

A Study on the Perception of Service Providers Tourism Industry through Economic Growth in India

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Abstract

The tourism consumption and attraction boast the economic prosperity of the nation. Tourist from all over world visit India and spend their money these activities create employment and entrepreneurship. The demand of the tourist spot will boast production of consumable products and service sector in particular tourism destination. These are the basic economic cycle operations of economic development through tourism sector. The present study is an effort to measure contribution of economic development in tourism sector. This study was selected as study area Tiruchirappalli District. The sampling was determined as 100 respondents. It was found that there is no significant relationship between educational qualification of the respondents and overall perception about economic development through tourism industry. The tourism industry service providers give attention to quality services, especially for transport vehicles, hotel accommodation are influencing customer satisfaction. So the researcher recommends that tourism service providers make changes their operation for providing quality services

Keywords: economic development, tourism industry, GDP, National income.

Introduction

One of the essential economic growths is depending upon revenues from tourism sector. The tourism industry is the major sources to attract foreign tourist and accelerates on economic development. Tourism sector contributes to three high-priority goals of developing countries: income generation, creating employment, and motivating foreign-exchange earnings. In this respect, the tourism sector is a driving force of economic development. The growth of this industry can geared up of different stages of economic development depends on the specific characteristics of each country.

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Tourism industry make employment and income generation, lead to a balance of payments, stimulate the supplying sectors of tourism. It also directs to increased level of economic activity in the country. Tourism sector can have force on the ancillary sector namely hotel and accommodation, transport, banking and so on. It leads to the economic development, gross domestic product (GDP). It was proof of tourism sector is an major player for economic development., there are numerous existing literature has witnessed to measure the impact of tourism upon GDP to deal with measuring how tourism contributes to economic growth.

Tourism is classified in to many different types namely based on the purpose of visits like business trips, medical tourism, higher studies, and tourist for pleasure and relaxation etc. During external tourism which reflects domestic expenditures by foreign tourists, they pay in foreign currency in return for the services such as trips, accommodation, meals, museum visits, souvenirs and so forth. This source of income is widely called “chimney-free industry” as it acts like merchandise exports in terms of a given domestic economy

Income generated through tourism Industry in India

Year	Earnings (US\$ million)	% change	Earnings (₹ crores)	% change
2013	17,737	7.1	94,487	21.8
2014	18,445	4.0	107,671	14
2015	20,236	9.7	123,320	14.5
2016	21,071	4.1	135,193	8.8
2017	22,923	9.1	154,146	14.3
2018	27,310	19.1	177,874	15.4

Source: https://en.wikipedia.org/wiki/Tourism_in_India

Review of Literature

Bichaka Fayissa (2008) investigates the possible involvement of tourism to the economic growth within the predictable framework. The findings revealed that revenue from the tourism industry contribute significantly to the current level of gross domestic product and to the economic growth of African countries, as perform investments in physical and human capital. The findings were showed that African economies could improve their short-run economic growth by strengthening their tourism industries advantageously¹.

Lateef Ahmad Mir (2014) expressed the economic possibility of the Indian tourism industry. The tourism industry is performing an important position in economic development of many sectors of our economy by

¹ Bichaka Fayissa, (2008) “Impact of Tourism on Economic Growth and Development in Africa”, *Tourism Economics*, 14(4), 807–818. <https://doi.org/10.5367/000000008786440229>

producing employment both for skilled and unskilled labour force, by growing living standard, particularly of remote rural areas , foreign exchange earnings².

Dr. T. Joseph Rex and G. Udhayaraj (2018) try to know the medical tourist perception about advantages and disadvantages of Indian tourism. The sample size was selected 50 respondents. It was suggested officials take necessary initiatives to reduce prices of medical equipments and necessary medicines. It is helps to motivate the medical tourist to revisit to our country and also encourage the economic growth³.

Need of the study

Tourism has growing as boost business through business operations and earn maximum revenue of the nation. Tourism considers as ever growing sector throughout the world economy and has become a major workforce in global trade. It has been making a revolutionary and significant impact on the national economic scenario. Tourism has been identified as the major income generated industry in the world. General opinion about the impacts of tourism on economy says that the tourism sector boast economic growth through not only foreign exchange receipts but also new employment opportunities. Therefore, further development of tourism is set an important target by many countries, notably developing economies. The present study is an effort to measure contribution of economic development in tourism sector.

Objective of the study

The following objectives were framed for the present study

1. To study perception of tourism service providers regarding the impact of tourism in economic development
2. To know the determines to influence economic development through tourism industry
3. To provide suitable suggestions to improve the economic status through tourism industry

Methodology

The present study is descriptive in nature. The study was covered tourist places in Tiruchirappalli district. So this study was selected as study area Tiruchirappalli District. The sampling was determined as 100 respondents. The primary data were collected through well structured questionnaire. The secondary data were collected from various websites, books, journals and official records.

