

# DESTINATION DEVELOPMENT IN CHINA: Towards An Effective Model of Explanation

**Chaozhi Zhang**

Sun Yat-sen University, China  
[zhchzhi@mail.sysu.edu.cn](mailto:zhchzhi@mail.sysu.edu.cn)

**Honggen Xiao**

(Corresponding Author)  
The Hong Kong Polytechnic University, Hong Kong  
[honggen.xiao@polyu.edu.hk](mailto:honggen.xiao@polyu.edu.hk)

**Abstract:** This article addresses the dynamics of the evolution of a nature-based destination in China. Based on longitudinal studies in Zhangjiajie in Hunan Province, it focuses on the roles of institutions in tourism development in China, demonstrating the centrality of institutions and governments in fostering destination development through policy orientations, attracting investments, and regulations in their capacity as producers, protectors, and promoters of desired processes of change. It describes a five-stage development process from Exploration, through Starting, and then via Fluctuation and Acceleration to the current stage of Transition leading towards a destination seeking better service quality. The study, by incorporating institutions as a driving force, develops a RIC model (Resource, Institution, Capital and Innovation) to account for destination development in China. The paper especially notes the role of inter-institution rivalries, and the impact of those rivalries on sustainable development. It is suggested that the proposed model could be empirically verified and tested in other cultural or regional destination development contexts.

**Keywords:** Destination development, evolution model, RIC model, Zhangjiajie, China.

## INTRODUCTION

This article, through longitudinal observations, examines the socio-cultural, economic and political factors as well as the local processes that have affected the evolution of Zhangjiajie, a nature-based tourist destination in Central China's Hunan Province. The research reveals that the prescriptive and often deterministic nature of existing models on tourism area evolutions does not apply to destination development in China. Different development stages of Zhangjiajie are analyzed in the light of evolution dynamics characterized by resources, institutions, capital and innovation as driving forces of change. The study therefore contributes to the destination evolution literature through contextually deriving and developing an explanatory model which complements traditional theoretical articulations on tourism area development.

In accordance with its internal-external dynamics and macro-micro conditions (including the nature, extent and scope of tourism development), a destination area is in a constant state of evolution and change (Butler, 1980, 1993, 2006a, 2006b; Rodriguez, Parra-Lopez & Yanes-Estévez, 2008); as such, destination development has remained a focal area of interest in tourism research and scholarship (Xiao, 2012; Xiao & Smith, 2006). Over the years, a variety of theories and models have been proposed to describe the evolution of a destination; they include, but are not limited to, the destination lifecycle (Butler, 1980, 2006a, 2006b), allocentric and psychocentric accounts for the rise and fall of destinations (Plog, 1973, 2001), the notional episodic model (Carter, 2000, 2004) suggesting that tourism growth is not always gradual but occurs sequentially in sporadic steps, chaos theory to account for the transition towards sustainability of a destination as complex adaptive systems (Farrell & Twining-Ward, 2004; Faulkner & Russell, 1997; McKercher, 1999), the creative destruction model for heritage community development (Mitchell, 1998; Mitchell, Atkinson & Clark, 2001; Mitchell & Coghill, 2000; Mitchell & de Waal, 2009), as well as systemic approaches

to destination development as attraction systems (Leiper, 1995), functioning/functional systems (Gunn, 1979, 1988; Mill & Morrison, 1985), and information systems (Beeton, Horneman & Hardy, 1997).

Nevertheless these evolution and destination development models are based on studies in Western countries, and may not apply to situations in China, where tourism develops through a high degree of institutionalization under strong government inputs and regulations. Notably in the instances of replicating evolution models in Chinese heritage water towns of Zhujiajiao (Huang, Wall & Mitchell, 2007) and Luzhi (Fan, Wall & Mitchell, 2008), the researchers cautioned about the application of Western-based models without adequately considering the context of China. In particular, the research alludes to the centrality of institutions and governments in China to fostering destination development through policy orientations, attracting investments, and regulations in their capacity as producers, protectors, and promoters of desired processes of change.

Despite the strong role of government as decision-/policy-makers, regulation executors, and often investors in tourism, destination development in China has its own complications and contexts, often constrained by existing institutional conflicts such as disordered management systems, multiple and unclear authorities, lack of distinction between the functions of governments and those of enterprises or businesses, and confusions or ambiguities in the division of interests ( Jiang, 2007; Wang, Lu & Liu, 2003). As a result, institutional reforms for destination marketing and management are deemed essential to overcoming the “bottle necks” of destination development ( Jiang, 2007; Tu, 2009; Wang, 1988; Wu & Xu, 2001) when government-led institutional change is actually one of the major forces in driving tourism development in a destination ( Jia & Wu, 2002). To a large extent, this explains why some destinations have developed rapidly in recent years whereas others

have not. Arguably China's unique context calls for theoretical explanations of its destination development patterns. This paper takes forward to the local and regional level the task of exploring and explaining why and how tourism development is different from most western economies synthesized by Sofield and Li (2011) at the macro level.

This longitudinal undertaking in Zhangjiajie, one of China's top destinations, located in the northwest of Hunan Province, serves as a case study to explore and explain the patterns and paths of tourism area evolution in China. The destination is known for its splendid stone peak forest attractions. In 1982, Zhangjiajie was designated as China's first National Forest Park, and was later expanded to become Wulingyuan National Scenic Spot in 1989. It became a World Heritage site in 1992, and a National Geological Park and World Geological Park respectively in 2004. The China National Tourism Administration ranked it as one of the top sixty destinations in China. It is now one of the most visited destinations and famous world heritage sites in China, with annual visitor arrivals increasing from 837,000 in the early 1980s to 2.21 million by 2010 (Figure 1).

INSERT FIGURE 1 HERE

Zhangjiajie has been transformed from an agricultural society to one with a diverse leisure economy dominated by tourism. To some extent, Zhangjiajie is also a micro-example of the relationships between tourism development and heritage preservation in China since its opening up to tourism 30 years ago. A destination with a short history but a long story, Zhangjiajie presents an ideal site for this longitudinal study to observe how tourism affects the local economy, society, and culture.

Informed by, and departing from, prior knowledge on the tourism area lifecycle and the modelling of tourism impacts for a destination's sustainable development, this study identifies the need for alternative theoretical explanations of destination development in

China, and demonstrates the use and applicability of an explanatory model for the evolution of Zhangjiajie which highlights the role of institutions in fostering the transition or transformation of the destination. This paper addresses two specific objectives. First, it reviews and critiques prior studies on the tourism area lifecycle and ways to mitigate tourism impacts, in order to justify the need for alternative theoretical explanations of destination development in China. Secondly it develops and demonstrates the use of an RICCI (Resource, Institution, Capital and Innovation) model, through longitudinal field research and observations, to account for the development of a typical nature-based Chinese destination. The article concludes with reflections on the model's applicability to other cultural or regional destination development contexts.

#### DESTINATION DEVELOPMENT: Conceptual Conundrums and Contextual Complexities

Destination development has been a focal subject area in tourism research for more than three decades, with an ever-expanding body of knowledge using various theories and models to account for how a destination evolves and/or what factors or dynamics drive change (Hall, 2006; Xiao & Smith, 2006). Nevertheless, the specific socio-economic and political contexts of tourism development in a destination often render existing theories or models incapable or incomplete to fully explain the dynamics and complexity of a tourism area's evolution. Ivars i Baidal, Rodriguez Sanchez, and Vera Rebollo (2012), in their recent study of a coastal resort destination evolution in Spain, conclude that the dynamic and complex nature of a destination often precludes the application of pre-established models in favor of diverse theoretical approaches. As context for the discussion of the evolution of Zhangjiajie, this section reviews and critiques tourism area lifecycle studies and the platforms and institutions of destination development.

### *Tourism Area Life Cycle*

Butler's (1980, 2006a, 2006b) tourism area life cycle, one of the most cited models in tourism studies, has become a major source of reference to explain the evolution of destinations (Gibson, 2008; Hall, 2006). Initially proposed as a hypothetical model for a tourist area evolution, in a visually appealing S curve, the model adapted the product life-cycle theory to the destination context (Rodríguez et al., 2008), suggesting that a tourism area passes through six identifiable stages, each with specific characteristics: exploration, involvement, development, consolidation, maturity and stagnation—often followed by decline or rejuvenation.

