



**NIILM**  
University



Travel & Tourism

# CONTENT

- Chapter 1: Tourism – Definition And Meaning
- Chapter 2: Types of Tourism
- Chapter 3: Overview of Indian Travel & Tourism Industry
- Chapter 4: Tourism Products
- Chapter 5: Different Forms of Tourism Product
- Chapter 6: Socio-Cultural Impacts of Tourism
- Chapter 7: Economic Impacts of Tourism
- Chapter 8: Environmental Impacts of Tourism
- Chapter 9: Problems & Prospects of Tourism Development In India
- Chapter 10: Challenges & Opportunities In Tourism Industry
- Chapter 11: Growth Drivers in Tourism Industry
- Chapter 12: Performance of the Indian Travel And Tourism Industry & Its Emerging Trends

# Chapter 1

## Tourism – Definition and Meaning

In India we see the origin of the concept of Tourism in Sanskrit Literature. It has given us three terms derived from the root word “Atana” which means going out and accordingly we have the terms:

- **Tirthatana** – It means going out and visiting places of religious merit.
- **Paryatana** - It means going out for pleasure and knowledge.
- **Deshatana** - It means going out of the country primarily for economic gains.

In simple terms Tourism is the act of travel for the purposes of leisure, pleasure or business, and the provision of services for this act.

There are two important components that make up tourism:

1. The practice of travelling for pleasure.
2. The business of providing tours and services for persons travelling.

Here we are discussing the features of the above two components

The following are required, to make travel possible: (Component 1)

1. Discretionary income, i.e. money to spend on non-essentials
2. Time in which to do so.
3. Infrastructure in the form of accommodation facilities and means of transport.

Individually, sufficient health is also a condition, and of course the inclination to travel. Furthermore, in some countries there are legal restrictions on travelling, especially abroad. Communist states restrict foreign travel only to "trustworthy" citizens. The United States prohibits its citizens from travelling to some countries, for example, Cuba.

There are four basic services to be provided for Tourists: (Component 2)

1. Travel Arrangements
2. Board and Lodging
3. Food
4. Entertainment

In the above paragraphs we have discussed the basic meaning of tourism and the features of the components of Tourism.

Now we will talk about the definitions of the term tourism. There have been a number of attempts to define tourism since the beginning of the twentieth century. It is defined in a different manner by different people

and the most widely accepted definition is the one given by the World Travel Organisation (W.T.O). This was approved by United Nations Statistical Commission in its twenty-seventh session held from 22 February to 3 March 1993

### **As Per WTO**

Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

- The term “usual environment” is intended to exclude trips within the place of residence, trip to the usual place of work or education and daily shopping and other local day-to-day activities. •

The threshold of twelve months is intended to exclude long-term migration.

- For the distance travelled there is no consensus. It varies from at least 40 kms to at least 160kms away from home one way for any purpose other than commuting to work.

Five main characteristics of tourism may be identified from the definition

1. Tourism arises from a movement of people to, and their stay in, various destinations.
2. There are two elements in all tourism: the journey to the destination and the stay including activities at the destination.
3. The journey and the stay take place outside the usual place of residence and work, so that tourism gives rise to activities, which are distinct from those of the resident and the working population of the places, through which the tourist travels and in which they stay.
4. The movement to destinations is of temporary, short-term character, with the intention of returning to the usual environment within a few days, weeks or months.
5. Destinations are visited for purposes other than taking up permanent residence or employment remunerated from within the places visited.

As per WTO definition, Tourism can be classified into the following forms

- Inbound tourism: Visits to a country by non-resident of that country - for example, when A American citizen, Mr. Sam comes to India to see the Taj Mahal, he is an inbound tourist for India.

- **Outbound tourism:** Visits by the residents of a country to another country - for example when an Indian citizen, Mr. Ram goes to America to see Hollywood, he is an outbound tourist for India
- **Domestic tourism:** It involves travelling by the residents of the given country within their own country -, for example, when Mr. Anil a resident of Delhi goes to see the Taj Mahal in Agra he is a domestic Indian Tourist.
- **Internal tourism:** It comprises of domestic tourism and inbound tourism.
- **International tourism:** It comprises of inbound tourism and outbound tourism

### **Different Perspectives on The Study of Tourism**

**1. Geographical Perspective** - from a geographer's perspective the main concern of tourism is to look into aspects like the geographical location of a place, the climate, the landscape, the environment, the physical planning and the changes in these emerging from provisioning of tourism facilities and amenities. A geographer feels that it is the climate, landscape or physical attributes which draw the tourist to a destination, for example; if a person from Delhi goes to Shimla in the summer he does so because of the cooler climate which he cannot get in Delhi.

**2. Sociological Perspective** - From a sociologist's perspective Tourism is a social activity; it is about interaction between different communities—hosts and guests—and encounter between different cultures. This approach studies social classes, habits and customs of both hosts and guests in terms of tourism behaviour of individuals or groups of people and the impact of tourism on society.

**3. Historical Perspective** - from an historian's perspective tourism is a study of the factors instrumental in the initiation of tourism to a particular destination, the order of happenings leading to tourism development, the reasons for happening of the occurrences in that order, beneficiaries of the tourist activity and an untimely and premature identification of negative effects. For example we all know that a lot of tourists visit Taj Mahal in Agra but a historian would be interested in studying the factors that bring the tourist there, e.g. the architecture, the story behind the monument, or something else that draws them there.

**4. Managerial Perspective** - from the management perspective tourism is an industry, and therefore needs managerial skills in order to be properly managed. As the industry grows we see continuous changes in various organizations and services linked with the industry, the tourism

products and so on so this approach concentrates on management activities such as planning, research, pricing, marketing, control etc. as vital to the operation of a tourist establishment.

**5. Economic Perspective** – From an economist's perspective tourism is a major source of foreign exchange earnings, a generator of personal and corporate incomes, a creator of employment and a contributor to government earnings. It is a dominant global activity surpassing even trade in oil and manufactured goods. Economists study the effects of tourism industry on the economy. This is a two way process.

### **Significance of Tourism Industry**

Tourism is important to the world because of the amount of income it brings into countries and it promotes interconnectedness throughout the world. It provides people visiting the country of their choice with the services while they are there in exchange for the visitors boosting the country's economy. It helps provide jobs to the residents of the country that are being visited not only in the tourism and service industry, but also in the manufacturing industry as many people leave their vacation destination with souvenirs in hand. Tourists tend to have disposable income that they spend in the country they are visiting. They also, on the whole, have more leisure time with which they use on numerous, shorter vacations throughout the year. Most tourists are well educated with sophisticated tastes which have resulted in the demand for better service and products. Many tourists also travel with their families, resulting in the need for more family-oriented vacation spots as well as niche destinations for other demographics, such as water sports vacations and spa resorts.

Even with the natural disasters that have plagued the world recently and the tragedy of 9/11, people are still traveling all over the world to see the sights and experience what other countries have to offer. Sustainable tourism and ecotourism have become popular with tourists who are attempting to reduce their own carbon footprint and leave the world a better place for future generations. Tourists interested in helping poor countries have become involved in pro-poor tourism where they visit these countries and work towards bettering the lives of the people they meet there while on vacation. Educational tourism has become popular with many colleges and universities who plan trips overseas to a foreign country and award their students with credit hours for participating in the planned tours.

All of these forms of tourism allow the country that is being visited to benefit in some way, whether it is economically or socially.

## Chapter-2

### Types of Tourism

#### Different forms of tourism

There are different types of tourism. The recent trend is moving toward niche segments of tourism:

• Medical/healthcare tourism • Adventure tourism • Heritage tourism • Ecotourism • Rural tourism • Pilgrimage tourism

#### Medical tourism

Medical tourism also known as health tourism has emerged as one of the important segments of the tourism industry. The term has been coined by travel agencies and the mass media to describe the rapidly-growing practice of travelling across international borders to for healthcare. Travelers typically seek services such as elective procedures as well as complex specialised surgeries such as joint replacement (knee/hip), cardiac, dental, and cosmetic surgeries. Psychiatry, alternative treatments, and convalescent care are also available.

Several factors have contributed to growth in medical tourism worldwide. These include:

**(i) Low travel costs**

Significant reduction in travel costs worldwide has made travel to other countries for medical treatments more affordable. This has also boosted industry growth.

**(ii) High growth of world-class medical treatments in developing countries**

Healthcare facilities in many developing countries have improved significantly in recent years and their standards of healthcare are now on par with that in the US or Western Europe.

Medical tourism has done exceptionally well in India and the number of medical tourists coming into the country is increasing. Rising healthcare costs in the developed economies, especially the

US and the UK, is forcing patients from the region to look for cost-effective and alternative forms of treatment. India, with its pool of highly trained and specialised doctors, good healthcare infrastructure facilities, relatively lower cost of treatment and availability of alternative forms of treatment such as Ayurveda, Yoga, Siddha, and Naturopathy is seeing strong growth in medical tourism.

Medical tourism is promoted through suitable packaging of identified best hospitals and price banding as per treatment requirements. The medical costs in India are much lower at around 25% of the costs in the European and US markets. Medical tourism has grown swiftly despite the economic slowdown. The industry is still at a nascent stage and holds immense potential.

The key benefits of medical treatment and medical tourism in India are:

- World-class treatment at fraction of the cost in western countries
- Patients from more than 55 countries availing treatment in India
- Medical technology, equipment, facilities and healthcare infrastructure in India at par with international standards
- The Indian doctors recognised among the best globally.

Various medical treatments that can be availed in India include knee replacement, hip replacement, cosmetic surgery, dental treatment, and cardiac care.

The government is also taking several measures to promote medical tourism in the country. This includes issuance of “Medical Visa” for patients and their attendants coming to India for treatment. It has also requested the state governments to promote healthcare packages. Under the Market Development Assistance Scheme, financial assistance would be provided to medical tourism service providers (MTSP), i.e. accredited hospitals and medical tourism facilitators (travel agents and tour operators approved by the Ministry of Tourism and engaged in medical tourism).

## **Wellness tourism**

Wellness tourism is regarded as a sub-segment of medical tourism. Here, the primary purpose is achieving, promoting or maintaining good health and a sense of well-being. India with widespread presence of Ayurveda, Yoga, Siddha, and Naturopathy, complemented by its spiritual philosophy, is a well-known wellness destination. Wellness tourism includes ayurvedic therapies, spa visits, and yoga meditation. The government is promoting this form of tourism with publicity and promotional activities.

## **Adventure tourism**

Travel for the aim of exploration or travel to remote, exotic and possibly hostile areas is known as adventure tourism. With tourists looking for different options, adventure tourism is recording healthy growth. Adventure tourism refers to performance of acts, which require significant efforts and some degree of risk or physical danger. The activities include mountaineering, trekking, bungee jumping, mountain biking, river rafting, and rock climbing.

India with its diverse topography and climate offers tremendous scope for adventure tourism. The mountain regions offer lot of scope for mountaineering, rock climbing, trekking, skiing, skating, mount biking and safaris; rushing rivers provide opportunities for river rafting, canoeing and kayaking; and oceans provide tremendous opportunity for diving and snorkeling.

The government is undertaking measures such as financial assistance to governments of states and union territory for development of adventure tourism destinations. It has also provided financial assistance for organising mountain biking expedition. The Ministry of Defense has given permission for opening of 104 additional peaks in Leh area of Jammu & Kashmir for adventure tourism, while customs duty on inflatable rafts, snow-skis, sail boards and other water sports equipment has been exempted.

## **Heritage tourism**

Heritage tourism is defined as “travel undertaken to explore and experience places, activities, and artifacts that authentically represent the stories and people of the past and present”. It is

oriented toward cultural heritage of the tourist location. It involves visiting historical or industrial sites, religious travel or pilgrimages. India is well known for its rich heritage and ancient culture. The country's rich heritage is amply reflected in the various temples, majestic forts, pleasure gardens, religious monuments, museums, art galleries and urban and rural sites which are citadels of civilisation. All these structures form the products of heritage tourism.

## **Ecotourism**

Ecotourism, also known as ecological tourism, is travel to natural areas to appreciate the cultural and natural history of the environment, while not disturbing the integrity of the ecosystem and creating economic opportunities that make conservation and protection of natural resources advantageous to local people. It involves travel to destinations where flora, fauna and cultural heritage are primary attractions. Ecotourism also minimises wastage and the environmental impact through sensitised tourists. It can be one of the medium to preserve local culture, flora and fauna and other natural resources.

India, with its great geographical diversity, offers several eco-tourism destinations. It is home to a wealth of ecosystems which are well protected and preserved. These include:

- Biosphere reserves
- Mangroves
- Coral reefs
- Deserts
- Mountains and forests
- Flora and fauna
- Seas, lakes and rivers
- Caves

The basic principles to be followed in ecotourism are:

- Minimise the impact
- Build environmental and cultural awareness and respect
- Provide positive experiences for both visitors and hosts

- Provide direct financial benefits for conservation
- Provide financial benefits and empowerment for local people
- Raise sensitivity to political, environmental, and social climate of the host country
- Support international human rights and labour agreements.

A few places for ecotourism include the Himalayan region, Kerala, North East India, Andaman & Nicobar and Lakshadweep Islands. Thenmala in Kerala is the first planned ecotourism destination in India. Some most popular ecotourism locations in the country are Rishikesh, Kerala and Pondicherry.

Ecotourism consists of:

- Eco parks
- Eco places
- Eco fauna
- Eco flora
- Eco destinations
- Eco trivia
- Eco treks
- Eco adventures

### **Rural tourism**

Rural tourism showcases rural life, art, culture and heritage of rural locations, benefitting the local community economically and socially as well as enabling interaction between the tourists and locals for a more enriching tourism experience. Rural tourism is multi-faceted and may entail farm/agricultural tourism, cultural tourism, nature tourism, adventure tourism, and ecotourism. Rural tourism has certain characteristics: it is experience oriented; locations are sparsely populated; it is predominantly in a natural environment; it meshes with seasonality and local events; and it is based on preservation of culture, heritage and traditions. India's rural geographical and cultural diversity enables it to offer a wide range of tourism products and experiences. Increasing levels of awareness, growing interest in heritage and culture, improved accessibility to rural areas, and environmental consciousness are playing an important role in

promoting rural tourism. This form holds immense potential in India, where more than 70% of the population resides in villages.

The Ministry of Tourism along with UNDP undertook the “Explore Rural India” Campaign, to give tourists a chance to experience life in rural India. It is one of the most successful tourism campaigns so far. During the “Visit India Year 2009” campaign, 15 rural tourism sites were selected as rural eco-holiday sites.

### **Wildlife tourism**

Wildlife tourism, one of the fastest segments of tourism, involves travel to different locations to experience wild life in natural settings. Due to its varied topography and distinctive climatic conditions, India is endowed with various forms of flora and fauna and it has numerous species of birds, mammals, reptiles, amphibians and plants and animals.

To tap the potential of wildlife tourism, the government has launched some wildlife packages for travelers. Wildlife Tourism in India includes wildlife photography, bird watching, jungle safari, elephant safari, jeep safari, jungle camping, ecotourism etc.

The country offers immense opportunities for wildlife tourism. The strong heritage of wildlife in India comprises more than 70 national parks and about 400 wildlife sanctuaries including bird sanctuaries. However, concrete steps by both the government and the private sector need to be taken to promote wildlife tourism. Taj Hotels & Resorts has a joint venture with Conservation Corporation Africa to provide wildlife enthusiasts, circuit tourists and high-end domestic travelers with fascinating wildlife experiences within India through an ecologically-sustainable model. In a bid to preserve the natural habitat, the Ministry of Tourism has launched an initiative, “Tigers: Our Natural Beauties”.

### **MICE tourism**

MICE (Meetings, Incentives, Conferences and Exhibitions) tourism is also one of the fastest growing in the global tourism industry. It largely caters to business travelers, mostly corporates. It caters to various forms of business meetings, international conferences and conventions, events

and exhibitions. Hong Kong, Malaysia and Dubai are the top destinations for MICE tourism. India is also present in this segment.

This form of tourism combines annual business meetings and conferences with pleasurable events for delegates and attendants. India can be competitive with other MICE tourism destinations owing to its natural beauty, rich heritage and geographical diversity. One of the requisites for this form of tourism is world-class convention centres. The Ashok, New Delhi; Hyderabad International Convention Centre, Hyderabad; and Le Meridian, Cochin are forerunners in the Indian MICE tourism industry, facilitating domestic and International business meetings and conferences.

Some other forms of tourism include cruise tourism, beach tourism, pilgrimage tourism, monsoon magic, luxury tourism.

### **Sustainable tourism**

"Sustainable tourism is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems." (World Tourism Organization)

Sustainable development implies "meeting the needs of the present without compromising the ability of future generations to meet their own needs." (World Commission on Environment and Development, 1987).

