

Tourism



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Dear Members,

Hope you found reading our e-reviews based on the theme of global financial crisis insightful. Tourism industry world over is a \$ 1 trillion industry with nearly a billion international tourists. The financial crisis had a significant impact on this industry for obvious reasons. As the economy gradually heals, undoubtedly there would be a revival in this industry. In India, tourism provides a wonderful opportunity to provide gainful employment to crores of Indians while simultaneously helping them upgrade their skills. With its ancient culture, grandeur of its arts and unparalleled variety in scenic beauty, India has a unique opportunity waiting to be exploited on the world tourism map. In addition, its growing economic power would mean more domestic tourism opportunities.

We enclose an article written by Dr. M. R. Menon, Dean, Research, Aicar Business School, Neral. Dr. Menon has extensively dealt with the above opportunity. He chronicles the efforts already put in and provides pointers to what needs to be done, if we were to be ready to exploit this opportunity.

Warm greetings for the season...

Best regards,



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“Evolution of Tourism as an Industry – An Indian Overview”

by

Dr. M.R.Menon, Dean, Research, Aicar
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An Introduction to Tourism

The process of change is influenced by the law of nature which forces us to welcome a change. If we delay, the seeds of dissatisfaction and monotony get a conducive nexus for their germination and development. To control or regulate the process, we allow a change which influences our decision making behaviour and forces us to welcome a change of place. It is against this background that the travelling and tourism got transformed into a business and of late as an industry. The process of transformation witnessed a number of ups and down in almost all the areas. Right from the very beginning of culture and civilisation the process of change continues. The Roman Empire injected life, strength and continuity to travelling and hence the credibility for the development of Tourism Industry ultimately goes to them.

The fall of Roman Empire resulted in the downfall of tourism, at least till the Middle ages. Between 11th and 15th centuries, the contours of development underwent radical change. Trade and commerce along with religious activities gained a momentum, which added impetus or injected life and strength to tourism. It can not be ignored that before the industrial revolution, tourism was largely a matter of pilgrimage. After 15th century and during 16th to 18th centuries, there were many developments, especially in the developed countries. The term "Specialisation" gained momentum due to industrialisation, which paved the way for specialised education and induced the elite of society to go abroad. The industrial revolution ushered far reaching changes in the meaning and the utility of tourism. We find emergence of different dimensions like picnic tourism, ethnic tourism, regional tourism etc.

Qualitative improvements in tourism took place with the participation and cooperation of leading global organisations, such as World Tourist Organisation, Pacific Area Travel Association, International Union of Official Travel Organisation. With the development of a broader concept, the essence of tourism was further distilled and a general theory of tourism was evolved. The excitement, no doubt, gained momentum with the holistic approach and the new approach made possible the development of travel as a dynamic industry. In many countries policy planners as well as environmentalists however pinpointed the side-effects of manufacturing industries especially on the front of ecological balance. The development of non-traditional industries has been the only solution towards striking a balance between ecology and industry. The travelling business, which was

transformed into an industry was found effective in delivering goods to various socio-economic groups and the multiplier effects could be extensive. Almost all countries started exploring new devices for generating foreign exchange to fulfil their multi-dimensional socio-economic requirements. The intensity of foreign exchange requirements was found at its peak tourism appeared to all of them as an important source to be tapped optimally.

In the face of unforeseen succulent benefits, the developed, less developed and even the developing countries started assigning due weightage to the tourism industry in the national development agenda with a tremendous socio-economic bonanza, paving the way for the development of a number of allied industries, such as hotel, communication, banking transportation, trade and commerce or so. Thus, it is not gainsaying the fact that tourism industry is now treated also as a potential source to world peace through mutual appreciation and international understanding amongst nations.

Tourism- The Concept

Tourism denotes the temporary, short-term movement of people to destination outside the place where they normally live and work and their activities while at these destinations. Tourism is a pleasure activity in which money earned in one's normal domicile is spent in the places visited. Tourism hence encompasses the following elements:

- Tourism is a temporary and a short-term movement of people.
- Tourism is a totality of relationships.
- Tourism is an activity involving a complex mixture of material and psychological elements.
- Tourism is an activity concerned with the utilisation of leisure hours.
- Tourism is a composite industry consisting of various segments

The origin of the word "tourist" dates back to 1292 AD It has come from the word "tour". "Tourists are voluntary temporary travellers, travelling in expectations of pleasure derived from the novelty and change their experience on relatively non-recurrent round –trips. Dictionnaire Universal says 'Tourist' is a person who makes journey for the sake of curiosity for the fun of travelling. The League Committee finds tourist a person visiting a country other than that in which he usually resides.

Tourism Services Users

- Habitual Users: Users forming a habit and availing the service regularly.
- Occasional Users: Users availing of services occasionally but not making habit of travel.
- Actual Users: Users already using services providers by tourist organisations.
- Potential Users: are prospects or prospective users. They have the willingness but marketing resources have not been used optimally to influence their impulse.
- Non- Users: persons not interested in using services and lacking willingness, desire and ability. Their level of income or even the availability of leisure hour does not influence them.

Tourism as an Industry in Perspective

Tourism is a multi-segment industry today the world over. The development of tourism is coterminous with the process of social industrialisation in the world. Tourism is fast becoming one of the largest industries in the world. As political barriers to international travel are eliminated and economies of the developing countries are improving, global travel will continue to grow at a steady pace. Global travel patterns will also change and outbound tours from emerging market countries will increase substantially. In the Western technologically advanced countries, tourism will continue to be the top leisure activity for escaping from the high-tech living and work environment. Global tourism growth will generate great economic impact worldwide.

According to recent research, conducted by Europe's leading travel magazine "Conde Nast Traveller" the top three tourist destinations of the world are Italy, Australia and France in which India has been ranked ninth by the study report. Countries like Singapore get every year a far greater number of tourists than their population. The tourism industry is growing at a very fast rate. As a result, Chinese people are expected to realise their dream of space tourism twenty years from now with China conducting research in the commercialization of space technology.

