

Tourism Marketing in India

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Abstract

Tourism is a multibillion, multidimensional and multi-spectral industry of Indian economy beaming with immense possibilities. India is world's 7th largest country in terms of GDP contribution from tourism and incorporates tremendous potential for its further development. India is blessed with demographic and cultural diversity making it a one-stop destination for tourists all across the globe. If given the needed attention and investment, Indian tourism can flourish into the much-needed hub of employment and growth.

Tourism stands to offer several benefits for India both nationally and internationally. Domestically it can provide employment generation, forex gain; improved living standard, regional development. While internationally, it would strengthen India's strategic and political presence and cross-cultural harmony (tourism-passport to peace).

Tourism marketing refers to the application of marketing concepts and principles in the travel and tourism activities. Just as a product requires well-crafted marketing plans to attract customers, similarly services like tourism also need the application of marketing principles to enhance their efficiency and profitability.

The objective of this research paper is to probe into the scope of tourism and tourism marketing in India and the underlying challenges. This paper would be analyzing current tourism policy of India and how far has it succeeded in accomplishing its objectives. The factors affecting Indian tourism is presented followed by a SWOT analysis of the same to attain a better perspective of challenges and opportunities. Further, a well-elaborated description of tourism marketing mix is given. The market segmentation and consumer behavior aspect is thoroughly covered.

The presented paper is both descriptive and analytical in approach. It follows a descriptive style in dealing with the role and trends of tourism in India, while analytical in inquiring the current tourism policy, impact of tourism and measures taken by the government for the same. Statistical

tables, charts etc. are adequately employed to exhibit the information clearly and consistently.

The methodology relies on a descriptive style of analysis based on secondary data sources viz. journals, website, reports, research papers etc. The secondary data has been collected from the sources like Ministry of Tourism Government of India, World Tourism Organization (WTO), United Nations World Tourism Organization (UNWTO), related website and other official documents.

The paper concludes with an analysis of current challenges to Indian tourism and exhaustive suggestions to overcome them.

Keywords: Tourism Marketing, Market Segmentation, Economic Development, Tourism Marketing Mix, Tourism Research.

Introduction

Tourism has become one of the fastest growing sectors in the recent past. Travelling and tourism have been an integral part of human existence. Since, time immemorial humans have travelled to places for leisure, knowledge and livelihood. Tourism is world's one of the largest growing sectors with an economic contribution of (direct, indirect and induced) of over \$7.6 trillion.

Tourism is not only a leisure activity but a complex discipline involving study and knowledge of various subjects as geography, arts, culture, business etc for a better understanding. Understanding tourism involves insights of geographical features, cultural heritage, economic abilities etc.

The World Tourism Organisation defines tourism as people "travelling to and staying in places outside their usual environment for not

more than one consecutive year for leisure, business and other purposes." United Nations has classified three forms of tourism in its recommendation on Tourism Statistics:

1. **Domestic Tourism-** It refers to residents of a country travelling within their country only.
2. **Inbound Tourism-** It refers to non-residents travelling in a given country.
3. **Outbound Tourism-** It involves residents travelling to another country.

Objective of the study

- To understand tourism and its recent trends
- To explore the scope, opportunities and challenges of Indian tourism
- To understand the tourism marketing

Methodology

This paper is prepared with the help of available secondary data sources like journals, books, reports covering a wide collection of available literature.

Recent Trends in Tourism Development

The significant trends in world tourism development are as follows:

A. Increasing destination choices

Earlier European countries and Asian countries used to have major tourist concentration however recently small countries like Maldives, Indonesia, Turkey etc all are offering great options increasing the choice of tourists.

B. Changing Economic Environment

Due to larger disposable income at hands more and more people are resorting to travel and tourism for leisure, education, health etc. Various tour packages are now available as per the income level of consumers.

C. Government Encouragement

Governments are now paying more attention to tourism development and forming plans and policies to promote their country in world tourism.

D. Sustainable Tourism

Tourism nowadays is becoming more environmentally responsible and focuses on creating a positive impact on the environment, society and economy. Ecotourism and sustainable tourism are becoming very popular for same reasons.

E. Niche Tourism

It involves how a specific tourism product can be tailored to meet the needs of a particular market segment. This is becoming

popular due to increased demands of millennial consumers.

F. Information technology

Information technology has revolutionized tourism; both service providers and receivers are using IT for better knowledge and availing better services.

G. Professional Services

Services of travel agencies are now more professional and convenient than ever due to demanding customers and high competition in the market.

(Source: Tourism: 2020 Vision, Executive Summary Updated, World Tourism Organization December 1999.)

