Chapter 2: Tourism – A Conceptual Overture

- Meaning of Tourist and Tourism
- Types of Tourism
- Tourism Attractions
- Providers of Hospitality and Tourism Services
- Benefits of Tourism
- Factors Affecting the Hospitality and Tourism Industry
- Status of International and National Tourism
- Tourism Marketing
- Marketing Mix for Tourism Services
- Role of Ministry of Tourism
- Tourism in Uttar Pradesh – Role of UPSTD
- Tourism in Madhya Pradesh– Role of MPTDC
2.1 Meaning of Tourist and Tourism

Tourism is the vital breath in the human activity while making a prolonged journey from place to place. The charm of inquisitiveness is found in the sphere of tourism. A tourist is anxious to exert himself to study and survey, to investigate and learn, to find and observe the natural phenomenon and human skill around the globe. Therefore, tourism is the triadic composition of social, cultural and natural phenomenon, which has emerged as one of the world’s largest industry. It is, of course the fastest growing industry where human spirit is deeply involved to know more and more about the mysteries of nature in wanting. The tourist is a keen personality with a keen interest in these phenomenons. The tourist is therefore, the basic unit of measurement of trade, production, employment generation etc. in this industry.

The origin of the word “Tourist” can be traced from the Latin word “Tornus” meaning a tool for describing a cycle. This word dates back to the year 1292 AD which speaks of the fascination of man and his urge to discover the unknown, to explore new and strange places and to seek the changes of environment and a strong will to undergo new experiences. The seventeenth century the concept of tourism was concerned about travelling from one place to another, which would involve a journey touching the principal parts of the country or a region.¹

Tourist is defined by I.U.O.T.O. as “A tourist is a person travelling for a period of 24 hours or more in a country other than that in which he usually resides.” ²

According to Lickorish “All persons staying for more than 12 months and less than 24 hours should be excluded from the category of tourist”.³

According to tourist statistics, Government of India-Department of Tourism, New Delhi “A visitor is defined as a person who travels to a country other than that in which he has his usual residence but outside his or her usual environment for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited”.⁴ This definition is subdivide into-

a) **Same day visitor**- Visitors who do not spend the night in a collective or private accommodation in the country visited.

b) **Tourist**- Visitors who stay at least one night in a collective or private accommodation in a country visited.⁵
According to WTO- “An International Tourist is a person who travels to a country than that in which he or she has her or his usual residence but outside her or his usual environment for at least one night but less than one year and the main purpose of whose visit is other than the exercise of an activity remunerated from within the country visited”.

Thus, a Tourist can be defined as- “A Tourist is a person who spends money and visits other country for a period of not less than 24 hours and not more than six months for legitimate non immigrant and certain purposes such as sightseeing recreation, sports, health, study, pilgrimage, business, official duties, conference, expedition, photography, film shooting, family reasons and other liking”.

The following are considered as Tourists-

1) Persons travelling for pleasure, for family or for health etc.
2) Persons travelling to meetings or in a representative capacity of any kind like scientific, administrative, diplomatic, religious and athletic, etc.
3) Persons travelling for business reasons.
4) Persons arriving in the course of cruise, even where, they stay less than 24 hours.

The following are not considered as Tourists-

1) Persons arriving, with or without a contract of work to take up an occupation or engage in any business activity in the country.
2) Persons coming to establish a residence in the country.
3) Students and young persons in boarding establishments or schools.
4) Residents in a frontier zone and person domiciled in one country and working in an adjoining country.
5) Travelers passing through a country without stopping, even if a journey takes more than 24 hours.

Indian Government has adopted following definition of tourist- “A foreign tourist is a person visiting India on a foreign passport and staying here for at least 24 hours with the purpose of his journey, which can be classified under the following heads-

1) Leisure-recreation, holiday, health, study, religion and sport.
2) Business, family, mission, meeting.

The following categories are not regarded as foreign tourist-
a) Persons arriving with or without a contact to take up an occupation or engage in activities remunerated for within the country.

b) Persons coming to establish residence the country.

c) Excursionists-temporary visitors staying less than 24 hours in the country. It includes travelers on cruises.

Hence, the broad spectrum of the definitions available have thrown a greater emphasis on the time factor and duration of stay while defining a tourist, whereas the motive of tour have been accorded a coordinating factor.7

2.2 Definition of Tourism

According to Robert W. Macintosh- “Tourism is the sum of the phenomenon and relationship arising from the interaction of tourists, business suppliers, post government and post communities in the process of attracting and hosting these tourists and other visitors”.8

According to Hermann V. Sehullard- “Tourism as an industry comprises the sum total of operation, mainly of an economic nature which directly relates to entry, stay or movement of foreigners inside and outside a certain country, city or region”.9

According to Hunziker Krapf- “Tourism is the sum of phenomenon and relationship arising from the travel and stay of non residence, in so far they do not lead to permanent residence and are not connected with earning activity”.10

According to WTO recommendations- “Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes”.11

Tourism has also been classified as:

1) Domestic tourism: involving residence (visiting) of a country visiting their own country.

2) Inbound tourism: involving non residence visiting a country other than their own.

3) Outbound tourism: involving residence of a country visiting other countries.

These three basic forms of tourism can in turn be combined to drive the following categories of tourism-

a) Internal tourism: This comprises domestic tourism and outbound tourism.

b) National tourism: This comprises domestic tourism and outbound tourism.

c) International tourism: which comprises inbound and outbound tourism.12
Tourism is a combination of activities—services and industries that delivers a travel experience namely transportation, accommodation, eating and drinking establishments, shops, entertainment, activity facilities and other hospitality related services available for individual or groups that are travelling away from home. It comprises all visitors’ related services. Tourism comprises of all the activities relating to travel, hotels, transportation and all other components including promotions that serves the needs and wants of travelers. Finally, tourism is the sum total of tourist expenditures within the geographical boundaries of a nation or a political sub division of transportation centered economic area of contiguous states or nation.

**Excursionists:** Persons travelling for pleasure for a period of less than 24 hours are treated as excursionists.\(^{13}\)

**Visitor:** The UN conference on International travel and tourism (Held in Rome in 1963) define the term visitor for the purpose of statistics as—“Any person visiting a country other than in which he has his usual place of residence, for any reason other than following an occupation remunerated from within the country visited.”\(^{14}\)

**Foreign tourist:** According to the definition of the committee of statistical experts of the League of Nations in 1937 a foreign tourist is described as—“Any person visiting a country, other than that in which he usually resides, for a period of at least 24 hours”\(^{15}\).