There are a number of presuppositions underlying the lifecycle model. One of the core assumptions is that an increase in the number of visitors, or the length of time a destination has been attracting tourists, will reduce the quality and attractiveness of the destination, particularly after its implied limit of carrying capacity has been reached or exceeded. Haywood (1986, 1992) and Wall (1982a, 1982b), in their critique of its premises, noted that the model implies that a destination will inevitably enter a period of decline and that its evolution will follow a predictable and largely linear pattern of growth. The seeds of a destination's destruction seem to be inherent in its inevitable growth.

McKercher (2005a, 2005b), reflecting on the applicability of the destination lifecycle, critiques the model's origin from, or devotion to, the product metaphor, which is noted as the main reason why the model is simultaneously praised (because of its elegance, simplicity and intuitive logic) and criticized because it is difficult to prove empirically. It is suggested that the S curve shown in the diagram more accurately represents just one developmental cycle in the overall evolution of a destination (rather than its entire life span). Arguably destinations

may evolve through a series of cycles, with the life of the destination portrayed by the cumulative adding together of each cycle. Departing from this, Prideaux (2000, 2004) proposes a resort development spectrum to indicate that destinations have multiple development cycles as they evolve from serving a local market to serving regional, national and different international markets.

Other notable features of the model are its post stagnation scenarios pointing to rejuvenation and revitalization through re-development, repositioning in the marketplace or as a result of public-private sector intervention. Ongoing stability is a further option. In fact, decline represents only two of the five possible outcomes identified, which is most likely to occur as a function of the failure of a destination to compete with newer destinations or as a result of changing visitor tastes.

Nonetheless, the life-cycle theory has provided the basis for various destination development models (Breakey, 2005; Cole, 2009). Over the years, it has triggered many theoretical and applied examinations (Butler, 2006a, 2006b; Cooper, 1990, 1992a, 1992b, 1994; Digance, 1997; Tooman, 1997), and has been subject to constant revision and critique (Agarwal, 1997, 1998; Oppermann, 1995, 1998). Although it works well with destinations established in earlier days (Butler, 2009), a number of limitations have been noted in its application to actual destinations (Breakey, 2005). One major drawback is its inability to explain why and how changes occur in a destination. It does not consider micro or lower-level changes and their interaction, nor does it identify the catalysts and situations conducive to tourism development, or incorporate the significance of external events and influences such as institutional changes (Breakey, 2005; Ioannides, 1992). In addition, there are difficulties in identifying the stages and turning points at specific sites (Cooper, 1989), and in predicting the future of a destination, especially those engaged in global competition (Butler, 2009). Bao and Chu (1999) note that international destinations such as world heritage sites

with a broad market base will progress to a stagnation (maturity) stage that could continue indefinitely. Lu (1997), in research in Huangshan, a world heritage site in China, has provided support of this view. In national parks such as Yellowstone, Yosemite and the Grand Canyon in the United States, tourist numbers continue unabated; despite a long history, they do not experience a stage of decline (Zhang, 2006).

Moreover, the phasing of a life-cycle may vary by observational time span, leading to different conclusions. For example, ignoring the tourist data from 1971 to 2003 at US national parks, it appears that developments in Yellowstone, Yosemite or the Grand Canyon are in the stagnation or decline stage; however, if the historical data for the last 100 years are analyzed, they could well be seen as in a fluctuation stage. This type of error probably exists in identifying development stages in other destinations, particularly when a single indicator such as tourist arrivals is used. In addition, the model neither considers the coexisting characteristics of multi-stages occurring in the same destination (Colin & Newby, 1971), nor recognizes that institutional factors such as property laws and democracy may inform destination evolution (Xiao, 2010). Indeed, as acknowledged by Butler (2006b, p.287) in his succinct summary of the model's continued relevance, future researchers adopting destination lifecycle model are cautioned about its conceptual as well as practical limitations. Nevertheless the life-cycle model remains useful, as a point of departure, to be adapted to new scenarios of destination development such as in Zhangjiajie.

### *Modeling Tourism Impacts for Destination Development*

Informed by and derived from impact studies, Jafari (1990) articulated that tourism and destination development have undergone four stages of thinking, typical of advocacy, cautionary, adaptancy, and knowledge-based platforms, to classify changing attitudes toward



tourism and its impacts on a destination community, and to elucidate the complex relationship between sustainability and destination development in research and practice. The “advocacy platform,” dating back to the early years of the tourism boom of the mid-1950s, exhibits positive views toward tourism and has continued to drive much of its development ever since. The “cautionary platform” began during the mid-1960s when opinions on the negative effects of tourism began to challenge the existing pro-tourism development approaches, with its focus on the negative effects including economic “leakages” and environmental and social-cultural costs (Travis, 1982). The “adaptancy platform” emerged from debates between proponents and opponents of tourism and destination development, leading to the realization that certain types of tourism, e.g., eco-tourism, sustainable tourism, etc., could result in lower impacts (Pearce, 1989). An important aspect of adaptancy thinking lies in its emphasis on the mutual dependence between the environment, the tourist, and the destination community.

Despite continual interest in, and debates on, destination development, there is a consensus that tourism is a very large and enduring global industry, that its focus needs to be placed on the relationship between positive and negative effects of tourist activities, and that tourism needs to be studied holistically to understand destination development as a whole (Jafari, 1990). These are the core ideas of the “knowledge-based platform”, which aims to achieve economic, environmental, and socio-cultural sustainability of a destination.

Building on the above, Breakey (2005) has creatively applied Jafari’s (1990) platform theory to the evolution and sustainable development of a destination. In reality, however, the changing views reflected in Jafari’s (1990) “four platforms” essentially represent the views of Western countries. Nevertheless the adapted platform model can help inform tourism and destination development in China, as the nation has had a late start in tourism and in its corresponding research (Liu, 2003; Wei, 2008). As a result, most of the concepts and

approaches to tourism research and planning are borrowed from the West, including concepts such as destination lifecycle, eco-tourism, and sustainable tourism. The point here is not to discuss whether the “four platforms” make a good fit for China, but to emphasize the essential need to view tourism as a whole and the increasing use of systems approaches to understanding tourism and destination development.

In China, evolutionary approaches to destination development illustrate the need to consider tourism as a complex system. Zou and Wan (2009) state that more trans-disciplinary theories should be incorporated into present and future tourism planning in China, as tourism can no longer be seen as a simple or isolated activity, and planning requires the integration of various elements: macro and micro, hard and soft, and external and internal (Zou & Wan, 2009). Although the knowledge-based platform recognizes the need to view tourism as a whole, tourism is an exceedingly complex system that is embedded in an even more complex economic and social system (Breakey, 2005, p.45). Therefore, there is still much to be explained about the process of its development: a holistic view is required to understand destination change. In addition, external influences for tourism include human, socio-cultural, economic, political, legal, technological and physical aspects (Leiper, 1990). A systematic approach that incorporates all pertinent internal and external factors is required to explain change within a destination (Breakey, 2005).

### *Institutions in Tourism and Destination Development*

Over the years, institutions and government have been major players in determining tourism and destination development in China. Zhang, Chong and Ap (1999) in their articulation of tourism policy development elaborate on the roles of government in the operation, regulation, attracting investments, promotion, coordination, and education for the

tourism industry. Jia and Wu (2002) analogize that the history of tourism industry in China is the history of its government's development of tourism institutions. Further, as reiterated by Xiao (2011) in a summary of contemporary perspectives on China tourism, no studies of tourism and/or destination in this country could be complete without adequate considerations of institutions or the roles of government in fostering its development and growth.

