

# A Comparative Study on the Construction Model of Traditional Chinese Medicine Tourism in Sichuan Province - Based on the Perspective of Industrial Integration

Xueshun Wang<sup>1st, 1</sup>, Wenziyi Zhang<sup>1st, 1</sup>, Jun Yang<sup>2</sup>, Xiao Hu<sup>1</sup>, and Yan Wang<sup>1,\*</sup>

<sup>1</sup> School of Management, Sichuan Agricultural University, 610000 Chengdu, China

<sup>2</sup> Sichuan Traditional Chinese Medicine Development Service Center, 610000 Chengdu, China

\*Corresponding author email: 398913598@qq.com

**Abstract.** Traditional Chinese medicine (TCM) tourism is a new industry formed by the integration and development of Chinese herbal medicine industry and tourism industry, and an in-depth analysis of its model is helpful to explore its general development law. In this paper, the commonalities, differences and development effects of two TCM tourism construction modes, namely, characteristic town construction type and industry platform construction type in Sichuan Province, are compared and analyzed. The study concludes that three points are needed to promote the development of TCM tourism: (1) correctly understanding the basic conditions of construction subjects and promote the development of TCM tourism according to local conditions; (2) taking diversified organizational structure as a breakthrough point and build a cluster of TCM tourism development enterprises; (3) Being focus on the four-dimensional organic integration of industry, city and humanities to form a unique cultural expression of TCM tourism.

## 1 Raising of the problem

Sichuan Province, as one of the ten major production areas of Chinese herbal medicines, ranks first in China in terms of the amount of Chinese herbal resources, the number of commonly used herbal varieties, the number of local herbal varieties, and the number of national GAP certification, and is an important industry in the development of the whole industrial chain in the "10+3" industrial system of modern agriculture in Sichuan Province. From a national perspective, there is still a gap between the development of the Chinese herbal medicine industry in Sichuan Province and Jilin Province and Yunnan Province, which rank the top in the country [1]. The main business income and total profit of the proprietary Chinese medicine industry is only 1/3 of that of Jilin Province [2], and the output value of the Panax pseudoginseng industrial park in Wenshan Prefecture alone in Yunnan Province has reached 14.5 billion yuan [3], so although Sichuan is a large province in terms of Chinese herbal resources and industry, it is not a strong province. The Development Plan of Sichuan Chinese Materia Medica Industry (2018-2025) points out that to achieve the target of 8.5 million mu of Chinese Materia Medica planting area (including 3.5 million mu of Sanmu herbs and forest planting herbs) in 2025, the total annual output value of Chinese Materia Medica planting industry is 30 billion yuan, and the output value growth rate needs to be 2 times of the scale growth rate [1], the Chinese Materia Medica industry in Sichuan urgently needs to

embark on It is urgent for the Chinese herbal medicine industry in Sichuan Province to embark on the road of "internal enhancement" and integrate with various industries to realize the added value of the industry. Because of its high relevance, strong integration and long industrial chain, tourism has been listed by many countries and regions as a necessary way to promote national economic development and economic transformation and upgrading [4]. The TCM tourism formed by the integration of Chinese herbal medicine and tourism industry can extend and broaden the industrial chain of Chinese herbal medicine, enhance the comprehensive value of related industries, and promote the leapfrog development of economy. At present, Sichuan Province has completed two batches of 10 provincial-level TCM health tourism demonstration bases (projects) from 2018 to 2019, and three other units are the first batch of national TCM health tourism demonstration bases, but in general, TCM tourism is in the primary stage of both concrete practice and theoretical research [5]. This paper attempts to explore in depth the patterns, main practices, commonalities and differences, and development effects of TCM tourism in Sichuan Province formed in the existing practices through case studies. The in-depth consideration and excavation of these issues will help clarify the current status of TCM tourism development and provide a basis for decision makers of enterprises to establish development innovation systems and policy makers to develop initial supporting scientific and technological services and policies.

