

# Challenges and Strategies – Enhancing Competitiveness of Indian Tourism Industry

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Competitiveness is a comparative concept, primarily applicable at the company or firm level (McFetridge, 1995) and indicates towards its willingness and ability to compete in a given market, but the contemporary usage of this term has extended its traditional meaning to new dimensions.

However, for one school of thought, competitiveness is equally applicable to all business enterprises, levels of government and nonprofit agencies and workers of the postmodern nation state. (Hillman C. H. 1992), but for another the underlying premise for competitiveness is - 'firms compete, and not nations', for example, according to Krugman - "The world's leading nations are not, to any important degree, in economic competition with each other" (Wikipedia). Similarly, Porter holds that - diversified corporate do not compete; only their business units do. Thus, according to the second school of thought competition occurs at the business unit level and hence the 'corporate strategy' must reinforce and focus on nurturing the competitiveness of each (business) unit.

From this perspective, Nations can be visualized as diversified conglomerates and its sectors, industries and firms as its diverse business units, and then the role, relevance, importance and impact of "Government Policies" (Corporate Strategy), on the competitiveness of its sectors, industries and firms (business units) is clearly elaborated and India (as a conglomerate) and its Tourism Industry (one of its business units) are no exception to this.

**Tourists, Tourism and Tourism Industry** – While 'Tourists' are people from surrounding areas or from other parts of the country or overseas, who travel around our State for various purposes. They may stay overnight or for longer periods, usually taken as less than a year; **Tourism** is "the temporary movement of people (visitors) from one area to another for activities related to - leisure, pleasure, social, recreational, knowledge-seeking, medical and business etc".

**Tourism Industry** is primarily service-oriented, people-based industry, in a largely seasonal business providing a wide range of services to 'tourists', often on 24X7 basis. It is unique because - 1) it is not a single, definable industry, instead it is made up of businesses and organizations belonging to various other industries and sectors and, 2) the interplay of all of these (businesses and organizations), when properly aligned, gives rise to Tourism Industry's ultimate product - 'the travel experience'.

**Structure of Tourism Industry** – a commonly held misconception is that tourism industry is made up of little more than hotels and motels, but in reality, it is much larger than that. However, a large part of tourism industry is a combination of Hospitality (a combination of businesses related to accommodation and dining) and Travel Industry (businesses providing transportation services (to tourists) through different modes). Other than these, there are numerous other businesses, which offer their services and products to the tourists and form a 'part' of the tourism industry. The chart given below indicates the vast and complex structure of Tourism Industry -

