CHAPTER 2 REVIEW OF LITERATURE

2.1 INTRODUCTION

Travel and Tourism sector is an important economic activity in most countries around the world. Tourism development is gaining more significance globally. In India, the growth of the tourism sector is tremendous. In India Tourism is a vital and blooming sector in the country. It contributes nearly one-third of the foreign exchange earnings of India and also provides employment to the highest number when compared to other sectors. Tamil Nadu covers an area of 130,058 km$^2$ (50,216 sq mi), and is the 11th largest state in India. The bordering states are Kerala to the west, Karnataka to the North West and Andhra Pradesh to the north. To the east are the Bay of Bengal and the union territory of Puducherry. The southernmost tip of the Indian Peninsula, the town of Kanyakumari, is located in Tamil Nadu. This point is the point where the Arabian Sea, the Bay of Bengal, and the Indian Ocean meet.

The Tourism sector of Tamil Nadu is the second largest in India, with an annual growth rate of 16%. Tamil Nadu is a land of magnificent timeless temples that remain intact showcasing the marvel and glory of the Dravidian culture, art, architecture and spiritual values. Thirty temples in India have been declared as United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites, out of this five are in Tamil Nadu alone. Tamil Nadu is a tourist destination for people from different religious beliefs, and each person gets to see their places of interest. It has lush green mountains, luxuriant vegetations, beautiful beaches, ancient monuments, magnificent wildlife, brilliant sculptures.
and reverberating rural life. As Tamil Nadu has a unique culture and abundant tourism potential, tourists visit all the spots situated across the country throughout the year.

Tourism sector is unorganized and it comprises of many Small–Medium Tourism Establishments (SMTEs). In this nexus, entrepreneurship is gaining importance in tourism development. An effort is made here to review the available literature regarding the tourism industry, entrepreneurship in tourism industry and more particularly about entrepreneurial aspects of tourism industry in order to assess the studies undertaken earlier.

2.2 ENTREPRENEURSHIP THEORIES

Entrepreneurship has emerged over a period of more than two centuries. There are various opinions on the emergence of entrepreneurship. With an advance in science and technology, it has undergone transformation and has emerged as a critical input for socioeconomic development. A number of theories have been given by scholars to elucidate the broad field of entrepreneurship. All these theories have originated from sociology, economics, psychology and anthropology and from the field of management.

2.2.1 Sociological Theories

Thornton (1999) stated that Weber’s (1904) research illustrated how religious doctrine provided the cultural process needed to shape the economic behaviour of individuals in ways that, in aggregate, led to the rise of capitalism. Weber’s metatheory catalysed the supply-side perspective and led psychologists to develop research programmes on culture and personality as the ushers of entrepreneurship (McClelland, 1961).

Dakle (2012) studied that Hagan put forth the view that psychological consequences of social changes are responsible for nurturing entrepreneurship qualities among those subjected to the social changes. According to him many social groups experience a radical loss of status at some point of time. When this happens, it responds to such a loss in the following five ways, which he
categorized as the response patterns, viz.: (i) retreatism, (ii) situationalism, (iii) innovation, (iv) reformism and (v) rebellion.

Corcharan opines that an entrepreneur is a person who represents the society’s personality. His activity always depends on his or her own attitude towards his/her occupation. Society’s values are the most important determinant of these attitudes.

2.2.2 Economic Theories

Landstrom (2005) found that the crucial roles of the entrepreneur in economic theory were first and foremost recognized by Richard Cantillon (1755, 1931) early in the 18th century, who became the progenitor of the ideas that subsequent economists explored. Cantillon recognized that discrepancies between demand and supply in a market create opportunities for buying things at lower price and selling at a higher price and that this sort of arbitrage would bring equilibrium in competitive market. People who took advantage of these unrealized profit opportunities were called “entrepreneurs”.

Mirjam Van Praag (1999) state that the entrepreneur acts as a coordinator of both the at the market and at firm levels. He is the leader and manager as well in his own firm. In order to be a successful entrepreneur a rare combination of qualities and experiences are required. Therefore this study concludes that competitors are limited in this field.

Reisman (2004) stated that “Schumpeter” means “entrepreneurship”. Schumpeter, and later Frank Knight, succeeded in infusing life to the entrepreneur (Baumol 1968), who had remained as an invisible man to economists for many decades. Schumpeter has strongly contributed to the understanding of entrepreneurship, mainly from a development economics lens. With his book, Theory of Economic Development (1911, 1934), he unveiled his concept of the entrepreneur against the backdrop of economic development, defending that development is a dynamic process that involves the disturbing of the economic status quo, hence attributing to the entrepreneur the responsibility for disturbing the equilibrium.
Mises (1949) states that the entrepreneur looks at the opportunities for profit and make use of it to bring the market back with equilibrium by promoting and not necessarily by innovation, ownership or risk.

2.2.3 Psychological Theory

Pittaway and Freeman (2011) studied that Personality theory began to provide contributions to the subject of entrepreneurship in the early 1960s. It is considered to have started with the work of McClelland (1955), who used the concept of “achievement motive” to describe the behaviour of entrepreneurs. Most of the earlier personality theories are described as a single trait theory because theorists sought to identify a single trait and link it to a greater propensity to be a successful entrepreneur.

Hoyos and Braun (2010) observed that the goal of any entrepreneur is innovation. Innovation is the specific instrument of entrepreneurship. Innovation is not only the goal of the entrepreneur, but also the instrument through which he/she exploits change. The entrepreneur is the agent who fulfils the social role of innovator by developing new markets and new businesses in the search for profits. The deliberation process helps us understand how human action can be carried out and to estimate the final outcome of a particular action.

2.2.4 Anthropology Theory

Simpeh (2011) found that the fourth theory, anthropology is a study of origin, development, customs and beliefs and culture of the people in a community. The social and cultural factors must be considered when someone wanted to be successful to initiate a venture into this field. Usually the venture is created by the influence of one’s culture. The culture reflects the ethnic, social, economical, ecological and complexities in individuals.

