

# An Integrative Approach To The Approved Destination Status Tourism

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## ABSTRACT

*Approved Destination Status (ADS) is a status granted to a foreign country by the Chinese government, which allows Chinese outbound tour groups to travel to that country. The ADS tourism market is different from the traditional tourism market. In this new market, a good percentage of tourists join the ADS group tours mainly for the purpose of assessing business and education opportunities in destination countries. A new, innovative and integrative approach is required for destination countries to meet the needs of ADS tourist and to gain the full economic benefit generated from the ADS tourism.*

**Keywords:** Approved Destination Status, Authorized Destination Status, ADS, China's outbound tourism

## INTRODUCTION

*A*pproved Destination Status (ADS) or Authorized Destination Status (due to the variation of the English translation) is a status granted to a foreign country by the Chinese government, which allows outbound Chinese tour groups to travel to that country. Without an ADS agreement, a destination country is not allowed to receive tour groups from China or to promote its tourism business in China.

Currently it is not a problem for individual Chinese citizens to leave the country and travel to foreign countries for specific purposes such as migration, study, or visiting family members. However, the group tourism is restricted to business and official travel groups. ADS agreements serve as a halfway house to fully open travel to Chinese citizens.

Under the bilateral agreement, China National Tourism Administration (CNTA) authorizes qualified domestic travel agencies to handle outbound travel for Chinese tour groups to an ADS country. Only these authorized agencies are eligible to promote and organize tours, handle visa applications, make financial transactions in foreign currencies, and deal with other related businesses. These agencies must meet certain conditions set by CNTA and their qualifications are under periodical review. Therefore some authorized agencies may be disqualified and new agencies may obtain authorizations to participate in the business.

Under the bilateral agreement, an ADS country recommends to CNTA a number of travel agencies as land operators for handling Chinese tour groups when they arrive in the destination country. These agencies must be law-abiding, credible and competent in the business. The tourism authority of the ADS country is responsible for supervising its travel agencies and for protecting the legal rights of Chinese tourists in the destination country. With such status, the ADS country is also allowed to open its tourist office(s) in China and to promote travel to its country.

From 1983 the Chinese government started to grant ADS to Hong Kong, Macao, and foreign countries. Up to date (March 15, 2010), the ADS list covers 135 countries/regions, where the bilateral agreements are in full implementation (CNTA, 2010). Among the developed countries, Australia and New Zealand are the earliest ADS countries in 1999, all European Union (EU) countries were granted the status in 2004, the United States signed the agreement in 2005, and Canada was finally bestowed the status during its prime ministerial visit to China in December 2009 (Canadian Broadcasting Corporation, 2009).

## **WHY APPROVED DESTINATION STATUS?**

To most of us in the western world, ADS sounds a very strange policy. The obvious question is why not let any Chinese citizens to travel abroad? Some critics simply dismiss the policy as a restriction to citizens' freedom to travel hence a violation of basic human rights. However, the issue is not that simple. An open policy to all Chinese travelers may not be welcoming news to many foreign countries, particularly developed countries.

According to Gao (2004), for several years the US had even not shown any intention to obtain ADS from China, despite an increasing number of countries had reached bilateral agreements with the Chinese government. The major problem is illegal immigrants.

As cited by the US Department of States, Kwong (1997) estimates about 40,000 illegal Chinese immigrants entering the US each year. Most of them pay \$50,000 each to the human "snakes" (smugglers), very often risk their lives or suffer from extreme miseries, and eventually land in the big cities such as New York, Los Angeles, if lucky enough not being arrested and deported. Kwong's study also shows that the rural villages of Fujian Province are a major source of these Chinese illegal immigrants. Most of them are young men with little education. The primary reason for them to take the risk is to escape from poverty. As the income gap is widening in China, the number of illegal immigrants will likely increase.

