4.1 Profile

In order to provide a precise picture of the profile of the respondents selected for the study eight items were selected and analysed. The analysis of the profile reveals the following facts:

Out of the 725 respondents, 249 (34.3%) are from hill stations, 173 (23.9%) are from beaches, 91 (12.6%) are from backwaters, 54 (7.4%) are from pilgrim centres and the remaining 158 (21.8%) are from other areas or general class.

Majority of the respondents interviewed are in the age group of 21-30 in all classes except in pilgrim centres where the predominant age group is 31-40.

The religion-wise classification reveals that 43.7% of the people selected for the study are Hindus and 32.65% are Christians.

85.45% of the respondents are male. There is male dominance in the tourism business and the role of women is comparatively negligible.

61.9% of the respondents are married and the remaining 38.1% are unmarried.
The education-wise classification shows that 45% of the respondents are below graduation and 37.5% are graduates in the tourism sector.

State-wise classification reveals that 76% of the respondents are Keralites.

The owner-employee classification of the respondents selected for the study shows that 50.8% of the respondents are owners and 49.2% are employees.

### 4.2 Analysis of Individual and Local Development Impacts

This part of the study divided into eight sections, throws light on individual and local development due to tourism development. The collected data were analysed using statistical tools like percentages, mean, standard deviation, ANOVA etc. The eight sections included in this part of the study are: (i) awareness about the past and present occupation, (ii) employment generated, (iii) opinion about supports received from various agencies, (iv) factors affecting tourism business, (v) seasonality of tourism business, (vi) alternative facilities available in the locality, (vii) income generated, and (viii) opinions about investments in tourism business.

#### 4.2.1 Awareness about the Present and Past Occupation

Out of the 725 respondents interviewed, 30.8% have changed their previous occupation to tourism-related occupation while 69.2% started their
occupation with a tourism-related one. Class-wise classification also reveals the same trend.

Out of the respondents who have changed their occupation to tourism occupation, majority of the respondents (58.8%) come from agriculture sector while 8.5% are from trading field and 32.7% are from other areas.

44.84% of those who have changed occupation, changed it because it is more profitable while 32.29% consider it as more convenient for them.

86.09% of those who have changed their occupation to tourism are satisfied with the present occupation while the others are not satisfied. Class-wise distribution also reveals the same trend.

Out of the 368 owners interviewed 55.4% give an average salary between 2500-5000 and 23.9% give average salary between Rs. 5000-7500. 88.3% of the owners feel that their employees are satisfied with the present employment.

4.2.2 Employment Generation due to Tourism

Tourism is highly labour intensive. It has a higher potentiality for employment generation. The highest mean of employment generated is in backwaters (3.07) and the lowest is in pilgrim centres (0.59).

During seasonal time tourism creates more employment than during off-seasonal time. Tourism also gives more employment to locals than to outsiders. Class-wise distribution also reveals the same trend.
4.2.3 Opinion about Supports Received by the Respondents

51.1% of the 368 owners interviewed claim that they have received sufficient support from the government while 48.9% are not satisfied with the government support.

Only 48.1% of the owners are satisfied with the supports from the Tourism Department. Class-wise distribution shows that majority of respondents in hill stations and pilgrim centres are not satisfied with the government supports. But majority of respondents in backwaters and general class are satisfied with the tourism department’s support.

About half of the respondents answered positively that their income is affected by the change in the policies of the government and the other half answered in a negative manner.

4.2.4 Factors Affecting the Business

Majority of the respondents (60.6%) claim that their tourism income is affected by the recessions in foreign countries. This is because more of the tourism income is from international tourists than from the domestic tourists. The same trend can be seen in class-wise distribution also except in pilgrim centres where the respondents are of the opinion that their income is not affected by the
recessions in foreign countries and the reason is that majority of the pilgrim tourists are domestic tourists.

59.8% of the respondents are of the view that use of modern amenities like internets, websites etc. affect their tourism income and others are of the opinion that modern amenities are insignificant to their tourism income. Class-wise distribution also reveals the same trend.

A major portion of the respondents (54.9%) make use of modern amenities in their tourism business. Class-wise distribution also shows this pattern except in pilgrim centres.

4.2.5 Seasonality in Tourism Business

The average tourism season in Kerala extends to nearly 6 months except in pilgrim centres, where it is about 3 months. During off-season 33.5% of the respondents are engaged in the same job, 26.6% have no other specific job, 20.9% are engaged in agricultural activities, 6.3% go to trading activities and 12.6% are engaged in some other activities.

