

Transition of Indian Tourism Industry: Modern Drifts & Imminent Outlooks

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Abstract: Tourism is imperative in several ways: it is meant for leisure, corporate, education, culture and entertainment as well. Tourism has developed itself as a widespread universal leisure activity. In the Indian perspective also, tourism is a substantial sector of the economy and contributes expressively to the Gross Domestic Product (GDP) and Foreign Exchange Earnings (FEE) of the country. Currently, India is at the 3rd position in Asia after Japan and China respectively and 40th position among the 136 economies across the world's most attractive tourist destinations, as per the Travel and Tourism Competitiveness Index (TTCI) 2017 by the World Economic Forum (WEF). Now if we talk about the recent years, the Indian tourism industry has been going through a tremendous transition period since the emergence of new trends and technologies in tourism, i.e. Globalization & Internet. The Indian government is also playing its vital role in the renaissance of the tourism industry by way of new plans, policies, and procedures. The present study shall explore the facts about the 'Incredible India campaign'. After that, it shall work on the exposure of the latest trends in view of tourism & also find out of the prospects of Indian hospitality and travel industry. Latest trends in the industry involve the revelation of the Internet as a catalyst for tourism and hospitality growth along with modern days' new traditions in the tourism world.

Keywords: Tourism, Hospitality, Travel and Tourism Competitiveness Index (TTCI), World Economic Forum (WEF, Incredible India).

1. Introduction

1.1 Overview of Indian Tourism industry- Indian Tourism Industry grips one of the key importance for the nation because tourism offers fuel to country's economic development. Indian Tourism industry ranks the world's 7th largest tourism economy by generating INR14.1 trillion in 2016 and making it one of the top contributors with 9.6% of total India's GDP. Ministry of tourism is accountable for the development, growth and expansion of Indian tourism. Ministry also takes into consideration the promotion of tourism in India and overseas as well. In 1966, the government of India set up the ITDC (Indian Tourism Development Corporation) with the mission for the development and advancement of tourism in India. ITDC has been the leading agent in the progressive and liberal development, expansion and promotion of tourism in India since then. ITDC also operates a chain of hotels under the umbrella name of Ashok group headquartered in New Delhi. Apart from ITDC, IRCTC (Indian Railway Catering and Tourism Corporation), which is also a public-sector organisation, provides travel booking, catering and tourism in Indian railways as well as in hotels also. It was introduced by Indian Railways in association with the government of India.

1.2 Components of Indian Tourism industry- World's every tourism industry usually tries to strengthen the components of the industry, i.e. hospitality, restaurants, transportation, travel industry that includes tour & travel agencies and operators. The part of the private sector must also be highlighted, as without them it would be a difficult task for the government to manage all alone.

1.2.1 Hospitality Industry: Lodging and accommodation facilities in India varies from luxury five stars hotels to lodges and small guesthouses. The basic need of the tourist is to get a place to stay in a foreign country or other states to confirm his/her safety first and then relaxing and retiring needs. Indian context, a tourist can get a place as per his/her needs and paying ability. Except for star-rated hotels several other options of accommodation are available in India, they are home stays (paying guest), heritage hotels, houseboats, dharmshalas, tribal huts etc.

1.2.2 Restaurant (Food and Beverages) Industry: There are two classes of full-service restaurants; fine dining and casual dining restaurants. Fine dining restaurants are typically located on the sites of luxury hotels, deliver high-quality food at a high price with the best atmosphere and very well-trained professionals. E.g. *Bukhara by ITC, Akira Back by JW Marriott*. Casual dine restaurant takes comparatively lower prices providing the reasonable quality of food with quick table service. The takeaways are also offered there. Example of a few casual dining restaurants in India is the *Big Chill Cafe, Fridays, Sbarro* etc. Quick Service Restaurants (QSR), also termed as fast food joints. They

offer processed food at the lowest prices among all groups mentioned above. They also provide the option of home delivery but minimal table service on the other hand. Few QSRs operating in India are- *Mc Donald's, Pizza Hut, Dominos, Haldiram, KFC, Burger King, and Dunkin Donut* etc.

