Chapter-V

Business Tourism in Pune & Other Metros: A Trend Analysis
CHAPTER 5
BUSINESS TOURISM IN PUNE AND OTHER METROS: A TREND ANALYSIS

INTRODUCTION

This chapter throws light on the different aspects of Pune as one of the top ten Business cities in the country, the role of hotels, convention centers and transportation in the development of Business Tourism in Pune. The researcher also discusses the trend of Business Tourism in the city and gives an overview on the Status of Business Tourism in the top Metro cities.

5.1 PUNE- A CORPORATE AND INDUSTRIAL HUB

Pune is the second most populated city in Maharashtra after Mumbai. It is rated as one of the fastest growing cities in the Asia Pacific region. Pune has carved a niche for itself as one of the most prominent locations for IT and manufacturing industries. As per The ‘Mercer 2015 Quality of Living rankings’ Pune has been listed among the fastest evolving business centers and one of the top 9 emerging cities around the world with citation "Hosts IT and automotive companies". With the eighth largest metropolitan economy, the city’s per capita income is the sixth highest in the country. Also, Pune has been aptly titled the ‘oxford of the east’ owning to the fact that it is one of the most popular and vibrant educational destinations of India.

Post liberalization in 1991, Pune saw a substantial growth in the number of industries and IT sector. Pune became Indian home of automotive giants Mercedes Benz, General Motors, Volkswagen and Fiat, as well as a large number of automotive-related companies, such as Saint-Gobain Sekurit, Robert Bosch, Visteon and Continental Corp. The city also emerged as a dominant location for IT. With the state government making liberal policies in order to boost the economic growth, several incentives were introduced in the IT and ITES policies, It also leased properties on the MIDC land. Today there are over 4000 manufacturing units that contribute to its economy. 225 German companies have set up their businesses here. In the year 2012-13, as per Indian
express.com Pune’s software export was Rs 29,589.25 crore. This is the second highest in the country after Bangalore.

The above statistics reiterates the fact that Pune is a flourishing business destination. It has had a regular flow of business travelers visiting the city on business purposes. This flow has seen an exponential growth over years with the growth in the industries. However, when compared to other leading metro cities, Pune does not feature as a leading business tourism destination. In Pune, there is no clear demarcation of business tourists from that of other types of tourists. Exact statistics is not known due to the non availability of data on business tourists. This shows that there is an indifference towards Business Tourism despite the fact that it is growing consistently and executives are visiting the city on business either as individual travelers or as convention groups. The pilot study clearly indicated that the business tourist regularly visit the city and also move around the city. Thus, there is a possibility that the business tourists are getting categorized as Leisure tourists.

The trend also shows that the special category of business hotels have emerged in the city, the convention centers have grown rapidly and the business tourists’ occupancy rates in the hotels have increased.

### 5.2 HOTELS AND CONVENTION CENTERS

With the growth in the different Businesses, Pune is gearing up to fulfill the need of convention and seminar facilities of the corporate and enhancing its overall infrastructural facilities. One of the best examples is the Pune Marriott Hotel and Convention Centre which is among the first largest state of the art convention centers in the city. On its footsteps, there are many other hotels and exclusive convention centers that have come up in the last few years. There is a huge scope for the establishment of meeting, Incentives, conventions and events market in Pune as being a B-tiered city the rates charged by the convention centers for providing the same facilities is relatively lower and also other expenses incurred by the Business Tourists such as stay and travel are also less. This is an ideal situation for the organizations that look for the value for their money and are budget conscious.
5.2.1 KEY CONVENTION CENTERS IN PUNE

There are approximately 200 convention centers in the city. Some of the key convention centers are listed below-

International Conventional Centre- also known as the ICC trade towers, it has a total area of 480,000 sq. ft. It is the largest composite trade and convention centre in South Asia.

The Marriott Hotel and Convention Centre- Also known as the S. L. Kirloskar convention centre, it can accommodate 1800 people at a time and measures 40,000 sq. ft. area. It’s used for conducting meetings and exhibitions.

The Lavasa International Convention Center- It is spread over 1.5 acres of land, offering 35,000 square feet of flexible floor space to cater for variety of events for 1,500 people.

