CHAPTER 2

REVIEW OF LITERATURE
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This chapter throws some light on the literature available on the topic Travel and Tourism industry. Though the literature is rich on the world and Indian tourism industry, there is no particular study on Karnataka state or Malnad region. The chronological order is maintained in the review of literature to present it in an organized and systematic way.

The Meaning and Definition of Tourism

One of the earliest definitions of tourism was provided by the Austrian economist Hermann Von Schullard\(^1\) in 1910, who defined it as, "sum total of operators, mainly of an economic nature, which directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or a region". Hunziker and Krapf\(^2\) in 1941, defined tourism as "the sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity."

The International Dictionary of Tourism published in 1953 by the International Academy of Tourism at Monte-Carlo points out that "Tour" in English and in French means a journey at which one returns to the starting point; i.e. a circular trip usually for business, pleasure or education.\(^3\)

Gilbert Sigaux\(^4\) in his dictionary of tourism defines tourists as "People who travel for pleasure of traveling, out of curiosity; and because they have nothing better to do".

The International Union of Official Travel Organization (IUOTO), which has been converted in to World Tourism Organization (WTO) in January 1975 has defined tourist as "A temporary visitor staying for at least twenty four hours in a country visited. And the purpose of journey can be classified under one of the following headings:

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\(^1\) http://www.wikipedia.org/wiki/tourism
\(^2\) Hunziker W. Social Tourism-its nature and problems, Geneva International de tourism, 1951.
\(^3\) The International Dictionary of Tourism, the International Academy of Tourism, Monte-Carlo, 1953.
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a. Leisure- recreation, holiday, health, study, religion and sports; or
b. Business- family, mission, meetings.

Travelers staying less than twenty-four hours, according to WTO are excursionists.\(^5\)

The United Nations accepted the above definition of a tourist provided by IUOTO in their conference on International Travel and Tourism in 1963. The current definition adds to an array of travelers to those traveling for fun. Alternative terms like travelers, visitors, or guests all mean the same. In the United States, tourists are known as 'Guests' in hotels and 'Patrons' in restaurants, in most other countries, they are called visitors.

The opinions of Burkart and Medlik\(^6\) (1974) and later Kelly\(^7\) (1980) formed two main groups. The first group identified tourism as an activity where as the second group mainly comprising of technical definitions allowed various agencies to compile statistical measurement of activity.

In 1976 Tourism Society of England defined it as "Tourism is the temporary, short-term movement of people to destination outside the places where they normally live and work and their activities during the stay at each destination. It includes movements for all purposes."\(^8\)

In the definitions of Buck\(^9\) (1978) and Leiper\(^10\) (1979), we find the essence of holistic approaches, which makes it multidisciplinary and inter-disciplinary. Thus the opinions of different experts make it clear that the conceptual exposition in the beginning clarified the phenomenon of tourism. With the emergence of a broader concept, the essence of tourism further processed. It was holistic approach since in the general theory of tourism; Walter Hunziker and Kurt Kraph\(^11\) considered it both as a human and economic activity. In 1981, International Association of Scientific Experts in Tourism

\(^8\) Wikipedia, op.cit.
defined Tourism in terms of particular activities selected by choice and undertaken outside the home environment.

Travel is the most common activity for most people. It includes any journey from one place to another, over short or long distances; to, from and as part of one's work, luring leisure and for any purpose; using any mode of transport by air, land or sea.

Those who travel are tourists, but also commuters, diplomats, migrants, nomads, refugees, as well as other travelers. "All tourism includes some travel but not all travel is tourism."^{12}

For most people tourism has a connotation of leisure travel and tends to be synonymous with holidays (vacations). This is also reflected in dictionaries, which commonly refer to tourism as travel for pleasure. By contrast, tourist boards and others concerned with the development, marketing and coordination of tourism in their countries tend to take a broader view; for them tourism means travel for most purposes, with such exceptions as travel to work, to migrate and as part of local and neighborhood activities. Between these ends of the spectrum lies business usage, the language of those who earn their living from serving the tourists; most of them see tourism in terms of the products they sell and the markets they serve. Academics are not a homogenous breed, and between them probably cover the whole spectrum. Travel for pleasure with an overnight stay appears to be the lowest common denominator of most perceptions of this activity.

