesis title

Chinese outbound tourism in Europe with focus on the Czech Republic

Objectives of thesis

This diploma thesis focuses on issues of the Chinese outbound tourism in Europe with focus on the Czech Republic. The aim of the thesis is to identify the factors involved in the rapid increase in the Chinese outbound tourism in Europe in general and the Czech Republic in particular. A prediction of possible consequences is made on the basis of the political, economic, social, technological, legal and environmental (PESTLE) aspects.

The first part of thesis presents a summary of the basic concept of tourism including a definition of tourism, types of tourism, tourism system and definition of tourists and its typology, distribution channels, factors affecting tourism development and the current situation of outbound tourism in the world, Europe and the Czech Republic. The second part provides information about Chinese economy, relationship between China and Europe/the Czech Republic and the Chinese outbound tourism in Europe and the Czech Republic. It describes situation of Chinese travel companies in Europe and the Chinese travellers in the Europe with focus on the Czech Republic. The practical part of the thesis describes real opinions about the factors of increasing Chinese outbound tourism in Europe considering PESTLE aspects derived from interviews with selected travellers and travel companies in Europe and in the Czech Republic. Furthermore, based on analysis of all these factors and the current situation, the author of the work attempts to predict the possible positive and negative consequences of increasing Chinese outbound tourism and proposes recommendations for improving the business conditions and situation for tourism in the Czech Republic.

Methodology

Selected methods of tourism economics analysis

Use tourism related indicators

Use basic statistical and numerical methods

Qualitative and Quantitative Research methods

Methods of data collection in qualitative research: interviews and questionnaire

The proposed extent of the thesis

60 pages

Keywords

China, Chinese travellers, travel agencies, Chinese outbound tourism, Europe, Czech Republic, Factors, ADS, Relationship, PESTLE

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Declaration

I declare that I have worked on my diploma thesis titled "Chinese Outbound Tourism in Europe with focus on the Czech Republic" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 26th March, 2017

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Čínský výjezdový cestovní ruch v Evropě se zaměřením na Českou republiku

Souhrn

Tato diplomová práce je zaměřena na problematiku čínského výjezdového cestovního ruchu v Evropě se zaměřením na Českou republiku. Cílem této práce je identifikovat faktory podílející se na rychlém nárůstu čínského výjezdového cestovního ruchu v Evropě a zejména v České republice. Predikce možných důsledků se provádí na základě analýzy politických, ekonomických, sociálních, technických, právních a environmentálních (PESTLE) aspektů.

První část práce představuje souhrn základního konceptu cestovního ruchu včetně definice cestovního ruchu, druhy cestovního ruchu, systémy cestovního ruchu, definici turistů a jejich typologii, distribuční kanály, faktory ovlivňující rozvoj cestovního ruchu a aktuální situaci výjezdového cestovního ruchu ve světě, Evropě a České republice. Druhá část je analýza čínského cestovního ruchu, včetně čínské ekonomiky, čínského výjezdového cestovního ruchu v Evropě a České republice. Dále popisuje situaci čínské cestovní kanceláře v Evropě a čínské turisty v Evropě se zaměřením na Českou republiku. Praktická část práce využívá ekonometrické modelování – metodou nejmenších čtverců, která analyzuje závislost počtu příjezdů čínských turistů v České republice na ekonomických ukazatelích, jako jsou HDP, CPI a směnný kurz, navíc tato část také popisuje skutečné názory týkající se faktorů zvyšujících čínský výjezdový cestovní ruch v Evropě s ohledem na PESTLE aspekty odvozené z rozhovorů s vybranými cestujícími a cestovními kanceláři v Evropě a v České republice. Kromě toho, na základě analýzy všech těchto faktorů a současné situace, autor diplomové práce se snaží předvídat možné pozitivní a negativní důsledky na rostoucí počet čínských turistů a navrhuje doporučení ke zlepšení obchodních podmínek a situace v oblasti cestovního ruchu v České republice.

Klíčová slova: Čína, čínští turisté, cestovní kanceláře, čínský výjezdový cestovní ruch, Evropa, Česká republika, faktory, ADS, vztah, PESTLE

Chinese Outbound Tourism in Europe with focus on the Czech Republic

Summary

This diploma thesis focuses on issues of the Chinese outbound tourism in Europe with focus on the Czech Republic. The aim of the thesis is to identify the factors involved in the rapid increase in the Chinese outbound tourism in Europe in general and the Czech Republic in particular. A prediction of possible consequences is made on the basis of analysis from the political, economic, social, technological, legal and environmental (PESTLE) aspects.

The first part of thesis presents a summary of the basic concept of tourism including a definition of tourism, types of tourism, tourism system, definition of tourists and its typology, distribution channels, factors affecting tourism development and the current situation of outbound tourism in the world, Europe and the Czech Republic. The second part is an analysis of the Chinese tourism industry including the Chinese economy, Chinese outbound tourism in Europe and the Czech Republic. It describes the situation of the Chinese travel companies in Europe and the Chinese travellers in the Europe with a focus on the Czech Republic. The practical part of the thesis uses the Econometric Modelling – Ordinary Least Squares Regression to analyse the dependence of the number of Chinese arrivals in the Czech Republic on economic indicators such as the GDPs, CPI and exchange rate. Moreover, this part also describes real opinions on the factors of increasing Chinese outbound tourism in Europe considering PESTLE aspects derived from interviews with selected travellers and travel companies in Europe and in the Czech Republic. Furthermore, based on analysis of all these factors and the current situation, the author of this Thesis attempts to predict the possible positive and negative consequences of increasing Chinese outbound tourism and proposes recommendations for improving the business conditions and situation for tourism in the Czech Republic.

Keywords: China, Chinese travellers, travel agencies, Chinese outbound tourism, Europe, the Czech Republic, Factors, ADS, Relationship, PESTLE

Table of content

1 Introduction.....	13
2 Objectives and Methodology	18
2.1 Objectives.....	18
2.2 Methodology	18
2.2.1 Literature survey	19
2.2.2 The outline of the Thesis.....	20
2.2.3 Empirical research.....	22
3 Theoretical Part.....	24
3.1 Introduction	24
3.2 Basic concept of Tourism.....	25
3.2.1 Definition of Tourism	25
3.2.2 Tourism system	28
3.2.3 Tourists.....	30
3.2.4 Distribution channels in tourism industry	34
3.3 Factors affecting tourism development	36
3.4 Literature review	38
3.5 The current situation of tourism in the world, Europe, the Czech Republic....	39
3.6 Conclusion.....	40
4 Practical Part.....	41
4.1 Introduction	41
4.2 Analysis of tourism related economic indicators	41
4.2.1 GDP and TGDP of China.....	41
4.2.2 Disposable Income	44
4.2.3 Inflation and exchange rate	48
4.3 Policies related to Chinese outbound tourism.....	51
4.3.1 ADS agreement	53
4.3.2 Passport policy	53
4.3.3 One-child policy.....	54
4.4 Chinese outbound tourism in Europe and the Czech Republic.....	55
4.5 Chinese travel companies specialised in outbound tourism.....	59
4.5.1 Identification of main travel companies.....	63
4.5.2 Evaluation of interviews	65
4.6 Chinese outbound travellers	72
4.6.1 Econometric Analysis of Chinese outbound travellers in the Czech Republic	79
4.6.2 Evaluation of questionnaires	88

4.6.3	PESTLE analysis - Factors influencing Chinese outbound tourism	94
4.6.3.1	Political and Legal factors	94
4.6.3.2	Economic factors	95
4.6.3.3	Social-cultural factors	95
4.6.3.4	Technological factors	95
4.6.3.5	Environmental factors	96
5	Results and discussions	97
6	Conclusions and recommendations	100
7	References	104
8	Appendix	110

List of Figures

Figure 1. Inbound, outbound and domestic market shares in China, Q2 2015 (in %).	13
Figure 2. The Leiper Model	28
Figure 3. Mill and Morrison's tourism system	29
Figure 4. GDP China 1978–2015 (in bn. RMB)	42
Figure 5. Total Contribution of Travel & Tourism to GDP 2005-2015 (in bn. RMB)	43
Figure 6. Segments of Chinese population regarding their incomes	48
Figure 7. Inflation, consumer price annual percentage 2005 -2015	49
Figure 8. Exchange rate USD to RMB 2005-2016	49
Figure 9. Exchange rate EUR to RMB 2005 -2016	50
Figure 10. Change of Purchasing Power of RMB	51
Figure 11. The number of the Chinese travellers to Europe 2001-2015 (excluding Russia)	55
Figure 12. China Long Haul Outbound Travel 2006–2016	56
Figure 13. Chinese arrivals as reported by EU destinations 2014 (in %), First entry point	57
Figure 14. Number of Chinese guests in collective accommodation establishments in the Czech Republic 2005-2015	58
Figure 15. Market shares of Chinese OTAs on tours 2015	62
Figure 16. Market structure of booked online tours in China 2015	63
Figure 17. List of ADS approved inbound tour operators in EU by countries 2017	64
Figure 18. The number of the respondents – travel agencies	65
Figure 19. Age groups of the Chinese outbound tourists 2016 (in %)	73
Figure 20. Education levels of the Chinese outbound tourists 2016 (in %)	73
Figure 21. Individual Monthly incomes of the Chinese outbound tourist 2013 (in %)	74
Figure 22. Gender of the Chinese Outbound tourists 2016 (in %)	74
Figure 23. Regional Distribution of outbound tourists	75
Figure 24. Chinese outbound tourist type 2016 (in %)	76
Figure 25. Purposes of traveling of the Chinese Outbound Tourists 2014 (in %)	77
Figure 26. Distinction of characteristics of the Chinese travellers 2016 (in %)	78
Figure 27. Gretl estimation	84
Figure 28. Gender of Respondents	89
Figure 29. Age groups of respondents	89
Figure 30. Marital Status of Respondents	89
Figure 31. Education Level of Respondents	89
Figure 32. Occupation of Respondents	90

List of tables

Table 1. Number of China Outbound Tourists 2007–2015 (in mil.)	15
Table 2. Per Capita Annual Income and Engel's Coefficient of Urban and Rural Households 1978–2015.....	44
Table 3. Overview of interviews -Travel agencies	68
Table 4. Chinese traveller spending compared to income	72
Table 5. Data set for calculation	80
Table 6. Correlation Matrix	81
Table 7. Multicollinearity elimination	82
Table 8. Data set for calculation - new version	82
Table 9. Matrix X and Y	83
Table 10. T-test	85
Table 11. Overview of respondents – Chinese travellers	88
Table 12. Result of elasticity of variables from Econometric Modelling.....	98

List of abbreviations

CITS	China International Travel Service
CLSA	Credit Lyonnais Securities Asia
CNTA	China National Tourism Administration
CNKI	China National Knowledge Infrastructure
CSU	Czech Statistical Office
CTA	China Tourism Academy
CTS	China Travel Service
CYTS	China Cyts Tours Holding Co., Ltd
CZK	Czech koruna
ETC	European Travel Commission
GDP	Gross Domestic Product
IASET	International Association of Scientific Experts in Tourism
LON	League of Nations
NBSC	National Bureau of Statistics of China
OECD	Organization for Economic Co-operation and Development
TGDP	Tourism and Travel contribution to GDP
PATA	Pacific Asia Travel Association
UN	The United Nations
UNCTA	United Nations Conference on Trade and Development
UNWTO	United Nations World Tourism Organization
WTTC	World Travel and Tourism Council

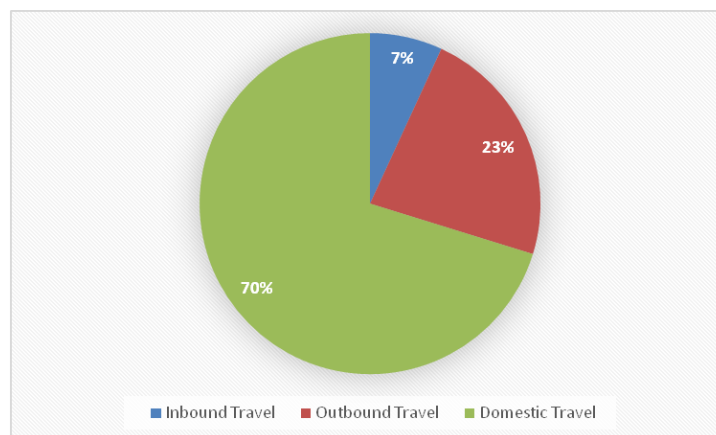
1 Introduction

China's economy has been growing fast ever since 1978, when the Chinese government launched the economic reforms to "open the door" for western countries. Due to rapid economic growth and globalization over the past decades, income of the Chinese consumers has risen significantly and the Chinese people are spending more and more money on their lifestyle, especially on tourism. According to the China Statistical Office, in 2014 the Chinese tourism industry contributed more than 7 % directly to GDP and in 2015 it even reached 10.51%. The growth in the past three decades has been unprecedented and China has become the world's leading power in tourism industry.

Structure of Tourism industry in China

Basically, tourism industry is divided into four main sectors. They are accommodation, transportation, entertainment and attractions. Additionally, the Chinese tourism service industry is made up of three main tourism segments - domestic tourism, inbound tourism and outbound tourism. According to the CNTA statistical data for the second quarter of 2015, the domestic travel market accounts for most travel demands with 70%, outbound travel 23% and inbound travel 7% (see Figure 1).

Figure 1. Inbound, outbound and domestic market shares in China, Q2 2015 (in %)



Source: Created by author, CNTA, 2015

Domestic tourism

China's domestic market has been growing annually by 10% over the past ten years. Although the whole tourism industry is growing significantly, Chinese tourism has still remained largely within domestic travel. As CNTA reported, the number of China's domestic tourists for the second quarter of 2015 has reached almost 35.9 million, which is a 10.56% rise on the previous quarter. By 2020, the Chinese government aims at the domestic tourism expenditure to reach a double of the 2013 figure of ¥2.6 trillion, which accounts for more than 5% of GDP. The domestic travellers' popular destinations are the first-tier cities of Beijing, Shanghai and Guangzhou.

Inbound tourism

Compared with the other two sectors, the number of foreign visitors coming to China has overall been declining slightly from 2007 to 2014. The decline in the numbers could be related to RMB appreciation, world economic crisis, air pollution and lack of promotion by the government. According to the annual report 2016 (CNTA, 2016), the number of inbound tourists was 128 million, which had decreased by about 0.45 % on the previous year. 62% of arrivals had come mainly from Hong Kong, Taiwan and Macao. At present, the new adopted visa-free transit policy which has been introduced for foreigners coming to China, is expected to welcome more foreign travellers.

Outbound tourism

As mentioned above, the Chinese people's living standards and disposable income are increasing. In the last years, the changes in income distribution have influenced the structure of tourism industry. Compared to domestic travel, the outbound travellers have experienced an impressive growth in numbers. Reports show that most of expenditure on tourism comes from the upper-middle income Chinese households and even the lower income level households spend around 53% of their disposable income on travel, excluding necessary expenses (Schwab, 2014).

Table 1. Number of China Outbound Tourists 2007–2015 (in mil.)

Years	Total number	For Business	For leisure
2007	40.95	6.03	34.92
2008	45.84	5.71	40.13
2009	47.70	5.50	42.20
2010	57.39	5.88	51.51
2011	70.25	6.13	64.12
2012	83.18	N/A	N/A
2013	98.19	N/A	N/A
2014	117.00	N/A	N/A
2015	128.00	N/A	N/A

Source: Created by author, CNTA 2007 – 2014, UNWTO 2016

Since 2007, the number of outbound travellers is increasing with the growth of the whole tourism industry and the purpose of travel has become more diverse including sightseeing, leisure, shopping, visiting relatives or friends and business conferences/official activities. Specific numbers for each purpose from 2012 are not available in the CNTA report, but 43.94% of tourists travel mainly for shopping. In outbound travel markets, China is one of the fastest growing countries. According to the statistical analysis of UNWTO Tourism Highlights 2016 Edition, tourism expenditure has increased by 26 % in 2015 to reach \$292 billion than year 2014, which is a 10% growth of outbound travellers numbering a total of 128 million. The CLSA predicts that the number of the Chinese outbound tourists will double by 2020. Chinese tourism market has a very high potential for international tourism development (CLSA, 2016).

The top ten cities attractive for the Chinese tourists are Seoul (South Korea), Busan (South Korea), Sapporo (Japan), Gwangju (South Korea), Paris (France), London (UK), Rome (Italy), Berlin (Germany), Washington (USA) and Los Angeles (USA).

Outbound tourism to Europe

European countries became some of the most popular visited countries for Chinese travellers during the last decade and the number of Chinese tourists coming to Europe has kept growing. However, the terrorist attacks and refugees have hit the European tourism market. Especially in France, the number of Chinese travellers in 2016 decreased by about 20% compared with the year 2015. For now, many Chinese travellers are therefore shifting their sights to Central/Eastern Europe, especially to the Czech Republic – the heart of Europe. Central/Eastern Europe as a newly discovered destination has become more attractive for Chinese travellers than western Europe, where they had been travelling very frequently for a great number of years. The Czech Republic was not very well known by the Chinese tourists before the Chinese President Xi visited the country in March of 2016. During his visit, an agreement on strategic partnership was signed between the two countries. Based on the agreement, the Czech president Zeman was expected with 45 billion CZK investment from China.

Currently, Prague has three direct air links with China including Beijing-Prague, Shanghai-Prague and Chengdu-Prague. The new direct airline routes forced quite a big shift of incoming tourism to Czech Republic from China. Last year (2015) the number of passengers on the Prague-Beijing route reached 50 000, which was a 46 % increase on the previous year (Plavecký, 2016). Furthermore, Czech tourism organized many promotion events including a Czech episode in a Chinese TV show, travel fairs, promotional campaign, and international projects to attract Chinese tourists.

The author of this thesis is a Chinese living in the Czech Republic for more than 13 years and at same time, she is working in a travel agency with the focus on incoming tourism from China as well. This was the most important reason that inspired her to choose this topic. The main goal of the study is to identify the factors of the huge increasing numbers of the Chinese tourists coming to Europe, especially to the Czech Republic and to understand this situation throughout the PESTLE aspects, where P is for political, E for Economic, S for Social-cultural, T for Technological, L for Legal and E for Environmental.

They are based on an analysis attempt to predict possible consequences in positive and negative ways. Moreover, taking into account an overall consideration a suggestion will be proposed for improvement.

The structure of this thesis is divided into three main parts of the body: theoretical part, practical part and, finally, results and discussion. The theoretical part is based on literature survey and contains a basic concept of tourism, tourism system, factors affecting tourism and the current situation of the Chinese outbound tourism in the world in general and in Europe in particular.

The second, practical part provides information about Chinese economy, Chinese tourism and Chinese outbound tourism, then follows a description of the situation of the Chinese travel companies in Europe and in the Czech Republic. It also includes an analysis of Chinese travellers in Europe and in the Czech Republic. The analysis is using a mix of research methods - qualitative and quantitative method such as interviews, econometric modelling, etc. Finally, the results based on the analysis of statistical data and real opinions about the factors of increasing Chinese outbound tourism in Europe, especially in the Czech Republic, considering political, economic, social, cultural aspects which derived from interviews with selected travellers and travel companies in Europe and the Czech Republic are discussed. This study will undoubtedly give the author very useful information for future carrier and to the readers a more real view of the Chinese outbound tourism.

2 Objectives and Methodology

2.1 Objectives

This research focuses mainly on the Chinese tourists travelling to Europe, especially to the Czech Republic. The aim is to identify the factors impacting Chinese outbound tourism coming to Europe and the Czech Republic for reason of improvement of tourism industry. To achieve the goal, this research analyses statistical data extracted from various tourism organizations, interview data obtained through interviews, and uses PESTLE analysis to synthesise all information into useful conclusion. Then it attempts to answer the research question, what is influencing Chinese outbound tourism in Europe and the Czech Republic. Furthermore, this study also makes some recommendations or suggestions for the Chinese tourists, travel agencies as well as for the local government and local people regarding to research topic.

2.2 Methodology

According to the Handbook of Research Methods in Tourism, “quantitative and qualitative approaches address the most important established and emerging qualitative and quantitative research methods in tourism (Dwyer, Gill and Seetaram, 2012).” Quantitative technique helps us to find answers in different conditions throughout the analysis of the collected data. “Research informed by a quantitative methodology will have the attribute: the representation of the finding is based on statistical tables and graphic representations and the report text is written in the third person (Jennigs, 2001). In contrast, the qualitative technique provides rich, in-depth knowledge based on multiple viewpoints along with its emphasis on “*verstehen*” - “empathetic understanding”, especially in respect of the “how” and “why” of tourism related phenomena and experiences (Dwyer, Gill and Seetaram, 2012). Qualitative research covers a range of methodologies including interviews, participant or nonparticipant observations, focus groups, text and discourse analysis, photo and video documentation or elicitation, semiotic studies, autoethnography, and virtual ethnography (netnography) (Ren, 2014). Considering the difference between the two

research methods and the effect, the author chooses to use the combination of the two ways to study this topic in order to get a comprehensive answer.

Finally, there is one more method necessary to mention – it is called an introspective method. Schulz defined it as “Examination of one’s own conscious thoughts and feelings” (Schultz, 2012). Many scientists and philosophers consider it as an unreliable method, however, others consider it as a truthful method of private observation. In this case, the author has a good reason to apply this method - as an overseas Chinese living in the Czech Republic for a long time, and being also this thesis researcher with working experience in a travel agency focusing on Chinese tourism market for almost 2 years as a part-owner and general manager. Whether the understanding of her own nation, or the working experience exactly in the analysed area of tourism, her experiences and knowledge will significantly contribute to this study.

2.2.1 Literature survey

The research starts with the general theories in the field of tourism and it provides basic knowledge about the specific topic. The basic concept of tourism was obtained from literature survey which covered books and journals - most of them are in electronic version and from websites. One of the most useful platforms for searching study materials was an e-library of Plymouth University in the UK, where I had studied during my Erasmus exchange programme. Databases accessed through the Plymouth University e-library’s website have provided very useful articles, books and research papers. At this point, the Google Scholar must be mentioned - this is a worldwide powerful scholarly literature search engine, which has helped to locate relevant articles and e-books. The other research database for western academic journals are EBSCOhost Online Research Databases, SpringLink and ScienceDirect. The CNKI as a Chinese integrated knowledge resources system which has been used for researching Chinese journals and Chinese statistical yearbooks.

The official website of various organizations also played great importance to gather knowledge and to collect necessary statistical data. The mostly used website are UNWTO, OECD, Europe Parliament, PATA, CNTA, CSU, CTA and NBSC etc.

2.2.2 The outline of the Thesis

From the structural point of view, the thesis consists of three parts – introduction, theoretical part and practical part. Introduction provides a background to Chinese tourism industry including its structure, current industry trends in general and particularly in Europe and in the Czech Republic. The source of study materials of this part is based on literature of Chinese history, economics, and the statistical data have come from CNTA, World Economic forum, UNWTO and CLSA report. From this part, the reader gains a basic view of the Chinese tourism industry and key points of this thesis.

