CHAPTER V

PROMOTION OF TOURISM IN INDIA

5.1 INTRODUCTION

Tourism has become a global phenomenon in the last 30 years. Tourism is the world's most promising foreign exchange earner. The vastness of the market, its unpredictability, the diversity, the involvement of large number of people, the financial and sociological benefits to be gained have made this industry the most competitive markets in the world.

In old times, tourism was privilege of the few rich who travelled to acquire culture and respectability. Vis-à-vis this, the common man travel has now become a form of relaxation needed by modern man. Tourism offers a solution to the present day problem of the use of the leisure time. Increased leisure is now available to almost all classes of our society. It fulfils the aspirations and is a menu for enrichment of the quality of life. It is no more a compulsive travel for the sake of pilgrimage or the like. It has acquired much wider proportions. All those with not even enough money venture to travel these days though economically. And for others it has came to stay in the main stream.
Vacation and the concept of weekends has brought tourism as a part of their life. Though for some its relaxation while for others it is acquiring knowledge through travel and there are those also who combine leisure with business. Some of the great historical monuments happen to be located in remote places lacking resources. Tourism can re-generate the development of these areas.

Tourism has today achieved the status of an industry and has become more than a cultural pilgrimage. Realising the various socio-economic benefits of tourism, Governments in all countries are competing with each other in selling "tourism & travel" concept; its history, culture, sunshine, snow and sands to people all over the world.

People with increased disposable incomes are showing interest in holidays, and are warming up to the idea of travelling and sight-seeing.

Globally, tourism is one of the fastest growing industries, accounting for about 7% of the total capital investment of the world. As per the projections of the World Tourism Organisation (WTO), by the year 2001, 661 million people will cross international borders for holidays.
The Asia-Pacific region has been identified as the number one emerging region in this industry with an estimated growth of 7.8% annually. By the year 2005 the annual earnings are likely to touch $2000 billion in this region, whereas the global annual earnings of this industry are estimated to be $7200 billion.

Within the Asia-Pacific region, the Indian sub-continent is well poised to take advantage of the boom in the tourism sector.

India is a vast country with a history that goes back 5000 years. Its vast geographical diversity, rich cultural heritage, fair& festivals, snow capped mountains, a vast coastline, monumental attractions that span the entire country offer tremendous potential for tourism.

India is an ancient civilization with an impressive lineage and over the centuries it has amassed a tremendous wealth of grandeur and majesty. It is a fairy tale land of majestic palaces, fortresses, mighty mountains, gorgeous rivers, water falls and a vast array of golden beaches that dot an enviable coast line, washed by two seas and an ocean. It is also a land of varied rich culture, art and aesthetics in bewildering variety of moods, forms and manifestations. In India one can meander through lands steeped in chivalry and pageantry that begin
before recorded history, can explore modern cities that have grown organically from the roots of a multi-hued past, can make a pilgrimage to holy shrines that echo with tales of antiquity, can sport with adventure in style, whether on land, sea or air, can explore the jungles for a fascinating world at a diverse array of wildlife sanctuaries and national parks and many more.

India, a low cost destination, continues to exert its mesmerising pull not only on the world tourist, but the Indian tourist has also been bitten by the travel bug. India's share in world tourism which is a meagre 0.2% as of date is expected to touch 1-2% by the year 2005. As per the Hospitality and Tourism industry projections the rise in foreign tourists to India are expected to touch 5 million and the domestic tourists are projected to touch 90 million by the year 2001.

Still India remains as an enigma and is undiscovered by many international tourists. It does not fall in their list of destinations of choice due to a variety of reasons. The reasons for poor performance of India can be identified as :-

(i) Inadequate infrastructure,
(ii) Poor communication system,
(iii) Erratic power supply,
(iv) Poor sewerage & water supplies,
(v) Shortage of accommodation,
(vi) Shortage of trained & educated tourist guides,
(vii) Unsatisfactory functioning of our tourism offices abroad,
(viii) Difficulties faced by tourist in completing visa formalities,

and

(ix) Distance from major tourist destinations.

The other factors which contributed to fewer tourist arrivals in the recent past are political unrest in some regions specially in Kashmir Valley which has traditionally been a major tourist attraction for tourists all over the world. The International tourists is unaware of the rich cultural heritage of India and the amount of excitement and pleasure, the India can offer them. A large impact has to be made in the Indian Tourism Industry to make it more and more attractive for the international tourists.

In the early fifties, the Government of India decided to promote tourism as it was considered a good business proposition from the experience of Europe where it had helped to re-build the war-torn economies with the tourist dollar earned from the Americans. While starting tourism promotion in a small way, the Government of India had no clear objectives in terms of marketing. It is now well understood
that marketing is required to bring about an awareness of the product in
the minds of the consumers. This is done by way of promotion.

Tourism promotion is one of the elements of the marketing mix
and an important tool for marketing. The purpose of tourism
promotion is to inform, persuade, to encourage or, more specifically, to
influence the potential customers and all other related persons or
services like travel agents, tour operators, reservation services, hotel
and charter brokers through communications to think and to act in a
certain manner. The basic function of all tourist promotion activities is
to have an effective communication with the consumer. The consumer
must be aware of the existence of a tourist product. To bring this
awareness to the mind of consumers, various methods like advertising,
sales support and public relations are used. These are the three
marketing tools which has to be used by any organisation to give
information to actual as well as potential customer (tourist).

5.2 ROLE OF ADVERTISING IN PROMOTION
OF TOURISM

5.2.1 Advertising is one of the major tools used by any organization
to direct persuasive communication to target audience & general public.
It consists of non-personal form of communication conducted through
paid media under clear sponsorship. The money spent on advertising goes into various media, magazine and newspapers space, radio and television, outdoor displays (posters signs, sky writing) direct mail, novelties (matchboxes, blotters, calendars), cards (cars, buses), catalogues directories and circulars. In tourism industry this is of immense importance. There are several inherent advantages in this method.

The tourism organizations have to take five decisions in developing an advertising programme.

1. Setting the Tourism Advertising objectives.
2. Deciding on the Advertising Budget.
3. Deciding on the Message.
4. Deciding on the Media.
5. Evaluating Tourism advertising effectiveness.

5.2.1.1 Setting the Tourism Advertising objectives.

The first step in developing tourism advertising programme is to set the advertising objectives. The possible advertising objectives are the following:

(i) To inform: The aim of this is to tell the market/people/consumers about new tourism destinations, suggesting to visit them, and to inform the prices to the tourists to
generate interest in the tourist to enable them to plan visit to these places. This helps in describing available services, correcting false impressions, reducing consumers fears and building destinations image.

(ii) **To persuade:** The aim of this is to persuade the consumers (tourists) to visit the advertised places or tourist products or at least persuade them to consider visiting the advertised tourist destination. This helps in building primary demand.

(iii) **To remind:** The aim of this is to keep on reminding continuously the consumers about the product so that whenever the need arises for travel, they may give thought to visit that particular advertised site. Once they decide to visit that place in a particular season then the enquiry is generated which can be converted into selling the destination. It helps consumer to think continuously about the advertised subject/or product.

### 5.2.1.2 Deciding on the Tourism Advertising Budget

Once the objectives are determined, the organization proceeds further to establish its advertising budget for each product. Here the basic role of advertising is to shift upward the products demand curve,
accordingly the tourism organization plans to spend money out of its budget to achieve the ultimate goal of creating product awareness.

5.2.1.3 Deciding on message

The advertisers are required to evaluate the possible messages. Basically message must first say something desirable or interesting about the product. The message must also say something exclusive or distinctive that does not apply to everything in the product category and we must ensure that message should be believable or provable. The message’s impact depends not only upon what is said, about a place of interest or product but also on how it is said. The advertiser has to put the message across in such a way that it wins the target audience’s attention and interest. The message execution is also gaining an importance for tourism advertising which is different from the consumable products. The creative people have to give some new style, tone, words, text, and format for executing the message. The communicator must also choose an appropriate tone and memorable and attention seeking words for the advertisement. The objective is to present the advertisers message in such a way that illustration may lead the reader to favourable considerations of the advertisement. The important characteristics of an effective message are :

(1) *Information:* it should be adequate for a decision.
(2) *Interest*: it should be able to catch the attention of the largest audience.

(3) *Authenticity*: it should avoid exaggerated claims about a place of tourism in particular.

(4) *Persuasive*: it should be capable of creating a favourable conviction in the minds of the target audience.

(5) *Money value*: it should have something in it which can help the target consumer to remember it.

### 5.2.1.4 Deciding on the media

A careful attention should be given in selecting the media for advertising. The aim of media selection is to find out the most cost-effective way to deliver the desired number of exposures to the target audience. The effect of exposure on audience depends on the exposures reach, frequency and impact.

The media planning challenge is really great because with a given budget the most cost effective combination of reach, frequency, and impact is to be chosen. It is believed that the target audience needs a large number of exposures for the advertising to work. They feel that after people see the same advertisement a few times, they either act on or it goes off like that. The media planner has to know the capacity of the major media types to deliver reach, frequency, and impact. The
major media types, in order of their advertising volume are given below:

(i) Newspapers (Newspapers of international repute)
(ii) Television.
(iii) Direct mail.
(iv) Radio.
(v) Travel trade magazines and journals.
(vi) Outdoor bill boards.

Each medium has certain advantages and limitations. Media planners make their choice among these media categories depending upon:

- Media habits of target audience.
- Product characteristics (tourism).
- Message related to tourism.
- Cost of media.

Now, the media planners chooses the specific media vehicles that are most cost effective. The media planners are now using much more sophisticated measures of media effectiveness and employ various mathematical methods and use computer programme to select the best media mix.
Specially in case of Tourism Industry, the advertisers have to decide to schedule the advertising over the year in relation to seasonality of that particular Country or State.

5.2.1.5 Evaluating advertising effectiveness

Good planning and control of advertising depends critically on measures of advertising effectiveness. In today's world advertising through any media has become extremely expensive. In view of this, it becomes very important for the agency to ensure that the money spent on it does bring fruitful returns by way of increased sales or awareness about newly created tourism interest projects. This is done by way of evaluating or testing the effectiveness of advertising. Various testing methods may be used to evaluate the results of an advertising campaign. By evaluating and analyzing the effectiveness of advertisements that have been used, future advertisements may be improved. In some cases pretesting of advertisements is also done to prevent any future losses.

Advertising being the powerful instrument of modern marketing has only recently been used extensively for promotion of tourism in India. This is a far cry from the era when colourful folders and posters were the only apparent form of travel promotion. In the field of tourism, advertising is mainly used to create initial awareness and
interest of the traveler in the tourist service or in promotion of
destination, so that the potential tourists decide to visit and make
enquires about travel costs, bookings and other available facilities, etc.

For a country like India who is trying to attract tourists, in
principle two forms of advertising can be used:-

(1) Consumer advertising.

(2) Trade advertising.

5.2.2 Consumer advertising

Advertising plays a crucial role in marketing a tourist product.
To reach wide number of consumers, we may have to use advertisement
in newspapers, radio spots, prime time T.V. advertising etc. which is
very expensive, for a developing country like India. So it becomes
difficult to go ahead with limited resources of available funds. On the
other hand, the indirect form of advertising is a very economical
method.

