Chapter-VII

CONCLUSION

Tourism sector of late has emerged an important driver of economic growth of nations playing a significant role by way of creation of employment opportunities, earning foreign exchange and contributing to growth via its positive contribution to national income as well as to alleviation of poverty. The growing importance of the tourism sector within the framework of the country's development initiative found formal recognition when the Government of India launched the 'Incredible India' campaign in 2002. The campaign was an attempt by the Government to create a distinct identity and hence brand equity of India as an incredible tourist destination.

Major developments had been taking place alongside in the global tourism scenario. These changes were propelled by a number of inter-related phenomena which included, among others, the advances in the field of transport and communication, rapid urbanisation, the emergence of newly industrialised countries in East Asian region and the information revolution. The combined effect of the aforesaid phenomena translated itself into a spectacular rise of tourist flows, both inbound and outbound.

The most noticeable development in the above context was the ascendance of the East Asian region as one of the major tourist-attracting as well as tourist-generating regions in the world. Two other related developments concerning East Asia also had impact on India's policy making circles, namely, (i) the rise of East Asia as India's dominant trade partner; and (ii) the increased political proximity between India and her East Asian neighbours.
These new realities in fact created the grounds for India's adoption of 'Look East Policy', the purpose of which has been to develop closer ties with the countries in East Asian region.

The question that arises in the context of these new global and regional realities is: to what extent India ultimately could capture the opportunities arising out of the changed scenario by attracting progressively larger number of tourists from the East Asian countries? Indeed, this was the question that provided the backdrop for this present research enquiry.

The objectives of the enquiry were: firstly, to delineate the trend and patterns of East Asian tourist inflow to India during the period 1991-2008 and, then, to identify the specific supply-side variables which by way of their association with tourist inflow trends to destinations exercised significant influence on the observed trend of tourist inflows to India from the East Asian countries.

Keeping in view the need for an intensive investigation, the study focused on inflow of tourists to India from four selected source countries of East Asia, namely, Japan, Republic of Korea, Singapore and Malaysia, which in the terminal year of the study together accounted for more than sixty five percent of the East Asian tourist inflows to this country.

The paragraphs that follow present a summary of the study's observations:

TRENDS OF TOURIST INFLOW

1. The tourists from East Asian region accounted for nearly 13 per cent of the total tourist arrival in India in 2008. Among the four East Asian countries considered, Japan posed itself as a major source country accounting for in 2008 around 3 per cent of the tourist arrivals in India. The shares of Malaysia, Singapore and the Republic of Korea in total tourist
arrivals in India in that year were 2.29 per cent, 1.93 per cent and 1.07 per cent respectively.

2. Analysis of the trend of growth of tourist arrivals suggests that throughout the period of study (1991-2008), the rate of growth of tourist arrivals from the East Asian region at 6.94 per cent per annum had been marginally higher than the growth of total foreign tourist arrivals in India at 6.27 per cent per annum.

3. Within this overall trend, the study could discern three distinct phases of growth of tourist inflows. The first phase spanned from 1991 to 1997 when tourist arrivals in India from the selected four East Asian countries (at 12.4 per cent per annum) outpaced the growth of total foreign tourist arrivals (at 5.83 per cent per year). During the next phase (1997-2003), following the financial shock, tourist arrival from the four selected countries recorded growth rate of 0.04 per cent per year. In this phase the overall growth of foreign tourist arrivals to India, although not significantly slowed down to a level of only 1.64 per cent per year. The growth rate of tourist arrivals once again gathered momentum during the period thereafter (i.e, 2003-2008). During this third phase, as a result of economic recovery worldwide, total foreign tourist arrivals to India registered an exponential growth rate of 13.34 percent per year against the growth rate of arrivals from the four East Asian countries at 13.5 per cent per year. Thus, in the third phase the growth of tourist inflows from the East Asian region was almost at par with the growth of tourist inflows to India from the other regions of the globe.

4. A comparison was made between the inflow and outflow of tourists taking India on one side and the four East Asian countries on the other. The comparison revealed that the number of outbound Indian visitors proceeding to the four East Asian countries far exceeded the number of
inbound visitors coming to India from the four countries in question. Thus the balance of tourism had persistently been against India. Analysis at disaggregated level suggested that negative balance of tourism was being experienced in India's dealings with three out the four countries considered. Only in case of Japan the balance was positive for India with inflows of Japanese visitors outpacing the outflows occurring from this country towards Japan.

