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Chinese outbound travel: Understanding the socio-economic drivers

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Abstract

This study used a national sample (N=36,490) of Chinese urban residents to examine the relationship between outbound travel intention and some key demographic, economic and geographic variables. Findings indicate that education, income, and paid vacation days significantly predicted outbound travel intention. Compared to residents in Tier-4 cities in China, those in Tier-1, -2, -3 cities had higher probability of choosing outbound travel by 13.1%, 30.9%, and 15.3%, respectively. This study draws meaningful connections between Chinese outbound tourism and the social and

economic realities in China and offers an alternative approach to understanding Chinese outbound tourism.

Key words: Outbound travel, China, travel intention, socio-economic driver

1. Introduction

The purpose of this paper is to examine the relationship between Mainland Chinese residents' intention to travel to foreign countries and a few key socio-economic (e.g., demographic, economic and geographic) factors in a large national sample. This study provides a macro socio-economic analysis to reveal the social and economic factors that affect mainland Chinese residents' behavioral intentions to take an outbound holiday travel to foreign countries. Unlike most of the previous studies examining Chinese outbound travelers' behaviors at individual level with limited size samples and specific contexts (e.g., Huang and Hsu, (2009) on mainland Chinese visitors to Hong Kong; Sparks and Pan (2009) on potential outbound travelers to Australia), the current study is intended to offer a macro view on the relationship between China's outbound tourism and key demographic, economic and geographic factors at the society level.

Over the past two decades, the development of Chinese outbound tourism has been phenomenal. The phenomenal growth of Chinese outbound tourism, especially after

the turn of the century, has made China an important country in international tourism. This seems particularly relevant under the circumstances whereby the world economy has been dismayed and is still suffering from the aftermath of the Global Financial Crisis (2008-2012). In 2015, China recorded a total of 117 million outbound departures, up 9.0% compared to the previous year; the total outbound expenditure reached US\$113.65 billion, representing a 16.6% increase over the previous year (CNTA, 2016). In many countries as outbound tourist destinations to China, both government and industry are keen to develop strategies to attract Chinese tourists. For instance, Tourism Australia as Australia's national tourism organization formulated the *China 2020 Strategic Plan* with a series of grand strategies to further tap into the China tourist market.

In the academic field, a substantial body of literature has been developed around China outbound tourism (e.g., Arlt, 2006; Dai, Jiang, Yang & Ma, 2013; Huang & Hsu, 2009; Keating & Kriz, 2008; Li, Lai, Harrill, Kline, & Wang, 2011; Sparks & Pan, 2009; Zhang and Lam, 1999; Zhang, Ma, & Qu, 2012). In a recent review article, Jin and Wang (2016) identified a total of 161 articles published in 16 top tourism and hospitality journals between 2000 and 2014. Reviewing the past research on Chinese outbound tourism, Huang, Keating, Kriz and Heung (2015) observed that research topics in this area evolved from market analysis to behavioral studies; and in the behavioral studies, the focus has shifted from travel motivations to home society cultural value and social facets explanations (Hsu & Huang, 2016). So far, most

studies seeking understanding of Chinese outbound tourist behaviors have unanimously taken a consumer research perspective that looks into psychological constructs (e.g., motivation, attitude, revisit intention) at individual levels; seldom have the social and economic structural factors been considered in explaining Chinese outbound travel behaviors at the society level. As China's outbound tourism itself would represent an unprecedented transition of China's political and societal realities and outbound tourism itself is also among the outcomes of China's social and economic reform and transformation (Tse, 2011, 2015; Tse & Hobson, 2008), seeking a holistic understanding of what drives Chinese outbound travels at the societal level seems to be equally, if not more, important in researching Chinese outbound tourism. In view of this, the current study utilized a nationwide survey jointly implemented by the National Bureau of Statistics of China (NBSC), the State Post Bureau (SPB) and China Central Television (CCTV) to test how some key socio-economic (demographic, economic, and geographic) factors are informing Chinese residents' outbound travel intentions. The specific objective of this study, therefore, was to provide a better understanding of the relationship between some key socio-economic variables (e.g., household income, leisure time, education, city of residence, and intention to change current situation) and intention to take an outbound travel. Due to data availability, the study utilized a nation-wide dataset in 2012 to run its analysis. Given the dynamism and fast-changing nature of Chinese outbound tourism, China's societal situation in 2012 already made history and may not represent the current societal situation. Nevertheless, the study claims its value in revealing a cross-

sectional picture on the relationship between Chinese city residents' intention to take an outbound travel and relevant socio-economic factors.

2. Literature review

2.1 Chinese outbound tourist behavior

Early studies on Chinese outbound tourism tended to focus on general market analysis and identifying the driving factors of Chinese outbound tourism (e.g., Qu & Lam, 1997; Qu & Li, 1997; Wang & Sheldon, 1996; Zhang, & Qu, 1996). After the turn of the century, more behavioral studies were conducted to understand different aspects of Chinese outbound tourist behaviors, including travel motivations and satisfaction (e.g., Huang & Hsu, 2005; Lin & Lin, 2006), perceived barriers (Sparks & Pan, 2009; Teng, 2005), travel preferences, destination image and attitudes (Kim, Guo, & Agrusa, 2005; McCartney, Butler & Bennet, 2009; Sparks & Pan, 2009; Wang & Davidson, 2010), and expectations (Hsu, Cai & Li, 2010; Li, Lai, Harrill, Kline, & Wang, 2011). Some studies have examined the interrelationships of major behavioral constructs in the Chinese outbound travel contexts. For instance, Huang and Hsu (2009) constructed a tourist behavioral model examining the effects of travel motivation, past experience, perceived constraint, and attitude on Chinese tourists' intention of revisiting Hong Kong. The study results indicated that shopping as a travel motivation significantly affected the respondents' revisit intention; however, disinterest as a constraint factor had a negative effect on revision intention. Hsu, Cai and Li (2010)

examined the structural relationships among tourist expectation, motivation and attitude using a sample of 1514 Beijing, Shanghai and Guangzhou residents. They found that tourist expectation of visiting an outbound destination had a positive effect on both motivation to visit the destination and attitude toward visiting the destination; motivation had a direct effect on attitude toward visiting the destination and thus partially mediated the relationship between expectation and attitude. Similarly, Sparks and Pan (2009) applied the Theory of Planned Behavior (TPB) onto the study of Chinese outbound tourists to Australia and found that social normative influences and perceived levels of personal control constraints were the most influential predictors of visit intention.