5.2.3 Trade advertising

A tourist for various reasons chooses to travel as a member of a
group as opposed to traveling individually. The large number of big
tour operators have established their offices in potential markets and
they put together tour packages in which the tourist merely pays one
package price for all the services and he is assured of a perfect holiday. These type of packages are then sold in retail by numerous smaller travel agents located in various market areas and the result is that a group is formed. The media used to achieve this is large scale advertising in trade journals, travel guides and travel sections of some newspapers.

5.2.4 Steps in Planning an tourism advertising campaign

Various steps involved in planning an tourism advertising campaign are :-

- Defining the product (destination).
- Defining the market segments.
- Interpreting the marketing objectives.
- Planning the advertising campaign.
- Implementing the campaign.
- Assessing the Impact of Campaign.

5.2.4.1 Defining the Product

Before we develop any communication of advertising for a product (destination), it is essential to know the benefits which the product offers to consumers (tourists), since people think of the benefits they derive while using them. For example, travel can offer rest,
relaxation and glamour. We must look at the product through the mind and eyes of the user. This at times may require us to conduct research amongst users or prospective users to find out their preferences. We can assess their knowledge attitude and uses of competitive or substitute products to find out strengths and weakness of our product. After defining the product benefits we have to study them in relation to other factors i.e. the relative importance to the consumer of the several product benefits - the more important the benefit the greater its motivating values and the relative position of ones own product and substitute product with regard to these product benefits - to create a unique and memorable message. The main ideas or benefits should be as distinctive and different from others as possible.

5.2.4.2 Defining the market segments

Once we have a product and we know what users expect or want from it, then comes the turn of locating the users for the same.

Consumer Information

This will include various types of information on consumer like type of consumer - number, sex, age, socio-economic profile; location of the consumer - cities, small towns, rural areas; geographic distribution - regional variations in the market spread; shopping habits - amount and size of individual purchases , frequency of purchase and
regularity of purchase and decision making – in case of the tourism - person responsible for making a decision regarding selecting a particular destination to visit to acquire knowledge etc. about the same.

**Distribution Information**

Types of outlets, number of such outlets, location of outlets in different cities, towns and rural markets and the Travel Agencies role in selling the tourist destination.

**Sales Information**

The trend over the years and any significant changes that may have occurred in different geographic areas and the reasons for these changes. Seasonal variations may be related to weather, festivals, other local and national reasons. This will provide us with the knowledge of the dimension of the market and will enable us to assess the markets which are of greater importance.

**Attitude Segmentation**

This relates to segmenting the market by the user motivation. For example, some people travel more often than others. These groups may be termed as heavy user group. In most of the cases this would not be the usual socio-economic categorisation that distinguishes them. This may be termed as attitude segmentation.
5.2.4.3 Interpreting the tourism marketing objectives

The marketing objective should give the detailed plan for marketing the tourism project in coming year and for few years ahead. These plans would cover the item like sales target for the coming year which can further be broken down in regional targets, distribution, merchandising and sales promotion activities planned to support the sales increase (tourist arrivals), role to be played by advertising in creating consumers and the inhibiting factors which will work to prevent us from achieving the target, competitive products and their advertising, consumer attitudes etc. It is important to note that the formulation of products, packaging and pricing, distribution and availability are all of vital importance in the marketing operation. All that advertising can do is to bring consumer to the point of sale. But if the product is not properly made, packaged or priced, it is quite possible that the sales effect of the advertising will not be seen. Similarly, in the case of tourism, if the destinations are not properly advertised they may not generate the interest of tourist, and in turn it may not have sufficient traffic.

5.2.4.4 Planning an Advertising Campaign

After knowing the product to be sold, prospective buyers, their location and the mode of making the product available to them, our
objective is to create an advertising campaign which will reach target audience and motivate them to buy the product. This can be covered under two aspects:

*Creative Strategies*

To transform the proposition into the idea which is to be communicated we have to use creativity by using skilled craftsmanship of advertisement. Media people, production people and creative people are involved in this area. Creative interpretation of the idea is always required to promote the product.

*Media Plan*

While creativity is required for development of an idea into advertising material, media plan is required to carry out advertising messages. The media can be classified into media which are read, seen or heard by the consumer like newspapers, magazines, radio programmes, TV programmes etc. or the media which is of a reminder type like outdoor media, hoardings, transportation sign, posters, kiosks, neon sign etc. which are noticed while passing through. They obtain consumer exposure due to the fact that the consumers living habits require him to pass through them. Media planners have to create a media mix depending upon the target audience to be reached - its reading or media exposure habit and its location and movement and
shopping habits and the product to be promoted and used by the target audience.

5.2.4.5 Implementing the Campaign

Once the advertising campaign has been approved in terms of creativity strategy and media plan, we have to apply different methods to implement the campaign in the manner in which planned. These range from the preparation of press advertisement material to the production of TV and film commercial, recording of radio spots and production of some material etc. We have also to plan in terms of preparing estimates, schedules and release orders for press, cinema, radio and other media. The right time should be chosen so that the plan is successfully launched.

5.2.4.6 Assessing the Impact and Value of a Campaign

The impact of an advertising campaign should be assessed by the extent to which it results in changing the attitude of the selected target consumers. The information compiled to assess the impact value shall consist of awareness; extent of shift in the degree of awareness, attitude dimension - extent to which right attitude has been communicated and accepted; actual increase in purchase of product and repurchase of the product. Pretesting of advertisement is also one of the techniques used for advertising testing. This is done by assessing the communication
value of an advertisement in advance of the actual release or screening. This can also help in forecasting the change in attitude which the campaign can achieve.

5.3 **SALES SUPPORT**

Sales support is another important marketing tool in promoting tourism. In the area of tourism, it is considered to be the set of all those promotional activities which are designed to transmit to the public and to the travel trade, specific and detailed information aspects like: transport, accommodation, prices, tourist attractions etc. concerning the tourist services to be promoted in the tourist markets.

5.3.1 The basic aim of the sales support activities of Deptt. Of Tourism is:-

(A) to inform the Customers(Tourists) about the trade intermediaries, travel agents, tour operators, airlines, etc. and the services available and their effective prices and quality, etc.

(B) to assist the country’s tourism department in selling the service to the ultimate customer.

(C) to motivate them to devote a sufficient level of sales activity to the service promoted.
National and regional tourist organisations as well as tourist service enterprises and tour operators recognise fully well that their sales and profit depend to a very large extent on the support and assistance they provide to travel agents and also the way in which they motivate travel agents. This is done by way of sales support activities. In order to be able to sell a service (a room in a hotel, seat in an airline) or a destination to the prospective tourists, travel agents or other sales intermediaries need to be aware of certain factual information which includes:

(i) The country’s tourist facilities like existing as well as new establishments, accommodation capacities, price schedules for various services.

(ii) Various travel regulations and formalities such as visa regulations including different certificates needed, custom rules, rates of exchange for currency.

(iii) The various transport and communication services available. The schedules of airlines, railways, road transport services, shipping services (where available), their rates.

(iv) Weather conditions at different times of the year, and types of clothing required during different seasons.

(v) The utilisation (occupancy rates) of existing tourist facilities at different times of the year.
(vi) Plans for opening of new destinations, hotels, transport routes (railways, airlines, etc.) and also plans for expansion of existing tourist facilities.

As a result of advertising, demand in the form of enquiries made by potential tourists, travel agents and other intermediaries is created. The potential tourists, travel agents and other intermediaries then require in addition to the type of information, materials such as brochures, folders, booklets, guidebooks, directories, maps and illustrations in order to be able to transform demand into definite bookings. Most of the above material is meant for distribution to potential tourists by the travel agents and other sales intermediaries like tour operators, airlines, etc., either directly or through mail. Almost all the tourist organisations and tourist service enterprises produce the material extensively and make use of it by way of distributing it to travel agents, tour operators, etc. Tourist sales intermediaries on their own also produce sales support material for distribution to potential tourists (customers).

5.3.2 Sales Support Techniques

Sales support techniques can be grouped into the following two main areas:

(i) Printed material.
(ii) Special offers.

5.3.2.1 Printed material includes brochure, folder, direct mail material, display material etc.

Brochure

The tour operator’s brochure is the most vital marketing, promotional tool. Since tourism is an intangible product, which cannot be seen or inspected by the customer prior to purchase, the brochure becomes the principal means of both informing them about the product and also persuading them to buy the product. Brochure is a document bound in the form of a booklet. It is a voluminous publication with special emphasis on the quality of paper, the reproduction of illustrations, graphic design of the cover and the layout of the pages. Special emphasis is laid on the quality of the paper and the printing.

In view of the quality, the brochure represents a major proportion of a tour operator’s marketing budget. Larger companies get their brochure designed and prepared either in their own advertisement departments or in conjunction with the design studio of their advertising agent.

The brochure contains a comprehensive and detailed information about a destination including cruises, bus tours, safaries, charter
vacations etc. with colour photographs regarding all the destinations which a company is promoting. Detailed information about hotels, weather conditions, frontier formalities etc. is also given. The price of various tours is invariably mentioned along with the dates when tours take place. Established tour operating companies, however, take great care while designing their tour brochures. The following are some important features of Brochure which make it attractive and in turn help in promoting the tourism.

(i) Quality of paper.
(ii) Layout.
(iii) Quality of printing.
(iv) Photography.
(v) Detailed itineraries.
(vi) Special features.
(vii) Weather conditions.
(viii) Maps of areas.
(ix) Tour conditions.
(x) Tips.

**Folder**

A folder is a single piece of illustrated paper which can be folded. It is perhaps, the most widely used sales tool by official tourist
organisations and by tourism service enterprises. It can be used alone or in conjunction with a sales letter. It is less expensive and can be used in a variety of ways.

In case of Shell folders they are blank folders interspersed with pre-printed photographs and are provided free or at a low cost by airlines or national tourist offices to encourage tour operators/travel agents to run programmes using their services or destinations. Tour operators/travel agents can overprint a suitable text describing their programmes.

Sales Letter

It is a direct mail material. It is a tool through which an attempt is made to gain agreement or favourable action towards a product. The sales letter offers many opportunities for selling travel services. These could be used alone or in combination with travel brochure or folders. These are sent out to those people whose addresses have been selected according to the likelihood of their being potential users of the services offered. A proper mailing list is a pre-requisite for effective use of this tool. Sales letters require very little time to prepare and to distribute. The effectiveness of a sales letter can be measured very rapidly from the response it draws. This is done by way of a reply card which is
included with which the recipient can request further information and also travel literature.

**Display Material**

Display material includes posters, dispensers for sales literature, cardboard stands, articles of handicrafts, exhibits, etc. This material is used in the agency’s office or in the travel agent’s sales rooms. The material is displayed in such a way that it attracts the attention of a visitor as soon as he enters the office. In many cases, cinema slides are also used, either fixed or on an automatic projector for display purposes.

**5.3.2.2 Special Offers**

The tourist industry has also started to adopt these techniques as an additional sales support tool. Reduced airfares for students, ‘affinity groups’ special off-season rates at hotels and tourist resorts are the examples of some of the special offers in the tourist industry.

**Newsletters**

Newsletter is yet another important promotional medium utilised extensively by tourism organisations. Its main purpose is to get the organisation’s message across. A newsletter can be considered to be a major advertising medium. It is a personal reminder to regular clients that a company is still in business. Newsletters are also the best
possible instruments for image building. The strength of the newsletters is in the continuity they create.

Published monthly, a newsletter maintains a running dialogue with customers.