Table 1 : Causes of Growth in Tourism

Social/Economic cause	Technology Change	Product Development
1. Increase in car ownership	1. Motorways	1. Package holiday
2. Increased leisure time	2. Airways	2. Theme parks
3. Larger disposable income	3. Computer reservation	3. Weekends breaks
4. Fewer children	4. Internet services	4. Ecotourism
5. Two wage earner family		

Tourism in India

Tourism for India is not a new term. India has been a sought after tourism destination since time immemorial. Nevertheless, the growth of tourism sector in the recent past has been tremendous due to the economic growth made by the country along with infrastructural and technological advancements.

A. GDP Direct Contribution

The direct contribution of travel and tourism to GDP was INR 4809.8 billion (USD 71.7 billion), 3.3 % of total GDP in 2016 and is forecast to rise

by 6.9% in 2017 and to rise by 6.8% p.a from 2017-2027.

B. GDP Total Contribution

The total contribution of travel and tourism to GDP was INR 14,018.5 billion (USD 208.9 billion), 9.6% of GDP in 2016.

C. Employment Direct Contribution

In 2016 Travel & Tourism directly supported 25,394,500 jobs (5.8% of total employment). This is expected to rise by 2.1% in 2017 and rise by 2.1% pa to 31,910,000 jobs (6.1% of total employment) in 2027.

D. Employment: Total Contribution

In 2016, the total contribution of travel and tourism to employment, including jobs indirectly supported by tourism industry was 9.3% of total employment (40,343,000 jobs). This is expected to rise by 1.8% in 2017 to 41,074,000 jobs and rise by 2.0% pa to 49,868,000 jobs in 2027 (9.6% of total).

E. Investment

Travel & Tourism investment in 2016 was INR2, 284.9bn, 5.7% of total investment (USD34.0bn). It should rise by 4.5% in 2017, and rise by 5.7% pa over the next ten years to INR4, 149.0 billion (USD61.8bn) in 2027, 5.7% of total.

Travel and tourism Economic Impact India, 2017 : As per a new report by World Travel and Tourism Council (WTTC)

- Travel and tourism generated INR 14.1 Trillion in 2016 which is world's 7th largest in terms of absolute size, the sum equals to India's 9.6 % of GDP.
- The sector supported 40.3 million jobs in 2016 which ranks India 2nd in the world in terms of total employment. Tourism accounts for 9.3% of the country's total jobs.
- India's travel and tourism is also the fastest growing amongst G20 countries.

Scope of Tourism in India

1. Heritage Tourism

The National Trust for Historic Preservation U.S defines heritage tourism as "traveling to experience the places, artifacts' and activities that authentically represent the stories and people of the past", [1] and "heritage tourism can include cultural, historic and natural resources".

India with rich cultural history has exhaustive scope in this area.

2. Adventure Tourism

India's varied geographical and climatic circumstances offer an excellent opportunity for adventure games. In recent times the popularity of adventure tourism has amplified. Adventure sports like river rafting, rock climbing, mountaineering, trekking, skiing, snow climbing, scuba diving and angling can be undertaken in the country and the country offers multiple locations to choose from. The Trans Himalayan region, the Garhwali and Kumaon mountains, the Western Ghats, deserts of Rajasthan, Andaman and Lakshadweep islands are some of the most admired destination for adventure tourism. The infinite scope of adventure tourism in India is mostly due to its varied geography and environment.

3. Medical Tourism

It is one of the promising areas in Indian tourism. India has facilities like highly skilled personnel, cost-effective treatment, superior quality of private healthcare etc. India's conventional rebuilding therapy like yoga and ayurvedic therapy are also gaining popularity. India's system of traditional medicine is a combination of ayurveda, siddha Yoga and meditation; it aims at curing ills and helping the patient to lead a healthy, balanced lifestyle.

4. Eco-Tourism

It is a comparatively new fragment in India. It involves visiting natural areas without disturbing the delicate ecosystem. It generates wealth for the local people, who in turn take measures to conserve and protect the environment and natural resources. India with its natural diversity is one of sought-after places in the world for eco-tourism.

