Chapter-4

RESEARCH METHODOLOGY

The present chapter is devoted on the need of study, statement of problem, objectives of the study, research hypothesis, sampling, research design, tools and techniques, significance and limitations of the study.

4.1 Need of the Study

Tourism is the second largest economic activity in the world and is the main element in the economy of many countries. It paves the way for economic growth and is a major source of foreign exchange which is essential for the development of under developed economies. Tourism has multiplier effect on these economies. It is not a single industry but a combination of many components. Millions of people earn their livelihood through direct and indirect employment in this industry. Tourism is playing a vital role in the economy of Himachal Pradesh as well as agriculture, horticulture and hydel power. Tourism is a major source of generating employment and income avenues in the state.

Himachal Pradesh Government has declared tourism as an industry and provided subsidy along with some financial aid. The impact of tourism on national as well as state’s economy is growing day by day because of the growing size of the tourist market. The importance of tourism is widespread in the economic, cultural, social and educational fields. From an economic point of view, tourism is especially important in developing countries like India. The quality and concept of international trade is an indication of economic growth of the country. Himachal Pradesh is an integral part of the country. It has great tourism potential with tourist resorts of different cultural backgrounds in all of its twelve districts. So, there is an urgent need to undertake a careful planning for the development of tourism industry in the state.
After going through many texts on this matter, it was discussed that the bulk of studies conducted so far analyze the performance of tourism development but no serious attempt has been made to explore the causes hampering the pace of tourism development in the state of Himachal Pradesh. Moreover, there are certain basic questions which are unanswered in these studies: What is the present status of tourism industry in Himachal Pradesh? How can the hidden sources for tourism be explored? What is the possibility of tapping these neglected and hidden sources? Is the role of Himachal Pradesh Tourism Development Corporation adequate in the promotion of tourism industry? Can the massive potential in the Buddhist circuit and in adventure tourism be capitalized? What is the satisfaction level of tourists? What are the problems faced by the tourists? In light of the fact of these unanswered questions, there is a need to undertake an empirical study which could analyze the present status of tourism with respect to its development along with the extent of tourist satisfaction with regard to existing facilities in the state.

4.2 Statement of the Problem

After a detailed review of texts and examination of the research gap the researcher has selected “An Analytical Study of Tourism Development and Tourist Satisfaction in Himachal Pradesh” as the statement of the problem.

4.3 Objectives of the Study

1. To study the tourism scenario of the country in general and Himachal Pradesh in particular.

2. To evaluate the level of tourists’ satisfaction with regard to existing tourist facilities and to examine the marketing strategies which have been adopted by tourism department in promotion of this industry.

3. To analyze the role of Himachal Pradesh Tourism Development Corporation for promoting tourism industry in the state.
4. To focus attention on capitalizing the massive potential in the Buddhist circuit and adventure tourism.

5. To explore the hidden endowment of natural beauty in the state which could be added to tourism industry and to find out the possibility of tapping neglected tourism potential.

6. To identify the problems experienced by the tourists and the department of tourism at different stages and to advance suggestions for tackling these problems in order to make the industry more result oriented.

4.4 Hypothesis

Hypothesis is the statement of tentative solution of the problem. The hypothesis is constructed in such a manner that if one hypothesis is accepted the other is rejected and vice versa. Following hypothesis have been used for the purpose of study:

(i) Null Hypothesis-Ho: There is no significant relationship between the two variables used.

(ii) Alternate Hypothesis-Ha: There is a significant relationship between the two variables used.

The variables in our study are nationality, sex, age composition, occupation, purpose of visit, season of visit, number of visits, type of accommodation used and the duration of stay. Keeping in view the objective of the study arises following questions.

• Tourists’ opinion regarding prices charged for various facilities is significant.

• There is no significant difference in the opinion of both domestic and foreign tourists regarding length of stay.