The three and a half minutes is spent in space above California, US herald the start of space Tourism. Sojourns in space could be just a decade away for thousand, of wealthy tourists.

Projected World Top Ten Destinations by 2020

Rank	Country	Tourist Arrivals (million)	World Market Share (%)
1	China	137.2	8.6
2	United States	102.4	6.4
3	France	93.3	5.3
4	Spain	71.0	4.4
5	Hong Kong (SAR)	59.3	3.7
6	Italy	52.9	3.3
7	United Kingdom	52.8	3.3
8	Mexico	48.9	3.1
9	Russian Federation	47.1	2.9
10	Czech Republic	44.0	2.7
Total			

Projected Impact of Tourism on World Economic Development (by 210)

Economic Activities	Estimates by 2010
Jobs	400 million
Jobs (% of World Total)	11.1 %
Economic Output	8 trillion
Gross Domestic Product	12 %
Investment	\$2 billion
Service Exports	\$2 billion
Total Government Taxes	\$3 trillion

Tourism in today's World is no more a luxury or mere sight seeing. Even for most common man the status of a tourist, which is made possible by the recent advances in transportation and information technology, enables him/her to reach even the remotest parts of the earth by spending much less. The emphasis is gradually shifting from sight seeing to experiencing different cultures, life styles and

environments. Due to innovativeness in tourism product development and marketing, tourism today is more of a knowledge based industry. Tourism has provided new career opportunities in hospitality, leisure and surface transport. Indeed 21st century heralds arrival of “Tourism” as a catalyst to economic growth and international cooperation.

Tourism in India in Phases

India- a Tourist Paradise on Earth

India, a country of bewilderingly great diversity is a paradise of tourism with divergent climate, landscape, faith, religion, customs and manners. It has cool winter, desolate deserts, seven mountain ranges viz the Himalayas, the Patkai and the other ranges in north and north-east, the Vindhya, separating the Indo-Gangetic Plain from Deccan Plateau, the Satpura, the Aravalli, the Sahyadri covering the eastern fringe of West coast and Eastern Ghats scattered irregularly forming boundary on east coast Plains. It also has the Desert of Rann of Kutch which extend beyond the Luni river, India has major rivers like Indus, Ganges, Brahmaputra, Godavari, Krishna, Kaveri, Periyar to name a few. Gangetic basin forms biggest fertile plains in India. Kerala backwaters are a unique tourism paradise in India. The Golden beaches of Goa forms a part of favoured tourism destination in India.

India boasts of varying climatic conditions with vast topography and coastline. The country has mainly three seasons:

1. Rainy season (June-Sept) (South-West Monsoon Oct-Nov North-West Monsoon).
2. Summer season (April-July)
3. Winter season (Mid Oct-Feb).

October-mid April is the best time to visit most part of India, though many places in India can be visited during summer seasons too. For e.g. cooler places up in the mountains of Darjeeling, Uttaranchal, Himachal Pradesh, Leh-Ladakh in addition to South India covering Kerala and Tamil Nadu. Mention may be made of Goa with its scenic beauty of unparallel greenery becoming a very popular tourist destination.. It is with justification that India is called a land of all seasons. Sub-continental in size, it is so vast, varied and full of contrast that any time is the right time to visit it. There are more than four usual seasons and they vary from north to south, from the great snow ranges

to the warm sea coast, from the dry desert stretches to the tropical jungles and the sprawling central plain.

Tourism in India covers:

1. Domestic tourism
2. Inbound tourism
3. Outbound tourism.

1. Domestic Tourism: Domestic tourist look forward to 3-4 day holidays and are averse to going through the route of travel and tour agencies. Favourite destinations are Hill stations, Rajasthan, Kerala, Goa on a selective basis.

2. Inbound tourism: is confined largely to North and Rajasthan. First time travellers invariably go to Agra and Rajasthan without venturing to other locations. In recent times Gujarat and Kerala have started appearing in the tourist destinations of this segment. On an average 27.5% of tourist coming to India are in the age group of 25-35 and 20.8 % in age group of 45-54. The average length of stay for tourist in India in 2005 in India was estimated at 28 days. At the same time domestic tourism is largely confined to pilgrimage oriented necessitating improvement in travel facilities and pilgrim destination.

3. Outbound Tourism: India has now become MIC (Meetings, incentives and Conference and Exhibitions) destination.

I Pre-Independence (till 1947): India with such potential, till independence in 1947 could hardly boast of any tourism activity and international attention. Prior to 1947, tourism in India was largely confined to “Golden Triangle” of Delhi-Agra-Jaipur. The overseas visitors came to see/experience cultural attractions such as “Taj Mahal” or holy city of Varanasi as tourist destinations. There was no organised agency for developing or attracting tourism in India before independence. Thomas Cook was the only better known travel agency of the time.

II Post- Independence (1948-1999)

The beginning of change in tourism could be traced to Pt. Jawaharlal Nehru who embarked the National Planning and Development .Tourism potential which was not visible till independence got a boost due to Pt. Nehru, the Architect of modern India who had the vision, with international outlook, and perceived special reasons to promote tourism commencing with India's 2nd five year plan.

Pt. Nehru laid the foundation for the convention of tourism in India and invited UNESCO to hold the first ever conference away from the Paris headquarters in 1956 and India's first hotel viz : 'the Ashoka Hotel' to international standards and 'Vigyan Bhavan' the first modern convention facility ever to come up in India in capital Delhi.

There was a steady tourist arrival in India. From less than 15,000 visitors in 1951 the figure rose to 2 million in 1965. Aviation had become the principal means of travel. Air India's Maharaja attained glory in the skies holding that lofty position for a decade and a half. Domestic air services took tourists to destinations far beyond the Taj and many more foreign carriers chose India for their services to the Far East. Soon hotels too became profitable ventures with deluxe segment attracting entrepreneurs. A new crop of five stars hotel, appeared on the horizon. Again, it was an Ashok in Banglore, South India's first five star hotel. The 60s saw a movement of "flower children", hippy backpackers pouring into India and neighbouring countries. After growing up and changing their lifestyles, they visited India again, but this time stayed at classy hotels instead of the cheap joints they used to patronise.

