CHAPTER 7

FUTURE PROSPECTS OF TOURISM PROMOTION IN PUNJAB

This chapter deals with exploring the relationship of future prospects with opportunities and challenges for tourism in Punjab. For measuring the future prospects, appropriate hypothesis were framed and the same were tested by applying various statistical techniques. An attempt has been made to relate the outcome of the analyses to the framed hypotheses. As such results were obtained with the help of appropriate statistical tools.

Tests like ANOVA, Pearson Coefficient of Correlation and Multiple regression analysis were used to gain and to understand the relationship between various independent and dependent variables.

Future Prospects for Tourism in Punjab w.r.t. Opportunities and Challenges

To explore the relationship of future prospects with opportunities and challenges for tourism in Punjab the five areas of opportunities and four areas of challenges were taken as nine independent variables in this study. Future prospects as perceived and rated by the respondents were taken as a dependent variable. The five areas of opportunities included here are those opportunities for which the null hypotheses were accepted for all the three groups i.e. there was no controversy in any combination of groups of respondents. These five components of are: ‘Ample tourism spots’, ‘Good network of tourism Intermediaries’, ‘Cultural and heritage tourism’, ‘Existence of Many historical monuments’, ‘Good Physical Environment’. The various challenges included for the analysis the four areas of challenges are those about which there was no controversy among any combination of the groups. These components of challenges are: ‘Lack of transport facilities for reaching destination’, ‘Lack
economic accommodation facilities at many tourism destinations’, ‘Lack of guide facilities at most of tourism for all the important destinations’, ‘Lack of hygienic food facilities at most of the tourism destinations’.

Following hypotheses were formulated to study the relationship between the above variables.

Ho1: There is significant relationship between future prospects and opportunities available for tourism in Punjab.

Ho2: There is significant relationship between future prospects and challenges faced by tourism sector in Punjab.

Ho3: There is significant effect of opportunities on future prospects of Tourism Sector in Punjab.

Ho4: There is significant effect of challenges on future prospects of Tourism Sector in Punjab.

The mathematical representation of research model for the above relationship is displayed as:

\[ Y = \alpha_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \beta_9X_9 \text{ terms} \]

Where \( Y \) = Future Prospects

\( \alpha_0 \) = constant

\( X_1 \) = Ample tourism spots.

\( X_2 \) = Good network of tourism Intermediaries.

\( X_3 \) = Cultural and heritage tourism.
$X_4 =$ Existence of Many historical monuments.

$X_5 =$ Good Physical Environment.

$X_6 =$ Lack of transport facilities for reaching destination.

$X_7 =$ Lack of economic accommodation facilities at many tourism destinations.

$X_8 =$ Lack of guide facilities at most of tourism for all the important destinations.

$X_9 =$ Lack of hygienic food facilities at most of the tourism destinations.

$\beta_1, \beta_2, \beta_3, \beta_4$ and $\beta_5 =$ Coefficients of opportunities; $X_1, X_2, X_3, X_4$ and $X_5$, respectively.

$\beta_6, \beta_7, \beta_8$ and $\beta_9 =$ Coefficients of challenges; $X_6, X_7, X_8$ and $X_9$ respectively.

A multicollinearity problem is likely to occur when explanatory variables correlate with each other. Consequently the effect of each variable of the dependent variables becomes difficult to identify. Hence Variance Inflation Factor (VIF) and Tolerance (TOL) for each explanatory variable were used to measure the multicollinearity.

Normally a set of explanatory variables is highly correlated when VIF exceeds ten and TOL is closer to zero, thus presenting a multicollinearity problem. On the other hand, if the TOL is closer to one then there is no problem of multicollinearity.

Before using regression analysis, the relationship of future prospects with opportunities and challenges was first investigated using Pearson coefficient of correlation.