Sustainable tourism can be seen as having regard to ecological and socio-cultural carrying capacities and includes involving the community of the destination in tourism development planning. It also involves integrating tourism to match current economic and growth policies so as to mitigate some of the negative economic and social impacts of 'mass tourism'. Murphy (1985) advocates the use of an 'ecological approach', to consider both 'plants' and 'people' when implementing the sustainable tourism development process. This is in contrast to 'economic' approaches to tourism planning, neither of which considers the detrimental ecological or sociological impacts of tourism development to a destination.

However, Butler questions the exposition of the term 'sustainable' in the context of tourism, citing its ambiguity and stating that "the emerging sustainable development philosophy of the 1990s can be viewed as an extension of the broader realization that a preoccupation with economic growth without regard to its social and environmental consequences is self-defeating in the long term." Thus 'sustainable tourism development' is seldom considered as an autonomous function of economic regeneration as separate from general economic growth.

### **Educational tourism**

Educational tourism developed, because of the growing popularity of teaching and learning of knowledge and the enhancing of technical competency outside of the classroom environment. In educational tourism, the main focus of the tour or leisure activity includes visiting another country to learn about the culture, such as in Student Exchange Programs and Study Tours, or to work and apply skills learned inside the classroom in a different environment, such as in the International Practicum Training Program.

### **Creative tourism**

Creative tourism has existed as a form of cultural tourism, since the early beginnings of tourism itself. Its European roots date back to the time of the Grand Tour, which saw the sons of aristocratic families traveling for the purpose of mostly interactive, educational experiences. More recently, creative tourism has been given its own name by Crispin Raymond and Greg Richards, who as members of the Association for Tourism and Leisure Education (ATLAS), have directed a number of projects for the European Commission, including cultural and crafts tourism, known as sustainable tourism. They have defined "creative tourism" as tourism related to the active participation of travelers in the culture of the host community, through interactive workshops and informal learning experiences.

Meanwhile, the concept of creative tourism has been picked up by high-profile organizations such as UNESCO, who through the Creative Cities Network, have endorsed creative tourism as an engaged, authentic experience that promotes an active understanding of the specific cultural features of a place.

More recently, creative tourism has gained popularity as a form of cultural tourism, drawing on active participation by travelers in the culture of the host communities they visit. Several countries offer examples of this type of tourism development, including the United Kingdom, Austria, France, the Bahamas, Jamaica, Spain, Italy and New Zealand.

The growing interest of tourists in this new way to discover a culture regards particularly the operators and branding managers, attentive to the possibility of attracting a quality tourism, highlighting the intangible heritage (craft workshops, cooking classes, etc.) and optimizing the use of existing infrastructure (for example, through the rent of halls and auditorium).

### **Dark tourism**

One emerging area of special interest has been identified by Lennon and Foley (2000) as "dark" tourism. This type of tourism involves visits to "dark" sites, such as battlegrounds, scenes of horrific crimes or acts of genocide, for example: concentration camps. Dark tourism remains a small niche market, driven by varied motivations, such as mourning, remembrance, education, macabre curiosity or even entertainment. Its early origins are rooted in fairgrounds and medieval fairs.

### **Doom tourism**

Also known as "Tourism of Doom," or "Last Chance Tourism" this emerging trend involves traveling to places that are environmentally or otherwise threatened (such as the ice caps of Mount Kilimanjaro, the melting glaciers of Patagonia, or the coral of the Great Barrier Reef) before it is too late. Identified by travel trade magazine Travel Age West editor-in-chief Kenneth Shapiro in 2007 and later explored in The New York Times, this type of tourism is believed to be on the rise. Some see the trend as related to sustainable tourism or ecotourism due to the fact that a number of these tourist destinations are considered threatened by environmental factors such as global warming, overpopulation or climate change. Others worry that travel to many of these threatened locations increases an individual's carbon footprint and only hastens problems threatened locations are already facing.

## **Sports tourism**

Since the late 1980s, sports tourism has become increasingly popular. Events such as rugby, Olympics, Commonwealth games, Asian Games and football World Cups have enabled specialist travel companies to gain official ticket allocation and then sell them in packages that include flights, hotels and excursions.

The focus on sport and spreading knowledge on the subject, especially more so recently, lead to the increase in the sport tourism. Most notably, the international event such as the Olympics caused a shift in focus in the audience who now realize the variety of sports that exist in the world. In the United States, one of the most popular sports that usually are focused on was Football. This popularity was increased through major events like the World Cups. In Asian countries, the numerous football events also increased the popularity of football. But, it was the Olympics that brought together the different sports that lead to the increase in sport tourism. The drastic interest increase in sports in general and not just one sport caught the attention of travel companies, who then began to sell flights in packages. Due to the low number of people who actually purchase these packages than predicted, the cost of these packages plummeted initially. As the number start to rise slightly the packages increased to regain the lost profits. With the certain economic state, the number of purchases decreased once again. The fluctuation in the number of packages sold was solely dependent on the economic situation, therefore, most travel companies were forced to set aside the plan to execute the marketing of any new package features.

## **Chapter 3**

### **Overview of Indian Travel and Tourism Industry**

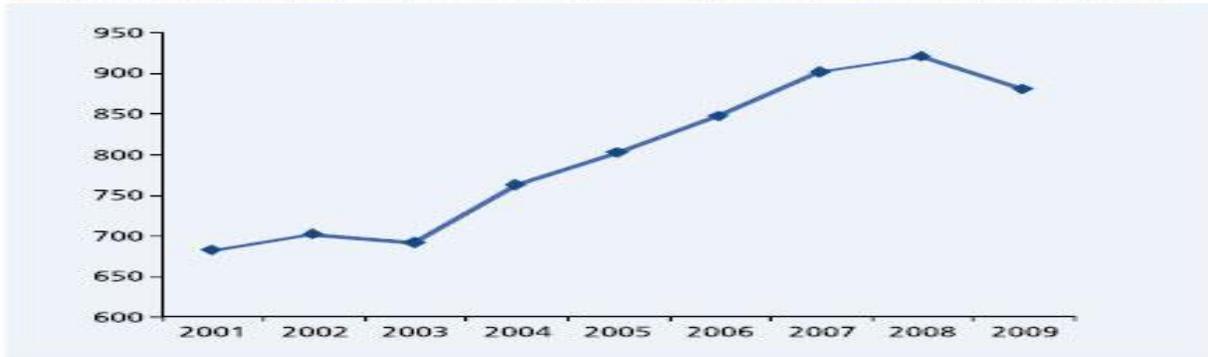
Travel and tourism is the largest service industry globally in terms of gross revenue and foreign exchange earnings. It is also one of the largest employment generators in the world. It has been a major social phenomenon and is driven by social, religious, recreational, knowledge seeking and business interests and motivated by the human urge for new experience, adventure, education, and entertainment. Tourism is both cause and consequence of economic development. It has the potential to stimulate other sectors in the economy owing to cross-synergistic benefits and its backward and forward linkages.

#### **Global scenario**

Travel and tourism is one of the fastest-growing industries and a leader in many countries. It is expected to have generated around 9.4% of world GDP and 8.2% of total employment in 2009. The contribution of the industry to the global economy remains high despite a 4.38% decline in 2009. During the year, travel and tourism investment too declined by more than 12%.

International tourist arrivals rose from 682 million in 2001 to 920 million in 2008. The global travel and tourism industry experienced a downturn in 2009 due to the global economic and financial meltdown. The industry was affected by low business volumes and consumer confidence, given the uncertainty about factors such as availability of credit, exchange rates, employment, and the H1N1 virus. Consequently, tourist arrivals fell 4% worldwide in 2009. Nevertheless, tourist arrivals increased 2% in the last quarter of 2009, led by recovery in the Asia Pacific and the Middle East.

**Chart 1.1 International tourist arrivals (2000-2009) (million nos)**



Source: UNWTO

The industry is expected to improve in 2010, as most of the leading economies are exiting the recession since end-2009. However, it is expected to be gradual as corporations, households and governments slowly recover. Given the improvement in global economic conditions, the UNWTO forecasts a 3-4% increase in international tourist arrivals during 2010. Asia is expected to continue showing the strongest rebound, while Europe and Americas are likely to recover at a more moderate pace.

The expected rebound in tourism materialised in the first four months of 2010. This is reflected in the 7% increase in international tourist arrivals during January-April 2010. Tourist arrivals grew at a faster pace of 8% in emerging markets, while advanced economies reported a 5% increase.

**Table 1.1: UNWTO growth forecast for international tourist arrivals (%)**

Region	2009	Forecast 2010
Europe	(6)	1-3
Asia and the Pacific	(2)	5-7
Americas	(5)	2-4
Africa	5	4-7
Middle East	(6)	5-9
World	(4)	3-4

Note: Figures in brackets denote decline

Source: UNWTO

In 2009, following the trend in tourist arrivals, international tourism receipts also recorded a decline. It is estimated to have declined by 5.7% to US\$ 852 bn. The decline in earnings is

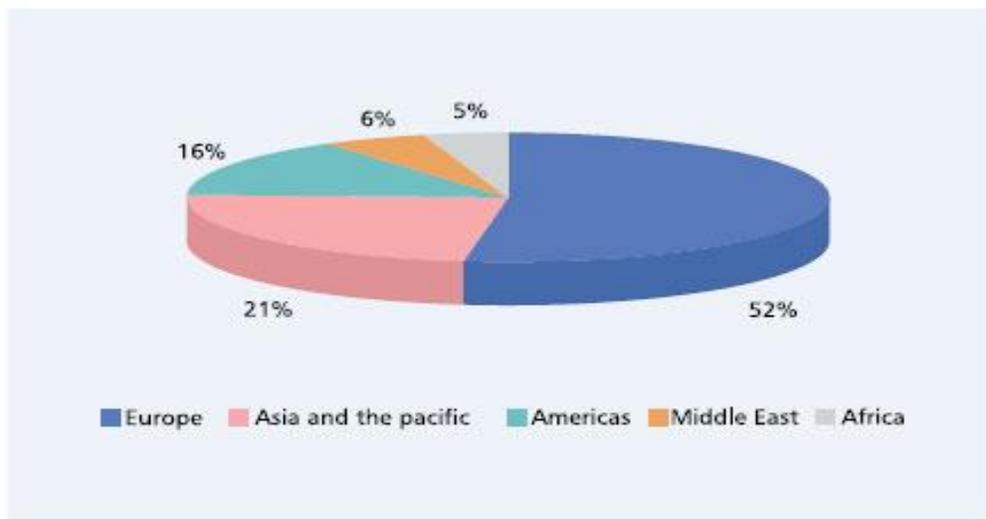
sharper than in arrivals, as during periods of slowdown, tourists tend to stay closer to home and prefer to travel for a shorter duration of time.

The travel and tourism industry can be divided into inbound and outbound tourism; inbound refers to countries attracting the largest number of tourists and outbound refers to countries from where the largest number of tourists originate.

### **World inbound tourism**

International tourist arrivals were 880 million in 2009. The European region continues to attract the largest number of tourists, accounting for around 52% of total traffic in 2009. The Asia Pacific and Americas follow with shares of 21% and 16% respectively. France, USA and Spain were the top three tourist destinations in 2009; China and Italy rank fourth and fifth respectively in terms of tourist arrivals.

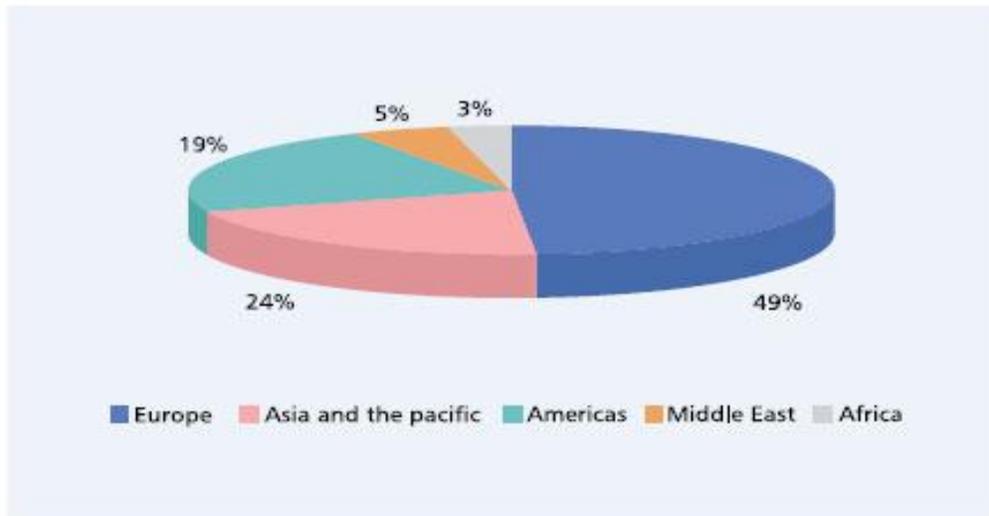
**Chart 1.2 World inbound tourism - Share in international tourist arrivals in 2009**



Source: UNWTO

International tourist receipts were down 5.7% in 2009. Europe continues to draw the highest amount of total receipts, accounting for 49%; the Asia Pacific and Americas formed around 24% and 19% respectively. USA, Spain and France were the top three earners during 2009 in that order; Italy and China ranked fourth and fifth respectively.

Chart 1.3 World inbound tourism - Share in international tourism receipts in 2009



Source: UNWTO

Germany, USA and the UK are the leaders in terms of international tourism spending. During 2009, China overtook France to become the fourth-largest tourism spender.

Some trends in consumer spending intensified during the global slowdown. These include late booking, preference for short haul trips compared with long haul ones (travelling closer and for shorter periods of time), and demanding value for money. These changes in consumer preferences would require changes in business models of players in the industry.

Air transport, which plays a significant role in the global travel and tourism industry for both business and leisure travel, was also adversely affected during 2009.

### **Indian travel and tourism industry**

Indian tourism offers most diverse products globally. The country's rich history, cultural heritage, beauty, diversity of religion and medicine fascinate budget and luxury travelers. Tourism in India has registered significant growth over the years. This has been led by growth in both leisure and business tourism. Rising incomes, increasing affordability, growing aspirations, increasing globalisation, and a growing airline industry along with improvement in travel-related infrastructure have supported industry growth. Tourism holds immense potential for the Indian

economy. It can provide impetus to other industries through backward and forward linkages and can contribute significantly to GDP.

**Table 1.2 Performance of travel and tourism industry in 2009**

Parameter	Value
Foreign tourist arrivals in India	5.11 mn nos (P)
Indian nationals departure form India	11.07 mn nos (P)
Domestic tourist visits to all States/UTs	650.04 mn nos (P)
<i>Foreign exchange earnings from tourism</i>	
In INR terms	₹ 549.6 bn
In US\$ terms	US\$ 11.39 bn

Note: P – Provisional

Source: Ministry of Tourism

India’s travel and tourism industry is expected to generate revenue of Rs. 1,970 bn (US\$ 42 bn) in 2010, according to the World Travel & Tourism Council (WTTC). This would be around 3.1% of total GDP. However, since travel and tourism touches all sectors of the economy, its real impact is greater and the travel and tourism economy directly and indirectly accounts for ` 5,533 bn (US\$ 118 bn), equivalent to 8.6% of total GDP.

**Chart 1.4 India’s travel and tourism industry – Break-up**



Source: WTTC

Personal travel and tourism is the most significant contributor, accounting for 55% of the total market, while business travel forms only 9%. Capital investment is also significant with a share

of 24%. Hotels, air transport, surface transport, basic infrastructure, and facilitation systems environment are some of the related sectors.

The share of the Indian travel and tourism industry globally is very less. However the industry holds immense potential. In fact, India has been ranked among the leaders by the WTTC for long-term (10-year) growth prospects. Further, a globally renowned travel magazine, Conde Nast Traveler, ranked India among the top 10 tourist destinations of the world. JBIC has also ranked India as the fifth most attractive investment destination. India is probably the only country that offers various categories of tourism with its geographical diversity and rich cultural heritage.

## Chapter 4

### Tourism Product

A tourism product can be defined as the sum of the physical and psychological satisfaction it provides to tourists during their travelling en route to the destination. The tourist product focuses on facilities and services designed to meet the needs of the tourist. It can be seen as a composite product, as the sum total of a country's tourist attractions, transport, and accommodation and of entertainment which result in customer satisfaction. Each of the components of a tourist product is supplied by individual providers of services like hotel companies, airlines, travel agencies, etc. The tourist product can be analysed in terms of its attraction, accessibility and accommodation.

#### Components of Tourism Product

There are main three component of tourism product which are as follows:

##### Attractions

Of the three basic components of a tourist product, attractions are very important. Unless there is an attraction, the tourist will not be motivated to go to a particular place. Attractions are those elements in a product which determine the choice made by particular tourist to visit one particular destination rather than another. The attractions could be cultural, like sites and areas of archaeological interest, historical buildings and monuments, flora and fauna, beach resorts, mountains, national parks or events like trade fairs, exhibitions, arts and music festivals, games, etc. Tourist demands are also very much susceptible to changes in fashion. Fashion is an important factor in the demand for various tourist attractions and amenities. The tourist who visits a particular place for its natural beauty may decide to visit some other attractions due to a change in fashion. Peter has drawn up an inventory of the various attractions which are of significance in tourism.