**Domestic tourist:** According to the National Tourist resource review commission which published its worth 1973, the term domestic tourist means—“someone who travels away from his home for a distance of at least 50 miles (One way) for business, pleasure, personal affairs or any other purpose except to commute to work whether he stays overnight or returns the same day.”\(^{16},^{17}\)

### 2.3 Types of Tourism

Tourism as a whole is a broad term that includes any person staying outside of his or her normal environment for between one day and one year for recreational, leisure or business reasons. Some of the types of tourism\(^ {18}\) are as follows:

**Adventure Tourism:** As different kinds of tourism go, **adventure tourism** is probably one of the most adventurous. Travellers head for remote, exotic and possibly hostile areas to explore cultures or activities outside of their comfort zones.
**Cultural Tourism or heritage tourism:** It involves immersion in a society’s lifestyle, its people’s history, its art and architecture, its religion, and any other elements that have shaped it and its people. It can also include participation in a culture’s rituals or festivals. This is related also to **culinary tourism,** where travellers pursue unique and memorable drinking and dining; and **ethno tourism,** where travellers observe a country’s native people without the intent of scientific gain.

**Ecotourism:** As part of the green movement, **ecotourism** is defined as small-scale, low-impact travel to fragile, untouched and protected areas. Ecotourism entails travelling to places that are renowned for their natural beauty and social culture, while making sure not to damage the ecological balance. Ecotourism pertains to a conscious and responsible effort to preserve the diversity of a naturally endowed region and sustaining its beauty and local culture. This type of domestic and international tourism strives to educate, provide funds for conservation, benefit economic and political development and promote respect for cultures and human rights. A lot of times this involves volunteer work and the promotion of recycling, energy efficiency, water conservation and implementation of economic opportunities.

**Health Tourism:** Also called **medical tourism,** this form of tourism describes the practice of leaving the country to get healthcare, or of providers travelling to deliver healthcare. It can be highly dangerous if the quality of treatment is low or the facility is not accredited, but it includes complex surgeries, cardiac surgery, dental surgery and even cosmetic surgery. Often in these cases, the providers are practicing outside their area of expertise or at a lower standard of care.

**Religious Tourism:** Also referred to as **faith tourism,** this type of tourism encompasses people of faith who travel independently or in groups to holy cities or holy sites for fellowship, missionary or pilgrimage. The largest mass faith pilgrimage takes place annually in Mecca, Saudi Arabia, and many religious pilgrims are not travelling for the same reasons as those pursuing other different types of tourism. Often, they list a tangible understanding and appreciation of their religion, a feeling of security in their beliefs, and personal connection as the main purposes of faith travel.
Space Tourism: Space tourism is travel in space. Most of this is done for business purposes because the average person cannot afford a quick gateway to outer space … though it can be done! The Russian Space Agency is the only one that offers it, but allegedly it comes in at a whopping $20-35 million per flight. That definitely makes the price of simpler types of domestic tourism seem like pocket change!

Voluntourism: This growing form of tourism features travel for charitable or volunteer purposes – this is one of the more popular types of domestic tourism, but can also reach internationally. Trips can range from wildlife cleanup to medical aid in a foreign country, and more. Also included in this is travelling for the purpose of scientific research to promote understanding and necessary actions needed for a sustainable environment.

Wildlife Tourism: In its simplest definition, wildlife tourism is the observation of wild animals in their natural habitats. It is especially popular in countries with large areas of undeveloped land, such as Africa, South America, Australia, India, Canada, Indonesia, Bangladesh and more.

Educational Tourism: Educational tourism developed, because of the growing popularity of teaching and learning of knowledge and the enhancing of technical competency outside of the classroom environment In educational tourism, the main focus of the tour or leisure activity includes visiting another country to learn about the culture, such as in Student Exchange Programs and Study Tours, or to work and apply skills learned inside the classroom in a different environment.

2.4 Tourism Attractions

The earliest known tourist attractions were the sphinx and three great pyramids of Giza. There is no doubt that attractions are the main motivations for travel. However, as important as attractions are in motivating the tourist to travel, the attraction frequently receives the smallest portion of the tourists’ expenditure.

The opportunities for sightseeing, shopping, entertainment, gaming, culture and recreation play an important role in determining the attractiveness of a destination. Tourism attractions can be divided into cultural, geographical, events organized,
recreation and entertainment. The overview of tourism attractions are summarized in the above table 2.1.

<table>
<thead>
<tr>
<th>Cultural</th>
<th>Geographical</th>
<th>Events</th>
<th>Recreation</th>
<th>Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical Sites</td>
<td>Landscape</td>
<td>Mega event</td>
<td>Sightseeing</td>
<td>Theme parks</td>
</tr>
<tr>
<td>Cuisine</td>
<td>Seascape</td>
<td>Community</td>
<td>Golf</td>
<td>Amusement</td>
</tr>
<tr>
<td>Monuments</td>
<td>Parks</td>
<td>Festivals</td>
<td>Swimming</td>
<td>Casino</td>
</tr>
<tr>
<td>Industrial Sites</td>
<td>Mountains</td>
<td>Religious</td>
<td>Tennis</td>
<td>Shopping</td>
</tr>
<tr>
<td>Museums</td>
<td>Flora/ Fauna</td>
<td>Sports</td>
<td>Hiking</td>
<td>Facilities</td>
</tr>
<tr>
<td>Ethnic</td>
<td>Coasts</td>
<td>Trade shows</td>
<td>Biking</td>
<td>Arts centre</td>
</tr>
<tr>
<td>Concerts/</td>
<td>Islands</td>
<td>Corporate</td>
<td>Winter Sport</td>
<td>Sports complexes</td>
</tr>
<tr>
<td>Theatre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architecture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table: 2.1: Types of Tourism Attractions

(Source: Lim Tau Sian et al, “TQOU I - FUNDAMENTALS OF HOSPITALITY AND TOURISM MANAGEMENT”, Instructional Manual, Centre for Instructional Design and Technology (CIDT) Open University Malaysia, Version September 2009.)

2.5 Providers of Hospitality and Tourism Services

The providers of hospitality and tourism services are summarized in the following figure 2.1.

Figure 2.1: Providers of the hospitality and tourism industry

The tourism and hospitality industry comprises of various sectors, i.e. lodging, food and beverage component (accommodation sector), transportation component, travel and tourism component (travel organizers sector), entertainment and recreation component and government sector.

### 2.6 Benefits of Tourism

Tourism’s most visible benefit is direct employment in hotels, restaurants, retail establishments and transportation. A second but less visible benefit consists of support industries and professions (such as yield management consultants, university tourism professors, and others), many of which pay considerably more than the visible employment opportunities such as restaurant personnel. The third benefit of tourism is the multiplier effect as tourist expenditures are recycled through the local economy. Governments use economic impact models to estimate overall employment gains in goods and services consumption resulting from multipliers. Tourism’s fourth benefit is state and local revenues derived from taxes on tourism. Tourism helps shift the tax burden to non-residents.

