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REVIEW OF LITERATURE

Review of Literature presents a review of the available literature on the topic under study. Though the literature is rich in the field of Tourism Industry in general, it is not so in the case of State of Karnataka. The chronological order will be maintained in the Review of Literature to throw light in an organised manner and also to link from past to present. This does not mean that it neglects or overlooks the greater contribution of works and books in the area of tourism. The literature pertaining to various evaluative aspects has been reviewed.

Tourism is defined as the “activities of persons travelling to and staying in places outside their usual environment for less than one year, for leisure, business or other purposes not related to remuneration from within the place visited” (WTO, 2003). In many countries tourism is the number one industry and the fastest growing economic sector in terms of foreign exchange earnings and job creation despite recent slowdowns due to international terrorism, the Iraq War and Severe Acute Respiratory Syndrome (SARS) (WTO, 2003), plus political unrest and aviation issues (WATC, 2003). The importance and value of tourism across the globe was recognized in November 2003 when the World Tourism Organization (WTO) was granted the status of a specialized agency of the United Nations. Within Australia the Federal government, at this time, decided to rejoin the WTO after several years of discontinuation (WTO, 2003).
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Tourism is one of the world's fastest growing industries contributing over 10 per cent of global Gross Domestic Product (WATC, 2002). The number of international visitors travelling to India reached almost five million in 2000-2001 financial year. The tourism industry contributed approximately 4.5 per cent to country’s GDP, employing approximately 5.4 per cent of the country’s workforce and generating export earnings of $12.8 billion (WATC, 2002).

The significance of tourism as a contemporary phenomenon and the diversity of disciplinary perspectives from which the subject is capable of being examined, ensures that the literature on tourism is both extensive and extremely varies in subject and approach. Even within a chosen area of focus, the tourism involves a wide range of issues that are interrelated and hence addressed complimentarily to arrive at a real solution for the issue.

Gunn (1988) denotes the tourism product as a complex consumptive experience that results from a process where tourists use multiple of services (information, relative prices, transportation, accommodation and attraction services) during the course of their visit. Other economic and political conditions and structural features are also important factors shaping many tourist experiences and contribute to the nature of the destination product. Murphy et.al, (2000) related this type of product to supply and a demand analysis and described how various components of the destination interact with travelers during their trip.
3.1. Evolution of Domestic Tourism

Tourism has always been a great unifying force responsible for interaction and mutual understanding among people with varied backgrounds. India has had a long tradition of tourism in the form of pilgrimages and now it can be boast of almost all forms of tourism.

Tourism in India dates back to the ancient times and travel in this sub-continent was restricted to the purpose of learning, pilgrimage and trade. Right from the Indus Valley civilization, which flourished from 3000 to 1500 BC, to the modern era, the Indian sub-continent has witnessed visits by different sets of people for variety of purposes. The earlier travels or visits were mainly for trade and learning but with the modern times bringing improvements in communication and travel means, the purpose of visits became much diversified.

Development of trade centres and traditional industries resulted in several trading routes to be established in the country. The ancient rulers had due respect to travelers and created many wayside facilities for the tourists. There were facilities of stay and food like inns, sarais, dharmashalas etc. These formed the tourist infrastructure in the ancient days and the facilities encouraged a lot of domestic tourists.

The roots of pleasure tourism can be traced to the Moghal rule. Moghal emperors' built luxurious palaces and parks in places of natural and scenic beauty.
During this rule frequent mass movements of people took place from one place to another which resulted in development of many places of scenic beauty.

Tourism emerged as a global phenomenon after the Second World War. The development in communication and travel techniques has resulted in massive movements of people throughout the world. This helped in drawing people closer and also in experiencing and appreciating different cultures and life styles.

The development of domestic infrastructure has also aided for the growth of international tourism in the country. The linkage between international and domestic tourism are as follows.

