Chapter 1
INTRODUCTION

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Chapter 1

INTRODUCTION

1.1 Introduction

From the very inception of life, travel has fascinated man. Travel and tourism have been important social activities of human beings since ages. The urge to explore new places within one’s own country or outside and seek a change of environment has been experienced from time immemorial. Travel has been in existence since the beginning of time when primitive man set out great distances, in search of food and clothing necessary for his survival. During the past, people traveled for purposes of religious conviction, trade, war, economic gain, migration and various other equally compelling motivators.

Tourism, as we know it today is distinctly a twentieth century phenomenon. Historians suggest that the advent of mass tourism began in England during the industrial revolution with the rise of the middle class and relatively inexpensive transportation. The creation of the commercial airline industry following World War II and the subsequent development of the jet aircraft in the 1950s signaled the rapid growth and expansion of international travel. The growth led to the development of a major new sector: Tourism. In turn, international tourism became the concern of a number of world governments because it not only provided new employment opportunities, but it also acts as a source of earning foreign exchange. Tourism is one of the world’s most rapidly growing industries. Much of its enhancement is due to increased disposable incomes, higher availability of leisure time and diminished costs of travel. Tourism is also growing as now-a-days tourists find it easier to get information on places they want to visit, airports become more enjoyable places to pass through and travel agency services become increasingly automated.

The internet has fueled the growth of the travel industry by providing online booking services. It has also provided people with the power to explore destinations and cultures from their home with personal computers and explore choices before finalizing their travel plans. With its abundant information and resources, the internet assists tourists to scrutinize hotels, check weather forecasts, assess the local food and even talk to other tourists around the world about their travel experiences for a chosen destination. This new scenario has made the tourism job even more challenging. The tourists want a good rate of return on their investments. They are to be attracted with value additions
and improved customer services. This also puts emphasis on the regular flow of manpower with specific skills at the appropriate levels to match and cater to global standards. Tourism today is much more than just developing new products. It is more about good quality, intelligent thinking and ability to have global information about contacts, technology partners, and responding quickly to global and regional trends. Tourism should be a vehicle for international co-operation and understanding of the various civilizations and a messenger of peace. From the foregoing discussion we can see how fast the face of tourism is changing and how challenging is the job of travel agencies. There is therefore a need for proper and efficient training of the personnel working in the industry through thorough and comprehensive study of the subject. A holistic approach to the subject is also required since at present people from different fields have been studying tourism from different perspectives.

1.2 Tourism – Definitions and Meaning

In simple terms Tourism is the act of travel for the purposes of pleasure, leisure, or business, and the provision of services for this act. There are two important components that make up tourism:

1. The practice of traveling for pleasure.
2. The business of providing tours and services for persons traveling.

There have been numerous attempts to define tourism since the beginning of the twentieth century. It is defined in a different manner by different people as discussed below:

In the year 1941, Hunziker and Krap defined tourism as “the sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity”.

In 1976, the Tourism society of England’s definition was “Tourism is the temporary, short-term movement of people to destinations outside the places where they normally live and work and their activities during the stay at each destination. It includes movement for all purposes.”

Jafari (1977) stated “Tourism is a study of man away from his usual habitat, of the industry which responds to his needs, and of the impacts that both he and the industry have on the whole socio-cultural, economic and physical environments.”

Leiper (1979) postulated that there are three approaches in defining tourism: economic, technical and holistic. Economic definitions view tourism as both a business and an industry. Technical definitions identify the tourist in order to provide a common
basis by which to collect data. Holistic definitions attempt to include the entire essence of the subject.

In 1981, tourism was defined by the International Association of Scientific Experts in terms of particular activities selected by choice and undertaken outside the home.

Mathieson and Wakk(1982) conclude that ‘Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.’

The most widely accepted definition is given by the World Trade Organization (W.T.O). This was approved by United Nations Statistical Commission in its twenty-seventh session held from 22 February to 3 March1993. As per World Trade Organization:-

“Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.”

In the above definition, the term ‘usual environment’ is intended to exclude trips within the place of residence, trip to the usual place of work or education, daily shopping and other local day-to-day activities. The threshold of twelve months is intended to exclude long-term migration. For the distance traveled there is no consensus. It varies from atleasat 40 kilometer to at most 160 kilometer away from home one way for any purpose other than commuting to work. Following five main characteristics of tourism may be identified from the definition:

1. Tourism arises from movement of people to and their stay in various destinations.
2. There are two elements in all tourism: the journey to the destination and the stay including activities at the destination.
3. The journey and the stay take place outside the usual place of residence and work so that tourism gives rise to activities which are distinct from those of the resident and the working population of the places, through which the tourist travels or in which they stay.
4. The movement to destinations is of temporary, short-term character, with the intention of returning to the usual environment within a few days, weeks or months.
5. Destinations are visited for purposes other than taking uppermanent residence or employment remunerated from within the places visited.