The literature review mainly focuses on the important concepts related to the creation of entrepreneurship in tourism sector. These are classified as following:

(i) Tourism Development Strategy
   a) Tourism Planning
(ii) Economic Benefits of Tourism
   a) Social Benefits of Tourism
   b) Classification of Tourism
   c) Tourism Entrepreneurship
   d) Finance for Tourism
   e) Tourism Marketing
   f) Constraints of Tourism Entrepreneurs

2.3 TOURISM DEVELOPMENT STRATEGY

Wang et al. (2006) found that Indianapolis has got lot of attention with regard to public investment and policy. In the study two objectives were proposed (a) retest the 35-question survey administered to Indianapolis residents in 2004 and 2005, and (b) utilize a number of statistical techniques, including central tendency measures, t-tests, and two-way ANOVA to compare the quality-of-life index scores for each dimension and measure changes from 2004 to 2005 in residents’ perceptions about cultural tourism development in Indianapolis. These objectives were framed to improve the quality of life for Indianapolis residents and enhance visitors experience by capitalising on cultural amenities.

Hjalager (2007) studied that globalization has an impact on tourism sector. This study differentiates four stages and different expression of the globalization effect on the sector. Outsourcing, transnational ownership and investments, cross-border marketing collaborations, technology transfer and free movement of labour are highly relevant for the modernization of tourism sector. In this process, some segments of the travel industry benefit while some segments face competition. In this situation, there is a need to address the political benefits of globalization in a more detailed manner to develop new tourism policy models accordingly. These new policies should proactively embrace the potentials of globalization of the tourism sector.

Hawkins and Mann (2007) states that past forty years the tourism development strategies for the developing economies are given importance by the World Bank. This study brings out the experience from the year 1966 to present
day. With increase in demand for tourism services, the role in fulfilment of the United Nations Millennium Development Goals can be achieved. This research stresses the importance of inclusive growth, where in it will benefit the society at large. This research analyses the role and approach of the World Bank towards tourism development. This study focuses on tourism and development, tourism and the World Bank.

2.4 TOURISM PLANNING

Potts and Harrill (1998) stated that community tourism planning targets to unite the themes of social development and ecological sustainability. This study contends that tourism planning should help to create equitable, sustainable communities resilient enough to survive in a huge volatile international environment. Although it will be difficult to achieve community sustainability when confronted with international economics and politics, planners at all levels must recognize the tensions between the tourism industry as a primary player in the global economy and the desire for communities to cultivate tourism as an enriching experience and a source of meaningful work. On the basis of theoretical and practical considerations, we term this approach as travel ecology and provide six broad principles to guide tourism planners working for local, regional, national and international communities, the six principles are discovery, mutuality, locality, historicity, potentiality, and enhancement.

Mitchell and Reid (2001) studied the addition of community in tourism, tourism integration framework description, integration. Tourism impacts and management in the Andean community of Taquile Island, Peru. An outline of society incorporation in tourism was developed and applied to this community in a case study approach. It is framed in such a way help guide planning, development, management, research and evaluation of community-based tourism projects. Incorporation of community in tourism is primarily defined in terms of decision-making power structures and processes, local control or ownership, type and distribution of employment, and the number of local people employed in the local tourism sector. Various tourism businesses were selected for financial
analysis and additional information was obtained from census reports, visitor records and relevant literatures. The study found that a high level of community integration on Taquile Island led to greater socioeconomic benefits for a majority of residents.

Raj and Morpeth (2006) researched to get better knowledge of the community based festivals and events. Qualitative data were collected and analysed. The findings of the study state that local events and festivals have a huge potential for tourism development in United Kingdom and play a constructive role in destination development.

Wu (2007) found in his review that the whole tourism planning theories can be divided into three layers namely theoretical foundations, fundamental theories and application theories. Comprehending tourism planning theories will be useful in developing and perfecting the process of tourism planning. During the planning stages of domestic tourism industry if it is done properly this will lead to generation of new ideas in every aspect of tourism. This will result in all travel agencies and tour operators to contribute their ideas for tourism development. However there is very minimal research done on tourism planning.

2.5 ECONOMIC BENEFITS OF TOURISM

Henderson (2006) conducted a study on Middle East tourism. This region attracts lesser number of tourists when compared with other regions of the world. The reason behind this is a political events created tensions and uncertainties often in the recent past which discourage the investor as well. Also barriers related to poor accessibility, lack of conventional attractions and limited promotional work. Inspite of this unfavourable situation’s, international tourism is adopted by the Dubai tourism authorities as a key element of economic diversification. They worked out a marketing strategy to do with expensive tourism facilities and huge investments. These developments lead to excellent growth in tourism sector of Dubai.
2.6 SOCIAL BENEFITS OF TOURISM

Kannan and Vijayakumar (2012) pointed out that tourism sector is helping in the improvement of the socioeconomic conditions of the tour and travel operators, hoteliers, guide and other dependents. They focused on the strategies adopted by the state government in marketing of tourism products in its New Policy on Tourism 2009–2014. To know the marketing skills and strategies adopted in the policy, the study was carried out in the year of implementation of new tourism policy in the financial year 2009–2010. The study was purely based on Secondary Data obtained from the publications of Ministry of Tourism, Government of India and Government of Tamil Nadu. The data were also collected from various studies/research works already published in journals and books. In order to give new look to the Tamil Nadu tourism industry, a new tourism policy was approved by the government in 2010–2011, which helps to provide full potential employment and increase revenues of the economy. It is understood that the new policy should avoid the drawbacks of early tourism policy and it should create new opportunities, above all it should be friendly and risk free.

Himanshu et al. (2011) investigated the relationship between tourism development and the economic growth in India from the year 1978 to 2009. In this study annual data on Real Gross Domestic Product (RGDP) was used; this measures the complete economic growth of the country and Tourism Foreign Exchange Earnings (TFEE) and Foreign Tourist Arrivals (FTA). This time series analysis provides the evidence of causal relationship between tourism activities and the economic growth of the nation. Hence it is suggested that the government of India and the respective State governments and private tourism organisations should work together to achieve sustainable tourism growth.

