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THE SOCIAL IMPACTS OF TOURISM DEVELOPMENT ON HAINAN ISLAND

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ABSTRACT

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The development of tourism on Hainan Island started in the 1990s. The strategy brings to Hainan changes and impacts in both positive and negative ways. Success is usually assessed by economic growth, and the negative impacts are often seen to be negligible.

This study aimed to examine the impacts that have been brought to tourism destination base by an in-depth analysis of Hainan Island, and it mainly focused on uncovering the negative impacts in tourism on economic and social issues. The study was done by conducting a research related to the impacts of tourism development in a theoretical framework, an analysis of Hainan as a tourism destination and questionnaire to the tourists on the island. In the end, a few suggestions were given.

Keywords: Tourism Development, Social Impact, Tourist Behaviour, Hainan Island.

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Hotelli- ja ravintola-ala

TIIVISTELMÄ

Tekijä	Yihe Long
Opinnäytteen nimi	Turismin kehitys ja sen sosiaaliset vaikutukset Hainan saarella
Vuosi	2010
Kieli	Englanti
Sivumäärä	63
Ohjaaja	Thomas Sabel

Turismin kehittäminen Hainan saarella on aloitettu 1990-luvulta lähtien; strategia tuo Hainaan muutoksia ja vaikutuksia, niin positiivisella kuin negatiivisellakin tavalla. Strategian toimivuus näkyy ekonomisessa kasvussa, negatiiviset vaikutukset koetaan usein merkityksettöminä

Tämän tutkimuksen tarkoituksena on selvittää turismin aiheuttamia vaikutuksia turistikohteissa, perustuen Hainan saaresta tehtyyn syväanalyysiin, tutkimus keskittyy pääasiassa selvittämään turismin negatiivisia vaikutuksia ekonomisissa ja sosiaalisissa kysymyksissä. Tutkimus on tehty käyttäen apuna aiempia tutkimuksia liittyen turismin kehityksen mukana tuomiin vaikutuksiin, Hainan analysointia turistikohteena sekä turisteille laadituilla kyselyillä. Lopulta muutama pohdittu.

Avainsanat: Turismin Kehitys, Vaikutus, Hainan Saari

Terms

Golden Week

Two weeks of Chinese holidays. One of them is one week holiday for Chinese spring festival which usually occurring in January or February. Another one is occurring on 1 October which is the National Day of China for one week. Normally the largest amount of tourist flow occurs in these two periods in China.

Occupancy rate

The number of in-patient hospital beds occupied divided by the average number of hospital beds, expressed in percent.

(National Statistical Coordination Board)

CPI

The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

(United States Department of Labour)

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1. INTRODUCTION

1.1 The background of the thesis

The regional tourism development and its external environment regarding natural and society are bounded strongly. They affect each other in both positive and negative ways. In many cases, tourism development can be proceeding smoothly by the push from an external force, sometimes it is not.

Generally speaking, all the industry improvement policies and actions are published with a positive aim for regional promotion. Yet the results caused by the implementation can vary to the local organisation depending on whether the scientific prediction and management could be done.

Hainan Island has been one of the most popular tourism destinations in China for decades. It has also been the particular region that draws attention from all scales of society with developing policies, investment and interest. This study will mainly focus on what changes tourism development has brought to this famous tourism destination and it will be pay special attention on the negative impacts.

1.2 The structure of the thesis

As a whole, this study is composed of three major parts. The first part is the theoretical framework of the impacts of tourism development and tourist's behaviour analysis. It covers the fundamental issues related to the social impacts of tourism development and the influential factors in tourist's decision making which will be applied in this study.

The second part examines the background of the Hainan tourism circumstances and it will focus on the briefing of the general information on the region as a tourism destination and the state emphasised policy which concentrates on the reforming of the tourism industry for the local area.

The second part is a comparison analysis base on the previous and current environment and it tries to find out the impacts that the change has brought to society. The empirical study is also one of this parts; it consists of a questionnaire, research methodology introduction and detailed findings analysis.

Finally, the study concludes by proposing several suggestions on the purpose of promoting Hainan Island as a better tourism destination.

1.3 Restriction of the thesis

Due to the difficulties of finding materials on Hainan Island especially in 1990s, the available data and information are limited as most of the valuable and reliable reports and official analyses have not yet been issued to the public. Hence, the study can only be conducted base on the incomprehensive sources, which may lead to un-objective results.

2. SOCIAL IMPACTS OF TOURISM DEVELOPMENT

Tourism is a fast growing industry and a valuable sector, contributing significantly to the local economy and society. Tourism affects the economy and the lives of societies and has proven to be a lifesaver for many destinations. There are real and perceived fears that are sometimes attributed to tourism and largely related to poorly managed or mass tourism ventures. As with any economic activity, tourism can have negative impacts on communities. These must be minimised and measured against the benefits that tourism brings.

Tourism has grown to be an activity of worldwide importance and significance. For a number of countries, it is the largest commodity in international trade. Tourism has grown rapidly to become a major social and economic force in the world. (Mcintosh, Goeldner and Ritchie, p 4, 1995)

Tourism development brings on massive changes in policy, dissemination, population, investment and reputation to the tourism region and the region around it. These actions will efficiently and effectively support the regional development in terms of tourism economic growth and specifically infrastructure development. In addition, tourism business has the feature of low cost, low entry standard and high return to make itself a favourable investing project in all scales of capital holders.

Although tourism has tremendous potential as a tool in economic development, it is no panacea. (Mcintosh, Goeldner and Ritchie, p 330, 1995) The benefit of tourism business related development is too obvious; its risks are the root of iceberg on contrast.

“Extensive tourism development can bring about undesirable social effects such as increased prostitution, gambling, drunkenness, rowdyism, unwanted noise, congestion, and other excesses.” (Mcintosh, Goeldner and Ritchie, p 235, 1995)

Policy

Governments undertake aggressive investment programs to develop tourism, assigning it as top priority in their development plans. (Mcintosh, Goeldner and Ritchie, p 330, 1995)

Tourism development usually begins with governmental policy to commence official supported strategy. In numerous cases, the governments take an overrated view of tourism and take priority consideration in overall development instead of other investment. For instance, the economic capital on health, education, traffic, welfare and other public service which should to be the primary concern of society is channelled into tourism development subjects.

Dissemination

The news of governmental policy is released by the media firstly once it is issued; and the attention is drawn to area consequently. Therefore, the popularity of the tourism destination is spread rapidly thanks to it. However it is not always good news that been told to the public.

In extreme cases, some cities wish to publicise themselves with overconfidence and receive unexpected feedback. In 2009, a Chinese city named “Yichun”, “chun” meaning spring and sexual related meaning in a slang word, designed a banner on its official webpage with the slogan of “A city called chun”. Ever since then it has been overwhelming argued against not only by the people outside the city but also the dwellers within it.

Population

There is some concern that tourism development may lead to destinations losing their cultural identity by catering for the perceived needs of tourists – particularly from international markets. This is based on the observations of other “destinations” having compromised their sense of identity. However, research shows that most tourists travel, not to visit home away from home, but because they want to experience the personality and the authentic character of the resorts, communities and attractions. The tourism experience is different to what they can see or do at home and this includes experiencing the real life and lifestyle of the destinations they visit. Sustainable tourism is thoughtful tourism. It is “derived,” not “contrived.”

A community involved in the planning and implementation of tourism has a more positive attitude, is more supportive and has better chance of making a profit than a population passively ruled – or overrun – by tourism. One of the core elements of sustainable tourism development is community development. This is giving the community the process and capacity to make decisions that consider the long-term economy, ecology and equity of all communities. (Online http://www.gawler.sa.gov.au/webdata/resources/files/5_Gawler_Impacts_Tourism.PDF)

“Some problems are rooted in economic problems, such as unemployment or underemployment. The economic contributions of tourism can help to moderate such social difficulties.” (Mcintosh, Goeldner and Ritchie, p 224, 1995)

Tourism development affects to both local inhabitants and tourist population various ways; the job generation, education, public service and cultural mix are

changed along with development in both positive and negative aspects as well. On the other hand, criminality can increase simultaneously. “Tourists can become easy victims of crime. The hosts must help tourists avoid dangerous places and areas.” (Mcintosh, Goeldner and Ritchie, p 234, 1995) The means of its success concerns improvement of organised education, qualified tourism professionals, moral competitive market and standardised management.

“Crimes against tourists result in bad publicity and create a negative image in the minds of prospective visitors.” (Goeldner and Ritchie, p 223, 1995) It can be seen that in some cases governments have tried to cover criminal acts against tourist to maintain the image of a destination, however, the false image cannot hold infinity; once it is uncovered to the public the negative appear.

Investment

After being supported by government, media, and society, the capital holders start to draw their attention on the destination. The funds are invested to establish relevant facilities consistently, such as accommodation, restaurant, apartments and transportation etc. This provides a better environment and experience to inhabitants and tourists as well as negative factors.

A large amount of investment improves realty industry by establishing accommodations and apartments as well as the overall price of living cost. A healthy and well managed society is able to maintain the balance of living cost and income level increasing. However, if the consequence is underestimated before the tourism development strategy was implemented; a disaster appears to act as a barrier of tourism industry growth.

3. TOURIST BEHAVIOUR

There are countless tourism destinations around world; the similarity of many tourism areas exists in features of both internal and external resources. However, tourists still choose to travel to one destination instead of another. It is interesting to uncover what factors influence their choices, and how the factors affect their decision making.

3.1 Tourist decision process

The tourist buying process is often regarded as being similar in tourism to the purchase of other products and services. (Les Lumsdon, 1999, p 46)



Chart 3 Generic consumer buying behaviour process (Les Lumston 1999)

The tourist decision process can be described as the following stages as chart 3 illustrated:

Stage 1: Awareness

The motivation generated within a person, he/she seeks some forms of holiday for relaxation. At this stage a person is proceeding with vague images or a limited degree of knowledge about a destination or service.

Stage 2: Search and comprehension

The person obtains more information and starts to discuss the idea with friends and picks up brochures from travel agencies. This stage involves the evaluation of a number of reputations or images of destinations or tourism providers.

Stage 3: Attitude development

The person continues discussion with friends and reinforces the good ideas presented in brochures. This stage is determined by the collected information of the previous two stages.

Stage 4: Evaluation

The person checks brochures for dates, availability and preferred destinations. He/she will make detailed comparison between received options and turn him/herself to preference.

Stage 5: Purchase

The person makes the decision of taking a holiday, and makes the payment and confirmation.

