Chapter 1

Introduction and Overview
"It is the one country (India) under the sun that is endowed with an imperishable interest for alien prince and alien peasant, for lettered and ignorant, wise and fool, rich and poor, bonded and free and on the land that all men desire to have seen and having seen once by even a glimpse would not give that glimpse for the shows of all the globe combined..."

- Mark Twain

Welcome a Tourist--- send back a friend.

Famous saying of Jawaharlal Nehru

1.1 New Facets of Tourism in the 21st Century:

As the dawn was crawling along the river Brahmaputra and through the Bay of Bengal to usher a new century alongwith a new millennium, controversy reached the climax as to which place in India would receive the first rays of the sun in the new millennium. Is it Dawng in Arunachal Pradesh or Katchal in Nicobor Island? The media and the tourism industry of the country tried to exploit this phenomenon by selling the destination to the tourists with unprecedented professionalism. This shows the increasing importance of marketing in tourism in the country. With this, new ideas and visions, hopes and determination have generated frenzied activities in all spheres of the industry. The industry is bound to see sea changes in the coming years in terms of reach and penetration and also in terms of innovative products in the forms of destinations and attractions.

By and large, it is widely admitted that tourism is one of the few sectors that can bring about a real growth to the economy without creating significant regional or economic disparity. Tourism is also recognised as the most promising industry globally, which possesses tremendous capacity for growth and revenue generation. This industry has made inroad into the mainstream of the economy quietly but firmly. Throughout the 1980s tourism has generated receipts, which was larger than the world trade. According to projections, by the end of the first quarter of this century tourism will grow at a faster rate than the world’s collective wealth! And
this brings even the richest businesspersons in the world to consider tourism as one of the major industries of future besides Information Technology.

In 1996, the worldwide tourism industry generated US$425,262 million from a total arrival of 5,94,756 thousand tourists. Out of these, almost 90% were generated from domestic tourism. But then in many countries like India, domestic tourism is often understated; as keeping records for domestic movement of tourists are sometimes impossible. In the same year the industry generated 255 million jobs worldwide, which was almost 11% of the total available jobs that year. This is achieved from an investment of US$766 billion, which were only 11.9% of the total global investment in all sectors.ii The tourism receipt is roughly 10.2% of the world’s collective GDP. The growth rate of the industry is also impressive. The international arrivals increased at a rate of 1,878 % during the period from 1950 to 1992, while during the same period, the receipts increased by whopping 14,375%iii. Though tourism is ubiquitous and worldwide, its arrivals and receipts are unevenly shared among countries and regions. The top ten destinations in 1996 as regards to arrivals were France, USA, Spain, Italy, UK, China, Mexico, Hungary, Poland and Canada; and all of them collectively account for 52.07% of the total international tourism arrivals. Six of these countries are from Europe and only one is from Asia. In the same year these countries received a staggering amount of US$204,761 millioniv. (This figure, however, is not the collective receipts of the top ten tourism earner countries.) On the basis of sheer regional disparity on growth of tourism, international tourism may be described as a cluster of eight geographical regions -- North/Central America, South America, Western Europe, Eastern Europe, Africa, North Africa/Middle East, Far East and Oceaniav,

Very Few industries have evolved as rapidly as tourism in the relatively short span of a few decades. Though tourism exists from time immemorial, it attained the status of an organised sector only in the first part of the 20th century, which was propagated by the rapid spurt of economic activities after the World War II. Developed countries, using their huge resource-base to build and modify infrastructure, captured the unprecedented opportunities thrown open by the
development of technology, like commercialisation of international flights during that period. Though developing countries rose to the occasion a little bit later, they soon rediscovered the potential of tourism and its role in development of economy, and started to invest heavily in this sector. Popularity of this industry went on increasing among the investors as it maintained a steady growth rate throughout the years. The chart in Figure 1.1 shows the rate of growth of tourism over the decades starting from 1950 (the growth figure on tourist receipts for the period 1995-96 is not available).