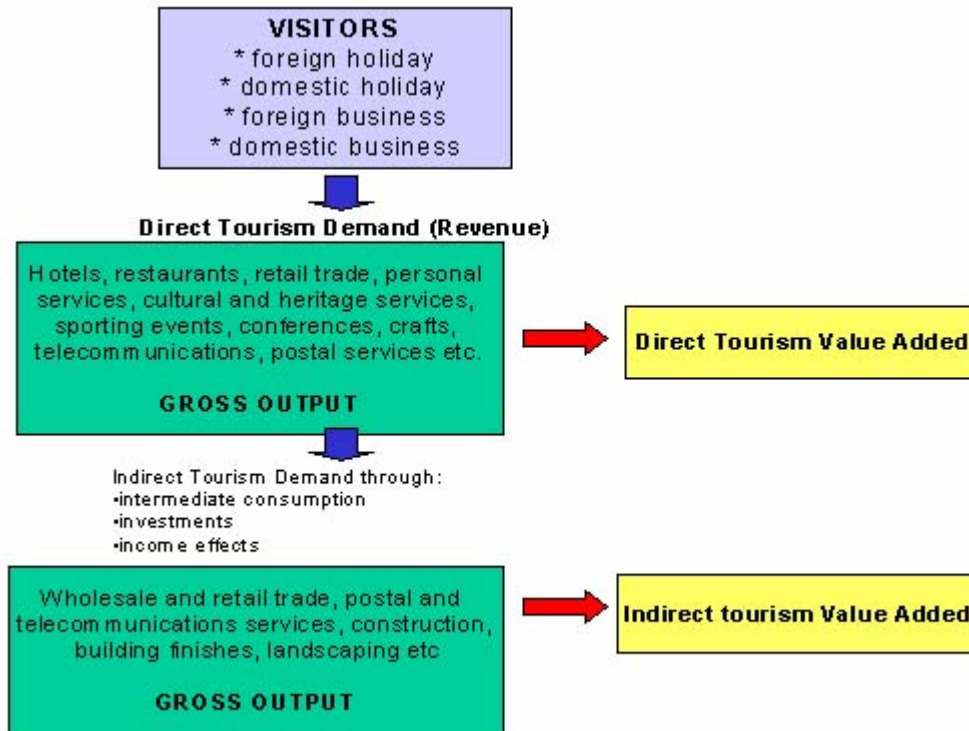
## Components of Tourism Industry

ACCOMODATION	
<ul style="list-style-type: none"><li>● Hotels &amp; Motels</li><li>● Appartments</li><li>● Camps</li><li>● Guest House</li><li>● Hostels</li></ul>	<ul style="list-style-type: none"><li>● Lodge</li><li>● Bed and Breakfast</li><li>● House Boats</li><li>● Resorts</li><li>● Cabins</li></ul>
ATTRACTIONS	
<ul style="list-style-type: none"><li>● Natural</li><li>● Cultural</li><li>● Educational</li><li>● Monuments</li></ul>	<ul style="list-style-type: none"><li>● Events</li><li>● Medical</li><li>● Social</li><li>● Professional</li></ul>
TOUR OPERATORS	
<ul style="list-style-type: none"><li>● Incoming</li><li>● Outgoing</li><li>● Cruises</li><li>● Day tours and sight seeing</li></ul>	<ul style="list-style-type: none"><li>● Adventure Tours</li><li>● Religious Tours</li><li>● Educational tours</li><li>● Special Interest</li></ul>
BUSINESS TOURISM	
<ul style="list-style-type: none"><li>● Incentive</li><li>● Meeting</li><li>● Events</li><li>● Exploring New Possibilities</li></ul>	<ul style="list-style-type: none"><li>● Meeting Organizers</li><li>● Event Organizers</li><li>● Conference Organizers</li></ul>
CARRIERS	
<ul style="list-style-type: none"><li>● Airlines</li><li>● Roadways</li><li>● Railways</li><li>● Ships</li></ul>	<ul style="list-style-type: none"><li>● Cruises</li><li>● Rent-a-cars and other vehicle hiring</li><li>● Local transportation (includes city-buses, auto/taxi, boats, trams, local trains etc)</li></ul>
DISTRIBUTION, COORDINATION AND FACILITATING SERVICES	
<ul style="list-style-type: none"><li>● Government Agencies (at all levels)</li><li>● Packaging agents</li><li>● Guides</li><li>● Tour Managers</li></ul>	<ul style="list-style-type: none"><li>● Ticketing Agents</li><li>● Tour Wholesalers</li><li>● Holiday Sellers</li><li>● Industry Associations</li><li>● Machinery and equipment hiring and leasing</li></ul>
RETAIL SERVICES	
<ul style="list-style-type: none"><li>● Art and Crafts</li></ul>	<ul style="list-style-type: none"><li>● Garments</li></ul>

<ul style="list-style-type: none"> <li>● Souvenir</li> <li>● Books</li> </ul>	<ul style="list-style-type: none"> <li>● Medicine</li> <li>● Luggage</li> <li>● All other retail shops used by tourists</li> </ul>
<b>DINING</b>	
<ul style="list-style-type: none"> <li>● At hotels (all kinds)</li> <li>● Local Restaurants</li> </ul>	<ul style="list-style-type: none"> <li>● Roadside joints</li> <li>● Cafeterias</li> <li>● All retail counters serving food and beverages</li> </ul>
<b>OTHER SUPPORT SERVICES</b>	
<ul style="list-style-type: none"> <li>● Insurance (travel, life, medical, luggage etc)</li> <li>● Recreational services</li> </ul>	<ul style="list-style-type: none"> <li>● Communication Services (Phone, fax, Internet, Postal services etc)</li> <li>● Banking Services</li> </ul>

Most players in tourism industry are SMEs which are neither a uniform group, nor able to deliver consistently high service quality and most importantly who don't see themselves as a part of tourism industry but play a crucial role in creating the overall tourist satisfaction.

