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Making the Danish tourism sector “China ready”: The Chinese tour operators’ perspective

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Aalborg University, 2016
By Hua Qian
Supervisor: Anders Sørensen
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Abstract

The subject of Chinese outbound tourism is receiving increasing awareness within the western travel industry, however limited research emphasizes on the leisure group market. This thesis deeply analyze the Chinese tour operators' perspectives on the challenges and opportunities for the Danish tourism sector to become "China Ready", and the results of the thesis can be divided into three aspects as below. Firstly, some of the characteristics of Chinese outbound tourists in the previous studies cannot be applied to the Chinese outbound leisure group market, and Chinese tour operators give their opinion regarding the characteristics, demands, and expectation of leisure group tourists. Secondly the business practice between Chinese travel agencies and incoming partners are very different from the business practice between two western companies. Understanding the business practice and the mind-set of Chinese tour operators are crucial for the Danish tourism sector to become "China Ready", for example Chinese tour operators care a lot about "quick reply" and "cheaper price". Lastly in order to improve the volume and increase the satisfaction among Chinese tourists, the Danish tourism sector still have some weaknesses as seen from Chinese tour operators. However, there are also opportunities for the Danish tourism sector, and even the weaknesses can also turn into future potential opportunities. Fully understanding Chinese outbound tourists, Chinese tour operators, and the business practice in the Chinese tourism industry are all important for the Danish tourism sector to become "China Ready" for Chinese leisure group markets.

Key words: Chinese outbound tourism, Group package tours, Chinese tour operators, the Danish tourism sector, Business practice, "China Ready"

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STB - Scandinavia Tourist Board
WOCO - Wonderful Copenhagen
ADS – Approved Destination Status
DMO – Destination Management Organization
GDP – Gross Domestic Products

1.0 Introduction:

1.1 Chinese outbound tourism

China has one fifth of the world's population and 63613900 million RMB (Chinese currency, which equals 969000 million U.S. dollars) GDP in 2014. In recent years, Europe's economy and consumption has been stagnating, and this phenomenon devalues the Euro and Scandinavian currency. More and More Chinese tourists have the money to travel abroad. Zhang (2011) stated that the steady and current appreciation of RMB exchange stimulated the Chinese outbound tourists. Chinese outbound tourism is booming under this macro economic background, and this will most likely help Chinese outbound tourism sustain a rapid growth in the foreseeable future. In 2012 the number of Chinese outbound visitors reached 83.2 million (Arlt & Burns, 2013), and the number of border crossings increased to 116.59 million in 2014. At the same time, the outbound tourism consumption increased to 164.8 billion US dollars (STB, 2015). WOCO (2013) estimates that China's continuous growth will further boost urbanization and increase the number of middle class and affluent consumers. In the statistics of year 2014 January to November, Europe, as the second most popular destination occupied an 11.7 % market share of the whole outbound tourism market. The first most popular destination is Asia (Exclude, Hong Kong, Macao, and Taiwan) with 65.4% market share (STB, 2015). Many of the destinations have already noticed the power of Chinese outbound tourists, and they have taken actions to attract more Chinese tourists. Although Scandinavian countries put more emphasis on the Chinese market in recent years, they are still left behind the other countries (WOCO, 2012).

1.2 Group Package Tours

Scandinavian countries are becoming increasingly popular among Chinese tourists, and different researchers start keeping "China" in mind. Many articles and students' project discussed Chinese outbound tourism, including the "Chinavia Project" by WOCO that focuses on Scandinavian countries. However, little research focuses only on Chinese leisure groups. In the recent report from STB (2015), the statistic shows that 78% Chinese tourists are still group travellers. In addition, WOCO (2013) also states that there is still a large amount of Chinese tourists who would like to travel with a travel agency. Tour groups provide tourists a safe and convenient travel environment, and tourists do not need to worry about many of the hassles and language barriers of being in a foreign country. Visa is still a big challenge for Chinese tourists to come to

Europe, and groups with an ADS letter from an incoming agency can assist them to get visa easier. ADS stands for Approved Destination Status (ADS), this system was established in the early 1990s, when the Chinese government started allowing Chinese tourists to travel overseas for leisure purposes (Li, et. al, 2011). Chinese outbound tourism is still dominated by group travellers, and the number of Chinese group travellers is still increasing rapidly. Moreover, the economic development in 2nd and 3rd tier cities of China (1st tier cities, include Shanghai, Beijing, and Groungzhou, and 2nd tier cities, include many more cities which also have high living standards, like Hangzhou, Suzhou, Tianjing and many others) will also bring the opportunities for the group tours growth (STB, 2015). Zhang, et.al (2011) argues that county-side people's tourism should also not be ignored. In addition, Zhang, et. al (2011) stated that the senior citizens tourism and leisure demand should be highly considered since the aging society is an unavoidable trend in China. The increasing number of aging people and high demand of overseas leisure travel lead the main research group for this project, which is Chinese outbound leisure groups.

1.3 The Danish tourism sector

This project focuses on the Danish tourism sector mainly because I have been living and studying in Copenhagen, Denmark for almost three years. Personally I have travelled to many places in Denmark, and I think Denmark is an attractive destination to explore. However, I feel there are certain challenges for Danish tourism sector to truly and deeply understand Chinese outbound tourists' demand and expectation. Copenhagen as the main tourism city of Denmark is more like a transfer spot if we look at many Chinese leisure groups' itinerary of Scandinavia. Most of the Chinese leisure groups stay in Copenhagen for only 0.5 to 2 days if we look at the Scandinavian package products on the website. Although an increasing number of groups are visiting Tivoli Garden, Carlsberg, Krongborg and Frederiksborg Castle, still most of the Chinese groups only visit the main attractions in the central Copenhagen such as the Little Mermaid, the Gefion Fountain, Amalienborg Castle, Christiansborg Castle, the City Hall Square, and the H.C.Andersen Bronze Sculpture, and all this only takes them half a day. The Danish DMOs (Visit Denmark, WOCO, Visit Fyn, Visit Nordsjaelland) have already started working on entering the Chinese market in recent years. However, besides the DMOs, different kinds of Danish suppliers (e.g. hotels, museums, castles, cruise companies, restaurants, stores, and others) also want to attract more Chinese tourists to their business. Some of the Danish suppliers already took some actions to enter the Chinese market, for example, DFDS Seaways, Fjordline, hotel chains (Scandic, Choice, Radisson, and Comwell), and Noma restaurant. There are many opportunities nowadays for Denmark, for example, the development of more air routes to the increasing experienced travellers in 1st tier cities; and emerging 2nd tier cities. On the other hand, there are many challenges and difficulties for Danish suppliers to enter or expand their

Chinese market as well, for example cultural differences, lack of information, knowledge and network, and language barriers could all be the challenges for the Danish tourism sector.

1.4 Business practice

Incoming travel agencies in Denmark and outgoing travel agencies in China are two of the key stakeholders who are involved in the Chinese leisure group business, and they play two different roles in organizing Chinese outbound tourism. There are approximately 20 incoming agencies in Denmark, which have business with the Chinese market, and there are thousands of travel agencies, which have business of outbound tourism in China. Although there is some research regarding the way of doing business with China, the business practice between incoming agencies and travel agencies in China has never been thoroughly discussed in the tourism literatures.

Chinese individual tourists are very diverse, however, the B2B cooperation methods between the incoming agencies and the Chinese travel agencies are quite similar for most of them. For example, a Chinese travel agency (Client) designs an itinerary of 10-12 days Scandinavian package with their own knowledge and sources from the Internet, and sends it to several incoming agencies. Afterwards, the incoming agencies can contact all the suppliers that have been mentioned in that itinerary, and send back a package quotation to the Chinese travel agency. Incoming agencies can give some suggestions on choosing the hotels, restaurant, etc. Then, if the incoming agency can meet their budget, the travel agencies in China will let the incoming agency know how many flight seats they are holding for the groups. After that, the incoming agency needs to hold place with different suppliers on different dates, and send the Chinese travel agency an ADS letter one month before the group departure. The Chinese travel agency needs to assist the consumers to get the visa, and send them to Scandinavia. The incoming agency needs to take care of the client during the whole trip until they are back in China. Many incoming agencies have leisure groups business with Chinese travel agencies because the groups from Chinese travel agencies are always materialized. The amount of Chinese tourists is large, and that's one of the main reasons that DMO wants to get more Chinese tourists. Incoming agency in Denmark, travel agency in China and the suppliers together make huge efforts to create a satisfying package product.

1.5 Chinese tour operators

Leisure group is still the biggest market of Chinese outbound tourism, and the leisure group market is the main focus for this project. I have been working as a tour operator and sales assistant in an incoming travel agency in Denmark, which focuses on the B2B Chinese market. Most of the clients of our company are Chinese travel agencies, and Chinese tour operators. I have been communicating with these clients on a daily basis during my work. The figure 1.1 below briefly

summarized the relations between business practices, and we can see Chinese tour operators are the only people who can reach end costumers (Chinese tourists) directly in this business. Chinese tour operators are the group of people who know most about Chinese leisure groups, and it is a good angle of research for helping the Danish tourism sector to better understand the Chinese leisure group market.



Figure 1.1

Chinese tour operators play a key role in organizing Scandinavian package tours, they have the best opportunities to reach the end customers and they have the power to design the itinerary. In other words, Chinese tour operators have the power to make final decisions regarding to whether or not a trip will include more stay over nights in Denmark in the Chinese Scandinavian package tours products. Chinese tour operators design different Scandinavian package tours, and they update the itinerary every season based on market requests. Sometimes they change the itinerary of one summer series after the first travelling group's feedback. For example, Shanghai airlines (a popular travel agency in Shanghai) designed a new summer package tour product of taking fjordline from Hirtshals (Denmark) to Stavanger (Norway) last year. And for this package tour product, they have the 3 different departure dates for this summer series – 01 July, 01 Aug, and 01 Sep. After the first group 01-July finished their tours, they collected the feedback immediately from their customers. They got the feedback mainly regarding the fact that there is too little time to stay in Skagen (a beautiful coastal area in the Northern part of Denmark), and they don't have enough time to enjoy the nice view. The Chinese tour operators threw the problem to our incoming agency, and we gave them some solution of adjusting the itinerary. Finally, they decided to take our suggestion of letting the group stay in Aarhus instead of Odense, and they changed the itinerary for the groups with departure dates of 01 Aug and 01 Sep. From this case, we can see that Chinese tour operators can collect and analyze the tourists' feedback immediately, and they have the power to design and adjust the itinerary

accordingly. That's why I believe there is large potential value of understanding Chinese tour operators' perspective of Chinese outbound travellers, their relations to Danish incoming agencies, and their views of the Danish tourism sector.

There is large amount of literature regarding the Chinese outbound tourism, but few of them have a specific focus on the Danish tourism sector. There are many challenges and opportunities for the Danish tourism sector to become "China-ready", and I believe that the Chinese tour operators' perceptive can provide highly valuable insights towards reaching a better understanding of these issues. Chinese leisure groups have an abundance of destination choices and are not easily satisfied. There is plenty of knowledge in business practices of cooperating with Chinese travel agencies; some of these practices differ a lot from the business practices between e.g. two European travel companies. Incoming agencies are the bridges between tourism suppliers and Chinese travel agencies, and they also play an important role in promoting tourism suppliers in Denmark. I have attended several promotion workshop organized by Scandinavia Tourist Board in China, and the workshop invited many Chinese tour operators. The main purpose this kind of workshop is to educate Chinese tour operators about Scandinavia. Many Danish suppliers and Danish incoming agencies are going in order to promote themselves or find cooperation opportunities. There is no doubt that the Danish tourism sector have enthusiasm for the Chinese market, and many of them already know that a good way of promotion is to go China to promote to directly Chinese travel agencies. There is no research focusing on Chinese tour operators' perspective of the Danish tourism sector, and this could provide valuable insights for the Danish tourism sector to further improve their Chinese market share.

1.6 Research question:

The above-mentioned facts have inspired the research question, which is stated below, for this project. I hope this project can bring some inspiration to the Danish tourism sector in order for them to become even more "China ready". The objective of this project is to deeply investigate and analyze Chinese tour operators' perspectives of 1) Chinese outbound tourism, especially the characteristics of tourists with Group Package Tours, 2) the difficulties in business practices of arranging the tours and cooperating with incoming agencies, 3) Denmark as a tourist destination.

Main research question:

What are the challenges and opportunities for the Danish tourism sector to become "China Ready" for the Chinese leisure group market as seen from Chinese tour operators' perspective?

In order to identify the answer to the main research question, a series of sub questions have been utilized. During my work as an incoming tour operator in Denmark, I have experienced first-hand that the Danish tourism sector sometimes has problems of meeting the Chinese leisure groups' demands. In other words, the Danish tourism sector is still on their way to become "China Ready". Chinese tour operators are the one of the best groups of people who can provide valuable information for this project. The first step of answering the main research questions is to deeply analyze the characteristics, expectations, and demands of Chinese leisure group travellers. The Danish tourism sector can only become "China ready" by deeply understanding Chinese tourists. Chinese travel agencies and incoming agencies both play an important role in organizing Chinese leisure group tours. It is also important to look at the business relation between these two organizations, and deeply understanding the business practices of Chinese leisure groups can help the Danish tourism sector to solve their challenges and opportunities towards the Chinese leisure group market. The last sub question discusses the Chinese tour operators' perception of the Danish tourism sector. Answering these sub questions will provide the basis for answering the main research question.

It therefore follows from the above paragraph that the following sub questions will be researched are:

1. What are the characteristics, expectations, and demands of Chinese outbound group travellers from Chinese tour operators' perspective?
2. What is the relation between Chinese tour operators and incoming agency in Denmark?
3. What are Chinese tour operators' perceptions of the Danish tourism sector?

2. Methodology

2.1 “Research Onion”

The methodology chapter discusses the research methods that have been used in this academic project. The structure of the methodology is explained by using *Research Onion* as follows. The Research Onion (figure 2.1), as Saunders et al. (2007) defined, is a framework that systematically helps the researcher to identify the research strategy needed in order to answer various types of research questions. Methods such as conducting interviews and participant observation are placed within this model. This exploratory research project follows the research onion framework, and the methods chosen for this project are listed in the following table 2.2.