² Lateef Ahmad Mir (2014) International Journal of Scientific and Research Publications, Volume 4, Issue 12, pp.1-7. <http://www.ijsrp.org/research-paper-1214/ijsrp-p3692.pdf>

³ Dr. T. Joseph Rex and G. Udhayaraj (2018) “A Study On Perception On Medical Tourist In Tamilnadu”, Review Of Research journal, vol. 8 (1), pp. 1-8.

Sampling

S. No	Sources of respondents	No. of Respondents
1.	Hotel industry	25
2.	Transport industry	25
3.	Tourism guides	25
4.	Banking industry	25
	Total	100

Analyses and Interpretations

Cross tabulation of monthly income of the respondents and their opinion about tourism industry generated major portion of income to the national economic development

		Income (monthly)					Total
		Up to Rs.10000	Rs. 10001 to 20000	Rs.20001 to 30000	Rs. 30001 to 40000	Above Rs. 40001	
strongly Agree	Count	6	8	9	5	2	30
	% of Total	6.0 %	8.0 %	9.0 %	5.0 %	2.0	30.0 %
Agree	Count	8	9	7	5	4	33
	% of Total	8.0%	9.0%	7.0%	5.0%	4.0%	33.0%
agree to a little extent	Count	4	3	1	0	0	8
	% of Total	4.0%	3.0%	1.0%	0.0%	0.0%	8.0%
Disagree	Count	4	3	5	2	2	16
	% of Total	4.0%	3.0%	5.0%	2.0%	2.0%	16.0%
strongly disagree	Count	3	1	4	3	2	12
	% of Total	3.0%	1.0%	4.0%	3.0%	2.0%	12.0%
Total	Count	25	24	26	15	10	100
	% of Total	25.0%	24.0%	26.0%	15.0%	10.0%	100.0%

Source: Primary Data

The above table shows that 33% of the respondents agree with the statement that tourism industry generated major portion of income to the national economic development. 30% of the respondents strongly agree with the statement that tourism industry generated major portion of income to the national economic development. 16% of the respondents disagree with the statement that tourism industry generated major

portion of income to the national economic development. 12% of the respondents strongly disagree with the statement that tourism industry generated major portion of income to the national economic development.

Regression test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.032 ^a	.001	-.020	9.44480
a. Predictors: (Constant), educational qualification				

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.372	1	4.372	.049	.826 ^b
	Residual	4281.808	48	89.204		
	Total	4286.180	49			
a. Dependent Variable: overall perception about economic development through tourism industry						
b. Predictors: (Constant), educational qualification						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	57.174	2.996		19.086	.000
	experience	-.285	1.289	-.032	-.221	.826
a. Dependent Variable: overall perception about economic development through tourism industry						

Research Hypothesis

There is a significant relationship between educational qualification of the respondents and overall perception about economic development through tourism industry

Null Hypothesis

There is no significant relationship between educational qualification of the respondents and overall perception about economic development through tourism industry

Tools used

Linear regression test was used in the above tale

Findings

The above table shows that there is no significant relationship between educational qualification of the respondents and overall perception about economic development through tourism industry. Hence the calculated value is greater than the table value. So that research hypothesis is rejected and null hypothesis is accepted

Suggestions

- Banks with ATM facilities should be created in centres of tourist attraction. Banks and ATM centres are primary need of the tourist. They transfer money and also exchange their currency to our nation currency in proper way, so they need banking facility.
- The tourism industry service providers give attention to quality services, especially for transport vehicles, hotel accommodation are influencing customer satisfaction. So the researcher recommends that tourism service providers make changes their operation for providing quality services.
- Government officials are taking necessary initiatives to facilitate tourism in terms of marketing campaign, registered dealers, authorized guides and other necessary services to the tourist.

Conclusion

Tourism is the sector which contributes notable portion to economic growth. Tourism is classified based on the purpose they visit. Site seeing tourism, natural tourism, medical tourism, business tourism etc are the types of tourism. The Indian tourism has a clear bright future because the demand for travel and tourism in India is anticipated to develop by 8.2 per cent between 2014 and 2019 and will place India at the 2nd position in the world. Besides Maximum FDI, income generation and acceleration of world class infrastructure development India's travel and tourism sector is expected to be the 2nd largest service provider in the world. Tourism can be used as a catalyst for socio-economic development if Government and other people involved in tourism pursues sustainable development of tourism in a comprehensive and planned manner.

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