

Indian Tourism Industry in 21st Century

The Most Dynamic Sector in Indian Economy.

AUTHOR

K. Rajamani

Lecturer in
Management Studies,
P.S.R. Engineering
College, Sevakasi.

ABSTRACT

Services have emerged as the most dynamic sector of growth. The 'Services' sector of the economy comprises Hotels, Transport and Communications (including tourism), Financial, Real estate and Business Services Community, Social and Personal Services (including civil administration & Defence). This paper deals with the promotional strategies for service sector with reference to tourism industry. Tourism is an important aspect of human life. As an economic activity it is a part of the services sector of an economy and is a big source of employment generation and foreign exchange earning. India is a journey of mind and soul of the five senses of self - fulfillment and of the self- discovery. Tourism is no longer a mere leisure industry .The economic and social benefits of tourism are immense. Tourism consists of several goods and services catering to a wide range of interests. Tourism departments have planned to introduce new concepts like "Integrated Tourism Management". It includes Earning Foreign Exchange, Employment Generation, Preservation and Protection of Environments, Safeguarding of Culture, Promotion of Handicrafts, Removal Of Encroachments from Tourist Spots, Eradication Of Beggar Menances, Ensure Safety Of Tourists. Tourism is a sector, which helps in earning foreign exchange and employment generation. It serves as a platform for showcasing our country to the globe. Tourism if harnessed properly it would be a boon to both the country and the citizens.

1. TOURISM-AN OVERVIEW

Tourism is an important aspect of human life. As an economic activity it is a part of the services sector of an economy and is a big source of employment generation and foreign exchange earning. Tourism could be for sight seeing, holidaying, education, business, medical treatment, rejuvenation of mind and body. In many countries tourism is treated as an Industry. Now tourism enjoys an incredible status of being one of the largest and fastest growing sectors of the world.

Tourism- Global Scenario

Inspite of the images of terror, SARS, climatic/economic crisis global economic slowdown, Iraq war and

- downward trend in spending capacity,
- tourism industry has by and large retained
- its vigour. The amount turnover of world
- tourism is a phenomenal sum of 3.4 trillion
- U.S \$. The world Travel and Tourism
- council's accounting research which
- measured tourism share in the national
- economy in 160 countries has found a
- global shift away from Europe to Asia and
- Far east in the last 10 years.

Tourism In India

- India is a journey of mind and soul
- of the five senses of self - fulfillment and of
- the self- discovery. India has the potential
- to become a major tourist destination in
- the world with the demand growing at
- 10.1 per cent p. a. the World Travel and
- Tourism Council (WTTC) has predicted.
- According to the latest research by

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Europe's leading Travel magazine Conde Basst Traveller, India has entered the top ten tourist destinations of the world for the first time. India receives 2.5million visitors every year and 30per cent of them are tourists.

2. PROMOTIONAL STRATEGIES FOR TOURISM INDUSTRY

Tourism is no longer a mere leisure industry .The economic and social benefits of tourism are immense .Tourism consists of several goods and services catering to a wide range of interests. The efforts of tourism departments must not be confined to a very narrow sphere (i.e.) just bringing more tourist to India and attend their needs. Tourism departments have planned to introduce new concepts like "Integrated Tourism Management".

Integrated Tourism Management

In this system all allied activities of tourism will be included and it will be given due importance. They are -

- ◆ Earning Foreign Exchange
- ◆ Employment Generation
- ◆ Preservation and Protection of Environments
- ◆ Safeguarding of Culture
- ◆ Promotion of Handicrafts
- ◆ Removal Of Encroachments from Tourist Spots
- ◆ Eradication Of Beggar Menaces
- ◆ Ensure Safety Of Tourists

Tourism – Marketing

Tourism is a different product unlike consumer durables or domestic appliances. The tourists spend considerable amount out of their pockets, but all they get in return is only pleasure which cannot be measured by any yardstick .Hence it becomes extremely difficult to market tourism . By using the

following tools we can market tourism.

Marketing Tools

- ◆ Advertisements in dailies, magazines etc
- ◆ Telecast of short documentaries in satellite TV channel
- ◆ Close circuit television at railway stations, airports, bus terminals
- ◆ Touch screen information KIOSKS at important places
- ◆ Interactive website
- ◆ E-Mail fan clubs
- ◆ Opening of tourist information centres in all states of India
- ◆ Printing and distribution of high quality literature in multiple languages
- ◆ Internet Marketing
- ◆ Digital tourist guide in multiple languages
- ◆ Tourism clubs in schools and colleges
- ◆ Road shows

Integrated Development Of Mega Projects

The concept of mega projects is an elaboration of the early idea of selective development of certain chosen centers in an intensive manner.

This concept is a welcome one as it envisages a comprehensive development of the areas by the government in co-operation with the putting up of 'Tourism Super-structure by private entrepreneurs to oversee land acquisition and orderly development of the basic infrastructure facilities.

Product Development

National strategy for intensive development has listed the tourist centers. The list should be revised regularly, identify and include new centers. There are indeed many noticeable omissions in the list .The list also includes certain centers where more than government

intervention private sector company can play an effective role.

Developing Air-services

The number of airports would need to be expanded and modernised to international standards and serve as models for others. Many others for example Bangalore, Jaipur, Hyderabad would need to be converted into international airports. The architecture and designing of airports and related facilities is highly, a specialist job .It would be advisable to enlist the service of experienced foreign consultants and firm to design our major airports.

