The Minshuku Industry’s Experience and Reference, from Taiwan to Dujiangyan

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Abstract. The global rise of rural tourism leads to the emergence of the Minshuku industry. The development of the Minshuku industry is strong and promising when the tourism industry emphasizes ecology and experience. The Minshuku industry in China is in the early stage and the development status varies in areas. In the past 30 years, Taiwan has accumulated rich experience and become one of the models in the Minshuku industry in Asia, and even in the whole world. Considering exploitation of tourist resources and research feasibility, we selected Dujiangyan (the world cultural and nature heritage site) as our research object. Through field visits, questionnaire survey conducted to the consumers, communication with the Minshuku operators, and analyzing the consumer’s evaluation in OTA, we try to understand the current development and operating situation of the Minshuku in Dujiangyan, as well as consumer’s preference for Minshuku, and then propose development strategies on the basis of Taiwanese experience.

The Definition and Content of Minshuku

No one has given an unified and authoritative definition to Minshuku so far. It was not until “The management method of Minshuku” was issued by Taiwan in 2001 that experts drew a conclusion to its definition: Minshuku is a residence that inhabitants utilize their spare places with help of natural and cultural scenery to offer the countryfield life\textsuperscript{[1]}. The document defined clearly that Minshuku is a residence with the function of staying and in the form of avocation. Tokumura Shisei, expert of Tour, considered that a qualified Minshuku should not only exert characteristics but also show individuality and reflect hospitality. Based on literature, we concluded some accepted characteristics of Minshuku: better environment, clear theme, home atmosphere, diversified service and carrier of local culture. This article uses the definition of Minshuku given by National Tourism Administration that “Minshuku is a small accommodation which utilizes local spare resources, host participate in reception, to help the tourists experience local various culture and model of production.” This definition not only concludes some characteristics above but also illustrates differences between Minshuku and traditional hotel clearly, which are avocation, limited scale and home atmosphere.

The Characteristics and Experience of Taiwaness Minshuku

Taiwaness Minshuku appeared in the 1980s. With the support of the government, Taiwaness Minshuku has a rapid development in the 1990s\textsuperscript{[2]}. Taiwaness government issued Administrative measures for the Minshuku, which made Taiwaness Minshuku enter another turning point in 2001\textsuperscript{[3]}. After 30 years, Taiwaness Minshuku has matured. At present, Taiwan is full of Minshuku, but many industrial agglomeration areas have appeared, which mainly focuses on the local cultural landscape, natural scenery and agricultural specialties\textsuperscript{[2]}. Taiwaness Minshuku industry cooperated with other industries and extend the industrial chain, which enable Taiwaness Minshuku to achieve industrialization and benefit maximization.
The characteristics of Taiwaness Minshuku are individualization, elaboration, regional differentiation and industrial standardization. Most Minshukus are located in places with unique natural resources and strong indigenous cultures. In the aspect of appearance and product service, Taiwaness Minshuku has achieved the refinement that the decoration style is exquisite, the service is meticulous and considerate and the dining form is increasingly diverse. Natural resources, human resources, and environment around the diversity characteristics lead to the characteristics of geographical agglomeration and forming regional Minshuku brand. Rational use of location advantage and building regional Minshuku brand enhance the overall competitiveness. The scientific regulations promulgated by the Taiwan government have standardized management of the operation scale, equipment facilities and responsibility management of the Minshuku. The well-developed industry association supervises Minshuku, accepts consumer complaints, and promotes standardized development of the industry. Therefore, the experience of Taiwaness Minshuku is summarized as follows: established Minshuku policy, industrial organization, special residential products, and the industrialization of Minshuku operation. Administrative measures for the Minshuku has set Minshuku’s operation, hardware facilities, food safety and responsibility. The government formulated and promulgated policy laws and regulations of the act, the supervision and management of Minshuku from Taiwaness Minshuku association, government and industry association for the development of Minshuku facility in Taiwan has played a leading role. Taiwaness Minshuku has developed the special products by utilizing the local natural and cultural resources and combining with folk customs. Certain factors have realized the management of industrialization which are higher service quality, the cooperation with other industries, extended industrial chain and the publicity.

Research on the Status of Minshuku’s Development in Dujiangyan

Questionnaire Distribution and Research Process

Using random sampling, 236 questionnaires were distributed to the consumers of Minshuku in Dujiangyan and 234 of them are valid. First, we searched in the online platforms and determined the general survey area. Then the questionnaire and interview outlines were designed for the actual situation of Dujiangyan Minshuku. In this paper, the development status of Dujiangyan Minshuku industry was studied via the questionnaires, and the interviews with Minshuku operators and the analysis of customer's evaluation in OTA.

Analysis of Results

Analysis of Demographic Characters of Customers. Women accounted for 63.51% of the survey, indicating that Minshuku is more popular with female consumers. In terms of age structure, the number of subjects aged 19 to 30 was 48.30% of the total population, and the proportions of 41 to 60 and 31 to 40 are 21.37% and 18.80%. 75.22% of the consumers of the Minshuku have bachelor degree and above. In terms of the household income (month) of consumers, the total income from 3001 to 10,000 is 65%.