These are given below in a table:-

##### Inventory of Tourist Attractions

**Cultural:** Sites and areas of archaeological interest, Historical buildings and Monuments, Places of historical significance, Museums, Modern Culture, Political and Educational institutions, Religious Institutions

**Traditions:** National Festivals, Arts and Handicrafts, Music, Folklore, Native life and Customs

**Scenic:** National Parks, Wildlife, Flora and Fauna, Beach Resorts, Mountain Resorts.

**Entertainment:** Participation and Viewing sports, Amusement and Recreation Parks Zones and Oceanariums, Cinemas and Theatres, Night Life and Cuisine.

**Others:** Climate, Health resorts or Spas, Unique characteristics not available elsewhere.

However, the attractions of tourism are, to a very large extent, geographical in character. Location and accessibility (whether a place has a coastal or inland position and the ease with which a given place can be

reached) are important. Physical space may be thought of as a component for those who seek the wilderness and solitude. Scenery or landscape is a compound of landforms; water and the vegetation and has an aesthetic and recreative value. Climate conditions, especially in relation to the amount of sunshine, temperature and precipitation (snow as well as rain), are of special significance. Animal life may be an important attraction, firstly in relation to, bird watching or viewing game in their natural habitat and secondly, for sports purposes, eg. fishing and hunting. Man's impact on the natural landscape in the form of his settlements, historical monuments and archaeological remains is also a major attraction. Finally, a variety of cultural features-ways of life, folklore, artistic expressions, etc. provide valuable attractions to many. **Accessibility**

It is a means by which a tourist can reach the area where attractions are located. Tourist attractions of whatever type would be of little importance if their locations are inaccessible by the normal means of transport. A Tourist in order to get to his destination needs some mode of transport. This mode may be a motor car, a coach, an aero-plane, a ship or a train which enables him to reach his predetermined destination. If tourist destinations are located at places where no transport can reach or where there are inadequate transport facilities, they become of little value. The tourist attractions, which are located near the tourist-generating markets and are linked by a network of efficient means of transport, receive the maximum number of tourists. The distance factor also plays an important role in determining a tourist's choice of a destination. Longer distances cost much more in the way of expenses on travel as compared to short distances. An example can be that of India. About two and a half million tourist arrivals for a country of the size of India may look rather unimpressive. However if one looks at certain factors like the country's distance from the affluent tourist markets of the world such as the United States, Europe, Canada, Japan and Australia, one may conclude that the long distance is one of the factors responsible for low arrivals. It costs a visitor from these countries, quite a substantial amount, to visit India for a holiday. It has been stated earlier that Europe and North America

continue to be the main generating and receiving areas for international tourism, accounting for as much as 70% and 20% respectively, of international tourist arrivals. Easy accessibility thus is a key factor for the growth and development of tourist movements.

### **Accommodation**

The accommodation and other facilities complement the attractions. Accommodation plays a central role and is very basic to tourist destinations. World Tourism Organization in its definition of a tourist has stated that he must spend at least one night in the destination visited, to qualify as a tourist. This presupposes availability of some kind of accommodation. The demand for accommodation away from one's home is met by a variety of facilities. The range and type of accommodation is quite varied and has undergone considerable change since the last half century. There has been a decline in the use of boarding houses and small private hotels. Larger hotels are increasing their share of holiday trade, especially in big metropolitan areas and popular spots. In more traditional holiday and sea-side resorts in Europe and elsewhere, big hotels are keeping their share of holiday resorts. In recent years, some changes have been reflected in the type of accommodation. There has been an increasing demand for more non-traditional and informal types of accommodation. The latest trends in accommodation are holiday villages. In recent years there has been an increase in the popularity of such accommodation. Accommodation may in itself be an important tourist attraction. In fact, a large number of tourists visit a particular destination or town simply because there is a first class luxury hotel or resort which provides excellent services and facilities. Some countries like Switzerland, Holland, France, Austria, and Belgium have gained a reputation for providing excellent accommodation with good cuisine. Many hotel establishments elsewhere in various countries, especially the resort hotels, have gained a reputation for their excellent cuisine, services and facilities. The French government for instance, paved the way for tourist development of Corsica by launching a big hotel development programme. Amenities Facilities are a necessary aid to the tourist centre. For a sea-side resort, facilities like swimming, boating, yachting, surf-riding, and other facilities like dancing, recreation and other amusements are important for every tourist centre. Amenities can be of two types; natural, eg. beaches, sea-bathing, possibilities of fishing, opportunities for climbing, trekking, viewing, etc. and man-made, eg. various types of entertainment and facilities

which cater to the special needs of the tourists. Excellent sandy beaches, sheltered from sunshine with palm and coconut trees and offering good bathing conditions form very good tourist attractions. Certain other natural amenities such as spacious waters for the purpose of sailing, or the opportunities for fishing and hunting are also very important.

### **Characteristics of Tourism Product**

By now, you must have understood what a tourism product is. Now let us look at some of its characteristics:-

#### **1) Intangible**

Unlike a tangible product, say, a motor car or refrigerator, no transfer of ownership of goods is involved in tourism. The product here cannot be seen or inspected before its purchase. Instead, certain facilities, installations, items of equipment are made available for a specified time and for a specified use. For example, a seat in an aeroplane is provided only for a specified time.

#### **2) Psychological**

A large component of tourism product is the satisfaction the consumer derives from its use. A tourist acquires experiences while interacting with the new environment and his experiences help to attract and motivate potential customers.

#### **3) Highly Perishable**

A travel agent or tour operator who sells a tourism product cannot store it. Production can only take place if the customer is actually present. And once consumption begins, it cannot be stopped, interrupted or modified. If the product remains unused, the chances are lost i.e. if tourists do not visit a particular place, the opportunity at that time is lost. It is due to this reason that heavy discount is offered by hotels and transport generating organizations during off season.

#### **4) Composite Product**

The tourist product cannot be provided by a single enterprise unlike a manufactured product. The tourist product covers the complete experience of a visit to a particular place. And many providers contribute to this experience. For instance, airline supplies seats, a hotel provides rooms and restaurants, travel agents make bookings for stay and sightseeing, etc.

#### **5) Unstable Demand**

Tourism demand is influenced by seasonal, economic political and others such factors. There are certain times of the year which see a greater demand than others. At these times there is a greater strain on services like hotel bookings, employment, the transport system, etc.

#### **6) Fixed supply in the short run**

The tourism product unlike a manufactured product cannot be brought to the consumer; the consumer must go to the product. This requires an in-depth study of users' behaviour, taste preferences, likes and dislikes so that expectations and realities coincide for the maximum satisfaction of the consumer. The supply of a tourism product is fixed in the short run and can only be increased in the long run following increased demand patterns.

#### **7) Absence of ownership**

When you buy a car, the ownership of the car is transferred to you, but when you hire a taxi you buy the right to be transported to a predetermined destination at a predetermined price (fare). You neither own the automobile nor the driver of the vehicle. Similarly, hotel rooms, airline tickets, etc. can be used but not owned. These services can be bought for consumption but ownership remains with the provider of the service. So, a dance can be enjoyed by viewing it, but the dancer cannot be owned.

#### **8) Heterogeneous**

Tourism is not a homogeneous product since it tends to vary in standard and quality over time, unlike a T.V set or any other manufactured product. A package tour or even a flight on an aircraft can't be consistent at all times. The reason is that this product is a service and services are people based. Due to this, there is variability in this product. All individuals vary and even the same individual may not perform the same every time. For instance, all air hostesses cannot provide the same quality of service and even the same air hostess may not perform uniformly in the morning and evening. Thus, services cannot be standardized

#### **9) Risky**

The risk involved in the use of a tourism product is heightened since it has to be purchased before its consumption. An element of chance is always present in its consumption. Like, a show might not be as entertaining as it promises to be or a beach holiday might be disappointing due to heavy rain.

## **10) Marketable**

Tourism product is marketed at two levels. At the first level, national and regional organizations engage in persuading potential tourists to visit the country or a certain region. These official tourist organizations first create knowledge of its country in tourist –generating markets and persuade visitors in these markets to visit the country. At the second level, the various individual firms providing tourist services, market their own components of the total tourist product to persuade potential tourists to visit that region for which they are responsible.

## **Chapter 5**

### **Different Forms of Tourism Product**

By now you must be aware of what a tourism product is and what its peculiar features are. It is necessary to understand the components of the tourist product from the point of view of the consumer. The product for the tourist covers the complete experience from the time he leaves home to the time he returns. The tourist product today is developed to meet the needs of the consumer and techniques like direct sales, publicity and advertising are employed to bring this product to the consumer. The tourist product is the basic raw material, be it the country's natural beauty, climate, history, culture and the people, or other facilities necessary for comfortable living such as water supply, electricity, roads, transport, communication and other essentials.

The tourist product can be entirely a man-made one or nature's creation improved upon by man. A consumer can combine individual products in a large number of ways. There would be many possible destinations, each with a number of hotels, each to be reached by more than one airline. Thus, the potential choice facing the consumer is very large. The large number of tourist destinations has placed at the disposal of a tourist a very large variety of tourist products in abundant quantity from a large number of competing destinations. This eventually, has led to the adoption of the new concept i.e., the marketing concept in tourism by various countries promoting tourism. Tourism, basically, is an infrastructure based service product. The nature of the service here is highly intangible and perishable offering a limited scope for creating and maintaining the distinctive competitive edge. The effective marketing of tourism needs constant gearing up of infrastructure to international standards and presupposes in its coordination with the tourism suppliers. In strategic terms, it calls for the action of an integrated approach to management and marketing. In operational terms, it means the implementation of a better defined, better targeted market-driven strategy for realizing the defined objectives. The important point to note here is that marketing is applied to situations where the choice can be limited to a relatively small number of brands giving the consumer a reasonable choice. The process of selection thus becomes easier. In the field of tourism this process is taking place by the increased use of 'package tours'. A package tour is a travel plan which includes most elements of vacation, such as transportation, accommodation, sight- seeing and entertainment. The tourist product is a composite product, whether it is sold as a package or assembled by the individual himself or his

travel agent. There are many tourism products that are available to the consumer today. In modern times these products, whether traditional in nature like culture and pilgrimage, or modern like adventure, conventions and conferences, health, medical, etc. are being packaged, promoted and priced appropriately to woo as many tourists as possible. Tourism products can be classified as under for a better understanding of each of their peculiar characteristics, so that they can be marketed and positioned appropriately:

### **Natural Tourism Products**

These include natural resources such as areas, climate and its setting, landscape and natural environment. Natural resources are frequently the key elements in a destination's attraction. Let us look at some examples:

- 1) Countryside
- 2) Climate- temperature, rains, snowfall, days of sunshine
- 3) Natural Beauty- landforms, hills, rocks, gorges, terrain
- 4) Water- lakes, ponds, rivers, waterfalls, springs
- 5) Flora and Fauna
- 6) Wildlife
- 7) Beaches
- 8) Islands
- 9) Spas
- 10) Scenic Attractions

The climate of a tourist destination is often an important attraction. Good weather plays an important role in making a holiday. Millions of tourists from countries with extreme climates visit beaches in search of fine weather and sunshine. The sunshine and clear sea breeze at the beaches have attracted many people for a very long time. In fact, development of spas and resorts along the sea coasts in many countries were a result of the travelers. Urge to enjoy good weather and sunshine. In Europe, countries like France, Italy, Spain and Greece have developed beautiful beach resorts. North Europeans visit the Mediterranean coast searching for older resorts like Monte Carlo, Nice and Cannes on the Riviera and new resorts in Spain and Italy. Beautiful beaches of India, Sri Lanka, and Thailand, Indonesia and Australia and some other new destinations are more examples of how good weather can attract tourists. All these areas capitalize on good weather. Destinations with attractive winter climates, winter warmth and

sunshine are also important centres of tourist attraction. Many areas have become important winter holiday resorts attracting a large number of tourists.

Around these winter resorts, winter sport facilities have been installed to cater to the increasing needs of tourists. People from warm climates travel especially to see snowfall and enjoy the cold climate. In countries with tropical climates, many upland cool areas have been developed as 'hill stations'. Hence climate is of great significance as a tourism product. The scenery and natural beauty of places has always attracted tourists. Tourists enjoy nature in all its various forms. There are land forms like mountains, canyons, coral reefs, cliffs, etc. One of the great all time favorite tourist destination is the Grand Canyon, Arizona. Mountain ranges like the Himalayas, Kilimanjaro, and Swiss Alps, etc. There are water forms like rivers, lakes waterfalls, geysers, glaciers, etc. The Niagara Falls shared by Canada and the United States is an example of how scenic waterfalls attract tourists. Lake Tahoe in California and the deserts of Egypt are other examples of great tourist products. Other great natural wonders that attract tourists are the Giants Causeway of Northern Ireland, the Geysers of Iceland, the glaciers of the Alps, the forests of Africa etc. Vegetation like forests, grasslands, moors deserts, etc. has all been developed as tourist products. Flora and Fauna attract many a tourist. Tourists like to know the various types of plants and trees that they see and which trees are seen in which seasons. There are many plants which are specific to certain regions and many times students and travelers visit those areas especially to see those varieties of plants. Thick forest covers, attract tourists who enjoy trekking and hunting activities. Fauna attracts tourists who like to watch birds, wild mammals, reptiles and other exotic and rare animals. Countries in South East Asia have crocodile gardens, bird sanctuaries, and other tourist products that display the fauna of their region. Spas are gaining popularity as modern tourism products all over the world. While most parts of the world have their own therapies and treatments that are effective in restoring the wellness and beauty of people. New kinds of health tours that are gaining popularity are spa tours. Spas offer the unique advantages of taking the best from the West and the East, combining them with the indigenous system and offering best of the two worlds. For example Swedish massages work well with the Javanese Mandy, lulur, aromatherapy, reflexology and traditional ayurvedic procedures. Now various spa products are being combined with yoga, meditation, and pranayama, giving a holistic experience to tourists. Spa treatments are now combined with other medical treatments to treat blood pressure, insomnia, depression, paralysis and some other

diseases. People are now travelling to spas and clinics for curative baths and medical treatment. In some countries like Italy, Austria and Germany, great importance is given to spa treatments.

In Russia along the Black Sea

Coast and in the foothills of the Caucasus Mountains, there are many world famous sanatoria where millions of Russians and international tourists throng every year. Beach tourism is very popular among the tourists today. Tourists of all age groups, backgrounds, cultures and countries enjoy this tourism product. Besides attraction and salability, beach holidaying has led to overall development of tourism in many parts of the world. The basic importance of beaches is that they provide aesthetic and environmental value of the beach such as beautiful natural scenery with golden sands, lush green vegetation and bright blue sky. The water should be clear, free of currents and underwater rocks. Beach tourism activities include water and land resource use. The water usage involves swimming, surfing, sailing, wind surfing, water scootering, Para- sailing, motorboat rides, etc. The land use has multifacets like sunbathing, recreational areas for tourists (parks, playgrounds, clubs, theatre, amusement parks, casinos, cultural museums, etc.), accommodation facilities (hotels, cottages, villas, camping sites, etc.), car and bus parking areas, entertainment and shopping complexes, access roads and transportation network. Due to its multidimensional requirements the beach product needs special care. A beach resort needs to be developed as an integrated complex to function as a self-contained community. Environmental management should also ensure the availability of necessary infrastructure in the immediate hinterland to the coastal region in support of the development on the coast to maintain its ecosystem. Islands abound with natural beauty, with the rare flora and fauna and tribes. This makes islands an ideal place for adventure, nature and culture lovers to visit. This tourist product has great scope as these islands are being

developed as tourist paradises. For example, Hawaii, Maldives, Mauritius, Tahiti, Andaman and Nicobar Islands, etc. has developed with tourism activity over the past few decades. The topography is generally undulating and they offer natural scenic beauty with exotic flora and fauna. Most of these islands have places of worship like churches, temples, etc. As an added attraction some of these islands have developed as tax havens thereby encouraging commercial development of these economies. They offer social and cultural attractions as tourists can experience the local lifestyle, local food, fairs and festivals, etc. Scenic attractions, like good weather, are very important factors in the development of tourism. Breath-taking mountain

scenery and the coastal stretches exert a strong fascination on the tourist the magnificent mountain ranges provide an atmosphere of peace and tranquillity. Tourists visiting the northern slopes of the Alps in Switzerland and Austria and the southern slopes in Italy and also the Himalayan slopes of India and Nepal for the first time, cannot but be charmed by their physical magnificence.

### **Man- Made Tourism Products**

Man- made tourism products are created by man for pleasure, leisure or business. Man- made tourism products include:

#### **a) Culture**

- Sites and areas of archaeological interest
- Historical buildings and monuments
- Places of historical significance
- Museums and art galleries
- Political and educational institutions
- Religious institutions

Cultural tourism is based on the mosaic of places, traditions, art forms, celebrations and experiences that portray the nation and its people, reflecting the diversity and character of a country. Garrison Keillor, in an address to the 1995 White House Conference on Travel & Tourism, best described cultural tourism by saying, "We need to think about cultural tourism because really there is no other kind of tourism. It's what tourism is...People don't come to America for our airports, people don't come to America for our hotels, or the recreation facilities....They come for our culture: high culture, low culture, middle culture, right, left, real or imagined -- they come here to see America." Two significant travel trends will dominate the tourism market in the next decade.

