

# **Investment Research on Characteristic Towns in the Communications and Tourism Convergence Industry -- Taking Hubei Provincial Communications Investment Group Co., LTD. as an Example**

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**ABSTRACT.** *This paper focuses on the strategic transformation of China's state-owned large-scale investment and financing platform, takes the communications and tourism as the transformation direction, and the characteristic town as the transformation industry, taking Hubei Provincial Communications Investment Group Co., LTD. as an example, this paper focuses on the investment and construction strategy of the characteristic small town industry in the cultural tourism industry.*

**KEYWORDS:** *Characteristic town, Industry*

## **1. Development Status Quo of Characteristic Towns**

The development of characteristic towns is urbanization model combined with tourist attractions, consumer industry accumulation area, new urbanization development zones, and the integration of industry, town and rural areas, including land consolidation, resource integration, industrial development, infrastructure construction and other projects [1].

### **1.1 Problems in the investment and construction of characteristic towns**

#### **1.1.1 Social capital participation is not high**

Due to the public nature of the characteristic towns, it is difficult for social capital to recover capital through normal operations, and its attraction is weak for

some small enterprises or enterprises that are in the initial stage of development. During the operation of the characteristic town, it is necessary for social capital to invest more management resources, and the requirements for social capital are higher, considering that the income is difficult to guarantee, the overall participation of social capital is not high.

### **1.1.2 The Management Period Has Higher Requirements for Management.**

The operation requirements of the characteristic towns are mainly based on the market; one or two strong leading enterprises as the core, and closely carry out related industry chain investment and public support activities around their advantageous industries. To achieve the branding of characteristic towns, attract more consumers, which require high-quality operation and management capabilities. In practice, due to the large investment in the construction of characteristic towns and the rapid results, the demand for investment entities is very high [2]. Due to improper development positioning or relatively special industries, it is not easy to introduce market participants with deep qualifications in a short period of time.

### **1.1.3 Capital recovery is difficult**

According to the project construction content and project nature, although the PPP project of characteristic town construction can charge some users certain expenses through commercial operation, because of its public welfare property, it is difficult to make up for the operating cost in the early stage of the project, and the capital expenditure invested by the project company should adopt the return mechanism of the "feasibility gap subsidy". Project revenue sources include user fees and government feasibility gap grants.

## ***1.2 Analysis of Investment Level of Existing Characteristic Town projects***

### **1.2.1 The foundation of characteristic towns - investment of characteristic industries**

The investment of characteristic industries is the foundation of characteristic towns, under the current investment dilemma; the gloomy is industrial investment, especially manufacturing investment. This is not only because there is overcapacity everywhere, but also due to confusion of prospects brought about by the not weak market demand. In fact, in a fully competitive market, the real surplus is only the part ability where supply and demand that is relatively low. At present, the industrial selection of characteristic towns is nothing more than three major aspects: first, emerging industries that lead the trend, such as cloud computing, geographic information, funds, etc.; second, classic industries such as silk, yellow wine, sword porcelain, etc., third, the general manufacturing uses "Internet+" and "cultural creativity+" and other innovations, transform into a part of the supply matched with high market demand, such as the fashion of leather, sweaters, socks and other industries. Investment in these industries is different from general industrial investment; it is an investment with market, prospects and sustainable competitiveness, so it is an effective investment [3].

### **1.2.2 Load bearing of characteristic town - infrastructure investment**

As the bearing capacity of industry and population, the town's water, electricity, roads, and information (information infrastructure) all require high standards and complement. In addition, the infrastructure supply that carries the "three in one" function of the characteristic town industry (manufacturing), culture and tourism is also indispensable, for example, science and technology museums and other infrastructure of social undertakings, and tourism infrastructure such as tourist reception centers. Most of the towns are based on the established settlements, industrial parks and historical districts, sometimes it is even more difficult and time-consuming to rebuild, such as river dredging, road repairing, façade renovation, and greening expansion and so on. In order to achieve the "three integration" of production, life and ecology of the town, the "three drive" of industrialization, information and urbanization, without systematic planning and organic renewal of its infrastructure, after all, the beautiful blueprint is going to be lost.