Analysis of the Customers’ Way of Knowing Minshuku. According to the proportion: from the Internet and other media > recommendation from relatives and friends > from OTA> search Minishuku temporarily > introduce from local guide> from magazine. Thus, the Internet has brought important influence to the publicity and promotion of Minshuku.

Analysis of Minshuku Price for Consumers. Choice of less or equal than 200RMB accounted for 52.14%, and 201-500RMB accounted for 43.59%, but only 3.2% chose 501-1000RMB and consumers who chose above 1000RMB accounted for 85%.

Analysis of the Accessibility of Minshuku in Residential Areas. When consumers considered the time from tourist destination (or transportation hub), 37.18% of them chose half an hour to an hour’ driving distance and 34.62% chose within half an hour.

Analysis of Consumer’s Expectation of Minshuku’s Production Experience. Most consumers expect the theme of Minshuku which can make them feel the traditional farm life. They prefer to have
local specialties. Consumers are more likely to choose a Minshuku which has a life style with local characteristics, convenient services and experiential activities. They also expect to enjoy beautiful natural scenery in the Minshuku.

**Analysis of Products Provided by Minshuku are not up to the Expectation of Consumers.** Consumers found the biggest difference between their expectations and facts is the overall decoration lack of characteristic and non-featured specialties, and then is the lack of entertainment activities and local tour service, and then is that the operator is not enthusiastic enough and that the traffic is inconvenient.

**Cross Analysis:** the effect is significant between the two variables. Family income and choice of Minshuku price: we find that the higher the family income is, the higher level of price they choose. Gender affects the preference of the theme of Minshuku: comparison between male and female markets, featured catering and rural life theme of Minshuku are large markets, but culture and arts is more welcomed in the female market while sports and leisure in male market.

![Graph showing the effect of family income and gender on Minshuku choice](image)

**Analysis of Consumer’s Evaluation on the OTA Platform (Ctrip)**

10 better-developed Minshukus were selected from the Internet. Comments about them were sorted and analyzed according to the positive and negative aspects. There were 1497 positive comments, including the evaluation of the house, the surrounding environment and operators. From the perspectives of the evaluation of room, nice and tidy accommodation accounted for 33% and the decoration style accounted for 15.3%, while the proportion of amenity, complete equipment and high cost-effectiveness was small. In terms of the surrounding environment, the majority are “good surrounding environment”, which accounted for 12.3%, while the proportions of convenient transportation, entertainment and special snacks were small. According to the evaluation of operator, the attitude accounted for 87.3%. Negative evaluation of the results were as follows: poor infrastructure accounted for 48.72%, remote geographic location and inconvenient transportation was 10.26%, featureless catering was 16.67%, and passionless of operator’s attitude was 15.38%.

**Analysis of Communication with Operators**

Through interviews with operators from different areas whose Minshuku has certain characteristics and better development, we know the Minshukus are mostly designed by their operators independently. The operation has low and peak seasons. Part of the operators treat it as their avocation and run it by the whole family. They are well educated. Some has relevant working experience. Consumers are widely distributed. Some Minshukus provide entertainment items such as outdoor movies and barbecues, however local characteristics are not strong. The publicity and promotion of Minshuku is mainly through OTA platforms and WeChat. They can offer local specialties. Although the geographic location is relatively remote and surrounding infrastructure is not perfect, but it provides pick-up service. Some sells handicrafts.
Research Conclusions

Government Lacks Management and Unified Planning

In Dujiangyan, the Minshuku’s qualification, pricing benchmark, facilities, standards and other aspects of the regulatory efforts need to be strengthened, meanwhile, Dujiangyan lacks specific organizations to make a unified plan to develop Minshuku.

Infrastructure Needs to be Improved and the City Lacks Corresponding Supporting Service System

Most of the Dujiangyan Minshukus are located in the beautiful mountains but the earthquake has caused secondary disasters, which results in difficult recovery of road transport facilities. This is likely to affect the traffic convenience between the Minshuku and the main city of the region. Secondly, Dujiangyan Minshuku operators lack economic strength and the ability to plan infrastructure of the Minshuku area effectively.

Professionals are Scarce and Difficult to be Cultivated

Most of the existing Minshuku operators in Dujiangyan are not expert in the accommodation Industry. Lacking professional knowledge structure system, they have limited knowledge on tourism and Minshuku, and this further obstructs the development of Dujiangyan Minshukus.

The Marketing Mode is Single and the Level of Network Marketing is Low

There are less channels for Minshuku operators to publicize and promote Minshuku, most are various platforms on the OTA platform. However, they do not pay much attention to offline marketing. In the information transmission of Internet marketing, they only provide basic information of Minshuku on the OTA platform, while they are lacking in copy writing, image processing and story marketing.

