Opportunities and Challenges Brought by Sharing Economy to the Development of World Tourism Cities

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The WTCF Chongqing Fragrant Hills Tourism Summit 2016 identifies Sharing economy and Development of Tourism Cities as its theme, with a major aim to boost the sound development of world tourism cities by applying the development idea of sharing economy and rejuvenate sustainable, inclusive and peaceful development of world tourism.
I. We should have a full understanding of the important role of sharing economy in facilitating the development of tourism cities.
Sharing Economy
Sharing economy, supported by mobile Internet and big data technology and targeting effective utilization of idle resources, is a new economic form which gives a boost to effective use of social resources through paid sharing of right to use.

Tourism
Tourism is a kind of outing experience without the purpose for possession and it represents sharing in essence. As tourism industry serves tourists by integrating various discrete resources, it is naturally with a sharing economy attribute and is the most important application of sharing economy.

• Sharing economy is able to facilitate complete integration of cities and tourism.
More than 60% of modern tourist activities are realized completely or partially by the means of Internet.

Personalized tourism backed up by Internet improves traditional tourism by 30%.

Sharing Economy
Sharing economy creates a new tourism pattern. It can explore and spread potential ideal tourism resources through “self media” and turn them into tourism products with more tourists’ attention, evaluation and visits.
• Sharing economy can improve comprehensive tourism carrying capacity of cities.

If we allocate tourism infrastructures based on the number of tourists in peak season and in the daytime.

Tourism varies with slack season and peak season as well as day and night.

If we allocate tourism infrastructures based on the number of tourists in slack season and at night.
Beijing
Citizens: 21 million
Domestic and oversea tourists in 2015: 270 million
Taxis: 60 thousand
Vehicles available: 1 million

Sharing economy can:

Based on tourism market demand, realize appropriate configuration of resource factors through paid resources sharing without scaling up of urban construction. Therefore, it is of great importance for improvement of a city’s tourism service function.
• Sharing economy can facilitate green, low-carbon and cyclic urban development.

Sharing economy doesn't emphasize possession but advocate paid sharing and transfer of free resources.

• The development idea of sharing economy solves scant social demand through effective utilization of idle resources.

• It can significantly improve tourism reception capability without additional large-scale construction.
In 2015, Tujia.com had had 100,000 guest rooms, equal to the world’s total new guest rooms in 10 years.

**Tujia.com model**

Sharing economic model represented by Tujia.com is important to promote low-carbon tourism development.
Role of sharing economy for environmental protection is increasingly recognized.

- One fifth of household goods of U.S.A.
- Cutting down nearly 13 million tons of consumption on average and reducing carbon dioxide emissions by 2% per year.
- If we share one car, we can reduce car purchases by 13.
- Save 510 million litres of gasoline and cut down carbon emissions by 13.55 million tons.
Sharing economy can increase a city’s independent and flexible employment opportunities.

The United States
USD520 million
In 2014, Uber, Lyft and Siderar combined generated USD520 million in economic growth for America.

Japan
28% of tourists
In Japan, 28% of tourists express that they will cut down their local stay duration in case of no shared house.

China
RMB50 billion
In China, sharing economy has received significant improvement in many fields and turnover of the traveling sector alone in 2015 is conservatively estimated to exceed 50 billion.

Sharing Economy
As sharing economy provides a new way to make a living for lots of people, they can offer their own labor, knowledge and skills without relying on any organization, enabling individuals with flexible work time and enterprises and organizations in lack of flexible labor force to maximize their profits.
II. We should actively respond to shocks and challenges brought by sharing economy to the development of tourism cities.
City

City is the basic unit and main carrier of tourism, as the majority of tourism activities in the world can only be smoothly realized through tourism city, an important hub. Especially in the mass tourism era, tourism cities play an increasingly prominent role in supporting and driving tourism development. As a new economic form, sharing economy will inevitably bring certain shocks to the traditional city travel.
The world tourism order is seeing a new reshuffle. At present, the world tourism landscape is undergoing profound changes, as smart city-based smart tourism and free travel driven by the Internet are gaining momentum, traditional group tourism is facing great challenges, and the world tourism order is seeing a new reshuffle.