The aforementioned behavioral studies in the Chinese outbound tourism contexts have to some extent advanced the general tourist behavior literature. Most notably, they serve to build a solid knowledge base in understanding Chinese outbound tourists as an emerging market in international tourism and have provided the much needed market knowledge for appropriate destination marketing and management. While these studies are nevertheless important, they are limited to the individual level of consumer behavioral analysis and are less capable to disclose the social-political and socioeconomic influences on Chinese outbound tourism. Considering that China has been undergoing rapid social and economic transformation, it is important to understand the underlying drivers of Chinese citizens' intentions to travel to a foreign land from the macro-economic perspective.

2.2 *Social and economic drivers of Chinese outbound tourism*

In the extant literature, China's economic growth and increasing personal disposable incomes among its nationals, and the government's lessening the control of its citizens' traveling abroad are commonly referred to as the key factors driving the rapid development of China's outbound tourism (Huang et al., 2015). It is not uncommon to see that researchers also attribute increasing leisure and holiday time as a significant factor contributing to the growth of outbound tourism from China (Guo, Kim, Timothy, 2007; Wu, Xue, Morrison, & Leung, 2012). Apart from this, studies identifying social and economic drivers of Chinese outbound tourism have been few. As an early attempt, Zhou, King and Turner (1998) evaluated the key constraints of the China outbound tourist market development. They identified three constraining factors, including *difficulty to get an entry visa*, *unfavorable fluctuations in the exchange rate*, and *slow-down in GDP growth*. Guo, Kim and Timothy (2007) examined the characteristics of China outbound tourism. On the economic front, they identified the growth of disposable income among urban mainland residents, and the country's increased foreign exchange reserve as factors that would further stimulate outbound travels. For socio-political factors, they mentioned China's compliance to the World Trade Organization (WTO) membership requirements as one significant factor contributing to the growth of China outbound travels.

Adopting an alternative approach to studying Chinese outbound tourism, Tse and Hobson (2008) analyzed the macro-environment and identified the socioeconomic and political factors that play important parts in shaping China's outbound tourism. They noted that the market-driven economy and state control are two key dialectic factors in the macro-environment influencing China's outbound tourism. While the Chinese state lets the market mechanism lead the market growth, it will maintain the ultimate control on outbound tourism and certainly put political consideration in the development of outbound tourism.

In retrospect, most studies studying the social and economic drivers of China outbound tourism, like that of Tse and Hobson (2008), have applied a qualitative research approach and based their discussion and analysis on secondary statistical data available from different sources (e.g., UNWTO, national tourism organizations) (cf. Guo, Kim, & Timothy, 2007; Tse & Hobson, 2008). Although some of these studies adopted questionnaire survey in their data collection (e.g., Zhou, King, & Turner, 1998), the findings were mostly cross-sectional and descriptive, and therefore unable to reveal underlying social and economic driving factors effectively. It should also be noted that these studies tend to reveal development trends rather than empirically test relationships between social and economic indicators and outbound tourism development.

It is worth noting that a small number of tourist demand forecasting studies have also

focused on China outbound tourism (e.g., Lim & Wang, 2008; Lin, Liu, & Song, 2015; Moutinho, Huarng, Yu, & Chen, 2008; Qu & Lam, 1997). Among such studies, those applying econometric modelling had the potential to reveal relationships between some macro-economic variables (e.g., consumer price indices, per capita disposable income, and exchange rate) and actual or forecasted tourist arrivals to specific countries (Lin, Liu, & Song, 2015; Qu & Lam, 1997). In their capacity in revealing macro-economic relationships, tourism demand forecasting studies can lend an arm on the understanding of the social economic drivers of China outbound tourism. However, these studies are limited in understanding how social-demographic changes affect outbound tourism from a social psychological perspective. In view of this, the current study employed a nation-wide survey to run an empirical test between a series of socio-demographic factors and Chinese nationals' intentions of travelling to a foreign destination.

2.3 Determinants of international travel demand

Irrespective of its specific context, Chinese outbound tourism represents an emerging force of international travel demand. Therefore, the well-developed international travel demand literature (e.g., Crouch, 1994a, 1994b, 1995; Song & Li, 2008) in the field of tourism offers another knowledge base to understanding Chinese outbound tourism phenomena. In international tourism demand or forecasting studies, more often, number of tourist arrivals/departures and amount of tourism expenditure/receipt were taken as the dependent variables in quantitative analyses (Crouch, 1994a). Some

researchers (e.g., Smeral, 1988) argue that finding an appropriate measure of demand in tourism is always problematic as different types of tourism businesses may prefer different expressions of demand (e.g., numbers to transportation carriers vs. length of stay and average occupancy rate to hotels) (Mak, Moncur, & Yonamine, 1977).

Although visitor intention has been widely investigated in tourist behavior studies, especially when taking a micro-behavioral perspective, it is mainly used to study tourist behavior at the individual level and has seldom been considered at the societal level. However, research development in some frontier fields like behavioral economics well illuminates that individual behavioral constructs like intention could inform macro-level changes in society (Fehr, 2002). On such a basis, the current study brings out tourist intention into the macro socio-economic analysis which is differentiated from conventional international tourism demand studies.

In tourism demand studies, determinants of demand, or influencing factors of tourism demand, are one of the focal points in most quantitative analyses, especially econometric modelling (Crouch, 1994b; Song & Li, 2008). Song and Li (2008), in their review of econometric studies of tourism demand after 2000, identified that the most important determinants of tourism demand included tourists' income, tourism prices in a destination relative to those in the origin country, tourism prices in the competing destination (substitute prices), and exchange rates. These determinant variables are mostly informed by economics theories, or more specifically, theories of

international trade. Over time, it seems these demand determinant variables identified by Song and Li (2008) were not significantly different from the tourism demand determinants identified by Crouch (1995) in his meta-analysis. Tourism is a multi-disciplinary field of study. While economics has contributed to the study of tourism significantly, tourism demand may not be thoroughly understood within the boundary of economics, especially in the context of China where fast social and cultural transition may drive tourism demand together with economic factors.