• There is no significant difference between purpose of visit and annual income of the tourists.
• The opinion of the tourists over various tourism development and other facilities is significant.
• There is no significant difference between educational qualification and their purpose of visit.
• There is insignificant difference in the opinion of tourists with regard to the department of tourism.
• The tourists have a similar perception towards local fairs and festivals.
• There is an insignificant difference in the opinion of tourists regarding revisit to Himachal Pradesh.
• The tourists have similar perception towards recreational facilities.
• There is no significant difference between the annual income and activities participated in.
• The tourists have similar perception towards the role of HPTDC in the economic development of the state.
• There is a significant difference in the opinion of tourists towards the marketing strategies of HPTDC.
• The tourists have similar perception regarding the tapping of neglected and hidden tourism potential.

4.5 Sampling

Himachal Pradesh is a state of twelve districts and each district has numerous places of tourist interest and thereby vast potential for tourism. Therefore, the present study is multi stratified in nature. At the first stage with the help of convenience and purposive sampling four districts i.e. Shimla, Kullu, Kangra and Kinnaur have been selected. At the second stage, twenty tourist places from these four districts with the help of simple random sampling have been selected. At the third stage, 300 tourists (200 domestic and 100 foreign) @ 15 tourists from each tourist destination are selected conveniently. While selecting a sample, special care has been
taken to ensure that along-with regional variations, the respondents of different age, educational qualification, sex and income status are given due representation.

**Himachal Pradesh Map-Districts Covered Under Study**
4.6 Research Design

For accomplishing the objectives of the study, both secondary and primary data has been utilized.

4.6.1 Secondary Data

Secondary source is one where data is collected from publications by the respected agencies. This secondary information has been collected from various international and national publications.

- Publications of Ministry of Tourism; Government of India.
- Publications of India Tourism Development Corporation.
- Publications of Ministry of Tourism and Civil Aviation, Government of Himachal Pradesh.
- Publications of Himachal Pradesh Tourism Development Corporation.
- Planning Department, Government of Himachal Pradesh.
- Census Reports, Directorate of Industries, Hotels, Guest house etc.
- Various books from different libraries have also been consulted. These include H.P. University Library, Shimla, H.P. Government Secretariat Library, HIPA Library Shimla, Punjab University Library and Delhi University Library. These books have been referred to make the study more comprehensive and meaningful, so that the findings of the study may be complemented.

4.6.2 Primary Data

The analysis in the present study is largely based on primary data. A primary source is one where the data and relevant information is collected from related sources as first hand information. A primary data
can be carried out either through census method or sampling method. In a census method, data is collected from each and every unit in the field of study. In a sampling method, instead of every unit of the universe, only a part is studied and the conclusions drawn thereof are applied for the entire universe. The primary data has been collected with the help of following instruments of data collection.

a) Questionnaire

The primary data is collected with the help of questionnaires. In order to have first hand knowledge about the opinion of tourists on various aspect of tourism, a sample of 300 tourists visiting Himachal Pradesh is taken. A questionnaire covering different aspects of tourists, such as the demographic characteristics, purpose of their visit, main attractions, mode of transport used, seasonal preferences for visit, accommodation facilities, transport facilities, the attitude of tourists towards these facilities and the problems faced during stay in Himachal Pradesh have been prepared.

b) Interview

To have first hand information and to know the views of tourists in better way, personal visit to selected districts have been undertaken with an objective to have discussion of questions with the tourists while interviewing them.

c) Opinion Survey

In order to have first hand information regarding the tourism development in Himachal Pradesh, the information through informal interviews along with of tourist guides, social workers, influential persons and subject experts, government officials and certain departmental heads connected with the development of tourism in Himachal Pradesh, have also been conducted.
4.7 Tools and Techniques

After data collection and tabulation, different techniques have been used for the analysis.

4.7.1 Mathematical Techniques

The data is presented through tables, diagrams and figures. Mathematical techniques of analysis like simple average and percentage method have been used.

4.7.2 Statistical Techniques

Statistical techniques provide an indispensable tool for collecting, organizing, analyzing and interpreting data expressed in numerical terms. The following statistical techniques have been used in the study.