The Architectural Style is Similar, and the Minshukus Lack New Ideas and Regional Characteristics

Dujiangyan Minshuku is young. The layout of the Minshuku or the exterior decoration are similar. Part of the exterior design is European and American style or minimalist Chinese style. The lack of refreshing style is easy to cause consumers’ aesthetic fatigue.

Product Level is not Rich Enough and the Service is Weak

According to the product level theory, the author found that the Dujiangyan Minshuku just stays in the initial stage of product development, such as providing accommodation and catering services. The level of product is not rich enough. The operators lack the exploitation in products that customers expect, additional products and potential products. Besides, the countryside, customs, cultural nostalgia and other elements lack effective integration and the intangible product quality is not high.

The Homogeneity is Serious and the Industry Lacks the Sense of Overall Development

Dujiangyan Minshuku has some spatial aggregation characteristics in some areas. But as the whole, the Minshuku business philosophy and development direction in Dujiangyan Minshuku market is very similar. In addition, the Minshukus in Dujiangyan market mostly operate alone, lacking overall awareness of the development of Minshuku operators. Due to the small scale, it is difficult to form a powerful brand, which leads to disadvantages in the Dujiang Hotel industry.

Suggestions for the Development of Minsyuku in Dujiangyan

Government Should Strengthens Management, Sets up Trade Associations and Plans for Development as a Whole

The government should issue a series of measures to solve problems of Minshuku in Dujiangyan. Dujiangyan should also establish industry associations to strive actively for higher-quality resources
for the Minshuku in Dujiangyan and promote the communication and information sharing among
Minshukus in Dujiangyan.

**Government Should Improve Infrastructure Conditions and Tourism Supporting Service System**

The government should make efforts to improve infrastructure conditions and tourism supporting
services, which are the basis for the development of Minshuku industry.

**Operators Should Upgrade the Professional Management Capacity**

The Minshuku operators should pay attention to the improvement of management abilities and
learn the experience of domestic and foreign successful cases in order to form characteristic
management concepts and keep pace with the times.

**Operators Should Adopt Multiple Marketing Approaches**

Operators should make full use of paid media for advertising and marketing promotion, and pay
attention to word-of-mouth marketing. In addition, operators can also cooperate with offline travel
agencies and tourism exhibitions to carry out joint sales.

**Operators Should Make Local Cultures Features Become Tangible and Pursue the Individualized Development of Minshuku**

In terms of Minshuku’s architectures, the local cultural characteristics, the professional background
and life perception of the operators should be integrated into the overall decorative style of the
residential Minshuku buildings. At the same time invisible local culture becomes tangible. In addition
Minshuku should has more personality and artistic value.

**Operators Should Enrich the Product Level and Create a Warm Minshuku**

The operators can enrich the product levels and extend the industry chain by combining and deeply
excavating the local natural and humanistic characteristics. The Minshuku can offer local specialties
to stimulate taste experience. In addition, the operators should make the consumers feel the emotional
temperature behind the service, mobilize the emotional experience, enrich the experience activities
and enhance the experience.

**Government and Operators should Build Creative Minshuku on the Basis of Regions**

Taiwan Minshuku’s regional features are distinct, regional concepts of which can be learned by
Dujiangyan City. As world cultural and historical heritage, Dujiangyan City, which owns rich tour
resources of great region specialties can build different types of creative Minshukus:

**City Blocks--“Water Culture” Minshuku.** The overall style of decoration can learn from
traditional classic garden, for example, bringing in “Artificial landscape garden”. Besides, Minshuku
can use symbols of Dujiangyan Dam such as bamboo cages to obtain good results. Offering food such
as specialties of western Sichuan is also available. It’s better to sell souvenirs associated closely with
Dujiangyan culture.

**PuYang Town--“Nature Education” Minshuku.** Basing on “HuaXi Farm”, a practice base for
nature protection, Minshuku in this area can implement activities related to nature and environment.
The exterior of Minishuku should be mixed with environment by building banda or tree house while
the interior of Minishuku should pay more attention to harmony between human and nature. It is
better to cook with local materials under wild environment.

**Longchi & Hongkou Town--“Sports” Minshuku.** Having mature summer rafting and winter
skiing activities, Minishuku’ exterior can utilize wood-imitation materials or tents while the interior is
to better imitate style of Sports exhibitions, for example, adding skateboards and tires. It can’t be
better if host offers service such as sports teaching,equipment renting and create “Sports-VIP”
patterns.
Tianma & Shiyang Town—“Village-experience” Minishuku. courtyard space can be shaped in the style of traditional western Sichuan dwellings. Focus on Dujiangyan’ specialties when cooking and implement activities such as picking and planting. Besides, selling agricultural products is also a good choice.

Mount Qingcheng—“Tao and Regimen Culture” Minishuku. Blending Tao culture in overall design will benefit a lot. Meanwhile, Setting Taoist school and imparting regimen knowledge is also helpful. Mainly presenting omeire, Kudingcha, Ginkgo stewed chicken, Qingcheng pickles--known as “Four specialties of Mount Qingcheng” in the restaurant of Minishuku. Products related to native and Tao are always preferred.

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