CHAPTER 6 MAJOR FINDINGS AND RECOMMENDATIONS

This chapter presents a summary of major findings of the study. It includes the recommendations based on the findings in order to improve the ‘Entrepreneurial Approach to Tourism Development’ in the study area, followed by the future directions for research and the conclusion of the study.

6.1 SUMMARY OF FINDINGS

Socio Economic Background of the Respondents

- It is observed that the investment required ranged from Rs.5 to 15 lakhs depending the type of services, number of employees, furnishing the office bearers, other resources required including installation of equipments.

- Tourism and travels industry has attracted relatively young entrepreneurs. Majority of them [63.23%] indicating that tourism particularly the persons running travels to help to book tickets and offer services, either work with such industries, learn the services and start their own, or they must have been in the industry for a long

- **Majority [88%] of** the tourism entrepreneurs are men. Though it is only a service enterprise where it is quite likely that the women can enter and make a mark, in this study it is still dominated by men.

- The marital status of the respondents obviously indicates that a large majority [92.65%] of the tourism entrepreneurs in this study are married. Others are either unmarried or never married.
• A slightly higher percentage of entrepreneurs in this study are in Nuclear family. Business families largely choose to be in joint families to horn their managerial skill, etc and it is true in this study where a little less than half of them [45.59%] live in joint families.

• Only a negligible around five percent have school qualification and others have entered with higher education say, graduation or post graduation [83.82%] indicating that running travels and tourism requires education.

• Hindus by religion and Backward Class Community by social group have been represented the majority among the respondent entrepreneurs in tours and travels industry. There is no Scheduled Caste Entrepreneurs [SC] which was proved in several other studies.

• The region wise analysis revealed that more than three fourth of the entrepreneurs in the study area are in urban and the remaining have hailed from rural areas. It implies that still tourism and travel industry is predominantly captured by urbanities.

• It is found that private limited and sole proprietorship are observed ownership patterns in this study. In future it is told that the same trend would continue in future.

• Maximum number of organizations started a decade ago, and around 50% of them started from the year 1991 to 2012. It indicates that travel agencies have emerged as an entrepreneurial activity only in the recent times.

• Travel agencies are normally in prominent place. It is quite difficult to have their own premises which are evidenced with more than 80% being occupied in rented premises. Among the others, except one units, others have been functioning in own premises.

• It is observed that the investment required ranged from Rs.5 to 15 lakhs depending the type of services, number of employees, furnishing the office bearers, other resources required including installation of equipments.
• It is observed that more than half of the sample entrepreneurs exclusively could bring their own investment [57.35%] and others have partially raised funds towards initiating their travel agency.

• It is demonstrated in this study that more than 60% of the sample respondents have started the travel agency business with sufficient experience. It indicates further that to enter to tourism and travel industries, it is necessary to have work experience. Less than 40% did not have any prior experience to start the enterprises.

• It is shown in this study that as high as 84% of the entrepreneurs are first generation entrepreneurs. Those who have just entered a decade ago might belong to second generation as earlier it would have been run by their parents.

Motivational Factors and other Constraints

• Inner strength, family support, government schemes, support and guidance of friends, to harness the resources and utilize the education and skills, to gain social prestige, to be independent through self employment and of course with the vision for future development in the field etc are the motivational factors on which the respondents have agreed or strongly agreed as the factors which motivated them to enter into entrepreneurial business,

• The perceptions about the employees, supportive schemes, marketing, turnover rate of employees, and availability of funds etc entrepreneurs have been very positive and able to get such support.

• The facilities in general are good in terms of location, office space, comforts in terms of air conditioning etc. However there are certain inadequacies as the rental space are in prominent places where every additional square foot would incur huge advance and additional rent. The waiting space for the customers is not sufficient. The office automation is inadequate, the online services which plays a crucial role in tourism business is lacking. The grievances address system for both the employees
and the customers are lacking. This is a very important aspect of tourism business, any grievances it has to be addressed instantaneously.

- It is observed that more than half of the travel agencies in the sample do not have web site. They may be just started in the recent decade and waiting for the business to expand. Other hand, it is to be mentioned that creating a web site is the necessity to expand the business.

- Among the travel agencies which have web site, the web site has been designed by professional company by majority of the sample enterprises which have facilities for interactive booking, provides related links, track number, e mail, virtual package etc. Those who do not have web sites lack these facilities.

