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**Urban image and City Tourism marketing in
the City of Tianjin**

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Abstract

With the continuous develop of globalization, the increasingly fierce competition between cities is focusing on human resources, technology, capital and so on. At the face of the complex international competition, city marketing has become an important strategic tool to promote development and enhance the competitiveness of the city. Therefore, many cities regard the city marketing as a guideline principle to city urban image propagating, and carry on marketing activities.

The first important objective of city marketing is urban image marketing. As the carrier of urban image, the city tourism not only can express traditional customs and manners of the city, but also can show the internal characteristics of the city to the world. On the background of city marketing, this paper takes city tourism marketing as the starting point to discuss the city marketing in theory and practice, it will be important and significant to urban tourism development, urban image building, and marketing strategy making for tourist enterprises.

In order to discuss the role tourism marketing is playing in city marketing, this paper has summerized 10 following factors, which are, resource value, brand value, space value, government, resident, tourist, enterprise, public strength, infrastructure, and surrounding environment. By following the tourism development strategy, to achieve a combination of city marketing and city tourism, and to get an all-win situation during city marketing.

This paper takes an example as the city of Tianjin. By comprehensively analysing the current situation and the focused-developing areas in the city of Tianjin, to put forward tourism develop strategies. And to build the city of Tianjin as an international port city, the economic center of northern and eco-city.

Key words : City marketing, Tourism

Astratto

Con il continuo sviluppo della globalizzazione, la concorrenza sempre più agguerrita tra le città si concentra sulle risorse umane, tecnologie, capitali e così via. Alla faccia della concorrenza internazionale complesso, il marketing della città è diventata un importante strumento strategico per promuovere lo sviluppo e accrescere la competitività della città. Di conseguenza, molte città considerano il city marketing come principio guida per moltiplicazione immagine urbana della città, e svolgere attività di marketing.

Il primo obiettivo importante della city marketing è il marketing immagine urbana. Poiché il vettore di immagine urbana, il turismo della città, non solo può esprimere costumi tradizionali e costumi della città, ma anche in grado di mostrare le caratteristiche interne della città al mondo. Sullo sfondo del marketing della città, questo documento tiene marketing turistico della città come punto di partenza per discutere la commercializzazione città in teoria e in pratica, sarà importante e significativo per lo sviluppo del turismo urbano, costruzione dell'immagine urbana e strategia di marketing fare per le aziende turistiche.

Al fine di discutere il marketing turistico ruolo sta giocando nel marketing della città, questo documento ha riassunti 10 fattori seguenti, che sono, il valore delle risorse, il valore del marchio, il valore dello spazio, del governo, residenti, turisti, imprese, la forza pubblica, le infrastrutture e l'ambiente circostante . Seguendo la strategia di sviluppo turistico, per ottenere una combinazione di city marketing e del turismo della città, e per ottenere un all-win durante la commercializzazione città.

Questo documento tiene un esempio come la città di Tianjin. Con esauriente analisi della situazione attuale e le aree in via di sviluppo mirato nella città di Tianjin, a presentare turismo sviluppare strategie. E per costruire la città di Tianjin come porto

internazionale della città, il centro economico del nord ed eco-città.

Parole chiave: Marketing della città, Turismo

Content

| | | |
|-------|---|--------|
| 1 | Overview of the city marketing..... | - 8 - |
| 1.1 | City marketing introduction..... | - 8 - |
| 1.2 | The development of the city marketing..... | - 9 - |
| 2 | Current Analysis of Tianjin City marketing..... | - 11 - |
| 2.1 | SWOT analysis..... | - 11 - |
| 2.1.1 | Strength..... | - 11 - |
| 2.1.2 | Weakness..... | - 12 - |
| 2.1.3 | Opportunities..... | - 13 - |
| 2.1.4 | Threats..... | - 14 - |
| 2.2 | Problem and misunderstanding..... | - 15 - |
| 3 | The City Tourism Positioning in Tianjin..... | - 16 - |
| 3.1 | Comparison and analysis..... | - 17 - |
| 3.1.1 | The 3 Main Economic Rims of China..... | - 17 - |
| 3.1.2 | Comparison among the Bohai Economic Rim..... | - 18 - |
| 3.1.3 | Comparison with other Economic Rims..... | - 20 - |
| 3.2 | Positioning..... | - 21 - |
| 3.2.1 | Positioning basis of "Watching Modern China in Tianjin"..... | - 22 - |
| 3.2.2 | Distribution of tourism resources in Tianjin..... | - 23 - |
| 3.2.3 | The significance of the Positioning "Watching Modern China in Tianjin"..... | - 25 - |
| 4 | The Brand marketing..... | - 26 - |
| 5 | The Tourism Marketing Strategy..... | - 28 - |
| 5.1 | Create the awareness of Tianjin city marketing..... | - 29 - |
| 5.2 | Develop a long-term systematic City marketing strategies..... | - 30 - |
| 5.2.1 | Tourism product strategy..... | - 30 - |
| 5.2.2 | Tourism image strategy..... | - 30 - |
| 5.2.3 | Promotion Strategy..... | - 31 - |
| 5.2.4 | Online tourism marketing..... | - 33 - |
| 5.2.5 | Macro Strategies..... | - 33 - |
| 5.3 | Event marketing..... | - 34 - |
| 5.3.1 | Olympic Games..... | - 34 - |
| 5.3.2 | China Tourism Industry Exhibition..... | - 35 - |
| 5.4 | City human resources strategy..... | - 35 - |
| 6 | Market Analysis..... | - 36 - |
| 6.1 | Inbound Market..... | - 37 - |
| 6.1.1 | Tianjin foreign tourism market data in 2010..... | - 37 - |
| 6.1.2 | Tourists from Hong Kong, Macao and Taiwan in 2010..... | - 38 - |
| 6.1.3 | The inbound tourism revenue among the main tourist cities..... | - 38 - |
| 6.1.4 | Inbound tourism development characteristics in Tianjin..... | - 39 - |
| 6.1.5 | Strategy of future inbound tourism development..... | - 41 - |
| 6.2 | Domestic Market..... | - 42 - |
| 6.2.1 | Tianjin domestic tourism market data in 2010..... | - 42 - |
| 6.2.2 | The domestic tourism revenue among the main tourist cities..... | - 43 - |

| | | |
|-------|--|--------|
| 6.2.3 | Domestic tourism development characteristics in Tianjin..... | - 44 - |
| 6.2.4 | Strategy of future domestic tourism development..... | - 45 - |
| 7 | Feasibility Analysis..... | - 46 - |
| 7.1 | Political Aspects..... | - 46 - |
| 7.2 | Economical Aspects..... | - 46 - |
| 7.3 | Socio-Cultural Aspects..... | - 47 - |
| 7.4 | Technological & Human resource Aspect..... | - 48 - |
| 8 | Business Plan About Tianjin Open Tour Bus Company..... | - 49 - |
| 8.1 | General introduction..... | - 49 - |
| 8.1.1 | Objective..... | - 49 - |
| 8.1.2 | Target Customers..... | - 49 - |
| 8.1.3 | Product and service..... | - 50 - |
| 8.1.4 | Bus Routines..... | - 51 - |
| 8.1.5 | Primary Cost..... | - 51 - |
| 8.1.6 | Stage of Development..... | - 52 - |
| 8.2 | Strategic plan..... | - 52 - |
| 8.2.1 | Mission..... | - 52 - |
| 8.2.2 | Strategic Objectives..... | - 53 - |
| 8.2.3 | External Analysis..... | - 53 - |
| 8.3 | Marketing plan..... | - 54 - |
| 8.3.1 | Market Analysis and Evaluation..... | - 54 - |
| 8.3.2 | Target Customers..... | - 55 - |
| 8.3.3 | Competition..... | - 56 - |
| 8.3.4 | Market Size Forecast..... | - 56 - |
| 8.3.5 | Market Mix Strategy..... | - 56 - |
| 8.4 | Operating plan..... | - 58 - |
| 8.4.1 | Key Processes..... | - 58 - |
| 8.4.2 | Main Resources..... | - 59 - |
| 8.4.3 | Start-up Summary..... | - 60 - |
| 8.5 | Human resources..... | - 61 - |
| 8.5.1 | Core Human Resources..... | - 61 - |
| 8.5.2 | Personnel Plan..... | - 62 - |
| 8.6 | Financial plan..... | - 63 - |
| 8.6.1 | Important assumptions..... | - 63 - |
| 8.6.2 | Bus..... | - 64 - |
| 8.6.3 | Revenue..... | - 64 - |
| 8.6.4 | Taxes Incidence..... | - 64 - |
| 8.6.5 | Projected Profit and Loss..... | - 65 - |
| 8.6.6 | Cash Flow Statement..... | - 67 - |
| 8.6.7 | Projected Balance Sheet..... | - 68 - |
| 8.6.8 | Financial Conclusion..... | - 70 - |
| 9 | Conclusion..... | - 72 - |
| 10 | Reference..... | - 73 - |

List of Table and Figure

| | |
|--|--------|
| Table 3-1 Three Economic Rim in China..... | - 15 - |
| Fig 3-2 Bohai Economic Rim..... | - 16 - |
| Table 3-3 Cities comparison in Bohai Economic Rim..... | - 17 - |
| Table 3-4 Cities comparison between Economic Rims..... | - 18 - |
| Fig 3-5 The eye of Tianjin..... | - 23 - |
| Table 6-1 tourists from abroad in 2010..... | - 35 - |
| Table 6-2 Tourists from Hong Kong, Taiwan and Macao in 2010..... | - 36 - |
| Table 6-3 Inbound tourism revenue of the main tourist cities in 2010..... | - 36 - |
| Table 6-4 2009-2010 Domestic tourists throughput..... | - 40 - |
| Table 6-5 Domestic tourism revenue of the main tourist cities in 2010..... | - 41 - |
| Table 8-1 tourists from abroad in 2010..... | - 53 - |
| Table 8-2 Market Size for following 5 years..... | - 54 - |
| Table 8-3 Start-up Requirements for business..... | - 59 - |
| Table 8-4 Personnel Plan for business..... | - 61 - |
| Table 8-5 Bus Plan for business..... | - 62 - |
| Table 8-6 Revenue estimation for business..... | - 62 - |
| Table 8-7 Profit and Loss estimation for business..... | - 64 - |
| Table 8-8 Cash flow estimation for business..... | - 66 - |
| Table 8-9 Projected balance sheet for business..... | - 67 - |
| Table 8-10 ROA and EVA for business..... | - 68 - |

1 Overview of the city marketing

1.1 City marketing introduction

At the beginning, the definition of city marketing come from the concept of "local marketing" from the well-known marketing Professor Philip Kotler. On the Professor Kotler's opinion, "local marketing" is to regard the local as a company, regard the local resource and future as the product, to analyze its internal and external environment, as well as its strengths and weaknesses in the global environment and the opportunities and threats faced, to determine its target market, including the target population, target industry and target area, target market, also the process of creating, packaging and marketing.

City marketing theory come into being with the process of urbanization, develop with the accumulation of urban management experience. After experienced a traditional city marketing theory, began to enter the new marketing concept. It is no longer a simple marketing, but through the use of the the 4P theory(Product, Price, Place, Promotion), to integrate the city's culture, image, brand, location, natural environment, resources and marketing, to highlight characteristics and attractiveness of the city, so that the target consumer get knowledge overall image of the city. And the city marketing theory turn to the concept of "Focus on urban consumers" from the concept of "Focus on urban construction" to conform the development trend of "people-oriented" society, rise urban management theory to a new level.