1) Mean: In this case, arithmetic mean has been used to find out the average of views of the tourists on various tourist facilities, prices charged for various facilities and problems faced by them. It is the most widely used measure of central tendency and can be calculated by dividing the total of values of given items in a series by the total number of items.

\[
\bar{X} = \frac{X_1 + X_2 + X_3 + \ldots + X_n}{N}
\]

OR

\[
\bar{X} = \frac{\sum X}{N}
\]

Where \( \bar{X} \) = Arithmetic mean
\( \sum X \) = sum of all the values of the variable X, i.e. \( X_1, X_2, X_3, \ldots X_n \)
\( N \) = Number of items

2) Standard Deviation: This tool is very frequently used to study dispersion. It has been used to find out the absolute dispersion of views regarding various tourism facilities, prices charged for various attributes and their attitude towards time sharing concept. Standard deviation measures the absolute variability of a distribution. Greater the standard
deviation, greater will be magnitude of deviations of the values from their arithmetic mean. Standard deviation is calculated in the following way:

\[
\text{S.D.} = \sqrt{\frac{\sum x^2}{N}}
\]

S.D. = Standard deviation.

\[x = (X - \bar{X})\]

N = Total number of observations.

3) **Coefficient of Skewness:** Skewness is a measure of asymmetry and indicates the manner in which the items show a perfect balance on both side of mode, but in case of skewed distribution the balance is thrown to one side. The amount by which the balance exceeds on one side measures the skewness of the series. In case of positive skewness, we have mode < median < mean and in case of negative skewness, mean < median < mode.

Karl Pearson’s co-efficient of skewness has been used in the present study to examine the asymmetry of majority responses of tourists, either towards the lower side of mean score or towards the higher side of mean score of each individual item of tourists opinion with regard to various facilities and prices charged for the attributes.

\[
\text{SKP} = \frac{\text{Mean} - \text{Mode}}{\text{S.D.}}
\]

SKP = Karl Pearson’s Co-efficient of Skewness

The Co-efficient of Skewness will be zero in case of normal distribution also called bell shaped distribution. When the distribution is positively skewed, the Co-efficient of Skewness shall have positive sign and when it is negatively skewed, it would have negative sign.

4) **Chi square test** \((\chi^2)\): In many situations data is not ordered but categorical. The chi square distribution can be used to test association in such data. We might take a sample of subjects and cross-classify them. Here, the numbers represent the number of subjects fitting that category combination. The question to be asked is: Does there appear to be any relationship between two variables? In order to answer this question, the
first thing we need to calculate is the numbers we expect in each cell if there were no relationship. If two variables were independent, the probability of their joint occurrence would be equal to the product of the marginal probabilities of their separate occurrences. By applying this probability to the total number in the sample we can determine the expected values under the assumption of independence.

The significance of the difference between these expected and the actual frequencies can be tested by using chi square. The value of $\chi^2$ is calculated by squaring the difference between the actual and expected frequencies in each cell, dividing it by the expected frequencies and summing this statistic over the entire cell.

$$\chi^2 = \left( \frac{O-E}{E} \right)^2$$

Where

$\chi^2$ = Chi square  
O = Observed frequencies  
E = Expected frequencies

The resulting figure is distributed as $\chi^2$ with $(r-1)(c-1)$ = degree of freedom

Where

r = number of rows  
c = number of columns

Steps to determine the value of $\chi^2$ required are:

- Calculate the expected frequencies. In general the expected frequency for any cell can be calculated by the following equation.

$$E = \frac{RT \times CT}{N}$$

E = Expected frequency  
RT = Row Total  
CT = Column Total  
N = Total number of observations.
• Take the difference between the observed and expected frequencies and obtain the squares of these differences i.e. obtain the values of \((O-E)^2\)

• Divide the values of \((O-E)^2\) by the respective expected frequency and obtain the total. This gives the value of \(\chi^2\) which can range from zero to infinity. If \(\chi^2\) is zero, it means the observed and expected frequencies completely coincide. Note that, greater the deviation between the observed and expected values, the larger the \(\chi^2\) value and thus higher the probability that null hypothesis would be rejected.