Some people and businesses benefit from tourism, others may not. Even though a destination’s economy may be better off from tourism, residents sometimes feel that losses in quality of life, convenience, and cultural and social values are not worth the economic benefits.¹⁹

Some of the importance of tourism²⁰ are listed below:

1. Impact of Tourism on Income creation.
2. Tourism – As a source of foreign exchange earnings.
3. Employment generation effects of the tourism.
4. Tourism impact on balance of payment
5. Infrastructure development and tourism.
6. Contribution of tourism to national income
8. Increase in investment opportunities.
9. Helpful to balanced regional development.
2.7 Factors Affecting the Hospitality and Tourism Industry

The tourism industry is regarded as an important source of revenue and livelihood both globally and domestically. However, various incidents in human history have led to a fall in tourist arrivals. Incidents such as the foot and mouth disease (FMD) in several parts of the United Kingdom, the infamous terrorist attacks of September 11 in the United States and Severe Acute Respiratory Syndrome (SARS) in 2003 have significantly caused reduction in world tourism arrivals.

In general, the factors that most commonly affect the hospitality and tourism industry are as follows:\textsuperscript{21}

**Changes in Destination:** The choice of places visited by tourists for holidays or leisure has changed over time. This is due to the fact that some destinations have become unfashionable while others fall into decline as a result of unpopularity and underinvestment. The changes of society have created new destinations through proper planning and support by various parties. For example, the rise of ecologically friendly conscientiousness among tourists has encouraged the development of ecotourism globally.

**Customer Types:** Tourism marketers adopted a greater use of market segmentation in the industry and this has led to the focus of more varied customer groups. The groups are sub-divided into:

- Leisure travellers
- Business travellers
- Independent travellers
- Age-specific groups
- Package holidaymakers

**Length of Stay:** The evolution of customers’ demand where flexibility is constantly demanded has caused the tourism industry to become more responsive towards this expectation. Some customers are more into choosing shorter breaks especially during the weekends. In addition, more firms are adopting flexible working patterns and this has enabled employees to have long holidays in their career breaks.
Variety of Things to Do: Changes in social factors such as demographic changes and trends towards healthier lifestyles have encouraged:

- Extreme and risk sport holidays
- Adventure holidays
- Leisure and activity-related breaks

Political Aspects: Can be further classified into:

(a) War on Terror: Recent rise in terrorism attacks have caused security concerns which created serious impact on the tourism industry and has eventually led to:

- Demise of certain destinations
- Increased business failures
- Loss of expected growth in other destinations

(b) Security and Safety:

- Airport security seen as priority in order to attract more investment.
- Expense of technological solutions to detect terrorists.

(c) Health: New epidemics have significantly affected travel and tourism industry. Example of previous well-known epidemics is SARS which had a severe impact on Asia.

Technological Change: (a) New Transportation: With the invention of new transportation systems, the development of the tourism and hospitality industry has continued to increase since the turn of the new millennium. Examples of new transportation methods include:

- Super ferries and cruise ships
- New land bridges
- Space tourism

(b) E-commerce: Growth of e-commerce has facilitated online booking and purchasing, which in turns had positively affected the tourism and hospitality industry.

2.8 Status of International and National Tourism

Tourism is emerging as a major economic activity. It is highly employment oriented and has a huge foreign exchange earning potential. It is remarkable that irrespective of
many challenges - at times far reaching in nature like economic threats, war and political instabilities, natural calamities and the like tourism as an economic activity could withstand the test of the time and demonstrated its resilience as well as positioning in the modern way of living.

As per the report of IITTM & ICC report,\textsuperscript{22} the phenomenon of tourism since 1950 has been remarkable in terms of growth, spread and diversification. The international

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{image.png}
\caption{International Tourist Arrivals and Receipts- 1990-2010}
\end{figure}

(Source: UNWTO)

Tourist arrivals since then have grown from mere 25 million to reach 940 million in 2010. The fast growth and spread not only resulted the globalisation of people’s movements as never before but also contributed in creating a vibrant industry and opportunities for millions of people.

Figure 2.2 is revealing of the contemporary nature of tourism. During 1990-2010, international tourist arrivals grew from 435 million to 940 million, recording an average annual growth of 5.8\%, hiccups in some years notwithstanding. During this period, the international receipts also recorded considerable growth from USD 262 bn. to USD 919 bn., and its average growth has been more than double to that of the arrivals at about 12.54\%.

\textbf{2.8.1 Tourism Industry, World GDP and Employment}

With passage of time, the travel and tourism industry has evolved to become one of the largest and most dynamic industries of the global economy. A WTTC study has estimated in 2010 that the contribution of travel and tourism to the world GDP was to
the tune of 9%, whereas, its total employment effect was more than 235 million jobs, representing 8% of global employment (Table-2.2).

<table>
<thead>
<tr>
<th>World</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel &amp; Tourism Direct Contribution to GDP</td>
<td>In US$ bn</td>
<td>1377.85</td>
<td>1471.67</td>
<td>1647</td>
<td>1755.23</td>
<td>1641.27</td>
</tr>
<tr>
<td>2011 Price (US$ bn)</td>
<td>1692.25</td>
<td>1732.33</td>
<td>1787.9</td>
<td>1763.93</td>
<td>1711.85</td>
<td>1768.77</td>
</tr>
<tr>
<td>Real growth (%)</td>
<td>0.4</td>
<td>2.4</td>
<td>2.8</td>
<td>-1.5</td>
<td>-3.4</td>
<td>3.2</td>
</tr>
<tr>
<td>% share</td>
<td>3</td>
<td>2.9</td>
<td>2.9</td>
<td>2.8</td>
<td>2.8</td>
<td>2.6</td>
</tr>
</tbody>
</table>

| | In US$ bn | 4415.35 | 4768.24 | 5366.87 | 5907.13 | 5408.68 | 5701.95 |
| 2011 Price (US$ bn) | 5424.19 | 5618.8 | 5853.46 | 5852.7 | 5652.89 | 5754.96 |
| Real growth (%) | 3.3 | 3.6 | 3.6 | 0 | -3.9 | 1.7 |
| % share | 9.6 | 9.6 | 9.6 | 9.4 | 9.3 | 9 |

| | Real growth (%) | 1.1 | 3.3 | -0.6 | -0.2 | -2.3 | 0.9 |
| % share | 3.5 | 3.5 | 3.4 | 3.4 | 3.3 | 3.3 |
| In thousands | 95307.4 | 98473.9 | 97794 | 97527.6 | 95260.1 | 96130.5 |

| Travel & Tourism Total Contribution to Employment | In thousands | 256508 | 263553 | 271805 | 260838 | 252720 | 250565 |

Table 2.2: Economic Effects of Global Tourism and Travel Sector (WTTC)

2.8.2 Recent Trends in Indian Tourism

Tourism industry in India is on a great boom at the moment. India has tremendous potential to become a major global tourist destination and Indian tourism industry is exploiting this potential to the hilt. Travel and tourism industry is the second highest foreign exchange earner for India, and the government has given travel & tourism organizations export house status.