However, the final test of any definition cannot be its apparent harmony with its usage in everyday speech or, for that matter, that the definition is confined to what nobody would exclude. Moreover, most accepted definitions go beyond the concept of tourism as a leisure or holiday activity.

According to the World Tourism Organization (WTO), tourism comprises 'the activities of persons traveling to and staying in places outside their usual environment ... for leisure, business and other purposes'. Thus in this study we consider that conceptually, tourism denotes a temporary short-term movement of people to

destinations outside their normal environment and their activities; for particular purposes, mainly by reference to purpose, time and distance criteria.

**Tourism Industry**

We find a continuous debate over this question, whether tourism constitute an industry? Industries are made up of firms, which produce the same product or group of products, so that the consumers consider these as ideal substitutes for one another, even though the products may differ slightly. However, Medlik\(^\text{13}\) in 1972 argued that a firm may consist of more than one establishment and operate in more than one industry.

Wahab \(^\text{14}\) (1971) writes, "For the country concerned, tourism is an industry whose products are consumed on the spot forming invisible exports." Again in 1975 in his later work, opposed that any product whether tangible or intangible, that serves to gratify certain human needs should be considered as an industrial product and that if a bond of product unity exists between various firms and organizations in a way that characterize their overall function and determines their place in economic life, they should be considered as an industry.

Other experts, Lundberg \(^\text{15}\) (1976) and Macintosh \(^\text{16}\) (1977) often referred to tourism as a business or industry. It is due mainly to its broad nature that we find some confusion in accepting it as an industry. We all know that tourism envelops various other industries such as transport, accommodation, food service, trade, entertainment and a range of public services industries. This is supported by Young \(^\text{17}\) (1973) when he opines that it is a heterogeneous group embracing a large variety of trade and industries which are satisfying travelers' needs as their common function. Tourism doesn't produce a distinctive product.

Anand M.M. \(^\text{18}\) (1976), despite a number of comments and arguments and frequent debates on the problem, it is right to say that tourism can be viewed as an industry. Of


\(^{17}\) Young, K.H. An abstract made approach to the demand for travel, Transportation research, 1973.

\(^{18}\) Anand M.M.: Tourism and Hotel Industry in India; Prentice Hall of India, New Delhi, 1976.
course, it is not a single industry. Indeed, it is a multi-segment industry. We consider it an industry whose products are consumed on the spot forming invisible exports. It is also a fragmented industry with high complexity due to the price-sensitive nature of demand and the intangibility, perishability and inseparability or say, it is an industry with no clear boundaries or a hodge-podge of different component parts.

Some of the experts such as Chadwick\(^1^9\) (1981) argue that it can't exist as an industry. Further Papadopoulos\(^2^0\) (1985) outlines that tourism in the conventional sense is not a market, since it doesn't sell simply one product and there is no single sector involved. Medlik\(^2^1\) (1988) has formed an operational measurement for tourism industry activity based upon providing a weightage for standard industrial classification.

Smith\(^2^2\) (1988) implicitly agrees with the notion of tourism industry and identifies tourism as two-tier business. The first tier is seen to be composed of business which serves tourists exclusively, while the second tier is seen to serve a mix of tourists and local residents. Jha S.M.\(^2^3\) (1995) In the Indian context, the recognition of this sector as an industrial activity came on the recommendation of National Development Council. The declaration of this sector as an industry envisages a package of incentives and support services to the sector.

Thus, The Tourism Industry may be defined as “the sum of the commercial activities that produce goods and services wholly or mainly for tourist consumption.”

Role of the State in the Development of Tourism

In the face of its succulent benefits, the developed as well as developing countries have assigned due weightage to the tourism industry in their national development plans.

The World Tourism Organization (WTO) played a leading role in the development of tourism industry, especially in the developing countries. The promotional efforts of WTO acted as a motivational force and paved ways for the productive

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\(^1^9\) Chadwick, R. Some observations on proposed standard definitions and classifications for travel research. The Travel Research Association, Seventh Annual Conference Proceedings, 1976.

\(^2^0\) Papadopoulos S.I. A Marketing analysis of foreign tourism in Greece, proceedings of second World Marketing Congress, University of Sterling, 1985.


utilization of this sector, so that the tourist organizations are found efficacious in striking a balance between the social and commercial considerations.