Stage 6: Post-purchase behaviour

The person will conclude the experience whether satisfied or not, and dispose of his/her feeling onto the future purchasing. In addition, the person is perceived image will affect the community around him/her and influence their decision in the buying process in the future.

3.2 The factors influence tourist's decision making

The factors influencing tourist's decision making can be categorised into two dimensions, each of them is consisted of numerous variables:

1. Internal driving forces
2. External influencing factors

(Les Lumsdon, 1999, p 36)

3.2.1 Internal driving forces

The psychological or internal influences affecting individuals' choices are commonly known as motivation (Victor T.C. Middleton, third edition, p 71) Motivation relates to the inner desire for satisfaction. (Les Lumsdon, Tourism Marketing, 1999, p36) In general, the internal driving forces can be grouped into six elements which are: work related motives, physical motives, cultural or psychological motives, social and ethnic motives, entertainment motives and religious motives.

A work related motive can be explained to mean a traveller travels away from home for work-related purposes, including airline personnel, truck drivers, and service engineers.

A physical motive means participating outdoor relaxation, recreation and healthy activities.

A cultural or psychological motive refers to participating in festivals, theatres etc, or visiting cultural or natural heritages.

A social and ethnic motive means visiting friends or other social activities.

An entertainment motive means participating events, visiting amusement facilities.

A religious motive means participating in pilgrimages.

3.2.2 External Influencing factors

The link between internal and external driving forces provides an insight as to how visitors learn about, and more importantly, perceive tourism offering in the market place. Therefore, marketers need to recognize the impact of external influences. (Tourism Marketing, Les Lumsdon, 1999, p 38) The classification of external influencing factors can be seen as follows:

Safety and security situation: Social security affects tourism business. Criminality and terrorism will not influence only the images of a destination but also local tourism business in long term. Besides, generally tourists choose safer destinations as their preference.

Cost to the consumer: "Prospective customers seek to maximize their perceptions of value for money in the choices they make between alternative products" (Victor T.C, 2002, p90) If similar tourism destinations in terms of tourism resources or environment have different price level, the destination with lower cost will attract more customers than the more expensive one.

Opinions of others: The voices concern all aspects of destination and service provider ,such as service quality, image, rumours, news etc. The prospective tourist's relatives, friends, information and disseminations will strongly affect his/her decision making. On the other hand, his/her opinion will affect the prospective tourist around him/her in the post-purchase phrase as well.

4. INTRODUCTION OF HAINAN ISLAND

4.1 Hainan Island in brief

Hainan Island is an isolated island which is located in the South China Sea; it has an area of 33,920 square kilometres and it is China's southernmost province. Different from other provinces, Hainan is the second largest ocean island and the smallest land province in China. Its natural beauty has gained a good reputation among the visitors and it is widely known around the world. People call it "the Oriental Hawaii".

4.2 Hainan Island as a tourism destination

Hainan Island has been one of the popular domestic tourism destinations in China for decades. Tourism industry has always been the primary industry of the region. Even though tourism industry has been rapidly developed along with its economic growth, the gap between the overall circumstances and the needs of the international tourism still restrict the development of Hainan Island as an international tourism destination.

Hainan's plentiful sunshine boasts a remarkably diverse ground for animals and plant life. It is home to 4,680 species of vegetation. More than 600 wild plants grow only in Hainan, over 50 of which are classified as state protected endangered species. There are over 561 species of animals, including 102 types of wild life under state special protection. Black Crown Gibbon monkeys and Hainan Eldi's Deer are exclusive to Hainan. (People's government of Hainan Province)

单位:人次		(person-times)		
项 目	Item	2006	2007	2008
入境人数	Number of Entry Through Ports	235267	429010	433215
境外游客	Total Number of Oversea Visitor Arrivals	217570	394997	394001
外国人	Foreigners	136606	274548	258089
华侨	Overseas Chinese	367	343	
港澳同胞	Compatriots from Hong Kong and Macao	54807	89064	98766
台湾同胞	Compatriots from Taiwan	25790	31042	37146
境内游客	Total Number of Domestic Tourists	17697	34013	39214
出境人数	Number of Tourists Outbound	297423	430409	440938
境外游客	Total Number of Oversea Visitor Arrivals	277694	398124	398300
外国人	Foreigners	127470	277454	264427
华侨	Overseas Chinese	588	98	
港澳同胞	Compatriots from Hong Kong and Macao	120222	90281	97867
台湾同胞	Compatriots from Taiwan	29414	30291	36006
境内游客	Total Number of Domestic Tourists	19729	32285	42638

Chart 1. Persons of Entry and Outbound Through Ports. 2008

In 2004, Hainan received 1,402,880 overnight tourists; only 308,600 of them are overseas tourists with the percentage 2.2% in total, and 204 star hotel by the end of the year 2003 (Jiangyong Lu and Yumei Zhang, 2005). In the year 2008, the total number of tourists (person-times) was over 20,600,046, the number of overseas tourists was 979,299 with the percentage 4.7%. The number of star level hotel was 440 with 61,499 rooms and 116,973 beds (Hainan Statistical Yearbook P359-367).

Country	人 数 Persons
South Korea	127076
Japan	36754
Singapore	34089
Malaysia	33271
Indonesia	2827
Thailand	5613
India	2304
Philippines	1849
Korea,D.P.Rep.	1701
United States	21978
Germany	13493
United Kingdom	10441
Australia	7021
France	6993
Canada	6667
Italy	2978
Sweden	2776
Spain	1375
New Zealand	1110

Chart 2 . Number of Overseas Visitor Arrivals Received by Tourist Hotels by Country. 2008

In the chart 2 above, it has been illustrated that the majority foreign tourists are from the Asian-Pacific and European countries. In the beginning of the year 2010, on January 4th, the State Council published the policy of “Several Proposals of the State Council on Advancing the Development of Constructing Hainan International Tourism Island” (State Council 2010, online). The purpose of the policy is to reform the structure of tourism industry and, therefore, to restore this region for the global-oriented perspective. In the year 2020, the Hainan Island is expecting to be one of the top international resort tourism islands.

5. ANALYSIS OF HAINAN'S TOURISM ENVIRONMENT

Ever since the massive tourism development projects have been implemented in Hainan province, the impacts and changes between the changes of social environment and tourism economic growth have been exposed along with the tourism industry reforming to the public.

The analysis focuses on trying to find out the impacts and determining whether they are positive or negative to the local society in a long-term perspective. It will be done by starting with a SWOT analysis to examine the advantages and disadvantages of Hainan Island to offer the support basis for the following analysis.

5.1 SWOT analysis of Hainan Island

Strength

1. Special Economic Zone

Hainan was assigned as a “Special Economic Zone” in the year 2000 to accelerate the regional tourism industry development along with numerous special policies, such as landing visa or visa-free and other preferential policies. Hainan has been offered the circumstances to attract the attention for investment, tourists generating and tourism related suppliers in the global perspective.

2. Tourism Resources

Hainan Island is the only tropic destination in China with easy accessibility which can be regularly travelled to by Chinese citizens. There is no seasonality as having there are only two seasons in Hainan, spring and summer.

The unique natural resources determine that Hainan Island is competitive advantage in the market. Most types of the natural elements can be found in this area: jungle, mountains, grassland, costal areas, isles are still preserved in good condition. Therefore, the unique elements offer the environment with cultural diversity. Hainan has green culture (nature), blue culture (The ocean), revolutionary culture, immigrant culture, relaxation culture.

Weakness

1. The management of a tourism related enterprise

Tourism business suppliers in Hainan have been unorganized, small sized and they have had a lower competitive advantage. The unqualified managerial situation leads to an un-standardised industrial entry admission and high personnel turnover ratio. The suppliers pursue for short term profit hence being careless to tourism environment and tourism industry improvement in a long term perspective.

2. The destructive development of tourism products

The long-term development strategy has been given the least consideration in the business plan in numerous attractions. The attractiveness and service quality of

tourism products is not the priority instead of market competition by offering rebates to the employees who are directly contacting the tourists. Hence, such behaviours severely restrict the healthy improvement of local tourism business.

3. The service quality

There is a wide gap between the qualities of tourism related to employees and the other famous international tourism destinations. In the process of travel service, the lack of corresponding knowledge in hospitality, misunderstanding of different culture and customs restricts the quality of providing personalized services. On the other hand, the unqualified professional skills and attitude reflect the negative image of Hainan as an international destination.

Opportunity

1. Tourism environment

Tourism development has been accelerated since 1990 by the government with the policy of “Constructing Hainan Province as a Special Economic Zone” till the recently published international tourism island project. On the other hand, the global tourism trends offer the opportunity for Hainan’s tourism business. The UNWTO has made the forecast that China will be the largest tourism nation and the fourth tourists generating region by the year 2020. It is predicted there will be 130 million tourists travelling to China in 2020 with an increasing trend every year, and thus China will replace Spain as the second largest tourist inbound country in the year 2010. France and The United States will be replaced by China to become the largest tourists inbound country in the year 2020. (UNWTO, 1997)

In addition, due to its remote geographic location and natural resources, the industries with pollution and nature harming potential are restricted from operating. Therefore, the economic growth is relatively low compare to other domestic tourism destinations in China as well as in comparison the overall cost, which gives a competitive advantage to Hainan.

2. Event tourism

Hainan events and exhibition development, gradually formed on a considerable scale, competition tourism and MICE tourism will be the components of construction of a major international tourist island. For instance, according to statistics, a total of 140 domestic and international team of 25 athletes participated in the competition of 2008 Central Hainan Island International Cycling Race, this enhances the brand of an international tourist island of Hainan as a positive significance. Along with the various international events held in Hainan, it will promote the development of Hainan hospitality industry and tourism consumption as well as bring development opportunities to Hainan as an international tourism island.

Threat

1. The lack of professionals with foreign language skills

There are more than 7,000 tour guides working in Hainan province currently. Less than one tenth, 599 of them are foreign language tour guides. Among them, 322 are English speaking guides, 95 Japanese speaking guides and 76 Korean speaking guides. The tour guides in other languages are even fewer: 10 German speaking tour guide, 3 French speaking tour guides and 1 Spanish speaking tour

guide. (Hainan provincial tourism administration bureau, 2009) The demands of market cannot be satisfied with a huge gap like this

2. Infrastructure and public service development

Tourist information, tourist transportation and public tourist restrooms are three essential components of a tourism destination (Xin Li, 2008). In Hainan, tourist transportation and tourist restrooms have just been started, tourist information does not exist. The tourist information has proved that it can provide multi-functional services for the tourists; not only information, tourism products illustration, relaxation, shopping but also a reception for business visits. Since the increasing number of tourists, the development of infrastructure is imminent.

