INTRODUCTION TO TOURISM

The late Twentieth century and the new millennium have witnessed the continued growth of the leisure society where people have continued to value the significance of holidays, travel and the experience of going to see new societies and their cultures. This growth of the consumer society, with its emphasis on discretionary spending on leisure activities in the developed world since the 1950s, reflects the increased availability of disposable income to engage in leisure pursuit and holidays. Although this leisure society was traditionally the remit of the western developed world, during the 1990s trends emerged where there is a greater propensity for the world's population now to travel and engage in holidays in their newly found leisure time; this is reflected in new world regions such as Asia, China and the Indian sub-continent.

Tourism is part of global process of change and development (Known as globalization which is no longer confined to the developed countries that traditionally provided the demand for world travel. In this respect, understanding the pace of change in tourism is more complex as the processes of change are diverse and not homogenous. Increasingly, the development and change in tourism throughout the world are a function of complex factors that coalesce to generate a process of change that needs to be understood in its local context with a focus on the national and international process affecting change. Therefore, understanding how these changes occur, what motivates

---

people to travel, how their patterns of tourism affect the environments and the local societies they visit are persuasive questions now facing those organizations, researchers and students of tourism. Increasingly governments are also recognizing both the value of tourism to their nationalizing both the value of tourism to their national economies and the problems that tourism development may pose if this activity is pursued as a route to national economic development3.

1.2 BACKGROUND OF TOURISM

Sporadic travels by the nomads in the earlier days have now turned into world's most flourishing industry, namely tourism.

The business of tourism started some three thousand years ago. The earliest forms of leisure tourism can be traced to the Babylonian and Egyptian empires. A museum of historic antiquities was opened to the public in the sixth century BC in Babylon while the Egyptians held many religious festivals attracting not only the devout, but many who came to see the famous buildings and works of art in the cities. During the festivals, services of all kinds sprang up – food and drink, guides, hawkers of souvenirs, touts and prostitutes.

From the third century BC, Greek tourists traveled to visit the sites of healing gods. Since the independent city-states of ancient Greece had no central authority to order the construction of roads, most of the tourists and merchandise traveled by water, the seaports prospered. The Greeks, too, enjoyed their religious festivals. By the fifth century BC, Athens had become an important destination for travelers. Innkeepers of this period were unfriendly. Courtesans trained in the art of music and dance were the principal entertainers4.

---

3 Collier, A., (2001), Principles of Tourism Auckland : Longman Paul, p31
4 Bishwanah Ghosh, Tourism & Travel Management, Vikas Publishing House Pvt Ltd., New Delhi, 2003, p16
Much of what we know of travel during this early period is due to the writings of Herodotus, who is the world's first significant travel writer. Guidebooks made their appearance as early as the fourth century BC covering Athens, Sparta and Troy. Advertisements in the form of science directing visitors to wayside inns, are also known from this period. It was under the Roman Empire that international travel first became important. With the seas safe from piracy due to the Roman patrols, conditions favouring travel had arrived. Roman coins were acceptable everywhere and Latin was the common language of the day. Romans traveled to Sicily, Greece, Rhodes, Troy, Egypt and to the Holy Land.

It is, at this stage, the growth of travel bureaucracy developed. An exit permit was required to leave many seaports and a charge was paid for this service.

Domestic tourism also flourished within the Roman Empire's heartland. Second homes were built by the wealthy within easy traveling distance of Rome, occupied during the springtime. The most fashionable resorts were to be found around the Bay of Naples. The rapid improvement in communications, which coincided with the Roman conquests, aided the growth of travel.

Classical scholars have shown the wealthy Greeks and Romans traveled to Egypt on holiday, sport the summers in second homes in locations such as the Bay of Naples and visited spas—more often for leisure than for health reasons. Ancient Greece was the destination for those attending the Olympic Games and other major festivals.  

TRAVEL IN MIDDLE AGES

After the collapse of the Roman Empire and the onset of Dark Ages, Travel became less attractive, more dangerous, difficult and synonymous with travail (a painful and laborious effort, and the origin of the word). The result was that most pleasure travel was undertaken close to home but international travel was available in a small scale. Adventurers sought fame and fortune through travel, and merchants traveled extensively to seek new trade opportunities.

Holidays played an important role in the life of the public and from earliest times religion provided the frame work within which leisure was spent. To perform a religious duty, pilgrimages would be undertaken to places of worship.

Before the sixteenth century, those who sought to travel had three modes in which to do so; they could walk, they could ride a horse or they could be carried on a litter or a carrier's wagon. The journey was unsafe because highway men abounded on the major routes posing a threat to wayfarers.

The development of stagecoach was a great advance for travel. In the eighteenth century the introduction of turnpike roads, for which tolls were charged, added to the development of travel in UK and USA.

Travel of some distance requires accommodation. By 1820s, the horse-drawn omnibus was a common sight in London and Paris.

THE GRAND TOUR

From the early seventeenth century, a new form of tourism developed as a direct outcome of the freedom and quest for learning heralded by the Renaissance. Under the reign of Elizabeth I, young men seeking positions at court were encouraged to travel to the continent to finish their education. This practice was soon adopted by others in the upper sections of society and it eventually became customary for the education of a gentleman to be completed by a Grand Tour of the major cultural centers of Europe accompanied by a
tutor and often lasting for three years or more. The Grand Tour gave a further boost to the educational tour.

**POLITICAL HINDRANCE TO TRAVEL**

Travel outside the boundaries of one's country had always been subject to restrictions. Few people traveled a great distance.

Passports have their origin in the medieval testimonial. A letter from an ecclesiastical superior was given to a pilgrim to avoid the latter's possible arrest on charges of vagrancy. Later, papers of authority to travel were more widely issued by the state, particularly during periods of war with neighboring countries. The introduction of compulsory passports as a permanent requirement of Britain is of recent origin, dating from AD1916.6

**1.3 CONCEPT AND NATURE OF TOURISM**

Human existence is as inimitable as it is unique. Hindu mythology describes human Yoni (incarnation) of a creature as the most remarkable one out of total 64 crore Yonis. Human are bestowed with an admirable consortium of developed senses and logic by the Almighty and this makes them different from the creatures in other incarnations. History is full of evidence of nomadic human life. Even before the establishment of civilizations, humans enjoyed traveling and exploring. Can we say that homosapien was a born tourist? The issue demands a proper study. However, their drive towards travel, leisure, enjoyment, excursions and the like. That was transcended to the later human generations and the inculcation of these values by the succeeding generations would have largely been the prime factor of the genesis of modern tourism7.

While talking about modern tourism, we talk of tourism activity something different than the routine one. We do talk about pleasure, inquisitiveness, curiosity, holiday, tour and travel as the major

---

ingredients of tourism. We do take cognizance of tourism led activities through newspapers, tour operators, government policies etc. We do talk about statistics pertaining to tourism and try to correlate these with the other. However, we hardly realize the potential this 7 letter word has. We rarely consider it as an important resource that can eliminate the economic and other disparities of our villages, towns, states and country, thereby laying a path of sustained growth and development.8

Tourism sector companies that produce products and service such as lodging, transportation, entertainment, meals, and financial services, among others.

Tourism is a multifaceted field and tourism research focuses on a variety of areas. Smith9 (1989) classifies tourism research into the following categories.

1) Tourism as a human experience,
2) Tourism as a social behaviour,
3) Tourism as an industry,
4) Tourism as a geographic phenomenon,
5) Tourism as an economic resource, and
6) Tourism as a business.

DEFINITIONS OF TOURISM

Following are the various definitions on tourism given by luminaries in the field.

---

9 Smith Tourism Promotion in Asia, Advertising Association of India, 2003 p81
The sum total of the operation, mainly of an economic nature, which directly relates to the entry, stay, and movement of foreigners inside and outside certain country, city or region.

- Hermann V. Schullard

Tourism is the totality of the relationship and phenomenon arising from the travel and stay of strangers, provided the stay does not imply the establishment of a permanent residence and is not concerned with are numerated activity.

- Hunziker and Krapf

Tourism is the temporary short-term movement of people to destinations, outside the places where they normally live and work and their activities during the stay at these destinations, it includes movement for all purposes, as well as day visits or excursions.

- Tourism society in Britain

Tourism is an industry without smoke, education without classroom, integration without legislation, diplomacy without formalities.

- R. N. Kaul

Tourism is a pleasure activity in which money earned in one's normal domicile is spent in the places visited

- Christopher J. Holloway

Tourism is a composite industry. It consists of various segments which can produce a wide range of products and services.

- National Committee on Tourism (Govt. of India)

Tourism denotes the temporary, short-term movement of people to destination outside the place where they normally live and work and their activities during their stay at these destinations.

- Burkart A. J. And Medlik S.
Tourism is an activity involving a complex mixture of material and psychological elements. The material ones are accommodation, transportation, the attractions and entertainment available. The psychological factors include a wide spectrum of attitudes and expectations.

- Foster Douglas

Tourism is a stay of one or more nights away from home for holidays, visits to friends or relatives, business conferences or any other purpose, except such as things as boarding, education or semi-permanent employment.

- British Tourist Authority

The following distinct elements of tourism emerge from the above definitions:

- Involvement of travel by non-residents;
- Stay of temporary nature in the area visited;
- Stay not connected with any remunerated activity;
- It is the totality of relationship;
- It is an activity involving a complex mixture of material and psychological elements;
- It is the activity concerned with the utilization of leisure hours; and
- It is a composite industry consisting of various segments.

Tourism is, therefore, a composite phenomenon which embraces the incidence of a mobile population of travelers who are strangers to the places they visit. It is essentially a pleasure and recreational activity in which money earned in ones normal domicile is spent in the place visited. The quantitative aspects of tourism for marketing decisions house assumed increasing importance in recent years. This has led to various attempts by experts in the field to arrive at an internationally accepted definition of the term 'tourist' as the basic unit of measurement for organized tourism.

---

18 British Tourist Authority, the Journal of Travel News, London NW1, England, 1999
DEFINITION OF TOURIST

The 19th Century Dictionary defines 'tourist' as a 'person who travels for pleasure of traveling, out of curiosity, and because he has nothing better to do'. The term 'tourist', the Oxford Dictionary tells us, was used as early as the year 1800. According to the Dictationaire Universal, the ‘tourist’ is a person who makes a journey for the sake of curiosity, for the fun of traveling, or just to tell others that he has traveled.

The term ‘tourist’ in the sense of a pleasure tour is, however, of recent origin. In the words of Jose Ignacio De Arrililiga19, tourism in its first period was considered as a sport or rather as a synthesis of automobiles, touring, cycling, camping, excursions and yachting. In the early nineteenth century, the term ‘tourist’ assumed a meaning of one who makes a tour or tours, especially one who does this for recreation or who travels for pleasure, object of interest, scenery or the like. The term tourist as has been defined above gives only a general nature and therefore could not serve the purpose of measuring it for the organized tourism.

FOREIGN TOURIST

It was, however, the League of Nations, which did a pioneering work in defining the term for the purposes of statistical measurements. Realizing the importance of collecting tourist statistics and of securing international compatibility, the Committee of statistical Experts of the League of Nations20 in the year 1937 established the definition of the term ‘tourist’. The League of Nations with the concurrence of member countries defined the term ‘foreign tourist’ as: Any person visiting a country, other than that in which he usually resides, for a period of at least 24 hours.21

DOMESTIC TOURIST

Any tourist having residence in India (including NRI’s) visiting tourist spots in India for the purpose other than for earning a living and staying in the state for more than 24 hours.

1.4 TYPOLOGY OF TOURISM

The following chart 1.1 shows the different categories of tourism with detailed classification in a realistic manner.

<table>
<thead>
<tr>
<th>Sl No</th>
<th>CATEGORIES OF TOURISM</th>
<th>CLASSIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Awareness origin and destination</td>
<td>Incoming Tourism, Outgoing Tourism, Internal Tourism.</td>
</tr>
<tr>
<td>2</td>
<td>High or Low Mobility patterns</td>
<td>Residential Tourism, Seasonal Tourism, Roving Tourism</td>
</tr>
<tr>
<td>3</td>
<td>Seasonal and event tourism</td>
<td>Winter tourism, Summer Tourism, Circumstantial tourism</td>
</tr>
<tr>
<td>4</td>
<td>Attraction of host destinations</td>
<td>Recreational Tourism, Pleasure/Leisure/ Amusement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tourism, Sporting Tourism, Business/Technical Tourism, Adventure Tourism, Wildlife Tourism.</td>
</tr>
<tr>
<td>5</td>
<td>Socio-economic aspect of demand</td>
<td>Self-Financing Tourism, Juvenile Tourism, Social Tourism, Rural Tourism.</td>
</tr>
<tr>
<td>6</td>
<td>According to range</td>
<td>Domestic/International Tourism, International Tourism.</td>
</tr>
<tr>
<td>7</td>
<td>Objective Oriented or Purposeful</td>
<td>Holiday tourism, Business Tourism, Medical Tourism</td>
</tr>
<tr>
<td>8</td>
<td>Other Sociological Factors</td>
<td>Mass Tourism, Social Tourism, Popular Tourism, Eco Tourism</td>
</tr>
<tr>
<td>9</td>
<td>Culture</td>
<td>Cultural Tourism, Heritage Tourism</td>
</tr>
</tbody>
</table>

(Source: Classification as done by Pushpinder S Gill in Dynamics of Tourism, Vol. 2, Anmol Publications, New Delhi, 1996)

1.5. **TOURISM AND OTHER DISCIPLINES**

The subject tourism is well supplemented and complemented by other disciplines, such as history, geography, ecology, law, marketing, sociology, psychology, anthropology and host of others. The details with examples are shown in chart 1.2.

