

An Analytical Study on Tourism Industry in India

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ABSTRACT

Tourism is a combination of industries. The accommodation, transportation and communication services contribute significantly to the development of tourism sector. For the development of tourism, it becomes significant that hotel industry, transport organizations, communication and information sectors are managed professionally. Because world tourism is an important part of the tourism sector, qualitative improvements in all areas is important. The services thus offered to the tourist should be so attractive and of international standardized that they themselves become motivational for a person factor to visit a place. The professionals play a big role in the very context.

INTRODUCTION

Tourism is a combination of industries. The accommodation, transportation and communication services contribute significantly to the development of tourism sector. For the development of tourism, it becomes significant that hotel industry, transport organizations, communication and information sectors are managed professionally. Because world tourism is an important part of the tourism sector, qualitative improvements in all areas is important. The services thus offered to the tourist should be so attractive and of international standardized that they themselves become motivational for a person factor to visit a place. The professionals play a big role in the very context. The management of almost all the related sectors makes it essential that at all the levels and stages, the professionalized services that are made available so that the related sectors and the concerned tourists may satisfy with the results.

The transport operators, tour operators and travel agents play an excellent role in the development of tourism sector. If we find their management not based on professional excellence of international norms, the concerned organizations would suffer a lot from this problem. The accommodation sector plays an essential role in the development of tourism business and hotels of all the levels are to be managed perfectly.

Thus it is correct to say that tourism is a managerial process because in absence of professionalized input even the world class products or services don't get a affirmative response. The increasing image problem before the tourism industry can be removed only by the world-class professionals.

Definitions of Tourism

"Tourism indicates a temporary, short-term movement of people to destination outside the place where they normally live and work and their activities during their stay at these destinations."

LITERATURE REVIEW

Fontana and Pistone (2008) have explained that tourism is a complex and highly competitive sector. In this scenario incoming tourism flows represent one of the key indicators for public institutions, that wish to adopt an informed decision making process for resource allocation. The accurate and timely knowledge of both the interregional and the foreign component at a sufficiently detailed geographical level of such flows allows a better strategically, tactical and operational planning of marketing activities. The paper describes a methodology to complete the database of the official statistical data on tourism flows with an estimate of missing data that are originated by non respondent accommodation structure. The methodology has been applied to the inbound tourism flows into Piedmont.

Khan (2008) has done a case study on "Human Resource Development in Tourism Industry in India: A Case Study of Air India Ltd., New Delhi". The purpose of Human Resource Development is to improve the capacity of the human resource through learning and performance at the individual, process and organizational levels. By applying a well-ordered and professional HRD approach to work in the protected areas field, the skills, knowledge and attitudes of park personnel will be enriched and this overall quality of work performed will improve. There are a number of problems and constraints, which concern the human resource development in the Tourism Industry, viz., shortage of qualified manpower; shortage of tourism training infrastructure and qualified trainers; working conditions in the Tourism Industry; and lack of proper strategies and policies for human resource development. The present study is an attempt to analyze the HRD initiatives of Tourism Industry with special reference to Air India Ltd. To enhance and sharpen the capabilities of its employees. The study also identifies the need of the Air India to incorporate the spirit of HRD in day to day functioning by utilizing the all possible human resource systems and mechanism to the organization.

Zakhary, Atiya, Shishiny and Gayar (2009) have explained that forecasting hotel arrivals and occupancy is an important component in hotel revenue management systems.

In this paper we propose a new Monte Carlo simulation approach for the arrivals and occupancy forecasting problem. In this approach, they simulate the hotel reservations process forward in time, and these future Monte Carlo paths will yield forecast densities. A key step for the faithful emulation of the reservations process is the accurate estimation of its parameters. We propose an approach for the estimation of these parameters from the historical data. Then, the reservations process will be simulated forward with all its constituent processes such as reservations arrivals, cancellations, length of stay, no shows, group reservations, seasonality, trend, etc. We considered as a case study the problem of forecasting room demand for Plaza Hotel, Alexandria, Egypt. The proposed model gives superior results compared to existing approaches.