4.2.6 Alternative Facilities to Tourism in the Locality

Out of the 725 respondents interviewed 54.1% gave the opinion that there are alternative facilities to tourism in their respective places. Class-wise distribution also reveals the same trend except in beaches. Out of the alternative
facilities, agriculture constitutes the major share (55.1%). Other major facilities are spices (26.3%) and fishing (12.5%).

4.2.7 Opinion about Investments

About the risky nature of tourism business compared to other types of investments, 60.6% of the respondents say that tourism investment is not riskier than similar types of investments. About 84% of respondents are of the opinion that they will attract their friends and relatives to tourism business. The same trend can be seen in the class-wise distribution regarding the risky nature and about attracting friends and relatives to tourism business.

4.2.8 Revenue Earnings of the Respondents

The monthly revenue earnings of the respondents were collected and analysed in order to study the impact of tourism development. Since tourism is of seasonal nature, the seasonal average monthly revenue earnings and off-seasonal average monthly revenue earnings were examined. For this purpose the two major independent variables selected were class and occupation. For measuring the impact, the statistical technique ANOVA was employed. The sub hypotheses formulated for this purpose were:

H1 There is no significant difference among the respondents of different classes as regards the seasonal monthly average revenue earnings.
H2 There is no significant difference among the respondents of different occupations as regards the seasonal average monthly revenue earnings.

H3 There is no significant interaction between class and occupation as regards seasonal average monthly revenue earnings.

H4 There is no significant difference among the respondents of different classes as regards the off-seasonal average monthly revenue earnings.

H5 There is no significant difference among the respondents of different occupations as regards off-seasonal average monthly revenue earnings.

H6 There is no significant interaction between class and occupation as regards off-seasonal average monthly revenue earnings.

The class-wise comparative analysis shows that the seasonal monthly mean earnings is the highest in backwaters and the lowest in the general class. The standard deviation is the lowest in the general class and the highest in beaches. The seasonal monthly mean revenue earnings of owners is Rs. 27202.45, while the standard deviation is 31895.25. This implies that there is a considerable difference in the seasonal average monthly earnings of owners. The seasonal monthly mean revenue earnings of employees is Rs. 3547.34 and the standard deviation is 1881.76. This implies that there is a considerable difference in the seasonal average monthly revenue earnings between owners and employees. The ANOVA table shows that for the first main effect, i.e., class, the sub hypothesis is accepted, i.e., there is no significant difference among the respondents of different classes as regards the seasonal monthly average revenue earnings. For the second effect,
occupation, the sub hypothesis is rejected and there is significant difference among the respondents of different occupations as regards the seasonal average monthly revenue earnings. The two-way interaction between class and occupation shows that the sub hypothesis is also accepted and so there is no significant interaction between class and occupation as regards seasonal average monthly revenue earnings.

The class-wise comparative analysis shows that the off-seasonal monthly mean revenue earnings is the highest in backwaters (Rs. 16494.57) and the least in the general class (Rs. 9909.49). However, the standard deviation is the least in the general class and the highest in backwaters. The occupation-wise comparative analysis shows that the off-seasonal monthly mean earnings is Rs. 21100.82 in the case of owners and Rs. 3015.69 in the case of employees. The standard deviation is 21683.42 in the case of owners and 1492.43 in the case of employees. This shows that there is a wide disparity between owners and employees regarding off-seasonal monthly revenue earnings. The ANOVA table shows that for the first main effect, i.e., class, the sub hypothesis is accepted, i.e., there is no significant difference among the respondents of different classes as regards off-seasonal monthly average revenue earnings. For the second effect, occupation, the sub hypothesis is rejected and there is significant difference among the respondents of different occupations as regards the off-seasonal average monthly revenue earnings. The two-way interaction between class and occupation shows that this sub hypothesis is also accepted and there is no significant interaction between class and occupation as regards off-seasonal average monthly revenue earnings.
4.3 Economic Impact Assessment

The impact of economic development on the tourism development areas is determined by analysing the satisfaction and opinions expressed by the respondents. For this an economic impact assessment scale is framed to analyse the impact of economic development in the five classes selected for the study. The scale consists of thirty-four questions pertaining to different aspects of the economic variables. The economic variables selected for the study on the basis of the pilot study are: employment, income, infrastructure, local industry, standard of living and regional development. The validity of the economic assessment scale framed to evaluate tourism development and its impact on the economy of Kerala has been tested through the internal consistency method.