\* Corresponding author: Yan Wang (cooperso@qq.com)

#Joint first authors: Xueshun Wang & Wenziyi Zhang

## 2 Case source and introduction

### 2.1 Case sources

According to the criteria of typicality, representativeness and difference comparison of TCM tourism development, Xinyi Water Town Recreation Center in Xinjin district of Chengdu and Emei Banshan Qiliping in Hongya County of China, was selected as the research object in this study, as can be seen in Table 1. The main reasons are as follows:

(1) the selected cases are both recognized as provincial-level TCM health tourism demonstration bases in 2018, with good development trends; (2) the two cases are in areas with different levels of economic development in the plain economic region of Chengdu, which are representative; (3) there are large differences in the construction area and geographic location of the two cases, which can reflect the size and the demand for resource input in different geographical locations, and have certain reference value.

**Table 1.** Basic information of typical cases of integration of Chinese herbal medicine industry and tourism industry in Sichuan Province

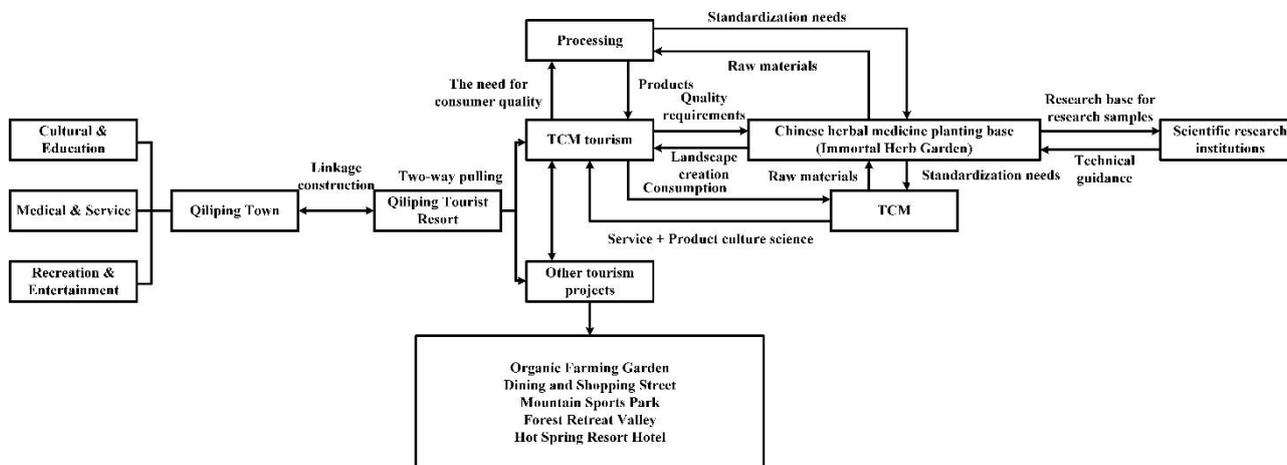
Location	Area	Location conditions	GDP of the city it is located in 2019 (billion yuan)	Annual number of tourists	Surrounding tourism resources
Emei Banshan Qiliping	10 km <sup>2</sup>	Located in the middle section of Emei Mountain in Hongya County, Meishan City, 60 km from the center of Hongya County and 200 km from Chengdu City	138.02	200,000	Emei Mountain, Wawu Mountain, Liujiang Ancient Town, etc.
Xinyi Water Town Recreation Center	0.6 km <sup>2</sup>	Located in Sanhe Village, Xinyi Town, Xinjin County, Chengdu, 15 km from the center of Xinjin County and 40 km from Chengdu City	1701.27	100,000	Flower Dance, Lihua Brook, Laojun Mountain, etc.