**Economic Value Creation Through Tourism Industry** – Tourism Industry has always been a strong economic value creator – be it in terms of - earning forex or providing jobs or by means of boosting of related businesses. It creates 'economic value' through 'tourism sales' which is combined sales of all the above mentioned components of Tourism Industry. 'Tourism sales' can be further classified in 'direct' and 'indirect' economic value as explained through the following chart -



(Source - [www.joburg.org.za](http://www.joburg.org.za))

**Global Tourism Industry** - Globally, this is one of the fastest growing industries, thanks to higher disposable incomes, increased leisure time and falling costs and time of travel. Appreciating its potential as an economic value creator, nations are furiously competing for a larger share in this industry and are encouraging and promoting tourism like never before resulting in restructuring the Tourism Industry with innovative tourism products and marketing strategies in the offing, both for the players and the tourists.

**Competitiveness and Tourism Industry** – being competitive has emerged as a new challenge for tourism industries across the globe because of furious competition amongst nations for a larger share in the ‘tourism pie’. However, for ‘Tourism Industry’, competitiveness is a complex concept encompassing various aspects that are difficult to measure (Nishaal G; Guntur S. March 2005) and numerous challenges, including a complex structure, also limits the designing and implementation of competitiveness enhancing strategies for this industry.

**The Indian Tourism Industry** – Tourism in India is a booming industry, with India appearing in various lists of world’s ‘hot tourist destinations’. Indian Tourism is touching new heights based on the popular ‘judgment indicators’ used for the tourism industry – 1) tourist inflow and 2) revenues earned.

- **Tourist Inflow** - If considered in isolation, Indian Tourism Industry is attracting more tourists than ever before and the number is constantly increasing, but comparison between - ‘foreign tourist inflow in India’ and other popular international destinations, presents a gloomy picture. For example - India, a large country, attracted 3.9 million tourists in 2005 and New York, a city, attracted 6.8 million foreign tourists in the same period (www.nytimes.com. December 2006). Comparing India with its small neighbors like – Thailand, Singapore, Malaysia etc also fetch similar results. However, huge population base is making up for this through rapidly growing domestic tourism, both in numbers and in strength and recently for the first time in the history of Indian Tourism, outbound tourists from India exceeded the number of inbound tourists.
- **Revenues earned** - The second popularly used indicator for judging tourism industry is the ‘economic value’ generated by it and its contribution to the economy and on that count, Indian Tourism Industry scores high. Accounting for about 2.5% of the GDP, it also appears in the top five forex earner industries in India. However, World Travel and Tourism Council (WTTC) estimates suggest that the contribution of Indian Tourism Industry to the national economy will decline to 1.7% by 2016, but since that is relative to the rapidly growing GDP of India, it might not be a big cause of concern. Information and Research studies suggest a bright future for Indian Tourism Industry in terms of ‘economic activity’, like – according to ‘The Travel and Tourism Economic Research 2006’, Indian Travel & Tourism Industry is expected to grow by around 8% between 2007 and 2016 taking the generation of economic value to US\$128 billion.