Mailing of newsletters should be done often enough to maintain the agency’s identity with readers. In fact, it should be so frequent and regular that customers look forward to it and, in fact, even miss when they don’t get it. At least four mailings a year are required to maintain identity and continuity.

Newsletters should have short and crisp paragraphs with clear photographs to illustrate or document a story. Layout must have a good look so that the message is readable and pleasing to look at.

In general newsletters should address to readers in their own frame of reference. Each idea or expression should be spelled out. A professional journalist is not required to write a newsletter. However, a copy should be clear, crisp and colourful. Even the best newsletter will lose much of their impact if mailing lists are not kept up-to-date. There should be a proper system through which these could be regularly updated. A responsibility should be fixed on someone in the organisation for this. It is necessary to get a regular feedback from the
clients regarding the newsletter. This would ensure whether the newsletter is being received or not as also the interest clients are having in it.

5.4 PUBLIC RELATIONS

Public relations is the art and science of planning and implementing honest, two way communication and understanding between a company or an organization and the many different groups with which it is concerned in course of its operation. Basically the main function of public relations is to inform public about the activities of an organization.

5.4.1 Public relations in tourism

In the field of tourism, Public Relations assumes special significance because of its peculiar nature of the industry and its products. We need to make complete information and facts available to both potential and actual tourists. In fact, no business is more concerned with human relations than the business of tourism. Public relations in tourism is used to create and maintain a positive image for a country, and of a tourist destination in the minds of people who are in a position to influence public opinion or the minds of sales intermediaries.
People who can influence public opinion are:-

- Journalists
- News editors
- Travel writers
  
  Sales intermediaries are :-
  
- Travel agents
- Tour operators

Public Relations is oriented towards creating and maintaining an atmosphere by which traveling public at large is convinced of the advantages of visiting the country concerned.

Public relations is one of the important functions of the official tourist organization. The objective of public relations in the field of tourism is divided into two parts :-

(i) The dissemination of information,

(ii) The creation of a favourable image for the tourist products/attractions.

Public relations make use of several communication techniques like:-

(i) News and feature stories

(ii) Press releases

(iii) Films and slides

(iv) Booklets and brochures
(v) Attractive photographs, displays and exhibits
(vi) Advertising
(vii) House journals
(viii) Radio & T.V. scripts
(ix) News letters
(x) Stockholders reports.

Public relation is a major tool used for promoting tourism in India, which consists of a number of inter-related activities oriented towards creating and maintaining a favourable positive image of the tourist product. These are listed below :

(1) Organising familiarization tours for travel writers, editors, travel agents, photographers and other key personnel from different parts of the world as guests to visit our country and to get first hand knowledge about it. These persons then write about the country visited in the well know travel and other general interest magazines and newspapers.

(2) Organising radio and television contests featuring the destination of the country.

(3) Organising Press Releases arranging press conferences with key personnel connected with the tourism field with a view to disseminate information about the destination.
(v) Attractive photographs, displays and exhibits
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(2) Organising radio and television contests featuring the destination of the country.

(3) Organising Press Releases arranging press conferences with key personnel connected with the tourism field with a view to disseminate information about the destination.
(4) Arranging seminars and work shops in the place where the tourist promotion office is located.

(5) Organising cultural programme, musical and folk shows, T.V. interviews, exhibitions and national friendship weeks in the country where national tourist office is located.

(6) Organising various types of contests about the country.

(7) Encouraging large departmental stores, organizers of fashion shows and manufacturing companies to project the country or a part of the country as a promotion show case in their premises.

5.4.2 Role of public relation agency in promotion of tourism

Many countries of the world as well as India, hire the services of Public Relations agency to handle their work of public relations as an additional arm of an existing Public Relations department. In the field of tourism, a number of national tourist organizations have been taking the services of Public Relations Agencies to promote tourism and take advantage of the world tourist markets. The tourist destinations have recently become increasingly competitive for tourists and visitors from various tourist generating markets. It is a well known fact that all those countries which appear to be attracting the largest number of tourists are succeeding because they market their country’s attractions to the right potential travelers professionally and systematically as well as
(4) Arranging seminars and work shops in the place where the tourist promotion office is located.

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positively. Much of their success can be attributed to a direct result of positive and competent public relations efforts. Public Relations Agencies play a significant role in assisting a country in getting a larger share of tourist traffic provided they do their job properly.

Public relations properly planned and executed through a public relations agency in a tourist generating market can present a country in a favourable light and help in the country’s efforts to attract more tourists. This effort also goes a long way in positioning our country as a nation whose people welcome tourists, whose hotels and resorts, transportation systems are accommodating and efficient and whose history and culture are fascinating.

Public relations agencies take up specific area on behalf of the organization to build the image of the country and its tourism environment. Following are the points which are taken into consideration by Public Relations agencies in the field of tourism and its promotion.

(a) **Audience (Non-media)**

1. Individual consumer travelers.

2. Special interest travelers.

3. The travel trade industry-travel agents, in particular.

5. Corporate travel managers.

6. Meeting planners.

(b) **Media Audience**

1. Consumer travel magazines and newsletters.

2. General interest publications (consumer).

3. Consumer newspapers (particularly those which contain travel sections) - both metropolitan dailies and suburban weeklies and dailies.

4. Travel trade publications.

5. Broadcast - both radio and television - when appropriate and on a ‘selected’ basis.

6. Special interest publications which deal with recreational or sports activities, entertainment, architecture, and the like.

(c) **Implementation and General Activities.**

1. In-depth discussion of the country’s current and future plans, its marketing goals, its research findings, and its specific problems.

2. A review of country’s consumer and trade media placements over the past two years.
3. Coordinating public relations efforts with advertising sales and marketing personnel.

4. Establishing methods of contact getting information from all those entities which participate in the country’s programmes of tourism.

5. Exchanging ideas and information.

6. Obtaining MTO opinion and approval on placement ideas and on all materials for editorial submission.

7. Reporting actions and results to MTO on a periodic basis.

8. Writing with experience, style, clarity and command of the country’s many dimensions.

9. Determining media needs with regard to tourism in the country.

10. Providing media writers, reporters and editors with current data and background information on country.

11. Providing media with story ideas as well as with finished product news releases and feature stories.

12. Knowing consumer and trade media requirements so that information about the country is presented timely in an understandable manner.

13. Arranging media interviews with MTO personnel and with “personalities” from the country.
14. Coordinating and advising on visits to country by media personnel.

15. Assisting the travel agent with familiarization trips.

16. Participating with MTO in domestic and foreign trade and association shows, conventions, seminars and the like.

17. Coordinating with tourism officials, tour operators and airline and hotel personnel, as pertinent to related MTO goals and activities.

18. Updating and keeping current press/information kit.

(d) Media Activities

To ensure continued and complete exposure to all travel and tourism industry trade publications available in the market, placement of future stories about the country in a variety of consumer publications with particular emphasis on travel and travel oriented magazines media activities are required. Now a days, more and more time is devoted to travel subject in radio & T.V. broadcastings which helps directly in promoting tourism. During press conferences also an information kit is distributed which gives a complete information about country’s tourism.
5.5 TOURIST PUBLICITY

Another major promotion tool is publicity. Publicity involves securing editorial space. Publicity results can sometimes be spectacular. Publicity is used to promote anything like brands, products, persons, places, ideas, activities, organizations and even nations. Many nations have used publicity to attract more tourists, foreign investment and international support. Publicity creates a memorable impact on public awareness at a fraction of the cost of advertising. The organisation does not pay for the space or time in the media. It pays for a staff to develop and circulate the stories. Furthermore, it has more credibility than advertising, but at the same time implementing publicity programme requires extra care. Thus publicity can contribute in number of ways to the overall promotion programme.

Tourist publicity is used to disseminate the information without charge and has a news value in order to inform the prospect about a particular product. This includes regular publicity stories and photographs in the newspapers, travel editorials in travel magazines and journals, release of stories in magazines, preparation of good quality stories on a particular destination and news releases to travel trade.
magazines on items of interest to the travel industry. All this in turn helps promoting tourism directly.

5.6 TRAVEL TRADE FAIRS AND EXHIBITIONS

The first attempt to establish and organise fairs especially for the travel trade were made in the late 1950’s. The first Travel Trade Fair known as International Tourisms Borse (ITB) was held in the year 1967 in Berlin. Basically, participation in International / National Travel Fairs and Exhibitions gives an opportunity to meet a large number of consumers, exhibitors from different countries at one place. It helps in studying the market trends and to compare the quality of services provided by the other players of the travel trade. Participation in the fairs and exhibition is used as a major tool to promote tourism in India and abroad. The main objective of travel fairs and exhibitions for the tourist industry are two fold.

(1) The purpose of participation in Travel Fairs is to enable travel agents and tour operators, hotels, carriers, and national tourist offices to establish contact with their markets and especially with the travelling public which directly helps them to promote their programmes and services.

(2) The purpose of participation in Trade Fairs and exhibitions is to create opportunities for contact and business discussions, contact
negotiations in persons and exchange of information with in the industry. Looking at the advantages the organisation of travel trade fairs especially in major travel generating as well as receiving countries has become a regular annual event.

Major International Travel Trade Fairs are listed below :-

(i) International Tourisms Borse (ITB), Berlin.


(iii) International Brussels Travel Fair (BTF) Brussels.


(v) Feria International Turismo (FITUR) Madrid Spain.

(vi) Tourism Trade Fair (TTW) Montreaux, Switzerland.

(vii) The European incentives and Business Travel and meetings Exhibitions (EIBTM) Geneva.

(viii) International Tourism Exchange (BIT) Milan.

(ix) Swedish International Tourism and Travel Fair (TUR) Gothanberg Sweden.

(x) Dutch Travel Trade Exhibition (TOUR) Amsterdam, Holland.

(xi) PATA Travel Mart.

Participation in travel trade fairs is a costly affair, but at the same time one is able to achieve a lot out of these participations. The
participation helps directly to the tourism industry in promoting tourism in the right earnest.

The enthusiastic participation in these travel trade fairs is a result of the ever expanding travel trade industry. A large number of exhibitors participate in these fairs representing all segments of travel industry which include, travel agents, tour operators, hoteliers, airline companies, shipping companies, national tourist organisations, etc. In addition travel trade media is also present.

There has been a steady growth both in the number as well as participation in the travel fairs over the years. Not only this, the organisers have been increasing the exhibition areas to accommodate an increasing number of participants. New exhibition complexes are being constructed to give the travel trade fairs a modern look.

The reasons for the spurt in the travel trade fairs can be attributed to the involvement of tourism organisations in the marketing of tourism, particularly international tourism. It has been increasingly felt in the travel trade circles, especially those responsible for marketing, that the medium of travel trade fair is a very cost effective way of communicating. Exhibitions by their very nature enjoy, economies and advantages of lower costs because of the scale. The sheer size of the
exhibition also happens to be the great attraction, both for buyers and sellers of a tourist product.

Some of the advantages of participating in the travel trade fairs are as follows:-

(a) Opportunity to both buyers and sellers of tourism services to meet under one roof and transact business;
(b) Lower cost of participation because of advantage of scale;
(c) Effective vehicle of communication with clients;
(d) Better quality of attendance;
(e) Single platform to introduce the product (in the form of a brochure);
(f) Easy access to travel trade media;
(g) Forming of new business contacts;
(h) Acquiring new information about the travel product;
(i) Opportunity to see the competitor’s product;
(j) Opportunity for effective public relations.