China's population is more than 1.3 billion and a significant number of the population is still living in poverty even based on the Chinese standard. It is not difficult to imagine what would happen if the Chinese government adopts a liberal policy to all Chinese travelers. There would be an unprecedented influx of illegal immigrants using tourist visas enter rich countries such as the US and Canada. It is not any country's interest to see that happen. Current illegal immigrants to the US from Mexico and other South American countries may have provided a taste of the scale of the above-mentioned influx.

Of course, there are no measures taken which can absolutely prevent illegal immigrants. The bilateral agreements based on ADS are no exceptions. However, according to the European Tour Operators Association (2005), countries already receiving ADS visitors have an "overstay" rate of just 0.13%. The rate is almost trivial, compared to the number of illegal immigrants from the Eastern European, African and other Asian countries arriving at the Toronto International Airport in Canada. In Australia the average rate of Chinese overstay for all types of visas is 14 times higher than the average rate of overstay for visas issued in connection with ADS (Chang, 2003).

The main reason for this low rate is that the approved Chinese travel agencies take many preventative measures to screen their travelers based on their employment status, financial situation and other relevant information. Under strict government regulations, these agencies have strong business incentives to be as responsible as possible; otherwise they may be removed by CNTA from the authorized operator list. As a result, most Chinese travel agencies require a 5,000 USD deposit from each traveler, in addition to a normal screening. Furthermore, Chinese travel agencies are in a much better position to conduct such screening process than any foreign travel agencies or even foreign visa offices in China.

Therefore ADS serves as a transitional program for the Chinese government to establish a well-managed, orderly and controlled system which allows a greater number of its citizens to travel abroad. ADS is practically beneficial to Chinese citizens and foreign destination countries, even though it is just a halfway house to fully open travel to Chinese citizens. This is why the number of countries signing up with ADS has increased dramatically in recent years.

## **CHINA'S BOOMING ECONOMY AND ITS OUTBOUND TOURISM MARKET**

The Chinese government implemented the "open door" policy in late 1970s, which deviated from the traditional communist ideology. After more than three decades of economic reforms by introducing free-market elements, today the rest of the world starts to see the groundwork laid for the modern China.

In the past ten years or more, China's GDP and industrial production have outpaced any countries in the world. The size of its economy is the second or third largest, and is predicted by some to surpass the US and assume the top spot in the world as early as 2020.

Exports have continued to amount to more than one-third the size of China's GDP since 2005 (China Customs Statistics, 2010). It is known as the world's largest manufacturer. At the same time it is importing and consuming goods from foreign countries at a frantic rate. Its demand for raw materials such as oil, steel, copper and aluminum shows no sign of easing any time soon despite the financial crisis and world-wide recession.

China's economic boom has generated a wealthy minority that has strong appetite for luxurious goods and services including traveling abroad. The word of wealthy "minority" is perhaps misleading if considering the population base of 1.3 billion. The European Tour Operators Association (2005) estimates that about 2% of China's population, i.e. 25 million, have the same spending power as Europeans and this percentage is growing rapidly. The number of this "minority" is expected to reach 43 million in 2008, 50 million in 2010 and 100 million by 2020.

It is evident that the size of the Chinese outbound tourism market has been rapidly increasing since 1990s. The World Tourism Organization (WTO) also predicts that China will become the third or fourth largest outbound tourist country in the world by 2020 and its outbound tourists will increase to 100 million in 2020 (WTO, 2003).

The economic benefit of ADS to destination countries is already significant and will be enormous. For example, before Australia was granted ADS in 1999, there were 98,000 visits from China. By 2002 this figure almost doubled to 190,000. Overall, the total number of Chinese outbound trips reached 20.22 million in 2003, which represent 21.8% increase compare to 2002. The rapid percentage increase mainly attributes to ADS tourists (WTO, 2003).

The upper middle-class is the main source of Chinese outbound tourists. It consists of mature householders and high-income earners in the new generation. Mature householders are a middle-aged subgroup whose children have left home and become financially independent. They enjoy a higher per capita income and larger amount of discretionary funds. Usually they are well educated and look for new experiences such as overseas travel. In addition, the transition from a closed to a gradually open economy has generated a high-income segment among the young generation. They are mainly entrepreneurs and high-salary earning white colour workers. Unlike the older generation, they have the financial resources and are unwilling to delay personal consumption. Travelling overseas has become one of their favorite leisure pursuits.