Nowadays with the more and more fierce competitive between the cities, the city marketing has become an important part of the urban development strategy. After the combining and packaging through marketing strategy, the city is able to break through the bottleneck of urban development, to enhance the competitiveness of cities and to active urban development.

1.2 The development of the city marketing

City marketing in China has through the exploration period before the 1980s, the germination period between the 1980s to the early 1990s, the development period in the early 1990s. Experts got some achievement through a series of research and practice, However in generally speaking, the city marketing in China is still a new phenomenon, either on the theory or practice is still in the groping stage.

During the City Marketing, many of our cities have the same misunderstanding of city marketing, they thought "city marketing" is equivalent to "city sale", just apply the promotional strategies in the marketing 4PS theory mechanically, imitate the characteristics of the other cities blindly, without the positioning of the city, ignoring the characteristics of the city itself. Furthermore, it is generally lack of overall planning among the Chinese cities, there is always a new plan for a new government. The lack of coherent policy, it is the cause of orderless city planning.

According to the paper of Professor Chen Zhangwang in Fuzhou University. The city marketing of Chinese cities mainly have the following characteristics:

- A. Still during the exploration and the primary stage
- B. There isn't systematic, scientific theory as a guide
- C. Lack of effective systematic planning and scientific design
- D. Few cities already have a concept of marketing, not common
- E. Theory and practice need innovation

Although the concept of city marketing among the Chinese cities is generally not common, but in the development period of city marketing theory emerged many great cases of the city marketing, such as the city of Dalian across the sea with Tianjin. Dalian is a famous port, an industry, trade, tourism city in the north of China, the forerunner in the Bohai Sea economic zone, the finance center, information center

technology center and tourism center in the Northeast Asia. Dalian made good use of the advantage of its good location, beautiful environment and pleasant climate, carried out the "city brand" strategy. After built hundreds of square in different size, so that the whole city is like built in the garden.

Since 1988 the International Fashion Festival held in Dalian, the Dalian International Fashion Festival held every September, is an international economic and cultural event including economic and trade, culture and tourism, it is also one of the largest and highest grade and most widespread impact festival in China. At the same time, the Fashion Festival has also become a brand to promote Dalian city. Green Square, the female Mounted Police, football, International Fashion Festival and so on, these non-special elements combined and to make Dalian "romantic city" as the city brand. Dalian also put forward "the trip in Dalian, a romantic trip" on the CCTV and other media to promote brands.

According to various city marketing strategy, in 2006, Dalian has attracted more than 22 million foreign tourists came for tourism, while also attracted Intel and other multinational giants to invest. The successful city marketing in Dalian, making it most special and attracted city in the Bohai Economic circle.

As another important city in the Bohai Economic Rim, Tianjin can learn from the successful case of Dalian and make a great city marketing.

2 Current Analysis of Tianjin City marketing

2.1 SWOT analysis

To study the city marketing strategy of Tianjin we use SWOT analysis method, make scientific analysis for Tianjin's competitive strengths and weaknesses, environmental opportunities and threats in order to provide a scientific basis for the development of Tianjin city marketing strategy.

2.1.1 Strength

(1) Location advantage. Tianjin is located in the northeast of China, the center of Bohai Bay. There is 120 kilometers from Tianjin to the capital Beijing, is the guard and portal of the capital. Towards internal Tianjin has the vast hinterland, connect to the 13 provinces of the north, northeast, northwest, towards external Tianjin faces Northeast Asia, it is the largest free-trade coastal city in the northern China. Tianjin has the domain area of 11760.25 square km, the coastline length of 153 km, the land boundary length of 1137.48 km. In late 2010, the resident population living in Tianjin is nearly 12.93 million.

(2) Transportation advantages. Tianjin has the convenient transportation by train, ship or airplane, the railways, highways extend in all directions. Tianjin Port is located on the west coast of Bohai Bay, it is the largest artificial harbor in China. For a long time, Tianjin Port maintained trade relationship with more than 300 ports in more than 170 countries and regions, it is the nearest eastern starting point linking Asia and Europe continental bridge.

(3) Land resources advantage. The land of Tianjin, except the northern mountains, hills, and the remaining are all fertile soils. The coastal areas in the downstream of Haihe River, and the wasteland pending development, the total area is about 1214 square kilometers, can be used as construction and ecological sites.

(4) Policies advantage. Tianjin as a national comprehensive evolution pilot areas, enjoying much more preferential and flexible policies. The Technological and Economic Development Area (known as TEDA), which located in the Tianjin Binhai New Area, is a special economic combines the national development zone, the national import and export processing zone and the national Science and Technology District, so the domestic and foreign merchants invested in TEDA, from large multinationals to the starting-up high-tech enterprises also can enjoy the relevant preferential policies.

(5) Intelligence resources advantage. In addition, Tianjin also has a number of higher education institutions such as Nankai University, Tianjin University, training large number of high qualified human resource every year for the city.

(6) Tourism resources advantages. Tianjin has rich tourism resources, with two 5A level scenic area: the Pan Mountain and the Ancient Culture Street tourist area, and the Haihe River comprehensive scenic area.

2.1.2 Weakness

(1) The internal structure of the tourism industry to be improved. Compared with other provinces and cities of the country, Tianjin has less large tourist backbone enterprises and less influence, but the tourism enterprises should plays the leading role in the development of the city's tourism. Compare to Beijing and Shanghai, Tianjin has a certain disparity on the strength of travel agents, number of hotels. The data from National Tourism Administration Policy and Regulations Department

shows that in 2010, the number of tourist reception in Tianjin is 1.66 million, with an increase of 17.8%; the number in Beijing is 80.31 million, although there is a large increase here, there are still a large disparity compared to Beijing, also behind the number of Guangzhou, Shenzhen, Nanjing, Hangzhou, Suzhou. Therefore, tourism enterprises need to improve themselves, at the same time, need to expand its marketing efforts to promote the marketing strategy, this is the most important to improve Tianjin's tourism competitiveness.

(2) Further strengthen the city tourism image. In the past, Tianjin is lack of a unified travel guide plan, makes the goals on urban tourism development are not clear, the tourism resources are not concentrated, so that the competitiveness must be weakened. The city tourism image should be further strengthened, to set up its own characteristics, to remodel a clear image in the public mind.

(3) Awareness of service to be improved. People in Tianjin is kind and friendly , but still lots of employees have such a phenomenon: bad attitude, poor awareness of service, and even can not meet the customer's basic expectations. A good awareness of service and appropriate behavior is very important.

2.1.3 Opportunities

(1) The opportunity of the Olympic economy. "The 21st century is the century of the city", Tianjin will get huge growth in the competitive process among the cities. 2008 Olympic Games held in Beijing, there were lots of matches arranged in Tianjin became another venue of Beijing Olympic Games, and attracted the attention of a large number of domestic and foreign tourists. During the Olympic Games, Tianjin has left a very good impression to the world. Seizing this historic opportunity to enhance the image and reputation of the Tianjin city, it is the best strategic move for Tianjin city.

(2) The national macro-policy supporting. Since the Plenum held in October 2005, it put forward the policy "to promote the development of Tianjin Binhai New Area and other areas with better conditions, and then promote the development of the whole region." Tianjin has met the best development opportunity ever seen. The government has adopted a series of policy to support the development of Tianjin Binhai New Area.

(3) Two national 5A-level scenic spot approved. Tianjin Ancient Culture Street and Pan Mountain scenic area have been approved as 5A-level scenic spot.

2.1.4 Threats

(1) Threat from the international challenges. Tianjin's tourism marketing should be standing on the international platform, the competitors of Tianjin are the cities of South Korea and Japan as well as Southeast Asian countries. As China has entered the international market, from international tourism enterprises will compete with local tourism enterprises in Tianjin for tourists, the invasion of the advanced management mode and management methods, the changes of new mind and awareness, the kinds of challenges brought by the internationalization of domestic market, all indicates that Tianjin's tourism industry will enter a fiercely competitive period.

(2) Threat from the domestic challenges. Although Bohai Economic Rim has brought a lot of opportunities for Tianjin, but there are also a threat from Beijing, Dalian, Weihai, Qingdao, Harbin, they are all tourist cities with strong attractiveness, each city has its own charming point to attract tourists, and they all don't have a significant different on the distances, especially adjacent to Beijing, from the geographical point of view, it is too close from Tianjin to Beijing location, causing that in policy, personnel, money, not as good as Beijing, need to dislocation develop with Beijing.

2.2 Problem and misunderstanding

For a long time, Tianjin has not put forward the slogan of "marketing Tianjin", but with the development of Binhai New Area, Tianjin began the exploration of city marketing. Especially to commemoration of the 600th anniversary in 2004, Tianjin carried out a series of commemorative activities about the Tianjin culture and get some effectiveness. For example the reconstruction the landscape zone of the Haihe River, has increased the area of urban vegetation and leisure areas, improve the Haihe River landscape on both the riverside. Meanwhile, during the reconstruction, retained and repaired a number of historic buildings, for enhancing the overall image.

According to the practice, Tianjin is not clear on its own characteristics and positioning, tourism is positioned as the "Miniature of the modern China", but simply promoting Tianjin "Concession Culture" and Western architectural style, can not fully reflect the characteristics in Tianjin City and the "marine culture" in Tanggu. Furthermore, since there is no systematic understanding of the city marketing. The city positioning is not clear, the tourism industrial positioning almost the same with the surrounding cities in the Bohai Economic Rim.

So that make a correct and systematic positioning is the most important in the city tourism marketing.

3 The City Tourism Positioning in Tianjin

The correct city image positioning is the precondition for the development of modern tourist city. Only with the correct city image positioning, tourist city can be invincible in the competition among the tourism market. During the positioning, the tourist city must follow these principles:

First, starting from their own resources, to highlight the main characteristics. To make the city image positioning, at first we must understand the own strengths and weaknesses, take good use of these advantages. Each city has its own unique tourism resources, and they are difficult to imitate by other cities, it is their attractiveness. Therefore, the tourist city must highlight their uniqueness.

Second, can be distinguish from the positioning of the competitors. In the fierce market competition, only providing different products is able to get a competitive advantage. On the contrary, following the trend blindly will only make the tourist city in trouble. In addition, there are more and more resources we can exploit in the modern tourism industry, even the elements won't be treated as tourism resources in the past, such as "rural tourism" and "Green Garden". The best strategy for tourist city is the implementation of differentiation strategy, development of special products, looking for and developing new markets.

3.1 Comparison and analysis

3.1.1 The 3 Main Economic Rims of China

The development of a city, is inevitable influenced by their surroundings, Tianjin is right located in the Bohai Economic Rim. Following is the comparison of these urban agglomerations:

| Economic circle | Main City | Advantage | Disadvantage |
|----------------------------------|---|--|---|
| Yangtse River Delta Economic Rim | Shanghai Hangzhou Nanjing Suzhou | <ul style="list-style-type: none"> ➤ The Asia-Pacific region advantage ➤ Highest level of integration ➤ Members have good comprehensive strength ➤ Well-developed road network, information network and human resources ➤ Urban system is complete ➤ High qualified urban planning | <ul style="list-style-type: none"> ➤ Smaller scale of export-oriented economies than Pearl River Delta Economic Rim ➤ Weaker high-tech information plan than Bohai Economic Rim |
| Pearl River Delta Economic Rim | Hongkong Macow Shenzhen Zhuhai | <ul style="list-style-type: none"> ➤ Concentrated foreign investors ➤ Export-oriented economy ➤ Developed traffic and information ➤ SAR policy | <ul style="list-style-type: none"> ➤ Industry similar ➤ Low level of integration ➤ Less technological innovation capability ➤ Disorderly competition |
| Bohai Economic Rim | Beijing Tianjin Qingdao Dalian Weihai | <ul style="list-style-type: none"> ➤ Transportation, political and culture center ➤ Excellent natural resources ➤ Abundant human resources ➤ Technology institutes advantage ➤ The international manufacturing base | <ul style="list-style-type: none"> ➤ Pollution ➤ Irrational industry structure |

Table 3-1 Three Economic Rim in China

3.1.2 Comparison among the Bohai Economic Rim

To measure the brand equity of Tianjin, we should compare Tianjin with the same advanced cities, for identifying the advantage and disparity, and determine the target market.