As per WTO’s definition, Tourism can be classified into the following forms:

- **Inbound Tourism:** Inbound tourism includes visits to a country by non-resident of that country - for example, when an American citizen comes to India to see the Taj Mahal, he is an inbound tourist for India. This type of tourism brings tourists from foreign countries and generates foreign exchange. Inbound tourism caters to the customers who come from other countries to our country by making arrangements for their stay, sight-seeing etc. Normally, inbound tourists are sent through agents abroad who have a tie-up with a local agent. The local tour operator must have a good connection with tour operators abroad as well as with local hotels, guides, transport companies and other arrangements. In most cases, the tourists have exchange orders issued by the foreign agent for the services to be provided. The local service provider collects the exchange vouchers and finally pays bills to the foreign tour operator accordingly.

- **Outbound Tourism:** Outbound tourism includes visits by the residents of a country to another country - for example when an Indian citizen goes to America to see Hollywood, he is an outbound tourist for India. It promotes foreign tours of local nationals through the travel agents in groups. As it involves outflow of foreign exchange, it is strictly regulated by the various government agencies and the apex bank of different countries. Outbound tourism promotes foreign travel of local population. Majority people travel for leisure purposes and some people also travel for special events like sports, Olympic Games, conventions etc. Others go for studies or incentive package tours. Outbound tourism can be tailor made individual tours to suit the customer’s needs or group tours where the customers travel in a group with a fixed itinerary. Normally, group tour is accompanied with one tour escort. Most of the group tours are prepaid before departure and all arrangements and reservations are confirmed beforehand.

- **Domestic Tourism:** It involves traveling by the residents of the given country within their own country, for example, when a resident of Delhi goes to see the TajMahal in Agra he is a domestic tourist. Domestic tourism constitutes a major part of the world tourism today. W.T.O. has estimated that about 75% of all tourist
expenditure is incurred within the traveler's own country. Domestic tourism is the foundation on which the entire tourism structure depends. In India domestic tourists' movement in pursuit of leisure activities is estimated at somewhere between 15-20 millions annually and for pilgrimage purposes- many times more. This would have been doubled if we planned for it, provided better facilities at affordable prices and considered domestic tourism more seriously. Domestic tourism can play a crucial role in increasing goodwill amongst ourselves and in bringing diverse sets of people together. Since domestic travel takes place within the limits of the boundaries of a country, the different travel formalities which are necessary in international tourism are not required in domestic tourism. Travel, thus, is a much easy affair. The problems of currency exchange, passport, visa, language, health documents etc. are not to be dealt by a domestic tourist.

- **International Tourism:** International Tourism denotes traveling outside the boundaries of a country. India is known for its ancient and rich cultural heritage. We provide many things to all classes of tourists-leisure, pleasure and warm hospitality. Much of our history and culture is still hidden, untapped and unexplored. Therefore, our overseas government tourist offices have to project the correct image of India and make sincere efforts to interact with foreign tour operators and send foreign tourists in large numbers to our country. The size of a country determines the extent of international tourism. USA, for example, is a very large country & has many tourist attractions. Therefore, the extent of the international tourism is only 10% of total tourism in the country. Netherland, on the other hand, is a small country and international boundaries are not far away from any city in the country, therefore the size of international tourism is more than half of the total tourism of Netherlands. So is the case with Austria, Switzerland, and Belgium.

1.3 **Different Perspectives on the Study of Tourism**

- **Geographical Perspective** - When viewed from a geographer's perspective the main concern of tourism is to look into aspects like the geographical location of a place, its climate, its landscape, its environment, its physical planning and the amendments in these emerging from provisioning of tourism facilities and amenities. A geographer feels that it is the weather and the climate, landscape or
sometimes physical attributes which draw the tourist to a destination, for example if a person from Delhi visits Shimla in the summer he does so because of the cooler climate which he cannot get in Delhi.

- **Sociological Perspective** - From a sociologist’s perspective tourism is a social activity. It is related to the interaction between different communities—hosts and guests—and encounter among diverse cultures. This approach revolves around the studies related to social stratas, habits and customs of both hosts and guests in terms of tourism behavior of individuals or groups of people and the impact of tourism on society.

- **Historical Perspective** - A historian’s perspective describes tourism as a study of the factors leading to the initiation of tourism to a particular destination, the series of happenings leading to tourism development, the reasons for the happening of the occurrences in that series, beneficiaries of the tourism activity and an untimely and premature identification of adverse effects. For example, we all know that a number of tourists visit TajMahal in Agra but a historian would be interested in studying the factors that bring the tourist there, e.g. the art and architecture, the story behind the monuments, or may be something else that draws them there.