- The travel agencies if they are accredited by concerned Department, it will be easy for them to get support in future. Among the tourism entrepreneurs 60.29% of them have their business approved by the accrediting travel and tourism authority.

- Among the tourism entrepreneurs 69.11% are not representing any national or international group tour operators and the remaining one third respondents were able to have authorized linkage with national and international groups.

- There are several services provided by the travel agencies. Group tours operation has been offered by around one third sample enterprises. There are other services such as tour guidance, liaison services, organizing for special events, arranging meeting, transportation, packages with transport, resorts, insurance etc.

- The services offered has been declared as innovative by around one fourth of the sample entrepreneurs who agreed that they are providing innovative services. Another large majority of the sample units do not provide any innovative services.

- As high as 73.52% sample entrepreneurs do not provide any on line services to their customers.
- Majority of them offer such services only rarely. Many services are offered ‘rarely’ and ‘occasionally’ by all the sample units be it except certain services such as tourist packages, insurance, passport, visa, ticket booking and hotel reservation.
- It is very clear that only regular tourism is promoted (table 5.28) by majority of the sample entrepreneurs though there are pilgrimage, medical, transit, rural, cultural and heritage tourism.
- Finance is one of the major constraints which constitute the base for starting any business but the travel agencies in the study are not able to get the support from formal sector.
- Majority of the entrepreneurs do agree to the statements given, be it infrastructure, facilities at the destination, market promotion, safety and protection etc. However, they felt that there is inadequate provision for tourist guides and lack of attractive facilities to invite foreign tourists.
- Entrepreneurial drive is one of the major determinants for performing and contributing to the economy and able to face the constraints effectively. There is high positive relationship between persons with entrepreneurial drive and their contributions to development of tourism in the state. It is also revealed the sample entrepreneurs who face human resource constraints do face other general constraints and vice versa.

**Findings of Statistical Analysis**

**Inter Correlation Results**

Tourism entrepreneurs who are with entrepreneurial drive could contribute relatively higher than entrepreneurs with less entrepreneurial drive. The correlation value has been 0.8, indicating high positive relationship between individuals with entrepreneurial drive and their contributions to development of tourism in the state.
Multiple Regression Analysis For Contribution

The value of $R^2$ 0.83 which indicates that the identified variables were able to influence and explain the changes in the contribution of tourism industry to 83%. The remaining 17 percent may be determined by other unidentified variables.

Regression Analysis For Performance

The value of $R^2$ value of 0.10 which indicates that the identified socioeconomic variables were not able to influence and explain the changes in the performance of the tourism entrepreneurs business to as low as 01 percent.

Chi-Square One-way test

It is observed from the Table 5.45 that a few variables in the company website are significant. It is assumed from the literature that the above variables are vital in having an efficient website for online transaction by the customers. This will enable the tourism entrepreneur to promote tourism and offer travel services to customers at good convenience. However efficient interactive website is not provided by most of the tourism entrepreneur.

It is observed from the Table 5.46 that all the variables in the benefits given to the customers for online transactions are significant. It is assumed from the literature that the above variables are important in providing benefits to customers for their online transactions. In travel and tourism, most of the customers prefer online transactions, due to convenience and the cost of the travel.

It is observed from the Table 5.47 that all the variables in the physical infrastructure at the tourism entrepreneurs office are significant. It is assumed by the researcher that the above variables are important. Provision of good infrastructure in the office will facilitate the customers for better interaction with the employees; it will lead better promotion of travel and tourism services by the tourism entrepreneurs.

It is observed from the Table 5.48 that all the variables in the group tours representation are significant. It is assumed from the literature that the services are important in organizing group tours, where in the tourism promotion activities
will be in a larger quantum in the group travel. However this group tours is not promoted by many tourism entrepreneurs.

**Paired‘T’-Test**

The paired‘t’-test results of Table 5.49 identifying the difference in Travel services offered to customers offline and online the researcher has found that there is a significant difference in these services offered. Since most of the tourism entrepreneurs are not offering the online travel related services.

The paired‘t’-test results of Table 5.50 identifying the difference in the Investment at Present and Investment at Start up the researcher has found that it is not significant, because the investment done at initial stage is more when compared to the present stage. Later on the investments has not been increased.