How to find the upper-middle class that generates outbound travel? According to Laurent, Pan and Fan (2005), targeting just the 18% of the population living in provincial capitals reaches nearly half the affluent market of China.

## **CHINESE OUTBOUND TRAVEL PATTERNS AND CHARACTERISTICS**

Literature on Chinese consumer behaviour is of abundance. On one hand, these surveys are helpful to study of Chinese outbound travel patterns and characteristics; on the other hand, outcomes of the previous research are far from conclusive. Sun, Horn and Merritt (2004) compare Chinese, Japanese, British and US consumers on their values and lifestyles. They categorize Chinese and Japanese consumers as allocentrics (collectivists), and British and US as idiocentrics (individualists). Their multi-national lifestyle survey shows that the results are congruent with some but incongruent with other previous findings.

It is not surprising that many observations on ADS tourists in recent years also contradict themselves. Are there any general travel patterns and characteristics describing Chinese outbound tourists?

When the ADS agreements were signed with most European Union countries several years ago, we observed the phenomenon of "one trip to see as many countries or cities as possible". But some were not happy with this type of tour packages. For example, one tourist was quoted: "I like the leisure lifestyle and tranquil environment at a small town in Switzerland, but the journey schedule was arranged too tightly for me to enjoy local

landscapes and historical relics.” (People’s Daily Online, 2004).

There is no doubt that the tightly scheduled tour pattern will continue because there is a strong demand by many potential first timers. However there are also gradual shifts from sightseeing to leisure and culture; from multi-country to single- or dual-country; from multi-city/region to single- or dual city/region holidays. There is also a lot of repeat travel, largely as a result of increased leisure time, due to the three Golden Week holidays (the Chinese New Year week in February, the International Labor Day week in May and the Chinese National Day week in October) and flexible holidays in China.

In other words, ADS tourists’ preferences are not homogeneous and there exist both mass and niche markets. As the ADS travel gradually gets mature, the niche market will expand and more types of tour packages will be needed to satisfy tourists with different preferences and budgets.

There is also a high degree of political sensitivity to destination countries and thus it affects the granting of ADS and travel patterns. For example, Canada did not receive its ADS status until its prime minister’s visit to Beijing in December 2009. This is mainly due to the chilly relations between the two governments in recent years, which made Canada the last country from the Western world join the ADS club – more than a decade later than Australia and New Zealand.

However, political events can easily change the mood of the Chinese public. In general, Chinese tourists tend to travel countries having good diplomatic relations with China. For example, France only proved to be a very popular destination for Chinese ADS tourists until early 2008. Then the Beijing hosted 2008 Olympic torch relays were seriously disrupted in Paris. In retaliation, not only the Chinese tourists boycotted traveling France, but also the Chinese consumers blocked several French-owned supermarket stores in China. In short, politics matters very much to the ADS travel.

In addition, national pride is very important to Chinese tourists. Therefore any countries with discriminatory measures or negative media against Chinese citizens should not expect a large volume of Chinese tourists.

Other factors such as terrorism and bird/swine flu also influence Chinese outbound travel patterns. There is a raising demand for “safe and sanitary” destinations in recent years.

One of the major characteristics of Chinese outbound tourists is their passion for shopping. While a typical American tourist in Hong Kong spends 63% of his or her travel money on hotel-and-restaurant bills and 28% on shopping, the figures are almost exactly reversed for Chinese tourists (Pottinger, 2002). However, these percentage figures may not be the same in other destinations because Hong Kong is well known as “shoppers’ heaven” due to varieties of merchandise available and its zero tariff policy. Nevertheless, Chinese tourists’ enthusiastic shopping activities are widely reported in other destination countries.

Chinese tourists are in many cases outspending their counterparts from North America, Japan and Europe. Verhelst (2003) explains why Chinese shoppers need to buy so many gifts: they buy gifts for their relatives, particularly for the elderly to show their respect; they buy gifts for others to smooth relationship as “social investments” or to return favours given by others.