3. Competition among the similar tourism destinations

Competition among domestic and international destinations is severe nowadays. The gaps among other tourist cities in terms of the number of international tourists, the tourism features of the urban economy, and the international competitiveness of tourism resources are considerable. Meanwhile, the tourist expenditure on the tourism commodity and services per capita spending is also far less than in foreign tourist destinations.

5.2 The impacts and changes

The National Council of People's Republic of China issued its first tourism development strategy in 1990, and the second national policy was issued in the beginning of 2010. During this period, there have also been numerous regional tourism perspective promotional policies released by the Hainan government. The island is attempting more and more to achieve the goal of being an international tourism island in the future.

Ever since the intensive functional development strategies appointed to Hainan province, there have been tremendous changes generated in this tourism destination in tourism economy, infrastructure, society and tourism environment.

5.2.1 Tourism economy

Does economic growth tend to affect people's income and welfare in the same way? Alternatively, does economic growth tend to favor the expansion of some particular socio-economic groups with respect to others? Of course, these two types of changes in social structures are related to each other. (François Bourguignon, 2004, p11)

Chart 3 illustrated that tourism revenue in Hainan has rapidly increased since the first national policy was issued in 1990 in the first 5 years and maintained double a digit percentage increasing every year even in the year 2008 in the middle of global recession.

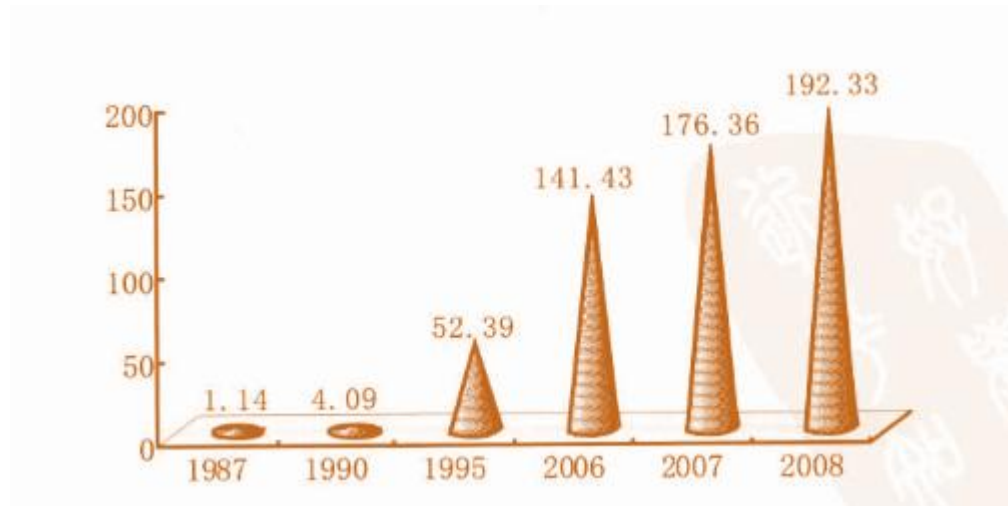


Chart 3. Hainan Tourism Revenue (in Billion), 2008

The development of tourism industry has brought economic miracle to Hainan since the Special Tourism Zone was established in 1995. It also affects the other sphere of this region. Domestic and international tourism are the major economic strengths to Hainan region. Thus, the dwellers that live there and tourists are affected by the economic results of tourism development investment and tourist expenditure. The housing prices have rapidly increased since the November of 2009; the average price of housing in Hainan increased 60% in ten days. The peak of housing price increasing happened during January 2010 with an average increase of 115% every five days right after the policy's issuance. (<http://finance.ifeng.com/news/special/hnfdcpm/house/20100128/1769993.shtml>)

The rising of housing price brings up the price of cottage renting, accommodation and other tourism related price levels simultaneously. The overnight price in a five star hotel in Hainan reached 13,000 Chinese Yuan in January 2010, which is 130% higher than usual, and the occupancy rate reached over 90% by the investors instead of regular tourists.

The living cost is increased along with the rapidly increased housing price as well. According to the report from National Bureau of Statistics of China, The overall price was increased at the percentage of 7.6%, which is 3.2% higher than average level nationwide in October 2010.

<http://news.163.com/10/1120/15/6LUORBNE00014JB5.html>

Such rapidly rising of prices has a disastrous effect on Hainan tourism business. The number of tourists in Chinese Golden Week was decreased over 30% compared to the same period of last year and the occupancy rate decreased by 42% because of the unacceptable travelling costs.

5.2.2 The infrastructure construction

As the increasing needs of tourism, Hainan government has invested a large amount funds and constructed infrastructures which cover all areas of public service, including education, health, transportation and medication.

Sanya Phoenix Airport has been approved by the State Council, it is one of Hainan's largest international airports and the only civilian airport. The airport officially opened to traffic in August 1994, covering an area of 463.32 hectares. After nearly a decade of using, and the increasing traffic, the airport had a reconstruction on passenger emergency and the airport terminal in 2003, to alleviate the excessive, outdated facilities and congestion situation for the airport terminal. Nowadays, it provides the service for flight passengers at the amount of 6 million every year.

<http://hainan.abang.com/od/lyjy/a/fhjc.htm>

Hainan is also constructing one external and two internal railways with the investments of 40 billion Chinese Yuan (about 3.7 billion Euros), 1 international exhibition venue, 2 international athletic arenas, 5 environmental conservation and 3 pollution abatement facilities with the estimated funds of investment 70 billion Chinese Yuan (about 6.5 billion Euros) in the next 4 years. The total funds of investment on tourism related facilities in 2010 has reached the amount of 320 billion Chinese Yuan (about 30 billion Euro) with the percentage of 32% in overall investment of Hainan government and 12% higher than 2009. <http://news.qq.com/a/20091201/001154.htm>

In contrast, the investment in other public services was relatively lower than that on tourism. The funds on education and health interest in 2010 have increased by 4% in total compared to the year 2009. The government and other capital holders are concentrating on accelerating the tourism business promotion to maximise profit from it. This is a dangerous signal that the limited funds have not been channelled to their areas which can benefit the region in the long term perspective and create sustainable development.

5.2.3 Social security

The reports and news about cheating tourists in Hainan can be easily seen on internet, social media and publications. They have mainly focused on the cheating scandals in restaurant, taxi and tourism agencies.

It has been reported the cheating in restaurants happen most frequently, there is a high rate of being cheated among tourists. The restaurants provide worse quality ingredients with incredibly high and sometimes a hidden price, and threaten the

customer's safety if they refuse to pay or try to contact for help. The similarity of cheating exists in taxi and tourism agencies as well. The image of Hainan as a tourism destination has been terribly damaged among the public due to such scandals.

It reflects not only the individual incredibility under the unqualified market competition but also the un-standardised management by authorities. Tourists are not aware of danger and potential threats until they happen. Because tourists can be easily identified due to their behaviours they become easy marks for offenders. The official authorities have the obligation to guide the tourists to avoid such crimes by for instance, offering brochures of marked qualified service suppliers or other notes on travelling. But most important if the authorities have to play the role of management to prevent such criminality against tourists.

6. RESEARCH

A research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It is a framework of the research plan of action. The objectives of the study determined during the early stages of the research are included in the design to ensure that the information collected is appropriate for solving the problem.(Zikmund, P61, 2000)

This research is conducted to obtain the image and impression about the current situation of Hainan Island in the opinion of the tourists in general perspective. In addition, finding out what has changed since the massive development implementation and whether the changes are positive to either tourists or local dwellers.

6.1 Questionnaire

The questionnaire was completed in October, 2010. 80 copies of the questionnaire were handed out at a travel agency office and 44 feedbacks were collected.

The questionnaire (Appendix 1 and 2) includes eight quantitative questions, four qualitative questions and 7 sub-questions altogether. The survey starts with an opening question by investigating the nationality of the respondents to categorise the samples in order to demonstrate the differences among the tourists by countries for the following questions. Questions 2-7 are designed to examine the image of Hainan by investigating the motivation, emotion and perceived impression. Questions 8-11 are designed to filter the respondents and define the changes based on their experience

6.2 Validity and Reliability

Reliability applies to a measure when similar results are obtained overtime and across situations. Broadly defined, reliability is the degree to which measures are free from error and therefore yield consistent results (Zikumd, P280, 2000) Researchers initially assume that the measure determines reliability. If responses are unreliable, we first look at the question, instruction, and so forth, to be at fault before looking at the respondents (Burns and Bush, P329, 2001)

Validity addresses the problem of whether a measure measures what it is supposed to measure (Zikumd, P281, 2000). Validity is completely different from reliability; it is possible to have perfectly reliable measurements that are invalid. Validity is defined as the accuracy of the measurement: it is an assessment of the exactness of the measurement relative to what actually exist (Burns and Bush, P332, 2001).

6.3 Data Analysis

Nationality	Frequency	Percent
China	21	46,7
South Korean	13	28,9
UK	10	22,2
Total	44	100,0

Figure 1. Nationality

Where are you from

Three groups of tourists are chosen at the beginning of the survey for purpose by their nationality. The South Korean and British tourists are the majority segments of inbound travellers in Hainan (See Chart 2). In order to conduct the survey reliably, the questionnaires were given to 5 groups of 80 tourists in total, 3 groups of 46 tourists are Chinese with 21 feedbacks, 1 group of 24 tourists are South Korean and 1 group of 10 are from the UK.

Chinese tourists are always the largest segment of all travellers to Hainan in the history; it leads to the tourism development projects of all levels of government being emphasised on the domestic market.