The second part is theoretical and it based on primary and secondary sources. This part provides conceptual framework of tourism industry including definitions of tourism, tourism system, tourists, distribution channels in tourism industry and factors affecting tourism development, and review of research about analysis of factors affecting Chinese outbound tourism and the current situation of the Chinese arrivals in Europe and in the Czech Republic. The basis of definitions mainly derives from relevant books and literature review from academic journals by western and Chinese researchers. It is also important to mention such organizations as UNWTO and ETC. “Introduction to tourism” by Jayapalan introduced the basic concept related to tourism and tourists, and two later books from 2004 - “Tourism: The nature and structure of tourism” by Williams and “Global Tourism” by Theobald made this introduction more complete. Leiper’s research “The Framework of Tourism. Towards a definition of Tourism, Tourist and the Touristic Industry” published in 1991, with an excellent explanation of the tourism system structure. About theory of Distribution Channels in tourism industry, Buhalis, in his book “Tourism Distribution Channels: Practices, Issues and Transformations” published in 2001 provides a range of contemporary material and gave a very clear picture. The World Tourism Organization has been one of the most important sources for officially published

definitions. Mostly based on secondary sources are the sections on factors affecting tourism development and the current situation of tourism, the basis of literature is researching about the Chinese outbound tourism by previous scholars and tourism highlights by UNWTO.

The practical part as the key section of the thesis and this about the analysis of the China outbound tourism industry. Chinese outbound tourism development depends on many factors, the author has divided the factors to PESTLE factors, so that this chapter is divided to subchapters. Firstly, it is analysing statistical data of Chinese economy in relation to tourism including GDP, the contribution of tourism to GDP, disposable income per capita, CPI and exchange rate. Based on the previous knowledge of the Chinese economy development, the analysis of statistical data of GDP set at a starting point of 1978 as “opening door” to western countries. It investigates how the Chinese economy was developed throughout the decades. All other analysis of statistical economic data focus on the period from 2005 to 2015, the reason is that statistical data for 2016 are not yet completed. Source of the above mentioned economic statistical indicators derives mainly from the published statistical reports in the official websites of WTTC, World Bank, NBSC, CNTA. Secondly, this subchapter is considering political factors such as visa regulations, political relationship between China and EU / the Czech Republic. The analysis is based on the study of relevant literature on tourism development in China and published tourism policies by the government after economic reforms. European Commission also plays a vital role in providing development of EU-China relations. As the Czech Republic is a key point of this thesis, the Czech-China relation cannot be neglected. The website of Czech tourism, Czech trade, Czech Invest, Government of the Czech Republic and Ministry of Foreign Affairs of both Countries have contributed very useful information about the Czech-China cooperation. The third part analyses outbound tourism in Europe and the Czech Republic including statistical data of outbound arrivals in European countries and in the Czech Republic. For specific analysis relationship between China GDP, Czech GDP, China CPI, exchange rate and Chinese outbound arrivals in the Czech Republic, a quantitative method has been applied - econometric modelling – Ordinary Linear Regression. This method examines the assumption that the

increase in the Czech GDP or Chinese GDP can influence on the rise in the Chinese outbound arrivals into the Czech Republic or if the increase in China CPI can cause a decrease in the number of Chinese guests in the Czech Republic or if depreciation in CZK can cause the increase in the number of Chinese guests in the Czech Republic. The next two parts deal with the travel companies and travellers in Europe and in the Czech Republic. They are mainly based on empirical research of mixing the questionnaires and interview methods.

2.2.3 Empirical research

For the purpose of this study a mix of two tools – questionnaires and interview has been chosen. A questionnaire presented a survey with the same questions for all respondents, however an interview as an interactive discussion enabled the interviewer and respondents to participate together and follow up questions to dip deeper for the study. The questionnaire method with open ended questions was used mostly for the Chinese travellers, who do not have enough time for interview. By contrast, a proper interview in this case was prepared for travel companies, which can discuss the Chinese tourism industry in more depth. All the interviews and questionnaires are prepared in Mandarin, because all the respondents were Chinese. The English version is also prepared for the readers. Questionnaires for travellers are answered in a different way, some are answered online, some are filled by hand. The interviews with travel companies are mostly made by face to face in China or in the Czech Republic, sometimes also by a Chinese social application WeChat video call.

Selection of respondents

For the research, different participant groups were selected for different reasons. For analysis of travel companies in Europe and in the Czech Republic one of each different type of travel intermediaries was selected – tour wholesaler, tour operator, travel agency and OTA. Truly, there are more diverse classifications. However, the survey was not possible to realize with all the intermediaries because of their availability. The types

of respondents for answering the questionnaires were students temporarily studying in the Czech Republic, travellers participating in minitours for various purposes, traditional group travellers and travellers booking through OTAs. The author attempted to carry out the survey with all types of travellers. Based on her study and knowledge gathered from her job in a travel agency, she believed there were all possible types of travellers, that she could find. Unfortunately, there was sometimes a problem with practicing questionnaires and interviews because of sensitive questions, for example the travellers' income and a marketing tool of travel agencies.

Results of the questionnaires and interviews were also divided into two parts - travel companies and travellers. Then based on the study of the secondary data from the theoretical part, they were also analysed using the PESTLE aspects.

3 Theoretical Part

3.1 Introduction

In recent years, china continues to be a biggest arrivals growth country for many European destinations and China has been gaining more and more attention. It has generated many studies about Chinese outbound tourism. Since twentieth century, researches about china and Chinese outbound tourism have published not only though articles by scholars, but also by many international consulting companies, tourism organizations such as ETC, WTO and so on. The topic about Chinese outbound tourism has become a hot issue in nowadays, this work is focusing on Chinese tourism in Europe and in the Czech Republic.

This chapter has been dedicated to find out what has done about tourism in general and in specific Chinese outbound tourism in Europe and in the Czech Republic. First, it will concentrate on basic concept of tourism and tourist, then second part goes deep into concrete studies about main perspectives, trends and effects related with increasing Chinese arrivals.

3.2 Basic concept of Tourism

3.2.1 Definition of Tourism

The word 'tourism' means differently to different scholar or organization, it can be observed and defined from different points of view by various authors. To have better understanding about the concept of tourism, in followings articles will be introduced the several important definitions.

The very first person who has made early definition of tourism as '*the sum of operations, mainly of economic nature, which is directly related the entry, stay and movement of foreigners inside and outside a certain country, city or origin*' in 1910, was Australian economist – Hermann Von Schullard. Later in 1971, another early definition came from professor of Economics named Edmond Picard, he stated '*The function of tourism is to import currency from foreign resources into the country*' (Williams, 2004) and in same year Wahab argued, that '*its impact is what tourism expenditures can do to the different sectors of the economy and in particular the hotel-keepers.*' (Jayapalan, 2001). Those early definitions give us insight into nature of tourism and they highlighted the economic importance.

The definitions of tourism given by various authors did not lack the economic issue until year 1942. In this year, the definition of tourism was found a different expression with consideration of a complex of environmental impact by Swiss Professors Hunziker and Krapf. They formulated Tourism as "*a totality of the relationship and phenomenon arising from travel and stay of strangers, provided the stay does not imply the establishment of a permanent residence and is not connected with remunerated activity*" (Jayapalan, 2001). The definition of Tourism given by Hunziker and Krapf has been acknowledged by many international organizations including the IASET. The IASET, after discussion about the definition on occasion of annual congress in Cardiff in 1981, they decided to prevail over Hunziker and Krapf definition.

Later in 1974, Burkart and Medlik suggested the need to distinguish between conceptual and technical definitions with its own rationale and intended usage. Conceptual definitions provide a theoretical framework to identify the essential characteristics of tourism.

Proposal by Jafari (1977) is one of examples of conceptual definitions. He stated "*Tourism is a study of man away from his usual habitat, of the industry which responds to his needs, and of the impacts that both he and the industry have on the host socio-cultural, economic, and physical environments*". Another conclusion as conceptual definition was made by Mathieson and Wall (1982), '*Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.*' (Theobald, 2004).

The second type of definitions – technical definition, its purpose is to provide tourism information for statistics or legislatives (Theobald, 2004) and it mainly identifies the categories of travel, defines the time element in terms of length of stay away from home and recognizes situation (Burkart and Medlik, 1974).

The authors tried to develop definitions strive for a holistic presentation of tourism and one of the older approaches comes from Leiper (1979). Holistic definitions attempt to include the entire essence of the subject (Theobald, 2004) and current tourism research continues to use a holistic approach.

Throughout long history of defining 'Tourism' since 1971. However, it is certain important to mention the final and official version of definition of Tourism defined by the UNWTO. The explanation about tourism is "*Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure.*" (UNWTO, 2014)

The other important tourism definitions should be mention are term of “Tourism industry” and the term of “the travel and tourism industry”. The definitions were made on WTTC in Brussels in 1995 by UNWTO (Theobald, 2004):

Tourism industry establishments providing services and goods to visitors, including:

- (a) Hospitality (hotels, restaurants, etc.),*
- (b) Transport,*
- (c) Tour Operators and Travel agents, Attractions,*
- (d) Other branches of the economy supplying visitors (some of these may also provide a significant volume of services and goods to non-visitors, and the proportion of revenue, etc. due to visitors is important in estimating receipts from tourism).*

The Travel and Tourism Industry (TTI): The tourism industry (and receipts from tourism, etc.) together with the provision of goods and services by establishments to other non-commuting travellers, occasional local travellers etc.”

Types of Tourism

According UNWTO, in relation to tourist’s destination, tourism could be distinguished into the following types (UN, 1994):

- ✓ Domestic tourism, involving residents of the given country traveling only within this country
- ✓ Inbound tourism, involving non-residents traveling in the given country
- ✓ Outbound tourism, involving residents traveling in another country

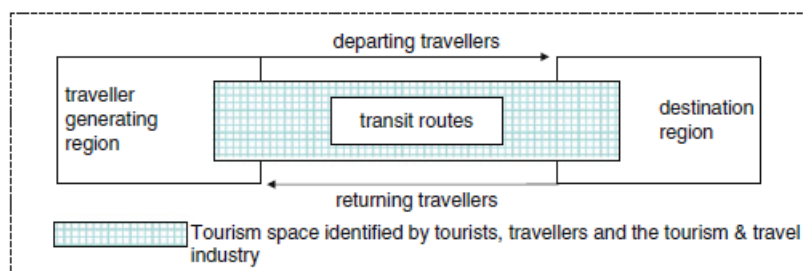
The three form of tourism can be combined in various way to derive in followings:

- ✓ International tourism, which comprises domestic tourism and inbound tourism
- ✓ National tourism, which comprises domestic tourism and outbound tourism
- ✓ International tourism, which consists of inbound tourism and outbound tourism

3.2.2 Tourism system

Since 1970s, many of theories about tourism system began emerged by various scholars and most commonly cited tourism system theory is Leiper's (2004) model. Professor Neil Leiper had been working on identification of tourism system, partial industrialization, tourist attraction system since 1979.

Figure 2. The Leiper Model



Source: CANDELA, Guido. a Paolo. FIGINI., 2012

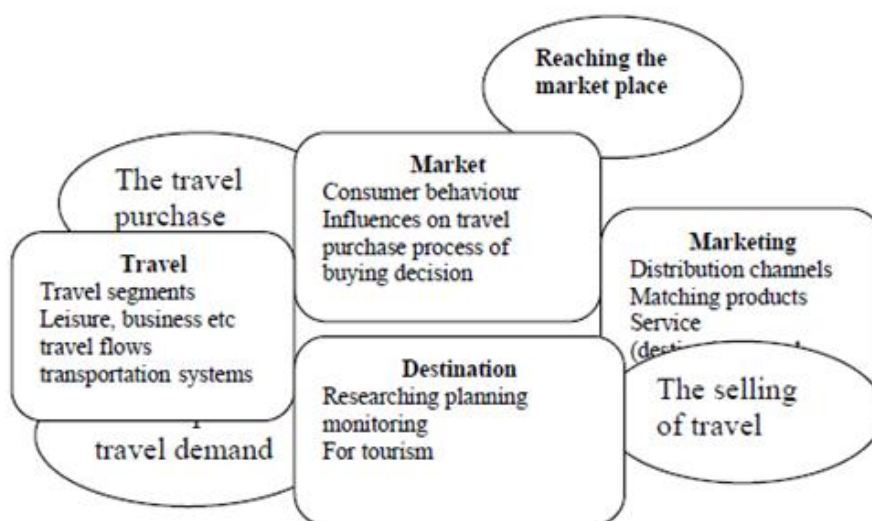
The above figure Tourism system consists of five interrelated elements, divided to three types of elements - human, industrial and geographical elements; departing tourists as human element, tourist generating region, transit route region, tourist destination region regions as geographical elements, and human, sociocultural, economical, technological, physical, political, legal environments are industrial elements. The five elements are subject to influence by external environments. Following are quotes about elements (Leiper, 1979):

“Tourist generating Regions (TGR) can be defined as the permanent residential bases of tourists and it has basic geographical setting, together with the necessary behavioural factors pertaining to motivation termed as the “push factors”. The generation region is the location of the basic market of the tourist industry, the source of potential tourism demand.

Transit routes are paths linking tourist generating regions with tourist destination regions, along with tourists' travel. They include stopover points which might be used for convivence or because of the existence of attractions.

Tourist destination regions (TDR) can be defined as locations which attract tourists to stay temporarily, in this context the attraction can be regarded as the anticipation by the tourist of some qualitative characteristic, lacking in the tourist generating region, which the tourist wishes to experience personally collectively known as the “pull” factors. It is also the location of many parts of the tourist business: accommodation establishments, services, entertainment and recreational facilities.”

Figure 3. Mill and Morrison’s tourism system



Source: FLOGNFELDT JR., Thor., 2005

The above showed figure is Tourism system model from Mill & Morrison’s (1985), their model is not so different as Leiper’s, but the model is mostly regarded to marketing approach, which are convincing people to travel to a certain destination (Flognfeldt, 2005). The important link of this system is the connection between demand and supply.

An origin represents the demand side of tourism, from which visitors originate. A destination, on other hand, refers to the supply side of tourism that may have certain attractiveness power. The tourist and tourism attractions are the central elements of the system. The transportation, information, and marketing components are the links that enable the tourist to make decisions concerning where to go, how long to stay, and what

to do. These links also enable the industry, through promotion, product development, and pricing strategies, to affect directly the decisions of prospective customers (Formica and Uysal, 2006).

Cooper (2004) defines demand as “*a schedule of the amount of any product or service that people are willing and able to buy at each specific price in a set of possible prices during some specified period of time*”. Individuals called “tourists” generate tourism demands. Tourism supply has to do with the provision of the key elements of the tourism industry by the host governments or destinations. Such provision should extend to maintenance, promotion and management of the tourism facilities and resources. Tourism resources that are necessary for tourism supply range from natural to man-made. Infrastructure required would include telecommunication, accommodation and transportation. Tourism reception services include travel agencies, tourist offices, hire companies and visitor managers. The one underlying characteristic of tourism supply that distinguishes it from other services is the way in which the mobile population who visit destination areas consume a tourism product, service or experience. In contrast, the supply elements are often fixed geographically at certain places (e.g. hotels, restaurants or visitor attractions) (Lew, Hall and Timothy, 2008).

3.2.3 Tourists

According official document “Glossary of tourism terms” launched in 2014 by UNWTO as the latest available update, the definition of terms “tourist”, “visitor” and “traveller” are defined in followings:

*“**Tourist** is a visitor (domestic, inbound or outbound), if his/ her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise (IRTS 2008.2.13)*

***Visitor** is a traveller taking a trip to a main destination outside his/her usual environment, for less than year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited (IRTS 2008, 2.9).*

Traveller is someone who moves between different geographic locations, for any purpose and any duration (IRTS 2008, 2.4).”

Those definitions as the last official ones has experienced many changes in history. Here will be review of the definitions. The first official definition of “tourist” can be tracked to year 1937, when the LON defined it for establishment of comparisons for international statistical purposes and it was defined as *“any person travelling for a period of 24 hours or more in a country other than that where he/she usually resides”*.

Later, in 1945, the UN had replaced the LON and in same year the UN added to definition the maximum duration, which is less than six months. Around ten years later, When the UN Conference on Tourism and International Travel met in Rome in 1963, a series of recommendations on the definition of the terms “visitor” and “tourist” have been adopted again for international statistical purposes. The conference proposed about the definition of term “visitor” is “any person visiting a country other than that in which he has his usual place of residence, for any purpose other than following an occupation remunerated there” and this definition was accepted by the UN Statistical Commission in 1968. In 1971, the UNCTA published a series of Directives regarding the establishment of tourism statistics and the definition of “visitor” was kept and it dived to two categories which are tourist and excursionist (IUOTO,1963)

- *Tourists, i.e. temporary visitors staying at least 24 hours in the country visited and the purpose of whose journey can be classified under the headings of either (a) leisure (recreation, holiday, health, study, religion, and sport) or business, family, mission, meeting.*
- *Excursionists, i.e. temporary visitors staying less than 24 hours in the country visited (including travellers on cruises).*

However, the definition of “visitor” was related only to international tourism, it was time to applied also to domestic tourism. This is what the WTO’ Manila Declaration have

achieved in 1980, they extended the definition implicitly to all tourism – domestic and international. The extended definition was used by a long time, but it was not for every country until year 1993. At that time, the evolution of defining tourism has been constituted over the past half of century and experienced a decisive and definitive step to a universal acceptance. The year 1994 was important point for the process of defining tourism, the UN Statistical Commission adopted the definition as basic concept for whole tourism system and divided it into “tourists” and “day visitors”. (UN, 1994). The definition is written in followings:

“Tourists: visitors who stay at least one night in a collective or private accommodation in the place/country visited;

Same-day visitors: visitors who do not spend the night in a collective or private accommodation in the place/country visited.”

Since 1995, all the data gathered by national statistical offices have been transferring to the UNWTO and the UNWTO plays a vital role for providing the definition, terminology, and criteria related to the measurement of tourism. The UNWTO is continuously updating the definitions throughout its official website.

Types of Tourists

To better understand how does it work in tourism market, it’s need to increase our knowledge about consumer behaviour and it is what the typology about. It helped marketers with important decision on product development, pricing, promotion, media and distribution. Tourism literature has developed several tourist typologies by different researchers. The best known and most widely used are Cohen’s (1972) and Plog’s (1973) (Dey and MK, 2006).

The following table is showing the aim, criteria and types from Cohen and Plog. Cohen is a sociologist of tourism, the aim to identify travel characteristics and motivations and his

tourist typology is classified based on tourist behaviour into four types (Coccosis and Constanloglou, 2006):

- **The organized mass tourist:** highly dependent on an “environmental Bubble” created, supplied and maintained by the international tourism industry characterized by all-inclusive, fully packaged holidays.
- **Individual mass tourist:** these will use the institutional facilities of the tourism system (scheduled flights, centralized bookings, transfers) to arrange as much as possible before leaving home. Perhaps visiting the same sights as mass tourists but going under their own steam.
- **Explorer:** the key phrase here is “off the beaten track” perhaps following a destination lead given by a travel article rather than simply choosing from a brochure. This type will move into the bubble of comfort and familiarity if the going gets too tough.
- **Drifter:** this type of tourist will seek novelty at all costs: even discomfort and danger. They will try to avoid all contact with “tourists”.

The other one of the greatest researchers of tourism theorists is Stanley Plog, who as classified Psychographic typologies of tourists. The aim of typology is to analysis destinations chosen and he has directly link personality traits with tourism behaviour and he categorized tourist into Allocentric, Mid-centric and Psycho-centric. The meaning of the three categories are in followings (Plog, 1974):

- *Allocentrics* - are outward-looking people who like to take risks and seek more adventurous holidays
- *Psychocentrics* - were less adventurous, inward-looking people. They tend to prefer the familiar and have a preference for resorts which are already popular.
- *Midcentrics* – ‘average’ tourists whose personality type is a compromise between allocentric and psychocentric traits.

From industry point of view, American Express published a market study about classification of tourists, which is according tourist expectation and education level. This one is a contrast with the Cohen's academic approach, but is very closely related to the social, economic and cultural aspect of the tourists. The classification is explained in followings:

- *Adventurer: affluent and educated, these tourists like to try new experiences and meet new people. Travel plays a central role in their lives.*
- *Worriers: lacking in self-confidence and in their own abilities to travel successfully this group is nervous about flying and tends to take domestic holidays. They see travel as stress- landed.*
- *Dreamers: have high aspirations about travel and exotic destinations which are not usually borne out in the actual travel experience which tends to be to rather 'ordinary' destinations. Tend to place great value on maps and travel books*
- *Economizers: for this group, travel is not perceived as something that adds particular value to their lives, they engage in it because it is a 'normal 'way of taking routine relaxation. They see no worth in paying extra for special amenities or service.*
- *Indulgers: generally wealthy traveller who will pay for extra comfort and better service. Tend towards staying in five star accommodations. They like to be 'pampered'.*

3.2.4 Distribution channels in tourism industry

“Distribution channels is one of the most critical factors for the competitiveness of tourism organizations and destinations. It influences consumer behaviour, and determine the ability of the industry to responds to consumers 'requests efficiently” (Buhalis and Laws, 2004). The purpose of distribution channels is based on providing information for prospective tourists to make a product package, then establish mechanisms to enable consumers to make, confirm and pay for reservation (Middleton, V., 1994). As distribution

is an important sector in tourism industry, it is attracting more attention by contemporary scholars.

WTO suggest, *“a distribution channel can be described as a given combination of intermediaries who co-operate in the sale of a product. It follows that a distribution system can be and in most instances is composed of more than one distribution channel, each of which operates parallel to and in competition with other channels”* (UNWTO, 1975, quoted in Buhalis & Laws 2001, p.8). According Mill and Morrison, 1985, a different expression of distribution channels is *“an operating structure, system or linkages of various combinations of travel organization, through which a producer of travel products describes and confirms travel arrangements to the buyer”*.

As intermediaries play vital role in chain of distribution between principles and tourists. Cooper 1993 defined the role of it, *„The principal role of intermediaries is to bring buyers and sellers together, either to create markets where they previously did not exist, or to make existing markets work more effectively and thereby to expand market size”* (Cooper, 2005).

“Some authors identify two different types of intermediaries, the tour operators (wholesalers) and the travel agencies (retailers) (Beaver, 1993; Gee et al., 1989; Holloway, 1998; Laws, 1997; Renshaw, 1997) and others consider distribution channels as one of the most critical elements in marketing, as they determine the competitiveness and profitability of organizations (Christopher, 1991; Gattorna, 1990; Stern and El-Ansary, 1992). Distribution and intermediation are increasingly recognized as critical factors for the competitiveness and success of the tourism industry (Buhalis and Laws, 2004)”.

The most apparent intermediary is the tour operator who usually puts together, at a most fundamental level, the accommodation, transport, and the ancillary services, into a package which may be bought by the consumer (Burnes, 1999). Tour operators and travel agents respectively assemble and retail holidays largely for mass market. The role of tour operator

is to supply holiday packages and facilitate the link between the suppliers of travel, accommodation, facilities and services, both in origins and destinations, and the tourist. They procure the components of the product, usually by negotiating discounted prices, and retailing it through travel agents or directly to the customer. Tour operations are conducted in several ways: by an independent firm specializing solely in holiday assembly and marketing; as a subsidiary of a conglomerate business with diverse interests; as a division of an airline; or linked with a travel agency (Sinclair and Stabler, 2002).

With innovation of technology the distribution mechanism is changing, different form of travel agencies has appeared – OTAs Online travel agents. All forms of information are digital and have a cost of replication and distribution which approaches zero (Kenneth, 2010).