Human Resource

In the area of human resource there are limited staff .More number of people should be developed in the fields of guest relations, cookery, Hotel administration, Front Office etc.

3. HURDLES TO GROWTH OF TOURISM

Infrastructure: Air Services

Air Services and airports are still at a primitive state in India. Hardly a day passes without the newspapers carrying angry letters to editors from irate foreign tourists complaint of cancellation of flights or the lack of facilities at the airports. There are less than half a dozen international airports in the vast country. The tourist is compelled to take the connecting flights to his chosen destination from these airports.

Road Network

It is estimated that 80% of the foreign and domestic tourists make use of the road transport system for visiting different destinations. However the condition of the Indian roads and of the

Indian road transport system is deplorable by any standards. The absence of good roads and modicum of comfort for the traveler makes an road journey an order .Since private enterprise has been allowed to enter the infrastructure sector, particular highways, camping sites and motels leading to important tourist destination may be given high priority. This would also need fiscal and financial incentives in the form of abolition of customs duties on import of tourist vehicles.

Hotel Accomodation

The total availability of hotel rooms in India is 58,000(approximate). This is less than the number of rooms in the city of Bangkok alone. China has over 3.9 million rooms and Indonesia has over 1.5 million rooms .It has been estimated that hotel accomodation would need to be at least doubled in the very immediate future to cater to the projected tourist arrivals into the country.

Telecommunications

A particular irritant affecting any visitor to the country is the lack of telecommunication facilities. With the entire world emerging as a single market place , where production centres and distribution networks are spread over continents, immediate contact with business associates, relatives, friends and travel agents . This aspect will be looked after by the I.T. sector.

Taxes

The biggest factor depressing the tourism industry in India is the charge of the higher taxes. It has been seen in many countries that lower taxes induces higher tourism arrivals and longer stay. Since tourism is of the nature of an exports and that too of a negligible import content.

The architecture and designing of airports and related facilities is highly, a specialist job

The imposition of expenditure tax by the centre and luxury taxes on hotel rooms by the state government inflate the accommodation bill of foreign traveller. The net result would be diversion of tourist away from India to other destinations.

Land

Where the number of hotel rooms has to be stepped up steeply in the next few years, it is essential that land for building hotels must become available with ease. Land for hotel use should be reserved made available to the promoters on long term graded lease.

Security

The luggage handling systems at the airport as well as the lack of police vigilance outside are also a cause of general complaint. The unhelpful attitude of personal at the airports, the pestering of foreign tourists by touts and shady hotelkeepers, the rickety taxis and the wily taxi driver create a poor first image of the country in the foreigners mind.

The Characteristics Of Tourism Marketing

Travel and tourism products are ideal for marketing on the Internet. This is because tourism is an information-intensive industry and the Internet is the most effective and efficient means in information exchange worldwide. The Net can greatly facilitate the promotion and distribution of tourist products and potentially enable tourism destinations and enterprises to compete on a level playing field.

Tourism Is An Information-intensive Industry

Tourism is very information-intensive and information is often dubbed

the “life-blood” or “cement” of the industry which holds together the different producers within the travel industry - airlines, tour operators, travel agencies, attractions, car rental, cruise lines, and other supplies. “In few other areas of activity are the generation, gathering, processing, application and communication of information as important for day-to-day operations as they are for the travel and tourism industry” (Poon 1993:154). The perishability of tourism products and the often erratic tourist demand make the task of balancing tourism supply and demand far more significant than any other sector. That is probably why tourism became one of the first industries to widely apply IT and conduct electronic commerce from the 1960s in the form of computer(ised) reservation systems (CRSs) and then global distribution Systems (GDSs).

However, the traditional CRSs and GDSs had only improved the information communication between tourist businesses, originally between airlines and travel agents, as they do not directly interact with consumers. The systems are also expensive to both the tourism producer and the retailer. For instance, the GDS cost accounted for an average 8.1% of the International Air Transport Association (IATA) member airlines’ distribution cost in 1996 (IATA 2000), and the major GDSs charge around US\$600 a month to put a terminal in a travel agency. Moreover, the systems are flawed with incompatibility between each other, especially in the lodging sector, where “switch” companies such as THISCO (The Hotel Industry Switching Company) was needed to connect hotels with all the major GDSs to facilitate room reservations by travel agencies worldwide (Sheldon 1997). With the effective use of

the Internet, these problems can be addressed effectively and cheaply. In addition to its traditional function, a web-based GDS can increase the speed of information transmission, improve the quality of information delivery (from the old view data to the window-based computer screen), reduce the cost to the user as no special connections are necessary, and most important of all, has the potential to interact with all web users in the world.

Having realised the tremendous potential of the Internet, GDS companies already started to develop new and web-based systems which could transform the whole tourism distribution landscape in the near future. For example, Amadeus

launched Amadeus Pro Web in January 2000, which is a browser-based reservation tool allowing travel agents to service customers worldwide without a dedicated communications line and at a greatly reduced cost. In fact, with this system any Internet user can become an online travel agent within a week (Amadeus 2000).

4. CONCLUSION

Tourism is a sector, which helps in earning foreign exchange and employment generation. It serves as a platform for showcasing our country to the globe. Tourism if harnessed properly it would be a boon to both the country and the citizens.

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