

# **A Special Monitoring Report on Commercialization in tourism development of Yangshuo**

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# 1. Preface

Tourism industry in Yangshuo was developed early. It has a history of 30 years since the reform and opening up in 1979. During this period, Yangshuo has developed from a stop en route into a base camp for the backpackers. With the scale development in tourism, Yangshuo has successfully grown from a tourist stopover into a tourist destination as well as a famous tourism county in China.

Yangshuo was granted by the State Council as a tourist place in May, 1973. Tourism commercialization in Yangshuo was underdeveloped at that time. Transit tourists disembarked at the dock of West Street would leave soon after buying some handicrafts ashore. Between Yingxun Gate and Zhijiang Lau, there was a tourist market selling special local products, handicrafts, souvenirs, calligraphies and paintings. The overall tourism development in Yangshuo was at the stage of one-day sightseeing tour and tourism receipts were mainly from selling souvenirs. Since 1980s, commercialization of Yangshuo has been stimulated and enhanced by its tourism industry. In 1985, there added up to 31 restaurants, hotels and hostels with over 2000 beds.

Among these, the restaurants qualified to receive foreigners, overseas Chinese and compatriots from Hong Kong, Macao and Taiwan are: state-owned Yangshuo Hotel, Xilangshan Hotel, private-owned Qunfeng Hotel, and the co-operated one Zhuyang Hotel by Chengguan Village and Zhuhai City, Guangdong Province. What is more, besides the restaurants and bars in the hotels, there were other 26 cafés, restaurants or eating houses in the town of Yangshuo. West Street has become a main destination for western tourists in Yangshuo and it has gradually developed into a tourist shopping street. Since 2000, Yangshuo has entered into a stage of all-round improvement. In the cultural industry field, “Impression Liu Sanjie”, an extravaganza performed outdoors in a river and mountain setting, has made Yangshuo more culturally appealing; in the financial investment field, Sunlight 100 Property Company has pumped funds into Yangsuo and updated the city’s infrastructure construction; in the tourist research and monitoring field, Sustainable Indicator Monitoring and Sustainable Development Conferences were successively held in

Yangshuo, enhancing the comprehensive attractiveness of the area.

In 2009, in view of the increasing commercialization in tourism, the monitoring team from Sun Yet-sen University decided to conduct a special monitoring on tourism commercialization based on the sustainable development indicators monitored from 2006 to 2008. From July 7, 2009 to July 24, 2009, an investigation was conducted by the team and from August to December a monitoring report on Yangshuo's commercialization was written based on the collected data. The monitoring based itself on West Street and covered all the main streets in Yangshuo County. The time and space initiating Yangshuo's commercialization was explored by interviewing community residents, visitors, business operators and so on; the evolution of tourist commodities was revealed by monitoring the changing of the main shops in Yangshuo; the process of spatial variations was discovered by monitoring the transforming of the business sections centered on West Street; the positive and negative impacts from the visitors on tourism commercialization and tourist commodities were monitored by observing their behaviors.

## 2. Current Level of Tourism Commercialization in Yangshuo

Commercialization in tourist destinations has attracted attention from academia since 2000. Some scholars pointed out “Tourism commercialization in historical towns is inevitable without a prophetic intervention”<sup>①</sup>. Driven by tourism development, commercialization is also inevitable in Yangshuo, an ancient county with a history of a thousand year situated alongside Li River.

During the investigation, the monitoring team visited the main streets and tourist service areas in Yangshuo, namely, RBD<sup>②</sup>, the inner city covering an area of 60.15 hectares, with the center of West Street, east of Li River, south of Yangshuo Garden, west of Pantao Road and north of North City Road, the new developed Shenshan Road and the places near the “Impression Liu Sanjie” scenic spots including East Street, Guanlian Road, Shima Road, Kangzhan Road. Based on the investigation, a pie chart showing the percentage of the shops on different main streets in Yangshuo and a graph reflecting the proportion of the shops to the storefronts on the main streets were worked out. In general, commercialization in Yangshuo varies in different places. Shops on Pantao Road Kangzhan Road West Street and Diecui Road hold the largest proportion, followed by the short-distanced Binjiang Road (See Figure 2-1).

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Bao Jigang, Su Xiaobao. (2009) Studies on Tourism Commercialization in Historic Towns. *Acta Geographica Sinica*, 59: 427-436

Jiang Li, Zhou Yan. (2005) Discussion on the Adjustment of Planning of Land Utilization for RBD in Yangshuo. *Planners*, 1:97-100

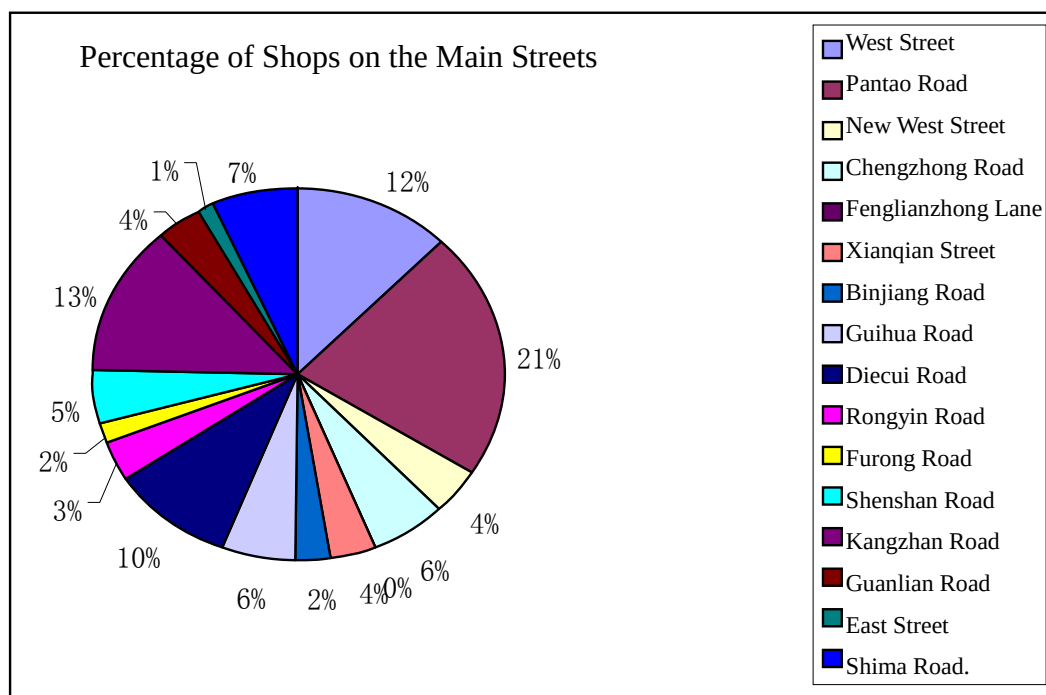


**Figure 2-1 Percentage of Shops on the Main Streets in Yangshuo**

The number of the shops also varies on different streets among which there are few vacant storefronts in West Street, New West Street, Kangzhan Road, East Street, Diecui Road and Binjiang Road comparing with Shenshan Road and Shima Road on which the proportions of shops to storefronts are 20% and 70% respectively (See Figure 2-2). However, some of the vacant storefronts on Shenshan Road and Shima Road are being decorated and to be open. With the development of the city and its tourism, these vacant storefronts are bound to be shops.

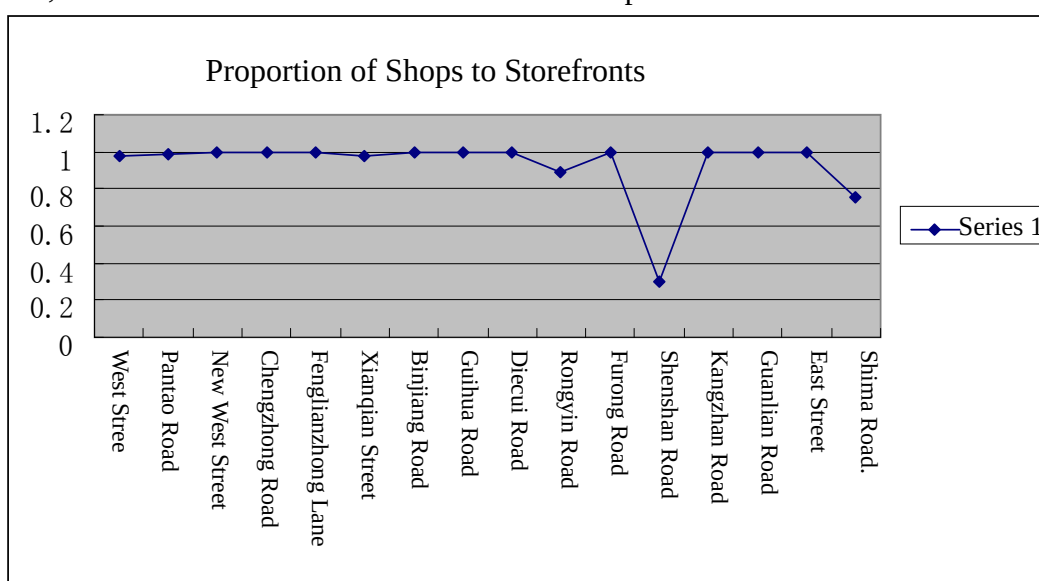


**Figure 2-2 Proportion of Shops to Storefronts on the Main Streets**

Tourism as a pillar industry in Yangshuo promotes its commercialization. On the main streets, shops related to tourism take up 49%. These shops differ from one place to another (See Figure 2-3). Tourism-related shops on West Street, New West Street, Xianqian Street, Binjiang Road account for 90%, while those in Shenshan Road only 20%.

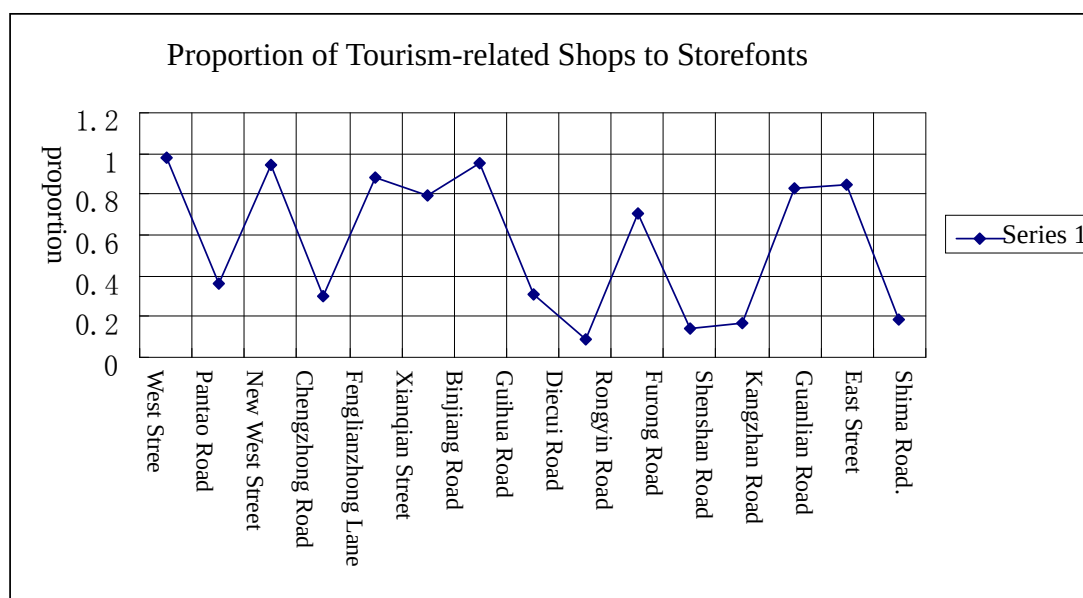


**Figure 2-3 Proportion of Tourism-related Shops to Storefronts on the Main streets**

In the process of tourism commercialization in Yangshuo, West Street, the oldest slate street, was the biggest foreign language center and called “foreigners’ street”. West Street is filled with shops selling handcrafts, calligraphies and paintings, hotels, cafes, bars and kung fu clubs, more than 20 of which are run by foreigners. West Street is also called “global village” for many of the local people have learned to speak English because of the regular contacts with foreigners. West Street was one of the earliest places most popular with the visitors, so it was the first place that commercialization functioned. However, as the space resources are so limited, commercialization has to expand to the outside West Street when tourism is developed to an extent that new tourist spots spring up, that many shops are moved into neighboring places or even farther. The different processes of commercialization and varieties of shops are shown (See Figure 2-4).

