



The Market Orientation and 4P Strategies of Ailing River

Drifting Scenic Spot

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Abstract

Based on a feasibility analysis on the product and source market orientation of the Ailing River Drifting Scenic Spot, this article explores its product quality as well as market strategies in four aspects including product, price, promotion and place.

Keywords: Ailing River drifting, Market orientation, 4P strategies

Drifting tourism refers to a variety of tourism activities organized by some drifting enterprises in which tourists take boats, rafts, dinghies and so on in a certain water area. As one of the four permanent travelling programs, including recreation, camping, picnic and drifting, it is a surprising instead of dangerous outdoor activity in which tourists can take an active role. Actually, its adventurous, challenging, surprising but not dangerous features appeal to modern tourists, especially middle-aged and young ones' psychological demands for excitement and adventures. As a result, this activity is quite popular in China and has bright future in terms of market development.

1. Survey of Ailing River Drifting Scenic Spot and Its Source Market Orientation

Ailing River Drifting Scenic Spot, located in an area spreading from Huangniao Unit of Nitang Village to Ailing Unit of Jianxin Village in Jiangdi of Longsheng County in Guilin City of Guangxi Province, is 119 kilometers from Guilin. Its drifting river extends for 4.5 kilometers and has a drop of 79 meters as well as an average 15/1000 falling gradient. This scenic spot is an organic whole with ecological, entertainment and cultural functions propped up by Longsheng Hot Spring and characterized by light and night drifting.

In order to get a better understanding of the distribution of potential source market of this scenic spot, its market department organized a survey in Datangwan Ethical Village, Longsheng Hot Spring(including Center Hotel and Longfu Mountain Villa) on May 24 and May 26, 2007. In 200 questionnaires sent out to potential tourists, 187 ones were valid and 11 were not, with the returning rate of 99% and the validity rate of 94.44%.

It is shown in this survey that 30% of the tourists are from Guangxi, 64.29% of them are from Guilin and others come from Nanning, Liuzhou, Wuzhou and some other areas. Besides, there are also a great number of tourists from Guangdong and Hunan, accounting for 27% and 16% respectively of the total tourists. 17% are from Yangtze Delta, in which Jiangsu accounts for 8%, Zhejiang 5% and Shanghai 4%. There are also a small number of tourists from Beijing, Tianjin, Yunnan, Guizhou, Sichuan and Hubei.

Based on the above survey, the distribution of tourists to Longsheng Hot Spring, the geographical features, tourism resources and current situations of Ailing River as well as an objective analysis on domestic and foreign tourism markets, we establish the market orientation of Ailing River Drifting Scenic Spot as follows: inside Guangxi, cities and regions surrounding Longsheng, especially Guilin, Nanning and Liuzhou should be regarded as key markets, while outside Guangxi, Hunan and Guangdong should be focused on and Beijing, Tianjin, Tangshan as well as the Yangtze Delta should be developed. A more specific scheme comes next:

First-class target market: Guilin, Nanning, Liuzhou and Hunan, Guangdong (focused on the Pearl River Delta)

Second-class target market: Beijing, Tianjin, Tangshan, the Yangtze River Delta

Chance source market: other developed areas in China and their neighboring provinces.

2. Feasibility Analysis of Source Market Orientation

2.1 Analysis on the Tourism Development Background of Longsheng and Its Hot Spring Scenic Spot

Tourism in Longsheng began in 1985. Since "relying on tourism to aid the poor" was put forward in Longsheng County in 1993, tourism has been developed as a pillar industry in the local economy. During the past two decades, its tourism

has made great advance. At present, this industry is achieving rapid development in Longsheng. In 2006, it received 660,000 tourists, increased by 14% compared with the same period last year, and gained 274,000,000 yuan as profit, increased by 44% compared with the same period last year. Among the total tourists, there were 102,494 inbound tourists, increased by 65% compared with the same period last year.

As one of the key scenic spots in Longsheng as well as a major one to earn profit, Hot Spring Resort has gained rapid development during the recent years. Table 1 shows the number of tourists as well as tourism revenue during 2000 to 2006 based on its annual business statistics these years.

According to the above table, 2004 was a dividing line in the number of tourists to Hot Spring Resort, in the three years before which it remained on the rise while after which there was a decline in the number of tourists due to the rise of entrance fares caused by the establishment of Center Hotel. In 2005 the number came back to 154,000 and it set a new record of 166000 tourists in 2006. Luckily, the revenue has been on the rise during the past years, even in 2004 with declined number of tourists.