- Mass marketing is giving way to one-to-one marketing with travel being tailored to the interests of the individual consumer.
- A growing number of visitors are becoming special interest travelers who rank the arts, heritage and/or other cultural activities as one of the top five reasons for travelling.

The combination of these two trends is being fuelled by technology, through the proliferation of online services and tools, making it easier for the traveler to choose destinations and customize

their itineraries based on their interests. Today we can witness large masses of people travelling to foreign countries to become acquainted with the usages and customs, to visit the museums and to admire works of art. One way of hastening the beneficial effects resulting from tourism is to bring the cultural heritage into the economic circuit, thus justifying the investments made at the cost of the national community, for its preservation. Taking an economic view of the cultural heritage of a nation may not altogether be justified, considering that the preservation of its culture is one of the basic responsibilities of any community. But considering the financial obstacles especially for the developing countries, this may appear to be a rational approach. Hence mass tourism can contribute unique benefits to the exploiting of the cultural heritage of a nation and can serve indirectly to improve the individual cultural levels of both citizens and travelers. Cultural resources have another specific characteristic, which many tourists want to experience the exotic. There will be a great urge on the part of the tourist to visit and become acquainted with the ancient civilization in their quest for novel human knowledge. Culture means the prospect of contact with other civilizations, their original and varied customs and tradition with their distinct characteristics. This entire process creates a powerful motivator towards travel. Various Museums also attract tourists like Madame Tussauds Museum in London, the Louvre Museum in Paris, Smithsonian Washington Museum, Museums of famous painters like Salvador Dali, Pablo Picasso, Natural History Museum, British Museum, Museum of Modern Art are also popular tourist products. Sites of archeological interest like remains of Mohenjodaro and Harrapan civilizations, museums for fossils and dinosaurs. Sites for historical interest like city of Hiroshima and Nagasaki, sites of holocaust in Germany, tombs of various leaders and emperors. Historical buildings like Warwick Castle, Tower of London, Stratford-on-Avon which is Shakespeare's birthplace, the Roman Baths are all popular with tourists. Even historical cities like Varanasi in India get a lot of tourists due to its status as one of the oldest cities of the world. Stonehenge in United Kingdom, The White House, Buckingham Palace and other places of political significance, are also greattourist draws.

#### **b) Traditions**

- Pilgrimages
- Fairs and festivals
- Arts and handicrafts
- Dance

- Music
- Folklore
- Native life and customs

A pilgrimage is a term primarily used for a journey or a search of great moral significance. Sometimes, it is a journey to a sacred place or shrine of importance to a person's beliefs and faith. Members of every religion participate in pilgrimages. A person who makes such a journey is called a pilgrim. Secular and civic pilgrimages are also practiced, without regard for religion but rather of importance to a particular society. For example, many people throughout the world travel to the City of Washington in the United States for a pilgrimage to see the Declaration of Independence and the Constitution of the United States. British people often make pilgrimages to London to witness the public appearances of the monarch of the United Kingdom. A large number of people have been making pilgrimages to sacred religious places or holy places. This practice is widespread in many parts of the world. In the Christian world, for instance, a visit to Jerusalem or the Vatican is considered auspicious. Among Muslims, a pilgrimage to Mecca is considered a great act of faith. In India there are many pilgrimage centres and holy places belonging to all major religions of the world.

India is among the richest countries in the world as far as the field of art and craft is concerned. Tourists like to visit and see the creative and artistic treasures of various countries. Every country has certain traditional arts like soap sculptures and batik of Thailand; gems and jewellery, tie and dye works, wood and marble carving in Indonesia; ivory, glasswork, hand block printing, sandalwood, inlay work; are some of the examples of traditional art that attract tourists.

There are many forms of dance in the world like Salsa, Hip- Hop, Jazz, Flamingo, Ballet and Traditional Dances. People who travel like to watch these dance performances and sometimes even take some introductory classes. Music can be either traditional or modern. Traditional music like folk music and classical and country music is specific to every region and country.

Modern forms include Blues, Rock, Pop, Jazz, Rap, Techno and Hip- Hop. Music also adds to the attraction of a destination.

Fairs and Festivals capture the fun loving side and bring out the joyous celebrations of the community. Festivals like Christmas, Easter, Thanksgiving, Eid, Ramadan, Diwali, and Holi and so on, also bring people to destinations where the celebration can be enjoyed. Some popular

Fairs which cater to fun and work are Pushkar Mela in Rajasthan, Prêt fair in Paris, Magic Fair in Vegas for garments, Hong Kong Fashion Week and various job fairs where people are recruited.

### **c) Entertainment**

- Amusement and recreation parks
- Sporting events
- Zoos and oceanariums
- Cinemas and theatre
- Night life
- Cuisine

Tourist products that have entertainment as their main characteristic are many. Just to name a few there are amusement and recreational parks like Disneyworld in United States, Hong Kong, Paris, Singapore and theme parks in various countries and cities like Appu Ghar and Fun and Food Village in Delhi, Essel World in Mumbai and so on. Tourists may come to attend sports events and it is also an opportunity to explore the country. The fundamental concept is that all tourist activities have an influence on providing economic benefits and have a powerful influence in some definite locality, like the Olympics in Athens has given immense benefit to all in tourism business in Athens in particular and Greece in general. Many countries organise year round sports events like swimming meets, athletic meets, weight lifting events, cricket matches, baseball and football events and many more such events which encourage tourism. India will be hosting the Common-Wealth Games on 2010 and it is anticipated to give the tourism industry a big boost.

Night Life is one of the prime attractions in a holiday. Tourists like to especially visit areas in cities where the night life activity is promoted. These areas are usually lit up with street stalls like flea markets and food areas. Bars, night clubs, casinos and very often open air bands attract and add to the psychological satisfaction and experience of tourists. Cuisine is very often an understated but highly important part of any

holiday. Now-a-days there is cuisine from all areas of the world which is found at most tourist destinations. Specialty restaurants serve Indian, Continental, Chinese, Italian, Japanese, Thai, Indonesian, Fast food, Mexican, Mediterranean, and Arabic and so on. However, tourists usually like to eat the local food of the areas they visit.

#### **d) Business**

- conventions
- conferences

People who travel in relation to their work come under the category of business tourism. However such travel for business purposes is also linked with tourist activity like visiting places of tourist attraction at the destination, sightseeing and excursion trips. Business travel is also related to what is termed today as **convention** business, which is a rapidly growing industry in hospitality and tourism. A business traveler is important to the tourism industry as it involves the usage of all the components of tourism. He travels because of different business reasons- attending conventions and conferences, meetings, workshops etc. Participants have a lot of leisure time at their disposal. The conference organizers make this leisure time very rewarding for participants by organizing many activities for their pleasure and relaxation. The spouses and families accompanying the participants are also well looked after by the organizers. The organizers plan sightseeing tours and shopping tours for the participants and their families. In India, cooking classes for learning Indian food cooking from the various states, visits to the craft bazaars where tourists see how artisans make clay pots and other handicrafts, they visit tie and dye units to see Indian printing eg. Batik printing etc.

Conferences are events which require meticulous planning and efficient implementation, co-ordinating various activities so that the right things happen at the right time. There are a number of players in the convention business. On one hand are the customers or the consumers and on the other hand are the principle suppliers like hotels, transporters, convention centers, tour operators and travel agencies, tourism departments, exhibition organizers, sponsors etc.

## Chapter 6

### Socio-Cultural Impacts of Tourism

The socio-cultural impacts of tourism described here are the effects on host communities of direct and indirect relations with tourists, and of interaction with the tourism industry. For a variety of reasons, host communities often are the weaker party in interactions with their guests and service providers, leveraging any influence they might have. These influences are not always apparent, as they are difficult to measure, depend on value judgments and are often indirect or hard to identify. Impacts arise when tourism brings changes in value systems / behaviour, threatening indigenous identity. Changes often occur in community structure, family relationships, collective traditional life styles, ceremonies and morality. But tourism can also generate positive impacts as it can serve as a supportive force for peace, foster pride in cultural traditions and help avoid urban relocation by creating local jobs.

Socio-cultural impacts are ambiguous: the same objectively described impacts are seen as beneficial by some groups and as negative by others. Let us see **negative socio-cultural impacts of mass tourism**:

#### (i) Commodification

- Tourism can turn local cultures into commodities when religious rituals, traditional ethnic rites and festivals are reduced and sanitized to conform to tourist expectations, resulting in what has been called "**reconstructed ethnicity**."
- Once a destination is sold as a tourism product, and the tourism demand for souvenirs, arts, entertainment and other commodities begins to exert influence, basic changes in human values may occur.
- Sacred sites and objects may not be respected when they are perceived as goods to trade.

#### (ii) Standardization

- Destinations risk standardization in the process of satisfying tourists' desires for familiar facilities.
- While landscape, accommodation, food and drinks, etc., must meet the tourists' desire for the new and unfamiliar, they must at the same time not be too new or strange because few tourists are actually looking for completely new things.
- Tourists often look for recognizable facilities in an unfamiliar environment, like well-known fast-food restaurants and hotel chains.

**(iii) Loss of authenticity and staged authenticity**

- Adapting cultural expressions to the tastes of tourists or even performing shows as if they were "real life" constitutes "**staged authenticity**".
- As long as tourists just want a glimpse of the local atmosphere, a quick glance at local life, without any knowledge or even interest, staging will be inevitable.

**(iv) Adaptation to tourist demands**

- Tourists want souvenirs, arts, crafts, and cultural manifestations, and in many tourist destinations, craftsmen have responded to the growing demand, and have made changes in design of their products to bring them more in line with the new customers' tastes.
- While the interest shown by tourists also contributes to the sense of self-worth of the artists, and helps conserve a cultural tradition, **cultural erosion** may occur due to the commodification of cultural goods.

**(v) Culture clashes**

- Because tourism involves movement of people to different geographical locations, and establishment of social relations between people who would otherwise not meet, cultural clashes can take place as a result of differences in cultures, ethnicity, religion, values, lifestyles, languages, and levels of prosperity.
- The result can be an overexploitation of the **social carrying capacity** (limits of acceptable change in the social system inside or around the destination) and **cultural carrying capacity** (limits of acceptable change in the culture of the host population) of the local community.
- The attitude of local residents towards tourism development may unfold through the stages of euphoria, where visitors are very welcome, through apathy, irritation and potentially antagonism, when anti-tourist attitudes begin growing among local people.

**(vi) Economic inequality**

- Many tourists come from societies with different consumption patterns and lifestyles than what is current at the destination, seeking pleasure, spending large amounts of money and sometimes behaving in ways that even they would not accept at home.
- One effect is that local people that come in contact with these tourists may develop a sort of copying behaviour, as they want to live and behave in the same way.

- Especially in less developed countries, there is likely to be a growing distinction between the 'haves' and 'have-nots', which may increase social and sometimes ethnic tensions.
- In resorts in destination countries such as Jamaica, Indonesia or Brazil, tourism employees with annual salaries of US\$ 1,500 spend their working hours in close contact with guests whose yearly income is well over US\$ 80,000.

**(vii) Irritation due to tourist behaviour**

- Tourists often, out of ignorance or carelessness, fail to respect local customs and moral values.
- When they do, they can bring about irritation and stereotyping.
- They take a quick snapshot and are gone, and by so acting invade the local peoples' lives.
- In many Muslim countries, strict standards exist regarding the appearance and behaviour of Muslim women, who must carefully cover themselves in public.
- Tourists in these countries often disregard or are unaware of these standards, ignoring the prevalent dress code, appearing half-dressed (by local standards) in revealing shorts, skirts or even bikinis, sunbathing topless at the beach or consuming large quantities of alcohol openly.
- Besides creating ill-will, this kind of behavior can be an incentive for locals not to respect their own traditions and religion anymore, leading to tensions within the local community.
- The same types of culture clashes happen in conservative Christian communities in Polynesia, the Caribbean and the Mediterranean.

**(viii) Job level friction**

- In developing countries especially, many jobs occupied by local people in the tourist industry are at a lower level, such as housemaids, waiters, gardeners and other practical work, while higher-paying and more prestigious managerial jobs go to foreigners or "urbanized" nationals.
- Due to a lack of professional training, as well as to the influence of hotel or restaurant chains at the destination, people with the know-how needed to perform higher level jobs are often recruited from other countries.

- This may cause friction and irritation and increases the gap between the cultures.
- Even in cases where tourism "works", in the sense that it improves local economies and the earning power of local individuals, it cannot solve all local social or economic problems.
- Sometimes it substitutes new problems for old ones.

**(ix) Crime generation**

Crime rates typically increase with the growth and urbanization of an area, and growth of mass tourism is often accompanied by increased crime.

- The presence of a large number of tourists with a lot of money to spend, and often carrying valuables such as cameras and jewellery, increases the attraction for criminals and brings with it activities like robbery and drug dealing.
- Repression of these phenomena often exacerbates social tension.
- In Rio de Janeiro, Brazil, tourists staying in beachside five star resorts close to extremely poor communities in hillside "favelas" are at risk of pickpockets and stick-ups. Security agents, often armed with machine guns, stand guard nearby in full sight, and face aggressive reactions from locals who are often their neighbours when they go home.

**(x) Child labour**

- Studies show that many jobs in the tourism sector have working and employment conditions that leave much to be desired: long hours, unstable employment, low pay, little training and poor chances for qualification.
- In addition, recent developments in the travel and tourism trade (liberalisation, competition, concentration, drop in travel fares, growth of subcontracting) seem to reinforce the trend towards more precarious, flexible employment conditions.
- For many such jobs young children are recruited, as they are cheap and flexible employees.

**(xi) Prostitution and sex tourism**

- The commercial sexual exploitation of children and young women has paralleled the growth of tourism in many parts of the world.
- Though tourism is not the cause of sexual exploitation, it provides easy access to it.

- Tourism also brings consumerism to many parts of the world previously denied access to luxury commodities and services.
- The lure of this easy money has caused many young people, including children, to trade their bodies in exchange for T-shirts, personal stereos, bikes and even air tickets out of the country.
- In other situations children are trafficked into the brothels on the margins of the tourist areas and sold into sex slavery, very rarely earning enough money to escape.
- The UN has defined child sex tourism as "tourism organised with the primary purpose of facilitating the effecting of a commercial sexual relationship with a child".
- Certain tourism destinations have become centres for this illegal trade, frequented by paedophiles and supported by networks of pimps, taxi drivers, hotel staff, brothel owners, entertainment establishments, and tour operators who organize package sex tours.
- At the international level, there are agents who provide information about particular resorts where such practices are commonplace.
- Although sexual exploitation of children is a worldwide phenomenon, it is more prevalent in Asia than elsewhere.

### **How Tourism Can Contribute To Socio-Cultural Conservation**

- It has the potential to promote social development through employment creation, income redistribution and poverty alleviation.

Other potential positive impacts of tourism include:

- **Tourism as a force for peace**
  - a. Travelling brings people into contact with each other and, as tourism has an educational element, it can foster understanding between peoples and cultures and provide cultural exchange between hosts and guests.
  - b. Because of this, the chances increase for people to develop mutual sympathy and understanding and to reduce their prejudices.
  - c. For example, jobs provided by tourism in Belfast, Northern Ireland, are expected to help demobilize paramilitary groups as the peace process is put in place.

- d. In the end, sympathy and understanding can lead to a decrease of tension in the world and thus contribute to peace.
- **Strengthening communities**
    - a. Tourism can add to the vitality of communities in many ways.
    - b. One example is that events and festivals of which local residents have been the primary participants and spectators are often rejuvenated and developed in response to tourist interest.
    - c. The jobs created by tourism can act as a vital incentive to reduce emigration from rural areas.
    - d. Local people can also increase their influence on tourism development, as well as improve their job and earnings prospects, through tourism-related professional training and development of business and organizational skills.
  - **Facilities developed for tourism can benefit residents**

As tourism supports the creation of community facilities and services that otherwise might not have been developed, it can bring higher living standards to a destination. Benefits can include upgraded infrastructure, health and transport improvements, new sport and recreational facilities, restaurants, and public spaces as well as an influx of better-quality commodities and food.
  - **Revaluation of culture and traditions**

Tourism can boost the preservation and transmission of cultural and historical traditions, which often contributes to the conservation and sustainable management of natural resources, the protection of local heritage, and a renaissance of indigenous cultures, cultural arts and crafts.
  - **Encourages civic involvement and pride**

Tourism also helps raise local awareness of the financial value of natural and cultural sites and can stimulate a feeling of pride in local and national heritage and interest in its conservation. More broadly, the involvement of local communities in tourism development and operation appears to be an important condition for the conservation and sustainable use of biodiversity.