The growth pattern, however impressive it may look like, according to experts, is only the tip of the iceberg. Travelers are estimated to be only 7% of the potential prospects of the globe. The future annual growth rate of the global tourism industry, in terms of arrival is projected to be at 4.3% (6.7% in terms of receipts), which will be far above the rate of growth of the world’s wealth. And this miracle-of-sort may be achieved by direct participation of only 7% of the world’s population. This means that if more people are involved in the process, the rate of growth will be far more.

1.1.1 World Tourism Organisation’s Vision 2020:

World Tourism Organisation (WTO) has analysed the emerging trends and factors, which will influence the future growth pattern of the industry. Some of the important observations of WTO are summarized below.
• By 2020, there will be 1.6 billion international tourist arrivals and tourism receipts will rise to a staggering US$2000 billion, globally.

• There will be sustained average annual growth rate of 4.3% (for arrivals) and 6.7% (for receipts) throughout the world till 2020.

• In spite of this growth only 7% of the world’s population will become potential tourists. Thus according to WTO the industry would be still in infancy even in the year 2020.

• The top 10 tourist receiving countries would undergo major changes and China would be receiving maximum number of tourists (estimated to be 137.1 million with a market share of 8.6%) by 2020. Present (in 1996) market leader, France would come down to the third position. China will have an average growth rate of 8.0% in tourist arrivals during the period 1995-2020.

• There will be changes in the top tourist originating countries. Japan, China, and Russian Federation will emerge as the new major outbound tourist countries.

• Though Europe will remain the largest tourist-receiving region, its share will come down to 45% from the present 59%.

• South Asia will grow at a rate of 6.1% per annum during the period but its share will grow only up to 1.2% from the present 0.7%.

According to WTO, future growth pattern will entirely depend upon the competitiveness among the nations. Nations will become aggressive and will employ newer techniques to attract more tourists. Tourists will also be exposed to the tremendous flow of information and thus their options will increase dramatically. So traditional tourist attractions may no longer be able to get as many customers in the coming years. It has been experienced that international tourism is a volatile area with potential visitors quick to abandon formerly popular destinations like Beirut or Greece. This kind of turnaround will not be surprising...
in the coming years due to changing role of marketing activities in tourism. A survey conducted by WTO among 85 countries identified the following key priority areas in tourism:

- Increased, more focused and more aggressive marketing.
- Constant striving for a competitive edge through a combination of product differentiation, quality and price in the destination.
- Need for sustainable tourism development to ensure long term prosperity.
- Less state control and more private sector participation.

The change in attitude of the National Tourism Organisations (NTOs) towards marketing and particularly selling would ensure a greater role for various factors affecting sales. Thus the contribution of middlemen like the travel agents and the transport companies also will increase many fold. The new tourism product will consist of many more components apart from the traditional ones— the destination and the tourists. The new era will see, rather already has seen, the importance of selling places as a package— putting transportation, insurance, accommodation, shopping, and many more innovative and creative ideas through the same window.

John Lea (1988) has identified the following factors that primarily influence the international tourism industry.

<table>
<thead>
<tr>
<th>Factors Influencing Demands</th>
<th>Tourist Industry Intermediaries</th>
<th>Factors Influencing Destinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Rising income</td>
<td>*Travel agents</td>
<td>*Historical connections</td>
</tr>
<tr>
<td>*Increased mobility</td>
<td>*Tour Companies</td>
<td>*Accessibility</td>
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<tr>
<td>*Improved Transport</td>
<td>*Hotelliers</td>
<td>*Stability</td>
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<tr>
<td>*Increased Tensions and Escapism</td>
<td>*Transporters</td>
<td>*Nature of tourist product</td>
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<tr>
<td>*Education/ information</td>
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1.1.2. Tourism Defined:

In 1991-92 the WTO, the apex body on international tourism defined: tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. In UK, the Tourism Society adopted a definition in 1979 based on the work of Burkart and Medlik, which in turn draws on earlier definitions and has been widely accepted, which says tourism is deemed to include any activity concerned with the temporary short-term movement of people to destinations outside the places where they normally live and work, and their activities during the stay at these destinations. From these two definitions, following characteristics of tourism can be derived -

1. Visitors' activities are concerned only with aspects of life outside normal routines of work and social commitments and outside the location of these routines.
2. The activity necessitates travel, and nearly in every case, some form of transport to the destinations is required.
3. The destination is the focus for a range of activities and a range of facilities are required there to support those activities.

