

CHAPTER III

Overview of Tourism in Bangalore

- **Bangalore – The Garden City**
- **Central and State Policies of Tourism Development**
- **Tourism Entrepreneurship Opportunities in Bangalore**

Bangalore – The Garden City

Historical Evolution of Bangalore

Contrary to popular belief Bangalore has an intriguing history that has gone a long way to shape the culture of the city. The significance of tourism of Bangalore cannot be studied without tracing its glorious history.

Bangalore or Bengaluru as it is called today is located in the geographical center of the Southern Peninsula, equidistant from the eastern and western coasts. The settlement has developed on a ridge top, traversing the Mysore plateau from east to west, which serves as the main water parting, at an average elevation of 3000ft. (900m). Bengaluru's strategic geographical location has played a vital role in moulding the history of South India. The evolution of Bangalore has been traced from the mythological era to the present day scenario.

Bangalore during the pre-independence era

Mythological Period: Land of meditation of Mandavya, a contemporary of Kanva.

About 1000 B.C: Neolithic remains discovered in and around the present city.

1000 B.C. to 1st Century A.D.: Megalithic tombs exist around the present city.

1st Century A.D.: Two hoards of Roman silver coins dating back to 1st century A.D. unearthed near the present city.

900 A.D.: During the Western Ganga rule from 4th to 11th century A.D. the name Bengaluru appears for the first time on a Virgal.

1040 A.D.: Chola inscription N1629 (a) ECIX records an endowment to the deity Sokka Perumal of Domlur.

1247 A.D.: Vengaluru is mentioned in the Hoysala inscription Bn 68 ECIX on the basement of the Someshwara temple at Tavarekere.

1402 A.D.: Bengaluru its limits and villages are recorded in an inscription of the Vijayanagara period Bn 96 ECIX.¹

1537 A.D.: Kempe Gowda I lay the foundation of modern Bangalore.

1578 A.D.: 'Bengaluru Sime' of Yelanhanka is recorded in a copper plate inscription Mr 57 of the Vijayanagar period.

1638 A.D.: Kempe Gowda III is defeated by Ramadulla Khan, the commander of Sultan Adil Shah's army and with the permission of the Sultan; Bengaluru is given as Jagir to Shahji. Several literary works describe the splendour of the Maratha court at Bengaluru.

1640–42 A.D.: Shivaji with his mother Jijabai stays for two years at Bengaluru. 12 years old Shivaji is married to Saibai Nimbalkur at Bangalore.

1648 A.D.: Shahji is arrested; Bijapur Sultan tries to sieze Bengaluru. Shambhaji defends it successfully. Bengaluru is handed over to the Bijapur officers by Shahji. Shahji shifts his headquarters to Kandagiri in Raichur. Venkoji remains at Bengaluru.

1664 A.D.: After the death of Shahji, Venkoji's court at Bengaluru assumes forms and demonstrations of royalty more flamboyant and pompous than his father's Maratha court at Bengaluru.

1669 A.D.: Medaraninganalli is endowed by Venkoji for deity Mallikarajuna of Mallapura (Malleshvaram).

1675 A.D.: Venkoji shifts his capital from Bengaluru to Tanjore.

1677 A.D.: Shivaji during his Karnataka expedition occupies the ancestral jagir of Bengaluru. After defeating Venkoji, Shivaji bestows on Dipabai, wife of Venkoji, Bengaluru and environs as 'Choli Bangdi' (Pocket Money)

1680 A.D.: Venkoji decides to dispose off Bengaluru.

1687 A.D.: The Mughal Army under Kasim Khan, Harji Mahadik with the Maratha Army and Chikkadevaraja Wodeyar with the Mysore army simultaneously appear before the gates of Bengaluru. Kassim Khan hoists the imperial Mughal flag on the ramparts of the Bengaluru fort on 10th July 1687. Kassim Khan hands over the fort of Bengaluru and surrounding territories of Chikkadevaraja Wodeyar on lease.

1690 A.D.: Rajaram on his way to Gingee to avoid capture by the Mughals arrives at Bengaluru. Chikkadevaraja Wodeyar constructs an Oval fort towards the south of Kempe Gowda's fort. The idol of Venkateshvara is consecrated within the Kala Bhairava temple in the new fort.

1755 A.D. Peshwa's commander Sadashivbhu occupies Bengaluru.

1758 A.D.: Haider Ali, commander of Mysore Army, drives the Marathas out of Bengaluru. The title of Nawab is conferred on Haider. Bengaluru fort and the surrounding country is granted to Haider as a Jagir by the Mysore ruler. Haider commences the reconstructions of Chikkadevaraja Wodeyar's oval mud fort entirely in stone.

1761 A.D.: Haider seeks refuge in Bengaluru, while fleeing from the Mysore and Maratha forces. Haider regroups his forces with an instance from the rich merchants of Bengaluru.

1762 A.D.: Haider's administrative policies result in Bengaluru emerging as a center of industrial and commercial importance, as well as a center of defense production.

1767 A.D.: Mysore war commences. Col. Smith of British Army expresses that Serigapatnam and Bengaluru are the citadel of Haider's power. Col. Wood besieges Bengaluru.

1789 A.D.: II Mysore War starts. Bengaluru is transformed into a vast military camp.

1781 A.D.: The palace at Bengaluru commenced by Haider is completed by Tipu.

1791 A.D.: The British Army commanded by Lord Cornwallis, the Governor General himself, encamps before Bangalore. On 5th March Petta is occupied on the 7th March the Oval fort is attacked and occupied by the British Army on the night of 21st March. Cornwallis retreats to Bangalore on 11th July from Arekere, located nine miles east of Seringapatnam.²

1792 A.D.: The Imperial army marches out of Bangalore on 26th January for the final assault of Seringapatnam. The British Army occupied Bangalore for a period of one year after its capture. Under the terms of the Definitive Treaty of Seringapatnam, Bangalore is returned to Tipu. Tipu dismantles the Oval Fort to prevent its reoccupation by the British.

1799 A.D.: During the IV Mysore War an impression is created that the dismantled Oval Fort would be restored and reoccupied. Bangalore as a venue for the installation of Krishnaraja Wodeyar III is objected to on the grounds, that it is located in a corner of the territory assigned to the Raja.

The British returned administrative control of the Bangalore "pētē" to the Maharaja of Mysore, choosing only to retain the Cantonment under their jurisdiction. The 'Residency' of Mysore State was first established at Mysore in 1799 and later shifted to Bangalore in the year 1804. It was abolished in the

year 1843 only to be revived in 1881 at Bangalore and to be closed down permanently in 1947, with Indian independence.³

The British, found it easier to recruit employees in the Madras Presidency and relocate them to cantonment area during this period. The Kingdom of Mysore relocated its capital from Mysore city to Bangalore in 1831. Two important developments during this period contributed to the rapid growth of the city: the introduction of telegraph connections and a rail connection to Madras in 1864.

In the 19th century, Bangalore essentially became a twin city, with the "pētē", whose residents were predominantly Kannadigas, and the "cantonment" created by the British, whose residents were predominantly Tamils. Bangalore was hit by a plague epidemic in 1898 that dramatically reduced its population.

New extensions in Malleshwara and Basavanagudi were developed in the north and south of the pētē. Telephone lines were laid to help co-ordinate anti-plague operations, and a health officer was appointed to the city in 1898.

In 1906, Bangalore became the first city in India to have electricity, powered by the hydroelectric plant situated in Shivanasamudra.

Bangalore's reputation as the Garden City of India began in 1927 with the Silver Jubilee celebrations of the rule of Krishnaraja Wodeyar IV. Several projects such as the construction of parks, public buildings and hospitals were instituted to beautify the city.

Bangalore during the post–independence era

After Indian attained independence in August 1947, Bangalore remained in the erstwhile Mysore State of which the Maharaja of Mysore was the supreme administrator. Public sector employment and education provided opportunities for Kannadigas from the rest of the state to migrate to the city.

Bangalore experienced rapid growth since 1940s as the immigration into the city from other parts of Karnataka had increased by leaps and bounds.

By 1961, Bangalore had become the sixth largest city in India, with a population of 1,207,000. In the years that followed, Bangalore's manufacturing base continued to expand with the establishment of private companies such as

Motor Industries Company (MICO; a subsidiary of Robert Bosch GmbH), which set up its manufacturing plant in the city.