5. Even more revealing was the fact that the intensity of the negative balance of tourism was increasing over time. Thus the negative balance of tourism as a proportion of total inflow of visitors from the four countries in question which was 150 per cent in 1995 went up to 191 per cent in 2005 and further upwards to 225 per cent in 2008. To put it differently, total inflow of visitors to India from the four East Asian countries as a proportion of the total outflow of Indian visitors to these countries declined significantly from a level of 40 per cent in 1995 to a level of 34.3 per cent in 2005 and then to only 30.8 per cent in 2008.

6. It was also noticed that, throughout the period covered by the study (i.e., 1991 - 2011), India's share in the East Asian travel market remained miniscule with the country, as a destination, persistently failing to attract even 1 per cent of the outbound visitors from the selected four East Asian countries. Individual country-level analysis of tourist inflow data for the period 1995 to 2005 showed that, during the period, of all outbound visitors of Japan only 0.57 per cent chose India as their travel destination; during the same period, the relevant proportions in case of the other three source-countries considered - namely, the Republic of Korea, Singapore and Malaysia - were only 0.45 per cent, 1.23 per cent and 0.22 per cent respectively.
TOURISTS' PROFILE AND DESTINATION-CHOICE CONSIDERATIONS

In order to gain insight into the profile, preferences and perception of the inbound tourists from East Asia, a survey of visitors from the select four East Asian countries was undertaken in select destinations. The survey involved collection and analysis of responses from 300 tourists from the four countries chosen on a random basis. The following facts came out from the survey:

1. Majority of the inbound tourists surveyed were of age more than 35 years (74.6%), with noticeable concentration seen among the age-classes 45-55 (27.3%) and 35-45 (26.3%). Overall, the majority of the inbound East Asian visitors were of middle or relatively mature age classes whose travel motivation generally differ significantly from the mature tourist in the lower age-range.

2. Majority of the visitors were male (65.7%), were married (73.3%) and were having either higher education or a technical qualification (52.6%). The numbers of the young, the unmarried or the singles among the tourist found to be small. That means, the relatively mature, highly or technically qualified persons (of both sexes) constituted a sizeable segment of the visiting East Asian population.

3. Occupation-wise a substantial number (66.9%) of the visitors either were professionals (including teachers) and service-holders (in public and private sectors) or were having their own business. Students and researchers (including backpackers) together accounted for 16.7 per cent of the visiting population interviewed.

4. From the point of view of travel-motivation, it was noticed that more than 80 per cent of the tourists were leisure travellers whose points of interest many a times were multiple and intermingled. A large proportion
of the visitors were found inclined towards historical/religious attractions which in turn suggested that the visitors’ a-priori perception of India was that of a cultural destination with historical, spiritual and cultural legacies; and it appeared that the other aspects of India’s tourism treasure including the sports, fun, holidaying and adventure-related activities were relatively less known.

5. It was noticed that most of the tourists preferred to visit in groups in the company of their respective families, (28.7%) of friends 20 per cent or families and friends 15 per cent of colleagues, 16.3 per cent. The preferred duration of stay for most of the tourist was 7-14 days (56.7%) while another 37.3 per cent of the tourists reported their duration of stay as being less than 7 days.

6. In order to assess the different dimensions of the visitors’ travel-experience in India, twenty tentatively-selected destination-related parameters were placed before the visitors with a request to rate their experience against each of the dimensions. A structured schedule with a five-point rating scale was used for the purpose where the rating could vary from ‘Excellent or Very Good’ (carrying a score of +2) to ‘Very Poor’ (carrying a score of -2). Some important revelations came out of the exercise.

7. Visitors were found satisfied at varying degrees on the following dimensions of their travel experience:

   (i) Tourist Attraction;
   (ii) Accommodation quality;
   (iii) Up-keep of Tourist sites;
   (iv) Food prices;
(v) Recreational activities;
(vi) Shopping facilities and souvenirs; and
(vii) Attitude of the Local people

8. However, the study could identify a number of dimensions where visitors rated their experience as 'less than satisfactory'. These dimensions were the following:

(i) Visa and Immigration Formalities
(ii) Status of connectivity with tourists' home country and air tariff
(iii) Food and catering
(iv) Time required for Travel
(v) Co-operation from Tourist Information Centre
(vi) Ambience
(vii) Availability of medicinal and health care facilities
(viii) Quality of Roads
(ix) Hygiene
(x) Safety measures by local administration
(xi) Availability of Tour Operators and Local Travel agents
(xii) Accommodation tariff
(xiii) Public transport facilities

9. The visitors' survey threw light on five broad considerations (or pillars) to which tourists attached importance prior to or during their travels and to which tourists' satisfaction was intrinsically linked. These five pillars were:
COMPETITIVE STRENGTH OF INDIA AS A DESTINATION

1. Based on the results of the tourist survey, the five broad sets of destination-choice related considerations of the East Asian visitors (as mentioned here in the preceding paragraph) were taken as the pillars around which India's competitive strength as a destination country can be measured vis-à-vis the other competing destinations.