Historically tourism development in China has been unfolded in the overall growth of the country both as an economic power and as one in pursuit of harmony, quality of life, and well-being for its people and society (Xiao, 2013). Unlike practices in a welfare state (e.g., in the United States and Canada where development began with leisure and was supported by recreation agencies and national park systems for the well-being of its people, and where tourism was a newcomer to the recreation and leisure business and hence in their education, research and policy practices), tourism development in China has followed exactly the opposite path of growth, beginning with international/inbound tourism which was driven by an economic impetus of earning foreign currency or international tourist receipts. It was not until the turn of the twenty-first century when domestic and outbound tourism started to boom (accompanied by strong growth in GDP and the national economy) that China's tourism began to embrace (or shift its focus onto) domestic tourism, leisure and recreation for the sake of people's quality of life. Such a pattern of growth is clearly reflected in the history and practices of education, research, policy, and businesses of tourism, recreation and leisure in China. Indeed this has become a broader context for strategy and policy re-orientation of China's tourism. For example, in the *12<sup>th</sup> Five Year Plan for National Economy and Social Development* (National Development and Reform Commission, 2011), there is a strategic re-orientation for China "to comprehensively develop domestic tourism, actively develop inbound tourism, and encourage an orderly development of outbound tourism" (p.39). Such a reorientation in China's tourism development strategy towards the building of modern service

industries to satisfy its people is consistent with the position of “tourism as a quest for experience and quality of life through stimulating domestic consumption” (p.39).

In this context, the goal and undertaking of tourism administrations at different levels of government are to satisfy people’s needs for travel and to enhance their benefits and well-being from engaging in tourism (Dai, 2010; Dai, Zhou & Xia, 2012). Nevertheless the dynamics and complexity of developing tourism in China could not be ignored due to circumstances such as regional discrepancies or imbalance in the maturity of markets and the readiness of the industry, the benefits of tourism for host communities, the control of excessive investment in tourism, and the dilemma between exploitation and protection of resources and heritage for tourism development (Jackson, 2006). In addition, interdepartmental collaborations in the public domain invite further inputs or contributions from the public administration discipline, which is currently under-researched in China tourism (Su & Xiao, 2009). The various forms of governance in contemporary China tourism practices call for perspectives such as outsourcing, privatization, and contracting-out public (tourism) services. Such are the overall dynamics and complexities of a socialist economy within which tourism development at a specific destination needs to be assessed. To reiterate, this study, through longitudinal observations, attempts to address the dynamics and the roles of institutions in tourism development, and in so doing, to develop and demonstrate the use of a model to account for destination development in Zhangjiajie.

## THE EVOLUTION OF A DESTINATION: Longitudinal Studies in Zhangjiajie

This research uses Zhangjiajie through a longitudinal study to describe and inform discussions on destination development in China. Data collection for this article is characterized by ethnographic methods through prolonged and continual/ongoing field

research over the years in the case study destination. Analyses and observations are built on the lead author's long-term involvement with the study site since early 1990s, in roles and capacities such as tour guide and travel agency coordinator from 1994-1998, and as an academic attached to Zhangjiajie Tourism Bureau in 2003 during which he completed field research for his doctoral studies.

His research team completed the principal investigation, through documentary and prolonged field research as well as numerous in-depth interviews with stakeholders in the study site, for the composition of The Master Plan of Wulingyuan Tourism Development (2006), The Master Plan of Zhangjiajie National Forest Park (2007), and The Master Plan of Tourism Development in Zhangjiajie Municipality (2009). In addition, the principal investigator was the representative of his institution to sign a cooperative agreement with Zhangjiajie Municipal Government to establish a research unit in the study locality. As a result, he has spent two months every year in the study site for follow-up research since 2006, researching and writing annual consultancy reports on tourism and destination development for the local government.

These longitudinal and joint efforts have established a "Monitoring Center for Sustainable Tourism Observatories of The United Nations World Tourism Organization", located in Zhangjiajie in 2011; the lead author is responsible for the center's operation and a closer study of this region. As a result of these long-term engagements and the use of multiple sources of information collected over the years, the researchers of this article have acquired an in-depth understanding of the institutions, tourism administrations and industries, and the overall development of Zhangjiajie as a destination.

Zhangjiajie is located in the northwest of Hunan Province (Figure 2); it was famous for its unique scenery long before the area was officially established as a national forest park in

1982. As early as the Song Dynasty (960-1279), Zhangjiajie was visited by poets who wrote about its unique scenery (Gu & Zhong, 2005). However, it did not become a popular destination until the early 1980s (Zhong, Deng & Xiang, 2008). Its development has unfolded in five phases.

INSERT FIGURE 2 HERE

#### *Phase One: Exploration (1978-1982)*

The period from 1978 - when the beautiful scenery of Zhangjiajie was made known to the public - until 1982 before the establishment of National Forest Park—could be referred to as its *exploration stage*, with the destination displaying the following characteristics. The natural beauty of the region was accidentally discovered by cultural elites, which started to attract visitors from other places. The park was a state-run forest farm from 1958 to 1974, when its reforestation success was brought to the attention of the Department of Forest Administration. Its unique scenery was publicized after the Forestry Administration's On-site Meetings were held at the farm. However, it was not until after 1978 that this beautiful region began to be generally known, due to promotion by correspondent Chen Ping of Hunan Forestry, reporter Yang Fei from Xinhua News Agency, famous painters Wu Guanzhong and Huang Yongyu, and photographer Chen Fuli.

At this stage, social and cultural elites actively engaged in publicizing the site, and the government began to explore procedures for infrastructure construction. Appraisals by these elites enhanced local officials' confidence in the quality of its scenic attractions; in those years the government kept inviting social/cultural elites to view its natural sceneries to further increase its popularity and recognition. The site started to attract “exploratory” tourists. From

1978 on, more and more forestry workers, reporters, photographers, artists and other professionals came to visit Zhangjiajie; annual visitor numbers increased despite its poor accessibility.

Nonetheless, in the exploratory stage, despite the will and intention to improve transportation and other needed infrastructure for tourism development, the local government faced difficulties, including budget constraints for improving infrastructure, the insignificant number of incoming visitors for a policy agenda, and lack of coordination amongst government departments or administrative districts for tourism development. Therefore, at this stage, the construction of roads and other infrastructure was largely uncoordinated, small scale, and subject to the limited resources or capacity of an individual government unit. Incoming tourists were mainly attracted by the reputation of the scenery for sightseeing.

#### *Phase Two: The Starting Stage of Development (1982-1988)*

The period from 1982, when Zhangjiajie National Forest Park (the first national forest park in China) was designated, to the establishment of the Wulingyuan Scenic Spot in 1988, is the *starting stage of development*. Primarily, institutions were set up to manage the planning and construction of this destination. Management institutions were established on the basis of the state-owned Zhangjiajie Forest Park and its peripheral areas. In 1982, Suoxi Gully Natural Reserve was formally set up, followed by Zhangjiajie National Forest Park later that year and the Tianzi Mountain Natural Reserve in 1984. Tourism planning soon followed. “The Overall Planning of Zhangjiajie National Forest Park” (Hunan Provincial Architectural Design Institute, 1983), “The Overall Planning of Suoxi Gully Scenic Spot” (Beijing Construction Engineering College, 1984) and “The Overall Planning of Tianzi Mountain Scenic Spot”(Central South University of Forestry and Technology, 1985) were

completed between 1984 and 1985. These institutions began to look for funding and forged ahead with infrastructure projects such as roads, post and telecommunications. During this period, the basic distribution pattern of tourist activities and facilities, as well as the internal-external linkages of the tourism system were established (Zhang, 2008).

Conflicts between institutions accelerated institutional revolution. For example, since 1985, competitions between Zhangjiajie, Suoxi Gully and Tianzi Mountain had been increasingly apparent as they developed tourism in their respective administrative areas. Conflicts were more frequent and fierce among these three institutions, including large-scale incidents such as blocking foreign investments to competing sites. This attracted media attention. With the direct intervention of central government, Dayong County was upgraded to a county-level city (*xian ji shi*) at the end of 1985 and eventually upgraded to a prefecture-level municipality (*di ji shi*) in 1988. As a result, Cili County and Sangzhi County were placed under the jurisdiction of Dayong City; Wulingyuan Scenic Spot incorporated areas of the original Zhangjiajie, Suoxi Gully and Tianzi Mountain; and the People's Government of Wulingyuan District was founded. In August 1988, Wulingyuan Scenic Spot was recognized as a national key scenic spot by the State Council. At this time, the Wulingyuan Scenic Spot was officially given the administrative form and status it has today (Zhang, 2008).