The prosperity of hot spring tourism can have strong radiating function on the tourism of Jianxin Village in Jiangdi Country in that it will provide some tourists for this area and reinforce the publicity of this area's tourism image. In order to develop tourism in this area, this hot spring market should be relied on, whose tourists can be attracted to other scenic spots and will stay longer than planned, hence spending more money there.

2.2 Analysis on Competitors

Currently, there are two companies dealing with drifting tourism near Longsheng Hot Spring Resort, one of which is Jiujiang Drifting Club established in 1998, running the 6-kilometer river from Jiangdi Government to Fengtai Bridge and the other is Yanmen Drifting Company Ltd. Established in 1996, running the 4-kilometer river from Fengtai Bridge to Red Army Rock.

Table 2 shows the two companies' operation statistics from 1998 to 2006.

During 1996 and 1997, Yanmen Drifting Company Ltd. was managed by People's Bank of China and not until 1998 was it handed over to Longsheng Tourism Bureau. From 1998 to 2002, the two companies operated separately. During that period, there has been some fluctuations in the number of tourists: there was a 42.9% increase in 1999 compared with that in 1998 but there was a decline in revenue in 2000 due to the lower ticket fares and there was a sharp decline in the number of tourists to 4000 from 2001 due to the traffic inconvenience caused by the repair work of 321 National Way. Similarly, Jiujiang also achieved an increase in the number of tourists in 1998 and 1999 and had more than 3000 tourists during 1999 and 2000. Also influenced by the repair work of 321 National Way, it had much fewer tourists in 2001 and 2002. Then in 2002, the two companies turned to cooperation and gained great achievements.

After one year's cooperation, they returned to separate operation in 2003. During that year, influenced by SARS, these two companies only had 60% of the tourists in the previous year.

In 2004, Hot Spring Center Hotel was open. Due to the largely expanded cost, the ticket fares increased from 30 yuan to 98 yuan per person, resulting in a sharp decline in the number of individual tourists, who used to be the major source of drifting tourism. Therefore, they signed a cooperation agreement and divided their customers according to the age of tourists. Jiujiang mainly deals with middle-aged and old people as well as children because of its gently sloping river while Yanmen mainly deals with young people due to its great drop and large amount of water. This special cooperative operation has continued up to now. It is shown in the above table that Yanmen has had better operation results than Jiujiang due to its more appealing tourism product.

2.3 Analysis on Major Domestic Target Markets

2.3.1 Guangxi

Guangxi Market is one of the most important source markets in whole Longsheng County, especially Guilin, Liuzhou, Hechi and Nanning. Among them, Liuzhou is a key industrial city in Guangxi, or even whole Southwest China, and due to its vicinity to Guilin and its high residents' income, a lot of people travel to Longsheng. Nanning, the capital of Guangxi, with its population of 2,450,000 and high residents' income, has a wide tourism market. The above three cities are the most important source markets in Guangxi and therefore, are markets that should be developed and strengthened with more efforts. In addition to them, Hechi and other developed cities in southeast Guangxi should also be focused on in the near or mid-term future.

2.3.2 Hunan

Shaoyang City of Hunan Province, only 2-3 hours' ride away from Longsheng Hot Spring, has long been an important source market for Longsheng tourism especially its hot spring resort. Ever since the mid 1990s, people from Hunan have been accustomed to travelling in Longsheng. With the economic development in Hunan in the recent years, it will play a more important role in Longsheng tourism in the future. Since the change in the ticket price in 2004, there has

been a decline in the growth rate of Hunan tourists. However, it is picking up in the recent years. In the future market publicity and development, Hunan should be regarded as one of the most important source markets in Ailing River's marketing efforts.

2.3.3 Guangdong

Guangdong, one of the most developed provinces in China, ranked fifth among all with its per capita GDP of 28,077 yuan in 2006 and achieved a 12.9% increase. According to the latest statistics, on the list of the cities with top per capita dispensable income, there are five cities in the Pearl River Delta among the top nine ones, with Dongguan and Shenzhen ranking first and second respectively. Because Guangdong residents have not only high income but enthusiasm for travelling, especially to Guangxi and Hainan, this area is the most important source market for Guangxi as well as Guilin. In the recent years, there have been an increasing number of self-travelling tourists, who will become one of the most important tourist flows at Guilin self-driving tourism market. For a long time to come, Guangdong should be regarded as one of the most important source markets outside Guangxi in the development strategies of Ailing River Scenic Spot.