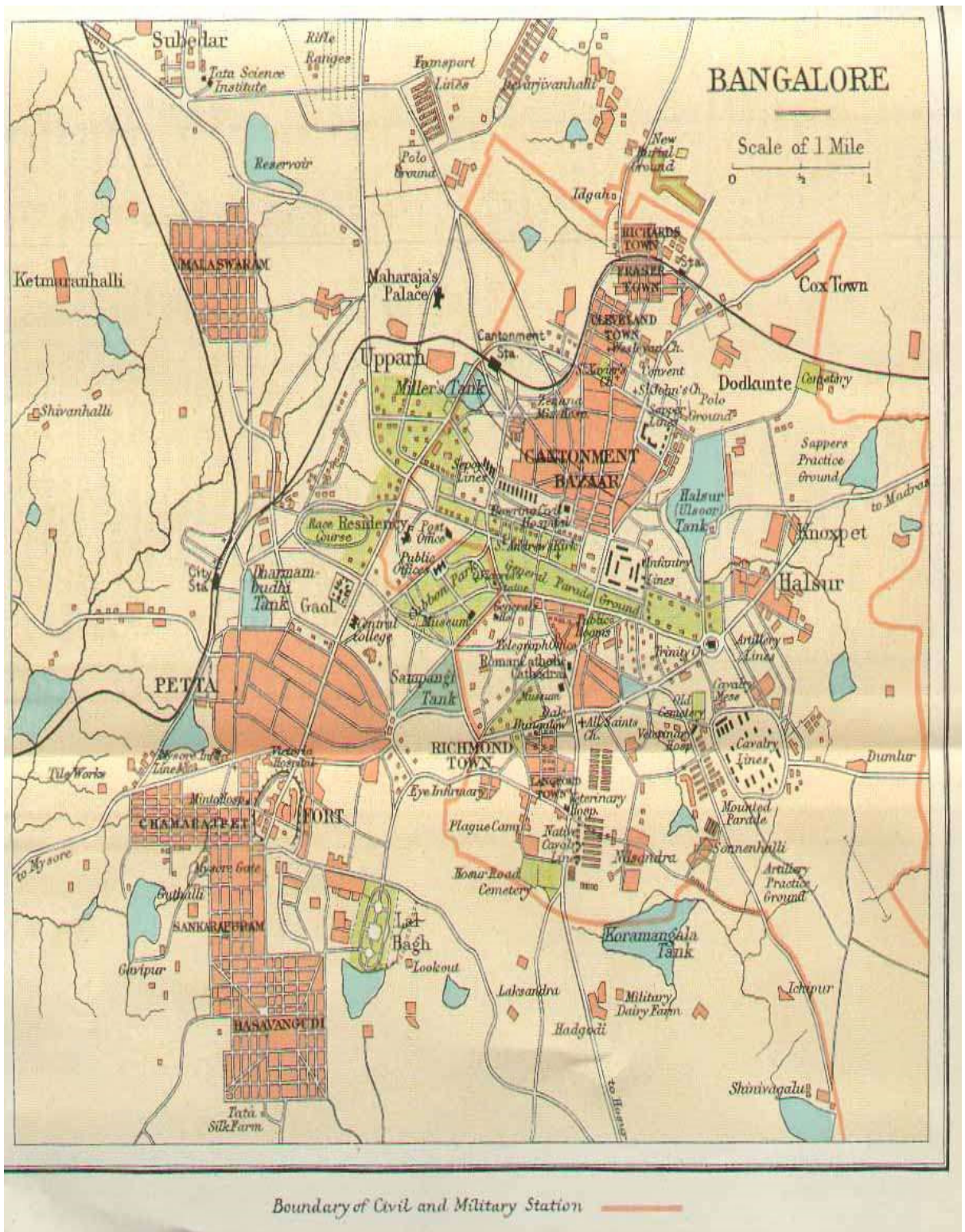
Bangalore experienced a growth in its real estate market in the *1980s* and *1990s*, spurred by capital investors from other parts of the country who converted Bangalore's large plots and colonial bungalows into multi-storied apartments.

In *1985*, Texas Instruments became the first multinational to set up base in Bangalore. Other Information Technology companies followed suit and by the end of the 20th century, Bangalore had firmly established itself as the *Silicon Valley of India*.⁴

Bangalore thus had the influence of major dynasties and rulers who contributed to the cosmopolitan culture that is so unique to the city even today. The following map shows the early regions of Bangalore under the British rule. Several factors as presented above contributed for the Bangalore's growth and entrepreneurship. The Indian culture, the British influence, the Public sector ventures, the setting up of educational institutions, the base for multinational companies, the electronic and software wave, compounded with cool salubrious climate and warmth of the people, have helped to create a haven for tourism activities.

MAP 3.1

HISTORICAL MAP OF BANGALORE, DURING THE BRITISH REGIME



Source: Epigraphica Carnatica. Vol.9, Bangalore Taluk 1905.

Bangalore – A Snap Shot

Area	:	368 sq. km.
Population	:	5.5 million
Altitude	:	3000 ft. above sea level
Climate	:	Salubrious and warm
Warmest months	:	March–May average temperature 33 degree
Coolest months	:	December–January average 23 degree
Language spoken	:	Kannada, English, Hindi, Telugu, Tamil and Urdu are widely spoken.
Major Industries	:	Aircraft, earthmoving, watches, garments, silk, Machine tools, handicrafts, computer software, Computer hardware, electronics, telecommunication, and information technology, tourism and hotel, educational institutions, steel and coffee.

Highlights of Bangalore: The Garden and Electronic city to some and the Silicon Valley of India to others, Bangalore now renamed as Bengaluru is the capital of Karnataka from 1956. Bengaluru city which was founded and built by Sri Kempegowda II (1513-69) a noble and courageous administrator. He was a Yelahanka feudal chieftain of the Avathi dynasty and was ruling as a feudatory of Krishnadevaraya and Achutaraya of Vijayanagara Kingdom. Today this city has gained International popularity in various fields including Information technology, Bio technology, Medicine and Education. Bangalore is the home of International Standard. Research and Development centers, educational institutes like IIM, IISc and National Law School and professional colleges sending out a large pool of human resource which is put to optimum use. These are a number of well equipped industrial and research centers like Central power research institute, National Aeronautical Laboratory, Indian Institute of science along with the industrial centers like Electronic city and International Tech Park making Bangalore leader in Information

technology. The latest addition being the state of art International airport, BIAL.

Access to Bangalore: **Air:** Bengaluru International Airport (BIAL) at Devanahalli around 35 kms. from the city. (Domestic and International Air services are available).

Rail: Bengaluru City Junction and Yeshwanthpur are two main railway stations, connecting all major cities in India.

Bus: Kempegowda Bus Station (KBC) at Majestic Opposite to Bangalore City railway station, BMTC city Services and KSRTC long route Buses operate from this point.

The Golden Chariot (Bangalore's Palace on Wheels)

This is a joint project of KSTDC and the Indian Railways (IR). This train operates every week on Monday from Bengaluru and takes passengers on a memorable week-long ride through the historic destinations (7 nights / 8 days journey covering Bengaluru, Mysuru, Kabini, Belur, Hampi, Badami, and Goa.) After halting at Goa for a while, the train concludes its journey by dropping the passengers back at Bengaluru on Monday.⁵

MAP 3.2 TOURIST MAP OF BANGALORE



Source: www.mapsofindia.com

The tourism destinations in and around Bangalore can be seen in Map 3.2. There are monuments, places of worship, heritage buildings, museums, planetarium, parks, lakes, entertainment houses and ethnic villages in and around the city. The below mentioned destinations are the very important ones that are presented below.

Places of Tourism interest in Bengaluru (Bangalore)

The documented places were found to be popular tourist attractions in terms of volume of tourist traffic and the business potential associated with the tourism industry.

Vidhana Soudha

This is the largest legislature cum secretariat building in the country built by the then Chief Minister of Mysore State, Kengal Hanumanthaiah between 1951-56. This was built mainly on the union of Dravidian, Rajasthani, Chola and Karnataka styles of architecture. The ornamental motifs, floral patterns and chiseled geometric designs are all distinct and not a single design has been repeated. The stone structure is completely built by granite stones of different colors found in and around Bangalore. About 5000 laborers, 1500 sculptors with a team of engineers lead by B.R. Manikam worked for around 4 years to complete this structure.

Attara Kacheri (Karnataka High Court)

Attara Kacheri literally means 'Eighteen Offices' or Departments. It is a fascinating two storied building of stone and brick and in color and has been

built in the Greece-Roman style. Rao Bahadur Arcot Narayanaswamy Mudaliar completed this building in 1868. It was earlier known as the old Public officers, now has the officers of the High Court of Karnataka. High Court building, Bangalore 560001.

St. Mary's Basilica

Built as a small chapel in 1818 by Abbe Dabios, but was later converted into an ornate Gothic style Church by Rev. L.E Kleiner, during 1882 and renovated during 1947. It is situated at Shivajinagar, Opposite Russel Market.

St. Mark's Cathedral

The cathedral was founded in 1808 and completed in 1812 and was consecrated by the bishop of Calcutta in 1816 It had a colonial structure with a graceful dome. 1 MG Road, Bangalore 560001.

St. Andrew's Church

Scottish kind architecture in Bangalore stained glass windows depicts Lord Jesus and his eight Apostles. Contains a plaque of John Cook, the Principal of Central College in Bangalore 1915, Cubbon Road, Bangalore 560025.

Cubbon Park

The park was constructed by Lord Cubbon in 1864 over an area of 300 acres. 'Putani Express Train' (children's train) is there for children's entertainment. Here another attraction is Aquarium located at Cubbon Park.

Visweshwaraiah Industrial and Technological Museum

Located on Kasturba Road, near Venkatappa Art Gallery, this museum is a tribute to the brilliance of Shri. M. Vishwaraiah one of the architects of modern Karnataka.

Nehru Planetarium

Located near Vidhana Soudha, it is a visual delight for children and adults. It allows exploring the fascinating world of astronomy through 'The Sky Theatre show.' Timings Daily 2 shows at 10.00 hrs and 16:30 hrs. except on Mondays.

Indira Gandhi Musical Fountain

Musical and colorful dancing fountain shows are held in the LRDE Garden, which is located opposite to Nehru Planetarium.

Kempe Gowda Tower

It is at Chennamma (Hudson) Circle, a 60 foot tall tower is tributed to Bengaluru founder Kempegowda and now it is another land mark of Bengaluru.

Ulsoor Lake

This lake is centrally located over a space of 1.5 sq. kms. Its nearby Someshwara temple in Ulsoor is said to have been a Chola structure, it was rebuilt and enlarged by Kempegowda.

Lord Shiva Statue

One of the biggest statues located on the HAL Airport road. A 65 feet high depiction of Lord Shiva seated in Lotus position.

Chowdiah Memorial Hall

It is near Sankey Tank. It is a violin shaped building, constructed in memory of T. Chowdiah, a renowned violinist of Karnataka. This is an auditorium which hosts premier cultural programs.

Bengaluru Palace

This palace was built by Chamaraja Wodeyar in Tudor style inspired by the Windsor Castle in 1887.

Indian Institute of Science

Founded by the Tatas, this Premier Science Institute is the Alma Mater of many famous Indian scientists. The Noble Prize Winner C.V. Raman and space scientist Vikram Sarabhai are among the many eminent people who have done research here.