This exploratory project of Chinese outbound tourism to Scandinavia is a social constructionism project, and designed in an inductive way. The strategy chosen for this project is Grounded theory with mono method. Semi-structured interviews are used as the main data collection technique, and participant observation during the personal working experience contributes to the data collection as well. Moreover, the project uses thematic analysis to analyze to identify and discuss the data.

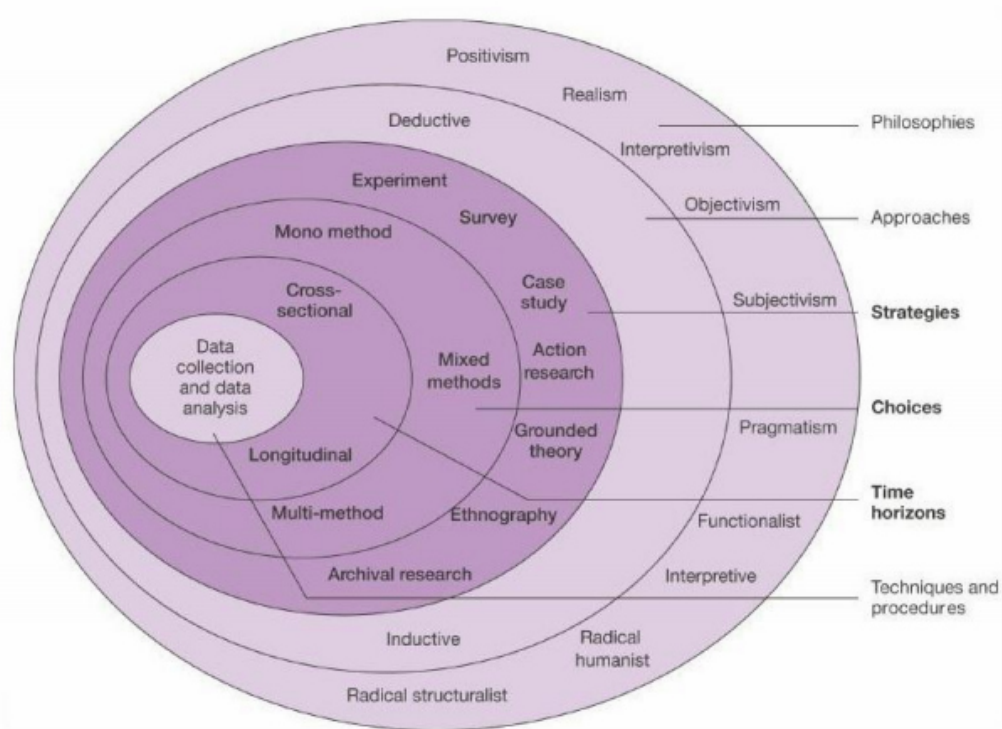


Figure 2.1 Research Onion (Saunders, et. al, 2007)

Philosophy	Social constructivism
Approach	Inductive

Strategy	Grounded Theory
Methodological choice	Qualitative methods
Techniques and procedures	Participant observation & Semi-structured interview

Table 2.2

2.2 Ontological consideration: Social Constructionism

Ontology is a way of looking at the world, and it refers to the nature of reality assumed by the researcher (Veal & Dracy, 2013). Tourism is in an inter-disciplinary field, and different literature within social sciences is used in this project (Meged, et. al, 2014). The perceptions and actions of social actors build up the social constructionism, and this project collected the perceptions and actions of Chinese tour operators. Constructionism is an ontological position, and it is relating to social objects and categories (Bryman, 2012). In other words, the researcher wants to discover the people's own view of reality in social constructionism. In addition, interaction and interpretation can help to unfold the social reality, and social constructionism emphasis on the different perspective and reality as it is have perceived by Chinese tour operators (Veal & Dracy, 2013).

2.3 Grounded theory

To begin, Grounded theory (GT) is not a theory in itself, instead it is a strategy for generating the theories and concepts from the collected data (Bryman, 2012). GT seeks to induce theory or concept from empirical material through the ongoing interpretation of the material. In the last decade, GT is increasingly popular in tourism research, and using GT can provide tourism researchers deeper insight of tourists' behavior in qualitative perspective (Dwyer, et. al, 2012). Grounded theory is used often in analyzing qualitative data, and the qualitative data has an important role in testing the theory. One of the distinctive features of Grounded theory is oscillating between testing emerging theories and collecting data (Bryman, 2012). Chinese outbound tourism has been discussed a lot in previous studies, and there are some existing theories of the characteristics and expectations of Chinese outbound tourists. In this project, all ideas have been tested respectively with Chinese tour operators who focus on arranging Scandinavian tours. In addition, previous knowledge and research is used to help make sense of the collected data in the analysis. The theory and concepts developed in this project are consistent with what I have found from data collection. Grounded theory allows the research to stay open to the emergence of

new ideas and theories (Dwyer, et. al, 2012).

2.4 Inductive research

Inductive approach is used for this project. Veal & Dracy (2013) said the process of inductive research might begin with a question, and the researcher could find the answer through data analyzing. The explanation is induced from the data, in other words, the explanation come after the collection and analysis of data. The inductive research design can generate theories from existing literatures in order to produce new insights and enhance the understanding of Chinese outbound tourism to the Danish tourism sector. From my personal working experience as a tour operator of the Chinese market, I identified a problem, which is that the Danish tourism sector do not have a well-developed knowledge of working with the Chinese tourism market. In addition, the Danish tourism sector, as seen from Chinese tour operators has not been addressed properly in the previous research. Thus, I have phrased the research question of this project “What are the challenges and opportunities for the Danish tourism sector to become “China Ready” as seen from the Chinese tour operators’ perspective?” With this research question this project moved forward by collecting relevant data by conducting semi-structured interviews with Chinese tour operator and participant observation in order to get familiar with the topic of interest. After that, the information was analyzed by dividing the findings into different themes in order to identify what theories could emerge from the data collection process and answer the research question. Basically, the project followed the steps as below (Figure 2.3).



Figure 2.3 Inductive research

2.5 Exploratory research

Although there is a body of research projects regarding Chinese outbound tourism, few of them focuses on incoming Chinese groups to the Danish tourism sector. In addition, although there is a range of literature about the perception of the Orient, the east, as seen by western people, there is not much research talking about the Chinese perception of the West. In 2012, China became the world’s largest outbound tourism market, however, the research related to the Chinese perception of the West is still very limited (Arlt, 2013). Even in Chinese materials, it is hard to find articles related to the Chinese perception of Europe. Moreover, the perception of Chinese tour operators has never been discussed. There are no previous studies regarding to my research question, therefore I decided to do an exploratory research. Exploratory research in this project

provides insights into Chinese incoming group travelers to the Danish tourism sector, while facilitating the ability to obtain pioneering research.

In addition, it is also new to look into and analyze Chinese tour operators' perception. Most of the researches of Chinese outbound tourism have been done with Chinese tourists; however, Chinese tour operators' perception and requirements are worth more in-depth research. Not only because they are the professions in the industry, but also because they have the power to design the package tours as experienced by the Chinese tourists themselves. Thus, understanding their expectations and requirements is extremely important for the Danish tourism sector.

2.6 Qualitative data

More and more researchers believe that the qualitative research can, in some cases, be more meaningful and authentic than quantitative research. Using qualitative research methods has become increasingly common in tourism research (Hansen, 2014). The target group for this project is people in the professional level in the tourism industry, and qualitative research can get deeper insight of valuable comments for this project. Chinese tour operators from travel agencies in China take an important role in Chinese outbound tourism, however there is little research in this field. Chinese tour operators have the chance to face the end consumers, and they also have the power to design and adjust the itinerary. They are the best person to talk to about Chinese group travellers' characteristics, since they collect feedback from tourists in their daily work. In addition, they are also the key people who design the itinerary. Thus, their relation between incoming partners and their opinion of the Danish tourism sector is also worth to discussing. Chinese tour operators together with incoming partners in local countries can provide an unforgettable package tour experience to Chinese tourists. The purpose of this data collection is to get deep insight of Chinese tour operators' perception of 1) Chinese outbound tourism, especially the characteristics of tourists with Group Package Tours, 2) the difficulties in business practices of arranging the tours and cooperating with incoming agency, 3) Denmark as a tourist destination.

The project also utilizes participant observation to collect qualitative data. Thus, qualitative method is chosen for this project. During my work as a tour operator in an incoming agency, I cooperated with many Chinese tour operators. I had the chance to observe their requests and behave in real business cooperation, and take notes of useful insights. However, the limitation of qualitative research is small and the sample of research is not randomly selected. The operators selected for this project is the people from my personal network and clients of my company. It would have been hard to find some random operators who would accept to do an in-depth interview with you, as there is an amount of trust needed when sharing company and professional experiences. Qualitative research focuses on collecting words, images, and objects to examine the depth

of a phenomenon. In addition, qualitative research is more concerned about interpretation of the phenomenon in the actual situations (Johnson & Christensen, 2008). The results of qualitative research are more persuadable, and qualitative research is usually applied with people and their activities. Qualitative research is better to gain ideas and insights for exploratory research design (Walliman, 2011). In order to deeply investigate Chinese tour operators' perception and due to the time limitation, the research method only focuses on qualitative research.

2.7 Research methods:

Semi-structured interviews with Chinese tour operators are used as the main method of collecting data for this project, and participant observation at an incoming agency also contribute to the data collection process.

2.7.1 Semi-structured interviews

Semi-structured interviews are interviews where that the interviewer follows an interview guide in order to enable comparisons between the different interviewees answers. However, the interviewer is allowed to stray off the course of the interview guide in order to follow up on interesting topics that arise during the interview and which create unexpected answers to unasked questions. Deeper answers can be explored by doing semi-structured interviews. The sample that was selected for these semi-structured interviews are Chinese tour operators from branded Chinese travel agency in Shanghai, Beijing, and Guangzhou, (which are all defined as 1st tier city in China) I have managed to organize five interviews in total, and three of them are tour operators from Shanghai, the other two are from Beijing and Guangzhou. All of the interviewees have been working as a tour operator for not only the Scandinavian market but also European and UK markets for at least two years, and all of the interviewees have been to Denmark before either with a tour group or for business trips. In addition, they all have the responsibility to design tour products during their work. Although I have only reached five interviews because of the time and resource limitation, it might be also convincing since a lot of common perceptions have been collected by these five interviews.

Each interview lasted around half an hour. The reason for conducting semi-structured interviews is because tour operators are professionals from the tourism industry, and they have much more knowledge than random people regarding this project. The interviewer of semi-structured interview should maintain the focus on our topic and take control when the discussion digresses. The structure of the questions started from a more general approach of the topic, to more specific questions, related to Chinese incoming tourism to Denmark.

Since I have been working in an incoming travel agency that focuses on China's market in Denmark for one year, I have some contacts of Chinese tour operators who are arranging Scandinavian tours. Although we are "friends", there are still

some difficulties of persuading all of them to participate in the interviews. I used “wechat” (the most popular chat tool and social media that have the functions of Skype, Facebook, twitter in China) to send my interview request first, and “wechat” has a gamification function that allows you to send “red pocket money” to friends. (Traditionally red pocket money is something that elders always give children during New Year’s Day, it symbolizes good luck, and “red pocket money” in “wechat” innovated the traditions of Chinese “red pocket money”. We can use “wechat” to transfer money on the social media to send each other best wishes. In order to attract more interviewees and be thankful for all the Chinese tour operators’ that contributed to my interview, the tour operators that participate my interview research have the chance to win red pocket money of up to 20 RMB. (= 20 Danish Kr) Although it is a little amount of money, many of my Chinese friends are more than happy when receiving virtual “red pocket money” from others through this gamification way. This is not like an incentive; instead it shows the respect and thankfulness. I am using this method because my interviewees are all Chinese in China, and I have to set an appointment before the interview. They received money before the interview, thus I think the commitment with receiving the “red pocket money” is more effective.

Table 2.4 listed the tour operators that participated in the interviews, and also brief information about where they work and what their position is.

Name Code	Company	Position	Others
OPH	SCYTS	Tour operator (European market)	Working as tour leader before
OPH2	SAL TOURS	Tour operator (Scandinavia + UK market)	
OPW	UTOUR	Tour operator (European market)	
OPL	SCYTS MICE	Tour operator (Tailor – made market)	Operated tailor-made groups to all over the world including Denmark
OPG	YUANJING TRAVEL	Tour operator (European market)	10 years of experience

Table 2.4

The questions that I have prepared for the interviews are based on three parts as I mentioned before

1) Chinese outbound tourism, especially the characteristics of tourists with Group Package Tours

In this part, I discussed characteristics that I have found in literatures with Chinese tour operators, and ask some question about the trends of Chinese

outbound tourism market.

2) The challenges in business practices of arranging the tours and cooperating with incoming agency

In this part, some questions like “How did you find your incoming partners? What are the difficulties when cooperating with your incoming partners?” have been discussed.

3) Denmark as a tourist destination.

The aim of this part's questions, were to deeply understand Chinese group travellers' needs and expectations of Denmark as seen from Chinese tour operators. The questions in this part like “What are the advantages and disadvantages of Denmark as a tourism destination compare to other Europe countries?” “How many days will you arrange the groups to stay in Denmark in a Scandinavian package and why?” “Where did you get the knowledge of the Danish tourism sector?” “Where can the Danish tourism sector improve if they want develop Chinese market?” can formulate some ideas of understanding the challenges and opportunities for the Danish tourism sector to expand Chinese market. The results and answers from this part is very relevant to the main research question.

I have prepared 4-5 questions for each part of the interview, and in total 15 questions. All the questions are open questions, and the interviewees are allowed to talk more regarding to the relevant areas.

I used mobile phone to call interviewees directly or used “wechat” in my phone to call them, and at the same time I used an iPad to record the interview. All the interviews were recorded in Chinese and their transcription can be found in the annex. The interviews provided reliable and comparable qualitative data and were a good support for the analysis chapter. The useful transcription that have been used directly in the analysis are all translated by myself as I am Chinese. I used the advantage of understanding both Chinese and English to bring more insights of Chinese perception of the west for this project.