However, local people participated only passively in tourism. In the early stages of development, tourists were accommodated in the local community due to the lack of hotels. Local people were passively involved in the industry, without achieving economic benefits (Zhang, 2008). Nevertheless, tourist arrivals continued to increase. From 1982 to 1988, the annual number expanded from 83,700 to 517,400, and more tourist facilities, mainly simple hostels, were built.



In this stage, Zhangjiajie, centering around its national forest park, emerged as a popular tourist destination in Hunan Province. Institutional reforms resulted in common interests between otherwise competing administrative units through coordinated tourism development. To showcase administrative performances, the newly formed agencies were eager to seek investment (primarily through government funding) to improve tourist infrastructure such as building roads, and to actively engage in destination marketing and promotion. Presumably the expansion of visitor markets at this stage served as a key impetus to institutional inputs and consequently destination change.

#### *Phase Three: Fluctuation (1988-1999)*

The period from the establishment of the Wulingyuan Scenic Spot in 1988 to the commencement of massive construction in 1999 is characteristic of a *fluctuation stage*. Typically the integration of institutions was accelerated through unified planning and construction. Local governments became a major force in driving tourism development after the establishment of Wulingyuan Scenic Spot and the People's Government of Wulingyuan District, as well as the up-grade of Dayong County to a prefecture-level municipality. In 1990, the three separate planning areas (of Zhangjiajie National Forestry Park, Suoxi Gully Natural Reserve, and Tianzi Mountain Natural Reserve) were integrated into the "Overall Planning of Wulingyuan Scenic Spot" (Tongji University, 1990). At the same time, regulations for strengthening the protection and management of natural resources were promulgated; restrictions on construction were also strengthened. In 1992, Wulingyuan was designated as a World Heritage site. At the closure of infrastructural and institutional construction, the destination has started to enter a phase of enhancing service quality and reception standards.

The local government took the lead in constructing tourism facilities. After 1989, the number of government-funded hotels and restaurants increased rapidly. By the end of 1999, there were 157 hotels and restaurants with more than 13,100 beds in Wulingyuan; 88 of them received direct investment from as many as 63 different governmental sources. These facilities, mostly built in sensitive areas, accounted for 56% of the total number of hotels and restaurants, covering 91% of the new constructions, or 84% of the built-up area, or about 75% of the total number of beds (Table 1). By the end of 1998, 90% of the structures built on controlled areas were tourism facilities with government investments (Zhang, 2006). By the end of the 1990s, the construction of intra-regional transport was completed; continuous investments from the government were then directed to the construction of inter-regional (external) transport facilities such as railways and airports. Governments and institutions performed a very major role in the building of facilities in this fluctuation stage.

In addition, since 1991, local governments have further engaged in destination promotion through supporting high-profile, adventurous, or large-scale events, e.g., the “China International Forestry Protection Festival” and the “Grand Prix of Wulingyuan Landscape Photography”. The highlight of these events featured a plane flying through “the heavenly gate” of Tianmen Mountain, held by Zhangjiajie Government in 1999, reportedly broadcast to over 800 million television viewers (<[www.zjjdcr.com](http://www.zjjdcr.com)>). Subsequently a number of climbing, tightrope walking, and skydiving events were held and attracted enormous domestic and international media attention, e.g., French spiderman Alain Robert’s climb to the top of Tianmen Mountain in 2007 (<[http://blog.sina.com.cn/s/blog\\_59b7078f0102dun8.html](http://blog.sina.com.cn/s/blog_59b7078f0102dun8.html)>), tightrope walking competition in 2009 and 2010 (<[www.wangchao.net.cn/lvyou/detail\\_288273.html](http://www.wangchao.net.cn/lvyou/detail_288273.html)>), and skydiving in 2011 (<<http://video.sina.com.cn/p/news/c/v/2011-09-22/181961495997.html>>). These events successfully enhanced public awareness of Zhangjiajie as a destination.

At this stage, peripheral areas started to join in tourism development of the main attractions. Around 1997, scenic spots like Yangjiajie and Baofeng Lake began to be included as elective tour sites in addition to Wulingyuan. Local people began to actively participate in tourism. In the 1980s, local people had passively received tourists, mainly because of their geographical location, but the expansion of tourist activities enabled locals to reach a wider area, increasing their participation in tourism through operating stalls, working as porters or guides, etc. (Zhang, 2008). From 1989 to 1999, visitor numbers fluctuated between 400,000 and 700,000.

INSERT TABLE 1 HERE

#### *Phase Four: Acceleration (1999-2007)*

The period from 1999, when massive construction began, until 2007, when Wulingyuan was listed as the country's first "5A" tourist attraction, is characteristic of an *acceleration stage*, with rapid tourism development. The local government engaged in massive trade and investment promotion. There was a second investment boom in construction in this period, with every village engaged in attracting investment and every household involved. Consequently, tourism facilities expanded rapidly, leading to the reorganization of tourism facilities from Wulingyuan District to Zhangjiajie City (Zhang, 2008).

There was phenomenal growth in real estate transactions. With the steady influx of foreign and/or external investments, commercial rents in Wulingyuan rose steadily, with monthly rent of US\$470 for 40M<sup>2</sup> retail businesses in the main street of Wulingyuan in 1992 rising to US\$1,252 in 2006. At the same time, the value of the limited land within the military

zone of Suoxi Gully also increased, parallel to the increase in foreign investment projects and the “foreign” (im-migrant) population (Zhang, 2008).

The hotel and restaurant industry was reorganized; small and medium enterprises played a major role in facilities investment. Since 2000, the originally state-owned budget hotels have continued to be leased and subcontracted, while foreign-investment hotels and higher-end commercial hotels funded by external investors (e.g., three-star hotels and above) began to increase in number, upgrading facilities in this destination. By 2006, there were 200 hotels of all categories in Wulingyuan, offering more than 13,000 beds. Approximately one third (or 2,046 rooms and 4,147 beds) were from the nine three-star and nine two-star hotels. There were another twelve star hotels and seventeen lodging establishments at the entrance to the National Forest Park, offering 2,133 and 1,130 beds respectively (Table 2). Generally speaking, these hotels obtained good economic returns; their rates were declining (Table 2) but there was a rapid increase in their total number (Table 3). In response to the huge demand from domestic markets, three-star hotels made the largest profits at this stage. Notably external capital played a major role in the investment (or upgrade) of tourism facilities.

INSERT TABLES 2 & 3 HERE

In addition, the development of new/peripheral scenic spots reached a peak at this stage; the disorder of tourism markets and the activities of rent-seeking individuals exacerbated the crisis. Since 2003, the areas surrounding Wulingyuan have developed new attractions such as Slalom, Zixia Temple, Green Earth, the Old Courtyard, and Tujia Customs Park. Meanwhile, large shopping facilities dependent on high-commission businesses were also increasing; competitions between individual attractions, tourism enterprises, and hospitality/tourist shops were intensified, leading to conflicts and clashes between/amongst visitors, tour guides and tourism enterprises themselves (e.g., due to inconsistencies of admission fees imposed on

visitors entering different sites and the lack of transparency of commissions paid to tour guides by individual attractions). Collectively, such conflicts and clashes have resulted in damages of the destination's overall image amongst the visitor markets (Zhang, 2006).

The community became polarized in terms of wealth. Since 2000, the vigorous growth of the tourism market in Wulingyuan and the rapid expansion of hotel construction raised land prices, with some residents becoming "new landlords" through selling or renting houses. While some made bigger and more immediate profits, others, e.g., those who lost their land and were incapable of operating businesses, became poorer (Zhang, 2008).

Throughout this stage, visitor arrivals steadily increased. Tourist numbers rose from one million in 2000 to 2.5 million in 2007. The international market, mainly from South Korea, also increased rapidly, making up over 20% of the total. In addition, business travellers and self-drive tourists gradually grew (Zhang, 2008).