Fig 3-2 Bohai Economic Rim

According to these 3 economic rims, we pick several cities to compare with Tianjin. At first we start from the cities in the Bohai Economic Rim, Tianjin, Dalian, Qingdao are all port city, the comparison will be representative.

| Compared Indicators | Tianjin | Qingdao | Dalian |
|---------------------|--|--|--|
| Size | Population 12.7 million Urban area 4334 km ² | Population 8.71 million Urban area 1471 km ² | Population 6.69 million Urban area 2415 km ² |

| | | | |
|-----------------------|---|---|---|
| GDP per capita | 11112 USD | 10262 USD | 12169 USD |
| Infrastructure | High developed transportation, annual throughput capacity 451 million tons | High developed transportation, annual throughput capacity 375 million tons | High developed transportation, annual throughput capacity 338 million tons |
| Industry distribution | Aerospace Petrochemical Equipment manufacturing Electronic information Biological medicine Energy and materials Textile | Household appliances Beer Energy Railway Tourism | Equipment manufacturing Electronic information Software outsourcing Finance and insurance Tourism Petrochemical industry |
| Natural resource | Ocean | Ocean | Ocean |
| City Brand | International shipping center and logistic center | Olympic sailboat race | Romantic city |
| Tourist attractions | <ul style="list-style-type: none"> ➤ The eastern coastal tourist areas ➤ City center tourism area ➤ The northern mountain tourist area | <ul style="list-style-type: none"> ➤ Beach scenic ➤ Laoshan Mountain ➤ Aquariums | <ul style="list-style-type: none"> ➤ Dahei Mountain ➤ Jinshitan Sightseeing Area ➤ Dalian Forest Zoo, Sun Asia Ocean World, and Polar World. |

Table 3-3 Cities comparison in Bohai Economic Rim

According to these comparisons, Tianjin has several significant advantages, so that in the Bohai Economic Rim, Tianjin is much more competitive than other port cities.

3.1.3 Comparison with other Economic Rims

And then we make sample from other economic rims for comparison. In the Chinese urban competitiveness rankings 2010, Shenzhen, Tianjin and Suzhou, they ranked as the 4th 5th and 6th and they are in the 3 different economic rims.

| Compared Indicators | Tianjin | Suzhou | Shenzhen |
|-----------------------|---|---|--|
| GDP per capita | 11112 USD | 13828 USD | 14493 USD |
| Industry distribution | Aerospace Petrochemical Equipment manufacturing Electronic information Biological medicine Energy and materials Textile | Light industry Textilebeen IT Machinery manufacturing Tourism | High-tech industry Logistics industry Financial industry Cultural industry |
| Natural resource | Ocean | Lake and mountain | Mineral resources |
| City Brand | International shipping center and logistic center | Historic city Garden City | Cultural city |
| Tourist attractions | <ul style="list-style-type: none"> ➤ The eastern coastal tourist areas ➤ City center tourism area ➤ The northern mountain tourist area | <ul style="list-style-type: none"> ➤ Beach scenic ➤ Laoshan Mountain ➤ Aquariums | <ul style="list-style-type: none"> ➤ Chinese Folk Culture Village ➤ Window of the World ➤ Happy Valley ➤ Splendid China ➤ Safari Park |

Table 3-4 Cities comparison between Economic Rims

According to the tables above, we find that not only in the region but also in the nation, Tianjin both has several significant advantages, and charming points can attract tourists.

With these significant advantages, Tianjin also has a strong economic strength. In 2010, the GDP of Tianjin city is 143.77 billion USD, with an increase of 17.4%, ranked 5th in the urban competitiveness ranking.

This shows that the city conditions, infrastructure and economic strength in Tianjin city both can support Tianjin to create a unique city brand and focus on the development of tourism.

3.2 Positioning

As the Chinese saying said: To watch a thousand years' history in Xi'an, the 5 centuries' history in Beijing, a hundred years' history in Tianjin. In Chinese modern history, in some respects, Tianjin has been playing the role of the modern practitioners, this is actually an important part of Tianjin's charm. The first automobile in China, the first railway, the first shopping mall, the first university were all born in Tianjin.

In the recent years, tourism image positioning in Tianjin is gradually clear, "Watching Modern China in Tianjin" treated as the image positioning has been recognized by the tourists. According to statistics, in 2010, Tianjin has received 1.66 million tourists with an increase of 17.8%, including 1.53 million international tourists, it is an increase of 17.2 percent from the 1.31 million in the same period last year; the tourism foreign exchange earnings is 1.41 billion USD, compared with the previous \$ 329,467,700 in the same period a year earlier, an increase of 25.2%.

3.2.1 Positioning basis of "Watching Modern China in Tianjin"

Based on the principle of the city tourism image positioning we know that, when the city is positioning the tourism image, we must base on their own resources, to generate a distinctive tourism image.

According to the climate, compared to other provinces such as Yunnan, Sichuan, the natural tourism resources in Tianjin is relatively scarce. Tianjin's main natural tourism resources are concentrated in the the Jixian region, there is the main national scenic area - Pan Mountain, the national Nature Reserve - Baxianshan Mountain and Jiulongshan Mountain National Forest Park, the Pt2&Pt3 (Proterozoic) National Nature Reserve, Huangyaguan the Great Wall and so on.

Compared with the natural tourism resources, the historical and cultural tourism resources are much more richer. Since the Jin, Yuan dynasty, the rise of water transportation promoted the industrial and economic development in Tianjin, as well as the culture, so Tianjin has left a lot of historical ruins and relics. Especially in modern history, Tianjin occupies a important position. Tianjin now has 1500 cultural relics units, including 8 national cultural relics protected units.

3.2.2 Distribution of tourism resources in Tianjin

According to the concentration of tourism industry, we can summarize the whole tourism resource in Tianjin as "one line, three areas, nine group"

One Line: The Haihe River tourism development line. It is the axis connecting the central city of Tianjin and the Binhai New Area, is one of the Tianjin tourism flagship tourism brand.

Through the activities on the surface of the water, to develop both the two sides, and

further enrich the Haihe River Water Project. Starting the Haihe River water transportation, designing unique tour boat with Tianjin characteristics, as the water bus connecting the two cities; On both the two sides to increase service industry including leisure, dining, shopping, theme parks and other services format, turn into a golden tourist and leisure industry line in Tianjin.

Three Area: Three Important Tourism Area in the city of Tianjin.

(1) **City center tourism area.** Relying on urban modernization and the connotation of history and culture, to develop urban tourism sightseeing and cultural & leisure trip.

Relying on the modernization of the city, to enhance tourism services and tourism vector function, to make the construction of Tianjin Central City become the miniature of the Tianjin urban style and tourism service center.

Some core projects: The Shuixizhuang cultural park, Tianjin West Railway Station commerce district, Leisure and tourism zone along the Ziya River, Tianjin Wei cradle, Dabeyuan commerce tourist area, Old city district, Nanjing Road commerce area, the Ancient building group around Cultural palace, Financial Street, Central Park, Xiaobailou business district, Fifth Avenue sightseeing District, Tianjin Paradise, Sky Tower, Water Park, Olympic Tourism Business District.

(2) **Eastern coastal tourist areas.** On the basis of the Haihe River, the ancient coast, wetlands, high-tech industries, to highlight the seaside characteristic, to develop the construction of coastal recreation, vacation, entertainment section, to make the Binhai New Area become the sea tourist centers and the Bohai Sea tourism distribution center.

Some core projects: Central fishing port & Binhai leisure tourist area , Jurassic

theme park , Kingdom theme park , Kiev aircraft carrier theme park, the National Maritime Museum, Beitang vacation area, the Binhai International Forum, invading industry high-tech display area, Polar Ocean World, SOHO Water Bar, YuJiabao business and leisure areas, Dongjiang Port leisure vacation area, international cruise port, Taku dock sites, Chaoyin temple, beach sports and recreational tourist area.

(3) **The northern mountain tourist area.** On the basis of the mountains of Jixian in the north and the waters at the east, to construct an ecological vacation base with mountains, forest, water, old buildings and temples; to create a tourism distribution center between Beijing and Tianjin, become ecological leisure centers in the Bohai Sea region.

Some core projects: Great Wall cultural tourism area, Huanxiu Lake International Conference Centre, Jiushan Peak, Limu Mountain, Baxian Mountain, Jiulong Mountain, Maojiayu culture village, Pan Mountain Shaolin Temple rebuild project, Pan Mountain Jinbi international vacation center, Panlong Valley Cultural City, Pan Mountain scenic Area, Dule temple

Nine Group: these nine groups constitute the leisure ring zone of Tianjin city, they are suburban leisure zone and also the axis connecting the urban areas to the Binhai New Area and the mountains of northern.

The nine group includes: Dongli Lake business and leisure group, Beijing and Tianjin City spa resort group, Qilihai wetland vacation tour group, Dahuangbao ecological recreation group, Official port ecological recreation group, The Yangliuqing folk culture group, Tuanbo Lake International Leisure Expo group, Gegu station folk customs group, Tianjia Lake - Yadian reservoir business and leisure group.

3.2.3 The significance of the Positioning "Watching Modern China in Tianjin"

We can get that from the above, the core competitiveness in the development of tourism in Tianjin concentrated in historical and cultural resources, especially on the contact to recent history. The positioning of "Watching Modern China in Tianjin" reflects the characteristics of resource accurately, and also be different from other tourist cities, has a good selling point, be able to guide the development of local tourism effectively.

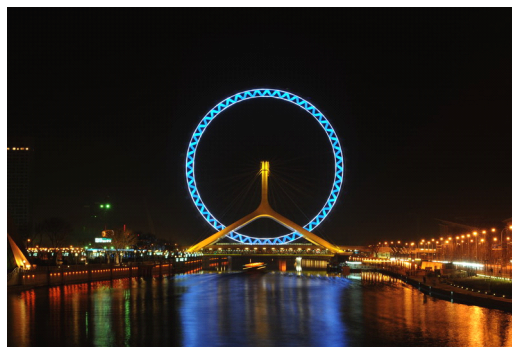


Fig 3-5 The eye of Tianjin

First, the positioning is suited to the actual situation in Tianjin, and there is good market base. With so many historical and cultural resources, especially the historical resources of modern city, it is very rare in China, as well as the excellent location also provides an opportunity for the development of tourism.

Secondly, this positioning reflects the process of building and development characteristics of Tianjin tourism accurately, the tourists can distinguish its uniqueness from other cities, has the huge potential for expansion. Due to the non-mobility and regional attributes of tourism resources, so it won't be imitated by another tourism city, Tianjin can keep this advantage for a long time.

In addition, the tourist attractions in Tianjin are commonly small, but these attractions are comprehensive, the mountain, the river, lake, sea, the Great Wall, the temple, a variety of ruins and so on. But compared with other tourist cities, Tianjin lack the kind

of "No.1" type attraction, the highest in China or the first the world. To compensate for this shortage ,in 2009, Tianjin has built the only one ferris wheel built on the bridge in the world, "The eye of Tianjin". After this, Tianjin has the most comprehensive competitiveness in the tourism.