1. Domestic tourism helps in bringing a balance in the national economy through redistribution of national income and thus developing a better environment for growth of international tourism

2. Domestic tourism helps in developing awareness of common interest and better understanding of needs of a tourist.

3. Creating exclusive infrastructural facilities for international tourists at the cost of other developmental activities for local population will not be a very feasible solution. The facilities for domestic tourism should be used to attract more revenue for the additional development required for international tourist.
4. Domestic tourism will help to sustain the industry during lean period of international tourism.

5. Experience has shown that the domestic tourism in India is less sensitive to economic and political disturbances as compared to international tourists.

Thus the enormous development that has happened in the domestic tourism industry in the past has acted as stimulant for the growth and development of the international tourism in the country.

3.2. Indigenous Tourism

Indigenous tourism is a form of ‘special interest’ tourism and depends on the primary motivation of the tourist (Harron and Weiler, 1992). They discuss ‘ethnic tourists’ and say that most Indigenous/ethnic tourists seek “first hand, authentic and sometimes intimate contact with people whose Indigenous and / or cultural background is different from the tourist”. They seek direct experience, the human element, more intimate and authentic contact than that classed as ‘cultural tourism’ (which involves culture in an indirect way as a backdrop). Indigenous tourism also links to environmental / nature-based tourism, arts and heritage, plus adventure tourism. They suggest that the motives of Indigenous / ethnic tourists are poorly understood. There are a variety of reasons to seek this form of tourism, some are motivated by curiosity and seek elite peer approval, some only want short-time and not-too-close encounters.
Ethnic and nature tourism can help to protect indigenous people and their environments by providing a sustainable alternative to subsistence agriculture and extractive activities such as timber harvesting (Boo, 1990). The added income and exposure can satisfy national goals of development while contributing to cultural pride and autonomy (Harron and Weiler, 1992). Ethnic tourism can also have many negative consequences including commoditization of culture, social tension and loss of cultural identity (Butler, 1989; Cohen, 1988; Silver, 1992). In any case, tourism brings changes as groups gain or loses ownership, access and uses rights and adjusts to a new economic system (Johnson, 1997). The varying controllers of tourism play a major role in the changes and effects brought by tourism on the resident population.

3.3. The Building Block

Although tourism has been studied for ages, the term ‘tourism’ seems to be ambiguous even among academics. For instance, tourism, travel and hospitality are overlapped terms. This research has focused on tourism related aspects as defined in Fig. 3.1. Therefore, tourism supply chains partly include players from hospitality as well as travel. Nevertheless, some players are included in tourism only.
Hospitality refers to the relationship between a guest and a host; it also refers to the act or practice of being hospitable. It involves the process of the reception and entertainment of guests, visitors or strangers, with liberality and goodwill. Hospitality industry generally includes hotels, restaurants, cuisines, catering, resorts, clubs and any other service institutions that deal with tourists.

Tourism can be defined as travel for recreational, leisure or business purposes. The World tourism Organization defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited".
Travel is defined as the change of location. All the services and facilities that help in changing location are generally categorized under the travel industry.

From the above diagram it is found that tourism, travel and hospitality are highly correlated. To attain the full goal of tourism, that is, travel for leisure and business or to relocate to a new place for less than a year will require the use of hospitality and travel industry. The development of tourism means the development of hospitality and travel industry.

3.4. Earlier Studies

There are various studies on Indian tourism industry like “The Detriments of Tourism in India” and “Tourism in India”. Very few studies can be traced in the area of tourism in Karnataka. The research paper by Parineetha, B.R, (2005) has made an in-depth study on the history of Karnataka tourism. It also gives the socio-cultural, architectural and secular destinations in Karnataka. It deals with analysing the trends of Tourism in Karnataka State, various aspects of Tourism in selected sites, examined the viability of tourism operations in selected sites, assessed the infrastructure of tourism in selected sites and identified the problems prevailing in the Tourism Industry and offered remedial measures based on the study.

