

TOURISM SECTOR AND INDIA - A REVIEW AFTER COVID – 19

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Abstract

Tourism sector in India has been immensely growing by contributing in to GDP, employment generation, infrastructure development, foreign earnings and exchanges. This research paper tries to analyse and understand the tourists flow of both domestic and international tourists and hence to understand the national image of India from tourism point of view. Research focuses more about the tourism policy incorporated and implemented by Ministry of Tourism, Government of India along with studying the practices and policies adopted by different states of India for their own state tourism development. The goal is to understand the effectiveness of different policies that has helped a state and India as well to attract the tourists by promoting tourist destinations and different types of tourism. To understand the effectiveness of tourism, this research paper concerns about marketing and promotional policies adopted by departments of tourism, tools by which departments promotes, innovative strategies adopted and collaborative efforts with public-private-partnership models. The very purpose of this research is to increase not only visitors to the state and India but also to enhance the national image of India from tourism perspective as visitors to India since last 16 years is increasing like anything in every domain of tourism. Present research also tried to review the impact of COVID – 19 on tourism sector of India.

Keywords: GDP, Domestic and International Tourists, National Image, Tourism policy and practices, COVID – 19

INTRODUCTION

In recent years, travel and tourism sector in India is emerging competitively. In very shorter span of time, India reached from 65th position in 2013 to 40th position in *The Travel and Tourism Competitiveness Report 2017*. The geographic map of India with 29 states and almost each size of a small country. Each state/UT in India represents a rich history, remarkable legacy, diversity of culture has paved the colourful ways to attract tourists. India, nowadays is doing very effectively to foster travel and tourism sector in the country. India's travel and tourism industry contributed US\$91.3 billion in 2017. The ministry of tourism is expecting this contribution almost double in the next decade. Foreign spending alone accounted for US\$26 billion last year (*The Travel and Tourism Competitiveness Report 2017*)

It is very lesser, if any one (even though being resident of India) tries to write about the rich and valued resources and heritage of India. India is rich by its culture, history, heritage, resources, and natural landscapes. India has got all whether talk about nature or architect, religious to science, hills to rivers/oceans, ancestral to business avenues, it is for everyone.

In any developing country, travel and tourism sector is considered as the major source which can contribute for economic growth and development. It enhances the opportunities of generating employment in to the country and also helpful in generating the income to both formal and informal sectors (Khalil, 2007). As per the *The Travel and Tourism Competitiveness Report 2017*, the tourism industry alone had helped to employ about five percent of India's total work force, and received 6.3 percent of the total investment in India in 2017 – at US\$41.6 billion. Foreign direct investment (FDI) in to the sector is expected to rise by an average of 6.7 percent year on year.

With the rapid growth of tourism sector in India, it has been observing a healthy economic growth, increasing income groups, upgrading consumer life styles and preferences, competitive and customized product offerings, improved standard of living, convenient finance availability, well preserved natural and cultural resources and geographic locations, government initiatives and policy support, host nation for major international events (Subhash, 2015). In India, tourism sector is well segmented as leisure tourism, business and professional tourism, environmental tourism, medical tourism, heritage tourism, wild life tourism, dark tourism, ayurvedic tourism, adventure tourism and spiritual tourism.

METHODOLOGY:

Research presented in this paper is mainly focusing on the national image of India with special focus on tourism sector and is based on the secondary data published by various government and non – government agencies and organizations. Reports released by ministry of tourism, government of India, ministry of statistics and programme implementations, articles related to tourism sector in to newspapers, travel magazines and books, journals and web sources were the major contributors for the present study.

CONTRIBUTION OF TOURISM SECTOR IN THE DEVELOPMENT OF INDIAN ECONOMY

Service Industry has become the largest contributor in world GDP. Emergence of service industry at global is growing like anything in economic sectors of the world. Service industry, especially travel and tourism sector contributes significantly with respect to revenue generation, employment generation and in to investments.

If we observe the contribution of tourism sector in the development of Indian economy, it is 2nd in the world in terms of contribution to employment. In 2014 it was 8.7%, in 2015 again it was 8.7% and is expected to rise up to 9% in the year of 2025. It is said that for every direct job in travel and tourism, nearly one additional job is created on an indirect and induced basis.