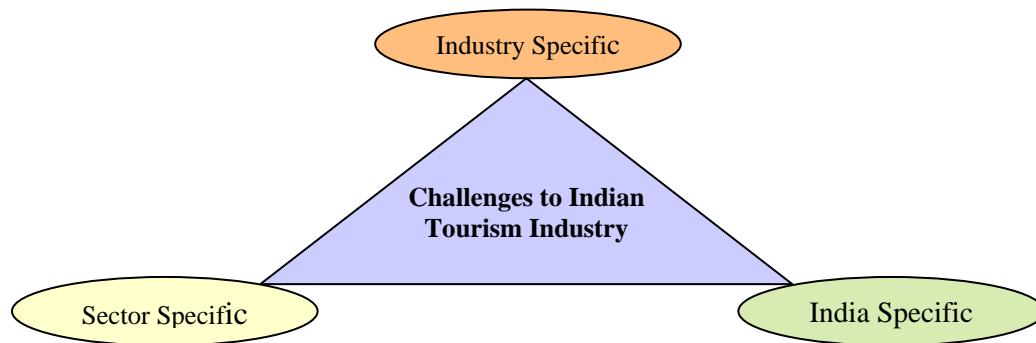
But even after this success of Indian Tourism Industry, it is not yet among the most competitive tourism industries in the world and inspite of India emerging as a ‘must see’ destination in recent years Indian Tourism represents only 0.8% of world market-share which is negligible looking at the potential it holds.

Another cause of concern can be India’s position in a research conducted by WTTC to understand the competitiveness of Tourism and Travel Industry of 174 countries, India clocked in at 89 on infrastructure, and 156 in its relative contribution to national economy.

**Present Scenario** - With commonwealth games (2010) insight and also after appreciating its potential as ‘economic value’ creator, Government is taking serious measures to promote tourism and is providing lucrative incentives to attract more players, but as usual in India, efforts and initiatives tend to founder on shoals created by political unwillingness to implement, civil strife, weakness in the infrastructure and contradictory administrative policies.

**Structural Changes** - Rapid growth and lucrative incentives are attracting new players (especially foreign players and Indian corporates) to this industry, and this is resulting in big structural changes and a transition - from traditionally being a 'mom and pop industry' dominated by individually owned SMEs and local / regional players, to the strong presence of 'organized sector' and 'chains' - is taking place.

**Challenges for Indian Tourism Industry** – on basis of current performance, Indian Tourism Industry can be termed as 'successful', but being 'successful' is very different from being 'competitive' and there are critical challenges which are negatively dictating and adversely affecting its competitiveness. These challenges can be classified into 3 broad categories:



**Sector Specific Challenges** - Being a part of the service sector, Tourism Industry faces the below mentioned challenges posed by the sector itself –

- **High Exit Barrier; Difficulty in trial** – One characteristic of services is that it is hard to escape from the consequences of a poor choice (of service and service provider). Tourists know this and they also understand that once they are at a destination, a U-turn is not easy. Hence, they are over cautious while deciding on the tourism services (choice of destination, transporter and hotels etc).  
Another service characteristic that affects tourism industry is 'reduced trialability'. Since the trialability is also almost nil in (tourism) services, in case of tourism industry, it is a prerequisite to have a good 'product' and a sound reputation in place, only then sustainable sales can be expected.
- **Word-Of-Mouth (WOM)** – WOM is crucial in selling of (tourism) services because usually the choice of destination is affected by WOM publicity. Here, it is important to realize that tourists tend to believe more on information from independent sources and less on promotions, thus, a destination may be 'pushed' through heavy promotion, but the length of its PLC is finally dictated by the WOM.

**Industry Specific Challenges** - certain challenges are related to the very nature of this particular industry and exist along with the industry around the globe, like:

- **Highly infectious industry** – Tourism Industry is very sensitive to environmental changes and it gets affected by them and reacts very fast to them, like - According to Star News (10 April 2007), a bollywood movie song resulted in increased tourist inflow to a destination (Khandala) and recently, in a couple of days after India got out of the cricket world cup,