### 2.2 Case introduction

#### 2.2.1 Hongya · Emei Banshan Qiliping (referred to as Qiliping).

In 2018, in order to optimize the industrial structure and enhance the comprehensive utilization benefits of various resource elements, Hongya County abolished Taoyuan Town and established Qiliping Town. In the same year, on the basis of the original local tourism project, the tourism company and the Chinese Academy of Traditional

Chinese Medicine and the Sichuan Academy of Traditional Chinese Medicine jointly created the Xiancao Garden, a national preservation nursery for precious Chinese herbs in Sichuan Province. The Immortal Herb Garden covers an area of 53 acres, planting more than 310 kinds of Chinese herbs such as rhizoma coptidis, ganodorma lucidum and dendrobium, and building a health knowledge corridor and a health experience hall. The town synchronizes the construction of medical care, service, education and leisure system, so that the construction of scenic spots and new urbanization can be synchronized, and also designs 3 tourism lines for joint development with surrounding attractions.



**Fig. 1.** Operation mode of Qiliping.

### 2.2.2 Xinjin · Xinyi Water Town Recreation Center (referred to as Xinyi Water Town)

The base grows nearly 100 kinds of Chinese herbs such as turmeric, maidenhair, ligusticum wallichii, and has created a medicinal bathing pool, a medicine expo garden, a Chinese medicine theme hotel, a recreation park and a

health restaurant. Visitors can feel the culture of Chinese medicine in Sichuan Province from the medicinal value and edible value in the sightseeing experience. The base is 30 minutes' drive from the 4A-level scenic spot Flower Dancing Earth. It is a multifunctional TCM recreation base with TCM culture as its theme and health and wellness as its characteristics, integrating health and retirement, agricultural tourism and special catering.

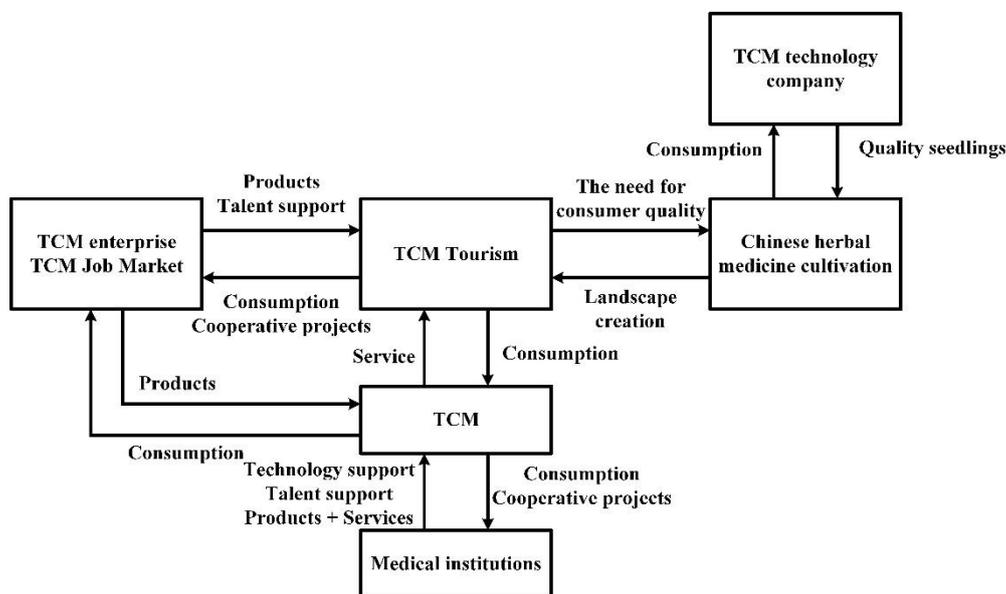


Fig. 2. Operation mode of Xinyi Water Town

## 3 Case study

The introduction of the cases reveals that each of the two cases takes a different approach to building a TCM tourism base, and the model characteristics, operation mechanisms, products, services and benefit sources formed in each case are further discussed below.