A major development towards tourism took place in India with the setting up of ITDC-Indian Tourism Development Corporation to act as a catalyst in the development of tourism, a role it played at least in the first decade and a half. That was the time when the private sector was either unable or unwilling to invest in the sector. The opening of the country's first beach resort in Kovlam a wild life facility in Kaziranga, an airport hotel in Kolkata, duty free shops at airports, authentic Indian Entertainment at the Ashok Theatre in the capital and promotion of Indian cuisine and ethnic decor in hotels and quality tourism literature are among the many contributions made by this public undertaking. In the changed circumstances it was awaiting disinvestment.

In the Third five year Plan (1961-1966) tourism got an outlay of approximately four crores representing 0.11% of total plan outlay. In 1998, Union budget gave new hope and sops for tourism.

With the revival of the economy tourism got out of the sluggish growth of previous years and a tourism –specific incentives in response to industry demands offered a positive opportunity for growth.

A national action plan presented to Parliament by the then Tourism Minister Mr Madhavrao Scindia outlined a master plan for enhancing India’s World Tourism Market to double it from 0.4% in next five years. The credit goes to Mrs. Indira Gandhi – the first Indian Women Prime Minister for creation of Tourism and Civil Aviation Ministry with cabinet rank and Dr. Karan Singh at the helm.

From mid eighties to early nineties a transformation took place in India Corporate world. The traditional captain of industry in India viz the old guard Tatas, Birlas and Godrej witnessed emergence of new dynasties on block viz Reliance, Essar and Mahindra. A number of factories, business establishments and manufacturing units opened across the country necessitating roving executives to make substantial movements internal and external and thus was born the concept of “Corporate Traveller”. Aviation sector took heavy strides with the national carriers Indian Airlines (IA) and Air India (AI) introducing business and economy class and enhanced work operation; Induction of private airlines in aviation industry, brought in its wake competition with top classes and resurgent hospitality sector viz hotel, transport etc making outbound segment of tourism easier and competitive for Indians going abroad and domestic tourist covering within India.

The tourism industry began to swing in mid 1990’s with liberalisation of Indian economy and ratification of our agreement to set up WTO offices in India. Indian travellers began touring around their own country in large numbers and thus domestic tourism came of age in India.

A large number of foreign tourist, flocked to India from different parts of world with India catching up due to promotional activities by State and Central government agencies. The last decade of 20th century saw an increase in tourism touching hundred million travellers in domestic segment-up from 63.8 million in 1990-176 million in 1999. However tracking tourism in the domestic sector is a bit difficult as this sector still is unorganised, with individuals making their own arrangements for availing of small outfit services.

III Current Millennium (2000 onwards): Tourism industry in India has shown resilience with Indian travellers opting to look inwards for domestic tourism and after “Sept 11 2001 American Fiasco”

alternatively exploring other destinations such as New Zealand and Australia. It is estimated that an income multiplier @10 lakh of Rupees in tourism creates nearly 95 jobs as against 40 in agriculture and 12 in manufacturing for same investment. Approximately 3 millions tourist thronged to India generating over 30 million US \$ as revenue, skipping other tourism hot spots with decline in tourism.

Tourism arrivals in India which was hovering around 2.5 million in the beginning of 2002 has grown at 15 % in 2005 reaching a figure of over 5 million tourist which includes those on business, leisure and persons of Indian origin. WTO predicts that India, together with China and other countries of Asia-pacific region, will achieve a growth of 12% per annum in coming two decades. The domestic tourist market in India includes business and leisure travellers touching 300 million tourist trip/year including those travelling for social and religious purpose. The foreign exchange earned in 2005 was estimated at approximately Rs. 22,000 crores registering a growth of 17.5 % in foreign tourist arrival. The foreign tourists were emerging from Africa Europe, South-east Asia and Australia. Tourists from Middle East love India primarily during monsoon to enjoy rains.

Extra efforts put in by Government of India to Rejuvenate Tourism Industry in India:

Government took several initiatives to promote Indian tourism industry and increased the plan allocation for tourism i.e. from Rs. 325 crore in 2003-04 to Rs. 500 crore in 2004-05 and Rs.1000 cr for 2008-2009. Road shows in key source markets of Europe, “Incredible India” campaign on prominent TV channels and in magazines across the world advertising Indian tourism; -all these efforts went long way toward projecting India as a prominent tourist destination.

The department of Tourism took a conscious decision to participate effectively at the major travel industry marts and fairs, internationally involving both State Governments as well as the private sector to raise brand awareness of India as a destination and its tourism products, to develop new contacts, and launch new products and services. While participation in most of such events is organized through the network of 13 India tourism offices abroad, the major ones are coordinated by the Department centrally to encourage larger industry involvement and participation.

Intra-regional tourism has always been the backbone of tourist arrivals around the world due to cultural affinity, affordability and ease of travel to nearby destinations. Travel from Asia have always been

important for India as the Asians have shown resilience to global upheavals and kept the Indian tourism industry going even in adverse times.

The World Travel market (WTM) held in London is a premier global event for the international travel industry which brought together more than 5,000 of the world's leading travel and tourism companies from over 190 countries. The Indian participation at this prestigious event was significant with more than 100 Indian travel and tourism companies participating in the event. "The Indian Pavilion" built on 770 sq. metres presented bold and striking images of diverse Indian Tourism attractions and at the same time, presented an excellent ambience for conducting business.