Tourism Marketing

Tourism belongs to the field of service marketing. Its intangibility, inseparability, heterogeneity and perishability makes marketing complicated for tourism. Tourism marketing refers to the application of marketing principles and practices in the field of tourism. Marketing in tourism just like products begins with market research and continues till customers' feedback. It involves

1. Planning Phase

- Goal setting
- Industry analysis
- Market analysis

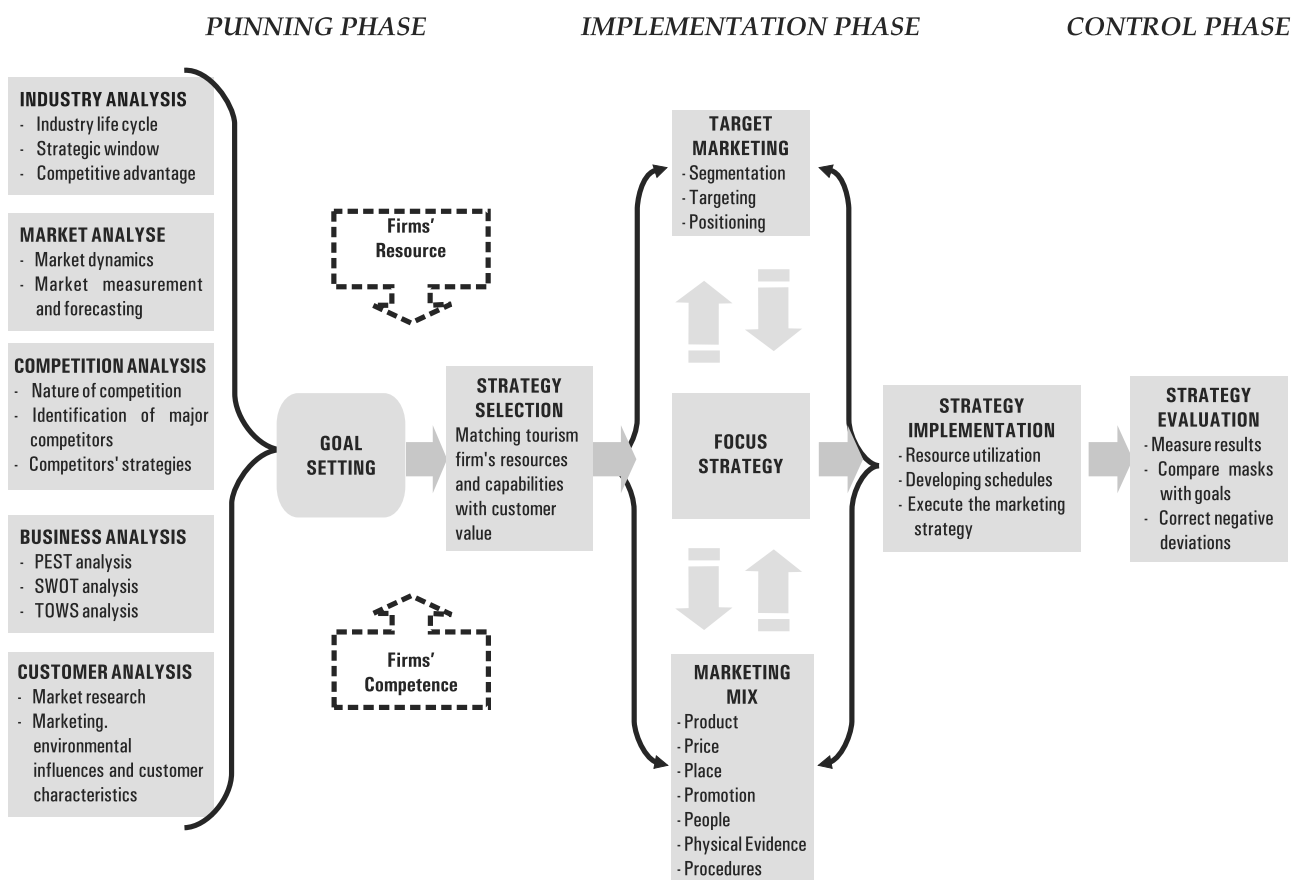
- Competition analysis
- SWOT analysis
- Customers analysis
- Strategy selection

2. Implementation Phase

- Market segmentation
- Market targeting
- Market positioning
- Marketing mix
- Strategy Implementation

3. Control Phase

Figure 1 : Strategic Marketing in Tourism



Source : Tsiotsou, Rodoula H. (2012). Introduction to Strategic Marketing in Tourisms

SWOT Analysis of Indian Tourism

Strengths

- Vast topographical diversity
- Climatic variations
- Sound banking system
- Varied culture
- Efficient transport services
- Comparatively cost effective for developed countries tourists
- Knowledge and popularity of English language.

Weaknesses

- Lack of infrastructural facilities
- Safety and security of foreign tourists
- Lack of maintenance of monuments
- Many dialects and languages

Opportunities

- Potential for niche tourism
- Medical tourism has huge potential
- Increasing government support
- Engine of job creation
- Major source of foreign exchange

Threats

- Lack of man-made attractions
- Damage to natural ecosystem
- Safety threats

Factors Affecting Indian Tourism

Environment

1. Economic Conditions

Overall economic conditions can have significant impacts on tourism markets. A marketing strategy needs to be adjusted as per

changing economic conditions.

