CHAPTER I
NATURE, SCOPE, OBJECTIVES, HYPOTHESIS AND RESEARCH METHODOLOGY OF THE THESIS

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CHAPTER I
NATURE, SCOPE, OBJECTIVES, HYPOTHESIS AND RESEARCH
METHODOLOGY OF THE THESIS

Introduction & Rational Behind Study:-

The traditional connotation of an ‘industry’ by and large speaking, the activities of extraction, production, conversion, processing or fabrication of products are described as industry. These products of industry may be consumer goods, producer’s goods or intermediate goods. Activity-wise, an industry may be a primary one or secondary one. Primary industry may be either extractive or genetic and secondary industry may be either manufacturing or construction. In contrast to this definition of industry, trade refers to the sale, transfer or exchange of goods and services. Services like transportation, insurance, packaging, warehousing advertising, etc. cluster around trade.

Tourism comes under services. In the books of the Reserve Bank of India the word ‘Travel’ is used in place of Tourism’. From statistical angle, the RBI gives the same treatment to ‘travel’ as is given to transportation, and insurance. Although clearly coming under the purview of ‘services’, the operators of all these services have all along been calling these services as industries. For example, the transport industry, the insurance industry, the tourism industry, etc.

In the case of tourism, although the operators had all along been claiming that they belonged to an industry, the Government had not accepted their viewpoint. It was for the first time that while approving the Seventh Five Year Plan documents the National Development Council
strongly recommended that tourism should be recognized as an industry. The tourism has now been recognized as an industry. Strictly speaking, there is no such thing as a tourism industry. There is a wide assortment of industries that produce and supply goods and services for the tourists.

The tourism industries are capital-intensive. Huge investment is needed to construct the various facilities like hotels, motels, amusement parks, etc., to acquire air capacity, to provide accessibility, to arrange for communication facilities. There must be a harmonious relationship between different travel plants. This is much more important than the intrinsic value of each one of them.

**Primary Tourist Enterprises**

There are a large number of primary tourist enterprises. Most of these enterprises are dependent on tourism for their survival. Examples of such enterprises are as follows:

- Accommodation enterprises like hotels, motels, holiday homes, youth hostels, guesthouses, camping grounds, inns, etc.
- Food and beverage services such as restaurants, cocktail bars, coffee shops, and teahouses, coffee houses etc.
- Transportation services including hire-cars, taxis, buses, sightseeing vehicles, special tourist trains, ropeways, ferries, cruise-boats, and airlines.
- Travel Agencies.
- Tour Operators.
- Enterprises dealing with providing interpretation services, guiding services, escorting services.
Entertainment services such as sports programme, exhibitions, theatres, cinemas, nightclubs, dance halls, theme parks, racing, casinos and gaming facilities.

Enterprises manufacturing art products, handicrafts, souvenirs, guidebooks, etc.

Shopping establishments selling souvenir items.

Duty-free shops selling items of tourist interest.

Agencies dealing with promotion and development of tourism, financing of tourism and providing insurance cover.

Secondary Tourist Enterprises:

Such enterprises do not depend solely on tourism for their survival. They, however, make a substantial contribution towards the development and promotion of tourism. They provide goods and services to the primary tourist enterprises as also directly to the tourists.

Examples of such enterprises are given below:

Small local specialty restaurants.

Railways, air services, public bus services, riverboats, sailing lines.

Marketing, Public Relations and Advertising Companies.

Services like laundries, dry-cleaning firms, hairdressers, and beauty parlors.

Manufacturers of plant and equipment required by hotels, motels and restaurants.

Construction industry-construction of bridge, roads etc.

The automobile industry manufacturing transport of different forms and types.
All are the providers of different types of products and services under the tourism industry. The thesis has examined the pivot aspects of management of this industry from the macro and micro perceptive since the utility of study is envisaged from the social and economic point of view. The following benefits are accrued from the tourism industry:-

The local population gets the benefit from every rupee that circulates many times, changing hand to hand.

It helps in breaking down the barriers, suspicions and prejudices that may exist between nations and thereby promotes international understanding. Socially and culturally tourism peoples of different cultures, faiths, languages and life-styles very much closer, providing broader outlook in regard to wonders and variety of life and living.

One of the biggest problems in India, at present, is the problem of unemployment. In this respect tourism proves to be a tremendous employment potential. Millions can gain employment in hotels, restaurants, motels, tour & travel agencies, tourist guidance agencies, entertainment enterprises, ancillary industries such as arts, crafts etc. Hence tourism can boost the national economic activity and thereby promote cultural, social and educational values.

Indian hospitality has rich traditions through centuries wherein ‘Vedas’ guided the actions of people and taught them the principles of “Atithi Devo Bhave” (treat guest as God).

In some remote corners of the world there are some foreigners, who still do not have a proper image of India. They consider India as a land of
snake charmers, elephants, poor people and beggars. This incorrect impression is being corrected very much by the Department of Tourism, Govt. of India.