Integrated marketing communication campaign with effective organization and participation in tourism events, both at home and in the tourism generating markets, has enabled India re-position itself as a "destination of choice"

South Asia Travel and Tourism Exchange (SATTE) and Indian National trust for Art and Cultural heritage (INTACH) joined hands to institute award for excellence in Tourism in 3 categories:

- i a conservation project at a heritage site of excellence in concept and execution.
- ii an innovative heritage tourism project that provides a sound interpretation of culture and offers the visitors a unique opportunity to understand many layers of India's heritage.
- iii a tourism project that contributes to protection and enhancement of its natural and cultural environment.

India Tourism office at Tokyo won International Awards in tour Expo held at Daegu in Korea for excellent tourism promotion. Indian Pavilion won the Best Booth Design Award as well as Best Folklore Performance. Award competing with major players such as China, Japan, Thailand, Malaysia and Canada.

Tourism Service Providers and Marketers – a Flashback

Behaviour of Tourism Product Users

The first commandment of tourism services is to perceive buyers' behaviour as an orderly process whereby an individual interacts with his or her environment for the purpose of taking decisions on products and services. The decision process used by the users of services or consumers goes through different stages, e.g. recognition of problem, search for information, evaluation of information, purchase decision and post purchase or post-decision evaluation. In the tourism industry, individual's specific behaviour is governed by internal factors like needs, motives, perception and attitudes as well as by external factors or environmental influences such as family, social, groups, cultural, economic and business influences. Environmental and cultural influences also have an impact on nature of consumer behaviour.

The tourists belong to varied cultures, divergent desires, needs and demands and different socio-economic strata. In this background, it is natural that the product line is deeper. As all tourists need the same general facilities, the width of the product is almost fixed. It is essential that the tourism providers are captive to deepen their product line. The tourism providers at best catch up their cluster patterns of tourist demand and forge their activities so as to serve one or more clusters, groups or segments. In the developing countries, the tourism-context factors are not found that aggravate the magnitude of dissatisfaction among the tourists.

Distinctive Features of Tourism Products

1. **Tourism Product is highly perishable:** Perishability is an important factor that influences the decision making behaviour of the tourist professionals. The product is used just when it is offered and therefore, if it remains unused, the chance is lost, the business is lost. If the tourists don't visit a particular place, if the seats in the hotel, aircrafts remain vacant, the business is lost. This makes the product highly perishable and makes it essential that the tourist professionals make the best possible efforts to promote the services in such a fashion that opportunities do not remain untapped.
2. **The Tourism Product is a service product:** Services are only product used and sold in the tourism industry. This makes it essential that the tourist professionals assign due weightage to creative marketing strategies which are found proactive. The levels of judgement and knowledge

possessed by the individuals and related to tourism reflect on the satisfaction derived by the tourists after visiting a place. In this context, the tourism marketers need to be high performers, personally committed and imaginative. This helps them in capitalising on the opportunities optimally.

3. **Intangibility complicates the task of tourism marketers:** Tourism is a multi-segment industry in which the transportation and accommodation services constitutes a place of outstanding significance. The tourist professionals find it difficult to persuade the users by displaying the seats in the aircraft and the bedrooms in the hotels. The users first use and then come to know about the quality.
4. **The Services are for Pleasure:** It is right to mention here that the tourism services are used by the tourists to enjoy. By visiting tourist resorts, spots, sites, beaches, they get pleasure. We also find the services instrumental in enriching the knowledge bank of tourists. This makes it significant that the tourist organisations make the centres attractive by adding additional attractions.
5. **Users are supposed to visit the centre:** For availing the services of the tourism industry, it is pertinent that the users visit the place physically. The users are supposed to come all the way to the spot. This necessitates setting of product features in a right way.
6. **Adequate infrastructural facilities for the tourism product:** Transportation services and allied infrastructure facilities are essential to improve quality of services. Efficient transportation facilities, hygienic hotel accommodation, sophisticated communication services are some of the key infrastructural facilities, adding attractions to the tourism services.
7. **The users are a heterogeneous group of people:** It is important to mention that the tourism users come from different regions, income groups, sections, age groups, genders, professions or so.

The channel of distribution of tourism products in the above background could be broadly visualised in the following diagram

Tourism Service Providers/Marketers

- **Service Providers**

The promotional mix:

The aims of promotion fall into three main categories: viz to inform, to remind and to persuade. It will always be necessary to inform prospective consumers about new products and services, but other issues may also need the type of communication to consumers, new users, price changes, information to build consumer confidence and to reduce fears, full description of services offerings and image-building(of destination). Similarly, consumers may need to be reminded about all these types of issues, especially in the off-peak season. Promotion designed to persuade consumers will be in line with specific objectives, for example to encourage switching or to build preference.

Hotel owners and airlines will need to promote their services to tour operators (who are, in effect, wholesalers of travel services and products) as well, promoting their services to end users and independent travellers. Similarly, tour operators need to ensure that travel agents get the benefit by selling their tours (perhaps in terms of higher commissions), whilst advertising a totally different set of benefits to the end user. This type of promotion is referred to as “into the pipeline” promotion. The crucial task is to assess accurately the needs and wants of intermediaries, as opposed to actual consumers and design promotional messages accordingly.

There are a number of promotional tools available to the tourism- marketing manager, which can be combined to create effective promotional programmes. Sales promotion (via brochures, point –of –sale displays and even video cassettes) plays a very important role as does advertising. In the realm of tourism visual media focus is on the following elements:

- Identified segments
- Selling proposition
- Defined target audiences
- Creative use of media and media scheduling to reach audiences
- Monitoring and evaluation of promotional effectiveness.

Hotel Industry

The hotel industry is a very important component of tourism. Hotels provide a meeting, eating and resting place to all kinds of people. Hotels provide not only air-conditioned rooms with telephone, a television and a music channel, but also services like telex, fax, and secretarial services for the convenience of their business guests. Many hotels have shopping arcades, travel agencies, banks, beauty parlours, swimming pools and health club facilities for their guests comfortable is provided by the hotel industry. Some of the main departments of the hotel are front office, housekeeping, food and beverages and sales.