Firms should monitor the possible influence of factors such as unemployment, real family income, inflation rate, credit availability, terms and interest rates etc.

2. Government Actions

Tourism and allied activities are hugely influenced by both positively and negatively by government plans and policies.

3. Technology

Innovation and improvement in technology manifest into the way travel and tourism is operated. Employment of technology reduces the cost and enhances the productivity of services provided. Presence of social media and digital access has changed the ways of business.

4. Competition

Tourism firms must monitor and analyzed the existing and potential competition in various areas. Current strategies must be analysed in the light of business scenario and available competition.

5. Demographic Trends

Changing demographic factors as population migration, increasing urbanization, nuclear families, and millennial customers affects deeply the tourism trends.

Market Segmentation in Tourism

Tourists are not all the same, they have different expectations of ideal vacation and full of heterogeneity. With increased diversity in consumers demands it is not possible for a travel and tourism firm to cater to all of them efficiently it therefore has to divide the market into homogeneous groups to ensure better and specialized services. Tourism market can be classified on the following basis:

- Location of residence- in country, out of country, local
- Demographics- age, family status, education, etc.
- Lifestyle- interests, personalities, opinions.
- Type of travel- business, leisure, education etc

The Market segment should be selected keeping the following factors in consideration:

- Present and future sales potential
- Cost involved
- Strengths and weaknesses of each segment
- Organizational resources.

Table 2 : Tourism Motivators of People

Motivators of Travel		
Health	Football	Historical sites
Physical	Baseball	Drama and musical productions
Mental	Track and field	Professional and Business
Curiosity	Horsereading	Scientific expeditions
Cultures	Pleasure	Conventions
Politics	Travel	Business travel
Society or public figures	Art	Education
Physical features Disasters	Music	Friends and Relatives Roots Syndrome
Sports	Entertaining	Homeland
Participating	Gambling	Family research
Hunting and fishing	Honeymoon	Esteem
Golf and tennis	Spiritual or Religious	
Team competition	Pilgrimages Meetings	
Spectator	Religious headquarters	

Source: Lloyd E. Hudman, *Tourism: A Shrinking World* (Columbus. OH: Grid. 1980)

Tourism Marketing Mix

Tourism marketing mix includes the following:

1. Tourism Product

Tourism being a service is intangible and perishable in nature. The tourism product is the experience given to the consumers. It is thus critical to know the expectation of consumers before framing the tourism product.

2. Tourism Place

Tourism place is the location of service provided i.e. the tourist destination where the experience is imparted. It is the place where tourists visit and stay. The tourist place must be accessible,

attractive and equipped with necessary amenities.

3. Tourism Price

It is the sum total of operating and variable costs plus some profit margin.

Tourism price largely depends on the consumers' perception of quality. If the service provider has a better image and reputation consumers are likely to pay more than the actual consideration.

4. Tourism Promotion

Promotion of tourism is extremely important in order to attract potential consumers. It is all

about making the potential market aware of your services. Promotion can be done via posters, social media, outdoors, magazines etc.

5. Tourism People

People element of service differentiates it from products. People define services. The personnel involved in dealing with consumers can differentiate it from competitors. The travel agents, guides, transporters etc all constitute the people element.