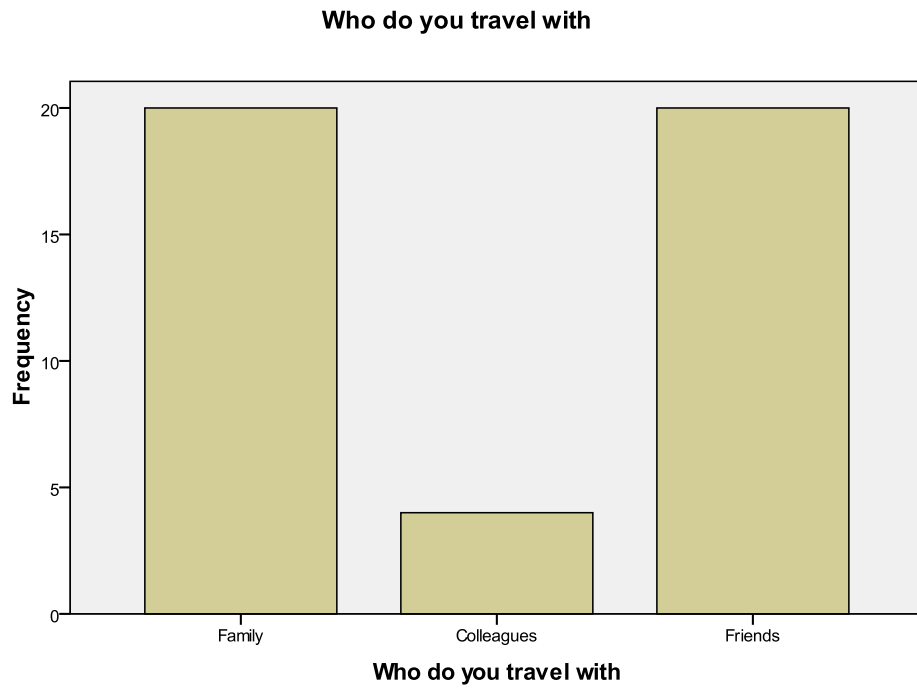


Figure 2 Who do you travel with

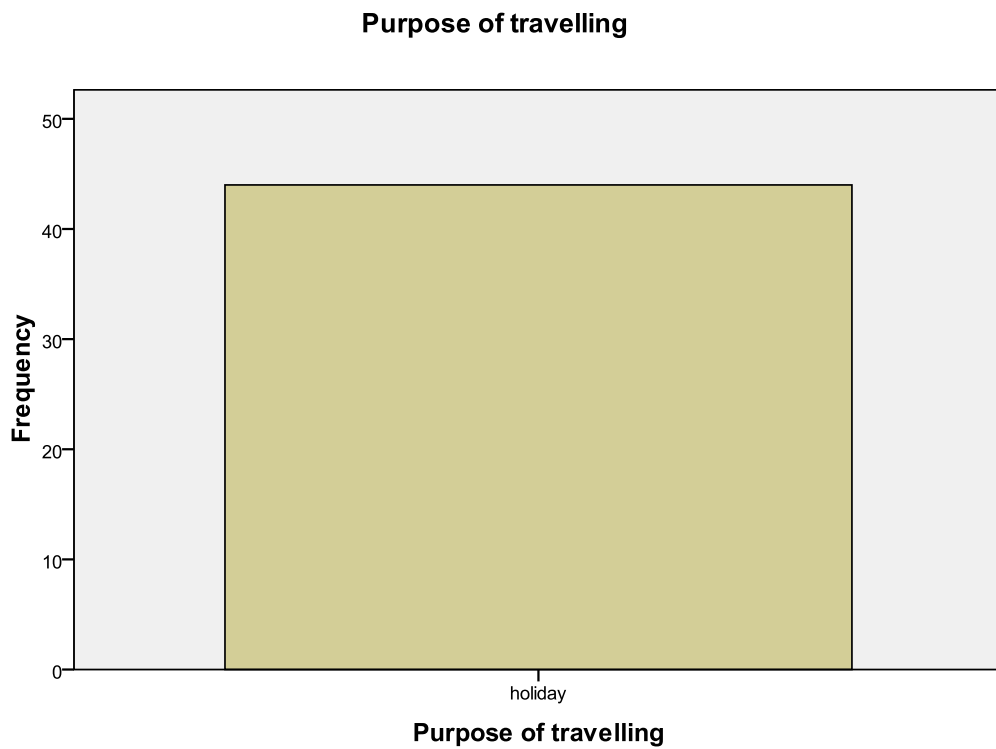


Figure 3. Purpose of travelling

Who do you travel with

Why do you travel to Hainan

40 out of 44 respondents travelled with family and friends, and 44 out of 44 express that they travel to Hainan for only holiday purpose. These two figures illustrate that tourism resources is the key attraction of Hainan as a tourism destination.

However, on the other hand, the attractions as an international tourism destination are narrow; none of the respondents travel to Hainan with any other motivation such as business trip, study or event tourism. This phenomenon corresponds to the opportunity analysis of SWOT analysis; Hainan still has the potential to expand the market and its reputation from its tourism development.

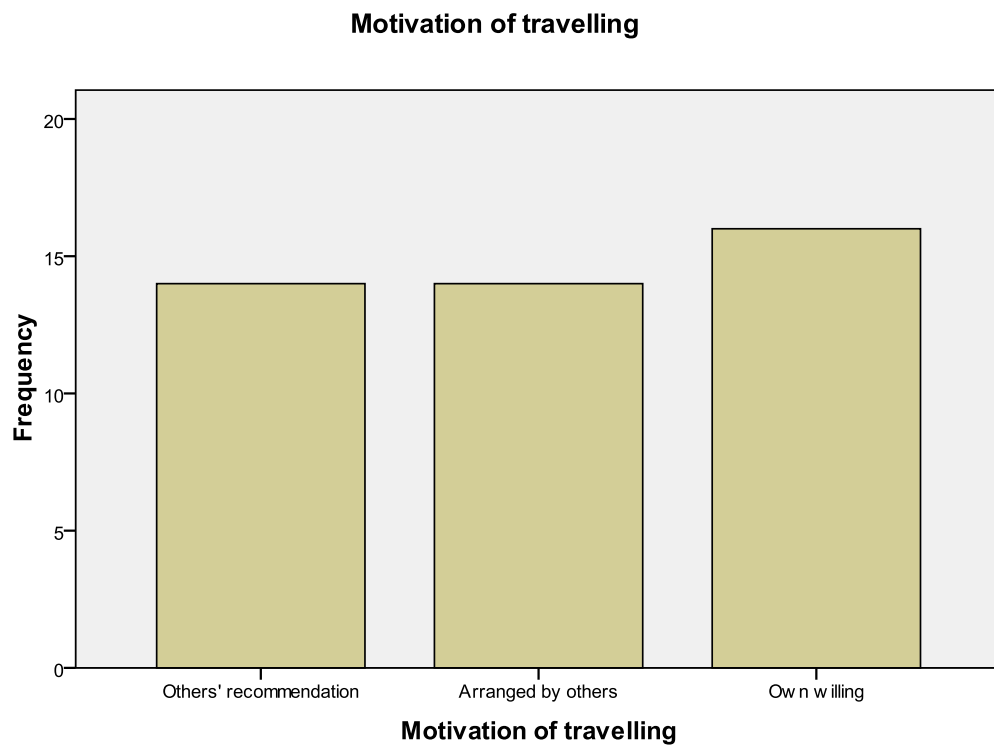


Figure 4. Motivation of travelling

What makes you want to travel to Hainan?

The feedbacks are averagely distributed, the domestic tourists travel to Hainan mostly as their own idea, in contrast, the inbound foreign tourists travel mainly by others' recommendation or arrangement. The reputation of Hainan must still be improved.

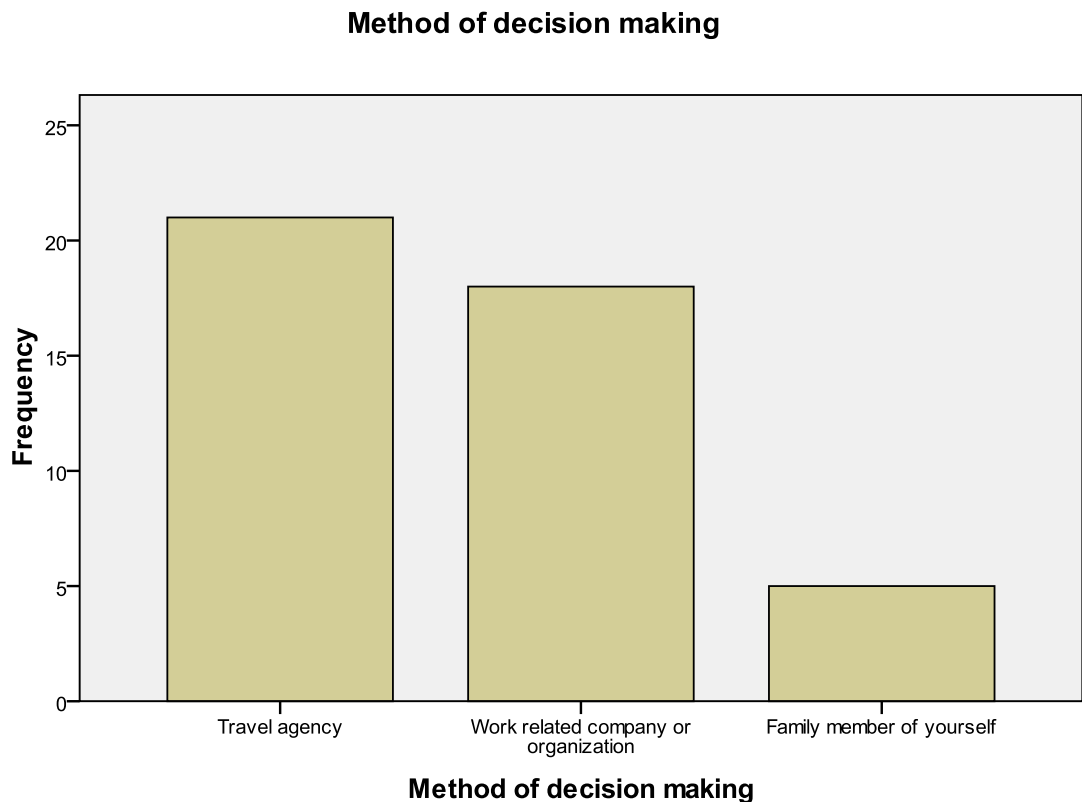


Figure 5. Methods of decision making

By which way did you choose to travel to Hainan?

The world is connected more closely and the accessibility to Hainan is increasingly convenient. However, only 5 out of 44 respondents chose to make all the selection of service providers by themselves. The quality of service providing determines the satisfaction of the duration, the illustration of figure 5 could be a positive feedback for the tourism providers as well as it can be risky if the resources and management are unqualified and the service providing is monopolised by them especially in Hainan as the analysis in weakness.

