



A CASE STUDY OF TOURISM INDUSTRY

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ABSTRACT

Today, more and more people in India are taking advantage of leisure and recreation services such as eating in restaurants, visiting the museums and galleries, going to the movies or travelling to places of tourist interested. These are all things that many people would not have done in the past. Services are intangible, inseparable, variable and perishable. Each characteristic poses problems and requires strategies to deal with those problems. Service marketing concepts and strategies have developed in response to the tremendous growth of service industries, resulting in their increased importance to the world economies. Almost all the absolute growth in number of jobs and the fastest growth rates in job formation are in service industries. The tremendous growth and economic contribution of the service sector have drawn increasing attention to the issues and challenges of service sector industries worldwide. Access to best quantity of information, entertainment and music is unbelievable compared to what people had just 20 years ago. So clearly, in some ways and in many industries, services are better than ever.

INTRODUCTION

Tourism has become the world's largest employer and this sector is one of the world's largest economic forces with more than 200 trillion dollars yearly. This sector is today the second largest foreign exchange earner for India. India's travel and tourism industry has huge growth potential. Together with globalization, the influence of technology is the most profound trend affecting service marketing today. Further the domestic tourist travel for business and leisure is also showing increasing trend. Service marketing became a discipline study for the past 20 years even though services themselves have existed for many years. Traditionally, most services were performed at home (cleaning, education, hair dressing, medicines etc) and therefore no statistics for services were maintained. As services started to move out of the



home and became commercialized, they were also recognized as significant contributors to the economy and marketers also started considering them more seriously.

The study by Soundara Rajan (1992) relates to the functioning of Tamilnadu Tourism Development Corporation and its role in promoting tourism in the state. The study has given emphasis on the wide range of services provided by TTDC like hotels, restaurants, youth hostel, resorts, trade fair, etc. The study examined the commercial viability of such services provided by TTDC. An attempt has made to analyze the impact of all the activities of the TTDC contributing to the development of tourism in Tamilnadu. He analyzed whether the infrastructure service provided by TTDC in the state has acted as a catalyst in the development of tourism industry in Tamilnadu. The study also covers that a reasonable return for the services rendered could be ensured without creating hardship to the consumers and tourists. The study confirms to the principle of innovative and explorative research. The primary data are collected from visitors, tourists, various officers of TTDC, DTTC, hotel, etc. Secondary data are collected from reports of government agencies and others. The study concludes that the tourism is an activity generating a number of socio economic benefits. It creates employment opportunities and a source of foreign exchange.

India is a country known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colorful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism; snow, river and mountain peaks for adventure tourism; technological parks and science museums for science tourism; centres of pilgrimage for spiritual tourism; heritage, trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts and hill stations also attract tourists.

The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping- items of foreign tourists. It is estimated through survey that nearly forty per cent of the tourist expenditure on shopping is spent on such items.

Despite the economic slowdown, medical tourism in India is the fastest growing segment of tourism industry, according to the market research report "Booming Medical Tourism in India". The report adds that India offers a great potential in the medical tourism industry. Factors such as low cost, scale and range of treatments provided in the country add to its attractiveness as a medical tourism destination.

Some of the recent initiatives taken by the Government to boost tourism include grant of export house status to the tourism sector and incentives for promoting private investment in the form of Income Tax exemptions, interest subsidy and reduced import duty. The hotel and tourism-related industry has been declared a high priority industry for foreign investment



which entails automatic approval of direct investment up to 51 per cent of foreign equity and allowing 100 per cent non-resident Indian investment and simplifying rules regarding the grant of approval to travel agents, tour operators and tourist transport operators.

There are various reasons for a tourist to visit a destination of some interest. A destination might be visited because of its natural landscape or resource, historical monument, religious significance, shopping or it may be a man-made tourist attraction. But how to create the need amongst the potential tourists about the destination is what tourism marketing is all about. In tourism marketing we are marketing a destination. Once a destination is sold to a customer or customer group, everyone who is providing some service in relation to tourism gets benefited. The hotels or the carriers or the travel agents, all benefit if tourist traffic is generated for a destination from domestic or foreign or both sources.