In the development of tourism industry, the public sector has made significant contribution during the last three decades. The industry today equipped with a reasonable infrastructural base and is poised for a self-sustained growth.

In 1958, the Indian government created a separate tourism department. The Department of Tourism (DoT) is essentially a policy-making organization that corresponds directly with other ministries and departments of the central and state governments. There is a clear-cut division of responsibility between central and the State Tourism Development Corporations (STDCs). The activities of central government are concentrated on the needs of foreign tourists, while the states focus on domestic tourists. Within guidelines provided by central government, they must develop their own policies, products and strategies, and do so under seven categories: Planning and Programming; Publicity and Conferences; Travel Trade and Hospitality; Accommodation; Supplementary Accommodation and Wildlife; Market research and administration.

Despite with so many officials and apparently clear allocation of functions, the Indian Department of Tourism (DoT) has been accused of lacking a sense of urgency' Richter, (1989) 24, at least until 1984. It has undoubtedly grown fairly rapidly, throughout the country as well as overseas, in the latter case, the DoT is currently bearing the expense of about 17 overseas tourist offices in its major tourist-generating countries, and only recently have officials realized the inefficiency of these outlets. Pradhan (1998) 25, what was supposed to be capital investment turned out to be prodigal investment.

Richter 26 (1989) in his study describes that, 'No one in India is satisfied with Indian tourism policy'.

Raphael 27 (1993) evaluates the outcome of the round table conference on tourism development and the role of the state as, according to WTO, the state is involved in

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26 ibid
27 Raphael M. op.cit.
tourism in five distinct ways: it establishes a framework within which the private and public sectors can cooperate;

- It legislates and regulates to protect the environment and heritage.
- It constructs the infrastructure.
- It develops training and education for tourism and
- It formulates overall policy and plans for tourism development.

The accommodation sector in India is a mixture of public, private and transnational involvement - in the public sector, the India Tourism Development Corporation (ITDC) is the only chain that provides a range of accommodation; including five-star, deluxe, budget, airport hotels, and resorts. In the private sector, local and regional companies are represented, while transnational companies include the Sheraton, Radisson, Meridian and Holiday Inn. Accommodation for specifically religious tourism (for example, Dharamshalas, Yatri Niwas and Serais) is provided by various religious organizations.

In India, public sector enterprises (PSEs) are currently in a deplorable condition. According to Carvalho and Bansal\(^\text{28}\) (1998), Indian Airlines (IA), the domestic airline, and Air India, India’s international airline, both public sector undertakings, incur heavy losses in their operations, with IA ranked the sixth largest loss-making PSE in the country. Problems include periodic fare-hikes, shrinking passenger numbers, ageing aircraft, poor aircraft utilization, unstable routes, high employee-aircraft ratio, heavy borrowings, depleting reserves and, above all, a tense and uneasy relationship of management with the labour force. The ITDCs 21 accommodation units are also criticized and there seems to be a perpetual shortage of available guest rooms. More generally, the organized sector has approximately 63,000 hotel rooms, amounting to half the demand. Interestingly, as a method of coping with their problems, airlines and hotels rashly impose frequent tariff rises, thus making destinations unjustifiably more expensive for their visitors.

Managers of these enterprises point to the arbitrary appointment to positions of responsibility of inexperienced bureaucrats. Carvalho and Bansal,\(^\text{29}\) (1998), who usually

\(^{29}\) Ibid.
entertain preconceived tactics of marketing which, when implemented, leave the organization in financial difficulties. PSEs that generate consistent revenues are often unable to account for the scarcity of funds and an oft-posed query is 'Where has the money gone?' Carvalho and Bansal, \(^{30}(1998)\). Up to this point the role of Indian government in formulating the policies for the development of tourism in India has not been exhaustive.

Sundaram G. \(^{31}(1998)\) in his study outlines – Our policies of tourism have not yielded the desired results in the last half a century and we have to think and move fast on new lines with the government acting as catalyst to the private sector so that India could benefit a great deal from tourism industry.

Bezbaruah \(^{32}(1998)\) in his article mentions that, almost all Indians have their own reasons to discredit the government for its policies. Most of the reasons relate to 'being left out'.