Akama and Kieti (2007) using the case of Mombassa Resort town studied the issues related to sustainable tourism development. The study highlighted that this approach to be used as a tool for socioeconomic development in Kenya. The data for the study was collected from local residents and tourists who visit this destination. Cluster sampling was adopted for selecting the sampling units and
later convenience sampling was adopted to choose respondents from each unit. The findings of the study stated that there is very high leakage of Profits in Kenyan tourism. This is mainly due to external management control of tourism organisations in this destination.

Ramukumba *et al.* (2012) found that promotion of tourism in South Africa, has been focussed towards economic growth, community development and poverty alleviation. This clearly indicates that tourism is an important option for development in the post-apartheid in South Africa. Tourism sector is a multi-sectoral, the growth of which can be pro-poor in economic growth. The study found that tourism sector is contributing positively from the socio economic point of tourism entrepreneurs.

### 2.7 CLASSIFICATION OF TOURISM

#### 2.7.1 Leisure Tourism

Lindstrom (2009) researched the decisions of Swedish government policies with regard to leisure tourism from the year 1962 to 2005. The study clarified the areas needed to be considered important with respect to free time and leisure. The study contributes to knowledge that has been expressed by authorities regarding leisure tourism. The findings of the study indicate that there is a lot of potential for leisure tourism.

Erkip (2009) states that leisure has been dominated by western examples until recently. Some recent accounts of non-western cases provide a different and richer context for understanding leisure. This study is an attempt to reveal the nature and development of leisure in the Turkish context. The research was carried out in Ankara, the capital city of Turkey, for 3 months in 2007, using mixed methods including a time-diary and interviews. Another important feature of this study is the sampling through location, which we believe represents different segments of the Ankara citizenry more accurately than other sampling methods as the city is spatially segmented. As the main aim was to collect qualitative data, quota and snowball sampling methods were used. In total, 58 people from five different settlements participated in the survey. In addition, focus
groups were held in two settlements: a squatter settlement and a block of suburban apartments. Recreation involving the arts, music and sport appears to be an under-developed aspect of leisure in present day Turkey. The findings of recent research on time used by Turkish people are also presented with a particular focus on leisure patterns. The results indicate that leisure patterns vary along with settlement type and socio demographic characteristics.

2.7.2 Medical Tourism

Khan (2010) conducted a study on medical tourism. The purpose of the study was to find out whether the growth in medical tourism will lead to the outsourcing of USA health care services in the long run or not. In addition to regular routine care, people seek innovative or alternative medical treatments when they travel abroad. One example of alternative treatment is India’s “wellness Tourism”, which includes yoga, spa and Ayurveda based on a system and philosophy of ancient Indian health treatment. The findings reveal that as long as people in developed countries lack affordable health care, medical tourism will continuously grow. If United States of America maintains its status quo, it is highly possible that health care services may also be outsourced.

Dawn and Pal (2011) found that medical tourism is becoming a popular option for tourists across the globe. It primarily includes biomedical procedures, combined with travel and tourism. The term medical tourism has been coined by tourism entrepreneurs and mass media to describe growing practice of travelling abroad to obtain hi-tech medical care. Countries like India, Thailand, Malaysia, etc. are aggressively promoting medical tourism. The key advantages of India in medical tourism stem from low cost, strong reputation in advanced health care segment with the diversity of tourist destinations available across the country. The key issues facing the medical tourism is the absence of government initiative, lack of coordinated effort to promote medical tourism, no accreditation mechanism for hospitals and the lack of uniform pricing policies and standards across hospitals. This study focused on the important issues and opportunities possessed by Indian medical tourism industry, and enable to overcome its barrier on upgrading its
medical services. Finally, this study analysed and concluded the main reasons why developing country like India attracts foreign tourists for medical treatment.

2.7.3 Pilgrimage Tourism

Shinde (2011) states that religious tourism industry in India brings together religion, religious practices and tourism. Increasingly, adjectives such as “booming”, “lucrative”, “high-growth” and “resilient” are being used to refer religious mobility in the country. A domestic tourism survey conducted by the Indian Ministry of Tourism in 2002 reported that more than 100 million visitors travelled for “religious purposes and pilgrimages” and eight of the top-ten ranking domestic tourist destinations were pilgrimage sites. This is a recent survey taken by UNWTO which suggests, there is a dramatic increase in these figures. This study draws attention to the structural differences between different segments within the industry including obligatory religious travel (ritualistic), pilgrimage, spiritual tourism, heritage tourism, and festival tourism by examining aspects such as products offered, services required, major driving forces, organizers and managers and modes of operation. These differences are explained by focusing on devotion-based informal religious activities that are central to religious tourism destinations. While highlighting the prospects in the promotion of the industry and benefits accrued from it, the study also addresses the challenges in urban planning and management posed by the confluence of religious practices, economics and tourism in religious tourism.

Vijayanand (2012) pointed out in the beginning of this century that tourism was turning into a business, although it slackened in the first-half of the century, owing to two world wars. After this phase, travel motivations increased based on the needs of the people, Pilgrimage tourism created new habits and different behaviour as well as different conception of time. This study assumed that pilgrimage tourism is a manifestation of the increasing acceptance of individuated formations of personal identity, evolution of pilgrimage tourism and the roles of pilgrimage tourism is a way to explore concepts of truth, mortality, and belief that are typically either ignored or not accepted. Furthermore, insight can be gained by observing the places visited by pilgrimage tourists. In order to identify the
purchasing behaviour, there is a need to build a typology of pilgrimage tourists. The data for the study were collected from the host population who are engaged in pilgrimage tourism activities. The extent of involvement of pilgrimage tourist in this tourism in Tamil Nadu is explained in this study.

Jesurajan and Prabhu (2012) stated that tourism is a fast growing industry which has vast potential to enhance national income, foreign exchange reserves and opportunities of employment. The quantum of economic benefits obtained from tourism sector attracted many countries to actively promote this sector. The world tourism organization has recognized the potential of tourism sector for the purpose of poverty alleviation and increasing employment opportunities. Many developing countries are focusing on strategic tourism development. The objective of their research was to study the satisfaction level of tourist and determinants of spiritual tourism and the problems faced by tourists in Tuticorin district in Tamil Nadu. In all, 150 tourists were studied and convenient sampling technique was adopted. Simple percentage analysis, $\chi^2$-test and Garret ranking technique have been employed for the purpose of analysing the data. The major findings regarding the problems faced by the tourists include: pollution and lack of cleanliness, beggars nuisance, lack of sanitary facility and exploitation by taxi and vehicle operators. This study will be relevant and significant to the present Indian scenario.