#### *Phase Five: Transition (2007-onwards)*

From 2007 onwards (after Wulingyuan was designated as China's first "5A" tourist attraction), the destination entered its *transition stage* of development. Its annual tourist arrivals are over two million, and congestion has become a problem particularly on holidays and weekends. Relationships between stakeholders have become increasingly complicated. The increasing investment of private capital has created management problems amongst tourism businesses within the destination. Competition from peripheral attractions has started to affect the quality of tourist reception and service.

With intense competition from other domestic destinations in China and increased segmentation of visitor markets, the core of the competition for Zhangjiajie has begun to shift

from attractions (or products) to branding. The bottleneck at this current stage is for destination marketing and management to develop a comprehensive experiential program for high-end visitor markets through effective positioning and promotion of its primarily nature-based attractions.

Institutionally, local government is calling for and facilitating a transition of development approaches. In such policy contexts, investors have started to focus on projects that deliver quality of experience; facilities at the lower ends have to be transformed. It is also notable that local conflicts have intensified, requiring new mechanisms to coordinate different stakeholders' interests within the community. Consequently overall growth of the destination is slow as tourist arrivals are somewhat declining. From an evolution standpoint, the destination has reached a point to capitalize on innovation for its next round of new growth.

## DISCUSSION AND CONCLUSION

The above analysis serves as an empirical context for developing an explanatory model of destination development. This longitudinal study suggests that a destination grows with market demand and changes in response to internal and external environments. In the exploration stage, promotion by social elites and the beauty of natural scenery were the major drivers of tourism development. During this stage, local government became gradually involved in developing tourism. However, it was difficult to move forward until management and administrative institutions were in place. Subsequently conflicts amongst institutions occurred and continued to drive a new round of institutional change, which in turn served as a significant factor to influence growth in the starting stage of tourism development.

From a transition perspective, solutions to institutional problems create good

environments to attract investments for further destination development. In fact, investment and capital raised by local government and by private enterprises in the subsequent phases of fluctuation and acceleration, especially private money for construction and marketing, were main catalysts of destination development. In the fluctuation stage, the external environment was not mature enough to support the growth of tourism enterprises; local government therefore played an active role in marketing tourism and constructing facilities. Additionally the growth of domestic markets and competition amongst domestic destinations drove the upgrade of facilities and services at the turn of the century. Consequently, possessing high-quality facilities and service became the bottleneck for the acceleration of the destination's development. In the analyses reported above, vast private capital was successfully attracted to build tourism facilities, and the destination has now evolved into a transition stage, where innovation and branding strategy have become essential to its further growth.

Arguably the development pattern of Zhangjiajie is not a sustainably balanced process but takes the form of “crossing-platforms”; that is, once a platform is crossed, development enters into a new phase. By 2007, it appears the destination has already crossed four platforms: first, discovery and recognition; second, establishment of institutions to facilitate development; third, the building of appropriate facilities; and fourth, upgrading tourist facilities and service quality. Now a new platform of developing comprehensive experiential products and destination brand has emerged (Figure 3).

INSERT FIGURE 3 HERE

Relating back to tourism area lifecycle theories, despite its limitations and statements in general terms, Butler's model is still useful for describing destination development. Nonetheless the model resulting from this longitudinal observation (Figure 3) presents a context-specific account for destination development. In Zhangjiajie, policies implemented by local governments and the roles of institutions were critical in the process of its

development. These governmental and institutional factors were not adequately documented in destination development studies. Inductively derived from longitudinal observations through field research in Zhangjiajie, this study proposes an alternative theoretical explanation and/or interpretation of destination development in China.

Typically nature-based tourism appears initially as a resource-dependent option of development. In Zhangjiajie, its exploration (1978-1982) was indeed resource-driven; its natural scenic beauty triggered its initial tourism development. Subsequent stages of fluctuation (1988-1999) and acceleration (1999-2007) were capital-/investment-driven, and its current phase of transition after 2007 is innovation-driven as creativity has become key to the branding and place-making of Zhangjiajie as a destination for delivering memorable travel experiences (Chen, 2010; Li, 2009; Zhao, 2009).

Nonetheless, in its early stage of development (1982-1988), institutional change was the critical external force driving tourism development in Zhangjiajie. Beautiful scenery attracted more and more exploratory visitors, but the destination was unable to receive large numbers of visitors due to its poor accessibility and lack of basic facilities. It was not until the establishment of institutions to formulate and execute tourism planning, to develop infrastructure and initiate construction, and to manage the areas of Zhangjiajie, Suoxi Gully and Tianzi Mountain, that the early stage of development could take off.

However, it is interesting to note the losses or gains for the destination community along its path of developing tourism. In the exploration stage, while proactive villagers in the attraction areas directly felt the benefits of having incoming visitors, hardly any loss was perceived of (or from) the destination community. In the second stage of development, competition for the use of resources by different governmental bodies/administrative units resulted in conflicts, and the compulsory resolutions of these conflicts brought about a higher level of unity (through combination and upgrade of administrative units or areas), in which



losses were perceived by those who were then disadvantaged in accessing or controlling resources for tourism development. Subsequently, in the stage of fluctuation, local governments' excessive and exploitative uses of natural heritage and land for tourism-related construction brought about opportunities and wealth for some residents; in the meantime, accompanying house-demolition programs created poverty for others. In the acceleration stage, the influx of external investors and businesses has weakened residents' active participation in tourism, in which a large proportion of the benefits was perceivably "leaked" from the destination community. Notably in its current stage, the destination's typically tourism-driven economy is expanding to spill over (or penetrate into) other economic sectors in its transition towards a leisure-oriented economy supported by China's booming domestic tourism (Dai, 2010; Dai, et al., 2012; Xiao, 2013).

During its early growth, political achievements and competition adversely resulted in conflicts between/amongst institutions, impeding the inflow of foreign investment for tourism development. Administratively, the incorporation of the three areas into Wulingyuan Scenic Spot and the establishment of the People's Government of Wulingyuan District allowed the destination to concentrate on further tourism construction, marketing and the creation of a good environment for further development.

Nevertheless, departing from Western conceptions, this discussion recognizes the critical roles of governments and institutions in fostering tourism and destination development in China. Building on lifecycle theories and drawing upon longitudinal studies in Zhangjiajie, this article demonstrates the centrality of institutions in driving destination change. Diagrammatically a RIC model (of Resource, Institution, Capital, and Innovation, visually depicted in Figure 4) could be a theoretically useful articulation to holistically explain destination development in China. It may be possible that this inductively derived model, in conjunction with the evolutionary platforms of Zhangjiajie (Figure 3), could be verified and

empirically tested in other destination contexts for its explanatory capacity. For example, future undertakings can apply such institution-driven evolutionary platforms of thinking to other nature-based tourism destinations in China and indeed in other socio-economic and geopolitical contexts.

INSERT FIGURE 4 HERE

In conclusion, this article addresses the dynamics in the evolution of a nature-based destination in China. The interpretation is informed by, and departs from, prior studies on tourism area lifecycle, holistic approaches to tourism impacts and consequences, as well as the roles of governments or institutions in fostering destination development. In addition, the discussion highlights the complexity and dynamics resulting from internal and external forces in determining the transition and change of a destination. Drawing upon longitudinal studies in Zhangjiajie (Hunan Province, China), the empirical discussion demonstrates the criticality of government interventions (or regulations) and effective institutions and governance to the stages of the destination's evolution. By incorporating institutions as a driving force, the study develops a model to account for destination development.

Notably, with respect to sustainability in economic, socio-cultural and environmental terms, a key point is perhaps to achieve a good balance between public and private involvement in the sustainable development of a destination, which could then dually result in the formulation of its business orientations and/or strategies, as well as the formation of a regulation and governance system for its future development. Typically in a western instance of destination development, the public sector imposes regulation and governance on the private sector. In China, on the contrary, the public sector is often pro-economic development and in many ways acts like the west's private sector (as can be seen in the above analysis and interpretation). In the early stages, such government-led and subsequently combined/joint efforts with the private sector have effectively fostered a destination's development. In the

later stages, however, increased involvements of the private sector and empowerment of other stakeholders have exerted a huge impact on the government, which has gradually started to assume the roles of destination marketing and the regulation of the markets for a sustainable outcome. Notwithstanding, despite singularity of the case and perspectives of the authors, it is suggested that the explanatory model articulated in this study be empirically verified in future undertakings on destination development in different contexts.