4 The Brand marketing

To make new achievements in the city image marketing, we should increase the efforts on tourism branding promotion, and build the tourism brand, hold a variety of tourism festivals.

According to the positioning and situation in Tianjin, we carry out six tourism brands to attract tourists.

Chinese tourism industry exhibition Brand. In September 2011, the China Tourism Industry Expo 2011 was successfully held in Tianjin, and shaped a new brand of Chinese tourism industry, demonstrate the new achievements of Chinese tourism industry, showed that Chinese and Western culture, ancient and modern combined urban style in Tianjin, enhance friendly exchanges and cooperation of Tianjin and the country and around the world, highlighted the spirit of Tianjin, and the enthusiasm of the people, to further expand the reputation and influence of Tianjin,showed the image of "the Pearl in Bohai Bay" "Charming Tianjin", consolidated Tianjin's position as the first batch of "Chinese excellent Tourism City" and achieved the economic and social benefits.

The tourism industry Festival focus on equipment manufacturing to tourism, to build a tourism commodity trading platform. To further strengthen the tourism industry of

the regional and international cooperation, building Chinese tourism industry as another well-known brand.

Haihe River Brand. "A river tourism zone, presents half of China modern history. " With the comprehensive development of Haihe River water landscape, to highlight the history culture, city development, ecological environmental protection and recreation these four tourism themes, and to optimal allocate the water tour line, extend the ancient culture street, Jin Wan square, Italian style district and many other business tourism circle, become the core tourism industry belt.

Culture Brand. Propagate the cultural of modern history, turn the resource advantage into the tourism market advantage, to build "Watching Modern China in Tianjin" brand and shape Tianjin into the city with modern culture, modern civilization and coastal tourism. It is the main goal Tianjin tourism should focus on.

Coastal Recreation Brand. Set "Feeling seaside scenery " as the logo, shaping the overall image of blue ocean, ecological tourism and coastal city. To become a tourism destination with good ecological environment, urban tourism and marine leisure.

Ecological Brand. According to the construction plan of ecological city in Tianjin, relying on the special mountain river, lake, sea, spring, wetlands and other ecological resources, to create ecological brand.

Exhibition Brand. Relying on the opportunity of the economic development, the large industrial enterprises, the high-tech enterprises as well as the increasingly perfect location space advantage, by building business convention facilities and raising the reception level of business services, to improve business travel in the proportion of the tourism industry. Establish a dynamic, fashion and technology, cultural tourism image of Tianjin city.

5 The Tourism Marketing Strategy

The city marketing is a complex and systematic project, it involves all aspects of the city, the most crucial problem is the marketing awareness and brand positioning.

Over the past 20 years, Tianjin kept on working for the reconstruction and construction of urban infrastructure, the eye of Tianjin, Italian Style Street and so on, these are a kind of investment to the urban brand, which also the self-improvement aims at building Tianjin this city brand. Philip Kotler said: "City marketing shall consider the socio-economic, history and culture, natural environment and many other factors of the city, starting from the opinion of the market economy, study the position, role, competitors as well as target audience and other aspects of the city in the overall regional environmental, by creating, transferring and communicating the qualified customer value, to acquire, maintain and increase customer. " Considering the all aspects of the actual situation in Tianjin, to promote the marketing strategy, the following four aspects of work should be focus on.

5.1 Create the awareness of Tianjin city marketing

In the competition of enhancing urban competitiveness, Tianjin citizen, especially the government sector need to establish an awareness of Tianjin city marketing, understand that implementing city marketing strategy imperative.

Nowadays, we should establish the following awareness.

(1) **Awareness of environmental optimization.** The city Marketing is to provide an open and optimized environment for the development and to create a favorable

platform for public opinion.

(2) **Awareness of seizing opportunity.** At present, the city brand awareness in China is in the primary process, the city marketing is still in its exploratory stage, Tianjin should seize this historical opportunity, so that the brand and image of Tianjin city, will be impressed by the world.

(3) **Awareness of long-term marketing.** City Marketing is a long-term activity, to calculate a long-term account. From the experience around the world marketing the city need a big investment, but a long-term return.

(4) **Awareness of market-oriented operation.** The city marketing itself is a product of the market economy. Therefore, from start to finish during the operation we should adhere to the market-oriented operating, to get the best return with minimum capital investment, to avoid the low efficiency and low efficiency of government investment.

5.2 Develop a long-term systematic City marketing strategies

5.2.1 Tourism product strategy

Against the 3 tourism brands "urban tourism, leisure and resort tourism, business exhibition tourism" carried out by government we make the planning of tourism products and make the analysis of the source market to arrange the tourism route and tourism products.

For example, the tourists from domestic provinces and cities are mostly interested in the appearance of Tianjin city, especially the short-haul travelers, we can put forward the city trip of Fifth Avenue, Nanjing Road, Food Street and so on, as well as the folk tour of folk customs. Aim to the tourists from Beijing, surrounding cities and the local tourists, we can introduce to them the leisure resort tourism such as the theme with Pan mountain, Jixian tourism district. For the tourists from abroad and the business guests may be appropriate to select the business exhibition tourism, the business exhibition tourism can enhance the level of Tianjin tourism product, dilute the tourism seasonality, attract high-end tourists, and increase the overall effectiveness of the Tianjin tourism. The design of tourist route can be different combinations of the types of tourism, can also focus on a particular tourist type.

5.2.2 Tourism image strategy

Tourism image is the overall summary of Tourist attractions' general understanding from the tourists, a rational comprehensive evaluation of reality perception and future beliefs. City tourism image is the basis to attract tourists, and also the spiritual motivation of the city's tourism development, therefore the study and evaluation of the urban personality and charm is very important. Tianjin needs to be unique in the tourism industry, first of all we need to create the city tourism image, a city tourism image is the name of the city. In the tourists' mind, the imagination of a city will be limited to a specialized vocabulary or a slogan.

For example, the image of the city of Beijing is the capital of China, which is the largest and most special appeal, and when people mention Shanghai they will think about the Oriental Pearl Tower, Shanghai culture as well as its prosperous economy, Dalian was known as a City Garden, Hong Kong is the paradise of shopping and so on. Therefore each different city has its city image, once the good city image is

deeply rooted in the tourists' mind, it can produce good wishes, which can reduce costs to promoting and attract more tourists.

The city image of Tianjin city is positioned as "Watching Modern China in Tianjin", propagate the cultural of modern history, turn the resource advantage into the tourism market advantage, and to shape Tianjin into the city with modern culture, modern civilization and coastal tourism.

5.2.3 Promotion Strategy

Brand promotion can be divided into internal promotion and external promotion according to the target audience. The promotion activities in accordance with the local citizens, we call it the internal promotion; in accordance with investors for the city, tourists, government officials we called it external promotion.

The main goal of internal promotion is to define the city positioning, complete the promotion tasks in stage, and to enhance the citizens' sense of identity and pride, to make the public and the government to contribute to city together.

The main goal of external promotion is to bring the full knowledge to the investors, tourists, the central government or local government, to promote brand preference, achieving the target of city development strategies and city marketing.

Nowadays, the Chinese city marketing promotion has turned into integrated marketing promotion, using the multi-faceted, three-dimensional equipment and tools, including mass media advertising (eg, the film of urban image), city government portal, promotion (tax rebund, special financing policies, etc.), public relations (events, news) exhibition investment as well as television programs, songs, movies, sports, books, etc. We can use the following method of promotion:

(1) **City image advertising.** The city put image advertising on national television and local television is quite common. Media advertising can maximize the promotion in a short time, it is an important tool for city marketing.

(2) **Publications.** For the promotion of Tianjin tourism, we can publish the books or magazines, which introduce the development or culture of the city to the readers, to make the audience get knowledge of Tianjin city.

(3) **Policy promotion.** The 10 years of rapid development in Tianjin, is contributed by a series of preferential policies from the central government. For the target market, policies, promotions industry policy, human resource policy, investment policy and tax policy.

(4) **Indirectly promotion.** The strategy that to promote the reputation by the comment of citizen and tourists, this can not be ignored, the reputation promoted among the tourists has a strong effort. Therefore, Tianjin need to strengthen the building of spiritual civilization, enhance service awareness, in order to give visitors a good impression, so that such strategies reached its desired effect.

5.2.4 Online tourism marketing

The 21st century is a booming phase for tourism development , the advent of the Internet era have changed people's habits gradually. This new mode of operation communication and technique is becoming more and more popular, online tourism marketing should be an important role in the city marketing, the majority of Internet users are youth, and they are the main tourists with the capacity and potential to travel, but also are the decision-makers to travel of family, including the elderly and children. Therefore it is important to establish the on-line tourism marketin.

We can exploit the internet to introduce and promote the tourism product, and develop the tourism product through online survey, tourists can combine their tourism products online. Based on online tourism marketing, can reduce the cost of tourism marketing.

5.2.5 Macro Strategies

(1) **Complementary develop with Beijing.** To highlight the characteristics of Tianjin, achieving the dislocation development between Tianjin and Beijing, should joint with Beijing to share the tourists resource and integrated marketing.

With the opening of the Beijing-Tianjin suburban railway, Beijing and Tianjin urban integration process has gradually accelerated, the double city effect becomes the model of tourism integration, the Beijing-Tianjin tourism have also entered the era of co-operating and competing development. So, regard Beijing as the main customer source market of Tianjin, realize dislocation development of the tourism product with Beijing, achieve the joint design on the integration of the tourism line, complement each other on the features of supporting, making Beijing and Tianjin becoming international tourist destination.

(2) **Combine city and tourism.** Regarding the whole city as a tourist attraction to build and construct, tourism development relying on urban , urban construction reflect the tourism, to turn Tianjin into a tourist city.

For this reason, integrate the function of trade, finance, science and technology, ports, industrial with tourism, and meanwhile integrate the variety of social and economic resources into the development of tourism, regard tourism as a link to promote the urban functions in the construction of infrastructure, service functions, industrial and agricultural production in the entire city and integrate into the tourism industry.

5.3 Event marketing

Through event marketing to attract the attention of China even the of the world, is an important method of Tianjin tourism marketing. A successful case, may almost be famous during one day, Tianjin has just begun to try in this field.

5.3.1 Olympic Games

2008 Beijing Olympic Games brought many opportunities in all kinds of fields, of course, tourism is undoubtedly the main part of the Olympic economy.

We all know that the Sydney 2000 Olympic Games not only brought 16 days of the Games, but also 10 years' development opportunities. In the years 1994 to 2004, foreign visitors increased to 132 million and local tourists increased by 17.4 million, these additional tourism business earned \$ 3 billion in foreign exchange for Australia.

As a partner city in 2008 Olympic Games, Tianjin should seize this historical opportunity, and put effort on event marketing to develop tourism, it will be more effective.

5.3.2 China Tourism Industry Exhibition

In 2009, the first China Tourism Industry Exhibition was held successfully in Tianjin. China Tourism Industry Exhibition is co-sponsored by the Chinese National Tourism Administration and the Tianjin Government, the new height of development of the tourism industry following the Chinese domestic and international tourism trade fair. Regarding the exhibition as the carrier, to set up the trading platform of tourist product. With this platform of China Tourism Industry Exhibition to further promote the integration of tourism-related industries, and effectively promote the continuous extension of the tourism industry chain, strengthen the regional joint and international cooperation in the tourism industry, making China Tourism Industry Exhibition to

become the tourism industry pageant.