According to credit card processing firm Moneris Solutions, during the 2010 Vancouver Winter Olympic Games, Chinese visitors were the biggest spenders, paying on average \$423 per transaction. Russians followed at \$236, while the Swiss spent \$140 (CBC, 2010).

Chinese shoppers always exchange information and ideas (Laurent et al., 2005). They share collective wisdom and knowledge of merchandise. As a result, they are very brand-savvy. This on one hand confirms Chinese consumers as collectivists described by Sun et al. (2004) but on the other hand contradicts their statement that individualist British and US consumers are more brand-savvy than Chinese and Japanese consumers. Chinese customers are more likely to choose a brand name as a promise-guarantee. There are at least two reasons: brand

name goods are often overpriced back home because of import tariffs and possibly fake (at relatively low price) because of trademark infringement.

Another major characteristic of Chinese outbound tourists is their interest in exploring other opportunities in a leisure trip. For example, they may use a leisure trip to explore potential business opportunities for themselves or potential education opportunities for their children. This is a very distinctive characteristic compared to tourists from Europe and North America who generally want to leave these serious matters behind them while on vacation. In their study of 400 Chinese visitors to New Zealand, Ryan and Mo (2001) report that about 8 percent of the visitors are actively using their holidays to assess business and educational opportunities in New Zealand. It is reasonable to assume that the percentage is higher in the G-7 country destinations, considering the fact that New Zealand is not one of the economic and educational powerhouses in the world.

This distinctive characteristic is a direct outcome of travel restrictions set by the Chinese government. As mentioned in the previous section, it is unlikely that a Chinese citizen can freely travel individually for purposes such as looking for business or educational opportunities. Then joining an ADS tour group would be a very practical choice for them. As a result, ADS tourists differentiate themselves from traditional tourists whose travel purpose is solely for leisure. In short, the ADS tourism market is not a traditional tourism market. Consequently, the conventional approach to the traditional tourism market will ignore an important segment of the ADS tourism market. Therefore a new, innovative and integrative approach is required to meet the needs of ADS tourists and thus to fully harvest the economic benefit generated from the ADS tourism market.

The travel patterns and characteristics of ADS tourists have important implications on travel business in destination countries. The author is a Canadian resident and therefore uses Canada as an example in the following discussions. Most aspects of discussions are applicable to other ADS countries.

### **CUSTOMIZING LEISURE ACTIVITIES**

Considering ADS tourists coming from China, a country with a population of about 35 times of Canada's and with a territory of just about Canada's size, Canada has so much to offer.

There are many historic sites such as the Parliament Hill in Ottawa, one of the 13 UNESCO World Heritage National Historic Sites in Canada. There are man-made attractions such as the CN Tower in Toronto, the world's second tallest building and freestanding structure, next to recently completed Burj Khalifa in Dubai. Numerous museums and galleries in every province display Canada's unique heritage, history, culture and development. 41 national parks and hundreds of provincial and regional parks impress tourists with their natural beauty and breathtaking landscape. Canada's natural attractions, from mountains to coastlines, glaciers to secluded forests and lakes, provide tourists unforgettable experience, the world renowned Niagara Falls are just one of them.

As discussed in the previous section, ADS tourists' preferences are not homogeneous and there exist both mass and niche markets.

To meet the needs of the ADS mass market, major centres and attractions can be handily arranged on a convenient travel route such as Vancouver/Victoria – Calgary/Banff/Lake Louise – Toronto/Niagara Falls – Ottawa – Montreal/Quebec City – Halifax/Cabot Trail – PEI - Newfoundland. An itinerary can be tailored for a short, medium and long trip to cover a part of or the whole route.

To meet the needs of the ADS niche market, various specialized trips can be designed as side trips or excursions. There are numerous alternatives for ADS tourists. They may choose sailing, kayaking, canoeing, mountain biking, skiing, whale watching, bird watching from coast to coast; they may choose touring the wine country in the Okanagan Valley and southern Ontario, and agricultural land in the Prairies; and they may choose exploring the northern land.