3.3 Factors affecting tourism development

There are several studies on factors affecting tourism development and the studies are looking at this issue from different perspectives and different levels of specific. Jafari and Ritchie (1981) in their study about disciplines of tourism stated, *“Tourism brings into action or reaction several indigenous factors and creates an environment of its own and each discipline having an interest in tourism has focused on one or more particular aspects or functions of the total system”*, aspects as economics, sociology, psychology, geography, anthropology are equally important for study of tourism (Jafari, 1981). The dynamic world economy as economic driver of change of tourism, is forcing international tourism to increase; from social point of view, the increased expectations of people and other social changes will generate more demand for expenditure on travel and tourism; Political stability is important precondition for the prosperity of tourism; Environmental condition determines the viability and attractiveness of a region as a tourist destination; Technological developments create opportunities as well as threats for the tourism and travel industry because of its highly dependence on ICT (Miller, 2010). Fundamental economic, political and technological changes are accelerators for globalization process, which is strongly affecting tourism (Keller, 2014).

The studies focusing on economic issues as a factor of tourism demand indicated the five most common elements of tourism demand, which are income, relative price, transportation costs, exchange trend. In study of OECD about Price competitiveness of tourism destinations worldwide from 2001, the determinants of the demand for tourism was distinguished into three categories – Socio-economic and Demographic, Qualitative and Price factors (Dwyer, Forsyth and Rao, 2001). Socio-economic factors are population, income in origin country, leisure time, education, occupation, then qualitative factors comprise variables such as tourist appeal, image, quality of tourist services, destination marketing and promotion, cultural ties etc. Price factors includes cost of transport services and cost of ground content (accommodation, tour services, food and beverage, entertainment etc.) and both types of cost relevant to travel decision. (Gomezelj, 2011)

On micro level, the factors influencing tourism could be also divided to three categories in followings: (Hudman, Hudman and Jackson,2003),

- Leisure time – after World War II the length of paid vacations has been increased, the age of retirement in industrial world has been reduced, people have more flexible working conditions and new technology helps us to produce more in less time. People are having an underlying feeling that ‘idleness is the devil’s workshop.
- Affluence – Better standard of living, technological advancement, increase of real and disposable incomes.
- Mobility – improvement of automobile, air service including lower fares, wider range of routes, reduced travel time and long-distance travel.

In World Tourism Conference 2007, Lipman mentioned in his report “Global Trends in the Travel and Tourism Industry”, that tourism will be increased if it derived from willingness to learn, exploring new experience and adding significance to their life. He believed, that change in tourists’ tastes is an addition of the tourist intention, wherein is for resting, relaxing and rejuvenating. The change of tourists’ tastes is one of the factors influencing

the tourism development. Culture is increasingly an important element of the tourism product, which creates distinctiveness a crowded global marketplace (OCED,2009). Another factor mentioned by Lipman, is increasing of travel capabilities – increase income, lower cost carrier, convenient transportation network and advanced information technology network (WTC,2007).

Factors for choosing tourist motivation have been studied by many researchers and the process of selection tourism destination is influenced by elements as push and pull elements. Study about push and pull factors was very popular among researchers. Push factors influencing tourism are economy, social, demographic, technology and political and pull including geography, accessibility, attraction, services, peace, policy. (Gunn, C.A., 1994).

3.4 Literature review

Political as pull factor plays vital role in tourism. Tourism is vulnerable and can easily be affected by changes in public policy and public perceptions (Elliott, 1997). In many studies about Chinese tourism or Chinese outbound tourism, the political factor has been defined as the biggest impact on tourism. As tourism is an economically focused service industry, the evolution is mainly driven by government. China's outbound tourism policy is based upon an empirical judgement of the level of economic development and political relationships, and it will adapt to different stages of development and patterns of relationships. (DAI, JIANG, YANG and MA, 2016). According to Richter (1983), tourism policy in China historically has had primarily political and economic motivations.

Chinese researcher Li (2008) argued, that since 1978, the reform politics and economics in China are stimulators of the dynamic development of outbound tourism and many limitations in the policy of outbound tourism have disappeared and China is opening the market for overseas travel and intensify the management of outbound tourism industry (Li, 2008).

Outbound tourism is a manifestation of soft power and is inextricably linked with politics. On other hand, the cultural and socio-economic is conducive to robust outbound tourism. From socio-economic point of view, China's population age composition and one-child family policy makes it a very fertile nation for travel. Chinese people like visiting different places to be "cultural pilgrimage" (Tse, 2009).

Researchers Qun and Jie (2007) has distinguished the factors affecting china outbound tourism market into Macro-level and micro-level. The macro-level is economic, social, political and micro-level are the rapid ageing of the population, consuming habits and price. From micro-level point of view, the EU SME Centre (2015) pointed out the two certain factors significantly contributing to current growth levels, which are a strong RMB in sense of exchange rate and increased exposure to the outside as cultural expectation.

3.5 The current situation of tourism in the world, Europe, the Czech Republic

Tourism is one of the most remarkable success stories of modern times, which only began on a massive scale in the 1960s and it has grown rapidly and steadily for the past decades in term of the income it generates and number of people who travel abroad (W. Theobald, 1998). According UNWTO, tourism as a key to development, currently represents 7% of the world's exports in goods and services. It has experienced continued expansion and diversification to become one of the largest and fastest-growing economic sectors in the world and the increase of international tourist arrivals is from 25 million globally in 1950 to 278 million in 1980, 674 million in 2000, and 1186 million in 2015 (UNWTO, 2016).

France, the United States, Spain and China continued to top the rankings in both international arrivals and receipts. China, the US and the UK led outbound tourism in their respective regions in 2015, fuelled by strong currencies and economies. International tourist arrivals worldwide are expected to increase by 3.3% a year to 2030 to reach 1.8 billion (UNWTO, 2011). China, as the largest source market of tourism expenditure, has

increased spending about 26% in US 292 billion with 10% rose in number of outbound travellers (128million) in 2015.

The largest tourism earner – France, is leading European tourism industry, makes western Europe became the most visited region in the world (LEW, C. MICHAEL HALL a DALLEN J. TIMOTHY., 2008). International tourist arrivals in Europe grew by 5% in 2015 to reach a total 608 million, which is over half in world's total (51%). Central and eastern Europe returned to growth by 5% after economic crisis, the Czech Republic grew also by 5 %. The UNWTO Tourism Towards 2030 assumes, that central and eastern Europe will grow at double the rate (+4.4% a year).

3.6 Conclusion

In summary, this part was a conceptual framework about definition of tourism, tourism system and factors affecting tourism, the purpose was to develop synthesize the findings in previous studies regarding the Chinese outbound tourism in Europe with focus on the Czech Republic. The studies about conceptual definition are relatively comprehensive and it has a history. However, the studies regarding factors affecting Chinese outbound tourism are mainly focusing on the political and economic side. Some of western authors even judged Chinese policies related with tourism, there is just few studies, which are analysing Chinese tourism from other aspects as social and cultural. Research about Chinese outbound tourism in the Europe, especially in the Czech Republic is very few. On the one hand, studies about Chinese outbound tourism need to look at all the aspects for further research. On the other hand, the extant studies lack analysis of outbound tourism in the Czech Republic as “new discovered” destination. In this research, will focus on study of Chinese outbound tourism in Europe with focus on the Czech Republic, based on analysis to determine political, economic, social, technological, legal and environmental factors affecting Chinese outbound tourism in Europe and the Czech Republic.

4 Practical Part

4.1 Introduction

To analyse Chinese outbound tourism, we should consider economic indicators related to tourism because it was the fast economic development which fostered the expansion of Chinese tourism industry. From the political perspective, the development of Chinese tourism policies is an important factor. Finally, the travel intermediaries and tourists as vital components of tourism industry are also subject to the analysis of tourism industry. This chapter is divided into 5 parts including analysis of historical statistical data of tourism related economic indicators, EU-China and Czech-China relationships, Chinese outbound tourism in Europe and in the Czech Republic, Chinese travel companies as well as Chinese travellers travelling to Europe and the Czech Republic.

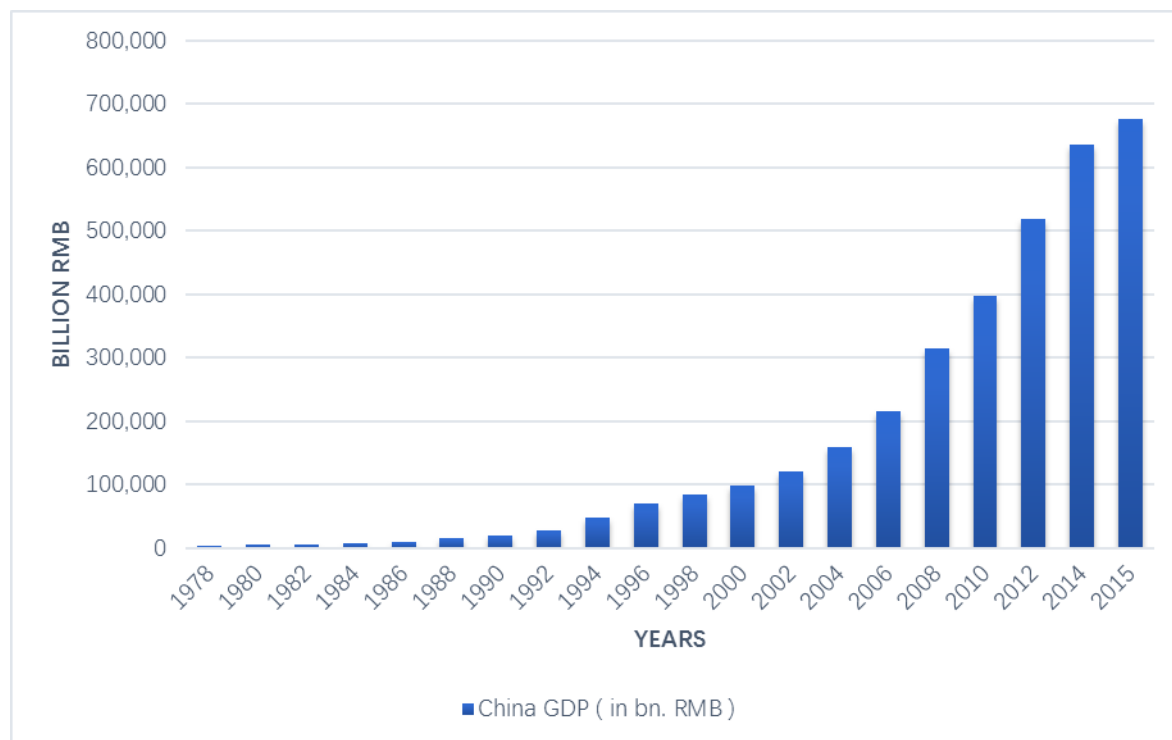
4.2 Analysis of tourism related economic indicators

4.2.1 GDP and TGDP of China

Economic growth in China has fostered the development of its tourism industry over the past decades since 1978, when China launched its economic reform called “Four Modernizations” under the leadership of Deng Xiaoping. The GDP growth was keeping its growth with around 10% on average per year. Following the reforms since 1978, China's total GDP changed from ¥364.5 billion (\$216.4 billion) to ¥31.4 trillion (\$45.2 trillion) in 2008. The development of China's GDP has gone through several phases: in 1956 it surpassed more than ¥100 billion; in 1982 it has increased to ¥500 billion, and in 1986 it reached ¥1.0275 trillion (\$297.5 billion). In 1995, GDP reached ¥6.0794 trillion (\$728 billion) and in 2001 ¥10.9655 trillion (\$1,324,8 billion). In 2008 it exceeded ¥30 trillion. Total GDP in 2010 amounted to approximately 40 trillion. In 2012, the GDP amounted to ¥51.9 trillion (\$8.3 trillion). According to the statistical data of CNTA, China

GDP in 2015 represented 17.75 % of the world economy with ¥67.7 trillion worth \$11007.72 billion (See Figure 4).

Figure 4. GDP China 1978–2015 (in bn. RMB)

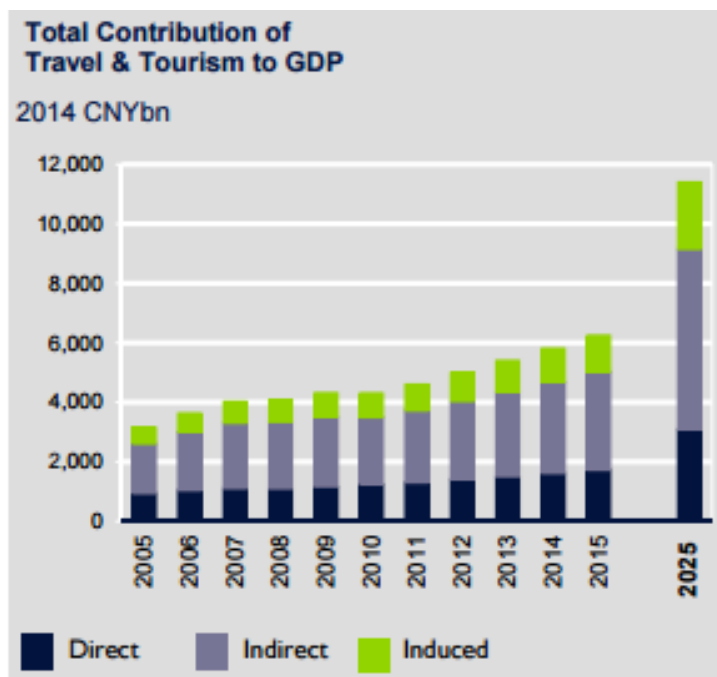


Source: Created by author, CNTA

For the analysis of TGDP of China, statistical data were selected from 2005-2015, which presents last ten years. The reason for choosing the above mentioned timeline is the “Memorandum of understanding between the European Community and the National Tourism Administration of the People’s Republic of China, on visa and related issues concerning tourist groups from the People’s Republic of China (ADS)”, which was signed on 12 February 2004 between China and EU. At that time, the Czech Republic as a new member state of EU, also signed the Memorandum of understanding as from 1 May 2004. According to the Annual Development Report of China's Tourism 2016 launched by CNTA, the timeline of 1998-2008 was called ‘Phase of expansion’. With the start of the 11th five-year plan, the tourism industry as a significant part of GDP has contributed a considerable amount to Chinese economy. WTTC estimated that in 2015 the total contribution of Travel & Tourism in GDP was expected to reach 9.5 % which was worth

¥6,246 billion (\$613,6 billion), thus surpassing the contribution rates of sectors such as education, banking and automobile industry. By 2025, it is expected to reach more than 10 %.

Figure 5. Total Contribution of Travel & Tourism to GDP 2005-2015 (in bn. RMB)



Source: WTTC, 2015

The above Figure includes direct and indirect contributions. Direct contribution of tourism to GDP includes spending on travel & tourism services directly linked to visitors such as cultural or recreational by governments. Indirect contribution includes spending such as travel & tourism investment, government ‘collective’ spending and domestic purchases of goods and services by the sectors dealing with tourists (WTTC, 2015).

During the period 2005-2015, the development of the tourism industry had grown even faster than the growth of the whole GDP of China, which is about 7.1% higher. The number of domestic tourism trips increased from 1.102 billion to 3.61 billion with an average annual growth of 12.6%. The total domestic tourism consumption increased

from ¥471.1 billion in 2004 to ¥3380.7 billion in 2014 with the average annual growth rate 21.8%, which is much higher than the residents' consumption (average annual growth of 13.75%) and GDP growth rate (average annual growth of 14.75%).

For the past ten years, China's industrial structure has undergone tremendous changes. The proportion of added value of tertiary industry in GDP increased from 41.20% in 2004 to 48.20% in 2014. The added value of the tourism industry of 2014 accounted for 9.79% of the added value of the tertiary industry. The new estimated value of the tourism industry by CNTA indicated that the value added of the tourism industry in the tertiary industry in 2013 was about 15.2%.

4.2.2 Disposable Income

Residents' disposable income and residents' tourism consumption grew rapidly in last decade. Compared to 2004, the net income of rural residents per capita and disposable income of urban residents per capita in 2014 were increased by 3.03 times and 2.861 times. For same period 2004-2014, the Engel coefficient of rural households decreased from 47.1% to 37.7%, and the Engel coefficient of urban households decreased from 37.7% to 35%. It means, the living standard of Chinese citizens has improved significantly during the last decade.

Table 2. Per Capita Annual Income and Engel's Coefficient of Urban and Rural Households 1978–2015

Year	Per Capita Annual Disposable Income	Per Capita Annual Net Income	Engel's Coefficient of	
	Urban Households	Rural Households	Urban Households	Rural Households
	Value (RMB)	Value (RMB)	(%)	(%)
1978	343.4	133.6	57.5	67.7
1979	405.0	160.2	*	64.0

1980	477.6	191.3	56.9	61.8
1981	500.4	223.4	56.7	59.9
1982	535.3	270.1	58.6	60.7
1983	564.6	309.8	59.2	59.4
1984	652.1	355.3	58.0	59.2
1985	739.1	397.6	53.3	57.8
1986	900.9	423.8	52.4	56.4
1987	1002.1	462.6	53.5	55.8
1988	1180.2	544.9	51.4	54,0
1989	1373.9	601.5	54.5	54,8
1990	1510.2	686.3	54.2	58.8
1991	1700.6	708.6	53.8	57.6
1992	2026.6	784.0	53.0	57.6
1993	2577.4	921.6	50.3	58.1
1994	3496.2	1221.0	50.0	58.9
1995	4283.0	1577.7	50.1	58.6
1996	4838.9	1926.1	48.8	56.3
1997	5160.3	2090.1	46.6	55.1
1998	5425.1	2162.0	44.7	53,4
1999	5854.0	2210.3	42.1	52.6
2000	6280.0	2253.4	39.4	49.1
2001	6859.6	2366.4	38.2	47.7
2002	7702.8	2475.6	37.7	46.2
2003	8472.2	2622.2	37.1	45.6
2004	9421.6	2936.4	37.7	47.2
2005	10493.0	3254.9	36.7	45.5
2006	11759.5	3587.0	35.8	43.0
2007	13785.8	4140.4	36.3	43.1
2008	15780.8	4760.6	37.9	43.7
2009	17174.7	5153.2	36.5	41.0

2010	19109.4	5919.0	35.7	41.1
2011	21809.8	6977.3	36.3	40.4
2012	24564.7	7916.6	36.2	39.3
2013	26955.1	8895.9	35.0	37.7
2014	29381.0	9892.0	*	*
2015	31194.8	11421.7	*	*

Source: Created by author, CNTA

There are three important stages in changes of the Chinese citizens' living standards related to development of tourism industry in China from 1978 to 2012. It is presented in followings:

- **1st stage – Economic reform and opening-up (1978-1984)**

With the economic reform of 1978, the residents' income levels and consumption levels have increased significantly. Per capita net income of rural households increased from ¥133.6 to ¥355.3 with average annual growth rate of 17.7%, it was the fastest increase in farmers' incomes. The average annual growth rate of urban residents' per capita disposable income in this period was about 11.3%.

- **2nd stage – The beginning of the tourism industry (1985-1998)**

From early 1985, China's economic system has had a magnificent reform. The urban enterprise reforms in the financial, foreign trade, business, price and other fields has widened a range of market mechanisms. In 1994, the 14th National Congress of the Communist Party of China established the reform goal of establishing and developing the socialist market economy, and implemented the reform strategy of "*Overall advancement and breakthrough*". In 1997, the Asian financial crisis broke out, and China's economic growth slowed down significantly. In late 1980s and early 1990s, further increase in urban residents consumption of meat and eggs, education, tourism, entertainment,

communications, health care and other services stimulated the rapid development of the service industry including tourism industry.

- **3rd stage– The expansion of tourism industry (1999 - Current)**

The influence of the Asian financial crisis in 1997 brought to China's economy a great pressure. Under a series of macro-control policies, China's economy has basically achieved a "*soft landing*". In 1998, China entered 'The Monetization of Housing Distribution Stage'. Since then, the purchase of housing became the biggest part of urban residents' consumption and consumption in automobiles also experienced explosive growth.

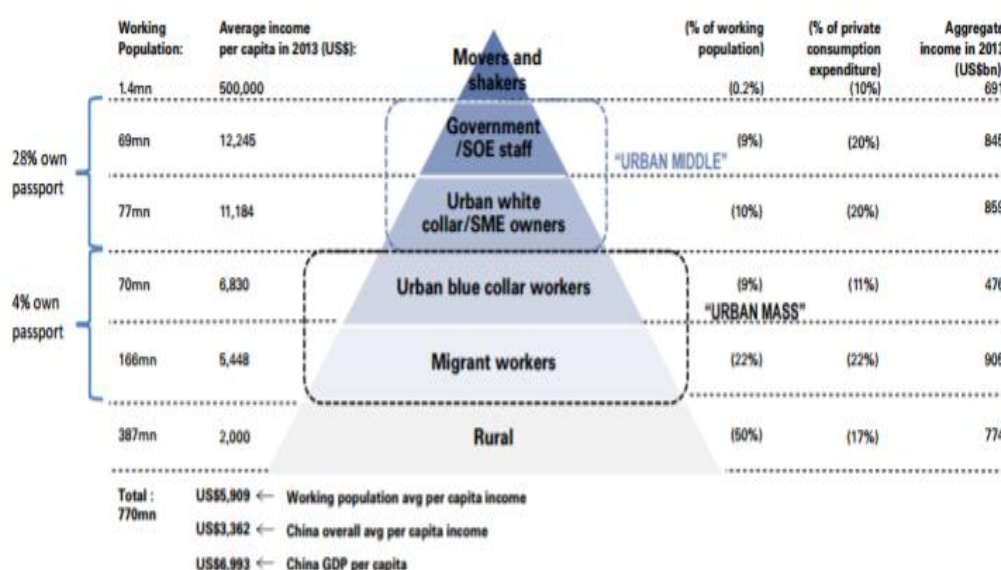
In this period, China issued several reforms regarding the education system, social security system and it had great impact on residents' life. China's urban residents had gradually changed from the 'well-off society' to the rich consumption level and residents started to seek new quality life. The consumption structure began the third transition. The diversification of consumer goods and service upsurge in housing, automobile, education, tourism, entertainment, sports, leisure, communication and digital electronic. The consumption level has improved to higher level including tourism industry, especially in domestic tourism. Since 2013 many Chinese have been starting care about their lifestyle and the consumption in tourism, sports and fitness as the leisure consumption set off a boom. In 2013, the domestic tourism market continued to grow rapidly, and the outbound tourism market continued to grow rapidly.

Chinese urban middle class

According to the recent statistical data of CNTA, the 28% of outbound Chinese tourists from the urban middle class. From 1995 to 2005, the population of China's middle class—defined here as households with annual incomes ranging from \$6,000 to \$25,000 — grew from close to zero in 1995 to an estimated 87 million in 2005. China's middle class jumped

to about 340 million by 2016. The purchasing power (disposable income minus savings) of China's middle class is also growing. In 2006, around 39 % of urban households were middle class. By 2016, that percentage is expected to rise to 60%. At present, the middle-class accounts for 27% of China's total urban disposable income. By 2015, that percentage is expected to rise to more than 40%. (LU, Joshua and Anita YIU, 2015)

Figure 6. Segments of Chinese population regarding their incomes



Source: Goldman Sachs Global Investment Research

4.2.3 Inflation and exchange rate

Inflation and exchange rate are influencing whole economy and tourism industry. It is necessary to look at statistical data of last 10 years. In 2005, China began to reform the currency Peg and let the RMB to appreciate steadily. The USD-RMB exchange rate appreciated about 0.49 % and the EUR-RMB about 5.49 % rise.

