

## Emerging Trends in Tourism: Opportunities, Challenges and Implications

Chow-Hou Wee\*

Marketing and Strategy, Nanyang Business School, Nanyang Technological University, Singapore

### Abstract

This paper highlights six emerging trends in the tourism industry - the rise of Chinese tourists, increased terrorism attacks, rise of cruise holidays, advances in information technology, investment in tourist sites and enhanced transportation. The opportunities, challenges and implications posed by these six emerging trends are discussed.

**Keywords:** Tourism industry; Terrorism attacks; Information technology; Tourist sites

### Introduction

The world of tourism has undergone some significant changes in recent years. It used to be dominated by tourists from the western countries, and visiting largely conventional destinations in Europe, America and some other places in Asia (such as Thailand) and the Caribbean islands. However, since the rapid emergence of China after its opening to the outside world in 1978, and the increased number of terrorist attacks that followed after the landmark September 11 2001 incident, the tourism industry is beginning to experience some noticeable shifts in recent years. These shifts which are emerging trends are likely to continue in the future, especially if terrorist attacks remain unchecked. This paper highlight six major future trends and discusses the challenges and implications that will be faced by tourism promotion boards of nations and companies that rely heavily on the tourist trade.

### Rise of Chinese Tourists

The most significant development in tourism over the last 15 years has been the arrival of Chinese tourists in the world market. According to the statistics of the China National Tourism Administration, 122 million outbound trips were made by the Chinese to the rest of the world in 2016. This number is expected to exceed 130 million in 2017. This effectively places China as the number tourists exporting country in the world. In terms of spending power, their impact on the world tourist industry is even greater. Various estimates, including those from the United Nations World Tourism Organization (UNWTO) and China National Tourism Administration (CNTA), have placed their spending power from a low of US\$ 130 billion to a high of US\$ 300 billion in 2017. Without doubt, Chinese tourists are changing the global tourism market, as acknowledged by various writers [1-3].

The arrival of Chinese tourists around many countries around the world can be noticeably and visibly felt today. For example, many airports around the world have now included Putonghua (Mandarin) in their public announcements in response to the influx of Chinese tourists. Many tour operators and retail outfits have hired Mandarin-speaking guides and salespersons to cater to the Chinese tourists. Chinese restaurants have mushroomed in and around major tourist sites and cities around the world. Without doubt, this has brought about implications that are worth the attention of the policy-makers in the countries concerned. This is because the potential of having more Chinese tourists around the world is going to be very significant, considering that only about 10% of Chinese have traveled outside the country as of end 2016. As China signs more visa exemption and visa-on-arrival with more countries, the number of outbound tourists will certainly increase further. In addition, China has about 400 million millennials (as of 2017) who are more adventurous, more eager to

spend, and more willing to travel. These youths will certainly impact the world tourism market in the years to come.

Moving forward, it is important not to stereotype the Chinese tourists, as what had happened in the past. Their sheer number, and coming from many different parts of China, provide obvious cues that they need to be differentiated. This is even more so when they are becoming more sophisticated and discerning in their choice of places to visit and the kinds of products and services that they desire on their overseas trips.

China is now the largest source of outbound tourists to many economies<sup>1</sup> around the world, such as Hong Kong, Japan, Macau, Russia, Singapore, South Korea and Thailand. It is also fast taking the number one tourist arrivals spot in many other economies like Australia, Newland and Taiwan. For example, in 2016, Chinese tourists account for more than 26% of all visitors to Japan [4], and were responsible for more than 40% of tourist spending of almost US\$ 14 billion. The situation in Korea is very similar. China has been South Korea's largest tourism source for years and its rate of increase has been very impressive [5]. According to the Korean Tourism Organization, visitors from China made up 46.8% of the total of 17.24 million tourists in South Korea in 2016 [6]. Of course, these are certainly welcome news to these economies as they help to boost the local economies and their respective national revenue. However, the over reliance on Chinese tourists have also brought about some challenging issues.

### Challenges Posed by Reliance on Chinese Tourists

To begin with, as China outboard tourists form a very significant portion of tourism earnings in many countries, it is now able to use its tourist "power" to exert pressures on these countries and as a political "weapon." For example, in the midst of political tensions between China and Hong Kong, the number of mainland Chinese visitors to Hong Kong dropped significantly in 2015, especially during the Lunar New Year holidays, the first time in 20 years [7]. Likewise,

<sup>1</sup>The term "economies" has been used in view of the status of Hong Kong, Macau and Taiwan.