2.7.2 Participant observation

Participant observation is a method where the observer can take part in the daily activities, rituals, and interactions of research field and with people is being studied. Participant observation can help the researcher to learn both obvious and not-so-obvious aspects of the research fields (Dwyer, et. al, 2012). Working as a tour operator and taking part in the daily work in a Danish incoming agency is the action of participant observation for this project. My position is Tour operator and Sales assistant. My main operating job is to arrange groups for different Scandinavian packages, and I talk to different suppliers to make reservations. In addition, I send quotations to my Chinese clients and met some

of the Chinese operators face to face on the Scandinavia workshop in Shanghai and as a part of my sales assistant job. In this report, I am doing participant observation by myself, and Jorgensen (2015) said a single researcher might conduct participant observation. I have the chance to talk to Chinese tour operators on the phone to deeply understand their demands, and communicate by emails. I always take some notes of these telephone conversations and write down some key information from email responses instead of only relying on memory when collecting data (Bryman, 2012). Dwyer, et. al (2012) also believed that the researcher of doing participant observation must have excellent skills of note taking, and diligently write down the observations and experiences every time of working in the field. The interesting thing is what I have found in the participant observation is sometimes similar to what I found in semi-structured interviews.

2.8 Research Ethic

Ethical issues can arise at different stages in the social research (Bryman, 2012). I am always honest when reporting objectives, methods, data, analysis, and conclusions, and there is no deception in the whole project. All the phases of the research are transparent, and the academic reflection is consistent with practice in the field research. Privacy of the participants, who are involved in the semi-structured interviews, was also considered. Thus, personal information about the participants and interview records was published with their acceptance.

All the parties and individuals that are involved in this research are accountable for the research carried out, however, it was hard to achieve validity and reliability completely in the research, especially because the data collection relied mainly on qualitative data. The results of the interviews were based on people's opinion, perception and observation about the topic on a certain period of time, which could be different if we repeat the interview in one year for example. Hence, validity was hard to reach in this case. Since reliability is directly connected with validity, it could be said the same. Similar results can be reached only in natural sciences, but in social sciences situations are constantly changing, and careful consideration need to be taken if general statements based on qualitative research are made (Veal, 2006).

2.9 Thematic analysis

Data analysis can incorporate several elements. Thematic analysis and categorizing are used to analyze the qualitative data for this project during the process, and the useful data was examined, compared and conceptualized into specific categories. A category is a group of contents that shares a commonality (Krippendorff, 1980). Krippendorff (1980) emphasizes that categories must be exhaustive and mutually exclusive. This means that the data that is not related to the research purpose should be excluded due to lack of a suitable category. The

relevant data is examined to extract key themes, and the themes could distinguish transcripts (Bryman, 2012).

The concept of theme has multiple meanings and creating themes is a way to link the underlying meanings together in categories. Also, a condensed meaning unit, a code or a category can fit into more than one theme. The interview question designed based on three sub questions, and three themes that emerged based on data collection are strongly related to the sub questions of this project. The first theme is regarding Chinese outbound tourism, the second theme is about the business practice between Chinese and Danish tour operators, and the last theme is regarding the Danish tourism sector as perceived by a Chinese incoming market. The main research question can be answered by deeply understanding the three sub questions step by step.

2.10 Methodology limitations

At the beginning of the project, I wanted to explore perspectives of Chinese incoming to Denmark of both Chinese and Danish tour operators. However, during the research process, I found it is challenging to arrange interviews with Danish tour operators. Since I am working already at an incoming agency in Denmark, there is chance that I could be considered as their competitors. In addition, I don't have any contacts of Danish tour operators, and it was difficult to get replies from several operators that I contacted on LinkedIn. Thus I decided to focus only on the perception from Chinese tour operators site because of the time and resource limitation.

Even for only Chinese tour operators, it is not as easy as I expected to attract interviewees. I wished to conduct ten interviews, however, I had to settle for five. One of the reason might be that I am writing my project in Denmark. In addition, it is not possible to arrange face-to-face interviews with Chinese tour operators, and one of the limitations is that I cannot observe the interviewees' facial expression and body language.

I have organized five semi-structured interviews with five Chinese tour operators, however the limitation is the sample is not randomly selected. Four of the interviewees are the clients from my working place, and one of the interviewee is a friend from my personal network, since we already have a good connection and cooperation before I interview them, the interviews goes well and interviewees are willing to share open and freely. Bryman (2012) also believed that people often feel secure when they know each other. However, the limitation is that sometimes they talked beyond the topic, and I need to lead them back to my question.

Besides, I also faced some difficulties when searching literatures. There are thousands of literatures regarding to Chinese tourism, however, the limited research have been done as regards to the business practice Chinese incoming to Denmark as seen from Chinese tour operator.

All above are the difficulties that I have faced throughout the project. I tried my best to find solutions to overcome the obstacles, but in some situations, the limited time, lack of knowledge and resources hindered the results.

2.11 Methodology conclusion

As we can see from Table 2.5 below, the main research question is: *What are the challenges and opportunities for the Danish tourism sector to become “China Ready” for Chinese leisure groups market as seen from Chinese tour operators’ perspective?* Then, three sub questions have been developed for answering the main research question step by step.

Main research question: What are the challenges and opportunities for the Danish tourism sector to become “China Ready” for the Chinese leisure group market as seen from Chinese tour operators’ perspective?		
Research Question	Related theories	Selected Techniques
What are the characteristics, expectations, and demands of Chinese outbound group travellers from Chinese tour operators’ perspective?	Chinese outbound tourism; Group package tour; Characteristic and expectation of Chinese tourists;	Semi-structured interview; Participant observation; Thematic analysis
What are the relation between Chinese tour operators and incoming agency in Denmark?	Relation between Western and Chinese tour operator; Business practice; Negotiate with Chinese; “Guanxi”	Semi-structured interview; Thematic analysis
What are Chinese tour operators’ perceptions on the Danish tourism sector to Chinese market?	Cross-cultural perspective; Danish tourism sector	Semi-structured interview; Thematic analysis

Table 2.5: Summary of methodology

In order to answer these questions, selected techniques and relevant theories are chosen for each question. In addition, Grounded theory is used for testing some previous concepts. Chinese tour operators as the main research object in this project has been researched by using semi-structured interviews together with my personal working and communicating experience with target objects. New theories and concepts are created in the analysis chapter by adopting the literatures and data collection results.

3.0 Literature review

3.1 Chinese outbound tourism

3.1.1 The growth of Chinese outbound tourism and its future trends

The Chinese outbound tourism market emerged in the early 1980, but it was small in scale. (Xie & Li, 2009) Li, et. al (2011) argue the starting point of Chinese outbound tourism could be tracked back to 1983 when Chinese citizens were allowed to visit Hong Kong and Macao, however Chinese tourists were only allowed to travel overseas for leisure purposes when ADS was established in the early 1990s. Until 1990s Chinese outbound tourism finally took off, and it experienced a dramatic growth within a decade (Xie & Li, 2009). UNWTO forecasted that China would have 100 million Chinese outbound tourists in 1995 (Sausmarez, et.al, 2012). However, the growth was faster than forecasted. Recently, the number of border crossing already increased till 116.59 million in 2014 (STB, 2015). Because of the courtiers' fast economic growth, rising individual wealth, and the relaxation of many travel restrictions, Chinese outbound tourism market grew at an average rate of 21 percent per year from 1997 to 2007 (Lin, et. al, 2011). China is an exporter of tourism, and it has influenced the global tourism market. Although China has been stated as the world's largest outbound tourism market, the literatures and research in this area is still limited. Chinese outbound tourism developed into the number one global source market from a very small beginning, moreover the diversification and segmentation of Chinese outbound tourism also developed with a breath-taking speed (Arlt & Burns, 2013). The large number of findings illustrates that researchers have large enthusiasm in Chinese outbound tourism, and they are eager to understand this market. However, the cultural background, language, and governmental interventions are huge challenges of understanding the Chinese market (Tony, 2015). China is one of the top Asian markets in many countries for example, the United States, Canada and the United Kingdom (Lin, el. al, 2011). The growth of Chinese outbound tourism is fast, and STB (2015) summarized the key trends of Chinese outbound tourism as follow.

1. There will be more destinations who streamline their visa application to attract Chinese tourists, and this will stimulate Chinese outbound tourism.
2. The appreciation of CNY will help Chinese tourists sustain a rapid growth.
3. Along with economic development in 2nd and 3rd cities of China, the group tours will continuously be the volume generator of the market.
4. Online travel services are emerging with rapid increasing every year, and the growth of the OTAs market will stimulate the number of FIT tourists, however, the main volume of Chinese tourists to Europe will still be the Groups.
5. Tailor-made products are increasingly popular in the market and experiential and authentic traveling is gaining its momentum.
6. The Chinese tourist's needs will become more diversified for different products, quality of services and various destinations.

3.1.2 Guided package tours in Scandinavia

Guided tour is an activity that many Chinese people choose for experiencing new places, and guided tours are at most places where tourism exists. Guided tours can be integrated in innovative ways of designing the visitor experience (Zillinger, et. al, 2012). "Package tour is a complex service product which is synthetic and involves the assembly of a multitude of components." (Bowie & Chang, 2005, pp. 304).

Chinese prefer to choose package travel because of convenience and reasonable prices (Li, et. al, 2011). Guided package tours are also the most popular kind of tours for Chinese leisure group tourists in Scandinavia. In addition, Mainland Chinese tourists prefer package tours involving multiple destination countries, which according to their perception can deliver more value than tours than those packages just visiting a single destination (Li, et. al, 2011). It is difficult to maintain the same service level of satisfaction when service involves multiple-encounter services. There are some mass-market package tour products in China with low price and low quality. There are still a large amount of travel agencies who are only price-oriented, and they would like to purchase these package tours with low prices. There is no doubt that the lower quality of the service can cause the lower tourists' satisfaction (Arlt & Burns, 2013).

The main market of Chinese outbound tourism is still leisure groups, and guided package tour is the main travel way of leisure groups (STB, 2015). Although guided package tours are convenient and safe, the consumers still have the chance to experience shortcomings and negative incidents that are out of tour operators' control (Bowie & Chang, 2005). The knowledge and background of the guides is key to guided package tours, and indigenous guides also play an important role in interpreting the value of destination culture (Zillinger, et. al, 2012).

3.1.3 Chinese groups' characteristics and perception

There are plenty of existing literatures regarding to Chinese outbound tourism (Recent texts include, A Review of Chinese Outbound Tourism Research and the Way Forward by Tony S.M.T. (2015), and Chinese Outbound Tourism Arlt, W.G. & Burns, P. (2013)) Although Chinese outbound tourists share many of the same desires of all tourists, they have some unique demands and expectations in regards to overseas tours (Lin, et. al, 2014).

Leisure group travellers as a part of Chinese outbound tourism have similar characteristics. On the other hand, Chinese leisure group travellers also have some different characteristics, perceptions, and expectations, for example they tend to expect more than independent travellers (Bowie & Chang, 2005). The characteristics of Chinese outbound tourism as presented below are collected from different existing literature, and the findings have a specific focus on group travellers with package tours.

- High Expectations

The degree of expectation of group travellers highly relates to consumers' past travel experience and the perception of package tour products. Past travel experience can be classified into earlier guided package tours and non-guided tour experiences (Bowie & Chang, 2005). Tourists always bring high expectations when they join a guided package tour – for example, they expect that every meal in the tour will be perfect. These kinds of expectations are usually unrealistic in the guided package tour. A study from Bowie & Chang (2005) found that the participants who always organized their trip by themselves before have lower expectations than those who have travelled with same operator in a group tour. The people who had group travel experience before tend to develop an idea level of expectation, which was based on their pervious travel experience. Sausmarez, et. al (2012, pp. 275) also found that Chinese tourists have a very high expectation “They want what they booked and nothing else will do”.

- Tightly packed travel schedule

One of the most obvious characteristics of Chinese leisure groups is – they always have super tightly packed travel schedule. WOCO (2012) stated that traditional Chinese tourists in tour groups are usually rushing from one attraction to another attraction with tightly packed schedules and no time to explore and indulge in the local customs and specialties of the travel destination. Chinese tourists always want to do or see as much as possible in the shortest time, and they have very little free time (Sausmarez, et. al, 2012). The project manager from WOCO also stated that Chinese tourists program in Denmark is indeed very tight, and they are always under time pressure (Lahouati, 2012). Besides, Sausmarez (2012) said Chinese tourists want to have the opportunity to visit and take photos in front of the monuments or scenery that they have seen in the media instead of spend plenty of time enjoying the sunshine. They do not care much about other countries' culture as well (Sausmarez, et. al, 2012). Above could be the reasons that tight schedule might suit more for Chinese tourists.

- Food

Eating and drinking are extremely important parts of Chinese culture; however most Chinese people do not like western food, especially Chinese middle-aged people. Chinese middle-aged travelers are the main segment of Chinese leisure groups, and they are not used to eating western food. They often prefer to eat out at the Chinese restaurant or have some Chinese food in the hotels. However, for example, the Chinese visitors in Britain do not find the Chinese food in UK particularly appetizing (Sausmarez, et. al, 2012). The Chinese restaurants in Denmark are even worse, and group meal is always hard to satisfy Chinese people. In addition, Chinese people think western food is too sweet and unhealthy, with too many uncooked or cold dishes. Besides Chinese food, tour

operators also sometimes offer western dinner as a highlight in the package tour (Sausmarez, et. al, 2012). However, Asia groups do not like to spend too much time on tasting food, and they would rather spend time on other activities instead of food. Those tours that focus only on food are more suitable for Western people (Bowie & Chang, 2005).

- Shopping

Shopping is an important attraction for Chinese outbound tourists when they travel abroad. A report from AC Nielsen stated that the average expenditure per Chinese visitor on each shopping trip is USD 928 on average and USD 1408 in Europe. 44.7% of Chinese outbound tourists would like to spend their majority of money on shopping. However, only 20.7% of them would like to spend their money on sightseeing, and 18% on entertainment (Xie & Li, 2009). Chinese are very interested in high-profile brands, and it would be a big benefit if a retail shop extended their opening hours. Buying gifts for relatives and elders to show respect is an important part of Chinese culture, and this also applies to when they are travelling (Sausmarez, et. al, 2012). Lin (2015) also supported this idea and said because of Chinese Confucian tradition, purchase gifts to extend network of family members and friends are necessary. Thus shopping is an important activity when traveling to a foreign destination.