Nanthakumar, Subramaniam and Kogid (2012) argues that Malaysia is well-known for her 'blue' and 'green' tourism attractions. Malaysian government launched several tourism programs to encourage and attract international tourist arrivals into Malaysia. This study therefore attempts to forecast the tourism demand for Malaysia from ASEAN countries. The literature on forecasting tourism demand is huge comprising various types of empirical analysis. Some of the researchers applied cross-sectional data, but most of the tourism demand forecasting used pure time-series analytical models. One of the important time-series modelling used in tourism forecasting is ARIMA modelling. This study employs quarterly time series data of ASEAN tourist arrivals to Malaysia for the period from 1995:Q1 to 2009:Q4 to forecast future tourism demand for Malaysia. The forecasting performance is based on seasonal ARIMA model. The findings of this study revealed that seasonality model does not offer any valuable insights or provide reliable forecasts on tourism demand for Malaysia by ASEAN countries. This scenario occurs because of the fact that 'Malaysia is Truly Asia'.

Rai, Chakrabarty and Sarkar (2014) have published a paper entitled as "Forecasting the Demand for Medical Tourism in India". The purpose of their study is to predict as precisely as possible the medical tourism demand in India. As tourist arrivals is the most frequently used measure of tourism demand, the present study considers FTAs and their purpose of visit to India as a measure of inbound tourist to seek medical care. The medical tourism demand and its potential market till 2015 are identified based on available appropriate model as suited to the nature of data specific to individual country.

Ahmed (2015) in his paper he evaluates and analyzes tourism demand during the 1960-2014 periods by comparing different variables and methods in several countries and regions using various types of data. This paper aims to show the variables that continue to have an important influence on the tourism demand over time. Second, this review intends to identify a list of new approaches that could best explain the use of the tourism demand function for an area. Third, it is to show the main changes happening in the tourism objective with each passing day. Fourth, to explain and analyze why and how changes happen in the variables, techniques and objectives over time.

Bhushan and Mir (2015) have published a paper entitled as "An Economic Evaluation of Indian Tourism Industry". They argue that the Indian tourism industry is playing an important role in economic development of many sectors of

our economy by generating employment both for skilled and unskilled labour force, by improving living standard, particularly of remote rural areas, foreign exchange earnings, infrastructure development, and boosts the world famous Indian traditional Art and craft. Tourism is an important catalyst in the socio-economic development of both rural and urban areas since the last two decades, contributing in several ways and strengthens the inter-connected processes. Tourism industry has potential to strengthen the inclusive economic development. It is a limitless industry with immense growth potential having clear remarkable positive impact on economic and social aspects of Indian economy.

Li Mei (2015) has published a paper entitled as "Tourism Demand Forecasting by Improved SVR Model". The inbound tourism demand forecasting is very important to the development of tourism industry. In this paper, the SVR model is adopted to forecast monthly inbound tourism demand of China. And the elitist Non-dominated Sorting Genetic Algorithm (NSGAI) is used to parameter optimization. The NSGAI algorithm can reduce complexity of the algorithm, keeps the diversity of population and increasing the forecasting accuracy. At last, the proposed NSGAI-SVR model is used to forecast monthly inbound tourism demand of China from July 2011 to December 2011. And the experimental results show that the NSGAI-SVR has the best performance on forecasting compared with other models.

RESEARCH METHODOLOGY

Objective of the Study

- To search for appropriate models of Statistics used to solve the following Marketing Problems with reference to Tourism Industry.
- To measure the Demand Forecasting of customers in Indian Tourism Industry.
- To measure the Statistical model with reference to customer satisfaction in tourism.
- To measure behavior of Individual customer satisfaction in Tourism Industry.
- To measure the Consumer Purchase Behavior in Tourism Industry.
- To measure the brand choice among the various brands available in the Indian Tourism Industry.

Type of Research

Exploratory & Casual

Data Collection

The data collection is conducted through mixed methods research, as both qualitative and quantitative data is used, but not combined. (Saunders et al., 2007) There are two types of qualitative primary data. The first type of qualitative primary data is obtained through semi-structured interviews with different stakeholders (Tourism Agencies) in order to get a view of the current brand and the branding process. The second type is derived from open-ended questions in the online questionnaires to the different stakeholders (Customers) in order to get an overview of their inclusion in the process.