In fact, to be viable, the tourism industry needs to confine with the sustainability principles. Sustainable development can be defined as "development
that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development – WCED, 1987). However, since 1987 there have been various attempts to improve the definition of ‘sustainability’. Attempts have been made to classify these notions, resulting in concepts of weak versus strong, light green versus dark green and techno/anthropocentric versus eco-centric, with the former in each case taking the view that natural capital may be replaced with man-made capital, whereas the latter deems natural and man-made capital as incompatible (Haughton and Hunter, 1994). Within this range of definitions and approaches, there are common themes that can be combined to provide some principles for sustainable development, based on the underlying notion that future generation should be compensated for reductions in the endowment of resources brought about by the actions of present generations (Pearce et.al., 1989). Haughton and Hunter (1994) argue that these concepts of futurity, equity and environment must underpin the process of sustainable development, such that the principles of inter- and intra-generational equity and trans-frontier responsibility are at the forefront of sustainable development policy.

The multiple issues bound up in the sustainable development/sustainability debate are inevitably transferred to the concept of sustainable tourism. The WTO defines the sustainable tourism as “Sustainable tourism development meets the needs of the present tourists and host regions while protecting and enhancing the
opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled, while maintaining cultural integrity essential ecological processes, biological diversity and life support systems” (WTO, 1996). Again, the lack of any universal definition has lead to a multiplicity of tailor-made meanings and applications. As with sustainable development, there is the freedom to adopt varying ‘shades of green’ in approaching sustainable tourism. From the light green approach that holds tourism development and tourist and operator satisfaction as the central aim to the darker green in which the precautionary principle and concept of carrying capacities feature highly (Hunter, 1997). The stance adopted has major implications as it will govern the approach to implementation and hence the outcome. When combining the term ‘sustainable’ with tourism, the latter must take-on the environmental, economic and social considerations and principles that are inherent within the former.

Butler maintains that only that tourism which is in a form which can maintain its viability in an area for an infinite period of time can be called as the sustainable tourism (Butler, 1993). And the viability of an area depends on the attractiveness and competitiveness of the tourist destination.

3.5. Destination Attractiveness

The motivations that expose as tourists and the behaviours that those motivations stimulate directly shape the nature of tourist experience. However, in
many discussions within the literature, the consideration of experience is not viewed holistically but focuses instead upon the core area of activity that occurs at the destination. This is understandable since for most tourists this is the essential experience that they seek, the attainment of that which is perceived to be unattainable in the home environment and which stimulates the act of travelling to another location.

And thus, the attractiveness of a destination reveals the belief and opinion of its visitors about its perceived ability to satisfy their needs. The more a destination is able to meet the needs of the tourists, the more it is classified to be attractive and is more likely to be chosen. Mayo and Jarvis (1980), define attractiveness as, “the perceived ability of the destination to deliver individual benefits”. This ability is enhanced by the attributes of a destination. This can be viewed as a demand side perspective of the destination. The significance of these attributes help people to evaluate the attractiveness of a destination and make relevant choices.

The attractiveness of a tourist destination encourages people to visit and spend time at the destination. Therefore destination attractiveness represents the effectiveness of the destination to catch the attention of tourists. Without attractiveness, a location cannot be said to be a tourist location and there could be little or no need for tourist facilities and services. It is only when people are attracted to a destination that facilities and services follow (Ferrario, 1979).
3.6. Destination Competitiveness

The growth in tourism has spurred significant changes in the way in which destinations compete for a share of the tourism market. Before, the destinations recognized the enormous revenue potential from tourism; little effort went towards attracting tourists.

In these early days, tourism was regarded more as a social than an economic phenomenon. As a result, destinations welcomed tourists but did little to intervene in the visitation process, being content to rely on the travel trade to attract and serve tourists.