The Luxury retail in San Francisco, Paris, and others enjoyed continuously growth rate benefits from Chinese visitors (Arlt & Burns, 2013). Many destinations promote themselves as a shopping destination to Chinese visitors, and for example WOCO (2012) said – Copenhagen is considered as a shopping Heaven. Jang believe the main attraction of Chinese tourists visiting United States was shopping. In contrast, Sausmarez, et. al (2012) believed although shopping was considered important, the tourists' satisfaction more depends on the experience of the natural environment.

- Nature-based

Chinese leisure groups have very different expectations and perceptions of nature-based tourism compared with western tourists. Chinese tourists rate "viewing natural landscapes" as one of the most important experience they would like to have when they travel abroad. Rapid economic growth in China raised the attention from people from all over the world, and individuals in China became richer (Packer, et al., 2014). Packer, et al. (2014) found that Chinese well-educated visitors have high interest in environmental issues and conservation activities. Tony (2015) also found that Chinese Magazines believe their readers are mostly attracted by European life in general and the urban landscape. And they do care much about historical and heritage sites. Scandinavian countries can meet the Chinese people's expectation on this matter. Norway and Iceland get increasing attention among Chinese people because of their unique landscape, and experience natural landscapes is the most important

motivation of Chinese people visiting Norway. Denmark as a part of Scandinavian countries is very often sold together with Norway, Sweden, Iceland, and Finland.

- Safety/security needs

Besides “beautiful scenery”, Chinese people consider “safety” as the most important attributes when they travel abroad (Tony, 2015). Safety relates to the security of the destination and risks attached to travelling to that destination, and this affect Chinese people’s travel motivation. WOCO (2012) also pointed out that Chinese people do not have confidence in speaking English and they prefer to travel within the safety of a tour group.

- Innovated experience design

Based on WOCO (2012)’s finding, Chinese tourists expect more in-depth and more experience-based travel solution. In other words, the products currently on the market are not enough, and need more innovated experience design. Tussyadiah (2014) also believed that only ensuring customer satisfactions and meeting their expectations is not enough in today’s experience design. The more important thing is to create a deeper emotional attachment that results in customer loyalty. That’s why innovation has now become a vital concept in experience design, and consumers are involved more and more in the production of the experience. Service innovation is always consumer-oriented, in other words, it is often tailor made for consumers (Jernsand, et. al, 2015).

Due to the culture and socio-economic difference, Chinese tourists’ expectation, preference, and requirements are not easy to understand by western market (Lin, et. al, 2011). Hence, as a Mainland Chinese student with the language and cultural strength, it is a good chance for me to contribute to providing a deeper understanding of this research area.

3.2 Travel Agency – The Bridge of tourists and destination

Although there are plenty of researches about Chinese outbound tourism, the area of tour operator’s relations in the market is very limited. Most of the Chinese travel agencies prefer to contact incoming agencies in destinations, and talk directly to different suppliers within the destinations. A good cooperation between China’s travel agency and incoming agency in Denmark can bring Chinese tourists unforgettable experiences and a nice impression of their Scandinavian tours.

3.2.1 China’s travel agency industry

Tourism in China emerged in the beginning of this century, and in 1950 there were only two travel agencies in China: the China International Travel Service and China Overseas Chinese Travel Service. However, the industry grows very

fast. By the end of 1989 there was a total of 1617 travel agencies in China, with 56800 working staff. After that, Chinese outbound tourism is taking shape with the rise of living standards of Chinese people. In 2000s, China's tourist agencies now entered an era of transnational and multiple operations (Zhang, 1991). Bowie & Chang (2005) stated that the international tourists market has shifted from a seller's market to a buyer's market. China's travel agency is the client to incoming agency in Denmark, and they are now more likely to demand cheaper holidays. However, the cheaper price doesn't always means that lower quality. On the contrary, they have increased their demand for high standards of product design (Tony, 2015). Chinese travel agencies do not have enough knowledge of destination abroad, and that might cause them to have high expectations with low budgets (Sausmarez, et. al, 2012). Chinese travellers are very price sensitive, and they always want get the lowest possible price from Australian incoming tour operators (Pan & Laws, 2011). The tourism industry is a mature competitive market, and the key is to differentiate the product significantly. Moreover, the key to differentiation may be service quality (Tony, 2015).

Pan & Laws (2011) defined that there are three types of Travel agency in China, and they are Category A with 360 agencies, Category B with 664 agencies, and Category C with 801 agencies. Category A travel agencies operate international travel business by themselves. They not only seek out their clients directly but also receive clients from Category B and C travel agencies. Category B agencies are restricted to arranging tours, while Category C agencies are restricted to handling domestic travel. In other words, Category A travels plays the role of both wholesalers and retailers, and there are 67 out of 360 of Category A travel agencies who are dealing with Chinese outbound tourism. Fan & Høllede (2003) also confirmed that there are only 67 Category A international travel agencies that have been licensed to handle outbound travel, and they are spread out over different provinces in China. Moreover, most of the Chinese travel agencies are directly or partly under central or local government's control.

3.2.2 Incoming agency in Denmark

When selling a tour product, the quality of service is difficult to control before it is sold or consumed. In other words, tour products can usually be considered as intangible services (Bowie & Chang, 2005). Travel agency in China is the main organization of selling Scandinavian tour product, and most of them choose to cooperate with incoming travel agencies abroad. It is easy to understand that Travel agency in China has more challenges of controlling travel products than incoming agency in Denmark. There is no literature regarding to incoming agency in Denmark, and the most relevant article we can look at is an article about UK. Sausmarez, et.al published a paper in 2012 researching in "*Chinese Outbound Tourism to the United Kingdom: Issues for Chinese and British Tour Operators*". In addition, Pan & Laws (2011)'s article "*Tourism marketing opportunities for Australia in China*" discussed the perspective of Chinese

outbound tourism from incoming agency in Australia

Sausmarez, et. al (2012) interviewed both Chinese and British operators, and he found that Chinese tour operators prefer to work with Chinese employees in British incoming agency or representatives in China or those who has experience of working with Chinese groups. In other words, having Chinese employees in local incoming agencies might be a big advantage of cross-cultural communication between western and Chinese.

Pan & Laws (2011) found the Australia incoming operators experience difficulties in approaching the Chinese tourism market. Pan & Laws (2011) believed that setting up a strong “Guanxi” (Guanxi: a Chinese relationship which discussed in the following chapter 3.3.3) with designated Chinese travel agencies is very important and necessary. In addition, they found that, Australian operators compete with each other by offering competitive prices instead of producing creative tourism products (Pan & Laws, 2011).

3.2.3 Tour operator relations

Both tour operators in China and Denmark take an important role as intermediaries between tourism suppliers and destinations. Limited research has been done with tourism operations and their interaction with other tourism sector players. Most of tour operators make contact at trade fairs or through introduction, and then they choose the appropriate partners to cooperate with. Tour operators from different parts of the world may face difficulties and challenges when they do operating work. For example the visitors’ expectations might not be consistent with the service that was promised by the travel agencies and tour operators (Sausmarez, et. al, 2012). The tourism industry is increasingly competitive in China, and many of the Chinese are still price-oriented when they purchase a package tour. In Britain, many British tour operators think that the profit from Chinese inbound market is not worth the work involved (Tony, 2015). In the research of relations between British and Chinese tour operator, Sausmarez, et. al (2012) found out that most of Chinese operators praise UK tour operators. For example, Chinese operators can get quick reply regarding to their new request, British operators are very helpful and cooperative, British operators are eager to work with them, British operators are open to their feedbacks, British operators can make changes to products and prices based on request when it is possible, and British operators are becoming more and more familiar with their characteristics and expectation. In contrast, British operators do not have very good comments to Chinese tour operators. They think Chinese operators were not easy to work with and it takes too much effort to build relationships with Chinese clients. Chinese operators lack the knowledge of British hotels and meal standards, and these cause they always have a very low budget. Another problem is that Chinese tour operators are used to change their minds frequently, and last-minute alteration before their arrival in Britain happens a lot. While after many year cooperating with

each other, the cooperation is becoming better with the better knowledge of Chinese tour operator. UK tour operators are also not satisfied with the payment of Chinese agency: they do not observe the rules, and asked for refund if things didn't go directly according to their plan. However, the comments from British and Chinese tour operators that collected from Sausmarez, et. al (2012) need to be discussed, and if these comments can be applied to Danish tour operators need more further research. There is no literature currently about the relations between Danish and Chinese tour operators.

3.3 Business practice as regards to Chinese incoming to Denmark

3.3.1 Denmark as an approved destination to Chinese people

WOCO (2012) said visa application is still inconvenient to Chinese travellers. There are two sides of the visa hassle. The first is the Chinese system of Approved Destination Status (ADS) and the second is European Schengen Visa code. Schengen visa system has been valid since April 5th, 2010 (Zhang, et. al, 2011). ADS visas are issued to members of tourist groups of at least 5 people, and the maximum duration of stay is typically 30 days. "ADS is granted to destinations through a bilateral government agreement covering tourist groups handled by assigned Chinese local travel agencies." The purpose of ADS is to control both Chinese travel agencies and international tour operators. (Tony, 2015, pp. 498) By April 2011, 140 countries have been approved, and 110 of them officially open to Chinese tourists. (Sausmarez, et. al, 2012) Fan & Høllede (2003) said that visa problems are still a restriction to outbound tourism, although the visa policy changed from time to time. The Chinese people still need to prepare like sufficient banking deposit, properties and income, and other conditions.

Denmark is also included in Schengen countries, and in the year of 2016 the Danish government opened five new visa application offices in Nanjing, Hangzhou, Jinan, Shenyang, and Chengdu (Sohu, 2016).

3.3.2 Cultural perspective on difference between Chinese and Western

Tourism and Culture are closely linked, and tourism is a cultural phenomenon. Both inbound and outbound tourism are crossing the border to experience the exotic culture. (Wei. 2012) Consumers' satisfaction evaluation largely depends on their cultural backgrounds and their cross-cultural communication (Lingeberzins, 2011). In the tourism industry, if the front line staff can well understand the tourists' cultural background, the tourists can achieve more satisfaction (Reisinger & Turner, 1998). Culture, can be described as different activities of daily human routines (Lingeberzins, 2011). In addition, the international tourism industry is facing a challenge of increasing inbound tourists with different cultural backgrounds (Reisinger & Turner, 1998). People with different cultural background travelling with different expectations towards provided service, and the international tourism companies are expected to

integrate these effective cultural differences into management (Lingeberzins, 2011). Reisinger & Turner (1998) summarized that there are three types of social contact between tourists and host depending on the cultural backgrounds 1) is the same, 2) is different, but differences are small, and 3) is different, and the differences are large. And the greater the differences, the greater the possibility is of misunderstandings in communication. In other words, they may distort the meaning of each other's behavior. Cross-cultural communication is becoming a must for international tourism firms (Lingeberzins, 2011).

Lingeberzins (2011) stated that there are two types of cultures from communicational perspective, and they are named respectively *low context communication* and *high context communication*. In high-context cultures little information is in the message itself, on the other hand, communication in low-context cultures is action oriented and solution minded. Western European such as Scandinavian people is using low context communication. This means context must be explicit in the message, and the message itself means everything. In contrast, Asia countries for example China is using high context communication, all is understood from context, and verbal messages have little meaning without the surrounding context.

Chinese outbound tourism is booming and Wei (2012) stated that there is an urgent need for Chinese tourism professionals developing cross-cultural awareness. Tour guides and translators play the most important roles in the tourism cross-cultural communication. In addition, Sausmarez, et. al (2012) also suggested that cross-cultural training would be welcomed by both incoming tour operator and Chinese operators. Lingeberzins (2011) stated that there are various miscommunication risks in international communication, especially communication through email, and the risks can be concluded into three main perspectives: language, culture, and business culture/interpersonal contact. For example, lack of cultural and historical background, personality problems, and receiver distrust in requestors, etc. could all be the factors (Lingeberzins, 2011). By researching Chinese and British tour operators, Sausmarez, et. al (2012) said that Chinese are unreliable when it comes to payment; Chinese are poor in planning the trip; and Chinese would like to change components of the program frequently. In addition, regarding to the UK tourism product, some new cities/attractions could be included.

3.3.3 “Guanxi”

When two Chinese know each other, they set up a “relation” or “Guanxi”. (Herbig & Martin, 1998) “Guanxi” in Chinese means a personal relationship or connection, and can be seen as a rooted social-cultural phenomenon. “Guanxi” plays a critical role in developing relationship between two partners, and setting up a “Guanxi” is the first step of doing business smoothly (Pan & Laws, 2001). There are three levels of network between incoming operators and Chinese

travel agencies. The first is establishing contact and getting to know each other. The second is developing trust and friendship, and the third is cultivating "Guanxi" (Tony, 2015). In western "signing a contract" is the way of doing business, however, "Guanxi" is more important than "signing a contract" in Chinese business practices. In addition, it helps to influence Chinese people's attitude of long-term business cooperation (Herbig & Martin, 1998).

3.3.4 Business practice with Chinese in Tourism

China ranks as the most difficult country to negotiate in the world, and Chinese and Western ways in negotiations are diverse (Herbig & Martin, 1998).

Sausmarez, et. al (2012) also believed that China is one of the most difficult countries for Westerners to understand, and the culture misunderstanding may cause the failure of business between China and western countries. Generally, western people prefer to make a deal in a short time and sign the contract directly, and they don't even need to know the partner. However, Chinese way of doing business is to get to know and trust each other first, and even if they sign the contract, they might still worry about what they might have lost during their way back their home (Herbig & Martin, 1998). Chinese people would like to do business with someone they have already known, and they would rather trust people they have already known. In addition, Chinese values can be divided into four main factors: "1) integration (tolerance, harmony with others, non-competitiveness, intimate friendships; (2) Confucian work dynamism (ordering relationships, a sense of shame, reciprocation, and protecting face); (3) human heartedness (patience, courtesy, sense of righteousness), and (4) moral discipline (moderating, keeping oneself disinterested and pure, having few desires, prudence)." (Reisinger & Turner, 1998, pp. 177). The competition between destinations for attracting Chinese tourists is intense, and understanding Chinese business style is critical for Western people (Sausmarez, et. al, 2012). Understanding Chinese cultural and Chinese negotiating techniques may save a lot of frustration and money for foreign companies (Herbig & Martin, 1998). Cultural variables play an important role in business negotiation, and cultural variables are consists of greetings, negotiating styles, attitudes to time, and meanings of numbers, gift-giving customs and significance of gestures. Be aware that cultural difference is the key in business success (Lingeberzins, 2011). Understanding business partners well and making cultural adjustments is the key to win in the cross-cultural business (Lingeberzins, 2011). Wei (2012) said cultural difference between two countries is the advantage of the country, and it can likely transfer to business benefits. Chinese culture has a long history, and many foreigners come to China in order to observe at the Chinese civilization (Wei, 2012).