- 1.2.3** **Infrastructural facility:** Infrastructural point of view, India is not best though not behind as it has a well-linked network of roads and national highways interspersing the states. The famous tourism circuits have also been planned. Expressways and superhighways have been planned for the tourism circuit of the golden triangle from Delhi to Agra to Jaipur. In India, there are 17 internationals along with 87 domestic airports. Indian railways are among the world's major rail network covering 11500 Km of track for a route of 64,436 Km and 7,172 stations and halts. Apart from that. India has 13 major harbours and 200 non-major seaports.
- 1.2.4** **Tour and Travel Industry (Tour operators):** More than 250 tour operators are registered at Website of the ministry of tourism, and the key players in the industry are primarily operating via online and are controlling the travel industry. Prominent major players in the industry are Thomas Cook, Cox & Kings, MakeMyTrip, Clear trip, Yatra.com and Expedia. Tour operators propose a large number of services for the tourists that may include tailored package where the customer chooses each part of the tour exactly as per his or her need, intended uniform tour package, dedicated tourism package and comprehensive tour guide package. The big brands with vast investment are trading online and relishing low-cost benefits and massive profit margins. Though the small tour operators have fixed out their position and handling their profits by only trading offline. Generally, Indians favour the offline method that is the break for small tour operators. Now the situation is shifting as with the usage of the internet by the tour operatives have given ease to the customers, and now the clients of new age have started emerging fondness for online manner. So, it is a tough ask for the tour operatives as how do they select the media, which style they may implement, or they would approve the grouping of both the mediums.

1.3 Role of the internet in the Tourism industry- The Internet can be optimally utilised in the tourism industry for diverse types of marketing and promotional events. Internet helps the industry to upsurge the turnover ratio and is the most suitable way to make a direct relationship with customers. Few other major advantages of using the internet in the tourism industry are as follow

- 1.3.1** In today's world, travel agencies are adopting internet mode as it is a profitable medium of tourism's promotion and sales. Enhanced quality of promotional imaging and visualisation of tourism services via the internet are creating an improved impression in the mind of people than traditional brochures or catalogues.
- 1.3.2** The internet signifies an effectual and useful supply channel for gathering clients, and it also helps to identify their wishes and desires.
- 1.3.3** The Internet permits the upgrading of the effectiveness of travel agencies by gearing up the communication and giving all the essential information. The Internet also eases high quality and real market research and industrial intelligence.
- 1.3.4** The modern business of tourism market is considered well efficient by the application of various reservation systems into business systems of travel agencies like hotel chains, railways, buses, & airlines etc.
- 1.3.5** With the appearance of the internet in the tourism industry, various advertising tools have been enhanced to text, drawings, photographs or 3D photographs such as TV, radio, newspapers, catalogues and posters etc.
- 1.3.6** Limitless database and an unlimited volume of digital media give instant access to the tourist market free products to each & every potential tourist.

2. Literature review

The following literature has been reviewed given Indian perspective to reckon about Role of the Internet in Indian Tourism Industry.

Khare and Khare (2010), steered the research on the usage of the internet in the tourism industry. The research was conducted in two stages. Inclusive, they found out the use of the internet has been increasing in India among the tourists as they use internet for the exploration of information for decision making although they are deficient in trust on the internet for monetary transactions [1]. **Bethapudi (2013)**, discovered the role of the internet for Indian tourism. The research recognised that Information communication and technology (ICT) has an actual role in the tourism industry. Any tourist can access, from anywhere, any information about the tourism destination and tourism products. Tourism realises with social media. It has ultimately resulted that ICT is advancing up the tourism industry [2]. **Law et al. (2014)**, discoursed the recent development in the field of

information communication and technology and its applied use in the tourism and hospitality industry. The study was directed from two sides; the consumer as well as the supplier side. The consumer's decision-making process was deeply analysed, and it was originated that information search and post-purchase behaviour are proportional to the usage of ICT [3]. **Begum (2014)**, offered a case study on the scenario of e-retail in Indian tourism Industry. Forthcoming prospects of Indian online travel industry are: increasing no. of internet users, the handiness of debit and credit cards, wide-ranging database of customers along with India emerging as an IT hub, and as well as more secure operations. However, there are some trials to Indian online travel industry there as well, like difficulties in shipping and payment system, stiff competition from offline tour operators as they are offering products at very reduced rates, language glitches and new developing business models [4]. So, it has been evident from this brief literature review that internet has started booming the tourism industry keeping in view the prospects.