Participation in the travel trade fairs has been a very important issue over the years. Everybody who has something or other to do with tourism business feels it necessary to participate in these fairs either as an exhibitor or just a visitor.
International fairs like World Travel Mart (WTM), International Tourisms Borse (ITB), International Tourism Exchange (BIT), International Brussels Trade Fair (BTF) are very popular with the travel trade. There are some other fairs also where participation is quite significant. The two most popular international trade fairs, however, are WTM in London and ITB in Berlin.

5.7 ROLE OF TRAVEL AGENCIES AND TOUR OPERATORS IN PROMOTION OF TOURISM

The role of private sector in the organisation of tourism is very crucial. In India and in any part of the world who is in any manner concerned with the tourism, the role of private sector can not be ignored. The private sector’s role is not limited to just selling the tourism product but often also lies in producing individuals, companies and corporations for promoting, developing and financing tourism.

The travel agency is one such organisation in the private sector which plays a key and crucial role in the entire process of developing and promoting tourism. It is the Travel Agent who packages and processes all the various attractions of the country and presents them to the tourists.
The travel agency business came into existence in England in 1841 when Thomas Cook organised a trip to take 570 fellow members of a temperance society from London to Loughborough. It was a significant event as for the first time, tickets were bought by an agent from the railways for resale and arrangements were made by the organisers. It was soon followed by a similar excursion for 800 persons to Glasgow. The excursion was so successful that Thomas Cook started a full time excursion agency and began to arrange trips to other places. Thomas Cook pioneered overseas travel as well and organised the first tour to the continent.

The five month Voyage on the Quaker city to the Mediterranean, the Holy Land in 1867, with 60 passengers, including Mark Twain who recorded the journey in the “Innocents Abroad”, was probably the first ocean cruise conceived and advertised for tourists. Two excursions from England to the United States were also planned in 1866. Thomas Cook thus played a founder’s role in the organisation of travel. He actually started as a tour operator but gradually entered into the retail business in order to satisfy his tour clientele. Thomas Cook was a remarkable innovator. He brought tickets from the railway companies for resale; he personally conducted his excursions, published guide book and invented a coupon scheme to provide hotel facilities.
Besides the innovation of the hotel coupon in 1867, which is now common all over the world, Thomas Cook is also credited with the introduction of another coupon, called ‘circular notes’, which were valued at banks, hotels, restaurants and shops. It was the forerunner of the present day ‘traveller’s cheques’ which has greatly helped travellers in moving around the world and also in the development of travel and tourism. By providing personalised services, sending escorts or conductors with groups, arranging for tourists to be received on arrival with a car and guide, the tours became increasingly sophisticated and convenient for tourists. Most of the tours in the second half of the nineteenth century were quality group tours and paved the way for package or inclusive tours. Thomas Cook had realised that the bulk use of transport and accommodation could reduce the cost of the tour and increase the demand.

Thomas Cook’s Business principals included three major aspects of travel.

- Selling Tours.
- Banking.
- Foreign Currency Exchange and Shipping.
This concept perfectly complemented the growth of the railways and later, of passenger shipping and brought organized travel to an increasingly large section of the public.

After the Second World War, the British Government acquired the principal interests in the company, Thomas Cook and Sons. The policy of the company began to be determined by the British Government through a holding company. In 1972 the company was sold by the British Government to Midland Consortium for 858.5 million US dollars. The company has over 1,200 offices with more than 13,000 employees in 145 countries around the world.

Another internationally known travel agency, the American Express, also had its independent beginning in 1841. Its founder, Henry Wells, started his business primarily as a shipper and the company was founded on the carriage of goods and bullion. It was only later that, Wells entered the retail travel business by starting the American Express Company Offices, first in London in 1909 and then in USA in 1915.

The Company invented the traveller’s cheque in 1891 which replaced the circular letter of credit. Later, the Company diversified to become a travel and financial conglomerate providing life and property
insurances. It is now a major participant in international currency transactions buying and selling more than 150 million dollars in foreign currency on each working day. The Company has introduced the ‘American Express Credit Card’ which is the most popular credit card in the world. A holder of the card can pay his hotel bills, international air tickets, restaurant bills and other purchases against the card from the establishments which accept it.

American Express operates a computerized reservation service which enables travellers to secure hotel reservations in major cities throughout the world in no time. The computer has a space bank of about half a million rooms which can be reserved through this service. Like Thomas Cook and Sons, American Express also has its offices practically in every country of the world. The two largest travel organisations have made an important contribution to the promotion and development of tourist traffic.

Prior to the era of the air travel, the railways and the shipping companies provided ticketing and reservation services in their own offices, located near transport terminals. These services were also made available by the existing travel agents. But the problems in providing a convenient direct sales service to consumers from airports, situated far away from the market centres, made the airlines aware of the need for
more convenient outlets from where their products could be sold. In consequence, they also started to use the travel agents for selling their services. The growth of air travel resulted in a rapid growth of travel agents and the travel agency business in our country.

5.7.1 Role of the Travel Agent in promotion of tourism

The travel agent plays a very important role in the promotion and development of travel and tourism. He acts as a booking agent for his principals who sell travel and holidays to consumers. But unlike other business retailers, he does not purchase travel for resale to his customers. He does not ‘carry stocks’ of travel products. It is only when a customer has decided on a travel purchase that the travel agent approaches the principal on behalf of his customer. Further, he has less brand loyalty towards a particular product or company.

One of his primary functions is to provide a convenient location from where the potential tourist may receive information and guidance about travel and purchase it. This generally necessitates the location of the travel agency office near the main business and shopping centres.

The travel agent provides a varied range of services. He is “expected to possess specialised and up-to-date knowledge of the tourist product and advise the customer impartially about it.” In
addition, the services provided by him include rail, sea, road and air transportation, hotel accommodation and package tours.

Some of the major functions of a travel agency are listed below:-

(a) **Provision of Travel Information**

One of the primary functions of a travel agent from the point of view of the tourist is to provide him all necessary information about travel. This is a very specialized job and the person behind the counter should be a specialist having excellent knowledge of various travel alternate plans. They give up-to-date and accurate information regarding various services and general information about travel. The presentation to the potential customer is forceful and exciting to generate his interest. A good travel agent is something of a personal counsellor who knows all the details about the travel and also the needs and interests of the intending traveller.

(b) **Preparation of Itineraries**

A tourist journey is characterised by an itinerary using various means of transport to link one locality with another. A travel agent gives advice to intending travellers on the type of programmes which they may choose for their holiday or business travel.
(c) **Liaison with provider of Services**

Travel agency keeps a direct contact with transportation companies, hotel proprietors, the providers of surface transport like motor cars, coaches, etc. so that the traveller is made comfortable at new location of travel. The agency has to keep a perfect co-ordination among the various service providers.

(d) **Planning and Costing Tours**

After entering into contracts and arrangement, the need for planning and costing of tours to meet the individuals requirement arises. Travel agencies with the co-operation of airlines and other transport companies calculate the cost of travel. This helps a traveller to plan his holidays with in his available budget.

(e) **Ticketing**

Selling tickets to the clients by different modes of transport like air, rail and sea is yet another important function of a travel agency. This calls for thorough knowledge of schedules of various modes of transport. Changes in national/international air schedules and additions of new flights from time to time makes the job of the travel agent as one of the constant challenge. An up-to-date knowledge about various schedules of rail, air, sea steamships is very essential. The computerised reservation
system and its availability with travel agents has revolutionised
the entire reservation system both for air, rail bookings and
accommodation in a hotel.

(f) **Provision of Foreign Currency**

Provision of foreign currencies to intending traveller is
another specialized activity of a travel agency. Some the large
travel agencies like Thomas Cook and American Express deal in
provision of foreign currencies, travellers cheques etc. This is an
important facility provided to a traveller as it saves them a lot of
time and energy in avoiding to visit regular banking channels.

(e) **Insurance**

Insurance both for personal accident risks and of baggage
is yet another important activity of a travel agency. The large
travel agencies have a separate department to deal with the
insurance of the potential travellers.

The travel agency operations thus cover all activities
connected with arrangements for booking of travel. In summary,
they include advising potential tourists on tourist destinations and
travel facilities, planning itineraries, computing fares and the cost
of the tour, making reservations for all travel requirements,
issuing travel tickets and vouchers, and providing ancillary services.

Surveys have shown that the percentage of tourists regularly using the services of a travel agency to get information about travel opportunities and offers and to make definite travel arrangements, particularly in the European countries, is high. This includes both domestic and international tourism. Similarly, the market share of travel agencies in total sales (ground and air transportation, hotel reservations, excursions etc.) is estimated to be between 50 to 75 per cent depending on the type of the service provided by an agency.

5.7.2 Role of Tour Operators in promotion of tourism

The function of the tour operator in the tourism industry is quite different from that of the travel agent. He makes a bulk purchase of the separate elements of a tour viz. Transport, accommodation and other services, at substantial discounts, combines them with attractive packages which are sold directly or indirectly to consumers at an all-inclusive price.
5.7.3 Types of Operators

Tour operators may be classified under four types – the large tour operators, the specialist operators, ‘incoming’ tour operators and domestic tour operators.

The activities of the large tour operators relate to mass market operations such as beach holidays. Their number is usually not large but they contribute the major share of the tour operating revenue in a country. They may be linked with their own airlines for the purpose of mass tour operation. Frequently they subdivide their operations to serve different markets.

The specialist operators specialise in particular geographical regions. They generally offer long-distance tours to exclusive destinations. They identify a particular need or fashion trend in tourism and seek to cater for it. “Specialists are subsidiaries of carriers or accommodation organisations, existing to provide a sales outlet for the organisation’s products.”

The ‘incoming’ tour operators are important for destination countries. They sell tour only to the particular destination in which they are based. Their services are marketed exclusively to the trade. Some of the operators are actually ‘handling agents’ since their main function
is to make a wide range of arrangements for groups of tourists, coming into the country, on behalf of overseas tour operators. These include reception on arrival, transfers, hotel arrangements, guide/escort service, entertainment and catering to the needs of the specific groups of tourists.

Operators who assemble and sell inclusive tours to destinations within a country where the tourists reside are designated as domestic operators. They sell domestic package holidays and generally organise coach tours.

5.8 PROMOTION TECHNIQUES USED BY TOUR OPERATORS AND TRAVEL AGENTS TO PROMOTE TOURISM

Tour operators and travel agents organising tours and special travel arrangements use travel catalogues, brochures and folders to present the travel programmes they offer. Catalogues are generally used as the main selling tool by mail order houses. They contain useful information for the prospective customer and are, therefore, usually kept for ready reference. "Travel catalogues present an entire travel programme with numerous destinations, various choices of accommodation, activities and excursions, alternative departure dates and transport arrangements in a very complete yet concise form,
supported by illustrations and descriptions. By providing extensive information, a catalogue aids the prospective customers to choose the destination, departure dates, prices, ranges etc. best suited to their needs and to their travel budget.”. The travel catalogues of large operators, issued twice a year for summer and winter, contain up to 200 pages, and offer a wide choice of destinations and arrangements. The creation, production and distribution of a travel catalogues is a time consuming and costly process.

Brochures are less voluminous than travel catalogues and less costly. They are mainly used by official travel organisations, tour operators and travel agents to inform prospective customers about the attractions and facilities available. “Their main advantage lies in the possibilities they offer to describe and illustrate a destination or service in more detail than a travel catalogue.” Folders are relatively inexpensive to produce and used for several purposes.

