

Study on the Development Strategies of the Tourism Industry in Wuzhen based on the SWOT Model Analysis under the Background of Regional Integration in the Yangtze River Delta Region

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Abstract

Based on the developed economic environment of eastern China, relying on the rich travel resources with unique Jiangnan characteristics combined with rich modern urban styles and historical and cultural heritage, and enjoying good tourism services and convenient tourism transportation, the Yangtze River Delta region becomes the most attractive and potential tourism economic zone in China. As one of the core cities in the Yangtze River Delta region, Jiaxing plays a vital role in promoting and demonstrating the development of the Yangtze River Delta's cultural tourism industry. Since the development of tourism in various cities, Jiaxing cultural ancient towns have attracted many domestic and foreign tourists due to their unique features and the historical and cultural heritage of the Jiangnan Water Villages. Given this, this paper takes the most representative town, Wuzhen, as an example, using the SWOT model to analyze the tourism industry of Wuzhen, hoping can provide a reference for the development of the tourism economy in other ancient towns. The research on integrated tourism in the Yangtze River Delta, combined with the analysis of the development of the tourism industry in Wuzhen, will help the establishment of the tourism image of the ancient towns, providing important theoretical and practical significance to actively improve the overall quality and comprehensive benefits of the Yangtze River Delta cultural tourism industry.

Keywords

Wuzhen Tourism Industry; Ancient Town Cultural Tourism; SWOT Analysis.

1. Introduction

To sincerely implement the spirit of the 19th National Congress of the Communist Party of China and fully implement the deployment of the Central Committee of the Communist Party of China and the State Council to elevate the development of regional integration in the Yangtze River Delta to a national strategy, the Communist Party of China of the Political Bureau of the CPC Central Committee announced an Outline of the Integrated Regional Development of the Yangtze River Delta in December 2019. As one of the most active, open, and innovative regions in China's economic development, the integrated development of the Yangtze River Delta region has a significant demonstration role in critical fields, for example, integration construction, urban development innovation mechanism construction, and coordinated development of cultural industries. The development of regional integration in the Yangtze River Delta, with Shanghai Jiangsu, Zhejiang, and Anhui within the planning scope, with high quality as the key purpose, fully leverages the advantages of various regions, enhances the comprehensive strength of the Yangtze River Delta region, and forms a regional cluster of high-quality development.

In this context, the coordinated development of various industries in the region and the active breaking of policy barriers by various cities have put forward higher requirements for the integrated development of the cultural tourism industry by jointly planning the industrial development blueprint. The Yangtze River Delta region has always been rich in tourism resources, obvious traffic advantages, and profound cultural heritage providing an excellent practical foundation for developing the cultural tourism industry. Currently, the Yangtze River Delta is the largest tourism market in China. and Jiaxing, as one of the core cities in the region, has played a crucial role in promoting the integrated and high-quality development of the tourism industry.

Wuzhen, a landmark of Jiaxing City, is one of Jiangnan's six famous water towns. Wuzhen is located at the junction of Zhejiang and Jiangsu, linking three prefectures (Jiaxing, Huzhou, Suzhou) and among seven counties (Wucheng, Gui'an, Chongde, Tongxiang, Xiushui, Wujiang, and Zhenze). The terrain in the area is low-lying, with dense and crisscrossing rivers. Wuzhen is famous for its strong water town sentiment, rich cultural heritage, and ancient original ecological landscape. With the planning, development, and construction in recent years, the tourism industry in Wuzhen has gradually entered a mature stage. It has become a typical successful case in the tourism development of the six famous towns in Jiangnan. For Wuzhen, grasping the national strategy of regional integration in the Yangtze River Delta while actively integrating into the overall tourism image of the urban agglomeration, digging deep into its own culture and tourism characteristics, and utilizing its unique advantages to improve the coordinated development mechanism of industries in different cities with varying levels of cultural and tourism development, break down barriers to regional cooperation, and form a healthy competitive model for tourism industry development under the trend of win-win cooperation, is the direction of tourism development in Wuzhen, which can also promote internationalization modernization and the construction of cultural and tourism ancient towns more effectively.