3. Objectives

- 3.1 To Introduce the "Incredible India" campaign and summarise its facts and figures.
- 3.2 To explore the trends, issues and modern changes in the Indian Tourism Industry.
- 3.2 To find out the future prospects of Indian Tourism Industry regarding Investments, Govt. initiatives and its Road ahead.

4. Research methodology

This entire study is based principally on the analysis of primary and secondary data along with some observational and factual investigation so to reach conclusions regarding the trends and changes of Indian tourism with its future probabilities. The research design of the study is descriptive cum exploratory. Additionally, both the qualitative and quantitative data have been used. The data has been taken from both primary and secondary sources. Major primary sources of data are research papers, annual reports of ministries and departments of the public and private sector. Furthermore, the required & relevant secondary data are also collected from websites, academic portals. Some books are also referred for this purpose.

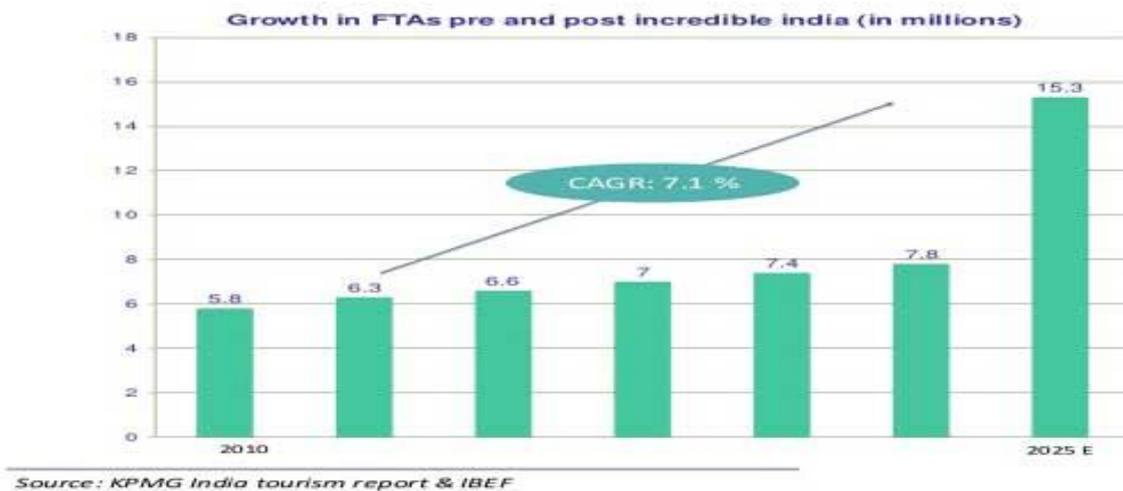
5 Findings

- 5.1 Incredible India Campaign-**Incredible India is a campaign for Indian tourism at international level by the Govt. of India to promote country's overall tourism sector since 2002 to an audience of global demand. Incredible India name was officially trademarked and promoted in 2002 by Amitabh Kant, the then Joint Secretary of the Union Ministry of Tourism.



Official Logo of Incredible India Campaign

- 5.1.1 Background-**In 2002, Tourism Ministry of India tossed a campaign to endorse India as a widespread tourist destination. The saying "Incredible India" was accepted as a motto by the ministry. The campaign focused on India as a striking tourist destination by showcasing and exhibiting different features and facets of Indian culture and history like Dhyana, Yoga, Spirituality. The campaign was showed globally and established appreciation from tourism industry spectators and travellers identical. Though, the campaign also came in for disapproval from some portions. Few observers stroked that it had disastrous to cover several aspects of India which would have been striking to the average tourist. The Ministry of Tourism through a campaign focused on the local population to instruct and teach them about good conduct and politeness when dealing with overseas as well as Indian tourists. Bollywood actor Aamir Khan was tailored as the brand ambassador of one more campaign which was titled as 'Atithi Devo Bhava', Sanskrit saying for 'Guests are like God'. The concept was intended to balance the Incredible India Campaign. Bollywood superstar Aamir Khan, in 2015, comments on alleged intolerance in the country had shaped a controversy, ends to be the charm for government's 'Incredible India' campaign as the agreement for it has expired. The Ministry then has not employed Aamir Khan again, and presently Prime Minister Narendra Modi himself is the brand endorser of Incredible India Campaign.
- 5.1.2** The impression of the campaign on Indian Tourism- Below is a figure that shows the impact and impression of Incredible India campaign regarding Foreign Tourist Arrivals (FTAs) at pre-and-post the campaign started to its fullest.