ISKCON Temple

Located on the Hare Krishna Hill near Rajaji Nagar via Chord Road, there is a main temple hall that houses the altars of Lords Sri. Radha Krishna – Chandra, Sri Krishna, Balarama and Sri Nitai Gouranga. Other two temples nearby are Sri. Srinivasa temple and Lord Anjaneya temple both situated at Mahalakshmi Layout.

Tipu's Fort

It is near City Market, the only fort remains in Bengaluru. Originally a mud and brick structure the Fort and the Palace was summer residence of Tipu Sultan.

Bull Temple

The Bull or Nandi temple is one of the oldest temples of Bengaluru. It was built by Kempegowda in the Dravidian style. Dodda Ganesha Temple and Ramakrishna Ashram are other attractions in the nearby place.

Gavi Gangadareshwara Temple

Located at Kempe Gowda Nagar the temple is sanctified due to a strange occurrence. Every year on 14th or 15th of January – Makara Sankranthi day, a ray of sunlight passes exactly through the horns of the Nandi Statue (stone bull) outside the temple and illuminates the deity Shiva Linga inside the cave.

Lalbagh Gardens

This expanse of greenery is one of the India's most beautiful Botanical Gardens. Lalbagh was established in 1760 by Hyder Ali. Later Lalbagh was expanded by his son Tipu Sultan

Government Museum

The state Archeological Museum also known as Government Museum was designed and built by Colonel Sankey in 1876. Being one of the old

museums in the country has an exquisite collection of coins, sculptures, old paintings, inscriptions and excavated items. The original collection of the museum belongs to B.L. Rice of Mysore Gazetteer, Kasturba Road, Bangalore 560 001.

Aquarium

Situated at the entrance of Cubbon Park, the aquarium is housed in an octagonal shaped building that was opened in 1983, and is the second largest aquarium in the country, having a large variety of aquatic life, exhibiting the largest number of indigenous and exotic, cultivable as well as ornamental pet fish. This aquarium is maintained by department of fisheries.

Seshadri Iyer Memorial Hall

This red building in Cubbon Park was built to commemorate K. Sheshadri Iyer, who was the Dewan of Mysore State. There is a library housed in this building, which was set up in 1915 and a statue of Seshadri Iyer in a small rose garden in front of the hall. State Central Library, Cubbon Park, Bangalore 560 001.

HAL Heritage Centre and Aerospace Museum

Located near the airport the HAL Heritage Centre and Aerospace Museum set up by HAL attracts tourists, students and flying enthusiasts. One can have a glimpse of HAL's achievements through translates, photographs, models of aircraft and space vehicle.

Rajarajeshari Temple

Situated at Rajarajeshwari Nagar this temple houses Goddess Durga. The temple is famous for several festivals and draw lot of tourists.

Wonder La and Waterla (the Scream Park)

Situated at Wonder La Holidays Pvt. Ltd. Jadenahalli Road, Hejjala P.O. Bengaluru 109; it is an amusement park for family entertainment. Other place to visit nearby is Shri. Kaaryasiddhi Vinayaka temple.

Manchina Bele Dam

This is 36 Kms. from Bengaluru by road and about 8 kms. from the Big Banyan Tree. Route: Proceed from the Big Banyan Tree via Chikkappa Circle Excellent getaway tourist destination.

Janapada Loka

About 30 kms from Bengaluru on Mysore road is a big complex of folk arts and folk crafts. Exhibition of folk lifestyle, folk dance, folk music, folk drama are presented by folk artists.

Places of tourist interest on Kanakapura Road.

Art of Living Ashram

Around 21 kms. away from Bengaluru, on Kanakapura road this popular ashram is situated that attract lot of tourists. The high point of the tourists' visit to the Ashram is for darshan of Sri. Ravi Shankar. The Vishalakshi Mantap, Vedha school, Sumeru Mantap, Meditation Hall are other attractions.

Pyramid Meditation Centre

It is Asia's largest Pyramid meditation centre, situated around 40 kms away from Bengaluru on Kanakapura Road. This is located at Pyramid Valley in Keppedoddi village near Harohalli.

Bannerghatta National Park

It was established in 1971 about 21 kms away from the city, this lion and Tiger Safari Park is an important place to visit. There is also a Crocodile and snake farm attracting many visitors.

Butterfly Park

This is the Country's first Butterfly Park that has been established at the Bannerghatta Biological Park. The ButterflyPark is spread across 7.5 acres of land.

Satya Sai Ashram, Brindavanam

Situated at Whitefield, 16 kms from city is the peaceful village of Brindavanam which is the abode of Sri.Satya Sai Baba of Puttaparthi.

Lumbini Gardens

An unique water-front leisure and Eco-friendly Boating Park stretching over 1.5 kms along the Nagavara Lake near Hebbal.

Electronics City

This is situated on 300 acres of land about 18 kms. from Bengaluru on Bengaluru–Hosur Road. The complex forms the centre of electronics industries.

Nandi hills

This is situated 60 Kms.north of Bengaluru near Chikkabalapur, one of the popular retreats of Tipu Sultan. Tipu Drop, a 600 m high cliff face provides a magnificent panoramic view of the beautiful terrain. Other attractions are Yoga Nandishwara temple a beautiful Chola temple.

Kaiwara

The site is 79 Km from the Bengaluru city area. It has a small hillock where temples dedicated to the Pandavas of Mahabharatha are constructed. The town has a Vishnu temple and Samadhi of Kaiwara Naranappa. The site attracts sustainable tour packages.

Nrityagram Dance Village

This gurukul of dance art is 30 Kms. away from Bengaluru via Tumakuru road towards Hesaraghatta. This dance village was founded by Srimati Protima Bedi, one of the finest Odyssey dancers of India.

Shivagange

This site is 56 Kms. from Bengaluru via Tumkuru road, An interesting hill naturally marvelous with four faces, rising to a height of 4599 ft. looks like a Nandi from the East, Ganesha from the west, a Linga from the south and Cobra with its hood spread from the Northern side.⁶

Growth of Domestic Tourism due to Places of Tourism Interest in and Around Bangalore

Bangalore thus is endowed with a large number of diverse tourists' attractions that entice significant number of tourists to flock to Bangalore. By virtue of their potential these attractions not only attract the domestic tourists but also tourists from abroad. Though the proportion of domestic tourists to international tourists is high, the latter category is increasing tremendously over the years.

Interviews with various tour operators, transport operators and travel agents revealed that lot of business generation is generated from domestic tourism. Domestic tourism was found to be active in about 100 kms radius around Bangalore city. Mostly these places include places of religion, historical and cultural significance.

Growth of Karnataka and Bangalore

Karnataka has been in the forefront in the industrial development for a long time. For several years now, the state has been consistently pursuing progressive industrial policies to meet the changing needs of the state's economy and industry. Over the last 100 years, the state has had the distinction of building a strong and vibrant industrial base, which combines the intrinsic strength of large industrial public sector undertakings, large and medium private sector, large and medium privately owned industries and a very wide and dispersed small scale sector. The state has demonstrated its strength over a wide spectrum of sectors in industry and has outstanding examples of success

in the old economy. In recent times, Karnataka has emerged as the knowledge and technology capital of the country making rapid strides in the new economy as well. IT and related industries, biotechnology and strong research and development institutions have given Karnataka a pride of place in the global market.

Karnataka is among the five industrialized states in the country. The achievements in promoting high-tech industries in any key sectors like Electronics, Precision Engineering, Automobiles, Readymade garments, Biotechnology and Food Processing have been noteworthy. The state has also witnessed considerable Foreign Direct Investment (FDI) both in Bangalore as well as in other parts of Karnataka.

Map 3.3 shows the map of Karnataka with all the districts and clearly shows the strategic location of Bangalore. The state capital lies at the southern end close to the borders of progressive states as Tamil Nadu and Kerala. Bangalore thus commands logistics advantage for commerce, industries and tourism. A study of all the state industrial policies have been done to find out the amount of encouragement and incentives the government provided over the years to develop industrial development, self-employment and especially to boost entrepreneurships.

MAP 3.3

MAP OF KARNATAKA WITH ALL DISTRICTS



Source: www.mapsofindia.com

Entrepreneurship Development

- Thrust will be given for promotion of self-employment by local youth through proper backup support and facilitation. All efforts will be made to inculcate entrepreneurs. More emphasis would be placed on motivating youth belonging to under privileged sections of the society. CEDOK will take a leading role in these activities.
- Counselling and handling mechanism will be strengthened by dovetailing Rajiv Gandhi Udyami Mitra Yojana introduced by the Central Government.
- To motivate the prospective entrepreneurs; Guidance cell in the DIC s will be strengthened. The cell will help entrepreneurs both at entry and implementation level.
- Necessary support will be provided to micro level enterprises to graduate to higher level due course of time. Escort services will be provided by the Guidance cell in this growth process. 'Karnataka Kaigarika Darsana' will be arranged every year benefiting the entrepreneurs to have wider exposure on successful ventures across the state / other states.
- Industries are also encouraged to participate in trade fairs / exhibitions both national and international not only to promote their products and services but also as learning process.

High Power Committees to Oversee the Policy Implementation:

A state-level coordination committee and district-level committees are being set up for regular interaction with stakeholders. To enhance job skills of educated youth, on the job training programs are planned with a stipend of Rs.1500 a month per individual trainees.⁷

The various industrial policies of Karnataka are committed to encourage investment in industries. The industrial policies have rich inputs of aiding in procurement of all the business resources by the prospective industrialists. The state government opened the doors to all enterprises including tourism. Thus it was quite natural for entrepreneurs to exploit the opportunities thrown open by the favorable situation.

Central and State Policies of Tourism Development

Tourism Development Policies of Government of India

Government of India provides policy directions to tourism promotion. It monitors foreign tourists' arrivals, international and national air transportation, development of luxury and supplementary accommodation facilities and so on. The map of India (3.4) presented shows the numerous tourism destinations the country is blessed with. All the states have their share of multiple tourist destinations. The map highlights tourism destinations ranging from monuments and pilgrimage centers, wildlife sanctuaries, to beaches and hill resorts, besides the national and state capitals.