Travel & tourism industry's contribution to Indian industry is immense. Tourism is one of the main foreign exchange earners and contributes to the economy indirectly through its linkages with other sectors like horticulture, agriculture, poultry, handicrafts and construction. Tourism industry also provides employment to millions of people in India both directly and indirectly through its linkage with other sectors of the economy. According to an estimate total direct employment in the tourism sector is around 20 million.
The tourist numbers and activities in India seem to suggest more of an optimistic scenario. The gloomy phase of 2008-09 has been mediated successfully with focused policy interventions and industry initiatives that in turn added momentum to the growth process. From a negative growth of -2.2% in 2009/08, foreign tourist arrivals increased considerably to register a growth of 8.1% in 2010/09. This turn-around is indeed encouraging given the fact that global economy was still recovering and has not reached its usual growth trajectory. Notwithstanding this, it is not heartening to mark that India’s share in the world tourism pie has never crossed the threshold of 0.7% at any point in time.

An emerging tourism demand scenario of this nature seems to suggest that 2011 may benefit India economically much better if one was to go by the WTTC (World Travel & Tourism Council) figures. For, direct contribution of tourism and travel to India’s GDP at constant prices for 2011 is estimated to be about 1.9% or Rs. 1570.5 billion and the same might reach 2% by 2021.

![Table-2.3: Contribution of Travel and Tourism Sector in India (WTTC)](image)

1. 2011 constant prices & exchange rates; 2. 2011 real growth adjusted for inflation (%); 3. 2011-2021 annualised real growth adjusted for inflation (%); 4. '000 jobs

Perhaps, total economic impacts of the sector is estimated to be much higher at Rs. 3680.4 billion (4.5% of GDP) and Rs. 8523.1 billion (4.9%) respectively during this period (Table-2.3).

As regards to employment generation in 2011, the sectors’ direct contribution worked out to be 5% and the total effects- direct and indirect together- to stand at 7.5% in the country’s total employment pie. Respective figures might rise to 5.2% and 8.1% by 2021 and such prospects need to be taken as an important indicator for concerted policy interventions and programming for tourism sector. Because, as already established, the sector has a key role to play in the eradication of poverty and
underdevelopment by way of creating employment and income opportunities for millions of the marginal and less empowered sections across the country.

2.9 Tourism Marketing

Now-a-days tourism sector has become the most powerful growth engine. Marketing involves a human activity directed at satisfying the needs and wants through exchange processes. In context of tourism marketing, three important considerations get the weight-age, firstly, generation of profits by the tourist organisations, secondly world class services to the tourists who help in satisfying them and the third positive contributions of tourist organisations to the process of social transformation and ecological balance.

Tourism marketing can be defined in the following ways:

According to Krippendorf, “Marketing in tourism is to be understood as the systematic and co-ordinated execution of business policy by tourist undertakings whether private or state, owned at local, regional, national and international levels to achieve the optional satisfaction of the needs of identifiable consumer groups and in doing so achieves an appropriate return.”

In the words of Burkart and Medlick “Tourism marketing activities are systematic and co-ordinated efforts extended by National Tourist Organisation and/or tourist enterprise at international, national and local levels to optimise the satisfaction of tourist group and individuals in view of sustained tourism growth.”

In the view of above, the following points emerge regarding tourism marketing:

- It is a process creating a product or providing a service.
- It comprises fact finding, data gathering, analyzing (marketing research), communication to inform and promote (promotion), ensuring and facilitating sales, selection of marketing channels (distribution), coordination, control and evaluation (marketing planning and auditing) and developing professionally and sound personnel (people).
- It is an integral effort to satisfy tourists and more so, it is a device to transform the potential tourists into actual tourists.
- It is a safest way to generate demand, expand market and increase the market share.
• It is a managerial process to promote business.24

2.10 Marketing Mix for Tourism Services
Marketing mix is a strategic approach to achieve business goals by analyzing opportunities and threats in the environment, and interpreting them taking into consideration strengths and weaknesses of internal resources. The tourism marketing mix consists of 7 Ps’, i.e. product, price, place, promotion, people, process and physical evidence. To achieve success, a mix of 7 Ps’ needs to be developed in such a way that the ultimate mix provides satisfaction to the customers.

2.10.1 Product
Tourism product is a mix of facilitating service (and or goods) and supporting services (and or goods). Thus it is the combination of tangible and intangible elements. Tourism product, which is mainly the destination, can only be experienced. The views of the location travel to the destination, the accommodation and facility as well as the entertainment at the destination all form the tourism product.

The product mix for the tourism industry26 includes:

• **Attraction**: Natural, scenes, historic, artificial, beauties, socio-cultural, heritages, lake, parks, etc.

• **Accommodation**: Hotels, cottages, havelies, guest houses, dharamshalas, etc.

• **Transportation**: Airways, railways, roadways, seaways, subways.

• **Recreation**: Theatres, pubs, nightlife, music meetings, etc.

• **Restaurant**: Indian, Chinese, or any other theme based.

• **Shopping**: Artistic, handcrafts, handloom, books, garments, jewellery, etc.

2.10.2 Price
Pricing in tourism is a complex process. Pricing includes the prices of other services like transportation, accommodation, communication, etc. All are included in tourism package. Pricing depends on the geographic location of the destination, i.e. price vary from country to country and also from destination to destination within the country. Pricing also depends on seasonality. Tourists generally have the wide option to select from, depending on affordability, time schedule and other requirements. An
appropriate pricing strategy should be developed keeping in mind the long-term objectives, the target tourist segment, the loyalty and relationship value of the tourists, their economic status and the impact of price of a tourism product on supporting services and other tourist products.

2.10.3 Place

The success of tourism depends mostly on the decision of the channel network and the performance of the channel members. In tourism marketing, both direct as well as indirect channels are used. The roles of direct channels become more and more prominent with the development of information technology and world-wide web network (www). Consumers throughout the world can interact through the Internet directly for the sale of tourism products. Traditionally, indirect channels perform valuable services for the development of tourism. The tour operators varying from the individuals to big corporations having worldwide branch networking are playing the role of intermediaries and facilitating the flow of tourists to various destinations. The intermediaries provide value-added services by designing tour packages, integrating support services, facilitating services and taking all the responsibilities as a seller of a tourism product. In the eyes of the consumer, the channel member is the service provider. The experiences of the tourists at various destinations influence the quality perceptions of the consumers against the services of the distributor. Ironically, the distributor does not have any control over the management of the services offered at various destinations. The critical aspect has to be managed carefully by distributing organisations, by collecting feedback from the tourists and adopting appropriate recovery strategies.