## **Chapter 7**

### **Economic Impacts of Tourism**

The tourism industry generates substantial economic benefits to both host countries and tourists' home countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improvement.

As with other impacts, this massive economic development brings along both positive and negative consequences.

#### **❖ Negative Economic Impacts of Tourism**

There are many hidden costs to tourism, which can have unfavorable economic effects on the host community. Often rich countries are better able to profit from tourism than poor ones. Whereas the least developed countries have the most urgent need for income, employment and general rise of the standard of living by means of tourism, they are least able to realize these benefits. Among the reasons for this are large-scale transfer of tourism revenues out of the host country and exclusion of local businesses and products.

#### **❖ Leakage**

The direct income for an area is the amount of tourist expenditure that remains locally after taxes, profits, and wages are paid outside the area and after imports are purchased; these subtracted amounts are called leakage. In most all-inclusive package tours, about 80% of travelers' expenditures go to the airlines, hotels and other international companies (who often have their headquarters in the travelers' home countries), and not to local businesses or workers. In addition, significant amounts of income actually retained at destination level can leave again through leakage. Of each US\$ 100 spent on a vacation tour by a tourist from a developed country, only around US\$ 5 actually stays in a developing-country destination's economy.

**There are two main ways that leakage occurs:**

- **Import leakage**

This commonly occurs when tourists demand standards of equipment, food, and other products that the host country cannot supply. Especially in less-developed countries, food and drinks must often be imported, since local products are not up to the hotel's (i.e. tourist's) standards or the country simply doesn't have a supplying industry. Much of the income from tourism expenditures leaves the country again to pay for these imports.

The average import-related leakage for most developing countries today is between 40% and 50% of gross tourism earnings for small economies and between 10% and 20% for most advanced and diversified economies, according to UNCTAD.

- **Export leakage**

Multinational corporations and large foreign businesses have a substantial share in the import leakage. Often, especially in poor developing destinations, they are the only ones that possess the necessary capital to invest in the construction of tourism infrastructure and facilities. As a consequence of this, an export leakage arises when overseas investors who finance the resorts and hotels take their profits back to their country of origin.

- **Enclave tourism**

Local businesses often see their chances to earn income from tourists severely reduced by the creation of "all-inclusive" vacation packages. When tourists remain for their entire stay at the same cruise ship or resort, which provides everything they need and where they will make all their expenditures, not much opportunity is left for local people to profit from tourism.

The Organization of American States (OAS) carried out a survey of Jamaica's tourist industry that looked at the role of the all-inclusive compared to other types of accommodation. It found that 'All-inclusive hotels generate the largest amount of revenue but their impact on the economy is smaller per dollar of revenue than other accommodation subsectors.'

It also concluded that all-inclusive imported more, and employed fewer people per dollar of revenue than other hotels. This information confirms the concern of those who have argued that all-inclusive have a smaller trickle-down effect on local economies.

## **Other negative impacts**

### **❖ Infrastructure cost**

Tourism development can cost the local government and local taxpayers a great deal of money. Developers may want the government to improve the airport, roads and other infrastructure, and possibly to provide tax breaks and other financial advantages, which are costly activities for the government. Public resources spent on subsidized infrastructure or tax breaks may reduce government investment in other critical areas such as education and health.

### **❖ Increase in prices**

Increasing demand for basic services and goods from tourists will often cause price hikes that negatively affect local residents whose income does not increase proportionately. A San Francisco State University study of Belize found that, as a consequence of tourism development, the prices for locals increased by 8%.

Tourism development and the related rise in real estate demand may dramatically increase building costs and land values. Not only does this make it more difficult for local people, especially in developing countries, to meet their basic daily needs, it can also result in a dominance by outsiders in land markets and in-migration that erodes economic opportunities for the locals, eventually disempowering residents. In Costa Rica, close to 65% of the hotels belong to foreigners. Long-term tourists living in second homes, and the so-called amenity migrants (wealthy or retired people and liberal professionals moving to attractive destinations in order to enjoy the atmosphere and peaceful rhythms of life) cause price hikes in their new homes if their numbers attain a certain critical mass.

### **❖ Economic dependence of the local community on tourism**

Diversification in an economy is a sign of health, however if a country or region becomes dependent for its economic survival upon one industry, it can put major stress upon this

industry as well as the people involved to perform well. Many countries, especially developing countries with little ability to explore other resources, have embraced tourism as a way to boost the economy.

In The Gambia, for instance, 30% of the workforce depends directly or indirectly on tourism. In small island developing states, percentages can range from 83% in the Maldives to 21% in the Seychelles and 34% in Jamaica, according to the WTO. Over-reliance on tourism, especially mass tourism, carries significant risks to tourism-dependent economies. Economic recession and the impacts of natural disasters such as tropical storms and cyclones as well as changing tourism patterns can have a devastating effect on the local tourism sector.

#### ❖ **Seasonal character of jobs**

The seasonal character of the tourism industry creates economic problems for destinations that are heavily dependent on it. Problems that seasonal workers face include job (and therefore income) insecurity, usually with no guarantee of employment from one season to the next, difficulties in getting training, employment-related medical benefits, and recognition of their experience, and unsatisfactory housing and working conditions.

#### **Other industry impacts affecting tourism**

Economic crises, like the Asian crisis that hit Thailand, Malaysia and Indonesia a few years ago, can be devastating to inbound tourism flows. The financial turmoil triggered a sharp fall in tourism flows to affected countries during 1997 and 1998. In the Philippines, the crisis and the temporary closure of Philippine Airlines affected inbound arrivals significantly as there was a decline of almost 3.3% in 1998.

### **How Tourism Can Contribute To Economic Conservation**

The main positive economic impacts of tourism relate to foreign exchange earnings, contributions to government revenues, and generation of employment and business opportunities.

#### **A. Foreign exchange earnings**

Tourism expenditures and the export and import of related goods and services generate income to the host economy and can stimulate the investment necessary to finance growth in other economic sectors. Some countries seek to accelerate this growth by requiring visitors to bring in a certain amount of foreign currency for each day of their stay and do not allow them to take it out of the country again at the end of the trip.

### **B. Contribution to government revenues**

Government revenues from the tourism sector can be categorized as direct and indirect contributions. **Direct** contributions are generated by taxes on incomes from tourism employment and tourism businesses, and by direct levies on tourists such as departure taxes. **Indirect** contributions are those originated from taxes and duties levied on goods and services supplied to tourists.

The World Travel and Tourism Council estimates that travel and tourism's direct, indirect, and personal tax contribution worldwide was over US\$ 800 billion in 1998 - a figure it expects to double by 2010.

### **C. Employment generation**

The rapid expansion of international tourism has led to significant employment creation. For example, the hotel accommodation sector alone provided around 11.3 million jobs worldwide in 1995. Tourism can generate jobs directly through hotels, restaurants, nightclubs, taxis, and souvenir sales, and indirectly through the supply of goods and services needed by tourism-related businesses. According to the WTO, tourism supports some 7% of the world's workers.

### **D. Stimulation of infrastructure investment**

Tourism can induce the local government to make infrastructure improvements such as better water and sewage systems, roads, electricity, telephone and public transport networks, all of which can improve the quality of life for residents as well as facilitate tourism.

### **E. Contribution to local economies**

Tourism can be a significant, even essential, part of the local economy. As the environment is a basic component of the tourism industry's assets, tourism revenues are often used to measure the economic value of protected areas. For example, Dorrigo National Park in New South Wales, Australia, has been estimated to contribute 7% of gross regional output and 8.4% of regional employment. The importance of tourism to local economies can also be illustrated by the impacts when it is disrupted: the catastrophic 1997 floods that closed Yosemite National Park in California cause locally severe economic losses to the areas around the park. In the most heavily impacted county, Mariposa County, 1997 personal income was reduced by an estimated US\$1,159 per capita (US\$18 million for the entire county) - a 6.6% decline. The county was also estimated to have lost US\$1.67 million in county occupancy and sales tax revenues, and 956 jobs, a significant number in a county of fewer than 16,000 residents.

### **Environmental Impacts of Mass Tourism**

The quality of the environment, both natural and man-made, is essential to tourism. However, tourism's relationship with the environment is complex. It involves many activities that can have adverse environmental effects. Many of these impacts are linked with the construction of general infrastructure such as roads and airports, and of tourism facilities, including resorts, hotels, restaurants, shops, golf courses and marinas. The negative impacts of tourism development can gradually destroy the environmental resources on which it depends.

On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation. It is a way to raise awareness of environmental values and it can serve as a tool to finance protection of natural areas and increase their economic importance.

## Chapter 8

### Environmental Impacts of Tourism

Negative impacts from tourism occur when the level of visitor use is greater than the environment's ability to cope with this use within the acceptable limits of change. Uncontrolled conventional tourism poses potential threats to many natural areas around the world. It can put enormous pressure on an area and lead to impacts such as soil erosion, increased pollution, discharges into the sea, natural habitat loss, increased pressure on endangered species and heightened vulnerability to forest fires. It often puts a strain on water resources, and it can force local populations to compete for the use of critical resources. There are three Main Areas of Tourism Impacts on Environment:

#### (1) Depletion of Natural Resources

Tourism development can put pressure on natural resources when it increases consumption in areas where resources are already scarce.

##### ❖ Water resources

Water, and especially fresh water, is one of the most critical natural resources. The tourism industry generally overuses water resources for hotels, swimming pools, golf courses and personal use of water by tourists. This can result in water shortages and degradation of water supplies, as well as generating a greater volume of waste water.

In dryer regions like the Mediterranean, the issue of water scarcity is of particular concern. Because of the hot climate and the tendency of tourists to consume more water when on holiday than they do at home, the amount used can run up to 440 liters a day. This is almost double what the inhabitants of an average Spanish city use.

Golf course maintenance can also deplete fresh water resources. In recent years golf tourism has increased in popularity and the number of golf courses has grown rapidly. Golf courses require an enormous amount of water every day and, as with other causes of excessive extraction of water, this can result in water scarcity. If the water comes from wells, overpumping can cause

saline intrusion into groundwater. Golf resorts are more and more often situated in or near protected areas or areas where resources are limited, exacerbating their impacts.

#### ❖ **Local resources**

Tourism can create great pressure on local resources like energy, food, and other raw materials that may already be in short supply. Greater extraction and transport of these resources exacerbates the physical impacts associated with their exploitation. Because of the seasonal character of the industry, many destinations have ten times more inhabitants in the high season as in the low season. A high demand is placed upon these resources to meet the high expectations tourists often have (proper heating, hot water, etc.).

#### ❖ **Land degradation**

Important land resources include minerals, fossil fuels, fertile soil, forests, wetland and wildlife. Increased construction of tourism and recreational facilities has increased the pressure on these resources and on scenic landscapes. Direct impact on natural resources, both renewable and nonrenewable, in the provision of tourist facilities can be caused by the use of land for accommodation and other infrastructure provision, and the use of building materials.

Forests often suffer negative impacts of tourism in the form of deforestation caused by fuel wood collection and land clearing. For example, one trekking tourist in Nepal - and area already suffering the effects of deforestation - can use four to five kilograms of wood a day.

## **(2) Pollution**

Tourism can cause the same forms of pollution as any other industry: air emissions, noise, solid waste and littering, releases of sewage, oil and chemicals, even architectural/visual pollution.

#### ❖ **Air pollution and noise**

Transport by air, road, and rail is continuously increasing in response to the rising number reported that the number of international air passengers worldwide rose from 88 million in 1972 to 344 million in 1994. One consequence of this increase in air transport is that tourism now

accounts for more than 60% of air travel and is therefore responsible for an important share of air emissions. One study estimated that a single transatlantic return flight emits almost half the CO<sub>2</sub> emissions produced by all other sources (lighting, heating, car use, etc.) consumed by an average person yearly. (Mayer Hillman, Town & Country Planning magazine, September 1996. Source: MFOE ).

Transport emissions and emissions from energy production and use are linked to acid rain, global warming and photochemical pollution. Air pollution from tourist transportation has impacts on the global level, especially from carbon dioxide (CO<sub>2</sub>) emissions related to transportation energy use. And it can contribute to severe local air pollution. Some of these impacts are quite specific to tourist activities. For example, especially in very hot or cold countries, tour buses often leave their motors running for hours while the tourists go out for an excursion because they want to return to a comfortably air-conditioned bus.

Noise pollution from airplanes, cars, and buses, as well as recreational vehicles such as snowmobiles and jet skis, is an ever-growing problem of modern life. In addition to causing annoyance, stress, and even hearing loss for humans, it causes distress to wildlife, especially in sensitive areas. For instance, noise generated by snowmobiles can cause animals to alter their natural activity patterns.

#### ❖ **Solid waste and littering**

In areas with high concentrations of tourist activities and appealing natural attractions, waste disposal is a serious problem and improper disposal can be a major despoiler of the natural environment - rivers, scenic areas, and roadsides. For example, cruise ships in the Caribbean are estimated to produce more than 70,000 tons of waste each year. Today some cruise lines are actively working to reduce waste-related impacts. Solid waste and littering can degrade the physical appearance of the water and shoreline and cause the death of marine animals.

In mountain areas, trekking tourists generate a great deal of waste. Tourists on expedition leave behind their garbage, oxygen cylinders and even camping equipment. Such practices degrade the environment with all the detritus typical of the developed world, in remote areas that have few

garbage collection or disposal facilities. Some trails in the Peruvian Andes and in Nepal frequently visited by tourists have been nicknamed "Coca-Cola trail" and "Toilet paper trail".

#### ❖ **Sewage**

Construction of hotels, recreation and other facilities often leads to increased sewage pollution. Wastewater has polluted seas and lakes surrounding tourist attractions, damaging the flora and fauna. Sewage runoff causes serious damage to coral reefs because it stimulates the growth of algae, which cover the filter-feeding corals, hindering their ability to survive. Changes in salinity and siltation can have wide-ranging impacts on coastal environments. And sewage pollution can threaten the health of humans and animals.

#### ❖ **Aesthetic Pollution**

Often tourism fails to integrate its structures with the natural features and indigenous architectural of the destination. Large, dominating resorts of disparate design can look out of place in any natural environment and may clash with the indigenous structural design.

A lack of land-use planning and building regulations in many destinations has facilitated sprawling developments along coastlines, valleys and scenic routes. The sprawl includes tourism facilities themselves and supporting infrastructure such as roads, employee housing, parking, service areas, and waste disposal.

### **(3) Physical Impacts**

Attractive landscape sites, such as sandy beaches, lakes, riversides, and mountain tops and slopes, are often transitional zones, characterized by species-rich ecosystems. Typical physical impacts include the degradation of such ecosystems.

An ecosystem is a geographic area including all the living organisms (people, plants, animals, and microorganisms), their physical surroundings (such as soil, water, and air), and the natural cycles that sustain them. The ecosystems most threatened with degradation are ecologically fragile areas such as alpine regions, rain forests, wetlands, mangroves, coral reefs and sea grass

beds. The threats to and pressures on these ecosystems are often severe because such places are very attractive to both tourists and developers.

Physical impacts are caused not only by tourism-related land clearing and construction, but by continuing tourist activities and long-term changes in local economies and ecologies.

### **Physical impacts of tourism development**

- **Construction activities and infrastructure development**

The development of tourism facilities such as accommodation, water supplies, restaurants and recreation facilities can involve sand mining, beach and sand dune erosion, soil erosion and extensive paving. In addition, road and airport construction can lead to land degradation and loss of wildlife habitats and deterioration of scenery.

In Yosemite National Park (US), for instance, the number of roads and facilities have been increased to keep pace with the growing visitor numbers and to supply amenities, infrastructure and parking lots for all these tourists. These actions have caused habitat loss in the park and are accompanied by various forms of pollution including air pollution from automobile emissions; the Sierra Club has reported "smog so thick that Yosemite Valley could not be seen from airplanes". This occasional smog is harmful to all species and vegetation inside the Park. (Source: Trade and Environment Database)

- **Deforestation and intensified or unsustainable use of land**

Construction of ski resort accommodation and facilities frequently requires clearing forested land. Coastal wetlands are often drained and filled due to lack of more suitable sites for construction of tourism facilities and infrastructure. These activities can cause severe disturbance and erosion of the local ecosystem, even destruction in the long term.

- **Marina development**

Development of marinas and breakwaters can cause changes in currents and coastlines. Furthermore, extraction of building materials such as sand affects coral reefs, mangroves, and hinterland forests, leading to erosion and destruction of habitats. In the Philippines

and the Maldives, dynamiting and mining of coral for resort building materials has damaged fragile coral reefs and depleted the fisheries that sustain local people and attract tourists.

Overbuilding and extensive paving of shorelines can result in destruction of habitats and disruption of land-sea connections (such as sea-turtle nesting spots). Coral reefs are especially fragile marine ecosystems and are suffering worldwide from reef-based tourism developments. Evidence suggests a variety of impacts to coral result from shoreline development, increased sediments in the water, trampling by tourists and divers, ship groundings, pollution from sewage, overfishing, and fishing with poisons and explosives that destroy coral habitat.