5.1.3 Reception/Response of Incredible India Campaign- Indian tourism industry experts and tour operatives were obliged by the high canons of the 'Incredible India' campaign. While the 'Incredible India' campaign was commonly well acknowledged, some observers varied in their views on the placing and portraying of India in the campaign. G.S. Murari, the director of *Fidelis Advertising and Marketing Pvt. Ltd.* specified that he was scratchy with the punchline 'Incredible India' and was of the belief that subsequently, India was not a Uni-dimensional country like other countries viz. Singapore or Maldives, using a word similar to 'incredible' to define India as an entree was not suitable. In 2011, Arjun Sharma, Managing Director, *Le Passage to India*, detailed that the crusade has survived its life and it had to be rejuvenated. Tourism Ministry has again started an "Incredible India 2.0" campaign to redefine the brand and provide a strategic vision for the campaign afterwards.

5.2 Latest trends and drifts in Indian Tourism Industry- The variety of India is fabulous, awarding writers, marketers and travel agencies with endless occasions to sell its attractions. Northern Himalayas to the Desert of Rajasthan, to the natural southern beauty of Kerala and the cultural & spiritual intensity of Varanasi (Banaras). India bids something for everybody. However, in recent years things have been transformed, with the enormous growth of the online tourism industry, in all its dissimilar appearances, people now have a lot of more data and information at their fingers. Similarly, travel industry service providers have grown drastically in India, so visitors now have more and more options than ever. In short, this means that India has to work stiffer to be with need and demands. Here we take an appearance at some of the exciting mini drifts we have seen a thwart the evolving Indian travel countryside.

5.2.1 The arrival of hostels- The Hostels had never been a slice of the Indian tourism division. Though there have always been low and economical options for voyagers, freshly we have seen *hostels* growing across the tourist track, most strikingly everywhere in Rajasthan and Agra. Formats like *Zostel* and *Moustache* are donating an economic, elementary hostel experience, making the visit a lot calmer and easier, and the country handier, for the low budget segment travellers. Here we are not talking just about international broods on a gap year, but young Indian youth and families out for journey as well. Indian travellers' attitude has changed knowingly over the previous few years says Pavan Nanda, a co-founder of *Zostel*. Travel is seen as a method of self-realisation, adventure and undergoing changed procedures of routines. Vocational travel is not a product of extravagance but somewhat measured a requirement to combine one's liveliness

5.2.2 The development of boutique hotels- The Boutique hotels, privately run small and arty hotels with just a few quarters. However, the question is, what a boutique hotel is, and the answer is, certainly increased in number in recent years, mainly attracting overseas tourists at all stages and particularly those with high pockets. Here we contemplate boutique hotels should be the main element in India's tactics to boost travel, virtually, presenting an opening for visitors to be more involved with their environs and still having a certain level of luxury and cosiness. Inappropriately, the 'boutique' label is harshly ill-treated and distorted by the positions of private, and frequently state-supported business hoteliers. Excellence will always rise, assuredly, but lack of any reliable and dependable featuring system remains a difficulty, and perhaps, always will.