MAP 3.4

TOURIST MAP OF INDIA



Source: www.mapsofindia.com, Department of Tourism Government of India

The Five Year Plans of India Tourism

India adopted a policy of planned approach to the national development. It was through Five Year Plans initiated in 1952, when the First Five Year Plan was formulated. However tourism did not receive much attention in the First Five Year Plan, as the focus of the government at that time was self-sufficiency and self-reliance. The notable work related to tourism during the first plan period was upgrading of tourist traffic branch of Ministry of Transport as The Tourist Traffic Division in 1955-56. This up-gradation consequently helped in opening the India Tourist Offices at London in July 1955, at Paris in February 1956, at Melbourne in September 1956, and at Colombo in October 1956.

Tourism in India, in an organized fashion is of very recent origin. It began to develop only from the 1950's. Yet in about just four to five decades, it took a firm shape and began to influence the behavior, the perception, the activity and the economics of millions of people. The progress of its development can be tracked with the progress of Five Year Plans.

Starting from the *Second Five Year Plan* (1956–1961) Tourism received considerable attention at the national level. The plan outlay for tourism during that period was Rs.1.58 Crore which funded two types of schemes, namely the development of facilities at a few places of tourist interest for foreigners and for the development of homes for the domestic low and middle income groups at places of religious importance.

The *Third Five Year Plan* (1961–1966) programme concentrated largely on the provision of accommodation and transport facilities. The Central

schemes catered to foreign tourists while the schemes of the states focussed on domestic tourism at a plan outlay of Rs. 4 crores. The important milestone establishment during the plan period was setting up of India Tourism Development Corporation (ITDC) in 1966 by unifying the Hotel Corporation of India, India Tourism Transport Undertaking and India Tourist Corporation. This was followed by another significant move when the Ministry of Civil Aviation and Tourism was formed in 1967. The *Fourth Five Year Plan* (1969-1974) looked at foreign exchange earnings as the prime objective of tourism development with an additional benefit of employment generation at a plan outlay of Rs. 25 crore.

In the *Fifth Five Year Plan* (1974–1977), tourism seems to have suffered a setback in both in respect of resource allocation and clarity of objectives. The Plan outlay got dropped to Rs.23.62 Crores. However, tourism had a fortune during the *Sixth Five Year Plan* (1980–1985), with an increase in allocation to Rs.72 crores for the plan outlay. The focus of tourism development shifted to social and economic benefits like promotion of national integration and international understanding, creation of employment, support to local handicrafts and cultural activities, sources of tax revenue for Government. This could be termed as the beginning of new thinking for tourism in India. Accordingly, the National Policy on Tourism formulated in 1982 with the following vision:

- Tourism becomes a unifying force nationally and internationally fostering a better understanding.

- It helps preserving Indian heritage and culture and projecting the same to the world.
- Tourism brings socio-economic benefits in terms of employment, income generation, revenue generation, foreign exchange etc.
- It gives direction and opportunity to the youth of the country in national integration.
- Tourism offer opportunities to the youth in employment, nation building and character building through sport, adventure and so on.

The *Seventh Five Year Plan* (1985–1990) improved the allocation to tourism further to Rs.138.68 Crores. The important thrust areas for action were development of tourist circuits, diversification of tourism product with an expansion of its base from cultural tourism to other forms of holiday tourism. Added to this, there were developments of non-traditional areas such as trekking, winter sports, wildlife tourism, beach resort etc. This clearly marks the organized approach to development of tourism. Another notable feature of this plan period was setting up of Tourism Finance Corporation in 1989 for extending financial assistance to tourism related activities and services. In this regard, the government had rightly taken the efforts to develop various sectors of tourism namely attraction, accessibility and amenities.⁸

The *Eight Five Year Plan* (1992–1997) saw an outlay of Rs.272.00 crores for tourism promotion and development. Introduction of Special Tourism Areas (STA) which was aimed at providing full-fledged infrastructural facilities, tourism development programmes for backward areas and the call for

the states to formulate Master Plans for tourism with coordinated approach with all related sectors marked the launch of this Eight Five Year Plan. The Government firmly viewed that as industry tourism is equipped with reasonable infrastructure and is poised for a self-sustained growth. To realize this objective the Government revolved that:

- Future growth of tourism should be achieved mainly through private initiative, and
- The states should confine its role to planning broad strategies of development, providing fiscal and monetary incentives to create a dynamic private sector and devising regulatory and supervisory mechanism.

Accordingly in May 1992, Department of Tourism formulated an action plan called 'National Action Plan for Tourism' (NAPT) with the twin objectives of increasing India's share in world tourism from 0.4 percent to 1 percent and foreign exchange earnings from Rs. 2440 Crores to Rs. 10,000 Crores by turn of the century.

In the case of the *Ninth Five Year Plan* (1998–2002), the approach was be to concentrate on the development of selected centers and circuits through effective coordination of public and private efforts so as to achieve synergy in the development of tourism. It also proposed certain thrust areas of tourism such as Indigenous and Natural Health Tourism, Rural and Village Tourism, Pilgrim Tourism, Adventure Tourism, Heritage Tourism and Youth and Senior Citizens Packages. The most memorable event of the ninth five year plan was

the launching of the *Incredible India* campaign during 2002 that heralded the era of the branding of the product of Indian Tourism.

During the *Tenth Five Year Plan* (2002–2007), emphasis was laid on five aspects:

- Positioning and maintaining tourism development as a national priority activity.
- Enhancing and maintaining the competitiveness of India as a tourist destination.
- Improving India's existing tourism products and expanding these to meet new market requirements.
- Creation of World Class infrastructure and develop sustained and effective market plans and programmes.
- Special thrust was made on to rural and small segment tourism.

The current *11th Five Year Plan's* (2008–2012) focus is on achieving International tourist arrivals of 10 million by the end of the 11th Plan through diversification of source markets, increase in the per capita spending and length of stay of international visitors and by reducing seasonality. The plan also proposes to achieve a target of 760 million domestic tourists by 2011 at an annual growth rate of 12% and to increase accommodation units.⁹

Foreign Exchange Earning Capacity of India from Tourism Business

Tourism business helps India to earn a sizeable foreign exchange. The inflows of foreign tourists visiting India contributed for better international relations and develop cross cultural understandings. According to the ministry

of tourism, as presented in *Table 3.2*, the foreign exchange earnings were Rs. 33,123 crores on 2005, and increased to Rs.40,375 crore in 2006 and Rs. 49,413 crore in 2007. Meanwhile, tourism continues to grow. In between January–August 2008, tourism arrivals showed an increase of 13 per cent to 6 lakh compared to 5.32 lakh in January 2007 as presented by *Table 3.1*. The international tourism accounts for 30% of the world trade in services. As per the Global Travel and Tourism Summit held at New Delhi, April 2005, at the end of 2005 out of top 10 lists of fastest growing travel and tourism economies, India is ranked number three after Montenegro and China.¹⁰

TABLE 3.1
FOREIGN TOURIST ARRIVALS (FTA) IN INDIA 1996–2008

Year	FTA in Million	Percentage (%) change over the previous year
1996	2.29	7.7
1997	2.37	3.8
1998	2.36	- 0.7
1999	2.48	5.2
2000	2.65	6.7
2001	2.54	- 4.2
2002	2.38	- 6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	2.72	11.1@
Jan–June (P)		

P: Provisional @: Growth rate over Jan–June 2007.

Source: (i) Bureau of Immigration, Govt of India, for 1996–2007(ii) Ministry of Tourism, Govt. of India, for 2008.

TABLE 3.2**FOREIGN EXCHANGE EARNING (FEE) (IN RS CRORE) FROM
TOURISM IN INDIA, 1996–2008**

Year	FEE from Tourism in India (in Crore)	Percentage (%) change over the previous year
1996	10046	19.2
1997	10511	4.6
1998	12150	15.6
1999	12951	6.6
2000	15626	20.7
2001	15083	- 3.5
2002	15064	- 0.1
2003	20729	37.6
2004	27944	34.8
2005	33123	18.5
2006*	39025	17.8
2007*	44360	13.7
2008# Jan–June	25825	18.2@

*Revised Estimates; #Advance Estimates; @Growth rate over Jan–June 2007.

Source: i) Reserve Bank of India, for 1996 to 2007 ii) Ministry of Tourism, Govt. of India for 2008.

Evolution of Karnataka Tourism Policy (2002–2007)

Karnataka was among the first States in India to bring out a progressive Tourism Policy as early as June 1992. This had two-fold objectives of promoting tourism-related activities and enhancing employment and income-generation among all sections of the society to further promote tourism in the State. This in turn will give the required entrepreneurial thrust in tourism activities. The Government announced an updated tourism policy with effect from June 1997 for a period of five years; this policy generated considerable

flow of investment from the private sector and also led to several other developments in the tourism sector. Today, Karnataka Government is giving new thrust to promote tourism in the State. All bona fide tourism related enterprises are duly recognized and given special incentives and concessions. Areas that need rapid development have been identified. Infrastructural facilities need considerable investment and the private sector is invited to participate in such areas. They are encouraged to invest in hotels, beach resorts, eco-friendly resorts, wayside facilities, adventure/recreation centers like golf courses, aero sports, amusement parks and other tourism related activities.

Tourism being a major engine of economic growth, the State Government constituted a Sub-Committee of the Cabinet to make suitable recommendations for comprehensive development of tourism in Karnataka; The Cabinet Sub-Committee met several times and held discussions with the ministers and secretaries of all departments connected with tourism. All the recommendations of the Sub-Committee were approved by the Cabinet at its meeting held in April 2002 with certain modifications, followed by the preliminary issuance of a Government order.