- **Managerial Perspective** - The management perspective looks at tourism as an industry, and therefore requires managerial skills in order to be efficiently managed. As the industry flourishes we see continuous changes in various organizations and services linked with the industry itself, the tourism products and other related issues. So, this approach concentrates on management process such as planning, organizing, research, pricing, marketing, control etc. as pivotal to the operation of a tourist establishment.

- **Economic Perspective** - For an economist, tourism is one of the major sources of foreign exchange earnings, a generator of personal and corporate revenues, a creator of employment opportunities and a contributor to government’s fiscal earnings. It is a dominant global activity surpassing even trade in oil and manufactured goods. An economist studies the effects of tourism industry on the economy. This is always a two way process.
1.4 **Definitions of Tourists**

The principal character in the phenomenon called Tourism is the ‘Tourist’ and without his being around the tourism phenomenon is meaningless. The word tourist was first used in 1772. The term tourist is believed to have been derived from the Latin word ‘tornus’ which means a tool, a circle or a turner’s wheel. In the sense, tourist is a person who undertakes a circular trip but ultimately comes back to the place from where he sets about his journey. Based on the aforementioned definitions of a tourist here are some of the characteristics of a tourist:

1. He takes up his journey of his own free will.
2. He takes up the journey primarily in search of enjoyment.
3. The money spent on the visit is the money derived from home, not money earned in the place of visit.
4. He finally returns to his original starting point.

We now proceed to discuss the definitions of ‘Tourist’.

An international forum held in 1936, The committee of Statistical Experts of the League of Nations, first proposed that a Foreign tourist is “any person visiting a country, other than that in which one usually resides for a period of at least 24 hours. According to this definition the following persons were to be considered tourists:

1. Person traveling for pleasure, for domestic reasons, for health purposes etc.
2. Person traveling for some meetings or in a representative capacity of any kind i.e. scientific, administrative, diplomatic, religious, and athletic.
3. Person traveling for business purpose and
4. Person arriving in the course of sea cruise.

A revised definition was given at UN conference on International Travel and Tourism held in Rome in 1963 which described tourist as “Any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation remunerated from within the country visited.” This definition covered –

1. Tourist i.e. temporary visitor staying for at least 24 hours in the country visited and purpose of whose journey can be classified as (a) Leisure i.e. recreation, holiday, study, religion and sports, (b) Business, meeting, convention and family.
2. Excursionist i.e. temporary visitor, staying less than 24 hours in the country visited.
1.5 **Tourism and Travel Differentiated**

Though the words Travel and Tourism are synonymous and used interchangeably but tourism is a wider concept and includes a lot more than travel alone. Travel implies journey undertaken from one place to another for any purpose including journey to work and inclusive of employment, or leisure and to take up residence; whereas tourism includes the journey to a destination and also the stay at a destination outside one’s usual place of residence and the activities undertaken for leisure and recreation. All tourism includes some travel, but not all travel is tourism. A person may often travel for varied purposes, of which tourism is only one. However, if it is properly handled, a part of the travel for non tourism purposes can be motivated into travel for tourism as an additional purpose. For example a person on a journey as a part of employment to a place with one or more tourist attractions –like a spot of scenic beauty or historical significance, a pilgrimage, a lake, etc. can be induced to spare some time and money for a short visit and stay for tourism purposes alone. In this sense every traveler is a ‘potential’ tourist and is up to the managers of the industry to tap this ‘potential’ and convert the traveler into an ‘actual’ tourist.

The differences between the basic concepts of tourism and travel are with respect to their nature, scope, objectives and means. Travel is a routine feature almost to similar destinations, whereas tourism is not routine and is to different destinations. Travel is for a specific purpose; education, work, health reasons, religious visits, family functions etc. whereas in case of tourism specific purpose is to relax and get relieved of the stress and utilizes the paid holidays, incentives etc. The objective in case of travel is to earn a living, gain degree (education), expand business, improve health etc. In case of tourism, the objective is to derive pleasure and satisfaction. Travelers have prefixed budgets and time frames whereas tourists have free budgets and flexible time frame and their aim is to fulfill specific objectives. From the above discussion it is clear that all tourism may be travel but all travel may not be classified as tourism.

1.6 **Tourism Products: Characteristics and Forms**

A tourism product can be defined as the sum of the physical and psychological satisfaction it provides to tourists during their traveling route to the destination. The tourist product concentrates on facilities and services designed to meet the needs of the tourist. It can be taken as a composite product, as the summation of a country’s tourist attractions, accommodation, transport, and of entertainment which result in customer
satisfaction. Each of the components of a tourist product is supplied by individual providers of services like hotel companies, airways, travel agencies, etc. The tourist product can be analyzed in terms of 6 A’s, viz access, accommodation, attractions, activities, amenities & agencies. Of all the 6 A’s of tourism, the agencies play a major role in creating success in the industry, by proper and continuous monitoring of various sub groups and establishing co-ordination among several activities to ensure satisfaction to the tourist.