The China Tourism Industry Exhibition will be held every year in Tianjin, so it become another important event in Tianjin. It is a good opportunity to shape a new brand of Chinese tourism industry, demonstrate the new achievements of Chinese tourism industry, and attract more and more tourist from domestic and abroad.

5.4 City human resources strategy

The quality of citizen in the city can define the level of the city. In the fierce regional competition, human resource plays a basic, strategic and decisive role in the economic and social development. To build an international boutique city, Tianjin must enter the phase to improve the understanding of the importance of human resource development, implement the city human resources strategy.

6 Market Analysis

The year 2010 is the last year of the "Eleventh Five-Year Plan", but also the year to promoted Tianjin tourism to a new level. Since the "Eleventh Five-Year Plan", the tourism industry strength in Tianjin has been enhanced significantly, the scale of tourism industry expanded rapidly, the quality of tourism industry has been enhanced significantly, the tourism environment was becoming more and more optimized. Focus on creating "Watching Modern China in Tianjin" "Tour of city exhibition" "Tour of Haihe River" "Tour of Binhai New Area", "Tour of Mountain Landscape" five tourism brand, and built the tourism image "The Pearl in the Bohai Ocean" to provides a better environment for the development of Tianjin tourism. Now according to the data of Tianjin tourism market in the year 2010 for quantitative and qualitative analysis and make predictions for the future trend of Tianjin tourism market.

6.1 Inbound Market

6.1.1 Tianjin foreign tourism market data in 2010

According to the statistics for the whole year of 2010, the inbound tourists to Tianjin was 1,660,700 people, with an increase of 17.8% against the same period last year. The reception of incoming tourists, there are 1,530,461 foreigners, accounting for 92.2% of reception total number increased by 17.2% over last year. The top six countries the foreigners come from are:

(A) Japan 569,028 people, with an increase of 15.2% against 493,328 people in the same period. Accounting for 37.2% of the total number of foreigners, representing 15.25% of the total number of Japanese tourists.

(B) South Korea 279,991 people, with an increase of 15.2% against 243,012 people in the same period. Accounting for 18.3% of the total number of foreigners, representing

6.88% of the total number of Korean tourists.

(C) Singapore 103,327 people, with an increase of 25.7% against 82,213 people in the same period. Accounting for 6.8% of the total number of foreigners, representing 10.29% of the total number of Singaporean tourists.

(D) America 101,355 people, with an increase of 19.3% against 84,963 people in the same period. Accounting for 6.6% of the total number of foreigners, representing 5% of the total number of American tourists.

(E) Malaysia 77,220 people, with an increase of 27.5% against 60,557 people in the same period. Accounting for 5% of the total number of foreigners, representing 4.6% of the total number of Malaysian tourists.

(F) Philippines 37,817 people, with an increase of 2.1% against 37,037 people in the same period. Accounting for 2.5% of the total number of foreigners, representing 4.6% of the total number of Filipino tourists.

| Nation | Percentage | Total tourists | Growth |
|---------------|-------------------|-----------------------|---------------|
| Japan | 37.2% | 569,028 | 15.3% |
| South Korea | 18.3% | 279,991 | 15.2% |
| Singapore | 6.8% | 103,327 | 25.7% |
| America | 6.6% | 101,355 | 19.3% |
| Malaysia | 5.0% | 77,220 | 27.5% |
| Philippines | 2.5% | 37,817 | 2.1% |

Table 6-1 tourists from abroad in 2010

6.1.2 Tourists from Hong Kong, Macao and Taiwan in 2010

In 2010, Tianjin has received 130,221 tourists come from Hong Kong, Macao and Taiwan, with an increase of 24.7% against 104,472 in the last year.

(A) Hong Kong 48,471 compatriots, with an increase of 23.1% against 39,377 people in the same period. Accounting for 2.9% of the total number of inbound tourists, representing 0.061% of the total number of HongKong tourists.

(B) Macao 8,108 compatriots, with an increase of 30.0% against 6,255 people in the same period. Accounting for 0.5% of the total number of inbound tourists, representing 0.17% of the total number of Macao tourists.

(C) Taiwan 73,642 compatriots, with an increase of 25.2% against 58,840 people in the same period. Accounting for 4.4% of the total number of inbound tourists, representing 1.43% of the total number of Taiwanese tourists.

| Region | Percentage | Total tourists | Growth |
|---------------|-------------------|-----------------------|---------------|
| Hong Kong | 2.9% | 48,471 | 23.1% |
| Macao | 0.5% | 39,377 | 30% |
| Taiwan | 4.4% | 73,642 | 25.2% |

Table 6-2 Tourists from Hong Kong, Taiwan and Macao in 2010

6.1.3 The inbound tourism revenue among the main tourist cities

Here is the inbound tourism revenue of the main tourist cities in 2010.

| Provinces and cities | Receipt (Billion USD) | Growth |
|-----------------------------|------------------------------|---------------|
| Guangdong | 12.38 | 23.48% |
| Shanghai | 6.34 | 33.66% |
| Beijing | 5.04 | 15.79% |
| Jiangsu | 4.78 | 19.11% |
| Zhejiang | 3.93 | 21.92% |
| Fujian | 2.97 | 14.58% |
| Liaoning | 2.25 | 21.72% |
| Shandong | 2.15 | 22.08% |
| Tianjin | 1.41 | 20.03% |
| Yunnan | 1.32 | 12.92% |

Table 6-3 Inbound tourism revenue of the main tourist cities in 2010

6.1.4 Inbound tourism development characteristics in Tianjin

With the growing of the effort to develop tourism industry in Tianjin, to promote the city's tourism economy has shown a sustained and steady development.

(A) Rapid growth

According the data, the the tourists source cities did not significantly change, but rapid growth. Except Philippines, the other main source all increased at a proportion of more than 15%. Especially in Singapore, Malaysia and Hong Kong, Macao and Taiwan regions, the Growth in more than 20%. Mainly due to the opening of direct flights between Tianjin and Singapore, Tianjin and Kuala Lumpur contributed to the growth of the two places.

Tianjin has direct flights between both Hong Kong and Taiwan, commuting is convenient. In 2008 and 2010, Tianjin has organized promotional groups to Hong Kong and Macao, held tourism promotion activities, has made huge impact. Since 2006, Tianjin organized the Tianjin tourism promotion to Taiwan annually to participate in the Cross-Strait Taipei Travel Fair and promotion activities. After a series of publicity and promotion, we achieved good results. Hong Kong, Macao and Taiwan market showed a rapid growth at the ratio of 20%, it seems plenty of space for development.

(B) Tourists source concentrated

In the inbound tourism market in Tianjin, East Asia and Southeast Asia are the main foreign source markets, the tourists come from Japan, South Korea, Singapore, Malaysia, the Philippines, accounted for more than 90 percent. Europe, Australia, New Zealand and other remote market share is very low.

(C) Business tourists are the majority

Among the inbound tourists in Tianjin, the proportion of business tourists is higher

than the leisure tourists. According to the data business tourists accounted for 53%, leisure tourists accounted for 39.3%. It due to the development and opening of Binhai New Area.

(D) Business tourists are the majority

The Tianjin revenue from inbound tourism in 2010 is \$ 1,41 billion, with an increase of 20%. Long-distance transportation costs accounted for 40.8%, the shopping expenses accounted for 18.5%, accommodation costs accounted for 12.8%, food and beverage costs accounted for 7.8%, the entertainment expenses accounted for 4.5%, 4.2% tour fee. Overall, the basic costs is much higher and entertainment and leisure cost is lower.

(E) Less market share in the national market

Except Japanese market, the other source markets share is much lower, especially Hong Kong, Macao and Taiwan market, the proportion is even less than 1%. According to the National Tourism Administration tourism sample survey data: about 4% of the Beijing inbound tourists go to Tianjin, 36% go to Shanghai; about 2% of the Shanghai inbound tourists go to Tianjin, 26% go to Beijing, Tianjin is marginalized, this caused by a variety of reasons, such as: the weakness on international awareness, tourist attraction, promotion activities.

6.1.5 Strategy of future inbound tourism development

According to these characteristics, the pattern of inbound tourism market development in Tianjin in the future can be summarized as: continue to consolidate the main tourists source markets such as Japan and South Korea and Hong Kong, Macao and Taiwan , enhance the secondary tourists source markets such as Singapore, Malaysia, the Philippines, the United States, to open up the third source markets of Australia, New Zealand, and Europe.

(A) Continue to consolidate East and Southeast Asia market

The promotion to these regions should be continuous, uninterrupted. While the consolidation of East and Southeast Asia markets, should also explore the European and American markets. First, develop overseas promotions, to enhance the influence of Tianjin tourism. Secondly, take advantage of regional advantages in the aspects of the tourism product development, circuit design, market interaction, cooperate with Beijing, Hebei, to promote the co-development of the European and American markets, and build the Beijing-Tianjin-Hebei Tourism Competitiveness force . And then with the opening of the Beijing-Tianjin, Beijing-Shanghai intercity rail, to strengthen cooperation with Beijing, Shanghai, to attract more inbound tourists to visit Tianjin.

(B) Develop the cruise tourism

As a high-end tourism products and a new way of life, the cruise come into the life of the Chinese people. Now, the number of tourists select cruise tourism is increasing year by year, more and more cruise ship companies come to China. Currently, the annual Tianjin Port International cruise ship reception plan has been released. With the promotion of cruise homeport in Tianjin, inbound tourism to the city by cruise passengers will grow steadily.

(C) Create a better environment for business travel

Accelerate urban sightseeing, leisure, business and exhibition the three travel systems, maximum increase the proportion of leisure tourists. And, we must focus on the development of tourism products including fashion, ecological, participatory and entertaining, so as to enhance the cultural connotation of the Tianjin tourism products.

(D) Build more leisure and entertainment facilities

Make more tourists to participate in the entertainment and leisure projects, thereby increasing the proportion of leisure consumption. To guide tourists shopping and spending, optimize shopping environments, to increase consumption.

6.2 Domestic Market

6.2.1 Tianjin domestic tourism market data in 2010

In 2010 Tianjin has received more than 92 million domestic tourists, with an increase of 14.8%. The top six countries the domestic tourists come from are: Beijing, Hebei, Liaoning, Shandong, Shanxi, Guangdong.

There is no official source statistical data on domestic tourists, we analyze statistics only from the aviation and the Beijing-Tianjin Intercity train.

(A) Aviation (Tianjin Binhai International Airport)

| Year | Flights movements | Arrivals |
|------|-------------------|-----------|
| 2009 | 53,570 | 5,143,360 |
| 2010 | 63,896 | 6,274,637 |

Table 6-4 2009-2010 Domestic tourists throughput

According to the data domestic flight in Tianjin Binhai International Airport in 2010, there is an increase of 19% in flight movements, an increase of 21.99% in visitor arrivals. There is big growth on the airport passenger throughput in 2010, the increase in business and tourist travelers, led to the increasing of many new direct flights between Tianjin and other cities.

(B) Beijing-Tianjin Intercity rail

Beijing-Tianjin intercity rail with its high-speed rail and large capacity, high density, bus transport organization mode, greatly reduced the travel time between Beijing and Tianjin, not only speeded up the exchange and allocation of resources and staff, but also promoted the economic communication in the Bohai Economic Rim.

According to the Tianjin Railway Station statistics show that during 2008 to 2010, the Beijing-Tianjin intercity rail had transported 40.96 million passengers, the daily

average of 60,000 people, the peak daily throughput of 12.5 million people, with an average attendance of 70%. According to the passenger flow statistics, in the second year after opening, the growth of passenger flow through Beijing-Tianjin intercity rail is much more obvious, reaching 2226 million, which is 1.19 times in the first year. According to statistics, the Beijing-Tianjin high-speed railway, Tianjin tourism growth contribution rate of 35%.