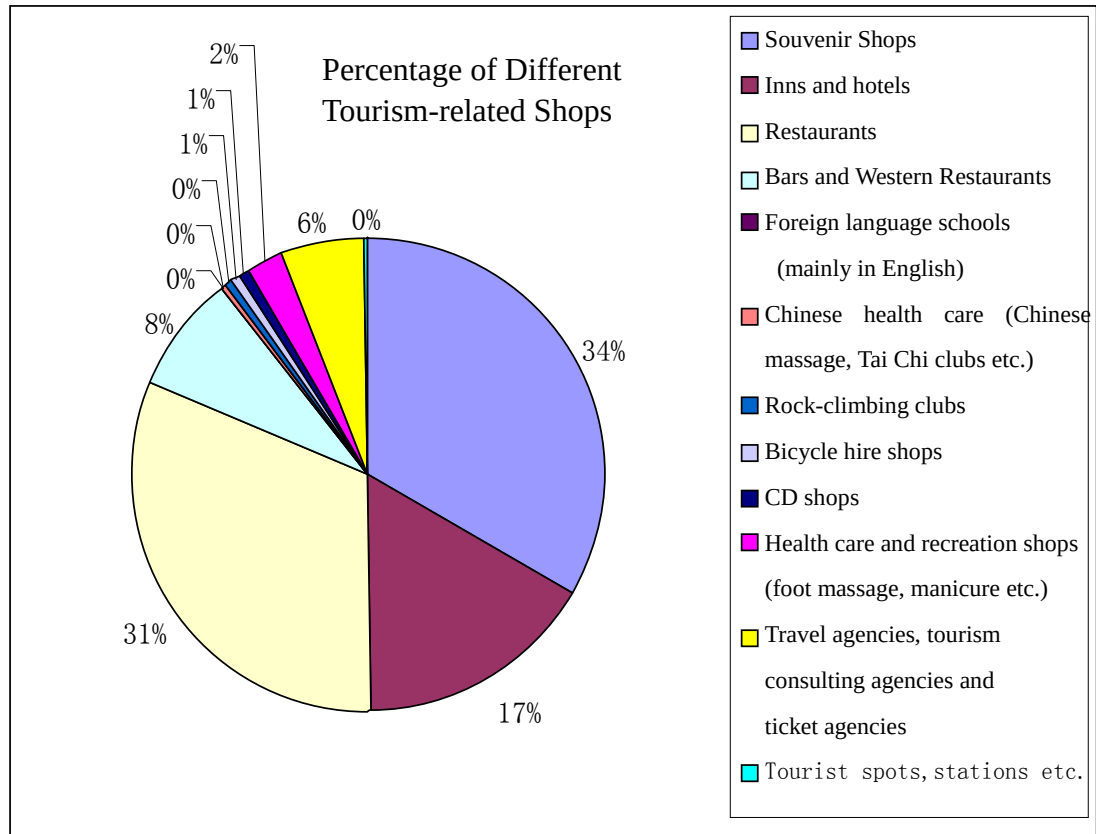


**Figure 2-4 Percentages of Different Tourism-Related Shops on the Main Streets in Yangshuo**

From the chart above, tourist commodities on the main street are mainly souvenirs, travel accommodations, restaurants, bars, western restaurants, tourism consulting agencies and travel agencies.

## 2.1 Commercialization in Material Spaces

### 2.1.1 Inns and Hotels

There are 114 inns or hotels on the main streets such as West Street, Pantao Road, New West Street, Chengzhong Road, Fenglianzhong Lane, Xianqian Street, Binjiang Road, Guihua Road, Diecui Road, Rongyin Road, Furong Road, Kangzhan Road, Guanlian Road, East Street and Shima Road. The proportion of these inns or hotels to the storefronts is 7.13%, that is, 114 to 1600. Besides the storefront hotels on Kangzhan Road and Pantao Road, there are some hotels scattering in the alleys behind. Take Kangzhan Road and Pantao Road for example; there are respectively 21 and 73 non-storefront hotels. What's more, the hotels tend to gather behind Pantao Street

especially the part leading to Guilin, that is, between the west of Yangshuo Garden and the north of Pantao Road. The distribution of the accommodations is shown in Figure 2-5.

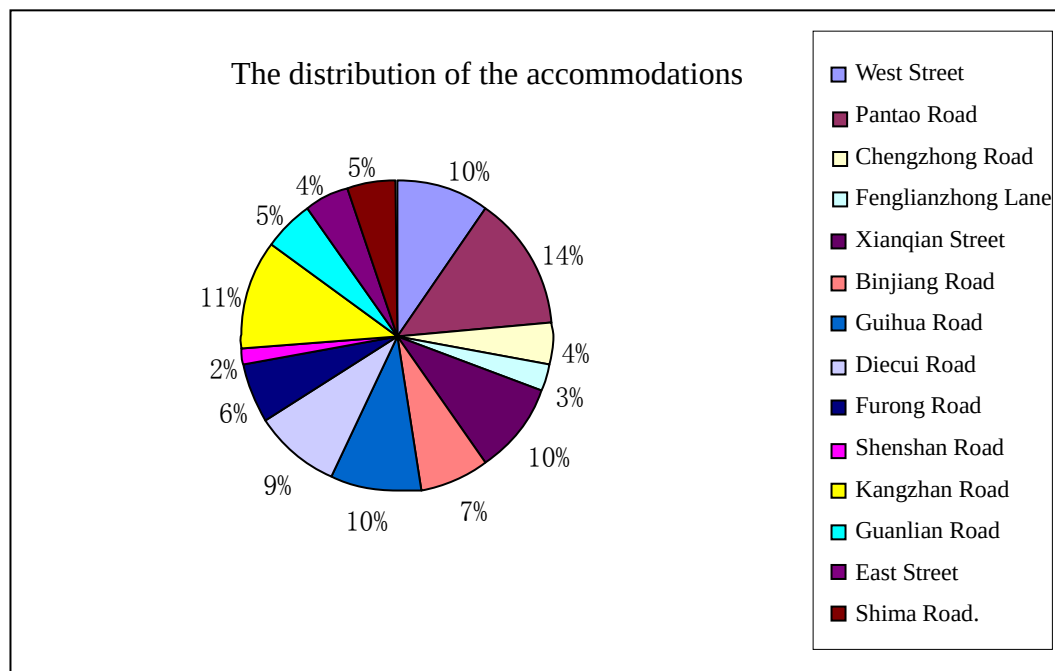


**Figure 2-5 Distribution of Accommodations on the Main Streets**

On the streets like West Street, Guihua Road, Xianqian Street, BinJiang Road, Diecui Road and Kangzhan Road, there are comparatively many hotels of which 11, 16, 11, 8, 11, 10, 16 are storefronts. There also 12 family inns concentrating on the Lodging Street of Guihua Road and a good many of inns and hotels distributed in the alleys within West Street. These inns and hotels tend to be built on the alleys leading to Guihua Road, while very few, three or four on Lianfengzhong Alley near Bilian Peak, can be seen on the alleys leading to Bilian Peak. The other alleys are mainly residential places only with a few tourism-related shops such as Tai chi studio and foot massage center. Besides, there are stray houses with renting information on the doors.

The number of the hotels on West Street is not the largest, but most of the hotels now on West Street are of long history. Some of the hotels even have been open for more than ten years, such as Marco Polo Hotel, Coco Hotel and so on. These hotels are facilitated with western restaurants and bars ----- there used to be more western restaurants than bars, but now more bars than western restaurants.

The hotels in the alleys within West Street vary in scale. The small ones usually have no restaurants, but the large ones are very likely to have Chinese restaurants.

The scales of the hotels on Guihua Road are also different. The hotels at the intersection of Guihua Road and Chengzhong Road are of early styles, that is, inns upstairs and western restaurants downstairs with dinning table sets outside. There, whether at noon or in the evening, many foreigners can be seen sitting around the table drinking. On the area northward there are also some family inns most of which do not have dinning rooms.

The hotels on Diecui Road are mainly large-scale ones which cater for package tourists. The fact that hotels blend with common shops doesn't cause a centralization effect.

The hotels on Pantao Road tend to gather on certain places ----- Bilian Riverview Hotel is surrounded with hotels, on the west of Yangshuo Garden stand many hotels. These hotels are not of high ratings, which only have reception desks and lobbies on the first floor and which are not equipped with restaurants or caf  s.

Quite a lot of hotels are attracted to settle on Furong Road for its clean and quiet environment. Apart from the 7 storefront hotels, there scatter some hotels in the alleys. At the intersection of Furong Road and Xianqian Street there are 8 hotels which are temporary lodgings for individual tourists who prefer quiet places. The hotels in this neighborhood do not have their own restaurants or bars. Except Lisa Hotel, the scale and ratings of the hotels on Furong Road are a bit higher than those on Xianqian Street.

Rongyin Road is narrow and old, so it still serves as a living quarter for the local people and there is no hotel on this road.

There are 5 inns or hotels on Chengzhong Road which concentrate on the pedestrian street near Guihua Road.

As a new developing zone and relatively far from West Street, Shenshan Road now has no hotels other than an Express Hotel and a hotel under construction.

Most of the hotels on Kangzhan Road are in the alleys or in the vicinity of Bilian Riverview Hotel.

The hotels on Guanlian Road are of relatively high ratings, thus forming an area of high-star hotels. These hotels are usually of multifunction. Besides providing accommodation, they are served as venues for most of the conferences held in Yangshuo,

The hotels on East Street are booming because of “Impression Liu Sanjie”, so these hotels tend to gather around the place Where “Impression Liu Sanjie” is performed.

The density of the hotels on Shima Road is comparatively low. The hotels are sparsely distributed around the residential places of good environment such as Shutong International Garden and the newly developed ones. Lisa Hotel is a famous hotel on Shima Road, but its tourist sources are far less than the hotels of the same rating on West Street. Shima Road is a distributing center of hardware and building materials in Yangshuo County. Along the road are mostly shops of hardware and building materials.

### **2.1.2 Restaurants**

On the main street such as West Street, Pantao Road, New West Street, Chengzhong Road, Lianfengzhong Alley, XianQian Street, Binjiang Road, Guihua Road, Diecui Road, Rongyin Road, Furong Road, Shenshan Road, Kangzhan Road, Guanlian Road, East Street, Shima Road, there are all together 220 storefront restaurants. These restaurants account for 13.56% of the storefronts, that is 217 to 1600. Apart from the storefront restaurants, many of the restaurants are in the alleys or area behind Kangzhan Road or Pantao Road ----- 1 is located near Kangzhan Road and 12 lie close to Pantao Road. A majority of these non-storefront hotels on Pantao Road, that is 10 of them concentrate on the back parts from Yangshuo Garden to Guilin, especially between the west of Yangshuo Garden and the north of Pantao Road.

Among the main streets, restaurants on New West Street, Guanlian Road, Guihua Road, Pantao Road are the most----the numbers are 18, 26, 26, 61 respectively----which take up more than 50% of the storefronts. (See Figure 2-6) .

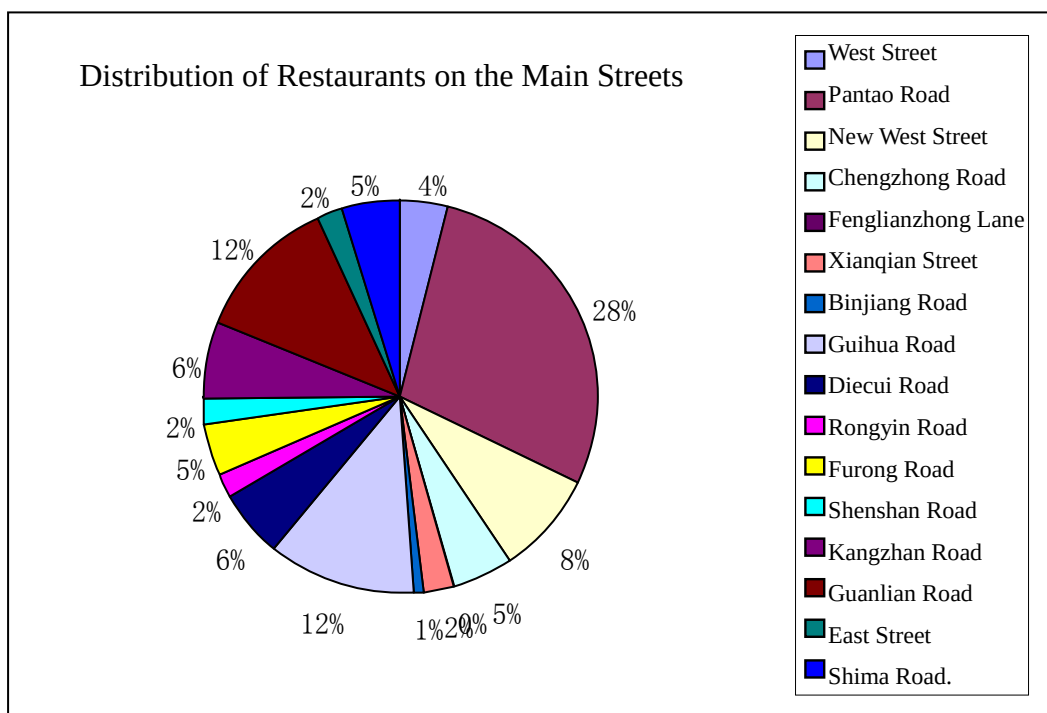


**Figure 2-6 Distribution of Food and Beverage Shops on the Main Streets**

The Restaurants on West Street chiefly serves Chinese food which features beer fish and special local food of China, say, hot pot rice and congee.

The restaurants on Guihua Road are divided into two groups. One mainly provides night snacks till midnight, which makes the Barbecue Street flourishing, another serves common food such as noodles, rice noodles and hot pots. The restaurants at the intersection of Guihua Road and Chengzhong Road are mostly western restaurants, whose owners are from different fields and which serve both western food and Chinese food.