Indeed, Crouch (1995), in his meta-analysis of tourism demand, has rightly pointed out that “demand elasticities for international tourism vary regionally in terms of both origin and destination...tourism generating regions are more or less sensitive to some principal demand determinants. Differences are also observed across destination regions.” (p. 116). Crouch (1995) went further to prompt for more research seeking why these differences occur; for example, why tourists from developed Asian countries appear to be particularly income sensitive while northern Europeans are the least price sensitive. This inquiry actually implies that tourism demand may also be explained by the social and cultural realities in originating countries.

Understandably, travel motivation theories offer good input in understanding international travel demand. From a sociological perspective, Dann (1977) identified anomie and ego-enhancement as two important travel motives. Anomie represents the desire to transcend the feeling of isolation in the home society through everyday life.

Dann's travel motivation theory indicates that international travel demand is closely related to home society forces and realities, which may go beyond economic factors. However, despite the importance of home country social forces in informing international travel, little empirical research has explored the link between social and demographic factors of an originating country and its population's international travel predispositions.

3. Analytical Framework

Based on the above literature review, we propose to have two broad clusters of explanatory variables to examine mainland Chinese urban residents' intention of travelling to a foreign country. The variables are nevertheless confined to the secondary data source we used. Taking behavioral intention of travelling to a foreign country as the dependent variable, we designated demographic and socio-economic variables as explanatory variables. In terms of demographics as explanatory variables to travel behavior, the literature has generally informed that demographics are likely to influence travel or tourism behaviors together with other variables (e.g., Lu & Pas, 1999; McGehee, Loker-Murphy, & Uysal, 1996; Wang, Qu, & Hsu, 2016). For example, Lu and Pas (1999) found that socio-demographics explain travel behavior better if considering activity participation endogenously. Wang et al. (2016) confirmed that gender played a significant moderation role in a tourism expectation formation model. Considering secondary data availability, we include age, gender, and education in the model of the current study.

In the category of socio-economic variables in the model, we chose annual household income, Paid Vacation Days (PVD), city of residence, happiness, anticipated income change (AIC), and whether an individual likes to change the current life situation as predictors. Income is always an important determinant to international travel (Crouch, 1994b; Song & Li, 2008). This justifies the inclusion of annual household income and AIC in the model. Kim, Park, Lee and Jang (2012) found that expected wealth change due to the real estate market valuation did affect Korean citizens' outbound travel demand. Paid Vacation Days (PVD) represents an important socio-economic factor that determines whether nationals of a country have the leisure time availability to undertake international holidays or leisure travel. In the Chinese context, evidence shows that seasonal variations of Chinese outbound departures have been greatly influenced by China's school holidays and national holiday system (Mao & Huang, 2015), indicating that PVD would play a significant role in predicting foreign country travel intentions. China has a tiered city system (Rui, Zhang & Chen, 2008). Different levels of cities have different levels of development in terms of economy scale, social welfare, infrastructure, educational supplies, and so on. Therefore, in the current context of Chinese outbound tourism, cities of different tiers would capture much of the social and economic development strata and can be a good proxy variable to predict Chinese citizens' outbound travel.

In the tourism literature, happiness, or alternatively subjective wellbeing, has been mostly studied as an outcome of tourism (McCabe & Johnson, 2013; Sirgy, Kruger, Lee, & Yu, 2011; Uysal, Perdue, & Sirgy, 2012). Seldom has happiness been

conceptualized as the explanatory factor of outbound travel. However, from the sociological perspective, the state of anomie as a major force of travel motivation in modern societies (Dann, 1977) could be largely associated with happiness and suggest happiness be a reasonable determinant of outbound travel. Similarly, it is reasonable to speculate that a person's desire to seek change in life may forge an intention to travel to a foreign country. In a recent study employing multiple-country panel data to examine the impact of personal freedom in a country on outbound tourism, Gholipour, Tajaddini, and Al-mulali (2014) found that a lower level of personal freedom in a country increases outbound tourism and this finding was more robust with developing countries. This provides sufficient clues to argue that socio-political conditions in a source market country do pose an effect on citizens' outbound travel intention (King and Tang, 2009).

4. Method

4.1 Study instrument and sample

This study used data from a large scale national survey, The Survey of the Chinese Economic Life (SCEL), jointly conducted by the National Bureau of Statistics of China (NBSC), the State Post Bureau (SPB) and China Central Television (CCTV) in 2012. The survey questionnaire consists of two sections. Section one covers 16 questions, seeking information on the respondents' use of news channels, life satisfaction, personal paid-vacation days, household consumption choice, investment,

anticipated household income change in the coming year, car purchase price range, intended holiday destination choice, whether choosing to change profession/job/marriage/residential place or not, and so on (See Appendix 1). Among these question items, intended holiday destination choice, paid vacation days (PVD), willingness to change (WTC), happiness (HP), and anticipated income change (AIC) were selected, recoded, and used in the current study.

Section two of the questionnaire collects respondents' demographic information, including age, gender, education, marital status, household income, residency location, and occupation. The questionnaire was developed in Chinese as the targeted respondents are residents in China. Appendix 1 is the translated version of the questionnaire in English.

The 2012 SCEL Survey covered all 31 provinces, municipalities, and autonomous regions in Mainland China. The survey was conducted through the State Post system from May, 2012 to February, 2013. A total of 100,000 copies of questionnaire in the form of postcards were dispatched by the Post staff. Among 86,141 returned copies, 72,533 were regarded as valid and usable, resulting in a valid response rate of 72.5%. For the purpose of this research, we eliminated the cases in which the respondent chose "not to travel in 2013" (n=16,411) and subsequently those respondents who lived in rural areas (n=19,632). Eventually, a sample of 36,490 urban respondents was obtained and used in the current study. Due to persisting rural-urban divide in China

in terms of income, consumption power and thus outbound travel affordability, the current study only focuses on urban respondents in its analysis. In general, the SCEL survey samples appear to have an overrepresentation of male, well-educated and urban residents in the Chinese population (Wei, Huang, Stodolska, & Yu, 2015). Nevertheless, the survey samples are regarded as valid national sample for social science research (Wei et al., 2015). We do not claim the sample in this study have the representativeness either to the general Chinese population, or to the current Chinese outbound market. The sample may be regarded to include urban residents in China who constitute the population base for Chinese outbound travels.

4.2 Model identification and data analysis

To serve the purpose of the current study, a series of recoding on the selected questionnaire items was conducted to create variables that can be used in the data analysis. Specifically, intended holiday destination choice (Q10 in Appendix 1) was recoded into “1” for “intending to travel to a foreign country” (original answer options: 6. *the United States*; 7. *Europe*; 8. *Asia*; 9. *Other foreign countries*) and “0” for “no intention to travel to a foreign country” (other options in Q10). It was then used as the dependent variable in the logistic regression analysis.