1.6.1 Forms of Tourism Products

- Natural Tourism Products
  
  Natural resources are frequently the key elements in a destination’s attraction. These include:- countryside, climate, rains, temperature, snowfall, days of sunshine, Natural Beauty- landforms, hills, rocks, terrain, gorges, water- lakes, ponds, waterfalls, rivers, springs, flora and fauna, wildlife, beaches, islands, spas and scenic attractions. The climate and weather of a tourist destination is often an important attraction. Millions of tourists from countries with extreme climates visit beaches in search of fine weather and sunshine. The scenery and natural beauty of places have always attracted tourists. There are land forms like mountains, canyons, coral reefs, cliffs, etc., water forms like lakes, rivers, waterfalls, geysers, glaciers, etc. and flora and fauna that attract many a tourist. Tourists like to know the different types of plants and trees that they see and which trees are seen in which seasons. Thick forest covers attract tourists who enjoy trekking and hunting activities. Fauna attracts the tourists who like to watch birds, wild animals, reptiles and other exotic and rare animals. Spas are gaining popularity as modern tourism product all over the world. Spas offer the unique advantages of taking the best from the West and the East, combining them with the indigenous system and offering best of the two worlds. Spa treatments are now combined with other medical treatments to treat insomnia, blood pressure, depression, paralysis and some other diseases. Beach tourism is very popular among the tourists today. The basic importance of beaches is that they provide aesthetic and environmental value such as beautiful natural scenery with lush green vegetation golden sands, and bright blue sky.

- Man- Made Tourism Products
  
  Man-made tourism products are created by man for pleasure, leisure or business. Theman- made tourism products include: culture, traditions, entertainment and business. Cultural tourism is based on the mosaic of traditions, places, art forms, celebrations and
experiences that portray the nation and its people, reflecting the character and diversity of a country. This entire process creates a powerful motivator towards travel. The main components of tradition include pilgrimages, arts and handicrafts, fairs and festivals, dance, music, folklore, native life and customs. The entertainment component includes amusement and recreation parks, sporting events, zoos, cinemas and theatre, night life and cuisine. There are many tourist products that have entertainment as their main characteristic. Just to name a few - there are amusement and recreational parks like Disney World in United States, Hong Kong, Singapore, Paris and theme parks in various countries and cities like Adventure Island and Fun and Food Village in Delhi, Essel World in Mumbai and many more. Tourists also come to attend sports events and it is also an opportunity to explore the country. Night Life is one of the prime attractions in a holiday. Another form of tourism product is business which in turn includes conventions and conferences. People who travel in relation to their work come under the category of business tourism.

- **Symbiotic Tourism Products**
  
  Some tourism products do not fall into the above categories. Wildlife sanctuaries, marine parks, aero products, flower festivals, water sports, and adventure tourism are the examples of tourism products which are a blending of natural and manmade forms. Nature has provided the resources and man has converted them into a tourism product by managing them.

- **Event based Tourism Products**
  
  When an event is an attraction, it is an event based tourist product. Events lure tourists as spectators and also as participants in the events, sometimes for both. The October fest organized in Germany, and the shopping festivals of Dubai and Singapore, the camel polo at Jaisalmer, kite flying in Ahmedabad attract tourists, both as spectators and participants. Whereas the snake boat race of Kerala can be enjoyed by witnessing it. Event attractions are temporary and often mounted in order to increase the number of tourists to a particular destination.

- **Other Tourism Products**

  **Health Tourism**

  The medical expertise of various countries has added a new product to the existing tourism products. People are traveling to different countries for treatment of various ailments and medical procedures like cardio care, bone marrow transplant,
dialysis and kidney transplant, neuro surgery, urology, joint replacement surgery, osteoporosis, and numerous other diseases. Alternative medicines like homeopathy, ayurvedic medicines, acupressure, and naturopathy are also becoming tourism products.

**Eco-tourism**

Eco tourism combines development of the local economy, protection of the quality of the environment and enhancement of the natural advantages and the history of an area.

**Rural Tourism**

Any form of tourism that shows the rural life, art, culture and heritage at rural locations, thereby, providing benefits to the local community economically and socially can be termed as rural tourism. Tourists like to visit villages to experience and live a relaxed and healthy lifestyle and to avoid the stress of urban life style.

**Senior Citizen Tourism**

It is a newly emerging trend in tourism, basically for senior citizens or old age people who live in isolation, especially in the west, because of daily busy schedules of their children and more importantly the attitudes.