Most of the restaurants on Guanlian Road are close to hotels and have beer fish as their specialty. The restaurant vary in ratings, most of which are of medium-level. There are also some high-level ones like Beer Fish City and Joy Tsin Lau, to name only a few. These beer fish restaurants are along Li River, thus forming the largest beer fish center in Yangshuo County.

There are a cluster of restaurants around the petrol station on the crossing to Guilin. On this section, over 30 are small shops specializing in roast food. One shopkeeper said that they used to set up their stalls around the bus station of Yangshuo, but then moved to here because the government banned the stalls for it

caused heavy air pollution and it was very close to the core area of tourism. The customer sources of these storefront restaurants are the floating population, which is different from the beer fish restaurants that cater for tourists. These restaurants can better represent the characteristics of the local food. In addition, between the north of Pantao Road and the west of Yangshuo Garden, there are about 10 restaurants which are of small size and with poor dinning conditions.

West Street, Diecui Road, Kangzhan Road, Furong Road and Chengzhong Road respectively have about 10 restaurants. The restaurants on West Street gather around the street corner near Pantao Road. Most of these restaurants focus on beer fish and roast food. Besides, between Longquan Bridge and French Restaurants, there is a concentration of western restaurants and local flavor restaurants which are of good dinning condition. The restaurants on Diecui Road are mainly distributed between Binjiang Road and the junction of Guihua Road and Diecui Road. The restaurants offer beer fish and other specialties, for instance, vegetarian restaurants “Hidden Fragrance and Scattered Shadow”. The restaurants on Kangzhan Road do not have distinctive characteristics. Most of these restaurants are rice noodle shops for the local people. Aside from some large-scale restaurants, the restaurants on Furong Road are rice noodle shops or breakfast stands with the local people as their targets. On Chengzhng Road, the restaurants with good dinning condition concentrate on the section between West Street and Diecui Road. The others are some small rice noodle restaurants on the west of Diecui Road.

Some of the storefronts on East Street are restaurants. However, during the investigation, it was found that customers were significantly less than those on Pantao Road or Guanlian Road and a few of the restaurants had even been closed.

The restaurants on Shima Road are small rice noodle restaurants for non-tourists.

### **2.1.3 Bars and Western Restaurants**

Most of the bars in Yangshuo County are distributed on West Street, Xianqian Street and Guihua Road. The respective numbers of the bars on above-mentioned streets or roads are 22, 14 and 16 (See Figure 2-7).

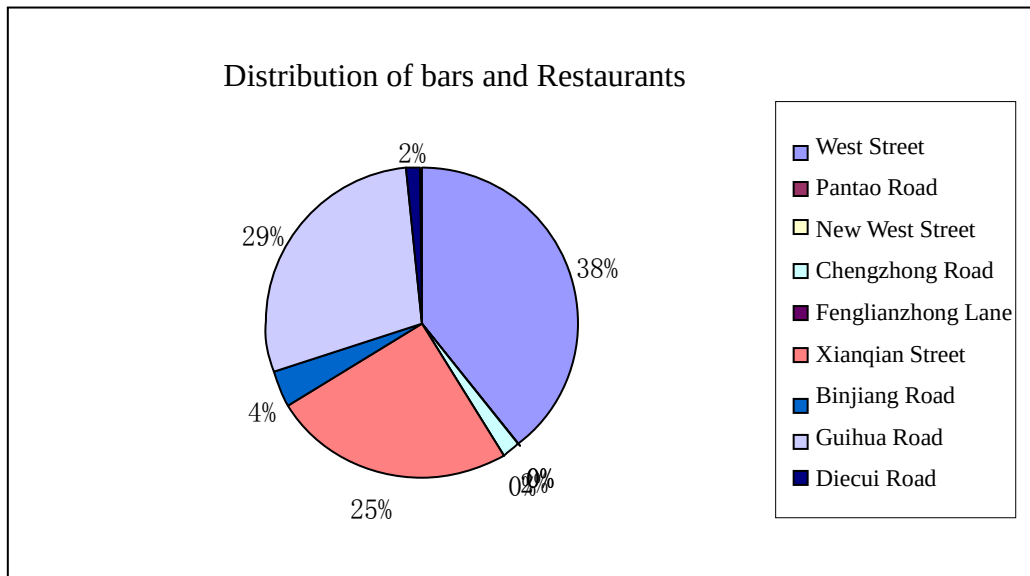


**Figure 2-7 Distribution of Bars and Western Restaurants on the Main Streets in Yangshuo**

The distribution indicates that there are only a few bars on Guihua Rod, such as Biandu Bar, KAYA Bar and 98 Bar. Besides, there are respectively one or two bars on Chengzhong Road, Diecui Road and Binjiang Road. The rest of the bars are mainly distributed on West Street and Xianqian Street. There are few bars or restaurants on the other streets. The bars in Yangshuo are run by domestic merchants, local people, foreigners, or both Chinese and foreigners. Usually, the restaurants with foreign owners would have more foreign customers; Biannong Bar and KAYA Bar on Guihua Road are instances with high visiting frequency of foreign tourists. The bars also vary in styles. Some use dynamic music and young staff with fancy dresses to attract tourists; Lan Kwai Fong and Ding Erding are examples. Most of these bars are slow roll bars. The others are less noisy bars, Flower Booming Bar on Xianqian Street for instance, aiming at tourists who prefer comparatively quiet places. By and large, the bars on West Street are noisy but with warm atmosphere and most of the customers are Chinese tourists, while the bars on Xianqian Street are quieter and less popular but sometimes visited by foreign tourists. The bars create different atmosphere due to the different operating ways.

Comparing with bars, western restaurants are quieter and have fewer tourists except for the very few famous ones. That people crowd into the bars will not occur in western restaurants. The distribution shows that some of the restaurants are distributed on West Street, a small number are on Xianqian Street and the rest are on the section

of Guihua Road next to Chengzhong Road. The western restaurants on Guihua Road tend to be located on the first floor of small family inns with table sets in an open area. The quiet surroundings resemble the West Street of a few years ago, so it has attracted many foreign tourists in recent two years.

#### **2.1.4 Local Product and Souvenir Shops**

There count up to 230 local product and souvenir shops on West Street, Pantao Road, New West Steet, Chengzhong Road, Lianfengzhong Alley, Xianqian Street, Binjiang Road, Guihua Road, Diecui Road, Rongyin Road, Furong Road, Shenshan Road, Kangzhan Road, Guanlian Road, West Street and Shima Road, which account for 14% of the storefronts on the main streets. The spatial distribution of the souvenir shops is concentrated ---- the souvenir shops on West Street and New West Street consist up to 65% of all the souvenir shops on the main streets. Among all these main streets, West Street has 112 souvenir or local product shops, holding 65% of the total in the county. The souvenir shops on West Street are densely distributed, which occupy 63% of all the shops on West Street. These shops are of various types including made-in-China clothes shops, special clothes shops, souvenir shops, luggage shops and so on. There are an insignificant number of souvenir shops with Yangshuo's character on West Street; however there are some shops with Chinese character not Yangshuo's, like silk shops, silver ornament shops and so on. There are also some souvenir shops with cultures of Asian countries or China's neighbors, such as handicraft shops of Pakistan and Indian or Russian taste. In front of the shops on West Street are arrayed stands selling earrings, bracelets and the like.

There are more than 10 souvenir shops respectively on New West Street, Pantao Road, Binjiang Road, Diecui Road and Guihua Road. The souvenir shops on New West Street feature clothes including hand-painted clothes, cheongsam, folkweave skirts, Chinese paintings and calligraphies and more. On Pantao Road, there are about 5 souvenir shops around Bilian Riverview Hotel, and 6 or 7 on the section between the west of Yangshuo Garden and the north of Pantao Road. There are also sparsely distributed ones featuring special food or local food. Most of the local shops on Binjiang Road are around the entrance of West Street. They sell special clothes, scarves, skirts and some even supply wholesale clothes to the souvenir shops. The

souvenir shops on Diecui Road center on the northeastern part of the junction of Diecui Road and Chengzhong Road, selling handicrafts, special clothes, etc. The local product shops on Guihua Road scatter on the section next to Chengzhong Road, selling handicrafts, special clothes and so on.

### 2.1.5 Travel Agencies, Tourism Consulting Agencies, Ticket Agencies

Travel agencies and tourism consulting agencies on West Street act as local travel agencies that receive tourists brought by the travel agencies from other places. A good many of these travel agencies also provide travel service for odd customers such as tour-pooling, bus-chartering, attractions ticketing, etc. On the main streets investigated, there count up to 40 travel agencies, tourism consulting agencies, or ticket agencies, which occupy 2.5% of the storefronts. The distribution chart shows that the agencies are only distributed on West Street, Pantao Road, New West Street, Chengzhong Road, Xianqian Street, Guihua Road, Diecui Road, Shenshan Road and Guanlian Road, among which the travel consulting agencies on Guihua Road, West Street and Pantao Road hold 58% of the total (See Figure 2-8).

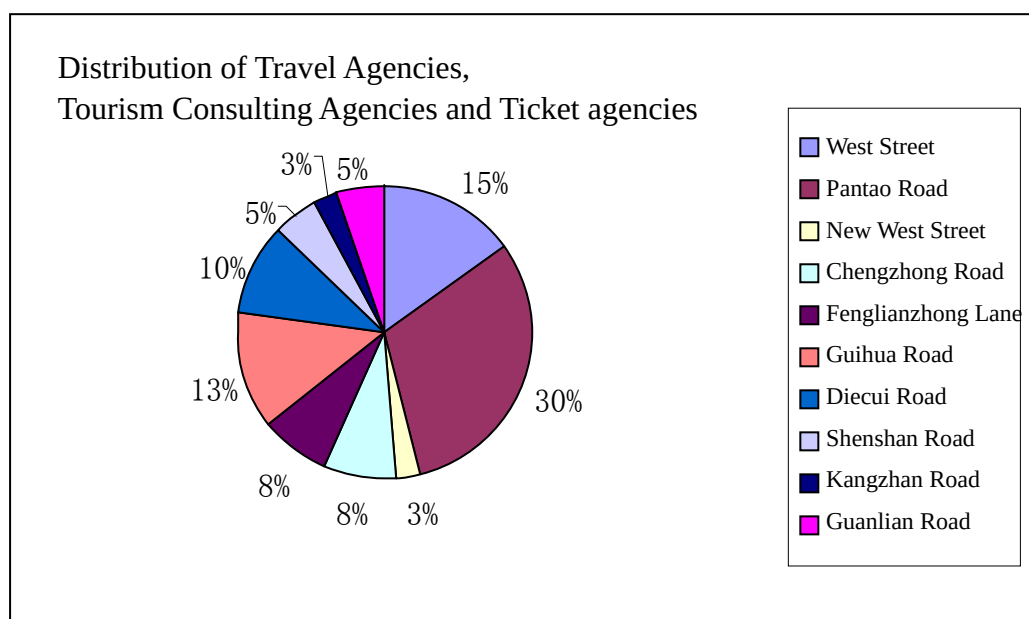


**Figure 2-8 Distribution of Travel Agencies, Tourism Consulting Agencies and Ticket Agencies on the Main Streets in Yangshuo**

The travel agencies are in small size and provide services like ticketing, tour-designing, attractions-contacting, drifting and so on. The agencies on each street

are of dispersed distribution and haven't presented a small gathering on a certain section. In some large-scale restaurants or hotels, the front desk will offer ticketing and other tourism-related services.

#### **2.1.6 Chinese Health Care and Recreation Shops**

With the development of tourism in Yangshuo, many shops of health care and recreation spring up. Among the main streets investigated, there are 16 storefronts, accounting for 1% of the total, which are engaged in acupuncture, foot massage, health care and the like. There are 3 storefront ones both on West Street and Pantao Road, 2 on New West Street, Guihua Road, Kangzhan Road and East Street respectively and only 1 on Diecui Road and Guanlian Road each. There is no distribution of health care or recreation shops on the other streets.

On the interior of the main streets, there are dozens of shops devoted to health care and recreation. Driven by the demand of the foreign tourists who are interested in Chinese health care, acupuncture, massage and Tai Chi clubs emerge. Tai Chi clubs are usually situated in the tranquil places, for example inside Yangshuo Garden, in the middle of Rongyin Road, on the east of West Street and in the community south to East Bilian Peak. Other shops mainly about recreation and foot massage gather on the area between the north of Pantao Road and the west of Yangshuo Garden where there are 13 Chinese health care and recreation shops.

#### **2.1.7 Foreign Language Schools**

The widespread image as an international tourist destination has made Yangsho a famous lecture-tour place. Every summer vacation, many students will come to Yangshuo to study English. Since the first foreign language school, Buckland Language College, set up by Owen in 1993, there mushroomed a dozen foreign language schools including Alber Salon Foreign Language School, Wisdom Girl's School, Li River foreign Language school, West Street Foreign Language school, Omeida Language College, Fiat Foreign Language School, Zhuoyue Language College etc. These schools are located far from West Street or even in peripheral villages of Yangshuo. The foreign language schools in the town are mostly adjacent to

Yangshuo Garden, which are with living accommodations and surrounded by restaurants and hotels.