### **Physical impacts from tourist activities**

- **Trampling**

Tourists using the same trail over and over again trample the vegetation and soil, eventually causing damage that can lead to loss of biodiversity and other impacts. Such damage can be even more extensive when visitors frequently stray off established trails.

- **Anchoring and other marine activities**

In marine areas (around coastal waters, reefs, beach and shoreline, offshore waters, uplands and lagoons) many tourist activities occur in or around fragile ecosystems. Anchoring, snorkeling, sport fishing and scuba diving, yachting, and cruising are some of the activities that can cause direct degradation of marine ecosystems such as coral reefs, and subsequent impacts on coastal protection and fisheries.

- **Alteration of ecosystems by tourist activities**

Habitat can be degraded by tourism leisure activities. For example, wildlife viewing can bring about stress for the animals and alter their natural behavior when tourists come too close. Safaris and wildlife watching activities have a degrading effect on habitat as they

often are accompanied by the noise and commotion created by tourists as they chase wild animals in their trucks and aircraft. This puts high pressure on animal habits and behaviors and tends to bring about behavioral changes. In some cases, as in Kenya, it has led to animals becoming so disturbed that at times they neglect their young or fail to mate.

## **Chapter 9**

### **Problems & Prospects of Tourism Development In India**

You know that the capacity of tourists from rich countries to spare their leisure time and money for holidaying combined with their business enterprise has led to steady growth of tourism industry. A part of the foreign exchange we earn from international tourists in addition to what our domestic sightseers contribute during their travel and stay is further spent to improve tourism infrastructure. In turn, it adds to the number of incoming tourists, generates more employment, foreign exchange brings people closer together and has a great impact upon area development within the country. The prospering tourism sustains the revival of traditional skills, local arts, craft work, activities of the performing folk artists. As a result of greater marketability of the visible and invisible or intangible products, the reconstruction of regional as well as national economy has taken place in a big way. In this lesson, we will learn in some detail the present and future prospects of tourist activities building up a travel and tourism industry and giving rise to a number of new professions for the people. But the massive number of tourists visiting only a few popular places has gone beyond their carrying capacity. We shall therefore, take up the problems of mass or unplanned tourism and shall look into the possible regional as well as national policies for adopting measures to tackle them.

#### **Profile of Tourism in India**

It becomes convenient to understand the prospects of India's tourism after explaining the existing position of its growth in comparison with other countries. Since 1970s during the current period of its development, South Asia, to which our country belongs has not done that well to keep up its share in the tourist market of the world. Though our travel and tourism industry has been prospering and the number of tourist arrivals has reached 3.36 million in 2004, even Hongkong and Singapore, much smaller in area, are ahead of us. Every tenth human being is a traveler in the present day world. With globalisation, the number of travelers has risen to 800 million in the beginning of this century. Yet our country is positioned poorly with its less than half percent tourist arrivals in respect of the global numbers. At our own level, from mere 17000 foreign tourists in 1951 to over 3 million in 2004, it is a massive increase. Tourism is a key economic activity and is expected to contribute 5.3 percent to India's total GDP (Gross Domestic

Product). India is now ranked as fifth top tourist destination—once occupying 35th position in the world. Tourist arrivals are expected to be 4.55 million in 2007 by further improving our infrastructure. Our annual growth in this respect will be 13.7% in 2003-07 periods as compared to the current 7.8% in 2002-04. In contrast, our relative share of employment in travel and tourism is at present lower both in south East Asia and the world while world's share of this employment is 7.8% that of India is just 2.6%. Yet the tourists have not been staying for more than 6 days in Singapore because of its having only 1000 sq. km area and higher cost of living in our comparison. The longer stay in India may be due to its large size, an inexpensive standard of living. Within the country itself, 2.3 million of domestic tourists (inclusive of 1.5 million pilgrims) in 1996, have increased to 3.5 million in the registered category (inclusive of about 1.9 million pilgrims) in 2004. No true estimate of our pilgrim tourists could be made so far. But a rise of 23.5% both in foreign and domestic tourist arrivals has been noticed in the year 2004 as compared to the previous year. It must be noted that international tourism is highly susceptible to any crisis in the country. It results in an immediate sharp decline in tourist arrivals. But pilgrim tourism is seldom the first casualty. The devotees follow their fixed schedule irrespective of any risks on the way. That is why, Rs. 200/- crores, 43% more than in the previous year, have been separately provided for the upkeep of domestic tourist destinations.

### **Foreign Exchange Earning**

We earn a good chunk of our foreign exchange from what the incoming tourists from European countries spend in India. They form about 50% of all tourist arrivals. In practical terms, India's total foreign exchange earning in US dollars did rise was 4.122 billion dollars in 2004. It is an increase of 1.36 billion dollars in the last decade. In proportion to further increase in world's foreign exchange earnings from tourism over the year, the percentage share of our country remains at almost the same position in 2004 as it was about ten year earlier.

### **Tourism Then and Now**

For the first time, tourism was mentioned in India's second five year plan in early sixties. Government of India took up a scheme for development of facilities at places frequently visited by foreign tourists. The state governments were asked to attend to the needs of middle and low income domestic tourists at places frequently visited by them. In early eighties of the last

century, it was felt to correctly estimate the future needs of tourist accommodation and also to protect the environment in view of the increase in the number of visitors. It was in 1985-90 plan period when the status of an industry was accorded to tourism by a number of states. The scope for the sale of handicrafts by opening new forms of tourism and to organize circuit tour suiting specific areas was considered important.

**From this plan period onwards, the emphasis has been on**

- (i) Generation of employment through its activities;
- (ii) Inviting private and possibly foreign capital for its development;
- (iii) Preparation of 15-20 year plan by the states for developing various segments of its infrastructure;
- (iv) Enhancing the co-ordination between related government departments and other agencies for its promotion.

**Problems of Mass Tourism**

We will discuss these problems under heads:

- (a) Effects on Environment
- (b) Effects on local economy
- (c) Effects on local cultures

**A. Effects on Environment**

Environment remains a source of tourist attraction as long as it is not damaged beyond control. But it needs a grater care to protect all its components from the harmful effect of mass tourism. The soil particles get compacted or dislodged under an unbearable pressure of pony traffic or of human feet. Heavier vehicular traffic creates ruts on asphalt or on the soil of tourist trails. The run-off of water or snow melt from the rutted surface and from over the compacted soil increases. The valuable top soil from jungle tracks and along hill slopes once lost distracts the tourist. a greater run- off may even harm the roads and the foundations of buildings in the tourist area. The litter of non-degradable materials like plastics, tins or chemical pollutants are found scattered all over the sites, even on the seasonally

important camping grounds. The general tourists and the trekkers need to be told to keep their routes and destinations clean. An unmanageable rush of tourists to any open space in the wilderness kills the grasses. Hardier and less desirable species start replacing the original plant cover.

A declining biodiversity as a result of all sorts of human activity is decried in the latest United Nations Report on assessment of ecosystems. The wild animals and the birds always move away to avoid human contact. If it is not possible for them to keep away, they may even die. The loss of ground shelter, bad quality of water, frequent dredging of silt from wetlands, silting of wetlands and an excessive noise disturb the wild life. In Jawahar Lal Nehru's words, "Man continues to be not only wild but more dangerous than any of the so-called wild animals inspite of our culture and civilization." The poor people also plundered the wilderness out of their compulsions. The habitats for surviving wild animals are now being preserved in a chain of sanctuaries. But current reports of development work in their core areas unfavorable to the conservation of wild life, are disturbing. For an example, instead of relocating all villages away from the core of Maharashtra's top tiger reserve of Melghat, taned roads have been built in it. Tigers often burn their baws by walking on them in hot summer.

Roads also give easy mobility to their poaches. A good quality and sufficient quantity of water is equally essential for keeping alive the tourist industry. The use of swimming pools and of water required for washing, drinking, sewerage and sanitation goes on increasing as the number of tourists' increases. The shortage and the pollution of water adds to the prevailing insanitary conditions and the diseases in densely populated country like India. An unregulated inflow of visitors to tourist places in the vicinity are so affected

by such conditions that they may decide to keep away from them the next time. The debris kept lying for long as a result of any developmental activity, kitchen sewerage unless treated, garbage dumps, land fills and fuel spills distract the tourists. A great quantity of fish raised in the polluted water bodies to meet an

increasing demand in restaurants suffer a loss. How sensitive is the tourist industry to all the adverse changes in environment if it is not properly conserved is a moot question. It is aptly described that tourism

= nature's beauty + wild life + cultural attractions + ecology. All these are the components of one single and indivisible system. They need to be conserved in order to protect the very

resource base of tourism from destruction. Many of our ancient monuments are not looked after properly to retain their age old attractions. Heavy rush of tourists day in and day out in Ajanta, Ellora and Elephanta caves is reported to be creating an excessive amount of humidity. It checks free circulation of air inside them. It has led to the deterioration of wall paintings and the rock frescoes. The choked sewers close to the popular tourist destination of Jaisalmer's fort town is a dirty sight. The temples and the statues of Hampi show a number of scars as a result of badly applied techniques of restoration. The vibrations caused by the taking off and the landing of aeroplanes at a runway close to the Khajuraho temples are harming the sculptures. This air route was opened mostly for carrying the hordes of hurrying tourists. Even Jantar Mantar at Delhi is no longer functioning astronomically because the unchecked construction of sky scrapers around does not admit the required sunlight to its structures. One such example is the successful effort supported through a court order to clear a 10,500 sq. km area surrounding the Taj Mahal at Agra to keep it a glimmering site as it was earlier. There was the danger that the world famous monument would lose its charm because of the pollutants thrown in air around from Mathura oil refinery and thousands of factories nearby. Now the whole area called 'Taj Trapezium' extending right upto Bharatpur bird sanctuary and Firozabad glass factories has been cleared of factory and a green belt has been laid around it. The air pollution from Mathura refinery has also been controlled. But the riverside of Yamuna continues to be as much dirty as many other rivers

and the cities around are turning to be. Another success story is the resolution of Delhi's problem of air pollution caused by an uncontrolled increase in the number of petroleum using vehicles. Delhi passed through troublesome times for switching over from petroleum driven local buses and taxis to the use of CNG (condensed natural gas) as people friendly material. It has resulted in radically reducing the quantity of pollutants in air one feels the difference by breathing freely and safely while moving along the roads of the capital city. Still a number of gutter adding factory garbage and untreated sewerage to Yamuna river water remain to be brought under control. It has been realised that pollution levels must be reduced to save people from badly affecting health pollutions and original appearance of the largest numbers of monuments in this centuries old city. Close to the national capital, illegal mining activity with dynamite in place of slow and steady manual digging has been reported. It is telling upon the age-old beauty of rocks in the Braj Bhumi of Mathura Vrindavan.

The above examples give us an idea of the increasing pollution of air, water and the land undermining the very resource base of tourism and also the change for the better where their ice effects could be checked.

It is an accepted wisdom that mass tourism, by and large is dreadful. It has physically ruined many a coastline by encroachments of second rate building structures or by wholesale destruction of mangrove forests. It has degraded the forested hill slopes reduced the normal discharge of surface water and the re-

charge of ground water. The mere check on inflow of tourists as an exclusive single step will not solve the problem. The participation of local people and of administration to protect their environment will be necessary. An example of great annoyance of local communities with authorities controlling wild life sanctuaries making their conservation unsustainable stands witness to it. Villagers depending upon livestock have been moved out of the sanctuaries and even small scale agriculture has been banned with no other alternative means of living provided.

Three local people could have been involved in cooperative

tourism. They could have been trained for running the tourist jeeps, guiding the visitors or managing the cateries. Neither their incomes have been secured, nor their villages relocated or settlement rights protected. Even after controlling the rapidly increasing number of tourists, efforts to conserve wild animals and birds are ineffective without resolving the clash of the interests of villagers and park management.

## **B. Effect on Local Economy**

An irregulated rush of visitors to areas of tourist interest also puts a great pressure on local resources. The first effect of tourism is in the transfer of money from one region to another through the travel of tourists. In itself, it is a welcome development. However, flow of money into relatively less developed region raises new issues. There is an hike in the price of land because of the greater demand for construction of hotels for the tourists. The prices of daily needs especially of perishable goods like milk, eggs, vegetables and fruits shoot up in the upcoming tourist place. A rise in the wages of labour occupied in the service of tourists

takes place The generation and rise in income are happy signs. This situation soon after leads to the increase of a large number of working people from neighboring areas of stagnant economy. If

they are constantly coming into a few already popular tourist destinations unemployment problem may cease to stop despite the creation of new jobs in initial stages. This situation goes on changing if the growth of new tourist sites or tourist industry in the existing one keeps pace with it. Even a modest rush of tourists during the short peak season to mountain resorts puts a great strain on local supply of water and electricity. The provision of package tours by a separate fleet of buses fails to meet the increasing demands of the visitors in a developing country like India. The sharing of many of these amenities by the local people and the tourists leads to the suffering of the former by short supplies and higher costs. The gains in employment may result in loss of social welfare for the local residents in such a situation. Rising prices of land may force out small lands owners. The farming population may start declining slowly by the shifting of manpower to popular tourist spots to pick up jobs there. The productivity of agricultural land is likely to get lowered in the affected region. These and many others are essentially problems of transitional nature. The matching of massive numbers of tourists with the carrying capacity of major tourist resorts in terms of growth of facilities needs prior planning. The tourist resources, even unused ones, are perishable if the pressure of tourist traffic on local economy is not kept within its limits.

### **C. Effect on Local Cultures**

Economic benefits of tourism are always welcomed in less developed countries like India. But its social effects are not easy to digest. They arouse reaction among the people living in the tourist regions. It is the result of the clash of two different sets of values. It was said by no less a person than Gandhiji that nations live neither on democracy alone nor on economic growth. They must retain a sense of their own identity by keeping alive the pride in their heritage. Needless to say that since Independence of India, a greater care has been taken by our people to revive their arts and cultures in a bid to sharpen the identities of different regions of the country. But there was an attempt to hurt the pride in our heritage and culture. It crossed its limits when there was once a talk to take over the popular beach town of Mahabalipuram near Chennai for converting it into an wholesale tourist place. It has been historically more famous for its ethnic art and sculpture. The international intervention would have virtually led to the moving out of local people, dedicated for long to express their legends into stones through sculpture. It would have paved the way giving full freedom to foreigners including their females to lie freely on its beaches. Fashions craze which does not fit in with Indian custom. By accepting it as an international

tourist town, the expected clash of cultures between the visitors and the locals could have been avoided in one stroke. Those who were the proposers or the supporters started telling that it will boost income earned from recreative tourism. But there were others calling it a cultural colonizer coming back to an Independent India. Such culture clashes at different stages are reported from a number of other tourist resorts in the country.

The adverse social effects of mass tourism are the result of encounters between the visiting guest-tourists and the local hosts. Such encounters take place in three possible ways:

(i) Where tourists purchase goods or services which are offered to them as commodities in the market, many persons in the host region are frustrated because they do not share the economic benefits earned from the sale of these services. Hospitality offered to the tourists is just a technique of selling a set of goods or services at best of the prices. The reception to the tourists is not traditional but is purely commercial. Its style does not any longer reflect the personal lives of the locals.

(ii) Where tourists and the hosts are face to face with each other much more directly, such contacts often lead to taking an uncalled for photo of local families including the females. It raises doubts because of the ignorance of tourists about the lifestyles, aspirations or social practices of the hosts. A local person in such a contact is generally treated as an object of curiosity. Sometimes tourist free entry in temples, festivities or ceremonies without observing the required decorum causes irritation. It is likely that frequent visits or longer stays of tourists may eliminate such suspicions.

(iii) Where the encounter between the two is side by side for seeking or exchanging information and ideas, such a contact is the least harmful as it aims primarily at mutual understanding of each other cultures. The incoming tourists arouse new desires among the local youth particularly among the young girls to come out of their home-bound traditional lives. The elders of the local society lose their control over the young ones. The youngsters start imitating the lifestyle of the tourist visitors. By staying in hotels, the tourist get a very rare opportunity to participate or observe the lifestyle of the local people from close quarters. Today's mass tourism generates an holiday atmosphere because the visitors are mainly pleasure seekers. An all time free mixing between the males and females of the guests and their scantily dressed young ladies attracts particularly the local males. In course of time, there is a change in the local youth's pattern of

consumption, styles of eating out in hotels and new aspirations to enjoy life as the tourists do. The presence of tourists weakens the hold of their own family traditions in course of time. Even a large part of what the youngsters earn from their services to the tourists is spent in their own pleasures without bringing any benefit to their needy families. This change is called the phenomenon of 'cultural alienation' of the local youth. Such a negative impact of tourism is greater in a small sized area with a lower density of population and a lower level of development. This is the situation we meet in our islands, in remote and small valleys in the mountains. Such effects are relatively lesser in a large sized tourist region with higher density of population, a better infrastructure or where a large fraction of people is employed in this industry. The reason being that the contacts between tourists and the hosts become more frequent arousing little suspicion in a large and a developed tourist resort. At the same time, the cultural gaps or unhealthy social changes may gradually disappear with higher educational levels of the local residents. The host area may not be harmed by the negative effects of large- scale tourism when there is a wider distribution of wealth and skills among the local population and their traditions become flexible.