As the number of these "mature" ADS travelers increases, more types of tour packages will be needed to satisfy tourists with different preferences and budgets.

One of Chinese tourists' favorite activities is shopping once they are abroad. Even though Canada is not a "shoppers' heaven" compared to Hong Kong, there are still many unique products that will be very appealing to ADS tourists. Distinctive products such as ice wine, maple syrup, smoked wild salmon, and fish oil will be in high demand. The fact that ADS tourists rush to purchase Korean ginseng in Korea is a clear indication that distinctive local products are hot commodities. Brand name merchandise such as fashion accessories will also be in demand because these goods are authentic brand names and are even less expensive than back home. In addition, the tax rebate program for foreign visitors will be an incentive to encourage ADS tourists to shop.

It is very important to develop partnerships with Chinese travel agencies. Being a passive operator at the receiving end is not a good strategy. After all, Canadian agencies/operators know about Canada best and Chinese agencies/operators know about Chinese tourists best. Successful partnership will help both sides to serve consumers better.

For the Canadian tourism industry to prepare for the ADS tourism business, many lessons can be learned from those destinations that have received visitors in the past years. Laurent et al. (2005) and Verhelst (2003) provide some of these lessons.

Positive word-of-mouth brings business. Not only Chinese tourists, but also Chinese agencies/operators exchange information and ideas among themselves. In this regard, they indeed show strong collectivist character. As a Chinese agent said, "If one foreign operator did not handle the group well, we will know about this immediately."

There is lower tolerance for package tours that may appear to be cheap but are laden with optional extras and shopping commission schemes. This can impair the image of destinations. Price is important but not dominant. Two-thirds of customers are choosing the products of reputed travel services.

Chinese (mandarin) speaking guide is an absolute must. A trip should not include too much history/culture or too many detailed explanations, unless they are requested. An introduction to the specific customs of the visited countries is very welcome and useful. Give them enough shopping time.

Chinese tourists expect to stay close to the city centre so they can easily enjoy nightlife. Accommodation should be at least three-star hotels with large lobby because Chinese visitors like to show that they can afford a higher standard and have better quality of service.

## **INTRODUCING BUSINESS OPPORTUNITIES**

The Canadian government has a well-established business immigration program to facilitate the immigration process for business immigrants to Canada. Immigrants who qualify under this category benefit from expeditious processing towards their permanent resident visa, without the restrictions found within other categories.

Foreign nationals who have business experience and invest a specified amount of capital in Canada may apply under the Immigrant Investor Program. Persons who have business experience, a specified amount of net worth, plan to own and actively manage businesses, and create jobs in the economy may enter Canada under the Entrepreneur Program. Self-employed persons who have ability to create their own employment and contribute to the cultural or athletic life may also immigrate to Canada.

Canada has a very favourable business environment (Desjardins, 2009). Its corporate tax is the second lowest in the G-7 countries. The five-year average inflation is about 1.6%. The cost of living is the lowest among the G-7 countries, and the business cost is only about 57% of that in the US, yet easy access to the US and Mexican markets under the North American Free Trade Agreement. There is an well-educated workforce (47% of Canadians have post-secondary education).

There are also many appealing non-business aspects to foreign business immigrants. Canada is a country of immigrants and has both a tradition and a policy of encouraging multicultural diversity. The quality of life is

outstanding and Canada has been ranked as number one for several times by the United Nations as the best country to live in the world. Its superb natural environment, free universal health care system, safe neighbourhoods, all these aspects are very important factors for business immigrants to decide where to settle their families.

China used to limit capital outflow and encourage inflow, but now it is trying to facilitate the orderly capital movement in two ways and manage the inflow and outflow in a more balanced manner. According to Zou, director-general of China's State Administration of Foreign Exchange (SAFE), SAFE has taken a range of measures to relax controls on the outflow of capital and foreign exchange (Xu & Zhang, 2005). China is now not only a major receiver of foreign direct investment but also is gradually turning into an exporter of capital. According to United Nations Conference on Trade and Development (2010), China's direct overseas investment exceeded US\$35 billion by 2003, covering more than 160 countries and regions.