Pierce (1996) viewed tourist destinations from five broad sectors namely attractions, transport, accommodation, supporting facilities and infrastructure. He explains that attractions encourage tourists to visit the location, the transport services enable them to do so, the accommodation and supporting facilities alike (e.g. shops, banks, restaurants, hotels) cater for the tourists well-being during their stay and the infrastructure assures the essential functioning of all the above assets. Tourism destinations seek successful tourism development. This is a universal goal, but the means of achieving this goal are not at all clear or simple. Development which might be appropriate for one destination might not be appropriate for a different destination for many reasons. Above all, the residents and other stakeholders in different destinations may have very varied views, attitudes and preferences for the contribution which tourism development might
make toward societal prosperity and quality of life. Further, the circumstances and resources available within different destinations can dictate, constrain or shape very different approaches or tourism development goals.

Today, however, tourism is a major economic activity worldwide and so destinations no longer take such a passive approach. Tourism development plans organizational structures and marketing strategies drive destinations in their quest to compete, but these efforts must inevitably rely on some knowledge of what it is that makes a destination competitive. Although prior tourism research has considered elements of this wider question, there is much which is only speculative or poorly understood.

In recent years, tourism conditions have changed a lot. For every location, to remain competitive in the tourism market has become necessary to address the challenges of globalization, the number of destinations increases and also the distances among them.

At the tourism level, in order to gain competitiveness, there are two important factors to discuss: competitive and comparative elements.

1. Competitive advantage refers to tourism infrastructure, the quality of management, skills of the workforce, the government policy and others. They can be obtained and improved with the help of Government and tourism firms.
2. Comparative advantage refers to natural, cultural and social attractiveness like climate, beautiful scenery, attractive beaches, high mountains, country life and others. From a location to other, the natural, cultural and social factors cannot be reproduced with the same passion or attractiveness.

While comparative factors are close to primary tourism supply, the competitive factors refer to secondary tourism supply. Without tourism promoting firms and government policies, the tourism destination will not be able to sell natural attractions, while primary supply forms the very basics of tourism. Both primary and secondary factors are correlated and interdependent at the same time.

As noted in The Economist (1998), "There may be more tourists to go round, but there is also more competition between destinations as cities, countries and continents latch on to the charms of tourist revenue. Like all consumer products, tourist destinations must persuade their customers that they have some combination of benefits which no one else can offer. Destinations are trying every bit as hard as airlines and hotels to establish themselves as brands, using all the strategies of modern marketing. Every place tries to make the most of what it has got."

Destinations have moved towards more sophisticated organisational responses. The need to establish co-operative relationships among these bodies have become critical to successful destination management and marketing (OECD, 1998). In terms of marketing and destination promotion, the budgets of these
organizations have also increased over the past two decades and their revenue mix has tended to shift towards increased industry funding (OECD, 1998).

Strategically, destinations have also become more sophisticated with an increased emphasis on market research and on analysing the results of promotional activities (OECD, 1998).

According to Poon (1993) “The travel and tourism industry is undergoing rapid and radical transformation. Therefore, competitive strategies are more important than ever for the survival and competitiveness of industry players”. As tourism transitions from “old industry practice of mass marketing, standardisation, limited choice and inflexible holidays” to a “greener more individual flexible and segmented” approach.

The concepts of comparative and competitive advantage provide a theoretically sound basis for the development of a model of destination competitiveness (Ritche and Crouch, 2003). In recent years, a number of tourism research scholars have begun to respond to this need for models of competitiveness tailored to the peculiarities of tourism destinations. Poon (1993) for example suggests that destinations will need to follow four ‘key principles’ if they are to be competitive; viz.

1. Put the environment first,
2. Make tourism a lead sector,
3. Strengthen the distribution channels in the market place and

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This increased interest in understanding destination competitiveness has spurred a number of destination-specific studies.

