Growth Drivers and Challenges before Indian Tourism Industry

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ABSTRACT

The tourism and hospitality industry has emerged as one of the fastest growing sectors in the world. Tourism can become one of the key drivers for Indian economy. The introduction of tourism not only help in generating foreign current but also helps local and host communities. Tourism activities rise their income level which leads to higher living standards. Indian government is also trying to regulate the tourism activities by developing diverse tourism offerings and policy which plays a pivotal role in reshaping the tourism and hospitality sector in India. But still there are some issues faced by tourism industry which are hindering the growth of this sector. Some of the challenges such as social and political uncertainty, overburden on some tourist sites, international competition, seasonality, changing tourist dynamics and liberalization are proving to be bottleneck in the development of tourism sector in India.

1. Introduction

The introduction of globalization, liberalization and technology has brought tourism and hospitality as one of the fastest growing sectors around the world. According to United Nation it has the largest contribution in world GDP (Gross Domestic Product). According to World Tourism Organization (2013), it contributes 9 percent of the total GDP worldwide. It also creates number of employment opportunities worldwide. Not only the jobs it creates but also fetch foreign currency (Subash T., 2015). The foreign tourist are showing interest in India as a tourist destination which lead to a growth of tourism and hospitality sector in India. Tourism in not only associated or limited to one segment, it is an amalgamation of various sub segments such as hotels, restaurants, bars, retail, MICE etc. Everyone who is associated directly or indirectly to any kind of tourist activity is included in tourism. The value added efforts by the government and private operators has creates vast scope of tourism in India. The tourist inflow has continuously increased from last few years, which pays well to consumers and producers. With wider scope of tourism in other sector of host population such as hospitality, transport, education, health, banking and finance etc. Indian has yet to explore the full potential of tourism and hospitality sector. Government has also understood the economic benefits of tourism and made efforts in five years plans to develop tourism in India. But before progressing ahead, there is also a need to look for the challenges and issues faced by Indian tourism (Hans V Basil, 2006). The government and private tourism players need to solve and address these problems to strength the tourism sector in India.

2. Key drivers for boosting tourism

The low cost transportations

The intense competition in aviation industry has brought the flight fare in the reach of common tourists too. The shift towards the low cost carriers has also increased the inflow of tourist and domestic tourism is also increased. This stiff competition in the aviation industry and lower prices should be taken advantages and must be included in the tourist marketing strategy.

The increase in disposable income

The rise in the income of middle class has also contributed towards the growth of tourism. The increased income has also increased the disposable income and introduction of technology has provide leisure time to spend and travel. Not only the increased disposable income but also the leisure tourism has become affordability. The affordability for everyone has also increased the movement of tourists across the different destinations (Subash T., 2015).

The Promotion of Tourism by Ministry of Tourism

The ministry of tourism is doing best efforts to explore the full potential of tourist markets and VISA on arrival to also provided to many countries. On the top of marketing campaign the government is also trying to raise tourist interest by collaborating with neighboring countries for mega events like Geeta Jayanti celebrated in Kurukshetra. Not only the central government but also the state government has also identified the importance of tourism sector and started developing individual marketing strategies.

Other Growth drivers

The Indian hospitality sector has registered a growth over the past few year which is the positive effect on the tourism sector. An extensive market research could be undertaken to identify the growth drivers and possible opportunities in the field of Tourism (Anwar Sajid, Hamilton John2005). The tourism products such as adventure, religious, yoga, wellness, agriculture, nature, rural etc. are yet to be explored to their potential. With the increasing personal incomes and leisure time, holidays trip are still in trend to boost the tourism industry. It is further supported by low carriers and government promotional strategies. Not only the inbound tourism but also the domestic tourism has also increased. The Indian tourism industry need to capitalize the increased tourist inflow and look for different tourism possibilities.

3. Emerging issues and challenges before tourism industry

Infrastructural Bottlenecks
One of the largest employment and foreign exchange generator sector cannot go on and flourish on mediocre infrastructure services and facilities. The accessibility and accommodation are the most important factor in development of a tourist destination. If a person cannot reach to a destination then how could it be promoted? The poor roads and lack of coordination between different modes of transport is eating up tourist's time, money and productivity which is definitely not good from the perspective of a tourist (Thyagaraju N, 2016). The success and failure of a tourist destination depends on its connectivity and infrastructure in which India is lacking. There is a need of a tourist centric approach and policy development.