6.2.2 The domestic tourism revenue among the main tourist cities

Here is the domestic tourism revenue of the main tourist cities in 2010.

| Provinces and cities | Receipt (Billion USD) | Growth |
|-----------------------------|------------------------------|---------------|
| Shanghai | 252.3 | 32% |
| Beijing | 242.3 | 13% |
| Shandong | 291.6 | 25% |
| Tianjin | 115 | 21% |
| Chongqing | 86.8 | 30% |
| Hebei | 89 | 29% |

Table 6-5 Domestic tourism revenue of the main tourist cities in 2010

6.2.3 Domestic tourism development characteristics in Tianjin

According to the situation of domestic tourism in Tianjin, Tianjin development of domestic tourism has the following characteristics:

(A) More and more tourists come for leisure trip

According to statistics, in the past two years, the tourists aimed at sightseeing, visiting relatives and friends, accounted for more than 60% of the total number of tourists, the tourists aimed at business, conference, or scientific, technical and cultural communication account for only about 30% of all visitors.

(B) The number of "One day trip" tourists increase obviously

According to statistics, the number of "One day trip" tourists accounted for 49.8% of the total visitors come to Tianjin, these "One day trip" tourists mostly come from neighboring provinces and cities such as Beijing, Hebei, Shandong, Liaoning and Shanxi. In the "One day trip", the local tourists in the past two years, continued to grow more than 20%, the more and more beautiful city has attracted more and more members of the public.

(C) More and more domestic tourists choose travel without tour group

Most of the travel agency reception has a downward trend from 2009 to 2010, the main reason is the Beijing-Tianjin Intercity rail, the opening of the Beijing-Tianjin Intercity rail, the tourists visit Beijing can come to Tianjin by themselves to take the intercity rail, rather than through a travel agency

(D) A higher proportion of shopping expense

Among the cost in Tianjin, the first is shopping expenses, accounting for more than 25%. Followed by accommodation, catering fees, transportation fees, tour fees.

6.2.4 Strategy of future domestic tourism development

According to these characteristics, the pattern of domestic tourism market development in Tianjin in the future can be summarized as the following:

(A) Focus on Tianjin local market

The local tourist is a huge market. The last two years, Tianjin add many tourist attractions, has greatly improved the appearance of the city, Tianjin local tourism become the most comfortable, the most economical travel in the holidays, Tianjin local tourism, has much space for development.

(B) Increase promotional efforts to neighbor cities and provinces

Recommend two-day tour or three-day tour, keep the tourists from these areas in Tianjin overnight.

(C) Seize the opportunity, marketing in advance

With the opening of Beijing-Shanghai high-speed rail and Tianjin-Qinhuangdao high-speed rail, greatly enhanced the transportation of the city. Improvement of the transportation provide convenience to attract tourists, we should seize this opportunity to do the tourism promotion work along the traffic line.

(D) Cooperate with Beijing, Hebei

To increase the attractiveness to Make more tourists to the areas of Yangtse River Delta Economic Rim and Pearl River Delta Economic Rim. These two rims are far from Tianjin, for the remote market, Tianjin the attractiveness of only one city is weak, need to cooperate with Beijing, Hebei, to build Beijing-Tianjin-Hebei tourist routes to attract tourists from those two delta regions.

7 Feasibility Analysis

7.1 Political Aspects.

We will perform our business in a favorable and advantageous political environment. For development and opening of Tianjin city, to further enhance the regional service functions and the development of modern services, the Tianjin Municipal Government, the Municipal Finance Bureau, the Municipal Development and Reform Commission, the Municipal Local Taxation Bureau have jointly developed the tax incentives for financial industry, logistic industry and other service industry.

For tourism industry, the government has carried out the policy about visa on arrival. For the tourists from Korea, Japan and Taiwan region, the tourist can come for visiting without visa, and apply for visa after arrive Tianjin.

7.2 Economical Aspects

➤ Economic Background of China

China now is the second largest economy in the world (Its GDP ranking NO.2 in 2010). The average growth rate is 10% due to the past 30 years which means china is little influenced by the big economic crisis. And according to the data of WTO that China becomes the world' s largest exporter and second largest importer of goods last year.

➤ Economic situation of Tianjin

In the Chinese urban competitiveness rankings 2010, the GDP of Tianjin ranked as the 5th among the cities in China.

The city's tourism work conference in 2011 reports that at the end of 2012, total tourism revenue will reach \$29 billion, 231 million inbound tourists, foreign exchange

earnings \$2.1 billion. Tourism industries accounted for the proportion of value added services increase to 14%, accounting for the city's GDP as 6.3%

The conference also predict that in 2013- 2015, the average annual growth of total tourism income will be 16%. To 2015, total tourism revenue is expected to reach \$50 billion, inbound tourism visitors reached 3.7 million, \$3.7 billion tourism foreign exchange earnings, tourism industries accounted for 15% of the value added services , accounting for 7% of the city's annual gross domestic product, the tourism industry has become a pillar industry of Tianjin economy.

These ensures the potential of future tourism development and tourism revenue in Tianjin, Tianjin has the capacity and funding to develop tourism, make the tourism industry to develop into the core industry of Tianjin.

7.3 Socio-Cultural Aspects

In order to promote the Tianjin became the national and even the world-famous tourist destination, the city's cultural and public civilization consciousness and environmental awareness is very important.

Development of "Concession culture". These years, the development of Italian style town is popular from the domestic tourists, european style architecture, tour carriage and special villa, consisting of a Concession landscape.

Tianjin in recent years, the growth is not only GDP as well as the public's environmental protection awareness. As the city is getting more and more beautiful, the public awareness of water saving, power saving and rubbish classification gradually improved , make great benefit to build a clean and beautiful Tianjin.

7.4 Technological & Human resource Aspect

➤ Technological perspective

The Internet is changing our the modern way of lives subtly, airlines have also established their own websites to advertise and promote their products, e-tickets in the transportation make the extensive use of Internet-based B2C direct sales model to be realized. In addition, the personal and participatory online self-service and other technologies are the changes the transportation highlight with the application of Internet technology. Besides, the videophone technology has matured, which the greatest impact seen is on the high-quality business travel market resources, specifically expressed after the 2008 economic crisis, many multinational companies have established videophone systems reducing the operating costs.

➤ Human resource perspective

According to the statistics from National Bureau of Statistics. As at the end of 2011, Tianjin has 45 Higher Education School, including: 18 Departments of Education, 27 other departments and private. There are 59 national key universtiy in Tianjin, including 11 municipal colleges and universities, it is the best increasing among the universities in other Provinces and cities.

Higher education caused the increase of population educated. College students ross enrollment rate is 55% in Tianjin by the end of 2007, which means not only a higher level of higher education, but also marks the social and economic development in Tianjin has reached the level of moderately developed countries.

The city has 17 postgraduate training units. Post-graduate students in 2011 there are 1.27 million people, with an increase of 0.09 million over the previous year.

The Penetration of higher education and the nation's leading institutions of higher learning in Tianjin, ensured that the human resource needed in the future development

of Tianjin, in the organization and management center of tourism industry and other industry companies.

8 Business Plan About Tianjin Open Tour Bus Company

8.1 General introduction

8.1.1 Objective

The Tianjin Open Tour Bus is carried out for the convenience of tourists to enjoy the Landscape of Tianjin, to supply the convenient for visitors to enjoy the scenery and take pictures.

The Tianjin Open Tour Buses will be put into the line of city sightseeing transportation system, the main drive in the Italian style town, Jin Wan Square, Mei River and Dongli Lake area.

8.1.2 Target Customers

(A) Inbound customer

Tourists from abroad. According to the statistics for the whole year of 2010, the inbound tourists to Tianjin was 1,660,700 people, with an increase of 17.8% against the same period last year. The reception of incoming tourists, there are 1,530,461 foreigners, accounting for 92.2% of reception total number increased by 17.2% over last year.

Tourists from Hong Kong, Macao and Taiwan. In 2010, Tianjin has received 130,221 tourists come from Hong Kong, Macao and Taiwan, with an increase of 24.7% against 104,472 in the last year.

(B) Domestic customer

In 2010 Tianjin has received more than 92 million domestic tourists, with an increase of 14.8%. Which including: Local tourists, University Students, Individual Tourists, Small Size Travel Agencies.

8.1.3 Product and service

The main output of the Tianjin Open Tour Bus is service.

(A) On-line digital Ticket

According to the characteristics of our customers, the young university students, company employees, individual visitors and so on, to develop digital ticket and the on-line web page for the smart phone. This kind of additional service and innovation point composes another revenue growth point.

(B) In-bus service

Every bus need to configure at least one bus service staff, must have the ability of speaking English or Japanese for explaining to foreign travelers, need to wear the Tianjin Open Tour Bus service vest, service projects are as follows:

1. The tour line introduction.
2. The attractions explanation in bus.
3. Selling drinks and snacks, and the map of Tianjin.
4. To assist the company to carry out a passenger survey.

(C) Customer service

To provide high-quality tour consulting, seat booking and complaint response service.

8.1.4 Bus Routines

According to the three most famous attractions in Tianjin, "Italian Style Town" "The Fifth Avenue" "The Eye of Tianjin", to develop the tourist routes.

So, in the first two years the bus tour route will be following: The Italian style Town - Jintang Bridge - Wanghai tower - Lion Forest Bridge - The Eye of Tianjin - Ancient Culture Street - Temple of Literature - Drum Tower - Food Street - Peace Road King Street - Beian Bridge- Tianjin Tower - Taku Bridge -The Italian style Town Marco Polo Plaza

8.1.5 Primary Cost

To start up this business, we need the following fees for starting-fund.

- Purchasing 70-passenger double-decker sightseeing buses
- In addition to the buses, our other long-term assets will include the audio-visual system that will be installed on the buses
- Provisions of a sufficient cash reserve to assure timely payment of operating cost of the buses for the first three months.
- Costs associated with recruiting, training and paying operational crews.
- Marketing, advertising, and public relations costs, including the cost of setting up a website capable of offering tour information and making online sales and reservations, and related Internet marketing, as well as conventional print and broadcast advertising, and public relations activities.
- Administrative and legal costs incurred in setting up the business and the tour operations.

8.1.6 Stage of Development

(A) 2011-2013. During the first two years, the Tianjin open tour bus will focus on the urban are of Tianjin city and overcome the problems the company will meet in the operation. Start with 2 buses and open the routes in the morning and evening.

Maturing our management ability in the daily operation.

(B) 2013-2014. Increase the number and length of Tourist Routes, increase to 8-10 buses

(C) 2014-2015. Expand the Tianjin open tour bus to Binhai New Area.

8.2 Strategic plan

8.2.1 Mission

City Open Tour Bus of Tianjin has a mission to provide safe, professional, reasonably priced sightseeing services to our customers. We intend to fill a niche in the Tianjin sightseeing market that is unmet at this time, to sites in the city that are not currently shown, as well as highlight the sites that are known to millions of visitors. We will operate and maintain the best fleet of buses available and we will never skip the safety or customer service. We will always have and promote fun tours so that when the customer leaves us, they will remember the good time they had and recommend us to a friend or relative. We will provide friendly service from the time we meet to the time they leave.

With a combination of clean buses, friendly and informative and helpful driver guides along with outstanding customer service, City Open Tour Bus of Tianjin intends to lead the other companies and make our standards their ambition.

8.2.2 Strategic Objectives

Our business objectives are directed toward creation of economic value and returns, making market share growth and margin improvement derive from a large amount of customers for the owners of business.