3.7. Destination Attractiveness/Competitiveness Link

Competitiveness and attractiveness view destinations from two different perspectives (Buhalis, 2001). One from the tourist perspective (attractiveness) and the other from the destination perspective (competitiveness). Dual analysis of these two concepts provides a holistic perspective of the Tourist Destination Competitiveness and Attractiveness (TDCA) dynamics. TDCA is defined as the ability of a destination to provide social, physical and economic benefits to the destination population as well as a satisfying experience to the tourist. Studies of destination attractiveness have centered on the needs of the tourists and what attracts them to various destinations (Formica, 2001; Hu and Ritchie, 1993). While those on destination competitiveness have focused on the ability of organisations to produce products that are accepted internationally (Kozak and Rimmington, 1999; Newall, 1992).
The link between these two can be effectively explained by the diagram below:

Fig. 3.2. Inter-Linkages

The TDCA model proposes that destination supply factors and tourist demand factors help in creating an environment in which tourism flourish and can be consumed satisfactorily. The ‘destination experience environment’ is proposed to be positively related to and as the most important factor in determining TDCA, enhanced by (a) availability of attractions and mix of activities and (b) the supporting factors. Reputation, branding and the trip cost are proposed to moderate the relationship.

The various factors in the relation can be explained as below:

Experience Environment is defined as the environment in which the service is assembled and the firm and customer interact (Baker et.al., 1992). Both the physical and social environments play a key role in acceptability and liking of the consumer. The environment in which a service is provided in terms of both the physical and the social element has been termed the services cape (Bittner, 1992).
Four factors constitute the experience (service) environment (Clarke and Schmidt, 1995), the physical facility, the location, ambience and interpersonal conditions. The service environment is assumed to impact the behaviour of an individual in three ways: cognitively, physiologically and affectively.

Kotler (1973) defined experience environment as the designing of buying and consumption environments to produce specific emotional effects on the consumer that enhance and maintain purchase probability. Experience environment are perceived through our five senses.

Consumer behaviour and tourism literature suggest that the environment, form an integral part of the tourism experience and plays an important role in the attractiveness, satisfaction and competitiveness of a given destination. Further literature searches reveal that the destination environment is made up of various elements. The essentials that shape the destination environment include crowding, safety and security, human resources development, competition and cooperation.

Crowding is an environmental factor that has a considerable effect on human behaviour and social interaction. Crowding affects consumers in both psychological and physiological ways. In tourism both the environment play a significant role in the attractiveness and competitiveness of a destination, resulting in tourist satisfaction.
Human resource development has been identified as one of the major issues that world tourism is facing in the 21st century, (Esichaikul and Baum, 1998). The availability of adequately and professionally trained staff is an essential component of any destination. Well-trained personnel are required in all service establishments in any location (Briguglio and Vella, 1995). However, because the quality of customer experience is related to human resource, a destination’s ability to develop sufficient human resources should be seen as a competitive advantage (Baum, 1994a; Conlin and Titcombe, 1995).

Tourism and the physical environment are inseparable, as most destinations are based on the natural attractions. The management of the environment is one of the most important issues facing the world at the moment (Middleton and Hawkins 1998). Though some scholars have criticized this relationship, (Butler 2000) there is no doubt that there exist a complex relation between tourism and the environment. The environmental quality is significantly correlated with the attractiveness of a destination. As per Mihalic (2000), a well-managed destination environment is the best destination advertiser.

Peace, safety and security are primary requirements for growth, attractiveness and competitiveness of tourism destinations. Without safety destinations cannot successfully compete on the generating markets as potential tourists do not want to visit places that are perceived as unsafe (Cavlek, 2002). Safety and security has been identified as one of the five global forces that would
drive the tourism industry in the new millennium (Chiang, 2000) and is an important consideration in choosing tourist destination (Sonmez and Graefe, 1998).

Political violence has affected tourism the world over, for example Egypt, Israel and Peru where political instability has adversely affected tourist perceptions. Safety concerns cause a decline in tourist arrivals, reduce tourist’s expenditures and can cause a downturn in local travel. The safety and security of a destination therefore plays a role in determining the level of attractiveness.