Apart from benefits that can be obtained from the visits of foreign tourists to India tourism, too is very much helpful in forging unity and goodwill amongst the people of various regions and different linguistic groups of the country. Domestic tourism can very well strengthen national integration. The more the people of different regions meet the more they will know each other and develop feelings of adjustment and toleration.

The following factors have been noted as influencing constituent on tourism:

- Political unrest, riots and terrorism.
- Natural disasters and man-made revolutions.
- The differences in the exchange rates of currencies between the countries of origin and destination.
- Action on the industrial front due to government policies such as liberalization, globalization and privatization.
- Celebrations, anniversaries or some special occasions.

All the above facts will be taken into consideration while examining the practices of the management of Tourism Industry.

Objectives of Study:-

- To know and understand the Problems and potentialities of the Tourism-Industry in Maharashtra with special reference to tourism Development and Management
To identify the management problems and prospects of Tourism Industry

To know the Role of Government and Social agencies in the Development of Tourism Industry so as to facilitate its management

To Examine the present and future prospects for Management Education in development of tourism industry in Maharashtra

To evaluate the organizational and management dynamic of Tourist Services in the selected enterprises and suggest the ways & means to improve upon the services.

To suggest measures for further improvement in the services and also contribute to policy guide line for the use of Govt., entrepreneurs, educational institutions and universities.

**Hypothesis:**

- There is lack of government support in the development of tourism and the same creates managerial hurdles in the progress of tourist enterprises

- The tourism industry management is not on scientific basis due to lack of expertise educational input

- The entrepreneurship in tourism industry is by heritage
The political atmosphere and constant threat of terrorism obstacle the management and development of tourism Industry

Reference Period:-

The reference period for the field investigation while collecting the primary data was limited to the 12 months preceding to the date of interviews i.e. May 2007. However, the reference period, while collecting the secondary data is not restricted to particular number of years, since it is found necessary to seek the references even prior to the First World War when the Tourist Service-Industry was in its infancy stage.

Scope of Research Study:-

The tourist enterprises registered with municipal bodies in the various locations in Maharashtra was be the universe for subsequent judgment sample selection under the Experience survey. The Tourist enterprises so selected were visited for conducting interviews with the help of structured and unstructured questionnaires. In such interviews the entrepreneurs and their employees, union leaders and officers of govt. or municipal departments having concern to tourist enterprises were contacted. These interviews will be conducted with the help of students during the vacation.

The scope of study though limited to the following locations

- Aurangabad
- Ajintha.
- Ellora
The efforts were made to universalize the study all over the State of Maharashtra. The district wise details of geographical area, population and places of tourist importance in Maharashtra are given ahead in Tabular form.

**Research Methodology:-**

Research methodology used for study is both exploratory and descriptive. The same is explained ahead:

**Review of Literate on the subject selected for study:-**

Books, reports, office record and such other printed materials constitute an appropriate source to have an insight into the topic selected for research. The specific guidelines and hypothesis can be devised from this Secondary Source. In the process of exploring the source, the following offices and libraries were visited for required information:

- University Libraries from Pune, Bombay, Kolhapur and Aurangabad.
- Gokhale Institute of Politics and Economics, Pune.
- Regional Development Corporations and the Offices of its sponsored units under Tourist Service industry.
- Offices of the Bureau of Economics and Statistics located at district places.
- Collectorate of the districts from.
- Tata Economic Consultancy Services, Mumbai.
- District Industries Centers.
Experience Survey:-

Many people in the course of their daily routine and varied work in the practical field, acquire experience, and in the process accumulate a rich fund of useful and practical knowledge which can be drawn upon, as and when, the need for the same is felt. So far as the Tourist Service enterprises are concerned, entrepreneurs, officials of District Industries Centers, MDC and Financing Institutions, Industrial Labor, suppliers, etc. attain and develop certain insight into the characteristics of the working and impact of Tourist Service units. As a result, these persons are capable of visualizing the problems, benefits, prevailing situation, future scope, etc. in the context of these units. It was hence, decided to conduct an Experience Survey of the above persons. While selecting the respondents for interview, a care was exerted to select only those who possess competence, relevant experience and ability to communicate. Many a times, advanced information or some sort of preliminary training was given to the respondents who were to be interviewed. The persons such as food-inspectors, Bank managers, etc. who were strategically placed at the executive positions were found more informative, experienced and reputed for possessing practical ideas. Hence these persons were purposefully interviewed in the experience survey.

Efforts were also be made to ensure an appropriate representations of different types of experience by including respondents from various categories like the suppliers of inputs, purchasers of output i.e. Tourist Service customers, lower or middle level officials from the Government Departments having concern to licensing and such other matters. The number of persons contacted for each type of enquiry was of different in size. When it was being realized that an additional respondent, if interviewed, would furnish similar information, the interrogation against
the particular aspect or issue was stopped. This facilitated economy in the data collection.