The travel operator’s brochure is the principal marketing tool, and the most important means, of informing the customers about the product, and making them interested in purchasing it. Often, the consumer has little or no knowledge of the product. He has to be, therefore, motivated and persuaded into buying it. For this reason
special attention is given to the production of the tour brochure and it accounts for a major portion of the operator's marketing budget.

The first aim of the brochure is to attract the attention of the consumer. For this purpose multi-colour covers, with an attractive theme or symbol, are used to create an immediate impact. While some tour operators design and prepare the brochure in their own advertising departments, the job is entrusted by large companies to advertising agencies because of their professional expertise and excellence. The brochure also aims to reinforce an operator's image in respect of the quality and reliability of the services provided by him. Hence, it becomes necessary to produce an attractive piece of publicity material, with easily comprehensible text, to create the desired impression.

The tour operator's brochure, thus, has a double purpose to serve. It has to inform and, at the same time, persuade the potential tourists, by "purveying dreams" to buy the tour. "Tour operators are selling dreams and their brochures must allow the consumer to fantasise a little about his holiday." But in doing so, it is most important to ensure that the presentation is not misleading. It should provide honest and accurate information. Apart from satisfying the conditions laid down by IATA for the operation of ITX operations, as also for regular charter programmes, the folder must be factually correct. It should be
comprehensive and give detailed information about all aspects of the tour, viz. Carrier destinations, itineraries, accommodation, services, price, conditions of booking etc.

In addition to the regular tour brochure, two other kind of brochures – shell folders and umbrella brochures – are also used to promote package tours. Shells are blank folders provided by airlines or national tourist organisations to encourage tour operators to promote their services or destinations. They contain preprinted photographs and only the text needs to be added by the operator. The shell folder is mainly meant to promote either limited – capacity tour programmes or ad hoc special tours.

An umbrella brochure is produced by a travel agency to enable it to sell tours to several overseas destinations. “The brochure covers only the basic essentials to satisfy IATA airlines requirements for inclusive tour approval, and its purpose is to enable agents to produce tailor-made tours for their clients using a net tour-basing fare.”

5.9 TRAVEL AGENTS IN INDIA

As long back as in the year 1954, the Government of India became aware of the important role which the travel agents could play in the development and promotion of tourism. It was recognised by the
Government that tourists who visit a foreign country often prefer to secure the services of travel agents who assist them in order to make best use of time and money at their disposal. The Government felt that many a time unauthorised persons offer themselves as agents and in return fail to render satisfactory services, and even exploit the ignorance of the tourists for their personal benefit. With a view to curb this, the Government evolved a system of granting recognition to travel agents.

The rules for recognition were as follows:

(i) No firm shall be granted recognition unless it has been engaged actively in handling tourist traffic for at least one year before the date of the application.

(ii) Firms granted recognition shall be entitled to such rights and privileges as may be granted by Government from time to time and shall abide by several terms and conditions of recognition.

(iii) Firms granted recognition shall undertake to maintain an office under the charge of full time members of their staff, who should, apart from issuing rail tickets, be in a position to give up-to-date and accurate information regarding transport and accommodation facilities, currency and customs regulations and general information about travel, etc.
(iv) The recognition may be extended for the whole of the country or be limited to a particular region.

(v) Firms granted recognition shall undertake to employ only guides approved by the Department of Tourism.

(vi) All recognised firms shall furnish yearly statement of their activities and such other information in regard to the volume of tourist traffic actually handled and other relevant matters.

(vii) The decision of the Government in the matter of recognition shall be final and it reserves the right to cancel or withdraw it at any time.

Subsequently, following clauses were also added to look after the interest of travelers.

(i) The recognition to be granted by the Department of Tourism shall not automatically entitle the firm to be appointed as agents for the sale of rail tickets by the Ministry of Railways (Railway Board). The Agencies thus recognised shall apply separately to the Railway Board.

(ii) Firms seeking recognition as travel agents should have a minimum paid up capital of Rupees one hundred thousand.

(iii) Applications for grant of recognition by the Department of Tourism will be considered only if the firm:
(a) is approved by IATA;
(b) has licence to book foreign passages issued by the Reserve Bank of India;
(c) has the approval of the Ministry of External Affairs to handle travel documents and to deal with passport offices;
(d) is registered under the local Shops and Establishment Act.

The vital role played by the travel agents in the growth and development of tourism in the country and its promotion is recognised by all segments of the travel industry. The Government works in close collaboration with them not only in India but abroad as well, encouraging them to plan and organise package tours for various destinations in India. In suitable cases, the Department of Tourism recommends the release of foreign exchange to travel agents to enable them to open their branch offices abroad. The Department has also instituted a special Tourism Award which is given every year to a travel agency earning maximum amount of foreign exchange. This practice encourages the travel agents to perform excellently.
5.10 ROLE OF ACCOMMODATION IN PROMOTION OF TOURISM

One of the important inputs which flow into the tourist system is tourist accommodation which caters to international tourists and thus forms a vital component of the tourism superstructure and an important feature of the total tourist image of the country. An adequate supply of accommodation suitably tailored to the requirements of the tourist market is one of the basic conditions of tourism development.

In the promotion of tourism, out of all the constituents of the tourist industry, accommodation sector constitutes the most important segment. Tourism is, to a great extent, dependent on the type and quantity of accommodation available. Accommodation is a very important part of the tourism infrastructure and the expansion of tourism inevitably brings about the development of accommodation. It is rather the core of the tourist industry.

5.10.1 Early History

The traveller who left his home required accommodation at his destination and for journeys which could not be completed in a single day. For this he needed overnight accommodation. Inns were perhaps the first such accommodation units which catered to the needs of travellers in early times. Inn keeping has been a very ancient
profession. In ancient times and during the Roman Empire many such
inns were established which provided food, drink and also
entertainment to weary travellers.

5.10.2 Emergence of the Hotel

Although the earliest hotels date to the eighteenth century, their
growth occurred only in the following century when the railways
created sufficiently large markets to help make large hotels possible.
During this period a large number of hotels grew up at important
destinations. The hotels were developed along the main railways and
highway routes in major towns. With the development of railway
systems in many other countries, the number of hotels also increased.
These hotels catered to the increasing volume of traffic.

The demand for accommodation of tourists was thus met by a
variety of facilities ranging from Inns, private houses and hotels. The
main changes in the demand for tourist accommodation have come
about from changes in tourist transportation and in the popularity of
different forms of holidays. After the introduction of the motor car and
the aircraft, a large number of hotels sprang up at various tourist areas
and destinations.
Hotels provide accommodation, meals and refreshments for irregular periods of time for those who may reserve their accommodation either in advance or on the premises. In broad terms hotels provide facilities to meet the needs of the modern traveller.

Primarily and fundamentally an hotel is an establishment which supplies boarding and lodging, not engaged in interstate commerce, but is quasi domestic institution retaining from its ancient origin certain traditional, and acquiring, in its modern development, certain statutory rights and obligations to the public, where all persons, not disqualified by condition or conduct, prepared to pay for their accommodation, are to be received and furnished with a room or place to sleep or occupy if such accommodations are available, and with such services and attention as are incidental to their use of the hotel as a home, and/or with food, at stipulated prices, and with or without contract as to duration of visit, and which conducts, within the confines of its physical locations, this business of supplying personal services of individuals for profit. Incidental to such fundamental and principal business, the hotel may furnish quarters and facilities for the assemblage of people for social, business or entertainment purposes, and may engage in renting portions of its premises for shops and business whose contiguity is deemed appropriate to an hotel.
5.10.3 Types of Hotels

Over the years the concept and the format of hotels have changed a great deal. There are various types of hotels catering to the increasing demands of tourists. The size, the façade, architectural features and the facilities and amenities provided differ from one establishment to another. In addition the landscape in a particular destination area also greatly influences the architectural features of a hotel. Following are the main types of hotels.

5.10.3.1 International Hotels

International hotels are the modern western style hotels in almost all metropolitan and other large cities as well as principal tourist centres. These hotels are luxury hotels and are classified on the basis of internationally accepted system of classification. The hotels are placed in various star categories. There are five such categories ranging from 5 star to 1 star depending upon the facilities and services provided. These hotels provide in addition to accommodation all the other facilities which make the stay a very comfortable and interesting experience. Various facilities provided include well appointed reception and information counter, banquet halls, conference facilities etc. There are also a number of shops, travel agency, money changing and safe deposit facilities. Restaurant facilities, bars and banqueting are
an integral part of the business of a hotel. The various services provided in these hotels include international and the local cuisine, food and beverage service and speciality restaurant service. These hotels also provide entertainment for the guests in the form of various dance and music programmes, sports and games.

The general features, facilities and service required for each of the categories from five stars deluxe to one star is given below:

(A) **Five Star Deluxe Category:** (*****)

This is a qualitative extension of the 5-star category while quantitatively, the basic features are as of a 5-star category. In a 5-star Deluxe hotel, the comparative all round standard of service and amenities is of a very superior quality.

(B) **Five Star Category**

**General Features:** The façade, architectural features and general construction of the building has distinctive qualities of a luxury hotel of this category. The locality including the immediate approach and environs is suitable for a luxury hotel of this category. There is adequate parking space for cars. The hotel has at least 25 lettable bed rooms, all with well appointed attached bathrooms with long baths or the most modern shower chambers, with 24 hours service of hot and cold running water.
All public rooms and private rooms are fully air-conditioned (except in hill stations where there are heating arrangements) and are well appointed with superior quality carpets, furniture, fittings etc. in good taste. It employs the services of professionally qualified and experienced interior decorators of repute for this purpose. There are adequate number of efficient lifts in buildings of more than 2 stories including the ground floor with 24 hours service. There is a well designed and properly equipped swimming pool (except in hill stations). The Lobby, and ladies and gentlemen’s cloak rooms are well equipped with fittings and furniture of the highest standard.

**Facilities:** There is a reception, cash and information counter attended by qualified, trained and experienced personnel, conference facilities in the form of one or more conference rooms/banquet halls and private dining rooms. There is a book stall, beauty parlour, barber shop, recognised travel counter, money changing and safe deposit facilities. There is a telephone in each room and telephones for the use of guests and visitors and provision for a radio or relayed music in each room. There is a well equipped, well furnished and well maintained dining room/restaurant on the premises, and wherever permissible by
law, there is an elegant well equipped bar/permit room. The pantry and cold storage are professionally designed to ensure efficiency of operation and are well equipped.

**Service:** These hotels offer both international and Indian cuisine and the food and beverage service are of the highest standards. There are professionally qualified, trained, experienced, efficient and courteous staff in smart, clean uniforms, and the staff coming in contact with guests understand and speak English. The supervisory and senior staff possess a good knowledge of English. It is desirable for some of the staff to have knowledge of foreign languages and staff knowing at least one continental language remains on duty at all times. There is 24 hours service for reception information and telephone. There is provision for reliable laundry and dry cleaning services. Housekeeping at the hotel is of the highest possible standard and there should be plentiful supply of good quality linen, blankets, towels etc. Each bedroom is provided with a vacuum jug/thermos flask with ice cold, boiled drinking water except where centrally chilled purified drinking water is provided. There is always a special restaurant/dining room with facilities for music and dancing.
(C) Four Star Category: (****)

*General Features:* The façade, architectural features and general
construction of the building has distinctive and the locality
including the immediate approach and the environs are suitable
for a hotel of this category. There is adequate parking facilities
for cars. The hotel have at least 25 lettable bed rooms, all with
attached bathrooms. At least 50% of the bathrooms have long
baths or the most modern shower chambers, with 24 hours
service of hot and cold running water. All public rooms and
private rooms are fully air-conditioned and well furnished with
carpets, curtains, furniture, fittings, etc. in good taste. It employs
the services of professionally qualified and experienced interior
decorators of repute for this purpose. There is a well appointed
lobby and cloak room equipped with fittings of the standard of a
hotel of this category.