The competitive advantage and collaborative advantage paradigms have dominated management and marketing theory, research and practice as alternatives. The competitive advantage enables a firm to compete and perform better than competition (Day and Wensley, 1988; Porter, 1985). The alternative model, the collaborative/co-operative model enables firms to enhance their performance through strategic collaboration (Contractor and Lorange, 1988; Neilsen, 1987).

Various actions have been debated about how firms can compete and corresponding strategies put forward. For instance product/service innovations, entry barriers, marketing and promotion campaigns and competitive rivalry among others, have been identified as drivers of competition in an industry. Early economists suggested that competition in an industry is ruinous (Jones 1920)
especially if it is solely based on price. Extending this view, competition within a destination can be ruinous if it is solely based on price-cutting.

The advantages that co-operative agreements provide for organisations have been well documented. Close relationships with suppliers and customers can provide firms with a very important source of innovation and costs reduction (Hagen and Soonkyoo, 1998; Ring and Van de ven, 1992). Lado, Boyd and Hanlon (1997) suggest that organisations can enhance their performance through competition and co-operation simultaneously. They argue that for firms to enhance their competitiveness they need to “adopt a repertoire of behaviour that supports co-operation and trust” (p. 111). Thus co-operation can enhance the competitiveness of an organization.

The destination environment is the most important factor in TDCA. The components of the destination environment can either enhance or destroy the destination. As an experience product, tourists requires an environment that is safe, with employees that are customer and service focused, enhanced by close co-operation by businesses within the destination. A favorable destination environment is vital for visitors to enjoy and be satisfied with the tourist experience.

Communication, promotion and branding of destinations enable tourists to identify a destination and differentiate it from competitive offerings. Destination branding also acts as a cue for the communication of benefits to the tourist. The
brand acts as a shorthand device for communicating functional and emotional benefits (de Chernatony and McDonald, 1998). As such, it can quicken the destination choice decision process. Branding signals the level and performance of tourism destination quality to the tourist (D'Hauteserre, 2001). Reputable brands provide reassurance or a guarantee of performance delivery.

Until recently there has been little study on the concept of corporate reputation. Reputation has been looked at from various and different theoretical perspectives, strategic management, marketing, sociology and economics (Ashforth and Mael, 1989; Keller, 1993; Rindova and Fombrun, 1999; Sabate and Puente, 2003; Weigelt and Camerer, 1988). An understanding of the concept of reputation is important to both destination organisation and consumers in that ‘reputation not only gives information as to the past behaviour of the firm, but also guarantees it’ (Sabate and Puente, 2003).

Fombrun (1996) emphasises that reputation represents the emotional reaction and involves the overall estimation in which stakeholders hold an organisation, the extent to which the organisation is known, good or bad, reliable, trustworthy, reputable and believable (Caruana and Chircop, 2000). While Weigelt and Camerer (1988) emphasis that reputation is a result of past actions. Reputation is defined as a set of economic and non-economic attributes ascribed to an organisation and inferred from the organisation’s past behaviour. Therefore reputation can be viewed as a global perception of the extent to which the
organisation is held in high esteem or regard and has serious ramifications for destination visitation choice. Reputation has been scarcely applied to the tourism industry but has an important role to play in moderating the relationship between tourists and the travel destinations. To tourists, visiting a reputable destination guarantees the quality of experience that they would enjoy, from the past performance of the destination. Tourists value their associations with high reputation organisations. To the destination, owning a positive reputation could mean increased visitation and longer length of stay for the visitors. Positive reputation is a source of competitive advantage (Roberts and Dowling, 2002) and help to fight competition. Reputation is also related to the financial performance of a firm (Whetten, 1999).