**\*Corresponding author:** Chow-Hou Wee, Professor, Marketing and Strategy, Nanyang Business School, Nanyang Technological University, Singapore, Tel: (65) 6790-5693; E-mail: [achwee@ntu.edu.sg](mailto:achwee@ntu.edu.sg)

Received October 03, 2017; Accepted November 15, 2017; Published November 22, 2017

**Citation:** Wee CH (2017) Emerging Trends in Tourism: Opportunities, Challenges and Implications. J Tourism Hospit 6: 318. doi: [10.4172/2167-0269.1000318](https://doi.org/10.4172/2167-0269.1000318)

**Copyright:** © 2017 Wee CH. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

when the U.S. decided to deploy the terminal high altitude area defense (THAAD) system in South Korea in early 2017, China imposed group tour ban on its outbound tourists, resulting in a fall of more than 60% from April 2017 when compared to 2016. It caused so much hardships on the Korean tourist trade (as Chinese tourists account for more than 46% of all tourists to Korea) that many retail outfits were forced to shut down. The Chinese government also discouraged its tourists to visit Japan and Taiwan when there were political tensions among them [8].

Second, Chinese tourists tend to be seasonal in nature. For outbound tourists, they tend to focus on two major public holiday periods of the year -- its National Day (1<sup>st</sup> week of October) and the Chinese New Year (usually in late January or early February). During these two periods, when massive number of tourists make their overseas trips, they tend to put immense pressures on the places that they visit. At times, they also cause much friction and misunderstanding with the local people, especially when they demand faster and better services. Owing to the large volume and traffic of Chinese tourists, it is almost impossible to deliver a high quality of service.

Third, as more and more Chinese travel overseas, they also export their culture, behaviour and norms to wherever they go. It is conceivable that in the near future, many parts of the world may experience a Chinese wave, the form and substance may vary, but the impact may resemble that of the Korean wave that started in the 2000s when Korea exported their television dramas, K-pop, and K-looks, etc. There is, however, one noticeable difference. The Chinese wave, if it does come about, will be more widespread and significant as Chinese tourists are all over the world. In contrast, the Korean wave was more restricted to Asia.

Interestingly, Chinese influence on the rest of the world, through its outbound tourists, has already begun. In September 2017, a Bulgarian village called Momchilovtsi hosted hundreds of Chinese tourists to its 3<sup>rd</sup> Chinese-Bulgarian yogurt festival. Its streets carry signs in Chinese and many villagers tried their best to learn the Chinese language in order to interact and do business with their Chinese visitors. The village literally went Chinese. What happened in Momchilovtsi received prominent global media coverage, ranging from Agence France Presse (AFP) to China Global Television Network (CGTN), to Today newspaper in Singapore. For sure, this is certainly not an isolated incident, and as China extends its tourists influence, more and more cities and villages around the world will turn increasingly Chinese.

In sum, in order to mitigate against over-relying on Chinese tourists, there is a definite need for economies like Korea, Hong Kong and Thailand to look towards other economies for tourists. By diversifying away from their reliance on Chinese tourists, they will not become vulnerable to the challenges as mentioned earlier.

## Increased Terrorist Attacks

Since the September 11 2001 attacks on the twin towers in the United States, the number of terrorist attacks around the world has increased significantly in recent years. They now number by the thousands per year, and, so too is the death toll. Without doubt, such attacks have definitely taken a toll on global tourism, and if left unchecked, will continue to impact global tourism in various ways.

In countries which are plagued with terrorist attacks such as Iraq, Afghanistan, Pakistan, India, and Nigeria, they are unlikely to attract many international tourists. However, the concerns and focus are now on nations and cities that traditionally attract large number of tourists, and many of them are in Europe. For example, several terrorist

attacks were carried out recently at German cities like Ansbach, Berlin, Munich and Wurtzburg in 2016 [9]. The attack on Berlin was particularly significant as it was carried out during the Christmas period. Other attacks targeted at European cities during the same year included Brussels (Belgium), Nice (France), Antarturk Airport, Ankara, and Gaziantep (Turkey). London and Manchester, highly visited cities by tourists, in the UK were also not spared, suffering several attacks in 2016 and 2017. The latest attack, at the point of this writing, occurred in Las Vegas on 1 October 2017. Carried out by a lone wolf, 60 people were killed and over 500 were injured.