### **1.2.3 The ecological circle of the characteristic town - real estate investment**

The real estate and living facilities investment carries the work, study and life of the small town residents, subject to the constraints of the existing system; it often has to exist in the form of urban villages and urban-rural joints. How to combine the creation of characteristic towns, bring this part of the industrial block with vitality and energy, "new urbanization" is a good thing that is conducive to development and beneficial to people's livelihood.

## **2. Key Factors of Investment in Characteristic Town Projects**

### ***2.1 Formulate development planning and construction plan for characteristic towns with high standard***

The development plan is the overall plan and strategic plan for the development, life and ecological future development of the characteristic towns, the construction plan is the project layout and image progress of the implementation of the development plan. Planning "false in the home", the plan "real need to be in place", the combination of the two, the effect complement each other.

### ***2.2 Platform enterprises with strategic investment vision take the lead***

The block-shaped characteristic economy is inseparable from the "puppy economy" of the year, but today, when it comes to creating a characteristic town, many small and micro enterprises that produce the same product cannot still be "a plate of sand." It is necessary to develop a modern warfare awareness of the "carrier battle group", and is good at surrounding the introduction or cultivation of strategic investors and platform enterprises to form organic complex, including ship carrier, destroyers, frigates, submarines and supply ships, the core is the aircraft carrier that serves as the battle group command hub and combat platform.

### ***2.3 Effective investment management system and mechanism***

The government has repeatedly stated that “the characteristic towns are independently planned and approved by the local governments, and the provincial government no longer approves them”, and pointed out that “the construction of characteristic towns emphasizes government guidance, enterprise main body and market-oriented operation”, give full play to leading enterprises in the main role in planning and construction, “it must abandon the traditional practices of taking the brand first, government investment (infrastructure), and attracting investment.” A new mechanism may be created to create a new situation!

## **3. Safeguard Suggestion for Investment in Construction of Characteristic towns**

### ***3.1 The government releases the franchise and provides subsidies***

The development of characteristic towns lacks infrastructure, funds, and mature business models. The characteristic towns are different from the construction towns. The development and construction must be based on enterprises, requiring social capital and private capital to intervene, while social capital and private most important thing for capital is investment and return. Social capital partners undertake most of the work of project financing, construction and operation in exchange for long-term franchise rights for public goods and public service projects. Clarify the responsibilities and obligations that the government should assume, and conditionally release the franchise rights to provide participants with more opportunities to recover capital. For the government, the main income is land sales income; tax revenue, non-tax revenue and special funds, and these four incomes will become the main source of government subsidies for participants. This will not only solve the government's difficulties in the operation of funds, but also allow private capital to exert more advantages in terms of capital and technology.

### ***3.2 High-standard construction of characteristic towns that reflect local characteristics***

In order to obtain a certain income, the characteristic town needs the participation of consumers in addition to the government subsidies. Although there are public welfare factors in the construction and operation of characteristic towns, if the characteristics of the tourist areas can be fully utilized, it will be beneficial to the recovery of investment, thereby increasing the enthusiasm of social capital participation. Building a high-quality characteristic town requires reasonable and effective upfront planning and a high level of construction. This requires the government to improve the requirements for construction design, engineering and operation in the early stage. In mechanism, under the unified planning of the government, a certain industry as the leading factor, we should attract the most advantageous social capital and private capital in the industrial chain to participate in the research and development, incubation and operation of characteristic towns. It

can attract more social capital and private capital to provide public services. Through the cooperation of projects and social capital, a relatively flexible mechanism can be established. Through the guarantee of mechanism, the enthusiasm can be fully mobilized, which will help to activate the overall operation and management of characteristic towns.

### ***3.3 Government assists publicity, reduce operational risks***

The investment recovery period of the characteristic towns is relatively long. The operation and development of the operation period cannot be separated from the extensive publicity and promotion. As the main body of the construction of the characteristic towns, the government should do a good job in propaganda work and brand the local characteristic towns. Improve the visibility of featured towns and attract more consumers. In attracting consumers, we can establish cooperative relationships with large enterprises and contract employees' collective tourism projects to improve the reputation of urban characteristic towns. At the same time, it is necessary to try to achieve the concentration of the investment enterprise field, highlight the core industry, and grasp the characteristic town to create a substantial operational subject. At the same time, in management operations, characteristic towns should be the mainstay of the market, reducing the impact of the government.

