

# Trends and Dynamics of China's Lodging and Catering Industry: A Comparative Analysis

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**Abstract.** This article mainly writes about the trends and development of China's catering and lodging industry in recent years, and by analyzing the collected data, this research can give suggestions for development in the next few years. This article mainly uses the comparison method, after collecting the data, by comparing the change of data in different years, through the comparison method, this paper can more intuitively feel the change of different years, which can help us to analyze better. The rigor of this study is very high because all data and conclusions are collected from official data. The research in this article will have an important impact on those who want to work in the food and beverage industry in China. Those who want to work in the industry, can use the article to find out whether the industry will be stable in the future. Those who want to start their own business in this field can use the article to know whether they are ready to enter the market now.

**Keywords:** Lodging and catering industry; Economic impact; Business opportunities.

## 1. Introduction

China's accommodation and food service sectors stand as integral pillars of the nation's economy, playing crucial roles in service provision, employment generation, and cultural exchanges. Encompassing a diverse spectrum from hotels to culinary services, this industry not only shapes vibrant leisure experiences for domestic and global tourists but also fosters cultural interactions. This study aims to delve into the workforce dynamics within China's accommodation and food service industry, focusing specifically on mean income levels. Understanding this subject holds immense importance, offering profound insights into the industry's economic and societal impacts, impacting millions of livelihoods. Examining this dataset will reveal demographic compositions, educational qualifications, labor conditions, and professional growth opportunities. Of particular focus is the analysis of average wage levels. These not only gauge economic vitality but profoundly influence workforce living standards and financial stability. Examining wage disparities across roles, urban-rural wage differences and industry-wide wage trends will tempo.

This paper policymakers, industry leaders, and practitioners in career planning and setting remuneration expectations. This empirical endeavor seeks to shape the trajectory of China's accommodation and food service sector. It aims to provide evidence-based recommendations for policymakers, fostering sustainable growth, improving work environments, and meeting growing domestic and international demands. Through meticulous data analysis, this study will offer a lens to understand the current landscape, identify evolving trends, and anticipate the prospects of this industry.

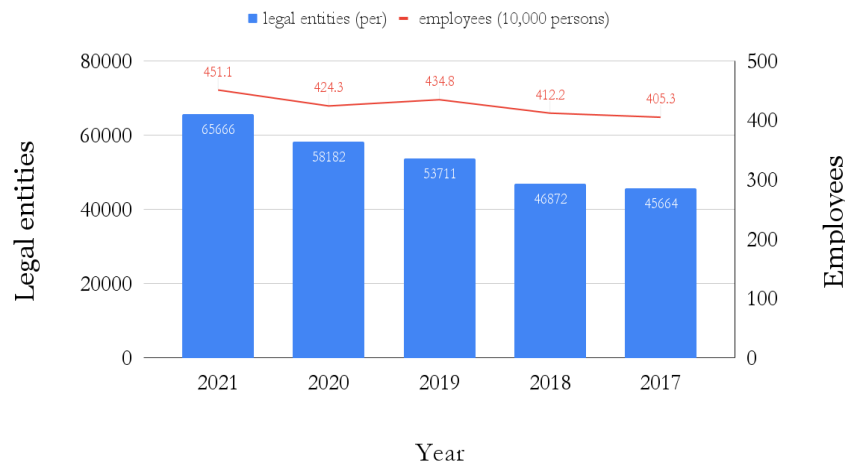
## 2. Methodological

### 2.1. Methodological Component

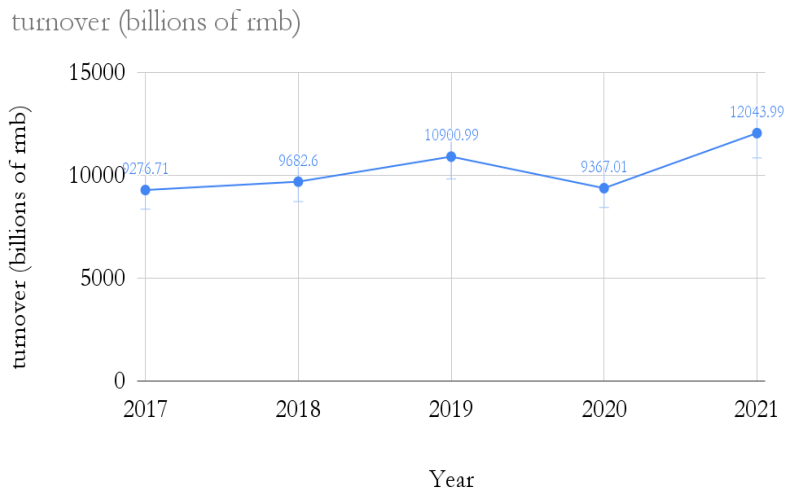
By observing and recording the data from the National Bureau of Statistics of China, this research made a bar chart, which is easier to observe and analyze. The paper chose the number of restaurants and lodging companies and the number of people employed from 2017 to 2021 in China's national yearbook and analyzed the trend of change in the number of companies to get the result.