Factors Affecting Tourism Industry

- Cultural changes
- Environmental factor
- Tourism Advertisement

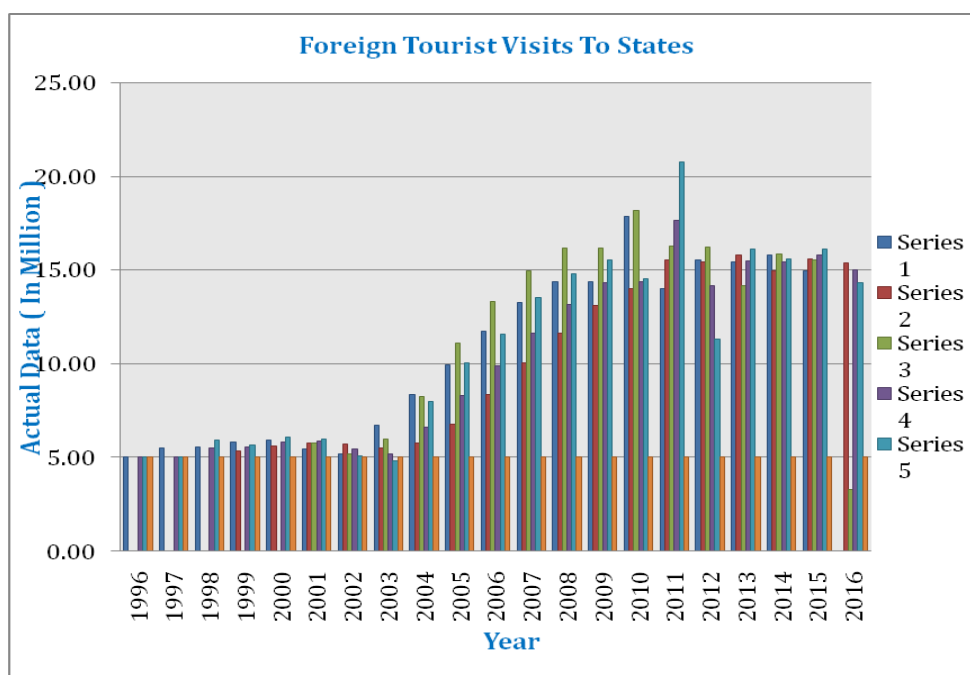
Sample Size

As far as the research study is concerned, the sample show given findings

Foreign Tourist Visits to State (In Millions)

Year	Foreign	M.A 1 F1	M.A 2 F2	Exponential Smoothing F3	Double Exponential Smoothing F4	Adaptive Smoothing F5
1996	5.03034			5.03034	5.03034	5.03034
1997	5.50042			5.03034	5.03034	5.03034
1998	5.53970			5.47692	5.90116	5.03034
1999	5.83202	5.35682		5.53656	5.65581	5.03035
2000	5.89354	5.62405		5.81724	6.08026	5.03036
2001	5.43626	5.75509	5.76199	5.88973	5.99142	5.03037
2002	5.15752	5.72061	5.17301	5.45893	5.05153	5.03037
2003	6.70848	5.49577	5.97973	5.17259	4.83538	5.03037
2004	8.36028	5.76742	8.22275	6.63168	7.98846	5.03039
2005	9.94968	6.74209	11.11911	8.27385	10.05089	5.03042
2006	11.74823	8.33948	13.32420	9.86588	11.57259	5.03047
2007	13.25664	10.01939	14.94762	11.65411	13.51581	5.03054
2008	14.38063	11.65151	16.18589	13.17651	14.81206	5.03062
2009	14.37230	13.12850	16.15410	14.32043	15.55531	5.03071
2010	17.85278	14.00319	18.16109	14.36971	14.51689	5.03081
2011	14.00319	15.53524	16.26303	17.67862	20.78206	5.03094
2012	15.53524	15.40942	16.23006	14.18696	11.32028	5.03103
2013	15.40942	15.79707	14.15511	15.46783	16.10664	5.03113
2014	15.79707	14.98262	15.83489	15.41234	15.59719	5.03123
2015	14.98262	15.58058	15.54940	15.77783	16.12038	5.03134
2016		15.39637	3.28847	15.02238	14.34598	5.03129
MSE		4.03807	1.14373	2.22880	3.73388	103.61380

Source: Indian tourism statistics 2015



DATA ANALYSIS

The above chart indicates that the forecast obtained by double moving average method prove to be the best amongst

all other forecast. The MSE = 1.14373 also supports this result.

