

Government Regulation of Scenic Spot Ticket Prices: Evidence from Nanjing

Huilin Hou *

School of Economics and Management, Nanjing University of Science and Technology, Nanjing,
China

* Corresponding Author Email: 13132236221@163.com

Abstract. With the rapid development of China's economy, the number of domestic tourists has been increasing year by year. As a popular tourist destination, Nanjing has experienced sustained growth in visitor arrivals. Tourists' rising demand for high-quality travel experiences places greater pressure on the service standards of scenic areas. However, issues such as unreasonable ticket prices, inadequate management, and disordered site conditions have become key factors undermining the tourist experience. Although these problems appear to center on ticket pricing, their underlying causes are multifaceted. This paper examines how ticket price regulation can be deepened under government oversight, analyzes the current state of ticket price management in Nanjing's scenic areas, identifies existing problems, and proposes corresponding policy measures. The goal is to rationalize ticket prices, improve the structure of the tourism economy, and support the sustainable and healthy development of Nanjing's tourism industry.

Keywords: Government regulation; Ticket prices; Nanjing.

1. Introduction

Tourism costs include tickets, transport, accommodation, and dining, with ticket prices playing a central role. Understanding the pricing mechanisms of scenic spots in Nanjing and identifying problems in price determination is critical for the city's tourism development. China's central government has recently intensified regulation over tourist attractions, mandating price adjustments at major state-owned scenic spots to align with consumer spending power and encourage quality upgrades. In response, Nanjing and Jiangsu Province have implemented local regulations to govern ticket and related service prices.

2. Tourist Attraction Development and Ticket Price Management in Nanjing: A Current Assessment Section Headings

2.1. The Current State of Nanjing's Tourist Attraction Development

To enhance the core competitiveness of Nanjing's tourism industry and cultivate it as a strategic pillar sector, the Nanjing municipal government has issued a series of policy documents. Additionally, a special tourism development fund has been established to provide financial incentives for the industry's growth. The city's cultural and tourism authorities have strengthened promotional efforts, enriched the supply of cultural and tourism products, improved public tourism services, and enhanced tourism safety measures. These actions have contributed to a sustained boom in the cultural and tourism market and a strong recovery of the sector.

In 2023, Nanjing received approximately 189 million tourist visits, representing an 83 percent increase year-on-year and a 29 percent increase relative to 2019. Total tourism revenue reached approximately 320 billion yuan, growing by 64 percent year-on-year and 53 percent compared to 2019. These figures ranked first in Jiangsu Province and among the top of comparable cities nationwide.

2.2. The Current State of Scenic Area Ticket Price Regulation

2.2.1. Deficiencies in Tourist Ticket Management

Some ticket price regulatory authorities lack sufficient knowledge of local tourism resources and rely solely on approval procedures when managing ticket prices, effectively equating administrative approval with ticket price regulation. They consider the existing order of ticket price management and related complaints to be unfounded, making effective regulation difficult. Such deficiencies or absences in regulatory oversight create opportunities for certain entities and individuals to exceed their authority. In a number of scenic areas, the management authorities have set or raised ticket prices without the approval of the competent pricing departments, forced tourists to purchase combination tickets, and levied various fees through disguised means. Furthermore, individual local officials, failing to take into account the broader regional economic development context, have unilaterally intervened in the adjustment of ticket prices or set prices beyond their legal authority. These practices have led to arbitrary price hikes and unauthorized charges in scenic area ticket pricing.

2.2.2. Disorder in Tourist Ticket Price Regulation

The phenomenon of disorder in tourist ticket pricing is also present in Nanjing, generating multiple adverse effects on the healthy development of the local tourism industry. Some scenic areas frequently adopt strategies of undercutting each other's ticket prices, offering substantial discounts to attract visitors. Such unhealthy competition is particularly pronounced among homogeneous scenic areas within the same region. For example, during peak tourist seasons, well-known Nanjing attractions such as Xuanwu Lake and Jiming Temple have reduced ticket prices in competition with neighboring sites, sometimes pricing below cost. This behavior leads to two undesirable outcomes. First, it results in significant losses of local tax revenue. Excessively low-ticket prices reduce the tax revenue collected from scenic area admissions, thereby diminishing the fiscal resources of local governments. Second, the actual ticket revenue earned by scenic areas declines. With prices driven down, the revenue generated per visitor is limited, making it difficult for scenic areas to improve their operational performance and, in some cases, causing them to operate at a loss.