## **4. Investment Strategy and Suggestions for the Communication and Tourism Industry of Hubei Provincial Communications Investment Group Co., LTD.**

Hubei Provincial Investment Group was established in 2010, which is the largest state-owned investment and financing platform in Hubei Province. In the process of development of comprehensive transportation in Hubei Province, the provincial investment bank has made up for the shortcomings of local governments with insufficient taxation and limited development funds. With the expansion of investment and financing business in the integrated transportation sector, the investment and financing scale of the investment group will exceed 300 billion Yuan respectively, which has played an important platform function, and has made the province's comprehensive transportation infrastructure construction and local economic and social development. As a result, there is no small debt risk. In order to balance risks and seek development, the group leaders have formulated the overall layout of "two business positioning" and the strategic layout of "four main businesses and eight major sectors". Among them, the "cultural travel" industry is an important pillar industry for the strategic development of the trading group.

### ***4.1 The status quo of Hubei's "characteristics and towns" industry***

#### **4.1.1 Current status of investment in cultural tourism and characteristic town projects**

At present, within the group company, the cultural tourism projects that have already carried out the preliminary project work or reached a clear investment

intention are: Xiangyang Cultural Tourism Demonstration Zone, Wudang Mountain Road Cultural Characteristic Town, Shennongjia High-end Holiday Kangyang Town, Jingshan Hujiaoshan Cultural Tourism Complex project.

#### **4.1.2 Problems that need to be solved**

First, it is necessary to formulate the overall planning of the cultural tourism industry from the industrial level, combined with the strategy and positioning of the investment, including the analysis of the policy environment and strategic environment, the development strategy of the investment travel industry, and the determination of the major cultural tourism projects. Management measures implemented, safeguards, etc.

Second, it is necessary to introduce and cultivate industry talents. As an important resource of the cultural tourism industry, talents are the symbol and embodiment of soft power. At present, there is a lack of creative talents in the travel industry, management teams to new media management teams and other personnel mechanisms.

### ***4.2 The development strategy of Hubei's "intellectual tourism town" industry***

#### **4.2.1 Strategic Positioning and Choice of "Wu Bing" Industry**

Combining the situation of several major enterprises in Hubei Province with the development of tourism industry (E-Bang Investment, Lianfa Investment, etc.), the industrial boundary (product category, industrial chain scope), business form (enterprise positioning), competitive position (The position of the company in the province), our group companies can choose the appropriate strategic positioning from the perspective of industry, business and competitive position. To create a travel and investment provider and operator that has become a leading company in the entire industry chain.

From a regional perspective, our group companies can form a multi-point supporting complementary strategic layout of Shennongjia, Shiyang Wudang Mountain, Jingmen Jingshan, Xiangyang Dongjin and Huanggang Guifeng Mountain.

##### **(1) Strategic positioning of specialized cultural travel**

Combining the absolute leading position of our trading group in the field of comprehensive transportation, we rely on highways, waterways, railways, aviation and other resources to provide the most professional transportation and tourism products in Hubei Province.

##### **(2) Strategic positioning of diversified cultural travel**

While implementing the professionalized travel strategy, we will actively seek cooperative enterprises based on their own strengths, and engage in other tourism derivative industries through acquisitions and acquisitions, and joint ventures to prepare for future strategic transformation.

#### **4.2.2 The specific implementation path of the industrial strategy of “sports and tourism characteristic towns” in Hubei**

(1) The construction of a slow-moving transportation network, and the construction of a “slow-tour” transportation network integrating “eat, live, travel and entertainment”. According to local conditions, the construction of scenic spots and roads, combined with landscape features and tourism resources along the line, to create a theme line with access, recreation, experience, sports, fitness, culture, education and other composite functions, and add bicycles, trails and other slow-moving facilities according to demand. Support the construction of tourist roads directly supporting tourist attractions, and support the construction of rural tourist roads leading to tourist attractions such as ethnic minority villages and customs towns. ,

(2) Construction of dynamic service area: First, build a destination service area, rely on adjacent scenic spots or excellent tourism resources, and use the service area as a destination for travel, such as Jiangxi Xishan Sea Service Area, backed by national-level scenic spots. The scenic spot can provide visitors with one-stop service for eating, living, traveling, traveling, entertainment and purchasing. The second is to create a theme service area, which requires a clear theme for the service area. The third is a special service area, adding some tourism elements and creating a service area with strong local characteristics and cultural characteristics.