#### **2.1.8 Others**

While numerous small-scale shops with local characteristics are set up on West Street, many world-class chain stores have their franchise in Yang Shuo, such as McDonald, Kentucky. Other commercial departments, such as the five important banks of China including Bank of China, Industrial and Commercial bank, Agricultural Bank, China Post and Construction Bank, gather on the entrance to West Street. In addition, some small-scale culture service spots like studies, CD shops are located in West Street, New West Street and Guihua Road.

### **2.2 Cognition and Behavior of Different Groups on Commercialization of Yangshuo**

The development of commercialization in Yangshuo has not only changed the physical space but also change the people in it. The project team interviewed all layers of people including local residents, tourists and small tourism enterprisers in the hope of learning about their cognition of commercialization as well as their response to them.

#### **2.2.1 Community Residents' Cognition of Commercialization**

With a large number of tourists flooding into Yang Shuo, urbanization and commercialization are promoted and residents engaged in commerce are increasing constantly. Some of these people provide service directly for tourists, others for the businesses dealing with tourists, such as the western food stuff suppliers on the junction of Chengzhong Road and Guihua Road and the rice noodle shop serving migrant workers.

The local residents have a clear awareness of the opportunities created by tourism. They think it is the coming of the tourists that rear the population of Yangshuo and if there were no tourist, Yangshuo would become a dead city.

The local people have their own views on the characteristics of commercialization. They think that business in Yangshuo has developed rapidly in recent years. "Tourism shops are now 10 times more than those in 2000 and are more densely distributed than in Guangzhou." "Over the past few years, the living environment of the city has been improved. Garbage was seen everywhere, but now it is clean. Roads have been built and houses are more beautiful." Some people find that with tourism market coming of age, things sold to tourists are of more reasonable prices. "Mineral water at the foot of Moon Mountain could never sell at the price of 10yuan a bottle, Ripping off the customers are not allowed."

Tourism makes the prices of some commodity go beyond the local residents' purchasing power so that there is a clearer cut between tourism streets and residential streets. In the interview, many residents said "We seldom or never go to West Street, because prices there are too high, so we go to the farm produce fair to buy things." However, there exist some differences between the young people and the old. The young will go to West Street to buy some souvenirs for their out-of-town classmates. Sometimes, they would go with their friends to the bars on West Street for relaxation or gatherings. The leisure and entertainment places, to a certain extent, satisfy the leisure needs of the increasingly affluent young urban residents.

The local residents, in the process of engaging in tourism industry, have more exchanges and contacts with the outside world, hence a more open mentality and vision. On the back street of Guihua Road, there is a family inn owner who is such an open-minded woman. She often contacts domestic tourists via QQ and she also has made friends with the foreign tourists who have stayed in her inn. She said that she would go abroad after making some money. She said "We often travel too and now we have a keen sense on the taste of food. The electronic products update everyday, so does our menu. Only through update, can we do the best."

The residents recognize that tourism development will not only bring job opportunities, income and the open mentality but also negative consequences. Some residents said "Prices rise with the increase of the tourists. Now prices of the county are even higher than the downtown of Guilin." "A saying goes that tourism makes the rich richer and the poor poorer. We, the common people, can not make money from tourism; what are worse, prices go up." At the same time, the community residents

who participate in the operation mention that the shop rents are getting higher. The increasingly fierce competition has made money a criterion to treat the customers so that many community shop owners become more realistic about their customers. “We prefer the rich, because it’s easier to make deals with them.” The development of tourism has more or less changed the local people’s ways of life.

### **2.2.2 Cognition and Behavior of Tourists on Commercialization**

The growing number of the tourists and their preferences are the primary causes of commercialization in Yangshuo. The early settlement of foreign tourists has gradually made Yangshuo an integration of Guilin landscape, oriental leisure town and harmonious community. Domestic tourists attracted by the global village and the foreigners’ street swarm into the county. Most of the domestic tourists feel satisfied after seeing the bars, western restaurants and foreigners. They think the good combination of Chinese and western cultures have met their expectations.

Foreign tourists’ recreations are regular: they do rock-climbing, cycling, hiking or drifting in the day; in the evening, the odd customers would go to the bars or western restaurants out of West Street, while the package tourists would go to the shops or bars on the West Street. Now, there are 17 foreign trade stores selling made-in-China clothes, whose customers are mainly foreign tourists. A majority of the people will not buy anything nor go to the bars on West Street. What they want is to experience the atmosphere of the foreigners’ street. A small number of the tourists will buy some special clothes or local products on West Street.

Chinese tourists differ from foreign tourists when choosing the places where the bars and restaurants are located. Most of the foreign tourists prefer those quieter, less busy bars on Guahua Road and Xianqian Street, while Chinese tourists prefer comparatively noisy ones on West Street. In Backstreet Café on Guihua Road, the investigation team found that few Chinese tourists patronized the bars nearby and foreigners were their main source of customer. Based on our investigation carried on West Street and the relative position on Guahua Road, we found that the proportion of the foreign tourists were higher than that of the Chinese tourists, meanwhile, foreign tourists only occupied 10% of the tourists on West Street which is separated from Guahua Road only by an alley. (See Figure 2-9 and Figure 2-10).

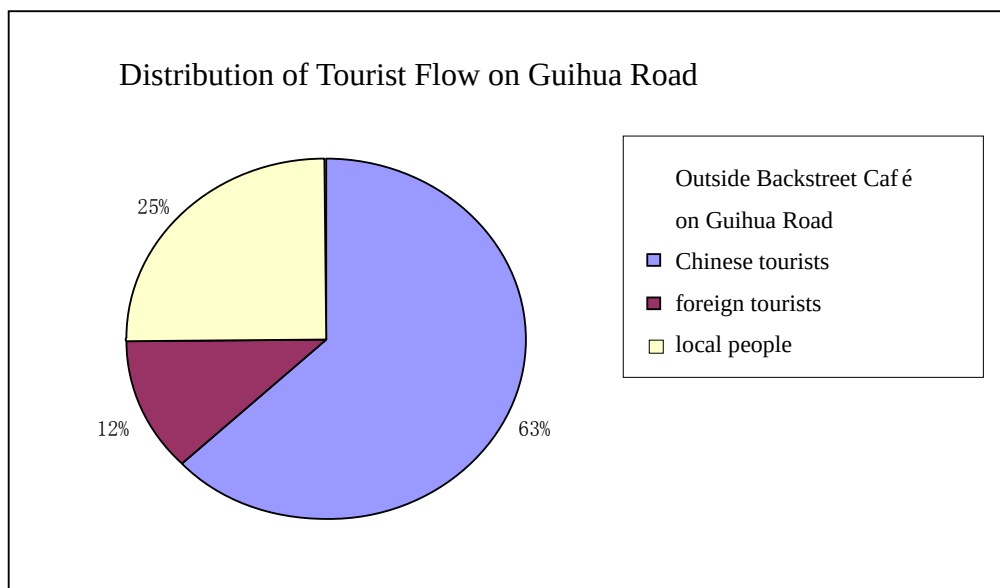


**Figure 2-9 Distribution of Tourist Flow on Guihua Road at a Certain Period of Time**

Source cited: based on the observation and statistics from the project team. Location: Outside Backstreet caf é at No. 11, Guihua Road. Time of observation: 19:12-20:12. Wednesday, July 22, 2009

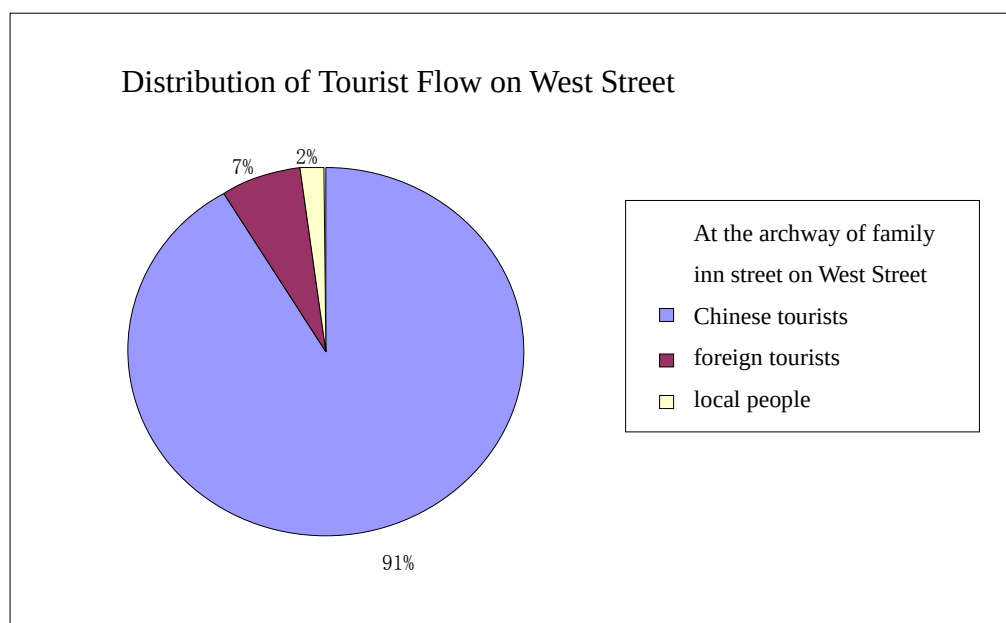


**Figure 2-10 Distribution of Tourist Flow on West Street at a Certain Period of Time**

Source cited: based on the observation and statistics from the project team. Location: At the archway of the lodging street on West Street. Time of observation: 19:12-20:12. Wednesday, July 22, 2009

Domestic tourists are different from international tourists in choosing the places of bars. Currently, the tourists of West Street are mostly domestic ones. Figure 2-11 shows that among the daily total of 26111 tourists, 21217 are domestic ones which account for 81%, while foreign tourists, 2512, take up about 10% and local people,

2382, occupy 9%.

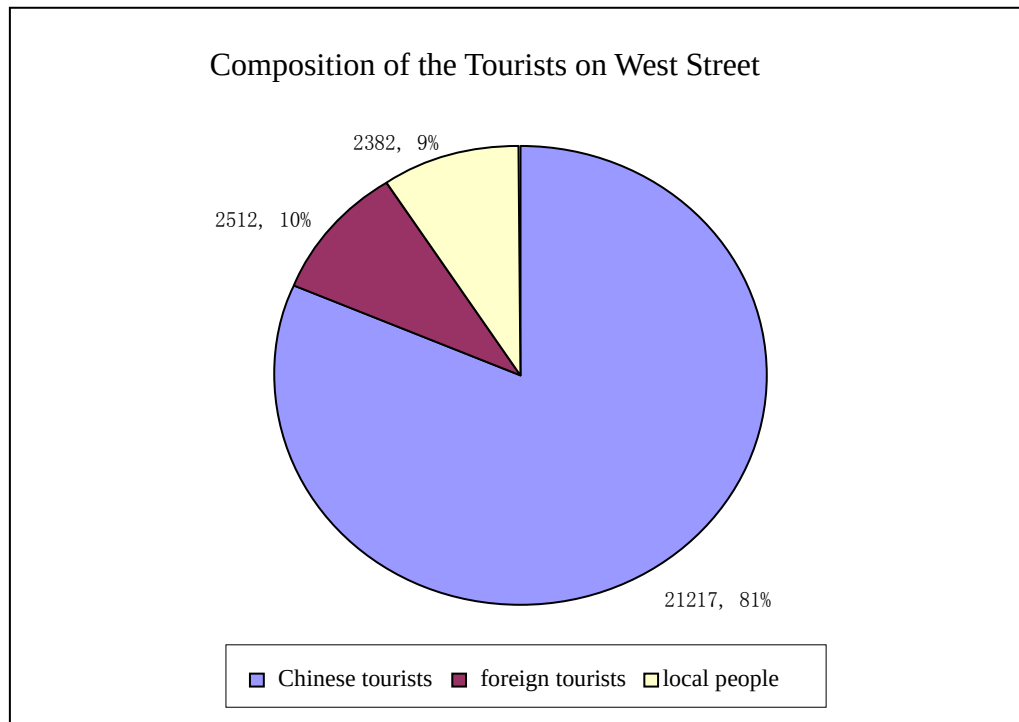


**Figure 2-11 Composition of the Tourists on West Street**

Source cited: based on the observation and statistics from the project team. Location: At the archway of the lodging street on West Street. Time of observation: 7:53-23:13, Wednesday, July 22, 2009

Domestic tourists are also different from foreign tourists in terms of the peak time of activities on West Street. Overall, the peak hours usually occur after 19:30 and the large multitude of tourists will continue till 24:00 (See Figure 2-12). The peak time of domestic tourists' activities arises from 19:30 to 24:00 (See Figure 2-13), while the period from 13:00 to 15:00, when most of the foreign package tourists visit West Street, is the peak of foreign tourists' activities (See Figure 2-14).