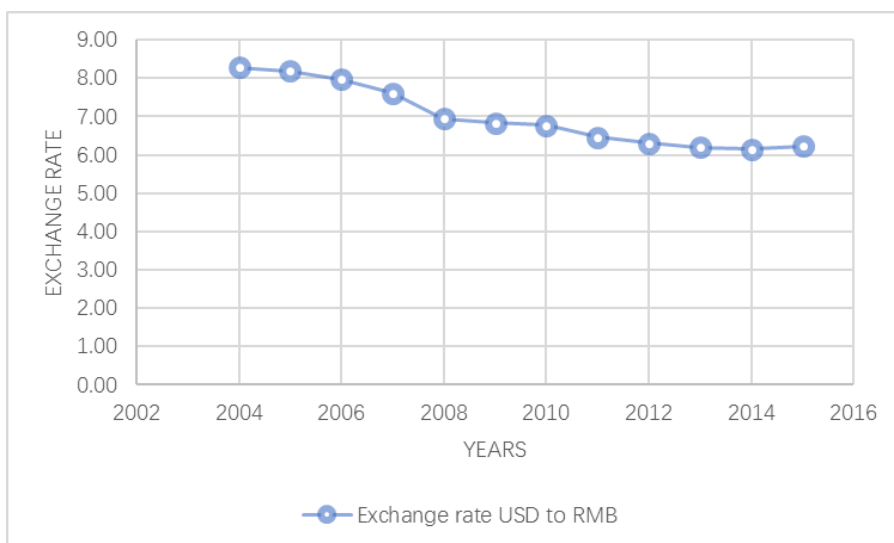
Figure 7. Inflation, consumer price annual percentage 2005 -2015



Source: Created by author, CNTA

By mid – 2007 appreciation pace picked up to around 5 % - 7% per year. In 2008 it reached the peak of inflation rate and the USD-RMB exchange rate went from 8.11 to 6.83, it's about 18.7 % appreciation. The period between 2010 and 2011 was a second peak of appreciation, the Exchange rate went from 6.83 to 6.17, an appreciation of 10.7 %

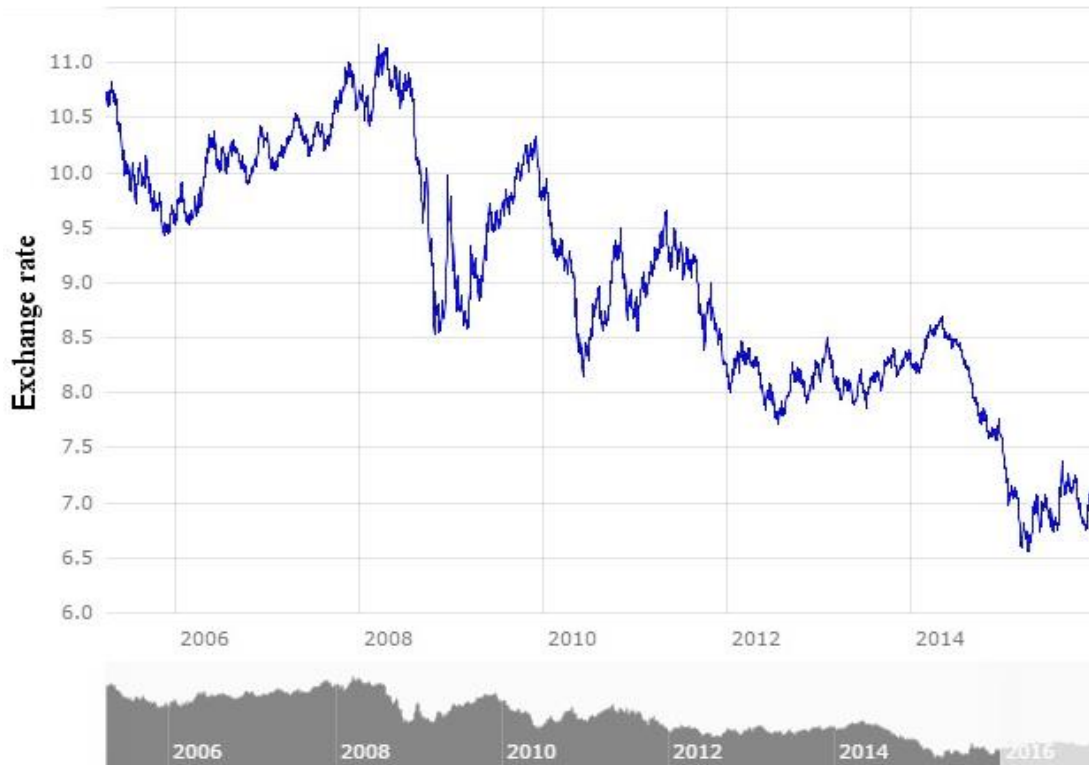
Figure 8. Exchange rate USD to RMB 2005-2016



Source: Created by author, OECD

The Euro-RMB exchange rate has continuously decreasing since 2008, the euro exchange rate has shrunk by nearly 40% from 11.15 in April 2008 to 6.73 in March 2015.

Figure 9. Exchange rate EUR to RMB 2005 -2016



Source: European Commission, 2016

The change of exchange rate and applied inflation policies by Chinese government brought a significant number in outbound tourists, an appreciation of RMB mainly influenced shopping outside of country. It forced expenditure goes up and it also impacted the choice of destinations, Europe and the U.S became popular. It results an expansion of tourism industry.

Figure 10. Change of Purchasing Power of RMB



Source: Yangcheng Daily News

The number of outbound trips increased by 2.5 times in 11 years, coinciding with China's per capita GDP growth rate. The RMB exchange rate from ¥100 in 2006 about 10 euros, rose to 2016 about 14 euros, up nearly 50%. RMB ¥100 against USD in 2006 was \$12.5, in 2016 rise up to \$15.38 about 25% of increase. The RMB is more valuable, more money to the drums of the people outbound travel more emboldened. exchange rates were shown to have some influence on destination choice and travel purchases, but that influence is modest and only one part of the consumer's decision-making process. However, exchange rates were found to have more bearing on tourism expenditure once in the destination.

4.3 Policies related to Chinese outbound tourism

The two most important historical timelines of reforms contributing to development of Chinese tourism are introduced by years 1978 and 2003. The year 1978 was significant point of changes in history for China. Before 1978, going aboard for travel was only allowed for senior government officials or diplomats for reasons as foreign affairs. For ordinary people, it was as a dream to travel aboard. After 1978, the demand of outbound tourism was growing, travel agencies CITS, CTS, CYTS were authorized to make travel

arrangements to a limited number of countries and regions, including Singapore, Malaysia, Thailand, Hong Kong and Macau (Guo, 2002). Next 30 years, the government focused on inbound and domestic tourism intensively. Another important turning point of Chinese outbound tourism return of Hong Kong returned to China in 1997. From this point, Chinese government launched many directions including direction *'promoting inbound tourism vigorously, developing domestic tourism completely and growing outbound tourism standardly'* and officially approved outbound tourism, especially outbound tourism to Hong Kong, Therefore, China also improved policy about requirement for getting licenses of outbound business. During 1998 – 2008 China is experiencing the economic progress and Chinese tourism industry was transformed to important industry.

The second historical point was year 2003 because of the memorandum of ADS between China and other countries. This agreement significantly contributes development of Chinese outbound tourism, especially to Europe. ADS agreement will be introduced in following articles.

Reforms of holiday policies is accelerator for Chinese tourism industry. On December 7th, 2007, the Regulation on Paid Annual Leave for Employees was adopted at the 198th executive meeting of the State Council with coming into force as of January 1st, 2008, the purpose of this regulation to protect employees' right. For now, holiday called seven-days "Golden Weeks" become peak seasons for travel and tourism, which are traditional "Chinese Lunar New Year" and "National Day".

The other recent government's project necessary to mention is "The Silk Road Economic Belt and the 21st-century Maritime Silk Road" and it is known as The Belt and Road is a significant development strategy to all nations including to accelerate tourism in Europe. In this chapter, it is going deeper to tourism policies and policies related to tourism, which are passport policy, and one-child policy.

4.3.1 ADS agreement

The situation of outbound tourism to Europe has changed in 2003, when European Union and CNTA signed an agreement on visa and related issues concerning tourist group from China. European states have become “Approved Destination Status” destination by China, Chinese tourists could benefit simplified and facilitated procedures for application of Visa from member states of the EU. This agreement or Memorandum provides much easier way and complete service for Chinese travellers for traveling to the EU states. IN-DEPTH ANALYSIS 2015 of European Parliament says; China is one of the fastest growing source market for tourism in Europe. The number of Chinese tourists to Europe grew by 11.4% in 2003-2008 and in 2008-2013 grew by 17.6%, which was the 16th biggest source market for EU, it is about 1.3% market share (Juu, 2015).

Speaking of the ADS system, it was applied for tourism groups, it let the individual Chinese passport holders have easier visa procedure for travelling outside of China. Individual Chinese passport is called private passport, there are different type of passports for different, and visa procedure are also different.

4.3.2 Passport policy

In 2007, China declared three kinds of public passports, which are ordinary, diplomatic and service (Articles 3, 4, 5 and 8 of the Passport Law of the People's Republic of China, 2007):

Ordinary passports are issued to national who intend to go abroad for non-official purposes, such taking up residences in other countries, visting relatives, studying, working, travelling or engaging in business activities

Diplomatic passports are issued to diplomats, consuls and their spouse or children who are minor, and diplomatic couriers.

Services passports are issued to employees who are dispatched by the Chinese government to work for the Chinese foreign missions, the United Nations or its special

commissions, and other international organizational, and their spouses or children who are minor.

The ordinary passports are distinguished into two types for different purpose – Official or Private. The official passports can be used individually or in a group for business and professional trips or for study tours to all countries. But it cannot be used for travel purpose, even if it paid privately, it does not allow to apply for ADS visas. The private passports are for personal affairs – it could be for travel purpose, it called tourist passports. The holder of a private passport can travel to any ADS country for leisure if he joins an organized group. The liberations of travel document issuance have also completely changed forced Chinese outbound tourism.

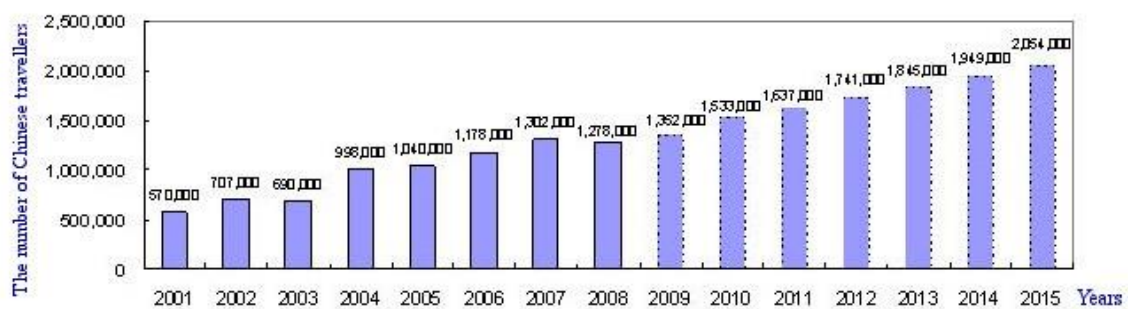
4.3.3 One-child policy

One-child policy seems, does not influence the tourism industry. But yes, toward social demographic transformation with one-child policy, most of family has only one child. The families are trying the best to provide the child education environment. Study abroad for short or long time is very popular and common nowadays.

4.4 Chinese outbound tourism in Europe and the Czech Republic

From 1995, Europe (excluding Russia) as a destination country was keeping 10% -12% market in Chinese outbound tourism. One year later, the number of arrivals in Europe was over 250 000, in 2001 over 500 000 and in 2004 it almost reached 1 mil. (ARLT, 2006).

Figure 11. The number of the Chinese travellers to Europe 2001-2015 (excluding Russia)



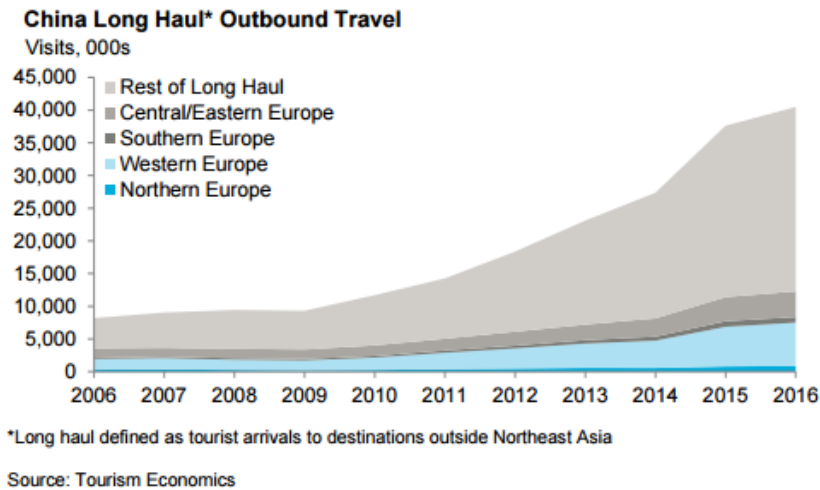
Source: CNTA, 2016

EU is not the whole Europe, but EU dominates Europe and plays a vital role in Chinese outbound tourism to Europe due to its form as a political and economic union including 28 countries. The strong cooperation in economic and political sectors results in a huge increase in the number of Chinese arrivals to Europe. The Schengen agreement which started in 1995 and abolished internal border control brought to Chinese tourists a positive impact on visa issues. But for some of EU countries such as the UK (The UK is going to exit EU, but here we are talking about past and now), Ireland and Denmark, they do not have a common tourist policy and require separate visas, which influences the number of arrivals in those countries. But the UK remains one of the most popular destinations in terms of education and its specific history.

The most visited EU countries for the Chinese tourists are Germany, France, The Netherlands, Belgium and Luxembourg due to their geographical position. According to the ETC Annual Report 2015 and 2016, China ranks 2nd position among all out of region

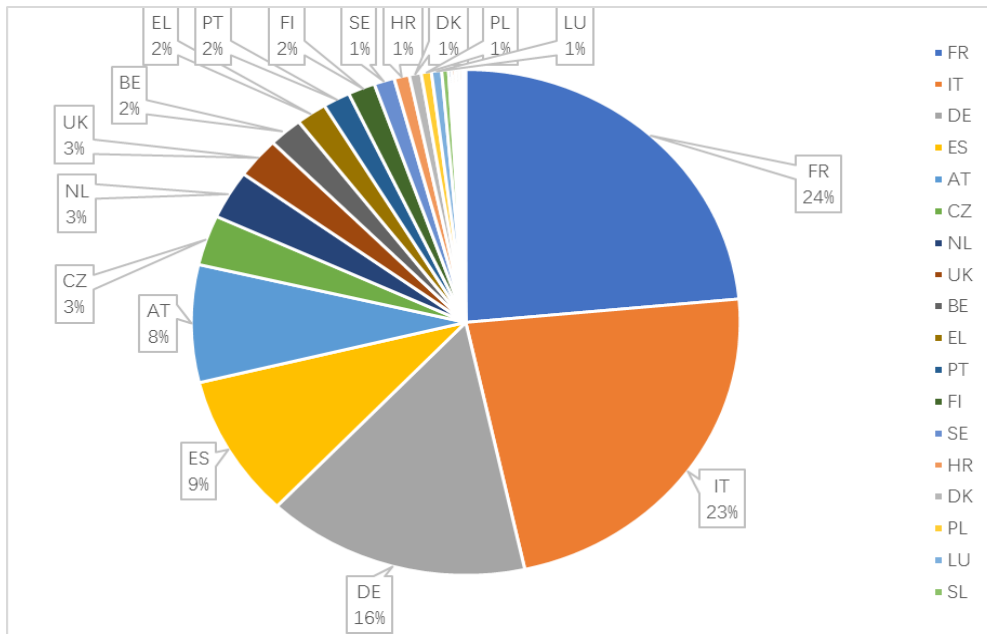
outbound travel markets, and in 2015 12.5 million are come from China, which equal 16% Europe’s share of total Chinese outbound travel with 8.8 % annual growth to 2020.

Figure 12. China Long Haul Outbound Travel 2006–2016



The figure shows, the Western Europe leading with France, Germany, Switzerland are long-popular destinations. The situation has changed, the Central and Eastern European countries such as the Czech Republic, Poland and Serbia are seeing increases as Chinese tourists look to travel to more ‘novel’ locations.

Figure 13. Chinese arrivals as reported by EU destinations 2014 (in %), First entry point



Source: Created by author, European Commission

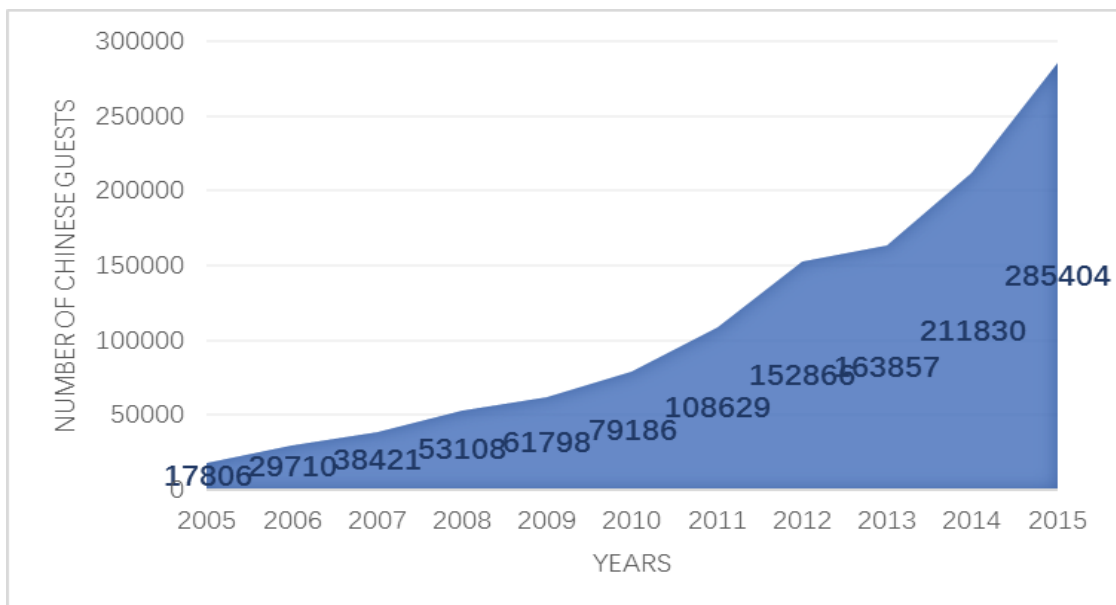
Chinese outbound tourism in the Czech Republic

Chinese outbound tourism mainly depends on the relationship between the two countries. In 2015, Chinese president’s visit accelerated the Czech-China relationship from the political perspective, the improvement is showing also in economic cooperation in tourism sector including the establishment of direct air links between Prague and three China economically advanced cities and the acquisition of travel agency, airline companies, holiday resorts by China CEFC Energy Company Limited. All kind of cooperation have stimulated Chinese outbound tourism in the Czech Republic for various purposes including official, business, leisure, study etc.

The Czech Republic is still a new product for the Chinese travel market, which is designed for a clientele of senior and upper layers. Chinese people usually want during one trip to visit two or more countries and find it cheaper and more convenient if these countries are in the Schengen area and thus do not need another visa. Czech Republic can expect in the future a greater interest, mainly due to its geographic position (Czech Tourism, 2013).

Data from the Czech Statistical Office (2015) show that in 2012 in the Czech hotels and guesthouses accommodated 145,000 Chinese tourists. In 2013, the Czech Republic accommodated over 174,000 tourists and 2014, the number of visitors to 212,000. According to the regional distribution of arrivals is the largest number of visitors to Prague channelled almost 70%. Another share is South Bohemia, and then there is a big gap (Czech Statistical Office, 2015).

Figure 14. Number of Chinese guests in collective accommodation establishments in the Czech Republic 2005-2015



Source: Created by author, CSU

4.5 Chinese travel companies specialised in outbound tourism

Travel companies play an important role in travel industry, due to its market share having reached 80% and this mostly comprises tourist packages and tours. The classification of travel companies or intermediaries in China is different than in the West. The theoretical part, based on literature study, divided travel intermediaries into two types – tour operator and travel agency by many scholars. The classification of travel agencies is set by law and according to the *'Temporary Regulations on Travel Agencies'* from 1985, travel agencies are divided into three categories. First and second categories are the international travel agencies (one of them can operate outbound tourism, inbound tourism and domestic tourism and second one can only operate inbound tourism and domestic tourism). third category is domestic travel agencies, can only operate domestic tourism. The regulations are driven by CNTA and local tourism board. After 2000, there was change in classification, the categories are reduced two types – Domestic travel agency, international travel agency with or without license on outbound tourism.

Currently, from business aspect, travel agencies is also divided into: 组团社 domestic tour wholesaler, 办事处 Travel offices (also known as: wholesalers, distributors, agents, peers), 地接社 domestic tour operator;

- **Domestic tour wholesaler:** the travel companies, who the clients have signed a contract with on departure country.
- **Domestic tour operator:** the travel companies, who are taking care of tourists from Domestic tour wholesaler on tourist destination country;
- **Travel offices:** the offices or agents of the domestic tour operator set on departure countries.

In China tourism market is 27 621 travel agencies to 4th quarter 2015 and the top travel agencies are followings:



Shanghai Spring International Travel Service Co., Ltd

- ✓ Founded in 1981
- ✓ Largest travel service provider
- ✓ Strengths: only Chinese travel company with low-cost airline



CGZL International Travel Agency

- ✓ Founded in 1980
- ✓ Largest travel agency in Southern China
- ✓ Strengths: 185 direct sales points across China



China CYTS Tours Holding Co., Ltd.:

- ✓ Founded in 1980
- ✓ Listed at the Shanghai Stock exchange since 1997
- ✓ Strengths: High-tech product development



Beijing U Tour International Travel Service Co., Ltd

- ✓ Founded in 1995
- ✓ Listed at the Shenzhen Stock exchange since 2004 as first private travel agency
- ✓ Strengths: 5th best travel agency focusing outbound tourism



Beijing Caissa International Travel Service Co., Ltd

- ✓ Founded in 1993 in Hamburg, Germany
- ✓ based in Beijing, China with additional branches in Munich and Frankfurt, Germany; Paris, France; and Beijing, Shanghai, Tianjin, and Guangzhou, China.
- ✓ Strengths: B2C for European destinations.

The first three travel agencies are existing on tourism market since the mid-20th century, however the industry competitive structure is changed. In 1980, market share of three main travel agencies was 79.6%, but in 2000 was declined to 15%.

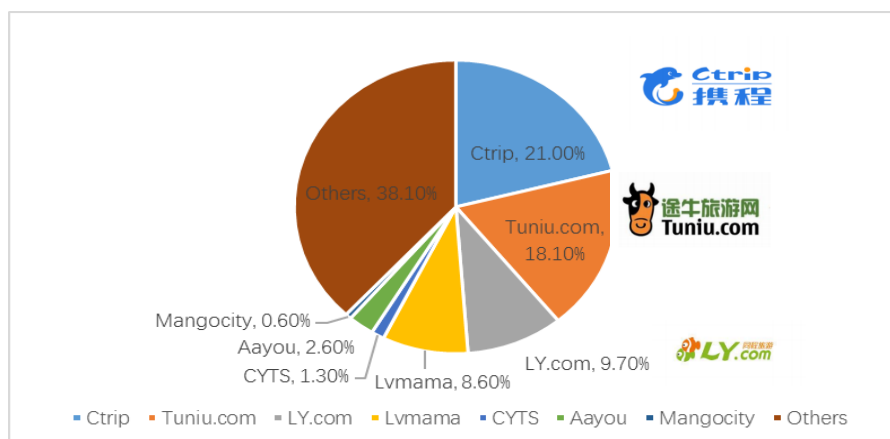
Online travel market

The above travel agencies are all the traditional travel companies, some of which also provide online services. The most important online travel agencies are outlined below.