The Indian Government has collaborated with agencies outside India. One example is the development of ecotourism in the Andaman and Nicobar Islands, which has involved cooperation with the World Tourism Organization (WTO) and the United Nations Development Programme. Similarly, the state of Andhra Pradesh was cooperating with the WTO to assist this Indian state in 'producing its own tourism development plans' with a particular focus on the disadvantaged and the threatened, ethnic minorities, and on the natural and cultural environment (WTO, 1998). India is also an active participant in the WTO's Silk Route project and the South Asia Integrated Tourism Human Resource Development Project, a Human Resource Programme (Bagri, 1998)\(^{33}\). Regionally, too, India has affirmed its commitment to countries in the South Asian Association for Regional Cooperation (SAARC) in developing a viable tourism industry for the benefit of all its member nations.

\(^{30}\) Ibid


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Singh. S\(^{34}\) (2001) in her paper on Indian tourism policy criticizes, India's tourism policy, which is 50 years behind the times, is a peculiar blend of ideals about traditional hospitality and ideas of contemporary capitalist development. Set in a 'Democratic' framework, it is the out come of several revisions and modifications. Despite a long process of learning through trial and error, the current national tourism policy is, at best, relatively undeveloped.

The ITDC suffered a net loss of Rs.37.5 crore in the year 2001-02. No one seems to take responsibility for financial decisions and accountability is almost nil. At this juncture, it is pertinent to note that tourism promotion by government suffers from the same problems\(^{35}\).

Ratna C.S.V.\(^{36}\) (2003) suggests – For India to grow and mature, it needs ample support from the government, both state and central and active participation of the private sector. With the collaboration of the public and private sectors, procedural, infrastructure, implementation and operational glitches can be eliminated, so that tourism industry can flourish.

It may be that all such partnerships, with internal and external organizations, are needed if Indian tourism is to survive in a buyers' market, where the experienced tourists are demanding more and more to visit India.

Role of Private sector

Private-sector involvement in tourism began only in the 1970s. Since then, it has taken an increasingly active role, especially in the development of hotels and other accommodation. It has also involved in travel agencies and tour operations, airlines, vehicle rentals, consultancies and even human resource development. Public-private partnerships are also found in the development of tourist complexes, golf courses, theatres, other forms of entertainment and shopping plazas, and there has been prominent private-sector involvement in railways, most notably trains in the 'heritage' category - for

\(^{34}\) Singh. S. Indian Tourism: Policy, Performance and Pitfalls, CABI Publishing, Oxon UK.2001

\(^{35}\) Dilip Bobb, Made in India, India Today November 2006 p 21.

example, the Royal Orient, Palace on Wheels, Ferry Queen and small trains operating in the hills.

As tourism administration should strongly 'project' government policies, the industry also bears the stamp of the private sector. Bala, 37 (1990) one of the major achievement of the government in the field of tourism has been the involvement of the private sector in the thinking and planning process in the Ministry of Tourism. This has resulted in a close collaboration between the two... resulting in mutual understanding and pragmatic planning.

Misra 38(1998) in his study mentions, In India there is evidence that the private sector is dominant throughout the tourism industry. As the private sector has become more involved, tourism industry lobbies have reportedly become increasingly vocal and assertive.

Realizing that privatization of tourism is a key for the future, National and State governments are exploring a number of new partnership ideas. The ITDC, a major public-sector tourism corporation, offers expertise to smaller private-sector hoteliers in setting up and managing properties, through its recently developed consultancy wing. Some of the most commendable outcomes of this inter-sectoral exchange occur in the realm of heritage, ecological and cultural preservation, and in quality control. A notable example is the concept of Heritage hotels, whereby owners of Havelis and Mahals (forts and mansions) that are partially or wholly abandoned have the option of converting them into hotels for tourists. Although in public use, the properties remain the possession of their owners, who may or may not hire professional managers to assist in their operation. For its part, the government provides subsidies, promotional and licensing benefits to such units. Operations of this kind have gathered momentum in the states of Rajasthan, Madhya Pradesh and Gujarat, which currently account for a total of 47 properties. Tourist visits to other private homes are being encouraged on similar patterns- However, in the case of home-stays, most owners prefer an entirely private enterprise, while a few

others have good reasons to oppose such policies strongly, on the grounds that host-guest interaction may contravene norms of class and caste. Babu,\textsuperscript{39} (1998).