India is amongst Top 15 countries in terms of contribution to GDP. In 2014 it was US\$117.5 billion (6.7%), US\$126.4 billion in the year of 2015 (6.8%) and is expected to grow up to US\$255.2 billion (i.e. 7.6%). It is also projected that, it will grow at a rate of 7.3% per annum from 2015 to 2025.

India is 4th in the world in terms of capital investment. In 2014, capital investment in to travel and tourism was USD 32.42 billion, USD 35.43 billion in 2015, and is expected to invest more up to USD 66.74 billion in the year of 2025. (Vibrant Gujarat Report, 2017)

It is also noted that the foreign exchange earnings from tourism US\$ 22.92 billion with annual growth rate of 8.8%. Share of India in international tourists' arrival is 1.18% and ranked 25th in international tourists' arrivals. Share of India in international tourists receipt is 1.88% and India's rank in international tourism receipts (As per RBI's estimate) is 13th.

TOURISTS FLOW OF DOMESTIC AND INTERNATIONAL TOURISTS

In 2016, 9 million international travellers visited India. Domestic demand of India reached nearly about 100 millions. If we observe the current scenario, it can be projected that international arrivals to India can be 15.3 million by 2025 as per World Economic Forum, 2017.

Foreign Tourists Arrivals in India from different regions of the world, 2014 – 2016

Region/ Country	Number of arrivals			Percentage Share			Percentage Change	
	2014	2015	2016	2014	2015	2016	2015/14	2016/15
South Asia	1694857	1946207	2194555	22.07	24.25	24.93	14.8	12.8
Western Europe	1860580	1880203	2029412	24.23	23.42	23.05	1.1	7.9
North America	1387468	1494930	1614178	18.07	18.62	18.33	7.7	8.0
South East Asia	685805	700298	746069	8.93	8.72	8.47	2.1	6.5
East Asia	546792	555770	617563	7.12	6.92	7.01	1.6	11.1
West Asia	413678	417616	451842	5.39	5.2	5.13	1.0	8.2
Eastern Europe	422278	331051	406002	5.5	4.12	4.61	-21.6	22.6
Australasia	286294	312101	348908	3.73	3.89	3.96	9.0	11.8
Africa	280754	293569	302164	3.66	3.66	3.43	4.6	2.9
Central and South America	69926	70831	78730	0.91	0.88	0.89	1.3	11.2
Not Classified elsewhere	30667	24557	14988	0.39	0.32	0.19	-19.9	-39.0
Grand Total	7679099	8027133	8804411	100	100	100	4.5	9.7