## **Chapter 10**

### **Challenges and Opportunities In Tourism Industry**

Potential for the travel and tourism industry in India is enormous. However, at the same time, the industry faces numerous challenges, of which the most critical is lack of proper infrastructure.

#### **Challenges:**

Various challenges/issues faced by the domestic travel and tourism industry in India:

- Lack of proper infrastructure
- Human resources
- Service levels
- Lack of adequate marketing and promotion
- Taxation
- Security
- Regulatory issues

#### **Lack of proper infrastructure**

Infrastructure needs for the travel and tourism industry range from physical infrastructure such as ports of entry to modes of transport to urban infrastructure such as access roads, electricity, water supply, sewerage and telecommunication. The sectors related to the travel and tourism industry include airlines, surface transport, accommodation (hotels), and infrastructure and facilitation systems, among others.

#### **Access and connectivity**

To harness India's tourism potential, several efforts are being taken for opening new destinations and exploring niche segments. However, infrastructure facilities such as air, rail, road connectivity, and hospitality services at these destinations and the connecting cities are inadequate. This remains a major hurdle for development of tourism. Roadways form a vital network in the tourist industry with almost 70% tourists in India travelling by road. Moreover,

many tourist circuits depend on roads. Despite numerous efforts to improve road infrastructure, connectivity remains a major problem. There is a greater need for strengthened road and rail network, development of more expressways, and tourist-specific routes to improve connectivity to various locations across different regions.

Aviation infrastructure is also critical since it is a major mode of entry for inbound tourism. Passenger traffic is expected to increase in the coming years; however infrastructure facilities at airports are cause for concern. Expansion and development of airports at major gateway cities is underway to cater to the increasing passenger traffic. However, in addition, airport facilities at important secondary cities and tourist destinations also need to be improved to be able to handle greater passenger traffic.

### **Amenities**

Amenities available at various tourist locations and en route need to be improved. These include basic amenities such as drinking water, well maintained and clean waiting rooms and toilets, first aid and wayside amenities (to meet the requirement of the tourists travelling to tourist destinations) such as lounge, cafeteria, and parking facilities, among others.

India scores poorly in terms of availability of these infrastructure facilities. Inadequate infrastructure facilities affect inbound tourism and also could lead to an increase in the outflow of domestic tourists from India to other competitive neighboring countries. Hence, for the industry to register healthy growth, issues concerning all the related sectors need to be addressed.

### **Human resource**

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 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 & 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.

Attrition, shortage of tourism training infrastructure, qualified trainers, and lack of proper strategies and policies for human resource development also affect the industry. The industry needs to address these problems at the earliest.

### **Service level**

In addition to tour operators and hotel staff, tourists interact with persons from different backgrounds, occupations and experience. Such people include staff at bus/railway station, immigration staff at airports, taxi/coach operators, ticketing/ travel agencies, small hotels, dhabas/roadside eateries, staff at heritage sites, and tour guides, among others. The degree of service offered by these various stakeholders has a significant impact on determining the tourist's overall experience of India as a tourist destination. The government has taken initiatives to promote responsible tourism by sensitising key stakeholders of the tourism industry through training and orientation, to develop a sense of responsibility towards tourists and inspire confidence of foreign tourists in India as a preferred destination. One such major initiative is the "Atithi Devo Bhava" campaign. More such efforts are required to improve the degree of service across various operators.

### **Marketing and promotion**

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 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.

### **Taxation**

Travel and tourism in India is a high-taxed industry, which makes India expensive as a tourist destination. This is affecting the growth of the industry in India and India is losing out to other low-cost destinations. Inbound tourism is the one most affected. Various taxes are levied across the entire industry right from tour operators, transporters, airline industry to hotels and these include service tax, luxury tax, tax on transportation, tax on aviation turbine fuel (airline industry), and various taxes on transportation. In addition, these tax rates tend to vary across different states in the country.

### **Security**

Security has been a major problem as well for growth of tourism for a number of years. Terrorist attacks or political unrest in different parts of the country have adversely affected sentiments of foreign tourists. Terror attacks at Mumbai in November 2008 dealt a strong blow to tourism in the country. The terror attacks raised concerns of safety. In addition, insurgency in different parts of the country also mars India's image as a safe destination. Following the terror attacks in Mumbai, security at tourist spots, airports and hotels has been beefed up to regain confidence of tourists. However, the government needs to take a proactive approach in addressing these issues and in averting the potential impact on the industry.

Cyber crime is another major challenge the travel industry faces. Use of Internet in the travel and tourism industry has increased rapidly in recent years and has emerged as one of major segments for online spends. However, some of the biggest frauds have been detected in this segment and

the issue of online security has assumed significant importance. While the online travel industry has registered robust growth, major concerns relating to security of online transactions persist. The industry needs to take measures to make the process of online bookings more secure and transparent and also needs to create awareness regarding this.

### **Regulatory issues**

For inbound international tourists, visa procedures are seen as a hindrance. A number of countries competing with India for tourists provide visa on arrival. India should provide visa on arrival for more countries or for certain categories of tourists for a specific duration.

A number of projects in the tourism infrastructure segment and in the hotels industry are delayed due to non-attainment of licenses and approvals on time. The government recently cleared the long-standing proposal for single window clearance for hotel projects to hasten the process of infrastructure development. Implementation of this proposal would help development of tourism and hospitality infrastructure in the country. There is a greater need for speedier clearances and approvals for all projects related to the industry.

### **Opportunities**

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.

With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years.

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.

### **Prospects**

Healthy economic growth recorded in past few years, especially in the services industry, has led to increase in business travel. Higher disposable income and affordability have increased domestic leisure travel in India. Foreign tourist arrivals in India have also grown. The industry's performance was hit in 2009 due to the global economic slowdown, terror attacks in Mumbai (November 2008) and H1N1 virus. However, the industry has shown signs of recovery in the first half of 2010. This is a clear indicator that the long-term prospects for the Indian travel and tourism industry are bright. India is expected to witness increased tourist activity both in the business and leisure segments in the coming years. International inbound traffic is expected to grow rapidly with increasing investment and trade activity. India has been identified as one of the fastest-growing countries in terms of tourism demand.

The travel and tourism demand is expected to reach US\$ 266.1 bn (₹ 14,601.7 bn) by 2019. During 2004–2009 travel and tourism demand in India increased at a compound annual growth rate (CAGR) of 16.4% to US\$ 91.7 bn (₹ 4,412.7 bn) and foreign exchange earnings from tourism increased ~13% to US\$ 11.39 bn.

## **Chapter 11**

### **Growth Drivers in Tourism Industry**

The Indian travel and tourism industry has fared well in the recent few years, driven by government initiatives; development of new products; healthy growth of the Indian economy; increasing affordability; and promotion of India as a tourist destination.

#### **Geographical diversity**

India offers great geographical diversity with its mountain ranges, valleys, desert regions, tropical rain forests, fertile plains, dry plateaus and coastal areas. The mainland of India comprises four broad geographical areas: Northern Mountains, which has the great Himalayas, the vast Indo-Gangetic plains, the Southern (Deccan) Peninsula, and the coastal plains and islands. Each of these zones is unique with rich cultural heritage, which attract millions of tourists every year. With its rich geographical and cultural diversity, India has potential to offer almost all kinds of tourism such as wildlife tourism, adventure tourism, beach tourism, mountaineering, cultural exploration, and pilgrimages tourism.

#### **Government initiatives**

The Department of Tourism, Government of India (GoI), has undertaken a number of initiatives to harness the potential that tourism holds in India. GoI promoted various campaigns such as “Incredible India”, to showcase India as an ultimate tourist destination on the global map. The Indian Tourism Ministry also tied up with foreign airline companies to boost the multi-pronged Incredible India campaign. Last year, the Ministry of Tourism, along with the World Travel and Tourism Council, undertook the “Visit India 2009” scheme. The hospitality, travel and airline industry also supported the scheme through various incentives. Moreover, GoI is allowing foreign direct investment (FDI) in all construction development projects including construction of hotels and resorts, recreational facilities and city and regional level infrastructure. These measures are expected to boost growth in the domestic travel and tourism industry.

## **Development of new products**

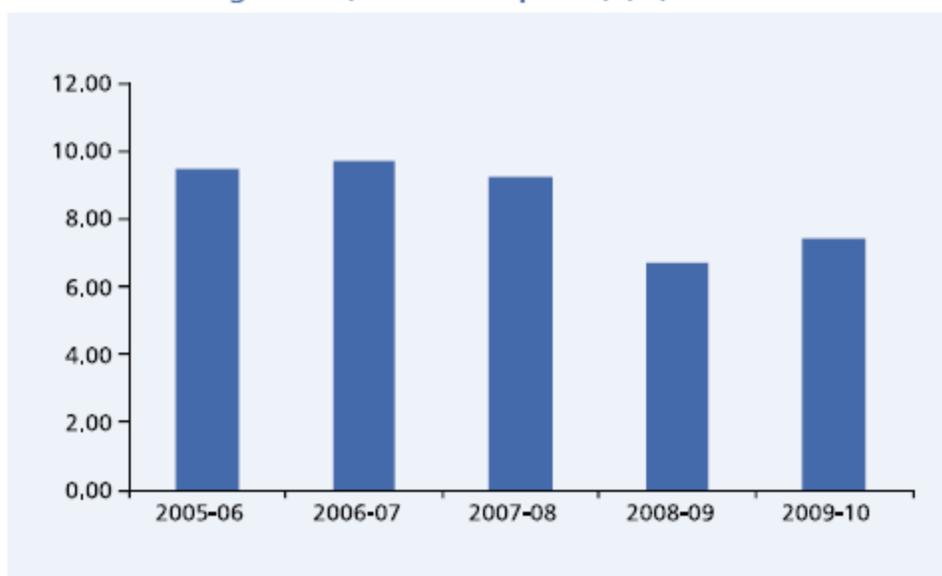
Emergence of newer concepts and forms of tourism is also aiding growth in the industry. “Bed and Breakfast” is one such recent concept in the Indian market. To tap this potential, GoI is recognising spare rooms available with various home owners by classifying these facilities as the “Incredible India Bed and Breakfast Establishments”.

These newer forms of tourism — ecotourism, agritourism, cruise tourism — are still at a nascent stage and they hold immense potential. Once adequate measures are taken, these forms of tourism can drive strong growth in the industry. In line with these new concepts and taking into account the requirements of different types of travelers, travel companies are offering customised and attractive tour packages. These are also expected to increase tourist movement in the country.

## **Healthy economic growth**

The Indian economy has recorded healthy growth in the past few years. It grew more than 9% in each of the years during FY06-FY08. In FY09 and FY10, despite the global economic slowdown, India recorded growth of 6.7% and 7.4% respectively. The attractive Indian growth story has encouraged foreign players to set up operational facilities in the country. Domestic industries have also made heavy investments to expand facilities through greenfield and brownfield projects. Strong performance of the corporate sector and economic growth led to a surge in business travel during FY06- FY08. However, business travel was adversely affected during FY09-FY10 as companies cut travel budgets to curtail costs, given the global economic slowdown.

Chart 2.1: GDP growth (at 2004-05 prices) (%)



Source: RBI

The Indian economy has fared well in the past two quarters and it is expected to grow more than 8% in FY11. Consequently, business travel is expected to revive.

Moreover, healthy performance of the services sector (ITeS and BPO) has led to increased number of business travelers, both domestic and international, in the country.

### **Changing consumer dynamics**

The country has been experiencing change in consumption patterns. The share of non-food consumption, especially of the traditionally-known non-essentials, has gone up in the past decade. Healthy economic growth coupled with rapid urbanisation has led to a bulging middle-class population, whose share in total population is expected to surge in the coming years. This section of the population with higher disposable incomes over the past decade has caused the shift in spending pattern, with discretionary purchases forming a substantial part of total consumer spending. Increased affordability and affinity for leisure travel are driving tourism in India. The changing consumption pattern would also aid growth of the domestic tourism industry.

## **Ease of finance**

Easier access to finance, in terms of emergence of credit culture and availability of holidays on EMIs, is another major growth driver for the travel and tourism industry. India is among the fastest growing financial cards market in the Asia Pacific. The credit card base in the country is expected to grow at 20-25 % per annum. Various attractive schemes offered by credit card companies would contribute significantly to this. Around 35% of users of credit cards utilise them for travel, hotel, and dining purposes. The expected growth in credit cards should lead to higher spend on travel and hotels.

In addition to emergence of credit culture, easier availability of personal loans and schemes offered by travel companies have also boosted growth in the leisure travel segment. Travel companies have tied up with banks to offer “holiday now... pay later” – EMI holiday schemes. Moreover, individuals are resorting to personal loans for travel purposes.

## **Open sky benefits and low-cost airlines**

With the open sky policy, the travel and tourism industry is experiencing increase in business volumes. Increased airline activity has stimulated demand and helped in improvement of aviation infrastructure. Low airfares have also stimulated demand for travel. Budget airlines have encouraged business and leisure travelers, as they offer advantages such as low costs, more options, and strong connectivity.

## **World-class medical facility**

The popularity of India as a major medical tourist destination has also aided growth in the industry in cities such as Chennai and Bengaluru. Many people from the developed countries come to India for the rejuvenation promised by yoga and Ayurvedic treatments. Furthermore, a nice blend of top-class medical expertise at attractive prices is enabling more Indian corporate hospitals to get patients from the developed nations. Most common treatments for which foreigners come to India are heart surgery, knee transplant, cosmetic surgery and dental care. The medical visa granted by GoI to tourists coming to India for medical treatment has aided growth in medical tourism in India.

### **Increased tourist movement**

The country has seen a steady increase in tourist flow, both domestic and international. International tourism arrivals were up 4.3 % in FY10, while foreign exchange earnings were up 18.7% to US\$ 12.5 bn.

### **Hosting of international events**

Events such as trade fairs, exhibitions, and sports events tend to bring about higher tourist movement. International events held in the country lead to higher inbound tourism. The Commonwealth Games, to be held in October 2010, is expected to see an influx of tourists into the country. At the same time, events held in other countries tend to increase outbound tourism.

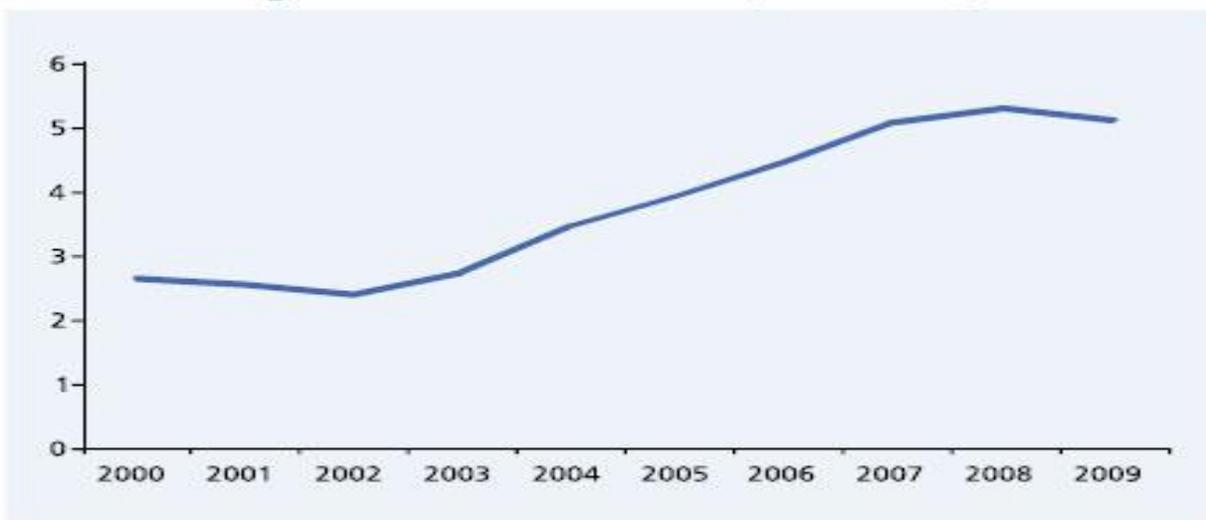
## Chapter 12

### Performance of the Indian Travel and Tourism Industry & Its Emerging Trends

The tourism business in India can be broadly classified into: inbound tourism, domestic tourism, and outbound tourism. Inbound tourism foreign tourist arrivals in the country increased steadily from 2.4 million in 2002 to 5.3 million in 2008. It, however, fell to 5.1 million in 2009, recording a decline of 3.3%. The slowdown in India's core markets, the US, Europe and UK, travel advisories issued by countries against travel to India following the terror attacks in Mumbai, and postponement of holidays by travelers affected tourist inflow into the country in 2009; nevertheless, the impact on the Indian industry was much lesser compared with other countries.

