CHAPTER 3 MATERIALS AND METHODS

3.1 INTRODUCTION

In this chapter, the procedures adopted for the selection of respondent travel agencies from the study area (Tiruchirappalli and Coimbatore), variables, criterion measures, research design, orientation and adaptation of research tool, administration of Interview schedule, collection of data, statistical techniques for analysis of data have been explained.

Both the districts in the study area have good connectivity and tourism potential. With these facilities the inbound tourism is promoted to a very negligible amount by the tourism entrepreneurs in the study area. Tourism entrepreneurs who started a decade or two ago, as an entrepreneurial organization were having good business initially and at present their businesses have gone down tremendously. In fact, there is vast scope for inbound tourism development with increase in air connectivity, budget airlines to Far East and Gulf Cooperation Countries. The reason for this is that the tourism entrepreneurs do not have a proactive approach in their businesses. While, recently started tourism entrepreneurs are having very good business, with extremely good turnover. Their expansion of business is good at national level; this is mainly due to the entrepreneurial approach followed by them. The market potential is very good, the income level and need for travel have increased and the circumstances are also highly favourable for the growth of travel and tourism, there is decline in turnover of many tourism entrepreneurs. In the present scenario, it is the researcher’s
interest to investigate the facts, figures, problems faced by the tourism entrepreneurs in the study area.

3.2 STATEMENT OF THE PROBLEM AND CONCEPTUALIZATION OF THE RESEARCH TOPIC

The Tourism sector is fragmented into many industries like Travel, Hospitality, Transportation, Tour guiding, Handicrafts, etc. Tourism in the modern world has grown to one of the largest industries in the world and as per the World Travel & Tourism Council (WTTC) and World Economic Forum (WEF), it generates 10% of global gross domestic product and employment (Lehari, 2005). The nature of tourism development requires both public and private sectors active participation. The inbound tourism and the outbound tourism development takes place through the travel intermediaries like the Tourism entrepreneurs. They play a key role in tourism development of the region.

In this era of internet revolution, the internet has transformed the way of how business is carried out, and it has provided powerful new ways to locate, learn about, and buy all types of products and services. It has inspired and made possible the creation of entirely new business enterprises, including the much touted and highly speculative business of e-commerce, the society has become digital. The awareness of internet has increased tremendously and it is growing at a rapid pace in the developing countries like India. The dawn of the Budget/Economy airlines and the stiff competition among the airlines has reduced the airline ticket fare to a great extent. Huge volume of online ticketing for airlines, hotel bookings were made easy and simplified to a great extent with the user friendly computerized reservation systems (CRS), experts are also of the view that this development which has the potential of making an equally significant impact on productivity in travel industry is the CRS. The term Global Distribution System refers to a network of one or more CRSs for distributing product offers and functionalities of the participating organizations in different countries across the world (Werthner and Klein, 1999). This recent development
had a very big impact on the business of tourism entrepreneurs, which saw a huge decline in their turnover. This resulted in the closure of some of the tourism entrepreneurs, their branches downsizing their human resources, etc.

On the other side, there are a few entrepreneurial tourism entrepreneurs like Madura travels (P) Ltd Chennai owned by Mr. V.K.T. Balan who is doing excellent business; they are real entrepreneurs in this field. Their business flourished bringing them name and fame. They have started their own travel magazine which is supposed to be one of the best available in Tamil Nadu. They teach International Air transport Association (IATA) courses related to airline ticketing. Mr. Rajesh Managing Director, Express Holidays, a software engineer who was working with a leading Indian software organization has resigned his employment to promote tourism business and is very successful in his business.

In this above scenario, it was imperative to analyse the need and importance to assess the entrepreneurial approach followed by the respondents in the study area. As research indicates that even in this era of internet at present and in future the volume of business which will be carried out through online will be only 30–40%. The need of the hour for the tourism entrepreneurs is to follow the entrepreneurial approach to sustain in business and further develop, by exploring the ample opportunities available for growth and new forms of tourism that are emerging.

