

Understanding the Prospects and Challenges of Indian Tourism and Hospitality: The Road Ahead

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ABSTRACT: *The tourism and hospitality industries are emerging as strong pillars of the Indian economy. In the last decade, the growth in the share of tourism in the GDP has been remarkable. Therefore, the government is coming up with several measures for the promotion of the same. However, managers in tourism and hospitality come across several industry-specific challenges, which must be addressed to eradicate the problems. Marketing, finance, human resources, and all other functions in tourism and hospitality are in some way distinct from other industries. While drafting a strategy for the tourism and hospitality industry, one has to understand the intricacies of industry-specific details. The present study endeavors to take up a strategic analysis and thus results in an analysis of the challenges of finance, marketing, and human resources management in the tourism and hospitality industry. The paper also discusses the remedies to handle these distinct issues efficiently and deliberates the prospects of tourism and hospitality in India.*

Key Words: *Tourism, Hospitality, Marketing, Human Resource Management*

Introduction

Tourism and hospitality in India have grown immensely in the last decade (Shiji, 2016). Earlier there was only one popular form of tourism, which is leisure tourism for foreign tourists and religious tourism in the case of domestic tourists. However, the modern tourism industry has broken these conventional boundaries and new and innovative forms of tourism are going popular amongst tourists. However, along with the prospects, there are growing complications too for Indian tourism and hospitality. The industry faces a lot of strategic challenges. Also, there are growing concerns over the sustainability of tourism in India.

Marketing of Tourism Products

The marketing of tourism products is distinct from the marketing of conventional products. The intangible and perishable nature of tourism and hospitality services poses a plethora of challenges in front of the industry. Also, there is a need for sustainable and green marketing initiatives now (Jamrozy, 2007).

Marketing of Experiences

Contrary to product-based industries, tourism and hospitality are dependent on selling customer experiences. Though some of the ancillary industries in tourism such as mementos, souvenirs, and food are product-based, the major part of a tourism product is still based on the experience. The experience is highly intangible and involves a high variation. Therefore, marketing experiences is also more complicated than marketing products.

The key to this is engagement marketing, which also can be understood as experiential marketing. This is a marketing strategy that immerses customers within a product or deeply engages them. In short, experiential marketing enables consumers to not just buy products or services from a brand, but to experience the brand (Same & Larimo, 2012).

High Dependence on Word of Mouth

From the above argument, it is clear that marketing tourism and hospitality products need experiential marketing. This is also noticeable that the most effective promotional tool in this kind of marketing is word of mouth. As customers believe more in listening to the experiences of the existing customer themselves. Tourism and hospitality players must make use of customer testimonials, promoting customers to give honest reviews, rewarding them for rating the products in the public domain, using referrals for promotion, etc. Satisfied customers use positive word of mouth which is significant for marketing (Anderson, 1998). Especially in the digital age, social media platforms are important to promote products

faster and more effectively.

Dependence on Weather and Climate

Tourism and hospitality are highly dependent on certain climatic conditions. Although nowadays bookings are made quite in advance, the arrival of tourists highly depends on the favorable weather conditions. In case of extreme heat or cold, tourists find it difficult to enjoy the trips.

In such cases, the industry can get some predictions and provide discounts and subsidies in the unfavorable climate to promote tourism (De Freitas, 2003). Also, change in timings in the proposed itineraries can be done after discussion with the clients. They can also change the places included in the itinerary accordingly, for example, due to rains if the treks are canceled, still, a bonfire can be arranged in close premises.

Difficulty of Service Standardization

Tourism and hospitality, like any other service industry, faces the challenge of service standardization. Due to the high human interaction involved and perishable nature, the creation of experiences for the clients depends on a lot of human factors involved in the process.

The industry players must consider proper training of personnel of the industry and development of decision-making ability amongst them. This will empower them to take quick and accurate decisions, depending on the contingent factors. Also, employee empowerment will provide them with the authority to make crucial decisions on the spot, aiming to enhance tourist satisfaction with the experience. However, less service standardization also leads to opportunities for customization which can be leveraged (Ding & Keh, 2016).

Financial Management in Tourism and Hospitality

Financial management, like the marketing of the tourism and hospitality industry, also comes with several challenges such as unpredictable financial gains, vulnerability to the environment, high capital investment, etc.

Best practices of financial management in the hospitality industry include: forming an annual budget; designing a thorough financial tracking model; having constant audits and forming a reporting structure that aids managers to track profits and losses continuously.

Human Resources Challenges

Human resource management in the tourism industry is different from other industries. Being a service industry, the dependence of tourism and hospitality organizations is higher on human resources for service standardization, customer interaction, and satisfaction. The characteristics of services distinguish them from product-based industries. Human variation is higher in the tourism industry as well as the perishable nature of services leaves less scope for rectification of error. The tourism and hospitality industry is moreover based on customer experiences which are co-created by customers as well as the employees. There are several human resource concerns in the tourism industry (Kusluvan et al, 2010). The key concerns for human resource managers in the tourism and hospitality sector are:

Seasonal Nature of Employment

The turnover rate is very high in the tourism industry as at most of the tourist sites, tourism only flourishes for a fixed period in the year. For example, in the desert areas, winter is the best season for tourists, at the same time summers, are the best season for tourists in hilly areas.

Because of this issue, mostly the tourism industry recruits people for a fixed duration and during the off-season, employees are jobless. This creates an issue of commitment and job security amongst employees. As, search for a job essentially consists of looking for job security (Khasawneh, 2013).