*Acknowledgements:* The authors express their gratitude to grant supports from the National Social Science Foundation of China (Project Code: 07CJY050) and The Hong Kong Polytechnic University (Project Code: A-PJ44) for this research. Constructive comments from the reviewers and journal editors for enhancing the quality of the paper are also gratefully acknowledged.

## REFERENCES

- Agarwal, S. (1997). The resort cycle and seaside tourism: An assessment of its applicability and validity. *Tourism Management*, 18, 65-73.
- Agarwal, S. (1998). What is new with the resort cycle? *Tourism Management*, 19, 181-182.
- Bao, J., & Chu, Y. (1999). *Geography of tourism*. Beijing: Higher Education Press. (in Chinese)
- Beeton, R., Horneman, L., & Hardy, A. (1997). *Tourism as an information system*. Unpublished Report, School of Natural and Rural Systems Management, University of Queensland, Australia.
- Beijing Construction Engineering College. (1984). *The overall planning of Suoxi Gully Scenic Spot*. Unpublished planning document, Beijing Construction Engineering College, Beijing. (in Chinese).

- Breakey, N. (2005). *Tourism destination development beyond Butler*. PhD thesis, School of Natural and Rural Systems Management, University of Queensland, Australia.
- Butler, R. (1980). The concept of a tourism area cycle of evolution: Implications for the management of resources. *Canadian Geographer*, 24, 5-12.
- Butler, R. (1993). Tourism: An evolutionary perspective. In J. Nelson, R. Butler & G. Wall (eds.), *Tourism and sustainable development* (pp.201-209). Department of Geography Publication, University of Waterloo, Canada.
- Butler, R. (2006a). *The tourism area life cycle model: Applications and modifications*. Clevedon: Channel View.
- Butler, R. (2006b). *The tourism area life cycle model: Conceptual and theoretical issues*. Clevedon: Channel View.
- Butler, R. (2009). Tourism in the future: Cycles, waves or wheels? *Futures*, 41, 346-352.
- Carter, R. (2000). *Cultural change and tourism*. PhD thesis, School of Natural and Rural Systems Management, University of Queensland, Australia.
- Carter, R. (2004). Implications of sporadic tourism growth: Extrapolation from the Case of Boracay Island, the Philippines. *Asia Pacific Journal of Tourism Research*, 9, 383-404.
- Central South University of Forestry and Technology. (1985). *The overall planning of Tianzi Mountain Scenic Spot*. Unpublished planning document, Central South University of Forestry and Technology, Changsha, Hunan Province. (in Chinese).
- Chen, Y. (2010). Adherence to innovation in tourism planning to promote strategic "grand tourism" development. *Tourism Tribune*, 25(3), 7-8. (in Chinese).
- Cole, S. (2009). A logistic tourism model: Resort cycles, globalization, and chaos. *Annals of Tourism Research*, 36, 689-714.
- Colin, B., & Newby, H. (1971). *Community studies: An introduction to the sociology of local community*. London: George Allen and Unwin.
- Cooper, C. (1989). Tourist product life cycle. In S. Witt & L. Moutinho (eds.), *Tourism marketing and management handbook* (pp.577-581). New York: Prentice Hall.

- Cooper, C. (1990). Resorts in decline. *Tourism Management*, 11, 63-37.
- Cooper, C. (1992a). The life cycle concept and strategic planning for coastal resorts. *Built Environment*, 18, 57-66.
- Cooper, C. (1992b). The life cycle concept and tourism. In P. Johnson & B. Thomas (eds.), *Choice and demand in tourism* (pp. 147-162). London: Mansell.
- Cooper, C. (1994). The destination life cycle: An update. In A. Seaton (ed.), *Tourism: The state of art* (pp. 340-346). Chichester: Wiley.
- Cooper, C., Fletcher, J. Gilbert, D., Shepherd, R., & Wanhill, S. (1998). *Tourism: Principles and practice*. London: Longman.
- Dai, B. (2010). Trends of China domestic tourism development. Keynote at *The 4<sup>th</sup> UNWTO/PATA Forum on Tourism Trends and Outlook (Domestic and Regional Tourism: Issues, Opportunities and Prospects)*, 2-4 September, Guilin, China. (in Chinese)
- Dai, B., Zhou, X., & Xia, S. (2012). On the construction of contemporary tourism development theories: Notions, frameworks, and gists. *Tourism Tribune*, 27(3), 13-17. (in Chinese)
- Digance, J. (1997). Life cycle model. *Annals of Tourism Research*, 24, 452-455.
- Fan, C., Wall, G., & Mitchell, C. (2008). Creative destruction and the water town of Luzhi, China. *Tourism Management*, 29, 648-660.
- Farrell, B., & Twining-Ward, L. (2004). Reconceptualizing tourism. *Annals of Tourism Research*, 31, 274-295.
- Faulkner, B., & Russell, R. (1997). Chaos and complexity in tourism: In search of a new perspective. *Pacific Tourism Review*, 1, 93-102.
- Gibson, C. (2008). Locating geographies of tourism. *Progress in Human Geography*, 32(3), 407-422.

- Gu, C., & Zhong, Y. (2005). *Zhangjiajie: A story of 2000 years*. Beijing: Five-Continent Dissemination Press.
- Gunn, C. (1979). *Tourism planning*. New York: Grane Russak.
- Gunn, C. (1988). *Tourism planning* (2nd ed.). New York: Taylor & Francis.
- Hall, C. M. (2006). Introduction. In R. Butler (ed.), *The tourism area life cycle model: Conceptual and theoretical issues* (pp.xv-xix). Clevedon: Channel View.
- Haywood, K. (1986). Can the tourist area life-cycle be made operational? *Tourism Management*, 7(3), 154-167.
- Haywood, K. (1992). Revisiting resort cycle. *Annals of Tourism Research*, 19, 351-354.
- Huang, H., Wall, G., & Mitchell, C. (2007). Creative destruction: Zhu Jia Jiao, China. *Annals of Tourism Research*, 34, 1033-1055.
- Hunan Provincial Architectural Design Institute. (1983). *The overall planning of Zhangjiajie National Forest Park*. Unpublished planning document, Hunan Provincial Architectural Design Institute, Changsha, Hunan Province. (in Chinese).
- Ioannides, D. (1992). Tourism development agents: The Cypriot resort cycle. *Annals of Tourism Research*, 19, 711-731.
- Ivars i Baidal, J., Rodriguez Sanchez, I., & Vera Rebollo, J. (2012). The evolution of mass tourism destinations: New approaches beyond deterministic models in Benidorm (Spain). *Tourism Management*, (in press), doi:10.1016/j.tourman.2012.04.009.
- Jackson, J. (2006). Developing regional tourism in China: The potential for activating business clusters in a socialist market economy. *Tourism Management*, 27, 695-706.
- Jafari, J. (1990). Research and scholarship: The basis of tourism education. *The Journal of Tourism Studies*, 1(1), 33-41.
- Jia, S., & Wu, A. (2003). Institutional change and the growth phase: Countermeasures of China's tourism industry. *Tourism Tribune*, 17(4), 19-22. (in Chinese)
- Jiang, S. (2007). International comparison and illumination of tourism administrative system. *Journal of Ezhou University*, 14(2), 56-59. (in Chinese)