The present research is an attempt to study the tourism entrepreneurs in Tiruchirappalli and Coimbatore districts. It is an attempt: (i) To find out their motivation to begin business in travel industry; (ii) To evaluate their innovative approach and services offered; (iii) To find out their performance at start up, at present and assess their business growth. (iv) To study the constraints they faced during the start up and during the course of operation at present; and (v). Finally, to assess the level of entrepreneurial approach adopted by them to be successful in their business. On the basis of the findings of the study, suggestions are given to the authorities. The best practices followed can be adopted by others. This will enable them to incorporate the recommendations in framing the policy for tourism
development and support tourism entrepreneurs so as to enhance tourism in the study area.

This study focuses to review tourism enterprises promoted with entrepreneurial approach. The contribution made by these entrepreneurs is tremendous. This needs to be assessed and acknowledged. The research findings will motivate and educate the budding entrepreneurs to be successful and promote tourism and hence help in the economy of the nation.

3.3 RESEARCH DESIGN AND METHODOLOGY

Business research is an organized, systematic, data-based, critical, objective, scientific inquiry or investigation into a specific problem or issue with the purpose of finding solutions to clarifying it (Cavana et al., 2001).

To achieve the above-mentioned objectives of the present study the Descriptive Research Design has been adopted. A descriptive research tries to discover answers to the questions who, what, where, and sometimes, how. The researcher attempts to describe or define a subject, often by creating a profile of a group of problems, people or events. Such studies may involve collection of data and creation of a distribution of the number of times the researcher observes a single event or characteristic (Known as a research variable), or they may involve relating the interaction of two or more variables (Cooper). This is concerned with describing the characteristics of tourism entrepreneurs in Tiruchirappalli and Coimbatore districts. This study deals with the narration of facts and characteristics concerning the role of tourism entrepreneurs, in the study area.

Descriptive research is very common in the leisure and tourism area for three reasons: the innovation of the field, the changing nature of the phenomena being studied, and the frequent separation between research and action. Since leisure and tourism are relatively new fields of study there is a need to map the territory. Much of the descriptive research in the field might therefore be described as territory or much of the descriptive research in the field might therefore be also described as exploratory: it seeks to discover, describe or map patterns of behaviour in areas or activities which have not previously been
studied. Explanation of what is discovered, described or mapped is often left or is left for other researchers (A.J.Veal).

The Descriptive Research Design has been adopted for this research. This is undertaken in order to ascertain and be able to describe the characteristics of tourism entrepreneurs in Tiruchirappalli and Coimbatore districts. This study deals with the narration of facts and characteristics concerning the role of tourism entrepreneurs in the study area.

The goal of descriptive study therefore is to offer a profile or to describe relevant aspects of the phenomenon of interest to the researcher from an individual, organizational, industry-oriented or other perspective. Descriptive studies that present data in a meaningful form thus help to understand the characteristics of a group in a given situation, think systematically about aspects in a given situation, offer ideas for further research and make certain simple decisions.

Deductive approach is followed in this research. Deduction is the process by which the researcher begins with a theoretical proposition and then moves towards concrete empirical evidence. An organized method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity (Neuman, 1997).

3.4 SOURCE OF DATA AND METHOD OF DATA COLLECTION

The study consists of both primary and secondary data. The data that are collected for the first time by direct observation are called primary data. Secondary data are those that are obtained from existing records, publications, etc. (Panneerselvam, 2009). Primary data from the study area were collected by conducting in-depth interview with the tourism entrepreneurs. The data were collected using survey method. A survey is a measurement process used to collect information during a highly structured interview, where a structured in-depth interview was conducted by the researcher personally from the tourism entrepreneurs who are the respondents in the study area. Respondent is defined as
any individual or organization from whom any information is sought by the researcher for the purpose of research project. An in-depth interview is characterized by its length, depth and structure. In-depth interviews tend to be much longer than questionnaire-based interviews, typically taking at least half an hour and sometimes even more (Veal, 2006). Secondary data were collected from books, Research Journals, Reports from state and the central government tourism department, World tourism organization reports, WTTC reports, from non-governmental organization websites, websites, newspapers, etc.

Survey research method was used to conduct the current study. A survey is the whole process of designing and conducting a study involving gathering of information from a number of subjects. Contemporary leisure and tourism are often mass phenomena, requiring major involvement from governmental, on-profit and commercial organizations, which rely on quantified information for significant aspects of their decisions making. Decision making can be defined as the process of making choices among possible alternatives (Furby and Beyth-Marom, 1992). Questionnaire surveys are an ideal means of providing some of this information.