The costs involved in holidaying are a determinant of how well the destination performs in world markets and thus determine the competitiveness of the destination. Travelling cost money and tourists are only keen to pay for an experience that they believe is worthwhile. The cost of the tourism experience to the visitor includes the cost of transport services to and from the destination and the cost of the ground component i.e., accommodation, food, beverages and tour services. It is accepted that travelers are price sensitive (Crouch, 1992). Price competitiveness has been defined as the destination price differentials coupled with exchange rate movements, productivity levels of various components of the
tourist industry and qualitative factors affecting the attractiveness of a destination (Dwyer et al., 2000).

Various studies have been sought to explain the effect of prices on tourism demand (Crouch, 1992), but little on the role of prices on the competitiveness of destinations. The competitiveness of destinations have been said to be determined by the exchange rates, thus attempting to determine costs by the exchange rate of two countries, (Dwyer et al., 2000). The price competitiveness of the tourist products purchased by visitors is determined by exchange rate (Dwyer et al., 2002). The seasonality nature of the tourism industry affects the price competitiveness of a destination. Tourist taxes charged by the host government also impact on the prices paid by the tourists.

Nevertheless, the price tourists pay to visit and enjoy a destination experience has a role to play in determining the choice travelers make. TDCA is determined by both price and non-price factors. Given the evidence of price sensitivity of the travel demand, destinations need to monitor their price competitiveness relative to alternative destinations.

3.8. Models of Competitiveness for the Tourism Sector

Large number of models for measuring competitiveness of a tourist location can be developed. The most comprehensive model of all is the one developed by the specialists Murphy, Pritchard and Smith (2000). The base of their model of competitiveness for the tourism sector is the nature of the tourism offering
product, which from a destination perspective can be regarded as “an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited”.

A big number of quantitative and qualitative variables can be connected to the notion of destination competitiveness. They are:

**Quantitative Variables:** The number of tourists, the market share, the tourist expenditure and employment.

**Qualitative Variables:** The attractiveness of the places, the richness of culture and heritage and the quality of tourism services.

Other specialties’ which have included in their competitiveness model for the tourism sector variables are:

1. Transport system (Keyser and Vanheove, 1994),
2. Environmental conditions, tourism as a leading sector, distribution channels and the dynamic private sector (Poon, 1993),
3. Facilities, accessibility, quality of service, overall affordability, location image, attractiveness, climate and environment (Go and Govers, 1999, a study which contains the key factors for measuring a destination’s competitive position relative to other destination)
4. Physiography, culture and history, market ties, activities and events (Crouch and Ritchie, 1999)
5. Dwyer (2003) has composed a model of competitiveness for the tourism sector consisting of following seven categories:

a) Natural Resources
b) Heritage
c) Created Resources
d) Supporting Factors
e) Destination Management (Government and Industry)
f) Situational Conditions
g) Demand Conditions

The seven determinants of the model taken together can create the ability of the tourism sector to add value to its products, in order to obtain the competitiveness of this sector. Below figure shows the factors influencing the tourism.

**Fig. 3.3. Factors Influencing Tourism**
The review of literatures so far documented has focused on the issues such as, the evolution of domestic tourism, contribution of the tourism sector to the global gross domestic product as well as the exchequer of the state, indigenous tourism and the building block of the tourism sector. The earlier studies which have focused on detriments of tourism in India were also reviewed. The issues such as, destination attractiveness and competitiveness were studied by many researchers. The studies which have given the models of competitiveness for the tourism sector is also addressed here. It is in the continuation of these works, an attempt is made to study the “Economics of Tourism: A Study in the selected districts in the state of Karnataka” is made here. The research of this type on the specific issue or topic is not so far documented. The present research focuses on the trends in tourism both in terms of arrivals and receipts, tourism scenario at the global and national level, the economic contributions such as revenue generation, employment generation etc. and the opinion of the tourists and stakeholders backed by the experience. Hence, an area-specific and issue-specific in-depth study is undertaken.
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Chapter-III

Review of Literature