The tourism industry enters the 4.0 era

With the widespread application of Internet technologies, the pace of integration of the Internet and the tourism industry has been accelerated, the access to travel information, ways of participating in the travel reservation, and approaches to experiencing the quality of tourism for tourists have undergone profound changes, and the in-depth integration of tourism and economy, tourism and culture, tourism and sports has given birth to the online tourism business model.

Traditional tourism industry will be affected.

Diversified, personalized and customized tourism is gradually replacing the traditional group tourism. Among outbound tourists of China in 2014 and 2015, 66.1% of them chose free travel, semi-free travel, self-help travel and customized travel, while only 33.9% opted for group tourism.
The issue of tourism safety is a concern. Disputes and complaints caused by personalized travel have increased by 20% compared with group travel.

Many disputes have been caused to some tourist reception facilities transformed from residential building.
• The tourism regulatory system urgently needs to be reconstructed.

Traditional tourism management is completed and formal.

Traditional tourism regulations as well as supervision and management methods are facing great challenges.

Under the context of sharing economy, however, some new tourism modes and tourism forms have emerged, and many tourism activities have gone beyond the jurisdiction of existing laws and regulations, hence traditional tourism regulations as well as supervision and management methods are facing great challenges.
III. We should further promote the integrated development of sharing economy and tourism cities.
WTCF, the main platform for exchanges and cooperation among world tourism cities, has always been adhering to the core concept of “Better City Life through Tourism” and committed to applying new ideas, models and elements to promote the sustainable development of world tourism.
- We should accurately grasp the main direction of the sharing economy development.

01. Tourism cities should apply the concept of sharing economy to integrate and coordinate public services, business services and individual services of tourism cities, and strive to build a harmonious and orderly tourist destination service system.

02. We will vigorously develop diversified tourism products, enrich tourists' experience in tourist cities, and continue to improve the share of service consumption in total tourism consumption.

03. We will encourage urban residents to engage in extensive and in-depth contact and exchange with tourists, help tourists get access to various types of tourism services information, including individual tourism services information, and create conditions for tourists to expose to and experience different cultures.
We should take the initiative to lead the integrated development of sharing economy and tourism cities.

We should integrate all kinds of resources and elements of tourism cities into tourism activities, so as to promote full-sector, total-factor and full-temporal and spatial tourism development.

We should coordinate needs of local residents with that of non-local tourists, and take various measures to develop off-season and night tourism consumption, so that local residents and tourists will share the same tourism facilities and services.

We will adopt the approach of sharing resources to satisfy needs of non-local tourists at first in the passenger flow peak period.
- We should actively explore and adapt to the sharing economy development tourism management mechanism.

01. Tourism cities should complete the legal construction of sharing economy step by step, gradually adjust various provisions hindering the development of tourism sharing economy.

02. Tourism cities should formulate regulations and policies which are helpful to guarantee the healthy development of sharing economy, and promote in-depth integration of city tourism and sharing economy through the efforts to improve and adjust regulations and policies.

03. We should gradually relax control on the sharing economy, reduce the transaction cost in the development of tourism sharing economy, and promote division of labor and transactions in tourism sharing economy.

04. We should carry out urban planning based on the development of sharing economy, to allow tourism facilities to meet different needs of both citizens and tourists.
We should accelerate the formulation and implementation of tourism sharing related standards, achieve organic unification of personalized services and standardized services, promote the market division between urban functions and tourism development, and reduce contradictions and conflicts caused by discrete services to urban life and tourism safety.
WTCF hopes that world tourism cities join hands together to achieve sustainable and healthy development of the tourism sector in embracing sharing economy, and jointly start a new journey of development in the sharing economy era.
Thank you!