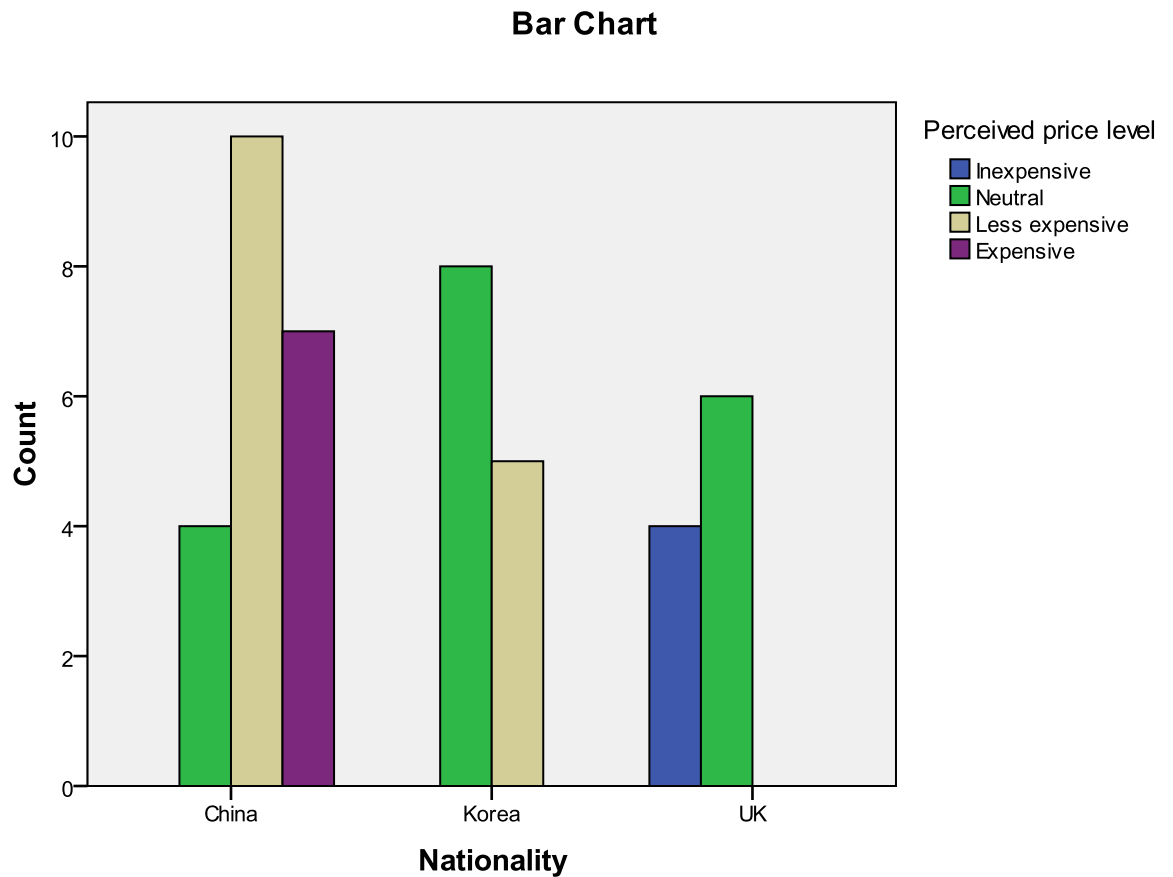


Figure 6. Perceived Image, Price

Perceived Image of Hainan, Price

It has been clearly illustrated that the perceived overall image of price in Hainan is various. The reflected recognition is differentiated directly by the income level and living cost of the countries of each segment represented. Tourists from the UK have the highest average income level among the groups and they think that overall price is low; tourists from South Korean think the price is in a neutral level and less expensive; the Chinese tourists consider the price much more than the others.

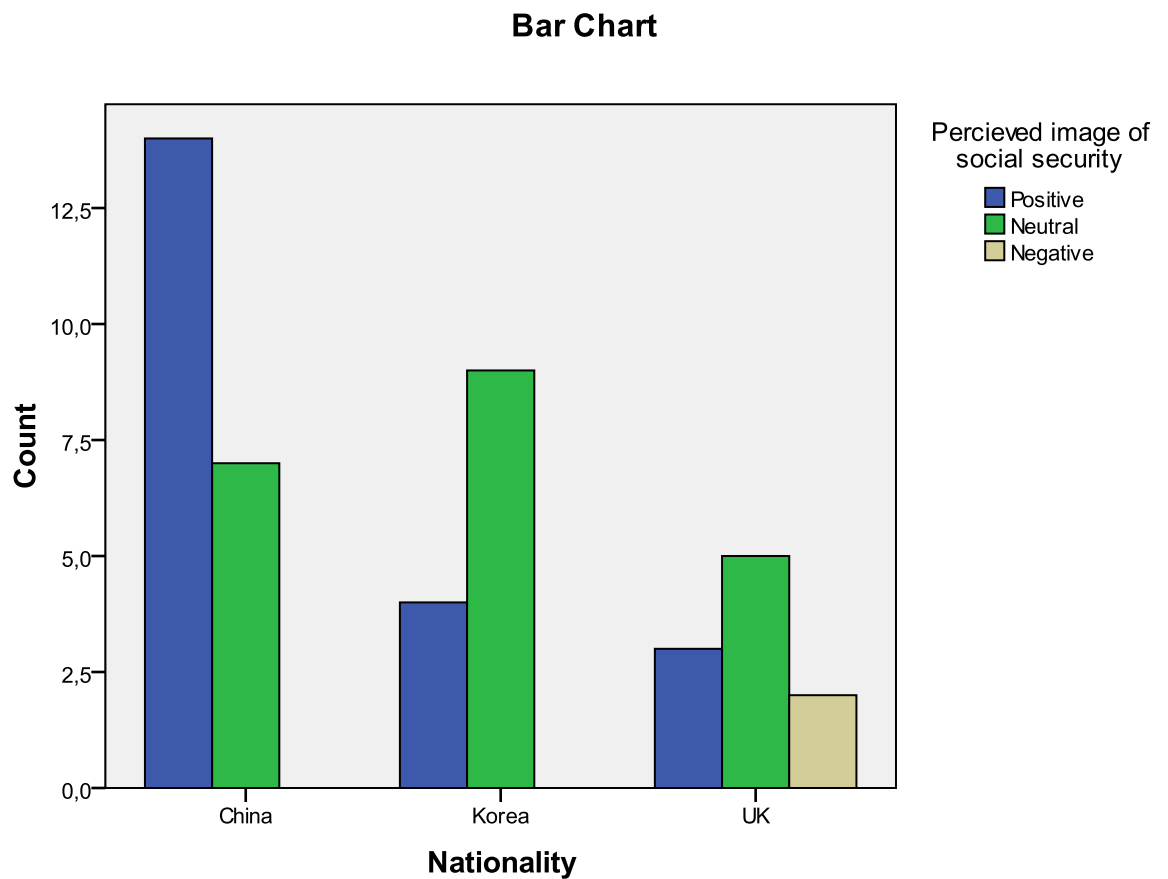


Chart 7 Perceived Image, Social Security

Perceived Image, Social Security

Safety issues can be a factor to be credited in the decision making for the tourists before the planning a trip. It seems agreed that the social security is positive in Hainan. However, in the feedbacks of qualitative questions, several respondents express their anger on being cheated in restaurants.

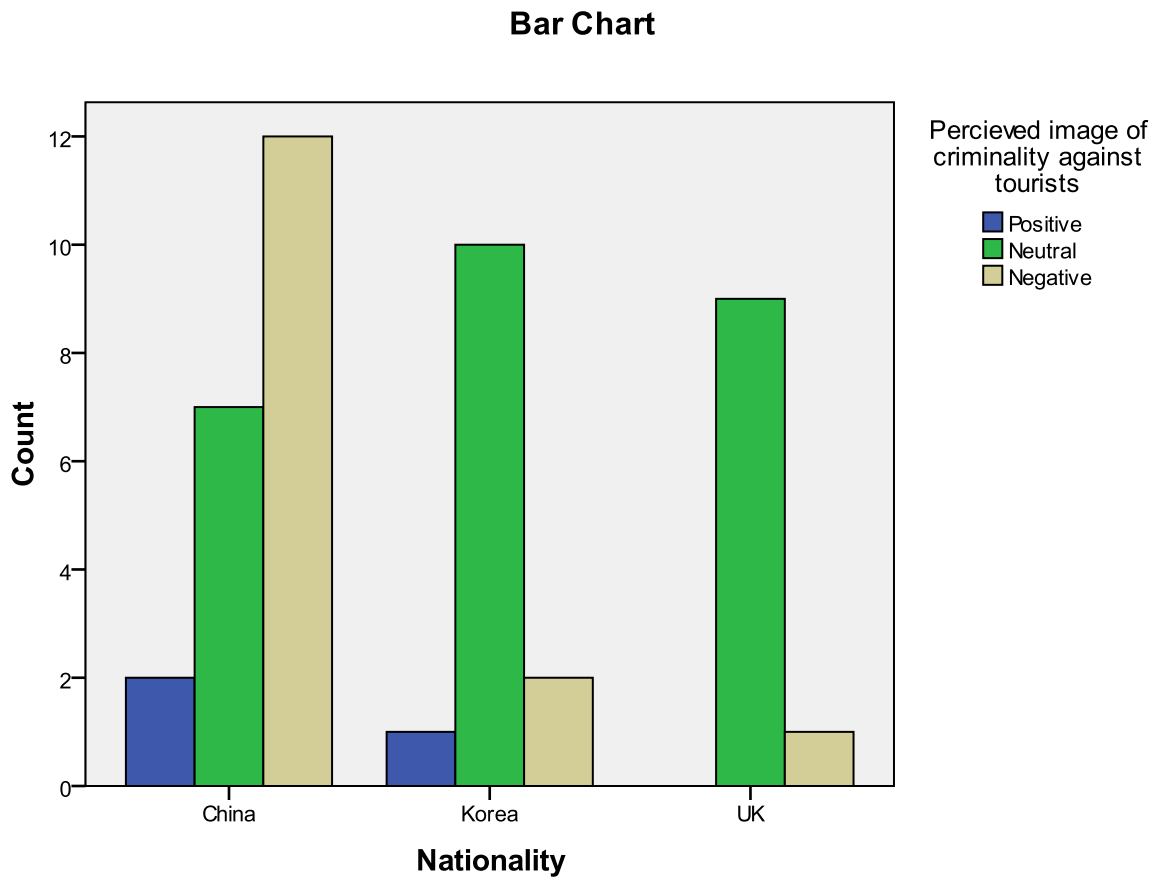


Chart 8. Perceived Image, Cheating Against Tourist

Perceived Image of Cheating Against Tourists

A large percentage of negative images of this issue was responded by the domestic tourists. This cannot be a coincidence as numerous relevant reports can be found on the press.