A destination can have a variety of products or benefits to offer. It could be of historical importance or have a natural resource or an artistic landscape and in the absence of each a unique resource could be created. It could be a religious significance or an adventure or a shopping paradise. All these features are important. A destination offers a unique combination of features which cannot be duplicated elsewhere. Building on this uniqueness of benefits to generate more tourism is the name of the game which is called tourism marketing.

They have to identify an appropriate target market segment, identify the services that satisfy the segment needs, they have to position themselves in the market place in relation to their competitors and lastly, they have to promote their services effectively.

Availability of skilled manpower is a major challenge faced by the travel and tourism industry, one of the largest employment generators in the country. To sustain growth in the travel and tourism industry, trained manpower/ workforce is required at every level - managerial, supervisory, skilled or semi- skilled. Challenges faced at each level are different. At mid and senior management levels, the industry faces talent crunch and at the front-line staff level, although human resources are adequate, a boom in other service industries such as banking, retail, airline and BPO have resulted in the shortage of manpower at this level for the travel and tourism industry. Thus, we have a demand-supply mismatch with respect to manpower in the travel and tourism and hospitality sector in India. A study conducted by Ministry of Tourism suggests that existing supply of human resources do not cater to even 40% of the demand. Thus, the industry has no alternative but to fill the void with untrained resources. Such a high proportion of untrained manpower would adversely affect quality of services offered to the tourists.

Marketing and promotion of India as a major tourist destination is critical for the industry to achieve its potential. Lack of adequate budgetary support for promotion and marketing,



compared with competing tourist destinations, is a major reason for India lagging behind as a tourist destination. Marketing under the Incredible India” campaign helped to place India as a good tourist destination on the global tourism map. Indian tourism products are promoted primarily by the Ministry of Tourism with the involvement of state governments through the State Tourism Development Corporations. Newer tourism concepts, which include cruise tourism, adventure tourism, agri-tourism or rural tourism, are emerging in India and these require support to develop and flourish. Hence, greater marketing push for these different products is required. To remain competitive in the fiercely competitive field, India needs to change its traditional marketing approach to a more competitive and modern approach. There is a need to develop a unique market position and the brand positioning statement should capture the essence of the country’s tourism products: i.e., they should be able to convey an image of the product to a potential customer.

- **Undesirable Social and Cultural Change:** Tourism sometimes led to the destruction of the social fabric of a community. The more tourists coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60’s to the early 80’s when the Hippy culture was at its height, Goa was a heaven for such hippies. They came in thousands and changed the whole culture of the state leading to a rise in the use of drugs, prostitution and human trafficking. This had a ripple effect on the country.
- **Increase Tension and Hostility:** Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other’s culture and way of life. This may further lead to violence and other crimes committed against the tourists. The recent crime committed against Russian tourist in Goa is a case in point.
- **Creating a Sense of Antipathy:** Tourism brought little benefit to the local community. In all-inclusive package tours more than 80% of travelers’ fee go to the airlines, hotels and other international companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government.
- **Adverse Effects on Environment and Ecology:** One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilisation of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of



water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, Untreated sewage, etc. also have direct effects on biodiversity, ambient environment and general profile of tourist spots.

CONCLUSION:

India's size and massive natural, geographic, cultural and artistic diversity offers enormous opportunities for the travel and tourism industry. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development of niche segments.

Medical tourism in India has gained considerable popularity in recent years. India has a major cost advantage in this field compared with other countries. In addition to cost advantages, Indian healthcare industry offers state-of-the art equipment, technological advancement, qualified and experienced medical personnel and a blend of modern and traditional medicines. Thus, medical tourism has immense potential in India.

Opportunities also exist in ecotourism, adventure tourism, and cruise tourism. Eco-tourism is increasing in popularity, evident in the development of eco-friendly hotels and tour packages. India holds immense potential in adventure and cruise tourism. India's greatest adventure tourism assets are Himalayas and its mighty rivers. The peak period for adventure tourism is the "lean period" of cultural tourism. Development of adventure tourism can make India a round-the-year tourist destination. The cruise industry is one of the most promising industries in India. However, strong efforts need to be made to develop this industry. Other forms of tourism such as agri- tourism, pilgrimage tourism, heritage tourism, and MICE tourism also hold enormous potential. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the travel and tourism industry is expected to record handsome growth in the coming years.

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