The tourism departments of various governments have established contact offices at various travel stations (airports, railway stations and bus stations), to facilitate domestic as well as foreign tourists to reach their planned destinations. The contact offices also sell local tourist packages.

Distribution in tourism is mainly an independent business. Typically, these organisations operate on their own without integrating with the philosophies, goals and business approaches of the people/organisations/institutions managing destinations. This gap needs to be managed to strengthen tourism.
2.10.4 Promotion

To attract tourists from various parts of the world, a powerful communications campaign needs to be undertaken. The success of a tourism product mostly depends on the promotional programmes or external marketing efforts. The components of the promotional mix such as advertising, personal selling, sales promotion, publicity and direct marketing are useful for the communication campaign. Word-of-mouth communication is capable of creating a powerful impression in the minds of consumers. By taking into consideration the scope, limitations and applicability of various elements of the promotion, an appropriate mix has to be developed for the external marketing campaign. The design of the message and the selection of media are crucial in this respect. Word-of-mouth communication, which is not controllable, has to be observed and the formal communication campaign should be aligned with it for generating positive results.

External marketing aims at creating awareness and knowledge of tourist destinations. It also aims to persuade and train, if necessary, the target customers to have a qualitative tourist experience. The rapid pace of change in information and communication technology provide powerful arsenal to service organisations. The tourism sector should exploit these strengths to make their promotional campaign effective and demanding.

2.10.5 Physical Evidence

The design of the physical environment at tourist destinations is a key factor in influencing the perception of the customer. Since the product features are varied and often independent, probably with different ownerships, the management of physical environment becomes highly challenging. Everything present at the destination point has the capacity to influence the quality evaluation of the tourist. The issue of concern also varies from destination to destination. If the tourist spot is a natural place, care needs to be taken to preserve the beauty of nature by reducing the effect of the artificial man-made structures and other elements. If there is a traditional monument, a temple, a religious identity or an entertainment and fun environment, an appropriate destination-related strategy has to be worked out to create a tangible feeling of evidence in the minds of the people. The evidence also needs to be developed and
communicated with respect to all support services that are associated with the tourism product.

2.10.6 People
There are three categories of people involved in tourism. They are employees of the tourism department, tourist guides and distributors/employees of the distributing organisations. Human factor plays a key role in creating value perceptions to the consumers. The people involved in marketing tourism services should possess specialised qualities in communication, knowledge of tourism product offers, support services, foreign languages and cross-cultural facets. These qualities are required because of their interaction with people belonging to different cultures, knowledge levels, lifestyles and personality dimensions. Employees adopt themselves quickly to customers. To develop the qualitative force of service personnel for tourism, the following issues may be considered:

- Recruitment and selection has to be taken up with an objective of taking qualitative personnel, who are capable of creating quality perceptions in the tourists.
- Service personnel need to be given induction training and periodic training on basic skills as well as the required skills for adapting to changing environmental dimensions.
- Tourism is strenuous and challenging since it involves handling of new customers with varied behaviours, abilities and expectations, travel on schedule timings; and many hurdles and disturbances. Therefore, employees need to be kept motivated.
- Employees are to be regularly provided with information relating to development in tourism.
- Support material and services required should also be provided.
- A proper evaluation system and an appropriate reward system have to be designed to identify meritorious performances and to acknowledge them.
- A compensation plan should not only motivate the employees but also help in retaining them.
The character of service personnel is very important in tourism. Service personnel who are identified with inappropriate behaviour should be removed from service. The internal marketing concept should be applied for the management of the people in tourism services. Satisfied employees will deliver quality services. The needs and expectations of the employees should become the fundamental base for designing all human resource policies. Considering the employees as the first customers and satisfying them is the main theme of internal marketing. When such a theme is followed in tourism, a powerful force of performers gets developed.

2.10.7 Process

A tourist expects that his/her tour programme right from the beginning to the end of the programme should pass freely from stage to stage, without any hurdles. The management of the service process aims at simplifying customer interactions and customer participation in the service process. The systems, policies, procedures, equipment, tools, people and other support services need to be customer friendly. The way the entire service environment responds to the customer needs and requirements reflects the efficiency of the process management.

Tourists get away from their comfortable normal routine. Therefore, their dependency on the service provider for generating a value experience will be very high. They have to manage three stages in the process. They are: pre-tour preparatory process; tour process; and return process. The service providers’ role in facilitating these three processes is pivotal. These processes are influenced by economic, legal and administrative and infrastructural system of various regions and social, cultural, demographic and psychographic factors of the tourists. It is a Herculean task for the tourists, to make all the arrangements on their own. Therefore, they look for someone to relieve them from the burden. When service firms take on the responsibility of these processes and perform much better than what an individual tourist can do, it adds to the value of the services provided to the customers. The tourist feels relaxed and can concentrate on exploring new values in the tour programme.27

Thus, the 7 Ps appear as core decision variables in any marketing plan. Careful management of these Ps is essential to the successful marketing of tourism services.
2.11 Role of Ministry of Tourism

2.11.1 The Organisation

Ministry of Tourism is the nodal agency to formulate national policies and programmes for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, the State Governments/ Union Territories and the representatives of the private sector.

Secretary (Tourism), who is also the ex-officio Director General (DG) of Tourism, is the executive chief of the Ministry. The Directorate General of Tourism, which is an attached office of the Ministry, has 20 field offices within the country and 14 overseas offices. It also has one subordinate office/project, namely Indian Institute of Skiing and Mountaineering (IISM)/ Gulmarg Winter Sports Project (GWSP). IISM conducts various Ski and other courses in the Jammu & Kashmir Valley. The overseas offices promote Indian tourism in the markets abroad.

The domestic field offices are sources of tourist information. They are also responsible for monitoring the progress of implementation of field projects by the State Governments in their respective jurisdictions.

India Tourism Development Corporation (ITDC) is the only public sector undertaking under the charge of the Ministry of Tourism.

The Ministry also has the following autonomous institutions

(i) Indian Institute of Tourism and Travel Management (IITTM). National Institute of Water Sports (NIWS) has merged with the IITTM.

(ii) National Council for Hotel Management and Catering Technology (NCHMCT); and the Institutes of Hotel Management.  