The tourists from South Korean and the UK did not respond too much. It does not mean they were not cheated, the possibility exists that they did not understand they were being cheated because of the language barrier.

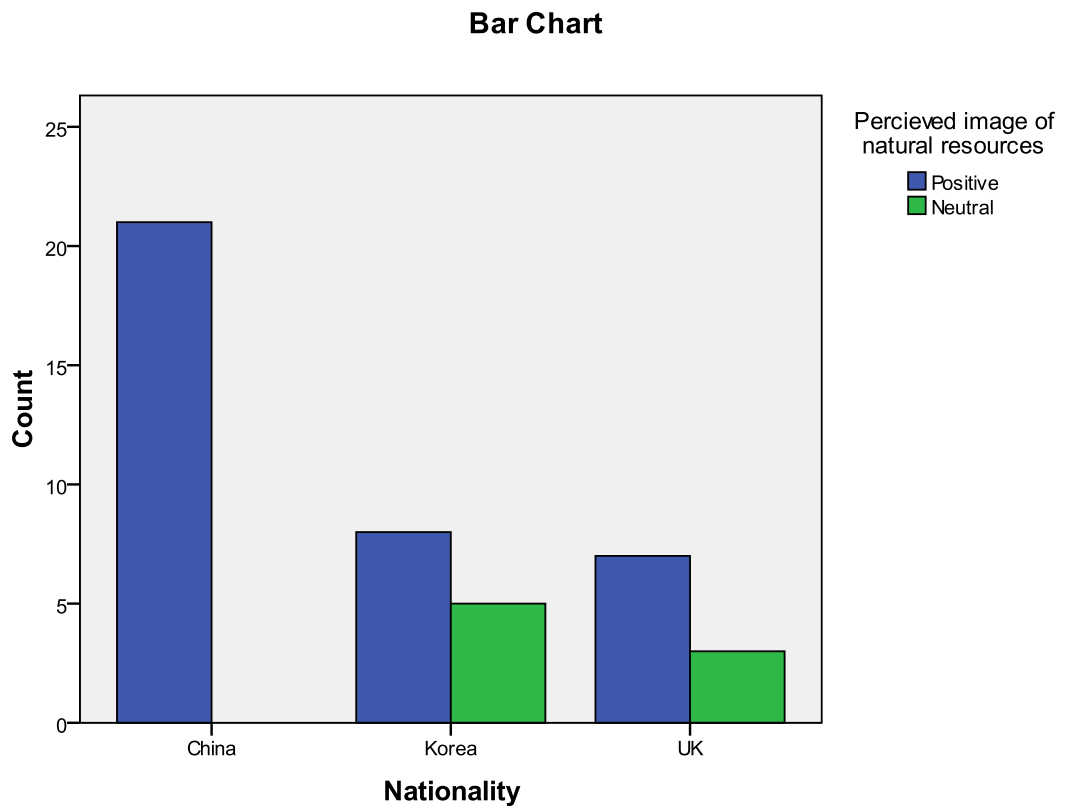


Figure 9. Perceived Image, Natural Resources

Perceived Image, Natural Resources

As an essential element of Hainan tourism attraction, natural resources have been given rather high comments by the tourists. Besides, the overall tourism environment can be kept in a positive statue after suffering destructive development is worthy to celebrate.

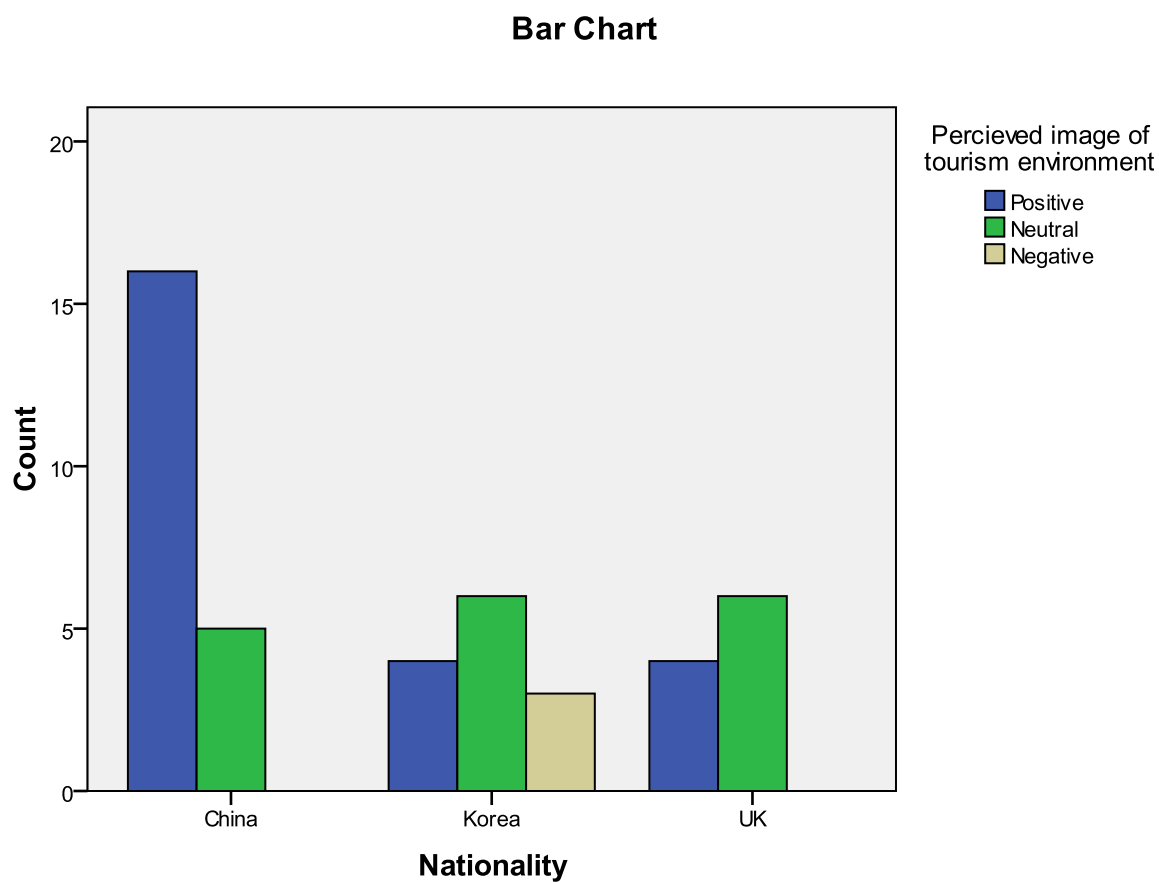


Figure 10. Perceived Image, Tourism Environment

Perceived Image, Tourism Environment

The responses on the image of the tourism environment are as good as those on natural resources. These two sectors are tightly connected in many cases as a long-term development area of a tourism destination. Favourable natural tourism resources offer a basis for developing tourism business in the destination and a well developed tourism environment provides managerial advantages to the tourism resources in sustainable perspective.

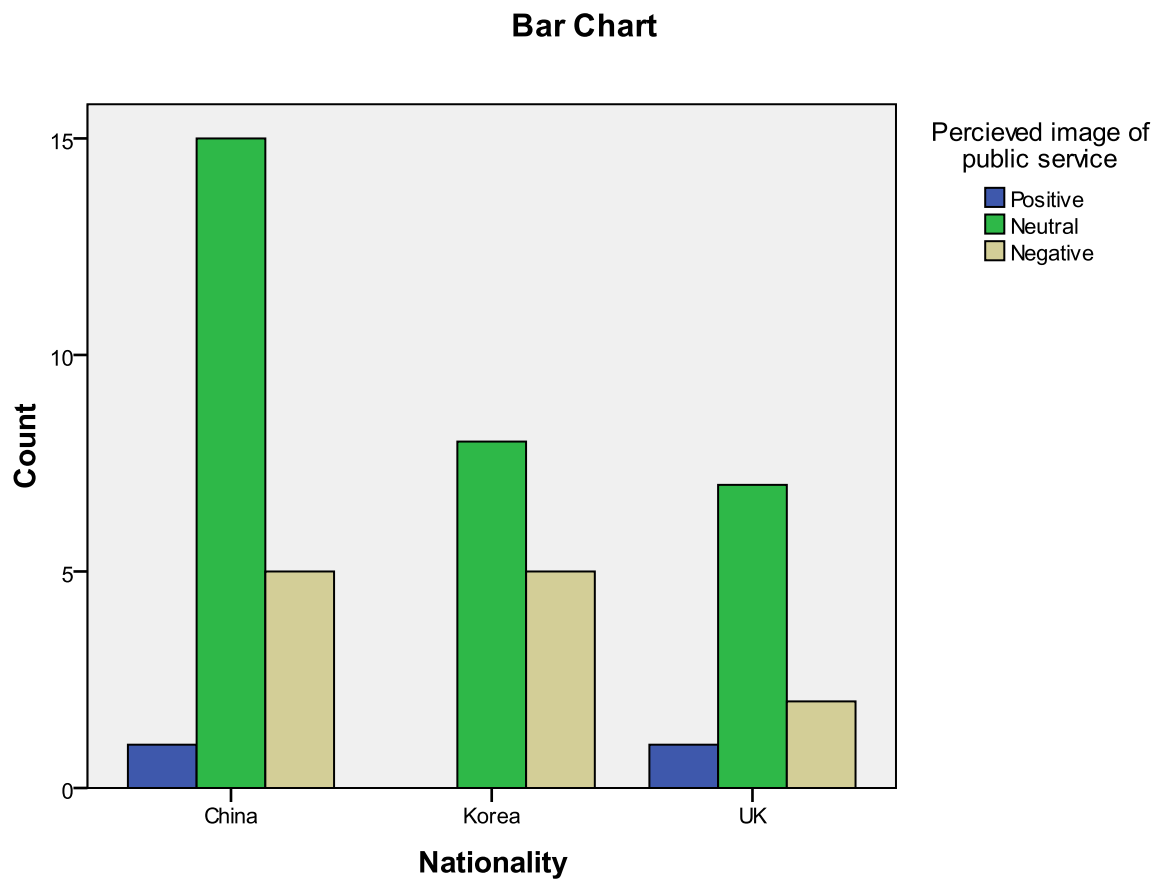


Figure 11. Perceived Image, Public Service

Perceived Image, Public Service

The majority of the respondents reflect neutral and negative on the public service in Hainan. Hainan infrastructure development has been restricted by the low regional economic growth. Even though large amount of service facilities have been under construction by the massive governmental and social investment, the gap between the needs and expectation still exist.