Infrastructure development for Entrepreneurs and the Private Sector

The researcher based his study on the secondary data derived from the sources of the government.¹¹ To encourage private sector participation in the various facets of tourism, the following departments namely, public works, urban development, Forests, Ecology, Transport, Finance etc of the state government are mandated to streamline their policies and procedures. This is

to ensure concerted efforts in upgrading infrastructure and making available better opportunities for the private sector in the field of tourism:

Fiscal Incentives for Entrepreneurs

To encourage entrepreneurship and private sector participation in all tourism-related activities in the State, the following incentives and concessions are offered in the policy period:

- All concessions offered under the Industrial Policy of the state are made available for private investments also in the tourism sector.
- Luxury Tax to be charged only on room tariff above Rs. 400 (Rupees Four Hundred) and to be charged only on actual tariff collected, a cap of 10% to be placed on it.
- Additional state excise duty of 66% on imported liquor to be reduced to 25% or levied on basic rate.
- Motor Vehicle Tax levied on tourist vehicle plying between States to be rationalized on a reciprocal basis.
- 50%/100% stamp duty exemption for investment below/above Rs.50 (Rupees Fifty) crores.
- Concessional registration charges of Re. 1 (Rupee One) per Rs.1000 (Rupees One Thousand)
- Waiver of Conversion Fee .Entry Tax exemption during implementation of project for a period of three years.
- Entertainment Tax exemption of 100% for first three years and 75% for next two years for I-Max theatres only.

- Tax on aviation turbine fuel is reduced to 4% and underwriting 50% of tickets of private airlines for an initial period of three years.
- Government land will be offered at 50% of its market value to entrepreneurs.

In accordance with the policy declaration, the following business/commercial establishments of tourism are eligible for incentives and subsidies fund by the Karnataka government:

- Hotels
- Tourist resorts
- Wayside facilities
- Amusement parks
- Houseboats
- Adventure/Recreation activity centre
- Heritage hotels
- Tourist village
- Dormitory

Any other tourism related projects at the discretion of the Tourism Department.

Specification of Hotels eligible for incentives

Entrepreneurs of hotel and lodging business were given a number of incentives. The government was particular in promoting certain specific types of accommodation and thus stipulated the norms.

Hotel

According to the tourism policy nomenclature, Hotel means a boarding and lodging unit providing a minimum of 20 fully furnished beds in 10 double-

rooms, each attached with sanitary fitted toilets and bathrooms, in addition to a restaurant, reception and public area, and sufficient parking area. The hotel may also have a cluster of huts/cottages with a minimum of 20 fully furnished beds with attached bathrooms along with other facilities mentioned above.

Tourist Resorts

Tourist resorts were identified as those units which have minimum of 10 double rooms/cottages, with sanitary fitted toilets and bathrooms, restaurant, reception, parking slot, two shops, etc., preferably with the following activities/facilities:

- i. Health club/Nature cure facility
- ii. Swimming pool or games
- iii. Children's park

Wayside Facilities

The policy also identified Wayside facilities are those located on National, State and District highways in Karnataka providing lodging and boarding, fast food, and general toilet facilities. They should have five double rooms and one dormitory which can accommodate 25 persons, with attached bathrooms and toilet facilities, sufficient parking area, three shops and STD facility for group tourists/motorists traveling by road. The minimum land requirement is half an acre. These projects proved to be relatively less capital intensive for the entrepreneurs.

Amusement Water Parks

Proposal of Amusement Parks, offered to the entrepreneurs, refer to an open area developed for recreational facilities for people of all ages. They should contain various kinds of fun/joy rides, water slides etc. They should contain facilities for entertainment activities permissible under law, magic shows, science fiction shows, restaurant, toilets, telecommunication, first aid, adequate parking etc. They should also contain two shops and residential accommodation with a minimum of 10 double rooms attached with sanitary fitted toilets and bathrooms.

House boats

A houseboat means a boarding-cum-lodging facility available on a water body such as a lake, backwater or river system, having at least two properly furnished bedrooms with attached sanitary fitted bathrooms and toilets, and independent dining and drawing rooms with a separate kitchen.

Adventure/Recreation Activity Centre

A rather innovative venture proposal was offered as Adventure/Recreation activity center which means a facility for learning as well as undertaking various adventure activities such as rock climbing, Para sailing, hang gliding, hot air ballooning, rafting, kayaking, yachting, water skiing, angling, golfing and all other adventure-related activities. The center must provide complete technical equipment, expert instructors and rescue arrangements for the activities that it offers. The activity centre should be

operated in accordance with international safety standards and regulations for these activities. It may provide in-house boarding and lodging facilities for at least 20 persons.

Heritage Hotels

Heritage hotels are hotels run in heritage buildings built prior to 1950 and approved by the Department of Tourism as per its guidelines.

Tourist Village

A Tourist Village project should provide glimpses of the rich heritage, art and culture, handicrafts, folklore, lifestyle, and cuisine of the State. It should also comprise of a minimum of 10 double rooms attached with sanitary fitted toilets and bathrooms, restaurant, two shops and a stage to perform various forms of art.

Dormitory

This is a boarding and lodging unit catering to the needs of mass tourists with a minimum bed capacity for 50 persons, a floor area of 1000 sq. ft with separate sections for males and females, and separate toilet and bathroom facilities attached to the dormitory. It should have a kitchen, dining hall and sufficient parking area. Minimum requirement of the site is 10,000 sq. ft.

Karnataka Tourism Policy at present

The new Tourism Policy for Karnataka for the period 2007-12 has been already declared, and it promised thrust on entrepreneurial ventures in many

innovative areas. The most important factor is the state's effort to open the gate for private investors to invest in the tourism sector in Karnataka. A tourism investment meet called the 'Momentum Karnataka' was organized in February 2008, to bring various players under a single platform. The major features of the earlier policy of 2002–2007, remain the same with certain emphasis on new thrust areas. For the purpose of the present study, the researcher is only focusing on these new thrust areas.

Eco-Tourism: An eco-tourism zone stretching from Coorg to Karwar will be declared and a chain of nature camps will be established and branded as jungle trails. Locations suitable for development will be identified and mapped including excess land available with the government and tourism related corporations such as Jungle Lodges and Resort and KSTDC. A comprehensive eco-tourism policy and guidelines will be brought out in consultation with the forest department. Private sector players will be invited to develop theme projects that will have minimal impact on the environment and projects that will help nurture the existing environment.

Cultural Tourism: In each district, a heritage building will be identified for setting up a tourism house to showcase and develop the local arts and crafts.

Heritage Tourism: Karnataka tourism policy established Heritage zones will be formed around the heritage sites of Hampi, Pattadakal, and Badami, which will be developed according to the master plan. A standardization and clarification programme will be undertaken with Diamond Star Mane (for international standard, heritage property), Gold Star Mane (for

international standard and re-created heritage property) and Silver Star Mane (for quality heritage homes). The English equivalent of the word Mane is home that aptly upholds the Karnataka heritage.

Home Stays: A network of home stays will be developed across the state and branded as “Atithi”. The home stay will be minimally regulated and will be treated as noncommercial venture. This proposal gave the scope to almost all house owners to venture in tourism business.

Cruise Tourism: Mangalore the port city, will be developed into a major cruise tourism hub through development of a international standard dedicated cruise as a public–private initiative, that will open the doors to many entrepreneurs.

To offer entrepreneurial scope to a large section of people of varied backgrounds, the Department of Tourism, Government of Karnataka for the first time created four *Tourism Zones* in order to effectively analyze the demand and develop these zones with concentrated effort. The zones are identified as follows:

Zone 1: Within Bangalore city limit. This will be a low priority zone with few tax benefits.

Zone 2: Bangalore Metropolitan and Rural Development Authority (BMRDA)
This zone will be priority zone for attracting destination projects and act as a national hub for global events and activities.

Zone 3: Mysore, Coorg, Hampi, Pattadakal-Badmi–Aihole, Bijapur, Bidar and the coast from Ullal to Karwar. This zone will be notified for priority development, in an integrated manner with integrated tourism development plans.

Zone 4: All other tourist destinations of Karnataka and wayside facilities on approved locations on national and state highways. This zone will enjoy a range of benefits and tax incentives for a period of up to 5 years.

Tourism Entrepreneurship Opportunities in Bangalore

Karnataka's tourism performance as one among 10 leading states of India

A study of Karnataka's tourism performance as compared to other states was essential to understand the entrepreneurial trends in tourism business. The official statistics of Department of Tourism, Government of India on domestic and foreign tourist visits, have been presented in the report.

Karnataka was found to be the fourth in domestic tourists' visits to the state as shown by *Table 3.3* and the eight in number of foreign tourists' visits to the state as presented by *Table 3.4*, when compared with other leading performers. Andhra Pradesh leads the domestic tourists list with 24.3% of the market share; followed by Uttar Pradesh at 22.1% and Tamil Nadu at 13.5% and then Karnataka at 7.1%. The main attraction for the tourists was found to be a) Religious places and related architecture, b) Natural beauty of destinations.

Interesting find was Rajasthan being 5th in domestic tourism, as well as 5th also in foreign tourist visits, with all the media limelight and government propaganda. Goa, with all its hype, could not get a rank among top ten in domestic visits and just managed the last 10th position with 3% of the market share in foreign tourist visits, market. The truth is Goa actually does not get a fraction of tourists that public estimate it to be. Whereas a politically disturbed

state like West Bengal ranked 8th in domestic and 6th in international tourist visits. Study show West Bengal could administer the new thrust area as rural, heritage, wild life and eco tourisms at selective destinations.

The foreign tourist visits ranking were led by Delhi with 15.3%, Maharashtra with 14.6% and Tamil Nadu with 12.9%, occupying the top three slots. Karnataka was ranked 8th with 4.1%. The main factors responsible for the performance were found to be a) A good product mix projecting heritage of the country on the model of “Incredible India”. b) World class tourism facilities as hotels, airlines, airport standards, c) Free from threats of terrorism and political unrest.