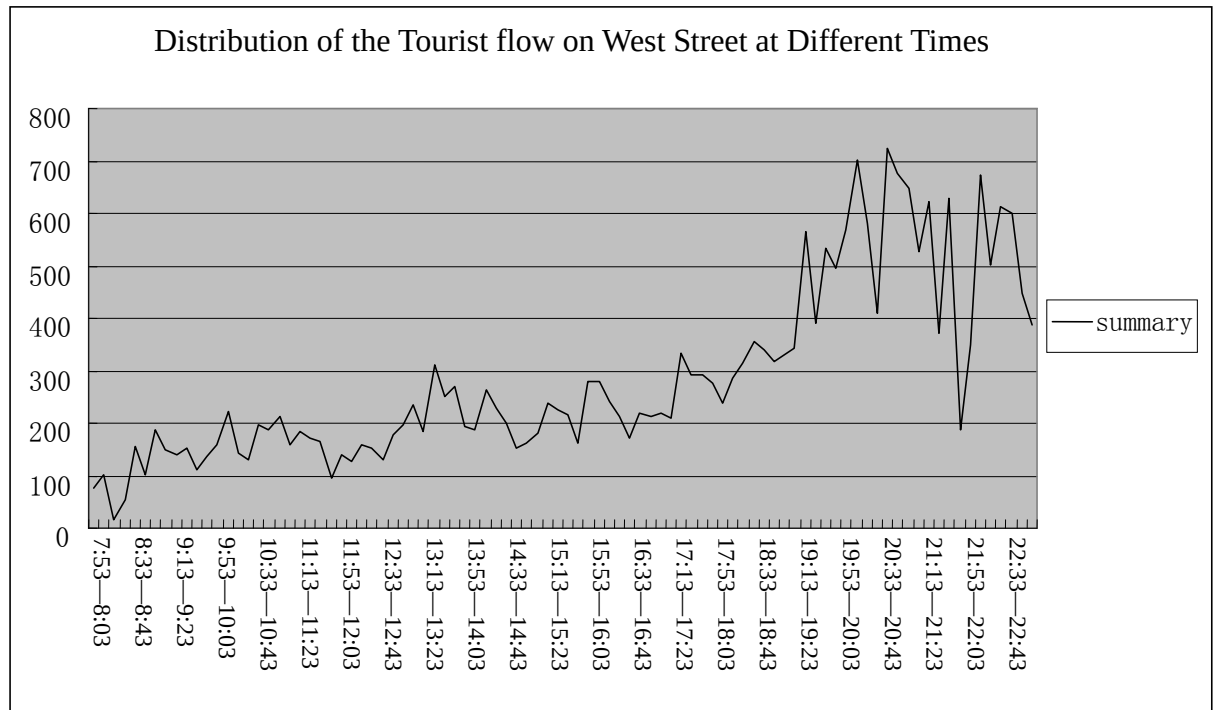


**Figure 2-12 Distribution of the Tourist Flow on West Street at Different Times**

Source cited: based on the observation and statistics from the project team. Location: At the archway of the lodging street on West Street. Time of observation: 7:53-23:13, Wednesday, July 22, 2009

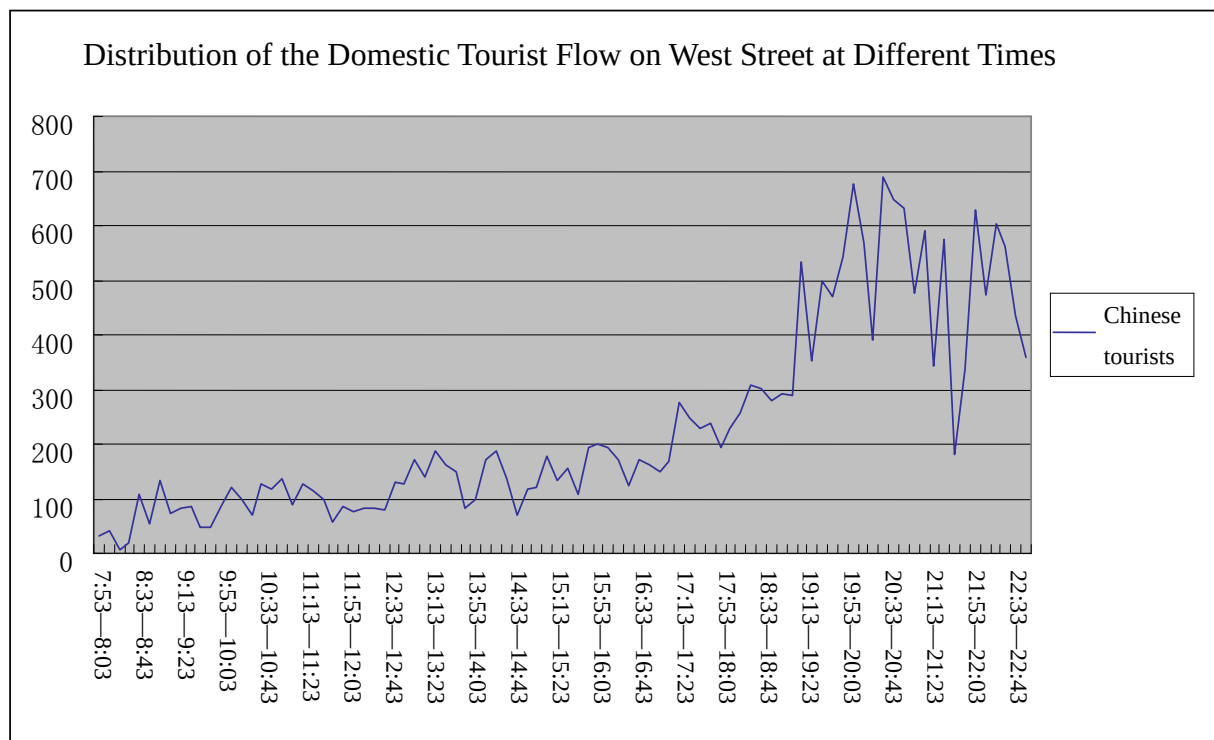


**Figure 2-13 Distribution of the Domestic Tourist Flow on West Street at Different Times**

Source cited: based on the observation and statistics from the project team. Location: At the archway of the lodging street on West Street. Time of observation: 7:53-23:13, Wednesday, July 22, 2009

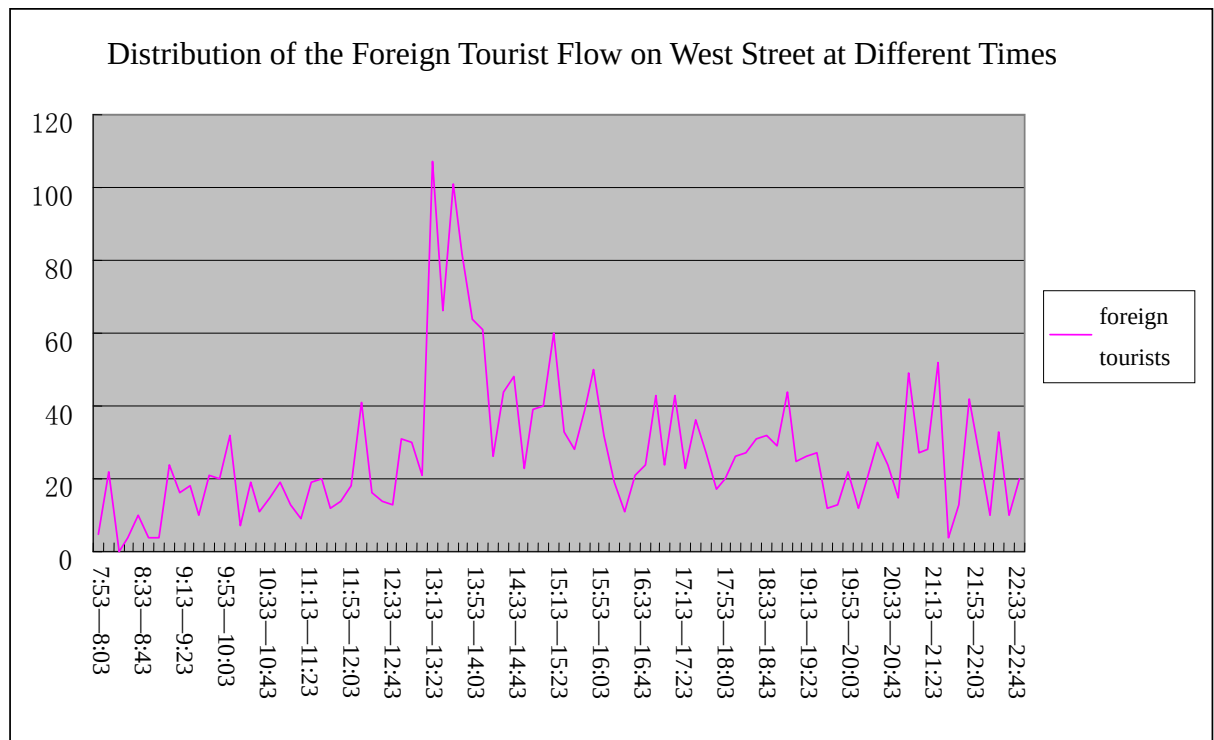


**Figure 2-14 Distribution of the Foreign Tourist Flow on West Street at Different Times**

Source cited: based on the observation and statistics from the project team. Location: At the archway of the lodging street on West Street. Time of observation: 7:53-23:13, Wednesday, July 22, 2009

### 2.2.3 The Cognition and Behavior of Small Tourism Enterprise Owners on Commercialization

With the development of tourism commercialization, the original look “half village and half store” will never return. The streets are full of various small tourism enterprises. Competition between enterprises is becoming more intense. West Street has entered into a stage of commercial development.

The motives of the small tourism enterprise owners have changed. In the early period, the small enterprise owners from other places were attracted by the beautiful scenery of Yangshuo and the unique living environment on West Street. They came to Yangshuo and lived as travelling immigrants. Now, some of the early-settled small enterprise owners have left due to their rejection of commercialization. Most of the enterprise owners remain here in the quest for economic gains. In the interview, the owner of a local restaurant said “I came here just for fun, but now I think very differently as the environment has changed. Why should I open the store if I can’t make money?” The foreign owner of a small tourism enterprise remarked “I decided to stay here in 1998 because I love here. Here used to be quite relaxing and

comfortable, but now more noisy and commercialized.”

The small enterprise owners have universally sensed the problems of rising rents and intensifying competition caused by commercialization. The growing number of small enterprises leads to more fierce competition and furthermore makes the storefront rents surge and operation cost rise. Some of the small enterprise owners mentioned that letting out the storefronts can make more money than running stores by themselves. Therefore, the frequency of changing hands is high. In the meantime, some capable owners begin to expand their businesses. During the last three or four years, the storefront enclosure was fully launched; more and more competitive small enterprises began to take out leases extensively.

### 3. Main Characteristics of Commercialization in Yangshuo

#### 3.1 Commercialization Level Reflected in Spatial variations in Yangshuo County

Currently, tourism-related shops present a spatial concentration. The concentration is found on West Street and the junction (Guihua Road included) of West Street, Binjiang Road, Xianqian Road and Chengzhong Road, as well as the area including East Street, Guanlian Road, Furong Road, Pantao Road and the west of north Yangshuo Garden. The commercialization process and level of the mentioned regions are also different from each other. Figure 3-1 shows the proportion of tourism-related shops to storefronts ranged in descending order.

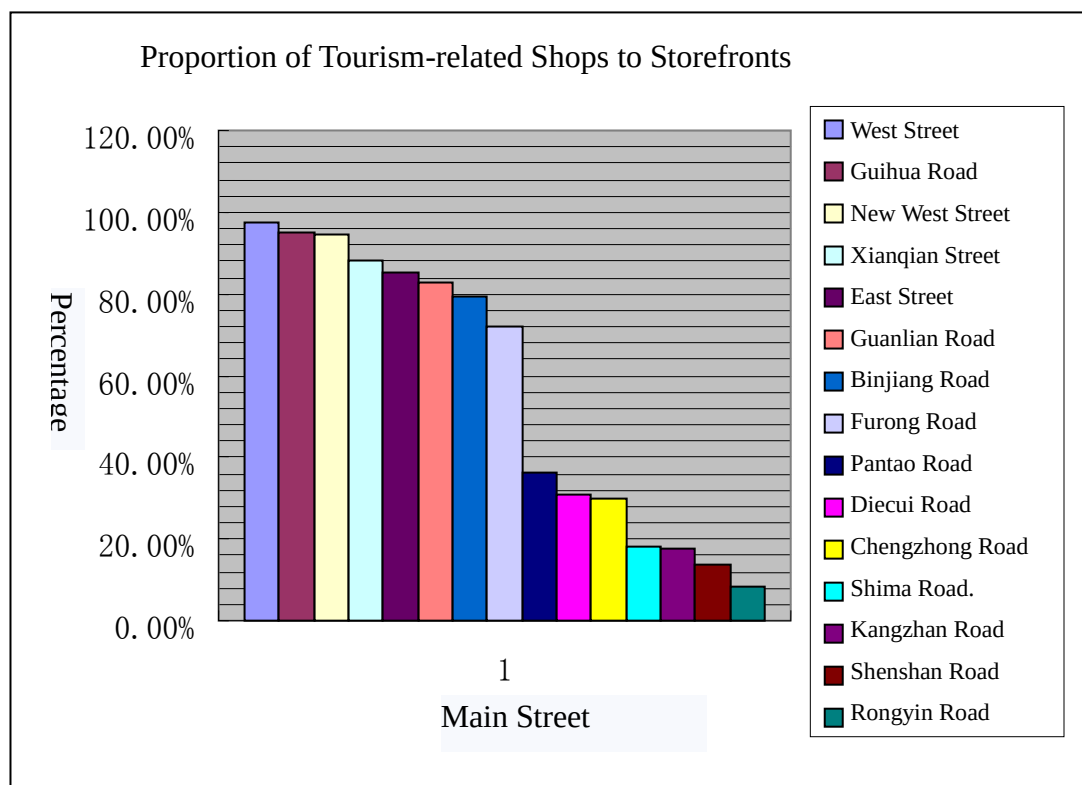


**Figure 3-1 Proportion of Tourism-related Shops to Storefronts on the Main Streets in Yangshuo**

The proportion of tourism-related shops to storefronts on the main streets is as high as 49.1%, almost measuring half of the total. On West Street, New West Street, Xianqian Road, Binjiang Road, Guihua Road, Guanlian Road and East Street the proportions are all beyond 80% and the proportion Furong Road is nearly 80%. Among these main streets, West Street is of the highest rank which takes up 97.7% and Rongyin Road, the lowest, holds only 8.5%.

