Chapter VII

SUMMARY OF FINDINGS AND CONCLUSION

In the concluding part of our thesis, we propose to sum up our broad observations:

The last few decades have witnessed a tremendous growth of tourism enabling it to emerge as the second largest industry in the world. Tourism as an industry has brought about a tremendous change in the society and the economies of different countries. India, as a tourist destination, ranks 42nd in the world. The tourism industry in India is the second most important earner of foreign exchange and provides employment to an estimated 7.8 million persons.

The Government, both at the centre as well as in states had realised the opportunities offered by the tourism industry and towards cashing in the opportunities had taken different steps, plans and policies to foster the growth of tourism in the country. The Tourism Policy 1982, the National Tourism Policy of 1997 are instances or such policies initiated by the Government. Also, the setting up of tourism promotion organisations with corporate or non-corporate status can be mentioned here.

The actual development of the tourism sector however has been far from satisfactory. Different regions of the country, inspite of being rich in terms of tourism endowments, have not been able to attract tourists in large numbers. Particularly noteworthy is the case of
Northeast India, which has failed to find a respectable position for itself in the national tourism map. This remains true despite the fact that all the seven states of the region have State Level Tourism Promotion Organisations and at least two of the states, viz., Assam and Meghalaya are even having state level tourism development corporations. In fact, the seven states of the Northeast region together are unable to attract even one percent of the foreign tourists arrivals in India, or even five percent of the national domestic tourist traffic.

The broad objectives of the study was to undertake a detailed examination of the tourism promotion strategy formulated and pursued in Northeast India with particular reference to the marketing strategy of the various state level tourism promotion organisations. The study aimed specifically –

(i) the review the Government initiatives at State Level for promotion of tourism in Northeast India with special reference to the role assigned to the state level tourism promotion organisations.

(ii) to analyse the promotional strategy and the marketing practice of the state level tourism promotion organisations in Northeast region.

(iii) to examine how tourists evaluate the marketing mix offered by the state level tourism promotion organisations and

(iv) to suggest necessary policy changes and other measures
for optimum realisations of the tourism potential of Northeast India.

The study has been conducted specifically focusing on two states viz., Assam and Meghalaya. These two states together account for about 80 percent of national and international tourist arrivals in Northeast India. The four organisations in these two states intensively studied by us were the Directorates of Tourism, Assam, the Directorate of Tourism, Meghalaya, the Assam Tourism Development Corporation and the Meghalaya Tourism Development Corporations. Although, there are other players in tourism, like the hotel chains, tour operators, booking agents etc., in private sectors who play their respective roles in tourism development, these players were kept beyond the scope of our study. To proceed in our study, it was necessary to define and understand, who is a tourist and what motivational factors are there, which make a man tourist. At the same time, it was necessary to identify the factors which make a particular place a tourist attraction.

The second chapter in the thesis was designed to study the above. Through extensive literature review, it was seen that there are at least five factors which can motivate a person to become a tourist. These factors actually generate the urge for satisfying some demands – the demand to travel. An area or region or a country having such endowments to fulfill the demand of any such urge can be a tourist destination For this matter, the promotion of the place is required, which can be done successfully by a National Tourist Organisation
or a Regional Tourist Organisation.

Again, the demand for tourist products is associated with certain peculiarities. Some of the peculiarities are common to a service sector, but the most peculiar one in case of tourist products is the physical distance between the places of demand of origin and the places where tourist products are offered. Because of the physical distance between the place of demand and place of supply, promotion is more required tourism.

Again, as tourist products are the amalgam of different products and services, there are numerous suppliers – large and small – to offer their respective products and services. Individually, very few of them will be in a position to take such promotional measures to reach the target customers. The tourist organisation at national level or regional level can take such measures to promote a destination with their promotional strategy and facilitation strategy.