Transportation

A well- knit and co-ordinated system of transport plays an important role in the sustained economic growth of a country. The present transport system in India comprises several modes of transport including rail, road, air transport. Air, however has a special significance for long distances and on routes involving difficult terrain.

Distribution

Different strategies may be selected to reflect the overall objectives. Most tourism operators sell their services through travel agents

Several companies may also utilize more than one method of sales solicitor/ service. Airlines, for example, sell tickets through travel agents and sell seats on flights to tour operators, whilst also operating direct marketing by offering travellers the opportunity to make reservations through their own booking offices.

Need to Implement Strategy to be in Tourism Business

Tourism marketing is essentially a three-stage process, starting with market research to accurately analyse consumer needs. To develop an effective marketing strategy, the market should be segmented and target segments selected based on a careful examination not only of the attractiveness of segments, but also on the basis of company resources and strengths. Tourism market penetration is aimed at gaining market share at the expense of the competition There are three ways of achieving this:

- i. Encourage existing customers to buy more of the company's products and services, in other words encouraging them travel more frequently, or to choose more high –value holiday destinations.
- ii. Persuade non-users of tourism products and services in the existing target markets to try the products and services.
- iii. Attempt to get competitors' customer to switch to your offerings.

- **Marketers**

i. **Travel Agent**: The travel industry is found to be consisting of uncoordinated people trying to achieve a coordinated result. A travel agent is one who acts on behalf of a principal, i.e. the original provider of the tourism services, such as hotel company, airline, tour operator a shipping company. A travel agency is also called a manufacturer of tourist product i.e. an inclusive package tour. Of late a majority of the travel agents conduct regular package tour to set the needs of a group. Travel agents form the retail sector of the distribution chain.

ii **Tour Operators**: A tour operator is one who buys the individual elements in the travel product on his own account and combines them in such a way that he is selling a package of travel, tour to his clients. In the common parlance, he is also referred to as travel agent. A tour operator bears the responsibility of delivering the services. He creates own packages by buying or reserving necessary supply elements and often retails through travel agents, their own offices and by direct mail via a booking form a brochure or by direct enquiries from consumers . He offers a number of packages known as tour programme. They are like a wholesaler. Some of us also call tour operators as producers of a new product but it is more appropriate to describe them as a middlemen.

iii **Travel Guides**: There are a number of points where we need the services of tourist guides. The places having a historic importance, cultural bias can't be perceived by ordinary persons in a right fashion unless the quality tourist guides narrate. This makes it essential that in the tourism industry, the tourist organisations assign due weightage to the management of travel guides. In the distribution of tourism products, we can't under-estimate the services of travel guides. The success rate of travel agency is sizeably influenced by instrumentality of travel guides. If they act and behave well, the tourists are motivated and travel business gains momentum. If they misbehave with the tourists even

the quality services of agency carry no meaning. It is against this background that while managing people for the tourism industry, we need to assign due weightage to the development of the potentials guides. The modern marketing is a mix of complications and uniqueness. The tourists are sophisticated, the tourist sites are sophisticated, they have high expectations and these preferences would be proved to be unproductive, if the tourist guides are inefficient. This makes a strong advocacy in favour of making available to the industry quality tourist guides.

iv Telemarketing: In an age of communication super-highway, the existence of an organisation is substantially influenced by the use of sophisticated communication technologies in the process of making decisions. Of late we find significant developments in the field of satellite communications which has made the process more sophisticated. The telephonic instruments of the new generation are found helping the system sizeably. Latest developments in the field of telecast media and expansion in its network has paved avenues for the use of televisions in the process of selling. Telemarketing is a method of selling by a professionally sound telemaker who is instrumental in expanding the business. The quality of technology and the communicative ability of telemarketers determine the magnitude of success of this component of the promotion mix. The travel agents, offices of airways, receptionists, and secretaries can't work efficiently if the telephonic services are not upto the mark. This makes a strong advocacy for recruiting a person considered to be professionally sound, personally-committed and having high-communicative abilities to receive and impress tourism customers. A number of queries are required to be answered. The information related to booking, conformation, cancellations are required to be transmitted. The confusions and misunderstanding regarding the image problem are to be removed. The positive points regarding the destination for the peripheral services are required to be transmitted and these functional responsibilities require due support of telemarketers.

Significance of Price Mix in Tourism

As in case of any other industry, due to the nature of product and profile of tourism consumers, pricing plays a significant role in decision-making in tourism in industry born for service providers. In the tourism industry thus, the pricing decisions are found critical and challenging due to nature of the users. When a tourist proposes to visit a particular place, the total cost on his/her travelling includes the expenses incurred on transportation, accommodation, communication or so. Thus the entrance fee charged at the destination becomes insignificant when we talk about the pricing decisions. A change in

hotel tariffs, air fares or transportation cost influence the price structure viz-a viz the travelling decisions. The stimulation of demand makes it essential that pricing strategy simplifies the process of motivation. This necessitates pricing as motivational tour.

India Tourism Industry- Problems and Prospects

Problems

From the foregoing analysis of current state of tourism industry it will be seen that while great strides since independence in general and from 1990s in particular, with liberalisation of Indian economy has been made by India problems and constraints are plenty preventing tourism industry to enhance the service to meet the consistently growing demands of outbound and inbound tourist population. Among the problems and constraints which are plaguing the organised growth of tourism industry, the following areas need to be highlighted:

1. Lack of Centralised Government Apex Body to Give Tourism Industry Focus and Direction:

Presently the Ministry of Tourism, Government of India function in areas limited to marketing tourism overseas but providing inadequate resources to State Government to create/ upgrade tourism. There is no synchronisation of activities between the various segments of tourism industry. Example:- Aviation policies as well as administration of airports are controlled by Civil Aviation; decision regarding visa and related activities rests with Ministry of Home Affairs; supervision of fiscal policy for investment in tourism sector lies with Ministry of Finance. Thus for dealing with these 3 agencies there is no nodal contact to interact for decision for a private sector unit desirous of putting up tourism facility in place and instead they need to move in circle for several approvals from various Governmental agencies which retards not only tourism project development but debars investment pouring into tourism industry. The approvals to be obtained from several Governmental agencies therefore hampers the high expectations of tourism service providers and marketers.

