Analysis on the Influencing Factors of Inbound Tourism Demand and Suggestions for Tourism Development in Hainan Province

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Abstract

Since the beginning of this century, China's international tourism demand shows a trend of rapid growth. The rapid development of international tourism, especially inbound tourism, has played a very positive role in increasing foreign exchange income, promoting employment, improving the domestic industrial structure and driving the development of related industries. Among the inbound foreign tourists, the proportion of inbound tourists from Asia is very high, while that from other continents is small. Among the top 15 tourist source countries, Japan, South Korea and Russia have a large number of tourists to China, accounting for a high proportion. This higher "concentration" brings certain risks and fragility to China's inbound tourism. According to the country distribution structure of China's inbound tourism demand, at present, the main tourist source of China's inbound tourism is still Hong Kong, Macao and Taiwan, and the concentration of tourist source is very high(Chang sheng Liu & Yu feng, 2006). Based on the data of inbound tourists from Hong Kong, Macao and Taiwan to Hainan Island in recent 19 years, this paper establishes a model for the tourism demand of three tourist sources of Hainan Island, Hong Kong, Macao and Taiwan, and explores the main factors affecting the inbound tourism demand of Hainan Island. This paper reveals that the economic situation of the three places is an important determinant of Hainan Island's inbound tourism demand, and "Word-of-Mouth effect" and the cost of tourism to China are also influencing factors. The paper also analyzes the demand elasticity of these three markets, and provides suggestions and basis for Hainan province's tourism policies for these three tourist destinations.

Keywords

Tourism Demand; Model; Hong Kong; Macao and Taiwan; Demand Elasticity.

1. Introduction

Hainan is a beautiful and rich island with a long history. It has abundant tourism resources with spring like seasons and sufficient light. Hainan has a tropical monsoon marine climate, with long summer and no winter, green mountains and green fields, full of vitality, and a forest coverage rate of up to 50%. Tropical rainforests are lush with interlaced vines. Mangroves in the sea are like forests on the sea. Hainan's tourism resources are mainly characterized by tropical seaside scenery, with many kinds of tourism resources, high quality, a collection of natural scenery, rare animals and plants, ethnic customs, cultural relics and tropical island city features as a whole, with a typical tropical island scenery. Since China's accession to the World Trade Organization (WTO), tourism has entered a golden period of development. Especially in recent years, the tourism industry has shown an unprecedented huge influence, and now the

status of tourism in the national economy has been greatly improved. As an important part of tourism, inbound tourism is an important channel for a country or region to earn foreign exchange and solve employment. Its development status is an important symbol to measure the internationalization level and industrial maturity of a country or region's tourism industry. All countries have formulated different policies to support and encourage the development of inbound tourism. With the continuous development of economy, tourism, as an important industrial sector, has gradually become one of the important growth points of China's national economy. On January 4, 2010, the State Council issued several opinions of the State Council on promoting the construction and development of international tourism island, which begin a new chapter in the construction of Hainan International Tourism Island. At the meeting to celebrate the 30th anniversary of the establishment of Hainan Province as a special economic zone, the Party Central Committee solemnly announced that it would support the construction of Hainan Island as a free trade pilot zone, support Hainan to gradually explore and steadily promote the construction of a free trade port with Chinese characteristics, and establish a free trade port policy and system step by step and in stages. In recent years, Hainan has entered the construction of vigorously developing tourism, and Hainan tourism has undergone earth shaking changes. According to the data released by Hainan Provincial Department of Tourism, Culture, Radio, Television and Sports, in 2019, there will be 1.4359 million inbound tourists in Hainan Province, an increase of 13.6% over the previous year, including 1.0791 million foreigners, an increase of 20.3%; The number of compatriots from Hong Kong, Macao and Taiwan was 356800, down 2.7% over the previous year, and the foreign exchange income from international tourism reached US \$972372100, which is a phased breakthrough in the development of inbound tourism in Hainan International Tourism Island(Hainan Provincial Department of Tourism, Culture, Radio, Television and Sports, 2020).