**Spiritual Tourism**

Many people living under conditions of stress turn to spirituality. Tourists visit places to attend spiritual courses and meditation workshops. For instance, The Osho Foundation, Art of Living Foundation which have centres all over the world, Buddhist monasteries and ashrams.

1.7 **Service Providers in Tourism Industry**

There are mainly two players involved in the tourism industry who provide various kinds of services to the tourists whether domestic or international and these are explained as below:-

**Travel Agents**

A travel agent is a retail business agent that sells travel related products and services to customers on behalf of suppliers, railways and may include sight seeing tours and package holidays that combine several products. The agents work on commission basis. They are paid commissions on the products handled. An agent shall not buy the products unless there is a specific customer request.
Tour Operators

A tour operator sells a ‘packaged holiday’— including the hotel, the flight and all other sort of expenses. The business type is similar to a wholesale business where the operating profit is the discount one gets from the providers of tourism products like hotels, shipping agencies, airlines, restaurants, tourist guides etc. They also have cordial relations with various government agencies in the smooth functioning of their activities. They promote complete tour package, which is sold either directly to a customer or through travel agents. As they consolidate all the products under one roof and promote group travel, they are able to provide the services at very competitive rates.

Functions of Tour Operators

Tour operators consolidate tourism service products under one roof, pertaining to stipulated tour package. They are responsible for the successful completion of tour as originally designed and informed to the customers. They have to make alternative arrangements in case of any disturbances in the stipulated tour. They provide employee assistance wherever possible during the course of the tour. The tour operators arrange standard as well as customized tour packages to meet the customer demand. They coordinate with other partners of the package to ensure proper linkages and fulfillment of the obligation of the package by hotels, travel agents, guides, car rentals etc and provide information pertaining to immigration and other ground rules of different countries. They also provide necessary foreign currency to the travelers and update the information pertaining to tourist traffic to Department of Tourism and other agencies of tourism promotion and development. Tour operating business is an important part of tourism industry, as more and more customers are interested in standard packaged tours where they have the convenience of completing the tour with minimum risk. American Express Company (AMEXO), Thomas Cook, Oriental Express, Cox & Kings are some of the famous tour operators in the industry. Thus, from the above discussion it is very much clear that while a travel agent acts on the behalf of a company / Principal and undertakes no liability for the Principals’ services and that a travel agent is a retail business dealing in travel products on commission basis. Whereas a tour operator holds responsibility for the completion of the tour as they arrange the individual elements in the travel product on their own and combines them in such a way that they are selling a package of traveler tour to the client and as such carries the ownership of the service elements and attached responsibility.
1.8 Destination Competitiveness

Destination competitiveness has become a critical issue in today’s increasingly challenging tourism market. Many studies indicate that tourists and their needs stand as the ultimate driving force which influences competition and competitiveness in the tourism destination. Today, the destinations eventually compete on the quality of tourism experience offered to visitors. Destination Competitiveness is the destination’s ability to create and provide value-added products and quality experience which are important to tourists while sustaining its resources and maintaining market position relative to competitors (Dwyer & Kim, 2003; Hassan, 2000). In this study, destination competitiveness is examined from the tourists’ perspective. It refers to the tourists’ perception of the destination’s ability and superiority in its performance with regard to offering quality tourism experience competitively.

According to d’Hartserre (2000, p.23), competitiveness is “the ability of a destination to maintain its market position and share and/or to improve upon them through time”. Hassan also defined competitiveness as “the destination’s ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors” (Hassan, 2000, p.239).

1.8.1 Destination Competitiveness V/s Destination Attractiveness

Competitiveness is related to the ability of a destination or a nation to create, produce, sell and distribute products in the international market, raising returns for its resources and prosperity of its people. It is a very general and multifaceted concept that includes facts and policies, natural resources and institutional framework and has a typical macro perspective.

Attractiveness is the capacity to attract and retain resources.

For our study we include attractiveness within competitiveness as it is the driving force of competitiveness allowing a system to attract critical resources for development. We can say that the empirical difference between indicators of competitiveness and attractiveness is basically a question of weights and not a question of ingredients or dimensions. Therefore, for the purpose of our research we conclude competitiveness as a broad perspective covering attractiveness within it.
1.8.2 Models for the Evaluation of the Competitiveness of Tourist Destinations

A look at recent literature shows that there have been a series of presentations of studies and international experiences with regard to competitiveness in the tourism industry. Gooroochurn and Sugiyarto (2004) have drawn up a model for the evaluation of the competitiveness of tourist destinations whose units of analysis were: (i) prices (ii) economic openness (iii) technological developments (iv) structure (v) human development in tourism (vi) social development (vii) the environment and (viii) human resources. Crouch and Ritchie (1999) have developed a conceptual model of competitiveness for destinations, based on four factors: (i) qualification factors (or situational conditions); (ii) management of the destination; (iii) attractions and key resources, and (iv) support factors and resources.