**6.2 RECOMMENDATIONS**

- The study clearly indicates that the professional approach to tourism industry is lacking which is the cause for the declining performance of the travel agents. Hence training to move towards professional approach is the need of the hour to integrate all possible services and expand the scale of operations.
- Given the inadequate infrastructure, the tourism entrepreneurs are constrained to collaborate and network. It is necessary that the formal credit is extended to improve their infrastructure taking the scope for expansion and increasing flow of income in such service industry.
- It is observed that majority of tourism entrepreneurs (63 percent) are in the age group of 40-45. Hence the younger generation may be motivated to take up tourism entrepreneurship.
- The first generation tourism entrepreneurs need to be encouraged to be innovative, creative, and expand their scale of operation with collaborative tie ups adopting attractive tourist packages.
- Since the formal credit is still to reach the travel agents, either the individual entrepreneurs or the State may encourage them to their projects funded under the government schemes such as Unemployed Youth
Employment Generation Programme [UYEGP], Prime Minister Employment Guarantee Programme [PMEGP], New Entrepreneurs Enterprise Development Scheme [NEEDS] etc to provide them with capital investment and working capital to start their own businesses without any collateral security.

- Location of the travel agents office plays a significant role in business development.

- Proper reception facility is mandatory to attract and retain the customers. However, if the travel agents subscribe to online services, the location may not be an issue.

- All the tourism entrepreneurs must get an approval from International Air Transport Association (IATA) as high as two fifths did not get the approval for avail various other facilities say tie up with banks etc.

- Given the ever expanding services with tourism industry, the travel agents would sustain better with networking and collaboration with both domestic and international service providers of tourism industry. The approved and unapproved will join together to form a Networking in order to get their demands met.

- There should be regular training program provided by the government to tourism entrepreneurs and to their employees, to update their skill. This will ensure professional approach in their services.

- The need for relaxation and leisure in the current context of work pressure and stress may be captured and capitalized better with range of services which the customers are interested in, by having tie-ups with industries.

- All the tourism entrepreneurs should come under a single organization / entity; this will ensure that they have a single vision of tourism development and clarity in their strategic vision for tourism development.

- There is a need to identify innovative methods to attract customers say integrated services with special offers, discounts etc. The travel agencies may need to establish rapport with hotels, tourists departments, airlines, cabs etc so that it will help to expand the market and retain the customers.
• It is the need of the hour to have an exposure over the web resources available on the innovative services offered so that the sample units will survive and sustain.

• It is advocated that the on line service will be an additional attraction but at the same time customers satisfaction must be kept in mind while suggesting the airlines, the tariff for hotels, visa, insurance etc. and above all delivery of visa in time. In case if it is not followed up, it is quite likely that the customers will shift to other units.

• There may be number of innovative services, which the entrepreneurs must be well informed to transfer to the customers. Hence the services offered “rarely” must be converted into “frequently” to retain better share of the market. The tourism entrepreneur should adopt e-governance. When this is provided it will enable the tourist to complete their travel requirements in one go to finalize their travel purchase.

• Since majority of the sample entrepreneurs capture only to Regular tourism methods, it is necessary that expand their operation to pilgrimage, medical, transit, rural, cultural heritage tourism etc to survive and sustain in the entrepreneurial field.

• The travel agencies to promote better tourism services need to advertise expand their scale of operations etc which requires considerable financial support. But the formal credit agencies do not recognize tourism travel agencies as a prospective business to extend credit. The tourism entrepreneurs need to be promoted.

• There is a need to strengthen the facilities to attract foreign tourists and provide adequate number of tourist guides so that the historical, cultural heritage of India could be informed on the one hand and generate revenue on the other. Such provision will in turn encourage the tourism entrepreneurs to improve their business.

• The level of motivation for tourism entrepreneur is crucial to promote and develop tourism. There must be regular efforts by the government to bring in the stake holders under a single entity. This will ensure to thrash out the
issues and lead to oneness, this development will lead to constructive and sustainable growth of travel and tourism.

- Tourism industry helps the state with considerable flow of resources and hence State may directly involve in providing integrated services, provide information and tie up such services with private players to deliver. A good attractive brochure, CD may be provided either free of cost or at cheap rates.

- The best practices followed in other countries and developed states in India which stand as role model in getting benefits in terms of funds and facilities from the government may be adopted to optimize the services.