According to the statistical results of China Tourism Research Institute, in 2015, 80.47% of the main inbound tourism market structure in mainland China was from Hong Kong, Macao and Taiwan.
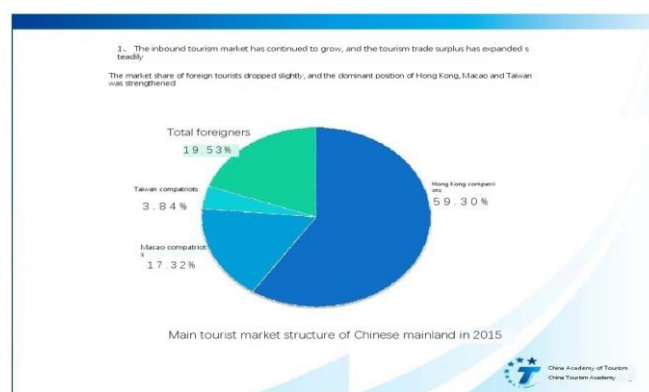
Fig 1. Market structure of Main Inbound Tourists in mainland China in 2015

Hong Kong, Macao, Taiwan and Hainan Island have a unique advantage in the space distance. With the increasing number of inbound tourists in Hainan, except for the steady growth of Taiwan, Hong Kong and Macao have been stagnant. At present, there are few researches on the tourism demand of Hong Kong, Macao and Taiwan to Hainan, and the quantitative research on the inbound tourism demand of China is very little (Turner & Witt, 2000). What factors affect the tourism demand of Hong Kong, Macao and Taiwan tourists to Hainan Province is the main research objective of this paper. At the same time, according to the statistical test results, it provides scientific suggestions for Hainan tourism development.

2. Literature Review

2.1. Inbound Tourism Demand

At present, the research of international tourism demand mainly focuses on the prediction of international tourism demand and the research of influencing factors. In terms of research methods, econometric method is mainly used in the research of international tourism demand forecasting, and time series model is used to forecast, and the accuracy of different models is discussed. In the aspect of variable selection, the research results are mostly based on the influencing factors of international tourism demand. In the aspect of influencing factors of international tourism demand, qualitative and (Wang Huiling, & Wen Yanling, 2013). There are many factors influencing inbound tourism demand. In addition to the conventional factors such as GDP, personal disposable income and the price of tourism destination's own products, inbound tourism demand is also vulnerable to the impact of other emergencies or major events. For example, diseases, economic crisis, political relations, major sports events may have an impact on inbound tourism demand. In the statistics of tourism demand, quantitative analysis method is very important. Using reasonable statistical methods, quantitative analysis of the impact of various factors on China's inbound tourism, especially the impact of SARS, the success of the Olympic bid, Southeast Asian financial crisis and other emergencies or major events is more important.(Yujuan Zhang & Dingtao Zhao, 2008). Some studies have pointed out that tourist loyalty is the most important factor affecting China's inbound tourism demand; China's inbound tourism demand is significantly affected by its own tourism price; Because of the cyclical fluctuation of the macro-economy in the source countries, tourism enterprises need to consider the impact of the elasticity of demand and income on the production and operation of enterprises when making business plans; The relationship between China and alternative destinations has a great impact on China's inbound tourism demand; Whether China and alternative destinations are competitive or complementary depends on the source country; In the post epidemic era, China's inbound tourism will continue to develop steadily and the market scale will continue to expand. (Chunyang Wang & Fucai Huang, 2009).