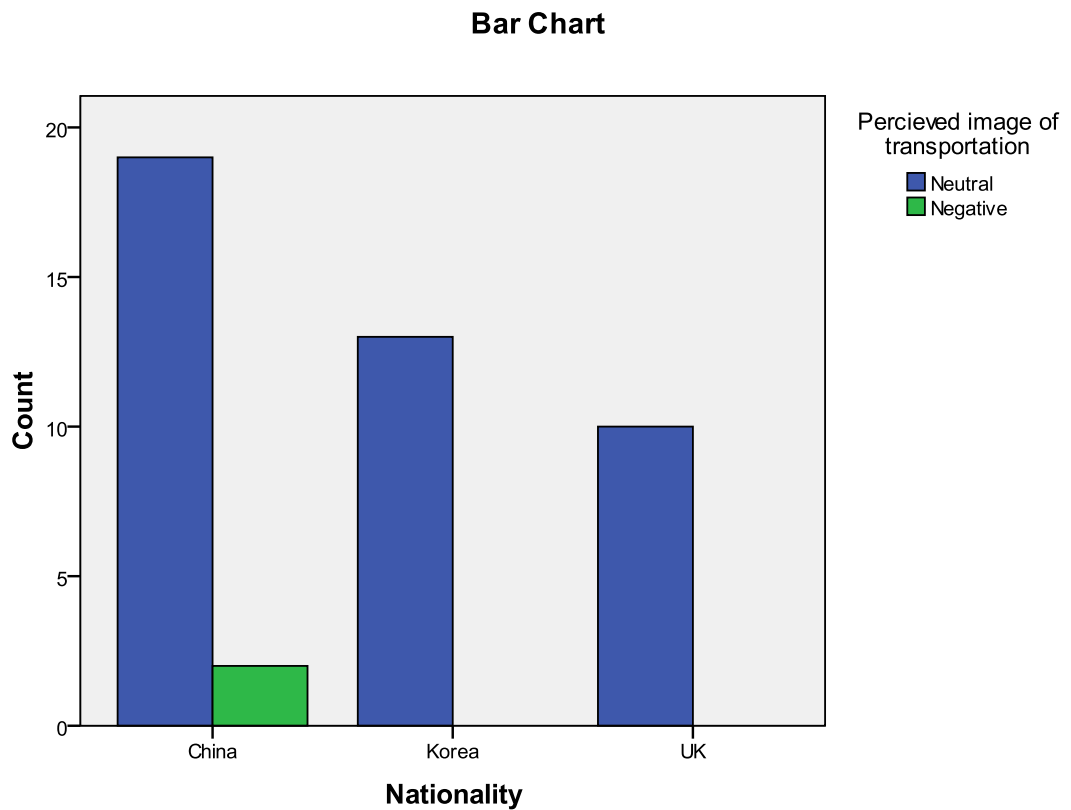


Figure 12. Perceived Image, Transportation

Perceived Image, Transportation

Hainan is an isolated island and connected with the mainland by only one railway and a domestic airport and one international airport. In addition, with the lack of internal transportation development, it becomes a priority issue to be solved to start unlocking the restriction of regional tourism business improvement.

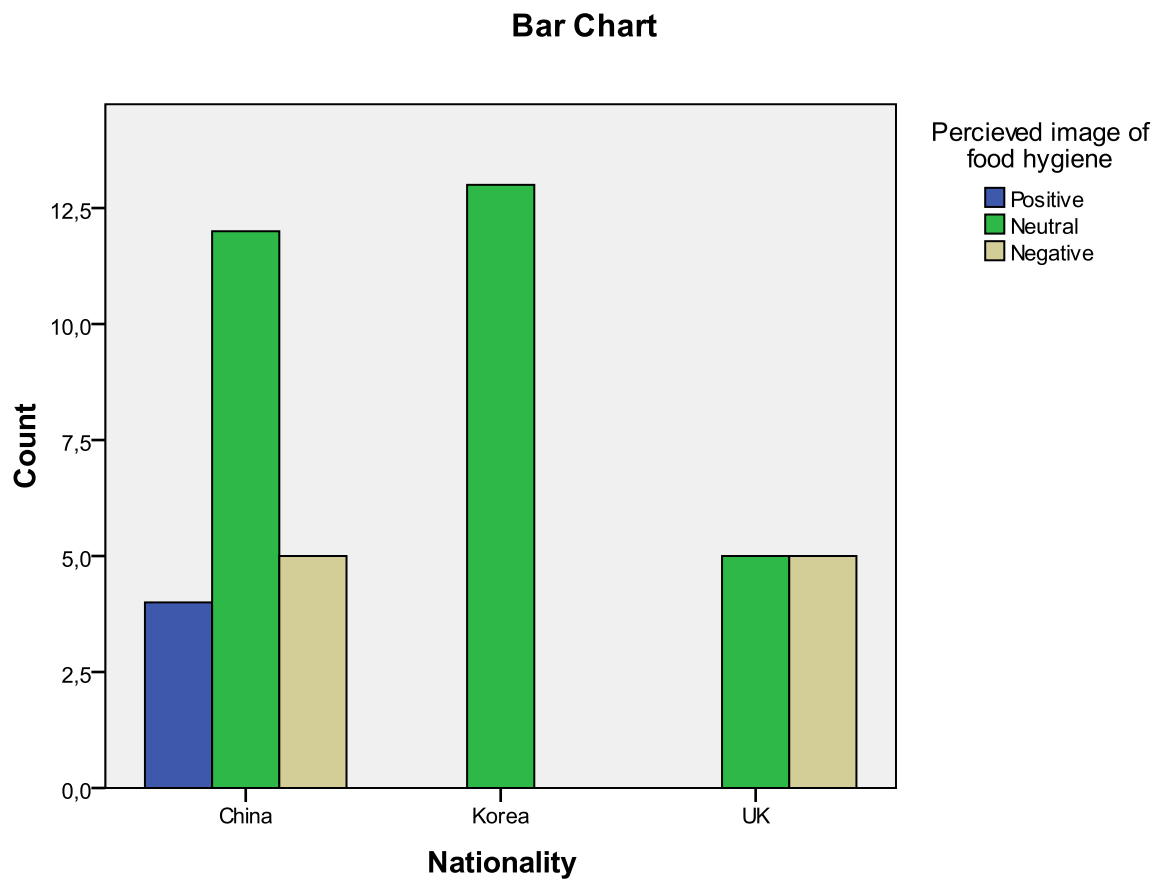


Figure 13. Perceived Image, Food Hygiene

Perceived Image, Food Hygiene

The high quality of food hygiene has been the basic standard of hospitality business. It does not display only the physical health but also the civilization and brand of the region or even the nation somehow. 4 out of 44 respondents consider the quality of food hygiene is good, the reflected image of this question displays a lower satisfaction than expected. The potential hazard exists to harm the image of international tourism island.

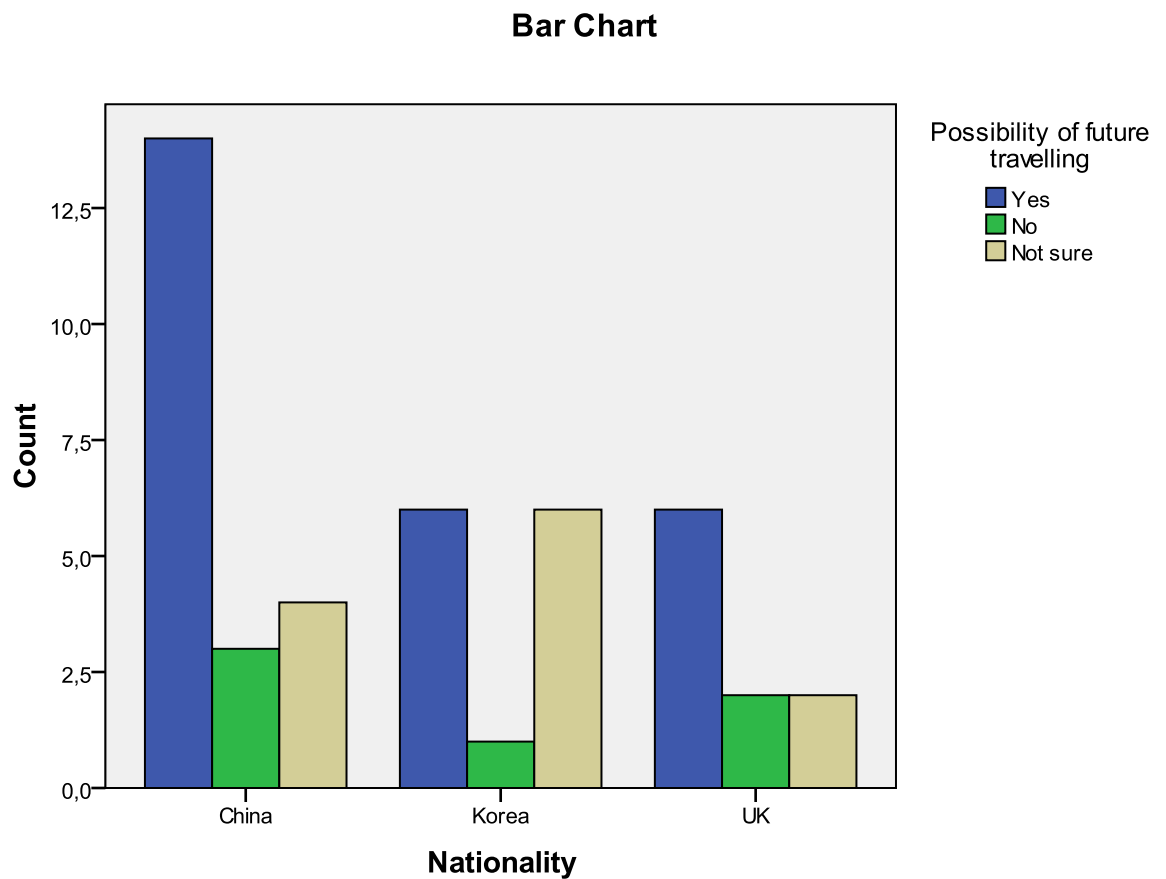


Figure 14. Possibility of Future Visits

Do you think you will travel to Hainan in the future again?

60 percent of the respondents express their possible willingness to travel to Hainan in the future again. The overall tourism environment contributes to this good news in the positively efforts. Therefore as the ongoing international oriented tourism development project, the competitive advantage would be enlarged in the future as well.