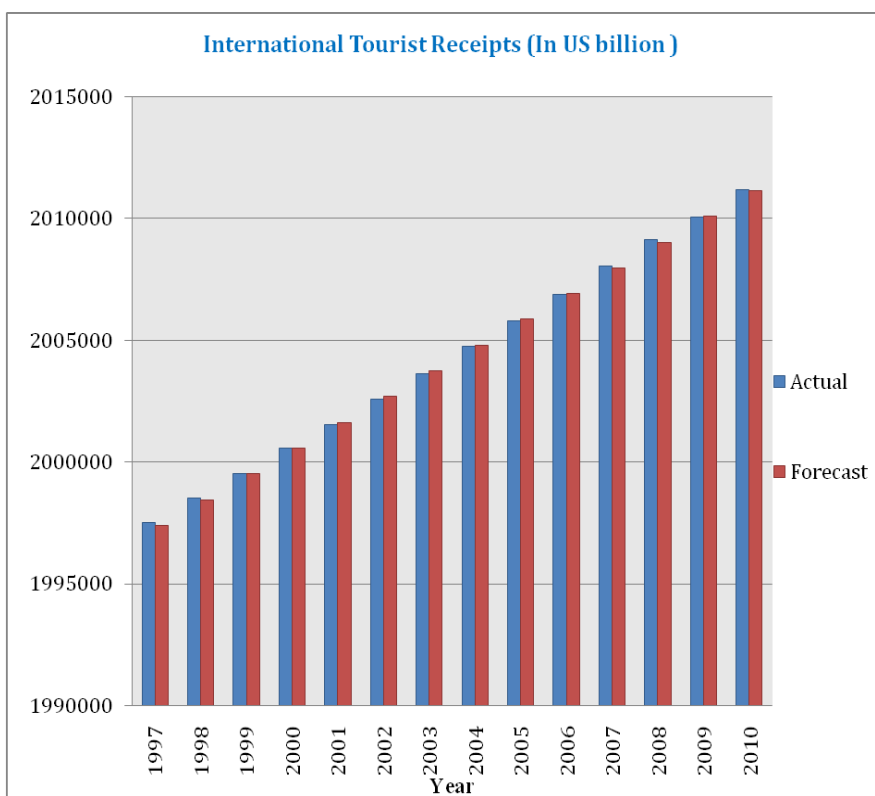
Forecasts through Regression

International Tourism Receipts (in US billion)

Year	Arrivals	Forecast	e_t	e_t^2	MSE
1997	1997525.4	1997401	124.40	15475.36	
1998	1998517.1	1998458	59.10	3492.81	
1999	1999537.3	1999515	22.30	497.29	
2000	2000560.6	2000572	-11.40	129.96	
2001	2001551.9	2001629	-77.10	5944.41	
2002	2002578.4	2002686	-107.60	11577.76	
2003	2003623	2003743	-120.00	14400.00	5524.31
2004	2004757.3	2004800	-42.70	1823.29	
2005	2005814.6	2005857	-42.40	1797.76	
2006	2006900.9	2006914	-13.10	171.61	
2007	2008044	2007971	73.00	5329.00	
2008	2009147.6	2009028	119.60	14304.16	
2009	2010057.2	2010085	-27.80	772.84	
2010	2011182.3	2011142	40.30	1624.09	
2011		2012199	TOTAL	77340.34	
2012		2013256			
2013		2014313			
2014		2015370			
2015		2016427			
2016		2017484			
2017		2018541			
2018		2019598			
2019		2020655			
2020		2021712			
2021		2022769			
2022		2023826			