Furthermore, the rebate rate on Nanjing's scenic area tickets is relatively high, averaging 30 to 50 percent. This implies that ticket prices contain substantial markups that are captured by intermediaries such as travel agencies and tour guides. Such high rebate rates harm the interests of tourists and significantly undermine the ticket revenue that scenic areas would otherwise receive. In addition, some scenic areas lack proper pricing discipline, engaging in unauthorized fee exemptions—for example, unilaterally expanding the scope of free admission or granting free access to certain groups without regulatory approval. These practices complicate the management of the overall ticket pricing system. It follows that, although some scenic areas in Nanjing maintain relatively high nominal ticket prices, the actual revenue retained by these sites does not reflect the full benefit of the price increases. As a result, the financial resources available for resource optimization, environmental protection, and facility maintenance remain insufficient. The sustainable development of scenic areas requires adequate funding, yet the current state of ticket price management clearly fails to meet this need.

2.2.3. Increased Pressures on Ecology, Infrastructure, and Services Due to Free Admission Policies at Scenic Areas

In Nanjing, the implementation of free admission policies at certain scenic areas has, in the short term, stimulated local tourism and attracted large numbers of visitors. However, it has also imposed significant pressure on ecological resources, cultural relics and structures, and public infrastructure.

Consider the case of Zhongshan Mountain Scenic Area (Zhongshanling), one of Nanjing's most renowned attractions. Its free admission policy has drawn large visitor volumes. The resulting surge in tourist foot traffic has led to notable ecological damage, including vegetation destruction and soil compaction, thereby disrupting the area's natural ecological balance. At the same time, the preservation of cultural relics and historic structures has become more difficult, as increased visitation raises the risk of damage from inappropriate visitor behavior. Infrastructure has also come under

considerable strain. Higher visitor numbers have intensified the usage frequency of roads, restrooms, and parking facilities, accelerating the rate of wear and tear and raising maintenance costs. For example, at Xuanwu Lake Scenic Area, following the removal of ticket charges, the number of visitors increased substantially, necessitating more frequent maintenance and upgrades to facilities such as pleasure boats and walking paths. In terms of garden maintenance, the scenic area has been required to allocate more resources to preserve cleanliness and aesthetics. The large volume of waste generated by visitors demands additional cleaning staff and higher cleaning frequency to maintain environmental hygiene. Moreover, security management has faced greater challenges, requiring increased security personnel to ensure visitor safety.

Despite these pressures, the free admission policy has deprived scenic areas of the corresponding revenues needed to address them. Ticket revenue represents an important source of funding for scenic areas. After admission becomes free, ticket revenue declines sharply or disappears entirely. Consequently, scenic areas face the dual challenges of rising maintenance pressures and falling revenues, making their development increasingly difficult. Greater investment is needed for ecological protection, infrastructure maintenance, and service quality improvement, yet the lack of adequate funding severely constrains the implementation of these efforts.

In summary, while the free admission policy adopted by some scenic areas in Nanjing has promoted tourism development to a certain extent, it has also generated substantial pressure on ecology, infrastructure, and service provision.

3. The Significance of Ticket Price Management at Tourist Attractions

Ticket pricing at tourist attractions matters not only for consumer welfare but also as an instrument of national policy. Reforms in ticket price management have become a key component of the government's broader efforts to modernize the tourism administration system and are of substantial importance for promoting high-quality development in the tourism sector.

As living standards and per capita disposable income have risen, leisure time has increased, and tourism has become a common form of consumption. According to relevant data, the total number of domestic tourist trips in China has exceeded 5 billion, representing an increase of nearly 70 percent. Within the tourism value chain, ticket prices at scenic areas constitute a critical link, closely tied to both market dynamics and household welfare. Excessively high ticket prices can significantly constrain the expansion of tourism consumption. A survey by the National Bureau of Statistics indicates that a majority of respondents consider current ticket prices at scenic areas to be too high.

As a major tourist destination, Nanjing has been advancing reforms in scenic area ticket pricing in recent years. For example, the Zhongshan Mountain Scenic Area (Zhongshanling) has implemented free admission, attracting large numbers of visitors. However, ticket price adjustments require a balance between protecting the legitimate interests of scenic area operators and promoting tourism consumption. The Nanjing municipal government has introduced a series of ticket pricing measures, including preferential policies for specific demographic groups, as well as incentives for scenic areas to adopt peak-season and off-peak pricing and non-weekend discounts, in order to further expand tourism consumption.

Continued reform of ticket price management can help establish an operational and management mechanism for scenic areas that integrates both economic and social benefits. Such reforms not only enhance consumer demand for tourism but also facilitate a transition in Nanjing's tourism industry from a ticket-driven model to a broader industrial economy, and from attraction-based tourism to a leisure-oriented development pattern. Through these measures, Nanjing's tourism sector will be better positioned to meet the growing tourism demand of the population and to promote comprehensive economic and social development.