Pune International Exhibition and Convention Centre- currently work is underway to complete this ambitious project. It would comprise of a five-star hotel, a business complex, shopping malls, a convention centre, a golf course, a and residences, and seven exhibition centers,. It would be spread over a massive 97-hectare with a seating capacity of 20,000. This will give a further boost to the meeting, incentive, and convention and event market.

5.3 CONNECTIVITY

5.3.1 AIR

Pune’s Lohegaon airport is located approximately six miles northeast of the city; both domestic and international flights are functional. Lufthansa is the single international carrier at present. Direct flights are operational to 14 destinations across the nation. There are 9 airlines that operate out of Pune. Currently, there are 434 domestic and 35 international flights that take off weekly from Pune. (Trip advisor, India).

The Maharashtra Industrial Development Corporation is planning to construct a new airport in the city. The location has been selected between Chakan and Rajgurunagar. It is predicted that once functional, this airport will improve the international connectivity
to the city. Thus, there will be a boost in the international business tourists visiting the city along with the domestic ones.

5.3.2 ROAD

The national highways and the State highways connect Pune with the rest of the country. The express way between Pune and Mumbai has brought the two cities closer. It is the considered the most convenient and faster way of travelling between the two cities. Business tourists coming from Mumbai prefer travelling by road. It is both economical and convenient way of travelling.

5.3.3 RAIL

Pune is well connected via trains. There are over 73 trains that ply between Pune and the different destinations within the country.

5.4 TRENDS IN BUSINESS TOURISM IN PUNE

12-15 percent growth is seen in the IT sector of the Pune city. The automobile industry has over 33% of revenue share. Majority of stake holders have seen a noticeable growth over the period. The concept of business hotels came into existence since 2005-2006 and has grown to 37. The four- and five- star category in Pune has experienced an impressive growth rate of 104 percent in the supply of hotel rooms in last 10 years. Hotels have seen over 70-90% growth in the inflow of business tourists since 2010. Convention centers have come into existence from 1998 and have increased to more 200 today. According to The Business Standards, (August 05, 2016, Friday Current Affairs) Pune ranks as the most budget-friendly city in India for short trips.

In order to know the current status and the flow of Business Tourists over the period, it was found that the data available do not classify Business Tourists from other tourists. However, data clearly shows tourists for leisure as well as non leisure purpose. As pointed out by Swarbrook and Horner, there is a large cross over between Business and Leisure tourists for the obvious reason that Business tourists becomes a Leisure tourist once the working hours are over. In the view of this, the data available for the Leisure and Non-leisure tourists can be considered as Business Tourists and the number of tourists for above two purposes sourced from Tourism Statistics of Maharashtra Final
Report-2011-2012 MTDC, as per the report number of Leisure Tourists visiting Pune are 22,37,544 and non leisure tourists are 43,18,556. The researcher also could not find above classification for previous years.

Moreover, the personal visit and discussions with MTDC officials confirmed the above fact about non availability of specific number of tourists under the category of Business Tourism.

Since the only data presented below classified the tourists in very general 2 categories i.e., domestic and foreign while data sourced from the year 2011-2012 as mentioned earlier added bifurcation of tourists as leisure and non leisure. On account of this the researcher thought it incorrect to comment upon the trends of Business Tourism on the basis of available figures of Domestic and Foreign tourists. Hence the status of Business Tourists is confined to Leisure and Non-leisure tourist from the year 2011-2012. The same can be considered authentic and reliable. Interestingly the very fact that the data on Business Tourists is not available in spite of the conducive environment of Pune as discussed in the initial part shows indifference towards Business Tourism in the city.

Data presenting break up of tourists in Pune.

<table>
<thead>
<tr>
<th>SRL.NO</th>
<th>TOURISTS</th>
<th>NUMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>DOMESTIC VISITORS</td>
<td>1,51,53,650</td>
</tr>
<tr>
<td>02</td>
<td>FOREIGN VISITORS</td>
<td>1,70,698</td>
</tr>
<tr>
<td>03</td>
<td>LEISURE TOURISTS</td>
<td>22,37,544</td>
</tr>
<tr>
<td>04</td>
<td>NON-LEISURE TOURISTS</td>
<td>4,31,8556</td>
</tr>
</tbody>
</table>

Table: 5 Data presenting break up of tourists in Pune.


