Summary

Tourism has emerged as one of the most important industry of the future. The Multiplier effects of tourism in terms of employment generation, income generation, development of tourism infrastructure and also conservation of priceless heritage, cultural deposits and development of potential tourism places are significant. Indian Railways has a glorious history and is one of the largest and busiest rail networks in the world transporting over 18 million passengers and more than 2 million tons of freight daily. It is the world’s largest commercial utility employer with more than 1.4 million employees. Indian Railways provides services, amenities, facilities and tourism packages to the international and domestic tourists besides launching of tourist and special trains for promoting tourism. Thus, Indian Railways is playing a critical role in tourism promotion in India. With a view to promote rail tourism, Indian Railways Catering and Tourism Corporation has been setup as a nodal wing of Indian Railways to provide quality and upgraded services to rail users and enhancing rail based tourism potentials. IRCTC has already launched special tourist trains and coaches, cab services, tour packages, rail passes, budget accommodation, Rail Neer, etc. to the passengers and tourists. IRCTC has changed the phase of Indian Railways with providing web-based services such as e-ticketing, development of rail portal, call centres, etc. Against this backdrop, the present study has been carried out to examine the role of IRCTC in promoting rail tourism in India. The study has been divided into seven chapters.

Chapter 1st is introductory one which deals with conceptualization of tourism, paradigm shift of tourism, tourism demand and scope of tourism development, importance of rail tourism, rationale, objectives and research methodology. Indian Railways are a century and a half old today. During these 150 glorious years, Indian Railways has played a vital role in the country’s needs for large scale movement of traffic, both freight and passenger, thereby contributing to economic growth and promotion of national integration. From a modest beginning in April, 1853, when the first railway train steamed off from Bombay to Thana, a stretch of 34 km., Indian railways has grown to a gigantic network spread over 64460 route kms., 7133 railway stations, 9213 locomotives and 11824 trains. More than 7651 million passengers are travelling through Indian railways while Indian railways are administered by 16 Zones spread all over India. Indian railways services are well-equipped
to meet out the travel needs of domestic and foreign tourists and providing them infrastructural facilities in terms of accommodation, destination development, catering and restaurants, inter-linking with tourism destinations in various locations in India. The following points highlight the importance of railway tourism.

The inception of mass Rail Tourism can be traced to 1841, when Thomas Cook invented the concept of package tour holiday. He organized a train journey from Leicester to Loughborough. As a sales incentive he added two brass bands, a gala and tea with buns. The tour attracted 570 customers paying a shilling each. Rail tourism can be defined as that form of tourism where the Railways play the dominant role as a nodal agency, not only in transporting the tourists but also in hospitality and innovative marketing. Rail tourism concept must work as a single-window agency by taking charge of the tourists from the instant a potential tourist starts thinking of a vacation to the time of his departure from this country.

Thus, Railway Tourism has multifaceted functions with marketing India as a destination with the Railways in a facilitating role as a prime transporter, as a customer-friendly service organization, at times itself, as a ‘destination’ and also as a travel operator whom the potential tourists recognize, understand and trust. Rail Tourism can become a significant contributor to national exports creating the traditional multiplier effect on economy. Their large real estate can be utilized for building up the infrastructure like budget hotels, tourist lodges, retiring rooms, travel bureaus etc. needed to make Railways a major player in tourism.

Rail Tourism should cater to the domestic budget traveler as well as the pricey segment as they are equipped for both organizationally and technically. Being totally fair in their dealings, the Rail Tourism would act as an antidote to the flea market of small time fly-by-night operators, touts etc. Indian Railways are capable of ushering in a high tourism brand name with standardized service, quality assurance and safety. Shatabdi Expresses, Rajdhani Expresses and scores of inter-city trains and others are classic examples. The Railways are the most widespread transport network in India under a single unified command. They are nationally a highly visible and a respected organization. They are most amenable to a single-window structure, both in terms of technology and management. Covering almost all known tourist locations...
destinations they are also inextricably linked with the lesser-known and even the unknown tourist destinations.