It is clear from the definition that any kind of movement of individuals or group of individuals to a place outside the person(s)' routine movement for day-to-day activities is considered as an activity involved in tourism and the individuals are known as tourists. However, for the objectives of this research, the definition is needed to be modified marginally. Here tourists are those person(s) who travel for anything other than the necessity arisen out of some kind of compulsions. Therefore, the visitor who is visiting Vellore for medical treatment for himself or for somebody else's, or a Business Executive visiting some place due to necessity arisen out of his normal duties, are not considered as tourists, and thus the activities they are engaged in are not taken as activities related to tourism. But if the same persons visit a place of importance just nearby, this can be treated as tourism. However, it is worth mentioning here that this definition of tourism cannot be extended to any other kind of research, objectives of which might be different from the present one.
Thus the following activities are considered as tourism for the purpose of this research:

- Relaxation, fun seeking, visiting places of attractions
- Pilgrimage
- Trekking, surfing, canoeing etc.
- Travel in pursuit of knowledge

1.1.3 Components of Global Tourism

As described above, starting with the end of World War II, overall increase in quality of life and easy flow of information made travelling easier and more pleasing than ever before. The business started blooming and got institutionalised with systematic organisational activities. The tourism industry as it is today can be broadly divided into three functions. Dynamic phase covering movement to and from the destination; a static phase involving the stay in the destination; and a consequential element covering the economic, social and physical impacts of the tourists' visit. These can be described by the model offered by Alister Mathieson and Geoffrey Wall (1982), which is depicted in Figure 1.3.

All factors mentioned in the model affect the demand for the destination. If Causal Loop analysis is applied to this model, it is revealed that the increase in demand would have negative effects on the social and environmental factors. Control issues normally restrict the flow of tourists beyond a certain point. If judiciously applied, this model can bring a stop in social and environmental degradation in the highly tourists-infested destinations. The model also tries to put forward certain characteristics on the basis of which tourists can be segmented.

The core of tourism and travel business as identified by the World Travel and Tourism Council (WTTC) can be summarised on the basis of the three factors of tourism business as described by the model in Figure 1.3.
The three phases as mentioned above, may involve the following components:

**Dynamic Phase:**
Airlines, Railways and other long distance transport providers and Tour operators

**Static Phase:**
Accommodation providers, accommodation suppliers;
Within the destination transport providers- taxi services, tourist coach service, car/bike rental;
Tour operators, travel agents;
Attractions- natural and artificial;
Food and beverages suppliers like hotels and restaurants;
Shopping malls including small scale sellers dealing with handicrafts and mementos;  
Recreation/sports facilities and institutes, entertainment/art;  
Porters  
Cartographers, Printers  
Communication network like Public Call Office, Cyber Café  
Handicraft manufacturing  
Maps and travel books  
Cameras and films  
Tour guides, Managers  
Museums

Consequential Phase:
Shopping for memento, cottage industry, shopping malls, taxi and small time tour operators and guides, food and accommodation.

1.2 Marketing in Tourism
As mentioned earlier, the main thrust of the tourism industry in the coming decades will be on marketing the destination to attract optimum number of visitors throughout the year. The increased role of marketing is necessitated as only a small proportion of all potential tourists is coming out to visit a destination. Visitors from the third world countries are shyer in this regard and their propensity to travel is much less than other countries. These latent demands make the tourism industry ‘the’ industry of the new century. Marketing is to play the lead role in attracting the most profitable segments of tourists to the concerned destination.