Cronbach’s alpha was calculated from the original item values (i.e., row data alpha) as well as from standardized item values (i.e., standardized alpha).

Reliability coefficients are the following:

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<tr>
<td>Alpha</td>
<td>0.7056</td>
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<tr>
<td>Standardized item alpha</td>
<td>0.7108</td>
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Therefore it can be concluded that the scale developed for the study is reliable.

The total score of each economic variable selected for the study is calculated with the help of SPSS. After that the group score of the five classes, i.e., hill stations, beaches, backwaters, pilgrim centres and the general class has
been calculated so that we can have a comparative analysis of different classes.
After the total score analysis and group score analysis, in order to study the degree of relationship among the five different classes, correlation analysis is done. For this Spearman correlation coefficients are used. After the correlation analysis, coefficient of concordance is calculated to investigate the degree of concordance between the different rankings of the variables.

4.3.1 Employment Variables

The total score analysis shows that among the employment variables selected for the study, percentage of tourism-related customers is the main factor for the development of a locality. The group score analysis shows that in hill stations, beaches and in pilgrim centres, the percentage of tourism-related customers is the major factor having a prominent influence on employment, and in backwaters and in the general category, it is the provision of opportunity to new/additional employment in the business. The rank correlation coefficients show that the highest correlation is between hill stations and pilgrim centres (0.9429) and the lowest correlation is between hill stations and the general class. There is an average concordance (0.488) between the various ranks of employment variables.

4.3.2 Income Variables

The total score analysis of income variables shows that infrastructure development on the locality is the major factor that has a positive impact on
income variable. Group score analysis of income variables shows that in hill stations and pilgrim centres the percentage of tourism income in total income is the main factor for the economic development, while in beaches and backwaters, the impact of infrastructure development is the predominant factor of income variable and in the general class, the shifting of investment from the conventional methods of investment to tourism business is the main factor affecting the income variable. The correlation among the different classes shows that the correlation is highest between hill stations and beaches and between beaches and backwaters (0.9429). There exists an average concordance between the various ranks (0.68).

4.3.3 Infrastructure Variables

The total score analysis of infrastructure variables shows that infrastructure development is a must for the development of any region. The group score analysis also shows that in hill stations, beaches and backwaters, the variable 'infrastructure development is a must for the development of the region' received the top priority, while in pilgrim centres 'significant discrimination in the development of infrastructure in different localities' received the top rank and in the general class 'the extent to which tourism helped to develop infrastructure facilities' received the top rank. The correlation coefficient of infrastructure variables reveals that the highest correlation is between beaches and the general class (0.7000). The coefficient of concordance shows that there is no perfect concordance between the various ranks (0.368).
4.3.4 Local Industries

The total score analysis of local industries variables shows that the highest priority is to the opinion about the role of tourism in the development of the local industries. The group score analysis reveals that in hill stations ‘the role of tourism in the development local industries’ received the top priority, while in beaches, backwaters and general class ‘the extend of new entrants and competitors in local industries to exploit the tourism facilities’ received the highest rank. The correlation analysis shows that there is a higher positive correlation among hill stations and backwaters. The coefficient of concordance reveals that there exists an average concordance between the various ranks.

4.3.5 Standard of Living

The total score analysis of the standard of living variables reveals that the highest priority is received by the cultural change of the local people due to interpersonal relationship with tourists. The group score analysis of the standard of living also reveals the same picture. In all the five classes the cultural change of the local people due to interpersonal relationship with tourists received top priority. The correlation analysis makes it clear that there is the highest positive correlation among pilgrim centres and general class (1.0000) and the correlation is the lowest between hill stations and backwaters (0.1000). The coefficient of
concordance shows that there exists an average concordance between the various ranks of the standard of living variables.

4.3.6 Regional Development Variables

The total score analysis of regional development variables selected for the study shows that the top rank is received by the variable that tourism helped in redressing regional imbalances of the region. The group score analysis reveals that in all the five classes the variable “tourism is helpful in redressing regional imbalances” received top priority while in hill stations and pilgrim centres the variable “tourism acted as a facilitator for the development of the region compared to other regions” received the lowest priority and in all other classes the variable “education and training in the field of tourism helped in the development of the region” is the lowest factor. The correlation analysis shows that all correlation coefficients are positive and the highest correlation is between beaches and backwaters (1.000). The coefficient of concordance for regional development says that there exists no perfect concordance between the various ranks.