Kerala is another state that had brand building and brand promotion in the name of “God’s Own Country.” Kerala also covers wide media networks to reach out to domestic and international tourists. But still the results are dismal as Kerala could not be within the top 10 positions of domestic tourist visits and managed to occupy the 9th position of foreign tourist visits with a meager 3.9% of the market share.

Overall good results were noticed from Uttar Pradesh and Tamil Nadu. Uttar Pradesh was ranked 2nd in domestic tourist visits and 4th in foreign tourist visits. Whereas Tamil Nadu scored 3rd rank in domestic tourist visits, and also 3rd rank in foreign tourist visits.

Under the given circumstances Karnataka cannot be rated as a good performer but definitely the result is respectable with 4th rank in domestic tourist visits and 8th rank in foreign tourist visits.¹⁰

TABLE 3.3**SHARE OF TOP 10 STATES / UTS OF INDIA IN NUMBER OF DOMESTIC TOURIST VISITS IN 2007**

Rank	State / UT	No. of Domestic Tourists	% share of Domestic Tourists
1.	Andhra Pradesh	127933333	24.3
2.	Uttar Pradesh	116244008	22.1
3.	Tamil Nadu	71034651	13.5
4.	Karnataka	37825953	7.2
5.	Rajasthan	25920529	4.9
6.	Uttarakhand	19803280	3.8
7.	Maharashtra	19243597	3.7
8.	West Bengal	18580669	3.5
9.	Madhya Pradesh	13984500	2.6
10.	Gujarat	13477316	2.6
Total of top 10		463957836	88.2
Others		62610962	11.8
Total		526568798	100.0

Source: Department of Tourism, Government of India, State, UT Tourism Statistics.

TABLE 3.4**SHARE OF TOP 10 STATES / UT OF INDIA IN NUMBER OF FOREIGN TOURIST VISITS IN 2007**

Rank	States / UT	No. of foreign tourist visits	% share of Foreign tourist visits
1.	Delhi	2018848	15.3
2.	Maharashtra	1919491	14.6
3.	Tamil Nadu	1703103	12.9
4.	Uttar Pradesh	1493157	11.3
5.	Rajasthan	1401042	10.6
6.	West Bengal	1154770	8.8
7.	Andhra Pradesh	769724	5.9
8.	Karnataka	534563	4.1
9.	Kerala	515808	3.9
10.	Goa	388457	3.0
Total of top ten		11898963	90.4
Others		1269216	9.6
Total		13168179	100.0

Source: Department of Tourism, Government of India, States, and UT Tourism Statistics, 2007.

Bangalore's Environment for Tourism Entrepreneurship

The researcher found out that a number of factors are responsible for tourism growth in Karnataka. The industrial and economic growth, demographic factors, the rich culture, the transportation system, growing educational facilities, and by and large an investment friendly government, all helped the tourism growth in the city. All these in turn stimulated the emergence of hundreds of tourism entrepreneurs in Bangalore.

Economic condition

The last estimate of Bangalore's Rs 260,260 crore, economy (2002–03 Net District Income) makes it a major economic centre in India. With an economic growth of 10.3%, Bangalore is the fastest growing major metropolis in India. Moreover, Bangalore is India's fourth largest fast moving consumer goods (FMCG) market. The city is the third largest hub for high net worth individuals and is home to over 10,000 dollar millionaires and about 60,000 super-rich people who have an investable surplus of Rs. 4.5 crore and Rs. 50 lakh respectively. As of 2001, Bangalore's share of Rs. 1,660 crore in Foreign Direct Investment was the fourth highest for an Indian city.

Industrial scenario

In the 1940, industrial visionaries such as Sir Mirza Ismail and Sir Mokshagundam Visvesvaraya played an important role in the development of Bangalore's strong manufacturing and industrial base. The headquarters of several public sector undertakings such as Hindustan Aeronautics Limited

(HAL), National Aerospace Laboratories (NAL), Bharat Heavy Electricals Limited (BHEL), Bharat Electronics Limited, Bharat Earth Movers Limited (BEML) and Hindustan Machine Tools (HMT) are located in Bangalore. In June 1972 the Indian Space Research Organisation (ISRO) was established under the Department of Space and headquartered in the city.

Bangalore is called the *Silicon Valley of India* because of the large number of information technology companies located in the city which contributed 33% of India's Rs. 144,214 crore IT exports in 2006-07. Bangalore's IT industry is divided into three main clusters - Software Technology Parks of India (STPI); International Tech Park, Bangalore (ITPB); and Electronics City. UB City, the headquarters of the United Breweries Group, is a high-end commercial zone. Infosys and Wipro, India's second and third largest software companies are headquartered in Bangalore, as are many of the global IT giants.

The growth of IT has presented the city with unique challenges. Ideological clashes sometimes occur between the city's IT moguls, who demand an improvement in the city's infrastructure, and the state government, whose electoral base is primarily the people in rural Karnataka. Bangalore has in course of time emerged as is a hub for biotechnology related industry in India and in the year 2005, around 47% of the 265 biotechnology companies in India were located here; including Biocon, India's largest biotechnology company.

Educational opportunities

While studying the human resources and their education scope, it is found, schools for young children are mainly based on the kindergarten form of education. Primary and secondary education in Bangalore is offered by various schools which are affiliated to one of the boards of education, such as the Secondary School Leaving Certificate (SSLC), ICSE and CBSE. Schools in Bangalore are either government run or are private (both aided and un-aided by the government). After completing their secondary education, students typically attend Pre University (PUC) in one of three *streams*—Arts, Commerce or Science. After crossing the PUC or junior college milestone, students enroll in general or professional degrees in universities. Indian Institute of Science, which was established in 1909 in Bangalore by Jamshedji Nusserwanji Tata the founder of the famous Tata group, is the premier institute for scientific research and study in India.

The Bangalore University, which was established in 1964, provides affiliation to about 500 colleges, with a total student enrollment exceeding 300,000. The university has two campuses within Bangalore—Jnanabharathi and Central College. Bangalore is also the home for numerous professional colleges as engineering, medical, dental, hotel management, nursing and fashion designing.

Nationally renowned professional institutes such as the National Law School of India University (NLSIU), the Indian Institute of Management, Bangalore (IIM-B) and the Indian Statistical Institute are located in Bangalore.

The city is also home to the premier mental health institution in India National Institute of Mental Health and Neuro Sciences (NIMHANS).

Transportation system

The state of art newly built Bengaluru International Airport started operations from 24 May 2008. The air transportation was earlier controlled by the HAL Airport which was India's fourth busiest airport. Erstwhile Air Deccan, the recent Deccan 360 and Kingfisher Airlines have their headquarters in Bangalore.

A rapid city rail system called the *Namma Metro* is being developed and is expected to be operational by 2011. Once completed, this will encompass a 42.3 km elevated and underground rail network comprising 41 stations. It is expected, Metro will solve the traffic problem of the city largely. Bangalore is well connected to the rest of the country through the Indian Railways. The *Rajdhani Express* connects the city to New Delhi, the capital of India. Bangalore is also connected by rail to most cities in Karnataka, as well as Mumbai, Chennai, Kolkata, Hyderabad and other major cities in India.

Popular public transport auto-rickshaws, referred to as *autos*, are available in plenty. They are metered and can accommodate up to three passengers. Taxi service within Bangalore is provided by several operators commonly referred to as *Citi taxis* which can carry up to four passengers and are usually metered and more expensive than auto-rickshaws.

Buses operated by Bangalore Metropolitan Transport Corporation (BMTC) are also a means of public transport available in the city. While

commuters can buy tickets on boarding these buses, BMTC also provides an option of a bus pass to frequent users. BMTC also runs air-conditioned Volvo buses on major routes. The Karnataka State Road Transport Corporation operates 6,600 buses on 5,700 schedules, connecting Bangalore with other parts of Karnataka as well as other states.

Cultural environment

Bangalore is the abode of friendly and cultured *Kanadigas* who have welcomed all the numerous immigrants for all other states of India. The richness of *Kanada* culture can be noted in some of the notable festivals and arts mentioned below.

Dasara, a traditional festival of the old Kingdom of Mysore, is the state festival and is still celebrated with great pomp and grandeur.

Bangalore is known as the *Garden City of India* because of its greenery and the presence of many public parks, including the Lal Bagh and Cubbon Park.

The city celebrates a ritual which is known to be Bangalore's most important and oldest festivals called "Karaga Shaktyotsava" or Bangalore Karaga.

Deepavali, the "Festival of Lights", is famous all over India as well as in Bangalore. Other traditional Indian festivals such as Ganesh Chaturthi, Ugadi, Sankranthi, Eid –ul –Fitr, and Christmas are also celebrated.

Bangalore is home to the Kannada film industry, which generates about 80 Kannada cinema productions each year. One of the most notable

contributors to *Sandalwood*, as the Kannada film industry is referred to, was the late Dr.Rajkumar.

The diversity of cuisine is reflective of the social and economic diversity of Bangalore. Roadside vendors, tea stalls, and South Indian, North Indian, Chinese and Western fast food are all very popular in the city. Udupi restaurants are very popular and serve predominantly vegetarian, regional cuisine.

Bangalore is also a major center of Indian classical music and dance. Classical music and dance recitals are widely held throughout the year and particularly during the Ramanavami and Ganesha Chaturthi festivals. The Bengaluru Gayana Samaja has been at the forefront of promoting classical music and dance in the city. 'Bangalore Habba' a cultural festival showcases hundreds of performing artists to the audience.

The city also has a vibrant Kannada theater scene with organizations like Ranga Shankara leading the way. Bangalore is also sometimes called as the "Pub Capital of India" and is one of the premier places to hold international rock concerts.

Demographic environment

Secondary data show, with an estimated population of 5.3 million in 2009, Bangalore is the third most populous city in India and the 28th most populous city in the world. Bangalore was the fastest-growing Indian metropolis after New Delhi during 1991–2001, with a growth rate of 38%

during the decade. Residents of Bangalore are referred to as *Bangaloreans* whose native language speakers form about 39% of the city's population.