Like all services, tourism marketing is also exposed to certain limitations. These include perishability, inseparability, heterogeneity and intangibility. However, the very high degree of seasonality in most of the tourist destinations makes marketing of tourism more complicated and challenging. In tourism marketing the competitors are trying to catch the consumers’ leisure time and disposable income. There is nothing essential or emergency about a holiday, in a particular place, at a particular period of time. Therefore, the skill of leisure
marketing lies in creating value, in packaging and in promoting the experience to
the customers so that he/she might feel the vacation in a particular place is a must.

One of the popular marketing strategies in the contemporary time is to
create some differentiation in the product or service so that a particular position can
be created for the product. Destinations too can be packaged and promoted by
associating some differentiation along with it. A brief discussion on destination
differentiation is offered below.

1.2.1 Destination Differentiation

Product differentiation is one of the most commonly used marketing
strategies in services marketing. Since the benefits of services like tourism are
mainly intangible and easy to be copied by the competitors, the differentiation
strategy is used by creating few distinguishable attributes for the particular service
and then promoting the same. According to Kotler, differentiation is the act of
designing a set of meaningful differences to distinguish the marketer’s offerings
from competitor’s offerings. There are many ways through which differentiation
can be affected. There may be Services Differentiation, Personnel Differentiation,
Channel Differentiation and Image Differentiation. As mentioned earlier, every
difference should meet the criteria of Importance, Distinctiveness, Superiority,
Communicability, Profitability, Affordability, and Preemptive. In other words the
features should be beneficial to the customer as well as the same must be
communicable to the audiences. The marketer may also think about pinpointing a
Unique Selling Proposition (USP).

Once some distinctive features are selected, these are to be promoted to the
target group, so that the buyers become aware of the distinctiveness of the offering.
Basic aim of the promotional strategies is to convince the target group about the
usefulness of the attributes promoted in relation to the other available offerings.
Once the above criteria on distinctiveness are met, an efficient promotional
campaign can perform the desired job without much difficulty.
However, before deciding about any distinguishable attribute, the marketer should segment the potential tourists. It is a well-established view that the value attached to a product by the buyer and acceptability of the same, in most of the cases, depend on the characteristics of the prospective buyer. The buyers can be divided into some distinctive groups on the basis of certain physiographic and psychographic characteristics so that homogeneity in thinking within the members of the groups can be established. This would facilitate understanding the behaviour of the target group with respect to certain attributes the marketer wants to promote. Or on the other way round the marketer may study the most appealing features present in the group in relation to the offering. Then the process of identifying the distinctiveness and promoting the same may be started.

Every tourist destination can be distinguished by virtue of its presentable attractions. Some of these attractions may be physiological, while some of them are purely psychological. Many tourist destinations might be having the same kind of physical attractions, but the tourists do not flock in all these destinations in equal proportion. The inflow of tourists in such destinations may be a function of many factors like, accessibility, cost, perception and above all on the level of promotion. Perceptions of the tourists can be manipulated to find out distinguishable attributes and thus creating a unique place for the destination in question.

1.2.2 Destination Positioning

Positioning starts with a product or service. Positioning is how the product or service is looked at by the customers or by the prospective customers (Ries and Trout, 1986).

Every product has a place in the mind of its targeted customers and sometimes in untargeted groups of prospects. This, in some cases, happens without the knowledge or conscious efforts from the marketers of the product. Likewise, the tourist destinations are also positioned in the minds of the tourists. Paris may bring the instant image of the Eiffel Tower, London the Thames, New York brings the image of skyline of tall buildings etc. Indian destinations like Himachal Pradesh
evokes the imagination of pretty hill stations, Kashmir the Dall Lake, and Goa brings the image of sunny sea beaches full of tourists. Images that already exist in the minds of the tourists or prospective tourists may not be desirable from the marketing point of view of the concerned National Tourism Organisation (NTO). Or these positions may not be sufficient to bring in the desired groups of tourists. This necessitates a detailed scientific study on the level of preference and perception of particular group(s). These preferences can then be promoted for the destination in question and thus a new and profitable position may be created as a result. Belgium was positioned as the “Beautiful Country”\textsuperscript{xiv} to the seasoned European travelers. However, this positioning did not last long, as the promotional campaign launched did not get necessary long-term approval from the marketer. The Caribbean Island of Jamaica offers a classic example of positioning of a destination. Jamaica took full advantage of the position Hawaii had already created among the tourists. Therefore, Jamaican authority positioned the island as “the Hawaii of the Caribbean”. This saved considerable amount of promotional time and resources as the tourists readily accepted the new position of Jamaica.

