

CHAPTER-8



*Angami dancers (Nagaland)
Source: Ministry of Tourism, Government of India*

CONCLUSION AND RECOMMENDATIONS

8.0 Conclusion:

The pattern of tourists' expenditure has a significant bearing on the local economy of the destination areas. The outcome of this study shows that tourists' expenditure in North East India can be broadly classified as Categorized and Uncategorized expenditure. The categorized expenditure forms that part of the total tourists' expenditure which is incurred by all the travellers while they are away from their usual place of residence. The categorized expenditure of tourists' in North East India include expenditures incurred on accommodation, transportation to the destination, transportation within the destination, foods in the place of stay, local textiles, porter and tour operators. These are the expenditure incurred by everyone while on tour to a place away from home and, therefore, also referred as 'Common' expenditure.

In addition to Categorized expenditure, traveller also incurs for some other purposes, the proportion of which is not negligible. This part of the tourists' expenditure can be regarded as 'Uncategorized' expenditure and consists of those heads which are not common to all the tourists. Even though a person may skip such expenditure, usually it is not possible to escape from the uncategorized expenditure. The amount of money incurred on uncategorized purposes varies from individual to individual. The various heads of uncategorized expenditure of tourists in North east India include the expenditures incurred on clothing, cosmetic items, gifts, decorative item, toiletries, handicrafts, foods outside the place of stay, sightseeing, magazine & news paper, books related to the destination, film roll & accessories refreshments, entrance fee, mineral water and tobacco/liquor.

The uncategorized part of tourists' expenditure is very vital to the destination area as more economic benefit can be derived from this part of the expenditure. Interestingly, the categorized section of the tourists' expenditure has been given due importance by scholars, researchers and by even policy makers. On the contrary, little effort has been made to measure the extent and importance of uncategorized expenditure. Very often it is believed that this part of tourists' expenditure is negligible. But practically it is seen that the uncategorized part of tourists' expenditure is not negligible as its share to the total trip budget is substantial. Further, this type of expenditure is highly instrumental in generating maximum benefits for the local economy as there are little possibilities of leakages of economic gains. So, the belief that uncategorized or 'other' expenditure is not relevant or is negligible, been

dismantled by the outcomes of this study. The study result shows that tourists in North East India spent almost half (50%) of the total trip budget on uncategorized expenditure. This categorically signifies the importance of uncategorized expenditure for the local economy.

There has been little doubt about the fact that tourism has emerged as one of the most instrumental phenomenon in the economic and social development of the world society. This because of the fact that tourists spend their hard earned money at the destinations they visit.

It is often insisted upon that tourism ranked higher in sphere of its role in accelerating the economic development of a country in terms of largest employers and services exporting sector. Tourism has also been making a significant contribution to the balance of payments of the tourism exporting countries. It is realized that there are few economic sectors which generate as much added value, employment and hard currency at such a low cost. However, economic benefits of tourism depend upon the visitor's expenditure in a destination area. Therefore, tourism exporting countries don't aim at the travellers who will just spend time. Instead, they target those who will also spend money along with stay of longer duration. It is the volume and nature of expenditure on which the economic benefits depend upon. Expenditure is defined to include the amount of money that out-of-state travellers spend on the spot before the visit or after the visit. Further, the extent of local economic gain also depends upon the type expenditure incurred by the visitor's. Tourist' expenditures incurred for various purposes such as transportation, accommodation, food & beverages, Shopping, Purchase of souvenirs and gifts for loved ones, Handicraft buying and some other miscellaneous expenditures which commonly include local transportation, sightseeing, newspaper and magazine, film roll and accessories, refreshment, cosmetic items, gifts, entrance fee porter, toiletries, porter, tour operators, handicrafts, tips etc. Tourists' expenditures for such purposes constitute a significant amount of tourists' travel budget.