2.2. Tourism Demand Modeling

It is an important branch of tourism research and development to establish statistical or mathematical models to predict tourism demand, and tourism demand modeling is also an early and mature research field in the world. The demand theory of Neoclassical Microeconomics is the main theoretical basis of tourism demand modeling, and econometrics is the methodology basis of modeling. More advanced demand models and statistical analysis methods have been applied to tourism modeling and analysis(Gang Li, 2016). Tourism demand forecasting began in the 1960s, but developed rapidly in the 1980s.Before the 1980s, only nine articles on tourism demand forecast were published. After entering the 21st century, in a short period of five years, the articles on tourism demand forecast kept up with the total number of literatures in the 1990s, and most of them were published in the world-class tourism journals(Lailing Ren & Chaoming Liu, 2006). At present, the domestic research on inbound tourism demand is just starting, and the quantitative analysis is later than that of foreign countries. The research on inbound tourism demand emphasizes empirical analysis too much and lacks the support of theoretical basis, and the modeling and forecasting are not systematic and perfect. In China, the time series analysis method is mainly used in the prediction of tourism demand, but the research on causality method (measurement method) is lacking. The main purpose of time series analysis is to forecast the future based on the existing economic and historical data. But without considering the internal reasons of economic development trend, it can't be used as the basis of policy evaluation. The econometric method is to use regression analysis to estimate the quantitative relationship between tourism demand and determinants.

The model of econometric method is based on economic theory, which conforms to the economic law. Therefore, it can explain the reasons for the change of tourism demand and provide decision-making basis for making tourism economic policies(Chunyang Wang & Fucai Huang, 2009).

2.3. "General to Specific" Modeling Method

This method was first proposed by Davidson et al. And then improved by Hendry and Richard. In recent years, with the breakthrough of cointegration theory and error correction technology, this modeling method has been widely used, and has been introduced into the field of tourism demand forecasting, and proved to be an effective method(Jianjiang Jin & Xuefei Wu, 2015)

3. Model

In this paper, the "general to special" tourism demand modeling method is used to study the influencing factors of inbound tourism demand of Hong Kong, Macao and Taiwan, which are three major tourist destinations in Hainan.

3.1. Determinants of Tourism Demand

According to the research results of domestic and foreign scholars(Baogang Fei, 2007),The travel cost of tourists, that is, the tourism price of the destination country and the economic level of the tourist source area, are the factors that affect the inbound tourism demand of tourists in Hainan. This paper takes the number of tourists from Hong Kong, Macao and Taiwan as the dependent variable of the model

$$VA_{it} = AP_{it}^{b_1}Y_{it}^{b_2} \tag{1}$$

VA_{it} represents the number of inbound tourists from the i-th source of tourists in Hainan, which i represents the i-th tourist source; Y_{it} is a variable reflecting the income level of I tourist source area; The reason for not using other variables such as tourist consumption expenditure and personal disposable income is the lack of sample data. Moreover, the personal consumption data of tourists is really difficult to obtain, and there are a large number of business tourists. Therefore, GDP data is used as a substitute variable for the income level of the three regions.P_{it} is the price of tourists from area i to China. It is calculated by formula 2, that is, the relative value of CPI of Hainan, Hong Kong, Macao and Taiwan after EX adjustment.

$$P_{it} = (CPI\ Hainan\ /EX\ cn\ )/(CPI\ i\ /EX\ i\ ) \tag{2}$$

3.2. Model Setting

According to(Poukliakova 2001) after logarithm of equation (1), we get the following results:

$$InVA_{it} = b_0 + b_1 InP_{it} + b_2 InY_{it} + u_{it} \tag{3}$$

In the formula, b_0 is the regression coefficient,$b_1$and b_2 represent their own price elasticity and income elasticity, respectively $b_1 < 0$, and$b_2 > 0$, u_{it} is a random error term. When the tourism price level of Hainan rises, the demand for inbound tourism should be reduced, while the income level of tourist source areas will increase.