1.3 Marketing of North East India as a Tourist Destination:

North East India (NE) is full of tourist attractions. The eastern-most region of India is said to be one of the world’s 16 most bio-diverse places. The region has a complete product line (may be termed as destination line) to attract any kind of tourist from anywhere in the world. It has hill stations like Tawang and Shillong, and heritage sites like Majuli and Manipur. The river Brahmaputra itself can be promoted for beach tourism. The region is full of wildlife – with many endangered species. A detailed discussion on tourism potential of NE is offered in Chapter 2. Even with these attractions and specific products the region is not being successful in attracting reasonable number of domestic and foreign tourists, which can bring steady revenue to the region. Only a handful of tourists are visiting this region every year. Meghalaya, and Tripura have been attracting the maximum number of tourists among the States of the region since the last 4 – 5 years (refer Table 2.3 in Chapter 2). Otherwise inflow of tourists into this region is negligible.
No conscious efforts have been made by the various nodal agencies of this region (basically the NTOs) in marketing the NE as one destination. Whatever precious little has been done in promoting the States of this region are done in a purely individual way. However, due to many reasons like the physical distance from the “main land” India, tourists tend to look at the region as one entity. Therefore, the region consisting of seven States must be presented and promoted as one destination.

Marketing of the States of this region is also affected by many uncontrollable events like terrorism, which is very active in this region. However, it deserves a mention here that not a single tourist has been harassed by the terrorists in the memorable past. Even then, this has created a psychological block in the minds of the tourists depicting this place as unsafe and unlikable as a tourist destination. No single State of this region can fight this mental block alone, without active coordination and involvement of the neighbouring States. Therefore, a concentrated and coordinated effort from all local NTOs should be made to promote NE as a tourist destination. Without this the psychological distance for the tourists as well as for the middlemen (operating in tourism industry) are not going to get shortened, and it will be difficult to affect a boost in tourist inflow.

Even when the need for a comprehensive promotional effort is felt beyond doubt, no visible marketing efforts are being made by the NTOs even locally. The brochures, which are very scarce and available to only selected persons, are distributed through specified and inefficient conduits. Every State is working in its own way, thus creating chaos in the already confused environment. Tourists and middlemen do not really know what to see in NE, or for that matter why NE deserves a visit. The tourists, who know about Kaziranga, do not know about the Mosmai falls, nor they get prior information about the hill resort of Tawang. The NTOs are spending resources in building substandard infrastructures in places where tourists’ visits are infrequent. Basically, the governments are spending in building guesthouses near tourist attractions, which are unable to attract tourists by itself.
As it is mentioned earlier the need of the hour for the local NTOs is to work in tandem to promote the region as a whole, so that more and more tourists tend to visit the region.

1.4 **Problem Definition:**

As described earlier in this chapter, tourism essentially includes the following three phases. A dynamic phase, a static one and the consequential phase (Mathieson and Wall, 1981). In a still simpler form, tourism industry generally consists of the following components.

[A] Transportation

[B] The Destination

[C] Range of facilities in the destination like accommodation and services of guide etc.