The Railways cover very large distances, which give passengers adequate time, leisure and opportunity to interact with fellow passengers hailing from different socio-cultural milieus and mores. The ‘Rail Tourism’ brand includes within itself the Indian Railways as a ‘destination’. They flash back to the early history of railways. Within its 64460 km. route length lie many jewels of history, engineering, nature, traditions, ‘out-of-the-world’ destinations, ethnic variety, cultural diversity and folklore. Railways are an important tourism catalyst and can play a role in every area of development of tourism. All forms of tourism like eco-tourism, adventure tourism, religious tourism and wild life tourism etc. can be served by the Railways rather well.

In view of the promoting rail tourism in India, Ministry of Railways, Government of India has setup Indian Railway Catering and Tourism Corporation (IRCTC) to function as a nodal wing of Indian Railways' passengers and hospitality business to provide quality and upgraded services to rail users and enhancing rail based tourism potentials. Indian Railways has already setup multi cuisine food plazas as major railway stations, budget hotels and promoted the domestic and international tourism through development of rail based tourism infrastructure. IRCTC has changed the face of Indian Railways as e-ticketing is the pioneering initiatives of Indian Railways, IRCTC has also launched tourist trains and coaches such as Palace on Wheels, Royal Orient Express, Golden Chariot, Deccan Odyssey, Royal Rajasthan, Maharaja, Mahaparinivaran Express, Fairy Queen, etc. It is also providing catering and tourist services such as cab services, Rail Neer, Holiday Package, Educational Tour, rail passes, etc. Though, IRCTC is trying its best to provide services to domestic and international tourists and playing a critical role in promotion of tourism however, it has not been able to put in place an integration tourism policy and in the changing business environment, the services, amenities, facilities and rail based tourism infrastructure is also not at the global standard. The present study attempts to examine the tourism scenario in India and the role of Indian Railways in its promotion.

The main objectives of the study are as follows:

- To analyze current scenario and future prospects of tourism in India and appraise the emerging trends and issues concerning tourism in India;
To analyze the development and growth of tourism in India and review the tourism planning;

To assess Indian Railway tourism resources and rail based tourism infrastructure;

To study the growth, development and performance of Indian Railways over the period.

To examine the role and contribution of IRCTC in promotion and development of tourism in India;

To examine the problems, challenges and constraints in the development of Rail Tourism in India;

To suggest policy measures for strategic management of Rail tourism and promotion of Indian tourism through Railways.

The present study is mainly descriptive in nature however; it is based on quantitative techniques of research. The research implies quantitative measures and use of statistical analysis. The formulation of research problem is based on critical appreciation of pertinent literature, in-depth discussion with experienced persons and a pilot survey. Research process mainly involves data collection, data processing and data analysis. However, proper identification and formulation of research problem, hypotheses, and selection of research design, adopting sampling procedure, developing research tools, collecting data, data processing and data analysis are some of the important research processes. The present study is empirical in nature and based on quantitative technique. In order to analyze the view perception of tourists, service providers and localities on the basis of statistical tools and techniques, explorative research design has also been considered. The study is empirical in nature and based on analytical approach. The study is based on mainly secondary data and pertinent literature however; primary data has been collected through field survey in national capital region to substantiate the research findings. Besides collection of primary data, secondary data and pertinent literature have been consulted, collected and reviewed accordingly. The major sources of secondary data and pertinent literature have been published, documented and Internet sources. The publications and relevant documents including annual reports from Ministry of Railways, Ministry of Tourism, Planning Commission, Government of India and other academic institutions such as IIM, Ahmadabad, etc. were consulted for literature review and content analysis. The field survey has been
conducted mainly in national capital region. The sample of the study comprises of 100 domestic and international tourists and 34 service providers. The survey was conducted with the help of structured interview schedules. The filled in interview schedules have been checked, edited and processed in computer using statistical packages. The package of policy suggestions has been based on interpretation and analysis of research findings and critical review of pertinent literature.