North East India is part of the country having amazing diversity in different fronts that makes it a perfect destination for discerning tourists. There are ample scopes for the development of tourism industry in this part of India. North East India

is well endowed with rich natural resources particularly supported by abundance forest wealth and bio-diversity. The tourism industry, if promoted in proper manner, may contribute to a large extent in accelerating the pace of economic progress of this backward area of India

Interestingly, inspite of its locational backwardness, the region has been abled to woo tourists from different parts of the globe. The number of domestic and foreign tourists visiting the North East India has been increasing from year to year. The statistical figure released by Govt. of India, Ministry of Tourism shows that the increase in the domestic and foreign tourists' arrival has registered growth of 3.2 percent during the year 2005. Obviously there is an unprecedented economic opportunity lying before the region.

This study has been undertaken with the objective to find out the extent and composition of uncategorized expenditure of tourists in Northeast India and to explore the classification variables having significant influence on the extent of expenditures incurred carry a greater significance for the stake holder in the tourism industry as whole.

The effect of different demographics and travelling behaviours of tourists on the extent of expenditure incurred on uncategorized purposes are briefed below.

8.1 'Different demographics and traveling behaviours' and Uncategorized Expenditures: The effects of demographics and traveling behaviours of tourists on the extent of uncategorized expenditure are summarised below:

a. **Shopping:** The influences of segmented variables on the extent of expenditures incurred on other clothing, cosmetic items, gifts, decorative item, toiletries, and handicrafts (**Shopping**) are also noticeable. Origin, Previous traveling experience, Daily budget and Marital status are the variables that have got significantly different effect on the mean spending for the factor Shopping. 'Regional' tourists incurred more for this factor while 'Foreign' tourists spent less for this factor. Tourists having past travelling experience of '20-30 places' also incurred more on this factor and conversely tourists having travelling experience of '30 & above places' incurred significantly less amount. Daily budget have also got

significant influence on the extent of expenditure incurred for Shopping. Tourists having per day per person budget of 'Rs.1500 and above' incur lesser on 'Shopping' while those having daily budget of 'Rs. 700 and Rs. 1000' incur more amount. Again married tourists incurred more for the factor Shopping than the single tourists. However, tourists' spending for the factor Shopping isn't sensitive to the variables of Age, Education, Occupational background and Gender.

It means that married tourists originated within the region, those tourists having daily budget between 'Rs.700 and Rs. 1000' and also the individuals having previous experience of travelling '20-30 places' incur more on Shopping.

b. **Personal Expenditure:** The variables Age, Origin, Previous Travelling Experience and Daily Budget are found to be sensitive to extent of expenditures incurred for the heads of expenditure of foods outside the place of stay, sightseeing, magazine and news paper, books related to the destination, purchase of film roll and accessories, refreshments and entrance fees (**Personal Expenditure**). Matured young tourists (25-40 years) incur more amount on Personal Expenditure than the older tourists (60 years & above). Similarly, Regional tourists spent more for this factor while the extent is remained less in case of Foreign tourists. Again, tourists having experience of visiting '20-30 places' spend comparatively more amount for the factor Personal Expenditure. Again, tourists having travelling experience of '30 and above places' incur the least. Further, individuals having daily budget of 'Rs.300 and Rs.500' incur more for this factor. On the other hand, those having daily budget of 'Rs.1500 and above' also incur less amount for this factor.

At a glance it can be reported that Regional tourists, tourists aged between '25-40 years', those having past experience of travelling of '20-30 places' incur a significant amount on the factor Personal Expenditure.

c. **Mineral water:**

The amount spent on mineral water is also sensitive to the variables of Age, Origin, Education, Occupation, Past Travelling Experience and Daily budget. Matured young tourists (25-40 years) tourists, Foreign tourists, 'Post-graduate' tourists, Professionally engaged and those having previous travelling experience of '20-30 places' as well as daily budget of 'Rs.1500 and above' incurred a significant amount on the item Mineral water.

d. Tobacco/liquor:

The means of comprehensive scores for Tobacco/liquor is significantly related to the variables of Age, Origin, Education, Occupation, Previous Travelling Experience, Daily Budget and Gender. Older tourists spend less than the younger tourists for Tobacco/liquor. Foreign tourists, on the other hand, spend more than the domestic tourists on this item. Again, professionally engaged tourists incur more amounts on this item. Similarly, more amount is also spent by tourists of having past travelling experience of '20-30 places'. Again, tourists having Daily budget of 'Rs.1500 and above' incurred more for this item. It is also noticeable that male tourists spend more on this item than the female tourists.