2. To substantiate the linkages between the visitors' destination-selection process and the competitiveness of destinations in terms of their capability to offer what the visitors consider important, the concept of competitiveness was examined in detail and then the implications of the adopted conceptual framework was delineated for identification of the variables which served as indicators of a destination's competitive strength.

3. The detailed survey of literature undertaken in Chapter V made it possible to break up the five competitiveness pillars (as mentioned earlier) into a total of 33 parameters/variables. The status of these 33 variables in a destination-country (i.e. the country supplying destinations to tourists), as has been argued based on the survey of literature, would indicate the strength of pull that the country is able to generate for prospective visitors in a particular travel market.

4. To find an explanation for the current trends of tourist inflows to India from the selected four East Asian countries, a two-stage analytical
framework was adopted. In the first stage, the relative status of India (vis-à-vis that of the destination-countries that are most popular among the East Asian visitors) in terms of the identified thirty-three parameters of destination-strength was ascertained by constructing separate indices for each one of the variables and pillars and also a Composite Destination Strength Index. In the second stage, it was examined whether any significant association exists between destinations’ competitive strength and the actual tourists’ inflow to the given destinations.

5. For constructing the indices for the identified destination strength variables, eight destination countries (viz., USA, China, Australia, France, Switzerland, Indonesia, Thailand, and Hong Kong) that were relatively more popular than others among the outbound visitors of the four selected source-countries of East Asia (namely, Japan, Republic of Korea, Singapore and Malaysia) were taken as constituents along with India and the status of the best-practice-country of the world in each dimension was taken as the base (i.e., 100).

6. Raw data were available for all the 33 variables from the Travel and Tourism Competitiveness Report 2009 of the World Economic Forum. The data although published in 2009 actually reflected the position as was prevailing in the year 2007-08. After initially constructing indices separately for each of the 33 variables, these were grouped as per the adopted analytical plan to construct composite indices for the five identified choice-pillars. The five pillar indices were then clubbed together to finally construct an overall destination-strength index. In conformity with the methodology developed by the World Economic Forum, the composite indices were kept unweighted.
7. The obtained Destination Attractions Index indicated that, while out of the eight popular destinations, four countries (namely, USA, China, France and Australia), in terms of their offered ranges of attractions had superiority over India and one country (namely, Switzerland) had attractions-strength almost comparable to India, India enjoyed distinct edge relative to at least three of the eight popular destination-countries (namely, Hong Kong, Thailand and Indonesia) in terms of the attraction index values in 2007-08.

8. The obtained Destination Openness Index indicated that all the selected destinations other than Australia enjoyed edge over India in terms of their openness to visitors, although in some cases (particularly for China and Indonesia) the edge was marginal. But what was particularly noteworthy in this connection is that all the three popular destinations - namely, Hong Kong, Thailand and Indonesia - whose positions were relatively weak compared to India in terms of attractions were trying to overcome their weakness by pursuing a rather aggressive strategy for attracting visitors. This strategy came out clearly from the destination-openness index values of these countries which in 2007-08 stood at 71, 60 and 52 respectively for Hong Kong, Thailand and Indonesia against the obtained index value of 51 for India.

9. The obtained Safety and Security Index showed that all the popular destinations other than Thailand and Indonesia had better status compared to India in terms of their provisioning of safety and security for visitors. The index values of Thailand and Indonesia in 2007-08 stood at 60 which were the same as that of India.

10. The obtained Connectivity Index showed that the status of connectivity was better in all the popular destination-country other than Indonesia.
Among the three destinations which had weakness relative to India in terms of attractions, only Indonesia had a connectivity index value (at 39) lower than that of India; while the other two countries, namely, Hong Kong and Thailand (having index values of 67 and 46 respectively) clearly were able to develop connectivity to a decisively better level in pursuance of their aggressive tourism promotion strategy.