4.0 Analysis

4.1 Chinese outbound tourism

4.1.1 “Tailor-made” package tour

The concept of guided package tours (GPT), which has been introduced in the literature review chapter, is the preferred way of travelling for many Chinese people because of its convenience and reasonable price (Lin, et. al, 2014). When making travel programs ones need to design different programs according to different requirements from various markets (Chang, et. al, 2007). In addition, during my work as an incoming tour operator, I found there are two types of package tour products for incoming Chinese tourists to Denmark. The first one is the regular summer series. In these cases the Chinese tour operator designs the whole travel program before the season starts. Tourists can choose these already existing products on the Internet or choose with the sales from the physical retail store of the travel agencies. The second one is tour operator designed product based on the client’s requirements, which we called tailor-made package tour.

One of the tour operators interviewed in this study mentioned that: *“In our travel agency, I can strongly feel that more and more costumers come and ask for tailor-made package tour instead of choose from those exist product.”* (OPH) This supports the findings of Chang, et. al (2007) that travel managers believe Tailor-made tours are going to become increasingly popular in China, and that Chinese tourists desire more flexible tours. Another interviewee shares her similar experiences on the matter: *“More and more tourists bring their self-designed itinerary to our travel agency, and ask for quotation. Some of my clients are really professional, and sometimes their itinerary even looks more professional than us (Tour operators).”* (OPH2)

However, the interviewed tour operator of SCYTS thinks that the clients are not that professional about the product design, and “tailor-made” means that the tour operators need to carefully consider customers’ needs and expectations. She argues that: *“I agree that tailor-made itinerary is the future trend, but the definition of “tailor-made” needs to be discussed. Some of my clients bring their itinerary, and ask for the quotations. However, I can see most of them design the itinerary based on the products that already exist. To my understanding, “tailor-made” package just means that the clients require special attractions, accommodations, restaurants, but that the main travel route is similar to those existing products.”* (OPL)

Jernsand, et. al (2015) agreed that service innovation is needed also in the tourism industry, and service innovation is always consumer-oriented. Tailor-made package tours for consumers can be seen as service innovation. Tailor-made package, which means consumer-oriented package is getting popular among Chinese outbound tourists, and the existing travel products, might not meet all their demands. OPL said: *“A lot of Chinese tourists will feel good if they can do something unique in some unique places, and they can post on*

their personal social platform." It might be one of the reasons that nowadays tailor-made package is getting popular.

4.1.2 the growth of FIT group and Individual travellers

OPH2 mentioned that: *"The Chinese travel way of travelling has changed a lot during the 30 years' development of Chinese outbound tourism. The market has changed from all-inclusive tours at the beginning to half inclusive (only booked flight + hotel), and increasingly independent travellers recently. However, a large part of middle-aged tourists still like to choose all-inclusive packages. People aged from 20-30 likes to be individual travellers, and people travelling with their parents and children prefers half-inclusive package."* It's hard to define which the main travel market of Chinese outbound tourism is, whether it is middle-aged people, young people, or families, they all represent a huge potential market. Every person has their own characteristics, and even the saying of *"middle-aged people would like to purchase all-inclusive products"* can be challenged in several cases. Zhang, et. al (2011) wrote that the modes of outbound tourism will become more flexible, and various tourism products will emerge to meet diversified market demand.

The Chinese travel agencies that sell Scandinavian products offer different types of GPT. The tourist group can be divided into *GIT* and *FIT Group*: FIT stands for Free Independent Traveler, in other words, it is small group size (<10 people) travelling with a self-booked itinerary. On the other hand, GIT stands for Group Inclusive Tour (group tour), and GIT is a group of people (>5 people) travelling with a fixed travel program (Quora, 2016). According to the several research projects, Group Package Tour (GPT) with multiple destinations is popular among Chinese tourists. Most GPT nowadays is still all-inclusive packages. As an incoming tour operator, I received many request of quotation. I can feel that the number of FIT group is increasing, however, a single small travel agency cannot represent the whole Chinese outbound tourism market. OPG believe *"Bus group is still holding the main market of Chinese outbound tourism."* OPW said: *"In recent years, big group is still the main market, and this kind of group always require a local guide with them for the whole trip. The tourists do not need worry too much during the trip, and the price is cheaper. The young people might consider travel individually, and they would like to travel with more flexible schedule. However, I believe the main market is still big group since the main market is middle-aged people who have enough money and time to travel. Maybe in the future, when the young people now become 40-50 years old, the market will change."* In addition, the statistics from WOCO (2012) also states that 78% Chinese tourists travel with a group when they come to Scandinavia.

Although group tours hold the main market share in the Chinese outbound tourism market at the moment, FIT groups and individual travellers are increasing.

OPG mentioned that theirs company released many new products for FIT groups

this year, and the amount of FIT group is increasing *"Although bus group is still the main market, the number of FIT groups is increasing from last year. Our company released some high standard FIT products for 6 people to Europe, and the feedback is very good. Normally FIT groups consist of one or two families, and the product was very successful in UK and Southern Europe. We haven't started sending FIT groups to Scandinavia, because the cost of Scandinavia products is too high."*

OPH2 observed that an increasing number of people at his age would like to design their trip by themselves: *"I have a friend who just got married, and they planned their honeymoon trip to Europe all by themselves. They booked the hotel through online booking website, and then even used VPN (China blocks some foreign website) to check the public transportation. They think it's a challenge, and they love challenges."*

WOCO (2012) suggested that Scandinavian destinations should target not only inexperienced Chinese travellers who are seeking for package products but also more individual and experienced travellers. Chinavia project from WOCO (2012) also wrote that *"Chinese tourists will increasingly wish to travel independently and seek deeper experiences with more local contact and activities suited their personal interests."* Zhang, et. al (2011) also believed that the independent tours became increasingly popular with the boom of online tourism service.

4.1.3 Characteristics of Chinese outbound tourism

- Easy-going people instead of high-expectation and special requirement

A lot of the research on the topic agrees that group travellers have high expectations of travel products, especially those tourists who have experienced other travel packages before. Li, et. al (2011) believed that Chinese outbound tourists may have particular travel expectations that are hard for Western people to understand because of culture and socio-economic differences.

Service failure is hard to avoid in the tourism industry, and I also heard some complains from my daily work. For example, some customers complained that 4-stars hotels in Scandinavia have lower quality than 4-stars hotels in China; the Chinese restaurants does not have round tables; the tour leader is like a tourist, and doesn't help at all. Li., et al (2011) argued that Chinese people's expectation were greatly influenced by their past experience in the service they experienced in their domestic country, and their high expectation may cause the service failure.

On the contrary, the semi-structured interviews with Chinese tour operators showed a positive view regarding service failure. OPH said: *"Every tourist has expectations before they travel to a destination, and I don't not agree that Chinese tourists' have higher expectation than others. Most of the people who choose to travel are healthy and positive, so they do not have some special requirements."* The main special requirement that I heard from semi-structured interview is regarding to food, OPG, OPH and OPH2 said: *"Some of my clients are vegetarian,*

so they need special arrangement for food.” OPW and OPL also mentioned: “Some people do not eat pork,” “One of my client is allergic to barley.” Besides “Some of the client searched hotel online, and ask for specific hotel.” From the answer we can see that Chinese tourists accommodation and food are two of the aspects that Chinese tour operator’s care about. In conclusion, all the Chinese tour operators who have been involved in this project interview argued that Chinese tourists do not have too many requirements and high expectations to the service package, instead they are easy-going people who are generally satisfied most of the time.

- The reason of Tightly packaged schedule

“There is a funny saying that describe Chinese tourists: “上车，睡觉。下车，拍照”， which means “get on the bus, sleep. Get off the bus, take photos”” OPG said. Chinese group travellers spend a lot of time on the large coach, and they rush from one attraction to another attraction. Saumarez, et. al (2012) also believed Chinese tourists prefer tight schedule, because they would quickly take photos in front of monuments or scenery instead of spend a lot of time at a single place.

Chinese tour operators agreed that the Chinese outbound tourists like to travel with tightly packaged schedule, however the Chinese travel package is not as tight as before. The interviewed Chinese tour operators gave some different reasons for the tight schedules as follows, and these might be only a part of the reason. OPH2, OPG, and OPL stand on the consumers’ position, and OPH2 said: “When they travel abroad they want see as much as they can.” OPG said: “When a single tourists searching travel products online, if the price is same, they would prefer to choose a product with more attractions.” OPL believe it is hard to change Chinese tourists mindset in a short time: “Although some of my clients may require a more relaxed schedule, it is very hard for them to stay at a beach for more than two hours. I know it is common for European tourists to stay at the beach for a whole day, but definitely not for Chinese tourists.” Although Chinese tourists are having less tight travel schedules than before, Chinese tourists still have a tight travel schedule compared to western tourists. Besides OPH2 explained another reason of this phenomenon from his perspective “Chinese middle aged group travellers do not like to walk for a long time, for example more than one hour”. Chinese tourists like to have a taste of everything abroad, but not too much. In other words, they want to experience hiking in the nature area, but only for one hour. Not too much.

POH has the same idea with OPG but he discussed it from his company’s aspect: “The competition in the Chinese travel industry is very intense, and the one who has more highlights in the itinerary, is the one who can win the customers. The online platform is open nowadays. Each company wants to be the first to post their products online at the first time, but at the same time, they are afraid of copies of their itinerary.” The intense competition might cause Chinese travel agencies to add more highlights in their own itinerary, and this leads to the tightly packaged

schedule. Chinese tourists are sometimes a bit contradictory. They want to get the most amount of attractions on their holiday for the money they pay, but on the other hand, at the destinations they often complain that they want to have more free time.

- Shopping is a “must” but not always follow Tour Guide’s recommendation

OPG said: *“The whole world knows Chinese people have the buying power”*. This might be a bit of a “grand” way of putting it, however, the idea that *“Chinese people love shopping”* has been proven in both previous literature (Sausmarez, et. al, 2012) and the semi-structured interview with Chinese tour operators. Buying gifts when travelling has also been agreed by Chinese tour operators, and OPH said: *“It is a “must” for Chinese tourists to buy gifts for relatives and friends when they are travelling, especially travelling abroad.”* OPH2 argued the purpose of shopping is not only buying gifts: *“Chinese people love shopping, but I think purchasing gifts is only a part of their shopping purpose. Taking photos is not the only way of saving memory, and Chinese tourists would also like to purchase souvenirs to save memories. For example, when I saw the Postcard that I bought in Denmark, it can recall my memory of last time I travelled to Denmark.”* Kwek & Lee (2013) also mentioned that souvenir shopping is a way of remembering the trip.

Besides, Chinese people like to purchase luxury brand when they travelling abroad, and it is not difficult to find a Chinese speaking sales staff in luxury shops. Due to the developing economy, China has a large high-end consumer market that needs high tech products and luxury products. (Tony & Hobson, 2008) *“The tourists will naturally think of **shopping luxury products** in their mind when hearing the word EUROPE.”* OPL said.

OPHG mentioned Tour Guide’s role in the shopping activities: *“The schedule is tight, thus they do not have time to purchase what they want themselves besides following Tour Guide’s recommendation.”* According to the new tourism law, travel agencies are not allowed to advertise tourism activities with unreasonably low prices, or receive illegitimate gains for example rebates by arranging shopping or providing tourism services with additional payment (Tony, 2015). However, the guides are allowed to lead and persuade tourists instead force them to the shops, and it might be an advantage if tourists want to buy the same thing that Tour Guide has recommended.

The social and cultural aspects of the Chinese society continuously influence Chinese outbound tourism behavior, and shopping and purchasing souvenirs reflect the intricacies of social and cultural complexities (Kwek & Lee 2013). Chinese tourists like shopping, but are not always satisfied with Tour Guide’s recommendation. Zhang, et. al (2011) also mentioned that some tour guides force tourists to go shopping or cheat tourists by conspiring with shop owners, which leads to mistrust feeling from the tourists.

On contrast, adding more free hours for shopping and extend opening time of

retail shops may benefit Chinese tourists.

- ***Chinese food or Western food?***

The question *"Chinese tourists prefer to eat western food or Chinese food?"* has been discussed a lot in previous research when discussing the Chinese tourists' characteristic, and it's hard to give an exact answer to this question. Chinese tour operators have better knowledge of this question since they meet the customers directly face to face. "Need for Chinese food at the destination" is a challenge related to cultural difference for a tourist destination (Jørgensen & Ren, 2015). It is not difficult to find some Chinese restaurant in the big cities, however the qualification of the Chinese restaurant is controversial. One of the reasons might be that the tourists like to compare with their previous experience, and Chinese food in Scandinavia is inauthentic, and the taste is change more or less for the local western people. Besides, the development of Chinese restaurant in West Europe is more mature than Chinese restaurant in Scandinavia from the feedback of Chinese tour operators.