The data were collected by using survey method, where a structured interview was conducted by the researcher personally from the respondents in the study area. The data relating to the business profile, motives to start their business in the study area and their business strategies were collected. A business strategy is meant by which it sets out to achieve its desired objectives. It can simply be described as a long-term business planning. Typically, a business strategy will cover a period of about 3–5 years sometimes even longer. It may involve tie-up with the hotel industry, airlines, tour operators, tour guides and government tourism department. The contributions in promoting tourism in the study area and the constraints faced by entrepreneurs were collected. Their expectations to improve tourism activities further are identified as relevant and important for the present study. This information will be collected from the tourism entrepreneurs in the study area through a well-structured interview schedule with undisguised open- and close-end questions.
Pilot study with some leading tourism entrepreneurs in the study area was conducted to get their opinions and to validate the interview schedule. Pilot study was conducted both at Tiruchirappalli and Coimbatore from approved and unapproved tourism entrepreneurs. The responses for the pilot study were obtained by adopting certain criteria like the year of establishing their business enterprise, volume of business, awards received from government, airlines and travel organizations. A few suggestions and modifications informed by the respondents were taken into consideration, before finalizing the Interview schedule. A pilot test is conducted to detect weakness in design and instrumentation and to provide proxy data for selection of a probability sample, it should, therefore, draw subjects from the target population and simulate the procedures and protocols that have been designated for data collection (Cooper et al., 2008). In addition to the above-mentioned primary source, various secondary sources will be exploited to understand the theoretical background of the study. Secondary sources such as government information would be used to arrive at the knowledge of approaches and ways used in promoting entrepreneurial activities in tourism industry in Tamil Nadu. Data on tourism industry were collected to make assessment of their needs/objectives and the styles of business and its operations.

Quantitative research is considered to be more highly regarded than qualitative methods in various scholarly disciplines as this has been the approved method of investigation in the physical and natural sciences. However, a strong case can be made that, in such an individualistic and diversified field as recreation and leisure, there ought to be a place for research of more deeply probing, intuitive, or philosophical nature (Kraus and Allen, 1998). Quantitative methods rely on the ability of the researcher to measure the phenomena under investigation and the use of statistics to analyse the raw data. Quantitative methods in business research include questionnaires, field and laboratory experiments and also use statistical data gathered by organizations such as the Australian Bureau of Statistics and Statistics New Zealand (Cavana et al., 2001).
Data should be organized in the form of tables, graphs and pictures so that it will help in analysing the requirements of research. There is always a gap between what people say and what they actually do and no study of work on leisure can afford to take what people say at face value, especially when the answers are contained in the questions (Clarke and Critcher, 1985:27).

3.4.1 Interview Schedule

Interviews are particularly useful for getting the story behind a participant’s experiences. The interviewer can pursue in-depth information around the topic. Interviews may be useful as follow-up to certain respondents to questionnaires, for example to further investigate their responses (McNamara, 1999).

The qualitative research interview seeks to describe the meanings of central themes in the life world of the subjects. The main task in interviewing is to understand the meaning of what the interviewees say. A qualitative research interview seeks to cover both a factual and a meaning level, though it is usually more difficult to interview on a meaning level (Kvale, 1996).

Questionnaire surveys involve the gathering of information from respondents using a formally designed schedule of questions called a questionnaire or interview schedule. A 17 page structured interview schedule was used to conduct the interview and collect the data from the respondents in Tiruchirappalli and Coimbatore districts. The interviewer had a list of predetermined, standardized questions which are carefully ordered and worded in a detailed interview schedule, and each research subject is asked exactly the same questions, in exactly the same order (Minichiello et al., 1990:90).