The tourism-related shops first appeared on West Street. Some of the shops have a history of more than 10 years, for instance, Marco Pole Hotel, Sihai Hotel, Lisa Hotel, etc. On Guihua Road, New West Street, Xianqian Street which are adjacent to West Street, the percentages of tourism-related shops are over 90%. This area is the most commercialized and densely populated one. Guanlian Road is another center of tourism-related shops, where there is a collection of hotels and restaurants. Another street developed at the same time is East Street. Some small restaurants, hotels and recreational facilities have been gathered on East Street since “Impression Liu Sanjie” was performed in 2002 and 2003. The density of tourism-related shops is rather high now. Binjiang Road and Furong Road are also with high proportion of tourism-related shops. Furong Road, similar to the intersection of Guihua Road and Diecui Road, is filled with hotels and restaurants, while Binjiang Road is crowded with retail or wholesale souvenir shops. As areas just coming of age, the two streets are the extension of West Street and its radiation zone. Besides, on the non-storefront part of Pantao Road, that is, from the north of Pantao Road to the west of Yangshuo Garden, there is a congregation of 57 hotels, 10 restaurants, 13 Chinese medical treatment and leisure centers, 1 local product shop, 1 supermarket, 6 grocery stores, 1 clinics, 3 net caf  s, 3 foreign language schools, 4 bicycle renting stalls and 10 fruit and souvenir stalls. In the community of this area, the proportion of the shops to storefronts is 78.7%, while the proportion of tourism-related shops to all the shops is as high as 87.5%. This area, bolstered by the foreign language schools, is mainly about leisure businesses such as hotel service and foot massage. As a part of the alley, this area is a less touristy place.

### 3.2 Different Commercial Characteristics Presented on Different Main Streets

In Yangshuo County, areas are different from each other in the level of commercialization, density of tourists and activities of tourists.

On West Street, more than half of the shops are local product shops or souvenir ones. Hotels and western restaurants are also commonly seen on West Street (See Figure 3-2). Great changes have taken place in the bars on West Street whose main customers are now domestic tourists and where the common feature of the past ----- setting tables in the open air----- can be rarely found. The tourists' activities are patronizing their favorite shops, buying special souvenirs or going to bars or western restaurants for leisure, etc.

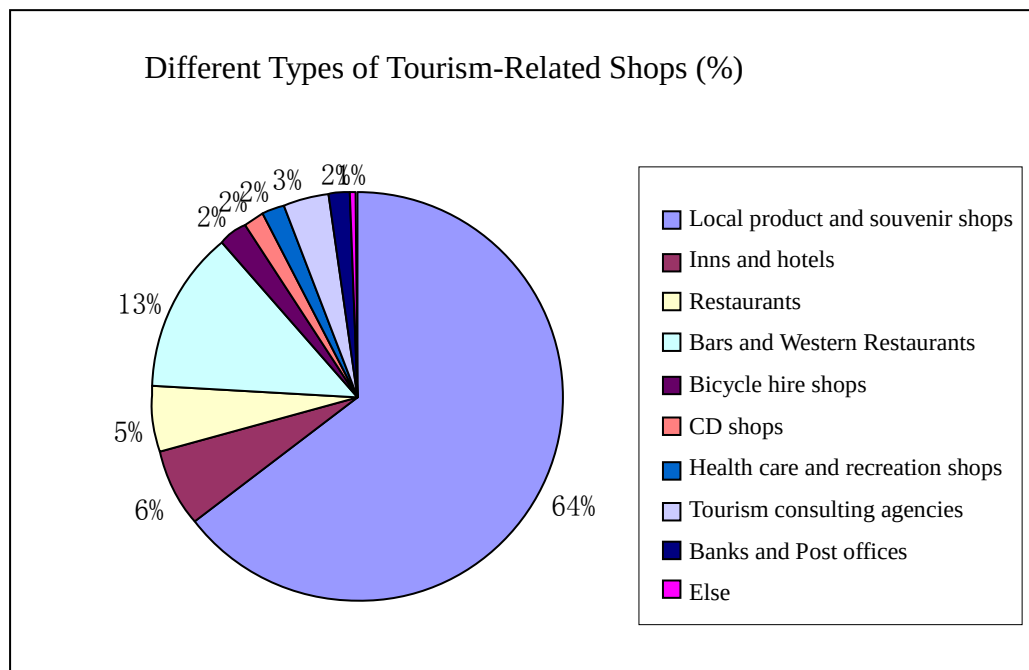


**Figure 3-2 Different Types of Tourism-related Shops on West Street (%)**

New West Street, next to the junction of West Street and Pantao Road, has grown into a gathering place of souvenir shops and restaurants where many tourists are attracted by the special foods.

Chengzhong Road is a congregation of restaurants, souvenir shops and travel agencies. The number of tourists on Chengzhong Road is relatively small. However, the bars and restaurants scattering in the neighborhood of West Street and the special

stalls around Guihua bridge are appealing to quite a lot of tourists.

On Xianqian Street, the region adjoining West Street is a concentration of bars and western restaurants mixed with a few local product shops. On the section which is near the county government, there are some restaurants and hotels. It is another area densely populated by tourists, especially in the evening when many tourists are attracted to the small bars for its striking surrounding features. Meanwhile, some special clubs, rock-climbing association for instance, are scattered on this street.

Most of the tourism-related shops on Binjiang Road are souvenir shops. Apart from these, there are over a hundred of local product or souvenir stalls set up by the local people. Despite the homogeneity of commodities ---- all selling clothes, children's clothes, bracelets and so on, many tourists are attracted by the relatively low price.

Guihua Road can be divided into north part and south part. The north part focuses on food and beverage such as barbecue stalls with tables and chairs set facing the street. These barbecue stalls are usually very popular in summer especially the evening and the stalls will be open till after 24:00. The south part centers on family inns with bars or western restaurants, which is a comparatively quiet area. As the restaurants built inside the family inn, it can always make the customer feel at home. The owners set the chairs and tables outside their restaurants, which resembles the family inns on West Street of several years ago and which attracts many foreign tourists. Besides, some CD stores that are often patronized by foreign tourists lie in this part (See Figure 3-3).

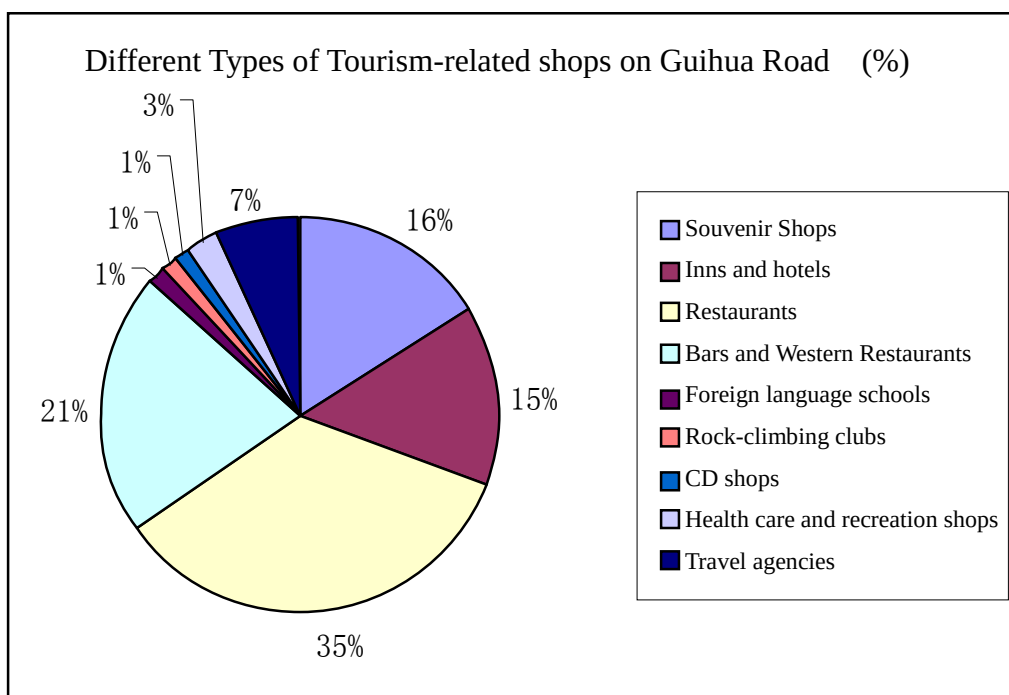


**Figure 3-3 Different Types of Tourism-related shops on Guihua Road (%)**

Diecui Road is not a pedestrian street, but it is one of the most important streets in Yangshuo County. One of its ends is the hub of Yangshuo's motorway network ---- Yangshuo Bus Station, and opposite to the bus station is the local leisure place ---- Yangshuo Garden. Another end is Li River which is for shipping and sightseeing. The percentage of the tourism-related shops is only 30% of which the number of souvenir shops, hotels and restaurants holds nearly 80%.

Another street next to Guihua Road is Furong Road, where 94% of the tourism-related shops are hotels and restaurants, so few tourists visit there.

There are many restaurants on Guanlian Road, especially beer fish ones. On a small stretch of the road there is a collection of 20 restaurants featuring beer fish. Though the sheer number is not large, the hotels there are of high ratings, for example, five star China Town Hotel, five star Bilian Riverview Hotel, to name only a few.

"Impression Liu Sanjie" has boosted the economy of East Street and its vicinity and it has become a core tourism project in Yangshuo. Restaurants, hotels and souvenir shops constitute East Street. All hotels here are low-star ones but East Street hotel.

In the local community residents' mind, Pantao Road is the business center of the

whole county. The basic forms of commerce range from clothes to household appliances and articles of daily use. The other tourism-related shops are restaurants, hotels and souvenir shops (See Figure 3-4).

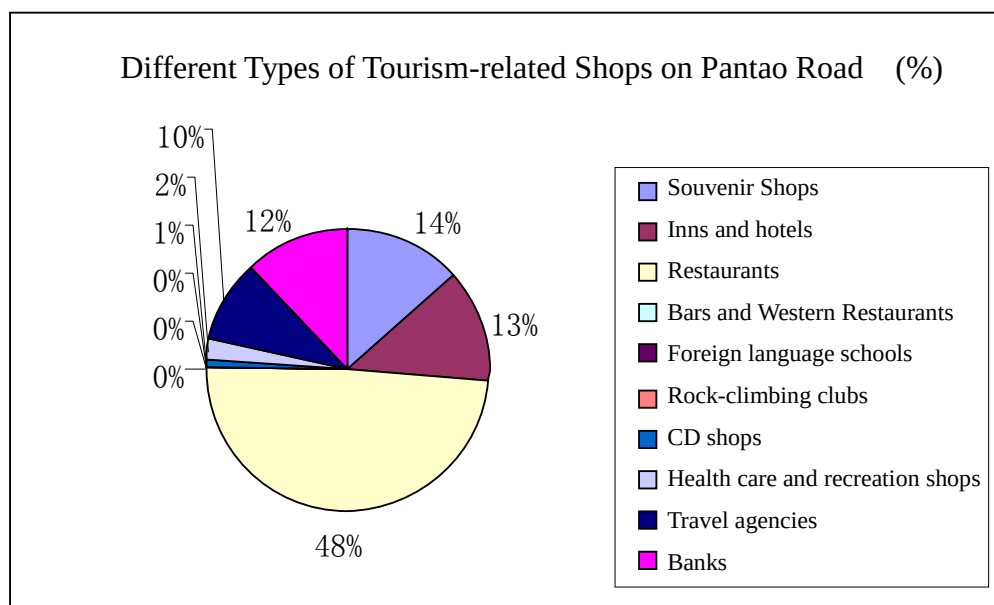


**Figure 3-4 Different Types of Tourism-related Shops on Pantao Road (%)**

In the section between the north of Pantao Road and the west of Yangshuo Garden which is a center of tourism-related shops, nearly 70% are shops providing accommodation for the tourists and the rest are mostly restaurants and health care and recreation shops. Comparing with West Street, this region is remote, so the local product shops and travel agencies there are fewer. Contrary to this, on the entrance of the alleys are a lot of stands selling special products and souvenirs, which attract many people. At present, there are 4 foreign language schools in the section and most of the learners are those on lecture tour.