• The calculated value of \(\chi^2\) is compared with the table value for given degrees of freedom at a certain specific level of significance. If at the stated level, the calculated value of \(\chi^2\) is more than the table value, the difference between the observation and expectation is considered to be significant i.e. it could not have arisen due to fluctuations of simple sampling. If on the other hand, the calculated value of \(\chi^2\) is less than the table value, the difference is not considered as significant i.e. it is regarded as due to fluctuations of simple sampling and hence ignored.

**Degree of Freedom**

By degrees of freedom, we mean the number of classes to which the values can be assigned arbitrarily or at will, without violating the sanctions. If more sanctions are placed, our freedom to choose will be curtailed likewise. Symbolically, the degrees of freedom are denoted by the symbol \(v\).

**5) Trend Analysis:** The method of least square, when used to fit trend links to time series data is employed mainly because it is simple and practical method which provides best fits according to reasonable criterion. The least square method is the sum of deviation of the actual value of \(Y\) and the trend value of \(Y\) is equal to zero. \((Y-Y_c=0)\) and the sum
of the squares of the deviations of the actual and trend value is the least \((Y-Yc)^2\) = minimum. This is also called the line of best fit. Time series data are generally inter dependent. On the basis of their independence, a trend is computed. The straight line trend is represented by the equation.

\[
Y = a + bx
\]

\(Y\) = Required trend value

\(X\) = Unit of time

\(a, b\) = Constant

The constant is the \(Y\) intercept. This is the difference between point of origin and the point where trend line and axis intersect. This shows the value of \(Y\) when \(X = 0\). The constant \(b\) indicates the slope in the trend equation \(Y = a + bx\), the value of constant \(a\) and \(b\) are determined by two normal equations. The equations are:

\[
Y = Na + bx \quad \text{(1)}
\]

\[
Y = ax + bx^2 \quad \text{(2)}
\]

4.8 Scope of the Present Study

The scope of the present study includes the study of famous tourist spots of Shimla, Kargra, Kullu and Kinnaur districts of Himachal Pradesh. The profile of the tourists both domestic and foreign in Shimla, Kinnaur, Kangra and Kullu districts, the different aspects such as tourism scenario, satisfaction level of the tourists, purpose of visit, season of visit, duration of visit, existing facilities, problems faced by the tourists, role of HPTDC, performance of tourism industry in the state and capitalism of Buddhist Circuit has been covered under this study.

4.9 Significance of the Study

Tourism Industry contributes almost two percent to the Gross State Domestic Product of Himachal Pradesh and its share of foreign exchange
is also increasing. As such, the Tourism Industry presents significant economic possibilities which need to be examined, especially in the context of Himachal Pradesh. Among the economic possibilities which affect the working of economy is income generation, employment generation, capital formation, correcting balance of payment, sustaining trade, efficient use of natural resources, infrastructure development, generating overall growth and creating investment opportunities. Tourism also contributes to cultural changes, promotes human understanding, corrects regional imbalances and promotes national integration to a large extent. The study has come out with specific recommendations for strengthening the economy in Himachal Pradesh on sound lines. The study may further prove very helpful to the Department of Tourism in policy formulation and implementation.

4.10 Limitations of the Study

Although the universe of the study is unlimited, our study is confined to a limited scope. It is broader that the inferences can be generalized from the findings at the intensive study of the nature which is based on inductive reasoning.

• The scope of the study was kept limited due to scarcity of finance and resources.

• Incomplete and faulty responses and thus inadequate and faulty information to some questions could not be avoided. In certain cases, the respondents were found reluctant to disclose the facts of the organization.

• A part of the study is based on primary data that has been collected randomly. Therefore, the result might have been affected by the sampling error.

• Tourism scenario in Himachal Pradesh is changing speedily with new developments. In view of this, nothing could be said with surety. It is only the trend that can be pointed, which in fact has been attempted in this study.
• Some tourist places were inaccessible and thus remained unattended during the course of study.

REFERENCES