**Chart 1.2. Disciplines Contributing to the Study of Tourism**

<table>
<thead>
<tr>
<th>SI No</th>
<th>Discipline</th>
<th>Example of contribution to Tourism Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Geography</td>
<td>Spatial analysis of where tourism develops and why</td>
</tr>
<tr>
<td>2</td>
<td>Ecology</td>
<td>The impact of tourism on the natural environment</td>
</tr>
<tr>
<td>3</td>
<td>Agricultural Studies</td>
<td>The significance of rural tourism to rural diversification</td>
</tr>
<tr>
<td>4</td>
<td>Parks and Recreation</td>
<td>Recreation management techniques in natural areas such as National Parks used by tourists.</td>
</tr>
<tr>
<td>5</td>
<td>Urban and Regional Planning</td>
<td>The planning and development of tourism</td>
</tr>
<tr>
<td>6</td>
<td>Marketing</td>
<td>The marketing of tourism</td>
</tr>
<tr>
<td>7</td>
<td>Law</td>
<td>The legal framework and implications for tourists and tourism operators</td>
</tr>
<tr>
<td>8</td>
<td>Business and Management Science</td>
<td>The management or tourism organizations</td>
</tr>
<tr>
<td>9</td>
<td>Transport Studies</td>
<td>The provision of tourist transport services</td>
</tr>
<tr>
<td>10</td>
<td>Hotel and Restaurant Administration</td>
<td>The provision of hospitality services and accommodation for tourists</td>
</tr>
<tr>
<td>11</td>
<td>Educational Studies</td>
<td>Tourism curriculum design and development</td>
</tr>
<tr>
<td>12</td>
<td>Sociology</td>
<td>Sociological analyses and frameworks to understand tourism as an element of people’s leisure time</td>
</tr>
<tr>
<td>13</td>
<td>Economics</td>
<td>The economic impact of tourism</td>
</tr>
<tr>
<td>14</td>
<td>Psychology</td>
<td>Tourist motivation to explain why people travel</td>
</tr>
<tr>
<td>15</td>
<td>Anthropology</td>
<td>The host-guest relationship</td>
</tr>
<tr>
<td>16</td>
<td>Safety Management and Ergonomics</td>
<td>The design and development of environments and activities, which are safe for tourists.</td>
</tr>
</tbody>
</table>

1.6. COMPOSITION OF TOURISM INDUSTRY

Tourist industry is a small part of the total leisure industry, which includes many activities rather than tourism such as stamp collecting, yachting, golfing and gardening and the like. It is a complex industry of many parts, ranging from a giant airline and a giant hotel and of husband and wife guide service of only two employees.

For the success of a modern tourism and the comfortable journey of tourists, there is a need of coordination between the primary and secondary trades of tourist industry. Accommodation, transport and travel agencies play a vital role in modern tourism. In the past people hardly cared for accommodation aspect as it was a period of religious-oriented tourism and; therefore, people were very much satisfied if they were to undergo great hardships and discomforts of daily life. Same was the case about transport. People used to walk thousands of miles in order to reach the important temples and religious places. As regards tourist guides and travel agencies, their existence was almost negligible.

Locale, transport and accommodation are the basic components of modern tourism. The tourist has to call the services of various agencies, e.g. travel agents, tour operators, carriers, etc. to reach the destination. On reaching destination the sojourn part of tourism is mainly provided by the hotel and catering industry along with some other ancillary services. The tourist industry is comprised of the following aspects:

- **Accommodation and Catering**: This is one of the most important segment of the tourist service needed at the destination. The various types of accommodation facilities used by the tourists are hotels, supplementary accommodation, stay with friends and relatives and other private accommodation or their own means of accommodation like caravans and tents.
➢ **Transportation:** Tourists require transport in order to visit the different tourist spots throughout the country. Adequate number of tourist car, and coaches should be provided. There is a need for construction of new roads and abolition of restrictive movement such as toll tax and octroi. The air, rail and sea transportation facilities should be expanded. It is the primary tourist service needed by the tourist in order to reach the destination. It is the means of movement at the destination. The passenger transport may be categorized as public or private, inland and international air and surface.

➢ **Tourist Attractions:** Indian tourism has so far been mainly based on culture. Due to the change in outlook of the tourists, there is an urgent need for the pleasure tourism. Therefore, holiday resorts, scenic beauty, both mountain and beach sports and recreation, leisure and relaxation should be provided to meet the demand of the present tourism.

➢ **Entertainment:** Development of various entertainment forms such as provision of restaurants, music and dance, theatres and shopping are an integral part of the tourism industry. In addition to monuments and memorials, arts and crafts, fairs and festivals. the tourists are also interested in a variety of entertainments. Entertainment is the best method of preventing boredom in the evenings. The various forms of attractions and entertainments that the tourists seek are, cabaret, music and dance, theatre and meeting the people in a relaxed atmosphere.

➢ **Facilities:** It includes those procedures, which either help or hinder tourists within the country including all the regulations they have to comply with on arrival and departure. The easier the destination country makes it for tourists to arrive, move around freely and depart comfortably, the better are its chances of attracting tourists.
The various periodical surveys carried out among the tourists reveal that our facilitation is full of shortcomings. Tourists complain about unending services of form filling, standing in queues, suspicious officials, irrelevant questions, illogical and restrictive rules, inordinate delays in the sorting and clearance of baggage and inefficient management. All these shortcomings need to be looked into for improvement in all directions.

➤ **Travel Agents and Tour Operators**: Travel agents fulfill an intermediary front between the tourists and the providers of transport and accommodation in particular. The tour operators perform organizing functions in which they combine the individual component of a holiday into a product. This product is marketed on their account and risk.

Thus, tourists constitute the demand for these services and the tourist services represent the supply in the market. Tourist services include the part of the economy, which has a common function of supplying tourist needs. In view of the special nature and complexity of their respective continuation to the tourist product, these may be described as 'the tourist industry'. Fig 1.1 reveals the composition on tourism industry and figure 1.2 shows the tourism support services.
1.7 SIGNIFICANCE OF TOURISM

Tourism is one of the major service industries in the world today. It plays an important role in the economy of most countries of the world and India is no exception. Our country did not realize the economic significance of tourism industry till 1970s. The late Prime Minister Indira Gandhi for the first time set up a separate ministry of Tourism and Civil Aviation. A cabinet Minister Dr. Karan Singh headed the Ministry at the inception. Subsequently, the tourism industry was given the status of export industry by planning commission and ministry of Tourism.

The status of export industry to tourism is bestowed with a lot of incentives and concessions that percolated down to all the State Governments. Let us discuss how tourism industry is significant and impacts in the economic development of a country.

1) Tourism has created and has been creating direct and indirect employment to a large mass of people. In India as on date some 17 million people are employed in tourism and its related industries.

2) It generates earnings for hoteliers, travel agents, taxi-drivers, craftsman, Souvenir sellers, transporters, airlines, tourist guides, shoemakers, textile owners and the like. Some Rs. 1,000 crore worth of handicrafts are sold every year to tourists in India.

3) Large number of rural artisans, craftsmen, have benefited out of tourism industry to eke out their livelihoods from their workmanship on the material, which allures the foreign tourists.

---
24 Ramachandra, Chandrashekara, Shivakumar, Services Management, Himalaya Publishing House, 2005, 1 e, P - 128-129
4) Tourism has the capability to convert an impoverish place or state into a thriving tourist centres. For example Khajuraho, Kashmir, Mysore, Himachal Pradesh, Kerala, Hampi, Goa, Rajasthan and the like.

5) It is a promising foreign exchange earner of any country. Thailand in Asia, which is considered as the Mecca of tourism, sustains its economy only on the earning from its tourism industry.

In India, the tourism industry earns a record foreign exchange of Rs. 15,000 crore per annum, which is about two per cent of GDP. It is estimated that India can earn Rs. 30,000 crore per annum from tourism by 2010 AD, because it is the third largest foreign exchange earner only after gems and Jewellery, and textiles.

6) Tourism can yield enough revenue in India to purchase one Boeing 747 Jet for Air India every ten days or one Airbus for Indian Airlines for every five days or one Jaguar, deep Penetration aircraft for the Indian Airforce for every two days. From another point of view, tourism earnings could pay for ninety medium-sized schools every day or four hospitals of two hundred beds each for the country, every day.

7) This industry has so many variants such as eco-tourism, health tourism, coastal tourism, farm tourism, adventure tourism, academic tourism and so on. Kerala, which is considered as 'Gods own country' is the pioneering state in the health and backwater tourism earning a major chunk of foreign exchange in India.

8) The travel agencies, tour operators, hoteliers have benefited much from tourism industry. It is labour intensive industry where in the leading operators Thomas Cook, Cox and King,
SOTC, ITDC and State Tourism Development Corporations have provided business and employment to millions of people.

9) The growth of tourism industry embraces the growth of other industries and sectors in the economy, say for example, in India, Hospitality, Health care, Insurance, Banking, Garments, Textiles, Handicrafts, Horticulture, information technology (IT), information technology enabled service (ITES), Business process outsourcing (BPO), Bio-Technology (BT), education and other sectors—growth is influenced by tourism industry.

1.8 IMPACT OF TOURISM

At times a tourist destination region is highly subject to negative influences on tourism. There is subtle and inherent danger indiscriminate to tourism development and could cause the fundamentally positive economic benefits to be outplayed by the limitations of social and ecological implications. This could even change the economic advantages into shortcomings. Let us peruse the different areas of implications.

❖ Environmental impacts
❖ Economic impacts
❖ Political impacts
❖ Social impacts
❖ Cultural impacts

Environmental Impacts

- Enhanced and continuous tourist traffic will pose serious problems of effluent disposal. In the absence of proper facilities the destination's environment will be put to irreparable damage and some times loss.

- The growing tourist traffic will create all sorts of pollutions, such as noise, air and water in greater proportions. This may pose fatal danger to the very attractions, which are drawing the streams of tourists. This is how 'tourism kills tourism'. The
modern tourism’s most critical and cumbersome trait is its capacity to destroy those attributes, which attracted the visitor in the first place. The well known economic analyst and futurologist, Herman Kahn, says the drastically expanding tourism as ... next only to atomic power in its potential for environmental destruction.25

Economic Impacts

• It results in improper inflationary pressures in the destination economy due to spurt in demand for scarce infrastructure and super structural facilities.

• The limited resources such as land, labour, capital, and enterprise, diverted to the tourism sector are not available for other more productive and high priority socio-economic activities like agricultural manufacturing industries, education, and health services. In this way, it may stultify the basic structure of the economy posing grave imbalances26.

• The inherent seasonality and uncertainty of the tourist business bring down the economic benefits to a great extent. Fuelling to this, seasonal unemployment of the tourist plant, which cannot be put to alternative uses, is nothing but blocking of scarce, precious resources and losing out of opportunity cost.

Political impacts

• Across the boundary interests in tourism may affect the political decision making to the loss of the interests of the destination region or country. This is because, tourists or tourism itself has created opportunities those political opponents of the regime or the industry can exploit27.

26 S.N. Chib, in Essays on Indian tourism, Cross Section Publication Pvt., Ltd., new Delhi, 1987, p24
27 Dr. Jost Krippendorf, Berne (Switzerland), Costs and Benefits of Tourism towards new policies in developing countries, Problems and Prospects of Tourism Industry – Selected Papers, Max Muller Bhavan Publication , 1984.
• Overseas and expanded terrorist activities spreading in the nook and corner of the countries and other such undesirable political interests may hamper the economies because these forces take protection under the umbrella of tourism.

**Social Impacts**

• A tourism centric society or community has to encounter the untold evils of seasonal unemployment and under employment.

• The non-availability of local skills, talents, and mechanism to tap the potentialities may result in giving away the opportunities to the outsiders especially the foreigners. Most of the lucrative opportunities are promptly handed down to outsiders. This will lead to rift between locals and outsiders, which ultimately result in social tensions and law and order problems.

• With low-key involvement, the localites get lesser socio-economic benefits, resulting in a wider economic chasm between the localites and the outside businessmen, professionals and the employees and other players in the tourism industry. This further causes inter-class rift and tensions continuously.

• There is a mismatch of cultures. This is on account of the fact that, the tourists who are landing to different parts of the states may exhibit uncontrolled behaviour because of their own idiosyncrasies, which may not fit in with the ethical frame or social discipline of the localites. Especially that of the destination region. These give room for smuggling, drug and human trafficking, prostitution, and other forms of criminal and nefarious activities in the destination vicinity.

• The tourists are usually from upper strata of the society in contrast to a large chunk of lower strata of society. The opulence exhibited by the former creates ill-feeling, hatred, and animosity among localites towards the tourists. The
demonstration effect of tourist behaviour on the local population negatively affects the life style and social behaviour of the youth, children, and those who directly come into contact with the tourists. This is more so in the case of foreign tourists.

- The most important socio-economic risks of tourism are the fact that, it is seasonal, its relative vulnerability to crisis leads to social inferiority of tourism occupation in many respects.  