*Facilities:* There is a reception, cash and information counter
attended by trained and experienced personnel. There is a book
stall, travel counter, money changing and safe deposit facilities
and a left luggage room on the premises. There is a telephone in
each room and telephones for the use of guests and visitors,
provision for a radio or relayed music in each room. They have a
well equipped, well furnished and well maintained dining room/restaurant on the premises, and wherever permissible by law, there is an elegant well equipped bar/permit room. The kitchen, pantry and cold storage is professionally designed to ensure efficiency of operation.

*Service:* The hotel offer both international and Indian cuisine, food and beverage services of the highest standards. There is a professionally qualified, trained, experienced, efficient and courteous staff in smart, clean uniforms, and the staff coming in contact with guests understands and speak English. The supervisory and senior staff possess a good knowledge of English. It is desirable for some of the staff to have knowledge of foreign languages and staff knowing at least one continental language is on duty at all times. There is 24 hours service for reception information and telephones. There is a provision for reliable laundry and dry cleaning services. Housekeeping at the hotel is of the highest possible standard and there has a plentiful supply of linen, blankets, towels, etc., of good quality available. Similarly, the cutlery and glassware is provided with a vacuum jug/thermos flask with ice cold, boiled drinking water is
provided. There is a special restaurant/dining room where facilities for music and dancing are provided.

(D) Three Star Category: (***)

The architectural features and general construction of the building is of a very good standard and the locality including the immediate approach and environs is suitable for a good hotel, and there is a adequate parking facilities for cars. The hotel has at least 20 lettable bed rooms, all with attached bathrooms with bath tubs and/or shower and are of modern in design and equipped with fitting of a good standard, with hot and cold running water. At least 50% of the bathrooms have air-conditioned (except in hill stations where there is heating arrangements in all the bedrooms, dining rooms, restaurant and lounge) and the furniture and furnishings such as carpets, curtains etc., is of a good standard and design purpose. There should be adequate number of lifts in buildings with more than two stores including the ground floor, and well appointed lounge and separate ladies and gentlemen’s cloak rooms equipped fittings of a good standard.

Facilities: There should be a reception and information counter attended by qualified and experienced staff, a book stall recognised travel counter money changing and safe deposit
facilities on the premises. There should be a telephone in each room except in seasonal hotels where there should be a call bell in each room and a telephone on each floor for the use of hotel guests and a telephone for the use of guests and visitors to the hotel. There should be a well equipped and well maintained air-conditioned dining room/restaurant and wherever permissible by law, there should be a bar/permit room. The kitchen, pantry and cold storage should be clean and organised for orderliness and efficiency.

**Service:** The hotel should offer good quality cuisine, Indian as well as Continental, and the food and beverage service should be of a good standard. There should be qualified, trained, experienced, efficient and courteous staff in smart, clean uniforms, and the supervisory staff coming in contact with guests should understand English. There should be provision for laundry and dry cleaning service. Housekeeping at the hotel should be of a good standard and there should be adequate supply of linen, blankets, towels etc. of good quality. Each bedroom should be provided with a vacuum jug/thermos flask with cold, boiled drinking water.
Two Star Category: (**)  

**General Features:** The building has well constructed and the locality and environs including the approach is suitable for a good hotel. The hotel has at least 10 lettable bed rooms of which at least 75% have attached bathrooms with shower, or a bathroom for every four of the remaining rooms. All bathrooms have modern sanitation and running cold water with an adequate supply of hot water, soap and toilet paper. 25% of the rooms is air-conditioned (except in hill stations where there should be heating arrangements in all the rooms), and all the rooms are properly ventilated, clean and comfortable, with all the necessary items of furniture. There is a well furnished lounge.

**Facilities:** There is a reception counter with a telephone. There is a telephone or call bell in each room and a telephone on each floor unless each room has a separate telephone. There is a well equipped and well maintained air-conditioned dining room/restaurant, serving good, clean, wholesome food and a clean, hygienic and well equipped kitchen and pantry.

**Service:** There have experienced, courteous and efficient staff in smart and clean uniforms. The supervisory staff coming in contact with guests understands English. There is a provision for
laundry and dry cleaning service. Housekeeping at the hotel is of a good standard and clean and good quality linen, blankets, towels, etc. is provided. Similarly, crockery and glassware is of a good quality.

(F) One Star Category: (*)

General Features: The general construction of a building is good and the locality and environs including immediate approach is suitable. The hotel have at least 10 lettable bed rooms of which at least 25% have attached bathrooms with a bathroom for every four of the remaining rooms. At least 25% of the bathrooms have western style WCs. All bathrooms have modern sanitation and running cold water with an adequate supply of hot water, soap and toilet paper. The rooms are properly ventilated and have a clean and comfortable furniture.

Facilities: There is a reception counter with a telephone and a telephone for the use of guests and visitors. There is a clean and modern toilet well equipped, dining room/restaurant serving clean wholesome good quality food and well equipped kitchen and pantry.
Service: There is a experienced courteous and efficient staff in smart and clean uniforms and the senior staff coming in contact with guests possess a working knowledge of English. Housekeeping at the hotel is of good standard and clean and good quality linen, blankets, towels, etc. are supplied. Similarly, crockery, cutlery and glassware is of a good quality.

The categories-wise details regarding the number of hotels, rooms availability and the room occupancy during the past three years are presented below :-

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of hotels</th>
<th>No. of rooms</th>
<th>Estimated average occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five Star &amp; Deluxe</td>
<td>99 101 116</td>
<td>18610 18647 21608</td>
<td>6606  59.3 53.0</td>
</tr>
<tr>
<td>Four Star</td>
<td>74 80 94</td>
<td>5450 5990 7014</td>
<td>64.9  70.8 53.1</td>
</tr>
<tr>
<td>Heritage Hotel</td>
<td>46 50 64</td>
<td>1292 1372 1655</td>
<td>50.8  49.1 40.4</td>
</tr>
<tr>
<td>Three Star</td>
<td>289 311 357</td>
<td>14776 15725 17531</td>
<td>62.3  62.0 47.2</td>
</tr>
<tr>
<td>Two Star</td>
<td>314 324 376</td>
<td>11136 11366 12938</td>
<td>55.5  59.0 49.4</td>
</tr>
<tr>
<td>One Star</td>
<td>142 146 157</td>
<td>4912 5115 5419</td>
<td>61.2  67.2 54.8</td>
</tr>
<tr>
<td>Classification awaited</td>
<td>200 197 131</td>
<td>8397 8307 5949</td>
<td>47.1  40.5 33.9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1164 1209 1295</td>
<td>64573 66522 72114</td>
<td>62.9  59.4 50.4</td>
</tr>
</tbody>
</table>
5.10.3.2 Heritage hotels

'Heritage Hotels' cover running hotels in palaces/castles/forts/havelies/hunting loges/ residence of any size built prior to 1950. These hotels are the pillars of our cultural heritage. The façade, architectural features and general construction have the distinctive qualities and ambience in keeping with the traditional way of life of the area. The architecture of the property to be considered for this category is not normally interfered with. Any extension, improvement, renovation, change in the existing structures is done in keeping with the traditional architectural styles and constructional techniques harmonising the new with the old. After expansion/renovation, the newly built up area added does not exceed 50% of the total built up (plinth) area including the old and new structure. For this purpose, facilities such as swimming pools, lawns etc. are excluded. This category covers hotel in Residences/Havelies/Hunting Lodges/Castles/Forts/Palaces built prior to 1950. The hotel should have a minimum of 5 rooms (10 beds). The heritage classic & heritage grand cover hotels in Residences/Havelies/Hunting Lodges/Castles/Forts/Palaces built prior to 1935. These hotels have a minimum of 15 room (30 beds).
No room or bathroom size is prescribed for any of the categories. However, general ambience, comfort and imaginative re-adaptation is considered while awarding sub-classification ‘classic’ or ‘grand.’

There is an adequate parking space for cars. All public rooms and area and the guest rooms are well maintained and well equipped with quality carpets/area rugs/good quality duries, furniture, fittings etc. in good taste and in keeping with the traditional lifestyle. If carpeting is not provided, the quality of flooring is very good. The guest rooms are clean, airy, pest free without dampness and musty odour, and of reasonably large size with attached bathrooms with modern facilities (e.g. flush commodes, wash basins, running hot cold/water, etc.). There is a well appointed lobby and/or lounge equipped with furniture of high standard with separate ladies and gents cloak rooms with good fittings.

There is a reception, cash and information counter attended by trained and experienced personnel. There is money changing facilities and left luggage room. There is a well equipped, well furnished and well maintained dinning room on the premises and, wherever permissible by law, there is an elegant, well equipped bar/permit room. The kitchen and pantry is professionally designed to ensure efficiency of operation and is well equipped. Crockery, cutlery, glassware is of
high standard and in sufficient quantity, keeping in view the lifestyle and commensurate with the number of guests to be served. Drinking water is bacteria free; the kitchen is clean, airy, well lighted and protected from pests. There is a filtration / purification plant for drinking water. There is three tier washing system with running hot and cold water; hygienic garbage disposal arrangements; and frost free deep freezer and refrigerators.

The hotel offers good quality cuisine and the food and beverage service is of good standard. There is qualified, trained, experienced, efficient and courteous staff in service and clean uniforms and the staff coming in contact with the guests understands English. Housekeeping at these hotels is of the highest possible standard and there is a plentiful supply of linen, blankets, towels etc. of high quality. Each guest room is provided with a vacuum jug/flask with bacteria free drinking water. Arrangements for heating/cooling is provided for the guest rooms in seasons. Places which have telephone lines have at least one phone in the office with call bells in each guest room. Arrangements for medical assistance is there in case of need. The staff/room ratio is kept with the number of guest room in each property. These hotels are run on a professional basis while losing none of their ambience and services.
The hotel is environment friendly. The gardens and grounds are very well maintained. There is an efficient system of disposal of garbage and treatment of wastes and effluents.

The hotel presents authentic and specially choreographed local entertainment to the guests. They also have, wherever possible, arrangements for special services such as wildlife viewing, water sports, horse/camel/elephant riding or safaris etc.

5.10.3.3 Resort Hotels

Resort hotels cater to the needs of holiday-maker, the tourist and those who by reasons of health desire a change of atmosphere. Resort hotels are located near the sea, mountain and other areas abounding in natural beauty. Rest, relaxation and entertainment are the key factors around which resorts are built. The primary motive of a person visiting resort hotels is rest and relaxation which he is looking far away from his routine busy work life. The resort hotels in order to provide special services to the visitors are built with a view to give a visitor special welcome and an atmosphere of informality. The type of services and amenities located in resort property include recreation facilities such as swimming pool, golf course, tennis courts, skiing, boating, surf-riding and other various indoor sports. Other important amenities include coffee shops, restaurants, conference rooms, lounge, shopping arcade
and entertainment. Emphasis on resort hotels, however, is on recreational facilities. The clientele of resort hotels is mostly persons with considerable income looking for relaxation and recreation. Resort hotels rarely attract commercial patronage.