The study shows the cosmopolitan nature of the city has resulted in the migration of people from other states to Bangalore. Scheduled Castes and Tribes account for 14.3% of the city's population. Apart from Kannada and English, other major languages spoken in the city are Tamil, Telugu and Hindi. According to the 2001 census of India, 79.37% of Bangalore's population is Hindu, roughly the same as the national average. Muslims comprise 13.37% of the population, which again is roughly the same as the national average, while Christians and Jains account for 5.79% and 1.05% of the population, respectively, double that of their national averages. Due to long British influence, Anglo-Indians also form a substantial group within the city. 47.5% of Bangalore's population consists of women. The positive factors of urbanization are evident as Bangalore has the second highest literacy rate (83%) for an Indian metropolis, after Mumbai. Roughly 10% of Bangalore's population lives in slums - a relatively low proportion when compared to other cities in the developing world such as Mumbai (42%) and Nairobi (60%). The 2004 National Crime Records Bureau statistics indicate that Bangalore accounts for 9.2% of the total crimes reported from 35 major cities in India, which is less when compared to other metro cities of India.¹¹

Some of the salient features of Karnataka Tourism as on 2008–2009 contain the following:

1. Three world class exhibition complexes will be established on outskirts of Bangalore and Mysore.
2. Few theme and entertainment parks will be established on the outskirts of Bangalore, Mysore, Coorg and Bijapur
3. Mangalore to be developed as a cruise tourism hub.
4. Wayside amenities with cafeteria, toilets, mini-store, pharmacy etc. to be established on government land for every 150 km on highways leading to major tourist destinations.
5. Eco-tourism to be developed with forest department and the zone stretching from Coorg to Karwar to be branded as 'Jungle Trails'.
6. Tourism police force to be set up for visible policing in key tourism areas.
7. 100% exemption on Luxury Tax and no conversion fee for tourism coming up in Zone 2 to 4 for a period of 5 years.
8. Establish a premier tourism training center–Karnataka Training Institute.¹²

Present Tourism Trends in Bangalore

Bangalore city enjoyed heavy tourist traffic that in turn led to high occupancy level of rooms and increased sales of air tickets. To meet the demand of the incoming tourists a number of major international hotel chains have launched their new properties. The following *Table 3.5* presents all the forthcoming hotel properties in the city.

TABLE 3.5**MAJOR FUTURE HOTEL SUPPLY IN BANGALORE (AS AT MARCH 2008)**

Project Name	Location	Room Nos.	Due/Open	Likely Star Positioning
Taj ITPL Bangalore	International tech park	199	2008	Five Star Deluxe
J.W. Marriott	U.B.City, Kasturba Road	250	2008	Five Star Deluxe
Trident	Bengaluru International airport	321	2008	Five Star
Shangri – La	CBD	350	2008	Five Star Deluxe
Shangri-La Resorts & Spa	It Corridor	474	2008	Five Star Deluxe
Traders Hotel	Whitefield	280	2008	N/A
Bell Tower Hotel	Whitefield	100	2008	N/A
Keys Hotel Hosur Road	Hosur Road	180	2008	Three – Star
Keys Hotel	Whitefield	150	2008	Three – Star
Hilton Bangalore	Ulsoor	300	2008	Five Star Deluxe
Chancery Group	Devanahalli	250	2009	N/A
Renaissance	Race Course Road	328	2009	Five Star
Sheraton Brigade Gateway	Malleswaram West	300	2009	Five Star
Taj Residency	Yeshwantpur	350	2009	Five Star
The Westin Bangalore	Outer Ring Road, Hebbal	300	2009	Five Star Deluxe
Lemon Tree Hotel	St. John Road	173	2009	Three Star
ITC Gardenia	Residency Road	230	2009	Five Star Deluxe
IBIS Bangalore	TBC	380	2009	Three Star
Novotel Bangalore	TBC	200	2009	Three Star
Park Plaza Bangalore	Outer Ring Road	167	2009	Four Star
Movenpick Bangalore	TBC	220	2009	Three Star
The Ritz Carlton	Off Residency Road	275	2009	Five Star Deluxe
Hampshire Hotel	TBC	TBC	2010	Four Star
Holiday Inn.Bang.Int. Airport	Near Bialairport	250	2010	Four Star
Oberoi Hotel	Overlooking Hebbalake	225	TBC	Five Star Deluxe
Ista Golf View	Koramangala	70	TBC	Four Star
Surraaj Hotel Resorts	TBC	100	TBC	N/A
Fortune Hotel Bangalore	TBC	TBC	TBC	Four Star

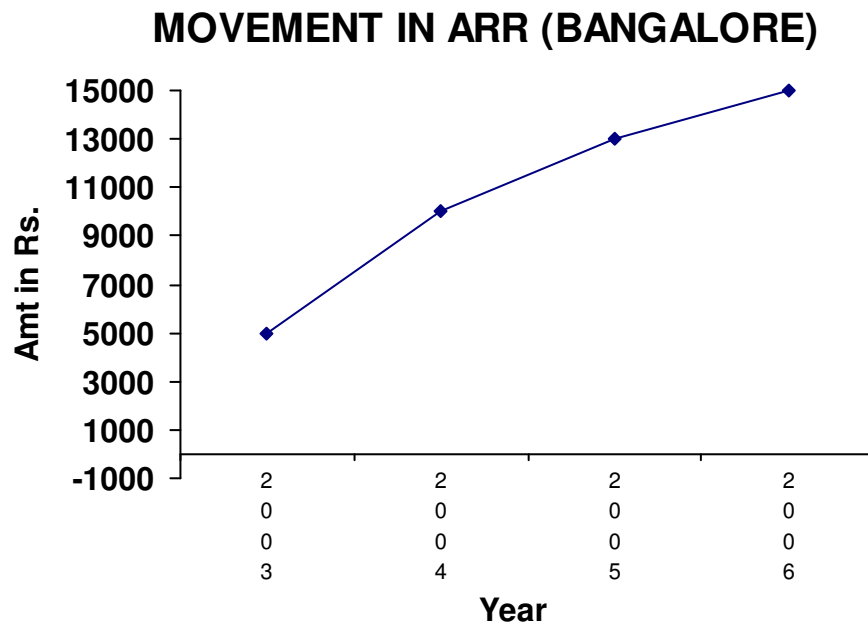
TBC - to be Confirmed; N/A - Not Available.

Source: Jones Lang La salle Hotels, Media Sources. Express Hospitality. Nov 16, 2008.

The present hotel business was also fetching a large amount of revenue. Average room rate (ARR) steadily increased between 2003 and 2006 and peaked during 2006, at Rupees 15000 per night. The following *Diagram 3.5* clearly show in three years the ARR increased by 300% that is the highest, recorded in India.

DIAGRAM 3.1

PROGRESS OF AVERAGE ROOM RATES IN BANGALORE



Source: Knight Frank Research Report. 2007.

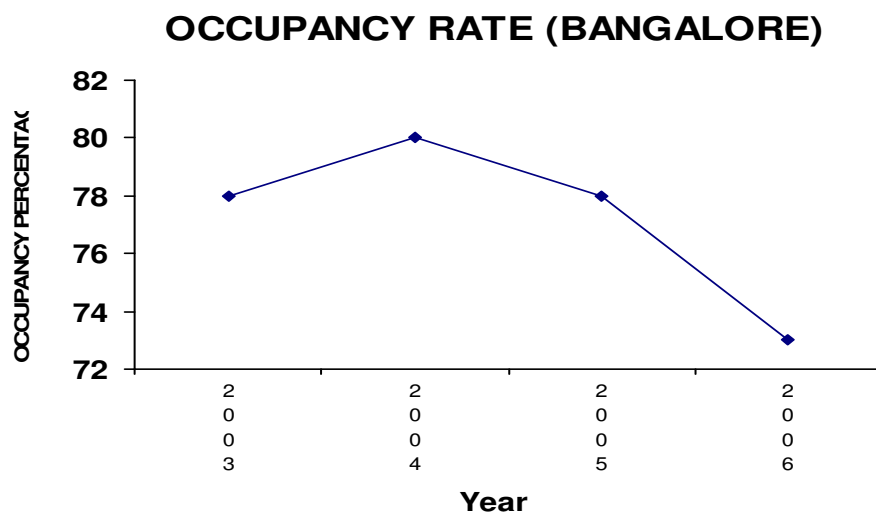
During the period presented by *Diagram 3.1*, Bangalore accounted for 51 percent of foreign business travelers visiting India annually. International corporate travelers occupy almost 90 percent of the hotel rooms here. Over the last couple of years, the city's booming IT/ITES sectors have been responsible for nearly 45–50 per cent of the overall demand for rooms in the city.

There has been no significant change in the domestic and foreign business clientele in the five-star category hotels owing to shortage of supply of rooms. However there has been a sharp decline in the number of leisure travelers visiting Bangalore. According to Knight Frank Research, since 2004 there has been a slight shift in room demand from the premium segment to the budget segment due to the increase in room tariff.

Diagram 3.2 shows the occupancy as compared to the years of successful venture operation. It is seen the occupancy rate peaks at 2004 and then sharply falls down. So 2004 was the turning point; when the guests felt the hotels are taking advantage of the situation and charging them exorbitantly. Soon they started looking out for alternative accommodations as serviced apartments, homestays and guest houses. This resulted in the sharp downfall of the hotel occupancy level.

DIAGRAM 3.2

HOTEL ROOM OCCUPANCY RATE CHANGES IN BANGALORE



Source: Knight Frank Research Report. 2007.

Most of the five star category hotels like Windsor Manor, Le Meridian, and Grand Ashok are concentrated along the Golf Course Road while four-star hotels like Oberoi and Taj-Residency are located in the CBD of MG Road. Few three and two star hotels are located near the railway station catering to the domestic travelers. However, most of the new hotels are coming up in the peripheral locations of Outer Ring Road and Whitefield with a view to cater to the needs of the corporate clients locating in the new business locations of the city.