The online tourism service has been providing since 1997. Online tourism services are attracting customers to access tourism information. According to Iresearch report (2016), the 2016 Q3 China's online travel market transactions reached ¥162.76 billion, an annual growth has increase of 11.8%. OTA market revenue scale of ¥8.19 billion, an increase of 38.7%.

21st century changes the structure of tourism industry with massive development of new technologies and make tourism enterprises face more challenges because of transparency through online market. Currently, the OTAs (Online travel Agencies) became dominant on china travel market. The OTAs provide fully information about destinations, offer various services to attract and support young self-service travellers. Nowadays, the biggest part of travellers are young people. Easily comparison of prices on transportation, accommodation, special local entertainment and restaurant online became lifestyle of Chinese people and without limited traditional travel forms they can still get special offers.

Figure 15. Market shares of Chinese OTAs on tours 2015

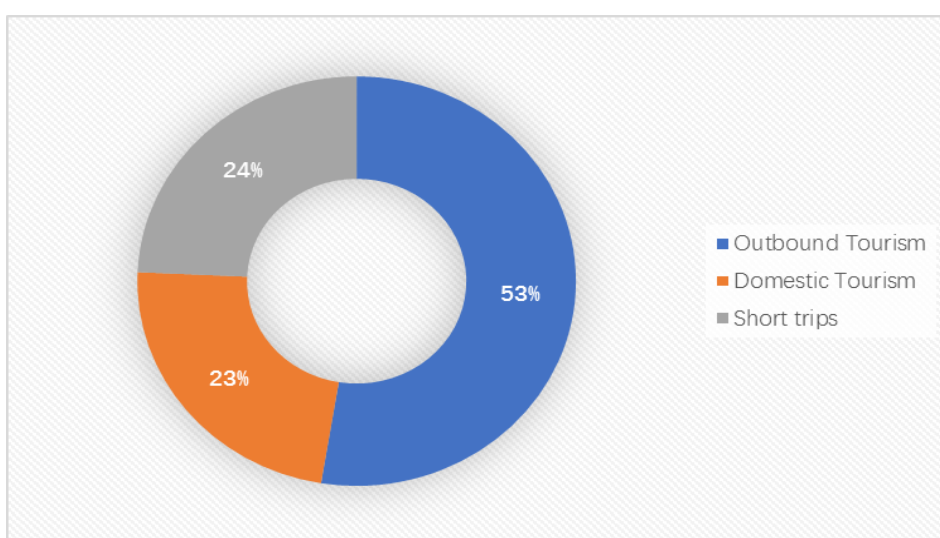


Source: created by author, www.report.iresearch.cn

According to “2016 China Online Travel Industry Research Report” by Chinese consulting group iResearch, the top OTAs of 2015 are Ctrip, Tuniu, LY, Lvmama (see Figure 15).

Honestly, the OTAs have diverse to B2B, B2C, UGC. In the above figure we are talking about the general OTAs, all of them are mainly focusing B2C and they provide a full range of travel services. But because we are analysing the whole market, in following figure is market structure of online booked tours by internet user/travellers. I Research believes that, there will be more and more self-driving short trips to surrounding tourism area. Outbound tourism has a turbulence due to terrorist attacks in Europe and it affects decision of tourists.

Figure 16. Market structure of booked online tours in China 2015

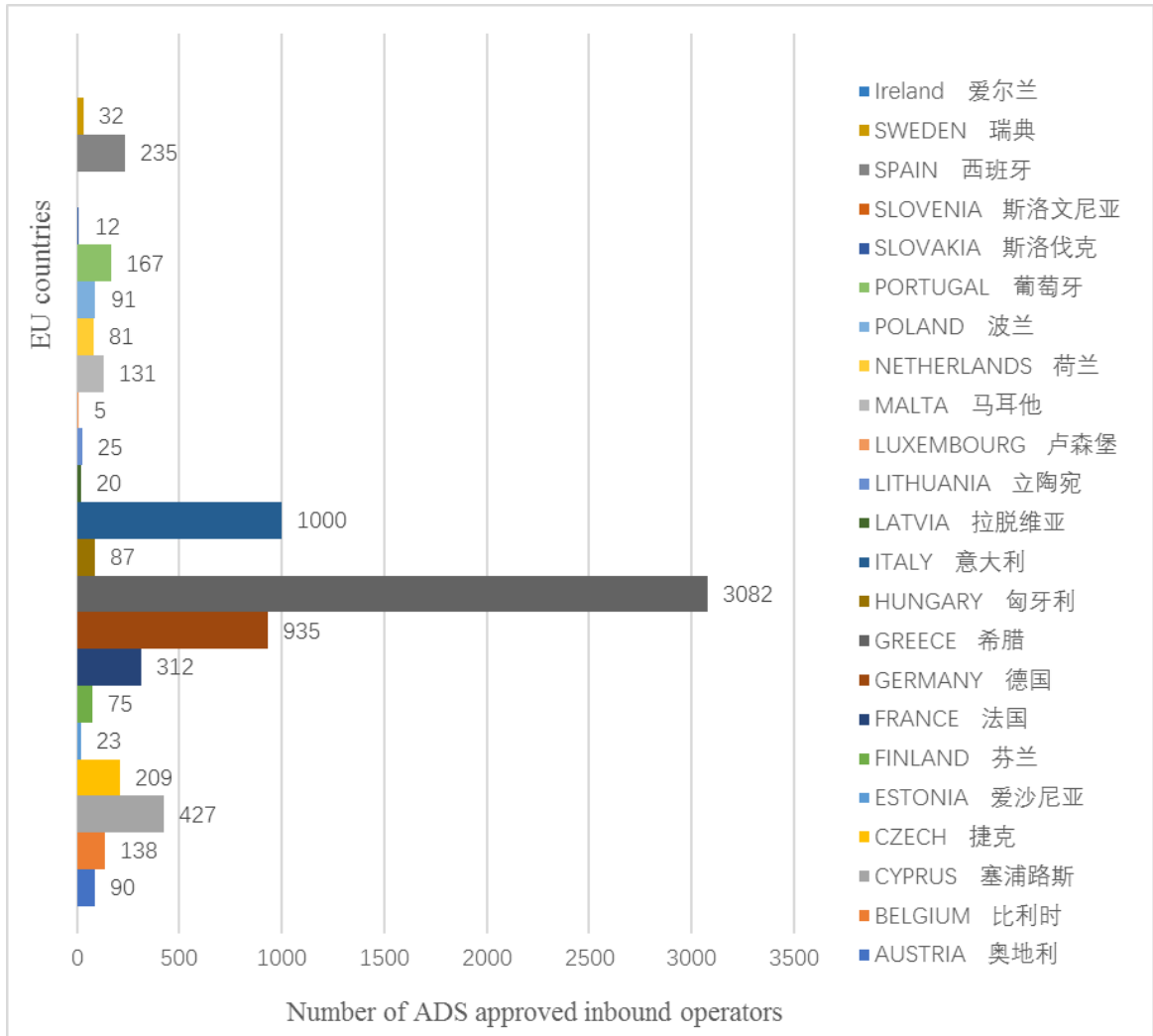


Source: Created by author, www.report.iresearch.cn

4.5.1 Identification of main travel companies

The author chose to analysis data about travel companies focusing on incoming Chinese tourists in Europe and in the Czech Republic thought the list of ADS approved inbound tour operators in EU. The official list is published on official website of CNTA. List includes 23 EU countries (*see Figure 17*).

Figure 17. List of ADS approved inbound tour operators in EU by countries 2017



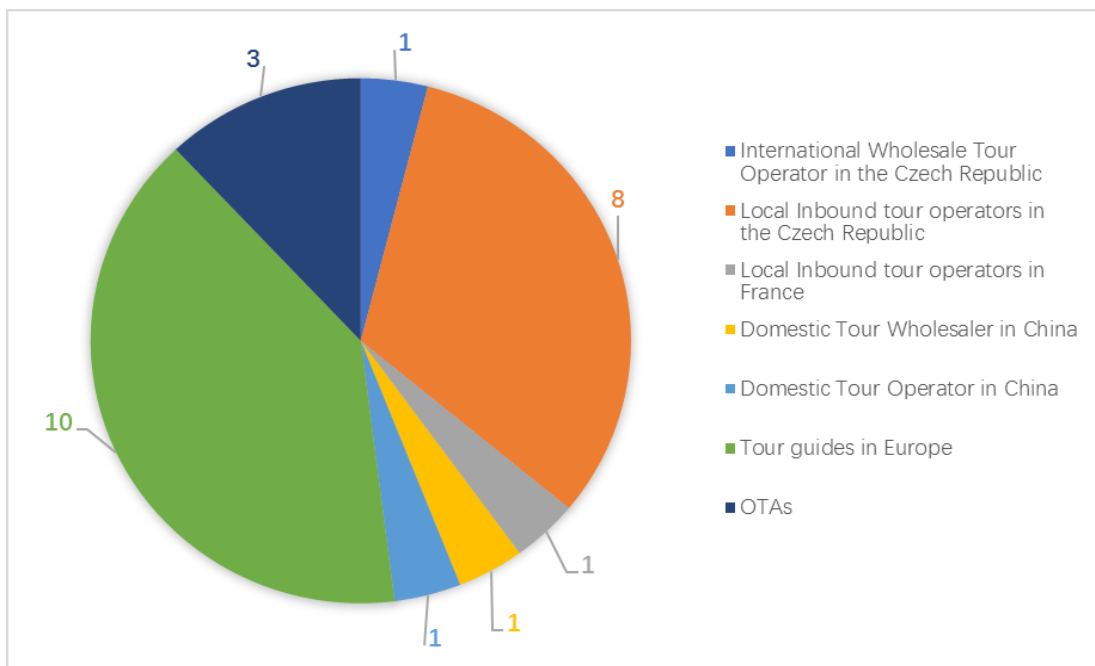
Source: Created by author, CNTA

According to published data about the travel agencies, Czech Republic has 209 ADS approved inbound tour operators. The number is still increasing. In 209 travel operators in Czech Republic, some of them are owned by Chinese citizens. According to the list, there is about 34 travel agencies owned by Chinese citizens. Company Invia.cz is about to have investment flow from CEFC.

4.5.2 Evaluation of interviews

In total, 12 interviewees have been involved in the empirical research. For the protection of personal information, in followings articles do not show names of those travel agencies or tour guides. The construction of respondents is in the figure below:

Figure 18. The number of the respondents – travel agencies



Source: Created by author, based on interview

For the interview travel agencies and tour guides were selected. Tour guides are an important part of travel industry, in some cases there are also informal travel intermediaries involved. From this point of view, the interview was made with 10 local Mandarin tour guides living in the Czech Republic. To have objective opinions, from classification of travel agencies and regions, the interviewees are divided to International wholesaler, Chinese domestic wholesaler, Chinese tour operator, Chinese OTAs, European and Czech local inbound travel agencies and local tour guides in the Czech Republic. All these travel agencies are performing Chinese outbound or incoming tourism to Europe, some of them are specially focusing on the Czech Republic.

International wholesale tour operator

There are many international travel companies participating Chinese tourism market, for example MIKI Travel, KUONI, G2 Travel etc. The company involved in this research is an international wholesale tour operator with over 700 employees and their specialization is group-only land operation mainly in Europe for the B2B travel industry. They have 21 branch offices in Europe, China, the U.S. - around the world. Their top destinations in Europe are France, Italy and Germany. For year 2016, they organised almost 2000 Chinese groups, which is quite big number.

The interview was made with the coordination executive called Tony from their Prague office, who has worked in tourism industry about 10 years. In his opinion, the Asia market has a very big potential, especially the Chinese tourism market. For this reason, their sales departments are mainly based in cities as Beijing, Shanghai, Bangkok, Jakarta, Seoul, Taipei, Tokyo and so on. In respect to the competitors for the Chinese market, Tony said, "there are many competitors in travel industry, small travel agencies or tour operators, but we are totally different from the others due to our company size, destination resources and price of competitiveness. We are very price competitive in the Chinese market. From his point of view, the most important factors impacting Chinese outbound tourism industry to Europe or to the Czech Republic is the economic factor. When economic cooperation between the two countries is going up, the political relation, visa policies are improving as well. Because no-one will say no to having better economic situation, which the Chinese tourism is bringing. From the cultural - social aspect, the majority of the local people are changing their mind about China from an unknown, closed country to an economically strong partner. The last unforgettable factor is the technological factor. The improvement fully supports travel agencies to organise tours for tourists fast and efficiently and as he also pointed out, *"It is much easier to organise several tours once by modern technology than before when we used fax or calls."*

Local inbound tour operators in France and in the Czech Republic

The author selected two countries' tour operators – Czech and French. The reason is that France is a leading travel country and has a very different situation than the “new market” - the Czech Republic. For interviewees from the Czech Republic, there were selected 7 from 34 tour operators owned by Chinese citizens with 1 additional local tour operator owned by a Czech citizen. The entire period of their operation is up to 20 years. The biggest company has many as 20 employees. The age of the company owner is between 27 to 60-year-old,

Tour operator in France

The interviewee is the owner of a tour operator focusing on incoming Chinese tourism to France. The owner called Mr. WU, after his successful graduation from master study specialized in Tourism law in 2003, he started running a travel agency in France. For more than 10 years, he has been organizing tours for Chinese travellers and sometimes he also worked as a tour guide for these groups. Over the years, he acquired a lot experience and now the number of his employees is about 20. As the market demand is changing, he has launched several new tourism products. One of his projects is B2B online platform, which is providing the separate destinations resources. He talked about how he came with the platform, ” *The giant travel wholesalers in China are not letting local operators to provide whole services due to the price war. They are fighting for customers through the lowest price of tour packages. They are trying to have a contract directly with the destination resources – hotels, transport, attractions. However, some of destination sources do not want to have a direct contract with them due to trust problems, payment conditions, language barriers, distance, cultural differences and other reasons. Therefore, since we are physically in France we know the local business culture. This is our advantages.*”

The political, legal, social-cultural factors are very important, especially the political instability, terrorist attacks and French strikes and protests in France cause cancelled tours and hit a number of outbound tourists to France, but a number always returned and kept growing. France is keeping its rank in the top 10 destinations for the Chinese travellers. Nowadays, travellers can book everything online and immediately, sometimes people get

confused by the large amount of travel information and the Chinese mass tourists are always following the travel trends in social media. From Mr. WU's point of view, social-media, technological innovations, price and motivation of shopping are the most important factors infecting Chinese outbound tourists to Europe, especially to France.

Tour operators in the Czech Republic

From prospective of experience about Chinese travel market, the travel agencies in the Czech Republic could be divided to three types:

- Chinese travel agencies with experiences more than 10 years (“Chinese professionals”)
- Chinese travel agencies with experiences no more than 10 years (“Chinese beginners”)
- Czech travel agencies newly entered to Chinese tourism industry (“New Czech Entrants”)

The table below shows the overview of the interviews regarding to the above-mentioned classification:

Table 3. Overview of interviews -Travel agencies

Type of Tour Operators	Number
Chinese professionals	3
Chinese beginners	4
New Czech Entrants	1

Source: Created by author

“Chinese professionals”

In the Czech Republic, there were not many travel agencies dealing with China 10 years ago. Most tours were organised by Chinese travel agencies and others in Germany. The oldest Chinese travel agencies in the Czech Republic are Wings Travel, KEG, Sino Star. These three travel agencies have been involved in tourism industry for about 20 years, the number of their employees ranging from 2 – 15. During last 20 years, they have built stable customers and they are quite famous as Chinese travel agencies in the Czech Republic, especially the Wings Travel. For those travel agencies, the political, economic and

technological factors are most important factors. The political relations influence the number of arrivals, especially in Chinese officials who are visiting Czech government, institutions etc. From technological aspect, as they are “old” professionals. Owner’s age is between 35-50, then it is important if they can adapt in this competitive modern technological age.

“Chinese beginners”

In past 5 years, the structure of business run by Chinese living in the Czech Republic has a significant change in comparison with result of author’s bachelor thesis with topic “Chinese enterprises in the Czech Republic”. The globalisation and appreciation of RMB indirectly caused the trade of clothes and shoes turned to position, that they are in big advantages as before. Many Chinese businessmen closed their shops and turned its business to tourism industry. Especially in last two years, many travel agencies have been registered by Chinese. In the interviewees were young and old generation of Chinese living in the Czech Republic. Two of respondents are in group age 35-55, both had business with shoes and they can speak basic Czech words. The other two are in group age 25-35 and they are very familiar with Czech culture and they have very good language knowledge. According to the young owners of travel agencies, the social-cultural is vital important factor as Chinese young travellers desire for better education, different experiences from travel. But older generation have a bit different opinion about factors, they think the most important factors are political, economic and environmental. Political factor as Czech-China cooperation, economic as financial status of Chinese travellers and environmental as horrible pollution in China.

“New Czech entrants”

As everyone see Chinese tourism market as “a big cake”, local Czech travel agencies started be interested on providing services for Chinese tourists. They attended to various promotions, fairs, activities organised by Czech tourism. The difficulties for entering the market is the cultural differences and language barriers. According to the employee of the Czech travel agencies, the most important factor affecting Chinese outbound tourism also is political cooperation between two countries.

Tour guides

In the Czech Republic exists around 250 mandarin speaking Chinese tour guides. As the above explained “Chinese beginners” travel agencies, many owners of new travel agencies are doing tour guides as well. Some of tour guides comes from restaurant or other professions. Based on interview with tour guides, there are different thoughts about current chines tourism market. Tour guides, who has been working for long time, they think the tourism market is changing fast and Chinese tourism market lack of regulations. On one hand, there is increase in tourists coming to Europe, but on other hand low price competition caused harder working conditions for them. The tour packaged wholesalers are hiring tour leaders from China instead of local tour guide for reason of cutting cost. One of professional tours guide said, “They are just using the same way to central/eastern Europe as they did before to western Europe. Local tours guides will lose their position because of the tour leaders.” The tour leaders, who has he mentioned are also tour guides, but they are leading the whole group from China and back to China. Groups with tour leaders do not need local tour guides anymore. For new tour guides who turned own profession from restaurants or shops, they think tourism industry is new market for them and there has still potential. Because they are about to starting with new business. Their clients come from various online platforms and sometimes from a travel agencies. It could be concluded, according to opinion of tour guides, the most important factor impacting Chinese tourism market or tourists is economic, because price competition caused lost some of their works.

Domestic Tour Wholesaler in China

The leaders of domestic Tour wholesaler in China are the above mentioned top travel agencies - U-tour, Caissa, CTYS etc. The chosen company is one of the biggest travel agencies focused on providing tour packages directly to B2C – domestic tour wholesaler in China with employees over 3500 people. The interview was made with their regional sales manager.

Domestic Tour Operator in China

The interviewer is the owner of a small-scale company in Beijing with about 20 people. The company was found in 2014. Their major area of operations is Europe. In comparison with the wholesalers, this operator's target group is different. They are focusing on customized tour, minitours or separately travel resources with B2B forms.

For domestic tour operator and domestic tour wholesaler in China, the political stability and visa policies are the most important factors to Chinese outbound tourism. Situation of outbound tourism in last year was influenced by terrorist attack, refugees, anti-China activities.

OTAs

China's tourism websites in the long-term exploration and development has made great progress, the number of sites, the scale is increasing, from the CNZZ statistics can be seen, by June of 2015, the number of China's tourism sites has reached 65,100, The daily page views have been to 360.4 million. Among them, the tourism forum is 8932, websites for business travel is 3893 and official websites of attractions or organisations are 52100. For the study, it was chosen two OTAs from each classification – B2B and B2C, both are focusing tourism products in Europe. B2B OTA's clients includes B2C OTAs, traditional travel agencies and tour guides. They have very wide product range including reservation of restaurants, accommodation, transports, visa services, insurance service and trip advisors for travellers. The manager of OTAs pointed out legal factor, social-cultural and technological factors as the most important factors. From legal aspect, the most talked topic was antitrust law in Chinese tourism industry. The interviewer said, antitrust law does exist in China, however merges of the biggest OTAs still happened frequently, which is negatively impacting the online business environment. For social-cultural and technological factors, more and more young people are choosing to gain information from websites, because of convenience of making reservation online and it is popular among youngers. As young travellers like to try new things, for example Airbnb.

4.6 Chinese outbound travellers

Previous study of theories about travellers or tourist was basis for analysis of Chinese travellers. In this chapter, to better understanding Chinese outbound travellers in Europe, especially in the Czech Republic. It is need to define the profiles and characteristics of Chinese travellers including their gender, age, sociographical feature, regional distribution of Chinese outbound tourists, purpose for travelling and style of travel - group or individual, the duration of stay, spending and type of accommodation.

To dip deeper into the research topic, this chapter also includes the analysis of interviewers with Chinese traveller in the Czech Republic and in Europe by questionnaires.

Profiles and Characteristics of Chinese travellers

The outbound travel became necessary part of life for Chinese citizens. At Chinese International Travel Monitor 2016 has shown, that 2/3 of outbound Chinese travellers consider travel as essential part of life and they are prepared to spend nearly a 1/4 of their income on travel around ¥22592 (Chinese international travel monitor, 2016). Because they believe that tourism could improve their life quality and happiness.