2.7.4 Heritage Tourism

Joshi (2012) observed that 21st century will be a century of globalization. It causes substantive threat to cultural globalization as the economy status is poor. Therefore, it is fundamental for every community to identify and maintain its own characteristic features that reflect diversity and identity of the place. The scope of this study is limited to elaborate the strategies and steps for sustainable heritage tourism for heritage preservation and sustainable regional development. This study includes published articles, magazines, newspapers, government documents, books, reports and websites related to tourism development. Tourism is considered as a positive force for the preservation of nature and culture; its contributions should bring benefits for the host community and provide its
members with significant resources and incentives to look after and maintain their heritage. While thinking about the regional development the principle of sustainability is most important. Cultural—Heritage resources will play a significant role in sustainable cultural, social, economic development of communities. Hence the physical fabric, that has influenced their creation, has also to be maintained.

2.7.5 Adventure Tourism

Tshipala and Coetzee (2012) determined that adventure tourism activities are based in natural and rugged outdoor locations and participants interact with their environment. The purposive sampling was used at the villages and government departments responsible for tourism and the environment in the Thathe Vondo area. The research is quantitative and qualitative in nature as the researcher interviewed all locals in person in order to complete the questionnaire due to language problems. Many of the respondents in government sector completed the questionnaire themselves. A survey on demographics, knowledge/interest of the locals on adventure tourism and; perceptions of adventure tourism development from the locals in Thathe Vondo was conducted. A total number of 59 questionnaires administered in Thathe Vondo and also in government departments in the area for data collection. A statistical analysis of data was conducted using SPSS. This was to propose to Thathe Vondo and its adventure market.

2.7.6 Sports Tourism

Hritz and Ross (2010) found that Sports tourism is one of the fastest growing market segments in the tourism industry and is receiving increased attention for its social, environmental and economic impacts on destinations. The past research works on tourism focused only on tourism as a whole and did not differentiate among the various types of tourism. This study was conducted to examine how the residents of Indianapolis, Indiana perceived the impacts of sports tourism on their city. A total of 347 surveys were conducted. Exploratory factor analysis revealed a four factor structure of social benefits, environmental benefits, economic benefits and general negative impacts. Social and economic
benefits were found strong predictors for support for development of sports tourism in their city. The findings of the study have both theoretical and applied implications in the tourism sector. Overall the theoretical implications for the social exchange theory were supported in the findings for this study.

Naghiloo et al. (2011) analysed the link between two sectors of tourism and sports and this has led to a new type of tourism, known as sports tourism. This tourism is used by people around the world; thereby some countries have promoted this as this contributes to the gross domestic product of the country. The objective of this research was to study the factors of sports tourism development in East Azerbaijan Province. The research design method used was field descriptive, using a questionnaire with acceptable validity and reliability (95% CI for Cronbach’s alpha). The statistical population and sample of this research include those involved in sports and tourism as well as active tourism centres of the province, totalling 190 subjects of whom 127 subjects were chosen as a random sample according to Morgan’s table. In order to analyse the data after Bartlett and KMO tests were performed and in order to determine sample sufficiency and suitability of factor analysis, we used exploratory data analysis. The findings of the present research are generally consistent with the past researches of different researchers. It appears that most of the mentioned factors are considered significant in any region, yet the order of their significance and priority differs with regards to properties and potentials of each region. The results showed that the following factors play a role in the development of sports tourism of East Azerbaijan Province, ordered according to importance based on factor loadings.

2.7.7 Eco-tourism

Chaudhry (2006) found that Eco-tourism with all its inherent benefits in a wider perspective is catching the attention of policy makers and planners all over the world. It is a much talked and debated issue in view of its long-term benefits on the one hand and on the other for its slow acceptance by sellers and buyers because of increased initial costs. While all concerned parties have understood that it has to be accepted for good sooner or later yet the details of standards of
environmental control are yet to be fixed. With increasing integration of world economies it is important that a uniform system of environmental standards be adopted along with giving leverage for local differences. India is one of the first countries in the world to adopt environment as part of its constitution and has a well-framed legislation in place but the adoption of top class environmental standards over and above mandatory ones is not forthcoming. While globally voluntary certification for environmental norms is catching and India is lagging behind. This study presents the background of eco-certification—need and importance, different certification systems, important issues involved in the implementation of these systems, environmental awareness in India and the accepted eco-certifications by its tourism industry.

Boora (2005) examined that Eco-tourism implies the opening of natural reserved areas like biosphere reserves, national parks and sanctuaries for tourism. The use of reserved areas by the tourists, the entrepreneurs, the government and the host community, the major agencies or stakeholders in eco-tourism has generated multiple effects are the main focus of this study. The present study also examines the sustainability in terms of the relationship existing between all the stakeholders and postulates that maintenance of a balance in the relationship is essential to attain sustainability. Eco-tourism in India is gradually attracted the attention of tourists. Whether India has enough potential in eco-tourism to cater to the interests of the tourists, the entrepreneurs and the government feel that the sustainability does not appear in the agendas of these agencies. Environmental laws which can be one of the most effective tools to implement sustainability. Inadequate provisions to establish the coordination among the stakeholders will not help to reach the desired goal and objectives to sustain the eco-tourism.

Vij (2006) stated that Eco-tourism refers to a broad range of recreational activities occurring within the context of a natural environment. An emerging consensus is that eco-tourism has identifiable niche markets, each with a unique set of characteristics. Such niche markets of eco-tourism may be differentiated on the basis of extrinsic and intrinsic motives, environmental attitudes, social motives, demographics, economics, social constraints, environmental impacts,
travel profile development, business cycle, use levels, key management issues and market opportunities. Understanding the differences among such markets and parameters to be implemented for differentiating one market from another is highly sought area for the contemporary tourism marketers. The present study is an effort to find out demographics, and behavioural characteristics of the foreign tourists visiting India with an aim of touring, staying, and indulging in activities that are related to eco-tourism. It is aiming at to suggest a few concrete recommendations in the area of eco-tourism to the tourism practitioners and the public sector.