However, in addition to the static factors in formula (3), there are also other dynamic factors that affect tourists' demand. Tourism marketing expenditure, consumer preference, seasonal and holiday influences, as well as some events with significant influence are explanatory variables that will affect tourism demand. Considering the availability of data, this paper also

takes into account the variability of dependent variables (such as Word-of-Mouth effect) and major impact events (such as SARS) (Jianjiang Jin & Xuefei Wu ,2015), establishes an "autoregressive distributed lag model" (ADLM), and introduces the seasonal virtual change D1, D2, D3, reflect the impact of Word-of-Mouth effect on tourism demand, and add three dummy variables of "one-time emergency":D_{Sars}, D_{FinCri} and D_{Olp}. The following formula is obtained:

$$InVA_{it} = a_0 + \sum_{k=1}^{4} \alpha_k InVA_{i,t-k} + \sum_{k=0}^{4} \beta_k InY_{i,t-k} + \sum_{k=0}^{4} \delta_k InP_{i,t-k} +$$

$$\gamma_1 D_1 + \gamma_2 D_2 + \gamma_3 D_3 + \gamma_4 D_{Sars} + \gamma_5 D_{FinCri} + \gamma_6 D_{Olp} + u_{i,t} \qquad (4)$$

It should be noted that the a_0 isn't in formula (3) b_0, in order to find out the elasticity of different variables, the algebraic transformation of formula (4) is carried out:

$$InVA_{it} = \frac{a_0}{1 - \sum_{k=1}^{4} \alpha_k} + \frac{\sum_{k=0}^{4} \beta_k}{1 - \sum_{k=1}^{4} \alpha_k} InY_{i,t} + \frac{\sum_{k=0}^{4} \delta_k}{1 - \sum_{k=1}^{4} \alpha_k} InpP_{i,t}$$

$$\gamma_1 D_1 + \gamma_2 D_2 + \gamma_3 D_3 + \gamma_4 D_{Sars} + \gamma_5 D_{FinCri} + \gamma_6 D_{Olp} + u_{i,t} \qquad (5)$$

Among them, $b_1 = \frac{\sum_{k=0}^{4} \beta_k}{1 - \sum_{k=1}^{4} \alpha_k}$, $b_2 = \frac{\sum_{k=0}^{4} \delta_k}{1 - \sum_{k=1}^{4} \alpha_k}$, They represent the price elasticity and income elasticity of Hainan inbound tourism respectively.

3.3. Data

In this paper, the data of Hainan from Hong Kong, Macao and Taiwan from 2001 Q1 to 2019Q4 are selected as samples. GDP and CPI index are calculated at the constant price in 2010, and the exchange rate index is converted into the local currency of US dollar. Spss23 software was used to process the relevant data. There were three "one-time emergency" dummy variables, D_{Sars} stands for the SARS event in 2003, D_{FinCri} stands for the global financial crisis in 2008, D_{Olp} stands for the 2008 Beijing Olympic Games.

4. Research Results

4.1. Model Validity

According to formula (4), the variables in the three regional models that are not statistically significant or because they are inconsistent with economic theory are reduced one by one, and the final results are summarized in Table 1.The three models are consistent with the test of economic significance, ln GDP that the coefficient sum of the variables in the lag period is greater than 0, the impact of income on demand is positive,ln PI show that the coefficient sum of the variables in the lag period is less than 0, and the impact of price on demand is negative, which is in line with the expectation of economic theory.In the statistical test, using the "from general to special" modeling method, the P value of each variable in the model is below the significance level, and the T test results automatically meet. The R-squares of the three independent models were 0.800, 0.684 and 0.765 respectively, and the adjusted R-squares were 0.770, 0.598 and 0.765, respectively741. Generally speaking, the three models fit the data. In the regression equation significance test (F test), P values are less than 0.10, indicating that at least one independent variable and the dependent variable have a regression relationship. In

the diagnostic test of metrology, we carry out normality test, autocorrelation test and heteroscedasticity test respectively. In the normal P-P diagram with symmetrical histogram and standardized residuals, the scatter points are evenly distributed or around the straight line. At the same time, the P values (SIG) of K-S and S-W tests are greater than 0.05 except Taiwan, which meets the normal test. In the multicollinearity test, only Taiwan's VIF is less than 10, which satisfies the multicollinearity test. The scatter plot of standardized residuals and standardized predicted values basically showed the same variance, and the heteroscedasticity test was satisfied. The DW values of the three regions are 1.575, 2.077 and 2.129 respectively, which belong to the range of 1.5-2.5. to sum up, the three models are determined as the final models after passing at least two or more metrological tests.