**Cultural Impacts**

- The attractions, genuineness, originality are truly lost owing to high velocity of commercialization of cultural events, show casing the antiquities, art and architecture under the facade of tourism growth.

- The demonstration effect of the tourists may negatively change the life styles of the localites, creating cultural pollution and cultural shocks, which are very difficult to fathom and absorb.

- Mindless development of cultural tourism may take the form of cultural prostitution.

Thus the multifaceted grave implications of tourism over the host region or country make tourism an issue to be attended carefully and skillfully at different levels forthwith by local, regional, national and international class of the community. Travel and tourism firms, planners and policy makers, administrators, politicians and government, academicians, researchers and scientists, social activists, tourist community, and the general public can also look this into.

---

28 Dr. Jost Krippendorf, Ibid. P - 67.
Tourism could be bigger than what Information Technology (IT) has done for the Indian economy. The country is sitting on a virtual goldmine with a wealth of sights. Cultural exuberance, diversity of terrain and that special something that only India promises and delivers. The development of the tourism industry has all the potential of being one of the greatest growth drivers of the 21st century. But it requires a massive effort. The challenges are daunting. India ranks 124th in terms of tourism’s contribution to the GDP, even lower than Egypt. Thailand and Indonesia, all of whom India can beat when it comes to offering a kaleidoscopic variety of tourist attractions. If India were to raise the share of tourism in GDP to 10 per cent, (the global average is 11.6 per cent), employment in related fields could jump to 12 million – which is equal to the entire populations of countries in Europe! And what’s more, it would reduce the pressure on other sectors of the Indian economy to provide jobs.

Tourism has several segments, each of which is predominant in different regions. Put together, tourism is a multi-billion dollar business.

The question is that just how many billions are generated by this business? Over 699 million people roamed the world as tourists in 2000 that resulted in revenues of $595 billion the same year. Around 692 million people moved across border in 2001, the year of the terror attacks on the World Trade Center and the rising insecurity around the world. Trade experts estimate that by 2020, international arrivals will rise to 1,500 million visitors and earnings will cross US$ 2,000 billion. Only about 3.5 per cent of the world’s population travels – and this small number generates multi-billion revenues. The scale and its impact are staggering.

India ranks very low on all the parameters listed. It clearly shows that India has massively under-performed in tourism. The potential to improve is massive.

Globally, Europe is the top draw for tourists, accounting for more than half of international tourists. It is quite natural then that a European country would be the most favourite destination among global tourists and that distinction goes to France. Spain is the next most popular nation, ahead of USA. Ten of the top 15 countries are European. It is noteworthy that India features nowhere in the top 15 while both China and Hong Kong figure in the top 15.

These top 15 destinations were also amongst the top 15 revenues earners. USA tops here ahead of Spain and France, perhaps a reflection of its size; tourists may be spending more days in USA per trip compared to the smaller European countries. Again, India is nowhere in the picture.

World Travel and Tourism Council (WTTC), the highest body for tourism in globe projects that tourism will account for no less than 11.6 per cent of Asia’s GDP by 2010.

The developing countries of the contemporary world are characterized by the following features:

❖ Underemployment or unemployment of the factors of production and natural resources
❖ Lower GDP and Per Capita Income accompanied by a relatively slow economic growth.
❖ Lower standard of living
❖ Regional imbalance
❖ Social evils – illiteracy, unemployment, and underemployment. Rising import intensity
❖ Mounting trade deficit and external and internal debts.
❖ Lower productivity resulting in high cost economies
❖ Technological backwardness
❖ Poor infrastructure and superstructure facilities.
The developing countries are facing marketing problems of the traditional exports, but tourism on the other hand has very different demand conditions and grows very rapidly... the industrial countries have vested interests to develop tourism in developing countries like Caribbean as it would increase the demand for the manufactured goods. Sharp shooting import bills, increasing debt servicing charges and repayments demand more and more foreign exchange reserves which are very scarce.\textsuperscript{30}

To come out of the vicious circle, the developing countries need infusion of NEW MONEY into their economy. Excepting foreign loan, foreign investment, foreign aid, and repatriation by the non-resident nationals, the only source of earning foreign exchange is international tourism. Developing countries having potential for tourism can tap the same for attracting international tourists and thereby enrich their coffers with foreign exchange. Apart from this the domestic tourism has immense potential to generate income, employment in the areas of tourist interest. It also takes development to the remote and underdeveloped regions and thus helps to overcome regional imbalance\textsuperscript{31}.

1.10 TOURISM AND FIVE YEAR PLANS

The allocation of funds to the tourism sector by the Government of India from the first five year plan to the present tenth five year plan is clearly exhibited at table 1.1 below.

\textsuperscript{31} Chekitan S.Dev and Samir Kuckreja, \textit{Tourism in India : Growth and Opportunity} Cornell Hotel and Restaurant Administration, Quarterly, Kolkata, p71, August 1989,
### Table 1.1
Allocation for Tourism in Different Five Year Plans

<table>
<thead>
<tr>
<th>Five Year Plan</th>
<th>Period</th>
<th>Plan Size (in Rupees crores)</th>
<th>Plan Allocation for Tourism (in rupees crores)</th>
<th>Share of tourism in plan allocation as a % of total plan size</th>
<th>% Change over the Previous Plan's tourism allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I 1951-56</td>
<td>1,960</td>
<td>Nil</td>
<td>0.00%</td>
<td>138.10%</td>
<td></td>
</tr>
<tr>
<td>II 1956-61</td>
<td>4,600</td>
<td>3.36</td>
<td>0.07%</td>
<td>212.50%</td>
<td></td>
</tr>
<tr>
<td>III 1961-66</td>
<td>8,630</td>
<td>8.0</td>
<td>0.09%</td>
<td>432.96%</td>
<td></td>
</tr>
<tr>
<td>IV 1969-74</td>
<td>16,160</td>
<td>25</td>
<td>0.15%</td>
<td>40.69%</td>
<td></td>
</tr>
<tr>
<td>V 1974-79</td>
<td>39,300</td>
<td>133.24</td>
<td>0.34%</td>
<td>-47.36%</td>
<td></td>
</tr>
<tr>
<td>VI 1980-85</td>
<td>97,500</td>
<td>187.46</td>
<td>0.19%</td>
<td>331.57%</td>
<td></td>
</tr>
<tr>
<td>VII 1985-90</td>
<td>3,22,366</td>
<td>98.68</td>
<td>0.03%</td>
<td>20.06%</td>
<td></td>
</tr>
<tr>
<td>VIII 1992-97</td>
<td>7,98,000</td>
<td>425.87</td>
<td>0.05%</td>
<td>-100.00%</td>
<td></td>
</tr>
<tr>
<td>IX 1997-02</td>
<td>21,90,000</td>
<td>511.32</td>
<td>0.02%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X 2002-07</td>
<td>22,31,800</td>
<td>523.32</td>
<td>0.2%</td>
<td>-98.00%</td>
<td></td>
</tr>
</tbody>
</table>


In the first five-year plan nothing was allocated to tourism sector, because the sector was not considered important by the then union government. In the second plan Rs. 3.36 Crore was allocated and the rate of allocation went up thoroughly during subsequent plan periods. In the tenth plan (2002-2007), the allocation to the sector stands at Rs.523.32 Crore.

The tenth plan approach towards tourism signifies a distinct shift from the approach adopted in earlier plans. Apart from acknowledging the well-accepted advantages of developing tourism for the promotion of national integration, international understanding and earning foreign exchange, the Tenth plan recognizes the vast employment generating potential of tourism and the role it can play in
furthering the socio-economic objectives of the plan. In order to create a supportive environment for the promotion of tourism, the New Tourism Policy, 2002, that is to be implemented during the Tenth Plan, will generate awareness about the benefits of tourism for the host population. It will mobilize state governments to use tourism as a means for investment in tourism and provide legislative and regulatory support for sustainable envisages involving the rural sector in the promotion of rural, heritage, adventure and eco-tourism and will promote the development of competitive high quality products and destinations. The State can also play an effective role in ensuring that tourism development does not harm the environment.32

Deeply involved, practically significant and committed statements in subsequent plan papers have replaced the peripheral references in the draft papers of the initial plans.

The developmental approach has evolved from isolated planning of single unit facilities in the second and third FYP’s to integrated development in the fourth plan (Gulmarg and Kovalam projects), and there on to integrated area development in the fifth and sixth plans.33 There is a clear shift from plan for isolated development of sites to the integrated development of the tourist circuits over a region. Plan after plan the different dimension of tourism have been recognized and ultimately it got the status of an industry.

But considering the high potentials of the tourism sector to earn foreign exchange, generate employment and tax revenues the allocations are very much disproportionate. Not a single plan has provided for tourism an allocation more than 0.2 per cent of the plan size.

To India's sheer credit, the Reader's Travel Awards 2003 conducted by Condé Nast Traveller have placed it among the top 10 must-see countries. Moreover, a poll conducted by the lonely planet has declared India among the top five international holiday destinations for independent travelers. Added to it Hotel Rajvilas in Jaipur and Ananda Spa in the Himalayan region have won the Best Overseas Leisure Hotel in Asia Award and the Best Overseas Destination Spa Runners-up Award respectively. We hope that many more feathers are going to be added on its hat in future.

1.11 TOURISM POLICY IN INDIA

In order to create a supportive environment for the promotion of tourism, the New Tourism Policy, 2002, that is to be implemented during the tenth plan, will generate awareness about the benefits of tourism for the host population. It will mobilize state governments to use tourism as a means for achieving their socio-economic objectives, encourage the private sector to enhance investment in tourism and provide legislative and regulatory support for sustainable tourism and to protect the interests of industry and the consumer. The policy envisages involving the rural sector in the promotion of rural, heritage, adventure and eco-tourism and will promote the development of competitive high quality products and destinations. Most importantly, it will remove the barriers to growth and resolve contradictions in policy to achieve inter-sectoral convergence of activities that help the growth of tourism.

THE NATIONAL TOURISM POLICY 2002

In line with the new direction and priorities envisaged for India tourism, the Government of India has formulated a New Tourism Policy to guide development of the tourism sector. The key elements of the national Tourism Policy. 2002 are:

➢ Position tourism as a major engine of economic growth.

34 The Economic Times – An ET Intelligence Group Presentation – Tourism in India: A Business Perspective, Mumbai, August –2005,
Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism.

Focus on both international and domestic tourism

Position India as a global brand to take advantage of the burgeoning global travel and trade and the vast untapped potential of India as a destination.

Acknowledges the critical role of the private sector with government acting as a proactive facilitator and catalyst.

Create and develop integrated tourism circuits based on India's unique heritage in partnership with States, private sector and other agencies.

Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched and spiritually elevated.

The net impact of all the policies and strategies discussed in this chapter seem to be coagulating into one strategy, at last. This strategy is termed 'Incredible India', and aims to create a distinct image of India as against the image of its other Asian competitors. Amitabh Kant, joint secretary, Ministry of Tourism, government of India and who is credited with changing the face of Kerala's tourism, discusses the thinking and initial results of the Incredible India strategy in his article 'the branding of India'.

1.12 TOURISM IN 21st CENTURY

The identification, maintenance and management of this threshold of balance will be the single most important requirement for the tourism industry of the 21st century. Those companies, institutions and destinations that perform the balancing act well will attain that elusive goal of sustainable development. Those that don't or won't will be trapped forever-in vicious boom and bust cycles.

This balancing act will manifest itself strongly as the following 21 critical issues and trends play out throughout the travel and tourism industry in the 21st century. The 21 items were identified in research conducted at the November 1998 World Travel Market in London and are being reproduced here for the benefit of PATA members.

- Economic impact and leakage from tourism:
- Extension of U.S. Influence throughout the travel and tourism industry:
- Impact of globalization:
- Greater liberalization of visas:
- Taxation:
- Social Issues:
- Employment:
- Safety Concerns:
- Influence of organized crime:
- Technology:
- Environmental Issues:
- Airlines and aviation:
- Across-the-board alliances:
- Hotels:
- Cruise and Marine tourism:
- Trade shows:
- Greater focus on regional promotions:
- Emergence of the Middle East:
- Growth in religious tourism:
- Holiday trends:
- Emergence of secondary cities:
THE MARKETING OF TOURISM

Any meaningful analysis of tourism marketing should be based on (a) Market segmentation; (b) tourism marketing mix; and (c) marketing strategies. The tourist market could be segmented by: (1) age group, (2) number of trips taken annum/ seasons; (3) education; (4) occupation; (5) income groups, (6) purpose of trips(s).