- many tourists cancelled their tours to West Indies resulting in loss of Rs 30 Crore to tourism industry.
- **High Social Cost** – Tourism takes a toll on the resources (especially natural resources), and a large part of the revenues brought in by tourism is required for sustaining the resources, so the profitability of tourism industry is suspicious, especially in countries where proper ‘sustainability’ mechanisms are not in place.
  - **Intermediary Conflicts** - Components of the tourism industry have different commercial objectives, strategic interests and operational procedures, so as channel partners protect and advance their own interests, often at the expense of their partner’s gains, several intra-channel conflicts emerge inevitably. Major reasons behind such conflicts are -
    1. Price and Profit Margin Distribution
    2. Exceeding Vertical Integration generates Oligopolistic Behavior
    3. Operational issues - partners failing to fulfill their obligations or providing the service they promised
  - **Tourists rates the overall experience** – visitors tend to rate their overall experience at the destination and in the process they credit tourism industry for the performance of industries and sectors, which are not directly related to tourism. If ‘anything’ is not according to tourists’ expectations, it might go against the tourism industry, because the negative WOM will be generated for the destination.

**India Specific Challenges** - Some challenges facing Indian Tourism Industry are uniquely India specific, like –

**Sensitizing the diverse Human Resources** – It is an industry where even the behavior of general public affects the overall experience of tourists, and people associated with this industry vary significantly in their background, education, occupation and experience etc (an hotelier is totally different from a taxi driver), so having a ‘common program’ addressing everyone in this industry is inviting failure and neither it is easy to have so many different / customized programs. Finally, it is a big challenge to sensitize such a large number of diverse people simultaneously.

Although efforts (like – “*atithi devo bhava*” campaign) have been made to train and groom the HR associated with this industry, but they have not been as successful in achieving significant and measurable results as they were expected to, and neither much research has been done to measure and evaluate the impact of such efforts.

**Collapsing Hotel Infrastructure** – India has approximately 150000 hotel rooms, which are insufficient to meet the existing demand, let alone catering to new demand. Moreover, concentration of Hotels (approximate 7000 rooms are in Delhi itself) is causing an acute shortage of rooms in remaining areas which are no short of tourist destinations and attract a lot of tourists, thus further aggravating the problem. A comparison of number of hotel rooms is given below –

Country	Approximate No. of Hotel Rooms
China	900,000
Thailand	220,000
Indonesia	250,000
India	150,000

(Economic Times. March 2007)

**High Operating Costs** – Indian hotels suffer from high operating costs and this ultimately reflects in their higher prices. The biggest sufferer is the ‘budget tourists’ and even for those who can pay, when the facilities are not according to the prices it leads to dissatisfaction and also makes the destination unattractive for tourists. Following points highlights the prevailing crisis:

- In 2002, Delhi and Mumbai appeared in the top 5 cities with highest tax rates as percentage of overall lodging bill. (Report by World Travel and Tourism Tax Policy Center)
- Comparing with China - in 2005, rooms of similar quality for business travelers, cost on an average, \$187 in Delhi, \$178 in Mumbai versus \$122 in Beijing and \$150 in Shanghai. (Travel Business Analyst. www.nytimes.com. December 2006.)

Adding to all this, an unprecedented rise in real estate prices is working as an “entry barrier” for hotel industry, negating the government’s effort (incentives) to attract new players, thereby slowing down the pace of growth of hotel rooms.

**Transportation Chaos** – increasing number of airlines (from 2 to 10 in last 4 years) has rapidly increased the number of passengers, resulting in a virtual collapse of facilities at Indian airports. Moreover, there is no supervising authority, maintaining and monitoring the quality and standards of services delivered by airlines making an unpleasant experience a rule, rather than an exception. Indian Railways, another popular mode of transportation suffers from conditions worse than the airlines (in terms of reservations, punctuality, cleanliness, facilities etc). Since India welcomes tourists mostly from developed countries these problems convert their trip into a ‘mission’ and few return with good memories.

**Unfriendly Government Policies** – Till recent past, Tourism was perceived as an elitist activity in India and hence high tax rates and less budgetary provisions were the fate of its tourism industry. The table below refers to some main provisions affecting tourism industry in the last few years –

Year	Main Provisions affecting Tourism Industry
2003–04	Expenditure tax on hotels removed (from 10% levels earlier).
2004–05	Service tax rate increased from 8% to 10%. Service tax imposed on business exhibition services, airport services and travel agents.
2005–06	Corporate tax reduced to 30% from the present level of 35%, but the surcharge increased to 10%.
2006–07	Rate of Service tax for hotels increased from 10% to 12%. 5 year tax exemption given to budget and mid-market hotel projects.