2.7.8 Visiting Friends and Relatives (VFR) Tourism

Backer (2010) determined Visiting Friends and Relatives (VFR) Travel represents a large and significant component of tourism. This VFR tourism has been largely ignored by tourism marketing people, and this has remained unattended visiting friends and relatives tourism is ignored as it doesn’t have any economic impact and has very less influence in other factors. This study utilizes the whole tourism systems model to examine the links between VFR travellers and destination regions. A comparative analysis has been undertaken in two different regions of Australia. This analysis has contributed to the tourism knowledge in several ways. This raises the interesting question of whether there is a new tripology to explore, that of EFR (exploiting friends and relatives). Any region can attract VFRs because of the attractiveness of a region as a tourist destination. This can influence the length of stay and visitors spend and, as such, enhance the impact of VFR travel on a local economy.

2.7.9 E-Tourism

Kabir et al. (2012) found that with the usage of modern computer technology especially the Internet; tourism sector is growing rapidly all over the world. E-Tourism is one of the most important sectors in today’s business world. Internet is revolutionizing the distribution of tourism information and products. In this study, we investigate the existing E-Tourism business models, for example B2C, B2B, B2B2C, etc. and propose an optimized business model G2B2C. Travel and tourism demonstrate how E-Commerce may change the structure of an
industry and create new business opportunities. The underlying pervasive Information Technology enables as well as enforces this development, demonstrating that tourism is an interesting field of application as well as research. In this study, we have discussed existing business models in tourism and also proposed a new business model G2B2C that can promote tourism in developing or underdeveloped countries of the world. We also forecast that this model could be a prime business model to promote tourism in developing or under-developed countries of the world.

2.8 TOURISM ENTREPRENEURSHIP

Thomas et al. (2013) studied heritage tourism entrepreneurship development in independent Wales. This study is concerned with opportunities to develop heritage tourism enterprises in the South Wales Valleys and in rural parts of Wales. The research was based on collective data in combination with the literature, four key themes to achieve a sustainable regeneration scheme for innovative heritage entrepreneurship development. The main themes are agri-tourism, heritage tourism, cultural tourism and pilgrimage tourism as well as reviewing transport infrastructure. This analysis shows the growing implication of non-environmental sustainable development and sociocultural rejuvenation. From the main themes that have been analysed, the importance of heritage tourism entrepreneurship development has become particularly apparent. This research is based on secondary data. They proposed that this research will identify significant and sustainable heritage tourism entrepreneurship for independent Wales. It is proposed that this research will identify the significant and sustainable aspects of key tourism sectors. This will be useful to tourism entrepreneurs, policy makers, practitioners, researchers and educators. The approach is original and unique since tourism subsectors have been refined for larger economies and with this study a new approach will be developed for developing and independent nations.

Alhroot and Alhroot (2013) studied that Jordan has a potential and a huge stockpile of talent, but trapped under the rubble of doubt, hesitation, and lack of confidence. Thus, as an example in the Arab countries, especially in Jordan, there
are a large number of sites and tourist centres of archaeological, religious, and therapeutic needs to adopt precise characteristics and the potential of reality. This study aims at identifying the entrepreneurship in tourism Jordanian significant impact factor on the economic and social development. This study is descriptive research that aims to examine the current realities on the nature of the phenomenon or a situation or a group of people or a group of events or set of conditions. The impact of entrepreneurship over the concept of destination marketing tourism is to be agreed upon by the competent authorities such as any Organization for Administrative Development all over the world.

Lee et al. (2012) stated despite growing attention, entrepreneurship research remains understudied in the field of tourism management. A review of the literature shows that there is a lack of coverage devoted to the tourism entrepreneur and their innovative behaviours as antecedents of business performance in small tourism firms. This is surprising considering that literature advocates innovation and/or creativity as key components of entrepreneurship. Thus, this study develops a conceptual model which focuses on entrepreneurship and innovation as antecedents of business performance and offers research propositions. It is argued that a tourism entrepreneur’s entrepreneurial self-efficacy and innovative behaviours play a role in enhancing the business performance of their firm. The main objective of this study was to identify the antecedents of business performance in small tourism firms and develop a framework which can be used to fill in the theoretical gaps in the literature. Finally, they found that literature has yet to explore whether entrepreneurs who believe they are innovative actually manifest that belief into action. They emphasized that measures of innovative perceptions must also be supplemented with measures of innovative behaviours. As such, they proposed that innovative behaviours will mediate the relationship between entrepreneurial self-efficacy (ESE) and business performance.

Ateljevic (2009) studied the entrepreneurial behaviour of small tourism businesses and their ability to contribute to regional development in the context of a transitional economy. The research, by combining in-depth interviews and a
survey, reports on a case study of Wairarapa, a region of New Zealand that has recently seen a large expansion in the tourism sector. The study identified a number of important criteria for the effective interaction of private–public sectors as well as illustrating how small tourism firm owners are facing challenges in one of the most liberal economic environments whilst taking action to ensure periphery endurance. Inductive theory or a bottom-up model for regional development provides the conceptual structure for the research. The study argues that the related paradigm is increasingly underpinned by entrepreneurial behaviour of a multiplicity of stakeholders in rural localities where tourism is seen as a key agent for regional rejuvenation on the demise of traditional economic activities.