2. SWOT Model

The SWOT model analysis method is proposed by Professor K. Andrews from Harvard Business School in the United States, which can objectively and accurately analyze and study the actual situation of a subject. SWOT analysis serves as an analytical method in management, which is one of the effective methods for analyzing competitors and formulating corporate development strategies, including the Strengths(S), Weaknesses(W), Opportunities(O), and Threats(T) analysis. Its essence is a comprehensive list of internal strengths and weaknesses, as well as external opportunities and threats. and then use a systematic approach to match various factors for analysis, from which a series of corresponding and decision-making conclusions can be drawn. This method helps people conduct comprehensive, systematic, and accurate research, formulating correct development strategies and plans. After the 1980s, the SWOT model was widely used in marketing in China. In the 1990s, it began to be transplanted and applied to tourism planning, tourism resources development, etc. This paper starts with the advantages and disadvantages of the tourism industry in Wuzhen, as well as the opportunities and challenges it faces. Using the SWOT system analysis method, the author proposes relevant strategies for developing the tourism industry in Wuzhen under the background of regional integration in the Yangtze River Delta.

3. SWOT Model Analysis of Tourism Industry Development of Wuzhen

3.1. Strengths(S) Analysis

Wuzhen is in China's most economically developed Yangtze River Delta region. It is located at the northern end of Tongxiang City, Zhejiang Province, bordering Huzhou City to the west and

Suzhou City, Jiangsu Province, to the north. It is located at the center of a large area composed of Shanghai, Nanjing, and Hangzhou, with superior location and convenient transportation. As the first batch of famous historical and cultural towns in China, one of the top ten charming towns in China, and a national 5A tourist scenic spot, Wuzhen has a history of more than 7000 years of civilization and more than 1300 years of civilization and is known as “the last pillow water family in China”. The tourism development of Wuzhen is guided by careful planning with scientific guidance for development and protection. The planning actively absorbs and draws on the experience and lessons of other ancient towns, such as Zhou Zhuang, to highlight the ancient village. With the theme of “protecting the original ecology” and in the spirit of “preserving the original flavor”, the Wuzhen Ancient Town Protection Plan has been formulated. A reasonable and orderly planning layout has been formed. The major scenic spot in Wuzhen is divided into six major areas:

- Traditional workshop area.
- Traditional residential area.
- Traditional cultural area.
- Traditional catering area.
- Traditional commercial area.
- Traditional water town-style area.

Each scenic area complements and coordinates with each other, and the tourism-supporting facilities in the Wuzhen scenic area are complete. In addition to essential supporting facilities such as tourist service centers, public bathrooms, and parking lots, there are also many ancient architectural facilities, greenery, and landscape lights, which have rich cultural and artistic connotations and relatively complete commercial forms, such as standard bridges, pavilions, and towers painting, and other specialties are strong and have ancient architectural characteristics as well. Traditional materials, such as wood, green bricks, and stone tiles are often used as building materials, to build Wuzhen into a cultural and functional characteristic tourist ancient town.

3.2. Weaknesses(W) Analysis

The tourism route in Xizha, Wuzhen, needs to be extended because tourists often end their travels without fully experiencing the scenery of the Jiangnan water town. To some extent, the low protection of the tourism environment now limits the protection of Wuzhen to scenic areas and limited surrounding areas, resulting in a decline in environmental quality, which is more reflected in the continuous deterioration of the water quality of the town’s rivers. Along the coast, the sewage generated by central water-consuming attractions, shops, and restaurants is directly discharged into the river. Like other ancient towns, Wuzhen lacks distinctive features in shaping the customs of Jiangnan water towns, and the phenomenon of popularization is severe. The six towns in the south of the Yangtze River are all in the Yangtze River Delta. However, although the theme of the six towns is distinct, and they all adhere to the “personality” route, from a planning point of view construction, and tourist feedback, each city is still similar. Wuzhen tourism adopts flexible and diverse methods to develop museum-style ancient towns without indigenous residents, creating a “poetry and painting ancient town” with a primitive style. Ultimately, a tourism management model with low resident participation will be formed, led by the government, and centered around tourism in Wuzhen, integrating planning, development, management, and protection. The core of this model is the original ecological landscape and profound cultural heritage, and both the maintenance of the original ecology and the promotion of culture require the joint participation of residents and tourists. Thus, relying solely on management regulations and tourists’ self-awareness is far from enough.