Thus, respondents can be meaningfully segmented for the extent of expenditures incurred for various uncategorized purposes.

It is, therefore, realized that the tourism marketers should consider socio-demographic variables while preparing strategies. Variable 'Age' has remained to be decisive factor for the extent of expenditures incurred for various uncategorized means. As older and younger tourists incur less for Shopping, Personal expenditure and Beverages, the local economic gain from their visit will be comparatively low. On the other hand, middle age group of the tourists incur more for this uncategorized purposes. Therefore, age is an important factor the tourism planners must take into account.

Similarly, 'Regional' tourists also spend more for the uncategorized purposes of Shopping and Personal expenditure than the tourists originated from other parts of the country and abroad. This is very important information for tourism marketers that National and Foreign tourists spend less for uncategorized expenditures.

The outcome of the study demonstrates the need for creating more awareness among the various stakeholders. The destinations should be promoted in such a way that local economy as well as people gets the maximum benefit at minimum costs and at the same time sustainable development of resources could be ensured. While drafting the strategy, particular visitor should identified so as to ensure whether the destinations are going to be benefited economically from their visit or not. The target

of tourists in an unplanned manner may result not only less local economic benefit but also may adversely affect the tourism resources of the region.

At last it is concluded that tourists in North East India incur a sizeable amount of money for various uncategorized purposes. Therefore, the market players, policy makers and the academicians should put interest on this form of tourists' expenditure to a largest possible way. Only then the promotion of tourism will be meaningful for the local residents of the destination areas.

8.2 Recommendations for future works:

The study has opened up avenues for certain other works to be carried out in the line of this study. Such areas are briefly discussed in the follow section.

8.2A Tourists incur a sizeable amount for the factors Shopping, Personal Expenditure and Beverage. A study can be commissioned to measure the demand pattern of different heads of expenditure falling under these factors can be measured separately. The heads of expenditure included in these factors are expenditures on clothing, cosmetic items, gifts, decorative item, toiletries, handicrafts, foods outside the place of stay, sightseeing, magazine & news paper, books related to the destination, film roll & accessories refreshments, entrance fee, mineral water and tobacco/liquor.

8.2B National and Foreign tourists incur lesser compared to Regional tourists on uncategorized expenditures. As it is seen that uncategorized expenditures generate maximum benefit for the local economy, a study can be carried out to explore the reasons of lesser expenditure by National and Foreign tourists on uncategorized purposes.

8.2C Tourism may not be always beneficial to the destinations even economically. A study may be commissioned to measure the multiplier effects of tourists spending in uncategorized areas.

8.2D Although the flow of foreign tourists to the country has been increasing year after year, the share of Northeast India is far below the national

average. A study can be conducted among the foreign tourists to evolve a perfect marketing strategy.

8.2E It is seen that majority of the tourists collect information from two sources. These are '*Word-of-Mouth*' and '*Advertisement or publicity*'. A study can be carried out to evolve a perfect strategy which will help to make all the sources of destination related information more effective.

8.2F A major part of tourists travel budget is spent for categorized expenditures, i.e., Expenditure on Accommodation, Transportation and Food. The categorized expenditures of domestic and foreign tourists can be analysed. The comparative analysis of such expenditures will help the tourism players in preparing comprehensive marketing policies.

The study achievement of the study is satisfactory. The noble objectives of this study could be well-achieved. This study theoretically contributes that the expenditure of tourists can be classified into few meaningful categories and the importance of each type of expenditure to the local economy of the destinations area also varies. Uncategorized expenditures are more meaningful than the categorized expenditure although the proportion of uncategorized expenditure to the total trip budget is found comparatively less in many times. It is often seen that uncategorized expenditure is not given due importance by tourism planners, research scholars, academicians etc.. This study has been able to bring into light the importance of this category of expenditure.