All the three factors individually and collectively affect the satisfaction level of the tourists visiting the destination. Even the consequential phase of tourism carries after-effects for the tourists visiting later. At the same time, it must be noted that these factors can be exploited to the optimum level to market the destination. In other words, these three elements are the broad product mix of the industry. One can modify and improvise the elements and thereby implement a particular marketing strategy. The factors mentioned in B and C above, in many cases can be sold as one. These two elements affect each other to a great extent as far as marketability of the destination is concerned. As mentioned earlier, WTO forecasts a major role of marketing in overall tourist accessibility to a destination for the coming decades. Therefore, both the elements—destination and the facilities available therein will play important roles in the tourism industry in the years to come. These elements can affect the overall image and desirability of the destination. The constituents of both the elements like safety, pleasure, facilities available can also individually affect desirability of the destination. Image may also be affected by the overall behavioural characteristics of the tourists. These include *motivation, attitude, needs* and *values* of the tourist. The processing and building
of image, which is known in marketing as positioning is a complex psychological system. The positioning, in turn, affect the personal decision regarding visiting a particular destination. As in normal decision making process, however, a tourist or a prospective tourist may have many desirable destinations in his/her mental queue, wherefrom he/she can select only one destination at a time. The stronger the position of a particular destination, more is the chance of its being up in the desire ladder. It must be pointed out here that as tourism is a service, the amount of information or knowledge the traveler is going to gather is very crucial; which might even affect the whole decision making process. The amount of information in the disposal of the prospective visitor may be limited; which means that the traveler is going to decide about a destination without having full or reasonable information. Mathieson and Wall* have identified a five-step decision making process for the travelers.

1. **Travel desire**: the initial period when the need for travel is felt and pros and cons are weighed up.

2. **Information collection and evaluation** is the next step when the travelers try to gather as many information as possible on travel destinations - through publicity materials, books and through word-of-mouth.

3. The next step is **travel decision** which covers the decision regarding destination, way of traveling, accommodation and other activities involved.

4. **Travel Preparation and Experience** involves tickets, bookings, travel money and documents, clothing and the travel itself.

5. **Travel satisfaction evaluation**: At this stage the traveler would evaluate the experience constantly and use the result in making future travel decision.

There remains limited opportunities for the destination managers to influence the decision making process of individual tourist. However, creating a position regarding a destination in the minds of the travelers can help keeping the destination in the active consideration set of the decision making process. This may, however, not result in an immediate sale of the destination. This concept is rather peculiar in tourism industry. The travelers rarely make repeat visit(s) to a destination- particularly if he or she is not under any compulsion. And hence if the
tourist wants to go for another vacation with the same purpose and consideration, the obvious choice would be the number two destination in the preference ladder. This characteristic makes destination selling somewhat different from selling a soft drink or an airline, as there remains little scope to induce repeat buying. In other cases, the top brand of the product or the service in the active consideration set has got the highest possibility of getting sold, first time and every time the person is buying that product -- till a competitor brand topples it from the number one position. But in tourism, the destinations lower in the hierarchy moves upwards as and when the choices above get exhausted as if a spring is pushing them upwards constantly. This transformation of choice in the preference ladder happens automatically -- without any direct input from the destination sellers. Therefore, creating a position is very important for the destination manager to be in the active consideration set of the prospective tourists.

All tourist spots or attractions are positioned in a particular way by the individual tourist or prospective tourist. However, the size of the awareness set (of destinations) of the potential customer would depend on the level of awareness and the level of exposure of the prospect among other things. A destination is always evaluated by the tourists on the basis of certain attributes. Tourists are also influenced by the positioning strategy of the destination marketer. Therefore, the need for market segmentation to find out the most important factors responsible for creating a position about a destination has always been present. It can be taken for granted that the importance of these factors would definitely vary from segment to segment.

At the same time, as mentioned earlier, creating a distinguishable attribute is also very important for destination marketing. Positioning will be meaningless if a particular destination is not distinguished on the basis of certain factors from host of others. For example, many sea beaches are present in Indian tourism map. These may be Gopalpur-on-sea, Pondichery, Goa, Andaman and Nicobar, Deegha, Puri to name a few. Now if the customers cannot distinguish between these 6 destinations, selling a particular destination may not be easy for the destination manager. The
beaches of Goa may be promoted to fun seekers - who may like a destination full of fun and tourists, Gopalpur-on-sea may be to the new couples searching for a place to celebrate their honeymoon quietly; Deegha to the tourists who need a quick break from the daily chores of life and also to the price sensitive segment etc. Here in each case a distinguishable attribute is given preference to other attributes, which is making the spots unique from each other. The distinguishable attributes can be created for a small tourist attraction, a cluster of attractions, for a particular geographical area or a region or for a country. Whatever the unit may be, a meaningful attribute or a composition of attributes must be promoted and emphasised upon so that prospects may recall the destination along with that attribute(s) only. However, to be meaningful, a distinguishable attribute should fulfill the following criteria.