3.3. Opportunities(O) Analysis

In recent years, Wuzhen town has adhered to the principles of planning first, highlighting its primary business, digital driving, innovation leading, and integration driving. With digital industrialization and industrial digitization as the main line, the core area of the Wuzhen Internet Innovation Development Pilot Zone has been planned to build four highlands:

- A world-class international exchange and exhibition center for the Internet.
- A world-class gathering place for the Internet industry.
- A source of empowering future Internet innovation.
- A leading demonstration center for Internet governance.

Meanwhile, it builds the “headquarters exhibition, international control innovation, intelligent manufacturing, digital culture education, and future life” five major functional areas. The government’s strong support for tourism development in Wuzhen has established a more suitable tourism development and management organization for the local area. During development, the municipal government organized twelve economically strong units, including the Municipal Construction Bureau and the Land and Resources Bureau, to establish Wuzhen Ancient Town Protection and Tourism Development Co., Ltd. In terms of management, the assistant to the mayor serves as the director of the management committee, responsible for the unified planning, coordination, and management of protection and tourism development of Wuzhen ancient town. At the same time, it adopts a cross-part-time approach to streamline the relationship between the management committee, the local party committee, and the government and build a unified and coordinated management system.

3.4. Threats(T) Analysis

With the development of the economy, the residents of ancient towns have gradually abandoned their original way of life and started spontaneously using new building materials and techniques to maintain their original ecological style, which to some extent affects the continuation of the traditional style. Although a considerable buffer zone has been designated outside the ancient town, the rapid expansion of the new area construction threatens the external environment of traditional Jiangnan pastoral scenery. The most significant pressure at present is the rapid increase in tourist flow, the influx of many outsiders, and the transformation of some traditional residential buildings into tourist commercial buildings, which has changed the original ecological environment of the ancient town. The markets of ancient towns overlap, and there is a severe phenomenon of tourist diversion. The six towns in Jiangnan have the exact regional location, all located in the Yangtze River Delta region and distributed within a radius of 100 miles. They also take Shanghai Jiangsu and Zhejiang as the main targets of the market, forming overlapping markets with overlapping locations. In addition, each ancient town lacks highlights and characteristics. This naturally brings about a massive diversion of tourists.

4. Development Strategies for the Tourism Industry in Wuzhen based on the SWOT Model Analysis

Wuzhen has a long cultural history and retains rich cultural traces, which is the core driving force of Wuzhen’s tourism economic development. Wuzhen has typical characteristics of a water town in Jiangnan, living by water, with rivers forming streets, bridges connecting roads, and a water town integrated, fully preserving the characteristics and style of an ancient town from the late Qing Dynasty and the Republic of China period. The ancient stone bridge, Hongyuan Tai Dyeing Workshop, Wenchang Pavilion, Mao Dun Former Residence, Zhaoming Academy, Xiuzhen Temple Stage, Huiyuan Pawnshop, and other buildings are well protected. and the natural and cultural environments are intertwined, forming a harmonious and

symbiotic overall beauty. And the famous Wuzhen Drama Festival fully utilizes Wuzhen's cultural climate and geographical advantages. Many distinctive and representative venues have been selected among the numerous ancient buildings and natural landscapes, including lecture halls, indoor theaters, outdoor stages, and other diverse theatrical activity venues. Various elements of drama have been integrated into the bridgeheads and alleys of the town, expanding the cultural connotation of the town, and deeply embedding theatrical culture into the cultural life of the town.

Riding the east wind of the Internet, the Internet industry ecosystem in Wuzhen is gradually forming. As of now, there have been over 1000 internet companies. The old factory building of the Wuzhen Haiou Electrical Appliance Factory has transformed into the Wuzhen base of China Electronics Science and Technology Corporation and has officially opened. In the preface hall of the Aerospace Beidou Application Center (Yangtze River Delta region), videos related to aerospace are playing on the wall carved with "Beidou Seven Stars". The 5G automatic micro bus production vehicles equipped with various sensors such as cameras, shock wave radars, and Bomi wave radars are currently being debugged in Wuzhen. Buses with "5G+autonomous driving" as the core have already officially started, with full coverage of 5G networks throughout the town.