Source: Bureau of Immigration, India

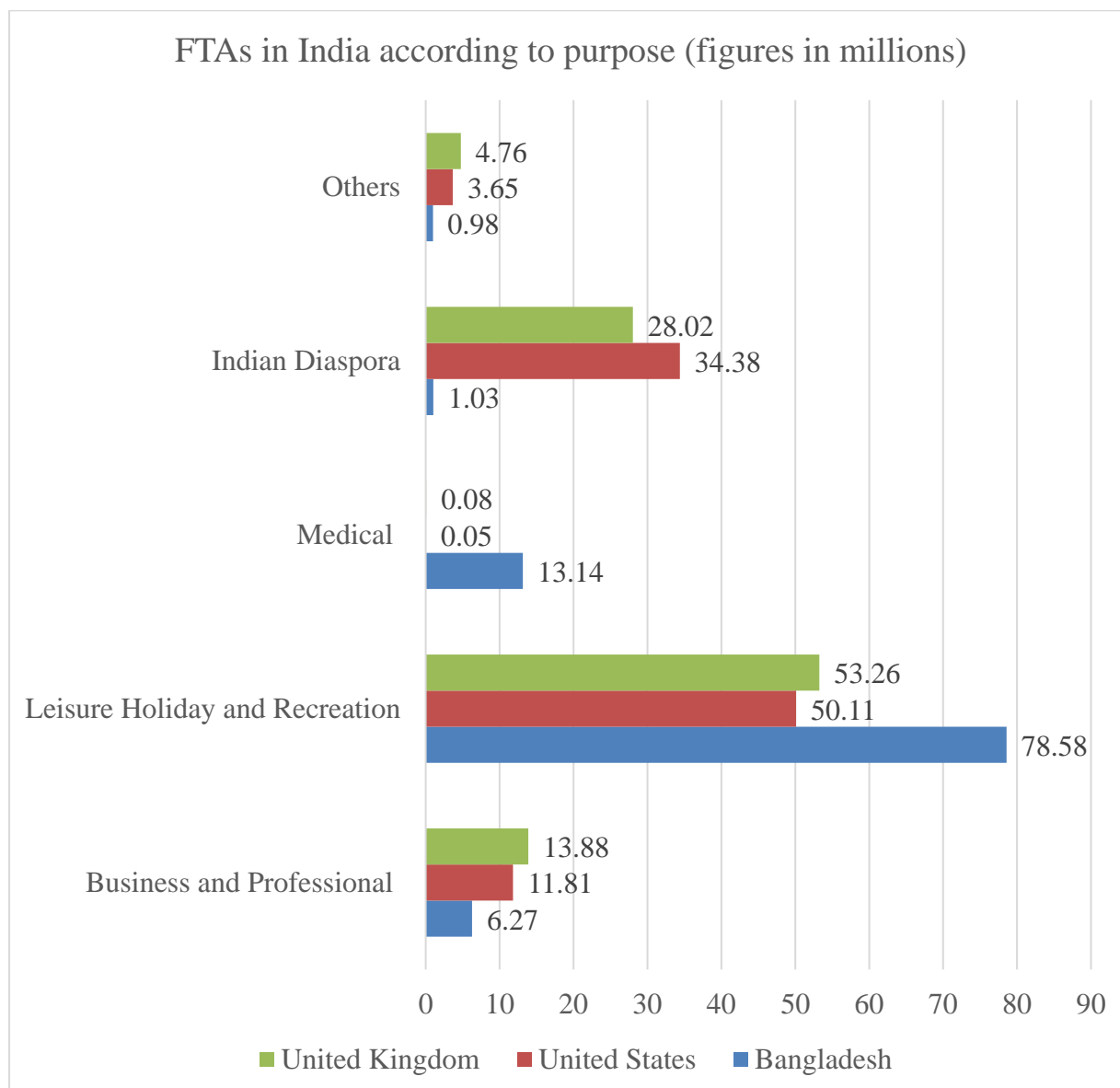
It can be observed in the above table that, foreign tourists' arrivals in India during last 3 years have been increasing from all the regions. The maximum arrivals are from Eastern Europe followed by South Asia and Australasia.

The percentage share in FTAs in India during 2016 was the highest for South Asia (24.93%) followed by Western Europe (23.05%) and North America (18.33%).

FTAs in India according to purpose

Ministry of Tourism used to publish purpose wise Foreign Tourists Arrivals till 2013 on the basis of the information available from disembarkation card. In 2016, Ministry started to derive purpose of arrivals by clubbing various visa type categories in which foreign tourist travel to India.

According to report published by India Tourism Statistics – 2017, Bangladesh was the highest in terms of tourists' arrivals (1380409) followed by United States (1296939) and United Kingdom (941883).



(Source: India Tourism Statistics, 2017)

Apparently, from these states are coming for leisure, holiday and recreation purposes that witnesses the awareness of tourists destinations across globe. Followed by Indian diaspora and business and professional.

Domestic and Foreign Tourists Visits

Year	Tourists Visits		Annual Growth Rate	
	Domestic	Foreign	Domestic	Foreign
2012	1045047536	18263074	20.90%	-6.30%
2013	1142529465	19951026	9.30%	9.20%

2014	1282801629	22334031	12.92%	13.12%
2015	1431973794	23326163	11.60%	4.40%
2016	1613551505	24707732	12.68%	5.92%

(Source: India Tourism Statistics, 2017)

Since the last five years, domestic tourists are increasingly for both domestic and foreign visitors but the growth rate is not that much contact it fluctuates a bit in domestic but drastically in foreign visitors.

INDIAN TOURISM POLICY

In India, Ministry of Tourism head quartered at New Delhi, is the nodal agency to formulate national policies and programmes for the development and promotion of tourism. In 1982, the Indian government presented its first tourism policy. It plays a vital role for promotion of tourism sector in the country. It also look after for the state tourism development and monitors the progress of implementation of projects sanctioned by the ministry. The ministry has 20 domestic field offices within the country. It is also having overseas offices promote Indian tourism in the markets abroad. The domestic and overseas offices are known as India Tourism Offices. India Tourism Development Corporation (ITDC) is the only public sector undertaking under the charge of the ministry of tourism.