Source: Indian tourism statistics 2015

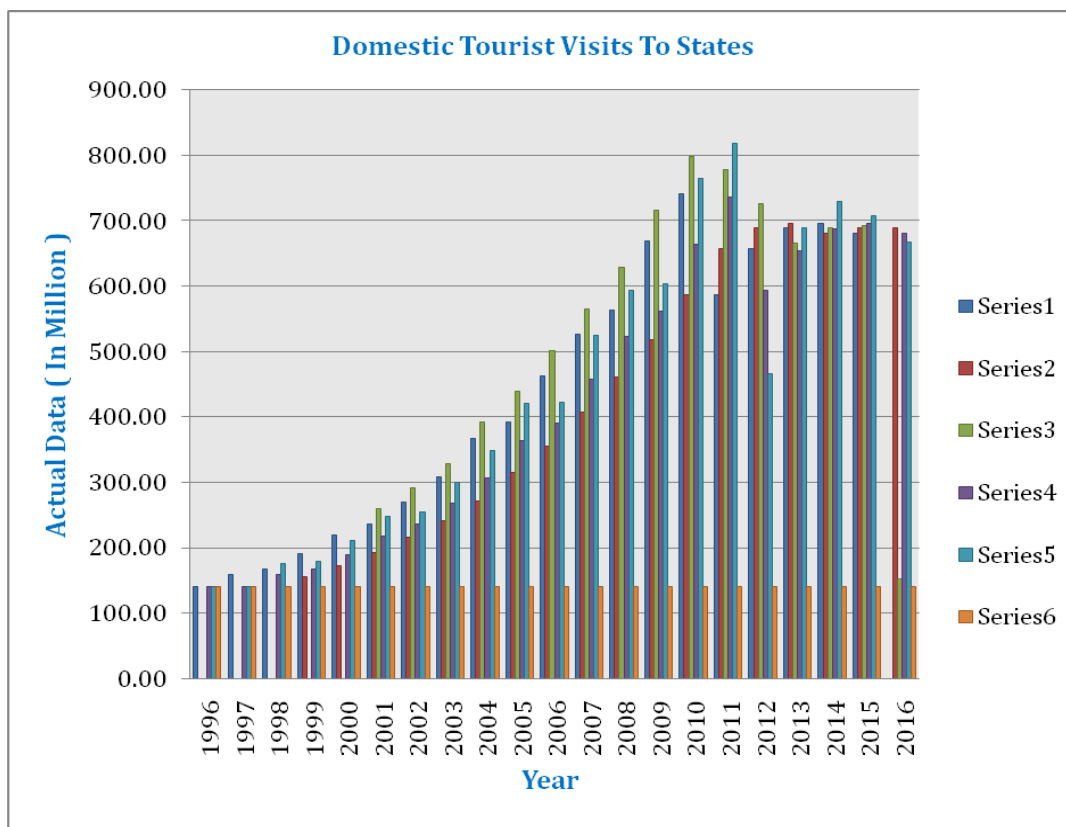
MULTIPLE R	0.99
R SQUARE	0.99
STANDARD ERROR	80.28
VALUE OF b	1057
VALUE OF a	-113473.16



Domestic Tourist Visits to State (In Millions)

Year	Domestic	M.A 1 F1	M.A 2 F2	Exponential Smoothing F3	Double Exponential Smoothing F4	Adaptive Smoothing F5
1996	140.1197			140.11967	140.11967	140.11967
1997	159.8772			140.11967	140.11967	140.11967
1998	168.1960			158.88933	176.72051	140.11987
1999	190.6710	156.06429		167.73067	178.76003	140.12015
2000	220.1069	172.91475		189.52402	210.96297	140.12065
2001	236.4696	192.99132	259.47738	218.57777	248.78961	140.12145
2002	269.5980	215.74918	292.30875	235.57501	255.10669	140.12242
2003	309.0383	242.05818	328.76640	267.89688	299.97298	140.12371
2004	366.2675	271.70199	392.41847	306.98126	347.86607	140.12540
2005	391.9486	314.96796	438.97349	363.30321	421.23576	140.12766
2006	461.7628	355.75148	501.72623	390.51632	422.86959	140.13018
2007	526.5645	406.65965	565.27384	458.20052	524.37599	140.13340
2008	563.0341	460.09197	628.78003	523.14628	592.98797	140.13726
2009	668.8005	517.12048	716.16875	561.03972	604.03136	140.14149
2010	740.2143	586.13302	798.31347	663.41244	763.51572	140.14678
2011	586.13302	657.3496	778.18386	736.37420	818.30353	140.15278
2012	657.3496	688.7881	725.29305	593.64508	465.13182	140.15724
2013	688.7881	695.4507	665.07623	654.16437	688.60553	140.16241
2014	695.4507	680.5295	688.61081	687.05691	729.81056	140.16790
2015	680.5295	688.2561	692.99341	695.03101	707.19051	140.17345
2016		688.0788	152.65025	681.25458	667.82281	140.17205
MSE		6877.48397	5183.32163	3320.30728	5111.18960	155950.19442

Source: Indian tourism statistics 2015



CONCLUSION

In the present chapter various research papers, articles and journals have been reviewed in order to find the research gap. Under the various heads like, Demand Forecasting of customers in Tourism Industry, Factors Affecting Tourism Industry, Customer Satisfaction, Brand and Tourism

Advertisement. After deep analysis of these reviewed, it can be said that tourism industry has a wide canvas to be developed. Many internal and external factors are responsible for the development of tourism industry.

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