6.3 FUTURE DIRECTIONS OF THE STUDY

The future research could cover the hotel industry; air services, infrastructure related to tourism destinations, tour guides and handicrafts and the role of Government of Tamil Nadu in promoting Tourism Entrepreneurship. This study was conducted only in two districts of Tamil Nadu. Future research could cover the other districts of Tamil Nadu as well as other parts of India to make the findings generalized. Moreover, the travel agents alone have been studied under the tourism entrepreneurs. A more expanded and integrated definition of tourism entrepreneurs covering other categories in the tourism industry may be studied. The Gender component has not been analysed as to why the travel and tourism sector is still run only by men as revealed in the study area, and it is necessary to question in future research as to whether the trend is the same in other parts of the State, Country and abroad. Given that it is a service industry, does not require much mobility but only a professional approach with entrepreneurial motivation, more women may join which needs to be analysed future research to identify the constraints which do not promote women to join such areas of entrepreneurship.
6.4 CONCLUSION

Based on the findings of the study it can be observed that entrepreneurial approach to tourism development will be the most successful strategy to promote and develop tourism. Since tourism is highly fragmented sector consisting of many MSME’s (Micro Small and Medium Industries) of travel and tourism business entities. Taking into consideration the business competition among the tourism entrepreneurs, airlines, hotels and cab operators. With large volume of online transactions are performed by the customers. With more awareness and easy to use e-tourism rapidly increasing, this has become a real challenge for the tourism entrepreneurs.

In this present scenario it is suggested that entrepreneurial approach will be the appropriate way to develop tourism. This approach the tourism entrepreneur should be proactive and take initiatives to offer better and professional tourism services. The tourism entrepreneur should adopt the latest technologies available from world of e-commerce for providing a quick and efficient online transaction facility for their customers. The first and fore most requirement for this they should have an interactive website for online transactions. If it is working out expensive for tourism entrepreneur to spend huge amount for latest technology in the initial stages he should have a tie-up with other tourism entrepreneurs to get this technology support for his business.

WTTC (World Travel and Tourism Council) research forecasts that by the year 2020 South Asia there will be an excellent growth in travel and tourism industry. It is true then, that tourism is an important and flourishing industry in the country. It accounts for one-third of the foreign exchange earnings of India and also gainfully employs the easily the highest number of people compared to other sectors. According to the World Tourism Organization, by the year 2020, it is expected that India will become the leader in the tourism industry in South Asia, with about 8.9 million arrivals (FICCI).The research states even with a high degree of penetration e-tourism and online transactions made through this, still this will be used only by 30 to 40 percentage of the customers the remaining 60 to
70 percentage of the customers will prefer to interact with the tourism entrepreneurs and have travel transaction through them.

The study has informed that the travel agents who are the component of the tourism industry lack professionalism as service providers. There are still unapproved travel agencies. Appropriate steps to enforce a law to enfold them to register to avail privileges may be made mandatory. The ‘Entrepreneurial Approach’ among travel agents which needs to be emphasized. Since tourism is highly fragmented sector consisting of many micro, small and medium establishments of travel and tourism business entities, it is suggested that entrepreneurial approach will be the appropriate way to develop tourism, which include dynamic approach, adopting to innovative services, networking and collaborating with related service providers, ensuring customers needs with consciousness over time, effective human resource management, providing information to the customers, the packages, the offers, the commissions, the privileges for the regular customers, etc. It is highly necessary that the travel agents adapt to latest technologies available from world of e-commerce for providing a quick and efficient e-tourism and online transaction facility for their customers. Getting all the travel agencies registered and approved with International Air Transport Association will go a long way in improving the services and prospect of tourism industry. The State has to play a proactive role in pumping in required investment, which will have spiral effect in future with more inflow of tourists both from domestic and abroad. This will help on economic contributions and also disseminate the region’s specific culture and heritage and history of our soil. Travel agents constitute a significant component of the tourism industry and if supported and encouraged with professional approach, will bring in sufficient services and contribute to resource flow.

This study contributes to the literature by bringing out the importance and linkages between tourism development and the significant role of tourism entrepreneurship in developing tourism. The findings provide useful insight for tourism entrepreneurs, the stake holders in travel and tourism sector. Further it will enable the concerned government authorities in studying and adopting the
above mentioned recommendations in the future strategic tourism planning and development. The practical implications of this approach will be contributing to the travel and tourism sector in the country.