- 5.2.3** Newer destinations-Newest among trends, we are seeing, is a readiness to explore new areas, between both Indians and tourists from foreign. States like Gujarat, the spectacular North-East and heaven framed Kashmir have seen much evolution in tourism, both local and worldwide, as structure improves and even more players come online. In the much famous state of Rajasthan, less recognised districts like Pali, are now beating the international tourist's radar, increased by their dominant locations and nearness to amended airports and, in the situation of the above, national parks and safari & trek options. Also, chiefly in Rajasthan, small villages are now ahead in acceptance and fame thanks to boutique set-ups like *Chandelao Garh* and *Deogarh*, as both are showcasing true, fascinating, innocuous and comparatively available unconventional destinations, generally attractive to Europeans.
- 5.2.4** Adventure-based sports opportunities-It is an unbelievable reality that with the distance of India's shoreline, the interior wildness of its, and the astounding attractiveness of the Himalayas, it does not previously feature on the escapade/thrilling sports locations list. This is, obviously, mostly to do with the lack of substructure, but even that cannot stop the desire for venture sports now very ostensible in young Indians. Pairs that with Indians' well-known entrepreneurial energy and what we see now are quest sports start-ups seeming across the countryside. Educated and cultured kids from the cities are scattering their wings, making their trades and setting up shop in far threewangles of the country. Tourists can surf kite in Rameswaram, ski in Gulmarg, raft in Rishikesh and drivecaving in the North East, and the list goes on.
- 5.2.5** The on-arrival Visa-In a country as administrative and rapid developing as India, administration policies are, by default, the actual key to the development of tourism. The visa on arrival started in 2014 and as of April 2015 smears to tourists for more than 40 countries, with a strategy to enlarge this to about 100 nations over the subsequent few years. However, a welcome round in the arm for Indian tourism, Djibouti, Fiji, Nauru and Tonga citizens are all comprised in the package while China, Malaysia, UK and France are not. Now one can wonder whether politics and business intellect can ever really go simultaneously.
- 5.2.6** Other changes fashionable within India-Overall, there's certainly an accelerating concern of what travellers in India want, tailored tours, cooking & cuisine schools, village (boutique) hotels, quest sports, free campsites, it is all in trend. The plea and seeming (though illusionary) relief of doing of an online travel business is not lost on the commercial soul of the fledgeling Indian upper-middle class, many of them, different their parents, have now voyaged for the sake of drifting and realised how things are done abroad viz. Europe and Thailand in particular. Every month we are seeing new start-ups providing travel services, and new blogs emerging to inform travellers while exploring a passion for all things Indian. It is notable that the lure of foreign currency is not necessarily a driving factor here, in fact, we are seeing far more businesses specialising in domestic tourism, perhaps due to the gap that exists thereby neglect, and the demand that exists due to the expansion of the middle class.

5.3 Future prospects of Indian Tourism Industry-Tourism is a growing industry in India. The Hotel industry as well as tourism, account for the major foreign earnings for our nation. The declining value of the rupee and a good image of India as an exotic tourist destination have boosted the tourism and hotel industry in India during the late nineties. Investments and Govt. initiatives also played their role for the promotion of the Indian tourism to flourish. Before analysing the facts about the prospects of the Indian tourism industry, first discuss the *Recent Investments* & Govt initiatives for the same.

- 5.3.1** Investments-The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-March 2017, the hotel and tourism sector attracted around US\$ 10.14 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP). With the rise in the number of global tourists and realising India's potential, many companies have invested in the tourism and hospitality sector. Some of the recent investments in this sector are as follows:
- 5.3.1.1** *MakeMyTrip* raised US\$ 330 million from Ctrip.com International Ltd, Naspers Ltd and few undisclosed investors, in a bid to bear competition in the ticketing segment.
- 5.3.1.2** *MakeMyTrip* has agreed to buy Ibibo Group's India travel business at a deal value of US\$ 720 million, thus creating India's largest online travel firm with a value of US\$ 1.8 billion, as estimated by Morgan Stanley.
- 5.3.1.3** *Yellow Tie Hospitality* Management LLP, plans to invest up to US\$ 15-20 million in five restaurant ventures of celebrity chef Mr Harpal Singh Sokhi, with the aim to have 250 outlets under these brands by 2020.