2.11.2 Role and Functions of Ministry of Tourism

The Ministry of Tourism has the following main functions:

(i) All policy matters including

a. Development Policies

b. Incentives

c. External Assistance

d. Manpower Development
e. Promotion & Marketing
f. Investment Facilitation
g. Growth Strategies
(ii) Planning
(iii) Coordination with other Ministries, Departments, State Governments/ Union Territory Administrations.
(iv) Regulation
a. Standards
b. Guidelines
(v) Infrastructure & Product Development
a. Central Assistance
b. Distribution of Tourism Products
(vi) Research, Analysis, Monitoring and Evaluation
(vii) International Cooperation and External Assistance
a. International Bodies
b. Bilateral Agreements
c. External Assistance
d. Foreign Technical Collaboration
(viii) Legislation and Parliamentary Work
(ix) Establishment matters
(x) Overall Review of the Functioning of the Field Offices
(xi) Vigilance Matters
(xii) Official Language Implementation of Official Language Policy
(xiii) VIP References
(xiv) Budget Coordination and Related Matters
(xv) Plan Coordination
(xvi) Integrated Finance matters
(xvii) Overseas Marketing (OM)
(xviii) Welfare, Grievances and Protocol

The Directorate General of Tourism is responsible for the following functions:
(i) Assistance in the formulation of policies by providing feedback from the field offices
(ii) Monitoring of plan projects and assisting in the plan formulation
(iii) Co-ordinating the activities of the field offices and their supervision
(iv) Regulation
a. Approval and classification of hotels, restaurants, Incredible India Bed & Breakfast (IIB&B) units
b. Approval of Travel Agents, Tour Operators and Tourist Transport Operators, etc.
(v) Inspection and Quality Control
a. Guide service
b. Complaints redressal
(vi) Infrastructure Development
a. Providing incentives
b. Tourist facilitation and information
c. Field publicity, promotion & marketing
d. Hospitality programmes
e. Conventions & conferences
(vii) Human Resource Development
a. Developing HRD Institutions
b. Setting standards and guidelines
(viii) Publicity & Marketing
a. Policy
b. Strategies
c. Coordination
d. Supervision
(ix) Assistance for Parliamentary Work
(x) Establishment matters of the Directorate General of Tourism as well as of the Ministry of Tourism.

2.11.3 Advisory and Coordination Mechanism

The National Tourism Advisory Council (NTAC), which consists of representatives from various Union Ministries, trade and industry associations and individuals from the field of tourism, serves as a Think Tank of the Ministry of Tourism for the development of tourism in the country. The NTAC was reconstituted in January, 2011.30
2.11.4 Policy, Principles and Framework

The potential of tourism as an important development option was underlined in the 11th Plan and that tourism was accorded the status of high growth sector during this Plan period. In pursuance, the budgetary support was increased to the tune of Rs. 4558 thousand crores, about 60% over previous Plan.

The cardinal principles for the tourism development are as follows:

- Tourism has been recognized as a primary means for achieving high economic growth to deliver the social objective of ensuring quality life for all stakeholders.
- Focus on integrated development of tourism through development of mega projects, circuits and destinations, based on India’s unique civilization, heritage and culture, in partnership with States, private sector and other agencies.
- To build India’s competitiveness as tourism product through enhancing the visitor experience across all dimensions. The essence of this being the tourists to gets “physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated” and “feels India within him”.
- According due importance to Domestic Tourism.
- Positioning India as a ‘value for money destination’ that delivers a superior visitor experience as compared to its competitors.
- Widespread partnerships between development agencies (Governments, PRIs, and NGOs) as the key to achieving decentralized but integrated tourism development and promotion.
- Building robust tourism market development through regional cooperation between tourism destinations, both domestically and internationally.
- Ascending information technology to the status of primary medium for the marketing and distribution of tourism products.
- Enhancing economic impact of tourism through furthering the linkages of tourism across the economy.
- The role of Government is to create an enabling environment where private sector investment can occur, as well as to take a leadership role in product development.
The cardinal principles adopted by the Central Government for the tourism development strategy are many pronged and rooted in the seven key areas envisioned in 2002 Tourism Policy Welcome (swagath), Information (suchana), Facilitation (suvidha), Safety (suraksha), Cooperation (sahyog), Infrastructure (samrachana) and Cleanliness (safai).31

2.11.5 Reform Measures and Policy Initiatives

To further the economic reforms policy of the Government, the Ministry of Tourism has endeavoured upon many concrete measures and initiatives. The thrust areas have been creating meaningful public private partnerships, alternate delivery mechanisms, social and gender empowerment, greater decentralization and transparency. Major steps being taken to the furtherance of these are as below.32

2.11.5.1 Fiscal and monitorly initiatives

- 2.5% of total outlay projected for 2011-12 has been earmarked for development of tourism in the tribal areas.

- With a view to boost the tourism industry an investment linked deduction under Section 35 AD to the hotel sector allowing 100% deduction in respect of the whole of any expenditure of capital nature (excluding land, goodwill and financial instruments) incurred during the year for establishing new hotel of 2 star category and above, all over India has also been made in the Union Budget 2010-11 announcements.

- The Ministry of Finance in the budget of 2008-09, had announced a Five Year Holiday from Income Tax to two, three and four star hotels established in specified districts which have UNESCO declared ‘World Heritage Sites’. The hotels should be constructed and start functioning during the period April 1, 2008 to March 31, 2013.

- For the Commonwealth Games 2010, a Tax Holiday for 5 years under Section 80-ID(1) of Income Tax Act for new hotels of budget category coming up between 01.04.2007 and 31.03.2010 in the National Capital Region had been announced.
• The guidelines for External Commercial Borrowing (ECB) have been relaxed which will solve the problem of liquidity crunch being faced by the hotel industry for setting up new hotel projects.

• Reserve Bank of India (RBI) has de-linked credit for hotel projects from Commercial Real Estate (CRE), thereby enabling hotel projects to avail credit at relaxed norms and reduced interest rates.

2.11.5.1 Product & Infrastructure Development

• For promotion of MICE (Meetings, Incentives, Conventions and Exhibitions) the Ministry of Tourism provides assistance for construction of one convention centre at any well connected and accessible tourist destination in each State/UT.

• Assistance for construction of heliports for opening up of destinations in accessible remote areas.

• Development of nationally and internationally important destinations and circuits through Mega projects. To date 38 mega projects have been identified and of these 23 have been sanctioned. Efforts are being made for convergence with Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and development programmes/projects of other Ministries.

• A total of 23 tourism destinations/circuits have been identified in Phase-1 of the convergence scheme of the Ministry of Tourism.

• For facilitating development of international tourism infrastructure, provision of 2% architect’s fee as part of the project cost has been made.

• FAR / FSI has been enhanced and development charges for hotels in Delhi have been rationalized. The guidelines of the Voluntary Scheme for Approval of Guest Houses in the country has been announced to ensure good, clean and hygienic facilities as well as address safety and security concerns of tourists.