2. Problems for formulating and innovating marketing mixes:

The tourism industry also faces the problem of formulating and innovating the marketing mixes. This makes it essential that the system is making available to the different allied industries the necessary information regarding the emerging changes in the business environment and the details regarding the users. The main thing in the process is to identify their lifestyles and level of tourist expectations. If the researchers design their research plan in the face of emerging trends, the marketing research would help the allied industries in many ways. In the management, we find project planning playing an important role. There are different steps of project planning such as setting their research objectives, planning the required information to accomplish the organisational goals, identifying the sources to be tapped in seeking the information, employing the research design, sampling the procedures and selecting the method for analysing the data. Such a scientific project planning in addition to simplifying the process of research also makes the result effective. In the tourism industry, we find different categories of users and an amalgam of different products which make it a multi-segment industry. This in a natural way complicates the task for fulfilment.

3. Multitude of taxes impose a procedural compliance by Government:

Multitude of taxes imposed and procedural compliance to Governmental rules and very little incentive by way of tax holiday or reduced rates of duties, have resulted in tourism providers believe not able to setup facilities and provide competitive services, which has affected promotion of tourism in certain areas. Restrictive practices and restriction in areas like Sikkim and North –East have affected free flow of tourist visiting these places. Several historical monuments and archaeological sites are in pathetic condition as the concerned agencies just do not have enough manpower, to man all the sites of historical importance.

4. Restrictive aviation policies:

Though Government of India of late has opened aviation sector to private parties too, yet it may be pointed out that there are still restrictions on foreign direct investment for augmentation of international and national airport facilities requiring improvement. Due to the heavy traffic in the aviation sector because of low cost operators and enhanced flight operations the infrastructure facility

available in metros/ major cities is much below the requirements and it impairs the image and brand of India as an ultimate tourist destination. At the same time the high duty tariff on major fuel viz Aviation turbine fuel (ATF) eats away almost 40% of income from airlines from a single operation because of high ATF rate in India vis-à-vis at other international airports. Various tax structures between State Government and Central Government add up to ATF cost at airport sites in India. In other words, heavy and multiple taxes imposed by several State Government and Central Governments works as a stumbling block for aviation to take off since aviation is a key element in facilitating/ extending hospitality under tourism industry.

5. Land Policies:

Aircraft operation and allied facilities call for substantial land. Acquisition of land after obtaining clearance from various state agencies as well as Central Government numbering to over 32, the environment pollution control/regulations compliance is very time consuming and frustrating for setting up adequate infrastructure.

6. Poor Infrastructure:

As discussed in the context of restrictive aviation policies, poor infrastructure has been a major reason why international tourist has been giving a go-by to India. Delay or absence of connectivity to different locations at present time does not allow foreign tourist, with the comfort zone to reach India and enjoy India's tourism hospitality in their area of choice, with ease and convenience. Extremely bad roads in several pockets of India, which in monsoon period is inaccessible and extremely difficult to negotiate and still not having a efficient communication network, stops foreign tourist, from visiting many places. Inadequate world-class accommodation facility and inadequate room availability save metro towns is affecting tourism industry. The hotel industry inspite of getting protective umbrella incentives form Government has not been able to keep pace with demand because of different tax structure of State Governments and lack of coordination. In addition, the personnel manning hotel industry are yet to get fully trained to play the role of good host to tourist especially foreign tourist in the art of hospitality for receiving and retaining customers. There are only few catering colleges of international standard in India and the output from these centres is inadequate, necessitating star hotels to

themselves embark on internal training and development of hospitality personnel to meet the demand of tourism industry.

7. Transportation:

Another area which is yet to come of age in relation to inflow of tourism internal and external. The tax structure of State Government for tourism transport in general prevents the tourist operators to extend affordable transport facility, which is expected to cover leisure and pleasure, not to speak of safety and security.

8. Indian tourism product packages:

They continue to be unfocussed and not able to take advantage of various attractive destinations with economic packages so that economy of operation could be achieved compared to South-East Asian Countries where tourism product packages are publicised and made aware throughout the world to take advantage of economy of large scale.

9. Apprehension about India's law and order situation

Perceived security threats, communal clashes taking place, off and on in various places of tourism importance, cause major concern for the international tourist. Physical assault, robbery, harassment of foreign tourists in several parts of country indeed badly reflects on the country, its people and the law and order situation. Cumulatively it creates a negative image of India in the tourists own country. Insurgency in Jammu and Kashmir, Punjab, North-east and some parts of South has brought about a decline in tourism arrival. From time to time this has necessitated several countries of the West especially U.S. issuing warnings to their citizens not to visit India especially those spots where perceived law and order threats are in the horizon. French and other European countries issued warning quietly to their citizens to be careful while planning visits to India as tourists, while appreciating the potential of India as a tourism destination with potential for enjoyment.

10. Lack of awareness in India about the benefits of tourism:

Tourism which brings in its wake the tourists own culture, tradition and value of life bestows lots of benefit on the host population. We have time tested traditions and culture to reciprocate with to tourists for their money and each tourist destination is different from the other. But what is lacking is the inability of population to get acquainted and acclimatised with tourists and make them feel “at home” with warmth and hospitality. Let us not deny the fact that in pockets like Goa tourism has flourished precisely because local population could mingle with tourist, enabling the former to assimilate the culture and tradition. But overall this has not been happening elsewhere in India, which has been a major problem to tourism growth in India.

Prospects

In the background of problems enumerated overleaf the country also has prospects spots in the tourism sector considering the efforts made over the last five decades.