OPH personally likes Chinese food better than Western food, and he believes Chinese people have a Chinese stomach. *"Chinese people still like Chinese food, and Chinese food is better than Western food not only because taste but also how they cook. Chinese people have no appetite for Western food, and for example my clients bring "老干妈" "榨菜" (Chinese spicy sauces and pickled mustard tuber) when they travelling."* There are also some extreme examples of Chinese food: OPH2 said: *"Sometimes, my clients would rather eat instant noodles at hotel room instead of the western food we arranged them."* OPG also mentioned that: *"Some of my clients do not like seafood, and they would rather eat instant noodles in their own cabins instead of eating the seafood buffet that we prepared for them when they are taking DFDS Seaways."*

However, increasing Western meals has been added into travelling program as OPH said: *"Chinese food is more suitable for groups. Chinese tourists prefer to eat Chinese food when they travelling five to ten years ago, but it's hard to answer this question now. Along with increasing amount of Chinese outbound tourism, the standard of good taste is raising. Thus, Western food is also acceptable."* The innovation is important in designing the package products, and the innovation in food might be a highlight in a normal group package product. Some of the Chinese groups start trying more and more local food in their package of Scandinavia tour. OPH2: *"Before we only arranged local food in fjord area in Norway because of the limitation of Chinese restaurant in fjord area, but an increasing number of our Scandinavia products also includes local food in big cities now. For example, we arrange Swedish meatballs in Stockholm, seafood in Bergen, and open sandwich in Copenhagen. We choose the restaurants that our incoming partner recommend us."* Chinese Tour operators have the power to decide arranging whether Western food should be included in the package product, and incoming agencies have the chance to recommend and choose the specific

restaurants. OPG mentioned some feedback from his clients about Danish local food: *"Our group tried open-sandwiches, and the feedback is good. Light meal (Chinese people consider Danish open-sandwiches is light meal) is acceptable when they travelling, and they don't need to sit down for a meal every time. Sometime Chinese people also like to eat at an outside open environment like Scandinavian people"* OPG's understanding of open sandwiches, which is that people normally eat them in an open area, and that people can eat them in a short time. As we mentioned in the literatures that Chinese tourists do not like spend too much time on food, thus light meal could be an option in future package tours.

- More than Nature-based

Packer, et. al (2014) and Tony (2015) believed that Chinese tourists are fond of "viewing natural landscapes", however, the Chinese tour operators can not totally agree with this concept. OPH believed Chinese tourists: *"I would like to say they prefer to see magnificent and pure nature view, not small and normal places. They may already seen many landscapes in China, thus they want to see magnificent nature view in Norway that they haven't seen before. (For example, fjord view)"* OPG said: *"Nature-based? I would like to say half half, Chinese people are also interested in places of historic figures and cultural heritage, for example H.C. Andersen's Museum in Denmark."* OPL also believed that: *"I agreed Chinese people like natural scenery. However, Chinese tourists want to see different scenery when they travelling abroad, they love the colored houses at Nyhavn and they also love Skagen in Northern part of Denmark."* There is not doubt that Chinese people like "viewing natural landscapes", however, historic figures, cultural heritage, and other activities cannot be ignored when designing a travel package.

- Paradox of Safety/Security needs

STB and WOCO both mentioned that safety and security needs highly influences Chinese tourists' travel motivation. This is also another reason for those Chinese who choose travel with package products from trusted brands of Chinese travel agencies. Many Chinese tourists have language barriers, and they need to travel with a local Mandarin speaking guide in order to feel safe OPL, OPG, OPH, OPH2, and OPW all agreed that Chinese tourists consider safety issues when choosing their travel destination.

However, OPH2 has a different understanding angle of safety and security needs, and he argued: *"We can say that "safety" is the first condition when purchasing a travel product for Chinese people, but we can also say that Chinese tourist do not care safety at all compare with tourists from other countries."* OPH2 see the paradox of safety and security needs, and he gave also the example: *"Chinese tourists are very brave: they can eat everything, they can ignore the rules, and they can take photos wherever they want. There is always some news regarding to Chinese outbound tourists. Chinese tourists parked their car on expressway in order to take photos; One Chinese girl died because she was taking photos near the*

railway, and train came” I also noted some accidents down from my daily work, which can support his opinion. *“Chinese tourists broke the snow mobile because he drove too fast; Chinese tourists falling into the water and lost their personal belongings into the river because they do not follow the rules of canal tour; Chinese tourists taking videos and photos all the time during Blue Ice Glacier Walk, which is a kind of dangerous.”* Chinese tourists can be considered as a group of people who have high safety needs. On the other hand, they still do something dangerous when they travelling. Thus safety and security needs of Chinese tourists are paradox.

- In-depth travel is the future trend

OPH2 stated that Chinese outbound market is tending to explore deeper experiences: *“Chinese outbound market is changing. At very beginning, Chinese outbound tourists travelled to 11 countries in 11 days, and then they travelled to 5 countries in 11 days. Now they traveled to 3 countries in 11 days, and I believe in the future there might be possibility that they only travel to one country for 11 days.”* The travel products are reforming, and innovated experience design is needed for creating new products. Jernsand, et. al (2015) believed that consumer-oriented is the key to service innovation, in other words, the travel agencies need to investigate the tourists’ requirements first. Although there are still many travel products including three to five countries, the in-depth travel products are emerging. Ctrip (a leading provider of travel services including package tour products) provides many different outbound package tours. The categories of European travel route are as follow (figure 4.1.4). At the moment there are recently 10178 European travel products exist on Ctrip (2016), and 4404 of the travel packages travel only to one country. Russia, UK, and Greece have the most in-depth travel products, which tourists spend 8-15 days in only one country. However, there is no existing product on Ctrip that only travel to Denmark. Travel products of Denmark always include Norway, Sweden, Finland, and sometimes Iceland together called Scandinavian package. There are 620 existing products on Ctrip to Scandinavia.

游玩线路 多国连游(1777) 俄罗斯一地(1775) 法意瑞+1国(1170) 一国深度(1087) 两国连游(1020) 英国一地(774) 希腊一地(767) 法意瑞(636) 北欧(620) 东欧(552)

Route	Multinational products (1777)	Only Russia (1775)	France Italy Switzerland + one more country (1170)	In-depth travel for only one country (1087)	In-depth travel for two countries (1020)	Only UK (774)	Only Greece (767)	France Italy Switzerland (636)	Scandinavia (620)	Eastern Europe (552)
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Figure 4.1.4 Ctrip category

Two Chinese tour operators from branded Chinese travel agencies in Shanghai brought the same idea of design an in-depth travel package of Denmark. In

addition, their idea is also similar: “亲子游” (Travel with children) is the best way to promote “in-depth travel” in Denmark. (The more about “亲子游” will be discussed in chapter 4.3)

4.2 The business relation between Chinese and Danish Tour operator

4.2.1 “Guanxi” - Chinese business relationship

As discussed in the literature review, “Guanxi” is one of the keys to getting the Chinese clients. Pan & Laws (2001) believed “Guanxi” is the first step of doing business smoothly, and “Guanxi” is extremely important when doing business with Chinese people. The Chinese tour operators I have interviewed have different backgrounds, and their companies all choose to cooperate with incoming partner in Denmark instead of directly to suppliers for their Scandinavian group.

They use one to two incoming partners in Scandinavia, and they haven’t changed their incoming partner in 10 years. OPH, OPW, and OPH2 have 2, 2, and 3 years working experience of operating groups to Scandinavia. OPG and OPL have 4 years experience, and they have working experience for two travel agencies. Their reasoning for their choosing incoming partner is all related to “Guanxi”. OPH: *“When I started working as a tour operator for the Scandinavian market, my manager recommends me Mr. Gu (A Chinese person who works in Danish incoming agency). I never got any complains for the groups I have operated, and I will keep cooperating with Mr. Gu.” “In China, friends recommendation is very important when doing business, and we cultivate “Guanxi” after knowing each other through cooperation. Thus we have a long-term established “Guanxi”*”*“Mr. Gu changed his company in Denmark, and we all followed him to cooperate with his new company.”* OPH2 said. Setting up a strong “Guanxi” with designated Chinese travel agencies plays an important role in doing business between Danish and Chinese tour operators. (Pan & Laws, 2011) The personal “Guanxi” between people with people is stronger than the formal “Guanxi” between companies in the business practice. OPG said something funny: *“Because the sales person of that incoming agency is from Shanghai, and the employees from our company are all from Shanghai. And we trust people from Shanghai to do business.”* Tony (2015) mentioned the first step of doing business with Chinese is establishing contact. OPL stated that she always contact for more than one incoming agency: *“I ask the DMO for recommendations, and I also consider my colleagues or somebody who works in the same industry for recommendation.”* Recommendation from people in the same industry and DMO, attending workshop, might be the way of establishing the contact. The second is developing trust and friendship, and the third is cultivating “Guanxi”. Developing and cultivating “Guanxi” is more difficult than establishing the contacts. In Chinese cultural, it is easier to trust people, whom you have already know (Reisinger & Turner, 1998, pp. 177) or maybe someone from your hometown.

4.2.2 the preference of Chinese tour operators in business practice

Most of the Chinese tour operators prefer to contact incoming agencies instead of contact directly to suppliers. *"Many different supplier need to be involved in a package tour, for example, accommodations, restaurants, coach, guide, museum, and it is much easier to contact incoming agencies for taking care of the whole package."* said OPG. OPH2 said: *"Because of the time zone difference, it is very hard for us to talk directly to the suppliers."* OPG said: *"We might not get a better price from suppliers than local incoming agencies, and the incoming agency know better regarding to the resources."* Time zone difference, language barriers, convenience, reasonable price, might all be the reason that Chinese tour operators prefer to cooperate with local incoming agencies for group packages. However, there are more than 20 incoming agencies in Denmark, and Chinese tour operators have some special preference in business practice with incoming tour operators.

- Prefer local travel agency & Chinese employees

Sausmarez, et. al (2012) did a research regarding the relation of British and Chinese tour operators. In the research, Sausmarez, et. al found Chinese tour operators prefer to work with Chinese employees in British incoming agency or representatives in China. All five Chinese tour operators that I have interviewed confirmed this concept, and they gave their reasons as follow. OPH2 mentioned: *"It is easier to cooperate with Chinese people, and we don't have any difficulties in doing business. We are all Chinese, and we don't have difficulties in communication."* The communication difficulties here not only mean language barriers but also cultural difference. It is easier for Chinese people to understand both language and cultural.

Besides, OPG prefer work with Chinese employees in Western incoming agency instead of Chinese representatives in China: *"If I need to cooperate with Chinese representatives in China, I will feel that he may not know the local situation that well. In addition, he may not have good knowledge of local resources."* OPH holds the same opinion as OPG, and she said: *"If the representatives are in China, they also need to speak to their back office in Europe to know the recent travel situation. Thus, I prefer to talk direct to Chinese employees already in Europe. However, the only problem is the time zone difference, so we need work during the night time."* OPH2 said: *"Time zone difference is not a very big problem, and the advantage is that incoming partners can deal with the emergency at European time zone. It is normal to overwork during summer time."*

OPL hold the similar opinion of the disadvantage: *"The disadvantage of speaking to Chinese sales in China is that they can not give a direct answer, and he needs to contact his back office at the destination first. It takes longer time to get the reply, and there might be some risks of making mistakes when delivering the information. It's very difficult to communicate with the sales in China, and they can not handle*

the role of being the bridge between the suppliers and us.” However, she can accept working with local Western employees who have experience of dealing with Chinese groups: “ I don’t think language is a big problem since we can all speak English, and many local Ops (Operators) are quite familiar with Chinese groups in many destinations. Many destinations have their local OPs that focus on dealing with Chinese groups.” OPL’s work is focusing on tailor-made groups, and she operated groups to the whole world including Scandinavia.

On the other hand, OPW claimed that she only worked with Chinese representative in China and she felt sometimes it is challenge for him: *““We have some partners in China, and my manager signed the contract with the partners. The contract is about we ensure the quality of the group, and our partners ensure the low price. The advantage is that we can get better price because the labor in China is cheap, however, the disadvantage is that they don’t know very well about the destination. ”*

Most of the Chinese tour operators prefer to do their business with Chinese employees in the Destination country. Because Chinese tour operators have less communication challenges with Chinese people rather than western people. In addition, all my interviewees think that it is better to work with local employees in Europe since they could solve the emergency at once and have better knowledge about local recourses. Lingeberzins (2011) also said the risks of international communication could be language, culture, and business culture. Cooperating with Chinese incoming partners can reduce these risks to a great extent.

In addition, from the cross-cultural perspective, Lingeberzins (2011) said China is using high context communication, which means the verbal message have little meanings without the context. In order to cooperate with Chinese people, it is important to know the business cultural background behind.

- Chinese tour operators do care about “price”

Arlt & Burns (2013) stated that a large amount of travel agencies would like to purchase package with low prices, in other words they are price oriented. Pan & Laws (2011) investigated Australian incoming tour operators, and they found similar results. Australian incoming tour operators agreed that Chinese travel agencies are price sensitive, and always want to get the lowest price. In addition, not only Chinese tour operators are price-oriented but also Chinese costumers are price sensitive. OPG said: *“Price is very important for Chinese costumers, for example we had a product this year with departure in June, and we didn’t have any costumers at the end of April. However, we have already blocked the flight, so we had to sell it, thus we reduced the price 2400RMB (= 300 Euro) for the package. Then we got 30 costumers register the trip within two days. It’s like you always like to buy something that is on sale in the supermarket.”* The pricing strategy is important also in tourism industry. Chinese tour operators also use some strategies in order to get a lower price for their products from incoming agency:

"We contacted 2-3 incoming agency, although we already know we are going to send the group to our incoming partner A. We got the different quotations from different incoming agencies, and then we use the lowest price we know to bargain with our incoming partner A." This happened a lot during my work, and we called it "return quotation", which means the incoming agency got the quotation from another Chinese travel agency. On the other hand, OPW claimed that their agent signed the agreement with partners in order to have a lower price: *"We have some partners in China, and my manager signed the contract with the partners. The contract is about we ensure the quality of the group, and our partners ensure the low price."*

However, the cheaper price does not mean lower quality (Tony, 2015). Moreover, Zhang, et. al (2011) mentioned low-price group tour project, which passes the cost problem on to the incoming tour services. The incoming agencies can only gain the profits from hunting the commission income from scheduled shopping and entertainment activities. This kind of low-price tour products disturbs the price of Chinese tourism market, and causes the price competition to be even more intense.

- Professional is a "must" and unique resource is a "plus"

It is important for incoming agency to have a well-founded knowledge of the destination. OPL complained: *"I have experienced one time that the incoming agency is not professional at all. I searched two attractions of that destination on the Internet, and he just replied that he has never heard those attractions. I will never consider cooperating with him."* The incoming tour operators are the main group of people that Chinese tour operators can rely on.