Melián-Gonzáles and García-Falcón (2003) have also drawn up a model for the evaluation of competitiveness, and have applied the same empirically to a segment of fishing tourism in Canary Islands, in Spain. According to the authors, the resources of tourist destinations can be described as consisting of natural resources (beaches and mountains) or cultural resources (museums, festivals, local traditions etc.).

Enright and Newton (2004) have formulated a quantitative model for the measurement of competitiveness based on the identification of significant competitors, the attractions and the business related to the sector which affects the competitiveness of the destinations.

Kozak and Remmington (1999) have established that the competitiveness of tourist destinations is based on a combination of two fundamental factors: (i) primary factors, such as climate, ecology, culture, architectural heritage, and (ii) specific factors of the tourist sector, such as hotels, transport means and entertainment.

Johns and Mattsson (2005) have established the competitiveness of a destination in accordance with the quantitative performance, based on the number of tourist arrivals, and their revenues (ex-post concept), but also admit that there is a need to evaluate qualitative aspects or aspects of efficiency (ex-ante concept), seeing that these will determine the performance of the destination.

The World Economic Forum published a significant study on competitiveness in 2007, based on the secondary data sources from various international organizations and a survey among leaders and executives present at the forum. Based on these statistics, a ranking of competitiveness in tourism terms was drawn up, in which 124 countries were classified according to their level of competitiveness. The competitiveness index developed...
by the World Economic Forum was based on models structured on thirteen key elements: (i) public policies and regulations; (ii) environmental legislation; (iii) safety and security; (iv) health and hygiene; (v) priority given to the tourism sector; (vi) air transport infrastructure; (vii) ground transport infrastructure; (viii) tourism infrastructure; (ix) communications infrastructure; (x) prices in the tourism sector; (xi) human resources; (xii) national perception of tourism; and (xiii) natural and cultural resources. Thereafter this competitiveness report is published annually which was amended in 2008 and pillar natural and cultural resource was segmented into two and was viewed as distinctive pillars.

The research findings from different studies regarding the determinants/indicators of tourism destination competitiveness share some common features. This study adopts the findings of these researches to develop the measurement scale of destination competitiveness. The factors are as follows:

1. Security & Safety: It includes law and order of country, safety of luggage, safety of family, safety of females, tourist grievances redressal, discipline in the country and political stability.

2. Maintenance and Cleanliness: It includes general cleanliness & sanitation, availability of clean drinking water, air, water and noise pollution, availability of healthy and hygienic food and healthy ambience.

3. Information and Communication: This factor involves communication with local people, ease of visa formalities, quality of mobile phone networking and availability of information about destinations through websites.

4. Infrastructure: This feature includes the airport ambience and facilities, ground transport including road transport and rail transport connectivity to neighboring countries and connectivity to local tourist places.

5. Prices: Competitiveness can also be checked on this factor which includes price of general commodities, airfare charges, price of local transport, accommodation charges, food/other commodity prices at tourist spots, fee charged to see tourist spots and availability of economic tour package for neighboring countries.

6. Facilities: This factor includes banking & financial system in the country, accommodation quality, medical facilities in country and easy availability of desired food.

7. Attractions: It includes the shopping facilities in the country, climate and weather condition, attraction of festivals, presence of historical monuments, holding of
international art exhibitions, games & adventurous activities like golf, gym, sports, casino etc uniqueness of local blend of multi-cultural heritage, nightlife, potential to be international destination and overall infrastructural facilities of the country.

8. Behavior of Country Residents: This includes behavior of government officials, behavior of taxi/Auto rickshaw drivers, friendliness/behavior of local people, general hospitality level of the nation, openness in society and level of education and training of service providers at tourist places.

9. Factors Affecting the Purpose of Visit: It includes availability of natural resources, quality of tourism infrastructure and accessibility to tourist spots.

10. Other Factors: It includes the extent of begging & cheating in the country, presence of terrorism and the general corruption level in the nation.

1.9 Overview of International Tourism

In the 21st century the global economy will be driven by three major service industries – technology, telecommunications and tourism. Travel and tourism will be one of the world’s highest growth sectors in the current century. Tourism, according to experts is expected to capture the global market and become the largest industry in the world.

The following statistics point to an era of unprecedented growth of tourism around the world.

Table 1.1
International Tourist Arrivals (millions)

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</thead>
<tbody>
<tr>
<td>World</td>
<td>435</td>
<td>528</td>
<td>674</td>
<td>799</td>
<td>883</td>
<td>940</td>
<td>983</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012
Table 1.1 and figure 1.1 clearly show tourism activity around the globe has experienced growth as the number of foreign tourist arrivals has only increased since 1990. WTO has estimated that international tourism arrivals worldwide would be 1.5 billion by the year 2020. In 2010, world tourism recovered more strongly than expected from the shock it suffered in late 2008 and 2009 as a result of the global financial crisis and economic recession. Worldwide, international tourist arrivals reached 940 million in 2010, i.e. 6.6% up over the previous year and even higher in 2011 and reached 983 million.