As the dependent variable is a binary variable, logistic regression was considered as the most suitable data analysis method. Based on our critical evaluation of the

relevant literature and the questionnaire items in the SCEL Survey, we selected *age*, *gender*, *education*, *annual household income*, *residential city* from the demographic section of the Survey and paid vacation days (PVD), whether to change (WTC), happiness (HP), anticipated income change (AIC) from the main section of the Survey as independent variables. Accordingly, the following three logistic regression models were identified:

Model 1: Dependent Variable (DV): intention to travel to foreign country;

Independent Variables (IVs): age, gender, education, annual

household income, PVD, city, WTC

Model 2: DV: intention to travel to foreign country;

IVs: age, gender, education, annual household income, PVD, city,

WTC, HP;

Model 3: DV: intention to travel to foreign country;

IVs: age, gender, education, annual household income, PVD, city,

WTC, HP, AIC;

Paid vacation days (PVD) (Q5) was measured by asking the respondent how many days he/she took on paid vacation in 2012. The original answer scheme (0= “0 day”; 1= “1-2 days”, 2=“3-5 days”, 3=“6-10 days”, 4=“11-15 days”, 5=“16-20 days”, and

6= “more than 20 days”) were adopted and no recoding was conducted.

The values of Happiness (HP) (Q4) as an independent variable in the models were recoded as 1 for “very unhappy”, 2 for “fairly unhappy”, 3 for “average”, 4 for “fairly happy”, and 5 for “very happy”. Similarly, values for the variable *anticipated income change (AIC)* were recoded as: 1 for “decreasing a lot”, 2 for “decreasing a little”, 3 for “no change”, 4 for “increasing a little”, and 5 for “increasing a lot”.

The variable “Whether to change” (Q16) was recoded as a dummy variable which takes “0” for the original answer option of “no change” and “1” for the other four answer options which respectively show the respondent would like the change in specialization, occupation, marriage, and residential place.

The values of age were recoded as 1 for “18-25”, 2 for “26-35”, 3 for “36-45”, 4 for “46-59”, and 5 for “over 60”. Gender was recoded as 1 for male and 0 for female. The independent variable of “annual household income” is on a 5-point scale with 1 for an annual household income “below 20,000 RMB”, 2 for the income between “20,000-50,000 RMB”, 3 for “50,000-100,000 RMB”, 4 for “100,000-200,000 RMB”, and 5 for “over 200,000 RMB”. The education variable included values of 1 for “Primary school and below”, 2 for “Middle school and vocation school”, 3 for “College diploma”, 4 for “Bachelor’s degree”, and 5 for “Postgraduate or above”.

Depending on the respondent's resident place, four dummy variables were created to record whether the respondent resides in a first-tier (City 1), second-tier (City 2), third-tier (City 3) or fourth-tier (City 4) city. The classification of the four tiers of cities follows the clustering of cities in China's real estate market (Rui, Zhang & Chen, 2008). According to the classification (Rui, Zhang & Chen, 2008), the first-tier cities are the metropolises that play an important role in the country's economic development and have strong radiation effect on the development of surrounding rural areas. As shown in Appendix 2, first-tier cities include Beijing, Shanghai, Guangzhou, Shenzhen and Tianjin. Second-tier cities mainly include sub-provincial cities, provincial capital cities, developed coastal cities and some prefecture-level cities, such as Hangzhou, Jinan, Harbin, Changchun, Suzhou, and Wuxi. Third-tier cities refer to some small/medium-sized regional key cities including Yinchuan, Xining, Haikou, Lhasa, Luoyang, Baoding, and Qinhuangdao. Fourth-tier cities are mainly small scale cities (See Appendix 2).

Data were analyzed using SPSS 18.0. As the dependent variable is a dummy variable, binary logistic regression was used to examine the effects of annual household income, leisure time and key demographic variables on the respondents' outbound travel intention.

The estimation equations we used for the three models are as follows.

$$OT = \alpha + \beta_1 \text{age} + \beta_2 \text{gender} + \beta_3 \text{education} + \beta_4 \text{income} + \beta_5 \text{PVD} + \beta_6 \text{city} +$$

$$\beta_7 WTC + e \quad (1)$$

$$OT = \alpha + \beta_1 age + \beta_2 gender + \beta_3 education + \beta_4 income + \beta_5 PVD + \beta_6 city +$$

$$\beta_7 WTC + \beta_8 HP + e \quad (2)$$

$$OT = \alpha + \beta_1 age + \beta_2 gender + \beta_3 education + \beta_4 income + \beta_5 PVD + \beta_6 city +$$

$$\beta_7 WTC + \beta_8 HP + \beta_9 AIC + e \quad (3)$$

In the equations above, *OT* represents an individual's intention to travel to a foreign country; β_1 to β_9 are the regression coefficients for the designated demographic variables (i.e., age, gender, education, income) and other socio-psychological/geographic factors (i.e., paid vacation days, city, whether to change, happiness, and anticipated income change), respectively; α is the constant and *e* is the error term.

5. Results

The characteristics of the sample are shown in Table 1. Among the 36,490 respondents in the study, 26.6% of them indicated intention to travel to a foreign country, while the rest (73.4%) chose to travel to domestic destinations or Hong Kong/Macao/Taiwan. Over half (55.1%) of the respondents had a tertiary diploma or above education. About one fifth of the respondents had an annual household income of less than 20,000 RMB; 39.5% of them had annual household income between 20,000 RMB to 50,000 RMB (See Table 1).

In terms of paid leave days, 32.8% of the respondents did not take any paid leave days in 2012; 49.8% of them took less than 10 days as paid leave, while 17.4% took more than 10 paid leave days. Respondents living in the first-tier cities, second-tier cities, third-tier cities and fourth-tier cities accounted for 6.4%, 20.4%, 35.0% and 38.2% of the total number of respondents, respectively. 79.4% of respondents would like to change their present situations if given a chance.