Table 1. Model test results of Hong Kong, Macao and Taiwan

Tourist destination	Hong Kong	Macao	Taiwan
Normality test	adopt	adopt	Failed
Heteroscedasticity test	adopt	adopt	adopt
Multicollinearity test	Failed	Failed	adopt
Autocorrelation test	adopt	adopt	adopt
F test	adopt	adopt	adopt
Economic significance test	adopt	adopt	adopt

As shown in Table 1, all three models have passed the test, so the model can be determined.

4.2. Estimation of the Model

It can be seen from Table 2 that the seasonal virtual variables of Hong Kong, Macao and Taiwan are significant, which indicates that the seasonal change has an obvious impact on their tourism in Hainan. This is related to(Yun Chen & Liang Tian, 2011)The results were consistent. Tourism seasonality is the characteristic of tourism and tourism business activities changing with time in a year. Seasonality is an important feature of tourism activities and a common phenomenon in tourist destinations. SARS in 2003 has a significant negative impact on Hong Kong. Hong Kong is closer to Guangzhou, so Hong Kong tourists are more cautious and in line with the actual situation. However, the impact on Macao was not obvious. Taiwan even had a positive impact. What was the reason? At that time, the number of tourists from Taiwan increased, which needs further investigation. However, the 2008 Olympic Games did not have any impact on the number of tourists from the three places to Hainan. Because Beijing, the host city of the Olympic Games, was far away, the event did not show any impact, so it was excluded. The global financial crisis in 2008 has a significant impact on Macao. In addition, the study found that tourists in the three places are greatly affected by "word of mouth effect", especially the lag value of dependent variables in Macao and Taiwan is more significant. The income variable and its lag value are significant in the three models, so the number of tourists from three places to Hainan is affected by their real income level. However, only Macao tourists are sensitive to the price, and the tourism demand from other two places to Hainan has not been affected by the price.

Table 2. The estimated results of the model, the dependent variable is $InVA_{it}$

VARIABLE	HONG KONG	MACAO	TAIWAN
C	0.774 (1.168)	-0.362 (-0.405)	-3.296** (-2.455)
D1	-0.183*** (-2.003)	-0.446** (-2.175)	-0.359** (-3.337)
D2	-0.269*** (-1.848)	0.327 (1.464)	-0.222** (-2.156)
D3	-0.090 (-0.734)	-0.148 (-0.865)	-0.457* (-4.204)
D03SARS	-2.212* (-12.107)		1.035* (2.911)
D08FINCRIS		-0.505** (-2.667)	
LNGDP	-2.429* (-2.743)	-3.600* (-4.222)	0.820* (2.698)
LNPI		3.096*** (1.918)	
LNVA_1	0.1654** (2.213)	0.779* (6.374)	0.743* (6.659)
LNVA_2		-0.424 (-2.882)	
LNVA_3		0.340* (2.946)	
LNVA_4	0.177* (2.975)		
LNGDP-1		6.036* (4.659)	
LNGDP-2		-6.145* (-4.406)	
LNGDP-3	2.455* (2.895)	3.728* 3.973	
LNPI-4		-3.850** (-2.207)	
R^2	0.800	0.684	0.765
$\bar{R}^2$	0.770	0.598	0.741
F (SIG)	26.063-0.000	7.981-0.000	31.499-0.000
D.W.	1.757	2.077	2.129
P (K-S)	0.200	0.200	0.002
P (S-W)	0.515	0.862	0.000

Note: The significance level of the three source areas in this article is set to 10%, *represents a coefficient with a significance level of less than 0.01, **represents a coefficient with a significance level of 0.01-0.05, and *** represents a significance level It is a coefficient between 0.05-0.1.