Table 4. Chinese traveller spending compared to income

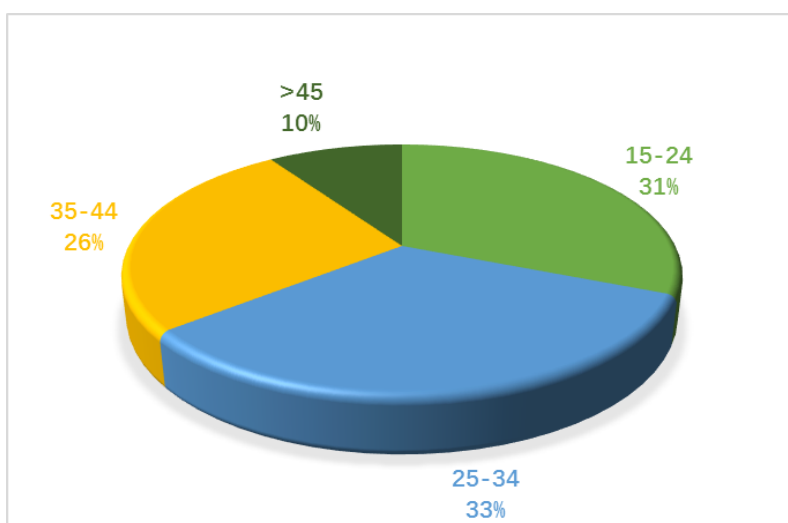
Chinese traveler spending compared to income:

	Overall	Born Post 90s	Born Post 80s	Born Post 70s	Born Post 60s
Share of travel expense to income	24%	27%	20%	20%	26%
Annual personal income	¥95,527 [US\$14,610]	¥70,492 [US\$10,781]	¥98,923 [US\$15,129]	¥107,092 [US\$16,378]	¥114,754 [US\$17,550]
Travel expense in the past 12 months	¥22,592 [US\$3,455]	¥19,288 [US\$2,950]	¥19,678 [US\$3,010]	¥21,427 [US\$3,277]	¥29,926 [US\$4,577]

Source: Chinese international travel monitor 2016

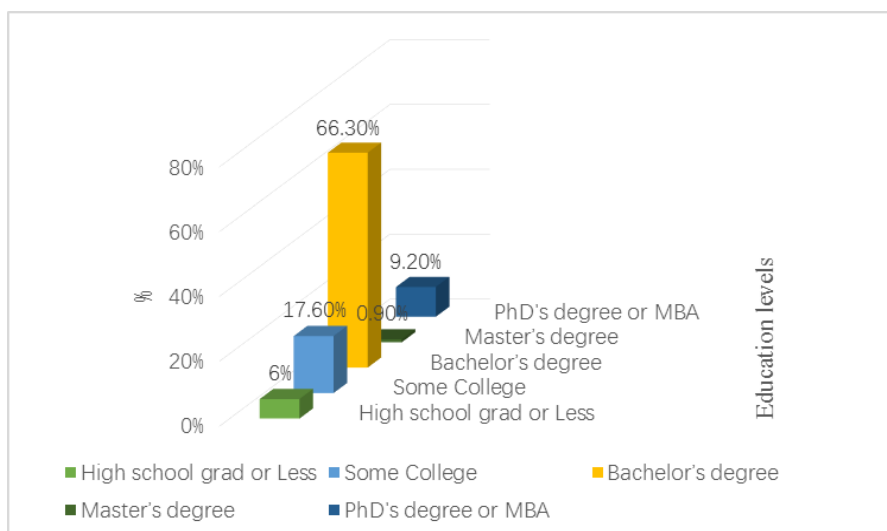
According to the statistical data of Chinese Tourism Academy, majority of outbound travellers are the post-70s and post-80s due to the major proportion of population, high income and high education level, which is over half of all Chinese outbound travellers. These age group usually have children and they like to travel with family. The post-90s outbound travellers are increasing with a rapid tempo as well, most of them are single young people and like explore the world through travelling around.

Figure 19. Age groups of the Chinese outbound tourists 2016 (in %)



Source: Created by Author, CTA

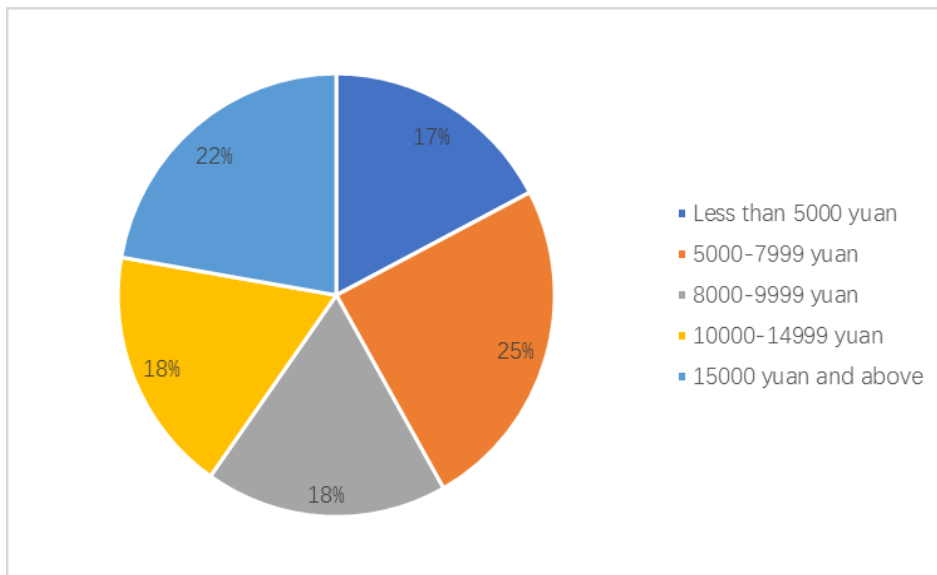
Figure 20. Education levels of the Chinese outbound tourists 2016 (in %)



Source: Created by Author, CTA

Most group tourists earn less than 8000 yuan per month and the monthly income of most independent tourists is over 10000 yuan.

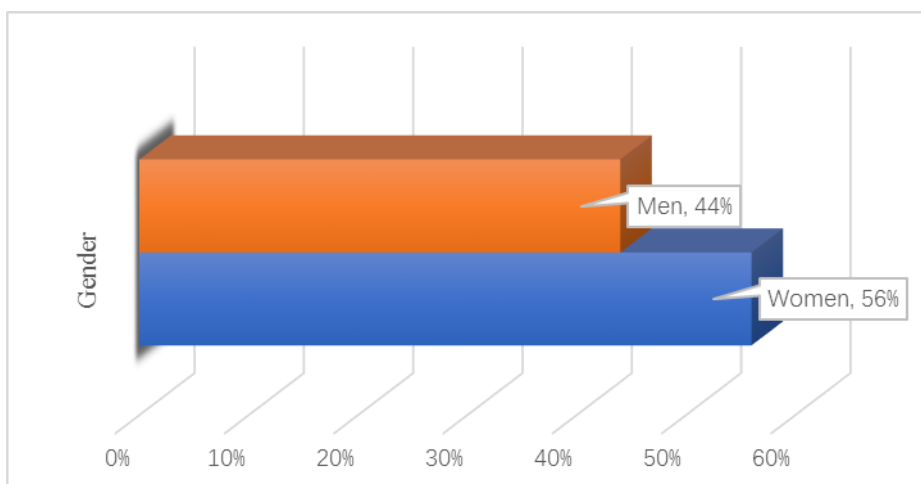
Figure 21. Individual Monthly incomes of the Chinese outbound tourist 2013 (in %)



Source: Created by Author, CTA

As for gender proportion of Chinese outbound tourists in last year – 2016, proportion of women was higher than men about 12%.

Figure 22. Gender of the Chinese Outbound tourists 2016 (in %)



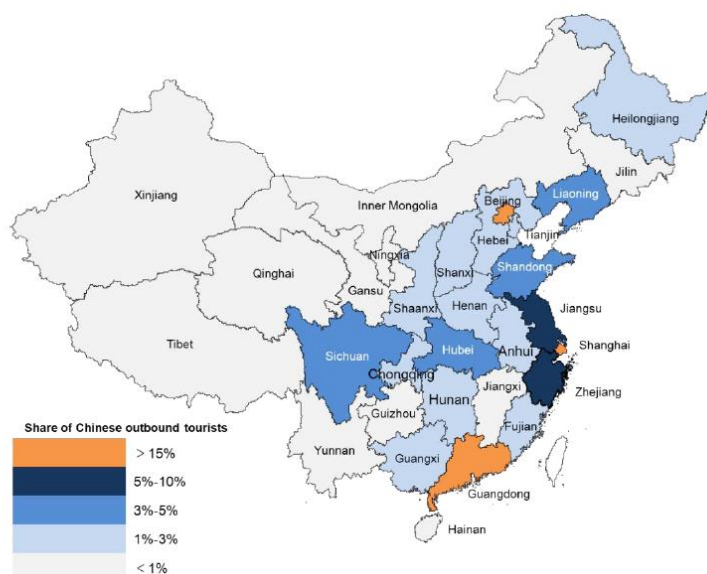
Source: Created by Author, CTA

Chinese travellers prefer to stay in hotels, and do not like them to be below three stars: 78% prefer three stars or more, despite the economic downturn. Their peak season for travel is July-August for family travel, May-October for business travel. The duration of stay is about 12.5 days and they travel 2.5 times per year in average (CNTA, 2013).

Regional Distribution of outbound tourists

According to research of WTO and Ipsos, “during 2013 and 2014, Chinese outbound tourists were mainly from South China, North China and East China; Shanghai, Guangdong and Beijing have the most overseas tourists, followed by coastal provinces such as Jiangsu, Zhejiang and Shandong. Liaoning in Northeast China, Hubei in Central China and Sichuan in Southwest China are the provinces with a large tourist flow to other countries.” (Market Research Report on Chinese Outbound Tourist (City) Consumption 2014). In 2016, the position of big cities as Shanghai, Beijing, Guangdong remain as the top resource cities, moreover, cities as Zhuhai, Nanning, Hefei, Zhengzhou, Changchun, Kunming, Shenzhen, Qingdao, Chongqing, Xi'an became top 10 cities with fastest growth in outbound tourism (CTA, 2016)

Figure 23. Regional Distribution of outbound tourists

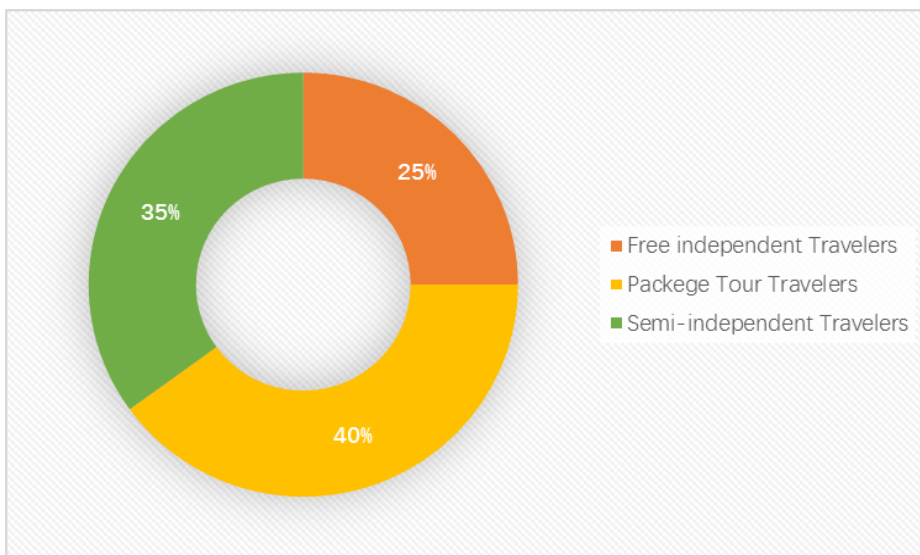


Source: Market Research Report on Chinese Outbound Tourist (City) Consumption 2014

Classification of the Chinese travellers

Based on study of typologies of tourists in theoretical part, it was found, there is various types of tourists or travellers. Based on theory of Cohen and Plog, the travel style of Chinese outbound travellers could be distinguished into Independent, Semi-dependent and group traveller.

Figure 24. Chinese outbound tourist type 2016 (in %)



Source: www.marketingtochina.com

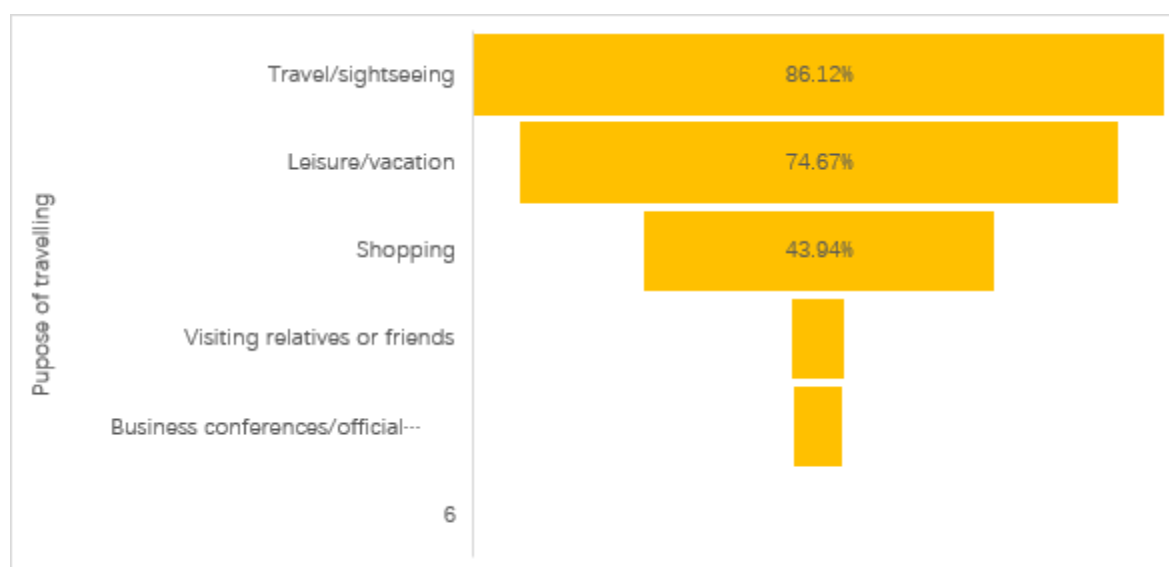
40% are « group's traveller » travelling once every 2 or 3 years and aged of 40 years or more.

35% are « semi-independent traveller » travelling many times in a year and planning some organized programs but keeping independent. Most of the time, they have between 25 and 35 years old.

25% are « Independent traveller » travelling by themselves and aging between 20 and 25 years old.

Regarding purpose of Chinese tourists' trips, sightseeing is the primary purpose of Chinese outbound tourists, followed by leisure travel. 43.94% of tourists' cross borders mainly for shopping. Tourists in groups travel mainly for sightseeing while solo tourists travel for leisure and shopping time. Tourists with higher monthly incomes take overseas trips mainly for leisure time and shopping.

Figure 25. Purposes of traveling of the Chinese Outbound Tourists 2014 (in %)



Source: Market Research Report on Chinese Outbound Tourist (City) Consumption

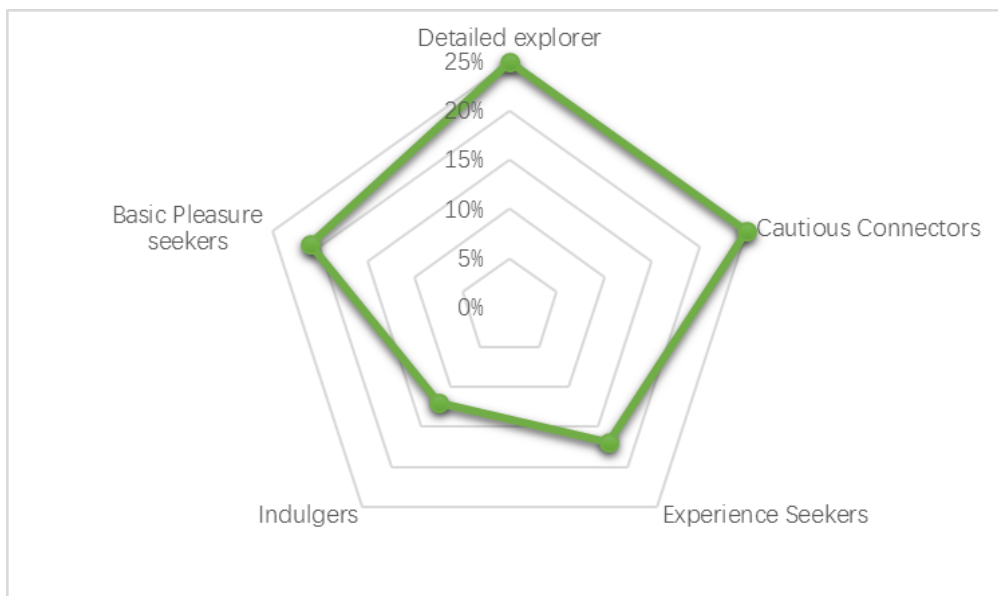
In theoretical part, the classification of tourists according to tourist expectation and education level was divided to Adventurer, Worrier, Dreamers, Economizers, Indulgers. In the similar way, based on travellers' background, travel attitudes, preferences and behaviours, the Chinese outbound travellers are divided into five distinct personas (CITM, 2016) in followings:

- Detailed explorer – Mostly born in the 60s and 70s, are innovative and optimistic, like to learn and explore, and tend to plan their trips down to the last detail.
- Cautious Connectors – Most likely born in the 60s and 70s. They are responsible family people and travel to bond with loved ones. They likely come from lower-

tier cities and prefer safe, family friendly hotels.

- Experience seekers – Tend to have been born in the 80s and 90s and be from top tier cities. They like stylish hotels and professional advice on local cultural activities. Experience seekers travel for enriching experiences, are independent and ambitious.
- Indulgers - Mostly born in the 80s, they travel to indulge themselves and to demonstrate their power. They stay at higher star hotels and go on adventurous local tours.
- Basic pleasure seeker - Millennials born in the 90s and unlike the other groups, more of them are women than men. They are aesthetically minded and travel for non-material enjoyment, seeking value-for money accommodation.

Figure 26. Distinction of characteristics of the Chinese travellers 2016 (in %)



Source: Created by author, CITM 2016

4.6.1 Econometric Analysis of Chinese outbound travellers in the Czech Republic

The growth of Chinese outbound tourists depends on various factors. It is impossible to qualify the interrelationships among all the variables through statistical data. For this model, it was chosen China Gross Domestic Product (China GDP), Czech Gross Domestic Product (Czech GDP), China inflation rate in %, Exchange rate RMB to CZK and the number of Chinese guests in collective accommodation establishments by country in the Czech Republic. The purpose of using OLS model is to figure out, if the number of Chinese tourists in Czech Republic depends on the above mentioned variables. Due to limit of statistical data the timeline was chosen from 2005 – 2015.

Setting the model:

Economic model $\rightarrow y_1 = f(x_2, x_3, x_4, x_5)$

Econometric model $\rightarrow y_{1t} = \gamma_1 x_{1t} + \gamma_2 x_{2t} + \gamma_3 x_{3t} + \gamma_4 x_{4t} + \gamma_5 x_{5t} + u_{1t}$

Declaration of variables:

Endogenous variable is y_1 = Number of Chinese guests in collective accommodation establishments in the Czech Republic

Exogenous variables are x_1, x_2, x_3, x_4, x_5

x_1 = Unit vector

x_2 = China GDP in billion. \$

x_3 = Czech GDP in billion \$

x_4 = China Inflation rate in %

x_5 = Exchange rate RMB to CZK

Assumptions:

- Increase in the China GDP cause increase in number of Chinese guests in Czech Republic
- Increase in the Czech GDP cause increase in number of Chinese guests in Czech Republic

- Increase in China inflation rate cause decrease in number of Chinese guests in Czech Republic
- Depreciation in CZK cause increase in number of Chinese guests in Czech Republic

Data set

Table 5. Data set for calculation

Year	Number of guests in collective accommodation establishments by country in the Czech	Unit vector	China GDP [BN. \$]	Czech GDP [BN. \$]	China CPI in %	Exchange rate RMB to CZK
	y ₁	x ₁	x ₂	x ₃	x ₄	x ₅
2005	17806	1	2,285,966	135,990	1.822	3.047
2006	29710	1	2,752,132	155,213	1.463	2.674
2007	38421	1	3,552,183	188,818	4.750	2.475
2008	53108	1	4,598,205	235,205	5.864	2.836
2009	61798	1	5,109,954	205,730	-0.703	2.691
2010	79186	1	6,100,620	207,016	3.315	2.845
2011	108629	1	7,572,554	227,949	5.411	3.168
2012	152866	1	8,560,547	207,376	2.625	3.059
2013	163857	1	9,607,224	209,402	2.627	3.286
2014	211830	1	10,482,371	207,818	1.997	3.680
2015	285404	1	11,007,721	185,156	1.443	3.824
Average	109329	1	6511771	196879	2.783	3.053

Source: Created by author, CSU, CNTA

Correlation Matrix

The program Gretl was used for calculating correlation among variables. Correlation Coefficients, using the observations 2005 – 2015 with 5% critical value (two-tailed) = 0.6021 for $n = 11$

Table 6. Correlation Matrix

y1t	x2t	x3t	x4t	x5t	
1	0.9554	0.2699	-0.1835	0.8984	y1t
	1	0.4705	-0.0855	0.8399	x2t
		1	0.4815	0.0939	x3t
			1	-0.1731	x4t
				1	x5t

Source: created by author, output of Gretl.

Multicollinearity elimination

Multicollinearity occurs when the absolute value of relation between one exogenous variable and second one is higher than 0.8. Multicollinearity disables to estimate the proper parameters and separate influence of independent variables on dependent variable due to their mutual relation. In this case, the correlation matrix the above indicates high multicollinearity (expressed by red colour) between exogenous variables y_1 and x_2 , y_1 and x_5 , x_5 and x_2 where the absolute values of the relationships are higher than 0.8. For elimination of the multicollinearity it was chosen method gradual differences, then in new table of Correlation Coefficients, using the observations 2006 – 2015, 5% critical value (two-tailed) = 0.6319 for $n = 10$

Table 7. Multicollinearity elimination

y_{1t}	x_{2t}	x_{3t}	x_{4t}	x_{5t}	
1	-0.0761	-0.0452	-0.170	0.3136	y_{1t}
	1	0.7670	0.7504	0.6333	x_{2t}
		1	0.514	0.7577	x_{3t}
			1	0.4240	x_{4t}
				1	x_{5t}

Source: created by author, output of Gretl.

New correlation matrix table shows, there is not multicollinearity between exogenous variables in our model.

Parameters' estimation using OLSM in Gretl

In new table, we started our observation in 2006, because we loss one observation due to gradual differences to avoid multicollinearity.

Table 8. Data set for calculation - new version

Year	Number of guests in collective accommodation establishments by country in the Czech	Unit vector	China GDP [bn. \$]	Czech GDP [bn. \$]	China CPI in %	Exchange rate RMB to CZK
	y₁	x₁	x₂	x₃	x₄	x₅
2006	11904	1	466,166	155,213	1.463	-0.373
2007	8711	1	800,051	188,818	4.750	-0.199
2008	14687	1	1,046,022	235,205	5.864	0.361
2009	8690	1	511,749	205,730	-0.703	-0.145

2010	17388	1	990,666	207,016	3.315	0.154
2011	29443	1	1,471,934	227,949	5.411	0.323
2012	44237	1	987,993	207,376	2.625	-0.109
2013	10991	1	1,046,677	209,402	2.627	0.227
2014	47973	1	875,147	207,818	1.997	0.394
2015	73574	1	525,350	185,156	1.443	0.144

Source: Created by author, CSU, CNTA

For estimating parameters, we use Gretl software. Other method is using Excel, for which is necessary to set matrix X and Y. Size of matrix X is 10x4, size of matrix Y is 10x1.