Open-end questions allow for a greater variety of responses from participants but are difficult to analyse statistically because the data must be coded or reduced in some manner. Open-end questions, also called, open, unstructured, or qualitative questions, refer to those questions for which the response patterns or answer categories are provided by the respondent, not the interviewer. This is in contrast to close-end or structured questions, for which the interviewer provides a limited number of response categories from which the respondent makes a
selection (Frey, 2004). Close-end questions are those questions, which can be answered finitely by either “yes” or “no.” They are also known as dichotomous or saturated-type questions. Close-end questions can include presuming, probing or leading questions. By definition, these questions are restrictive and can be answered in a few words (Richardson, 2000). These types of questions are easy to analyse statistically, but they seriously limit the responses that participants can give. Many researchers prefer to use a Likert-type scale because it is very easy to analyse statistically (Jackson, 2009).

The interview schedule developed consisted of nine sections as mentioned below:

a) Personal background of the respondent  
b) Background of the organization/Business  
c) Motives  
d) Infrastructure  
e) Tie-ups and collaboration  
f) Innovative services provided  
g) Initiative undertaken  
h) Constraints/difficulties at start up stage and  
i) Performance analysis.

The first part of the interview schedule had questions related to the sociodemographics of the respondent, the questions were asked related to their profile and category scaling, and open-end questions were asked regarding their training, family background, etc. The second part of the schedule questions were asked regarding the background of the organization. Open-end questions were also asked and the data were collected in form of tables. The third part of the schedule was questions related to their motives to start the business. A five-point Likert scale was used to get their attitude over statements developed from the literature survey. The Likert scale, developed by Rensis Likert, is the most frequently used variation of the summated rating scale. Summated rating scales consist of statements that express either a favourable or an unfavourable attitude towards the object of interest. The participant is asked to agree or disagree with
each statement. Each response is given a numerical score to reflect its degree of attitudinal favourableness, and the scores may be summed to measure the participants overall attitude (Cooper and Schindler, 2008). The fourth part of the schedule was questions related to the infrastructure. In this human resources and physical infrastructure details were collected using a five-point Likert scale and a combination of yes/no type questions. In the fifth part of the schedule, tie-ups and collaboration questions were asked with yes/no type questions. In the sixth part of the schedule, innovative services provided in which the questions were asked in combination of dichotomous, open ended and with yes/no option. The seventh part of the schedule was to find out the initiatives undertaken and a combination of Likert scale and open-end questions were asked, the eighth part of the schedule was, questions related to constraints and difficulties faced during start up stage. Here a combination forced alternative and Likert scale questions were asked. Ninth part was performance analysis. Here the questions were asked in forced alternative.

3.5. SAMPLE DESIGN

In most survey research and in some observational research it is necessary to adopt sampling techniques. Mainly because of costs, it is not usually possible to gather data from all the people, organization’s or the entities which are the focus of the research. The present study adopted population sampling techniques for primary data collection. Population (or target population) refers to the entire group of people, events or things of interest that the researcher wishes to investigate (Cavana et al., 2001). The population of the present study happens to be the tourism entrepreneurs in the study area and they constitute a homogeneous group. The justification for adopting the population study was that the sample size was relatively small in the initial study areas of Tiruchirappalli and Coimbatore districts. Hence both the approved and the unapproved tourism entrepreneurs in the study area were taken for the study.
There are a total of 68 respondents in the study area consisting of both approved and unapproved tourism entrepreneurs. They were included in order to get relevant data from Tiruchirappalli and Coimbatore districts. The number of tourism entrepreneurs in Tiruchirappalli district were 28 and 40 in Coimbatore districts. Out of 68 tourism entrepreneurs 41 were approved and 27 were unapproved tourism entrepreneurs. The unapproved tourism entrepreneurs were chosen on their nature and services provided to their clientele.

3.6 ANALYSIS OF DATA

In data analysis, we have three objectives, getting a feel of the data, testing the goodness of the data and testing the hypotheses developed for the research. The feel for the data gives preliminary ideas of how good the scales are, how well the coding and entering of data have been done and so on. The second objective is testing the genuineness of data. This can be accomplished by submitting the data for the factor analysis and obtaining Cronbach’s alpha. The third objective is hypotheses’ testing which was by choosing the appropriate menus of the software programs to test each of the hypotheses using the relevant statistical test. The results of these tests will determine whether or not the hypotheses are substantiated (Cavanna, 2001).

The data and information gathered from the primary source and various secondary sources will be critically analysed in line with the objectives of the present study. The responses were compiled then coded for analysing the data, by using the Suitable statistical analysis in social science (SPSS) software.