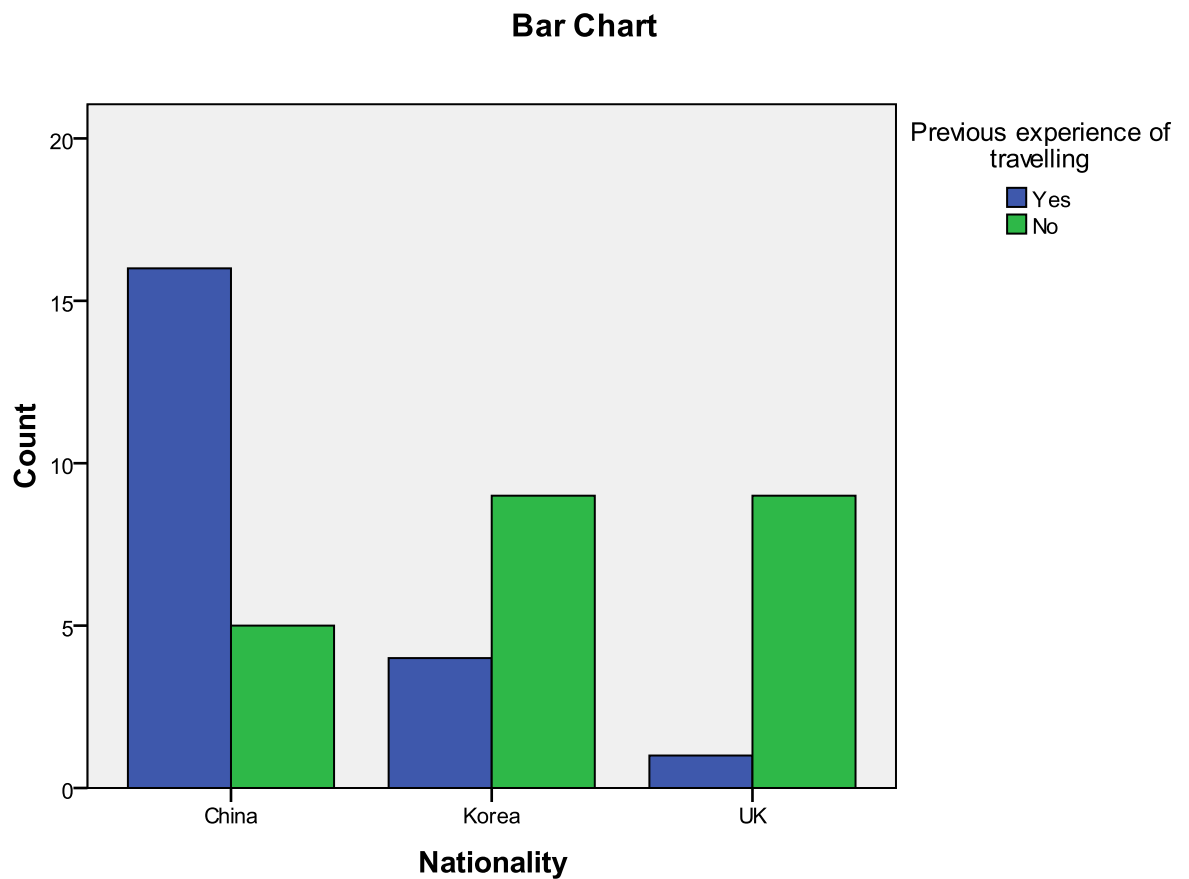


Figure 15. Previous Experience of Travelling

Previous Experience of Travelling to Hainan

This question was designed as a filter for the following two qualitative questions and for demographic data collecting purposes.

The figure demonstrates that the inbound foreign tourists have previous experience at travelling to Hainan reasonably less than the domestic tourists. In addition, the further the distance to the destination the less previous experience they have.

Qualitative question

What do you think is better compared to your previous experience?

Infrastructure	12 respondents
Service facilities	9 respondents
Public service	7 respondents
Hospitality professionals	6 respondents
Food	2 respondents
Transportation	2 respondents

21 out of 44 respondents participated in giving feedback on this question. Ten respondents consider the public service, and the professional service is to be better than their earlier trips. 15 respondents consider the infrastructure and service facilities better than before.

After long-term regional development and governmental support, the social infrastructure service has been increasingly improved, and distributes to each sphere of the destination as well as the skills of tourism professionals. These comments testify the contribution of service oriented development by the society, and the improved brand image of Hainan as an international tourism destination.

What do you think is worse compared to your previous experience?

Overall cost	16
Price of the trip	11
Entrance fee	10
Tourism resources	8
Cheating on tourist	8
Tourism environment	7
Hospitality professionals	6

21 out of 44 respondents answered to this question. 21 of them complained about the rising of the costs during the trip. 16 have complained about the deterioration of tourism resources and environment.

Six complaints are addressed on the hospitality professionals, which form a contrast against the feedback of previous question with six praising professional service. It demonstrates an image that the skills of hospitality professionals are un-standardised.

The most attention should be drawn on the complaints of “Cheating on tourist”. This is a serious issue to an international perspective destination. It is not only a matter of individual behaviour but also reflects the managerial, cultural and hospitality oriented problems.

8 out of 21 respondents have been through the experience of being cheated. 38%, such high rate should be considered by government and tourism suppliers when regional managerial strategy is formed. In fact, the rate could be higher than collected in reality, as the figure “Perceived image, cheating on tourist” shows 15

of 44 respondents as being cheated, and the possibility of unawareness of such behaviour still exists. The general credibility of tourism suppliers should be improved as soon as possible.

7. CONCLUSION

Tourism development is the key generator of Hainan's regional improvement strategy to achieve the goal of being the top tourism destination in China. The ongoing development plan brings to Hainan in both positive and negative social impacts since the year 1990. Both tourists and local inhabitants benefit and interfered from the change consistently. Hainan Island has experienced great changes on all areas of society with 20 years of development.

7.1 Suggestions for Hainan Island's Tourism development

The possibility of tourism business improvement exists if the management can be done in order to promote the Hainan's tourism environment:

1. The government should adjust its priority of decision making from tourism to a balanced development perspective. Event tourism is still a slowly growing business in Hainan, the funds on venue investing or relevant constructions can be channelled back to the social public service facilities. This fulfils the current practical needs as well as the long term requirements of Hainan Island.
2. Taking actions on controlling the price level in Hainan. Hainan's overall price level has become incredibly high; it influences the tourism business in a negative way in terms of living and travelling. The government should issue acts to control the price level back to normal track to maintain the healthy development of Hainan' tourism industry.
3. The authorities should pay more attention to qualified and standardised management in the tourism market in Hainan, especially among the tourism

suppliers. Preventing criminal acts against tourists is the essential task that should be considered by Hainan's decision makers. The image of a top international tourism destination is determined only by whether a creditable reputation can be formed not by the dissemination but the service quality of tourism operators.

Tourism is one of the world's most promising industries; therefore the well managed solution for negative impacts should be equal to the priority of tourism. There are no negligible matters in tourism; the consequences of negative affairs are unpredictable. And in most cases, it brings only disaster.

7.2 Suggestion for future research

The social impacts resulted by tourism development concerns many issues, some of them have already discussed within this study, preferential policy, rising of price level and criminality, are parts of them. There are also other impacts such as employment, changes of local inhabitants' identity and impacts on local's behalf etc which are not discussed in this study due to the restriction of my ability and limited information sources. On the other hand, the impacts on these sectors are too inconspicuous to detect since the overall development statues in Hainan Island are huge and the impacts caused by the latest massive tourism development projects have not yet been demonstrated.

A comprehensive research can be done by focusing on these aspects in Hainan Island in the future. Once more and more relevant and reliable sources are published, future researcher can dig deeper the issues by studying official systematic statistics and reports more objectively.

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APPENDIX

Appendix 1 Questionnaire

Appendix 2 Questionnaire in Chinese

Appendix 1

This questionnaire will be conducted anonymous

1. Where are you from_____

2. You travel to Hainan with

Family Business partner Colleagues Friends Alone

Others_____ (Please specify)

3. You travel to Hainan for

Holiday Business Pass by

Others_____ (Please specify)

4. What makes you want to travel to Hainan?

Friend recommendation Arranged already by others Your own will

Others_____ (Please specify)

5. By which way did you choose to travel to Hainan

Tourism agency Work related company or organization

Your family member or yourself

6. What do you think about the overall price in Hainan

Inexpensive Neutral

Less expensive Expensive

7. What do you think is positive or negative of your perceived image about Hainan during the duration

Positive	Neutral	Negative	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Social security
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Con to the tourists
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tourism environment
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Natural resources
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Public service
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Transportation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Food hygiene

If you have comments about anything that is not on the list, please feel free to write them down.

8. Do you think you will travel to Hainan in the future? _____
Why? Please state the reason below
9. Is this your first time travel to Hainan? _____
(If **Yes**, please skip all the questions below, the questionnaire is done. Thank you very much for your time and corporation.)
(If **No**, please keep on finishing this survey)
10. What do you think is **BETTER** compare to your previous experience?
11. What do you think is **WORSE** compare to your previous experience?

The questionnaire has been done, thanks for your time and cooperation! Have a very good time in Hainan!)

Appendix 2

此问卷将采用不记名方式处理

1. 您来自哪里 _____

2. 谁与您同行

家人 工作伙伴 同事 朋友 独自旅行

其他_____ (请说明)

3. 您到海南来是为了

度假 工作 经过

其他_____ (请说明)

4. 您为什么想来海南旅游

朋友推荐 他人安排 自己想来

其他_____ (请说明)

5. 您是通过什么方式确认来海南旅行

旅游公司 工作关系 家人或朋友

6. 您觉得海南的总体物价如何

不贵 一般

有点贵 很贵

7. 在海南的这段时间，您觉得哪些方面比较好，哪些方面比较不尽如人意

好	一般	不好	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	社会治安
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	欺骗游客
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	旅游环境
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	旅游资源
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	公共服务
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	交通
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	食品卫生

如果您有对其他任何不在此列表上的事物想评价，请在此列出

8. 您未来还想来海南旅游吗_____

为什么，请写下原因

9. 这是您第一次来海南旅游吗? _____

(如果是的话，请跳过后面的问题，问卷调查已结束。非常感谢您的参与与帮助！)

(如果不是，请继续完成下面的两个问题)

10. 与您上一次来海南旅游相比, 您觉得哪些地方比以前好了?

11. 与您上一次来海南旅游相比, 您觉得哪些地方比以前不好?

**问卷调查已经结束, 非常感谢您的参与和帮助。
祝您在海南一切愉快!**