(Economic Times. March 2007)

In spite of increasing provisions for tourism industry (like - provision for building tourist infrastructure increased from Rs.423 crore in 2006-07 to Rs.520 crore in 2007-08), India is one of the lowest spenders on tourism with tourism getting 0.72% in the 10<sup>th</sup> plan (India ranks 153rd in 160 countries in investing in tourism) while neighboring competitors invest far more: Malaysia (5.1%), Nepal (5%), Indonesia (8.4%), Maldives (15.7%), China (3.8%).

**Manpower woes** - population was formerly considered an evil for India, but now, be it industries in manufacturing or service sector, all are capitalizing on the ‘manpower’ which has been a blessing in disguise. Ideally, tourism industry should not be an exception, more so because it has earning and paying capacities and it is rapidly growing, so an obvious strategy to enhance its competitiveness is to equip it with the talent it requires, but unfortunately almost all components of Indian Tourism Industry are suffering from an acute shortage of skilled manpower.

As Hindustan Times Horizons reports (April 2007), India prepares approximately 18000 hotel management graduates annually which is very less than what is required, and more importantly only 5000 of these actually join the core industry and rest leave for more attractive avenues. Similarly, the demand for pilots is growing rapidly with the growth in number of airlines but a pilot training course which takes 9 months to complete in US takes around 3 years in India because of lack of adequate training infrastructure.



India not only lacks in training and development infrastructure, but there are other problems also which related to HR as indicated by the Director General of Archaeological Survey of India, answering about the reasons for poor condition of historical monuments in India, and he pointed towards the 'financial and infrastructural limitations of ASI'. This clearly implies that one of the highest earning industries of India is not able to manage recruitment for protection and site management for its 'heritage buildings' which are the most popular tourist attractions of India.

### **Strategies to Enhance Competitiveness of Indian Tourism Industry**

**Marketing : A Challenge and a Strategy** – Indian Tourism appreciated the importance of promotion and launched the 'Incredible India' campaign which is credited for successfully promoting, selling, repositioning and revitalizing the brand – 'India', through world class promotion campaigns and effective selling strategies conducted under its umbrella. Even at domestic level the State Tourism Development Corporations (STDCs) are now promoting their respective states to attract domestic tourists like never before and the good results are evident from the increasing number of tourists (foreign and domestic) coming in.

However, just 'pushing' India to the world and focusing only on increasing the tourist inflow is not addressing the competitiveness issue of Indian Tourism Industry, because for that, it is necessary to have 'satisfied customers'. Indian Tourism Industry has neglected 'customer satisfaction and retention' to a large extent and it is visible through little use of market research to measure and evaluate the following and other identical issues which elaborate on the satisfaction levels of existing tourists:

- Are tourists visiting destinations in India, going back 'satisfied' with the overall 'travel experience'?
- Do tourists actually find India as it is showcased in its Promotions?
- What is the probability of their recommending India to their counterparts back home?

Considering the problems mentioned above, prima-facie it can be said that - on basis of 'expectation – disconfirmation theory', it is more likely that tourists' expectations are being negatively disconfirmed in India.

**Effective Market Research to 'Understand Tourists' – A case of Mauritius Tourism** - Conducting extensive market research to know about the desired destination attributes and tourists' satisfaction might be one part of the overall 'competitiveness enhancement strategy' for Indian Tourism Industry.

In this context a research undertaken by Mauritius Tourism can serve as a model. It conducted a year long survey at their main airport and covered all tourists of their target market, at the time when they were leaving the country.

This research provided them critical insights about the experience and aspirations of their target market which helped in further boosting up their bread and butter industry by making it more attractive and pleasurable for those who matter. India can replicate the model after making obvious adaptations.