Factors Affecting the Tourism Market

The major problem in marketing, the tourism product is to create a need/want that might lead to tourist's choice of a destination. In the process of decision making, the potential tourist is influenced by three sets of variables as follows; (1) Social and personal determinants of tourist behaviour; (2) tourism stimuli factors; and (3) destinations considerations as shown in the figure 1.3. below

Figure 1.3
Factors Affecting the Tourism Market

(Source: Romila Chawla, Tourism in 21st Century, Sonali Publications, New Delhi, 1e, 2003, p.61)

36 Romila Chawla, Tourism in 21st Century, Sonali Publications, New Delhi, 1e, 2003, p.54-59
Tourist marketing plays a critical role in determining and influencing many of the variables included in all the three sets. It is obvious that advertising, promotion and the travel agents (distribution) play a major role in shaping the tourism stimuli, and to some extent the quality/quantity of tourism information as well as the image, cost/value, and expectations of destination (set (3)). Tour operations in particular - and to some extent, also travel agents-have an extremely important marketing role to lay in influencing (potential) tourists behaviour set (1) via market segmentation, and tourists products – particularly package tours development. In the process of developing new tourist packages to suit various tourists needs, pricing and location decisions also play important roles, as the discussed in more detail later in this article. The four main marketing tools: product development, promotion, pricing and distribution/location, are indeed of major importance in shaping out effective marketing strategy for the tourism organization. However, in practice, the efficient deployment of marketing mix (or marketing controllable) variables, depend not just on possible tourists market segments, but also on: (1) other tourism marketing objectives; (2) tourism non-controllable factors, and (3) the structure of the tourism industry.

1.13 THE TOURISM MARKETING STRATEGIES

The basic objectives of tourism's strategy are: to match the tourism firm's strengths with market opportunities; to avoid threats posed by competition and environmental changes, and to remedy weaknesses in the firm's organization and operations. It is not enough to generate tourist arrivals or achieve a certain market share, but rather, it is necessary to produce profitable tourist product sales and profitable market penetration.

37 Christopher Lovelock, *Services Marketing*, 4e, Pearson, Education Asia, New Delhi, 2005, p147 - 150
There are four major stages in the formulation of a marketing as follows: (i) segmenting the market, that is identification of potential tourists destinations and needs; (2) defining constraints, particularly environmental and competitive factors; (3) formulation of tourism marketing objectives; and (4) allocation of marketing resources.

Tourism marketing strategies can be broadly categorized into two groups: (a) growth strategies, comprising marketing strategies whose overall predominant character is related to a certain pattern of objective of market growth; and (b) competitive (or market share) strategies, comprising strategies that focus on tourism’s market share competitive position. Whichever strategy a tourism firm decides to apply, it is significantly determined by the marketing objectives and the target market. The marketing mix would then have to be planned accordingly, whilst external factors would presumably have been given due attention. The tourism marketing strategies parameters and strategies are morefully depicted in table 1.2.

**TABLE 1.2 Different Stages of Tourism Marketing Strategies**

<table>
<thead>
<tr>
<th>Stages in Tourism Marketing Strategy</th>
<th>Examples/ Elaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Segmenting the Market</td>
<td>Business Travelers</td>
</tr>
<tr>
<td></td>
<td>Conference market</td>
</tr>
<tr>
<td></td>
<td>Demographic-segmentation;</td>
</tr>
<tr>
<td></td>
<td>Youth, Family, Divorcees etc.</td>
</tr>
<tr>
<td></td>
<td>Social class segmentation</td>
</tr>
<tr>
<td></td>
<td>Family tours market</td>
</tr>
<tr>
<td></td>
<td>Pilgrims</td>
</tr>
<tr>
<td>II. Defining Constraints</td>
<td>(a) Economic political, social and cultural conditions.</td>
</tr>
<tr>
<td>(Particularly competitive and</td>
<td>(b) Governmental, legal and technological forces.</td>
</tr>
<tr>
<td>environmental factors)</td>
<td>(c) Competitive situation and rivalry</td>
</tr>
<tr>
<td>III. Formulating Marketing Objectives</td>
<td>Satisfy tourist needs</td>
</tr>
<tr>
<td></td>
<td>Increase marketing share</td>
</tr>
<tr>
<td></td>
<td>Increase tourists loyalty to a destination</td>
</tr>
</tbody>
</table>
For example, it is important to attempt to reduce the problem of tourism seasonality and improve hotel capacity utilization by promoting all-year tourism zone, creating new off-peak demand and by attracting other activities to hotel capacity. To maximize tourist satisfaction and to best utilize the facilities year-round, some action must be taken to minimize the level of variation of demand from the peak of the off-season. Two specific strategies for dealing with this situation are the multiple use (involving supplementing peak season attractions) and price differentials. Basically there are three major strategies for tourism as follows:

**I. Market Penetration Strategy:** This usually focuses on gaining market share at the expense of competitors. This may be achieved through creating a differential advantage via any of the elements of the marketing mix. This is undoubtedly the most
popular strategy prevalent amongst tourist firms. A well planned penetration strategy would also win new tourists through its better understanding of their needs.

II. Market Extension Strategy: This is designed to reach new types of tourists by modifying the firm's present tourists products by planning in advance of the actual launching of a new tourist product, its life could be extended or stretched out through predetermined actions designed to sustain its growth and profitability.

III. Market Development Strategy: This means that the tourist firm will seek new classes of tourists for its products or will add salient product characteristics to the existing line. This strategy seeks to widen its appeal to attract tourists from segments of the market which the firm in the past has been concentrated on. Such a strategy may either attempt to receive the new types of tourists in addition to its traditional ones, or may resolve to replace its past market segment appeal of the marketing mix variables, the most important factors that should be considered when this strategy is adopted are quite obviously promotion and product development. The market development strategies are of three types: (a) tourist product differentiation strategy; (b) reformulation strategy; and (c) innovatory strategy.

The tourist product differentiation strategy: This is designed to differentiate each tourist sub-product in real or psychological terms. A differentiated marketing strategy should be applied with different marketing mixes designed to satisfy several market segments. Promotional expenditures may increase as unique promotional mixes are developed for each market segments.
The reformulation strategy: This includes specific tourist programmes which are designed to ameliorate some attributes of the tourist products, in order to satisfy the needs of the present tourist market. A product reformulation strategy means that the tourist firm set out to build upon its present market through developing new products. The application of this strategy may help to define the particular range of tourist products which would match, with the specific motivations of the target tourist market.

The innovatory strategy: This focuses on expanding the tourism target markets either by segmenting the broader market or converting non-tourists. An innovation strategy means that the tourist organization will seek to satisfy new tourists with new tourist product and services. A real innovation strategy searches for significant tourism innovations, not just new and improved products.

More recent studies on tourism marketing strategies indicate the strategy selection in this industry should be based on four factors: (1) the size of the segment or sub market; (2) tourists sensitivity to the differences between tourist hotels, airlines, travel agencies, etc; (3) the distinctiveness of these tourist establishments and companies; and (4) competitors marketing strategies.

In conclusion, operating is an environment of competition, inflation and world-wide recession, the tourism industry must place greater emphasis on more efficient and objective orientated marketing management. The world spending on tourism today exceeds $500 billion per annum, greater than the total world spending for health care or for military purposes. The employment of a marketing approach and relevant marketing methods will enhance the tourist firms with improved probability and a larger market share. This could be achieved, in practice, via tourism marketing that is basically a three stage process 1. Analysis of the tourists needs; 2. Designing of a product/package to meet these needs; and 3. Communicating the
availability of the tourist product via advertising, sales promotions, and public relations. Unfortunately, too many tourist firms omit the first two stages and concentrate mainly on the third, leaving out marketing planning and policy. As every tourist organization must consider how it can build and protect a strong competitive and growth position, the critical question is the selection of an appropriate marketing strategy. This chapter suggests six different marketing strategies for tourism that might be suitable to different tourist market/product/competition situations.

1.14 TOUR OPERATOR

Who is a Tour Operator?

The tour operator is a manufacturer of a tourism product unlike the travel agent who is the retailer of the tourism products. Tour operator plans, organizes and sells tours. He makes all the necessary arrangements — transport, accommodation, sightseeing, insurance, entertainment and other matters and sells this ‘package’ for an all-inclusive price.38

A major contributing factor in growth of air travel holiday tourism has been the development of the ‘inclusive tour’ a method of packaging a holiday. This has been the result of a dramatic growth of tourist traffic to the Mediterranean countries from Europe in the last thirty years. The idea of buying a package of travel, accommodation and perhaps some ancillary services such as entertainment, etc., became an establishment in Western Europe in the 1960s. Essentially, and ‘inclusive tour’ is a package of transport and accommodation and perhaps some other services, which is sold as a single holiday for an all inclusive price. This inclusive price is usually significantly lower than could be obtained by conventional methods of booking transport and accommodation separately from individual hotel and transport tariffs. The principal feature of the inclusive tour

38 Pran Nath Seth, Sushma Seth Bhat, An Introduction to Travel and Tourism, Sterling Publication, New Delhi, 2003 p24
is that the tourists may buy for a single price a holiday which is cheaper than would be possible for the holiday separately and directly from individual hotels and from transport companies or from a retail travel agent.

**Emergence of the Tour Operator**

The Chief functionary or the principal in this system is the "tour operator". It is the tour operator who buys aircrafts seats and hotel beds and certain other facilities such as surface transport or entertainment and makes up the package. Historically, the tour operator has mostly emerged from retail travel agency. However, today a clear distinction must be made between a tour operator and a travel agent. The latter, the retail travel agent, undertakes to sell the travel services of his principal, i.e., airline companies and other transport undertakings, hotel groups, shipping lines and the provision of such ancillary services as traveler's cheques, insurance, etc.

The tour operator is a manufacturer of a tourism product unlike the travel agent who is the retailer of the tourism products. He plans, organizes and sells tours. The tour operator makes all the necessary arrangements – transport, accommodation, sightseeing, insurance, entertainment and other matters and sells the 'package' for an all inclusive price. A package tour is designed to fit a particular group of travelers. There may be special interest tour, i.e., trekking, wildlife tours, etc., and can be escorted. An escorted tour normally includes transportation, meals, sightseeing, accommodation, guide services, etc. It is the 'escort' or the 'group leader' who is responsible for maintaining the schedule of the tour and for looking after all the arrangements.

**Package Tour**

**Group Inclusive Tour (GIT)**

This is the most popular form of tour in this category where people travel in groups of 15 or more persons. These tours are available for any destination. The terms and conditions for group
inclusive tours are laid down by IATA. The escort for such groups normally travels free as the airline provides him with free passage and accommodation. The Foreign Inclusive Tour (FIT), on the other hand, is an unescorted package tour. The FIT tour are comparatively more flexible. The traveler can buy a predetermined package with arrangements for sight seeing, hotels and certain meals, where necessary. He does not tour with a group. He can make his own arrangement and programmes according to his liking. The inclusive tour is one of the several devices which enable tourists to enjoy the lower price\(^\text{39}\).

The Group Inclusive Tour (GIT) programme consists of a series of integrated travel services. Each of the travel services like seat in a aircraft, a hotel room, etc., is purchased by a tour operator in bulk and resold to his retailers or customers directly as part of a package at an all-inclusive price. The product commonly referred to, as a 'package tour' are single destination holidays. In other words, a customer would buy a package holiday from a tour operator or a wholesaler to any single destination, for instance, a tour operator in a particular country will sell a package at a particular price for a cultural holiday in India, a beach holiday in Bali, a wildlife adventure trip in Kenya or a shopping holiday in Singapore, etc. However, some packages comprise two or more destinations. In fact, lately, twin destination packages have become quite popular as with little additional price one can visit more than one country. These tours are quite common and popular in Europe.

PRICE ADVANTAGE

The success of a package tour is the result of the fact that the operator, by purchasing his principals services in bulk rather than individually is able to negotiate lower prices. This lower price of the package tour or inclusive tour is made possible by obtaining the air travel and the hotel accommodation in bulk. As tour operating today has become a highly competitive business its success mainly depends upon the operator maintaining the lowest possible prices while continuing to give to its customers a 'value for money'.

Because of the bulk purchase, tour operators are able to procure substantial discounts from carriers, hoteliers, etc., and offer their package deals at much lower rates. The profits of the tour operator and success of his operations, however, depend a great deal on the achieving of very high load factors for the aircraft and high occupancy rates for the hotel. In this way unit costs can be maintained sufficiently low to enable the tour operator to offer his package at a price which is often lower than the cheapest available fare alone. A breakthrough in the business of tour operation came when airlines recognized that tour operation could fill the empty seats, and introduced special fares for use exclusively by tour operators for combining into an inclusive tour.

The tour operator has thus emerged as the key manufacturer of the tourist product. The product is the inclusive tour, packaged, standardized and mass produced. The tour operator may sell this product directly to the public or through the channels of the retail travel agencies. It can be marketed successfully in the tourist-generating countries to a mass market just because it is standardized, packaged and quality controlled.
The product is, therefore, susceptible to the similar marketing techniques that are applied to the marketing of consumer goods.

**MARKETING A PACKAGE TOUR**

In a competitive world market situation, where there is choice of several alternate holiday destinations, a tour operator has to make a careful decision regarding promoting and marketing a particular package. After considering various alternatives, a tour operator has to narrow down the choice to few potential destinations. A realistic appraisal of the potential of the selected destinations is to be made.

Selection of the potential destination by a tour operator is to be based on several factors, some of these factors include the:

I. Number of tourists which the area presently attracts

II. Growth rate of tourist arrivals in these areas

III. Share of the competing companies

IV. Estimate of the total share of the market which the company could expect to gain in the next few years of operations.