The new policy to ease capital outflow restrictions allows Chinese citizens emigrating overseas to transfer assets, relaxes the requirements on Chinese companies' investing activities overseas, and permits Chinese enterprises involved in international business to retain more foreign currency holdings.

Here is a recent example: during the 2010 Vancouver Winter Olympic Games, out of seven luxury suites worth \$46.76 million that sold by Aspac Developments, four were bought by Chinese visitors (The Province, 2010).

The trend is clear – more and more Chinese business immigrants will be attracted to settle in Canada and many of them will participate in ADS tour groups in order to gain the first impression and the first hand experience of the new country before making a move. To meet their needs, information seminars on business immigration can be scheduled as optional activities. As the demand increases, specialized tours may be organized to visit those regions which present business and investment opportunities. The sites may be cities or rural areas.

## **PRESENTING EDUCATION OPPORTUNITIES**

As a tradition, many Chinese families are willing to sink their savings in to the most valuable investment – their children's education – rather than in stocks or real estate properties. However, China's domestic university and college system is unable to meet the demand despite the drastic increase in enrolment capacity in the past three decades. The stringent university and college entrance exams "weed out" a large number of applicants who otherwise want to receive higher education. This is one of the two main reasons why many Chinese parents send their children to study abroad. Another reason is that many parents consider studying abroad would give their children an edge to compete in the increasingly globalized job market.

Two parents interviewed by Tian (2002) clearly indicate their desire. "A good education is life-long wealth. I would happily spend money for my daughters' overseas study, which is better than giving them money," said Huang Liang, a successful businessman. "My son will be more competitive than his peers studying in China with his good command of foreign language and overseas experience," said another parent, a medical doctor.

The reason why many Chinese tourists select EU countries as their destination is that they hope to learn about places where their children may get a higher education, says Li Ming, director of the Outbound Business of China International Travel Service, the largest travel agency in China (People's Daily Online, 2004). It is logical to assume that many ADS tourists will visit Canada for the same reason.

Canada's post secondary education system enjoys its excellent reputation in the world. The system consists of mainly publicly funded institutions and is regulated by provincial governments. These institutions provide top quality of education to students yet remain inexpensive compared to many American and British institutions. In recent years, more and more Chinese students are attracted to study in Canadian universities and colleges.

There are five tiers in Canada's post-secondary educational institutions. The top tier is the Research and Medicine category, which provides a broad range of PhD programs and research, as well as medical programs, in addition to other graduate programs and undergraduate programs. The second tier is the Comprehensive category, which has a significant amount of research activity and a wide range of programs at the undergraduate and graduate

levels, including professional degrees. The third tier is the Primarily Undergraduate category, which is largely focused on undergraduate education, with relatively few graduate programs. The fourth tier is the Regional University category, which offers undergraduate degrees, diplomas, and allows students to transfer from diploma to degree programs. The fifth tier is the College category, which mainly offers first two-year university transfer programs, technical/trades/ vocational programs, and relatively few undergraduate degree programs. Various levels of institutions and programs will provide a broad range of choice to Chinese parents and their children.

To meet the need of the educational segment of ADS tourists, educational information seminars and campus visits may be arranged as excursions or side trips. As interest increases, special tours with the educational theme may be designed for parents and/or children. On-campus accommodations may be welcome. These tours do not compromise the leisure side of the trip because most of Canada's universities and colleges are located in the major centers. More importantly, Chinese parents are often concerned about whether their children will live in a safe community, adapt the climate, etc. These tours will give them the first-hand experience and personal feeling about the natural and social environment where their children will have their higher education.