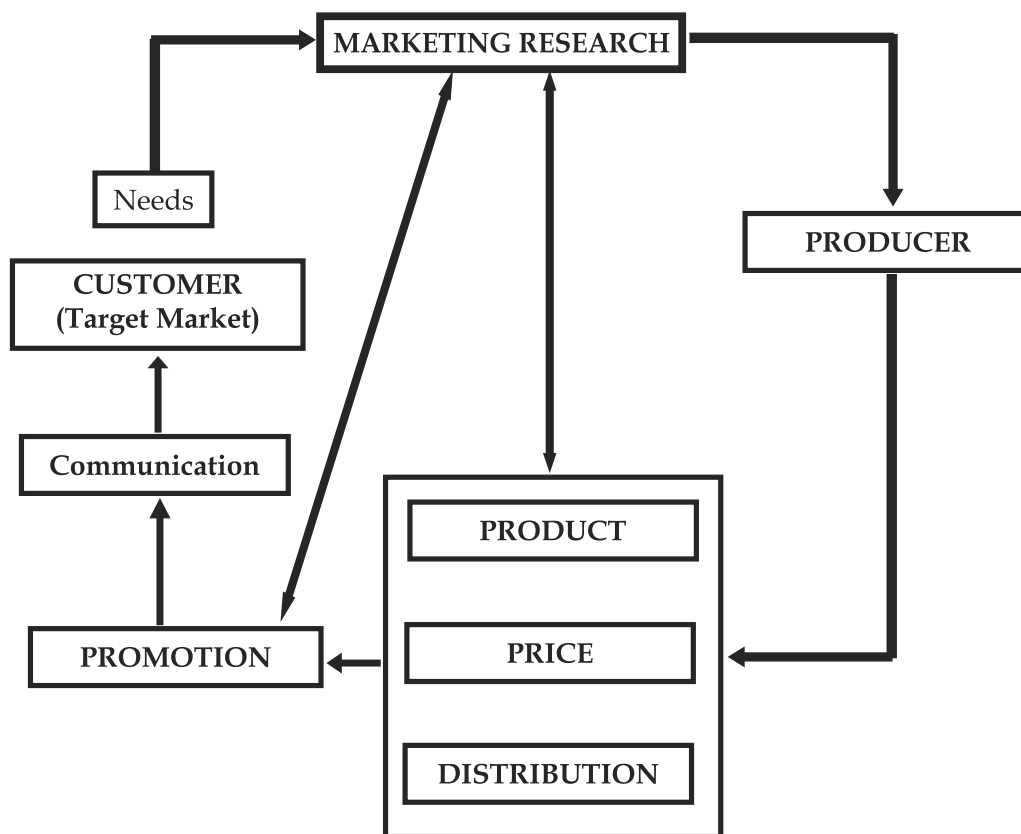
6. Physical Evidence

Since services are intangible it is important to give tangibility. It is the environment in which services are offered and where the service providers and receiver interact. The travel agency office, building, equipment all form physical evidence.

7. Tourism Process

Tourism process includes all the sequential steps that are there in providing the services to the consumers.

Figure 2 : Tourism Marketing
MARKETING



Source: Indira Gandhi National Open University School of Tourism Hospitality Services Sectorial Management, Tourism marketing

Highlights of New Tourism Policy of India

The national tourism policy of 2002 is now to be replaced by a new policy which has the following salient features:

- Focus on employment generation and community participation
- Stress on sustainable tourism
- A Vision of positioning India as MUST EXPERIENCE and MUST REVISIT destination.
- Development of varied tourism products
- Development of quality human resources in the sector.
- An Emphasis on technology-enabled development in tourism.
- Focus on domestic tourism
- Promotion in potential markets.

Challenges to Indian Tourism

1. Lack of adequate infrastructure

The physical infrastructure fails to cater to the needs of increasing tourists' number. The transportation, airlines, accommodations etc are inadequate and inefficient.

2. Access and connectivity

Many places in the country have potential to develop into tourist destination however due to lack of accessibility they are still unknown.

3. Amenities

The basic amenities of toilets, accommodation, clean water etc are unfulfilled for national and international tourists.

4. Human resources

There is an acute shortage of skilled human resources in the sectors.

5. Lack of publicity

The global image of India has to rebrand to attract more tourists.

6. Security issues

The safety and security of tourist are always at stake especially women.

Suggestions to Improve Tourism in India

1. Improvements in infrastructure and transportation

Development of world-class infrastructure is necessary to enhance tourism scope. This can be done by making better and larger network of road, efficient and cost-effective airlines services, basic amenities, accommodation etc.

2. Skill development in the sector

India has one of the world largest workforces however; the workforce is poorly or no skilled. Developing work and soft skills through various programs and courses is necessary to make India a better destination.

3. Rebranding the global image as more tourist-friendly

The global image of India needs to be rebranded as a one-stop destination for all kinds of tourism experience from hills to beaches. We need to promote the country's potential on the world stage.

4. Tax benefits to the sectors

Providing tax benefits to tourism sectors would attract more and more people to indulge in tourism-related activities boosting the overall growth of the sector.

5. Easier administrative compliance

We need to make tourism easily accessible by reducing the administrative compliance.

6. Create experience not mere sightseeing

Measures can be taken for enriching the experiences of tourist by adding certain extra activities to make it a memorable experience.

7. Promote niche marketing

India has a promising future in niche marketing by promoting specific areas as full-fledged tourism package such as medical tourism, adventure tourism etc.

8. Tourist-friendliness

The attitude of people towards foreign tourists has to be changed and feeling of cooperation and support has to be developed by treating them as one of our own.

Conclusion

Tourism is a growing sector of world and India. India can take huge advantage of its geographical and cultural diversity by integrating marketing and professionalism in its tourism practices. Understanding the marketing of tourism and hospitality can take Indian tourism a long way.

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