Resorts can be of various types and can be classified on the basis of climate and also topography. Broadly they fall in the following categories: (i) Summer resorts, (ii) Winter resorts, (iii) Hill resorts, (iv) All season resorts, and (v) Health resorts.

Majority of the resort hotels are seasonal establishments which work to capacity during the high tourist season.

5.10.3.4 Commercial Hotels

The commercial hotels direct their appeal primarily to the individual traveller as compared to international or resort hotel where the focus is on the group travel. Most of the commercial hotels receive the guests who are on business although some have permanent guests. As the hotel caters primarily to people who are visiting a place for commerce or business; these are located in important commercial and industrial centres of large towns and cities. These hotels are generally run by the owners and their success depends on their efficient running and the comforts and facilities they provide. In some of the large
industrial towns, fully licenced commercial hotels exist complete with restaurants, grill room, functional accommodation and a garage for those travelling by their own cars.

5.10.3.5 Residential Hotels

These hotels are described as apartment house complete with hotel service. These are often referred to as apartment hotels. The tariff of rooms in these hotels is charged on monthly, half yearly or yearly basis and is charged for either furnished or unfurnished accommodation. These hotels which are located mostly in big cities operate exclusively under the European plan where no meals are provided to the guests. These hotels were developed in the United States of America where people discovered that permanent living in hotels offers many advantages. Services and amenities provided in these hotels are comparable to those of an average well regulated home. Those are very popular in the United States and western Europe where these are also known popularly as Pension.

5.10.3.6 Floating Hotels

These hotels are located on the surface of the water. It may be on sea water, river water or on a lake. All the facilities and services of a hotel are provided in these hotels. These hotels are very popular in
many countries. In many countries old luxury ships have been converted into floating hotels and are proving very popular among tourists. The atmosphere they provide is exclusive and exotic. In India, floating hotels in the form of house boats are very popular with tourists.

5.10.4 Supplementary accommodation

In addition to hotels, the demand for tourist accommodation is met by a variety of facilities. There are a series of other installations which are able to offer to the tourists lodging, food and corresponding services. This is popularly known as supplementary accommodation and is in fact an important segment of tourism.

Supplementary accommodation consists of various types of accommodation other than the conventional hotel type. It is described as premises which offer accommodation but not the services of a hotel. All the establishments under the heading of supplementary accommodation are designed to offer accommodation in the broad sense of the term, namely, the possibility of stay overnight and meals in return of payment per day and on the basis of services provided. In supplementary accommodation the standard of comforts is modest compared to that of an hotel. On the other hand, however, there are certain inherent advantages in this type of accommodation. The biggest advantage is that of price. The supplementary accommodation
is moderately priced. In addition the atmosphere in the accommodation is informal and there is more freedom with regard to dress, etc. There is also more emphasis on entertainment and sports resulting in increased social contact among the guests.

Supplementary accommodation plays a very important role in the total available tourist accommodation in a country. This type of accommodation can cater to both international as well as domestic tourist traffic.

Following are some of the principal forms of supplementary accommodation: (i) Motel, (ii) Youth Hostel, (iii) Camping Sites, (iv) Bed and Breakfast Establishments, and (v) Tourist Holiday Villages.

5.10.4.1 Motel

The concept of motel and motel-hotel originated in the United States of America. Motel was meant for local motorists and foreign tourists travelling by road. Primarily designed to serve the needs of motorists; motels almost exclusively meet the demand for transit accommodation. They serve the function of a transit hotel except that they are geared to accommodate motor travelling guests for overnight stay.
The important services provided by motels include parking, garage facilities, accommodation, restaurant facilities, public catering and recreational facilities, all the motels are equipped with filling stations, repair services, accessories, garages, parking space, elevator service to the automobile entrance, restaurants, etc. There is also equipment and tools available which the guest can use himself if he wishes to repair his vehicle. The price charged for accommodation and meals/refreshments is much cheaper as compared to that in hotels. Motels are mostly located outside the city limits in the countryside along with the main highway and preferably at an important road junction. Since these establishments cater mainly for persons travelling by road, their development is linked with the development of new motorways along which these are necessarily located. Motels are of different types. Some motels provide just the minimum services while others are well furnished with comfortable accommodation and excellent facilities. Shopping facilities for traveling public are also provided for in a Motel.

5.10.4.2 Youth Hostel

Youth hostel can be defined as a building which offers clean, moderate and inexpensive shelter to young people exploring their own country or other countries, and travelling independently or in groups on
holiday or for educational purpose. It is a place where young people of different social backgrounds and nationalities meet together and come to know each other. The objective of youth hostel is, therefore, not merely to provide accommodation and board, but also to serve as centres which offer opportunity to young people coming from different parts of the country as also young travellers from abroad to know and understand each other. It is a place of friendship, recreation and out-of-school/college education.

The youth hostels are equipped to accommodate young men and women who travel on foot, by bicycle or other means of locomotion and who, at very little cost, are provided with place to sleep, eat or to make their own meal. The services provided include accommodation, meals and also recreation. The charges for these services are very modest. The hostels are also equipped to enable the users to prepare their own meals if they so desire. The accommodation provided in the hostels is for a limited number of days.

In most of the countries, youth hostels are developed and managed by non-commercial organisations whose main aim is the development and promotion of youth tourism. These hostels are planned to provide comfortable accommodation as also such other services and facilities which are required by youth. Also the number of
youths using these hostels has grown tremendously. Many hostels receive increasing number of groups and organise stays for winter sports or sailing.

The construction of youth hostels is based on certain norms laid down from time to time all over the world. International requirements for these include provision of separate dormitories for men and women, appropriate and clean toilets, wash rooms for both men and women, a kitchen where hostellers can prepare their own meals, common rooms, living accommodation for warden and a left luggage room. There is also a provision of a kitchen where warden and staff can prepare meals for supply to hostellers, separate small room for instructors, a dining room and classroom for school parties and a warden’s office. Some youth hostels have playgrounds attached for the use of hostellers.

5.10.4.3 Caravan and Camping Sites

Caravan and camping sites constitute a significant accommodation category in many holiday areas. These are also known as open-air hostels, tourist camps or camping grounds. Camping, originally practiced by hikers on foot is increasingly giving way to car camping. The sites are usually located within the large cities in open spaces. Equipped to receive mobile accommodation in the form of caravans, the camping sites provide facilities for parking, tentpitching,
water, electricity, toilet etc. Though the services provided generally include restaurants, recreational rooms, toilets and at certain places a grocer’s shop, the type of services often vary from place to place.

5.10.4.4 Bed and Breakfast Establishments

These establishments provide only accommodation and breakfast and not the principal meals. These are usually located in large towns and cities along commercial and holiday routes and also resort areas and are used by en route travellers. Some of these establishments are very popular with holiday-makers.

5.10.4.5 Tourist Holiday Villages

These villages are situated at warm sea sides and in the regions which offer certain facilities for the tourists. The villages are mostly promoted by important clubs, social organisations and also by tourist organisations.

The village complex is centre of accommodation providing extensive sports and recreation facilities, riding, swimming, tennis, volleyball, football, sauna, mini-golf, badminton, table tennis and yoga. These provide both boarding and lodging. The atmosphere in these villages is kept as informal as possible. Telephones, radios, newspapers and TV are banned unless there is an emergency. Wallets and other
valuables are locked away at the beginning of one's stay. The furnishing provided in the rooms is minimal.

The holiday villages are usually based on family units, each providing a convertible living room, bath/shower and sometimes a kitchen. The villages are self-sufficient providing almost all necessities required by the residents. There is also a small shopping complex where one can buy articles of daily need. The services of a doctor are also available in the village. The accommodation is sold for a week or a fortnight at an all inclusive price.

The accommodation sector has undergone substantial changes in recent years. New developments in tourism and transportation, changes in the organisations of travel and technological innovations are some of the factors which are responsible for these changes. In addition, increasing consumer demand among tourists due to the improvement in living standards and economic conditions has also changed the profile of the accommodation sector.

New types of accommodation, particularly holiday villages suitable for family type tourists, apartment houses, private villas and camping facilities have proved very successful and to a certain degree are replacing traditional hotels and boarding houses.
5.11 REQUIREMENT OF FINANCE IN TOURISM PROMOTION

Finance is needed for the development and promotion of the tourist destination. Besides these two requirements: finance is also required for other activities and administrations. The formulation and physical development of tourist products calls for capital investment in the infrastructure and in individual facilities. Particularly in new tourist areas investment in infrastructure must precede investment in individual facilities and may represent a great proportion of the total investment.

5.11.1 Sources of Finance

To meet the development, promotion and other financial requirements of the tourism, four sources may be identified. They are as follows:

a) Government.

b) Industry.

c) Tourist.

d) Tourist Organisation.

(A) Government

The Government contributes to the financing of tourism development at the national, regional and local levels. The economic benefits of tourism being quite wide spread, the Government enhances
the material well being of the community through its contribution. Even in market oriented economy, it is considered legitimate for the Government to intervene financially in circumstances in which private enterprise may not be able or willing to do so adequately; this may happen in the initial stages in the development of tourism and also subsequently. For maintaining healthy balance of payments, to which tourism contributes significantly, the Government provides finance for tourism development.

(B) Industry

The main beneficiaries from tourism are the providers of tourists services, i.e., the entrepreneurs operating under the tourist organisation. In case of integrated structure of tourist organization consisting of membership, participation, individual interests lead the members to contribute for financing the investment made by the organization i.e. the members pay subscriptions in view of future returns. The entrepreneurs finance the tourism organization in proportion to the benefit they receive from the tourism activities. Government may not directly benefit from such financing for the promotion of tourism organisation benefits accrue to it through tax revenues. It may be argued that the entrepreneurs prosperity or otherwise is at least in part
due to the tourist organisation which should be able to call on their financial support.

(C) Tourist

The tourists are themselves a major source of financing of tourism development. Through the payment they make for the services they buy which includes an element of tax, many of them are in fact the main contributors.

(D) Tourist Organisation

A tourist organisation itself may generate income for its purposes through income from other sources, as it is often in a position to earn revenue for the provision of particular services.

For example: it may sell information material to tourists, advertising space in its publications to advertisers, research and other material to operators and other interested parties.

In developing countries due to scarcity of capital, foreign investment constitutes a necessary means of building up a tourism industry.

The foreign sources are mostly private developers and investors on the one hand and international agencies on the other hand. Both of
them may undertake a whole project or, as is common, enter into partnerships with local capital, both private and public. The I.M.F. and the I.B.R.D. are, however, the main sources of foreign investment in infrastructure.

5.11.2 The Role of Entrepreneurial Activity

The role of entrepreneurial activity in tourism revolves around private and public sectors. In most countries, and most sectors of travel and tourism, investment depends on the same commercial principles as any other industry. Suppliers anticipate profitable returns from selling products either to tourists or in some supporting sector, and set their own decision rules and methods on evaluating projects. Tourism, however, brings out some other reasons for investment which are often linked to the general objectives of enterprises in this sector.