2.3.4 The Yangtze River Delta and the Beijing-Tianjin-Tangshan Area

Some large and medium cities in the Yangtze River Delta and the Beijing-Tianjin-Tangshan Area are the major sources for national tourism in China, especially Beijing, Tianjin, Shanghai, Ningbo and Hangzhou because of their developed economy, high living standards and affordability of long-distance trips. In spite of the long distance between these cities and Guilin (Shanghai-Guilin 1389 km, Beijing-Guilin 1887 km), they have convenient transportation, such as several flights between them. According to some relevant statistics in the recent years, the above two areas have become the most rapidly developed markets among all, especially the Yangtze River Delta. To sum up, Ailing River Scenic Spot should put more importance on the above areas in their efforts to develop wider markets.

3. Major Conclusion and 4P Strategies

3.1 Major Conclusion

Instead of the drifting activity in Ailing River Drifting Scenic Spot itself, which is not attractive enough for the tourists far away from here, the hot spring plays a really critical role. Therefore, this scenic spot should be a secondary part to help to attract more tourists by holding some promotion activities.

Due to the narrower market of drifting tourism compared with others caused by its nature as a kind of adventurous tourism, an intensive marketing strategy should be adopted to design drifting activities with special characteristics to attract more young people to enjoy it instead of non-differential strategy with the hope to attract the whole source market.

3.2 4P Strategies

3.2.1 Product Strategy

More efforts can be made to create a drifting tourism resort with ecological, entertainment and cultural functions based on Longsheng Hot Spring and characterized by light and night drifting.

3.2.2 Price Strategy

Night drifting should be priced according to some pricing strategies for new products, which is generally based on skimming pricing and penetration pricing. However, due to the limited expense standards of the tourists to the hot spring as well as the other two competitors, I think customary pricing should be adopted instead. Besides, due to the higher cost caused by lighting and safety management, cost-oriented pricing should also be taken into consideration.

On the whole, customary pricing should be based on with cost-oriented pricing as a supplementary part. In addition, group tourists and individual tourists should be given slightly different ticket fares.

3.2.3 Promotion Strategy

A mixed promotion strategy should be adopted in which dragging promotion should be focused on and pushing promotion should be supplementary and investment in advertisements and promotion should be guaranteed. Besides, the staff should conduct their direct promotion activities on tourists to encourage them to buy products. In this aspect, brochures can be relied on to promote tourism products because of their pictorial and literal effects, convenience for long-time preservation and availability of information at any time as well as their low cost. Therefore, this medium has become an important channel to build relations with some potential tourists. In the publicity and promotion of Ailing River Drifting Scenic Spot, this method should be adopted to attract those tourists to Longsheng Hot Spring to come here by giving them some introduction of night drifting by displaying some beautiful pictures and words on this printed medium.

3.2.4 Place Strategy

In this aspect, direct sale should be based on and indirect sale can be a supplementary one. Because Ailing River Drifting Scenic Spot mainly faces those tourists to Longsheng Hot Spring, direct sale should be relied on to attract them since they are quite near to this resort. Besides, indirect sale can be conducted by cooperating with some travel agencies in Longsheng and Guilin in order to attract more tourists from other places.

4. Summary

In my opinion, Ailing River Drifting Scenic Spot is a typical small-scale one with only one tourism product, which, restricted by its scale and tourism resources, can not be targeted at the whole source market or promote its product as a widely popular one. Therefore, more efforts should be made to stress its own characteristics, to concentrate its advantages and promote at some specified markets in order to take an active role in the present tourism market.

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Table 1. The number of tourists and revenue of Longsheng Hot Spring Resort in 2000-2006 (data from the statistics records of Longsheng Tourism Bureau)

Year	2000	2001	2002	2003	2004	2005	2006
Number of tourists (in ten thousand)	11.8	12.74	14.65	15.9	13.9	15.4	16.6
Revenue (in ten thousand yuan)	1290	1810	2050	2625	2720	7196	8177

Table 2. The operation statistics of Yanmen and Jiujiang companies from 1998 to 2006

	Yanmen Drifting Company			Jiujiang Drifting Club			Notes
	Annual revenue (yuan)	Number of tourists	Ticket fares/person	Annual revenue (yuan)	Number of tourists	Ticket fares/person	
1998	140,000	7000	20	60,000	3000	20	Separate
1999	300,000	10000	30	61,000	3100	20	Separate
2000	260,000	10000	26	93,000	3100	30	Separate
2001	160,000	4000	30	52,000	1300	40	Separate
2002	300,000	5000	60	80,000	2000	40	Cooperative
2003	160,000	3000	53	48,000	1200	40	Separate
2004	280,000	6000	47	96,000	2400	40	Cooperative
2005	300,000	4500	67	72,000	1800	40	Cooperative
2006	300,000	5000	60	80,000	2000	40	Cooperative