Chapter 2nd deals with tourism scenario in India. Indian has rich tourism resources including natural, cultural heritage, historical, religious, wildlife etc. There has been growing trend of foreign tourist arrivals in India with increasing trend of foreign exchange earnings from tourism sector. Tourism has also promoted employment generation, development of industries and has significantly contributed in overall economic development of the nation. Indian Railways is the major vehicle for developing and promoting tourism in India as this is one of the most cost effective means of public transportation besides Indian Railways offers tourism services, amenities and packages to Indian and foreign tourists.

Chapter 3rd deals with profile of Indian Railways. Chapter provides growth and performance of Indian Railways in India. The profile of Indian Railways has shown impressive progress during the last decades. Indian Railways has a vast network of track, bridges, route, and different categories of trains and coaches. A large segment of track has been electrified. Out of total rolling stock, most of the locomotives are operated by diesel and electricity. However, Indian Railways is also operating some of the steam locomotives in order to preserve the heritage. The financial position and business performance of Indian Railways has been impressive during the current years. There has been significant improvement in passenger services related to ticketing, catering and amenities being provided to passengers and tourists.

Chapter 4th is concerned with Indian Railways and Tourism. Indian Railways offers a wide range of tourist products and services which include special trains, tourist trains, rail museums, steam locomotives, mountain rails, north-east frontier rails, romancing trains, Fairy Queen, Palace on Wheels, Mahaparinivaran Express, Maharaja Express, etc. Besides Indian Railways has initiated two packages to Indian and foreign tourists, and is providing transport, accommodation,
cab, catering and other hospitality services to the train passengers and tourists. There is wide scope of developing rail tourism in near future as Government of India is planning to enhance investment on tourism promotion through Indian Railways.

Chapter 5th is related with structure, functions and role of IRCTC in tourism development and promotion. The role of IRCTC in tourism development in India has been found to be highly significant. IRCTC has changed the brand image of Indian Railways through providing e-ticketing, web-based information related to trains, launching of special trains and coaches for international and domestic tourists as well as providing catering services. The production and distribution of Rail Neer has also created a brand image of Indian Railways as the bottle of drinking water is cost effective besides providing educational tours to the students and scholars by IRCTC has promoted rail tourism in India to the greater extent.

Chapter 6th provides analysis of survey data. Tourists do prefer to travel by train and local transportation. The services and tour packages offered to tourists by Indian Railways are significant however; there is scope for improvement of quality and outreach. Both foreign tourists and domestic tourists are availing the tour packages, budget accommodation, and rental car and catering services at railway stations as well as in the trains. However, the quality of food and maintenance of hygiene and cleanliness is found to be somehow dissatisfactory both by tourists and service providers.

Chapter 7th is concluding one, which highlights the main findings and policy recommendations. WTO has estimated that there will be 1.6 billion international tourists by the year 2020 and Asia will emerge as the second region to be the most visited in the world. India being rich in cultural and natural heritage is likely to experience its share in global tourism. India, however, faces two major challenges in the globalized world i.e. exploitation of tourism potential and designing strategies for tapping such potential. Therefore, ‘Tourism 2020 Vision’ document has identified the following priorities: (1) Strategic marketing, (2) Product differentiation and quality improvement, (3) Sustainable tourism development, (4) Private - Public partnership, (5) Improving brand image and positioning, (6) Strategic planning and management of resources, (7) Development of new destinations, (8) Use of electronic and internet services for facilitation and data base preparation. India has to evolve the strategies of tourism development to make a
respectable position in the global tourism industry. India has the potential of becoming a major player in the world tourism league, endowed as it is with unrivalled resources ranging from its millennia old heritage, Kaleidoscopic landscape, a wide variety of delectable cuisine and a rich mosaic of culture an people’s traditions. Tourism industry being the labour intensive has potential to solve the problem of unemployment and reducing poverty. Moreover, tourism is most effective instrument for natural integration, harmony and thus leading towards social transformation and upliftment of rural poor. It has already proved that the return on investment in tourism from the point of view of employment generation is much higher to agriculture and manufacturing sector. The tourism policy and action plan has also pointed out that multi-dimensional efforts are needed to exploit the tourism potential and managing tourism resources. Tourism has many advantages over other industries.