In addition, a unique resource is a "plus", OPG said: *"The connection of incoming agency and local suppliers is stronger,"* OPL mentioned that: *"We have some groups who need to visit the museum very early or very late based on the itinerary, and if the incoming agency can ask the museum to arrange extra opening hours for our group. The Museum can be considered as a unique resource for this incoming agency. We would prefer to cooperate with those incoming agencies that have more unique resources."*

- Quick reply is important

As introduced before in the literature chapter, there are three categories of travel agencies in China. Pan & Laws (2011) defined Category A, Category B, and Category C, and only Category A, and only Category A has the qualification to organize the international tours. Category B and Category C only have qualification to collect tourists, and there are only 67 Category A travel agencies that operate with international travel products. In other words, Category A travel agency is the only type of company handles both the B2B and the B2C sides of the business. In addition, Category B and Category C do not have permission to operate international groups, and they can only get the tourists and then refer

them to Category A travel agencies. Category B and Category C agencies normally send their groups to more than one Category A agency, because they need to compare the price and other conditions. Thus, it is important for Category A travel agencies to give quotation and information immediately in order to win the competition between other Category A travel agencies.

All of the interviewees for this project are from Category A travel agencies, and OPL said: *"My clients have their vendor pool, and we have competitors. It is important to give my clients a reply as soon as we get the request."*

OPH2 mentioned, *"Time zone difference is a problem of cooperating with local incoming agencies"*, and the main difficulties from time zone difference is that Chinese tour operators are waiting for the quotations to either send to their clients or post the price of a product online. It is very important to be the first to send out the price. Quick reply from the local incoming agencies can support the Chinese clients (Category A travel agencies) to win the groups from Category B and Category C travel agencies. In addition, it can also give more opportunities for Category A travel agencies to make their group materialized.

4.3 Danish tourism sector as seen from Chinese tour operators perspective

4.3.1 Strengths & Weaknesses of Scandinavia/Denmark as a travel destination

Chinese outbound tourism is unique not only due to the sheer volume and growth potential but also because of its socialist system backdrop and special policy of outbound tourism (Tony, 2014). Denmark as an approved destination with European Schengen Visa code is becoming more and more familiar to Chinese tourists. Tourists who visit Denmark very often visit Norway, Sweden, and Finland in various forms of Scandinavian packages, and these Scandinavian packages are getting popular among Chinese tourists. Chinese tour operators take an important role in the Chinese leisure group market, and their perspective of the strength and weakness of the Danish tourism sector should be highly considered for analyzing the China Readiness of the Danish tourism sector.

- Strengths:

When asking about the advantage of Denmark compared with other European destination, Chinese tour operators gave their personal opinions as follow. Some of the opinions are very similar, thus Danish tourism may take these into consideration.

✓ "Green" Destination

"The crisp air is attractive to Chinese people, and the nice weather during the summer time." OPH2 said. China has a serious air pollution problem nowadays, especially in the big cities. Chinese outbound tourists are mainly from big cities, and they seek for "blue sky" when they travel abroad. In addition, it is around 35-40 °C in big parts of China during the summer time while the weather in

Scandinavia is perceived as more comfortable from the end of May to the beginning of September. OPH said: *"the comfort feeling level of human body is very important when Chinese people travelling."*

✓ *Shopping paradise*

As mentioned earlier, Chinese people are very enthusiastic about shopping when they travel abroad. Many high-end consumers prefer to shop luxury products and different kinds of souvenirs. The price of luxury brand is internationally competitive in Denmark especially during the seasonal on sale during summer time. In addition, Chinese tourists can have the tax free in Denmark. The same European brand are more expensive to buy in China than in Europe, thus buying them in Europe can be seen as a way of saving money. Scandinavian countries have good reputation of its health care product like fish oil. WOCO (2012) interviewed the Chinese tourists, and the results showed besides luxury brand and souvenir, Chinese people also like to buy food-products to baby, local-health products, and so on. In addition, they said the local supermarket interested them as well.

✓ *Unique local dishes*

Most of the Chinese tour operators confirmed that the percentage of Chinese meal in a travel product should be at least 50%. However, an increasing number of people are willing to taste local dishes when they go travelling, and Denmark has some unique local dishes, although they are not very familiar among Chinese people. For example, Chinese tour operators see the opportunities of Danish open sandwiches as a light meal in the tour package, which not only can let tourists to enjoy the local food in the open area but also save the eating time.

✓ *Safe and environmental friendly*

Scandinavian countries have a good image of safety among Chinese people compared with other European countries. Chinese tourists highly consider safety before travelling abroad, for example, lots of the Chinese travel agencies cancelled trips to Europe in the April and May 2016 because of the terrifying terror attack in Brussels. OPH said: *"When talking about Scandinavia, people always think of safety, environmental friendly, and welfare countries."* OPW also stated that: *"Many Chinese tourists think Italy and France are not safe, but Scandinavia has a strong image of safety among Chinese tourists."* In addition, Denmark ranks as the happiest country in the world while China rank in number 83th.

- Weaknesses:

Chinese tour operators also discussed the disadvantages of Denmark in their perspective. Although a personal perception cannot form a concept, Chinese tour operators' perception should be highly considered since their opinions are based

on years of experience working in the industry.

✓ *High price*

OPH, OPH2, OPG, and OPL all mentioned, *"The price is too high"* of Denmark. All of the Chinese people are very price-oriented, and the price of the Scandinavian package is higher than packages in other European countries. As we discussed before, Chinese tour operators do care about price when they choose incoming partners, and they all claimed that the quotations for Scandinavian countries are too high. Although the Chinese tour operators believed that the price of Scandinavian countries are too high, this does not mean that lowering the price to attract more Chinese tourists for Scandinavian countries is a good strategy. It might be more important to find out the ways to prove that the quality of the service justifies the higher price.

✓ *Uncompetitive hotels and Chinese restaurants*

OPL have operated many tailor-made groups to all over the world, and she thinks the hotels in Scandinavia are not competitive. *"The room of the four star hotels in Scandinavia are normally very small compared with the same standard hotel in Asia. In China and South-east Asia the hotel might be the best building in their country, however, it is not the same in Scandinavia."* Sausmarez, et. al (2012) also found that there is a significant discrepancy between the expectations of Chinese visitors and reality of the UK's hotels. Hotel is a core supplier in package tours, and travel agencies mostly arrange three-stars hotels when China first started outbound tourism. With the development of outbound tourism market, the tourists become more sophisticated, and they require higher standard hotels like four or five stars hotels (Fan & Høllede, 2003). An increasing number of Chinese tourists have higher demands of accommodation when they travel abroad, and OPW said: *"I agree that Chinese tourists have high demand of hotels. However, if the sales people tell them the real situation of Scandinavian hotels in advance, most of them will understand and lower their expectation."*

In addition, OPW and OPH2 said the Chinese restaurant in Scandinavia is not very competitive as well: *"The restaurants does not have round tables, and the food is just for eat not for taste"*

✓ *Inflexible suppliers*

"Scandinavian suppliers are not very flexible." OPL mentioned: *"They always keep to the contract and rules, especially Finnish people"*. It is quite common for Chinese tour operators to change their itinerary at the last minutes. For example, during my personal working experience as an incoming tour operator, I experienced a Chinese client cancelling the whole group of Glass igloos in Northern Finland 60 days before group arrival, however the cancellation policy of Glass igloos charge the full price for this group. It's hard for Chinese client to understand, and they push the incoming partners to negotiate with the supplier.

Although I used different strategies to negotiate with the manager of Glass igloos, they still charge the full price from my client. In addition, OPH2 mentioned that: *"The restaurants are really strict on time. Our group was late for an hour, and they were not allow to go inside the restaurant."* I also got an email warning from my suppliers of activities: *"Your booking office is very professional, but not your tour leader. If you are still late next time, I will not allow your group to take part in the activities."* Chinese tourists have a tight schedule, and it is hard to avoid being late sometimes. In order to avoid these misunderstandings, it is important for Guide to communicate with these suppliers in advance if something changed from the itinerary.

✓ *Too "boring"*

Not enough attractions and activities is a big problem for Scandinavia, and travel agencies always put four Scandinavian countries together in a travel product. For example, travel agencies provide a 10-day product including Copenhagen, Oslo, Helsinki, and Stockholm (Fan & Høllede, 2003). OPW said: *"The famous attractions in Copenhagen can be done within half day."* OPL complained that: *"It is hard to develop an in-depth travel program in Denmark, and it is too boring. Not like UK, Denmark has only a little things to do for tourism."* In addition, OPW also agreed that there are too little attractions in Scandinavia: *"There is very little attractions in Denmark compare with other destinations in Europe."* The reason for these complains from the Chinese tour might be that: 1) Denmark is really boring, and has nothing to offer 2) The Chinese tour operators do not have a well-developed knowledge about the Danish tourism sector 3) The tourism sector is still developing in Denmark 4) There is not enough promotion to Chinese tour operators.

✓ *Seasonality*

Denmark as a Scandinavian country has its typical climate, and the travel season is normally from the end of May until the beginning of September based on my working experience as an incoming tour operator. OPH2 stated that it's a weakness of Danish tourism sector: *"The only time that is suitable for travelling is from June to August, and other months are very cold. Mainland Chinese tourists highly consider the level of comfort when they travel, thus the time that can arrange trips to Scandinavia is very short."* However, Fan & Høllede (2003) claimed that the peak season for outbound passengers in order to purchase 8,10,12 or 15 days tours is spring festival, which is normally in January and February. In addition, May and August are also convenient for Chinese people to arrange outbound tours, since there are also public holidays during those two months. People can take some day off to combine with the public holidays to have a longer time to travel abroad (Fan & Høllede, 2003). It will be good if Denmark can extend their travel season from the beginning of May, and add some winter travel program to attract those Chinese who want travel during the

spring festival.

✓ *Not enough promotional materials, and lack of information to tour operators* WOCO (2012) said Scandinavia is left-behind of destination marketing in their Chinaiva project. However, the results need to be tested since WOCO is a local DMO and they might have some personal purpose of writing their project. In Chinaiva project, Scandinavian countries have very little or no marketing activity online. Fan & Høllede (2003) said the 7th Dec 2001, the governor of Lapland, Finland started promotional presentation in Beijing. For example, Scandinavian countries are lack of city websites in Chinese and lack of presence in Chinese social media. All of the Chinese tour operators I have interviewed complained: *"There is not enough promotional materials for Scandinavia and Denmark."* OPH said: *"There is not enough promotional activities in China, and the only thing I know is the workshop that organized was by STB."* OPH2 also mentioned the STB workshop *"We attend the STB workshop in Shanghai twice a year for learning more travel information about Scandinavia, but there is no promotional activities that is only for Denmark. They should come more to China", and she mentioned that: "The DMO from Western Europe countries came directly to our office, and gave some destination training. The only thing I can remember for Scandinavia is that the DMO of Lapland, Finland came once, and they promoted winter activities, ice hotels, and glass igloos. In addition, we can book directly through them with more competitive price from the incoming agencies."* The overseas destinations noticed the fast growth of emerging tourism source market, and they enhance their promotional activities in order to attract more Chinese tourists. Zhang, et. al (2011) Based on the Chinese tour operators' perspective, the Danish tourism sector still need to enhance their Chinese outbound market oriented promotion. In addition, OPL mentioned the weakness of packaging the existing tourism products *"Danish people don't know how to package their travel products."*

4.3.2 Image and Feedback of Denmark is still: Fairytale and Happiness (Opportunity for the Danish tourism sector)

Chinese tour operators have the responsibility for collecting and analyzing their customers' feedback after the package tours. The main image and feedback of Denmark is still: Fairytale and Happiness, and the image of fairytale is hard to change in Chinese people's mind. In the report Chinaiva from WOCO (2012), WOCO claims that H.C. Andersen is a part of the motivation for Chinese people to visit Copenhagen, and DMOs are increasingly take advantage of and benefit from fairy tale image. The Chinese tour operators also confirmed the Chinese tourists' image of Denmark are mainly based on fairy tale. *"My clients love Denmark, because of H.C. Andersen. I believe every Chinese child has this feeling, and they have fairytale complex when they were children. Oh, not only every child, but also every adult like us."* OPH said. *"Chinese children grown up with H.C Andersen's fairytale stories."* OPL said.

In addition, OPH2 also agreed the fairytale has a huge impact on Chinese people, and he agreed that he can feel the fairytale in Copenhagen. OPH2 stated his personal idea of Copenhagen based on his inspection trip to Scandinavia with his group, and he thinks the tightly schedule of Chinese products against the fairytale feeling. OPH2 said: *"I came to Denmark last summer, and the leisurely pace of life leave me a deep impression. The people on the street walk very slowly, and I saw many people enjoying beer along Nyhavn in the sunshine. The weather in summer is so nice, and the sky is always blue. However, I feel our group is quite wired in this atmosphere, and we just rush from one attraction to another attraction."* OPH2 as a tourist expressed his wish of visiting Copenhagen, which is more free time to feel the fairy tale. At the same time OPL also mentioned: *"It would be nice to arrange 1-2 hour more free time to let them walk in the city and feel the fairytale by themselves."* The Danish tourism can easily take the advantage of the strong fairytale image among Chinese tourists to promote any relevant travel products.

4.3.3 Innovated experience design of the Danish tourism sector (Opportunities for the Danish tourism sector)

Below is listed three innovated experience designs that were mentioned by Chinese tour operators, and these might be innovated ideas of the opportunities for the Danish tourism sector.

- Need somewhere can arrange “轻徒步” (small walk in the nature area) tourism activities in Denmark

One of the interviewed Chinese tour operator mentioned a concept of “轻徒步”, which is arrange the group to have a small walk in the nature area. She cannot find any place that she can arrange this kind of small walk in Denmark, although she knows there might be somewhere. The lack of information and knowledge of Denmark is a problem for Danish tourism sector. OPH2 said: *"Although Denmark is the smallest country in Scandinavia, the distance from one city to another city is still long. Tourists have to sit on the coach for most of the time since the itinerary is very tight. However, some of the tourists do not want to have too tight schedule, and they want take a walk in some open area either in some unique places or nature places instead sitting on the large coach all the time. Unfortunately I cannot find any places in Denmark that suite for my group. Chinese middle-aged group travellers do not want sit on the coach for a long time. In addition, they do not like walking for a long time, for example more than one hour. Thus, I need to find somewhere we can arrange “轻徒步”."*

- “亲子游” (family travel) is the best way for promoting in-depth travel focus only in Denmark

OPH2: *"I want to design a “亲子游” (family travel) product this year for 7 days in Denmark, and I planned to visit Copenhagen, Odense, Legoland, and Skagen."* The

children in China have summer holiday from school from the beginning of July and the end of August, and it is quite popular for parents to take their children to travel abroad.