(Insert Table 1 here)

The three models were estimated using logistic regression. Table 2 lists the results for the regression analyses. The model diagnostics were adequate as shown by the Chi-square values in the omnibus tests of model coefficients. However, Hosmer and Lemeshow Test statistics and the Pseudo R^2 values indicate that the models do not fit the data ideally. Considering the large sample size in the analyses and that the models were not intended for forecasting but for exploring possible relationships between the independent variables and the dependent variable, the results were deemed statistically meaningful. Although the variance inflation factor (VIF) as an indicator to show multicollinearity among independent variables does not really apply to logistic regression, we did check VIFs in the three models following the linear regression approach and found multicollinearity was not an issue in the analysis.

(Insert Table 2 here)

As shown in Table 2, most of the independent variables in the models had a regression coefficient at the .01 significance level. Age and gender had a negative regression coefficient. Judging from the odds ratio value, when age increases by one unit, the probability for a respondent to have intention of travelling to a foreign country would decrease by 5.2% (odds ratio=0.948 in Model 1). And male respondents appeared to be 6.4% (odds ratio=0.936 in Model 1) less likely than females to have intention to travel to a foreign country. Education level had a significant positive influence on an individual's intention to travel to a foreign country. With one level increase in education, the probability for an individual to have intention to travel to a foreign country would increase by 19.6% (odds ratio = 1.196 in Model 1). Annual household income level also had a positive influence on travel intention. With one unit increase in annual household income, the probability of choosing foreign country as travel destination would increase by 13.8%. To a certain degree, this finding provides nomological verification of other findings in this study as in the tourism literature, income has been commonly found as a key factor influencing international travel demand (cf. Narayan, 2004; Qu and Lam, 1997; Witt & Martin, 1987).

Paid leave days (PVD) had significant positive effect on respondents' intention to travel to a foreign country. With one unit increase in PVD, the probability for an intention to travel to a foreign country would increase by 4.7%. Together with the effect of household income on travel intention, this finding provides empirical

evidence that income and available leisure time are two important factors driving Chinese urban residents' intention to travel to a foreign country.

The analysis showed that Chinese urban residents' intention to travel to a foreign country was also influenced by which level of city they live in. In the regression, the dummy variable City 4 was taken as a reference variable and thus did not appear in the results. Compared to respondents living the Tier-4 cities, respondents from Tier-1 cities were 13.1% more likely to form an intention to travel to a foreign country. Correspondingly, those from Tier-2 and Tier-3 were 31.3% and 15.4% more likely to form an intention to travel to a foreign country. Based on these findings, it is reasonable to judge that in China, residents in Tier-2 and Tier-3 cities are emerging as outbound travel market to foreign countries.

The variable "whether to change" in the model also demonstrated a significant effect on the binary dependent variable "travel intention". In the analysis, those who would like to change life situations were taken as a reference group. Compared to those who wanted change in their life, those who did not wish to change were 13.2% more likely to have intention to travel to a foreign country.

The robustness of Model 1 was tested by adding two other independent variables, namely happiness and anticipated income change in the regression models (Model 2 and Model 3). As shown in Table 2, most of the regression coefficients, standard

errors and odds ratios exhibited little change across the models, indicating sufficient robustness of the regression results. In addition, when happiness was added in Model 2, the results showed a negative effect of happiness on outbound travel intention to a foreign country. A one-unit increase of happiness would reduce the probability of an individual having an intention to travel to a foreign country by 5.2%. This finding indicates that unhappy individuals tend to have a stronger intention to travel to a foreign country. This phenomenon may be explained by Mannell and Iso-Ahola's (1987) theory of travel motivations. According to Mannell and Iso-Ahola (1987), people's travel motivations may be based on the bipolar needs of either escaping personal/interpersonal environments or seeking personal/interpersonal rewards. To unhappy individuals, they may be more motivated to travel to a foreign country to escape daily environments and seek psychological rewards in the destination environments. Unhappy individuals in contemporary China may also be in a state of "anomie" as illustrated by Dann (1977), which urges a desire to travel to a foreign country. In Model 3, the variable "Anticipated income change" was added as an additional independent variable in the regression. Results show this variable had no significant effect on travel intention.

6. Discussion and conclusions

This study utilized a national survey sample to explore the socio-economic drivers of Chinese city residents' intention to travel to a foreign country. Logistic regression results revealed that age, gender, education, annual household income, paid leave

days, residential city, an individual's willingness to change life situations, and perceived happiness all exerted significant influence on Chinese city residents' intention to travel to a foreign country. The findings of this study have both theoretical and practical significance. First of all, while the tourism literature has informed that demographics are important to inform tourist behaviors (e.g., Tsiotsou & Vasioti, 2006; Woodside & Pitts, 1976; Yeoman, Hsu, Smith, & Watson, 2011), little is known about how demographics are related to people's intention to travel to a foreign country as a national profile. Understandably, not many nation-wide surveys are conducted to understand tourist behaviors. Early tourism research recorded Plog's study as one of the few tourism studies involving large nationwide sample for understanding tourist behaviors (Plog, 1974; 2001). However, Plog focused on people's psychographic traits, rather than demographics in understanding travelers' behavior. In the current study, we assume that the relationship between demographics and Chinese city residents' intention to travel to a foreign country would partly represent the socio-economic forces forming Chinese outbound tourism. The study indicated that women in China are more likely than men to have an intention to travel to a foreign country; however, the cross-gender difference with regard to foreign country travel intention is marginal and less revealing than what other demographics showed. Age was found to be negatively associated with foreign country travel intention. Older age groups are less likely to have an intention to travel to a foreign country. Compared to young people, elderly people may face more concerns when considering to travel to a foreign country. Language barrier and health concern may

be constraining elderly people more than the younger generation. Furthermore, people in old age cohorts may be more subjected to a generational culture, which may reduce their intention to travel to a foreign country. Consistent with previous studies (e.g., Lu & Pas, 1999; McGehee et al., 1996), this study showed that socio-demographics should be regarded as explanatory variables of outbound travel behavior.

The relationships between education level and household income and respondents' intention for a foreign country travel were positive. These relationships are largely consistent with the general market profile that Chinese outbound travelers are well educated and relatively wealthy (Guo et al., 2007; Keating & Kriz, 2008; Huang et al., 2015). It is not difficult to understand these relationships; as informed by the Human Capital Theory (Becker 1964; Mincer 1974), the more time one invested in education, the higher wage he/she would be expected to earn in the labor market. An individual with a high level of education is more likely to get a job position with an adequate level of income to support outbound travel to a foreign country (Bernini & Cracolici, 2015). The positive link between household income and outbound travel was consistent with the general theory of tourism economics.