The impressive growth of economy and new business environment is offering an opportunity for Indian Railways to play a critical role in transport sector and tourism development. In the freight business, there was focus on higher volumes with the objective of lowering the unit costs, resulting in the record surplus. The strategy for freight rates made a clean departure from the past by (i) freezing freight rate increases and (ii) rationalising the commodity classification to benefit the high value goods and charge more from the low rated commodities. The strategy of higher volumes was also carried through in the passenger business. The concept of revenue management, wherein differential prices could be charged for differential services like tatkal and superfast were leveraged. In the other business areas of parcel, catering and advertising, the strategy of outsourcing through public private partnership and wholesaling rather than retailing was adopted by Indian Railways. The strategy of higher volumes has done well for the railways.

The tariff strategy in the 1990s had not recognised the market reality, especially as a consequence of the liberalisation. Corrective strategies in terms of rationalisation of freight classes had begun from 2002-03, with a reduction from 59 classes to 32 in one year. These strategies had continued over the past two years, bringing down the number of classes. While the higher volumes and market oriented tariffs have increased revenues under the scenario of economic growth, the issue of customer oriented strategy development is still in question. One
of the important lacunae in Indian Railways is its ability to understand to the customers. In spite of various initiatives, the approach is essentially supply driven. While the important customers have appreciated the recent initiatives in increasing Indian Railways’ traffic handling ability, they have been unhappy with the unilateral approach. Concerns like changes in rates, demurrage free hours, loadability of wagons, etc. have been repeatedly voiced. The recent initiative of providing automatic upgrades to passengers when there is vacancy in a higher class has proved well as it has improved the overall brand image of Indian Railways.

From the perspective of Indian Railways responding to environmental changes in a fast growing economy, what is required is a framework for continued innovation. We shift our focus from just the current strategic initiatives to the process of continuing such initiatives. Towards this, the strategies and processes can be sustained if the political leadership is well intentioned and has consistency of direction. Political leadership does not come in through a controlled process. The need is for the professional top management to be able to respond as a commercially oriented organization with a corporate culture.

Strategies and processes have to be customer centric. The current structure of the organization lends itself primarily to supply driven strategies, where at best the initiatives are what the Indian Railways thinks is good for the customer and not necessarily driven from the customers’ perspective. An important strategic tool to evolve customer-centric strategies is market segmentation. There could be other dimensions of segmentation like size of customer, time value of cargo, geographic origin/destination, monetary value of the cargo, rake load vs non rake load shipper, etc.

Strategies and processes have to be scientifically based. This needs a paradigm shift on research, development and training to evolve and sustain increasing asset utilisation and new technologies and systems that are world class. There is scope in increasing the asset utilisation in all the infrastructure elements: right of way (track), rolling stock (locomotives, coaches and wagons), and terminals. Given a railway system that has a natural advantage of scale, investments in research, development and training will yield long term returns, not only from use in Indian Railways, but also from global markets. Top down restructuring with a focus on customers and merging of cadres, beyond the mid way career are imperatives for the Indian Railways.
It is abundantly clear that Indian Railways is being forced to look outwards for finance and techno-managerial skills. The list of projects is currently being selected without any sound official articulation or planning. The rationale for doing projects in PPP format appears to be resource constraint rather than this route being a more efficient and/or cost effective service delivery mechanism. The Railways need to have a clear roadmap for projects to be done in PPP mode. In order to avoid hitting any political roadblocks later, it is imperative that the Blueprint for PPPs in Indian Railways should have political legitimacy and acceptance cutting across party lines. Private sector participation be invited in areas which require immediate attention and that too where the private sector is capable of reducing costs and improving the quality of service.