4.4 Multiple Regression

Multiple regression analysis measures the nature and extent of the independent variables and their relations, enabling us to make predictions. Stepwise regression is a method that adds and removes independent variables until a model is reached in which no more variables are eligible for entry or removal.
Among the predictor equations, that equation with the highest (multiple) correlation and (multiple) correlation square is selected as the fittest predictor equation. Stepwise regression shows that if economic development has to be measured on only one of the six independent variables, income is the most appropriate independent variable. If economic development is to be measured on the basis of two independent variables, income and employment can be used as independent variables. If economic development is to be measured on the basis of three independent variables, income, employment and infrastructure can be used. If four independent variables are to be taken, the variables are income, employment, infrastructure and local industry. If economic development is to be measured on the basis of five independent variables, the independent variable to be excluded is regional development. It is evident from the above table that the predictive power continues to increase when each independent variable is added to the equation. The power of the multiple correlation increases from 0.69515 in the one variable predictor equation to 1.0000 in the six variable predictor equation. Hence the best predictive equation includes all the six independent variables, i.e., income, employment, infrastructure, local industry, standard of living and regional development.

4.5 Economic Development Awareness

The inhabitants of a place directly feel the impact of tourism development on the economy of the particular place. This impact is estimated by assessing the
awareness of economic development and its various independent variables. A large number of facilities are offered to the local people because of the development of tourism in a particular locality. Some of the facilities have improved more in a particular locality and some others are to be improved. There are also certain hindrances to the development of tourism in the area. The tourism season in a particular area can be extended by adopting suitable improvements in tourism products. An attempt is made to identify and rank them by preparing an interval scale.

4.5.1 Facilities that Improved Most in the Tourism Developed Areas

The interval scale showed the following priority order for various facilities that improved most during the previous years. They are: hotels, telecom, ayurvedic centres, amusement sites, spices, sanitary facilities, handicrafts, and lastly, roads. The class-wise distribution shows that in hill stations the facilities that improved most during the previous years are hotels and telecom. In beaches, hotels and amusement sites improved most, while in backwaters ayurvedic centres and hotels are the most developed facilities. In pilgrim centres roads is the most improved facility and in the general class telecom and hotels improved most. In all the classes except in pilgrim centres, roads is the least improved facility while in pilgrim centres amusement sites is the least improved facility.
4.5.2 Main Hindrances to the Development of Tourism in the Locality

The interval scale showed the following priority order for various hindrances to the development of tourism in the respective areas of the respondents. They are: absence of infrastructure facilities, absence of sufficient amusement sites, harassment by panchayath/municipal authorities, absence of rooms and guest houses, nuisance by police, nuisance by local people, checking of governmental authorities, high taxes, shortage of supply of goods, and shortage of skilled labour. The class-wise distribution shows that in all the five classes the respondents are of the uniform opinion that absence of infrastructure facilities is the main hindrance to the development of tourism in their respective areas. Absence of sufficient amusement sites will be the second major hindrance in hill stations and backwaters while checking of government authorities will be the second hindrance in beaches and nuisance by the local people in the pilgrim centres and harassment by panchayaths/municipalities in the general class will be the second major hindrance. Respondents from hill stations, backwaters and general class are of the opinion that shortage of supply of goods has the least effect, while respondents from beaches say shortage of skilled labour will have the least effect. Respondents of pilgrim centres are of the opinion that insufficient amusement sites will be the least affecting hindrance in their respective areas.
4.5.3 Opinion about Extending the seasonality of Tourism In the locality

The interval scale showed the following priority order for extending the seasonality of tourism in the respective areas of the respondents. They are by starting ayurvedic centre, by encouraging domestic tourism, by marketing tourism in foreign countries, by starting amusement parks and finally by improving shopping facilities in their respective locality. The class-wise distribution showed that in hill stations, beaches, and backwaters the respondents are of the opinion that developing ayurvedic treatment will be the best means of extending the seasonality of tourism in the respective areas. According to the respondents, encouraging domestic tourism and improving shopping facilities are the best means of extending the seasonality of tourism in pilgrim centres and the general class respectively.