V. Availability of suitable and convenient to a destination

VI. Negotiations with principals like the airlines and hotels and

VII. Negotiations with local handling agents at the destinations etc.

**TOUR BROCHURE**

Once all the above factors have been considered, a tour operator would then package a tour and incorporate it in a brochure known as “tour brochure”. A brochure is a document bound in the form of a booklet. It is a voluminous publication with special emphasis on the quality of a paper, the graphic design of the cover and the layout of pages. The tour operator brochure is the most vital marketing tool for selling his product.
Since tourism is an intangible product which cannot be pertested by the prospective consumer prior to the purchase. The brochure becomes the important channel of informing a customer about the product and also motivating him to buy the product.\footnote{Tapan K. Panda, Sitikantha Mishra, Tourism Industry in India Excel Publications, New Delhi, 2003, p153}

The brochure contains comprehensive and detailed information about a destination including cruises, bus tours, safaris, 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. Many tour operator take great care guidelines for production of brochures. Established tour operating companies take great care while designing their tour brochures. The following are some important areas which need to be taken care of while getting the tour brochure printed:

1) Quality of paper
2) Layout
3) Quality of printing
4) Photography
5) Detailed itineraries
6) Special features
7) Weather conditions
8) Maps of areas
9) Tour conditions
10) Hotel information's
11) Terms and conditions of tour.

Several large tour operating companies get their brochures designed and printed in their own advertising departments. Some get the brochures printed in conjunction with the design studio of their
advertising agency that is turn negotiate with the printer to obtain the best quotation and ensure that the print deadlines are adhered to. Adhering to the print deadline is extremely important as the company has to introduce the brochure at a predetermined date coinciding in most cases with travel trade and consumer holiday fairs. The introduction of a brochure at these events both to travel trade and consumer is crucial for marketing a package.

1.15 TRAVEL AGENCY

A large proportion of both international and domestic travel are arranged by travel agents. In some countries over 70 per cent of all international travel and 50 percent of all domestic travel is arranged by travel agents. Travelers depend on travel agencies to guide them honestly and competently.

Travel agency business mostly functions in the private sector. The role of the private sector in organization of travel is therefore very crucial. The private sector's role is not limited merely in selling the tourism product but also in producing it as many individuals, companies and corporations are involved in promoting and developing including financing of tourism. Travel agency is one such organization in the private sector which plays a key 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 sells these to the tourists. In addition he also sells individual elements of the travel.

Tourism in its present form, which makes millions of people move from their homes in search of a holiday, began by a mere coincidence. It was in 1841, Thomas Cook, a very intelligent and active member of a Temperance Society of England, organized a trip by a main for five hundred and twenty members of his society, to a distance of 22 miles. He was the first agent to buy tickets in bulk to sell them back to other people.

Experiment was successful and everybody was happy. The cost of the return trip was only one shilling each; Mr. Cook had done this job on a no profit basis. But it gave him new ideas. Later on he became a successful travel agent in the globe.

While Thomas Cook was the first travel agent and tour operator in the world. He also opened a few travel agencies in the late 19th century in India after traveling to Agra to see Taj Mahal by train. After Thomas Cook his son John Cook expanded and diversified the businesses into selling package tours, Banking and Shipping. Today, Thomas Cook has a thousands of office in one hundred and forty five countries in the world. They move about 10 million people annually. This is how tourism operates in the world.

Across the Atlantic from London, the American Express Company (AMEXO) is perhaps the worlds largest travel company with an international banking network, selling American Express. Traveller’s Cheques and related banking facilities like the American Express credit card to tourists and business men. Most Indian hotels, leading restaurants and many shops dealing with foreign tourists accept international credit cards like American Express, VISA, Bank of America and Diners Club.

TYPES OF TRAVEL AGENCIES

Among travel agents, there are the Wholesaler and Retailers. The wholesalers develop package tours to many a destination and sell them either directly to travelers, or through retail travel agents – small travel agencies operating in each country. Retailers get a ten per cent commission from wholesalers for every package tour sold. The retailers need not make any arrangement for their customers themselves – that is the responsibility of the wholesalers who are in touch with hotels and travel agencies overseas, if it is an overseas package, or within the country if it is a domestic package, for making what in travel agents terminology is called ‘ground arrangement’. The
tour operators who receive guests and handle arrangements in the host countries are called inbound tour operators. They service the inbound travelers from foreign countries. Those who promote tours to foreign destinations are called 'Outbound tour operators', while those who operate tours only within their own country, are called 'Domestic tour operators'. Several of them combine both types of business. Tour operation is a complicated business – wheels within wheels, each doing its job to make travel trouble-free for the tourists.

There is a thin line between the different kinds of travel agencies – big travel agencies often combine all the functions including retail selling. They have several branches in a country. Sometimes they act as wholesalers and permit other travel agencies also to retail their tour packages. Whole selling is a popular business in countries like the USA where one company may move as many as half a million people in a year. In India, it is not so common as yet. Often, wholesalers have their retail outlets as well. With the taking over of large Indian companies like Sita World Travel by Kuonis, a multinational travel company, whole selling will be a big business in future.

Basically, there are two types of travel agencies: the general travel agency and the specialized travel agency. The general travel agency is a small organization (two to ten employees) that deals with almost all types of travel and offers nearly every type of travel, related service. The specialized travel agency is a fairly large operation and may specialize in one form of travel, or travel service to a group or a community. In India, most travel agencies belong to the category of general travel agencies.

The specialized travel agencies – not very common in India – may specialize in corporate and commercial accounts, exclusively dealing with business travel, organizing air tickets, arranging hotel accommodation, car rentals, etc., for corporate executives. The other areas of specialization are ship or cruise travel, outbound travel, specially in packaging and marketing overseas holidays, organizing
and promoting conferences and conventions, and creating and
catering to an incentive travel market, etc. Some travel agencies
confine their business to developing and marketing domestic tours
only. This is an excellent business in developed countries and is now
becoming profitable in India too.

1.16 TRAVEL ORGANIZATIONS

The important travel agents organization in India and abroad
are discussed below:

1) **Travel Agents Association of India (TAAI):** Most IATA
approved travel agents in India, are also members of a national
organization called Travel Agents Association of India (TAAI). Its
membership is further proof of their reliability. The TAAI logo
displayed in such travel agencies is like an ISI mark, indicating
professionalism and reliability. TAAI makes a close scrutiny
before accepting new members and expects all its members to
follow a code of conduct.

![TAAI Logo]

The TAAI has its headquarters in Mumbai and the
organization has seven chapters or branches in major cities of
India. The objectives of TAAI are to protect the genuine and
legitimate interests of the professional travel agency members.
TAAI membership includes not only travel agencies but also
domestic and international airlines, hotels, motels, resorts, etc.
at the annual conference of TAAI, called the Indian Travel
Congress, they discuss their common problems. TAAI was
established in 1950 by a group of eight travel agents led by the
Nari. J. Katgara. Membership exceeds two hundred.

---

42 Pran Nath Seth, Sushma Seth Bhat, *An Introduction to Travel and Tourism*, Sterling
Publication, New Delhi, 2003 p53-56
2) **Travel Agents Federation of India (TAFI):** Travel Agents Federation of India (TAFI), is yet another organization of India, claiming to represent travel agents. Headquartered in Mumbai. It started as TAAI had very stringent rules for membership. It is now fairly large and both the organization – TAAI and TAFI – try to work together to protect the interests of travel agents and tour operations.

3) **Indian Association of Tour Operators (IATO):** Delhi-based IATO (Indian Association of Tour Operator) is the representative organization of tour operators handling inbound tourism. It is a young and active organization and has among its members, all those involved in tourism industry, including hotels, transporters, state tourism department and airlines. It holds annual conventions of deliberate over its problems.

4) **Universal Federation of Travel Agents Association (UFTAA):** At the world level, there the Universal Federation of Travel Agents Association (UFTAA). Travel Agents Association of India (TAAI), are members of UFTAA. Travel agency membership exceeds forty-eight thousand. The world body represented interests and viewpoints of travel agents all over the world, vis-a-vis organizations like IATA and IHRA (International Hotels and Restaurant Association). UFTAA also provides training opportunities to travel agents who are members of this organization.

There are about one thousand five hundred IATA-appointed agencies in India. A few of them have a dozen or more offices all over the country and provide employment to a large number of educated young people. A travel agent tries to give full service to his clients - prepares their itineraries, issues tickets after necessary reservations, arranges passports and visas for international travellers, books hotels at the place of
places to be visited by his clients, sell travel insurance and if requested, arranges cars on arrival at the destination. In fact, there is hardly anything which a travel agent cannot do for his client at the other end of the journey, provided the client is in the hands of an experienced travel agency.

5) ASTA: ASTA (American Society of Travel Agents) is another major international travel organization of travel agents. Due to the global nature of travel business, ASTA’s agenda is more international now. It permits travel agents from all countries of the world to become its members. While the American members are active members, others are called allied members. Its annual conventions-called World Travel Congress—are attended by seven thousand to eight thousand travel agents every year. It is held one year in the USA and in the alternative year in a foreign country. The participation is so large that a country like India does not have enough hotel rooms in one city, to be able to invite ASTA conference. So, far, ASTA has not met in India.

1.17 DEPARTMENT OF TOURISM

A separate tourism department was created in the Ministry of Transport in 1958 to deal with all matters concerning tourism. Director General and Deputy General headed it with four directors each in charge of Administration, Publicity, Travel sections and Planning and Development.

Development of Aviation and Tourism which was under Ministry of Transport and Civil Aviation, was given the status of separate ministry and designated it as Ministry of Civil Aviation and Tourism with two constituent department (a) Department of Tourism (b) Department of Civil Aviation. At present the DOT is attached to the Ministry of Tourism and Civil Aviation headed by the Director of General, who is ex-officio an additional secretary to GOI. This

---

43 N.S. Bisht, Rakesh Belwal, Sweta Pande, Internet Marketing Of Tourism (Illustrating Kumaun Himalaya), Himalaya Publishing House, 2004, 1 e, p 8-9
department is in charge of both policy making and execution. There are seven divisions which help in promotional and organizational functions of the DOT. They are:

- a) Planning and Programming
- b) Publicity and Conference
- c) Travel, Trade and Hospitality
- d) Accommodation
- e) Supplementary Accommodation and Wild-life
- f) Market Research
- g) Administration.

As per the recommendations of the committee that the public sector should assume greater responsibility in promoting tourism, GOI established three separate corporations within DOT in 1965 they are:

- a) Hotel Corporation of India
- b) Indian Tourism Corporation Ltd.
- c) India Tourism Undertaking Ltd.

These three were later on merged into one composite undertaking in October 1966 as India Tourism Development Corporation Ltd (ITDC) to secure coordination in the policy and efficient and economic working of the three corporations.

The basic objectives and functions of ITDC was to construct and manage hotels, motels, restaurants, tourist bungalows, beach resorts, provision and transportation, entertainment, shopping facilities and publicity services. ItDC has played a major role in developing tourism in India. It has developed beach resorts, promoted wild life sanctuaries and has set up heritage hotels converting old palaces. It also offers a host of tourist services like transport services, accommodation service, Duty free shops, providing consultancy on tourism projects, entertainment, cultural festivals, conferences and conventions, package travel, publicity and communication.
Considering all the above factors there exists a vast scope to carry out a research programme on the tourism potentialities and tourism marketing strategies to realize the vibrant potentialities in our country. The splendid land Karnataka offers fascinating tourist destinations and it has got enormous opportunities to attract the tourists from different parts of the world. What the department of tourism of Karnataka has in store to metamorphoses the tourism scenario of the state to bring in more revenue and generate employment opportunities in the years to come. To appraise the strategies evolved and implemented by the department of tourism in respect of Karnataka State Tourism Development Corporation for the growth of tourism industry, a need has arisen to have a relook at it. Hence, the present study.
Considering all the above factors there exists a vast scope to carry out a research programme on the tourism potentialities and tourism marketing strategies to realize the vibrant potentialities in our country. The splendid land Karnataka offers fascinating tourist destinations and it has got enormous opportunities to attract the tourists from different parts of the world. What the department of tourism of Karnataka has in store to metamorphoses the tourism scenario of the state to bring in more revenue and generate employment opportunities in the years to come. To appraise the strategies evolved and implemented by the department of tourism in respect of Karnataka State Tourism Development Corporation for the growth of tourism industry, a need has arisen to have a relook at it. Hence, the present study.

1:18 PROFILE OF KARNATAKA TOURISM

Karnataka, formerly known as Mysore state, is blessed with natural beauty and breathtaking historic architecture. It offers before you a variety of nature like a palette of an ‘artist’. Its grand temples, deep and dark wild life, beaches and palaces are all adds to its ravishing beauty. The topical forests of Karnataka where majestic Indian elephant still thriving. Its exquisite handicraft products in Sandalwood, Rosewood and Ivory makes this one a must see place in travellers plan.

The word Karnataka emerge from Karunadu (elevated land) and the major language is Kannada. Other languages are Konkani and English.

Karnataka is one of the most industrious states in India. It has the credit of being the first state to step into the industrial dawn. It houses many prominent public sector industries like NAL, HAL, BEL, BEML, HMT, ITI and many more. There are a host of private sector units too. It ranks 8th among the industrialized states. It is hub of IT, BT, BPO, ITES, KPO, Retail Malls, in the country.

---

Romila Chawla, Tourism in 21st Century, Sonali Publications, New Delhi, 1e., 2003, p202
The state has well developed trade and commerce and banking systems. Its exports include mineral ore, engineering items, coffee, tea, leather goods, cashew, ready-made garments, cotton textiles, sandal and ivory handicrafts, sugar, incense sticks and spices.