• The guideline for Classification of hotels was revised to incorporate the Code of Conduct for Safe and Honorable Tourism.

• The basic minimum standard for adventure tourism related activities, to ensure safety of participants/tourists in such activities as well as minimum acceptable
standards in terms of equipment and human resources as per the guidelines of the Ministry has been formulated for the benefit of tourists and stakeholders.

- The “Best Civic Management” has been instituted to encourage eco-friendly practices by various civic bodies in cities/towns/villages for the maintenance and upkeep of tourist sites/parks, etc.

### 2.11.5.3 Manpower & Social Sector

- The Scheme titled ‘Earn While You Learn’ with the primary goal to increase the number of student escorts for the travel trade is being pursued.
- The Hunar Se Rozgar Tak” has been launched for training of the poor youths to create employable skills in them.
- The Ministry of Tourism took several initiatives for developing tourism through bilateral and multilateral mechanisms.
- The efforts for providing assistance to tourism infrastructure in rural areas including capacity building of rural inhabitants to ensure development of rural tourism products, which fall on the way to well-known tourist circuits in the country is being continued. As a responsible tourism initiative, 168 rural sites are being developed as rural tourism products.
- Steps have been taken to prohibit discrimination of any form against women and to provide for equal opportunity and equal pay for equal work, irrespective of sex as enshrined in the Articles 15, 16 and 39 of the Constitution of India.

### 2.11.6 Quest for New Tourism Products

India’s Tourism Policy (2002) has accorded great importance for tourism product development and diversification to increase the number of domestic and international tourists. It goes without saying that India’s ancient civilization, cultural diversity, unmatched heritage sites and other cultural manifestations have allured the tourists through ages and would continue to be its prime USP. But, the tourist motivation and purpose of holidaying are undergoing fast changes and that makes it imperative to create new tourism product offerings to satisfy the new tourist class. The environmental consciousness among a large section of travellers, many are even transforming it as their lifestyle preferences, pose both opportunities and challenges to
create environment-friendly products and practices. They are also strongly inclined for such tourism practices optimally contributing to local economy and therefore travel trends can no longer be taken as fads.

To address fast changing tourist consumer preferences, India is also in the race for creating and re-creating diverse tourist attraction portfolios but that understandably should position around its core competence of cultural endowments. The continental characteristics as being manifested in the diverse geography, culture, people and way of living would enable India’s endeavours much easier to position it as one of the most vibrant tourism destinations globally. Some of the latest tourism product development initiatives being pursued in this direction have been listed below to have a perspective of the country’s diversity and potential.33

- Rural Tourism
- Golf Tourism
- Adventure Tourism
- Medical Tourism
- Wellness Tourism
- Ecotourism

2.12 Tourism in Uttar Pradesh - Role of UPSTD

Uttar Pradesh, the heartland of India, is known for its heritage, culture and bounties of nature. It is home to some of the greatest monuments, the most ancient city in the world and the seat of Buddhism and the coloures of all faiths. Uttar Pradesh is a favourite destination for both foreign and domestic tourists. It is common destination for a quarter of all foreign tourists to India and all domestic tourists within India. It is the land that gave a new meaning to etiquette and continues to redefine the true meaning of love. There is this and much more to Uttar Pradesh.

It is also the most populous country subdivision in the world. There are 71 districts in Uttar Pradesh and they are grouped into 17 divisions. They are Agra, Azamgarh, Allahabad, Bijnor, Kanpur, Ghaziabad, Gorakhpur, Chitrakoot, Devipatan, Faizabad District, Bahraich District, Bareilly District, Basti District, Mirzapur District, Moradabad District, Meerut, Lucknow, Varanasi, Sultanpur, Farrukhabad and Saharanpur. The largest district in terms of area is Lakhimpur Kheri District. There are 403 constituencies in Uttar Pradesh.34
2.12.1 About UP Tourism

In order to prepare schemes relating to the development of tourism and to execute them, the Directorate of Tourism was established in the year 1972 of which the Director General is an I.A.S. officer. In 1974 the Uttar Pradesh State Tourism Development Corporation was established to look after the commercial activities which are a part of development of tourism. Its Managing Director is also an I.A.S. Officer. In addition the Food Craft Institute, Aligarh, which was under the control of Government of India, and later transferred to the Department of Tourism on 1-7-1985, providing training of subjects relating to tourism. In order to give training to students regarding the tourism and travel trade, a Tourism Management Institute has also been established in Lucknow which in now named as Manyawar Kanshiram Institute of Tourism Management (MKITM).
2.12.2 Organisational Chart of UP Tourism

(Source: UPSTD)

Figure 2.4: Organisational Chart of UP Tourism
2.12.3 Aim of Department of Tourism

Main aims of the Department of Tourism are as follows:

1. To do proper publicity about such places this, because of their historical importance, may attract tourists.
2. To maintain the historical, religious and cultural traditions of Uttar Pradesh and to promote them.
3. To provide cheap, clean and satisfactory facilities to tourists in matters of transport, accommodation, food and recreation.
4. To get factual and informative literature printed which highlight tourist spots and monuments, their cultural importance and other details, and makes such literature available to tourists which will serve as a guide and provide necessary information to them in order to help them to explore India.
5. To enhance and encourage the participation of the private sector in efforts of the state Government for providing necessary facilities to domestic and international tourists.
6. To organise cultural shows on occasion of different fairs, festivals and seminars with a view to attracting more and more tourists.

2.12.4 Key Elements of State Tourism Policy

The State Tourism Policy for Uttar Pradesh has certain specific objectives which need to be kept in mind for any coordinated development programmes for the region. These include:

- Tourism projects must be able to provide economic benefit to the local population and enhance employment opportunities.
- Quality must be a key consideration for any project approval.
- The project must be integrated through a master plan.
- Projects must improve and diversify the tourism product base, with a focus on adventure, religious and monument based traveler.
- The specific targets within the tourism industry include:
  - Increasing the hotel capacity of the region.
  - Increasing the visitation numbers.
  - Enhancing the investment in the tourism industry.
Increasing revenue per visitor through a superior visitor profile: better facilities and value addition to the tourism product.

These aspirations as projected by the State Tourism Policy, have the following strategies for development:

- Development of basic infrastructure as the key to attract tourism in the region; this would be undertaken by the government bodies.
- Importance of involving private sector to pursue meaningful development plans.
- Importance of planning tourists circuits through master planning.
- Dovetailing development funds from different sources.
- Improvement in the product diversity to attract a range of tourists.
- Restoration of heritage properties, since these forms the key to tourism potential in the region.
- Coordination between various government departments.
- Importance of effective marketing.
- Importance of setting standards and quality benchmarks,

The State Tourism Policy also mentions themed circuits, which have to be prioritised for development.