During the development of the tourism economy in Wuzhen, the restoration and renovation project of Wuzhen Ancient Street should preserve its original form, maintain the original ecology and ancient charm of Wuzhen, highlight the characteristics of Wuzhen, and enable tourists who have lived in the city for a long time to quickly gain a dual experience of culture and nature after entering Wuzhen. At present, a solid commercial atmosphere has become a common problem in all cultural ancient towns, with more and more inclined towards a "buying and selling" trend places, tourists cannot obtain actual cultural influence and soul washing from them and are only enthusiastic about taking photos as souvenirs; shops are not cultural disseminators but focus too much energy on how to obtain more economic benefits. In the continuous development of the tourism economy in Wuzhen, the location of food and accommodation facilities should be as quiet, ecological, and comfortable as possible, avoid environmental noise, and maintain harmony with the surrounding environment. As mentioned above, traditional Chinese materials should be used for building materials to reduce modern architectural traces, and the overall style should be coordinated with Wuzhen. Ecological transportation should be promoted to maintain Wuzhen's original style and minimize damage to its traditional landscape.

The development of Wuzhen's style shouldn't easily follow other towns' development and patterns but avoid excessive similarity and return to the vibrant cultural Wuzhen. In this regard, it is necessary to find reasonable entry points for development based on the unique cultural elements of Wuzhen and pay attention to them. The unique traditional culture, architectural style, and cultural atmosphere of Wuzhen can be sustainably developed based on inheritance, continuously expanding development space, and avoiding a single tourism economic development model. Rather than pursuing economics unilaterally, but taking a long-term perspective on the problem, local government and developers should participate more in the pre-test of Wuzhen's future tourism economic development and pay more attention to the development dynamics of Wuzhen and make scientific planning based on it.

5. Conclusion

Wuzhen is a "brilliant water town pearl" in the Yangtze River Delta region, located on the edge of the Yangtze River, the Golden Triangle of Zhejiang and Shanghai, and has a civilization history of over 7000 years. It has a construction history of 1300 years. The development of the contemporary ancient town tourism industry needs to tap into its cultural advantages and

reasonably use industry integration theory to integrate the tourism industry effectively with other sectors and achieve sustainable development. In 2014, Wuzhen successfully hosted the first World Internet Conference and became the permanent venue. With the permanent settlement of the World Internet Conference and the successful convening of the 10th World Internet Conference in 2023, Wuzhen ushered in new development opportunities. The new mission of the times requires new planning foresight and strategies. To build an intelligent town that integrates the traditional characteristics of small bridges and flowing water with modern internet genes, a blend of Chinese and Western cultures that can meet the needs of permanent settlement for internet conferences, and the realization of tourism and economic and social development, Wuzhen needs to carry out strategic planning research from a high starting point and high standards in the new era, and it should propose goals, paths, and strategies for innovative development in the internet era, to explore how it can adapt to the tide of the Internet era, create a global intelligent town sample, and explore the innovative demonstration path of Internet+City and Smart Planning.

In summary, Wuzhen typically represents culturally driven tourism economic development. Research on the interactive development of the tourism economy and traditional culture in Wuzhen has good significance. Wuzhen culture is an essential component of traditional Chinese culture. Based on inheriting and protecting town culture, combining it with the development of the tourism economy, and injecting power into the economic development of Wuzhen, we should create a virtuous cycle and further promote its growth and traditional culture. Traditional culture cannot do without the tourism economy; the tourism economy cannot do without the culture. Only by harmonizing and unifying both the culture and economy can we keep up with the pace of the times and further promote traditional culture. The development of the tourism industry in Wuzhen should fully utilize the competitive effect under the trend of integrated development, actively innovate the development format of the cultural and tourism industry, and enhance the vitality of tourism enterprises by digging deep into its characteristics to build advantageous brands and promote transformation, upgrading, and supply-side structural reform in the fields of culture and tourism. By breaking down regional administrative barriers, creating a barrier-free tourism circle in the Yangtze River Delta, and realizing resource and information-sharing cooperation, Wuzhen and other ancient towns can cultivate their outstanding talents in the cultural and tourism industry, and actively improve the overall quality and comprehensive benefits of the cultural and tourism development in the Yangtze River Delta.

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