On probing further about the trend and pattern of Business Tourism in Pune, the researcher sourced the following data for the year 2011-12 from the MTDC where though no direct reference and absolute figures of Business Tourism is mentioned,
however, the data clearly exhibits a 70% growth in Business Tourism as far as hospitality is concerned as against almost 200% growth of convention centers and around 15% growth in the corporate sector.

### The Trends of Tourism in Pune

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>TIMEFRAME</th>
<th>GROWTH</th>
<th>LEISURE</th>
<th>BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOSPITALITY-ROOM OCCUPANCY%</td>
<td>10 YEARS</td>
<td>70-90%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>HOSPITALITY-NUMBER OF HOTELS</td>
<td>10 YEARS</td>
<td>37</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>HOSPITALITY-SUPPLY OF ROOM %</td>
<td>10 YEARS</td>
<td>104%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOSPITALITY-GROWTH IN NUMBER OF BUSINESS TOURISTS</td>
<td>10 YEARS</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONVENTION CENTRES</td>
<td>10 YEARS</td>
<td>MORE THAN 200</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CORPORATE</td>
<td>ANNUAL GROWTH</td>
<td>12-15%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table: 6 The Trends of Tourism in Pune


The above data clearly indicates the status of Pune as high potential metro centre for Business Tourism.
5.5 OVERVIEW OF THE STATUS OF BUSINESS TOURISM IN THE TOP METRO CITIES

Pune is one of the top ten IT, manufacturing and industrial cities of India. In the wake of this fact the researcher investigated further to understand the status of Business Tourism in the city. Though there are no direct statistics available on business tourism, all the supporting facts indicate that business tourism is flourishing in the city. However, Pune does not feature among the top Business Tourism destinations of the country. Thus, the study takes an overview of the status of business tourism in the top metro cities to understand the areas where Business Tourism in Pune needs to improvise. The research undertaken relates to the study of development of Business Tourism in Pune and the problem of the research revolves around exploring potential for development of Business Tourism in Pune and In the view of this the researcher thought it fit to make a comparative analysis of Business Tourism in metro cities. The secondary data from the available sources covers top ten metro cities of India.

It is felt that the comparative analysis would enable researcher to identify the areas as regards to the status of business Tourism in Pune as against other metro cities. Also, it would enable the researcher to find out areas of attraction for the Business Tourists to visit such metro cities instead of Pune and thus will throw light upon exploring and enhancing the flow of Business Tourists from other metros to Pune. This section of the chapter gives an overview of the status of Business Tourism in top metro cities, identifies the features that attracts Business Tourists to these metro cities, and explores the possibilities of developing Business Tourism on the lines of metro cities.

5.5.1 Top Business Tourism destinations.

Top Business Tourism destinations are spread over the vast geographical expanse of the country. Starting from Delhi and Agra in the north to Kolkata in the east, Jaipur in the west and Cochin in the south. Following is the list of top business tourism destinations of India preferred by corporate to conduct conventions, meetings, events and exhibitions. The destinations were evaluated on the quality of Transport, Infrastructure, Accommodation, places of interest, and convention centers.
- Hyderabad
- Bangalore
- Delhi
- Mumbai
- Cochin
- Chennai
- Agra
- Goa
- Jaipur

**Table: 7 Top Business Tourism destinations**

(Source-India an Incredible MICE destination, www.tciconference.com/india-an-incredible-mice-destination.)

These destinations together amount for a 50-70% of tourists traveling on business. As mentioned above these destinations offer state of the art infrastructure, accommodation, efficient connectivity and unique places of interest as well as have adopted strong promotional strategies to market themselves as a Business Tourism Destination. The Meeting, incentive, convention, and the event segment of Business Tourism is growing at an annual rate of 15-29% annually. The Indian convention/conference market earns Rupees 4000-5,500 crores annually. The major user of the convention and conference facilities in India are the Automobile industry, IT sector, Pharmaceutical companies, Textile, Publishing houses, Doctors and Engineering companies etc. fashion brands are launching their brands in exhibitions and events. Health and medicine related conventions are also taking place in India now days.

The above destinations give an opportunity for the Business Tourists to explore the various activities along with attending their business agenda. Thus, it can be concluded that Business Tourists want to get the maximum out of their visit to a destination. State of the art infrastructure, connectivity and value for money being the major criteria for selecting a place, however, the factors such as visiting places of tourists’ interests, shopping, sports and other recreational activities are considered equally important.
5.5.2 Identifying the features that attract Business Tourists to these Metro cities.

