

Policy Innovation and Breakthrough of China's Tourism Industry under the Contradiction of Supply and Demand

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Abstract: Currently, China's tourism industry has entered a new stage of mass tourism development. Under the background of consumption upgrading, tourists' demands for tourism products and service quality are becoming increasingly diverse and personalized, and higher requirements are put forward for tourism experience. However, the traditional tourism development model still has structural problems such as insufficient product innovation and lagging public service support. The mismatch between supply and demand has become the core bottleneck restricting the high-quality development of China's tourism industry. This article summarizes the core manifestations and formation logic of the supply-demand contradiction in China's tourism industry, summarizes the practical path of promoting tourism policy reform towards supply-demand balance in recent years, and finally looks forward to the future breakthrough direction of achieving dynamic supply-demand balance in the tourism industry, providing theoretical reference for promoting high-quality development of China's tourism industry.

Keywords: supply-demand contradiction; China's tourism industry; Policy reform; breakthrough direction

1. Introduction

As a strategic pillar industry of the national economy, China's tourism industry has developed rapidly in recent years, and its scale has continued to expand, playing an important role in expanding domestic demand and other aspects. Entering the era of mass tourism, tourism has shifted from a few luxury items to a daily consumption of the masses, with an increase in the frequency of residents' travel and a shift in consumer demand towards compound and personalized consumption, becoming an important part of a better life.

2. The core manifestations and causes of the supply-demand contradiction in China's tourism industry

Diversified demands driven by consumption upgrading. With the sustained growth of the Chinese economy and the steady increase in per capita disposable income of residents, tourism consumption has shifted from traditional sightseeing check-in to deep experience, personalized customization, and quality services. In the context of consumption upgrading, tourists' demand shows significant diversification characteristics: from the perspective of age structure, "Generation Z" has become the main consumer. They pay more attention to social attributes, cultural connotation and technological experience, and prefer theme parks, script killing tourism, China-Chic experience and other emerging formats; The middle-aged and elderly population tends to prefer health tourism, red tourism, and slow paced leisure vacations, with a strong demand for healthcare and cultural nostalgia services. The demand for study tours, intangible cultural heritage experiences, outdoor adventures, and other activities is also growing rapidly. In addition, tourists' demands for service quality have significantly increased, from transportation convenience and accommodation comfort to information transparency and safety assurance, all of which have put forward higher standards, forcing the supply side of the tourism industry to accelerate its transformation.

The adaptation between traditional models and new demands is insufficient. There is still a serious problem of product homogenization on the supply side of China's tourism industry, with traditional sightseeing scenic spots accounting for over 70%. Most scenic spots rely on "ticket economy" and lack distinctive experiential projects. For example, there are over 2000 scenic spots named after "ancient towns" and "folk villages" nationwide, of which 80% have problems such as similar architectural styles, similar business layouts, and shallow cultural expressions, leading to tourist experience fatigue. There is also a phenomenon of redundant construction in the field of theme parks. Some second - and third tier cities blindly follow the trend to build large amusement parks, but due to the lack of IP innovation and differentiated content, they have fallen into operational difficulties after opening. The lack of innovation is also reflected in the single product structure, insufficient supply of high value-added products such as leisure vacations, cultural experiences, and health and sports. In 2024, the revenue share of vacation hotels in China will only be about 23%, far below the mature tourism market's share of over 40%, making it difficult to meet the demand for tourists to shift from "seeing scenery" to "enjoying life". Many tourism companies

are still accustomed to following the trend and replicating successful products, with insufficient investment in exploring local cultural characteristics and designing personalized experiences, resulting in the supply side always unable to keep up with the pace of iterative updates on the consumer side, further exacerbating the mismatch between supply and demand[1].

3. The Practical Path of Policy Reform in China's Tourism Industry under the Contradiction of Supply and Demand

3.1 Building a high-quality development policy system

To solve the supply-demand contradiction, a series of policy documents have been issued at the national level, and a policy system centered on high-quality development has been established. The "Several Measures on Unleashing the Potential of Tourism Consumption and Promoting High Quality Development of the Tourism Industry" issued by the State Council in 2023 clearly proposes to "further meet the needs of the people for a better life", and establishes the development direction of the tourism industry from the top-level design. The policy system highlights systematicity and synergy, covering multiple fields such as finance, land, and talent[2]. In addition, the policy system strengthens the guidance of standards and releases multiple national standards such as "Classification of Tourist Resort Levels" and "Guidelines for the Construction of Smart Tourist Attractions", promoting the transformation of the tourism industry from "scale expansion" to "quality improvement". Local governments have also actively responded, such as Zhejiang Province launching the "Poetry and Painting Zhejiang" cultural and tourism brand construction project, and Jiangsu Province implementing the "Cultural and Tourism Consumption Promotion Plan", forming a policy implementation pattern of central and local linkage.