Baytok et al. (2009) found that entrepreneurship is considered as a central force of economic development in all communities. Tourism is one of the economic industries in which a great degree of involvement is needed by the entrepreneurial sector. Entrepreneurship is a critical factor in tourism development, both globally and regionally, because of the nature of tourism and tourism products. Tourism entrepreneurs are the basic determinants of success of a society, who aims economic growth, development and differentiation via tourism. Entrepreneurs determine the magnitude of tourism industry, and what, where and when touristic enterprise will be created. The purpose of this study is to reveal the impact of the developments occurred in the superstructure of the tourism industry and show the importance of private sector entrepreneurial efforts in the sustainable economic development of Turkey between the period 1980 and present. Tourism is an important sector for the sustainable development of Turkish economy. Moreover, in order to eliminate the regional development differences, Turkey which has different touristic resources in its different regions should stimulate value-added sectors in underdeveloped regions. In this point, practices to encourage private entrepreneurs for investments in these regions make a major contribution to both regional and general economic growth and development. Therefore, it is important that government plans development regions and give some incentives to private sector.
Yang and Wall (2008) pointed out that entrepreneurship is crucial to tourism development. However, only limited attention has been paid to entrepreneurship in tourism and virtually no academic attention has been paid to entrepreneurship in ethnic tourism development. This study analyses the core issues relating to Entrepreneurship and Tourism, Ethnicity and Ethnic Tourism in China and Tensions in Ethnic Tourism. This research employs observation and interviews to examine the role of entrepreneurs and their perceptions of ethnic tourism in Xishuangbanna, Yunnan, China. It is argued that there is a need to foster ethnic entrepreneurship and to encourage community-based and minority-controlled business in future ethnic tourism development. True “mutual” economic development and “reciprocal” relationships should also be established between tourism developers and minorities if long-term harmonious development is to occur and tensions are to be avoided.

Pettitt (2004) studied the nature and issues associated with innovation in the tourism sector. On the basis of a large-scale field research programme it concludes that entrepreneurship is a key factor in explaining inter-firm differences in innovative activity. Profiles of high- and low-potential organizations are given along with a model and conceptual framework to relate mainstream innovation and entrepreneurship literature to the specific tourism context. This study is part of a larger, commissioned piece of research into tourism innovation. A total of 32 in-depth interviews and 167 returned mail questionnaires (25% response rate) were used to formulate conclusions on the relationship between entrepreneurship and tourism innovation. A number of conclusions can be drawn concerning the nature of innovation in business. Many small operations are unlikely to generate the level of investment in innovation necessary to substantially alter the overall tourist product. Generally operations are too small, too fragmented and too bound by personal rather than business motives. Most activities in product development are related to minor investment rather than innovation. The attraction of additional financial resources emerged as a major barrier for further innovation. The role of the entrepreneur appears central to the whole innovative activity. Entrepreneurial
characteristics appear to be major factors in distinguishing between innovative organizations.

Ioannidis and Petersen (2003) have pointed out that geographers have increasingly criticized the absence of theoretical rigour-characterizing studies of the tourism production system. Tourism entrepreneurship is one related area that has not received the level of attention it deserves. The role of innovation which plays a key role in small and medium tourism enterprises has not been studied in depth. This research focuses on a study of entrepreneurial activities among small and medium tourism enterprises in Danish island of Bornholm. The study is based on 30 in-depth, non-random, structured interviews with tourism entrepreneurs. An examination of the key characteristics of these small and medium tourism enterprises provides evidence that most can be “gap fillers” companies operated by so called “constrained” or “non-entrepreneurs”, which do not display evidence of having adopted significant product or process innovations. Among the key barriers to innovation identified is the extreme seasonality plaguing the island’s tourism sector, related to this, the uncompetitive nature of the existing tourism sector.

Ateljevic and Doorne (2003) studied how the typical shift expressed by the “cultural” turn of tourism geography in recent years. Within the cultural analysis of economic relations the embrace of complexity and diversity has become essential to broadening our understanding of tourism development processes. Their research seeks to engage with local cultural perspectives, which inform these “new” ways of theorizing tourism. This study focuses on small-scale tourism entrepreneurship in the village of Murter in the Balkans set against the backdrop of economic transition in a post-war environment. The methodology used here draws on a triangulation of participant observation, in-depth interviewing, and a quantitative analysis of demographic and historical characteristics of entrepreneurs and their enterprises. A total of 62 interviews were conducted during the season of summer 2000 with a range of tourism operators in the village including accommodation, local/tour operators, travel agencies,
restaurants and cafés. The interviews were accompanied by a survey instrument gathering quantitative data on personal and business characteristics of the entrepreneurs. It is argued that the role of local values is critical in the re-emergence of tourism as a key economic sector and the shaping of small enterprise culture. The analysis utilizes an “insider” perspective as a key positioning element in the discussion.

Zapalska1 and Brozik (2007) studied the nature of tourism and hospitality family businesses that operate in the transitional Polish economy and analysed the environment for development and growth of these entrepreneurial firms in the reforming economy. A questionnaire was developed and pretested that served as the primary data-gathering device. The data for this analysis were collected by telephone surveys of 100 family businesses in March and April 2002. In order to evaluate and compare firms’ development relative to selected external environmental factors affecting entrepreneurial operations, on-site surveys and personal interviews were conducted with Polish entrepreneurs who own and operate family businesses within tourism and hospitality industry. The environmental conditions are grouped into four external environmental factors: political and legal environment, financial environment, non-financial environment and socioeconomic environment. The study also analysed the competencies of the owners of the entrepreneurial firms that are important for the firm’s success throughout the firm’s life cycle. On the basis of this study results, policy implications are made for assisting the tourism and hospitality firms’ growth and development in transitional economy. The study emphasized on the background on the Polish tourism and hospitality industry, model and conceptual framework, political and legal environment.

Nieman et al. (2008) studied tourism entrepreneurship of small, medium and microenterprises (SMME) in Gauteng and Mpumalanga. The survey research method was used to conduct the current study. A convenience, accidental form of sampling was used to select SMME tourism entrepreneurs. A seven-page self-administered questionnaire was circulated to a selected sample of these entrepreneurs in Gauteng and Mpumalanga. It covered the respondents’
biographical, demographic and business information, and included a five-point Likert instrument measuring possible constraints faced by tourism entrepreneurs. The five-point Likert scale dealt with the areas of concern identified in the literature study. Under each construct (barriers and constraints) a number of statements were developed to determine the extent to which a particular construct was a barrier or constraint to tourism entrepreneurs. Through Principal Factor Analysis, the study identified a three-factor instrument that could be used as a diagnostic tool to investigate how government policies and support, the tourism industry’s products and services, and perceptions about South Africa could advance or constrain the development of small, medium and micro tourism. Such a tool can be used to identify problematic areas in order to take remedial action to manage sustainable tourism in South Africa and prevent the leakage of profits.