These include:

1. Buddhist circuit,
2. Bundelkhand. circuit;
3. Braj (Agra-Mathura) circuit;
4. Avadh circuit;
5. Vindhya circuit; and

The significance of projects as a vehicle to improve the employment pattern of the region and tourism product type is a key factor in the tourism policy. These must be kept in cognizance for identifying any project for development.  

2.13 Tourism in Madhya Pradesh – Role of MPTDC

Madhya Pradesh often called the ‘Heart of India’ has kept in its credit the most famous erotic sculptures in the world, the oldest cave paintings in the world, the oldest Buddhist Stupa in the world and the largest wildlife sanctuary in Asia is the sight
seer’s paradise. In the evolution of the history of India, the state of Madhya Pradesh has crossed the Paleolithic, Mesolithic, Neolithic, Chalcolithic and Iron Age where evidences of earliest human settlements have been found, where the Indian cultures have flourished in its own way. The words Madhya Pradesh means “middle province” which connotes its geographical location in the map of India surrounded by the states of Uttar Pradesh, Chhattisgarh, Maharashtra, Gujarat and Rajasthan.\[39\]

![Tourist map of Madhya Pradesh](http://www.dindori.nic.in/touristmapofmp.htm)

**Figure 2.5: Tourist Map of Madhya Pradesh**

**2.13.1 Tourism Policy of Madhya Pradesh**

With the view to speed up development of tourism in Madhya Pradesh, the state government announced a new tourism policy in January 1995. The new tourism policy envisages creation of an environment conducive to attraction increased private investment in the tourism sector, and a more meaningful role for the government. The focus shall be on the following areas:\[40\]
• Improvement and creation of adequate basic infrastructure – land, roads, water, electricity etc.
• Up-gradation and augmentation of accommodation, catering and recreational facilities.
• Augmentation of transport facilities.
• Marketing of destinations to ensure optimal use of infrastructure.
• Evolving suitable policies for increasing foreign exchange earnings.
• Promotion of the arts and crafts of Madhya Pradesh.

2.13.2 Role of State Government

The state government will confine its efforts to infrastructure development ensuring uninterrupted electricity, water supply and provision of basic medical facilities. It will also be responsible for dissemination of information, organisation of festivals and inter department co-ordination to create conditions for attracting private sector investment for the tourism sector. For this, it will provide fiscal incentives, assist in providing suitable sites and remove bottlenecks, especially those connected with infrastructure development.

A special package of incentives for the tourism industry has been prepared. These incentives will also be available for private entrepreneurs for any of the following activities:\textsuperscript{41}

• Hotels, motels and restaurants.
• Heritage hotels, health farms, recreation centers, ropeways, golf courses, museums, amusement parks, craft villages, convention centers, and all other bona fide tourism-related activities recognized by the government.
• A/C luxury coaches, A/C mini buses and imparted limousines purchased by registered tour operators for tourist transport. Activities connected with adventure tourism, such as hang gliding, parasailing, river rafting, boating, trekking, rock climbing etc.

The specific incentives are:

1. **Land**: Government land will be offered with the approval of the Empowered Committee as equity participation on behalf of the government at esurient market value for setting up joint ventures.
For construction of approved category hotels, etc. in the areas, exemption under section 20 of the Urban Land Ceiling Act will be made available on a case-to-case basis as decided by empowered committee.

2. **Luxury Tax:** New projects shall be exempt from luxury tax for five years from the date of commencement of commercial operations.

3. **Sales Tax:** New projects shall be exempt from sales tax for five years from the date of commencement of commercial operations.

4. **Entertainment Tax:** Entertainment centers shall be exempt from entertainment tax for five years from the date of commencement of commercial operations.

### 2.13.3 Madhya Pradesh Tourism Development Corporation (MPTDC)

MPTDC in the recent years has taken a multi-pronged strategy towards improving tourism in Madhya Pradesh. On one hand, the corporation has focused upon building tourism infrastructure in the state and increasing tourism products; on the other hand, it has put a lot of effort into marketing the state to provide the much required visibility, both nationally and internationally, as a potential tourist destination.

Over the last couple of years, however, the corporation has undertaken a number of initiatives to promote tourism, which includes production and showing of national and international films of tourist locations in the state. These films have been credited as being of particularly good quality and showcase the state’s attractions well. The corporation is also in the process of attracting private investments under the public-private partnership model. The corporation has earned the revenue of Rs. 35.11 crore in 2006-07 which is 51.93 per cent higher than the previous year.

While MPTDC is directly responsible for promotion of tourism in the state, there are in fact some other agencies, which have played and have the capacity to play a significant role in tourism promotion in the state. We briefly mention them and their roles here.\(^{42}\)
2.13.3.1 Madhya Pradesh Tourism Development Corporation
Formation and Functions

Madhya Pradesh Tourism Corporation (MPTDC) was incorporated in 1978. MPTDC has seven regional offices and five satellite offices functioning outside the state. The MPTDC has a body of 768 employees who looks after the running of the management units, housing units and transportation unit of the corporation. The MPTDC has made 42 residential units, seven non-residential units and 39 vehicles available for the tourists.

The corporation was incorporated with a corpus of Rs. 1 crore. The corpus has since increased to Rs. 25 crore. MPTDC strives to attract the tourists to various tourist sites in the state through appropriate advertisements. The corporation helps the tourist coming from outside the state by offering tour packages. The corporation also organises festivals/fetes with a view to encourage the folk art and culture of the state.43

2.13.3.2 Functions of MPTDC

1) Managing the residential and non-residential units at the tourist sites.
2) Providing information and literature to the tourists related to their tours.
3) Publication of tourism literature about the tourist destinations from time to time.
4) Making transportation available at the tourist sites.
5) To collect data related to the domestic and foreign arrivals at the 18 tourist destinations of MP through the directors of national parks and the Archaeological Survey of India.
6) Expedite reservation of accommodation in the residential units managed by the corporation.
7) To implement the decisions taken by the Advisory Committee, division level committees and the government.
8) To prepare proposals for the state and Central plans and the annual budget.44
References


2. Ibid.


14. Ibid.

15. Ibid.


18. Types of tourism Retrieved on September 2012, at:
http://www.uscollegesearch.org/blog/faq/tourism/what-are-the-different-types-of-tourism


26. Ibid., p. 295.


29. Ibid.

30. Ibid.


32. Ibid.

33. Ibid.

35. About UP Tourism, on the official website of UP tourism, Retrieved at:
36. Ibid.
39. Promotional Material of MPTDC
41. Ibid.
42. Material provided by MPTDC.
43. Ibid.
44. Ibid.