4. Problems in Ticket Price Management at Tourist Attractions

4.1. Absence of Effective Price Regulation

In Nanjing, the absence of adequate price oversight in the tourism market has led to price opacity and compromised visitor welfare. During holiday periods, for example, some tourist establishments have engaged in temporary price hikes, hidden charges beyond posted prices, and illegal tied selling. In addition, certain scenic areas have experienced problems such as ticket scalping, unlicensed passenger transport, and market disruptions caused by informal vendors. These issues not only diminish the travel experience of visitors but also adversely affect Nanjing's image as a tourist destination.

Although the government has introduced a series of policies to regulate the development of tourist attractions—covering ticket management, facility services, and commercial outlets within scenic areas—the lack of uniform policy implementation has resulted in inconsistent regulatory constraints across localities. Different districts and counties within Nanjing may adopt varying management measures based on local circumstances when implementing higher-level policies, leading to disparities in the regulation of scenic areas across jurisdictions.

Problems also arise in the implementation of higher-level policies at the local level. Some scenic areas have demonstrated an imprecise understanding of policy provisions, resulting in deviations during enforcement. For instance, while Nanjing has issued relevant price regulations requiring scenic areas to strictly adhere to government-guided prices and market-adjusted prices, certain attractions have, in practice, exhibited price opacity or unauthorized price increases due to incomplete or inaccurate policy comprehension.

4.2. Single Pricing Method and Multiple Constraints in Ticket Price Determination

In Nanjing, scenic area ticket pricing primarily relies on a cost-based approach. This method limits the flexibility and diversity of ticket price setting to a considerable extent. Moreover, given the presence of induced demand in certain localities, the cost-based method often becomes ineffective in allocating demand and fails to accommodate the increasingly diverse preferences of tourists.

For example, popular Nanjing attractions such as the Confucius Temple (Fuzimiao) and Zhongshan Mountain Scenic Area (Zhongshanling) experience sharp increases in visitor numbers during peak tourist seasons. The sole reliance on a cost-based pricing approach makes it difficult to effectively regulate visitor flows, thereby intensifying the operational pressure on these scenic areas.

4.3. Insufficient Oversight of Ticket Prices and Inadequate Justification for Price Changes

In the management of scenic area ticket prices, certain deficiencies in regulatory oversight persist. Many scenic areas set their ticket prices based on local circumstances, while the supervisory mechanisms at higher administrative levels remain insufficiently developed to assess the reasonableness of these prices in a systematic and impartial manner. This issue becomes particularly salient during peak tourist seasons, when ticket prices tend to rise, yet the justification for such increases is often not adequately demonstrated.

For example, some popular attractions in Nanjing raise their ticket prices during high-demand periods. However, due to the lack of effective regulatory oversight, visitors are left with limited ability to determine whether these price increases are justified or whether they reflect excessive charges. Furthermore, performance evaluations of scenic areas frequently fail to comprehensively account for dimensions such as ticket revenue, visitor volume, service quality, and operational management. As a result, ticket prices are often not meaningfully linked to these factors. Under such circumstances, the established ticket prices may not align with the quality of services and management provided by the scenic areas, thereby adversely affecting the visitor experience.

5. Policy Measures for Improving Ticket Price Management at Tourist Attractions

5.1. Strengthening Industry Regulation and Standardizing Tourism Market Order

First, Nanjing should fully utilize information technology by developing individualized information codes for market entities. These codes would display the credit status of each entity, enable tourists to provide credit ratings, and support early warning and public communication functions, thereby enhancing off-site regulatory capacity and promoting "Internet+" enforcement inspections. For example, through its Smart Cultural and Tourism Integrated Management and Service Platform, Nanjing has implemented intelligent supervision of national 4A-level and above scenic areas, key cultural heritage protection units, and cultural venues.

To strengthen the intensity of tourism market regulation, Nanjing should enforce strict ticket management. This includes issuing administrative regulations and a reward system for whistleblowers, cracking down on ticket scalping, and implementing real-name ticketing with identity verification. Information technology should be employed to identify and monitor illegal ticket resale activities. Law enforcement and judicial efforts should be intensified to severely penalize violations that disrupt market order, thereby safeguarding the legitimate rights and interests of tourists and ensuring a high-quality travel experience.

In implementing government price regulation, scenic area tickets in Nanjing should adopt a two-part tariff system. The government should strengthen its review and oversight of the fixed costs of scenic areas to prevent basic ticket prices from being set too high or too low, with the objective of maximizing social welfare. Through the formulation of departmental rules, the introduction of regulatory policies, and the promotion of reward and penalty mechanisms, the government can further strengthen price supervision over scenic area tickets. In particular, violations of laws and regulations, as well as failures to perform prescribed duties, should be severely penalized to enhance the authority and seriousness of the regulatory framework, thereby ensuring the standardization and effectiveness of ticket price determination at scenic areas.