3.2 Optimize product and service structure

The integration of culture and tourism is an important path to break the homogenization of products. At the policy level, through the two-way interaction of "cultural empowerment of tourism and tourism dissemination of culture", the connotation of tourism products is enriched. The Ministry of Culture and Tourism of China has issued the "Implementation Opinions on Promoting the Deep Integration of Culture and Tourism Development", proposing to "create a number of national level tourism and leisure cities and blocks with distinctive cultural characteristics"[3]. By 2025, there will be 119 new national level tourism and leisure blocks in the country. By exploring the local cultural characteristics of the city, a cultural tourism integration space integrating tourism, leisure, and consumption will be created. Among them, Chengdu Kuanzhai Alley, Beijing Cigarette Bag Diagonal Street, and others have been reconstructed through cultural scenes, extending tourists' stay time to 4.5 hours and increasing consumption by 60%. In terms of cultural heritage utilization, policies encourage the revitalization of cultural relics. For example, Dunhuang Academy has launched the "Digital Dunhuang" project, which uses VR technology to allow tourists to immerse themselves in the Mogao Grottoes murals. By 2025, the online traffic will exceed 200 million, reducing the pressure of physical cave visitors and allowing the millennium Dunhuang culture to break through spatial limitations and reach more audiences, achieving a dual upgrade of cultural dissemination and tourism experience.

3.3 Stimulating Industrial Vitality

The policy of factor allocation focuses on "activating stock and optimizing increment" to enhance resource utilization efficiency. In terms of talent elements, the "Tourism Talent Training Plan" will be implemented, with universities adding interdisciplinary majors and setting up "Tourism Technology Research and Development Special Projects" to support enterprises in developing technology products. By 2024, the financing scale of tourism technology enterprises will exceed 5 billion yuan, a year-on-year increase of 40%; Promote the construction of a "tourism data sharing platform", break down data barriers, and achieve real-time data sharing. In terms of land elements, we will explore the "point based land supply" model and implement flexible land use policies for rural tourism projects. By 2023, 300 rural tourism projects across the country will be approved for point based land supply, saving 20000 acres of land; Encourage the transformation of idle factories and other facilities into tourism facilities, and revitalize 150000 acres of existing land. In terms of financial factors, we will promote the securitization of tourism assets and issue 12 ABS products with scenic spot ticket revenue rights in 2024, raising 8 billion yuan to alleviate the financial pressure on enterprises[4].

4. Breakthrough Directions and Future Prospects

In the future, technology will become the core driving force for the matching of supply and demand in the tourism industry, and policies will focus on promoting the deep integration of "digital technology+tourism". Artificial intelligence (AI) will be widely applied throughout the entire process of tourism services, such as intelligent customer service that can achieve 7 × 24 hours of multilingual response, and AI recommendation algorithms that can accurately push products based

on tourist preferences. Virtual reality (VR) and augmented reality (AR) technologies will create immersive experience scenes, and new formats such as "metaverse scenic spots" and "virtual tourism" will achieve the integration of "online cloud tourism+offline experience" to meet the personalized needs of tourists. Big data technology will improve industry management efficiency by analyzing tourist behavior data to achieve scenic spot traffic warning, emergency scheduling, and precise marketing. Regional coordinated development is the key to solving the problems of "hot in the east and cold in the west" and "peak season congestion" in the tourism industry. In the future, policies will strengthen "comprehensive tourism" and "regional linkage". In the context of globalization, enhancing international competitiveness is an important goal for the high-quality development of China's tourism industry, and policies will focus on both "bringing in" and "going out" aspects. Creating high-quality cross-border tourism routes, improving duty-free shop policies, expanding the scope of bilateral visa exemption, promoting sustained growth in the scale of two-way tourism exchanges, promoting China's tourism to occupy a more important position in the global tourism landscape, and building a new pattern of tourism development with internal and external linkage.

5. Conclusion

In summary, in recent years, China has built a high-quality development policy system, promoted the integration of culture and tourism, cultivated new business models, filled the gaps in public services, optimized factor allocation, enriched market entities, and explored policy reform paths that are suitable for industry development. In the future, relying on digital technology to empower the entire chain, promote complementary regional tourism resources, enhance international competitiveness, and promote high-quality development of China's tourism industry to meet the needs of the people for a better life.

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