Tourist sites are certainly soft and vulnerable targets to terrorist attacks. They are not easy to defend from a security perspective. In addition, the terrorists can also “disguise” like tourists, and are harder to detect. When casualties occur, especially when they involve various nationalities, they tend to receive international media coverage readily and attract more global attention. This allows the terrorist organization behind the attack to register its cause even more prominently. Not surprisingly, tourist sites will continue to be targets for terrorist attacks.

Indeed, the toll on tourism as a result of terrorist attacks has begun to show. For example, Chinese tourists are now more hesitant to visit countries like France and Germany. Instead, they are increasingly opting for places like Scandinavia and Eastern Europe where they are perceived to be less affected by terrorist attacks [10]. This has several implications. First, as Chinese form the largest number of tourists around the world, any significant shift of where they intend to visit will certainly impact global tourism.

Second, and this is something that governments of the respective countries cannot ignore – increasing number of attacks are happening in Europe and European cities that are the traditional destinations of tourists. There is certainly a need to deal with terrorism in these cities/nations in more decisive ways if they hope to sustain their earnings from tourism. The point here is not that global tourism will drop significantly. In fact, according to various reports, including that of the United Nations World Tourism Organization (UNWTO), global tourist arrivals grew annually between 3.5% to 5.0% for the period 2014 to 2016, and is expected to register the same growth rate for 2017. Rather, there will be significant and noticeable re-alignment of places to visit if terrorist attacks continue to increase in places which are traditionally favored by international tourists.

Third, with increased terrorist threats, tourists may opt for holidays that are nearer home that includes destinations in neighboring countries or even within the country itself, especially when they are less prone to terrorist attacks. The substitution of domestic for international holidays is a definite possibility, especially in large countries like China, the US, and Australia.

## Rise of Cruise Holidays

The other noticeable trend in the tourism industry is the rise of cruise holidays. According to Cuskelly [11], the number of cruise passengers reached 24.7 million in 2016, and the number is expected to reach 26 million in 2017. The rise of cruise passengers can be attributed to several factors. First, in recent years, new, bigger and better equipped ships have been launched. For example, Irvine [12] and McDaniel [13] highlighted that eight highly luxurious and technologically advanced ships were launched in 2016. Campbell [14] and Saltzman [15] also featured 10 other ships that will be launched in 2017. These writers, however, have overlooked another emerging player in the market, Genting Hong Kong (GHK). Traditionally known to be the owner

of Star Cruises, GHK has muscled into the luxury cruise market in very big ways. It launched a very luxurious ship, *Genting Dream*, in November 2016, and planned to launch another similar ship, *Genting World* in November 2017. Prior to this, GHK acquired *Crystal Cruises* in 2015, and it also has a 28% ownership of *Norwegian Cruise Line*. GHK is now the 3<sup>rd</sup> largest cruise liner in the world, after the *Royal Caribbean* and *Carnival*. Table 1 shows a list of luxurious cruise ships launched in 2016 and 2017.

Second, cruise operators have become more astute in their deployment of ships around the world so as to ensure better utilization. A good example is that of *Royal Caribbean* and *Princess Cruises* which have moved into the Asian market in very significant ways. Note that both liners, including *Norwegian Cruise Line*, have now made Asian cities like *Shanghai* and *Tianjin* the home ports of some of their ships (see footnote of Table 1). In addition, *Genting Hong Kong's* two most luxurious ships also make Asian cities their home ports.

Third, Asian tourists, and especially the Chinese tourists have made very significant inroads into cruise holidays. As mentioned, this has made major cruise liners to consider ports like *Shanghai* and *Tianjin* in China, and *Hong Kong* and *Singapore* as home ports for some of their ships. It is precisely recognizing the potential of Asian tourists that GHK has decided to enter the luxurious cruise market in a big way. Their two ships, *Genting Dream* and *Genting World*, are designed specially to cater to Asian (especially Chinese) tourists, and ply largely routes in Asia. In addition, increasing number of other new ships (for example, *Ovation of the Seas* from *Royal Caribbean*) are coming up with offerings that cater to the tastes and preferences of their Asian customers. These include not just the food and restaurants on board the ships, but the shows and entertainment too.

Fourth, many Asian economies have also jumped on the bandwagons to develop their ports and tourists destinations as they

open up more to tourists from cruise liners. According to the latest report by *Cruise Lines International Association*, Asia is now the fourth most popular cruising destination, and ranks after the *Caribbean*, *Mediterranean* and *Europe*. Given the unstable conditions in Europe as a result of terrorist attacks, it will not be surprising that Asia will overtake Europe to become one of the top three cruise destinations in the world, especially when more ports and tourist sites are developed.