Hospitality sector demand in Bangalore continues to be robust owing to the heightened commercial activity in the city. Apart from this, medical tourists coming to Bangalore for inexpensive medical treatment are also fuelling this demand. Bangalore has around 2527 rooms in the premium category. This inventory is highly deficient considering the growth rate of room demand in Bangalore. A survey conducted by Times of India and Airports Authority of India, states Bangalore is the preferred Indian city for international travelers. The City's phenomenal growth in international air traffic corroborates this. Going by these trends, industry observers say that Bangalore could before long become the gateway to India.

As per the air traffic figures provided by Airports Authority of India (AA-1) Bangalore reported a 40% growth in international passenger traffic in the one year between September 2006 and August 2007. That's the highest in the Country and more than double the all India average growth of 16%. Hyderabad was the next highest at 19%.

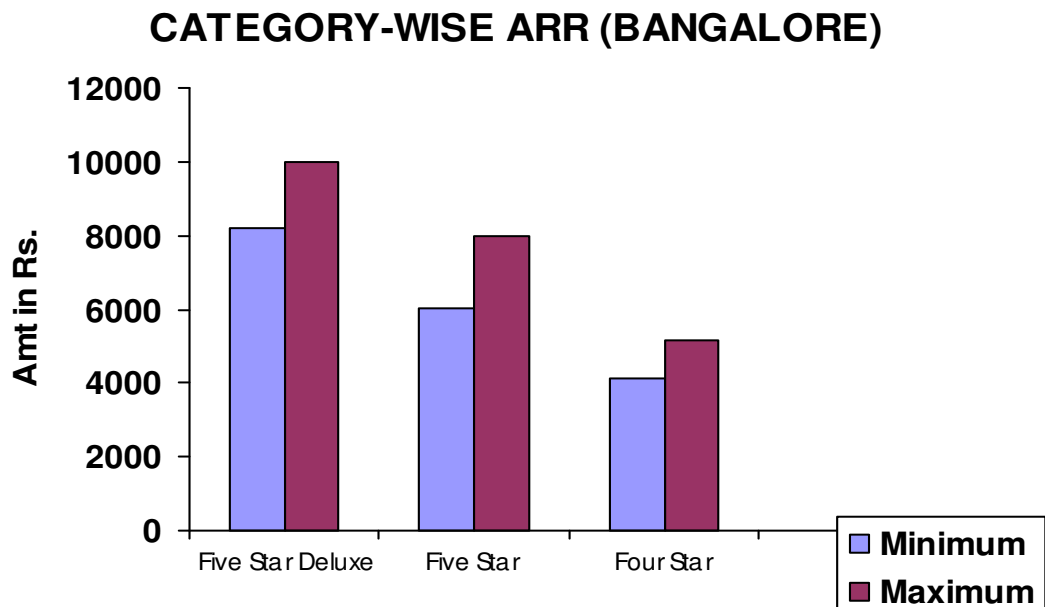
Bangalore’s overall growth (included domestic and international air traffic) was 38% the highest among all the major metros and well above the country’s average of 28%.

“Bangalore is the most exciting aviation market at the moment and in the days ahead the city will continue to see very high growth figures, of about 40%, as both domestic and international airlines to make the city their hub,” says Kapil Kaul, CEO (India) of Centre for Asia.

Below presented *Diagram 3.3* show category- wise Average Room Rate of hotel rooms. It is seen there is uniform difference of rates between the categories of five star deluxe, five star and four star hotels.

DIAGRAM 3.3

COMPARATIVE AVERAGE ROOM RATES OF VARIOUS CATEGORIES OF HOTELS IN BANGALORE



Source: Knight Frank Research Report. 2007.

Study revealed the government of Karnataka plans to encourage public-private partnership for developing tourism infrastructure and to promote Bangalore as a destination for MICE by developing convention and exhibition infrastructure facilities. Plans are underway to offer government-owned land at 50 per cent of the market value to entrepreneurs wishing to set up new resorts and hotels. Incentives in the form of tax concessions are also being provided to domestic airlines and operators to encourage increased traffic to and from the state.

TABLE 3.6

CITYWISE HOTEL OCCUPANCY

	1989-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
BANGALORE	59.0%	64.4%	69.8%	64.3%	72.0%	78.5%	81.4%	76.7%	75.5%	73.5%
KOLKATA	57.8%	54.8%	62.9%	66.4%	65.4%	62.8%	69.0%	76.4%	77.1%	77.4%
CHENNAI	64.7%	65.3%	64.6%	56.5%	58.3%	66.6%	72.9%	78.2%	74.7%	76.0%
DELHI	54.1%	52.9%	58.9%	53.3%	60.4%	73.1%	79.1%	80.8%	78.1%	78.0%
GOA	58.6%	53.8%	60.6%	53.6%	60.5%	59.3%	62.5%	67.8%	73.5%	75.0%
JAIPUR	45.6%	47.0%	55.0%	48.3%	44.9%	58.8%	67.2%	65.7%	66.3%	71.0%
MUMBAI	67.6%	64.5%	64.6%	52.0%	63.4%	69.7%	72.0%	76.2%	78.7%	80.0%
HYDERABAD	66.0%	61.3%	69.1%	68.0%	68.9%	75.9%	78.7%	82.0%	73.3%	69.0%
PUNE	-	-	-	-	-	-	-	81.9%	83.5%	76.0%
AHMEDABAD	-	-	-	-	-	-	-	69.9%	70.8%	73.0%

Source: Ministry of Tourism, Govt. of India, Voyager's World, May 2008, p 8.

Blank denotes data not available.

TABLE 3.7**CITY WISE AVERAGE ROOM RATES (ARR) OF HOTELS**

Cities	1989-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
BANGALORE	Rs.3254	Rs.3025	Rs.3602	Rs.3735	Rs.3752	Rs.4832	Rs.7470	Rs.8762	Rs.10545	Rs.10100
KOLKATA	3888	3557	3698	3409	2917	3021	3240	3887	5366	6300
CHENNAI	3600	3424	3796	3535	3224	3323	3714	4357	5610	6600
DELHI	4626	4115	4526	4338	4089	4269	5103	6909	9482	10200
GOA	2863	2727	2914	2676	2754	3086	3985	4804	5846	6500
JAIPUR	2533	2514	2902	2949	2728	2980	3461	4407	5364	5800
MUMBAI	6297	5661	5555	4932	4184	4356	4822	6041	8614	10,200
HYDERABAD	1579	1867	2316	2414	2541	2774	3772	4870	6091	6600
PUNE	-	-	-	-	-	-	-	3761	4885	5700
AHMEDABAD	-	-	-	-	-	-	-	2612	3118	3778

¹³Source: Ministry of Tourism, Govt. of India. Voyager's World. May 2008. p 8
Blank denotes data not available.

Bangalore leading the national tourism business scenario

As presented by *Tables 3.6 and 3.7*, Bangalore maintained the top slot of occupancy percentage among all the major cities between 1999-00 to 2004-05. For the above mentioned five years Bangalore hotels topped the occupancy list showing the best tourism arrivals. The occupancy rates were highest and consistent. Only 2006 onwards the other cities started getting better share of tourists' arrivals. Previous data already proved 2006 onwards the city became over congested, exhibited power scarcity, exposed bad roads and frequent traffic jams. To make matters worse between 2004-05 and 2006-07 the hotels hiked up their tariffs to all India highest levels. We can see during the three years during 2004-05 and 2006-07 Bangalore hotels were selling their rooms at

almost double the average room rates of the rest of India. Probably the IT industry growth and increase of multinational business increased the travel, tourism and hotel business to an extent that hotels became greedy and failed to realize the future truth. Thus 2006 onwards the occupancy level started sliding below the all India average. *Table 3.7* show the ARR touched the peak of Rs. 10,545 during 2006-07 at Bangalore were all the hotels could sell their rooms at rack rates or at premium value. 2007-08 was the turning point when ARR actually came down and was in fact less than that of Mumbai's Rs. 10,200, where Bangalore could only touch Rs.10,000/-. The performance of Mumbai hotels seem to be steadier and do not show a dip in occupancy or in the ARR in the recent years. Kolkata, Delhi and Chennai closely followed scores of Mumbai and Bangalore hotels. The overall picture projected however show Bangalore hotels tending to top the occupancy rates as well as the average room rates. We can safely conclude Bangalore city have exhibited sufficient travel, tourism, business and hotel activities that all have stimulated entrepreneurship.¹³

The study thus revealed Karnataka and Bangalore had a rich cultural history where industrial development constantly took place. Post-independence era saw government of India launching major public sector projects in Bangalore. Immigration of educated people to the city went on for years. Educational institutes ranging from primary to higher and professional levels all were established in Bangalore to provide the growing children of the educated immigrants. Subsequently electronics and information technology

industries were established. Many multinational companies having interest in automobiles, biotechnology, electronic goods, IT and ITES and various others from the services sector, emerged in Bangalore. The dominance was by software and BPO related companies that gifted the name *Silicon Valley of India*, to Bangalore.

Tourism developed naturally due to increased travel pattern of executives. Hotels of all status were established in and around Bangalore. This was supplemented by progressive tourism plan and policy of Government of India and Government of Karnataka. The state tourism policies had strong incentives for entrepreneurs. The government had definite schemes to showcase the rich culture, the religious places, the historical monuments, the gardens, the lakes, the valleys with coffee and tea estates and other attractions for the tourists. The local Kanadigas were cultured and hospitable and welcomed all the immigrants with friendliness. Bangalore's cool salubrious weather and the green foliage with beautiful gardens conferred the *Garden City* name to the city. All these undoubtedly were attractions for tourists as well as immigrants. The researcher's study thus revealed industrial growth; climatic conditions, rich heritage and concentrated tourism development policies, all were responsible for growth of tourism entrepreneurship in Bangalore. The study also reveals the misconception that software and IT industry were solely responsible for tourism entrepreneurship growth in the City.

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