With a population of about six crores, the state is quite rich in human resource. Renowned personalities like C.V Raman, U.R. Rao, C.N.R Rao, P.R. Brhamananda, Sir M. Vishweshwaraiah, Karanth, Kuvempu and many others were born in this state. It has good number of universities, colleges, schools, B-Schools and professional institutes. Important institutes like IIM, ISEC, IISc, Jawaharlal Nehru Planetarium, Forensic Science Laboratory and a sizeable number of Healthcare facilities catering to heart, ENT, Neuro, Nephro, tuberculosis and the like are situated in Bangalore, the capital city of Karnataka.

As far the entertainment and retail chain is concerned, the state is one of the thrust and potential spots in the country. It has in place, GRS Fantasy Park, Wonderla, Water World, Multiplexes, Fab Malls, Landmark, Big Bazaar, Forum, Inox and the like.

The state has fairly developed transport network. About seven national highways pass through the state. However, the state was lagging for sometime in development of railways. Now, several railway projects have been taken up. Konkan railway project has been taken up on fast rack basis. Several meter gauge have been converted into broad gauge and still the work is progressing on several tracks. The state has all-season ports in New Mangalore, Bhatkal and Karwar. Several places in the state are connected by airways. International Airport Authority of India has identified the potentially of establishing an international airport in Bangalore, and has identified 2,000 odd acres of land. International airport construction and management is handed over to a consortium led by TATA's on “build, own and operate (BOO)” basis.
Karnataka’s Location and Geography (Situated in western side of Deccan Plateau)  

Karnataka is made up of a narrow coastal strip romancing with Arabian Sea and a series of uplands. The western ghats lines the coastal strip and a major portion of the state consists of cool interior plateau.

The capital city “Bangalore” is well known as the ‘Silicon Valley of India’ is one of the fast growing information technology centres of Asia. India’s 85% of gold is mined out from this state. Karnataka Sandalwood handicrafts and silk are popular all over the world for centuries. Wooden furniture, inlay works, wall hangings, Fidriware etc are frequently purchased by the tourists as mementos for their beautiful days in Karnataka.

<table>
<thead>
<tr>
<th>Location</th>
<th>South Western State of India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>1,91,791 sq.km</td>
</tr>
<tr>
<td>Population</td>
<td>70 million</td>
</tr>
<tr>
<td>Capital</td>
<td>Bangalore</td>
</tr>
<tr>
<td>Language</td>
<td>Kannada</td>
</tr>
<tr>
<td>Tour Season</td>
<td>September to February</td>
</tr>
<tr>
<td>Currency</td>
<td>Indian Rupee</td>
</tr>
</tbody>
</table>

Climate : Semi-tropical Seasons Summer, March to May (18°C to 40°C); Winter December, March to May (14°C to 32°C);  
Seasons : South – West Monsoon; June to August, North –East  
Monsoon : October to December  
Rainfall : 500 mm to over 4000 mm.  
Traditional Products : Coffee, silk, sandalwood, agarbathis, ivory carvings, inlay work, badriware, lacquerware.

45 Department of Tourism Publication, Government of Karnataka, 2002,
RIVERS

The Krishna System: Krishna, Tungabhadra, Vedavati, Hagari Malaprabha, Ghataprabha, Doni, Bhima.


Other Rivers: Manjra and Karanja (tributaries of the Godavari); Palar, Pennar, Poonalyar.


Major Crops: ragi, jowar, rice, sugarcane, coconut, groundnuts, coffee, cotton.

Major Minerals: Gold (90% of India's production), iron ore, manganese, magnetite.

Main Educational Centres: Indian Institute of Science, Raman Research Institute, National Institute of Mental Health and Neuro-Sciences, Central Food Technological Research Institute, Indian Space Research Organization, National Aeronautical Laboratory, National Institute for Sports (South).
Culture

The major attraction of state is an on stage performance named Yakshagana. It is a dramatic performance of puranas and epics. A tourist can familiarize with contemporary Indian theatre by viewing a theatre production in Bangalore or other major cities of Karnataka.

History

Karnataka's history will tell volumes about several bloody wars and valliant maharajas. Several culture, dynasty and religion met here and made their own benchmark in the history of Karnataka.

It is believed that the puranic characters of Ramayana- Bali and Sugreeva reigned from Hampi. Karnataka was a part of Maurya dynasty in 4th century BC later several dynasties like Shathavahans, Kadambas, Gangas, (The Gommateswara Statue in Shravanabelagola is created during Ganga's) Chalukyas, Rastra koodas, Hoysalas ruled this beautiful and prosperous piece of land the reign under Vijayanagara Empire is considered as the golden period of Karnataka. Later from 1399 wodyar, a very popular dynasty came into power. Then Hyder Ali defeated Wodeyars and made a powerful state. Tipu Sultan, Hyder Ali's Valiant son followed him. When British defeated Tipu Sultan they handed over the country to Wodeyars.

Among all these dynasties Hoysalas (11-14 centruy AD) left the most myriad memories of their reigning period. The charming Hoysala temples at Halebidu, Somnathpura and Belur are testimonies of classical Indian architecture.

Wodeyars remained in the throne of Mysore and ruled the entire Karnataka region till the independence. The new state was named as new Mysore and the king of Mysore the Wodeyar was then appointed as the first Governor of the State. The State Mysore was renamed as 'Karnataka' on November 1, 1973.
In short, the dynamic history plus architectural marvel and cultural extravaganza have turned the ravishing state appealing to any type of tourists.

The state of Karnataka has everything a tourist aspires. Hills, valleys, exciting wildlife, exquisite beaches, magnificent monuments, temples, world famous architectural sports and above all salubrious climate throughout the year. The people of the state are friendly, affectionate and accommodative to the tourists. The state government has recognized the economic benefits of tourism and has declared it as an industry\textsuperscript{46}.

Through a government order, the state has announced its tourism policy and also package of incentives and concessions to the tourism industry.

As per the tourism policy, the state shall encourage and provide the following to improve the industry:

a) Setting up additional accommodation facilities in identified tourist places.

b) Preservation, conservation and excavation of archeological and historical places.

c) Development of wild life tourism.

d) Promote diversified tourism activities such as health tourism, adventure tourism and nature tourism.

e) The development of Northern Circuit which has two world famous heritage sites, viz, Hampi and Pattadakal.

f) Development of beach tourism and hill resorts.

g) Provision of tourist facilities and hiss resorts.

h) Organize tourism festivals.

i) Issue permits to private tour operator with a view to encourage conducted tours within state.

j) Take all measure to construct a convention centre of international standards in Bangalore.

\textsuperscript{46} Tourism policy statement, Government of Karnataka, 2003
k) Improve infrastructure facilities in identified tourist areas.
l) Special assistant to entrepreneurs in this sector to acquire land.
m) Reserve land for hotels and restaurants and other tourism projects.
n) Upgrade guide services
o) Review the existing single window agency and propose alternative policy and escort service for entrepreneurs, if necessary.
p) Constitute Tourist Advisory Council under the chairmanship of the Tourism Ministry, to advise the government on measures to be initiated to develop tourism.
q) Modernize the DoT to speed up the work relating to dissemination of information and data collection.
r) Provide access to education and training to the employees of DoT in the field of tourism and travel management.
s) Encourage private investment in the field by offering concessions to the entrepreneurs who are ready to invest in the industry.
t) Review the working of KSTDC (Karnataka State Tourism Development Corporation).
u) Constitute an official committee under the chairmanship of the state chief secretary to review and monitor the progress of implementation of the tourism policy and the administration of package of incentives announced by the government.

DoT in the year 1993 has prepared a master plan for the development of tourism in Karnataka. It has identified various places under different circuits having better potential than the others. Such places requires provision and augmentation of infrastructure facilities. The plan calls for an investment in this direction both by the government and the private sectors. A sum of Rs.157.18 crores is proposed to be invested in tourism sector.
The master plan also recognizes the need for human resources development in the tourism industry. It is proposed that the state government will take up the training of grass-root level workers in tourism activities.

1:19 TOURISM CIRCUITS OF DoT

Though the state has a variety of attractive spots, Department of Tourism, Karnataka has identified the tourism potential areas under the following circuits:

1. Northern Circuit
2. Southern Circuit
3. Coastal Circuit
4. Hill Station Circuit
5. Wild Life Circuit

1. NORTHERN CIRCUIT

The places of this circuit tourism in northern districts of Karnataka viz., Belgaum, Dharwar, Bidar, Gulbarga, Raichur and Bellary are very significant. The thrust area identified in Gulbarga is in respect of Bahamani Kingdoms' fort and Bidar Fort.

Belgaum and Bidar Districts are considered as the entry point for Northern Circuit. Places of interest in this circuit are as shown in the following figure

BADAMI

Badami is situated at the mouth of a ravine between two rocky hills. It was the capital of Chalukyas. It was also under the rule of Pallavas, Vijayanagar Kings, Adil Shahis, Savanur Nawabs, Marathas and Hyder Ali of Mysore. Badami is famous for its cave temples. These caves are carved on the rocky hills above Agasthya lake. The caves are at different heights and steps are carved to reach them. It is said that these caves and sculptures were carved between 6th and 8th Centuries A.D.
There are four cave temples at Badami. The first is dedicated to Lord Shiva, second and the third is dedicated to Lord Vishnu and the fourth is a Jain temple. Spectacular sculptures of Shiva, Ganesha, Karthikeya, Harihara, Ardanareshwar, Trivikrama, Vishnu, Narasimha and many other gods are found in these caves. Among the sculptures, the most magnificent is the 18 armed shiva and Nataraja that embodies 81 dance poses.

**AIHOLE**

Aihole is a picturesque village situated on the banks of Malaprabha River. It was an important city by fifth century itself. It was also a business centre. Aihole, now, is known for its temple architecture. More than 100 temples are scattered around the village and the nearby fields. It is said that these temples were constructed between fifth and seventh centuries A.D.

The oldest is the Ladkhan Temple. It signifies the beginning of construction of temples using stones. It dates back to 450 A.D. the temple was originally a royal assembly hall, and marriage mantapa, and was later chosen as the abode of a Muslim prince Ladkhan. On the roof, there is a small temple bearing shine of Lord Vishnu.

Another important temple at Aihole is the Durga Temple. It has a unique semi-circular apse and a complete portico. Fascinating carvings are found in this temple.

**PATTADAKAL**

It is a village situated on the banks of Malaprabha river. The Chalukya Kings were performing the throne ascending celebrations in this place, hence, the name “Pattadakal”. Of the two, Badami and Aihole, this site is more famous for its architectural splendor. It is on the world heritage map of UNESCO. There are bout 10 temples in the temple complex, apart from numerous minor shrines. Sculptures and carvings on the walls (both outer as well as inner) of the temples depicts the height of the superiority of Chalukya architecture.
BIJAPUR

It is a medieval, walled city known for its Islamic architecture. It was the capital city of Adil Shah dynasty. It experienced a golden era of architecture under this dynasty. Bijapur has more than 50 mosques, about 20 tombs and a number of places. It houses a number of architecture wonders viz., Bharakaman, Asar Mahal, Ibrahim Roza, Jama Masjid, Gol Gumbaz and Taj Bawadi.

Gol Gumbaz, the tomb of Mohammed Adil Shah is an architectural master piece. The dome stands unsupported by pillars. The dome is second in size only to St.Peter's Basilica in Rome. The main feature of this structure is the "Whispering gallery", where even a faint whisper made in the dome returns ten times to the listener. A clap made echoes ten times in the gallery.

HAMPI

Ruins of Vijayanagar Empire are found in Hampi. It is situated on the banks of Tungabhadra river, with rocky ridges all around. The ruins are spread over more than 26 km. Hampi is an important tourist centre on the world heritage map of UNESCO.

Once the capital city of Vijayanagar Kings. It is now, village in Bellary district. It witnessed grandeur in art. Architecture, literature, music and dance during Krishnadevaraya's period (1509-1529). After defeating the Vijayanagar Kings, the confederation of Shahi Sultans and their army destroyed the city and plundered its wealth.

Every Indian, at least, once in their life time must see Hampi. It is an excursion back into the time. The broken city speaks of man's capacity for senseless destruction. The ruins consists of temples, palaces, monolith sculptures, courtyards and halls. Recent excavations carried out have unearthed beautiful temples, pushkarni and gateways.
Ruins of shops in Virupaksha bazaar, Vittal bazaar, Achuta bazaar and Hazararama bazaar remind of the accounts given by various travellers. They have recorded that the business men were selling pearls, diamonds and precious stones in large quantities in open markets.

There are numerous spots worth seeing in Hampi such as –

**Virupaksha Temple:** Which houses a number of deities apart from the main deity “Virupaksha”.

**Kamalamahal or Lotus Mahal:** A two storied building with remarkable synthesis of Hindu and Islamic styles of architecture, where the archways open out to the sun and wind, like the petals of a flower.

**Queen’s Bath:** With plain exterior and ornate interior, the bath is surrounded by decorated corridors and projecting balconies.

**Elephant Stables:** A row of eleven chambers with arched entrances and many domes.

**Mahanavami Dibba:** A high platform on which temporary superstructures were erected for the kings of Vijayanagar to view Dasara festivities.