- 5.3.1.4** *Chaudhary Group Hotels & Resorts* aims to have 200 hotels operational by 2020.
- 5.3.1.5** *DineEquity* Incorporation has signed a franchise partnership deal with food services firm *Kwal's Group*, in order to enter the Indian markets with their breakfast chain *IHOP*.
- 5.3.1.6** As per industry experts, the mid-hotel segment in India is expected to receive investments of Rs 6,600 crore (US\$ 990 million) excluding land over next five years, with major hotel chains like *Mariott*, *Carlson Rezidor* and *ITC* planning to set up upscale, budget hotels in state capitals and tier-II cities.
- 5.3.1.7** *Hyatt Hotels Corporation* has outlined plans of bringing its *Hyatt Centric* brand to India soon along with three new hotels in *Kochi*, *Rameswaram* and *Hyderabad* by 2017.
- 5.3.1.8** *Vatika Hotels Pvt Ltd* has raised Rs 495 crore (US\$ 74.25 million) in debt from *Axis Bank Ltd* to expand its hotels and quick-service restaurant chain besides its business centres.
- 5.3.1.9** *AccorHotels*, a French multinational hotel group, plans to expand its footprint in *Guwahati* and *Kolkata* by adding more 550 rooms to its portfolio of hotels in the next three years.
- 5.3.2** Govt. Initiatives-The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. In the Union Budget 2017-18, the Government of India announced some initiatives to give a boost to the tourism and hospitality sector such as setting up of five special tourism zones, special pilgrimage or tourism trains and worldwide launch of *Incredible India* campaign among others. Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:
 - 5.3.2.1** The Ministry of Environment, Forest and Climate Change, Government of India, is planning to revise India's coastal regulation norms aimed at opening up the 7,500-km long coastline for developmental activities like tourism and real estate.
 - 5.3.2.2** The Central Government has taken some steps for smooth transitioning to the cashless mode of payment to ensure that the tourists face no hardship and the tourism industry remains unaffected from the government's demonetisation move.
 - 5.3.2.3** *Maharashtra Tourism Development Corporation (MTDC)* has come up with a unique tourism experience of visiting the open cast coal mine of *Gondegaon* and underground coal mine of *Saoner*, which are near *Nagpur*.
 - 5.3.2.4** A Tripartite MoU was signed among the Indian Ministry of Tourism, *National Projects Construction Corporation (NPCC)*, *National Buildings Construction Corporation (NBCC)* and Government of *Jammu & Kashmir* for the implementation of tourism projects in *Jammu* and *Kashmir*.
- 5.3.3** Road Ahead- Some of the most probable points behind the industry's bright future are:
 - 5.3.3.1** India's rising middle class and increasing disposable incomes have continued to support the growth of domestic and outbound tourism.
 - 5.3.3.2** Domestic Tourist Visits (DTV) to the States/Union Territories (UTs) grew by 15.5 per cent y-o-y to 1.65 billion during 2016 with the top 10 States/UTs contributing about 84.2 per cent to the total number of DTVs, as per Ministry of Tourism.
 - 5.3.3.3** India's foreign exchange earnings (FEEs) through tourism increased by 32 per cent year-on-year to reach US\$ 2.278 billion in April 2017, as per data from the Ministry of Tourism, Government of India.
 - 5.3.3.4** India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015.
 - 5.3.3.5** International hotel chains will likely increase their expansion and investment plans in India and are expected to account for 50 per cent share in the Indian hospitality industry by 2022, from the current 44 percent.
 - 5.3.3.6** *W Marriott* plans to have 175-200 hotels in India over the next four years & *AccorHotels* India has adopted a 'born in France, made in India' approach to increase its properties in India.

6. Conclusions

The Indian tourism industry has started to grow exponentially for the last 2 decades and it has been evident that it has a vast potential capacity for creating employment and grossing a huge amount of foreign exchange. Apart from that it also has potential to fillip the country's overall economic and social development, but there is still much more to be done. Eco-tourism is the need of the hour as to help preserve and sustain the diversity of incredible natural and cultural dividends of India. The present Indian tourism should be advanced in such a way that it should not hamper real asset i.e. our culture and environment along with keeping in check the

accommodations and entertainment of visitors and should also help build the native cultures of the locations it is operational in. Furthermore, as tourism is not a unidimensional activity, and essentially an industry which operates in the service sector, it would be essential that all units of the Central and State governments i.e. the public sector, private sector and voluntary organisations try to actively participate in the endeavour to accomplish the eco-friendly and sustainable growth in tourism to make India a world leader in the tourism industry.

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