Table 9. Matrix X and Y

Matrix X:

1	466,166	155,213	1.463	-0.373
1	800,051	188,818	4.750	-0.199
1	1,046,022	235,205	5.864	0.361
1	511,749	205,730	-0.703	-0.145
1	990,666	207,016	3.315	0.154
1	1,471,934	227,949	5.411	0.323
1	987,993	207,376	2.625	-0.109
1	1,046,677	209,402	2.627	0.227
1	875,147	207,818	1.997	0.394
1	525,350	185,156	1.443	0.144

Matrix Y:

11904
8711
14687
8690
17388
29443
44237
10991
47973
73574

Gretl estimation

Figure 27. Gretl estimation

Model 1: OLS, using observations 2006–2015 (T = 10)
Dependent variable: Y1t

	coefficient	std. error	t-ratio	p-value
X1t	138357	116034	1.192	0.2866
X2t	-5.71695e-05	0.0531031	-0.001077	0.9992
X3t	-0.539342	0.666965	-0.8087	0.4555
X4t	-2577.16	6065.77	-0.4249	0.6886
X5t	68749.9	46583.5	1.476	0.2000
Mean dependent var	26759.80	S.D. dependent var	21882.09	
Sum squared resid	2.90e+09	S.E. of regression	24068.92	
R-squared	0.327854	Adjusted R-squared	-0.209862	
F(4, 5)	0.609716	P-value (F)	0.673974	
Log-likelihood	-111.6104	Akaike criterion	233.2208	
Schwarz criterion	234.7338	Hannan-Quinn	231.5612	
rho	-0.194168	Durbin-Watson	1.926209	

Excluding the constant, p-value was highest for variable 3 (X2t)

Source: output of Gretl

Statistical verification

R² - For statistical verification we use $R^2 = 0.327854$, it means that our estimated liner model explained 32.7854% function. It says, that the dependent variable (number of Chinese guests in the Czech Republic) is influenced from 32.7854% by changes in exogenous variable (China GDP, Czech GDP, China inflation rate, exchange rate RMB to CZK)

T-test - Firstly, to analyse the statistical verification of parameters, the t-test is used. To determine the significance of parameters, the criterion has to be proved:

$$|t\text{-value}| > t\text{-table}$$

Level of significance $\alpha = 0.05$, degrees of freedom = 5

Table 10. T-test

	X1	X2	X3	X4	X5
t-value	1.192	-0.001077	-0.8087	-0.4249	1.476
t-critical	2.5706	2.5706	2.5706	2.5706	2.5706
Significant/Not Significant	N	N	N	N	N

Source: Created by author, Output of Gretl

DW-test

$D = 1.926209$ **T= 10 K= 5 di=0.24 dh=2.82**

Critical values of the test are for 0,05 significance level $d_l = 0.24$ and $d_h = 2.82$

- a. Interval $<0; d_l>$ means positive autocorrelation
- b. In the interval $<d_l; d_h>$ is not significantly possible to make the decision about statistical significantly of autocorrelation, it is a grey zone
- c. Interval $<d_h; 2>$ means statistically not significant positive autocorrelation
- d. Interval $<2; 4-d_h>$ means statistically not significant negative autocorrelation
- e. In the interval $<4-d_h; 4-d_l>$ is also not significantly possible to make the decision about statistical significantly of autocorrelation, it is a grey zone
- f. Interval $<4-d_l; 4>$ means statistically significant negative autocorrelation

The position of the d value is between d_l and d_h and it is not significantly possible to make the decision about occurrence of autocorrelation, it is in a grey zone.

Statistical verification shows, that there is no relationship between the dependent and the independent variables. If they were significant, then economic verification would have to be done. This is done in the following section:

Economic verification of the model

$$y_{1t} = 138357 - 5.71695e-05x_{2t} - 0.539342x_{3t} - 2577.16x_{4t} + 68749.9 x_{5t} + u_{1t}$$

Now compare with the above assumptions with calculated parameter estimates - increase in the China GDP cause increase number of Chinese guests in collective accommodation establishments in the Czech Republic → assumption is not true. If China GDP increase by 1 bn. \$, number of Chinese guests in the Czech Republic decrease by 5.71695e-05 person.

Increase in Czech GDP cause increase in number of Chinese guests in the Czech Republic → assumption is not true. If Czech GDP increase by 1 bn. \$, number of Chinese guests in the Czech Republic decrease by 0.539342 person.

Increase in China inflation rate cause decrease in number of Chinese guests in Czech Republic → assumption is true. If China inflation rate increases by 1%, the number of Chinese guests in the Czech Republic decreases by 2577.16 people.

Depreciation in CZK cause increase in number of Chinese guests in Czech Republic → assumption is true. If exchange rate RMB to CZK increases by 1, the number of Chinese guests in the Czech Republic increases by 68749.9 people.

Model application

Coefficients of elasticity

2015	73574	1	525,350	185,156	1.443	0.144
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$$\hat{y} = 138357 - 5.71695e-05 \times 525350 - 0.539342 \times 185.156 - 2577.16 \times 1.443 + 68749.9 \times 0.144 = 144408.248$$

China GDP elasticity

$$e = \frac{\delta y}{\delta x_2} \times \frac{x_2}{\hat{y}} = -5.71695e-05 \times 525350 / 144408.248 = -0.00020797797$$

If the Chinese GDP increases by 1%, the number of Chinese guest in the Czech Republic will decrease by 0.000208 %.

Czech GDP elasticity

$$e = \frac{\delta y}{\delta x_{\text{CZ}}} \times \frac{x_{\text{CZ}}}{\hat{y}} = -0.539342 \times 185.156 / 144408.248 = -0.00069152842$$

If the Czech GDP increases by 1%, the number of Chinese guest in the Czech Republic will decrease by 0.000692%.

China inflation rate elasticity

$$E = \frac{\delta y}{\delta x_{\text{C}}} \times \frac{x_{\text{C}}}{\hat{y}} = 2577.16 \times 1.443 / 144408.248 = 0.0257522817$$

If the China inflation rate increases by 1%, the number of Chinese guest in the Czech Republic will increase by 0.0257523%.

Exchange rate elasticity

$$E = \frac{\delta y}{\delta x_{\text{€}}} \times \frac{x_{\text{€}}}{\hat{y}} = 68749.9 \times 0.144 / 144408.248 = 0.068555412$$

If the CZK depreciates by 1%, the number of Chinese guest in the Czech Republic will increase by 0.068555%.

Scenarios' simulation

- How will be number of Chinese guest in Czech Republic changed in the last period if the Chinese GDP increases by 20%?
 - The elasticity is - 0.000208. If the Chinese GDP increases by 20%, the number of Chinese guest in last period decreases by 0.0416%.
- How will be number of Chinese guest in Czech Republic changed in the last period if the Czech GDP increases by 5%?
 - The elasticity is -0.000691. If the Czech GDP increased by 5%, the number of Chinese guest in Czech Republic in last period decreases by 0.003455 %.
- How will be number of Chinese guest in Czech Republic changed in the last period if China inflation rate increases by 30%?
 - Income elasticity is 0.0257523. If GNI in the last period increases by 30%, the number of Chinese guest in Czech Republic in last period increases 0.772569%

- How will be number of Chinese guest in Czech Republic changed in the last period if CZK depreciates by 10%?
 - Income elasticity is 0.068555. If CZK in the last period depreciates by 10%, the number of Chinese guest in Czech Republic in last period increases 68.555%

4.6.2 Evaluation of questionnaires

As the above statistical data of CSU showed, the number of Chinese arrivals in the Czech Republic reached 285 404 in 2015. The Czech Republic ranked in the top 15 European destinations for Chinese travellers. The typical Chinese travellers coming to the Czech Republic are young or middle-age and mostly of them visited Europe for the first time (Czech Tourism, 2016) and they were usually travelling in the Czech Republic with other two or three countries in one trip, some of the group travellers have even travelled to five countries during 12 days in one trip.

There was in total 23 respondents participating in the open-questionnaires. In order facilitate the results for the reader, the respondents ‘overview is outlined in the table below.

Table 11. Overview of respondents – Chinese travellers

Respondents	Number
Chinese Exchange Students	4
Chinese living in the Czech Republic	5
Employees of Chinese company	1
Travelers participating minitour	7
Travelers participating group package	6

Source: Created by author

Among the respondents there were exchange students, Chinese employees working in the Czech Republic, travellers participating in minitours, travellers participating in group

package aging between 22 – 60 years old. Half of respondents was female and half was male(See Figure 27). The respondents also included the Chinese living in the Czech Republic. They were not typical “Chinese travellers”, but they were connected with tourism industry and they have a different view of the factors affecting China's outbound tourism, which will help the author to produce more comprehensive result.

Figure 29. Age groups of respondents

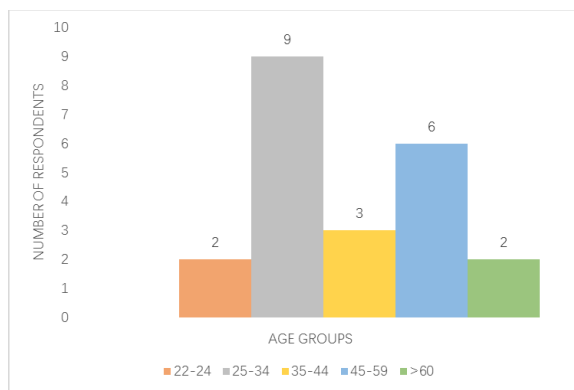
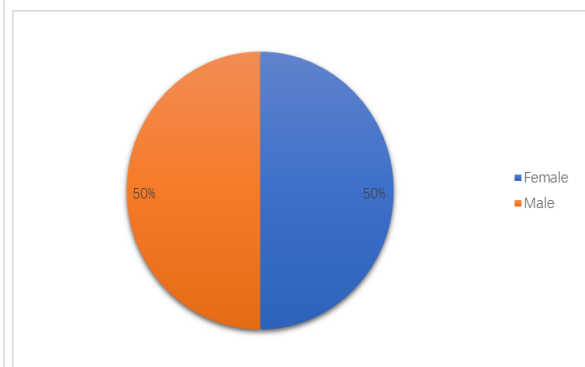


Figure 28. Gender of Respondents



Source: Created by Author

About marital status, all the students are single except one, who is currently studying PhD program. The rest of respondents are married and some of them have children. Most of the respondents are high educated, some of Chinese living in the Czech Republic have lower education level.

Figure 30. Marital Status of Respondents

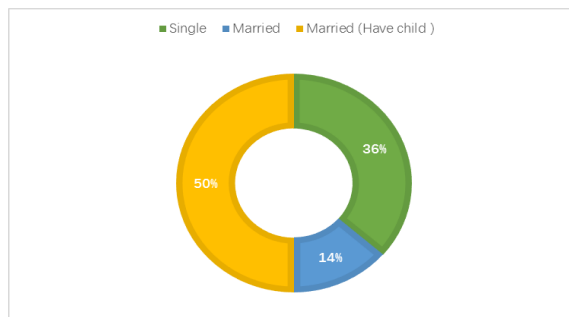
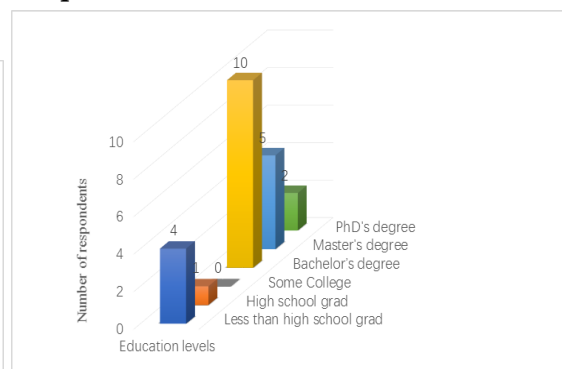
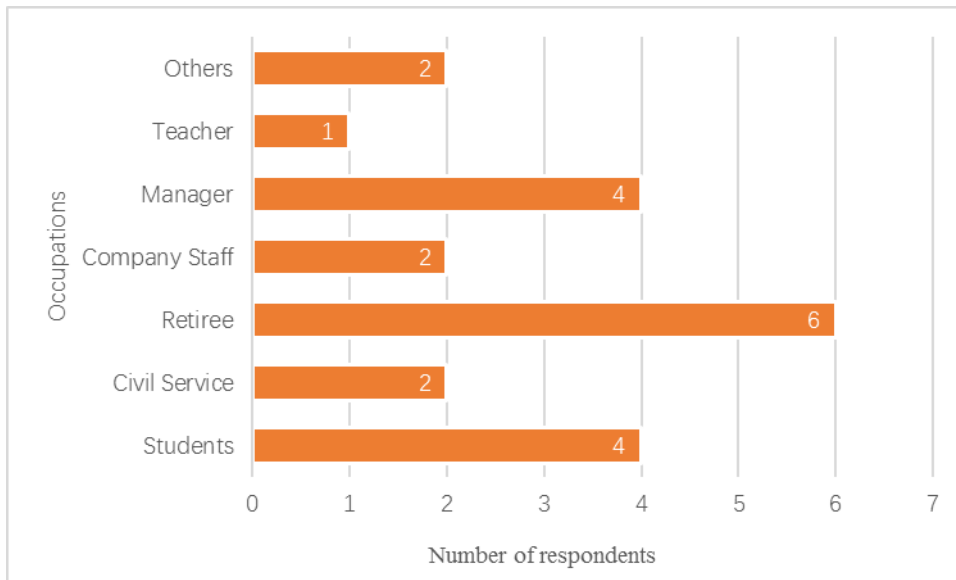


Figure 31. Education Level of Respondents



Source; Created by Author

Figure 32. Occupation of Respondents



Source; Created by Author

Based on analysis of open questionnaires, their occupation and classification of the above mentioned distinct personas, the respondents could be present as following diversification:

Chinese students in the Czech Republic

At present, Chinese students and scholars' association in the Czech Republic has 233 members, which has doubled since last year and the number of students coming to the Czech Republic is growing. Female students account for the majority in the association. The students are staying for study from half a year to 3 years. As a result, it was found, that the young and single students in the Czech Republic are mostly travelling independently or semi-independently with their travel research information coming from Chinese OTAs websites or Western websites. During semesters, they like to visit Germany, Austria, Hungary at the weekends the advantage of close distances between countries. During holidays, they are trying to arrange their tours across the whole of Europe. Some students said that if they had enough time and money, they would love to visit western Europe, especially Paris. Some of them also mentioned the U.K. as also a very attractive place for

visit, but the only problem is the difficulty and a high fee for the visa application. The most common purpose of travelling for them is to seek new experience, to explore the knowledge and enjoy sightseeing. Most of the students are experience seekers or Basic pleasure seekers. At the micro-level, the most impacted factors for travelling for this group of respondents are cost of travelling, time and transport.

One of respondents talked about cooperation between two countries as the most impacting factor for travelling or studying for Chinese students in the Czech Republic. He said: *“the number of Chinese students coming to the Czech Republic has increased, since the relationship between the Czech Republic and China has significantly improved, especially under President Zeman. Moreover, the Minister of Education, Youth and Sports Ms. Valachová has signed agreements on the mutual recognition of academic degrees with China in 2016.”* He believes that if the relationship would remain stable, more and more people would travel to the Czech Republic for study or other purposes, because the cost of living in the Czech Republic is much less in western Europe.

Teachers, managers and company staffs

Respondents as teachers, managers and Company staff are high-education level persons with at least a bachelor degree or more. Their income level is between 5000 – 15000 yuan per month and age group is between 25 to 59-year-old. Most of them are married with children. There are two purposes for their business or leisure trips. For business trips, they let the travel agencies organize specific packages according to their requirements. For leisure trips, some of them are travelling in groups, some of them semi-dependently and it depends on their income level. The survey found that higher income level groups, in this case the managers, they like to take a custom made minitour with their family organised by a travel agency. The company staffs and teachers with lower income are travelling semi-independently. All the respondents have travelled in western Europe for leisure purpose and central/eastern Europe is the place to discover. One of the respondents – a manager said, that he was travelling to Europe quite frequently for business trips in recent years and he has also organised trip with family for several times.

For this group of respondents, if they are travelling for leisure purpose, the Czech Republic is a stop for them for sightseeing, they usually stay maximum of three days for visiting Prague, Cesky Krumlov and Karlovy Vary. The most influenced factors for them are time, cost of travelling, shopping and conditions of the room and board. Most of them are cautious connectors or indulgers. About rise of outbound tourism to Europe, one of respondents said: *“Travelling to Europe is very easy now. You pay a travel agency for you to get a Schengen visa for longer time, you can buy an air ticket online anytime and just prepare some cash or credit, then go there. Get to the Czech Republic just needs to sleep for 9-hours on the plane and you are there. Moreover, our money is now stronger, so we can easily spend more.”* It seems that the improvement in the living standards and technology makes travelling a lot more convenient and gives the Chinese outbound tourism a big boost.

Retirees

Retirees are travelling more and more, because they have enough time and money. Their children are paying travel packages for them, which is a part of Chinese tradition or culture. Almost all of retirees are travelling in groups. In this survey, the respondents came from two travel groups and one minitour group. The retirees said that they planned to travel once every year together with their friends, because their children do not have time to travel together with them due to their work obligations. Most of them had participated in group packages to western Europe before and central/eastern Europe is a new destination for them. Some of them have travelled in the Czech Republic, but they like go back for some places, where they haven't been before. The biggest obstacles for them are language barriers, they also consider a cost of travel and accommodation as a very important factor in making a decision, even it is paid by their children. As they have experienced many changes in China, some of them said, *“Travel to Europe was not possible 20 years ago, the reason was not only the politics, but also it was horribly expensive for us. But now in recent years, the Euro-RMB exchange rate has declined significantly, which is very beneficial for us. In every tour to Europe, we are planning to buy many things, because in over there they are about twice cheaper than in China.”* The other impacted factors are distance, weather, transport and some more educated travellers considered the historical

meaning as a very important factor as well. Most of them are detailed explorers and they like shopping as well.

The respondents of this group have a very deep feeling about the development in China, because they have experienced the most important reforms and they are very satisfied with the current development of their own country. Several respondents mentioned that now is a new era for the young people and they are not able to do anything. So, they are trying to enjoy travel around the world as much as possible. They believe, that government will have more success in cooperation with other countries, which is important for them and they are proud of their country.

Civil Service officials

Civil service officials are a very specific group of travellers due to their position and their purpose of travel. Their only purpose to visit is official activities for the improvement or building a good relationship with other countries. All of them are using service passports and they are not allowed to travel abroad without permission of the government. According to the rules, they can travel several times per year for business purposes on official visits. They do not belong to any categories of the above mentioned personas. For them, the most important factor for successful tourism development is the government policies. The information about their income was not provided by respondents, but according to the relevant published documents, income of officials is around 3000 yuan on average per month. However, their income has nothing to do with their visits to Europe, although the government policies and relations say so.

Chinese living in the Czech Republic

The Chinese living in the Czech Republic are playing a specific role in travel industry in Europe and in the Czech Republic. They could be viewed from two angles - as travellers or as travel agents. From the travellers' angle, someone may think of them, based on their living experience in Europe as independent travellers. But it is not true. The reason is, the Chinese living in this country have been living here for two generations - old and young.

The young generation travels independently, but the old generation still has language barriers, because they are not integrated into the local community. The study of the author of this bachelor thesis found that not all of them are familiar with the environment, even if they had been living here for 20 years. As a result, the old generation travels with the help of the local Chinese agencies, which provide the Europe tour packages. Alternatively, they travel with their children, but this happens very rarely, because they are here for working, not for travelling. The RMB appreciation and rapid increase of living standards in China cause the bigger differences between the Chinese living in China. Their income did not change significantly as in China. So, they do not travel as much as the Chinese coming from China, but they are working for it. The second angle of destination providers is explained in the analysis of travel companies in the Czech Republic. The young generation travels more than the old one, because they have a better knowledge of Western culture and they speak fluent Czech and English. From their view, the factors impacting the increase in Chinese tourists coming to Europe was the growth in the Chinese economy. Some of them said, they may go back to China and start a new business there. Because when they returned home, they saw the huge changes of infrastructure. Now, people in China are much richer than overseas Chinese.

4.6.3 PESTLE analysis - Factors influencing Chinese outbound tourism

4.6.3.1 Political and Legal factors

The political and legal development are the most important factors in China tourism industry and the main political and legal factors which affect tourism industry are China's tourism related policies, regulations, laws and political relations among countries.

Since the 1990s, China's tourism related policies and laws have had several changes, China has experienced many reforms to reach the current strong position on the world. The other aspects of political and legal factors are also employment laws and political stability.

4.6.3.2 Economic factors

The economic factors affecting the development of tourism include the overall development trend of tourism, the level of national income, the tendency of residents' consumption and the convenience of tourism in various regions. With the continuous improvement of the national policies and regulations, and the continuous development of economy after the reform, the national income has gradually increased, the people's living standards improved significantly and this is further stimulating the tourism development. The increase in people's income, the improvement of living standards and the consumption patterns have changed. In addition to satisfying basic food and clothing, people have begun to pursue higher-level needs. Tourism industry meets people's higher demand.

4.6.3.3 Social-cultural factors

With the rapid development of China's economy, residents' education level has been continuously improving and the consumption level has also changed greatly. Since the government has launched the "Golden Weeks" holiday policy reform, there has been a great a tourism boom. The demand for tourism in different age groups has gradually increased, the elderly class is no longer working because of retirement, as they have stable income. This has created huge needs for outbound tourism. Youth class, as they have just entered the community, they desire to explore outside of world. To fulfil the needs of various age groups, travel agencies have made various travel programs to them.

4.6.3.4 Technological factors

As the aircraft, cars, trains and other types of transports continue to advance, they make travel easier and cheaper than ever before. This, in turn, has encouraged people to travel. The development of the network e-commerce environment improved the network trading platform and through it, people can learn more about the world. The tourism industry, from all aspects is more open, transparent and comprehensive for tourists. For example, online

electronic tickets became very popular for tourists. But it has also brought a loss to classical travel agencies, they do not get as many customers as in the past.

4.6.3.5 Environmental factors

Globalization and urbanization stimulated the Chinese to desire more western living standard, more and more people are moving to cities from towns. They are even moving to western countries for living or studying. The other important factor influencing Chinese outbound tourism is the haze pollution. In recent years, the environmental quality has negatively impacted on daily life of the Chinese. Chinese are paying attention to personal health; therefore, parents are sending their children to Europe or the U.S. to live.

5 Results and discussions

This chapter is focused on the results and discussion of the findings. Moreover, based on analysis of tourism related to economic indicators, tourism related policies, statistical data, interviews, PESTLE analysis and analysis of relationship between variables by Econometric Modelling, the factors influencing the Chinese outbound tourism coming to Europe and the Czech Republic were analysed in all possible aspects.

Results

Analysis of economic indicators, policies related to tourism and statistical data about arrivals coming to Europe and the Czech Republic determined that the Chinese government has made many changes in policies in general and in specific policies related to tourism during last decades. The reforms and policies as stimulators are significantly enhancing Chinese economy and tourism development and with increase in Chinese disposable income and appreciation of RMB, China became the world's second largest travel and tourism economy after the United States by 2015. For the Chinese outbound tourism to Europe and especially to the Czech Republic, the China-EU relations and China-Czech relations play a very vital role as factors impacting the Chinese outbound tourists coming to Europe and the Czech Republic. The other important political factors such as political stability is also impacting the Chinese tourism industry. They include terrorist attacks and refugees. Because the safety issues are the most relevant factor for the Chinese who plan to travel to another country.

The econometric model was applied for analysing the dependence of the number of Chinese arrivals in the Czech Republic on the variables such as China GDP, Czech GDP, China Inflation rate and exchange rate. The panel data set covers 11 years (2005-2015). However, two variables did not fit the assumptions based on the calculations by the thesis author - Chinese GDP and Czech GDP. It was not expected that there would be a decrease in the number of guests in collective accommodation establishments in the Czech Republic when the China GDP or Czech GDP increased. It could be concluded, that the Chinese

arrivals in the Czech Republic were not significantly influenced by the China GDP, Czech GDP, inflation rate or exchange rate, because coefficients of elasticities of those variables are less than 1, which means, there is inelasticity between variables (*see Table 12*).