### 3.1 Qiliping - Characteristic town construction type

Qiliping uses community construction as a carrier to create a spatial entity industry suitable for residence and leisure tourism, realizing the construction pattern of a special town of TCM tourism with enterprises as the main body, government guidance and residents' participation, with significant features of functional diversification. The model synchronizes the planning and integration of TCM tourism and town construction, promotes the construction of productive and functional supporting service facilities, improves the conditions for TCM tourism projects to move in, and enhances the carrying capacity. The town not only has the function of TCM tourism, but also undertakes various functions such as management, service, guarantee and education.

Operation mechanism. Qiliping is operated by Sichuan Hongya Qiliping Banshan Tourism Development Co., Ltd, a subsidiary of Gold Cup Group, which adopts the vertical integration leading mechanism of the group enterprise. Driven by the tourism company, the company will use the

land of Qiliping to invest in tourism industry and promote the characteristic industrial model of "Chinese medicine + tourism". It not only taps the tourism function of the town, but also extends the first industry of Chinese herbal medicine planting to the second industry of deep processing and diversified processing of Chinese herbal medicine, while the third industry vigorously promotes TCM tourism and Chinese medicine health and wellness, so that the Chinese herbal medicine industry links the Chinese medicine industry with the tourism industry and multiple industries for effective expansion.

Chinese herbal medicine health derivatives sales and Chinese medicine physical therapy services. The Chinese herbs with ornamental value such as dendrobium and ganoderma lucidum in Immortal Herb Garden bring sightseeing experience for tourists; the standardized planted Chinese herbs are processed as raw materials by the Group's internal subsidiaries and developed into derivatives such as special Chinese herbal health tea, tonic meals and medicinal food products for sale in the garden. Combined with the Chinese herbs planted in the scenic spot, the scenic spot carries out external treatment services such as acupuncture, massage and medicinal bath in the hot spring resort hotel.

Sources of benefits. The benefits are mainly derived from four aspects: the first is the catering and accommodation products. The number of restaurants in the town is large, and a street of snacks is planned; accommodation includes hotels and B&Bs with various styles, combining short-term accommodation with long-term residence; the second is transportation products. The

town is open to Emeishan high-speed railway station, sightseeing bicycle rental points and scenic spot sightseeing vehicles; the third is shopping and entertainment products. The town has a vegetable market, a shopping street in Qiliping Town and a supermarket of special products, and entertainment products including golf courses, panda parks, mountain bike trails, art museums, car camps; the fourth is TCM tourism products.

### **3.2 Xinyi Water Town - Industry platform construction type**

Xinyi Water Town has built a platform ecosystem for TCM tourism development, gathering, integrating and restructuring business entities that can provide different types of TCM tourism products and services. TCM enterprises and tourism enterprises turn from commanders to resource providers, relying on platform enterprises to gather and empower to create and realize their own value. There are two major features: first, it is open and strong, the platform company forms strategic partners with multiple operating entities, and solves the problem of matching TCM tourism resources through open innovation; second, the TCM tourism function is specialized and the tourism space is dedicated to a high degree. This model needs to explore the rich TCM elements in the products and develop innovatively as the core experience concept of tourism products, forming a professional and strong TCM tourism base in a certain space range.

**Operation mechanism.** Xinyi Water Township adopts a platform networked integration mechanism with various resource elements gathered by a health management company. TCM enterprises provide the scenic spot with abundant Chinese medicine big health derivatives, Chinese herb planting bases provide high-quality seeds and seedlings, and Chinese medicine medical institutions provide physical therapy technical guidance and professional Chinese medicine medical personnel. The company also cooperates with a number of travel agencies, which provide the source of visitors and promote them through the travel agencies. The company uses health management mechanisms to allow more technology, product services and their cultural connotations from the planting bases, TCM enterprises and medical institution resources to be organically integrated into tourism development, thereby driving the development of TCM tourism.