There are not many tourism-related shops on Kangzhan Road and Shima Road. Small restaurants, inns and hotels are predominant in the two streets. Shenshan Road was lately incorporated in Yangshuo County. So far, there are only a few tourism-related shops, for instance, some hotels like Home Inn.

### 3.3 Dynamic Characteristics of Commercialization in Yangshuo

The typical characteristic of Yangshuo's commercialization is "West Streetlize". Some business forms have been transferred from one place to another during the

process of “West Streetlization”. The previous business form in West Street has moved to Guihua Road. The former “family inn+bars or western restaurants+quiet simple environment” which is becoming less distinctive on West Street reoccurs on Guihua Road. Meanwhile, West Street has witnessed an in-depth development not only in commercial scale but also operation entities and modes. The main operational items on the West Street change from western restaurants, quiet bars, inns and hotels at the beginning to the souvenir shops and sound bars with live music and warm atmosphere. This change is somewhat due to the main tourist type switching from foreign tourists to domestic ones.

Recently, whether on West Street or Guihua Road or Furong Road, the shops have changed not only in the spatial density but also the items they sell. The density of the shops is becoming higher in terms of space. The investigation conducted in 2006 found that there were 20 consecutive residential houses, but in 2009 there were only four storefronts closed or ready for sublet, almost no sheer residential places. Some parts in Guihua Road are built in recent years, like the food and beverage section opposite to KAYA bar (See Figure 3-7).



Figure 3-7 Distribution of Shops on Guihua Road in 2006

**Table 3-1 Tourism-related Shops on the Main Streets in 2006 and 2009**

| Year | Guihua Road | Furong Road | Xianqian Street | Chengzhong Road |
|------|-------------|-------------|-----------------|-----------------|
| 2006 | 31          | 11          | 27              | 19              |
| 2009 | 75          | 18          | 44              | 25              |

The project team brought the four streets which have clear boundaries into comparison and found that comparing with 2006, the number of the tourism-related shops on each street increased significantly in 2009 (See Table 1).

In term of operation contents, a succession of new shops has been settled in the business district. For example, on the section of Chengzhong Road----from West Street to the entrance of Guihua Road---- there were only 12 shops, including seven souvenir shops, 2 hotels, a bar, a cafe, a grocery store in 2006. However, in 2009 the number of shops increased up to 16. In addition, the shops are different in the operation contents. Besides local product shops, hotels, bars, new ones arise such as the sale center of Shutong International Garden and the famous chain restaurant, McDonald's. Following the settlement of McDonald's in Yangshuo (near West Street) on March 21, 2009, another international fast food restaurant, KFC, opened on West Street on April 16, 2009. Commercialization of Yangshuo has been going further and deeper.

### **3.4 Differences in Tourist Types in Promoting Commercialization of Yangshuo at Different Stages**

In 1980s and 1990s, the main type of tourists in Yangshuo was foreign tourists. However, domestic tourists have been the main power promoting commercialization in Yangshuo, since the early 2000s.

In the book "China Travel Guide" included in "Lonely Planet" published in 1984, there was an introduction about travelling in Yangshuo. The book has been an important channel for many western backpackers to know about Yangshuo. In 1984, the number of tourists reached 220,000, which was ten times of that in 1983. Western backpackers began to regard Yangshuo as their destination, hence the coming of the first business operators on West Street.

In the beginning, the tourists of West Street mainly came from foreign countries.

During this period, business elites, like Owen who founded Buckland Language College in 1993, had been supplying western restaurants and bars with waiters/waitress who can communicate in English. In the mean time, these elites participated in West Street's early tourism management. In the interview, Owen mentioned that tourism in Yangshuo was first favored by foreign tourists. "At that time, hundreds of foreign tourists disembarked at the dock of Yangshuo and walked into West Street." Subsequent to Owen's foreign language college, there sprang up a lot of foreign language schools, making West Street the largest English corner in China. At that time, Yangshuo, with foreign tourists as its main customer source, was primarily equipped with family inns and western restaurants, which concentrated on West Street.

With the development of domestic tourism, Yangshuo was gradually known by Chinese people. Therefore, Yangshuo has been turned from a stop en route into a tourist destination. Meanwhile, "Impression Liu Sanjie" was put on after the SARS epidemic, which attracted a multitude of domestic tourists that amounted to 3 million. Thus various demands cropped up as the tourists flooded into Yangshuo. The boosting demand also attracted many business men to launch their business on West Street, which lead to an increasing density of shops and the transformation of bars and other shops. The proportion of Chinese tourists to foreign tourists began to change. Consequently, domestic tourists have become the main component of the visitors on West Street. Hereon, our analysis is based on counting the number of people in the best-known Marco Polo Hotel on West Street during prime time: At 22:45-24:05, July 20, 2009, the investigation team counted and classified the visitors in and out. During this period, the visitors in were 82, and the visitors out were 70. Whether in or out, over 80% were domestic tourists, while foreign tourists only accounted for 1/8 or so.

### **3.5 Coordinated Development of Tourism Commercialization and Urbanization**

Commercialization and urbanization in Yangshuo advance hand in hand. Some tourist hotels are located on Shenshan Road (a newly developed district due to urbanization) and on Shima Road (a seat of many new properties). Development of tourism has also promoted the urbanization in Yangshuo. The occupation of a large residential area by tourist shops pays the residents a certain amount of rent and they

can use the money to buy commercial real estate. Apparently, the urbanization of Yangshuo is stimulated by tourism as the development of new properties largely depends on the tourism development. Here, four streets of clear boundaries are selected and the numbers of the shops on each of the street in 2006 and 2009 are compared (See Table 3-2). The table shows that the numbers of the shops on these four streets have increased significantly in the past three years.

**Table 3-2 Storefronts on the Main Streets in 2006 and 2009**

| Year | Guihua Road | Furong Road | Xianqian Street | Chengzhong Road |
|------|-------------|-------------|-----------------|-----------------|
| 2006 | 48          | 19          | 27              | 35              |
| 2009 | 79          | 25          | 50              | 83              |

The urban environment and infrastructure have been steadily improved with tourism commercialization. The land on the junction of Diecui Road and Chengzhong Road was an idle one in 2006 but now it has been turned into a waterside pavilion and a pebble-built parking lot. On Pantao Road those residential storefronts in 2007 were being reconstructed in 2009. Tourism commercialization has taken up the urban space and impelled the city to expand outwardly and continuously. Simultaneously, it has strengthened the infrastructure construction and enhanced the urbanization.

### **3.6 Multiple External Effects Caused by Tourism Commercialization**

Tourism commercialization has provided job opportunities for the non-local people who want to make a profit or living. Furthermore, it has accelerated the regional economic development. The development of tourism commercialization has attracted more business operators to Yangshuo's tourism industry, thus a greater capacity to receive more tourists. This has brought Yangshuo enormous wealth. Meanwhile, it has generated some negative external effects. The interaction between demand and supply has made the local prices keep rising. For instance, storefront rent has increased 10 times in the past five years, which has increased the daily expense of those who are not directly engaged in tourism. In addition, the non-local floating population has increased up to 50% of the permanent one, which causes the employment burden of the local people as well as the increasing risk of competition and management.

The extent of commercialization on West Street has been deeper, which makes

some of the community residents keep a respectable distance from West Street. West Street has become a monopolized land for business operators and tourist. West Street goes farther away from “local feature”, which has exerted negative influence on the sustainable development of tourism.

## **4. Analysis of the Factors that Influence Commercialization of Yangshuo**

The analysis of the current state and characteristics of tourism development in Yangshuo tells that tourism market in Yangshuo is a mature one in commercial operation; tourism space based on the pedestrian street of West Street has become a center of commercial space and it tends to extend from the center to the peripheral areas; Non-local business owners keep going into the commercial circle while local residents are pulling out; tourists have a complicated feeling about tourism commercialization in Yangshuo. The current state of commercialization in Yangshuo is closely related to the following factors.

### **4.1 Rapid Development of Tourism**

The development of tourism in Yangshuo has undergone three decades and the orientation of tourism industry has gone through 5 stages: a stop en route, a destination for foreign backpackers, a famous domestic tourism county, scale development and industry upgrade. During the five stages of development, tourism in Yangshuo has successfully grown from a sight-seeing spot into a leisure and holiday destination.

Tourism development in Yangshuo is a process that supplies and demands are continuously met. In the primary stage, Yangshuo boasted its mountains and rivers. As a typical representative of Guilin landscape, tourism receipts mainly came from transactions of tourism handicraft. The first turning point of Yangshuo's development came when Yangshuo became the base camp for foreign backpackers. In the meantime, the western backpackers have brought Yangshuo a leisure atmosphere. Riding a bicycle or sipping coffee and beer in Yangshuo's picturesque landscape is a sheer relaxation and poetic living. This has not only inspired the domestic tourists' burning desire for a leisure living but also triggered the potential for developing tourism economy in Yangshuo. Thereafter, the local residents started their tourism business. These local elites, such as Mama Moon, Li Sha who are with distinctive

simplicity and wisdom, provided the second cultural resources for the development of tourism in Yangshuo ---- simple and honest folkway together with good English communication skills. Since then, the foreigners who are fond of leisure life and the farmers who are proficient in English have become the spokespersons of West Street. What is more, West Street has become the center of tourism industry and a complex of most tourism businesses. Practically, when West Street became the tourist centre of Yangshuo, tourism commercialization in Yangshuo had made its first step.

In the recent decade, Yangshuo has stepped into a development stage guided by a well-defined target. The local government, on the one hand, strengthens protective development processes of West Street, on the other hand, attracts investment actively and promotes the scale development of tourism industry. Tourism development in Yangshuo has entered into the fast lane. From the alteration of commercial space, we can easily see the changes of the tourism center: The first one is the continuous expansion of West Street. The tourist map today has three streets with "West Street" in the names. Apart from the original West Street, one connects the original West Street and leads to the entrance of it; another parallels PanTao road and stretches to the bus station. Conclusion can be drawn as follows, "West Street" is an extended concept and West Street has become the landmark of Yangshuo; tourism is developed in different points. West Street, Diecui Road and Pantao Road constitute the commercial district of Yangshuo County.

At present, tourism has become the pillar industry in Yangshuo. The rapid development of tourism has accelerated the urbanization of Yangshuo and greatly improved its infrastructure construction.

#### **4.2 Driving Forces of Commercial Interests**

Jumping out of "West Street block system" and looking back on West Street, we can see that West Street has gradually transformed from "foreigners' street" to a commercial pedestrian street. And it has also gone through a development phase of the main operators changing from local ones to nonlocal ones. This phenomenon, on one side, shows that tourist market is becoming more open and more influential; on the other side, reveals small-business capital investment in Yangshuo is increasing. Complexity of business groups and frequent changes of proprietors in West Street

reflects the process of seeking business profits from tourism commercialization.

Firstly, changes in the operating groups indicate the increase in the capacity of Yangshuo's market and the attraction to external investment. Currently, tour operators on West Street can be divided into three groups: local residents, nonlocal owners and Foreigners. Different owner groups operate different items. Local residents mainly run lodgings. Nonlocal owner primarily operate bars, shops of clothes bags and handicrafts; some of them even rent local residential houses to provide lodging. Foreigners are mostly engaged in western restaurants and coffee shops.

Secondly, the withdrawal of some operation items in the center of West Street resulted from the insufficient profit space, rather than the lack of tourists. Reviewing the history of development on West Street, small restaurants and cafés were major forms of tourism business. Now small restaurants and cafés are gradually pulling out of the main part of West Street, but market has not yet disappeared completely. With a cozy atmosphere, many western tourists still like to spare their time in small restaurants, drinking beer, having parties or even creating graffiti. Why would these small restaurants and cafés withdraw from the main street? The project team interviewed the owner of B Bar, "most of the guests who patronize the shop are odd customers who are with limited consuming capacity. Besides, the single-handed investment and manual work result in high cost. Apart from this, the fluctuating prices have great impact on the purchase of raw materials. It is our own craftsmanship that attracts the customers." Apparently, the primitive consumption experience which is at a primary stage of commercialization can hardly provide standard service for mass tourists and thus it has to drop out of the core of the competition due to the high cost.

Thirdly, the degree of homogeneity is rather high among the shops which are located in the center of West Street. The most obvious example is the sound bars ---- noisy bars. There are 22 such bars on West Street with roughly similar operation time, open at six o'clock in the afternoon and close at 3 o'clock midnight, and provide similar services like playing exciting music, supplying expensive beverage. Despite this, tourists go to these bars in flocks. Homogeneity in handicraft shops is obvious as well. Shops selling special goods of local and traditional characteristics are less and less. There remain only two shops selling paintings and calligraphies. Handicrafts sold in the rest of the shops can also be bought in any scenic spot of the country. The

homogeneity of commodities on West Street results from the continuously soaring rents. Everyday, there are some shops to be transferred owing to the extremely high operation cost and the fierce market competition. The ones which survive are those operational items which can quickly recover the investment, such as the popular handicrafts with large quantities and great profits. Comparing with handicraft business, bars require more investment and they are more risky, thus, owners of the bars often change.