The Public Sector or the Government’s often make investment in tourism projects for non-economical social benefits. For example, investment in transport infrastructure tourist information centres, national parks amenities and training establishments and the like may be justifiable on the basis of cost benefit analysis rather than on pure commercial profitability. Government also promotes tourism indirectly through various fiscal and monetary incentives to the private entrepreneurs. For example, Government of India provides tax rebates
up to 10 years if a private entrepreneur makes investment in hotel projects in the remote areas. Besides this concession, it also provides finance to the entrepreneurs at a low rate of interest. Further, the Government makes available land for the construction of hotels to the Private Sector entrepreneurs at cheap rates. Basic amenities like water, electricity, sewerage, telephone, post offices etc. are provided to these units.

The Private Sector activities are concentrated primarily in the transport and accommodation sectors.

The Private Sector Entrepreneurs face two major problems, namely the paucity of funds which is specially true for the developing countries and the seasonality in tourism activities. For financial requirements, the entrepreneurs depend heavily on the Government agencies where the delaying tactics and red tapism often discourage private initiative in the developing countries. With the emergence of multinational and other international financial agencies this problem is resolved to some extent. Their investment is confined to the star category of hotels and air transport. However, the problem of the small and medium enterprises who invest in non-star category of hotels and surface transporters, continues to exist.
Seasonality in tourist activities is common to both developed and developing countries and the problem is, therefore, faced by Public Sector as well as Private entrepreneurs. Climate, festivals and the vacation of Schools and Colleges are the primary determinants of seasonality in tourism demand. As a result the occupancy ratio in the accommodation sector resort to extreme ends-in hill station, it is maximum during summer and touches the bottom during winter. Other related activities like transport also follow the same rhythm. In the lean seasons, therefore, the capacities are largely underutilised and the entrepreneurs have to bear the cost of fixed factor which they can not cut down. The net result of this loss and the profits during peak seasons determine the viability of the project which the entrepreneurs intend to take up. To overcome the lean season problem, a number of steps have to be taken by the entrepreneurs as well as the Government’s in the developed and developing countries. Contra-seasonality measures ranging from off season discounts to staggering of holidays and development of winter sports have been partially helpful to solve the problem. The Government owned hotels however enjoy a slight edge over that of the privately owned during the lean season as most of the seminars and conferences are organised in the former.
5.12 ROLE OF GOVERNMENT IN PROMOTION OF TOURISM

The hotel and tourism related industry has been declared as a high priority industry for development by the government as it has assumed importance for its immense potential to earn foreign exchange and its being least import intensive. In fact tourism is India's third largest foreign exchange earner after readymade garments and jewellery.

Significant policy initiatives, such as welcoming of private sector, foreign and NRI investments, setting up of The Tourism Finance Corporation of India and Investment Facilitation Cell have been taken by the government.

New concepts, are being developed by the government to expand the activities under the tourism industry like:

- Time share properties
- Eco tourism
- Heritage tourism
- Adventure tourism and
- Conference tourism
These concepts are expected to generate a growth rate of nearly 20% in Indian tourism.

The country has embarked on the right path. Upgrading existing infrastructural facilities and adding new ones would definitely help tourism industry to tap the enormous existing potential.

India, with its GDP approaching $1 trillion has been put by the International Monetary Fund as one of the five biggest markets of the world. The sense of urgency that the Indian investment climate has developed has translated into the kind of economic indicators & figures that have kindled interest and brought in results from even the most conservative investors. There are tremendous opportunities for Companies participating in the tourism sector of the economy.

The Hotel and Tourism related industry has been declared as a high priority industry for foreign investment. It is now eligible for approval of direct investment upto 51% of foreign equity. Non-Resident Indian Investment is allowed upto 100%.

In recognition of the relationship between suppliers / users of technology and with a view to improve technology, the government has
allowed automatic approval of foreign technology agreements in the tourism industry subject to certain conditions. The term "Hotels" includes restaurants, beach resorts and other tourist complexes providing accommodation and/or catering and food facilities to tourists.

The term "Tourism-related Industry" would include among others the following:

- Travel agencies, tour operating agencies and tourist transport operating agencies;
- Units providing facilities for cultural, adventure and wildlife experience to tourists;
- Surface, air and water transport facilities for tourists;
- Leisure, entertainment, amusement, sports and health units for tourists; and
- Convention/seminar units and organisations.

Clearance is available if foreign equity covers the foreign exchange requirement for imported capital goods in accordance with the Industrial Policy of 1991.

In view of the practice prevailing in the hotel sector and the availability of foreign exchange at market determined rates the norms
for automatic approval by the RBI for foreign technology agreements in
the hotel industry, are subject to the following parameters:

- Technical and Consultancy Services (including fees for
  Architect, Design, Supervision etc.)

- Upto 3% of the capital cost of the project (less cost of land &
  finance)

- Franchising and Marketing/Publicity Support Fee-

- Upto 3% of net turnover (net turnover is gross receipts less
  credit card charges, travel agents commission, sales tax,
  statutory payments etc)

- Management Fees (including incentive fee)-

- Upto 10% of gross operating profit.

These norms are applicable provided the collaboration is
proposed with companies running/managing hotel(s) with atleast 500
rooms.

5.12.1 **Incentives for investment**

The following incentives have been provided by the Government
to promote tourism industry.
• Subsidy to hotel projects in the interest rate to 3 star categories on loans sanctioned by approved financial institutions, provided the projects are outside the metro cities of Delhi, Mumbai, Calcutta and Madras.

• 5% interest subsidy to hotels constructed in travel circuits and destinations identified for intensive development, as well as for heritage category of hotels.

• Capital subsidy of Rs. 5 lakhs or 10% of the cost, whichever is less, for development of any monument/structure over 75 years old into a Heritage Hotel.

• Hotels, travel agents, tour operators and other organisations connected with tourist trade are now covered under Liberalised Exchange Rate Management System. Authorised dealers are now allowed to release foreign exchange without the prior approval of Department of Tourism.

• Facility to open and operate Exchange Earners Foreign Currency Account extended to hotel & tourism related industry. 25% of inward remittances in foreign exchange can be credited to this account and utilised for specified purposes.

• Import of capital equipment for which payments are received in freely convertible currency, is allowed at a concessional rate of
customs duty subject to an export obligation four times the CIF value of the imports. The obligation has to be fulfilled within a period of five years.

- Customs duty on specified items has been reduced for project imports, provided the goods imported are required for initial setting up of the hotel or for substantial expansion of the hotel.

- Concessional rate of duty for import of equipment for Adventure sports.

- Priority consideration for approved projects in allotment of construction materials like cement, steel etc and for telephone, telex, LPG connections.

5.12.2 Proposed incentives in the offing

Apart from the above, the following incentives are proposed to be given by the Government shortly.

- A capital subsidy of Rs. 25 lakh or 25% of the total project cost, whichever is lower, for special projects like heritage hotels and certain locations like mega projects.

- Exemption of expenditure tax to heritage hotels.

- Extending income tax deduction on 25% of profits to hotels constructed beyond 31st March 1995 & making this deduction
applicable to restaurants, air taxi operators and other tourism related industries.

- Removing distinction between plant & machinery and furniture & fixture for depreciation allowance.
- Interest subsidy upto 10% for capital intensive projects with long gestation like hotels & restaurants, airport development and air services.
- A 15% interest subsidy for development of water transportation in mega project areas.
- Export house status and benefits to tourism establishments earning foreign exchange.
- Duty free import of tourist transport vehicles, specified adventure sports equipment by travel agents and tour operators and of specified equipment for tourism related amusement parks, health & science tourism.
- Removal of hotels from tax deduction at source by companies paying rent of Rs. 120000.

The Tourism Ministry has evolved a two pronged strategy to facilitate investment in the industry; an attempt to match the requirements of the state apropos the development plan of each state,
with the investors area of interest. Twenty states and union territories have accorded tourism the status of an industry while hoteliering has been granted the latter status in eleven states.

The states of Delhi, Uttar Pradesh, Bihar, Rajasthan, Goa, Jammu & Kashmir, West Bengal and Maharashtra have always been a major attraction for the foreign & domestic tourists. Each state has come up with various plans & strategies to lure the growing influx of tourists and at the same time have evolved a package of incentives to attract investment in this sector, be it foreign or private.

India may not be the land of the rising Sun, but the Sun is definitely shining on the Indian Tourism Industry and is expected to do so for years to come. With the advent of liberalisation, the gates of this vast Orient Country have not only been thrown open for the world tourists but also for the foreign investors and entrepreneurs.

New policies of the government, automatic approvals for investment & collaboration, liberalisation of import controls, easy procedures for investment and package of incentives have made investment in hotels & tourism related industry more attractive than ever before. It will certainly help in promotion of tourism.
The Internet is an inter-connection of several computers of different types belonging to various networks all over the world. It is a network of several networks. The internet can be put to different uses like Networking, Communication, Marketing and as a place to conduct business transactions. The Internet provides vast amounts of information to people. Data can be sent and received across oceans within seconds. The Internet represents the transformation and evolution of the entire information age. The Internet has had a phenomenal growth in the last few decades. Every year it becomes more and more easy to access information on it.

One of the most important features of Internet is World Wide Web (www). The World Wide Web is a series of servers that are interconnected through hypertext. Hypertext is a method of presenting information in which certain text is highlighted. When we click on this text, it displays more information on that particular topic. These highlighted items are called hyperlinks and allow the users to move from one document to another. Browser software like Internet Explorer and Netscape Navigator can be used to navigate web. A browser is a software package that helps people to move around the web. Most web pages contain graphics as well as text. Seeing the immense potential of
Internet and World Wide Web, the tourism industry is using it widely to promote tourism. Even the Government agencies like Department of Tourism, Archeological Survey of India and Delhi Tourism and Transportation Development Corporation Limited have their exclusive websites which provide extensive information about the places of tourist interest in India. The websites can be accessed by the potential tourists to have detailed information about the places of tourist interest, their location, history, culture, climate, population, road, rail and air links etc. The tourists can scan the website before actually visiting the site to avail of the best holiday package.

More than the government agencies, it is the private tour operators who are taking the help of Internet to widen their horizons. The information which was previously disseminated through letters, telephone calls and mailing of brochures etc. which was time consuming as well as expensive, is now available on click of a button. Almost all the tour operators have their websites which informs the tourists about the holiday packages available with them giving complete information about the tourist spots, how to reach there, cost of the package, duration, detailed itinerary giving day wise detail and the person to be contacted on reaching the destination. Now-a-days, the entire package is also available on Internet which includes air booking,
hotel reservations, arrangements for local transport and sight seeing.

The tourist has to indicate his choice on the internet and online reservations are made for travel and stay. This helps in promoting the tourism to a large extent.

Some of the common sites on which general information about tourist destinations in India are available are given below:-

WWW.travel.indiamart.com
WWW.department of tourism.com
WWW.delhi tourism.com
WWW.dttdc.com
WWW.tourism.com
WWW.gorp.com

More information can be gathered using various search engines like Yahoo.com, Indiatimes.com, altavista.com, rediff.com etc. Apart from this almost all tour operators and travel agencies have their independent websites which can be accessed using their independent addresses. Many of these websites are interactive websites enabling the tourists to make online reservations.

In spite of all these efforts made by the tourism industry to promote tourism through Internet, a significant dent is still be made
especially at the Government's level in use of internet in promoting tourism in India. The Government of India should make huge investments in developing websites which should address to each and every need of the tourist rather than being just informative websites. The need of the day is to have interactive websites to enable the tourist to gather all the information he needs with an added benefit of having online reservations. The websites need to be more informative, and should also give information about relatively less known places. Internet is the best way to boost tourism in these areas.

Internet can thus play a major role in promoting tourism both at domestic as well as at international level.