- Leiper, N. (1990). *Tourism systems: An interdisciplinary perspective*. Massey University, New Zealand.
- Leiper, N. (1995). *Tourism management*. Melbourne: RMIT Press.
- Li, S. (2009). Promoting innovation capacity is the primary task of China's tourism development. *Tourism Tribune*, 24(7), 6-7. (in Chinese)
- Liu, F. (2003). A review and outlook on China's tourism development. *New Economy Weekly*, Issue 13, 76-89. (in Chinese)
- Lu, L. (1997). A study on the life cycle of mountain resorts: A case study of Huangshan and Jiuhuashan. *Scientia Geographica Sinica*, 17(1), 63-69. (in Chinese)
- McKercher, B. (1999). A chaos approach to tourism. *Tourism Management*, 20, 425-34.
- McKercher, B. (2005a). Destinations as products? A reflection on Butler's lifecycle. *Tourism Recreation Research*, 30(3), 97-102.
- McKercher, B. (2005b). Are psychographics predictors of destination lifecycles? *Journal of Travel and Tourism Marketing*, 19(1), 49 – 55.
- Mill, R., & Morrison, A. (1985). *The tourism system: An introductory text*. Englewood Cliffs, NJ: Prentice-Hall.
- Mitchell, C. (1998). Entrepreneurialism, commodification and creative destruction: A model of post-modern community development. *Journal of Rural Studies*, 14, 273-286.
- Mitchell, C., & de Waal, S. (2009). Revisiting the model of creative destruction: St. Jacobs, Ontario, a decade later. *Journal of Rural Studies*, 25, 156-167.
- Mitchell, C., & Coghill, C. (2000). The creation of a cultural heritage landscape: Elora. *The Great Lakes Geographer*, 7 (2), 1-18.
- Mitchell, C., Atkinson, G., & Clark, A. (2001). The creative destruction of Niagara-on-the-Lake. *Canadian Geographer*, 45, 268-284.
- National Development and Reform Commission. (2011). *The 12<sup>th</sup> five year plan for national economy and social development (2011-2015) of the People's Republic of China*.

Retrieved 12 June 2012

from<[www.ndrc.gov.cn/fzgh/ghwb/gjih/P020110919592208575015.pdf](http://www.ndrc.gov.cn/fzgh/ghwb/gjih/P020110919592208575015.pdf)> (in Chinese).

- Oppermann, M. (1995). Travel life cycle. *Annals of Tourism Research*, 22, 535-552.
- Oppermann, M. (1998). What is new with the resort cycle? *Tourism Management*, 19, 179-180.
- Pearce, D. (1989). *Tourist development*. Essex: Longman.
- Plog, S.(1973). Why destination areas rise and fall in popularity. *The Cornell Hotel and Restaurant Administration Quarterly*, 14, 55-58.
- Plog, S. (2001). Why destination areas rise and fall in popularity: An update of a Cornell Quarterly classic. *The Cornell Hotel and Restaurant Administration Quarterly*, 42, 13-24.
- Prideaux, B. (2000). The resort development spectrum – A new approach to modeling resort development. *Tourism Management*, 21, 225 – 240.
- Prideaux, B. (2004). The resort development spectrum: The case of the Gold Coast, Australia. *Tourism Geographies*, 6(1), 26 – 58.
- Rodriguez, J., Parra-Lopez, E., & Yanes-Estévez, V. (2008). The sustainability of island destinations: Tourism area life cycle and teleological perspectives. The case of Tenerife. *Tourism Management*, 29, 53-65.
- Sofield, T., & Li, S. (2011). Tourism governance and sustainable national development in China: A macro-level synthesis. *Journal of Sustainable Tourism*, 19 (4-5), 501-534.
- Su, D., & Xiao, H. (2009). Governance of nature-based tourism in China: Issues and research perspectives. *Journal of China Tourism Research*, 5(4), 318-338.
- Tongji University. (1990). *The overall planning of Wulingyuan Scenic Spot*. Unpublished planning document, Tongji University, Shanghai. (in Chinese).
- Tooman, L. (1997). Applications of the life-cycle model in tourism. *Annals of Tourism Research*, 24, 214-234.



- Travis, A. (1982). Managing the environmental and cultural impacts of tourism and leisure development. *Tourism Management*, 3, 256-62.
- Tu, H. (2009). *An investigation into the management structure of scenic spots in China*. Unpublished Master's Thesis, School of International Relations and Public Affairs, Fudan University, Shanghai. (in Chinese)
- Wall, G. (1982a). Cycles and capacity: Incipient growth or theory. *Annals of Tourism Research*, 9(2), 52-56.
- Wall, G. (1982b). Cycles and capacity: Incipient theory or conceptual contradiction? *Tourism Management*, 3(3), 188-192.
- Wang, D. (1988). Thoughts on institutional reforms of tourism management in China. *Quarterly Journal of Shanghai Academy of Social Sciences*, Issue 1, 27-34. (in Chinese)
- Wang, D., Lu, L., & Liu, C. (2003). A study on improving the present management system of scenic areas in China. *Tourism Tribune*, 18(3), 67-72. (in Chinese)
- Wei, Z. (2008). A review of tourism development in China. *Tourism Studies*, Issue 5, 214-216. (in Chinese)
- Wu, A., & Xu, J. (2001). Probe into regulatory reforms of competitive operations in national scenic areas. *Tourism Tribune*, 16(4), 64-68. (in Chinese)
- Xiao, H. (2013). Dynamics of China tourism and challenges for destination marketing and management. *Journal of Destination Marketing and Management*, 2, 1-3.
- Xiao, H. (2012). Annals index volumes 1 through 39 (1973-2012). *Annals of Tourism Research*, <[http://cdn.elsevier.com/promis\\_misc/ANNALS-INDEX1-38\\_2011.pdf](http://cdn.elsevier.com/promis_misc/ANNALS-INDEX1-38_2011.pdf)> (Retrieved: 17 July 2013).
- Xiao, H. (2011), *Contemporary Perspectives on China Tourism*. London: Routledge.
- Xiao, H., & Smith, S. (2006). The making of tourism research. *Annals of Tourism Research*, 33, 490-507.
- Xiao, Y. (2010). A review of the model of creative destruction. *Human Geography*, Issue 6, 14-18. (in Chinese)

- Zhang, C. (2006). *Tourism and heritage preservation : Theory and practice in the perspective of governance*. Beijing: China Tourism Press. (in Chinese)
- Zhang, C. (2008). *Tourism and heritage protection: Cases and theories*. Tianjin: Nankai University Press. (in Chinese)
- Zhang, H., Chong, K., & Ap, J. (1999). An analysis of tourism policy development in modern China. *Tourism Management*, 20, 471-485.
- Zhao, L. (2009). Creativity and innovation for China tourism development in the context of globalization. *Tourism Tribune*, 24(9), 8-9. (in Chinese)
- Zhong, L., Deng, J., & Xiang, B. (2008). Tourism development and the tourism area life-cycle model: A case study of Zhangjiajie National Forest Park, China. *Tourism Management*, 29, 841-856.
- Zou, T., & Wan, Z. (2009). The evolution of tourism planning thoughts in China: Progress of tourism planning in China in the past 30 years (Part II). *Journal of Beijing International Studies University*, Issue 7, 13-22. (in Chinese)

## TABLES

Table 1. Construction of Tourism Facilities in Wulingyuan Scenic Spot by 1999

Attribute	Number	Land area M <sup>2</sup> (%)	Built-up area M <sup>2</sup> (%)	Number of tables (%)	Number of beds (%)
State-owned	88	798,147 (91)	271,748 (84)	10,828 (73)	9,384 (75)
Private	69	75,238 (9)	52,290(16)	4,063 (27)	3,090 (25)
Total	157	873,385 (100)	324,038(100)	14,891 (100)	12,474 (100)

Source: Consolidated data from “Tourism Reception Units of Wulingyuan” (1988-1999)

Table 2. Five-year Average Price Change in Wulingyuan Hotels (US\$/Room)

Name	2000	2001	2002	2003	2004	2005	Remarks
Hanjiang Villa (3-star)	32.9	34.4	21.1	18.8	22.1	21.9	
Genli International(3-star)	/	/	28.2	25.0	31.2	34.4	Opening in February 2002; VIP wing added in 2005
Baizhangxia Hotel(3-star)	/	/	23.5	18.8	23.5	23.0	Opening in May 2002
Lanyuan Villa(3-star)	12.5	12.5	9.4	11	20.3	19.6	Renovation in 2003
Xiangshui Hotel(3-star)	8.1	/	22	18.8	25.0	25.0	Opening after renovation in 2002
Longyuan Hotel(2-star)	18.8	18.8	11	8.1	8.1	/	
Zhuanjiacun Hotel	25.0	23.5	17.2	11	12.5	12.5	
Kaitian International	/	/	/	/	42	40.6	Trial operation in August 2004
Yalong Hotel	/	17.2	12.5	9.4	11		
Hongyan Villa	15.6	12.5	9.4	8.1	8.6		

Notes: 1) Derived from interviews with Tourism Administration of Wulingyuan District and hotel managers; 2) Chinese yuan/US dollar exchange rate: 1RMB = 0.1565 USD (as of September 2011).