3.7. SAMPLE SIZE

<table>
<thead>
<tr>
<th>S.No</th>
<th>Approved Travel Agencies</th>
<th>Unapproved Travel Agencies</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tiruchirappalli</td>
<td>21</td>
<td>5</td>
<td>26 (37.68)</td>
</tr>
<tr>
<td>Coimbatore</td>
<td>20</td>
<td>22</td>
<td>42 (62.31)</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>27</td>
<td>68 (100)</td>
</tr>
</tbody>
</table>

Source: Primary Data
The total numbers of approved tourism entrepreneurs in the entire state of Tamil Nadu are 302. Out this 213 tourism entrepreneurs are located in Chennai itself, the remaining 89 tourism entrepreneurs are spread throughout Tamil Nadu’s various cities. The source of this data was from the Department of Tourism, Government of Tamil Nadu, Service provider who provided the software program to the tourism entrepreneurs and International Air Travel Association (IATA) India and Travel Agents Association of India (TAAI) southern region.

3.8. SCOPE AND PERIOD OF THE STUDY

Given that the tourism industry has several forward and backward linkages in terms of providing associated services and thereby contributing to the economic growth, a systematic analysis of the need for entrepreneurial approach to tourism sector would expand employment opportunities and contribute to gross domestic product (GDP) growth. With the implementation of findings of this study to integrate the various sources under one roof with e-governance would certainly attract more tourists and encourage the state to identify and plan for more locations to be open for tourists, look for new forms of transport arrangements, additional airlines to be spotted and above all improve the infrastructure which will have multiple advantages. With such backlog, the present study mainly focuses on the key issues of tourism industry covering the background of the tourism entrepreneurs, services offered, infrastructure available and required and the kind of challenges faced in the competitive environment to sustain in the business. The study also focuses on the contributions and constraints of the tourism entrepreneurs to the development of tourism and expanding its area of operations and services.

The primary data for the study was collected during the year 2012. Secondary data related to Tourism, Entrepreneurship and Tourism Entrepreneurship were analysed for a period of 5 years from 2008 to 2012. The study covers the approved and unapproved tourism entrepreneurs in Tiruchirappalli and Coimbatore districts.
3.9. VARIABLES IDENTIFIED IN THE STUDY

1. Entrepreneurial drive
2. Contribution to the economy
3. Human resources and constraints
4. Sociodemographic characteristics
5. Educational qualification
6. Religion and social group background
7. Type of organization and infrastructure base
8. Physical infrastructure available
9. Usage of modern technology (own website, online, e-ticketing) motives
10. Types of business (franchise/tie-ups)
11. Customer services offered
12. Online transactions followed
13. Types of travel services offered
14. Initiatives undertaken

3.10. TOOLS OF ANALYSIS

3.10.1 Confirmatory Factor Analysis

Factor analysis is a statistical method used to find a small set of unobserved variables (also called latent variables, or factors) which can account for the covariance among a larger set of observed variables (also called manifest variables). A factor is an unobservable variable that is assumed to influence observed variables.

With the opinion items in an interview schedule, the researcher is interested in whether the planned structure has held true; in other words, whether the respondents saw the specific items that made up each theoretical construct as, in fact, clustering together. The statistical technique to test this clustering is called factor analysis (Cavana et al., 2001).
3.10.2 Principle Component Analysis

Principle component analysis also reduces the number of variables, but it differs from principle factor analysis (Brown, 2006:22). A factor (unobserved latent variable) is assumed to exert causal influence on observed variables, while the underlying causal relationship is reversed in principle component analysis. Observed variables are linear combinations of latent variables in factor analysis, while principle components are (weighted) linear combinations of observed variables (Hatcher, 1994:9–10, 69). Principle components account for total variance, while factors account for the common variance (as opposed to unique variance) of a total variance (Brown, 2006:22; Hatcher, 1994:69).

3.10.3 Validity

Validity is the extent to which the information collected by the researcher truly reflects the phenomenon being studied. Leisure and tourism research are fraught with difficulties in this area, mainly because empirical research is largely concerned with people’s behaviour and with their attitudes, and for information on these the researcher is, the main, reliant on people’s own reports in the form of responses to questionnaires based on interviews and other forms of interview (Veal, 2006).