The attributes through which a distinction is sought to be sold must be important to the prospect, must be distinctive from others, the attribute should be superior, it must be communicable to the prospect, the distinction(s) should be unique to the destination so that it can not be easily copied by others\textsuperscript{14}. Uniqueness also provides for the fact that whatever is promoted must be present in the destination - physically or psychologically. Other important conditions include affordability and profitability. Therefore, there remains the need for a study to find out as to what constitute the most important distinguishable factors for different classes of prospects.

To address this problem, a study on the factors that the tourists consider before selecting a destination is to be carried out. These types of scientific study and analysis are rare in Indian context. Also, in Indian promotional materials it is evident that the marketer is not following a particular positioning strategy. There remains lot to explore regarding the segmentation of foreign tourists coming to India. Also the profile of domestic tourists are to be found out in relation to their selection of particular destination.
As described earlier, The situation is worse in NE, though it can easily be promoted as a cluster for the prospects. Tourism is regarded as the industry of 21st century for this region, whereas, nothing is being done seriously to market the attractions available in the region. Almost all spheres of the economy are witnessing a lackluster development in NE India. Infrastructure is often cited as the main reason for the underdeveloped tourism industry of the region. Infrastructure includes, among others, the transportation and other facilities as mentioned at [C] above. However, attention rarely has been paid to another often-neglected component, the destination. A clear policy regarding the destination is not forthcoming even from the NTOs. It is often cited that lack of infrastructure is a deterrent to the tourists. But it has not been probed in detail, thus giving rise to a myopic vision. Hardly any attempt has been made to examine the profile of the tourists who ‘refuse’ to come to a destination which is not equipped with world standard infrastructure! Are they the foreign tourists? If affirmative, can they be segmented into any group on the basis of some common factors – for example, the country of origin? Or are they from among the mass Indian populace? No NTO of this region, in fact, has adopted any integrated approach to recognise the existence of such segments of the tourism market. If it is not known to whom the products are being sold, how can it be concluded that the products are not saleable in the market for the lack of certain features (e.g., infrastructure)?

Therefore, a study on the profile of the tourists is important. Also the factors which affect the decision regarding a destination are to be studied in detail so as to group them into promotable variables. The prospects' perception regarding the NE as a tourist destination and its most viable positioning is to be studied to arrive at a meaningful positioning strategy for the region.

1.5 Objectives of the Study:

Above discussion suggests the following objectives of the study.

a) To identify the variables tourists think most important while evaluating a destination.
b) To boil these variables down to a few broad clusters so that these can be promoted while packaging a destination.

c) To determine the role of these factors in creating a position for a particular destination.

d) To find out the profile of the tourist segments on the basis of certain psychographic characteristics.

e) To ascertain the most effective medium to communicate to these segments of tourists.

f) To offer the most suitable position for NE to be promoted as a tourist destination and the strategies to achieve these position.

1.6 Scope and Limitations:

The study covers preference levels of various groups of tourists and prospective tourists. The tourists' perception regarding NE as a tourist destination is also measured and analysed. Persons from various origin including foreign tourists are interviewed for this purpose. Thus the study is conducted on a national basis, thereby negating any regional bias of the tourists.

The study also looks into various segmenting variables to find out the most suitable factor for segmentation. These include, purpose of travel (described as Idea of Vacation), frequency of travel for the purpose of tourism, age, place of origin, income, education level, and occupation of the tourist.

Effects of various media of communication like, the travel brochures, printed publicity materials, publicity through electronic media, reference of earlier visitors etc are also put into test to find out more sensitive media for different segments of tourists.