It is imperative to move away from a situation where Indian Railways is promoting PPPs as well as playing the role of a regulator. Creating an enabling environment for PPPs is of paramount importance. Corporatization of Indian Railways is the best way to take the restructuring of the Indian Railways forward. The Indian Railways should also adopt sound principles of accounting. The role of the Indian Railways Regulatory Authority should be strengthened and it should be allowed to decide the fares to be charged from the passengers.

In view of the promoting rail tourism and enhancing the role of IRCTC in development of rail infrastructure and improving the efficiency of its services, following suggestions are made:

- Tourism is service industry and the quality of service makes all the different between competing destinations. A comprehensive human resource development programme should be a key element of future policy. Such programme of human resource development should also cover orientation of the staff at airports, customer's facilitator, guides etc. on continuous bases.
- Human centred organizations should be promoted to make tourism industry more lucrative and joyful. The shortage of manpower in tourism department should be taken into consideration and be removed through engaging personnel on contact basis. Moreover, tourism sector should seek consultancy for improving the organizational efficiency and performance of man power engaged in tourism development and promotion.
It is the high time to go for privatization of services. There should be more partnership between public and private sector for development of tourism infrastructure and delivery of services. Local NGOs, voluntary organizations and people’s cooperatives should be promoted to take active part in tourism development in the state.

Marketing of tourism will necessary require developing of tourism friendly culture and strict enforcement of laws. Tourist police or tourist assistance force may be introduced in the state, which will provide assistance to tourists, conservation of heritage sites, flora and fauna.

Public sector such as Railways, Roadways, Communication Networks, Police, Para-military Forces, Industries, Forests and Environment Department, Business Houses, Airways Services providers etc. may play a vital role in tourism development and promotion in the state. During the peak such as winter, autumn and summer, special services package may be offered by such organizations to facilitate tourists. Moreover, tourist friendly policy may be introduced by these organizations and stakeholders.

Future tourist choice will be guided by various factors that create an image about the country and particularly state. Issues of environment and ecological preservation, human right violation, drug abuse, child sex abuses etc. will be important factors in such decision process.

Adequate information should be available on need sites and through published materials. There should be complete data base regarding common facilities, destinations, tourism products, services, local culture, art and crafts, heritage etc. Management Information System will also help in analysing the situation or environment and formulating marketing strategies. Moreover, complete data base regarding tourist arrivals, stay, services engaged and view perceptions concerning to image and status of tourism resources, services, infrastructure and their management, should be properly maintained and analysed for policy formulation and action plan.

An integrated, systematic, strategic marketing planning approach should be applied for development and promotion of tourism in the state. In such an approach, consideration should be given to
coordinating and integrating the varied activities of regional tourism development and regional tourism marketing. Such a strategic marketing planning approach should entail: (i) a regular formal and systematic analysis of micro environment with the help of available data base and carrying capacity surveys; (ii) a regular resource analysis while the emphasis is placed on the major strengths and weaknesses of the tourism offerings and tourism business; (iii) formulation of goal and objectives of regional tourism development; (iv) developing a regional marketing strategy for targeting markets, brand positioning and managing marketing mix at the regional level (circuits); (v) developing effective management supporting systems for evolving mechanism of preparing data base and regional planning systems.

- It is imperative to ensure commercial utilization of surplus land and other assets of the Railways in order to earn additional resources and to make greater use of telecom and information technology to improve efficiency is the need of hour.

- Commuter surveys conducted at various academic institutions and different points of time have indicated that passengers do not mind to increase moderately in fares for better passenger amenities and better travel safety. It is also suggested that the basic facilities such as bed roll and drinking water (Rail Neer), may be provided to all the passengers having reservations even in sleeper classes. In view of the increase in cost of maintenance and operation, nominal amount for such facilities may be charged in the reservation charges.

- In order to mobilize resources, Indian Railways may ensure rationalization of fare and freight structure and aggressive marketing of tourism products and services besides enhancing the budgetary allocations by the Government of India.