Paid Vacation Days (PVD) was found to have a marginally positive effect on outbound travel intention ($\beta=0.046$). Given the fact that about one-third of the respondents did not report any paid vacation days, the marginal effect could be explained by the lack of legal enforcement of paid leave system in China. Currently,

institutionalized annual non-working days in China reach 115 days, comparable to the 114 nonworking days in the United States; however, without a legalized paid leave system, people in China may still find it hard to schedule a foreign country holiday outside the two week-long Golden Week holidays (i.e., National Day and Spring Festival, the Labor Day Golden Week holiday was instituted in 2000 but revoked in 2008; see York & Zhang, 2010). It is believed that improving the paid leave system in China as a public policy could further contribute to the growth of China's outbound tourism.

The finding that residents in Tier 2 cities were more likely to have an intention to travel to a foreign country than those in Tier 1 cities is interesting enough and warrants more interpretations and speculations. Alongside China's rapid urbanization and economic transformation in recent years, Tier 2 cities may have emerged as more significant source market sending outbound Chinese travelers. Some scholars have argued that Chinese outbound tourism has developed into "the second wave" (Arlt & Burns, 2013, p.123). If a new stage of Chinese outbound tourism could be defined, the emergence of China's second tier cities serving as more significant outbound market sources may mark one of the key characteristics of this new stage. The current study provides empirical cues supporting that the new stage of Chinese outbound tourism is seeing more travelers from tier 2 cities. This finding also has practical implications to the industry. Destination marketing organizations targeting Chinese outbound tourists should develop specific marketing strategies toward second tier city residents while

maintaining marketing presence in first tier cities in China.

Few studies have explored the socio-psychological issues in researching Chinese outbound tourism. In the current study, we included happiness, respondents' willingness to change life situations, and their anticipated income change in the model to predict travel intention to a foreign country. Results show that happier residents are less likely to have an intention to travel to a foreign country. It seems in the contemporary Chinese society, not being happy or content with life could be a push factor for people to consider an outbound travel to a foreign country. It could be argued that China's industrialization has generated significant pressure on its social members. As a result, the socio-psychologic state of "anomie" delineated by Dann (1977, p. 287) as social members' "desire to transcend the feeling of isolation in everyday life" may well prevail in the Chinese society (Brockmann, Delhey, Welzel, & Yuan, 2009). Such a social reality in China may continue to push Chinese nationals who can afford to take foreign country travels. On the theoretical side, the tourism literature has mainly focused on examining subjective wellbeing or happiness as an outcome of tourism (e.g., Neal, Uysal, Sirgy, 2007; Nawijn, 2010; Sirgy, Kruger, Lee, & Yu, 2011), except for some indications from early travel motivation studies (e.g., Dann, 1977), seldom has happiness or life satisfaction been examined as a determinant for an individual to take tourism. In postmodern societies, happiness or unhappiness could well serve as the reason for a foreign country travel. The relationship between happiness and tourism needs to be examined from such a fresh

perspective.

The study found that those who wish to have a change in life were less likely to form an intention for a foreign country travel than those who opt for no change. The reason could be that people wishing or seeking for change are facing immediate life problems to deal with; these life problems would likely to rule out any idea of a foreign country travel in an individual's mind. Compared to the real annual household income, anticipated income change is non-significant in predicting respondents' intention to travel to a foreign country. This could be explained by the fact that due to rapid economic development and social transformation, people in China may be perceiving a high level of uncertainty about the future (Chamon, Liu, & Prasad, 2010). Therefore, real earning, rather than any anticipated income change, would determine whether a person has the affordability for a foreign country travel, as well as the person's intention to travel to a foreign country.

While econometric modelling and forecasting studies have identified a series of determinants to international travel demand at macro-economic level, there may be more socially-embedded factors that help understand why a country's citizens would like to travel to a foreign country (Crouch, 1995). The current study differentiates itself from econometric modelling studies in tourism and empirically identified that outbound travel is not only an economic phenomenon, but also a social phenomenon. Social reasons are equally important to explain Chinese outbound travel boom but

have been largely overlooked in research. As such, this study contributes to the international tourism demand theory by adding social indicators together with conventional economic indicators to predict tourism demand.

7. Limitations and future research

This research is confined to the SCEL Survey in 2012. The Survey was not initially designed to serve the purpose of this study. In other words, the current study and its analysis are mostly data driven. Unlike most tourism studies in which the purpose of research determines the research design, the way data are collected and analyzed, the current study generated its research questions based on the available data and the associated research instrument, i.e., the 2012 SCEL Survey. Although the research is also based on a thorough review of the literature of Chinese outbound tourism, the theoretical contribution may be discounted by its *post hoc* nature in its inquiry. In addition, given the dynamism of Chinese outbound tourism, the situation in 2012 may not reflect the current societal and outbound travel situations. The SCEL Survey changed its structure and did not include outbound travel in its questions; as such, we are not able to test the relations with more recent SCEL datasets. Due to data availability, some seemingly more relevant social and economic factors, such as household wealth, aspects of group orientation, social prestige and esteem through outbound travel were not included in the model. However, considering that the research addresses an industry issue with increasing preponderance—Chinese outbound tourism, it should be credited by its unique way to contribute to better understanding the social and demographic issues relating to Chinese outbound

tourism. In addition, the selection of the explanatory variables in the data sources is mostly justifiable from the literature, although some variables (e.g., happiness, whether to change) sit on a new front of tourism studies. Tourism theories may be derived from inquiries on industry concerns. Plog's (1974; 2001) theorizing on U.S. travelers' psychographic profiles provides an example demonstrating that how industry concerns could be taken by researchers to develop theory. The emergence of China outbound travel market as the world's significant international tourism driving force has posed many industry concerns in destinations competing for Chinese visitors. More research addressing these concerns will increasingly unfold the different facets of tourism knowledge. In the context of Chinese outbound tourism, future research could focus more on macro-economic issues and social issues in understanding the development of Chinese outbound tourism. As China is experiencing unprecedented social and economic changes and transitions, it is recommended to look into China's internal transition to gain better understanding of its outbound tourism.