In addition, the national average of children in each family is 0.74, and Chinese parents spoil their children. Family travel is quite popular among these families of two parents and only one child. They have more ability to travel international since they have more money for discretionary spending. (Tony & Hobson, 2008) According to a survey among Beijing residents, 71.9% traveled with their families, and it is also common to travel with children during summer and winter vacations. In addition, the statistics also showed that families with children occupy 20% of the outbound tourists handled by travel agencies (Fan & Høllede, 2003). There is a large potential market of parents travelling with kids.

OPH also plan to design a family travel product based on what he has learned from STB workshop: *"I plan to design a family travel product for in-depth travel in only Denmark."* I have been to the STB workshop in November 2015 in Shanghai, and STB's employees promote route of family travel. DMO noticed the opportunities of family travel in Denmark, and they take action to deliver the knowledge to Chinese tour operators. During the workshop, STB introduced the available family activities in Odense, and the presentation is combined with vivid video and attractive pictures. A part of Chinese operators got inspiration from STB's presentation last time, and OPH confirmed that: *"I got inspired from the workshop last time."* It is a good idea to start promoting some Children's activities and places in Denmark with the advantage of fairy tale image. In addition, OPH2 mentioned that: *"summer vacation on study trip is also an opportunity for Denmark."* Fan & Høllede (2003) stated that the study trip for children from rich families to UK in summer vacation that organized by travel agencies in Beijing was very successful. Chinese tour operators thought it might also be a good idea to send those rich children to Denmark.

- Combining local events in the package tours

Some of the Chinese tour operators complained that there are not many things to do in Denmark. OPW explained her method of designing the package products: *"I will use the existing package model from our systems, and rearrange the times and attractions based on the group's schedule. In addition, I will include some local events into my program as a highlight of the whole package. For example, I include Venice carnival festival in the program of Venice, and it was very successful."* There are plenty of events and activities during summer time in Copenhagen and Denmark, and it might be a good idea if Chinese tour operators can include some local events in to the package tours. It might be a innovated way to solve the problem that mentioned by Chinese tour operators: Denmark is "too boring". Li, et. al (2011) did a survey among Chinese people, and the results showed that Chinese tourists are interested in participating in local events, festivals, and shows.

5.0 Discussion

More and more destinations consider China as one of their main target markets in the future (Zhang, et. al, 2011). Besides, the academic researches on Chinese outbound tourism have increased, especially on the motivations of Chinese outbound tourists (Tony, 2015). China is very big, and this project has a specific focus on Chinese outbound leisure group market. In addition, instead of investigate random tourists who have participated in the package tours, the semi-structured interview with Chinese tour operators gave me more valuable information. Chinese tour operators have more practical experience of the leisure group market, and the operators that I have interviewed all have the experience of dealing with groups to Scandinavian countries. Thus, understanding Chinese tour operators' perspectives is quite important for the Danish tourism sector in order to become "China Ready" for Chinese leisure group travellers.

The results of the main research question are following three steps as follow, and they have already been analyzed respectively in Chapter 4.0. The first step is to deeply analyze the Chinese leisure group travellers' characteristics, expectations, and demands when they travel to Western countries. Tony (2015) believed that the main difficulties to understand this very important market are related to its cultural background, language, and governmental intervention. Then, it is also crucial to understand the business practice between Chinese tour operators and Western tour operators, and there might also be some challenge and opportunities in the tourism business practice with Chinese tour operators. After that, the strengths and weaknesses of the Danish tourism sector to Chinese leisure groups as seen from Chinese tour operators' perspective are discussed in the end. The aim and objective of this project is to compare the Chinese leisure group travellers' characteristics, expectations, and demands with what the Danish tourism sector has to offer, and find out what are the challenges and opportunities for the Danish tourism sector to become "China Ready".

Denmark as a tourism destination has many tourism resources, and it has a strong fairytale image among Chinese people. A variety of authors claimed that destination image could definitely influence tourist's destination choice (Bolan and William, 2008). Both Chinese tour operators and WOCO (2012) believed that Denmark should still keep taking advantage of their fairytale image among Chinese people to promote the Danish tourism sector. Besides, "Safety country" "Ranking as the happiest country in the world" "Green destination" are also mentioned by Chinese tour operators as their image of Denmark, and Chinese people are seeking for feeling safe, happy, and in a better environment when they travel abroad. Thus, these positive perceptions of Denmark could be some of the opportunities for the Danish tourism sector to Chinese leisure group market, and Denmark has a huge potential for this market.

In the Green Book of China's Tourism 2011, Zhang, et. al (2011) mentioned that Chinese outbound tourists increased significantly with the increasing percentages of high-end market and long-distance tourism. People from second tier and third tier cities also highly stimulate the volume of Chinese outbound tourism. It is hard to define the future trend of the travel ways of Chinese outbound tourism. Although the number of FIT groups and individual travellers is increasing, the Group Inclusive Tours is still a popular way of short-term travelling. Middle-aged people are the main buyers of these outbound leisure package products not only because of they have money, but also because they have time to travel. The type of Chinese outbound travel products is more and more diversified, and an increasing number of tourists require tailor-made package tours. Fan & Høllede (2003) already mentioned that the travel products of China became more diversified, and the types of the products including FIT travel, Cruise tours, Shopping tours, Drive-a-car tours, sightseeing tours plus some important activities, and study tours. Moreover, one of the most obvious characteristics of Chinese group tourists is that they always have a tight schedule, and this also applies to most package tours of Scandinavian countries. According to the research from "Chinavia" Chinese group tourists are not very satisfied with the travel products, and they expect more in-depth and more experience-based travel solutions (WOCO, 2012). Customer-oriented is increasingly important in the service industry, and tourists are also seeking for more in-depth and tailor-made products. The increasing amount of Chinese outbound tourists and the increasing demand of diversified travel product bring the Danish tourism sector new opportunities.

On the other hand, the increasing demands of in-depth and customer-oriented travel solutions might be a challenge for Denmark since Denmark does not have many things to offer based on the current knowledge of Chinese tour operators. Among the five Chinese tour operators that I have interviewed, three of them mentioned Denmark is "too boring". Chinese tour operators normally arrange 1-2 days in Copenhagen for the Scandinavian package tours, and only a small part of the groups go further to Odense, Aarhus, or Skagen. The main problem is Denmark knows little about how to develop and package the existing attractions to the Chinese leisure group market from Chinese tour operators' perspective. Denmark has many resources of tourism, and there is a huge opportunity for the Danish tourism sector if Denmark can overcome the challenges of developing and packaging travel products to Chinese tourists. For example, in the analysis chapter, we have learned that Chinese leisure group would like to try different things in destination, but not too much. During the interview Chinese tour operators mentioned "轻徒步" – a small nature walk in Denmark. Chinese tour operator found it is difficult to find a nature place to arrange one to two hours small walk when she designing the itinerary, however, there is a lot of places that can meet her demands in or outside of Copenhagen. Deer park, (Dyrehaven)

Klampenborg, Frederiksberg Park, Amager beach, and the white cliff came into my mind when the interviewee talked about this. It is easy to arrange one to two hours' small hiking in these nature areas to breathe the fresh air and feeling the happiness atmosphere by themselves. Denmark has many beautiful natural areas, however, it is hard for Chinese tour operators to know about these because of the distance and language barriers. Chinese outbound leisure groups won't go these places if Chinese tour operators do not arrange them in the package tours. It might also be a good idea to arrange 10 minutes of taking open horse-drawn carriage for the groups that are interested in visiting the Deer Park. One of the best way to promote the Danish tourism sector in order to attract more leisure group traveller is to go to China not only to attend several workshop, but also to go directly to those Category A travel agencies that have the certificate to arrange the international tours and educate their tour operators about the different Danish tourism products available.

It is not easy to understand the business practice of Chinese tourism industry for Western people, however, it is important for the Danish tourism sector to understand the way of running the outbound leisure group business. Both Chinese operators and Chinese tourists are highly price-oriented, and they use different kinds of strategies to lower the price of the travel products. There is an old saying in China “羊毛出在羊身上” which means: “After all, the wool still comes from the sheep's back.” Although the visual price of the package tour is cheaper, the tourists still need to pay the actual cost. For example, they pay the extra activities and shopping when they travel, and travel agencies earn the commissions from what they pay on spot. The price of a Scandinavian package is already higher than the package tours of other European countries, and Chinese people are very price sensitive. Thus, there might be challenges for the Danish tourism sector to cooperate with Chinese travel agencies if they do not understand the complicated way of doing business. Moreover, cultivating “Guanxi” with Chinese partners might also be a challenge for the Danish tourism sector because of the cultural differences.

Sausmarez, et. al (2012, pp. 268) said: “Differing cultural expectations are identified as the main source of difficulty in respect of accommodation and food.” Chinese tourists have high expectations of accommodation and food when they travel to Scandinavia, however, the hotels and restaurant are not as good as they expected. According to them the rooms of the hotels are small and old, and the Chinese food is not tasty in Scandinavia. Even though, the Chinese tour operators convinced me that Chinese tourists have a positive attitude, and if they are informed about the situation before they go there they can fully understand. Accommodation and food might be the challenges for the Danish tourism sector, however, smart service can easily avoid complains from the tourists.

6.0 Conclusion and perspective

6.1 Conclusion

Denmark as a tourist destination may still be on their way to become “China Ready”. The challenges and opportunities of the Danish tourism sector to become “China Ready” has been discussed in this project with Chinese tour operators from the leading travel agencies in China, and the results are analyzed with the use of different theories in the research area. The perception from Chinese tour operators should receive high attention when analyzing the Chinese leisure groups market. I used my language advantage and network from my current job and interviewed five tour operators from the leading travel agencies in China that handles international tours. It is not easy for Western researchers to deeply understand Chinese tourists, especially leisure group travellers. The Danish tourism sector may have some difficulties when trying to become “China Ready”. On the other hand, there might be some potential opportunities for the Danish tourism sector. Moreover, some recent challenges may turn into future potential opportunities for the Danish tourism sector.

One of the reasons that Chinese people would like to travel abroad is because many main cities in China are polluted. Chinese people highly consider the degree of comfort when they travel, and the weather in Denmark during summer time is quite attractive to Chinese tourists. Denmark has many positive features among Chinese people, such as “Fairytale”, “Happiest country in the world”, “Green destination”, “Environment friendly”. Besides, Danish design, Danish architecture, Danish movie and music, Danish social welfare, and some Danish brands are also getting more and more awareness among Chinese people. These might be the triggers of Chinese tourists travelling to Denmark, and the Danish tourism sector can use these positive images as their advantages when promoting Denmark to China. The price of Scandinavia is higher than other countries in Europe, and the price of package tours in Scandinavia is also not very competitive. It is easy to understand that tourists have higher demands and expectations if they are paying more, however, the quality of accommodation and Chinese restaurant is not as good as Chinese tourists expectation. Chinese people are very price-oriented, and Chinese tour operators do care about price when cooperating with local travel agencies. It might be a challenge for Danish suppliers to understand the business practice in the Chinese tourism industry. Chinese groups that travel for leisure purpose are increasingly diversified, however, the Danish travel products offered to Chinese have little changes every year. Some of the Chinese tour operators complained that Denmark is “too boring”, and there are not enough attractions and tourism activities in Denmark. I summarized some innovated recommendations to the Danish tourism sector from the perception of Chinese tour operators as follow. The recommendations are based on the use of the challenges and opportunities. The first one is that it is important for the Danish tourism sector to go China and educate Chinese tour

operators in China. Chinese tour operators take an important role in the outbound leisure group market, and it is important for the Danish tourism sector to educate them about the destination. For example, present some new routes of exploring the destination and new things to do in the destination. The second recommendation is that more and more innovated travel products and experience design for Chinese tourists are needed. In order to attract more diversified leisure groups to Copenhagen, it is also important to include some innovated experience in the travel products. Chinese leisure groups stay in Copenhagen for only 1-2 days in most of the package tours to Scandinavia since in Chinese tour operators' minds, there are very limited attractions and activities for arranging in package tours. More innovated experiences are demanded by Chinese tour operators in package tours, for examples, including local festivals and events in the package tours and arranging some free time for biking or hiking in the natural areas. The third recommendation is that there is a huge potential market of children from rich families, and it might be a good idea to find some cooperation between Chinese and Danish schools in order to arrange some study trips for Chinese incoming because the education in Denmark also has a high reputation in Chinese people.

6.2 Perspective

The field of this thesis is still young, and more research is needed in order to go deeper into the research topic. Because of the time and resource limitation, my data are somewhat limited. There is clearly a need for many future researches for each of the sub questions of the project. Every single part of the project can be seen as individual topic since the market is very complicated. Especially the whole business practice behind the Chinese travel market needs more future research. Understanding the Chinese tour operators' perspective is very important for understanding Chinese leisure groups; however, it would have further improved the project if the time and space had allowed to also researching it from the perspective of the Danish incoming operators' perspective. There might be some interesting findings when compareing Chinese tour operators' perspective with Danish tour operators' perspective.

The thesis analyzed and discussed challenges and opportunities for Danish tourism sector to become "China Ready" for Chinese leisure group market, however, how to overcome these challenges and use these opportunities haven't been discussed a lot because of the time and space limitation. Although, in the analysis and discussion chapters, some opinions of promotional activities have been put forward based on the current market situation and Chinese tour operators' perspective, the feasibility of these ideas hasn't been analyzed thoroughly, but this could also be interesting for future research. In addition, the thesis is somewhat too unilateral since it only looks at Chinese tour operators' perception. It might also be interesting to hear Danish DMOs and tourism suppliers' perception of Chinese leisure groups, and if they think they have any

difficulties and opportunities to become “China Ready”. From interviewing both Chinese tour operators and Danish tourism suppliers, the deeper understanding of challenges and opportunities to become “China Ready” from both perspectives could be discovered.

Denmark has huge potential for the Chinese leisure group market, but still have some way to go to become “China Ready”. Chinese tour operators play a key role in the Chinese leisure group market, and deeply understanding their mind-set is one of the most crucial parts to truly becoming “China Ready”.

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