The study identifies the following factors: Factor 1: government policies and support; Factor 2: tourism industry products and services; and Factor 3: perceptions about South Africa.

Thomas (2007) stated that although large firms have a significant influence on the nature of what is supplied to particular markets. For example tour operators in relation to mass tourism, the most significant units of supply in most locations are small medium establishments (SMEs) and, often, microenterprises. The quality of the tourist experience is, therefore, influenced heavily by the quality of the encounter with such businesses. This creates interdependence between tourism SMEs. This often encourages the degree of co-operative behaviour which in turn reflects the interest in successful destination development potential. SMEs are also significant for their economic development potential. This may apply in several ways. First, a flourishing visitor economy — or circumstances where entrepreneurs sense that visitors will be attracted to an area — creates opportunities for new enterprise creation. In these and other instances, the distinctive approach or form of the local tourism product was initiated by tourism SMEs. Subsequent development was supported by partnership working between the private and public sector. As Thomas (2007) has recently argued, however,
these positive instances of collaboration are not inevitable and engaging SMEs in policy development of this kind can be challenging.

Elita Bielza-Valdez (2009) has determined the socioeconomic impact of tourism and entrepreneurship in Vigan City, particularly along the profile of tourism-related entrepreneurship. The research design used for this study was a descriptive method. A questionnaire was used to collect the data and some interviews were conducted. The data collected were analysed using frequency count and percentage analysis. The findings revealed that most of the respondents are in the middle age, more female entrepreneurs, married and Roman Catholics. Most of them are graduates and they are in the business for more than 15 years. Tourism business indicates a satisfying impact; however, tourism on the personal improvement of the tourism entrepreneurs revealed is not so satisfying. The socioeconomic benefit of tourism entrepreneurs were achieved only to an average extent. The impacts of tourism entrepreneurship show that there were developments and this has enhanced their socioeconomic condition.

Blichfeldti (2009) states that the tourism industry contains many small- and medium-sized enterprises (SMTEs). Moreover, the tourism sector is often said to be less innovative than other industries and small and medium tourism establishments’ lack of motivation, knowledge and the required resources is the reason why they are not innovative. Enough data are not available as a result of lack of research in innovations in small and medium tourism establishments. In order to contribute and fill the gap, this study draws on a case of a Danish caravan site that has been innovative. The purpose of this study was to make a contribution to the understanding of the innovation in a small and medium tourism establishment context. The case study revealed a series of factors that the owners define as critical to the success of the company. These factors were innovation, differentiation, and pursuit of growth opportunities, hospitality and networks. The study contributes a series of reasons why this specific enterprise has been innovative and further, the study suggests how these findings may improve the small and medium tourism establishments’ innovations, implications and growth.
Lopéz et al. (2009) studied that entrepreneurship and innovation are critical factors in tourism. Both these central factors are to the continued success and development of the industry. But research on entrepreneurship and innovations in tourism are few and far between. Although case studies on both themes appear from time to time, empirical studies remain limited while in those studies that have reached publication, in many, there remains a paucity of empirical rigour. They stressed that to start to redress the balance of this vacuum of academic material, the broad themes above serve as a catalyst for many papers in this issue with three specific subthemes coming under research scrutiny namely market segmentation, innovation and tourism development.

Urschel (2005) researched the explorative analysis, concerning whether business incubation can be purposefully applied to the tourism and hospitality industry, providing tourism entrepreneurs a chance to realize truly innovative businesses within a supporting environment. The rationale for this is that globalization drives competition faster and faster, raising demand and opportunity for particularly innovative products addressing changes in rapidly emerging consumer values. This need is also evident in the tourism industry. Innovation as a process of entrepreneurship was investigated in the literature, with focus on a resource-based view perspective to understand the nature and complexity of tourism and its products. Moreover, literature regarding business incubation was reviewed in order to gain an in-depth understanding of this subject. The lessons learnt from these successful ventures have been used to outline the format of a business incubator focused on the tourism industry. The main finding was that this incubator should take a virtual form, providing expert services over distance while relying on already existing incubation infrastructures. Finally, some recommendations for future research in this field are outlined.

2.9 FINANCE FOR TOURISM

Ravindran and Vinodan (2009) studied that microfinance is considered as a viable tool for reaching the unreached. This study seeks to identify the role of microfinance in the changing tourism development scenario as it is considered as
one of the viable option for the inclusive growth. The investigation is to unravel tourism options in microfinance not only to the destination facilitation, but also travel enhancement among the low-income people through an exploratory study on tourism sector by citing the case studies from Kerala. This research has broadly indicated that microfinance and tourism development if properly coordinated and integrated can act as a major source of employment generation and poverty eradication through livelihood promotion, participative resource management, community development and creation of micro- and small enterprises. Both models of destination facilitation and travel enhancement are found to be viable. However, destination facilitation model is more conducive to employment generation, gender development and inclusive growth. Travel enhancement model is very innovative in the developmental scenario of tourism seeking travel for all. Even though both models of destination facilitation and travel enhancement are found to be viable, destination facilitation model is more conducive to employment generation, gender development and inclusive growth.

2.10 TOURISM MARKETING

Joshi (2006) analysed the problem of marketing a tourist destination in its perspective emphasizing on the experiences of developed and developing countries as to how to plan, market and manage tourism efficiently in the interest of Goa. It takes into account the critical factors in tourist planning such as the existing infrastructure, basic tourist amenities, sustainability, and role of private sector, investment and marketing strategies. Some of the major bottlenecks in marketing and tourism planning and development in Goa have been critically analysed. The study at the end concludes that some of the proposed tourist plans to be developed in future in collaboration with the private partners, who are going to be the beneficiaries.