Tourism as an important instrument of socio-economic change: has been given due recognition by several State Governments and Central Government. In the backdrop of 15% rise over a decade in international arrivals, the multiple promotional campaign launched by Government of India tourism department has had a salutary effect manifested in tourist arrival, projecting India as an upmarket for tourism. The FICCI study conducted in 2002 showed that overall the foreign exchange earning from tourism is showing a steady rise and touched over Rs. 15,000 crores and is now estimated at Rs. 35,000 crores. There is concerted interface between tourism agencies of State Governments and Central Government working to convey to international tourists that India is after all safe and secure and will receive on arrival the hospitality of highest order.

Hospitality in tourism sector covers hotels, restaurants, and organised catering for offices, educational institutions in addition to services by Railways, Defence, Cruise ships and in-flight catering. What future India holds in tourism could be gauged from the fact that World tourism Organisation has forecast that in 2020 international arrivals would touch 1.5 billion of which South –Asia will account for 90 millions with India accounting for nearly 15 million tourists. To cater to the enhanced inflow of tourism the development of the “Incredible India” tourism brand has put in place been able to address

the concern of foreign tourist about India's potential and capacity to receive such large number of tourists and make them comfortable with adequate facilities.

E-travel: Technology plays a crucial role in expanding and monitoring travel and tourism activities. E travel market place with e-commerce corporate travel service enables corporations to access travel suppliers through direct links and major Global Distribution system (GDS). Corporations purchasing through e-travel market place save up to 20% on travel cost. Thus the comprehensive market place, including the direct negotiation purchase between buyers and suppliers, enables business travelers in India to move with confidence.

Eco-tourism: The Recently known trend of eco-tourism has acquired rave reviews from environmentally conscious travelers who are experiencing the best of interaction with local population and also cultural integration between various segments of tourist population capable of donating tourist's profits for community projects and research. Conservationists have now realized potential benefits in combining people's interest with concern for environment. Such practices are implemented in various other tourist destinations as Australia, South-East Asia Europe and U.S.

In India these measures have the potential to attract bulk tourism to destinations where facility provision of the nature required will enable the authorities to plan ahead of tourist arrivals. An elite international body specializing in tourism in a Study based on Satellite Accounting system has come to the conclusion that travel and tourism currently contributes approximately to 7% of GDP and 12 % to employment. As far as India is concerned, the GDP will continue to sustain at 9 % plus and that of employment a minimum 8.5 % to take advantage of policies and programs evolved from time to time by Government. The World Travel Tourism Council (WTTC) a London based Association has outlined that the economic impact of tourism and travel in India will outshine many Governmental measures in generation of employment as traveler spending flows through the total economy and this impacts includes creation of jobs in many sectors including up-stream suppliers and down-stream services such as agriculture, construction, telecommunication, retailing and manufacturing.

Other interesting aspect of prospects of tourism in India is the fact that India has world-class products to offer to international visitors, many of which are unique and, keeping in view promotional budgets, are upgraded to ensure continuing competitiveness.

Liberalized economic policies under implementation and development of major cities and markets in rural areas call for total involvement of Governmental agencies and people India with 100 crores population, more than half of which are in age group of 25-30 the high purchasing power. The prospects of India to share to achieve world tourism of 2 % as against 0.5% .Various seminars and conferences being organized at periodic intervals in major metros and tourism spots in India by State Governments and Central Government is a step in right direction.

With a substantially higher youth population the increasing purchase power of Indian consumers finds an outlet for outbound tourism paving way for national integration linking various states culture and civilization of India. Therefore tourism for India could be deemed as a potent source for peace and stability not only in its hemisphere but world at large. The I.T. revolution has bridged distance between Nations; communication and connectivity through India has made substantial contributions for tourism and travel.

Tourism thrives on a fair degree of publicity and organized exhibition. India is not now lagging behind in this sector too and some of the well thought out exhibitions in various tourism spots in India and also participation in South-East Asian countries, Europe, Canada and U.S. has brought to focus the cultural linguistic diversity thriving in one umbrella of Indian tradition and culture yet imbibing modern tools and implements with speed and comforts. In other words, tourism in India got enriched on the foundation of India heritage, old values and civilization.

Measures for Tourism Industry Upswing in India.

1. It is important to create awareness about the environmental impact of tourism. This is imperative as excessive exposure of ecologically fragile areas to human interference can lead to irreparable environmental degradation. As the demand for ecotourism is expected to grow enormously in the next decade, it is important to have regulations in place to prevent such damage. The local population must be convinced of the need to support such regulations in the interest of long-term sustainability. India's hill resorts have suffered seriously due to lack of concern for their carrying capacities and the unchecked influx of tourists during the summer months. If India's forest sanctuaries and pristine beaches are not to suffer the same fate, attention will have to be given during the Tenth Plan to obtaining regulatory and public support for sustainability of environmental concerns

2. As a tourism promotion measure, consultations between each State to study thoroughly for identifying tourism destinations of interest on priority is called for with the association of private sector also in tourism related measures at State levels which will add new dimension and depth.

3. There is need to create more tourist resorts. Shouts of excitement over the arrival of the millionth tourist continue to reverberate, though we still have to reach even one percent of the global traffic the more reflective in the industry ponder what would have happened if ten thousand more visitors had come to Delhi in the year of the millennium. It is widely acknowledged that one disappointed visitor means a loss of ten tourists for all time to come. If the tourist does not find a good place to stay, or get a seat on a train or a plane or in an air-conditioned coach on a hot summer day, his word will keep at least ten others away from venturing to India. Hence, today the most central problem facing tourism authorities is to ensure that destinations are spread; otherwise if all of them were brought to the traditional triangle, Delhi- Agra-Jaipur it is bound to be counterproductive in the long run.

4. Free flow of tourist get a boost by over coming hurdles like visa restrictions wider choice of hotels , maintenance of and upkeep of monuments, reduced entry fee at sites as Taj-Mahal and of course efficient aviation sector. In several South-East Asian countries casinos had been a tourist attraction. In India a beginning may be made preventing Indians from visiting these countries and thus reducing illegal gambling. This eventually will generate revenue internally.