Obviously, compared to other modes of tourist arrivals, cruise holidays still lag far behind. However, its potential is enormous. This is especially so as disposable incomes in Asia continue to increase, and as they begin to appreciate the lifestyle of being on a luxury ship. In addition, cruise holidays are perceived to be safer from terrorist attacks, and they are certainly relatively hassle-free for the passengers. They also provide a very relaxing and entertaining lifestyle on board the ships.

### Advances in Information Technology

Advances in information technology over the last 20 years have also brought great transformation and benefits to the tourism industry. Websites such as *Agoda.com*, *Airbnb.com*, *Booking.com*, *ebookers.com*, *expedia.com*, *Hotel.com*, *Lastminute.com*, and *Trivago.com* are just some examples of platforms that are easily accessible to customers around the world. With a mushrooming of countless websites for the booking of holidays, ranging from air ticketing, cruise holiday bookings, car hires, hotel accommodation, guided tour packages, and many other offerings, new challenges have emerge.

First, direct marketing by the various tour service providers are now possible, and the role of agents may diminish over time. Consumers can now book on-line directly with the respective tour service providers. This means that consumers not only can plan their own holidays more expediently and conveniently, but they can shop for

Name of Ship	Cruise Company	Launch Date	Capacity
2016			
AIDAprima	AIDA Line	April	3286
Koningsdam	Holland America Line	April	2650
Ovation of the Seas*	Royal Caribbean	April	4180
Viking Sea	Viking Ocean Cruises	April	930
Carnival Vista	Carnival Cruise Line	May	3954
Harmony of the Seas	Royal Caribbean	June	5497
Seven Seas Explorer	Regent	July	750
Genting Dream***	Genting Hong Kong	November	3352
Encore	Seabourn	December	600
2017			
Viking Sky	Viking Ocean Cruises	February	930
Viking Sun	Viking Ocean Cruises	October	930
Silver Muse	Silver Sea Cruises	April	596
MSC Meraviglia,	MSC	May	5700
American Constellation	American Cruise Lines	May	163
Quest	National Geographic	June	100
Norwegian Joy**	Norwegian Cruise Line	July	3900
Majestic Princess**	Princess Cruises	July	3600
Genting World***	Genting Hong Kong	November	3352
MSC Seaside	MSC	December	5179
Flying Clipper.	Star Clipper Line	December	300

Notes: \*Home ports in *Tianjin*, China and *Sydney*, Australia,

\*\*Home ports in *Shanghai* and *Tianjin*, China,

\*\*\*Home ports in *Hong Kong*, *Nansha (Guangzhou)*, China, and *Singapore*.

Table 1: Ocean Cruise Liners launched in 2016 and 2017.

the best deals for airlines, airfares, hotels, car hires, alternative forms of accommodation, etc. Website operators and tourist service providers will have to be on their toes in order to ensure that their offerings are not only up to speed, but competitive too.

Second, in order to counter the increased competition, website operators and tour service providers will have to find ways and means to differentiate themselves in order to make them appealing to the consumers. At the moment, price is commonly used as the main differentiating factor. Moving forward, these sites may have to include other differentiators and benefits, such as loyalty programs and other kinds of attractions in order to attract consumers to their sites.

Third, and this is contrary to differentiation, website operators and tour service providers may have to collaborate or even integrate with other tour-related operators so as to widen their range of services. In the ultimate, it is to have a one-stop portal that can cater to all kinds of travel needs, both in packaged and individually customized formats. In sum, the quest for differentiation and integration may have to be pursued simultaneously in order to enhance the competitiveness of the industry players in the tourism business.

Finally, the role of social media cannot be ignored. As consumers travel more, and to more places, they have become critics in their own rights. No longer do they have to rely on the recommendations of tour operators or tour advisors like Trip Advisor. Rather, online recommendations by past visitors can become increasingly powerful in influencing how potential tourists would make their decisions.

## Investment in Tourist Sites

Recognizing the value of tourism, many countries have begun to invest in development of new tourist sites as well as enhancing the facilities of existing destinations like developing more attractions, build new hotels, and so on. China provides a very good example. Prior to 1978, tourism in China was greatly under-developed, and in some instances, undeveloped. Since 1978, China not only opened up many sites for tourism, but has been continuously improving and investing in its tourist sites. The Great Wall, the Ming Tombs, Hanzhou Scenic Lake District, Suzhou Gardens, Jiu Zaigou, Zhang Jiajie, and many others are today very attractive tourist sites to visit. Even Chinese cities like Beijing, Shanghai, Xian, Guangzhou, Chongqing, Tianjin are very appealing by themselves as destinations for international tourists.