5.2. Developing Related Tourism Sectors and Extending the Industrial Chain

Under the free admission model, the economic transformation of tourist attractions is progressing gradually, with the objective of reducing reliance on ticket revenue by promoting the development of the broader tourism industrial chain. Nanjing is endowed with abundant tourism resources, including Zhongshan Mountain Scenic Area (Zhongshanling), the Confucius Temple (Fuzimiao), and Xuanwu Lake. After the implementation of free admission policies, these attractions have effectively stimulated consumption and promoted comprehensive development across the key tourism sectors of dining, accommodation, transportation, sightseeing, shopping, and entertainment.

The free admission model not only attracts more visitors but also fosters growth in related industries. Nanjing's tourism industry has a long industrial chain, covering more than 110 sectors. It contributes over 90 percent to the hotel industry, more than 80 percent to civil aviation and railway passenger transport, over 50 percent to the cultural and entertainment industry, and more than 40 percent to the catering and retail trade. These figures indicate that developing the tourism industrial chain can effectively compensate for the reduction in ticket revenue and drive income growth in the tertiary sector.

To enable the normal operation and development of tourist attractions under the free admission model, Nanjing must focus on strengthening the tourism industrial chain and leveraging diversification of revenue-generating activities to achieve diversified income growth. For example, Nanjing can enrich the tourist experience by developing specialty tourism products, improving the quality of catering services, and increasing cultural and entertainment activities, thereby raising visitor spending. In addition, Nanjing can enhance cooperation with surrounding regions in tourism development, build regional tourism brands, and attract more visitors. In summary, the free admission model presents a new opportunity for the economic transformation of Nanjing's tourist attractions. By promoting the

development of the tourism industrial chain, Nanjing can reduce its dependence on ticket revenue while achieving sustainable growth in the tourism sector.

5.3. Improving Visitor Diversion Mechanisms and Enhancing Tour Quality

Under the free admission model, the economic transformation of tourist attractions in Nanjing requires improvements in visitor diversion mechanisms to enhance the quality of the touring experience. Following the implementation of free admission, Nanjing's scenic areas face structural imbalances in both time and space. Temporally, peak periods such as national holidays see surges in visitor volume. Spatially, a balance must be struck between the development of popular and less-visited attractions.

To address these issues, Nanjing can divert visitors through measures on two fronts: hardware and software. On the hardware side, the city can improve its road network to disperse vehicle flows and strengthen transportation, dining, and other infrastructure at less-popular scenic areas to increase their attractiveness. For example, better public transport connections can enhance accessibility among different attractions. On the software side, Nanjing can continue to promote measures such as park-and-ride systems and alternate-day driving restrictions based on license plate numbers, with traffic police guiding the diversion of visitors and vehicles. In addition, less-visited attractions can be upgraded to offer higher-quality experiences, thereby using a "balancing hot and cold" strategy to divert visitor flows. For instance, during the summer peak season, the Six Dynasties Museum and the China Imperial Examination Museum in Nanjing have adopted a policy of remaining open on Mondays (a traditional closure day) to absorb excess visitor demand.

For natural and cultural heritage sites with limited carrying capacity and fragile resources, Nanjing should strictly implement capacity limits and adopt online or telephone real-name reservation systems. This approach has proven effective internationally and should also be adopted domestically to protect cultural heritage and improve tourism quality. The Nanjing Museum, for example, has implemented measures such as releasing tickets in time slots and preventing returned tickets from re-entering the pool, thereby alleviating difficulties in online reservation. Through these measures, Nanjing can effectively improve the quality of the visitor experience under the free admission model, promote the reform and development of tourist attractions, and ensure stable revenue generation.

6. Conclusion

Ticket price management in tourist attractions is a critical component of tourism industry development, playing a key role in enhancing visitor experience and optimizing economic structure. In advancing ticket price reforms, Nanjing must continue to strengthen industry regulation, standardize market order, develop related tourism sectors, extend the industrial chain, improve visitor diversion mechanisms, and enhance tour quality. Through the coordinated efforts of government agencies, scenic area operators, and tourists, rationalization of ticket prices can be achieved. This will facilitate the transformation of Nanjing's tourism industry from a ticket-driven model to an industrial economy, and from attraction-based tourism to a leisure-oriented development pattern. Such changes will help meet the growing tourism demand of the population, support comprehensive economic and social development, and provide useful institutional lessons and policy references for ticket price management in tourist attractions across China.

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