Through promotional strategy a tourism promotion organisation can bring in a systematic link between tourism demand and tourism supply and through facilitation strategy, it can bring in to focus the numerous tourist products to the target group of tourists. The tourism promotion organisations with financial and legal support from the government can initiative tourism promotion through :

i) formulating and developing the tourist product or products of the destination ;
ii) appropriate marketing of the destination as well as of the products developed by it therein.

Further, the marketing activities of the tourism promotion organisations, as highlighted in the thesis concerned with mainly the following:

a) Establishing promotional priorities for specific markets and segments

b) Co-ordinating the elements of tourism products

c) Liaising with and influencing the tourism industry.

d) Providing support for new or growth products relevant to policy.

e) Creating co-operative marketing campaigns accessible especially for the small business houses, which would otherwise be unable to participate in marketing on a national or international scale.

Depending upon the stage of development, a tourism promotion organisation has to decide, which strategy is to be adopted by it. The ultimate objective of the tourism marketing is to bridge the gap between the tourist destination and the place of origin of demand. The tourism promotion organisations are specifically set up for this objects and expected to fulfill this objective.

But, the fulfilment of the marketing objective calls for a properly designed organisation structure with marketing orientation. The four
organisations under study viz. The Directorate of Tourism, Assam, the Directorate of Tourism, Meghalaya, the Assam Tourism Development Corporation and the Meghalaya Tourism Development Corporation are studied intensively to analyses the organisation structure of each of them. These four organisations are the state Level Tourism Promotion Organisations responsible for tourism promotion in the two most important sates of Assam and Meghalaya in Northeast India.

It is seen that the functional relationship between the two organisation in the respective states viz., the Directorate of Tourism and ATDC in Assam; and also the Directorate of Tourism and MTDC in Meghalaya are nor well defined. The promotional activities are, by and large, vested with the Directorates which are characterised by their bureaucratic style of functioning with the Chief Executive Officers drawn from state civil services. The professional background on tourism or marketing is hardly considered in appointing the personnel.

The organisations structure of ATDC and MTDC also show no better pictures. The bureaucratic style of functioning is evident in the two SLTPOs which are in corporate sectors in both Assam and Meghalaya. In most of the corporations, the marketing is seen as an integral part of the activities of the organisation. It has been thus, highlighted in Chapter III, that tourism promotion scenario in Northeast India depicts a general lack of accountability for policy markers and managers, the non-availability of a sound feed-back
system and the absence of any performance evaluation standard. This is evident from the qualification and the professional background of the Chief Executive Officers of the SLTPOs studied by us. The overall atmosphere in the organisations is generally characterised by lack of enterprise and innovation, bureaucratic style of functioning red-tapism and inordinate delays in implementing decision. This, in turn, provides room for apathy and unimaginative functioning of the organisations.

Chapter IV of the thesis has been designed to make indepth study on the marketing practice of the SLTPOs. The chapter has been emphasised on three points viz.

i) marketing research practices in the tourism promotion organisations in Assam and Meghalaya;

ii) practice with regard to market segmentation targeting and positioning; and

iii) planning and developing the product-mix.

Marketing research is an essential ingredient of the overall marketing management process for a tourism promotion organisation. It is the function that links the consumer, customer and public to the marketer through information, used to identify and define marketing opportunities and problems, to generate, refine and evaluate marketing actions, to monitor marketing performance, and to improve understanding of the marketing process. It is through
marketing research, that a tourism promotion organisation can know the answers to the most vital point like:

a) size and nature of the total tourism market,

b) the different sets of travel motivations,

c) the nature of different segments of tourist market based on different travel motivations,

d) preferences and interest pattern of the prospective tourists and their income-class origin and life-style pattern; and

e) the best possible medium to reach the prospective tourists.

The SLTPOs in Assam and Meghalaya have not, so far undertaken any such 'total market research' to assess the size of the total market in the context of the changing and competitive tourism scenario or for understanding the needs, perceptions and preferences of the prospective tourists. The surveys undertaken so far by the selected organisations in the two states have focused mainly on measuring consumer profile and their evaluation of the attractions and facilities offered in the two states.