**Restructuring 'Organization Structure' and 'Planning Framework' - The Cases of Canada Tourism and Melbourne Tourism** – Beginning from the top level, in order to be competitive, a competitive 'organizational structure' and 'planning framework' are a prerequisite.

Structural setup at the top of Indian Tourism Industry is not sufficiently business / industry oriented and is adversely affecting the all important work of framing the plans, policies and guidelines, which then affect the implementation of the same at the lower levels.

The adverse affects are visible in the structure and working of the government owned establishments in this industry (tourist bungalows, hotels, railways and other transport, HR in TDC, destination management etc) who do not seem to belong to this industry.



Till the seventh 5 year plan (1985 – 90) tourism was never given the importance it deserves and poor planning and lack of coordination, characterized by ambiguity and vagueness and contradictory policies, led to an unregulated growth of tourism in India.

In other words the whole structure at the top and the foremost function of planning are not competitive enough to provide Indian Tourism Industry with a strong foundation and right direction. In this context, **the structural model of Canada Tourism** which is business oriented and suitable for a highly competitive environment, can be considered after obvious adaptations for Indian requirements.

Canada tourism has specifically chosen 10 destinations and divided them in 3 regions (Asia-Pacific, North America, European / Latin America) as their target market with separate marketing departments for each and in this way it has achieved accountability and focus. They research, identify and monitor the ‘key trends’ in tourism for each of their target market and on that basis conduct a thorough SWOT analysis of each region and finally, set specific priorities for each region as to what to achieve. This structure creates “target market specialists” who understand the tourists from their target markets and thus are better equipped to satisfy them.

The Marketing Department is engaged in top-level guidance, planning and research and it is supported by a sales department that implements marketing development activities and leads the media and promotion activities.

**The planning framework of Indian Tourism Industry can be redesigned, taking Melbourne Tourism Plan (2002-07) as a base.** Melbourne Tourism has adopted an ‘industry oriented outlook’ for making professionally designed specific plans for responding to changing consumer demands and other critical and contemporary issues, like:

- Destination marketing;
  - Product, branding and competitive positioning (of Melbourne),
  - Pricing,
  - Market segmentation,
  - Promotion and distribution
- Cross agency cooperation
- Site Management

Contemporary and detailed planning, which professionally addresses specific issues, has added to the competitiveness of their tourism industry and can very well do the same for Indian Tourism Industry.

**Effective Destination Management through Encouraging Business Operators for Adopting Higher Standards - Case of Great Barrier Reef Marine Park (Australia)** – Destination Management is another area where Indian Tourism Industry has performed miserably and negatively affects the impression of tourists.

The Great Barrier Reef (Australia) presents a remarkable case of destination management and it falsifies the great Indian myths about destination management that ‘large number of tourists and large areas are tough to manage’. This marine park has a boundary of 2300 kms. and it welcomes 2 million tourists and 4.9 million recreational visitors every year. The Great Barrier Reef Marine Park Authority (GBRMPA) has been created by Australian Tourism to manage this destination and the marine park has recently won the ‘best destination’ prize

GBRMPA encourages tourism business operators to take up – “The EcoCertification Program” (developed and operated by Ecotourism Australia, for ensuring, identifying and monitoring high standards in ecologically sustainable tourism operations and thereby helping in protecting and managing the destination) and it rewards business operators, if they adopt high standards or improve their performance in ecotourism through lucrative incentives, like – extending duration of their work permits, listing them on official website and publications (Australian Ecotourism Directory etc), showcasing them at various important tourism related events (exhibitions etc).