**2.2. Result**

China Accommodation & Dining legal entities and employees (2017-2021)



**Fig. 1** Entities and employees (Photo/Picture credit: Origin).



**Fig. 2** Entities and employees (Photo/Picture credit: Origin).

Figure 1 is talking about the legal entities and employees from 2017 to 2021. From the figure, this figure can see that the legal entities of China Accommodation and Dining keep increasing. From 2020 to 2021, the number of corporations has increased from 58 182 to 65 666, and this year, more than 7 484 corporations have registered trademarks for their brands, which means that more new faces have joined the industry. This figure shows that this increase is unprecedented. It is because after the epidemic, many businessmen have found business opportunities here, and they think that after the economy recovers, more people will spend money in the accommodation and catering industry.

The y-axis represents the turnovers from 2017 to 2021. From Figure 2, the paragraph shows that the turnover of China Accommodation and Dining keeps increasing. From 2020 to 2021, the Chinese market turnover increased from 9367.01 billion RMB to 12943.99 billion RMB, and this year, the market increased by more than 2676,98 billion RMB which means that the Chinese market still has a lot of potential markets. This increase is unprecedented. After the epidemic, the economy started to recover.

**3. Interpretation of Result**

Figure 1 shows the number of legal entities and employees in China’s accommodation and catering industry from 2017 to 2021. The y-axis shows an overall decrease in the number of legal entities over

five years, from approximately 45664 people in 2017 to 65666 in 2021. In contrast, the line chart shows a slight decline in headcount over the same period, from about 405,300 to 451,100, an increment of 10,000. This suggests that while fewer companies are operating in the industry, the ones that remain are larger and probably more efficient, employing more workers on average. Strategies to foster China's accommodation and catering industry could include consolidating smaller entities to boost operational efficiencies, investing in staff training to boost service quality, adopting technology to enhance customer experiences, developing innovative new services based on consumer preferences such as healthy dining options or personalized travel experiences, or consolidating smaller entities for operational efficiencies. Incorporating sustainable practices can build resilience against global disruptions as well as capitalize on growing ecotourism markets with large domestic consumer bases. One of the main issues facing the industry is the lingering uncertainty caused by the pandemic. While the pandemic is recovering, the industry remains vulnerable to fluctuations in domestic and international travel policies as well as possible new virus variants. In addition, there is a constant need to adapt to changing customer preferences and higher expectations of health and safety.

#### 4. Discussion

During the epidemic, the home consumption market accelerated the digitization process of enterprises, and the takeout of restaurant enterprises, no-touch ordering takeout, and the provision of food ingredient substitute processing business were all expanded to varying degrees. Restaurant catering enterprises have started a variety of attempts in the retailing of ingredients, live banding, social marketing, and vigorously expanding the community market [1]. Central kitchen + cold chain delivery, online restaurants, unmanned restaurants, and cloud wedding banquets have become a new trend. Correspondingly, takeout, digital talents, and online sales staff have become the favored objects of catering and accommodation enterprises after the epidemic. In the long run, to meet the needs of healthy consumption, the process of greening, digitization, and multi-industrialization of the industry will be accelerated and digitized and networked medium- and high-skilled employment will become a new form of employment in the industry.

Several actions and regulations, such as travel bans, social distancing guidelines, and embargoes, have been brought about by the COVID-19 epidemic and have directly harmed lodging and dining facilities. Occupancy and traffic at hotels, restaurants, and other associated businesses have significantly decreased [2]. Numerous companies have been forced to shut down completely or even just temporarily. The sector that depends significantly on tourist earnings has suffered greatly because of travel restrictions and health and safety concerns that have impeded the growth of both local and international tourism. Numerous tourism-related enterprises were forced to react swiftly to the issue. Modification. Strict health and safety protocols have been put in place to boost client confidence [3].

The industry's overall growth trajectory in prior years abruptly stopped despite these adaptable measures. 2020 will undoubtedly be a difficult year, but the hotel and restaurant sectors have proven to be resilient and flexible [4]. As travel restrictions gradually loosen and the pandemic fades, the industry is having difficulty recovering. With a focus on health and safety, cutting-edge services, and adaptability to the ever-changing global landscape, China's lodging and hospitality sector is well-positioned to redefine and fortify its operations in the wake of the devastating COVID-19 pandemic [5].

While the tourism industry is on the road to recovery, the global landscape remains uncertain. New virus variants and evolving travel policies continue to pose challenges [6]. However, the resilience, adaptability, and innovation that China's lodging and hospitality industry has demonstrated throughout the outbreak is likely to play an important role in its revival and long-term sustainability [7]. Lessons learned from the outbreak are likely to shape the future of the industry and emphasize the importance of flexibility and the ability to respond quickly to a dynamic environment.

## 5. Conclusion

The study on China's lodging and catering industry provides a comprehensive analysis of the sector's trends and development by utilizing comparative methods with data from the China National Bureau of Statistics. The industry, a crucial part of the nation's economy, has shown a significant increase in the number of legal entities from 2017 to 2021, suggesting a surge in business opportunities post-epidemic. Despite the COVID-19 pandemic causing a decline in turnover and operational challenges in 2020, the industry demonstrated resilience, and 2021 marked a year of recovery. The pandemic accelerated the digital transformation of businesses, with a shift towards food delivery services, contactless operations, and a focus on local tourism. The study highlights the need for adaptability, with an emphasis on health and safety, innovative services, and flexibility in response to changing global dynamics. It suggests strategies such as consolidating smaller entities, investing in staff training, adopting technology, and developing innovative services tailored to consumer preferences. The industry's revival is supported by effective outbreak control, vaccination campaigns, and pent-up demand, positioning it for future growth and sustainability.

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