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Table 1 Sample characteristics (n=36,490)

Characteristic		Frequency	Percentage (%)
Travel intention	Foreign country destinations	9721	26.6
	Domestic destinations/Hong Kong/Macau/Taiwan	26769	73.4
Gender	Male	20404	55.92
	Female	16086	44.08
Age	18-25 yrs	6067	16.63
	26-35 yrs	12291	33.68
	26-45 yrs	12505	34.27
	46-59 yrs	4574	12.53
	Over 60 yrs	1053	2.89
	Education	Primary school or below	2001
	Secondary (vocational) school	14368	39.4
	Tertiary Diploma	12774	35.0
	Bachelor degree	6350	17.4
	Postgraduate	997	2.7
Annual household income	Below 20,000 RMB	7482	20.5
	20,000-50,000 RMB	14396	39.5
	50,000-100,000 RMB	10240	28.1
	100,000-200,000 RMB	3473	9.5
	Above 200,000 RMB	899	2.5
Paid leave days	0	11983	32.8
	1-2days	4607	12.6
	3-5days	8072	22.1
	6-10days	5495	15.1
	11-15days	2830	7.8
	16-20days	1303	3.6
	More than 20 days	2200	6.0
Resident place	City 1	2324	6.4
	City 2	7455	20.4
	City 3	12770	35.0
	City 4	13941	38.2
Whether to change	Change	28975	79.4
	No change	7515	20.6
Happiness	Very unhappy	1510	4.14
	Fairly unhappy	2353	6.45
	Average	13063	35.80
	Fairly happy	13271	36.37

Very happy	6293	17.25
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Table 2. Logistic Regression Results

Variable	Model 1			Model 2			Model 3		
	Coefficient	Standard Error	Odds Ratio	Coefficient	Standard Error	Odds Ratio	Coefficient	Standard Error	Odds Ratio
Constant	-1.931***			-1.751***			-1.769***		
Age	-.053***	.012	.948	-.053***	.012	.949	-.052***	.012	.949
Gender	-.066***	.024	.936	-.069***	.024	.933	-.069***	.024	.933
Education	.179***	.014	1.196	.180***	.014	1.197	.180***	.014	1.197
Annual household income	.129***	.013	1.138	.134***	.013	1.143	.133***	.013	1.143
PVD	.046***	.007	1.047	.046***	.007	1.047	.046***	.007	1.047
City									
City 1	.123***	.051	1.131	.114***	.051	1.121	.115***	.051	1.122
City 2	.273***	.033	1.313	.272***	.033	1.312	.272***	.033	1.312
City 3	.143***	.028	1.154	.142***	.028	1.152	.142***	.028	1.153
Whether to change									
No change	.124***	.029	1.132	.131***	.029	1.140	.131***	.029	1.140
Happiness				-.054***	.012	.948	-.056***	.013	.946
Anticipated income change							.007	.013	1.007
Omnibus Test of Model Coefficients	$\chi^2=626.639***$			$\chi^2=646.235***$			$\chi^2=646.518***$		
Pseudo R^2	Cox-Snell $R^2=.017$; Nagelkerke $R^2=.025$			Cox-Snell $R^2=.018$; Nagelkerke $R^2=.026$			Cox-Snell $R^2=.018$; Nagelkerke $R^2=.026$		
Hosmer and Hemeshow Test	$\chi^2=58.728***$			$\chi^2=24.289***$			$\chi^2=29.133***$		

Notes: ***stands for .01 significance level.

Appendix 1.

CCTV-- 2012 Chinese Economic Life Survey

Code: _____

1. What channels do you usually use to learn news () () ()
0. Newspaper 1. Television 2. Radio 3. Portal Website 4. Micro- blog
5. Mobile Terminal 6. Interpersonal Communication
2. In 2012, the top three domestic economic topics you are concerned are: () () ()
0. The stock market falling below 2000 points 1. Exchange rate of RMB
2. 18th CPC National Congress 3. Regulation of property market 4. Pension insurance system
5. Diaoyu Islands 6. Anti-corruption 7. Inflation of prices
8. Minimum wage 9. Slowdown of economic growth
3. In 2012, which of the following business incidents made the most impression to you: () () ()
()
0. Price war between Jingdong and Suning
1. Trademark dispute between Jiaduobao and Wanglaoji
2. The “Fast-growing chicken” incident
3. The liquor plasticizer incident
4. Search engine market competition between Baidu and 360
5. The infringement disputes between Apple and Samsung
6. Explosive growth of online shopping on 11th November
7. Sany suing Obama
8. Sales decline of Japanese invested enterprises
4. How you feel about your current life: ()
0. Very happy 1. Fairly happy 2. Average
3. Fairly unhappy 4. Very unhappy
5. In 2012, how many paid vacation days did you take? ()
0. 0 days 1. 1-2 days 2. 3-5 days 3. 6-10 days
4. 11-15 days 5. 16-20 days 6. Above 20 days
6. Which consumer goods or services did you purchase in 2012? () () ()
0. Car 1. Household Electric Appliances 2. Luxury goods
3. Computer and digital product 4. Insurance 5. Tourism 6. Health and wellness
7. Education and training 8. Culture and recreation 9. Other
7. Which consumer goods or services are you planning to buy in 2013? () () ()
0. Car 1. Household Electric Appliances 2. Luxury goods
3. Computer and digital product 4. Insurance 5. Tourism 6. Health and wellness
7. Education and training 8. Culture and recreation 9. Other
8. In 2013, compared to 2012, how do you expect your household income to be? ()
0. Increasing a lot 1. Increasing a little 2. No change
3. Decreasing a little 4. Decreasing a lot

9. In 2013, at what price level do you intend to buy a car? ()
0. Do not buy 1. Less than 50,000 RMB 2. 50,000-100,000 RMB
3. 100,000-150,000 RMB 4. 150,000—300,000 RMB 5. Above 300,000 RMB
10. In 2013, the place you desire most to go for tourism. ()
0. Not to travel 1. East Coast 2. Central and Northeast 3. Southwest
4. Northwest 5. Hong Kong, Macao and Taiwan 6. The United States
7. Europe 8. Asia 9. Other foreign countries
11. In 2013, you expect the house price in your city to be: ()
0. Decreasing by more than 10% 1. Decreasing within 10% 2. No change
3. Increasing within 10% 4. Increasing by more than 10%
12. Which market are you investing in for 2013? ()
0. National bond 1. Fund 2. Stock 3. Gold 4. Futures
5. Property 6. Insurance 7. Business 8. Financial products 9. No investment
13. At present, what is the main difficulties in your family ()
0. Employment 1. Age care and pension 2. Medical care 3. Income
4. Housing 5. Children education 6. None
14. Regarding the city you live in, what are the three areas you most expect to improve? () ()
()
0. Education 1. Employment 2. Transport 3. Medical care 4. Public security
5. Housing 6. Income 7. Food safety 8. Sanitation 9. Recreation
15. What are the three most important elements in your mind for a “Beautiful China”? () ()
()
0. Fairness and justice 1. Peaceful and stable life 2. Historical accumulation
3. International image 4. Economic development 5. Social care 6. Moral standard
7. Ecological environment 8. Cultural fashion 9. Social security
16. If given the chance, which area do you wish to choose again? ()
0. Specialization 1. Occupation 2. Marriage 3. Residential place 4. No change