**Public Private Partnership is critical for enhancing competitiveness** – enhancing coordination and cooperation between public sector and private sector undertakings of the industry will help in creating a wholesome experience for the tourists. In this industry where both play equally important role, it is not possible for both to perform in isolation. Moreover, it will be a ‘win-win’ situation for both the sectors as both can benefit by each other’s expertise and resources. Following cases presents the profitable use of this interdependency –

- **Make the business operators realize that - ‘Tourism Survives Till The Destination Does’** - GBRMPA has made the ‘tourism business’ operators realize that for their business, they will ALWAYS need a healthy Great Barrier Reef. Increasing realization of this interdependence has led to the development of a strong active partnership significantly improving the destination management as well as competitiveness of tourism business outcomes at the Marine Park.
- **Handover the Funds in Right Hands – case of Vermont Tourism (USA)** has created “Fund for Tourism Marketing Initiatives (FTMI)” program. Under this, it awards financial grants (on merit basis) to local organizations for building / expanding events, marketing programs, advertising campaigns and public relations programs that hold significant potential for measurable increase in travelers to Vermont.

**Sensitize the Community for sustainable competitiveness** – Community is an important stakeholder in tourism industry and can play a vital role in enhancing its competitiveness through sharing the responsibility and thus easing out the job of sustainability and destination management to some extent, but unfortunately, in Indian Tourism Ministry this important stakeholder of tourism industry has been rarely involved and sensitized for such efforts. Following are a few cases which elaborate on community’s contribution in creating sustainable competitiveness for the tourism industry -

- **Case of Yufuin, (Japan)** – Yufuin differentiated itself from other “hot water springs destinations” by augmenting the tangible tourism resource of ‘hot springs’ with many intangible assets, including its unique vision that put a bold antithesis to regional renaissance that had traditionally been dependent upon government policies and subsidies.

The town made it clear that it would not seek resort development under the popular provisions of Resort Law of Japan. Alternatively, the owners / operators of hot-spring (ryokan) and local volunteers joined to review the town planning from scratch, and enacted a unique ‘landscape protection act’ to stop the wave of the construction of resort condominiums and create a menu of offerings such as a music festival that appeal to potential visitors.

Instead of just focusing on attracting more and more tourists, they focused on making the town an attractive place in which they can take pride in living and simultaneously combined local resources into a collective strength, resulting in a sharp increase in number of repeat visitors, visiting to enjoy the hot springs of “Yufuin” and performances by world renowned musicians. (Uemura C. March 2005)

- **Case of Vermont Tourism (USA)** – Vermont is a famous tourist destination in US well known for its historic ‘downtowns’. It is an excellent case of enhancing the competitiveness of the tourism industry through aggressive ‘local revitalization programs’.

This program demonstrates that how revitalization of communities builds the local economy and cultural institutions and also supports growth in sustainable tourism while simultaneously maintaining the heritage.

‘Vermont Downtown Program’ was established in 1994 to provide technical assistance and training to identified local communities to develop skills and strategies for their

downtown revitalization efforts built on for each community's history and historic buildings.

Similar programs have been started by few STDCs as they realize that destinations, especially the monuments, are large in number and widespread too. But such efforts hardly go beyond 'adoption of monuments / destinations by people or organizations' in monetary terms.

**Effective deployment of 'Human Resources'** – Although, some private players have opened their own academies to develop talent, but it is not possible either for the private sector or for the public sector, to cater to the growing demand single-handedly.

**'Private-Public Partnership' for development of world class academic, training and development infrastructure can be a remedy** and can enable the industry to take advantage of this most valuable and most widely available resource in the country.

Government should encourage infrastructure development in this area as well with a long term vision. It is very simple that adding more airlines and hotels would not lead to anywhere if there are not enough people to work for them and high training costs and recruiting from abroad will push the already high operating costs further.

**Conclusion** – Tourism Industry is a very dynamic industry and so are its challenges and strategies, therefore a learning approach towards 'best-practices' would yield better results in enhancing competitiveness of this industry. Also, the need for sound perspective in planning and "private-public-community" participation is imperative for this purpose.

This paper was an attempt to illuminate the area through simple yet effective examples and cases collected from around the world, based on their contribution in making their respective Tourism Industry more competitive. It leaves a background for further research, as assessing the implications of using the above mentioned 'best-practices' in Indian Tourism Industry can be another rewarding study.

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