During the course of interview, the respondents were asked only the relevant questions having a due regard to their relation with the working of Tourist Services and depths of their experience. For example, if such a person or respondent was happened to be a Bank official, the issues like difficulties in recovering the loans from enterprise owners, granting subsidies, attitude of lenders / borrowers, etc. were discussed. If the respondent was belonged to the category of a supplier, the questions pertaining to his ability or inability to supply, the terms and conditions of supply etc. were asked. The number of persons to be contacted was be kept different for different purposes. These persons were selected from the following enterprises (See Group A to E) for the interviewing under experience survey. The number of persons so selected from the each the following groups, were kept depending upon the nature of enquiries and information required .The logic of selection of the respondents is already mentioned in the forgoing paragraphs. However the persons so selected for interviews were in between 2 and 50 whatever the case may be.

**Group A:-Food, Beverages, Hotel, Lodging, Boarding**

- Accommodation enterprises like hotels, motels, holiday homes, youth hostels, guesthouses, camping grounds, inns, etc.
- Food and beverage services such as restaurants, cocktail bars, coffee shops, and teahouses, coffee houses etc.

**Group B:-Transportation Services**

- Transportation services including hire-cars, taxis, buses, sightseeing vehicles, special tourist trains, ropeways, ferries, cruise-boats, and airlines.
- Travel Agencies.
- Tour Operators.
Group C: - Entertainment

- Enterprises dealing with providing interpretation services, guiding services, escorting services.
- Entertainment services such as sports programme, exhibitions, theatres, cinemas, nightclubs, dance halls, theme parks, racing, casinos and gaming facilities.

Group D:- Business enterprises

- Enterprises manufacturing art products, handicrafts, souvenirs, guidebooks, etc.
- Shopping establishments selling souvenir items.
- Duty-free shops selling items of tourist interest.
- Agencies dealing with promotion and development of tourism, financing of tourism and providing insurance cover.

Group E:- Secondary Tourist Enterprises:

Such enterprises do not depend solely on tourism for their survival. They, however, make a substantial contribution towards the development and promotion of tourism. They provide goods and services to the primary tourist enterprises as also directly to the tourists.

Examples of such enterprises are given below:

- Small local specialty restaurants.
- Railways, air services, public bus services, riverboats, sailing lines.
- Marketing, Public Relations and Advertising Companies.
- Services like laundries, dry-cleaning firms, hairdressers, and beauty parlors.
- Manufacturers of plant and equipment required by hotels, motels and restaurants.
- Construction industry-construction of bridge, roads etc.
- The automobile industry manufacturing transport of different forms and types.
(c) Case study:-

In order to study a particular variables, a few units were selected for case study where attempts were made to relate the micro variables (discovered in case study), to macro variables that were already observed in explorative method of study.

(d) Descriptive Study-Sample Survey Approach:-

A survey of literature tells us about what existed in the past. An experience survey provides a rough vision of what may exist, while descriptive study accurately describes or interprets what exists at present. It is primarily concerned with relationship or conditions that exists, practices that prevails, belief, point of views or attitudes that are held, processes that are going on, effects that are being felt or the trends that are emerging. It is, therefore, suitable for a researcher who believes that the data required resolving the research problems do not exist, yet the settings in which those data would be gathered do exist. The purpose of the descriptive study was to describe accurately the gravity of the various variables that contributed in the development / promotion or set back of the Tourist Service enterprises of various types.

The list of Tourist Service enterprises was available with the municipal bodies at the selected tourist centers. From the lists so prepared Tourist Service enterprises of different types were selected by using purposive sampling method under experience survey. In such selection, a due weight age was given to the Number of units functioning in each category of Tourist Service industry. The size of sample kept varying as
per needs, but not more than five from the each group of homogeneous category,

**Expected outcome:-**

This research project is an in-depth exploration based on scientific methods of research for the purpose of understanding the problems of Tourist Service entrepreneurs for their agreeable solutions. There has been a number of hurdles in the growth and development of their business. If these are removed or minimized, the Tourist Service business would be much benefiting to the customers; moreover its potentialities to provide employment and socio-economic linkages are irrefutable. The findings of this research may be expediently universalized elsewhere where the analogous settings exist on par with the selected research universe. The entire work will be done in an association with students. This will be, hence, instrumental to train / coach and en-light the students in matters of filed investigation, tabulation, compilation of data etc. Travel when you must" was the maxim propagated by Government once upon a time. But now times have changed. The modern age with its speedy system of transportation has brought the world closer. Traveling, once upon a time was the privilege of the few; today it has become a favorites recreation of common man. This has obviously given a new scope to the development of a number of service industries such as transport companies, tour operators, hoteliers etc. A new industry has come into existence 'Tourism'. It is today the world’s largest and fastest expanding industry. The vastness of its market, its unpredictability, the diversity of the product itself, and, above all the financial and sociological rewards to be gained, has made this industry one of the most fiercely competitive markets in the world. Tourism has attained international importance and almost all
Governments in the world have recognized this fact and are trying to boost the tourism in their countries. Tourism is the "temporary movement of people to destinations other than their usual places of work and residence".

The study of tourism covers following three aspects:-

- The study of people away from their usual habitat.
- The study of establishments catering to the traveler's needs; and
- The study of the social and economic impart of the above two on the tourist spots/areas.