### Table 1.2
**Top 10 Countries by International Tourist Arrivals (millions)**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>77.9</td>
<td>79.5</td>
</tr>
<tr>
<td>2</td>
<td>USA</td>
<td>59.8</td>
<td>62.3</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>55.7</td>
<td>57.6</td>
</tr>
<tr>
<td>4</td>
<td>Spain</td>
<td>52.7</td>
<td>56.6</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>43.6</td>
<td>46.1</td>
</tr>
<tr>
<td>6</td>
<td>Turkey</td>
<td>29.0</td>
<td>29.3</td>
</tr>
<tr>
<td>7</td>
<td>UK</td>
<td>28.3</td>
<td>29.2</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>26.9</td>
<td>28.4</td>
</tr>
<tr>
<td>9</td>
<td>Malaysia</td>
<td>24.6</td>
<td>24.7</td>
</tr>
<tr>
<td>10</td>
<td>Mexico</td>
<td>23.3</td>
<td>23.4</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012.

In table 1.2 the top ten destinations as per international visitor arrivals are being mentioned. France remains at the top position in both the years followed by USA and China at the 2nd and 3rd positions respectively. Spain ranks on the 4th position while the 5th position is bagged by Italy. Turkey and UK compete closely and secure 7th and 8th position respectively. Malaysia 9th and Mexico 10th complete the top ten ranking.

### Table 1.3
**International Tourism Receipts (US $ billion)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>262</td>
<td>403</td>
<td>475</td>
<td>679</td>
<td>853</td>
<td>927</td>
<td>1030</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012.
Table 1.3 and figure 1.2 show the International tourism receipts in the global market. The trend is again rising in this indicator of tourism which was 262 billion US $ in 1990 and was 927 US billion $ in 2010. In 2011, international tourism receipts reached a record 1,030 billion US$. This represents 3.9% growth in real terms (adjusted for exchange rate fluctuations and inflation).

Table 1.4
Top 10 Destinations by International Tourism Receipts (US $ billion)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>103.5</td>
<td>116.3</td>
</tr>
<tr>
<td>2</td>
<td>Spain</td>
<td>55.5</td>
<td>59.9</td>
</tr>
<tr>
<td>3</td>
<td>France</td>
<td>46.6</td>
<td>53.8</td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>45.8</td>
<td>48.5</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>38.8</td>
<td>43</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>34.7</td>
<td>38.8</td>
</tr>
<tr>
<td>7</td>
<td>UK</td>
<td>32.4</td>
<td>35.9</td>
</tr>
<tr>
<td>8</td>
<td>Australia</td>
<td>29.8</td>
<td>31.4</td>
</tr>
<tr>
<td>9</td>
<td>Macau</td>
<td>27.8</td>
<td>NA</td>
</tr>
<tr>
<td>10</td>
<td>Hong Kong</td>
<td>22.2</td>
<td>27.7</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012

USA tops the chart in international tourism receipts and is the highest earner followed by Spain and then France. China bags 4th position and Italy ison 5th position. The 6th and the 7th position are bagged by Germany and UK respectively. Australia,
Macau and Hong Kong complete the list by securing 8th, 9th and 10th positions, respectively.

1.10 Overview of Tourism in Asia Pacific Region

Asia continues to be the world economic powerhouse. According to the United Nations, by 2020, four of the largest ten economies will be in Asia (China, India, Japan and the Republic of Korea). Asia will also account for 12 of the 22 megacities (urban centres with more than 10 million people) by the same year. Therefore, it is important to understand the trend of tourism development in the region, as it will have major impacts on the regional economy, culture, society, environment, and even political systems within and outside the region. Tourism has become increasingly important for many Asian and Pacific countries that have opened their economies and drawn up strategies, policies and plans designed to sustain their national tourism industries. The importance of tourism has been growing in terms of the dynamics of national socio-economic development and the potential benefits for tourism stakeholders.

Asia Pacific is defined as including the following sub-regions for the purposes of study:-

Northeast Asia: China, Chinese Taipei, Japan, Korea (ROK), Hong Kong SAR, Macau, SAR and Mongolia
Southeast Asia: Cambodia, Lao PDR, Indonesia, Myanmar, Philippines, Malaysia, Singapore, Thailand and Vietnam
South Asia: Bhutan, India, Maldives, Pakistan, Nepal, and Sri Lanka

Table 1.5

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific region</td>
<td>56165</td>
<td>82451</td>
<td>110573</td>
<td>155353</td>
<td>181127</td>
<td>204439</td>
<td>216996</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012.
International tourist arrivals in Asia and the Pacific reached a historic height of 204 million in 2010, some 24 million more than was in 2009 and 20 million above the 2008 pre-crisis peak. The region’s 13% growth in 2010 was double the world average and following a modest 2% decline in 2009. UNWTO confirms Asia as the world’s strongest growing region in the past two years. Most destinations posted a double-digit growth, boosted by the stronger development of local economies in the region.