4.3. Demand Elasticity Analysis

Table 3. Demand elasticity value

Area	Price elasticity	Income elasticity
Hong Kong	——	0.039
Macao	-2.472	0.062
Taiwan	——	3.191

The elasticity of tourism demand is a measure to measure the sensitivity of tourism demand to changes in its independent variables. It is a percentage of the change in tourism demand caused by a one-percent change in an independent variable. Table 3 is the demand elasticity calculated according to Table 2. As shown in Table 3, Macau tourists are sensitive to the price of Hainan tourism, while the other two regions do not pay attention to price. Therefore, when promoting tourism in Hong Kong and Taiwan, the focus is not on price, but Hainan's tourism products and tourism. Services, tourism culture, etc. In the three-place model, income will affect the demand for tourists to travel in Hainan, but the income elasticity coefficient of Hong Kong and Macau is far less than 1, so no matter how the income changes, it will not have much impact on their travel demand in Hainan. Taiwan's price elasticity coefficient is greater than 1, so Taiwanese people's travel to Hainan is closely related to their economic development. When doing tourism marketing to Taiwan, they must pay attention to Taiwan's local economic fluctuations.

5. Discussion and Suggestions

With its natural resource advantages and the efforts of the day after tomorrow, Hainan has made some achievements in inbound tourism, but at the same time, there are still many problems in the development of Hainan's tourism, such as the need to strengthen the planning and management of tourism industry, the lack of gap protection in tourism safety, the need to further improve the quality of tourism services, the need to further promote the level of tourism internationalization, and the need to improve tourist satisfaction. This article uses the data of inbound tourism from Hong Kong, Macao and Taiwan to Hainan Island from 2001 to 2019, and uses the "general to special" modeling method to analyze the influencing factors of Hong Kong, Macao and Taiwan tourists to Hainan's tourism demand, forming a series of tests and A model that is consistent with economic theory, and analyzed the elasticity of tourism demand in three regions, and obtained the following results:

5.1. Give Full Play to the Advantage of Distance and Carry out Targeted Marketing

In recent years, the number of inbound tourists in Hainan has increased from 660,000 in 2014 to more than 1.4 million in 2019. Among the three regions, only Taiwan's data is more in line with Hainan's inbound tourism development, while Hong Kong and Macau have no obvious The number is growing. Through a comprehensive analysis of the characteristics of the scale, structure and spatial distribution of the inbound tourism market in Hainan Province from 2001 to 2014. The following conclusions are drawn: a. The scale of inbound tourism market shows a fluctuating upward trend, among which the foreign tourism market is growing rapidly, and the Hong Kong, Macao and Taiwan markets are gradually shrinking. In 2004, the market share of foreign tourism surpassed that of Hong Kong, Macao and Taiwan for the first time. b.The structure of the inbound tourism market and the spatial distribution structure continue to become more reasonable, and the relative differences between the various market segments

are gradually shrinking. c. Among the 16 market segments, Taiwan, Hong Kong Special Administrative Region and Singapore are relatively stable and occupy important positions; Russia is an emerging market with relatively rapid development; other markets have developed relatively slowly, and Macao Special Administrative Region has experienced retrogression. Tourism from Taiwan to Hainan is prone to political influence and is a force majeure(Ruiping Ren & Jinfeng Wu , 2016). The fluctuation of the number of tourists cannot be estimated. However, Hainan Island is relatively close to Hong Kong and Macau, and the relative travel cost is relatively low. However, the characteristics of Hainan's tourism products are similar to those of Hong Kong and Macau, and the lack of publicity has affected the number of tourists from Hong Kong and Macau to Hainan. Hainan's tourism enterprises should provide targeted innovative tourism products, increase publicity, and increase the importance of tourists from Hong Kong and Macau.