Role of tour operators in destination positioning has also been examined in the study.
Factors considered by the tourists while evaluating a destination are also scrutinized on the basis of the level of dependence on these factors by the tourists. Altogether, 21 variables are examined in this context. Then these variables are boiled down using factor analysis to find out the two most common factors as per consideration of the tourists. The level of importance on these factors are also found out for different segments of tourists.

The perception on NE as a tourist destination is then analysed on the basis of the two principal factors.

Best fits for NE on the basis of tourists' preferences are evaluated and the awareness level of the respondents on NE is examined.

Positioning strategies for NE are formulated considering the level of preference and the level of perception of the tourists.

The study suffers from certain limitations also.

The survey was conducted in the months of July 1998 to June 1999, which may be treated as time-barred in some cases. This needs special mention regarding the income level of the tourists and their propensity to consume tourism product. Also, during the period of field study, the revolution of Internet only started in India, and did not touch the lives of common people. However, at the present moment the common man even in India is treating Internet as one of the most reliable mode of communication and information gathering. However, the role of Internet as a mode of communication in influencing tourists' image on a destination is not included in the study.

The survey on tourists' preferences and perceptions was conducted in three places, namely, Shimla, Goa and Assam. Even though proper care was taken to select the sample purely on random basis, the sample may not represent the total
population as a whole, as the tourists interviewed may not represent the community they come from.

As the awareness level on NE among the general population outside the region is very low, the rate of non-response against the questions regarding the level of perception is unduly high. This might affect the ultimate results of the analysis.

The formula for ascertaining the Comprehensive Scores is derived from the formula of calculating weighted average. The loading from factor analysis are used to assign weight to the raw variables against the two principal factors. The loading, for different sample drawn at different point of time may significantly differ from the derived ones. This might also affect the ultimate results of the study.

Limitations, however minimal, in many instances are also mentioned in due place wherever such problems are encountered during the study.

1.7 An Overview of the Thesis:
The thesis has been arranged in the following way.

Chapter 1 starts with a discussion on the present nature of tourism industry. Tourism, for the purpose of the study, is also defined in this Chapter. The role of marketing in modern tourism is discussed briefly, which ultimately leads to the definition of the problem at hand. Objective of the study, scope and limitations are also discussed in this Chapter.

Costs and benefits of tourism are taken up for discussion in Chapter 2. A brief outline on Indian tourism including arrivals of foreign tourists and extent of domestic tourism is also discussed in Chapter 2. A detailed discussion on the tourism potential of NE is also offered in this Chapter. A brief discussion is also offered on problems associated with tourism in NE.
The third Chapter deals with the methodology of the study. This Chapter basically describes the methodology adopted for the survey on Tourists' Preferences and Perceptions. The Sampling Plan and statistical tools used in the study are mentioned in detail.

In Chapter 4 a detailed analysis of the survey is offered. The preference levels of the tourists are derived from the scores respondents offered on various variables under study. Variables those are measured to find out the tourists' behaviour while selecting destinations are boiled down to two principal factors using factor analysis. The tourists are divided into various segments on the basis of classification categories derived from the survey. Popularity of package tour is also discussed, and the effects of Income, Origin, Sex, Frequency of Visit of the respondents, and Idea of Vacation on choice of package tour are found out. Role of media of communication is discussed in detail and the effects of these on various segments of tourists are also ascertained.

Chapter 5 deals with the level of perception of tourists on NE. The perceptions are determined on the two principal factors derived in Chapter 4. The levels of perception of various segments of tourists are also ascertained. Role of law and order situation on tourist perception is discussed in this Chapter. Awareness level of various tourist attractions of NE among the respondents are found out from the survey. The types of accommodation desired by the tourists are also covered in this Chapter.

In Chapter 6 major findings of the study are listed in brief. This Chapter basically deals with the conclusions drawn from the findings of the consumer survey.

Some positioning strategies for NE are discussed in Chapter 7. Various alternatives to market NE as a tourist destination are offered. A general positioning strategy for NE is also derived from the study, which is presented in this Chapter.
Apart from various other alternatives, role of Post Cards as a form of print media to promote NE is also discussed here.

In Chapter 8 the thesis is concluded and recommendations are made for future study.