Table 12. Result of elasticity of variables from Econometric Modelling

Variables	Coefficients of elasticity
China GDP elasticity	-0.00020797797
Czech GDP elasticity	-0.00069152842
Inflation rate elasticity	0.0257522817
Exchange rate elasticity	0.0685555412

Source: Created by author based on OLS econometric modelling

The analysis was also conducted by interviews and the PESTLE method. Interviews were based on personal opinions of interviewers or respondents of interviews from very different age groups, different environments, with different education levels and experiences. The interviews indicated, that the Chinese tourism market is very specific and fast developing, with economic development and open government policies, the number of various travel agencies or tour operators increasing and the classification of travel companies diversifying. It has to be mentioned that the speed of digital development and technological innovation, on the one hand is challenging and transforming the tourism industry in China in the last decade and on the other hand, technology makes it possible for travellers to plan their whole trip through the high-speed internet in few minutes.

PESTLE analysis considers six aspects, it complements the other factors as social-cultural and environmental. The social-cultural factors include improvement of education level, consumption level and population. From the cultural point of view, the Chinese tradition “face” is the most important thing for the Chinese in their life. For this reason, to travelling abroad or doing a luxury shopping let Chinese gaining face in front of friends. Chinese people like to spend most of their salaries on traveling to learn about cultural differences, and to show they are better than others in social medias such as wechat, weibo etc. The

environmental factors such as globalization and pollution are also important factors in tourism industry.

Discussions

As the results show, the Chinese outbound tourism in Europe and in the Czech Republic are affected by various factors – economic, political, social-cultural, technological and environmental. The political and economic factors are the ones which affect the Chinese tourism industry the most, in particular the political factor. China's economic reform since 1978 has made many changes to improve the whole environment and daily life of the Chinese people. Moreover, the research conducted by researcher Li (2008) also pointed out the importance of reforms politics and economy for that Chinese outbound tourism.

The results of the analysis by the author's econometric modelling based on statistical offices data indicates that the exchange rate and appreciation of RMB do not pose a significant influence on the number of the Chinese travellers. However, small scale interviews with travel companies and travellers suggested that those two factors do contribute to the growth of Chinese outbound travellers. EU SME Centre, which provided a third set of data, pointed out that a strong RMB in respect of exchange rate, had significantly contributed to tourism industry. There is obviously a difference between econometric modelling result and other two sets of data. It could be explained by small population example used for the other two sets of data.

The technological development is an accelerator for tourism industry including Chinese tourism market. The researcher Keller (2014) stated that technological changes are strongly affecting tourism through globalization.

6 Conclusions and recommendations

Conclusions

As a result of the Chinese Government reform policies the Chinese tourism industry has been growing significantly since 1978 and the structure of tourism industry in China has been transformed and greatly improved. The Chinese outbound tourism to Europe has been growing at around 17% annual growth and the number of Chinese arrivals coming to the Czech Republic has reached 2 845 404 by year 2015.

The analysis conducted in this thesis indicates that the Chinese government plays a very vital role not only in the development of P.R. of China, but it also significantly influences tourism industry. Historically, the most significant important policies were the “open-door” reforms, five-year plans and tourism directions. For the Chinese outbound tourism to Europe, the ADS agreement between China and the EU signed in 2004 was all of the utmost importance. The Chinese president’s visit in 2016 was a real “starting” point of the Czech tourism market for the Chinese and improved the political relations between the two countries.

The general reason for increasing numbers of the Chinese tourists is based on economic, socio-cultural, technological, environmental and legal factors. In respect to the **economic factor**, there has been a continuous improvement in policies and regulations related to tourism industry. The Chinese economy, especially the GDP growth, people’s living standards and peoples’ incomes have improved greatly. This means, that once the basic needs were fulfilled, people started to seek new experiences such as travelling outside of China, that is termed as outbound tourism. The **social-cultural factor** is closely connected with public policies including the holiday policies and one-child policies. Holiday policies created a demand for travelling while the one-child policy transformed the structure of the population. As every pair of parents has only one child they are trying the best for their only-child, including an opportunity to study abroad. This, in turn, supports the travel industry.

The **technological factor**, as an e-commerce environment improvement, has reached such high level, that it enhances the speed of decision making of Chinese travellers by providing all possible information about destinations over the world. Regarding **political factors**, there has been an improvement in political relations and business conditions. Additionally, new air links have opened facilitating direct travel from China to Europe and the Czech Republic. In case of the Czech Republic this includes the Eastern Airlines, Hainan Airlines, Sichuan Airlines. This is also a technological factor which enables great numbers of Chinese travel groups coming directly to the Czech Republic.

All the results described above indicated strongly, that reform of Chinese government is extremely successful. In case of travel they have contributed to the largest number of people travelling around world. This thesis has shown, that all aspects dealing with travel are intertwined.

The result of the interview and questionnaire suggested, that with the appreciation of the RMB and declined EUR-RMB exchange rate, the Chinese are willing to consume more in European countries as they can buy much more cheaply outside of China. However, a result from the analysis by econometric model OLS showed, that China GDP, Czech GDP, China CPI and RMB-CZK exchange rate were not significant to the number of tourist arrivals in the Czech Republic.

Positive and negative consequences of Chinese outbound tourism rapid growth

Everything has a double-edged sword and, unfortunately, so does the rapid development of Chinese outbound tourism. The **positive** side is the fast development of Chinese outbound tourism. From economic aspect, outbound tourism could enhance further growth of the whole China's tourism industry. Moreover, from the political point of view, the rapid development of outbound tourism, is supported by the Chinese government which wants to build independent multilateral diplomatic relations and provide opportunity for the Chinese people to have cultural exchanges and shorten the cultural differences between each other.

The possible **negative** consequences are several. Firstly, there is the foreign exchange loss due to the Chinese shopping behaviour. As most of the outbound tourism is self-spending shopping consumption, the foreign exchange is lost. Secondly, disguised public expense tourism has been misused by example, people on business trips having a holiday at the government expense. Thirdly, the outbound tourism market operation mechanism is not perfect. Additionally, outbound tourism has experienced most complaints from tourists. This indicate that the outbound tourism market practitioners must improve the standard of service. Fourthly, the homogenization of tourism products occurs and there is a lack of diversification of services. Most of China's travel agencies launch products of a single package type with no consideration for cultural and other issues. Fifthly, with rise number of the Chinese outbound travellers and lack of knowledge about local culture, the “national image” of Chinese travellers was damaged and they are described as ones of the worst world tourist on the world by several popular medias.

Recommendations

The foreign exchange must have a dynamic balance:

1. To overcome a serious loss of foreign, exchange the Chinese Government imposed a limit of 20 000 yuan (72 000 CZK) in cash on each outbound tourist to be taken brought abroad. As the prices around the world and costs of travel increase every year, this limit should be dynamic and linked to the inflation rate and exchange rate as well as to rising incomes to make sure that the Chinese travellers do not get stranded abroad due to lack of money.
2. To enhance China's international competitiveness of tourism it should promote the domestic and inbound tourism development. This would reduce a loss of foreign exchange.
3. At the same time, Chinese residents should also correctly establish the concept of overseas consumption. With China's regular recreational activities, particularly outbound tourism available to the majority of Chinese citizens, excessive consumption overseas should be gradually rationalized.

4. The abuse of Chinese public funds abroad has been repeatedly exposed by the media and also criticized by the Chinese president Xi. It should be stopped as it would further help reduce the loss of foreign exchange.

Need to solve the chaos of the outbound tourism market in China. It is necessary to adjust the industrial structure of the typical travel agencies:

1. The government must be in charge of the development of a reasonable industrial policy. The industrial policies are used to regulate the market.
2. Travel agencies by contrast should be in charge of achieving economies of scale. They should do so through expansion and with the establishment of large and medium-sized travel agencies in a stable, collaborative and competitive relationship.

Understanding Chinese tourists' behaviour and eliminate barriers:

1. Help the Czech restaurants, hotels and other establishments understand the Chinese people behaviour and requirements through local travel agencies which specialize in Chinese tourism, Chinese-Czech associations (E.g. association of Chinese tour guides, Czech China association, ACK, ACCKA etc.) through lectures on China and Chinese custom. The Chinese tradition "face" is the most important thing for the Chinese in their life and should be explained the potential hosts in the Czech Republic.
2. Hire mandarin speaking employees to eliminate barriers in dealing with Chinese tourists; provide menu in Chinese; Provide Chinese signs posted for Chinese visitors.
3. Integration of Chinese payment systems – Alipay, Uniopay and WeChat pay
4. Be visible in Chinese popular social medias - Weibo, WeChat, QQ; Cooperate with Chinese mobile applications for brand building to approach the Chinese consumers.

Improvement of Chinese travellers' behaviour

- Chinese government should do more promotion about civilized tourism through various medias, television programs; improve knowledge and awareness of the Chinese travel tourists about cultural differences in the most visited countries.
- During trips, tour guides as supervision of group should remind tourists to respect local culture.

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8 Appendix

Appendix 1. Sample of questionnaires - For travellers

出境欧洲旅游问卷调查（游客版） - Questionnaire for Tourists

个人基本情况调查 / Basic Personal information

*必填

1. 您的性别 / Gender *

请仅选择一个答案。

- 男 / Male
 女 / Female

2. 您的年龄阶段 / Age group *

请仅选择一个答案。

- 15-24
 25-34
 35-44
 45-59
 > 60

3. 您的家庭结构 / Martial status *

请仅选择一个答案。

- 单身 / Single
 已婚 / Married
 已婚(有孩子) / Married (Have child)

4. 您的学历 / Education *

请仅选择一个答案。

- 大学本科及以上 / Bachelor's degree or more
 专科 / Some College
 中专及高中 / High school grad
 初中及以下 / Less than high school grad

5. 您的职业 / Occupation *

请仅选择一个答案。

- 学生 / Student
- 政府工作人员 / Civil Service
- 企业管理人员 / Manager
- 公司职员 / Company Staff
- 专业技术人员 / Technician/R&D personnel
- 服务人员/售货员 / Customer Service Staff/ Salesman
- 工人 / Worker
- 军人 / Soldier
- 教师 / Teacher
- 离退休人员 / Retiree
- 农民 / Farmer
- 其他 / Others

6. 您的个人月收入 / Monthly Income (RMB) *

请仅选择一个答案。

- < 3000
- 3000 – 5999
- 6000 – 9999
- 10000 – 15000
- >15000

7. 您觉得您属于哪种类型的游客？ Which type of tourists are you?

请仅选择一个答案。

- 细致游历者 / Detailed explorer
- 务实主义者 / Cautious Connectors
- 大胆探索者 / Experience seekers
- 享乐主义者 / Indulgents
- 简单随性者 / Basic pleasure seeker

8. 您去过欧洲旅游吗？ / Have you been travelled in Europe? *

请仅选择一个答案。

- 去过 / Yes 继续对问题 9。
- 没有 / No 停止填写此表单。

9. 您是第几次出境欧洲旅游? / How many times have you been travelled in Europe?

请仅选择一个答案。

- 第1次 / Once
- 第2次 / Twice
- 第3次 / Three times
- 第4次 / Four times
- 第5次以上 / Five times and more

10. 您去过欧洲哪部分旅游过? / Which European regions have you been travelled in?

请选择所有适用项。

- 中欧 / Central Europe
- 东欧 / Eastern Europe
- 北欧 / Northern Europe
- 南欧 / Southern Europe
- 西欧 / Western Europe

11. 您或您的家庭出境欧洲旅游的最主要的目的是 / The main purpose of travelling Europe *

请仅选择一个答案。

- 观光 / Sightseeing
- 休闲度假 / Leisure
- 增加见识 / Explore knowledge
- 购物 / Shopping
- 探亲访友 / Visiting relatives or friends
- 公务/商务旅游 / business conferences/official activities
- 文化教育、科技交流 / Cultural education, science and technology exchange
- 宗教朝拜 / Religious worship
- 探险 / Adventure
- 其他: _____

12. 影响您选择出境欧洲旅游目的地的因素是：/ Please evaluate the below factors regarding your travel in Europe

请选择所有适用项。

- 旅游费用 / Cost of travelling and living
- 距离 / Distance
- 时间 / Time
- 目的地气候 / Weather
- 交通 / Transport
- 语言障碍 / Language barriers
- 充足的信息 / Sufficient information
- 吃住条件 / Conditions of Room and Board
- 公务出差机会 / Business trip opportunities
- 签证难易程度 / Visa Policy
- 设施与服务 / Facilities and services
- 目的地安全性 / Safety
- 目的地的吸引力 / Tourism attractions
- 目的地购物环境好 / Shopping
- 目的地的社会经济条件 / The socioeconomic conditions of the destination
- 目的地的历史渊源 / The historical origin of the destination
- 其他: _____

13. 您出境欧洲旅游是选择跟团游，半自助游还是自助游 / Do you prefer guided packages, semi-independent packages or Independent Packages?

请仅选择一个答案。

- 参加旅游团 / Guided packages
- 半自助游 / Semi-independent packages
- 自助游 / Independent Packages

14. 您去过捷克旅游过吗？ / Have you been travelled in the Czech Republic?

请仅选择一个答案。

- 去过 / Yes 跳转到问题 15。
- 没有 / No 停止填写此表单。

出境欧洲旅游问卷调查（游客版） - Questionnaire for Tourists

旅游捷克 Czech Republic

15. 您去捷克几次？ / How many times have you been in the Czech Republic?

请仅选择一个答案。

- 1次 / Once
- 2次 / Twice
- 3次或3次以上 / Three times or more

16. 您来捷克的旅游目的是什么？ What is your purpose for travel in the Czech republic? *

请您选择一个答案。

- 观光 / Sightseeing
- 休闲度假 / Leisure
- 增加见识 / Explore knowledge
- 购物 / Shopping
- 探亲访友 / Visiting relatives or friends
- 公务/商务旅游 / business conferences/official activities
- 文化教育、科技交流 / Cultural education, science and technology exchange
- 来教朝拜 / Religious worship
- 探险 / Adventure
- 其他: _____

17. 您在捷克停留时间为： How long are you staying in the Czech Republic?

请您选择一个答案。

- 1天 / 1 day
- 2-3天 / 2-3 day
- 4-7天 / 4-7 day
- 7天以上 / more than 7 days

18. 您觉得捷克和中国近几年在旅游发展上有什么
进步或改变？为什么？ What do you think
about the development of chinese outbound
tourism to Czech Republic in last years?
Why?

19. 您认为中国出境游的未来趋势是什么？ What do
you think about future of Chinese outbound
tourism?

20. 您觉得在捷克或其他欧洲国家旅游最大的障碍
是什么？为什么？ What are the biggest
obstacles for you in travelling in the Czech
Republic? Why

Appendix 2. Sample of questionnaires - For travel companies

- How long is your company doing in the tourism?
- 你们公司在旅游业的从业多长时间?
- What are your major areas of operation? If Europe, please continue with following questions.
- 你们主要做什么业务? 如果是欧洲出境游, 请继续以下的回答。
- To which countries in Europe does your company currently have outbound/incoming operations? Does your company is doing outbound/incoming tourism to Czech Republic?
- 你们现在做欧洲哪些国家的出境游? 你们是做捷克入境接待吗?
- What kind of way are you communicating with your customers? Please specify
- 你们是用什么方式与客户沟通的? 请详细说明。
- What kind of way are you promoting the tours?
- 你们是用什么方式宣传你们的产品的?
- How many employees currently work in your company?
- 你们公司现有多少员工?
- Which European countries are the most important destination for Chinese market? Are Chinese tourists familiar with Czech Republic?
- 欧洲哪些国家对于中国市场来说是最重要的? 中国游客对捷克了解吗?
- How do you perceive the future of Chinese outbound markets in 5 years from now for this company?
- 您觉得现在开始之后5年, 中国出境欧市场会有怎么样的发展?
- How similar are the travel products of your company to those of your competitors? How is price of your products competitive?
- 你们的旅游产品和你们的竞争对手的产品相似吗? 你们的价格和你们的竞争对手比较起来如何?
- What are the factors impacting Chinese outbound market? Political, Economic, Social-cultural, Technological, Legal or Environmental? Please specify

什么因素影响中国出境游? 政治, 经济, 社会文化, 技术, 法律还是环境? 请详细说明

Appendix 3. Websites of Chinese OTAs

www.goeurogo.com

www.mafengwo.cn

The screenshot displays the Ctrip website interface. At the top, there is a navigation bar with the Ctrip logo and various service categories like '机票' (Flights), '酒店' (Hotels), and '跟团游' (Group Tours). Below this, a breadcrumb trail indicates the current page: '旅游 > 奥地利旅游 > 维也纳旅游 > 波兰+奥地利+匈牙利+捷克+斯洛伐克12日跟团游(4钻)爆款+直飞+探秘盐矿+美泉宫+集中营+拒签退 > 上海站'. The main content area features a large image of a Gothic cathedral (St. Stephen's Cathedral in Vienna) and a detailed product listing for a 12-day group tour. The product title is '波兰+奥地利+匈牙利+捷克+斯洛伐克12日跟团游(4钻)爆款+直飞+探秘盐矿+美泉宫+集中营+拒签退'. The price is listed as ¥10299 per person, with a 7折 (70% off) discount from the original price of ¥13229. The product has a 5.0 rating and 14 reviews. A promotional banner on the left side of the page advertises a '春季大促' (Spring Big Sale) starting from ¥9. Below the main product image, there is a calendar for May 2017, showing the tour dates from May 01 to May 06. The product details include the supplier '星空旅行' (Star Sky Travel) and a list of itinerary highlights such as '克鲁姆洛夫', '粮食胡同', '莫扎特广场', and '美泉宫'.

Global Sites | 客服中心 | 国内: 400-830-6666

首页 酒店 旅游 机票 火车 汽车票 用车 门票 团购 攻略 全球购 礼品卡 商旅 邮轮 天海邮轮 更多

登录 | 注册 我的携程

旅游 > 奥地利旅游 > 维也纳旅游 > 波兰+奥地利+匈牙利+捷克+斯洛伐克12日跟团游(4钻)爆款+直飞+探秘盐矿+美泉宫+集中营+拒签退 > 上海站

编号: 14006796 | 出发地: 上海 | 更多线路1

波兰+奥地利+匈牙利+捷克+斯洛伐克12日跟团游(4钻)爆款+直飞+探秘盐矿+美泉宫+集中营+拒签退

¥10299 /人起 ~~¥13229~~ 起价说明 5.0分 1条评论 14人出游

【预售】两人起订, 立减400/单
【多人立减】, 4人立减1000/单
提前60天, 立减200/单
特卖汇
(登录后查看更多优惠)

产品特色 春季旅游节 古堡之旅 初游推荐 直飞 世界遗产 博物馆

供应商 星空旅行

行程概要 克鲁姆洛夫 > 粮食胡同 > 莫扎特广场 > 莫扎特故居 > 哈尔施塔特 > 约翰·施特劳斯圆舞曲乐团新年音乐会 > 维也纳城市公园 > 霍夫堡宫 > 维也纳音乐协会 > 国家歌剧院 > 美泉宫 > 东拉浦斯特纳城堡 > 斯洛伐克总统府 > 马加什教堂 > 展开全部

春季大促 ¥9起

选择并查看优惠活动时间




2017年5月

日	一	二	三	四	五	六
30	01 充足 ¥10899起	02	03	04	05	06

Appendix 4. Itinerary of a Customized tour in English

I TODO TRAVEL (CZECH) s.r.o.



Hungary Czech Republic .Austria 9 days Itinerary	
D1	Vienna –Budapest 200km-2h30m
9/15	<p>A Part of clients will arrive at Vienna airport at 11 am where they meet with tour guide then drive to Budapest.</p> <p>A Part of clients will arrive at Budapest airport at night where they meet with tour guide then transfer to hotel.</p> <p>Overnight in Budapest .</p> 
D2	Budapest –Balaton 90km 1h30m
9/16	<p>After Breakfast go to Balaton</p> <p>Local people call Lake Balaton, Central Europe's largest fresh water lake, the Hungarian sea. The lake became Hungarians' number one vacation resort after the Trianon Treaty following World War I when large areas of Hungary including some seashore along the Adriatic sea were taken away. All members of the family will find something to do at Lake Balaton whether it's bathing, sailing, horseriding, playing golf or wine tasting.</p> <p>Overnight in Balaton.</p> 
D3	Balaton –Brno 370km-4h
9/17	<p>After Breakfast go to Brno.</p> <p>Arrive to Brno about 12:30 ,eating lunch.</p> <p>After Lunch city tour in Brno. Brno is the city that blends rich history with modernity and innovation. The Moravian capital is a city of universities, a business hub and a great place to live, not just to visit. It's a city of galleries, museums, cafés, clubs and festivals</p> <p>Brno is located between two castles – Špilberk castle on the hill in the city centre and Veveří castle which can be reached by our famous little ferries at the Brno reservoir. The reservoir was built in the 1930's by the damming of the Svatka river.</p> <p>It's also have international comics festival Koma in brno of september , KOMA is the first festival of its kind introducing contemporary comics to a Brno audience. Elements including exhibitions, live painting, art installations, symposia, film shows, workshops, comics market, concerts, stage</p> 

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Tel: +420224109431E-mail: info@todotrip.cz

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	<p>performances or storytelling will make visitors part of the events together making KOMA, a living festival organism.</p> <p>Overnight in Brno</p>	
D4-D5	Brno-Prague 200km 2h30m	
9/18 9/19	<p>After breakfast go to Prague.</p> <p>Prague, City of a Hundred Spires, a UNESCO monument and one of the most beautiful cities in the world</p> <p>Enjoy a guided sightseeing and orientation includes views of 1,000-year-old Hradcany Castle and a walk in the castle courtyards and see Staromestske square dating back to the 12th century with its historic buildings, beautiful churches, and the Astronomical Clock on the Old Town Hall Tower. Also visit Prague's famous Charles Bridge, a masterpiece of engineering and one of the oldest stone bridges in Europe</p> <p>Sightseeing in a city.enjoy the local foods.</p> <p>Overnight in Prague .</p>	
D6	Prague -Česky Krumlov 200km -2h30-	
9/20	<p>After breakfast go to Cesky Krumlov.</p> <p>Cesky Krumlov is one of the most beautiful town in the world, theOld Český Krumlov is a UNESCO World Heritage Site and was given this status along with the historic Prague castle district. Cesky Krumlov is a beautiful and historical town with many toursit sights. You can also enjoy the amazing food in here. The castle and chateau in Český Krumlov with the Baroque theatre and revolving auditorium in the chateau gardens are presented to you as whimsically playful.</p> <p>Overnight in Cesky Krumlov .</p>	
D7	Cesky Krumlov -Salzburg 220km 2h30m	
9/21	<p>After breakfast go to Salzburg.</p> <p>Sazburg is the fourth-largest city in Austria and the capital of the federal state of Salzburg.</p> <p>Salzburg's "Old Town" (Altstadt) is internationally renowned for its baroque architecture and is one of the best-preserved city centers north of the Alps. It was listed as a UNESCO World Heritage Site in 1997. The city has three universities and a large population of students. Tourists also frequent the city to tour</p>	

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	<p>the city's historic center and the scenic Alpine surroundings.</p> <p>Salzburg was the birthplace of 18th-century composer Wolfgang Amadeus Mozart. In the mid-20th century, the city was the setting for the musical play and film The Sound of Music.</p> <p>Overnight in Salzburg .</p>	
D8	Salzburg-Hallstatt -Salzburg 75km 1H15m	
9/22	<p>After breakfast go to Hallstatt. It is located on the eastern shore of the Hallstätter See (a lake). At the 2001 census, it had 946 inhabitants. Alexander Scheutz has been mayor of Hallstatt since 2009.</p> <p>Overnight in Salzburg.</p>	
D9	Salzburg – Vienna 200km 2h30m	
9/23	<p>After Breakfast ,go to Vienna ,Cruise Vienna port .</p>	

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