Table 3. Economic Returns from Star Hotels in Wulingyuan and Zhangjiajie

Indicators	Wulingyuan District		Zhangjiajie City	
	2004	2005	2004	2005
Average room rate (US\$)	10.9	11.5	9.9	10.7
Annual revenue (US\$)	11.30 million	13.80 million	18.80 million	21.90 million
Taxes and additional payments (US\$)	0.56 million	0.50 million	0.98 million	0.88 million

Source: Tourism Administration of Wulingyuan District

Note: Chinese yuan/US dollar exchange rate: 1RMB = 0.1565 USD (as of September 2011).

## FIGURES

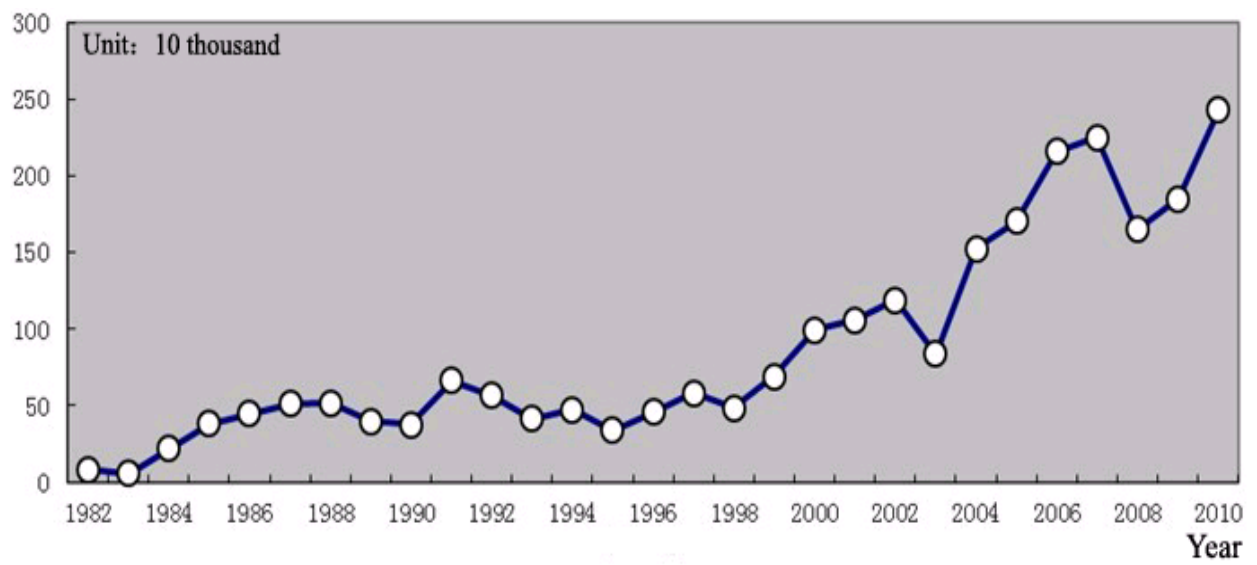


Figure 1. Annual Tourist Arrival in Wulingyuan (1982-2010)



Figure 2. Location of Zhangjiajie in Hunan Province, China

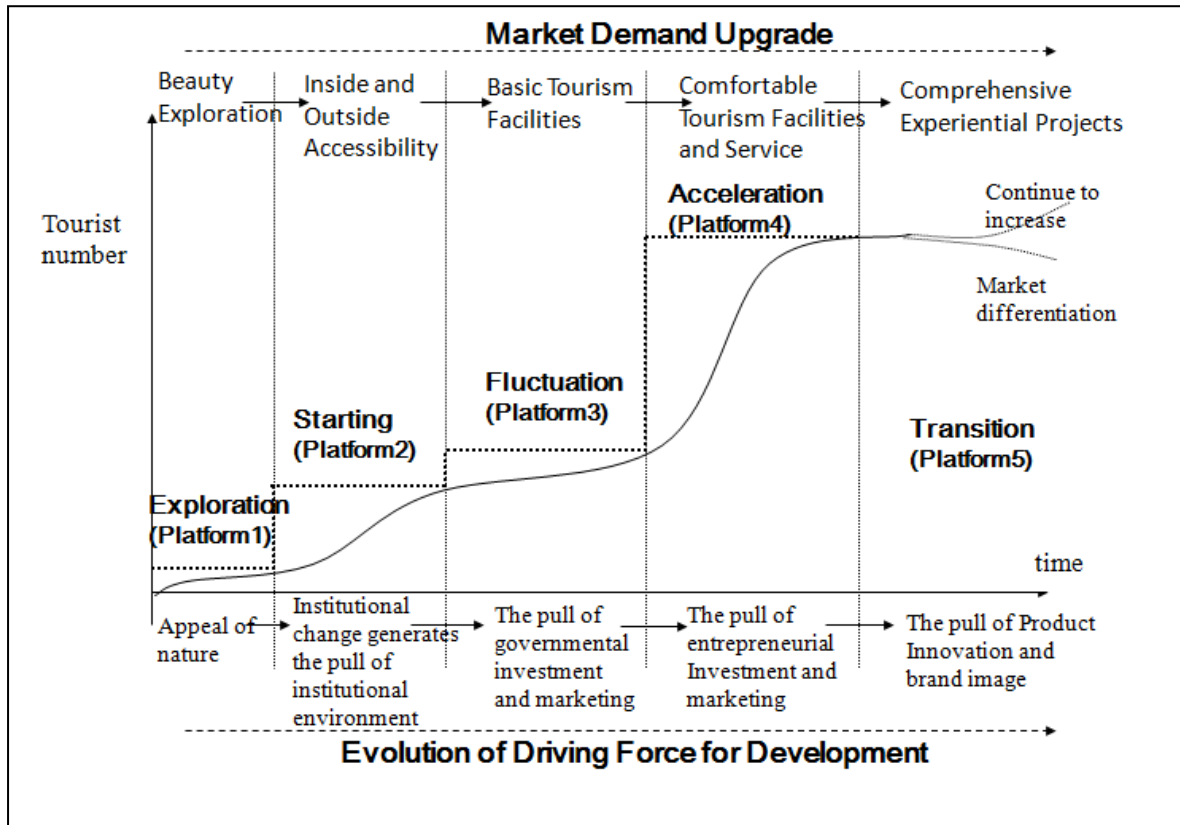


Figure 3. Evolutionary Platforms of Destination Development in Zhangjiajie China



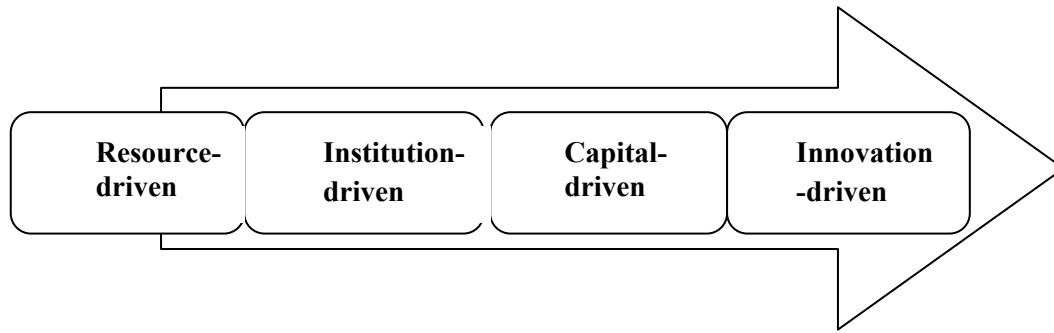


Figure 4. An RIC I Model of Destination Development in Zhangjiajie China