Marketing research is yet to become a continuous process in the SLTPOs in Assam and Meghalaya.

It is also expected that, for a SLTPO, targeting the appropriate market after identifying it through proper market segmentation is carried out. Market segmentation is the process where by marketers
organise their knowledge of current and prospective customers and pay particular attention to the group or groups whose needs and wants the organisations are best able to fulfil with their products. Different parameters may be used for the purpose of segmentation, like; geographic, demographic, socio-economic, and psychological or product based.

As far as the SLTPOs in Assam and Meghalaya are concerned, board segmentation is normally done and the focus has been on the domestic tourists. However, no attempt is made by the SLTPOs to further segment the market on the basis of the state or area of origin.

From the point of view of product-based segmentation, it has been observed through the analysis of slogans used by the SLTPOs in Assam and Meghalaya that in both the states, focus has been mainly on their endowments as given by nature. Natural resources - beauty and endowments of the states have been highlighted in the slogans as well as in different brochures to attract nature lovers and explorers. In Assam, however, the culture and heritage are given a moderate degree of importance, while product formulating and targeting. But, effort to enhance the 'product value' or 'product image' by providing more and more services and facilities to the visiting tourists, have remained absent in both the states.

Further, since the tourist products are location specific, accessibility to the tourist destination is an important part of product
formulation. Absence of accessibility may be the result of physical distance, political and social disturbance or psychological barriers.

It has been observed that except a few destination, the rail-road connection in the tourists spots in the two states are not very much satisfactory. Presence of inter-state tour serves could be an effective step towards increasing tourist flows to the tourist spots. The present practice of spot selection in a haphazard way is not the proper tourism promotional practice.

Promotional practice and promotional mix of the SLTPOs of Assam and Meghalaya have been studied in Chapter V in the thesis. It is seen that, promotion, as a means of communication about the merit of a product, between the SLTPOs and their target customers for helping the sales; as well as the promotion mix – the total marketing communication programmes of the SLTPOs in Assam and Meghalaya, are too insufficient to reflect effective sales. The factors responsible for this, as identified in our study are the following:

i) The scale of activities ad resources devoted to promotion by the SLTPOs in Assam as well as in Meghalaya are too low to enable the organisations to create any visible impact on the tourism market.

ii) The media selection by the SLTPOs were formed too narrow and traditional

iii) The frequency in using the tools for promotion are too low that
in the present competitive era they have failed to register due impact on the prospective tourists.

iv) The promotional activities were found confined to a small area and as such, no serious attempts are being taken up by the SLTPOs to reach the prospective tourists of over a wider area.

In this connection, comparative studies of three leading SLTPOs in India, viz, the Madhya Pradesh State Tourism Development Corporations (MPSTDC) the Kerala Tourism Development Corporation (KTDC) and the Himachal Pradesh Tourism Development Corporations were made to identify the lacunae, where the SLTPOs in Assam and Meghalaya are failing.

It was found that in the three states of Madhya Pradesh, Kerala and Himachal Pradesh, unlike Assam and Meghalaya, the prime responsibility for promoting tourism has been with the respective tourism development corporations. The MPSTDC, the KTDC and the HPTDC, under corporate sectors enjoys wider autonomy in compared to government departments like, Directorate of Tourism, Assam and that of Meghalaya; and as such, can frame their policies and respond quickly to market needs as per the specific dictates of their given situation.

It was further noticed that, in the three states of Madhya Pradesh, Kerala and Himachal Pradesh, all such strategies for promotion of tourism are being formulated after detailed marketing research.
MPSTDC, for example, had taken a series of phased strategies to make the prospective tourists aware of the state, before promoting the state as an ideal tourist attraction. The KTDC had given special attention on marketing research and public relation, likewise, the HPSTDC has been successful in product formulation for both domestic and international tourists.