3.10.4 Reliability

A measure is reliable to the degree that it supplies consistent results. Reliability is a necessary contributor to validity but is not a sufficient condition for validity. Reliability is concerned with estimates of the degree to which a measurement is free of random or unstable error (Cooper and Schindler, 2008). Reliability is the extent to which research findings would be the same if the research were to be repeated at a later date or with a different sample of subjects. Again it can be seen that the model is taken from the natural sciences where, if experimental conditions are properly controlled, a repetition of an experiment should produce identical results where ever and whenever it is conducted. This is rarely the case in social sciences. As they deal with human beings in different and ever changing social situations (Veal, 2006).
3.10.5 Generalizability

Generalizability refers to the probability that the results of the research findings apply to other subjects, other groups, and other conditions. While measures can be taken to ensure a degree of generalizability, strictly speaking, any research findings relate only to the subjects involved, at the time and place the research was carried out (Veal, 2006).

3.10.6 Content Validity

The content validity of a measuring instrument is the extent to which it provides adequate coverage of the investigative questions guiding the study. If the instrument contains a representative sample of the universe of subject matter of interest, then content validity is good. To evaluate the content validity of an instrument, one must first agree what elements constitute adequate coverage. A determination of content validity involves judgement. First, the designer may determine it through a careful definition of the topic, the items to be scaled, and the scales to be used. This logical process is often intuitive and unique to each research designer. A second way is to use a panel of persons to judge how well the instrument meets the standards (Cooper And Schindler, 2008).

3.10.7 Construct Validity

The best construct is the one around which we can build the greatest number of inferences, in the most direct fashion (Cronbach and Meehl, 1955:288). Construct validity is one of the most important concepts in all of psychology. It is at the heart of any study in which researchers use a measure as an index of a variable that is not itself directly observable (eg, intelligence, aggression, working memory). If a psychological test (or, more broadly, a psychological procedure, including an experimental manipulation) lacks construct validity, results obtained using this test or procedure will be difficult to interpret. Not surprisingly, the “construct” of construct validity has been the focus of theoretical and empirical attention for over half a century, especially in personality, clinical, educational and organizational psychology, where measures of individual differences of hypothesized constructs are the bread and butter of
research (Anastasi and Urbina, 1997; Cronbach and Meehl, 1955; Nunnally & Bernstein, 1994).

### 3.10.8 Multiple Linear Regression Analysis

Across behavioural science disciplines, multiple linear regression (MR) is a standard statistical technique in a researcher’s toolbox. An extension of simple linear regression, MR allows researchers to answer questions that consider the role(s) that multiple independent variables play in accounting for variance in a single dependent variable (Nathans et al., 2012).

When the variables are jointly regressed against the dependant variable in an effort to explain the variance in it, the individual correlations are collapsed into what is called a multiple R, or multiple correlations. The square of multiple R, $R^2$ as it is commonly known, is the amount of variance explained in the dependent variable by the predictor and is jointly regressed against the criterion variable is known as multiple regression analysis. Multiple regression analysis is carried out to examine the simultaneous effects of several independent variables on a dependent variable that is interval scaled. Multiple regression analysis helps us to understand how much of the variance in the dependent variable is explained by a set of predictors (Cavana et al., 2001).

### 3.10.9 One-Way Chi-Square Test

Chi-square tests assume that the dependent variable is frequency data. Hence, just a number of cases observed in a given condition/category. Second, the levels of the independent variable (or variables), which is (are) not usually manipulated, that are being compared should be nominal (categorical). Note that the independent variables in each example are not being manipulated; rather, the independent variable represents levels/groups that differ along some naturally occurring dimension. Chi-square test is used to determine whether the frequencies observed across the categories of one variable differ from what are expected to be by chance. Because there is only one variable, this type of a design is a one-way design; thus, the test is a one-way chi-square (Burnham, 2103).
3.10.10 Paired $t$-Test

A paired $t$-test measures whether means from a within-subjects test group vary over two test conditions or not. The paired $t$-test is commonly used to compare a sample group’s scores before and after an intervention. The paired $t$-test is also commonly used to compare how a group of subjects perform in two different test conditions.