Foreign tourist arrivals are expected to increase in 2010. International events to be held in India and the government's sincere efforts to promote the country as a tourist destination are likely to drive foreign tourist arrivals. International events to be held during the year — Commonwealth Games, ICC World Cup Cricket and Formula 1 — are expected to attract a number of sports fans across the world to India. Improving infrastructure, low-cost airlines, and improved road connectivity are expected to aid the increase in tourist inflow.

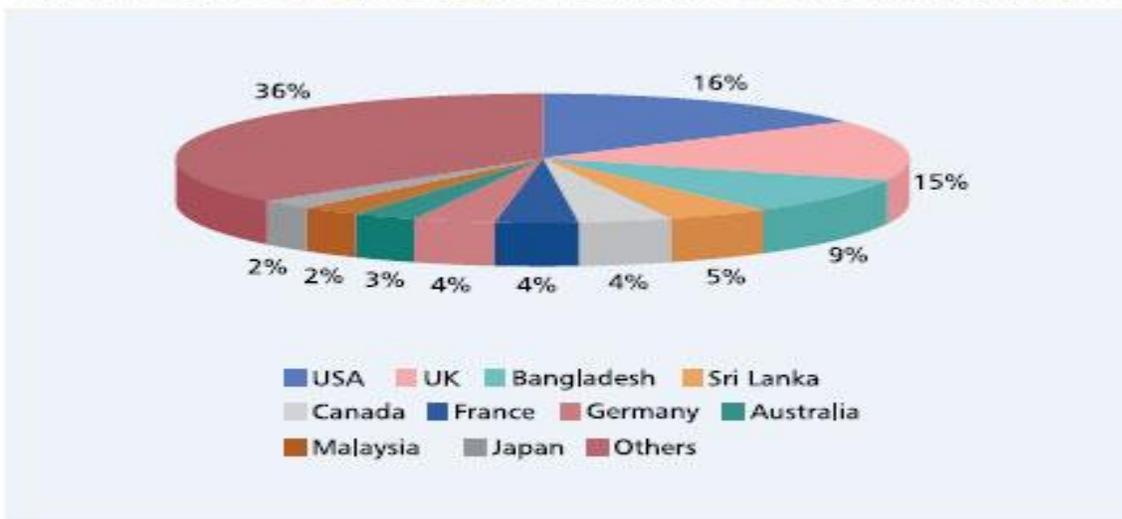
Chart1.5 Foreign tourist arrivals in India (million nos)



Source: Ministry of Tourism

The top 10 countries accounted for around 64% of total tourist arrivals in the country during 2009. The US and the UK together accounted for around 30% of tourist arrivals. Around 14% of the total tourist arrivals in 2009 were from India's neighboring countries, Bangladesh and Sri Lanka.

**Chart1.6 Share of top10 source countries for FTAs in India in 2009**



Source: Ministry of Tourism

### **Foreign exchange earnings from tourism**

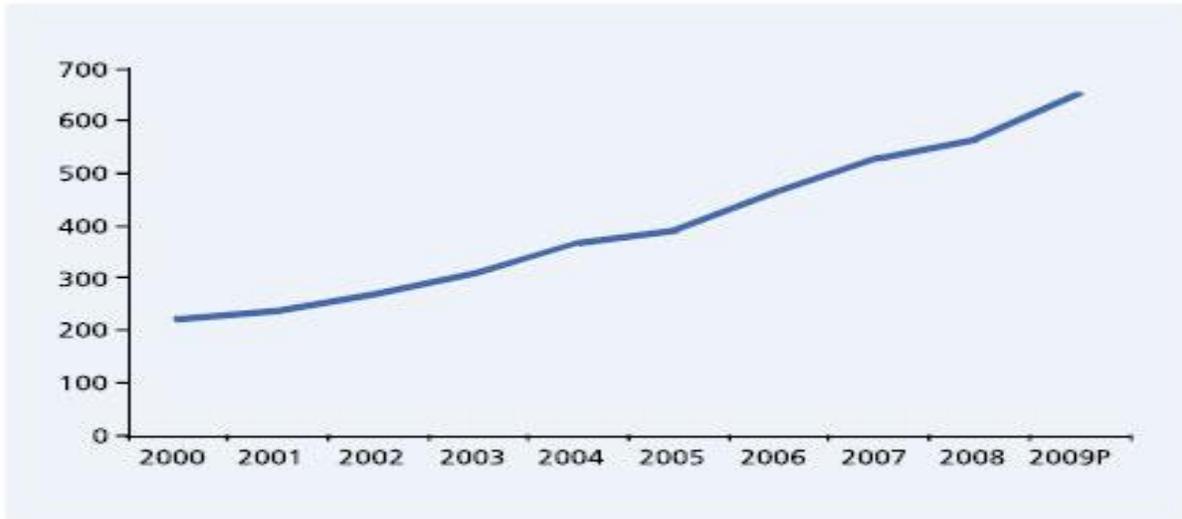
The travel and tourism industry contributes significantly to the country's foreign exchange earnings. Foreign exchange earnings (FEE) from tourism increased steadily from US\$ 3.1 bn in 2002 to US\$ 11.7 bn in 2008. In line with lower tourist arrivals, FEE fell 3.0% to US\$ 11.39 bn in 2009. In rupee terms, earnings rose 8.3% to ` 549.6 bn. FEE in rupee terms had recorded double-digit growth in each of the years during 2003-08.

### **Domestic tourism**

Domestic travelers recorded an all-time high of 650 million during 2009, 15.5% higher than the previous year. After rising 18% and 14% respectively in 2006 and 2007, rise in domestic travel slowed down to 6.9% during 2008. The increase in 2009 reflects recovery in sentiment in the later part of the year and preference for domestic visits over international visits. Although the Indian economy was not as severely affected by the economic slowdown as other economies,

Indian consumers are cautious and are either postponing their travel plans or opting for shorter duration holidays and travelling within the country. Indians travel within India mainly for pilgrimage/religious reasons, leisure, visiting families/friends and business.

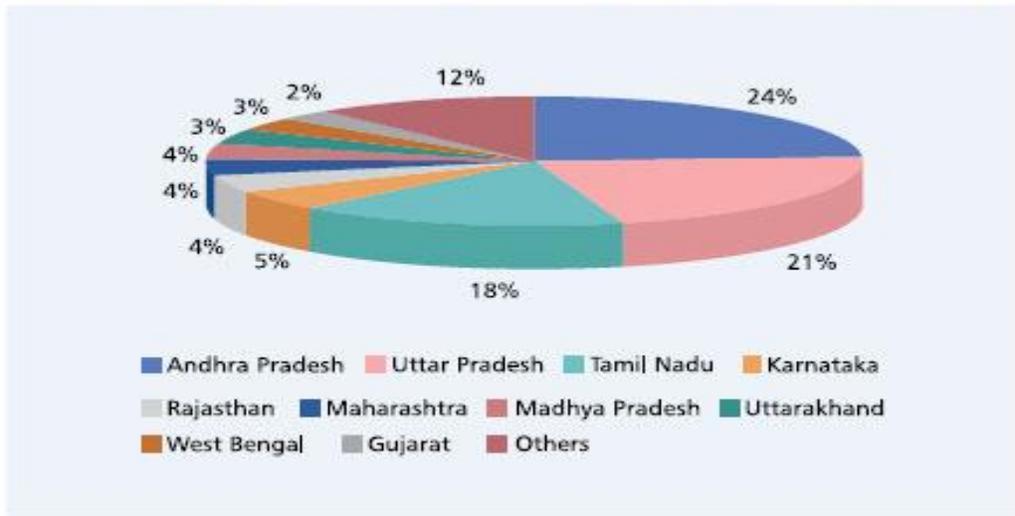
**Chart1.7 Domestic tourist visits to all States/UTs in India (million nos)**



Note: p-provisional  
Source: Ministry of Tourism

Three states, Andhra Pradesh, Uttar Pradesh and Tamil Nadu, accounted for almost 63% of domestic tourist visits during 2009.

**Chart 1.8 Share of top 10 States/UTs of India in domestic tourist visits in 2009**



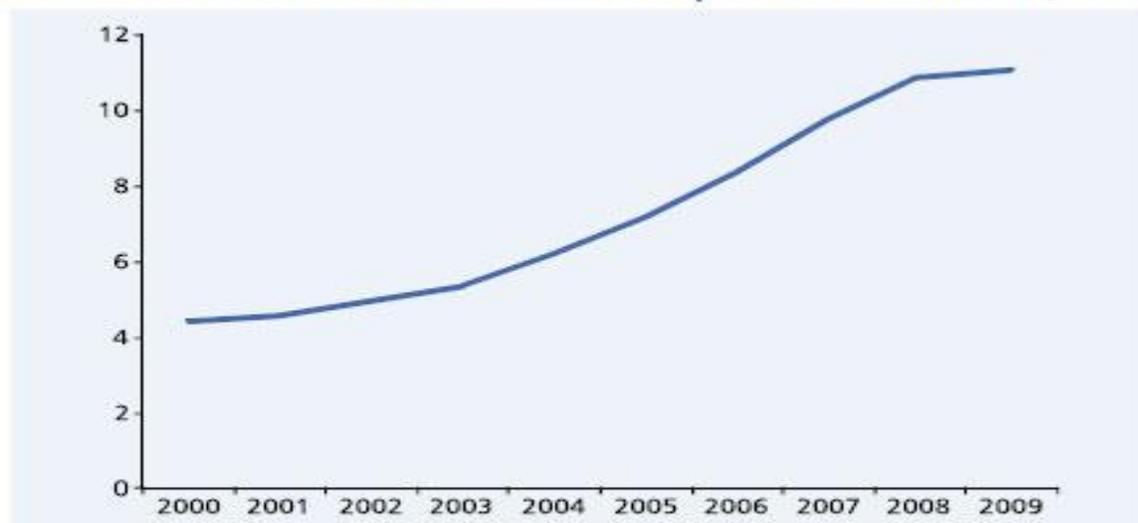
Source: Ministry of Tourism

The domestic tourism is set to boom in the coming years along with emerging trends that will allow travelers to indulge more in exploring India and the varied experiences it offers.

### **Outbound tourism**

The trend observed in outbound tourism during 2009 was no different from that seen in inbound and domestic tourism. Number of outbound visits grew a marginal 1.8% to 11.1 million during 2009. After growing 15-17% during 2004-2007, outbound visits slowed down to 11.1% in 2008. A booming economy, higher disposable incomes, higher aspirations, cheaper international travel, and better tourism products boosted outbound tourist flow.

**Chart 1.9 Number of Indian national departures from India (million nos)**



*Source: Ministry of Tourism*

### **Emerging trends**

With changing times and global business conditions, significant changes have been observed in the Indian travel and tourism industry.

### **Demand for niche and customised tourism products**

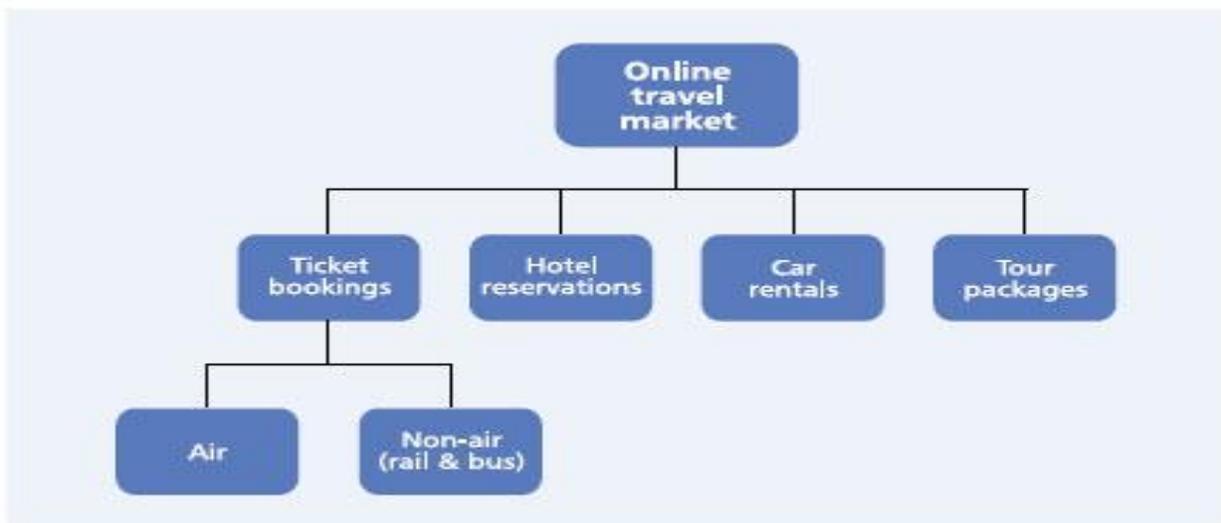
Lifestyle changes and higher disposable incomes have resulted in shifting travel preferences and travelers are looking for 'out-of-the-box' experiences. Consequently, travel service providers are offering niche, customised tourism products. This has led to emergence of niche segments such

as wine tourism, pop-culture tourism, cruise tourism, wellness tourism, monsoon tourism etc. Tour companies are also willing to customise products as per travelers' choices/preferences.

### **Rising online sales**

Online travel sales have increased drastically in recent years. Greater proliferation of the Internet, growth in low-cost air carriers, secure payment mechanisms, and coming-up of the Indian railways portal have led to rise in online sales in the travel industry. A number of low-cost carriers operate on certain routes, and hence online booking offers choice of air carriers to customers. Airline ticket booking constitutes more than 70% of online travel sales. However, a shift is being seen from air to non-air segments in the online travel market. This shift is due to the non-air ticket booking segment growing swiftly with launch of the Indian Railways online portal ([www.irctc.co.in](http://www.irctc.co.in)) and many online travel agencies providing bus tickets. Indian Railway Catering and Tourism Corporation is the largest travel website in the APAC in terms of transaction volumes. A number of hotels also use the Internet for booking of rooms.

**Exhibit 1.2: Online travel market**



*Source: D&B Research*

Travel portals and hotel chains used to provide 360 degree virtual tours, audio tours and photographs, and text reviews to the travelers. They are now marketing through video reviews and video blogs, either put up by themselves or travelers on the travel agency portal or a social media video platform.

### **Spontaneous travel**

Online travel booking has become simpler and easier. High pressure lifestyle coupled with simpler online travel booking has led to travelers taking short, random trips during the year. This has given rise to the concept of 'spontaneous travel'. Realising the potential in this segment, travel companies also offer services for 'last-minute bookings'.

### **Finite travel**

Another emerging concept in the travel industry is 'finite travel'. A number of people see places and/or species that are endangered or entail some form of time-related environmental risk or natural phenomenon.

### **Need to diversify business model**

Service providers are now offering attractive price ranges for services on their websites; this has led to increase in online transactions. Consequently, the market size for travel agents has been narrowing. Given this change, travel agents and tour operators now need to diversify their business models and adopt the role of a travel advisor. Travel companies should also start offering valuable services to end-customers for hassle-free travel.

## **Bibliography**

- Bhatia, A.K. Tourism Development–Principles and Practices; Sterling Publishers, 2005.
- Chandra. R., Recent Trends in World Tourism, Akanksha Publishing House, First edition.
- Dharmarajan.S. and R. Seth, Tourism in India-Trends and Issues, Har Anand Publications Pvt. Ltd. New Delhi, First edition.
- Dixit, M and C. Sheela, Tourism Products, New Royal Book Company, Lucknow. First Edition. 2001.
- Gour, Kanjilal. Indian Tourism -Through the inner eyes. Orchid Books, 2005. Journal of Tourism (Vol.-3, 1998). Department of Tourism and Hoteliering; HNB Garhwal University, Srinagar (Garhwal).
- Gupta. S., World Tourism in New Millennium, ABD Publishers, Jaipur, First edition.
- Kamra, K.K. Basics of Tourism: Theory, Operation and Practice; Kanishka Publishers, 2006.
- Kamra, K.K and M.Chand, Basics of Tourism-Theory, Operation and Practice, Kanishka Publishers, New Delhi. First Edition. 2006.
- Maken. D. Strategies and Planning in Tourism and Industry, Adhyayan Publishers and Distributors, Delhi, First edition.
- Puri, M and G.Chand, Tourism Management, Pragn Publications, New Delhi. First Edition. 2006.
- Raina, C. L. and A.K. Raina. Fundamentals of Tourism-Principles and Practices. Kanishka Publishers, 2005.
- Seth, P. Successful Tourism Management-Fundamental of Tourism, Sterling Publishers Private Limited, New Delhi. 1997 Edition.
- Sharma. R.B., World Tourism in 21st Century, Alfa Publications, NewDelhi, First edition.

“The lesson content has been compiled from various sources in public domain including but not limited to the internet for the convenience of the users. The university has no proprietary right on the same.”



9, Km Milestone, NH-65, Kaithal - 136027, Haryana  
Website: [www.niilmuniversity.in](http://www.niilmuniversity.in)