5.2. Establish the Image of a Safe Tourist Destination and Strengthen Environmental Protection

Hainan's sunshine, air, and beaches have always been its core tourism products. With the change of residents' consumption concept, the traditional ornamental tourism activities have been unable to meet the needs of foreign consumers. In order to better meet the needs of inbound tourists, Hainan needs to constantly develop leisure agriculture, adventure tourism and other new tourism modes, but the development and construction of tourism must take environmental protection as the theme, which is an important link related to the sustainable development of tourism. From 2013 to 2014, the overseas tourism market declined for two consecutive years. The main reason was the continued downturn in the world economy. The worldwide economic crisis triggered by the 2008 financial crisis has not been completely eliminated, and the slow recovery of the international economy has adversely affected the development of Hainan's medium and long-distance tourism market; Second, emergencies with negative impacts occur from time to time. A series of incidents such as avian influenza, dengue fever, and smog that occurred in my country in 2014 had a wide range of negative effects on tourism to China, which in turn affected Hainan; therefore, the fragility of the tourism industry determines many influencing factors, such as one-off emergencies , Seasonality, source income, tourist destination prices, etc. From the above research, it can be seen that the SARS of 2003 had a greater impact on the number of immigrants from Hong Kong to Hainan. Hainan should cherish its natural resources and create a new image of safe, pure and hygienic tourism.

5.3. Pay Attention to the "Word-of-Mouth Effect" and Grasp the Demand Elasticity Index

Pay attention to "Word-of-Mouth" marketing strategy. Although Hainan's tourism resources are very good, the service quality of the tourism industry is not good, so we still need to try our best to create sharing opportunities for tourists. We should make use of tourists' Word-of-Mouth power to carry out free and efficient publicity. EVA airlines in Taiwan has set up a special website for Hello Kitty fans, customized special planes and theme flights, thus earning a good reputation for Hello Kitty fans. Tourist consumers will choose tourist destinations with better perceived image, and one of the effective ways to influence perception is the "Word-of-Mouth effect". The "Word-of-Mouth" effect can also affect the attitudes and behavioral intentions of travel consumers(Weiya Zhang & Huaidong Ge ,2016). Hainan tourism can play a positive role in promoting Hainan tourism with the help of online "Word-of-Mouth" effect. The income levels of Hong Kong, Macao and Taiwan can directly affect the demand for tourism in Hainan, but Taiwan is the most obvious. It needs to always pay attention to Taiwan's economic trends, seize opportunities, and actively respond. As for the price of Hainan's tourism products, only the Macau region is more concerned. Therefore, product prices are adjusted for the Macau region to enhance its competitive advantage.

5.4. Implementing the Strategy of Innovation Driven Development to Build a Modern Economic System

Take the supply side structural reform as the main line, implement the innovation driven development strategy, deeply promote the economic system reform, and improve the networking and intelligent level of infrastructure. Specifically, it includes accelerating the development of modern service industry, promoting transformation and upgrading of tourism industry, coordinating the implementation of the strategy of network power, big data strategy and "Internet +" action, developing marine economy at a high starting point, implementing the strategy of rural revitalization, making strong and efficient tropical characteristic high efficiency agriculture. To attract tourists from Hong Kong, Macao and Taiwan by providing a series of differentiated products.

6. Limitations and Future Research

This research is a quantitative study. The model is established through the "general to special" modeling method, and finally the model is established through testing and conforming to the economic theory. However, the changes in factors affecting tourism demand and the insufficient evaluation of the data are not absolute. Accurate, the estimated result may also be biased. The application of research methods is still not proficient and in-depth, and there are also deficiencies in demand forecasting.

The development of Taiwan's inbound tourism is inseparable from the support of government policies, financial investment, the participation of private capital and the deep combination of education and tourism. This article uses data from Hong Kong, Macao and Taiwan. Although these three regions account for a relatively high proportion of Hainan's inbound tourists, they are not sufficient to represent Hainan's entire inbound tourism market. In the future, we should proceed from the overall situation, analyze the entire inbound tourism market in Hainan, establish a demand model, forecast the development of Hainan inbound tourism, and provide policy assistance.

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