

Affect Appears Based on Local Shop Sales Revenue Affecting the Tourism Industry

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Abstract: This paper work analysis how much did the local shop impact their annually profit and how did they do the proportion with travel agency company to make Win-win condition and keep cooperation in a long term, to get result which is there will be huge impact to travel agency company in their annually profit. Also the influence that through the cooperation that involves travel agency and local shop to improve the situation of China using different type of promotion to cause the growth of economics scale and the quality of tourism industry in China.

Keywords: enormous influence, attitude, quality, experience

1. Introduction

The tourism industry is a saturated market based on the scenic plot and the service that the travel agency and tour guides provide; their profit and sales revenue are focused on the sales per person and the extra money those tourists spend on the local shop cooperating with. Thus, the local shop in different areas and regions has different types of products, which determines the sales revenue of that shop and the proportion of money to the travel agency company. However, because of the speciality of travel agencies in finance part, their annual profit is also depending on how many sales from those local cooperative companies, which is the central part of their profit, but what do the consequences if local shop stop cooperating with them, or local shop goes bankrupt. Therefore, it is determined by different factors and the company's scale.

In the way of tourism industry company, more specifically, travel agency company's profit mainly comes from the cooperation with other companies like local guide companies, local attractions etc. However, on the other hand, local shop cooperation becomes a considerable factor impacting their profit. For example, according to the data of a small and middle-sized travel agency company in the tourism industry, their annual sales revenue is around forty million, which seems to be a lot. However, their net profit per year has a huge difference compared to their sales revenue, their profit is almost around 2.59% of their sales revenue, and 30% of that comes from the local shop they cooperate with, which shows the results of the local shop is very important for travel agency, because of the vast proportion of their net profit [1].

Therefore, use SWOT analysis to identify travel agency company to analysis in different area and how local shop affects their profit and operation.

2. SWOT Analysis

S: The strength of travel agency companies is that they can provide multiple product lines based on the situation of a different region. Also, based on the traffic in different areas, they can have a faster speed of pushing out new products. However, on the other hand, the travel agency company has excellent attractions for other companies in the tourism industry for cooperation, so they have the flexibility to change their cooperative partner based on a different scale of tourist groups and the destination. Also, cooperation with hotels in that specific region in the long or short term will provide them discounts according to a different hotel. Therefore, their sales revenue can come from many different areas, making them huge [2].

W: Weakness of travel agency company is more likely based on uncertainties of service quality, the cost of training and the inability to make the product diverse enough for consumers, which means in one region the products are too similar, which makes the lack of product power and less attractive compared to travel by themselves rather than choose a travel agency company. Firstly, uncertainties of service quality are mainly shown in the tour guides' service travel agency company want tour guides to provide a high quality of service and be attractive enough to make consumers satisfied enough to create better brand loyalty and memorable enough. However, every company will have a situation of lousy quality service being provided and being a complaint and compensated; as an industry mainly focused on service, they have to accept many unreasonable complaints, which increase the possibility of having a lousy image and fewer consumers. This weakness carries out with the cost of training tour guides and finding tour guide companies that have a high quality of image and service, which will cause more time and money to spend to make employees, which is the tour guides to provide a high quality of service, the cost of time will become a problem during peak tourist season when they have more tourism group than a tour guide, it increases the risk of lousy quality service during that time. Thirdly, as a completely saturated market, starting from a long time ago, the fun of tour groups is not satisfactory enough for many consumers; for those people who like to travel, they are mainly focused on travelling by themselves rather than choosing travel agency company, diversification of travel agency company is not enough and satisfy enough anymore even they have new products, which is based on the similarity of tour route in a different company. Also, one size fits all travel has a vast growing dissatisfaction, making the company less profitable and consumers [2].