5. It is necessary to ensure that in publicity and exhibitions , tourism should not be promoted by each State separately but a PAN Indian coverage to include India as a whole as in case of Australia and Malaysia who have made giant strides in attracting foreign tourists.

6. In order to ensure that tourist feel secure and comfortable, security arrangements should be on top gear especially in tourism destination spots and sensitive areas as an on-going process. It needs to be reiterated that healthy environment, pollution free atmosphere and eco-friendly tourist activities will attract sizeable tourist arrival to India in coming decade. Tourism should be developed as an Industry as common endeavor by Central Government, State Government and Central Public Undertakings.

7. Tourism being a labour intensive Industry can ensure reducing poverty by creating jobs especially in rural areas if the artisans and craftsmen are associated and tourism developed activities, especially during tourism seasons It is widely known that tourism will remove regional imbalances and open new avenues for growth. Keeping this in view, tourism development agency should offer regional based tourism packages to tap latent tourism potential. The level of expectations of tourists is on the upswing. Therefore, innovative promotional measures and assigning due weightage to promotion measures for a positive image is a must. Enriching peripheral services to add additional attractions at various tourism spots will ensure larger tourism arrivals.

8. Over-riding priority to adventure, Village/rural beach and Heritage tourism at localized level will integrate and further develop tourism in nook and corner of the country. Developing people by advanced hospitality area, enriching their professional experience by undertaking ongoing programme will result in quantum jump in tourism. Offering new opportunities to new generation will not only result in employment generation in rural areas but also support image building and strengthening national integration.

9. Though today tourism is a State Government task, it is important to sell India as a country rather than different States and cities. Instead of having “Goa 365 days on holiday”, it should be “India 365 days on holiday”.

10. India as a country has a bountiful experiences to share with its guests. Every part of the country is very different from the other. For example: North India is absolutely different from the South. Thus, if only the States promote their respective tourism spots the tourists will get a complete picture of the Country. Tourism efforts should make India a “Tourist Destination” and not a particular State as a “Tourist Destination”, Tourism efforts should be a joint venture of all States and Centre.

11. Tourism product is nothing but the overall experience that the customer derives from visiting different places. For this India need to develop its physical evidence. To have a good tour package it is important that all the places of tourist attraction are well maintained. If the places of tourist attractions are not well maintained, India will not be able to attract more tourists.

12. Tourism promotion is result of creating a favorable image about the country and clearing the misconceptions. Also there still exists the foreign return syndrome amongst Indians. Here the challenge is to promote India in a way that even the domestic tourist is willing to spend a vacation in India rather than go abroad.

13. India faces a lot of competition from South Asian countries like Malaysia, Singapore, and Thailand etc. Pricing of tour packages should provide value for money to its customers. This has now become very important as traveling abroad has become very reasonable. This pricing will help attract domestic tourists. The tours should be easily available to the customers. For this the tour operators and travel agents- both within India and abroad should be well educated and always ready to serve.

14. Customer satisfaction in tourism is greatly influenced by the way in which the service (hospitality) is delivered and the physical appearance and personality of the business. It is critical that these elements be communicated in the best possible manner to convince people to come and experience what Indian business or community has to offer.

15. Tourism in India can thrive further with adherence to customer orientation covering regular research and assessment of tourist needs wants and attitude is undertaken. Allocation of adequate funds in 5 year plan be a regular feature. Identification of nodal agencies at District, State and Central level and their activities is monitored. Regular up gradation of strategy should also be an ongoing process.

16. There is urgent need to construct and improve highways linking the 22 world heritage sites and places of tourist significance in India. The Ministry of Road Transport and national Highways should collaborate with the Ministry of Tourism in this effort.

17. The Indian Railway system can become an enormous asset to the development of the tourism and hospitality industry in the country. Traditional Indian Railways hold a special fascination for foreign tourists who wish to travel the country. For the vast majority of domestic tourists also, the railways are the most affordable means of travel linking the length and breadth of the country. Introduction of special tourist trains with pre-set itineraries and private sector participation should be encouraged.

18. India's 7,000 km-coastline and her mighty rivers should be tapped for promotion of cruises. Care should be taken to develop world class tourism products. As the Ministry of Tourism's financial assistance to the States has not been able to have the desired impact in terms of creating of world class tourism infrastructure, the emphasis must shift to the development of specific travel circuits as internally competitive destinations and the convergence of resources and expertise for these circuits.

19. The availability of trained manpower is essential to achieve excellence in tourism sector. At present, there are 21 Institutes of Hotel Management and catering Technology (IH&TC) and 13 Food Craft Institutes in the country. In addition, a good number of accredited institutes for catering to the growing demand in the service sector be established urgently Scheme on capacity building to train service providers in the unorganized sector such as small hotels, dhabas, restaurants and other eating joints be immediately undertaken.

20. In the case of tourism marketing, the product is "the destination itself" (Sinclair &Stabler) or "an experience of place (location and people) at a particular time (Wheeler). Thus to create a desirable image of the tourism destination in the minds of potential tourists the goal of enticing tourists to select the destination for their next holiday is indeed called for.

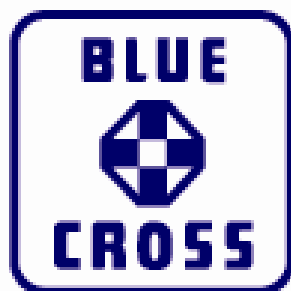
21. It is correctly concluded that the demand for holidays emanates from consumer reaction to perceptions of anticipated tourism experiences which are inextricably place-bound. The Tourism product is a set of such experiences packaged as a destination place and marketed largely through images of that place.

22. Tourism department should give direction and opportunity to the youth of the country both through domestic and world tourism to perceive hopes and aspirations of others in a right fashion.

23. Tourism industry be made a unifying force, instrumental in fostering better understanding through travel helping to preserve, retain and enrich our cultural heritages bringing socio-economic benefits to the community as a whole.

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