Fourthly, "shop economy" is being industrialized. Under the great pressure of land rent, small proprietors are experiencing the process of gradually moving from the core region to the peripheral areas. In the meantime, mighty operators in the core region keep diversifying the types and enlarging the range of their business. They are on the way to scale expansion. Rosewood Restaurant on West Street has grown from a single western restaurant into chain restaurants which total eight on West Street. Not only Rosewood Restaurant, the other restaurants on West Street also provide integrated services including bar, dining and lodgings in order to enhance their competitiveness.

Finally, Local "floating operators", including local tour guides on West Street, boatmen without business license on Li River, vendors, cadgers and ballad mongers, also squeeze into West Street for profit. Tour guides on West Street come from Yangshuo County and its surrounding villages. Most of them are female in their 20s or 30s. From 8 a.m. to 5 p.m, the women are seen active on every street of West Street, sitting on the flower-bed edges on both sides of West Street entrance, waiting for the tourists' arrival. They mainly provide visitors guide services. The emergence of these floating tour guides, for one thing, results from the unique tradition of tourism development in Yangshuo ---- most of the residents who were the first group to participate in tourism were tour guides for western tourists ---- for another, meets the market demand in Yangshuo.

#### **4.3 Structural Changes of Tourist Groups**

At present, the most notable change of tourist groups on West Street is that domestic tourists account for more than 80% of the total tourists, and only 10 or more percent are foreign tourists. This change not only reflects that West Street has been

transformed from " the base camp for western backpackers " into the most famous tourist destination in China, but also can partly explain the reason for commercialization on West Street.

The investigation shows that consuming behaviors between western tourists and Chinese tourists vary a lot. Firstly, western tourists enjoy cycling in Yangshuo, taking fire balloons, rock climbing and some other activities. After finishing play, most of them will choose to drink beer and chat all night in those quiet small restaurants with their friends. The other foreign tourists are more interested in streetscape on West Street. They will take pictures all around. Their shopping interest focuses on those items with Chinese characteristic, such as silk, local handicrafts and so on. They buy goods from vendors rather than the shops. In short, whether western tourists come in groups or by individual, most of their understanding of Yangshuo follows the backpackers' tradition ---- stay long but with low consumption level. For their part, the biggest attraction still lies in Yangshuo's beautiful landscape, quiet environment, simple and honest folkway and relatively low prices.

To be object, the inrush of Chinese tourists stimulates the development of accommodation industry in Yangshuo. Lots of residents began to be engaged in lodging reception services. Accommodation services are added to the original restaurants. However, according to the proprietors, the existing accommodation reception still cannot satisfy the needs of visitors during peak tourist season. Lots of tourists on West Street can not find housing. In tourist season, accommodation prices on West Street stay high and change every day. Although housing quality varies a lot, no room is empty every night. Aside from residential inns and hotels, the number of food stalls also increases exponentially due to the stimulation of mass tourists. Guihua Road is a comparatively typical case. Tourists are relatively scarce during the daytime on Guihua Road. However, after 5:00p.m., those shops which are mostly small restaurants will get busier and busier. Around 10p.m., Guihua Road will be turned a barbecue street: every shop will set tables and chairs outside for the tourists to drink beer and eat barbecue. According to the observation of the project team, every shop will add 20 more tables to the outside, with the capacity of seating six tourists or so. Now, Guihua Road has more than 20 restaurants. According to the calculated ratio, Barbecue shops in Guihua Road at least can accommodate more than 2,000 visitors.

The customers of these barbecue shops are mainly Chinese tourists and most of them come individually.

On West Street, Chinese tourists' consuming behaviors are different from foreign tourists'. Comparing with western restaurants and caf  s, bar-hopping is more popular among Chinese tourists. And they prefer to barbecue and booze outside rather than stay in caf  s with a quiet atmosphere. Some will go with their relatives to small restaurants to taste special dishes of which stuffed winkles and beer fish are regular. This consuming behavior is directly reflected in the numerous beer fish restaurants on Lian Feng Road. All in all, most of Chinese tourists like to drink tankards of beer with their companions in the hope of making new friends or experiencing a romance.

Chinese and western tourists are different in consuming habits, so that a large number of low-cost shops crop up. Furthermore, these low-cost shops can exist for a long time thanks to the flourishing demand of tourists. However, as for West Street, such development process is gradually weakening the cultural characteristics of West Street and making West Street the same as a night market.

#### **4.4 Driving force of Impression Sanjie Liu**

"Impression Liu Sanjie", a masterpiece of a famous director called Zhang Yimou, is world's first extravaganza performed outdoors in a river and mountain setting. From March 20, 2004 to the end of the year, the number of audiences added up to 3.5 million. In the May Day of 2008, six shows had been played, attracting more than 18,000 audiences. According to some experts' estimation, the performance of "Impression Liu Sanjie", had in average added 5 to 10 times the value to the surrounding land, and therefore greatly stimulated the local economic development in Yangshuo.

"Impression Liu Sanjie" not only promotes economic development in Yangshuo, but also stimulates commercialization of Yangshuo's tourism industry. "Impression Liu Sanjie"s influence is immense. At 7 o'clock every night, prime time of West Street, tourists are scarce on the street since many of them go to the extravaganza. Most of the package tours include watching "Impression Liu Sanjie", even though they are not sure whether it will be put on. When they check in at a hotel, they will be informed

about the show and get ticket services from the owner.

“Impression Liu Sanjie” is a typical successful case of commercial operation in Chinese cultural industry. Its success helps Yangshuo grow into a nationally-known tourist destination. It not only adds more connotations to Yangshuo’s cultural tourism but brings real benefits like tourists and profits.

#### **4.5 Foreign Language School’s Influence on West Street**

Since Owen established the first Buckland Foreign Language College in 1993, more than ten foreign language schools have been set up successively, including Alber Salon foreign language school, Wisdom Girls` Foreign Language School, Li River Foreign Language School, West Street Foreign Language School, Omeida Language College, Fiat Foreign Language School, Zhuoyue English Academy and so on. The establishment of the foreign language schools not only makes contribution to Yangshuo’s economy, but also greatly influences the development of tourism industry.

Firstly, foreign language schools attract many students on lecture-tour. Characteristics of lecture-tour make tourists stay longer and guarantee a stable room leasing rate. Secondly, the establishment of the foreign language schools makes large numbers of foreigners engaged in English teaching live in Yangshuo. They have great appeal for the young migrant workers from the surrounding areas of Guangxi Province. Many young people work here to learn English. They want to make friends with foreigners and study practical English. Finally, many restaurants and other supporting facilities appear in the neighborhood of the foreign language schools to meet their requirements. Foreign language schools themselves also become one of the driving forces that promote tourism commercialization.

## **5. Control Measures against over-Commercialization**

The problems of tourism commercialization are normal in the development of tourist destination. Appropriate commercialization benefits economic and commercial development in tourism attractions. Control and guidance are now needed as tourism commercialization is playing a more and more active role in Yangshuo. In view of this, control measures are put forward to prevent over-commercialization in Yangshuo's tourism.

### **5.1 To Make Scientific and Rational Development Plan for Tourism Business**

Currently, there is only one development plan for West Street, which is the protective regulation of West Street conducted in 2000. The regulation mainly aimed at the pipeline design and the facades of West Street. The regulation leads to an increasing value of the shops on West Street and a boosting tourist market as well. However, there wasn't a follow-up plan for the later commercial development. The development of Yangshuo shows a trend of "commercialized West Street and a West Steetlized county". Therefore, it is imperative that the government make adjustments and plannings for the commercial structure of West Street to further guide the commercial development process and trend in Yangshuo County.

### **5.2 To Establish Market Operating Mechanism Guided by the Government**

Current commercial development pattern in Yangshuo is formed spontaneously under market discipline. The unavoidable sluggishness and freedom of market regulation result in excessive tourism shops, homogeneity of tourist commodity and unsystematic shop layout with fewer characteristics on the main streets of Yangshuo. These phenomena indicate the trend of over-commercialization. The government should reinforce the limit of business access, adjust the commercial supply structure and regulate tourism areas, so as to solve the problems brought by pure market regulation.

### **5.3 To Strengthen Operational Guidance from the Management Department**

#### **5.3.1 To Make Planning For the Main Tourist Streets and Adjustments to the Layout of Tourism Commodity**

Highlight the functions of the service zone on West Street entrance. Rectify the order of commercial operation on West Street entrance and outstand West Street's tourism image. Clear scattered stands around the entrance and forbid local tour guide to solicit tourists in this area. Enhance the sign system construction of the entrance and provide more tourism information.

Turn the center of West Street into a complex of bars, caf  s, hotels of special flavor, etc, Emphasize the traditional characteristics of West Street as well as the recreation service function. Handicraft shops, sound bars, specialty shops, etc, be diverted to other streets near West Street. Attach different business themes to different streets. Turn the main street of West Street into a recreational experience area whose main body is bars and cafes. Protect tourism shops or enterprises which have become known brands and reinforce their marketing and publicizing.

#### **5.3.2 To Improve the Level of Urban Planning and Environmental Protection and Build a Famous Tourism County**

Now tourism development in Yangshuo stays in the consolidation period. Well-designed urban planning provides a strong backing for tourism development in Yangshuo, so that tourism industry can be upgraded and the increasing market demand can be met. To build a tourism city, planning of urban layout and municipal functions should be worked out: Divide the city into administrative areas, residential areas and tourist recreation areas. Strengthen the construction of drainage facilities so that all kinds of wastewater can meet the effluent standard. Ensure the collection and dispose of garbage.

## 6. Conclusion

The report is based on the monitoring statistics collected in Yangshuo in the summer of 2009 through reviewing Yangshuo's tourism development over the past thirty years and interviewing shops centering on West Street, residents as well as proprietors. Based on the observation data, the research is conducted on the three dimensions, namely material space of the tourist sites, spiritual space of the proprietries, complicated behavior of the tourists. The observation results are as follows:

### **(1) Tourism Development: Still at a Consolidation Stage**

The characteristics of tourism market in Yangshuo are diverse: increasing number of tourists, steady operating benefits in some sectors, soaring prices in the central tourist areas, operational items of low profits but still having market moving to the secondary areas. Tourists are generally satisfied with tourism in Yangshuo, but their feelings are complicated. The local residents are not only active in tourism management but also striving for their own rights to tourism resources. The phenomena reflect that tourism in Yangshuo is now in a turning point and that it needs prophetic intervention from the government for a better and steadier development.

### **(2) Tourism Commercialization: Developing Much Faster in Scale and Speed**

The observation results show the following characteristics of tourism commercialization in Yangshuo: variation of space, homogeneity of commodity and increasing speed of development. Tourism commercialization pattern in Yangshuo is represented by West Street, that is, the early developed reception items and facilities move to the low cost area and the new, highly homogeneous, public entertainment places prevail. The new commercialization pattern not only intensifies tourism market competition but also little by little changes the connotation of Yangshuo's tourism. In

addition, it calls for better supporting facilities for tourism in Yangshuo. A sound urban planning and development level is the foundation of tourism development. Therefore, a development planning for tourist central areas centering on West Street is badly needed and it is essential to solve the problems caused by commercialization. Furthermore, the planning should focus on how to share and optimize the function of attracting tourists on the main street of West Street; how to develop business sections radiating from West Street and form a tourism system to accommodate the increasing tourists on West Street.

### **(3) Driving Forces of Tourism Commercialization in Yangshuo: Variation in the Constitution of the Tourists and the Business Group's Pursuit of Interests**

Domestic tourists constitute the main part of the tourists in Yangshuo. International tourists now become a minority group, though the proportion of foreign tourists is still high comparing with the other domestic tourist destination. The operation group characterized by tourism commercialization comes from the owners of entertainment places who are nonlocal businessmen and whose interests are in bars, restaurants, recreation places and so on. The image of Yangshuo as a tourist destination is being diversified, and in the meantime Yangshuo has become a place for all kinds of business groups to pursue their interests. The competition for commercial benefits warms up the commercial atmosphere in Yangshuo's tourism market. Consequently, the operational items with local characteristics are leaving the leading area for the fringes.

### **(4) Over-Commercialization in Yangshuo's Tourist Market: The Government Should Offer a Timely Planning and Intervention in Tourism Development**

Tourism in Yangshuo is showing a tendency of "commercializing West Street, West Streetlizing the county town". It is well reflected not only by the continuous

entrance of various bars, entertainment places and other shops into the extending area of West Street but also by the withdrawing of the traditional bars. The tourist image of West Street is becoming vague, which brings about negative impacts on the West Street brand. Meanwhile, the naming of the main streets in Yangshuo is concerned with West Street, but as West Street is gaining its reputation, the risk of generalizing increases.

In view of this, the government should make a scientific and rational planning for West Street; strengthen the guidance for the tourism operators and the design of access mechanism to further standardize the order and image of the tourist market. In the meantime, the government should work out a corresponding planning for the infrastructure construction in order to bring the overall function of the city into full play and promote the full-scale tourism development. Therefore, the urbanization of Yangshuo, as a famous tourism county, can be enhanced and the living standard of the local people can be improved. Yangshuo will thus set up a wonderful example for leisure and holiday destinations home and abroad.