Other than China, other Asian countries like Vietnam, Cambodia, Indonesia, the Philippines, Laos, and Latin American and Caribbean countries have also invested in developing their tourist sites. Some of them even developed islands around them as tourist resorts. These developments also provide several new spins to the tourism industry.

First, and this is particularly the case for large countries, domestic tourism can become increasingly attractive as a substitute for holidaying abroad. Take China as an example. According to a Reuter's report which was reproduced in Singapore's Straits Times on 1 October 2017, there was a very significant shift in the holiday pattern for China tourists. For the past few years, millions of Chinese would head towards European cities like Paris, American cities like New York and San Francisco, and Asian cities like Tokyo and Seoul during the Golden Week holiday in early October. However, as a result of the slowing economy, the Chinese government tightening of foreign exchange, and the concerns over terrorist attacks, only six million Chinese will travel abroad during this period. This is in sharp contrast to over 700 million who chose to holiday within China.

Second, as tastes and preferences of consumers change, and with the increasing arrival of the millennials, they may be keener to visit new and exotic sites instead of the traditional ones. As mentioned earlier, the availability of websites means that it is so much easier for consumers to hunt down such new tourist sites that they wish to visit, and can even get previews of the places concerned.

To continue to be competitive, policy-makers of traditional tourist sites will have to on the constant look-out for the threats posed by these new destinations. They, too, must continuously develop new attractions and improve their existing offerings.

## Enhanced Transportation

Transport development and better transport links have been a very noticeable development in Asia as well as in other developing countries. To begin with, more budget airlines have been set up in Asia. Air travel is now much better. As these budget airlines fly to secondary and smaller airports, they help to accelerate developments in the surrounding areas. In addition, they have made accessibility to newly develop tourist sites more accessible too.

Second, integrative and complementary transport modes have improved tremendously. An excellent example is that of China. The massive development of highways, high speed rail (HSR) and related railway networks, and airports have greatly facilitated transportation within China that has spurred the growth of both inbound and outbound tourism. More importantly, they have become more integrated as well.

Many other countries in Asia are also enhancing their transportation development. For example, Singapore and Malaysia are planning to develop a high speed rail that connects the island nation to Kuala Lumpur, the capital of Malaysia) within the next 10 years or so. China's One Belt and One Road initiative will certainly not only boost trade, but tourism as well.

Finally, it is important to point out that the emergence of budget airlines, highways, and high speed rail tend to favor domestic and regional travel more than international travel. Effectively, they will serve to promote more domestic and regional tourism. As much of these developments are happening in Asia, it would not be surprising to find that intra-Asian tourism is likely to grow much faster than outboard tourism to the rest of the world.

## Conclusion

In highlighting and discussing the six major trends affecting the global tourist industry, it is inevitable to note that the majority of the factors tend to favor Asia. In essence, Asia is likely to emerge as the tourist hub of the world in the foreseeable future.

## References

1. Oliver M (2017) Chinese outbound tourists-new 2017 report. CLSA Report.
2. Mingjie W (2016) Chinese travelers changing international tourism market. China Daily.
3. Cong W, Feng D (2017) For Chinese tourists, world's their destination. Global Times.
4. Jiji K (2017) Japan saw record foreign visitors, tourist spending in 2016. The Japan Times.
5. Jin L (2016) Number of foreign tourists to South Korea hits record 14.5 million. South China Morning.
6. Tourism in South Korea (2010) Wikipedia.

- 
7. Baldwin C, James P (2015) Mainland Chinese visits to Hong Kong drop amid tensions. Reuters, World News section.
  8. Robin H (2017) Japan inbound tourism hits record high. Financial Times.
  9. Oliver S (2017) Mapped: The 48 countries where a terrorist attack is most likely. The Telegraph.
  10. Daniel M (2016) These were Chinese travelers' top destinations in 2016.
  11. Claudia C (2017) Cruise holiday BOOM as passenger numbers soar to THIS destination. Express, Wed.
  12. Wendy I (2016) 8 of the best new cruise ships for 2016. CNN Travel.
  13. Colleen M (2016) New Cruise Ships in 2016. Cruisecritic.co.uk.
  14. Don C (2017) 9 of the best new cruise ships launching in 2017. CNN Travel.
  15. Dori S (2017) New Cruise Ships in 2016. Cruisecritic.co.uk.