At the same time, we concentrate on serving customers and the society.

8.2.3 External Analysis

(A) Political Aspects. We will perform our business in a favorable and advantageous political environment. Focus on creating "Watching Modern China in Tianjin" "Tour of city exhibition" "Tour of Haihe River" "Tour of Binhai New Area", "Tour of Mountain Landscape" five tourism brand, and built the tourism image "The Pearl in the Bohai Ocean" to provides a better environment for the development of Tianjin tourism.

(B) Economical Aspects

➤ Economic Background of China

China now is the second largest economy in the world (Its GDP ranking NO.2 in 2010). The average growth rate is 10% due to the past 30 years which means china is little influenced by the big economic crisis. And according to the data of WTO that China becomes the world' s largest exporter and second largest importer of goods last year.

➤ Economic situation of Tianjin

In the Chinese urban competitiveness rankings 2010, the GDP of Tianjin ranked as the 5th among the cities in China.

(C) Socio-Cultural Aspects

City Open Tour Bus is a sign of maturity to the tourist destination, it will adequately meet the needs of individual visitors. With the growing need of City Open tour Bus, consumer groups' awareness of open tour bus is significantly enhanced. More consumers are already familiar with the details of City Open tour Bus, services and enjoy the experience of their situation with a stronger sense of nature. This change forced the airlines to think about how to provide more humanized services.

(D) Technological Aspect

The Internet is changing our the modern way of lives subtly, airlines have also established their own websites to advertise and promote their products, e-tickets in the transportation make the extensive use of Internet-based B2C direct sales model to be realized. In addition, the personal and participatory online self-service and other technologies are the changes the transportation highlight with the application of Internet technology. Besides, the videophone technology has matured, which the greatest impact seen is on the high-quality business travel market resources, specifically expressed after the 2008 economic crisis, many multinational companies have established videophone systems reducing the operating costs.

8.3 Marketing plan

8.3.1 Market Analysis and Evaluation

The travel and tour industry is a large retail business in Tianjin, which generated about 116 billion dollars in revenue in 2010. Including 10% in sightseeing and tour related activities. In 2010, Tianjin has receipted 93.6 million tourist, with an average growth of 10%

Our potential customers are people who want a unique tour experience at a reasonable price. These will include people who come to the city for the day, leisure travelers, local visitors, individual visitors, budget-conscious travelers, business travelers, families, students and seniors.

8.3.2 Target Customers

(A) Tourists from abroad. According to the statistics for the whole year of 2010, the inbound tourists to Tianjin was 1,660,700 people, with an increase of 17.8% against the same period last year. The reception of incoming tourists, there are 1,530,461 foreigners, accounting for 92.2% of reception total number increased by 17.2% over last year. The top six countries the foreigners come from are:

| Nation | Percentage | Total tourists | Growth |
|-------------|------------|----------------|--------|
| Japan | 37.2% | 569,028 | 15.3% |
| South Korea | 18.3% | 279,991 | 15.2% |
| Singapore | 6.8% | 103,327 | 25.7% |
| America | 6.6% | 101,355 | 19.3% |
| Malaysia | 5.0% | 77,220 | 27.5% |
| Philippines | 2.5% | 37,817 | 2.1% |

Table 8-1 tourists from abroad in 2010

(B) Local tourist. The local tourist is a huge market. The last two years, Tianjin add many tourist attractions, has greatly improved the appearance of the city, Tianjin local tourism become the most comfortable, the most economical travel in the holidays, Tianjin local tourism, has much space for development.

(C) Sightseeing and special purpose visitor. Our most important customers will be the people who visit Tianjin for sightseeing, rest and relaxation or are here for a convention or other special interest. We will develop special pricing to encourage honeymooners to spend some time with us and we will highlight their recent marriage during the tour.

(D) High-income. For these travelers price is not an option, so by pricing ourselves in the middle of the market, we will be able to attract these customers.

(E) Budget conscious travelers, families, students and seniors

8.3.3 Competition

Nowadays, in Tianjin there is only one company the Tianjin City Transportation Group is operating the open tour bus business, there are 2 tourist route and 4 trips

every day, at 10:30 and 14:30 in the morning, 19:30 and 20:30 in the evening. The price is 25 RMB.

When we enter the open tour bus market, as the same price as Tianjin City Transportation Group, we will share 50% of the market

8.3.4 Market Size Forecast

We can forecast the market size in following 5 years with an average growth of 10%

| Market Analysis | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------|---------|---------|---------|---------|---------|---------|
| Potential Customers | Growth | | | | | | |
| Visitors(Million) | 10% | 116,000 | 127,600 | 140,360 | 154,396 | 169,835 | 186,818 |
| Visitors for city sightseeing (10% of total) | | 11,600 | 12,760 | 14,036 | 15,439 | 16,983 | 18,681 |

Table 8-2 Market Size for following 5 years

8.3.5 Market Mix Strategy

(A) Product (Service)

- On-line digital Ticket. According to the characteristics of our customers, young university students, company employees, and so on, to develop digital ticket and the on-line web page for the smart phone. This kind of additional service composes another revenue growth point.
- In-bus service. Every bus need to configure at least one bus service staff, must have the ability of speaking English or Japanese for explaining to foreign travelers , need to wear the Tianjin Open Tour Bus servicer vest, service projects

are as follows:

1. The tour line introduction.
 2. The attractions explanation in bus.
 3. Selling drinks and snacks, and the map of Tianjin.
 4. To assist the company to carry out a passenger survey.
- Customer service. To provide high-quality tour consulting, seat booking and complaint response service.

(B) Price

Much of Double Decker Tours' pricing is determined by our competition. The price of sightseeing in Tianjin City Transportation Group is 25 RMB. By setting our price as the same, with a potential market of over 46 billion people per year, we are basing our first year figures on servicing 400,000 potential visitors.

(C) Place

Both the bus stop and service center are located in the Italian Style Town, the starting point of the tourist route. In addition, Italian Style Town is not far from the Tianjin Train Station, convenient for tourists to take the bus.

(D) Promotion

The overall concept and design of Open Tour Bus of Tianjin sets the stage for its promotion. Marketing and promotion will stress the unique buses, the fun you can have with us and quality of tours that will set it apart from the rest. Strong public relations combined with well-placed, well-designed, distinctive advertising appealing directly to people who are our prospective customers will help get the word out.

8.4 Operating plan

8.4.1 Key Processes

(A) Tickets selling

As we all know, most of the bus tickets are sold by two ways, fixed point sales and Internet sales adopted on-line booking method to sell their. Therefore we are going to adopt this two ways to sell the tickets.

- First, by website which can directly sell digital tickets to all internet users. It's very convenient fast and effective to both customers and companies.
- The second way fixed-point sales, tourists can buy ticket from the starting point and ending point of the tour line.

(B) In-bus service

Every bus need to configure at least one bus service staff, must have the ability of speaking English or Japanese for explaining to foreign travelers , need to wear the Tianjin Open Tour Bus servicer vest, service projects are as follows:

1. The tour line introduction.
2. The attractions explanation in bus.
3. Selling drinks and snacks, and the map of Tianjin.
4. To assist the company to carry out a passenger survey.

(C) Maintenance

Heavy maintenance and training will be outsourced to Tianjin bus vehicle maintenance Co., Ltd., it is the subsidiary of Tianjin Public Transport Group Limited. It owns four maintenance plant, two maintenance bases, a brand maintenance service stations, the multiple maintenance support service centers.

(D) Customer service

Customer service staff refers to the staff communicate with travelers via the telephone or Internet , need to have a high-quality customer service skills and ability to provide high-quality tour consulting, seat booking and complaint response service.

8.4.2 Main Resources

(A) Bus

Considered we are a new-start up small company and we only operate 1 route at the very beginning, we are going to buy two 70-passenger double-decker sightseeing



buses for the beginning 2 years.

With the growing of Tianjin Open Tour Bus business, other buses will be bought separately in the following years according to the added routines.

(B) Other tangible assets

Besides the buses, office building will be another biggest asset. Headquarter of our company will be located beside the Italian Style Town. The rent is 160 RMB/m² per month while the total area is 500m².

(C) Intangible assets

Main intangible assets are brands and software. As a new start-up company we may do not have a brand value.

About software, we will buy some software like on-line booking system, accounting

system and management information system and so on.

8.4.3 Start-up Summary

Most of the planned start-up costs are apportioned to the following areas:

- Purchasing two 70-passenger double-decker sightseeing buses. We budgeted \$200,000 for the buses, and it will cost us an additional \$10,000 for the paint job.
- In addition to the 2 buses, our other long-term assets will include the audio-visual system that will be installed on the buses, for which we budget \$14,000.
- Provisions of a sufficient cash reserve to assure timely payment of operating cost of the buses for the first three months.
- Costs associated with recruiting, training and paying operational crews.
- Marketing, advertising, and public relations costs, including the cost of setting up a website capable of offering tour information and making online sales and reservations, and related Internet marketing, as well as conventional print and broadcast advertising, and public relations activities.
- Administrative and legal costs incurred in setting up the business and the tour operations.

| Start-up Requirements | |
|---|-----------|
| Buses | \$200,000 |
| Brochures | \$5,000 |
| Pre-opening Promotion & Advertisement | \$40,000 |
| Rent | \$13,000 |
| Salaries | \$20,000 |
| Computers & Web page setup & Photo processing | \$15,000 |
| Phones | \$3,500 |

| | |
|--------------------------------|------------------|
| License/Fees | \$10,000 |
| Uniforms | \$20,000 |
| Paint Job for Buses | \$10,000 |
| Business travel | \$15,000 |
| Total Start-up Expenses | \$458,500 |

Table 8-3 Start-up Requirements for business

8.5 Human resources

8.5.1 Core Human Resources

Tianjin Open Tour Bus will begin operating with 9 full time positions. The positions are as follows:

- Member Manager (1)
- Marketing / Sales Associates (2)
- Customer service (2)
- Driver/guides (4)

Member Manager, need to has knowledge of the local sightseeing and touring industry in Tianjin, has gained his sightseeing and tour experience from working for Tourmobile and conducting walking tours in the city over the past two year. From that experience, to gain an unique perspective of what it would take to start and run a successful tour and sightseeing company.

Marketing/Sales Associates, The individuals selected for these positions will have extensive experience in the local tourism and sightseeing industry. They will have a proven track record in generating sales. Their responsibilities in this position will be to develop marketing and sales materials and campaigns as well as supervising sales personnel as we grow.

Customer service, The individuals selected for these positions will have customer service experience as they will be our face to the public. They will hand out literature about the company and our tours, help customers board the buses and answer questions or complaint that come up. The Captains will also take photographs of our customers as they board the buses for later sales.

Driver/Guides, The individuals selected will be required to have a Commercial Drivers License and Tour Guide License. Drivers will have local knowledge of the city and they will be responsible for the safety of the buses and passengers and will present informative, humorous tours to our customers.

8.5.2 Personnel Plan

The Personnel Plan has 3 stages:

(A) First Stage, During the first two years, the Tianjin Open Tour Bus will focus on the urban are of Tianjin city and overcome the problems the company will meet in the operation. Start with 2 buses and open the routes in the morning and evening. Maturing our management ability in the daily operation. So we have 4 drivers and guides, 2 employee for customer service and 2 for marketing / sales associates.

(B) Second Stage, Increase the number and length of Tourist Routes, increase to 4 buses. So we have 8 drivers and guides, 4 employee for customer service and 4 for marketing / sales associates.