There are multiple features offered by these top Business Tourism destinations that attract the tourists.

5.5.2.1 State of the art infrastructure

These cities offer state of the art infrastructure be it the convention centers or hotel accommodations. In the country, the largest number of trade shows are organized in Delhi. Delhi along with Chennai features as an expo centre. Most of the major business tourism destinations can accommodate up to 5,000 delegates. Hyderabad is called the convention capital of India, it offers sophisticated business avenues. Majority of the destinations along with Hyderabad provide unique convention centre facilities such as vast expanse of landscaping, pillar free halls, high tech projection, multi linguistic interpreters, superior quality interiors, and a host of other facilities both related to conventions and peripheral made available under the same roof make for an excellent convention venue. Cities like Bangalore offer alternative accommodation options such as service apartments etc. Business hotels are well equipped to cater to the needs of the delegates. Many of these cities are well known shopping destinations as well.

5.5.2.2 Sports and Recreation

Majority of the above listed destinations offer either a few or all of the sports and recreation activities such as golf, indoor games, water sports, spas, massages, bowling, dancing and other engagements that provides the guests a refreshing escape from the meetings and conferences.

5.5.2.3 Transportation and connectivity

Metro cities such as Delhi, Mumbai and Chennai have one of the best transportation facilities in the country. Both international and domestic flights are well connected to all the major destinations of the world and the country. They have multiple railway stations that provide a wide reach to every big and small town of the nation. The road transport system in these cities is the best in the country with multiple national, state and local highways. Introduction of CNG cabs, buses, car pools and odd and even day
usage of the vehicles are a few environment friendly measures taken by the leading Business Tourism destinations that attract the corporate and the tourists.

5.5.2.4 Places of Tourists Interest

Places of tourist’s interest play a significant role in attracting Business Tourists. They are always looking for utilizing their time most effectively after completing their days work. The top business Tourism destinations have ample to offer when it comes to both natural beauty as well as heritage tours. Delhi for instance is known as one of the world’s most historical capitals. Many of its historical monuments today have become world heritage sites. The charm of Qutub Minar, Humayun's Tomb, India gate and the umpteen numbers of temples and mosques mesmerizes every tourist.

Jaipure also known as the pink city provides a captivating view of all the exotic forts and which can be enjoyed riding on camel or an elephants back. A small town like Agra is known for Taj Mahal. All splendorous mughal monuments turn the business tour to a heritage tour.

Mumbai as a tourist’s destination offers site seeing around the city to places like Elephanta caves, different temples etc and also on Mumbai- Aurangabad circle. A visit to Ajanta Ellora caves, Shirdi temple etc is once in a life time experience.

The cities in the south offer a colorful experience to tourists who enjoy long stretches of beach, jungle trekking, medieval churches. Apart from historical monuments, the guest enjoys the breathtaking view of the emerald backwaters. In all the destinations in the south offer a complete package of culture, heritage, architecture, wildlife, adventure, religious destinations along with exotic cuisine.

5.5.3 To explore the possibilities of developing Business Tourism in Pune on the lines of Metro Cities.

Business tourism in Pune has shown considerable growth in last 10 years. Convention centers and business hotels have shown consistent development over the years. A few convention centers of Pune are at power with the most advanced ones. There is a lot to offer on the front of places of tourists interests. Within city, the guests can enjoy visit to monuments like Shaniwar wada, osho ashram, and also cherish some age old dramas at
balgandharva. Pune has lots more to offer on the outskirts of the city. A day’s trip to Lonavala, Khandala, Mahabaleshwar, Matheran, etc. it also offers excellent trekking adventures to all the famous forts and hills.

Pune also has an advantage of being the most economic short trip destination. It provides value for money to the corporate. With corporate discounts on hotel stay and at convention centers, Pune can become an ideal Business Tourism destination.

Thus it can be concluded that Pune has ample potential to further develop into a leading Business Tourism destinations if the city is marketed well and if the tourists’ destinations are developed and packaged effectively.

CONCLUSION

In this chapter the researcher undertook a detailed study of the status of Business Tourism in Pune and gave an overview of the top Business Tourism destinations of India to understand the areas where the city needs to improvise in order become one the best Business Tourism hubs. The next chapter presents the analysis of the data collected along with hypothesis testing and the findings of the research.