It compared to this, both the Directorates in Assam and Meghalaya are characterised by adhocism and bureaucratic style of functioning. As a result of failing in marketing the states properly as tourist destinations, both the states together fail to attract even one percent of the national tourist traffic.

The examine has the tourists visiting Assam and Meghalaya evaluate the marketing mix offered by the SLTPOs, a tourist opinion survey was conducted in course of our research. The finding of the opinion survey has been presented in Chapter VI of the thesis. The survey has given us some important revelations like:

i) Majority of the tourists visiting Assam and Meghalaya were in their age limit of 25 and 50.

ii) Male tourists consists of around double the female tourists.

iii) Majority of the tourists were from the neighbouring states of West Bengal, Bihar and Orissa.

iv) Educated middle income groups of tourists mainly with urban
background consists more than 50 per cent of the tourists visiting Assam and Meghalaya.

vi) Almost three fourth of the total tourists visit Assam and Meghalaya for holidaying and sight seeing with an average duration of their stay here for one week to one fortnight.

The profile of the tourists surveyed by us were indicative of the extremely limited market-reach of the SLTPOs in North East India. Urban middle-class of mainly the neighbouring states coming here either for holidaying and sight seeing or for official or business related purpose.

We want to put forward here the following broad observations:

The tourism promotion organisations studied by us are financed by governments and there is usually requirement that the marketing objectives serve the government policy.

The four organisations under study viz. The Directorate of Tourism, Assam; the Directorate of Tourism Meghalaya, Assam Tourism Development Corporation (ATDC) and Meghalaya Tourism Development Corporation (MTDC) are expected to frame and implement the policies of the state governments regarding tourism planning, which are mainly:

1. To generate increased tourism revenue.

2. To channel demand by season and by area of the states.

3. To protect consumers' interests and enhance the quality of the product and the environment.
The four organisations are the ultimate authority in regarding the marketing policy and tourism development in the concerned two states.

It is further mentioned in our previous discussions that these four tourism promotion organisations are not the only suppliers of tourist products and services. There are numerous such producers or suppliers who are playing their individual roles in regard to hoteling, transportation, booking and other facilities.

Hence the marketing practice of the tourism promotion organisations should be such that it takes facilitation strategy, so that it can play a supportive role for the numerous producers within the industry.

The Directorates of Tourism and the Tourism Development Corporations of both the states are entrusted with the duty of infrastructure development in the respective states. In this way they are making an effort towards overall tourism development of the states.

But such organisations in other states where tourism has been already developed are playing their roles in marketing their states in various ways.

Rational application of the marketing concept demands that the approach of the marketer should be based on the 'outside-In-perspective, where one should start with a well defined market, focus on customers or tourists’ needs and co-ordinate all endeavours and resources in a manner that seeks to maximise tourist inflow through
maximization of tourists values and satisfaction. To put it differently the promotional strategy should be market focused and consumer-driven.

It has been observed by us that the actual marketing scenario in Northeast India has been far away from the aforesaid ideal state of affairs. In place of the outward looking 'out-side-in' approach, the state level tourism promotion organisations in Northeast region rather have adopted the inward-looking 'inside-out' perspective. The policy makers in the tourism promotion organisations focus primarily on the available tourist destinations and on their own offered range of facilities (hotel, conducted tours, etc.) and direct the endeavour and resources towards attracting tourists to the given sites. In course of our numerous visits to the offices of the Directorate of Tourism and also to the head quarters of the State Tourism Development Corporations, we could hardly notice any concern among the decision markers for assessing the tastes, preferences and needs of the tourists and for gearing their respective organisations towards satisfying these needs. In fact, the significance of application of the 'marketing concepts' to tourism promotion is yet to be duly recognised by planners and organisation-managers in Northeast India.