(3) Bring into play the advantages of transportation and tourism resources and create product innovation.

The first is to promote the transformation and upgrading of railway tourism products. Actively develop railway tourism products such as heritage railway tourist routes and boutique railway tourist routes. In response to market demand, special tourist trains such as tourist trains and hotel trains have been added. Encourage the scenic area to combine the railway legacy, natural landscape, etc., to set up a tourist experience or short-distance sightseeing routes. Support the development of special sightseeing trains and other equipment suitable for tourism characteristics.

The second is to create a boutique road tourism product. In accordance with the requirements of beautiful landscape, experiential and strong driving, combined with the construction of scenic spots and scenic spots, the planning and construction of ecological resources along the line, towns, villages, car campsites and greenway systems will be strengthened. Form a wide-ranging natural landscape, historical humanities, and red cultural lines. Strengthen the connection with industry and tourism operations along the line, and promote product and road travel routes. Promote the self-driving tour route of boutique tourism roads, guide the development of self-driving RV tourism, and cultivate self-driving tour and camp chain enterprises.

The third is to develop water tourism products. Optimize the layout of coastal cruise ports and gradually form a well-distributed cruise port system. Support the development of water tourism products such as cruise ships and yachts. Encourage and support shipping companies to expand international and domestic cruise routes according to market demand, and build cruise-to-city integrated tourism routes.

Support the Yangtze River trunk line, lakes, reservoirs and other areas and other conditional navigable waters to develop inland river cruises in an orderly manner, increase cruise travel routes, and strengthen the construction of water travel routes and water tourism public service facilities.

The fourth is to develop low-altitude flight tourism products. Support the development of low-altitude tourist routes and encourage the development of air travel products such as air tours, aviation experiences, and aviation sports. Actively carry out the pilot program of general aviation tourism, and encourage key tourist cities and qualified tourist areas to open low-altitude tourism routes. Promote the construction of the general airport, build a low-altitude tourism industrial park, a navigational tourist town and a flight camp. Support low-altitude tourism general aviation equipment independently developed, to create low-altitude flight tourism equipment and supporting specialized production and industrialization application base.

The fifth is to excavate transportation and cultural tourism products. Strengthen the research on the protection and development of railway and highway transportation heritage resources with historical, cultural and spiritual values, encourage the excavation of traffic relics with important historical and cultural values, do a good job in resource protection and development, and improve tourism routes and display platforms. Combine tourist routes and vehicles with regional characteristics and historical and cultural values to create transportation and tourism products. Encourage the transportation infrastructures such as large bridges invested and constructed by the investment group that have rich ornamental value to increase parking, viewing, sanitation and other service facilities when designing new ones. The completed functions that can be combined with overhaul, renovation and expansion to increase viewing services.

#### (4) Development of global tourism

The focus is on Jingmen Jingshan, Huanggang Macheng, Wudang Mountain, Shennongjia and other counties and cities that have developed the value of travel tourism to create a global tourism and form the strategic layout of the tourism iron triangle of our trading group.

(5) The integration of "Internet +" cultural travel, through the establishment of an Internet platform, the more the use of Internet convergence thinking to achieve customer interaction, organizational learning, iterative innovation and resource management, to create a win-win situation for enterprises and customers. To promote the research and development, sales and after-sales service of tourism products and customers, and to realize iterative innovation for a long time, to retain the customer base; to improve the resource management ability of the trading platform of the business through the application of the Internet platform system; + Wen Bing, to promote the interactive learning of all employees of the ICBC.



## 5. Conclusion

The cultural tourism project, especially the characteristic town project, has a large investment and a long return period. However, if the overall design of the project is reasonable and the management is effective, it can attract platform enterprises and other social capitals with the support of the government and national laws and policies. Active participation leads to the completion of the project, bringing employment to the society, bringing taxes to the government, and generating income for investment.

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