O: opportunities for travel agency companies are mainly based on external factors like different expectations of consumers and the chance they can improve their product and way of travel; also, the consumption pulling force increase based on the cooperation of organizations and local shop shopping. Expectations of consumers are increasing mainly based on the over-saturated market and the similitude of the tourist track, which asked the company to provide more types of products suitable for different consumers; personal customization tourism appeared because of the needs of consumers. Travel agency companies publish different types of personal customization based on consumers' personalities and age groups to gain more profit and brand image. Therefore, the transformation of different companies and the product upgrade have become another way of attracting consumers; more companies are focusing on high-quality tourism rather than accepting travel with large bases because of more stable consumer sources and better brand loyalty. In addition, they can put more costs to gain more profit in the long term. On the other hand, the way of increasing consumption pulling force also is the way of more profit is the cooperation of local shops, the action of consumers buy the local product is the proof of satisfaction of travel agency company. It takes a considerable part of the profit for the company. The integration of tourism and tourist shopping provides the consumption of excess resources, and makes those excess resources become a part of service to create more valuable profit for travel agency companies, also is the

opportunity on a national scale that relived the pressure of Consumption demand and supply demand [1]. Another opportunity the tourism industry has is to cooperate with other markets that will promote the development of the tourism industry, like the entertainment and transportation industries, to focus more on providing a better economic cycle [2].

Threat: the threat of travel agency companies is based on environmental effects and technological development. For most of the age group, the high pressure of work environment and the development of technology affects the psychology of consumers, which is the mental activities of do not want to travel if they can enjoy the view at home, also the consequence of lack of time-based on work and study. Thus, another threat is not attracting new blood to the industry is mainly caused by the standard operation way and similar tourism lines. As well as, the downturn of the global economy will decrease purchasing and spending power [2].

3. Speciality

According to the analysis of SWOT, local shop shopping takes a considerable part in the profit of the tourism industry. Also, the local shopping industry allows travel agency companies to change their massive structure and service concept; they can change their focus point or separate their workforce to build the shopping structure to have more departments focusing on local shop cooperation communication. Also, the service concept can lead your consumers to pay more attention to local culture and buy local items. However, based on the primary research, the speciality of travel agency companies caused some limitations on finance. Although the sales revenue in travel agency company is mostly very high no matter the scale of that company, the rate of gross margin and pure rate of interest is shallow is around 8% and 2%, which is determined by the speed of the rate of capital turnover, if the speed of the rate of capital turnover is high, which means the successful operation and high profit in that year [2]. On the other hand, if the speed is low, the limitations in the finance part will appear based on less profit and the inability to do more promotion and upgrade, even the limitation on cooperation with local shops and other companies. Fortunately, because of the flexibility of the tourism shopping industry, it is more based on the experience and feelings of tourists, which will not be too impacted by this financial problem [3,4].

4. Recommendation and Conclusion

The lower shopping travel volume and the decrease in shopping trends are directly influenced by the rationalization of tourism consumption of the Chinese masses [3,4]. However, because of the growth of per capita consumption, the tourism shopping consumption elasticity is in a tendency to grow too; it provides the opportunity on a national scale to promote the total value of production in the national economy, which shows the importance of the combination of tourism shopping industry and travel agency.

As the two industries are supported by each other, the promotion of the tourism shopping industry to the tourism industry is mainly based on direct promotion for building a good image in a specific region and the development tendency of that place. On the other hand, the tourism industry provides a virtual environment for tourism shopping; the promotion of local culture by tourism industry companies directly impacts the sales revenue of the tourism shopping industry. Therefore, to build unique tourism products and services, also the advertising of local tourism culture and truthful consumption will give an excellent impression to consumers, and it is essential as the basis for travel agency companies to become competitive enough to attract more consumers to choose this company and local shops they cooperate with, that directly impact their sales revenue, also give huge impact the needs of shopping market. Based on that, the influence of local shops to travel agency company is likely to need to be promoted by the companies themselves. To increase the

local economic growth by using the tourism industry, they can build a specific system for making the product from the tourism shopping industry more advanced and high quality to help build a higher level of comprehensive operation pattern and management for tourism shopping. In addition, it also helps tourism shopping to build a truthful environment for consumers and customers to buy more products to increase the economic scale in specific regions and profit for tourism industry company, that contains the protection from the tourism industry to provide a stable environment of development tendency for local shops and also the growth of themselves to ask for sustainable development and more improvements.

Overall, the importance of the tourism shopping industry to the tourism industry is vast; it is not just based on the short-term profit impact, but the image building and the local culture separate, also the growth of the total value of production national that involves tourism industry to promote. This gives the result of the appearance of local shop and tourism shopping industry have a huge impact on tourism industry to increase their profit and culture [5].

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