We could further notice that in none of the two states intensively studied by us any attempt was ever made to formulate and purpose a long-term plan for promotion of tourism. The operation of the organisations, naturally, reflect 'adhocism' at all levels of decision making. The overall atmosphere is characterised by lack of enterprise and innovation, bureaucratic style of functioning, red-tapism and
inordinate delays in implementation of decisions.

It could also be noticed by us that the tourism promotion scenario in Northeast India depicts, among others, a general lack of accountability for policy markers and managers, the non-availability of a sound feed-back system and the absence of any performance evaluation standard. All these, in turn, provide room for apathy and unimaginative and bureaucratic style of functioning. For example most of the tourism promotion organisation do not publish their Annual Reports regularly that would have enabled us to assess their actual performance is-a-is the assigned sets of objectives.

**Suggestions towards policy implication**

After completion of the study and identifying the possible lacunae in tourism marketing by the State Level Tourism Promotion Organisations in Northeast India, we want to put forward the following suggestions which could be effective means towards successful tourism marketing.

1. The tourism promotion organisations in Northeast India are required to work with their defined roles. As it was seen in our study, both in the states of Assam and Meghalaya, overlapping of functions between the Directorates and the Tourism Development Corporations in the respective states had given rise to absence of accountability; which is required to be avoided with proper distribution and delegation of authority and function.
2. The Tourism Development Corporations should be given higher degree of autonomy with assigned degree of accountability so that, along with the maintenance and compilation of tourist data, the corporations are asked to prepare periodic statements and accounts, for making, up-to-date appraisal of project from cost-benefit angle.

3. The organisation set ups of the SLTPOs is required to be restructured and reoriented. As it was noticed that the SLTPOs in Assam and Meghalaya were in typical bureaucratic structure, we suggest for immediate restructuring the organisations with clear cut functional division and making marketing as an integral part of the organisation. In other words, the entire organisation structure should be marketing oriented.

4. Giving away with the bureaucratic style of functioning, the organisations are required to bring flexibility in their functioning. The tourism promotion organisations are required to realise the changes in market demand and to design their products as per the anticipated changes.

5. The marketing objectives of the SLTPOs should be well recognized. Towards this, it is suggested that the SLTPOs should take well planned and well defined strategies after identifying the target markets— their demands; and making proper steps to reach the target customers i.e., the
prospective tourists efficiently and effectively.

6. It has been observed through our study, that the products offered by the SLTPOs in Assam and Meghalaya are mainly natural endowments like flora and fauna. But, proper efforts to enhance the 'product value' of such products were not visible.

In this connection, we suggest that immediate efforts are to be taken to enhance the value of the products offered by the SLTPOs so that a 'superior value' can be projected to the target group of tourists. This can be done by enhancing, increasing and standardizing the facilities and services at the tourist spots.

7. As the tourist spots are in a distant place from the places of origin of the tourists, it is required that proper accessibility to the spots from the place of origin of demand is there. We suggest that, the SLTPOs should consider the factor of accessibility while projecting a tourist spot in future.

8. We suggest for heavy promotional measures with wide ranges to be adopted by the SLTPOs. Inspite of limiting to the traditional promotional techniques and tools the SLTPOs are suggested to go for modern audio-visual techniques, electronic media and internet.
9. As the SLTPOs are to carry forward the plans and policies of the government for tourism promotion, it would be our suggestion that the organisations should not remain operative in an isolated way. The development of tourism calls for co-operation and co-ordination from other government organisations and departments.

10. Lastly, through the Tourist Opinion Survey, we have seen that the tourists visiting Northeast India do not consider Assam or Meghalaya as two distinct tourist destinations. They consider Northeast India as a whole, as one tourist destination. So, the expectations of tourists can not be fulfilled by any single organisation of a particular state. A co-ordinated effort from a number of states is called for.

We, in this connection, suggest for an apex body like North Eastern Council, which can monitor and control the tourism activities of the SLTPOs of different states.