The ministry of tourism has the main objective of promoting and facilitating tourism, both inbound and domestic in India. Augmenting tourism infrastructure, ensuring ease of travel, promoting tourism products and destinations, assurance of quality standards in services of tourism service providers, projecting the country as a 365 days tourist's destination, promoting tourism in a sustainable manner, etc. are some policy areas of the ministry of tourism.

Moreover, every state is having their own tourism department to incorporate and implement tourism policy. In India, every state/US incorporates and implements tourism policy for the five years which includes, infrastructure development, tourist destination marketing, innovative promotional strategies, investments in to preservation of heritage sites, nature and development of new destinations etc.

PROMOTIONAL STRATEGIES AND TOOLS USED FOR TOURISM MARETING IN INDIA

Promotional strategies and tools are useful for making people aware about the tourists' places and destination to the domestic and foreign visitors especially for remote areas.

It can be done via traditional tools of marketing like, advertisements, billboards, newspaper ad, by travel agents, magazines, publicity by authorities, endorsing a celebrity, campaigning etc.

The ministry of tourism, government of India undertook a series of promotional initiatives to minimize the negative impact of the global economic crisis and to promote India as most preferred tourist place.

Ministry of Tourism releases many domestic campaigns like, in the year 2009-10, released a campaign in May – June 2009, on "Good behaviour towards tourists" featuring Amir khan. In August 2009, the ministry also released a "Generic campaign" in the domestic market to promote India as a holistic attractive tourist destination. Other than this, ministry also promotes by social media, newspaper, magazines to convey the feelings of "Honesty", "Hospitality", "Good behaviour towards tourists" "Proud to be Indian" as a part of social awareness.

India profoundly follows the message given by the Culture as a moral value – "Atithi Devo Bhavah" and for the same to promote and foster this to every citizen of India, it was released as a social campaign on Doordarshan and various TV channels in January – February 2010.

"Incredible India" is an international marketing tourism campaign run by India's ministry of tourism to promote tourism in the country. Major tourist attraction of India includes Taj Mahal of Agra, Khajurao, Ellora caves, Hill forts of Rajasthan and list of world heritage sites.

To foster and gear up inbound/domestic tourism, each state tourism department also practices marketing and promotional strategies. State tourism departments by campaigning and other promotional strategies highlights major tourist destinations and hence it represents its own subcultural values and practices, popular festivals, food, places, heritage, natural landscapes, people and so on.

Some of the major and most attractive tourism practices adopted by states like, Madhya Pradesh tourism. Madhya Pradesh is located at the heart of India. It marks its presence by showcasing cultural heritage of almost all the religious. It is having very famous and historical monuments, attractive places for tourists', beautifully carved temples, stupas and royal forts/palaces.

Very famous advertisement initiative featuring Shri Amitabh Bachchan – "Khushboo Gujarat Ki". Campaign was very successful to show case all the beautiful and attractive places of tourist destinations like, Somnath Temple, Gandhi Ashram at Sabarmati river, Kutch white dessert, Ambaji temple and so many.

Kerala in South India, which is also known as God's own country. Kerala is an extra ordinary place that one must visit covered with beautiful beaches, hill stations, backwaters. Kerala is also famous for tea plantation gardens and shows variety of flora and fauna.

Recently, Rajasthan has received an award for promoting tourism in an astonishing way. Rajasthan has been successful in showcasing their royal heritage and culture. The place is also known for “Land of Rajwadas” covered with so many royal palaces and forts like, Amer Fort, Udaypur city palace, Jaipur city palace, Hawa mahal, Kumbalgarh fort and many wild life sanctuaries.

Besides these, ministry of tourism, government of India, undertakes many promotional activities at international level, like *Road shows* were organized in important tourist generating markets overseas with participant of different segments of the travel industry.

April 2009 was a milestone for ministry of tourism, government of India when they arranged *Road shows* with Indian association of tour operators at Japan and South Korea (Seoul-Osaka-Tokyo), also at USA and Canada (New York-Chicago-Toronto-Vancouver-San Francisco-Los Angeles) and at West Asia (Dubai-Muscat-Bahrain). Another *road shows in collaboration* with PATA, in the month of August 2009 at Scandinavia, Helsinki, Stockholm and Oslo.

Moreover, states/UTs by its own participating in to different international events like, Tamil Nadu Tourism has participated in the International Tourism Bourse meet held in Berlin, Germany, in March 2016. It helped Tamil Nadu to showcase various segments of the State among the visiting delegates. Delhi Tourism has participated in the fairs/conferences/marts/exhibitions with IATO, TTF, PATA, SATTE etc. Maharashtra Tourism Development Corporation have organized road shows in foreign countries like, Europe, South East Asia and America.