-----please make sure you fill in your personal details-----

Age: () 0. 18-25 yrs 1. 26-35 yrs 2. 36-45 yrs 3. 49-59 yrs 4. Above 60 yrs

Gender: () 0. Male 1. Female

Residence: () 0. Urban 1. Rural

Annual household income: ()

0. Less than 20,000 RMB 1. 20,000-50,000 RMB 2. 50,000-100,000 RMB
3. 100,000-200,000 RMB 4. 200,000 RMB and above

Education: ()

0. Primary school and below 1. Middle school or vocational school

3. College diploma 4. Bachelor degree 5. Postgraduate and above

Marital status: ()

0. Single with lover 1. Single without lover 2. Married 3. Divorced 5. Widowed

Occupation: ()

0. Government or government affiliated institution staff 1. Professionals

2. Enterprise management personnel 3. Enterprise staff 4. Student 5. Farmer

6. Migrant worker 7. Retiree 8. Unemployed 9. Freelance

Appendix 2: Classification of the four tiers of cities in the study

Tier Level	Cities
First-tier	Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin
Second-tier	Nanjing, Wuhan, Xi'an, Chengdu, Chongqing, Hangzhou, Qingdao, Dalian, Ningbo, Jinan, Harbin, Changchun, Zhengzhou, Changsha, Fuzhou, Urumqi, Kunming, Lanzhou, Suzhou, Wuxi, Shenyang, Shijiazhuang, Foshan, Dongguan, Yantai, Taiyuan, Hefei, Nanchang, Guiyang, Hohhot, Nanning, Tangshan, Quanzhou
Third-tier	Yinchuan, Xining, Haikou, Luoyang, Nantong, Changzhou, Xuzhou, Weifang, Zibo, Wenzhou, Taizhou, Daqing, Zhongshan, Zhuhai, Shantou, Jilin, Liuzhou, Lhasa, Baoding, Handan, Qinhuangdao, Cangzhou, Erdos, Dongying, Jining, Linyi, Dezhou, Tai'an, Huzhou, Jiaxing, Jinhua, Taizhou, Zhenjiang, Yancheng, Yangzhou, Guilin, Huizhou, Zhanjiang, Jiangmen, Maoming, Zhuzhou, Yueyang, Hengyang, Baoji, Yichang, Xiangyang, Kaifeng, Xuchang, Pingdingshan, Ganzhou, Jiujiang, Wuhu, Mianyang, Tsitsihar, Fushun, Benxi, Dandong, Liaoyang, Jinzhou, Yingkou, Chengde, Langfang, Xingtai, Yulin, Yan'an, Tianshui, Shihezi, Nanyang, Puyang, Jiaozuo, Xinxiang, Zaozhuang, Bengbu, Lianyungang, Huaian, Lishui, Quzhou, Jingzhou, Anqing, Xinyu, Xiangtan, Changde, Chenzhou, Zhangzhou, Qingyuan, Meizhou, Zhaoqing, Yulin, Deyang, Yibin, Zunyi, Dali
Fourth-tier	Hengshui, Zhangjiakou, Changye, Yuncheng, Linfen, Jincheng, Jinzhong, Lvliang, Yangquan, Xinzhou, Chifeng, Bayannaouer, Xilinhaote gol, Tieling, Danyang, Chaoyang, Baicheng, Tonghua, Songyuan, Suihua, Yichun, Hegang, Jiamusi, Heihe, Suqian, Bozhou, Chuzhou, Huangshan, Xuancheng, Suzhou, Chizhou, Chaohu, Luan, Longyan, Nanping, Ningde, Sanming, Shangrao, Ji'an, Fuzhou, Yichun, Laiwu, Heze, Zhoukou, Xinyang, Hebi, Shangqiu, Zhumadian, Xiaogan, Xianning, Huangshi, Shennongjia Forest Region, Huanggang, Ezhou, Enshi, Shiyan, Huaihua, Zhangjiajie, Yongzhou, Shaoyang, Tujia-Miao Autonomous Prefecture of Xiangxi, Loudi, Chaozhou, Yangjiang, Shaoguan, Heyuan, Wuzhou, Qinzhou, Baise, Hechi, Fangchenggang, Wanning, Changjiang, Bazhong, Nanchong, Luzhou, Guangan, Tibetan Autonomous Prefecture of Garzê, Guangyuan, Yi Autonomous Prefecture of Liangshan, Ziyang, Neijiang, Yaan, Meishan, Panzhihua, Tibetan and Qiang Autonomous Prefecture of Aba, Dazhou, Leshan, Anshun, Tongren, Liupanshui, Buyei and Miao Autonomous Prefecture of Qianxinan, Miao and Dong Autonomous

Prefecture of Qiandongnan, Buyei and Miao Autonomous Prefecture of Qiannan, Baoshan, Zhaotong, Lincang, Pu'er, Yuxi, Qujing, Zhuang and Miao Autonomous Prefecture of Wenshan, Lisu Autonomous Prefecture of Nujiang, Dai Autonomous Prefecture of Xishuangbanna, Hani and Yi Autonomous Prefecture of Honghe, Yi Autonomous Prefecture of Chuxiong, The southern area of Tibet, Shangluo, Ankang, Tongchuan, Weinan, Xianyang, Hanzhong, Jinchang, Zhangye, Hezuo, Wuwei, Longnan, Qingyang, Dingxi, Pingliang, Baiyin, Tibetan Autonomous Prefecture of Hainan, Wuzhong, Kergerz Autonomous Prefecture of Kizilsu, Mongolian Autonomous Prefecture of Bayingolin, Turpan Prefecture, Hotan Prefecture, Kazak Autonomous Prefecture of Ili