(C) Third Stage, expand the Tianjin open tour bus to Binhai New Area, increase to 8-10 buses. So we have 16 drivers and guides, 5 employee for customer service and 5 for marketing / sales associates.

| Personnel Plan | | | |
|-----------------|-----------|-----------|-----------|
| | Stage 1 | Stage 2 | Stage 3 |
| Member | \$72,000 | \$84,000 | \$96,000 |
| Manager | | | |
| Driver/Guides | \$100,000 | \$200,000 | \$400,000 |
| Marketing/Sales | | | |
| Associates | \$50,000 | \$100,000 | \$120,000 |
| Customer | | | |
| Service | \$48,000 | \$96,000 | \$122,000 |
| Total People | 9 | 17 | 25 |
| Total Payroll | \$270,000 | \$480,000 | \$738,000 |

Table 8-4 Personnel Plan for business

8.6 Financial plan

8.6.1 Important assumptions

- Open Tour Bus of Tianjin's financial plan is detailed in the following sections. Income estimates are based on 400,000 tourists on the first year with a growth rate of 20% for the 2012 and 2014 and a growth of 200% in 2013 and 2015 because of the new buses.
- Local economic conditions will remain viable and favorable to the tourism industry for the next five years.
- The WACC equal to 8%

8.6.2 Bus

As stated before, we need 2 buses for operation in the first 2 years. From the third year, we plan to add more aircraft and flight routes year by year.

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------|-----------|------|-----------|------|-----------|
| Buses | 2 | 2 | 4 | 4 | 8 |
| Route | 1 | 1 | 2 | 2 | 4 |
| Investment | \$200,000 | | \$200,000 | | \$400,000 |

Table 8-5 Bus Plan for business

8.6.3 Revenue

Income estimates are based on 400,000 tourists on the first year with a growth rate of 20% for the 2012 and 2014 and a growth of 200% in 2013 and 2015 because of the new buses.

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------|--------|--------|--------|--------|
| Visitors for city sightseeing (million) | 12,760 | 14,036 | 15,439 | 16,983 | 18,681 |
| Servicing goal (million) | 0.4 | 0.48 | 0.96 | 1.15 | 2.3 |
| Growth | | 20% | 200% | 20% | 200% |
| Revenue (million USD) | 1.66 | 2 | 4 | 4.8 | 9.6 |

Table 8-6 Revenue estimation for business

8.6.4 Taxes Incidence

The tax rate for Bus transportation Company in China is usually between 15-25%. There is variance according to the specific circumstances. In this business plan, the taxes were considered to bite 24% of the company's continuing operation profit.

8.6.5 Projected Profit and Loss

Our projected profit and loss is shown on the following table, with sales increasing from \$1.6 million the first year to \$4 million the third, and profits varying

substantially for the start-up phase of this business. We show a profit in the first year on 0.4 million visitors to the city which equals 1,095 customers per day for 2 buses.

Assume that the cost of fuel is 10% of the revenue.

| Profit and Loss | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Sales | \$1,660,000 | \$2,000,000 | \$4,000,000 | \$4,800,000 | \$9,600,000 |
| Direct Cost of Sales (fuel) | \$166,000 | \$200,000 | \$400,000 | \$480,000 | \$960,000 |
| Other Cost of Sales | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$166,000 | \$200,000 | \$400,000 | \$480,000 | \$960,000 |
| Gross Margin | \$1,494,000 | \$1,800,000 | \$3,600,000 | \$4,320,000 | \$8,640,000 |
| Gross Margin % | 90.00% | 90.00% | 90.00% | 90.00% | 90.00% |
| Expenses | | | | | |
| Payroll | \$270,000 | \$270,000 | \$480,000 | \$480,000 | \$738,000 |
| Sales and Marketing and Other Expenses | \$14,000 | \$18,000 | \$22,000 | \$26,000 | \$30,000 |
| Depreciation | \$20,000 | \$20,000 | \$40,000 | \$40,000 | \$80,000 |
| Rent | \$13,000 | \$14,300 | \$15,730 | \$17,303 | \$19,033 |
| Insurance | \$18,000 | \$21,600 | \$43,200 | \$51,840 | \$103,680 |

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Bus Maintenance | \$12,000 | \$14,400 | \$28,800 | \$34,560 | \$69,120 |
| Telephones and Nextels | \$7,200 | \$8,640 | \$17,280 | \$20,736 | \$41,472 |
| Office Supplies | \$3,000 | \$3,600 | \$7,200 | \$8,640 | \$17,280 |
| Brochures | \$5,000 | \$5,500 | \$6,050 | \$6,655 | \$7,321 |
| Website Maintenance | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 |
| Uniforms | \$20,000 | \$20,000 | \$40,000 | \$40,000 | \$80,000 |
| Total Operating Expenses | \$420,200 | \$434,040 | \$758,260 | \$783,734 | \$1,283,906 |
| Profit Before Interest and Taxes | \$1,073,800 | \$1,365,960 | \$2,841,740 | \$3,536,266 | \$7,356,094 |
| Taxes Incurred | \$398,400 | \$480,000 | \$960,000 | \$1,152,000 | \$2,304,000 |
| Net Profit | \$675,400 | \$885,960 | \$1,881,740 | \$2,384,266 | \$5,052,094 |
| Net Profit/Sales | 40.69% | 44.30% | 47.04% | 49.67% | 52.63% |

Table 8-7 Profit and Loss estimation for business

8.6.6 Cash Flow Statement

| Cash Flow | | | | | |
|---------------|-------------|-------------|-------------|-------------|-------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Cash Received | | | | | |

| | | | | | |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Cash from Operations | | | | | |
| Cash Sales | \$1,660,000 | \$2,000,000 | \$4,000,000 | \$4,800,000 | \$9,600,000 |
| Subtotal Cash from Operations | \$1,660,000 | \$2,000,000 | \$4,000,000 | \$4,800,000 | \$9,600,000 |
| Expenditures | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenditures from Operations | \$458,500 | | \$200,000 | | \$400,000 |
| Cash Spending | \$270,000 | \$270,000 | \$480,000 | \$480,000 | \$738,000 |
| Bill Payments | \$714,600 | \$844,040 | \$1,638,260 | \$1,935,734 | \$3,809,906 |
| Subtotal Spent on Operations | \$1,443,100 | \$1,114,040 | \$2,318,260 | \$2,415,734 | \$4,947,906 |
| Additional Cash Spent | | | | | |
| Sales Tax, VAT, HST/GST Paid Out | \$398,400 | \$480,000 | \$960,000 | \$1,152,000 | \$2,304,000 |
| Purchase Other Current Assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| Purchase Long-term Assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | | | | |
|---------------------|-------------|-----------|-----------|-------------|-------------|
| Subtotal Cash Spent | \$398,400 | \$480,000 | \$960,000 | \$1,152,000 | \$2,304,000 |
| Net Cash Flow | (\$181,500) | \$405,960 | \$721,740 | \$1,232,266 | \$2,348,094 |
| NPV | (\$181,500) | \$207,833 | \$811,214 | \$978,212 | \$2,631,671 |

Table 8-8 Cash flow estimation for business

8.6.7 Projected Balance Sheet

| Balance Sheet | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|--------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | \$0 | \$405,960 | \$721,740 | \$1,232,266 | \$2,348,094 |
| Receivable | \$1,660,000 | \$2,000,000 | \$4,000,000 | \$4,800,000 | \$9,600,000 |
| Total Current Assets | \$1,660,000 | \$2,405,960 | \$4,721,740 | \$6,032,266 | \$11,948,094 |
| Long-term Assets | \$200,000 | \$200,000 | \$400,000 | \$400,000 | \$800,000 |
| Accumulated Depreciation | \$20,000 | \$40,000 | \$80,000 | \$120,000 | \$200,000 |
| Total Long-term Assets | \$180,000 | \$160,000 | \$320,000 | \$280,000 | \$600,000 |
| Total Assets | \$1,840,000 | \$2,565,960 | \$5,041,740 | \$6,312,266 | \$12,548,094 |
| Liabilities and Capital | 2011 | 2012 | 2013 | 2014 | 2015 |

| Current Liabilities | | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|--------------|
| Accounts Payable | \$166,000 | \$200,000 | \$400,000 | \$480,000 | \$960,000 |
| Current Borrowing | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Current Liabilities | \$166,000 | \$200,000 | \$400,000 | \$480,000 | \$960,000 |
| Long-term Liabilities | | | | | |
| Total Liabilities | \$166,000 | \$200,000 | \$400,000 | \$480,000 | \$960,000 |
| Paid-in Capital | \$458,500 | \$458,500 | \$658,500 | \$658,500 | \$1,058,500 |
| Earnings | \$1,215,500 | \$1,907,460 | \$3,983,240 | \$5,173,766 | \$10,529,594 |
| Total Capital | \$1,674,000 | \$2,365,960 | \$4,641,740 | \$5,832,266 | \$11,588,094 |
| Total Liabilities and Capital | \$1,840,000 | \$2,565,960 | \$5,041,740 | \$6,312,266 | \$12,548,094 |

Table 8-9 Projected balance sheet for business

8.6.8 Financial Conclusion

$$ROA = \frac{\text{Operating Income}}{\text{Total Assets}}$$

$$EVA = \text{Net Operating Income} - K * \text{Investment}$$

(A) Return on Assets (ROA)

This indicator measures how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate

earnings.

(B) Economics Value Added (EVA)

EVA is a measure of a company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit (adjusted for taxes on a cash basis).

| Year | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|---------|---------|---------|---------|----------|
| Operating Income | 1073800 | 1365960 | 2841740 | 3536266 | 7356094 |
| Total Assets | 1840000 | 2565960 | 5041740 | 6312266 | 12548094 |
| ROA | 58% | 53% | 56% | 56% | 59% |
| NOI | 675400 | 885960 | 1881740 | 2384266 | 5052094 |
| Investment | 458500 | 458500 | 658500 | 658500 | 1058500 |
| WACC | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |
| EVA | 638720 | 849280 | 1829060 | 2331586 | 4967414 |

Table 8-10 ROA and EVA for business

The table shows that, the ROA tends to increase some percent per year except for 2013, since the stakeholder invest to the company by cash due to the plan, but the company do not increase the scale, thus, the value of ROA decreases.

The value of EVA shows that the company creates more value than required by the investors if they invest in the other aspects. It creates more and more valued for the investor, that is to say, it increases the profitability.

Therefore, after the combination of pure data analysis and the financial indicator analysis, all of this shows that Tianjin Open Tour Bus Company is on the correct development road according to the predicted plan. This company will be a profitable one and deserves the investment by the investors.

9 Conclusion

With the continuous develop of globalization, the increasingly fierce competition between cities is focusing on human resources, technology, capital and so on. At the face of the complex international competition, city marketing has become an important strategic tool to promote development and enhance the competitiveness of the city.

This paper explores the Tianjin tourism marketing strategy, on the basis of basic overview in Tianjin tourism development discuss the necessity of Tianjin tourist city marketing, and analyzed the strength, weakness, opportunity and threaten. And put forward "tourism product strategy" "tourism Image strategy" "promotion Strategy" and "online tourism marketing" these strategies.

And then through these strategies to focus on creating "Watching Modern China in Tianjin" "Tour of city exhibition" "Tour of Haihe River" "Tour of Binhai New Area", "Tour of Mountain Landscape" five tourism brand, and built the tourism image "The Pearl in the Bohai Ocean"

Finally according to the analysis of Tianjin tourism market in 2010. We know that the structure of tourists in Tianjin, Tianjin has huge potential, and there are some weakness, we need to extend the international market and local market, and also need to collaboration with Beijing and Hebei to increase the attractiveness to attract tourists from south of China.

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