**Domestic tourism**

In some respects, India might be considered a forerunner in the development of religious tourism. More than 94\% of its domestic tourists are religious travelers, and traditional religion is clearly the mainstay of the country's domestic tourism. In general, tour operators are in the private sector and there are about 120 reputable, established companies in the country, with many others of more questionable standards. In 1997, the Indian operation of Resorts Condominiums international reported a healthy growth, with over 100,000 members in India and 59 affiliated resorts in just 4.5 years of its operation \textsuperscript{40} (Indian Express, 30 March, 1997).

The railways provide easy and cheap travel for the masses, which have a considerable range of accommodation from which to choose. Several options are available for domestic tourists. \textit{Janata} Hotels provide budget accommodation for middle-income groups, and \textit{Yatri Niwas} (literally, 'travelers stay-home') is the mid-priced hotel category budget accommodation offered by the Indian Tourism Development Corporation (ITDC). By contrast, \textit{Dharamshalas}, established by religious groups for pilgrims, are generally located at religious centers and are used not only by pilgrims but also by scholars, merchants and adventure tourists. They are a valuable feature of Indian culture.

Batra K.L.\textsuperscript{41} (1990) concludes his research findings in the following words – We must spare no stone unturned in attracting both domestic tourists and international tourists, also we must remember that 90\% of the tourists visiting places in India are domestic tourists. So the domestic tourists must form the thrust area of our tourism plan and promotion policy and maximum efforts must be geared towards attracting and satisfying domestic tourists.

\textsuperscript{40} Indian Express, 30 March, 1997.
\textsuperscript{41} Batra, K. L. Problems and Prospects of Tourism, Printwell Publishers, Jaipur, India. 1990.
Singh \(^\text{42}\) (2001) in his study reveals that, despite the fact that India has a huge domestic base for the development of its tourism industry; Domestic tourism has been taken for granted and because of the strength of religious motivation in India has been considered to be self-sustaining. Further more, it has been undervalued because it does not generate foreign exchange. It has taken almost five decades of planning for policymakers to accept that Indian masses are tourists of economic significance, at least in the regional context.

This shoddy treatment was further exacerbated when the central government hived off responsibility for domestic tourists while keeping international tourism under the wings of the central government. This is indeed absurd, since the destinations visited by foreign tourists are inevitably under state jurisdiction and the people of the host state usually provide facilities for tourists. Also all tourists, foreign or domestic, are the collective responsibility of all Indians. By so dividing responsibility for foreign and domestic tourists, central government has fostered its own role in economic development strategies and has burdened the local state with new economic duties, thereby forcing it into an entrepreneurial role.

Public policy on tourism is severely afflicted by the serious lack of a research base, which thus reduces the exercise to mere deskwork, with undue reliance on imagination and 'guesstimates'. This, in turn, prompts a series of associated problems - for example, adhocism, a top-down approach and poorly integrated activities. Reflections on such ills are evident in the environmental hazards often reported in newspapers. Such unmonitored developments include: poaching in wildlife sanctuaries; damage to Khajuraho architectural sites by aircraft vibration; disturbances to the coastal ecology of Goa's beaches, coastal regions in the east and west with highly distinctive ecosystems and damage to the Taj Mahal by smoke from an oil refinery. The government could also be charged with failing to monitor the growth of tourism, especially in the highly fragile ecosystems of the coast, the mangroves and the Himalayas. A report in the Times of India-Anon \(^\text{43}\) (1998) asserted that Leh, in Laddakh, was being 'robbed' of its beauty and

\[\text{Anon. Tourism brings money to Leh, but robs its beauty. Times of India (Lucknow edition) 9 Nov 1998.}\]
culture by tourism, and Singh and Kaur (1985, 1989) have repeatedly published accounts of eco-cultural degradation in the Himalayan ecosystems.