Table 1.6
Top 10 Countries by International Tourist Arrivals in Asia Pacific Region (in’000)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
<th>Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>57581</td>
</tr>
<tr>
<td>2</td>
<td>Malaysia</td>
<td>24714</td>
</tr>
<tr>
<td>3</td>
<td>Hong Kong</td>
<td>22316</td>
</tr>
<tr>
<td>4</td>
<td>Thailand</td>
<td>19098</td>
</tr>
<tr>
<td>5</td>
<td>Macau</td>
<td>12925</td>
</tr>
<tr>
<td>6</td>
<td>Singapore</td>
<td>10390</td>
</tr>
<tr>
<td>7</td>
<td>Korea</td>
<td>9795</td>
</tr>
<tr>
<td>8</td>
<td>India</td>
<td>6290</td>
</tr>
<tr>
<td>9</td>
<td>Japan</td>
<td>6219</td>
</tr>
<tr>
<td>10</td>
<td>Taiwan</td>
<td>6087</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012.
Table 1.6 shows the top ten destinations in the Asia Pacific region as per international tourist arrivals in the year 2011. China bags 1st position followed by Malaysia, Hong Kong and Thailand on 2nd, 3rd and 4th position respectively. Macau is on the 5th position and Singapore is on 6th position. The 7th and the 8th position are bagged by Korea and India, respectively. Japan is placed at 9th and Taiwan at 10th position.

Table 1.7
International tourism receipts in Asia Pacific Region (US$ million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific region</td>
<td>47474</td>
<td>80700</td>
<td>90207</td>
<td>140765</td>
<td>204155</td>
<td>255254</td>
<td>289448</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012.

Figure 1.4
International tourism receipts in Asia Pacific Region (US$ million)

Table 1.7 and figure 1.4 show the trend of international tourism receipts in the Asia Pacific region which have been on an increasing trend since 1990s. In the year 2011 the tourism receipts in the Asia Pacific region were 289.4 billion US$ which accounted to 28.1% of the world international tourism receipts.

Table 1.8 concludes the list of top ten destinations in the Asia Pacific region with regards to international tourism receipts on the year 2011. China, Australia and Hong Kong bagging the 1st, 2nd and then 3rd positions respectively. Thailand secured the 4th position and Malaysia was placed on the 5th position. The 6th, 7th and the 8th positions are secured by Singapore, India and Korea. The list is completed by Taiwan and Japan which are placed on 9th and 10th position, respectively.
Table 1.8  
Top 10 countries by international tourist receipts in Asia Pacific Region (Us$ million)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
<th>Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>48464</td>
</tr>
<tr>
<td>2</td>
<td>Australia</td>
<td>31443</td>
</tr>
<tr>
<td>3</td>
<td>Hong Kong</td>
<td>27686</td>
</tr>
<tr>
<td>4</td>
<td>Thailand</td>
<td>25256</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>18259</td>
</tr>
<tr>
<td>6</td>
<td>Singapore</td>
<td>17990</td>
</tr>
<tr>
<td>7</td>
<td>India</td>
<td>17518</td>
</tr>
<tr>
<td>8</td>
<td>Korea</td>
<td>12304</td>
</tr>
<tr>
<td>9</td>
<td>Taiwan</td>
<td>11644</td>
</tr>
<tr>
<td>10</td>
<td>Japan</td>
<td>10966</td>
</tr>
</tbody>
</table>

Source: UNWTO highlights collected in June 2012.

1.11 Appraisal of Indian Tourism Industry

In the year 2011 the global FTA were 983 million, the Asia – Pacific region witnessed 217 million out of which India’s share was 6.29 million. The statistics clearly show that India accounts for a minimal of 0.63% of the world FTA which is quite low as the top most preferred destination – France got 79.5 million FTA in the same year accounting to 36.6% of the world FTA.

Similarly, the FEE globally in the year 2011 were 1030 billion US $ whereas in Asia Pacific region were 289.4 billion US $. USA topped in this list claiming 116.3 billion US $. It is further heartbreaking to view India’s position from this perspective as India accounted only 1.66% of the world’s FEE which being 17158 US $ million.

This clearly gives us the vision to study the factors which adversely affect the Indian tourism industry so that their effect can be minimized and India can be developed as a potential international destination.
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