**Lack of professionalism**

The hospitality and tourism sector is a part of service industry which is a customer centric industry. The tourism sector includes tour operator, travel agencies, travel agents, tourist transport operators, adventure tour operators and various employees are also engaged in hospitality sector such as hotels, restaurants, housekeeping outsourcing, front office etc. But adequate there is a large gap in demand and supply of trained and skilled manpower in tourism sector (Silpa&Rajithakumar, 2005). Although there have been many universities and colleges but still there is need to trained the local and host population too (Megalmani, Shaukat, 2007). There is a large need of professional services in tourism sector in India.

**Liberalization and Tourism**

As a result of Uruguay round of negotiations, GATS came into force from 1995. WTO was also established in the same year and India signed for WTO agreement and become the part of GATS. It brings the liberalization in tourism sector in India. The concept of FDI in tourism was also introduced which resulted in more and more services and competition in tourism services like transport, banking, hospitality etc. On one side it has produced many positive impacts on Indian economy but also open the door ways for international brands and franchises which were hard to compete by the local service providers. The intense competition with modern technology lower the charm of local handicraft and also local tourist service providers were effected.

**Safety and Security of Tourists**

Safety and security is one of the primary objective of any tourist going outside their home. It has a large impact of the inflow of the tourists in a country. The wide range of tourist service has made it more important of avoid such instances which are affecting the safety and security of a tourist. Government should make more sincere effort toward the safety of tourist especially on crucial destinations like in state of Jammu and Kashmir. Although government has made some efforts and set up separate force as tourist police on some of the major tourist destination but the area need to be expanded to cover all the tourist sites in India (Subash T., 2015).

**Social and Political Concerns**

The continuous change in social and political scenario has also become an issue before tourism. The liberalization and globalization can also have an impact on the social and culture environment of local population. Some people and organizations also thought that tourist are disturbing their culture and tradition and it has a negative impact on their children and society. But there is a larger need to understand that we have arrived to the need to thinking and acting globally. The social and cultural issue is too sensitive to touch (Thyagaraju N, 2016). The next big challenge before tourism sector is to develop a common socio cultural environment which bring only tourism. There is a need to set new parameters at macro and micro level for developing tourism services by keeping in mind the host population and its traditions and culture.

**Healthcare for Tourists**

There is a dire need to improve the medical facilities on the tourist's site in India especially considering the low rand of India in health index. Although the urban areas in India still have decent facilities but rural areas are still need much improvement. The tourist sites in distant areas need lots of improvement. The development of hygiene and sanitation facilities needs to be improved.

4. **Suggestions for promoting tourism industry in India**

**Explore the possibilities in Medical tourism**

Indian medical facilities are much cheaper in comparison toother countries. With qualified doctors and advance equipment, India can compete with other destination such as Malaysia, Philippines and Malaysia. The international tourists flow is higher from US, Europe and Middle Eastern states where medical facilities are much costly. The medical tourism could become the key niche for tourism growth in India.

**Creating Tourist Circuits across States**

The key for the success of tourism is the coordination between different tourism bodies whether center government, state government or private players. Government should take initiatives for faster connectivity between different tourist satiation across the different states. A tourist circuit must be created which attach the different tourist sites. There must be some common program for road tax, toll and other facilities provided to the tourists. This may be further enhanced by integrating the public transport across the different states of India.

**Partnership Oriented Marketing**

With the development of tourist circuit across the different states, there is also a need to develop common marketing strategy for similar types of tourist destinations sharing common attributes. There may be a collaboration between government sector and private sector players. This travel trade partnerships may be extended beyond national boundaries too. The contribution of international chains of hotels, travel agencies, food chains etc. may be increased (Saurabh Rishi &SaiGiridhar, 2007).

**5. Conclusion**

The hospitality and tourism industry emerges as one of the fastest growing industry worldwide. It has also become one of the largest contributor to Indian economy. The hospitality and tourism industry is a booming industry which not
only provide employment opportunities but also generates foreign exchange for the betterment of the economy. Indian geography has unparalleled tourism products to offer in its uniqueness. It has rich culture, history and natural beauty. Understanding the importance of tourism, Indian government is also promoting Indian tourism worldwide. The key growth drivers such as rising disposable income, low fare carriers, changing lifestyle, natural sites and diversity has boosted the tourism in India. But along with these key growth driver there are some challenges such as lack of professionalism, safety and security, social and political concerns, and infrastructure and healthcare facilities. Some of the suggestions for the growth of tourism are such as promote and explore the diversity India has, create tourist circuits, provide and build trust among the tourist that India is safe and secure to travel and create a participate marketing program with the collaboration of government and private players in Tourism.

References