- Indian Railways should pay greater emphasis on human resource development and human resources planning. The existing human resources may be provided comprehensive training and capacity building and promoted for performing additional role and responsibilities while there should be selection of senior officials on deputation and contract basis so that there is no additional financial burden on establishment.
• Indian Railways may launch new tourist trains and coaches on public private partnership basis as a pilot project. This will reduce the financial burden in terms of launching of new tourist trains by Indian Railways besides promoting tourism through providing world class tourist amenities, services and facilities in trains. The successful pilot projects may be replicated at the later stage.

• The Indian Railways should establish budget hotels at major railway stations serving specific tourist centres. These budget hotels may be established on public private partnership basis and private sector should be encouraged to operate these hotels on long term leases. The hotels could provide cost effective accommodation for the budget tourists besides providing conferencing, meeting and banquet facility so that during off season, these hotels may earn business from other than tourists.

• The Indian Railways owns a number of heritage structures, railway museums, locomotives, buildings, railway stations, tracks, etc. which may serve as a places of tourist attractions. However, there should be effective and innovative brand strategy to promote tourism through marketing of these tourism resources.

• India is the proud possessor hill railways, which can compare with the best hill railway system in the world. These railways are included by UNESCO as world heritage. It is essential to tap the enormous tourist potential of these products by developing these special tourist trains.

• Special tourist trains like royal Orient, Budh Parikrama, Palace-on-Wheels and Fairy Queen are extremely popular with tourists, as they are steam hauled tourist trains. Steam traction is still operative in India and for special tourist segment it should be continued in perpetuity, otherwise skill to operate this kind technology could die.

• More high speed trains like Shatabdi, Rajdhani and Jan Shatabdi with a special tourism and hospitality focus should be planned both for foreign and domestic tourists. However, focus should be on low tariff charges so that budget tourists may avail the facilities and encourage for visiting tourist destinations.

• The Indian Railways have not been able to put in position a detailed tourism policy, which would define various initiatives and proposals for the benefit of tourist, both international and
domestic. In the absence of a clearly defined tourism policy listing out detailed programmes, procedures and circuits the industry has been left to undertake rudimentary tie ups and has not been able to organize proper packages. The railways have not marketed tourism till recently as a specific package and have not been able to guarantee confirmed tickets, return journey programmes and have left the various agencies to deal with ticketing issues on their own.

- There is a clear need for the Railways to clearly define its tourism strategy and enable marketing of various circuits at meaningful and competitive prices. It has to be clearly understood that tourism projects have extremely long gestation period with productive earning only from 4th year onwards and have a very high marketing costs in view of sustained intensive marketing campaigns to be undertaken in different medias/publicity campaigns.

- There is urgent need for the government and specially the Indian Railways to promote rail tourism in India by enumerating specific procedures, which facilitate the process with ease of convenience, flexibility in approach and competitive pricing. Close coordination is desirable and necessary between the Ministers of Railways, Tourism and Civil Aviation for creating proper synergy and coordination.

- It would be impractical to expect quick economic returns from tourism projects and circuits since development has to take place over long term for projects to be economically sustainable. There is immediate necessity for placing emphasis on developing specific tourist circuits with proper infrastructure and fast connectivity. In view of the need of the tourists to reach the destination in the shortest possible and convenient time, facilities would have to be provided on ensuring accommodation on the most convenient and quick transit trains.

- The Indian Railways will have to evolve flexible rating structure keeping in view the demand situation in order to ensure higher level of seat utilization by tourists. Indian Railways will be able to gain substantial business of tourism traffic with a flexible rating approach based on indications given above.
• India has great potential for developing Rail tourism sector for tapping the large numbers of domestic tourists presently travelling in an unorganized manner. The most important issue of pricing the product of rail travel.

• Tourism travel globally is discounted with attractive tariff rates given for tourism promotion. Even in India, the airlines and hotel sectors has been offering special incentives for tourists including discounts on fares/tariffs.