From the Table 7.1, preliminary analysis revealed that there were no violations of the assumption of linearity and homoscedasticity, and all associations of future prospects with opportunities and challenges were found to be significant at 95% level with the
strongest positive relation between future prospects and abundance of natural resources \((r=0.476)\).

Table 7.1

Pearson Coefficient of Correlation: Future Prospects, Opportunities and Challenges for Tourism in Punjab

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Prospects</td>
<td>0.476</td>
<td>0.354</td>
<td>0.272</td>
<td>0.249</td>
<td>0.271</td>
<td>-</td>
<td>-</td>
<td>0.231</td>
<td>0.239</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data.

1) 1 represents ample tourist spots, 2 represents Good network of tourism Intermediaries 3 represents cultural and heritage tourism 4 Existence of Many historical monuments 5 represents good physical environment 6 represents Lack of transport facilities for reaching destination., 7 represents lack of economic accommodation facilities, 8 Lack of guide facilities at most of tourism for all the important destinations and 9 Lack of hygienic food facilities at most of the tourism destinations.

2) Correlation significant at 0.05 level.

From Table 7.1, it is found that there is positive relationship between future prospects and opportunities available for Punjab Tourism. On the other hand, there is negative relationship between future prospects and challenges faced by it.

To examine the fit of the regression model and to discover the best predictors of future prospects, stepwise regression was used with opportunities and challenges as the independent predictors. Preliminary investigation reveals that there is no violation of
the assumption regarding sample size and multicollinearity. The model summary of Table 7.2 reports the strength of the relationship between the dependent variable and predictors (independent variables).

The Table displays R, R square (R²) and adjusted R².

**Table 7.2**

Regression Model Summary: Future Prospects of Tourism in Punjab

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.723</td>
<td>0.523</td>
<td>0.518</td>
</tr>
</tbody>
</table>

*Source: Compiled from primary data.*

1. Independent variable:- Opportunities and Challenges
2. Dependent variable:- Future prospects
3. R² is the coefficient of determination that measures the proportion of the variance in the dependent variable that is explained by the independent variables.

The result of the Table 7.2 reveals that opportunities and challenges accounts for 52.3% of the variance in the future prospects of the Tourism Sector in Punjab. Table 7.3 presents the results of stepwise regression analysis.
### Table 7.3
Stepwise Regression Analysis: Future Prospects Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>t-value</th>
<th>Significant level (p*)</th>
<th>Multicollinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-0.00</td>
<td>2.152</td>
<td>0.000</td>
<td>TOL 1.293</td>
</tr>
<tr>
<td>Ample tourism spots</td>
<td>0.389</td>
<td>7.388</td>
<td>0.000</td>
<td>0.773 1.293</td>
</tr>
<tr>
<td>Good network of tourism Intermediaries</td>
<td>0.031</td>
<td>0.147</td>
<td>0.805</td>
<td>0.927 1.079</td>
</tr>
<tr>
<td>Cultural and heritage tourism</td>
<td>0.284</td>
<td>5.193</td>
<td>0.000</td>
<td>0.955 1.047</td>
</tr>
<tr>
<td>Existence of Many Historical Monuments</td>
<td>0.231</td>
<td>3.801</td>
<td>0.002</td>
<td>0.875 1.143</td>
</tr>
<tr>
<td>Good Physical Environment</td>
<td>0.276</td>
<td>4.972</td>
<td>0.000</td>
<td>0.927 1.079</td>
</tr>
<tr>
<td>Lack of transport facilities for reaching destination</td>
<td>-0.107</td>
<td>-1.824</td>
<td>0.691</td>
<td>0.923 1.084</td>
</tr>
<tr>
<td>Lack of economic accommodation facilities</td>
<td>-0.375</td>
<td>-6.102</td>
<td>0.000</td>
<td>0.826 1.210</td>
</tr>
<tr>
<td>Lack of guide facilities</td>
<td>-0.165</td>
<td>-2.238</td>
<td>0.020</td>
<td>0.942 1.061</td>
</tr>
<tr>
<td>Lack of Hygienic Food Facility</td>
<td>-0.207</td>
<td>-3.634</td>
<td>0.004</td>
<td>0.946 1.056</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data.