**Pushkarni:** The sacred water tank with rhythmically built steps.

**Vijayavittal Temple:** The most splendid monument of Vijayanagar empire which houses the magnificent stone chariot and musical pillars.

Gigantic monoliths of Ugra Narasimha, Shivalinga, Sasivikalu Ganesha and Kadaledkalu Ganesha; and temples such as Hazararama temple, Kodandarama temple, Hanuman temple, Shiva temple, Tiruvengalanatha temple and Matanga Veerabhadra temple are the other spots worth seeing in Hampi.
Other tourist places in northern circuit are Tungabhadra dam in Hospet; Lakkundi for Jain temples; Bidar for fort, monuments and Basavakalyan; Belgaum for Kittur fort, Gokak galls and jain temple; Gulbarga for fort built by Raja Bulchand, Jama masjid and temple of Basaweswara; and Raichur for Ek-minarki Masjid, the Hill fort, Jama Masjid and the tomb of a muslim saint.

2. SOUTHERN CIRCUIT

It consists of places of tourist importance in the southern districts of Bangalore, Mysore, Hassan and Mandya.

BANGALORE

Bangalore is an ideal gateway to this circuit for the tourists arriving from other states. It is the capital city of Karnataka. It is said to be one of the fastest growing cities in Asia. Founded by Kempegowda in 1537, Bangalore, is one of the loveliest and serene cities. It is the fifth largest city with population of over two million. Situated at a height of 3,250 feet above the sea level, it has salubrious climate. Numerable parks, gardens and tree-lined avenues have made it 'the garden city'. This cosmopolitan city houses temples like Bull temple, Someshwara temple, Gangadharaeshwara temple, Rajarajeswari temple, Fort Venkataramana temple, Gigantic Hanuman temple, Cathedrals, Gurdwara and Masjids.

Two hundred and forty acres of Lalbagh garden is a tourist delight. It contains the largest collection of rare tropical and subtropical plants and trees. It also has fountains, terraces, lotus pools, rose gardens, a deer park and a glass house.

Maharaja's Bangalore Palace built in 1887, inspired by Windsor Castle, is another popular tourist attraction. The other tourist attractions of the city are:

Vidhana Soudha: The granite building with domes, pillars and archways housing and secretariat.
**Cubbon Park:** A 300 acre park laid out in 1864 is a heaven for nature lovers, walkers, joggers and cyclists.

**Visveswaraiah Industrial and Technological Museum:** A wonderland of information of science and technology.

**Fort and Tippu Sultan’s Palace:** The fort originally built by Kempegowda, was rebuilt by Hyder Ali and Tippu Sultan. Tippu Sultan's palace, close to the fort, is now a museum.

**Venkatappa Art Gallery:** Exhibits fine selection of paintings, plaster of paris works and wooden sculptures.

**Ulsoor Lake:** It is located over a space of 1.5 Sq. Km with picturesque islands, it provides an opportunity for sight-seeing and boating.

Apart from local sight-seeing, Bangalore offers interesting tourist spots for one day excursions and picnics. Some of them are:

**Nandi Hills:** Hill station located about 60km from Bangalore. It was a summer resort for Tippu Sultan.

**Mekedatu:** It is a tourist spot where river Cauvery squeezes itself through rocky channel making the area a beautiful picnic spot.

**Shivaganga:** It is a cone shaped hill, where climbing is difficult, but worth the effort, Hill top offers a spectacular view of the surrounding areas.

**Devarayanadurga:** This is an ideal place for trekking with cool climate and extensive forests.

**Dodda Aladamara:** Largest banyan tree in Karnataka. It is 400 years old and spreads over 3 acres.

**Bannerghatta:** It is a national park having lion and tiger safari and crocodile and snake farm.

**MYSORE**

Perhaps, Mysore houses more number of popular tourism spots than any other district in Karnataka. It is a city of palaces. The city is one of the most beautiful and best planned cities in India.
Once the capital of Wodeyars, it houses beautiful Palaces viz., Lalithamahal Palace, Jaganmohana Palace and Rajendra Vilas Palace. While Jaganmohana Palace is converted into an art gallery, Lalithamahal Palace is converted into a five star hotel. During Dasara festivities, Jaganmohana Palace is converted into a five star hotel. During Dasara festivities, Jaganmohana Palace illuminated with colour lights offers a spectacular sight to the tourist.

Popular tourist places in and around Mysore city are:

**Chamundi Hills:** A temple with deity “Chamundi” on the hill top.

**Maharaja’s Palace:** Built in Indo-Saracenic style, the palace has ornate domes, archways, turrets, colonnades and sculptures. Interiors of the palace have beautiful carved doors, reflecting mirrors, mosaic floors, fabulous paintings, majestic throne and other art objects.

**Zoological Garden:** It is a century old Zoo housing nearly 2,000 animals.

**Chamarajendra Art Gallery:** It has vast collection of paintings, ceramics, ancient furniture, musical instruments and weapons.

**Brandavan Garden:** It is a tourist spot usually associated with Mysore sight seeing, but is actually situated in Mandya district. Garden beside Krishna Raja Sagar Dam is called Brindavan Garden. It contains sprawling lawns, terraced gardens and swirling fountains illuminated with colourful lights. The best part of the garden, is the ‘musical fountain’ which dances to the rhythm of soft music. The entire garden looks like a fairyland at night.

Numerous tourist places are found around Mysore. They are:

**Talakad:** It is an old city buried under the sands, situated on the left banks of the river Cauvery. The town has five Lingas which are worshipped once in twelve years.

**Somanathpur:** This place houses a 13th century temple famous for Hoysala architecture.
Nanjangud: An important pilgrim centre for Hindus, situated on the banks of river Kabini.

Shivana Samudra: Here river Cauvery separates into two parts, and thunders down 90 meters of rocky hill side. The Gaganachukki falls on the western branch of the river and the Barachukki falls on the east.

Srirangapatna: Once a capital city of Mysore province under Hyder Ali and Tipu’s rule, it is now a small town containing the remains of Lal Mahal, Tipu’s palace, Tipu’s summer palace, Dariya Daulat Bagh, Tippu’s Gumbaz and temples like Sri Ranganatha temple, Narasimha temple and Nimishamba temple.

Ranganathittu Bird Sanctuary: This sanctuary in Srirangapatna is a visual delight, especially between June and October where variety of birds gather on the small islands.

Bhimeswari: There is Cauvery fishing camp situated at Bhimeswari. A particular variety of fish called Mahseer is found in abundance in this region.

Bandipur Wild Life Sanctuary: It is situated on the Mysore-Ooty road. It has been brought under ‘Project Tiger’ since 1974.

Nagarhole Game Sanctuary: It is situated in the Nalikere forest region along the Kabini River. Wide variety of wild animals are found in this sanctuary.

The other three important tourist spots in the Southern Circuit are the temples at Belur and Halebid and monolith of Lord Gomateshwara. All the three tourist spots are situated in Hassan District.

Shravanabelagola

It is a Jain pilgrim centre. There are two hills Indragiri and Chandragiri. A monolith of Lord Gomateshwara, 18 meters high created by Chamundaraya, a general and minister of the Ganga King Rachamatta, around 983 A.D. is found on hill top of Indragiri. Mahmastakabhisheka festival held once in 12 years attracts lot of
devotees from all over the world. Opposite to Indragiri is the Chandragiri hill where some Jain temples and tomb of Chandragupta Maurya, famous patron of Jainism, can be seen.

Belur

This place is also called Southern Varanasi. Channakeshav Temple at Belur is known for its Hoysala style architecture. It was built by Hoysala king, Vishnuvardhana in 1117 A.D.

The temple houses various other deities viz., Veeranarayana, Soumyanayaki, Kappe Channegaraya and many other Gods. Soft black stones are used to carve the sculptures. Even the minuté details are carved on the walls of the temple, on the pillars inside the temple and on the ceilings. Once can witness the height of the architectural beauty in exotic bracket figures (Madanikas) on the walls of the temple. These are carved delicately with finest details.

Halebid

Halebid, formerly known as Dwarasamudra houses another Hoysala temple called “Hoysaleswara Temple”, famous for architecture and sculpture. The star shaped temple stands on a platform facing east with two doors and a door each towards north and south. There are two lingas inside the temple called “Hoysaleswara” and Shantaleshwara”. The temple is more known for the carvings on the exterior walls. Outside the temple there are two huge Nandis (Bulls), the mount of Shiva. There is a museum in the temple complex with 12-13th century sculptures and gold coins in use at that time.

3. COASTAL CIRCUIT

Tourists spots identified under Coastal Circuit fall in the two districts of Uttar Kannada and Dakshina Kannada. Wide range of tourist attractions are spotted along the Karavali coast and the bordering western ghats, like beaches, temples, churches, fort, waterfalls and wild life.
Coastal circuit includes important pilgrim centres like:

**Dharmastala:** Manjunatha temple here attracts thousands of pilgrims throughout the year. The town also has 39 sq.ft. monolith of Bahubali.

**Subramanya:** Nestled in the hills is the Subramanya temple where Lord Karthikeya is worshipped in the form of Cobra.

**Kollur:** A temple located at the foot hills of Kodachadri, where Goddess Mookambika is in the form of Jyothirlinga incorporating both Shiva and Shakthi.

**Udupi:** It is an upcoming town which houses the holy seat of Lord Krishna. It is also a pilgrim centre for Madhwa followers.

**Murudeshwar:** A famous Shiva temple perched on a hillock jutting into Arabian Sea. The Linga, inside the temple is believed to have erupted when Ravana flung the cloth covering the Atmalinga at Gokarna. It also has a beautiful beach.

**Gokarna:** It is called Dakshina Kashi. It is famous for the “Atmalinga” temple. The area also has beautiful beaches, which are off late, attracting foreign tourists.

Other tourists places in Coastal Circuit are:

**Karwar:** An important trade centre of the British, French, Portuguese and the Arabs. It has a natural harbour. Places of interest in this town are Sadhashivagad Hill fort with Durga temple, Dargah of Perrshah Shamsuddin Kharobat, Octagonal Church; the 300 year old Venkataramana temple with ocher paintings and Naganatha Temple. Kurmagad Island off Karwar Coast has an old fort and a Narashimha shine.

**Dandeli:** It is a picturesque town set against the backdrop of the Western Ghats. It has pleasant weather all through the year. Dandeli Game Santuary houses some rare species like the banking deer, sloth bear, panther, sambhar and gaur.
**Jog:** It is famous for the magnificent waterfalls. River Sharavathi flowing over a rocky bed takes a spectacular leap from a height of 292 meters in four parts called Raja, Rani, Rocket and Roarer.

**Agumbe:** It is a town situated on the Western Ghats on the way from Shimoga to Mangalore. It receives the highest rainfall in Karnataka, and has many scenic spots to offer. The main attraction is the sun set viewing point. Other attractions are Gopalakrishna Temple, a small waterfall nearby and the observatory maintained by the Metrological Survey of India.

**Maravanthe (Thrasi):** It is a beach and sunset point, situated along the high way from Mangalore to Bhatkal. The unique feature of this highway is that on the one side it has sea and other side, river Soupamika, with beautiful island covered by lush green vegetation and palm trees. A journey around the island reminds the beautiful backwaters of Kerala.

**Malpe:** Beach with endless stretch of golden sand with palm trees providing breath taking view of the land behind the beach. St. Mary's island is only a boat side away from Malpe, where one can see beautiful huge columns of basalt rock.

**Mangalore:** It is a district head quarters and a major port. It is amore a business and commercial centre. Places of interest in the city are Manjunath Temple dating back to 10th century, St. Aloysius college chapel with paintings of Moschemi, Mangala Devi Temple, Tippu Sultan's Jumma Masjid. The city has a popular beach called Uttal beach.

**4. HILL STATION CIRCUIT**

This circuit includes Hill stations viz., Madikeri, Kemmangundi, Kudremukh, Biligiriranga Hill, Nandi Hills and Sandur.
**MADIKERI**

Located in the Western Ghats is a small district called Coorg or Kodagu. Madikeri is the district headquarters of Coorg. The British called the land as Scotland of India. The entire district is known for its picturesque beauty. Madikeri, is situated at 1,525 meters above the sea level. Unspoilt beauty of the misty hills, green valleys, lush forests extensive coffee plantations and fresh air makes the whole area heavenly. The rolling hills around the city offer excellent trails of hikes. The attractions of the town are Madikeri fort, Golf course, Omkareshwara temple and Raja Seat where one can watch the spectacular sunset.

Other attractions around Madikeri are Abbey Falls, Bhagamandala where three rivers join, Talacauvery the source of the holy river Cauvery.

Irupu falls also called Laxmantheertha, Nagarhole Park, Harangi dam, Belagodu Jungle Camp and Nisargadhama a nice park with wooden and bamboo huts on a small isle covered with forests are the other tourists attractions of Kodagu.

**KEMMANGUNDI**

It is a small hill station located about 60 km from Chickmaglur. About 250 acres of land, on top of the hill has been developed into a garden by horticulture department. Tehh ill top provides a beautiful view of the surrounding hills and valleys. Tourist attractions at Kemmangundi are horticulture garden, Rose garden, Rock garden, Sunset point at Raj Bhavan Guest house area, Z point being the end of Baba-budan-Giri range offers beautiful scenic view of the surrounding hills and valleys, Shanthi falls - a small water falls, Kalathi falls and Hebbe falls.
NANDI HILLS

It is located about 60 km from Bangalore. It is a green hill top located on top of a large rocky hill. It is located at a height of 4,850 feet above the sea level. The area at the hill top is about 90 acres and is under the control of Horticulture department. This small hill station was one of the summer retreats of Tippu Sultan of Mysore. Tippu’s drop, a 2,000 feet high cliff, offers a magnificent view of the surrounding area.

