Introduction and Design of the Study
CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

There is growing realization worldwide that tourism along with information technology holds the key to the country’s economic growth. With tourism emerging as one of the thrust sectors, Governments in India and abroad have already initiated steps to encourage the private sectors also to invest in tourism infrastructure. Even developed nations such as France, USA and Australia count on tourism revenue in a big way and make conscious efforts to market their tourism attractions. It is ensured that the income generated from tourism is used to maintain and modernize their ecological assets and legacies. Educational enlightenment is another spin-off from tourism. Thus, if tourism grows wisely and strategically, it might serve as a true caretaker of the tangible social and rural infrastructure available at the tourism destinations.

However, in India, tourism is perceived as a luxury and at best is seen as being all right if a city dweller returns to the native place for a holiday or a pilgrimage is undertaken or at best if one visits a hill station for a short holiday.

After liberalization, the Government of India is doing a lot to encourage tourism so as to attract foreigners. There are different States in the Country which are creating congenial atmosphere for various types of tourism adventures for different purposes to attract foreign and domestic tourists through which India tourism sector has been increasing its earnings considerably.

1.2 STATEMENT OF THE PROBLEM

Tourism is now widely recognized as one of the world’s largest industries and its growth is creating rapid, social, economic, cultural and environmental changes, which require detailed understanding and measures to manage it. The most important economic assets of any country are outstanding archeological sites and ancient towns’ capes, which provide opportunities for the development of tourism and infrastructure.
The process of economic reforms has had its own impact and the Indian tourism industry has been a major source of invisible earnings on the current account balance of payments. In India, new dimensions have been added to the leisure sector with the emergence of resorts and heritage hotels. At present, foreign tourist arrivals continue to be robust even during the lean tourist season.

According to travel agents, more than seventy percent of foreigners come to India on business, as it is increasingly being viewed as an attractive destination for investment in hotel and infrastructure industries.

International tourist arrivals worldwide are expected to increase by 3.3% a year from 2010 to 2030 to reach 1.8 billion by 2030, according to UNWTO Tourism Highlights, 2014.

In much of regional Tamil Nadu, nature is the prime attraction for tourists. The tourism sector in Tamil Nadu and Dubai has been growing at a phenomenal pace during the past decade and contributing significantly to its GDP. Tamil Nadu and Dubai has become major tourist hub of both domestic and foreign tourists. The other emirate Abu Dhabi with its enormous oil revenues has invested heavily into tourism infrastructure like hotels, hotel apartments and airlines.

The performance of tourism industry of Tamil Nadu and Dubai has been improving consistently over the years. In addition to the direct benefits, the indirect benefits like employment generation in the associated sectors are also significant. Therefore, it is appropriate to measure the performance of tourism industry in both countries and this study offers the way for the same. The study also analyses the present trend and growth prospects of the sample countries.

1.3 OBJECTIVES

1. To examine the major tourism spots and tourists arrivals in Tamil Nadu and Dubai.

2. To compare the financial performance of tourism sector in both countries.

3. To measure the perception of tourists on the awareness of tourism spots and the infrastructure facilities available in the major tourism spots.

4. To analyze the impact of tourism sector on the economic development of Tamil Nadu and Dubai.
1.4 HYPOTHESES

1. There is no significant difference in the financial performance of both Tamil Nadu and Dubai Tourism Sector.

2. There is no significant difference in tourists’ perception of both Countries.

3. There is no significant impact of tourism on the economic development of both Countries.

1.5 SCOPE OF THE STUDY

The Study covers the Emirate of Dubai and the State of Tamil Nadu. It encompasses all the important places of tourism in both the Countries, identified by Tamil Nadu Tourism Development Corporation and Dubai’s Department of Tourism and Commerce Marketing. It also takes into account the associated sectors like travel and entertainment sector. Besides promoting and marketing the destinations, the government is also actively engaged in developing infrastructure. Therefore, it places emphasis in thrust areas such as roads, power, telecom and automobiles, which in the long run will facilitate and promote travel.

1.6 PERIOD OF THE STUDY

The Study covers a span of 17 years starting from 1997 to 2013.

1.7 RESEARCH METHODOLOGY

Two-pronged methodology has been followed. The study depends on both primary and secondary data analysis. Two sets of interview-schedules have been prepared and monitored to get firsthand information from the selective respondents of both countries. Sample respondents (200 each) from both the countries have been met in person and information has been collected.

Data was also collected from various sources like tourism development agencies, hotels, tour operators and airlines of both countries. Secondary data were also collected from various journals like Incredible India, Indian journal of Tourism and Hospitality Management and from different web sites. Secondary data were used to examine the tourist arrivals during the study period and foreign exchange earnings were also determined.
Separate chapter has been included for primary data analysis to understand the perception of the tourists of both countries. Secondary data analysis is also undertaken in a separate chapter to determine the tourism revenue generated by both countries during the study period.

1.8 DATA ANALYSIS

Appropriate Management Tools like Compound Annual Growth Rate, Comparative Financial Statements were used. Statistical Tools like Correlation Analysis, Regression Analysis, Chi square Test, and ANOVA were utilized to bring forward the hidden information from the raw data.

The annual growth rate of tourist arrival and revenue generation has been measured. Chi square test is used to find out the association between variables and to know the relationship amongst the variables fixed to measure the same.

Satisfaction Scores and Approval / Appreciation scores were determined. These will reflect the level of satisfaction or how much the tourists approve of about tourism places. T-test and ANOVA were employed for this purpose.

Multiple Regression Analysis was used to determine what influences the satisfaction level of tourists of each State using satisfaction score as dependent variable and other factors as independent variables. The same was used to determine what influences the approval level of tourists of each State using approval score as dependent variable and other factors as independent variables.

The Factor Analysis technique is applied in this study to compare the satisfaction scores and approval scores of respondents between two States. In case of Satisfaction scores, the 13 variables in the data were reduced to 3 factor model and each factor was identified with the corresponding variables. In case of Approval / Appreciation Scores, the 13 variables in the data were reduced to 4 factor model and each factor was identified with the corresponding variables.

Discriminant Function Analysis was used to determine how the respondents who are tourists to Dubai differ from those who are tourists to Tamil Nadu in terms of their satisfaction and appreciation with regard to tour experience.
1.9 LIMITATIONS OF THE STUDY

- The Study is confined to the limited tourism spots only.
- It is based on the opinion of the sample respondents, which may differ from time to time.
- Both the destinations Tamil Nadu (India) and Dubai (UAE) differ on social customs, culture and religion and hence differences are bound to exist in respect of these factors.

1.10 CHAPTERISATION

Chapter – I Introduction and Design of the Study: It covers the statement of the problem, objectives of the study, hypotheses, research methodology used, chapter plan etc.

Chapter – II Review of Literature: It deals with the views of earlier studies relevant and relating to tourism sector of both countries. The research gap has been identified to execute the research work.

Chapter – III Present Status of Tamil Nadu and Dubai Tourism Industry: It examines the present status of tourism sector in terms of tourist arrivals and identification of major tourism spots in both countries.

Chapter – IV Financial Performance of Tourism Industry: It analyses the financial performance in terms of tourism income / revenue earned by both countries during the study period.

Chapter – V Satisfaction and Perception of Tourists: It measures the level of satisfaction, appreciation and perception about the services offered at the tourism places of both the countries.

Chapter – VI Summary of Findings, Suggestions and Conclusion: It consolidates the summary of major findings, suggestions to policy makers, conclusion and direction for future research.