Promotion of financial gains for employees during the season so that they can secure a good amount and can manage their expenditures conveniently during the off-season or no employment, must be ensured. A fixed part of compensation can be deposited in their savings account with a facility to withdraw during the off-season, this will lead to a belief amongst them that in the next season they will be employed by the same employer and they will also be motivated to work with a higher commitment and engagement for financial rewards during the season.

Balance of Skills and Conduct

In the tourism industry as the final product -the experience is co-created by tourist and industry personnel; the satisfaction of tourism is highly dependent on the personnel. In tourism, it is difficult to get the person

with the right set of skills and tourist-friendly conduct. In this industry, the behavioral skills of personnel are as important as other skills. The challenge is to find the right balance of knowledge, skills, and attitude. Tourism and hospitality managers must focus more on the employees with a positive attitude and righteous conduct and then they can impart the organization or industry-specific skills in their own short-term mandatory training programs. Tata's Taj group of hotels is an exemplary case in this aspect, as they focus more on the behavior and conduct of candidates while recruiting them. For conceptual and technical skills, they depend on their training programs which are majorly focused on what Tata wants from the employees. There is a need for a well-thought-out framework for talent management in the tourism industry (Parish, 2016).

Remote Locations

One of the major concerns for human resource managers in the tourism industry is, the non-availability of skilled personnel who are ready to work at distant and remote locations. As in the case of heritage, adventure, or rural tourism; the locations are distant and inconvenient, the trained personnel are reluctant to settle at such locations. Talent acquisition is a key concern in the tourism industry (Parish, 2016).

In such cases, the personnel from local communities must be recruited, as they are adapted for the climatic conditions, have a knowledge of local culture and heritage. They also work as a bridge between tourism industry players, tourists, and local people. They also can be instrumental in highlighting the local cuisine, activities, and heritage which in turn promotes heritage tourism.

The local personnel can be selected based on behavioral skills and further can be trained in knowledge and other skills essential for the tourism industry by industry people. This will also lead to community development and fulfillment of CSR objectives to some extent.

Other Challenges

Other than these functional challenges, there are several strategic challenges in India. There is a need for improved infrastructure, effective security measures, and sustainable tourism practices.

Lack of Sufficient Infrastructure

An appropriate infrastructure that includes proper transportation facilities, health facilities, stability, uninterrupted connectivity, and other human resources; is mandatory for stable tourism activities, and that is lacking in India. Most of the tourist destinations don't have the kind of facilities which are required to make foreign tourists comfortable.

The remedy for this is an area-wise planned development of infrastructural facilities. Road, electricity, internet, water, and hygiene must be the primary focus for the government as well as big tourism organizations. Corporations may join their hands together with the government to develop the required infrastructure. Transport infrastructure is very important for destination development (Khadaroo, & Seetanah, 2007).

Security Issues

Indian tourism industry faces a lot of challenges in the field of security and safety. Terrorism, abuse, thefts are reasonably higher in India in comparison to developed nations, which makes it a vulnerable tourism destination.

Government and tourism industry associates must publish and follow the safety and security regulations for tourists as well as tourism industry workers. This will encourage foreign tourists to visit India without any hesitation. Good infrastructure, facilities coupled with high-security measures will be proved as the key motivation for tourists. Security issues must be addressed effectively for tourism development (Mansfeld & Pizam, 2006).

Prospects of Indian Tourism and Hospitality

However, the Indian tourism and hospitality sector also has a lot of prospects and opportunities, with the growing popularity of tourism products such as heritage, cultural and rural tourism. Industry people are required to leverage these prospects and tackle those challenges tactfully in near future (Tiwari, 2012).

Rich culture and Heritage

India is a country with a rich heritage and culture. Indian culture, values, and traditions are the key attractions not only for foreign but also for domestic tourists. The local traditions, cuisines, and festivals

fascinate domestic as well as foreign tourists.

Climatic and Geographical Diversity

India is a country with large geographic diversity and beautiful climatic conditions. Right from The valleys of Kashmir to coastal areas of Rameshwaram, India has major tourist attractions such as planes, desserts, forests, and great flora and fauna.

Economic Contribution

In the Indian economy, the tourism industry has a significant share in the GDP. Tourism activities have grown popular in the last two decades which provides a base for a lot of economic activity (Mishra, Rout, & Mohapatra, 2011). The arrival of international tourists in India is a major source of foreign funds and Investments. Along with this, tourism also provides a lot of employment opportunities, be it the urban or local communities and people. Along with this tourism is also growing in rural areas, which leads to the economic inclusion of the rural population of India.

Invisible-Exports

When foreign tourists visit India, they generally buy a lot of souvenirs to preserve the memories of their trips. This leads to the export of a lot of handcrafted products, gems, and jewellery. This also contributes significantly to India's foreign income.

The Road Ahead

However, despite several challenges, tourism and hospitality are emerging as the most promising sector in the Indian economy. There are a lot of opportunities in this sector and several new forms of tourism are emerging such as rural tourism, medical tourism, education tourism, wellness tourism, heritage tourism, adventure tourism, etc. But with the growing opportunities, sustainability must be taken care of. In tourism and hospitality, there is a raising need for sustainable and green tourism practices. Tourism activities have to be planned in such a manner that hazards can be minimized. Tourism industry players must adopt green tourism practices to ensure the safety of the environment and climate and the beauty of the locations (Jones, A.,1987).

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