4.6 Kerala Tourism – A SWOT Analysis

A SWOT analysis is conducted to compare the strengths, weaknesses, opportunities and threats of Kerala tourism. The purpose of strategic alternatives generated by a SWOT analysis should be to build on tourism strengths in order to exploit opportunities and counter threats and to correct our weakness in the field of tourism. The SWOT analysis revealed the following findings. They are:
4.6.1 Strengths

Kerala’s surprising geographical diversity within such a small area is its greatest attraction. It enjoys a moderate climate. A unique strength of the state is its rich mosaic of hills, mountain springs, rivers, virgin forests, beaches and backwaters. The 570 km long coastline and the 900 km long network of backwaters, canals and rivers add to the beauty of the state. There are also beautiful wildlife sanctuaries and bird sanctuaries.

Another great strength of the state with regard to tourism potential is the general nature of the inhabitants. Peace-loving and cultured people live in communal harmony. The state has the highest literacy rate in India and the lowest infant mortality rate. The people have very old connections with most of the advanced countries of the world.

The uniqueness of the state is also manifest in its indigenous ayurvedic system of medicine and fascinating fairs and festivals and traditional performing arts. The delectable spices gardens and the famous pilgrim centres attract tens of thousands.

Kerala is accessible by air, land or sea. Three international airports make international access by air possible. There are a number of minor ports and an international port at Kochi.
4.6.2 Weaknesses

The analysis reveals the following weaknesses. Inefficiency of infrastructure facilities, inefficient marketing of India's tourism abroad, lack of professionalism in tourism management, miserably low growth rate of the economy, high rate of the taxes, a xenophobic attitude among certain sections of people, and the lack of co-ordination among departments and agencies connected with tourism.

4.6.3 Opportunities

Kerala demonstrates the possibility of utilising the following opportunities in tourism: growth of domestic tourism, projecting ayurvedic system of medicine and the indigenous traditional art forms, high quality skilled entrepreneurs, skilled and unskilled labour force, willingness of private entrepreneurs to invest in Kerala, globalisation and liberalisation, allowing entry to more multi national companies, and a more pro-active role from the government of India and government of Kerala as regards framing tourism policies.

4.6.4 Threats

The following are the major threats to the growth of tourism in Kerala: economic conditions and political turmoil in other parts of the world, aggressive strategies for promoting tourism by other countries like Singapore, Australia and
Thailand, negative effects of tourism like prostitution, ecological hazards due to tourism and the over dependence on tourism.

4.7 Tenability of the Hypotheses

Most of the hypotheses formulated in this study are rejected as indicated by the analyses and the findings of the collected data. The economic impact assessment scale formed to analyse the impact of economic development in the five classes selected for the study reveals that there are significant variations regarding each of the subvariables of the independent variables selected for the study, i.e., employment, income, infrastructure, local industry, standard of living, and regional development in different classes. Hence the second hypothesis that there are no significant variations regarding the independent variables among different classes is rejected. The analysis of the average monthly revenue earnings of the respondents reveals that there are significant differences among the people of different occupations as regards the seasonal and off-seasonal average monthly revenue earnings. Hence the third hypothesis is also rejected.

The rank order of the various independent variables and the Spearman’s correlation coefficients calculated for different classes reveal that majority of the correlation coefficients are positive. The coefficient of concordance also shows that there is an average concordance between the various ranks. This means that there exist differences among the different classes as regards the independent variables on the economic development of Kerala. Hence the null hypothesis that there is no significant correlation between independent variables selected for the
study and the economic development of Kerala stands rejected. The fifth hypothesis that the independent variables can be reduced in number and combined to yield the best predictor equation for the economic development cannot be substantiated as revealed from the multiple regression analysis. The analysis reveals that the combination of six-variable prediction equation is the optimal prediction equation among all the combinations. Hence, the independent variables cannot be reduced in number as formulated in the hypothesis since the predictive power continues to decrease with the decrease in variables.

Finally the study reveals that the development of tourism has a positive impact on the economy of Kerala. This is substantiated by different tests regarding the awareness of the inhabitants of tourist destinations, the employment generated in the tourist destinations, the income generated through tourism and by examining the various independent variables selected for the study. Hence, the main null hypothesis is rejected and the alternative hypothesis is accepted i.e., development of tourism has a significant impact on the economic development of Kerala.