BILIGIRIRANGA HILL

It is situated in Mysore district. It is about 1,280 meters above the sea level. The hill top offers picturesque view of the green valleys and forests.

The other two hill stations Sandur and Kudremukh cannot be developed and promoted as hill stations because of the mining activities in these areas.

5. WILD LIFE CIRCUIT

Bandipur, Bheemeshwari, Ranganathittu, Biligirirangana Hills, Kabini, Karapur and Nagarhole are the areas identified under wild life circuit.

BANDIPUR

Nestling some very rare animals and birds, Bandipur National Park is one of the most fascinating wildlife centres. It is situated in Mysore district in the foothills of Nilgiris. It was established in 1931 by the Mysore Mahrajahs. Because of its flora and fauna, it was chosen as a centre for “Project Tiger”. The other animals found in the park are peafowl, patridge, quail, hornbill, giant squirrel, elephant, sambar and barking deer.

Tourists are taken into forest by minibuses and on elephant backs.
BILIGIRIRANGA HILLS

The forest in this area is a wildlife paradise. Gaur, cheetah, sambar, bear, elephant, panther and tiger are some of the animals found in the forest.

NAGARHOLE

It is a national park located in Kodagu and Mysore districts. It has derived its name from Kannada, “Naga” meaning Cobra and ‘hole” referring to streams. It is a delightful spot with collection of wildlife like four horned antelope, panther, warbler, horn bill, deer, pangolin, panther, gaur and many more.

KABINI

Kabini was once the hunting lodge of erstwhile Mysore Maharajas. It is situated in the Karapur forest. It is an ideal tourist spot for adventure. Surrounding view from Kabini river lodge is absolutely breath taking with bright pools, thick forests and animals roaming free. Some of the animals found in this area are-elephant, antelope and tigers.

BHADRA WILDLIFE SANCTUARY

This sanctuary is situated in Chickmagalur and Shimoga districts. It is one of the most fascinating sanctuaries sheltering some exquisite flora and fauna. Some of the animals found in this sanctuary are Indian gaur, barking deer, flying fox, babbler, mongoose, elephant, panther, macaque and barbet.

BHIMESHWARI

Bhimeswari is situated in Mandya district between Shivanasamudra and Mekedatu. The area is covered by forest, steep valleys and scattered little streams, variety of animals and birds are found here. A fishing camp is located on the banks of river Cauvery. The river is a natural habitat for Mahseer fish – the finest game fish, weighing 100 lbs, which can fight like a tiger.
RANGANATHITTU BIRD SANCTUARY

It is a bird sanctuary located in Srirangapattana. Tourists are taken in boats to see flocks of birds gathered on tiny islands. Tourists can also see birds which have migrated from Siberia, Australia and North America during seasons. This is an ideal spot for bird watching, boating or to take a walk and enjoy the surrounding nature.

Apart from the above important tourist places, there are many other places in the state like Chitradurga fort, Yaana rocks, Kodachadri hills and Kumaraparvath hills and numerous waterfalls and temples worth seeing. DoT has to take effort in developing and bringing these places to the tourism circuit.

1:20 GOVERNMENT OF INDIA'S PROPOSAL TO STATE GOVERNMENTS ON TOURISM MARKETING STRATEGIES

Government of India has proposed to the state government that it should establish at least one hotel management institute in each of the major tourist centres.

Under market strategy incorporated in the master plan, it is proposed to market tourist destinations in Karnataka at two levels:

a) Marketing for domestic tourists.

b) Marketing for foreign tourists.

The marketing program should be developed to fulfill the following objectives:

1. Increase the average duration of stay of foreign tourism from 1.5 days to 4 days.

2. Sustain the growth of domestic tourists at an annual growth rate of seven percent.

3. Provide avenues for expenditure so that the average expenditure of a foreign tourist is increased to Rs.600 per day and to Rs.100 per day for a domestic tourist.
Sales promotion activities identified in the master plan are in the form of familiarization tours for personnel from DoT and foreign travels agents; selective promotion by travel agents, DoT, KSTDC and private hotel chains; organizing cultural fairs and festivals, printing brochures, maps and pamphlets in various international languages; preparation of video time and participating in exhibition, fairs and festivals abroad.

The period of implementation of master plan is indicated as five years, with the proposition that the duration could be decreased if funds are made available. In pursuance to the Government of India's proposal on marketing of tourism products, the Government of Karnataka through its Department of Tourism had taken rigorous effort in implementing the policy of the union government, not withstanding the constraints.

In addition to DoT, KSTDC, a wholly owned state government undertaking is also engaged in promotion of tourism. Specifically, the Corporation is engaged in the provision of:

1. Developing Tourism Destinations in Karnataka
2. Accommodation
3. Transportation

The Corporation was established in the year 1971. It has 28 hotels and restaurants and adequate number of buses. The corporation has identified certain hotels and restaurants, which could be leased out to the private sector. With the existing fleet of buses, the Corporation caters to about 750 tourists every day.

Apart from KSTDC many private tour operators conduct package tours to various tourist spots in Karnataka.

The single window agency set up in DoT in May 1994, which is functioning as an empowered committee for speedy clearance of mega tourism projects has so far cleared 56 projects worth Rs.752.11
crores. Though work has commenced on most of these projects, only eight of them have been completed.

Karnataka, which has everything to offer for a tourist except snow and desert, has traditionally attracted both domestic and foreign tourists to some extent. According to the study conducted by the Technical Consultancy Services Organization of Karnataka (TECSOK), 10 per cent of the foreign tourists who visit India, visit Karnataka. About five lakhs foreign tourists and 5 crore domestic tourists visit the state every year. Table 3.1. gives number of domestic and foreign tourists who visited various tourists tourist spots in Karnataka for the years 2002-03, 2003-04 and 2004-05 between April and March. A committee under the chairmanship of commissioner and secretary to the Government, Department of Tourism was established to consider the implementation of various tourism projects. The chairman was assisted by Secretaries of finance, industry and transport as members. The Director of Tourism was made as member secretary of the committee. Besides, the commissioner of commercial tax, chairman and managing director of KSIIDC and directors of Municipal administrations were also included as members to steer up the various projects. The details are given in chart 3.1.

| Chart 1.3 |
| State Level committee for the implementation of the package of incentives and concession to the tourism industry in Karnataka |
| 1. Commissioner and Secretary to the Government Information, Tourism and Youth Services Dept. | Chairman |
| 2. Finance Commissioner Secretary | Member |
| 3. Secretary to Government, Industries Department | Member |
| 4. Secretary to Government, Transport Department | Member |
| 5. Commissioner for Commercial Tax | Member |
| 6. Chairman and Managing Director, KSIIDC | Member |
| 7. Director, Municipal Administration | Member |
| 8. Director of Tourism | Member Secretary |
This committee will only consider tourism projects with investments of Rs.50 lakh and more. The Department level Sub-Committee is responsible for the implementation of Package of incentives and concessions to the tourism industry.

**Chart - 1.**
DEPARTMENTAL LEVEL SUB-COMMITTEE FOR THE IMPLEMENTATION OF PACKAGE OF INCENTIVES AND CONCESSIONS TO THE TOURISM INDUSTRY

<table>
<thead>
<tr>
<th>1. Commissioner of Tourism</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Director of Industries and Commerce</td>
<td>Member</td>
</tr>
<tr>
<td>3. Director, Municipal Administration</td>
<td>Member</td>
</tr>
<tr>
<td>4. Managing Director KSFC</td>
<td>Member</td>
</tr>
<tr>
<td>5. Additional Secretary, Finance</td>
<td>Member</td>
</tr>
<tr>
<td>6. Additional Commissioner Commercial Tax Department</td>
<td>Member</td>
</tr>
<tr>
<td>7. Deputy Secretary, Transport</td>
<td>Member</td>
</tr>
<tr>
<td>8. Deputy Director of Tourism</td>
<td>Member Secretary</td>
</tr>
</tbody>
</table>

This Committee will consider tourism projects involving an investment of up to Rs.50 Lakhs only and work under the overall guidance of the state level committee.

This package shall be applicable only to units recognized by the state department of tourism. The norms and criteria for according recognition to tourism related activities shall be finalized and announced by the department of tourism.
1:21 TOURISM POLICY- 2002-2007, GOVERNMENT OF KARNATAKA

OBJECTIVES

1. Encourage private participation of the development of infrastructural facilities.
2. Promotion of eco-tourism with the intention of enabling tourists to appreciate the flora and fauna of the state.
3. Promotion of tourism-related activities.
4. Development of travel circuits and diversification of tourists attractions with a view to increase tourists arrival into the State.
5. Creation of new tourism products that meet global standards of quality.
6. Fully tap the tourism potential of the state.
7. Promotion and marketing of Karnataka's tourism products in national and international markets.
8. Promotion of adventure sports/entertainment activities and highway tourism.

INCENTIVES AND CONCESSIONS

To encourage private sector participation in all the tourism related activities in the state, the following incentives and concessions are offered in the policy period.

1. All concessions offered under the Industrial policy of the state (2002-07) are made available for private investment in the tourism sector.
2. Luxury Tax to be charged only on room tariff above Rs. 400 (Rupee Four Hundred) and to be charged only on actual tariff paid. A cap of 10% to be placed on it.
3. Additional state exercise duty of 66% on imported liquor to be reduced to 25% or levied on basis rate.
4. Motor vehicle tax levied on tourist vehicle plying between states to be rationalized on a reciprocal basis.

5. Waiver of conversion fee

6. Entry tax exemption during implementation of project for a period of three years.

7. Entertainment tax exemption of 100% for first three years and 75% for next two years for I-Max theaters only.

8. Government land will be offered at 50% of its market value to be entrepreneur.

1:22 THRUST AREAS – IDENTIFIED FOR SPECIAL TOURISM DEVELOPMENT

To augment the growth and promotion of tourism industry in Karnataka, the Government identified thrust areas to attract tourist population from India and abroad. Accordingly, the DoT envisaged vision plan in tune with tourism policy of Government of Karnataka 2002 – 2007. The details are as follows:-

a) Development of Northern Tourist Circuit (Badami – Aihole- Pattadakal – Mahakoota) at an estimated cost of Rs. 800 lakhs with the assistance of Ministry of Tourism, Government of India.

b) Development of Southern Tourist Circuit (Belur- halebid- Shravanabelagola- Melukote) at an estimated cost of Rs. 798.50 lakh with the assistance of Ministry of Tourism, Government of India.

c) Development of Chitradurga Fort at an estimated cost of Rs. 353.00 lakh with the assistance of Ministry of Tourism, Government of India.
d) Development of Tourism Infrastructure facilities in and around Shravanabelagola in view of Mahamastakabhisheka (February, 2006) scheduled in February 2006 and to give wide publicity to attract maximum number of domestic as well as International tourists.

e) Development of 9 Tourist Circuits and improvement of infrastructure around the destination.

- The Coastal Circuit
- The Maidan Circuit
- The Bijapur Circuit
- The Mercara Circuit
- The Malnad Circuit
- The Southern Circuit –I
- The Southern Circuit – II
- The Hassan Circuit
- The Belgaum Circuit

The Department of Tourism of the State has in the pipeline the concept called "palace on wheels" on the lines of Rajasthan Tourism. The two circuit identified under the scheme are: 1) Bangalore – Belur-Halebidu and 2) Bangalore – Goa.

Further, the other thrust areas are to be developed are – Agumbe, Hebbe Falls, Kallatagiri Falls in Kemmangundi Region, Mullaianagiri near Baba Budangiri, Magod falls near Sirsi and Gokak falls.
**1:23 TOURISTS ARRIVAL STATISTICS**

The following are the data on the tourists arrival both in the category of domestic and international for the years 2003, 2004 and 2005.

**Table 1.4.**

DOMESTIC AND INTERNATIONAL TOURIST ARRIVAL INTO KARNATAKA

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourists</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Domestic</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Number</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Number</strong></td>
<td><strong>Percent</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Number</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Number</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Number</strong></td>
<td><strong>Percent</strong></td>
<td></td>
</tr>
<tr>
<td>2002-03 (Base Year)</td>
<td>1,11,75,292</td>
<td>100.00</td>
<td>2,52,000</td>
<td>100.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003-04</td>
<td>2,11,59,704</td>
<td>189.34</td>
<td>5,30,000</td>
<td>210.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004-05</td>
<td>2,52,09,913</td>
<td>225.59</td>
<td>6,00,299</td>
<td>238.21</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DOMESTIC AND INTERNATIONAL TOURIST ARRIVAL INTO KARNATAKA

![Graph showing tourist arrival statistics](image-url)
There was a phenomenal increase in the tourist arrival to the State of Karnataka from the domestic and international segments. During the year 2003-04, the percentage increase in the domestic tourist arrival went up to 189.34 percent (Base Year 2002-03) and 210.32 percent in respect of international tourist arrivals. In the year 2004-05 the percentage raise were 225.59 percent and 238.21 percent in the domestic and international category respectively.