Batra (2006) studied that the levels of marketing, quite often blamed for changing consumer attitudes, promote a materialistic society where status is derived more from the number and type of destinations we visit and leisure activities we undertake, rather than how good we are as caring members of
society. Tourism business have encouraged “anyone and everyone” to visit a particular destination. Irrespective of how the consumer behaves when they arrive. The policies adopted for planning and development of tourism should take care of environment protection, and it should be sustainable. Some organizations only do service for public relation purposes, in a competitive situation many problems related to tourism and its marketing will continue. It is vital to recognize that tourists are now better educated and are capable to select which are not creating undue problems to host communities. This study attempts to highlight the concepts of sustainable tourism through marketing strategies.

Dolnicar and Laesser (2007) researched the alternative strategies for travel agencies in travel and tourism market, where the usage of internet is very high at present. They further stated that there will be a need for travel agencies in future and they have to play two key roles in future. The first is to offer specialised travel consultancy and focus on aged travellers. They can promote package tours. Hence the findings of this study reveal that the need for travel agencies and their services will be required for the areas which are not promoted online.

2.11 CONSTRAINTS OF TOURISM ENTREPRENEURS

Nemasetoni and Rogerson (2005) found that the segment of emerging black tour operators is confronted by an array of challenges in terms of its further expansion. Their study focused on the issues pertaining to the challenges of developing small tourism firms in South Africa, township tourism and emerging tour operators and enterprise development and challenges and constraints. This study revealed that the two core problems of tour operators concern access to sources of finance and access to markets and marketing support. Fifty per cent of the enterprises stated that access to finance was the major constraint on the expansion of their business both at the time of start-up and at present. It was observed that at start-up most entrepreneurs used their own savings or funds from retrenchment payouts in order to finance their business. The lack of support from commercial banks has been of critical concern. In South Africa, as in most of the developing world, the largest segment of enterprises in tourism would be regarded
as small firms. Belatedly, the research agenda of tourism is beginning to acknowledge the importance of understanding issues around entrepreneurship and small enterprise development. The marginal role played by the small firm economy in tourism is mitigated only partially by the growth of “niche” or “alternative” forms of tourism.

2.12 SUMMARY

In this study Sociological, Economic, Psychological and Anthropology theories of entrepreneurship are discussed to evaluate the entrepreneurial approach adopted by the tourism entrepreneurs. The different types of tourism namely Leisure, Medical, Pilgrimage, Heritage, Adventure, Sports, Eco-tourism, Visiting Friends and Relatives and E-Tourism were discussed.

On the basis of the review of literature it can be noted that globalization affects tourism sector unlike the other sectors, hence the new policies should proactively include the benefits of globalization and tourism planning, should be able to create a sustainable development. If there is high level of community integration there will be greater socioeconomic benefits for the majority of residents. The traditional events and festivals has the potential to attract tourists to the destination, this plays a significant role in destination marketing. Travel agencies who are the facilitators in travel and tourism play a vital role in tourism development. The economic benefits from tourism are excellent where tourism is given importance and developed as in the case of Dubai. Tourism sector helps to improve the socioeconomic benefits for the travel agencies, tour operators, hoteliers, tour guides and their dependants. It is evident that there is a unidirectional causality from tourism activities to economic growth of the country, hence all the organizations concerned should come together to attain sustainable growth in tourism. If there is external control of tourism establishments like in the case of multinational companies there will be high leakage, this will not benefit in local socioeconomic benefits. Tourism sector is an integrated and multisectoral, which can play a significant role in pro-poor poverty alleviation economic growth.
Leisure tourism plays a leading role in total tourism since the majority of the tourists are leisure-based travellers. Medical tourism is growing globally and there is a huge potential in India if planned and developed properly. The religious tourism in India has enormous potential which is lucrative; there are plenty of challenges which have to be addressed by the government. Heritage tourism is regarded as the positive force to preserve the cultural heritage of the country. Sports tourism is one of the fastest growing market segments which are an emerging area in tourism. Eco-tourism is gaining more importance with the policy makers globally in relation to environment protection. Visiting Friends and relatives (VFR) is one of the largest and significant types of tourism which has not been looked into by tourism marketing authorities. E-Tourism plays a prominent role in today’s travel and tourism and it has revolutionized the distribution of tourism information and products.

With growing interest, tourism entrepreneurship research remains understudied in the field of tourism management. Entrepreneurship is crucial to tourism development; a small tourism enterprise has the ability to contribute to regional development in the country. Entrepreneurship is an important factor for tourism development since tourism sector comprises of many small enterprises. Tourism entrepreneurship is a key factor in providing sustainable tourism development. Tourism entrepreneurship has not got the level of attention it deserves. Tourism entrepreneurship in small, medium and microenterprises face a lot of challenges and difficulties in their initial stage and in different stages of operation. Since tourism enterprises are small they lack the innovative quality. Microfinance will be a feasible tool to reach the small and micro tourism enterprises. Even in the strong presence of online marketing for travel and tourism, still there are a good percentage of people prefer to book their travel requirements through a travel agency.

On the basis of review of literature it is apparent that tourism entrepreneurship was researched only in some aspects of entrepreneurship and no study was undertaken in a holistic approach covering the entire entrepreneurial perspective. The above review of literature reveals that there is a research gap to
study the following issues like, the profile and the tourism services offered by the travel agencies in Tiruchirappalli and Coimbatore Districts and evaluate the performances of travel agencies in terms of number of customers, services offered infrastructure and the business tie-ups they have and their contributions in promoting inbound tourism in the study area. The present study aims to find out the difficulties faced by them, during their initial stages of starting their business. The approach adopted by entrants into tourism business, innovative ways of doing their business and current problems faced by entrepreneurs in travel agency business will be of significance as it will fill the research gap identified and develops the linkage between tourism development and entrepreneurial approach.

Hence, this study of entrepreneurial approach is considered as a significant feature for the success of tourism sector. Satisfaction of the tourists will lead to the tourism development; this can be achieved by entrepreneurial approach. From the review of literature it is evident that, most of the earlier studies on tourism entrepreneurship are in foreign context. Few studies have been undertaken in Indian context and it is also observed, that no study has related the “Entrepreneurial Approach In Tourism Industry” to “Tourism Development” in the study area.