The Ministry of Tourism's high-decibel 'Incredible India' campaign has been coined to attract foreign tourists, but the reality is that the ones who are actually finding India incredible are the domestic tourists. India received an estimated 3.5 million foreign tourists last year, but the number of domestic tourists was 366 million over the same period, a rise of almost 30 per cent from 2003. According to estimates by the World Tourism Organization, global domestic tourism flows are at least 10 times greater than international tourism flows. At a recent India today colloquium, Ravi Parthasarathy, chairman, Infrastructure Leasing and Financial Services, made the point: "We have a huge catchments area of domestic tourism. I think the way forward for a country like India, unlike Hong Kong or Thailand, is really to capture the essence of domestic tourism where you have greater depth," Industry estimates peg domestic tourism spend at over Rs. 95,000 crore. 45 (India Today Nov. 2006.)

There is, as Robert Frost famously said, miles to go, but the boom in domestic travel has inspired belated efforts to boost the tourism sector. Private players are leading the charge but state governments are also waking up to the potential.

It is not government policies towards tourism that are the major problem. At planning and designing level, Indian tourism policy deserves much appreciation. Rather, at executing level, the machinery that implements these policies must be examined for its many shortcomings. This is where the political will is needed. Unfeasible economic strategies (high tariffs, excessive taxation and indebtedness, and unwanted investments), debilitating political instability (indecisiveness and developmental priorities that alter with every change in government) and irrational social conservatism are the real leviathans threatening the tourism industry. Most importantly, the one element that overrides all others is the unreasonable imposition of red-tapism. In voicing its concern

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over this issue, the WTO pleaded with Asian countries to eradicate this problem to help to ensure healthy and vibrant tourism development.\(^{46}\)

In conclusion, Richter's earlier observation that no one in India is satisfied with India's tourism industry remains accurate. To begin with, it may be appropriate to ask why, 'no one in India is satisfied with Indian tourism policy' (Richter\(^{47}\)1989). Almost all Indians have their own reasons to discredit the government for its policies. Most of these reasons relate to 'being left out' (Bezbaruah\(^{48}\)1998). As in many other developing countries, the participation of the people in policy-making is almost negligible, and this is despite the fact that India has a huge domestic base for the development of its tourism industry. Rather, it seems that domestic tourism has been taken for granted and, because of the strength of religious motivation in India, has been considered to be self-sustaining. Furthermore, it has been undervalued because it does not generate foreign exchange. It has taken almost five decades of planning for policy-makers to accept that Indian masses are tourists of economic significance, at least in the regional context.

There is huge potential in developing domestic tourism, and India has a massive middle-income group whose leisure and recreation needs are relatively unostentatious. It should not be difficult to meet these needs. With this group in mind, it is important not to see the generation of foreign exchange as tourism's major priority, or to allow the tourism industry to monopolize the national or regional assets. Tourism plans should indeed reflect the industry's potential aspirations, but they should also reflect the legitimate claims that tourism has on the country's limited economic resources. It might be better for government to take an active role in infrastructural developments, monitoring developments, marketing and promotion of this sector and encouraging private participation at a broad level, so that the private sector can play an active role in the development of this industry. Clearly someone up there has taken note of the Ratan Tata-led Investment Commission which concluded in February 2006: "Tourism should be identified as a National Thrust Area...where all impediments for growth are removed and incentives are provided to encourage investment."

\(^{47}\)Richter op.cit.
\(^{48}\)Bezbaruah op.cit.
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The review of literature reveals that though there are several studies relating to tourism industry done by the researchers, the fact is India has a huge domestic base for the development of its tourism industry. Even though domestic tourism has been taken for granted, and it has been undervalued because it does not generate foreign exchange. It took almost five decades for policy-makers to accept that Indian masses are tourists of economic significance. Secondly the role of private sectors in planning and developing the tourism industry is too negligible. Lastly India being a huge country needs clear geographic demarcation for branding and promoting its tourist destinations. This creates a big gap in the research on specific regions or states.

Thus, this make the researcher to select a region (i.e. Malnad region in Karnataka state) to study the specific problems faced by the tourists and come out with suitable solutions to promote the tourism industry of Malnad region in an effective way. This is just a step towards filling the gap in the available literature.

The next chapter describes a brief profile of Travel and Tourism industry in the World, in India and in Karnataka. It introduces about the history and evolution of Travel and Tourism industry in the World, in India and in Karnataka.
References

2. The International Dictionary of Tourism, the International Academy of Tourism, Monte-Carlo, 1953.