11. The obtained Tourism Infrastructure & Price Competitiveness Index indicated that five out of the selected eight destinations had better status in 2007-08 compared to India in terms of tourism infrastructure & price competitiveness. The three destinations which had weakness relative to India in terms of attractions, namely, Indonesia, Hong Kong and Thailand also seemed to be weak in terms of tourism infrastructure & price competitiveness. However, a subsequent analysis at disaggregated level showed that of the six parameters considered for constructing the index, only in respect of two (viz., presence of major car rental companies and Hotel price) India’s position was better than the other three countries; while in such parameters as number of hotel rooms or ATMs accepting Visa cards that were more reflective of an aggressive tourism promotion strategy, the three countries could build up a decisive edge over India.

12. The five pillar indices were finally clubbed together to construct a composite Destination Strength Index for India and the eight selected destination countries popular among the East Asian visitors. The index pointed to the fact that all the selected countries popular among the East Asian visitors other than Indonesia enjoyed distinct edge over India in terms of competitive strength. Interestingly, among the three countries whose attraction-portfolio was weaker than India, at least two, namely Hong Kong and Thailand, could develop superior destination strength as compared to India by pursuing an aggressive tourism promotion and
development strategy and accordingly by duly focusing on governance and other aspects of destination-strength.

LINKAGE BETWEEN DESTINATION STRENGTH AND TOURIST INFLOWS

1. After assessing the relative strength of the popular destinations vis-à-vis India, chi-square tests were conducted to ascertain whether there really exists any association between the relative strength of destinations (in terms of any one or all the pillars) and the tourist outflows from source-countries (the selected East Asian 4) in favour of these destinations.

2. For finding whether there exists any association between the relative strength of destinations (as measured by the pillar-indices and the Composite Destination Strength index) and the tourist outflows from source-countries to specific destinations (as measured by the intensity of outflow of East Asian visitors to selected destination countries), the following six hypotheses were tentatively framed:

   H₀(1): There is no significant association between the relative status of a destination in terms of Tourism Attractions and the intensity of East Asian tourist outflows in favour of the destination

   H₀(2): There is no significant association between the relative status of a destination in terms of destination openness and the intensity of East Asian tourist outflows in favour of the destination.

   H₀(3): There is no significant association between the relative status of a destination in terms of tourists’ safety and security and the intensity of East Asian tourist outflows in favour of the destination;
H₀(4): There is no significant association between the relative status of a destination in terms of connectivity and the intensity of East Asian tourist outflows in favour of the destination

H₀(5): There is no significant association between the relative status of a destination in terms of tourism infrastructure and price competitiveness and the intensity of East Asian Tourist outflows in favour of the destination;

H₀(6): There is no significant association between the overall competitive strength of a destination and the intensity of East Asian tourist outflows in favour of the destination

3. The results of the Chi-square tests (χ² - test) [showing the probability of Chi-square distribution = 0, at 5% level of significance] rejected all the six null hypotheses and clearly indicated that there existed significant association between the level of competitive strength of destinations in terms of any one or all of the visitors' choice pillars and the intensity of tourist outflows from the four East Asian countries to the destinations.

4. In the last and prescriptive phase of the chapter a comparative analysis in terms of the relative status of the identified 23 destination strength variables was drawn between India and the three destination-countries in Asia Pacific regions most popular among the outbound visitors in the selected four East Asian countries (namely China, Australia and Thailand). The exercise unfolded the following nine areas where the relevant index values for India were less than even 50 percent of the same obtained for the global-best country as well as the average of index values for the three major destination countries in the Asia Pacific region:
i) Number of hotel rooms

ii) Airport density

iii) ATMs accepting Visa cards

iv) Flight departures per 1,000 population

v) Visa requirements

vi) Sanitation standard at tourist locations.

vii) Health Infrastructure in tourist locations (physician density)

viii) Number of international fairs and exhibitions

ix) Quality of roads

The chapter concluded itself by pointing attention to the aforesaid nine areas of strategic action where priority attention at the policy-making levels is called for.

7.2 SUGGESTIONS FOR FUTURE RESEARCH

For the sake of intensive enquiry, in the present study, tourist inflows from the selected four East Asian countries (which account for sixty-five percent of the total tourist inflows from the region) have been specifically considered. This did restrict for the study the scope for generalisation. Hence the framework of analysis developed here needs to be tested by taking a larger sample of countries from other tourist-generating regions.

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