1. Beta shows the relationship between future prospects and each predictor. If the value is positive then there is a positive relationship between the predictor and the outcome whereas a negative coefficient represents a negative relationship between them.
2. t-statistic help to determine the relative importance of each variable in the model.
3. *0.05 level of significance
In Table 7.3, positive beta value indicates that there is positive relationship between future prospects and Ample tourism spots, Cultural and heritage tourism, Existence of Many Historical Monuments and Good Physical Environment. This means that with the increase in these four predictors, there will be increase in future prospects of Tourism in Punjab.

On the other hand, negative beta value indicates that there is negative relationship between future prospects and Lack of economic accommodation facilities, Lack of guide facilities and Lack of Hygienic Food Facility. In other words, with the decrease in these three predictors, there will be an increase in future prospects for Tourism in Punjab and vice-versa.

Further, in Table 7.3, t-value reveals that the significant predictors of future prospects of Tourism Sector in Punjab are ‘Ample tourism spots’ ($t=7.388$), ‘Lack of economic accommodation facilities’ ($t=-6.102$), ‘Cultural and heritage tourism’ ($t=5.193$), Good Physical Environment ($t=-4.972$), ‘Existence of Many Historical Monuments’ ($t=3.802$), Lack of Hygienic Food Facility ($t=-3.634$) and ‘Lack of guide facilities’ ($t=-2.238$).

To detect the problem of multicollinearity, if any, Variance Inflation Factor (VIF) and Tolerance (TOL) were calculated. VIF ranged between 1.047 to 1.293 values which are well below the cut-off value of 10.

On the other hand, TOL is quite far from zero and closer to one. These factors indicate that there is no evidence of multicollinearity problem in the regression model. In addition, two variables are extracted from the Table 7.3 which were found to be non significant and are shown in Table 7.4.
Table 7.4

Stepwise Regression Analysis: Future Prospects Excluded Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>t-value</th>
<th>Significant level (p)</th>
<th>Tolerance Value</th>
<th>Variation Inflation Factor (VIF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good network of tourism Intermediaries</td>
<td>0.031</td>
<td>0.147</td>
<td>0.805</td>
<td>0.927</td>
<td>1.079</td>
</tr>
<tr>
<td>Lack of transport facilities for reaching destination</td>
<td>-0.107</td>
<td>-1.824</td>
<td>0.691</td>
<td>0.923</td>
<td>1.084</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data.

Table 7.4 shows that variable ‘Good network of tourism Intermediaries’ and ‘Lack of transport facilities’ are statistically non-significant (p>0.5). Therefore, these variables are not predictors of future prospects for Tourism in Punjab.

Results of Hypotheses Testing

The results of above analysis support the hypotheses H01, H02, H03 and H04. Therefore, it is concluded that:

1. There is significant relationship between future prospects and opportunities available for Tourism sector in Punjab.
2. There is significant relationship between future prospects and challenges faced Tourism sector in Punjab.
3. There is significant effect of opportunities on future prospects of Tourism sector in Punjab.
4. There is significant effect of challenges on future prospects of Tourism sector in Punjab.
From the above findings of the investigation it emerges out that these empirical findings of the research have practical implications for all concerned with promotion of tourism in Punjab. The tourism sector of Punjab has undoubtedly the potential for a lot of growth and to become a good source of employment and help the state in improving its economic condition but since there are number of challenges being faced by this budding sector of Punjab Economy, the same can be met through the coordinated efforts on the part of government and the various tourism intermediaries like tour and travel agents.

While the government is creating a favorable environment that would facilitate the growth of tourism in the state, the efficiency and effectiveness of the government initiatives in this regard need improvement in line with the findings of this chapter.