### **AN INTEGRATIVE APPROACH**

ADS for Canada brings tremendous opportunities, not just for the traditional tourism industry but also for other sectors in the economy. The ADS tourism market is not a traditional tourism market. ADS tourists include not only leisure travelers but also those whose main travel purpose is to seek business and education opportunities. Embracing ADS for Canada means to meet the needs of both leisure and non-leisure travelers; it also means to obtain the full economic benefit generated from the ADS tourism market. In order to achieve these goals, a new, innovative and integrative approach is required.

As a Crown corporation of the federal government, the Canadian Tourism Commission (CTC) would be in the best position to play a coordinating role and to serve as information central in the ADS tourism market.

The CTC was created to promote Canadian tourism in order to capitalize on one of the fastest-growing international industries. It is dedicated to promoting the growth and profitability of the Canadian tourism industry by marketing Canada as desirable destination and providing timely and accurate information to the Canadian tourism industry to assist in its decision making. In the past ten years or more, the CTC has designed, delivered and funded marketing and research initiatives in partnership with provincial and regional tourism associations, government agencies, hoteliers, tour operators, airlines and attractions managers (Canadian Tourism Commission, 2010). After more than ten years of negotiations with the Chinese government, the CTC successfully obtained ADS for Canada in December 2009.

Therefore it is natural for the CTC to assume an extended role in this new tourism market. Externally, the CTC can continue to work with its Chinese counterpart CNTA, a powerful administrative body. Internally, it can coordinate the traditional tourism industry, business immigration and education sectors.

It is very useful for the CTC to establish a comprehensive Chinese language website, which provides information to ADS tourists and their travel agencies. The website can also include various links, which provide further information on leisure travel, business and educational opportunities. The Chinese language website is an efficient marketing tool for Canadian businesses. Is it worthwhile? Just look at the bank machines and banks' websites in Canada, which use Canada's two official languages and Chinese.

In this non-traditional market, it is important for the travel industry to be innovative and creative. Airlines, hotels and tour operators will have to reshape and retool their mechanisms, products and abilities to deal with a vast number of customers with different habits and preferences. Other important issues include maintaining quality, providing sales training and familiarization of trips, providing detailed itemized quotes, hiring mandarin-speaking staff and tour guides, and proving to have ability to handle crisis.

To meet the needs of ADS tourists who are interested in business opportunities in Canada, a cooperative effort has to be made. From the federal to the provincial, regional or municipal level, various organizations such as



Canadian Immigration Centre, Industry Canada, Economic Development Commission, Board of Trade or Chamber of Commerce, can play very active roles in this cooperative effort. These organizations can provide very useful information to interested tourists by offering seminars, site visits, CD/DVD, and printed packages. Sometimes, the involvement of local Chinese community organizations may also be helpful.

To meet the needs of ADS tourists who are interested in educational opportunities in Canada, a cooperative effort has also to be made. The Association of Universities and Colleges of Canada (AUCC), provincial education ministries and individual education institutions can work together to make education opportunities a part of this non-traditional tourism market.

Each year, many Canadian post-secondary institutions go to China to recruit students. They participate in education fairs and visit local schools. Soon their targeted parents are coming to Canada. Are there any better opportunities than this?

For nearly one century, the AUCC has provided strong and effective representation for Canadian universities and colleges in Canada and abroad. Its mandate is to facilitate the development of public policy on higher education and encourage cooperation among universities and governments, industries, communities, and institutions in other countries (Association of Universities and Colleges of Canada, 2010). It is a natural extension for the AUCC to assume its role in this new market. Furthermore, the reputation of its member institutions can distinguish themselves from some rouge institutions, which sucked student tuition fees and accommodation deposits and then went bankrupt.

## CONCLUSIONS

By 2010 Chinese outbound tourists will reach 50 million. It is a huge market, but it is a new type of tourism markets. In this non-traditional tourism market, a good percentage of tourists join the ADS group tours mainly for the purpose of assessing business and education opportunities. The full economic benefit of this non-traditional tourism market is beyond the conventional estimates that use a simple formula of the average spending multiplying by the number of visits. A new, innovative and integrative approach will help the tourism industry and other sectors to meet visitors' needs and to gain the full economic benefit generated from the ADS tourism market.

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