**Products and Services.** TCM tourism products and services are mainly Chinese herbal medicine immersion sightseeing experience, Chinese medicine culture popularization, Chinese herbal medicine health derivatives sales, Chinese medicine physical therapy services and health elderly care. There is a cultural corridor and a display hall of traditional Chinese herbs, which sells traditional Chinese medicine derivatives and introduces in detail the cultural origins and uses of 86 types of Sichuan traditional Chinese herbs, with interpreters to provide visitors with Chinese medicine cultural science; there is a Chinese medicine health museum, which provides Chinese medicine health

products and services such as Chinese medicine bath, massage, acupuncture and Chinese herbal tea, customized medicinal food and medicine, seasonal special Chinese medicine catering.

**Source of benefits.** The benefits mainly come from two aspects: firstly, TCM tourism products; secondly, conference undertaking, with meeting rooms and outdoor activity space in the scenic spot, which can meet the needs of different conference scales, and supporting advertising and publicity space, which can provide venues and supporting facilities and services for various activities such as product launches and training sessions.

## **4 Comparative analysis of models**

From the above analysis, it can be seen that the characteristics of the two models are different. The following will explore the general trend of their integration and the core differences between the different models through commonality and difference analysis.

### **4.1 Commonality analysis**

Both models integrate with tourism from the production, processing and sales of Chinese herbal medicine, focusing on the docking with the market and meeting the increasingly diversified consumer demand for TCM tourism; focusing on the diversification and leveling of integration, giving rise to a new industry with "vacation, oxygen enrichment, medical recreation" as the core -- TCM tourism. In terms of operation mechanism, they all absorb the modern enterprise business model, based on the cooperative system, and cooperate with other business entities in different degrees. Faced with the problem of interests, they all coincidentally embarked on the road of diversified development, linking up with various industries to varying degrees, developing a series of tourism projects with the theme of TCM and culture, forming new points of interest growth.

### **4.2 Variance analysis**

The integration path is different. The special town construction model extends the original industrial chain outward, interacts with another industrial field, and adds economic benefits to another industry while expanding the new direction of this industry. Qiliping refines the local ecological tourism resources with the connotation of Chinese medicine, designs products and services, and returns them to the consumption link of the tourism industry chain. The industry platform construction model needs to break the original industry chain and create a new tourism product by uniting key value links and networking multiple chain structures. The TCM tourism formed by Xinyi Water Town Health Management Company is the result of the interaction and cooperation of the value links in the two industry chains.

The degree of involvement of external subjects is different. From the viewpoint of participating subjects, Qiliping adopts the joint operation mechanism of parent company and subsidiary company, which is mainly

operated independently and the degree of involvement of external subjects is low; Xinyi Water Town is led by the platform enterprise and has signed agreements with many enterprises and medical institutions to cooperate together, so the degree of involvement of external subjects is high.

The main functions are different. The main function of Qiliping is to provide community services and tourism, which is essentially to provide living services for the residents of the town, and the TCM tourism projects are often promoted with the original tourism projects; the main function of Xinyi Water Town is TCM tourism, and a variety of tourism experience projects are developed in depth and in multiple directions around the TCM industry.

The main sources of benefits are different. The income of Qiliping in catering, accommodation, shopping and entertainment has exceeded the income of TCM tourism, and the focus of profit is not on TCM tourism; the core income of Xinyi Water Town is the rich TCM tourism products.

### 5 Evaluation of development effect

Based on the differences between the two models, this paper evaluates the development effects of the two models in terms of dependence on resources, access threshold, construction time consuming, and audience.

Characteristic town construction type. This model

relies on local ecological resources of Chinese herbal medicine and has a high dependence on Chinese herbal medicine resources. At the same time, the relevant facilities and equipment can be built on the basis of urbanization construction, so the technical and economic environment threshold requirements are low, the rigid capital demand is small, and the time spent is short. In addition to experiencing TCM tourism tourists can also participate in various other types of tourism projects, with a wider audience and a larger and stable consumer preference group.