Ministry of Tourism, Government of India also encourages states/UTs to promote more and more by awarding to the most innovative and effective tourism departments.

COVID – 19 IMPACT ON TOURISM SECTOR IN INDIA

The foreign exchange earnings (FEE) from tourism are one of the major revenue sources for the Government of India. The FEE is the revenue generated by inbound foreign tourists and decrease in foreign tourists' number leads to reduce FEE. (Jaipuria, Parida and Ray, 2021)

Following the border closure, cancellation of international flights, and a series of lockdowns, the tourist's arrival rate in India has been highly affected.

Considering the tourism sector, COVID – 19 impact can be observed by looking at hospitality industry, airline businesses etc.

Indian hospitality industry is one of the largest tourism industry of the world and more than 2000 hotels and 1000 restaurants enlisted under FHRAI (2020) Federation of hotel restaurant association of India), which provide employment to lakhs people. Due to lockdown in India and COVID-19 threat, process of reservation cancellation is being carried out which will adversely affect the hotel business and likely to face revenue loss in 2020 and the parallel negative impact can be seen on employment in the future as a cost cutting tool. There are few recent responses by the hotels business group on COVID-19.

Tourism Breaking News-2020, Sarovar anticipates 12-15% decline in revenue per available room for 2020. (UNWTO-2020) International tourism to plunge up to 30 % due to virus. The drop in arrivals will lead to an estimated loss of \$300-450 billion in international tourism receipts, almost one third of the \$1.5 trillion generated in 2019, Tourism is among the hardest hit of all economic sectors, due to COVID-19 threat foreign tourist arrival will be declined as foreign tourist arrival is the most favourable source for foreign exchange earnings, simultaneously revenue generated by hospitality industry will be affected adversely.

Travel agencies and tour operators can also face financial crunch in near future as tourist's frequency to visit India will be declined. All segment of tourism inbound, outbound, domestic, MICE will be affected. The way hotel bookings are being cancelled, in the same way packages sold by travel agencies and tour operators for inbound, outbound, domestic segments are also being cancelled.

MICE segment is one of the important segments as per revenue generation for a travel agency but due to present crisis all kind of events, meeting, conferences have been cancelled or postponed. (Business Today-2020) MakeMyTrip's founders to draw zero salary: top brass to take 50% cut. Travel agents will be forced to take such action due to financial crunch soon which is not good for travel business.

(IATA-2020) airlines revenues in 2020 to decline by 44% compared to 2019. Which means half of the revenue will be declined in aviation sector by 2020, which will be the greatest setback for the aviation sector globally. This can put airlines jobs at risk soon. In India the passenger's traffic at all the international airports have been banned till lockdown time and passenger's traffic will be reduced soon due to COVID-19 crisis.

CONCLUSION

It was noted that people across globe sees India as not only place for leisure, holidays and recreation but it is also for new business avenues, business and professional purposes. Different types of tourism and its effective promotions like Medical Tourism, Eco tourism, Dark Tourism, Heritage Tourism, Green Tourism, Educational Tourism, Adventure Tourism, MICE – Meetings Incentives Conferences Exhibitions etc. has opened the new horizons for Indian tourism industry. National image of India has become more colourful, vibrant, happening and participative. It gained more foreign currencies in India, operated many small and ancillary businesses, opened many employment opportunities, contribution to nation's GDP, and ultimate holistic development of nation.

Severe impacts from COVID-19 can be reducing hotels booking, airlines booking, cancellations of events, reduction of staff as a cost cutting measures and risk to airlines, hotels, travel agencies jobs soon as the revenue generated by tourism industry will be reduced. Half of the revenue can be declined in 2020 as compare to the previous year, however, despite severe cuts in business and predictions that normal travel patterns would take years to return. To handle this situation and for the upliftment of tourism industry government should come forward, without government intervention it would be difficult to overcome the present situation and financial crunch. Government must give certain relaxation on taxes imposed on tourism industry, or to provide certain soft loans with minimum interest rates and must issue additional funds for the betterment of tourism industry soon.

One thing made very clear by this crisis is the fragile nature of tourism business, and therefore the need to have contingencies for even unpredictable events as this crisis has shaken the entire tourism industry globally

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