Industry platform construction type. This model has lower requirements for ecological resources of Chinese herbal medicine, and TCM tourism products mainly come from finished market materials, requiring the industry to have considerable market infrastructure conditions, thus requiring higher technical and economic environmental thresholds. The TCM tourism functions formed under this model are highly specialized, requiring the operating entity to make full use of the market conditions to reconstruct the infrastructure suitable for its development and to carry out multi-channel marketing design, so the rigid capital demand is large and time-consuming. In the initial stage, due to the initial development, the consumer preference group is small, but with long-term improvement and publicity will gain more consumer preference group.

**Table 2.** Comparative analysis of typical cases

Indicators	Hongya Emei Banshan Qiliping		Xinyi Water Town Recreation Center
Construction path	Characteristic town construction type		Industry platform construction type
Model features	Significant functional diversification		Strong openness, specialization of tourism functions and high degree of specialization of tourism space
Operation mechanism	Leading operation mechanism of vertical integration of group enterprises		Leading enterprises lead and several enterprises jointly participate in the platform network integration operation mechanism
External actors	Low level of involvement, mainly independent operation		Higher level of involvement, forming the ecosystem of industry chain platform together
Intervention level	Community services, tourism		TCM tourism
Benefit generation	(1) Catering, accommodation; (2) Transportation; (3) Shopping, entertainment; (4) TCM tourism		(1) TCM tourism; (2) Conference undertaking.
Development effect evaluation	Dependence on ecological resources of Chinese herbs	High	Low
	Barrier to entry	Lower requirements for technical, economic environment thresholds and less rigid financial needs	Higher requirements for technical, economic environment thresholds and more rigid financial needs
	Time consuming construction	Shorter time consumption.	Longer time consumption.
	Audience	Wider audience, larger and more stable consumer preference population.	Smaller consumer preference population in the early stage of development, long-term development can obtain more consumer preference population.

## 6 Conclusion and insights

### 6.1 Conclusion

This paper analyzes the commonalities, differences and development effects of the two models in promoting TCM tourism from different dimensions. The special town construction model expands the multifunctionality of TCM tourism by establishing community tourism complexes; the industry platform construction model maximizes the effectiveness of each camping body on the platform through the integrated operation of the platform. Regarding how to better promote the construction of TCM tourism, this paper gets the following insights.

### 6.2 Insights

(1) Correct understanding of the construction of the main body of the basic conditions, according to local conditions to promote the development of TCM tourism. The operating body needs to choose the mode of choice according to its own strength, the region in which it is endowed with resources and other conditions. For the areas where the original tourism products or services are relatively mature, the tourism industry has a certain scale and the supporting functions of life, production and ecology have a certain foundation, the construction mode of characteristic town can be selected. In areas where the foundation of Chinese herbal medicine industry and tourism industry resources are weak but have huge external market resources, the industrial platform construction mode can be chosen.

(2) Diversified organizational structure as a breakthrough point, the construction of TCM tourism development enterprise cluster. Actively expand the vertical integration of group enterprises, platform companies to lead the network and other forms of organization, through multiple benefits as the value orientation to facilitate the development of TCM tourism. Both models explore multiple forms of operating mechanisms among tourism enterprises, TCM enterprises, small towns, TCM institutions and relevant associations, providing solid institutional mechanisms to form a pattern of integrated development of industries such as cultivation, processing, sales, health care, health and retirement, and leisure tourism.

(3) Focus on the four-dimensional organic integration of production, city, people and culture, forming a unique cultural expression of TCM tourism. Both models reflect the trendy choice of urban industry, based on the consumer demand of tourists, through the horizontal and vertical deep integration of Chinese herbal medicine industry with tourism industry and Chinese medicine cultural industry, giving rise to the new industry of "TCM tourism". At the same time, the development is linked with other tourism projects in the scenic area, surrounding attractions and urban and rural construction, forming a four-dimensional organic combination of " production, city, people and culture" development pattern, creating Chinese medicine cultural landmarks in the city, and reconstructing and

upgrading urban development space.

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